

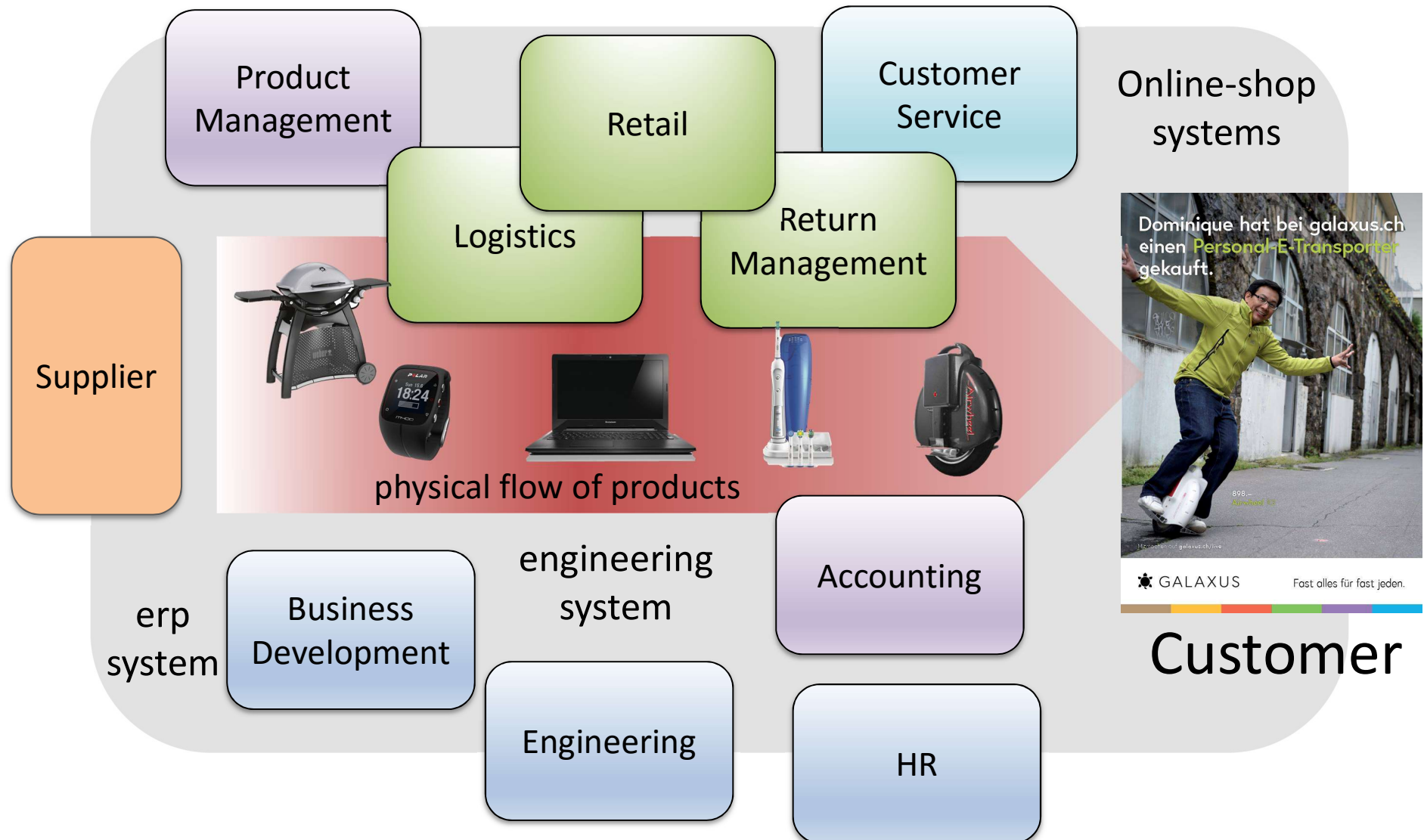
Implementing a Lean Portfolio Management

