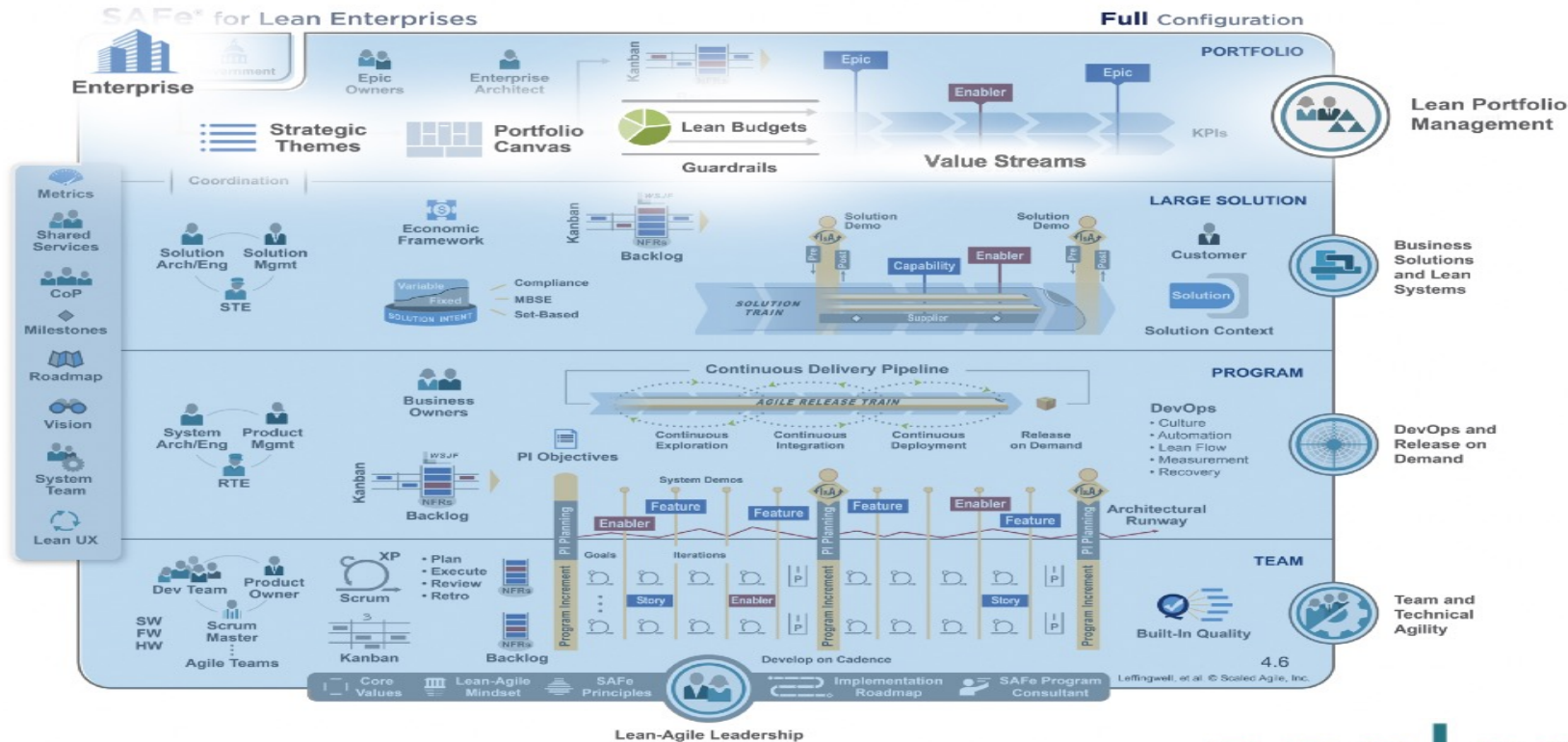


Introduction to Lean Portfolio Management



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Scaled Agile Framework



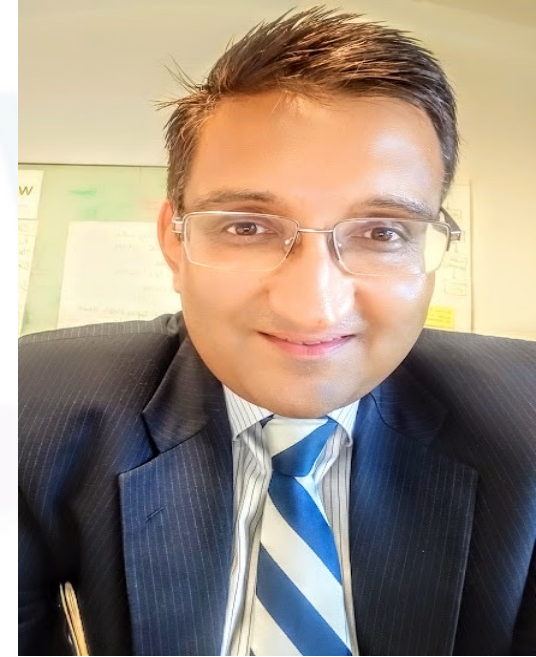
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About Me

Abhi Chaturvedi is a

- Pragmatic Business Consultant , Enterprise Architect, Enterprise Agile Coach
- Principal Consultant at scalenow.com.au
- SAFe Program Consultant
- Accredited Certified Coach by Marshall Goldsmith on
 - Stakeholder Centered Coaching
 - Team Executive Coaching



