



# Agile Portfolio Planning



**AgileTraining.com**

*Building Lean High Performing Teams ..*

# About Me

- Sally Elatta [Sally@AgileTraining.com](mailto:Sally@AgileTraining.com)
- President Agile Transformation Inc | [www.AgileVideos.com](http://www.AgileVideos.com)
- Leading Agile Transformation Coach, Trainer and Speaker
- Background: Java/.Net Software Architect
- Certified Scrum Professional, ScrumMaster, IBM, Microsoft
- Trained thousands and helped coach dozens of teams on Agile
- Agile Expert for PMI.org LEAD Community



*I am simply a transformer. Someone who is really passionate about transforming individuals, teams and organizations to doing what they do better. I believe in Servant Leadership as the way to lead change and create a culture of empowered collaborative high performing teams.*

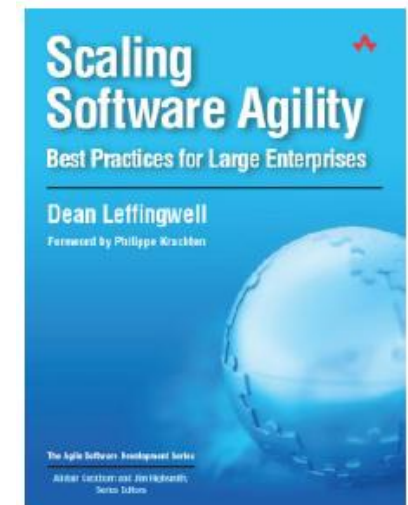
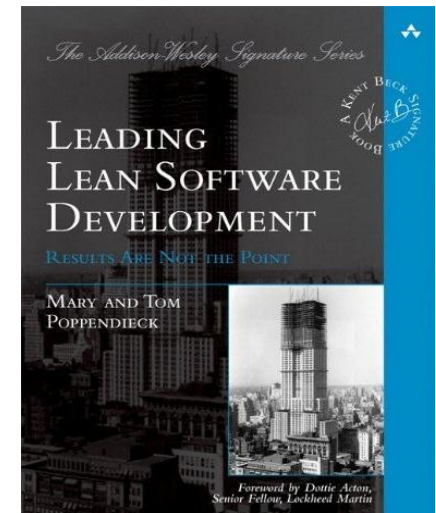
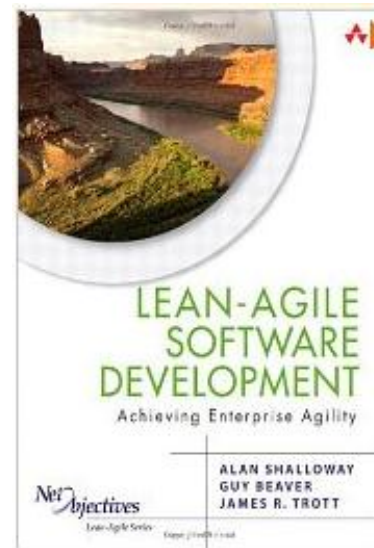
# Workshop



What are the **top**  
**challenges** YOU have  
faced with **Portfolio**  
**Planning and Mgmt?**

# Principles of Lean Development

- Optimize the Whole
- Eliminate Waste
- Build Quality In
- Learn Constantly
- Deliver Fast
- Engage Everyone
- Keep Getting Better



# The Multitasking Name Game



Each Customer Gets Their Turn

'No Customer waits'

①	S A <del>X</del> R <del>X</del> A H	36 sec
②	K E R <del>R</del> Y	26 sec
③	J A C K	17 sec
④	A L <del>A</del> E X	30 sec

No Customer Waits

One Customer at a Time

'Each Customer has a turn'

①	S A R <del>R</del> A H	27 sec
②	K E R R Y	29 sec
③	J A C K	25 sec
④	A L E X	26 sec

'One Customer at a time'

①	S A R A H	6 sec
②	K E R R Y	12 sec
③	J A C K	17 sec
④	A L E X	22 sec

Ordered By Value



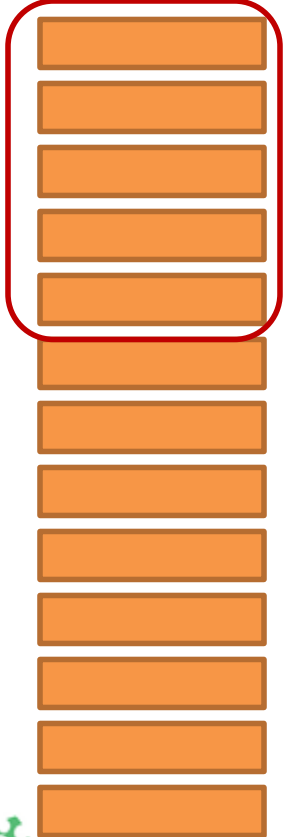


**Multitasking  
Projects is the #1 Killer  
of your Organization's  
Ability to Deliver Value  
Effectively!**

# From Portfolio Ideas to Team Backlog

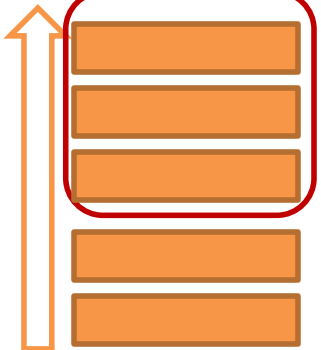


Idea  
Qualification



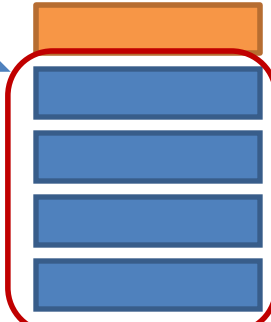
Idea List

Project  
Initiation

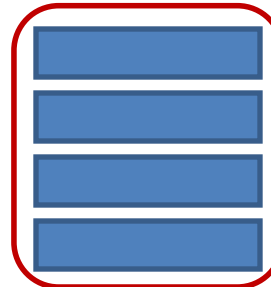


Portfolio Projects

Program  
Planning



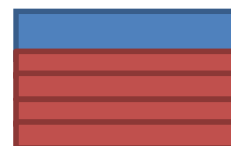
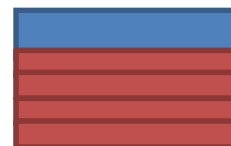
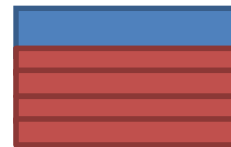
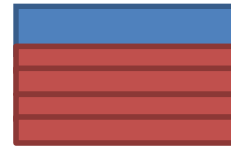
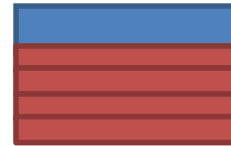
TEAM A



TEAM B

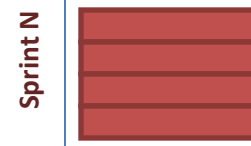
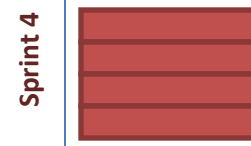
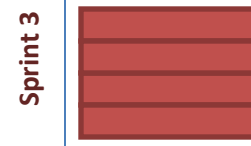
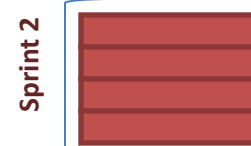
Program Master  
Backlog

