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# The Future Adaptive Organization

## BUILDING RESILIENT, CONNECTED, AND FUTURE-READY ORGANIZATIONS

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## Abstract

By understanding how it creates value and by using a stable collaboration framework, an enterprise can flexibly organize development work to constantly create optimal value. The Adaptive Zones Model (AZM) which includes the following concepts is introduced:

- Adaptive Implementation Zones, (or just Zones for short) which own the implementation responsibility for one or more business initiatives and provide the frame for adaptive team collaborations,
- Centers of Operations and Resource Excellence, (COREs) which provide team stability and meaning, reducing the emotional burden of constant change in a dynamic environment,
- Portfolio Initiative and Team Alignment (PITA) which maps the needs of the organization to the available skills providing the transparency necessary to enable dynamic organization and targeted skill development, and
- Team-Competence Profiles, which provide visibility on what needs a team can fulfil

While each of these mechanisms in themselves provide value, through their combination teams can become "contextually mobile", enabling organizations to quickly adapt to new information and needs. The higher-level "re-silofication" seen in most scaled-agile implementations is overcome as teams flexibly coalesce in Adaptive Implementation Zones around the work where they can provide the highest value for the organization and the customer.

The introduced concepts are fully compatible with standard frameworks such as SAFe, LESS, Scrum@Scale, DSDM, etc.


## Contents

# 1 Introduction

## 1.1 The problem to solve

Scaled agile frameworks provide a mechanism for multiple agile teams to collaborate, but when collaboration needs are regularly changing, the models are not able to adapt[1] and ultimately replicate

[1] According to a 2022 Accenture survey, 93% of C-Suite executives are concerned that their operating model cannot keep pace with changing contexts. According to HackFutureLab (2022), 93% of leaders expect significant industry disruption over the next 5 years.

most of the symptoms of the static, hierarchy-driven organizations which they were attempting to replace.

"Organizing around value" using value streams[2], and fitting the resulting collaboration network into semi-rigid organizational structures such as ARTs may work in the short term, however as soon as the collaboration needs change, the ARTs become an impediment to flow since reorganizing around value is not built into the model.

Besides the increasing team collaboration overhead these non-adaptive models also lead to unclear development ownership for business initiatives. In the best case the structures fit for the initiatives that are active at the time when the structures are being established. For new initiatives which need the collaboration of different teams they become inappropriate, leaving the responsibility for coordinating the integration of the different parts to the business organization which, from our observation, is normally separated from IT.

To address these issues, we need to ask how an organization can respond to and flexibly align and collaborate around constantly changing information from markets, technology, and its own insights to flexibly align and collaborate around changing value creation needs.

The three resulting questions around dynamic collaboration that we believe organizations need to answer and which we detail in the following sections are:

1. Dynamic Re-Organization: What organizational mechanisms and structures do we need to enable dynamic re-organization of team collaboration?
2. Emotional freedom for changing collaborations: How can teams develop the intrinsic ability to dynamically collaborate?
3. Effective Need-to-Competence-Mapping: How do we get transparency about which constellations of teams need to collaborate to fulfil the business needs and generate best value?

Additionally, we must ask how we do all this while keeping all systems and solutions running, evolving the underlying technology and architecture and simultaneously developing new skills.

In this paper, we introduce the Adaptive Zones Model (AZM) that addresses these challenges. We show how an enterprise can effectively and continuously respond to new knowledge from within or outside the organization and reorganize accordingly, aligning its team collaborations to the actual needs.

There are numerous concepts in the model, many of which provide standalone value to the implementing organization. Each aspect of the model – applied to a part or a whole of an organization – promises improvement.

### 1.1.1 Dynamic Re-Organization

Fluid team collaboration constellations should be normal, simple and aligned to organizational goals. Normality is achieved through integration into cyclic planning functions; simplicity, through good data and a process driven by those teams who need to collaborate; alignment, through goals driven by business value.

The concept of Adaptive Zones described in this paper addresses these key elements. It is designed to be a non-hierarchical organizational structure that takes on full implementation responsibility for a business value driven development initiative. An implementation Zone does not own any teams but

2 There are numerous definitions of value streams. For the purposes of this document, we use the definitions of development and operational value streams provided by scaled agile.

gets content authority for the development capacity of the most suitable teams for the upcoming planning period. These teams then decide how to collaborate to best reach the development goals.

### 1.1.2 Emotional freedom for changing collaborations

Our experience indicates that people and teams need a stable social environment that has a meaningful relation to their work and their contribution to the enterprise. If this environment is not available elsewhere, teams will look for stability in the dynamic organization and – despite changing collaboration needs – resist change.

The concept of Centers of Operations and Resource Excellence (COREs) described in this paper enables teams to collaborate in dynamic structures according to the actual needs when working on new solutions. COREs exist in parallel to Zones and build centers of excellence around a team's expertise - taking over the long-term tasks such as operations and architecture evolution. They provide a stable social environment with a strong relation to the team's work.

### 1.1.3 Effective Need-to-Competence-Mapping

We regularly observe business requirements defined in technical terms, not describing the business need but what a system or systems should do. This is typically tied to existing architecture and solutions, reducing transparency, limiting solution flexibility and architectural evolution.

A common language is needed to map the business needs to the team's expertise. This means that business units describe their needs and teams describe their capabilities using the same language, enabling an effective mapping of needs to capabilities.

The concepts of Value Stream Capability Mapping, Portfolio Initiative Capability Mapping and Team Competence Profiles (collectively termed Portfolio Initiative and Team Alignment (PITA)) described in this paper are one suitable way of achieving this and can be applied within a single business areas or across an enterprise.

## 1.2 Notes about this document

### 1.2.1 Target audience

This document is targeted towards organizational experts, enterprise architects and change managers. It assumes a knowledge of value streams, change management and the concept of operating models such as eTOM, SCOR or similar, as well as scaled agile frameworks such as S@S or SAFe.

### 1.2.2 Structure

The document is split into the following main sections:

- **The Adaptive Zone Model :** in this section we describe the different parts which need to interact to provide a full working model.
- **Bringing the model to life:** here we describe the interaction of these parts, the meetings and artefacts needed to make the model work.
- **Conclusion:** we summarize the advantages of the model and how it addresses the problems described. We also highlight areas for further investigation.

### 1.2.3 Conventions

Links and references both within the document and to external sources are underlined. When we introduce a new or important term for the first time, it is referenced in the terminology section at the end of the document. Whan a new concept is described; we highlight it as follows: AZM concept.

In most cases we borrow common terminology from Scaled Agile (SAFe). When this is not the case, we highlight this explicitly and explain the term in the terminology section.

# 2 The Adaptive Zone Model (AZM)

Most development organizations, in some form or other, will have the following four functions (or dimensions) in their company: Enterprise, Portfolio, Delivery, and Enablement. We loosely refer to these as the four dimensions of organizational governance.

1. **Enterprise Management** – defines the strategic direction and goals of the enterprise.
2. **Portfolio Management** – manages and prioritizes what needs to be done to fulfil the strategic goals of the enterprise.
3. **Delivery Management** – turns the "what" defined by portfolio into ready-to-use products or services that provide value to customers.[3]
4. **Enablement** – supports the people and their skill-development as well as owning the operational responsibility for running services and maintaining products.

The following picture shows these dimensions, and we use this as an example organizational structure to describe the full Adaptive Zones Model. The model does not require organizations to be set up as described here.

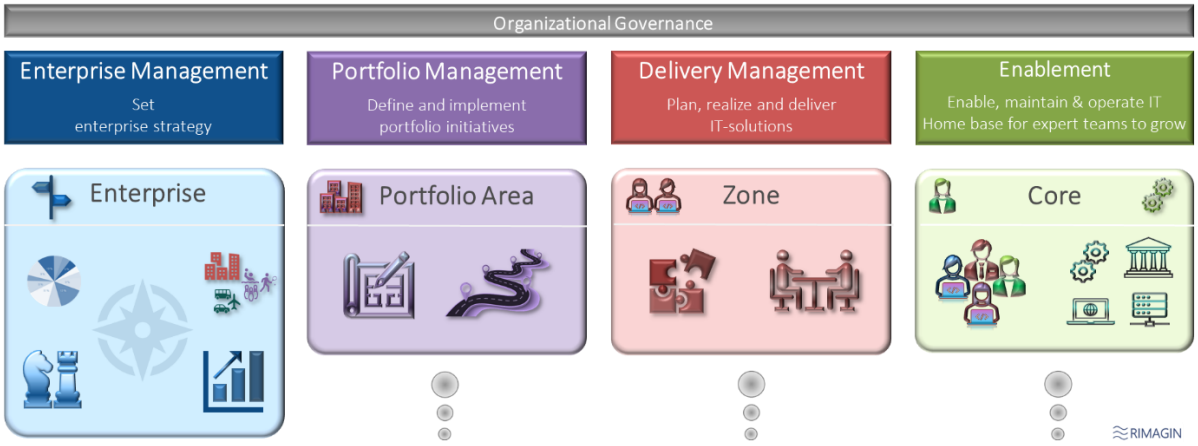


**FIGURE 1 GENERIC VIEW OF ORGANIZATIONAL FUNCTIONS.**

We focus primarily on organizations in the digital world. However, to make things more tangible than bits and bytes we use a far more concrete example throughout the document whenever appropriate.