Concepts are easy,
implementation is harder,
living it is the hardest

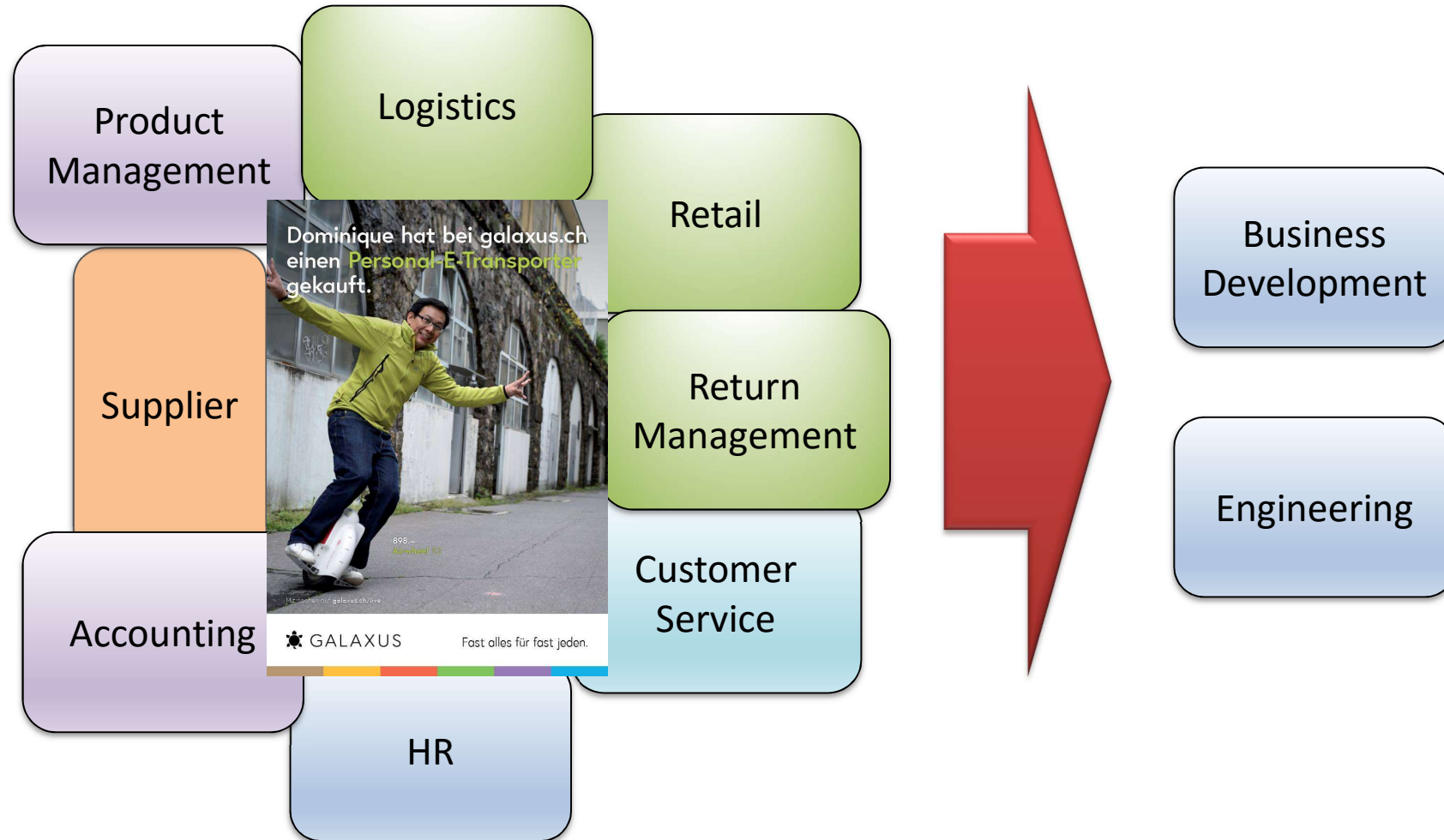
digitec.ch and galaxus.ch

The image displays two overlapping screenshots of Swiss e-commerce websites. The background screenshot is from **digitec.ch**, showing a search bar, a navigation menu with categories like 'Accessories & Cables', 'Audio & Hi-Fi', and 'Cameras & Camcorders', and a product listing for an Intel SSD 750 Series NVMe. The foreground screenshot is from **GALAXUS**, featuring a search bar, a navigation menu with categories like 'HAUSHALT' (Household), 'WOHNEN' (Living), and 'DO IT + GARTEN' (Do it + Garden), and a large banner for 'Essenza Bettwäscheset-Ausverkauf' (Essenza Bed Linen Set Sale) with a 40% discount. The GALAXUS site also includes a 'Top 10 Kategorien' (Top 10 Categories) list and a 'Werkzeugsets von JET' (JET Tool Sets) promotion.

The organization behind



Demand versus Capacity





digitec.ch



GALAXUS

a digitec company

Queueing Theory

A single backlog violates
queueing theory
recommendations

The problem of a single backlog

Overcrowded

- The pure number of elements on different abstraction levels is not manageable → violates agile rule of small queues

It is flat

- Context of inter-related items is lost
- Relationships and dependencies are lost
- My theme splits into 159 user stories – help me please!

Information overflow for target users

- Most of the items are too detailed for managers and strategy guys to draw decisions
- Most of the items are too abstract for engineers to proceed and take the next step
- Everybody works hard on a high level of ineffectiveness ☹





Approaches

Identify independent value streams

- For different target user groups
- With a independent life cycle

Good practices

- Executive management and head-of-...
develop and drive strategy and roadmap
- Functional departments drive innovation and
operation
- Engineering drives analysis, implementation
and deployment

