Enterprise Services Planning

LeanKanban UNIVERSITY

Effective Middle Management

Presenter

David J. Anderson

Agile New England
Waltham MA
January 2016

dja@leankanban.com @LKI_dja

dja@leankanban.com @LKI_dja

LeanKanban
North America 2016

May 16-18, 2016
Catamaran Resort Hotel & Spa
Mission Beach, San Diego

Join us in beautiful San Diego for Lean Kanban North America 2016

You have more capacity than you think! Kanban enhances visibility, quality and performance. The result is better predictability and faster delivery with better business agility.

Register now at
lkna16.leankanban.com

2 Days of Sessions and Wednesday Workshops

LKNA16 topics include:

- Getting started with Kanban
- Taking your initiative to the next level
- Kanban metrics
- Managing organizational change
- Project Management with Kanban
- Kanban in highly governed environments
- Kanban in non-IT domains
- plus...the Brickell Key Awards

Kanban Leadership Retreat

May 18-20

Estancia La Jolla Hotel & Spa - La Jolla

Join kanban trainers, managers, change agents, and thought leaders in beautiful La Jolla. Starting the evening of May 18, connect on some of the most advanced and innovative concepts in the field of Kanban in a small, intimate setting.

Enterprise Services Planning Executive Summit

May 18

The Lodge at Torrey Pines - San Diego

Get immersed in the new approach to coordination and planning across your enterprise. The ESP Executive Summit will change how you make decisions about portfolios, strategic direction, development, and daily activities.

THE LODGE TORREY PINES

Enterprise Services Planning

EXECUTIVE SUMMIT

#LKNA16 @LeanKanbanNA

lkna16.leankanban.com

LeanKanban North America 2016

Explicit Agendas

dja@leankanban.com @LKI_dja

Motivation for adoption? Kanban has agendas

Managerial Motivator

- **Senior-level**
  - Lead the business (strategy and positioning)
  - Confidence they can deliver on strategic goals
  - Legacy (long term survival)
- **Mid-level**
  - Up-managing – answer the hard questions with confidence
  - Down-managing – make difficult decisions with confidence
- **Line-level & Individual Contributors**
  - Relief from abusive environment
    - Overburdened
    - Quality suffers
    - Low job satisfaction

Kanban Agenda

- **Survivability**
- **Service-orientation**

  (and customer focus)
- **Sustainability**

dja@leankanban.com @LKI_dja

What are they afraid of?

Manager	Fear
Senior-level	Mid-level managers lie to me. There is no transparency
Mid-level	Senior leaders over-react. I don't trust them with information Line managers & workers can't be trusted to deliver on their promises
Line-level & Individual Contributors	Our bosses constantly set us up for failure

dja@leankanban.com @LKI_dja

In 2009 Barack Obama inspired us to…

dja@leankanban.com @LKI_dja

In 2009 Barack Obama inspired us to…

dja@leankanban.com @LKI_dja

22nd November 2015

dja@leankanban.com @LKI_dja

Youth word of the year (2015)

Finalist…

merkeln *(verb)* to obfuscate & delay in order to avoid making decisions

Sadly it didn't win, losing out to…

Smombie *(noun) smartphone zombie*

dja@leankanban.com @LKI_dja

Or perhaps as a noun ???…

- Ein mittlerer Leiter in einem deutschen Unternehmen
- ***Merkelmeister*** *(noun, masculine)* meaning a corporate bureaucrat who obfuscates & delays in order to avoid making decisions

dja@leankanban.com @LKI_dja

ESP's Agenda…

Kein Merkeln im Büro !!!

dja@leankanban.com @LKI_dja

ESP makes middle-managers effective!

- ***Up-manage*** *– answer hard questions with confidence*
- ***Down-manage*** *– make difficult decisions with confidence*

dja@leankanban.com @LKI_dja

Enterprise Services Planning

dja@leankanban.com @LKI_dja

You are part of a professional services business!

Professional Service organizations build intangible goods

An ecosystem of professionals providing **interdependent services**, often with complex dependencies.

dja@leankanban.com @LKI_dja

The challenge of professional services businesses

A **constantly changing external environment** has a ripple effect across your entire business ecosystem

Priorities change and required capability & service levels rise in response to competition, disruptive market innovation & changes in customer tastes

dja@leankanban.com @LKI_dja

dja@leankanban.com @LKI_dja

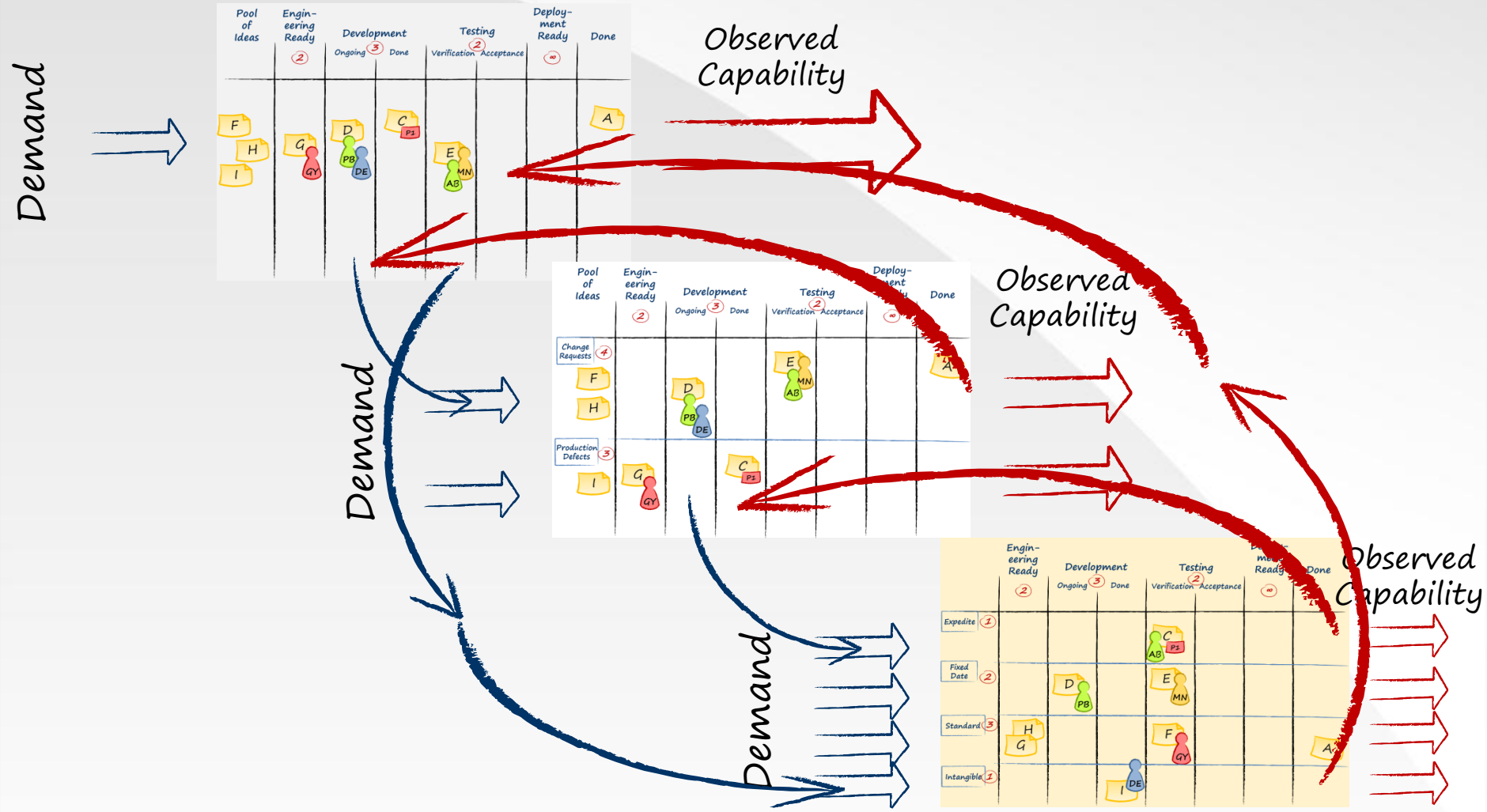
If we delay starting something, will the capacity be available when we need it?

How will dependencies affect our ability to deliver?

How many activities should we have running in parallel?

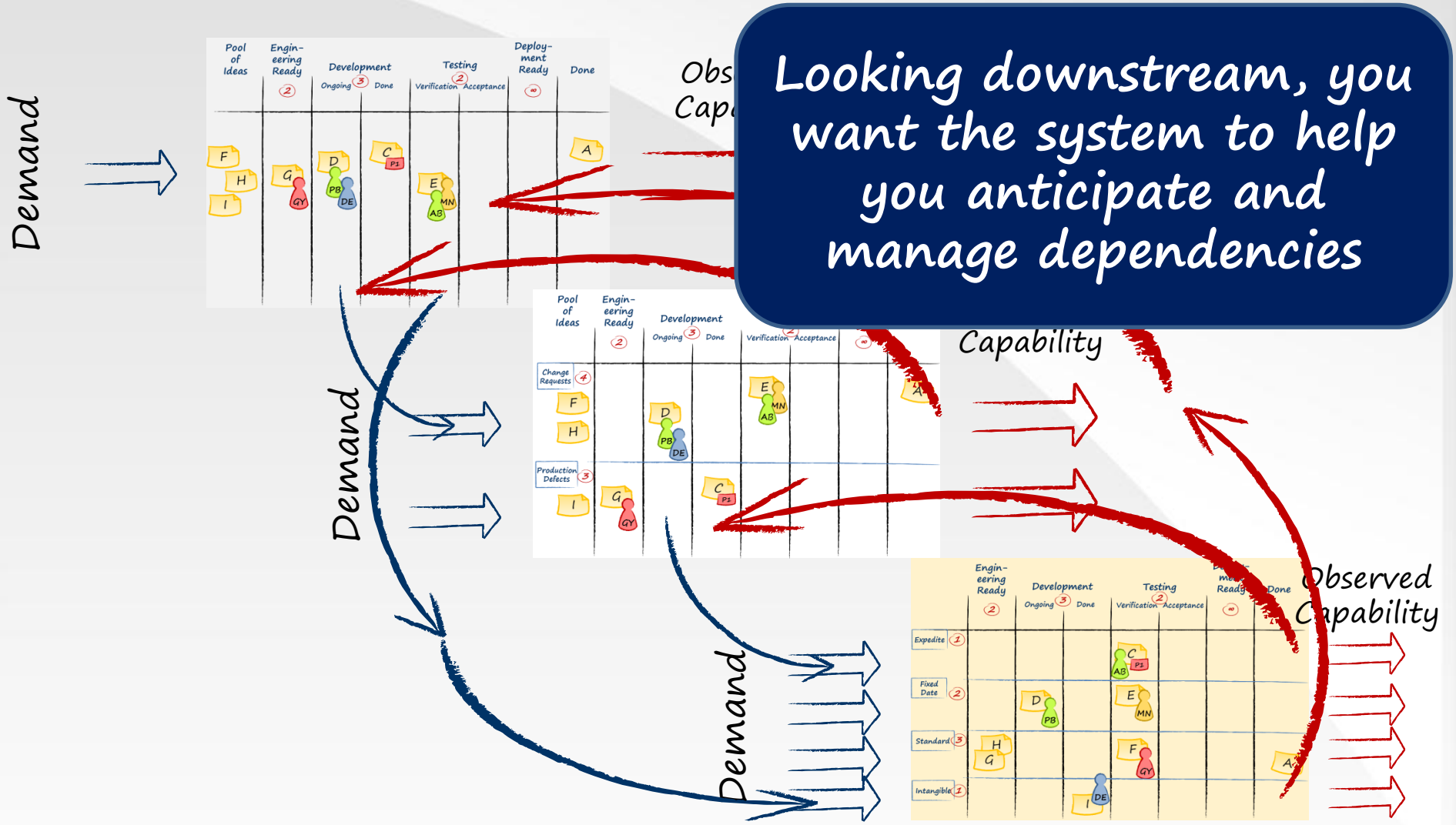
dja@leankanban.com @LKI_dja

ESP – Anticipating Demand, Allocating Capacity



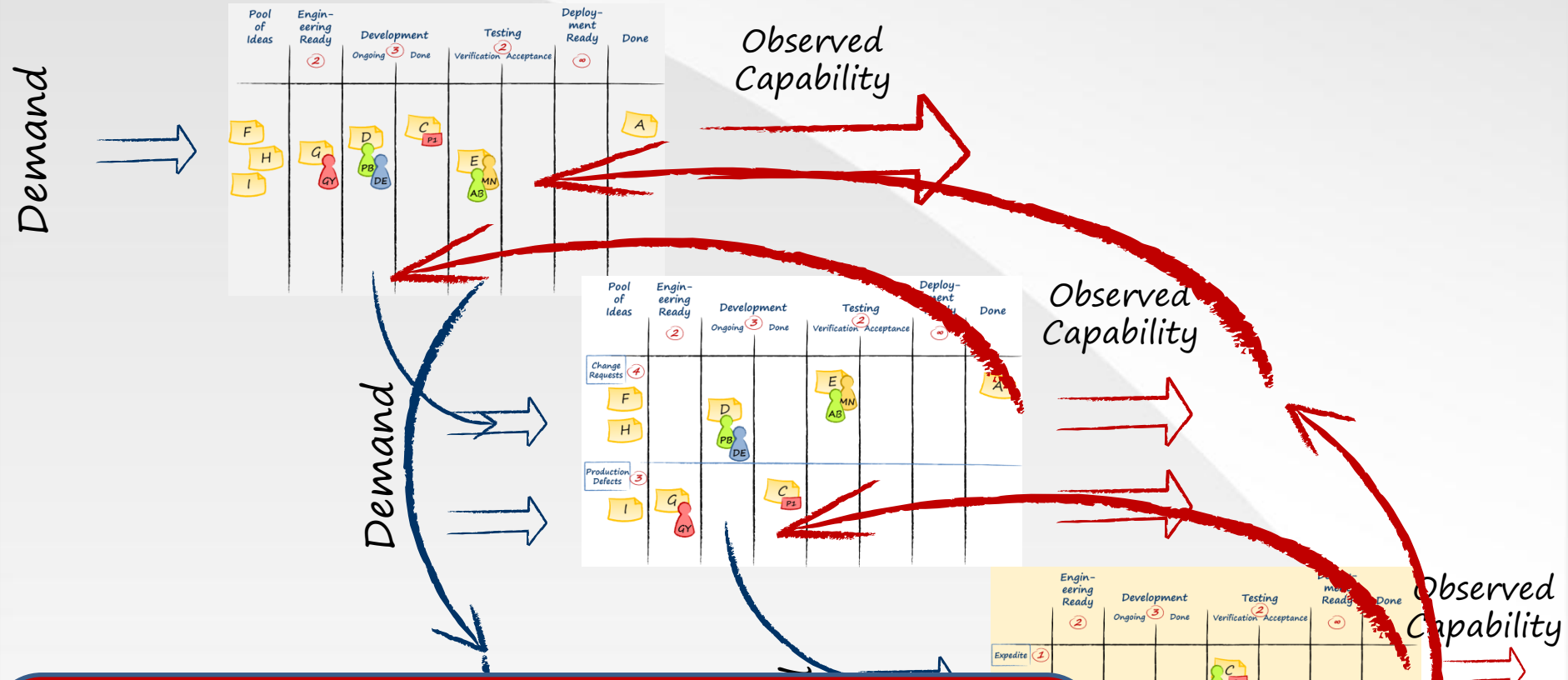
dja@leankanban.com @LKI_dja

ESP – Anticipating Demand, Allocating Capacity



dja@leankanban.com @LKI_dja

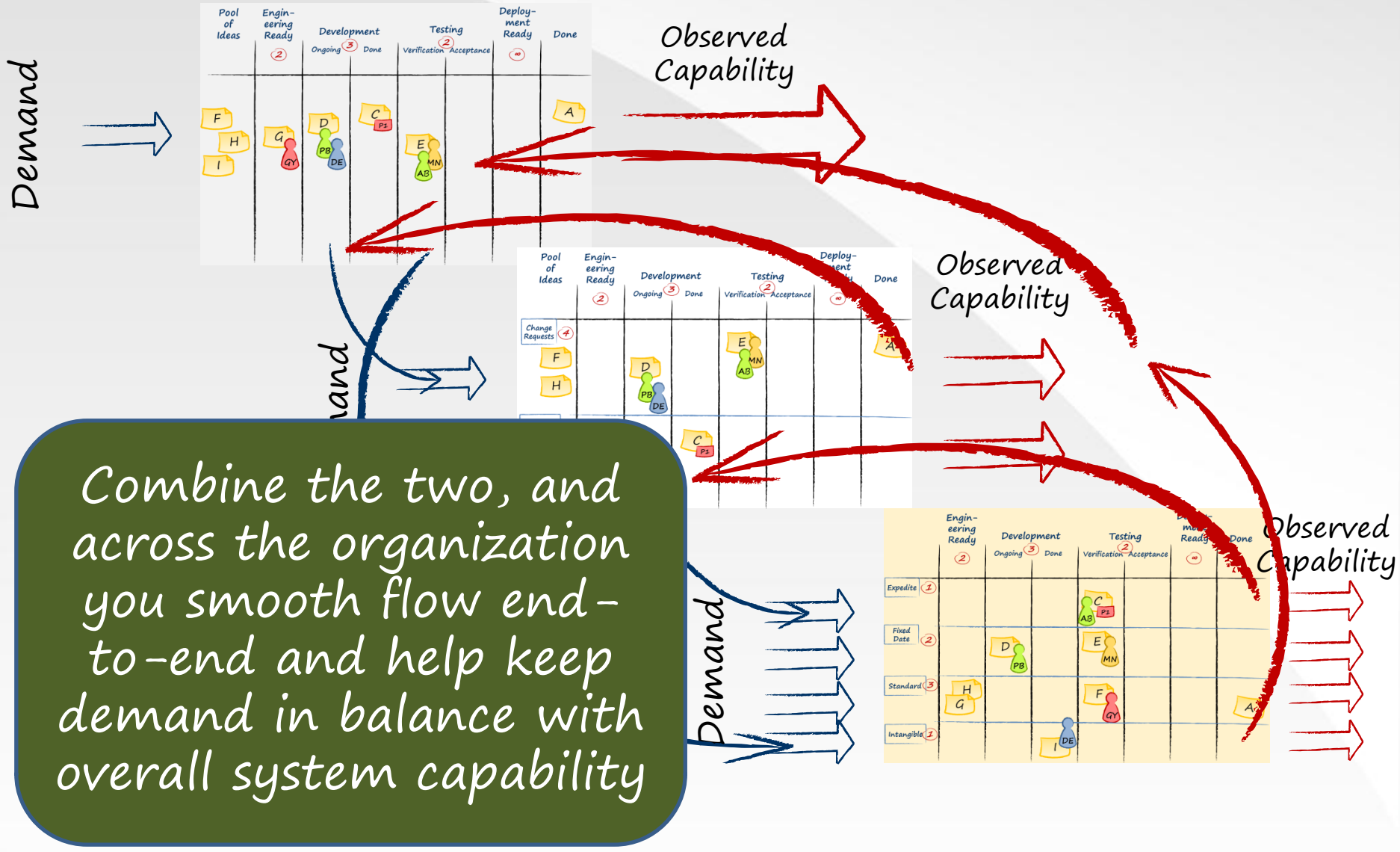
ESP – Anticipating Demand, Allocating Capacity



Looking upstream, you want the system to help you anticipate and manage demand

dja@leankanban.com @LKI_dja

ESP – Anticipating Demand, Allocating Capacity



dja@leankanban.com @LKI_dja

Enterprise Services Planning

Enterprise Services Planning (ESP) is an enterprise-wide management solution that leverages Kanban* to improve each service within your business.

**Kanban is a way to organize and manage work. It improves service delivery speed & predictability through a combination of limiting work-in-progress & deferred commitment*

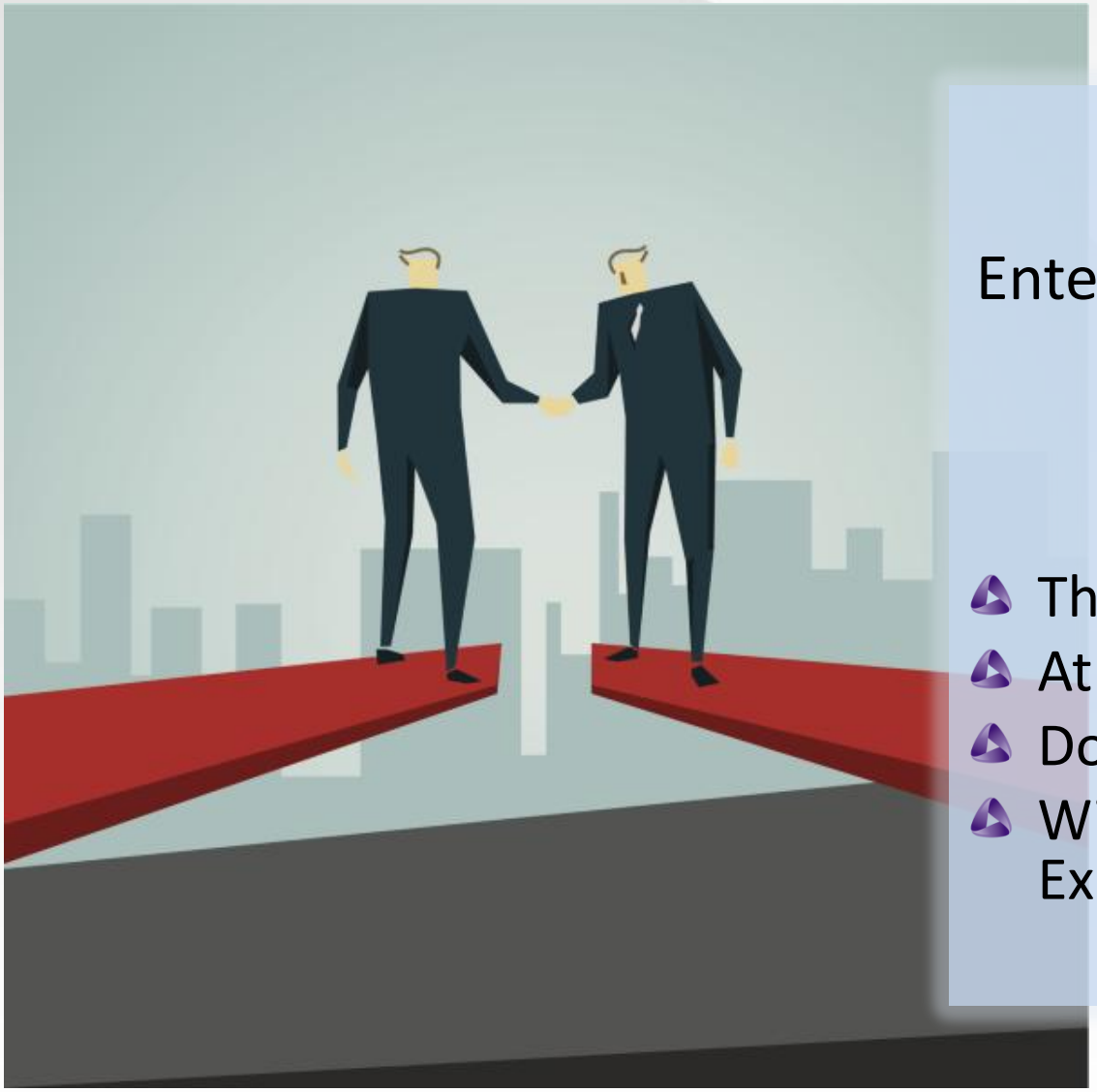
It uses visual management and Lean techniques such as limiting the amount of work in progress, and probabilistic forecasting.

Kanban helps to balance demand with capability.

Balancing demand and capability = improved flow.
Improved flow = Improved predictability.

dja@leankanban.com @LKI_dja

The goal of Enterprise Services Planning

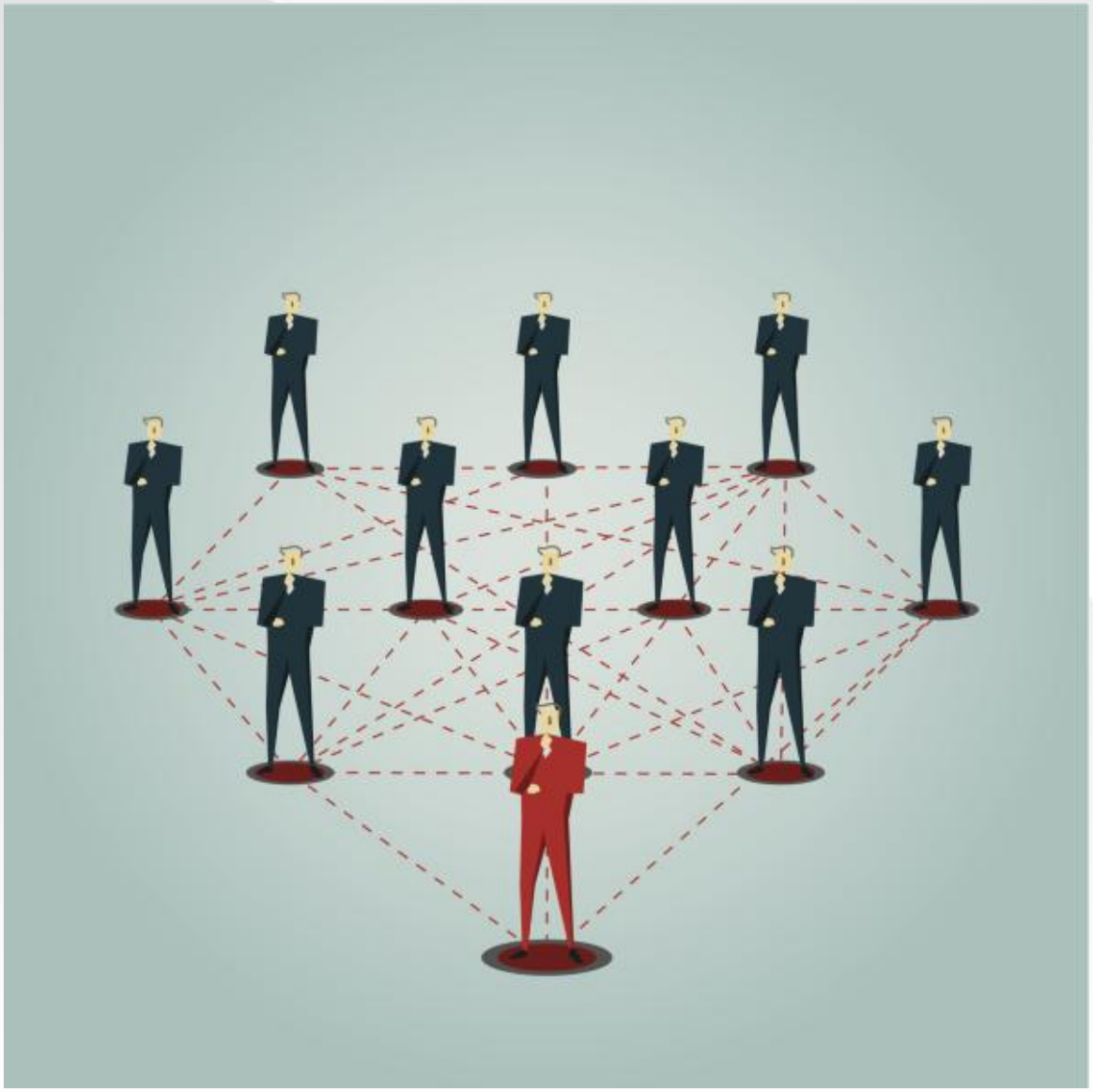


The goal of
Enterprise Services Planning
is to pick...

- The Right Things
- At The Right Time
- Done The Right Way
- With Appropriate Risk Exposure

