AIRFRANCE KLM GROUP

A JOURNEY into Lean Agile Portfolio Management

Innovation Portfolio Management for Commercial Domain In Air France KLM

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Remerciements à nos sponsors et partenaires

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Commercial, Marketing & Digital

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Commercial, Marketing & Digital

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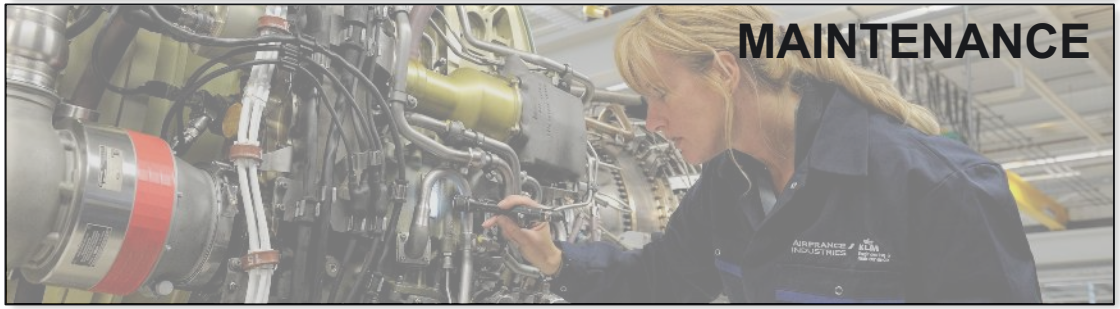

+500 Aircrafts

+100 Countries

+300 Destinations

~20Bn€ turnover

+100M Passengers

+10M Loyalty Members

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Commercial Innovation Portfolio

PRODUCT DEFINITION	NETWORK PRICING & REVENUE MANAGEMENT
CUSTOMER KNOWLEDGE	B2B – B2C MARKETING LOYALTY PROGRAM
SALES CAPABILITIES & DISTRIBUTION CHANNELS	DISTRIBUTION DIGITAL CALL CENTERS
SERVICE TO OUR CUSTOMERS	SELF SERVICING COMMUNICATION CHANNELS
DECISION SUPPORT	BUSINESS INTELLIGENCE

+1000 team members

~150 product teams

11 ARPs!

Since 2016 we deal with Agile Release Planes, not trains!

