

AL SHALLOWAY

Value Realization Stream Management



Technical Project Management

March 5, 2019

11:00 am EST

www.greatpro.org



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Value Realization Stream Management

Increasing value in a shorter amount of time while decreasing costs



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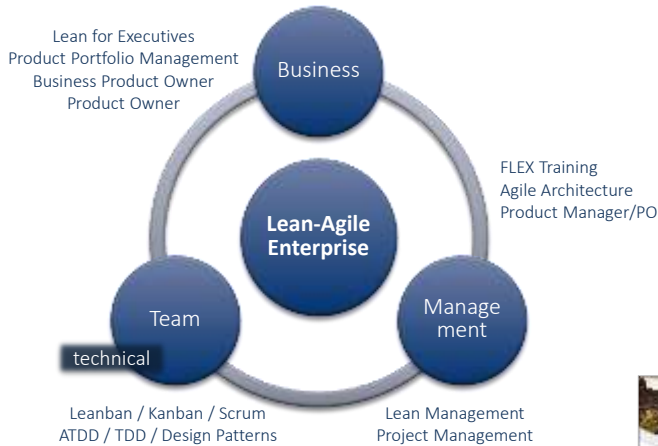
Net Objectives

Al Shalloway

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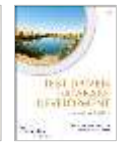


- Almost 50 years experience in software development
- Thought leader in Lean, Scrum, Kanban, Design Patterns, Emergent Design
- Contributor to SAFe in Agile architecture, technical agility, Kanban
- First non-SAI SPC Trainer & former gold-partner
- Co-founder of Lean Kanban University
- Co-author of 2 Technical Agility books and 3 Lean-Agile books
- Master in Computer Science From MIT, Masters in Mathematics, BS in Mathematics and BA in Psychology (Summa Cum Laude) from Emory University.



Net Objectives

ASSESSMENTS
CONSULTING
TRAINING
COACHING



Business Agility

focuses on **value realized** by having the business identify, prioritize and sequence the work to be done and allocate it **appropriately** to the development teams

DEFINITION

Goal and Benefit of Business Agility

The realization of the **highest business value** in a **shorter amount of time, predictably, sustainably**, and with **high quality**.

By working in small delivery increments we **continuously adjust** to what is needed – enabling change to direction with low cost.

VALUE must be defined by the business stakeholders and is unique to the business.

This definition is the basis for business initiatives.

It is focused on customer value after the business decides which customers they value the most



The Minimum Viable Product

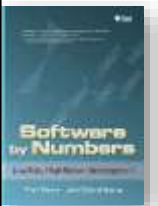
Geared towards startups.

First time a product/service is released.

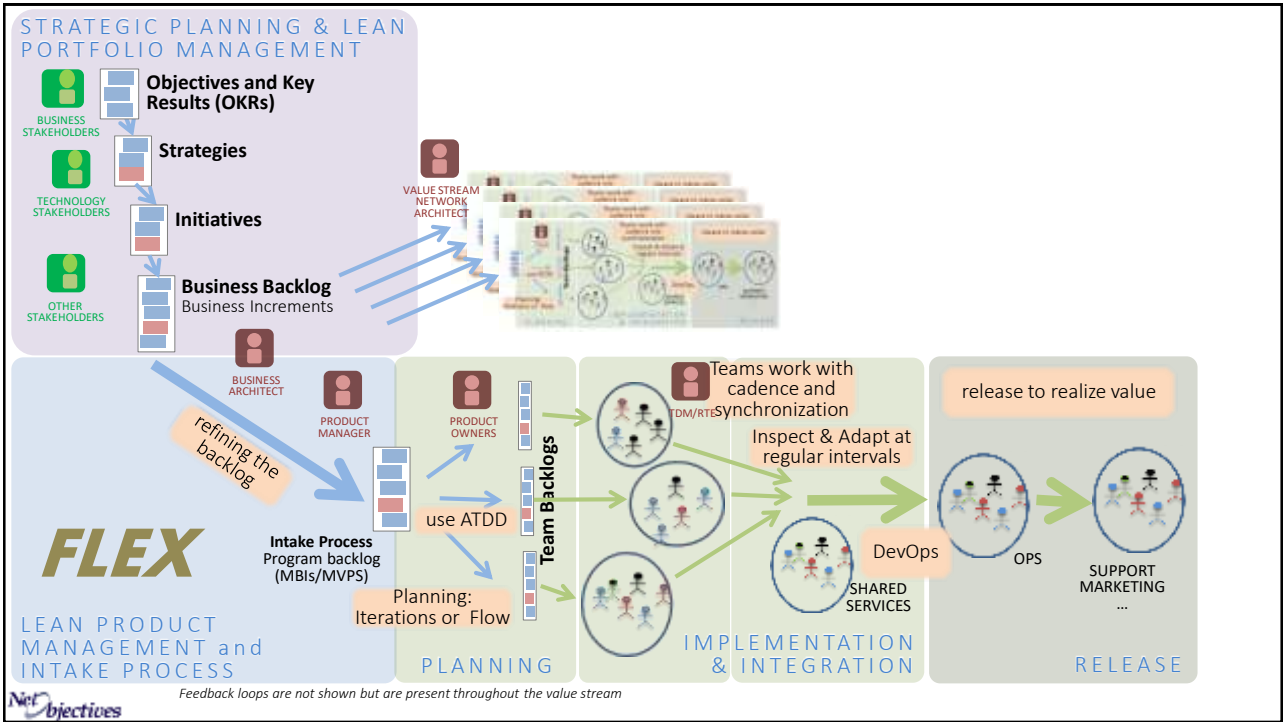
Usually built by a small team that can pivot.

