

**THE MINIMUM BUSINESS INCREMENT**

How do we best right-size our work?  
MVPs are not enough

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**KEY CONCEPTS**

- Small batches of work are good
- MVPs are good for innovation
- We need something else for enhancements (MBIs)
- Sequencing work should be based on MBIs
- MBIs are containers for what needs to happen
- The MBI Checklist

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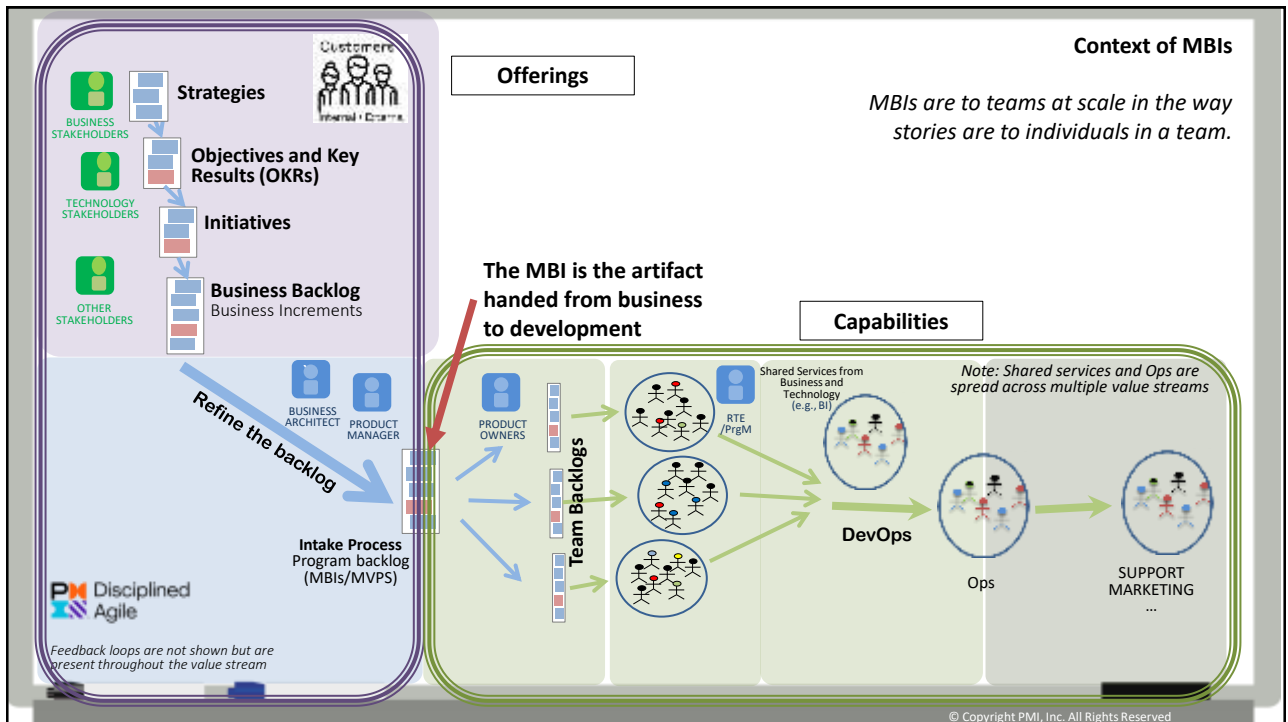
**We want an artifact to drive our work.**

Must have sufficient value to be released by themselves ...

... and as quick as possible (be small)

While the focus may be on the customer these decisions include business value factors

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## Minimum Viable Product (MVP)

### Using Eric Ries' Definition

Originated with Frank Robinson 2001

The smallest piece of work to be used to validate a hypothesis about a potential product.

Geared towards startups.

First time a product/service is released.

Usually built by a small team or teams dedicated to this MVP that can pivot

But, what do you do when:

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

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## Minimum Business Increment (MBI)

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

It contains all the **pieces required** for realization of value and for sustaining that realization.

As well as the **capabilities needed** to create it.



MBIs are an extension of the MMF of Denne and Cleland-Huang's in Software by Numbers. Note MMFs in SAFe are unrelated to either of these.

