

# AGCS' SAFE JOURNEY TO BECOME A DATA DRIVEN ENTERPRISE

HOW SAFE HELPED AGCS ACCELERATE  
BUSINESS VALUE DELIVERY IN A COMPLEX  
SAP AND NON-SAP LANDSCAPE

27 OCTOBER 2020

# WELCOME! WE ARE GLAD YOU ARE HERE

**“SAFE® PROVIDED THE STRUCTURE WE NEEDED TO SCALE AGILE  
IN A COMPLEX SAP® AND NON-SAP LANDSCAPE.”**



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Allianz Global Corporate & Specialty SE



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Allianz Global Corporate & Specialty SE



*SAFe allowed us to **organize around value and grow seamless integrated cross-functional teams** aligned with the company’s long-term strategy. Our **SAP DevSecOps automation pipeline** helped to reach SAP Delivery Agility which paved the way to build the capabilities needed to reach Business Agility.*

*SAFe addressed the complexities and gave us **the framework for building portfolios, roles, and jobs** to achieve our goals for **customer centricity, speed, and quality**.*













# AROUND THE WORLD THE RISK LANDSCAPE IS CHANGING



Photos: Shutterstock

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# CYBER INCIDENTS ARE TOP PERIL FOR COMPANIES GLOBALLY FOR THE FIRST TIME

1 39%		<b>Cyber incidents</b> (e.g. cyber crime, IT failure/outage, data breaches, fines and penalties)	2019: 37% (2)	6 20%		<b>Fire, explosion</b>	2019: 19% (6)
2 37%		<b>Business interruption</b> (incl. supply chain disruption)	2019: 37% (1)	7 17%		<b>Climate change</b> /increasing volatility of weather	2019: 13% (8)
3 27%		<b>Changes in legislation and regulation</b> (e.g. trade wars and tariffs, economic sanctions, protectionism, Brexit, Euro-zone disintegration)	2019: 27% (4)	8 15%		<b>Loss of reputation or brand value</b>	2019: 13% (9)
4 21%		<b>Natural catastrophes*</b> (e.g. storm, flood, earthquake)	2019: 28% (3)	9 13%		<b>New technologies</b> (e.g. impact of Artificial Intelligence, autonomous vehicles, 3D printing, Internet of Things, nanotechnology, blockchain)	2019: 19% (7)
5 21%		<b>Market developments</b> (e.g. volatility, intensified competition/new entrants, M&A, market stagnation, market fluctuation)	2019: 23% (5)	10 11%		<b>Macroeconomic developments</b> (e.g. monetary policies, austerity programs, commodity price increase, deflation, inflation)	NEW

Source: Allianz Global Corporate & Specialty. Figures represent the number of risks selected as a percentage of all survey responses (2,718).

The 2,718 respondents could provide answers for up to three risks. Photos: Adobe, iStock, Shutterstock

\*Natural catastrophes ranks higher than market developments based on the actual number of responses.

# ENTERPRISES NEED TO **ADAPT QUICKLY** IN A RAPIDLY CHANGING ENVIRONMENT

New risks require new tools and **resilient systems** to help manage and mitigate potential impacts.

Insurance companies like Allianz Global Corporate & Specialty need to understand their clients' needs and come up with **tailor-made products and services**.

## **Prediction is Essential**

A reliable scenario analysis is only possible by utilizing as much available information as possible – Internal as well as External

# JOINTLY WITH ACCENTURE, AGCS HAS BEEN LAYING THE FOUNDATION FOR BECOMING A DATA DRIVEN COMPANY, PROVIDING...



01

A consolidated and harmonized single point of truth for information across all lines of business and regions

02

A fully integrated, flexible basis for analytics use cases

03

A consistent basis to fulfill current and future management and regulatory reporting requirements (Self-service Business Intelligence)

04

A high degree of automation of the financial closing process and reduced closing cycle times