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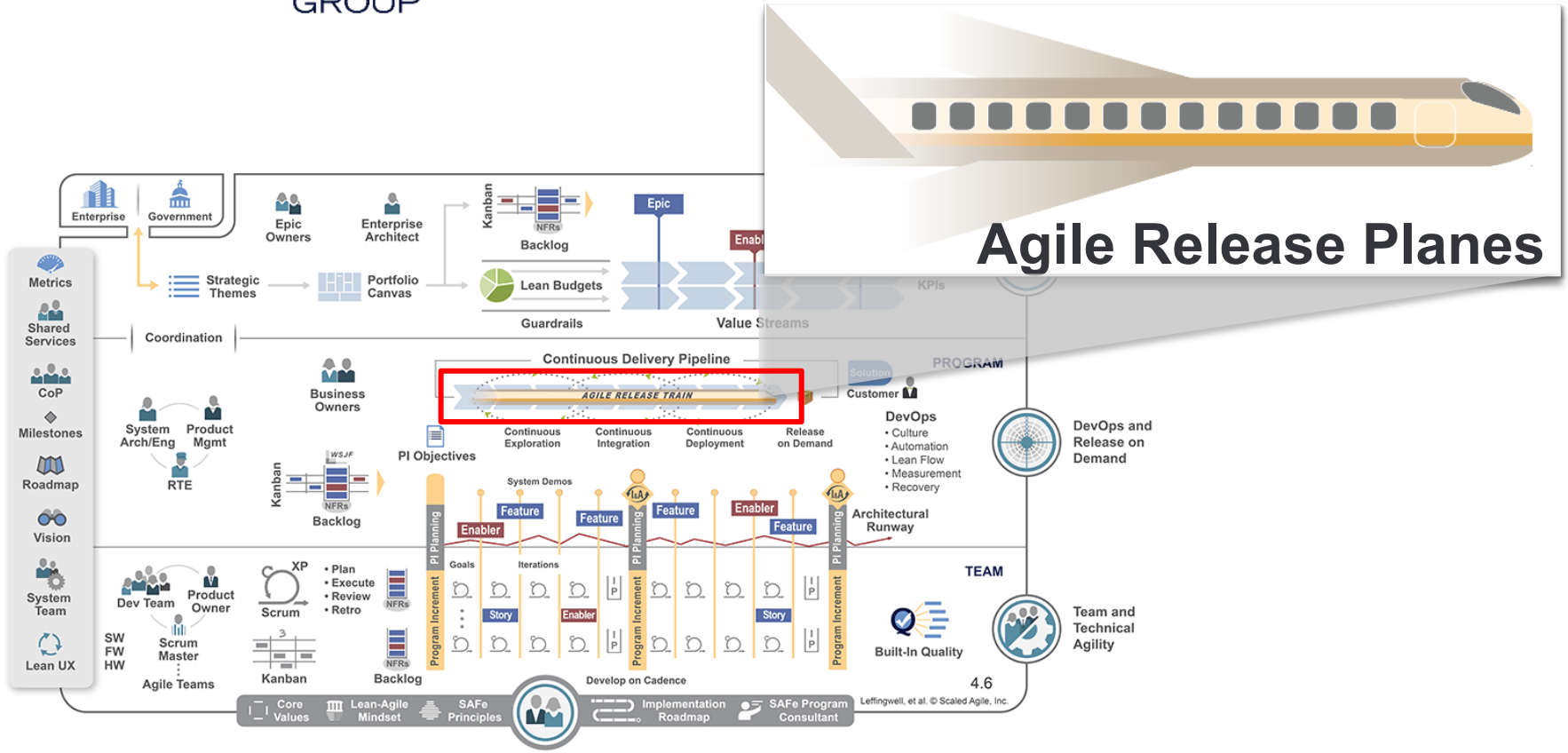

Adopting SAFe, we created the first 3 ARPs, with a great mindset…

PI#3 - Digital ARPs in 2016

…but without a proper orchestration we were creating our own bottlenecks

- Large variety of stakeholders (some not working Agile)
- Scattered strategies leading to overlapping ambitions
- More and more transversal dependencies

