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SAN DIEGO • 2023

The Art of Annual Planning: Creating a Prioritized and Balanced Roadmap

Your Guides:

Matthew Palicki and Jacob Cancelliere

Agenda

- Introduction; Portfolio prioritization approaches
- Illustrative demonstration
- Interactive group exercise
- Wrap-up / Q&A / Call to Action

Part I: Introduction

Traditional prioritization processes – and an alternative approach

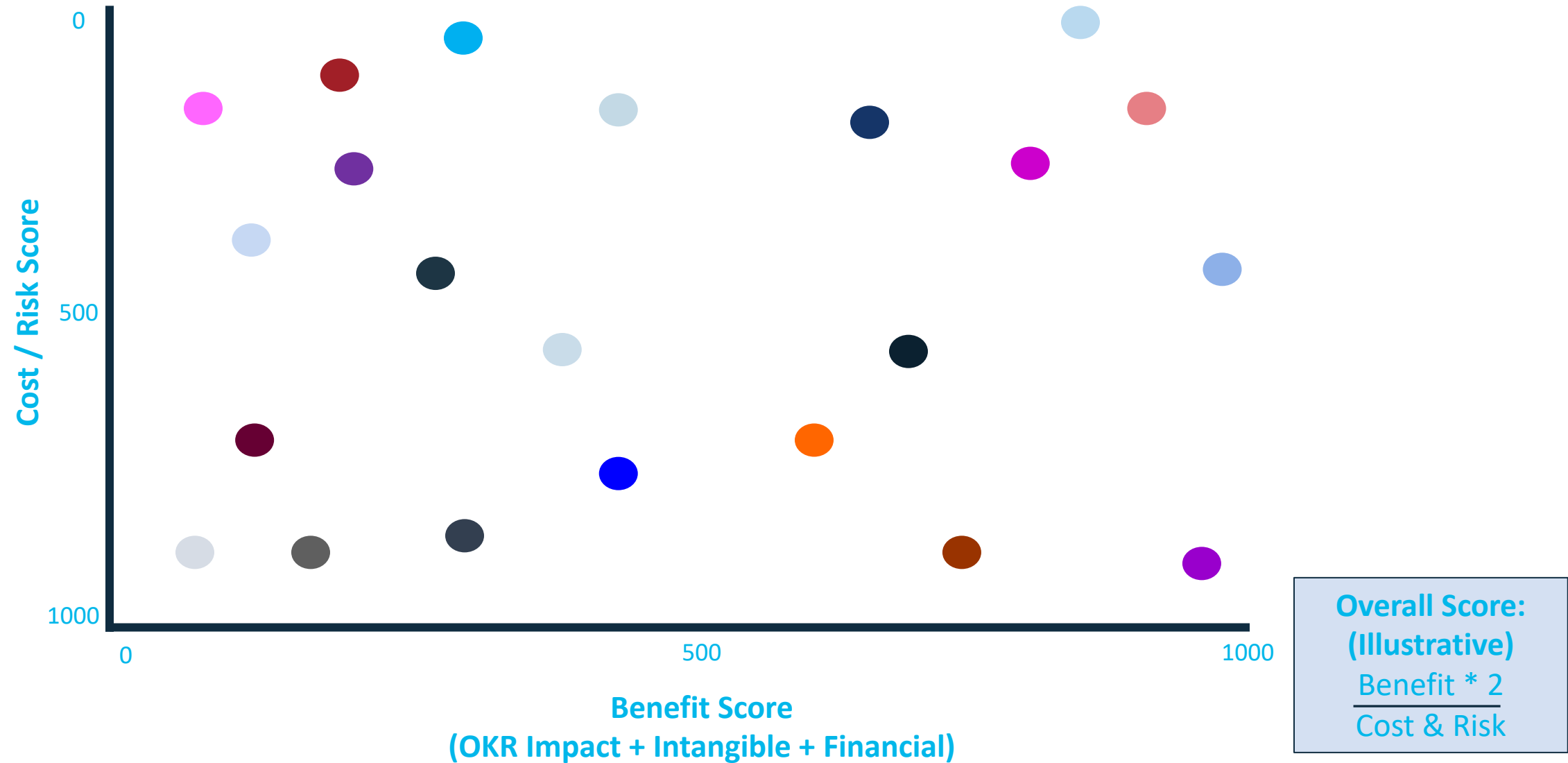
Common Approaches to Portfolio Prioritization

