Portfolio Management and Development Governance

Portfolio Management

Implement business strategy and priorities

status, decision recommendations

E2e progress status

PORTFOLIO STEERING

PORTFOLIO MANAGEMENT

DMO

DEVELOPMENT GOVERNANCE

E2E FLOW — PLAN › BUILD › RUN

Decisions and priorities

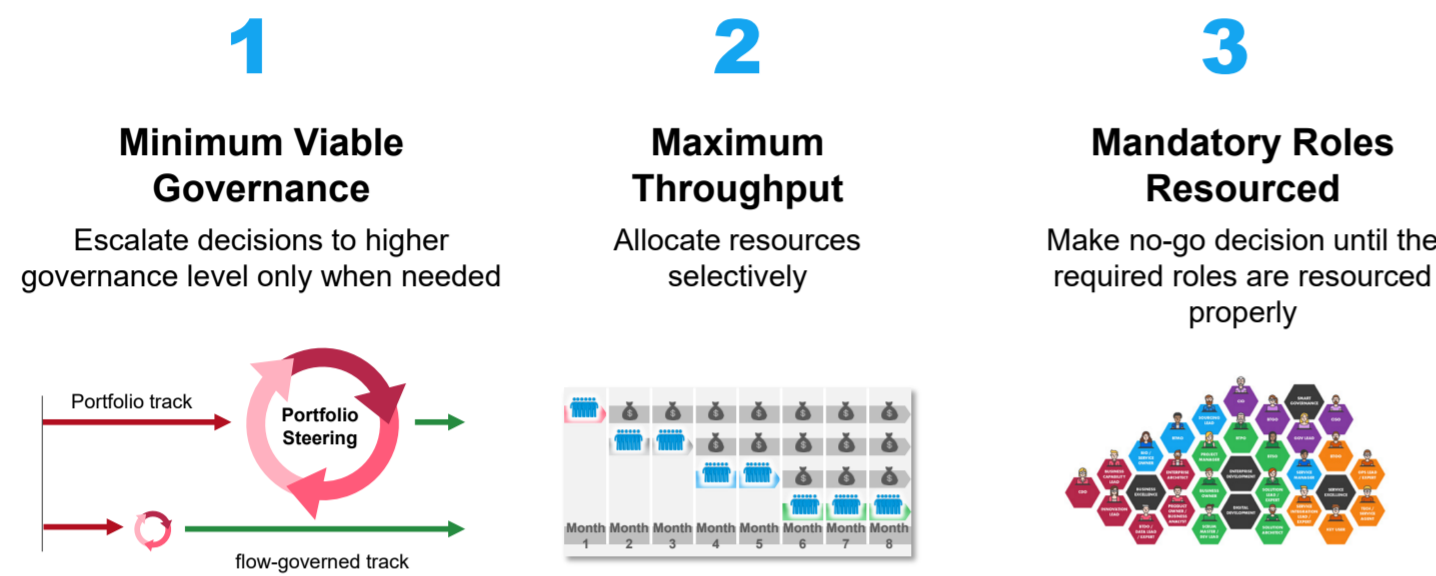Implement decisions and guides and coordinates the e2e flows
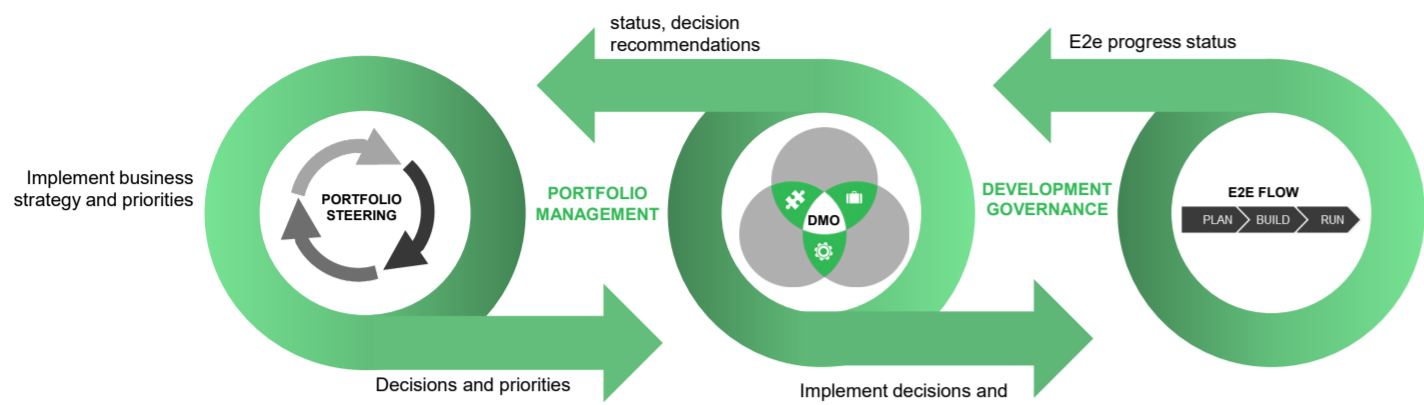
Portfolio management approves and rejects development initiatives and requests and follows up on the business value