



# Applying SEMAT concepts at Munich Re: Personal Reflections

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Topic Leader Methods & Standards

- Munich Re and its IT Application Development
- Applying SEMAT @ MunichRe
- Rollout, Open Issues, Conclusion



Munich Re is founded on 19 April 1880 at the instigation of Carl von Thieme, Baron Theodor von Cramer-Klett and Wilhelm Finck.

1880



First major loss in the 20th century: the earthquake in San Francisco on 18 April 1906. Munich Re's liability: US\$ 2.5m. Munich Re acts fast to settle losses on the spot.

1906



Munich Re has 511 employees and a premium volume of DM 737m.

1960



Katrina – The largest loss occurrence in insurance history. With wind speeds of up to 280 km/h and gusts reaching 350 km/h, Katrina sweeps over the Gulf of Mexico at the end of August. Estimates put overall losses at US\$ 125bn and insured losses at US\$ 61bn. Financial strain for Munich Re: approx. €1.6bn.

2005

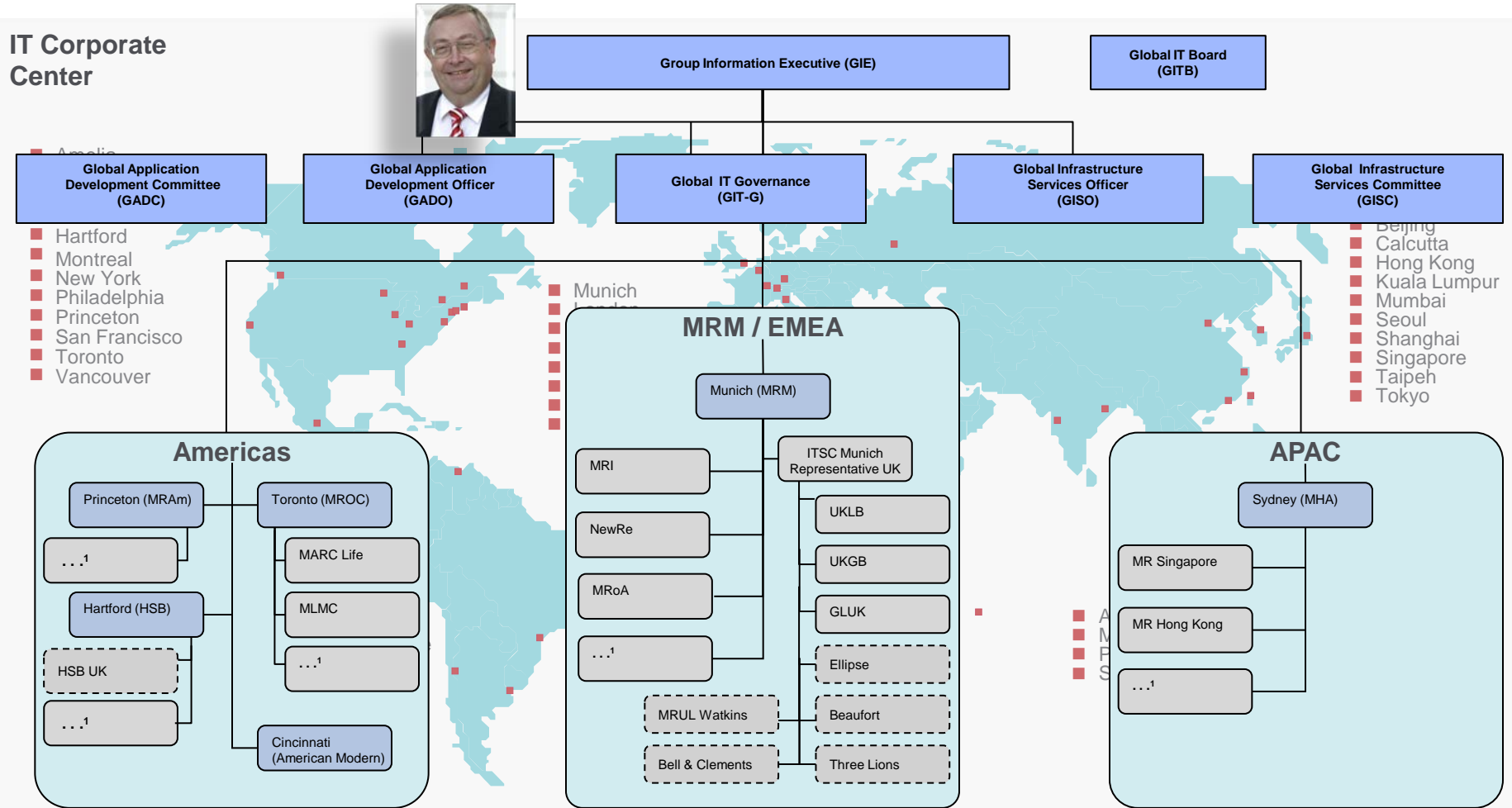


Munich Re pools its international health insurance and reinsurance expertise in a new business segment: Munich Health.

Munich Re redefines its positioning in reinsurance with a new branding.

2009

# The Reinsurance Group – Present in all markets



The Munich Re IT supports the business with global governance and service provision accordingly

# Multisourcing Strategy

## Support the Strategic Goals of IT

### Flexibility

- By building a powerful internal organization for a flexible response to business requests, growth and global operation
- By contracting scalable external services in order to provide flexible capabilities to increase or decrease service volume as needed for supporting product development and maintenance according to innovation and growth of Munich Re business

### Focus on Core Competencies

- Focus on excellence in those competencies essential to support effectively the business in achieving their objectives and to support product leadership and a successful global operation.

