



Purpose Driven Lean

Agile Project and Portfolio Summit
May 9th, 2016

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Nationwide[®]
is on your side



WE ARE A STRONG MUTUAL COMPANY BUILT TO SERVE OUR MEMBERS

16+
MILLION
POLICIES

\$195.2
BILLION
IN ASSETS

\$25.3 BILLION IN REVENUE FOR 2014

33,000 Nationwide associates serve
customers in every state

#1
CORPORATE LIFE
WRITER

#1
WRITER OF
FARMOWNERS

A+
STANDARD &
POOR'S

A1
MOODY'S

A+
A.M. BEST

FOUNDED IN 1926
BY MEMBERS OF
THE OHIO
FARM BUREAU

\$345
MILLION
CONTRIBUTED
TO NONPROFITS
AND COMMUNITIES
SINCE 2000

#1 PET & SMALL
BUSINESS
INSURER

8th
LARGEST
COMMERCIAL
INSURER

GALLUP®
GREAT
WORKPLACE
AWARD

FORTUNE
100
BEST
COMPANIES
TO WORK FOR
2015

#85
ON THE
FORTUNE
500 LIST

7th LARGEST HOME INSURER
8th LARGEST AUTO INSURER
IN THE U.S.

Nationwide sits in a position of strength with leadership in products across our diverse portfolio



Nationwide[®]
is on your side

Top 10 in multiple product lines across the portfolio

Financial Services

- Variable & Immediate Annuities
- Retirement Plans
- Individual Life
- Corporate Life

Commercial Lines

- Farm / Agribusiness
- Excess & Surplus
- Standard Commercial

Personal Lines

- Standard Auto and Home
- Pet Insurance

Nationwide Lean IT Journey (Video)

OUR BELIEF SYSTEM

We are a **PEOPLE** organization

THE KEY TO OUR SUCCESS

OPERATIONAL EXCELLENCE

is in our **DNA** which means...



**A culture of quality, predictable
delivery, and continuous improvement**



COMPETITIVE advantage through **PROCESS**



TECHNOLOGY AT NATIONWIDE

\$1+
BILLION
ANNUAL IT
SPEND



35,000+
PERSONAL
COMPUTERS



9,000+
IT WORKFORCE

PREDOMINANTLY
IN-HOUSE

10,000+
PHYSICAL & VIRTUAL
SERVERS



~8 PB
IN STORAGE

WHAT IS LEAN IT?

All applications of lean thinking, principles, methods, and tools in the world of information management and technology. **Lean IT** is a new way of leveraging technology to engage people, improve process, and solve problems.



Source: *Lean IT*, Bell and Orzen



WHAT LEAN IT LOOKS LIKE TO US

TRADITIONAL SYSTEMS	LEAN SYSTEMS
Authority	Responsibility
Results focused	Process focused
Expert “staff” functions	Expert workers
Jump to solutions	Root cause problem solving
Corner office management	Go see management
Report analysis (delayed)	Visual management (real-time)



Nationwide

Lean IT Journey

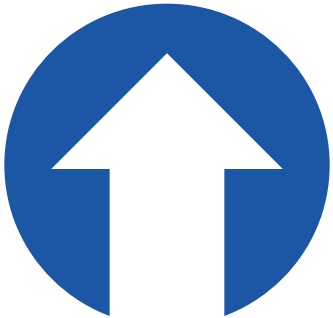




Nationwide®
is on your side

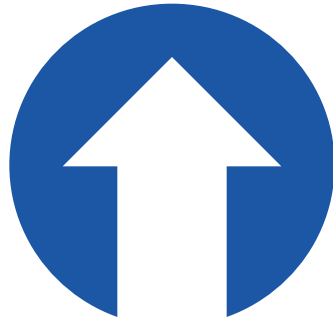
Real Results

Engagement



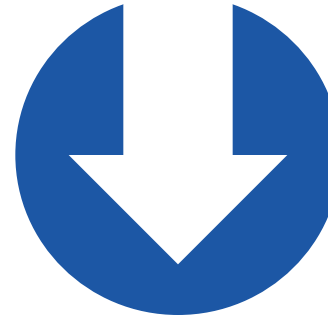
Associate engagement is increasing for teams that have deployed Lean and IT has had **7 years** in a row of **increasing engagement...**

