

Be "agile" in the triangle?





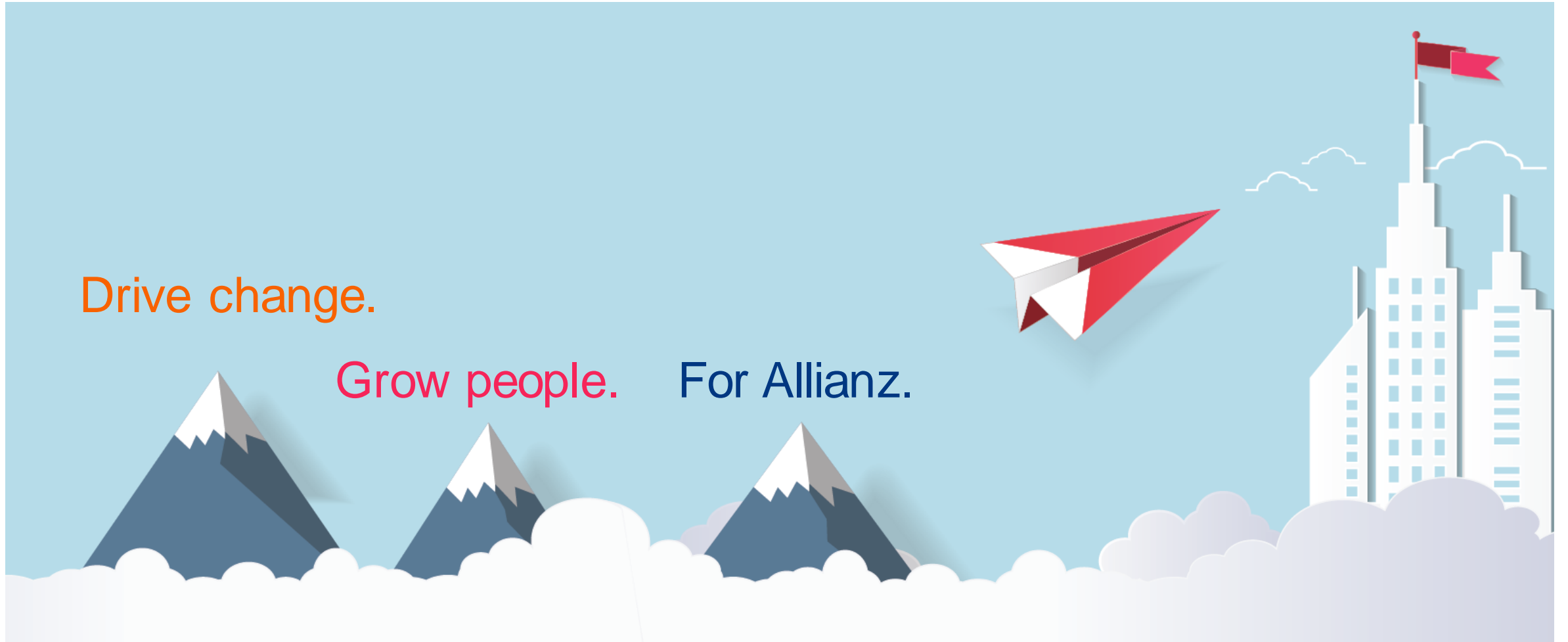
Connecting Strategy with Execution through Lean Portfolio Management

Allianz Consulting

Hao Li
ICAgile® ICE-EC | SAFe® iSPCT



Our Promise to Allianz and our People



Allianz Consulting: Who we are

AZC delivers with 500+* Consultants the full spectrum of consulting services

Our consultants' expertise

Our assets are strong consulting skillsets, robust industry experience and a deep understanding of the company

500+ Consultants consisting of:

- 32%** From Allianz Entities**
 - Deep understanding and knowledge of Allianz OEs
 - High credibility
- 68%** External Consultancies & Expert Practitioners**
 - Distinctive conceptual and problem-solving skills
 - External perspective
 - Profound knowledge of functional areas
 - Deep industry insights

