

# 3 Steps to Leap from Agile Teams to Business Agility

*Sanjiv Augustine*



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# About Me



**Sanjiv Augustine**

- **Sanjiv** is the Founder and CEO of LitheSpeed, LLC & the Agile Leadership Academy®
- He has enjoyed 20+ years of practicing and evangelizing Agile, with a focus on **strategic agility**.
- Sanjiv loves travel, world cultures and music.
- Latest book: *From PMO to VMO*.
- Podcast: [agilecaravanserai.com](https://agilecaravanserai.com).



**This deck is here:** <https://lithespeed.com/agile2023/>

# About LitheSpeed



Making peoples' work more valued, productive and fulfilling



## Management Consulting & Training:

Project to Product  
Lean Portfolio Management  
Strategic Agility

*Introduction to the Agile VMO*® Self-led  
Certified Agile VMO Practitioner™  
Certified ALA Trainer™

## Industry Recognition



  
Most Outstanding Agile Training and Consulting Firm, 2020 - USA  
Corporate Excellence Awards 2020

## Enterprise Clients



# Agenda

Goal: Business  
Agility

1. Set up end-to-  
end Value  
Stream Teams

2. Set up an  
Agile VMO

3. Move from  
Yearly Budgeting  
to Fixed Funding

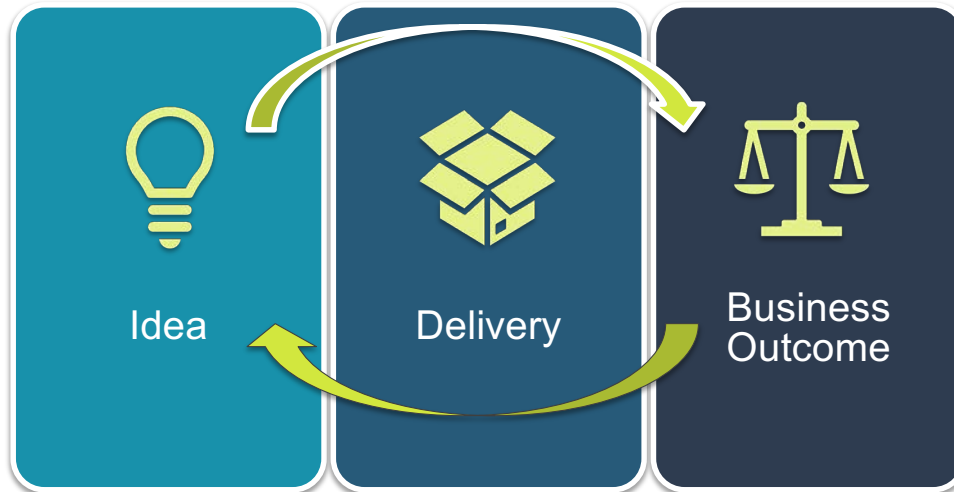
# Goal: Business Agility



# Our Goal: Business Agility

“Successful organizations are able to pivot and implement quickly in order to achieve competitive advantage.”

- Steve Denning via PMI Pulse of the Profession



*How fast can we learn?*

**SBA: PPP processed more than 14 years worth of loans in less than 14 days**

*Paycheck Protection Program is working to help small businesses, even if it hasn't been glitch-free: Opposing view*

**Jovita Carranza** Opinion contributor  
Published 5:01 p.m. ET Apr. 20, 2020 | Updated 11:33 a.m. ET Apr. 21, 2020

# 3 Steps to Leap from Agile Teams to Business Agility

## Objective

Deliver value rapidly & directly to customers

1



### Set up end-to-end Value Stream Teams

- Align Value Streams to Customer Journeys

2



### Set up an Agile Value Management Office (VMO)

- Increase decision velocity
- Align to outcomes
- Enable portfolio prioritization
- Flattened hierarchy via team of teams

3



### Move from Yearly Budgeting to Fixed Funding

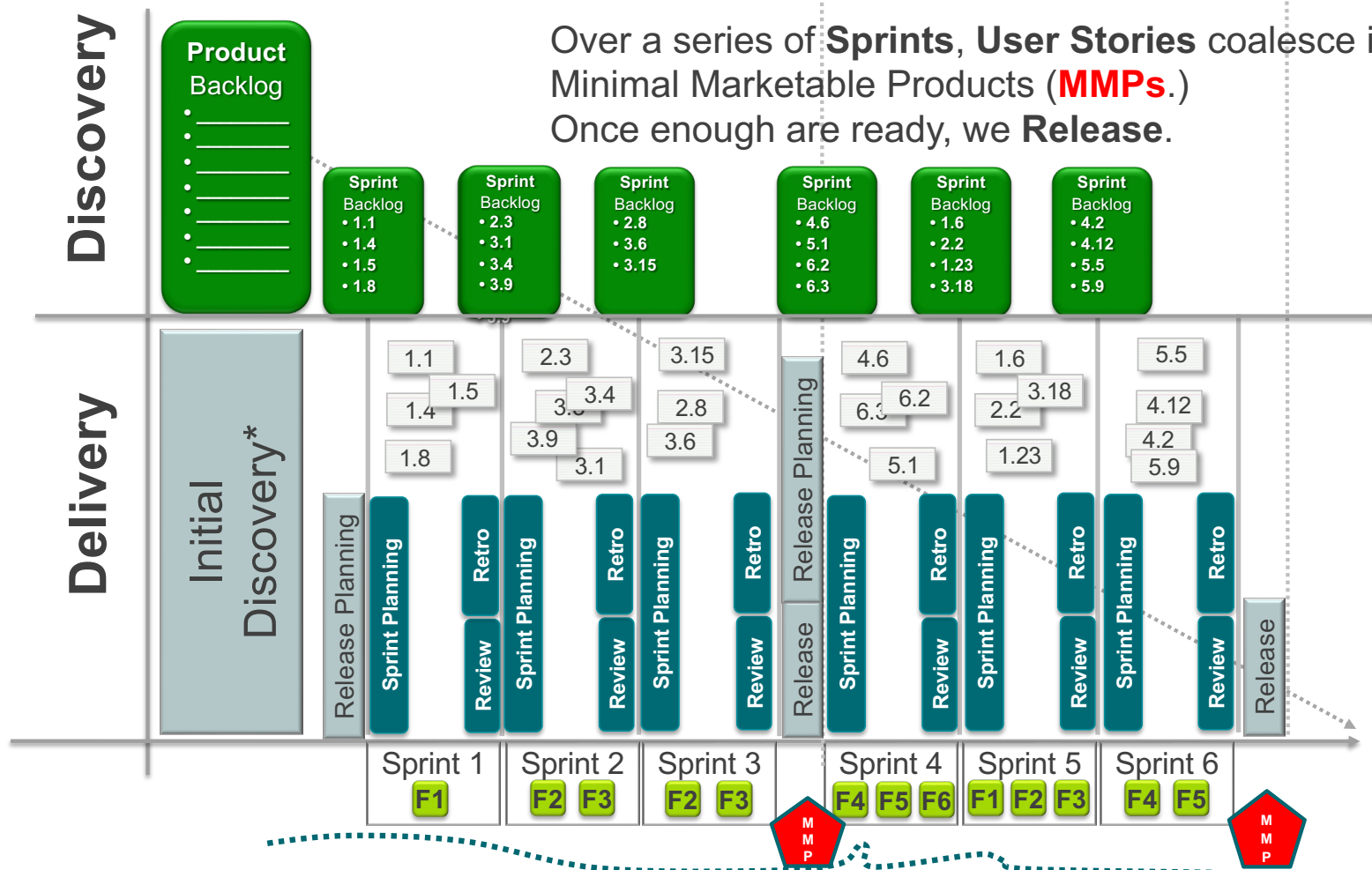
- Teams pre-funded yearly by Value Streams & OKRs
- Link strategy to execution
- Delink funding from projects and prioritization

