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Insurance Company Cuts Cycle Time by 20% and Saves Nearly \$5 Million Using Agile Project Management Practices

Project durations have been reduced by 20%, for a net savings of nearly \$5 million. The percentage of projects coming in on time and within budget increased by 40%. As a result, management has broadened the scope of the initiative to implement agile practices across the organization.

Company

A US-based Fortune 100 company providing insurance products and services to clients in North America.

Challenge

With a billion dollar project portfolio numbering in the hundreds of projects, the client needed to decrease time-to-market in response to competitive pressures and its expanding product line. They set aggressive goals to reduce average project duration by approximately 50% and improve internal customer satisfaction by 25% over a three-year period. The client's [project management environment](#) (<https://www.pmsolutions.com/services/pmo-services/pmo-deployment/>) at the time was rigid, depending almost entirely on traditional phase-based deliverable schedules, with a heavy development methodology.

The graphic features a blue background with a white callout box containing the title '13 Best Practices for Organizational PMOs' and a subtitle 'The Adaptive PMO-Top Practices for Agile Transformation'. Below the title is a button labeled 'DOWNLOAD RESEARCH BRIEF'. To the right of the text is a thumbnail image of the white paper document, which shows a table with various data points and sections like 'Key Findings' and 'Best Practices'.

(https://www.pmsolutions.com/white_papers/The_Adaptive_PMO_-_Top_Practices_for_Agile_Transformation.pdf)

Solution

Client adopted the Scrum framework and other agile product development techniques, hoping to benefit from the shorter project durations promised by

an iterative approach. In adopting agile practices and techniques as part of this initiative, the organization was set to introduce radically new management practices to a traditionally trained project management community, with an emphasis on early and frequent delivery of value to end-users.

During the beginning stages of this initiative, PM Solutions became an integral part of an internal group that provided agile coaching to teams employing [agile development practices](https://www.pmsolutions.com/blog/view/a-question-of-agility-expert-answers/) (<https://www.pmsolutions.com/blog/view/a-question-of-agility-expert-answers/>), coupled with training tailored to their specific environment.

PM Solutions also [mentored the client's project management organization](https://www.pmsolutions.com/services/pmo-services/mentors) (<https://www.pmsolutions.com/services/pmo-services/mentors>) through the various changes these new practices required of an organization schooled in traditional approaches.

Results

After 18 months of mentoring and coaching, a number of significant results were realized:

- Average project duration (cycle time) was reduced by approximately 20%, for a net savings of nearly \$5 million
- Customer satisfaction improved nearly 30% (exceeding the goal of 25%), 18 months ahead of projections
- Project startup duration decreased from an average of 10 weeks to 3 weeks
- Time-to-first-solution implementation decreased from an average of 20 weeks to 7 weeks
- 90% of projects adopting agile practices and techniques now deliver the desired value to end-users on-time and within initial budgets – by contrast, with traditional approaches, only 50% of projects delivered desired value on-time and within initial budgets.

Approximately 15% of the client's portfolio of projects has now adopted some form of agile project management. Due to demonstrated successes using a combination of agile project management and development practices, the client has established strategic goals that formalize the intent to “go agile” across the organization. As a result, management has now mandated a doubling of the percent of projects using agile methods.

PM Solutions continues to help lead coaching and mentoring efforts that will further ingrain agile practices into the company's business operations.

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The Project Management Experts®

PM Solutions is a project management services firm helping organizations apply project management and PMO practices to improve business performance.

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