



Accelerating the Flow of Business Value

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TASKTOP

Speaker



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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.

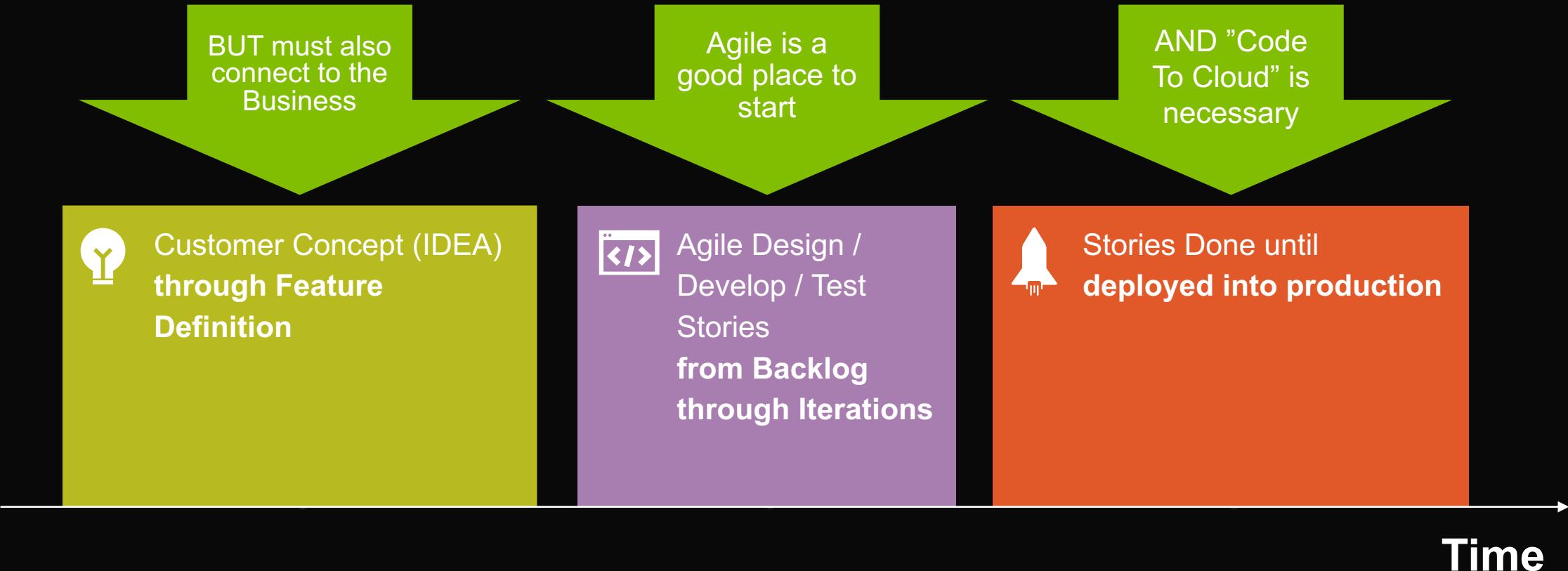
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The Problem

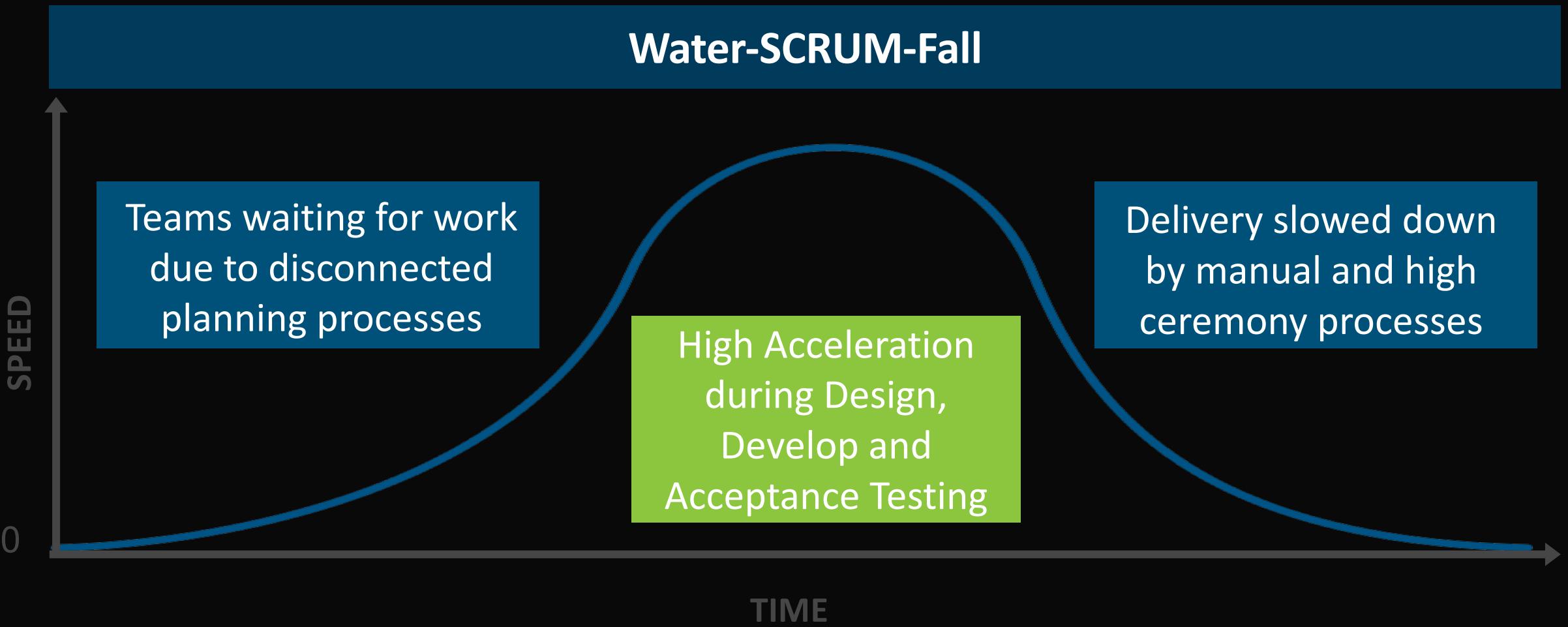
- ✓ We have implemented **Agile!**
- ✓ We have implemented **New Technologies!**
- ✓ We have certified **Processes!**

