



# Certified Agile VMO Practitioner™ Course


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## About LitheSpeed

Making peoples' work more valued, productive and fulfilling



**Management Consulting & Training:**  
PMO to Agile VMO®  
Lean Portfolio Management  
Certified Agile VMO Practitioner (CVP) and Certified Agile VMO Training (CAT)  
Certified Agile Leadership (CAL)

**Industry Recognition**



Most Outstanding Agile Training and Consulting Firm, 2020 - USA  
Corporate Excellence Awards 2020

**Enterprise Transformation Clients**



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# Meet your Instructors



**Bob Payne**, SVP, Agile Coaching

- 23+ years of Agile/Lean
- Practitioner, consultant, trainer, author, speaker and community organizer
- Podcast: AgileToolkit Podcast
- Chair, AgileDC Conference



**Sanjiv Augustine**, CEO & Founder

- Over 20 years of practicing and evangelizing Agile, with a focus on **agile leadership**
- Loves travel, world cultures and music
- Podcast: agilecaravanserai.com



**Raj Indugula**, SVP, Agile Consulting

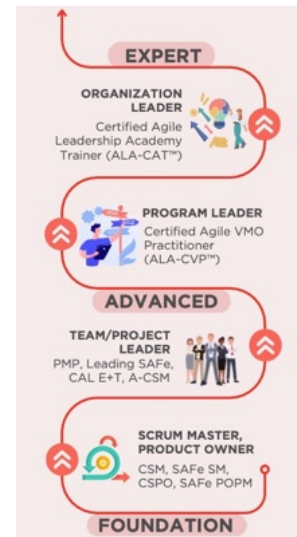
- 17+ years of Agile with focus on integrating technical practices
- Lean-Agile-DevOps practitioner, consultant and trainer
- Trusted partner in helping organizations transition to agile; deepening adoption with Engineering & DevOps discipline



# Logistics & Expectations

Once this course has been completed, you will receive an email with:

- Your certificate
- A link to the materials
- Link to the Agile VMO group on LinkedIn



# Course Agenda

## Introduction

- Why the Agile VMO?
- What is the Agile VMO?
- Fitness Landscapes & Traverses

## Portfolio Agility

- Set up an Agile VMO
- Define a Flexible Agile Process
- Plan Adaptively
- Organize around Value Streams
- Apply Lean Portfolio Management
- Use Outcome-based Measurement

## Team Agility

- Adaptive Agile Process
- Excellence in Execution
- Product Focus

## Strategic Agility

- What is Strategic Agility?
- Establish a Flexible Funding Process
- Lead with an Adaptive Strategy

## Closing

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# Introductory Connection Exercise

10 min

## At your table or in your breakout room, please:

- Appoint a reporter to capture the discussion in written form
- Share your name, organization, and role (Team member, ScrumMaster, Product Owner, manager, etc.)
- Share your experience with Scrum, Kanban, SAFe or other Agile method
  - Level 1: Newbie (less than 1 year of experience)
  - Level 2: Intermediate (1-5 years of experience)
  - Level 3: Expert (5+ years of experience)
- Share one recent work or personal accomplishment of which you're very proud



At conclusion, each reporter shares results with class in two (2) minutes or less each.

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# Why the Agile VMO





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## How is Agile doing Today?


 **STRENGTHS**

- + Agile methods are the de facto product dev process in over 71% of organizations worldwide
- + Agile teams are known to be more productive, faster to market and happier at work
- + Many organizations have scaled agile methods to the enterprise successfully, with 60% experiencing growth in profits


 **WEAKNESSES**

- The profusion of agile frameworks and certification has resulted in immense confusion
- Many agilists do not understand and / or appreciate organizational and management challenges
- Current agile coaching models are rooted more in pop psychology than in delivery of customer value




 **OPPORTUNITIES**

- + Go back to agile basics, especially at the foundational team level
- + Go forward to the future with generative AI tools like ChatGPT, Claude, Bard to accelerate the delivery of value
- + Incorporate Lean techniques more explicitly at the program and portfolio level with the Agile VMO
- + Incorporate progressive management from Drucker, Haier and other Agile VMO pioneers

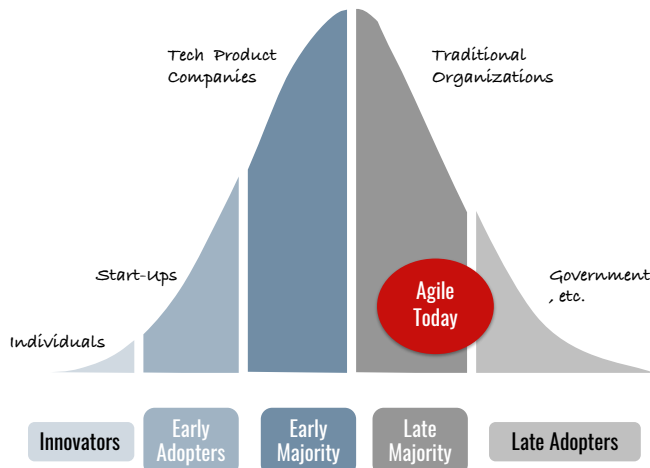
 **THREATS**

- Continued dilution away from core agile principles will result in increased failures
- Generative AI will disrupt all work, including agile roles
- Negative press will discourage executives from going / continuing with agile



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## We've Entered a New Era of Agile

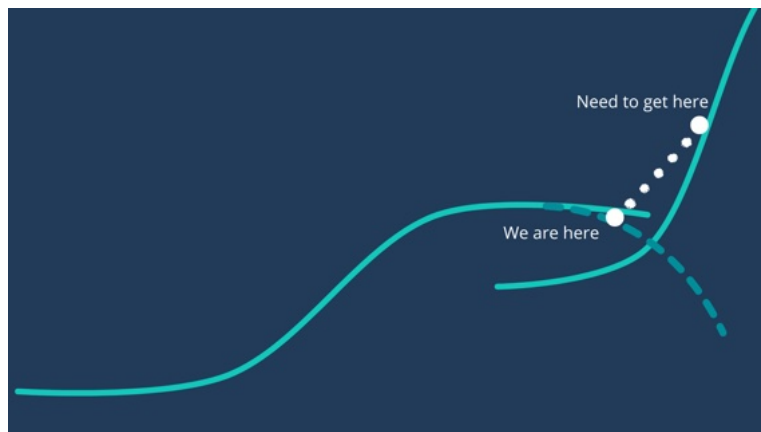


1. We've had an **incredible run over 20+ years**. Agile methods are the de facto dev process in 71% of organizations worldwide.
2. **Scrum is ubiquitous**, but quite often not applied well.
3. Agile adoption continues to grow, albeit at a slower rate; and despite **challenges with Scaled Agile transformations**.

## We've Also Entered a New Era of Enterprise Agility

1. **Product management** is booming.
2. **Agile engineering** discipline remains vital.
3. **Lean management** is timeless.
4. Innovation at scale is within reach with **AI-boosted Agile**.

### DOUBLE S-CURVE OF INNOVATION



# Enterprise Agility – Do Hard Things



- Change is never easy
- If we want to get to the next peak, we need to understand that things will likely get worse first
- The first move is always going to be the most challenging
- The more we do hard things, the easier it will get

# Unique Value Proposition: Why the Agile VMO?

By transitioning from a rigid legacy organizational model to a fast and resilient adaptive operating model, the Agile VMO® helps organizations thrive in today's volatile and uncertain business environments.

The Agile VMO® ensures that **all work in a product or service portfolio is prioritized**, and that **business value is constantly delivered, tracked, and measured** across the entire organization.



The Agile VMO® enables business agility through **lean portfolio management** and **adaptive governance**, aligning technology initiatives with business goals.

The Agile VMO® **supports the reorganization of teams along value streams**, increasing communication and enabling end-to-end flow.

The Agile VMO® **leverages a diverse skill set**, including Customer Journeys, Process Optimization, Ways of Working and Agile methods, to ensure that the simplest thing possible is done well, without fear of refactoring, as the cost of refactoring is lower than the cost of waste.

# What is the Agile VMO



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The Agile VMO is a cross-functional team of teams that helps organizations manage the flow of work from end to end.

It is a flexible organizational construct to implement lean portfolio management and support adaptive governance.

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## Xavier Huillard – Network of Teams



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## Network of Teams, Xavier Huillard, Vinci Group

- 10 BB Euros revenue, 65,000 employees
- Inverted pyramid, with decentralized model
- HQ of only 50 people



- Three guiding principles to philosophy:
  - Containing the technocratic tendency of central management
  - Developing the **autonomy and accountability** of employees in the field
  - Creating the conditions for group cohesion

- Attract acquirees by explaining that they will be **part of a network** and not part of a process
- Strategy of decentralization allows us to **respect their culture and to preserve their entrepreneurial strengths**

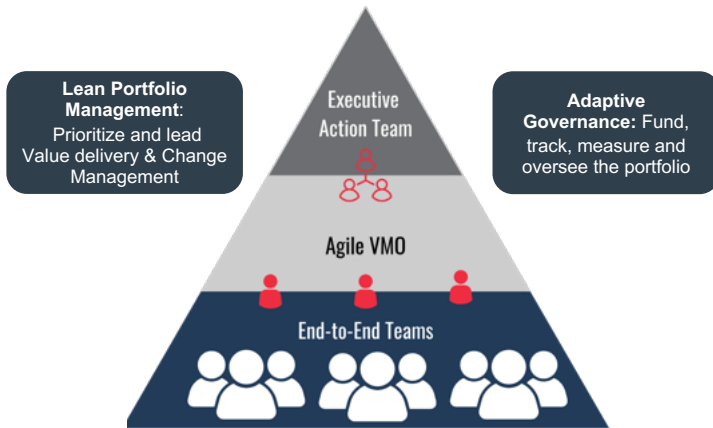
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## The Agile VMO is a Cross-Organization, Cross-Hierarchy Team of Teams

Goal: Create seamless, end-to-end flow of value

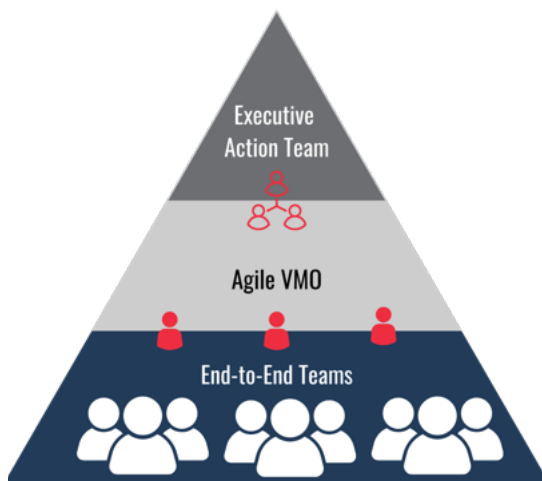


- Set up the VMO as a cross-organization, cross-hierarchy team of teams.
- Prioritize the portfolio and manage value delivery.
- Carefully Manage the Portfolio “On Ramp.”
- Set up an End-to-End Portfolio Kanban to track and manage the flow of Value Streams.
- Track and Measure Portfolio Flow.
- Apply Agile Lifecycle Management Tools for Adaptive Governance.

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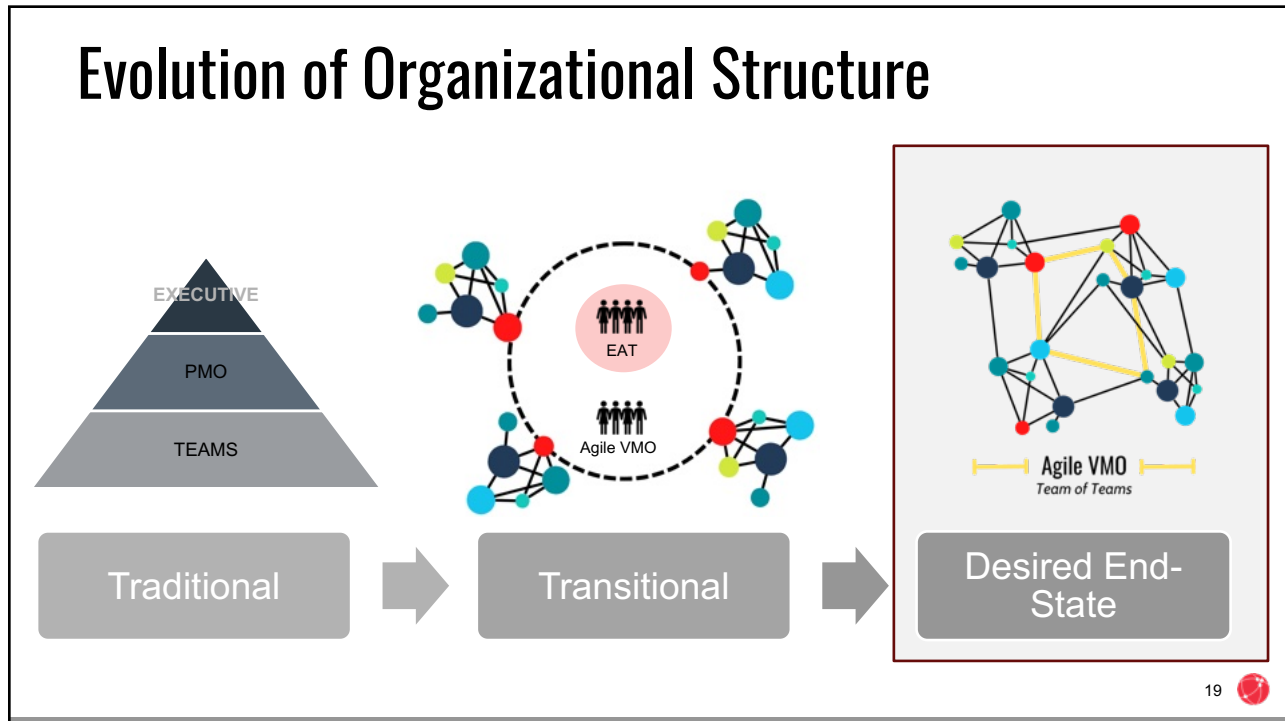
## Establish an Executive Action Team (EAT) to Set Direction and Lead Organizational Change



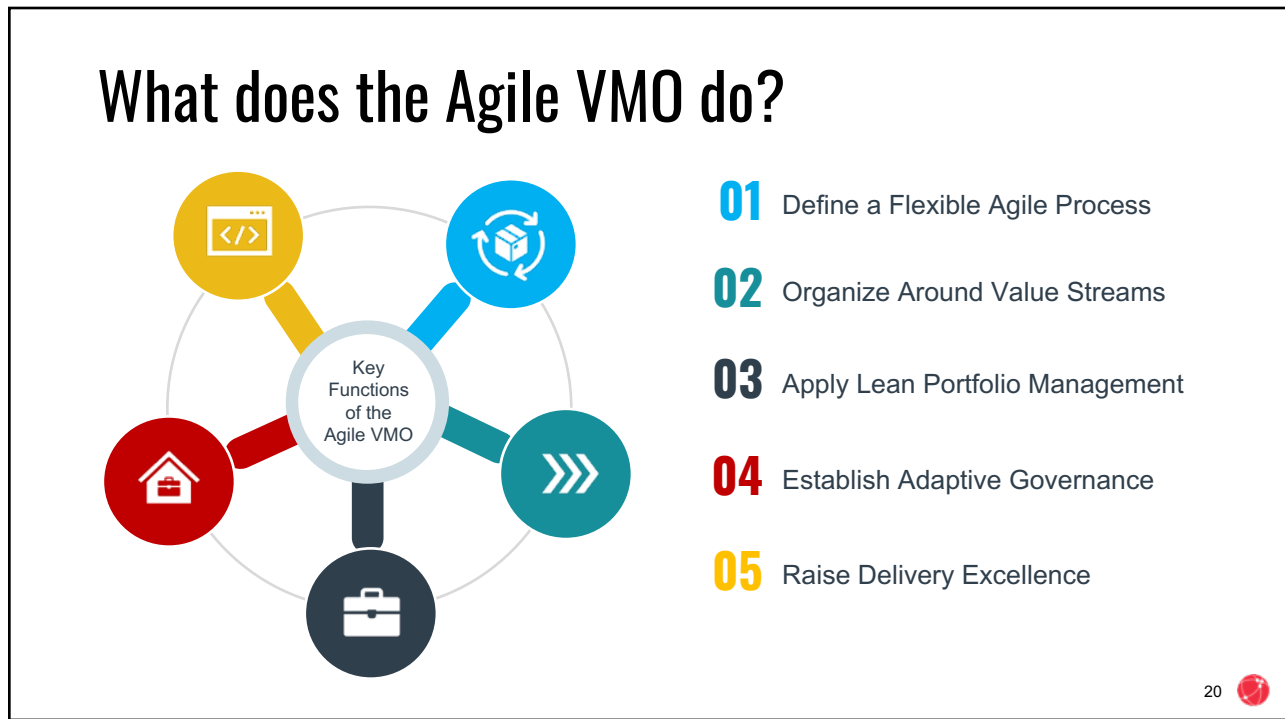
1. The EAT **sets strategy and vision**, working closely with the Agile VMO.
2. The Agile VMO is the **central management unit**, operating with a very “light touch.”
3. Teams and teams-of-teams **align with each other** with the help of the Agile VMO, and along **the strategic direction** set by the EAT.

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## The Agile VMO utilizes a Fit-for-Purpose Operating Model

*The Agile VMO uses concepts common to many established frameworks.*

### Agile VMO

- Value delivered in small cross functional Agile teams
- Team of Teams organizational structure
- Focus on customer
- Product Mindset
- Cadence based cross team planning
- Focus on continuous improvement
- Lean Thinking
- Rolling wave planning



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## Based on Evolving Maturity: **Fitness Landscapes**



**Fitness landscapes** describe how complex adaptive systems evolve over time.

Fitness is a measure of how likely something is to survive, so **higher points on the fitness landscape** represent organizations that are **more likely to be successful**.