Productivity



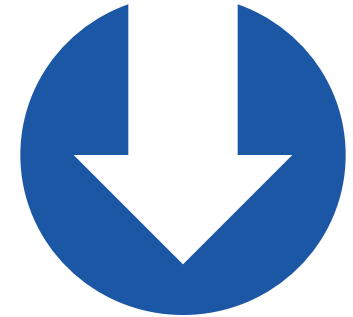
87% of production application releases are **better than industry averages...**

Defects



High and critical defects counts are on a **5-year positive trend** while **96% of releases have ZERO defects...**

Cost



Costs for application maintenance have been **reduced by 20%...**



LET'S TAKE A WALK AT NATIONWIDE'S HEADQUARTERS IN COLUMBUS...





LEAN MANAGEMENT SYSTEM

FOUR TIERS FOCUSED ON BUILDING LEAN LEADERS



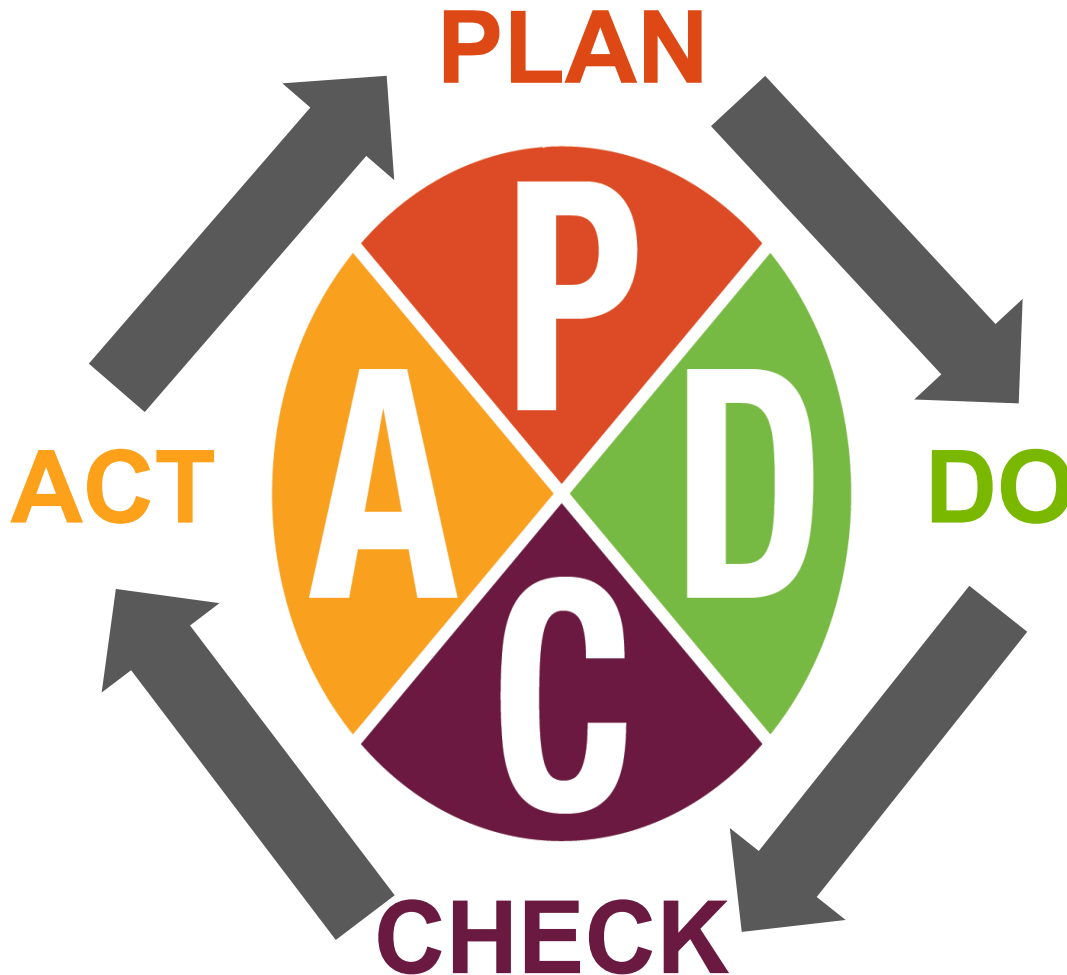
Tier I Lean Management System (Video)

LEAN MANAGEMENT SYSTEM



Tier II Lean Management System (Video)

LEAN MANAGEMENT SYSTEM



Defects Source Chart Improvement

Subscriber: Yule Zhang
Initiative Sponsor: Mike Jones
Team Members: Archana Singh, Gary Kuhn, Justin Gasser

Goal:
Effectively depict the source of defects across the enterprise.