Agile teams deliver in timeboxed Sprints (two weeks, typically)...



...and we aim to deliver product increments to customers rapidly.

# Our Goal: Customer-focused, Small Batch Delivery with Validated Product Increments



What happens in real life is that we end up with long lead times **before** and **after** development...

...and since agile teams are disconnected from our end users and customers, we **deliver output** that does not align with the **business outcomes** necessary for true business agility.

# Exercise: Defining the Agility Gap Mentimeter

Go to [www.menti.com](https://www.menti.com) and use the code 8484 8138

NOT SO MUCH

Our portfolio of work is focused, fast and dynamic, allowing for very frequent & reliable deliveries while maintaining flexibility to changing needs.

Our product's technical quality is very high, with end-to-end automation where appropriate, allowing for rapid modification with low risk.

Our metrics are consistently meaningful & actionable, giving a clear idea of customer satisfaction, team engagement & delivery capacity across teams.

Our products and services are loved by customers, with subjective ratings consistently placing us in the top tier of our market

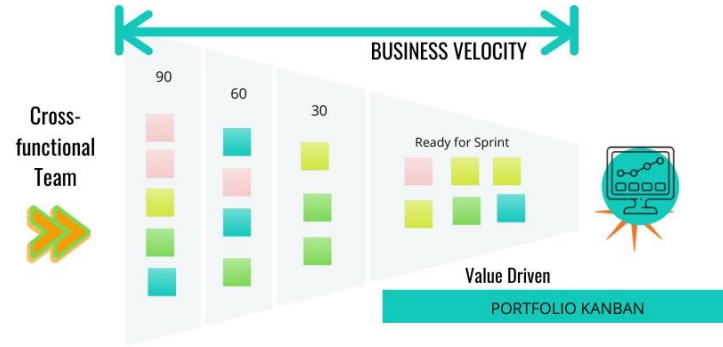
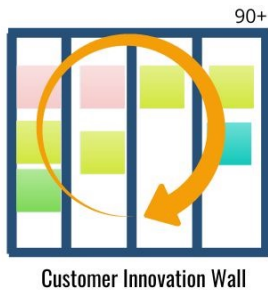
Our teams are engaged and happy with their work, with an intrinsic sense of purpose and consistently high satisfaction ratings.

There is a robust feedback loop from teams to leadership and back, keeping teams tightly coupled to real business needs.

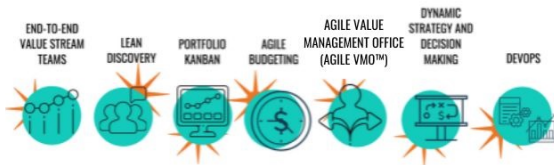
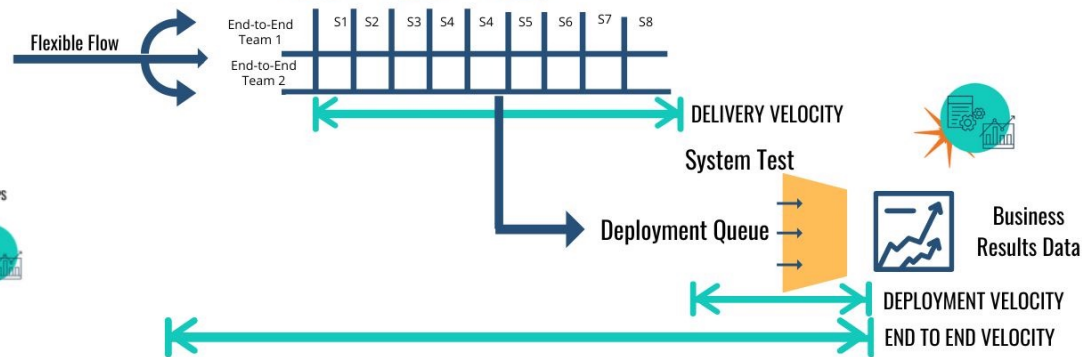
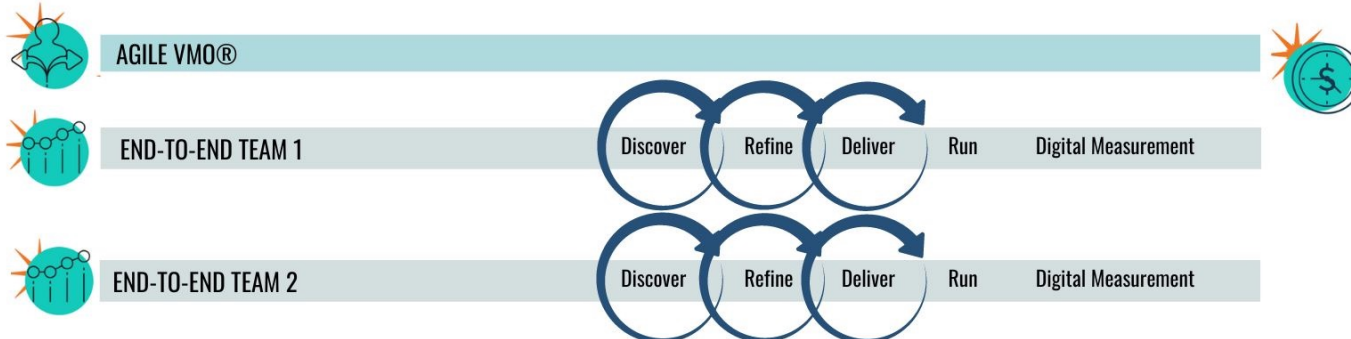
Leadership has visibility and ground knowledge on product performance to inform strategic decisions.