Our global footprints

Along with other branches, Allianz Consulting is part of Allianz Services

Romania
 India
 Mauritius

... and has an established presence in 6 countries over the world

Germany
 France
 Italy
 Singapore
 India
 USA

Involvement in global and local projects

- In nearly 20 countries/regions
- More than 10 global projects

Our coverage of clients' needs

Our diverse range of talents across the key functional areas allows us to deliver the full value chain of consulting services

In our currently **11 Service Clusters** we respond to our Allianz clients' needs and constantly develop strategically relevant solutions

With our projects, we actively **contribute** to the **Renewal Agenda 2.0**

93%

With our strategic Account Management, we **secure regular touch points** with our existing and future clients

51 Key Accounts (further growing)



Why Lean Portfolio Management?

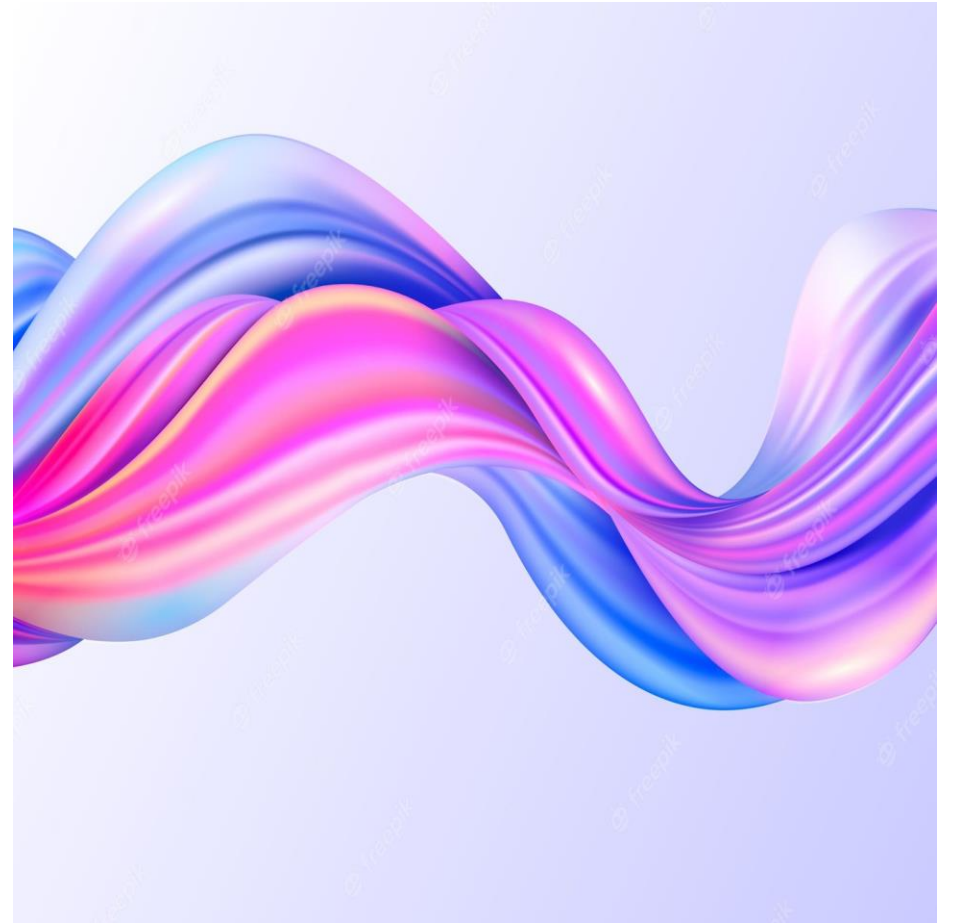
Does those challenges sound familiar to you?

- Funding work as projects causes friction, and tension with **conflicting priorities** resulting in delays
- Rigid budgeting cycles **inhibit the ability to respond to change**
- **False-positive feasibility** of initiatives with overly detailed and speculative business cases take forever, and forecasted cost and benefits are rarely on target
- Lack of transparency and shared understanding lead to **infinite amount of meetings**
- Measuring outputs **does not represent true progress**
- **Lack of clarity** on strategy definition and linkage with execution



Lean Portfolio Management can maximize the flow of value

- Organize people and work around value streams
- Funding value streams instead of projects, Portfolio is a collection of value streams that support the solutions not a collection of projects
- Transparency of portfolio according to Evidence-Based Management to matching demand to capacity
- Initial commitment limited to MVP instead of big up-front commitment
- Stable cadence with synchronized cross-domain planning
- Knowledge workers pull work not push people towards work



What is Lean Portfolio Management?

