

We've compiled the results from several professional note-takers into this quick-reference document of symposium highlights and critical topics of discussion.

## SESSION 1:

### Influencing Change: Actionable Project To Product Steps for Leaders

*Managing the portfolio and new ways of leading: Action project to product steps for leaders*

Dr. Mik Kersten

**Session Description:** Organizations deploying SAFe® share the goal of increasing Business Agility and the flow of value to the customer. However, dated methods of measuring delivery that are not suitable to the age of software continue to enforce old behaviors. As an executive who can impact change, you have the influence to shift the focus from short-term gains to long-term value.

In this session, Dr. Mik Kersten will share lessons learned from large-scale deployments of SAFe that leveraged Flow Metrics to embrace Business Agility. Mik will discuss how SAFe provides key blueprints needed to shift from project to product at scale, along with actionable steps technology and business leaders can take to ensure teams are turning subjective and implicit goals into objective and tangible business outcomes.



#### Timeline

- Project to product requires a change in mindset of timelines and organizing around value
- Change 'finality' thinking. While projects end, value streams last forever (within reason).
- Address the queue problem - Agile measures cycle time from when the item left the backlog, not when it entered



#### Metrics/ measurement

- Use metrics, take a holistic approach, set that baseline so that people can see the change
- Challenge: Tool Chain and desperate data all over the place
- Measuring flow from code to cash vs backlog to cash is different



#### Organizational considerations

- The role of the product manager to make decisions based on data, not based off of committee
- Need to build a product organization by finding or growing product managers
- Challenge: Organizational Disparity, Orgs across the Enterprise need to come together, work together across silos (tooling groups, BUs etc)
- Find a simple place in the organization without tons of complexity (simple tool chain, leadership buy-in) and demonstrate the benefit
- Challenge: Vertically to leadership mind-set and culture (Change Management Challenge)
- Set expectations with leadership asks, use WSJF, give visibility (backlog)



## Ideas to consider

### Metrics

- Business has frustration with how we measure. They measure from the time the request is made and not from the time we start working (left the backlog).
- Frustration: only measure flow in our teams from the time we start working on it, not for when it enters the backlog. The big issue is that there is TOO MUCH.

### Organizational Impact

- Getting buy in from leaders is challenging BUT very important, because change happens top down.
  - They assume Agile is just for SW
- Sometimes when you organize around value you realize that you don't need 10 product managers, you only need 8. Challenges in implementing. It's never going to be easy.
- Silos, and not the collective winning as one. Linked to the fact that they aren't organized around value and not seeing the whole picture.

