



Banking on Flow Metrics

Bank of New Zealand Transformation Journey





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We're the bank for New Zealand (Aotearoa)

We've been helping our customers make their goals a reality for over 150 years, and now we're working with them to redesign banking for the future.



Personal
Banking



Business
Banking



Institutional
Banking



Private
Banking





Digital First,
Human When It Matters

Business CUS...
Business CUS...

Withdrawals
& deposits
• Notes
• Coins
• Cheques





Where are my “features”?

Do more with less!



“It doesn’t matter how many teams you have, if all the work eventually ends up backed up in one team”

In a factory settings the work, the queue, the bottlenecks, the flow of work – is VISIBLE.



In our “Factory” – We are BLIND.

Nothing is flowing?



Reality - managing work in the system

1



**Removed
PMO**

2



Portfolios/Domain

3



**Lean Portfolio
Management**

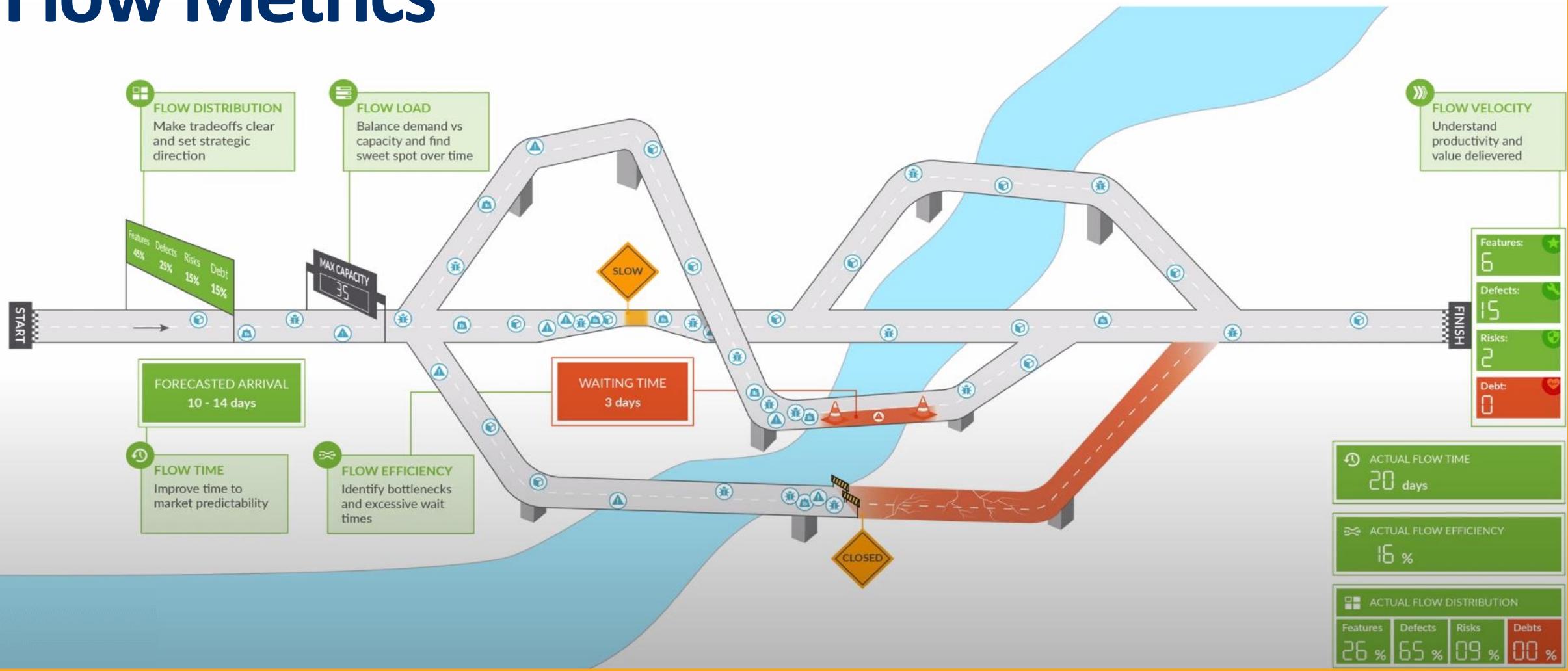
“Make the right thing the easy thing”



