Agile for Actuaries (Panel)

November 19, 2020

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The webcast will begin momentarily…

Please hold questions until the end of the presentation

Questions can be submitted by unmuting your line at the end of the presentation

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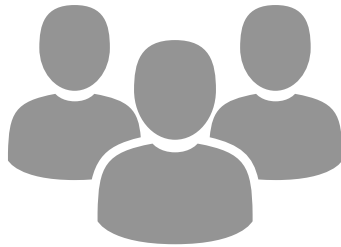
AGILE FOR ACTUARIES

Panel discussion

November 19, 2020
Mark Spong, FSA, CERA, MAA

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BACKGROUND

AGILE FOR ACTUARIES 101 – PEOPLE, PROCESSES, TOOLS

Agile a way of new way of working focused on people, processes, and tools with a goal of being able to adapt faster and easier compared to other project management approaches

People
Cross-functional teams plan and execute work in a series of short term 'sprints' to deliver and then get feedback from stakeholders

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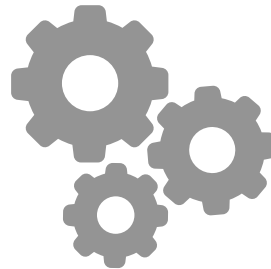
Processes
Well-defined processes promote sustainable and continuous development of high-value items

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Tools
Collaborative tools help document and prioritize activities, memorialize decisions, highlight barriers, and organize work products
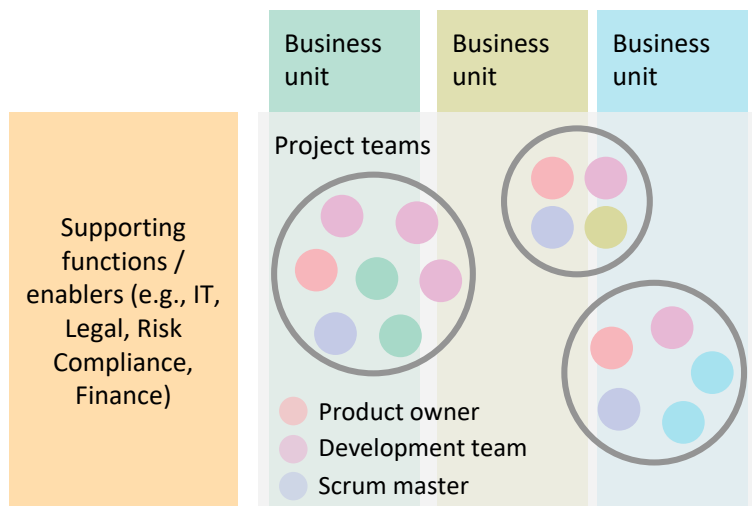
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History:

- Initially pioneered as means to overcome challenges in software development[1], Agile has become a project management approach agnostic of business setting

- Agile was developed to satisfy stakeholders by delivering results early and continuously rather than a traditional waterfall approach where final deliverables are released only at the end of a project

1. Source: http://agilemanifesto.org/history.html

AGILE FOR ACTUARIES 101 - PEOPLE

Teams are co-located, interdisciplinary, and empowered to make decisions

Typical team structure

Business unit

Business unit

Business unit

Supporting functions / enablers (e.g., IT, Legal, Risk Compliance, Finance)

Project teams

- Product owner
- Development team
- Scrum master

Common characteristics

Teams are intentionally cross-functional, partly to foster learning between departments, but also to enable practical challenges to be overcome by having the right people in the room from Day 1

A 'Product Owner' leads the project teams, a.k.a. squads. There might also be a scrum master charged with executing the Agile approach and clearing obstacles for the team

Performance metrics and hurdles / setbacks are supposed to be shared openly to encourage continuous improvement and to enable obstacles or barriers (including knowledge or skill gaps) to be overcome

Project teams typically meet at the beginning and end very short periods, or 'sprints', to reflect on the past and reprioritize and plan for the future. Lengths very but 2-3 weeks is common in actuarial settings
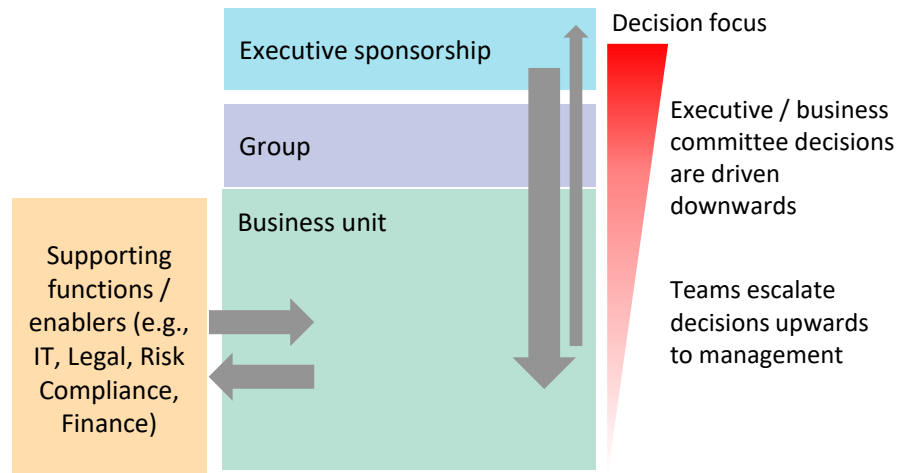
'Lean governance' processes are intended to allow Agile teams to work quickly