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Scaled Agile Framework



Guaranteed & Measurable
Leadership Growth

Agenda

I. Traditional state of planning cycles and the need to revolutionize

II. Why do we need Lean Portfolio Management

III. What is Lean Portfolio Management

I. Connecting the Portfolio to Enterprise strategy

II. Establishing the Portfolio Vision – Implementing

III. Lean Budgeting and Guardrails

IV. Applying Agile Portfolio Operations

V. Applying Lean Governance

IV. How to implement Lean Portfolio Management

I. Establishing flow with Portfolio Kanban

V. Questions and Answers Section



Current state of planning cycles



Why a need for Lean Portfolio Mgmt

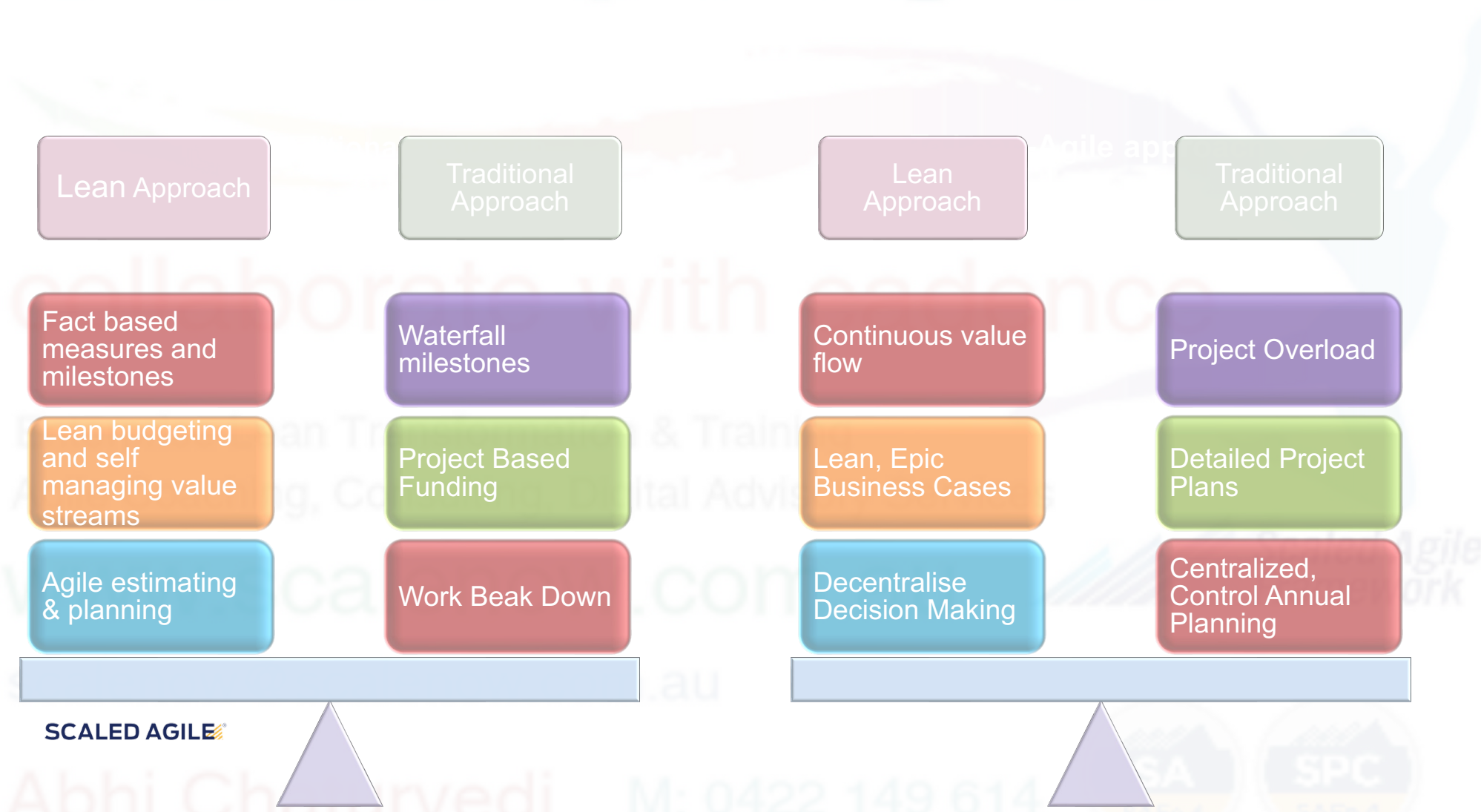


Disney executives were initially confused by Johnny Depp's performance as Jack Sparrow in POTC, questioning whether he was drunk or gay. The CEO of Disney proclaimed that Depp was ruining the film. Depp's response to Disney executives was they could trust him with his choices or let him go.

