# Nationwide Insurance & Financial Services IT: Striving for Operational Excellence and a Problem Solving Culture

The Start to our Operational Excellence Journey

Nationwide Financial is a Fortune 100 company with a strong brand and a diversified business. Our philosophy has been and still is to take proactive strides to ensure we retain capital strength and can grow. Creating differentiated value and instilling operational efficiency are two key elements to this strategy.

In this digital age, our Information Technology capability is even more vital to our success than ever. With this in mind, we set out on a journey in 2014 to understand how our IT function could better support our key imperatives of differentiated value and operational efficiency. We had realized much success in adopting agile practices across 200+ agile teams; therefore, we initiated a four-year investment in driving operational excellence into everything we do in IT. We began the journey with a focus on Application Maintenance, then Infrastructure and Operations, pivoted to the overall Management System, and are nearly complete with a transformation focused on Application Development.

Our approach was to start small with a few IT departments and their Application Maintenance function, rather than using a big bang tactic. After seeing improved engagement scores and increased productivity in those pilot areas, we began scaling our transformation across the broader Application Maintenance and Infrastructure and Operations functions, achieving even greater results. As noted in the image below, the focus on Application Maintenance, Infrastructure & Operations, and IT Help Desk realized more than $50M in annual savings and an estimated 12% improvement in overall productivity.
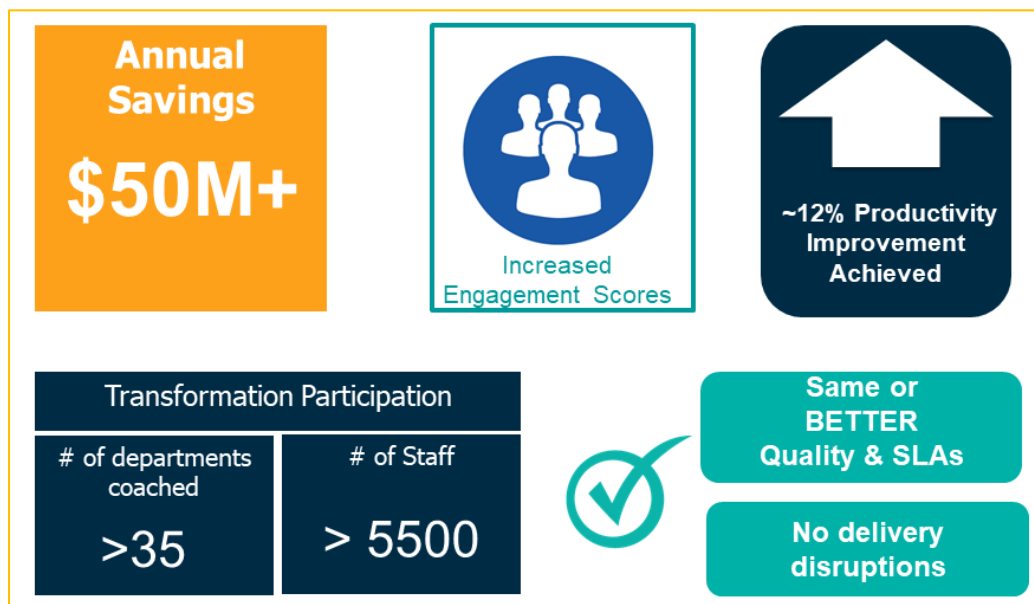
Culture

After achieving successful results across our front-line teams, we turned our attention to transforming overall culture. We had sponsorship at the most senior executive levels and were making great progress across our production systems. To continue our journey and sustain the progress made, we needed to engage our management system. The next phase of our transformation involved driving Operational Excellence into our management system from the C-Suite to front line leaders. To do this, we introduced an four tier IT Lean Management System. Leaders were provided multiple weeks of hands-on coaching across the following dimensions:

- Visual Management
- Gemba Walks (Go See)
- Key Performance Indicators (KPI) and Metrics
- Problem Solving
- Stand Ups (Daily Accountability)

Installing this interconnected system across all tiers of our management structure was vital to creating a self-sustaining Operational Excellence culture.