We started adopting Portfolio Management in Digital domain

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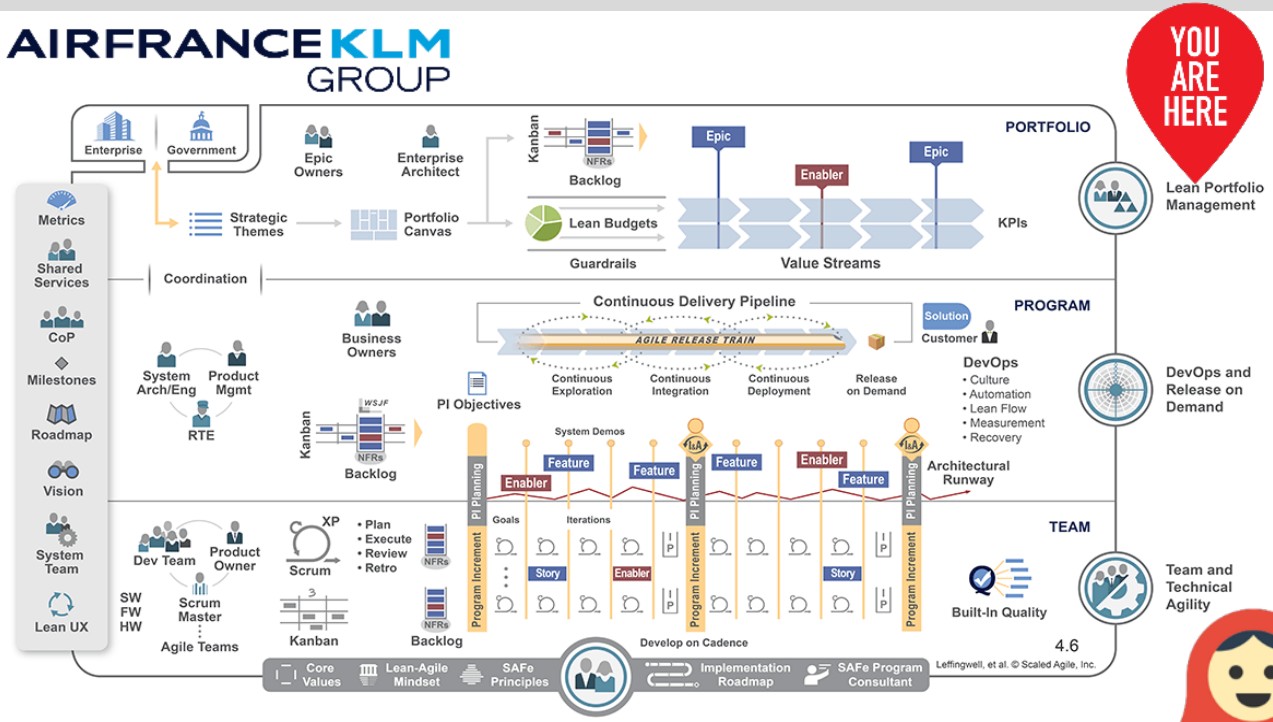
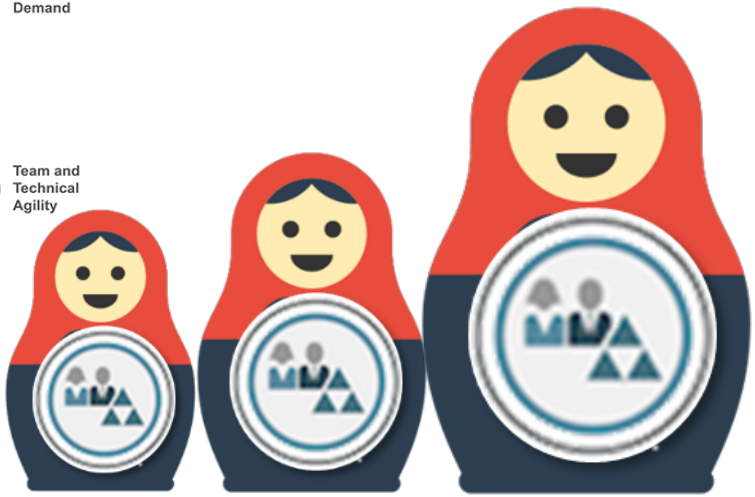




Our first leap into Portfolio Management supporting Digital ARPs

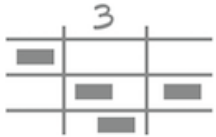
A TAILOR-MADE WSJF

securing strategic ambitions / with a jury of experts

Lean Portfolio Management

PORTFOLIO CEREMONIES BECAME THE PLACE TO BE

weekly cadence / Pre-Pi & Post-Pi Sessions



Kanban

REINFORCED PORTFOLIO KANBAN

stricter rules of the games / with sharpened Epic templates

Epic Owners

A STRONG FOCUS ON EPIC OWNER ROLE

a more and more official role / monthly trainings

A tailor-made WSJF

WSJF COMPONENTS

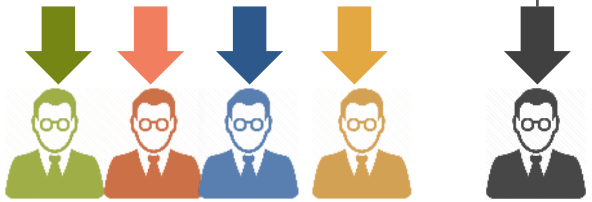
$$\text{WSJF} = \frac{\text{User or Business Value} + \text{Time Criticality} + \text{Risk Reduction or Opportunity Enablement} + \text{Contribution to the Strategy}}{\text{Size}}$$