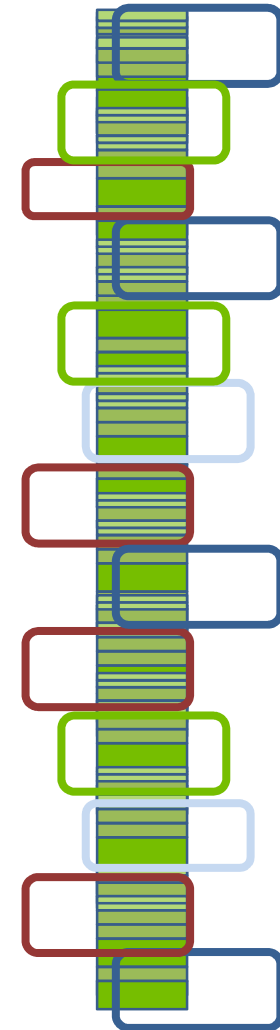
Filter and separate backlog

Separation

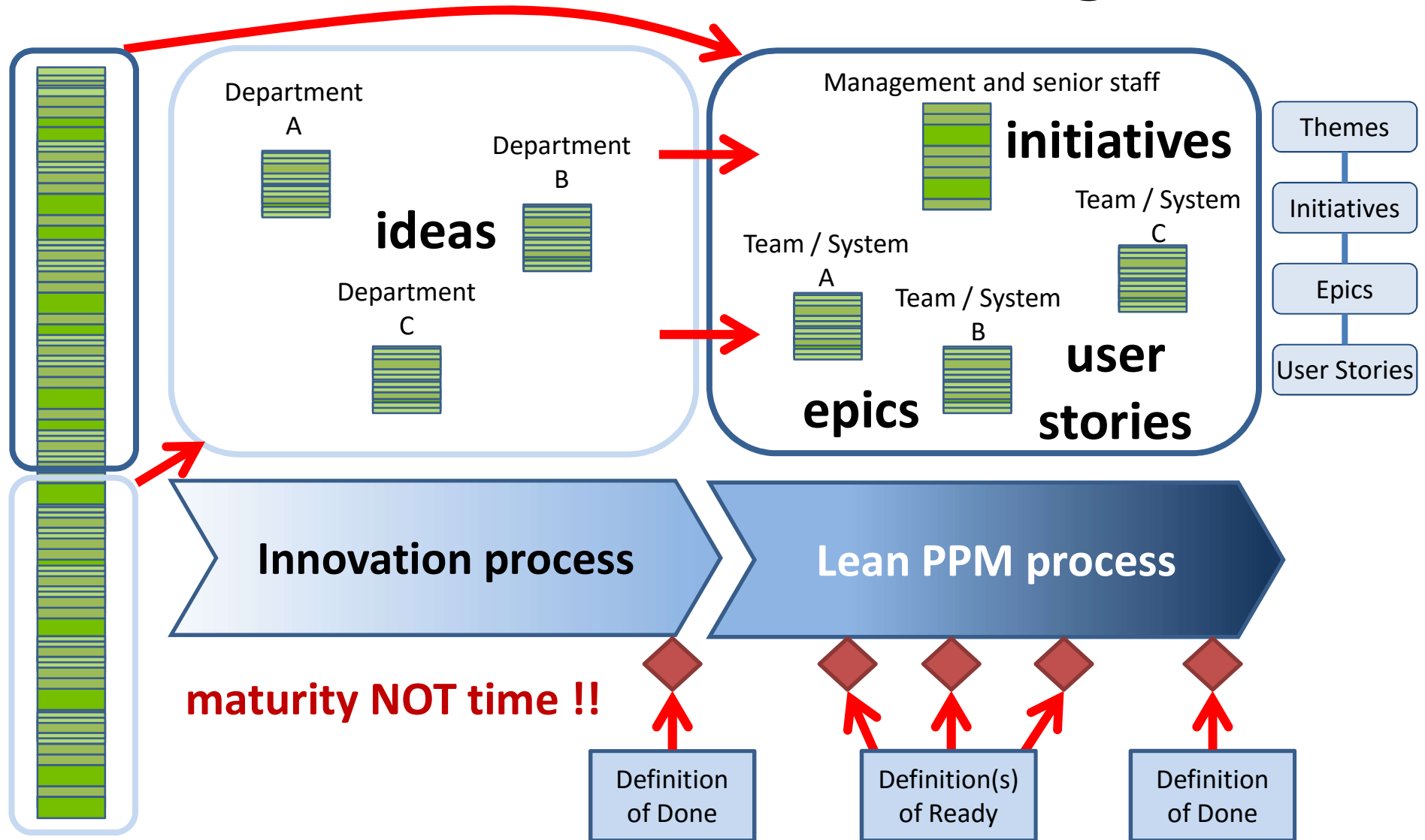
- By Backlog item maturity; target user group
 - Innovation process with low maturity
 - Realization process with strategic alignment

Filter for target group views

- High abstraction level RE's for strategic alignment and roadmapping
 - Themes, initiatives, epics
- Lower abstraction level RE's for analysis, implementation and verification
 - Epics, user stories



Create distinct backlogs



Concepts behind

Small queues handled by the optimal target user group

- The whole system is a prioritized pull system
- Prioritization is done by target group on divergent criteria
 - Department by business needs; senior staff by strategy, teams by value and dependencies
- Management of queues as Kanban or Scrum system
 - Clear channels and rules connecting queues and workers
- Backlog Items are moved from Innovation space to Lean PPM space
- Backlog Items in Lean PPM space are related following concepts out of of SAFe and LeSS

A priority driven maturity development system as mindset

- Ideas develop towards a potential business value
 - DoD of an idea: Agreement that a potential business value exists
- Backlog items develop towards an economic business value
 - Themes and Initiatives: There is a business case behind
 - Epic / user stories: We know the why and how of PBI, so we can verify the business case; realize the deliverables; and validate the outcome