creation in flows. Because the key measurement driver for portfolio management is business value, it requires an initial business case development initiative and a validated business case for the development request. Portfolio management sets priorities for investments and coordinates dependencies and resource conflicts. It is responsible for allocating resources to the flows that provide the highest business value and strategic results.
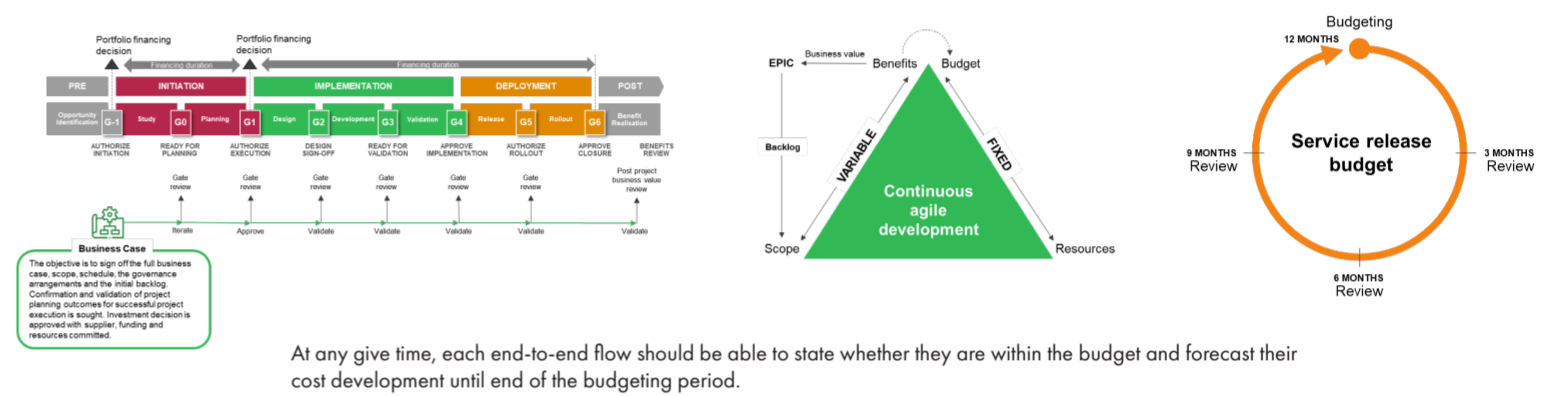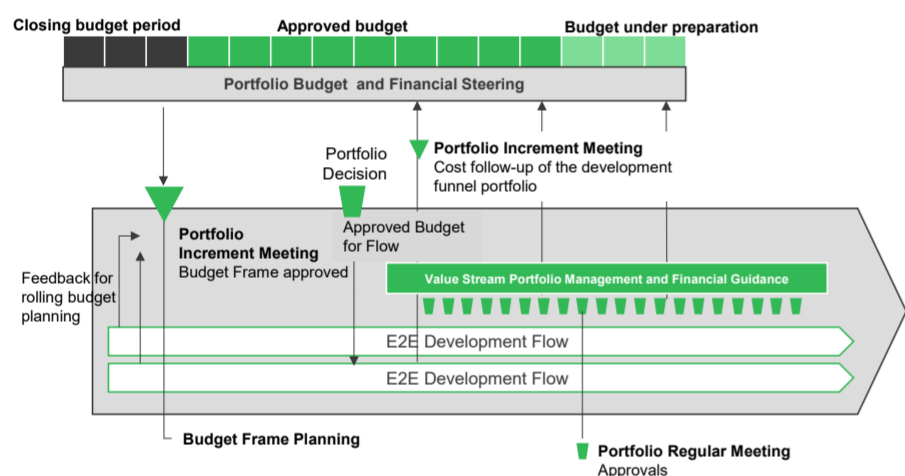
Portfolio Management Principles

