



# PEOPLE-CENTRIC STRATEGIC PORTFOLIO MANAGEMENT IN THREE BIG STEPS

FUND PEOPLE, NOT WORK.







# TECHNOLOGY KEEPS CHANGING. WHY HASN'T THE WAY IT'S FUNDED?

In years past, technology was typically viewed as a kind of utility, important and relied upon, but not strategic.

These days, technology fuels pretty much every critical business service at every company in every industry. From farming and manufacturing to healthcare and finance, technology is inextricably bound with the business. Without technology, the business stops. Without technological innovation, the business sinks.

Technology environments continue to get more complex, dynamic and business critical. It seems everything about technology has changed in recent years—except the way it is funded.

While business and technology are intertwined, the same is not true for business and technology leaders. These leaders operate in different spheres and speak different languages. This is perhaps best underscored by their respective goals and metrics. Business leaders are focused on ROI, revenue, and profit margins. IT teams are focused on metrics like flow rate, delivery time, and sprint success.

In many ways, technology planning and funding haven't changed for decades. As legacy, project-based approaches, they are inefficient, wasteful and fundamentally misaligned with modern demands and realities.

Broadcom would like to introduce a new approach: people-centric planning. In the following pages, you'll learn why people-centric planning is vital to the business, how three steps can bring success, and where to begin.



# CONTENTS

01	THE STEEP COSTS OF LEGACY TECHNOLOGY FUNDING MODELS.....	04
02	TODAY'S IMPERATIVE: PEOPLE-CENTRIC PLANNING.....	05
03	STEP #1. GOVERN INNOVATION.....	06
04	STEP #2. ALIGN TECHNOLOGY WITH BUSINESS.....	07
05	STEP #3. EMPOWER TEAMS.....	08
06	BUSINESS ADVANTAGES OF PEOPLE-CENTRIC PLANNING.....	09
07	GETTING STARTED WITH PEOPLE-CENTRIC PLANNING.....	10
08	CONCLUSION.....	11





# 01

# THE STEEP COSTS OF LEGACY TECHNOLOGY FUNDING MODELS

## THE PROJECT-BASED LEGACY OF FUNDING

For decades, technology investments were largely based on projects. Leaders would fund a specific piece of work—one that had a concrete start and finish—and expect to fund it only once. Examples include building a data center, deploying a mainframe, or installing a server farm. For each of these efforts, teams would develop plans, get estimates, and ultimately obtain the budgetary approval needed to get started.

For a long time, this approach worked fine. However, these groups are now operating in a completely different world than the teams of prior decades. They're in a world in which technology is inextricably interwoven with the business. For virtually any organization in any industry, business performance is highly dependent upon software to fuel virtually every critical business service and process.

## THE DISCONNECT: TECHNOLOGY IS BUSINESS CRITICAL—NOT A ONE-AND-DONE PROJECT

This exposes a fundamental disconnect. Technology-powered services are now, and will remain, integral to the business. If an application is critical to a business, it's not something that can be treated as a one-and-done project. Teams don't just deploy the application and move on. They need to continue to support and improve the application, and these enhancements will be integral in fueling ongoing business success. Further, these enhancements will need to continue for as long as that application serves the business.

## THE COSTLY IMPLICATIONS OF THE STATUS QUO

The problem isn't just that traditional funding approaches aren't aligned with these realities; it's that they create waste and stifle agility—and actively work against many of the organization's most critical goals.

Even within many large, successful enterprises, leaders continue to confront the futility of detailed, project-based planning. They see teams across business units make the massive investment in time and money that is required to establish a strategic long-term plan, say for an entire fiscal year. Then, typically, not long after the plan is approved and definitely before the first quarter has elapsed, a significant percentage of the plan's deliverables have been dropped for one reason or another, and teams need to turn to a significant amount of work that wasn't part of the original plan. Further, when these new requirements arise, teams have to start again in terms of obtaining work estimates, getting budgets authorized, and receiving funding approval.

In short, teams spend a massive amount of time developing a plan that will never be fully executed and they incur even more effort, lost time, and inefficiency when the plan changes.

**These constant obstacles beg a fundamental question:  
Why keep working this way?**



# 02

## TODAY'S IMPERATIVE: PEOPLE-CENTRIC PLANNING

The scenarios above are all too common. They make it abundantly clear that technology funding is broken. The key then is to determine how to fix it. To meet your pressing imperatives, you and your teams can't continue to operate the same way, funding work and projects. Now, technology funding and planning needs to go through a fundamental shift.