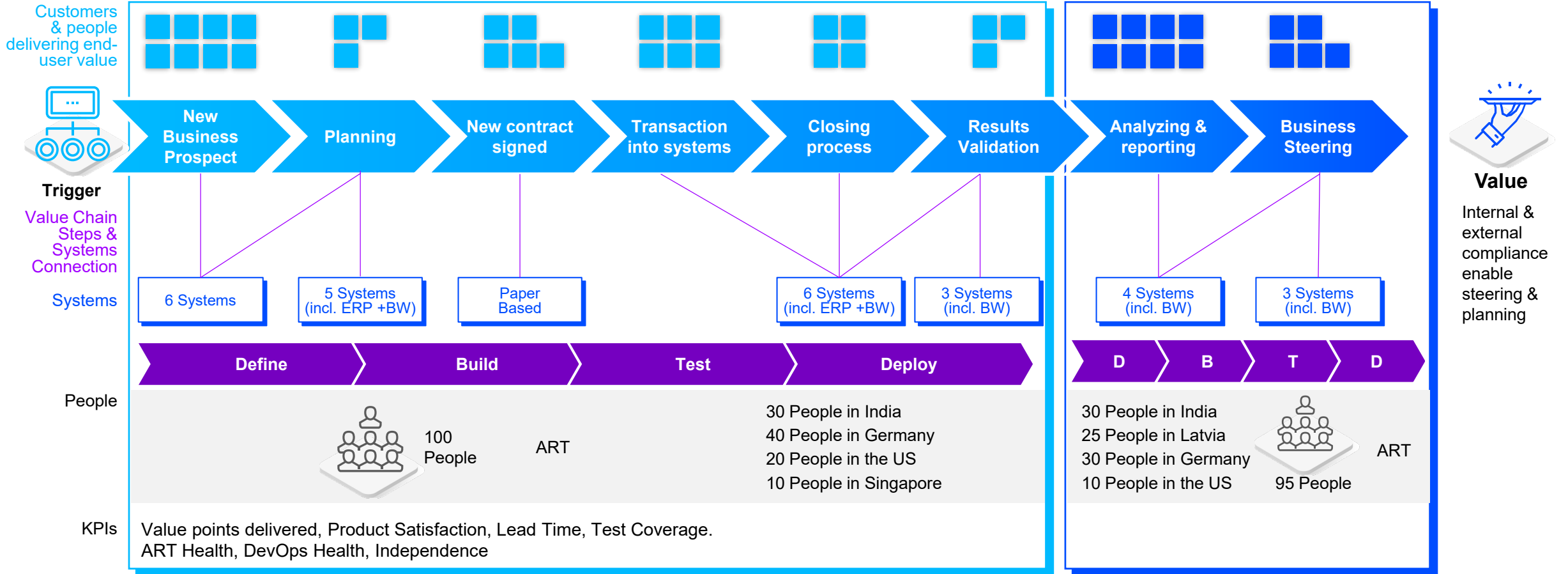
05

A growing agile company culture by introducing the Scaled Agile Framework and moving to a delivery model focusing on Products and Value Streams rather than projects

# ORGANIZE AROUND VALUE – VALUE STREAM MAPPING LAYS THE FOUNDATION

## PLANNING, STEERING, REPORTING FEATURE ART

## ENTERPRISE INFORMATION MANAGEMENT (EIM) PLATFORM ART



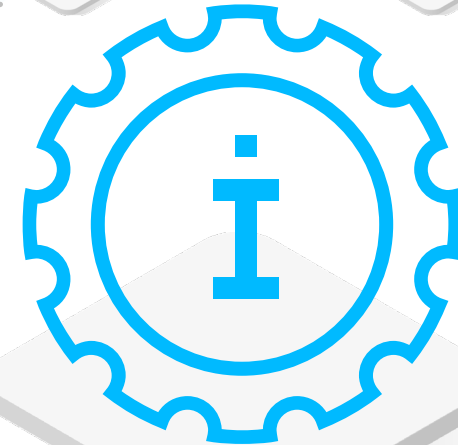
# ADOPTING THE **SAFE FRAMEWORK** ACROSS AGCS AND ESTABLISHING A PRODUCT FOCUSED APPROACH

**6 Agile Release Trains**  
and more launching



More than **600 people**  
trained

**14 Value Streams**  
mapped



ART members working  
across the world  
**Distributed PI  
Planning**

**LACE team**  
established in the whole organization



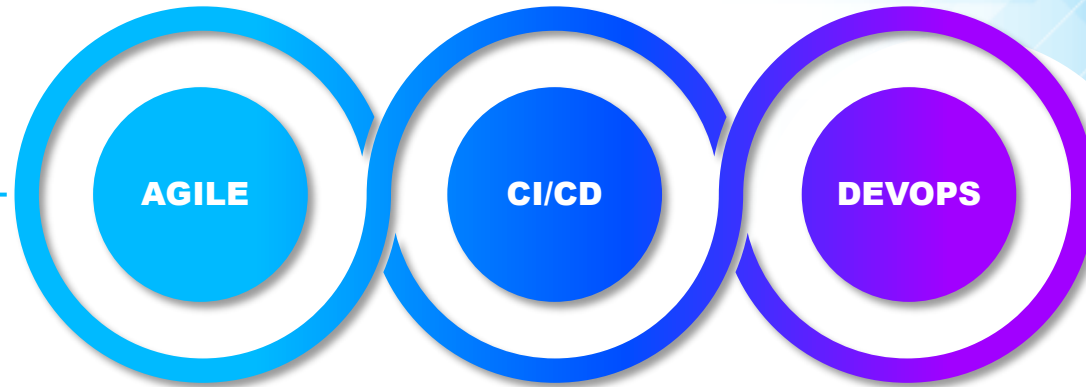
Educating  
**Internal SPCs**



# FOR US, TURNING AN **AGILE MINDSET INTO EVERYDAY PRACTICE** HAS MADE THE DIFFERENCE

## SAFe's PRINCIPLES ENSURE EFFECTIVE DELIVERY

- Everything geared towards working software
- Systematic breakdown of demand → Solution/EPICs – Train/Features – Team/User Stories
- Clear 3-roles set up on each layer “What” (Business) – “How” (Technical) – “Orchestration”
- 100% Business Owner value-based prioritization
- Truly cross-functional delivery teams → everybody you need is in the team
- 100% transparency through measures & reporting



