Pekin Insurance's Life division slashes IT backlog by 85%, from 480 items to 70, while boosting production-readiness to virtually 100% and enabling transformation success by partnering with ValueMomentum.

SNAPSHOT

Industry & Region
Insurance, USA

Project Highlights
Pekin Insurance leveraged ValueMomentum's application maintenance and support services to improve its mainframe solutions for establishing an agile business model. Pekin's Life division slashed IT backlog by 85%, from 480 items to 70, and boosted production readiness to virtually 100% to enable transformation success.

Benefits

Decreased IT item backlog by 85% in less than two years

Energized business users to undertake IT projects

Enabled flexibility in staffing up, and down, with the proper skill sets and expertise

Became an enterprise leader in SAFe agile methodology

Technology Stack
- Integration Platform: MuleSoft
- Data Platform: Delphix
- Test Automation: Ranorex

CLIENT OVERVIEW

An innovator since their founding in 1921, Illinois-based Pekin Insurance provides a complete portfolio of personal and commercial insurance, including a full spectrum of life offerings as well as P/C and health. Pekin's over 800 employees serve more than 900,000 policyholders in 21 states. With combined assets of $2 billion, Pekin supports a distribution network of 1,500 agencies and 8,500 independent agents.

BUSINESS CHALLENGE

As Pekin embarked on its LiFT – Life is Focused on Tomorrow – transformation initiative, a core challenge was supporting legacy systems that would transition in the future.

"Although we were adopting modern systems, such as iPipeline's Resonant for new business and underwriting, we needed to continue evolving our mainframe solutions to support our more nimble business model," says Randy Dray, IT Divisional Director for Pekin Life Insurance. "We also needed expertise for eventually selecting and migrating to replacements for our legacy systems."

To complicate matters, the talent pool for mainframe expertise was increasingly constrained. "Attracting qualified workers to our area is a perennial challenge," Dray says. "In a tight market for mainframe talent, it's just that much worse."

Dray's initial efforts to augment staffing via IT contractors fell short. "We worked with several companies, but there was a considerable lack of expertise and oversight," he recalls. "Firms sent us workers, but their skill sets were generally a mismatch. Management amounted to the contractors reporting their time to the staffing firm, but no one at the agency was assigned to ensure tasks were appropriately completed. Additionally, the subcontractors would then subcontract, which diluted accountability even further."

SOLUTION OFFERED

Upon presenting his division's dilemma to Pekin's new CIO, Subhasis Mukherjee, ValueMomentum's Application Maintenance and Support solution was suggested. "We conducted a brief trial," explains Dray. "It was so smooth and successful that we completely transitioned to ValueMomentum within six months, when our other contractual obligations had expired."

Unlike previous providers, ValueMomentum's employees embraced the insurer's collaborative culture. "At Pekin, we strongly believe in the 'One Team' concept," says Dray. "Visiting the workspaces where ValueMomentum augments our internal employees, it looks and feels like exactly that."

Pekin also appreciates ValueMomentum's oversight model, which includes an on-site team leader. "The ability to converse, in the moment, with a team leader is more effective than phone, Skype or a whiteboard," says Dray. "Also, in the end, IT teams are made up of people. This makes on-site leadership key to keeping everyone aligned and productive."

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> **We've been able to solve problems that were unresolvable in the past, rapidly and accurately. I can't say enough about the professionalism, enthusiasm and deep expertise that ValueMomentum contributes to helping us drive success.**
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> **Randy Dray**
> *IT Divisional Director*

Dray is impressed with the quality and level of expertise of the ValueMomentum team members. Says Dray, "From tools like Delphix, MuleSoft and Ranorex to the SAFe [Scaled Agile Framework] methodology, we've been very pleased with each person's ability to make meaningful contributions."

VALUE DELIVERED

With ValueMomentum providing expertise on Pekin Life's strategic and operational IT teams, the rewards have added up quickly.

"We had 480 distinct items in our backlog when our engagement began," says Dray. "Over the preceding five years, we were able to trim less than 100 items from the backlog. Partnering with ValueMomentum enabled reducing the backlog to about 70 items in less than two years, which is over 85 percent."

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Accuracy and reliability have been equally impressive. "During the past 24 months we've only needed to roll back one item that we placed into production," Dray reports. "Prior to ValueMomentum, rollbacks were a common occurrence."

Pekin also has greater flexibility for rapidly adjusting staffing. What's more, Pekin Life is now an enterprise leader in SAFe agile. Dray adds, "With ValueMomentum's assistance, we've become one of the most effective teams with leveraging SAFe. Having other teams look to us is pretty exciting for our staff."

For the business, the cumulative effect of these benefits is renewed enthusiasm for IT projects. "The engagement of ValueMomentum's on-site leadership with the business and the overall output quality has energized business users," says Dray. "They even ask for ValueMomentum resources, specifically, when they need to get a project done."

Moving forward, Pekin Life intends to rely on ValueMomentum for the anticipated modernization of its remaining mainframe systems. Most importantly, Dray looks forward to the partnership for years to come.

"We've been able to solve problems that were unresolvable in the past," he says. "I can't say enough about the level of professionalism and expertise ValueMomentum contributes toward helping us drive success."