What do you do when:

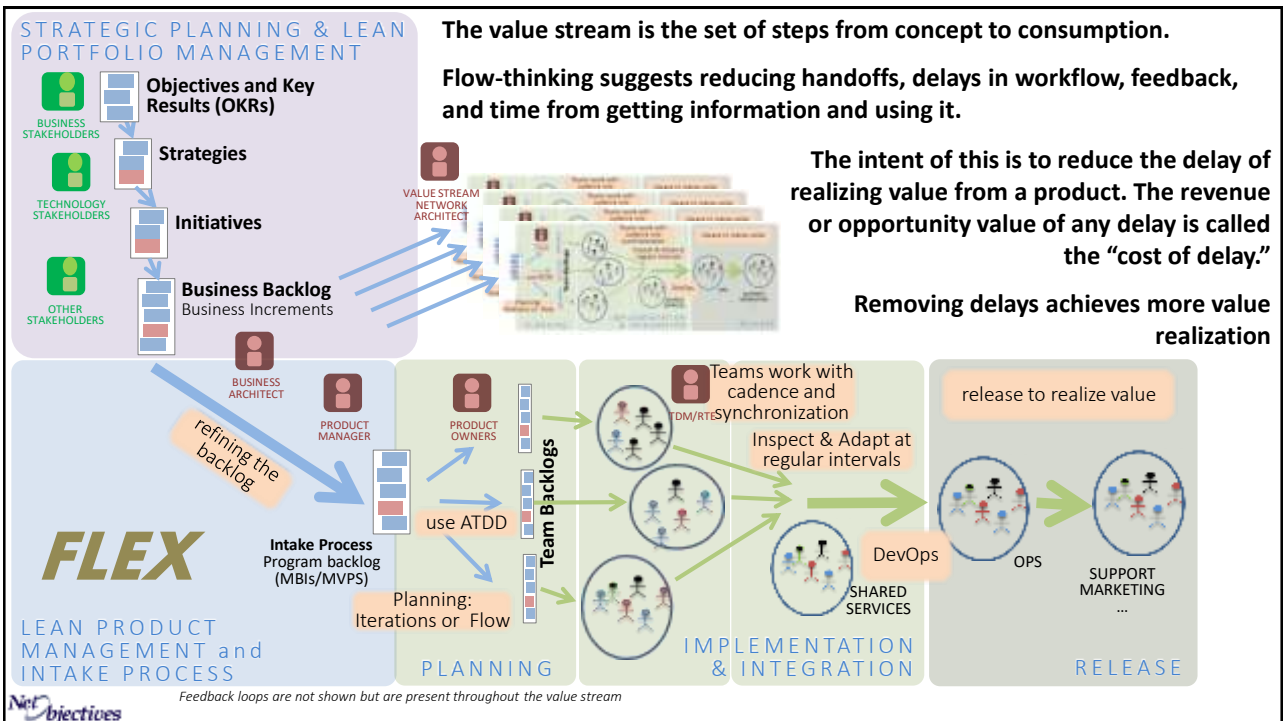
- You are an established company?
- It is an enhancement to an existing product/service?
- The teams required to build it are not aligned?



Mark Denne and Jane Cleland-Huang
Software by Numbers

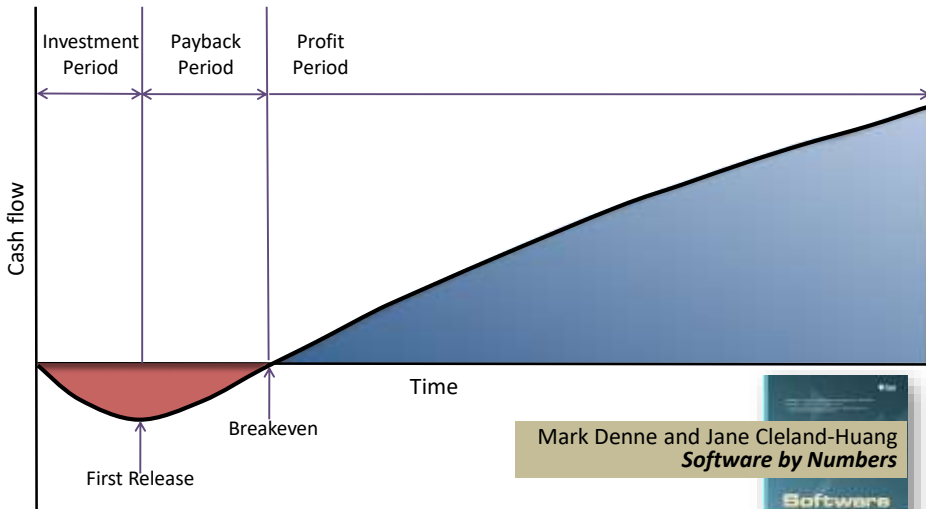


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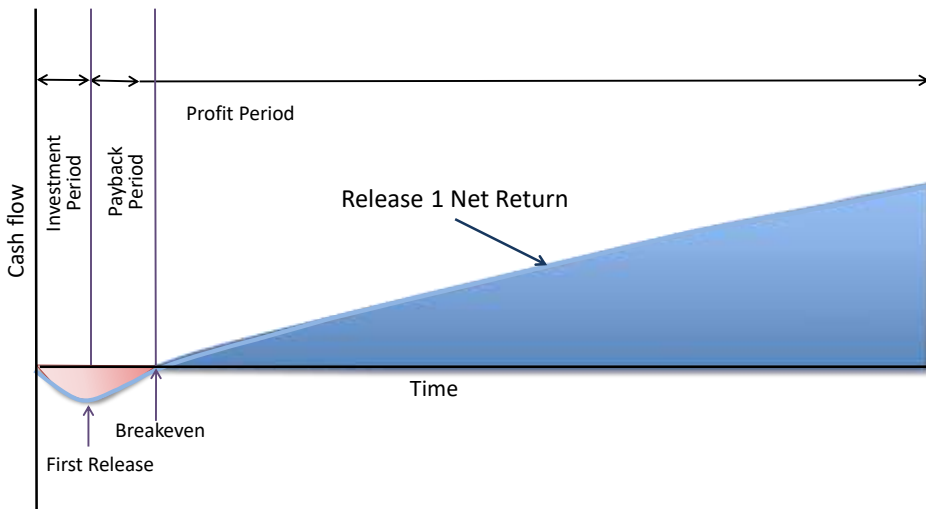
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economics of responsiveness



