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Question: 1219

During the implementation of Lean Portfolio Management in a tech company using SAFe 6.0, the LPM function notices that funding is tied to fixed project scopes, causing teams to scramble for resources when features take longer than expected. How does shifting to Lean Budgets address feature overruns in this scenario?

A. Increase fixed costs
B. Reduce team sizes
C. Keep people working on the right feature for the right reasons
D. Adjust scopes dynamically

Answer: C
Explanation: Keep people working on the right feature for the right reasons allows for continued focus without reassignments or delays, as Lean Budgets provide flexibility within guardrails, enabling adaptation to overruns without halting progress. Adjust scopes dynamically is possible but not the direct impact; increase fixed costs and reduce team sizes do not align with Lean principles, which emphasize flow and value delivery.

Question: 1220

A Lean Portfolio Manager is concerned about "Shadow IT" projects being funded outside the Portfolio budget. Which Lean Governance practice is designed to prevent this and ensure all investments are aligned?

A. Daily stand-ups for the CEO
B. Monthly manual expense report reviews for every employee
C. Requiring all developers to work in a single centralized office
D. Lean Budget Guardrails: Approving significant initiatives

Answer: D
Explanation: The guardrail of "Approving significant initiatives" ensures that any major investment (Epic) must go through the Portfolio Kanban and be approved by the LPM team. This prevents "Shadow IT" by ensuring that large chunks of capital are only spent on initiatives that have been vetted for strategic alignment and compliance.

Question: 1221

A Lean Portfolio Manager is presenting the "Portfolio Vision" to the Business Owners. One Business Owner asks how the vision helps in making "Go/No-Go" decisions for Epics in the Portfolio Kanban. Which statement best describes the relationship between the Portfolio Vision and Epic prioritization?

A. The Portfolio Vision is only for inspiration and does not impact the WSJF calculation
B. Epics that do not align with the Future State Portfolio Canvas should be moved to the "Done" state in the Funnel
C. The Portfolio Vision replaces the need for the Lean Business Case during the Analyzing state
D. The Portfolio Vision is a static document that prevents any new Epics from being added for one year

Answer: B
Explanation: The Portfolio Vision, specifically the Future State Portfolio Canvas, acts as a filter for the Portfolio Kanban. During the Funnel or Reviewing states, any Epic proposal that does not align with the strategic direction defined in the Portfolio Vision should be discarded or moved to "Done" to ensure the portfolio's capacity is focused on the most strategically relevant work.

Question: 1222

A pharmaceutical organization in SAFe 6.0 has a vision for personalized medicine, aiming 40% treatment efficacy via genomics across research and clinical value streams. Portfolio epic: Genomic data platform, hypothesis "For clinicians, we will analyze patient genomes, resulting in 35% targeted therapy success, via clinical trial outcomes." Cost $3.8 million MVP, 4 PIs. Prototype indicators: 20% success. Regulatory NFRs add costs. What innovative cycle application realizes vision?

A. Reduce targets to match prototype results.
B. Reject epic based on initial indicators.
C. Bypass cycle and approve full implementation.
D. Use build-measure-learn to validate with MVP, deciding persevere or pivot on indicators.

Answer: D
Explanation: Using build-measure-learn to validate with MVP, deciding persevere or pivot on indicators embodies the SAFe Lean Startup Cycle, fostering innovation by testing assumptions. This approach realizes the portfolio vision through data-informed decisions, integrating regulatory requirements effectively.

Question: 1223

A Lean Portfolio Manager is faced with a choice between two epics. One epic focuses on optimizing existing processes, while the other introduces a new product line. What should the manager consider as the primary factor in making this decision?

A. The immediate cost associated with each epic
B. The expected timeline for completion of each epic
C. The potential for team engagement in each project
D. The long-term strategic goals of the organization

Answer: D
Explanation: The long-term strategic goals of the organization should be the primary factor in making this decision. Aligning epics with overarching objectives ensures that resources are allocated to initiatives that drive the most value and support future growth.

