



# Product Development: From Conception to Execution

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# Agenda: Project Creation

- Background
- The Birth of a Massive Project
- Working with Pricing
- Software creation: the advantages and disadvantages of Agile project management
- Working with Marketing, Sales & Training
- Results

# Background



# The Birth of a Massive Project

- The problem: BOP written premium had been shrinking significantly
- There was already a project to move rating from the mainframe to an internet based system
- New executive management wanted to diversify



## Working with Pricing

- Many other seminar sessions focus on this
- Key: don't just rely on your historic experience to generate all of your rate relativities
- Especially true if you want to change your mix of business



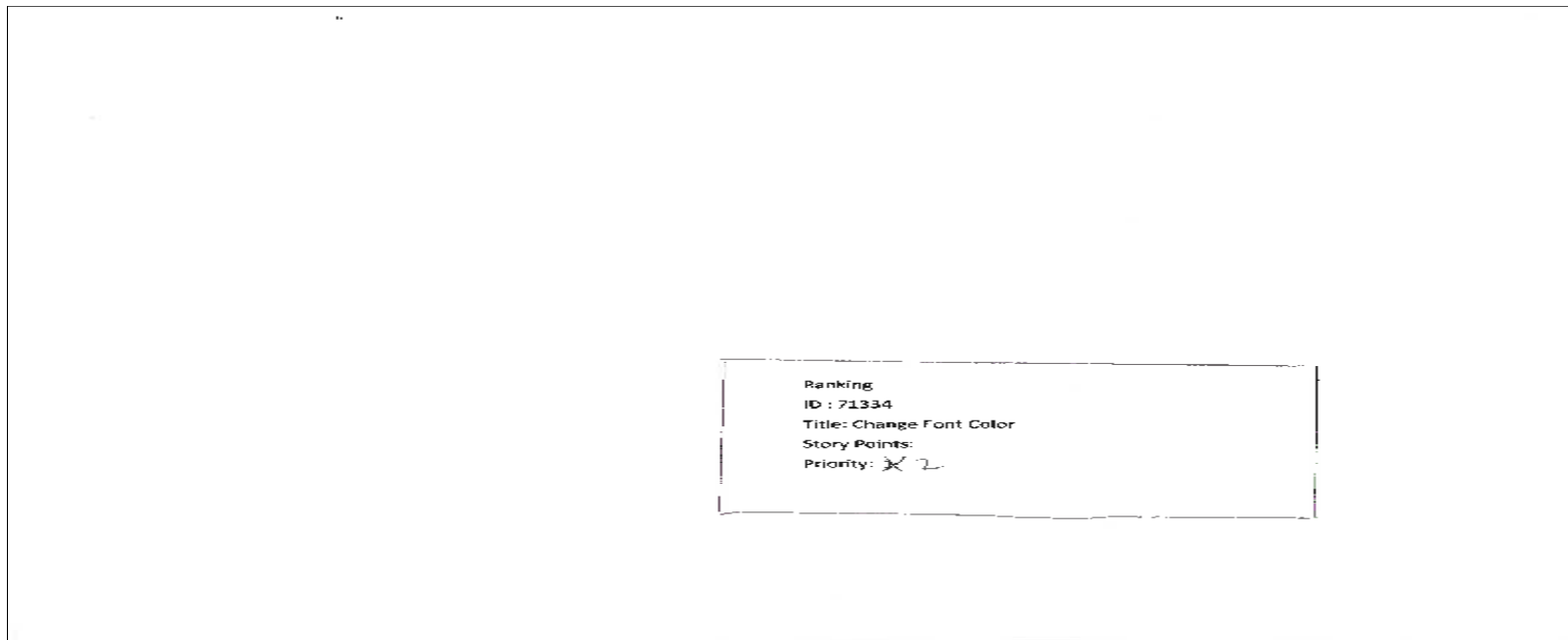
## Traditional approach towards project management: Waterfall

- 1<sup>st</sup>: business creates pricing and product requirements for the entire project
- 2<sup>nd</sup>: Business Analysts (BAs) write IT developer requirements for IT developers
- 3<sup>rd</sup>: IT developers program the project's code
- 4<sup>th</sup>: Quality Assurance (QAs) test the code to ensure quality



## New approach towards project management: Agile

- Business Analysts / IT Developers / Quality Assurance work in integrated teams together
- Each team focuses on a small task (“story”)



# Agile 1.0

- Teams picked up whichever story was available
- No iteration managers helping to remove roadblocks for teams
- Forecasting the completion date was perceived to be a futile task
- Little business involvement
- Existing mainframe code full of patches and quick fixes