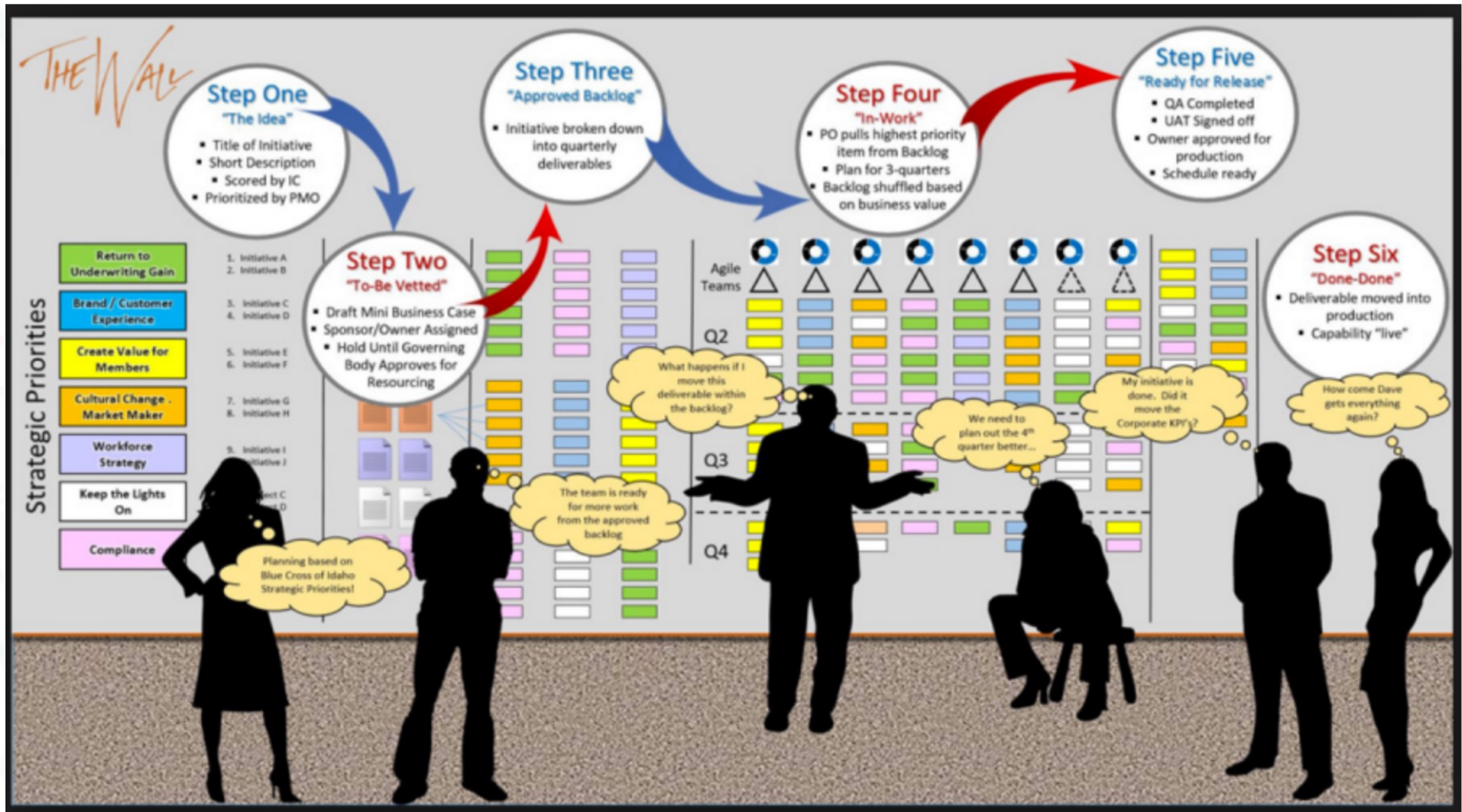


Moving to Lean Portfolio Mgmt

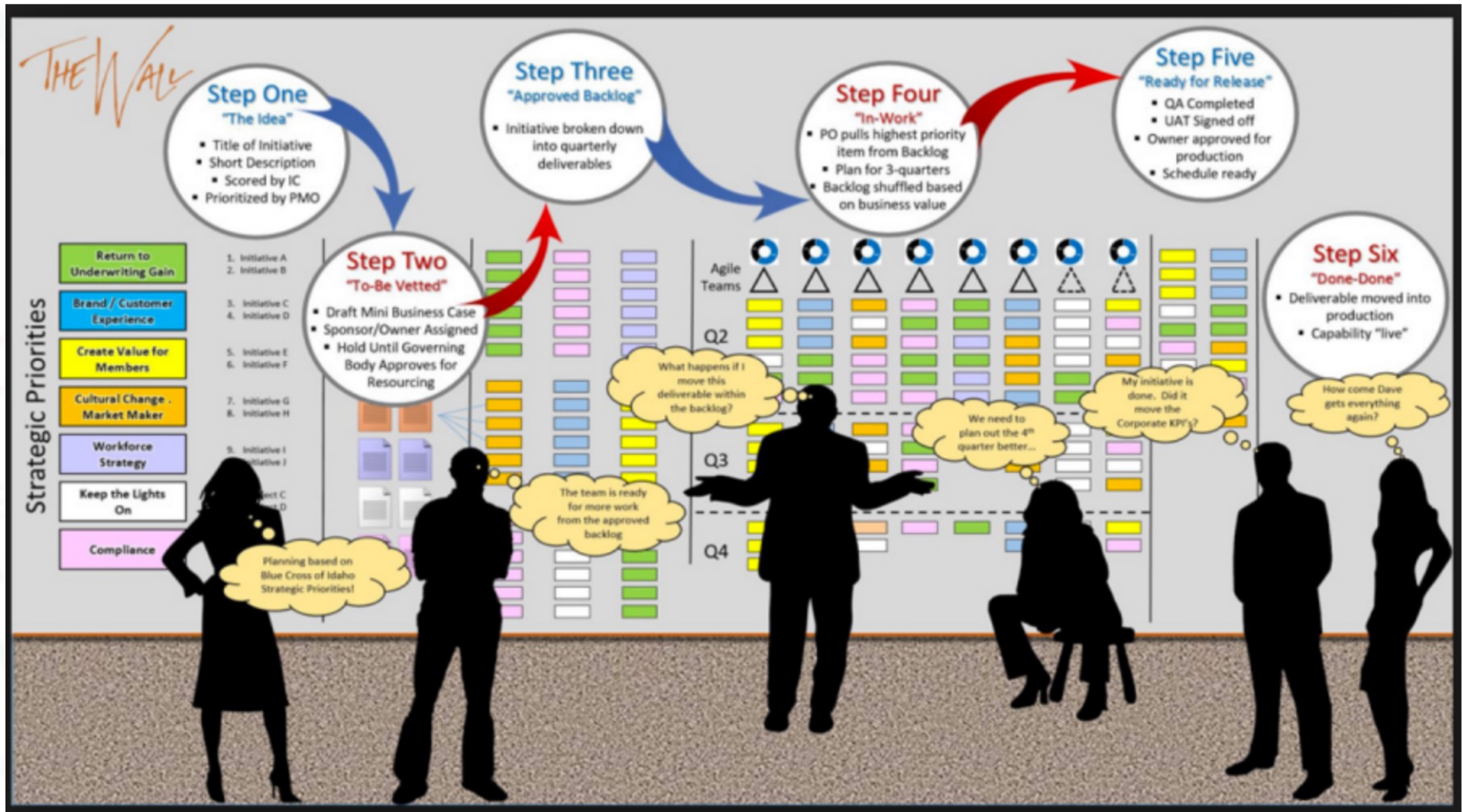
Transformational patterns to move from traditional mindsets to Lean Portfolio Management