Guiding principles for each element of the WSJF

USER VALUE	BUSINESS VALUE	STRATEGIC VALUE	TIME CRITICALITY	RISK REDUCTION / OPPORTUNITY ENABLEMENT
Number of impacted [users]	Direct revenue	Company strategic goals / theme(s)	Decrease over time	New business opportunities
[User] satisfaction	Direct cost savings	Department strategic goals / theme (s)	Fixed deadline	Value of received information
Number of impacted [customers]	Time savings		Move to competition	Prevention of potential penalties
[Customer] satisfaction	Number of impacted employee		Dependency	Reduction of Environmental risks
[Customer] needs	Employee satisfaction			Reduction of safety or security risks
Value of [customer] segment	Publicity			Reduction of operational risks
	Brand value			Reduction of regulatory and legal risk

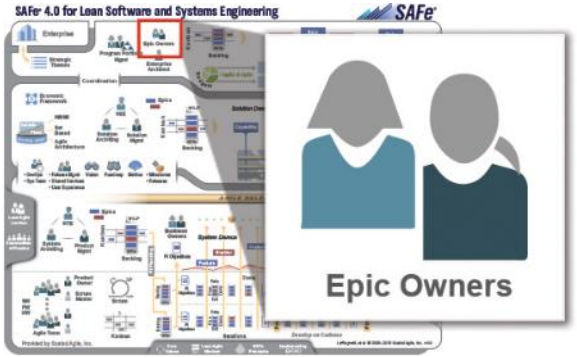
A reliable WSJF thanks to a jury of experts

Clé	Etat	Business Value	User Value	Strategic Value	Time Criticality	Rroe	Job Size	Wsjf
DIGITAL-453	ANALYSIS	205.0			13.0	20.0	1.0	238.0
DIGITAL-1494	CONCEPT	240.0			20.0	40.0	3.0	100.0
DIGITAL-1453	ANALYSIS	5.0	40.0	100.0	40.0	40.0	3.0	75.0
DIGITAL-1447	REVIEW	100.0	100.0	100.0	100.0	100.0	8.0	62.5
DIGITAL-444	CONCEPT	8.0	8.0	20.0	0.0	20.0	1.0	56.0
DIGITAL-1107	IMPLEMENTATION	140.0			40.0	100.0	5.0	56.0
DIGITAL-1279	ANALYSIS	80.0			40.0	40.0	3.0	53.33
DIGITAL-1108	IMPLEMENTATION	0.0	13.0	100.0	13.0	13.0	3.0	46.33
DIGITAL-1260	CONCEPT	51.0			40.0	0.0	2.0	45.5
DIGITAL-1270	ANALYSIS	100.0	20.0	100.0	40.0	100.0	8.0	45.0



