

Project to Product

How Value Stream Networks will Transform IT & Business

Carmen DeArdo, Tasktop Senior VSM Strategist

Image Source: BMW Group

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Carmen DeArdo

Senior VSM Strategist @ Tasktop

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 accelerate their flow of business value work.

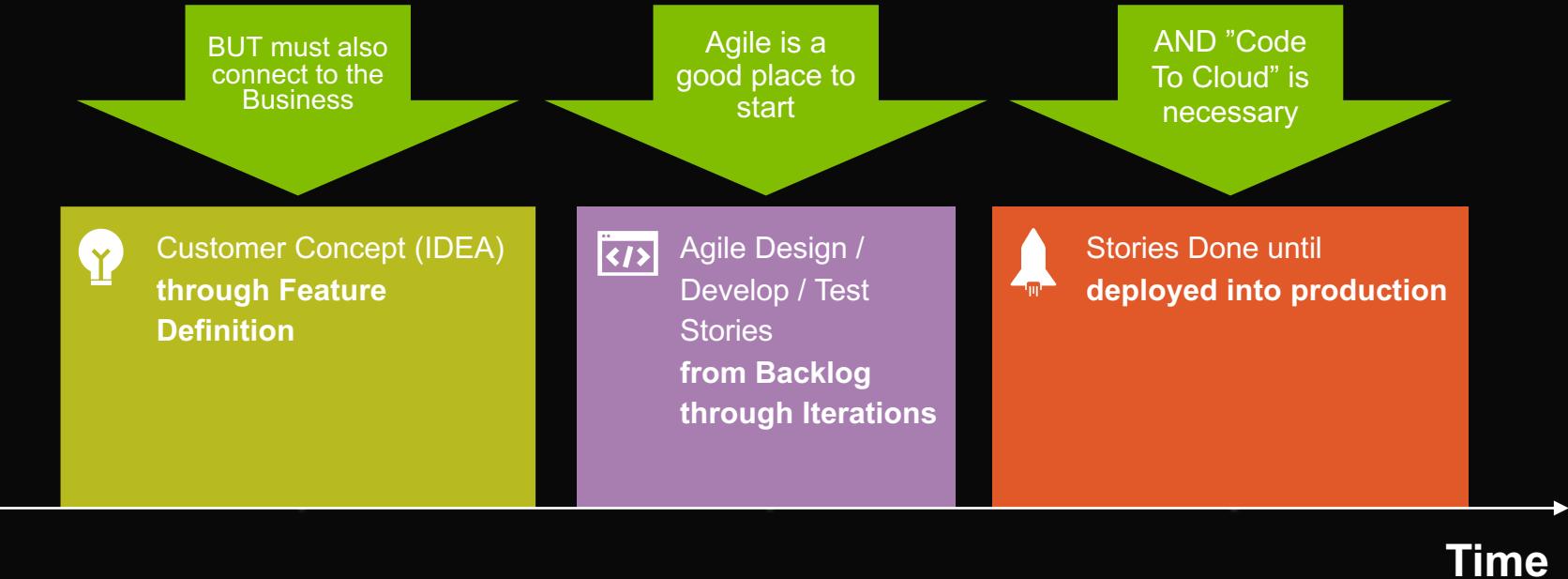
@carmendeardo

The Problem

- ✓ 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



Barclays' Value Stream

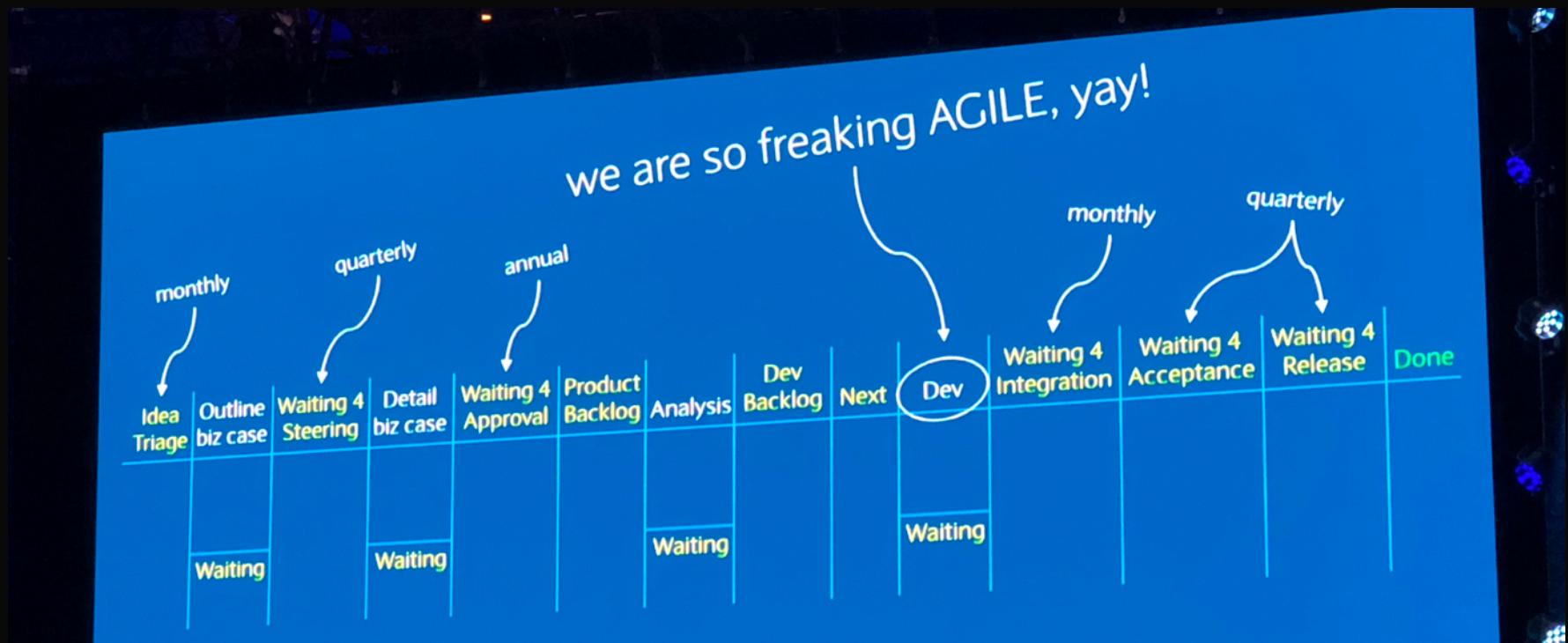


Image taken with permission from Jon Smart presentation at DOES London 2018 – credit Klaus Leopold

True North

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

What's Slowing Down Your Delivery?

Do you know what's slowing you down?

Who knew it was the *applesauce*?



Common Problems



01

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



02

Leadership is tracking activities **not the results**.



03

Project funding is fundamentally **broken**.



