BUILDING VS BUYING ADMIN SOFTWARE

Thur, July 27 @ 11:00AM CT

PCMI | ALPHA WARRANTY SERVICES

MARK NAGELVOORT

GREG KASPRZYCKI

JEFF ROBINSON

MCKAY WILCOX

pcmicorp.com/about/leadership

MARK NAGELVOORT

CEO

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A seasoned executive in the industry, Mark has dedicated 30+ years to developing software administration systems. He specializes in using his expansive knowledge to help customers establish all phases of their extended warranty programs including sales, policy and claim administration, risk management, and offshore reinsurance within our PCRS software.

PCMI
Your Technology Partner

GREG KASPRZYCKI

VP of Solutions

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greg.kasprzycki@pcmicorp.com

Greg has made an exceptional impact during his 12 years with the company. He has played a pivotal role in shaping the company's solutions department and driving its success. With extensive industry experience, our VP of Solutions has an in-depth understanding of the market, emerging trends, and customer needs.

JEFF ROBINSON

COO

linkedin.com/in/jeff-robinson-8b624a42/

Jeff joined the company in 2008 and through the years worked his way up to COO. He holds a B.S. in Business Management from Utah Valley University and an MBA from Utah State University. Jeff strives to solve important business problems using data and can often be found deep in a Tableau analysis. Jeff has been recognized as one of the top Risk/Underwriting experts in the industry.

MCKAY WILCOX

Senior Project Manager

linkedin.com/in/mckay-wilcox-mba-83294097/

McKay joined the company back in 2013 working in various roles and is currently serving as Senior Program Manager. He holds a B.S. in Business Information Systems from the University of Utah and an MBA from Utah State University. McKay has a passion for technology and strives to create tools and processes to enable everyone to be more efficient in their respective roles.

ALPHA®
WARRANTY SERVICES

AGENDA

1. Alpha Warranty's experience:
   - Legacy System Problems
   - Weighing their options
2. Build vs buy - factors to consider when evaluating
3. Alpha Warranty's decision:
   - Why they chose PCMI
   - Implementation
   - Results
4. Q&A

ALPHA WARRANTY'S EXPERIENCE

Legacy System **Problems**

How we knew it was time to switch

- Legacy system problems (uptime, stability, ransomware, etc.)

- Lack of confidence in team

- Couldn't achieve goals/lack of innovation

- We needed a system built with newer technologies, that could seamlessly connect with the tools we were building on the side

Fears of switching

- Converting is a huge undertaking

- We'll have to stop working on our technology tools and focus on a conversion

- How do we decide if we should:
  - build our own
  - outsource the development of a custom system
  - or partner with a company like PCMI?

Build In-house?

1

Should we build our own system with our in-house development team of roughly 8 developers?

Pros 👍

- We can build it exactly the way we want it

- In the long run, it's cheaper

- We can continue to customize it as our business changes

Cons 👎

- We'd need to hire more developers

- It would take all of our focus for years, we'd fail to innovate elsewhere

- What if we don't do a good job?

- Do we have the ability to even tell our developers what to build?

Outsource Devs?

2

Should we partner with a 3rd party development company to build us a custom system?

Pros

- We can build it exactly the way we want it
- There may be cost savings someday
- We own the code and all the data

Cons

- Up-front cost (likely millions)
- Dependent upon their timeline
- Do we have the ability to even tell our developers what to build?
- It would take a large amount of focus from our team

Buy?

3

Should we partner with a company like PCMI?

Pros 👍

- Implementing the system should be relatively quick, especially because of PCMI's expertise

- PCMI handles the majority of the training

- The system is designed for our industry and can handle the majority of what we need it to do, out of the box

- Relatively low up-front costs

- Likely new features that our legacy system didn't have

- System stability

- PaaS, we can connect our tools seamlessly

Cons 👎

- It may not have all the features that we're used to with our legacy system

- Less flexibility

- No substantial cost savings in the long-run

BUILDING VS BUYING

Factors you should consider when evaluating

Team

	Build	Buy
1	Takes time away from other major projects	Enables you to accomplish your business goals while vendor handles software needs
2	Longer wait times for enhancements	Agile sprint approach to regularly launch enhancements
3	Limited resources to properly test, address bugs, and write clean code	Proven QA and auditing processes
4	No designated support team	Dedicated support teams, often available 24/7
5	Limited number of staff know and understand the code	Full team of developers
6	Technical + Industry knowledge skill gaps	Specialist for each portion of the Software Development Lifecycle (SDLC) and subject matter experts

Mark & Jeff

Technology

	Build	Buy
1	Full focus isn't on optimizing the system	Only focus is building innovative administration software
2	Insufficient time to learn about newest technologies	Dedicated team focused on implementing newest industry technologies
3	Even less time to upgrade to newest technology stack	Automatic software updates with no disruption to business
4	Turns into an obsolete, legacy system without the right skill and time	Mission is to provide a future-ready platform

Greg & McKay

Security

|	Build	Buy
1	Usually hosted internally with little staff to monitor	Backed by 24/7 cloud hosting
2	Upgrades to the system could cause downtime	Proven uptime - customized infrastructure to ensure system is always running smoothly
3	Potential disruptions to your business	Detailed disaster recovery plan
4	Does not meet data compliance and security requirements	Ensures data compliance and security needs are met
5	Lengthy process that usually takes a dedicated team to get yearly security audit certification	Is held to governmental security audits as a registered company