Now, it's about funding the teams who are delivering value, not the work itself. Now is the time to move to people-centric funding.

Here are a few hallmarks of this approach:



Teams are given persistent, long-term funding.

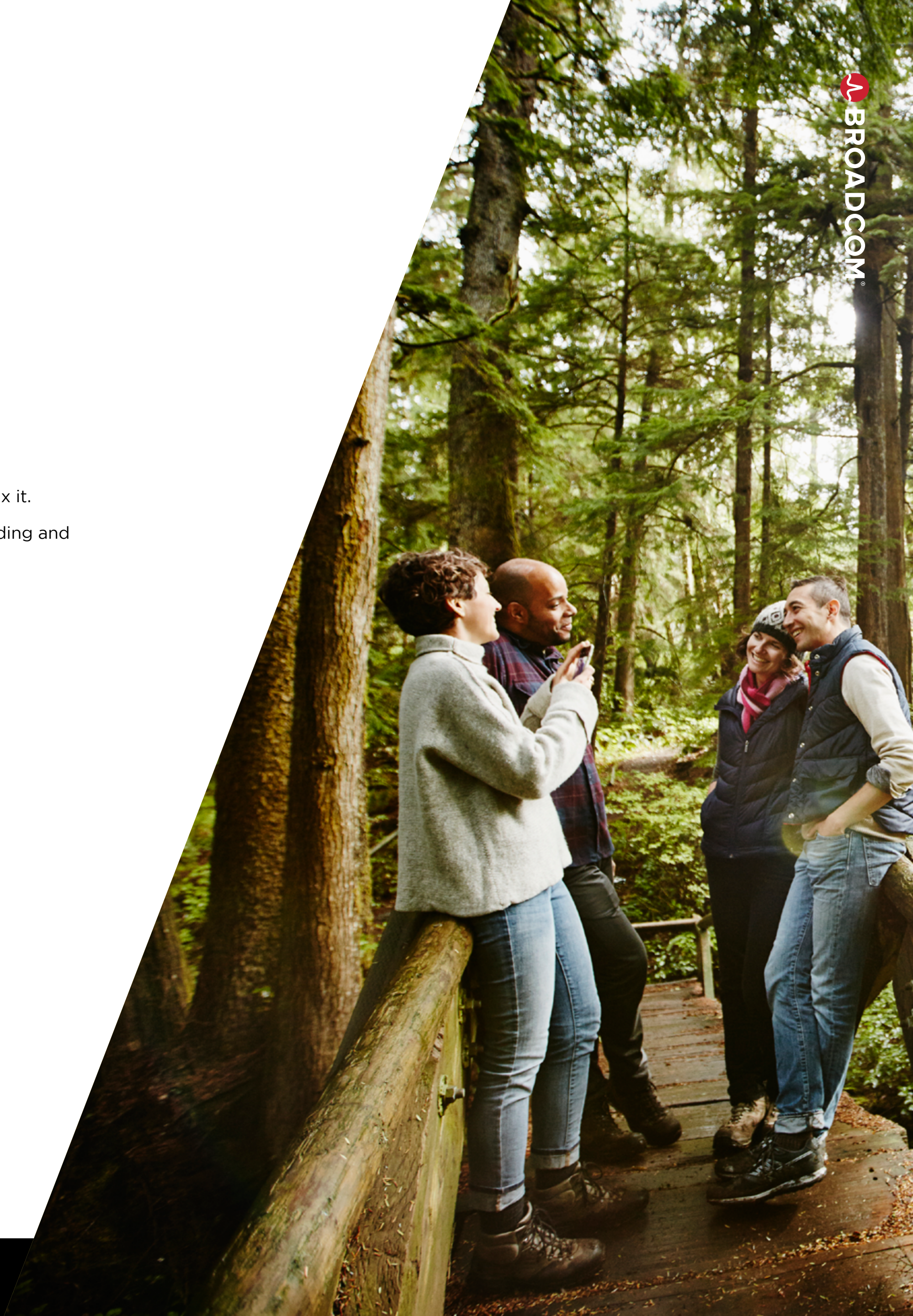


Teams are organized around products and value streams, rather than in the siloed departments of the past.



Teams work toward common, business-level objectives

There are three key steps that form the foundation of a successful people-centric planning implementation: governing innovation, aligning technology with business, and empowering teams.







