



# INVESTING WISELY IN DIGITAL TRANSFORMATION



## Customer Profile

The American Armed Forces Mutual Aid Association (AAFMAA) is the longest-standing not-for-profit military aid association. It provides current and former military families with affordable financial solutions, including life insurance, wealth management, mortgage services, and Survivor Assistance Services. Its service-focused employees manage investments in excess of \$1.2 billion. Forty-two percent of AAFMAA's employees are military related. Members were paid more than \$88 million worth of benefits in 2017 alone.

## New Challenges

- Need for new digital services
- Pressure to attract new generation of members
- Business anchored in legacy IT systems
- Rip-and-replace project too costly and risky

## Software AG Solutions

- Database Management System powered by Adabas
- Application Development powered by NaturalONE
- Application Modernization powered by webMethods EntireX, Adabas & Natural

## Key Benefits

- Modernized IT environment
- Protected existing investments in IT assets
- Realized 50%+ savings in operating costs
- Launched mobile self-service to 120,000+ users
- Improved member services and user experience

## Application modernization with the Adabas & Natural 2050+ initiative

The member-owned AAFMAA serves “soldier, airman, sailor and marine”—more than 90,000 of them actually. And its services are crucial. In 2017 alone it helped more than 16,000 survivors obtain 100 percent of their entitled benefits.

AAFMAA provides all its services, including investments, without charging a single cent in commission. Keeping operating costs low and services efficient is, therefore, business critical for AAFMAA. Not only that, but every dollar saved goes directly back to work for its members.

## Tech-tock goes the clock

It's commonplace for companies to feel that their IT is no longer cost effective or able to meet business demands. Legacy system complexity gobbles up resources, stifling innovation and slowing new service introduction. More in and less out.

In 2005 AAFMAA faced just such a situation. It needed to innovate and change because the old ways of doing business simply didn't appeal to the new digital generation. Digital business transformation was the answer, but IT could barely handle current business needs.

*“Through our modernization efforts we have greatly improved our business processes. We also reduced our operational costs by more than 50 percent, savings we pass directly back to our members. It is amazing that we are still running on the same legacy platform but continuing to modernize and meet member demands in a fast and efficient way.”*

— **Amarish Pathak** | Chief Information Officer at American Armed Forces Mutual Aid Association (AAFMAA)

Rip-and-replace projects often seem like the only answer. But getting rid of old systems means losing decades of investments. Worst of all, these expensive multi-million dollar projects come with no guarantee of success. As a practiced investor used to managing risk, AAFMAA didn't like these odds.

## Trusted partner

Seeking a better option, AAFMAA President Walt Lincoln reached out to Karl-Heinz Streibich, CEO of Software AG. Needed was a solution that lowered costs while enabling AAFMAA to better attract new members. Following an assessment of its environment, Streibich travelled to meet with Lincoln. With a handshake, the Software AG CEO committed to solving AAFMAA's problems.

AAFMAA is Software AG's oldest U.S. customer. AAFMAA first brought Software AG on board in 1974. All insurance and financial services as well as mission-critical applications were being run by Adabas & Natural. Working with AAFMAA's new outsourced IT provider, MetroStar Systems, Software AG helped transition to a Linux®/UNIX®/Windows® environment on open systems. Costs dropped by more than 50 percent.

## 2020 vision

Technology-driven cost reduction was just the first step. To grow the business, AAFMAA needed to update its offerings. With this goal in mind, it launched "AAFMAA 2020," a multi-year initiative that would introduce a full complement of services suited to the changing needs of members over their lifetimes. Membership would also be opened up to all services

and ranks. And coverage would be extended to immediate family members, even grandchildren.

None of this could be pulled off without the right technology to support it. Understanding what AAFMAA truly needed, Software AG and MetroStar Systems recommended a continuous IT modernization practice. Software AG's EntireX was the right tool for cost-effective IT modernization. NaturalONE enabled rapid application development and upgrading using Eclipse™, the most widely used Java® integrated development environment.

## Leveraging core systems in new, modern ways

"With minimal effort, we installed the Adabas & Natural application modernization platform to build new web and mobile applications quickly and modernize current applications," said Ali Reza Manouchehri, Co-founder and CEO at MetroStar Systems. "Most importantly, we did not need to change code, saving testing and validation time, enabling our team to realize savings faster. AAFMAA recouped its investment faster than planned, realizing ROI in the first five months instead of the expected year. In just 12 months, AAFMAA saved 40 percent in both batch processing and online processing costs."

MetroStar Systems went on to modernize the AAFMAA website. Then, in 2016, it launched omni-channel service delivery featuring a self-service offering via web and mobile. With it, members could access products and services anywhere, anytime, any place.

## The power of a handshake

By modernizing legacy systems instead of replacing them, AAFMAA successfully implemented "AAFMAA 2020" a full four years ahead of schedule. Now, with the new leading-edge Adabas & Natural technology in place, AAFMAA continues to improve efficiency and member services. Cost effective and innovative, AAFMAA is outperforming the market, keeping members happy and staying ahead of the competition.

Great things lie ahead for AAFMAA on its digital transformation path. It is considering webMethods for integration and real-time visualization, analytics and infrastructure monitoring. All with the mission of better serving those who served. And all made possible by a single handshake.

## ABOUT SOFTWARE AG

Software AG (Frankfurt TecDAX: SOW) helps companies with their digital transformation. With Software AG's Digital Business Platform, companies can better interact with their customers and bring them on new 'digital' journeys, promote unique value propositions, and create new business opportunities. In the Internet of Things (IoT) market, Software AG enables enterprises to integrate, connect and manage IoT components as well as analyze data and predict future events based on Artificial Intelligence (AI). The Digital Business Platform is built on decades of uncompromising software development, IT experience and technological leadership. Software AG has more than 4,500 employees, is active in 70 countries and had revenues of €879 million in 2017. To learn more, visit [www.softwareag.com](http://www.softwareag.com).

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