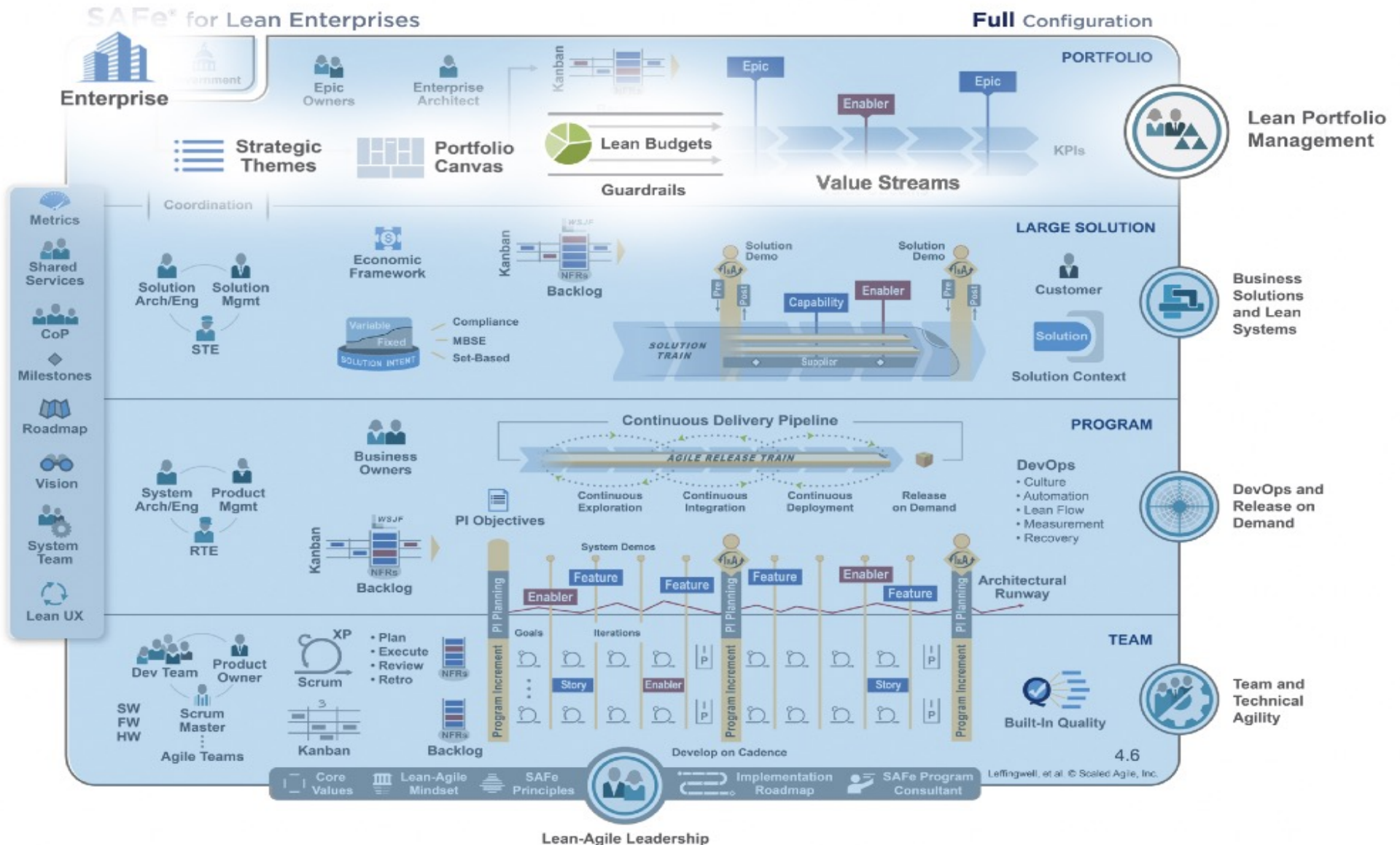
What is Lean Portfolio Management



What is Lean Portfolio Management



Scaled Agile-Big Picture



The Role of Lean Portfolio Mgmt

Strategy & Investment Funding

- Alignment between strategic imperatives and portfolio
- Establish Portfolio funding and investment
- Development & ongoing evolution of the IT Strategic & annual Plan.

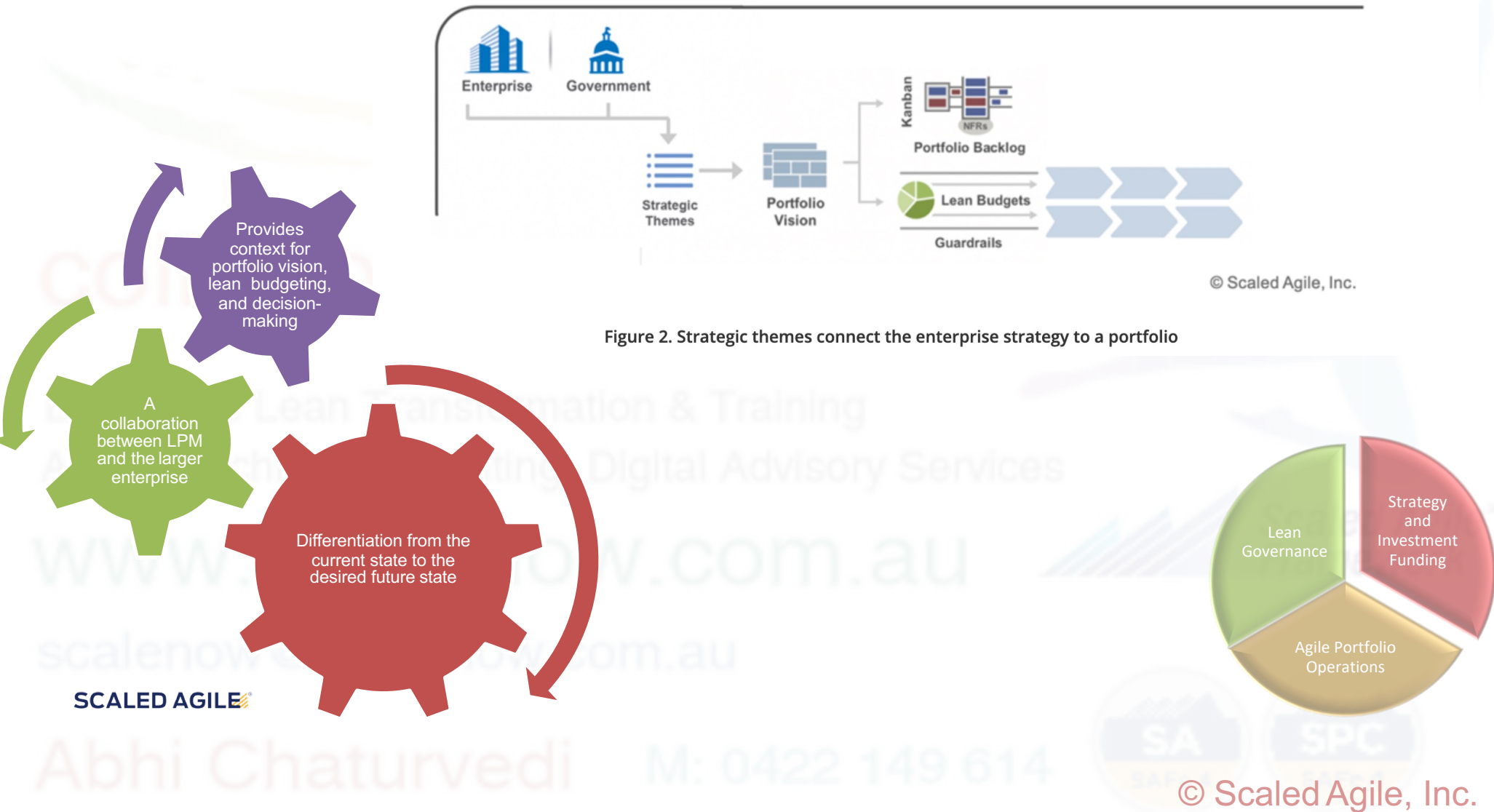
Agile Portfolio Operations

- Provides guidance on continuous improvement & sustainability
- Establish & define business processes, flow of portfolio epics
- Allocation & optimisation of resources to deliver value proposition