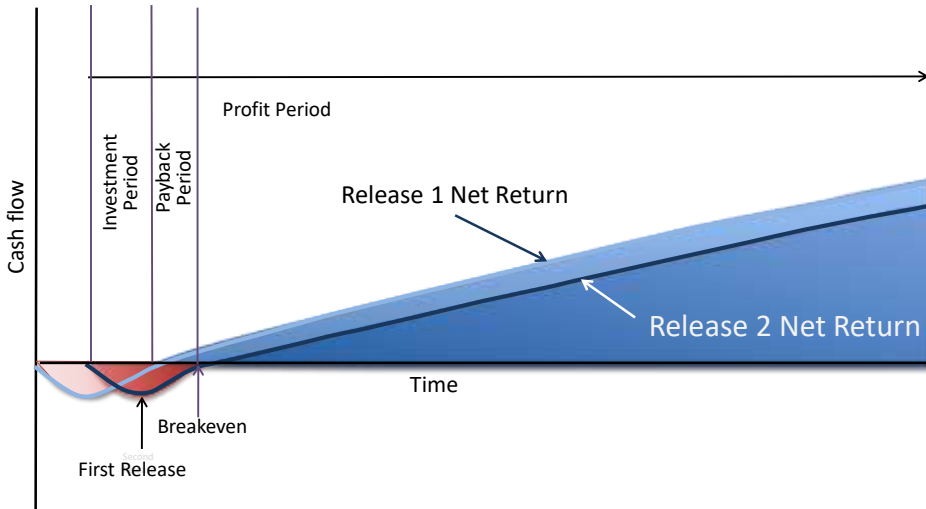
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staged releases



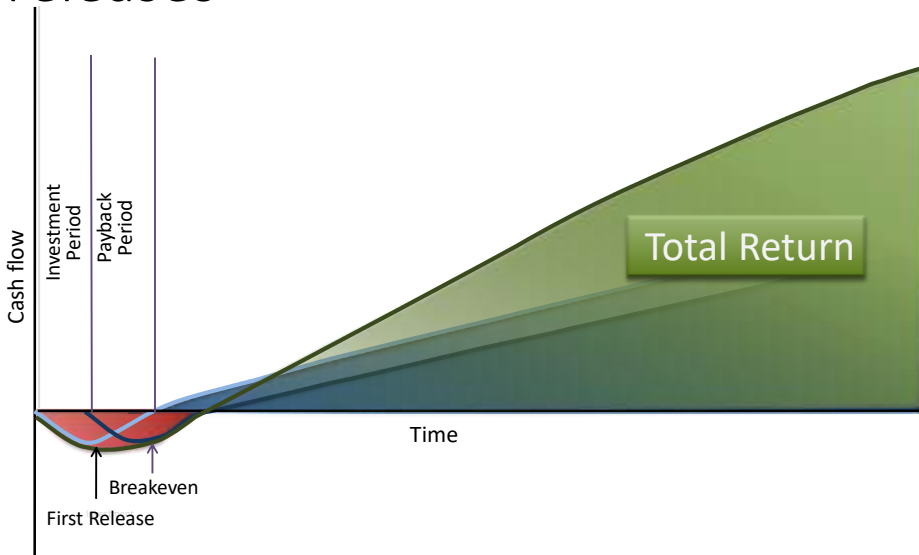
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staged releases



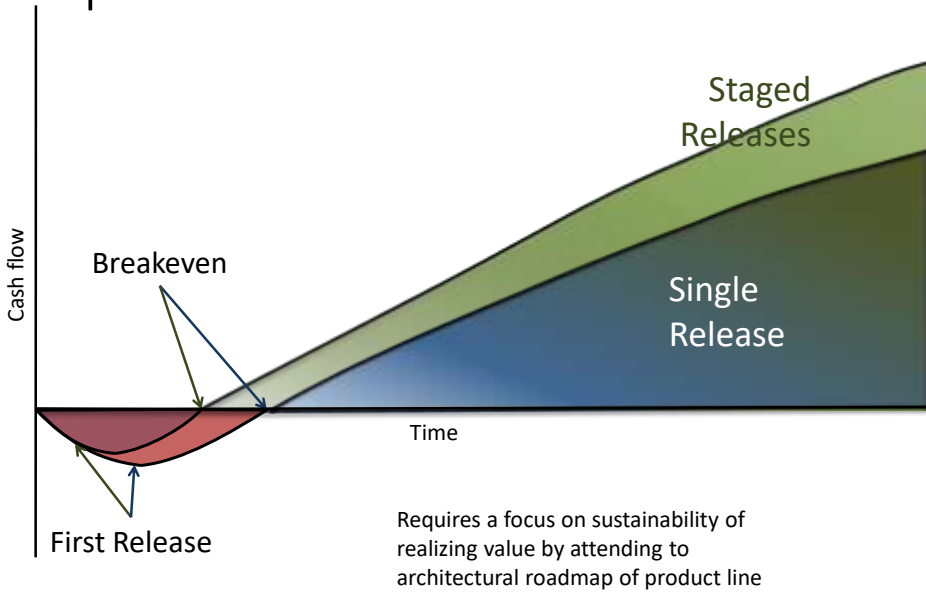
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staged releases