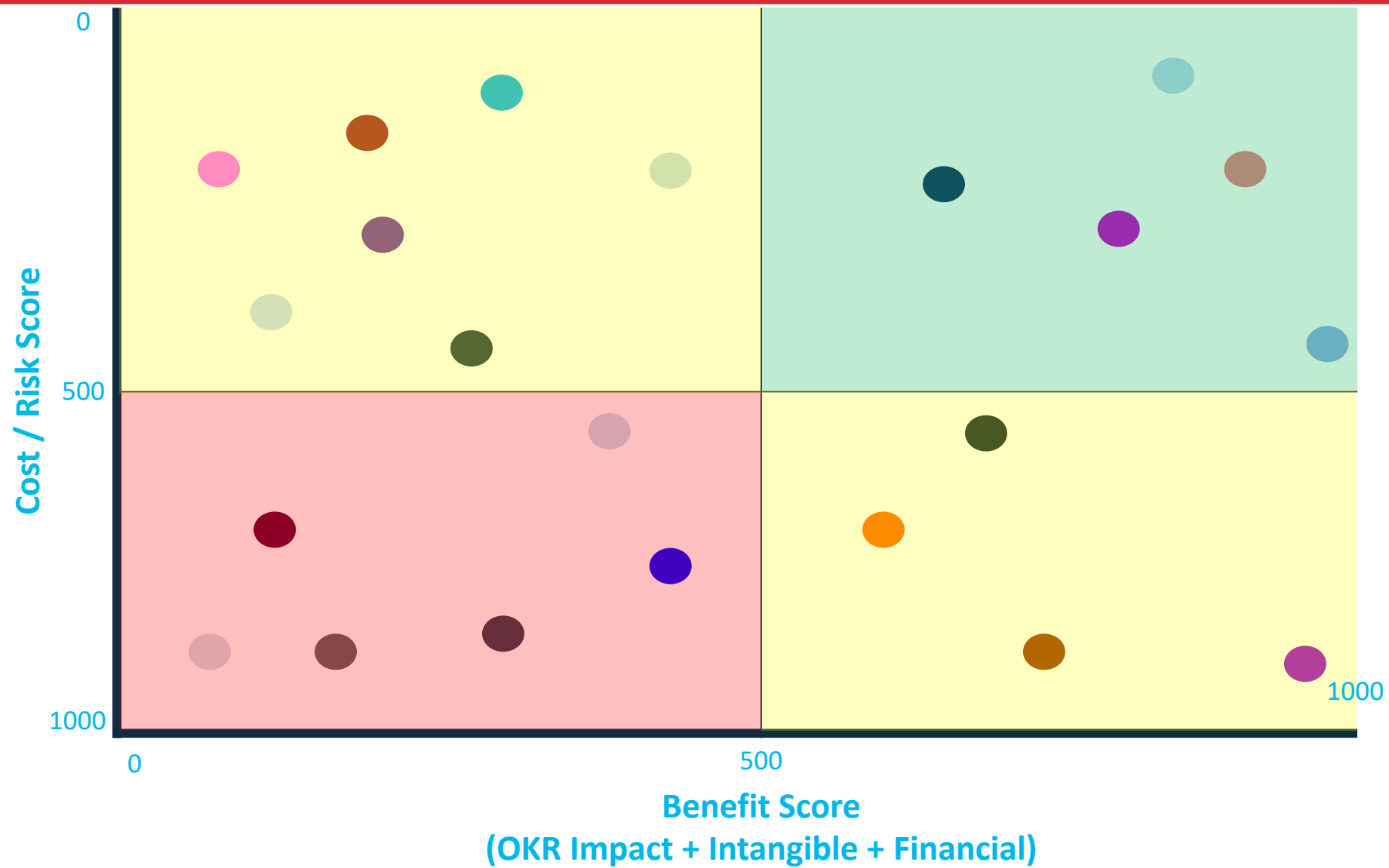
Show of Hands – Which of the following are a part of your current planning and prioritization processes:

- Scorecard-driven stacked ranking (1-n)
- Subjective stacked ranking (e.g. “squeaky wheel”)
- Financial drivers (e.g. NPV, ROI, IRR)
- Alignment to Value Streams / Strategy / OKRs
- SAFe Lean Budgets / Guardrails
- Other homegrown/internal processes

Open mic: What have been some of the challenges or limitations in your current process?