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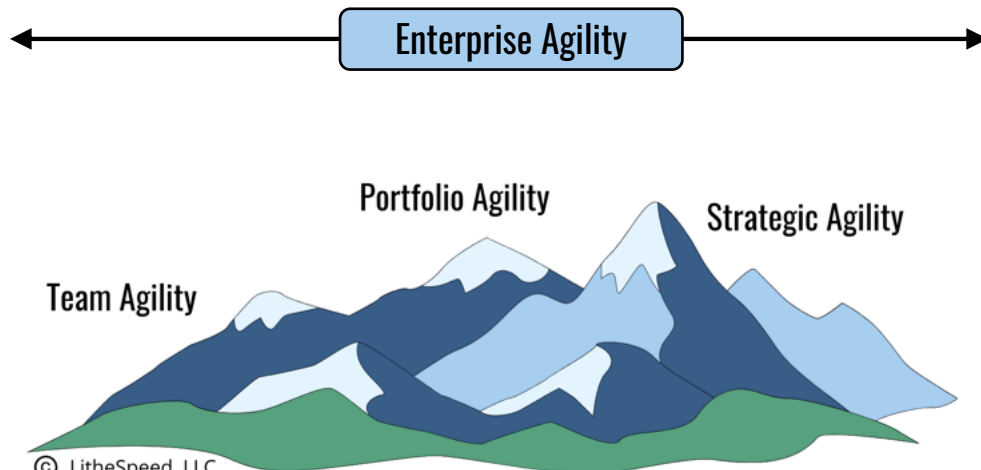
## Based on Evolving Maturity: **Traverses**



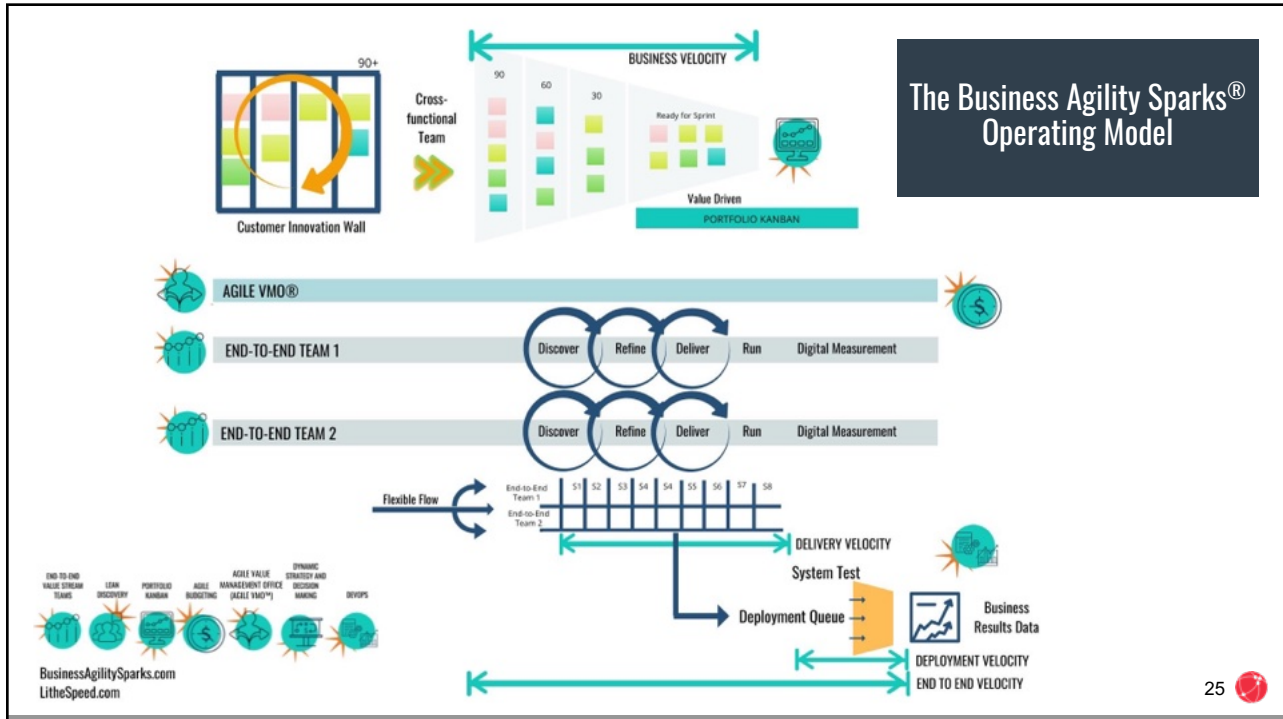
In mountaineering, a traverse is the **highest level of skill**. It is a route that requires from the climbers to have much more tactics, technique, and logistical skills than a regular ascent.

**A traverse is an ascent to the summit and descent via different routes.**

## Traversing Enterprise Agility Fitness Landscapes



© Lithespeed, LLC  
Inspired by conversations between Jim Highsmith, Bob Payne, and Sanjiv Augustine



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## Case Study: Earth, Wind and Power

Earth, Wind and Power is an innovative data analytics company focused on accelerating the transition to renewable energy. Headquartered in San Francisco with offices across the United States, we develop cutting-edge software products that provide greater visibility into energy use, production, and infrastructure to utilities, commercial entities, and residential consumers.

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## Activity: Review the Case Study for Earth, Wind and Power

5 min

(5 min) Review the case study and background information for Earth, Wind, and Power.



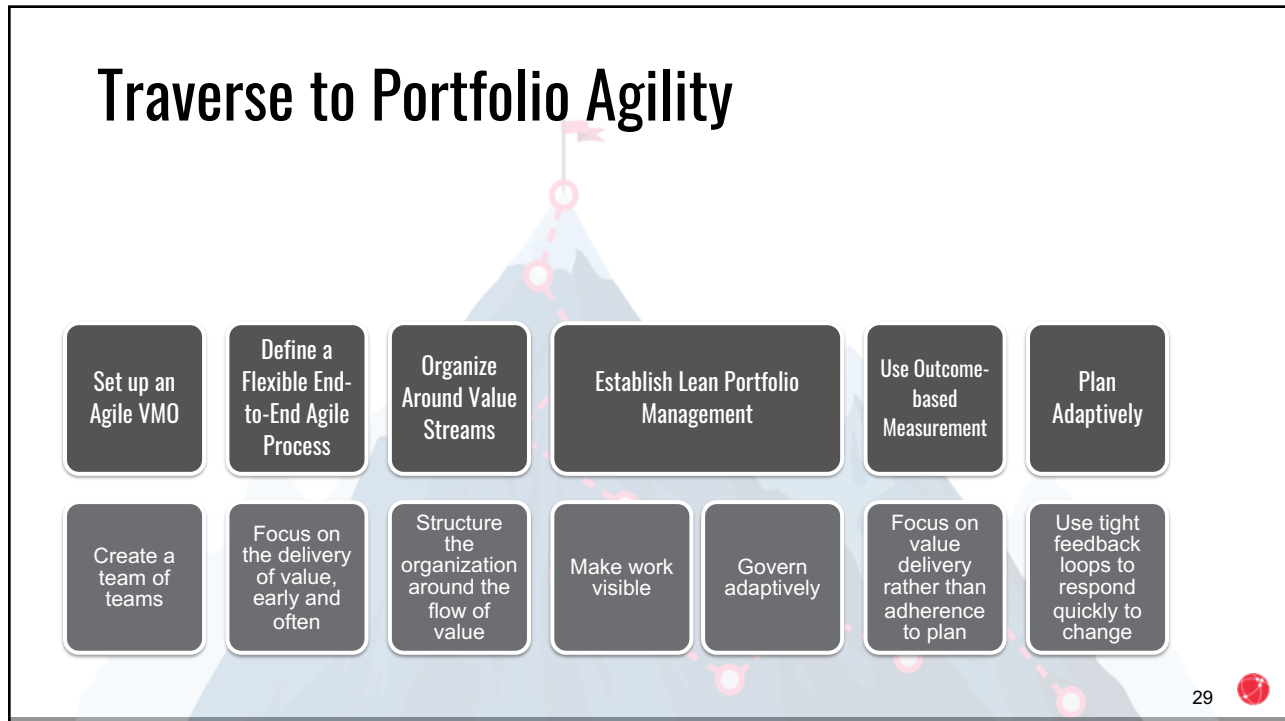
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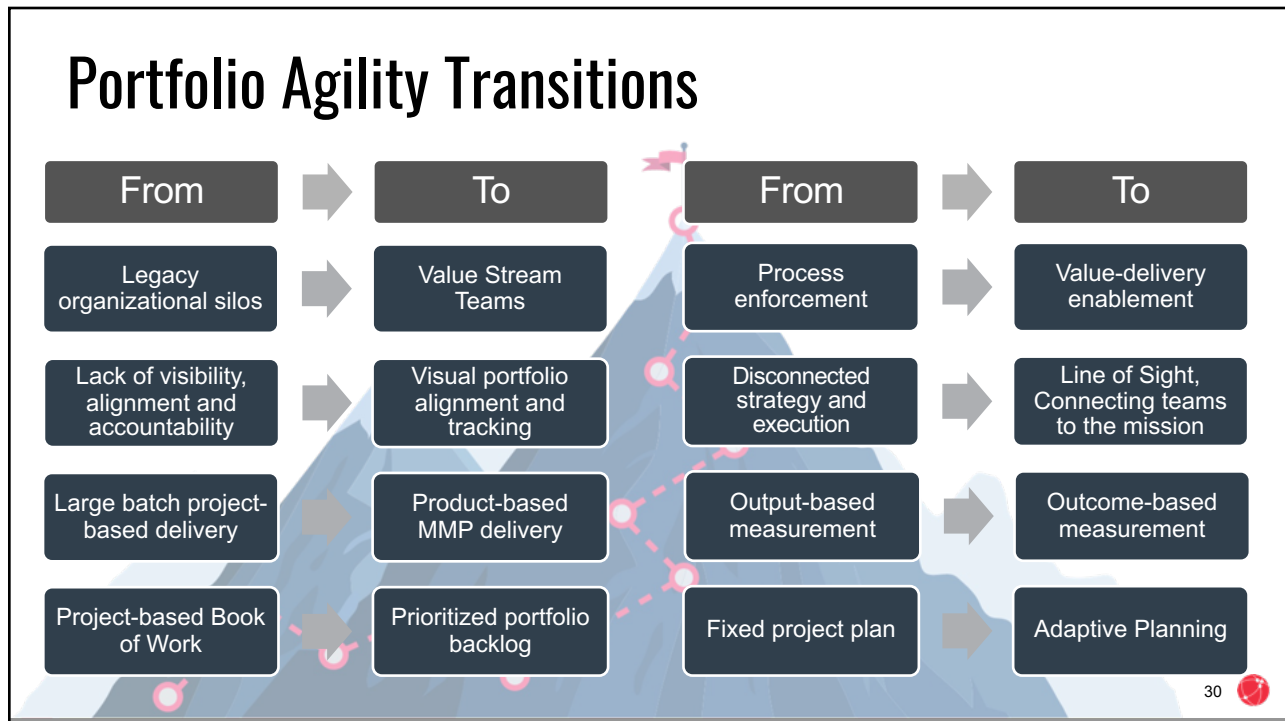
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# Portfolio Agility

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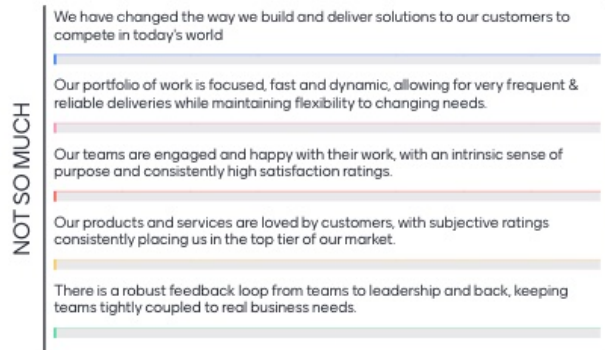
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# Portfolio Agility Gap – Your Self-Assessment

Assess your organization's portfolio agility maturity.



**01** Set up an Agile VMO



# Launch the VMO



1

Educate Leaders First



2

Capture Organizational OKRs and Budgets



3

Hold a Kickoff Meeting



4

Launch an Agile Center of Excellence

# Primary Functions of an Agile VMO



Define a Flexible Agile Process



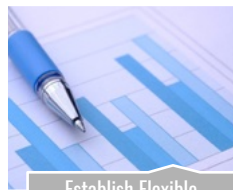
Plan Adaptively



Organize Around Value Streams



Establish Lean Portfolio Management



Establish Flexible Funding and Governance

# Create the Agile VMO as a Team of Teams

**CROSS-FUNCTIONAL**



Business, IT and Ops working as one team

**CROSS-SILO**



Liaisons ensure tight coordination across silos

**CROSS-HIERARCHY**



Liaisons ensure tight coordination between hierarchical levels

# VMO - Connecting Principles Patterns and Practices

*The VMO focuses on **Principles** and **Patterns**. **Practices** will vary between implementations of the VMO and should evolve as the organization evolves.*

## Principle

A principle-led approach to is centered around fundamental principles and values.

**SAMPLE**



VMO: Focus on Value Delivery

## Pattern

A common way of achieving a given Agile Principle. Patterns do not prescribe practices.

**SAMPLE**



VMO: Economic Prioritization

## Practice

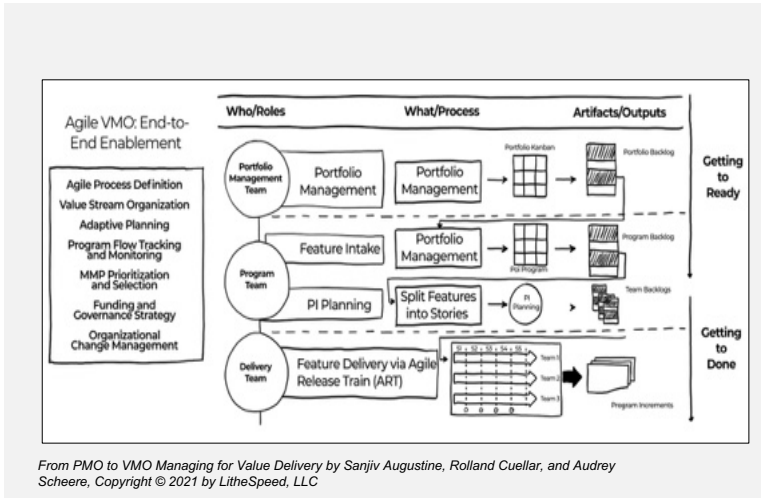
One of several concrete ways to implement a particular pattern.

**SAMPLE**



Organizational Practice: WSJF

# Agile VMO: End-to-End Enablement



The Agile VMO facilitates the continuous flow of value across the organization

# Example VMO Jobs & Responsibilities

**SAMPLE**

VMO Facilitation	Executive Leadership	Delivery Leadership	Value Leadership	Agile Team Representatives
<ul style="list-style-type: none"> <li>Create and maintain VMO Backlog</li> <li>Facilitation of VMO events and Events</li> <li>Monitor delivery and execution at the VMO</li> <li>Maintain Risk, Issue log and track resolution</li> <li>Focus on Continuous Improvement of VMO way of working</li> </ul>	<ul style="list-style-type: none"> <li>Assign VMO roles</li> <li>Set strategic goals</li> <li>Establish VMO</li> <li>Remove escalated impediments</li> <li>Decide to start a new investment stream or to make a substantial pivot</li> <li>Lead organizational change</li> <li>Champion the VMO and agile transformation</li> </ul>	<ul style="list-style-type: none"> <li>Set up the VMO</li> <li>Roadmapping and Planning</li> <li>Clear prioritization with a focus on Technical Solutions Delivery and Operations</li> <li>Alignment with OKRs</li> <li>VMO Backlog refinement</li> <li>Synchronization with Product Lines</li> </ul>	<ul style="list-style-type: none"> <li>Manage work intake</li> <li>Prioritization at epic or feature level based on strategic goals</li> <li>Measure and report on portfolio health</li> <li>Track metrics</li> <li>Drive change management actions</li> <li>Roadmapping and Planning</li> <li>Clear prioritization with a focus on Value delivery</li> </ul>	<ul style="list-style-type: none"> <li>Report on progress against business outcomes</li> <li>Raise impediments that cannot be resolved at the team level</li> <li>Highlight dependencies on other teams and entities</li> </ul>
<p><b>Typical Names:</b> VMO Director, STE, RTE, VMO Process Lead</p>	<p><b>Typical Names:</b> Executive Sponsor, Executive Lead</p>	<p><b>Typical Names:</b> VMO Program Manager, VMO Tech Lead, IT Program Manager, VMO Delivery Lead</p>	<p><b>Typical Names:</b> Chief Product Owner, Product Manager, Value Lead,</p>	<p><b>Typical Names:</b> Program Product Owner, Scrum Master, Technical Lead Architects</p>
<p>Typically, one per VMO</p>	<p>One or more per VMO</p>	<p>One or more per VMO</p>	<p>One or more per VMO</p>	<p>One or more per value stream team</p>

## Agile VMO Event Cadence SAMPLE

Event	Cadence	Owner	Purpose	Artifact(s)
Team Kick-Off	As needed, when team members change, reboots occur, etc.	Agile VMO Facilitator	Establish Working Agreement, agree on roles and responsibilities, and set the tone for the group.	<ul style="list-style-type: none"> <li>Team working agreement</li> </ul>
Cross Team Planning	4-week Cadence aligned with the Product Teams Iterations	Business Lead	Transparency and Alignment on active work within the portfolio, including status, risks, and impediments.	<ul style="list-style-type: none"> <li>Open Action Items/ Assignees</li> <li>Updated Portfolio Kanban and Dashboard</li> </ul>
Refinement and Preparation	2-Week cadence	Business Lead	Series of Events to ensure alignment on strategy and vision for the next planning session; ensure highest value items are actionable and prioritized properly ahead of planning.	<ul style="list-style-type: none"> <li>Updated Portfolio Backlog and Kanban</li> </ul>
OKR Roadmap and Dashboard Update	Periodically as determined by Agile VMO Team	Business Lead/Agile VMO Facilitator	Update metrics and information in OKRs, Roadmap and Dashboard.	<ul style="list-style-type: none"> <li>Updated OKR Metrics, Dashboard and Roadmap</li> </ul>

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## Agile VMO Event Cadence (continued) SAMPLE

Event	Cadence	Owner	Purpose	Artifact(s)
Value Stream Sync	Weekly	Agile VMO Facilitator	Provide a forum for Value Stream dependency management, issue escalation, and coordination	<ul style="list-style-type: none"> <li>Updated issue log</li> <li>Updated dependency tracking</li> </ul>
Other Syncs	As Needed	TBD	There may be other processes or groups that need periodic synchronization such as Architecture, Risk, Governance, or others	<ul style="list-style-type: none"> <li>TBD</li> </ul>
Retrospective	In sync with the Planning cadence	Agile VMO Facilitator	Continuous process improvement for the team and others based on retrospective goals	<ul style="list-style-type: none"> <li>Improvement Action Plan with Owner</li> </ul>

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## Manage the Agile Lifecycle – Getting to “Ready”

Process Element/Deliverable	Purpose
OKRs	Capture Strategy through OKRs
Portfolio Canvas	Help define and align Value Streams to strategy
Portfolio Epics	Capture and manage most significant initiatives in a portfolio
Lean Budget	Funding and governance practices to increase throughput and reduce costs
Portfolio Alignment Wall/Kanban	Visualize, manage, and analyze the prioritization and flow of portfolio Epics from ideation to implementation and completion
Architectural Runway	Support continuous flow of value through CI/CD and Enablers

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## Manage the Agile Lifecycle– Getting to “Done”

Process Element/Deliverable	Purpose
Portfolio Kanban	Visualize and manage the flow of features and capabilities from idea to delivery
Big room planning, program backlogs	Help define and align value streams to strategy and develop an integrated plan
Sprint planning, team backlogs	Further refinement at the team level
Daily Scrum	Daily synchronization and impediment identification
Scrum of Scrums and PO Sync	Synchronization and coordination across teams and across product owners
Feature Delivery on agile release trains/teams	Track delivery of working testing software as the primary measure of progress
Quarterly Inspect & Adapt	Integration across teams and perform system demos Perform program retrospective across teams for improvement

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## VMO Co-Pilot – Setting up a VMO

15 min

### Prompt Examples:

- Set up a framework-neutral Agile VMO
- Create an essential roadmap for an Agile VMO
- Implement the Agile Value Management Office (VMO) in SAFe, Disciplined Agile or Scrum at Scale

### What questions do you want answered?

- Come up with a prompt you want us to run to help set up a VMO

### Let's evaluate the response

- What do we need to change?
- What did Co-Pilot Get right?



