

AGILE LEADERSHIP ACADEMY
Certified Agile VMO Practitioner

ALA-CVP
★ ★ ★

Certified Agile VMO Practitioner® Course

AGILE LEADERSHIP ACADEMY

1

“ Building a new generation of agile leaders who prioritize value, collaboration, and continuous growth. ”

About the Agile Leadership Academy®

- Global Network of Certified VMO Trainers
- Certified Agile VMO Practitioner (CVP)

2

2

“

Making peoples' work more valued, productive and fulfilling.

”

Enterprise Transformation Clients



Industry Recognition



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

About LitheSpeed®

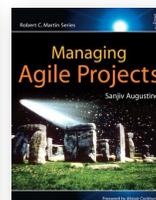
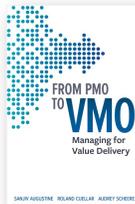
Consulting, Training & Coaching:

- PMO to Agile VMO®
- Lean Portfolio Management
- Certified Agile VMO Practitioner (CVP) and Certified Agile VMO Training (CAT)
- Certified Agile Leadership (CAL)

Meet Your Instructor



Sanjiv Augustine, CEO & Founder



- **Sanjiv** is the Founder and CEO of LitheSpeed, LLC.
- For over 20 years, he has practiced and evangelized adaptive methods, with a focus on **leadership, The Agile VMO and the Product Operating Model**.
- Latest book: *From PMO to VMO: Managing for Value Delivery*.
- Podcast: *Leadership in Flux*.



Logistics & Expectations

Once this course has been completed, you will receive emails:

- From the **Agile Leadership Academy (ALA)**:
 - Your ALA-CVP® certificate
 - A link to the materials from the ALA
 - Link to the LinkedIn Agile VMO group
- From the **Scrum Alliance**:
 - Link to claim your CAL 1 certification and badge



Course Agenda

Introduction

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

Guest Presentation (Recorded)

Portfolio Agility

- Set up an Agile VMO
- Define a Flexible Agile Process
- Organize around Value Streams

Portfolio Agility (Cont'd)

- Establish Lean Portfolio Management
- Govern Adaptively

Closing

Introductory Connection Exercise

10 min

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 years of experience with Scrum, Kanban, SAFe or other Agile method
- 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.



7 

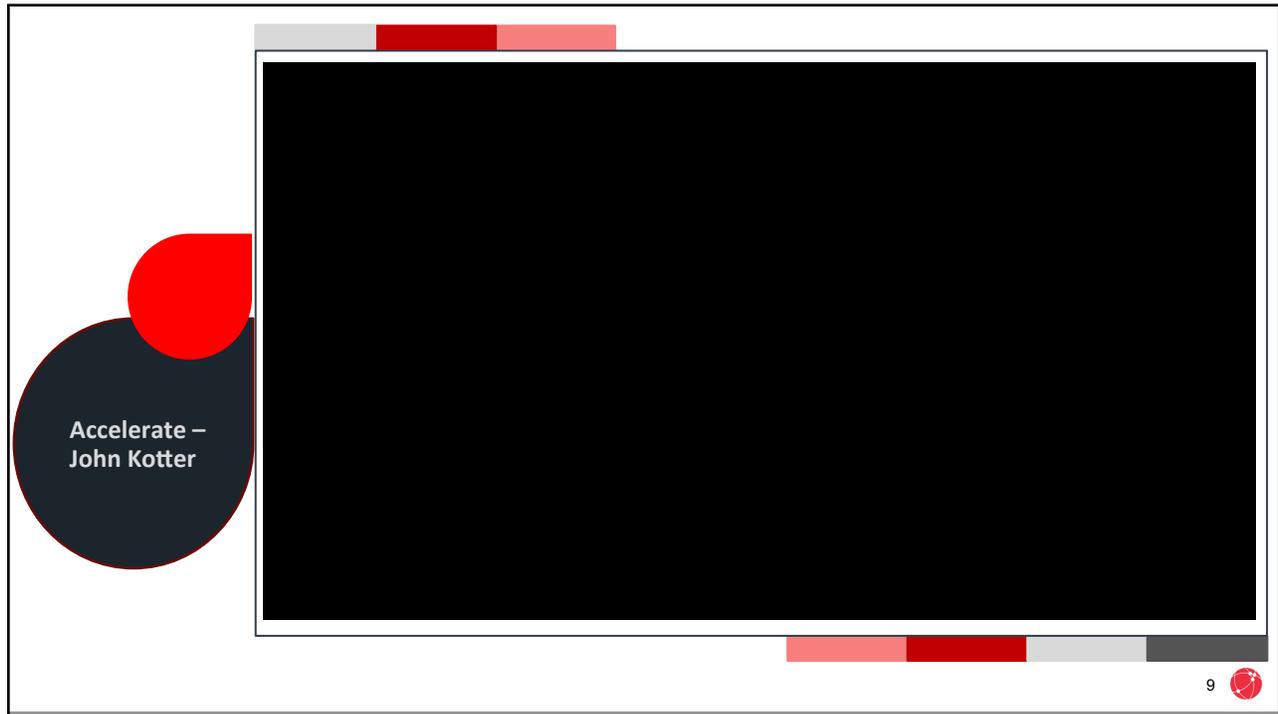
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Why the Agile VMO



8 

8



9

We've Entered a New Era of Agile

The diagram shows a bell curve representing the adoption of Agile methods. The curve is divided into two main sections: a dark blue section on the left and a grey section on the right. The dark blue section is labeled "Tech Product Companies" and includes sub-labels "Start-Ups" and "Individuals". The grey section is labeled "Traditional Organizations" and includes the sub-label "Government, etc.". A red circle with the text "Agile Today" is positioned over the peak of the curve, which is in the grey section. Below the curve, there are five boxes representing adoption stages: "Innovators", "Early Adopters", "Early Majority", "Late Majority", and "Late Adopters". The "Early Majority" and "Late Majority" boxes are dark blue, while the others are grey.

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

10

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

11 

11

Transition to Agile VMO: Essential Shifts

BEFORE	TRADITIONAL ORG	AFTER	
	Unclear strategy		Strategic Clarity Focused OKRs guiding portfolio and team alignment
	Project-focused delivery		Focus on Value Realization End-to-end Agile with an outcome and value-oriented mindset
	Resource allocation focus		Portfolio Flow & Prioritization Focus Prioritized portfolio Kanban, driven by economic prioritization & OKRs
	Multiple stakeholder groups		Executive Engagement Unified Executive Action Team for decision-making
	Annual planning cycles		Dynamic Planning Continuous and quarterly planning for agility and responsiveness
	Project-based teams		Team Sustainability & Customer Focus Stable, funded teams centered on customer journeys & value streams
	Approval-based, phase-gate governance		Value-Based Governance Flexible, audit-based oversight aligned with strategic goals

...  ...

12 

12

Agile VMO: Enabling Value Delivery in a Complex World

The Agile VMO shifts the organization's focus from **outputs to outcomes**, empowering teams and leaders with the tools, transparency, and governance needed to **deliver value continuously in a fast-changing, competitive environment**.



What is the Agile VMO





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.

15 

15



Xavier Huillard – Network of Teams

16 

16

Case Study: 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

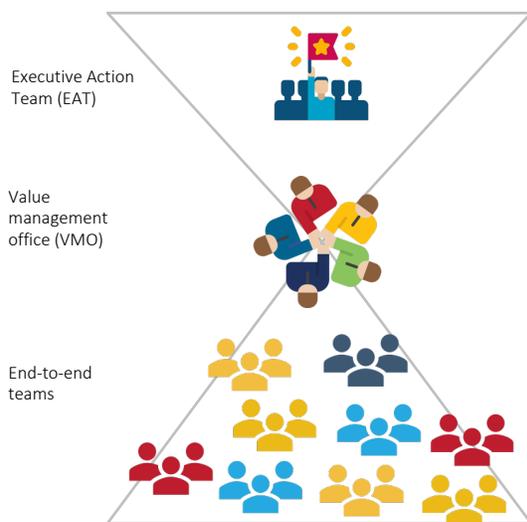
- Attract acquirees by explaining that they will be **part of a network** and not part of a process
- Strategy of decentralization allows us to **respect their culture and to preserve their entrepreneurial strengths**

17



17

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



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.

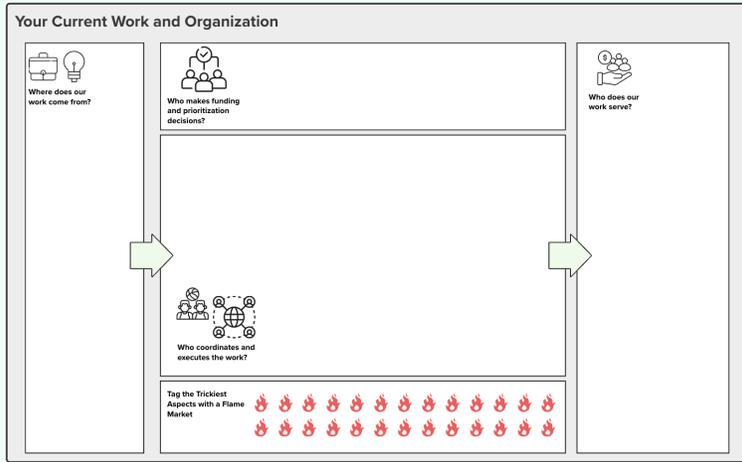
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18

Exercise - Your Book of Work and Organization

10 min



<https://app.mural.co/l/lithespeed3524/m/lithespeed3524/1764600034138/2a77166038f24cb59797231098ce76fda34ba8c6?sender=u8cc50b63468d5e5e9bf40785>

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19

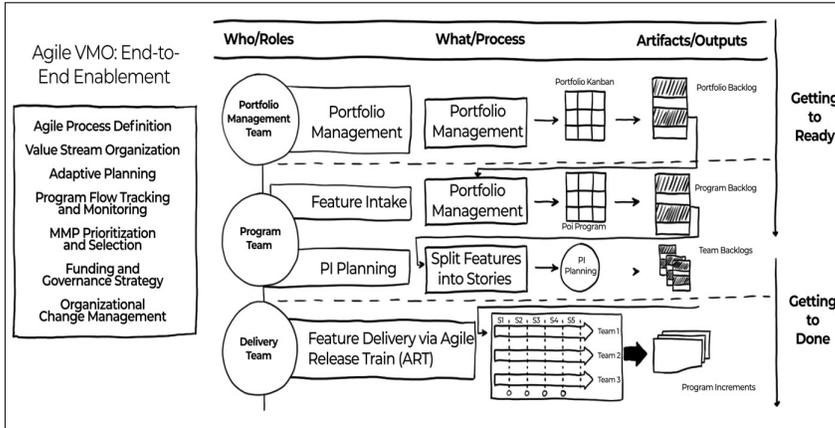
What is its Role?