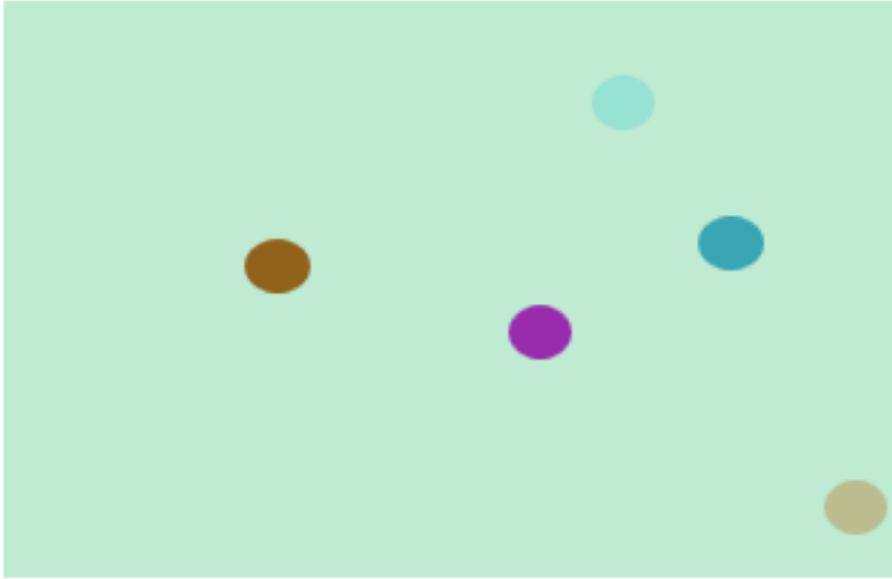




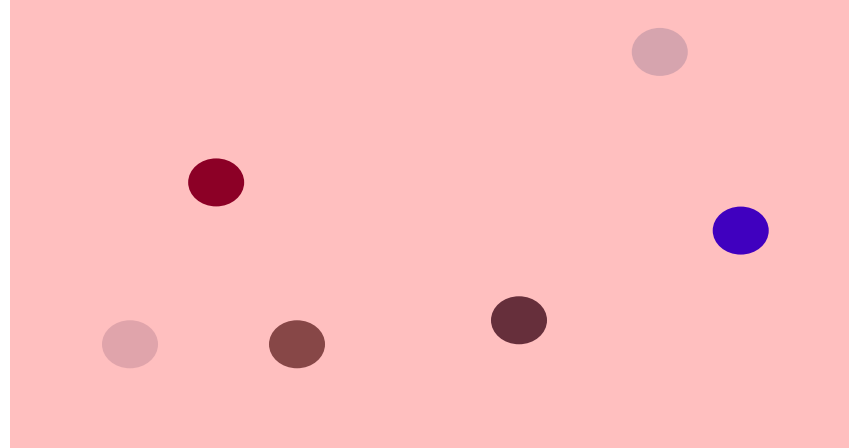