Build Story  
Backlog



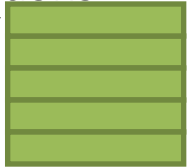
Team Backlog

Release  
Plan



Team Release Plan

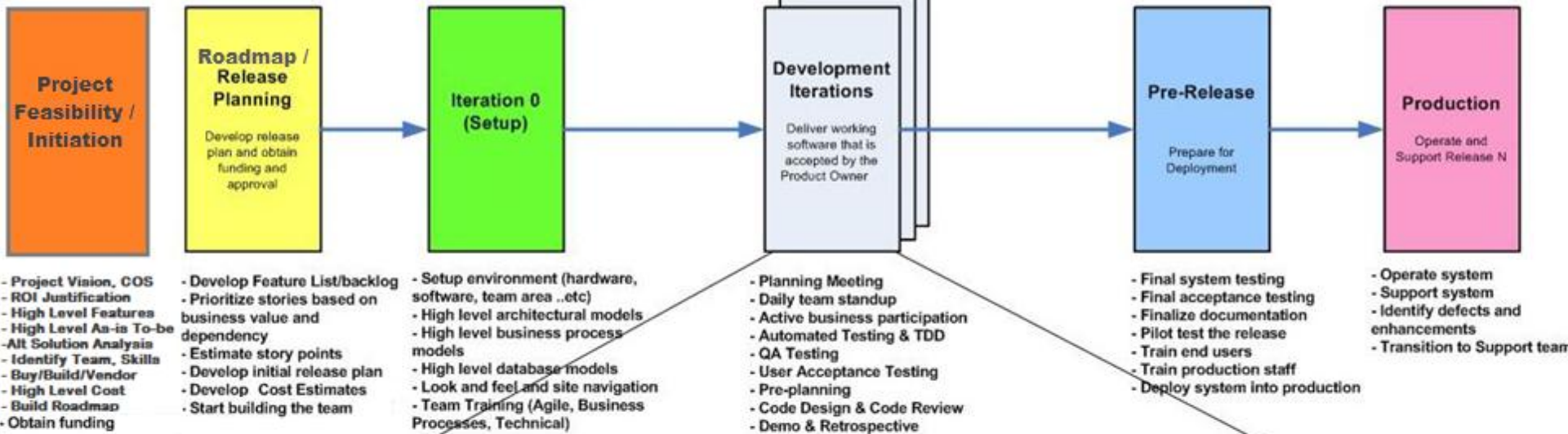
Iteration  
Tasks



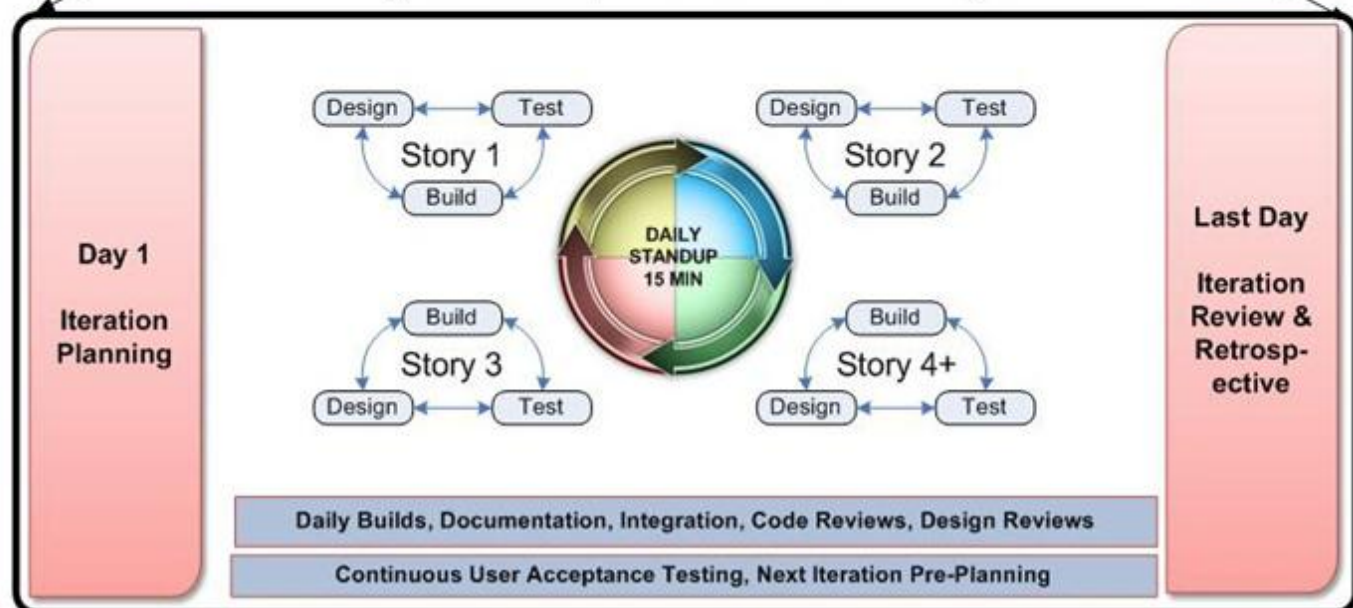
AgileVideos.com

## Agile Development Lifecycle Diagram

© Sally Elatta  
Inspired by Scott Ambler



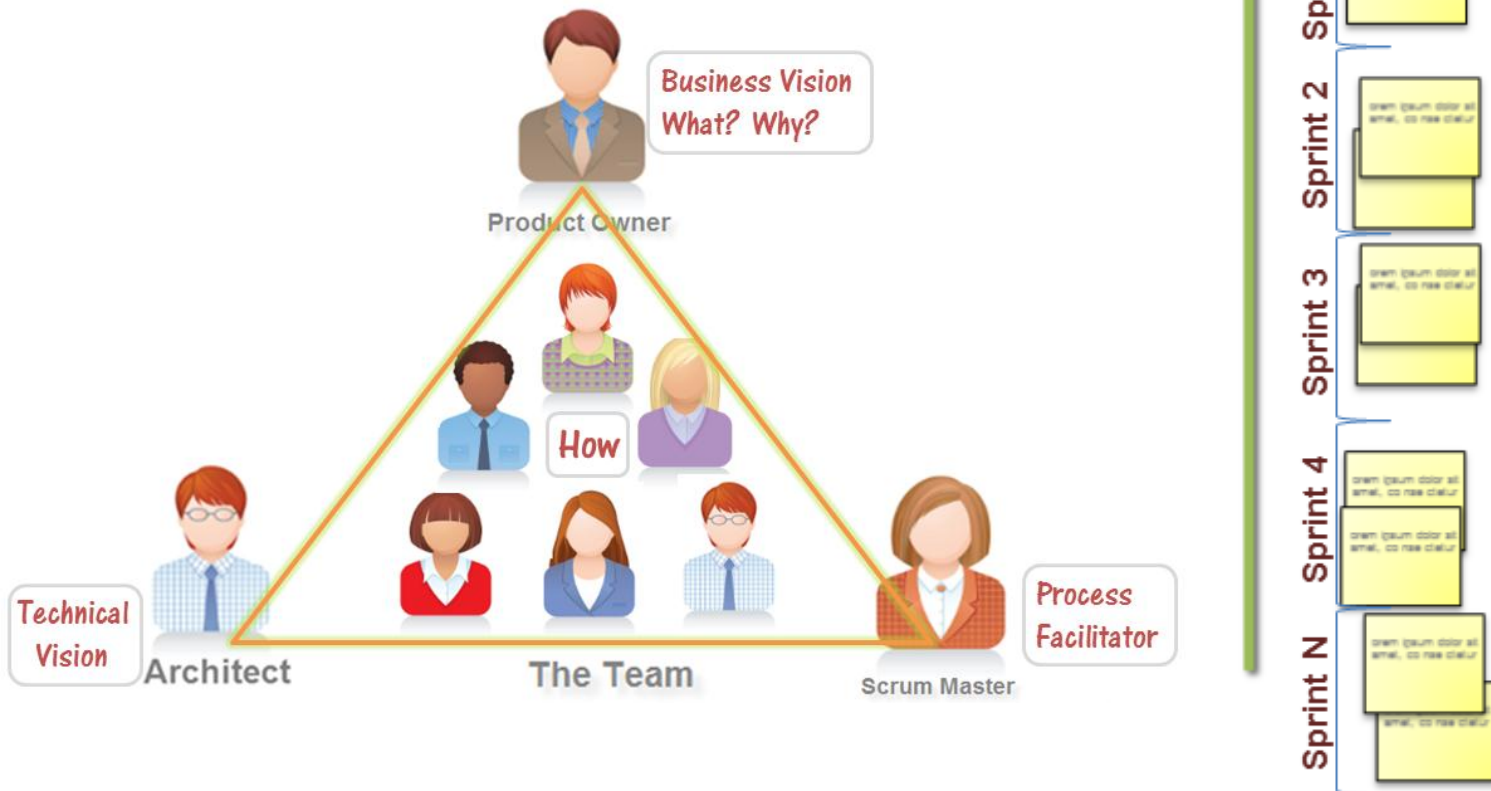
## Agile Development Iteration Lifecycle





