NOVA Updates

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2022/23 General Rate Application

**MANITOBA
PUBLIC INSURANCE**

Aims of Project NOVA

Modernizing Our Systems
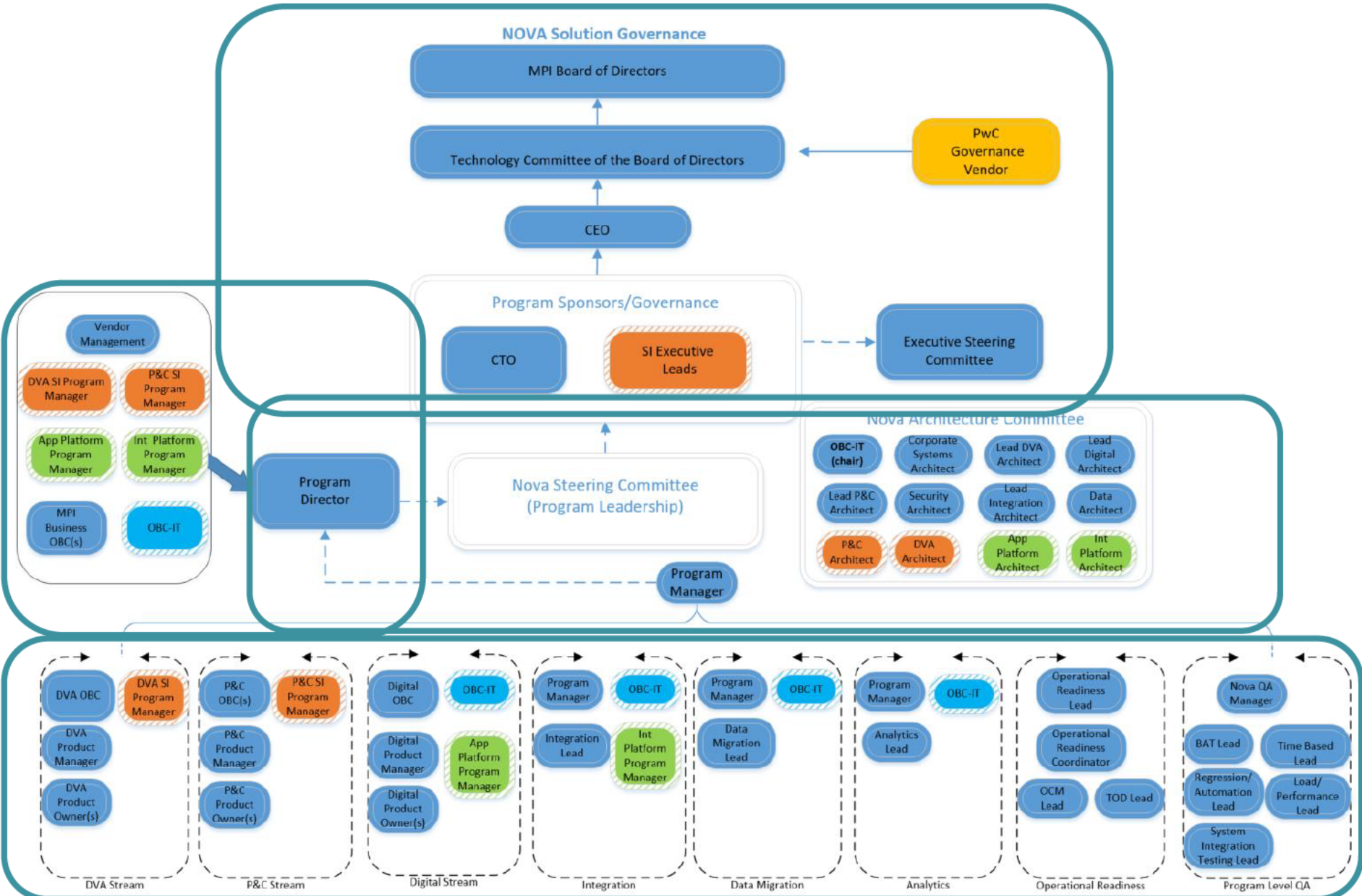
Technology Risk

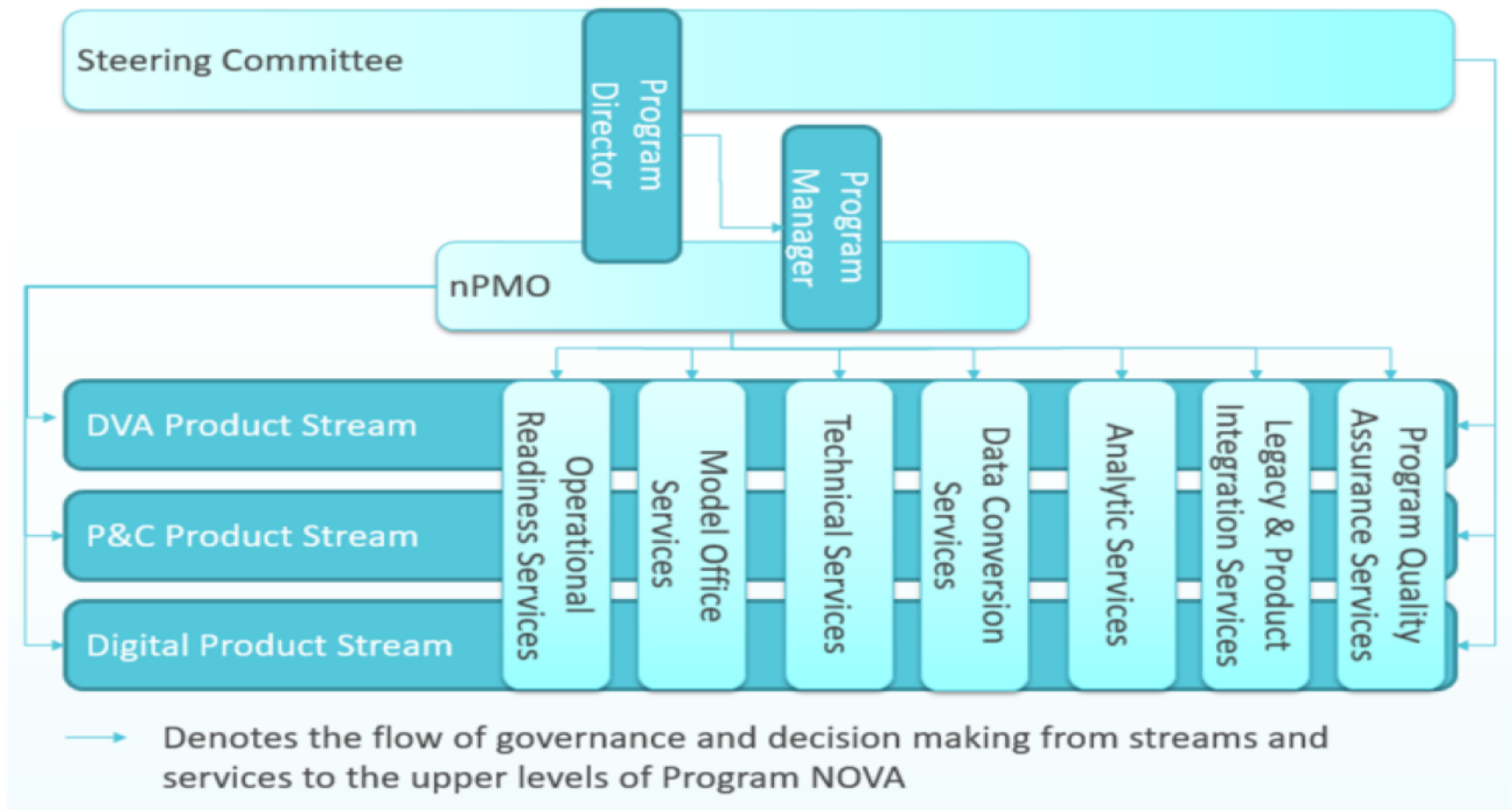Customer Self-Service

Cost Savings & Efficiency
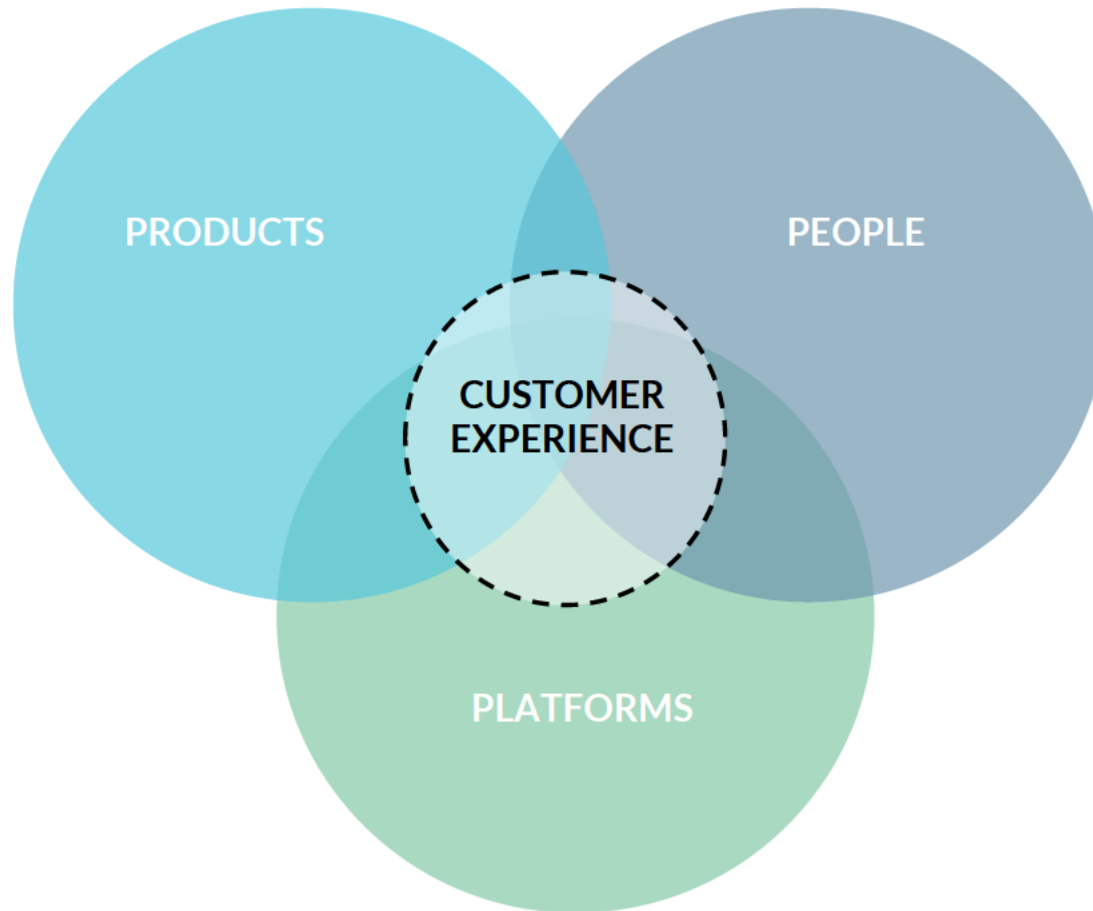
Information Security

Future Business Agility

NOVA
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NOVA Governance Structure

NOVA Delivery Organization Structure

Steering Committee

Program Director

