



*Establishing an Agile Portfolio  
to Align IT Investments  
with Business Needs*

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*Agile 2008 Experience Report*

The slide features a light blue background with a decorative border. On the left side, there is a vertical image of classical architectural columns, rendered in a lighter blue tone. The main content area is a white rectangle on the right.

## Discussion Topics

- Context and History
- Legacy Processes and Behaviors
- Legacy Mindsets and Thought Patterns
- Actions Taken and Results Achieved
- Sustaining Results and Moving Forward
- Lessons Learned and Recommendations

# DTE Energy Organization Context

## DTE Energy

- A leading energy provider
  - \$9B US in revenues
  - \$24B US in assets
  - 2.2M electric customers
  - 1.3M gas customers
- Diverse regulated and non-regulated business portfolio
  - DTE Biomass Energy
  - DTE Coal Services
  - DTE Energy Trading
  - ... and more
- 11,000 Enterprise employees

## Information Technology Services

- “Full-Service” internal IT
  - Information Office
  - Solution Engineering
  - Technology Operations
  - IT Governance
- Strong focus on process
  - Business-driven adversity to risk
  - Focus on continuous process improvement
  - Experience with CMMI, ITIL
- 950 IT resources
  - 660 empl., 200 contr. staff
  - ~40% deliver/support SW

People tend to map agile concepts to their own experiences.

Because many of the agile principles seem familiar, some are quick to claim that they “get it.”

We find it's not about planning on how to become agile, it's about *doing it*.

- Steve Ambrose  
Director, Information  
Officer



## Agile Solution Delivery Context

- Embraced what would be called “agile methods”
  - June 1998 - embrace pending utility deregulation
  - Significant time of change across business and IT
  - Support from leadership was critical to our success
- Extended our “house blend” of adaptive agility
  - Applied agile techniques on small and large projects
  - Simple, generative rules that enable complex behavior
  - Customized “just enough” process for our culture

*By mid-2001, we established a successful track record of delivering working software in an agile manner; more recently we have begun the journey of realizing the benefits of agile at a portfolio level.*

We assert that we are an agile organization, yet we find ourselves fitting into legacy-constrained environments.

You can make agile work without requiring everything and everyone around you to also be agile.

- Chris Garber-Brown  
*Manager, Business Applications*



## Legacy Processes and Behaviors

- IT Investment Funding
- IT Investment Change Management
- Governance and Oversight

*These processes and observed behaviors often impacted our organization's ability to achieve its many and varied goals.*

Awareness of these specific behaviors and mindsets was key.

This language gave us simple labels to better recognize, talk about, and deal with them.

We were able to adapt our agile patterns as we encounter these situations.

- Phillip Smith  
Manager, Enterprise  
Architecture



## Legacy Mindsets and Thought Patterns

- IT Investment Funding
  - “Widget Engineering”
  - “Order-Taker”
- IT Investment Change Management
  - “Maximize Utilization”
  - “Get it Done”
- Governance and Oversight
  - “Control through Data”

*Our risk-adverse “genetic predisposition” often led to processes and behaviors well-suited in some contexts but not in others.*

We've made progress in providing lightweight business cases for new projects where the problem is less-well understood.

When the problem domain is well-understood, we shift the details from the business case to use cases and user stories.

- Chris Garber-Brown  
*Manager, Business Applications*



## Actions Taken and Results Achieved

- IT Investment Funding
  - “Just enough” Business Case process
- IT Investment Change Management
  - Lean techniques to manage flow of work
- Governance and Oversight
  - Simplified to a Four-Gate model, ala PDCA

*We adopted and adapted these strategies to address the underlying beliefs and to shape the observable behaviors.*

We seek to understand the problems we want to address and the nature of the solutions we could deliver.

We then take a step back and bundle the IT spend in that domain, from which we release project funds as the year unfolds.

- Mark Majewski  
Manager, Business Applications



## Sustaining Results and Moving Forward

- IT Investment Funding
  - Broader usage of corporate project charters
- IT Investment Change Management
  - Rationalize how we prioritize our IT spend
- Governance and Oversight
  - Ensure metrics are *useful* and also *used*

*We strive to sustain the progress we have made thus far, and to further embrace change as we continue to refine our processes.*

Agile portfolio mgmt. changes the nature of the conversation with the customer from project execution to value creation.

Avoid being overly prescriptive upfront and recognize that not everything will be perfect the first time.

The agile journey is *definitely* worth it.

- Steve Ambrose  
Director, Information  
Officer



## Lessons Learned and Recommendations

We learned it was key to be:

- *Aware* of existing processes and mindsets, with an eye for root causes
- *Engaged* in leadership communities, with a safe and enabling environment for responsible change
- *Patient* in implementing agile techniques with an incremental, iterative approach

*Enable agile funding and portfolio management capability and improve business-IT alignment along the way.*



Chris Garber-Brown



Phillip Smith



Steve Ambrose



Mark Majewski

## Q+A Dialogue ... *Thank you!*

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DTE Energy - ITS Organization