Question: 1224

A retail portfolio in SAFe 6.0 has value streams for e-commerce ($18M) and in-store ($22M), with shared enablers. A supply chain disruption requires $6M urgent funding from both. What portfolio element enables rapid response?

A. Per-stream independent decisions
B. Decentralized without central oversight
C. Delayed reviews for thorough analysis
D. Centralized visibility and decision-making in LPM

Answer: D
Explanation: The portfolio structure in SAFe provides centralized visibility and LPM decision-making to quickly reallocate funds across value streams in response to disruptions, ensuring agility. This opposes decentralized without central oversight, per-stream independent decisions, or delayed reviews for thorough analysis, which slow responses.

Question: 1225

WSJF scenario: Epic A CoD=18 Size=3 WSJF=6; B=24/5=4.8. Portfolio flow action?

A. Coin flip
B. B first higher CoD
C. Largest first
D. A first higher WSJF

Answer: D
Explanation: WSJF favors value/effort ratio; A's shorter job delivers faster, enhancing Kanban throughput.

Question: 1226

A Lean Portfolio Manager is reviewing the portfolio's strategic themes and notices that one theme has not been addressed in recent discussions. What should be the next step?

A. Schedule a dedicated session to discuss the theme's relevance and potential actions
B. Assign a team to work on the theme without further discussion
C. Increase funding for the theme to ensure it receives attention
D. Remove the theme from the portfolio

Answer: A
Explanation: Scheduling a dedicated session to discuss the theme's relevance and potential actions ensures that all strategic themes receive appropriate attention and consideration. This approach fosters comprehensive portfolio management and alignment with organizational goals.

Question: 1227

A pharmaceutical company adopting SAFe 6.0 LPM encounters issues in portfolio vision clarity. Strategic themes are "Drug Innovation Acceleration" and "Regulatory Compliance," but epics show low alignment (35%), with cycle times averaging 9 months against a 6-month target. In a high-stakes scenario with patent expirations looming, what should be the focus for establishing strategy and vision?

A. Extend epic thresholds for more flexibility
B. Connect the portfolio to enterprise strategy by defining outputs like portfolio budgets and strategic themes
C. Reduce participatory budgeting cycles
D. Merge compliance and innovation value streams

Answer: B
Explanation: Connecting the portfolio to enterprise strategy by defining outputs like portfolio budgets and strategic themes ensures vision clarity, improves alignment, and shortens cycle times, critical for innovation amid patent pressures.

Question: 1228

During a portfolio review, data shows that 60% of projects exceed budgets by 20-50% due to inaccurate labor hour allocations across five functional departments, leading to blame-shifting and delayed pivots. What core problem of traditional project cost accounting is highlighted here?

A. Lack of executive sponsorship for cost tracking software
B. Siloed cost centers causing slow budgeting, inaccuracy in decision-making, and impediments to adaptability

C. Excessive use of Agile tools inflating administrative costs
D. Overemphasis on team autonomy reducing financial oversight

Answer: B
Explanation: Traditional project cost accounting involves fragmented cost centers contributing to projects, resulting in complex approval chains that slow budgeting, produce inaccurate forecasts for decision-making, and lock funds into fixed scopes that hinder pivots or innovation. In this scenario, the 20-50% overruns and blame culture exemplify how this model reduces transparency and agility, contrasting with SAFe LPM's lean budgeting that funds value streams holistically for better accuracy and flow.

Question: 1229

A scenario in a utility company shifting to SAFe involves moving from annual project funding of $50M with 6-month delays to quarterly value stream adjustments, reducing waste by 28%. This represents which aspect of the shift to LPM?

A. From rigid annual cycles to lean budgeting cadences
B. Project persistence despite inefficiencies
C. Continued annual rigidity for fiscal control
D. Increased delays for better forecasting

Answer: A
Explanation: The shift to Lean Portfolio Management replaces rigid annual funding cycles with lean budgeting on cadences, enabling faster adjustments and waste reduction. This contrasts with continued annual rigidity for fiscal control, increased delays for better forecasting, or project persistence despite inefficiencies, which maintain traditional limitations.