Lean Governance

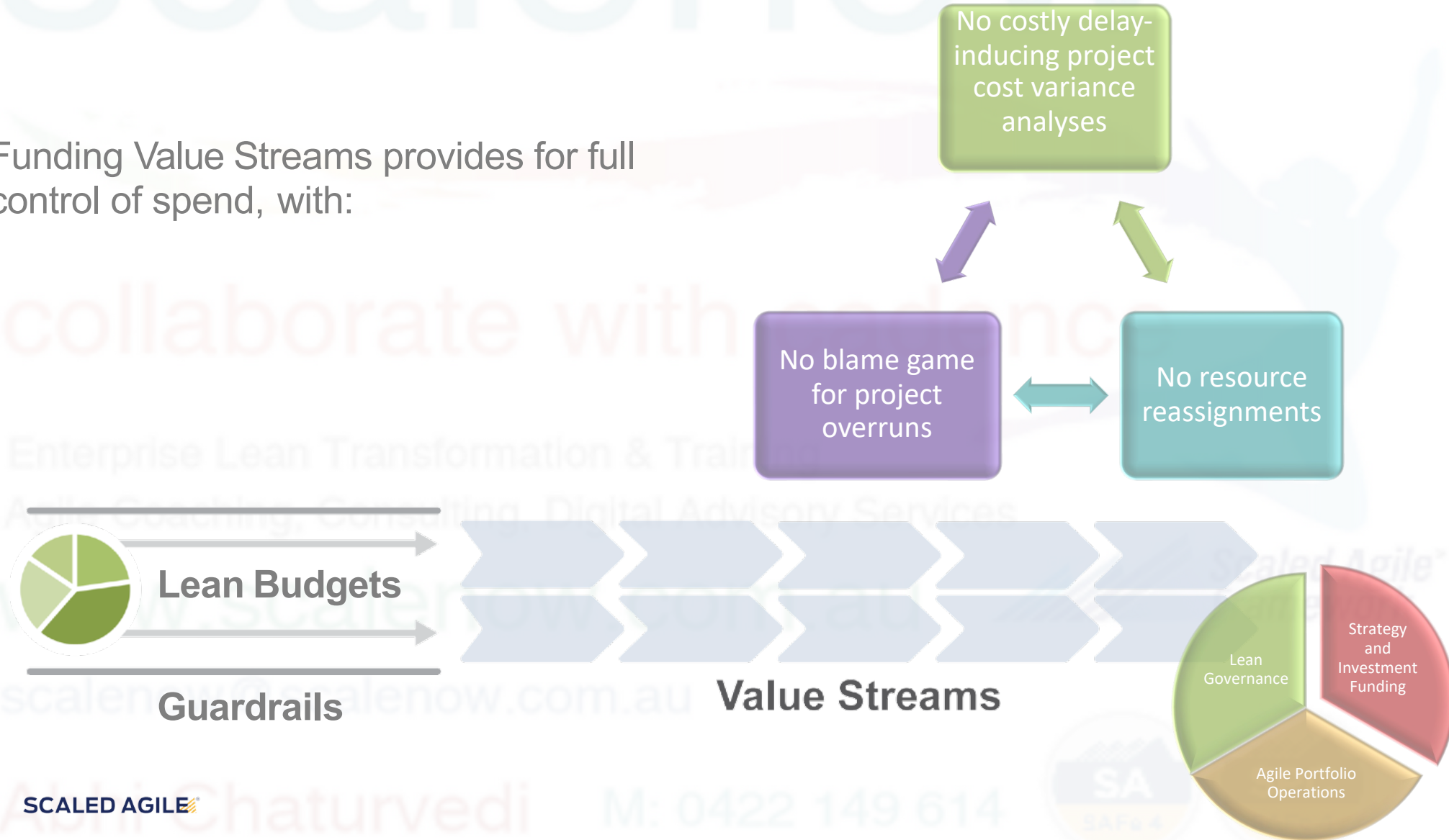
- Measure lean portfolio performance
- Ensures compliance and regulatory standards
- Provides assurance, guidance on releasing, risk mitigation of initiatives using established governance.

Strategic Themes –Connect to Enterprise Strategy



Fund Value Streams not projects

Funding Value Streams provides for full control of spend, with:



Define and charter the portfolio

Portfolio Canvas

Portfolio Name:

Date:

Version:

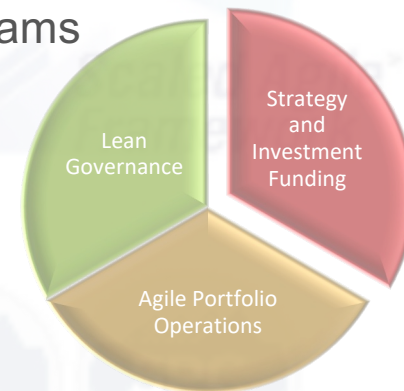
Value Propositions 📁						
Value Streams	Solutions	Customer Segments 🧑	Channels 🚚	Customer Relationships ❤️	Budget	KPIs / Revenue
What are the value streams in this portfolio? (Note: Create a row for each value stream)	What solutions does each provide?	What customers does each value stream serve?	What channels does each value stream use to reach its customers?	What type of customer relationship does each value stream maintain?	What is the budget for each value stream?	What measures are used to evaluate the performance of each value stream?

Key Partners 🔗 Who are our key partners? Who are our key suppliers? Which key resources are we acquiring from partners? Which key activities do partners perform?	Key Activities ✅ What key activities do our value propositions require? <ul style="list-style-type: none"> Strategic Themes and Lean Budgets Market Rhythms Portfolio Sync PI Planning (Pre/Post) System/Sol. Demo Inspect & Adapt 	Key Resources 🏢 What key resources do our value propositions require? <ul style="list-style-type: none"> Epic Owners Enterprise Architects LPM authorities APMO, LACE Shared Services
Cost Structure 💳 What is the total portfolio budget? What are the most important costs inherent in the portfolio? Which key resources are most expensive? Which key activities are the most expensive?	Revenue Streams 💰 What is the revenue for value streams that are monetized? <ul style="list-style-type: none"> For what value are customers really willing to pay? For what do they currently pay? How are they currently paying? How much does each revenue stream contribute to overall revenue What is the value is provided by non-monetized (pure development) value streams?	

🧑 Define the portfolio domain and business model

🧑 Identify key portfolio constructs: partners, activities, resources, cost structure, revenue and budget

🧑 Summarize portfolio value streams



The Portfolio Canvas is adapted from The Business Model Canvas (<http://www.businessmodelgeneration.com>) and is licensed under the Creation Commons Attribution-Share Alike 3.0 Unported License.

