

ALL DAY DEVOPS

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Carmen DeArdo

**How Value Stream  
Management will  
Transform IT &  
Business**





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*Carmen has experience both leading and consulting on Enterprise wide DevOps Journeys over the last decade. His current focus is on utilizing this experience and Value Stream Management principles to help companies move from a project to a product model and accelerate their flow of business value work.*

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- ✓ We have implemented **Agile!**
- ✓ We have implemented **New Technologies**
- ✓ We have certified **Processes**

 **So why is the Business Still Unhappy?**

# Increase Flow across the entire Value Stream

BUT must also connect to the Business

Agile is a good place to start

AND "Code To Cloud" is necessary



**Customer Concept (IDEA) through Feature Definition**



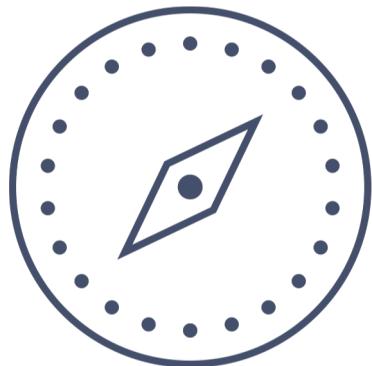
**Agile Design / Develop / Test Stories from Backlog through Iterations**



**Stories Done until deployed into production**



- Focus is on accelerating the delivery of Business Value
- Reduce Flow Time from Business Idea/Hypothesis to Delivery and Feedback



- Business Success
- Higher Engagement
- Innovation

# Value Stream Management

A practice to improve the flow of all the activities necessary to deliver and protect business value - and prove it



# What flows in software delivery?

## Features

*New business value, pulled by customer*

## Defects

*Quality improvements, pulled by customer*

## Risks

*Security, availability, compliance, pulled by risk officers*

## Debts

*Technical debt improvements, pulled by architects*

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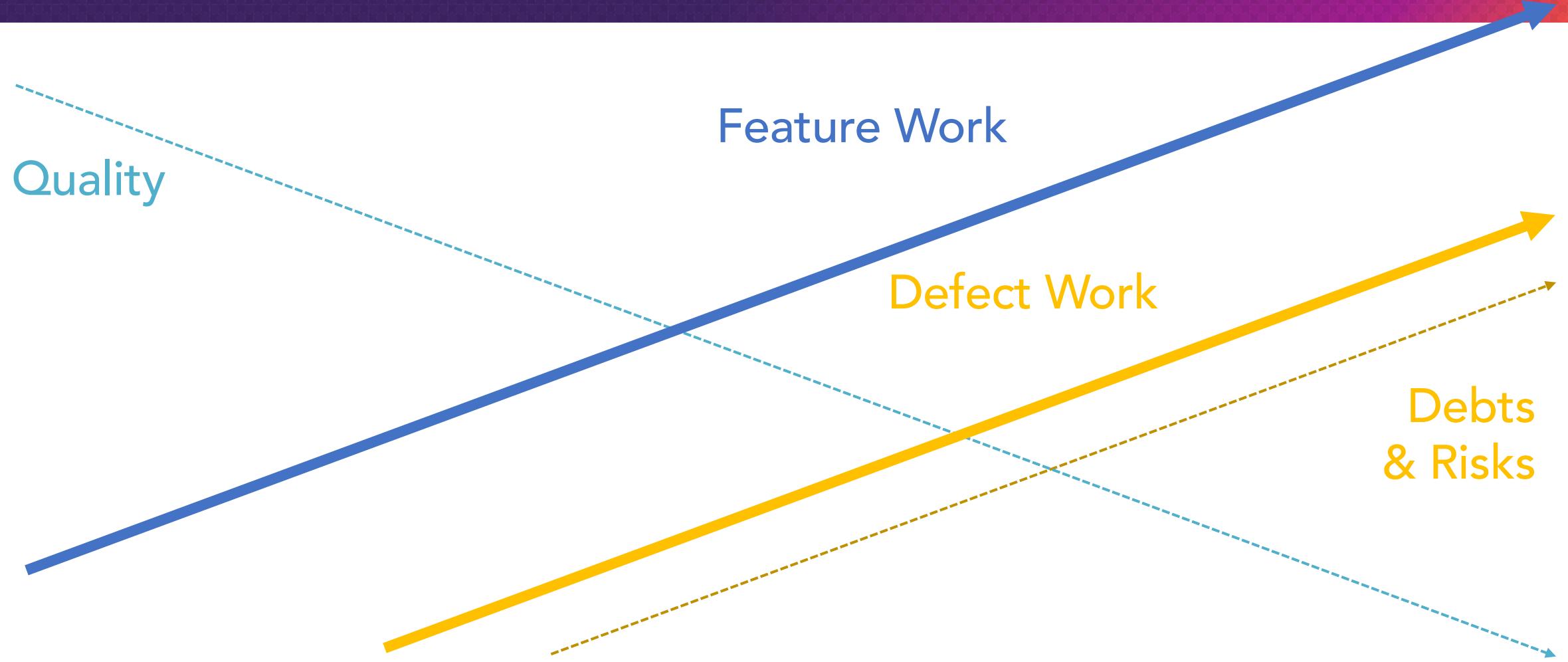
*Flow Items are MECE\**

