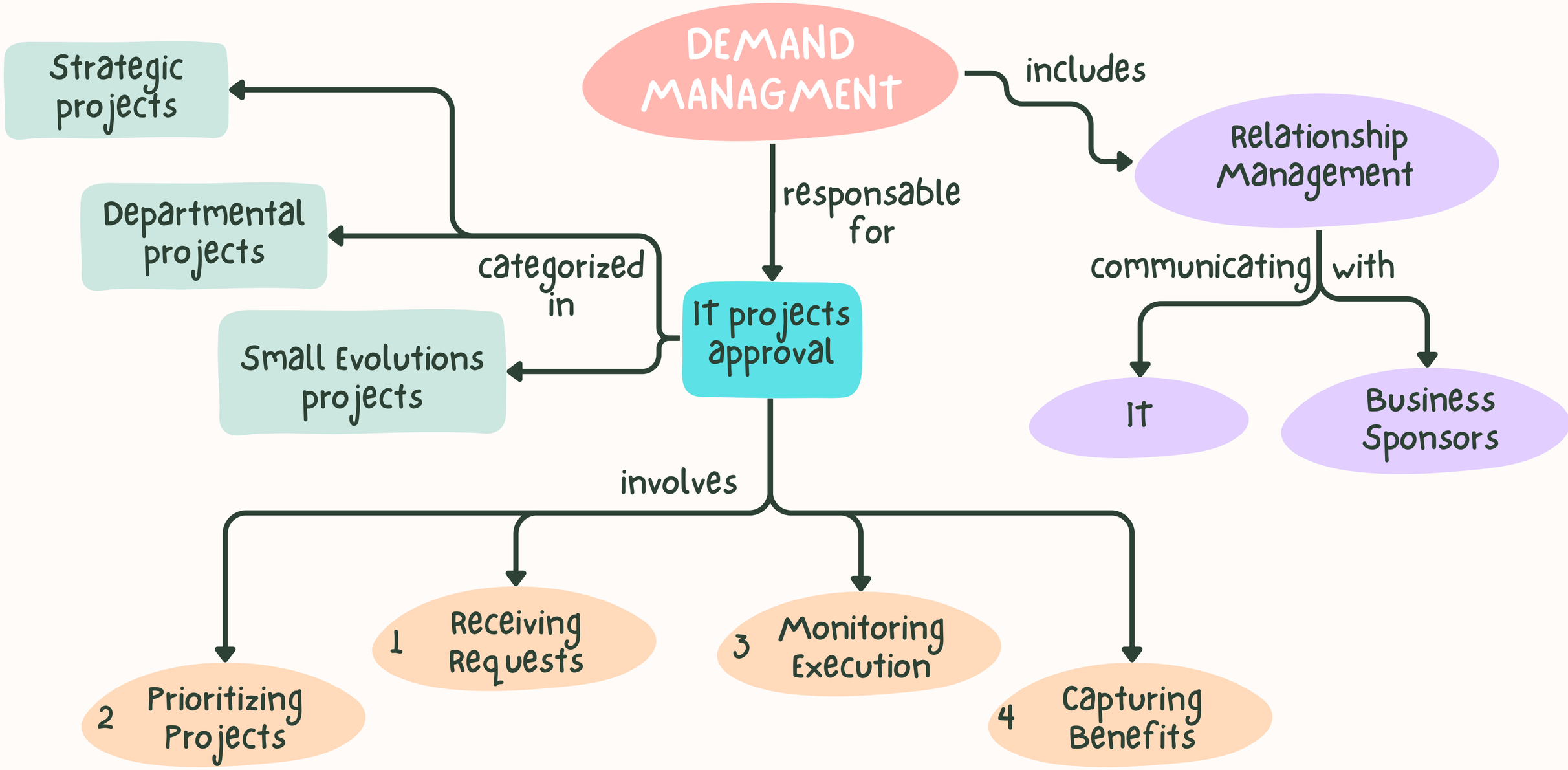
DEMAND MANAGMENT
includes
Relationship Management
responsable for
Strategic projects
Departmental projects
categorized in
Small Evolutions projects
It projects approval
communicating with
It
Business Sponsors
involves
1 Receiving Requests
2 Prioritizing Projects
3 Monitoring Execution
4 Capturing Benefits

- **Demand Management:**

It is a framework for deciding which **IT projects** to execute, based on their alignment with organizational goals and their value contribution.