Program Manager

nPMO

DVA Product Stream

P&C Product Stream

Digital Product Stream

Operational Readiness Services

Model Office Services

Technical Services

Data Conversion Services

Analytic Services

Legacy & Product Integration Services

Program Quality Assurance Services

→ Denotes the flow of governance and decision making from streams and services to the upper levels of Program NOVA

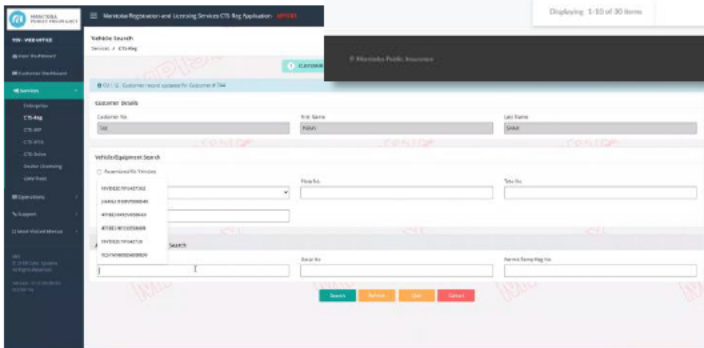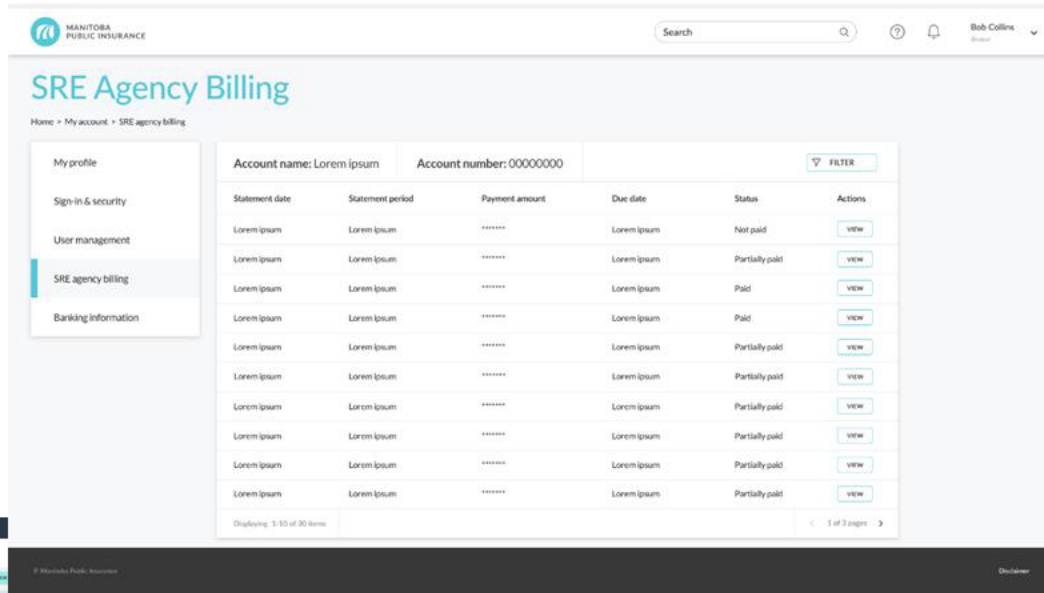NOVA
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NOVA is About Prioritizing Customers