**\*Mutually Exclusive and Comprehensively Exhaustive (credit: Dr. Mik Kersten – “Project to Product”)**

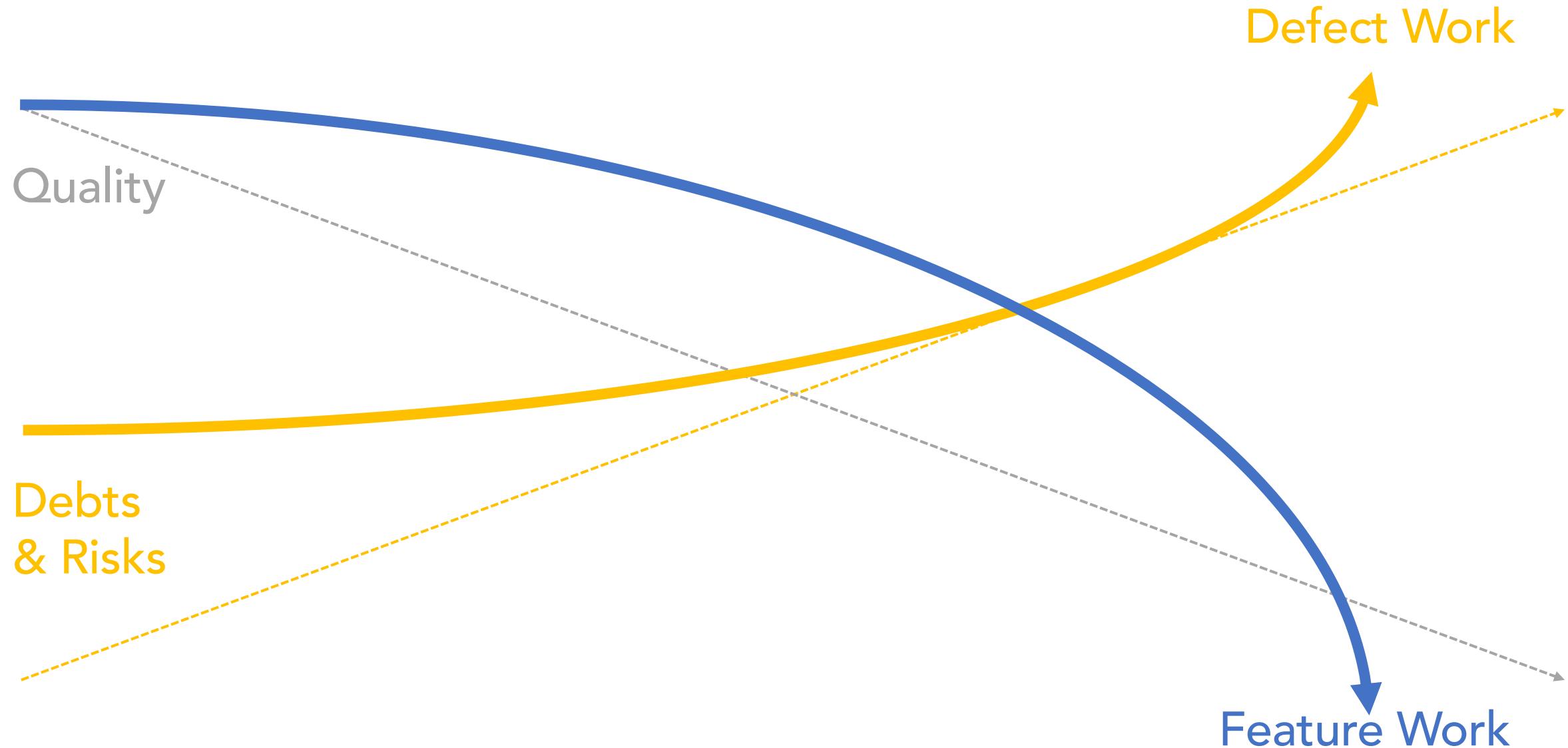
# Examples



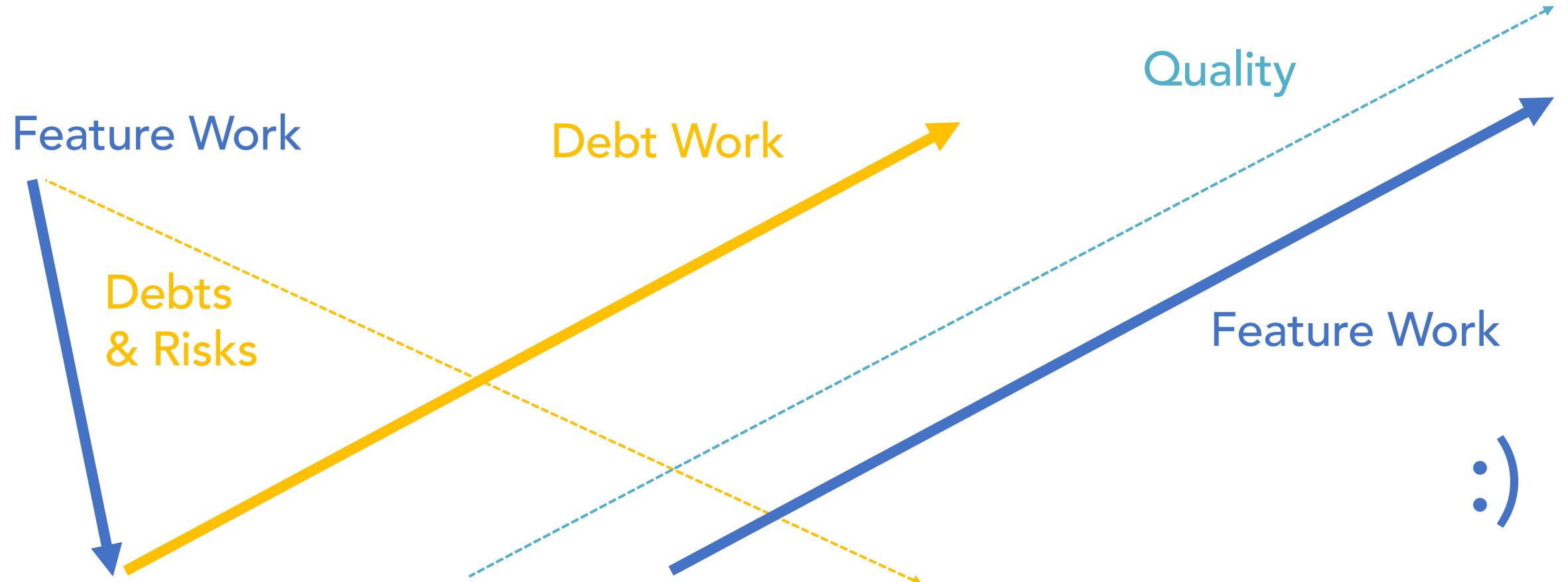
# Push to Market



# Debt Spiral



# Debt & Risk Reduction



# A New Way of Thinking – Product Value Streams



# 5 Problems



IT is **disconnected** from the business and vision



Leadership is tracking activities **not the results**



Project funding is fundamentally **broken**



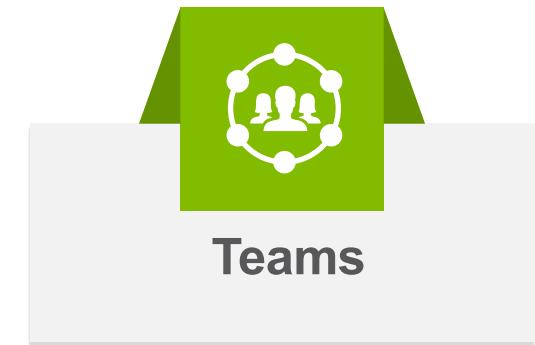
Business feels IT is solving its own problems, **not delivering more** (cost center view as opposed to profit center)



