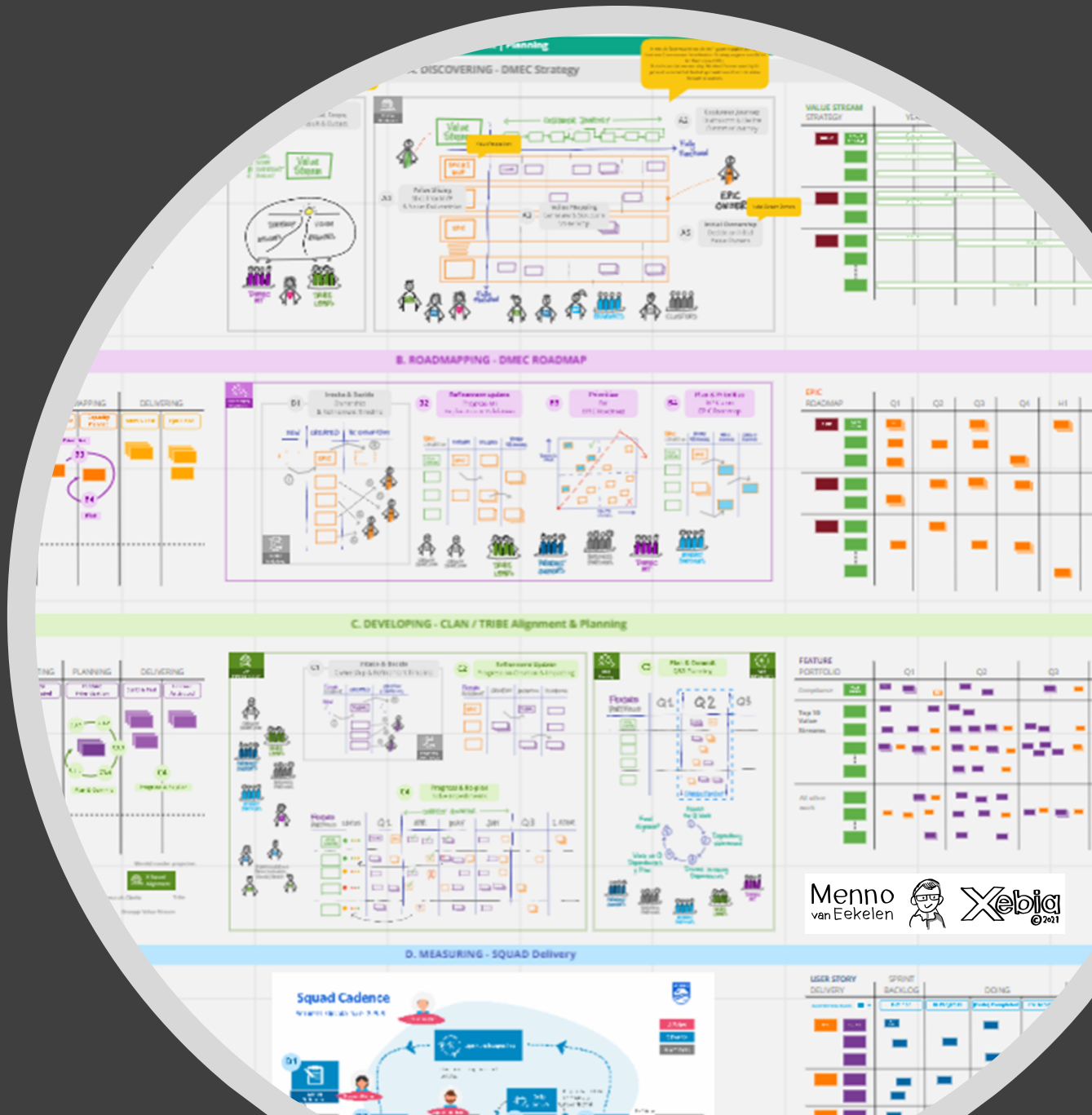
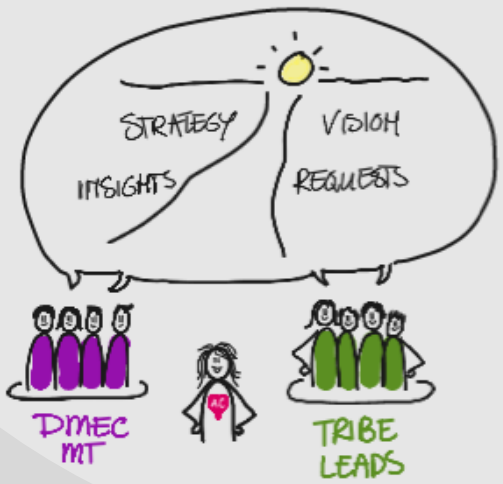
Portfolio Management transformation @Philips DMEC