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Map value stream solutions by horizon

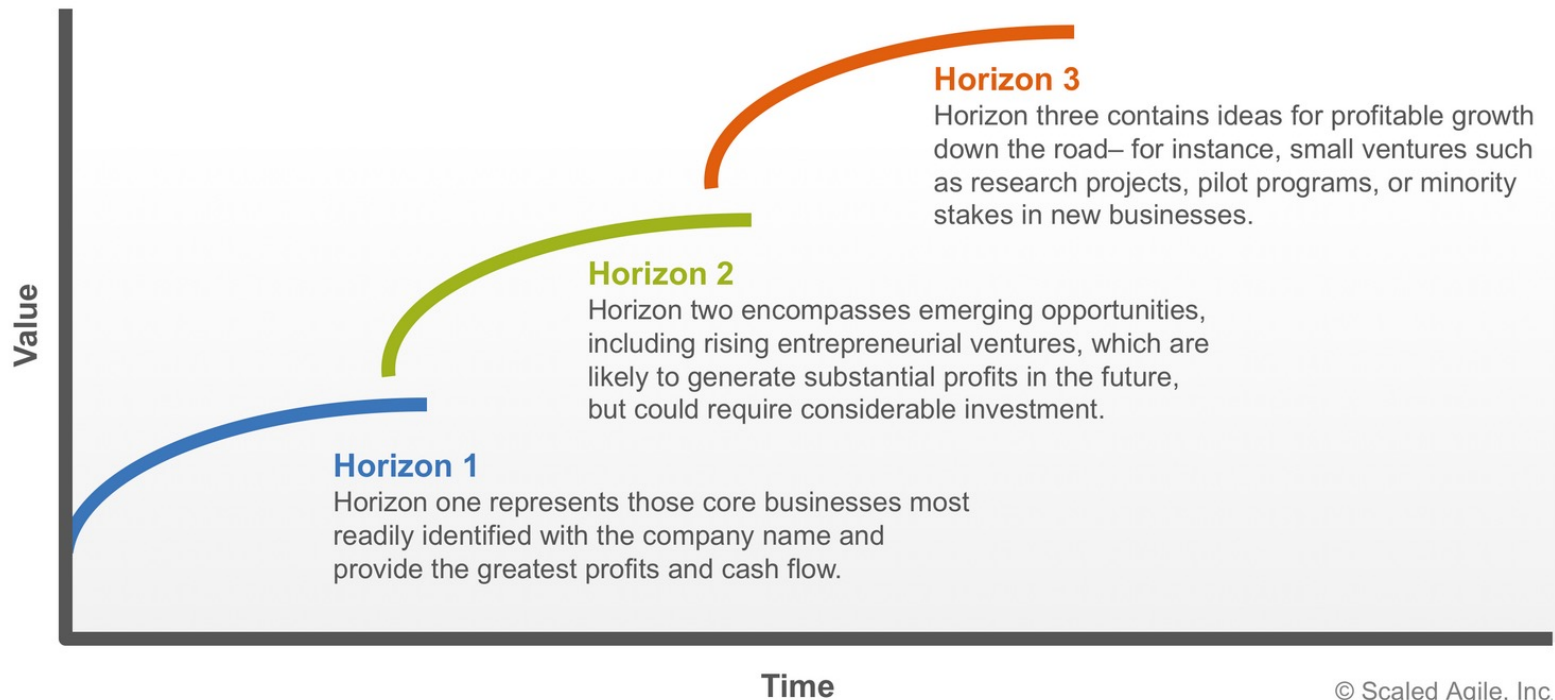


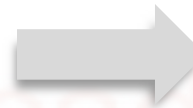
Figure 8. Three horizons of growth framework



Epic Hypothesis Statement leads to Lean Business Case

Epic Hypothesis Statement

For	<customers>
who	<do something>
the	<solution>
is a	<something – the “how”>
that	<provides this value>
Unlike	<competitor, current solution, or non-existing solution>
our solution	<does something better – the “why”>



SCALED AGILE® Lean Business Case

Input on Products, Programs and Services:
(Identify products, programs, services, teams, clients)

Input on Sales, Distribution, Employment:
(Describe any impact to how the product is sold, distributed)

Analysis Summary:
(An overview of the analysis that has been completed)

Estimated Item Points (EIPs): **Estimate:**
(If cleared, enter points for the MVP of the epic)

Type of Issues: **Area:**
(Identify cause, current status, potential production, new market served, etc.)

Business Outcome Hypothesis:
(Describe how the success of the epic will be measured. For example, 50% increase in revenue, 25% increase in customer satisfaction, etc.)

Leading Indicators:
(Identify innovation accounting metrics to provide leading indicators of the business hypothesis. For example, a measurable change in purchase demographics within 30 days of feature release)

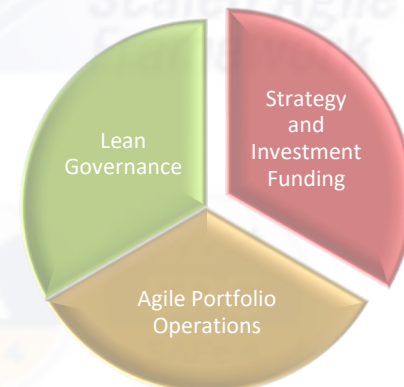
Minimum Viable Product (MVP) Features:
(Features or Capabilities)
•
•
•

Additional Potential Features:
(Features or Capabilities)
•
•
•

Stakeholders:
(List key business owners who will be supporting the initiative)

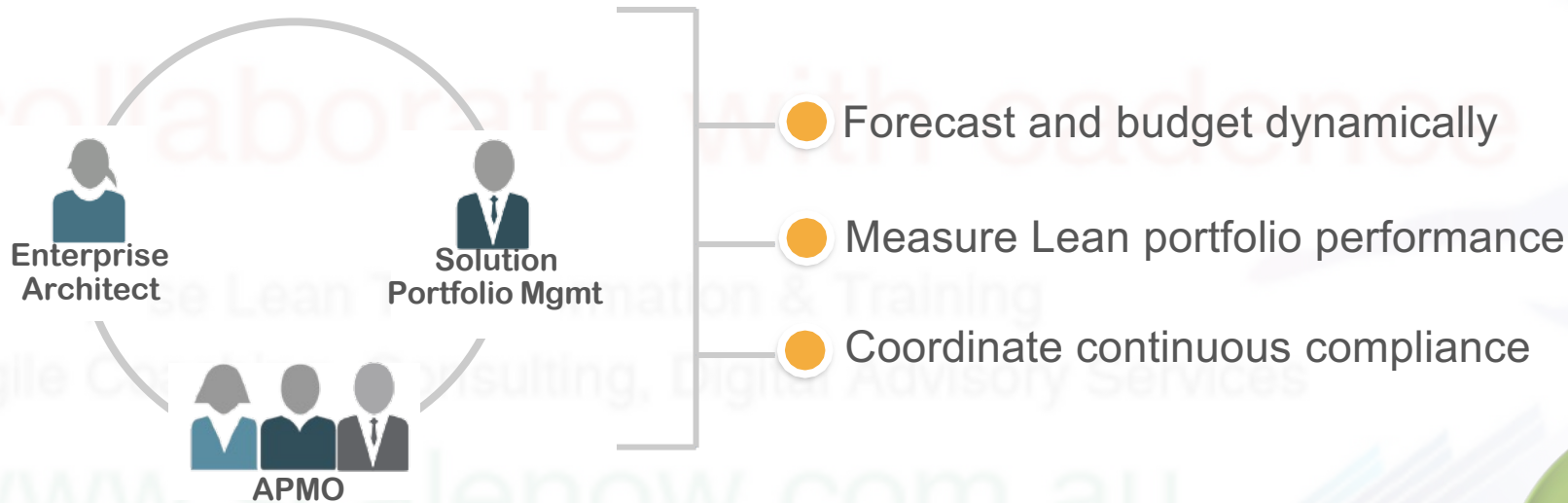
Users and the Value Affected:
(Describe the user community and any markets affected)