# 03

## STEP #1

# GOVERN INNOVATION

### GOVERNANCE STIFLING AGILITY

The reality is that most leaders have been forced to make hard tradeoffs in balancing demands for governance and innovation. This is very much the case in the context of technology planning. Having a top-level decision-maker review the funding for each project and scope change may serve to support some governance objectives, but it also can slow the business to a crawl.

Consequently, governance has acquired a negative connotation. People tend to view governance as an impediment, creating extra steps that stifle progress and make tasks more difficult. Fundamentally, teams have had to make the impossible choice of deciding between governance and innovation. Given these realities, it is clear leaders need to take a different approach to governance.

### ESTABLISHING A FOCUS ON BUSINESS METRICS

With the interweaving of business and IT, teams need to move to tracking a single set of metrics: business metrics, and more specifically value. According to a Gartner report, 60% of strategic portfolio leaders will transition from a focus on delivery execution to a focus on value realization.<sup>1</sup>

With people-centric planning, teams are given key metrics and they're afforded the autonomy to determine how to best achieve those metrics. This is the way people-centric planning helps foster directional alignment.

For example, in a bank, a key business metric would be new account acquisition, which ties directly to assets under management and revenue. Technology initiatives can fuel improvements in this metric. Teams can be working toward these metrics, and leaders can gauge success by the degree to which teams advance those metrics.

All that ultimately matters is that business metrics are moving in the right direction and that teams are contributing to those outcomes. In support of this approach, it is vital to establish visibility into what people are doing and how it affects the business. Leaders need to be able to track value in real time, using unified data.

<sup>1</sup> Gartner, "Top Trends for Strategic Portfolio Leaders for 2023," Kevin Rose, Rachel Longhurst, et al, August 14, 2023, ID: G00789708



# 04

## STEP #2

# ALIGN TECHNOLOGY WITH BUSINESS

### TECHNOLOGY AND BUSINESS DISCONNECTS POSE OBSTACLES

In today's fast-changing business environment, priorities and requirements shift constantly and the scope of work is ever expanding. Business stakeholders often don't feel they're getting what they want, need, or request. For their part, technology teams feel the goal posts keep being moved.

A big part of this problem can be tied back to incentives. Historically, technology teams' performance has been measured based on performance characteristics such as the lack of bugs or system resilience. Teams receive praise, or at least are left alone, when releases don't break and don't have bugs—but there is no shortage of fingers pointed at them when problems arise. Meanwhile, business stakeholders keep asking for changes, additions, and enhancements—which all increase the risk of technology teams missing their objectives.

This fundamental tension causes misalignment, miscommunication, and confusion among both technology and business teams.