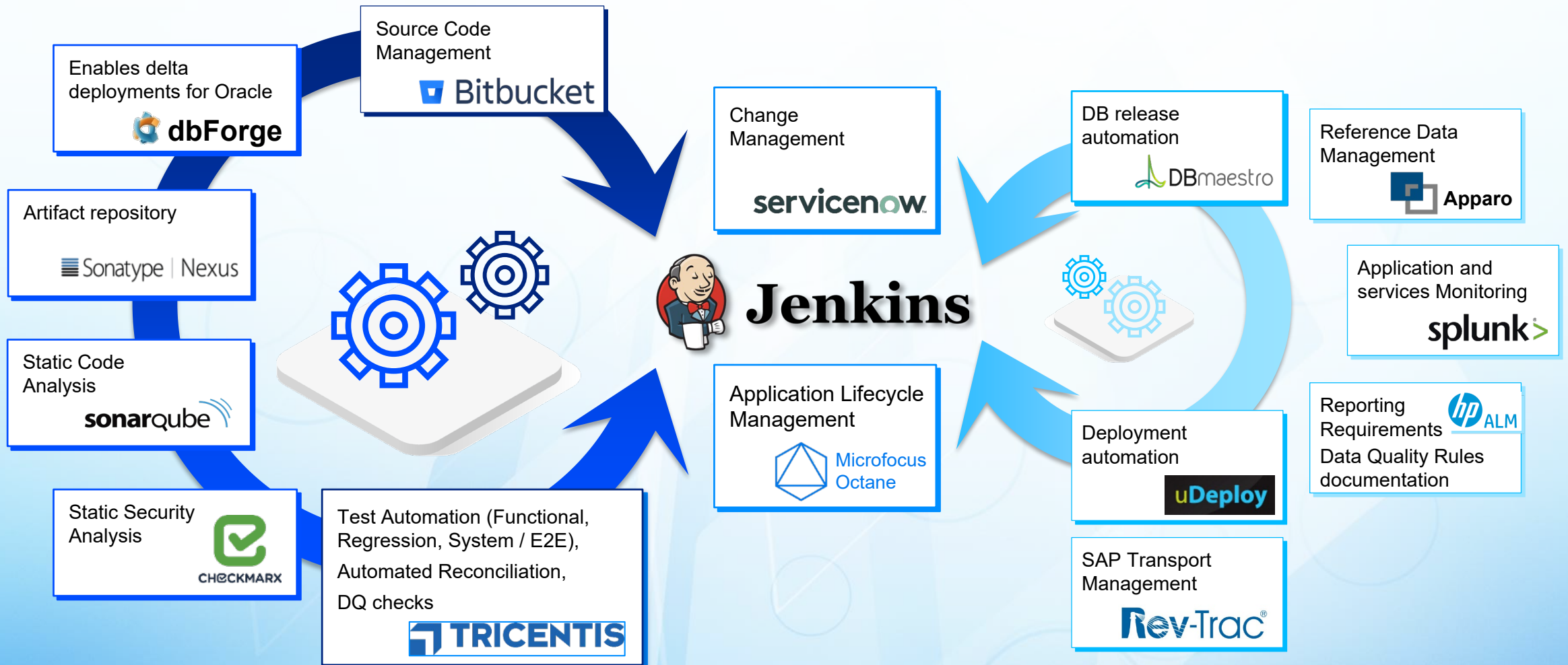
## CI/CD APPROACH ENSURES EFFICIENT FLOW OF FEATURES TO PROD

- Effective Code branching and versioning
- Continuous Testing + Automated Reconciliation
- Scheduled automated deployments to higher environments and automated documentation generation (Audit compliance)
- Focus on SW delivery
- Develop on Cadence, Release on Demand

## DEVOPS PRACTICES ENSURE SUSTAINABILITY

- Design-Build-Test-Run-Fix in one (team's) hand
- ONE Backlog** („Project“, Enhancements, Incidents, Hot-Fix)
- Brining people together, a real culture change!
- “Old” SW Quality Gates made redundant with Automation

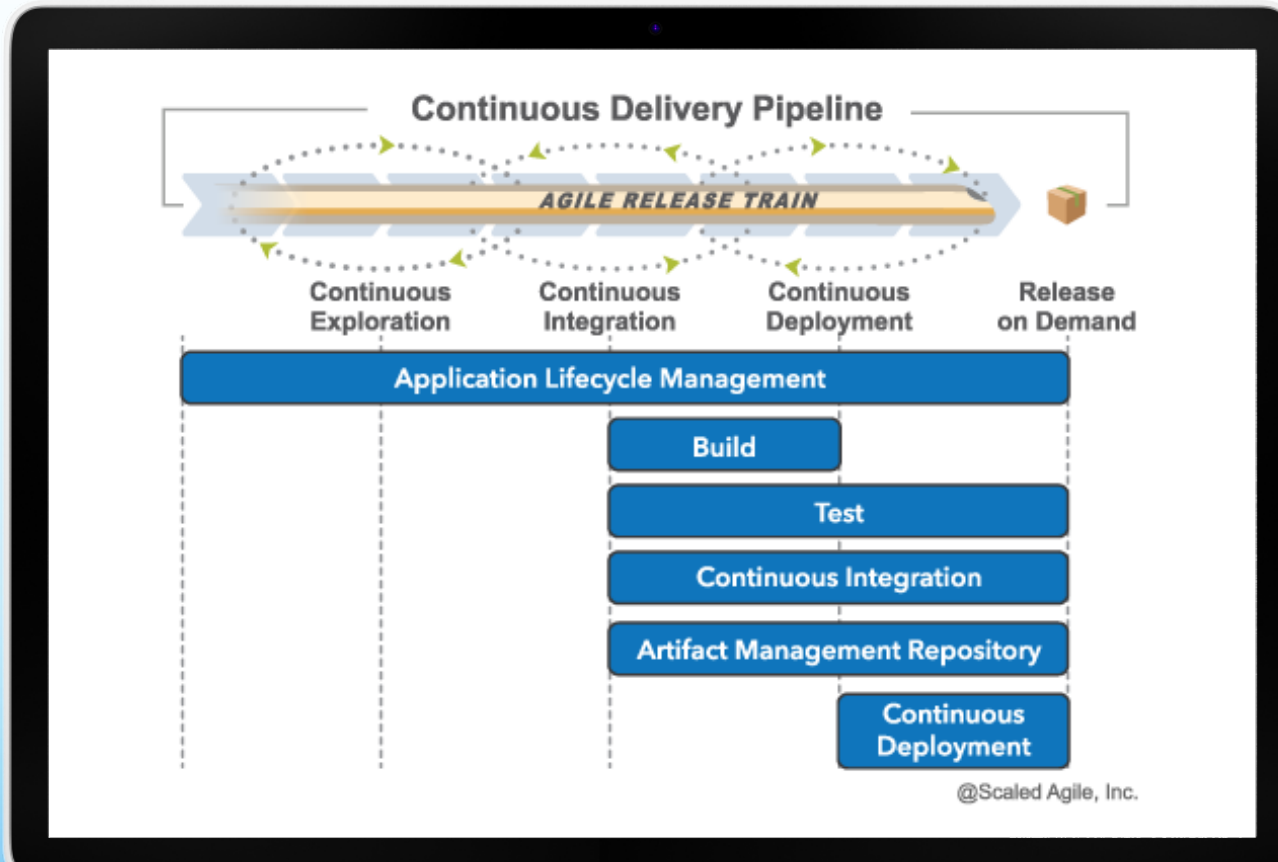
# AUTOMATION IS AT THE CORE OF WHAT WE DO TO IMPROVE THE FLOW THROUGH THE CONTINUOUS DELIVERY PIPELINE