## 2.1 Introducing LCC – a "concrete" metaphor

We use an example of a construction and facility management company (which we have called LCC) to help explain some of the concepts behind the Adaptive Zones Model and then map these ideas to the IT world. LCC specializes in the construction and subsequent operation of a diverse range of facilities, such as office blocks, libraries or swimming pools. LCC usually has numerous simultaneous construction projects underway and oversees the operation of a large portfolio of facilities.

We have set up the LCC governance structures as described in the previous section, split into four parts: Enterprise, Business lines (Portfolio), Construction (Delivery) and Excellence (Enablement) as shown.

[3] The boundary between what is an is not managed by delivery management is highly context specific. For example, in a mature agile company, marketing could be handled through delivery management. In a less agile organization, this may be handled by a separate office needing extra coordination on portfolio level.


**FIGURE 2 GOVERNANCE STRUCTURE OF LCC, THE CONCRETE METAPHOR COMPANY.**

LCC is using the AZM. In the following sections we will dig into each of these four dimensions.

## 2.2 Enterprise Management


Here the strategic directions and goals of the complete organization are set. This affects all business, financial, technical, environmental, social, and political aspects. From these strategic directions, overarching **strategic themes** are identified and defined as measures to support the strategic goals.

### 2.2.1 Strategic Themes

These are the most important topics defining on a high level, in what strategic direction and with which topics the organization wants to move. They are set by senior management on a cyclical basis (e.g. annually) based on enterprise vision, goals, strategy roadmaps, projected potential and risk, budget, market situation, company capabilities, feedback from ongoing organizational initiatives etc. and give enterprise-wide guidance for decision-making and prioritization.

For a company like LCC a strategic direction could for example be to provide more environmentally sustainable buildings or focus more on transport. Resulting strategic themes could be to reduce CO2 emissions by a third or to go into a new business area like subway construction.

Most organizations will already have these, or similar functions and the Adaptive Zones Model requires no fundamental change on this level, however we do expect that on enterprise level, a high-level enterprise roadmap – describing what solutions are planned and expected when – is created and maintained.

## 2.3 Portfolio Management


The mission of portfolio management is to drive the value of a portfolio while following the strategic direction of the organization. Portfolio management identifies specific business and IT initiatives within their portfolio that support the strategic themes.

### 2.3.1 Portfolio areas

Typically, the portfolio of an organization will be split into a group of what we call portfolio areas. Portfolio areas represent a certain part of

the business like a specific product line or service that provides value to a customer. An organization can have one or more portfolio areas that together represent its overall business. For LLC, portfolio areas could be the "Business Lines" Transport (building airports, train stations), Commercial (office towers), Leisure (sport and leisure centers) and so on. Particularly in the digital world, where products and services are often interrelated, separating the business into portfolio areas that can be reasonably managed is not always obvious and easy. In telecoms, for example, portfolio areas could be areas such as infrastructure, broadband, mobile etc. A value stream analysis can help in determining a good breakdown of the portfolio areas; however, any choice will be a compromise since completely independent portfolio areas are not to be expected.

Once defined, portfolio areas typically remain relatively stable, new strategic themes may however impact the scope of existing portfolio areas, or even trigger new ones.

### 2.3.2 Portfolio Management Tasks

Within each portfolio area, we see the following tasks for portfolio management.

#### *2.3.2.1 Identify and manage portfolio initiatives*

Each Portfolio area uses the list of strategic themes to decide on which portfolio initiatives in their area should be further investigated or developed.[4] Portfolio management identifies, prioritizes and manages these initiatives and they can be ongoing, upcoming, or future initiatives. They should be managed towards the delivery units, evaluated and refined on an ongoing basis.

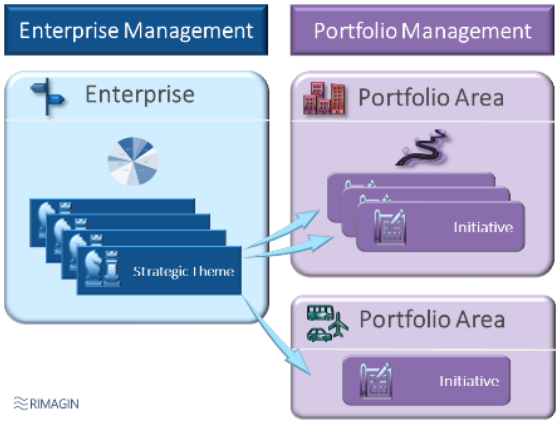


**FIGURE 3 PORTFOLIO INITIATIVES ARE GENERATED AND MANAGED PER PORTFOLIO AREA**

#### *2.3.2.2 Build and maintain a value stream overview and a Value-Stream-Capability-Map*

AZM concept. Portfolio management should over time develop an overview of the main value streams in the enterprise and understand which Capabilities (business functions) are used in which operational value streams. This is shown in the following figure where, for example, in step 1 of the operational value stream, the capabilities Marketing, Product Management and Sales are required to fulfil this step. Ideally, this view should be standardized[5] within the enterprise so that portfolio management can create common Value Stream Capability Maps (VSCM) which can be understood across the organization. This overview is important to understand which functions need to be touched, when implementing changes.

4 There are numerous approaches to this which we do not go into here. See for example LPM in SAFe.
5 There are numerous industry standard models which can be used for this such as eTOM, SCOR, PCF.

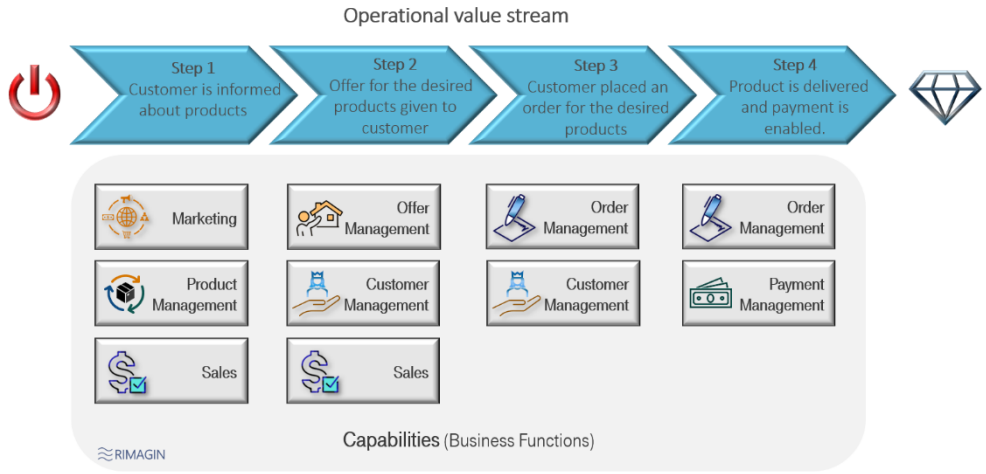


**FIGURE 4 CAPABILITIES ARE USED TO PROVIDE VALUE IN AN OPERATIONAL VALUE STREAM**

### *2.3.2.3 Build and maintain a portfolio roadmap*

Portfolio management builds and maintains a portfolio roadmap where portfolio initiatives are planned with more granularity for the coming cycles (e.g. for the upcoming 6 months) and less granularity looking further into the future. The roadmap highlights key goals per initiative and cycle. Individual portfolio area roadmaps should ultimately be consolidated into an enterprise portfolio roadmap.

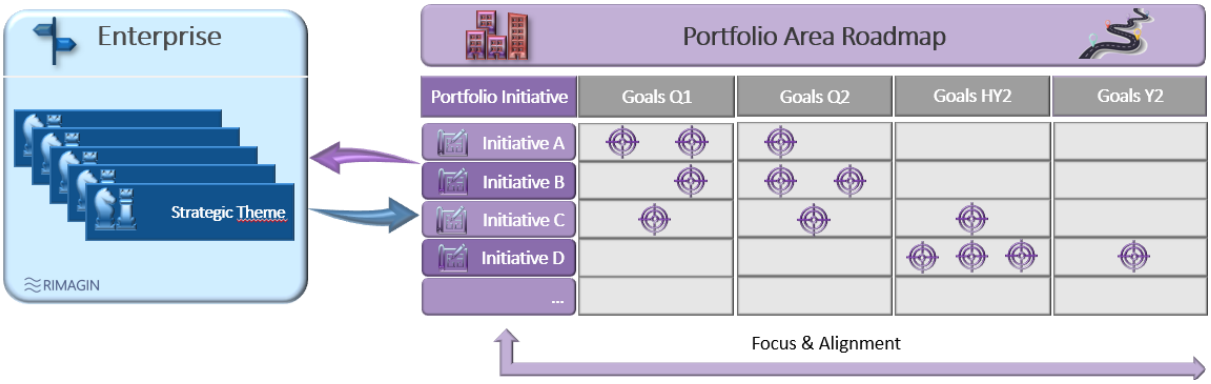


**FIGURE 5 PORTFOLIO MANAGEMENT – THE ROADMAP SHOWS THE GOALS PER INITIATIVE AND CYCLE**

### *2.3.2.4 Map Portfolio Initiatives to Capabilities.*

**AZM concept.** Using the value-stream-capability-map (see **Figure 4**), and the portfolio area roadmap (see **Figure 5**), portfolio management determines which initiatives need which capabilities to be developed or modified. This results in Portfolio-Initiative-Capability-Maps (PICM) for every planning period on the roadmap. We will see later that this is essential to enable teams to determine where they can provide the most value for the organization.