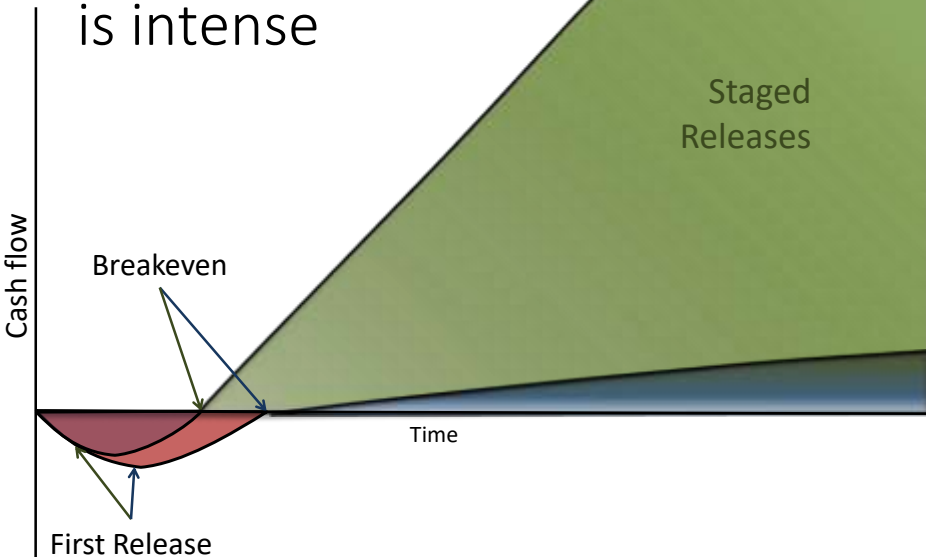


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increased profit



when competition is intense



DEFINITION

Minimum Business Increment (MBI)

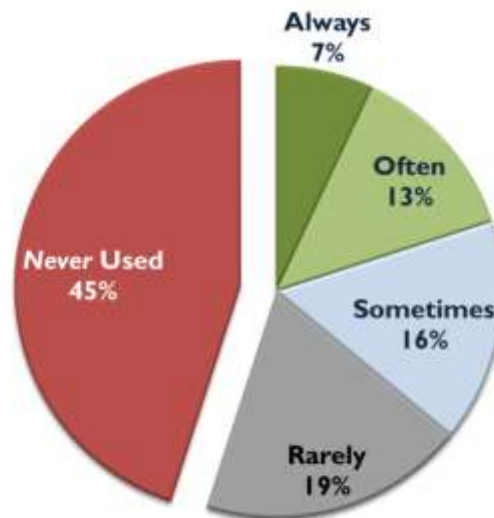
The **minimum** amount of business value that can be built, deployed and consumed that makes sense from a **business** perspective

“An MBI is not a reason to deliver less.
It is a reason to deliver **sooner.**”

Agility

is about
Business Value Increments
not Development Cycles

WASTE and the DELAY OF VALUE



Usage of Features and
Functions in Typical System

Source: Standish Group
Study of 2000 projects at 1000 companies

Do customers
know what they
want?



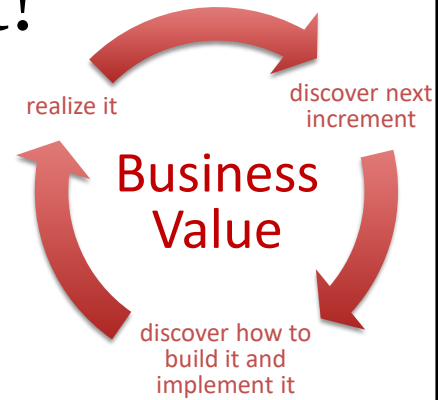
The basis for Scrum and other Agile methods

Software development
is inherently a
non-deterministic process

This doesn't mean it can't be controlled; rather it can't be managed completely through prediction. It means you must react and adapt.

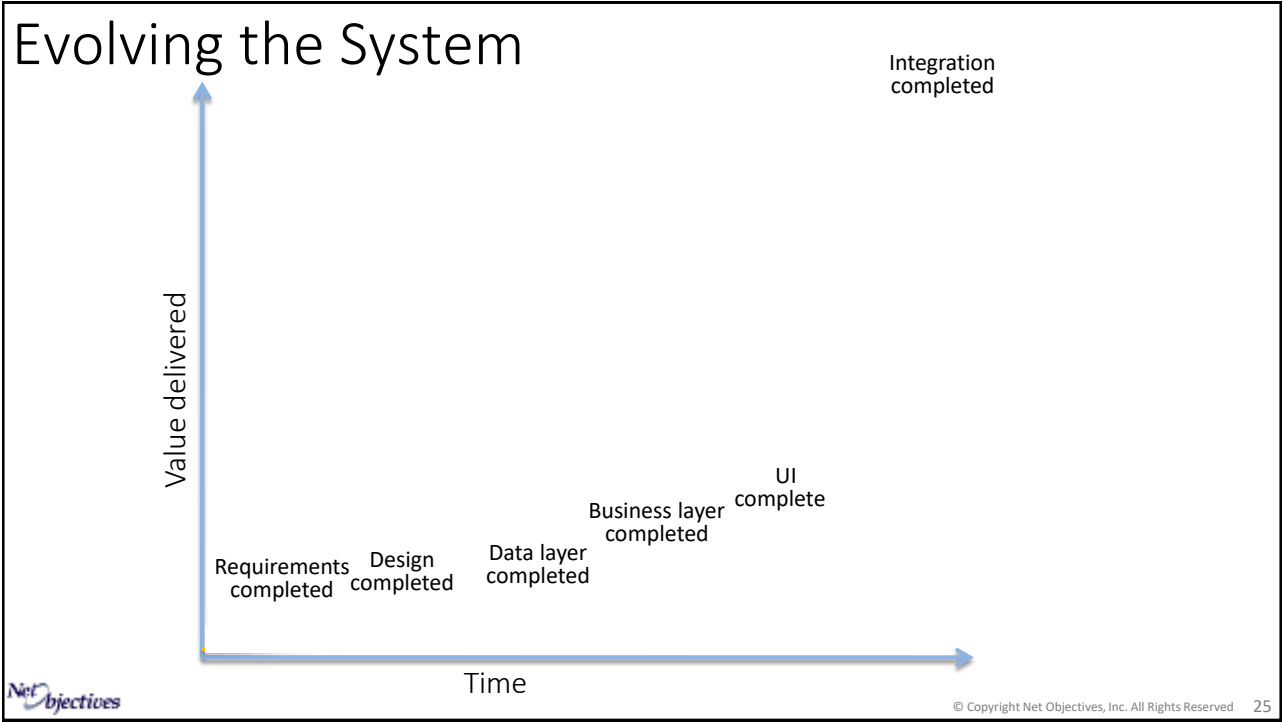
Creating the Recipe vs. Producing many meals!