Background:
The monthly build deck includes a pie chart of the production defects source (PDS).

Current State: (Based on April Build Deck)

Analysis:

- The goal of the defects source chart is to display the portions of production defects from ADC as well as from BSAs.
- The "Enterprise total without ADC" portion in previous chart includes not only the production defects from BSAs, but also the 3rd party defects and a large portion of unknown defects.
- The defects source ratio between "ADC portion" and "Enterprise total without ADC" in previous chart is around 1:3. Therefore, a misleading conclusion can be drawn that most of the production defects are from BSAs.
- As an improvement, the current month build deck depicts the "Enterprise total without ADC" as three parts: "BSA portion", "3rd party vendor portion" and "unknown portion".
- In Quality Center, the root cause of defects can be identified from an required field called "Introduced by Line". There are options of BSA lines, ADC lines and 3rd party vendor.
- A large portion of defects (nearly half of the total defects) leave the field empty, which we call "unknown portion".
- Identifying the source of the unknown portion is the key to depict the real source of defects. The team discussed and understood the source of unknown defects as well as the workflow of "Introduced by Line" in Quality Center.
- The "Introduced by Line" field is used to identify which team defect came from. Typically used by receive teams such as the Transportation Center. According to enterprise defect management request, the "Introduced by Line" field is required when Status is changed to Fixed or if Field is highlighted in required open Close.
- The "Introduced by Line" field becomes an required on "Waiting Migration" or "Closed" for some reason. The goal is the main reason is the large portion of "unknown".
- The production defects detected include defects with "New" and "Open" Status. The "Introduced by Line" field is not required on "New" and "Open". There will always be an "unknown New/Open" portion in the defects source.

Recommendation:

Analysis Item #1: Lack in defects source reporting

- 201 Identify the number of defects from BSAs and 3rd party vendors each month.
- 202 Include "BSA portion", "3rd party vendor portion" and "unknown portion" in the monthly defects source chart.

Analysis Item #2: Reducing the unknowns in Quality Center

- 203 Increase the workflow of "Introduced by Line" field in Quality Center. Make the field "Introduced by Line" be required on "Waiting Migration" or "Closed" in Quality Center.
- 204 Communicate with 323 leadership community about the importance of enforcing the standards about the field.
- 205 Add "unknown New/Open" portion in the defects source chart.

Implementation:

Item #	Recommendation	Target Date	Completion	Status	Notes
201	Identify the number of defects from BSAs and 3rd party vendors each month.	Apr 2015	Completed		
202	Include "BSA portion", "3rd party vendor portion" and "unknown portion" in the monthly defects source chart.	Apr 2015	Completed		
203	Make the field "Introduced by Line" be required on "Waiting Migration" or "Closed" in Quality Center.	Apr 2015	Completed		
204	Communicate with 323 leadership community about the importance of enforcing the standards about the field.	Apr 2015	Not Started		
205	Add "unknown New/Open" portion in the defects source chart.	Apr 2015	Not Started		

Follow Up and Results Report:

Productivity Index Data Collection Process Improvement

Subscriber: David Deffen
Initiative Sponsor: Mike Jones
Team Members: Archana Singh, Yule Zhang

Goal:
Real time reporting for all BSAs showing Productivity Index for projects released during the previous month.

Background:
Productivity Index data lags by 1 to 2 months. Timing of reporting is not consistent between BSAs and ADC. Assembly of data inputs to Enterprise Build Deck is does not align with Operations Reviews therefore an additional 1 month lag is present to allow data collection, report creation, review etc.