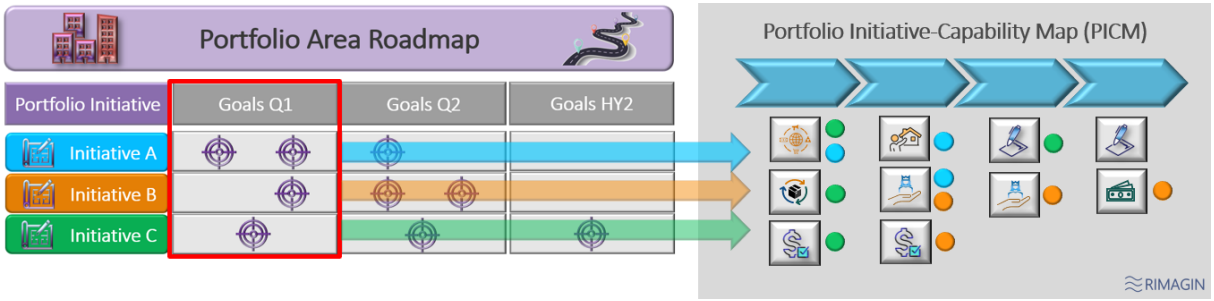


**FIGURE 6 WHICH INITIATIVE AFFECTS WHICH CAPABILITY IN THE NEXT PLANNING CYCLE.**

### 2.3.3 The value of the Portfolio Initiative Capability Map (PICM)

Within the context of this document the portfolio area roadmaps and consolidated enterprise portfolio roadmap have at least the following purposes:

1. To create transparency across teams and units so that they can best plan and coordinate their work for the upcoming cycles.
2. To give a longer-term view of skill needs to enable skill and competence management – this may include hiring and/or retraining.
3. To enable planning adjustments to align work where the same capability is impacted multiple times (either spreading this impact to avoid bottlenecks or condensing the impact to avoid repeatedly changing the same capability).

### 2.3.4 Example

For LCC, portfolio initiatives based on the strategic theme of "increased leisure amenities" could be a leisure center, swimming pool, or indoor ski-slope. An example of the transparency created by the portfolio roadmap could be identifying roadworks so that cabling and pipeline work could be consolidated.

## 2.4 Delivery-Management


Delivery Management plans, implements and delivers the initiatives defined on portfolio level – delivering finished products or services that customers use. It establishes the environment necessary for teams to organize, collaborate and reorganize as needed to sustainably maximize their contribution to value creation.

### 2.4.1 Zones

**AZM concept.** Delivery Management is structured into flat and flexible organizational units named zones.

#### *2.4.1.1 Characteristics of Zones*

##### *2.4.1.1.1 Exclusivity*

A zone is exclusively responsible for the development of one or more portfolio initiatives[6]. For LCC, a zone could be responsible for one or more construction sites. With the exclusive responsibility for any portfolio initiative assigned to a single zone, it is transparent across the business where the initiative is realized, governance is dramatically improved and effective bi-directional flow of information between portfolio area and zone can be established.

6 As we will see later, this does not guarantee that there will be some dependencies to other zones to realize an initiative.

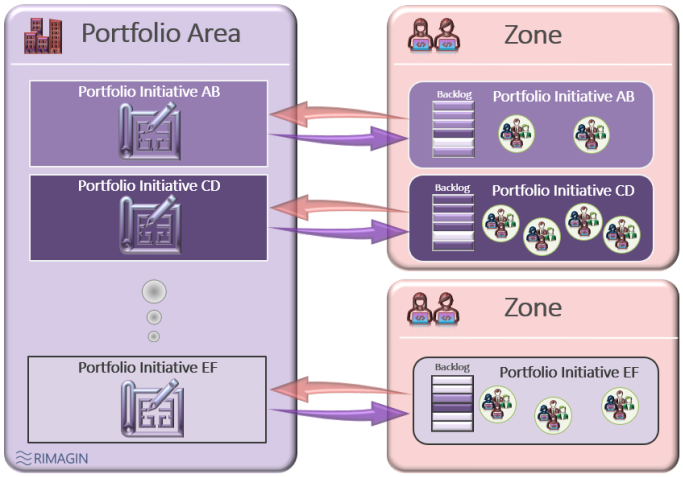


FIGURE 7 ZONES – A ZONE IS EXCLUSIVELY RESPONSIBLE FOR ONE OR MORE PORTFOLIO INITIATIVES

#### *2.4.1.1.2 Elasticity*

In the same way that different construction teams work on a building site for a period, so will development teams work for a portfolio initiative within a zone for a time. Teams work there for as many periods as their expertise is needed to fulfill the development needs and no other portfolio initiative has higher priority needs. Zones are not classical hierarchical structures for teams, they are the units that facilitate the work that needs to be done. Thus, they grow and shrink with teams joining or leaving the zone as the development needs of the portfolio initiatives change.

#### *2.4.1.1.3 Polymorphism*

As teams join and leave zones, the structures needed to optimize the collaborations of the teams within the zone may change. The ceremonies needed to enable this polymorphism is built into the model and should be applied as needed. For example, initially just a few teams may be working on a portfolio initiative and use a solution area to collaborate. As the number of teams grows, an ART may be established and as the development work winds down it may be possible to work on different parts of the solution separately with a few loosely aligned teams. The mechanism for flexibly assigning teams to portfolio initiatives is described in Portfolio Planning Event (PPE). The mechanism for agreeing the collaboration within a zone or portfolio initiative is described in Portfolio Initiative Collaboration Event (PICE).

#### *2.4.1.1.4 Supports bilocation of teams*

A key element of the model is that each team is functionally bilocated. This means that though each team belongs to a CORE with tasks related to maintenance and technical evolution of systems, it also belongs to a zone working on the development of new functionality. This combination of development and operations work at team level is an enabler for devops. See also here.

#### *2.4.1.1.5 Impermanence*

A portfolio initiative is temporary by nature. It exists as long as the building or technical solution is being built or extended. A zone, as owner of one or more portfolio initiatives, may disband once no further large-scale development on its portfolio initiatives is required. It may alternatively take on new portfolio initiatives. While a zone may exist for a few years, it is an impermanent structure. When the need is no longer there, the zone should be dissolved.

### *2.4.1.2 Dependencies between Zones*

Since a company does normally not have unrestricted team capacity, particularly for teams with specialized skills, there will usually be dependencies between zones and a portfolio initiative from one zone will need the specialized talents of a team in another zone. While a team is ultimately

responsible for its own backlog, to ensure that teams are not being overloaded with work from multiple zones, access to the team's backlog is through the zone. To ensure that zones do not "hog" teams with specialized skills potentially needed by other initiatives, portfolio management can give capacity allocation[7] guidance based on the portfolio roadmap which enables teams to place work from portfolio initiatives other than their own into their backlogs. The mechanism for flexibly assigning teams to portfolio initiatives is described in Portfolio Planning Event.

## 2.5 Enablement


Enablement maintains the systems and services which have been built by delivery management. This includes keeping the systems up and running as well as evolving the underlying technology and architecture and providing a suitable infrastructure to run, develop and deploy the products and services on these systems.

Additionally, Enablement provides a home base to teams and ensures that they are empowered in terms of capacity, accountability, and capability to maintain and enhance the systems within their area of expertise. It ensures that the capabilities of the organization are matched to the upcoming needs. In LLC, for example, "LLC Excellence" is responsible for the upkeep of buildings and in the broader sense, the upkeep of the teams. All the expert teams reside either as LCC employees or in partner companies here.

**AZM concept.** We combine both the upkeep of systems and applications as well as the line organization into one unit. The rationale is explained in the following section.

### 2.5.1 Centers of Operations and Resource Excellence (COREs)

The Enablement Organization is structured into functional areas we term COREs. As we will see these are more than simple line organizations.

COREs provide the expertise and peoplepower to the zones to realize portfolio initiatives from inception through to delivery and maintain the products thereafter.