“ You cannot build the right thing if you have not discovered it first!

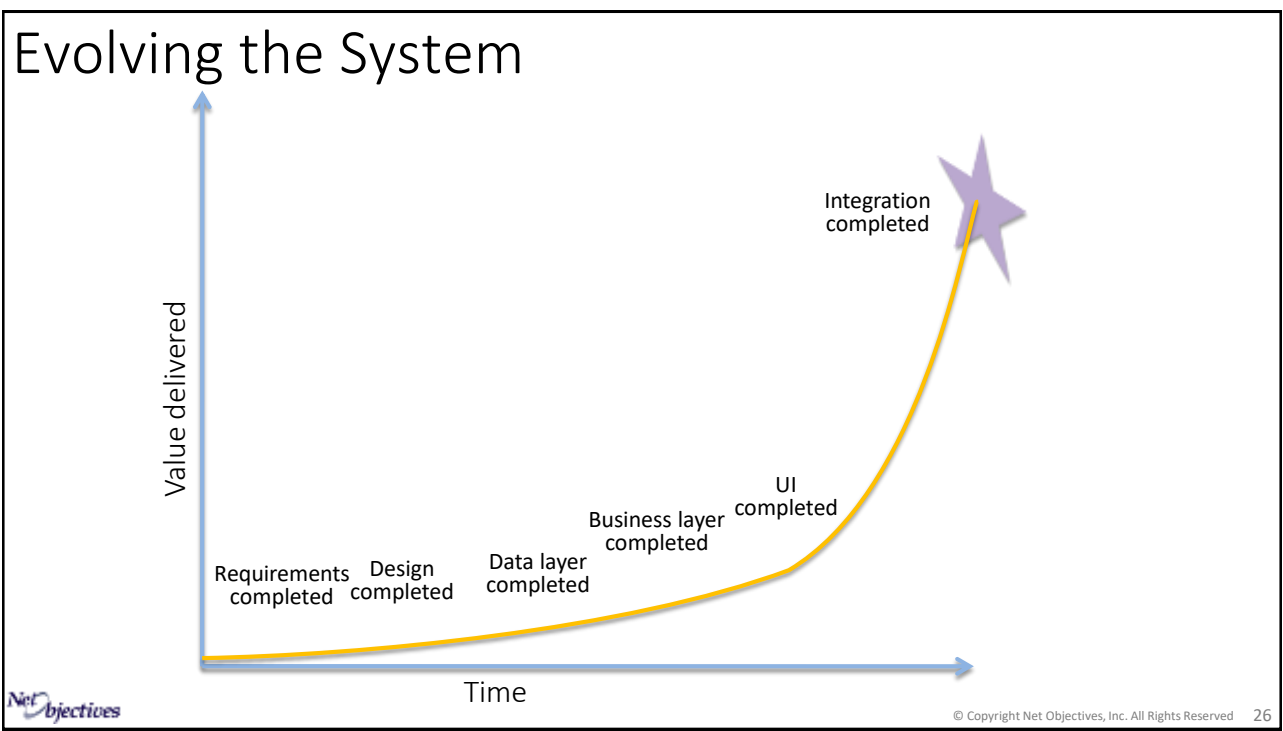


System Evolution vs. Business Evolution

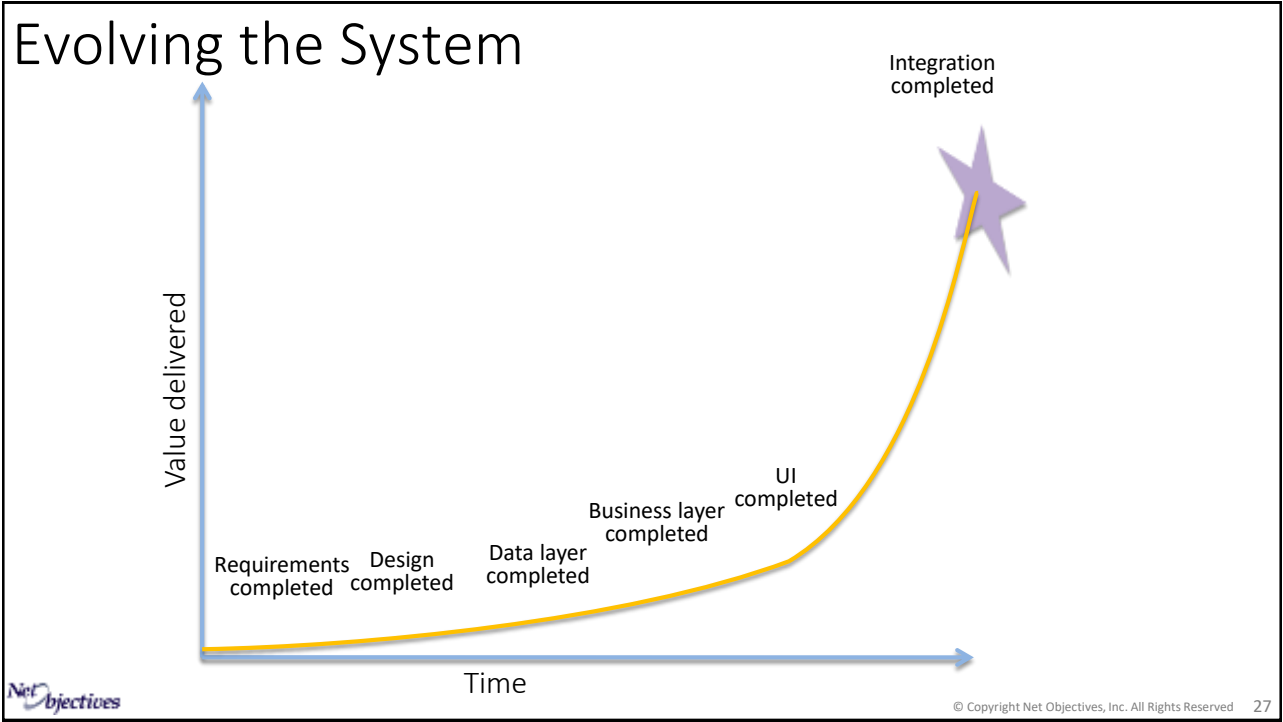