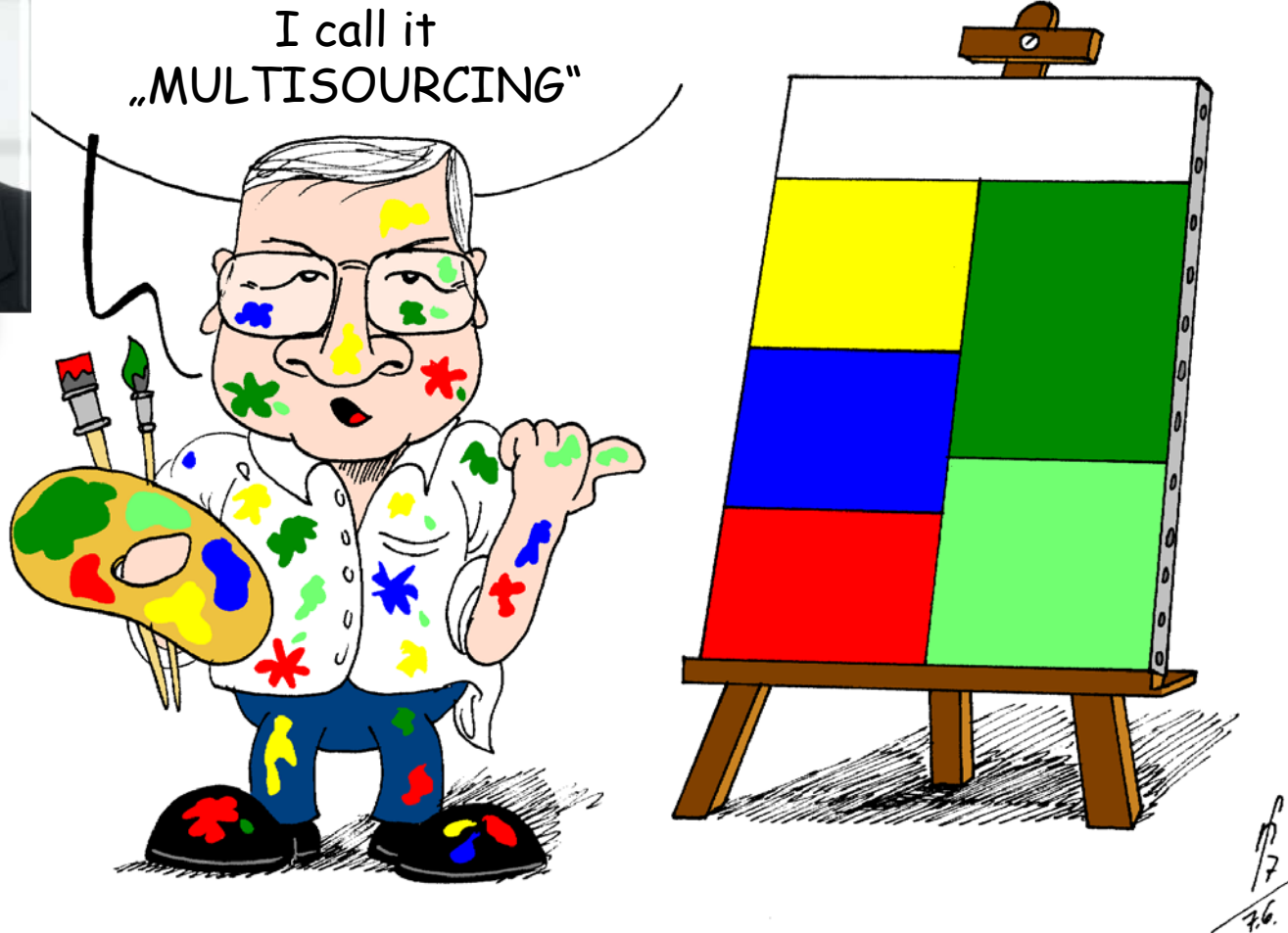
### Predictability

- ... of fulfillment of business requests by an up-to-date overall planning of service resources and transparency of resource allocation.