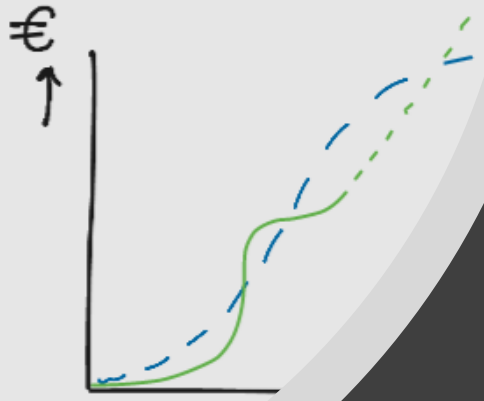


Robert de Moed – Portfolio Lead @Philips

Drawings by Menno van Eekelen - Xebia

KPI's





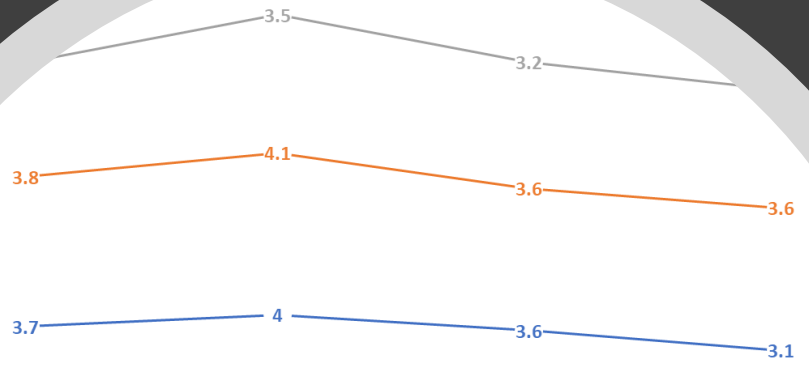
Agile Transformation started bottom up

Spotify Engineering Culture *creates challenges for scaling to the non-Agile Philips Organization*

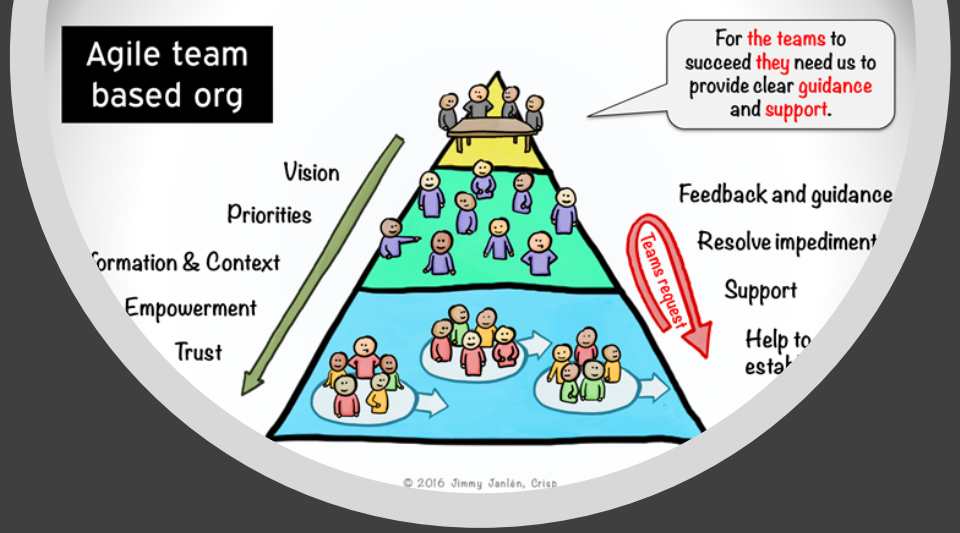
Many processes are waterfall *– rest of the organization and core processes are waterfall e.g., annual budgeting, KPI commitments and committed horizon planning*