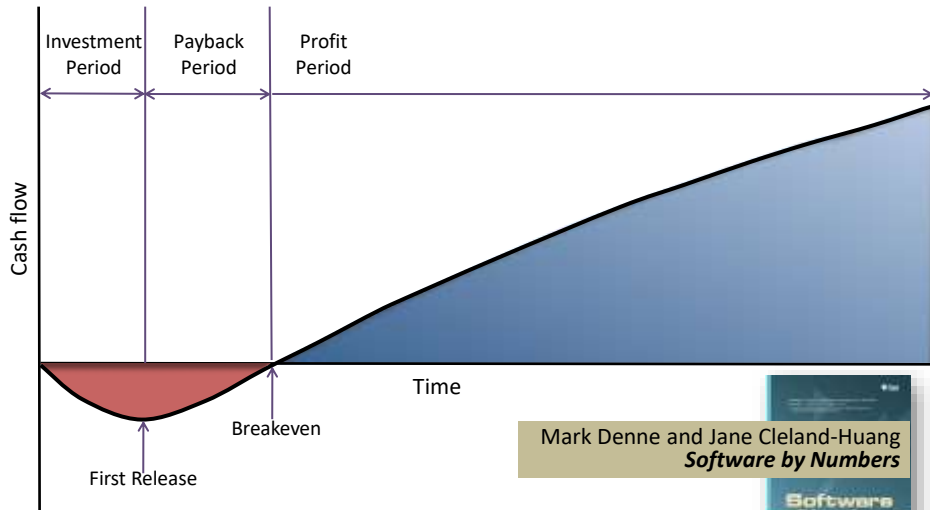
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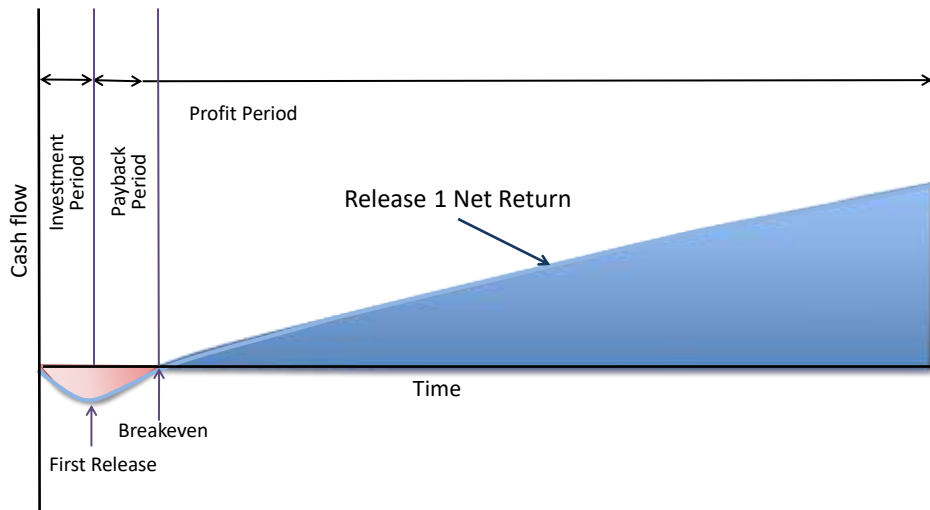
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# economics of responsiveness



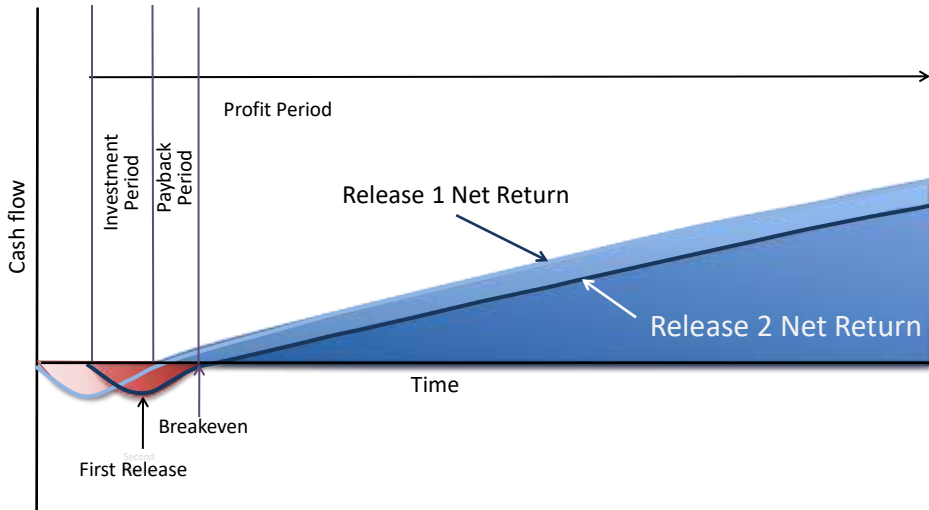
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# staged releases