The Jury: **One dedicated expert owns each WSJF component**

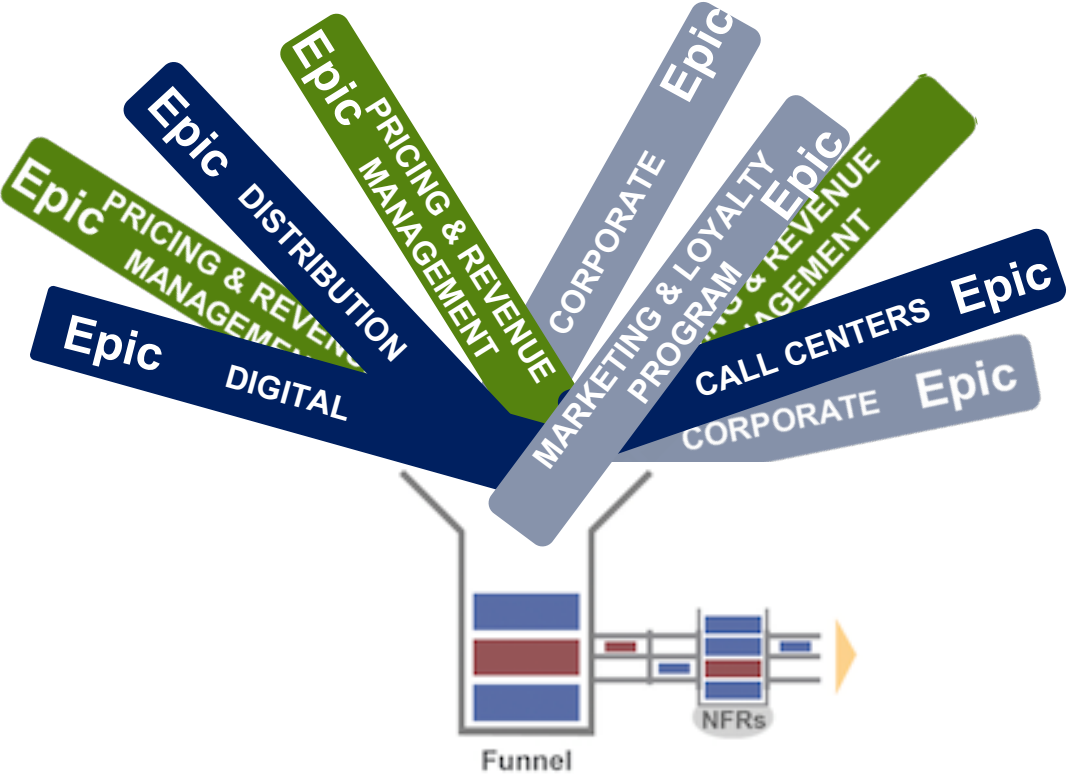
A strong focus on Epic Owner role



WE HELPED OUR EPIC OWNERS COMMUNITY TO BECOME MORE AND MORE "PROFESSIONAL"

- Trainings have been created, combining theory and concrete use cases, followed by weekly support meeting
- Strong attention on Epic description phase and Epics Template
- Coordination role is emphasized
- Alignment done to ensure a similar EPIC Owner role across AFKL organization

Still, the PMs were struggling with unsolvable dilemmas…



Agile Release Plane level

- WSJF filtering worked but at a too low level
- Epics were “all” belonging to key strategic programs for Commercial domain…
- …with dependencies even beyond!

Do not ask your WSJF to build your Strategy !

