Collaborative Frameworks for Portfolio Prioritization

WASHINGTON AGILE 2019

AUGUST 5-9

conteneo
Agenda

• Frameworks: Tools for Agile teams
• Principles of Portfolio Management
• Portfolio Management Frameworks as Building Blocks
A framework is a tool that enables knowledge workers to perform their jobs.

Prune the Future
*Develop product/service roadmaps*

Speed Boat / Sail Boat
*Conduct scalable retrospectives*

Impact-Effort Matrix
Agile Organizations need *lots of tools.*
We use frameworks at different “levels” of abstraction and different time horizons.

https://masteringtheobvious.wordpress.com/tag/flame/
Frameworks Integrate Time Horizons

Innovation Ambitions for a Company

One Product Tree for each product...
# The Benefits of Frameworks

<table>
<thead>
<tr>
<th>Frameworks...</th>
<th>Here’s How...</th>
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<tbody>
<tr>
<td>Improve decision-making</td>
<td>Frameworks provide a clear structure to problem solving.</td>
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<tr>
<td>Enable efficient collaboration</td>
<td>Frameworks create shared mental models.</td>
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<tr>
<td>Solve increasingly complex problems</td>
<td>No one framework can meet all needs – for example, Scrum doesn’t provide a framework for strategic planning (e.g., no roadmap).</td>
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<td>Leverage wisdom and experience</td>
<td>High-impact frameworks are retained and low-impact frameworks are discarded.</td>
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**Design Thinking**

**Scrum**

**Value Proposition Canvas**

[Diagram of Design Thinking, Scrum, and Value Proposition Canvas]
Why do organizations struggle with prioritization?

Pair up.

*Identify 5 reasons in 3 minutes.*
Common Prioritization AntiPatterns

Lack of data: “HiPPO”s make the “gut” decision.

ROI is often ROLie.

Infrastructure is starved.

Prioritization is confused with resource allocation.
We Know How to Prioritize Better!

Use frameworks.

Use more than ROI.

Get more data by engaging stakeholder teams.

Separate prioritization from resource allocation.
Examples of Better Prioritization

Cisco Corporate Affairs used a variety of frameworks to develop the strategic priorities and tactical budget for Cisco NetAcad.

bp used custom frameworks to prioritize a $2B, 10-yr CapEx Portfolio Prioritization.

PayU used Buy a Feature to prioritize a $55M budget against $80M in requests in ½ day.
Participatory Budgeting at Scale

Every Voice Engaged
Components of an Effective Portfolio Prioritization Process
Foundation

- **Goals**: What we want to achieve and how we know we’re successful
- **Strategy**: How we believe we’re going to realize our goals over time
- **Glue**: Roadmaps that show milestones for strategy – What is our intention for funding and planning
- **Tactics**: Specific resources engaged to do the necessary work – what projects and initiatives are *actually* being funded?
Seven Principles

- Build alignment on **goals** before prioritizing.
- Define strategic **time horizon** (e.g., Is one year strategic or 10?).
- Engage strategic prioritization before tactical prioritization.
- Define reprioritization time horizon (annual? quarterly?).
- Create prioritization **themes** (e.g., "Run the Business”, Infrastructure, Innovation”) and prioritize themes separately.
- Identify not more than 7 critical **attributes** for prioritization.
- Distinguish between "Reserving " and "Allocating” **Resources** (e.g., I might reserve $2M/Quarter for an initiative but only allocate the money one quarter at a time based on performance).
- **Teams** make better decisions at scale so include a lot of them.

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<table>
<thead>
<tr>
<th>Goals</th>
<th>Time Horizon</th>
<th>Themes</th>
<th>Attributes</th>
<th>Resources</th>
<th>Teams</th>
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Core Frameworks
Core Frameworks

Are we aligned on strategic objectives?

What is our roadmap? How do we grow?

20/20 Vision

Prune the Future

What epics or initiatives should we fund?

Is our portfolio balanced?

Participatory Budgeting

Investments by Horizon
# 20/20 Vision

- 5 – 12 strategic priorities or desired outcomes
- 5 to 8 people collaboratively stack rank each item, creating alignment on the goals and the *reasons behind* these priorities.

<table>
<thead>
<tr>
<th>INITIATIVE</th>
<th>BENEFITS</th>
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<tbody>
<tr>
<td>Campaign for the Future</td>
<td>• attract bigger sponsors&lt;br&gt;• open-ended project types</td>
</tr>
<tr>
<td>Healthy Kids Worldwide</td>
<td>• already have successes&lt;br&gt;• global partnerships</td>
</tr>
<tr>
<td>The Joy of Parenthood</td>
<td>• celebrity moms already networked&lt;br&gt;• largely non-controversial</td>
</tr>
<tr>
<td>Health Data Project</td>
<td>• prestigious partnerships&lt;br&gt;• multiple applications</td>
</tr>
<tr>
<td>Blood Drive</td>
<td>• local champs&lt;br&gt;• established sponsors&lt;br&gt;• predictable results</td>
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Prune the Future

- 12-20 epics or initiatives, typically drawn from roadmap
- 5 to 8 people sequence and organize epics and initiatives over time
- Infrastructure supported through the roots
Participatory Budgeting

• 12-20 epics or initiatives described in terms of benefits and costs
• 5 to 8 people given limited budget and work together to fund key items
• Purchased items represent shared priorities
Investments by Horizon

Portfolio organized across various timelines to ensure a balanced set of investments across time horizons

https://www.scaledagileframework.com/lean-budgets/
Let’s Give them a Spin!
What I’ll do at the Talk

• I’ll organize attendees into tables.
• I will give each table a ”kit”, one for each framework, based on a case study drawn from Conteneo’s work
• Each table will try each framework, recording their experience in a learning log
• 20 min: the first slides
• 45 min: 15 min x 3: the first three frameworks
• 10 min: Brief review of the horizon framework
Thank you.

Conteneo, Inc.
1296 Kifer Rd, Suite 601
Sunnyvale, CA 94086

Please visit us at www.conteneo.co!