



One Giant Leap Toward Business Agility

Cprime Case Study:
Alegeus

Company Details



Industry: Benefits Administration Management

Company Size: 200+ Employees

Location: U.S.

Highlights of Engagement: When this leading benefits administration management organization recognized the need for an Agile/DevOps transformation at scale, they committed fully to big action and an aggressive timetable. Leaning on Cprime's expertise, the program came together quickly with impressive results.

Executive Summary

Alegeus operates the industry's largest and most comprehensive consumer healthcare funding platform. Its proprietary technology powers health savings accounts (HSAs) and similar tax-advantaged accounts for more than 225,000 employer groups, touching more than 30 million consumers. The company owns a full 40% of the benefit accounts in the market, processing more than \$9.1 billion in annual healthcare payments.

Both a cause and effect of this industry-leading position, Alegeus has grown quickly since the founding of MBI Benefits just 23 years ago. Today, their development organization is more than 200 strong. Following an acquisition by Vista Equity Partners and a deep review of the current state and planned journey, Vista recommended a transformation to SAFe®, an Agile DevOps methodology.

A Remedy for Growing Pains

"In the world where productivity, quality and time-to market of innovative software define success of a technology company, old ways of delivering with longer cycles and in waterfall methodology did not work for us anymore" said Kirill Izotov, VP of Engineering at Alegeus. "Inefficiency was starting to erode the team's effectiveness."

“The Executive Team and Vista Equity Partners Alegeus Board of Directors saw the value in gaining increased speed-to-value and reduced cost-of-wait states inherent in a waterfall process, and they were willing to make the investment in this major organizational transformation” said Derek Holmes, Alegeus CIO.

The Board of Directors charged Izotov and other Alegeus product and technology leaders with transforming the Alegeus WealthCare platform delivery with Scaled Agile Framework (SAFe®) methodology, under the umbrella of a new product-led culture.

With that in mind, Izotov began researching potential solutions that Alegeus could pursue to streamline and accelerate the transition to a new culture and a new way of ideating, planning and behaving at all levels of the organization – executive, middle-management and professional. Change management was the key to success, as well as a choice of the transformation partner.

“We were very diligent in selecting a partner who could help us structure our SAFe® transformation program, training and coaching on all levels of the organization, and new tools implementation to support SAFe® transformation success at Alegeus,” Izotov says. “We vetted several key players in the market, and Cprime became a company of choice as they met all the criteria - from the range of services to quality of specialists, and to references from their previous successful engagements.”

“By the time Alegeus contacted us, they already had a good idea of what they wanted,” recalls Chris Riley, Cloud Technology Delivery Director at Cprime, “and, more importantly, key decisionmakers at every level of the organization had already aligned on the need for a solution.”

With Riley’s help, Alegeus further honed their motivations to the following:

- Be more strategic and data-driven
- Build a more stable, robust IT infrastructure that could support future growth
- Bring in new tools and technology to improve how they develop software
- Reduce technical debt, simplify and create process efficiencies

- Move from being a project-focused to a product-focused organization
- Continue industry leadership based on a culture of innovation

This clarity allowed Cprime consultants to propose a holistic, three-pronged approach that could quickly and effectively address the unique challenges faced by the client, involving:

1. DevOps
2. Product Agility
3. SAFe® Transformation

The Challenge

Every Agile/DevOps transformation or scaling program is unique, so they couldn't walk into it with preconceptions. After a brief initial assessment period, Cprime addressed the following challenges to help Alegeus meet their ambitious goals:

Technology

The existing infrastructure was, in many ways, outdated and inadequate for the tasks at hand.

As is often the case in fast-growing organizations, Alegeus utilized a dizzying array of different apps for various aspects of their business and development processes. Most of these didn't play well with the others, impeding collaboration and efficiency as teams relied on different systems. Exacerbating the problem, the development team had been growing across three offices and two time zones, along with a small contingent in India.

"They had a clear vision of where they wanted to end up from a tooling perspective," says Riley, "so the DevOps team could move forward with a clear end goal in mind."

Izotov recognized that Alegeus' development teams were relying heavily on manual testing, with results being tracked via spreadsheet. This left significant gaps in both their testing capabilities and their backlog of data. He set out a clear mission for their DevOps capabilities by the project's end:

- They needed to solidify their Agile practice to break down work into smaller parts and establish regular iterative releases.
- They needed tools that would help them release software more quickly and provide metrics and data to support continual improvement.
- They needed those tools to be integrated with the wider product management and portfolio systems so they could focus on planning.

He went on to outline their pre-selected tools: they would use Aha to track what executives and customers wanted, then pull that into Azure DevOps to create and track the required stories epics. The final missing link was a robust automated testing process to confirm software quality, also facilitated through Azure DevOps.

With all these pieces in place, Azure DevOps would become their single source of truth — a full chain of custody supporting every product from idea to final release.

Methodology

Alegeus had a well-established waterfall development process in place, so moving to Agile development practices would be a dramatic shift. When they decided against a smaller pilot program in favor of a full transformation of their core platform value stream, it amplified the potential for push-back.

To embrace Agile and establish a product focus in this way, the developers involved in the brand-new Agile Release Train would need to navigate training and significant organizational and procedural changes while keeping up with work-in-progress and commitments made for the period of the engagement.

Devin Anderson, Strategic Product Coach at Cprime, notes, “Rather than just bringing us in to teach them a process, they wanted us to partner with them strategically.” This willingness to work with Cprime experts on a holistic solution across multiple teams and disciplines would prove to be a deciding factor in the success of the program.