dja@leankanban.com @LKI_dja

Enterprise Services Planning

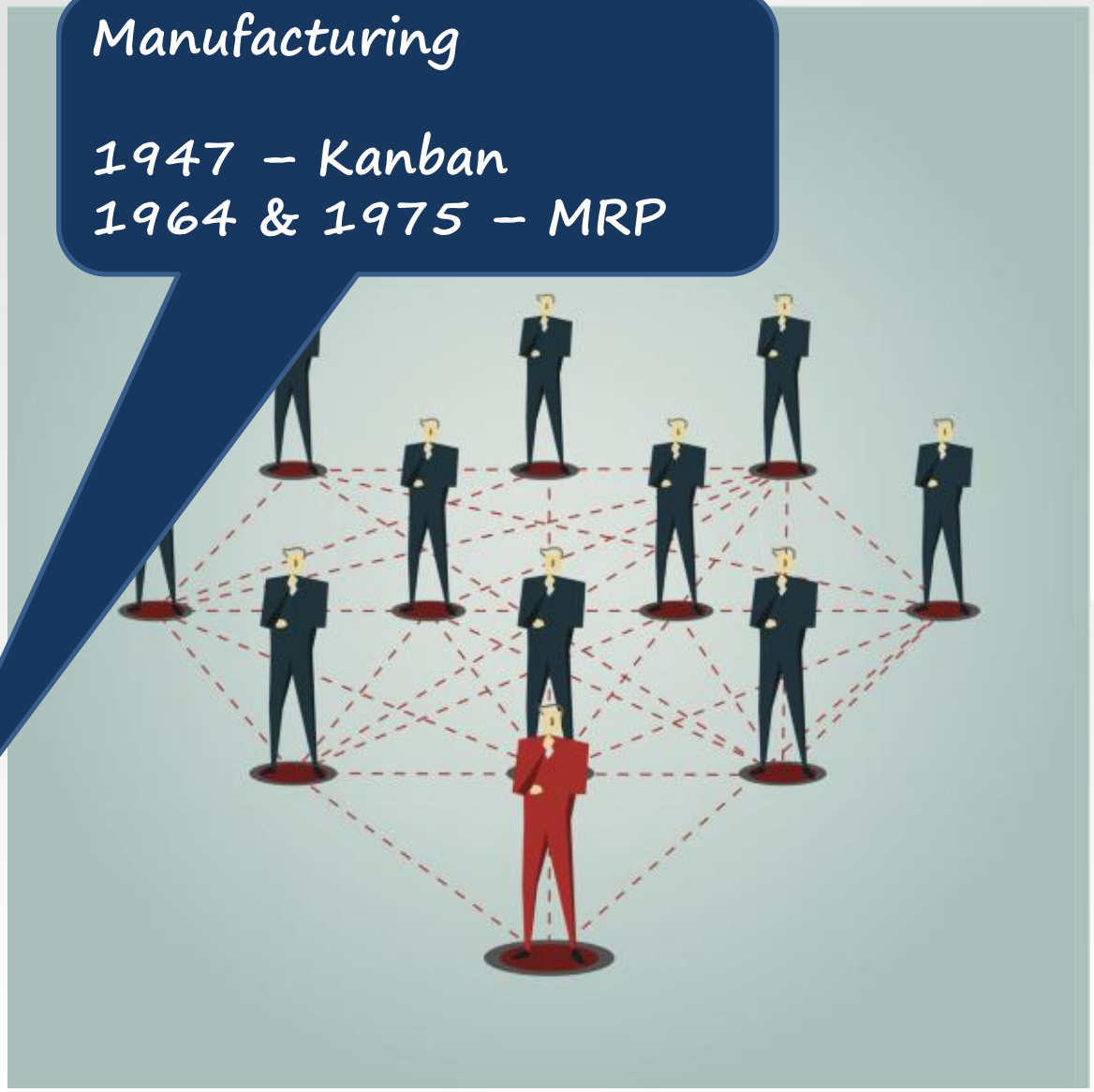


dja@leankanban.com @LKI_dja

Enterprise Services Planning

Manufacturing

1947 – Kanban
1964 & 1975 – MRP

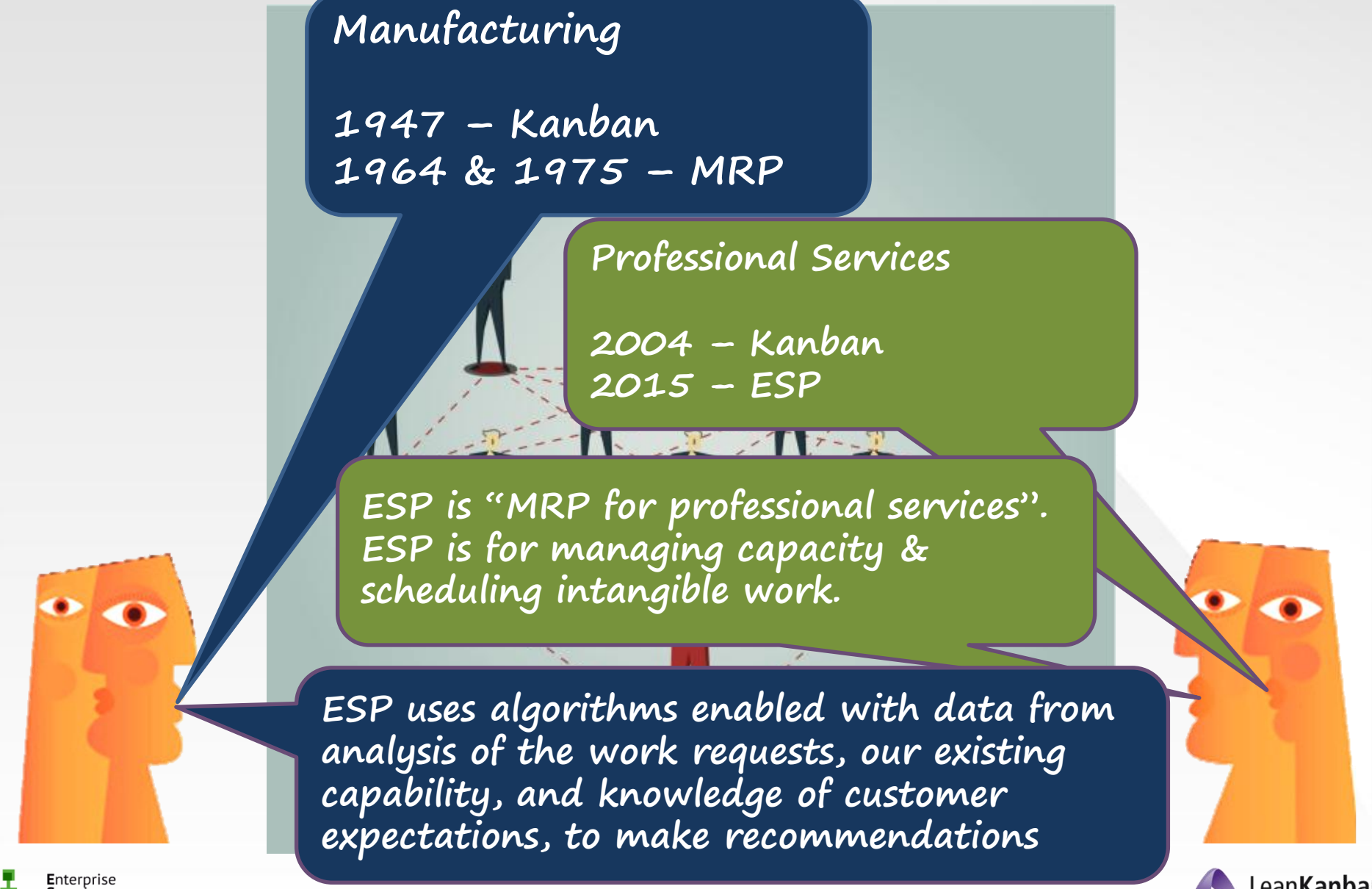


dja@leankanban.com @LKI_dja

Enterprise Services Planning

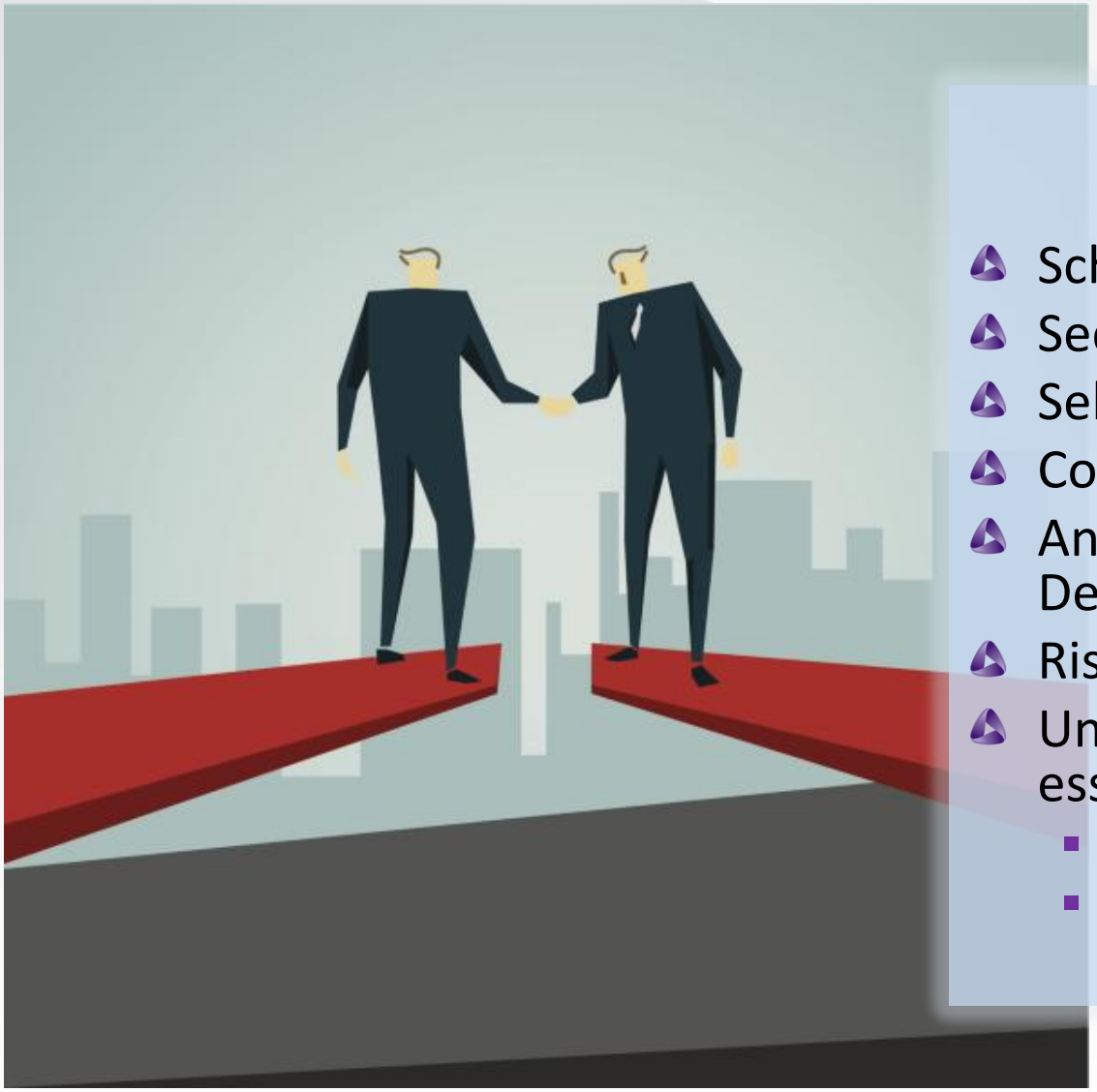
dja@leankanban.com @LKI_dja

Enterprise Services Planning



dja@leankanban.com @LKI_dja

Enterprise Services *Planning*



Planning involves…

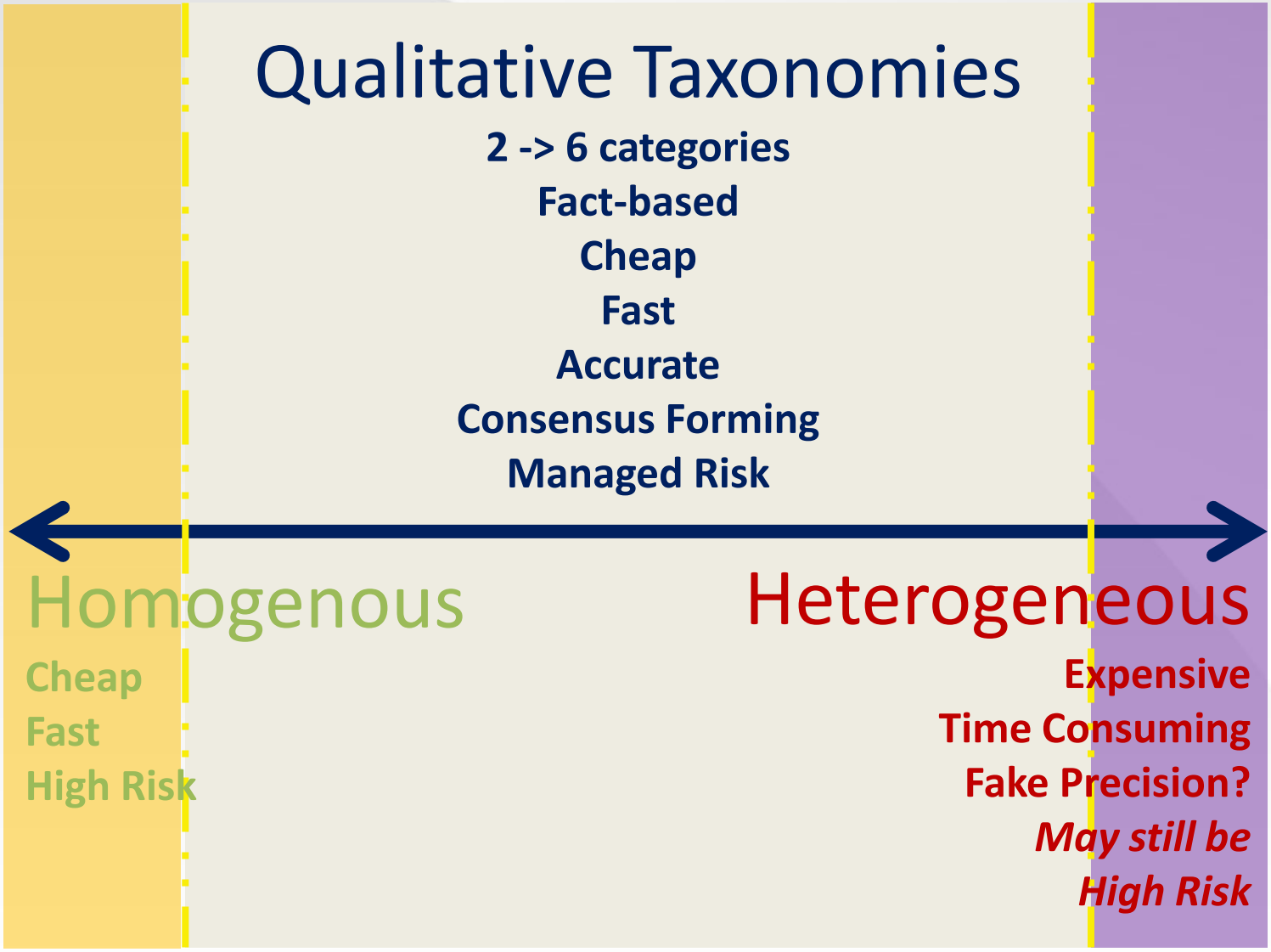
- Scheduling
- Sequencing
- Selecting
- Commitment
- Anticipating & Managing Dependencies
- Risk Management
- Understanding what is essential based on…
  - Business strategy
  - Fitness for purpose

dja@leankanban.com @LKI_dja

Risk Assessment
(for scheduling, sequencing, & selection)

dja@leankanban.com @LKI_dja

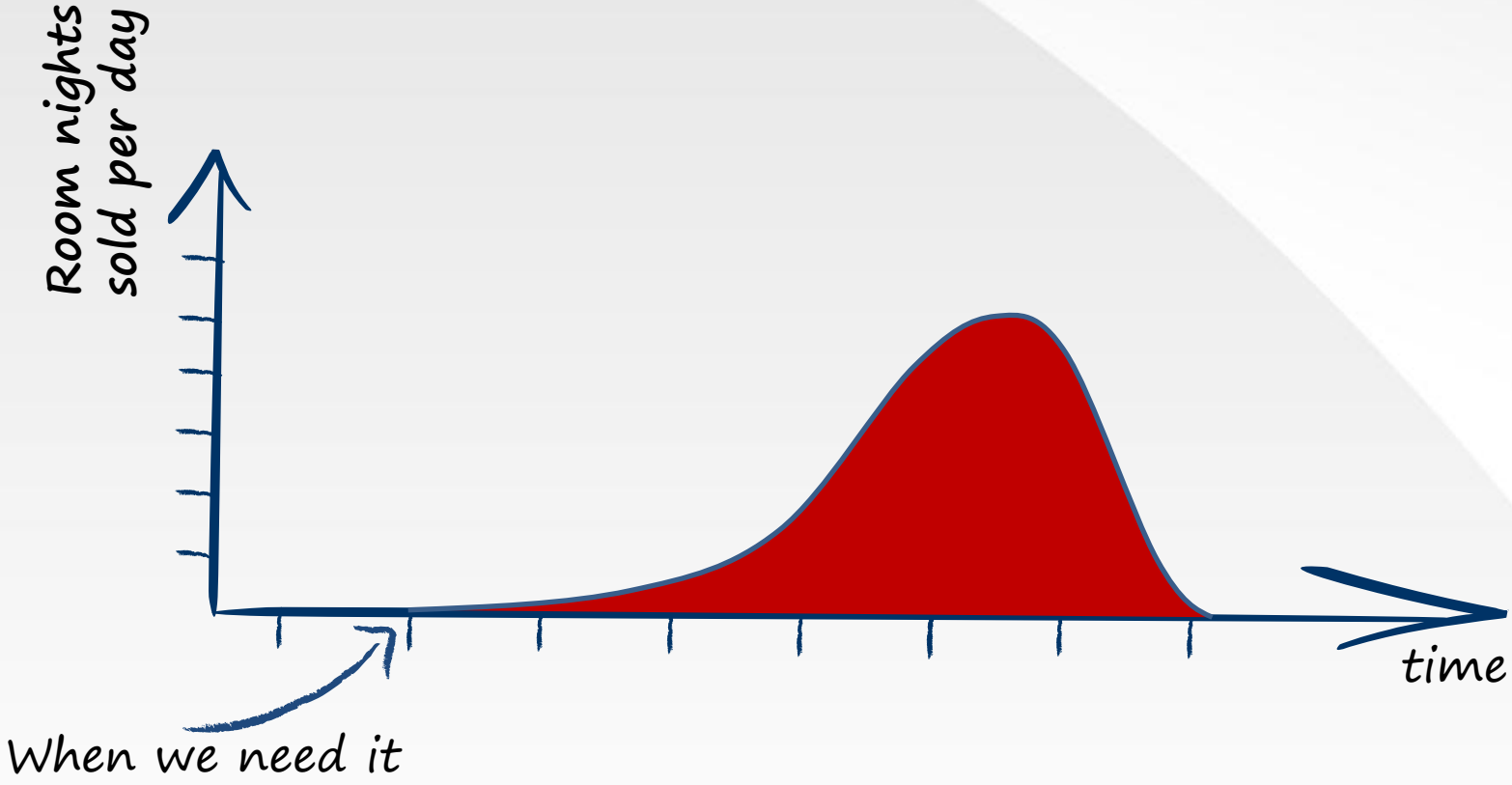
A middle-ground in effective Risk Management



dja@leankanban.com @LKI_dja

Sketch market utility function

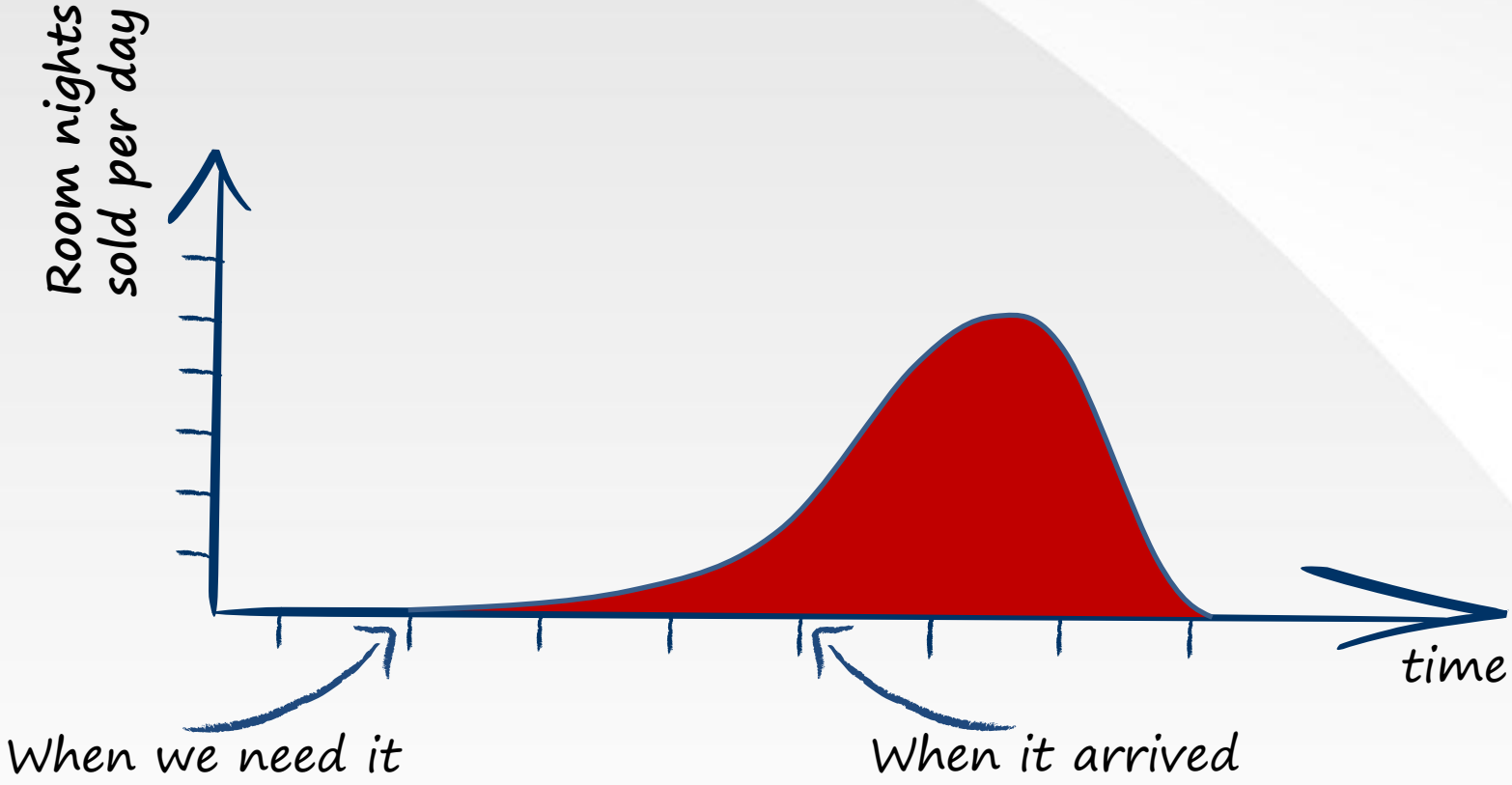
Cost of delay for an online Easter holiday marketing promotion is difference in integral between the two curves



dja@leankanban.com @LKI_dja

Sketch market utility function

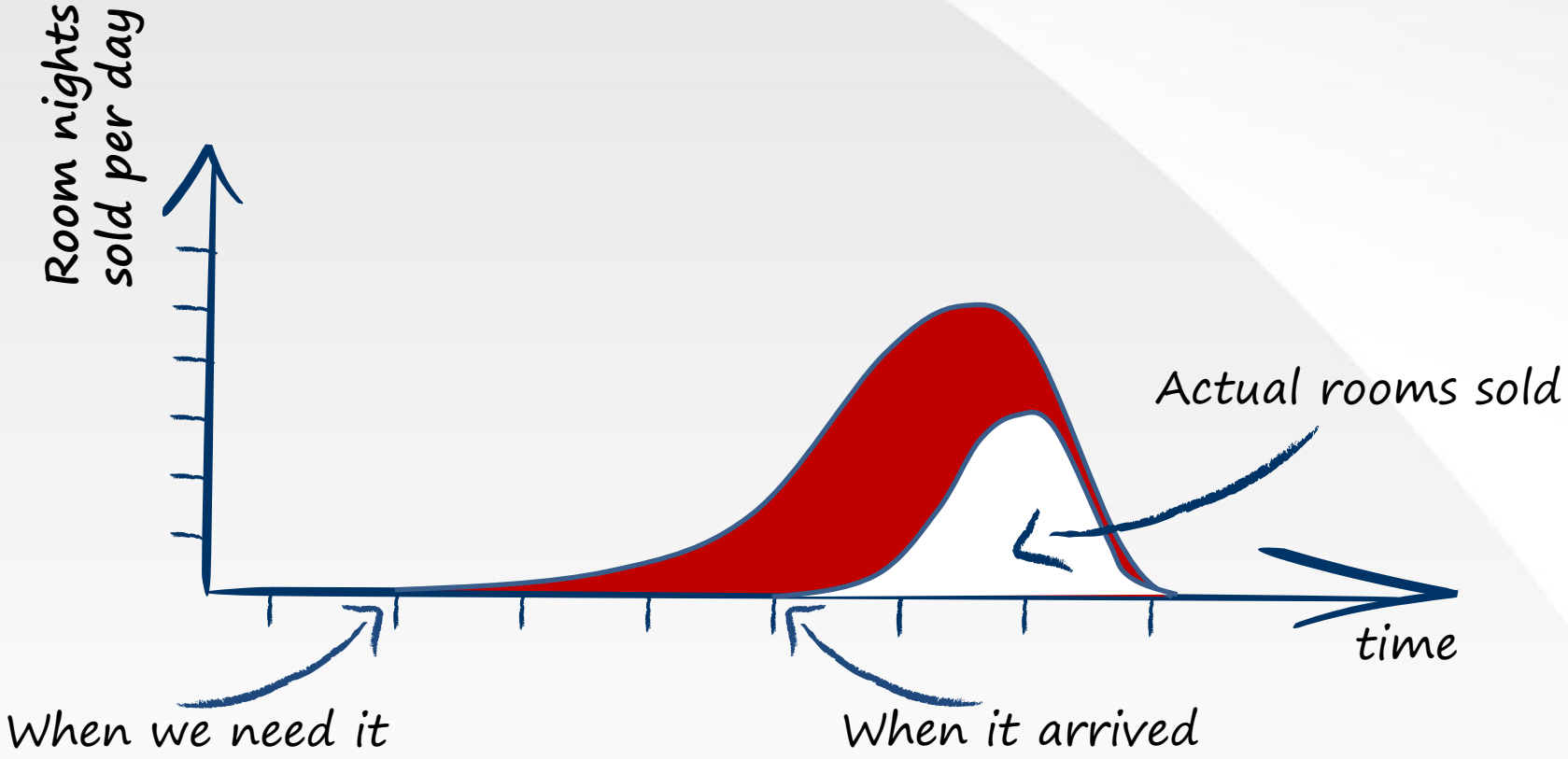
Cost of delay for an online Easter holiday marketing promotion is difference in integral between the two curves



dja@leankanban.com @LKI_dja

Sketch market utility function

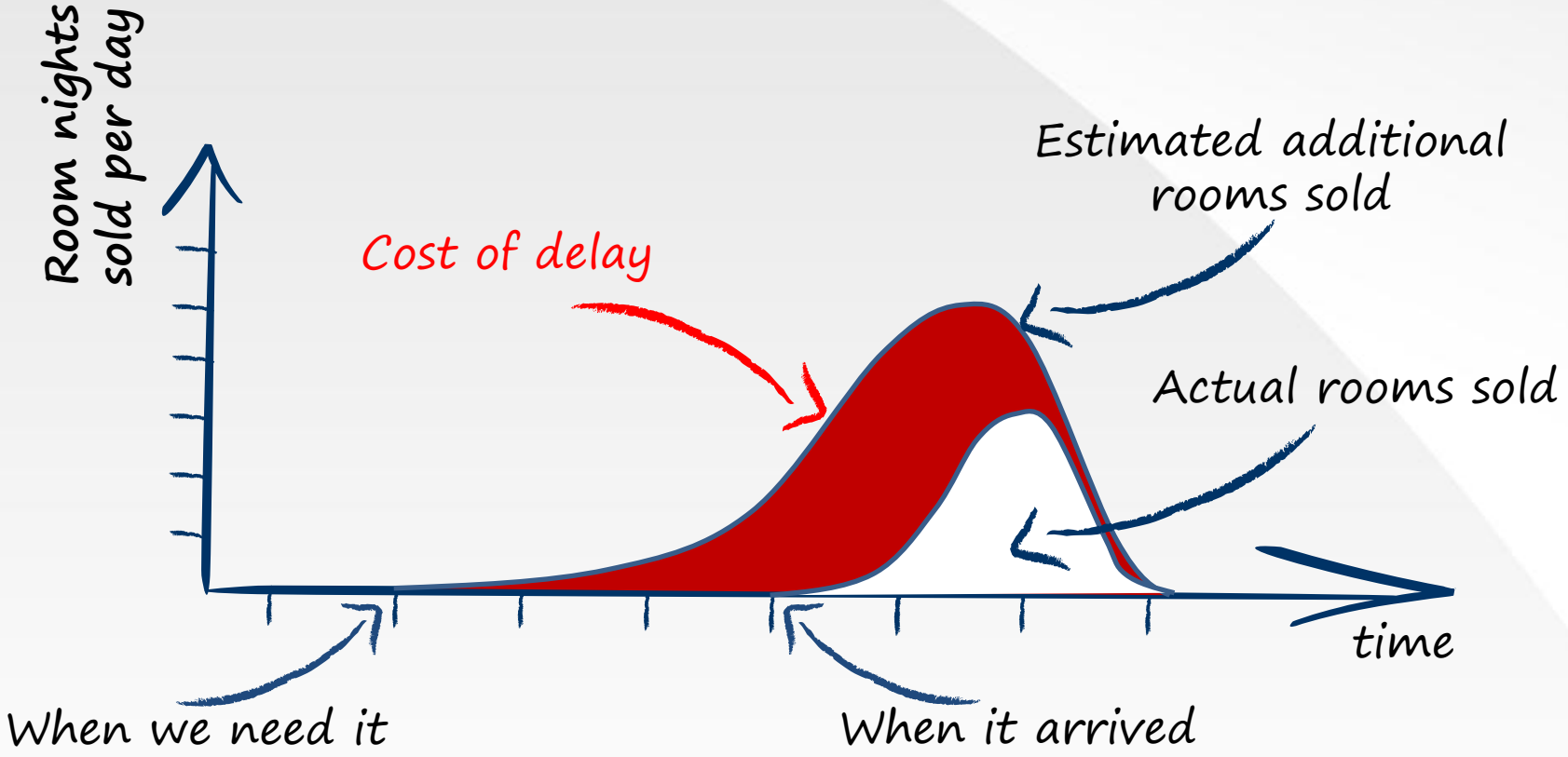
Cost of delay for an online Easter holiday marketing promotion is difference in integral between the two curves



dja@leankanban.com @LKI_dja

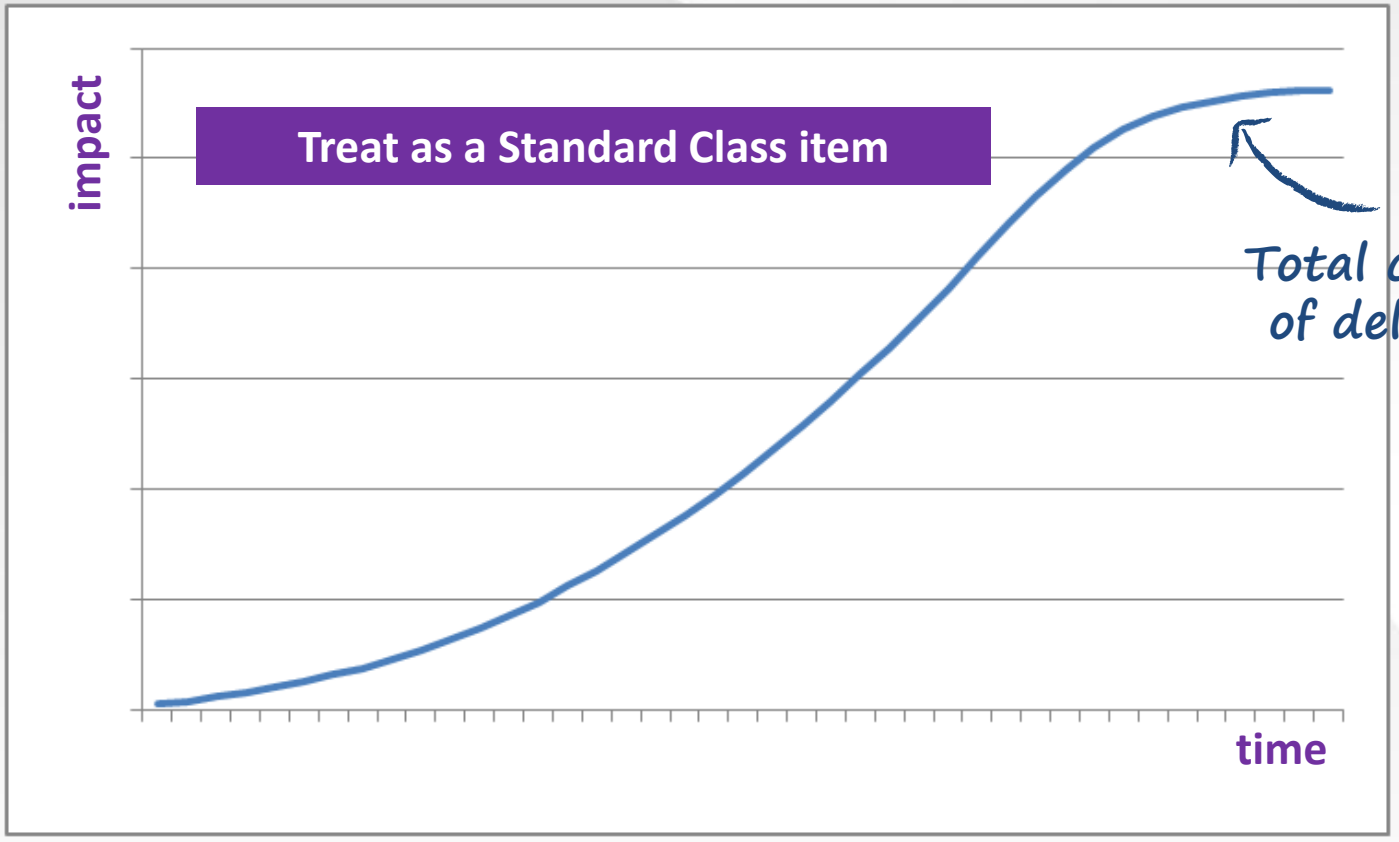
Sketch market utility function

Cost of delay for an online Easter holiday marketing promotion is difference in integral between the two curves



dja@leankanban.com @LKI_dja

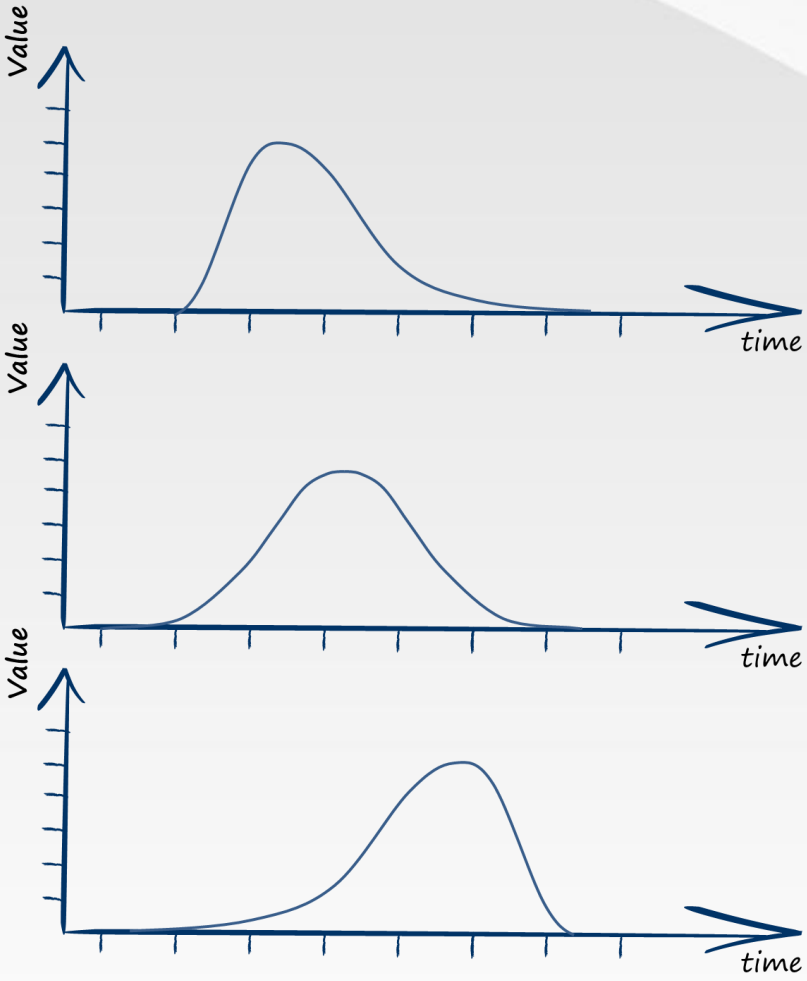
Cost of Delay based on utility function sketches



Cost of delay function for an online Easter holiday marketing campaign delayed by 1 month from mid-January (based on diff of 2 integrals on previous slide)

dja@leankanban.com @LKI_dja

Utility Function Taxonomy



Utility Function Shape

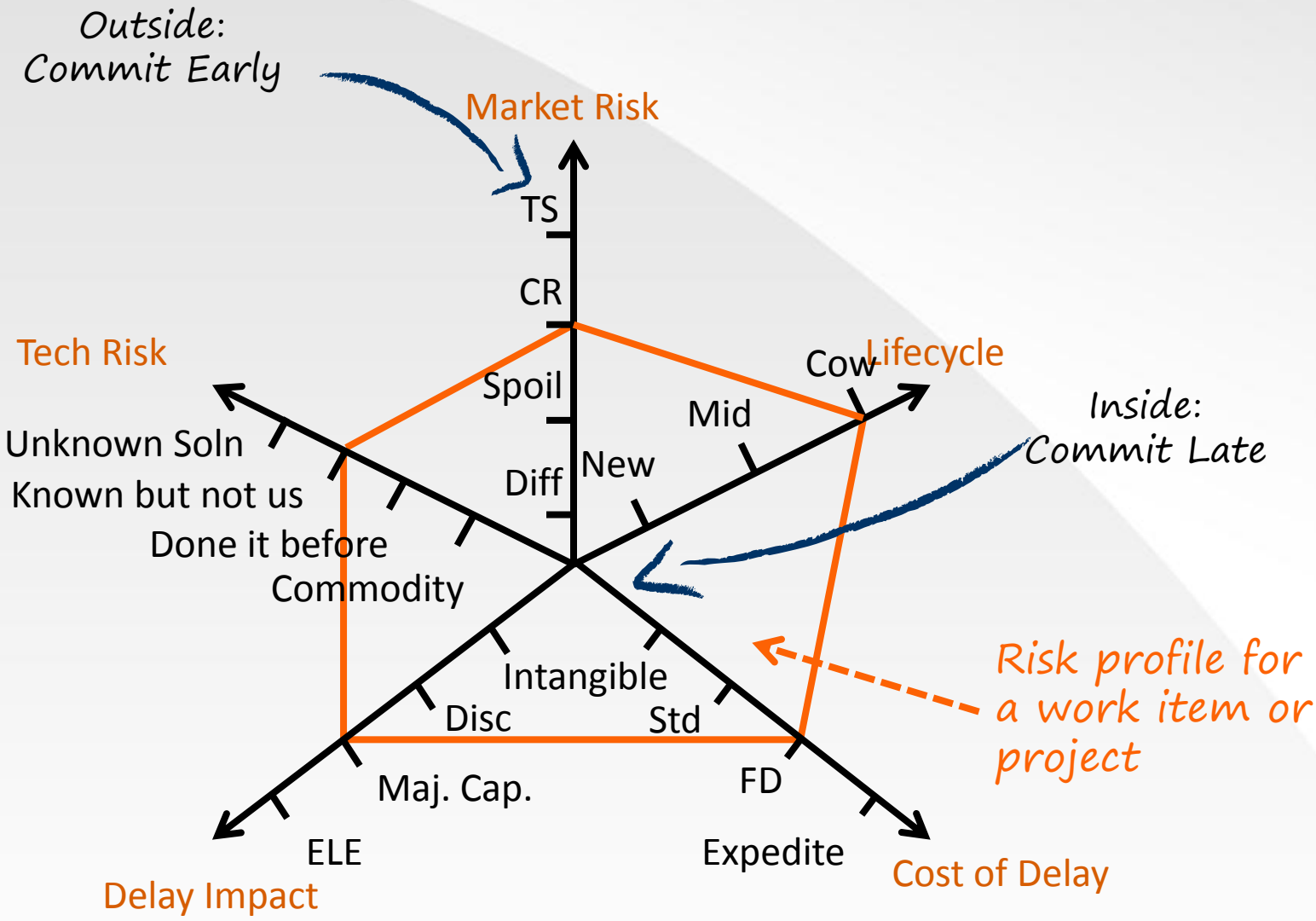
Front-loaded – Most of the value is realized early in the lifespan of the product with a long residual tail

Bell curve – Most of the value is realized in the middle of the lifespan with slow initial uptake and a somewhat symmetrical tail off

Back-loaded – Initial take-up is slow with value realized close to a natural end-date in the product lifespan