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## ACHIEVEMENTS AND BENEFITS

- Introduced Automation in:
  - Requirements and Backlog Management
  - Dependency Management
  - Code Versioning, Branching and Control
  - Test Management
  - Deployment Management
  - Change & Release Management
  - Environment / Infrastructure Management
  - Regulatory requirements management
- Minimized manual documentation efforts.
- Continuous Exploration/ Deployment/ Integration/ Testing - Release on Demand.
- Automated Infrastructure and Application monitoring that enables quicker turnaround on issues.



Source: <https://www.scaledagileframework.com/devops/>

# IN ORDER TO IMPROVE, WE PERMANENTLY MEASURE OUR PROGRESS TOWARDS AGILE DELIVERY EXCELLENCE

FOR A HOLISTIC VIEW, WE COLLECT AND ANALYZE THREE SETS OF METRICS

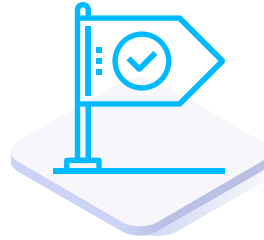


## KEY “AGILITY” METRICS

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We started to focus on the four key metrics Delivery Lead Time, Deployment Frequency, Mean Time to Restore and Change Fail Percentage.

We’ve only had this tooling in place for a little while and it is too early to communicate reliable numbers, but we’re already seeing the benefits of exposing and reflecting on our performance.



## BUSINESS OUTCOME

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These metrics are to demonstrate practical outcome for AGCS business, e.g.: uptake of the solution by the business community, processing lead time reduction, operational costs reduction and more.



## OTHER SOFTWARE DELIVERY MEASUREMENTS

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Descriptive graphs and measurements which we use to spot different issues on all levels for operational review and control.

# WE EXPECTED IMPROVEMENTS MAINLY IN SOFTWARE DELIVERY...

## INCREASING DELIVERY SPEED AND QUALITY...

### LEAD TIME



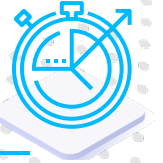
Reduced by 55% on average

### TEST AUTOMATION



Coverage of test automation improved from appr. 10% to 70%

### PROCESS/ TECHNICAL ADVANCEMENTS



Financial process runtime significantly reduced: i.e.

- 70% on consolidation of financial data
- 90% on FX revaluation
- Technical: Storage savings of 3 TBs

### DEPLOYMENT FREQUENCY



Deployment frequency substantially increased from 4 major releases per year to 30 times per month

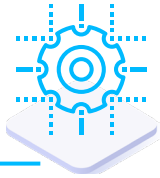
### CYCLE TIMES



- Small enhancements: from approx. 150 days to 20 days (2 sprints)
- Complex changes – from >300 days to 1 PI

# ...BUT HAVE BEEN OVERWHELMED BY BUSINESS SUCCESS...

## ...HIGHER FOCUS ON ALIGNMENT AND SCALING CAPABILITIES...



### ARCHITECTURE

Continuous improvement of the architectural runway to deliver value to the users and save time in the financial closing process



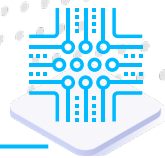
### ALL INTEGRATED

Successful integration of all application changes, i.e. projects, enhancements, BAU, into the agile delivery mode



### TEAM MORALE

Greater collaboration among teams and better results have raised employees' satisfaction levels



### DEPENDENCY MANAGEMENT

SAFe configuration helps in balancing demands from parallel product development and global roll-out with full reconciliation and full historic data migrations



### SCALING

Digested up to four more initiatives besides the main driving program by quickly scaling up cross-functional teams in existing agile release trains

# ...AND ARE ULTIMATELY IMPROVING CUSTOMER CENTRICITY AND BUSINESS AGILITY

## UNDERWRITING PRACTICE LEAD

“When becoming an EPIC Owner it took me a while to understand concepts like WSJF. But now EPIC Owners from different functions work together and prioritize the items with the highest value - what a difference to how we collaborated before.”



## GLOBAL HEAD OF ACCOUNTING

“Simple changes like a tax code can now be executed and released to our Account Technicians within 1 or 2 days. Before it took weeks and we had to live with workarounds until the changes were done.”



## CFO NORTH AMERICA

“It is impressive to see the difference the adoption of SAFe brought to the company. It was challenging for us at the beginning to commit full time resources as Product Manager and Product Owner. But after 3 years you can see how it helped us to adopt a certain level of Business Agility.”



## CHIEF INFORMATION OFFICER

“It was the smoothest go-live of a system that size I have ever experienced in my whole career. It is impressive to see how Business and the former Application Development and Maintenance Unit collaborate.”



# WHAT WAS OUR KEY ACHIEVEMENT TO PROMOTE A COMPANY WIDE ADAPTION OF SAFE?

## WE MADE IT RIGHT THE FIRST TIME!

- We took almost three months to get ready – Executive workshops, Leading SAFe and SAFe for Teams, Value Stream Mapping workshops.
- We convinced Business to engage – 100%.
- Our first PI Planning failed – luckily, we decided to have a dry run. The first real PI Planning was then a full success and Business Sponsors and Executives were impressed.
- The word spread – many came to visit us and wanted to learn.

