



Case Study

Upgrading the Enterprise

A SAFe® Portfolio Transformation at a
Global P&C Insurance Provider

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Company Details

Industry: Insurance

Company Size: 5500+ employees

Location: USA

Products: Customized Business Insurance, Business and Professional Services, Risk Control

Cprime Services: [Agile Transformation](#), [Lean Portfolio Management](#), [Product-led Approach](#), [SAFe® Transformation](#), [Value Stream Management](#)

Executive Summary

Faced with changing industry requirements and the challenges of profitably bringing complex products to market, this global insurance provider turned to Cprime to help align their product portfolios and assist with their Lean/Agile transformation at the highest organizational level.

Overview

A recognized innovator, this Midwest-based insurance provider has been developing market-leading insurance products for over a century.

As a leader in the United States commercial insurance space, the company continues to build on their history and break new ground, expanding their global reach by developing new digital products and insurance technologies.

Challenge: A top-down transformation to redefine Portfolio and focus on Product

On the heels of [a successful essential SAFe® transformation](#) designed to revitalize their ways of working and improve their ability to rapidly deliver new product offerings, the property and casualty (P&C) insurance provider sought to further explore Lean/Agile and SAFe practices. With a partial transformation under their belt, the company recognized they had reached a natural transition point—they needed to address several interrelated organizational bottlenecks before they could move forward on their scaled Agile journey.

“To achieve the next level of their organizational Agile evolution, the company had to change their mindset and pivot away from project-oriented thinking,” explains Dan Gilio, Principal Consultant, Cprime. “They needed to focus on product and portfolio and align around value streams.”

Distinguishing value

Because they perceived their portfolio as a tool for funding project work rather than aligning their product strategies, the insurer’s decision-makers struggled to understand their spending in the context of value delivered.

“From a management perspective, the company had difficulty distinguishing between business areas because all of their expenses came from the general cost centers—not aligned to value or revenue,” clarifies Ken France, VP Enterprise Agility Practice and SAFe Fellow, Cprime. “When they came to identifying and, more importantly, aligning value streams within their portfolios, they also had serious information silos and accountability issues. Ultimately, no one saw the big picture because no one had responsibility at the product level.”



With their launch of a portfolio-level SAFe pilot, the company has embraced Lean Portfolio Management. Leaders are embracing the concepts of participatory budgeting and value streams.

— Dan Gilio, Principal Consultant, Cprime



Breaking down budget barriers

Long planning and budget cycles were the company's next bottleneck. Because the insurer still used traditional budgeting practices to plan their projects months in advance, they lacked the flexibility to pivot or adapt when conditions changed.

"They were locked into the old iron triangle of scope, schedule, and budget," says Gilio. "When you have a hundred-year-old company, habits become entrenched. From a SAFe perspective, they couldn't move beyond Essential SAFe without embracing additional change."

Solution: Leveling up from project-level successes—A Cprime partnership for organizational change

The insurer initially approached Cprime for our reputation for success and ability to effect progressive change, and the Cprime teams impressed management with the results of their early Lean/Agile transformation efforts. Recognizing the project-level benefits of the transition from traditional waterfall ways of working to program increment (PI) planning and Agile Release Trains (ART), the company wanted to continue along the Scaled Agile path in the executive offices.

"The initial transition with Cprime was a catalyst. Agile was the snowball that grew bigger as it rolled down the hill," says France. "We started with coaching agile teams, but the insurer understood Cprime could scale up to transform their product agility. They knew that we had coaches capable at the SAFe portfolio level. That's why they began shifting their thinking and looking at changes to their org structure."



Because Cprime partners with them at multiple levels on topics ranging from product to enterprise agility, they really enjoy working with us. They plan to continue collaborating with us to define and execute future growth.

— Dan Gilio, Principal Consultant, Cprime

Changing the culture and reassessing traditional roles

Cprime's initial focus meant piloting concepts designed to reassess traditional roles with an ultimate goal of changing the culture. This meant combating cultural inertia and overcoming pushback to redefine the role of one of the organization's driving forces—traditional project managers.