1 Minimum Viable Governance
Escalate decisions to higher governance level only when needed

Portfolio track

Portfolio Steering

flow-governed track

2 Maximum Throughput
Allocate resources selectively

Month 1 Month 2 Month 3 Month 4 Month 5 Month 6

3 Mandatory Roles Resourced
Make no-go decision until the required roles are resourced properly

Key Roles in Portfolio Management

The **Head of the Value Stream** steers the development and is mandated to execute the required business changes to achieve the business benefits in the value stream.

The **Business Technology Portfolio Officer (BTPO)** leads the Development Management Office (DMO), which reports the portfolio balance and status to portfolio steering. The DMO is mandated to classify and prioritise development initiatives to be approved or rejected by the development portfolio steering. The BTPO resolves conflicts or issues by evaluating major development initiatives' resources, dependencies and performance.

DMO Leader

The **Project Manager** is responsible for managing the project and related solution development along with planned business benefits, scope, schedule, budget and resources.

The **Scrum Master** guides and supports the team to make sure that the team has efficient workflow.

The **Service Manager** has end-to-end service accountability with a focus on business fit, service consumer satisfaction, cost efficiency and business continuity.

VALUE STREAM

Head of Value Stream

Portfolio Manager

The **Portfolio Manager** supports value stream steering, coaches teams and projects in development practices and helps them to find the right resources.

E2E Flow

Business Owner — Project Manager OR Scrum Master OR Service Manager

The **Business Owner** is responsible for evaluating the feasibility and prioritisation of developments, ensuring that they have the required resources and decisions, and providing business value realisation.

End-to-End Flow Level Financial Management

PRE — INITIATION — IMPLEMENTATION — DEPLOYMENT — POST

Business Case The objective is to sign off the full business case, scope, schedule, the governance arrangements and the initial backlog. Confirmation and validation of project planning outcomes for successful project execution is required. Investment decision is approved with supplier, funding and resources committed.

EPIC — Benefits — Budget

VARIABLE — FIXED

Continuous agile development

Scope — Resources

Budgeting — 12 MONTHS

Service release budget
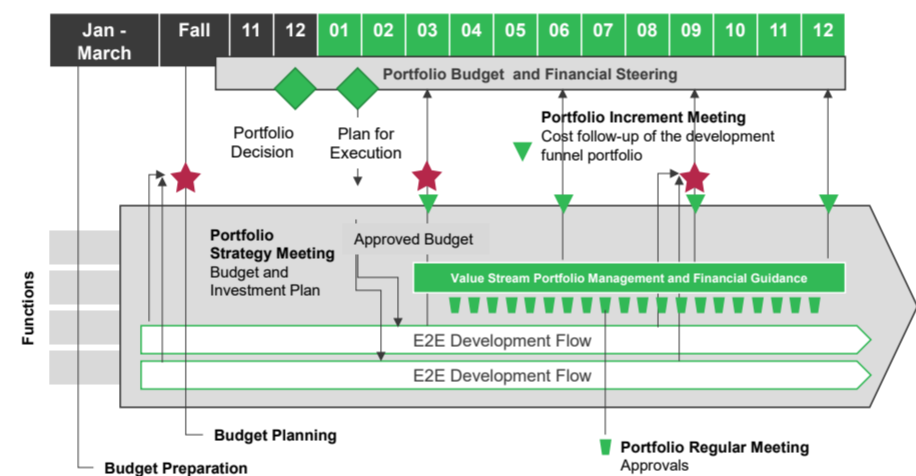
9 MONTHS Review — 3 MONTHS Review