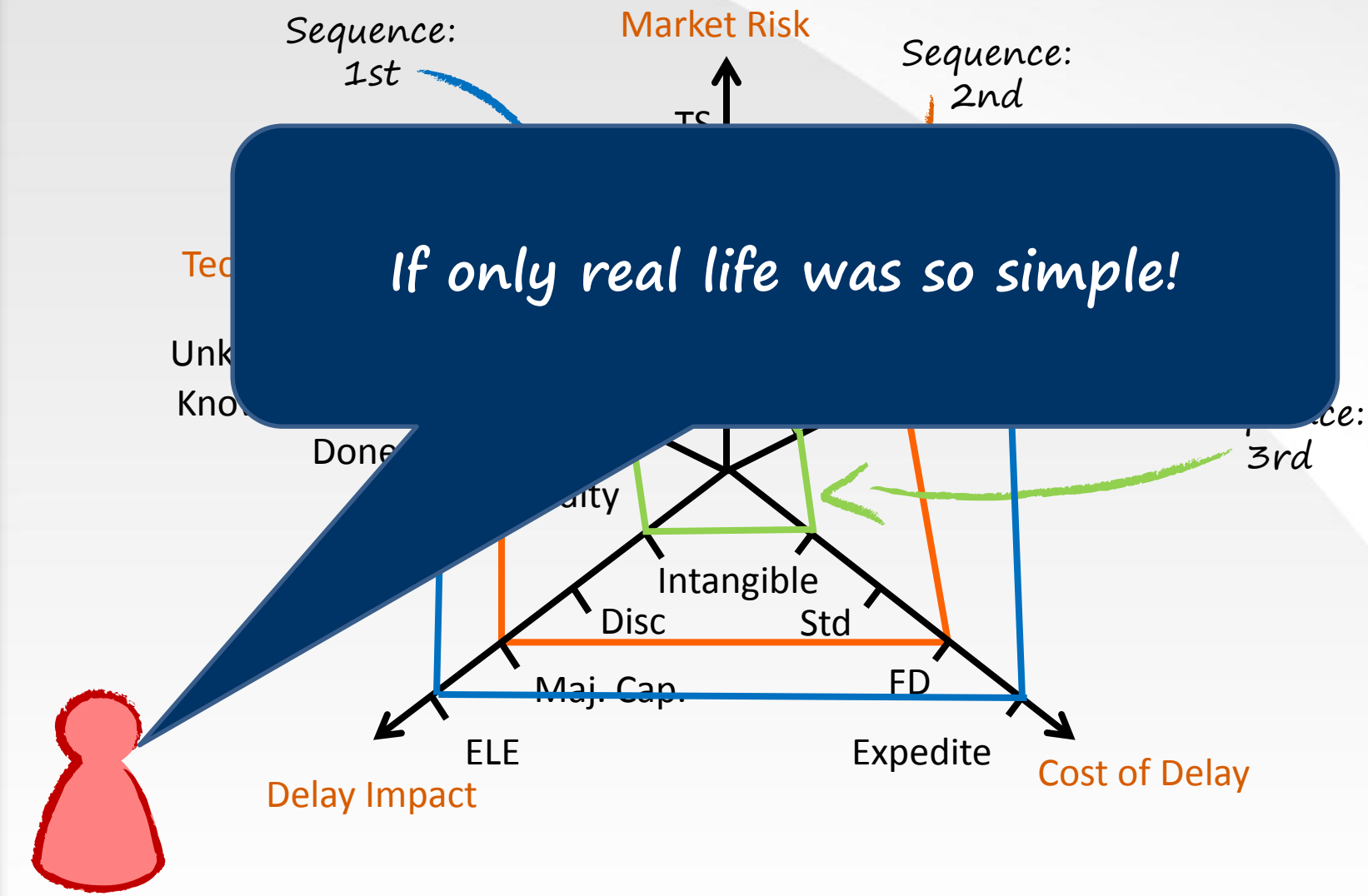
dja@leankanban.com @LKI_dja

Visualize Risks to provide Scheduling Information



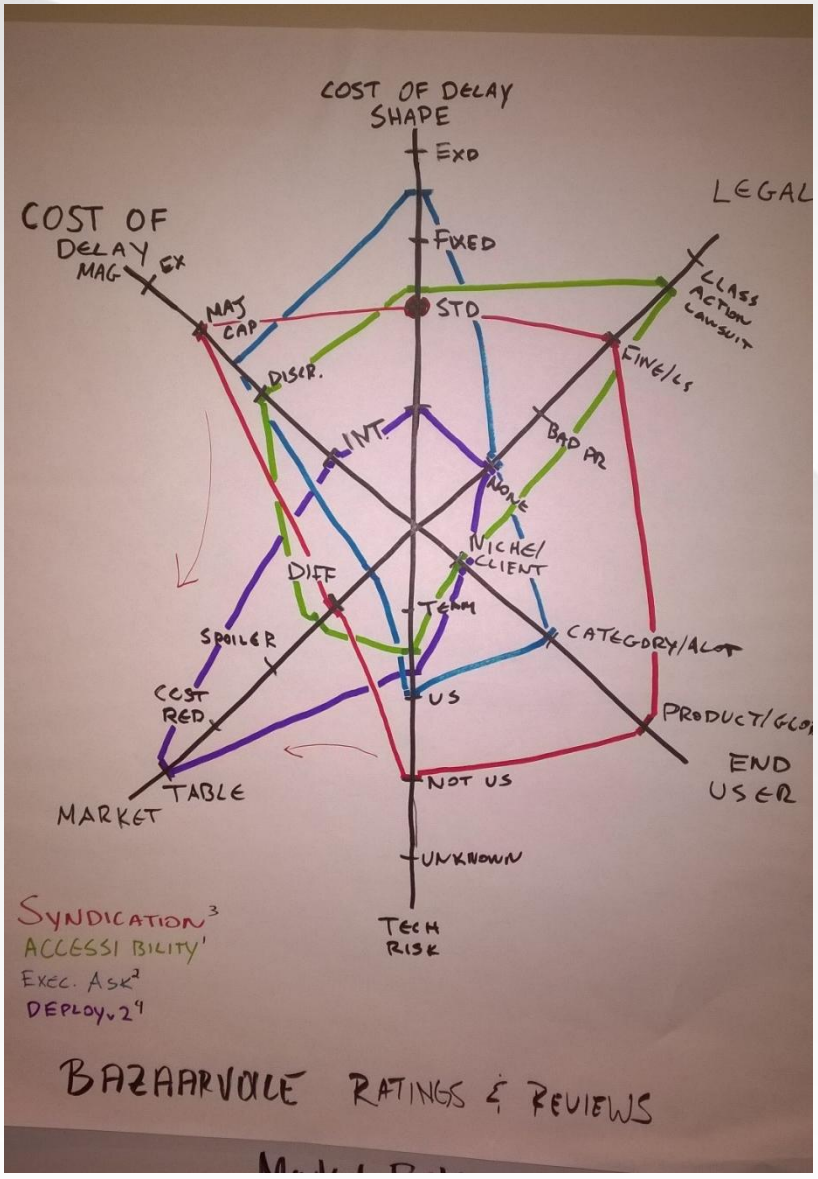
dja@leankanban.com @LKI_dja

Scheduling & Sequencing



dja@leankanban.com @LKI_dja

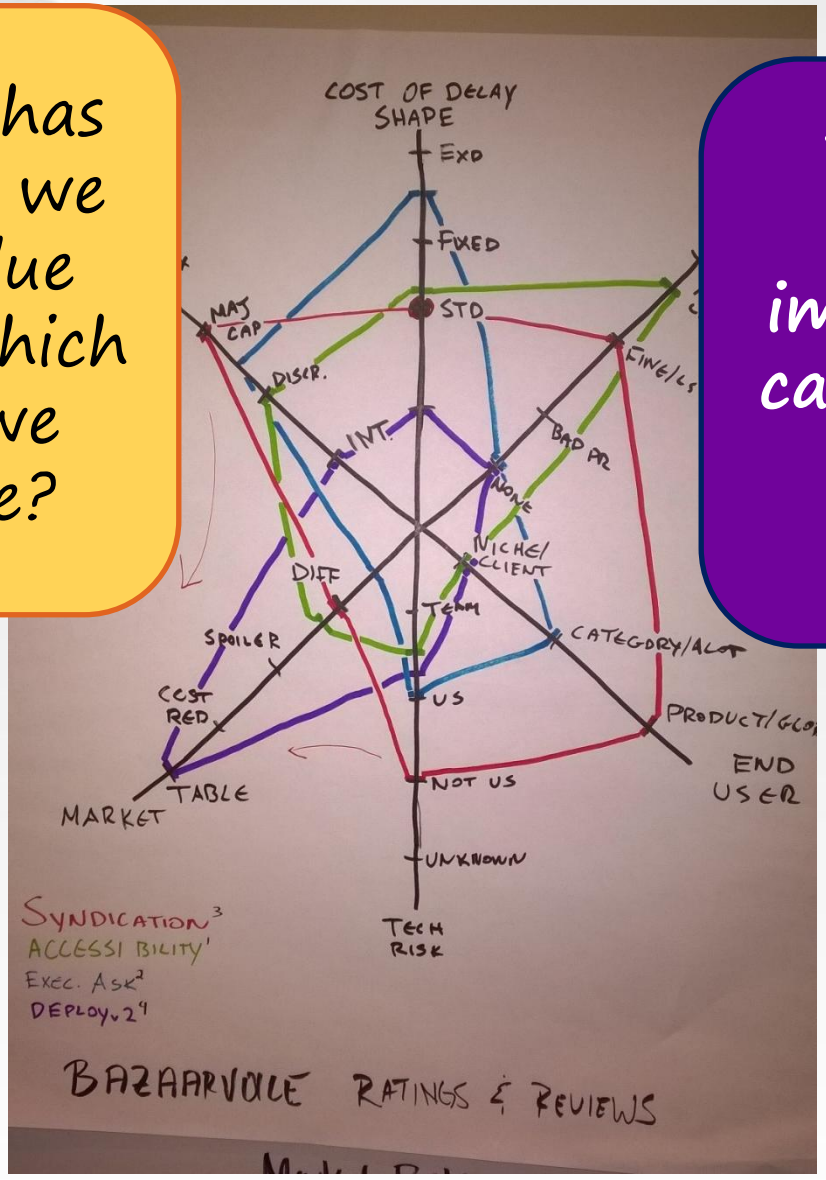
Custom Profile Contains Narrative



dja@leankanban.com @LKI_dja

Custom Profile Contains Narrative

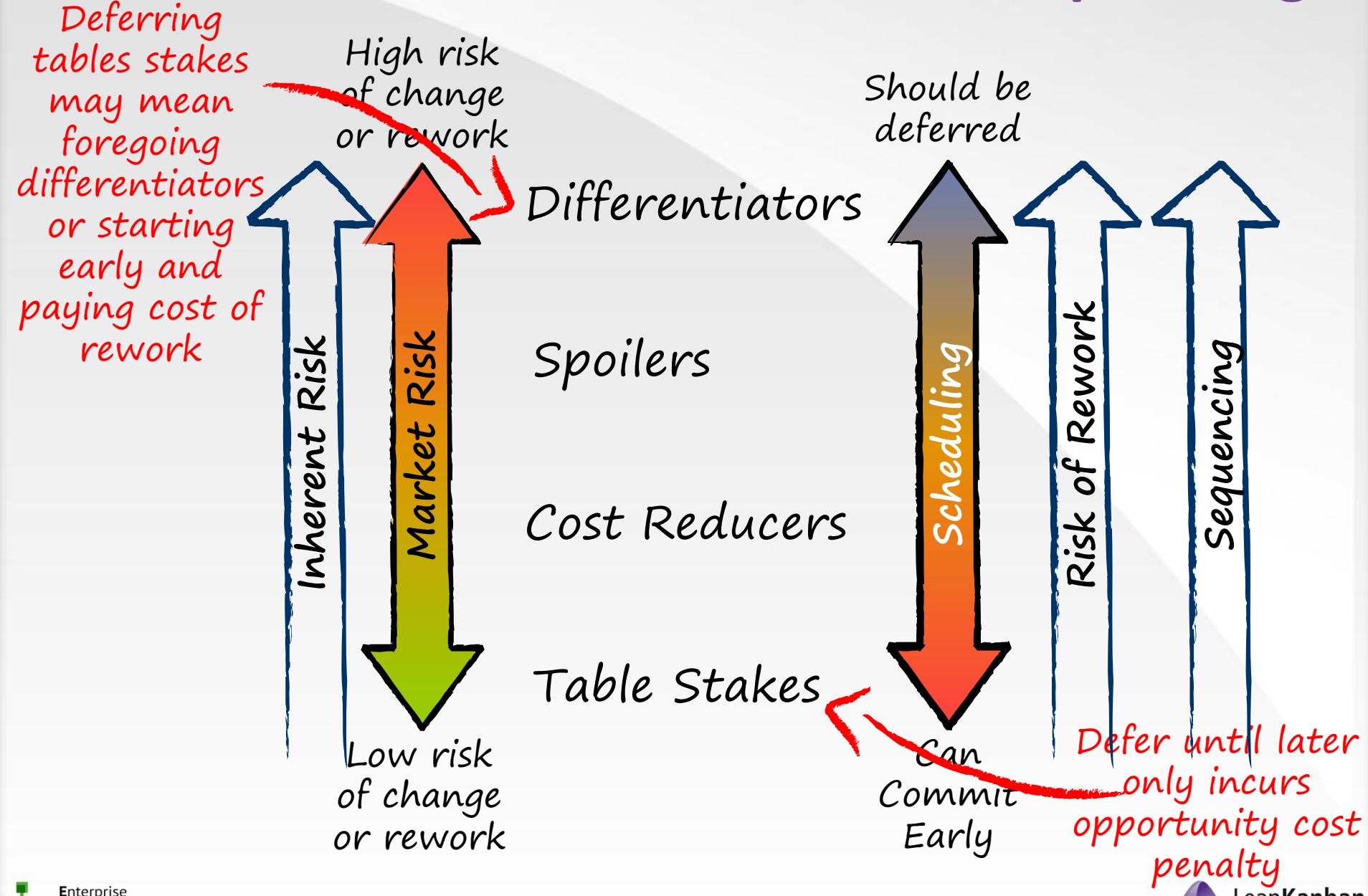
Our CEO has requested we do the blue project. Which one do we postpone?



The purple project is important but can be delayed with little penalty.

dja@leankanban.com @LKI_dja

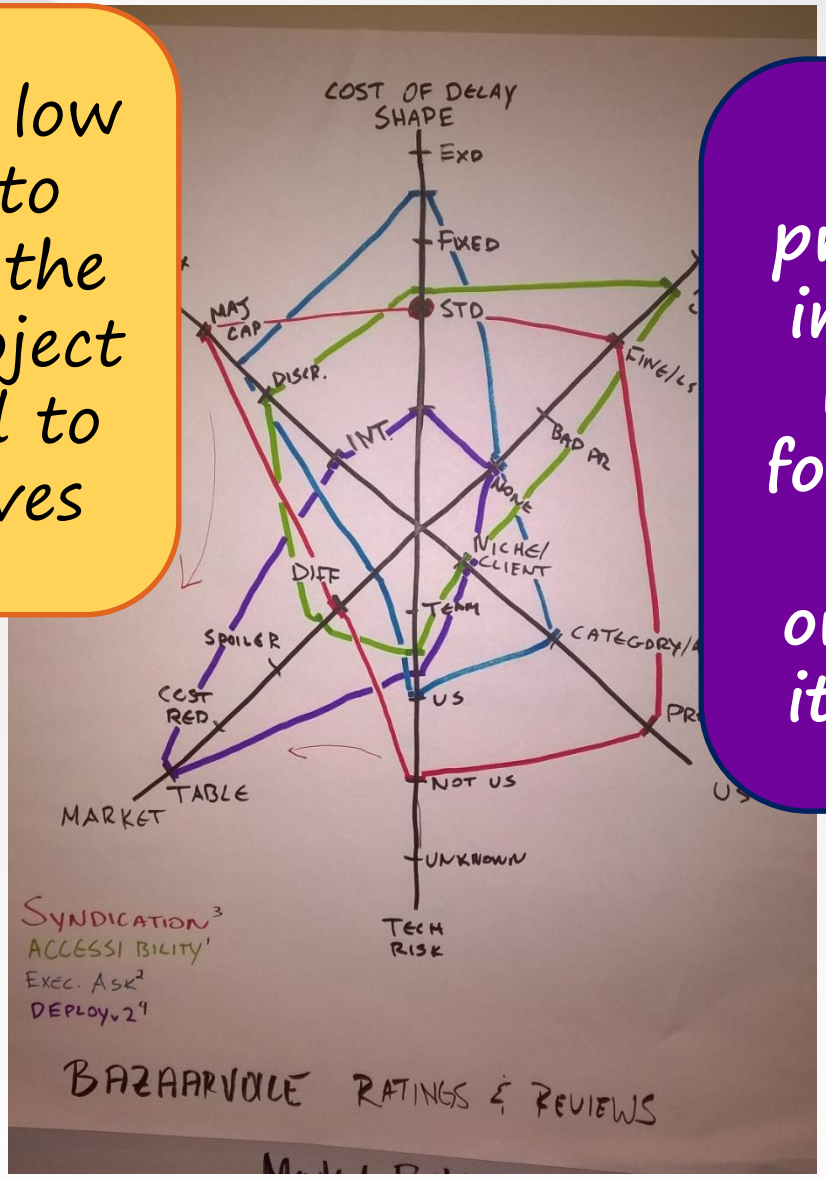
Inherent Risk, Risk of Rework & Sequencing



dja@leankanban.com @LKI_dja

Revisiting the portfolio options

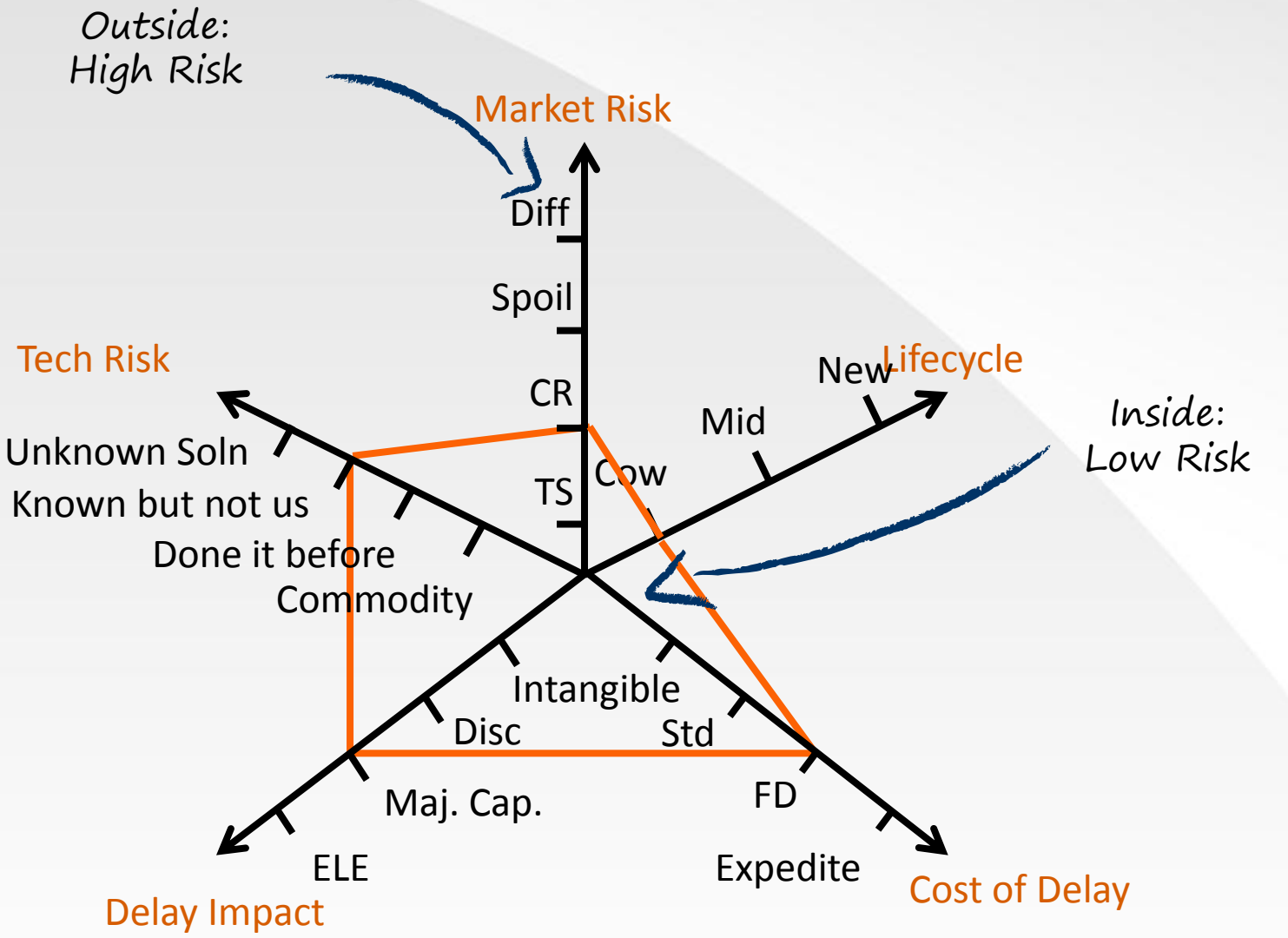
There is a low penalty to deferring the purple project compared to alternatives



The purple project remains important. We may need to forgo something else later in order to insure it is completed

dja@leankanban.com @LKI_dja

Visualizing Inherent Risk

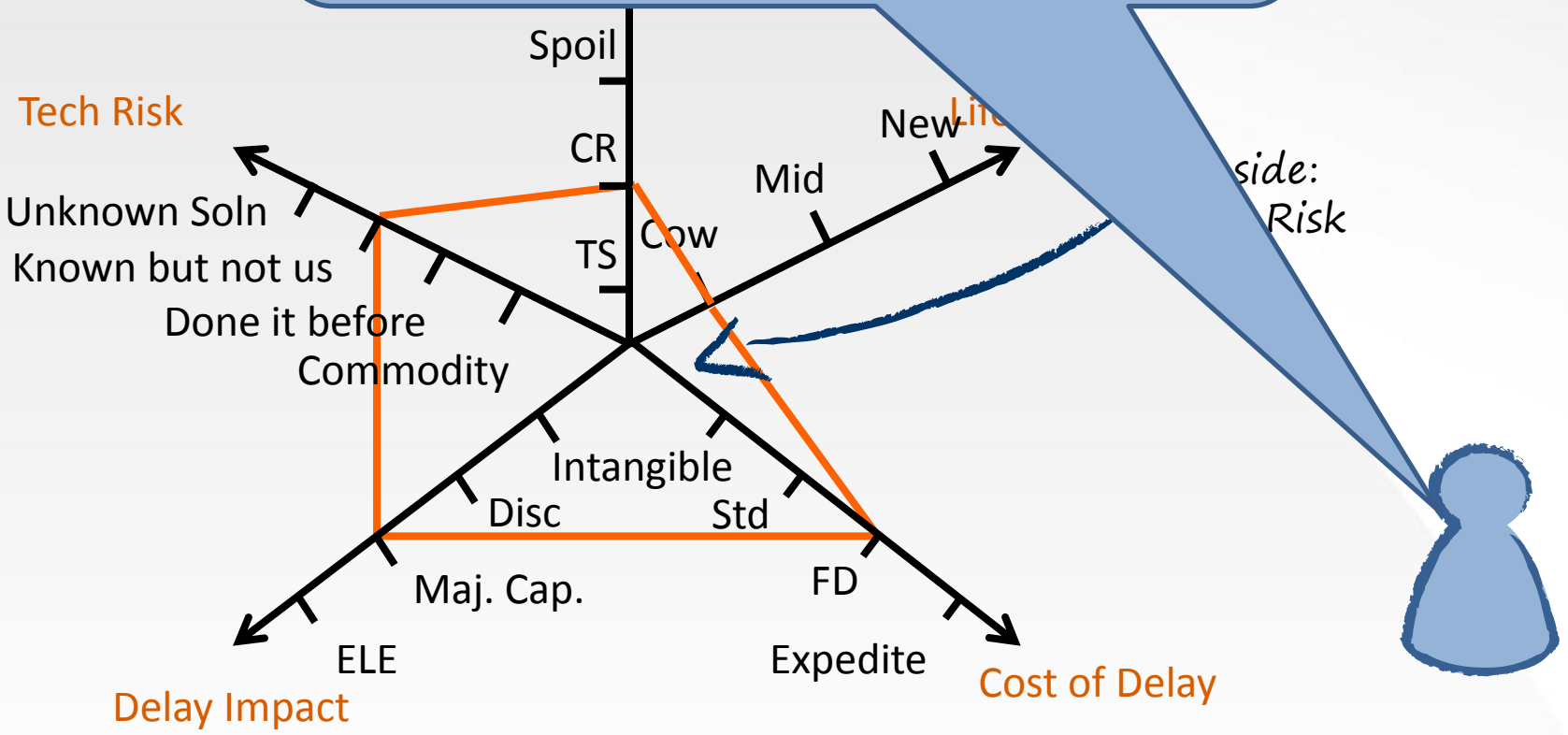


dja@leankanban.com @LKI_dja

Visualizing Inherent Risk

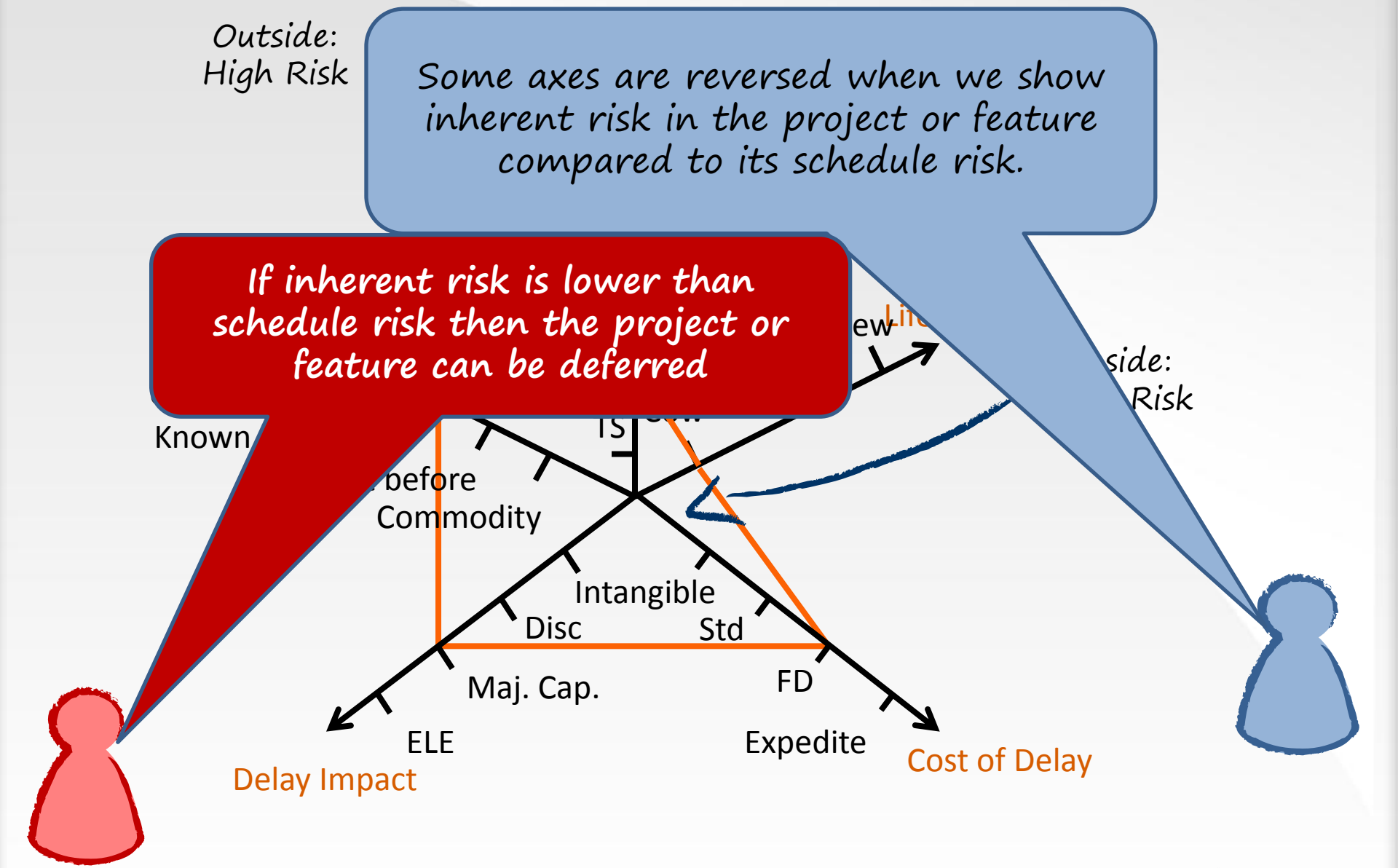
Outside:
High Risk

Some axes are reversed when we show inherent risk in the project or feature compared to its schedule risk.



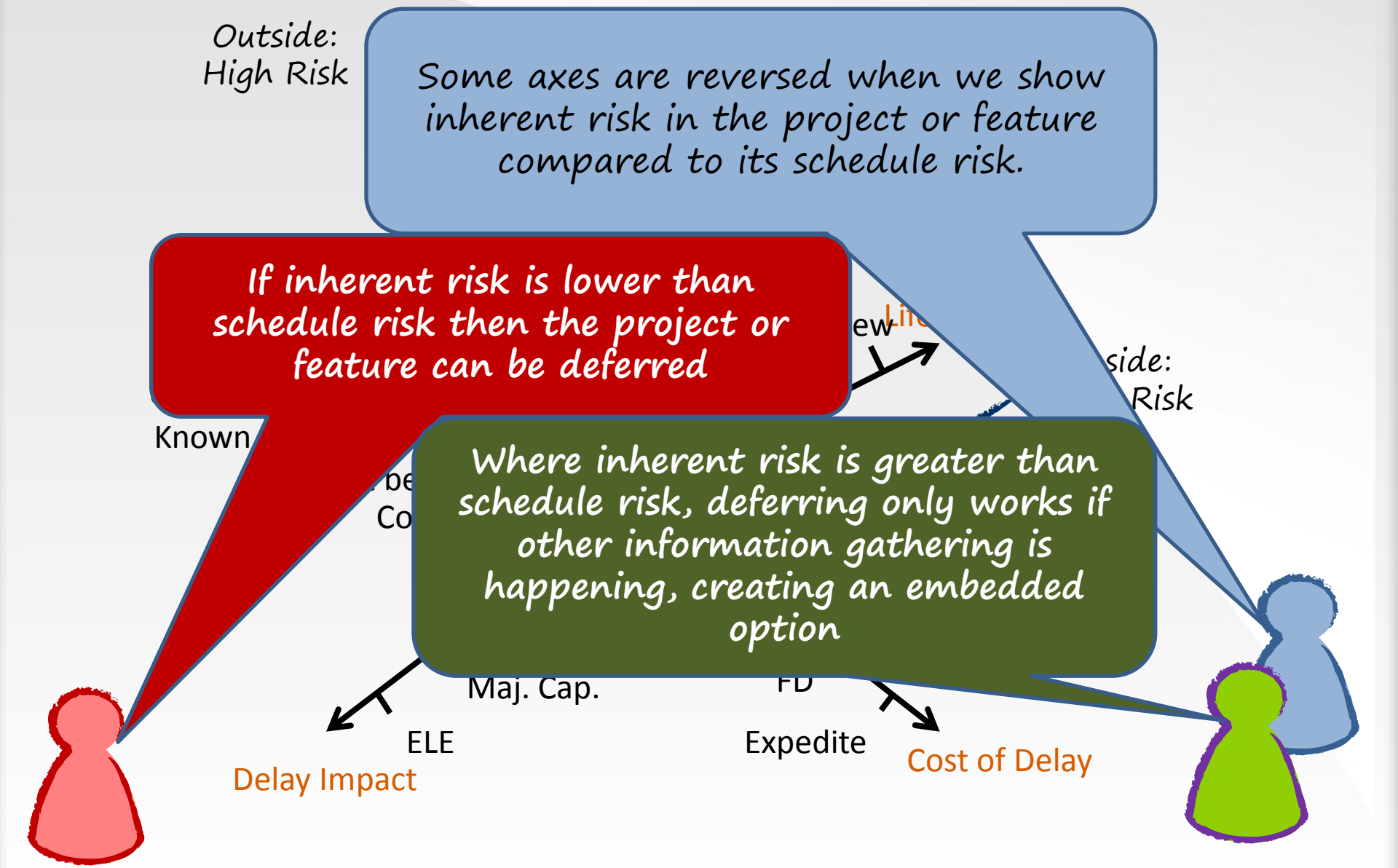
dja@leankanban.com @LKI_dja

Visualizing Inherent Risk



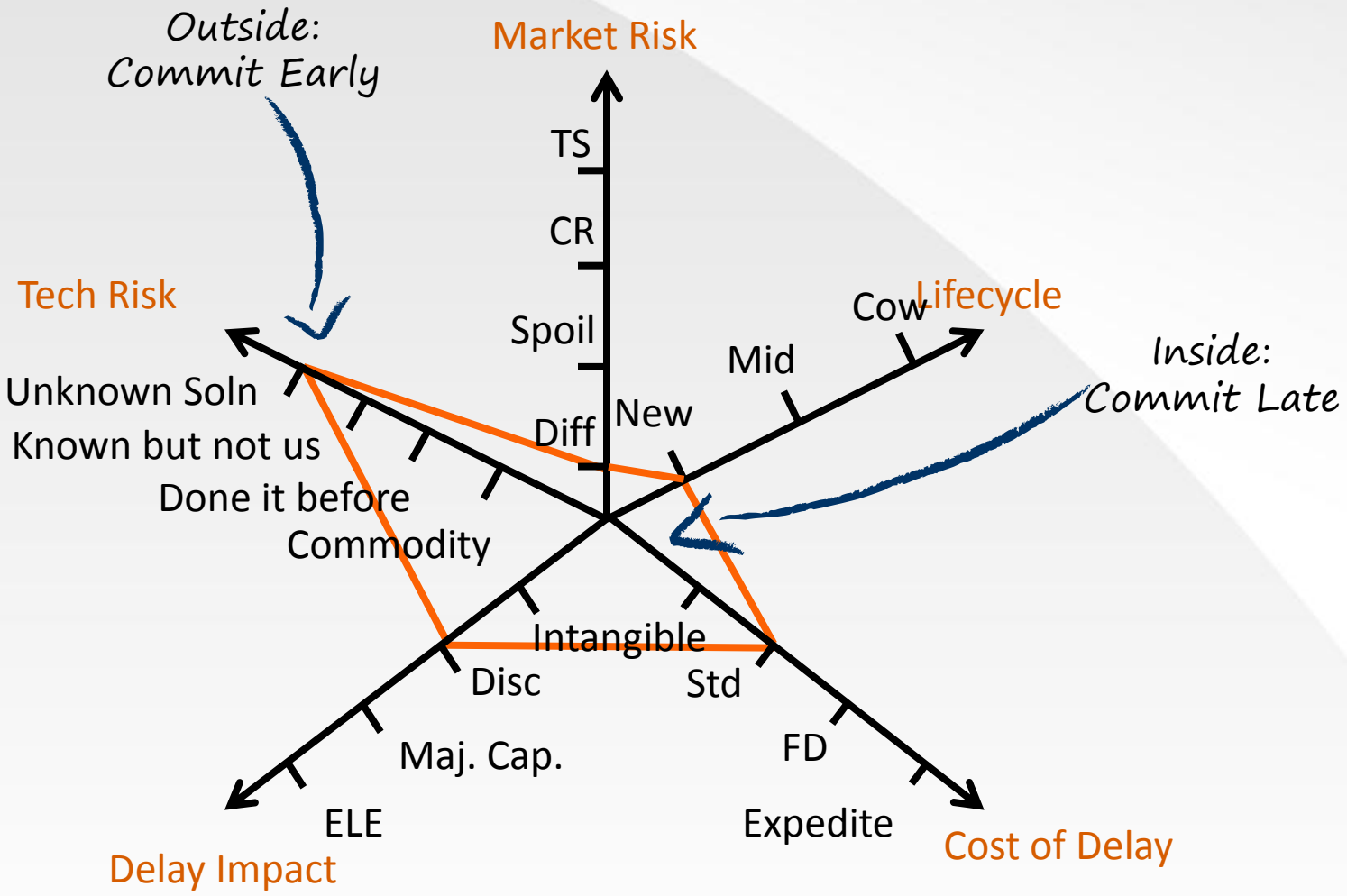
dja@leankanban.com @LKI_dja

Visualizing Inherent Risk



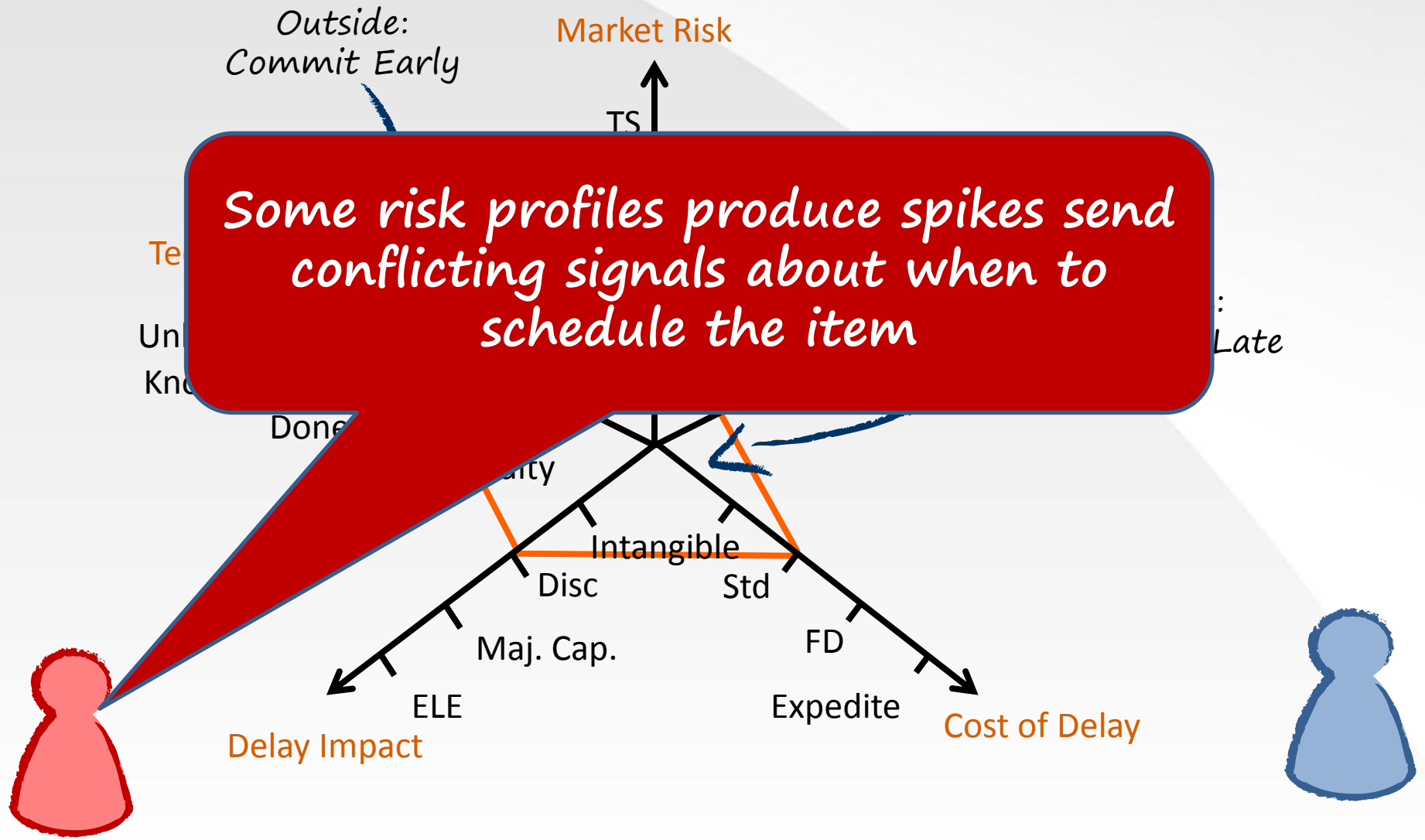
dja@leankanban.com @LKI_dja

What if a profile sends conflicting signals?