IT feels like a **black box** to the business



# Project vs. Product Orientation



Types	Who Pulls Value?	Examples
Business Products	External customers	<ul style="list-style-type: none"> <li>• Services</li> <li>• Products</li> <li>• Mobile apps</li> <li>• Websites</li> </ul>
Platform Products	Internal customers	<p>Shared business services</p> <ul style="list-style-type: none"> <li>• HR</li> <li>• CRM</li> <li>• Reporting and analytics</li> <li>• Content management and delivery</li> </ul>
		<p>Shared IT services</p> <ul style="list-style-type: none"> <li>• Performance</li> <li>• Security</li> <li>• Audit and Compliance</li> </ul>
IT for IT	Practitioners and contributors	<ul style="list-style-type: none"> <li>• Delivery pipeline – the software delivery toolchain</li> <li>• Infrastructure as a Service</li> <li>• Employee productivity suite</li> </ul>



# Characteristics of a Product Value Stream

- End-to-end flow of work for an IT product
- Spans from ideation all the way to the delivery of value and operation
- Starts with a customer and ends with a benefit delivered to the customer and receiving feedback (PDCA)
- 10-125 members; 1-10 teams typically 2 pizza / Scrum teams
- Will have a notion of all the Flow Items: Features, Defects, Debt, Risk



# A New Way of Measuring – Flow and Business Results



# Value Stream Management

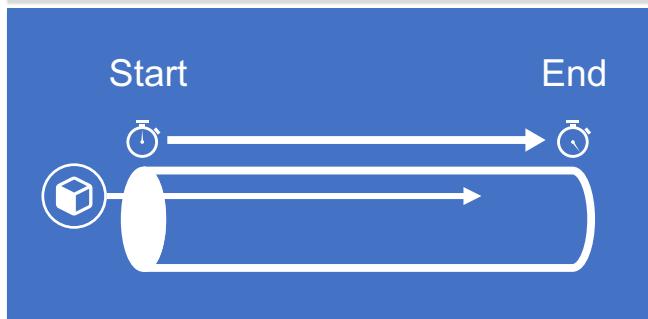
An emerging approach, done digitally, Value Stream Management tracks and measures work artifacts continuously to visualize the flow of business value and expose bottlenecks, in an effort to optimize business value.



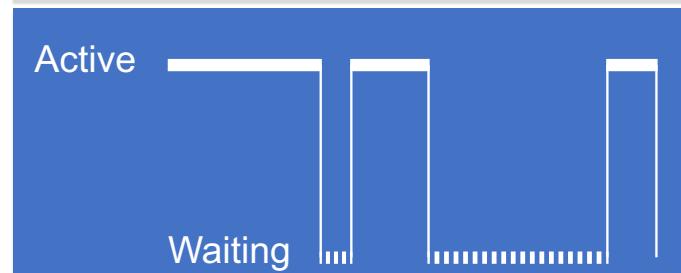
# Key Questions



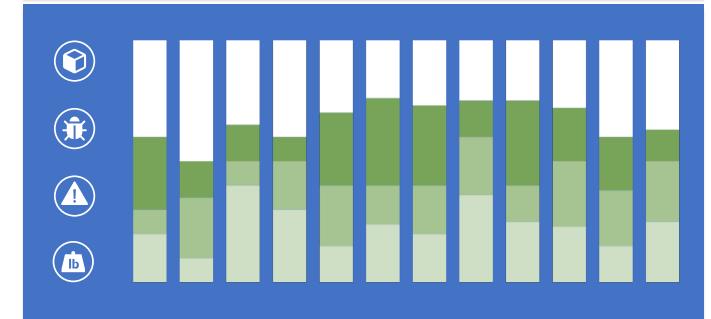
- 01** How long did it take for this feature to get through the value stream?



- 02** How much wait time was there for defects?