6 MONTHS Review

At any give time, each end-to-end flow should be able to state whether they are within the budget and forecast their cost development until end of the budgeting period.
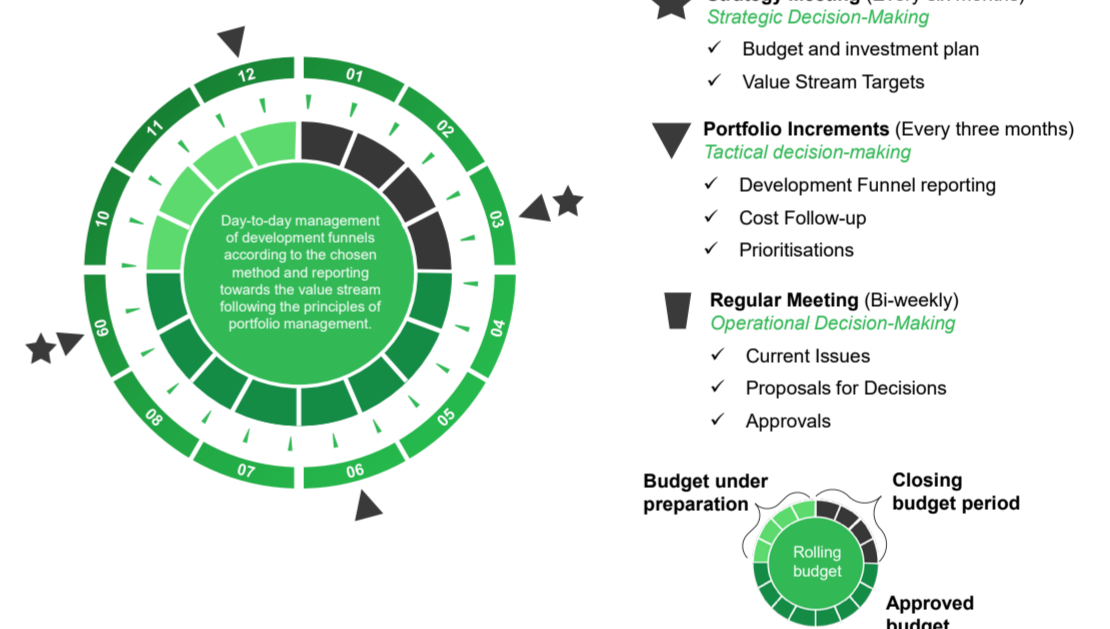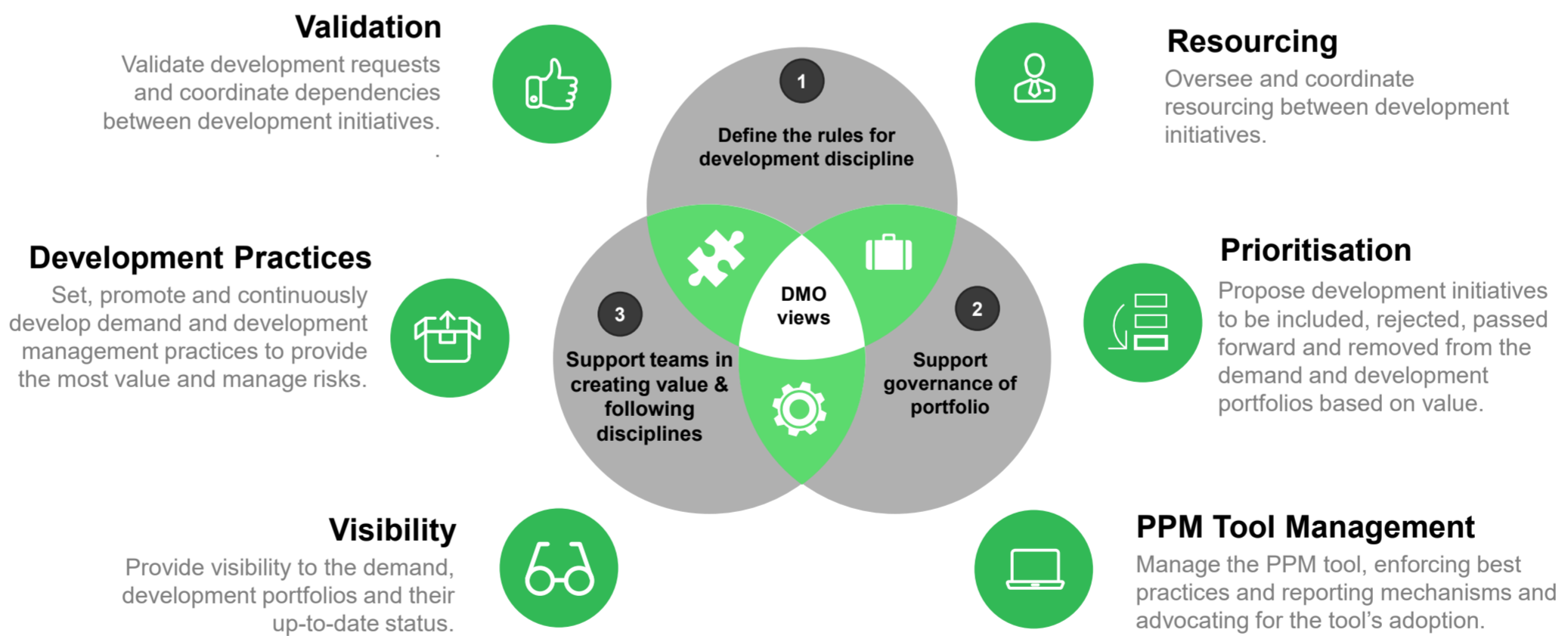
Rolling Budget