20

Agile VMO: End-to-End Enablement...

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



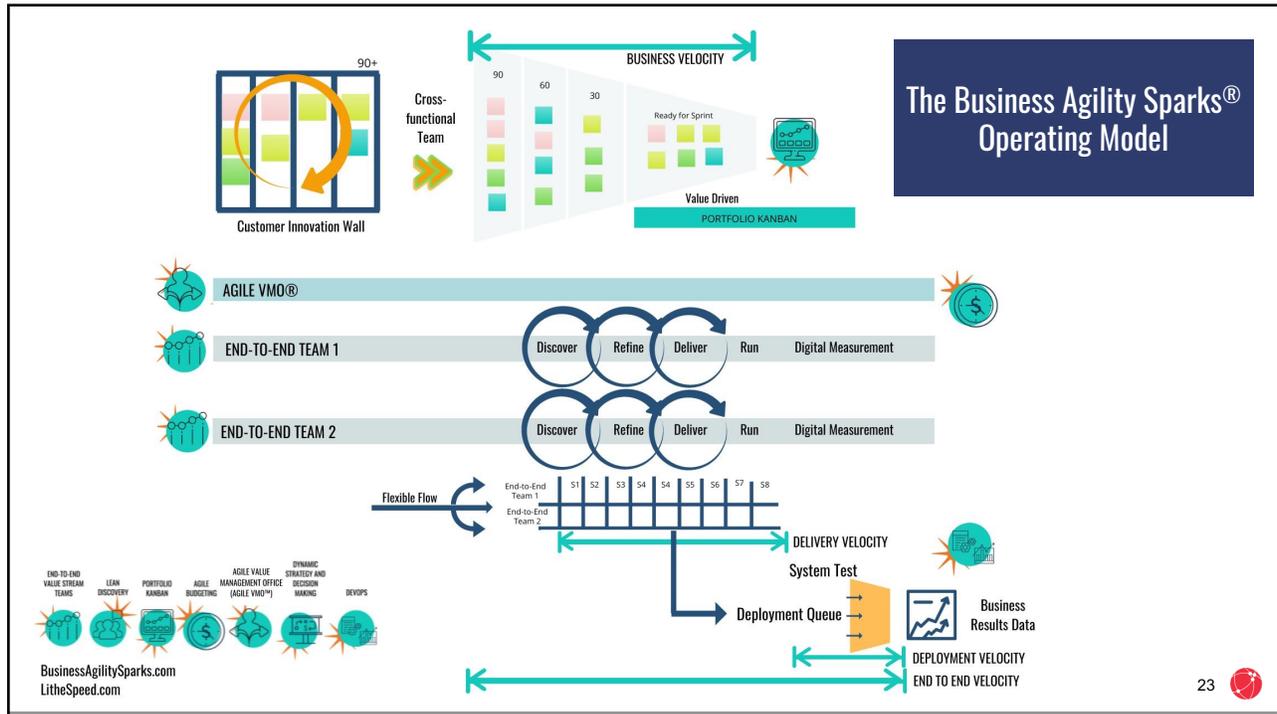
From PMO to VMO Managing for Value Delivery by Sanjiv Augustine, Rolland Cuellar, and Audrey Scheere, Copyright © 2021 by LitheSpeed, LLC

Utilizing a Fit-for-Purpose Operating Model

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





23

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**.

24 

24

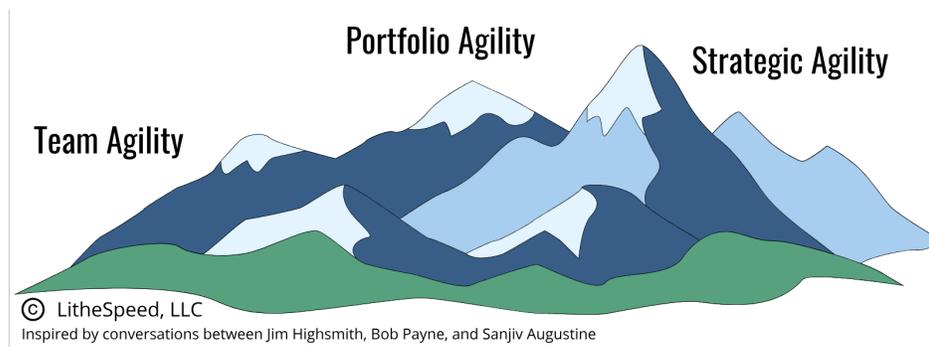
Based on Evolving Maturity: **Traverses**



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.

Enterprise Agility is a Series of Traverses



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

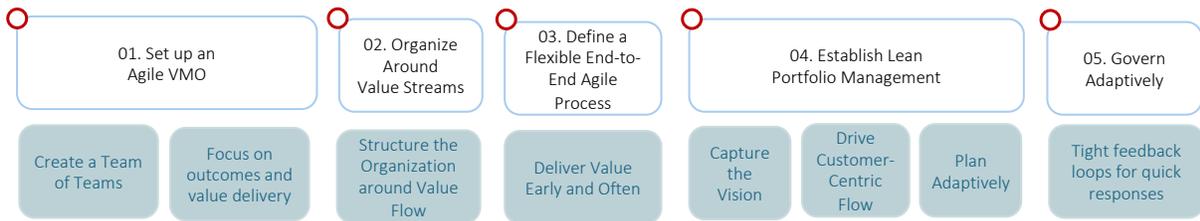


Portfolio Agility



27

Traverse to Portfolio Agility



28



28



01 Set up an Agile VMO

31 

31

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

32 

32

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



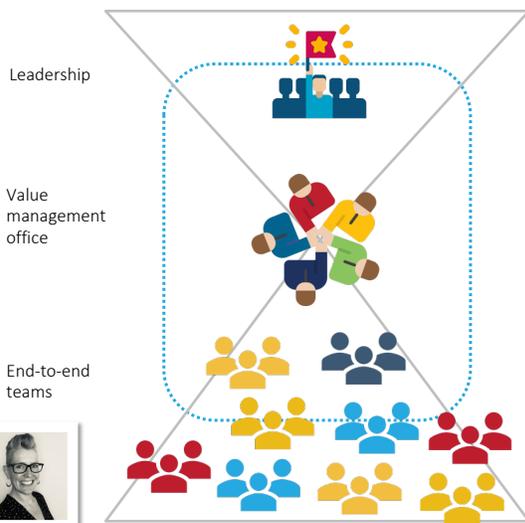
Organizational Practice: WSJF

33



33

Think about the VMO Jobs To Do



Sarah Adams

- What jobs need to be done to manage the portfolio well?
 - Portfolio facilitation, executive leadership, delivery leadership, value leadership
- You can build a 'value management office' as a network of people working together to drive the portfolio forward
- The VMO jobs to do may cut across existing roles and responsibilities

34



34

Example of VMO Jobs To Do

VMO facilitation	Executive leadership	Delivery leadership	Value leadership	Agile team representatives
AKA: Portfolio Director, Solution/Release Train Engineer, Process Lead	AKA: Executive Sponsor, Executive Lead	AKA: Program Manager, Tech Lead, IT Program Manager, Delivery Lead	AKA: Chief Product Owner, Product Manager. Value Lead,	AKA: Program Product Owner, Scrum Master, Lead Architects

35



35

Example of VMO Jobs To Do

VMO facilitation	Executive leadership	Delivery leadership	Value leadership	Agile team representatives
AKA: Portfolio Director, Solution/Release Train Engineer, Process Lead	AKA: Executive Sponsor, Executive Lead	AKA: Program Manager, Tech Lead, IT Program Manager, Delivery Lead	AKA: Chief Product Owner, Product Manager. Value Lead,	AKA: Program Product Owner, Scrum Master, Lead Architects
<p>One per VMO</p> <ul style="list-style-type: none"> • Create and maintain VMO backlog • Facilitate VMO events • Monitor delivery and execution • Maintain risk, issue log and track resolution • Drive continuous improvement (VMO ways of working) 	<p>One or more per VMO</p> <ul style="list-style-type: none"> • Assign VMO roles • Set strategic goals • Establish VMO • Remove escalated impediments • Decide to start a new investment stream or to make a substantial pivot • Lead organizational change • Champion the VMO and agile transformation 	<p>One or more per VMO</p> <ul style="list-style-type: none"> • Set up the VMO • Roadmapping and planning • Support clear prioritization with a focus on technical solutions delivery and operations • Align with OKRs • Refine VMO backlog • Synchronize with product lines 	<p>One or more per VMO</p> <ul style="list-style-type: none"> • Manage work intake • Roadmapping and planning • Clear prioritization with a focus on value delivery • Measure and report on portfolio health • Track metrics • Drive change management actions 	<p>One or more per VS</p> <ul style="list-style-type: none"> • Report on progress against business outcomes • Raise impediments that cannot be resolved at the team level • Highlight dependencies on other teams and entities

36



36

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.

Output
versus
Outcomes
– Jeff
Patton

Value Increment

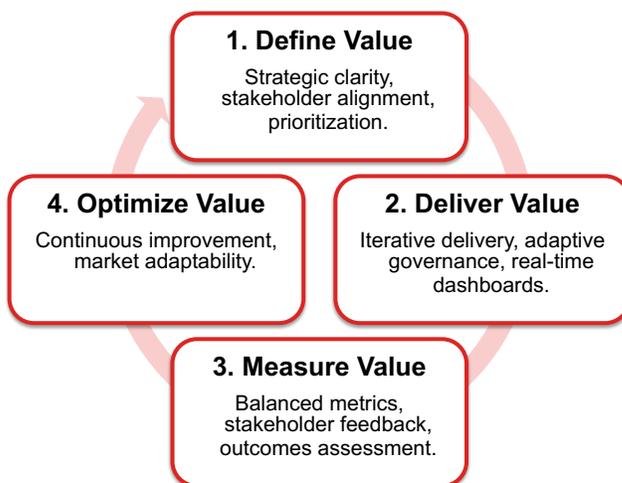


Any incremental value that can be delivered by the organization. It is critical to have defined this and to evolve it over time. These might include:

- Product: Minimal Marketable Product (MMP), Minimum Viable Product (MVP)
- 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