- 03** What is the distribution between defects, features, risk and technical debt?



- Flow Distribution: A measure to see tradeoffs
- Flow Velocity: A measure of throughput/productivity
- Flow Load: Amount of Work-in-Progress (WIP across end to end VS)
- Flow Time: A measure of speed
- Flow Efficiency: Work vs. wait ratio



# Business Results

- Value
- Cost
- Quality
- Happiness (of the Product VS Team)

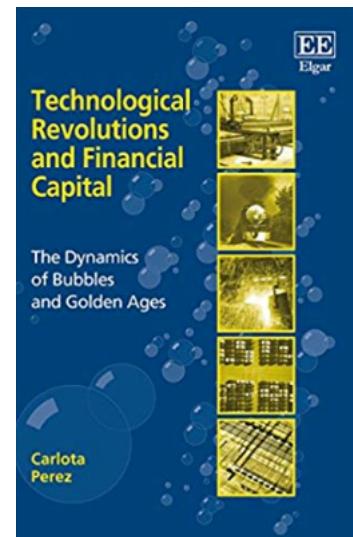


# What's the Point?

- Flow metrics are tied to business value
- Flow metrics are based on outcomes
- Flow metrics provide a feedback loop to improve decisions



- To make it through the Turning Point\*, IT needs to move from being seen as a **Cost Center** to a **Profit Center**
- You can't move to being seen as a Profit Center unless you can **accelerate** the delivery and protection of **business value**
- You can't improve your speed of delivery of Value unless you can first **measure** it, understand where **bottlenecks** exist and then make changes to **improve flow** and measure the resulting impact on Flow and Business Results
- This needs to become a way of life as part of a **Data-Driven Continuous Improvement Culture**



\*Carlota Perez

# A New Way of Architecting - Speed of Delivery



# Architect Your Value Stream

*“Every system is perfectly designed to get the results it gets.”*  
– W. Edwards Deming



Image credit: Ochtronic

# ADDO® Value Stream Architecture Principles

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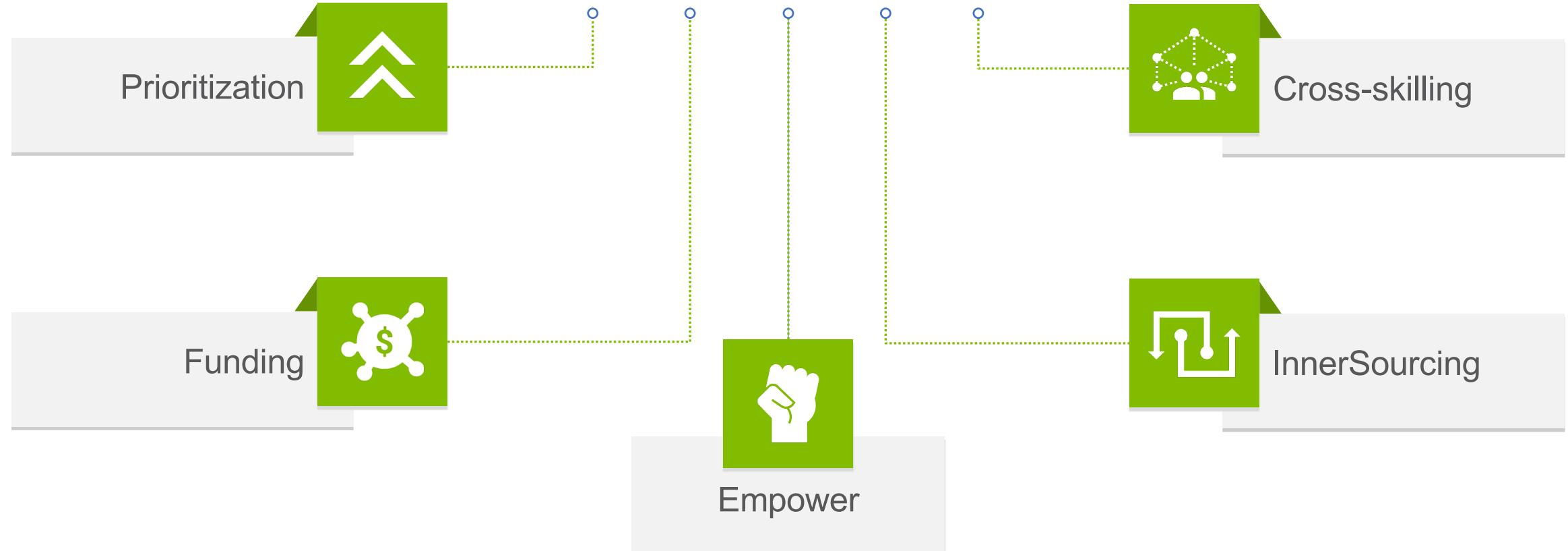
- Architect & Integrate for Flow and Speed of Delivery
- Implement Flow Metrics
- Utilize metrics in **retrospectives** and ask “what’s slowing us down, how can we go faster?”
- Replace request/response/SLAs with Self-Service
- Create **continuous improvement** initiatives which are prioritized with other work and made visible