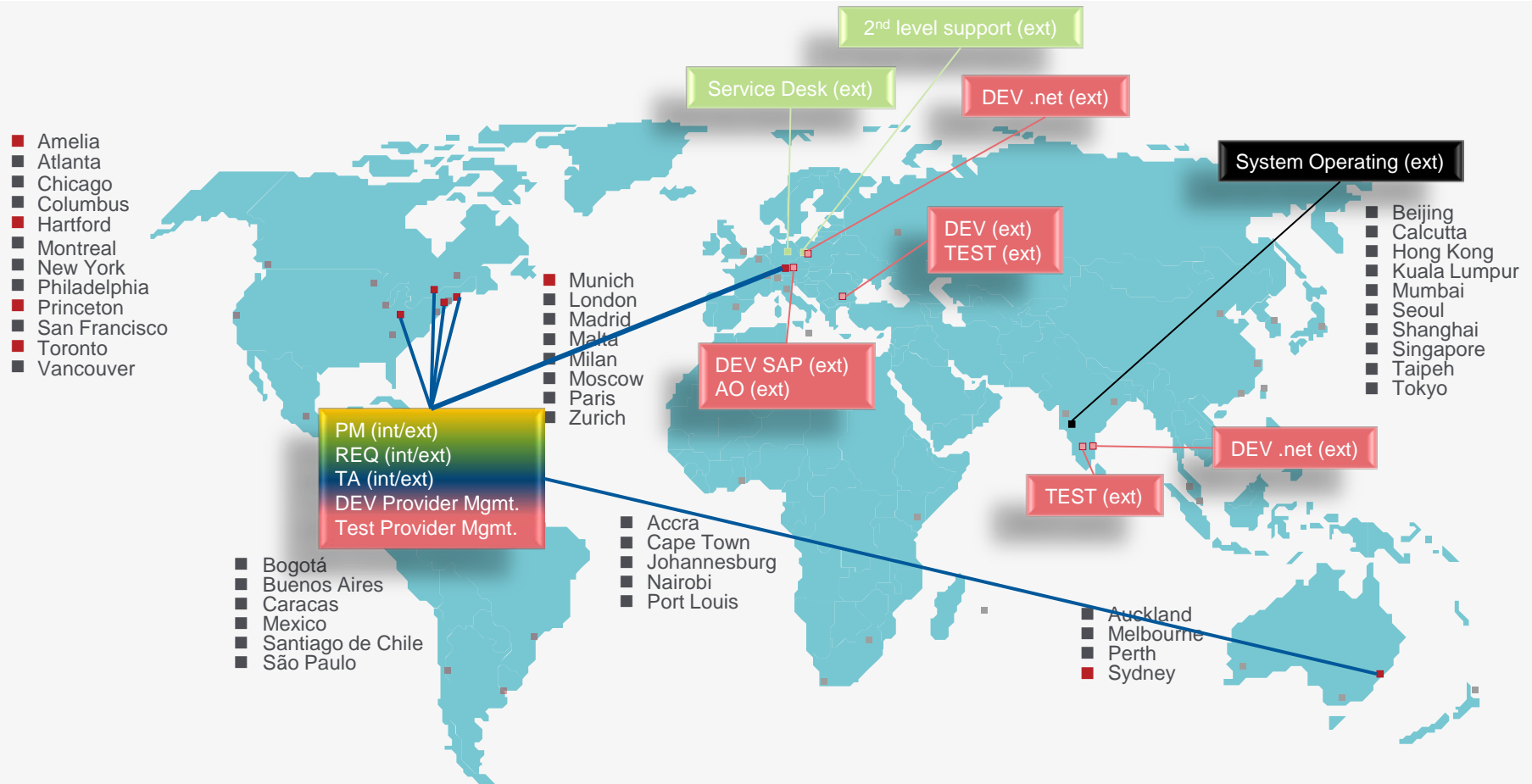
### Cost Reduction

- By benchmarking of services to ensure market conform prices and service quality
- By standardized software development process as common base.

Rainer Janßen, head of IT of Munich Re,  
has a vision for application development ...



# The services for Munich Re Application Development are distributed over the globe



- The line organization of MR Application Development is divided into disciplines (PM, Requirements, Technical Architecture, Development, Test etc.)
- High outsourcing & offshoring rates for the services Development and Test



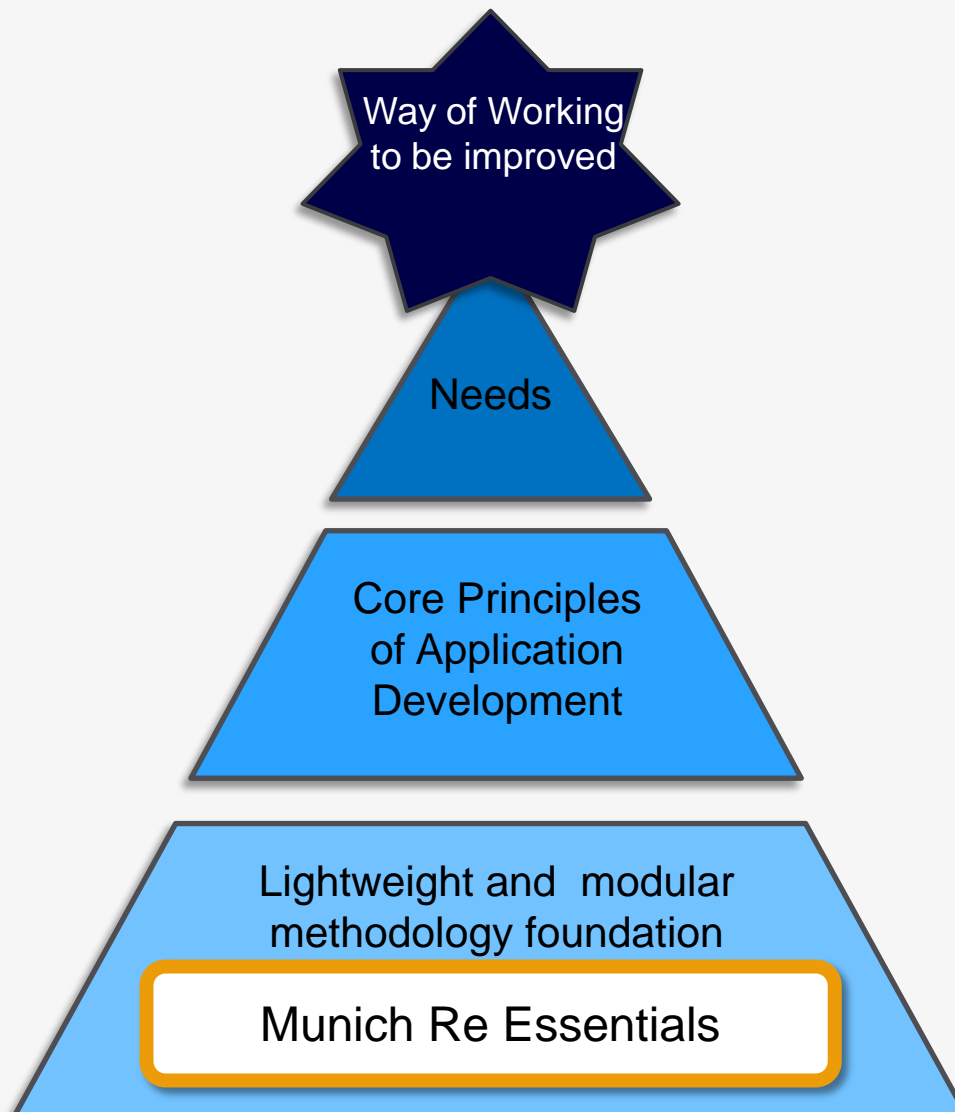
The old way of working: The discipline-oriented setup led to a strictly sequential & artefact-based approach



Sequential activities with formal artefact-based hand-over from one service to the next, 'orchestrated' by a Project Manager, each service with a specific way-of-working focused on their own activities.

