

Value Trumps Flow When Managing Value Streams

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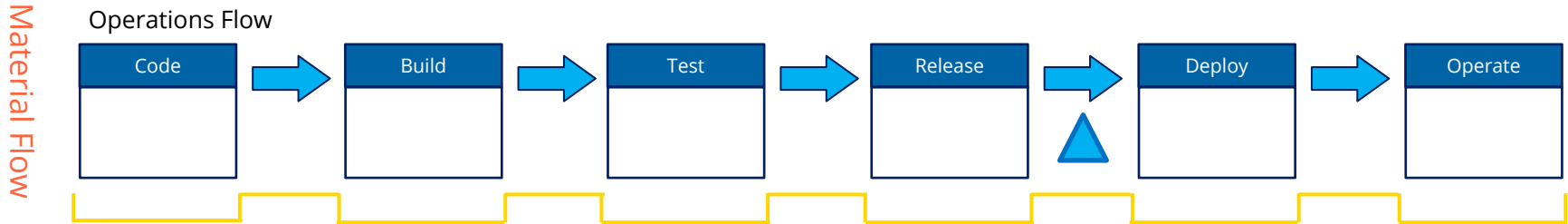
video



Value Trumps Flow

Did We Accelerate Value?

As an industry, we are focused on eliminating waste and accelerating flow from code to deploy.



But are our customers seeing the value?

How CIOs May Answer the Question

“

We are really good at building the wrong software fast



“

My organization is so efficient. However, I'm not achieving my business outcomes



“

I'm not seeing a lot of value from all this efficiency



“

I spent thousands of dollars on processes, but customers are not seeing value





We ***still*** need to rethink
value streams.

Flow does not
necessarily yield *value*;
Faster software delivery
does not always
increase value.

As an industry, are we
focused on improving
flow at the expense
of ***value***?

Let Me Tell You a Story...



*This is a hypothetical story for illustration

**Goal: reduce time
to market by 20%**



We Are So Much Faster and Efficient Yet Getting Nowhere!



Time to market
reduced by 25%

Where is the value?

"Ok. What Stands Out?"



Feature Request

Value Stream



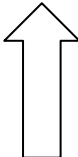
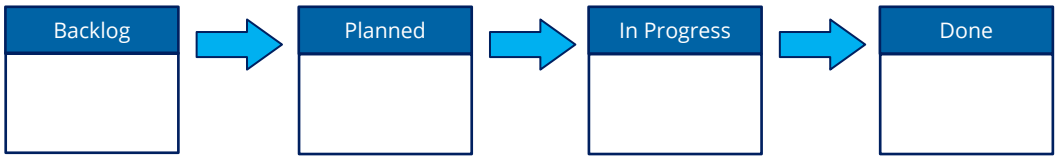
Request Flow