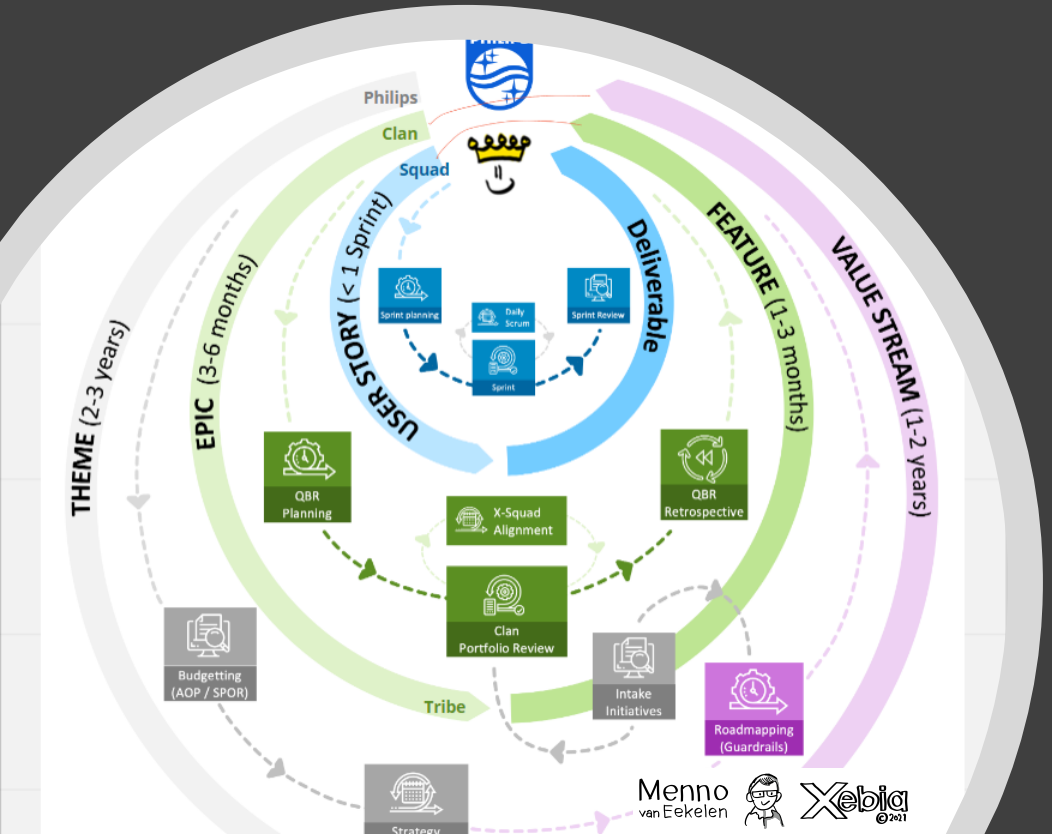
HR not Agile: *Product Owners have a reporting line to their Tribe Leaders*

Agile transformation is WIP*; we are still in the middle of transition & clarity is needed on what is expected from Clan Leads, Tribe Leads & Product Owners*



