Pull the cord - **project** *funding* model is **defective**

Andon

Why, *pull the cord*, on Project funding?

Manual **proxy data** =
non-value add transactions

Incentivises **irrational behavior**

Deleverages **Knowledge Capital**

Photo by Jilbert Ebrahimi on Unsplash

budget

/ˈbʌdʒɪt/

noun

1. an estimate of income and expenditure for a set period of time.

funding

/ˈfʌndɪŋ/

noun: **funding**

1. money provided, especially by an organization or government, for a particular purpose.

   "the public funding of litigation remains a core question"

verb

gerund or present participle: **funding**

1. provide with money for a particular purpose. the action or practice of providing funding.

   "the World Bank refused to fund the project"

Budget gets created based on estimates*...
Fixed **scope**; *suboptimal* **people** + **time** allocations...
Funding approved based on **estimated** ROI...

Epiphany I: How much time and effort do you spend on this activity?

Epiphany II: If approved funding for next fiscal year, we'll wait until next fiscal cycle to get started or slack off on the work we are doing now as it will stop next fiscal... åh fantastisk 🙃

Budget used for **Performance Management** and **Goal Setting** activities too! **Foolish**.

***Project** funding = **heavy** process...*
Project** = Deterministic && Product model = **Stochastic

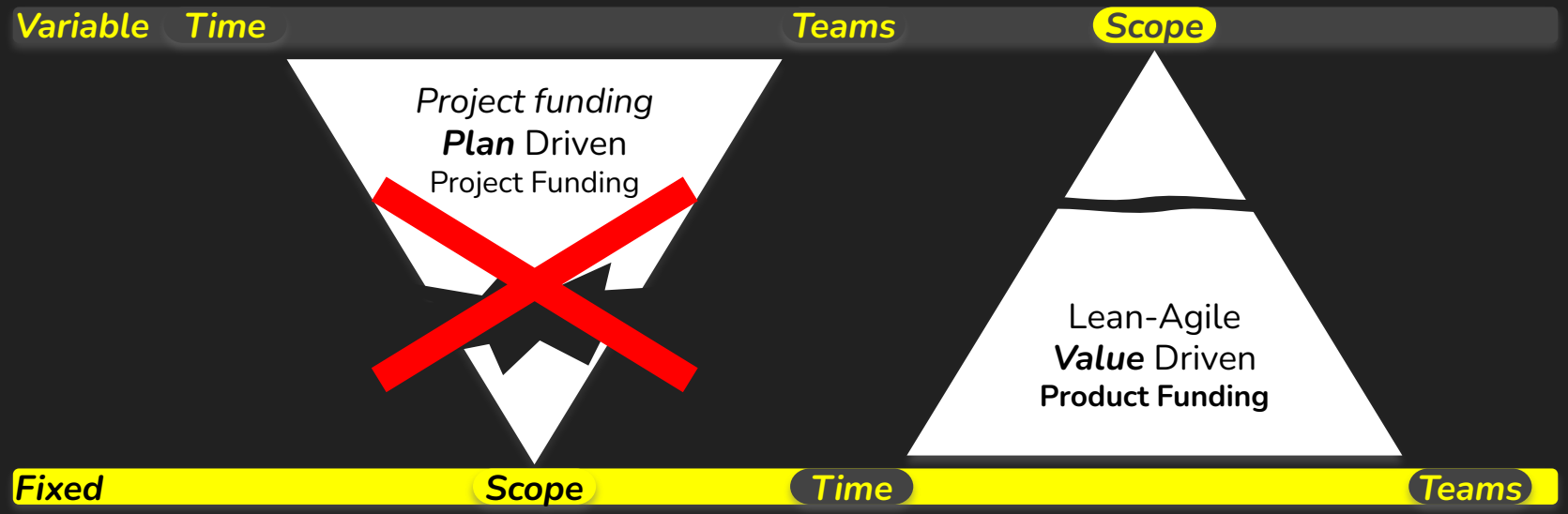
Product ***development***
vs. Product **assembly**