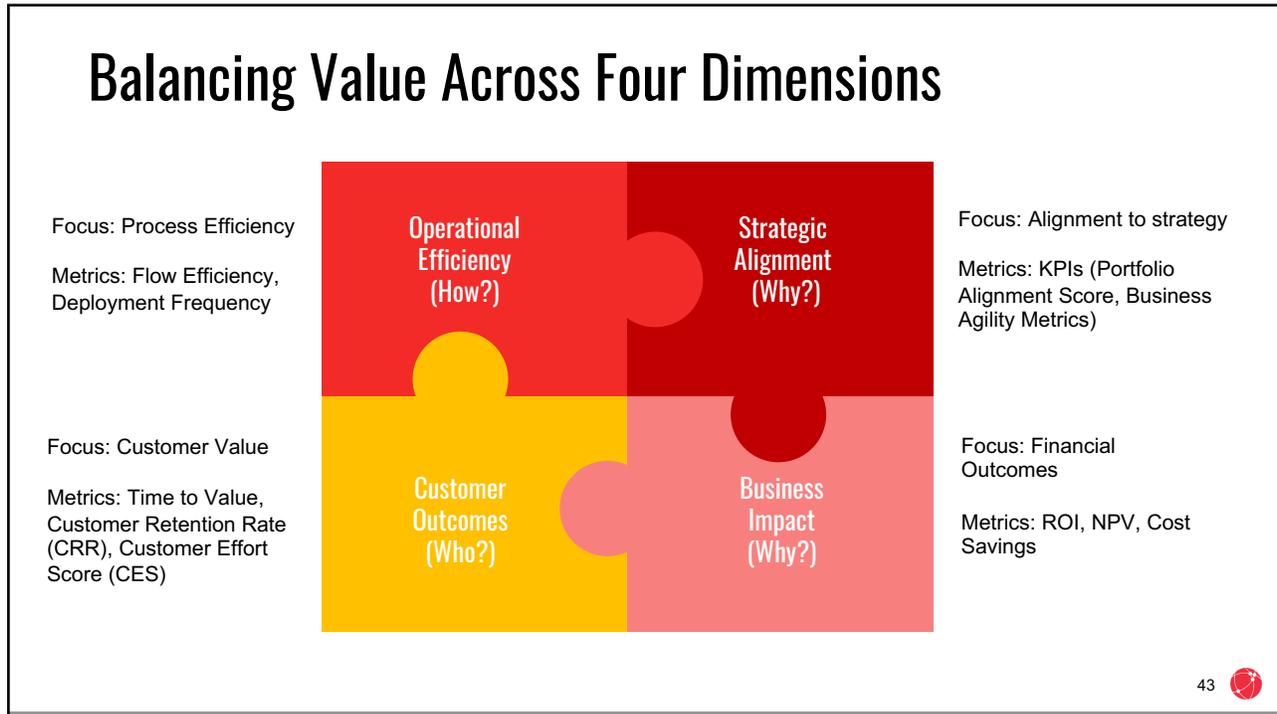
...or increments that make sense for your context.

Value Realization Lifecycle

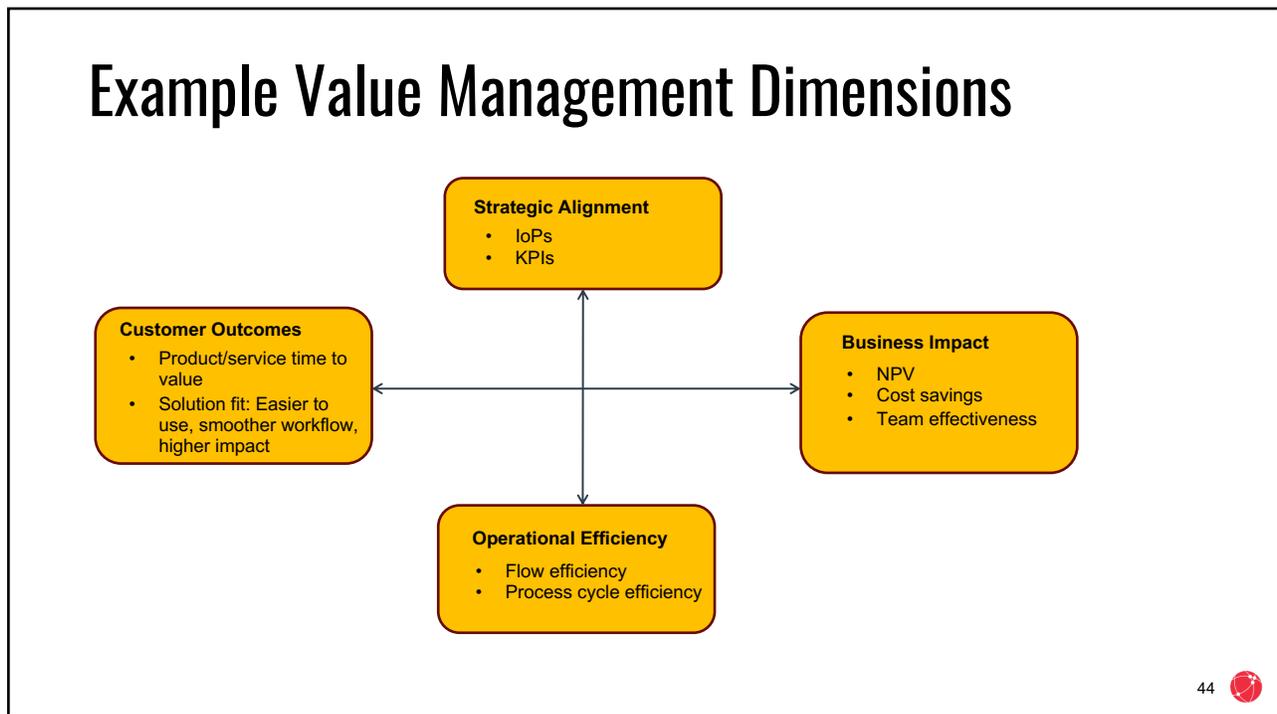


Tools to Drive Value Realization

- Value Stream Mapping for strategic alignment.
- Weighted Shortest Job First (WSJF) for prioritization.
- Kanban Boards for delivery tracking.
- Dashboards for real-time insights.
- Retrospectives for continuous improvement.



43



44

Example Value Realization Scorecard

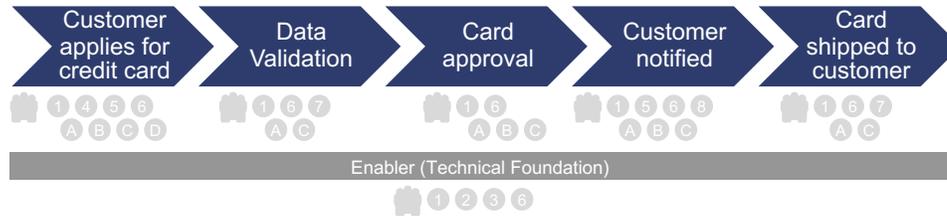
Dimension	Metric	Target	Actual	Trend
Strategic	Strategic Alignment	90%	85%	▼
Customer	NPS Score	75+	78	▲
Financial	ROI on Initiatives	15%	12%	▼
Operational	Deployment Frequency	Bi-Weekly	Monthly	▼

02

Organize Around Value Streams

What is a Value Stream?

A series of steps delivering value to customers, from request to delivery.



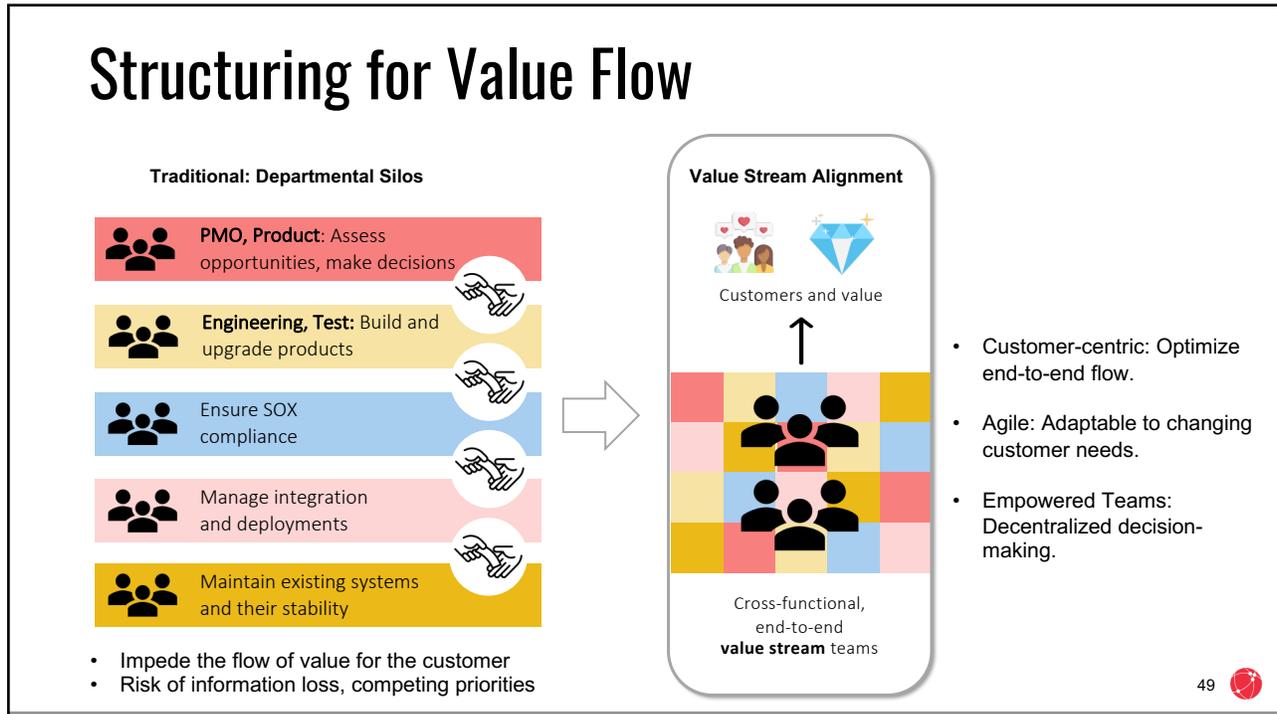
Breaks silos for better collaboration.

Focus on customer-centric outcomes.