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02

## Define a Flexible End-to-End Agile Process

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# Flexible End-to-End Agile Process



A flexible end-to-end agile process is a process that is designed to be adaptable to change and to deliver value to customers and users quickly and continuously.

# Characteristics of a Flexible Agile Process



Focus on **value delivery**, early and often



Measure business **outcomes**



Move to **outcome-driven** governance

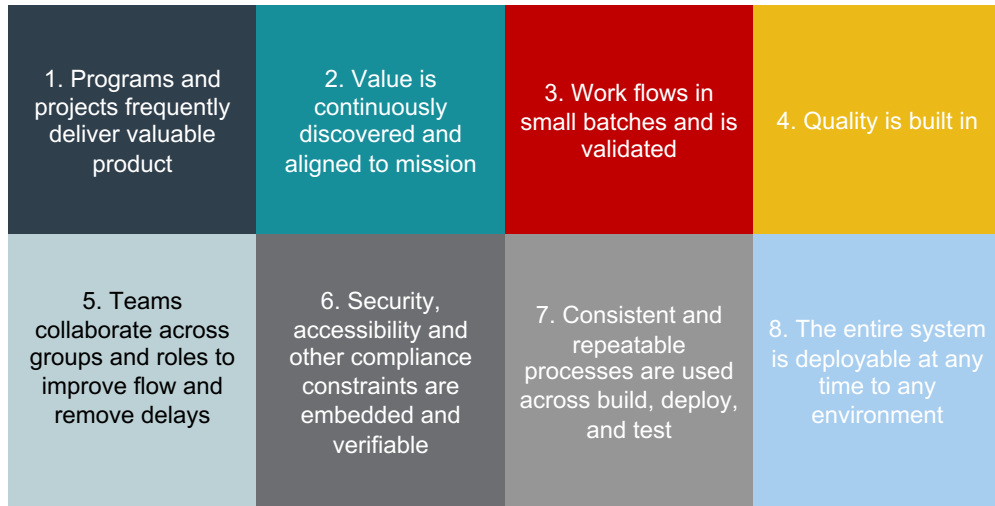


Allow for and encourage **experimentation**



**Balance the cost with the value** as you create and require artifacts and documentation

## Case Study: Process Expectations without Prescription



One agency's evolution from prescriptive practices to clearly defining expected outcomes, and empowering teams to define their own fit-for-purpose ways of working drawn from various disciplines and frameworks

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## Activity: Define a Flexible End-to-End Agile Process

25 min

(15 min) In your breakout groups or table, discuss what changes you could make to **build a flexible process** at Earth, Wind, and Power

(5 min) Consider what you could do personally at your current organization or client

(5 min) Group Share



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## Benefits of a Flexible End-to-End Agile Process

### FOCUS ON VALUE-ADDED WORK

Increased Customer Satisfaction

Faster Time-to-Market

Improved Quality

Increased Team Productivity



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**03**

**Plan Adaptively**

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# What is Adaptive Planning?



Adaptive planning is a process of adjusting plans in response to change at all levels of the organization.

# Adaptive Planning



**DECENTRALIZED  
AND EMPOWERING**



**FLEXIBLE AND  
ADAPTABLE**



**TRANSPARENT AND  
COLLABORATIVE**



**VALUE-DRIVEN**

## Value Increment



Any incremental value that can be delivered by the organization. It is critical to have defined this and are willing to evolve it over time. They are typically the work of one or more Value Streams and not individual stories in an Agile team. These items that we are managing at the VMO level may be called many things:

- Product: MMPs, MVPs, Products, Research
- Agile: Epics, Features, Releases
- Service Delivery: Work Items, Jobs to Be Done
- Marketing: Campaigns, Outreach, Customer Research
- Manufacturing: Units, Sub-Systems, Designs
- Research: Research, Findings, Hypothesis
- AI: Models, Audits, Products

...or whatever makes sense for your context

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## Minimum Marketable Product (MMP)



**Product** – Item or service that fulfills a customer need

**Marketable** – It is good enough that we could sell it and they would “buy it” (quality, functionality, usefulness, etc.)

**Minimum** – Smallest version that achieves both objectives

...and it must make business sense.

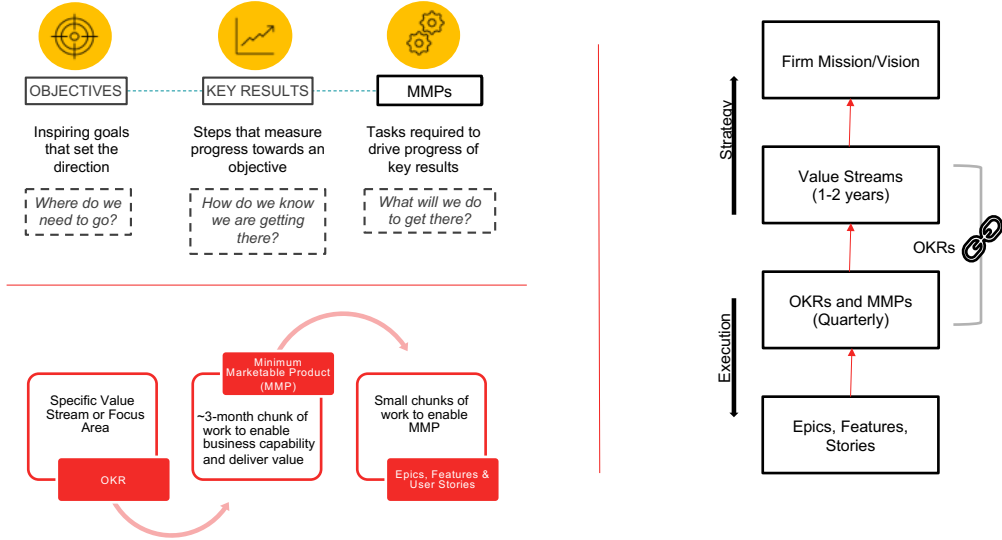
We will be using MMP in many of our examples but remember this can be any Value Increment that makes sense in your context.

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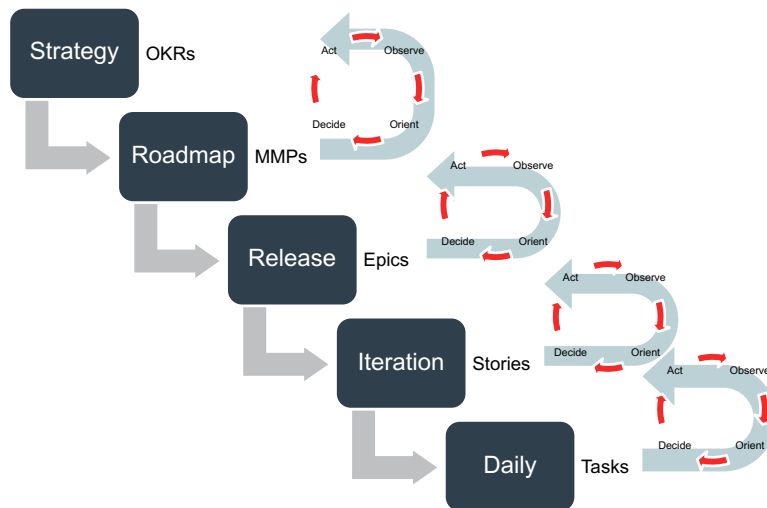


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# Capture Strategic Themes/Outcomes using OKRs



# Adaptive Planning at Multiple Levels

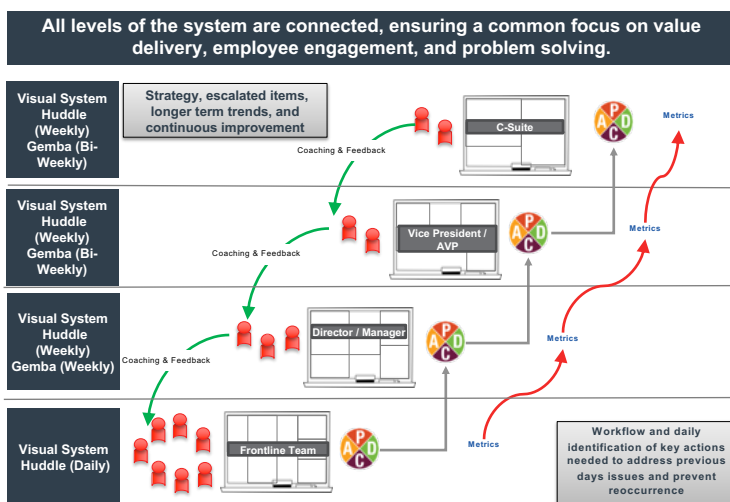


## Case Study: Adaptive Planning & Connecting the Work of the Teams To Shared Vision



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## Discussion: Increasing Decision-Making Velocity

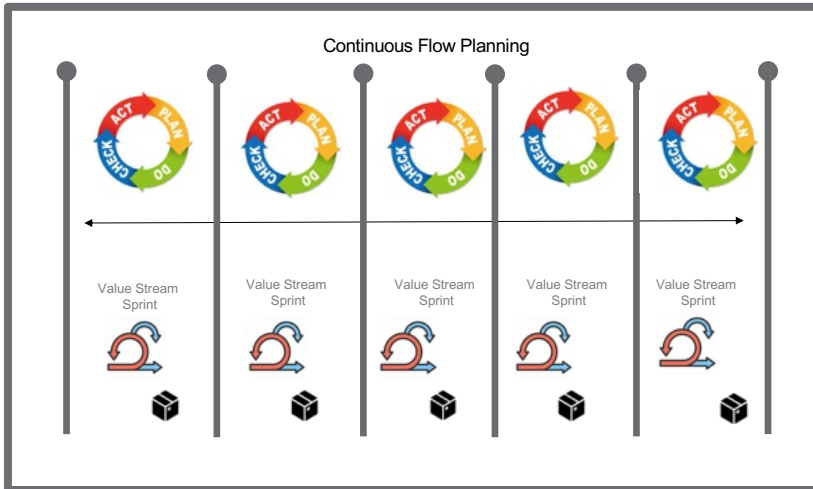


Credit: Tom Paider, VP, Nationwide Insurance

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## VMO Planning Cadence Option 1: Flow Based Planning



**Characteristics:**

- Continuous Flow planning cycles
- Same cadence as teams using LeSS
- Optimized for programs with Volatile Demand and IT Operational Work

**Pros:**

- Allows greatest ability to accommodate change
- Tight integration with all Stakeholders and Delivery Cadence
- Short cycles allow for rapid learning and rapid experimentation

**Cons:**

- Requires high degree of cross silo – cross hierarchical integration and discipline to eliminate waste
- Short cycles may not produce significant value or data to act upon



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## Case Study: Flow Based Planning at Nationwide



- Integrated Flow Based Planning across 11 Teams delivering multiple releases Monthly on Mission Critical System
- Twice Week Planning Cadence
- Integrated Discovery
- Integrated Leadership Decision Making and Change Management
- Integrated Risk Management and Dependency Management across Teams
- Utilizing customer focused design thinking and user experience testing

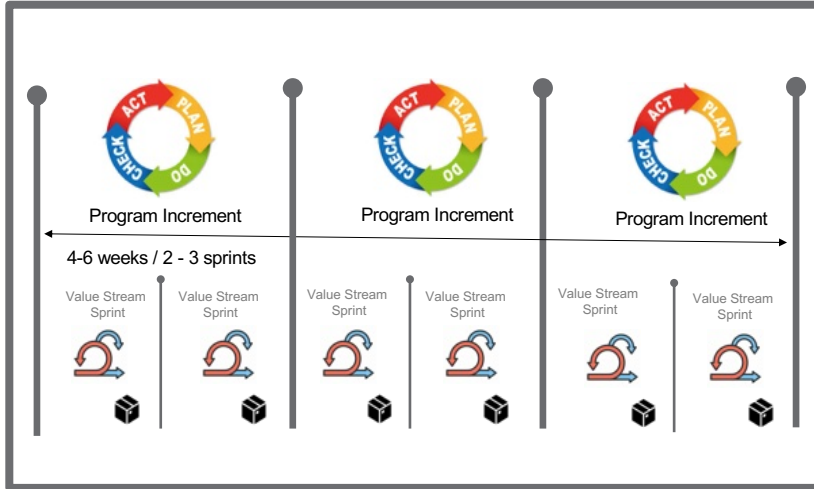


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## VMO Planning Cadence Option 2: **Short** Program Increment



**Characteristics:**

- Continuous Flow planning cycles
- Teams using Scrum@Scale and Disciplined Agile often use this Cadence
- Middle ground for programs with some Volatile Demand and IT Operational Work

**Pros:**

- Allows managing change while balancing planned work and on demand work
- Stakeholders and Delivery Cadence frequent enough to get feedback
- Learning & experimentation still frequent enough

**Cons:**

- Requires high degree of cross silo – cross hierarchical integration and discipline to eliminate waste



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## Case Study: Short Program Cadence at USCIS



*"We can take these multibillion dollar programs that take four years to write the requirements for and instead start delivering value in six weeks and use that value delivery as a way to control the program," – Mark Schwartz.*



<https://www.youtube.com/watch?v=m2tw5T9puzo>  
[https://www.youtube.com/watch?v=ZR3JMNp\\_J-4](https://www.youtube.com/watch?v=ZR3JMNp_J-4)

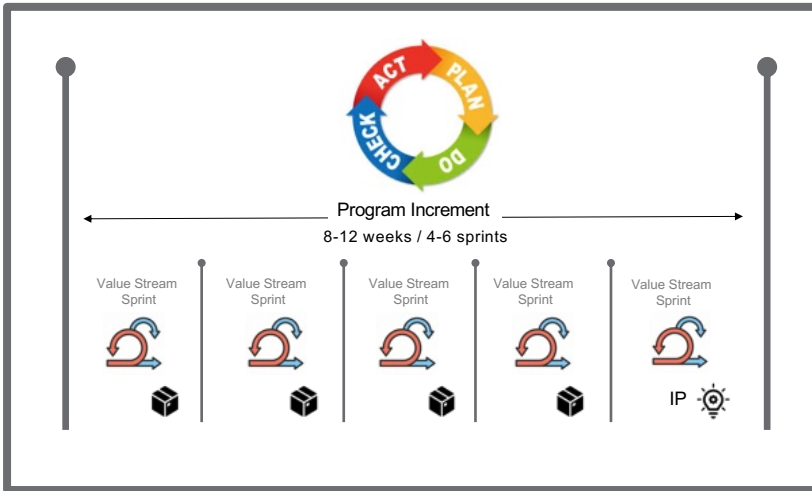
- Integrated Agile Program across 20 Teams delivering multiple releases weekly on Mission Critical System
- 4 Week Planning Cycle
- Outcome based funding using OKRs
- Integrated Discovery
- Delegated Scope/Deployment Authority to Scrum Teams
- Compliance built into Agile methods and DevSecOps pipeline
  - Security
  - 508 Certification
  - Multilevel Test Automation
- Integrated Risk Management with daily synchronization
- Utilizing customer focused design thinking and user experience testing

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## VMO Planning Cadence Option 3: Long Program Increment



**Characteristics:**

- Longer/Quarterly planning cycles
- Same cadence as teams using SAFe
- Optimized for programs with Stable Long Term Product Roadmaps

**Pros:**

- May fit in existing business cycle of organizational planning
- Many teams currently on long cycle planning