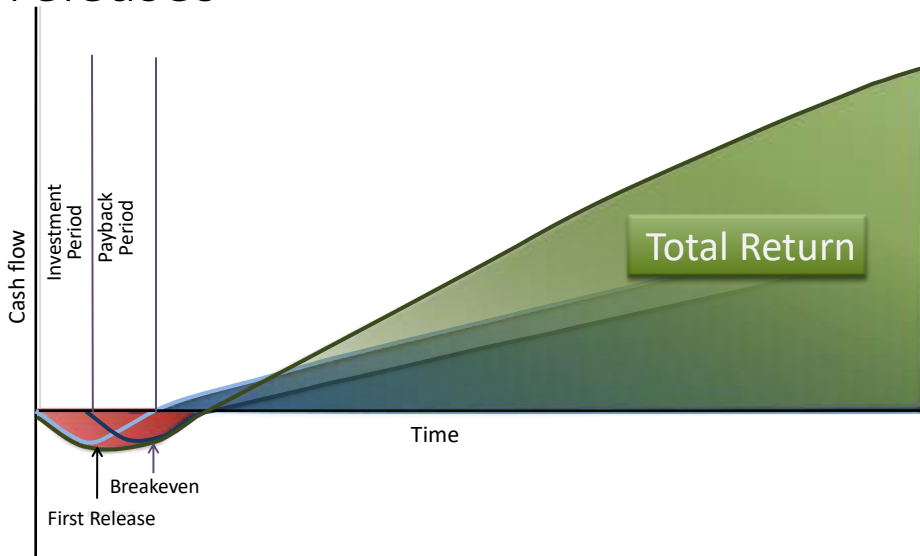
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# staged releases