04

Business feels IT is solving its own problems, **not delivering more**

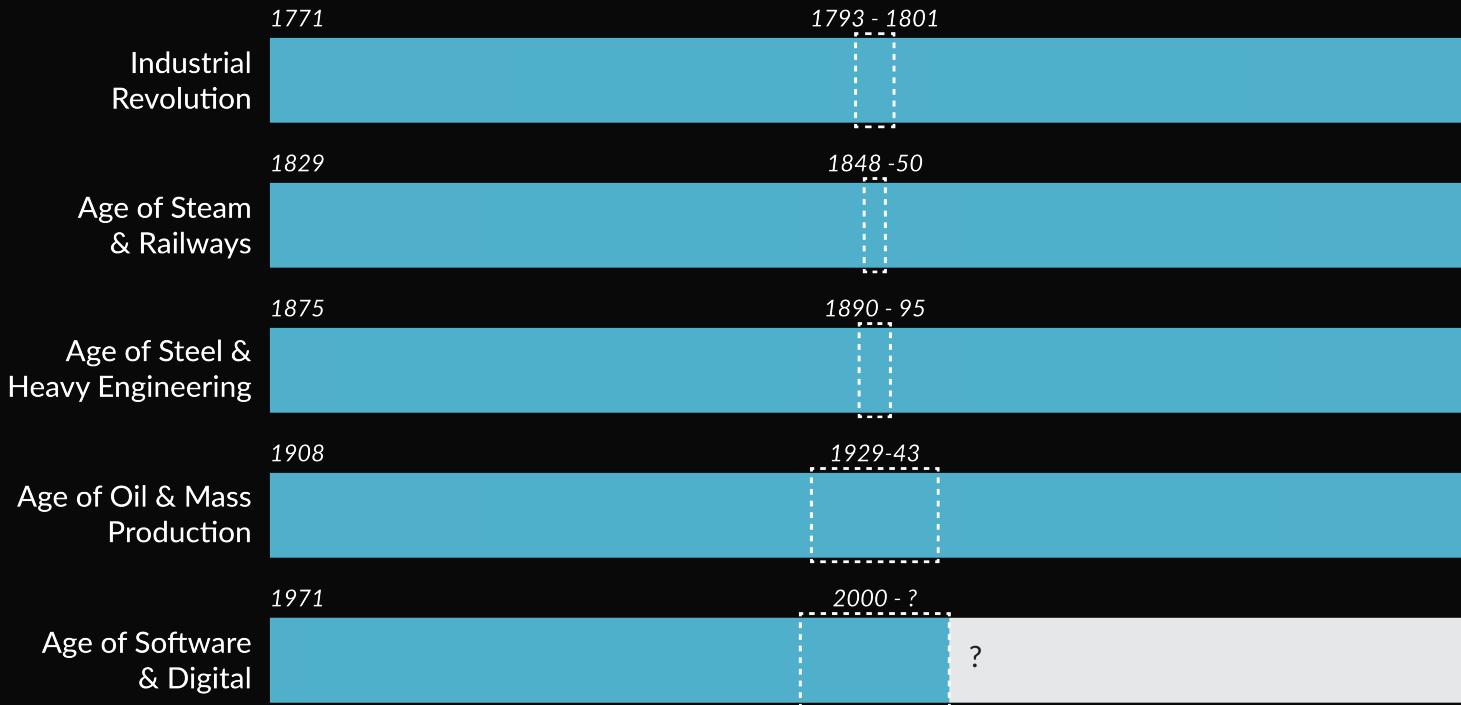


05

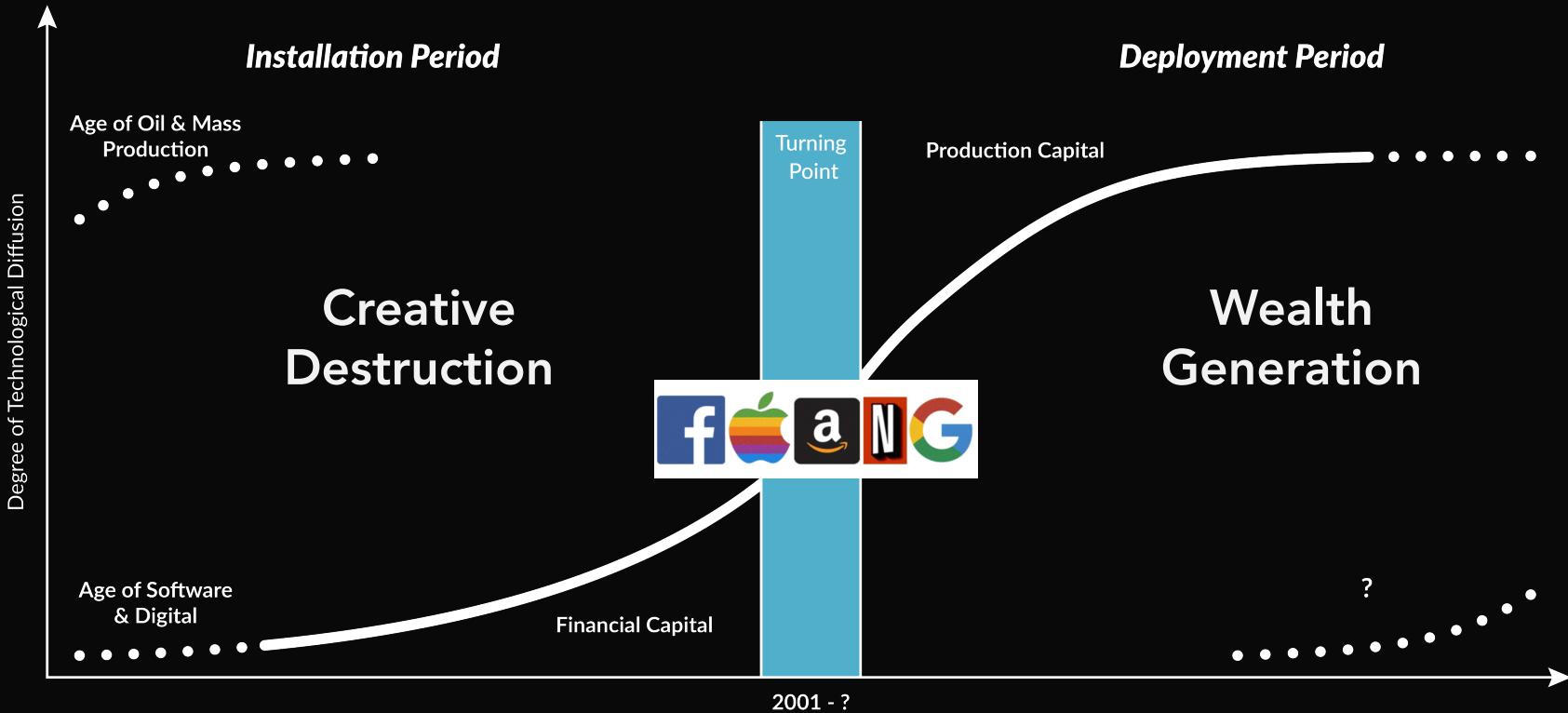
IT feels like a **black box** to the business.

Has this happened before?