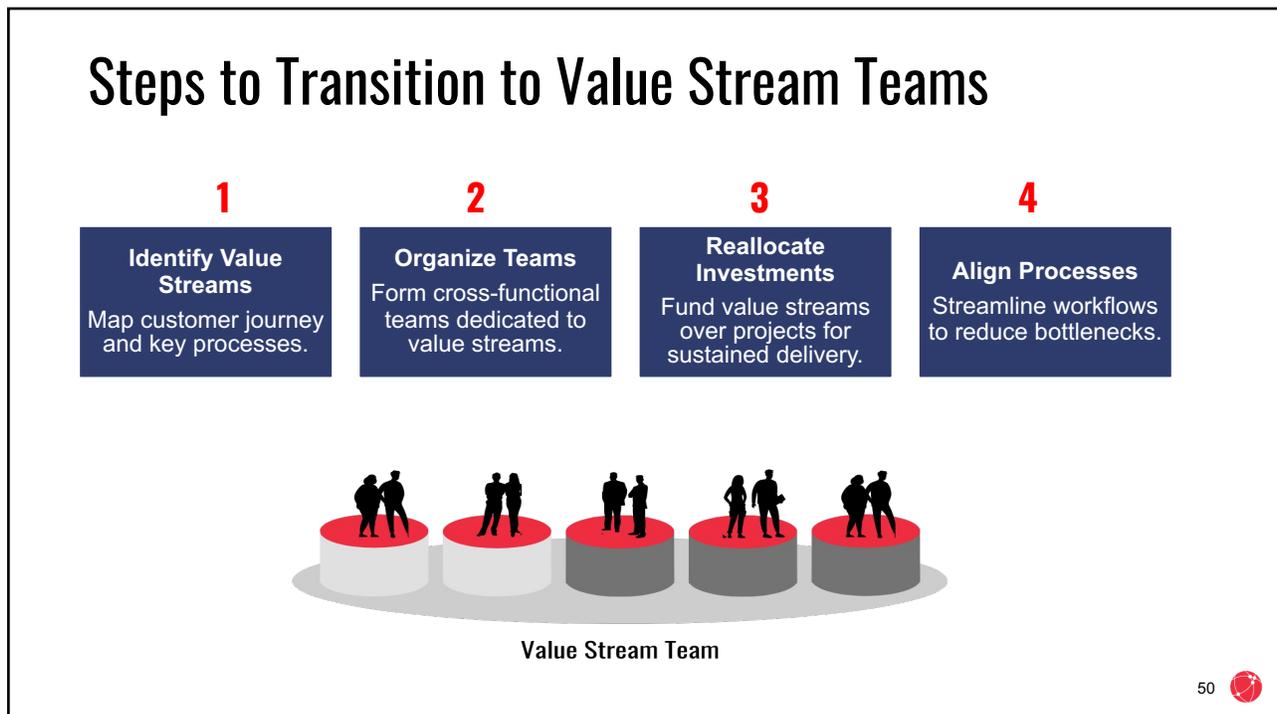
Enables faster delivery and adaptability.

End-to-End Value Stream Teams – Roland Cuelar

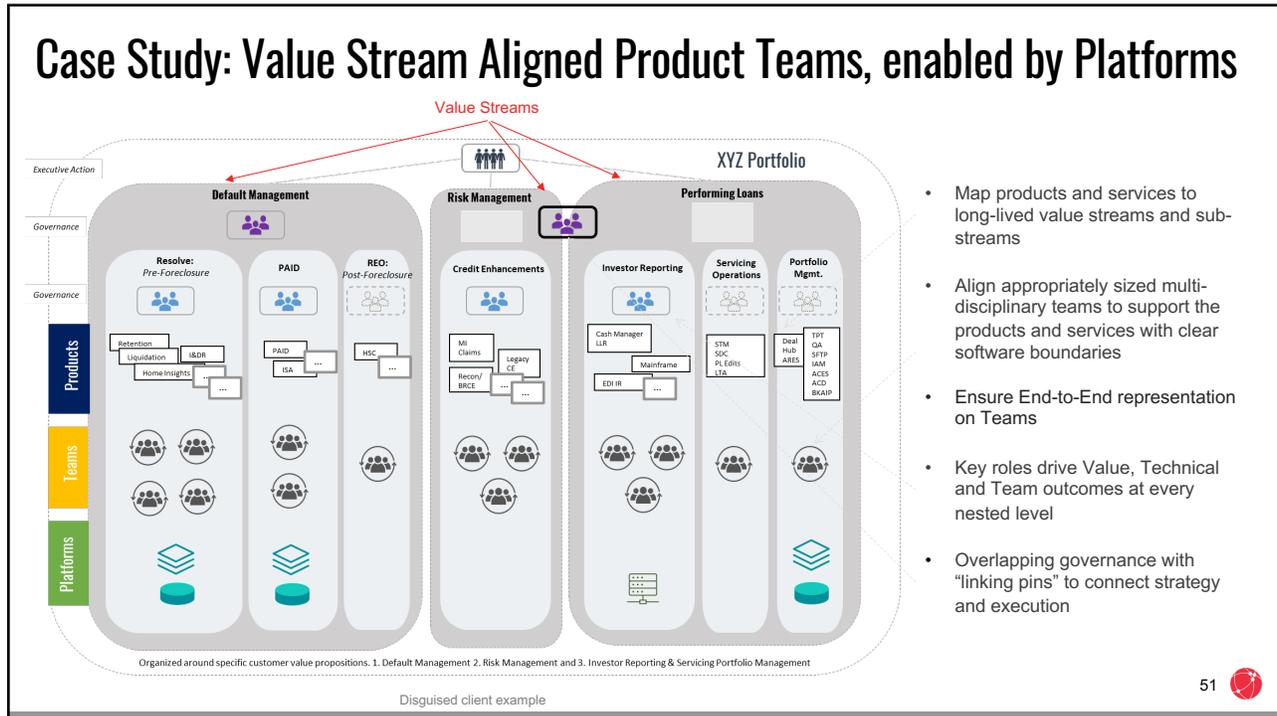
https://www.youtube.com/watch?v=fAkI9_FZAWU



49



50



51

Value Stream vs. Traditional Structures

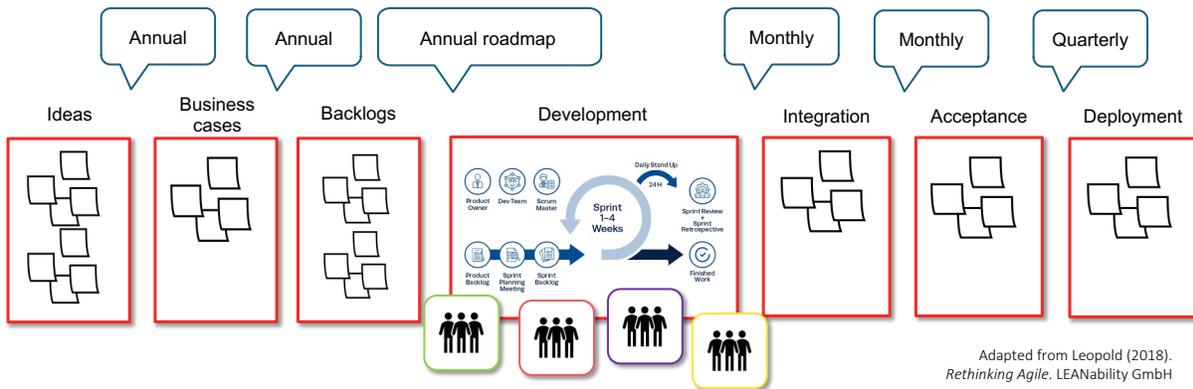
Aspect	Traditional	Value Stream Aligned
Focus	Departments	End-to-end value delivery
Decision-Making	Centralized	Decentralized
Collaboration	Limited by silos	Cross-functional
Metrics	Output-focused (e.g., hours)	Outcome-focused (e.g., customer value)

52

52

Team Agility is not Enterprise agility

If we focus only on team agility, we miss the big picture

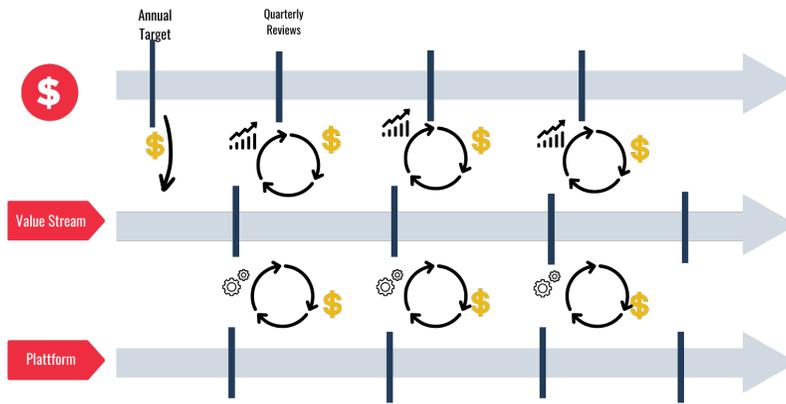


Agile Funding – Roland Cuellar

54



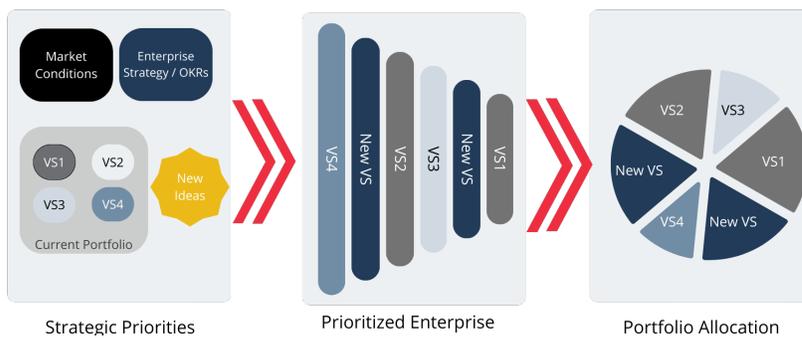
Flexible Funding Process



- 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

55

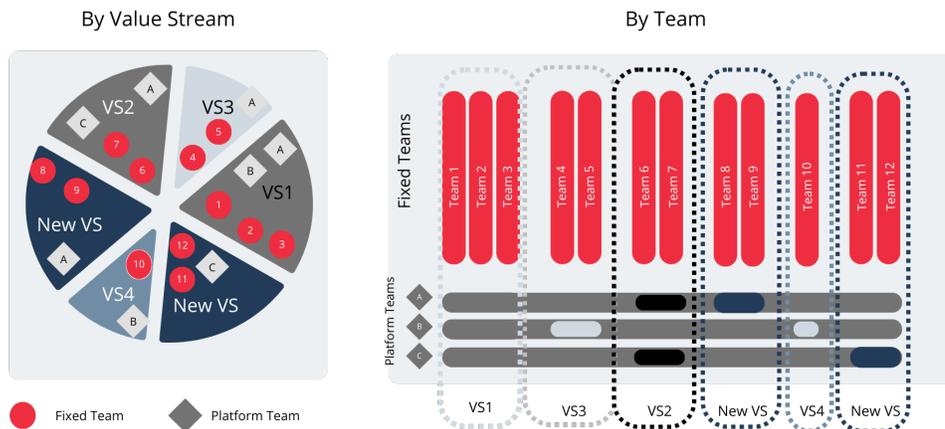
Fund and Track Business Outcomes By Value Streams