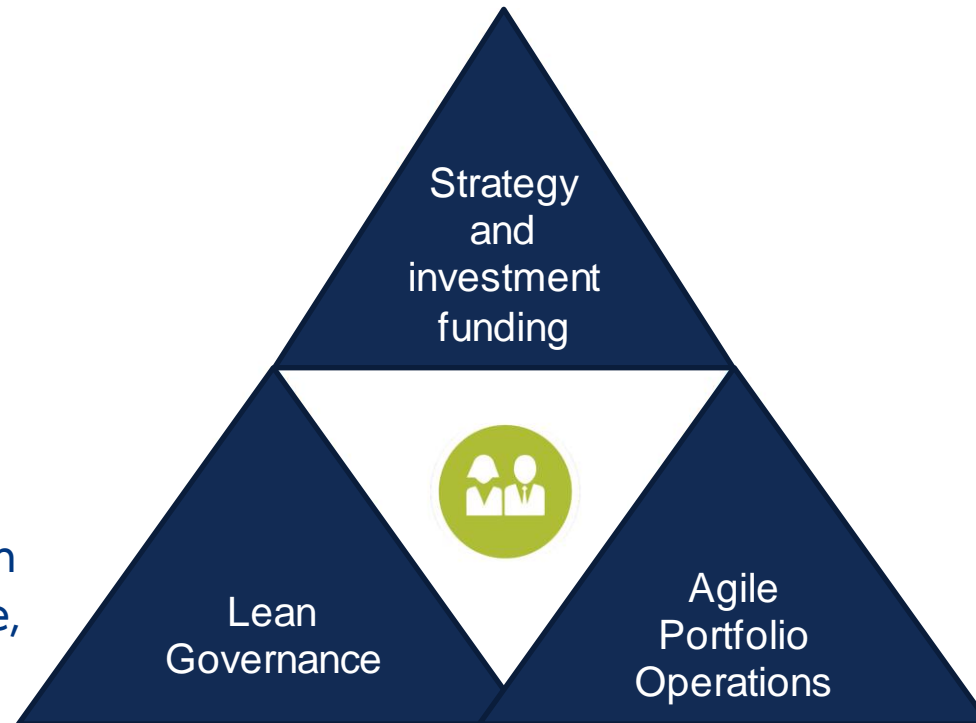
Lean Portfolio Management consists of 3 core capabilities

Doing the right thing

Ensure **entire** portfolio is aligned and funded to create and maintain the solutions needed to meet business targets

Doing the things right

manages spending, forecasting expenses, system demo, audit and compliance, and measurement



Sharpen the saw

coordinate and support decentralized program execution, enabling operational excellence