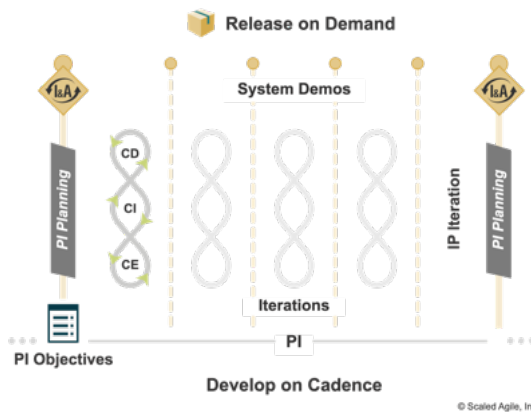
**Cons:**

- Many programs see too much change in their plan
- Not optimized to handle lots of operational work or programs with volatile demand
- Longer cycles can hide inefficiencies in tactical work or stakeholder feedback



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## Case Study: Long Program Cadence at Major Government Agency



- Scaled VMO model, consisting of 2 divisional VMOs, an Executive VMO, and a Lean Agile Center of Excellence.
- Quarterly planning cycles
- Monthly product demos from each of the groups
- Focus on cross-division dependencies and ensuring the LACE was able to support the needs of the other VMO's.
- Evolved from a 4 hour in person event to full day hybrid model.
- Similar format to SAFe PI Planning

64



64




25 min


## Activity: Plan Adaptively

(15 min) In your breakout groups or table, discuss what changes you could make to **support adaptive planning** at Earth, Wind, and Power

(5 min) Consider what you could do personally at your current organization or client

(5 min) Group Share



65 

65

## Benefits of Adaptive Planning

**Strategic**


- Increased agility and responsiveness to change


**Operational**

- Reduced waste and improved efficiency

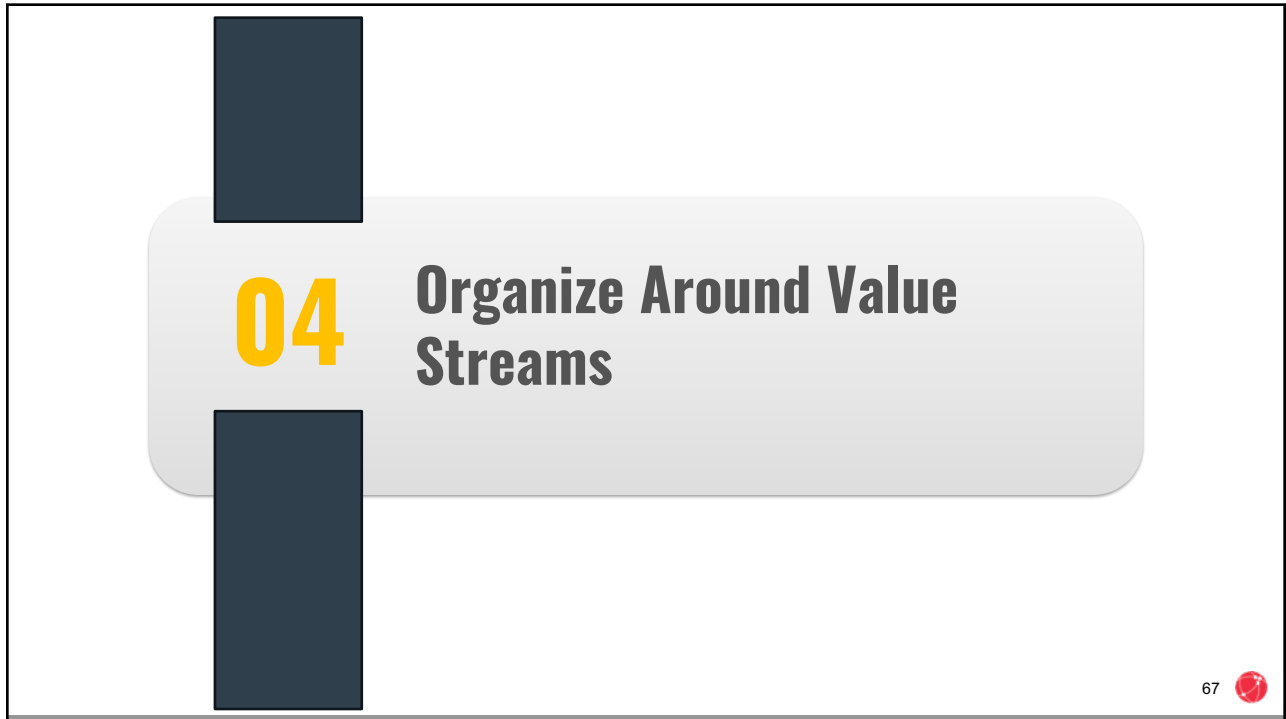
**Financial**

- Reduced costs
- Increased revenue
- Faster time-to-market




66 

66

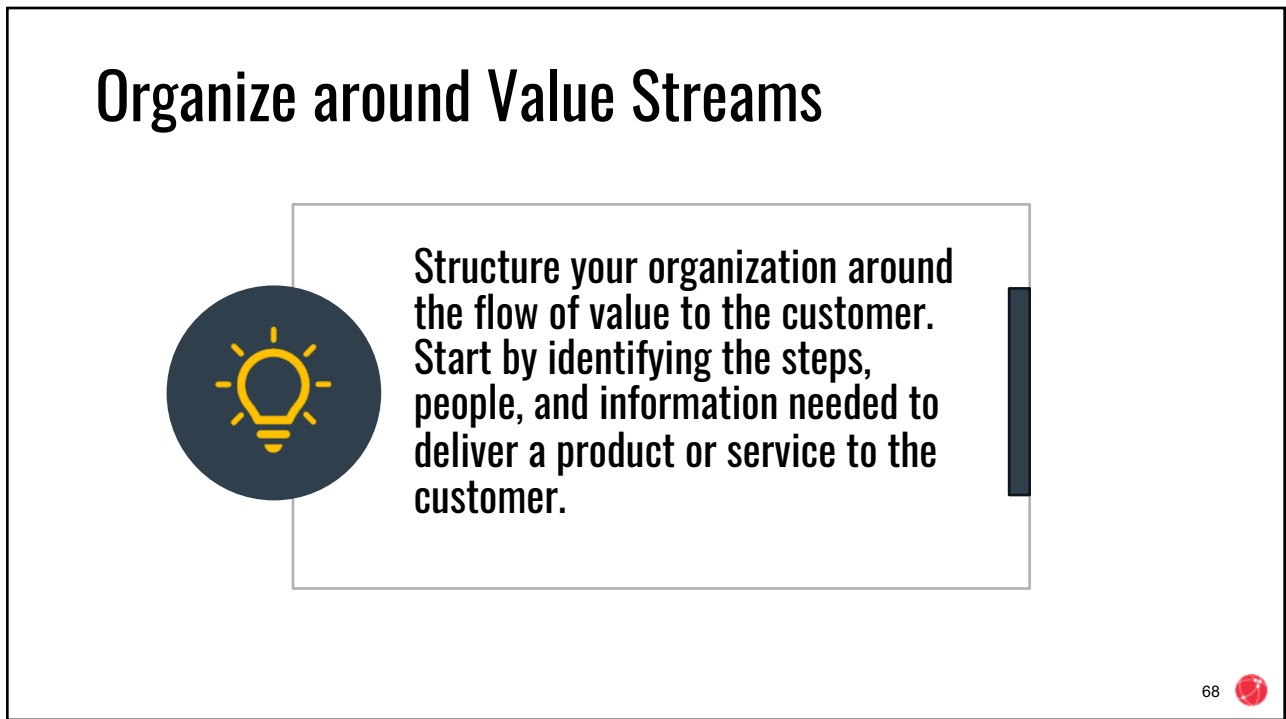


**04 Organize Around Value Streams**


67 


This slide features a dark blue vertical bar on the left side. A light gray rounded rectangle is centered on the page, containing the number '04' in yellow and the text 'Organize Around Value Streams' in dark gray. In the bottom right corner, the number '67' is displayed next to a small red circular icon.

67



**Organize around Value Streams**

 Structure your organization around the flow of value to the customer. Start by identifying the steps, people, and information needed to deliver a product or service to the customer.

68 

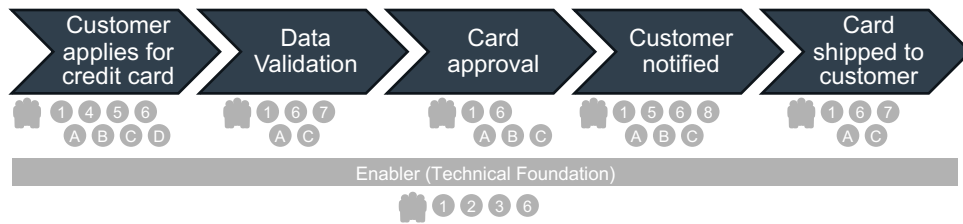
This slide has the title 'Organize around Value Streams' at the top. Below it, a dark blue circle contains a yellow lightbulb icon. To the right of the icon, a white rounded rectangle with a thin gray border contains the text: 'Structure your organization around the flow of value to the customer. Start by identifying the steps, people, and information needed to deliver a product or service to the customer.' A dark blue vertical bar is positioned to the right of this text box. In the bottom right corner, the number '68' is displayed next to a small red circular icon.

68

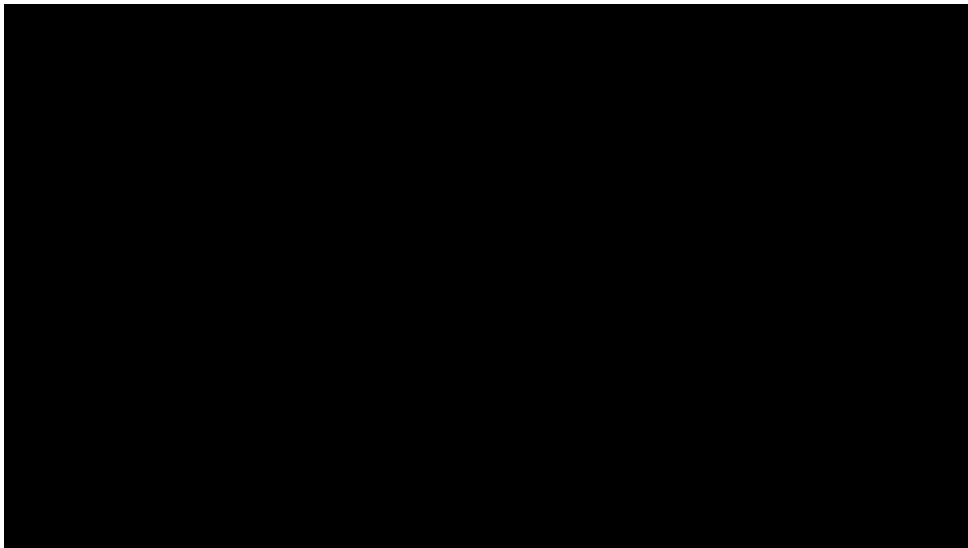
# What is a Value Stream?

*A value stream is the set of actions that take place to add value for customers from the initial request through realization of value by the customers.*

- PMI Disciplined Agile



# Business Agility Sparks®: End-to-End Value Stream Teams



[https://www.youtube.com/watch?v=fAkI9\\_FZAWE](https://www.youtube.com/watch?v=fAkI9_FZAWE)

## Summarize your Organization's Value Streams

20 min

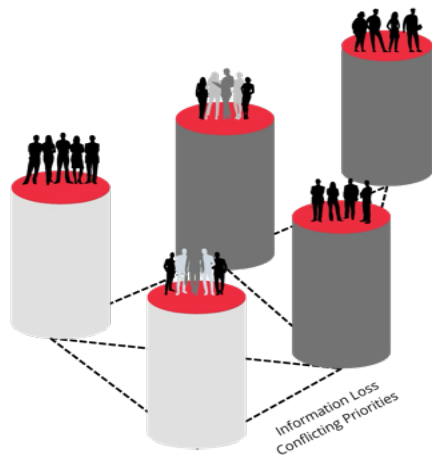
Fill out the Mural to summarize your value streams.



71 

71

## Traditional Organizational Structures



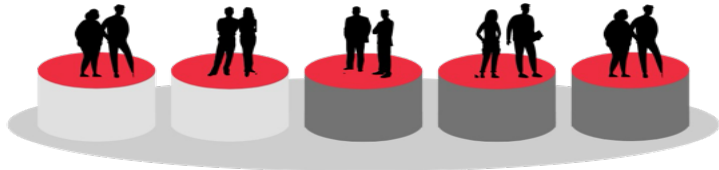
Siloed Organization

- Traditional organizational structures impede the flow of value for the customer
- Each time work changes hands across siloes, there's a risk of information loss and prioritization change

72 

72

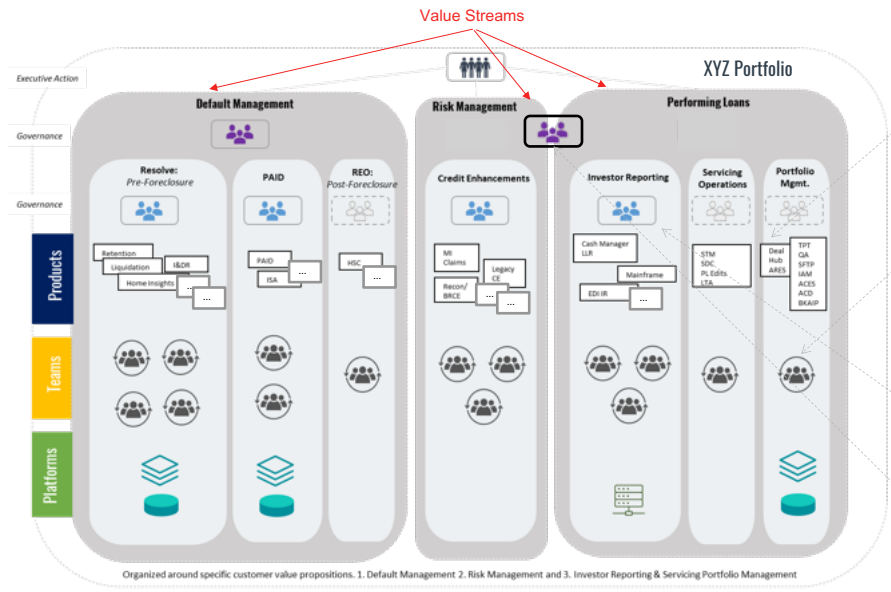
# Preliminary Steps to Transition to Value Stream Teams



Value Stream Team

73

# Case Study: Value Stream Aligned Product Teams, enabled by Platforms



- Map products and services to long-lived value streams and sub-streams
- Align appropriately sized multi-disciplinary teams to support the products and services with clear software boundaries
- Ensure End-to-End representation on Teams
- Key roles drive Value, Technical and Team outcomes at every nested level
- Overlapping governance with "linking pins" to connect strategy and execution

Disguised client example


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15 min

## Activity: Organize around Value Streams

(10 min) In your breakout groups or table, discuss what changes you could make to **transition to a value stream organization** at Earth, Wind, and Power

(5 min) Group Share



75 

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## Benefits of Organizing Around Value Streams

**Strategic**

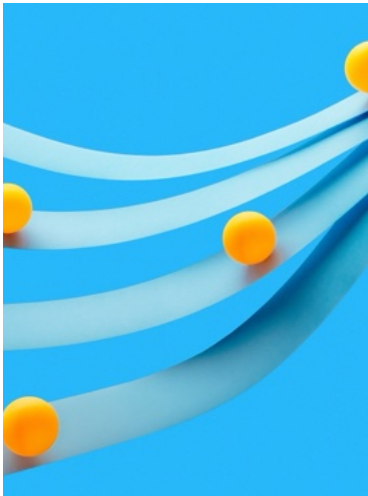
- More positive and engaging customer experience


**Operational**

- Reduced hand-offs

**Financial**

- Faster time-to-market



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**05** Establish Lean Portfolio Management

77 

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## What is Lean Portfolio Management (LPM)?

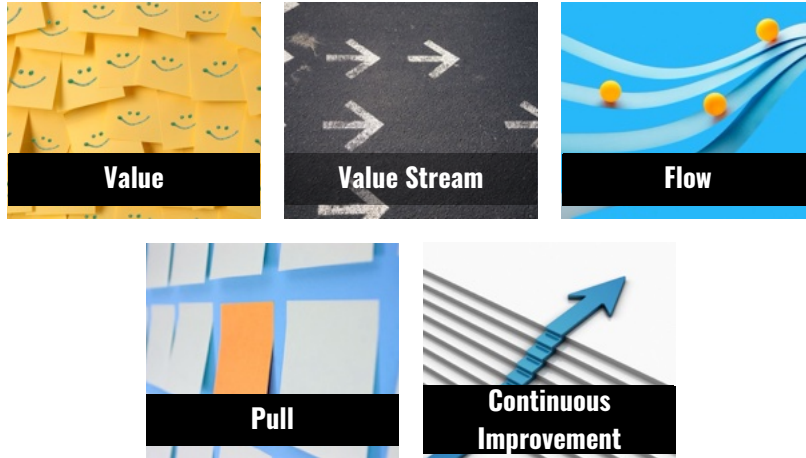


LPM is a method of aligning strategy with execution using lean principles and agile portfolio operations and governance.

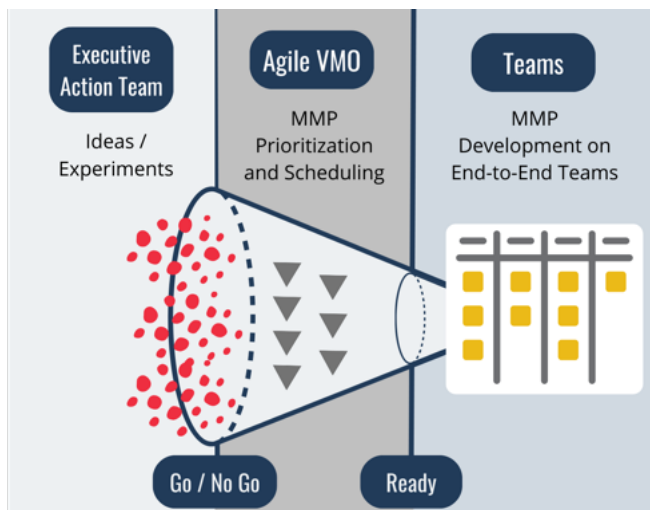
78 

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# Lean Principles



# Continuously prioritize the portfolio



- Split large projects/products into smaller Increments (Example MMPs)
- Prioritize increments by business value within business unit
- Limit Increments delivery timeframe to months
- Measure business outcomes
- Re-prioritize MMPs regularly based on business outcomes



# Manage Flow via WIP Limits

The goal of implementing a Kanban system is to create a smooth and consistent flow.

