

INSURANCE COMPANY USES PROFESSIONAL SCRUM™ FOR BUSINESS PROCESS IMPROVEMENT AND COST CONTAINMENT

A CASE STUDY HIGHLIGHTING THE USE OF SCRUM IN A NON-SOFTWARE ORGANIZATION

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CASE STUDY



THE COMPANY

The Hong Kong medical branch of a large insurance company focusing on using Scrum to improve their business processes, accelerate health insurance services capabilities and minimize cost.

The Hong Kong medical branch of a large insurance company engaged with Ken Kwan, Professional Scrum Trainer to help them with their agile transformation with a focus on using the Scrum framework to improve their business processes, accelerate health insurance services capabilities and minimize cost.

Challenge

Due to the organization having high costs per claims processed, the costs for the business were increasing. They needed to accelerate their health service capabilities to better serve their customers, drive new business growth, minimize the costs, track the benefits and measure outcomes. The internal expertise that needed to address these initiatives included people in the roles of brokers, customer service, network specialists and operations. They were working in silos and the people in the local office and regional offices did not communicate with each other or collaborate. This was contributing to the problem they were facing with being inundated with claims, resulting in poor customer experiences. They also did not have a way to capture data to measure their progress and track benefits. In order to resolve these problems, the CEO decided that they needed to bring the teams together and start an agile transformation initiative to improve business agility. They brought in Ken Kwan to help them and he introduced the teams to [Professional Scrum](#). Some of the project teams within the organization had previously been using Scrum, but they were not focused on the value for their customer and were simply following the Scrum Guide in a “mechanical way”. They also were not adhering to the Scrum Values in their work, which created challenges with transparency and trust.

Solution

The biggest challenge they faced when starting this transformation effort was bringing the distributed team together. Some of the team members were located outside of the main local office. In order to bring them together, Kwan decided to run a design thinking workshop to get them to begin thinking with an agile mindset as a team and understand the customer journey and pain points. They wanted to make sure the team was working well together and thinking in a customer-centric manner.

They decided to start with one Scrum Team before expanding to the rest of the organization. The 8 person Scrum Team consisted of a Scrum Master (Kwan), a Product Owner who was also the CEO of the organization, and the Developers who included the Head of Data Analytics, two Data Scientists, a Clinical Network Specialist, a medical Doctor and a Nurse. It took the team some time to adjust to Scrum since they had never really worked in an agile way as a team prior to this. They wanted to repair the broken organizational culture and move to a customer-outcome focused organization by using Scrum to create greater transparency and shift to a more agile way of thinking and working.

They worked in 2-week Sprints, and this was the first time they had completed something as a team within 2 weeks. They set their Sprint Goals and worked toward them as a team. They also held all the Scrum Events which created greater transparency among the distributed team. They worked mostly in a virtual setting and did not get to work together in person often due to the COVID-19 pandemic.

Once they got started, Kwan noticed that the team was relying on him to organize all of their meetings, so he worked with the team to build trust to enable them to self-manage and schedule meetings as they needed. Kwan coached the team to focus on the Sprint Goal and emphasized the importance of self-management. Soon, they began to meet on their own. They abandoned their traditional task-driven approach and effort estimation, therefore no story points or velocity were introduced.

There were some other challenges for the new Scrum Team because the CEO was very busy and the Scrum Team members had other projects to work on at the same time. Nevertheless, the CEO committed to participate in all the required Scrum events including the Refinement

meeting, communicating the vision and working with the team to define the Sprint Goal for each Sprint. The Developers self-managed and collaborated to prepare the Product Backlog items to support the Sprint Goal each Sprint. All stakeholders, including participants from legal and compliance, sales and marketing, and risk & operations committed to joining every Sprint Review by providing feedback on the Increment and offered help to the Scrum Team when needed. They found that the Sprint Review was valuable because it provided transparency on the Done Increment the team had delivered every 2 weeks and were able to share their feedback. They had never experienced this in traditional projects.