Current State:

Analysis:

- BSAs are instructed to provide data after Production Warranty period. This creates a 2 month lag before data is submitted to Build Capability.
- ADC submits productivity data in the month following the Production Release. This creates 2 challenges:
 - Data may not be received by ADC Metrics Team until 80 or 90 and not submitted to Build Capability until 80-15.
 - ADC data represents (Current Month - 1) but all other BSA data will be as of (Current Month - 2).
- Manual steps in data collection, assembly and reporting:
 - Data from SLIM Collection Spreadsheets is re-entered into SLIM Data Manager.
 - Creation of graphical summary views requires copying graphs from SLIM Tool to PowerPoint then manually updating and color coding.
 - These manual processes prevent (Current Month - 1) data from being used in Enterprise R reports and Operations Review reports.

Recommendation:

Analysis Item #1: Lag in reporting time from BSAs

- 201 Increase all BSAs to provide data at Production Release instead of waiting until after Warranty Period.
- 202 Update BSAs to the build point for report of productivity into SLIM data received after 80 will appear in the following month's reporting. This includes receipt of productivity data from BSAs to 80's.

Analysis Item #2: Differences in timing between BSAs from ADC

- 203 Change heading on Enterprise R Report to Current Month.
- 204 Change heading on Enterprise R Report to "Data As of Current Month" or "Closed as of the previous month."
- 205 Create a report in SLIM Data Manager to display productivity data for all BSAs.
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Analysis Item #3: Manual Steps for Build Capability to produce R Reports

- 211 Create Enterprise R Report by 80-8.
- 212 Publish Enterprise R Report and Build Deck by 80-10.
- 213 Automate data feed from SLIM Collection Spreadsheets into SLIM Data Manager.
- 214 Create a solution to streamline/automate data graph creation either via SLIM and/or third party tool.

Implementation:

Item #	Recommendation	Target Date	Completion	Status	Notes
201	Increase all BSAs to provide data at Production Release instead of waiting until after Warranty Period. <td>Apr 2015</td> <td>Completed</td> <td></td> <td></td>	Apr 2015	Completed		
202	Update BSAs to the build point for report of productivity into SLIM data received after 80 will appear in the following month's reporting. This includes receipt of productivity data from BSAs to 80's. <td>Apr 2015</td> <td>Completed</td> <td></td> <td></td>	Apr 2015	Completed		
203	Change heading on Enterprise R Report to Current Month. <td>Apr 2015</td> <td>Completed</td> <td></td> <td></td>	Apr 2015	Completed		
204	Change heading on Enterprise R Report to "Data As of Current Month" or "Closed as of the previous month." <td>Apr 2015</td> <td>Completed</td> <td></td> <td></td>	Apr 2015	Completed		
205	Create a report in SLIM Data Manager to display productivity data for all BSAs. <td>Apr 2015</td> <td>Completed</td> <td></td> <td></td>	Apr 2015	Completed		
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213	Automate data feed from SLIM Collection Spreadsheets into SLIM Data Manager. <td>Apr 2015</td> <td>Completed</td> <td></td> <td></td>	Apr 2015	Completed		
214	Create a solution to streamline/automate data graph creation either via SLIM and/or third party tool. <td>Apr 2015</td> <td>Completed</td> <td></td> <td></td>	Apr 2015	Completed		

Follow Up and Results Report:

