MRH Trowe

Flexible and secure growth for
MRH Trowe with AWS Cloud

The insurance industry must keep pace with a multitude of regulatory requirements and the sector is fiercely competitive. Despite this situation, the industrial insurance specialist MRH Trowe is growing – regularly adding new broker partners and integrating them into its IT infrastructure. To overcome the issues associated with this, the company is migrating fully to the cloud. Together with its partner AllCloud and the AWS Migration Acceleration Program, MRH Trowe has managed to reduce its costs by 35 percent compared to the on-premises infrastructure. As a result, the company has resolved its performance issues. It can quickly add new brokers to the platform and these in turn benefit from better security and speed.

The industrial insurance market is currently going through a phase of consolidation and MRH Trowe is one of the players actively involved in it. The firm currently has about 900 staff and had revenues of around 100 million euros in 2022. In the last 1.5 years alone, the industrial insurance broker acquired 15 smaller brokerage firms. As a result, it took nothing less than a feat of strength to integrate all these new partners into the company's IT infrastructure. It needed to pay particular attention to compliance with regulatory requirements like GDPR, as the insurance sector naturally works with a lot of personal data.

Integration of heterogeneous IT infrastructures

"We frequently come up against antiquated IT infrastructures, including in the companies we've acquired," notes Lars Mesterheide, Managing Partner at MRH Trowe. "We often still receive paper mail from some business partners on the carrier side." But the wide range of server operating systems wasn't the only issue during the migration. A sobering aspect was the state of the IT standards being used, especially from the security perspective. Today, whenever an additional company is integrated into the new cloud platform, an AWS standard security setting is applied to it. That automatically replaces the old security measures. Describing the experience, Mesterheide comments: "The typical password is Admin or Test, sometimes with up to ten employees using it. Nothing surprises us anymore – we've seen server rooms where highlighter pens are wedged between two machines to keep them apart so that they can just breathe a bit. It's also not unusual to find the server cabinet next to the coffee machine in the kitchen area." It quickly became clear that the on-premises security level benefited massively from the migration into the cloud.

IT needs to provide significant support to rapid growth

Two years ago, the industrial insurance brokerage approved a five-year plan with the goal of doubling its revenues within the five years. "At the time, we had to consider the consequences of that decision in terms of how it affected our IT – whether that sort of growth would even be possible with the infrastructure we had then and how we should adapt our hardware capacities to it," explains Lars Mesterheide. Especially since the company grew faster than planned. Initial IT performance problems were noticeable to users by May 2021. The team agreed on prices with its hardware supplier, but there was a problem with delivery dates. Instead of two weeks, the supplier's lead time was between three and five months. MRH Trowe could not afford to wait that long. They needed another idea and started to look at the cloud. The company held multiple discussions with large hyperscale and software partners. "They all claim to offer cloud capabilities, but things are not always that simple," says Mesterheide. "It's almost unexplored territory for many providers and every customer has different requirements."

Deal with the biggest pain points first

"Our most important goal was to start by providing our staff with two workloads in the cloud: the broker management program, our equivalent to an ERP system; and Citrix for our virtual desktop environment. Those were the big pain points," notes Lars Schneider, Head of IT at MRH Trowe. The team came up against a few obstacles with the MVP broker management software. "Until then, the provider never had a customer who wanted to do everything in the cloud," says Lars Schneider. "We had to use our best powers of persuasion to convince the provider that a few specific adjustments would make sense for them too." These included things like the fact that the provider should always use the newest Microsoft server environment. Schneider adds that he advised the software providers that their release cycles should also take the cloud context into account. Many of them initially had a hard time accepting these new requirements.

Moving away from proprietary systems towards standardization

The MVP system is based on Oracle and the software was initially implemented as a standard Oracle installation in the cloud. However, for cost and efficiency reasons MRH Trowe wants to move from traditional, proprietary database systems to RDS, Amazon's managed and distributed relational database service. This is the next big step that the company will be taking together with the provider of its broker management program and will require the installation routines to be adapted again.

"The value to us is that the RDS platform can grow rapidly with us – and we don't need to worry about whether it's going to work. We just want to use the product and focus on our own business instead of carrying out standard tasks like updates and development," explains IT manager Schneider. He adds that the latter scenario would have required ongoing Oracle expertise, either in-house or provided by the supplier – an approach the company did not want to maintain.

Accelerated migration with MAP

While the team was busy completing the first migration phase from April to November 2021, the two most urgent workloads, the company continued its move to the cloud with the AWS Migration Acceleration Program (MAP) with its partner AllCloud. An interesting thing happened. AWS noticed MRH Trowe's sudden increase in the use of its services and suggested that it participate in the MAP. This initiative helps companies to migrate faster by making a service provider and result-oriented methodology available to them.