- 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

56

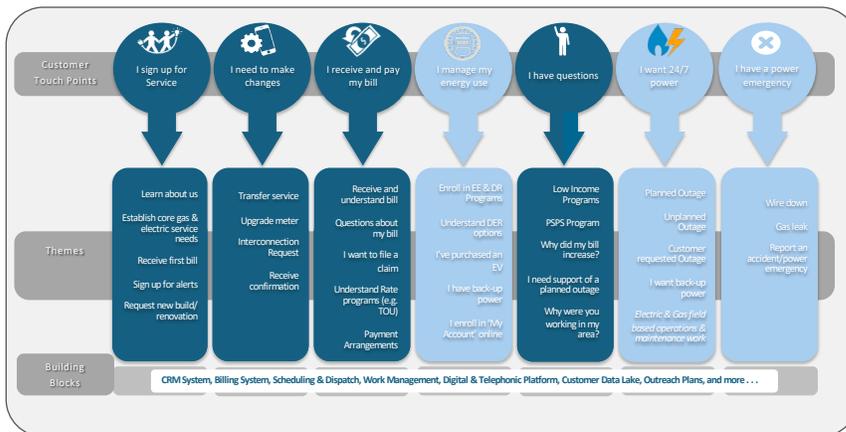
Fund and Track Business Outcomes By Value Streams (Cont'd)



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

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



03 Define a Flexible End-to-End Agile Process

59 

59

Establish Process Guardrails without Prescription

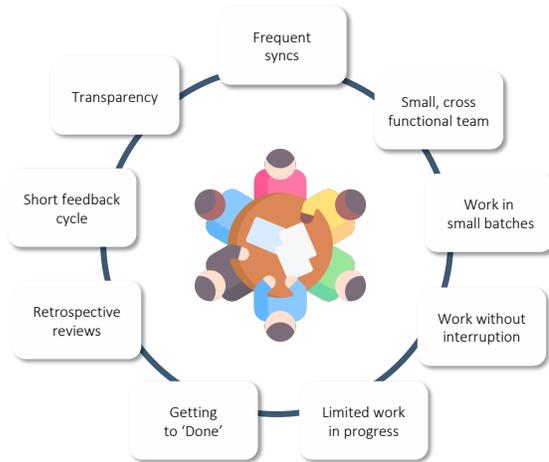
1. Programs and projects frequently deliver valuable product	2. Value is continuously discovered and aligned to mission	3. Work flows in small batches and is validated	4. Quality is built in
5. Teams collaborate across groups and roles to improve flow and remove delays	6. Security, accessibility and other compliance constraints are embedded and verifiable	7. Consistent and repeatable processes are used across build, deploy, and test	8. The entire system is deployable at any time to any environment

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

60 

60

Focus on **Value** with Agile Management Practices



Benefits	Greater visibility into teams' work; ability to redirect & reduce risk
Key Metric	Progress from a business value perspective, at least once per month
Lean on	Scrum, Kanban, and other team-level frameworks

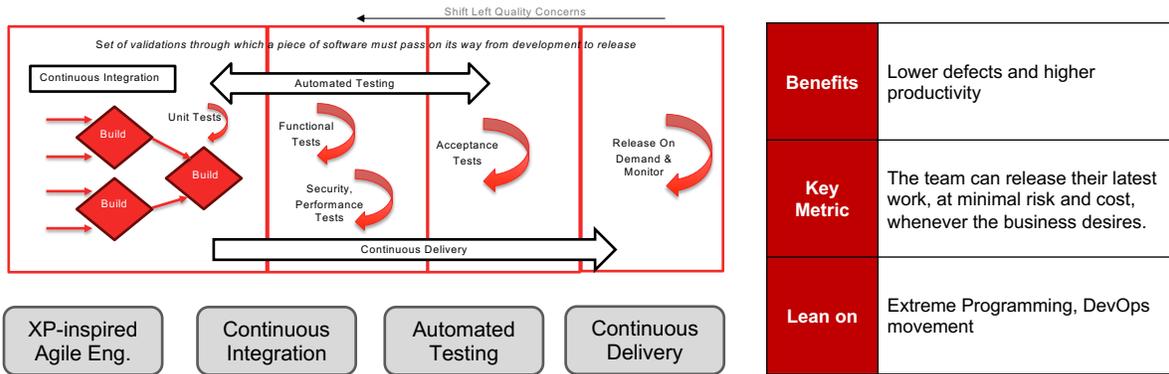
EXAMPLE: Foundational Agile Practices at USCIS

Value Driven Development	Collaboration	Planning/ Adapting	Testing	Software Design
Continuous Delivery	Onsite Customer	Product Roadmapping	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

8 practices that all teams must adopt to achieve a minimum level of agility within the United States Citizenship and Immigration Services (USCIS) Organization

Focus on **Delivery** with Agile Technical Practices



63

EXAMPLE: Recommended Technical Practices at USCIS

Value Driven Development	Collaboration	Planning/ Adapting	Testing	Software Design
Continuous Delivery	Onsite Customer	Product Roadmapping	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

64

Focus on the **Customer** by integrating Discovery Practices

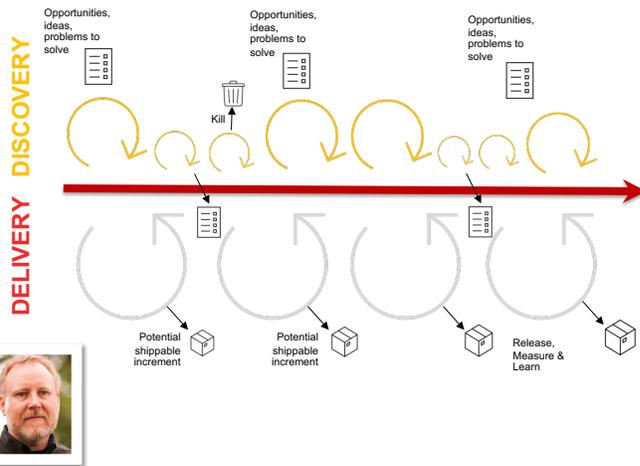


Benefits	Higher-value deliveries and better product decisions.
Key Metric	The team understands what their market wants, what your business needs, and how to meet those needs.
Lean on	Lean Startup, Design Thinking, Lean Software Development

Lean Product Discovery – Sanjiv Augustine

The slide features a dark green background with a title circle on the left containing the text 'Lean Product Discovery – Sanjiv Augustine'. There are decorative red and grey bars at the top and bottom of the slide.

EXAMPLE: Dual-Track Development



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

Parallel Tracks, One Goal:

- Discovery shapes the product backlog.
- Delivery builds and delivers validated features.

Iterative & Incremental:

- Discovery: Test ideas quickly.
- Delivery: Deliver in sprints.

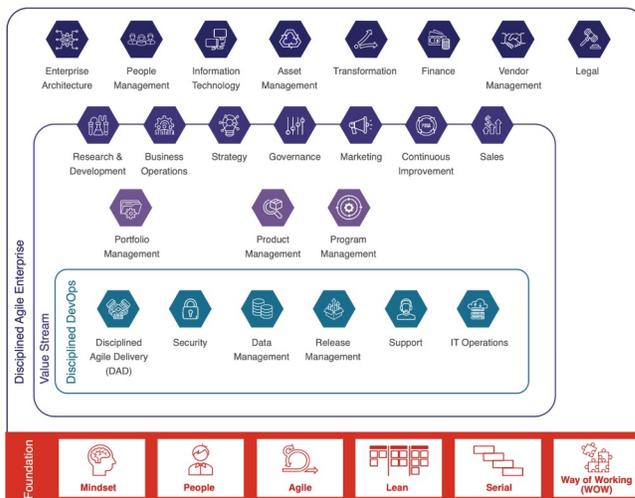
Strong Feedback Loop:

- Delivery insights refine discovery.
- Continuous learning and adaptation.

Seamless Integration

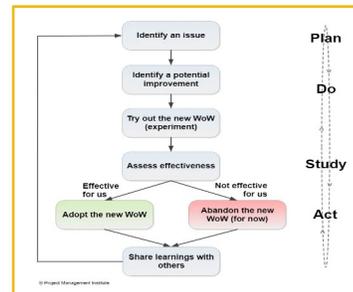
- Validated ideas flow easily from discovery to delivery.
- Prioritization keeps work aligned with customer needs.

Scaling Patterns from Disciplined Agile



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<https://www.pmi.org/disciplined-agile/introduction-to-disciplined-agile>



Pattern Sets

- Team of Teams
- Heterogeneous Scaling
- Flow and Cadence
- Cadence Based
- Steady Team
- Governance Team
- Decision Patterns

Exercise – Define a Flexible Agile Process

10 min

Agile Practices

Cross-Team Core	Cross-Team Optional
Team Core	Team Optional

Scrum of Scrums	Cross Team Management	Portfolio Kanban	Limiting WIP
Big Room Planning	Dependency Management	Pull	Buffered Planning
Product Management	Program Demo	Explicit Policies	Executive Action Team
Customer Discovery	Personas	Amplification	Sprints
Lean Startup	Dual Track Agile	Embedded Scrum Master	Product Owner
Product Market Fit	Product Canvas	Sprint Review	Product Canvas
User Stories	Story Points	Infrastructure as Code	Containers
CI/CD	Test Automation	Service Versioning	Blue Green Deployments
Refactoring	Sprints	Feature Toggles	Continuous Delivery



<https://app.mural.co/l/lithespeed3524/m/lithespeed3524/1764600034138/2a77166038f24cb59797231098ce76fda34ba8c6?sender=u8cc50b63468d5e5e9bf40785> 69

69

04

Establish Lean Portfolio Management

70

70

What is a Portfolio?



A collection of related projects, products, or initiatives managed as a group, allowing for holistic prioritization and optimization based on strategic business goals.

71 

71

Managing the Portfolio

Clarify your **decision-making** practices

- **Inputs:** Be concrete about the information needed to feed decisions at each stage
- **Criteria:** Explicitly identify the factors people need to consider when making decisions
- **People:** Be clear about who decides when items move to the next stage in the portfolio



72 

72



Obeya Video

<https://www.youtube.com/watch?v=ApbBW9h5Ko0>

73

The image shows a video player interface. On the left, there is a dark blue circle with the text "Obeya Video" and a red circle partially overlapping it. To the right is a large black rectangle representing the video content. Below the video player, there is a URL: "https://www.youtube.com/watch?v=ApbBW9h5Ko0". In the bottom right corner of the player area, there is a small red circle with the number "73" and a red play button icon.

73

What is Lean?