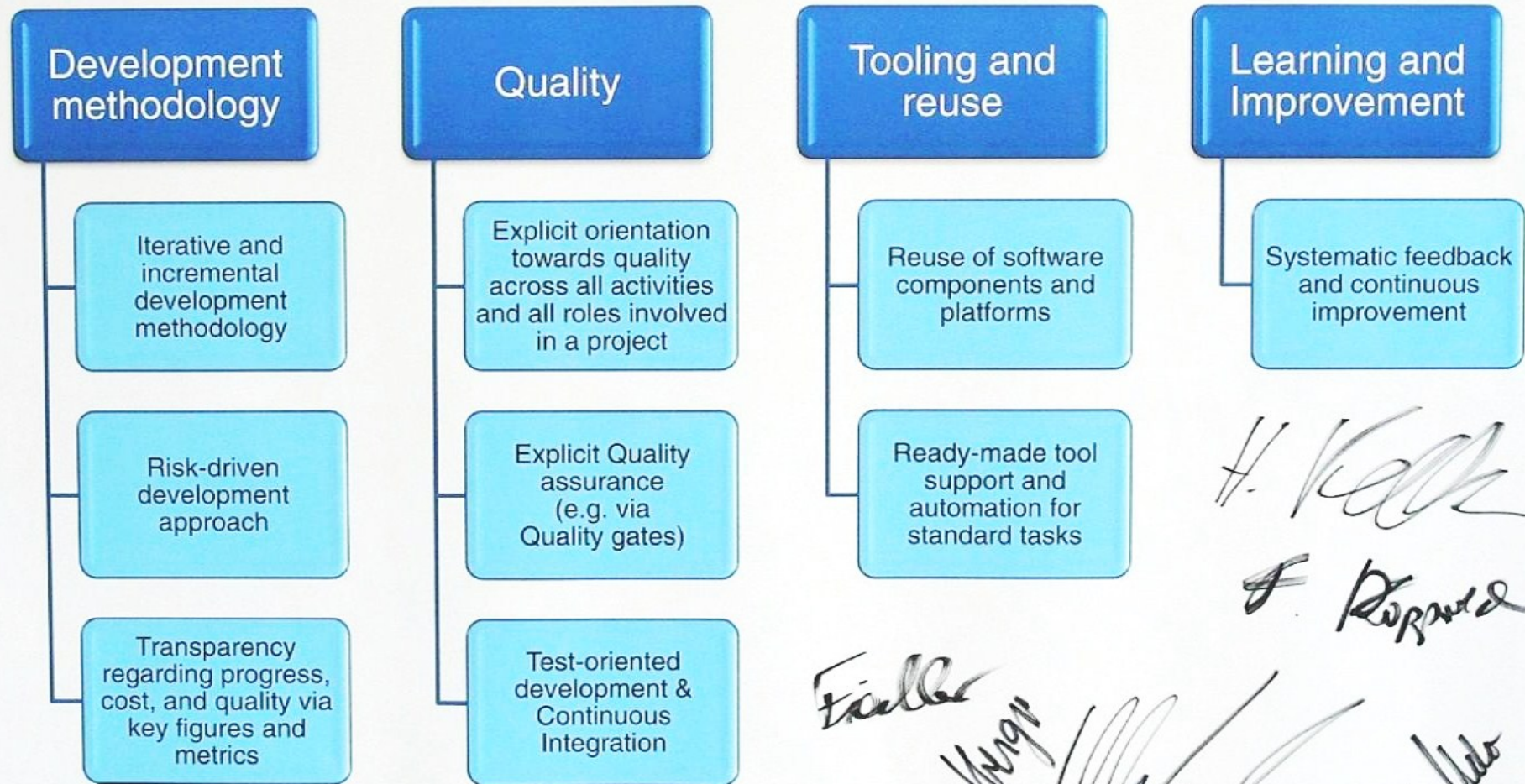


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- Increase quality, transparency and predictability in product and project delivery
  - Define a common way of working all over the global IT Organization as base for global service provision.
  - Emphasize the assumption of responsibility for the quality of a product and the success of a project by IT people
- 
- Develop risk-driven & reactive to change
  - Adopt agile practices
  - Ensure quality & transparency
  - Continuously improve
- 
- Focus description on collaboration
  - Must be adaptable & extensible for organization, projects, locations & over time
  - Supports a lean way of working
  - Based on industry standards

# Core Principles for MR Application Development



H. Kell  
F. Rappert

Erler  
J. Weng  
A. M.  
J. Rappert  
J. Rappert

R. J. J. J.

Practical	rather than	Theoretical
Global	rather than	Local
Multiple Project Types	rather than	Single Optimization
Repeatable	rather than	Local Heroics
Single Vocabulary	rather than	Various Meanings
Inclusive	rather than	Exclusive
Supportive	rather than	Authoritative
Guidance	rather than	Rules
Munich Re	rather than	Generic

The successful use of MR Essentials requires a good understanding about the principles behind them, the benefits and the opportunities of tailoring.

# A snap-shot from a typical discussion in an improvement initiative for Multi-Sourcing ...





# Communication is Key to Collaboration!

## THE CONFUSION OF TONGUES GENESIS, 11.5

But the LORD came down to see the city and the tower that the men were building. The LORD said, "If as one people speaking the same language they have begun to do this, then nothing they plan to do will be impossible for them. Come, let us go down and confuse their language so they will not understand each other."