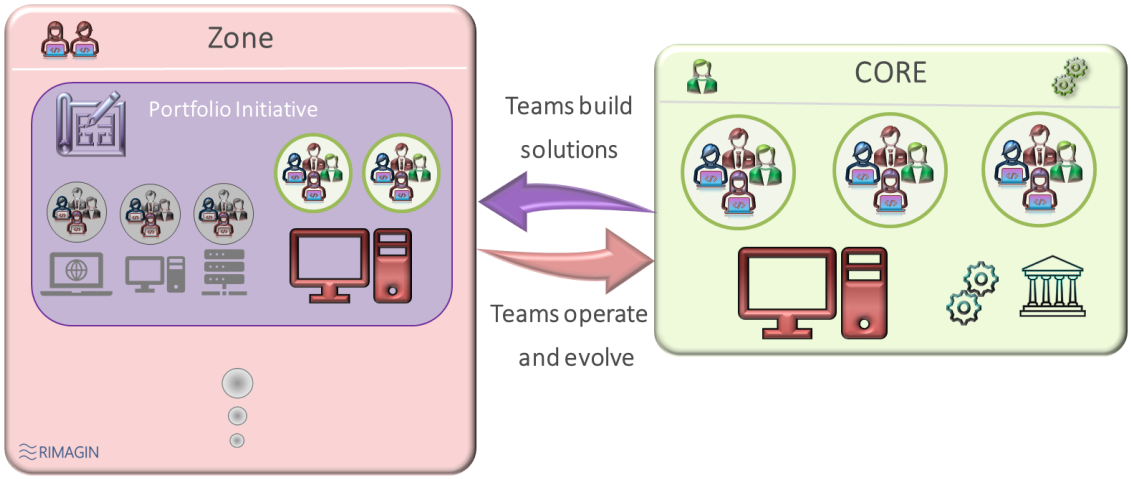


FIGURE 8 COREs, THE HOME BASES FOR TEAMS AND SYSTEMS

[7] Reserving a defined amount of capacity of a team or teams for specific tasks such as maintenance or accepting work from other teams.

#### 2.5.1.1 Characteristics of COREs

##### 2.5.1.1.1 Stability

COREs are stable organizational units with a long-term perspective. While over the course of its lifetime, a team may regularly move from one portfolio initiative or zone to another, always focusing on where it can provide the most value, it will normally remain in its CORE.

##### 2.5.1.1.2 Have a dual role

COREs have the dual roles of caring for employees as well as maintaining and operating the systems of the company.

Teams, and the individuals in the teams, need a stable home base, not only where their personal development and other needs are being addressed, but where meaningful work can be done. Without this anchor, teams treat portfolio initiatives or zones as their homes, causing pushback to change and reducing the organization's ability to reorganize around value.[8]

Having the experts and associated systems and solutions in the CORE maintaining and evolving them puts the COREs in the middle of the action and not in a parallel universe with no connection to the development work.

##### 2.5.1.1.3 Support bilocation of teams

Though a team (or teams) from a CORE will be working in a zone, responsibility for maintenance and technical evolution of systems they develop or enhance is allocated to a CORE. Thus, the experts who developed the system will belong to the CORE (or team) that maintains it which is an enabling factor for devops and further system, architectural and infrastructure evolution.

##### 2.5.1.1.4 Align competence development to portfolio organizational needs

When considering personal and team development, COREs map the enterprise roadmap which includes upcoming competence needs to current competence profiles to identify development needs and initiate plans accordingly.

#### 2.5.1.2 Designing CORE Structure

The structuring of the Enablement organization into COREs should broadly reflect the areas of competence needed to build and support the capabilities of the enterprise. COREs should be designed to ensure application stability and evolution, enable centers of Excellence to emerge and provide a stable base to teams.

There are various inputs which can be used to design the CORE structure. These include

- Strategic goals and objectives of the organization, telling us what sort of organization we want to be and what is important.
- Enterprise and portfolio roadmaps (including capability mapping), telling us what capabilities will be needed both short and mid-term.
- Team expertise (technical, functional and business), telling us on a team level what current competencies are available in the organization. Having teams with similar expertise in the same CORE supports peer exchange and gives opportunities to develop centers of Excellence.
- Current application landscape and team responsibilities, indicating possible synergies and constraints.

The CORE structure is recommended for all development teams and a team should belong exclusively to a single CORE. Teams could include specialists such as facilitators, coaches or architects. For these

8 We have repeatedly seen agile implementations where the line organization has little or no functional responsibility leading to teams associating with the development organization and the line fighting fruitlessly for relevance.

specialists, tasks and duties will be different and individual approaches to integrate these with the rest of the organization may be needed. It may make sense for example to allocate an architect to a zone for the lifetime of that zone[9]. Specialist structures should be minimized with the maximum amount of responsibility spread to the "normal" development teams.

We don't currently see great value in including supporting functions such as procurement or HR in the CORE organization but do not rule it out.

### 2.5.2 Teams

We focus on teams and not the individuals in the teams. When talking about competence, skill development or mobility, we are referring to the team, not the individuals.

When tackling more substantial and complex issues teams often need to collaborate not just within the team, but across teams. To collaborate with other teams, it is important that it is publicly known what competence and skills a team has, so that its value contribution can be optimized. In the next sections we introduce two terms essential for further discussion: contextual mobility and team competence profiles. The actual mechanisms used within the team (for example, scrum, kanban etc.) are relatively immaterial.[10]

#### *2.5.2.1 Contextual Mobility*

AZM concept. In a company like LCC, in a mature industry with high standardization, it is relatively easy to identify the expertise or skills of a team. We have carpenters, electricians, painters, fitters etc. and it is also known where and when these skills are needed during construction. These teams have contextual mobility, since they can apply their skills in different locations at short notice and need little contextual knowledge to provide their services. A team of painters may be working in a library one week and in an office block the next week needing little information about the nature of the location. As dynamic collaboration needs grow, so too does the value of contextually mobile teams.

#### *2.5.2.2 Team Competence Profiles*

In the IT world we don't have the standardization maturity that explicitly defines the expertise of a team independent of context. We still talk about software-developers, database-experts, DevOps engineers, system, or application managers. This is not sufficient. Building a software solution for a data analytics tool requires in-depth knowledge not-only of software development but also of data analytics, building a billing solution requires deep functional knowledge about billing, mediation, payment, and the customer base the solution is built for.

AZM concept. To start enabling contextual mobility, we enrich the definition of a team's technical expertise with both functional expertise i.e. which capabilities the team has expertise in, as well as business expertise i.e in which business or portfolio areas – such as B2B or mass market – it has deeper knowledge of. The team's combined technical, business and functional expertise builds its competence profile. For example, a team with a high competence profile of "B2B billing software development in Java" will be able to work in contexts (i.e. on portfolio initiatives) where the B2B billing capability of the enterprise needs to be enhanced.

9 We see the need for more investigation here.
10 It is normal for a scrum or kanban team to need to mold itself to the processes in which it is operating, and this is no different in Adaptive Implementation Zones.

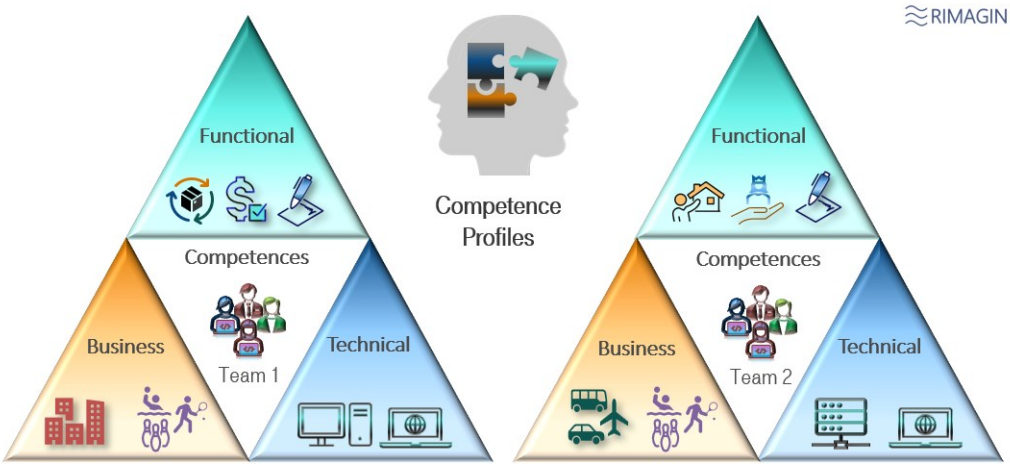


**FIGURE 9 TEAM COMPETENCE PROFILES.**

By evaluating and developing the team competence profile in a standardized way, teams take a massive step towards the contextual mobility needed by the enterprise.[11] Unambiguously identifying the portfolio initiative's competence needs (using the Value Stream Capability Map) and assigning the teams with appropriate competence profiles improves the company's ability to organize and reorganize around value. An enterprise should use a standard to describe its business capabilities. [12] Along with a common language, this provides the enterprise with a clear base for structuring its COREs and describing its competence profiles.