YEA, VERILY!





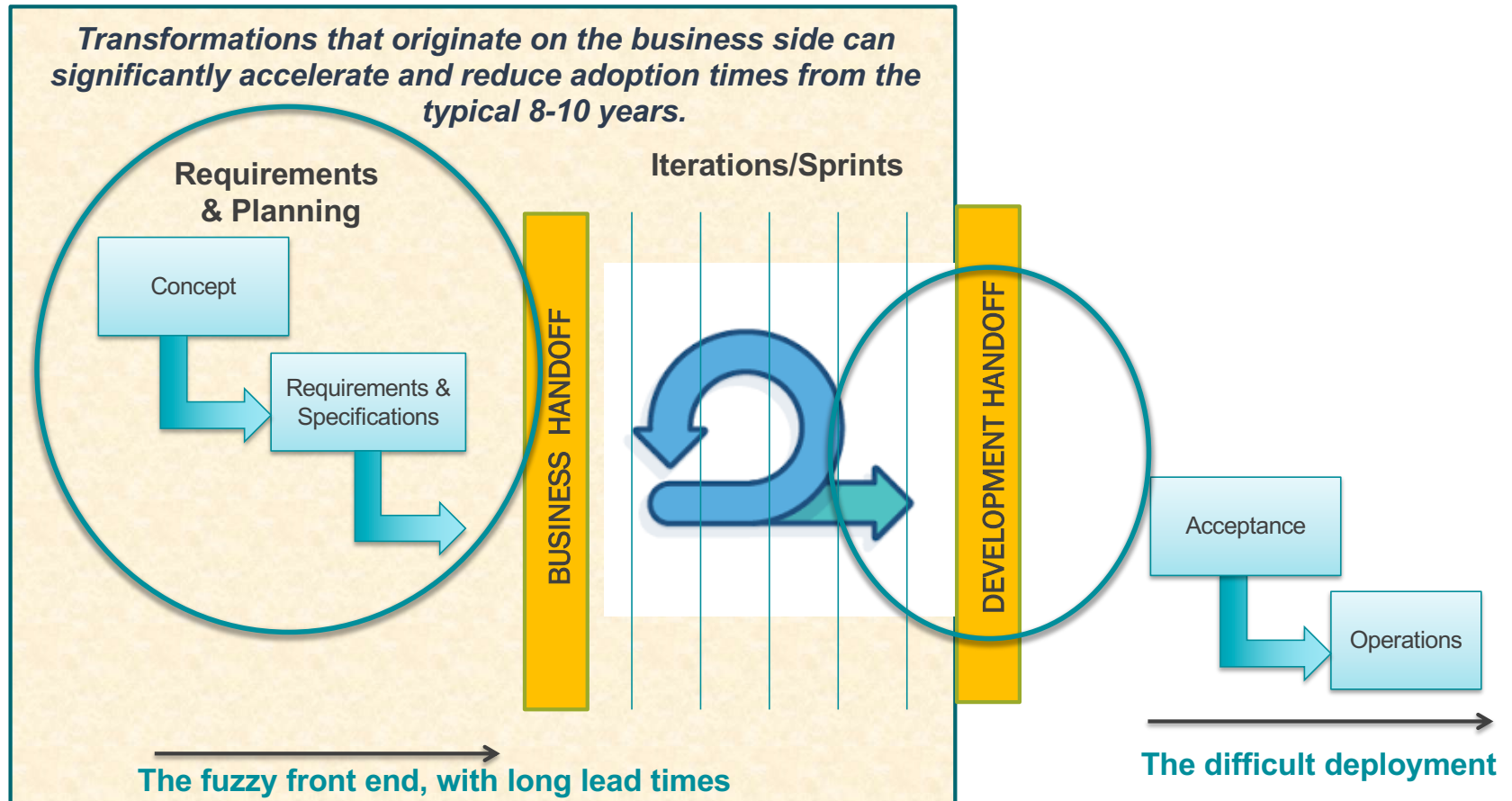
# The Business Agility Sparks® Operating Model



# 1. Set up end-to-end Value Stream Teams



# Challenge: Organizational Silos Impede Customer Centricity & Rapid Value Delivery





# End-to-End Value Stream Teams



<https://lithespeed.com/business-agility-sparks/#end-to-endvaluestreamteams>

While agile teams might be cross-functional with a few integrated functions (dev, test, etc.), **organizational silos still persist.**

Typically, we end up having to traverse an average of **9 silos** to deliver value to our customers.



We need to “shift-left” and integrate end-to-end with business to address pre-dev bottlenecks with value stream teams.