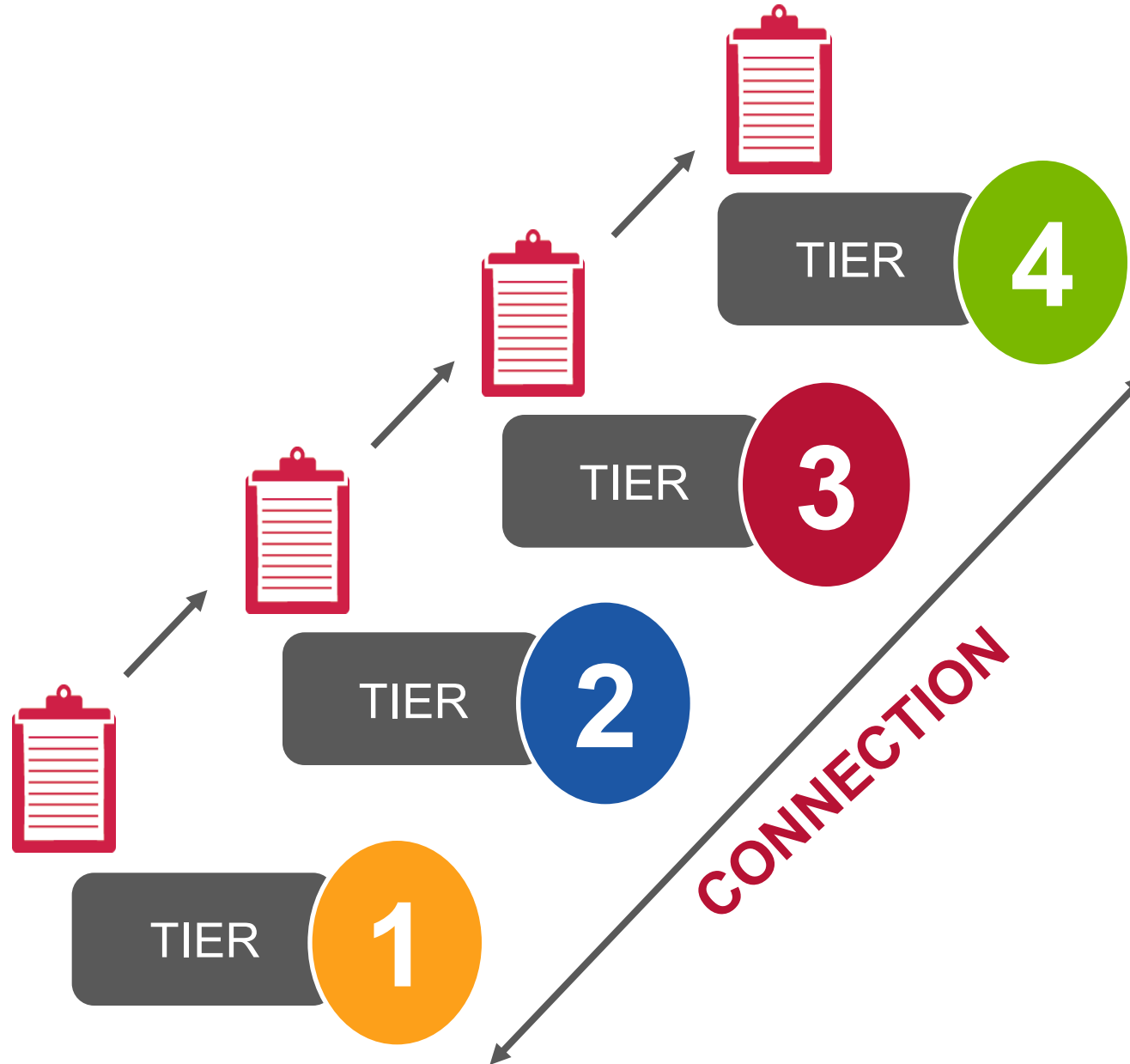
Recommendations 2 they 6 completed during creation of May Build Deck.

Build Capability engaged with ADC to take an ownership of creating ADC Productivity Data slides (Process started and completed June 2015).

Head Leader started working on improving build of data between SLIM Collection Spreadsheets and SLIM Tool in process June 2015.

Value Consideration: Consider changing change in responsible party for data submission: Project Managers instead of BSA Portfolio Leader or Data Collector Contact (to be considered as part of separate A3 for Data Collector Compliance starting in June 2015).

ROLLED UP METRICS



Tier III Lean Management System (Video)