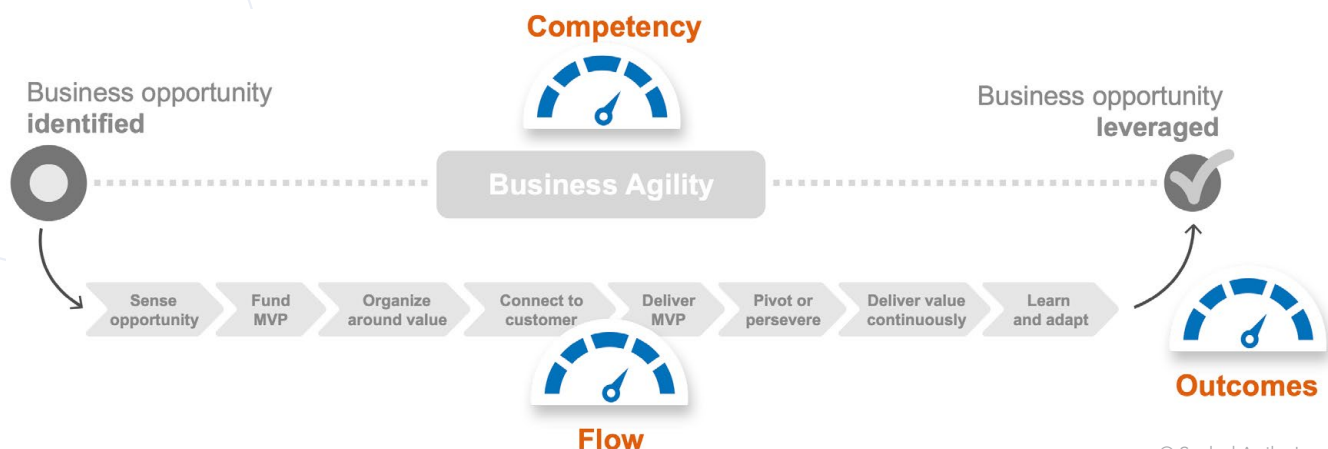
### Legacy

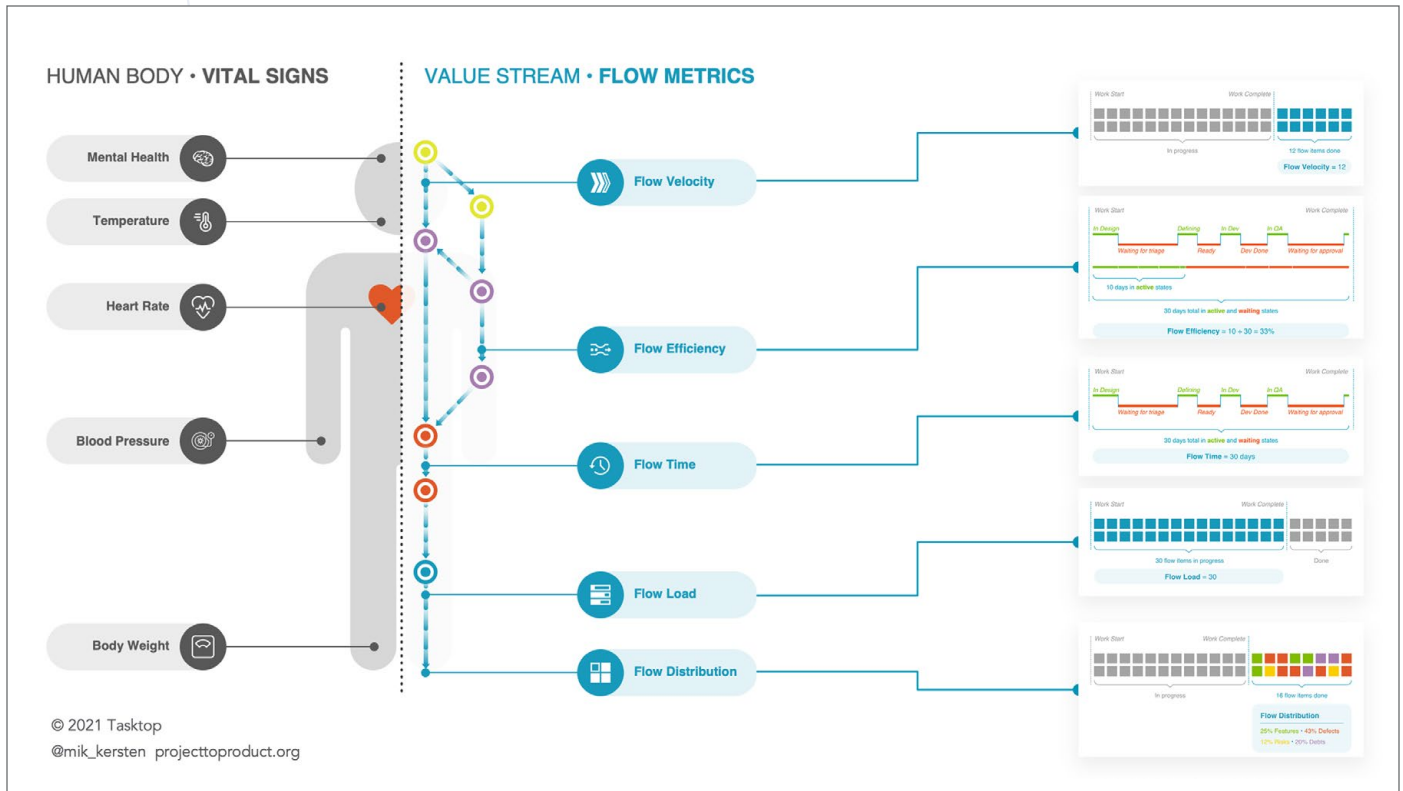
- We have a massive cloud program. Lift and shift. Why are costs so expensive??
- Reverse engineer something from the legacy organization doesn't work well when going through a transformation. But if the product manager isn't equipped with the domain or technical knowledge has been frustrating. Not a perfect fit.

### Shifting from project to product

- What is the right role profile to create product mgmt?

“ Achieving a state of business agility means that the entire organization—*not just development*—is engaged in continually and proactively delivering innovative business solutions faster than the competition.





# Measure Flow

Business Agility requires connecting delivery to business outcomes

Measure Flow Metrics provides a leading indicator

Connecting to business outcomes closes the loop

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**TASKTOP.**

The slide features a large illustration of a cargo ship sailing on a blue sea, with several smaller boats and a yellow beach in the background. The text is overlaid on the left side of the slide, and the Tasktop logo is in the bottom right corner.