# Single Team

# Release Plan



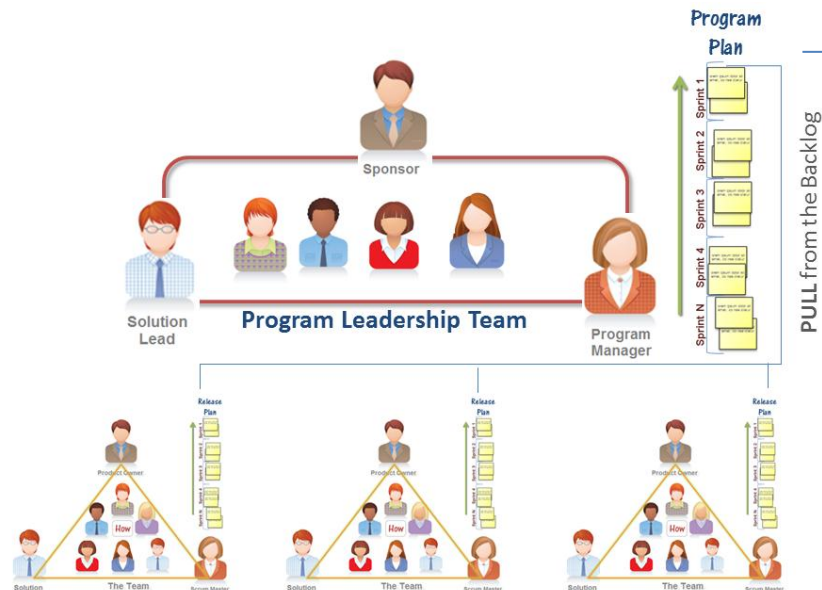
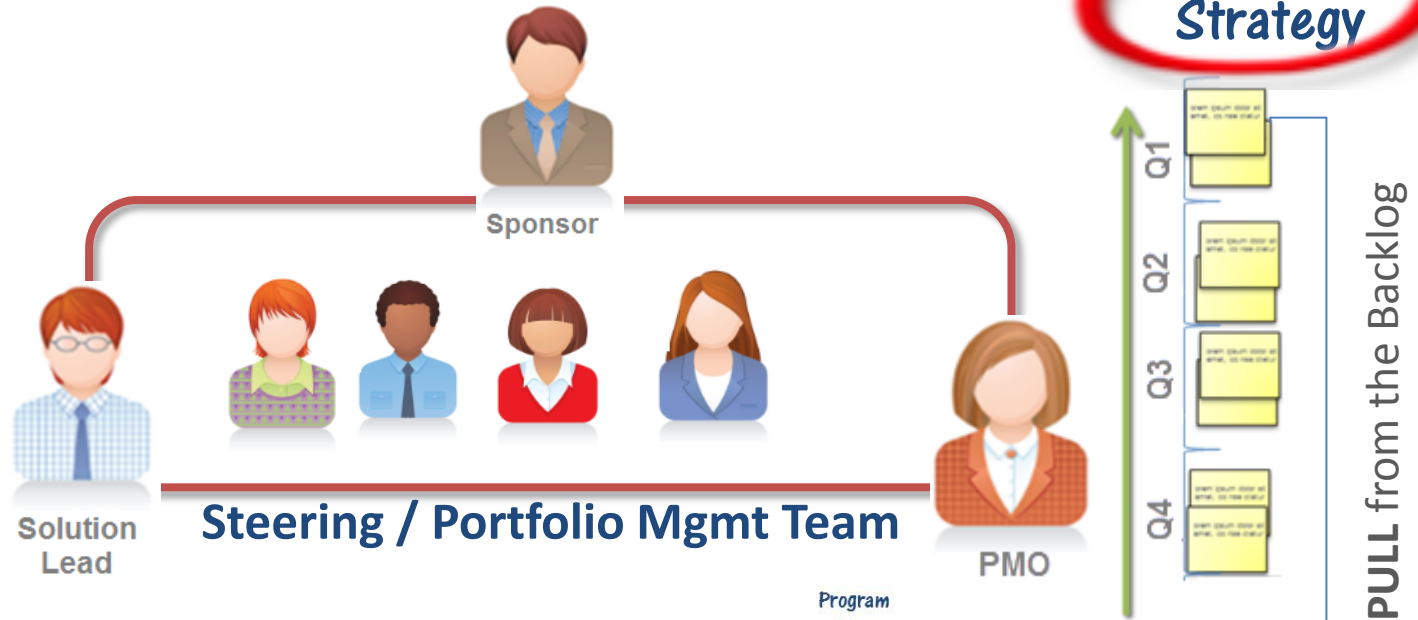
# Multi-Team Program