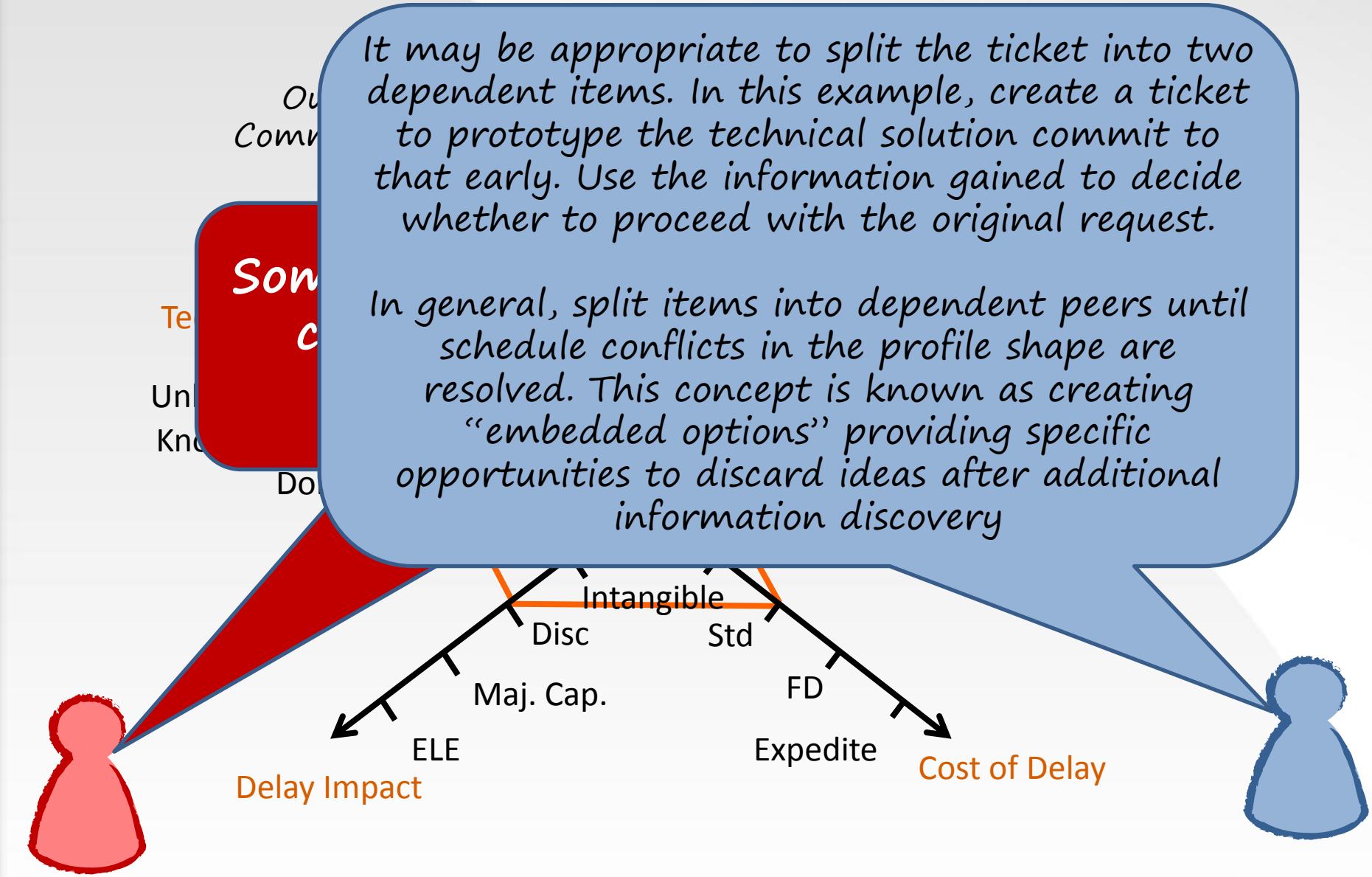
dja@leankanban.com @LKI_dja

What if a profile sends conflicting signals?



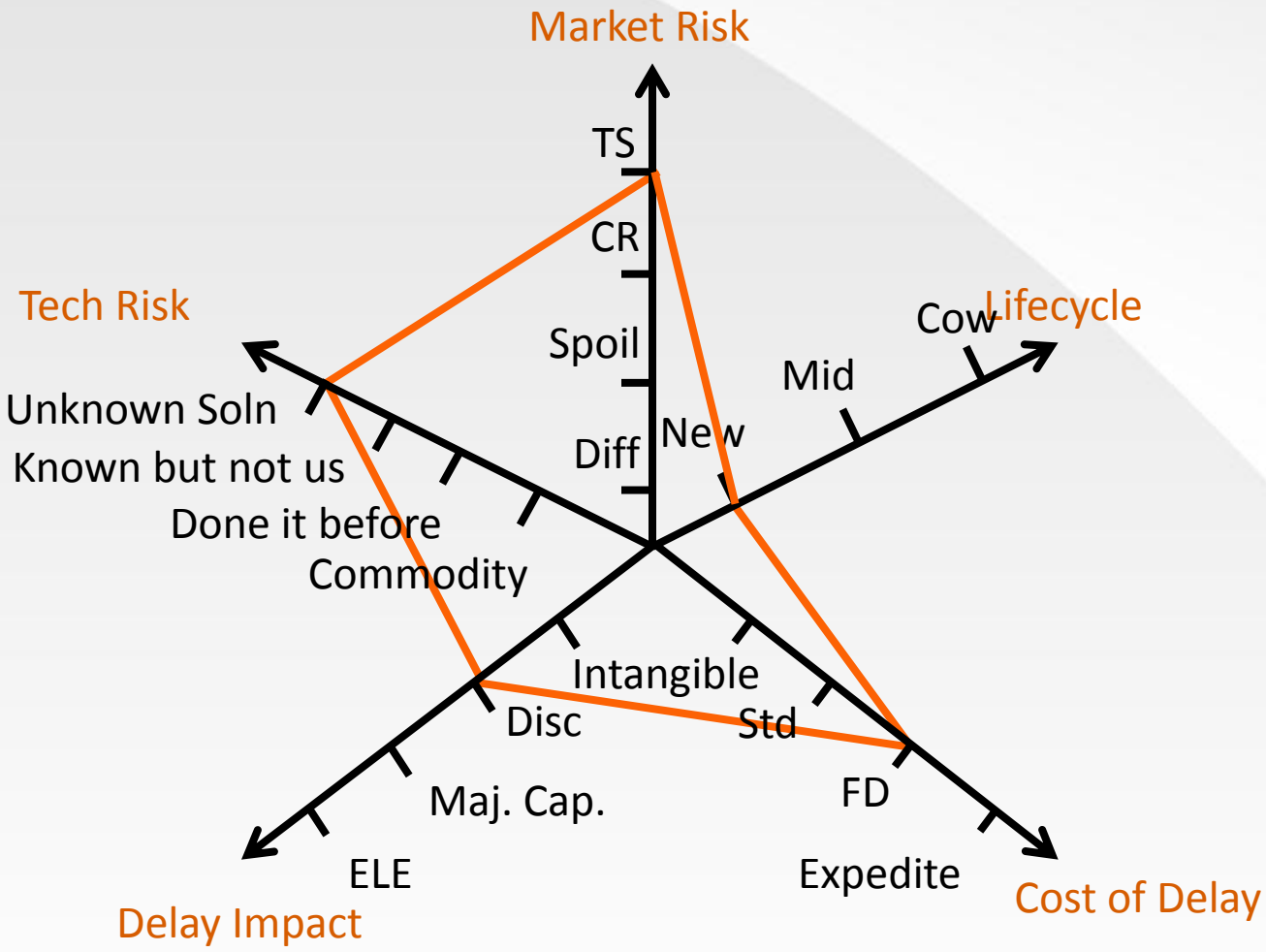
dja@leankanban.com @LKI_dja

What if a profile sends conflicting signals?



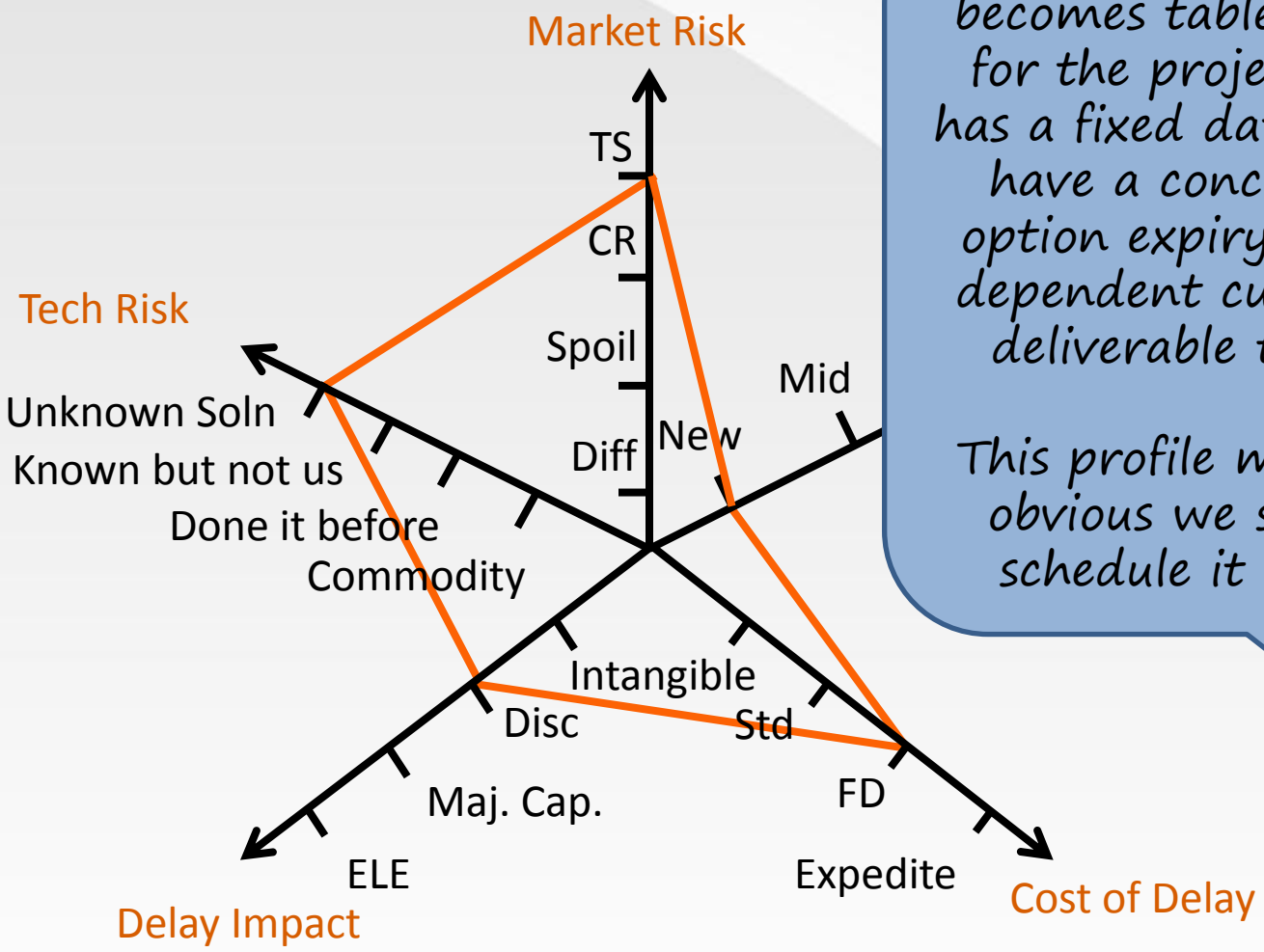
dja@leankanban.com @LKI_dja

Risk profile for prototype



dja@leankanban.com @LKI_dja

Risk profile for prototype

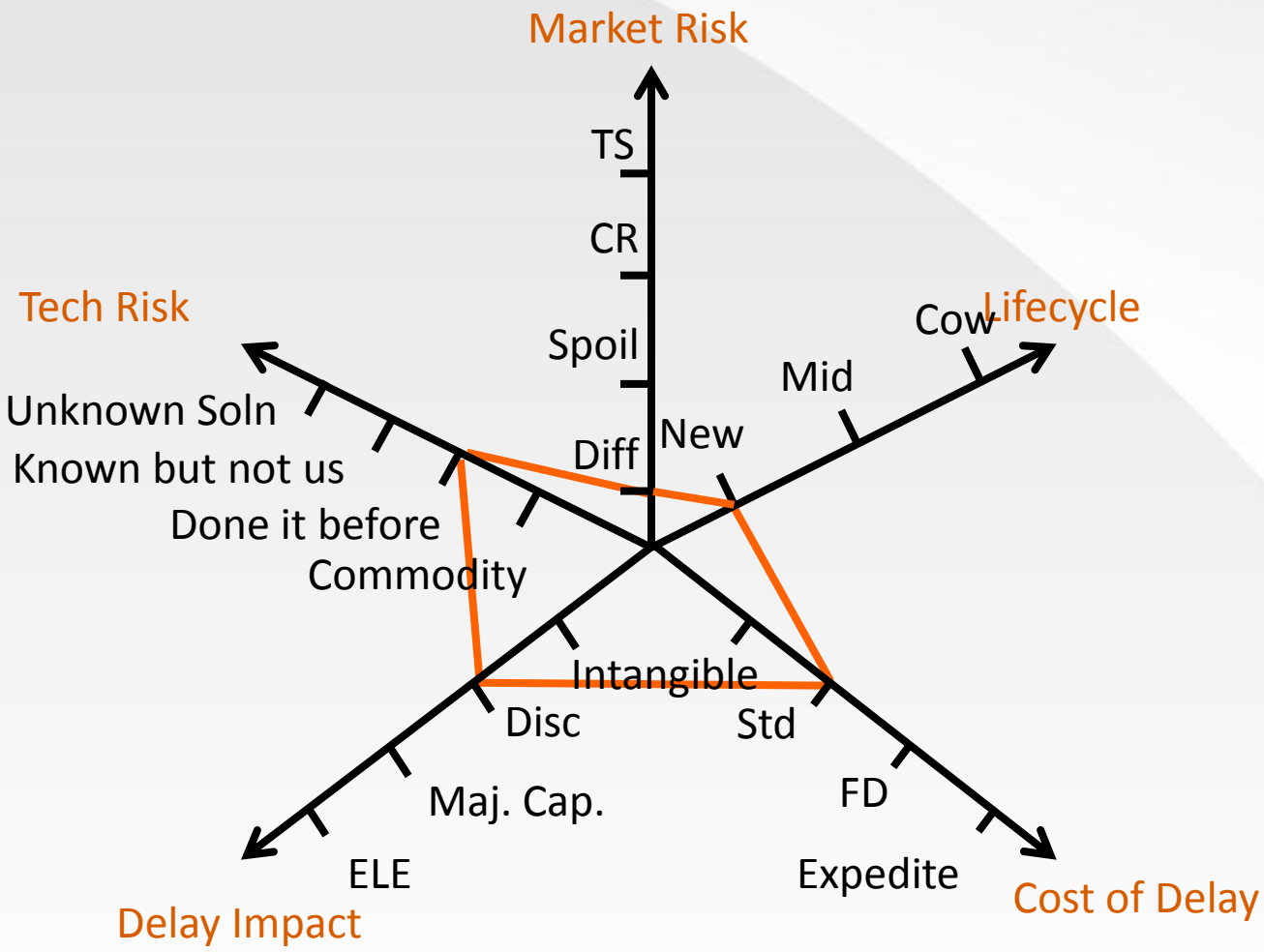


The prototype becomes table stakes for the project and has a fixed date as we have a concept of option expiry for its dependent customer deliverable ticket.

This profile makes it obvious we should schedule it early.

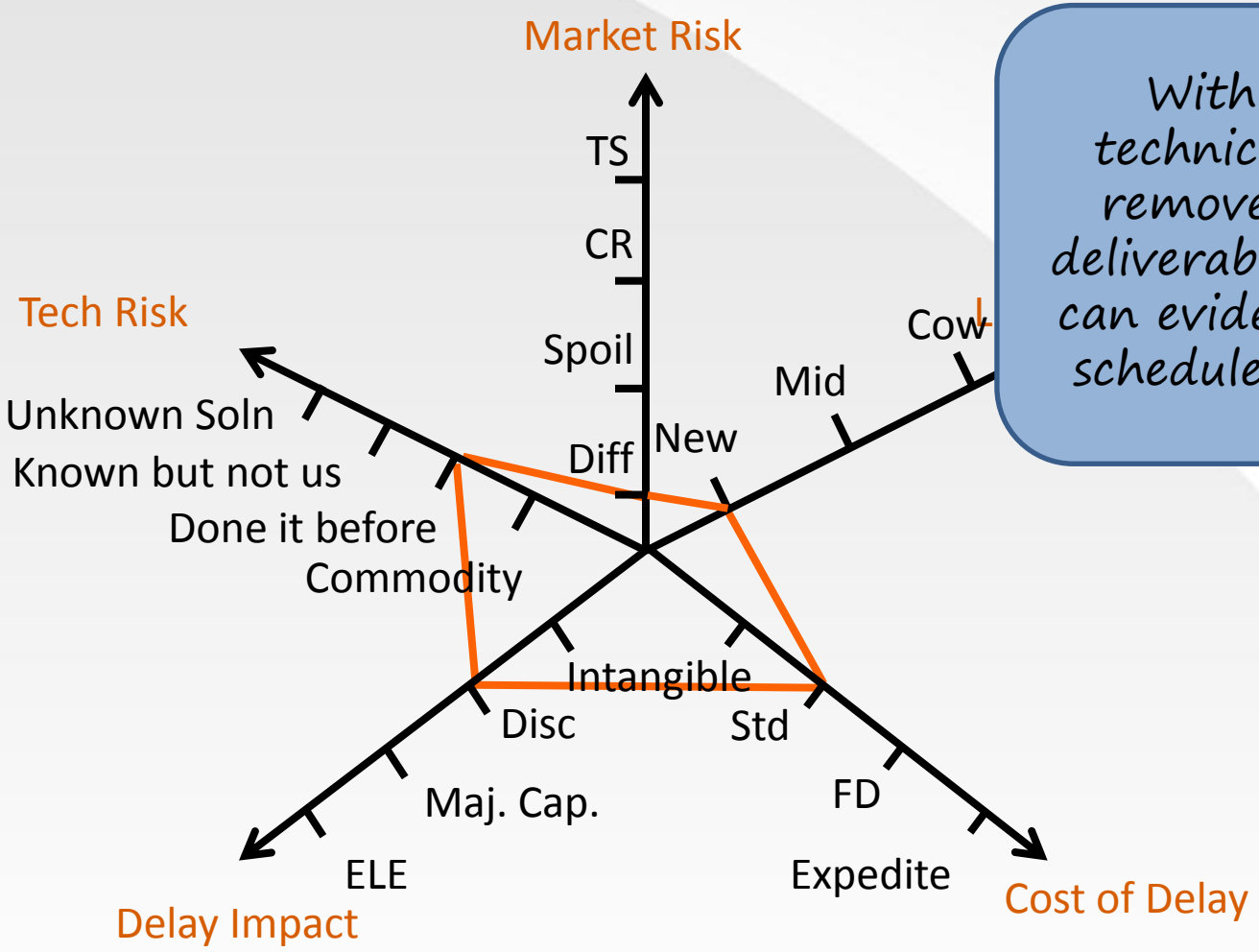
dja@leankanban.com @LKI_dja

Risk profile for deliverable functionality



dja@leankanban.com @LKI_dja

Risk profile for deliverable functionality

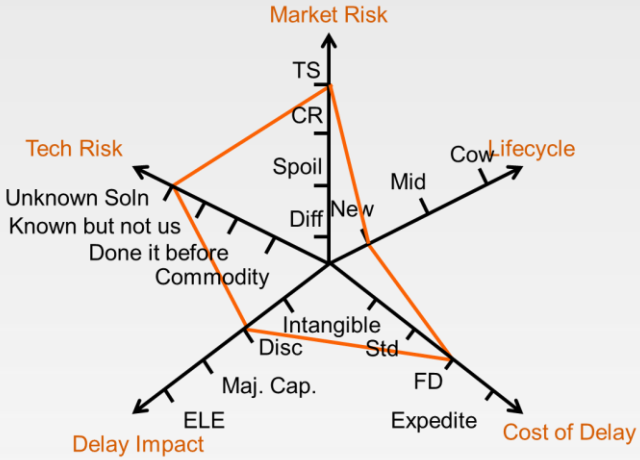


With the technical risk removed the deliverable ticket can evidently be scheduled later

dja@leankanban.com @LKI_dja

Embedded options enable us to manage risk

Prototype

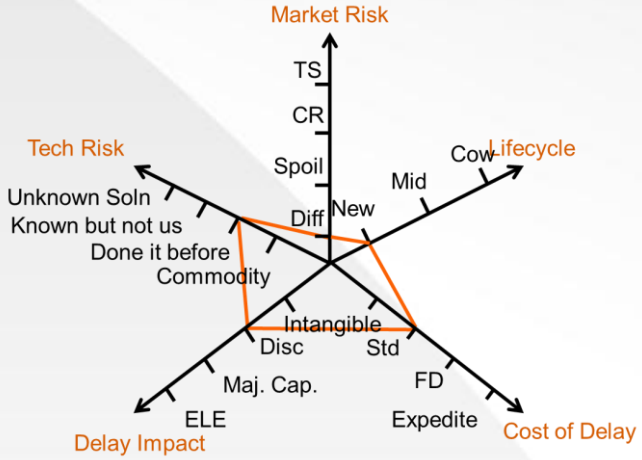


Start early

Dependency

Embedded Option

Customer Deliverable

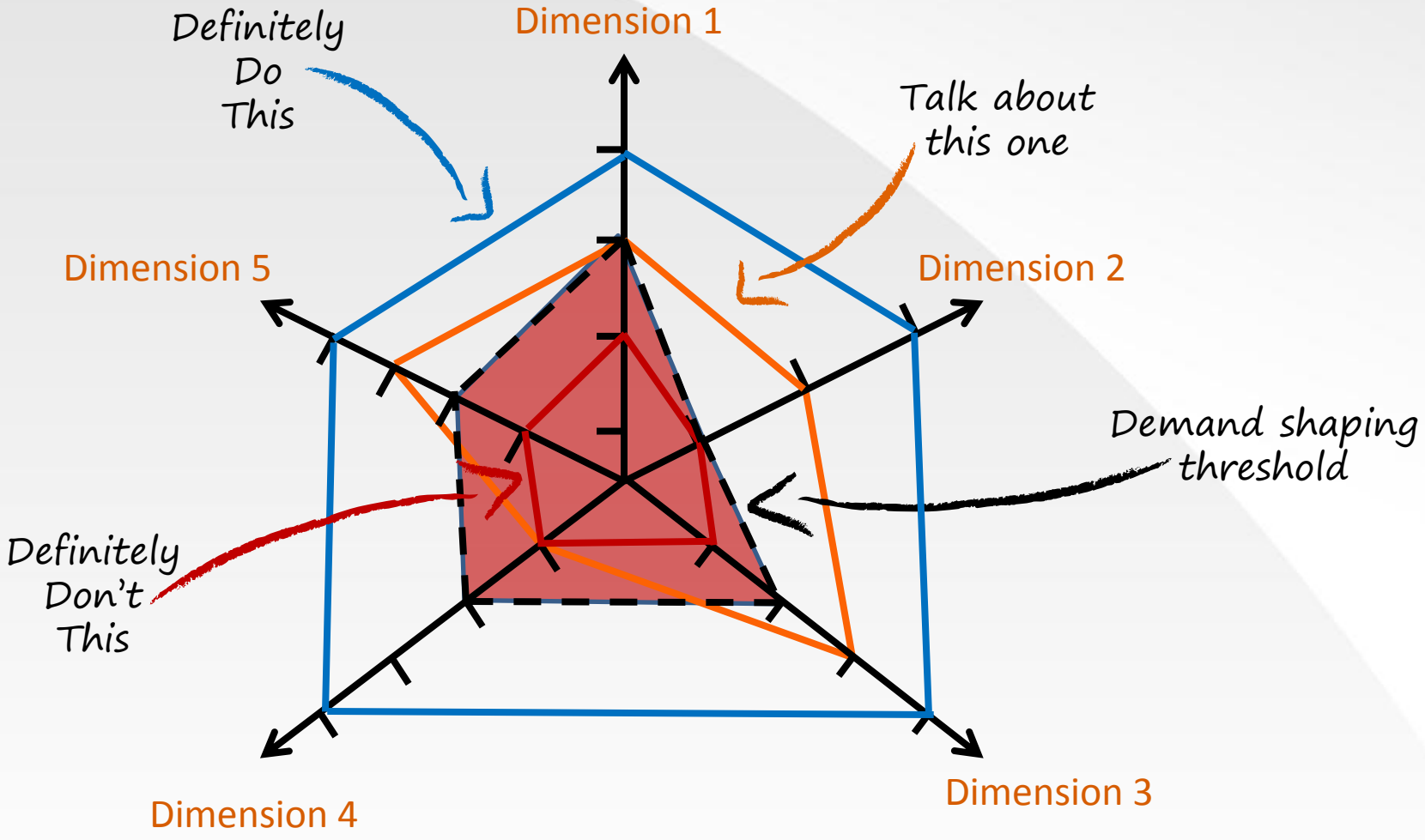


Await results of prototype

Discard if poor results, else
If good results, defer until as late as possible

dja@leankanban.com @LKI_dja

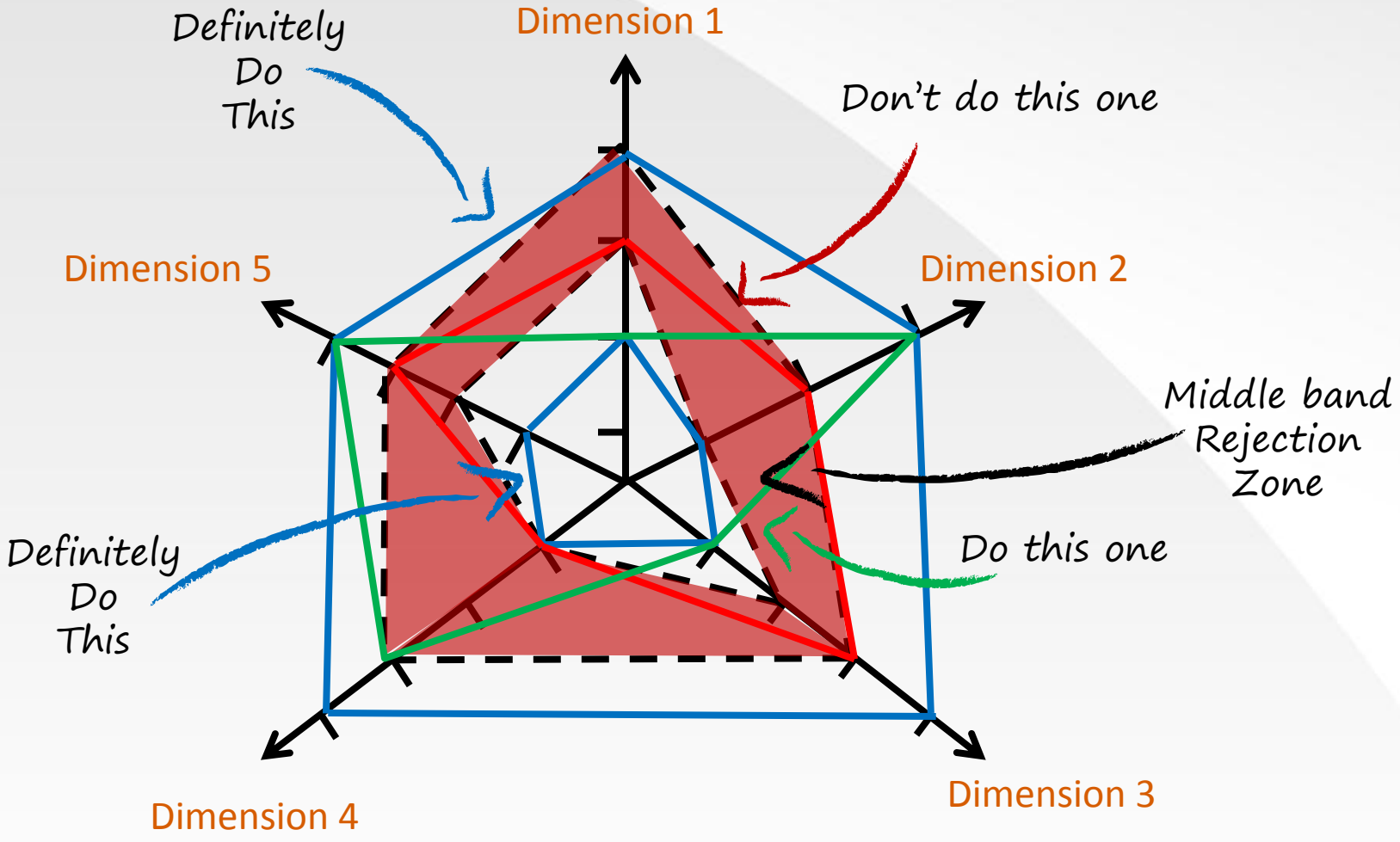
Demand Shaping Threshold
(using inherent risk)



dja@leankanban.com @LKI_dja

Doughnut Demand Shaping Threshold

(using a barbell strategy in each risk dimension)

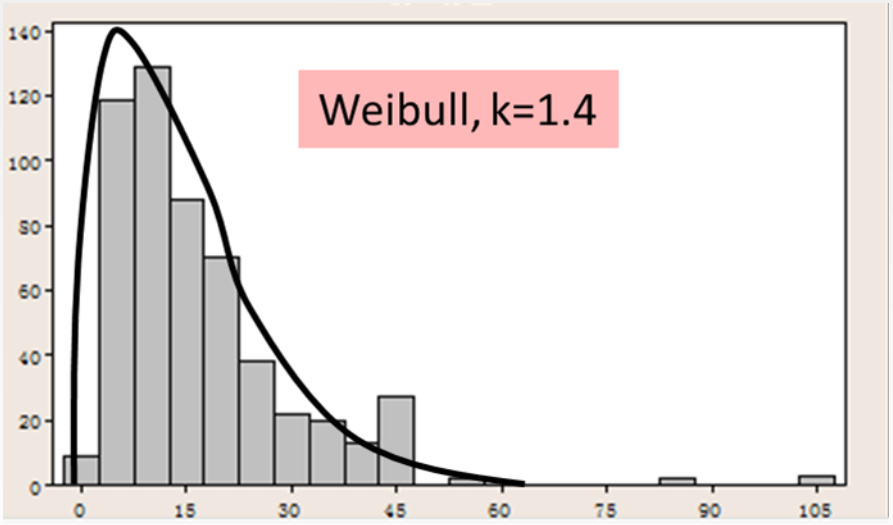


dja@leankanban.com @LKI_dja

Forecasting

dja@leankanban.com @LKI_dja

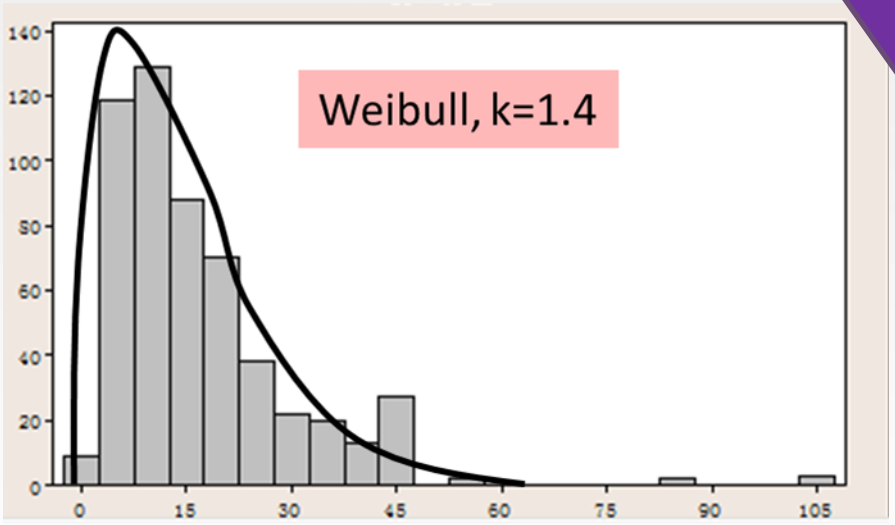
Lead Time & Weibull Distributions



dja@leankanban.com @LKI_dja

Lead Time & Weibull Distributions

Lead time histograms observed to be Weibull distributions typically with shape parameter 1.0 < k < 2.0