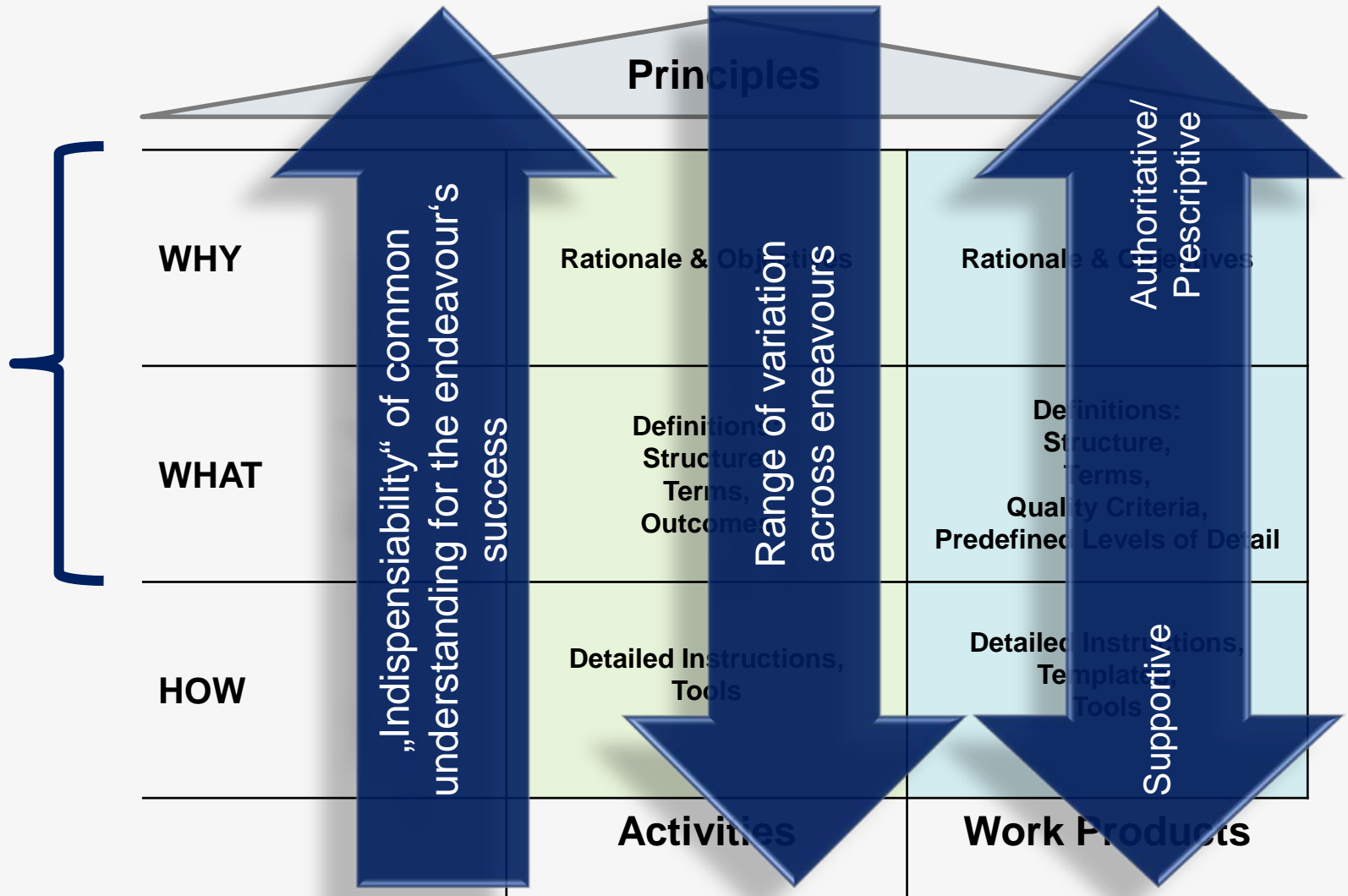
So the LORD scattered them from there over all the earth, and they stopped building the city. That is why it was called Babel — because there the LORD confused the language of the whole world. From there the LORD scattered them over the face of the whole earth.



Engraving *The Confusion of Tongues* by Gustave Doré (1865) [Wikipedia]

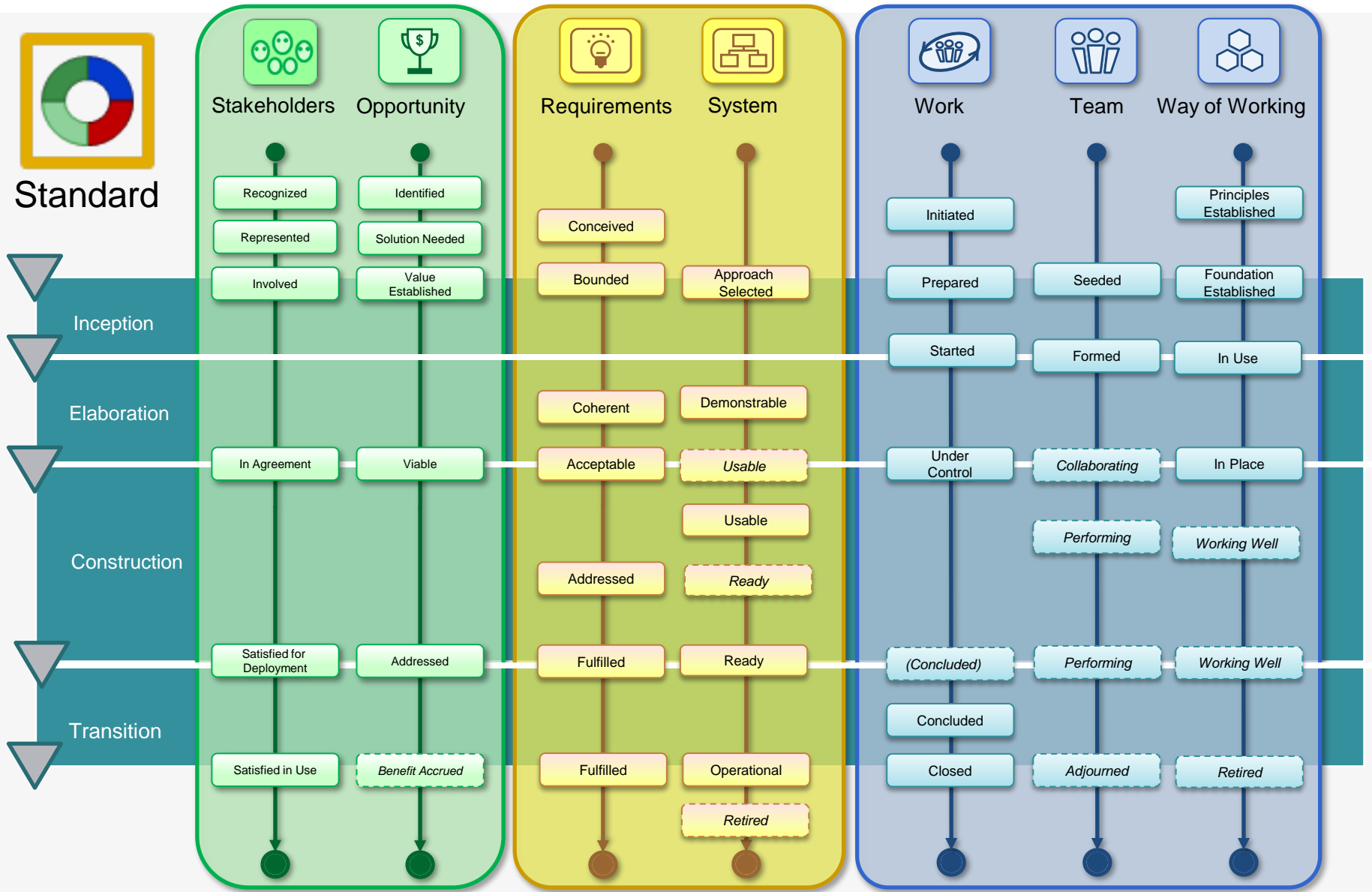
# At what level should MR Essentials give prescriptions and guidance?