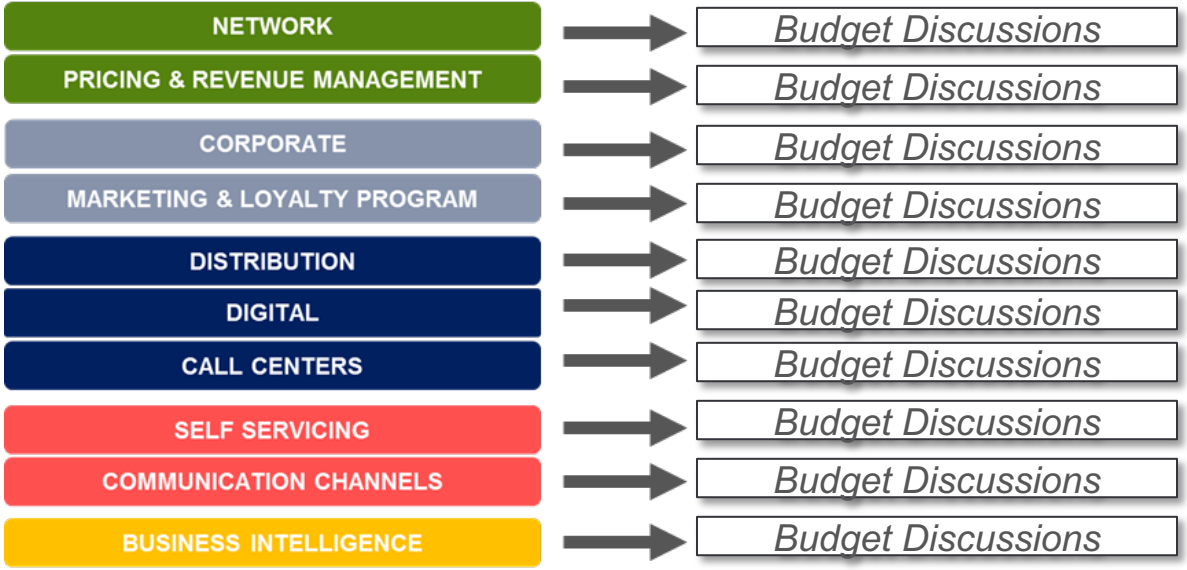
NO MAGIC

Commercial Portfolio Management: the control tower

After having launched more than 10 ARPs in Commercial in the last 2,5 years, it was time adopt a more Lean Agile Portfolio Management process for the whole Commercial Domain.

A new approach for Commercial Portfolio Management

INITIAL APPROACH IN SILOS



UNIFIED APPROACH

1 Budget process
New Ceremonies
Quarterly based heartbeat

- 1st come 1st served effect / Unwanted internal competition
- Sub-optimal decisions of budget allocation
- Full picture missing
- Inefficient and time consuming process

New Discussions and cadence aligned with the PIs of ARPs

Business Prioritization Session
(Commercial and beyond)

New

- EVPs/SVPs Commercial, Customer experience domains
- Express and adjust the priorities in terms of Strategic themes (gives guidance for CPI)

Commercial Portfolio Increment - CPI

New

- All content authorities from all Value Streams, projects, and Agile Release Planes to adjust the Innovation Budget according to Business context.

PI PLANNINGS
(Per Plane)

Group Investment Committee

Re-designed

- CEO + EVPs + Finance validating Business and Budget orientations
- 2 sessions per year

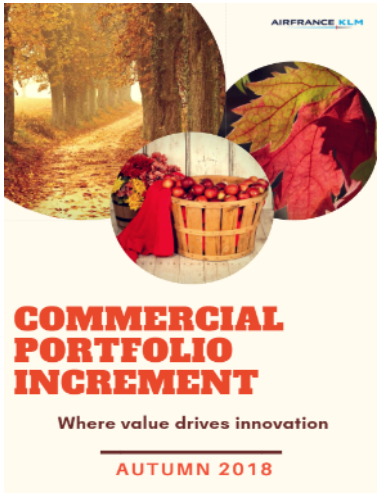
CPI ceremonies & “Participatory Budgeting ”

1 day Event

- **Introduction EVP/SVP**
- **Strategy & KPI will be shared/explained**
- **Stakeholders vision**
- **Stakeholders fly by**
- **Break out sessions**
- **Stakeholders fly by**
- **Break out sessions**
- **Final Pitch**
- **Management review**

CPI agenda is adapted according to business context

Autumn 2018
CPI#1



Address new business orientations secure end of Year

Nb participants:
100 + Executives

Winter 2018/19
CPI#2

How to build a realistic business demand based on 2019 cadrage?

