TAKING YOUR LEAN PORTFOLIO MANAGEMENT FROM ZERO TO MARKET BREAKING

JANE TUDOR & MARTIN OLSON

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LEARNING OBJECTIVES

- Review the critical components of Lean Portfolio Management
- Establish patterns for success to continually enhance your LPM process
- Illustrate how to leverage these patterns to create actionable plans your organization can implement
- Outline an approach to apply LPM rigor to realize these plans and their benefit
### KEY BUSINESS OUTCOMES

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<thead>
<tr>
<th>EFFECTIVE</th>
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| - Focus on business outcomes and value delivery  
  - Ability to adjust plans quarterly  
  - Flexible funding model | - Reduce planning and budgeting cycles  
  - Empowered portfolio ownership  
  - Reduce batch sizes | - Increase estimating accuracy  
  - Empirical, transparent metrics  
  - Deliver on customer expectations | - Decentralize decision making through clear visioning  
  - Empower cross-functional high performing teams |

**Efficiency**
- Shorter Time to Market
- Reduced Delivery Cost
- Satisfy Customer Needs
- Greater Collaboration
To do this, we must:

• Establish a lightweight *rolling wave planning* process that has annual and quarterly measurements

• Evaluate and fund work based on a common value framework and *prioritize the most valuable work*

• Break strategy into *smaller pieces of work* to support business agility and continuous delivery

• Create *transparency* from ideation through delivery
Poll:
“What is greatest impediment your organization is facing with regard to maturing its Lean Portfolio Management process?”

- Too Much WIP
- Scarcity of skillsets
- No common economic decision making framework
- Lack of measurements
- Unclear business strategy
Insert Web Page

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Please enter the URL below.

https://api.cvent.com/polling/v1/api/polls/spta5umc

Note: Many popular websites allow secure access. Please click on the preview button to ensure the web page is accessible.
✓ Apply systems thinking to clarify the problem.
✓ Apply root cause analysis to unpack the problem to more achievable wins ...
✓ Exercise the ‘Switch’ framework as a thinking tool to inform a more comprehensive solution.
APPLY SYSTEMS THINKING

- Strategy
- Business Model Canvas
- Economic Decision Making Framework
- Lean Budgets

- Realized Business Value
- Metrics
- Re-alignment

- Program Execution
- Built in Quality
- Continuous Delivery
- Predictability

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UNDERSTAND ROOT CAUSES

- Ineffective strategy management
- Don’t have an alignment on prioritizing business value
- Project based funding doesn’t deal with over-runs
- Overlap in plan adjustments creates start-stop problems
- Not measuring real business value
- Bi-annual production release does not provide fast enough feedback cycles
- High turnover/reliance with third party contractors
- Bottlenecks around critical skills
- Quality is an afterthought
Change is often difficult because you don’t know what to change to. Analysis paralysis can impede action. Rather than getting bogged down on the True But Useless information, the Rider can move forward by replicating the successes represented by the bright spots.

You can’t analyze your way into change. The Rider is outmatched by the Elephant, so its best to help the Elephant feel excited about the charge. Tap into the emotions of the Elephant.

The Fundamental Attribution Error leads us to blame people when we could be changing behavior by smoothing the path.

People may look like they’re resisting change when they actually have no clue how to change. To overcome decision paralysis by the Rider provide clear next steps that they can follow.

People are easily demoralized by big changes because they may seem unachievable. Help mitigate this by showing the Elephant making good progress. Set milestones that can help measure and celebrate progress.

The Elephant and the Rider don’t have to fight when something becomes habitual. Habits need support to grow. Failures along the way are learning opportunities.

Change is easier when you where you’re headed. A post card from the future can help people envision the goal and rally around the changes necessary.

Is there an identity you can appeal to that make people feel strong and competent for the task? People do the work and need to acquire new capabilities.

People follow the lead of others, particularly at the times of change when situations are new or ambiguous. Free spaces protect fans of change when they are the minority. Leadership has an over arching influence on how change is received.
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<th><strong>DIRECT THE RIDER</strong></th>
<th><strong>MOTIVATE THE ELEPHANT</strong></th>
<th><strong>SHAPE THE PATH</strong></th>
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<td><strong>FIND THE BRIGHT SPOTS</strong></td>
<td><strong>FIND THE FEELING</strong></td>
<td><strong>TWEAK THE ENVIRONMENT</strong></td>
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<td>Look for instances where LPM has been successful in the organization and review the specifics.</td>
<td>Articulate the pains with the current process and build on the fact that to get to a better place the change must occur (everyone can benefit if we can reduce the pain).</td>
<td>Look for tools that will tie the LPM activities (Strategy – Execution – Governance) in one system (ideally) for a ‘single source of truth).</td>
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<td><strong>SCRIPT THE CRITICAL MOVES</strong></td>
<td><strong>SHRINK THE CHANGE</strong></td>
<td><strong>BUILD HABITS</strong></td>
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<td>Define and build a process for LPM meetings, roles and schedule.</td>
<td>Find a smaller portfolio that supports a smaller value stream.</td>
<td>Create a LPM process rigor</td>
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<td><strong>POINT TO THE DESTINATIONS</strong></td>
<td><strong>GROW YOUR PEOPLE</strong></td>
<td><strong>RALLY THE HERD</strong></td>
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<td>Create a ‘Postcard from the future’ on where the organization will be in 12 months with the new LPM process.</td>
<td>Create a Lean Leaders Cohort to support each other and support it with coaching.</td>
<td>Communicate the changes that are being undertaken to the enterprise via the employee newsletter.</td>
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<td></td>
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<td>Celebrate the accomplishments along the way.</td>
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<td>Funnel</td>
<td>To Do</td>
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- **Shorter Time to Market**
- **Reduced Delivery Cost**
- **Satisfy Customer Needs**
- **Greater Collaboration**
Want to dig deeper?

Come see us at the SPCT Corner from 6:30 – 7:30 PM today!

jane@scalingmatters.com or martin@scalingmatters.com