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Lean governance is a collaboration

- 🕸 Collaborate on forecasting and dynamic budgeting with an Agile approach
- 🕸 Establish minimum Lean portfolio metrics necessary to assure strategy is being implemented



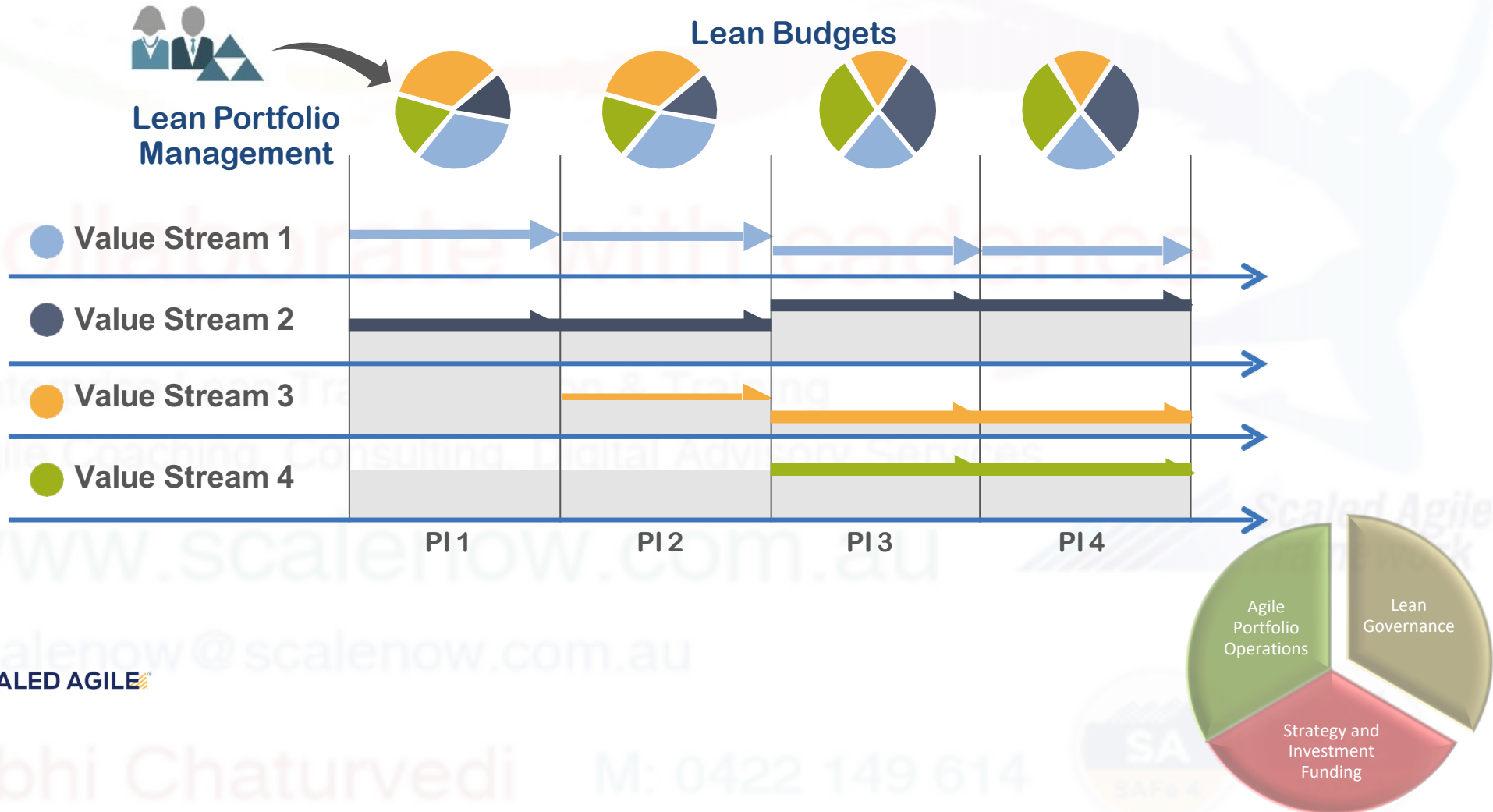
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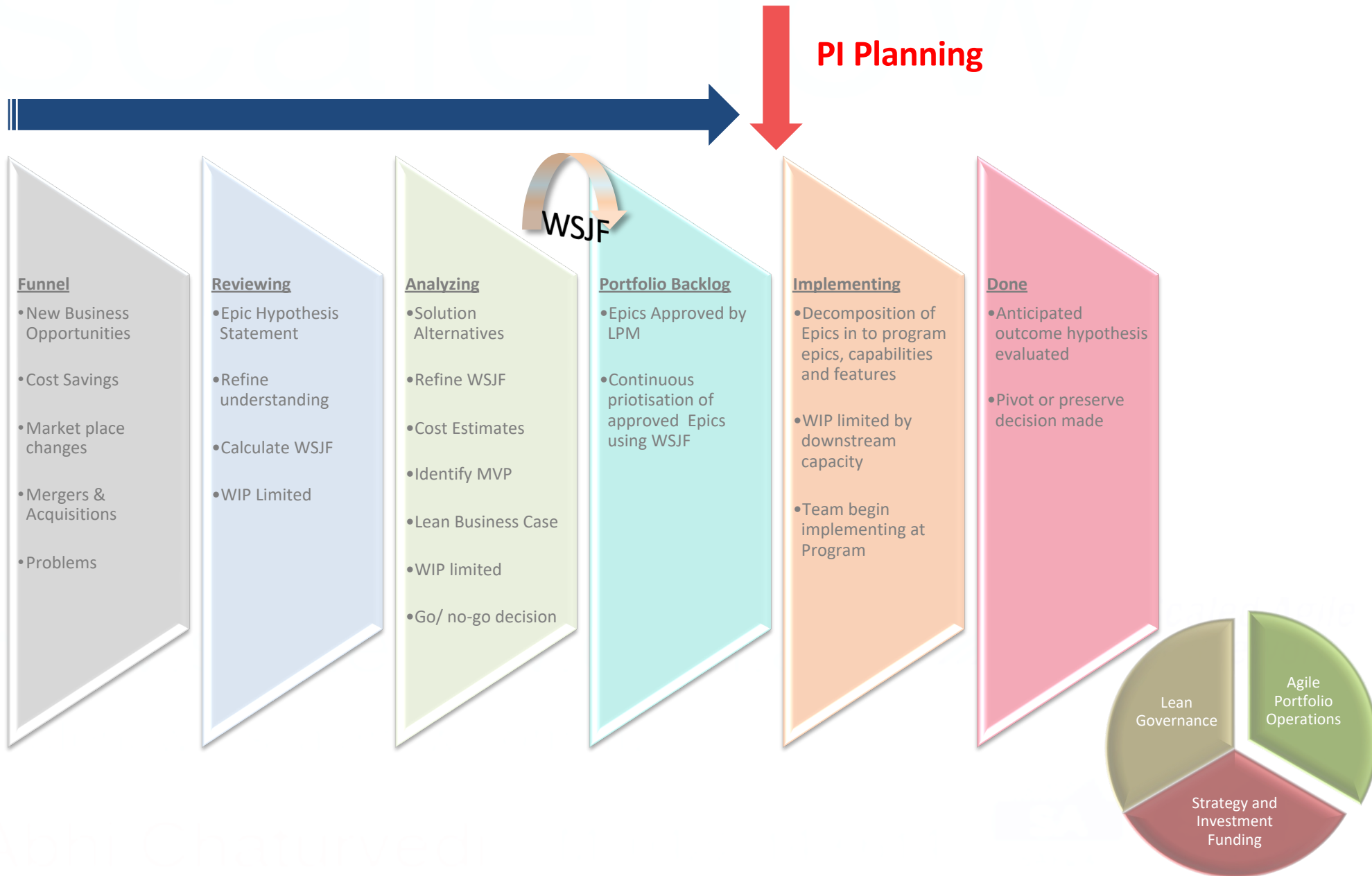
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Governance with dynamic budgeting