For the Definition of Done, the teams used the following:

- All knowledge sharing sessions, findings or training should be documented and uploaded to Confluence
- All communications, terms and conditions would be reviewed by corporate communication teams and legal and compliance
- New or refined business processes should follow the guidelines and not violate the policies from the Hong Kong Insurance Authority
- Dashboard design in Tableau should follow the practices set forth by the Global Data Analytics Team

One of their first things that they did was to increase collaboration and transparency within the team. To do so, they conducted several knowledge sharing sessions among themselves which included clinical & network, proposition & customer service and data science & analytics teams to learn from each other and increase the transparency from the customer journey and business process perspective.

The products the Scrum Team built on were not software products, they were all related to business processes. An example of a product they delivered is a data model they created to evaluate the cost of medical claims to see which procedure had the most claims. They built this to help resolve their data capture and claim tracking challenges. Before creating this, data was dispersed in various places and they did not have a single view for transparency, measurement and decision making. The Head of Data Analytics and Scientists built a framework and data model for Clinical Network Analysis to capture the cost data

across each episode of care (EOC) to improve the overall visibility. They also developed an opportunity sizing algorithm that can be applied for future target procedures.

An example of a Sprint Goal they had, was to make communication with their customers more clear. The communication included articulating the organization's clinical / health services capabilities via different channels including websites, brochures, member leaflets and other communications. They also needed to improve the customer experience around the Terms and Conditions in the insurance policies, which was not clear to the customer before. In that specific Sprint, they worked with the Marketing Team to update their communications and refine them with copywriting. For these types of goals, sometimes the sales team would be involved to test their messages to ensure they were clear for their customers. They used a similar process working with their Legal and Compliance department on revising terms and conditions.

Another Sprint Goal was to improve the existing steerage business process. The outcomes would direct more customers to the clinical network and panels for their procedures and aim for direct cost savings. They revisited the existing steerage process and provided training on it for the team members in the medical and surgery center so that they could direct more customers to contact the organization before they go into hospital, and the team could provide better end-to-end services to the customer. The Scrum Team also developed a steerage incentives framework to the existing and new pathways to improve uptake.

"Prior to embracing Professional Scrum, the Scrum Team was just going through the motions and they were not seeing good progress," said Kwan. "By shifting to an Agile mindset and embracing the Scrum Values in their work, the team became more focused on outcomes, built trust within the team and was able to improve their business processes and reduce costs."

About Scrum.org

Scrum.org, the Home of Scrum, was founded by Scrum co-creator Ken Schwaber as a mission-based organization to help people and teams solve complex problems. We do this by enabling people to apply Professional Scrum through hands-on training courses, globally recognized certifications and ongoing learning all based on a common competency model.

Scrum.org supports people wherever they are on their learning journey from beginner to highly experienced practitioner, helping them to grow over time with ongoing learning opportunities and resources. Community members share knowledge and gain new insights from each other leveraging forums, blogs and more.



Results

After implementing Professional Scrum, the organization noticed some great improvements:

- They improved the teamwork between local and regional team members by focusing on a Sprint Goal every 2 weeks
- By partaking in all of the Scrum Events and becoming more collaborative, they increased transparency within the Scrum Team and with stakeholders across the organization building greater trust
- Their focus improved and they made their business processes, data and forecasting transparent
- Team members became happier and felt more empowered. This was measured in a survey after 3 months of using Professional Scrum
- They increased their team bonding time, which was lacking prior to this initiative. The teams began to eat lunch together and socialize more
- They improved the working model between the team in different locations, and therefore built their team identity
- The customer journey and the business process became more transparent and they continue to identify different areas in the value stream to improve.
- The CEO of the organization experienced and realized the benefits of Scrum, and built a strong foundation for the organization's Agile Transformation initiative.
- The use of Professional Scrum fostered a sustainable work pace for the team

The company is still using Scrum today to keep improving the business processes and accelerating the medical insurance capabilities.