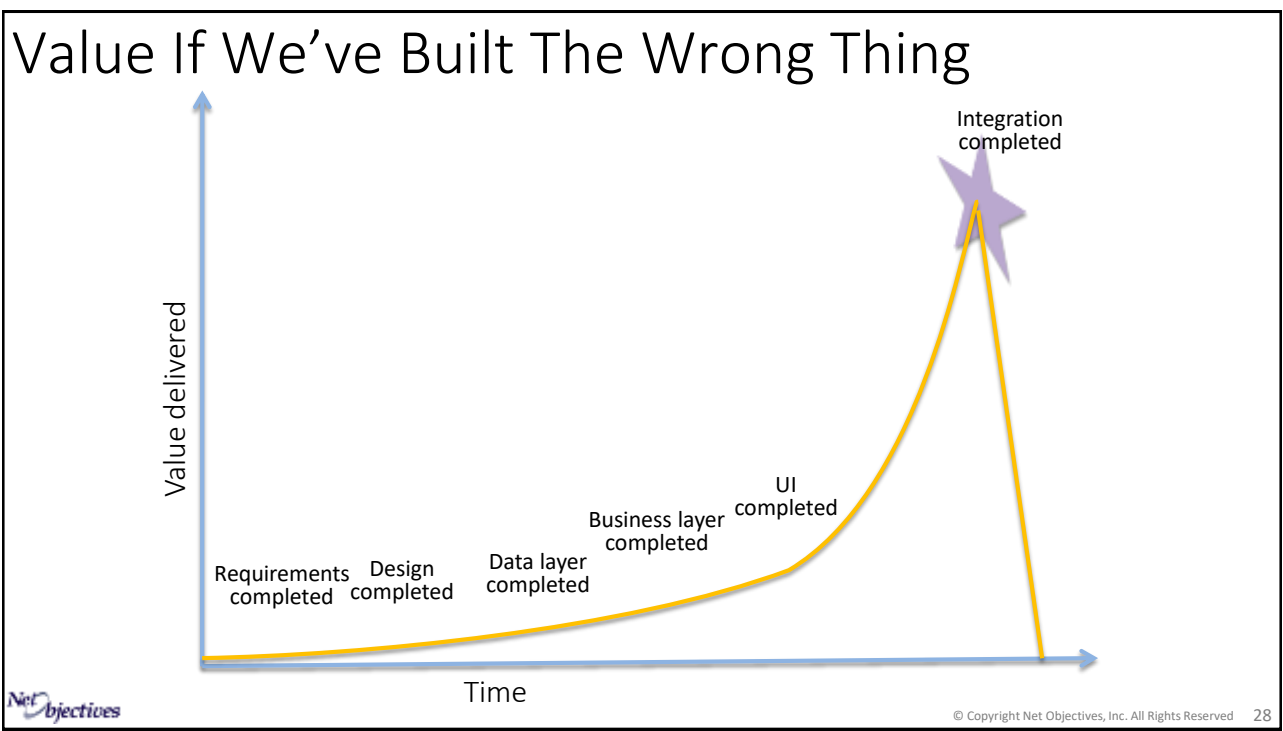
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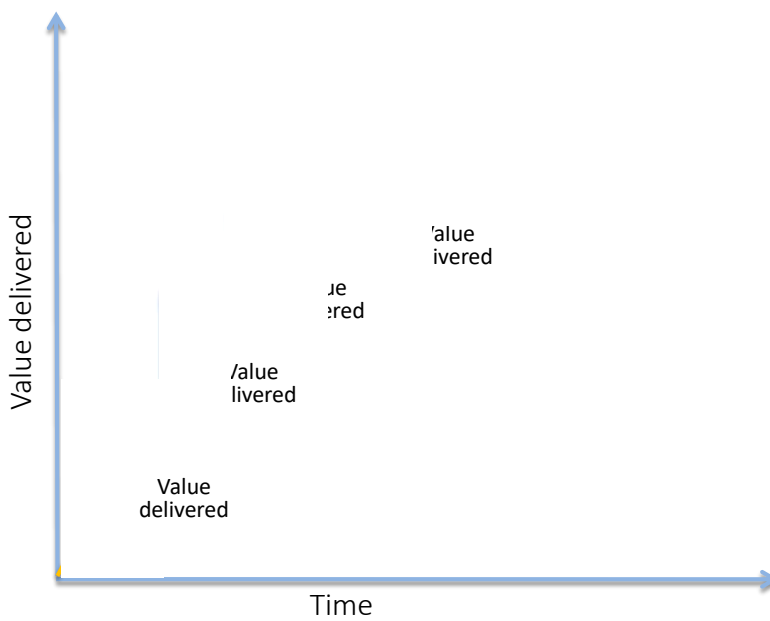
requirements tend to be