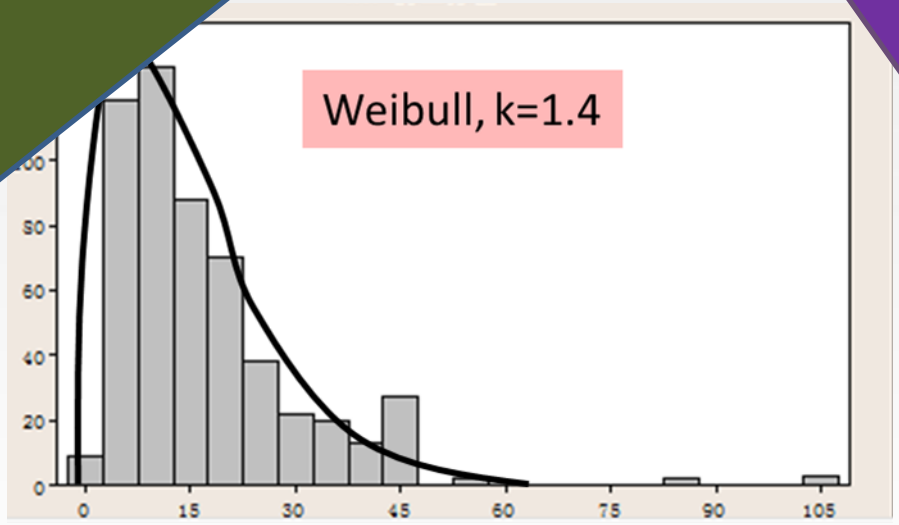


dja@leankanban.com @LKI_dja

Lead Time & Weibull Distributions

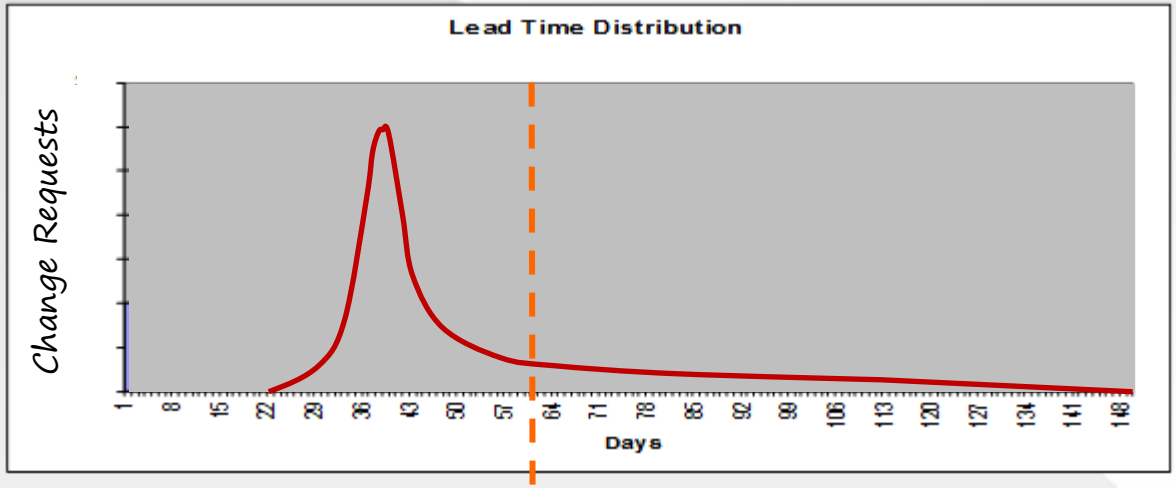
The details of the mathematics are not particularly important. What is important is to recognize that the risk is always in the tail and the length of the tail varies from 2x – 10x from the mode in the data

rams
eibull
cally
neter



dja@leankanban.com @LKI_dja

Use Lead Time Distribution to Evaluate Service Delivery Effectiveness



SLA (customer expectation or fitness criteria)
60 days

Due Date Performance (DDP)

85% on-time

15% late

Predictability

22-150 day spread of variation

dja@leankanban.com @LKI_dja

Forecasting methods

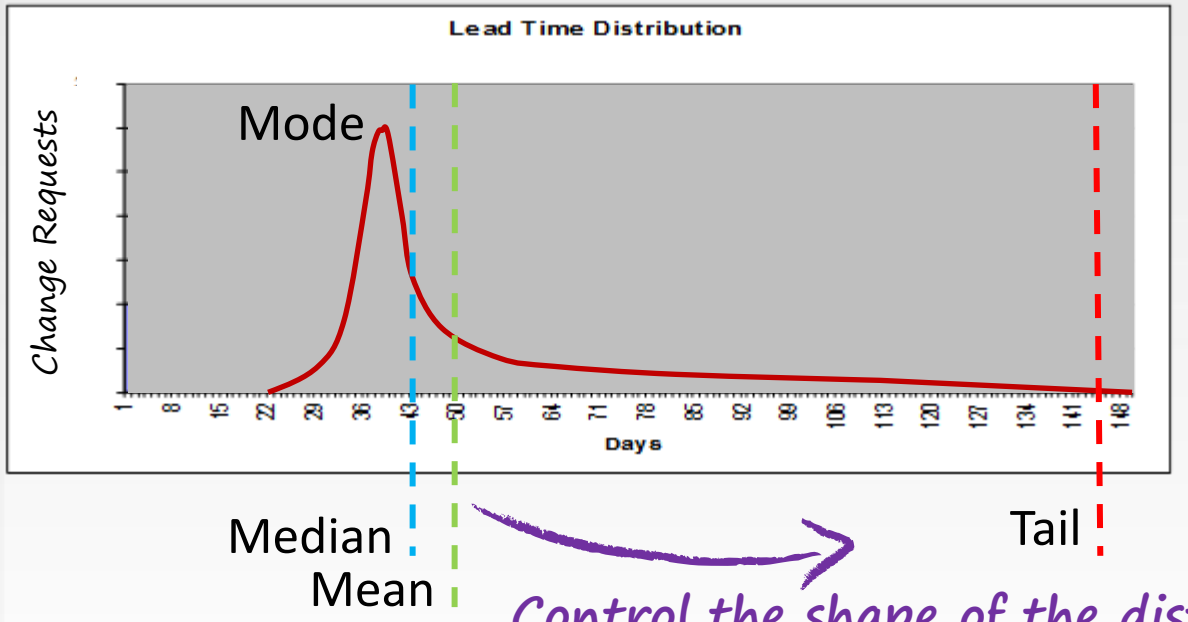
- ESP relies on two types of forecasting approaches
  - Reference class forecasting
  - Monte Carlo simulation
- Reference class forecasting requires an assumption of an equilibrium – the near future will reflect the continuing conditions of the recent past
  - We sample data from a period in the recent past and use it to forecast future behavior
  - The sample period is determined by evaluating the volatility in kanban system liquidity

dja@leankanban.com @LKI_dja

Little's Law provides simple but effective medium to long term forecasts

$$\frac{}{\text{Delivery Rate}} = \frac{\text{WIP}}{\frac{}{\text{System Lead Time}}}$$

(from the kanban system)



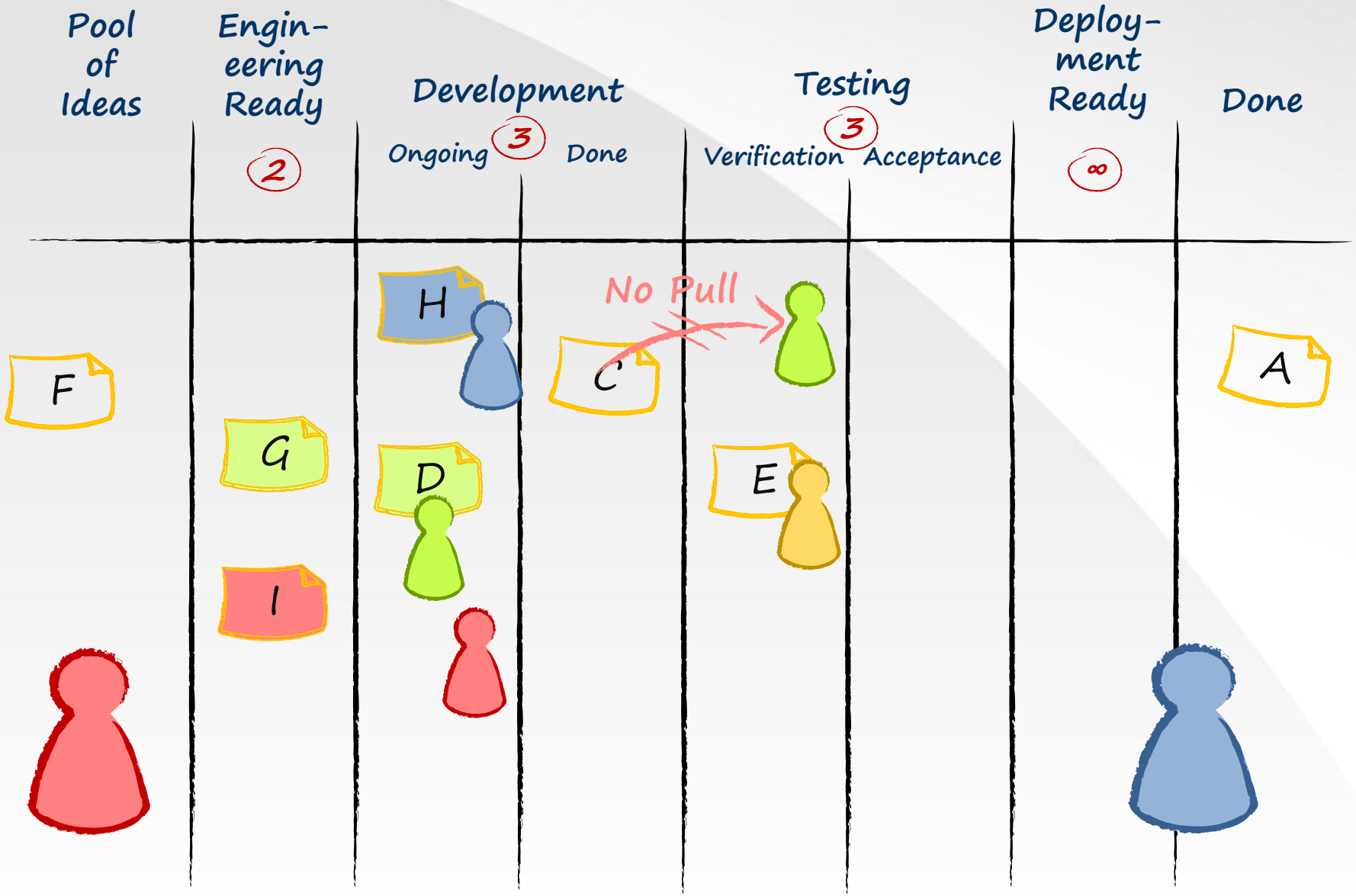
Little's Law uses the mean lead time

Mean is strongly affected by the tail on the lead time distribution

Control the shape of the distribution by managing flow and avoid extending tail of the distribution

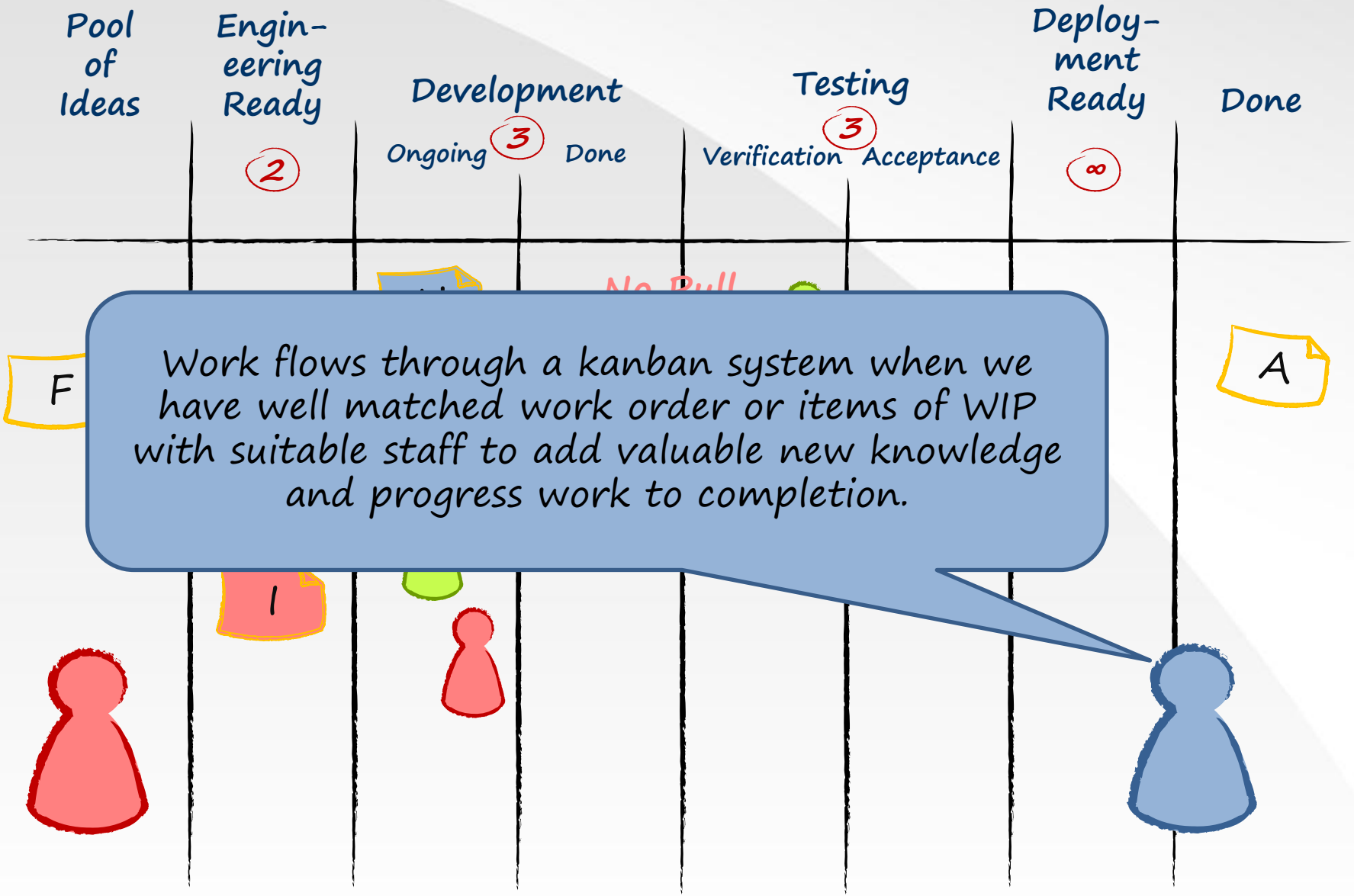
dja@leankanban.com @LKI_dja

Pull transactions measure kanban liquidity



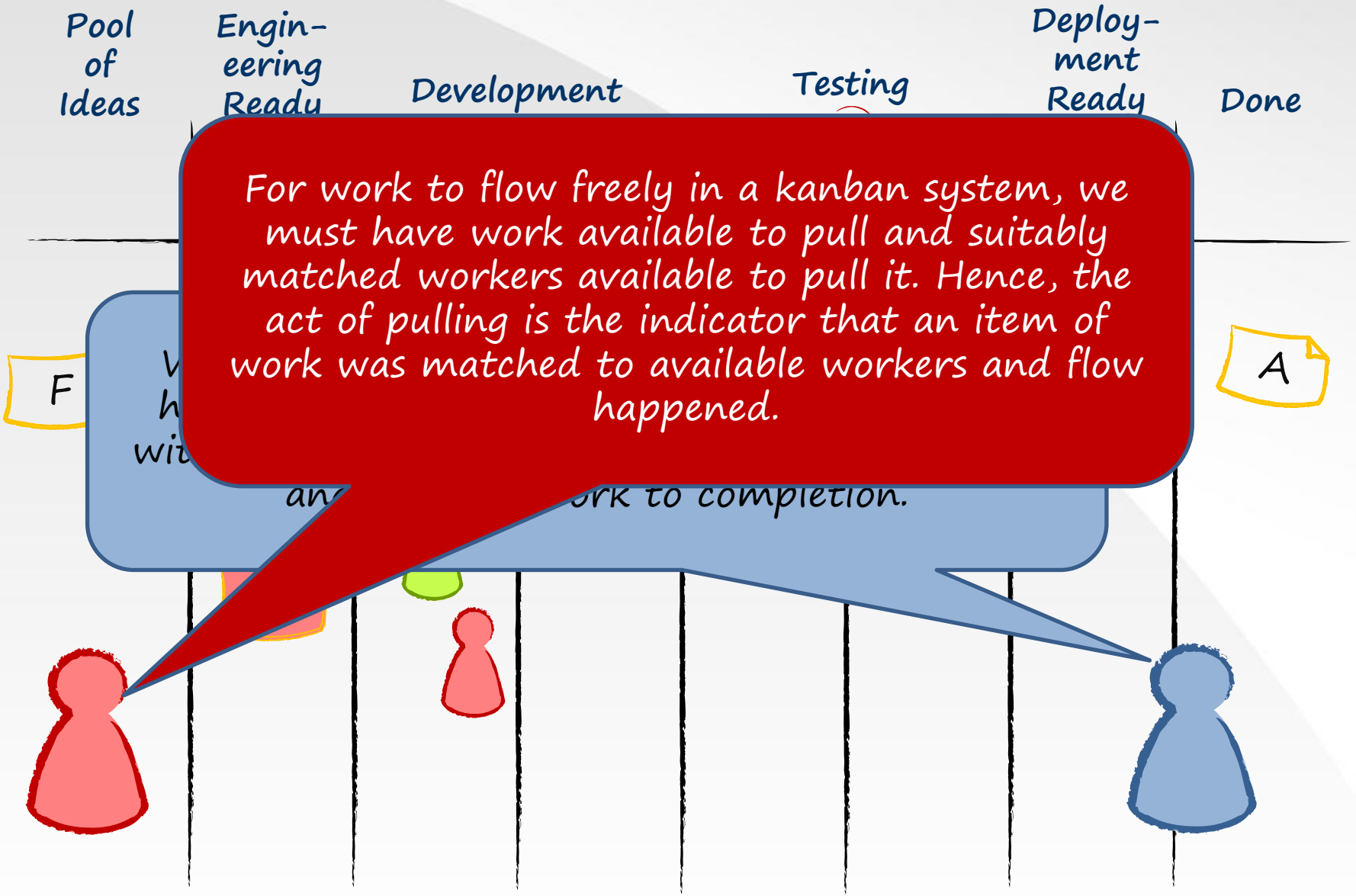
dja@leankanban.com @LKI_dja

Pull transactions measure kanban liquidity

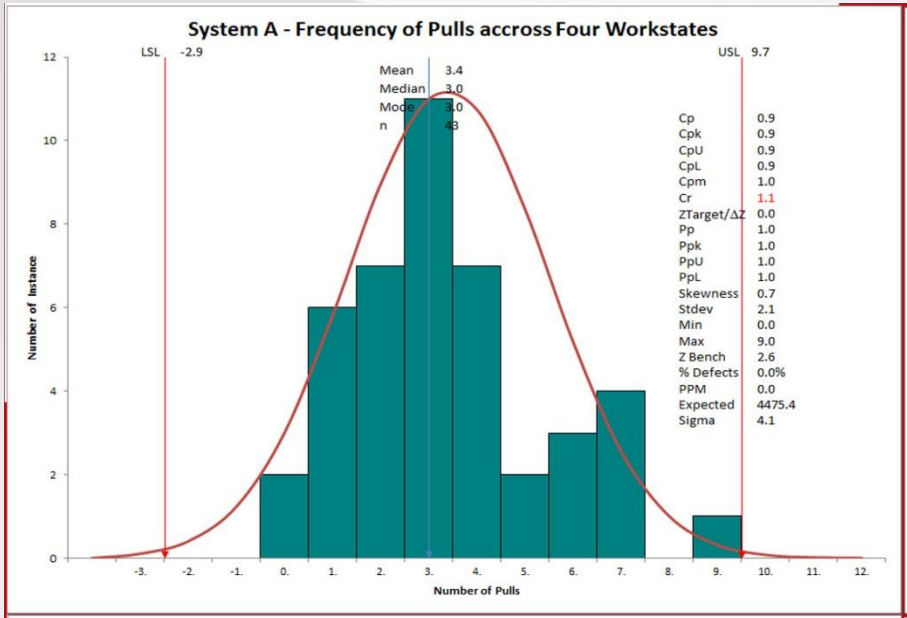


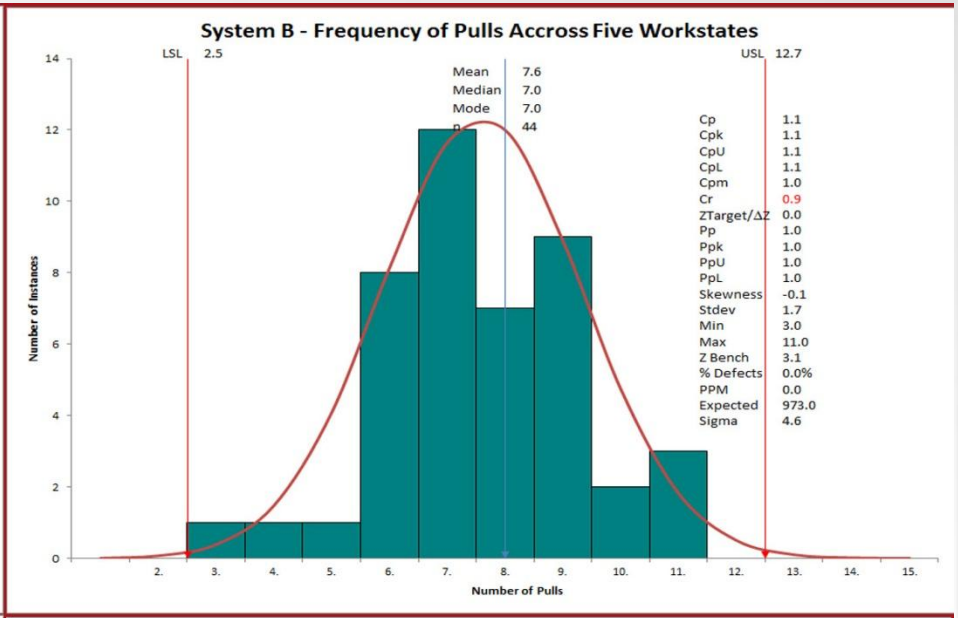
dja@leankanban.com @LKI_dja

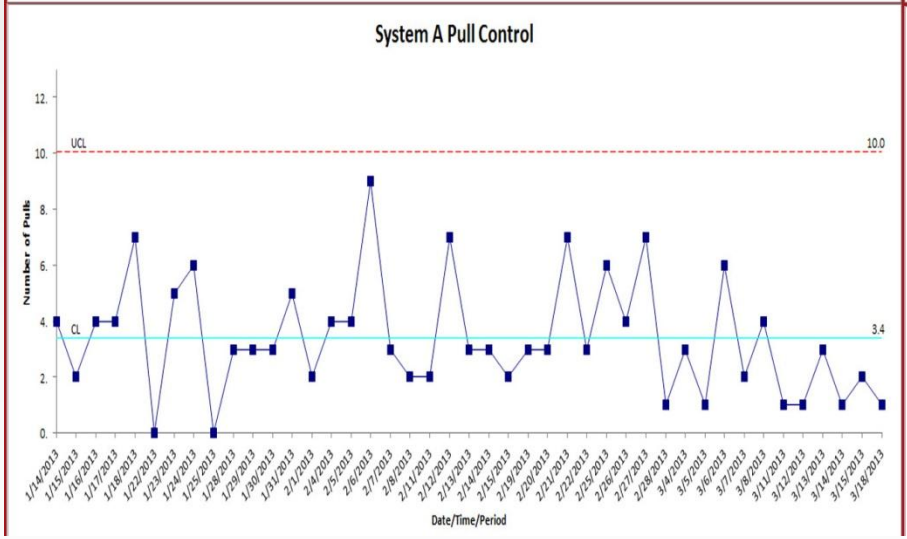
Pull transactions measure kanban liquidity

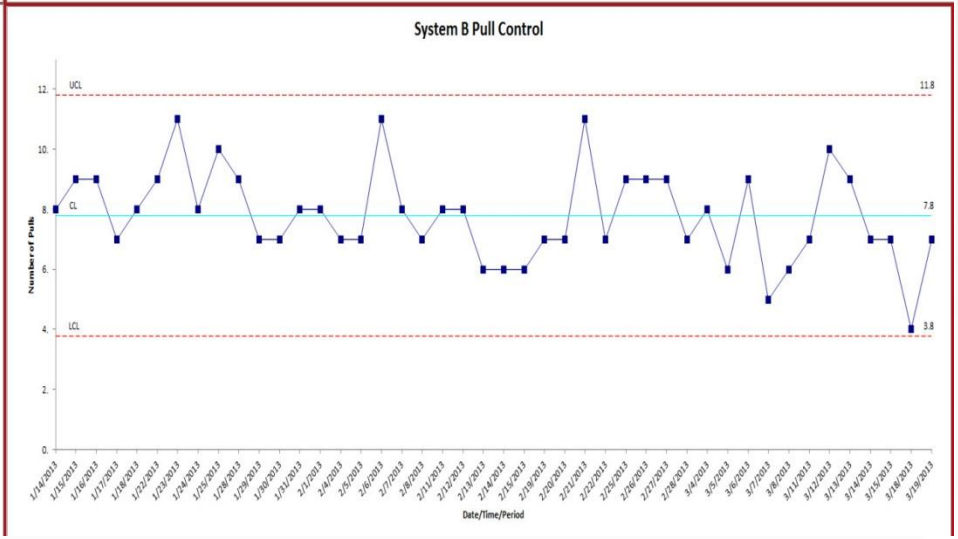


dja@leankanban.com @LKI_dja





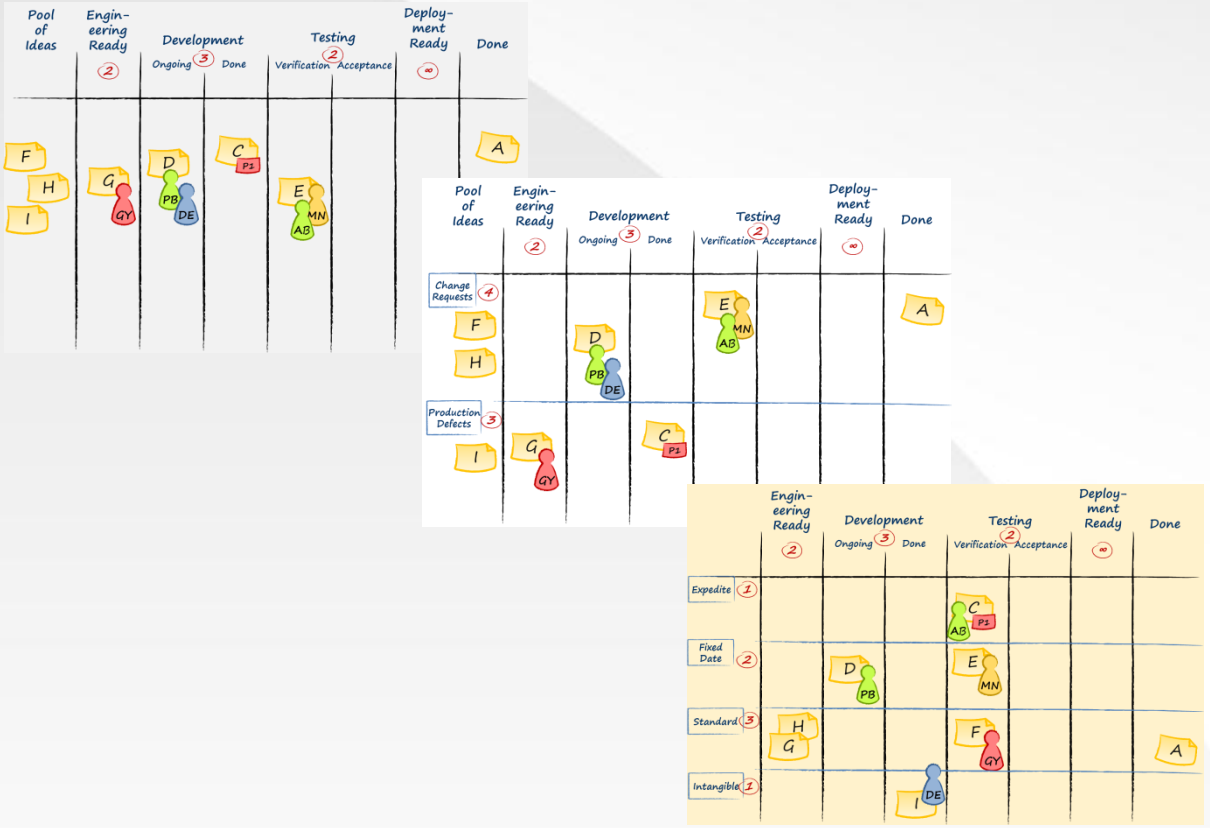




Can you tell which of these systems is more liquid?

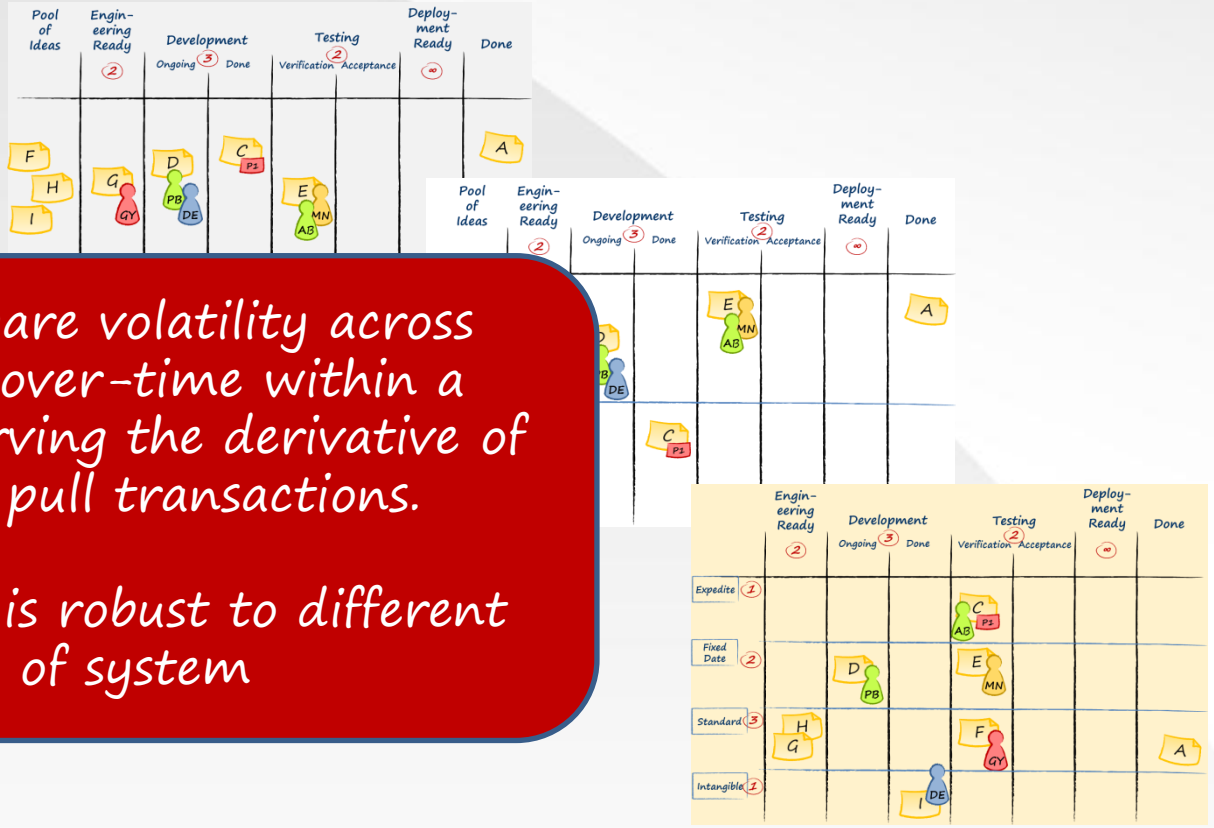
dja@leankanban.com @LKI_dja

System volatility can be measured as the derivative of pull transaction rate



dja@leankanban.com @LKI_dja

System volatility can be measured as the derivative of pull transaction rate

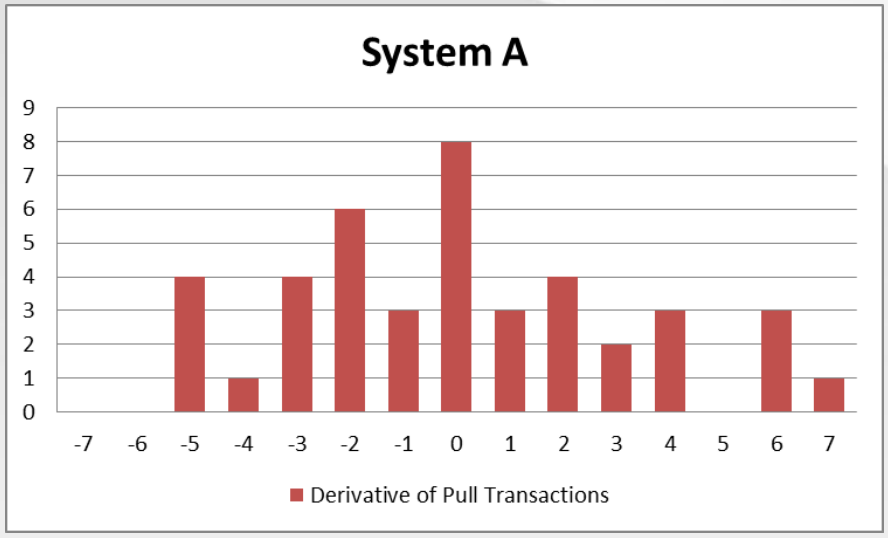


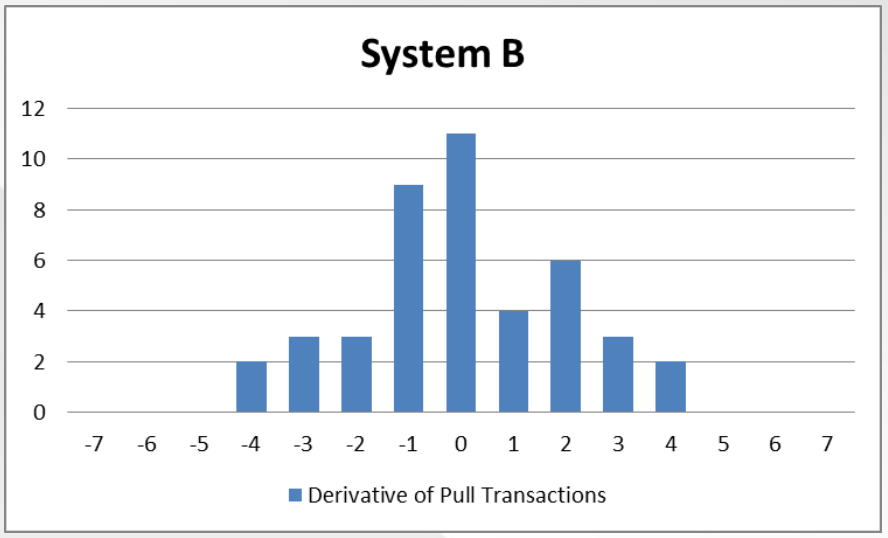
We can compare volatility across systems and over-time within a system by observing the derivative of the rate of pull transactions.