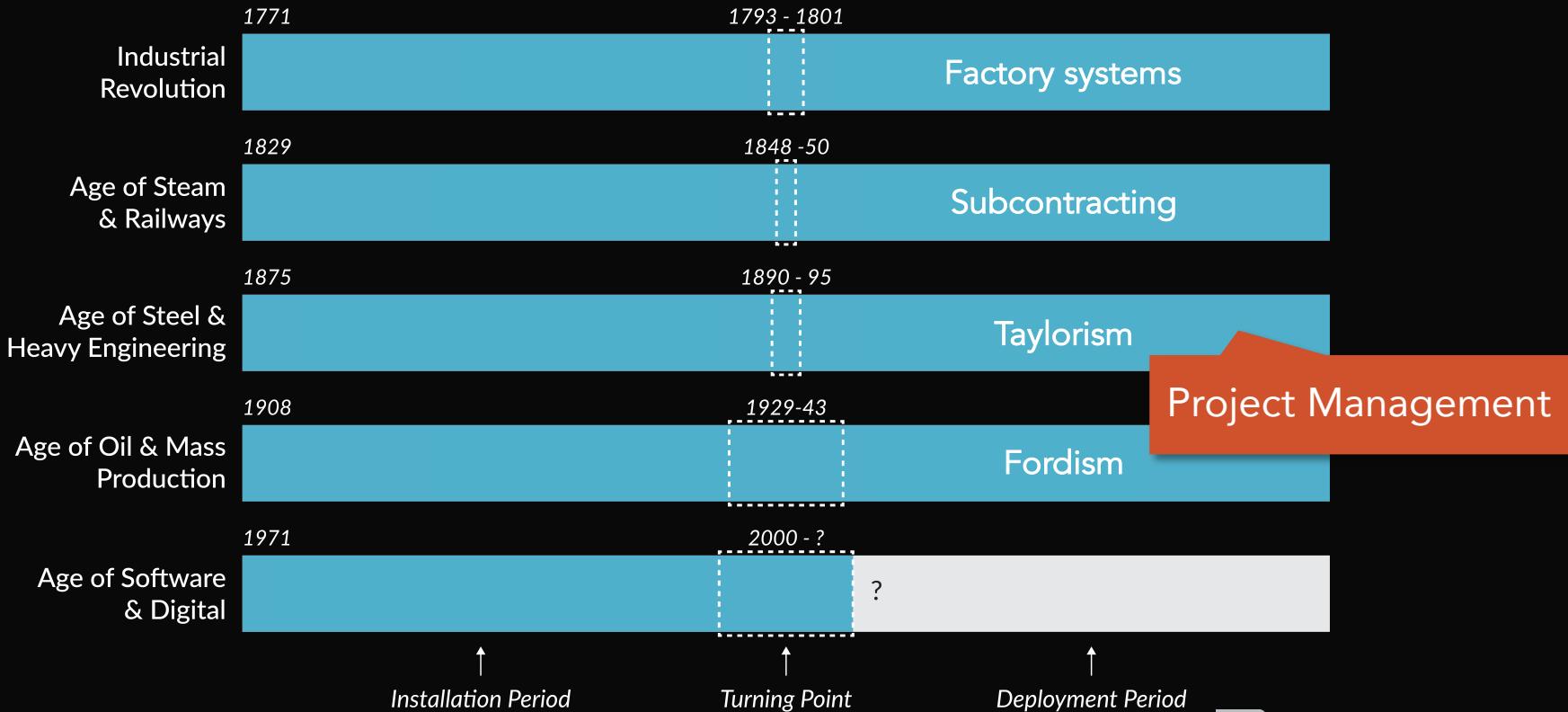
Technological Revolutions



The Turning Point



Technological Revolutions



Stock Price Change 2006-2016

amazon

1,910%



-95%
Sears

-83%
JCPenney

-59%
KOHL'S

-49%
BEST BUY

-46%
★macys

-21%
NORDSTROM

Walmart
2%
-15%
TARGET

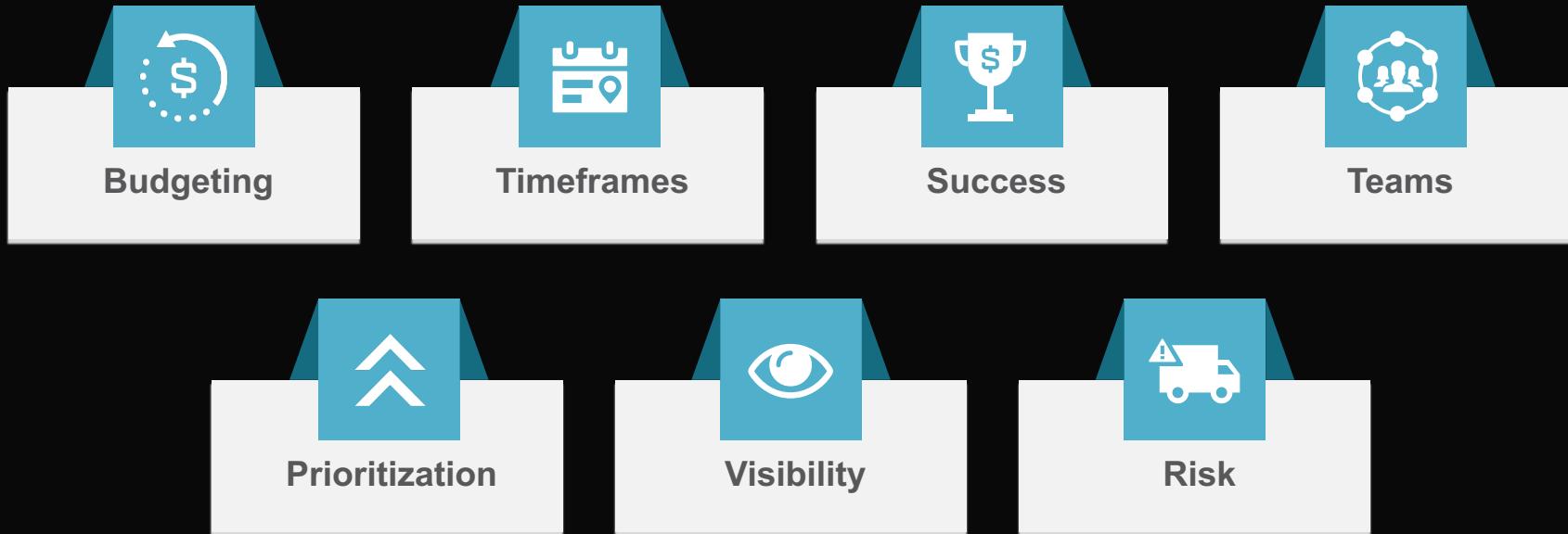


50% of S&P 500 projected
to be replaced in 10 years

Unbundling of a Bank

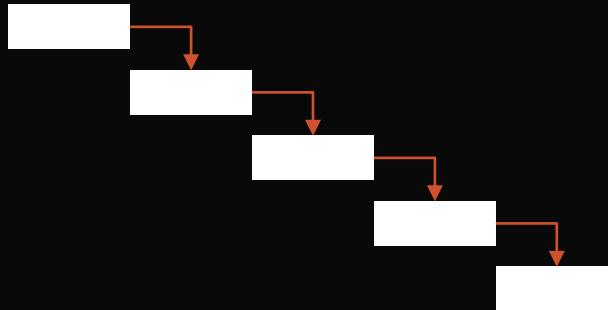


Project vs Product Orientation



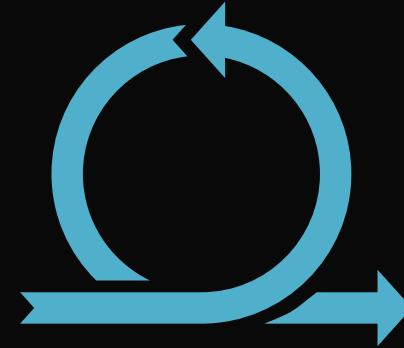
Project to Product: Planning

Project



Waterfall orientation

Product



Flow orientation

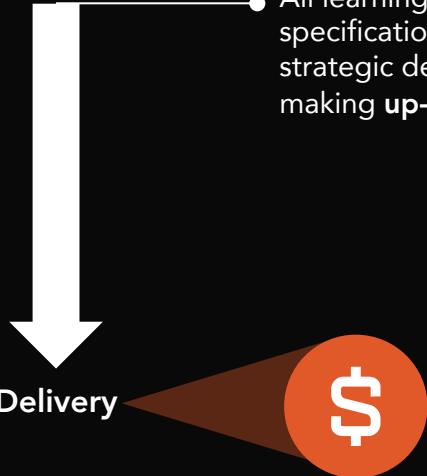
Project to Product: Budgets

Project

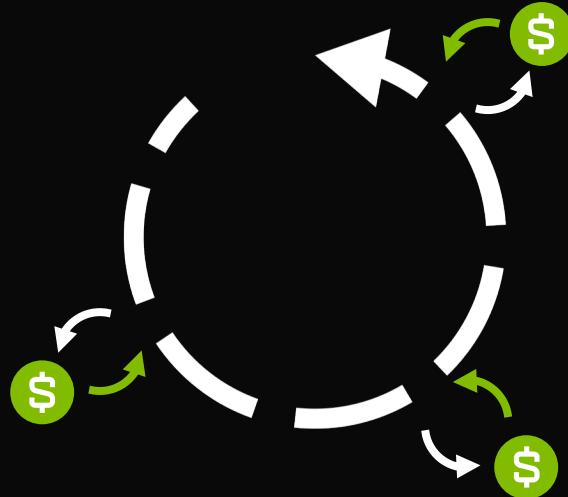
Start

- All learning, specification, and strategic decision making **up-front**

Delivery



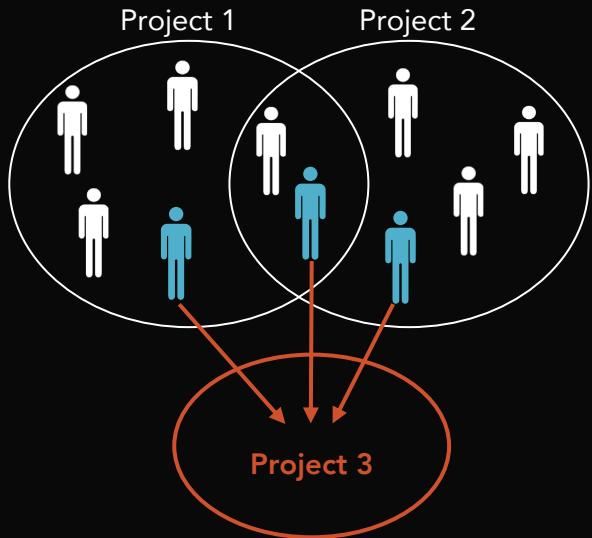
Product



Project to Product: People

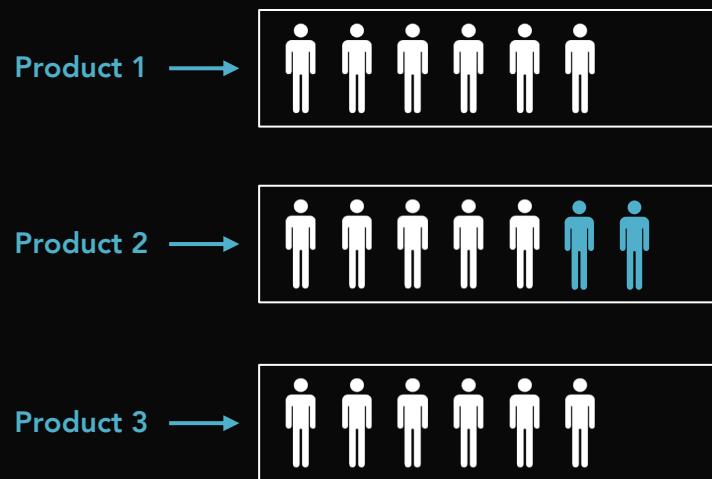
Project

People are brought to **work**



Product

Work is brought to People



Lean Principles

- Precisely specify value by product,
- Identify the value stream for each product
- Make value flow without interruptions