Nb participants:
110 + Executives

Spring 2019
CPI#3

Address Reduction Plan

Nb participants:
140 + Executives

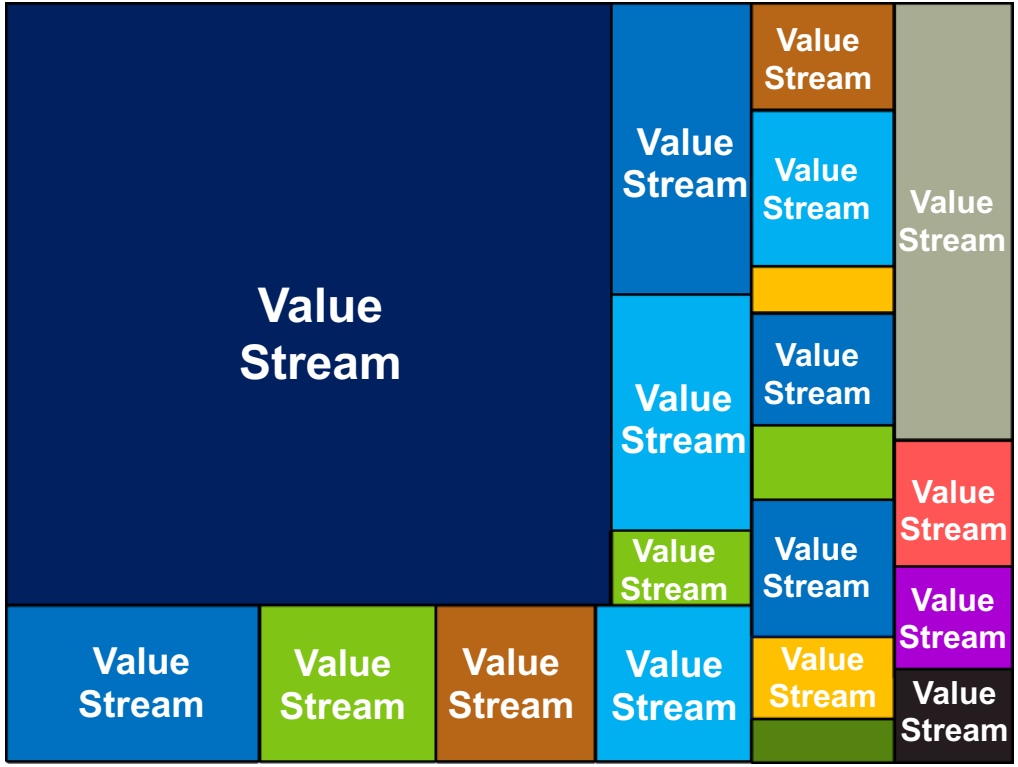
Summer 2019
CPI#4

Preparation for Mid-year GIC

Nb participants:
120 + Executives

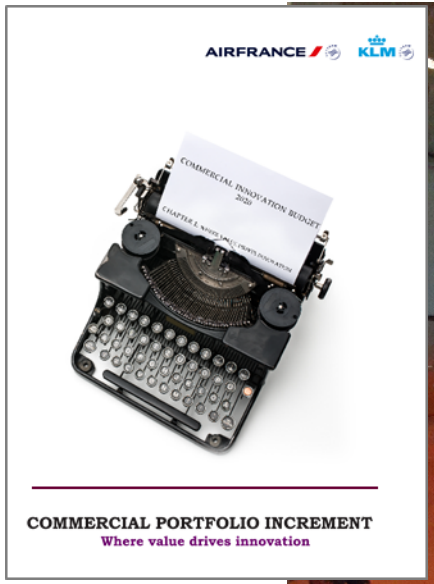
The whole 2019 budget was approved in December!