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

Increase Flow across the entire Value Stream



Agile Accelerates the Middle of Value Stream



Barclays' Value Stream

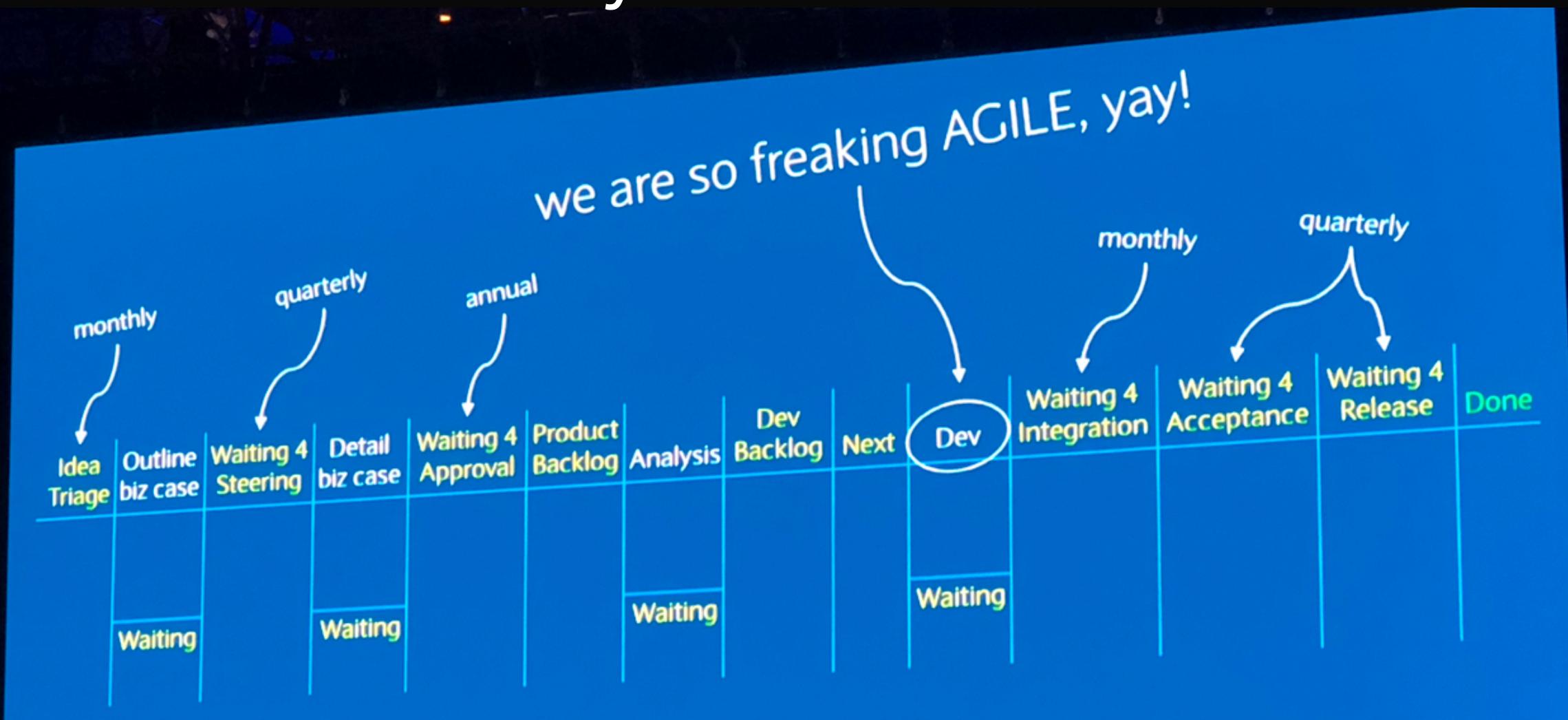


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01

Enterprise IT wants to go faster, but doesn't know where work is slowing down

02

Companies are finding it difficult to make the necessary move from project to product

Agile and DevOps are not enough

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

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?