- Let the customer pull value from the producer

Lean Thinking by James P. Womack

Image Source: BMW Group

Car production



Integrated production lines



Managed as products



Architected around flow



Optimized end-to-end



Measurement of business results

Enterprise IT

Disconnected tool chains

Managed as projects

Architected as technology layers

Optimized in siloes

Measurement of proxy metrics

Business value flow at BMW Plant

Quality cars that deliver “sheer driving pleasure”

Designed in yearly cycles, delivered every 70s

Creative and manufacturing process are decoupled

Flow across a linear production line



Business value flow in IT

New features that deliver success and delight

Designed and delivered in daily cycles

Creative and manufacturing process are one

Flow across a value stream network

What flows in software delivery?

Features

New business value, pulled by customer

Defects

Quality improvements, pulled by customer

Risks

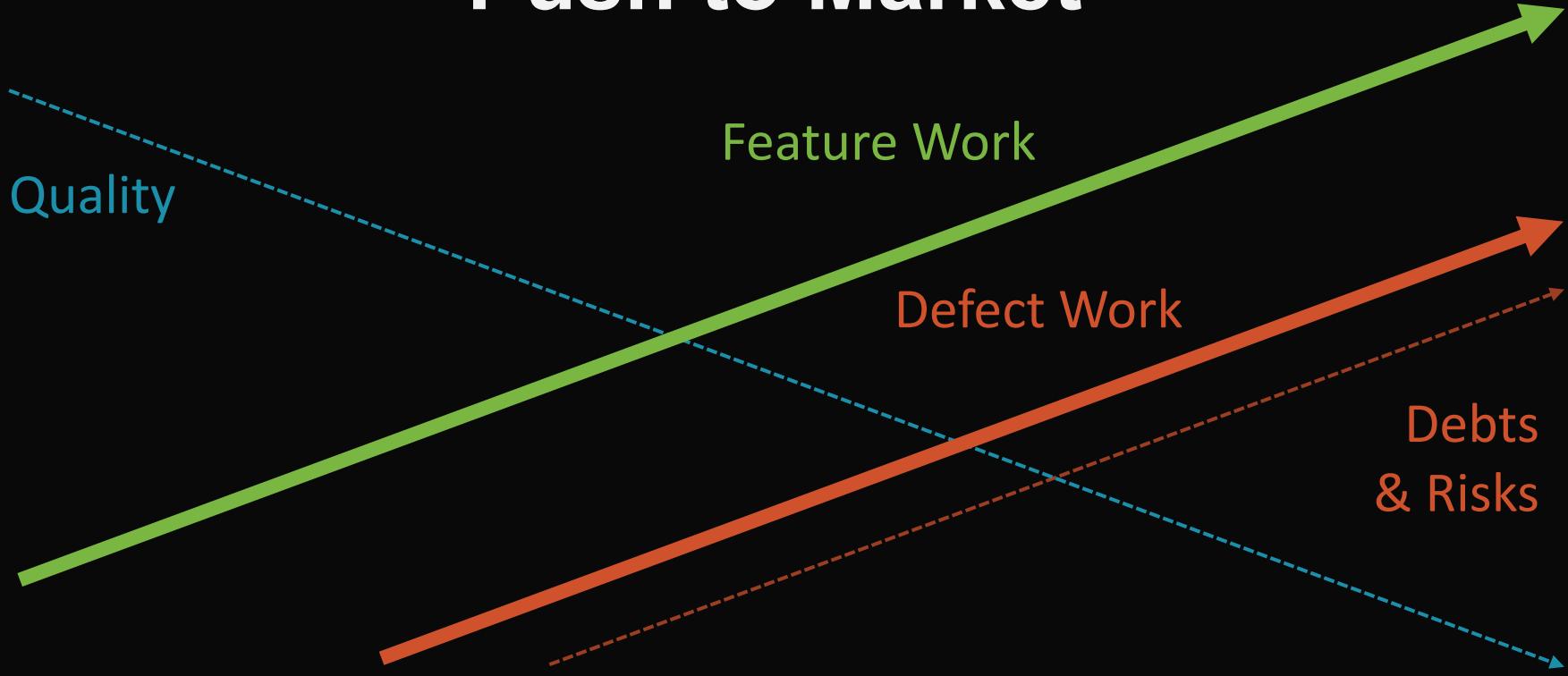
Security, availability, compliance, pulled by risk officers

Debts

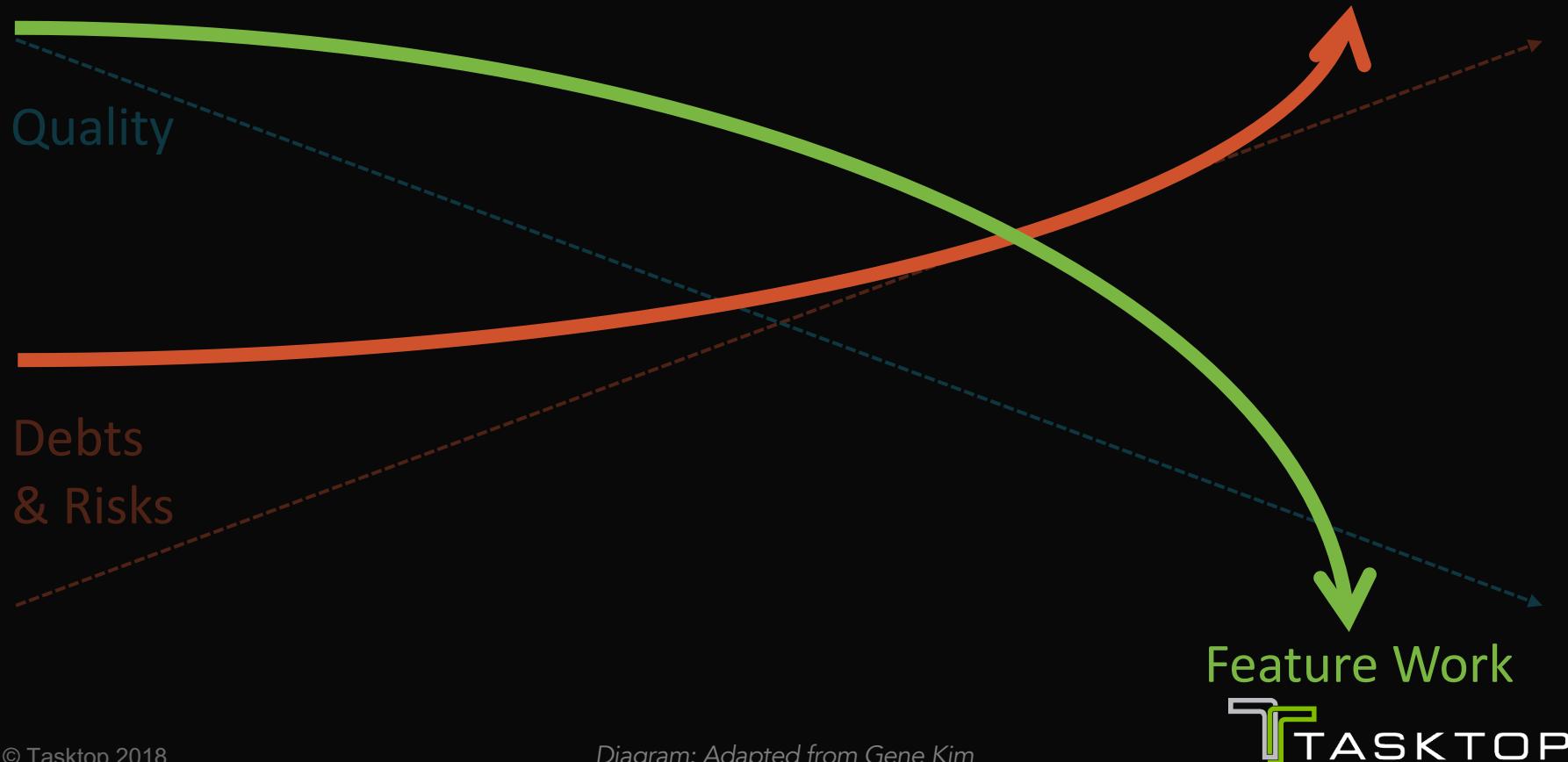
Technical debt improvements, pulled by architects