Typical governance process

In a typical organization, decision-making is driven by executive committees. Decision dependencies require **upwards escalations** through artifacts and documentation creation, and meetings with stakeholders
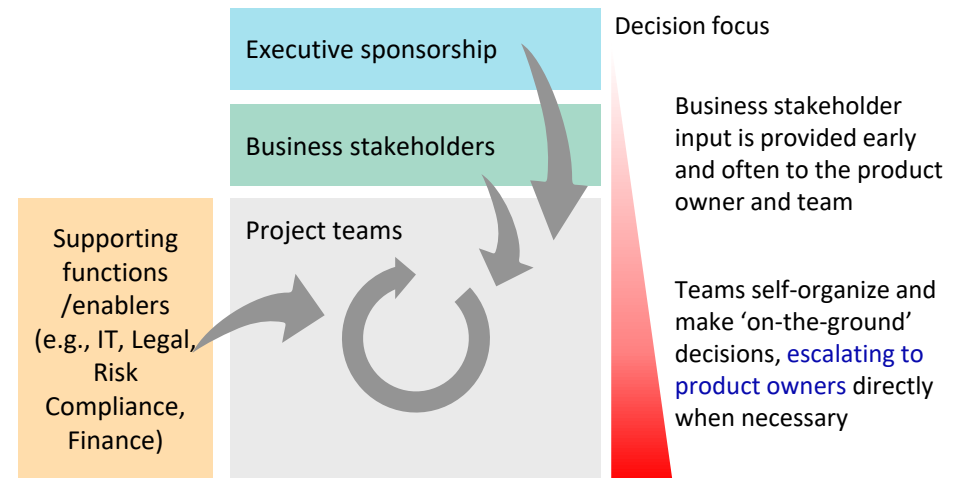
Example: Typical governance process

Executive sponsorship

Group

Business unit

Supporting functions / enablers (e.g., IT, Legal, Risk Compliance, Finance)

Decision focus

Executive / business committee decisions are driven downwards

Teams escalate decisions upwards to management

Teams engage with supporting functions through established processes

Lean governance process

In an Agile organization, project teams are empowered to make the majority of the decisions. SMEs and business stakeholders are expected **make time to be 'in the room'** to help inform teams to make educated decisions

Example: Lean governance process

Executive sponsorship

Business stakeholders

Project teams

Supporting functions /enablers (e.g., IT, Legal, Risk Compliance, Finance)

Decision focus

Business stakeholder input is provided early and often to the product owner and team

Teams self-organize and make 'on-the-ground' decisions, escalating to product owners directly when necessary

Supporting functions provide regular input to enable the team to make informed decisions quickly

Strategic initiatives are prioritized by executive leadership, and executed through teams who are empowered to self-organize and drive initiatives to launch
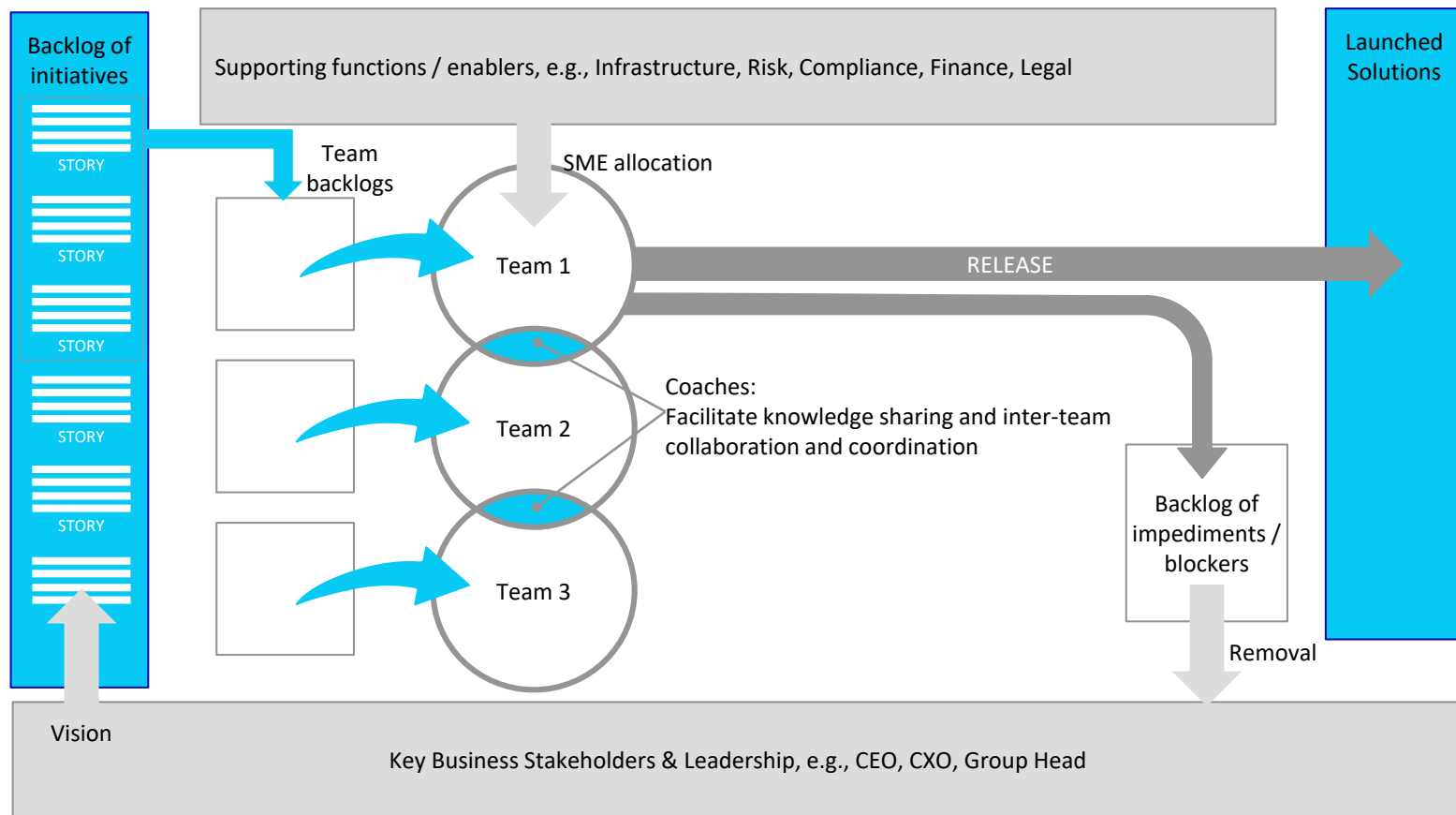
AGILE FOR ACTUARIES 101 - TOOLS