As a team, use the Kanban board to visualize the work, identify bottlenecks, and manage your WIP limits. Work together to remove the bottlenecks from your system.



# What are Key Outcomes of Lean Portfolio Management?



Backlogs are decomposed into features and/or increments of Value



Batching is minimized so that features and MMPs are flowing independently of each other



Business outcomes that support the strategy are being incrementally achieved on at least a quarterly basis



The entire portfolio pipeline of work is visible from “concept to cash”



Address organizational bottlenecks

## Activity: Day One Retro

20 min

Discuss your “Wows” and  
“What Abouts?” for the course  
so far.



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## Questions?



84 

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The banner features a central shield-shaped logo on the left with the text "AGILE LEADERSHIP ACADEMY Certified Agile VMO Practitioner" and a red ribbon below it reading "ALA-CVP" with three stars. To the right, the text "Certified Agile VMO Practitioner™ Course" is displayed in white on a dark blue background. A small logo is visible in the top right corner of the banner area.

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# Course Agenda

- Introduction**
  - Why the Agile VMO?
  - What is the Agile VMO?
  - Fitness Landscapes & Traverses
- Portfolio Agility**
  - Set up an Agile VMO
  - Define a Flexible Agile Process
  - Plan Adaptively
  - Organize around Value Streams
  - Apply Lean Portfolio Management
  - Use Outcome-based Measurement
- Team Agility**
  - Adaptive Agile Process
  - Excellence in Execution
  - Product Focus
- Strategic Agility**
  - What is Strategic Agility?
  - Establish a Flexible Funding Process
  - Lead with an Adaptive Strategy
- Closing**

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# What is Portfolio Kanban?



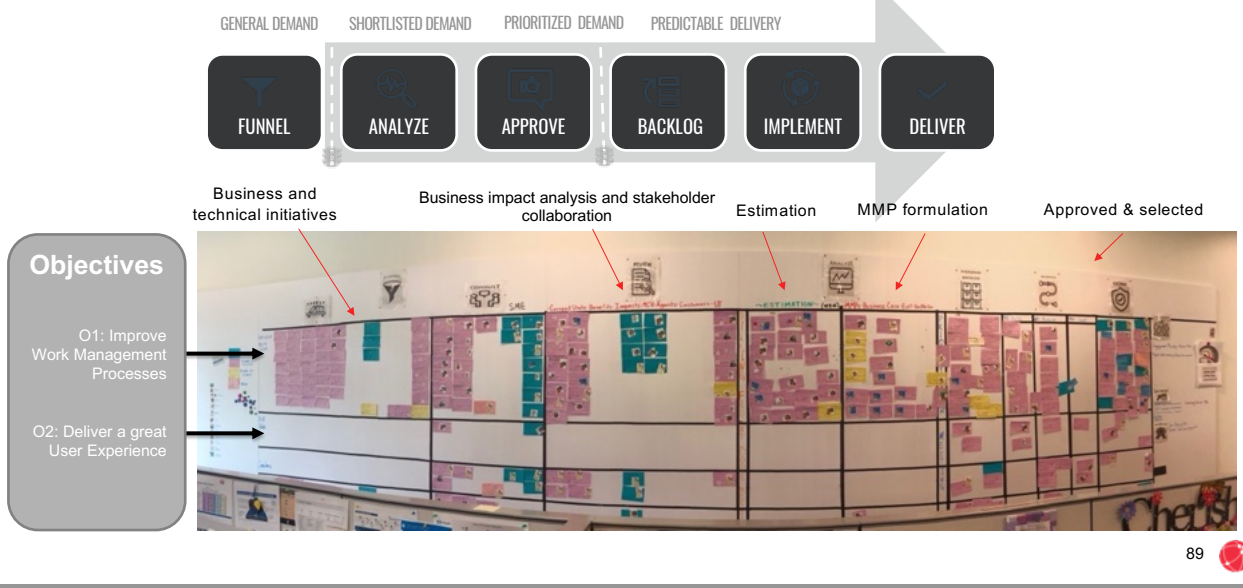
A visual management system used to track and monitor the flow of work from idea to delivery.

# Portfolio Kanban Workflow



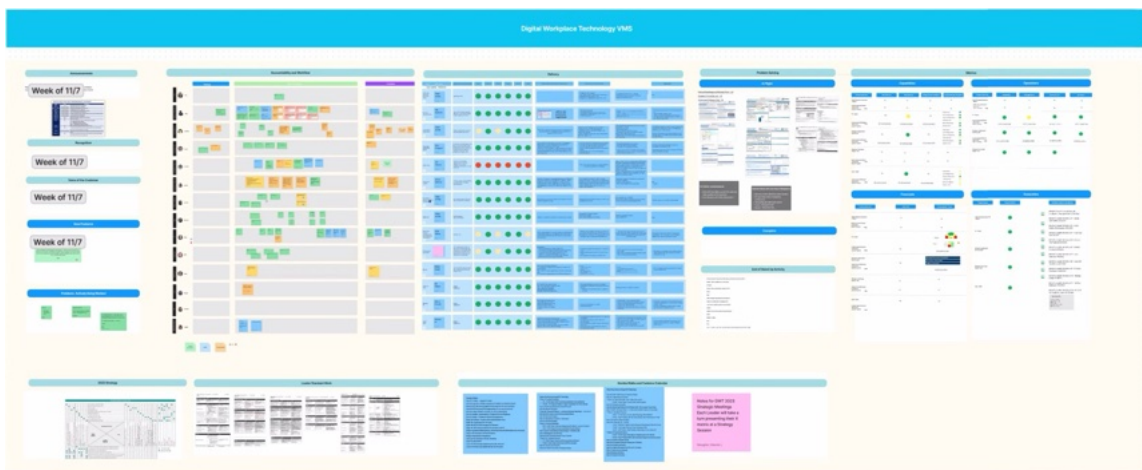
Owner	Business Lead	MMP Owner	MMP Owner	MMP Owner	MMP Owner	Business Lead
Description	Open-ended in-take for ideas for product enhancement.	WIP-limited status for targeted review	WIP limited, Detailed analysis involving collaboration from all stakeholders	Prioritized MMPs approved by the Business Leadership Team	Development work has been started by the agile teams, starting with MMP and managed with continuous prioritization.	Work is "Done" when governance is no longer required.
Entrance Criteria	• None	• Pull by MMP Owner	• Pull by MMP Owner	• Agile VMO approval	• Agile team capacity	• Success criteria has been met
Exit Criteria	• Prioritization by Business Lead	• Hypothesis statement • Preliminary Size/ Cost Estimate	• Cost-estimated MMP • Prioritization relative to other Epics • Go/No Go Decision	• Team capacity	• Success criteria for the MMP has been met.	• N/A

# Case Study: Track and Monitor the Portfolio



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# Case Study: Visual Management – Portfolio View



90

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# Case Study: Visual Management – Program View

The screenshot displays a complex dashboard titled 'Workforce Collaboration VMS'. It features multiple panels with various data visualizations including bar charts, line graphs, and tables. The interface is organized into several columns and rows, with a blue header bar at the top. The content includes project status indicators, resource allocation, and performance metrics.

<https://www.youtube.com/watch?v=tINIAOPhbT4>

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## Activity: Establish a Portfolio Kanban

25 min

(15 min) In your breakout groups or table, discuss what changes you could make to **establish a portfolio kanban** at Earth, Wind, and Power

(5 min) Consider what you could do personally at your current organization or client

(5 min) Group Share



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# Adaptive Governance



Ensure agile projects are aligned with the organization's overall goals and objectives, and that they are managed in a way that maximizes value delivery while minimizing risk.

# Governance Opportunities



## EAT Governance

- Lean Budgeting
- Strategy and OKR Alignment
- Road mapping



## Agile VMO Governance

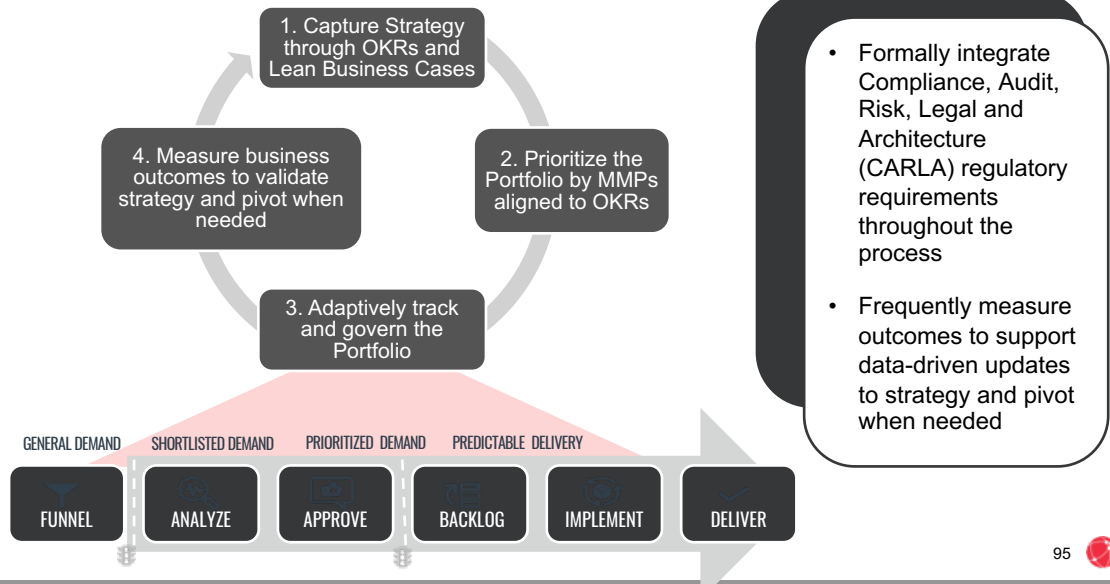
- Portfolio Kanban In-take
- Definition of Ready and Done for Value Increments
- Quarterly Planning and Quarterly Demo



## Team Governance

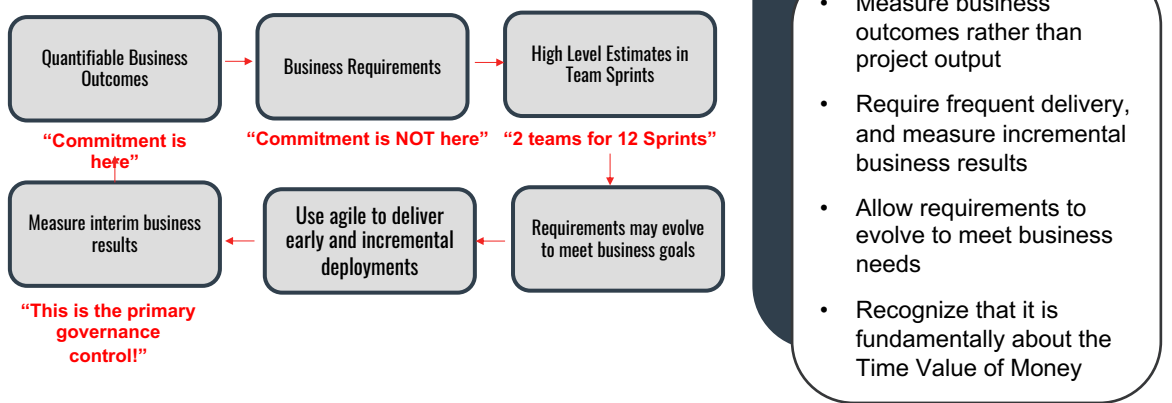
- Sprint Planning and Demo
- Definition of Ready and Done for Features and Stories
- Embedded Testing and Review

# Integrate Audit-Based Governance



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# Outcome-driven Governance

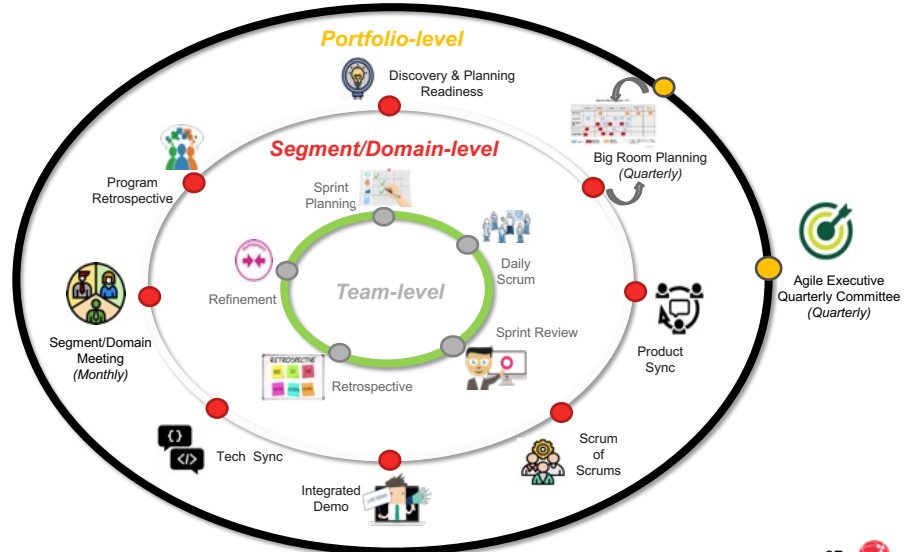


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# Case Study: Portfolio Tracking & Governance Cadence

- Progressive elaboration from portfolio -> segment/domain -> teams
- Feedback mechanisms built into every aspect of delivery and used to learn and adapt in iterative cycles
- Empowered decision making with frequent feedback and value delivered reporting



End-to-end feedback and collaboration across teams and domains

## Activity: Establish Adaptive Governance

25 min

(15 min) In your breakout groups or table, discuss what changes you could make to **establish adaptive governance** at Earth, Wind, and Power

(5 min) Consider what you could do personally at your current organization or client

(5 min) Group Share



# Benefits of Lean Portfolio Management

Improved alignment between strategy and execution

Increased transparency and visibility into portfolio investments

Reduced waste and improved efficiency

Faster time to market for new products and services

Increased customer satisfaction



**06**

**Use Outcome-based Measurement**

# Outcome-based Measurement



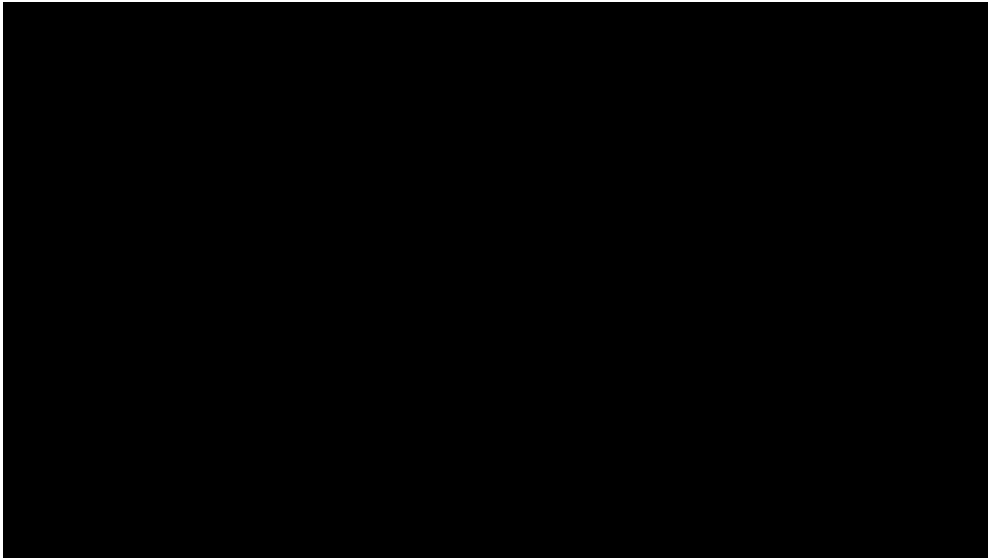
Outcome-based measurement focuses on the actual outcomes of a program or initiative, rather than the outputs or activities. It is a way to assess whether a program is achieving its desired goals and objectives.

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# Output vs. Outcome & Impact



<https://vimeo.com/206617354>

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# Measuring Progress, Focusing on Outcomes

The diagram illustrates a four-stage process for measuring progress:

- Sprint Goal:** Represented by an icon of three people and a green checkmark. Text: "Track progress on the MMP at the end of every sprint".
- MMP (Mission Model Plan):** Represented by a checklist icon. It is divided into "MMP (in scope)", "Potential Features (Future)", and "Out-of-Scope". Text: "At every sprint demo, consider whether the MMP has been met".
- Product Roadmap:** Represented by a sticky note icon with "Goal", "+ Features", and "+ Metrics". Text: "At every quarterly review, update the roadmap and evaluate whether objectives have been met".
- OKRs (Objectives and Key Results):** Represented by a target and bar chart icon. Text: "At every quarter review, track progress against the OKRs and consider whether the OKRs are still the right targets".