## SESSION 2:

### Connecting Enterprise Strategy to your SAFe Portfolio(s) - Creating, Capturing, and Continuously Realizing Value

*Connecting Enterprise Strategy to SAFe Portfolios*

Scott M. Frost

**Session Description:** This session discusses the executive struggle with enterprise strategy, why we often fail to achieve our biggest initiatives and how to address the problems. We will look at example decision systems and how to improve strategy planning and the delivery of business outcomes.



The CEO's job of crafting a strategy that creates and captures value—and keeps realizing it over time—has never been harder.

—David Collis  
Harvard Business School



#### Roles and Responsibilities

- Capacity Allocation: How to convince leadership of the importance of technical capabilities, runway, etc.
  - Role of strategic leadership, potential misalignment
  - Role of product managers
  - Role of developers
  - Potential solution: using investment horizons, capacity allocation, business training for leaders to understand the importance of architectural runway, flow metrics and visibility into the work you're doing and telemetry within the product
- Leadership views IT as always improving H1 operational value streams - no R&D or H2/H3 work
- PM role needs to create better alignment between finance, business, and technical



#### Metrics

- Transparency w/ metrics can help gain momentum for capacity allocation
- How well can we measure our ability to deliver solutions as teams are moving towards strategy alignment
- Establish KPIs to evaluate your strategy - revenue, allocated to VStreams? Must have KPIs, even if difficult to determine. Do the work, spend the time, put them in OKR format to close the loop on KPIs.
- Annual budget works well in the midst of rapid changes. EOY, Strategic themes are long lasting and are discussed.



## Organizational change

- There's power in systems thinking, bringing all of the disparate portfolio leaders together, can be a powerful moment to work through alignment across portfolios
- When there is no common structure or discipline across portfolios and with finance, each org will build their own which can be debilitating
- Some orgs are so large (the scale) that things are just difficult and complex (ATT Boeing etc)
- Impact of tools on flow of value going out to external customers is key
- Communication around Strategic Themes is often lacking. More celebration and telling of the 'WHY' we are going where we are going.
- Strategy change takes more effort, time, strain on the system
- Cadence for revisiting Strategy -- once or twice year, at most. Products and Svcs don't change that quickly...good strategic themes with good budget adjustments is a good cadence.



## Ideas to consider

### Upskilling

- Product managers focus on product, and not architectural runway, technical details, NFRs. Need to have that skill.
- Business needs to understand some of the technical details. "I don't care about tech debt, our features are delayed." A business training for leaders to understand the importance of architectural runway.
- PM role needs to create better alignment between finance, business, and technical
  - Finance shuts down work because Capx/Opex concerns - focus on tax reduction
  - Business doesn't understand the technical details and needs
- We do need to educate product managers, but we need to have flow metrics and visibility into the work you're doing and telemetry within the product: This will help educate our development leaders.

### Strategy Considerations

- Setting strategy: what has worked....start from legacy belief to talk about strategic objectives....
- We know our strategy is very disconnected from our operational abilities
- Honest talk about challenges reveals what the strategic theme(s) is(are)
  - Dedicating C-Suite time to talk is key

## Funding

- Annual process is still current state, dictated by our financial accounting. Aside from a huge shock to the system, like covid. It's hard to move off those processes.
- Financial systems are on very old legacy homegrown tools. In matrixed organizations, 4 orgs may get funding, 2 dont... then some teams only have "maintenance budget" but nothing for "new product development." Teams get stuck. What's great is that we are invested in looking.
- Never fixed the financial backbone, got a new controller... had them lean into understanding the strategy, it helped
- Got the entire leadership (who controlled the portfolio) into a meeting to do participatory budgeting and other activities over the span of a few days. Agreed to the concept "I dont have the budget, we are going to work on whats most important to delivering value"
- Never was the finance tools etc, just needed the buy in at a leadership level

## Horizon planning

- Execution is challenged by time horizon.
  - Some C-level is 'now, done in 3 months'. Takes entire capacity.
  - Short-term RTB, vs. long term and sacrifice longer term objectives

## Value Stream

- View it as incrementally improving operational value stream - all H1, now.
  - Need to do H2 and H3,
  - But how they are measured handcuffs them - which is cost savings
  - Finance reprioritized everything to RTB, Capex/OpeX
  - Make fictitious business cases to justify and H2/h3 work
- What value do you deliver? Compliance? Tech debt? New feature? Risk reduction? Defect resolution? This is all value. The amount allocated to each will change over time, depending on the lifecycle of the product. Create an MVP, not a product, and then treat that as a product just doesn't work.
- Assessing performance as an input -- are we delivering? What is coming? What direction are we headed and does it align with needs? Looking at current situation and also ahead to future vision... rather than finding out after the fact.