Program  
Roadmap

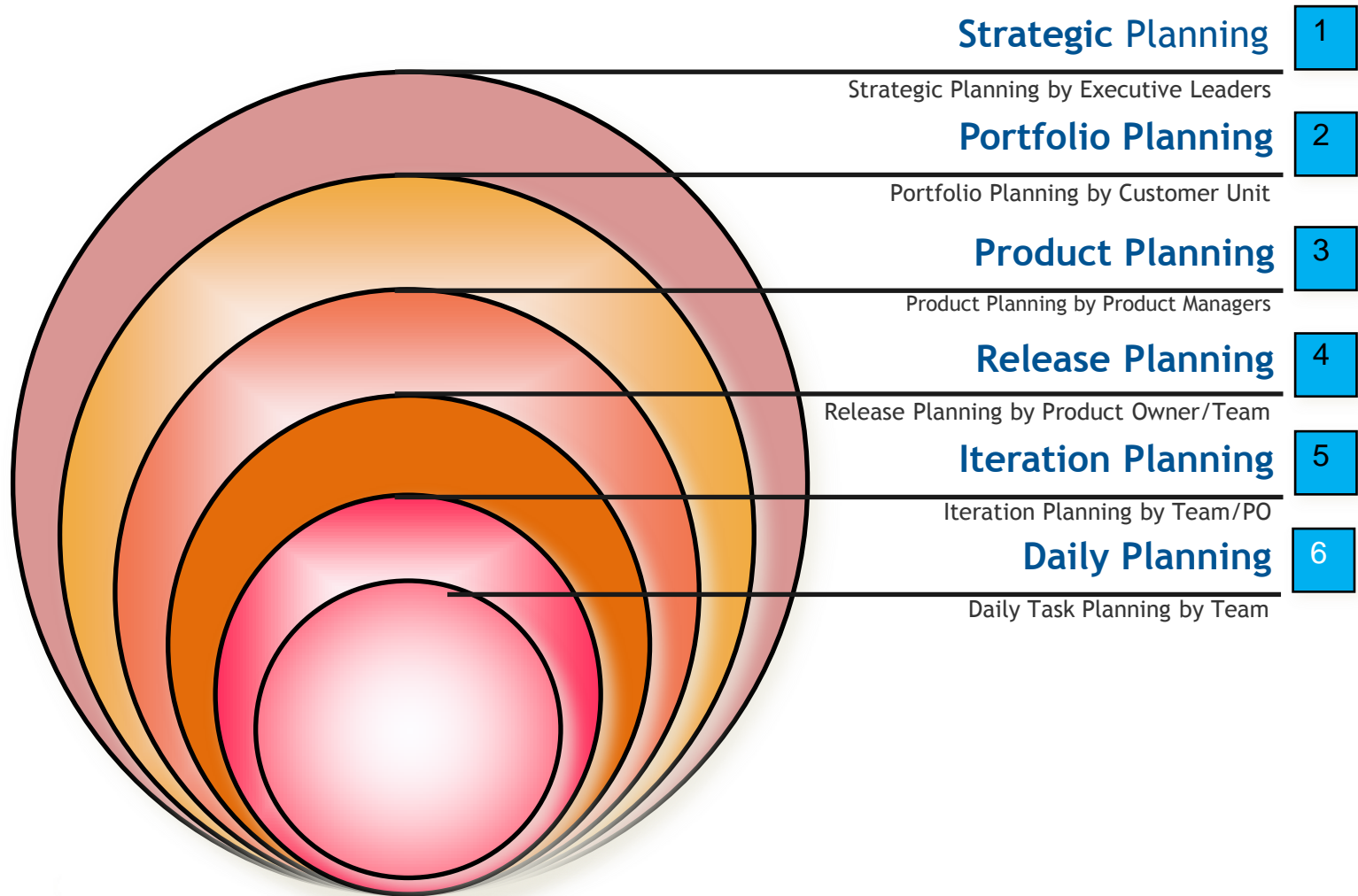
PULL from the Backlog



# Portfolio View



# 6 Levels of Agile Planning



# Agile Portfolio Planning Steps

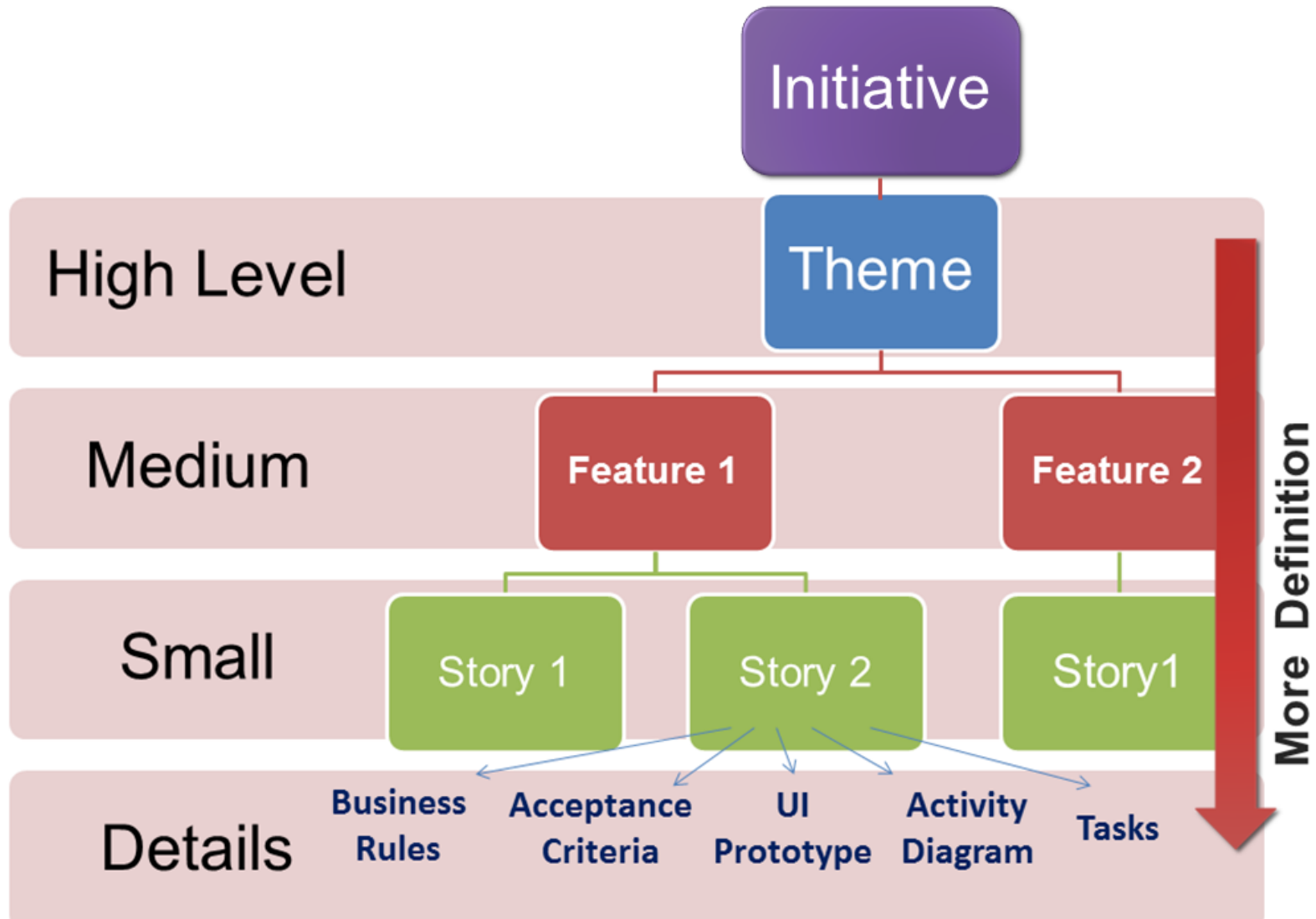
- ☐ Define Clear Vision, Objectives and Measurable Goals
- ☐ Consensus on Business Value Buckets and Idea Qualification Filter
- ☐ Build and Groom the Portfolio Backlog
- ☐ Strategic Alignment of Backlog Items
- ☐ Assign Business Value Points
- ☐ Assess Risk and Dependency
- ☐ Create a Ranked Backlog (1,2,3..)
- ☐ Stable Team Capacity Planning



# Sample Portfolio Prioritization Output



# Agile Requirements Levels



# Example: Member Portal

Theme

Claims

Feature

Manage  
Claims

Story

As a member I want  
to view my current  
unpaid claims

As a member I  
want to view the  
details of a claim

Details

AC1- Verify that only pending claims are listed

AC2- Verify that claims are listed by date in ascending order

AC3- Verify that all claims for dependents appear on the list

# Strategic Planning

The goal of strategic planning is for a company to gain a clear understanding of the higher vision, key objectives they are trying to reach and develop a strategy for how they are going to reach these objectives.

- **Company Vision**
  - **Objectives**
    - Goals for this year
      - Measures for success

# Prioritizing Using Business Value Buckets

## Prioritizing Requirements Using Business Value Buckets

This approach provides a **consistent way** for product management and business decision makers to prioritize requirements by discussing each story in terms of a set of business value buckets before deciding on the final business value points for each requirement. These buckets should align with current strategic goals. The steps are simple:

1 - Define your Buckets of Business Value and a Weight for Each One

2 - Discuss Each Requirements Impact to that Bucket

3 - Total Up the Points, then Decide on Final Point Bucket

### *Generates Money (x2)*

Light Value = 10

Medium Value = 20

High Value = 30

Very High Value = 40

#### Helpful Considerations:

- how much revenue does it generate?
- how quick is the ROI?

### *Saves Money (x1)*

Light Value = 10

Medium Value = 20

High Value = 30

Very High Value = 40

#### Helpful Considerations:

- how much money will it save?
- how quick is the ROI?

### *Improves Customer Satisfaction (x1)*

Light Value = 10

Medium Value = 20

High Value = 30

Very High Value = 40

#### Helpful Considerations:

- how many customers requested this? Did we commit to it?
- How many issues do we have as a result of not having this?

### *Compliance (x1)*

Light Value = 10

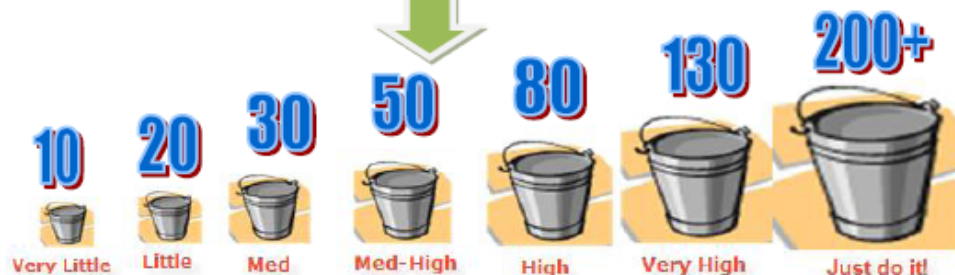
Medium Value = 20

High Value = 30

Very High Value = 40

#### Helpful Considerations:

- is this mandatory? Due by when? By which organization? Are there legal implications? Penalties?



**Example:**  
*Ability to Accept PayPal Payments.*

Generate Money: M

Save Money: N/A

Customer Satisfaction: L

Compliance: N/A

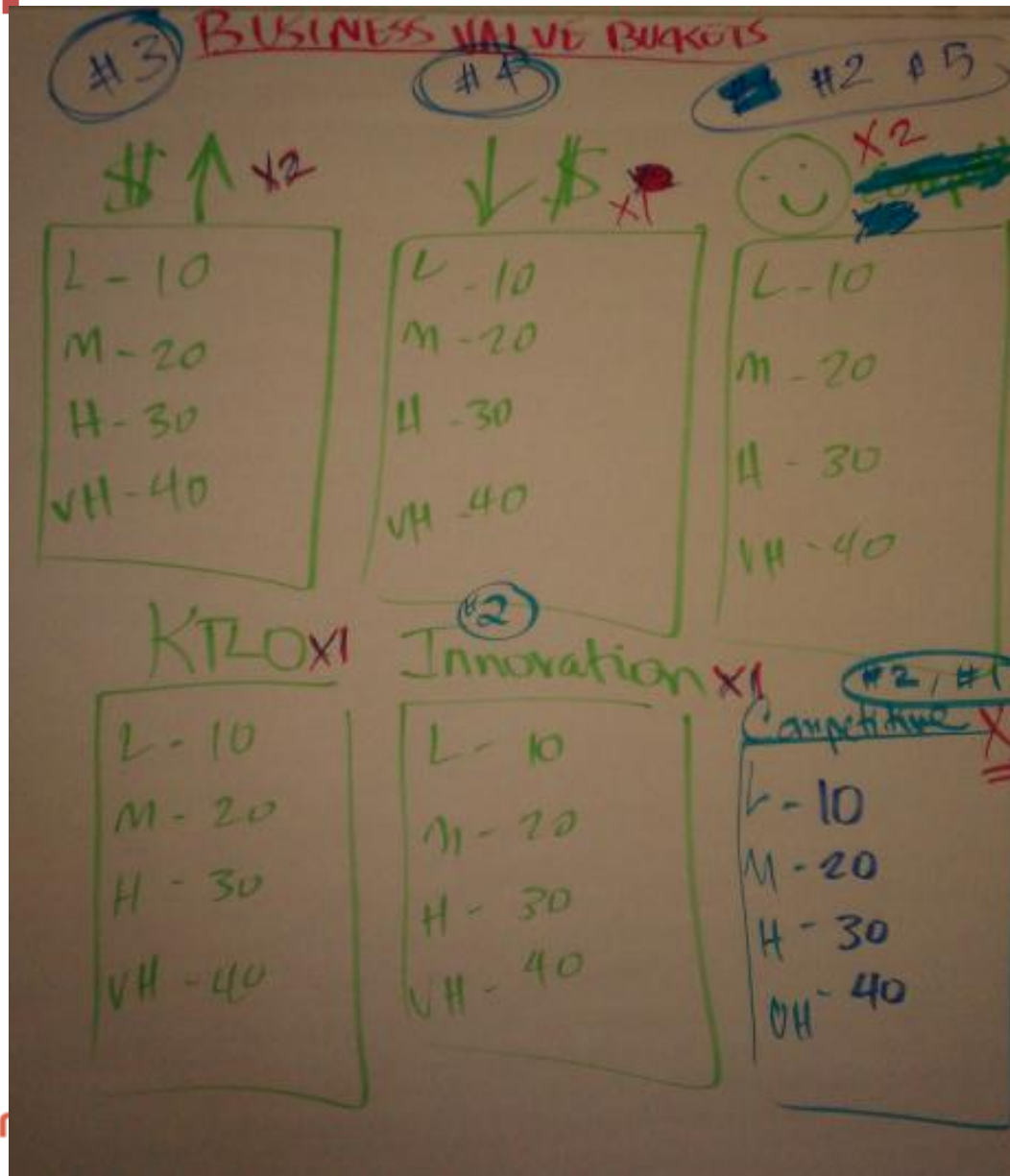
Total is 50, we drop it in the Medium-High bucket.  
if the total was 60, we decide between the 50 or 80 buckets by contrasting with others.