Lean or Lean management is a business approach for maximizing customer value while minimizing waste.

5 Core Concepts

- 1 Value**
What the customer is willing to pay for
- 2 Value Stream**
The series of processes that collectively create value for a customer, from request to fulfillment
- 3 Flow**
The continuous movement of product through the value stream without interruption
- 4 Pull**
Responding rapidly to demand from downstream customers, rather than forecasting it
- 5 Continuous Improvement**
A relentless elimination of waste while maintaining high quality

74

The image is a slide titled "What is Lean?". It defines Lean management as a business approach for maximizing customer value while minimizing waste. It lists five core concepts: 1. Value (What the customer is willing to pay for), 2. Value Stream (The series of processes that collectively create value for a customer, from request to fulfillment), 3. Flow (The continuous movement of product through the value stream without interruption), 4. Pull (Responding rapidly to demand from downstream customers, rather than forecasting it), and 5. Continuous Improvement (A relentless elimination of waste while maintaining high quality). The slide has a red vertical bar on the left with the text "5 Core Concepts" written vertically. In the bottom right corner, there is a small red circle with the number "74" and a red play button icon.

74

Process Cycle Efficiency

Value Stream Maps traditionally track a single item or service from request to fulfillment.



Process Cycle Efficiency is a key measure of leanness.

$$PCE = \frac{\text{(sum of time for Value Added process steps)}}{\text{(sum of time for All process steps)}}$$

- Process map entire value-stream at a high level, drilling down into more detail only as potential areas of interest are identified.
- Sum times for each activity by value category (VA, NVA & BVA) and divide as indicated above.

Recognize Waste

8 Wastes of Knowledge Work



Partially Done Work
Work Started, but not complete



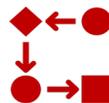
Waiting/Delays
Time lost while waiting to start such as approvals and reviews



Extra Features
Features that are not required, or low value items



Hand-offs
Effort required to communicate or move information or deliverables between groups



Extra Processing
Any step in the process that adds no value



Defects
The cost of fixing defects and impact of rework



Task Switching
Lack of focus derails flow and context-switching results in delays



Non-Utilized Talent
Underutilizing people's talents, skills, and knowledge

Exercise – Find the Waste in your Process

10 min

Waste in Your Process

Waste	Example from your context	Any Ideas to Improve?
Partially Done Work		
Extra Features		
Extra Processing		
Task Switching		
Waiting/ Delays		
Hand-offs		
Defects		



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77

What is Lean Portfolio Management (LPM)?

Aligning strategy with execution using lean principles and agile portfolio operations and governance.

LPM Principles

- Shift from tactical to strategic Roles
- Push decision-making down to the appropriate level
- Limit work in progress and align to capacity
- Plan face-to-face with meaningful visual artifacts
- Planning cadence appropriate to the level of planning
- Focus on fast, frequent delivery of customer value

78

78

What are Key Outcomes of LPM?



Backlogs are decomposed into features/value increments



Batching is minimized so that features/value increments are flowing independently of each other



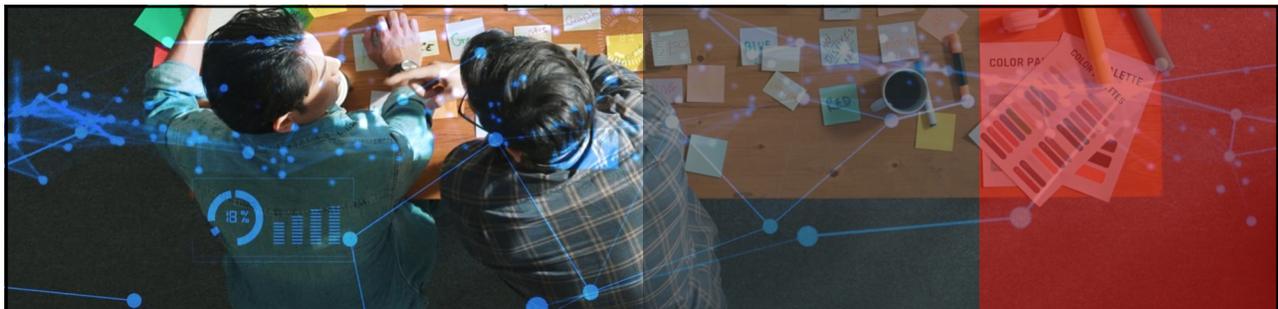
Business outcomes that support the strategy are being incrementally achieved on at least a quarterly basis



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



Address organizational bottlenecks



Capture the Vision



What is an OKR?

https://www.youtube.com/watch?v=hl_tElpCzyE

81

81

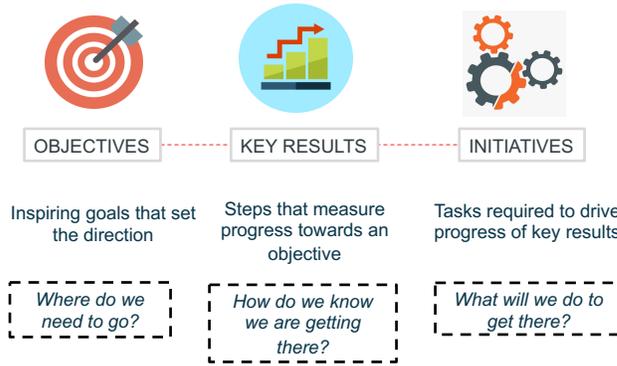
Connecting Strategy to Execution

Level	Purpose	Focus	Connection	Example
Vision	Defines the overarching aspiration and purpose, guiding strategic direction.	Long-term direction and strategic intent.	Informs OKRs and aligns all levels.	Become the most customer-centric financial platform.
OKRs	Define measurable, strategic goals	Outcomes & impacts	Guide the creation and prioritization of MMPs.	Increase NPS to 80.
MMPs	Deliver smallest testable customer-centric value increment to market validating progress toward OKRs.	Value Delivery	Decomposed into Epics to achieve desired outcomes.	New customer onboarding experience.
Epics	Organize high-level capabilities supporting MMPs.	Capabilities	Broken into Features for actionable delivery.	Simplify sign-up flow.
Features	Define distinct functionalities or pieces of value.	Customer-centric functionality	Composed of Stories to enable incremental progress.	Add social login.
Stories	Describe smallest units of value delivery.	Implementation	Delivered iteratively to build Features.	Allow login via Google.

82

82

Describe Strategic Goals with Objectives & Key Results

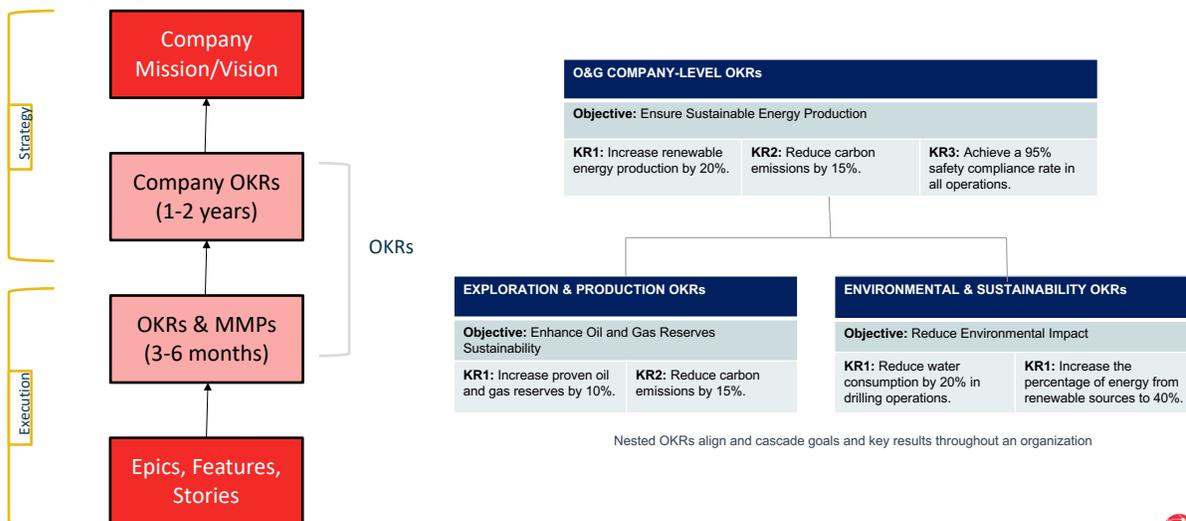


OKRs are:

- SMART - specific, measurable, achievable, relevant, and time-bound
- Reviewed & updated regularly

Objectives	Key Results
O1: Streamline Mortgage Processing for Faster Approvals	KR1: Achieve a 20% reduction in the average time it takes to process a mortgage application from submission to approval within the next quarter .
	KR2: Implement an end-to-end digital mortgage application process, resulting in 80% of customers using the digital platform for application submission by the end of the year .
	KR3: Achieve a 98% accuracy rate in mortgage documentation and compliance checks to minimize regulatory risks.

Example: Bridging Strategy & Execution with OKRs

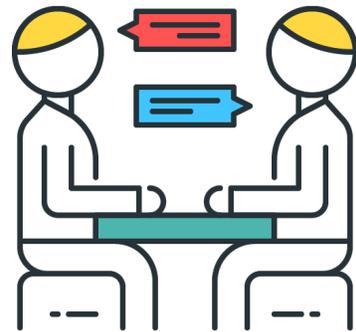


Exercise – Develop Your OKRs

10 min

Develop an OKR

Objective	Key Results		



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85

85



Drive Customer-Centric Flow



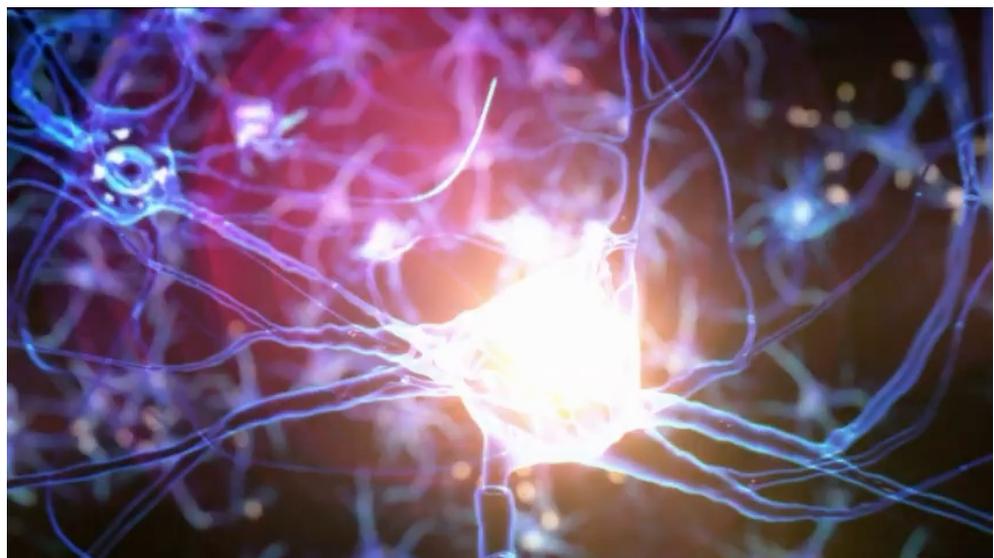
86

What is Portfolio Kanban?



