

# Future Guarantee — Radian Group

## RADIAN

*“From kick-off meeting to actual implementation, the process took four months. A large portion of that time was spent gathering requirements for the consolidation of the three systems”*

– Elizabeth Shuttleworth, Senior Vice President and CIO, Radian

### Radian Group

Corporate acquisitions and mergers can be viewed either as a minefield of potential disasters for IT, or, for the savvy CIO, as an opportunity to streamline and improve internal processes, and replace outdated information systems with technologies that are more flexible, have greater reach and are less costly to run.

The challenge for IT is not just to integrate the systems it inherits, but to assist the organization in developing systems that are more responsive and allow for future growth.

This was the challenge facing the IT division of Radian Group Inc. following its merger of two private mortgage insurance companies and its later acquisitions of an Internet based mortgage services provider and a financial guaranty company in 2000 and 2001, respectively.

These acquisitions, along with Radian’s original private mortgage insurance operations, made Radian one of the largest providers of credit enhancement services in the US, bringing the company’s total annual revenues to \$1.2 billion (as of December 2002).

The acquisitions also left the company with three separate systems for managing its IT Incidents and Problems, whose consolidation into a single system was identified as a priority by Radian Senior Vice President and CIO, Elizabeth Shuttleworth.

Although the acquired companies would maintain their own IT Service Desks, consolidating the disparate systems and their associated processes was a core element underpinning Radian’s ability to more efficiently deliver products and services to its internal and external customers.

“In addition,” says Shuttleworth, “an enterprise Change Management solution that tracks production changes to hardware, software and applications was viewed as a strategic requirement.”

#### Defining the business opportunity

In its review of a suitable Service Management application to support its business strategy, Radian took three basic requirements to the market: the system had to be web-based; it must easily interface with third party applications such as HP Openview; and it must support comprehensive Change Management workflows.

“Web-based technology was an absolute must for any system we looked at,” says Shuttleworth. “The strategic direction of the company is to leverage web-based solutions wherever possible”.

A web-based solution would give Radian the flexibility to roll out its enterprise system from a single database and server, and have it accessed from anywhere within the group, or externally, via URL from a web browser. This provided an obvious advantage over client-server technology, which would have required multiple servers and the configuration of every PC across Radian’s three organizations.

Beyond the new system’s initial implementation, it will also mean that future changes to business processes can be incorporated and immediately deployed enterprise wide, without requiring a massive reconfiguration effort.

Third party interfacing capabilities would enable auto-logging of Problems, such as device failures, into the Service Management system, providing immediate notification of errors and alerts, as well as a comprehensive log of all Problems or downtime occurring in Radian's devices.

Finally, logging and tracking of changes to all hardware and software, via change management functionality, would provide a high level visibility of the IT operation across the enterprise.

### **Rolling out VMware Service Manager**

Radian ultimately decided its strategic requirements were best met by VMware's Service Manager web-based Service Management application.

The initial rollout of VMware Service Manager, in May 2000, consisted of the deployment of the application's Problem Management module to Radian's Service Desks in Philadelphia, Dayton, Ohio and New York. These Service Desks, collectively processing up to 1,500 calls a week, all received the application within a week of each other.

"From kick-off meeting to actual implementation, the process took four months. A large portion of that time was spent gathering requirements for the consolidation of the three systems," says Shuttleworth. "Three months later, we rolled out Change Management. Since then, we have enabled various features on the Problem Management module, as well as created and implemented additional Change Management stencils.

"Training for the initial rollout was customized and delivered by VMware. Subsequent sessions have been taught by internal Radian IT and National Training departments. We are pleased with the support and attention that VMware has shown in working with Radian on both the project and operational support issues."

Bob Turville, Account Manager with VMware, confirms that the company's enthusiasm for the project was part of its success. "We always approach a project as a partnership between two companies, and in Radian's case it was an effortless process. They were completely committed and understood what they wanted to achieve."

### **Access for the entire customer base**

"All of Radian's 1,500 employees have the capability to enter calls into VMware Service Manager's Customer Portal, in addition to being able to email or phone the IT Service Desk," says Shuttleworth. "Not only does this provide greater flexibility for the internal customer base, it reduces the workload on the Service Desks."

Radian's original intent was to use the partitioning capability within the application to limit the ability to pass calls between organizations, but that requirement changed. Radian now uses VMware Service Manager to pass Problem tickets across Service Desks and technical support groups within its different organizations. This has allowed the company to leverage its technical skill set. In addition, IT Management is able to extract management type reports on both an individual company basis, as well as across the enterprise through a single interface.

Partitioning has instead been put to use in extending the product beyond its IT origins. "We are continuing to exploit the bells and whistles inherent in VMware Service Manager, and are gradually introducing it outside of normal IT circles," says Shuttleworth. Radian has created a partition to accommodate a pilot Operations group.

## Managing Change across the new enterprise

Getting the Problem and Change functionality in one product was an attractive feature for Radian, unlike products where the Change functionality is essentially an add-on to Problem Management rather than a comprehensive module in its own right.

Integration of the modules within a single product assists Radian in implementing best practice Service Management standards, by enabling a seamless transfer between processes across the enterprise.

“IT can now track repeatable processes such as PC deployments and external quality audits,” says Shuttleworth. “The Change functionality is additionally used for customer process tracking.”

## IT as an enabler to the business

Post-acquisition, Radian has a greater visibility of IT Problems and Changes across its three organizational entities than it did as a single organization.

“Information that we could not report on previously is now available,” says Shuttleworth, “and we have central Change Management capabilities that allow us to efficiently track changes and approvals in a standardized manner.”

More importantly, what could have remained as a technical project to integrate three Problem Management systems, was managed as a strategic opportunity to consolidate the IT group’s own ability to respond to future expansion and changes within the business. The project has integrated not only systems, but people, through enterprise wide access and skill sharing across the Service Desks.