SFA2018 Feedback

Audience of 200 folks largely from Fortune 500 companies (Banking, Insurance, Energy, ...)

2 Questions:

How many treat their delivery pipeline as an integrated product with respect to product ownership and architecture?

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

What's Slowing Down Your Delivery?

Do you know what's slowing you down?

Who knew it was the *applesauce*?



Results



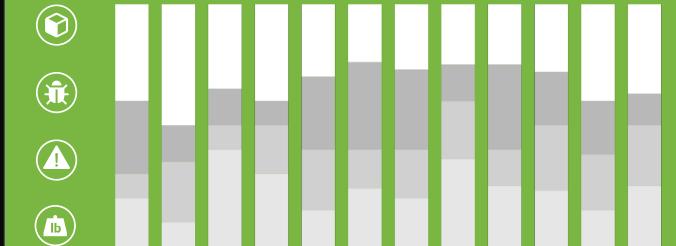
01 How long did it take for this feature to get through the value stream?



02 How much wait time was there for defects?

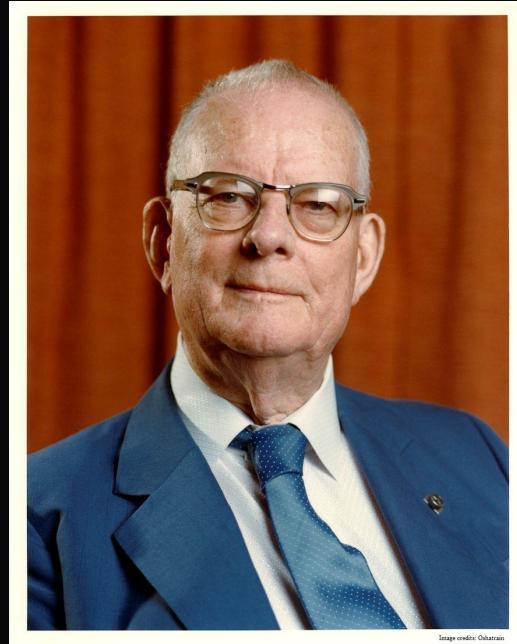


03 What is the distribution between defects, features, risk and technical debt?



Architect Your Value Stream

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



Inhibitors to Flow

- Work Variance
- Annual Project Planning
- Dependencies -> Wait States
 - Waiting for work to flow into the backlog
 - Waiting for environments/infrastructure
 - Waiting for other teams (including Shared Services w/SLAs)
- Lack of end to end visibility
- Manual activities
- Lack of integrated delivery pipeline product