## Impact of technical deb

- Transparency w/ metrics can help gain momentum for capacity allocation
  - Too much WIP
  - Too many bugs, mountain of tech debt, Better fix technical debt fast
  - Need telemetry in the applications for metrics and data to educate leaders
  - SAFe has the tools - WSJF, Flow Metrics, MVPs
  - Take investment - must adjust flow distribution for H2 and H3 work



## Why today's strategy processes struggle

1. Focus on operational components rather than the whole
  - Operating Model, while not adapting funding
  - Product innovation, while not implementation flow
  - Strategy, while not building organizational adaptability
2. Failure to link strategy to execution
  - Annual strategy planning & budgeting vs “agile delivery”
  - Opportunity tactics shifting causes missed value realization
  - “crisis of prioritization” vs focus on the “critical few”

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## Example strategy decisions / value management system

OPPORTUNITY LIST	VALUE CREATION TACTICS	VALUE CAPTURE STRATEGY	VALUE REALIZATION	OUTCOMES
<p><b>Where do we focus?</b></p> <ul style="list-style-type: none"> <li>Are we exploiting existing markets or transforming?</li> <li>Investment horizons alignment? Defensive or disruptive?</li> <li>Do we understand demographics, technologies, etc?</li> </ul>	<p><b>What Business Model gets us there?</b></p> <ul style="list-style-type: none"> <li>What tactics / approaches could we take?</li> <li>Do business or org models need to change?</li> <li>Which MVP will provide earliest outcomes?</li> <li>Do we have the people, resources to deliver?</li> </ul>	<p><b>What do customers want? What scope do we define? How will our competitors react?</b></p> <ul style="list-style-type: none"> <li>Will it be attractive to the industry, marketplace, and our investors?</li> <li>Do we have clear iterative value proposition and implementation tactics in place? If not, what needs to change?</li> <li>How will competitors react? How quickly will they be a threat to our new business scope?</li> <li>How well do we understand our approach, prioritization amongst other opportunities, and our capability to execute?</li> </ul>	<p><b>Implementing</b></p> <ul style="list-style-type: none"> <li>Are we building what we need?</li> <li>Do we have good delivery flow? measurements (speed, quality, predictability)?</li> <li>Are we organized around value flow and product thinking?</li> </ul>	<p><b>Performance achieved?</b></p> <ul style="list-style-type: none"> <li>Did we achieve early MVP?</li> <li>Do Business indicators require further investment?</li> <li>Org ability to improve</li> <li>Desired culture &amp; competency</li> </ul>

Adapted from David Collis, HBR July 2021

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## Assessing enterprise strategies into investment horizons & zones

### 1 Horizon 1 – Focus on Performance Achievement

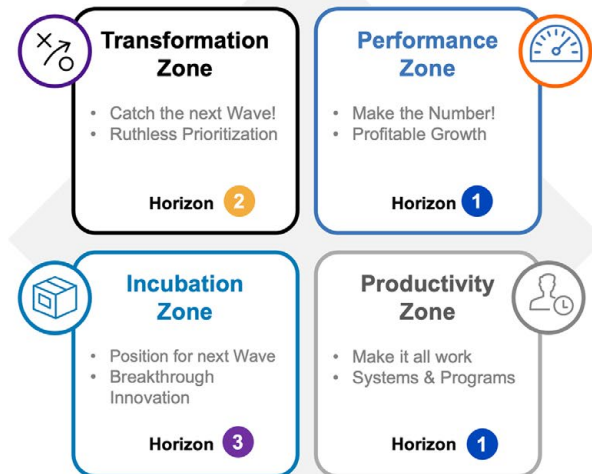
- **Performance Zone** – 90% of Revenue, 100% of Profits
- **Productivity Zone** – Enabling corporate functions not directly accountable for material revenue

### 2 Horizon 2 – Scaling New Growth

- **Transformation Zone** – Where innovation goes to be scaled to material size

### 3 Horizon 3 – Emerging Disruptive Innovation

- **Incubation Zone** – experimenting to modernize to fend off disruptive attacks



Source: Geoffrey Moore's 4 Zone Model from "Zone to Win"