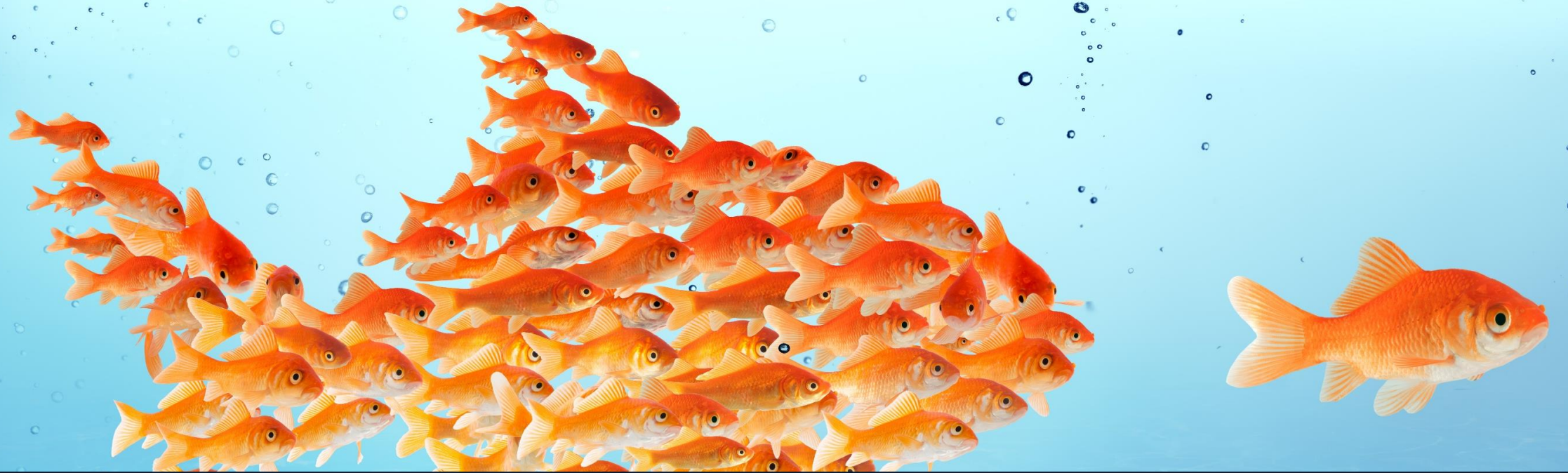
How does Lean-Agile Approach differ from traditional approach?

Traditional Approach	Lean-Agile Approach
People organized in functional silos and temporary project teams	People organized in value streams and ARTs; continuous value flow
Fund projects and project-cost accounting	Fund value streams, Lean budgets and guardrails
Big up-front, top-down, annual planning and budgeting	Value stream budgets adjusted dynamically; participatory budgeting
Centralized, unlimited work intake; project overload	Strategic demand managed by portfolio Kanban; decentralized intake by value Streams and ARTs
Overly detailed business cases based on speculative ROI	Lean business cases with MVP, business outcome hypothesis, agile forecasting and estimating
Projects governed by phase gates; waterfall milestones, progress measured by task completion	Products and services governed by self-managing ARTS; objective measures and milestones based on working solutions