QBR Confidence Vote

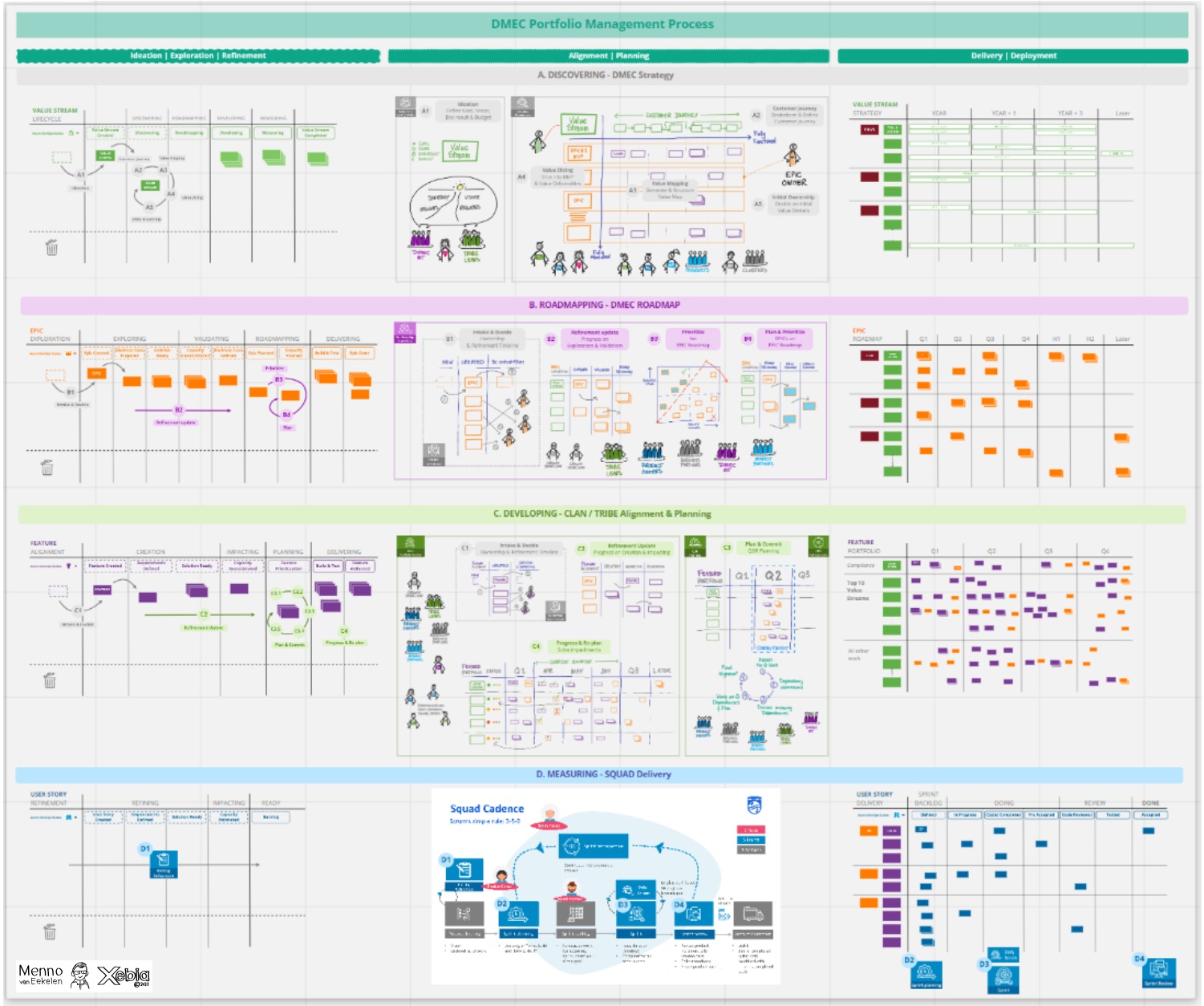




Product Owners Drive Value Creation

Successful agile organizations empower employees to obsessively focus on creating happy customers and deliver value to those customers.
With a clear purpose and vision teams can autonomously focus on the right priorities –learning and experimenting along the value delivery journey.