Adressed by

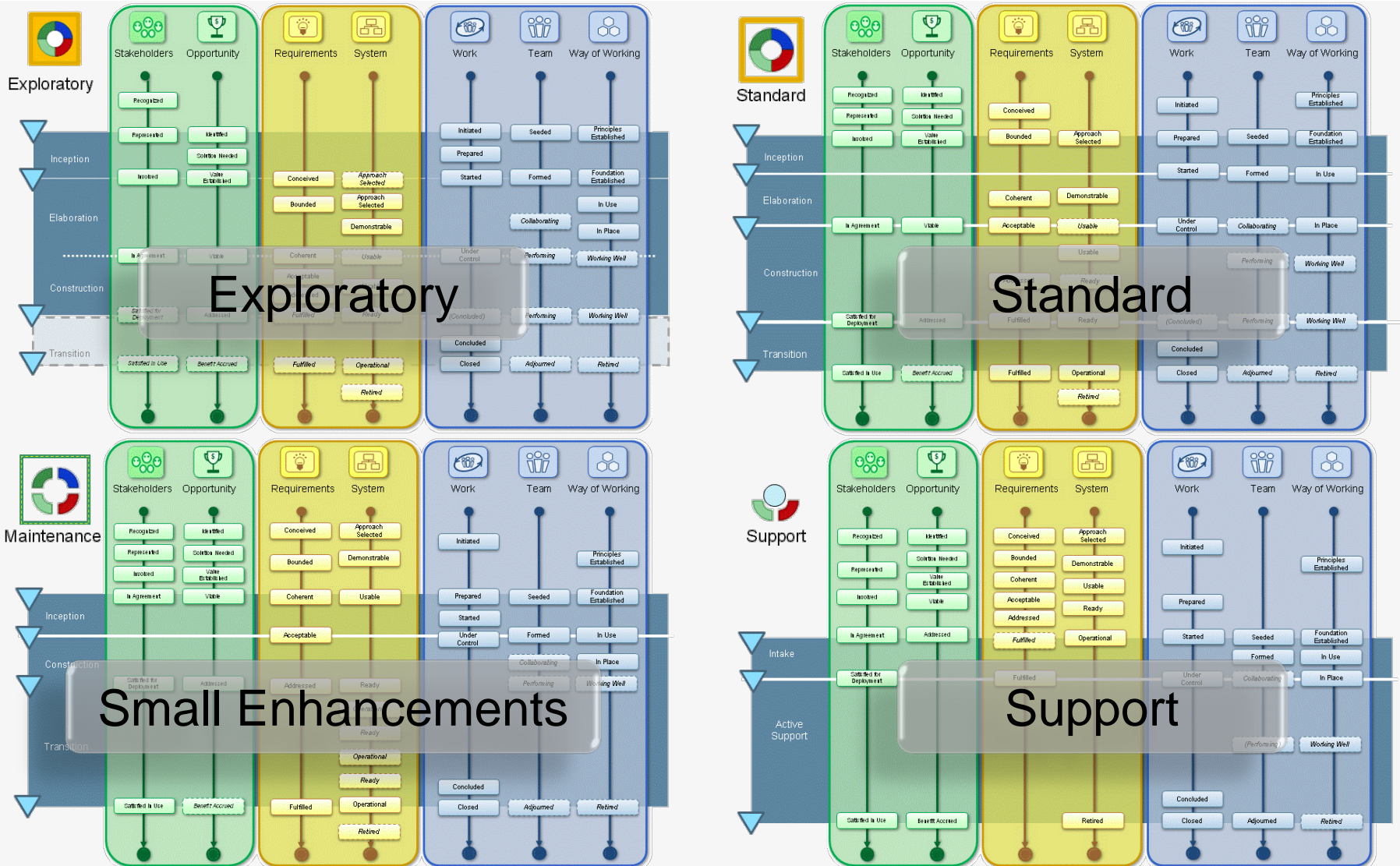




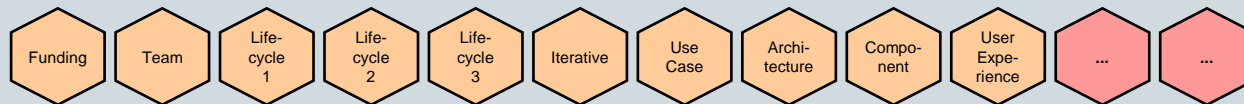
# Coherent sets of states of „things to progress“ form a software development lifecycle with phases