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# Sample Business Value Buckets



# What Makes an Idea Worth Initiation?

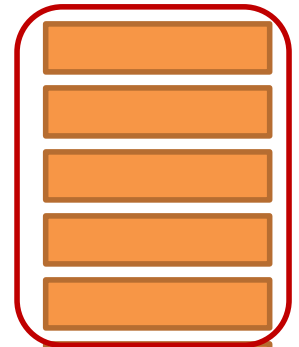
- Why Do It?

- Aligns with strategic direction (Strategic).
- Delivers measurable value.
- Low Hanging Fruit 80/20 Rule (Quick ROI).

- Conditions for Success:

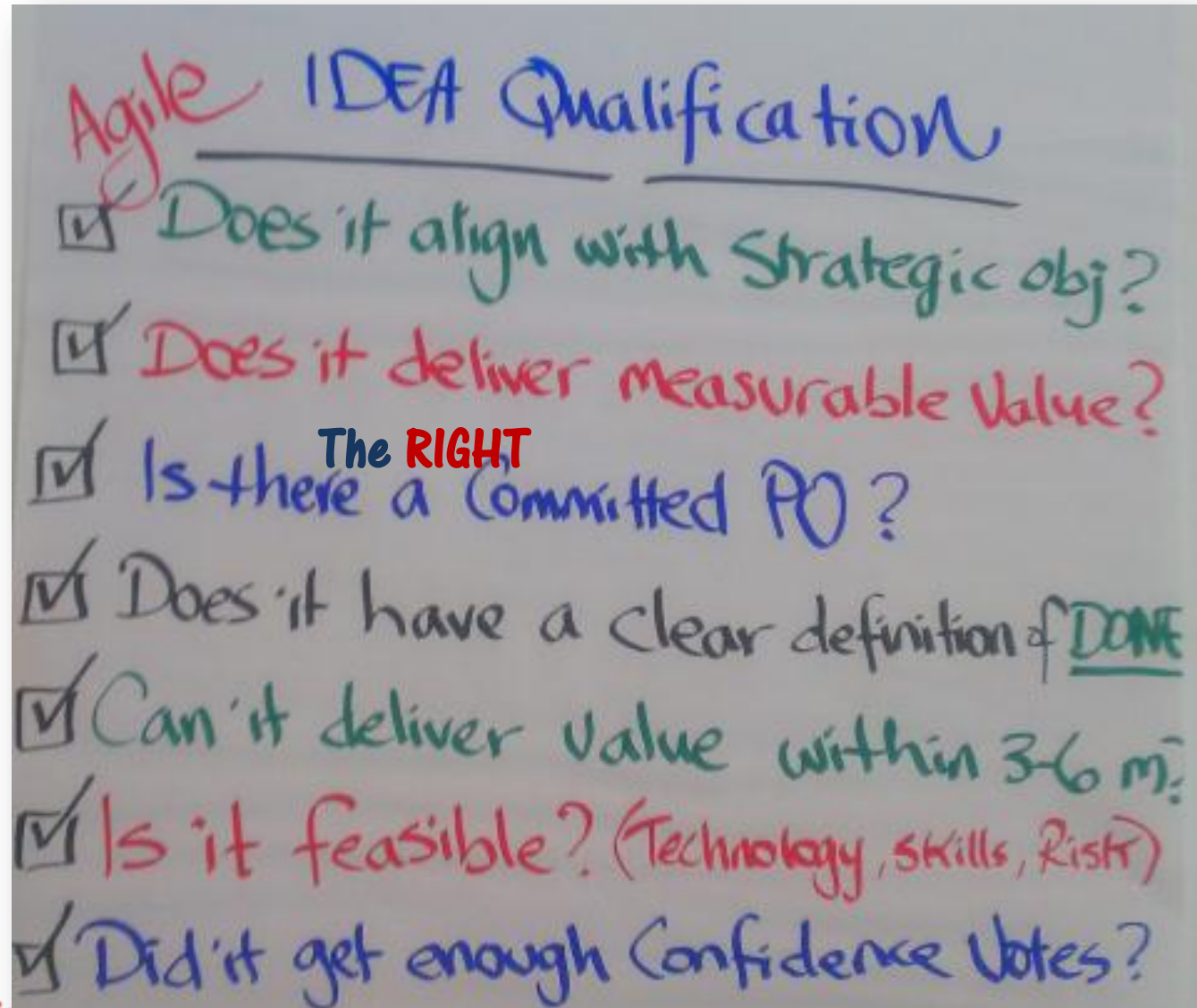
- Measurable Value/ROI
- Committed Business Owner.
- Feasible.
- Have Team Capacity.

Idea  
Qualification



Idea List

# Agile Idea Qualification Checklist



# Sample Project 'Done' Criteria

## Elimination of Dual Entry

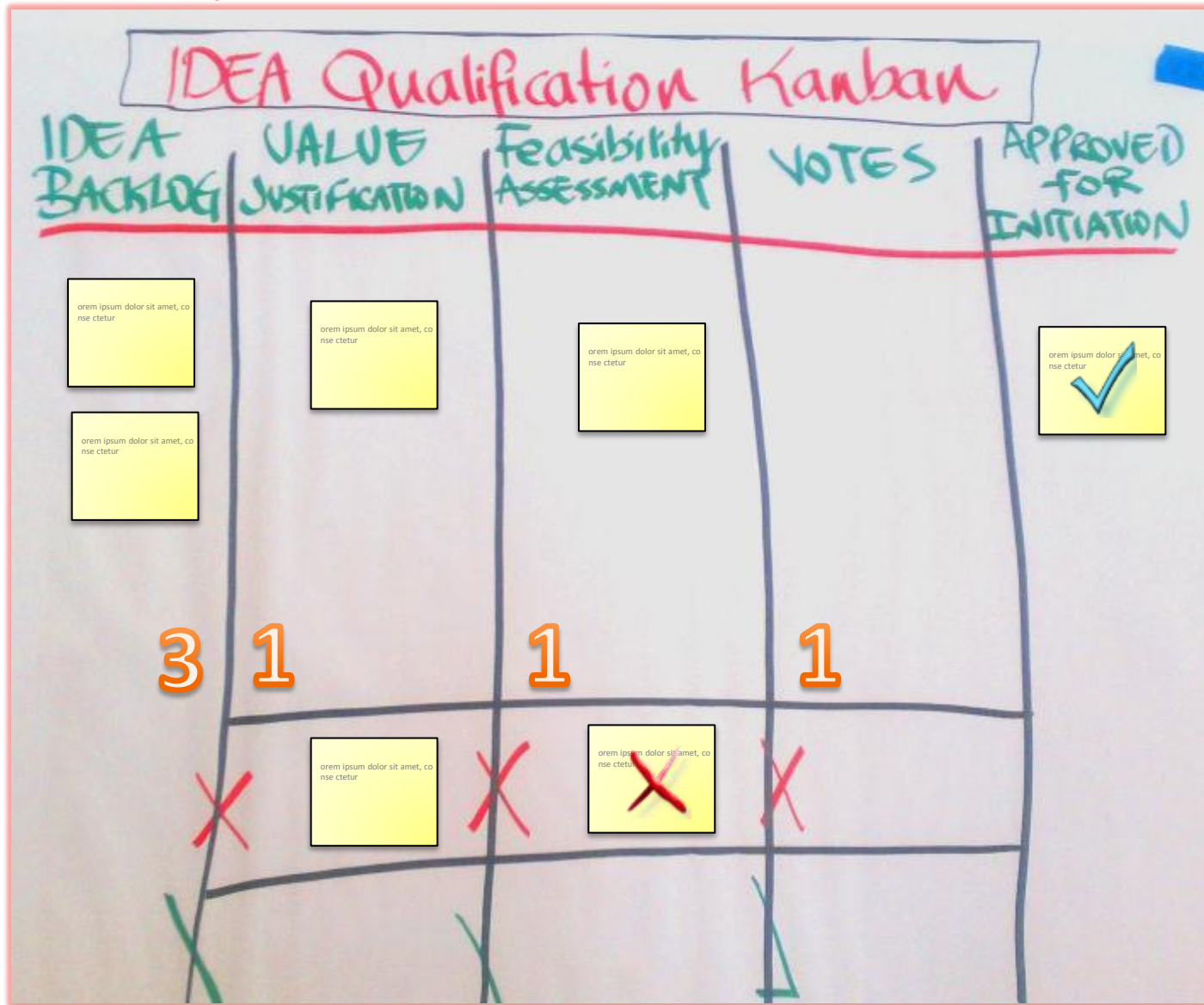
Gist	Have one place to enter and track Sales lead information.
Measure	Cycle time of entering a lead then finding the record.
Target	Reduce from 10 min to 2 min
Stretch	< 2 min
Failure	> 5 min