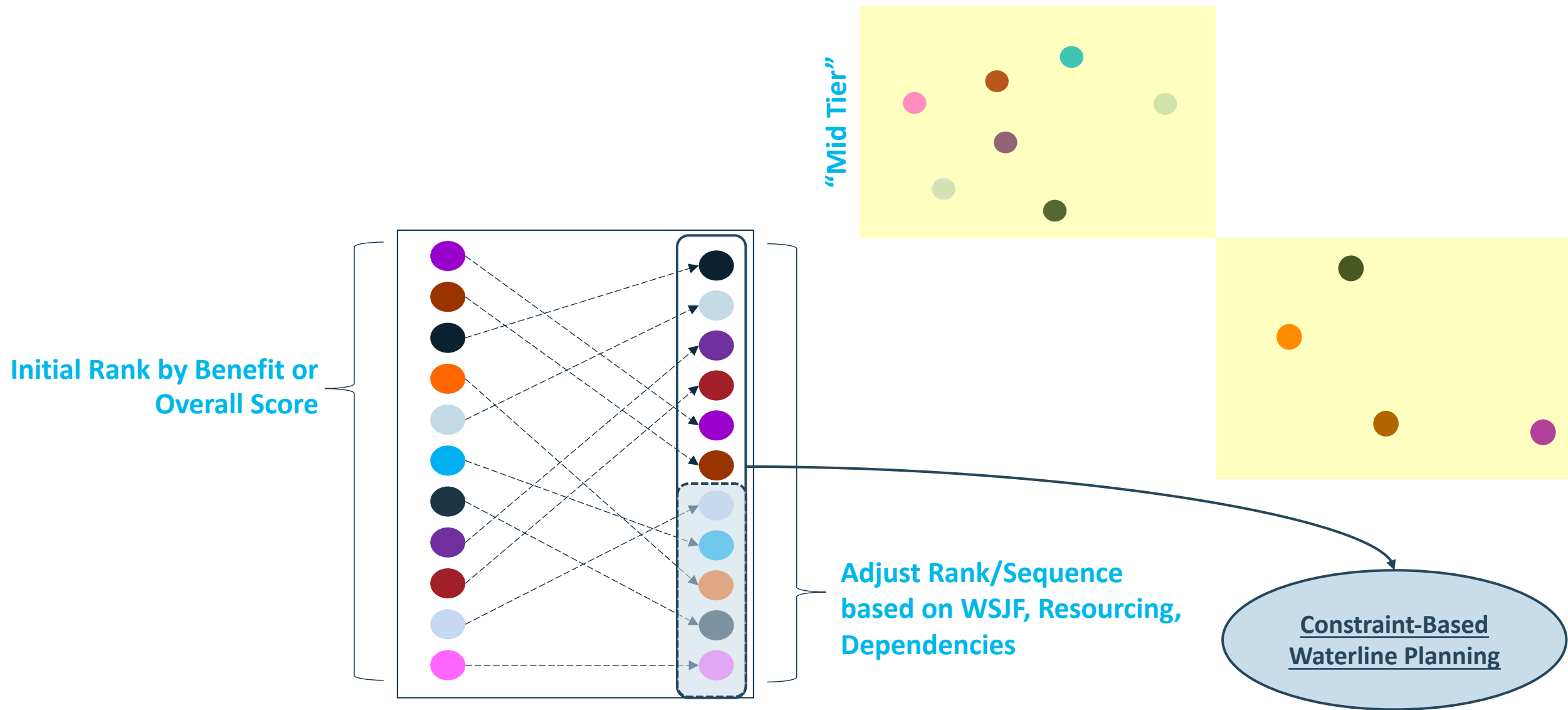
Overall Score:
(Illustrative)
$$\frac{\text{Benefit} * 2}{\text{Cost \& Risk}}$$