Value Stream Architecture Principles

- 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

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

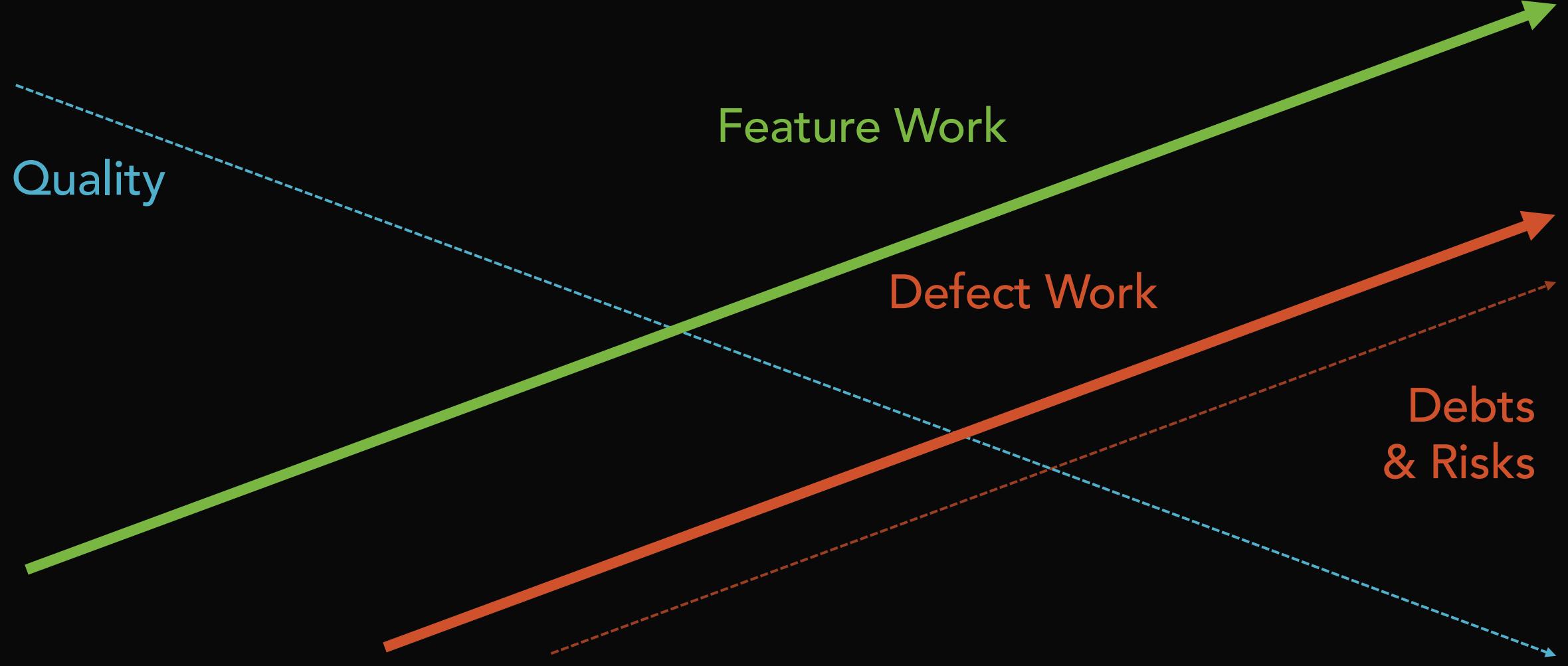
Debts

Technical debt improvements, pulled by architects

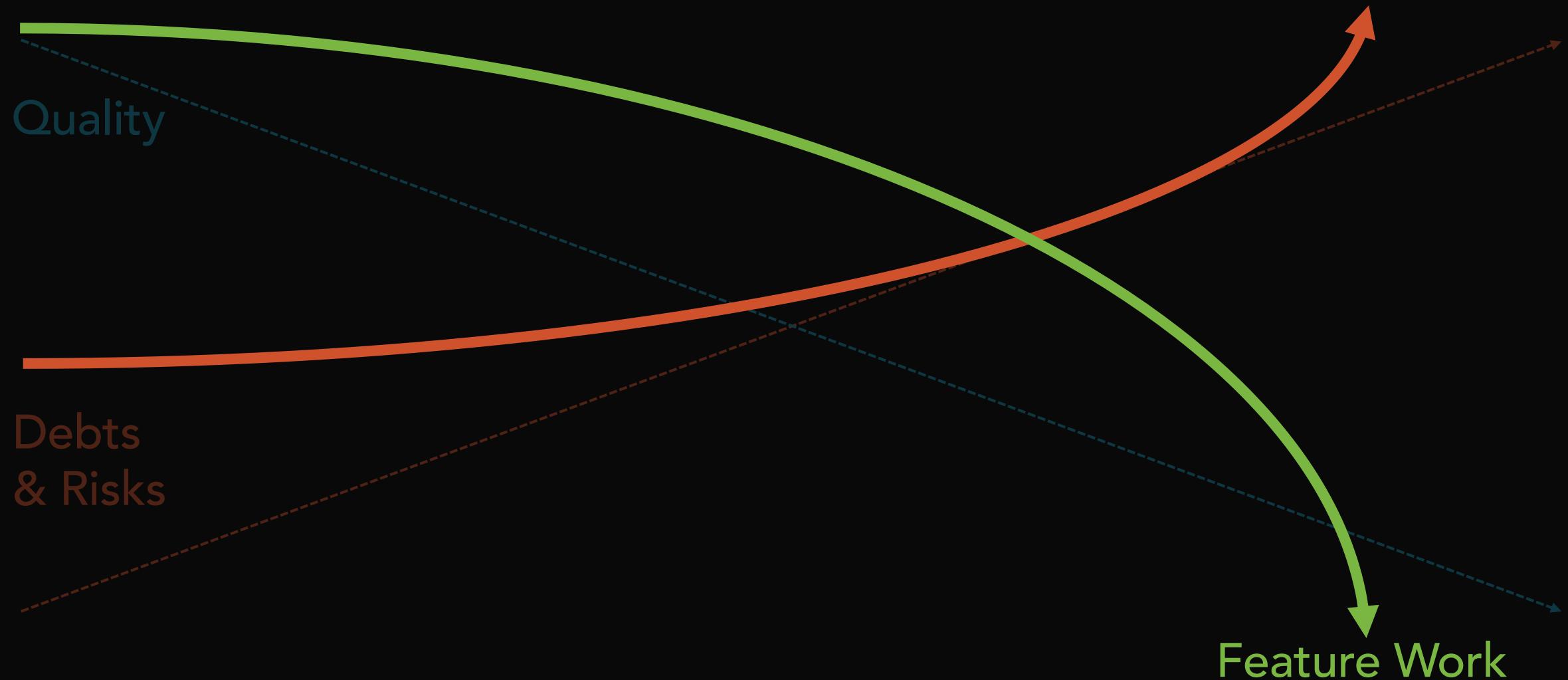
Flow Items are MECE*

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

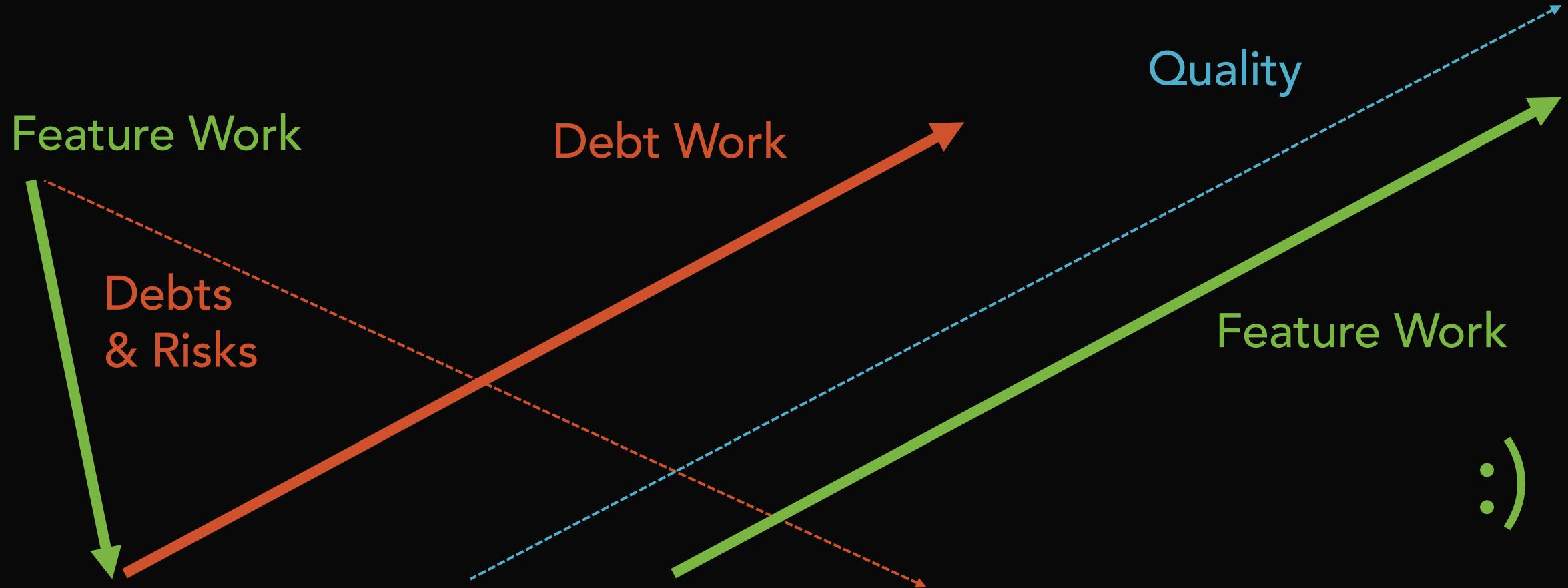
Push to Market



Debt Spiral



Debt & Risk Reduction



5 FLOW METRICS:

Why, How + considerations

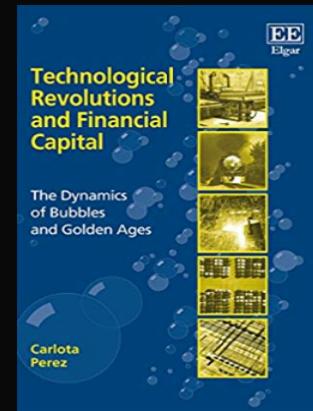
- Flow Distribution: A measure to see tradeoffs
- Flow Velocity: A measure of throughput/productivity
- Flow Load: Amount of Work-in-Progress (WIP)
- Flow Time: A measure of speed
- Flow Efficiency: Work vs. wait ratio

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

The Essential Value of Flow Metrics

- To survive in this age of market disruption*, 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**