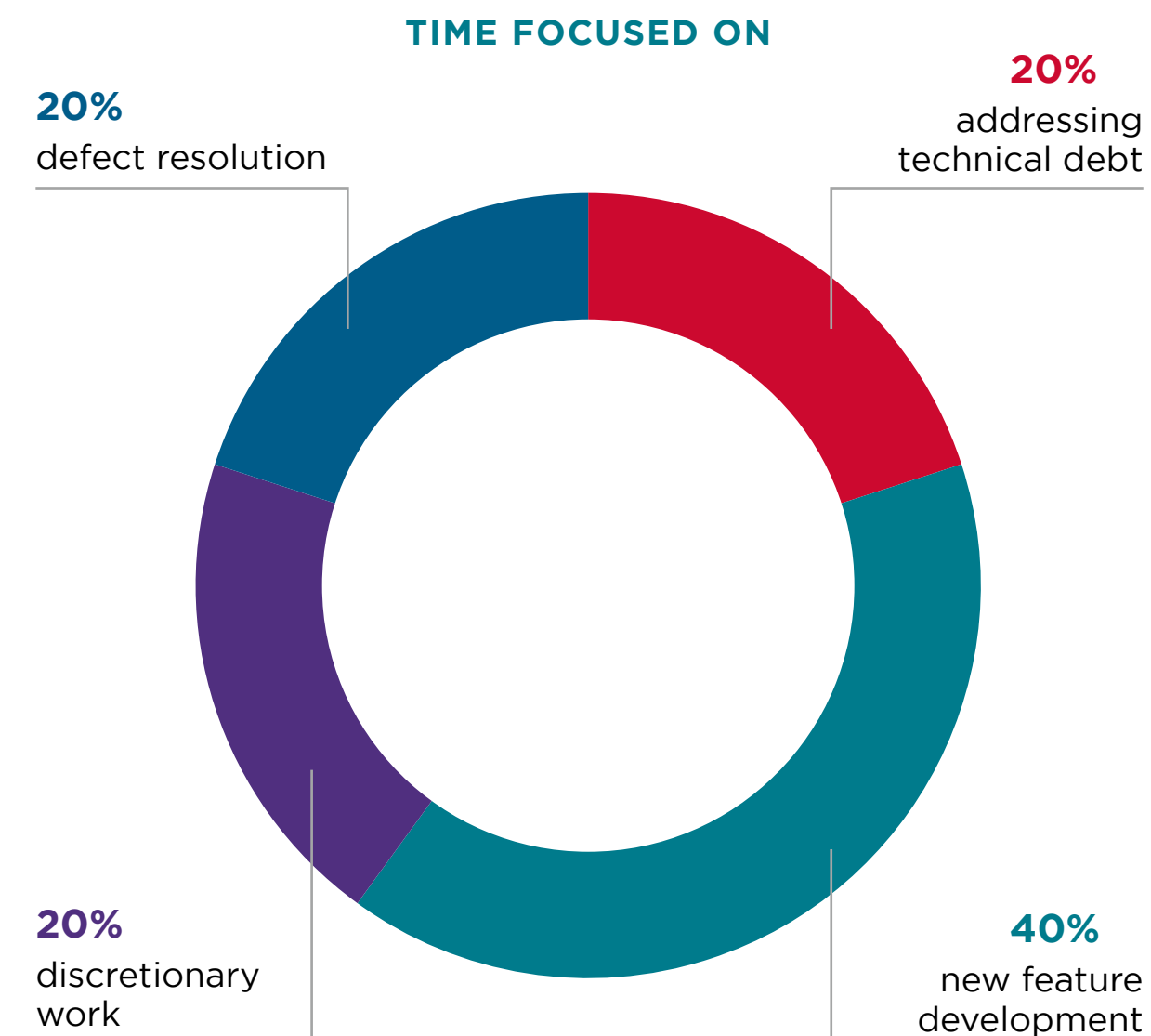
By establishing the innovation governance capabilities outlined above, teams can begin to combat this misalignment. However, once governance and common metrics are established, the next obstacle to arise will be around timing. That's because siloed teams often prioritize work based on different criteria. Business leaders will say a feature's needed by Q1; technology leaders will say it can't happen until Q3. How do you resolve this conflict?

### UNIFYING AROUND VALUE STREAMS

People-centric planning enables teams to avoid these conflicts and disconnects. Through this approach, teams are organized around value streams that fuse business and IT staff, who all have one set of shared goals. Respective leaders prioritize according to negotiated agreements between business and technology. The trick is to strike the right balance between addressing business priorities and backend technical and architectural priorities.

In these cases, it can often be helpful to negotiate percentages, with the goal of striking a balance among various types of work. For a given quarter, the agreed upon mix could be 20% of time focused on defect resolution, 40% on new feature development, 20% on addressing technical debt, and 20% on discretionary work. Next quarter, leaders will have a similar conversation, adjusting the mix as needed.

To make this work, business and technology leaders must have a good working relationship. There has to be some give and take and an understanding and trust that each side will be reasonable.







# 05

## STEP #3

# EMPOWER TEAMS

### TOP-DOWN, CENTRALIZED DECISION MAKING PRESENTS A BOTTLENECK

For most businesses, decision making is largely top down in nature. The problem is that centralized power tends to be slow and inefficient. Under the control of rigid corporate governance policies and processes, teams can't do what's needed when its needed. Particularly in today's environment, it is impossible for a single central authority, whether that's a leader, leadership team, center of excellence, or any other single entity to react quickly enough for every different group they're responsible for.

This reality can be evidenced in a number of ways. For example, a team receives funding for a project. When things change, whether due to the project being scrapped or paused, those funds need to be reallocated to a different project. To do so, staff have to go back to a central authority, make a request, wait for a response, follow up with additional details, and so on. The process is too slow, inefficient, and time consuming. Further, in large enterprises, this type of example is being repeated across hundreds or thousands of different groups.

### FUNDING THE TEAMS THAT DELIVER VALUE

People-centric funding is about boosting efficiency. Decentralizing authority is a big part of how this objective is realized.

Fundamentally, you need to have good people and have visibility into what they are doing, while enabling them to make decisions in a timely fashion. Ultimately, it's about trusting that they are best equipped to know what's the right thing to do and when.