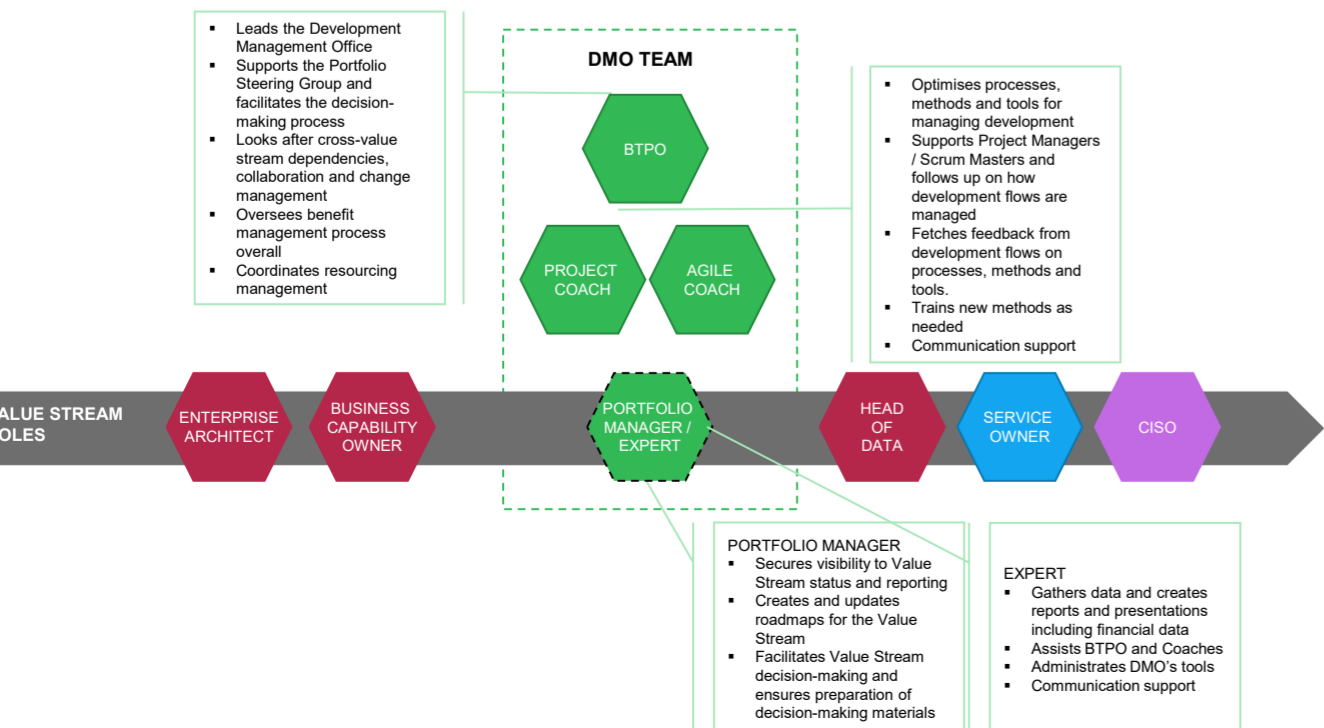Closing budget period — Approved budget — Budget under preparation

Portfolio Budget and Financial Steering

Portfolio Decision

Approved Budget for Flow

Portfolio Increment Meeting Budget Frame approved

Feedback for rolling budget planning

Value Stream Portfolio Management and Financial Guidance

E2E Development Flow

E2E Development Flow

Budget Frame Planning

Portfolio Regular Meeting Approvals

Fiscal Year Budgeting

Jan - March — Fall — 11 12 01 02 03 04 05 06 07 08 09 10 11 12

Portfolio Budget and Financial Steering

Functions

Portfolio Decision

Plan for Execution

Portfolio Strategy Meeting Budget and Investment Plan

Approved Budget

Portfolio Increment Meeting Cost follow-up of the development funnel portfolio

Value Stream Portfolio Management and Financial Guidance

E2E Development Flow

E2E Development Flow

Budget Preparation

Budget Planning

Portfolio Regular Meeting Approvals

Portfolio Management Annual Calendar

Day-to-day management of development funnels according to the chosen method and reporting towards the value stream following the principles of portfolio management.