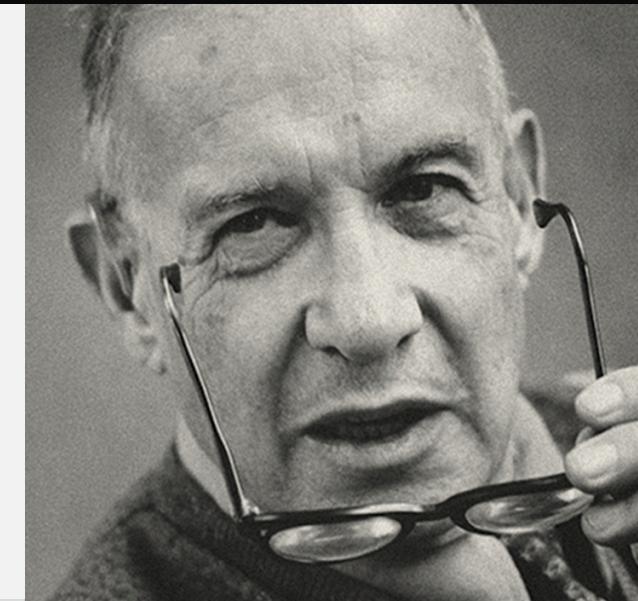


Culture

“

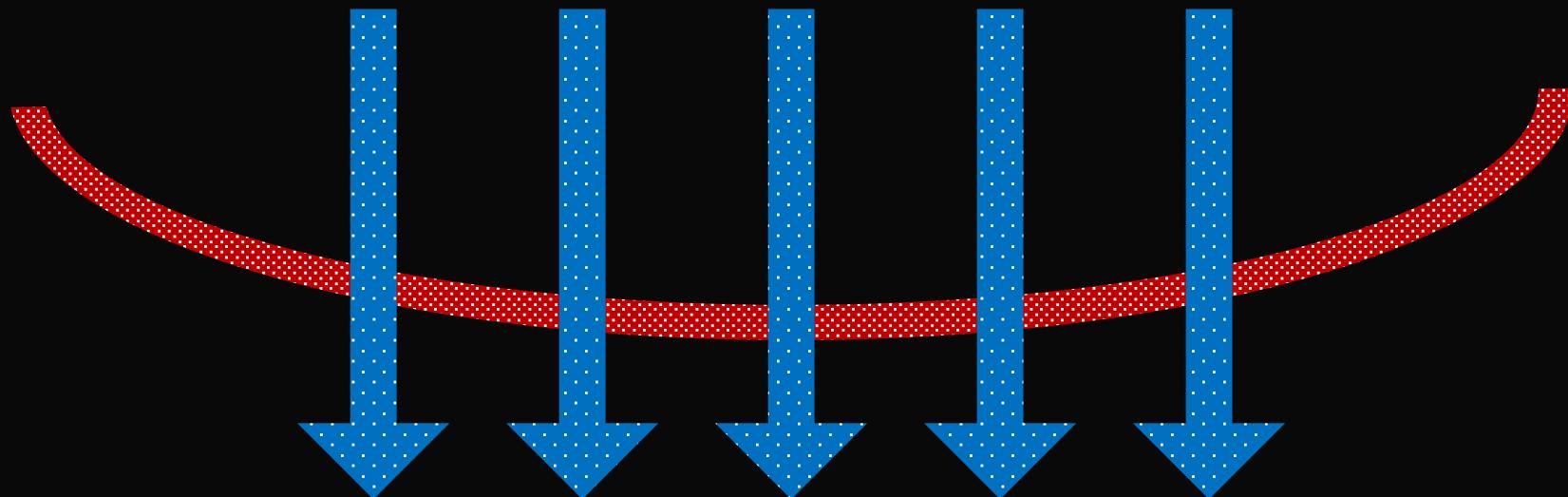
Culture eats Strategy for Breakfast.

– *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.



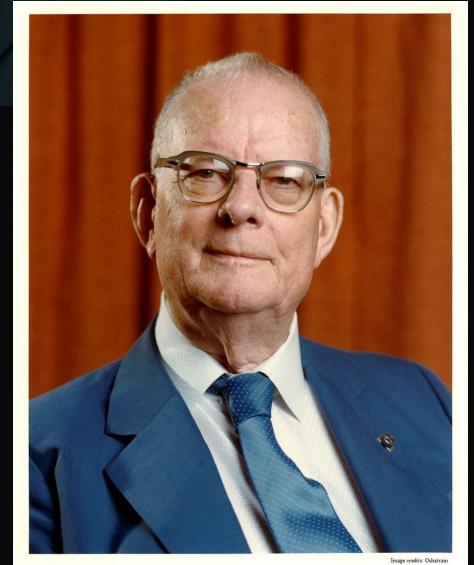
The First Way (Gene Kim)