## Improve Usability

Gist	How easily can a new sales rep be trained to use the system.
Measure	Time required to train a typical sales rep to go through the lead entry and tracking end to end.
Target	Two minutes or less of training
Stretch	Zero minutes
Failure	> 10 minutes



# Idea Qualification Kanban





# 6 Steps for Measuring Value

**Step 1 – Identify/Confirm Strategic Value Drivers**

**Step 2 – Align Objectives with Value Drivers**

**Step 3 – Identify What We Can Measure (value metrics)**

**Step 4 – Gather Data – Facts (as-is)**

**Step 5 – Define Target Measures (to-be)**

**Step 6 – Measure Value**

# Example Value Measurement

- **Strategic Driver:** Operational Efficiency
- **Project Objective:** Automate the application entry process and reduce manual touch points.
- **Metric:** Cycle time for e-Applications.
- **AS-IS:** 3000 Apps per week, 20% < 2min, 80% 2-6weeks cycle time.
- **Target:** 90% < 2min, 10% < 1 week.
- **Savings:** \$15k/week ~ 780k/yr

# Actually Measuring Value Post Release

- For each value measurement identified you should also identify:

- **When** will you measure it?  
(3m, 6m after project completion)
- **How** will you measure it?  
(create report/dashboard that tracks the measures)
- **Who** is accountable for measuring it and reporting back?  
(PM? Product Owner?)



Why Don't We Actually do This?

# Common Problems with Idea Qualification

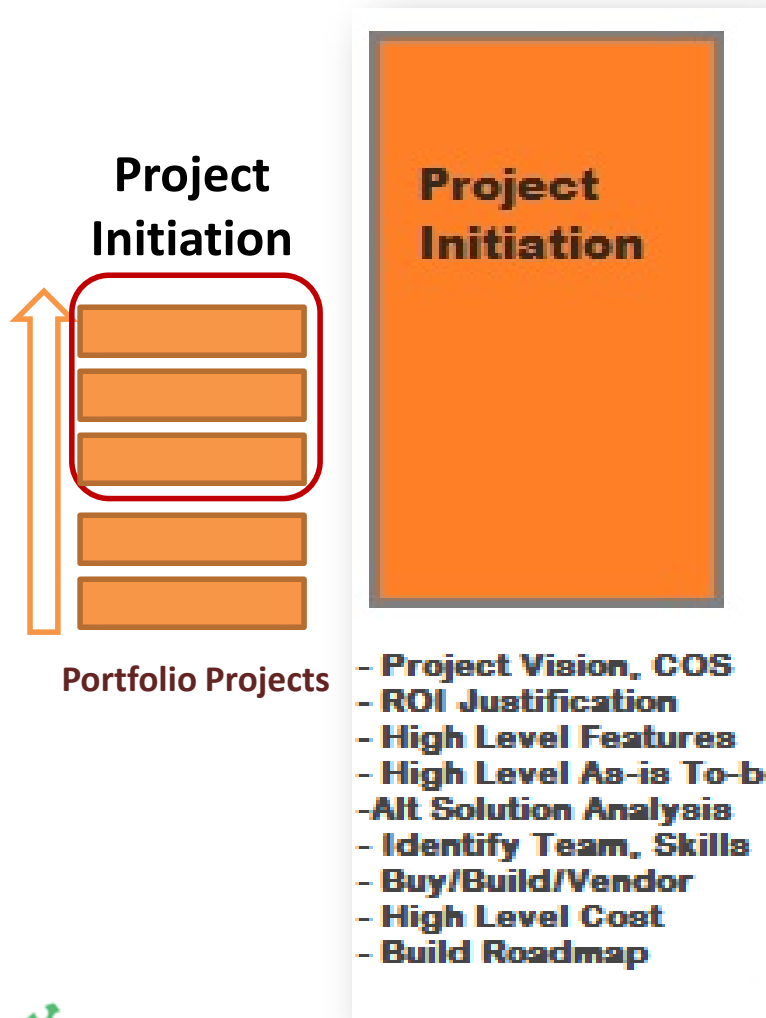
- Don't Do It.
- Using the WSTL Method for qualification.
- This will be great! = ROI qualification.
- Domination or lack of participation.
- Inconsistency – Some do it, some don't.
- ..What others? ..

# Root Cause

- **No single point of entry** for ideas to qualify.
- **No formal step** for this easily integrated within our process.
- **Process too rigid**, too much documentation, thick gates, no flexibility, no clear/easy guidelines.
- **Immature portfolio management** practices.
- What others? ..

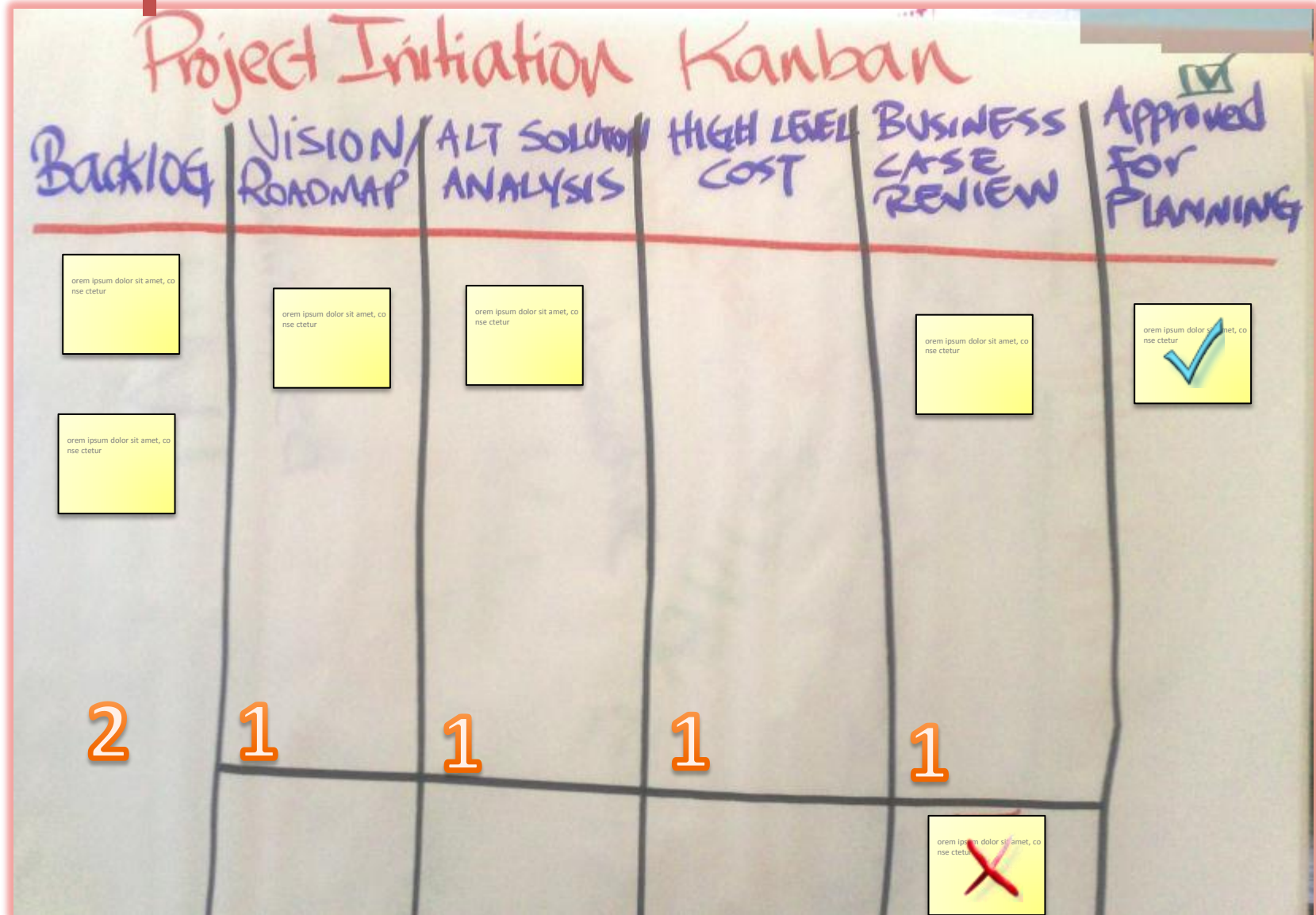


# Project Initiation Goals



- What is the Vision of this project, does it align with current strategy?
- What is measurable value?
- Is this feasible? (cost, skills, technology)
- What are the high level requirements and cost?
- What is the alternative solutions?
- What does the roadmap look like?
- How and When will we measure value?
- Should we add it to the backlog?