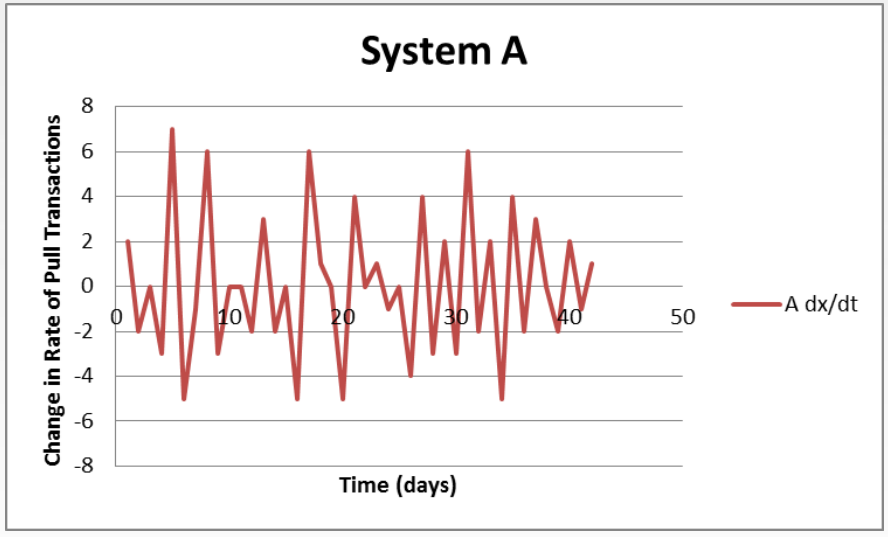
The derivative is robust to different sizes of system

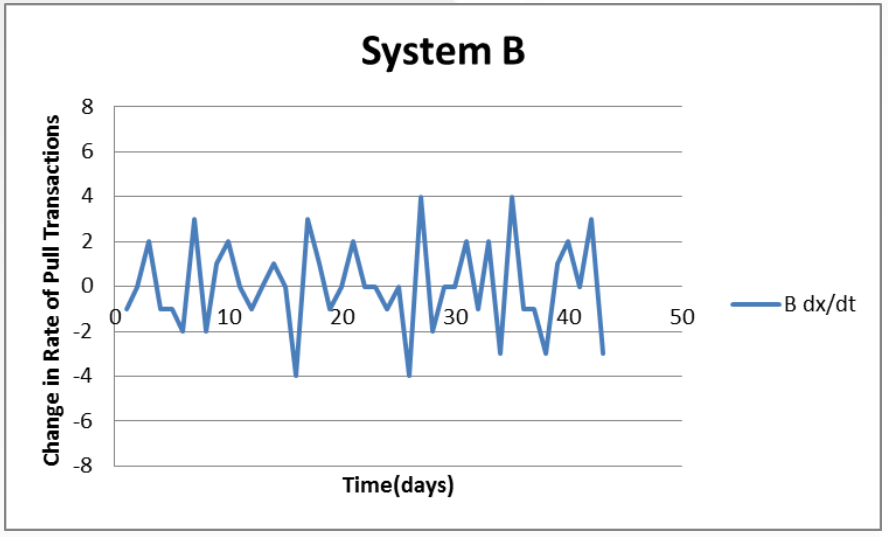
dja@leankanban.com @LKI_dja

Analysis of Derivative of Pulls









By understanding the bounds of volatility for a reference data set, we can monitor whether current conditions continue to reflect the recent past

dja@leankanban.com @LKI_dja

Liquidity is a General Health Indicator Metric

Our measure of liquidity, as pull transaction volume and its volatility as the spread of its derivative, meets the criteria* for a useful metric…

Simple
Self-generating
Relevant
Leading Indicator

Observed Capability

* Reinertsen, Managing the Design Factory 1997

dja@leankanban.com @LKI_dja

Liquidity is a General Health Indicator Metric

Our measure of liquidity, as pull transaction volume and its volatility as the spread of its derivative, meets the

Liquidity & volatility are global system measures.

Driving them up should not cause local optimization or undesired consequences!

* Reinertsen, Managing the Design Factory 1997

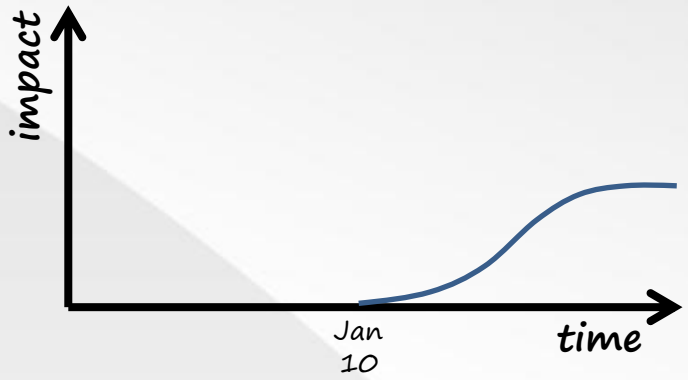
Observed Capability

dja@leankanban.com @LKI_dja

Scheduling

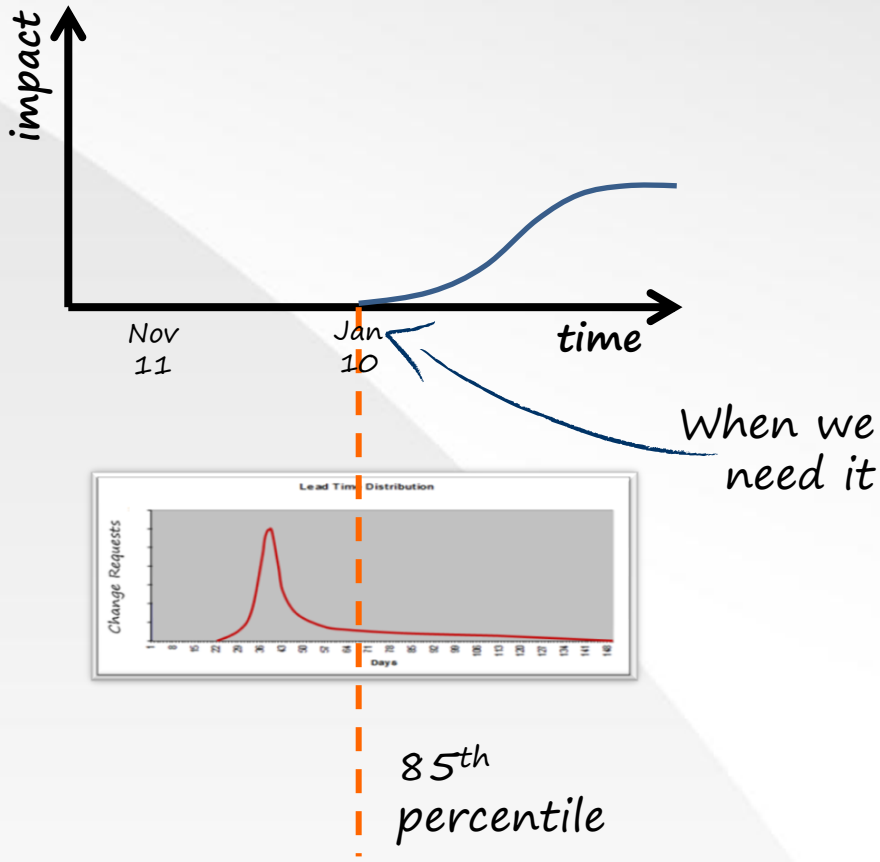
dja@leankanban.com @LKI_dja

When should we start something?



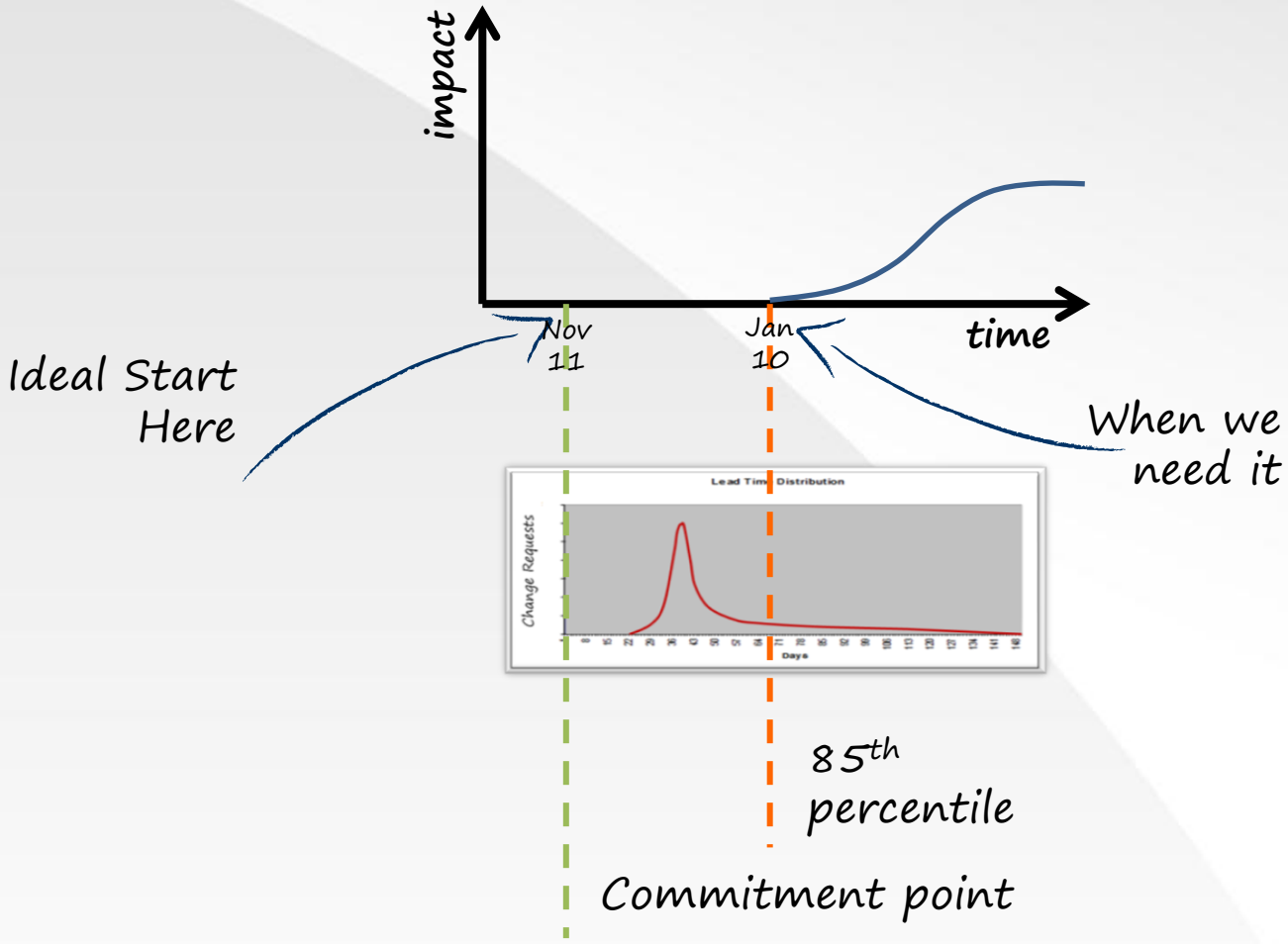
dja@leankanban.com @LKI_dja

When should we start something?



dja@leankanban.com @LKI_dja

When should we start something?



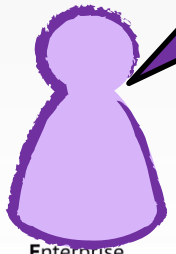
dja@leankanban.com @LKI_dja

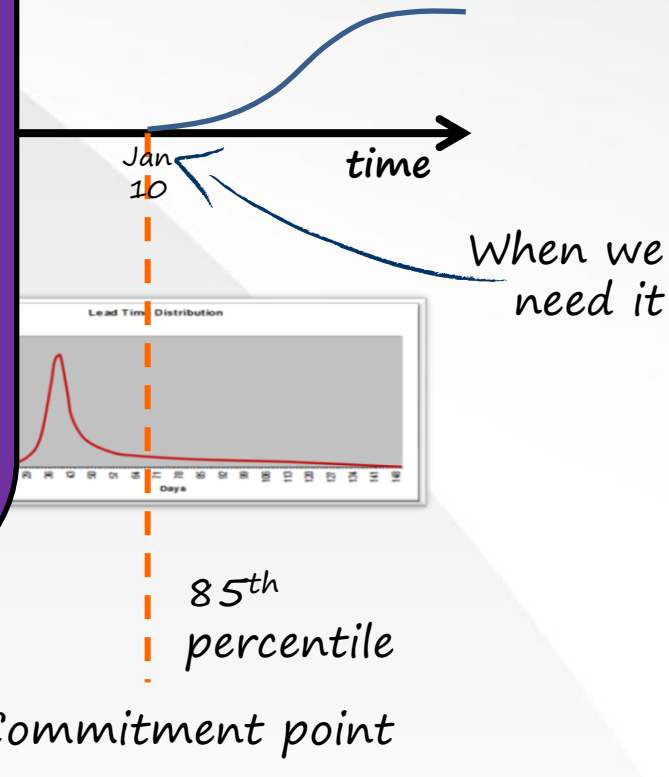
When should we start something?

If we start too early, we forgo the option and opportunity to do something else that may provide value.

If we start too late we risk incurring the cost of delay

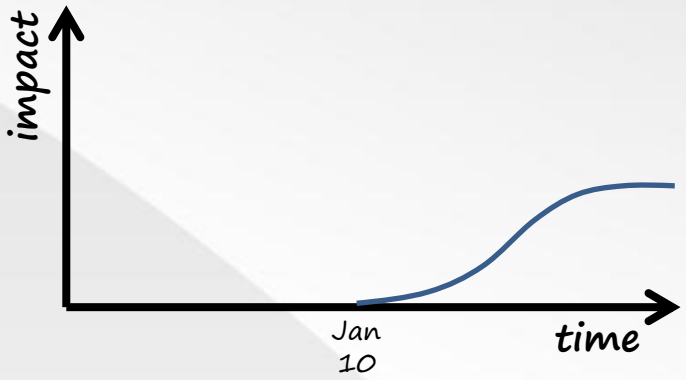
If we pull the work into our kanban system on Nov 11 we have a 6 out of 7 chance of on-time delivery





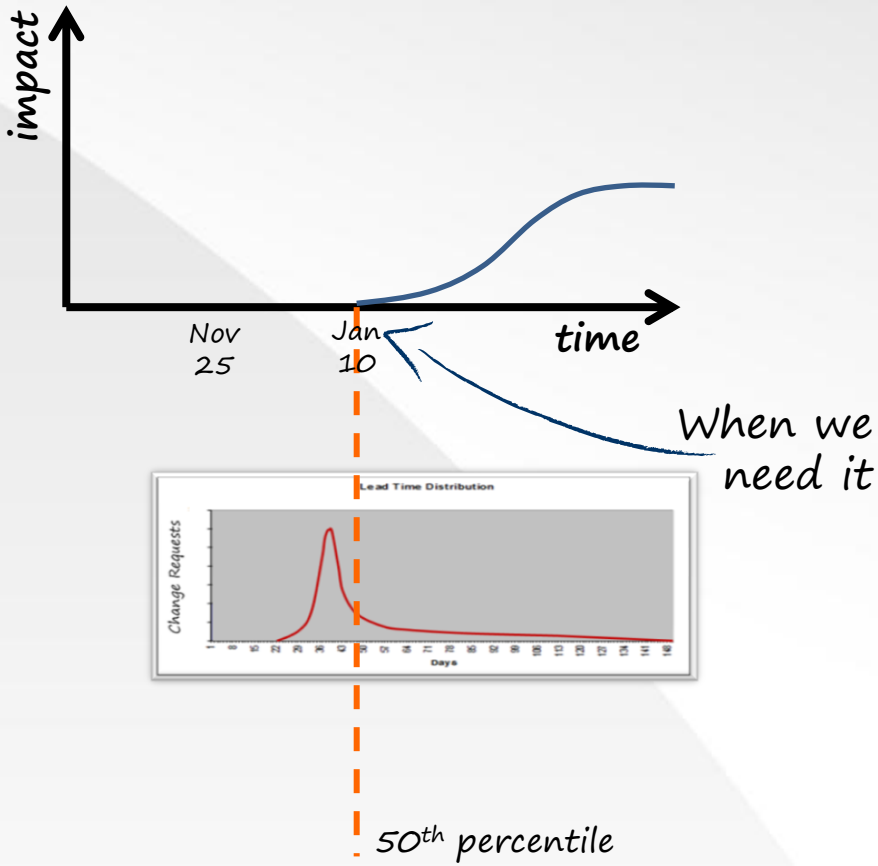
dja@leankanban.com @LKI_dja

We can study sensitivity to different start dates



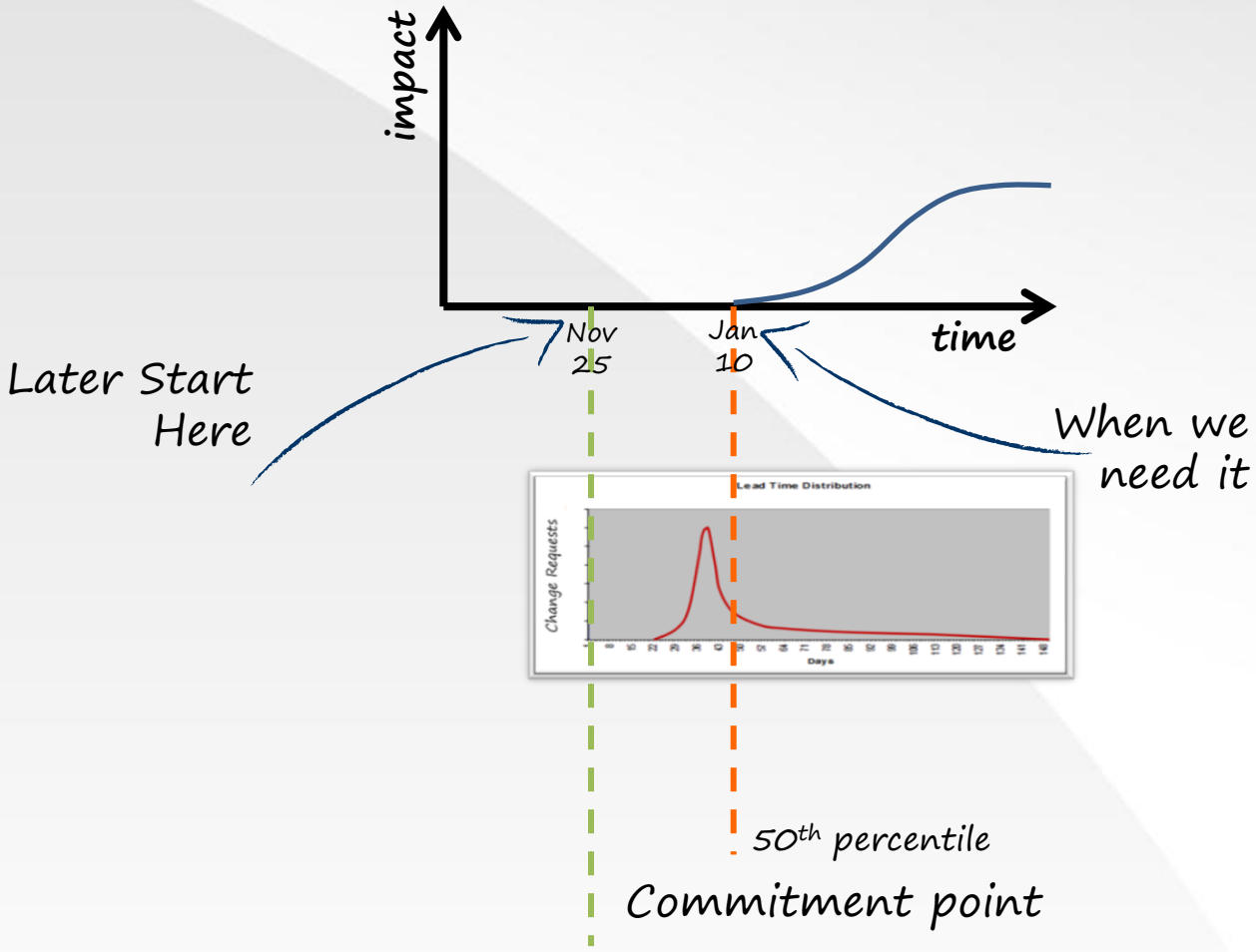
dja@leankanban.com @LKI_dja

We can study sensitivity to different start dates



dja@leankanban.com @LKI_dja

We can study sensitivity to different start dates

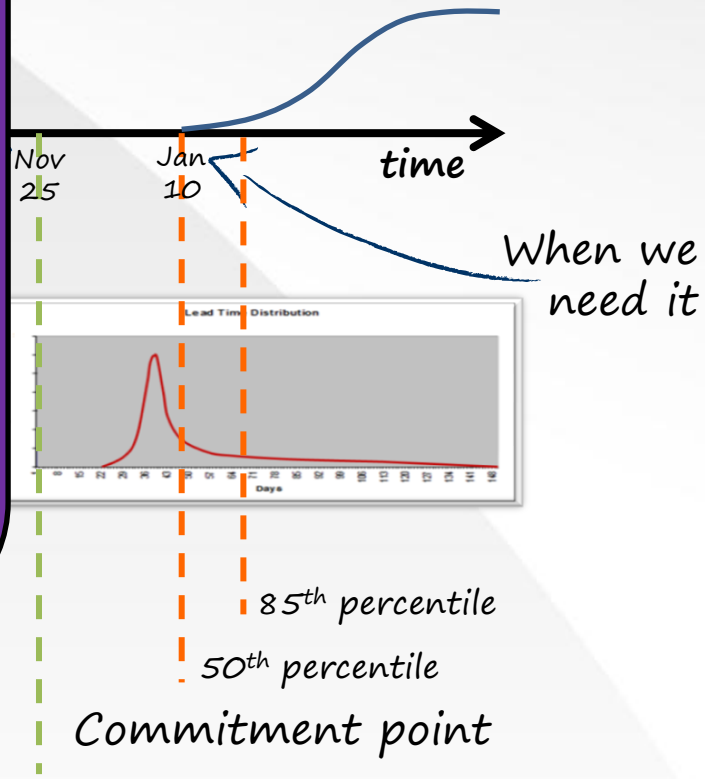


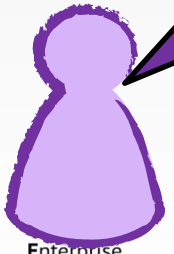
dja@leankanban.com @LKI_dja

We can study sensitivity to different start dates

If we start as late as November 25 we only have a 50% chance of on-time delivery

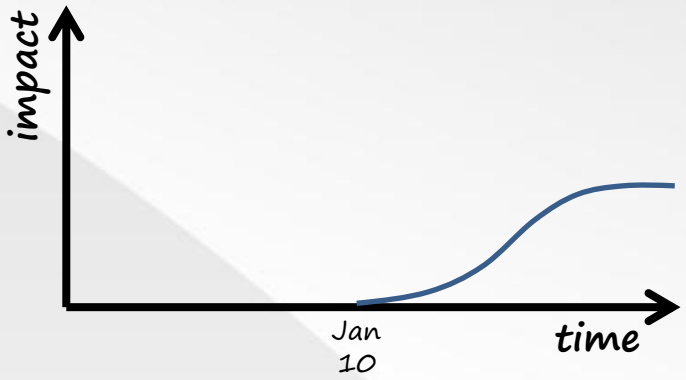
However, the cost of delay incurred if we deliver within 60 days is relatively small. We have an 85% chance of achieving delivery with acceptable cost of delay





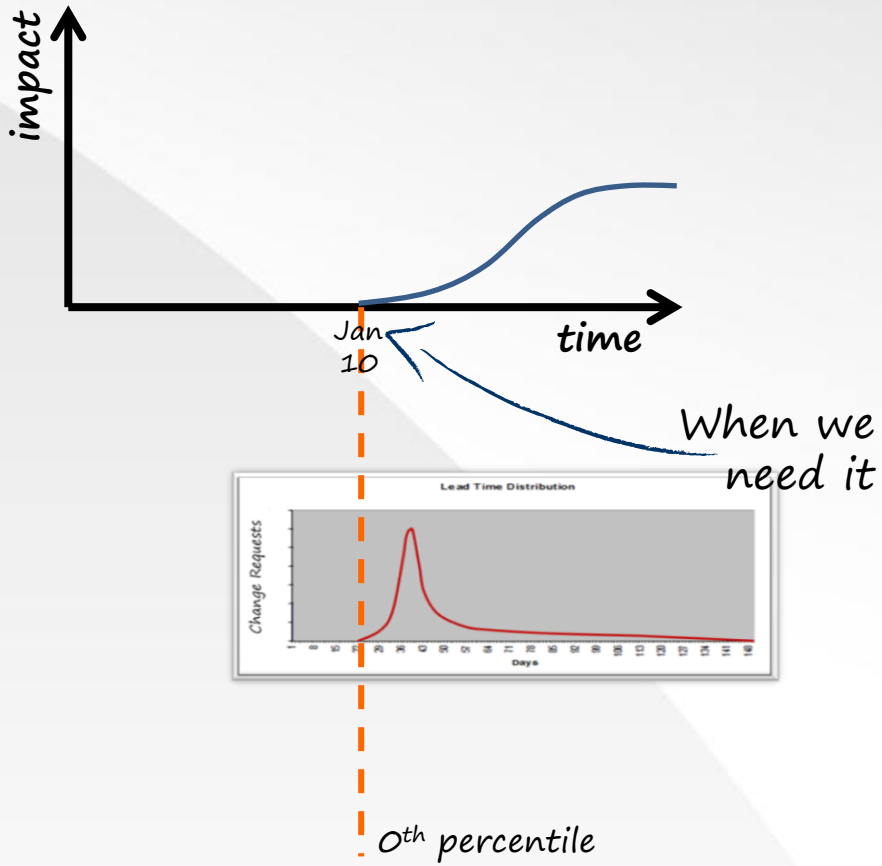
dja@leankanban.com @LKI_dja

What is the latest we could start?



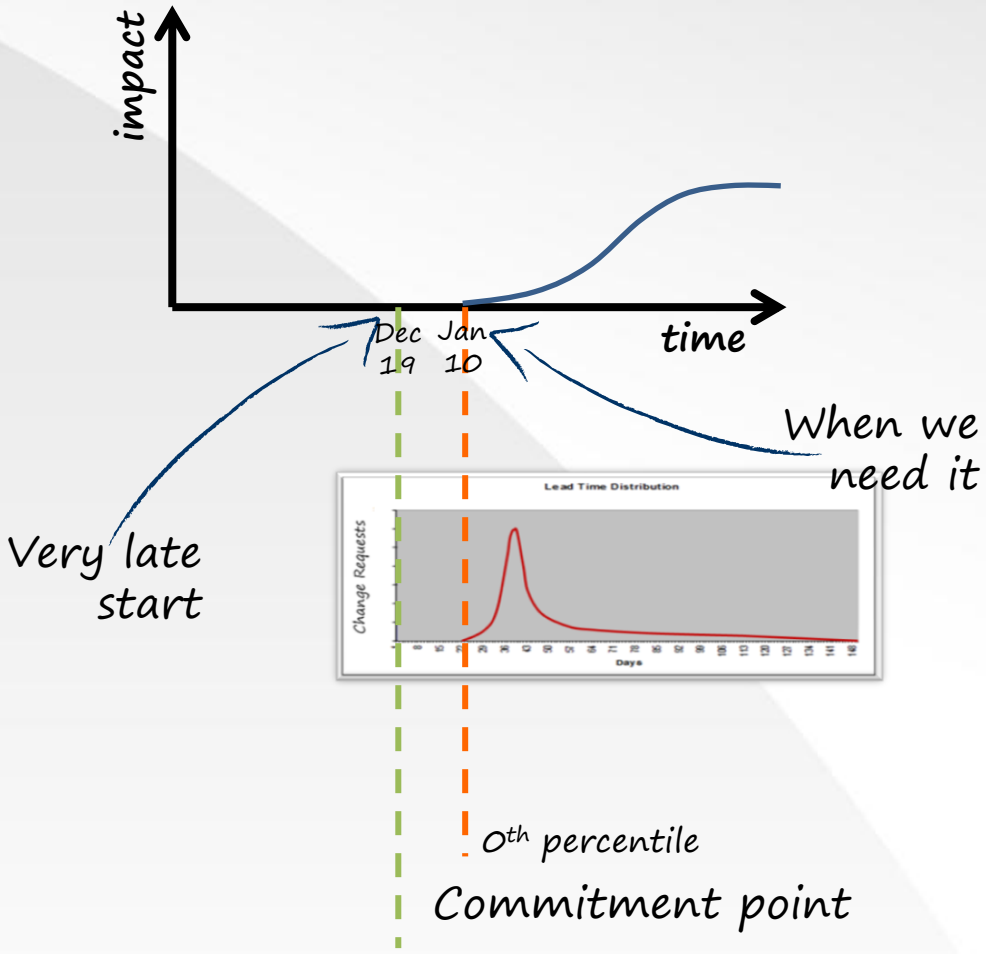
dja@leankanban.com @LKI_dja

What is the latest we could start?



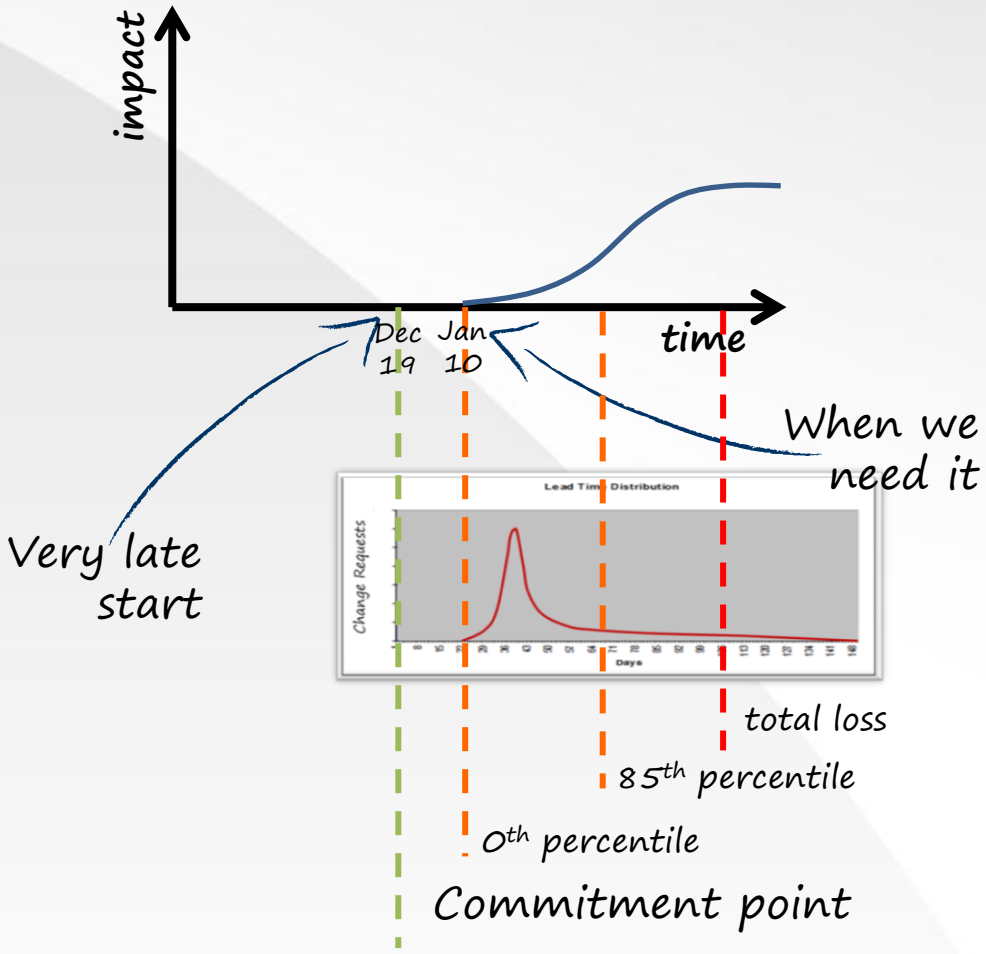
dja@leankanban.com @LKI_dja

What is the latest we could start?



dja@leankanban.com @LKI_dja

What is the latest we could start?

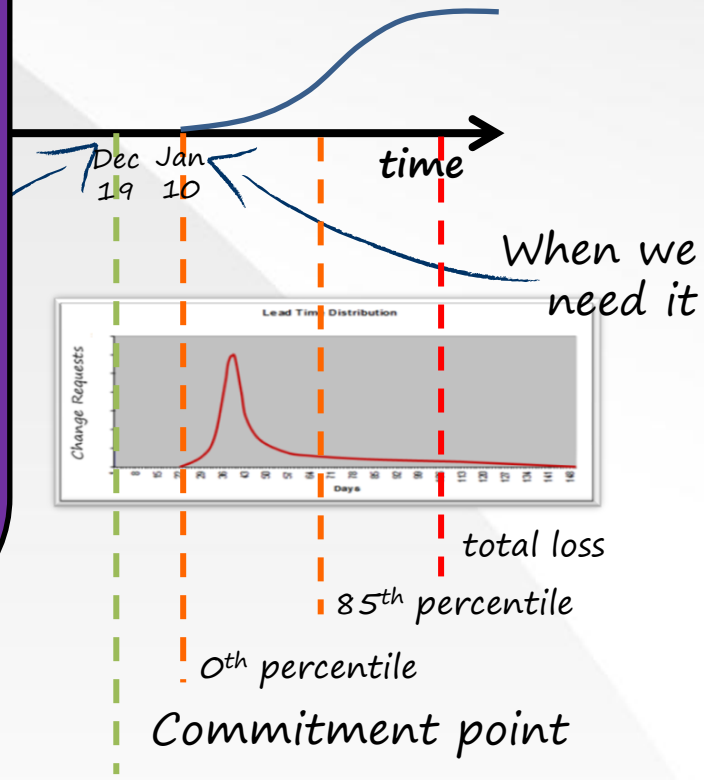


dja@leankanban.com @LKI_dja

What is the latest we could start?