Financial governance is still in place. Adjust budgets dynamically to meet changing business needs.



How to implement LPM



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Leading SAFe



SAFe LPM Course



SAFe Scrum Master



SAFe Agile Product Management



SAFe DevOps



SAFe Product Owner



One page on Lean Portfolio Mgmt

HYPOTHESIS DRIVEN DEV.	Hypothesis-driven development is based on a series of experiments to validate or disprove a hypothesis in a complex problem domain where are unknown-unknowns. Goal to find viable ideas or fail fast.				
	1. Start with questions & assumptions	2. Prioritize questions & assumptions	3. Turn them into hypotheses	4. Develop an experiment & test the hypothesis	5. Learn & build
PORTFOLIO METRICS	LEAN PORTFOLIO METRICS Lean metrics to assess progress of full portfolio	PORTFOLIO KANBAN Epics analysed, prioritised & acceptance criteria	EPIC BURN UP CHART Tracks progress towards Epic completion	ENTERPRISE SCORECARD Four perspectives to measure performance of each portfolio 1) Efficiency 2) Value Delivery 3) Quality 4) Agility	
	LPM SELF ASSESSMENT PROCESS Periodic checks to improve portfolio processes	EPIC PROGRESS MEASURE At a glance view of status of all epics in portfolio	VALUE STREAM KPI's KPI's to evaluate value stream investments		
LARGE SOLUTIONS METRIC	SOLUTION KANBAN BOARD Capabilities analysed, prioritised, accept criteria	ECONOMIC FRAMEWORK DECISION RULES To align work to solution financial objectives	WEIGHTED SHORTEST JOB FIRST (WSJF) Prioritisation model used to sequence jobs	SOLUTION PREDICTABILITY Aggregation of individual predictability measure for Agile Release Teams (ARTs) to assess the overall predictability of solution trains	
	COST OF DELAY TO OUTCOMES A way of communicating the impact of time	DURATION (JOB SIZE) Length of time required to complete epic etc	SOLUTION PERFORMANCE Aggregation of performance measures for ARTs		
PROGRAM METRICS	FEATURE PROGRESS (PROGRAM INCREMENTS) Tracks feature and enabler status during PI	PROGRAM KANBAN (PI BOUNDARY) Ensures Features are reasoned & analysed	PROGRAM PREDICTABILITY OF ART Aggregation of Team PI Performance Reports	PROGRAM PERFORMANCE Aggregation of team metrics at end of PI (ie. functionality (velocity etc) and quality (tests, defects etc)	
	PI BURN DOWN CHART Shows progress to PI time box to track work	CUMULATIVE FLOW GRAPH Shows backlog, work started & completed	ART SELF ASSESSMENT PROCESS Periodic check to improve program process		
TEAM METRICS	CD PIPELINE EFFICIENCY Measures efficiency of steps for touch & wait time ie. analysis, backlog, validate, deploy, release etc.	DEPLOYMENTS AND RELEASES Deployment & release freq. progress	RECOVERY OVER TIME How often physical / logical rollbacks	INNOVATION INDICATORS Hypothesis measures MMF & MVP	HYPOTHESIS TESTED No. of successful vs. Unsuccessful
		TEAM PERFORMANCE Individual team metrics at end of PI	TEAM KANBAN Stories & tasks analysed before PI	TEAM BUSINESS VALUE Estimated of business value by each teams goals during a PI demo	
PORTFOLIO LEVEL	LEAN PORTFOLIO MANAGEMENT - Lean Portfolio Management - Portfolio Epic Owners - Strategy & Architecture - Enterprise Executives	MEETINGS - Portfolio Epics Workshops - Roadmap Planning - Architecture Landscape - Budgeting	ARTEFACTS - Strategic themes - Portfolio & Enabler Epics - Portfolio Backlog - Business Processes Mapping - Lean Budget	OUTPUTS - Roadmap - Vision for Service teams - Budget for Business Processes - Portfolio Performance Metrics	

scalenow@scalenow.com.au

Abhi Chaturvedi

M: 0422 149 614



www.scalenow.com.au

Questions & Answers

Would you be like to explore further? If there are any unanswered questions. I am willing to answer any questions offline. Please book a 15 minutes free consultation session for further discussion.

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I am served the best nutritious food on the table.

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Framework