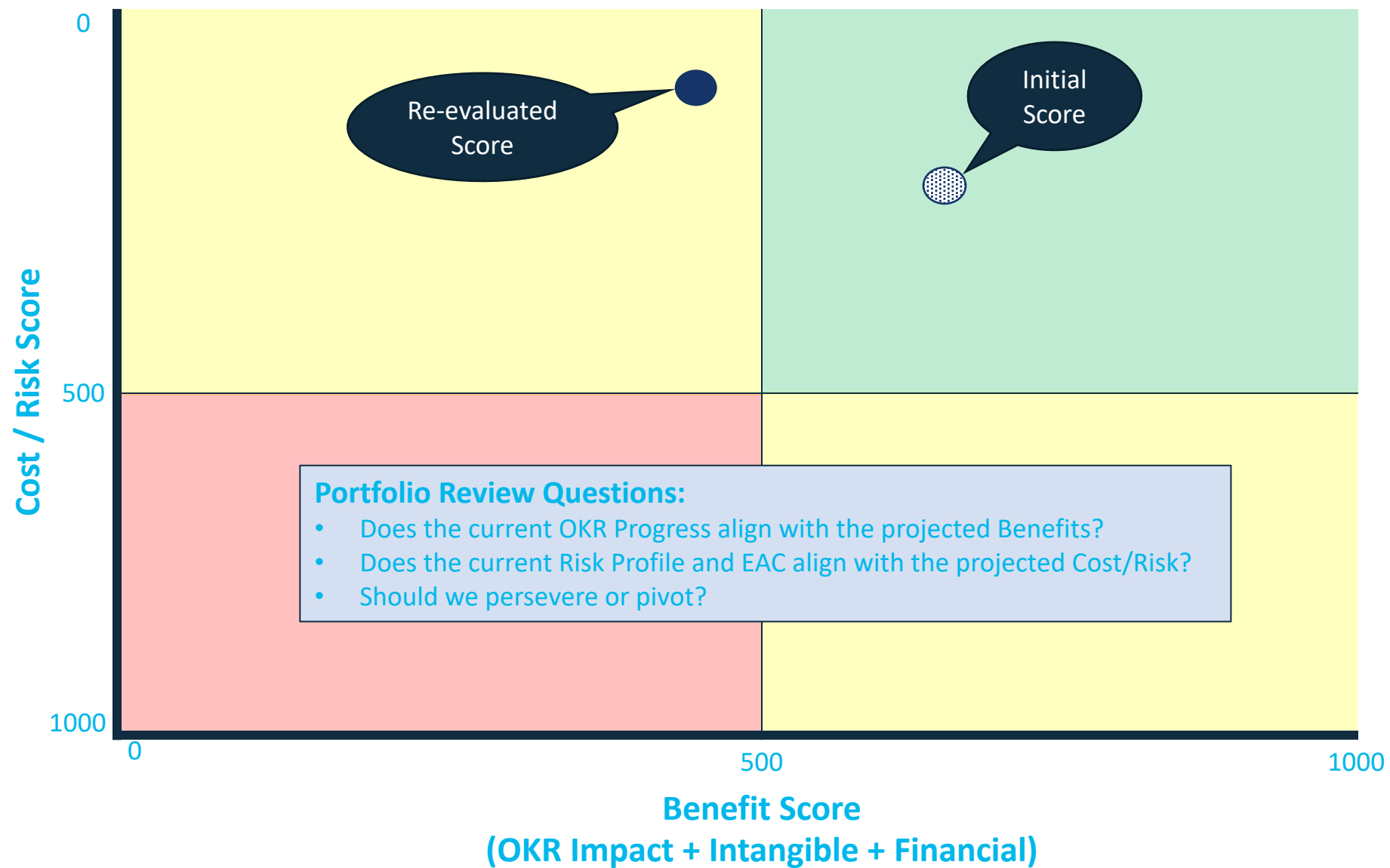
“High Tier”



“Low Tier”







Illustrative Prioritization Example!

Building a Prioritized and Achievable Portfolio Roadmap

(Illustrative Process Steps)

- Import “Approved” (In Flight) Projects
- Mark these as “Carryover” and “In Plan”
- Re-Affirm any “Required” or “Top Choice”
- Import “Ready” Ideas (Submitted and Approved), Sync
- Identify any “Required” or “Top Choice”
- Prioritize “Not In Plan” Roadmap Items (Tiers, Incumbents)
- Manage to Constraints (Roles and Financials)
- Mark Approved Plan as PoR and create a new Scenario to facilitate future planning

Interactive Prioritization Exercise!

Team Exercise

- Each group will be created an “Optimized Ranking” of one subset of the portfolio, managing to constraints and the provided business rules
- Detailed instructions will be provided by the presenters