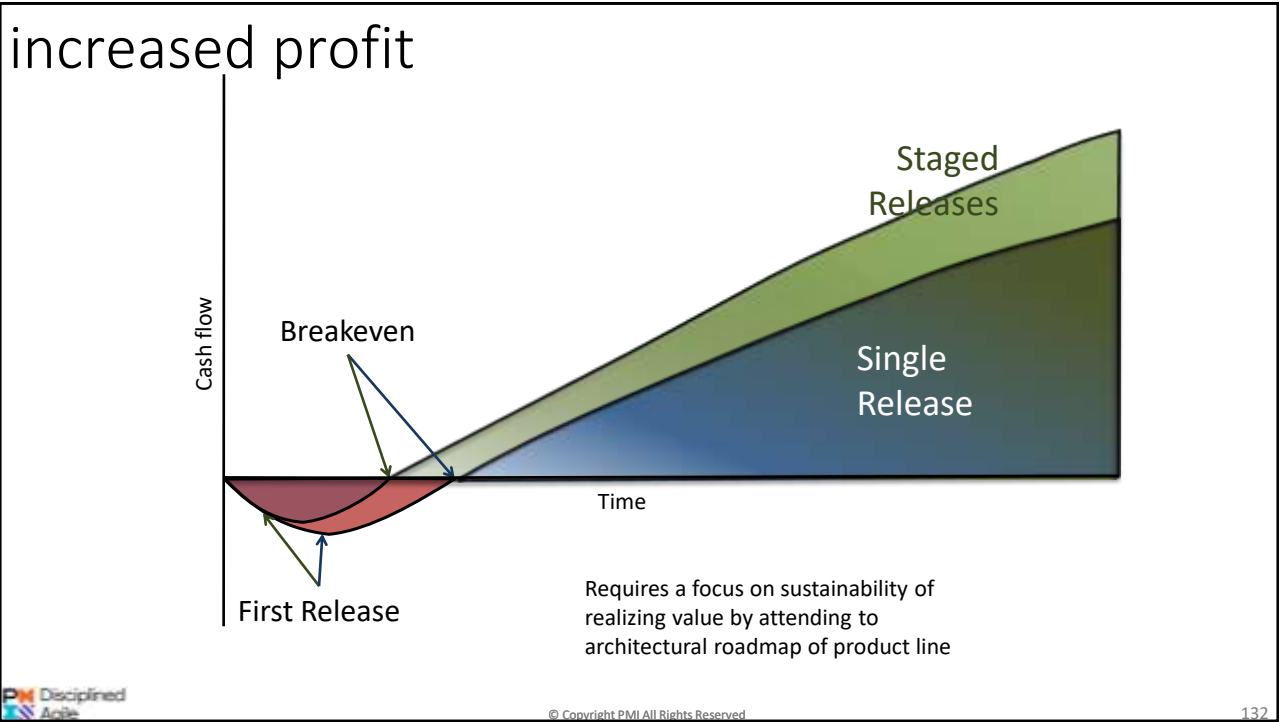


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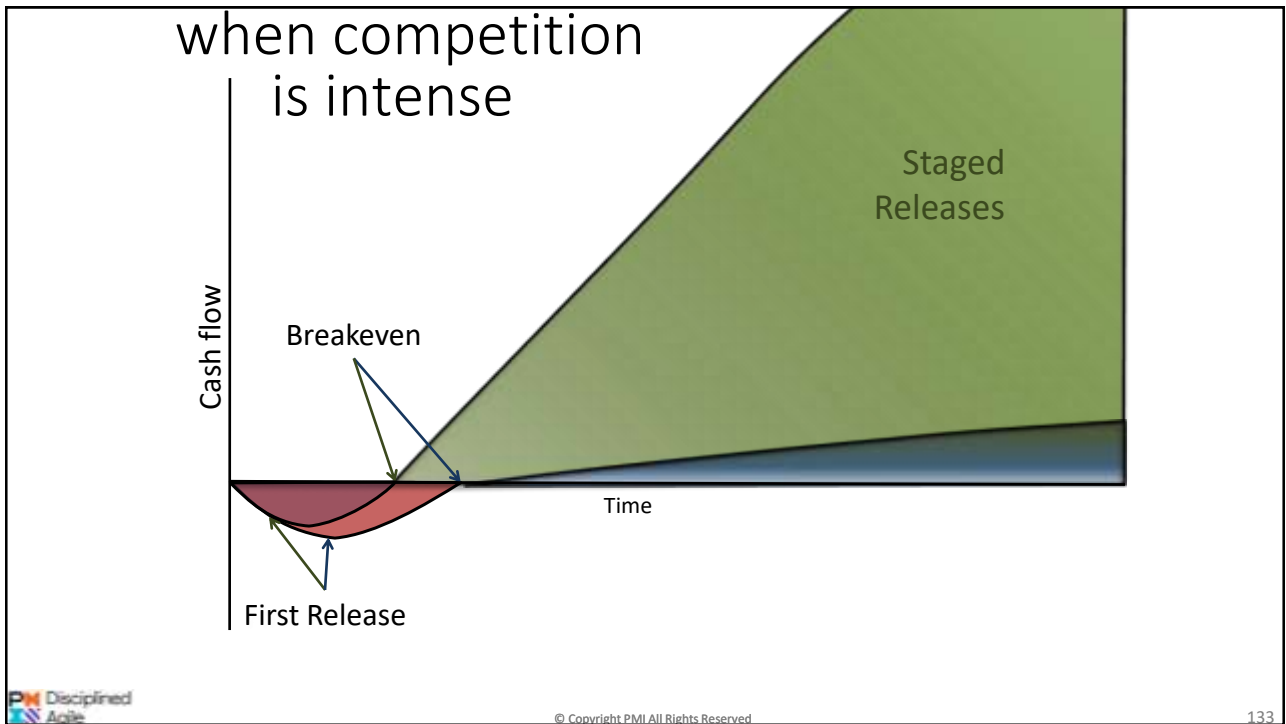
# staged releases



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

*Chunk it small but do it all  
(until something with  
more value comes along)*

*Inspired by David Marquette – Leadership is Language  
But read Turn the Ship Around first*



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**MVPs and  
MBIs are  
both  
mindsets  
about  
incremental  
delivery**

Both create ***end-to-end slices*** of functionality to validate the work.

