APC Forum: Chubb’s Enterprise Architecture

Chubb Group of Insurance Companies

James Knight  
Executive VP and Global CIO

- Provides technology vision and leadership for developing and implementing business solutions for Chubb worldwide.
- More than 29 years of experience in the delivery and management of information technology, mostly in the property and casualty insurance industry.
- B.A. in computer science from Utica College and a Master’s in Management Information Systems from Kennedy-Western University.

Chubb has grown from a marine insurance underwriting business in 1882 to a leading, multibillion dollar global property and casualty insurance firm.

Chubb ranks among the top 11 publicly traded insurance organizations based on revenues in the U.S.

10,800 employees throughout North America, Europe, South America and the Pacific Rim.

Chubb works with 8,500 independent agents and brokers worldwide.

$50 billion in assets; $13 billion in revenues in 2009.

Forbes listed Chubb as one of America’s 400 Best Big Companies.

At a recent Advanced Practices Council (APC) meeting, the members (all senior IT executives) shared questions they would like to have answered in order to add greater value to their organizations. A distinct theme that emerged in the questions was how to encourage executives of various business units to think and manage more holistically across the organization in order to gain the business benefits of agility, reduced cost, and greater ability to innovate. Silo thinking and territorial behavior, so ingrained in corporate cultures, inhibits strategic thinking, customer focus, and ultimately competitive advantage in today’s complex global economy. As one member stated, “IT is often the mediator between the business units in setting priorities. We can easily get stuck in the middle between the different factions.” End-to-end thinking is essential for communicating effectively with customers and gaining their trust.

APC members continue to learn how to encourage more holistic thinking and managing through the research it sponsors as well as through the sharing of practices. These practices include master data management (managing data as a corporate asset), enterprise architectures that facilitate integration and standardization, IT and data governance, and performance measures tied to customer results.

At our most recent meeting, Jim Knight, Executive Vice President and Global CIO of Chubb Group of Insurance Companies, invited Chubb’s enterprise architect, Patrick Sullivan, to present this company’s approach to enterprise architecture in a highly

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1 The Advanced Practices Council (APC) is an exclusive Society for Information Management forum for senior IT executives who value directing and applying pragmatic research, exploring emerging IT issues in depth, and learning different, global perspectives with colleagues in other industries. Madeline Weiss is the APC Director and Richard Watson is the APC Research Director. This article was prepared with the assistance of Heather Smith, APC Research Associate.
Prior to Sullivan’s appointment as the first corporate enterprise architect, each line of business had its own architecture team with application and technical architects. Although the approach maximized line of business effectiveness, it hampered corporate agility, innovation, and profit potential.

In order to achieve the desired balance between corporate integration and standardization on the one hand and line of business flexibility on the other, Sullivan’s charge is to:

- Set the overall strategic direction and establish the operating model for Chubb’s enterprise architecture (EA)
- Create EA guiding principles and SOA standards
- Create the enterprise reference architecture and high level roadmaps
- Map cross-functional business projects, processes and services
- Standardize infrastructure platforms and enterprise tools, and
- Establish and drive enterprise standards.

Working closely and collaboratively with the line of business architecture teams, Sullivan’s enterprise architecture team oversees five main processes:

1. **Architecture Strategy.** This defines the major direction and components of the EA. Key outputs include the EA roadmap, city plans, contribution to overall IT strategy, the EA operating model and operational plan, and education and marketing efforts.

2. **Architecture Definition.** Business strategy drives the priorities of the EA. These in turn must be defined and maintained to create the reference architecture, which guides and directs all architecture initiatives. It contains methods, models and tools for standards compliance and facilitates the development of competency centers, which provide project guidance, and domain teams, which monitor standards compliance and evaluate variance requests. Key outputs include the reference architecture, architecture patterns, policies, guidelines and best practices, standards, and educational materials.

3. **Architecture Governance.** The architecture definition provides the context for the development and execution of architecture governance processes and policies, which ensure the compliance of implementations to the definition. Through the Chubb architecture review board, the EA team reviews “building permits” and variance requests, participates in line of business architecture review boards, facilitates the maturation of individual architecture disciplines, and develops the enterprise reference architecture. Outputs are the governance model and process, and project review results.

4. **Business Unit Project Implementations.** Architecture governance oversees project implementations, providing project strategy review and consulting services and technical support, while monitoring compliance. Outputs include architecture requirements, the project city plan, and the application architecture design.

5. **Enterprise Shared Assets.** The architecture strategy also identifies where the organization needs thought leadership and other enterprise shared assets, such as consulting support and strategy review.

Chubb’s EA function also oversees the development of three types of competency centers:

- **Shared Service.** This unit provides corporate-wide solutions and services. Its goal is to reduce cost and increase productivity. Each shared service has full-time dedicated staff, a service level agreement, mature funding, and chargeback. EA and the enterprise project management office are two examples of a shared service.

- **Knowledge Community.** This is a virtual team of experts who share knowledge and expertise (e.g., knowledge of Java), promote standard processes and best practices, and support projects in their specific requirements. Staff members are not dedicated, but assist with point solutions and techniques.

- **Center of Excellence.** This is a team of domain experts and functional architects that provides delivery enablement through standard tools, processes, skills and best practices. The center is for the entire organization, not a single line of business, and includes a combination of dedicated and non-dedicated staff. Chubb has centers of excellence related to business rules, business process management, and agile development.