Timetable

Initial discussions with Alegeus began in September of 2019. Cprime held a Value Stream Workshop for company executives in October as an example of how the partnership would look and feel. At the time, Alegeus was eyeing January of 2020 as their target start date for the engagement.

In preparation, Izotov took an unusual step that proved exceptionally valuable: “I decided to train ten key middle managers from the dedicated teams as SPCs (SAFe® Program Consultants) without requiring certification. As a result, we had ten influential stakeholders who were knowledgeable and could help field questions during the wider rollout. But, more importantly, they were excited about the change, which removed a potential impediment.”

The October workshop experience was so positive, the executive team unanimously voted to get started immediately. They set March as the target for wrapping up the initial training and reorganization process, leaving precious little time for such a massive undertaking.

“There was a real energy there,” Riley recalls, “a willingness to jump into new tools and processes. We don’t always see that from clients, especially at the start.”

Change Management

One of the keenest challenges facing any organization undertaking an Agile transformation is change management. Both people and processes have inherent inertia, some stronger than others. Change is often uncomfortable and can even be a source of fear or anger. Alegeus was no exception.

“For one thing, moving from Waterfall to Agile required a lot of changes right up front,” says Jeff Shilling, Delivery Manager at Cprime. “They don’t call it a transformation for nothing.”

Anderson adds, “The Alegeus PMO had been taking a bottom-up approach to their project management. They approached product lines almost like separate business units, prioritizing

work differently in each. They were going to be moving to a top-down planning process supporting scaled agile and product management. It was a lot to take on.”

“In many ways, we reorganized the whole development organization,” says Riley. “So many people had to come to terms with the question, ‘Who’s responsible for what?’”

COVID-19

In addition to all of the above, the first COVID-19 lockdown orders occurred right after the teams completed their very first Planning Increment (PI) in early March. This unforeseen situation necessitated additional coaching to help the teams maintain their newly-learned procedures under unfamiliar remote working circumstances.

The Solution

The holistic approach proposed by Cprime – and energetically supported by Alegeus – included the following moving parts:

- Detailed assessments of the current “lay of the land” across all three disciplines
- Educational webinars for executives and decision-makers to guide rapid change
- Creation of custom training content for the new tools, including a repository for future reference
- Implementation and configuration of a suite of new tools, including Aha! and five cloud-based development applications on the Microsoft Azure cloud platform, including Azure DevOps.
- Zoom-based and on-site DevOps training for nearly 200 developers in classes of 15-20 each.
 - This included a tremendous amount of custom content built to teach the teams how to use all the necessary tools, including Azure DevOps Repos and Azure DevOps Pipelines.
- Product Discovery and Delivery training for more than 60 members of the product management teams
- Three days of onsite product management training

- Two product management workshops to facilitate the hands-on application of learned concepts
- Comprehensive SAFe® training for more than 150 people
- Coaching around planning and implementing the first PI
- Coaching around switching to remote work while maintaining best practices
- Ongoing coaching calls and executive Lifelines to support continual improvement

Timing, tooling, and training had to align to ensure the Alegeus engineering teams could hit the ground running with their first PI.

“We needed to coordinate extensively with each other and with the client,” Anderson says.

Riley notes, “I give a lot of credit to Kirill for how smoothly everything went. He was like a head coach leading his team to victory. There were strong individual players on each development team, so he sent them the plays, relied on the team to run them, and they did.”

Izotov concurs, “In the end, Agile is about people. We were looking for a partner we could gel with, the right people for the job. Cprime was that trusted partner.”

The Results

At the writing of this case study, Alegeus is just completing their second PI. Cprime assists with ad hoc coaching, tooling optimization and consulting with leadership, but the development teams have fulfilled the self-management aspects of Agile admirably.

“We watched the teams move from a project mindset to a product mindset,” Izotov notes, “and that’s a huge change. We have a ways to go, but now we have both the roadmap and the foundational knowledge to ensure we’ll get where we need to be.”

“This process was truly a transformation for Alegeus product teams as well,” adds John Bull, Head of Product for Alegeus, “We have always had a great working relationship with technology

as a product-led organization, but SAFe® and Cprime best practices have fostered better collaboration, which allows us to learn fast and make adjustments early so we can deliver what the clients truly want.”

Some powerful results Alegeus has already noted include:

- Elimination of nearly all the waiting periods and unproductive time inherent to waterfall stages
- More effective allocation of resources via assigning teams by competency
- Significant reduction in turnaround time to address production bugs

Additionally, as the COVID-19 situation evolved, the Alegeus teams needed to move to a work from-home model unexpectedly, which was entirely new to them. Although there was an initial learning curve, they credit the Agile practices they were learning with shortening the learning curve and removing what would otherwise have been a long period of decreased productivity using their previous workflow.

Since the start of the transformation, the ART produced multiple releases, delivering new features and value to Alegeus customers faster than before, in smaller increments. There have also been noted improvements in their planning as they have fully embraced the Discovery process – not just focusing on how to do the work, but how to choose the right work to do.

These are some comments from Alegeus team members:

- “I like the new team structure because I feel more connected to what we’re trying to accomplish.”
- “I feel like I know more about what’s going on and how I fit into the bigger picture.”
- “I’m more connected to the product, and it’s exciting to approach the next task with the customer in mind.”
- “I’m closer to my team, and we all feel more accountable for the quality of our work”

Perhaps Izotov sums it up best: “Cprime brought so much to the table: transformation expertise and experience, technical implementation competency, and highly effective people skills that meant so much to the success of the transformation.”

After accomplishing a massive Agile transformation, Alegeus can maintain its leading role in the benefits management industry. With continual improvement now baked into everything they do, that’s unlikely to change any time soon.