Both are ***customer centric***

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## Investment

An **MVP** is an investment in discovering whether a *new product* is viable.

An **MBI** is an investment in enhancing an *existing product*.

If I'm not getting a return on an MBI, that's a problem, if I'm not getting a return on an MVP that's an acceptable risk.

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## Value to customers is through strategies of the business

**Value** must be defined by the customer, but **business stakeholders** decide which value to go after.

**Southwest** 

Serving meals might add value to the customer but it's not consistent with the vision of the business.

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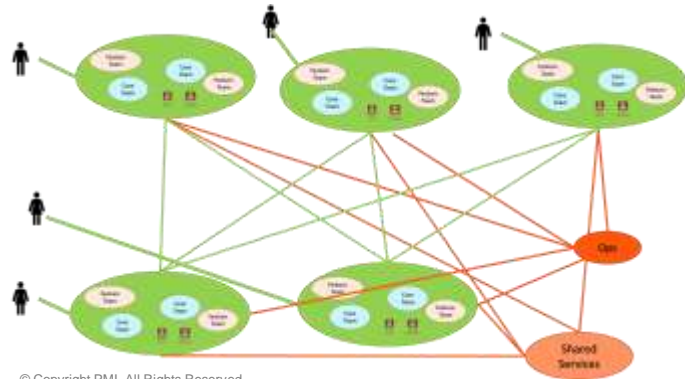
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## Team Size and distribution

An **MVP** is built by a *team or group of teams* where all of the people involved are working on just this MVP.

An **MBI** usually requires *members from several different teams* to be built when large organizations are involved.



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## Method of Building

**MVPs** start out small with *just a few features*. Features are added over time. *MVPs thus start small and get larger.*

**MBIs** are created as the next part of an initiative to be built. *Hence, MBIs are the result of decomposing initiatives.*

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Customer market

The team building an **MVP** is in *direct contact* with the customers the MVP is targeted for.


The teams building an **MBI** usually *work through the existing marketing and sales organization* to determine requirements.




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MBIs contain what is needed.



MVPs are about discovering what is needed

	MVPs	MBIs
Investment in	Discovering <b>new</b> products / services	Getting more of a return from <b>existing</b> products / services
Development team	Start small with a team or Focused Solution team	May require several teams that also work on other items
Method of building	Start with a few features and add to them	Split out from larger initiatives
Interaction with customers	Focused interactions directly with prospective client	Through existing marketing/sales channels



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Actually, hopefully, never.

Keep a team focused on a client for as long as you can.

But in big organizations, at some point the work requires going across teams.

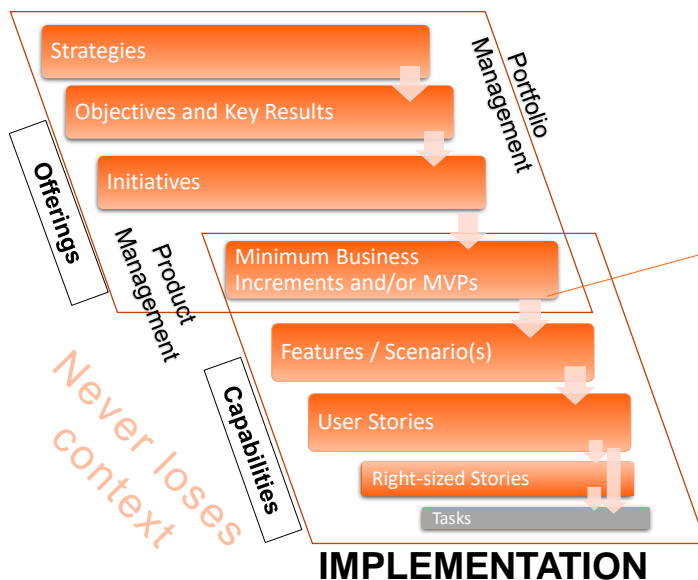
This is particularly true when there are multiple vertical applications using horizontal applications.