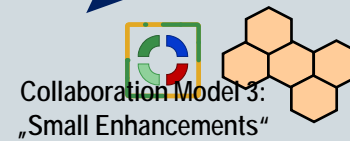
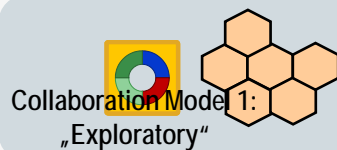
# Depending on circumstances projects need different software development lifecycles



## Proven Approaches & Techniques



Process Building Blocks:  
Pool of Practices



Process Blueprints:  
Starter Packs  
(„Collaboration Models“)



Process of  
Project B

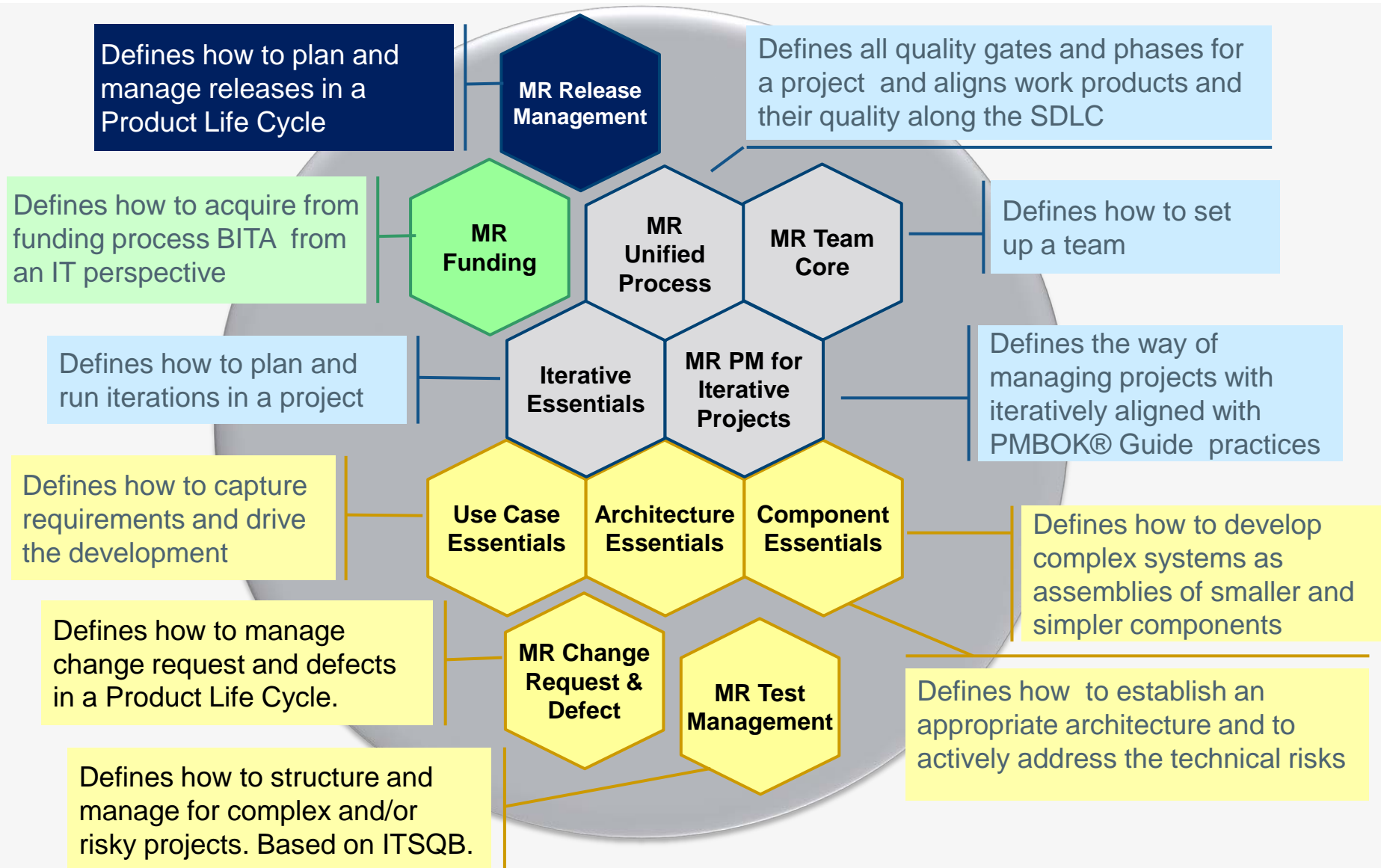


Process of  
Project D



Project Specific  
Way of Working





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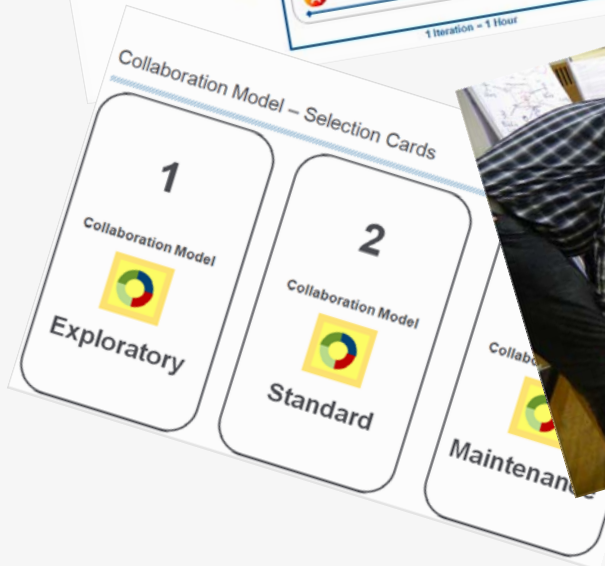
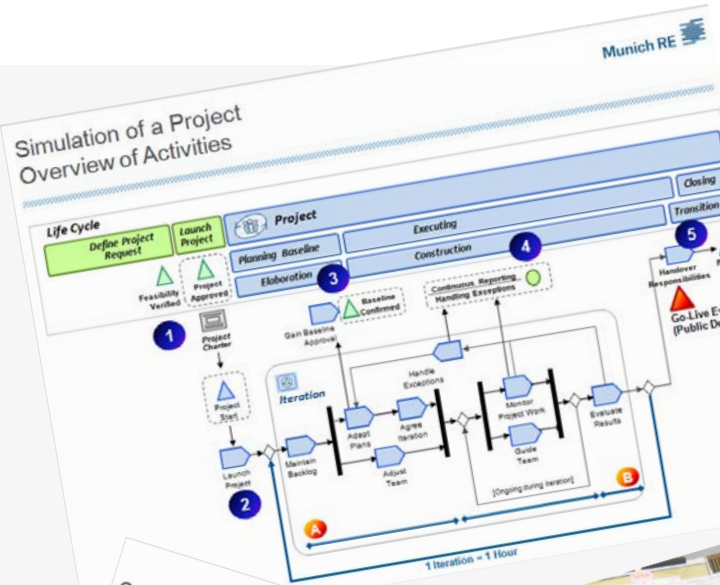
# Experience: Learning by Simulations and in Workshops (1)