- Three levels of categorizing projects in Demand Management:
    - **Strategic Projects (Golf Balls):**
        - Examples: Launching new product lines, regulatory compliance systems.
        - Typically decided by top management and require coordination across multiple teams.
    - **Departmental Projects (Pebbles):**
        - Examples: Enhancing customer experience, updating compliance regulations.
        - Focus on functional or regulatory needs within departments.
    - **Small Evolutions (Sand):**
        - Examples: Bug fixes, minor UX updates.
        - Handled with simpler processes, often resolved quickly.
- Process of Demand Management:
    - **Receiving and Analyzing Requests**: Project needs are reviewed for relevance and alignment.
    - **Prioritization**: Projects are ranked based on scores and alignment with strategic goals.
    - **Monitoring Execution:** Approved projects are executed and their benefits monitored.
    - **Capture Benefits**: Post-implementation reviews ensure value delivery.

- **Relationship Management** in Demand Management:

Serves as a bridge between **IT teams** and **business sponsors** to align technical solutions with business goals. It involves regular communication and collaboration to ensure projects meet business needs, validate benefits and align expectations. It uses well-structured **Business Requirement Specifications (BRS)** and quantitative benefit analysis to avoid misalignment.

Tools for Demand Management

Definition, Purpose and Impact

Project Porftolio Management

PPM uses **structured** processes to **prioritize** IT investments based on **objective** criteria

Rationalizes IT resource **allocation** by **aligning** projects with business **needs** and governance **procedures**

Creates a justified, strategic **list** of IT investments

Produces multi-year IT spending **forecasts**, limiting and **shaping demand**

Increases scrutiny and ensures only **value-driven** projects are funded

Service Catalog

A structured menu of IT **services** with **associated costs** (e.g., hardware configurations, application services)

Makes IT services transparent and **standardized** for business managers

Enables **informed decisions** by business units about IT services

Shapes demand by **clarifying options** and **pricing**

Transforms requests from *vague* needs to **specific**, standardized service orders

Chargeback

A **financial mechanism** charging business units based on IT service consumption or development work

Controls demand through **cost-based** accountability

Encourages **rational consumption** of IT resources

Results in **justifiable and affordable** IT **investments**

"Managing IT Demand" by Journal of Information Technology Management

PPM approach suitability for Agile

PPM **enables** Agile's **focus** on prioritizing high-*value* tasks to ensure the *selection* of initiatives that deliver *maximum* business *impact*, **by** providing a *structured* framework to *evaluate* and *rank* projects **based on** ROI, risk, and strategic alignment.

There are key *diferences* on how PPM brings value in Agile context versus traditional approaches:

	Am I on time?	**Is my scope controlled?**	**Is my actual effort higher than expected?**	**Am I on budget?**
	Schedule	Scope	Effort	Budget
Waterfall metrics	Deliverable and major milestone completion status	Volatility (approved change request hours vs. baseline)	Estimated vs. Actual hours	Forecast vs. Actual
Agile metrics	• Sprint burndown • Sprint velocity • % stories accepted • Velocity variance	• Epic burnup chart • % features accepted • Predictability score • Average release size	• Velocity plan vs. Actual • Epic Progress Measure • Product Quality • Defect Density	Forecast vs. Actual

"Agile and PPM" by Deloitte https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology/us-cons-agile-and-project-portfolio-management.pdf

Demand Management allignment

The **core processes** of PPM are: Demand Management - Portfolio Management - Project/Program Management - Results Management

Demand Management evaluates and prioritizes work requests *based on* value and strategic goals, and Agile teams **benefit** from clear prioritization and alignment with business needs

This is **accomplished with** prescribed points of entry for new requests, and qualifiers to prioritize them

Agile introduces two key concepts that **enhance** Demand Management: **Value Streams** and **Epics**

Value Streams

*Are the **ecosystem** of teams that deliver against Epics*

Epics

*Are large cross-cutting **initiatives** that deliver solutions to the end user*

As more teams adopt agile across the organization, the need to **define** Value Streams and Epics is critical, to **ensure** coordinated planning and delivery, and **incorporating** these practices into Demand Management is essential for Agile teams to plan effectively

“Agile and PPM” by Deloitte https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology/us-cons-agile-and-project-portfolio-management.pdf

Best practices for implementing Agile Project Portfolio Management

Start with Strategy, Plan Continuously

Ensure projects **align** with the organization's strategic objectives, and **adjust** course as strategy changes

Closely Monitor Project Progress

Track task progress and overall milestones with tools like burndown charts to visualize and communicate **status**

Manage Project Resources

Monitor resource allocation and team bandwidth using **tools** like issue and Kanban boards to **identify** gaps and **prevent** overload

Iterate

Deliver work in short **sprints** for customer feedback, focusing on value without sacrificing meaningful progress

https://about.gitlab.com/topics/agile-delivery/agile-ppm/

Questions

- How can organizations balance the long-term focus of demand management with Agile's dynamic and iterative nature?

- Is it feasible to prioritize smaller, urgent projects over larger strategic ones without impacting the organization's goals?

- How can businesses objectively measure the value of IT projects, especially those with intangible benefits?