Breaking free from the vendor prison

A structured approach to regain control, and enable long-term IT flexibility

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Executive Summary

In a time where insurers heavily rely on standard software solutions for core processes, vendor lock-in has become a strategic threat. One of Europe's leading insurers was facing high dependency on a handful of critical vendors, limiting their architectural flexibility and ability to adapt to regulatory change. Together with AdEx Partners, they engaged in a structured initiative to identify, evaluate, and manage vendor dependencies, transforming transparency into a competitive advantage.

With a clear and pragmatic five-step approach, we helped our client gain full visibility into technical, contractual, and operational dependencies, introduced lock-in-resistant design principles, and laid the foundation for long-term multi-vendor governance.

The result: reduced business risk, increased strategic control, and significantly improved adaptability to regulatory and market shifts.

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Initial Situation & Challenge

The client had adopted a widely used standard platform to handle their core insurance operations, a strategic decision that promised operational scale and process efficiency. Over time, this setup turned into a heavily customized, complex system which created more pain points, instead of providing flexibility. Several issues emerged:

- **High technical and contractual lock-in** with key vendors
- **Limited migration capability**, impeding system change or vendor substitution
- **Intransparent integration models** and missing ownership of critical data (e.g. lack of API and data structure documentation)
- **Low maturity in vendor governance**, with fragmented responsibilities
- **Delayed adaptation** to regulatory requirements such as DORA

> The cost of inaction became evident: rising vendor-related costs, increasing compliance risk, and a growing inability to innovate. Leadership recognized the urgency to regain architectural control and proactively manage vendor dependencies, before these challenges manifested as major business disruptions.

Approach & Methodology

To address these challenges, we leveraged our tailored AdEx Partners five-step framework with the client. Starting with a current state analysis and defining key architectural & design principles, allowed formulating a structured dependency remediation plan. Next, to ensure sustainable rollout success, a dedicated governance body including dependency KPIs was established.
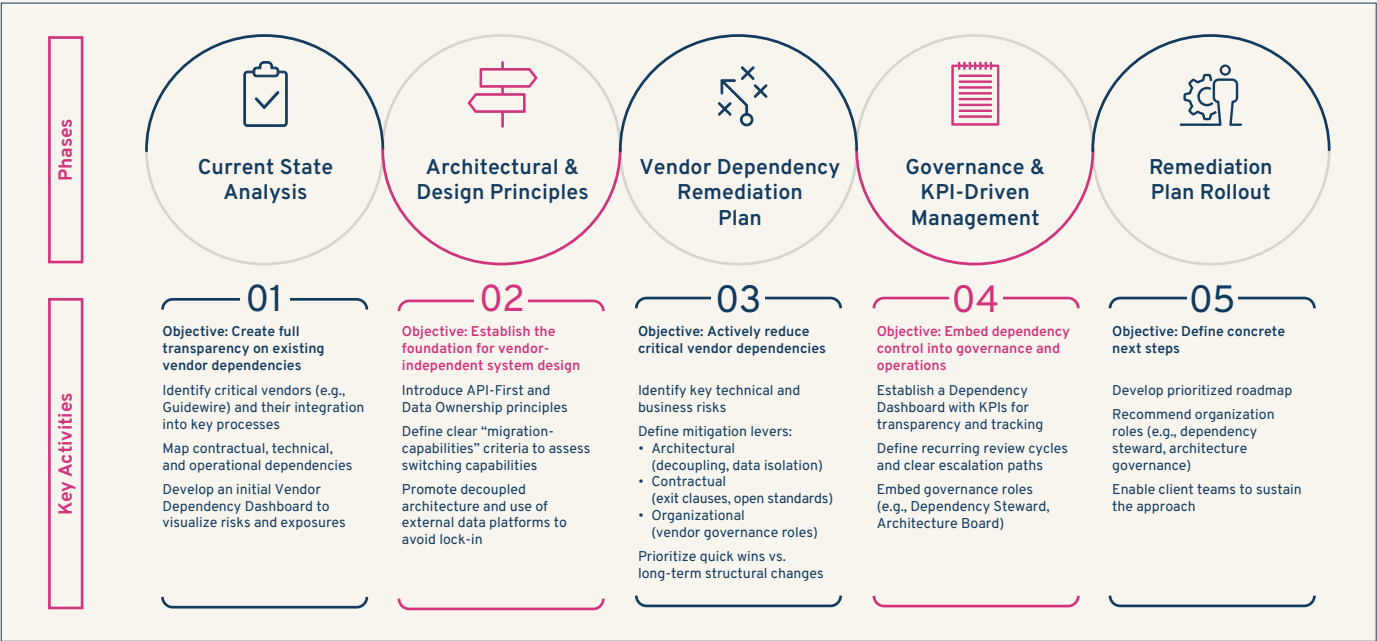

Phases

Current State Analysis	Architectural & Design Principles	Vendor Dependency Remediation Plan	Governance & KPI-Driven Management	Remediation Plan Rollout
01	02	03	04	05