COMMERCIAL INNOVATION BUDGET 2019

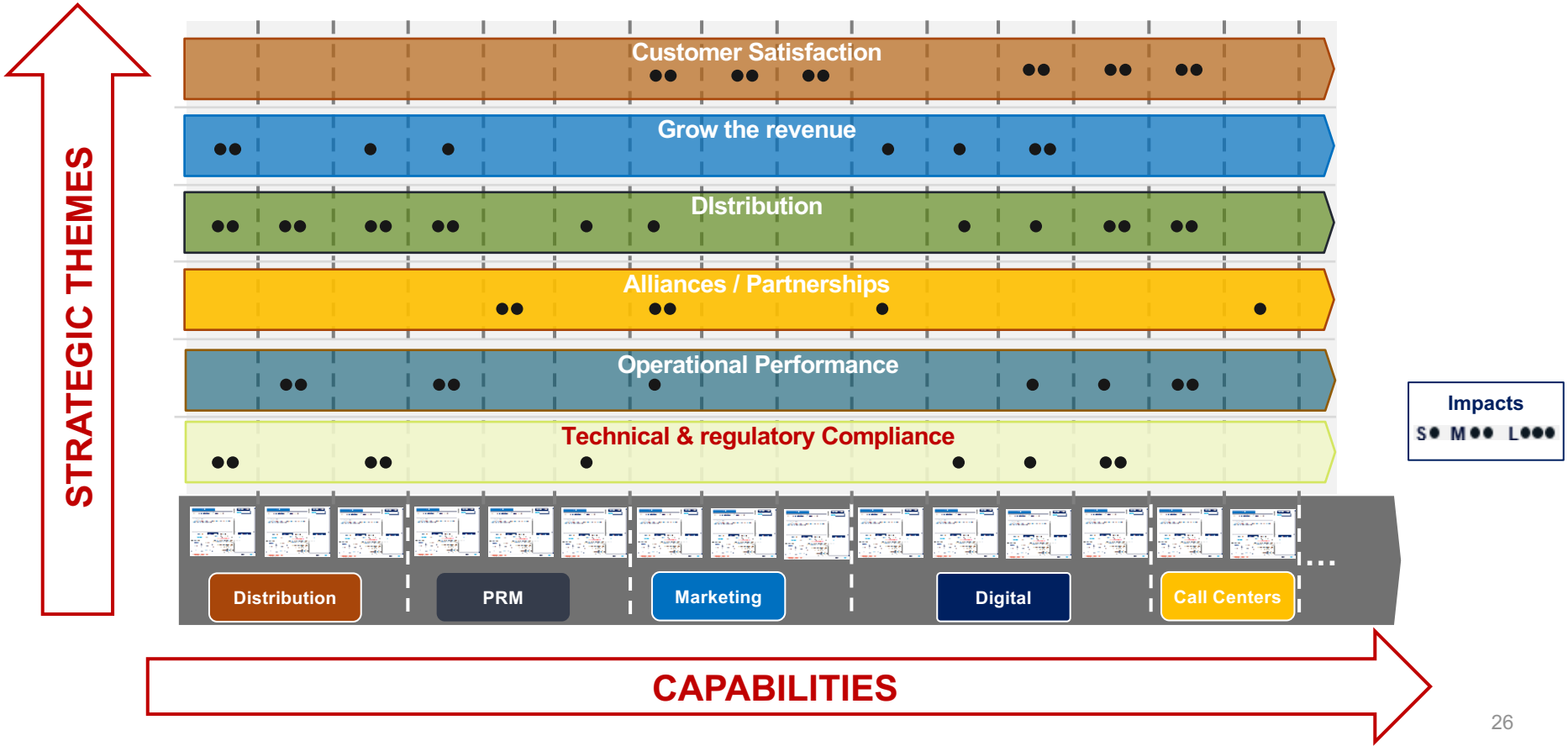


2 weeks ago our last CPI was fully focusing on 2020

Autumn 2019
CPI#5



2020 Commercial Portfolio Matrix *(under construction)*



KPIs are guiding us!

We monitor and steer based on KPIs, that was part of the deal

Delivery related KPIs
(number of releases, number of incidents, predictability…)

Usage related KPIS
(number of users, number of connections, user satisfaction…)

Business performance KPIs
(average handling time, customer recognition…)

Beyond Commercial domain…

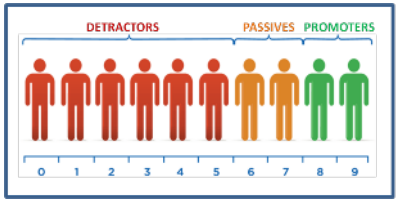
KPIS Connections

Commercial Domain KPIs

€

Customer Experience KPIs

NPS



We still have some learnings to implement, but we are confident!

- We need to grow in maturity in Commercial Domain
  - Shift of domains ambitions towards transversal ambitions
- We need to reconsider our tools supporting Portfolio Management
- 2020 has already started!!!!
- We have to think of the next step, beyond Commercial
  → AFKL Group Portfolio Management!

Questions

Thanks for you attention and your feedbacks!

https://roti.express/r/aes2019-33

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