digitec.ch



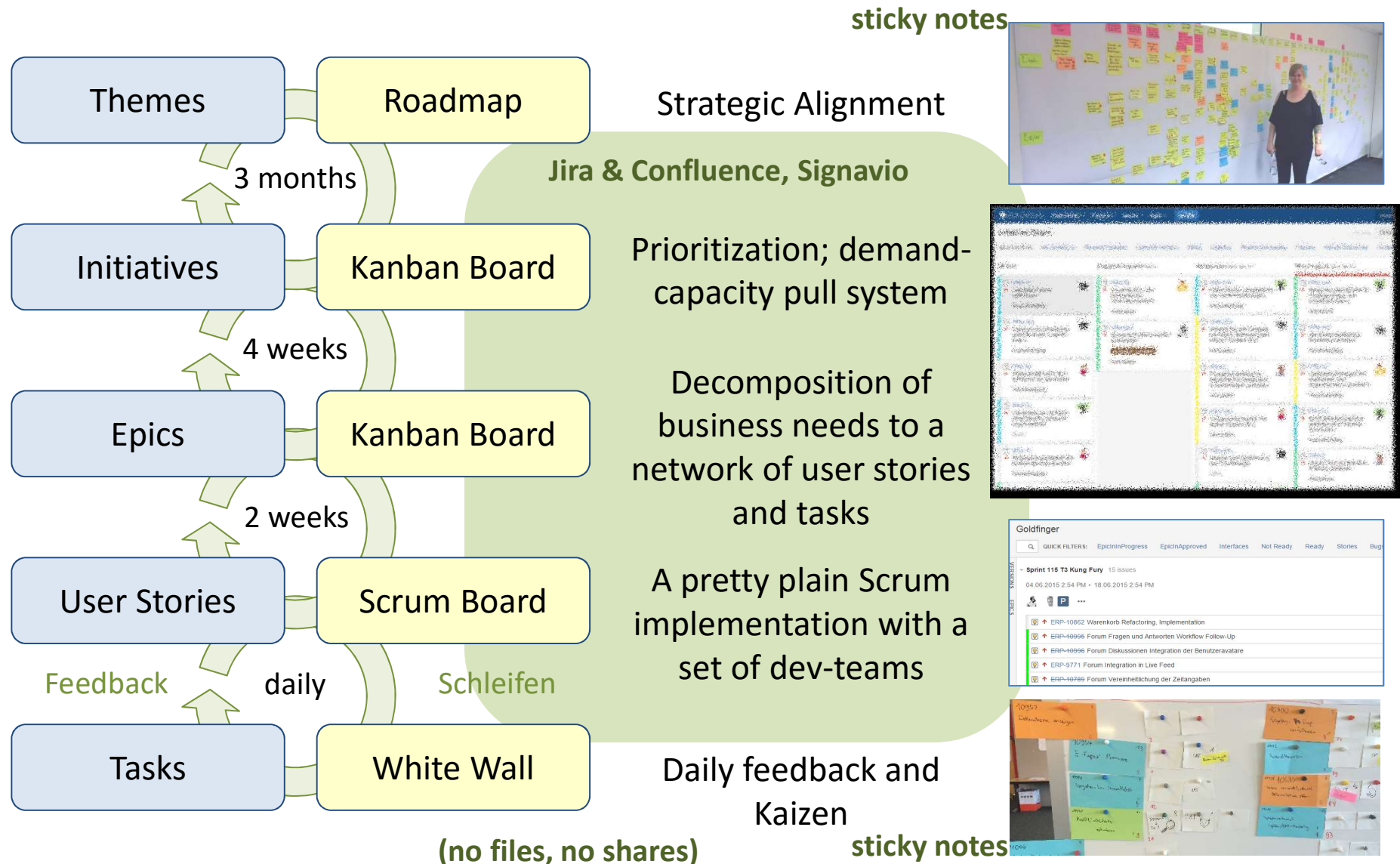
GALAXUS

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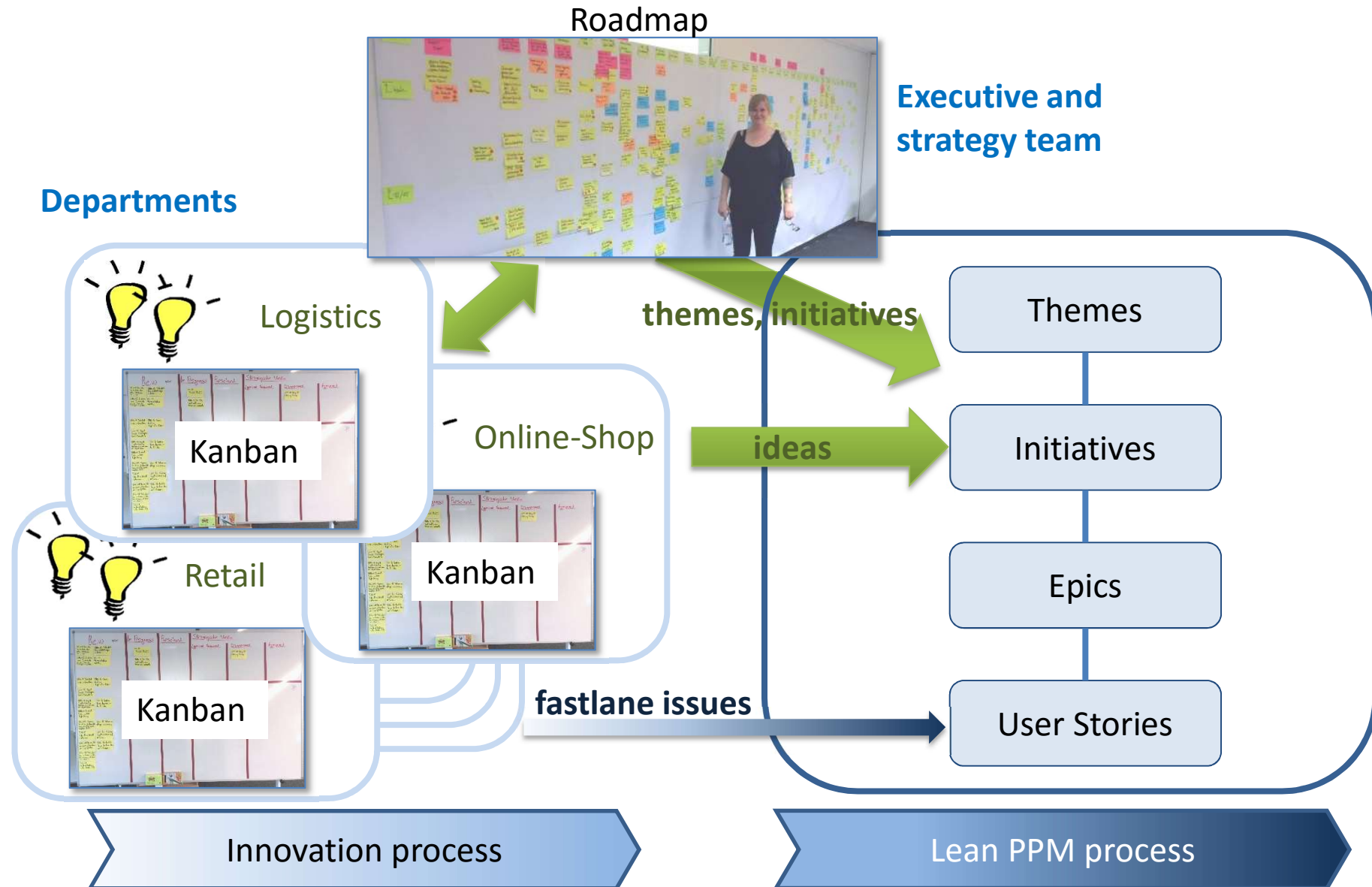
The Digitec Galaxus Implementation of Lean PPM

Innovation and PPM process,
ideas, themes, initiatives, epics,
user stories, tasks, slack time, ...