# When do we move from MVPs to MBIs?



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## DISCOVERY



MBIs and MVPs represent the boundary between business initiatives and development.

From the **business stakeholder's perspective** they are the next chunk of business value they will get.

Define MBIs by focusing on:

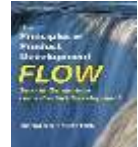
- client
- market segment
- Geography
- ...

From the development group's perspective they are the focus of what they need to build, release and have the customer realize value from.



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# Job sequencing is the key to economic outcomes.



If you only quantify one thing, quantify the Cost of Delay.

**Don Reinertsen** (Reinertsen 2009)

Calculate cost of delay on MBIs.

Value of MVPs is unknown.

Epics are too big (not all of an epic is released).

Features are too small if they are not complete on their own.



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## Value of MBIs

Provide a **view of what's most important to be worked** on across the organization. This facilitates collaboration while **enabling local decision** making to fulfill the overall picture.

Do planning events around creating and delivering MBIs quickly.

MBIs tie strategies to development to release.

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## Do customers **know** what they want?

After I show them what they don't want.

So we want to show them what they don't want *as soon as possible*



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!



smaller vs bigger chunks

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

Eli Goldratt



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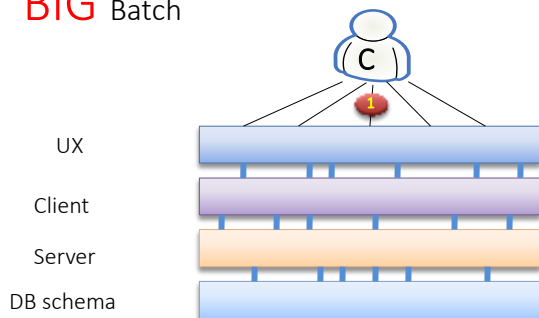
## Iterative Business Slices

System Evolution vs. Business Evolution

**Iterative** = Start with what we know, implement some, show the customer, adjust

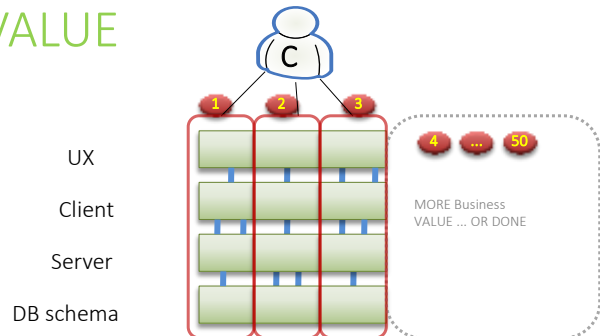
**Incremental** = Feature Driven ... Value in short cycles ... Slices vs. Layers

**BIG** Batch



small Incremental

**VALUE**



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# How can we decompose into MBIs?

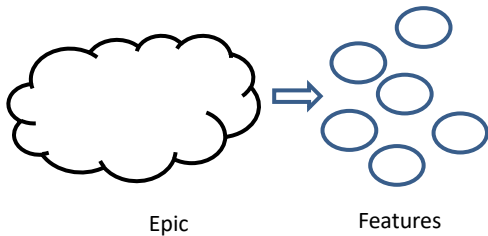
- Subset of functionality
- Market segment // personas
- Particular customer(s)
- Geography
- Language
- Persona

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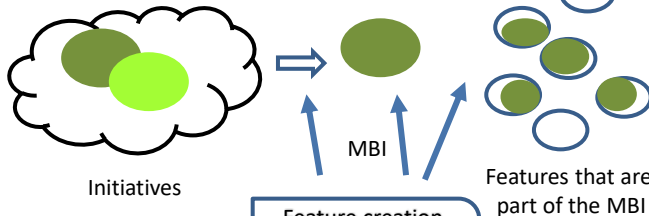
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When go into planning event one of two things will happen:

1. No time pressure. All of these features will be built.
2. Time pressure. Have to make decisions what to build in a pressured, intense environment. Lose the opportunity to do good evaluation of customer focus – who is our customer.

