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2023

The Value Stream Flow Report

Comparative Analysis and Industry Performance Benchmarking

Executive Summary

The Value Stream Flow Report presents the findings of a comprehensive study on the performance of 214 different Value Streams across 11 industries and four continents. The dataset, which includes over 130,000 data points, is a representative subset of aggregated and de-identified data drawn from the Flomatika platform.

The study sheds light on several critical aspects of Value Stream performance, including the time it takes to complete work items, the predictability of delivery, the variability of lead time, flow efficiency, and capacity utilisation.

This report is the first of its kind to provide such detailed insights, representing a valuable new contribution to the industry.

Our decision to share these findings more broadly was prompted by the growing demand from our clients for a better understanding of what success looks like and what they can expect as they embark on their continuous improvement journey.

We hope these insights will serve as a valuable benchmark for our clients and the industry at large, and we look forward to building on these findings as trends emerge over the coming years and our dataset continues to grow.

I hope it provides valuable insights to help you improve your own processes and Value Streams and inspires you to continue your journey towards delivering greater value to your customers.

Marcio Sete
Chief Product & Technology Officer, CEO
Flomatika

Methodology

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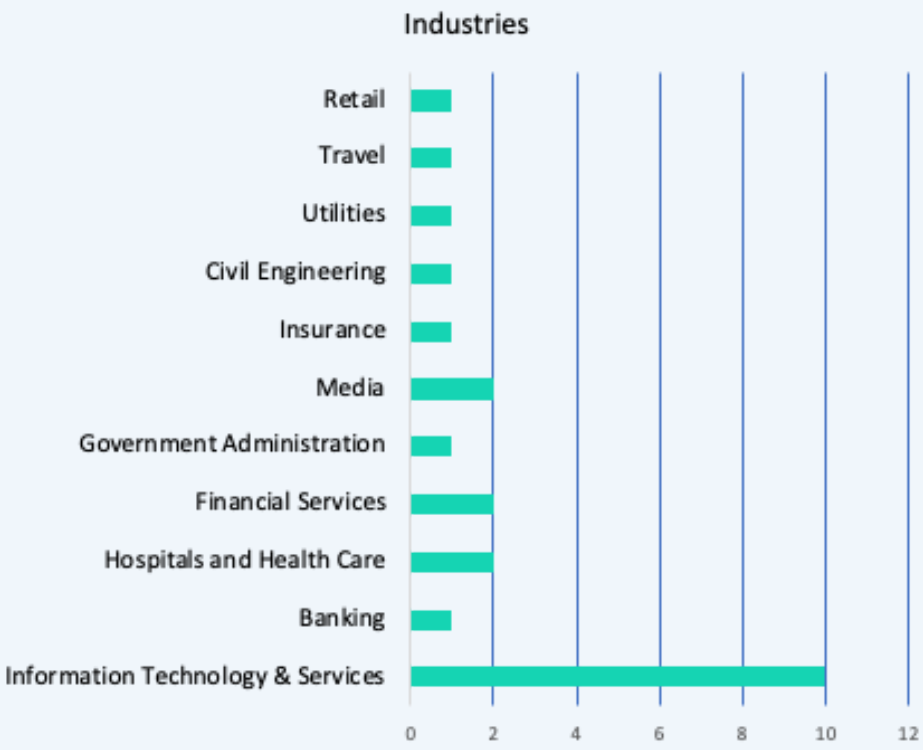
Sampling Dataset

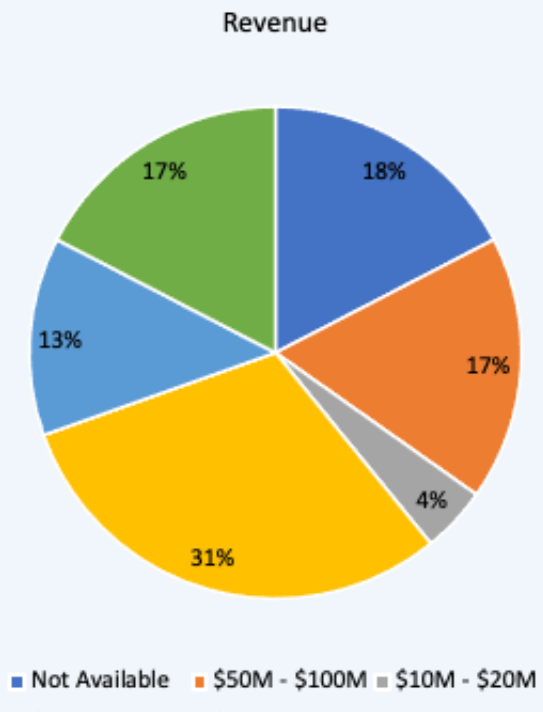
The sampling dataset used in this report is a representative subset of aggregated and de-identified data drawn from the **Flomatika** platform.