Budgeting and Funding

Paradigm *Shift*

Scope = **Demand**
Exploit Variability

Timeboxes + Team/s = **Capacity**
Cadence & Synchronization



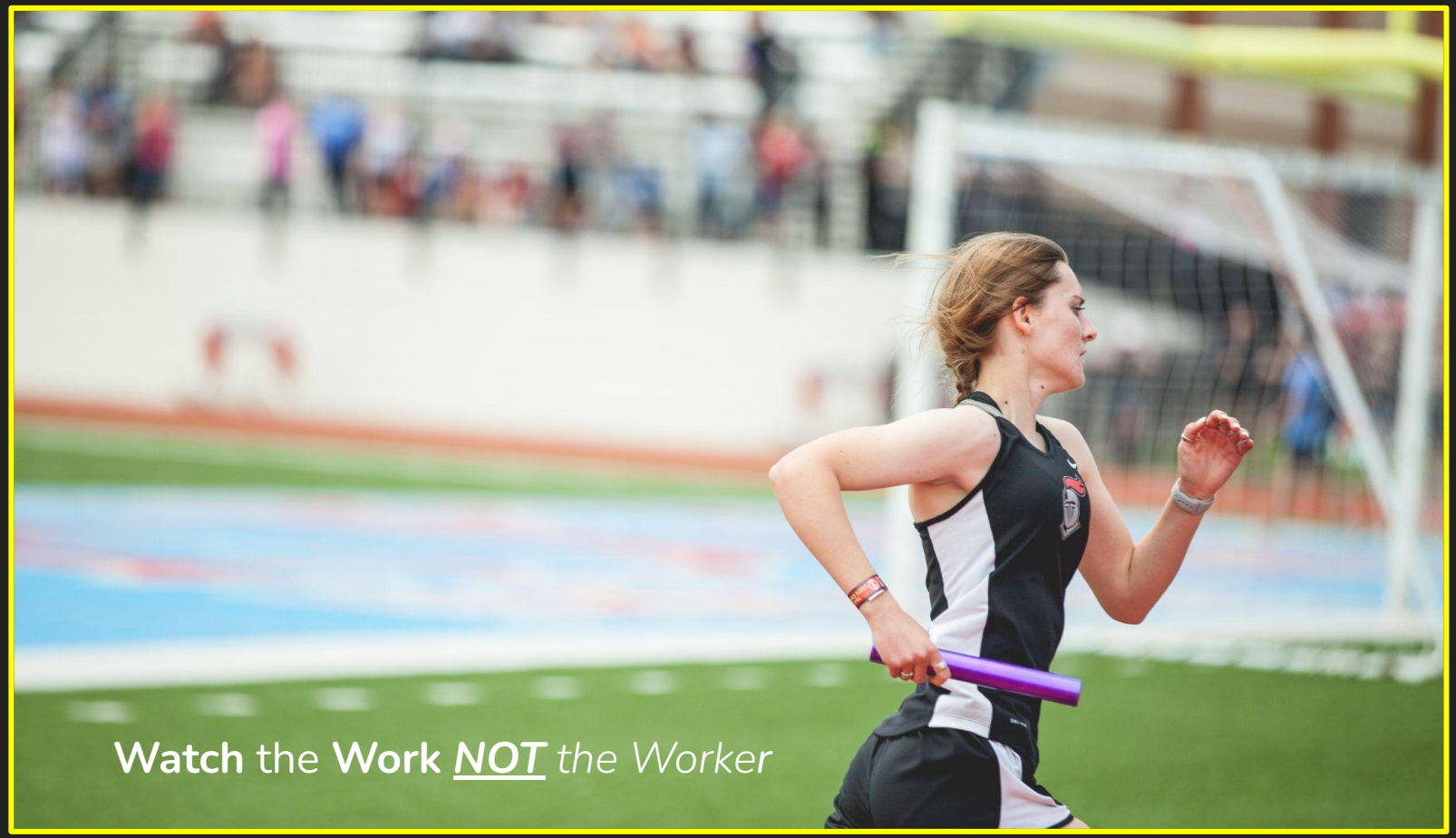
Matching Function
Limit WIP/Queueing Theory

Product *vs. Project*

Differences in Investment Portfolio styles

- Locus of control: **Internal** *vs. External*
- Budget + Fund: **Teams + Time** *vs. Project ROI*
- OBS: **Product value streams** *vs. temporary projects*
- Strategy: **Capacity allocations** *vs. budget line items*
- Planning: **Outcomes** *vs. Output [Feature Factory]*
- Measure: **Flow + Cycle Time** *vs. resource utilization*

Pull *vs. Push* - **Asset** *vs. Liability*


Watch the **Work** ***NOT*** *the Worker*

Don’t be shortsighted…

Kortsynet

Systems Thinking…

Corporate IT dept a Cost Center? Cost Center trap!

Lean **budget** + LPM

= **Product** *funding*

Call-to-***Action…***

I. **Fund teams**. Teams are the atomic unit. **Persistent corporate asset. Teams** || **Groups** [Product Portfolio + Program]

II. **Lean budgeting**. Box Scores (**Cycle Time**, **P&L**, **Customer Satisfaction**). Strategic allocations.

III. **Portfolio Kanban**. Pull-schedule and WIP limits replace disparate funding workflow. *VC funding model*. **Decision Velocity**.

IV. **Lean accounting practices**. **Reduce transactions = reduce waste.** No proxy data. Information in the data (Cycle Time and CapEx). *Start experimenting in parallel*.

Fuzzy Front-end
Photo by Bruno Nascimento on Unsplash

empiricism

vs. rationalism

The End