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## Activity: Establish Outcome-based Measurement with OKRs

25 min

(15 min) In your breakout groups or table, discuss what changes you could make to **establish outcome-based measurement** at Earth, Wind, and Power

(5 min) Consider what you could do personally at your current organization or client

(5 min) Group Share

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## Benefits of Outcome-based Measurement

**Improve Decision Making**

**Improve Performance**

**Demonstrate Value**



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# Team Agility

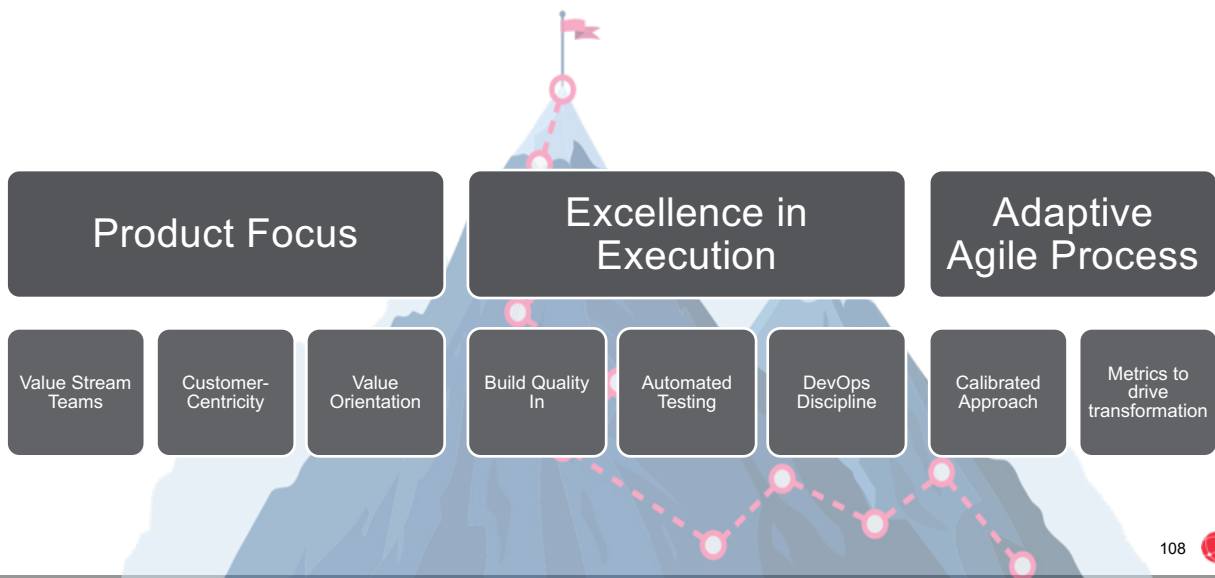
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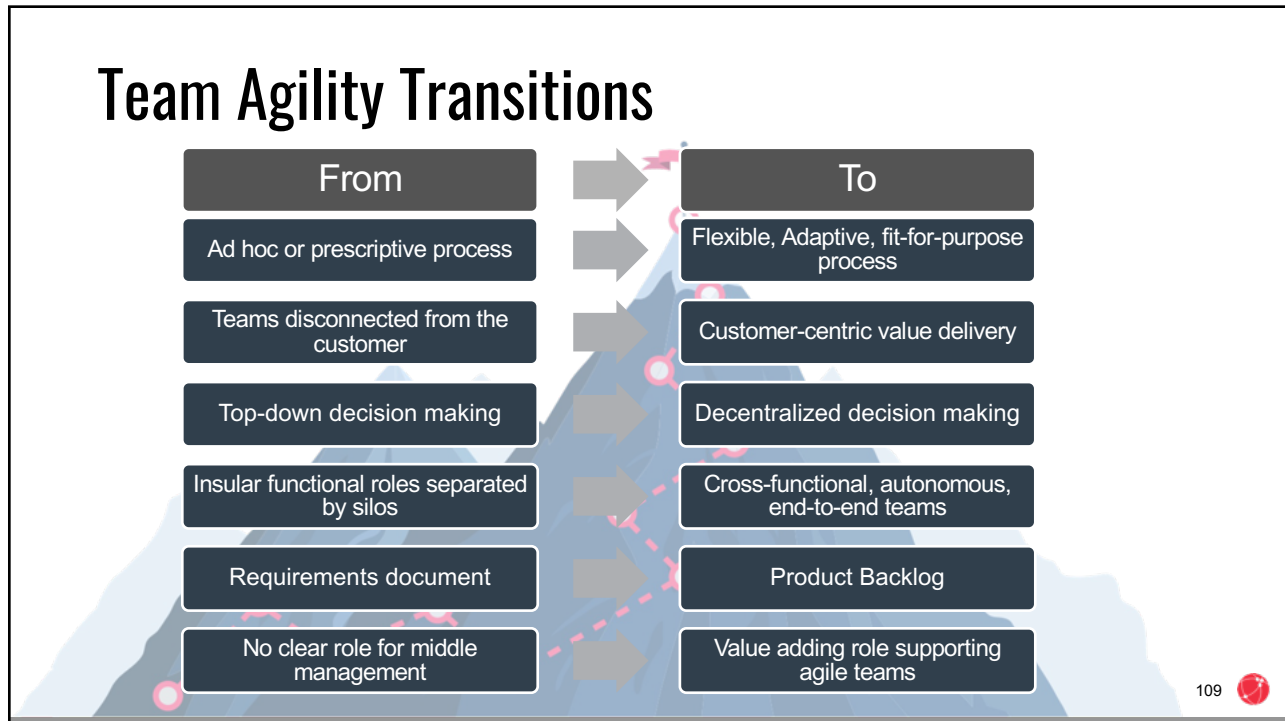
# Team Agility Gap – Your Self-Assessment

Rate your organization's team agility.



# Traverse to Team Agility





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# 01 Adaptive Agile Process

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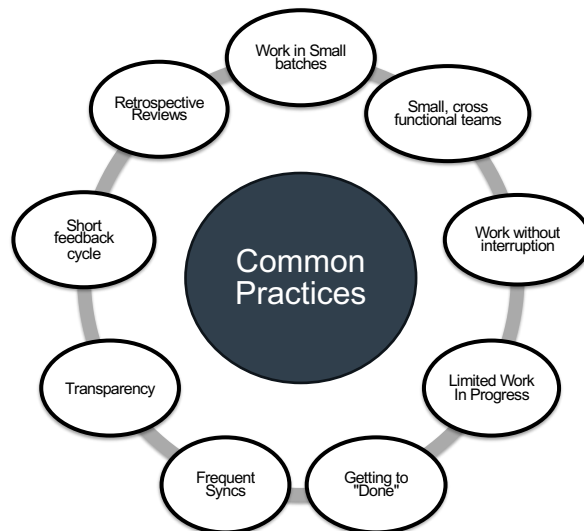
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# What is Adaptive Agile?

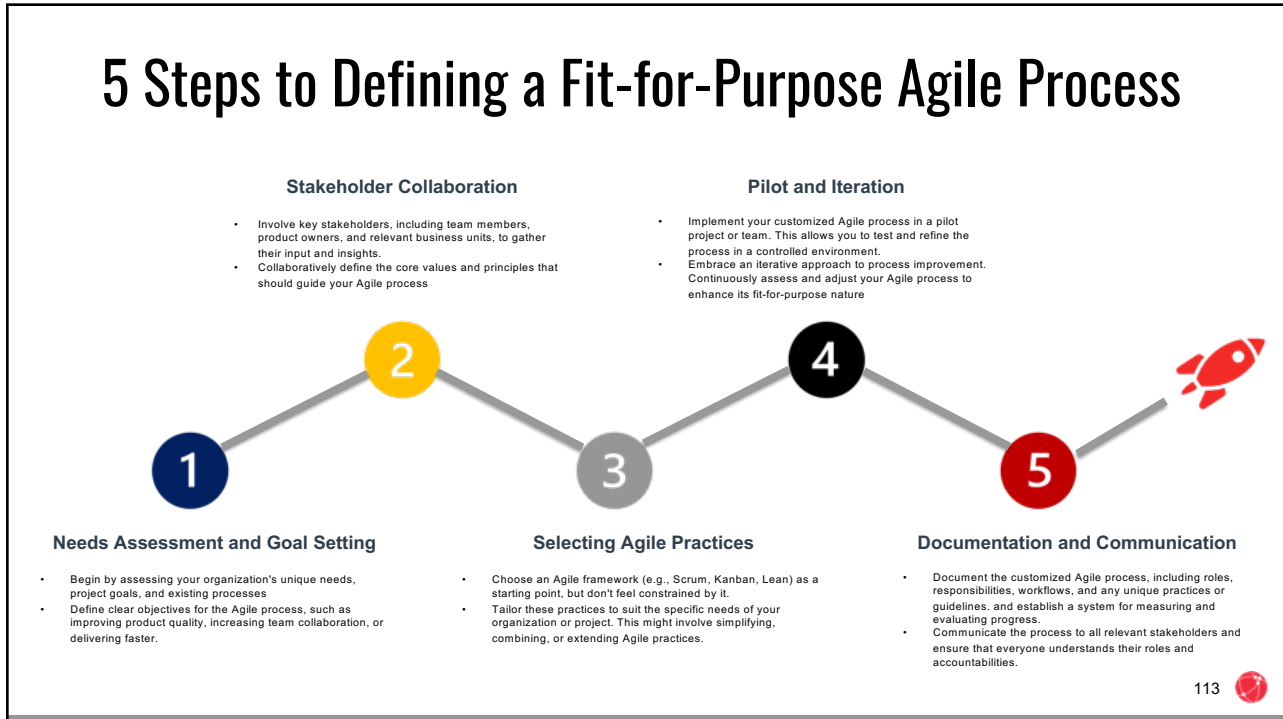


Represents a mindset that goes beyond specific frameworks and practices, leveraging agile principles to navigate change effectively and deliver customer value.

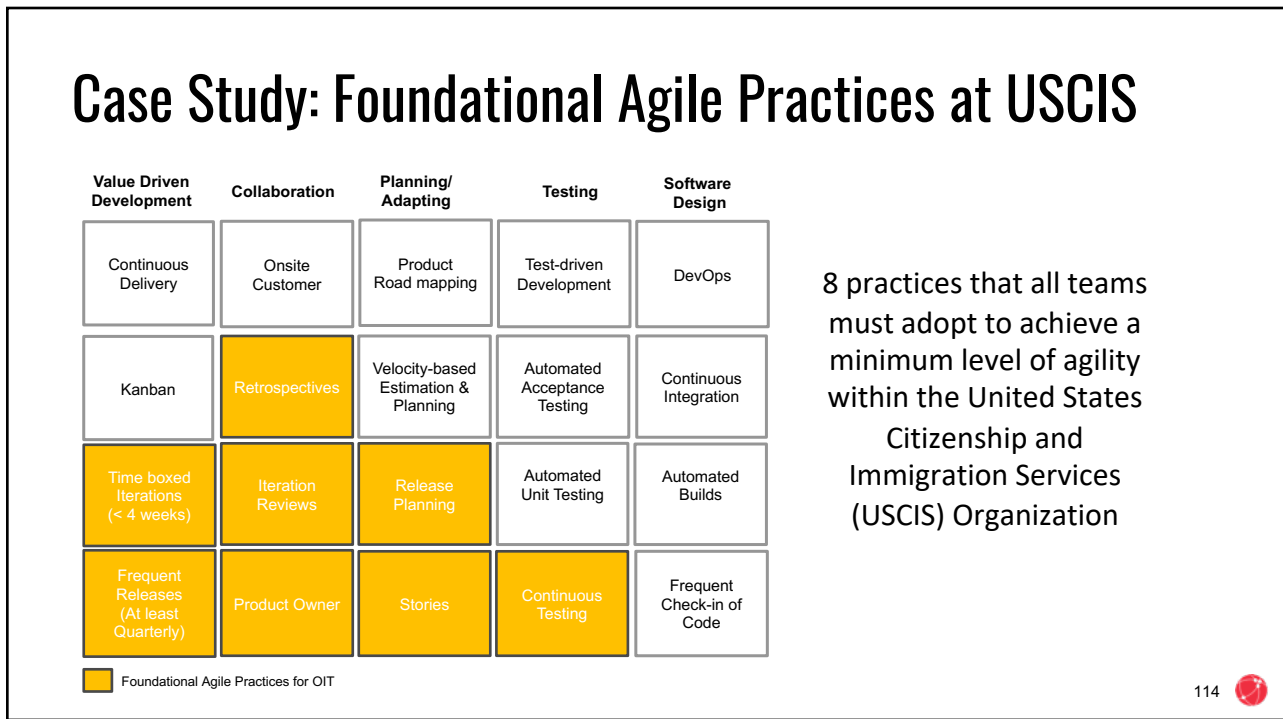
# Focus on **Value** with Management Practices







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## How the VMO Helps

- Select team members with appropriate skills, background, and willingness to work together. Allocate them 100% to their team.
- Create a productivity-focused shared workspace
- Ensure that someone with expertise on business priorities and customer value is available to act as the team's business representative.
- Coach and train team members in desired proficiencies.
- Train managers to create an environment that supports teamwork and how to manage the work system rather than individual contributions.



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**02**

**Excellence in Execution**

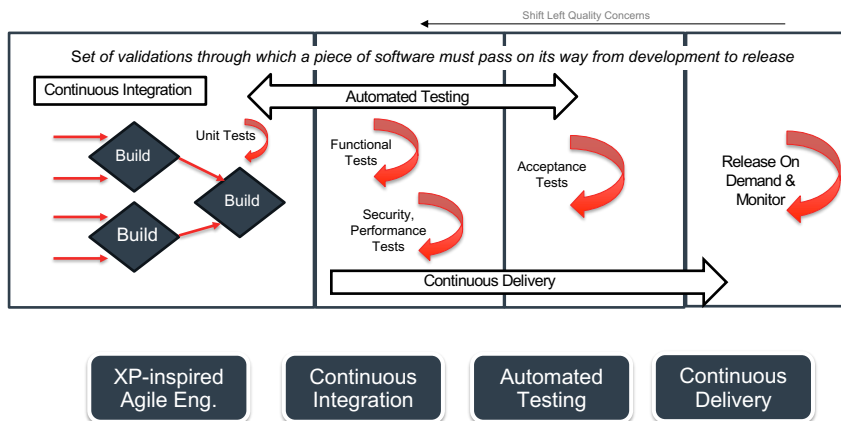
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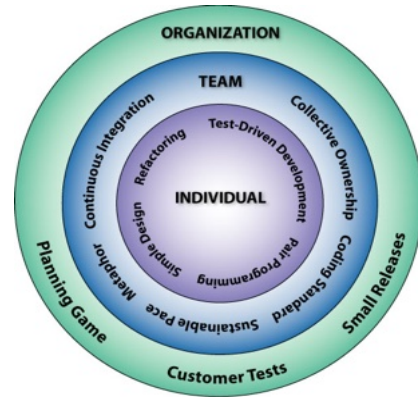
A software team that focuses on "excellence in execution" is a team that is committed to delivering high-quality software. They will also have a culture of continuous learning and improvement.

## Focus on Execution with Delivery Practices



# Integrate XP-inspired Practices into Development

- **Test-driven** to think through requirements or design before writing functional code
- **Pair work** to improve system quality, design decisions, knowledge sharing, without impacting time to deliver
- **Simple design** and **refactoring** to allow incremental development from leading to poor architectures and technical debt
- Establish and enforce **coding standards and guidelines** that promote consistency, readability, and maintainability of code
- Regular **code reviews** to identify and address issues, adhere to coding standards, and maintain high code quality



Extreme Programming



# Discussion: Technical Practices

Which of the technical practices in the previous slide do you recognize?

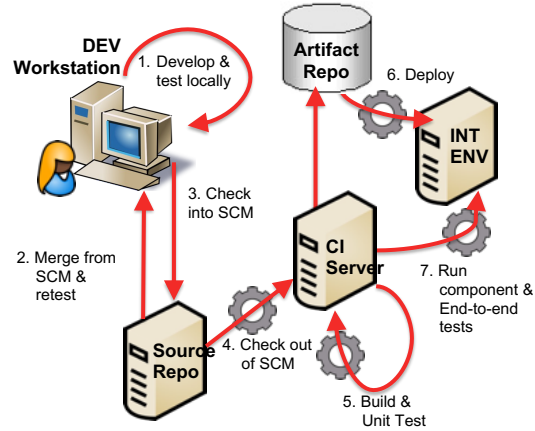
Shout out your answers.

Briefly describe your understanding of the practices you are familiar with.



## Continually Integrate Code across Team Members

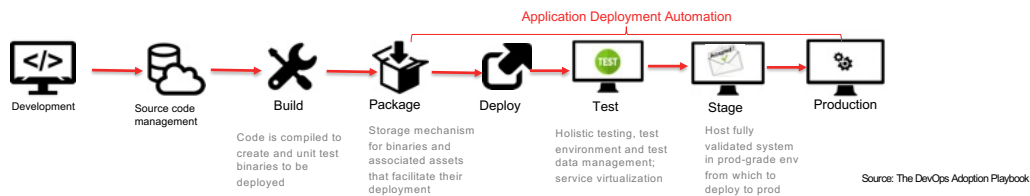
- Maintain **all assets** under **version control** (application code, tests, scripts to provision database, environments)
- **Automate build** process
- Commit **little** and **often** ( $\geq$  once a day)
- Trigger a build, preferably on **every commit**
- Run **unit tests**, **static code analysis** as part of the build
- **Notify** failures immediately
- **Broken** builds are the highest priority
- Identify **security vulnerabilities** in the code during the build process



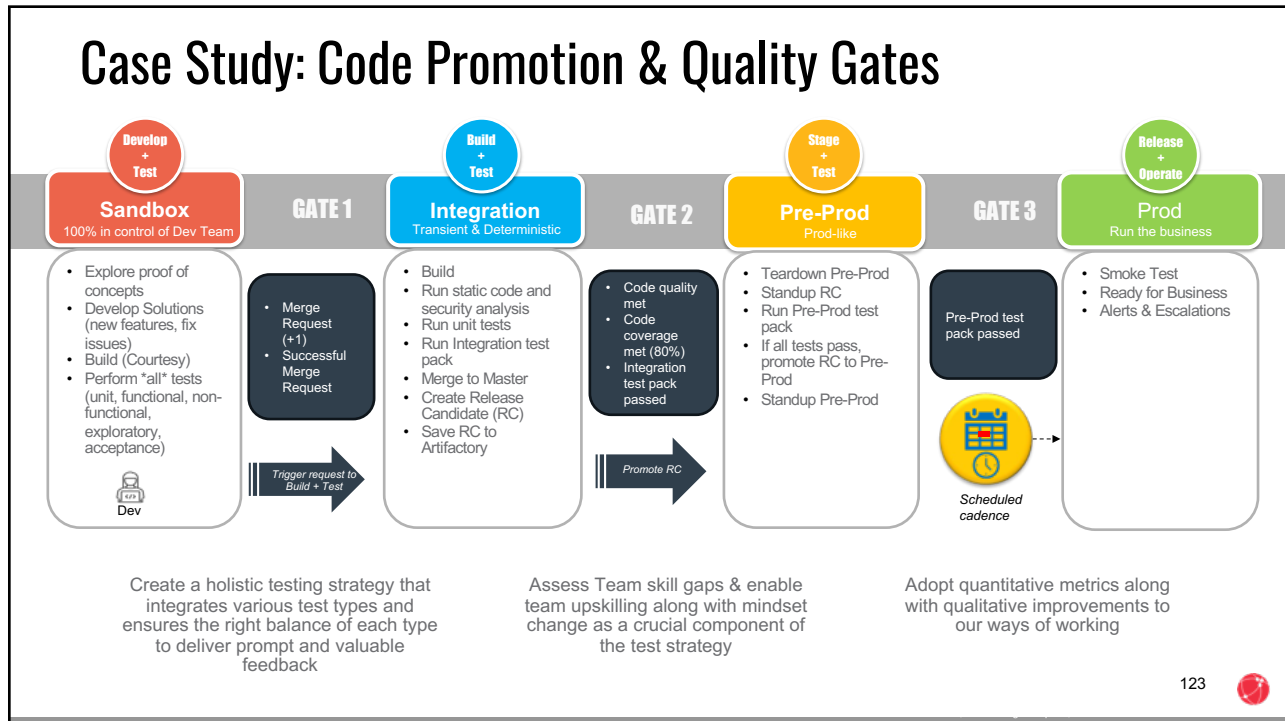
Most direct feedback that informs the development team about the health of application code

## Enable Continuous Delivery

Every change is proven to be deployable on demand (doesn't mean every change has to be released to customer).