"Moving to a focus on product, the project managers had to adapt to the organizational changes," says Gilio. "They had to be reassured their institutional and professional expertise was valuable for more than managing limited-scope projects with clear beginnings, middles, and endings. They needed to see themselves as part of a greater whole."

The changes, however, ran far deeper than project management at the operational level. Coinciding with this effort, the insurer brought in a new CIO with Lean/Agile experience who had shepherded an organization through this level of change.

"It was very important to have a champion at the C-suite level to validate the SAFe process and confirm it wasn't just marketing speak," says France. "With that champion in our corner, Cprime identified which areas of the organization would be ideal for a pilot. The Cprime teams began targeted training to get the insurer's leaders up to speed with the concepts of Lean Portfolio Management (LPM). From there, the teams moved on to value stream identification and participatory budgeting workshops."

Incremental change, not boiling the ocean

Having established the fundamentals of LPM, the Cprime team began executive-level value stream identification sessions. These sessions allowed the insurer to align their portfolio objectives, streamline their product creation workflow, and speed up a product's time to market.

"We didn't want to boil the ocean, so we began with focusing leadership on determining the value stream of specific products within their portfolios. Once they had identified the value those products offered their customers, we broke it down to the IT infrastructure and technical systems they needed in place to manage those streams," commented France.

Fostering involvement and accountability from the top down

The team then moved to providing learning opportunities related to participatory budgeting, an LPM practice that moves away from project-centric governance and approvals to provide discretionary funding to value streams directly from the portfolio budget. Participatory budgeting places decisions in the hands of the stakeholders closest to the product.

"Participatory budgeting provides multiple organizational benefits. The ability to make direct decisions creates a sense of ownership and responsibility for a product in stakeholders—that helps the company budget realistically and avoid the product neglect and the accrual of technical debt common with the traditional budgeting and approval process," explains Gilio. "It allows product owners to pivot and rapidly adjust to changes in circumstances or market conditions and encourages communication instead of silos between stakeholders."



Results: A practical blueprint for Lean Portfolio Management

Throughout 2022, Cprime worked with the insurer to establish an understanding of core SAFe and LPM concepts. “With the launch of a portfolio-level SAFe pilot, the insurer has its key people embracing LPM. Its leaders have an understanding of participatory budgeting and are organized around their value streams. The fact that they keep moving forward validates their high-level progress,” says Gilio.

Seeing the core principles of LPM in practice, the insurer has increased their commitment for 2023 to propagating SAFe practices throughout all levels of the organization.

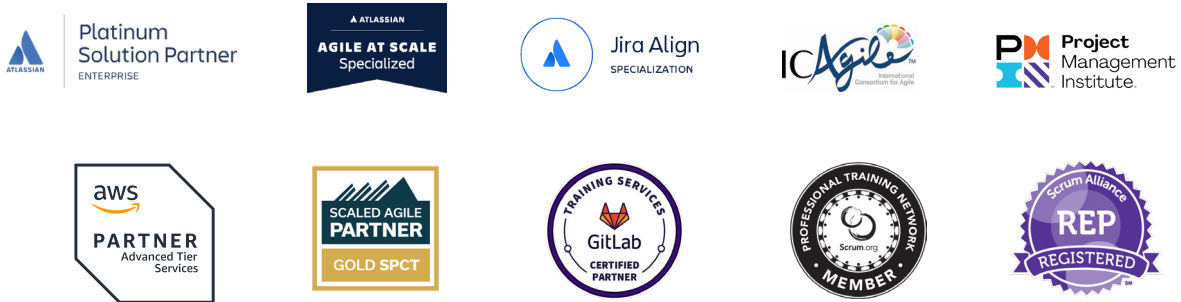
“Based on their feedback and the success of the pilot, this is not the end state,” says Gilio. “Because Cprime can partner with them at multiple levels on topics ranging from product to enterprise agility, the insurer plans to continue collaborating with us to define and execute future growth.”

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With over 20 years' experience, Cprime is trusted around the globe to provide strategic and technical consulting, coaching, and training to businesses leading their industry in digital transformation.

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