# Project Initiation Kanban



# Alternative Solution Analysis

- Investigate Options:
  - Buy vs. Build or Combo
  - Technology A vs. B
  - Vendor A vs. B
  - Architecture A vs. B
- Success Criteria:
  - Research what others have done.
  - Watch Demos.
  - Consult with experts (internal, external)
  - Think outside the 'current' box.



# Portfolio Grooming (Management)

- Portfolio team grooms this wall frequently for new ideas coming in the pipeline.
- Executives and portfolio managers review this visible wall **quarterly** to discuss:
  - What should we stop that is not adding value?
  - What should we reprioritize?
  - What does our enterprise velocity look like? How much work is getting 'Done' (not just started)
  - What does our enterprise capacity look like? How many stable Value Delivery teams do we have?

# How the Agile PMO Delivers Value

## Limit Project Multitasking (WIP)

- Create a **Vertically** Ranked/Ordered Enterprise Backlog
- Teams '**Pull**' from the Enterprise / Portfolio Backlog
- Apply **Agile Idea Qualification and Project Initiation**
- **Quarterly** Portfolio Performance Review and Prioritization

## Build and Support Stable Cross-Functional Teams

- Help with Initial Creation of **Stable Teams**
- Policies/norms for **Keeping Teams Stable**
- Track and Remove **Organizational Impediments**
- Empower and Support High Performing **Self Organizing Teams**

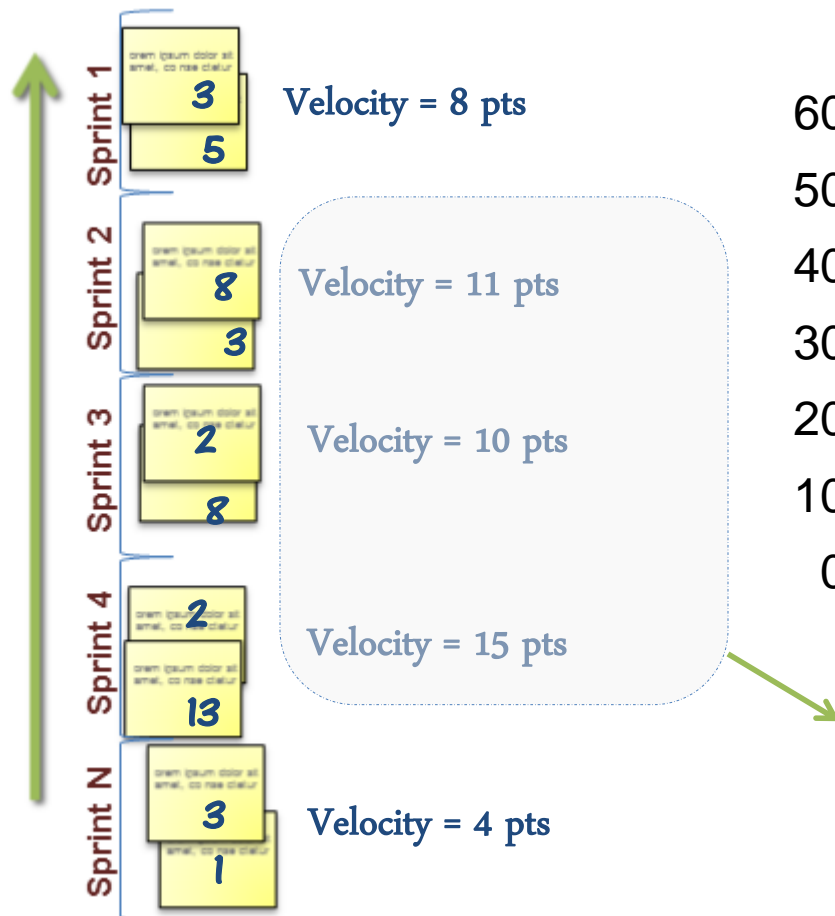


# How an Agile PMO Delivers Value

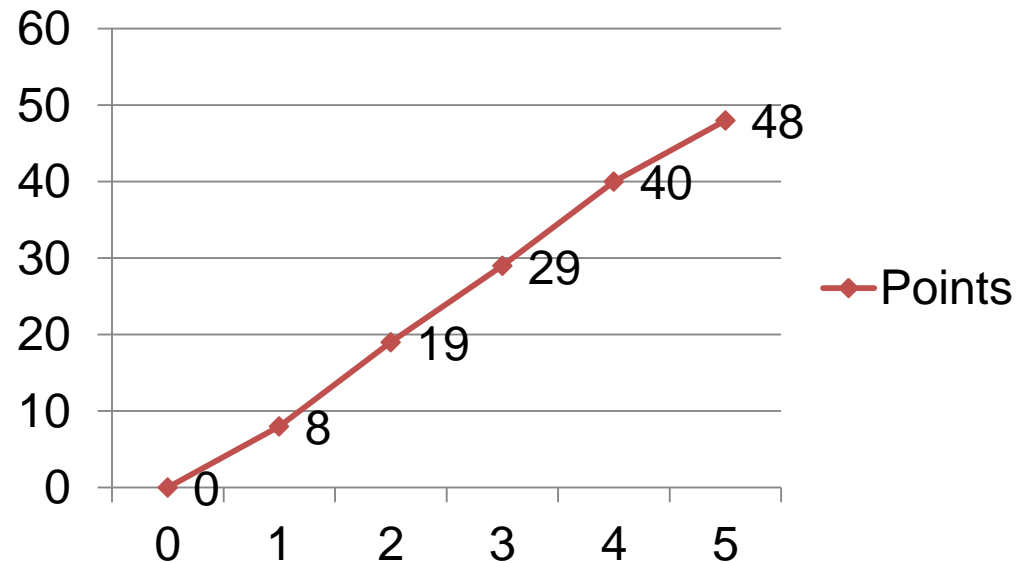
## Support the Organization's Agile Transformation

- Heavily support and be part of the 'Agile Champion' team
- Invest in 'Process' and 'People' Transformation Education for all roles through Pilot, Scaling and Enterprise Adoption stages
- 'Make it Stick' Plan – Establish Process Guidance and Initiate Communities of Excellence
- Gather 'just enough' metrics that help communicate the overall picture, confirm delivery of strategic value and support the service teams through their execution.