- **Eliminate manual steps** from code commit to production deployment
- **Automate** deployment to production, if full automation from code commit to production is not possible
- Store all environment and package information in **version control**
- Enable **self-service** deployment capability
- **Decouple** deployment to production from release



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## How the VMO Helps

- Provide time for lowered productivity while team members learn new skills.
- Integrate related disciplines, such as QA and Operations, into the team.
- Provide training in agile technical practices.
- Engage skilled practitioner-coaches to mentor the team on their real-world work.

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## Case Study: Recommended Technical Practices at USCIS

Value Driven Development	Collaboration	Planning/ Adapting	Testing	Software Design
Continuous Delivery	Onsite Customer	Product Road mapping	Test-driven Development	DevOps
Kanban	Retrospectives	Velocity-based Estimation & Planning	Automated Acceptance Testing	Continuous Integration
Time boxed Iterations (< 4 weeks)	Iteration Reviews	Release Planning	Automated Unit Testing	Automated Builds
Frequent Releases (At least Quarterly)	Product Owner	Stories	Continuous Testing	Frequent Check-in of Code

Foundational Agile Practices for OIT
  Recommended Technical Practices for OIT

- Frequent Check-ins
- Automated Builds
- Automated Unit Testing
- Automated Acceptance Testing

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03

## Product Focus

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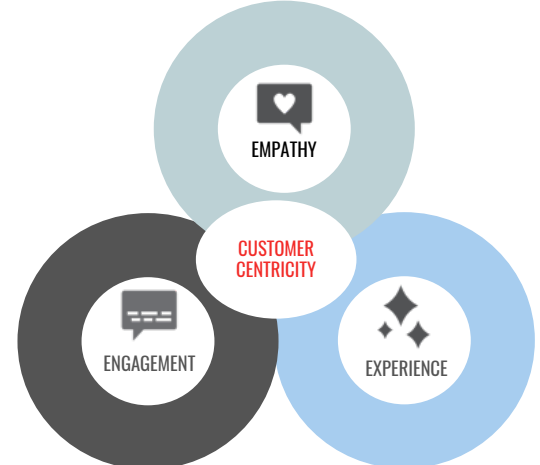


A product focus allows the team to focus on the customer and delivering high value work.


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## Focus on the Customer



- Foster genuine empathy and uncover customer pain points, goals, and needs
- Ensure initial and long-term experience of the customer is always ideal and evolving as needed
- Invest customers in the product and communicate regularly

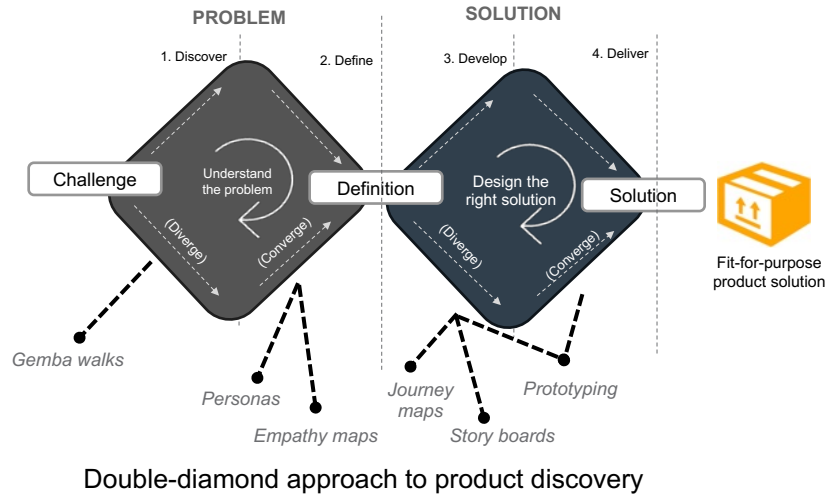
128 

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# ...By Integrating Discovery with Delivery

The goal of product discovery is mitigating risk



## Four phases of product discovery

1. Uncover the underlying challenges
2. Interpret your findings and re-frame the problem
3. Identify creative solutions
4. Collect feedback and validate your solutions

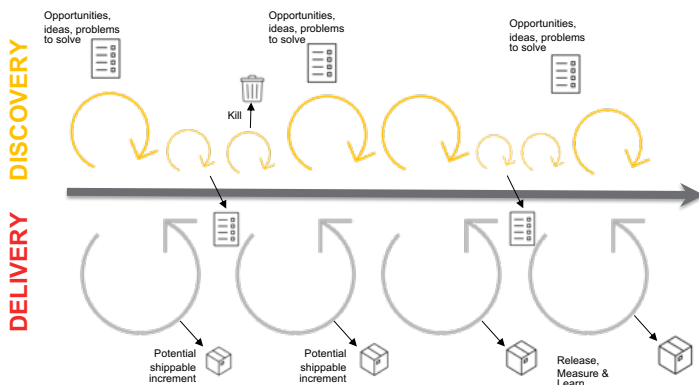
Double-diamond approach to product discovery

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# Example: Dual-Track Development

Discovery work happens concurrently and continuously with delivery work.

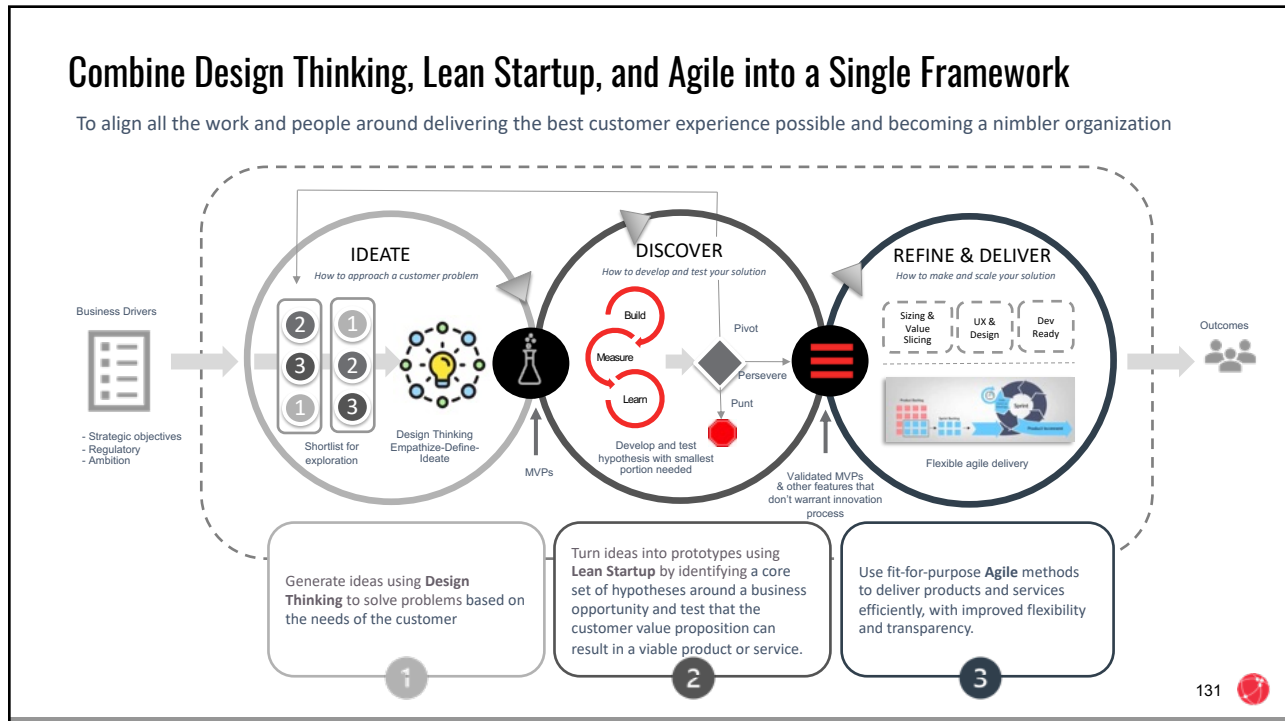


1. **Parallel work:** The two tracks run in parallel, but they are closely aligned
2. **Iterative and Incremental:** In the discovery track, ideas and hypotheses are tested and refined through short cycles of research and experimentation. In the delivery track, product increments are delivered in short, regular intervals
3. **Feedback loop:** Insights and feedback from the delivery track might lead to adjustments in the discovery track, and vice versa

Source: <https://pattonassociates.com/dual-track-development/>

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## Team Agility Summarized

<b>Adaptive Agile</b>	<b>Benefits</b>	Greater visibility into teams' work; ability to redirect & reduce risk	<b>2-6 months</b>
	<b>Key Metric</b>	Progress from a business value perspective, at least once per month	
	<b>Lean on</b>	Scrum, Kanban, and other team-level frameworks	
<b>Execution Excellence</b>	<b>Benefits</b>	Low defects and high productivity	<b>+3-24 months</b>
	<b>Key Metric</b>	The team can release their latest work, at minimal risk and cost, whenever the business desires.	
	<b>Lean on</b>	Extreme Programming, DevOps movement	
<b>Product Focus</b>	<b>Benefits</b>	Higher-value deliveries and better product decisions.	<b>+1-5 years</b>
	<b>Key Metric</b>	The team understands what their market wants, what your business needs, and how to meet those needs.	
	<b>Lean on</b>	Lean Startup, Design Thinking, Lean Software Development	

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## How the VMO Helps

- Dedicate teams 100% to particular products or markets.
- Incorporate business and subject matter experts as full-time team members.
- Enable and expect managers to work collaboratively across the organization to remove obstacles to team performance.



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## Team Agility – Impact vs Effort

Which of the three team-level traverses will have the **most impact**?

Which of the three team-level traverses will be the **hardest to implement**?



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# Strategic Agility

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## What is Strategic Agility?



**Strategic agility is the capacity for your organization to sense change in the environment and adapt in a way that continuously builds value for your customer.**

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## The Ren-Dan-Heyi Model, Zhang Ruimin, Haier Corporation



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## Strategic Agility through Disruption at Haier

### **MANAGERS BECOME ENTREPRENEURS OR LEAVE THE ORGANIZATION.**

We have transformed our organization into a **flat platform with thousands of micro-enterprises**.

There are **no more than 8 people in each one**. They are very much self-employed, self-motivated and self-directed.

When they **see an opportunity in the market**, they don't have to go to their supervisor and ask for permission.

They can **work with a team and start a business**. The true leader is the users' needs.

Whatever the users need, **staff can go for it**. They will obtain venture capital and investment and they will have to **follow up with their own investment**.

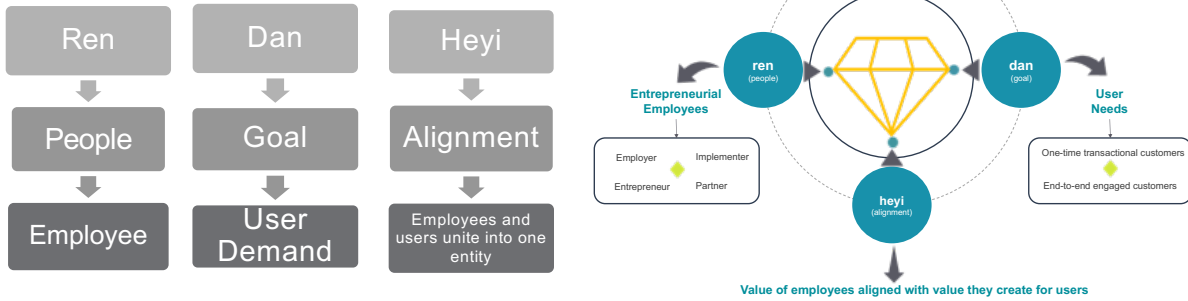
- Zhang Ruimin, CEO Haier Corporation

In 2005, Haier **inverted the traditional pyramid** and organized their 70,000 employees into some 2,000 self-managed teams. In 2012, CEO Zhang went further and pioneered a management model called "**Ren-dan-heyi**," which draws inspiration from traditional Chinese culture as well as Western business practices.

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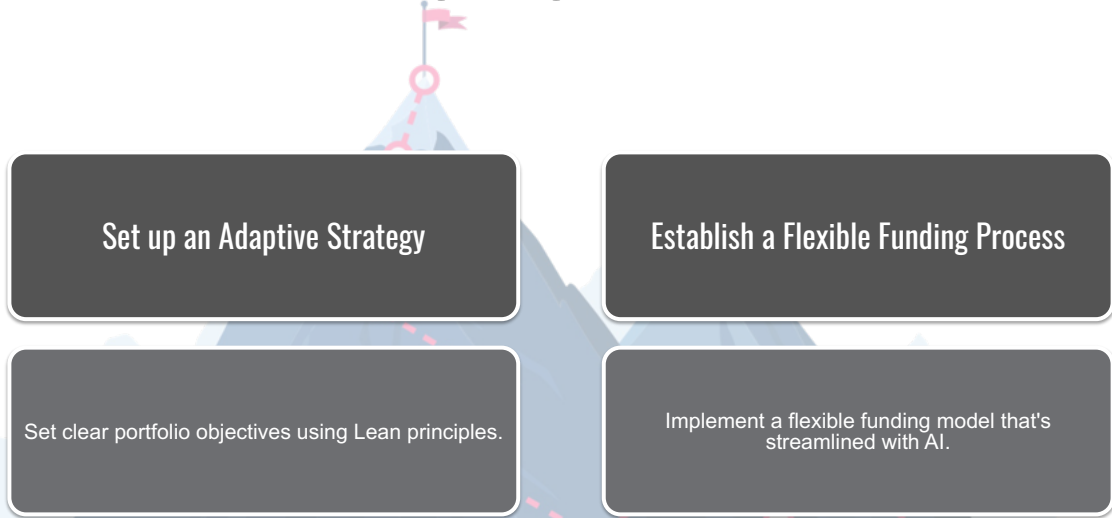
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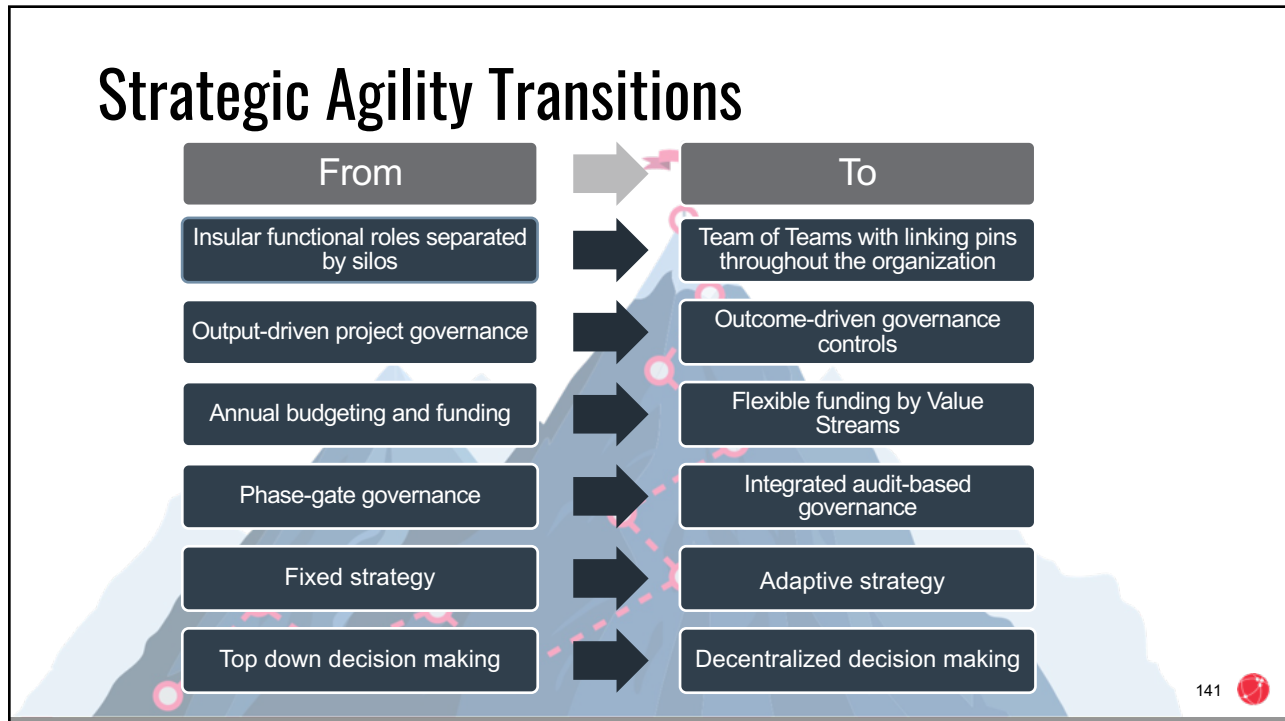
# The Ren-Dan-Heyi Model



The Win-Win Model of Individual-Goal Combination is to let employees become the principal in independent innovation, thereby forming a new pattern of relationship between the enterprise and employees.