Question: 1230

A defense contractor adopting SAFe 6.0 struggles with portfolio structure, where development value streams for cybersecurity solutions overlap inefficiently with operational value streams for deployment, causing resource contention and a 15% drop in on-time delivery. How does introducing Lean Portfolio Management redefine this structure for better flow?

A. By introducing additional silos for each type of value stream
B. By defining portfolios as sets of development value streams for business domains that support operational value streams
C. By eliminating operational value streams to focus solely on development
D. By consolidating all streams into one portfolio without domain separation

Answer: B

Explanation: Introducing Lean Portfolio Management redefines the structure by defining portfolios as sets of development value streams for business domains that support operational value streams, improving flow and reducing contention, in contrast to consolidation or silos that would worsen overlaps.

Question: 1231

In a volatile market, the enterprise strategy prioritizes "adaptive ecosystems," but the portfolio roadmap commits 65% capacity to internal platform hardening epics not tied to themes. LPM must demonstrate strategic flow. Best roadmap metric integration?

A. Overlay ecosystem partner epics with forecasted adaptability index quarterly
B. Lock hardening as baseline, overlay ecosystems annually
C. Use burndown for all epics equally
D. Ignore hardening in roadmap visuals

Answer: A
Explanation: Overlaying ecosystem partner epics on the roadmap with a quarterly adaptability index—calculated as (strategic epic completion rate * partner velocity impact)—quantifies flow toward adaptive strategy, exposing the 65% hardening drag and guiding rebalancing without dismissal. Annual overlays lag, ignoring misrepresents, burndown ignores themes.

Question: 1232

A pharmaceutical company adopting SAFe faces a scenario where regulatory pressures lead to risk-averse decisions, stalling a $15 million R&D epic despite validated assumptions. What Lean-Agile principle is crucial for introducing LPM to unlock this?

A. Impose top-down directives for compliance
B. Unlock intrinsic motivation of knowledge workers
C. Strict hierarchies to enforce rules
D. External incentives for risk-taking

Answer: B
Explanation: The Lean-Agile mindset unlocks the intrinsic motivation of knowledge workers to foster innovation and calculated risk-taking in regulated environments, essential for LPM introduction. This contrasts with imposing top-down directives for compliance, external incentives for risk-taking, or strict hierarchies to enforce rules, which stifle creativity.

Question: 1233

What is the primary output of the "Strategy and Investment Funding" domain in LPM?

A. A list of employees who should be promoted or fired
B. A set of Strategic Themes, Portfolio Budgets, and Guardrails
C. Detailed technical specifications for every feature in the ARTs
D. A 1,000-page project plan for the next fiscal year

Answer: B
Explanation: The Strategy and Investment Funding domain is responsible for ensuring the portfolio is executing the right work. Its primary outputs are the Strategic Themes (linking to Enterprise strategy), the allocation of Lean Budgets to Value Streams, and the establishment of Guardrails to govern those investments.

Question: 1234

Traditional PMO tracks 25 projects with 55% on-time but low value (NPV $12M total); LPM Kanban shows 8 epics, flow time 14 weeks, value delivered $28M. What LPM purpose drove this?

A. More projects for diversification
B. Maximize value by prioritizing epics, funding value streams, and decentralizing intake with lean cases
C. Centralized feature approval
D. Strict PI adherence only

Answer: B
Explanation: LPM's purpose includes organizing/funding value streams, lean MVP-based cases, agile forecasting, and self-management to focus on high-value epics over low-value projects. The shift from 55% on-time/$12M to better flow/$28M illustrates how it eliminates project overhead, boosts throughput, and aligns to strategy.

Question: 1235

At a pharmaceutical firm adopting SAFe 6.0, the LPM team identifies that current investments are 70% in mature products and only 10% in innovative R&D, misaligning with enterprise innovation goals. Which guardrail balances this?