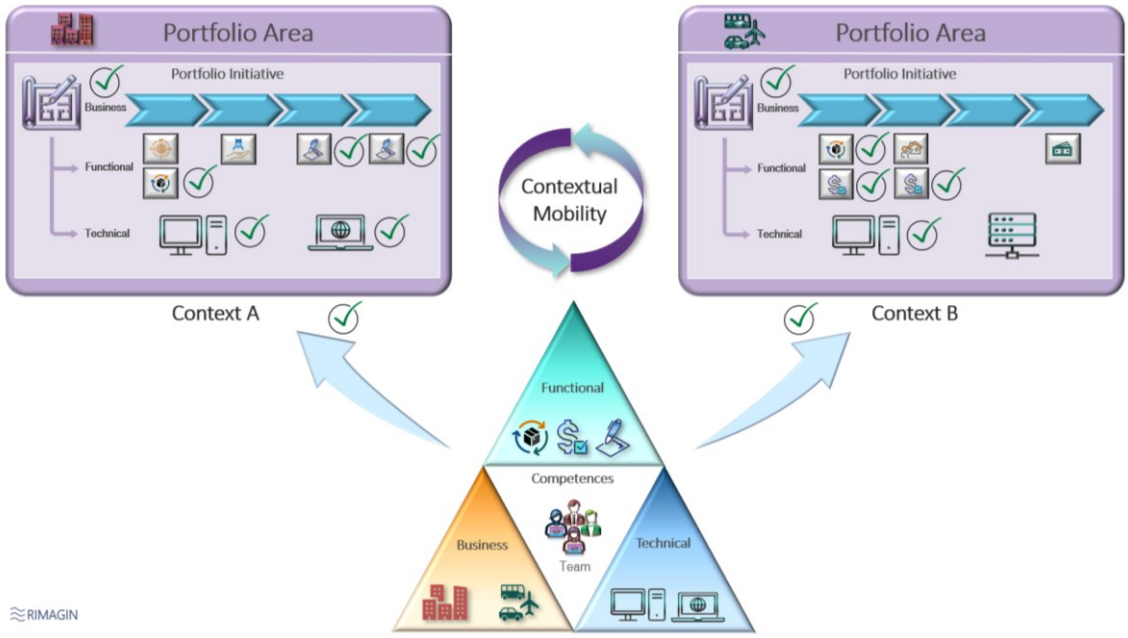


**FIGURE 10 ENRICHED, STANDARDIZED IT-TEAM-EXPERTISE DEFINITION FOR CONTEXTUAL MOBILITY.**

[11] A team competence profile alone is far from the only thing needed for contextual mobility. See the section "Making it happen" for more details.
[12] There are numerous standard models available (for example eTOM in the Telecoms industry).

# 3 Bringing the model to life

At this point we have an idea about the function and management tasks of the four governance dimensions. We know about key elements and artifacts, and about organizational units and their responsibility within the dimensions.

Now let's go back to the problems that we wanted to solve and provide a few answers.

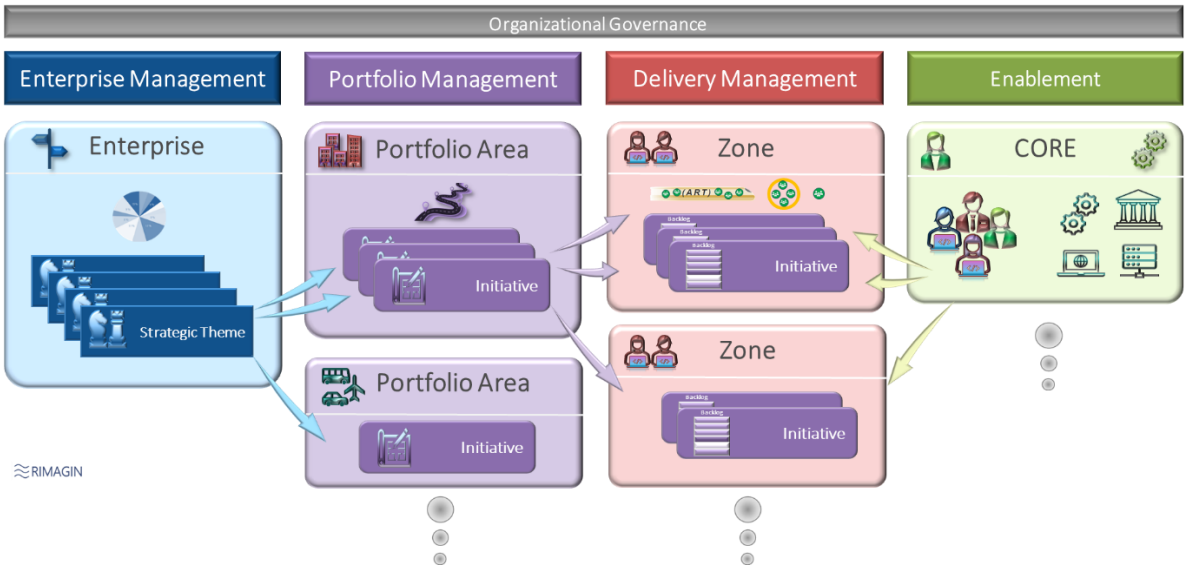


FIGURE 11 PUTTING THE PICTURE TOGETHER.

The three challenges around dynamic collaboration that we identified were:

- Dynamic Re-Organization - What organizational mechanisms or structures do we need to enable dynamic re-organization of team collaboration?
  - Assigning the implementation responsibility of a portfolio initiative exclusively to a single zone enables direct connection between demand and implementation, dramatically improving transparency and governance, enabling adaptability.
  - Zones exist to manage portfolio initiatives and are not permanent. They are established to create and maintain flow from ideation through delivery and to enable optimal team collaboration without defining rigid organizational structures with their associated inertia.
  - Within Zones, collaboration structures can constantly adapt, making change normal.
  - With transparent roadmaps highlighting expected capability needs, we can plan to have the right skilled people available as needed by the business.
- Emotional Freedom for changed collaboration - How do teams develop the intrinsic ability to collaborate in flexible structurea?
  - With operational responsibilities in the stable CORE organizations, teams have a meaningful home base and reduced emotional attachment to the development organization.
  - Zone and portfolio initiative structures are inherently temporary, making emotional attachment less likely.
  - Clear roadmaps aligned to strategic initiatives using standard language make a team's value contribution clearer aligning work around organizational goals rather than organizational units.

- **Effective Need-to-Competence-Mapping - How do we get transparency about what teams need to collaborate to fulfil the business needs and generate best value?**
    - Portfolio and enterprise roadmaps (including PICM) give clarity on what competence is currently needed and where.
    - With Team Competence Profiles, we know which teams can do what work making a mapping between need and fulfilment possible.
    - Collectively we term these mechanisms Portfolio Initiative and Team Alignment (PITA).

Further, through bilocation of teams (in both enablement and delivery), in any new development operational aspects are considered from the start. By grouping teams in functionally aligned COREs with responsibility for application maintenance and evolution we ensure that these aspects are considered.

To get this model to work, we need transparency, trust, and alignment. Transparency creates trust and their combination creates alignment. For the remainder of this chapter, we will focus on the relevant artifacts and events required in each of the four dimensions to bring the model to life and to create the transparency on which trust can be built, and alignment achieved.

Additionally, though we need clear responsibilities, the principle of Minimum Necessary Alignment (MNA) should always apply. That means that rules and regulations should be as few as possible and as many as necessary; no meetings are given as essential and regular review should take place to understand if alignment could be achieved with less effort.

During implementation, MNA, an iterative approach and considering the specific needs of the organization is important. At each step, these questions can be asked:

- Are there current artifacts or events which fulfil this purpose, or can we adapt existing ones?
- If we are implementing a new artifact or event, what needs to be stopped?
- Are there parts of the description which do not apply in our context?
- What can we learn from this implementation step?
- Is there are simpler way to achieve the same goal?
- How can we maximize the benefits of this implementation step?

## 3.1 Dimension Strategic Governance

This dimension sets the strategic directions and goals of the complete organization.

### 3.1.1 Artifacts

The primary artifacts generated in this dimensions which are relevant for this model are:

- Goals, Vision etc. – these are the standard expected outputs of this level and are not further detailed here.
- Strategic themes. This is a list of the high-level measures to achieve the strategic goals, together with guidance on how much budget shall be spent on which of them and expectations of outcome. The motivation for this is to provide clear direction to the rest of the organization for decision making and planning. An example of this for LCC could be to move into building leisure facilities and for a telecommunications organization, it could be to provide more media content.
- Enterprise Roadmap: a combination of portfolio area roadmaps, ideally including their PICM aspects.
- Portfolio and CORE structure. The strategic dimension provides guidance on the structures of the dimensions, Portfolio Areas, COREs and, if necessary, Zones.

### 3.1.2 Events

We assume that goals, vision, strategic themes and the enterprise roadmap are developed, refined and maintained in one or more events on enterprise level. We also assume that guidance on organizational structures (such as portfolio areas, zones or the CORE organization) is provided by the enterprise dimension.

## 3.2 Dimension Portfolio Governance

Portfolio Management drives the value of a portfolio within its business context by initiating portfolio initiatives that support the strategic themes.

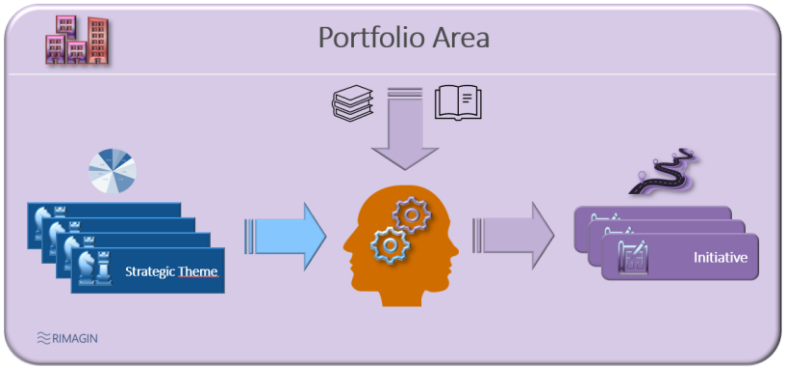


FIGURE 12 DERIVING PORTFOLIO INITIATIVES FROM ENTERPRISE STRATEGIC THEMES.