Implemented instruments

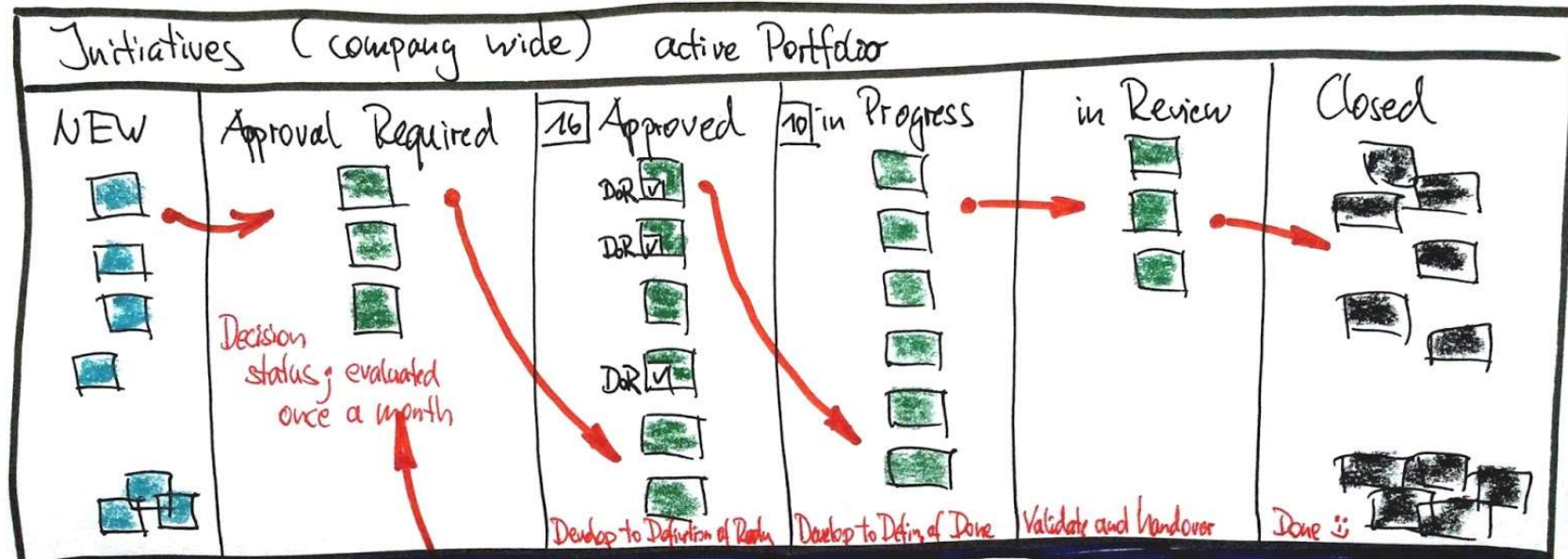


Communication channels

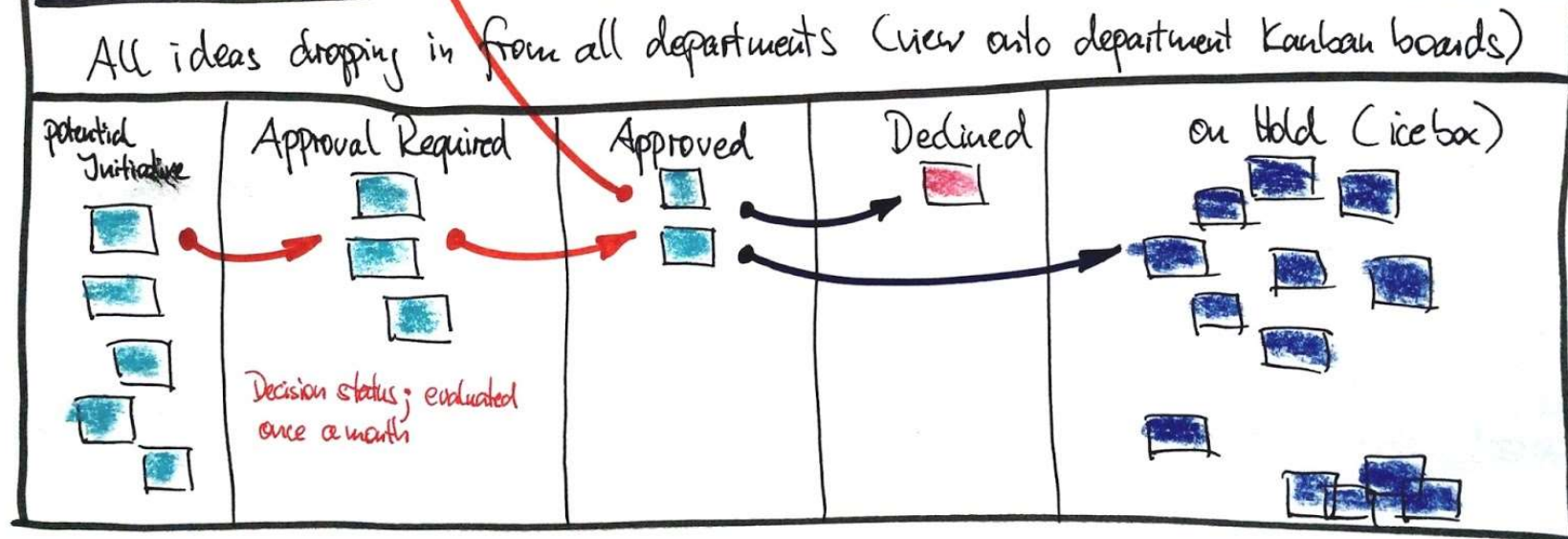


Kanban status model

the single and unique one



one per department

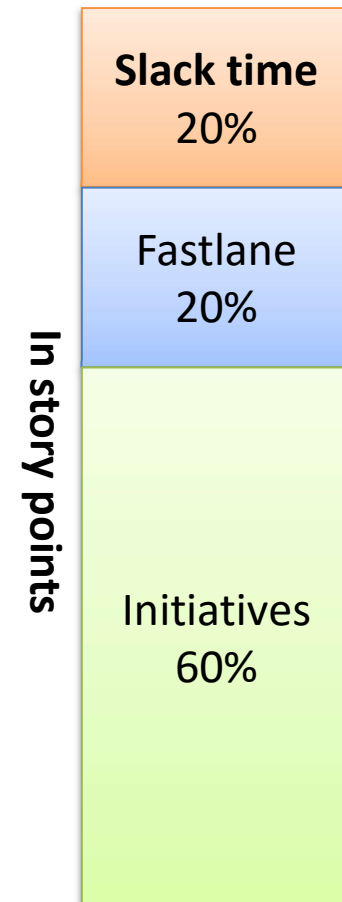


The demand capacity game

Experiences

- Executive team decides about strategy and communicates strategy into departments
- Departments are responsible to derive business needs from communicated strategy
- Departments decide about prioritization of business needs
- Items are of different size and speed
 - two distinct input channels on level initiative (strategic) and user story (fastlane)
- Pull system is balanced on a healthy ratio of strategy, fastlane and slack time
- **Slack time** is essential for Kaizen and innovation ... in engineering as well as in functional departments
 - Clash with traditional productivity thinking

Our healthy capacity consumption for engineering @ Digitec



Many more information

More details on the Lean PPM implementation @ Digitec Galaxus

- <http://rainergrau.blogspot.ch/>