The real pressure in a PI is not to release soon, but is to get it all in.



When go into planning event we've already decided what needs to be built. Less pressure, more likely to get something out the door sooner. A focus on value delivery. (Don't build it, don't toggle it out).

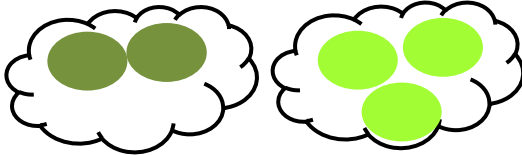
***We lose the opportunity to release sooner and create the waste of building everything.***

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Epic 1

Epic 2

Epics are not good candidates to do Weighted Shortest Job First on. Epic 2 may have more overall value than epic 1. But if one considered only those parts of the epic that would get implemented, Epic 1 would score higher.

Cost of delay on MVPs doesn't work well because we don't even know if we have a product, let alone how valuable it is.

Cost of delay on features is a non-sequitur when features can't be released on their own.

What's the value of getting a plane to turn left if it can't turn right?  
How about fast forward on a DVD with no rewind?

MBIs are atomic in nature. If MBI A can be split into A1 and A2 where each is releable for value, then A is not a minimum business increment (A1 and A2 are).

The MBI Checklist is not for governance. It is used to remind teams about what they have decided they need to do to create value in a sustainable manner.

**Requirements**

- Who it is for?
- Do use cases exist to describe the value?
- Does it meet the organization's definition of done?
- What's needed to develop it?
- What development teams involved in creating it

**Market**

- Who is our target market?
- Geographies involved?
- Functionality?

**Architectural issues**

- Other capacities needed (e.g., UX, shared services)
- What's needed for release / realization?

**Support Groups**

- Documentation
- Marketing
- Support
- Ops

**Is there a time of delivery risk?**

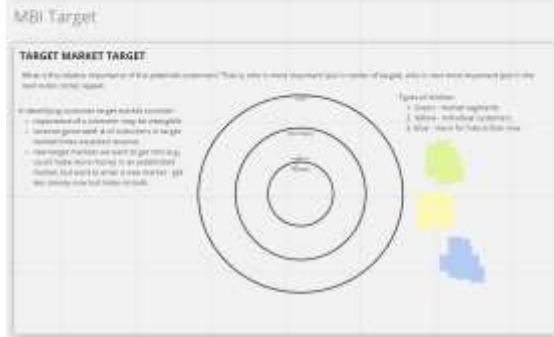
- If yes, when? Why?

## Minimum Business Increment Checklist

An example checklist for creating MBIs



## Exercise on Creating MBIs



## The MBI is one of the cornerstones of Agile at scale

Later we'll make promises across the organization that facilitate effective Agile at scale. One of them is:

### ***Promise: Accelerate value realization***

*We agree to work on items that will realize the greatest amount of business and customer value across the enterprise.*

It is difficult, if not impossible to keep this promise without an MBI.

## Advantages of Using MBIs

In big room planning – focus on MBIs, not features

Re epics - enabling getting to smaller pieces

Refining the target market

MBIs provide an overarching view of what's needed.

MBIs provide an alignment ability

Manage risks for enhancements – quick feedback.

Value in the explicit statement of what an MBI is. They won't get this unless they have a good consultant if it's not SAFe.

An MBI's explicit statement of these issues help in the adoption of the right approach

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## References

### Books

[Turn the Ship Around!: A True Story of Turning Followers into Leaders](#) by L. David Marquet and Stephen R. Covey

[Leadership Is Language: The Hidden Power of What You Say--and What You Don't](#) by L. David Marquet

[The Principles of Product Development Flow: Second Generation Lean Product Development](#) by Donald Reinertsen

[Software by Numbers: Low-Risk, High-Return Development](#) by Mark Denne and Jane Cleland-Huang

[Full book list.](#)

### Other

[MBI Template](#)

Ask questions on the [Disciplined Agile LinkedIn Group](#) (reference AI Shalloway in question)



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