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Features & Integrations

Build

Buy
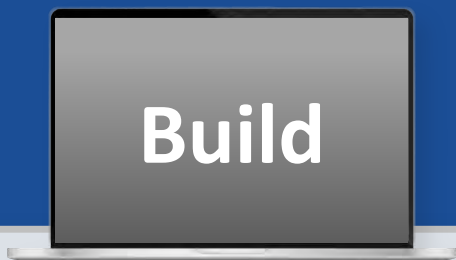
#	Build	Buy
1	Built with only internal needs in mind	Driven to provide consistent enhancements based on customers who need to respond to market demands
2	Too customized and not flexible	Flexible, comprehensible system backed by a full team of developers
3	Developers lack industry knowledge to design intuitively	Built by dedicated industry experts, driven by warranty trends
4	Not user friendly	Dedicated User Experience (UX) team
5	Any integrations required can be timely and expensive	Prebuilt integrations reduce setup cost
6	Limits your ability to centralize your work	Streamlines the entire administration process all in one system

Greg & McKay

Scalability

	Build	Buy
1	Only supports lines of business at the time it was built	Built to allow expansion into new markets with new products
2	Can't support large increases of business data volume	Vendors have the capacity to process millions of contracts and claims
3	Restricts ability to offer more products	Connects you to an ecosystem of products, expanding your offering as a company (PCRS to PCRS)

Mark & Jeff

ALPHA WARRANTY'S DECISION

Why Alpha Warranty Chose PCMI

- ✅ Good reputation
- ✅ Excellent stability
- ✅ Much quicker conversion
- ✅ PaaS
- ✅ Relatively low up-front costs
- ✅ We didn't have to pause our innovations in other areas of our business
- ✅ We saw consistent innovation from the PCMI team
- ✅ We genuinely like the people we work with

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Implementation

Took under a year

PCMI teams' expertise was very helpful

Dedicated support from all levels (including executives)

It was more challenging for us due to our many technology tools

Results of Decision

After 2 years on a fully converted system, we can confidently say PCMI was the right decision for us.

System stability has been great

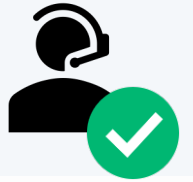New technology tools that improve user experience (for our customers, dealers, agents, and repair facilities)

Real-time data

Much improved UI

Average time to handle a claim has dropped significantly

Fantastic support

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Q&A SESSION

If you haven't already, please submit your questions

RESOURCE CENTER

Make sure to check out our resource center on our website for more on-demand webinars along with customer stories, whitepapers, and more. Here's some of our latest:
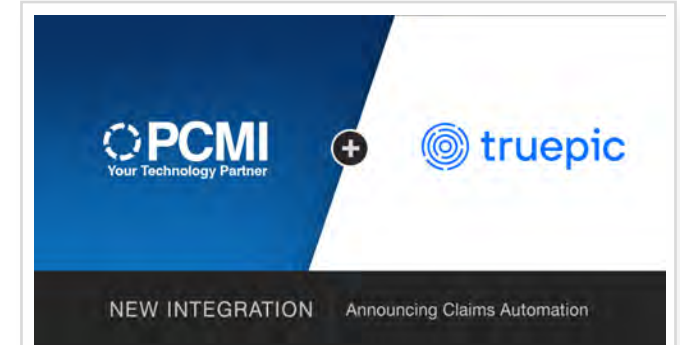

Optimizing DOWC Programs

WEBINAR

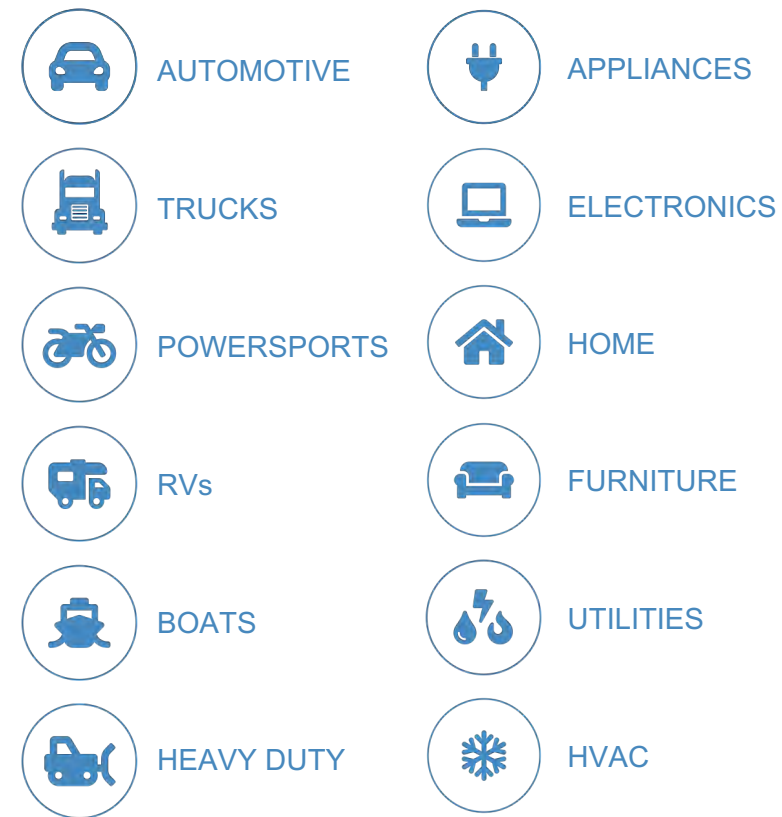Driving Extended Warranty & Service Contract Revenue Growth Through the Use of Automation

WHITEPAPER

Enhanced Claims Automation: PCMI Integrates Truepic's Technology

PRESS RELEASE

pcmicorp.com/resources

WANT TO LEARN MORE?

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