A. Capacity allocation
B. Epic thresholds
C. Investment horizons
D. Participatory budgeting

Answer: C

Explanation: Investment horizons allocate across current, emerging, and future investments to align with strategy. Capacity allocation is for teams, epic thresholds for approvals, and participatory budgeting for collaboration.

Question: 1236

In an oil & gas company using SAFe 6.0, guardrails require WSJF >7 for epic funding. A sustainability epic has WSJF 6.8, costs $15 million, with parameters of 20% emission reduction and 30% cost savings over 5 years. Portfolio average WSJF is 8.2. Decision?

A. Set aside guardrail for strategic epics
B. Automatically approve all sustainability epics
C. Fund despite low WSJF due to savings
D. Recalculate WSJF or refine epic to meet >7

Answer: D
Explanation: Economic prioritization guardrails like WSJF thresholds ensure high-value flow; refining to meet >7 (e.g., by reducing duration) qualifies. Recalculate WSJF or refine epic to meet >7 complies. Fund despite low WSJF due to savings bypasses. Set aside guardrail for strategic epics erodes consistency. Automatically approve all sustainability epics ignores economics.

Question: 1237

A company is experiencing rapid changes in its market environment. What should a Lean Portfolio Manager prioritize to maintain competitiveness?

A. Flexibility to adapt initiatives based on market feedback and changes
B. Reducing the number of stakeholders involved in decision-making
C. Increasing the number of initiatives to cover all possible areas
D. Strict adherence to the original project plans

Answer: A
Explanation: Flexibility to adapt initiatives based on market feedback and changes should be prioritized to maintain competitiveness. This adaptability allows the organization to respond effectively to new opportunities and challenges in a dynamic market.

Question: 1238

A fintech ART juggles 12 epics from projects, velocity down 40%. Principle #6 violation. LPM?

A. More epics
B. Epic teams
C. No limits
D. Portfolio WIP limits on Kanban

Answer: D
Explanation: Detailed explanation Multi-tasking tanks velocity (40%). Principle #6 limits WIP; LPM Kanban enforces at portfolio, focusing few epics, restoring flow and velocity.

Question: 1239

A portfolio LPM observes low engagement in Communities of Practice, leading to inconsistent application of operational excellence practices across ARTs. Which intervention best coordinates value streams for sustained improvement?

A. Integrate CoP participation metrics into value stream KPIs and review in Strategic Portfolio Review
B. Fund dedicated CoP facilitators centrally
C. Make CoP attendance mandatory for SPCs
D. Replace CoPs with formal training programs

Answer: A
Explanation: Operational excellence grows through voluntary, outcome-focused CoPs. Tying participation to value stream KPIs and portfolio reviews encourages adoption without mandates, aligning with lean governance and decentralization.

Question: 1240

A fintech startup transitioning to SAFe 6.0 encounters a scenario where rapid growth has led to a 47% increase in portfolio chaos from ad-hoc funding. In the shift to Lean Portfolio Management, what foundational mindset change is crucial to restore order?

A. Limit portfolio size to core initiatives only
B. Enforce standardized funding templates for requests
C. Centralize all funding decisions at the executive level
D. Instill SAFe Principles like Decentralized Decision-Making and Organize Around Value to guide portfolio operations

Answer: D
Explanation: Instilling SAFe Principles like Decentralized Decision-Making and Organize Around Value to guide portfolio operations is vital in the shift, promoting order through principled agility rather than control. Centralizing all funding decisions at the executive level creates bottlenecks. Enforcing standardized funding

templates for requests adds bureaucracy. Limiting portfolio size to core initiatives only stifles growth.

Question: 1241

A Portfolio is analyzing its investment mix across different "horizons." They notice that 90% of their funding is currently directed toward Horizon 1 (existing solutions). The Portfolio Council wants to shift more investment toward Horizon 2 (emerging opportunities). Which Lean Budget Guardrail is most directly involved in managing this balance?