Instead of funding individual projects with temporary funding, you continuously fund the teams providing the products and services that deliver value. When teams have persistent funding, they can be empowered with the autonomy to figure out what needs to be done and do it. People can adapt quickly and intelligently—without having to go back to a central authority.

There's still accountability, however. Common, value-stream-level metrics guide teams in prioritization and tracking progress. As long as the team continues to deliver value, they'll continue to be funded. Leaders make portfolio-level decisions at the beginning of the fiscal year. Maybe they will decide to reduce or eliminate funding for a team that's no longer delivering value, based on the metrics defined. They also decisively wind down products that no longer deliver value. Leaders empower teams, provide persistent funding, and get out of their way.



## 06

# BUSINESS ADVANTAGES OF PEOPLE-CENTRIC PLANNING

## INCREASING VISIBILITY

Through effective people-centric planning, your teams can gain enhanced visibility into capacity planning, resource management, and risk management. Teams can apply concrete insights to fuel continuous improvement.

With improved visibility, teams throughout the organization get the insights needed to make better decisions. Teams gain better visibility into top-level strategies, and they can use this insight to better prioritize backlogs and resources. Enhanced insights foster improved trust and collaboration, and help to minimize business risk.

## CREATING ALIGNMENT

By cultivating the establishment of optimized value streams, people-centric planning enables teams to align strategy, planning, and work across the organization. With this tighter alignment, teams are better positioned to connect strategy with work, reduce unnecessary friction, and foster deeper collaboration.

## OPTIMIZING EFFICIENCY

Traditional investment planning and project funding requires users to articulate every detail of what's going to be delivered, justify it at length, and then fund it. Inevitable changes require that process to be repeated over and over again.

**By contrast, people-centric planning ensures stakeholders are in agreement on the value being generated.**

As such, they commit to funding products and teams for an entire fiscal term. Instead of getting bogged down in processes, people-centric planning empowers teams to make changes on the fly.

Users can move things around during the roadmap review and see the impact of different changes. Doing so improves time to market and it boosts agility. Through people-centric planning, you can minimize the effort and overhead associated with governance, while still ensuring you get the value needed.





# 07

# GETTING STARTED WITH PEOPLE-CENTRIC PLANNING

## #1

### GET ORGANIZED

To get started with people-centric initiatives, it is vital to first ensure you have maximum visibility and can gain a complete understanding of your application portfolio, investments, resources, and people. Toward that end, it is important to categorize, assess, and analyze your application portfolio, and to the greatest extent possible, begin to centralize portfolio administration.

## #2

### SET THE COURSE

Next, your leaders need to establish a roadmap for transformation, and ensure that roadmap is aligned with top-level business strategies. Roadmaps need to be developed, refined, reviewed, and approved by key stakeholders.

**Teams need to be able to track progress of investments and initiatives, and knowledgeably determine how they're advancing business strategies.**

Further, it is vital to establish mechanisms to ensure roadmaps are reviewed on a recurring basis to ensure they stay aligned with evolving business realities and priorities.

## #3

### OPTIMIZE DELIVERY

Teams need to optimize work flows to speed execution. To do so, leaders need to have the unified visibility needed to intelligently balance application work and priorities with people capacity. Toward this end, it is essential that organizations establish a consistent model for managing and tracking strategy, objectives, work efforts, progress, and results.

## #4

### TRACK PROGRESS AND ACHIEVE BENEFITS

Teams must take a data-driven approach, tracking progress toward planned objectives and key targeted results. To do so, teams must move from the reliance on quarterly status reports and other techniques of the past and leverage real-time dashboards that keep all stakeholders apprised. Data from execution needs to be rolled up for business leadership, delivering real-time insights that reveal what is happening across the organization.





# 08

## CONCLUSION

A lot has changed. Why does technology funding look the same as ever? In today's digitally transformed world, your organization can't afford to rely on decades-old technology funding models. By employing people-centric planning approaches, your organization can eliminate the waste, inefficiency, and inflexibility of old-school approaches. Instead, you can establish alignment around key business metrics, empower teams, and streamline governance.

**Find out how you can leverage people-centric planning to maximize visibility, alignment, and efficiency in your organization.**





## CONNECT WITH A PEOPLE-CENTRIC PLANNING EXPERT

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Connect with a Broadcom people-centric planning specialist to learn more about how our technology can help you eliminate waste, achieve strategic initiatives, and align your entire enterprise around customer value

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