

LESSONS IN ENTREPRENEURSHIP

Sprint finishes

A youthful software company takes a flexible approach to serving the insurance industry. Stuart Read and Saras Sarasvathy report



The 'sprint teams' meet for ten minutes each morning

When John Seybold and his partners founded Guidewire Software five years ago, he knew little more about the insurance industry than an informed consumer. But, as CTO of the new company, he did know that he and the team had to learn fast if they were going to convince mainstream insurers to scrap their ageing mainframes and adopt Guidewire's Java-based solutions.

OPTIMISE FOR FLEXIBILITY

The team looked at the problem and made a decision. Above all, they would be flexible. Flexible product. Flexible business model. And flexible organisation. They expected to gain insights every day from customers, partners and competitors, and wanted to be able to benefit immediately from everything they learned.

THE SPRINT TEAM

Guidewire is organised around 'sprint teams' whose assignments only last a month. Each month, the team picks from the most important tasks to be tackled, selects a leader and devours the task. At the end of the month, the team wraps up the project, reflects on its progress, picks a new task, and the process starts again.

TOP OF THE BACKLOG

The key to keeping the company moving towards success is the 'master backlog' of projects. New ideas and customer requests are added to this as they come in. No changes to priorities are made during a monthly sprint, but at the start of each new month, the organisation re-prioritises the entire backlog and assigns only those tasks that top the list to the next month's sprint teams.

Each sprint team meets briefly every morning to discuss what they did the previous day and what they hope to achieve in the day ahead. Individual priorities and performance are as transparent as team performance. At the end of each month, teams examine the process to discuss what worked, what didn't, and what they want to change when they reassemble next month.

DEMONSTRATE SUCCESS

The success of the process can be demonstrated in the numerous industry awards and client references newcomer Guidewire has already garnered. But Seybold describes an unexpected benefit: "When we first did this, I thought seeing the huge backlog and the small projects we finished in a

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month would discourage the team. But exactly the reverse happened. They said, 'Wow – we're in control, and look at what we did.' It was a real morale booster, and it has continued to be."

A FRESH PERSPECTIVE

"Not knowing everything gave us a fresh perspective," says Seybold. "We were able to see things existing players had missed for years, or simply took for granted. And having an organisation that could rapidly adapt as we learned gave us the advantage we needed against bigger players."

Guidewire has grown to over 250 people and counts more than 30 international insurers in its growing customer base. Large for a startup, but still small compared with the insurance giants they sell to. Nonetheless, this development process has continued to work – with no end in sight. Not bad for a company that has yet to hire a middle manager.



John Seybold (above) had to learn quickly when he began his business

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