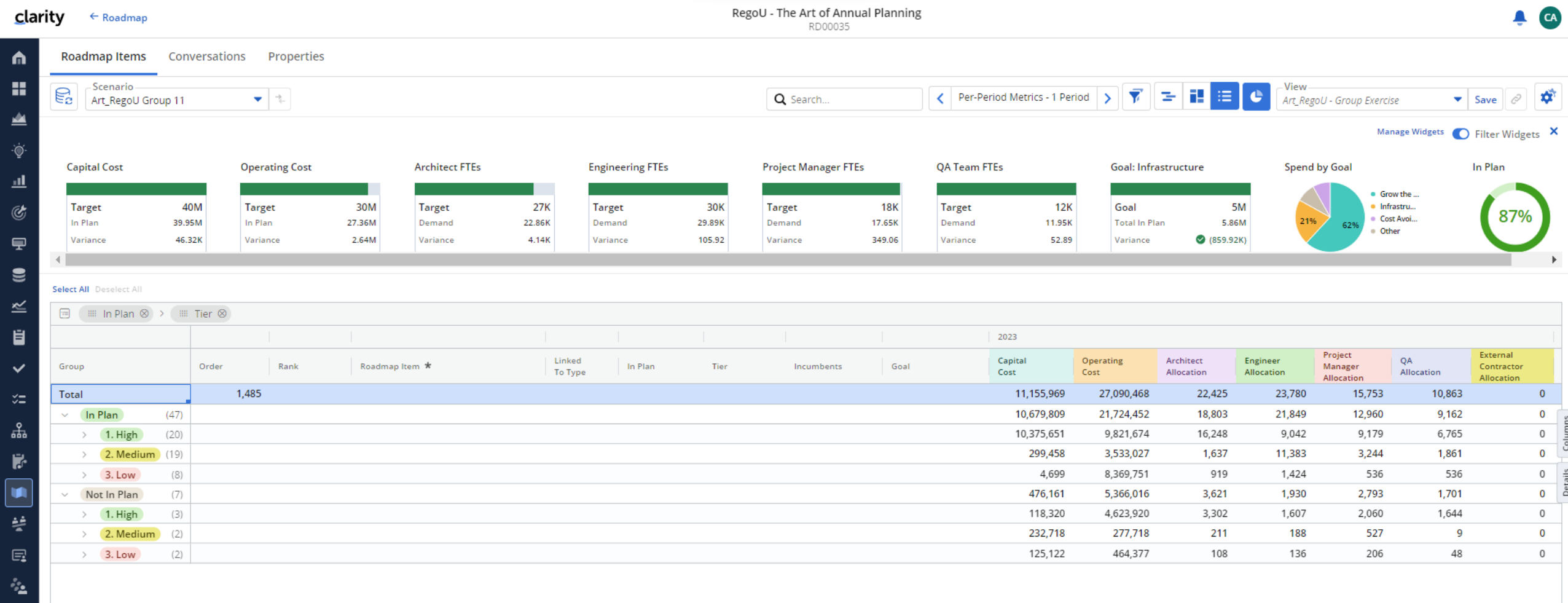


Business Rules for Constraint Planning

- High Tier items must be In Plan if they are “Required” or “Top Choice” Incumbents
- Final Plan must be within +/- 10% of Capex and Opex Targets
- Must not exceed Target Allocations for key constrained Resource Roles
- May offset constrained Resource Role Allocations with External Resources which will correspond with +\$100k Opex for every 500hrs of Allocation to External Resources
- CANNOT offset constrained Resource Roles with External Resources for the High Tier
- In-Flight items may be cancelled or delayed (moved out of Plan), UNLESS they are “Required” or “Top Choice” (i.e., Mid Tier Only)
- Portfolio Balance/Mix must meet Targets stated by Leadership Team:
 - At least 10% of total spend allocated to Cost Reduction / Cost Avoidance
 - At least \$5M of total spend allocated toward Infrastructure