Release 1A
User Experience / User Interface Update

Partner Portal (Dynamics)

Celtic

Duck Creek

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NOVA Software Platforms

MS Dynamics Application Platform

KPMG Professional Services

Partner Portal

Customer Portal

MuleSoft Integration Platform

Celtic (DVA)

Infosys Professional Services

Duck Creek (Insurance)

Accenture Professional Services
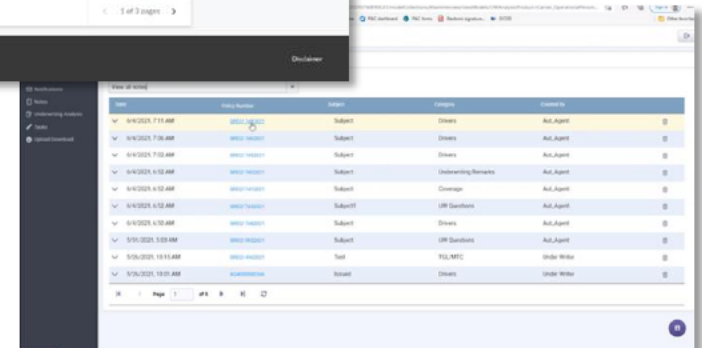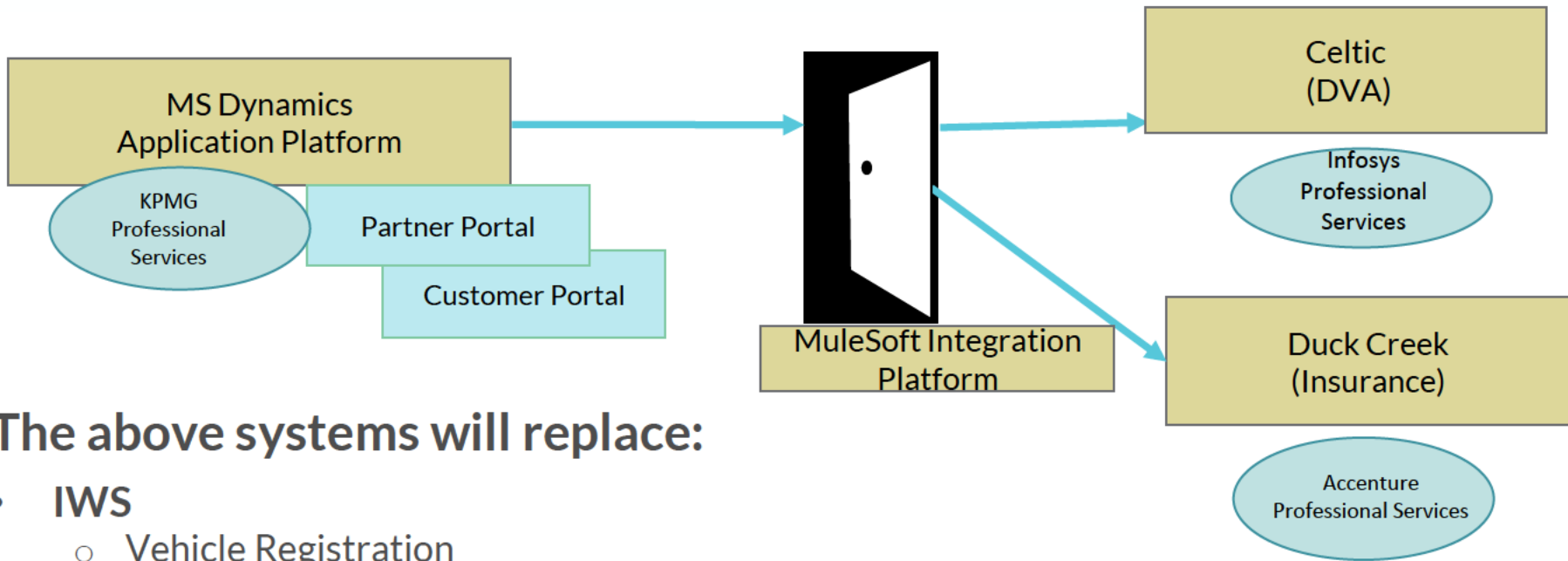
The above systems will replace:

- **IWS**
  - Vehicle Registration
  - Autopac Products
- **DLS**
  - Driver Licensing Information
- **SIS**
  - Special Risk Extension Policies
- **CARS**
  - Physical Damage Claims

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Agile Approach

NOVA leverages Agile methodology to continually assess and de-risk the program, using the following approaches:
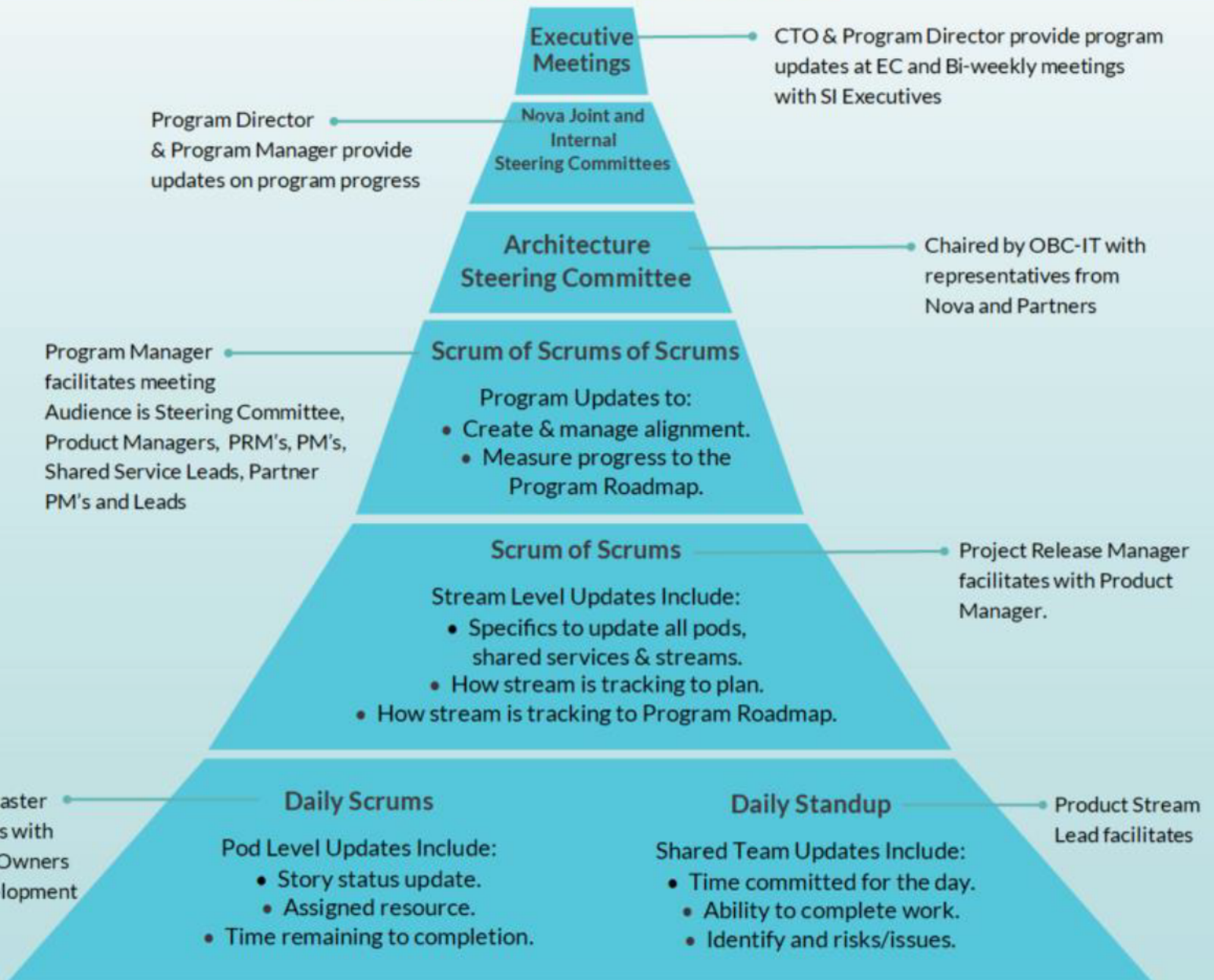
- **Sprint & Program Increment Retrospectives:** Allows teams to action lessons learned to:

  - **improve planning, execution and solution alignment**

  - **identify improvements to help increase velocity and capacity**

- **Risks Actions Issues Decisions (R.A.I.D.):** Evaluation of these items and connecting them to the work produced by NOVA teams allows for the ability to measure work volumes affected by RAID items.

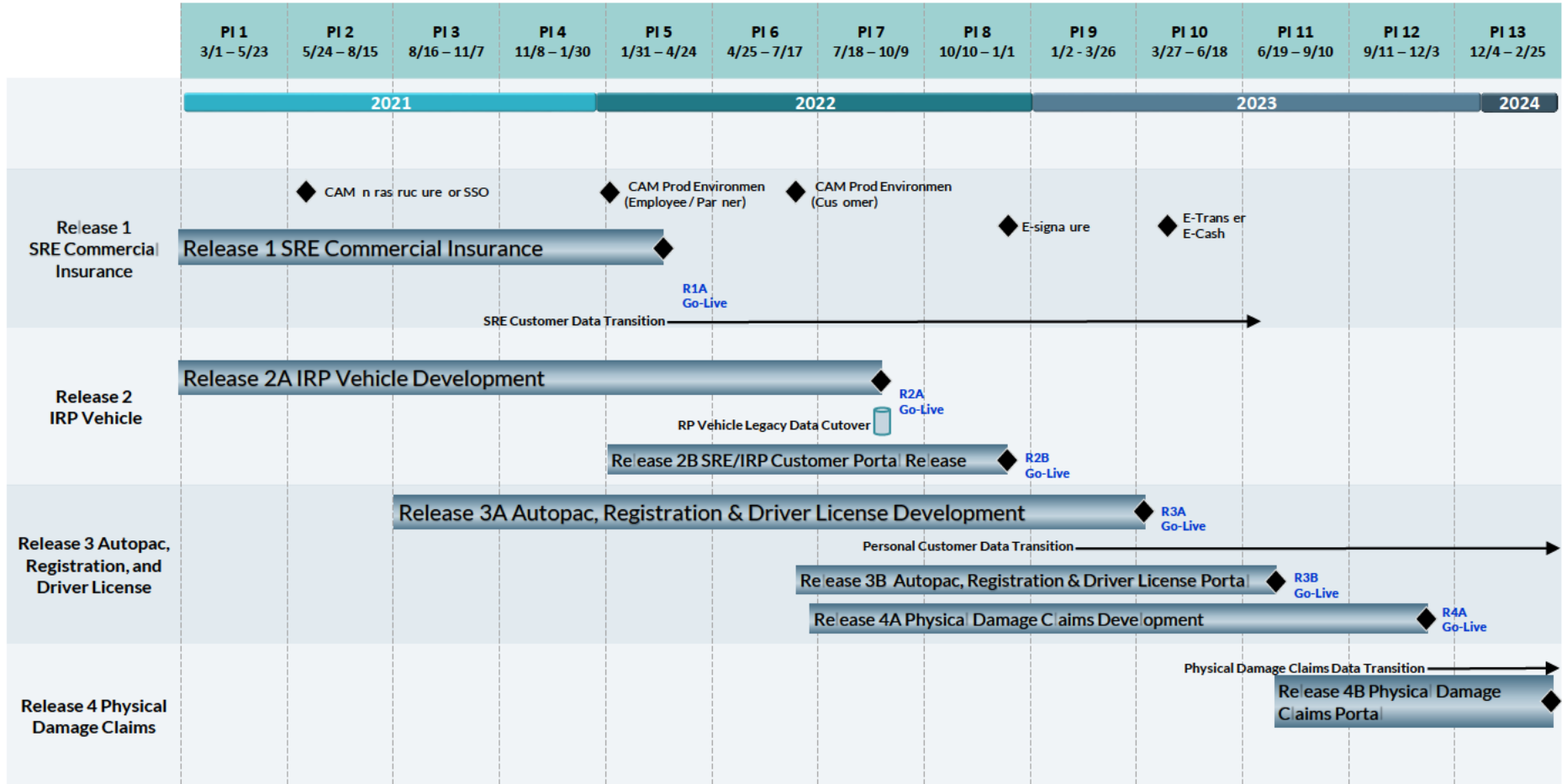Leveraging these approaches allows NOVA to make decisions and pivot to deliver Minimum Viable Product (MVP).
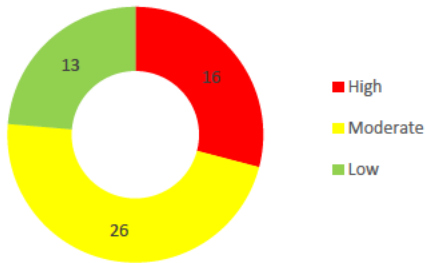
Integrated Solution Planning

Release level priorities
and dependencies

Adjustments based on
Plans for each Product Stream

Agile Delivery & Ceremonies

Executive Meetings — CTO & Program Director provide program updates at EC and Bi-weekly meetings with SI Executives

Program Director & Program Manager provide updates on program progress — **Nova Joint and Internal Steering Committees**

Architecture Steering Committee — Chaired by OBC-IT with representatives from Nova and Partners

Program Manager facilitates meeting Audience is Steering Committee, Product Managers, PRM's, PM's, Shared Service Leads, Partner PM's and Leads — **Scrum of Scrums of Scrums**

Program Updates to:
- Create & manage alignment.
- Measure progress to the Program Roadmap.

Scrum of Scrums — Project Release Manager facilitates with Product Manager.

Stream Level Updates Include:
- Specifics to update all pods, shared services & streams.
- How stream is tracking to plan.
- How stream is tracking to Program Roadmap.

Scrum Master facilitates with Product Owners and development team — **Daily Scrums**

Pod Level Updates Include:
- Story status update.
- Assigned resource.
- Time remaining to completion.