LEAN MANAGEMENT SYSTEM

**REAL TIME
MANAGEMENT**



**MODELING
BEHAVIORS**



**LEADER
STANDARD WORK**





NATIONWIDE LEADER STANDARD WORK

EXAMPLE- BUILD CAPABILITY

Build Capability Leader Standard Work
Version 2.2

Name Tom Paider Date Sept 10, 2014

Daily (more than once a week)	Intent	How (Optional)
1. Attend my mgmt. standup meeting	Accountability and escalation	At visual boards, follow posted standard work for standups
2. Meet with admin	Alignment and prioritization	In office: review schedule and outstanding action items
3. Review Qmaifocus	GTD system	At computer or mobile device
4. One coaching opportunity	Staff Development	Find one coaching opp per day
Weekly	Intent	How (Optional)
1. Meet with Operations Leader	Alignment and prioritization	In office: review standardized items with OL
2. Gemba Walk w/ one area	Go see, ask why, show respect	**Use cadence calendar
3. Book Club	Continuous Learning	Learning Session
4. Attend CTO Standup	Current State, Accountability, Escalation	At CTO visual board
5. Personal Reflection	Personal Improvement	15 minutes – end of week
Bi-Weekly	Intent	How (Optional)
1. Operations Stand Up	FORWARD looking view of operations	At operations visual mgmt. system
2. 1:1 Meetings w/ direct staff	Development and Coaching	Checksheet; Review Std Work
Monthly	Intent	How (Optional)
1. Lean Leadership Team	Enterprise Lean Alignment	Executed by BTO
2. Build Capability Strategy Check	Align priorities with strategy	Review of strategic plan to current

Leader Standard Work applies across Nationwide IT

Formats can vary but the intention remains the same – a focus on value-added work, people development, and process improvement

Tier IV Lean Management System – C-Suite (Video)

VISUAL MANAGEMENT ROOM





VISUAL MANAGEMENT SYSTEM: PROGRAM & PROJECT DELIVERY

Tier 1 Delivery	Program Status	Program Troika	ECTO Staffing	Cross Boundary Escalation	Tech Risk
Personal Lines Transformation (PLT)	Yellow	Green	Green	Yellow Addt'l Lines 12/18	Green
Claims Transformation	Yellow	Green	Yellow Test Key 2/9	Yellow DW Quality	Green
Commercial Line Transformation Commercial Connecting	Yellow	Green	Yellow ITDA # Location #	Yellow Rapid Alignment 3/9	Green
Producer Information Management	Green	Green	Yellow MDM Tech. Exp. 2/17	Yellow 2/23	Yellow Data Virtualization 2/9
Beacon	Red	Green	Yellow Deposits SS 9/29	Green	Yellow FISERV 12/13
Momentum PSG (T2)	Yellow 2/2	Green	Yellow -ADL -Demand Issue 1/26	Green	Yellow Front End 2/2
Direct Growth GSCO (T2)	Yellow 1/26	Green	Yellow 1/20	Yellow Plan to Build 1/20	Green
One Brand	Still in Planning Stages	Yellow 1/12			
Streamline Operations	Still in Planning Stages				

VISUAL MANAGEMENT SYSTEM: ACCOUNTABILITY BOARD

	PEOPLE	External Deliverables	Accountability	Process Improvements	Technology Evolution
			Backlog		
Aharon					Data Strategy Business Case SOW Rates
Brian				New associate & leader onboarding process	ECTO operating Analysis
Guru		2019 Standard Cost Rates for Contractors		Lean ADM	
Jim				Data Professions	
Kim				Contractor Rates by Role	
Paul				Contemporary Issues/Examples	
Steve				Crisis Management Webike App SAS Contracts Guidewire Test Data Mgmt Two-speed IT	
Kevin				ITSD & Apollo Partnership	
Tom				Lean AM for IM vs AEC PICR Lean Management System for IT Program Level Metrics Explorer Productivity SOW Alignment Execution	
Vijay			Reference Architecture Refresh	Integrating Security for Cloud	Civitas For Mighty Coalitions
Wes			Big Data Vendor Strategy	Waters Learning via culture EITL Vendor Strategy	GLP Data Data A Starting Technology Strategy Tech Trends Cloudability Vendor Backlog by Account