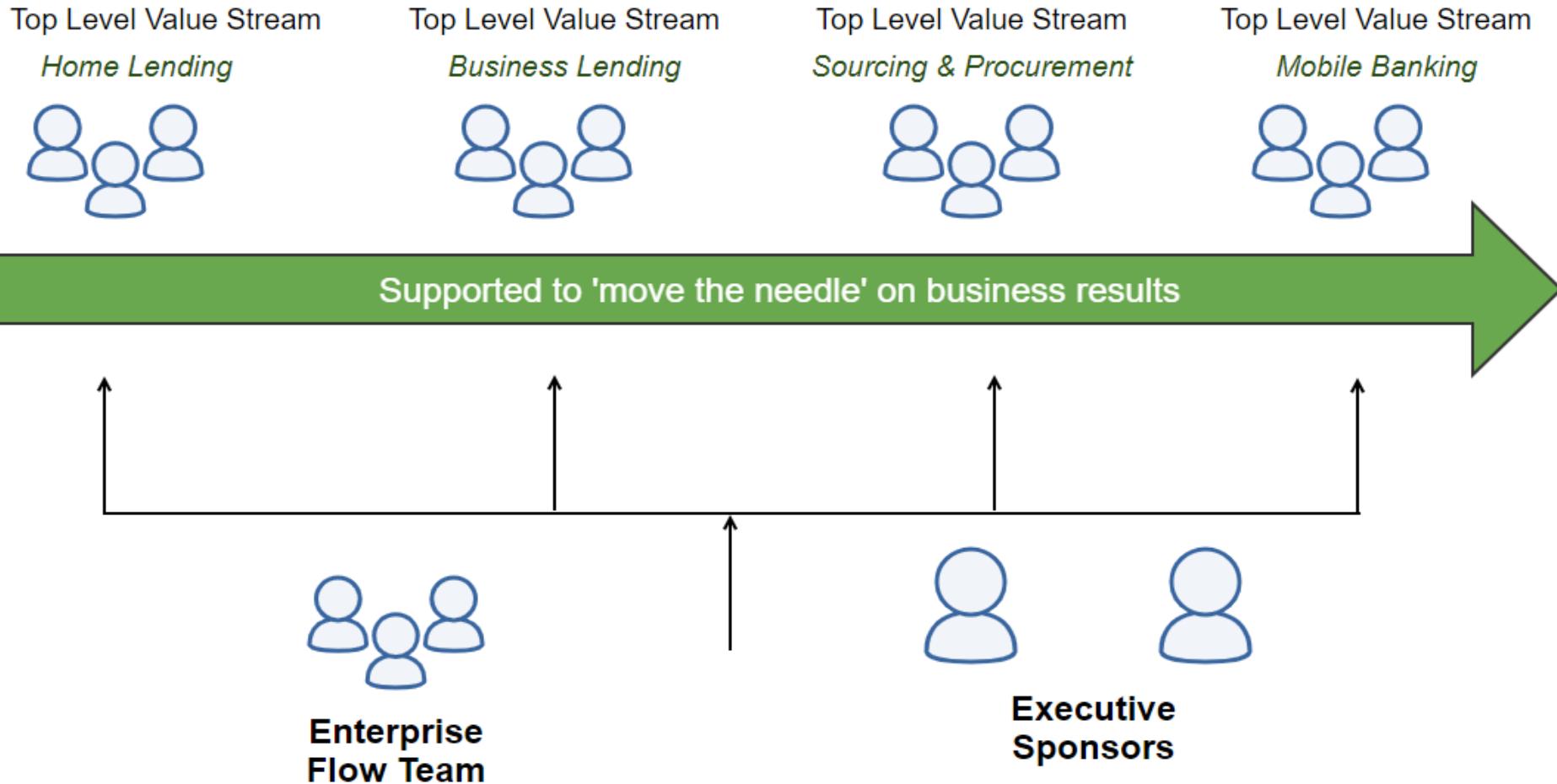
“Measuring only one area of the value stream is like only using two inches of a 12-inch ruler.”