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

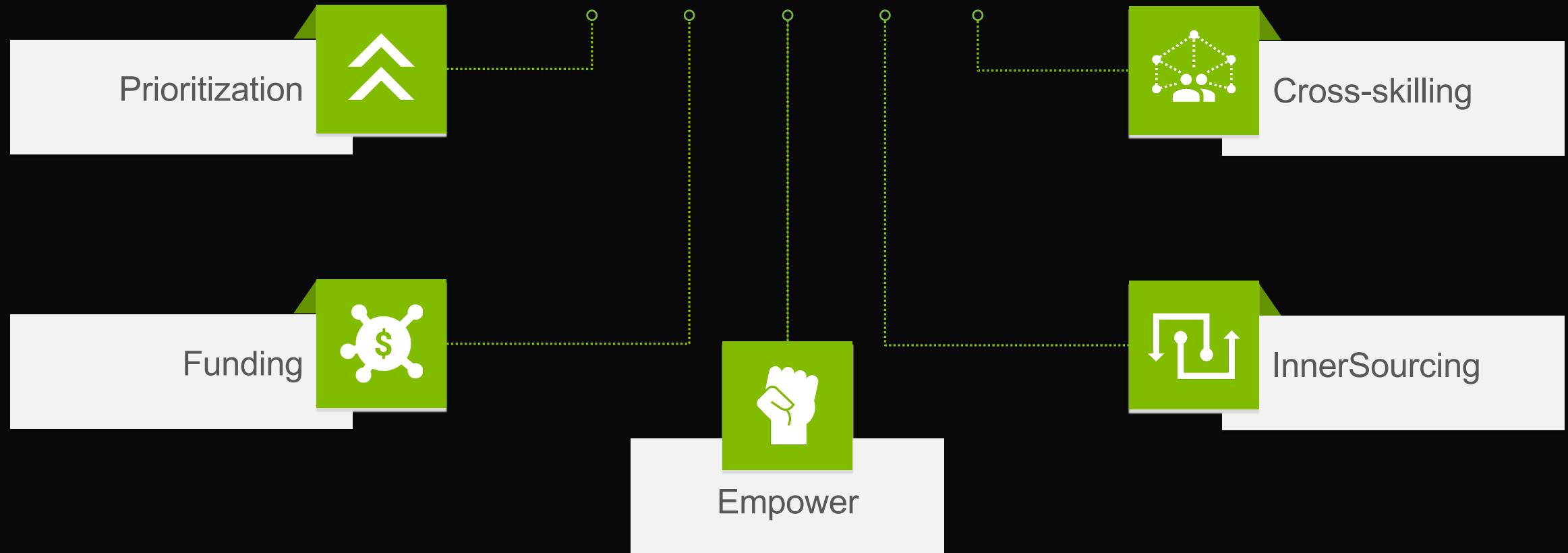


Deming

- Balance practitioner feedback with taking a systems approach



VALUE STREAM Product Owner



Experiments

PRINCIPLES

- ⚙️ Experiment and develop patterns for other organizations to mimic
- ⚙️ Demonstrating what works is more powerful than preaching what might or could work



What Is Gained

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 Transformational Change



A TALE OF TWO CITIES

in Three Books

BOOK THE FIRST.

RECALLED TO LIFE

CHAPTER I

THE PERIOD

It was the best of times, it was the worst of times; it was the age of wisdom, it was the age of foolishness; it was the epoch of belief, it was the epoch of incredulity; it was the season of Light, it was the season of Darkness; it was the spring of hope, it was the winter of despair; we had everything before us, we had nothing behind us; we were all going direct to Heaven, we were all going direct to Hell.

The period was so far

superla-

Cultural Impacts

- Addressing Cynicism
 - “That Won’t Work”
 - “That Won’t Work Here”

It won't work here? Really?



Well perhaps the laws
of physics cease to exist
on your stove!

Cultural Impacts

- Ideas not being “ripe” are not bad ideas
- C-Levels focus on cost
- Can’t let Perfect be the enemy of good or better
- Safety culture – teams have to be able to be truthful and have cover to experiment

Don't make perfect the enemy of Good... or Better



Current State

- Can't be too Critical
 - It got you where you are (e.g. Fortune 500 company)
 - But be truthful – it won't keep you there
 - There's a reason behind current state - Mark Schwartz 2014 talk