### 3.2.1 Artifacts

The primary artifacts generated per portfolio area in this dimension which are relevant for this model are:

- Value Stream Capability Map (VSCM) – the description of the main operational value streams within the portfolio and the required capabilities to support them.
- Portfolio area and enterprise portfolio roadmaps containing all active and planned initiatives with information on goals
- AZM concept Portfolio-Initiative Capability Map (PICM) – an extension to the VSCM which includes the mapping of current and planned portfolio initiatives to the capabilities required to realize the portfolio initiative.
- Supporting information such as weighting and budgeting of the initiatives, guardrails and capacity allocation guidelines.
- AZM concept A Zone to Portfolio Initiative Map – a list of all currently active zones and their assigned portfolio initiatives
- AZM concept A Team to Portfolio Initiative Map - a list showing which teams are working for which portfolio initiative in the upcoming planning cycle.

### 3.2.2 Events

#### *3.2.2.1 Value Stream Analysis and Business capability Workshops*

AZM concept. To generate the Value Stream Capability Map (VSCM), the analysis and standardized documentation of the operational value streams and their supporting capabilities usually needs to be done in one or more workshops. For larger enterprises, this may be a large effort, and we recommend an incremental approach, so that the first benefits of the model can be reaped before the entire VSCM is available. Where possible, we recommend using industry standard models to ensure standardization.

Once the initial effort has been made for one part, the results can be used and maintained in all other events. Since operational value streams are generally relatively stable, only occasional adjustments to the model will be required.

#### 3.2.2.2 Regular Portfolio Management Meetings

Some regular portfolio meetings are needed. SAFe for example recommends participatory budgeting, strategic portfolio review, and a portfolio sync meeting. Whatever meetings are established for the Portfolio area, these regular meetings should be adapted to address the following AZM related points:

- Adjusting any cross-Zone or cross-Portfolio area guardrails such as capacity allocation.
- Updating the Portfolio Initiative Capability Map (PICM)
- Maintaining alignment across the portfolio areas and the Zones within the Portfolio Area
- Solving portfolio impediments across the Portfolio Areas and the zones within the Portfolio Area
- **AZM concept.** Maintaining the Zone to Portfolio Initiative Map (this should be synchronized to the planning cycles).

#### 3.2.2.3 Portfolio Planning Event

**AZM concept.** Each portfolio area runs this event per planning cycle. Its purpose is to assign teams to initiatives, generating the Team to Portfolio Initiative Map for the upcoming planning. The size of the meeting depends upon the scope of change – if there is little change, the meeting could be a short review for example. For a major change or restructuring of a portfolio area, it could be anything up to a 2-day event. Where appropriate, the event can be integrated into existing events.

In the event, portfolio roadmaps are reviewed, and based on identified needed capabilities per portfolio Initiative, the necessary team skills for the forthcoming period are established. Existing Team mapping is evaluated to identify, based on team competence profiles, possible conflicts, gaps or optimizations. Team assignment changes are agreed.

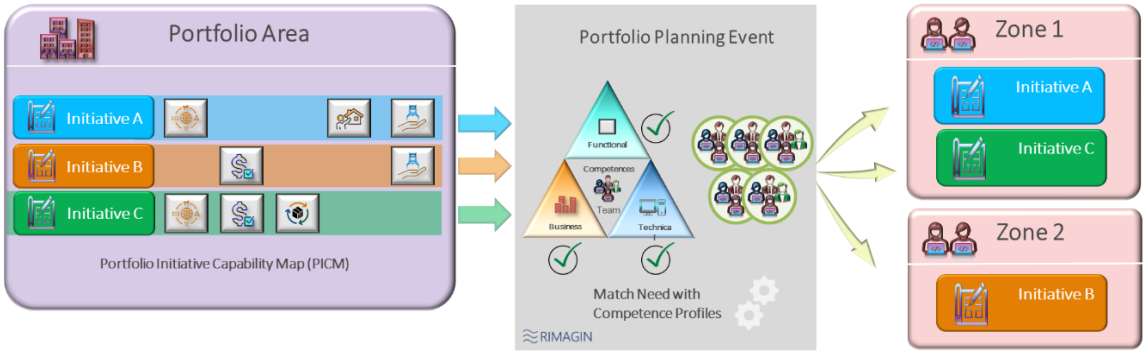


FIGURE 13 PLANNING CONFERENCE – ALLOCATING BEST MATCHING TEAMS TO PORTFOLIO INITIATIVES.

During the process of assigning teams to portfolio initiatives, the following aspects can be used to help decision-making.:

1. What disruption a change in a portfolio initiative within or across zones would bring.
2. Available team capacities for initiative implementations.

At the end of the planning event, the teams should be allocated to initiatives for the next cycle. In addition, any identified cross-zone dependencies should be addressed.

## 3.3 Dimension Delivery-Management

In this dimension the planning, implementation and delivery of the Portfolio Initiatives is organized and executed.

Zones, which build the organizational base for the implementation, can be responsible for one or more portfolio initiatives.

### 3.3.1 Artifacts

The primary artifacts generated in this dimension which are relevant for this model are:

Per Zone:

- Defined zone steering structure – the mechanisms used for steering and organizing the zone Per Portfolio Initiative:
- Defined team-collaboration structures for each portfolio initiative within the zone (e.g. a portfolio initiative may be set up as a NEXUS Group or Scrum of Scrums).
- Portfolio Initiative Plan – this is a roadmap for the portfolio initiative with more detail for the imminent planning cycles.

### 3.3.2 Events

#### *3.3.2.1 Zone set up or change*

When a new Zone is initiated, some events are required to establish the basic organization and running of the Zone. Refinement may be needed if portfolio initiatives are added to (or removed from) a Zone. In setting up a zone, a lean approach should be taken – Zones are temporary organizations designed to build and deliver initiatives.

#### *3.3.2.2 Zone synchronization and working meetings*

A synchronization event or events will most likely be necessary within a zone or across zones within a portfolio area to coordinate any dependencies between Portfolio Initiatives. We recommend a zone steering meeting and if required, interzone or intrazone synchs depending on the coordination need. Where necessary, cross-zone or cross Portfolio-Initiative working meetings can take place. If the coordination effort over time remains high, this might be an indication that the zone structure or team mappings is suboptimal.

#### *3.3.2.3 Portfolio Initiative Collaboration Event (PICE)*

**AZM concept.** A key aspect of the Adaptive Zones Model is that the organizational set-up per portfolio initiative is designed to change and adapt to the current collaboration needs. This is managed by the Portfolio Initiative Collaboration Event (PICE) which enables a portfolio initiative to cyclically reorganize or adapt collaboration models.

In the PICE, the teams or representatives of the teams which have been assigned to the portfolio initiative for the upcoming cycle will evaluate their collaboration needs and decide which collaboration model is most appropriate. These could be anything from a large solution, an ART or ARTs, Solution Areas, individual teams, S@S models etc. Whatever structure is chosen, it should be considered a temporary structure which could potentially be disbanded at the next collaboration event.

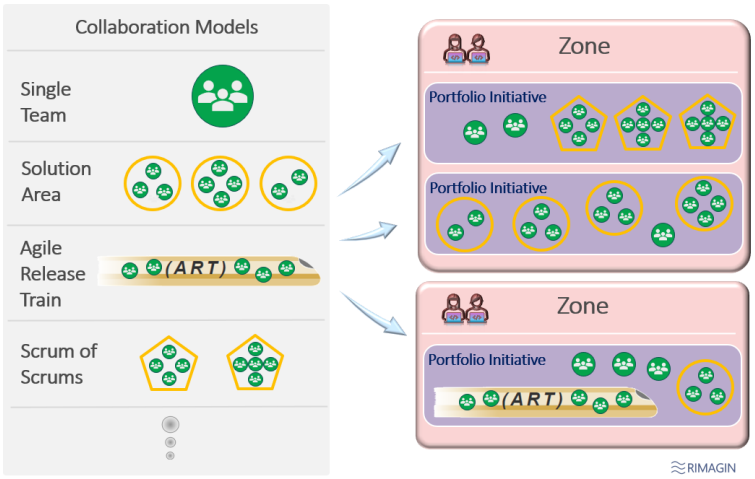


**FIGURE 14 POSSIBLE COLLABORATION MODELS FOR PORTFOLIO INITIATIVES.**

When a new Portfolio Initiative is assigned to a Zone the PICE – anything up to a two-day event – is used to decide on the basic team collaboration structures and models used for the initiative. However, once the initial setup has been established, we recommend tuning the PICE to the collaboration change need every planning cycle. If there are no new collaboration needs, the PICE should not take place, if changes are minor (e.g. one new team joins the Portfolio initiative), the PICE can be scaled down accordingly.

Each portfolio initiative may have its own PICE or, if appropriate, multiple portfolio initiatives can combine and have one event for the complete zone.