14 Days

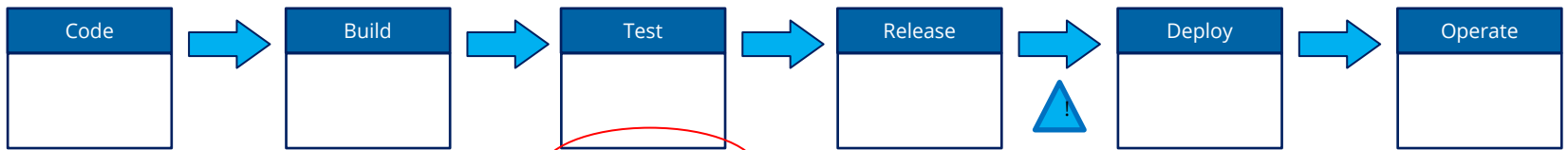
Information Flow

Development Flow



Material Flow

Operations Flow



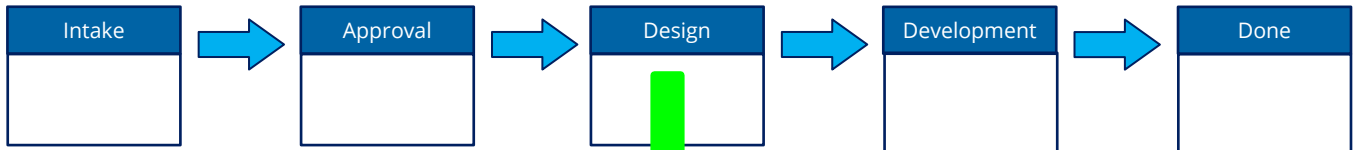
10 Days

Feature Request

Value Stream



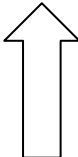
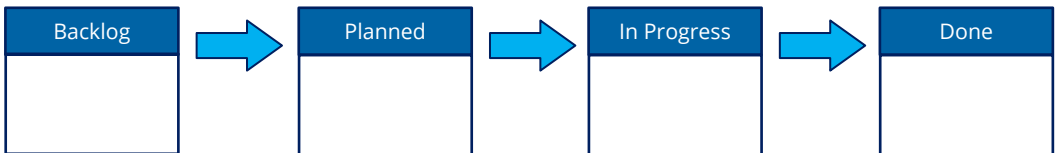
Request Flow



5 Days

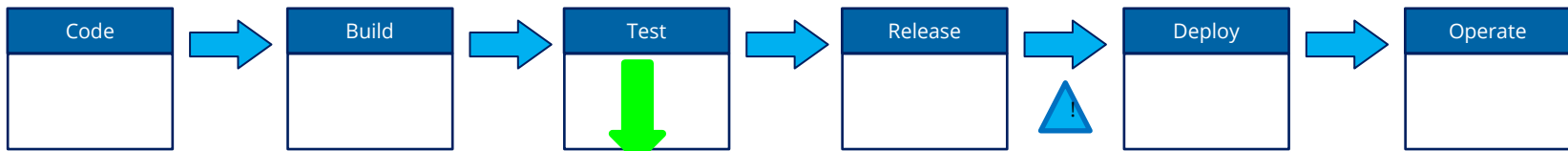
Information Flow

Development Flow



Material Flow

Operations Flow



2 Days

Consultant Findings & Suggestions

Design Changes

Decided to NOT do a formal UI Spec

Allowed developers to do own UI Specs

Request Flow

Test Changes

Human Testing Reduced

Automated UI Testing protocols

Operations Flow

Was It Worth It?

By de-emphasizing these stages...



Lead time was
reduced by 25%

Customers are
frustrated

NPS Scores
decreased

Additional rework
has been created



The Moral of the Story

What lessons can we learn from this IT parable?



The Moral of the Story

In the pursuit of improving flow and velocity, Carl's organization:

Diluted Value

Introduced Risk

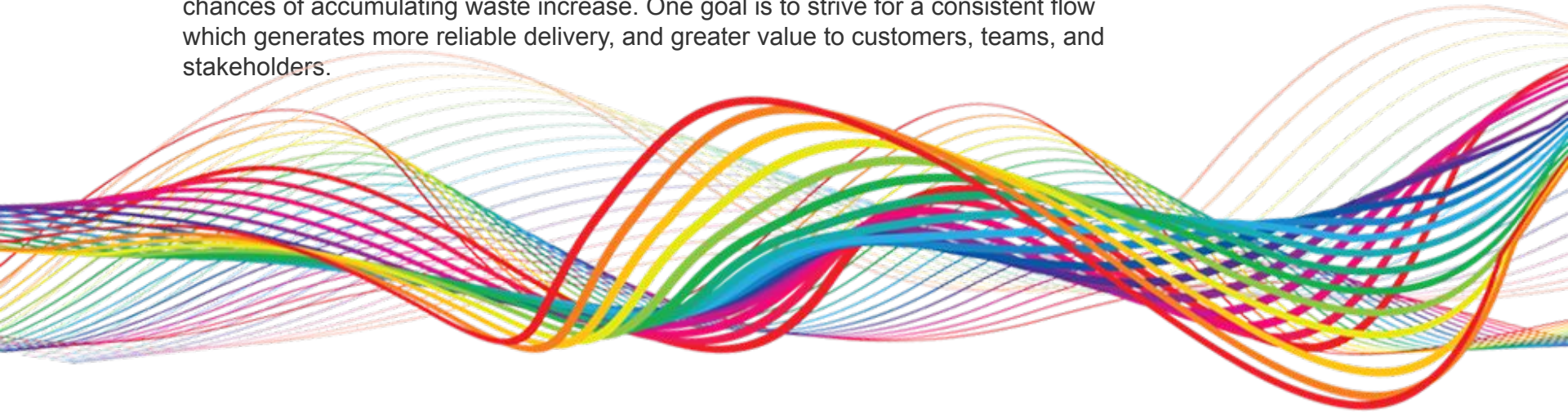
Frustrated Customers

Created Additional Work

We have placed so much attention on DevOps and increasing flow that we are neglecting value.