A. Managing Portfolio Flow
B. Continuous Oversight
C. Portfolio Alignment to Strategic Themes
D. Guiding Investments by Horizon

Answer: D
Explanation: The "Guiding Investments by Horizon" guardrail specifically addresses the balance of funding across different stages of a solution's lifecycle. Horizon 3 is for research and prototyping, Horizon 2 for emerging solutions, Horizon 1 for currently successful solutions, and Horizon 0 for solutions being decommissioned. By monitoring and adjusting the percentage of the budget allocated to each horizon, the Portfolio can ensure long-term sustainability and innovation.

Question: 1242

During SAFe 6.0 training in a bank, a scenario is discussed where project funding leads to vendor lock-in, with 80% of budget tied to legacy suppliers, blocking innovation and increasing costs by 30%. What problem of project management is this?

A. Encourages vendor diversity
B. Promotes agile procurement
C. Focuses on short-term contracts
D. Creates long-term commitments without flexibility

Answer: D
Explanation: Project funding often creates long-term commitments to vendors without flexibility, blocking innovation and raising costs. Lean Portfolio Management supports agile procurement for better adaptability.

Question: 1243

A company has multiple value streams but struggles to prioritize them effectively. What Lean Portfolio

Management technique can help in this situation?

A. Increasing the number of projects to diversify risk
B. Centralizing decision-making to a single team
C. Implementing a project management office (PMO)
D. Using the Weighted Shortest Job First (WSJF) method

Answer: D
Explanation: The Weighted Shortest Job First (WSJF) method helps prioritize value streams based on their potential value and urgency. This technique ensures that the organization focuses on the most impactful initiatives.

Question: 1244

A team is using the portfolio Kanban to manage epics but finds that the "Ready for Implementation" column is consistently full. What could be a potential cause of this issue?

A. The epics are not clearly defined, causing delays
B. Teams are not prioritizing the epics correctly
C. There are not enough resources available to implement the epics
D. The WIP limit for the "Ready for Implementation" column is too high

Answer: C
Explanation: A consistently full "Ready for Implementation" column may indicate that there are not enough resources available to implement the epics. This situation can lead to delays in moving epics forward and may require reassessing resource allocation.

Question: 1245

In an aerospace firm implementing SAFe 6.0, traditional portfolio management has led to a scenario with 62% of initiatives exceeding budgets due to unforeseen risks. What sophisticated shift to Lean Portfolio Management should incorporate risk management to control budgets?

A. Incorporate Lean Portfolio Governance with regular Portfolio Syncs to identify and mitigate risks proactively
B. Purchase insurance for high-risk initiatives
C. Reserve 20% of budgets for risk contingencies
D. Add risk registers to each project plan

Answer: A
Explanation: Incorporating Lean Portfolio Governance with regular Portfolio Syncs to identify and mitigate

risks proactively is a critical shift, enabling adaptive budget control through collaborative oversight rather than reactive measures. Adding risk registers to each project plan maintains traditional isolation. Purchasing insurance for high-risk initiatives externalizes but doesn't prevent issues. Reserving 20% of budgets for risk contingencies inflates costs unnecessarily.

Question: 1246

A Portfolio Sync session reveals that a specific Epic has exceeded its predicted cost due to unforeseen complexity in a third-party API. Under traditional project-cost accounting, this would trigger a "Red Status" and a formal budget request. In SAFe LPM, how should this "variance" be handled to maintain flow?

A. Use the "Pivoting" state of the Portfolio Kanban to move the Epic back to the Funnel
B. Re-allocate the entire Value Stream budget to this one Epic to ensure it finishes
C. Immediately stop all work on the Epic until a new Lean Business Case is written
D. Use the "Pivot or Persevere" decision point within the Lean Startup Cycle

Answer: D
Explanation: SAFe LPM utilizes the Lean Startup Cycle. When an Epic (or its MVP) encounters higher costs or unexpected results, the LPM team doesn't just "stop" or "re-fund" it through a bureaucratic process. They evaluate the data at a "Pivot or Persevere" milestone. If the hypothesis is still valid and the value outweighs the remaining cost, they persevere; if not, they pivot, even if the "budget" wasn't technically exhausted. This is a shift from tracking "spend vs budget" to "value vs cost."