*Flow Items are MECE**

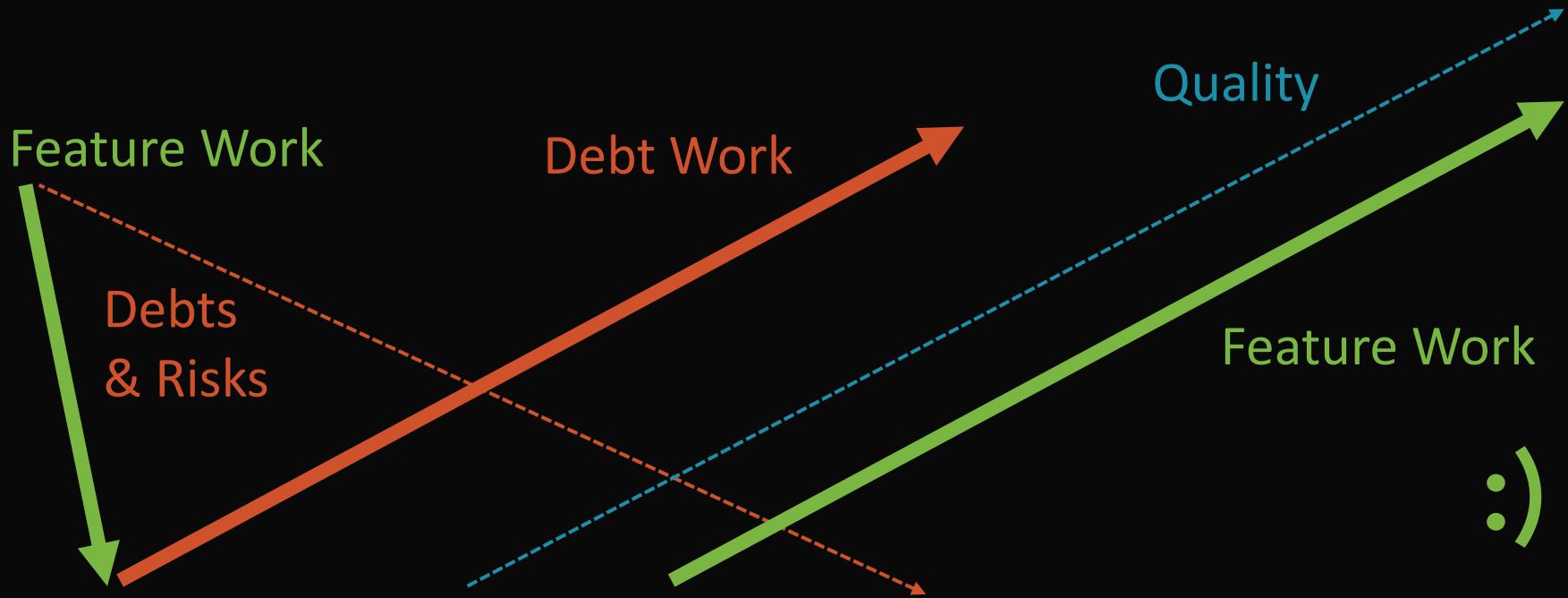
Push to Market



Death Spiral

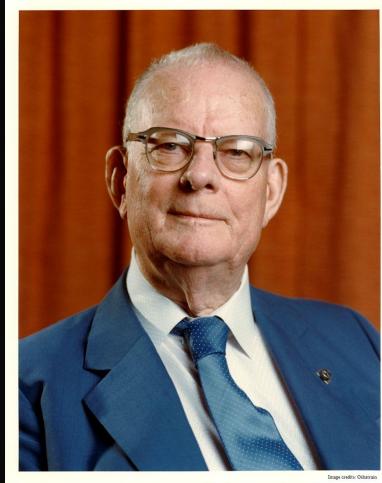


Debt & Risk Reduction



Architect Your Value Stream

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



SFA2018 Feedback

Asked an audience of 200 folks largely from Fortune 500 companies (Banking, Insurance, Energy, ...) two questions:

How many treat their delivery pipeline as an integrated product which is architected for speed of delivery?

How many know how long (lead time) it takes to deliver a feature or defect?

Answer: 0

BUT they all knew they need to be doing this based on session feedback.

Value Stream Management

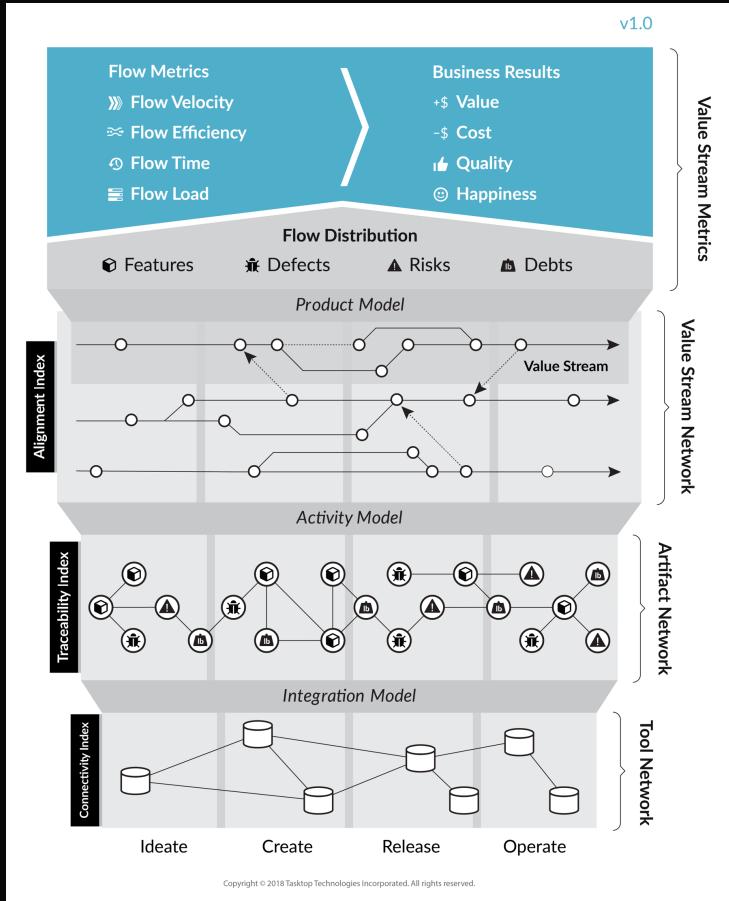
A practice to improve the flow of all the activities necessary to deliver and *protect business value - and prove it*

Value Stream Management

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

Value Stream management tools are the technology underpinning of the value stream management practice.