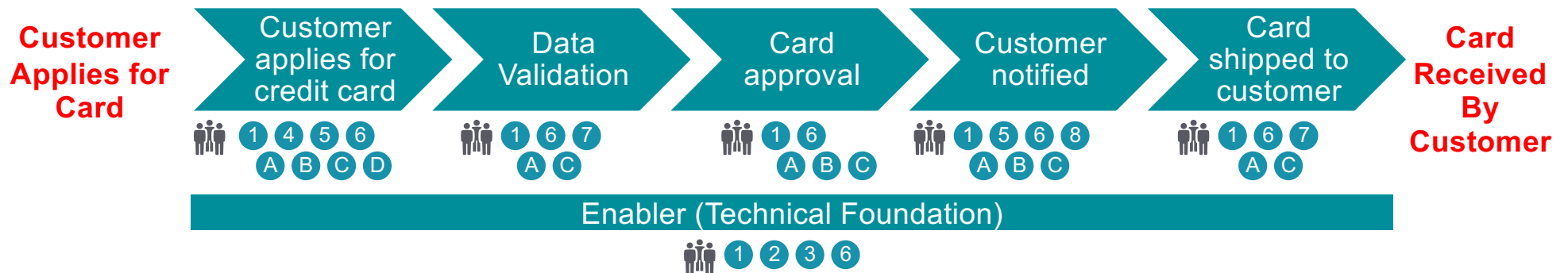


We need to “shift-right” and put in stop gap measures to address post-dev deployment bottlenecks, **even as we move towards release-on-demand DevOps capabilities.**

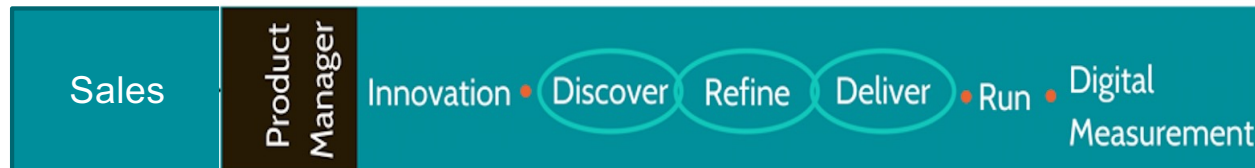
# What is a Value Stream?

*A value stream is the set of actions that take place to add value for customers from the initial request through realization of value by the customers.*

- PMI Disciplined Agile



# Shift-Left & -Right with end-to-end Value Stream Teams

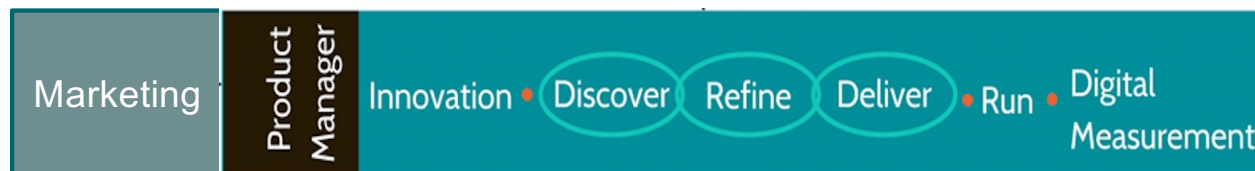
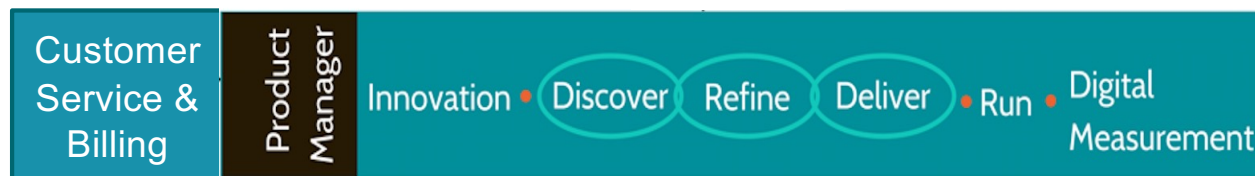


Set up end-to-end teams focused on **value streams**

Each value stream team has **all/most of the functions necessary** to deliver value to end users

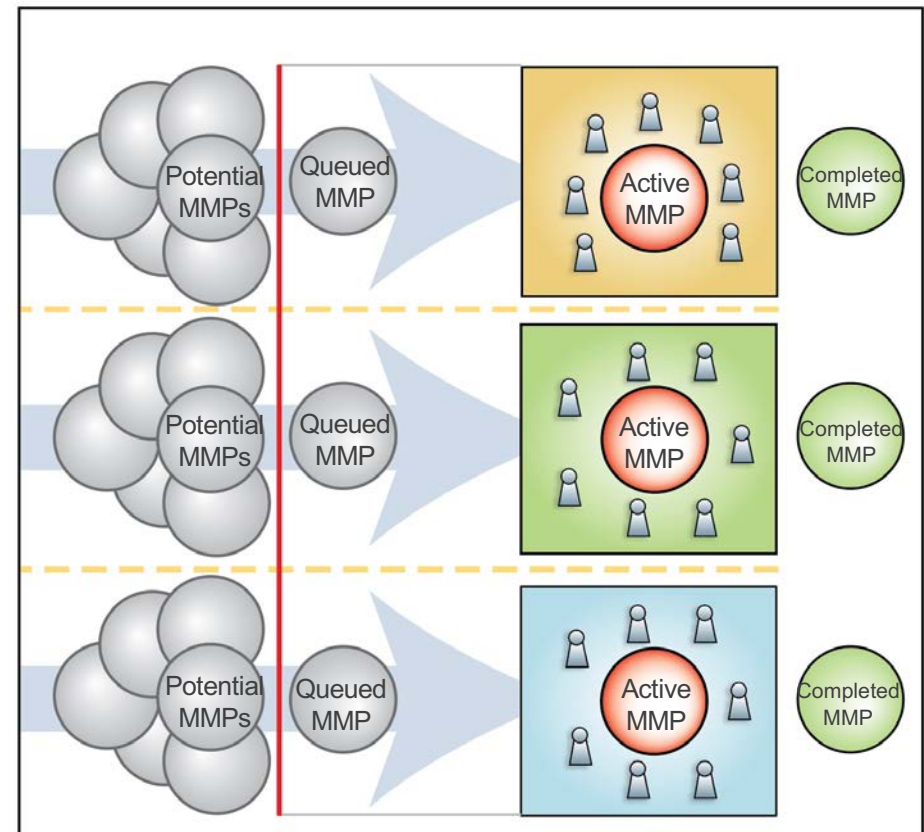
Each **value stream team** has:

- Product Management/Owners
- User Experience
- Discovery/Refinement/Delivery
- Run Support
- Prototyping R&D
- Digital Measurement support