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

Portfolio
Kanban –
Bob Payne

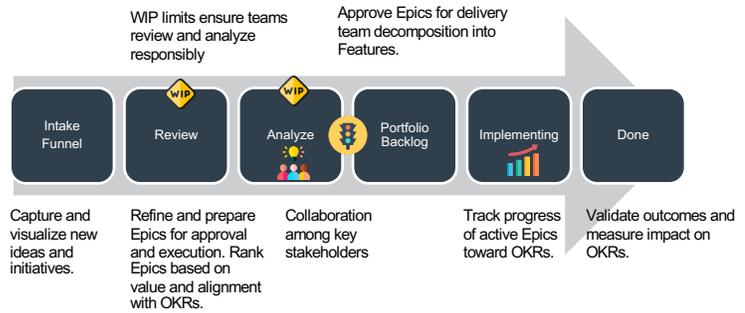


Portfolio Kanban System

A Portfolio Kanban System ensures **alignment, transparency, and flow** of high-level initiatives (OKRs, MMPs, and Epics) from strategy to execution.

Key Principles

- **Align work** with OKRs and business value.
- **Optimize flow** by limiting WIP (Work in Progress).
- **Deliver incrementally** through MMPs for faster feedback.
- Enable lightweight, **adaptive governance**.



Visualizing Delivery at a Financial Institution



Managing the portfolio

Intake funnel	Review	Discovery	Portfolio backlog	Implement	Delivered



Sarah Adams
Source: <https://alluvial-consulting.com/>

91

91

Exercise – Design Your Portfolio Kanban

10 min

Portfolio Kanban

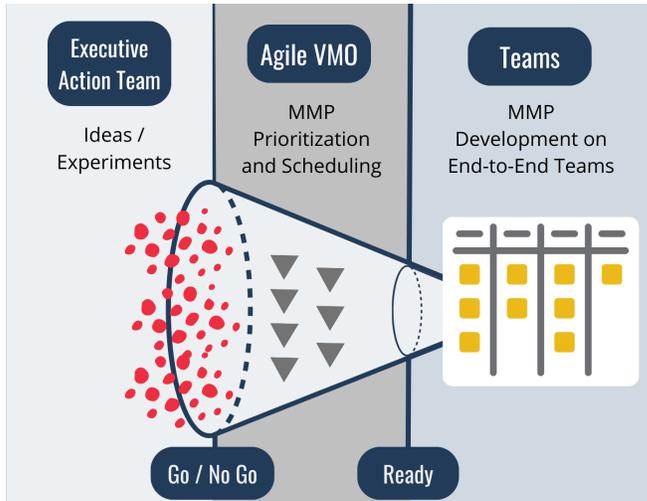
Stage					
Exit Criteria					
People Involved					
Decisions					
Possible Delays or Issues					



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92

Continuously prioritize the portfolio



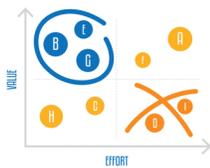
- Split large projects/products into smaller Increments (Example MMPs)
- Prioritize increments by business value within business unit
- Limit Increments delivery timeframe to months
- Measure business outcomes
- Re-prioritize MMPs regularly based on business outcomes

93

93

Prioritization Techniques

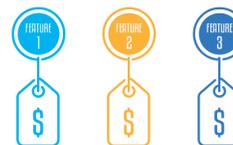
Value v. Complexity



RICE



Buy a Feature



Weighted Shortest Job First

$$\text{Simplified WSJF} = \frac{\text{Value} * \text{Urgency}}{\text{Level of Effort}}$$

Cost of Delay

94

94

Economic
Prioritization
using
Weighted
Shortest Job
First (WSJF)

95

95

Using WSJF to Prioritize Economic Winners

- Weighted Shortest Job First (WSJF) is the cost of delay divided by job size
- Some Features create great customer value at low development cost. These are "economic winners"
- Some Features are very expensive to build and are rarely used. These are "economic losers"
- Prioritize the economic winners and avoid building the losers using WSJF

$$\text{WSJF} = \frac{\text{User Business Value} + \text{Time Criticality} + \text{Risk Reduction} + \text{Opportunity Enablement Value}}{\text{Job Size}}$$

Feature	User/Business Value	Time Criticality	Risk Reduction	Opportunity Enablement	Job Size	WSJF
Feature 1	21	1	13	1	13	2.77
Feature 2	21	3	21	1	21	2.19
Feature 3	13	3	13	1	8	3.75
Feature 4	21	3	21	1	21	2.19
Feature 5	8	1	8	3	5	4.00
Feature 6	5	1	3	1	21	0.48
Feature 7	8	1	8	1	34	0.53
Feature 8	5	1	5	1	3	4.00
Feature 9	13	1	8	0	8	2.75
Feature 10	1	1	1	0	21	0.14
Feature 11	5	1	3	0	3	3.00

96

96

Exercise – Capture Prioritization Techniques

10 min

Prioritization Techniques

Go to:

<https://openpracticelibrary.com/tags/options/>

Identify at least 1 prioritization technique you have not used and place it on the board to discuss.



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97



Plan Adaptively

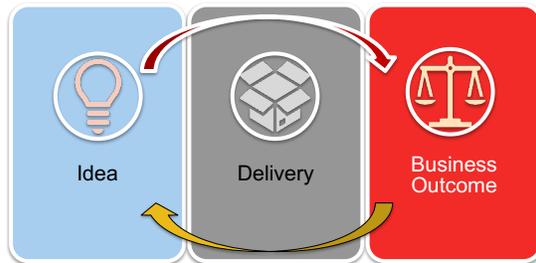


98

Our Goal: **Hyper-Agility**

Agility is the ability to both **create and respond to change** in order to profit in a turbulent business environment.

- *Jim Highsmith*



Startup Archive
@startuparchive_

Sam Altman: "Build the fastest-iterating company the world has ever seen"

Stanford

"Build the fastest iterating company the world has ever seen."
- Sam Altman

99

99

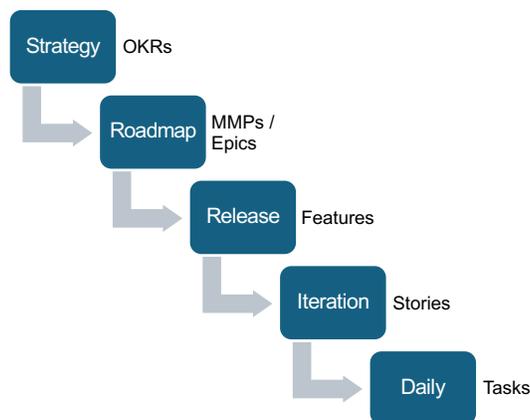
What is Adaptive Planning?

Dynamic process of adjusting plans in response to change at all levels of the organization that emphasizes **short-term adjustments** while staying aligned with long-term goals.

Focus on Flexibility: Respond quickly to change.

Deliver Outcomes: Prioritize value over output.

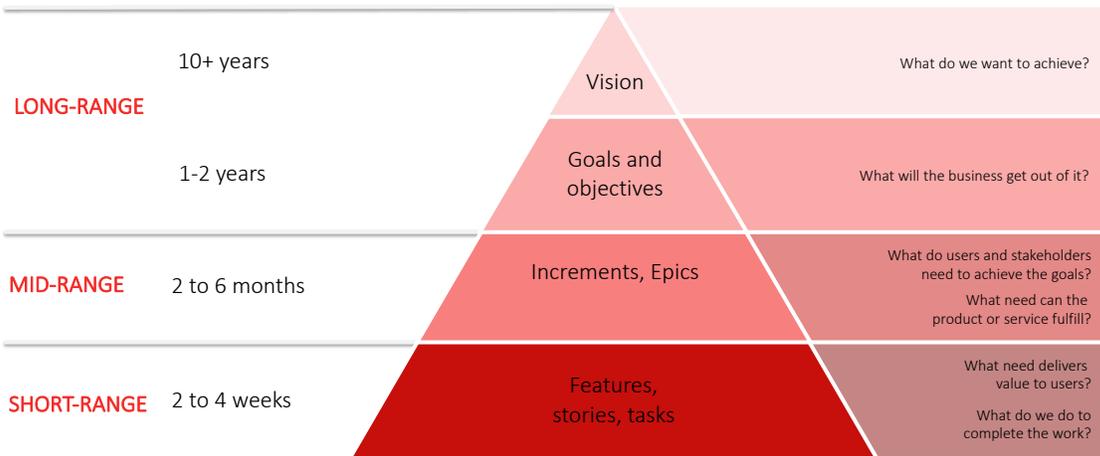
Iterate Continuously: Plan, execute, adapt.



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100

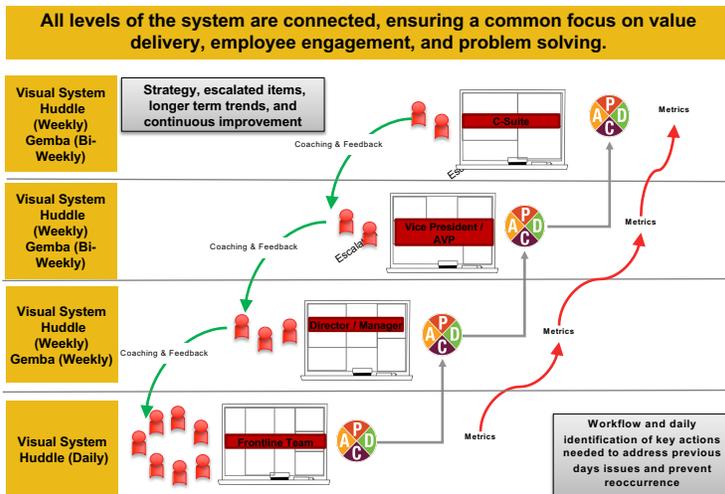
Connecting Teams' Work to Shared Vision



Frequent Delivery Planning & Coordination on Cadence

101

Discussion: Increasing **Decision-Making Velocity**

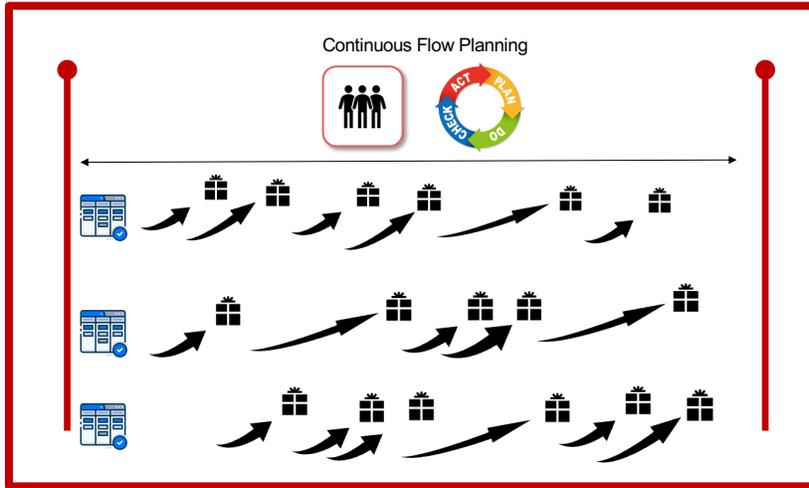


Credit: Tom Paider, VP, Nationwide Insurance

1. Review the adjacent line-of-sight Lean Management System from Nationwide Insurance.
2. With **increasing decision-making velocity** as the primary goal, what are some elements we might apply to our organizations?