Strategy Meeting (Every six months)
Strategic Decision-Making
- Budget and investment plan
- Value Stream Targets

Portfolio Increments (Every three months)
Tactical decision-making
- Development Funnel reporting
- Cost Follow-up
- Prioritisations

Regular Meeting (Bi-weekly)
Operational Decision-Making
- Current Issues
- Proposals for Decisions
- Approvals

Budget under preparation — Closing budget period

Rolling budget

Approved budget

Responsibilities of the DMO

Validation
Validate development requests and coordinate dependencies between development initiatives.

Development Practices
Set, promote and continuously develop demand and development management practices to provide the most value and manage risks.

Visibility
Provide visibility to the demand, development portfolios and their up-to-date status.

Resourcing
Oversee and coordinate resourcing between development initiatives.

Prioritisation
Propose development initiatives to be included, rejected, passed forward and removed from the demand and development portfolios based on value.

PPM Tool Management
Manage the PPM tool, enforcing best practices and reporting mechanisms and advocating for the tool's adoption.

1. Define the rules for development discipline
2. Support governance of portfolio
3. Support teams in creating value & following disciplines

DMO views

Roles within the DMO

- Leads the Development Management Office
- Supports the Portfolio Steering Group and facilitates the decision-making process
- Looks after cross-value stream dependencies, collaboration and change management
- Oversees benefit management process overall
- Coordinates resourcing management

DMO TEAM

BTPO

PROJECT COACH

AGILE COACH

- Optimises processes, methods and tools for managing development
- Supports Project Managers / Scrum Masters and follows up on how development flows are managed
- Fetches feedback from development flows on processes, methods and tools.
- Trains new methods as needed
- Communication support

VALUE STREAM ROLES — ENTERPRISE ARCHITECT — BUSINESS CAPABILITY OWNER — PORTFOLIO MANAGER / EXPERT — HEAD OF DATA — SERVICE OWNER — CISO

PORTFOLIO MANAGER
- Secures visibility to Value Stream status and reporting
- Creates and updates roadmaps for the Value Stream
- Facilitates Value Stream decision-making and ensures preparation of decision-making materials

EXPERT
- Gathers data and creates reports and presentations including financial data
- Assists BTPO and Coaches
- Administrates DMO's tools
- Communication support

Resource Management

Steering Resource Management
- Align resourcing with priorities of demands and developments
- Coordinate allocation of PMs, Scrum Masters etc., for development initiatives
- Follow up on the realisation of resourcing plans
- Release unused resource capacity
- Quality and cost follow-up
- Coordinate dependencies between developments
- Resolve resourcing conflicts

Resource forecasting based on demand (short and long-term)
- Volume (how much, how many, which roles)
- Competence (what kind, which level)
- Schedule (when needed)

STEER

FORECAST

BUILD CAPABILITY
- Forecast demand
- Contract capacity
- Define processes
- Follow-up quality

Long term view for budgeting

FULFIL DEMAND
- Why?
- What?
- When?
- How?

Short term view for resource allocation

MEASURE AND OPTIMISE

Medium term view for resource usage optimisation

Resource Request

BUILD

Find resource — Acquire resource — On-board resource — Report utilisation — Rate results — Release resource

LEARN

Learn how forecasted needs & actions align with actual needs
- How did we do overall?
- What do we need to adjust in our plans and forecasts?
- Align with other organisational resourcing needs and processes
- Where do we lack resources?
- Were there quality issues?
- Was the value for money good?
- Was there any quality issues due to resources?
- What competence is needed?
- What was the lead time for getting the right resources with the right competence, and did it cause any problems?

Support building the needed capabilities for the development
- Develop competence of current talents through training and coaching
- Support in acquiring new talents through recruiting or external suppliers