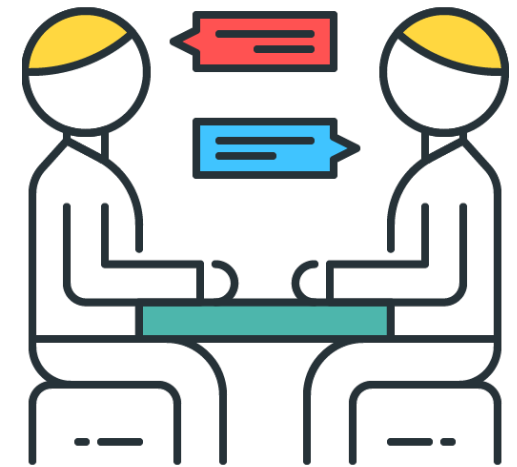
# Focus end-to-end Teams on Prioritized MMP Flow

- **Set up multiple, dedicated stream-aligned teams** supporting Value Streams or lines of business.
- **Prioritize the potential MMPs** in ways that are economically sound to ensure we invest in the best opportunities.
- **Use Weighted Shortest Job First (WSJF)** to drive MMP selection and sequencing
- Ensure each stream-aligned team **focuses on a single MMP at a time** and delivers that before starting new work.



# Discussion: Accelerating **End-to-End Flow**

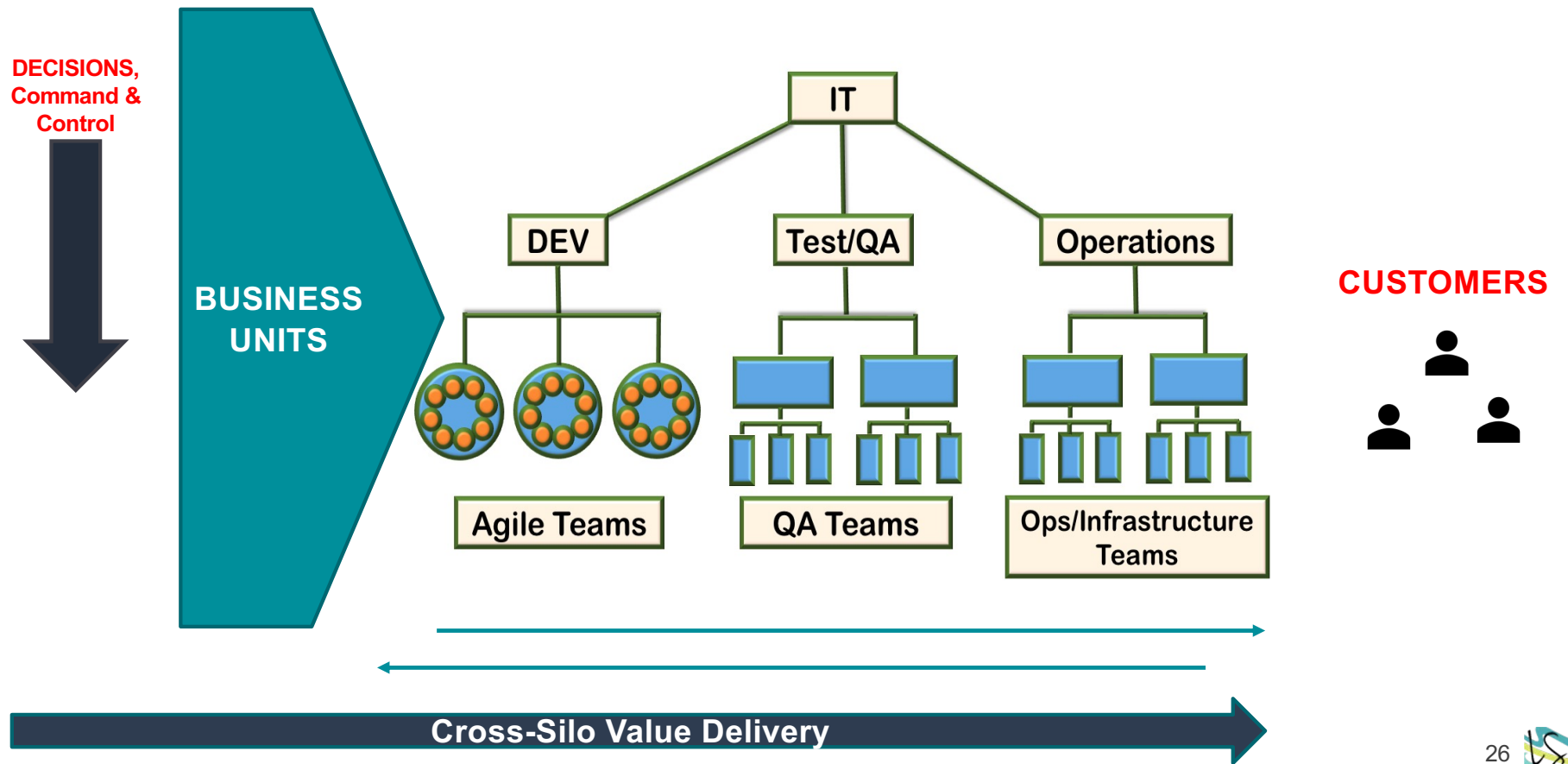
1. Do your agile teams integrate all product development roles including developers, testers, analysts, etc?
2. How might you include all members in the value stream, including upstream business and downstream deployment?
3. With **end-to-end flow** as the primary goal, what other changes can you make?





## 2. Set up an Agile Value Management Office (VMO)

# Challenge: Conway's Law in Action – Agile Teams, Legacy Silos



Organizational hierarchy and the legacy of command-and-control management **slow decision making to a crawl** that is unsustainable in today's turbulent environment.

We need to “shift-up” to flatten hierarchy and **accelerate decision making velocity** with a management “team of teams.”



# Agile VMO: Leadership Team of Teams

...responsible for lean portfolio management and adaptive governance.