MRH Trowe then brought AllCloud on board as a service provider in the third quarter of 2021. The next milestone was to migrate all the servers in the old datacenter to AWS and complete the transition by June 2022. This was followed by rightsizing. "Since then, we've been more than happy with the way we've achieved this together with AllCloud," notes Lars Mesterheide. "Our collaboration is very rapid and straightforward and is based on a pragmatic approach. That's very convenient for us because we need to move fast here." He adds that things work well on every level. "We're working together on an equal footing, and they always involve us."

Security was a key point

Today, ensuring IT security is extremely important for a company's image. As a result, MRH Trowe decided to vigorously tackle next-generation security by using an AWS-based landing zone. This involved the IT team being confronted with questions that had not arisen in the traditional datacenter. Lars Schneider remembers that: "It started with how accounts should be created, how permissions are granted, and what is turned off by default. Who's allowed to do what, where is this or that being carried out, which service is available where?" His initial goal was a standard security setup. "The fact that AllCloud has already implemented this security process very often, and that we had already been through their plan together, made everything far easier for us. It also saved us an enormous amount of time that we didn't even have for that purpose. We didn't need to invent and learn everything ourselves," notes the IT head Schneider.

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More compliance visibility

"The cloud definitely helps to boost visibility in terms of meeting compliance requirements, especially in cases like ours which is integrating several companies into a single system," comments Lars Schneider. He adds that the AWS datacenter is one of the few that have been awarded the C5 certificate (Cloud Computing Compliance Criteria Catalogue) from Germany's Federal Office for Information Security (BSI). "It provides functionality that a single company could never implement on its own. It provides the best foundation that helps us see all the potential regulations that will apply to us in the future as we continue to grow and have new tasks in the finance area," adds Schneider. The company has already ensured geo-redundancy and dealt with GDPR by selecting Germany as the server location and implementing wide-ranging encryption.

New flexibility in the cloud

The cloud's flexibility makes business expansion significantly easier because the infrastructure can always adapt to the company's growth rate. "We can book new instances very quickly when we want to integrate a new partner into our software environment, then cancel the instances as soon as the integration is complete," says IT manager Schneider. "That differs from our old way with server hardware: once you've bought it, you've bought it," he adds. Schneider also says that the on-prem setup meant his company had to buy servers with far too much capacity to plan for growth. "It's like taking your money and locking it in a cupboard. You're never able to dial it down a few levels," he notes. "That's a major benefit of the cloud, that you only select and pay for what you actually need."

Schneider also finds that the sustainability aspect makes good business sense. "We're now generating a lower CO_2 footprint," he says. "And it's actually measurable now, whereas in our own datacenter that really wasn't possible." He also sees AWS' aim to become carbon-neutral by 2025 as another plus point.

Significant cost reduction with cloud operation

Following the migration, the industrial insurance broker started by booking maximum capacity in the cloud to get performance back up to speed quickly. "We wanted to play it safe at first and avoid falling at the first hurdle," notes managing partner Lars Mesterheide. "We only started focusing on rightsizing afterwards and managed to achieve the relevant success. Our goal was to save between 25 and 35 percent of the costs in comparison with on-prem."

The average server capacity utilization used to be about 45 percent, whereas it has now reached 65 to 70 percent. "The capacity utilization of the main server for the broker management software was only about 25 to 30 percent. Today we're at 70 percent with the instance we've selected. There's still room for growth and our staff doesn't even notice it's been downsized, but we definitely notice it from the cost perspective," says Schneider. In the Citrix environment, the company has reduced costs by 35 percent, because outside peak times only one server is in use instead of 15 previously. Schneider says that it wouldn't have been possible to adjust usage so accurately when they were on-prem.

Specialized know-how for cost savings

One aspect of rightsizing that helped significantly was the CloudHealth solution, to which the company has free-of-charge access due to AllCloud's Engage Essential reseller program. Schneider also says that AllCloud gave him important tips on how to optimize other settings. The figures speak for themselves: Schneider says that his company saved about US$6,000 per month in computing power usage within three months of the changeover. "$60,000 to $70,000 savings per year with no loss in performance. That's a great success," he says. The company's total data volume is about 75 terabytes.

Perspectives

The company is about to start training its staff and initiating its move to AWS RDS. The insurance firm will continue to require AllCloud's expertise, especially for the migration to the database platform. It is currently limiting itself to EC2 instances in order to reproduce the layout of the datacenter. "In early 2023 we will work with AllCloud to begin the next phase of the modernization so we can move further towards cloud-native services," says Schneider. He says their goal is to find out exactly where they can use additional direct cloud services.

Check Out the MRH Trowe Video Case Study

cost effectively run our data center with a pay-per-use model from AWS.