CIO STANDARD WORK REVIEW & TRACKING

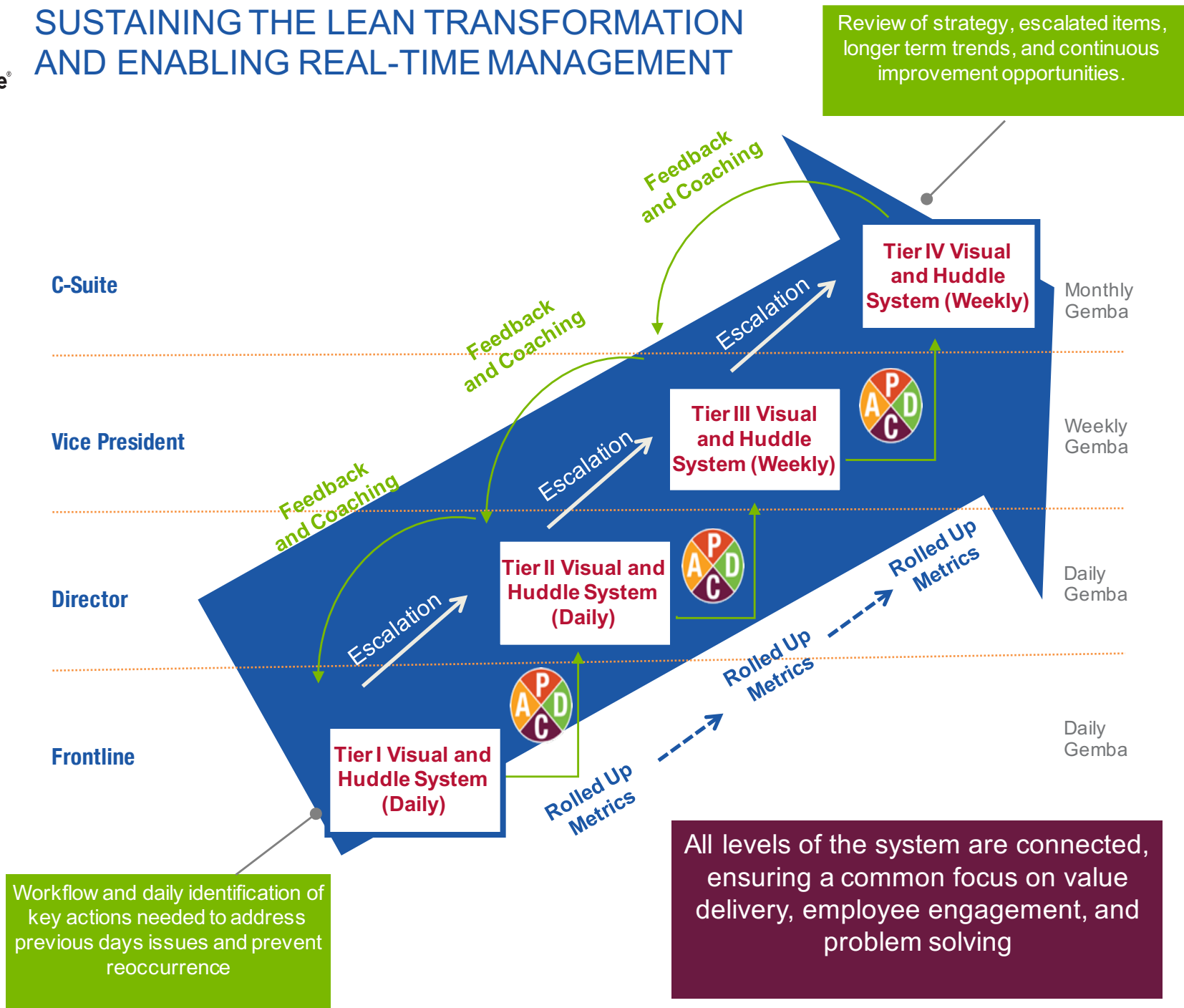
Q1-2016											
Jan-2016				Feb-2016				Mar-2016			

WEEKLY	week 1	week 2	week 3	week 4	week 1	week 2	week 3	week 4	week 1	week 2	week 3	week 4
Programs & Project Delivery	Green	Green	Green	Green	Green	Green	Red	Green	White	White	White	White
Lead & Manage Change	Green	Green	Green	Green	Green	Green	Green	Green	White	White	White	White
Associate Connections	Red	Red	Green	Green	Green	Green	Green	Green	White	White	White	White
Business Management	Red	Green	Green	Green	Green	Green	Green	Green	White	White	White	White

MONTHLY	Jan-2016	Feb-2016	Mar-2016
Help Desk Operations	Green	Green	White
Coach Direct Reports	Green	Green	White
Review Delivery Practices	Green	Red	White
Relationship Management	Green	Green	White
Contribute to Nationwide IT Strategy	Green	Green	White



