Spotlight

on software development processes

- The waterfall development methodology traditionally followed by software designers does not allow flexibility on last-minute technical or requirement changes
- Software provider Guidewire champions the Agile system, which shifts the emphasis to daily and weekly reassessments
- LV= is one of many insurers to have adopted the Agile methodology for its business

By Jessica Reid

In association with

Guidewire
Deliver insurance your way
For us, the waterfall approach wasn’t working well. We were delivering things late, we were delivering the wrong things sometimes.

Paul Donohoe, LV=.

Agile methodology. Since then, the company hasn’t looked back.

Agile gives the project delivery team, as well as the client, opportunities to assess the direction of the project throughout its development lifecycle. This is achieved through regular cadences of work – known as sprints or iterations – where the team stops and re-evaluates the direction of a project every two weeks.

Initially, Agile was just an internal methodology at Guidewire, but in 2004 insurer Liberty Mutual asked the company to help it implement the approach in its business.

Since then, Guidewire has used Agile to implement its products for most of its 141 customers globally, 100 of which are currently live, and all its projects have been successful.

“It’s difficult for some companies to get their head around, but Agile allows you to see the demonstrable value much more quickly, realise return on investment and keep the project under much better control,” says Guidewire product marketing manager Mark Mullin.

“In traditional waterfall delivery, you would do a big project at the beginning to define all of the requirements, and then the business people would go away for months and wait for the IT people to deliver it,” he says. “The problem is that what they’ll deliver might not be what the business wanted, because it was never communicated properly.”

With Agile, communication is part of the daily strategy. All members of the development team meet every day to discuss what has happened since the day before and what they plan to do today. “Rather than waiting months, the client sees something every two weeks – it’s much more interactive,” says Mullin.

LV= changeover

One UK insurer to use Agile is LV=, which implements it as part of Guidewire’s ClaimCenter web-based claims system. LV= business analyst Paul Donohoe says: “For us, the waterfall approach wasn’t working well. We were delivering things late, we were delivering the wrong things sometimes, and the business benefits really weren’t coming out.

“In a [waterfall-based] project it can be weeks or months before the businesspeople see how the IT people have interpreted their needs. With Agile, it’s hours or days.”

And in an industry where innovation is a constant challenge and claims-handling speeds are under rising pressure, perhaps other insurers should consider following Ryu’s lead and get in shape using Agile.

Every time I get on the squash court with my son, it is painfully clear how agile I am not. Agility comes naturally to the young, and not just in sports. We have all watched in awe as our children pick up a new techie toy, never look at the manual, and intuitively just figure it out.

Being able to do this is in our nature as well. We have suppressed it owing to years of schooling that have convinced us to be thorough up front before using or doing anything new. Read the manual; be sure we know where we are going before we go there.

Which works better? In software development, thorough and up front was the fashion for years. At Guidewire, we did our development in the early years this way. Then, one of our customers introduced us to the Agile Methodology.

Insurance software is very complex, and implementing it is really, really hard. Business needs change ever more quickly. We know that to try and define all the functionality and scope of a project up front is fraught with dangers and risks. We cannot define everything a team of developers will need at the beginning of the process, hand it over and ensure that what comes out the other end will be usable. Chucking it over the wall – well, that doesn’t work.

The fact is that requirements will develop through the project lifecycle – and Agile allows the team to adjust for this. By design, Agile enables the team on a project to react to changes in direction and evolving requirements. The business becomes inexorably embedded in the process in a way that other delivery methodologies do not achieve.

The team becomes a focused group of key individuals from all stakeholder areas – the developer(s), the team manager, the business analyst, and the insurance subject matter expert. By co-locating this team in a pod of four to six individuals, the approach embeds the ethic of consultation and collaboration.

The cycle is simple, yet effective. By breaking the project into discrete chunks of about two weeks’ work, functioning software is delivered very quickly. Requirements can be validated and evolved in each of these two-week increments. The need for the team to demonstrate achievement over short delivery sprints ensures a level of focus and evidences the value of a development far more quickly. The business sees and understands what is being delivered, and adjustments can be made much earlier in the cycle, which guarantees that what is delivered works and is relevant.

Which works best? We believe in Agile so strongly that it is used across our business to

We believe in Agile so strongly that it is used across our business

to changes in direction and evolving requirements. The business becomes inexorably embedded in the process in a way that other delivery methodologies do not achieve.

The team becomes a focused group of key individuals from all stakeholder areas – the developer(s), the team manager, the business analyst, and the insurance subject matter expert. By co-locating this team in a pod of four to six individuals, the approach embeds the ethic of consultation and collaboration.

The cycle is simple, yet effective. By breaking the project into discrete chunks of about two weeks’ work, functioning software is delivered very quickly. Requirements can be validated and evolved in each of these two-week increments. The need for the team to demonstrate achievement over short delivery sprints ensures a level of focus and evidences the value of a development far more quickly. The business sees and understands what is being delivered, and adjustments can be made much earlier in the cycle, which guarantees that what is delivered works and is relevant.

Which works best? We believe in Agile so strongly that it is used across our business, and not just for software development and implementations. The opinion about Agile of one of our customers – Suncorp in Australia – has evolved from initial scepticism of the methodology to the point at which Agile is used throughout its business too. And it has developed training for other companies on Agile.

Agile delivers. It has proved itself to be an important pillar of our track record of success.