Lean Portfolio Management orchestrates Business Agility

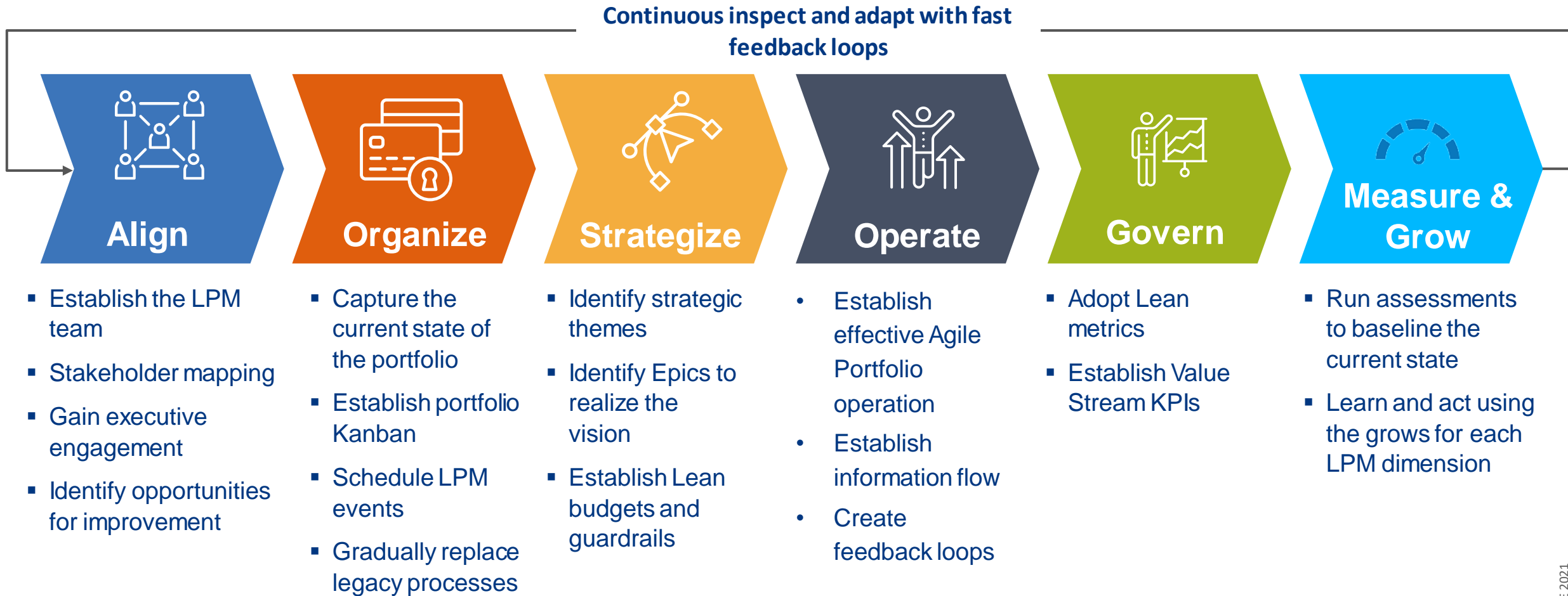
Business Agility Value Stream



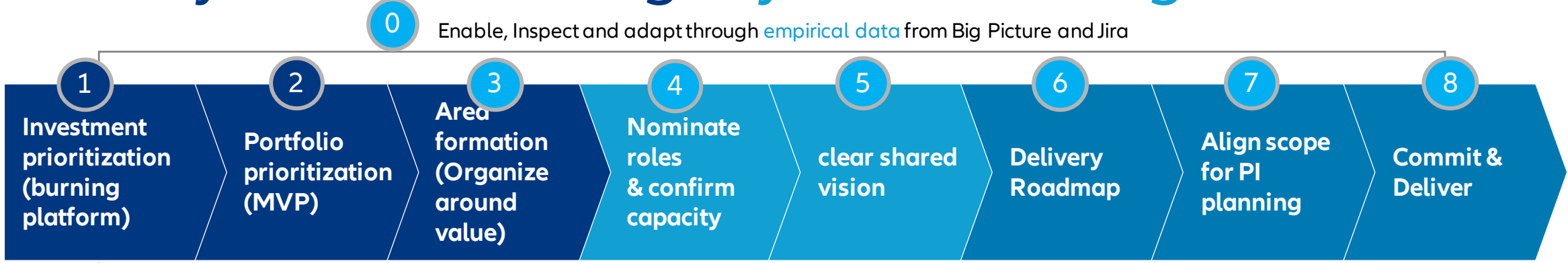


How to implement LPM in practice?

How a LPM Transformation Roadmap look like?

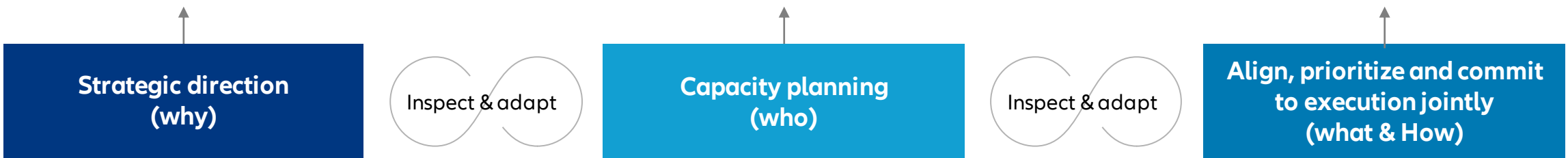


Agile roles work together to close the loop from strategy to execution from business opportunity identification to delivery outcome through **synchronized agile events**



0 Enable, Inspect and adapt through **empirical data** from Big Picture and Jira

Minimum viable consistency ensure end-to-end alignment and transparency in real time