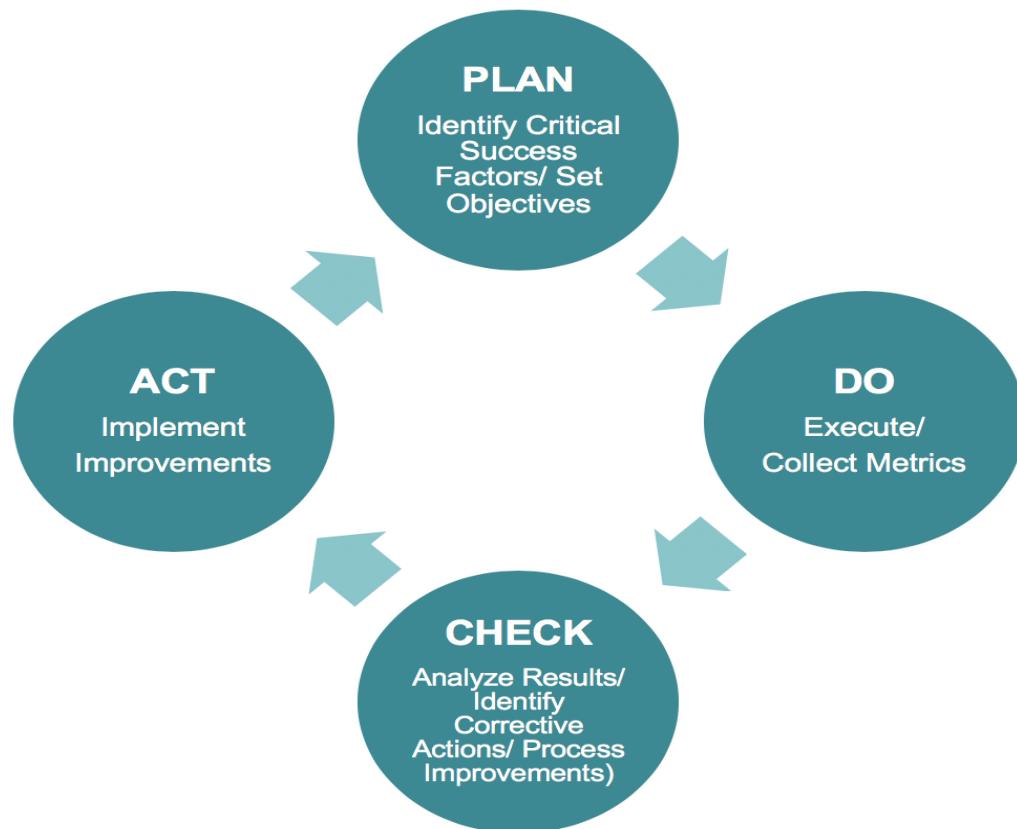
Be Kind to Current State – It got you here!



Current State – Don't be Defensive

Must be open to continuous improvement

"If you can't describe what you are doing as a process, you don't know what you're doing."



Be Open to Experimenting....



Deming – Quality Circles

- People doing the work are the ones with the most expertise to provide ideas on how to improve.
- Empower teams to suggest ideas and experiment safely
- Leaders should then utilize successful experiments and apply “Systems Thinking” to optimize the entire system to avoid the pitfalls of local optimization.

Patterns for Success

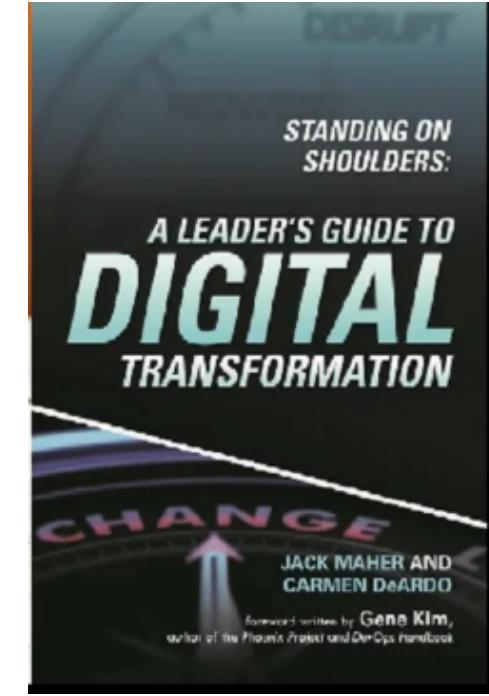
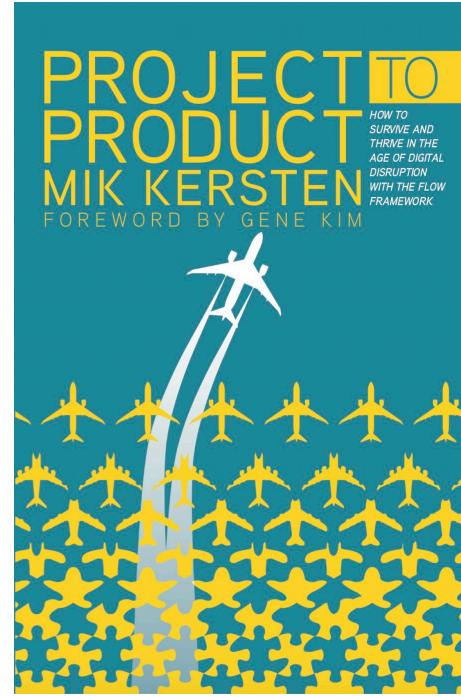
- Improvement is *Methodology Agnostic* – every team can improve (even waterfall projects have flow which can be improved)
- Experiment
- Don't fall in love with a process or technology
 - Fall in love with getting better – Third Way
- Let others take credit and share their stories
- Look at what success has been made rather than a focus on how much more could be done
- Be truthful – especially with the business – this is hard work – need to make this work visible
- Systems Thinking to optimize the whole

Biggest Reward

“Turning Cynicism into HOPE”

Takeaways

- ✓ 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 Center** vs Cost Center)
- ✓ 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