1. **Product Owners take the lead in portfolio management** and squads can work autonomously in alignment with DMEC priorities and can relate their work to the customer and/or business value. All aligned with the DMEC Strategy.
2. **Customer insights driven approach** underpins development of all products & services.
3. Squads adopting **data driven test & learn cycle**.



DMEC Portfolio Management Framework

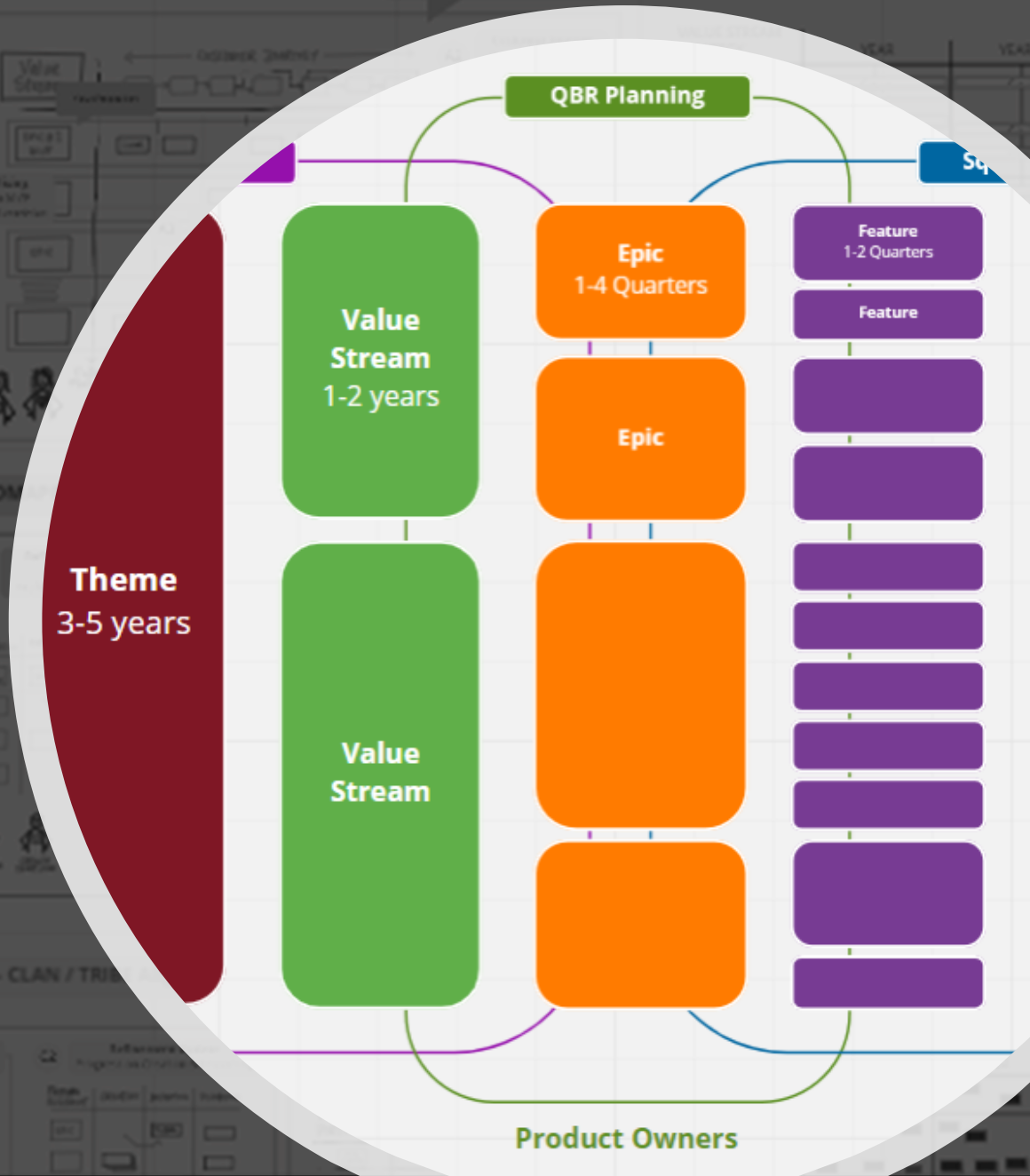
Version 8

Portfolio Management transformation = Change Management

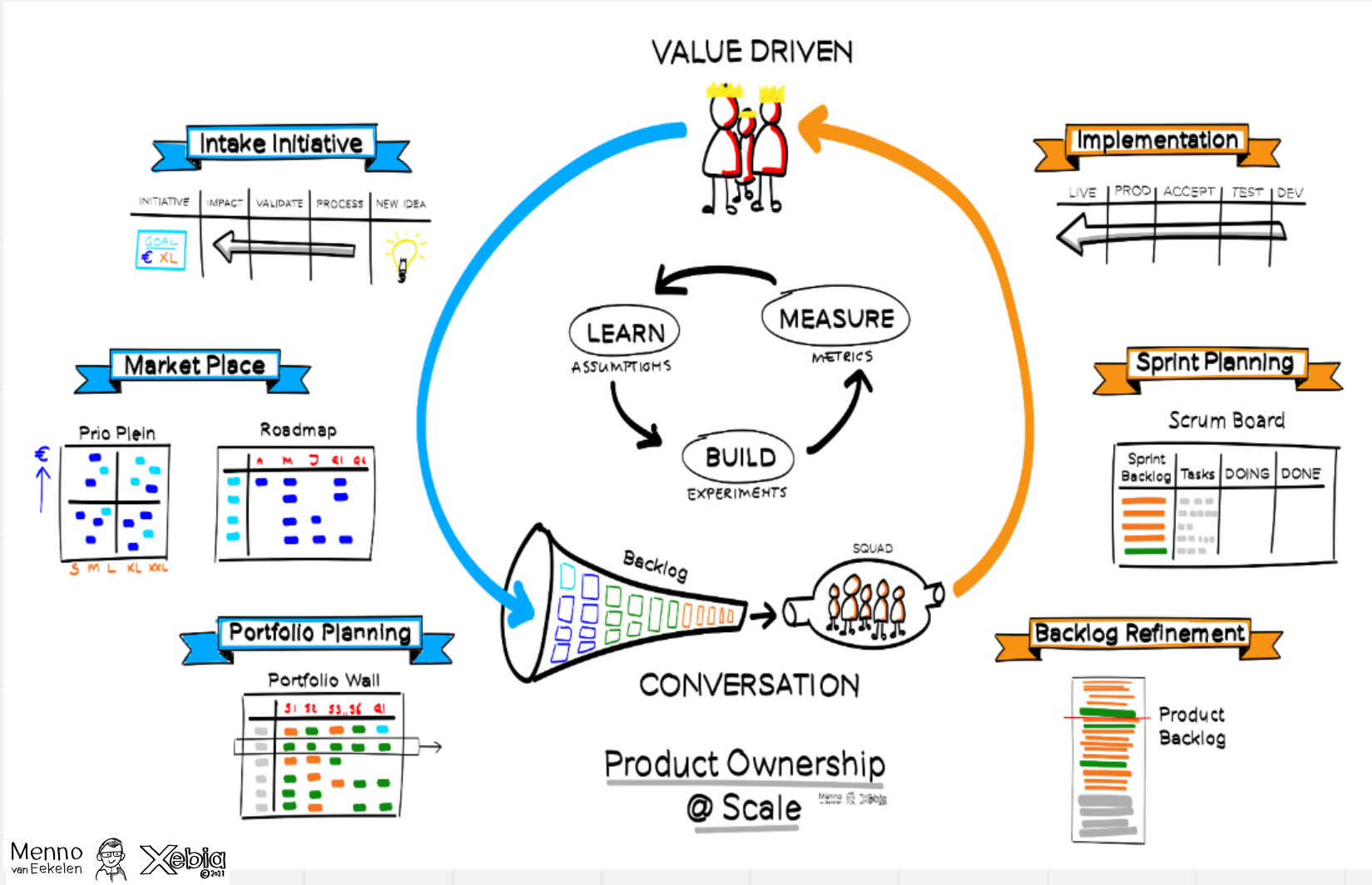
As a Clan Leader I want to know how the KPI delivery is progressing considering the budget and recourse capacity provided