**CROSS-FUNCTIONAL**



Business, IT and Ops  
working as one team

**CROSS-SILO**



Liaisons ensure tight  
coordination across silos

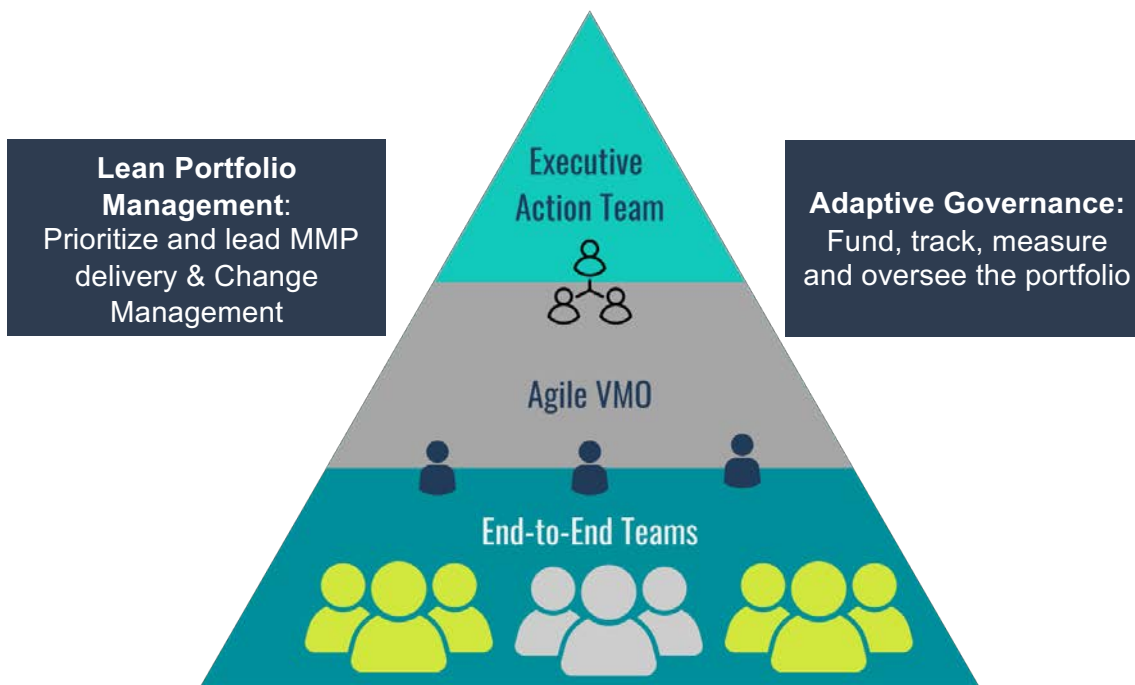
**CROSS-HIERARCHY**



Liaisons ensure tight coordination  
between hierarchical levels

# Setting up the Agile VMO

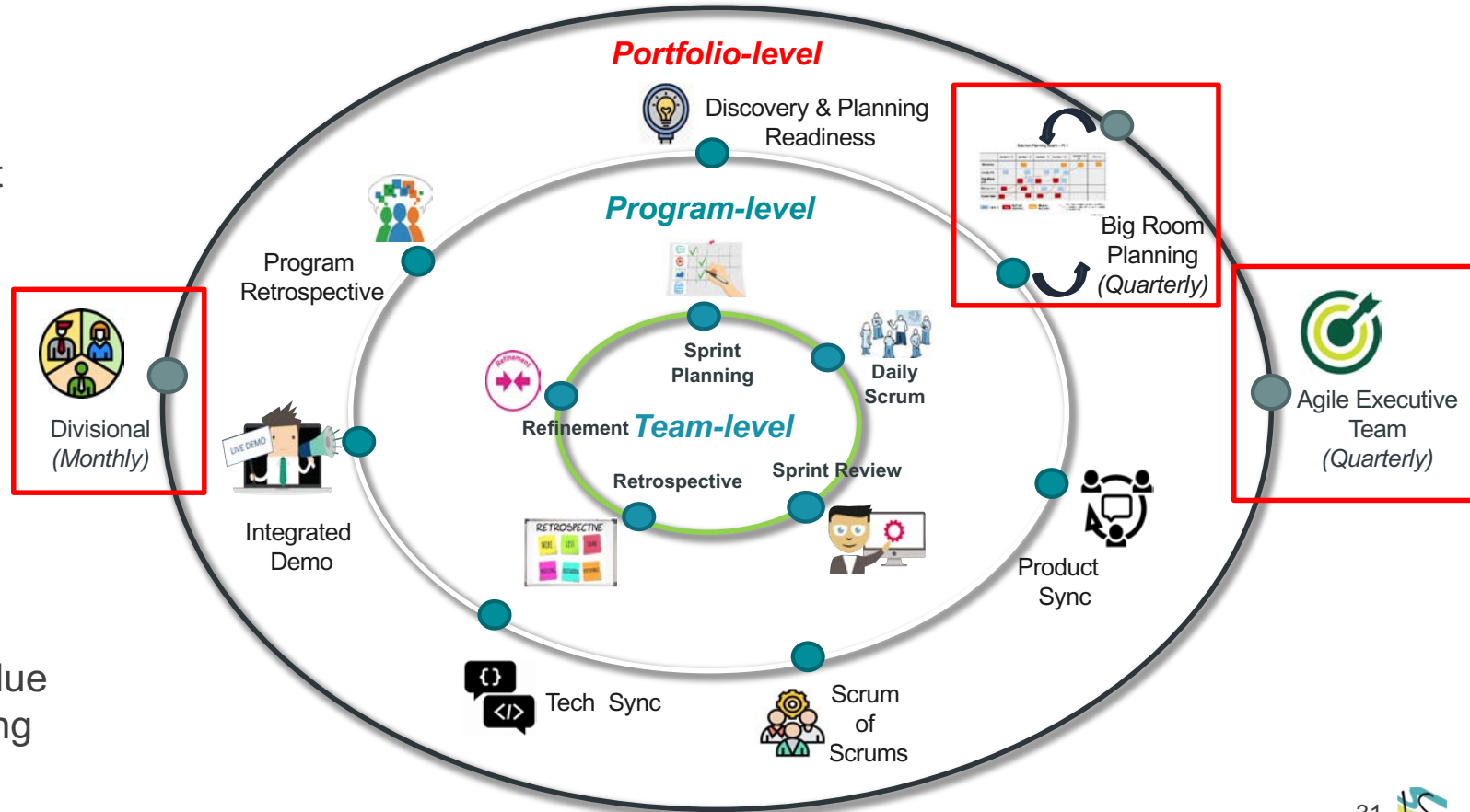
**Goal: Create seamless, end-to-end flow of value**



- Set up the VMO as a cross-organization, cross-hierarchy team of teams.
- Prioritize the portfolio and track MMPs.
- Carefully Manage the Portfolio “On Ramp.”
- Set up an End-to-End Portfolio Kanban to track and manage the flow of Value Streams.
- Track and Measure Portfolio Flow.
- Apply Agile Lifecycle Management Tools for Adaptive Governance.

