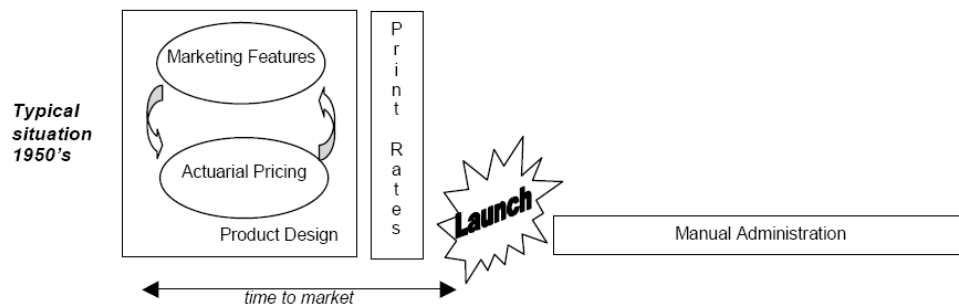


Product Development Time-To-Market Crisis

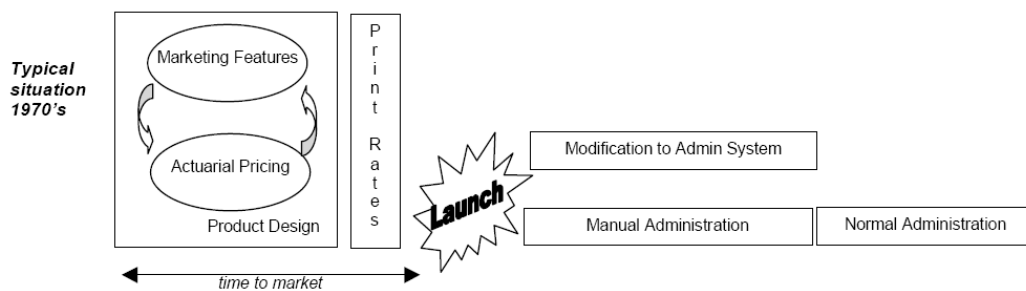
Before software was used to support the operations of life insurance companies the product development process still had all the inherent conflict between the demands of marketing and the constraints of profit-conscious actuaries; however there was one great advantage: once the design was settled all that remained to do was prepare rate book pages and train agents.

The increasing role of software in the sales process for insurance products has brought with it a dangerous cost. The further we head down the path of providing systems for agent illustration, web illustration, electronic proposal capture, and automated underwriting, the further we increase the cost and the time-to-market of launching a new product.

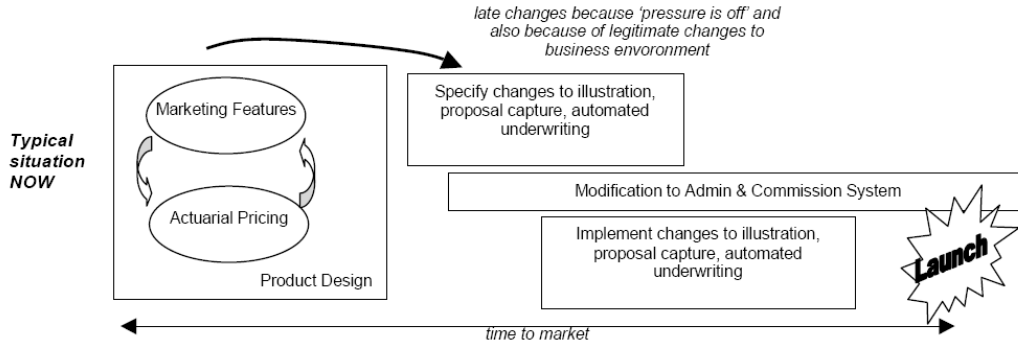
The following diagrams depict the 'evolution' of the product design process.



Once software was used to support the administration of policies, there was an increased back-end cost in implementing new products, but the timeframe for launch could remain much unchanged.



With the widespread introduction of illustration systems, and with innovations such as electronic proposal capture, automated underwriting, and web-based illustration, many companies are now a significant crisis in product design, due to the now very large 'tail' on the process.



The Value Flow approach addresses the time-to-market crisis in the following ways:

- by using the value-flow methodology to simplify and clarify product design
- by avoiding the need for separate business and system specifications: the value flow mapping is both the business description AND the system specification
- by significantly reducing systems costs because
 - configuring new products is relatively easy and does not impact the processing core or screens
 - and the one product definition (calculation rules and metadata) is used for all processes (illustration, administration, commission)