piled on poorly prioritized

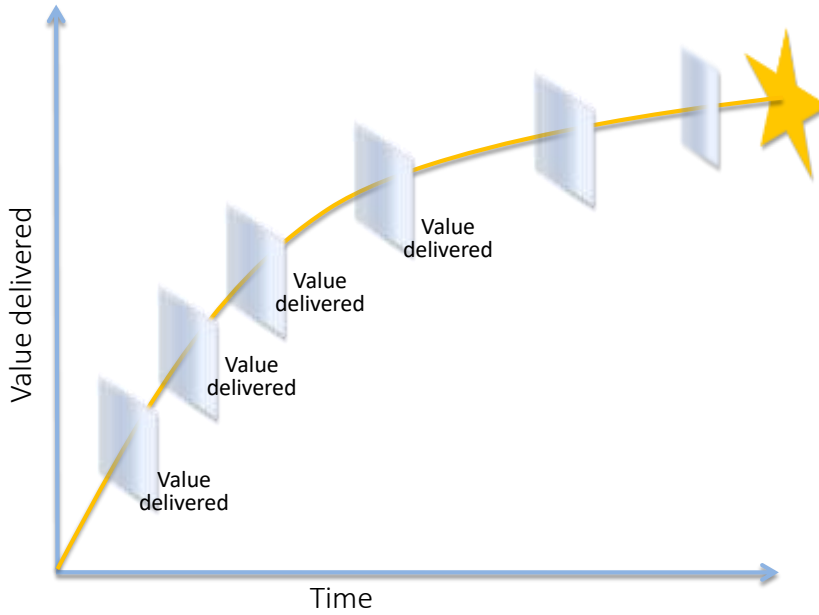
and have long delivery cycles



Evolving the Business

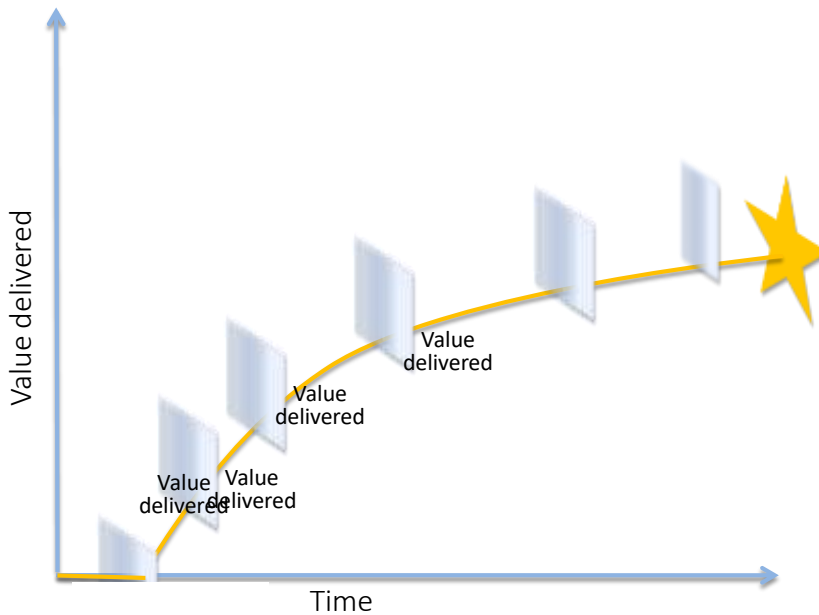


Evolving the Business



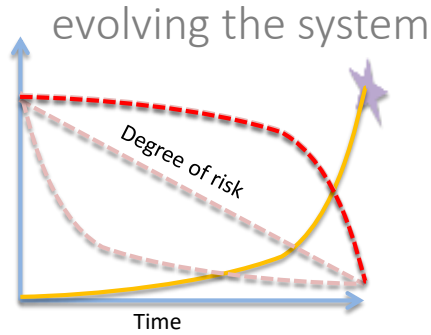
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Value If We've Built the Wrong Thing

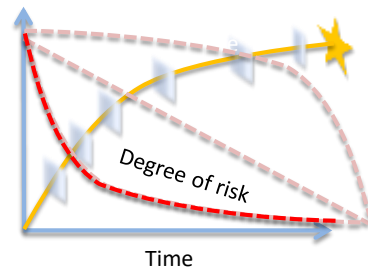


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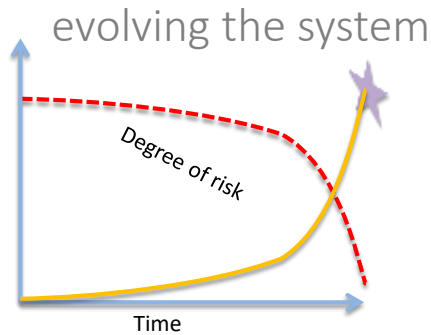
What risks do these approaches lower?



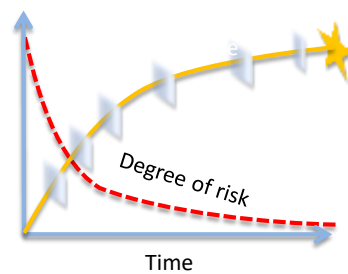
incrementally realizing business value



What risks do these approaches lower?



incrementally realizing business value



“

smaller vs
bigger chunks

Often reducing batch size is
all it takes to bring a system
back into control

Eli Goldratt



Prioritizing for Optimal Return on Investment

Job sequencing
is the key to
economic outcomes.