**Was really everything right the first time? No, of course not – and we are still improving. But we were so successful compared to the previous years that everybody is convinced that SAFe is significantly improving our delivery capabilities and also helps us to adopt Business Agility.**



# APPENDIX



# AGILITY METRIC: DELIVERY LEAD TIME

Key "agility" metrics

Delivery Lead Time

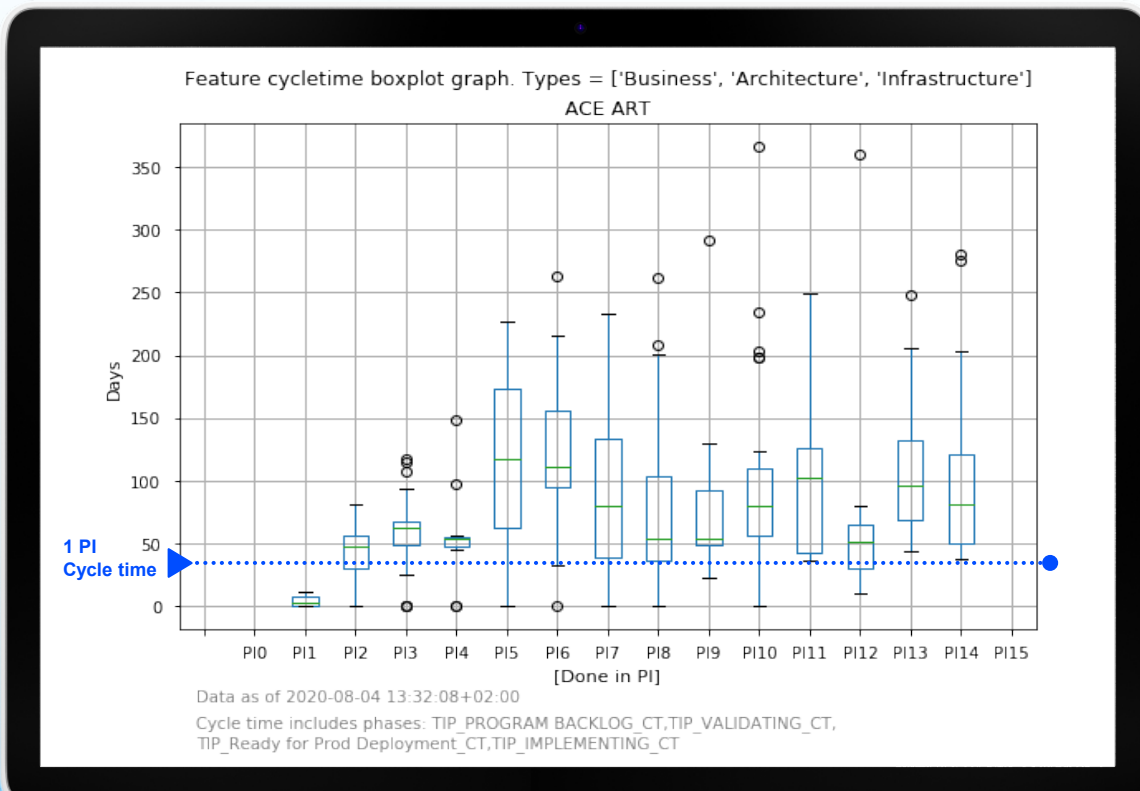
Features cycle time

ACE Train

## FEATURE CYCLE TIME INCLUDES TIME IN FOLLOWING KANBAN PHASES



- Feature cycle time shows how fast teams are able to implement new requirements.
- In Agile environment, lead time is usually target for optimization, short lead time is a sign of good flow, reduced WIP, which overall leads to higher productivity.
- Good trend is when boxes become lower with time, and number of outliers shall decrease.
- According to SAFe, Features shall be completed within 1 PI.



### KEY DEFINITIONS

- Feature cycle time includes time, when agile release train implements and tests feature, till it is Done, plus waiting time since completion of Feature analysis/approval to get into Backlog.
- Only Features, which have been set to Done are included, features in process are excluded.
- Only features related to actual product development are included. Features for Triage Team, and Recon team are considered as „organizational“ work, and therefore excluded from the graph.
- On the x-axis, PI is shown, when the Feature has actually been completed, in contrast to PI where it was assigned to.
- 1 PI Cycle time is shown on the graph as a recommended cycle time for Feature.