My favorite reading and background in this context (excerpt)

- Agile Software Requirements; Dean Leffingwell; Addison-Wesley Professional; ISBN-13: 978-0321635846
 - Scaling Lean and Agile Development; Craig Larman and Bas Vodde; Addison Wesley; (8. Dec 2008); ISBN-13: 978-0321480965
 - Management 3.0; Jurgen Appelo; Addison Wesley; (28. Dec2010); ISBN-13: 978-0321712479
 - The Principles of Product Development Flow; Donald G. Reinersten; Celeritas Publishing; (29. May 2009); ISBN-13: 978-1935401001
 - Beyond Budgeting; Jeremy Hope, Robin Fraser, Charles T. Horngren; Harvard Business Review Press (1. Mar 2003); ISBN-13: 978-1578518661
 - Lean Software Development; Mary Poppendieck; Addison-Wesley Professional; ISBN-13: 978-0321150783
 - The Lean Startup; Portfolio Penguin; Eric Ries; Trade Paperback (6. Oct 2011); ISBN-13: 978-0670921607
 - Disciplined Agile Delivery; Scott Ambler; IBM Press (23. May 2012), ISBN-13: 978-0132810135
 - Leading Change; John P. Kotter; Harvard Business Review Press; (13. Nov 2012); ISBN-13: 978-1422186435
- ... and many more