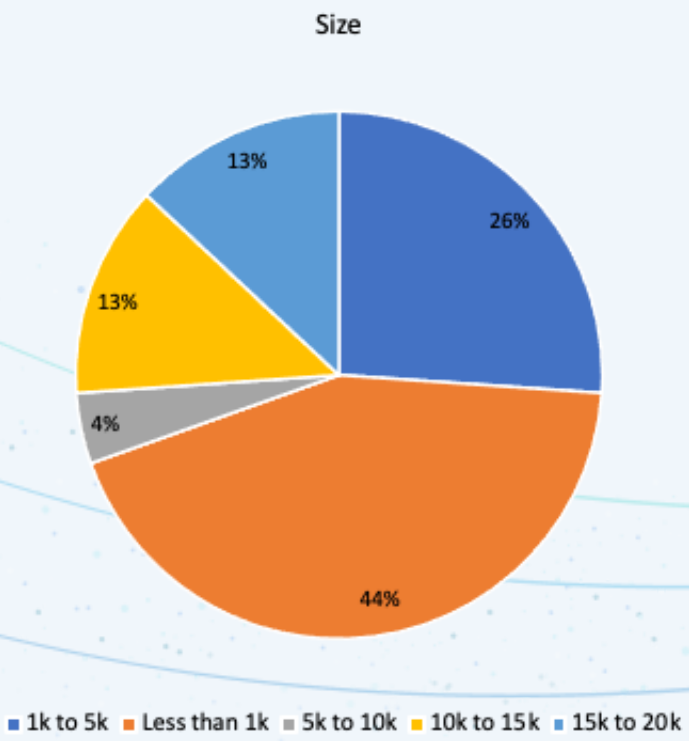
The dataset includes **130,908** data points from **214** different Value Streams across **11** industries and **four** continents.

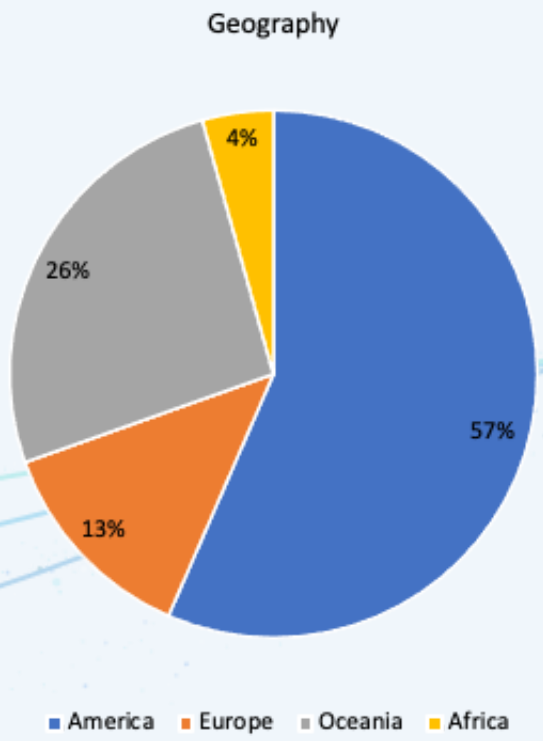
The dataset is sufficiently large and diverse to enable meaningful analysis and provide valuable insights into the trends and patterns observed in the industry.