## PRINCIPLES

- Experiment and develop patterns for other organizations to mimic
- Demonstrating what works “here” is more powerful than preaching what might or could work or has worked “someplace else”



# VALUE STREAM Product Owner

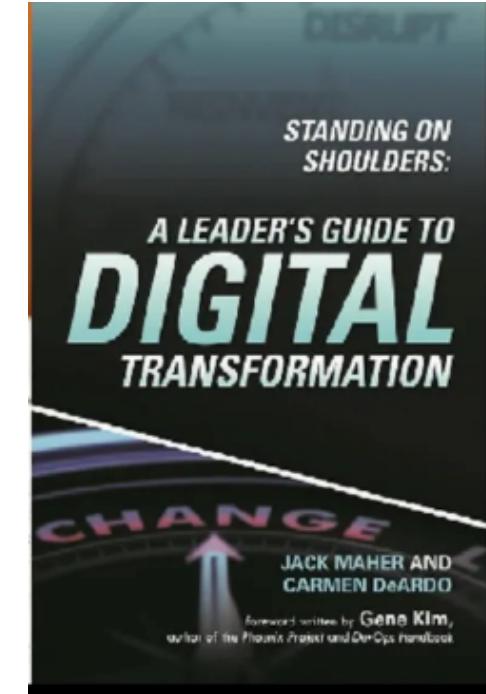
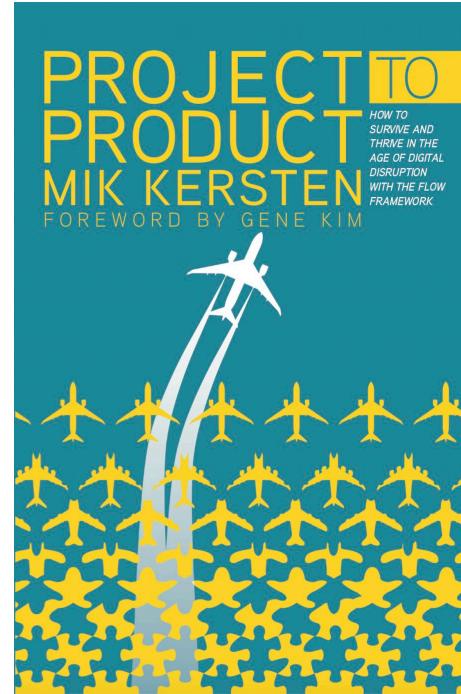


## RESULTS

- Credibility to drive Culture Change
  - Pilots demonstrate what's possible
  - Prove that innovation and standardization can be compatible (Disciplined Innovation)
- Results to Motivate Transformation
  - Pilot teams are solving real Business Problems Faster which motivates other Business Areas
  - Pilot teams are respected Leaders in the organization whose **story is a powerful agent** for Organizational Change



- ✓ Goal is not to “Do DevOps” or “Do Agile”, need a **True North** that aligns with the Business
- ✓ Project management is not compatible with the Age of Software
- ✓ All types of work needs to be considered
- ✓ Close gap between IT and Business (**IT Profit Centre** vs Cost Centre)
- ✓ Most important Product is your integrated tool chain
- ✓ Need measures – Flow Metrics and Business Results
- ✓ **Data-Driven Continuous Improvement** (goal, activity, measure)
- ✓ **Stories** drive culture change
- ✓ **Journey** not a sprint – Dickens – move from Cynicism to Hope



# Resources