If we start as late as December 19 we have 0% chance of on-time delivery

We have about a 10% chance of a total loss delivering the promotion beyond the expiry date of the opportunity

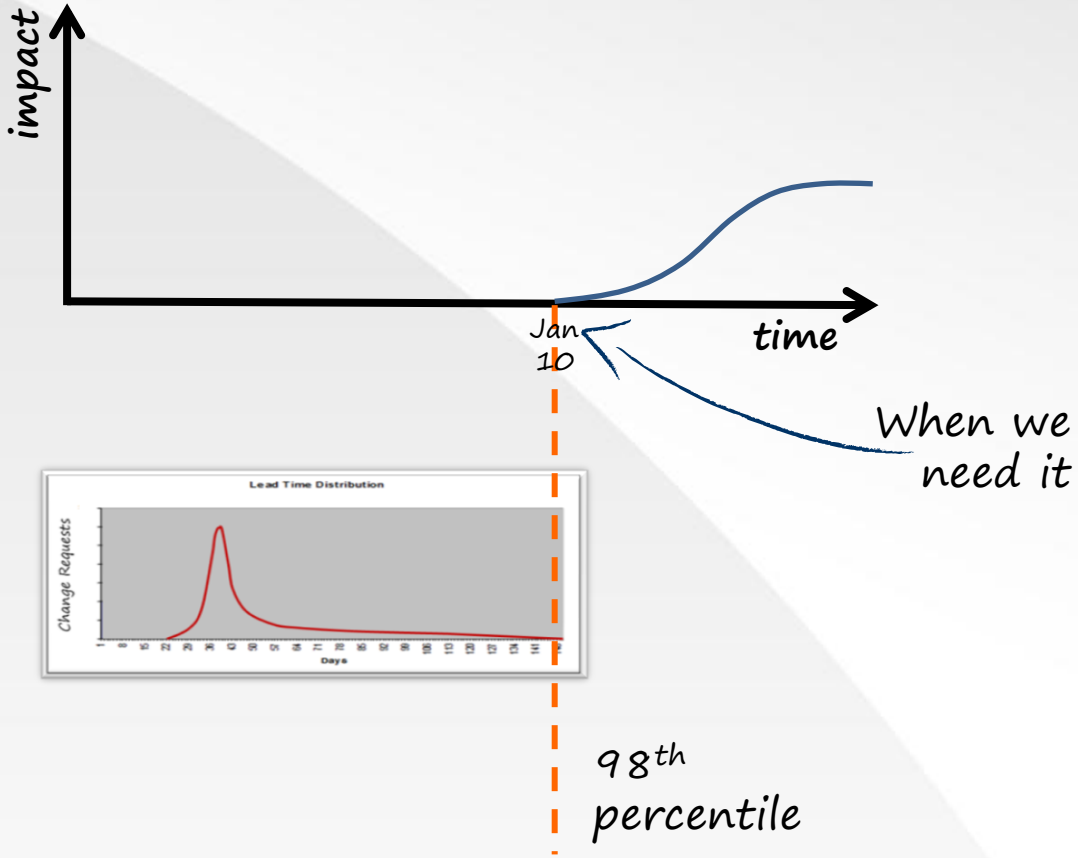


dja@leankanban.com @LKI_dja

To be certain of delivery without incurring any cost of delay is expensive

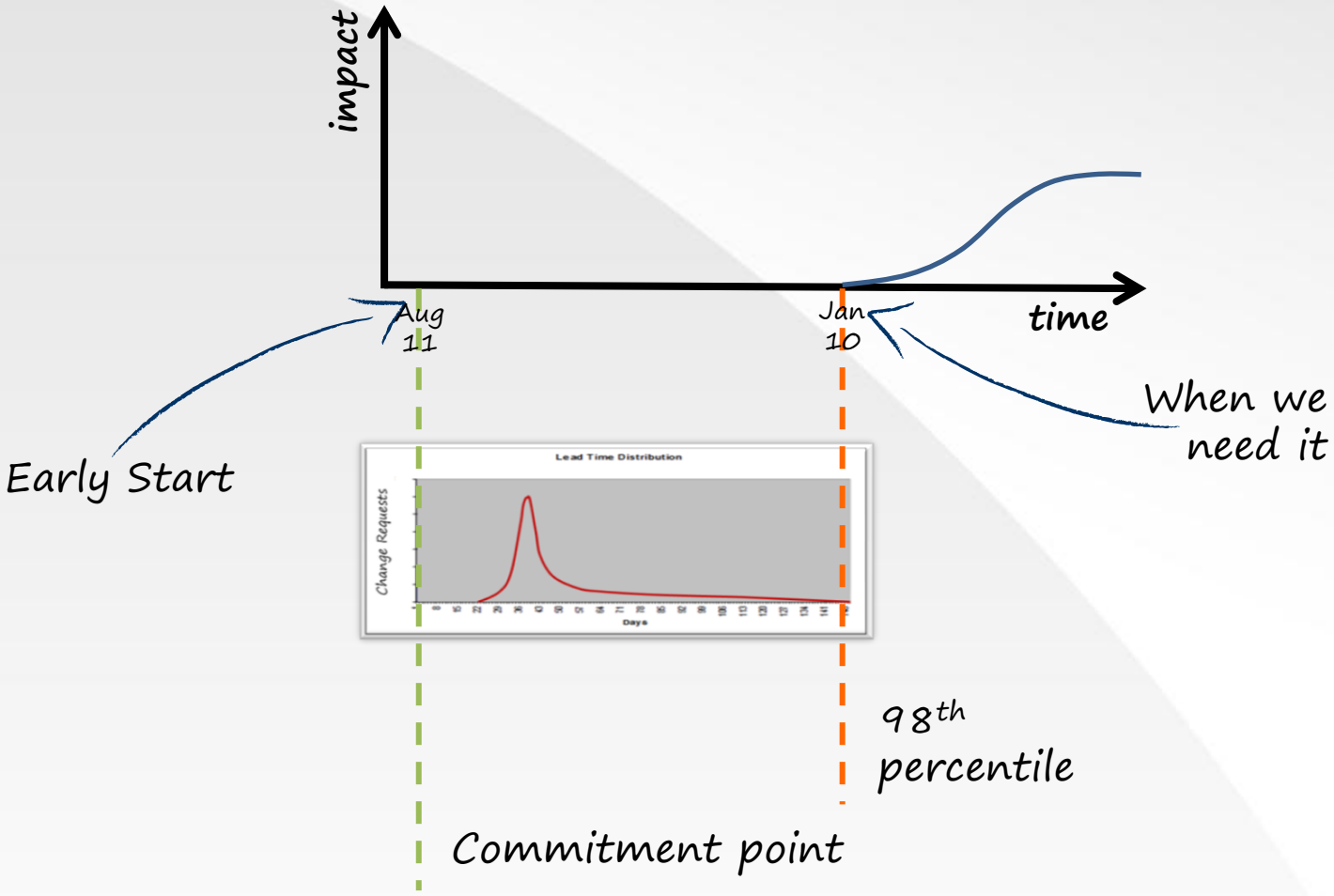
dja@leankanban.com @LKI_dja

To be certain of delivery without incurring any cost of delay is expensive



dja@leankanban.com @LKI_dja

To be certain of delivery without incurring any cost of delay is expensive

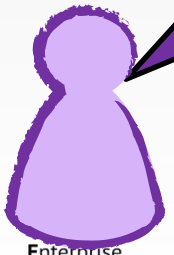


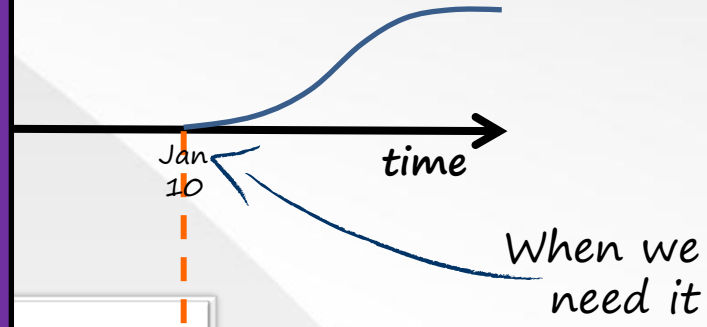
dja@leankanban.com @LKI_dja

To be certain of delivery without incurring any cost of delay is expensive

If we are conservative and do not wish to carry any risk of late delivery or any risk of incurring an opportunity cost of delay, then we must start as early as August 11th.

We must commit to our Spring Break 2015 promotion during Summer 2014!!!





98th percentile

Commitment point

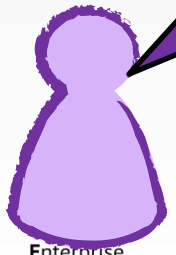
dja@leankanban.com @LKI_dja

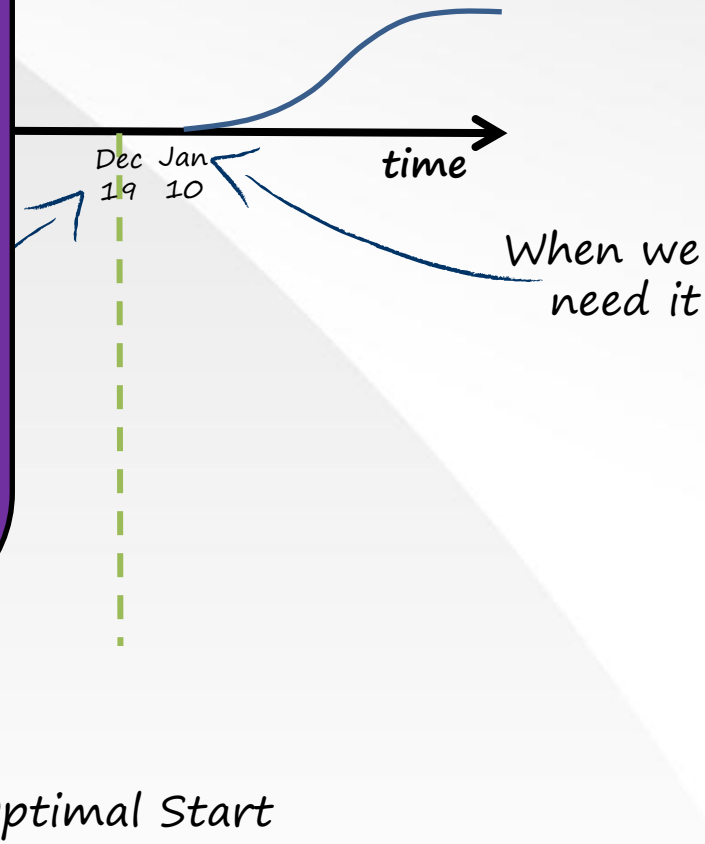
Window of opportunity

On August 11st the item becomes available for selection at Kanban system replenishment.

The ideal time to start is November 11th.

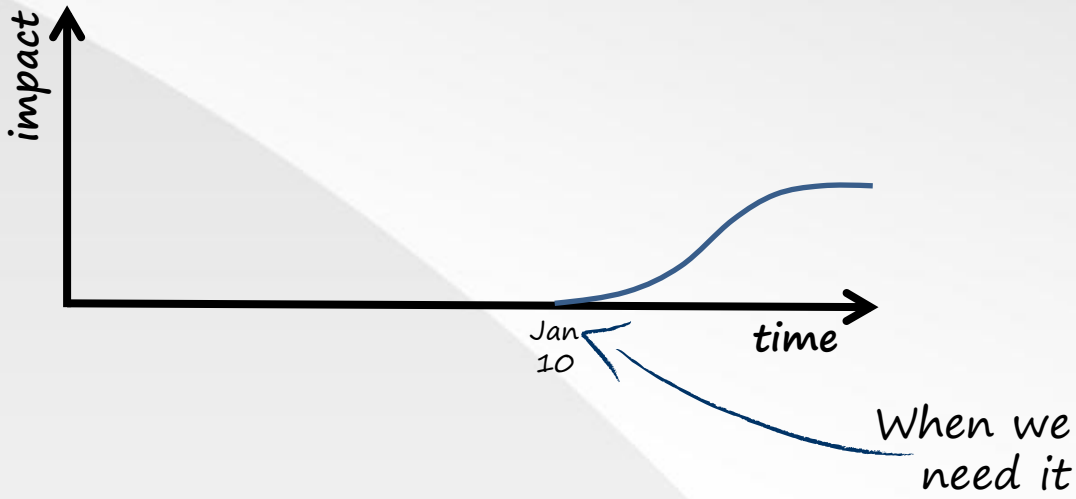
After December 19th our option to deliver this item expires and we would discard it from our pool.





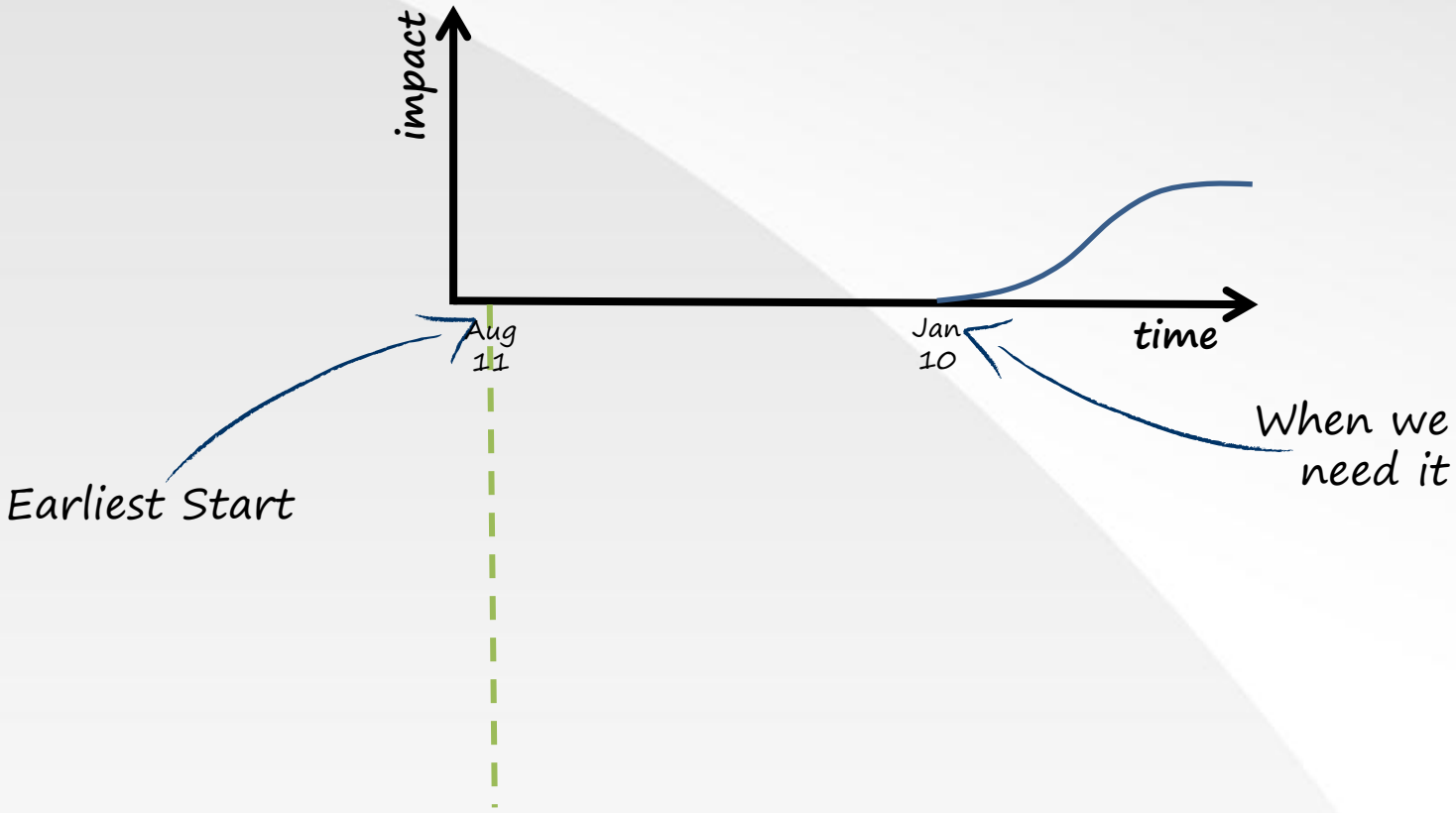
dja@leankanban.com @LKI_dja

Window of opportunity



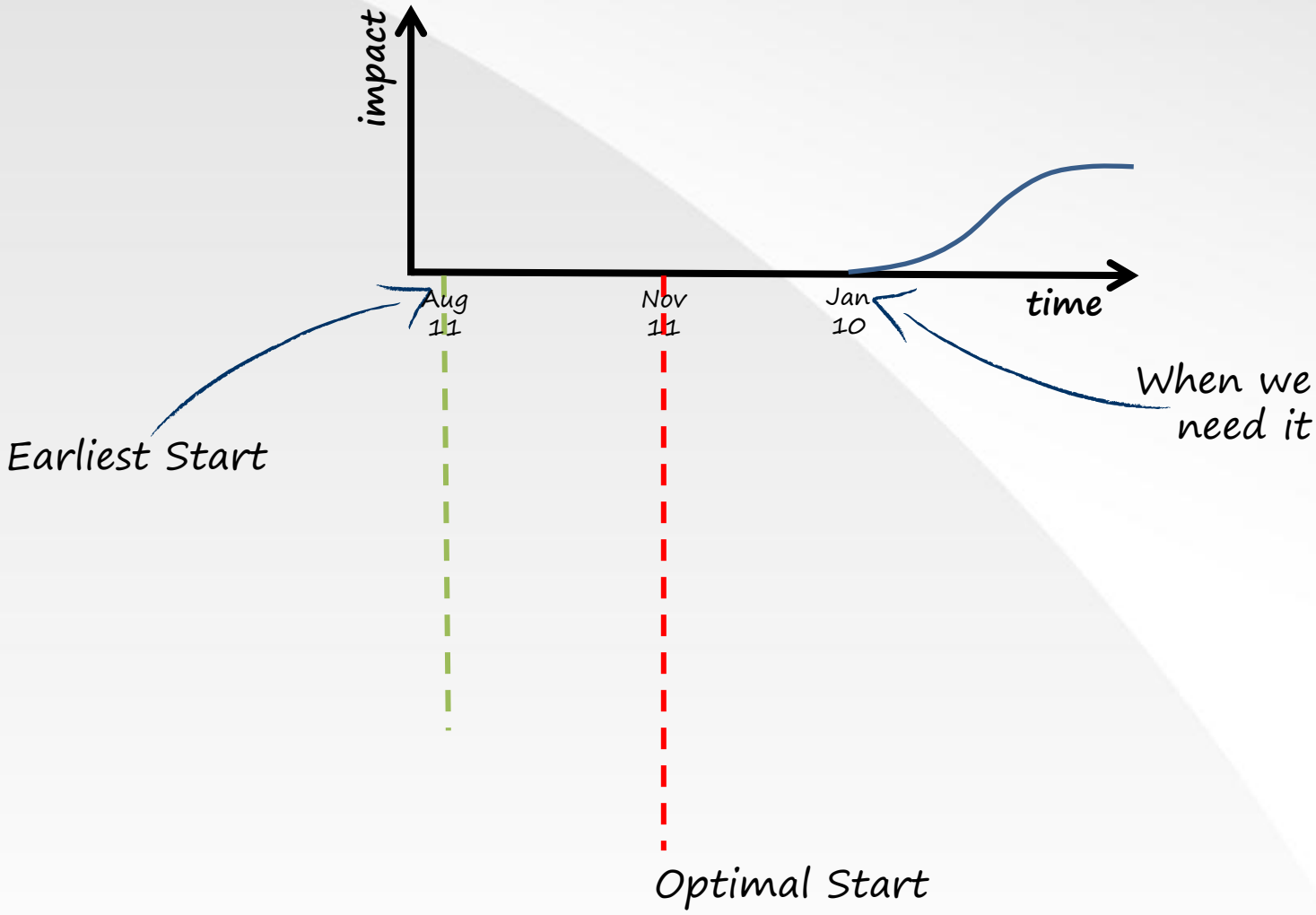
dja@leankanban.com @LKI_dja

Window of opportunity



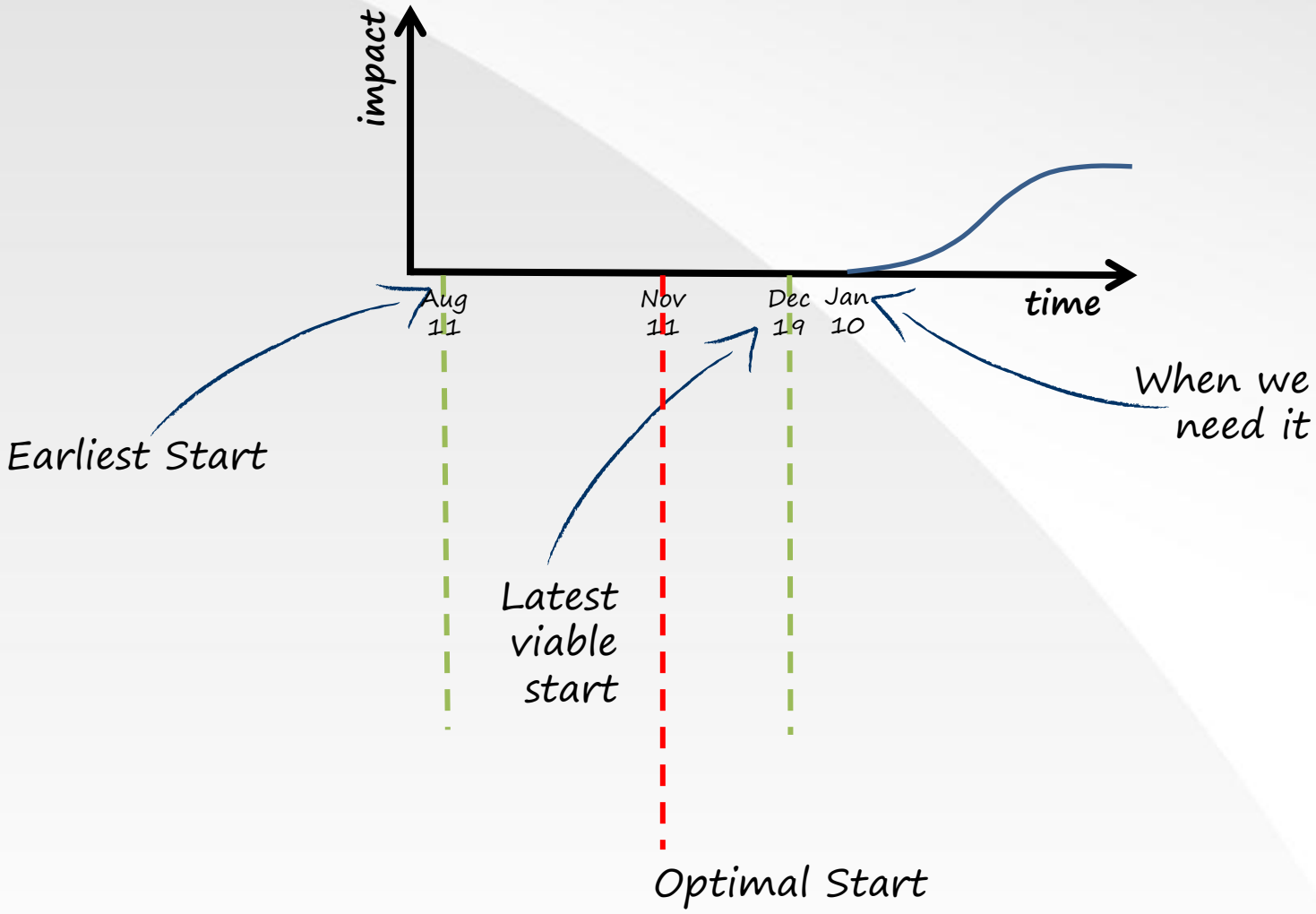
dja@leankanban.com @LKI_dja

Window of opportunity



dja@leankanban.com @LKI_dja

Window of opportunity



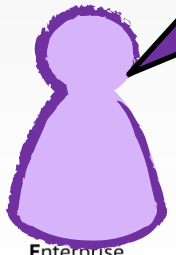
dja@leankanban.com @LKI_dja

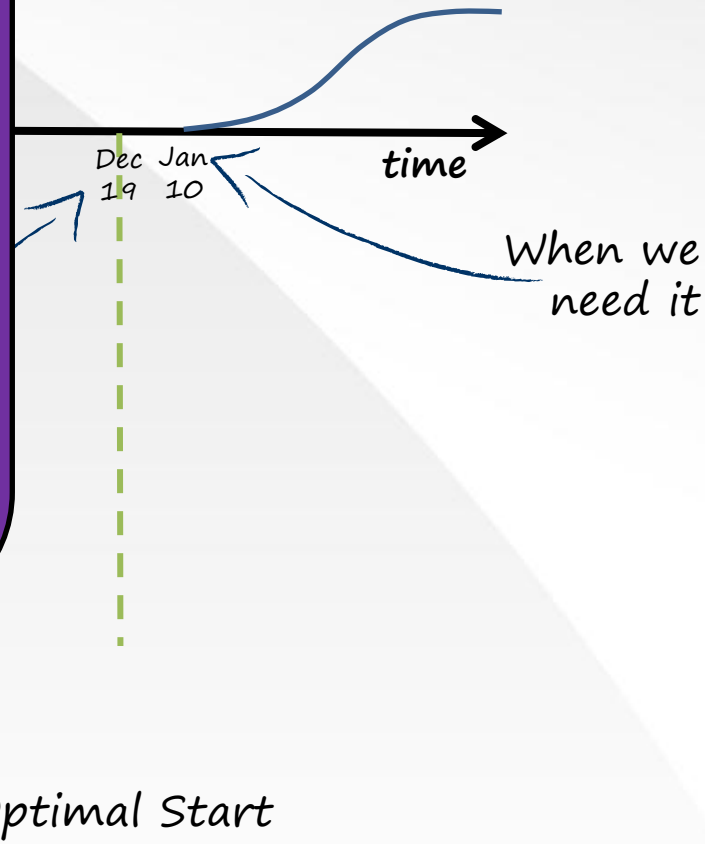
Window of opportunity

On August 11st the item becomes available for selection at Kanban system replenishment.

The ideal time to start is November 11th.

After December 19th our option to deliver this item expires and we would discard it from our pool.



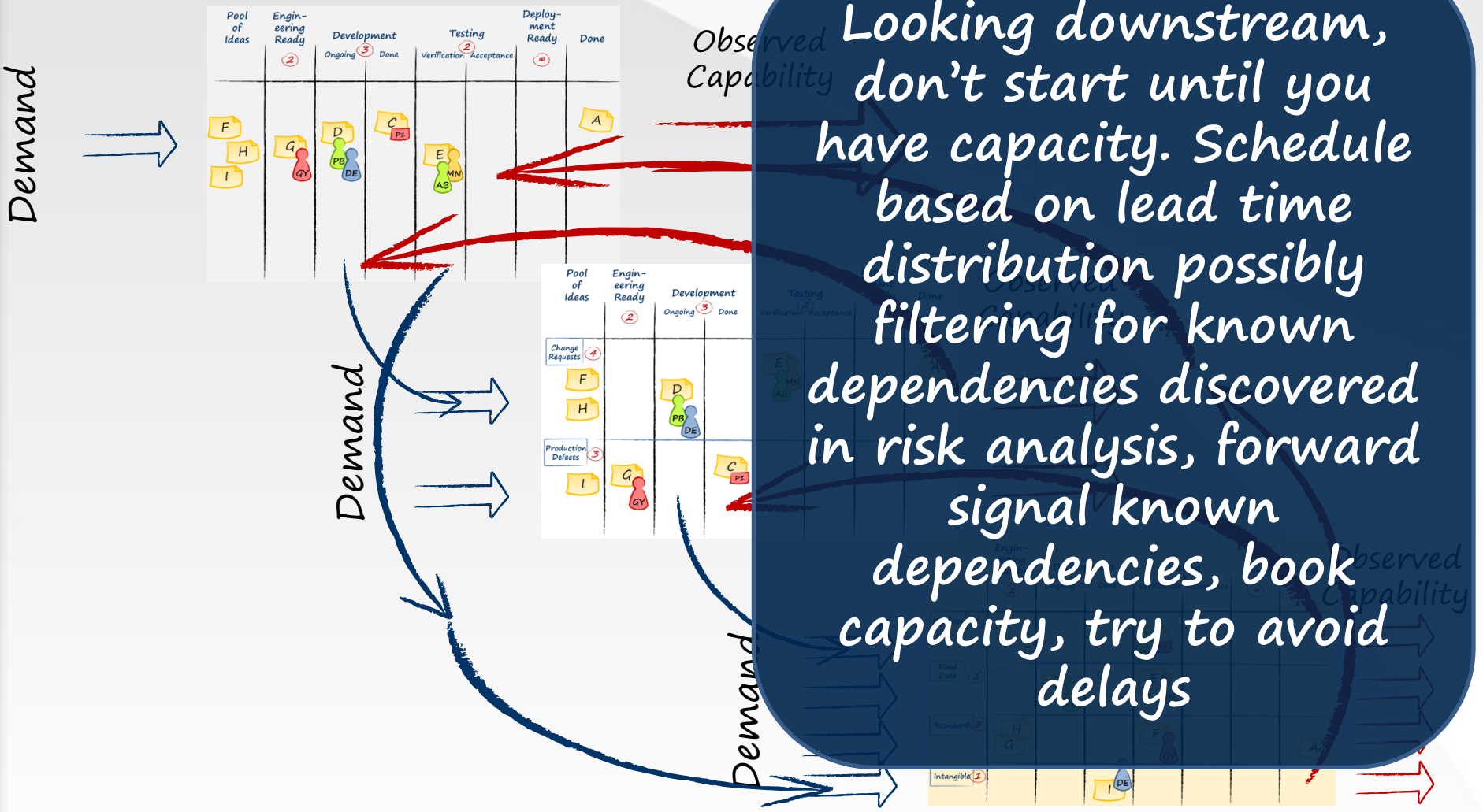


dja@leankanban.com @LKI_dja

Managing Dependencies

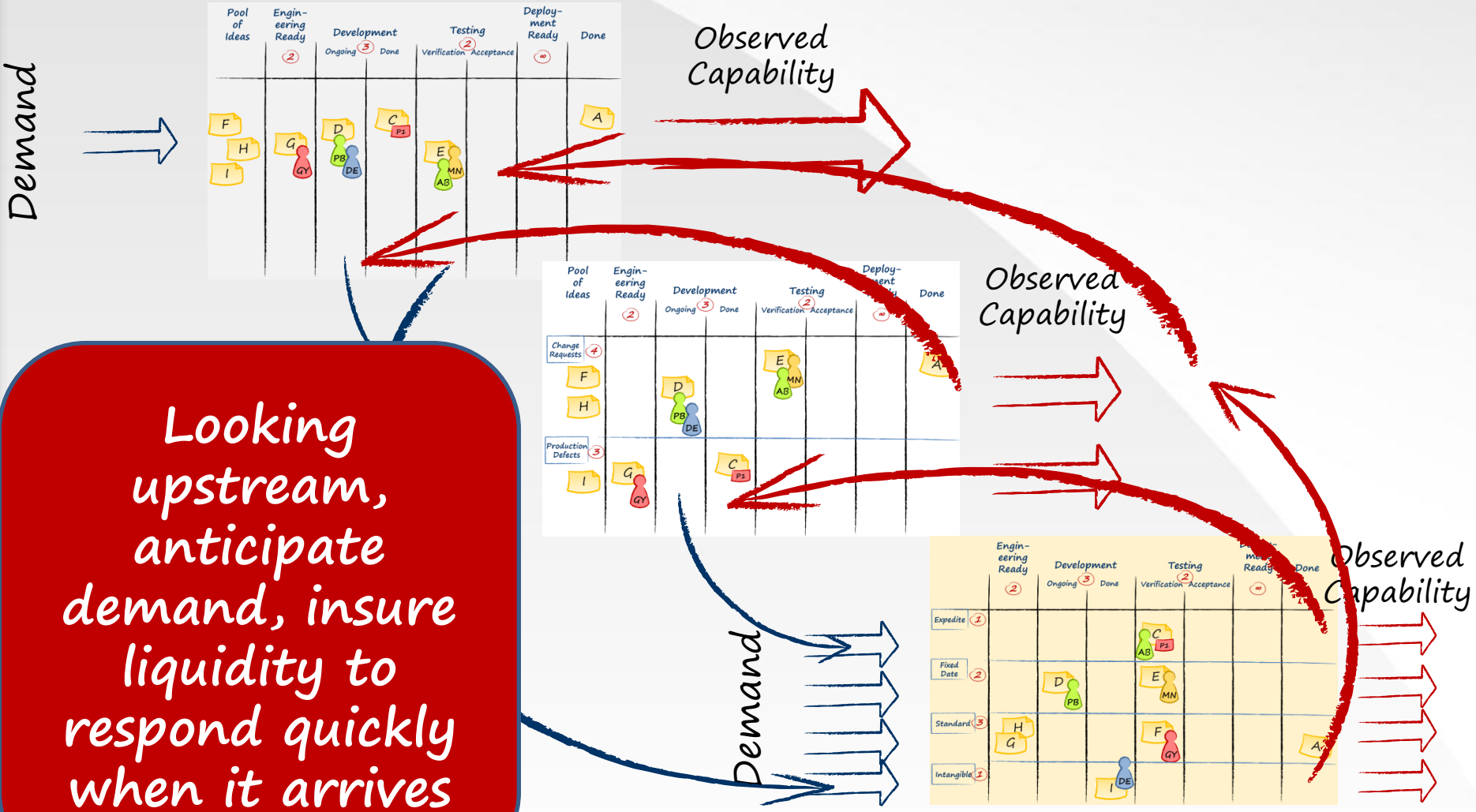
dja@leankanban.com @LKI_dja

Some systems have dependencies on others



dja@leankanban.com @LKI_dja

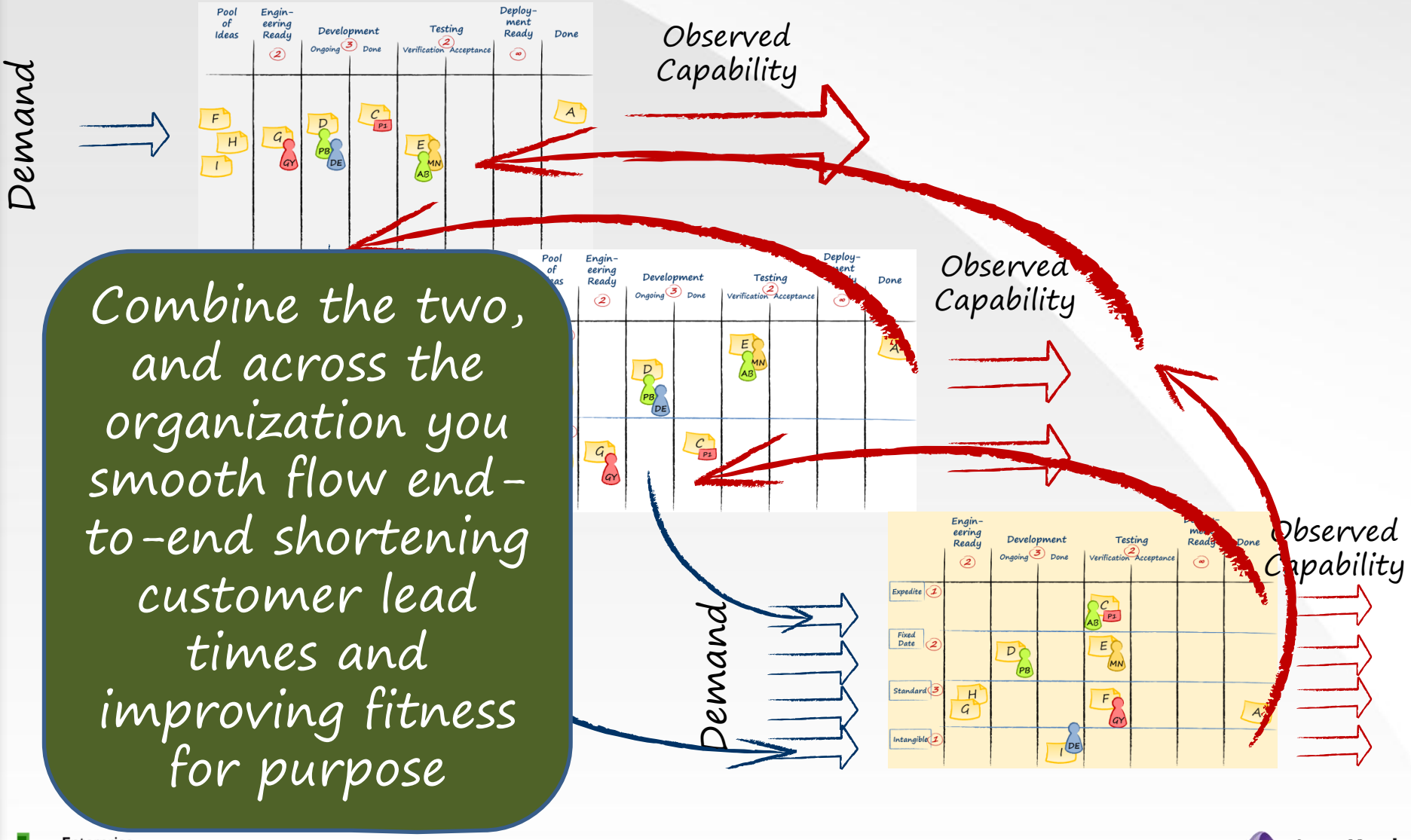
Some systems have dependencies on others