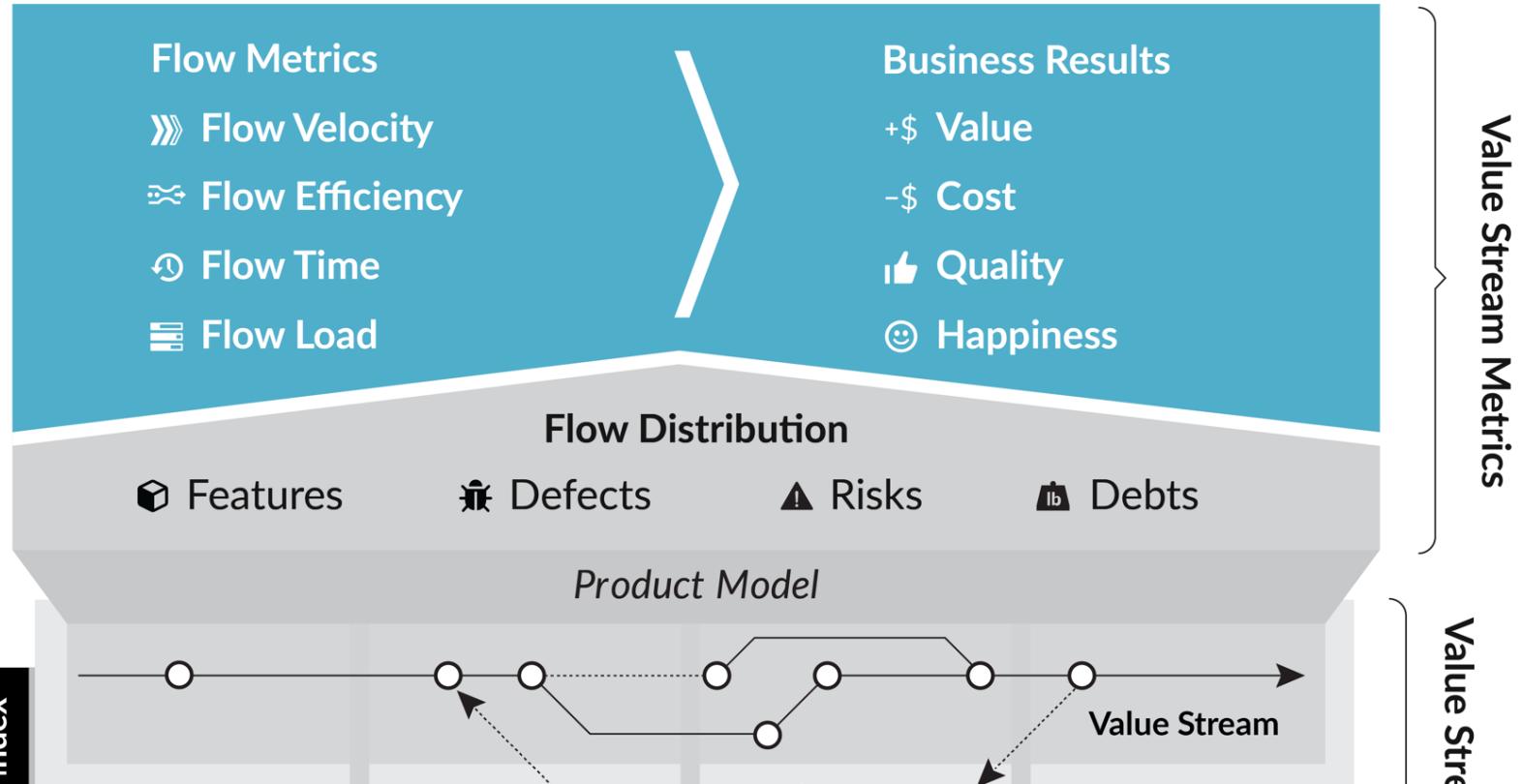
Flow Framework



The Flow Framework™ was created by Mik Kersten, CEO of Tasktop. The Flow Framework diagram is protected by copyright laws and may not be copied, modified or distributed without the express written permission of Tasktop.

Flow Framework

v1.0



Measure

?

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

?

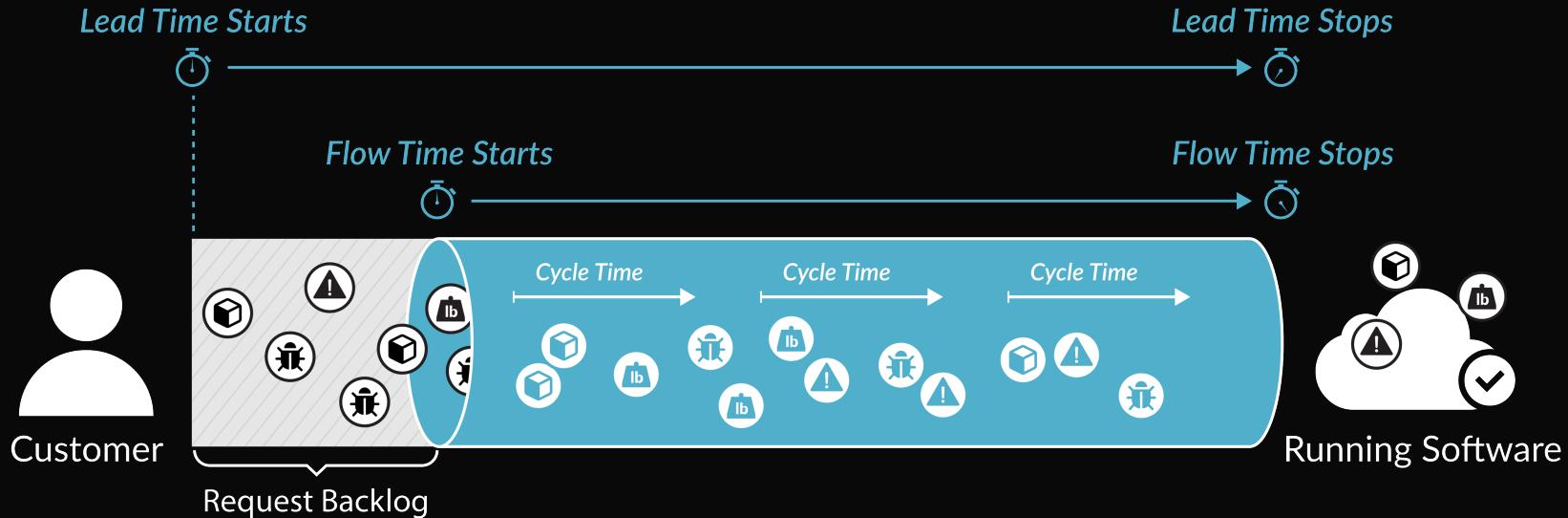
02 How much wait time was there for defects?

?