Sampling Dataset



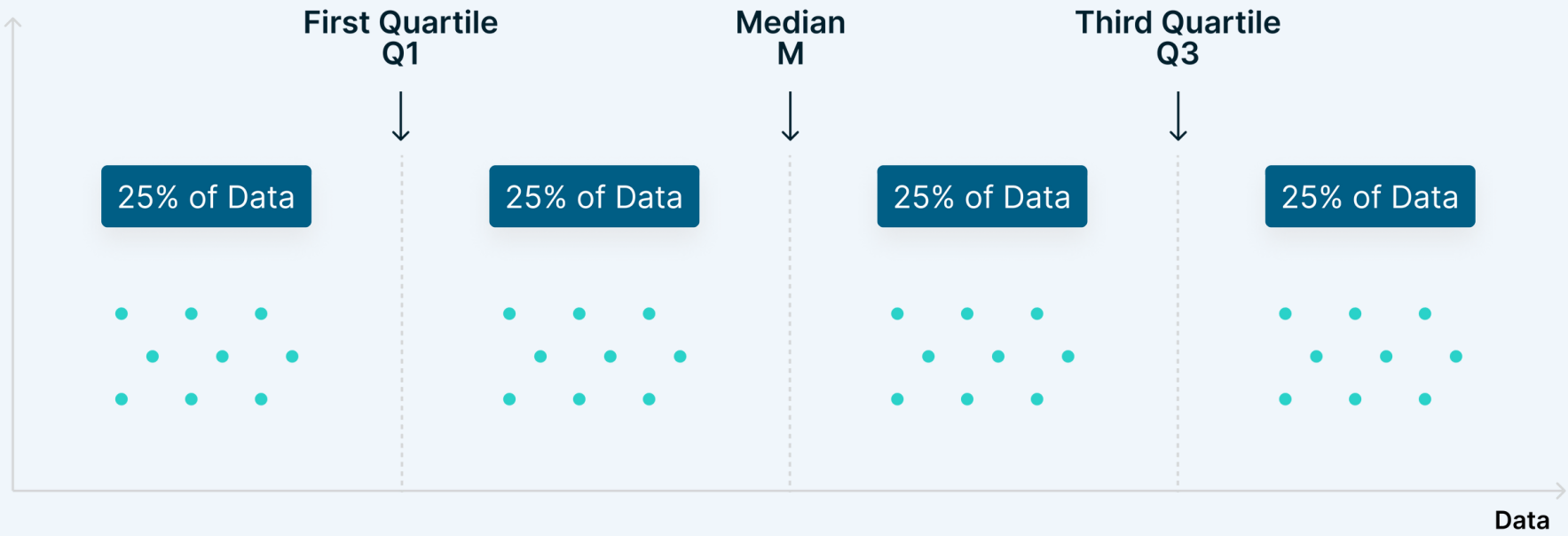






Defining the cohorts

The Elite, High, Medium, and Low Performers cohorts were determined by splitting the data into quarters.



Low Performers exhibit performance metrics in the first quartile (25% from smallest to largest of numbers)

Medium Performers display performance metrics in the second quartile (between 25.1% and 50%—till median).

High Performers exhibit performance metrics in the third quartile (51% to 75%—above the median), and finally,

Elite Performers exhibit performance metrics in the fourth quartile (25% of largest numbers).

Key Findings

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1. How long does it take to complete work items?

Lead time for team-level work items

6 days or less 50% of the time

37 days or less 85% of the time

Lead time for portfolio-level work items

76 days or less 50% of the time

300 days or less 85% of the time

Lead Time: The elapsed time between commitment and departure points of each workflow.
Team-level work Items: Actionable pieces of work such as User Stories, Bugs and Tasks.
Portfolio-level work Items: Aggregators of work such as Epics and Features.

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1. How long does it take to complete team-level work items?

Elite Performers: 1 to 13 days

High Performers: 14 to 22 days

Medium Performers: 23 to 56 days

Low Performers: 57 days or more

Elite and high performers are significantly faster when completing work items.

Considering team-level work items at the 85th percentile of their lead time distribution.

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1. How long does it take to complete portfolio-level work items?

Elite Performers: up to 85 days (3mo)

High Performers: 86 to 165 days (3mo - 5.5mo)

Medium Performers: 166 to 285 days (5.5mo - 9.5mo)

Low Performers: 286 days or more (9.5+mo)

Elite and high performers are significantly faster when completing work items.

Considering portfolio-level work items at the 85th percentile of their lead time distribution.

2. How often do Value Streams deliver work within customers' service level expectations?

Elite Performers: 79% of the time or more

High Performers: 67 to 78% of the time

Medium Performers: 53 to 66% of the time

Low Performers: 52% of the time or less

That is how often Value Streams respect the lead time considered appropriate by customers/stakeholders for different types of demand.

3. What percentage of Value Streams have low variability of lead time, leading to a highly predictable delivery system?

29%

Low Variability

71%

High Variability

Whilst speed and variability represent two different aspects of Value Streams, there's a clear correlation that lower process variability leads to higher process speed.