102

Cadence Option 1: Flow Based Planning & Delivery



Characteristics:

- Continuous Flow planning cycles
- Similar 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:

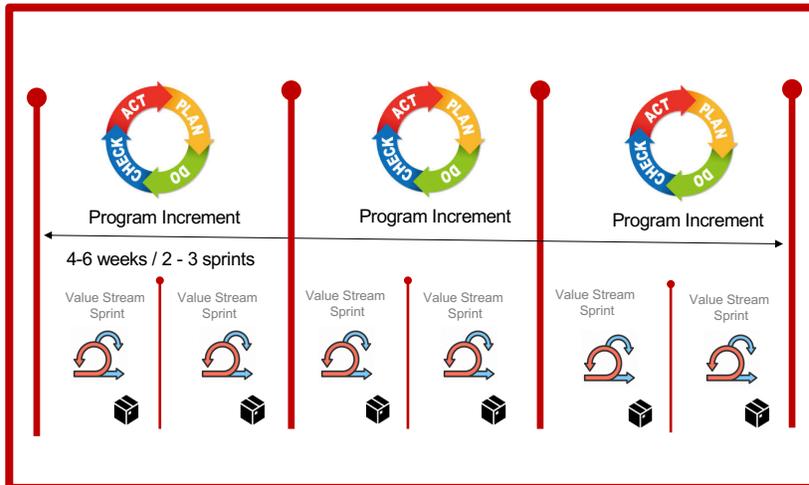
- Requires high degree of cross silo – cross hierarchical integration and discipline to eliminate waste
- Short cycles may not produce significant value or data to act upon

Case Study: Flow-Based Planning & Delivery

The screenshot shows a Jira Product Backlog with several columns: 'Holding Bin', 'Epic (Prototyping)', 'Features', 'FOR VALIDATION', 'RELEASE PLANNING', 'READY', and 'DOING'. Each column contains various user stories and tasks, such as 'As an administrator, I want to delete retrospectives created by accident...', 'Learn more about how people are doing with sign setup...', and 'Set up a metrics dashboard to track and display metrics...'. The stories are color-coded and include details like priority and status.

- Hybrid ScrumBan process
- Scrum for Discovery, with Product Backlog, Epics and Features
- Kanban for delivery, with flow based items
- No Sprints/Iterations/Timeboxes

Cadence Option 2: Short Time-box Planning & Delivery



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

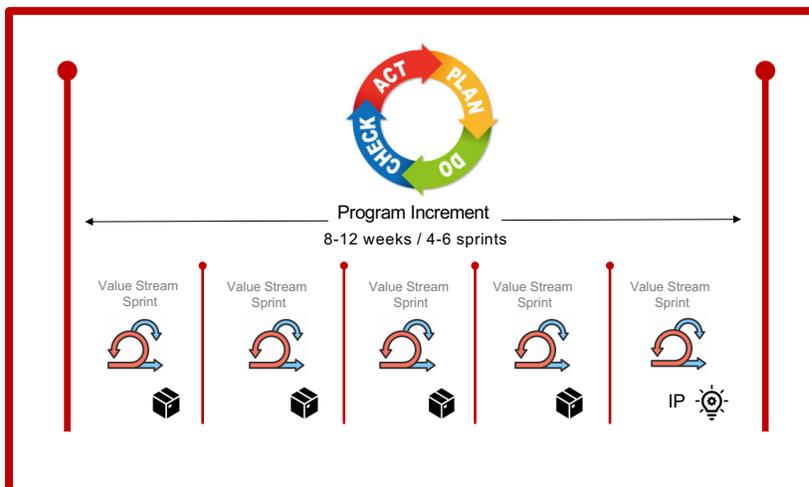
Pros:

- 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

Cadence Option 3: Long Time-box Planning & Delivery



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

Case Study: Short Time-box 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

- Integrated Agile Program across 20 Teams delivering multiple releases weekly on Mission Critical System
- 4 Week Planning & Delivery 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

107



107

05 Govern Adaptively

108



108

Adaptive Governance

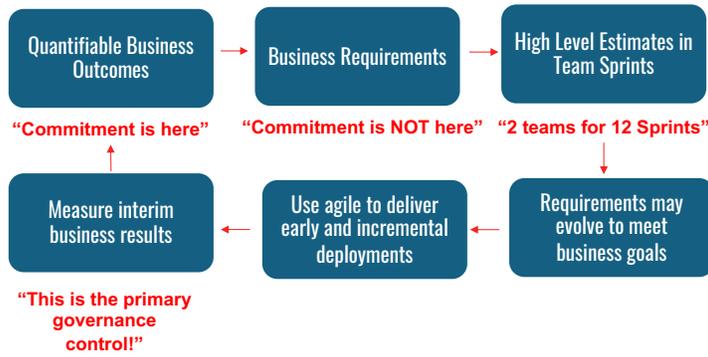


Ensure agile projects are aligned with the organization's overall goals and objectives, and that they are managed in a way that maximizes value delivery while minimizing risk.

Comparing Governance Approaches

Traditional Governance	Adaptive Governance
Rigid, predefined processes	Lightweight, flexible frameworks
Focused on compliance and outputs	Focused on outcomes and value
Centralized decision-making	Decentralized, team-empowered decisions
Long review cycles	Short, iterative governance cycles
Annual funding and rigid budgets	Flexible, incremental funding tied to value streams or outcomes

Outcome-driven Governance



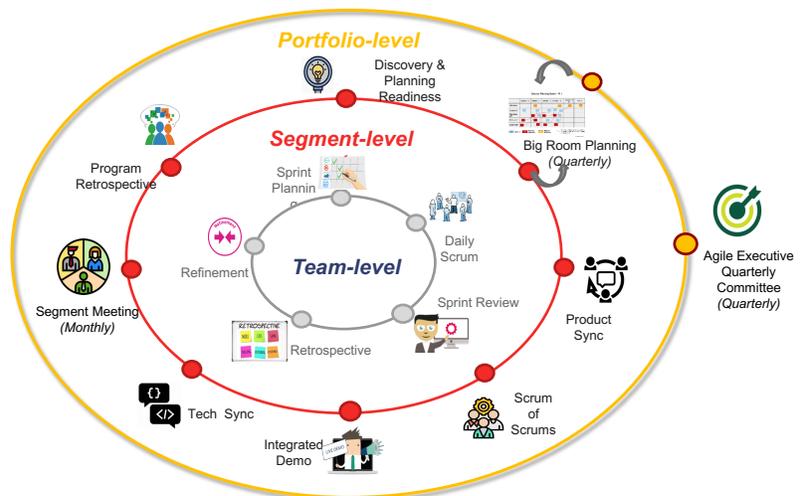
- Measure business outcomes rather than project output
- Require frequent delivery, and measure incremental business results
- Allow requirements to evolve to meet business needs
- Recognize that it is fundamentally about the Time Value of Money

Case Study: Portfolio Tracking & Governance

Governance Cadences:
Quarterly, monthly, and bi-weekly reviews to align goals, reprioritize, and adapt delivery.

Real-Time Visibility:
Dashboards and Kanban boards for tracking flow and outcomes (e.g., OKRs).

Empowered Teams with Guardrails:
Clear decision boundaries (e.g., funding limits, risk thresholds) enabling autonomy.



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

Exercise – Determine your VMO Cadence

10 min

VMO Cadence and Governance

Event	Who Needs to be Involved?	What Decision or Governance Steps?	How often should this occur?
Cross Team Planning			
Cross Team Scrum of Scrums			
Product Discovery			
Program Retrospective			
OKR and Metrics Cycle			
Portfolio Roadmapping			
Value Demos			
Other Events?			



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115

Why Rethink Funding Models?



Lack of flexibility for iterative development and rapid adjustments



Slower response to market changes

Solution: Adopt funding models that support continuous delivery and strategic alignment.

116

116

3 Flexible Funding Approaches

	 PRODUCT MODEL	 BUDGET MODEL	 OBJECTIVE MODEL
STRUCTURE	Teams organized around products, not projects.	Budgets assigned to departments/business units.	Funding tied to strategic objectives.
RESPONSIBILITY	Teams manage roadmaps, use market feedback, align with company goals.	Departments set priorities and fund relevant initiatives.	Teams propose initiatives to advance goals.
FUNDING	Ongoing, continuous support for product development.	Adjusted periodically for flexibility.	Allocated based on strategic alignment and impact.
BENEFITS	Promotes ownership, accountability, and fast responses to market changes.	Decentralizes decisions, aligns resources with departmental goals, adapts to changes.	Ensures resources drive the organization's agenda, enabling agility and responsiveness.

Case Study: Applying the Objective Model at USCIS

Challenge:

- Modernizing IT systems while adapting to changing policies and security threats.

Solution:

- Adopted Objective Model to align funding with strategic priorities.
- Shifted from project-specific funding to funding strategic goals like customer experience and enhancing security.
- Allowed teams to propose initiatives and adjust allocations as priorities shifted.

Outcomes:

- Rapid response to policy changes and emerging security needs.
- Digitized immigration processes and enhanced customer experience.
- Consistent alignment with organizational mission and strategic goals.

<https://itrevolution.com/articles/three-innovative-funding-models-to-enhance-devops/>

Exercise – Next Steps

10 min

What are Your Next Steps

Goals	Measures

Next Steps



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119



120

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