



Case Study

Upgrading the Enterprise

A Strategic Portfolio Transformation at a
Global Commercial Insurance Provider

cprime.com | 877.800.5221 (US) | +44 (0) 203 811 0424 (UK)

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Company Details

Industry: Insurance (Commercial Property & Casualty)

Company Size: 5800 employees

Location: USA

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

Cprime Services: [Strategic Portfolio Management transformation](#), [SAFe® transformation](#), [Project to Product](#)

Executive Summary

Faced with changing market requirements and the challenges of profitably bringing complex products to market, this global commercial insurance provider turned to Cprime to help align its product portfolios and funding processes to strategy, and assist in establishing a new operating model at the highest organizational level.

Overview

A recognized innovator, this Chicago-based insurance provider and long-term Cprime client has been developing market-leading insurance products for over 130 years.

As a top-10 insurer in the United States commercial P&C space, the company continues to build on its history and break new ground, expanding its 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 pursue Strategic Portfolio Management as a catalyst to accelerate enterprise evolution. 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.

“To achieve the next level of their organizational evolution, the company had to change their mindset and pivot away from project-oriented thinking,” explains Sneha Crews, Solutions Architect, 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 its expenses came from the operations or claims pots,” clarifies Crews. “When it came to identifying and, more importantly, aligning value streams within its portfolios, it also had serious information silos and accountability issues. Ultimately, no one saw the big picture because no one had responsibility at the product level.”

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With their launch of a portfolio-level SAFe® pilot, the insurer has embraced strategic portfolio management. Its leaders are comfortable with the concepts of participatory budgeting and are organized around their value streams.

— Sneha Crews, Solutions Architect, Cprime

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Breaking down budget barriers

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

"They were locked into the old iron triangle of scope, schedule, and budget," says Crews. "When you have a hundred-year-old company, habits become entrenched. From a functional SPM perspective, they couldn't move forward without change."

Leveling Up from Project-level Successes—A Cprime Partnership for Organizational Change

The insurer initially approached Cprime for its 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 its transition from traditional waterfall ways of working to program increment (PI) planning and agile release trains (ARTs), the company wanted to continue along the scaled agile path in its executive offices.

"The initial transition with Cprime was a catalyst. Agile was the snowball that grew bigger as it rolled down the hill," says Crews. "We started with coaching agile teams, but the insurer understood Cprime could scale up to transform its operating model from project-focused to a product-led approach. It knew that we had coaches capable at the strategic portfolio level. That's why it began shifting its thinking and looking at changes to its org structure."



Because Cprime partners with them at multiple levels on topics ranging from product to enterprise operating model, the insurer really enjoys working with us. It plans to continue collaborating with us to define and execute future growth.

— Sneha Crews, Solutions Architect, Cprime

Changing the culture and reassessing traditional roles

Changing the org chart, however, meant changing the culture and reassessing traditional roles. This meant combating cultural inertia and overcoming pushback to redefine the role of the organization's driving force—its traditional project managers.

"Moving to a focus on product, their project managers had to adapt to the organizational changes," says Crews. "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. Proving its commitment to change, the insurer brought in a new CIO with lean agile experience.

"It was very important to have a champion at the C-suite level to validate the SPM process and confirm it wasn't just marketing speak," says Crews. "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 strategic portfolio management (SPM). 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 SPM, the Cprime team began its executive-level value stream identification sessions. These sessions allowed the insurer to align its portfolio objectives, streamline its 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."

Fostering involvement and accountability from the top down

The team then moved to participatory budgeting, 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 Crews. "It allows product owners to pivot and rapidly adjust to changes in circumstances or market conditions and encourages communication instead of silos between stakeholders."

Leaders must not only implement changes in their operating models but evolve them—aligning technology, resources, and investments with enterprise strategy and desired business outcomes—to achieve sustainable success.



Results: A Practical Blueprint for Strategic Portfolio Management

Over the course of the engagement, Cprime worked with the insurer to establish clear value streams, improve stakeholder engagement and accountability, and simplify budgeting by establishing lean guardrails to fund product initiatives and form lasting product teams rather than disposable project teams.

“With the launch of its portfolio-level SAFe pilot, the insurer has its key people embracing strategic portfolio management. Its leaders are comfortable with the concepts of participatory budgeting and are organized around their value streams—the fact that they keep moving forward validates their high-level progress,” says Crews. “They have excellent momentum—they’re no longer locked into the limitations of scope, schedule, and budget or tying product funding to a restrictive long-term governance process. They are planning and re-planning on the fly to match their outcomes to changing conditions.”

Seeing the core principles of strategic portfolio management in practice, the insurer has increased its commitment to propagating a new operating model throughout all levels of the organization.

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Cprime is a full-service global consulting leader in enterprise and product agility, software tooling, and managed services. Cprime's team of experienced practitioners help businesses achieve agility, improve visibility and alignment, speed time to market, and realize significant operational and cost saving improvements.

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.

Cprime is a Goldman Sachs Asset Management and Everstone Capital Partners portfolio company.

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+44 (0) 203 811 0424 (UK)