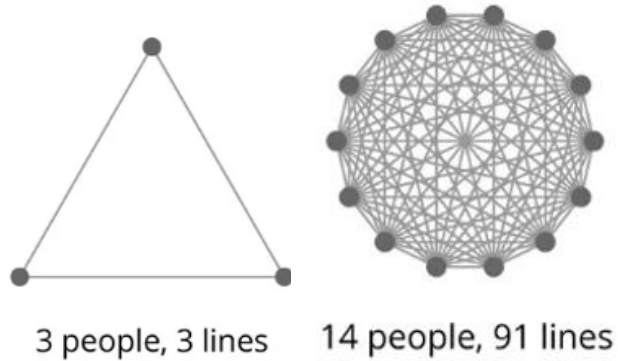
- Main Collaboration across **Area leadership**
- **Artifacts:** Strategic Themes, Vision & Roadmap
- **Events:** QBR+, ABR, EBR

- Collaboration between **Area and Tribes**
- **Artifacts:** Resource plan, Portfolio Epic
- **Events:** Area Sync

- Collaboration **within and across Tribe**
- **Artifacts:** Bundle, Epic and Stories
- **Events:** PI Planning, PO Sync, Scrum of Scrum

Don't declare victory too soon!

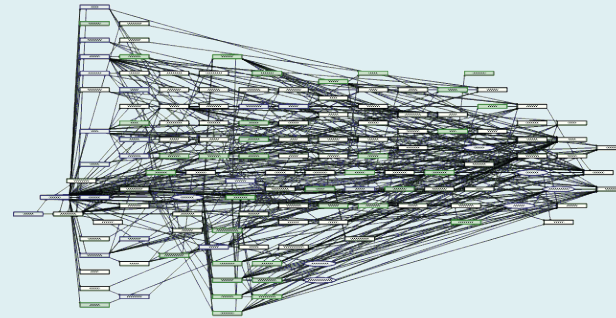
What are common challenges implementing LPM?



Ineffective communication due to increase of interfaces

Lines of communication increases drastically. Align shared objectives efficiently across stakeholders and teams isn't easy

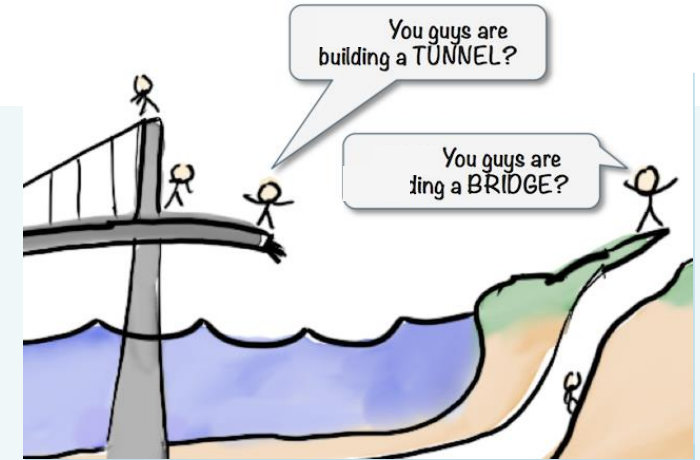
1



Large scale dependencies without removing legacy processes and tools

Dependencies are “call for collaboration” until decoupling is realized through bounded context and domain driven design

2



Conway's law restrict flow of value

Organizations which design systems are constrained to produce systems which are copies of the communication structures of these organizations

3

Apply principles of “minimum viable bureaucracy” and “taking an economic view”

Too little bureaucracy and you don't know what is going on



Too much bureaucracy and people don't have the autonomy to succeed

OLD
HABITS



NEW
HABITS



What are key takeaways?

Key learnings of implementing LPM

- it's of paramount importance to **involved top leadership very early**, success can be only achieved with **strong & continuous leadership commitment**, because only leaders can remove structural impediments
- **Change management** is vital to ensure all involved stakeholders are continuously aligned
- **visualize your portfolio** to align and show work in progress with all stakeholders
- **pick significant opportunities** that can deliver the most value, start small and scale, don't boil the ocean
- **Time is relative**: different part of organization have different dynamics and would need different pace
- LPM transformation is **steered Evolution** rather than **Imposed Revolution**
- Strive for **Minimum Viable Bureaucracy** by taking an economic view
- Focus on **flow of value**
- Prioritize **capability building** through employee enablement

May the
FLOW
be with you!



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