DEFINITION

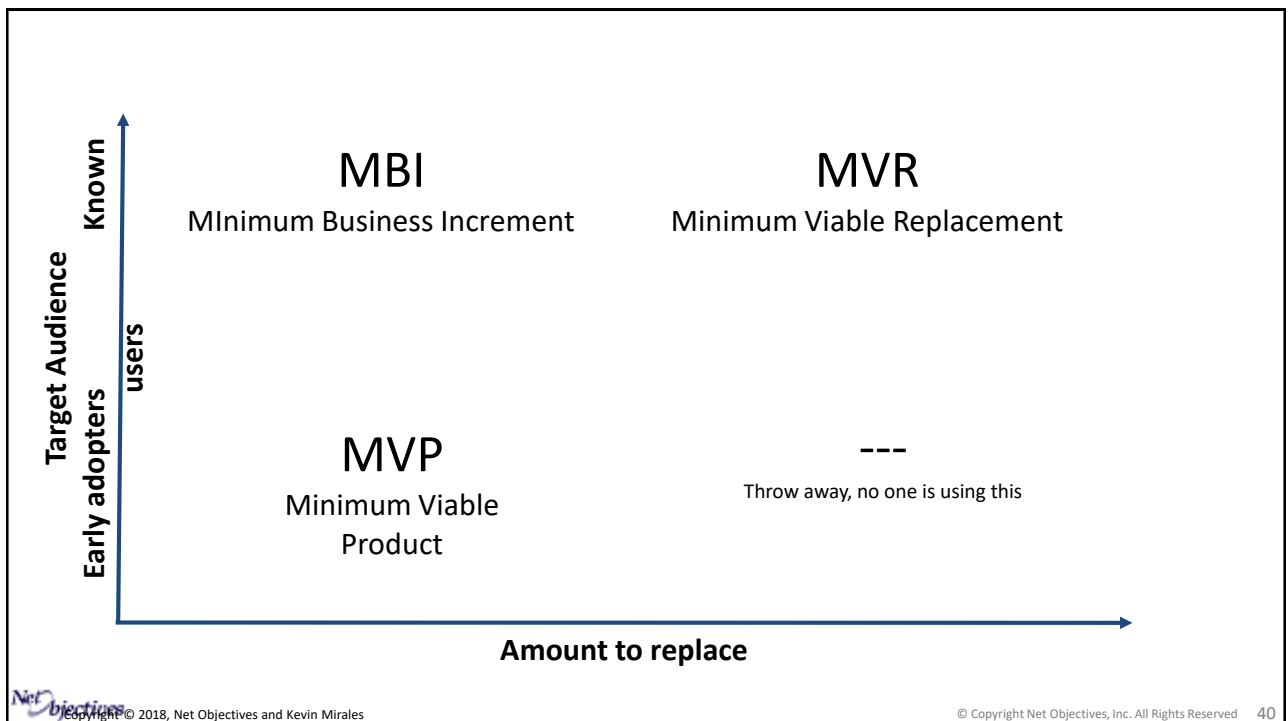
Minimum Business Increment

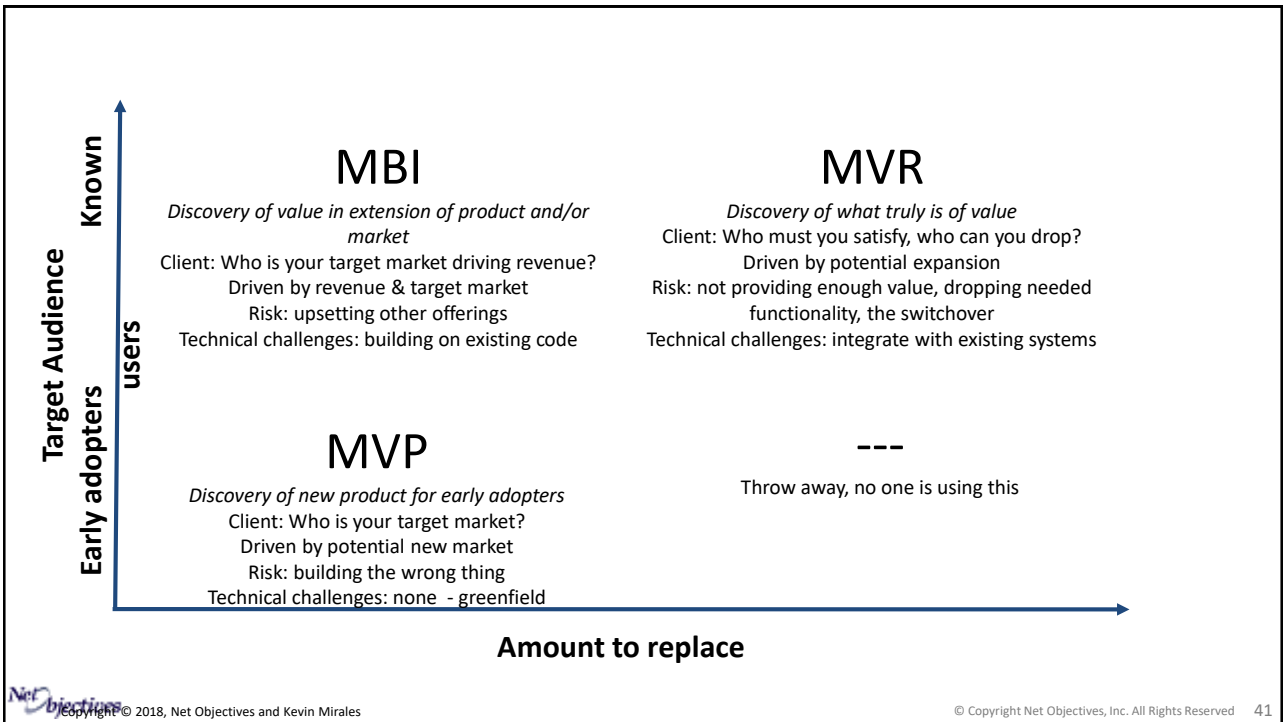
the minimum amount of business value that can be **built, deployed** and **consumed** that makes sense from a **Business** perspective

The ability to pivot at low cost:

Pivoting is relative to the type and size of the work.

- new product
- extending existing product
- replacing existing product





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In Summary

review

- ✓ Goal is **business** agility
- ✓ Look at the **value stream** for insights on **reducing handoffs and delays**
- ✓ Focus on **select** customers and work on what will provide them the **greatest** value
- ✓ Small chunks of work enable us to see the **value** being returned and pivot in a **shorter** amount of time

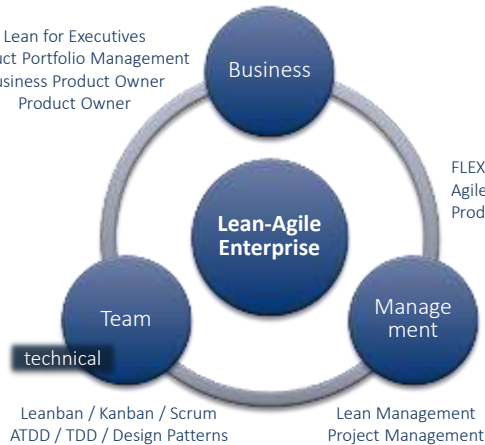
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