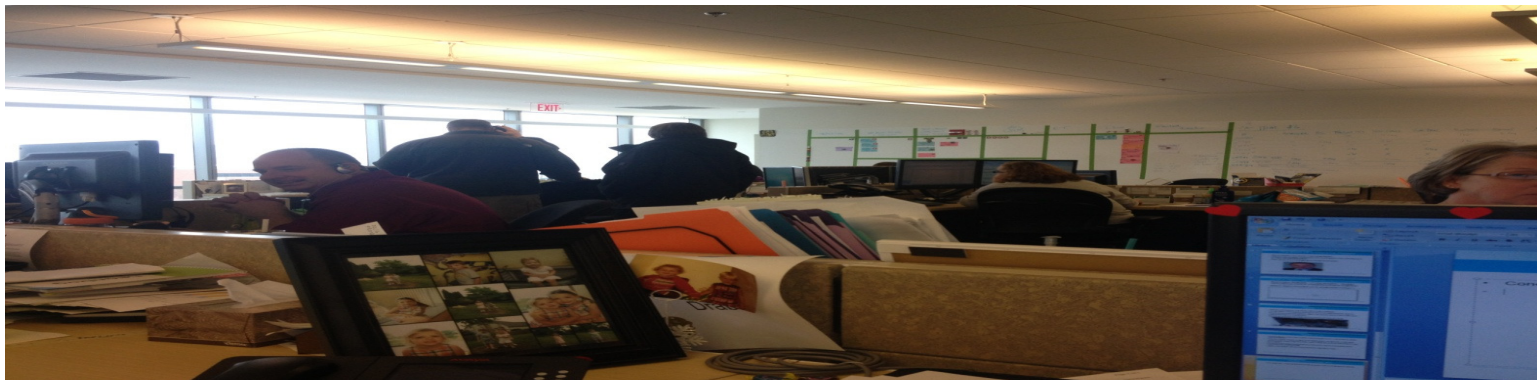


# Agile 2.0

- Consultants who knew Agile were brought in to work side-by-side with the team
- Teams were made smaller and assisted by an iteration manager
- One single backlog of stories was created and time estimates were provided
- Product manager became the product owner and prioritized the importance of all stories
- Agile concepts were introduced and regularly used

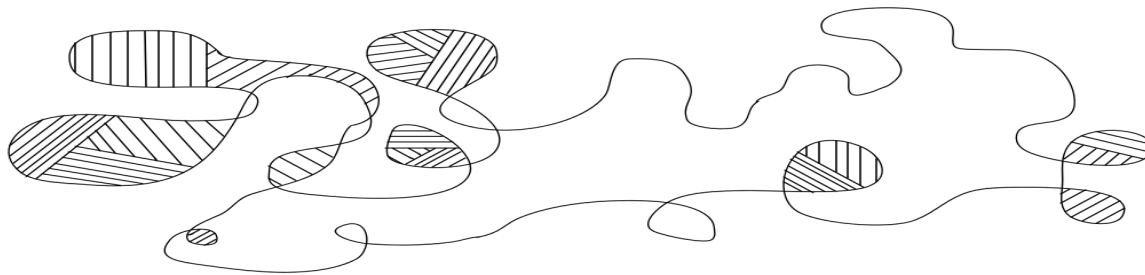
# Agile Concept #1

- Concept #1: Individuals and interactions over processes and tools.
- Teams sit together with low cubicle walls
- Teams encouraged to solve problems themselves, not blame other teams for issues
- Retros done every two weeks to encourage improvement within teams
- Work with some veteran folks who already understand Agile



# Agile Concept #2

- Concept #2: Working software over comprehensive documentation
- Historically, requirement reviews have been two day affairs at Grange
- Now requirement reviews are done for each story in one hour meetings and are much more interactive
- Big idea behind Agile: multiple releases instead of one big release



# Agile Concept #3

- Concept #3: Customer Collaboration over contract negotiation
- Understanding the intent of the business requirements vs. just accepting the words of the requirements
- Having the product manager as the product owner and sitting with the team goes a long way in this
- Having the product manager sit with the IT team is also surprisingly effective
- Good ways to get feedback from the end user:
  - User Acceptance Training weeks with underwriters, underwriting techs, sales force and trainers
  - Invite agents and CSRs to use the quoting system before the system is released
  - User reviews every two weeks with the product manager and other important business folks to review recently created stories

# Agile Concept #4

- Responding to change over following a plan
- The product owner needs to prioritize each story
- How do you communicate to agents about when a massive project is going to be completed?
- Teams need to understand that their work may be postponed to a future release

## Ways the Product Manager can help with Agile

- Be the product owner on the game-changing projects
  - Be the voice of the business for the IT team
  - Make the hard decisions on what is most important for the project
  - Sit with the IT team during the project
- Create and communicate your vision for the project
- Talk with executive leadership and the business about your vision and the project's progress

## How to get agents interested in your new product: Sales & Marketing

- Define at Grange:
  - Sales force
  - Marketing team
  - Training
    - Agents & Sales force
    - Internal team (underwriters and techs)
  - Make sure there are regular meetings between the business, sales, and marketing

## Working with Sales on the New Project

- Agents and your sales team are on the front line supporting your product and they have a lot of good ideas
- Effective ways to communicate with agents and Sales team (ranked in order of effectiveness):
  - 1) One-on-one agency visits
  - 2) Group discussions with agents and sales force in locations near their office
  - 3) Group presentations to sales force at the home office
  - 4) Group presentations to sales force on conference calls
- Agents & Sales interest in the new product (ranked in order of interest):
  - 1) Competitiveness of the new product
  - 2) EODB of the new system
  - 3) New classes we can write
  - 4) New coverages we are offering
  - 5) Changes in forms



## Working with Marketing on the New Project

- Be prepared to answer: why will agents care about your new product?
- How can you effectively merge marketing with the quoting process?
- Marketing should give you good advice
  - The name of our new product

## Working with Training on the New Project

- Historically, the product manager has not worked with the external or internal trainer much
- With BusinessAssure, we co-presented all of our training sessions to our agents and sales force
- Webinars are not nearly as effective as in-person training

# RESULTS

- BusinessAssure released on time
- Quality of new BusinessAssure software very high
- New Business much higher
- Too early to determine profitability results