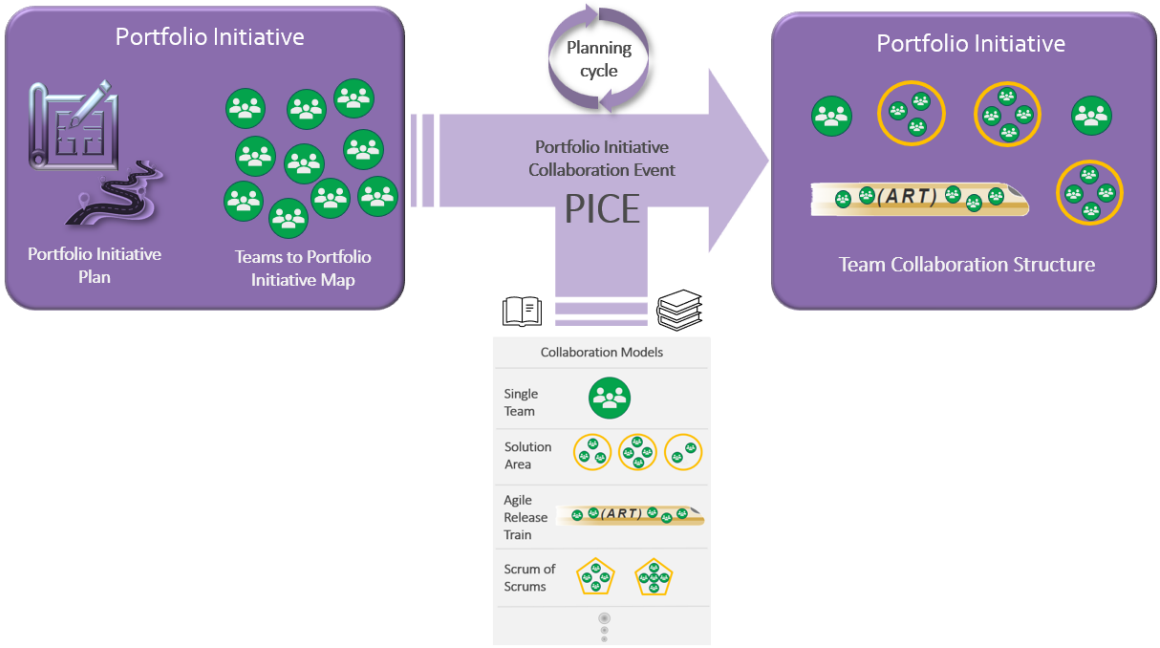


**FIGURE 15 PORTFOLIO INITIATIVE COLLABORATION EVENT (PICE) – DEFINE THE TEAM COLLABORATIONS.**

### *3.3.2.4 Portfolio-Initiative Internal Meetings/Workshops*

Within the portfolio initiative, governance, meetings and events are set up according to the selected model. For example, if the teams decide to set up as an ART, PI-Planning events etc. are used accordingly.

## 3.4 Dimension Enabling

The enabling dimension is structured into COREs which are organized to fulfil their dual roles as

- centers of excellence and owners of the systems and applications which belong to that CORE and
- home bases for the teams, handling team dynamics and personal and team development.

### 3.4.1 Artifacts

The primary artifacts relevant for the model are:

- Overview of the Enablement organization – an organizational overview, containing the COREs and their responsibility areas mapped to relevant information such as system responsibilities.
- Competence development roadmap aligned to portfolio roadmaps.
- Organizational competence map
    - Team competence profiles, defined according to a company standard.
    - Capacity information along competence profiles – which teams with which competence profiles are available (used to identify possible competence development needs)

### 3.4.2 Events

There are two types of events in the enablement organization:

- Organizational and Competence Development Events – which focus on the organization and team development
- Operational events which focus on product and application operation and evolution.

#### *3.4.2.1 Organizational and Competence Development Events*

##### *3.4.2.1.1 CORE Organization Meetings*

To develop and manage the organizational overview, the guidance from the strategic enterprise function is the main source of input. Assuming a hierarchical enablement organization, there will be a need on different levels to have detailing and scoping meetings (which COREs are in which units, which teams are in which COREs etc.) We call these CORE organization meetings, and they should take place on an as-needed basis driven by changes agreed in the strategic enterprise function. Participants in these meetings depend on the type of organization. Normally, we would expect each CORE or unit to have a lead, coach or coordinator who would represent the interests of the COREs or teams in such meetings.

##### *3.4.2.1.2 Competence Alignment and Guidance Meetings*

AZM concept An important aspect of the Adaptive Zones Model is the systematic alignment of competence development with the Portfolio Initiative Capability Map (PICM) and roadmaps – telling us what competences are needed when. Here we recommend either using a portfolio planning meeting (or if necessary an additional meeting) to identify misalignments (too much or too little competence in certain areas) and to give competence guidance to teams.

##### *3.4.2.1.3 Team Competence Profile and Development Meetings*

A mechanism is needed to determine the competence profiles of the teams and to plan for changes. The meeting structure used is highly dependent upon organizational maturity and we recognize that introducing a new competence profile for teams has a large change management aspect, requires careful planning and communication.

For Team competence profile determination, empirical methods and self-assessments can be valuable and for competence development planning, we appreciate that team interests and self-defined goals as well as organizational competence needs should play a significant role.

We see benefit, where teams are enabled to manage their own competence development.

#### *3.4.2.1.4 CoP and CoE related Meetings and Events*

CORE s and groups of CORE s may become centers of excellence in specific areas such as billing or big data. A meeting structure is required to grow and drive knowledge gain in these areas – and to avoid knowledge silos emerging. The outcome of these meetings or events may drive input for both a portfolio and the operational CORE work.

### *3.4.2.2 Operational CORE Events*

Since the CORE units are responsible for maintaining and operating the systems, operations and enabler work as well as minor product enhancements are planned here. Particularly, when more than one team is involved, alignment events may be necessary. To avoid overloading the teams with planning work both from the CORE and the delivery organizations, we recommend here a planning approach for this activities which is as light as possible. This entails the following principles:

- Governance wherever possible through intent.
- Enabler work generated bottom-up as much as possible (i.e. teams define their enabler work themselves).
- Use of capacity allocation mechanisms.

A possible structure could be bi-weekly synching on operational topics per application which drives the continuous improvement of the application, bug-fixing etc. and feeds the team backlogs using agreed capacity allocation.

Strategy driven evolution of technology, architecture or infrastructure may result in significant development initiatives with the involvement of many teams across various competences. Such initiatives are not planned and implemented by the CORE organization. They must be treated as Portfolio Initiatives, planned and implemented by the delivery organization within zones.

If a maintenance, improvement, or non-functional requirement needs coordination above and beyond 2 or 3 teams, multiple applications or the participation of multiple CORE s, it probably should also be handled by the delivery organization.

### *3.4.2.3 Enablement Participation in other events*

A small number of people in the Enablement dimension will serve and represent the CORE s by managing alignment across the dimensions, joining for example strategic prioritization meetings, identifying competence development needs, agreeing capacity allocation, guiding alignment and the determination of team competence profiles, and using available planning artefacts such as the portfolio roadmaps to maintain a competence development roadmap. These tasks may be handled by team leads or coaches, but could also be handled by a small, dedicated unit.

# 4 Conclusion

## 4.1 Summary of identified Advantages.

We see the following advantages when setting up an organization according to this model:[13]

- Incremental Improvements. Most of the concepts described provide in themselves added value, meaning that even small changes towards AZM can provide benefits.
- Clear mapping between initiatives and development responsibility. Direct responsibility for a portfolio initiative lies exclusively with one zone.[14] This provides massive benefit to both the owner of the initiative from a business perspective and the delivery organization since communication is clear, business is not required to run around looking for units to develop its requirements, changes and results can be directed through a single channel.
- Less obfuscation. The 1:1 mapping and allocation of teams to a portfolio initiative reduces the temptation to promise while knowing that the chances of delivery are low. Here, there is a clear responsibility chain with corresponding understanding of accountability.
- A more realistic roadmap. Through a transparent portfolio roadmap, team competence profiles and team capacities using a common language, roadmaps become understandable and decipherable across the organization. This improves planning and provides early warnings on potential problems or issues.
- Reduced Bottlenecks
    - Since capacity conflicts and issues are transparent through the clearer roadmap, they can be addressed ahead of time and the problems mitigated through planning adjustments or timely competence development planning.
    - Dynamic team organization allows teams that have high collaboration needs to work together for the time needed for the collaboration. This reduces handover volume and effort (transaction cost), reducing waiting times and bottlenecks.
- Accelerated Decision-Making: With the freedom to form collaborations, teams can make quicker decisions related to task assignments, prioritization, and problem-solving. This agility in decision-making improves responsiveness to changing circumstances and helps maintain a steady flow of work.
- Optimized Resource Utilization: By allowing teams to organize dynamically, organizations can better utilize their resources. Teams can align their expertise and skills with the specific requirements of initiatives, optimizing resource allocation and ensuring that the right people are working on the right tasks at the right time.
- Targeted upskilling activities. The transparency of roadmaps and competence profiles enables better and more targeted upskilling activities.
- Enhanced Knowledge Sharing: flexible groupings of teams foster inter-team knowledge sharing and collaboration. With adaptive constellations of collaborating teams, these teams are exposed to new perspectives, techniques, and ideas. This increases the collective knowledge and capabilities of teams, promoting continuous learning within the organization.
- Increased Adaptability: As dependencies between teams change and teams are required to dynamically organize with other teams, they become more adapt at flexibly reorganizing, creating a reinforcing loop making dynamic reorganization normal.