As a Tribe Leader I want to know if we are delivering on the commitments made to our Markets and Customers

As a Product Owner I just want to create the best customer experience with our product



Value Circle = Product Ownership @ Scale

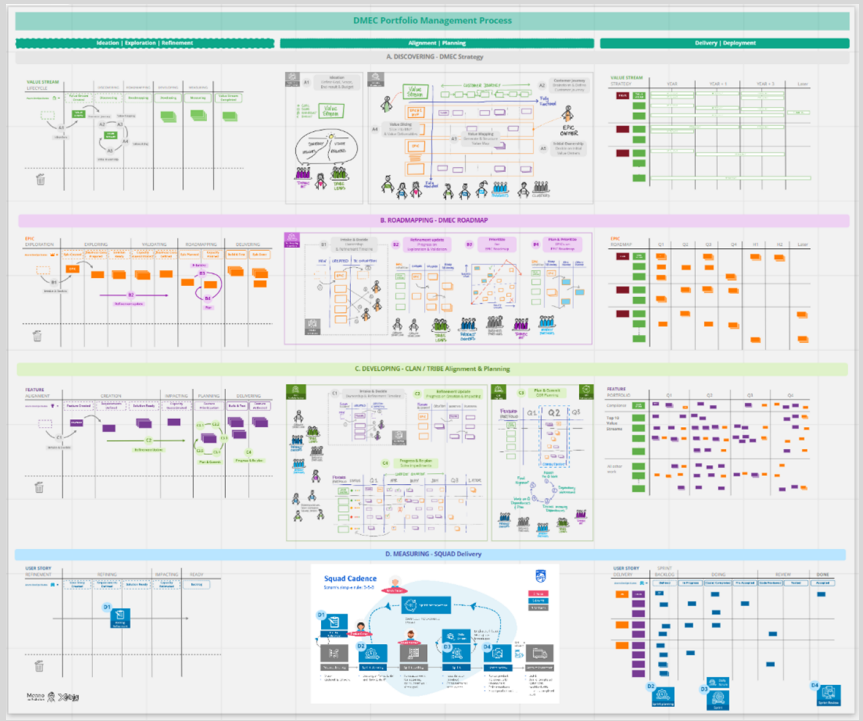


Product Owners Drive Value Creation

*Even if we have **autonomous teams that rapidly deliver value** to our customers, we still need to **align and agree** upon a couple of long-term strategies.*

*To make good decisions without resorting to gut feelings and chance, teams need access to **information and context**. This is usually achieved through **transparency***

*Replacing bureaucracy and slow processes with autonomous fast teams doesn't come for free. The oil that makes the engine run is **communication – lots of communication**.*



The Portfolio Management Process provides the transparency and alignment on various levels in the organization

Portfolio Management Framework Lessons Learned

- **Keep it Simple & Transparent**
- **Idea > Refine > Plan > Deliver > Deploy**
- **Onboard Leadership and make them your Ambassador**
- **Create One Aligned Backlog to link strategy to delivery**
- **Implement Quarterly Planning meetings: it will help to identify Gaps between Strategy and Execution (Feature)**
- **Create Roadmap meetings to discuss new Initiatives and prioritization. (EPIC)**
- **Make delivery on Value/KPI`s and work in progress transparent -> Dashboards (Value stream level)**