

Case study

Farmers Insurance Adjusts Resource Capacity to Reduce Project Risk

About Farmers Insurance

Farmers Insurance started in 1928 by two individuals with a dream to provide insurance to rural farmers. Today, Farmers Insurance serves more than 10 million households with 20 million policies across all 50 states. With 50,000 exclusive and independent agents and nearly 24,000 employees, Farmers Insurance is one of the country's largest insurers of vehicles, homes, and small businesses.

The Challenge: Improve the Management of Resources

The Farmers Program Management Group or PMG, which is responsible for a major portion of the business, has a portfolio of 40 projects value in excess of \$130 million. The PMO was adept at evaluating and informing executives of new ideas for inclusion into the active portfolio, considering costs, benefits, risks, and alignment to strategy. During execution, however, the PMO continually ran into resource constraints which caused delays, increased costs, and reduced scope. Farmers had to begin managing resources more effectively to improve success rates.

The Solution: Planview Enterprise Brings Discipline and Transparency for Proactive Resource Management

Larry Stanton, a Senior Manager within the PMO and in collaboration with his peers in the PMG developed a six-step plan to guide the company to better resource management in conjunction with Planview Enterprise® to help achieve their objectives.

The first step was to get a better understanding of incoming demand as well as the competing interests for its resources' time. This included projects (capital and non-capital), business as usual (base work), small efforts (production defects and small enhancements), non-planned work (unrelated to other demand), and standard activities (vacations, meetings, etc.). The PMO discovered its largest bucket was non-planned work – the projects people added last minute, emergent issues, or resource skill set requirements.



Overview

Customer:

Farmers Insurance

Industry:

Insurance

Employees:

Over 50,000 exclusive and independent agents, and nearly 24,000 employees

Geographies:

Serves more than 10 million households across all 50 states

Without resource management processes and tools in place, Farmers Insurance found many of its projects were delayed, over budget, and out of scope. Planview Enterprise now provides the company with the discipline and data it needs for leaders to make critical business decisions and ensures the right resources are working on the right projects at the right time.

“Planview Enterprise provides a better way for us to manage our projects, our portfolios, and most importantly, prioritize work in a much better way.”

– Larry Stanton, Senior Manager, Farmers Insurance

The second step was to assign the people to the right task by leveraging the allocating and authorizing resources functionality in Planview Enterprise. These capabilities tell the PMO and IT managers when resources are going to start, when they are expected to finish, and how much of their time will be utilized for a project. They could authorize other tasks if they have unused bandwidth. For example, the flexibility of the solution allows managers to do allocations and/or reserves and authorizations with Agile teams.

As a third step, Farmers needed to track utilization. While timesheets weren't readily adopted by IT staff, Stanton and his team were able to enforce their use so that it became habit. Today, less than one percent of employees fail to turn in a weekly timesheet and now managers and executives can clearly see where time is being spent. Further, each employee knows their time is being tracked so there is inherent ownership of time utilization.

The fourth step introduced capacity planning. Stanton introduced a resource allocation module from Planview Enterprise to his resource managers who now use it regularly to validate timesheet information. Managers have one-on-one meetings with their resources to determine if the schedules and current allocations are correct. With the module at their fingertips, they can make adjustments during the meeting and even project a month ahead to reserve capacity.

The fifth step involved validation of the data. Every month, Stanton and his team reviewed the previous month's forecast and matched it up to the actual utilization numbers from the timesheet reports in Planview Enterprise. They tracked utilization from step three at the individual level, but measured variation at the team level. While it is understood that things would change throughout the month, it is the resource manager's responsibility to manage that change, creating greater accountability.

The final step was to present data to decision makers. Using the data from the resource modules in Planview Enterprise, Stanton can display the capacity plan by month and by team. By measuring variation from step five, executives are confident in the data.

“Planview Enterprise gives us analytics we need to answer executives' questions so they can make better decisions,” says Stanton. “When we tell them why we can't take on a new project until March, for example, we can show them exactly why in a graphical way. At that point, they can either delay a project for a higher priority initiative or decide to bring in a contractor for additional help. Either way, they have hard data to back up their decision.”

The Benefits: Accurate Data Across the Organization to Make Informed Decisions

While implementation and adoption of Planview Enterprise took time, Stanton says the process has become a habit to users and drastically improved efficiencies, productivity, transparency, and overall employee satisfaction. Before Planview Enterprise, an average of only 60 percent of project managers' time was being spent on projects. Today, more than 80 percent of their time is directly tied to a project.

“One of the benefits we didn't expect was the jump in employee satisfaction. Resource managers have the data they need to determine if a resource is being overutilized and thus at risk of leaving. Now that resources are appropriately allocated and utilized, their work/life balance has improved,” said Stanton.

Other benefits include:

- More efficient utilization of resources saves money and enforces project prioritization
- Less project turmoil and resource conflicts improves probability of delivering projects on time, on budget and within scope
- More proactive versus reactive planning

To learn more about what Planview Enterprise can do for you, visit [Planview.com/PlanviewEnterprise](https://planview.com/PlanviewEnterprise).