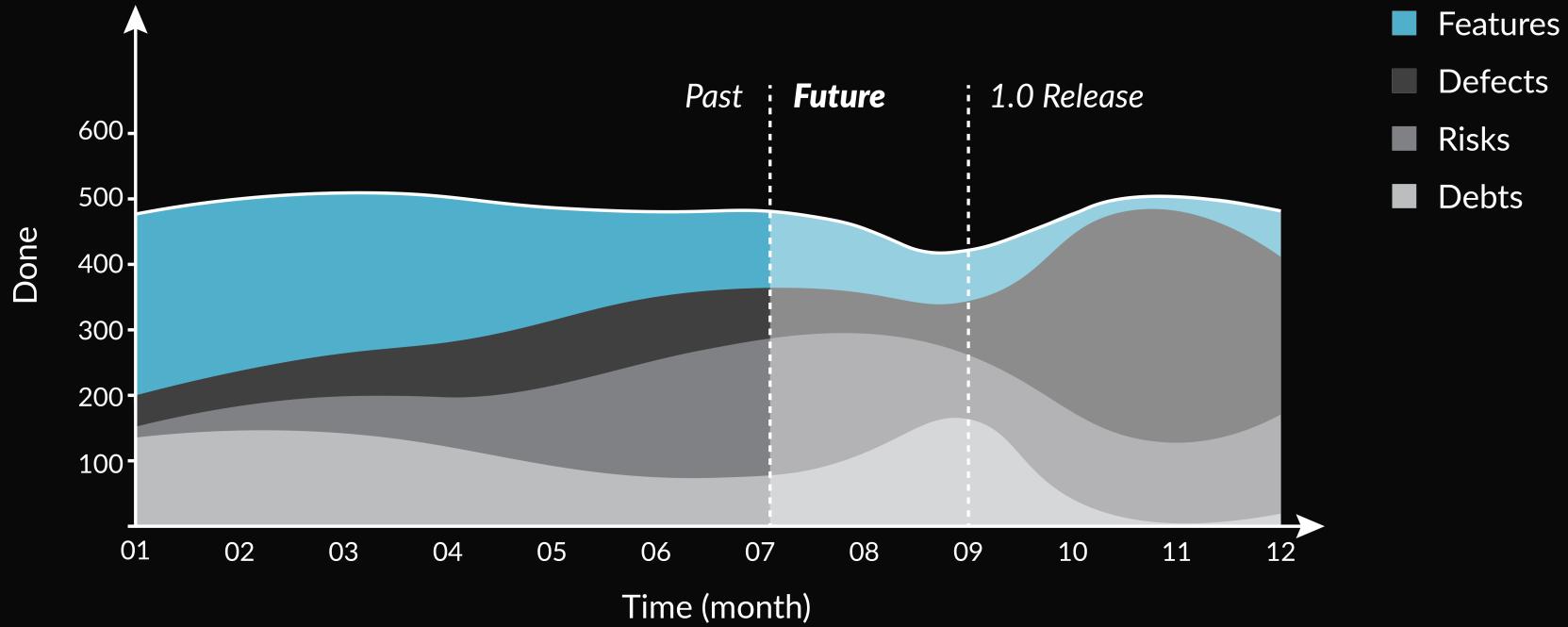
03 What is the distribution between defects, features, risk and technical debt?



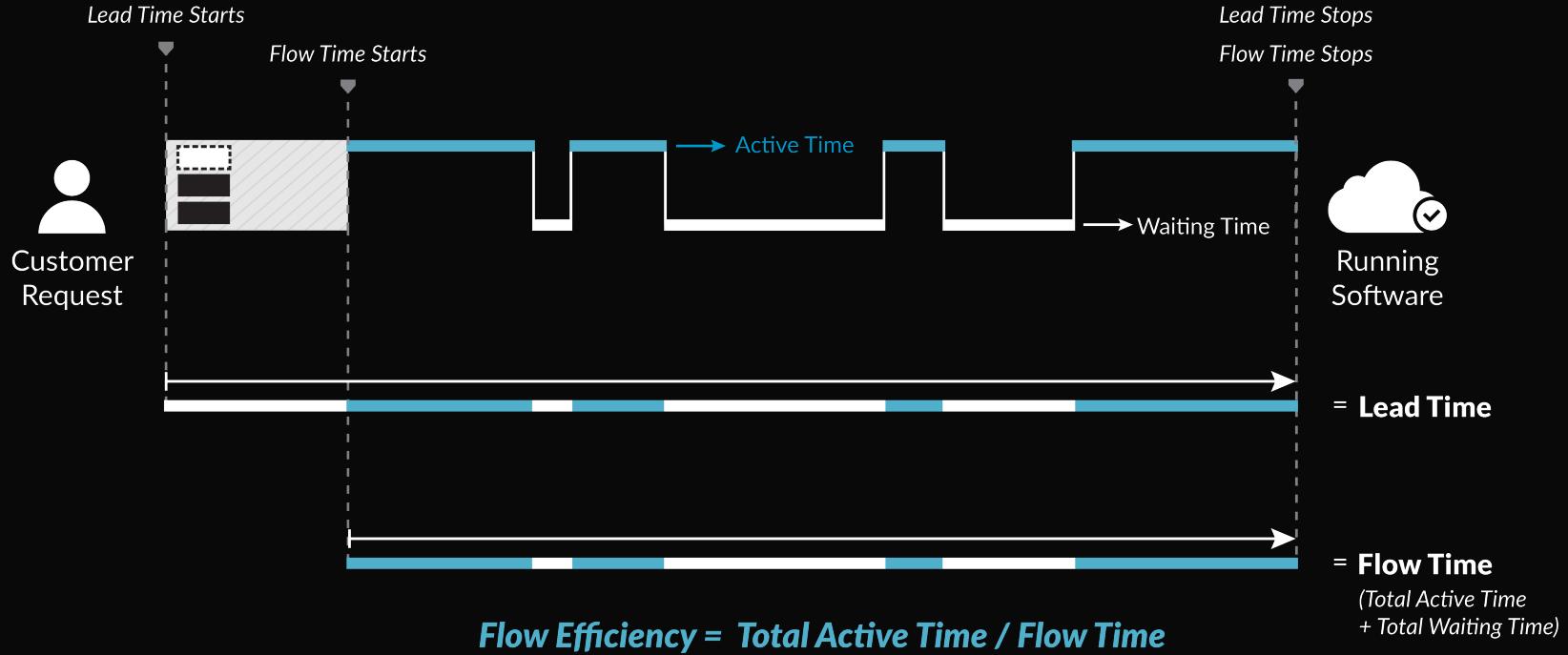
Flow Time



Flow Distribution



Flow Efficiency



Results



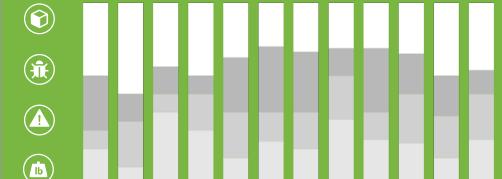
01 How long did it take for this feature to get through the value stream?



02 How much wait time was there for defects?



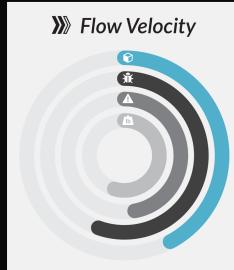
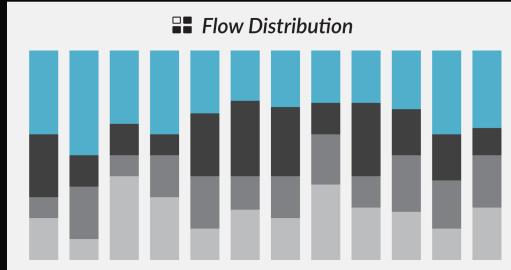
03 What is the distribution between defects, features, risk and technical debt?



Flow Metrics Dashboard

Hub

External Customer: Fortune 500 (GA)

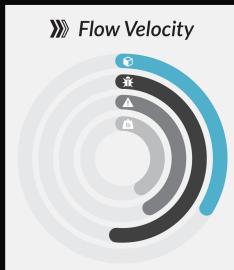
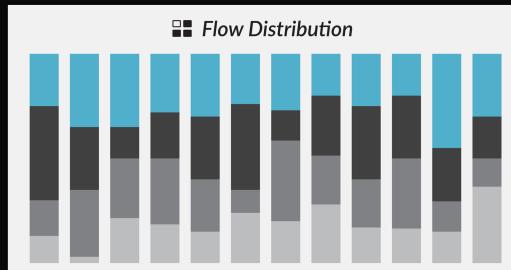