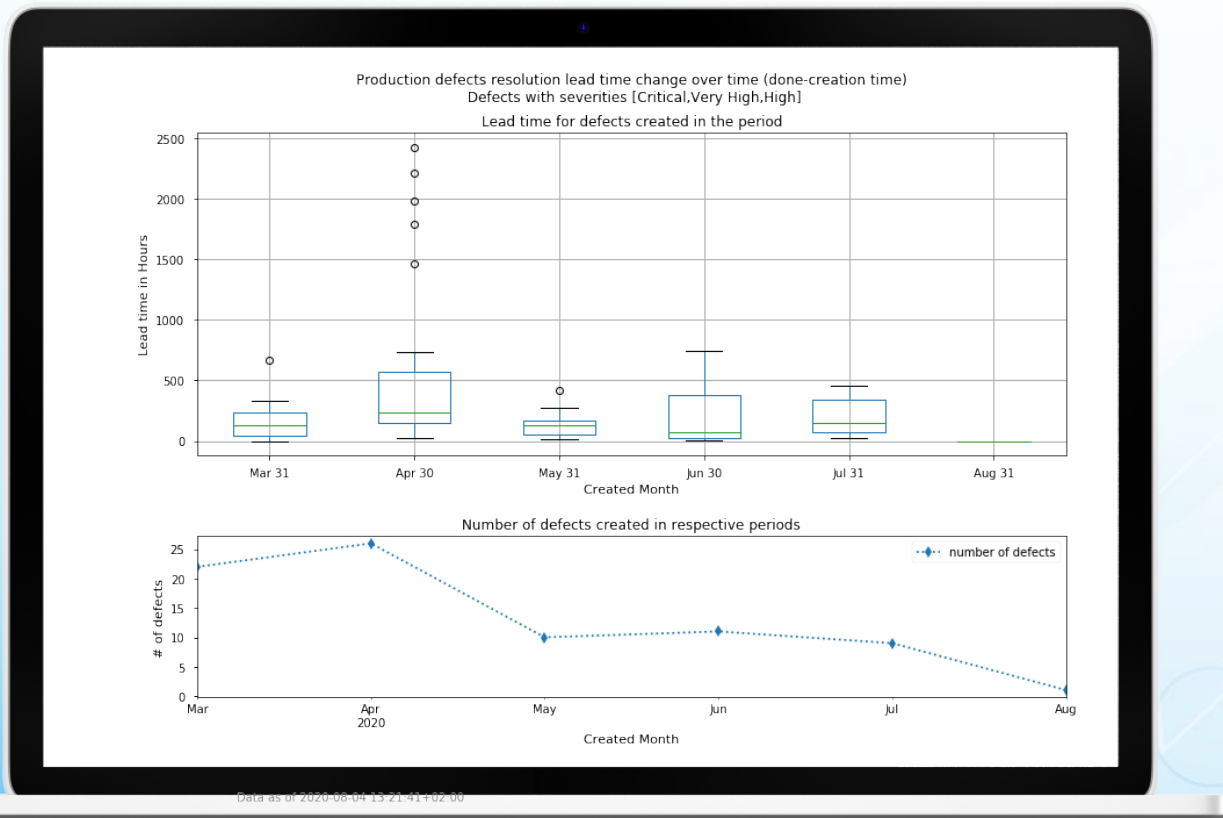
# AGILITY METRIC: PRODUCTION DEFECT LEAD TIME

Key “agility” metrics

Delivery Lead Time

Features cycle time

ACE Train



- Production defect lead time shows, how fast Train is delivering fixes to the production issues.
- Good trend is when boxes become lower with time, and number of outliers shall decrease.

## KEY DEFINITIONS

- Lead time is calculated as Time (defect is set to Done) – Time (defect created). Both according to Octane.
- Due to specific of Kanban policies in ACE, production defect could be set to Done before fix has arrived to Production environment. While the metric is still useful to track the trend, it might not reflect precisely the time it takes for the business problem to be solved.
- Only production defects are included. Production defects are defects where Production environment is included in the list of environments.
- Defects are grouped on a weekly basis. The date on the x-axis is a Monday, period includes all defects created from Tuesday previous week till Monday.
- Only defects with Critical, Very High and High severities are included.