Daily Standup — Product Stream Lead facilitates

Shared Team Updates Include:
- Time committed for the day.
- Ability to complete work.
- Identify and risks/issues.
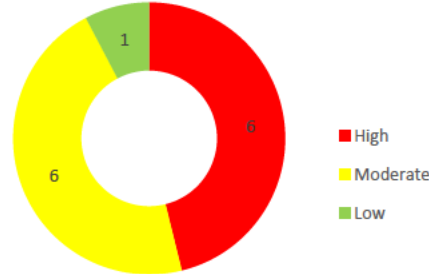
NOVA Release Plan

NOVA Program Summary Report

Operationa Business Champions	Chief Transformation Officer	Program Director	Start	Finish	Base ine Finish	Status Date	Overa Status
Gary Dess er, Jeff Sass, Rick Swanarchuk, Michae Wasy yk	Shayon Mitra	A ex Ramirez	3/12/2021	2/28/2024	2/28/2024	9/22/2021	🟡

Program Active Risks
(as of September 22, 2021)

- High: 16
- Moderate: 26
- Low: 13

Program Active Issues
(as of September 22, 2021)

- High: 6
- Moderate: 6
- Low: 1

Scope – R1A/R2A
(as of September 22, 2021)

- Features Completed: 26.76%
- Features Remaining: 73 24%
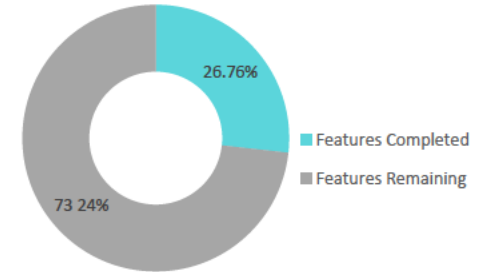
Defect by Status
(as of September 22, 2021)

- New
- Active
- Done
- Rejected

Velocity

- Planned Features
- Feature Completed
- Sum of Features Not Complete

	Planned Features	Feature Completed	Sum of Features Not Complete
PI 1	108	225	16
PI 2	362	336	81
PI 3	484		
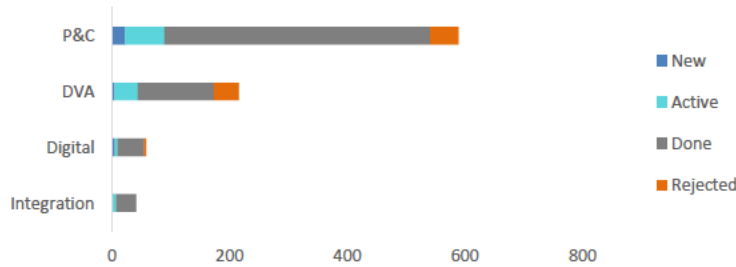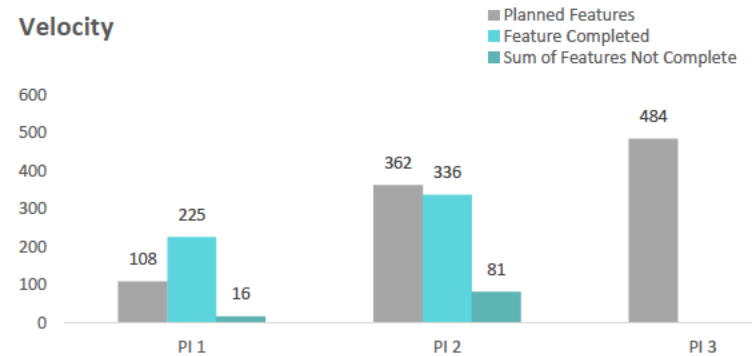
Program Stream Status

Stream	Schedule	Resources	Risks	Issues
Digita	Yellow	Yellow	Green	Green
P&C	Red	Yellow	Green	Green
DVA	Yellow	Green	Yellow	Yellow
Integration	Red	Yellow	Yellow	Yellow

Resourcing
(Actual as of Sep 22, 2021)
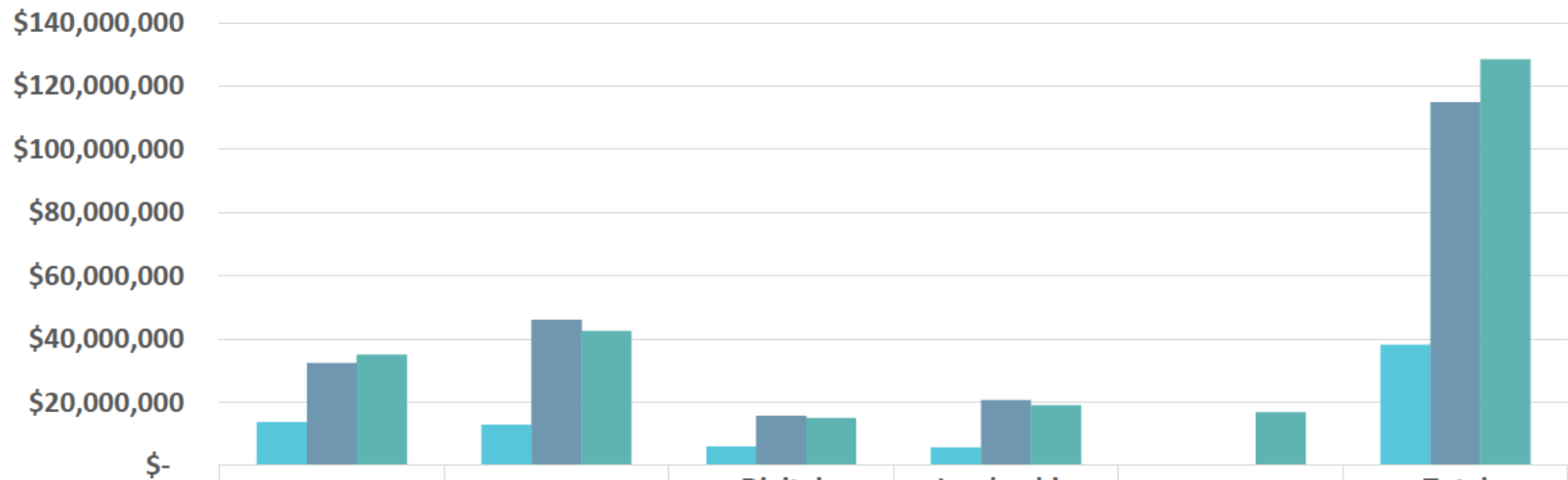

- Externa: 28%
- ncrementa: 38%
- Non ncrementa: 34%

12
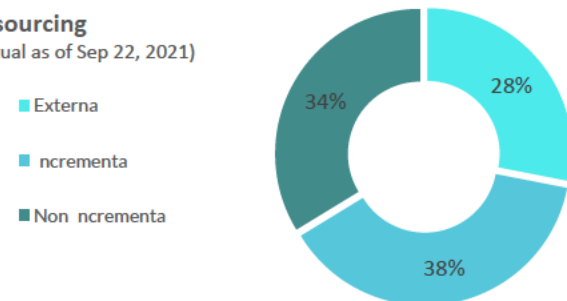
NOVA Program Financial Summary
(Actuals as of 31-Jul-21)