What Is Flow

Flow is how work progresses through a system. When a system is working well, or having “good” flow, it tends to move steadily and predictably, whereas, “bad” flow means the work starts and stops. Every time there is a breakdown in the flow, chances of accumulating waste increase. One goal is to strive for a consistent flow which generates more reliable delivery, and greater value to customers, teams, and stakeholders.

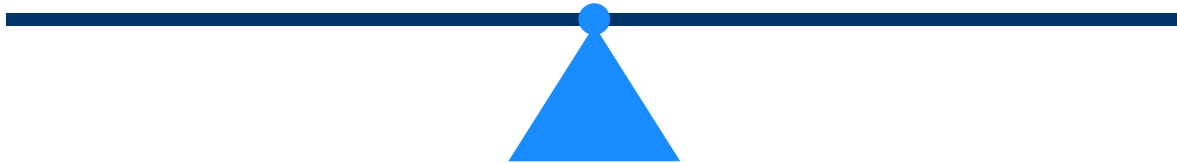


What Is Value?



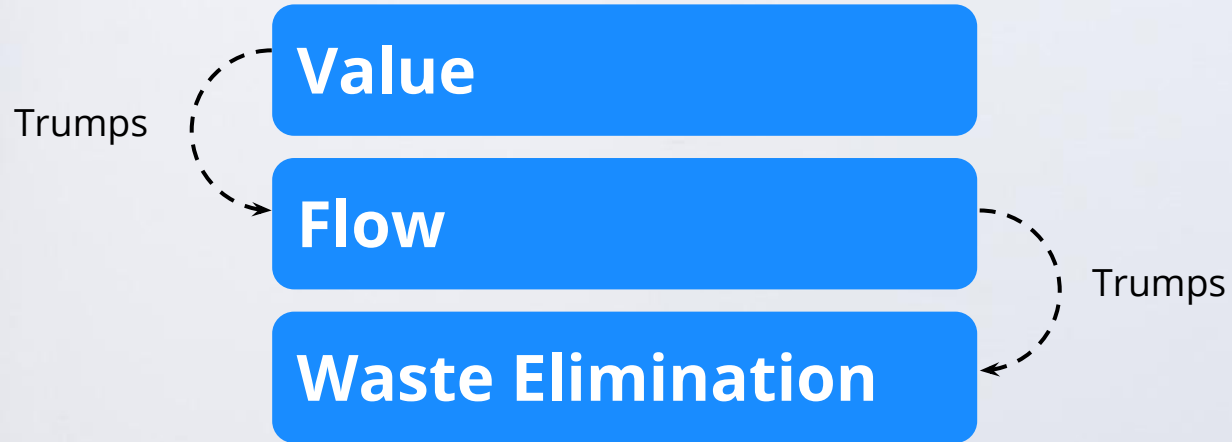
The key benefit *to a business outcome* that is gained by an action, a product, or a stage in your value stream

Value – the **definition of value** in **lean** is everything the customer is willing to pay for.



Do not pursue anything that will negatively impact value!

Applying the Lean Decision Filter For Value Stream Management



Use the Lean Decision Filter to Improve Value

Eliminate waste to improve efficiency (of course)

Of course we want to eliminate waste. Right?



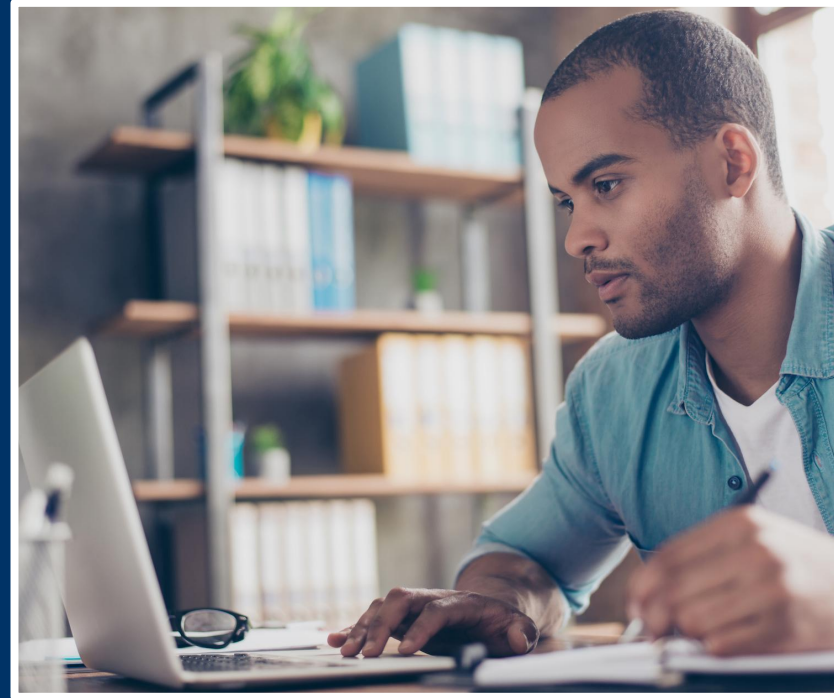
Use the Lean Decision Filter to Improve Value