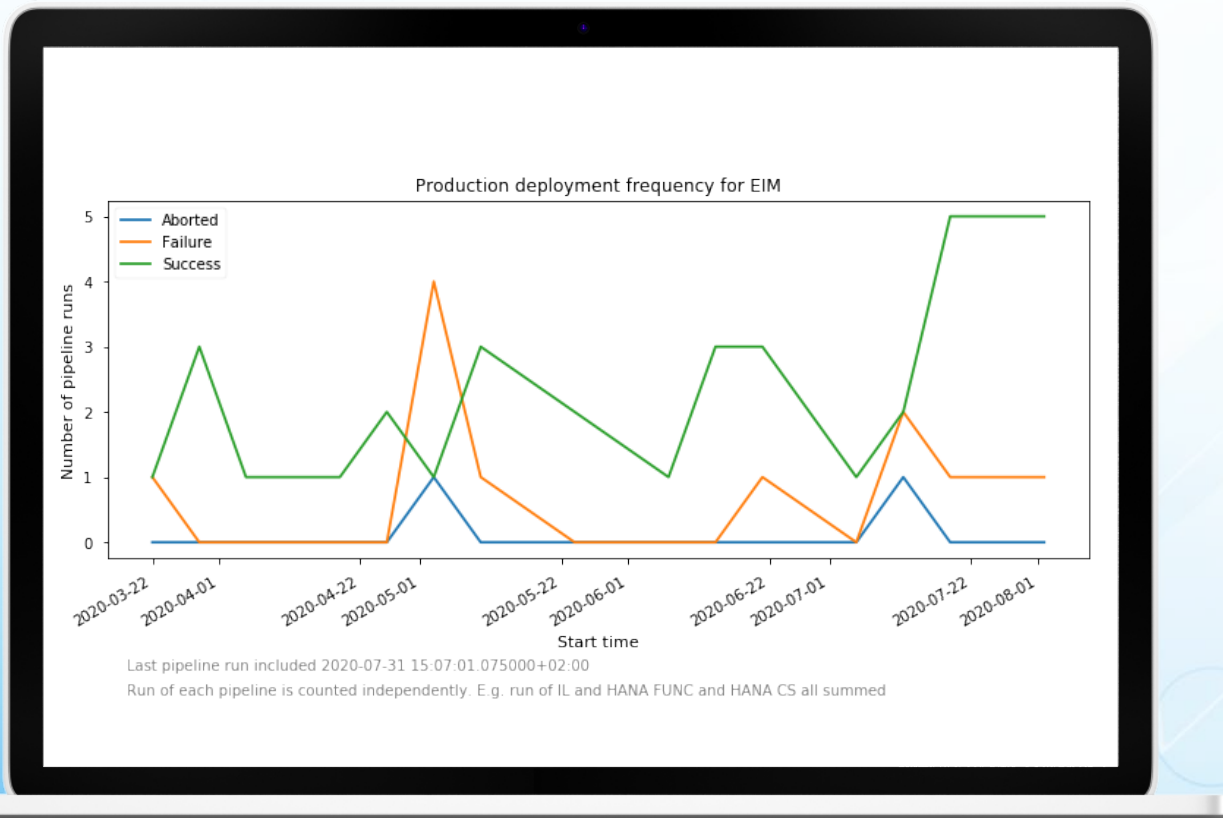
# AGILITY METRIC: DEPLOYMENT FREQUENCY

Key “agility” metrics

Delivery Lead Time

Features cycle time

ACE Train



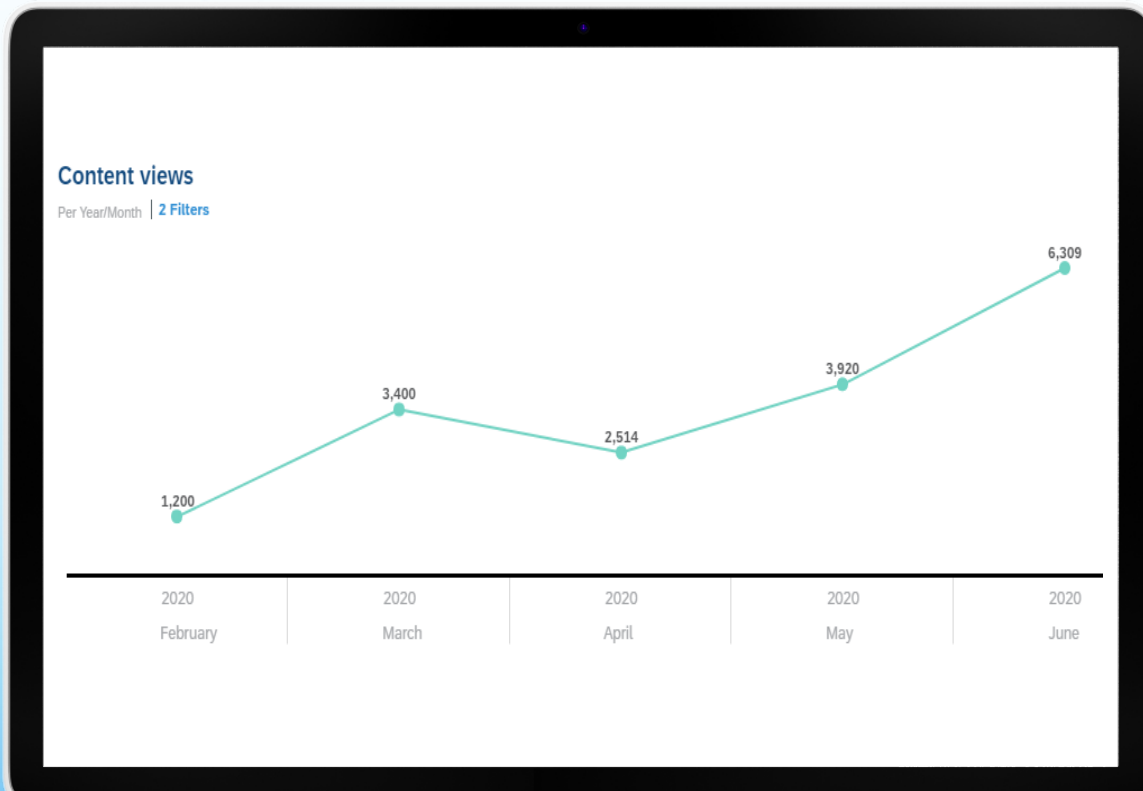
- Frequency of production deployments matters because it tells how often teams are delivering something of value to end users and/or getting feedback from users.
- High frequency is a good measure of the DevOps efficiency and overall team performance.
- Good trend is when **green** line goes up with time.

## KEY DEFINITIONS

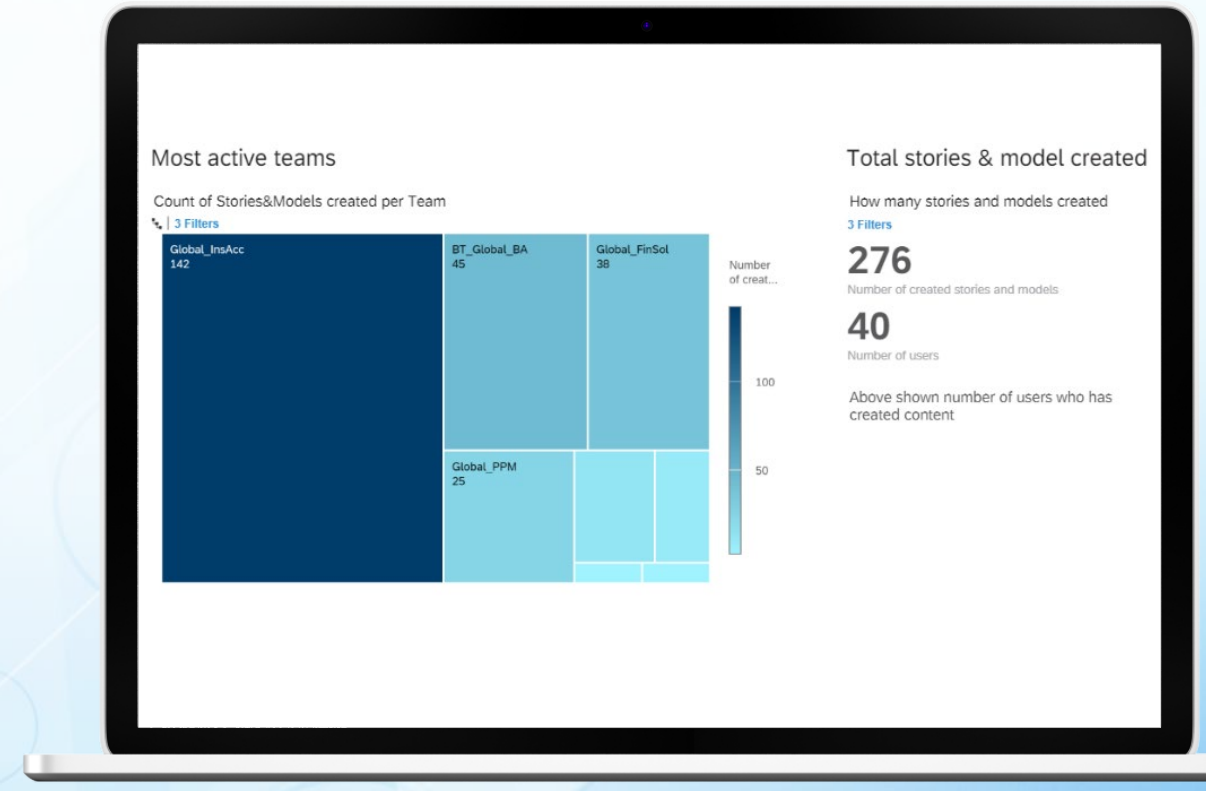
- For EIM, one deployment is one run of the Pipeline.
- Graph includes data only for Production pipelines (currently 5 for EIM).
- On the graph, each week all runs of all production pipelines is summed.
- Data is grouped by weeks.
- Graph shows data since EIM is in production and respective pipelines were configured and started to be used.
- Deployments are not related directly to User Stories, Defects or Features. Deployment is an action to release to specific environment new version of application, which can include some Features, User stories and defects.
- Data is based on Octane.