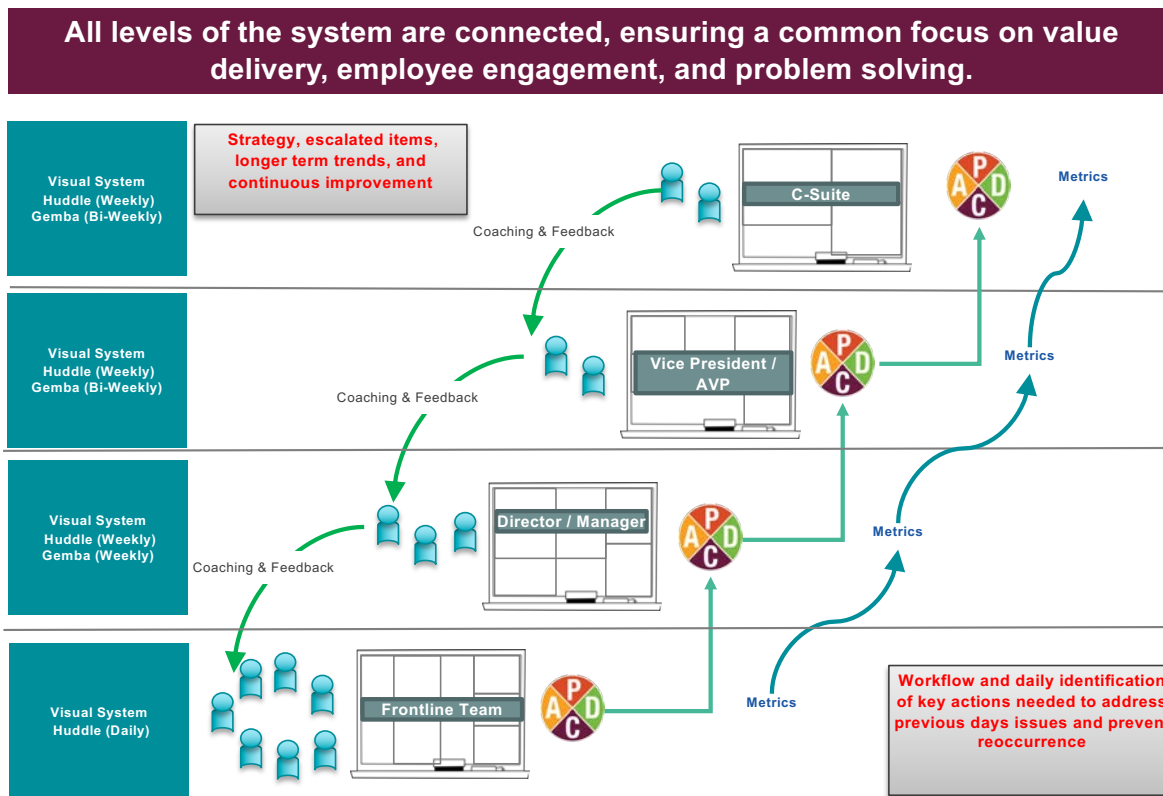
# CASE STUDY: Agile VMO Sync Meetings

- Feedback mechanisms built into every aspect of delivery and used to learn and adapt in iterative cycles
- Empowered decision making with frequent feedback and value delivered reporting



*Closed loop system of feedback and collaboration across teams and programs*

# Discussion: Increasing **Decision-Making Velocity**



1. Review the adjacent line-of-sight Lean Management System from Nationwide Insurance.
2. With **increasing decision-making velocity** as the primary goal, what are some elements we might apply to our organizations?

Credit: Tom Paider, VP, Nationwide Insurance



# 3. Move from Yearly Budgeting to Fixed Funding



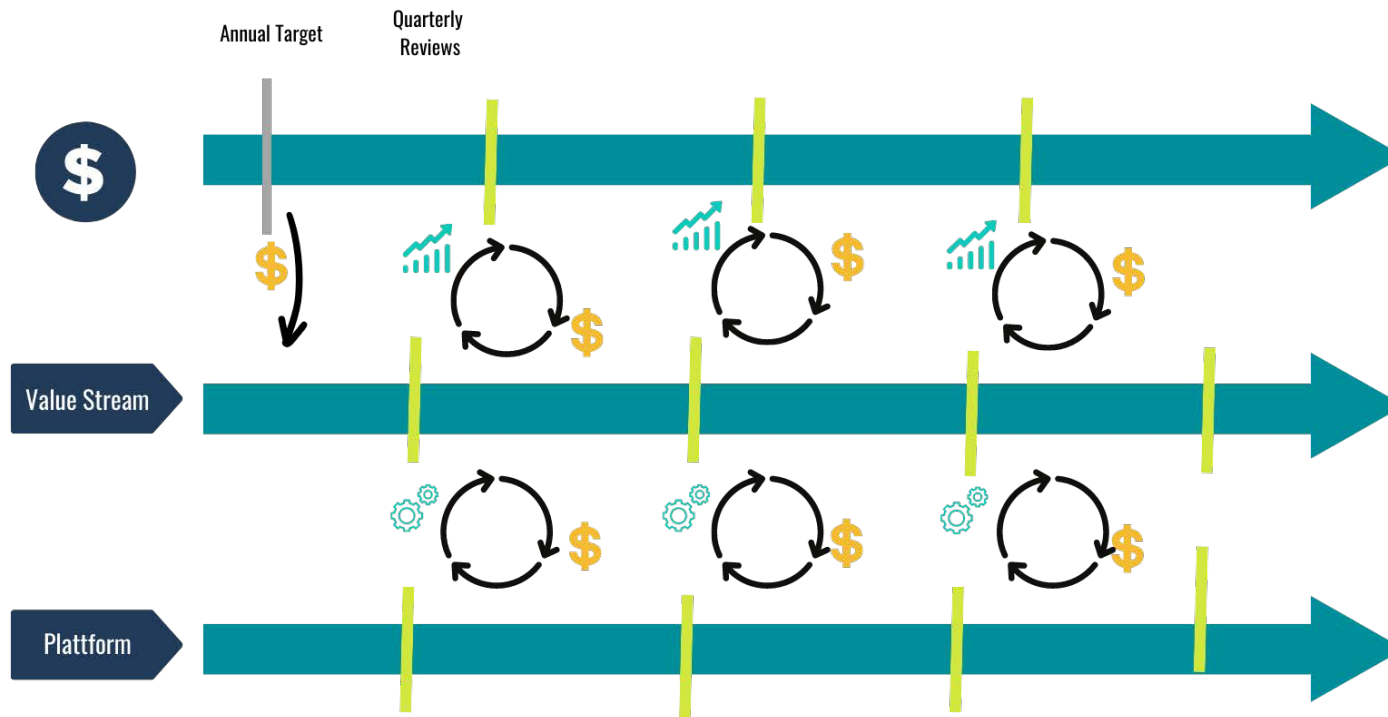
# Challenge: Traditional Funding is the Biggest Impediment to Agility