⌚ Flow Time (Average)
17 days

█ Flow Load (Current)
42 flow items

Integrations

Internal Customer: Hub, Sync, Dev



⌚ Flow Time (Average)
15 days

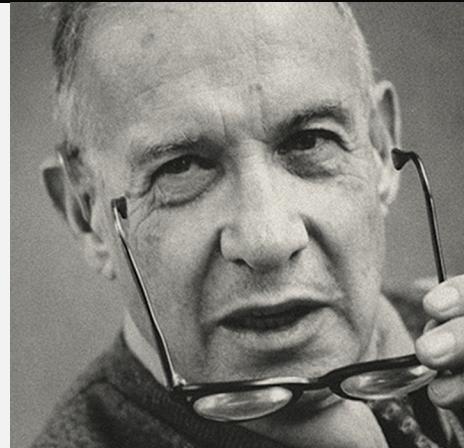
█ Flow Load (Current)
37 flow items

Culture

“

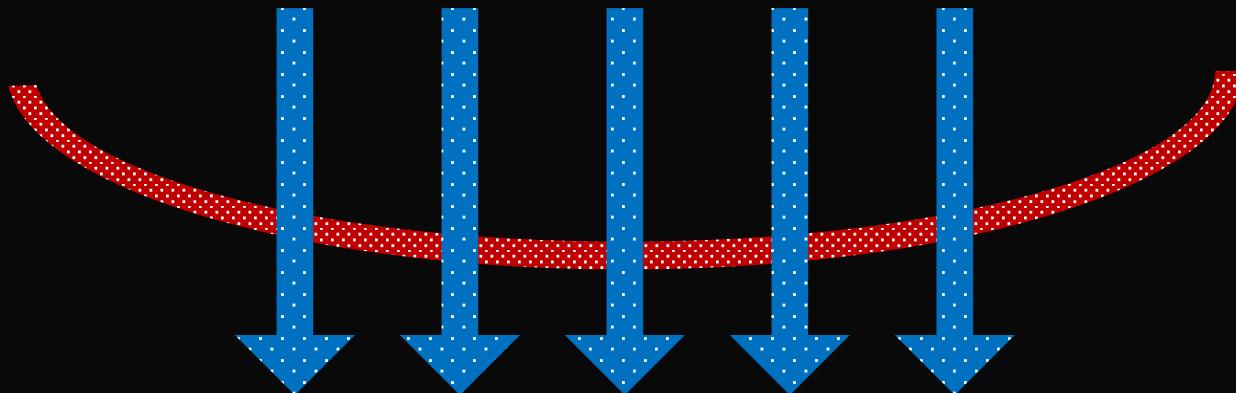
Culture eats Strategy for Breakfast.

– *Peter Drucker*



Silos Disrupt Flow

Left on their own, the vertical silos will naturally create disruption in the flow of value. Organizational and functional affinity negatively disrupts horizontal flow.



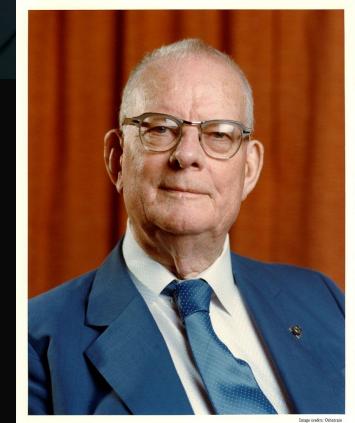
The First Way (Gene Kim)

- Optimize the performance of the entire system rather than a specific silo of work



Deming

- Balance practitioner feedback with taking a systems approach



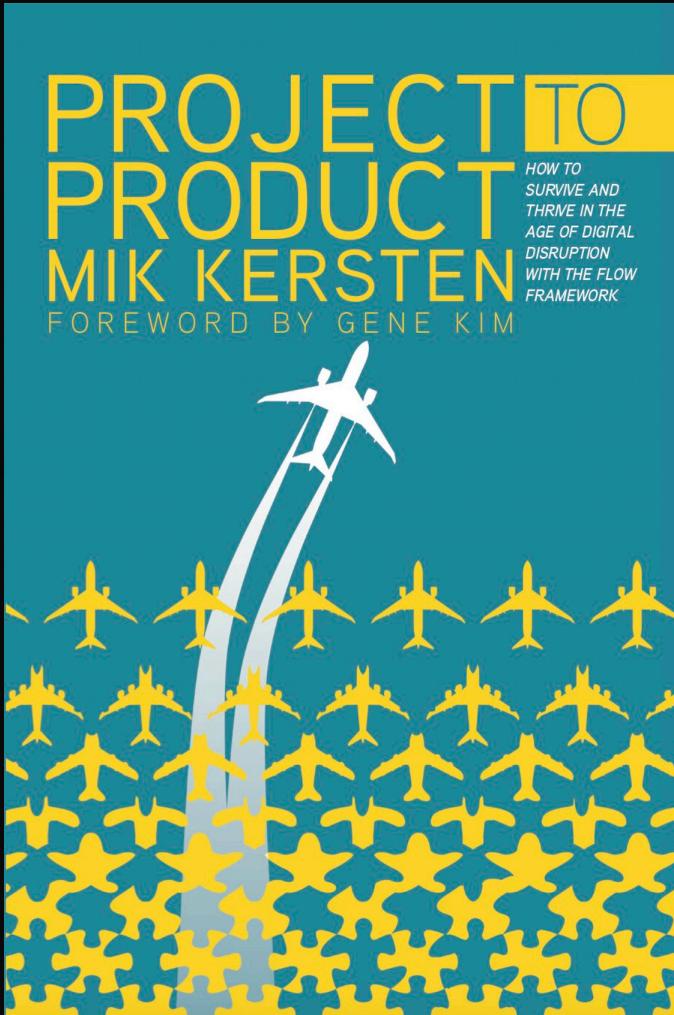
How can we do this?

How to Start

- Start Small
- Experiment
 - Develop success criteria (e.g. increased flow) and flow metrics
- Make the adoption work visible
 - Moving to this model requires work that needs to be accounted for
- Show and Tell with Executives
- Celebrate Success - Tell and Share Stories!
- Patience to Persevere

Biggest Reward

“Turning Cynicism into HOPE”

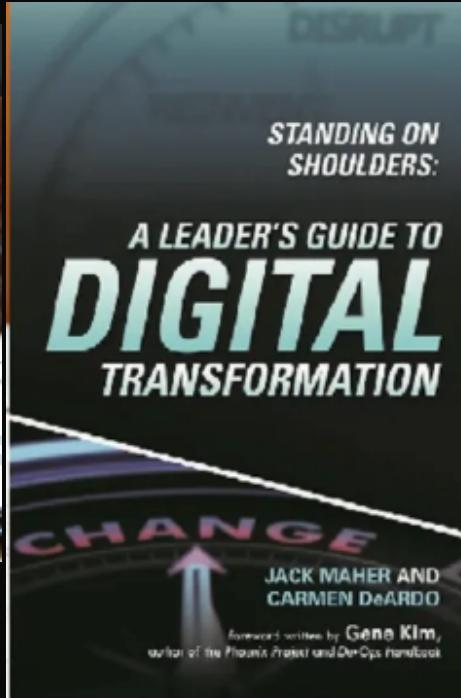
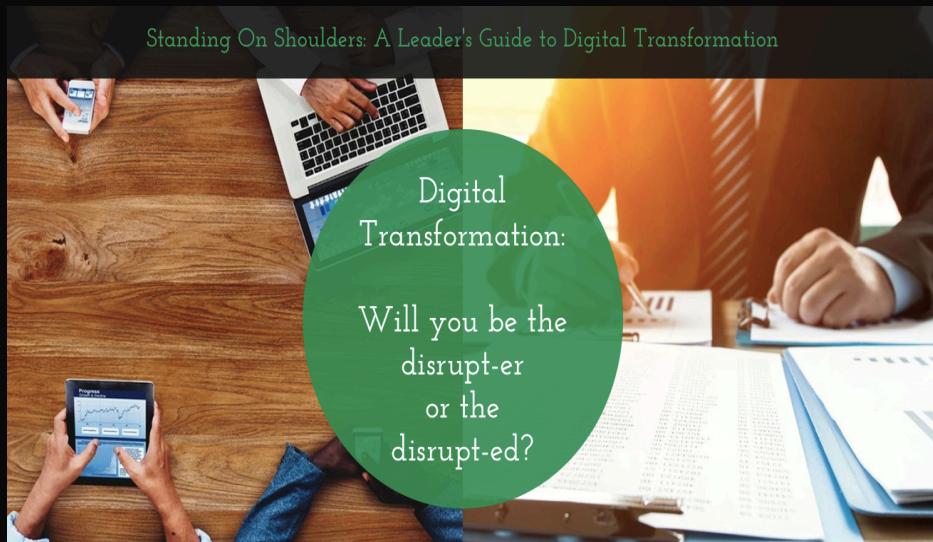


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Standing On Shoulders



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