# Traverse to Strategic Agility





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## Strategic Agility Gap – Your Self-Assessment

*Rate your organization's strategic agility. Identify gaps in responding to threats & opportunities.*

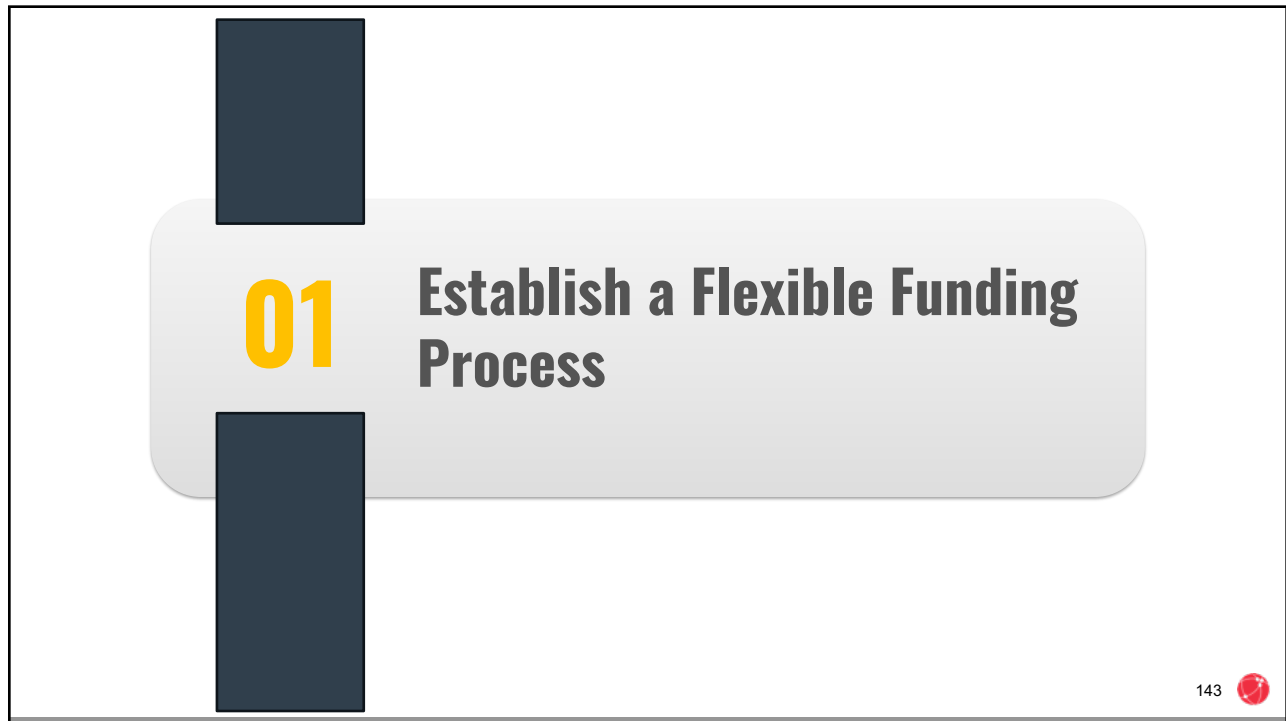
NOT SO MUCH

- How effectively does our organization identify changes in the market and industry trends?
- How well does our organization adapt to new challenges and changes in the environment?
- How well has our organization modified its strategies or operations to better build value for our customers in response to changing conditions?
- Does our organization encourage innovation and experimentation as a response to environmental changes?
- How quickly are decisions made and actions taken once a change in the market or environment is recognized?
- Does our organization measure success in achievement of business objectives and outcomes, rather than delivery of outputs?
- Do we have stable, incrementally adjusted, truly cross-functional teams aligned to products/value streams?


YEA, VERILY!

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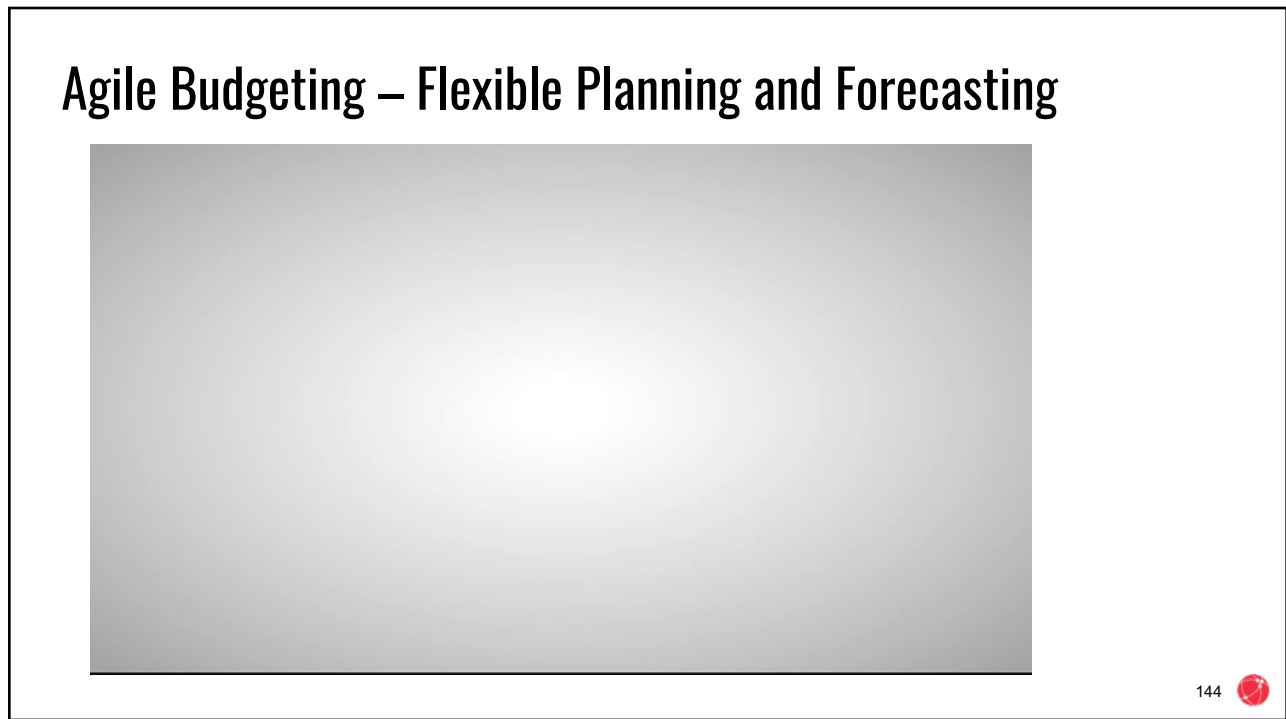


01 **Establish a Flexible Funding Process**


143 

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**Agile Budgeting – Flexible Planning and Forecasting**

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This slide has a white background with the title 'Agile Budgeting – Flexible Planning and Forecasting' in bold black text at the top. Below the title is a large, solid gray rectangular area. The slide number '144' and a red circle icon are in the bottom right corner.

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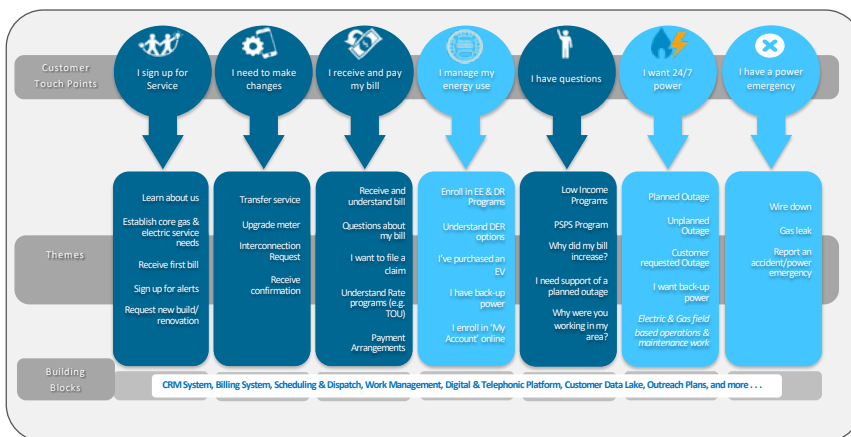
# Budgeting & Incremental Funding

1. Plan dynamically with yearly forecasts and quarterly updates
2. Pre-fund end-to-end value stream teams
3. Allocate money **where it's needed, when it's needed**
4. Focus on economic winners, and terminate economic losers

Yearly budgeting is a **time-consuming and arduous process** that locks us into a **wasteful, rigid cycle** that often leads to the wrong things being done, with an illusion of control.

# Case Study: Value Stream Funding

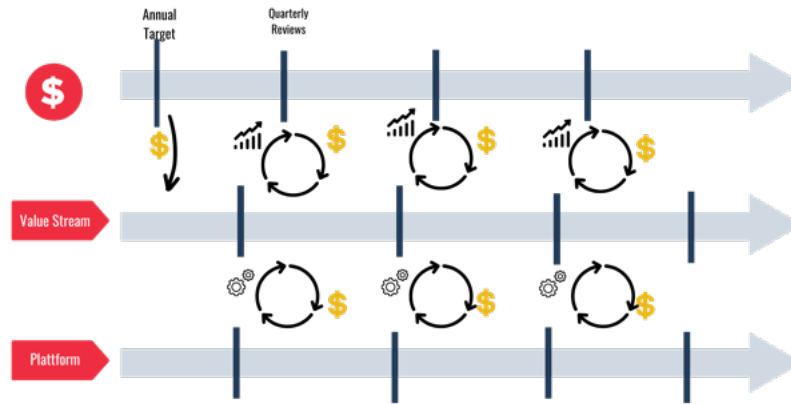
*We value our Customers' time, We value our Customers' money,  
We want to make doing business with us easy and simple*



- Value Streams focused on customer touchpoints
- Funding tied to themes and value streams
- Funding model for enabling technologies and platforms
- Integrated customer discovery
- Scope adjustment done by value streams in conjunction with VMO

## Flexible Funding Process

### Portfolio Governance

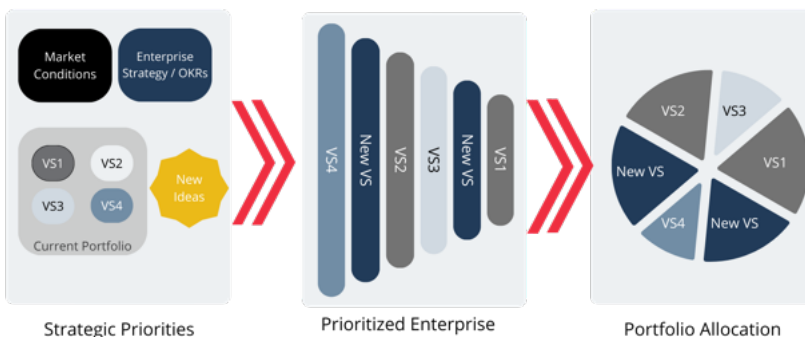


- Annual targets established based on planned spend on Strategy
- Distribution / Allocation to Value Streams and Platforms
- Quarterly review and updates based on actual spend and business pivots

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## Fund and Track Business Outcomes By Value Streams

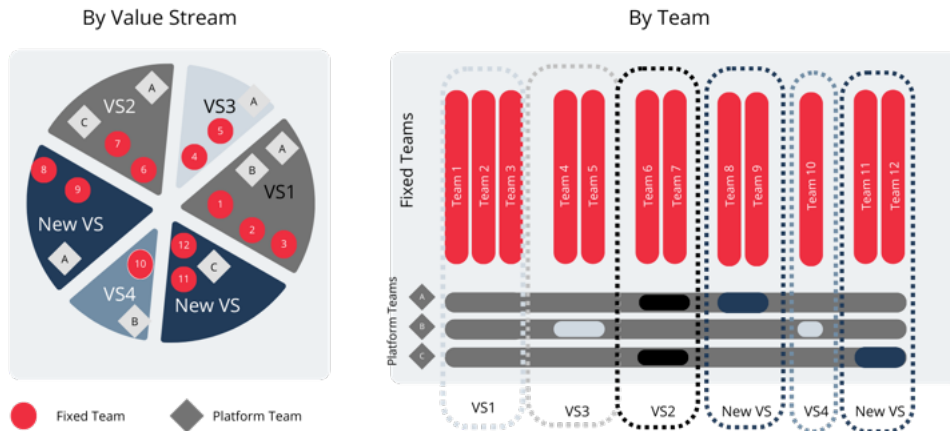


- Transition from plan-based annual funding to flexible funding by Value Stream
- Allow those closest to the Value Stream to determine the highest priority work
- Frequently measure business outcomes per Value Stream to justify continued funding

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## Fund and Track Business Outcomes By Value Streams (Cont'd)



*Business outcomes are tracked quarterly by Value Streams, with traceability to fixed and platform teams.*

**02**

**Lead with an Adaptive Strategy**

## Reinventing Business Using the Observe, Orient, Decide, Act (OODA) Loop

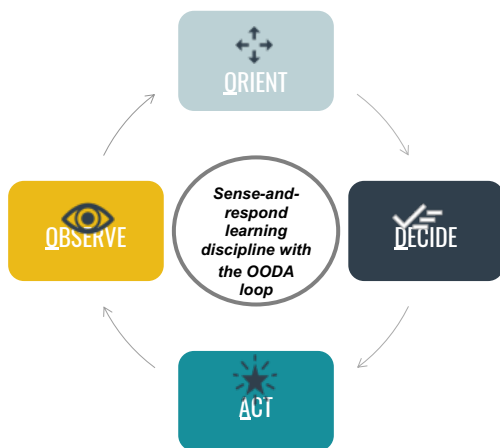


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## Experiment and Validate Outcomes



- Observe – understand value via direct interaction
- Orient – what opportunities for creating value exist?
- Decide - prioritize, and deliver Minimal Marketable Products (MMPs) frequently
- Act – release and pivot as informed by qualitative & quantitative feedback / actionable metrics

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# Link Strategy to Execution

- Capture Strategy using Scenario Planning
- Create OKRs that define outcomes for each Scenario Plan
- Prioritize outcomes based on current business conditions
- Conduct Big Room planning to define quarterly plans and to identify cross-silo risks, dependencies and integration points
- Experiment, measure and validate outcomes
- Adapt plan and course correct as necessary

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# Adapt strategy based on feedback and outcomes

**IDEA** → **DELIVERY** → **BUSINESS OUTCOME**

**HOW FAST CAN WE LEARN & IMPROVE?**

- Strategize more frequently, annual is not enough
- Build feedback mechanisms into every aspect of delivery
- Delegate decision making to where the work is being done
- Adapt strategy based on business outcomes

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## Activity: Review your Agile VMO Launch Plan

30 min

Start an action plan for rolling out your Agile VMO based on the story map we've been building, including identifying potential obstacles and an executive sponsor.

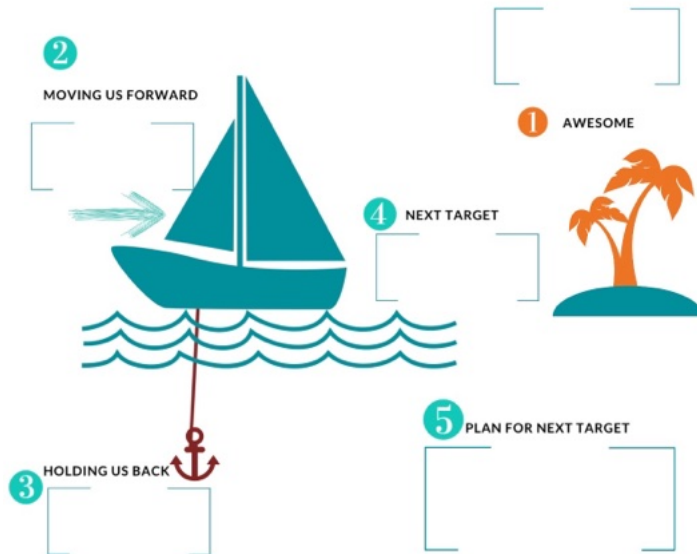


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## Awesome Island – Target State Exercise

1. Determine the "audacious" **goals** for your **Awesome Island**.
2. Determine your current state: List **Driving Forces** as "winds" or propellers
3. Determine your current state: List **Restraining Forces** as "anchors"
4. Determine the **Next Target State**.
5. Discuss concrete steps to **increase wins and/or reduce or eliminate anchors**. Prioritize 2-3 **Actions** from the Next Target State to implement immediately.



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## Awesome Island – What is Awesome?

Determine a few “audacious” **goals** for how you will launch an Agile VMO and train other CVPs.

*This is a future state: 12-18 months from now*

1 AWESOME



## Awesome Island – Identify Driving and Restraining Forces

Identify **driving and restraining forces** i.e., things that are either driving you forwards toward Awesome Island or anchoring you to the status quo.

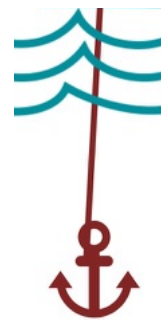
2

MOVING US FORWARD



3

HOLDING US BACK



## Awesome Island – Next Target & Plan for Next Target

### 4 NEXT TARGET



Identify your **Next Target**. i.e., a **tangible, practical goal** achievable in the **next 6 months**.

### 5 PLAN FOR NEXT TARGET



Create a **Plan for Next Target**, with concrete action items.

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