Value Streams with **low variability** have a **73%** chance of being **Elite or High performers**, in contrast to **42%** for Value Streams with high variability.

Process Variability: Measured by the difference between the median and tail of a lead time distribution.

4. What is the industry benchmark for average Flow Efficiency?

Elite Performers: 44% or more

High Performers: 26 to 43%

Medium Performers: 6 to 25%

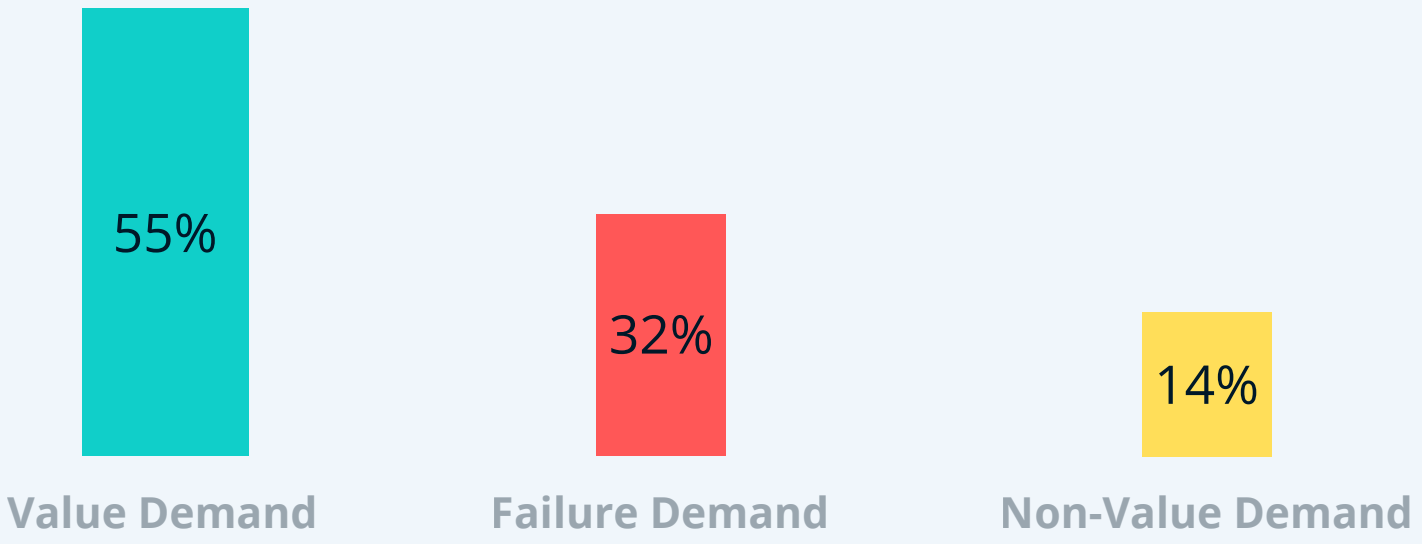
Low Performers: 5% or less

Flow efficiency is a measure of process efficiency that examines the percentage of time work items spend actively being worked on versus the total time they spend in the Value Stream.

It helps to identify the time spent waiting for specialists or being blocked by internal and external dependencies, highlighting areas where improvements can be made to increase predictability and flow.

The higher the flow efficiency, the faster work items move through the Value Stream without being delayed by bottlenecks or inefficiencies.

5. How Value Streams spend their capacity?



Capacity dedicated to *Value Demand*

Elite and high performers dedicate significantly more capacity to demands that can be directly correlated to customer or business value.

Elite Performers: 84% or more

High Performers: 64 to 83%

Medium Performers: 37 to 63%

Low Performers: 36% or less

Value Demand: Customer/Stakeholder requests that can be directly correlated to customer or business value.
Failure Demand: Demands to fix what wasn't executed properly the first time or demands that shouldn't be produced at all.
Non-Value Demand: Demands that do not directly correlate to customer or business value but are necessary to stay in business. Overhead.
*** Percentages may not total 100 due to rounding.

Take action!

Curious about how Flomatika can help you plan, govern, report, and improve? Schedule a demo: https://meetings.hubspot.com/marcio-sete

Would you like to discuss the data in the report or visualise and understand your flow metrics?
Reach out to us at hello@flomatika.com

To know more, access https://www.flomatika.com
or check out Flomatika on Atlassian Marketplace:
https://marketplace.atlassian.com/apps/12301599

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