John Willis, Senior Director
Global Transformation Office at Red Hat, co-author of The DevOps Handbook

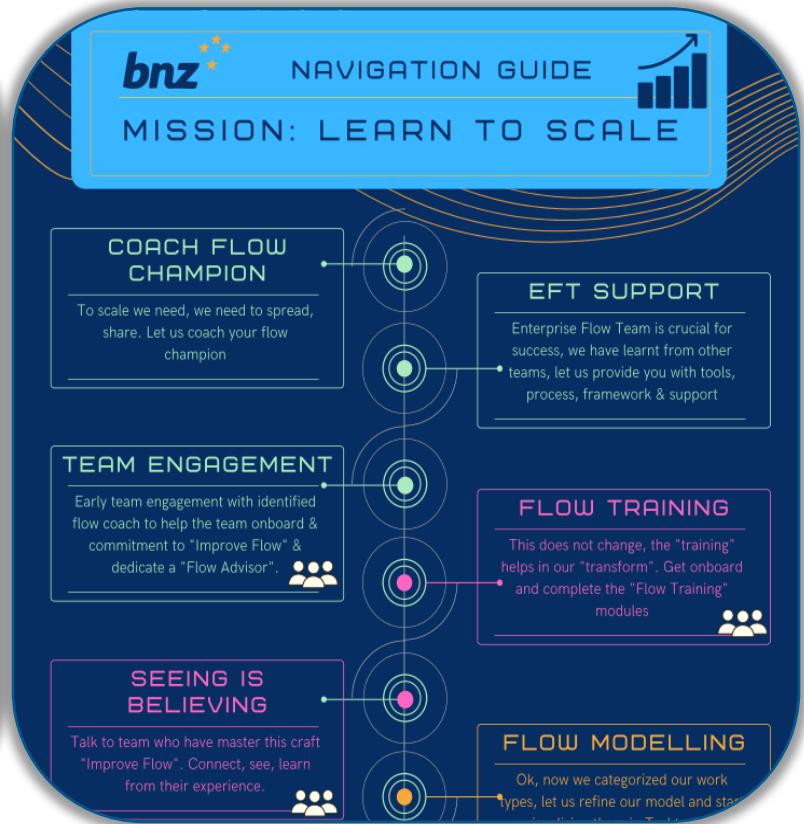
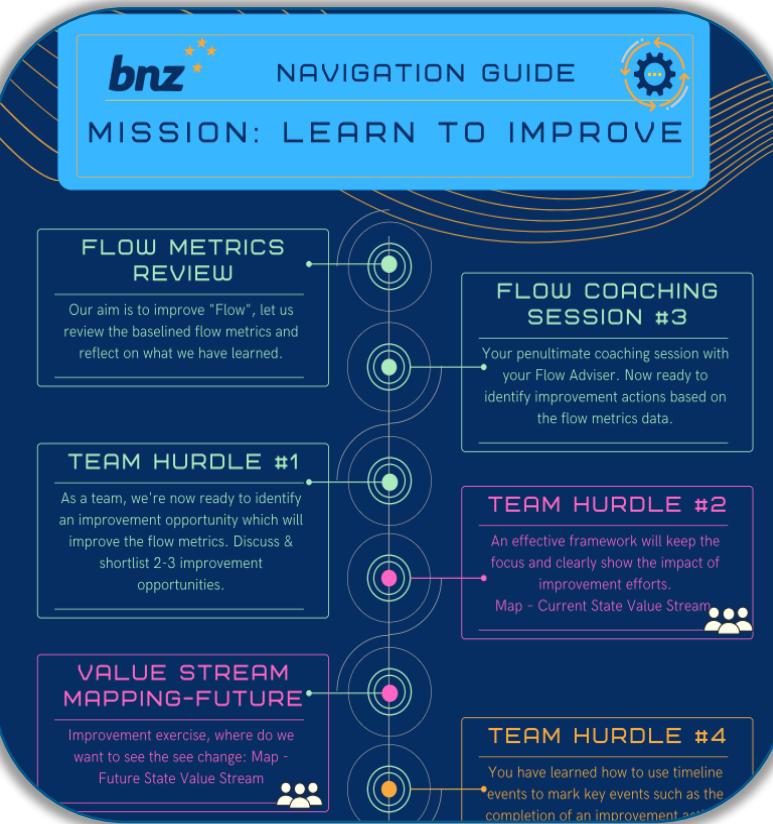
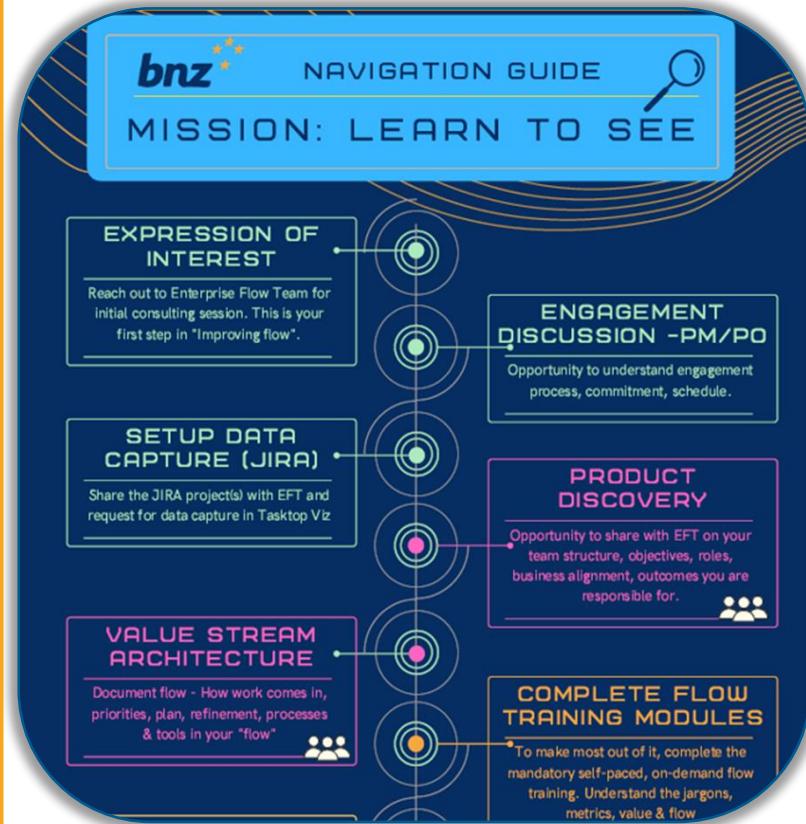
Flow Metrics