Modern cloud-based tools play a critical role in enabling an enterprise to deliver products with speed and efficiency

Partial list only

	Description	Examples	
Communication	Live group and 1-1 messaging	slack	Atlassian HipChat
File storage / sharing	Cloud storage with file synchronization and backup	Google Drive	OneDrive for Business
Project management	Collaborative project tracker	Trello	JIRA
Remote meetings	Video conferencing with screen share	zoom	BlueJeans
Computing	On-demand cloud computing	amazon web services	Microsoft Azure
Intranet	Internal documentation platform	Atlassian Confluence	SharePoint

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PANEL DISCUSSION

PANELISTS

Jon Applewhite is a Director, Actuary at Prudential Financial and is based out of Philadelphia. His current role is within the Individual Life Pricing core-markets team and has been focused on modeling, product development, and principles-based reserving. He was also a member of the Product Prototype Lab, a cross-functional agile-scrum team that evaluates new product ideas, performs prototype analysis, and provides go/no-go recommendations. Prior to joining Prudential, Jon was a consultant in the Insurance and Actuarial Advisory Services practice of EY, where he assisted clients on various modeling engagements including, model validations, model conversions, and model governance reviews. Jon is a graduate of Temple University, a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

Jordan Edwards is a Vice President and Actuary at Mutual of Omaha. Edwards leads the model development team, which develops, maintains, and governs all corporate projection models used in valuation, financial planning, and capital management. As a part of these efforts, Edwards is leading a company-wide project to implement a new modeling framework for use throughout the company. Edwards joined Mutual of Omaha in 2011. He is a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries. Edwards received a bachelor's degree from Kansas State University.

Julia Romero is the lead for Actuarial Engineering and Advanced Modeling at Haven Life, an online life insurance agency that's backed and wholly owned by MassMutual. At Haven Life, Julia is focused on integrating and applying data science and other analytics models to drive innovation in actuarial technology. Prior to joining Haven Life, Julia worked as an actuary at AXA US, where she focused on the development of agent-based models of annuity policyholder behavior. Julia graduated from Colgate University and is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

PANEL DISCUSSION – PREPARED Q&A

Audience questions welcome

1. When did your actuarial group start using an Agile framework and why was adopted? **Julia**

2. Implementation of Agile varies across companies, what are the features that are core to the implementation at your companies? What would you consider to be non-essential? **Jon**

3. What were some challenges with implementing Agile? Is there a story that illustrates the growing pains associated with transitioning? **Jordan**

4. How were staff introduced and trained to use Agile? Do you have any suggestions on effective training? **Jon**

5. Did you find you needed to implement any modifications to the Agile framework to make it work for your team? What were they? **Julia**

6. What obstacles or issues have you experienced? How are folks responding to those issues? **Jordan**

7. What is the role of a "product owner" at your company? Does it tend to be a senior or more junior person? **Jon**

8. How much time do folks typically spend reflecting at the end of a sprint and grooming the backlog for the next sprint? **Julia**

9. What software or tools do you use to make Agile work in a remote environment? **Jordan**

10. For an average actuary, how has their daily work actually changed? **Jon**