# Tracking Velocity



## Release Burn Up Chart



Avg Sprint Velocity = 12 pts

Backlog = 48 pts

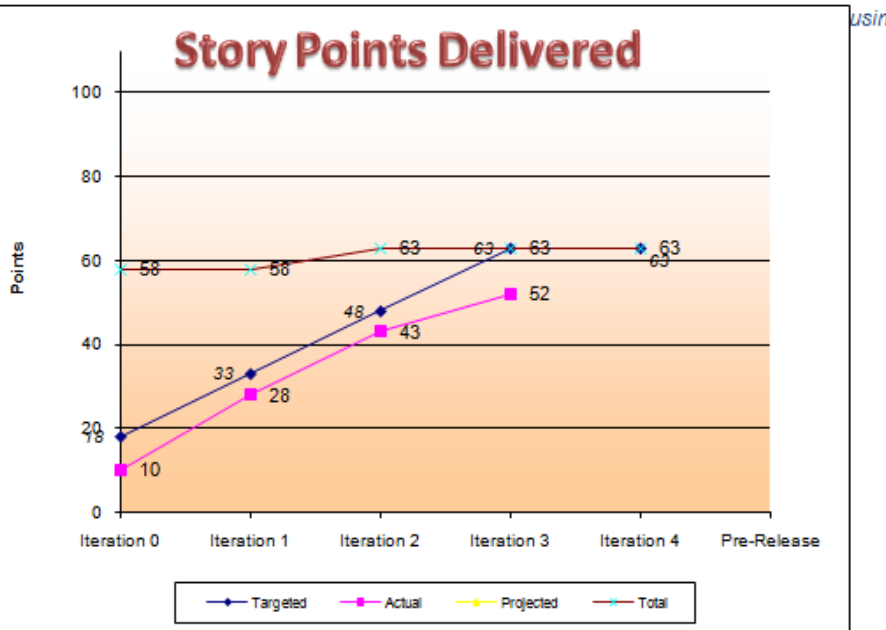




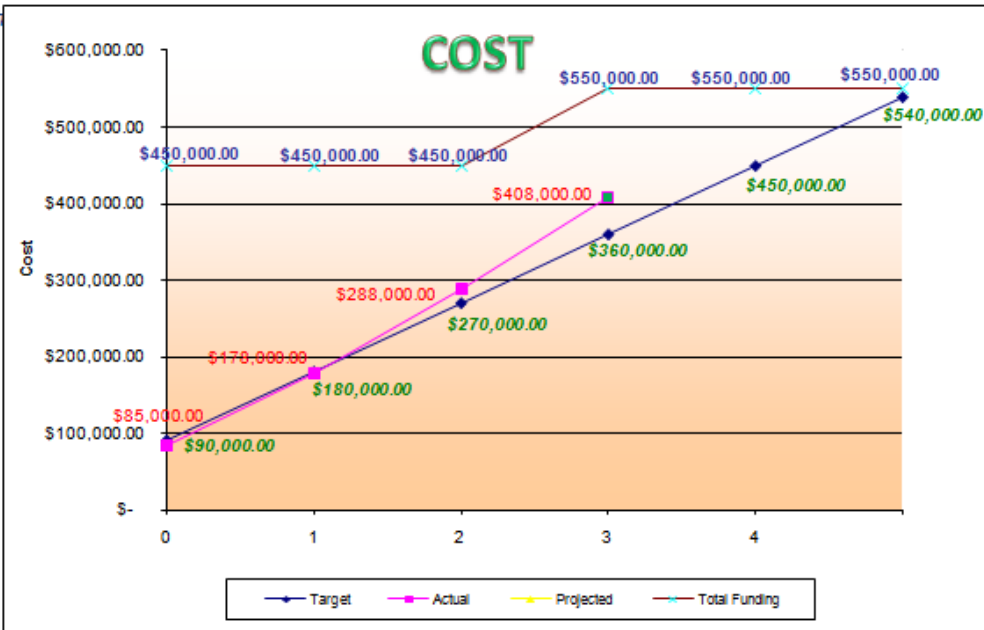
# Sample Point and Cost Burn Up Chart

- What is 'Done'? How much did it cost me?

## Story Points Delivered



## COST



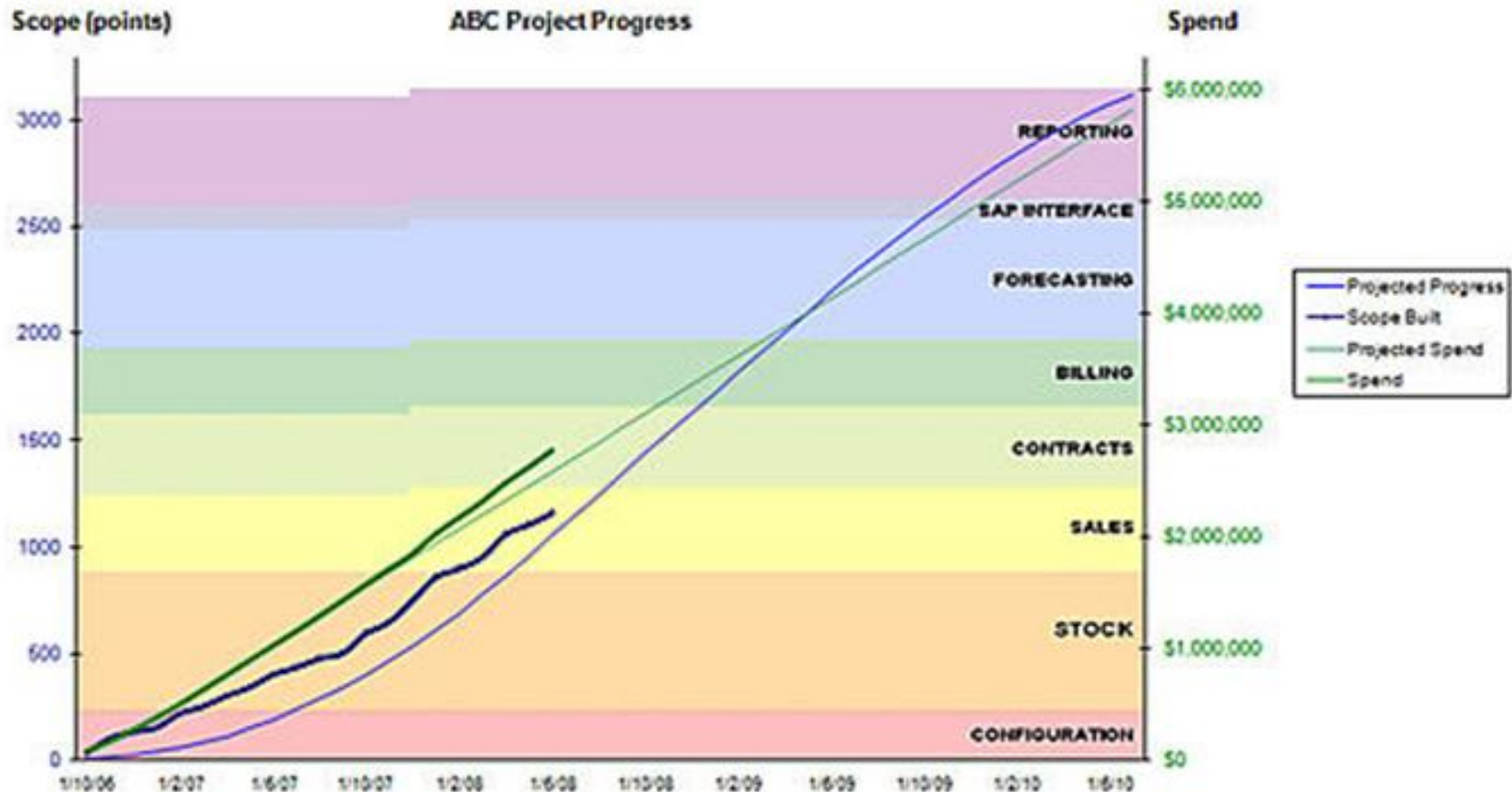
Current Project % Done

83%

Current Project % Burn

74%

# Agile EVM (Earned Value) Burn UP Chart



Source: Mike Griffiths [www.LeadingAnswers.com](http://www.LeadingAnswers.com)

# Measuring Program Progress

	Team 1						Team 2						Team 3						
	Start/end	Targeted	Actual	Bugs	Impediments	Total Pts	Start/end	Targeted	Actual	Bugs	Impediments	Total Pts	Start/end	Targeted	Actual	Bugs	Impediments	Total Pts	
Month 1	6/5	12	2	1	12	650	6/11	3	0	0		460	7/24	6	1	0	7	650	
	6/25						7/3						8/15						
Month 2	6/26	24	11	2	11	700	7/6	7	5	0	9	520	8/16	0	0			700	
	7/18						7/30						9/10						
Month 3	7/19	29	40	0	9	720	7/31	3	8			540	9/11	0	0			710	
	8/9						8/20						10/1						

Program Totals		
Total Target	Total Actual	Total Pts
21	3	1760
41	16	1920
48	48	1970

# Metrics Worth Tracking

- Portfolio Level
  - **WIP** (Work in Progress) - Projects started
  - Average **Lead** and **Cycle Time** - Duration in pipeline
  - **Enterprise Velocity** by Quarter
- Program and Team Level
  - **Velocity** by Team (don't compare teams to each other!)
  - **Defects** by Team
  - Customer and Team **Satisfaction** Radar
  - **Impediments** Count and Cycle Time
  - **Business Value Points**

# Decision Time!!



*How do we structure our teams so they can deliver value against our strategic initiatives?*



*How do we solve the 'Project work vs. Support work' problem so teams can have focus?*



*Do we specialize teams to focus on a specific area of work (BI, Web, by Customer, Membership, Claims..etc) or do we build generalizing teams that can 'pull' any project? Maybe both?*



*How do we handle shared resources who are SMEs?*



*Should we continue the current project for this team or stop it? Which item will this team pull next?*



*How many enterprise teams do we have and what is our capacity?*

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