Program Summary

	DVA Stream	P&C Stream	Digital Stream	Leadership Stream	Contingency	Total Program
■ LTD Actual	$13,695,115	$12,824,586	$5,988,310	$5,680,451		$38,188,462
■ LTD Actual+Forecast	$32,380,153	$46,100,344	$15,755,238	$20,660,892		$114,896,627
■ Rebaseline (minus $3M)	$35,022,281	$42,598,966	$15,002,440	$19,036,200	$16,852,408	$128,512,296

■ LTD Actual   ■ LTD Actual+Forecast   ■ Rebaseline (minus $3M)

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Resource Type Breakdown
as at 30-Sep-21

Year	Incremental			Non Incremental			External			Total	
	Rebaseline	Actual	Forecast	Rebaseline	Actual	Forecast	Rebaseline	Actual	Forecast	Rebaseline	Actual/Forecast
2020/2021*	44	40		35	39		24	20		103	99
2021/2022	64	65	70	51	53	61	25	36	47	140	178
2022/2023	56		54	55		71	24		27	135	152
2023/2024	23		23	22		27	8		10	53	60

2020/2021 – Nov/20 to end of Mar/21
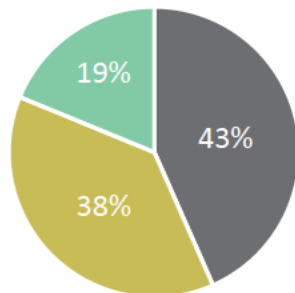 Rebaseline is Minus $3M based on Board decision March 2021.
Actual is an estimated average from Nov/20 to Sep/21.
Forecast is an estimated average from Oct/21 to the end of the program.
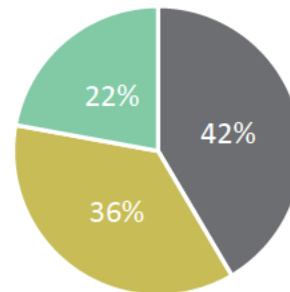FTE's are an average over the period.
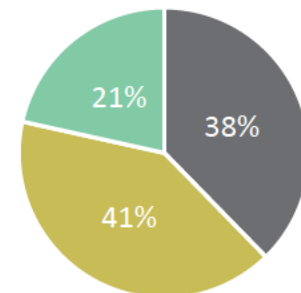FTE's are an estimated average

Rebaseline Resource Mix
- Incremental
- Non-Incremental
- External

Actual Resource Mix
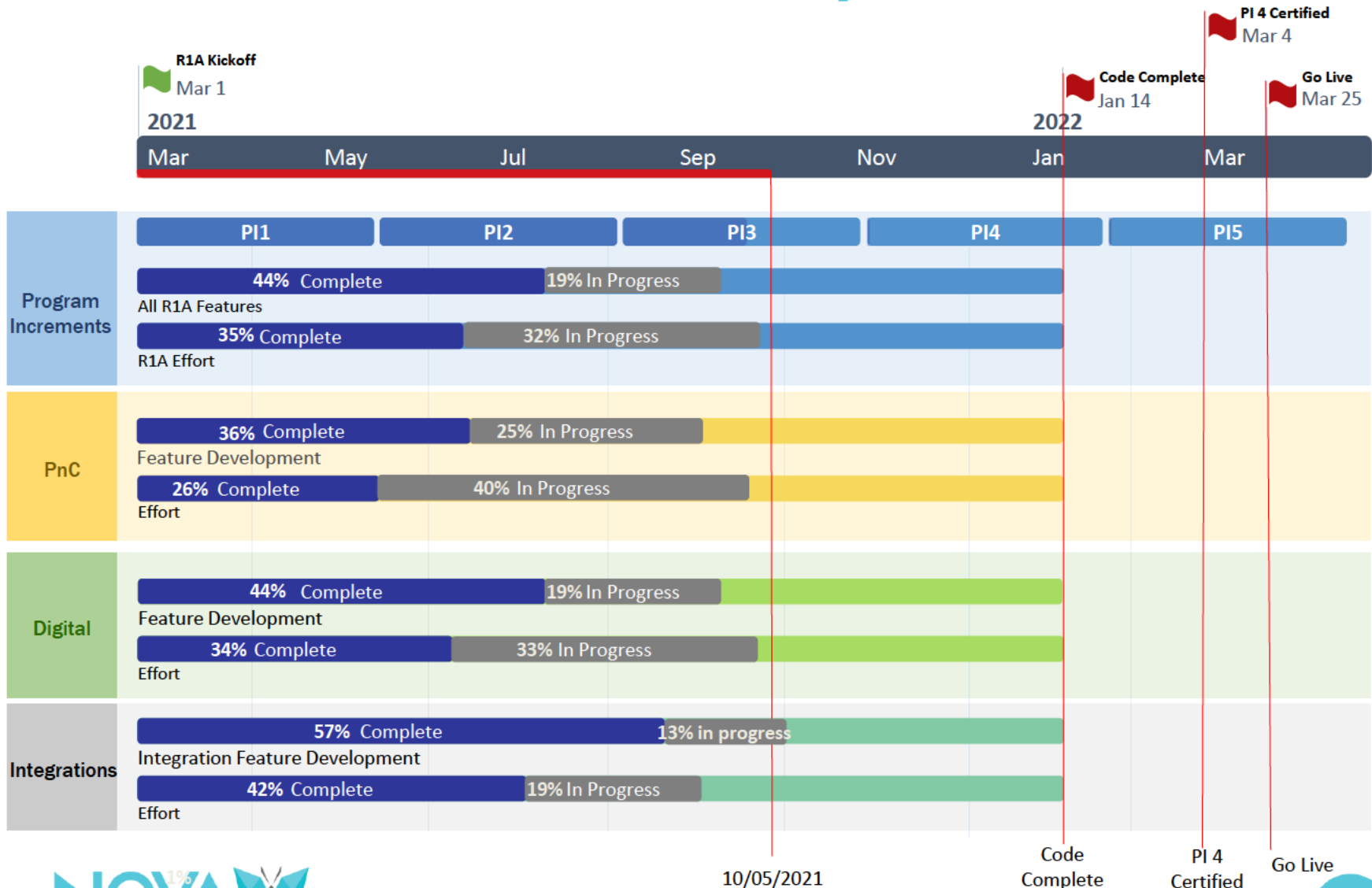- Incremental
- Non Incremental
- External

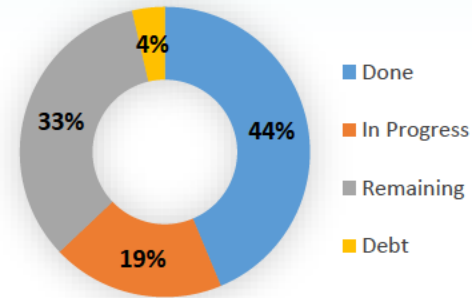Forecast Resource Mix
- Incremental
- Non Incremenal
- External

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R1A Feature Development Plan