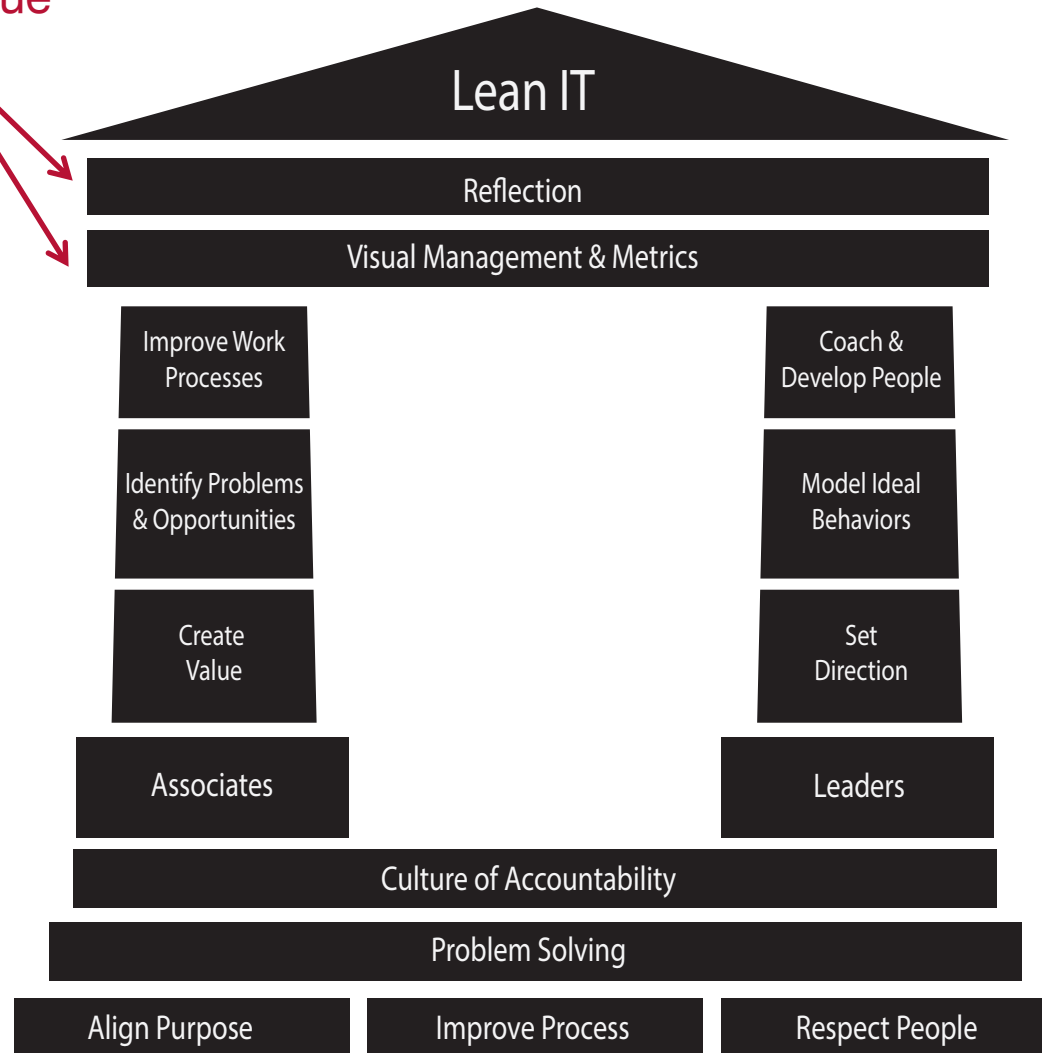
A FOUR-TIER MANAGEMENT SYSTEM SUSTAINING THE LEAN TRANSFORMATION AND ENABLING REAL-TIME MANAGEMENT



Super Glue

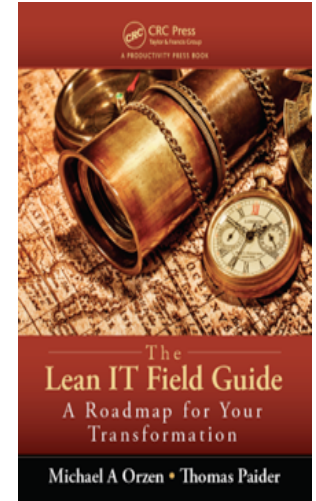


Lean "Production"



Foundational Elements

Lean Management



Thank You!

TOM PAIDER | AVP, Build Capability Leader

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