Looking upstream, anticipate demand, insure liquidity to respond quickly when it arrives

dja@leankanban.com @LKI_dja

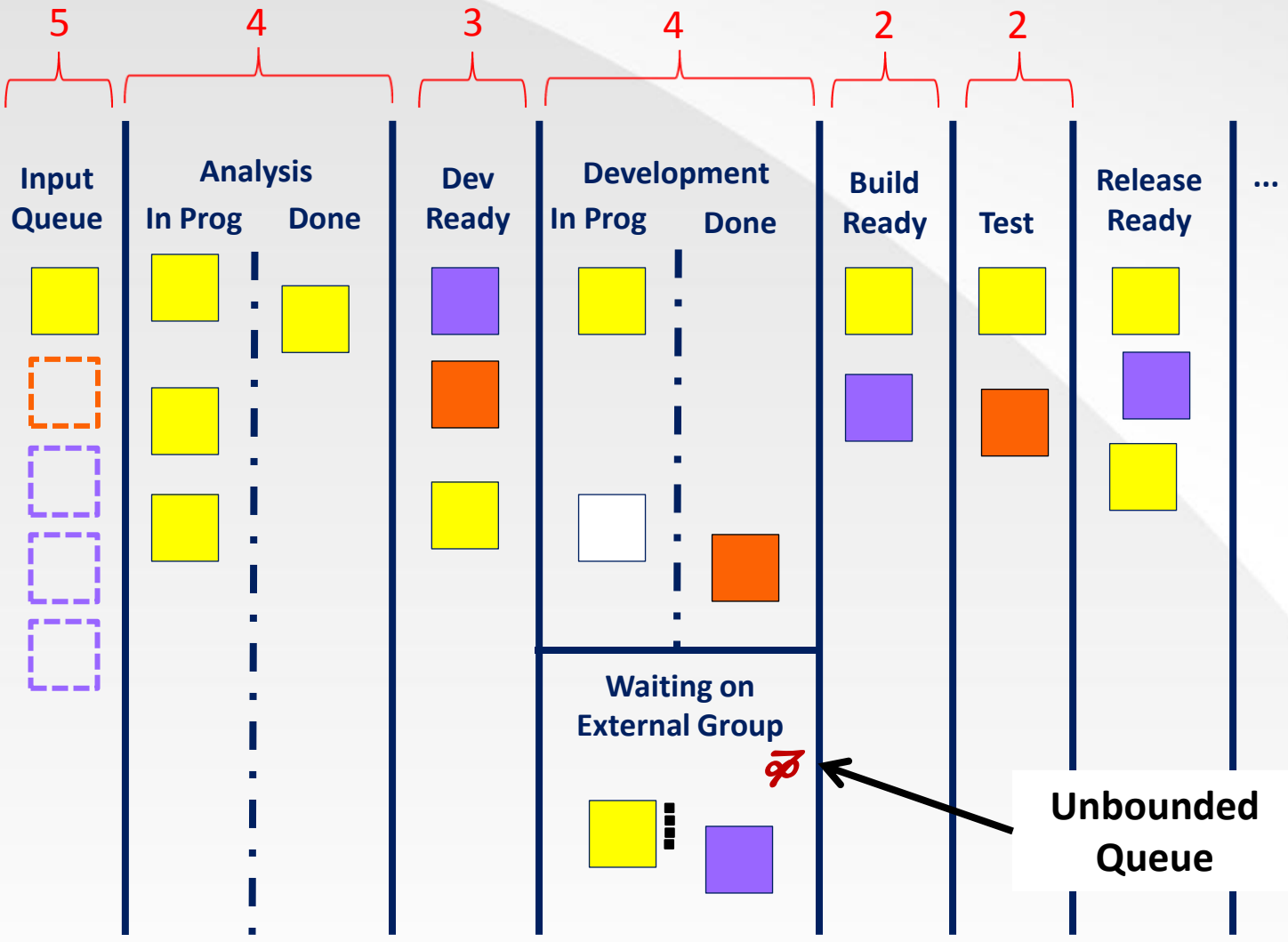
Some systems have dependencies on others



Combine the two, and across the organization you smooth flow end-to-end shortening customer lead times and improving fitness for purpose

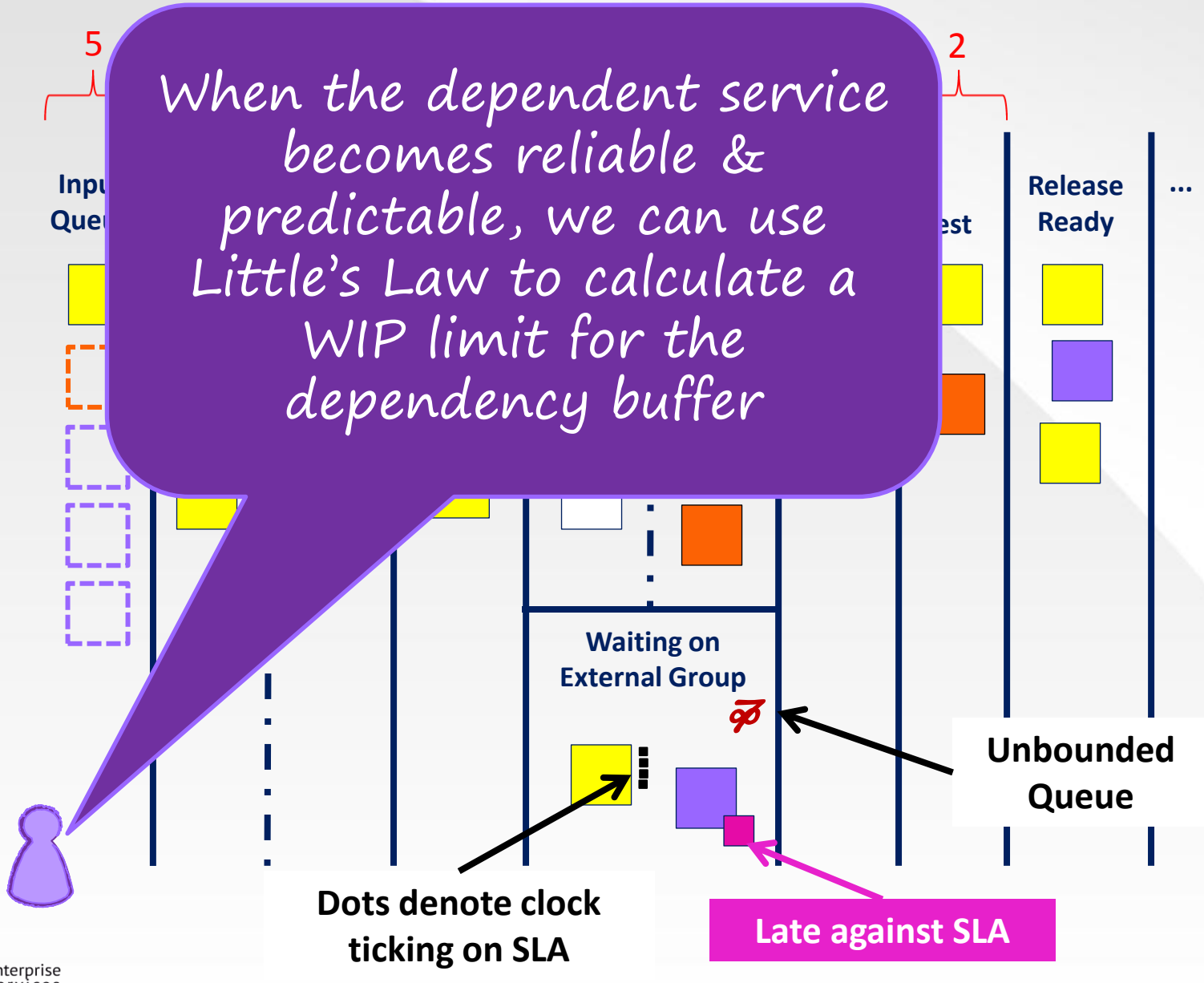
dja@leankanban.com @LKI_dja

Buffer dependencies, agree SLAs



dja@leankanban.com @LKI_dja

Buffer dependencies, agree SLAs



dja@leankanban.com @LKI_dja

Definition of Enterprise Services Planning

dja@leankanban.com @LKI_dja

Enterprise Services Planning
Achieve "Fitness for Purpose"

Product component (capability/brand/non-functional elements)

+

Service delivery component

demand /customer expectations/ customer satisfaction)

These must be balanced to deliver what your customers need and expect: to be "fit for purpose"

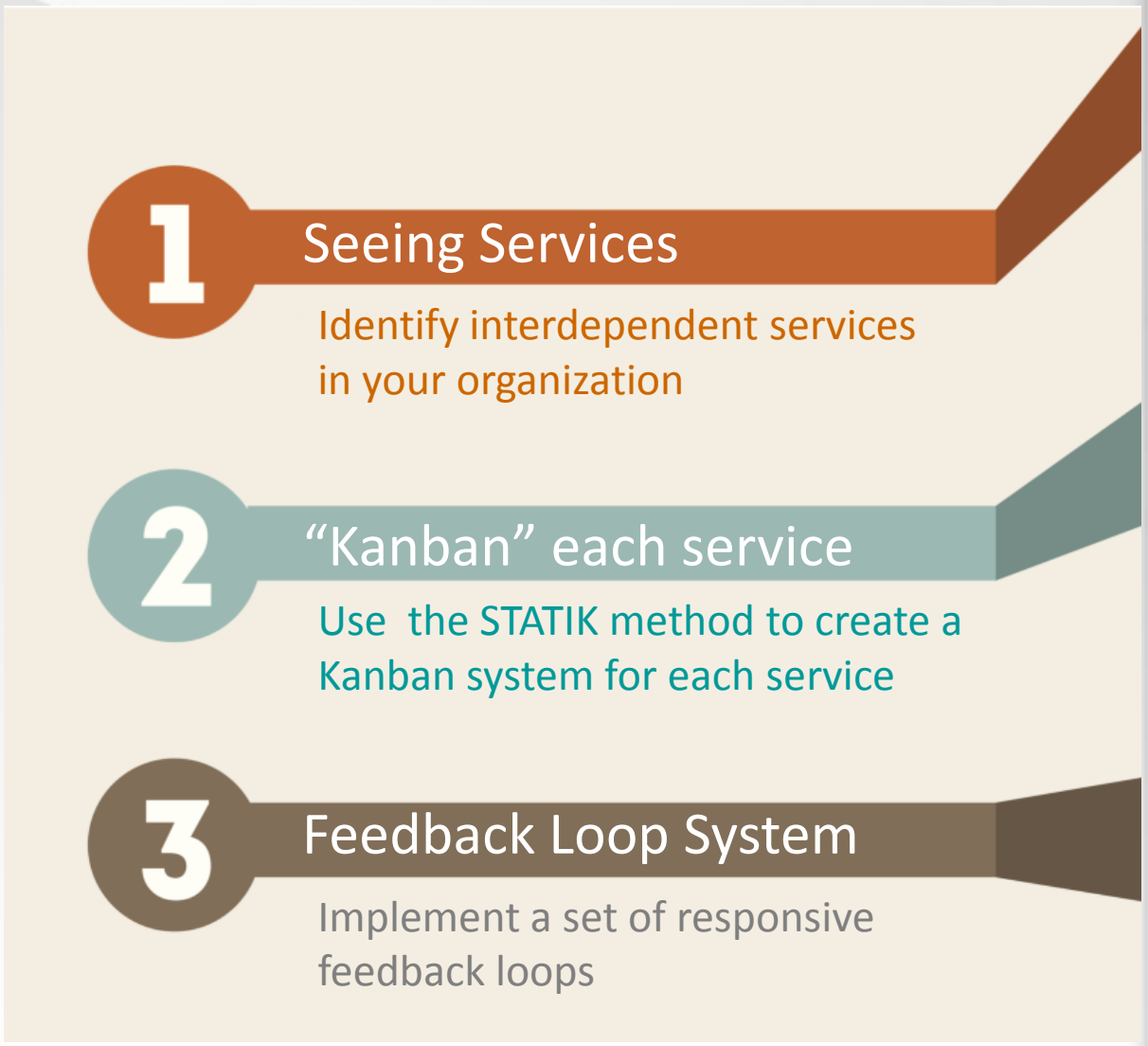
dja@leankanban.com @LKI_dja

Enterprise Services Planning

3 Organizational Steps

Foster a culture focused on continual

fit-for-purpose service delivery



dja@leankanban.com @LKI_dja

The Kanban Method

Scaling Principles

1. Scale out in a service-oriented fashion one service at a time
2. Design each kanban system from first principles using STATIK, do not attempt to design a grand solution at enterprise scale
3. Use the Kanban Cadences as the management system that enable balance, leading to better enterprise services delivery

dja@leankanban.com @LKI_dja

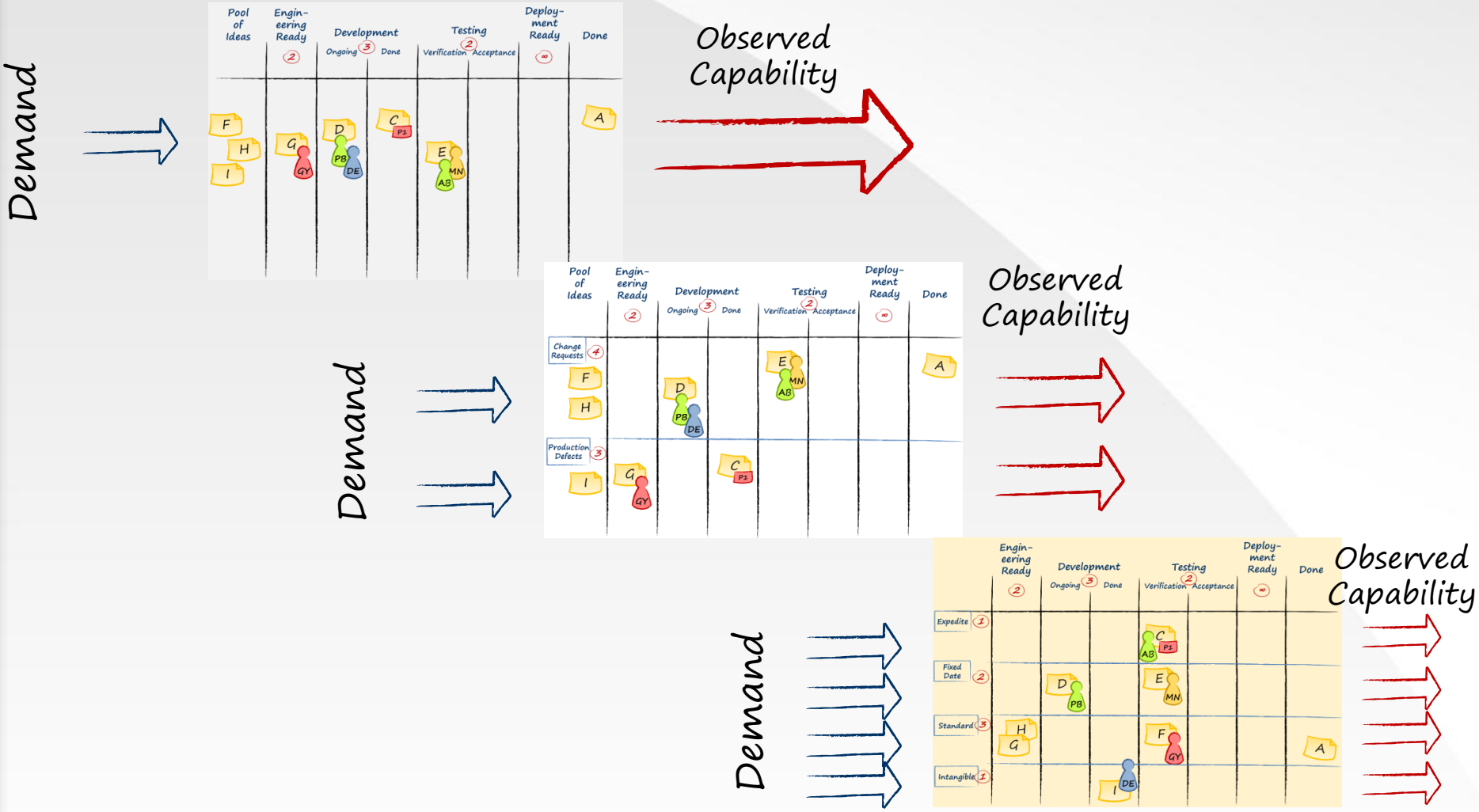
Enterprise Services Planning
Step 1: Seeing Services

Examples:

- HR provides services throughout the organization, but they also need services from IT
- Marketing provides services to product development but they need services from Sales and from IT
- IT provides services to Customer Support. There is an interdependency between Customer Support, QA, and IT Engineering.
- Different feature teams or product teams may have dependencies on each other
- Many groups are dependent upon specialist individuals

dja@leankanban.com @LKI_dja

Treat each service separately



dja@leankanban.com @LKI_dja

Enterprise Services Planning
Step 2: Kanban the Services

- Use STATIK (Systems Thinking Approach to Implementing Kanban) for each identified service…
  1. Understand what makes the service “fit for purpose”
  2. Understand sources of dissatisfaction regarding current delivery
  3. Analyze sources of and nature of demand
  4. Analyze current delivery capability
  5. Model the service delivery workflow
  6. Identify & define classes of service
  7. Design the kanban system
  8. Socialize design & negotiate implementation

dja@leankanban.com @LKI_dja

Enterprise Services Planning

Step 3: Responsive Feedback Loops

Strategy Review

change
info

Operations Review

change
info

Risk Review

Monthly
change
info

change
info

Service Delivery Review

change
info

Quarterly
info
change

Bi-Weekly
change
info

Monthly
info
change

change
info

Replenishment/ Commitment Meeting

change
info

Kanban Meeting

change
info

Delivery Planning Meeting

Weekly

Daily

Per delivery cadence

dja@leankanban.com @LKI_dja

Illustrates 4 Functions of Management in ESP

Strategy Review

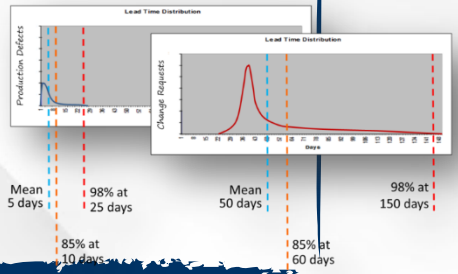
change
info

Operations Review

Monthly
change
info

change
info

Risk Review



change
info

Service Delivery Review

Quarterly
info
change

Bi-Weekly
change
info

Monthly
info
change

Higher level management function

change
info

Kanban Meeting

change
info

Delivery Planning Meeting

Weekly

Daily

Per delivery cadence

Focus on Service Delivery

dja@leankanban.com @LKI_dja

Illustrates 4 Functions of [redacted] P

Driving improvement...

Strategy Review

Operations Review

Risk Review

Service Delivery Review

Kanban Meeting

Delivery Planning Meeting

[redacted]ment/ [redacted]ment [redacted]ing

change

info

Monthly

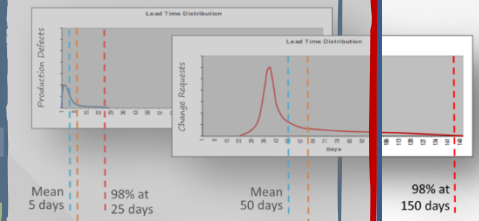
Quarterly

Bi-Weekly

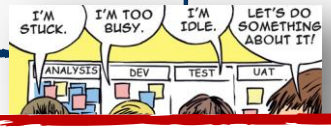
Weekly

Daily

Per delivery [redacted]dence



Higher level management function



Focus on Service Delivery

dja@leankanban.com @LKI_dja

Illustrates 4 Functions of [illegible] P

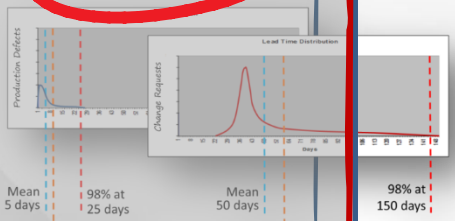
Driving improvement…

Strategy Review

Operations Review

Service Delivery Review

Risk Review



change

info

Monthly

Bi-Weekly

Quarterly

Weekly

Daily

Per delivery cadence

Kanban Meeting

Delivery Planning Meeting

[illegible]hment/ [illegible]ment [illegible]ing

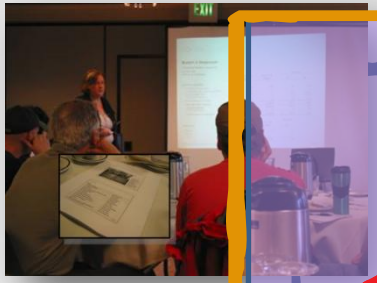
Higher level management function

Focus on Service Delivery

dja@leankanban.com @LKI_dja

Illustrates 4 Functions of [illegible] P

Driving improvement…



Strategy Review

Operations Review

Risk Review

Service Delivery Review

change

info

Monthly

Quarterly

Bi-Weekly

Monthly

Higher level management function

[illegible]hment/ [illegible]ment [illegible]ing

Kanban Meeting

Delivery Planning Meeting

Weekly

Daily

Per delivery [illegible]dence

Focus on Service Delivery

dja@leankanban.com @LKI_dja

Right things, at the right time, done the right way

Strategy Review

change
info
Operations Review

change
info
Risk Review

Monthly
change
info

change
info
Service Delivery Review

change
info

Quarterly
info
change

Bi-Weekly
change
info

Monthly
info
change

change
info
Replenishment/ Commitment Meeting

change
info
Kanban Meeting

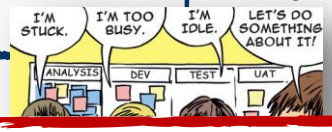
change
info
Delivery Planning Meeting

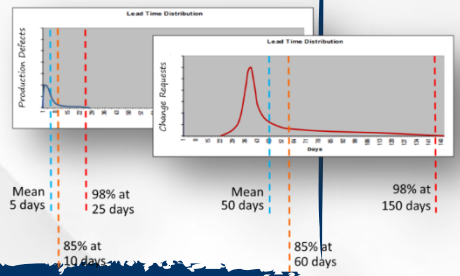
Weekly

Daily

Per delivery cadence

Are we doing the right thing?





Focus on Service Delivery

dja@leankanban.com @LKI_dja

Right things, at the right time

Can we do things better?

Strategy Review

Operations Review

Risk Review

Service Delivery Review

Replenishment/ Commitment Meeting

Kanban Meeting

Delivery Planning Meeting

change

info

Monthly

Quarterly

Bi-Weekly

Weekly

Daily

Per delivery cadence

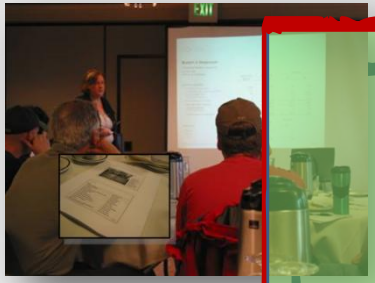
Are we doing the right thing?

Focus on Service Delivery

dja@leankanban.com @LKI_dja

Right things, at the right time

Can we do things better?



Are we doing the right thing?

Strategy Review

Quarterly

info

change

Replenishment/ Commitment Meeting

Weekly

change

info

Operations Review

Monthly

change

info

Service Delivery Review

Bi-Weekly

change

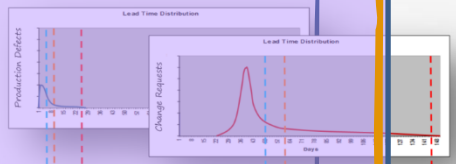
info

Risk Review

Monthly

change

info

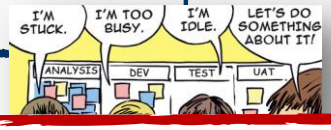


Kanban Meeting

Daily

change

info



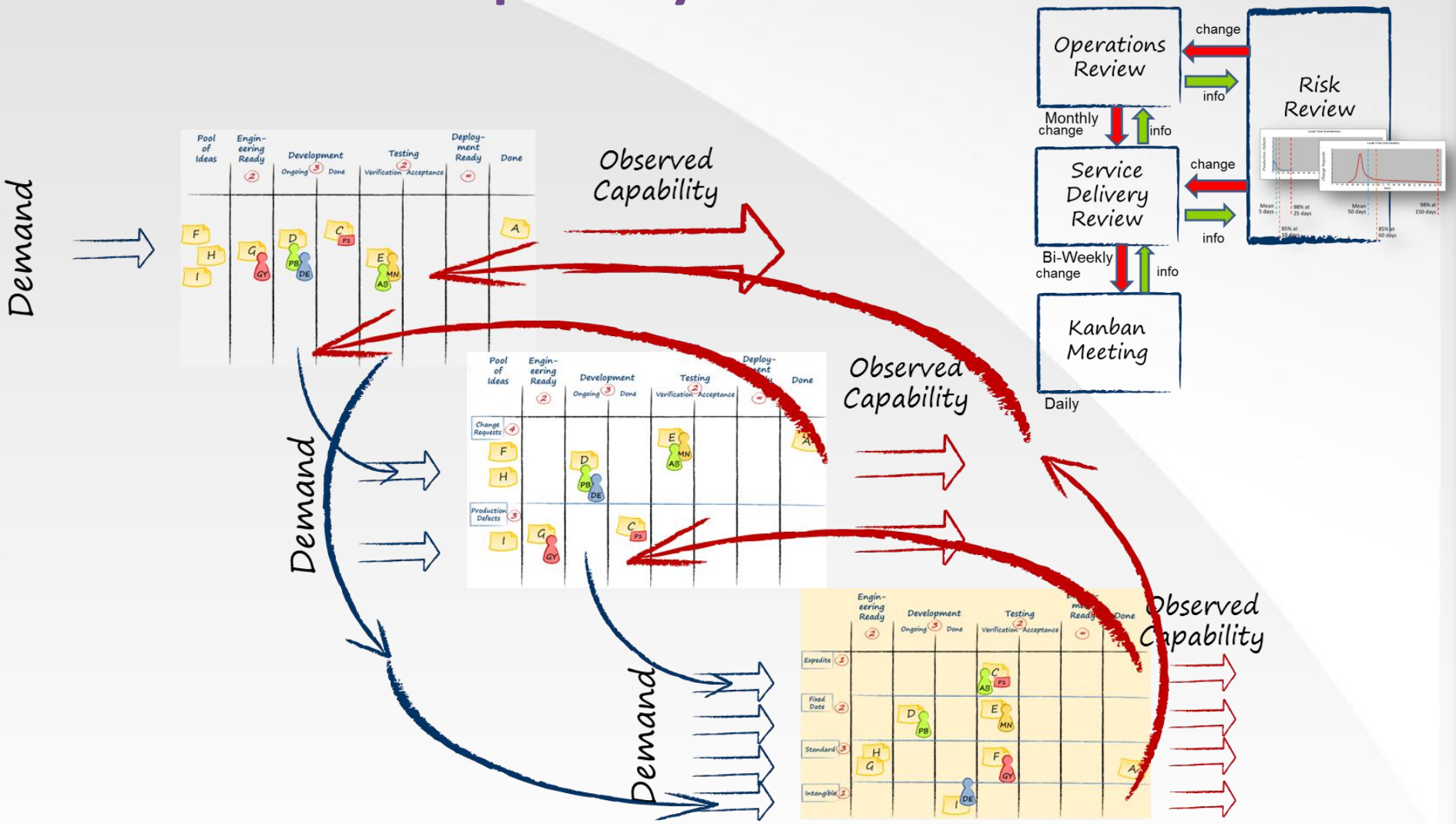
Delivery Planning Meeting

Per delivery cadence

Focus on Service Delivery

dja@leankanban.com @LKI_dja

Use feedback loops to level capability across the network



dja@leankanban.com @LKI_dja

Enterprise Services Planning
6 Planning Activities

- ESP activities
  1. schedule and sequence work
  2. forecast delivery dates and expected outcomes
  3. allocate capacity
  4. manage dependencies
  5. understand and manage risk
  6. ensure sufficient liquidity to react to unfolding events

ESP is about balancing demand with capacity to deliver, across an entire ecosystem of professional services

dja@leankanban.com @LKI_dja

Enterprise Services Planning Curriculum

LeanKanban

Enterprise Services Planning

Strategy
- Fitness for Purpose
- Market Segmentation
- Fitness Criteria Metrics
- Capability Analysis
- Capability Alignment
- Portfolio Management
- Risk Hedging
- Class of Service Definition
- Strategy Review

Risk Management
- (Custom) Risk Profiles
- Business Risk Assessment
- Service Dependencies
- Technical Risk Assessment
- Blocker Clustering
- Project Risk Management

Planning
- Capacity Planning
- Capacity Allocation
- Forecasting
- Simulation
- Selection & Commitment
- Sequencing

Resilience & Survivability
- Sense & Respond
- Evolutionary Change
- Model-driven Improvement

Scheduling
- Optimal Start
- Window of Opportunity
- Cost of Delay
- Booking Capacity

Demand Management
- Demand Analysis
- Demand Shaping
- Replenishment Policies
- Real Options

Service Delivery

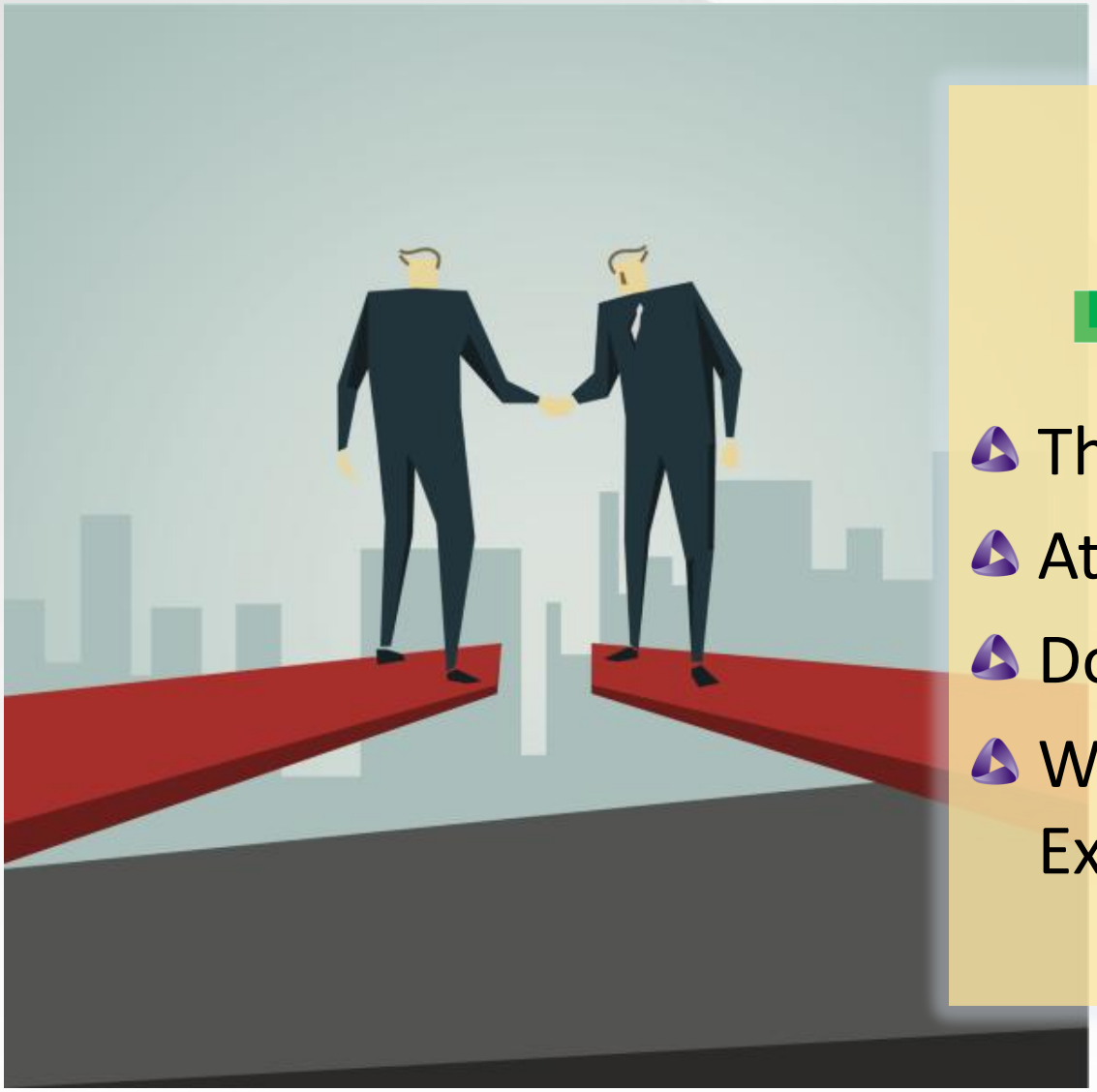
Kanban Systems	Flow Management	Labor Pool Liquidity	Service-oriented Organization
Upstream Kanban	Capacity Allocation	Workflow Liquidity	Shared Services
Portfolio Kanban	Service Delivery Review	Operations Review	Dependency Management

dja@leankanban.com @LKI_dja

Summary

dja@leankanban.com @LKI_dja

Enterprise Services Planning



Enterprise Services Planning

- The Right Things
- At The Right Time
- Done The Right Way
- With Appropriate Risk Exposure

dja@leankanban.com @LKI_dja

ESP & Kanban is a complete management system

Managerial Motivator

- **Senior-level**
  - Lead the business (strategy and positioning)
  - Confidence they can deliver on strategic goals
  - Legacy (long term survival)
- **Mid-level**
  - Up-managing – answer the hard questions with confidence
  - Down-managing – make difficult decisions with confidence
- **Line-level & Individual Contributors**
  - Relief from abusive environment
    - Overburdened
    - Quality suffers
    - Low job satisfaction

Kanban Agenda

- **Survivability**
- **Service-orientation**

  (and customer focus)
- **Sustainability**

dja@leankanban.com @LKI_dja

ESP & Kanban is a complete management system

Managerial Motivator

- **Senior-level**
  - Lead the business (strategy and positioning)
  - Confidence they can deliver on strategic goals
  - Legacy (long term survival)
- **Mid-level**
  - Up-managing – answer the hard questions with confidence
  - Down-managing – make difficult decisions with confidence
- **Line-level & Individual Contributors**
  - Relief from abusive environment
    - Overburdened
    - Quality suffers
    - Low job satisfaction

Kanban Agenda

- **Survivability**
- **Service-orientation**

  (and customer focus)
- **Sustainability**

dja@leankanban.com @LKI_dja

ESP & Kanban is a complete management system

Managerial Motivator

- **Senior-level**
  - Lead the business (strategy and positioning)
  - Confidence they can deliver on strategic goals
  - Legacy (long term survival)
- **Mid-level**
  - Up-managing – answer the hard questions with confidence
  - Down-managing – make difficult decisions with confidence
- **Line-level & Individual Contributors**
  - Relief from abusive environment
    - Overburdened
    - Quality suffers
    - Low job satisfaction

Ka

- **Survivability**
- **Service-orientation**

  (and customer focus)
- **Sustainability**

dja@leankanban.com @LKI_dja

Kein Merkelmeister mehr! Jetzt bin ich ein ESPler!

dja@leankanban.com @LKI_dja

Kein Merkelmeister mehr! Jetzt bin ich ein ESPler!

- **Effective Middle Management** enabled by ESP

dja@leankanban.com @LKI_dja

Kein Merkelmeister mehr! Jetzt bin ich ein ESPler!

- **Effective Middle Management** enabled by ESP

- ***Up-manage*** *– answer hard questions with confidence*
- ***Down-manage*** *– make difficult decisions with confidence*

dja@leankanban.com @LKI_dja

Kein Merkelmeister mehr! Jetzt bin ich ein ESPler!

- **Effective Middle Management** enabled by ESP

- ***Up-manage*** *– answer hard questions with confidence*
- ***Down-manage*** *– make difficult decisions with confidence*

dja@leankanban.com @LKI_dja

Kein Merkeln im Büro !!!

dja@leankanban.com @LKI_dja

LeanKanban
UNIVERSITY

Thank you!

dja@leankanban.com @LKI_dja

About

David Anderson is an innovator in management of 21st Century businesses that employ creative people who "think for a living" . He leads a training, consulting, publishing and event planning business dedicated to developing, promoting and implementing new management thinking & methods...

He has 30+ years experience in the high technology industry starting with computer games in the early 1980's. He has led software organizations delivering superior productivity and quality using innovative methods at large companies such as Sprint and Motorola.

David defined **Enterprise Services Planning** and originated **Kanban Method** an adaptive approach to improved service delivery. His latest book, published in June 2012, is, **Lessons in Agile Management** – *On the Road to Kanban.*

David is Chairman & CEO of **Lean Kanban Inc.**, a business operating globally, dedicated to providing quality training & events to bring Kanban and Enterprise Services Planning to businesses who employ those who must "think for a living."

dja@leankanban.com @LKI_dja

Acknowledgements

Risk profile courtesy of BazaarVoice

dja@leankanban.com @LKI_dja

LeanKanban
UNIVERSITY

dja@leankanban.com @LKI_dja