*“Challenges with funding arise as the business agility transformation scales.*

*The sentiment is that **scaling the change is now impeded by traditional means of funding work** which is no longer fit for purpose.”*

- BAI Business Agility Report 2021

# Fixed Funding by Value Stream



- Annual targets established based on planned spend on Strategy
- Distribution / Allocation to Value Streams and Platforms
- Quarterly review and updates based on actual spend and business pivots

# Fixed Funding by Value Stream (Cont'd)

- Prioritize customer journeys and associated value streams yearly
  - Pre-fund customer journeys and associated value streams for a year (or longer)
  - Decouple prioritization from funding
  - Plan dynamically with **yearly forecasts** and **quarterly updates**.
- 
- Determine OKRs that apply to each Value Stream
  - Review OKRs and update quarterly
  - Align, prioritize and track MMPs to OKRs
  - **Focus on MMPs that are economic winners**, and terminate economic losers



# CASE STUDY: Fixed Funding by Value Stream



Business and technical initiatives

Business impact analysis and stakeholder collaboration

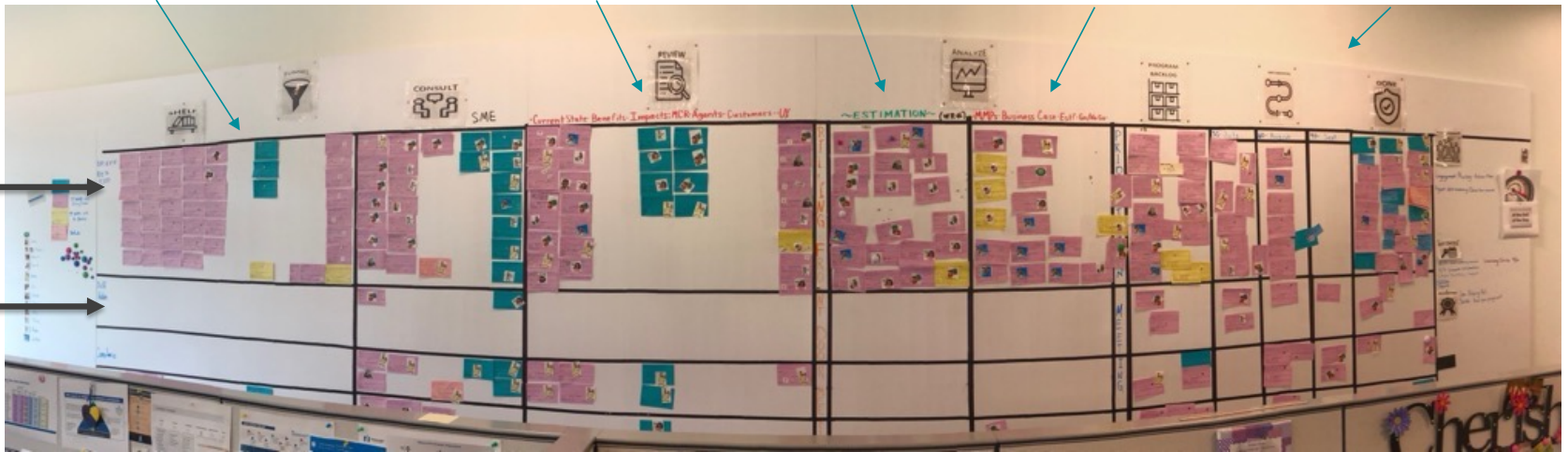
Estimation

MMP formulation

Approved & selected

**Objectives**

- O1: Improve Work Management Processes
- O2: Deliver a great User Experience



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# Be a Game Changing Leader!



## Certified Agile VMO Practitioner™ (ALA-CVP™)

- Evolve your mastery of agile ways of working beyond the team level and lead your organization in adapting to a fast-changing environment.
- As an ALA-CVP™, you will implement the essentials of Lean Portfolio Management and Adaptive Governance in your organization.

November 14-15, 2023: [Register Now](#)



## Certified ALA Trainer™ (ALA-CAT™)

- Be the thought leader and catalyst for change in your organization. Improve your organization's performance, enhance your own skills, and stay ahead of the curve.
- As an ALA-CAT™, you train and enable other organizational leaders to deploy Agile VMOs, and to lead the delivery of customer value.

November 14-16, 2023: [Register Now](#)

See <https://agileleadershipacademy.com/> for more details.

# CONTACT

**Conference Page:** <https://lithespeed.com/agile2023/>

**Agile Leadership Academy:**

<http://www.agileleadershipacademy.com>

**Self-led Training: *Introduction to the Agile VMO***<sup>®</sup>

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# CASE STUDY: Customer Journey-Aligned Value Streams