Key Activities

Objective: Create full transparency on existing vendor dependencies	**Objective: Establish the foundation for vendor-independent system design**	**Objective: Actively reduce critical vendor dependencies**	**Objective: Embed dependency control into governance and operations**	**Objective: Define concrete next steps**
Identify critical vendors (e.g., Guidewire) and their integration into key processes	Introduce API-First and Data Ownership principles	Identify key technical and business risks	Establish a Dependency Dashboard with KPIs for transparency and tracking	Develop prioritized roadmap
Map contractual, technical, and operational dependencies	Define clear "migration-capabilities" criteria to assess switching capabilities	Define mitigation levers: • Architectural (decoupling, data isolation) • Contractual (exit clauses, open standards) • Organizational (vendor governance roles)	Define recurring review cycles and clear escalation paths	Recommend organization roles (e.g., dependency steward, architecture governance)
Develop an initial Vendor Dependency Dashboard to visualize risks and exposures	Promote decoupled architecture and use of external data platforms to avoid lock-in	Prioritize quick wins vs. long-term structural changes	Embed governance roles (e.g., Dependency Steward, Architecture Board)	Enable client teams to sustain the approach

Figure 1: AdEx Partners vendor dependency management framework

Three Key Deliverables

### 1. Full transparency: The vendor dependency dashboard

We designed and implemented a comprehensive Vendor Dependency Dashboard, giving the client full visibility in technical, contractual, and operational lock-ins. This enables continuous risk tracking and provides actionable decision support to proactively steer vendor relationships rather than reactively firefight.

2. Decoupling by design: The new target architecture

Through a modular, API-driven architecture blueprint, true vendor independence and flexible migration paths are now achievable. Resilient vendor lock-in design standards were embedded to future-proof the IT landscape and enable faster adaptation to business and regulatory demands.

3. Governance that sticks: Embedding vendor control in operations

A robust governance framework with clearly defined roles, responsibilities, KPIs, and escalation paths was established. This ensures vendor management is fully integrated into sourcing and architecture boards, aligning operational decisions with strategic objectives and maintaining long-term control.
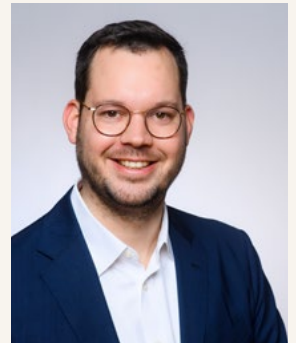
"Too many organizations sleepwalk into lock-in. We challenge that — and give back control where it belongs."

Johannes Nordhaus,
Sub-Industry Lead
Insurance

Lessons Learned

Our project revealed several crucial lessons for any organization aiming to reduce vendor dependency and strengthen IT resilience:

Transparency is the foundation for control
Without a clear, real-time view of dependencies, organizations cannot effectively steer or negotiate with vendors.

Architectural flexibility is a strategic asset, not just a technical feature
A modular, decoupled architecture increases innovation speed, improves compliance, and secures long-term cost advantages.
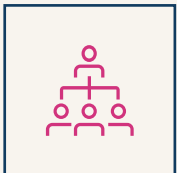
Governance must be operational, not theoretical
Effective vendor control requires clear roles, KPIs, and processes embedded into daily decision-making, not just fancy slides or policy documents.

These lessons underscore that proactive vendor management is not just a technical clean-up. It is a key enabler for business agility and strategic freedom.

"We don't just help our clients reduce vendor risks. We enable them to transform complexity into strategic freedom and future-proof flexibility."

Matthias Schrätzenstaller,
Expert for Vendor Management

Results & Impact

The initiative delivered measurable improvements in both risk posture and strategic agility:

• **Higher architectural flexibility** to introduce new solutions on top of the core platform without major vendor dependency

• **Strengthened compliance posture**, particularly in view of third-party risk (e.g., GDPR, DORA, etc.)

• **Vendor-neutral governance model**, allowing for faster renegotiation and platform transitions

• **Increased board-level awareness**, aligning IT sourcing with business strategy

By converting complexity into clarity, the client is now equipped to proactively manage vendor risk and make sourcing decisions based on strategic goals, not technical limitations.

Act now to shape the future of your organization!

Contact us for a free consultation and learn how our approach can help you overcome the challenges of transformation and achieve success.

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About AdEx Partners

As a Trusted Advisor for digital transformation and IT strategy, AdEx Partners empowers leading organizations to shape the digital future of Europe. Our team of around 250 consultants, with an average of 13 years of industry experience, implements tailor-made solutions in our key focus areas, including ERP, Data Value Management, and Business Transformation.

Our services extend beyond strategic consulting and project planning. Our consultants remain actively involved as part of our clients' teams during implementation, ensuring the success of complex transformation programs. We collaborate with more than 60% of DAX companies across various sectors, including pharmaceuticals, healthcare, industry, retail, and financial services.

Based on #trust, we co-create sustainable #impact, #together with our clients. We love what we do and work with #passion. AdEx Partners has been recognized as a "Hidden Champion" three times by the business magazine "Capital" and has won seven "Best of Consulting" awards from WirtschaftsWoche. In 2025, we ranked among the Top 20 in the 'Germany's Best Employers 2025' competition by Great Place to Work®.

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