## Coaching Community Munich & Americas





# Experience: Learning by Simulations and in Workshops (2) Project Managers

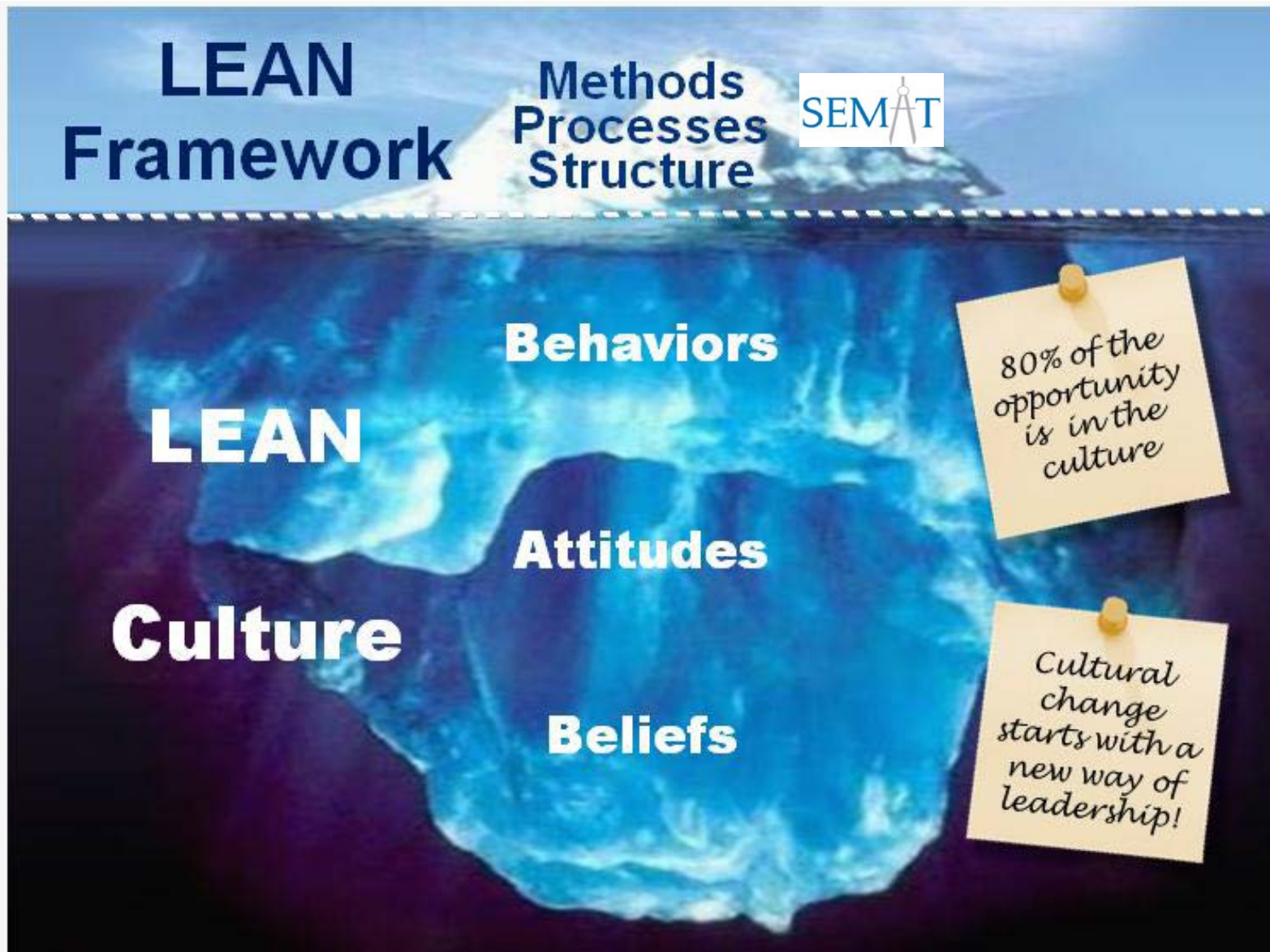




- Only few people use alphas in their daily work (except the alpha for Use Case Slice)
  - We need more supporting material to explain the benefit. The material explaining the application of SEMAT concepts in practice should provide descriptions from many different view points and in different levels of detail.
- Tool Support to be improved
  - (Too) Steep learning curve for beginners when learning SEMAT and learning using EssWork at the same time.
  - Weak support for refining/composing/documenting a different process for every project.
  - No link to PM tooling

- The concepts of SEMAT were a life-saver when discussing and defining the way-of-working in application development at Munich Re.
- The concepts of SEMAT are well elaborated, powerfull and nevertheless very practical.
- The concepts of SEMAT provide a quite different way of thinking about software engineering approaches. Highly appreciated in a small group of experts, outside of this group adoption is slow.
- Tool support to be improved
- And another thing ...

Where is the biggest challenge in adoption when introducing a certain way of working?



# Thank You

For questions, feel free to contact me,  
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