Execution Strategy

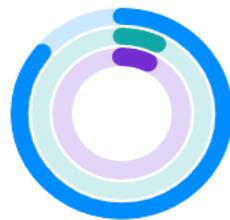


Learn to See, Improve & Scale



Portfolio Insights

Products (15)



Generating Flow Metrics

12 (85.7%)

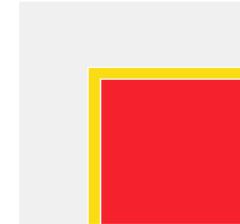
Tracking Business Results

1 (7.1%)

Tracking Timeline Events

1 (7.1%)

Visibility for Our Leaders



How many products are overloaded?

Products neglecting WIP

7 (50%)

Can expect Flow Time to double

6 (42.9%)

Flow Velocity

16 160

Flow Items completed

Jun 24, 2021 - Sep 18, 2021

Group by Week



Flow Load

35

Flow Items, on average

Jun 24, 2021 - Sep 18, 2021

Group by Week



Flow Efficiency

37.2%

Connected to Our Business Results

Business Results

+\$ Value

Revenue

-\$ Cost

Infrastructure Cost

OKR: Renewals

Total Cost of FTEs

New Sales

New Sales

Quality

OKR: Escaped Defect Ratio

Happiness

Incidents per month

OKR: Turnover Rate

Last 90 days

See Details >

45%

\$5M

\$10M

\$275K

\$1.1M

\$1.1M

6%

9%

2

35



1 - 3 months

1 (7.1%)

6+ months

1 (7.1%)

Less than 1 month

12 (85.7%)

How many products may experience delays due to high load?

Flow Time expected to increase by at least 2x for these business processes

Feature to cash

2 (14.3%)

Defect to resolution

2 (14.3%)

Risk to mitigation

1 (7.1%)

Debt to pay-off

2 (14.3%)

Last 90 days

See Details >

Actionable for Our Teams

Flow Velocity

16 160

Flow Items completed

Jun 24, 2021 - Sep 18, 2021

Group by Week



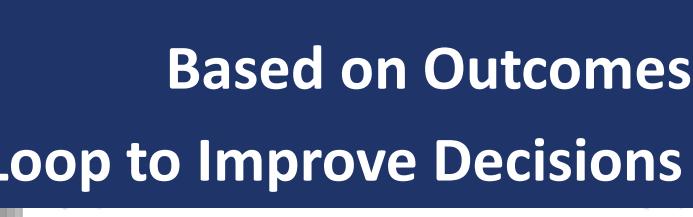
Flow Load

35

Flow Items, on average

Jun 24, 2021 - Sep 18, 2021

Group by Week



Flow Efficiency

37.2%

37.2%

Tied to Business Value Based on Outcomes

Provide a Feedback Loop to Improve Decisions



What Did We Learn?

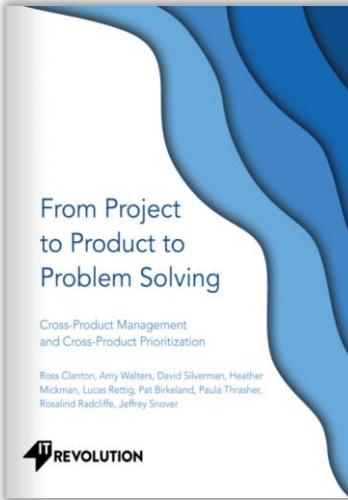
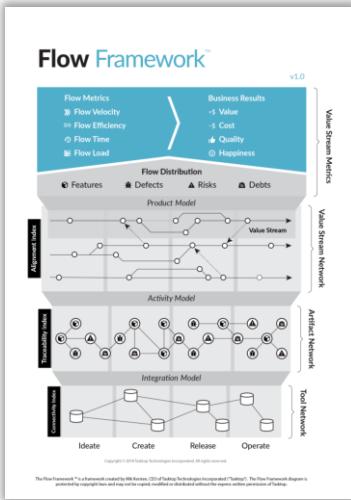
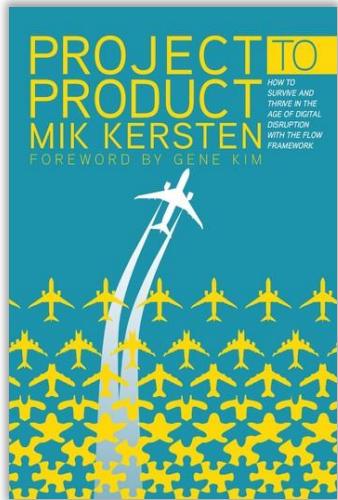
- Aim high, but just get started
- Ask for volunteers, get their team commitment
- Provide air cover to experimenting teams
- As a team approach
- Settle in, let it “Flow”
- Prepare for unlearn & relearn
- Insights: Do not be surprised or shocked – It is your data
- Learn to see, improve & scale

Summary



EXTERNAL

Call To Action



How You Can Help Us?



EXTERNAL

bnz 



Kia Mihi Thank you