Feasibility Analysis

Federated Insurance's current system is not comprehensive enough for their needs. There is no automation, clients are not well tracked, and potentially dangerous drivers are insured when an MVR could have prevented that. This recommended project comes with numerous advantages that will outweigh the costs of creating and running this new system.

This project is operationally feasible, and has the backing of management, who are prepared to commit the appropriate resources to this project. The underwriter and processor views will allow for a more productive and comprehensive experience for employees, and increase workforce efficiency. However, it will take time to train the new users and they may experience lower productivity during this period. Automated MVR monitoring and ordering will decrease costs of operations, but may result in a decrease in the processors workforce. Customers will also gain a better experience by being able to monitor their drivers and assess prospective driver through the customer portal, however, they may also experience frustration with their employees no longer being eligible for insurance after a series of violations. A database driven web application is one of the most feasible solutions to improving Federated's MVR system due to a need for central data storage and automation. Care must also be taken when handling MVR data as privacy laws apply to them.

Technically this project is feasible as Federated Insurance has a strong technical staff, resources to create a web application, and has proven that it can create applications in the past. A web based application can be cloud hosted for low costs and will allow for high scalability as volume changes. One main concern will be that the MVR automation system will have to integrate with state MVR ordering systems and MVR ordering companies, who may change their software in the future.

Economic Feasibility is the main benefit of creating a new MVR management system. There will be costs with staffs responsible for the development, implementation, and the training required to create this system over the period of several months. There will also be costs in maintain and running the web servers for this system. This system will order $0.06 MVR violation reports every month and a full MVR every 6 months to 3 years for $6-$10. This will slightly increase the costs of ordering MVR's as opposed to the current system, but this is done to increase the monitoring and accuracy of a driver's risk. This new system will be able to track and detect if a driver has a higher risk of accident by this increased accuracy and monitoring in MVRs. By preventing at risk drivers from being insured, Federated Insurance will see millions of dollars saved in reduced accidents and payouts each year with a relatively low cost of MVR ordering. This new system will also be highly automated, which will reduce workforce costs and the new interface will increase user efficiency. Data will also be generated from this system and will allow Federated to analyze this data to improve processes and policy. There are several intangible benefits such as more comprehensive records of users and policies, user and client satisfaction, and perhaps the most important: keeping Federated Insurance customers and communities safer.

The schedule of this project is feasible as not only can more resources decrease the time requirements, but the scope is flexible as well. The new system can be developed and deployed in several stages: underwriter and processor views, MVR orders automation, and finally a customer portal may be added later. We are looking to develop a prototype by the end of the semester and will develop the prototype similar to the main project to determine an estimate of time requirements, but a full-scale application will take several months to develop, test, and implement.