[13] The advantages listed here are not all in themselves achieved solely through the Adaptive Implementation Zones Model. For example, increased team satisfaction and enhanced transparency relies heavily on creating a psychologically safe environment; autonomous team collaboration, requires a level of team maturity before it can be attempted etc.

[14] This does not mean that the entire development must take place within that zone.

- **Improved Communication and Collaboration:** fluid team organizations promote effective networks. Teams can build relationships with other teams, establish clear communication channels, and align their efforts more closely.
- **Improved transparency:** a prerequisite for dynamic reorganization is a clear roadmap and a well-defined and prioritized backlog. These artifacts become the main sources for organizational decision making but can also be used by product and senior management as a base for decision making. Portfolio Initiative and Team Alignment (PITA) provides clarity on what skills are needed to get things done.
- **Mitigated Risks:** By allowing teams to flexibly organize, the risks associated with rigid dependencies can be mitigated. If a particular zone encounters challenges or resource constraints, other teams can step in to provide support or even move to that zone to ensure progress and continuity. Additionally, incident and problem management – managed through the COREs – can be properly staffed along application and/or functional lines, and in serious cases, can respond as appropriate with sufficient urgency.
- **Increased team satisfaction:** Through increased transparency (seeing what value they provide) and the ability to influence in which zones they work, team satisfaction and motivation increases. Additionally, the team has a clear and meaningful home base providing security and the ability to develop.
- **COREs become Centers of Excellence:** Since COREs are organized around business and functional needs, they become centers of excellence and consultants for the business organizations.
- **Better solutions:** Since COREs provide the home for the teams there is less need for teams to keep an application, which teams use as their home base, alive by implementing new solutions on it although it is not the best choice for the solution.

## 4.2 Areas of further investigation

Numerous areas have been identified for further investigation:

- **Alignment of business and IT governance to the model:** Governance, both in business as well as in IT, should follow the model so that the advantages listed previously can be fully realized. A more complete investigation of prerequisites/enablers – particularly on the business side – is desirable.
- **Enterprise – LPM:** The entire model is scalable beyond portfolio areas to enterprise level. This requires further enterprise portfolio collaboration events using the enterprise roadmap to identify/optimize team allocation and planning on an enterprise level. A more detailed investigation of LPM on enterprise level and the associated events and artefacts is outstanding.
- **Handling Cross-Portfolio-Area dependencies:** It is rare that each team fits exclusively into one zone and has no dependencies or residual activities to/from other zones. While organizations will have some coordination mechanisms, their integration with the model needs further investigation.
- **How to ensure COREs get enough "time" to do the operations work:** COREs are equal partners in the decision-making process for prioritization of work. We have yet to fully investigate precisely how this should work. Our expectation is that a mechanism such as capacity allocation should be applied, but an alternative could be that the teams take responsibility for

their operative work (and what volume of the total amount it entails), with only intent passed from senior management.

- **Avoiding resilofication:** It is to be expected that longer-lived and more stable zones will over time develop their unique character and culture. This is a positive thing but bears some risk. The zone is a temporary organization and should not become a permanent structure.
- **Maintaining Organizational alignment**: There may be a need – on strategic, portfolio or cross-CORE level – for an alignment group defining minimum necessary alignment rules to ensure that teams can seamlessly move between zones. This could include guidelines for terminology or behavior. For example, COREs could introduce best-practice guides for rotating out of a zone after a maximum duration.
- **Blueprints**: We are currently building blueprints for the processes described here (e.g. how should a portfolio planning event run, who should be there etc.), as a toolbox for implementing organizations.
- **Implementation roadmap:** We are also developing guidance for implementing organizations about how they should start implementing these approaches. We would like to investigate compatibility to existing frameworks such as SAFe, where we identify at what stages in a SAFe implementation, the concepts here can be used to address the questions that SAFe does not answer.

## 4.3 Making it Happen

As for all major change initiatives, there is ample literature on managing change, so this section highlights only those aspects relevant to this model.

For a successful transformation, we have highlighted the need for transparency, trust and alignment. Beyond this, an enterprise needs to build a culture of resilience – the ability to deal with unknowns and build learning into the DNA of the company. This requires convincing and convinced leadership – without this, the transformation will fail.

The enterprise will need to develop enterprise-wide collaboration. This will not happen by chance and should be actively pursued using tools appropriate for the current dynamic of the organization.

To enable transparency, an enterprise must embrace the concept of psychological safety, making it more valuable for people to share than to hide information and ideas.

The transformation should be incremental and iterative, many individual parts of the model bring – in themselves – benefits and this can be used to reap benefits early, limit risk and reduce net cost.

In the initial phases, a transformation team is required to drive the change and guide the enterprise on its transformation path. Since change is built into the model, this team should not be permanent. There is no exact recipe for how to execute the transformation, since every company is unique and faces unique challenges, however we do recommend using experienced change experts, start small, and learn as you go.

# 5 Terminology and other information

## 5.1 Authors and reviewers

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## 5.2 Terminology

**Adaptive Zones Model (AZM):** The full model described in this document, showing how transparency can be achieved, structures can be established, and teams can be motivated to constantly organize around value, maximizing flow of value to the customer and for the organization.

**Capability:** A stable, modular, and contained business function with a specific purpose. For example, B2B bill calculation.

**Capacity Allocation:** An agreed split of available capacity, normally between functions so that teams can manage their backlogs (e.g. 40% delivery work, 40% maintenance and operations, 20% non-functional requirements)

**CORE (Center of Operations and Resource Excellence):** A stable organizational unit comprising teams with similar competence profiles. The CORE has a dual role as center of excellence within a functional area for systems and applications within that area and as a home base for the teams, handling team dynamics as well as personal and team development.

**Contextual Mobility:** The ability of a team to move from one context (portfolio initiative) to another.

**Development Value Stream**: The sequence of steps from an idea to enhancement of an operational value stream (e.g. producing a new ice-cream flavor which is available in the operational value stream).

**Minimum Necessary Alignment (MNA)**: The principle of having sufficient alignment to enable communication and direction, but no more, so that teams have the highest possible autonomy without damaging the goals of the organization.

**Portfolio Initiative and Team Alignment (PITA)** This is the mechanism of aligning business requirements - termed portfolio initiatives – with available teams, thus creating the foundation on which adaptive team collaboration can take place. PITA encompasses the concepts of Value Stream Capability Mapping (VSCM), Portfolio Initiative Capability Mapping (PICM) and Team Competence Profiles

**Operational Value Stream:** A customer-driven value stream – from customer/request or need to fulfillment of that need (e.g. a child as the customer requesting and receiving an ice-cream)

**Portfolio Initiative:** A value bringing initiative typically requiring participation from numerous teams. In SAFe, this could be referred to as an EPIC. Development responsibility is owned exclusively by a zone. A portfolio initiative may be concluded in less than three months but may take years to complete. Portfolio initiatives may be initiated by a business area or an IT area.

We sometimes refer to the group of teams that is tasked with implementing the portfolio Initiative in the IT organization as a portfolio initiative itself. Its structure is polymorphic

**Portfolio-Initiative Capability Map (PICM)**: An extension to the Value Stream-Capability-Map (VSCM) which includes the mapping of current and planned portfolio initiatives to the capabilities required to realize the portfolio initiative.

**Portfolio Initiative Collaboration Event (PICE):** An event to find and decide about team-collaboration structures for the next planning cycle of the implementation of a portfolio initiative.

**Portfolio Planning Event (PPE):** An (for example quarterly) event on portfolio level to generate and maintain, a list of all active zones and their assigned portfolio initiatives as well as to map which teams are working for which portfolio initiative in the upcoming planning cycle. Additionally, high-level planning can be done, and portfolio roadmaps can be adjusted based on the results of the planning event. Each portfolio holds its own planning event.

**Team Competence Profile:** A description of the competence of a team measured in technical, functional, and business terms. Competence profiles should be standardized across the organization to enable contextual mobility.

**Team to Portfolio Initiative Map:** A list of which teams are working for which portfolio initiative in the upcoming planning cycle. It is maintained by portfolio management.

**Value Streams**: A sequence of steps from perceived need to fulfilment of that need.

**Value Stream Capability Map (VSCM):** This is an overview of what business capabilities are used to provide what operational value stream steps. For example, an operational value stream step such as "initial customer contact" may include capabilities such as marketing, analytics, campaign management etc.

**Adaptive Implementation Zone:** Medium-term organizational structure charged with executing the development for one or more portfolio initiatives.

**Zone to Portfolio Initiative Map**: Within each portfolio areas, this is a list of all currently active zones in the portfolio area and their assigned portfolio initiatives. During the portfolio planning event, the map can be extended to include the team assignments to each portfolio initiative.

## 5.3 Copyright



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