Is Lean Portfolio Management A Myth?

Global SAFe Summit 2019

Manifesto for Agile Software Dev.

- Individuals and interactions over processes and tools
- Working software over comprehensive documentation
- Customer collaboration over contract negotiation
- Responding to change over following a plan

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5 years of leading Agile and Scaled Agile Transformations
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What is Lean Portfolio Management?

One of Five Core Competencies of a Lean Enterprise

Aligns strategy and execution by applying Lean and systems thinking approaches to strategy and investment funding, Agile portfolio operations, and governance.

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Responsibility of LPM

The LPM function in SAFe has the highest level of decision-making and financial accountability for the value streams and solutions in a SAFe portfolio.

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A New Way of Funding Work

Traditional Funding Model

Lean-Agile Funding Model

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What You’re Actually Here For
Who Uses SAFe and LPM?

- Aerospace & Aviation
- Education
- Energy
- Insurance & Banking
- Retail
- Government

- Agriculture
- Media
- Telecommunications
- Healthcare
- Manufacturing
Example: Medium-Sized Education Company

- Established Portfolio Kanbans
- Established Enterprise Strategy and Portfolio Vision
- Established APMO and LACE but CEO overruled their recommendations and eventually disbanded them due to C&C issues
- Implemented Value Stream funding but CEO started to overrule LPM investment decisions... because the world is moving too fast not to be Agile
Example: Fortune 500 Healthcare Company

• Established Portfolio and Enterprise Kanbans
• Established LACE and made them highly visible and accessible
• Managed Portfolio Strategy with Enterprise PI Planning every quarter

• Turned Projects Into Epics
• Continued to use project-based funding to fund Epics
• Prioritized by Hippo and Squeaky Wheel
• CIO required weekly project status updates from all trains in a half day meeting.
• No APMO led to non-standard practices across the trains
Example: Fortune 100 Banking Company

• Implemented a LACE
• Eliminated cost-center budgeting and timesheets
• Established Portfolio Metrics
  • eNPS
  • Feature cycle time
  • Portfolio Predictability Measure
  • Defect/Quality Data
• Established Enterprise Strategy and Portfolio Vision

• Funded Value Streams but failed to account for contractors leading to budget deficits and workforce reduction
• No APMO led to non-standard practices
• No Portfolio Kanban led to lack of visibility and too much WIP in transformation

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Example: Fortune 50 Energy Company

• Ran the Enterprise Transformation as an ART with LACE and APMO
  • Using the Hub and Spoke Model of LACEs

• Established Portfolio Kanbans and Metrics
  • eNPS
  • Feature cycle time
  • Portfolio Predictability Measure
  • Defect/Quality Data

• Established Enterprise Strategy and Portfolio Vision

• Engaged Executive Leadership with Quarterly Portfolio Reviews

• Established Monthly Portfolio Syncs

• Funding Models Have Not Changed Yet

• Project Charters Are Still Common

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Just Remember
Agile is not an IT thing

- Agility is a cultural transformation for the whole company
- Business an IT are partners in delivering value to the customers

Executives need to lead the Agile Transformation

- Learn and adopt Lean Agile thinking and behaviors
- Get training in Scaled Agile Framework (SAFe)

Prioritize by value not date

- If asking for more, something has to give
- Spending does not solve every problem
- Everyone will not always be happy with every decision

Change is hard, and learning takes time

- Take advantage of Agile coaching in all areas, at all levels