Illustrative Results

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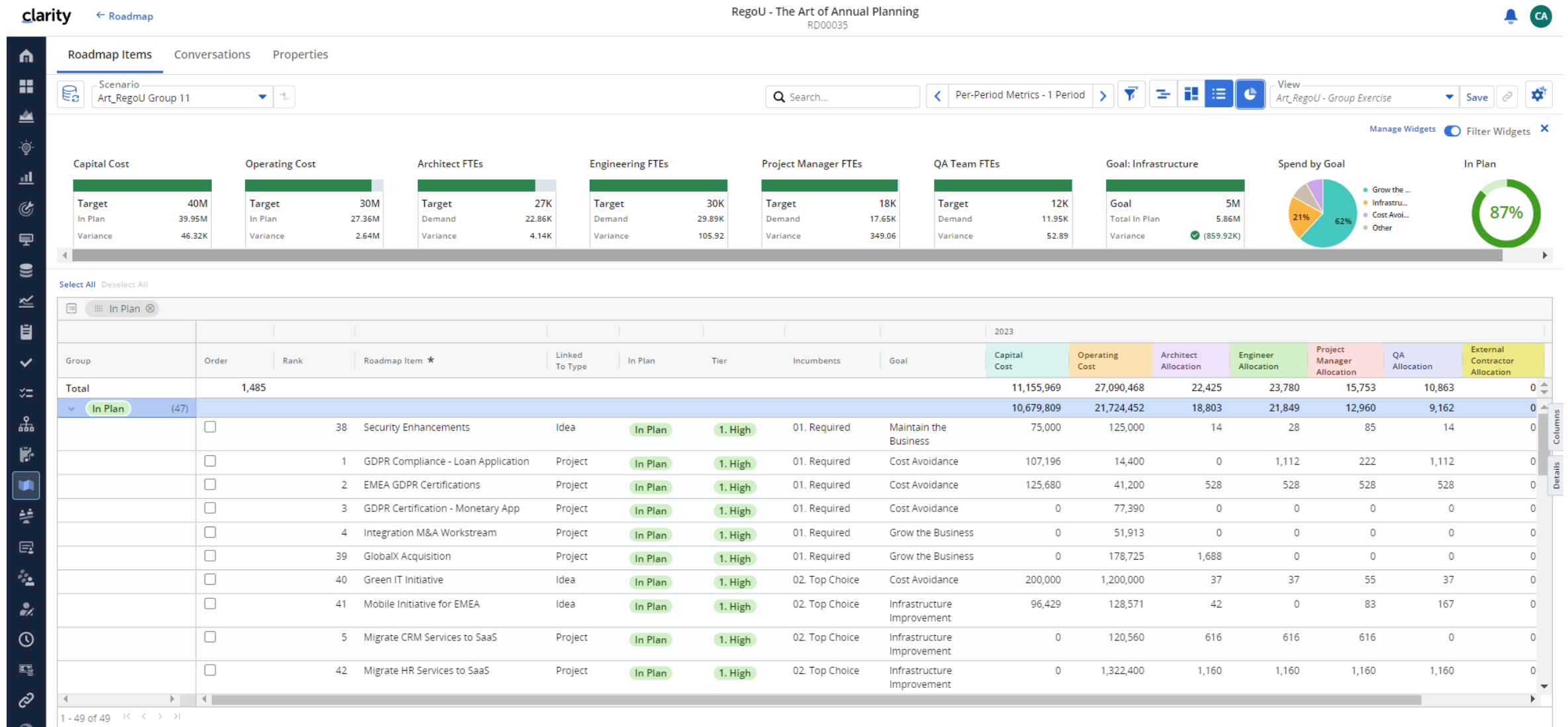


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Illustrative Results

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Group Results and Debrief

- In one word, what was this experience like for you?
- What was the most challenging thing about this exercise?
- What was an “a-ha moment” or ingenious idea in your group?
- How realistic was this compared to your personal experiences?
- What would you do differently in the real world?

Call to Action

- What is one takeaway from this session you can attempt to bring into your next planning and prioritization cycle?

Additional Considerations

- Zero-Base (Gartner Article)
- Big Rocks/Small Rocks/Pebbles
- SWOT / TOWS
- Participatory Budgeting (SAFe)
- +/- 10% Scenarios
- Fast-Track Exceptions

Additional Resources

Articles/Webinars

<https://www.gartner.com/smarterwithgartner/use-zero-based-prioritization-to-reevaluate-your-project-portfolio>
<https://www.pmi.org/learning/library/proven-project-portfolio-management-process-8503>
<https://www.mckinsey.com/capabilities/operations/our-insights/matching-the-right-projects-with-the-right-resources>
<https://www.stonyhill-it.com/post/it-s-not-all-gloom-doom-part-2>
<https://collaborate.scaledagile.com/template/try?id=52ADBEMQNAG4YPRXZJCA0YSACWAYEFNT>
<https://info.regoconsulting.com/top-ppm-trends-for-2023-december-2022>
<https://info.regoconsulting.com/clarify-lean-portfolio-management-nov-2021>
<https://info.regoconsulting.com/the-art-of-annual-planning-july-2023>
<https://info.regoconsulting.com/the-art-of-annual-planning-tracking-progress-and-performance-part-2-october-2023>

Books

[Accelerate: Building Strategic Agility for a Faster-Moving World, John P. Kotter](#)
[Out of the Crisis, W. Edwards Deming](#)
[Value Stream Mapping: How to Visualize Work and Align Leadership for Organizational Transformation, Martin/Osterling](#)
[The 4 Disciplines of Execution, McChesney/Covey/Huling](#)

SAFe

<https://scaledagileframework.com/lean-portfolio-management/>
<https://scaledagileframework.com/portfolio-flow/>
<https://scaledagileframework.com/roadmap/>
<https://info.regoconsulting.com/safe-expand-to-the-value-stream-may-2022>

Personal Growth

[From Strength to Strength, Arthur C. Brooks](#)
[The Seven Spiritual Laws of Success, Deepak Chopra](#)
[The Last Arrow, Erwin McManus](#)

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- Date Started = **Today's Date**
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