# BUSINESS OUTCOME METRIC: REPORTING USAGE

WE CAN CLEARLY SEE STEADILY GROWING USAGE OF GRID BASED REPORTING SOLUTION



INSURANCE ACCOUNTING IS STILL THE LARGEST AND MOST ACTIVE GROUP OF USERS

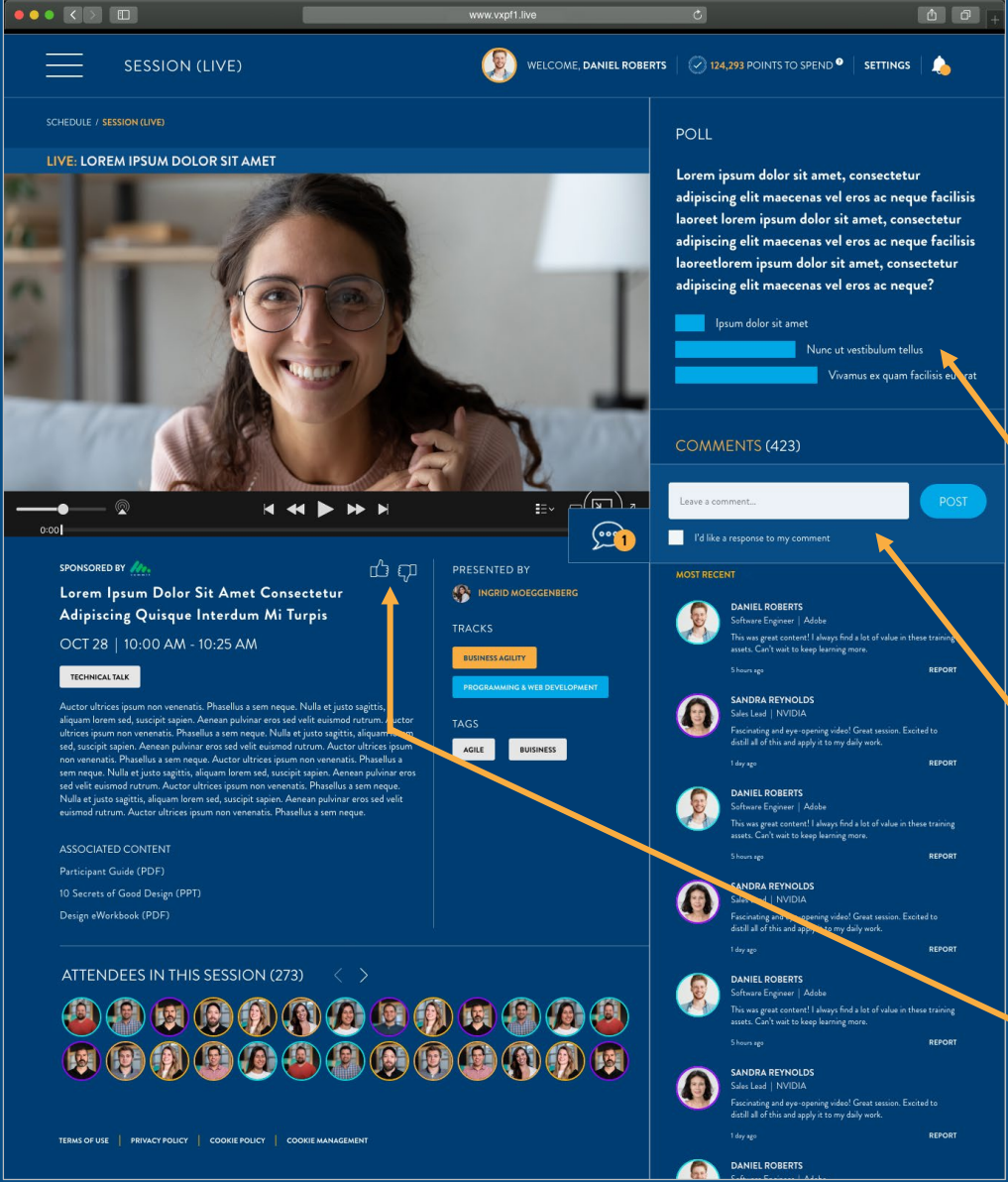


# Join us at the Meet the Speaker Session!



Please refer to the agenda for scheduled times

# Participate in polling, post comments, and rate sessions



- 1 Polling
- 2 Comment
- 3 Thumbs up or down