R1A Kickoff
Mar 1

PI 4 Certified
Mar 4

Code Complete
Jan 14

Go Live
Mar 25

2021

Mar	May	Jul	Sep	Nov	**2022** Jan	Mar	

Program Increments

PI1	PI2	PI3	PI4	PI5

44% Complete | **19% In Progress**
All R1A Features

35% Complete | **32% In Progress**
R1A Effort

PnC

36% Complete | **25% In Progress**
Feature Development

26% Complete | **40% In Progress**
Effort

Digital

44% Complete | **19% In Progress**
Feature Development

34% Complete | **33% In Progress**
Effort

Integrations

57% Complete | **13% in progress**
Integration Feature Development

42% Complete | **19% In Progress**
Effort

10/05/2021

Code Complete

PI 4 Certified

Go Live

15

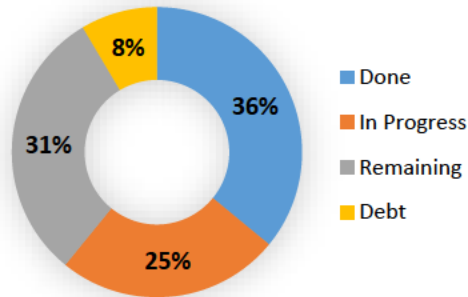** All Effort is in Story Points and based on known estimates

R1A Feature Progress

Project Start: March 1, 2021
End of Development: January 14, 2022
Go Live: March 25, 2021

Total Features

- Done 44%
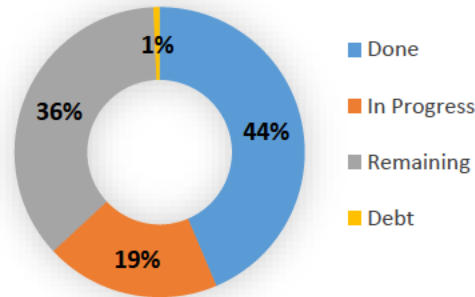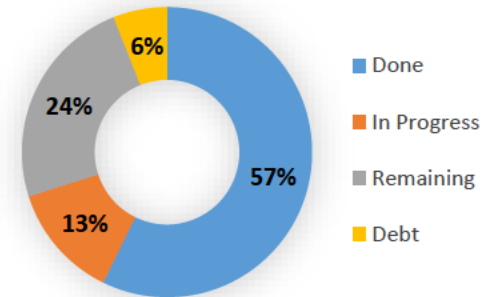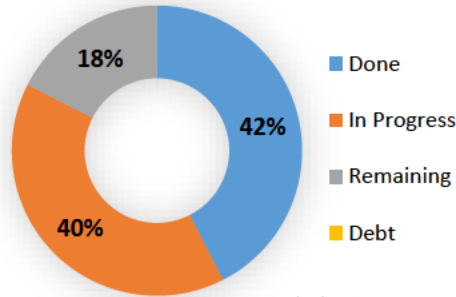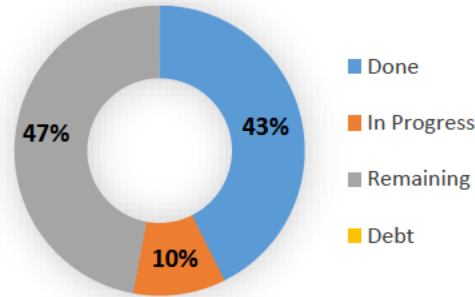- In Progress 19%
- Remaining 33%
- Debt 4%

PnC

- Done 36%
- In Progress 25%
- Remaining 31%
- Debt 8%

Digital

- Done 44%
- In Progress 19%
- Remaining 36%
- Debt 1%

Integrations

- Done 57%
- In Progress 13%
- Remaining 24%
- Debt 6%

Data Analytics

- Done 42%
- In Progress 40%
- Remaining 18%
- Debt

Data Migration

- Done 43%
- In Progress 10%
- Remaining 47%
- Debt

Operational Readiness

- Done 48%
- In Progress 16%
- Remaining 35%
- Debt 1%

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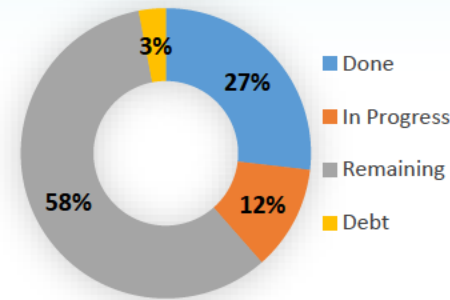transforming customer experience
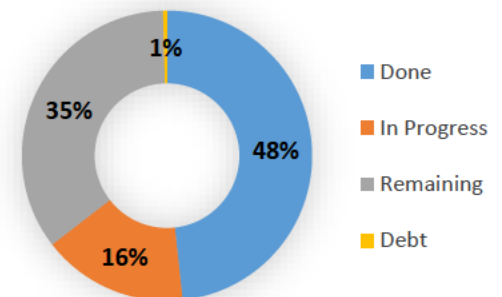
As of October 5, 2021

R2A Feature Progress

Project Start: March 1, 2021
End of Development: July 1, 2022
Go Live: September 9, 2022

Total Features
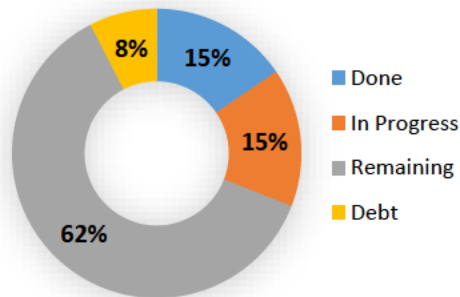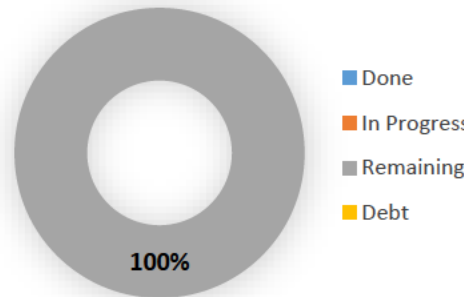
- Done 27%
- In Progress 12%
- Remaining 58%
- Debt 3%

DVA

- Done 15%
- In Progress 15%
- Remaining 62%
- Debt 8%

Digital

- Done
- In Progress
- Remaining 100%
- Debt

Integrations

- Done 6%
- In Progress 7%
- Remaining 86%
- Debt 1%

Data Analytics

- Done
- In Progress 100%
- Remaining
- Debt

Data Migration

- Done 47%
- In Progress 10%
- Remaining 43%
- Debt

Operational Readiness

- Done 43%
- In Progress 8%
- Remaining 49%
- Debt

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As of October 5, 2021
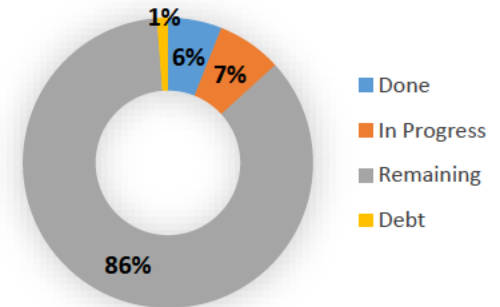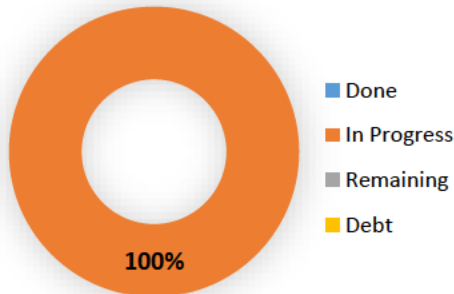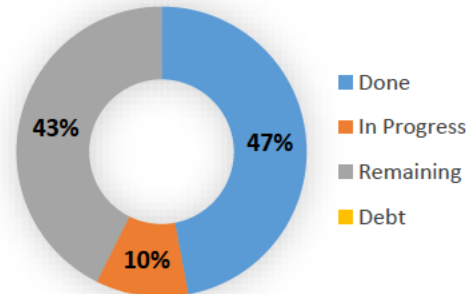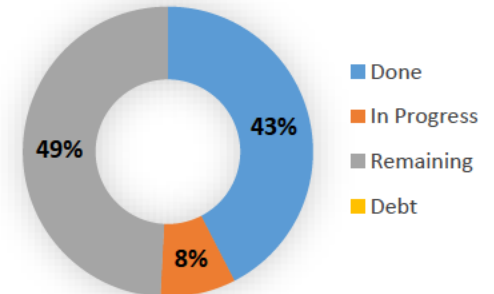
Approach to Manage Technical Debt

