

## PINNACOL ASSURANCE

*Pinnacol Assurance is Colorado's leading provider of workers' compensation insurance. Through its affiliated agents, Pinnacol provides comprehensive, competitively priced coverage, immediate attention to claims, a highly qualified network of medical providers and proactive safety programs to approximately 60,000 Colorado businesses. Over the past four years, Pinnacol has returned \$227 million in general dividends to its policyholders statewide – a mark of the company's stability and strong financial health.*

### Challenges

Pinnacol's IT group is responsible for the various online applications related to worker's compensation. The team had dabbled in Agile practices in the past, but had never properly rolled it out throughout the organization. As a result, there was a mix of methodologies being used. Even though development was a bit disorganized, most of the team did not realize that there was any problem with the way things were being done. There were no glaring missed development milestones or pile of incomplete projects. However, Eric Cussen, Project Manager, sensed that there was an opportunity to dramatically improve the IT team's productivity by consistently rolling out Agile practices across the IT organization.

"Even though things were not technically "broken" in IT, it is part of our company's culture to always aim for incremental improvements. I knew moving to Agile would improve our IT team's productivity," notes Eric.

Eric approached Robert Norris, Pinnacol's Vice President of Strategic Development and Chief Information Officer, and presented a compelling business case for moving to Agile development. Robert gave Eric the go-ahead to test an Agile rollout with one team, with the agreement that if this rollout went well, it could then be implemented to Pinnacol's six other teams.

### Rolling out Agile – Team-by-Team

Agile adoption was not initially successful at Pinnacol because only a few individuals were trained in Agile and asked to carry the torch throughout the rest of the organization. The prescribed Agile process was not followed, teams failed to conduct retrospectives, and the team leads continued to assign work, rather than having individuals picking up prioritized items off a backlog. Despite these initial problems, one team was passionate about adopting Agile methods and was chosen as the pilot team.

Eric began the Agile rollout with a two-hour training class and approached initial training as if no one had any experience with Agile. He also interviewed everyone on the team on any lingering concerns over Agile adoption and then took the time to address these issues during training. The team began practicing Agile by building a backlog with post-it® notes. The entire team gathered together on a regular basis and went through development work in progress.

At the end of the third iteration, productivity on the team was markedly up. Noticing the results of the pilot team, all of the IT applications services teams became anxious to also move to Agile. Eric began to lead a methodical rollout of the remaining teams.

### The Search for an Agile Lifecycle Management Solution

As other teams began to rollout Agile practices, it became apparent that an Agile lifecycle management tool was needed. Even though the different IT teams were co-located, Excel spreadsheets, open source tools and post-it© notes did not provide an adequate overview of all the IT projects in progress.



### Company and Industry

- Industry: Insurance
- Colorado's leading provider of workers' compensation insurance

### Development Environment

- Internal IT applications development team
- Business applications in Oracle, moving to Ruby and Ruby on Rails
- Run on 3 week iterations, with releases every 12 weeks

### Challenges

- Tracking through post-its®, spreadsheets and open source tools was cumbersome and made it difficult for the organization to understand development progress
- No view to IT backlog for business groups and other stakeholders

### Solution

- Implemented Rally's Agile lifecycle management solutions, providing end-to-end visibility on development progress and releases

### Results

- Increased productivity from all IT teams, with one team showing a 20% productivity improvement
- Rally helps dramatically improve communication between IT and business groups and provides a clear prioritization process

# Scaling Software Agility®



A number of individuals at Pinnacol had already attended Rally's Certified ScrumMaster courses and were beginning to leverage the best practices recommended by Rally's coaches when the Agile rollout began. When it came time to evaluate an Agile solution, Pinnacol naturally turned to Rally as a trusted partner. In addition to Pinnacol's familiarity with Rally's coaching services, Pinnacol also felt that the two companies shared core values as both were finalists for "Colorado's Best Company to Work For." Another compelling reason for turning to Rally is that Pinnacol's CIO believed that the software industry as a whole was moving towards the Software-as-a-Service model (SaaS) that Rally offered.

Eric says, "In addition to the fact that there is a high level of synchronicity between our two companies, I also felt that Rally offered the best solution on the market. We were impressed with their SaaS model because it would allow us to focus on our core competency, rather than trying to create some sort of Agile tracking and reporting method ourselves."

### Implementing Rally

Pinnacol began its implementation by using Rally's free Community Edition. The team quickly saw the value in Rally's solution and moved on to Rally Enterprise Edition. In parallel, the team brought in Rally's coaching services for a two-day product implementation and a four-hour jumpstart training to ensure that this time their Agile adoption went well. Two project managers also attended Rally's Certified ScrumMaster training.

### Productivity Increases by 20%

Today, the rollout of Agile and Rally is 50-60% complete and productivity increases have been seen across IT. One team is showing an increase of 20% in productivity and another team almost doubled their productivity within six weeks of implementing Agile and Rally. In addition to the productivity gains, Eric notes that Rally has kept the team as a whole far more organized.

"With Rally as a central source for all IT projects, planning meetings are much faster and easier, especially because many of our employees telecommute at least one day a week. Rally lets everyone log in and see the same thing everyone else is seeing, no matter where they are located. Our development team also finds Rally's interface intuitive and easy to use. Rally is the best solution I've seen to help organize software and IT teams," says Eric.

Rally has also helped improve team dynamics. Product Owners now clearly communicate requirements to development teams, attend standups and ensure their teams are fully up to speed on upcoming projects. Accountability has become the norm across the IT organization and feature requests now move quickly through the system.

"Prior to bringing on Agile and Rally, we would have things waiting to be accepted for weeks or months by the individual business group because they did not know they were there. Things are now moving through the system in real-time as they are completed. This usually happens in a day or a week at most," notes Eric.

The most dramatic change that the IT team has seen is the increased trust from their business side colleagues, more effective collaboration and increased teamwork.

"With Agile and Rally, people trust the IT team to do what they say they will do. The business groups have visibility into the IT team's backlog and they have confidence that high priority requests will get done first. Our prioritization process also lets us reallocate team members as needed to higher priority projects," says Eric.

He adds, "Better prioritization also gives team members a clear idea of what they need to do every day. They can look at the backlog and know what work is coming and if they are ahead on an iteration, they can go to the next one and get a jump on other stories."

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