Flow trumps waste elimination: Do not eliminate waste at the expense of flow.

Eliminate waste to improve efficiency

Run too lean and the flow of work could get blocked. Some “waste” actually supports flow.

Ex: approval steps CAN ensure that valuable, and ready, work flows, instead of low value work, or work likely to increase failure demand.



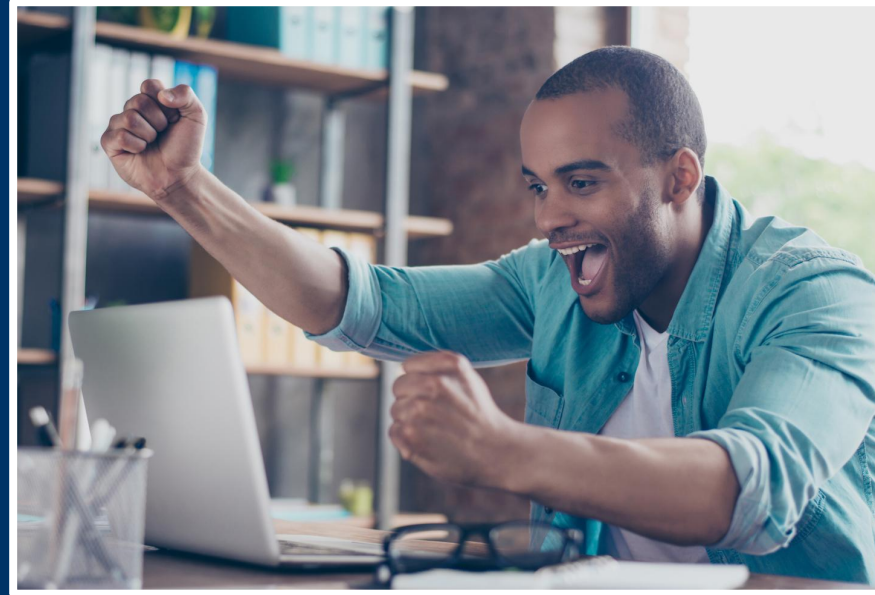
Use the Lean Decision Filter to Improve Value

Value trumps flow: Focus on maximizing value above everything else, even flow.

Flow trumps waste elimination: Do not eliminate waste at the expense of flow.

Eliminate waste to improve efficiency

Be willing to sacrifice flow for value.





**Automation is great, but ...
it takes a human to effectively use the
Lean Decision Filter.**

Value Stream Management is Human

Where Are We Now?

As an industry, we are focusing too much on increasing flow through DevOps, rather than improving value

This keeps IT organizations from receiving any business benefit from faster software delivery

How can we change our focus to prioritize value rather than flow?



Where Do We Go From Here?

Visibility is key,
but how do you get it?

Tooling has value,
but VSM is more than tooling.

DevOps is great,
but connect business value to the work.



Introducing the Value Stream Leader

What Does a VSM Leader Look Like?

A value stream leader:

- Creates the governance model
- Controls the flow of materials and information across the value stream
- Is responsible for eliminating waste in the value stream
- Brings new products into the value stream
- Interacts with customers to ensure their needs are met
- Partners with all teams to ensure the product is delivered on time and problems are resolved correctly in a timely manner
- Oversees the scheduling, production, and inspection required per the value stream

Value Trumps Flow

Improving flow is good,
but increasing value is
much more important.

**Do not sacrifice
value at the
altar of flow!**



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