- Always possible work will not be completed in specific program increment (PI)

- Work slippage contributes to overall technical debt of NOVA

- First 2 NOVA PIs completed, measured the following:

Program Increment 1 (PI1):

- Foundational PI to stand technology up and set up application foundations

  o **The majority of this work not dependent on other teams**

- Prior to mitigating the technical debt via R.A.I.D. NOVA was tracking to a 15% technical debt (lowered to 3% via mitigation plan at the conclusion of PI1)

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Approach to Manage Technical Debt (Cont'd)

Program Increment 2 (PI2):

- First PI that heavily relied on solution alignment across multiple teams to create and deliver many pieces of end-to-end functionality

- At the conclusion of PI2 testing PI2 total technical debt was 16%

To mitigate technical debt teams will prioritize debt in PI plans prior to scoping new functionality

- As teams normalize working to an integrated solution, work alignment will continually improve

With production of more functionality, teams reduce work to 80% capacity – remaining 20% assigned to defect work and unknowns

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Program Reviews

Internal Review

- Current plan ambitious and learnings drive potential need to pivot. Risks identified for execution and potential release delays. Release 1A currently in jeopardy.

- Assessment in progress with completion targeted for Jan/22. Focus on de-risking program.

- Further work in progress to assess financial impacts of key decisions required to mitigate current risks and issues.

External Review

- Concerns raised that NOVA team will not meet important timelines and scope delivery.

- External vendor program review initiated to prepare fresh analysis of NOVA, recommend solutions to resolve identified issues, and ensure MPI achieves business transformation objectives.

Target Completion for full assessment and impacts: January 2022

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Successes

- Early assessment of issues/risks (avoids significant overruns, stay on schedule)

- Adoption of Agile methodology continues (and is increasing)

- Agile ceremonies create transparency and channels of communication to discuss RAID and work alignment

- RAID versus risk based process allows for quick assessments and pivots

- Increase in Business Ownership over configured solution

- Planning and capacity management improvements providing more accurate view into team velocity

- Noticeable iterative delivery improvement

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Issues Impacting Releases – Streams

Digital Services

- Scope increase to avoid customization in other applications (billing)

- Development spans 3 parallel releases (1A/2A/3A) leading to divided attention

- No dedicated billing architecture resources

Property & Casualty

- Limited SME availability hindering decision making velocity

- Unable to support overlapping OR work (CIA, model office, etc.)

- All integrations are late

Driver & Vehicle Administration

- 1A integrations being prioritized which syphon capacity for 2A

- Dependent on digital for key functionality (billing)

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Issues Impacting Releases – Shared Services

Integrations

- High turnover destabilized team –roles and domain knowledge
- lack of best practices e.g. lack in versioning guidelines, prioritizing API reuse instead of understanding individual requirements
- Gaps in ownership and coordination for deployments and oversight for SIT across streams

Quality Assurance

- Misaligned sequencing between teams causing blocked testing
- No E2E process defined to enable QA traceability
- No 'real' data available to enable high-confidence certifications
- Organization lacks automated testing maturity for program this size

Organizational Change Management

- Limited access to business SMEs impacting parallel activities
- Adapting to agile approach with SIs
- Leadership consistency and ownership
- Gaps in team capabilities/experience requiring external hires for capacity & leveraging Accenture for expertise

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Issues Impacting Releases – Shared Services

Technical Shared Services

- Lack of non-functional enabler identification & architectural runway leading to sudden development disruption and unplanned work (vcore allocation)

Analytics

- LDW project is in inception phase when Nova needs an implemented solution to leverage
- Multiple proof of concepts for LDW causing rework in Nova

Data Conversion

- Lack of iterative approach and misalignment in sequencing created gap in data availability
- Gaps in team capabilities/experience requiring external hires

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Issues Impacting Releases – Program

Resourcing

- Key roles turnover risk due to insufficient retention measures, succession planning, contingencies for unforeseen issues (e.g. health)

- Reactive in-flight hiring and onboarding for key leadership positions

Maturity

- Lacking mature COEs to support Nova (Digital, QA, ISS, TSS, Analytics, Enterprise Architecture, OCM)

- Shifting culture in teams to adopt agile & ADO with in-flight program

- Responsibilities in role of lead SI in large program

- PMO having to support deficient areas hampered velocity

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Summary of Issues

Scope increase in Digital	Teams have divided focus	Limited resources & capabilities
Turnover	Immature COEs	Sequencing
Leadership consistency & ownership	Architectural runway	General contractor inexperience

Elements Required for Program Success

Solution Management

Technology	Enterprise Architecture Maturity	DVA Cloud Infrastructure Strategy	IT tools & services	Billing Architecture
Process	Data Migration acceleration	E2E processes for each release	Successful 3A inception	E2E Processes & Testing
People	SME & IT capacity	Established operational ARTs	Self Sufficiency & Support Model	Organizational Capability
Customer	UX/UI expertise	Customer journey maps	Customer experience by segments	

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Business Case Program Overview - NPV
(Integrated Project Nova)

Description	January 2019 Original ($M)	March 2021 Current ($M)	Increase / (Decrease) ($M)
Discount Rate	7.5%	7.5%	0%
One Time Modernization (previously "CAPEX")	$85.4	$111.7	$26.3
One Time Modernization – Contingency	$21.4	$16.8	$(4.6)
One Time Modernization - Total	**$106.8**	**$128.5**	**$21.7**
Ongoing costs to operate (Total Opex - during 15 year NPV period)**	$282.3	$250.3	$(32.0)
One-time Total Cost Avoidance Benefit	$13.6	$13.4	$(0.2)
Ongoing Cost Avoidance Benefit(Deferred Development, Security for Legacy Apps)	$86.2	$87.8	$1.6
Ongoing Benefits (Total during 15 year NPV period)	$397.8	$423.2	$25.4
REDACTED	REDACTED	REDACTED	REDACTED
15 Year NPV	**$12.7**	**$18.4**	**$5.7**
Payback Period	**14 Years**	**14 Years**	**0 Years**

NPV estimate assumes that all the Line of Business streams will be implemented as one program.

** On-going - Vendor costs applied at negotiated rates, all other OPEX and Savings applied using annual 1-2% inflation rate. Realistic Broker Commission Savings from new IBAM agreement.

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REDACTED

Questions?