Scaling Operational Excellence

Our journey then continued into our Application Development function, which is expanding Agile, Lean, and DevOps practices across hundreds of teams.
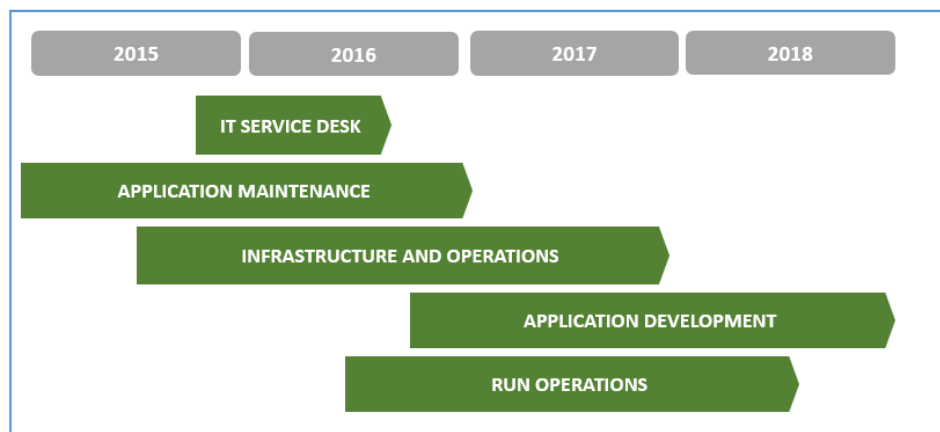
To further sustain our significant investment, we have worked to root this culture into our DNA by implementing the following:

- A Leadership Operational Excellence Program through an accredited university for executive leaders
- A dedicated team of Operational Excellence Coaches focused on sustaining and continued implementation and improvements of Agile, Lean, and DevOps practices across the IT enterprise, as well as harvesting successes to share broadly
- An Operational Excellence Leader Forum where leaders come together on a cadenced basis to share success stories and lessons learned
- Refined enterprise metrics to improve our ability to measure quality, productivity, and lead time.

The Next Chapter

Today, over 100 IT executives have completed our intensive Leadership Operational Excellence program. Every floor is filled with visual management and evidence of problem solving. We continue to drive improvements into our solution delivery methods by running experiments and monitoring our metrics and KPIs while realizing significant results. From the overall Lean AM, Lean I&O, and Lean App Dev efforts, we have seen a **16% reduction in hours per Agile story card** and substantial **annualized savings of nearly $80 million**.
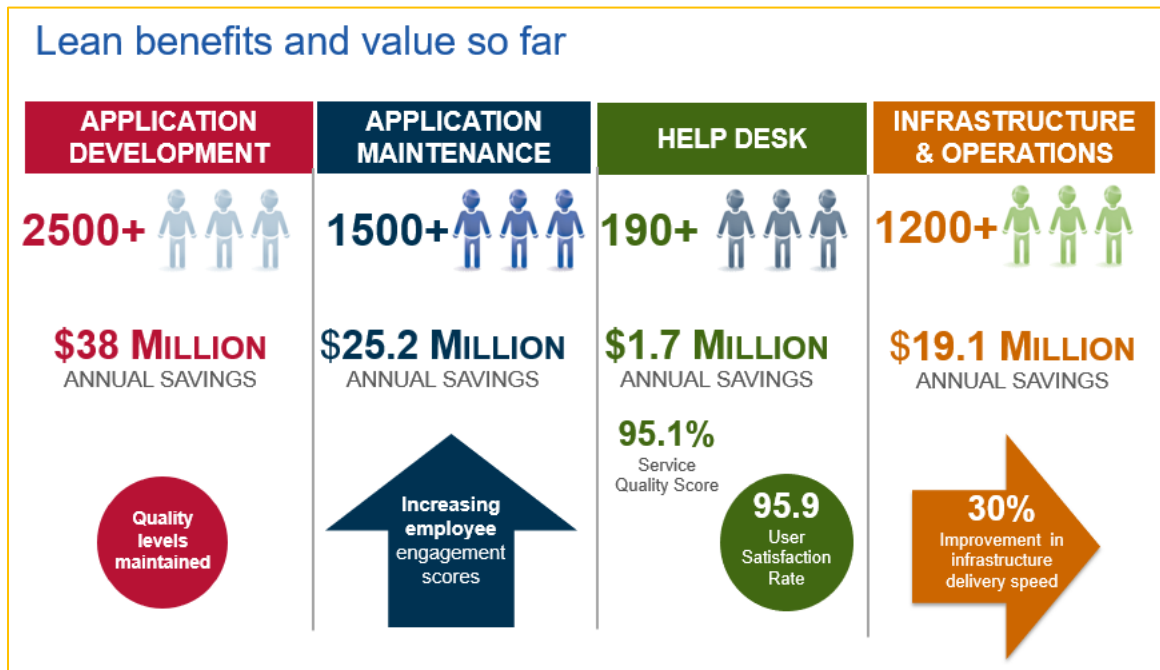
Next, we will extend these concepts more broadly across our value streams by installing end to end product teams with transparency into their overall performance, as well as value to the customer. While we have been on this journey for several years, we know the landscape will be ever changing and our ability to adapt and deliver with speed is critical to our continued success.

Additional Resources to View via Dropbox
- [Video: Nationwide's Lean IT Associate Experience](#)
- [Video: Nationwide's Lean Journey](#)