Value Network Mapping

Raise portfolio performance by balancing demand and supply

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Demand - Understanding your Portfolio Inventory

• What are all of the things that consume capacity to deliver business value?
• Where does demand come from?
• What makes it worth doing?
• How do you decide?
Supply - Understanding your working capacity

• What resources will you use to accomplish your business objectives?
• What groups or teams do you feed work to?
• How does work stack up waiting for them to get to it?
• It’s not just development work. Who is needed for complete delivery?
  – Are there hidden costs to conceive, justify, plan, launch, and utilize new initiatives?
Traditional Project or Program

- Business Outcome
- Funded Cost
- Target Date
- Development Team
- Code Base
- Application Technology Stack

Managed for life of the Project
Split to Decouple Projects or Programs

- Business Initiative
  - Business Outcome
  - Funded Cost
  - Target Date

- Delivery Group (or ART)
  - Development Team
  - Code Base
  - Application Technology Stack

Managed for long and short term lifecycle benefits

May support other Projects now and in the future

Project
Value Stream Mapping

Total sequence of value added and non-value added activities that chain together to deliver some business value.
“Finding the kidney” is a thinking tool to find the value stream within which we can build Agile Release Trains.
They got both my kidneys. Now what do I do with the rest of me?
Orthogonal Value Streams

**Business Value Streams**
- Represented by end-to-end scenarios or workflows for how the business delivers value to customers and stakeholders

**Delivery Value Stream**
- Products, applications or platforms may have a **Delivery Group** with assets such as a technology stack and the **Teams of people** that know how to work with it.
  - (similar to SAFe Release Train)
Demand & Supply Model

**DEMAND**
- ONLINE STORE: No Worry Local Returns
- MOBILE & SOCIAL: Refresh Mobile 2.0

**SUPPLY**
- MOBILE APP
- YOUR.COM
- PRODUCT CATALOG

Delivery Group w/ Capacity Budget

Initiative Funded by LOB
Demand Terminology

**Business Initiative**
- Has expected business outcome
- Is funded (represents a business investment)
- Unit of demand for long-range capacity planning (9-18 months)

**Marketable Feature**
- Smallest amount of value to satisfy business stakeholders
- Grouped for business reasons (MMF, “feature set”, product features)
- Unit of demand for mid-range capacity planning (3 to 9 months)

**Component Feature**
- Piece of a Marketable Feature (to accelerate delivery of value)
- Platform feature that can be “sold” internally (ex: reusable component)
- The split of a Marketable Feature across delivery groups
- Unit of demand to fit in one mid-range planning cycle (typ 8 to 16 weeks)
Supply Terminology

Delivery Group – Typically 10+ people
- Groups of teams organized by proven ability to work on specific code base & technology stack
- Has capacity

Delivery Team – Typically 5-10 people
- Cross-functional agile team
- or Group of specialists
- Has capacity
Business Value Stream

Shopping & purchasing from mobile application

Find Product > Check Availability > Place Order > Track Delivery or Pickup
A Business Value Stream may require solutions from multiple Delivery Groups

Shopping & purchasing from mobile application

Find Product > Check Availability > Place Order > Track Delivery or Pickup

Delivery Groups

Mobile App
Product Catalog
Inventory Management
Payment Processing
Order Fulfillment
Business Value Streams Often Align with a Line of Business (LOBs)

- **Your.com Online Store**: Shopping & purchasing on Your.com web store
- **Online Store**: Easy, error free returns to local store
- **Mobile & Social Marketing**: Shopping & purchasing from mobile application
- **Boutique Stores**: Cozy Experience shopping & buying in your local store
Value Network

**DEMAND LOBs**
- **ONLINE STORE**
  - Modernize customer service portal
  - No Worry Local Returns
- **MOBILE & SOCIAL**
  - Refresh Mobile 2.0
  - Integrate social into shopping experience
- **RETAIL**
  - Sales Associate Wizard
  - Quick-n-easy in store orders

**SUPPLY DELIVERY GROUPS**
- MOBILE APP
- YOUR.COM
- POS
- PRODUCT CATALOG
- INVENTORY MANAGEMENT
- PAYMENT PROCESSING
- ORDER FULFILLMENT

**Initiative Feature List**
- Delivery Group Backlog

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Making Supply and Demand Visible

• Initiative Features List – Requested Demand
  – Owned by Product Manager
  – Lists their Feature requests to supplier Delivery Group(s)

• Delivery Group Feature Backlog – Matches Supply
  – Owned by Chief Product Owner / Backlog Owner
  – Stack ranked Features to fit supply capacity
  – Forecasts Features likely to be available in planning Timeframe
Portfolio Framework Individual Roles

Demand
- Product Manager

Supply
- Product Owner

What do we need?
Will they fit?

Planning Cycle

Initiative

Feature

Feature

Feature
Exercise Example
Modeling Improved Value Networks

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<thead>
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<th>LOBs</th>
<th>Initiatives</th>
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<td>Another Initiative</td>
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Delivery Groups:
- Mobile App
- Your.com
- POS
- Product Catalog
- Inventory Management
- Platform
- Order Fulfillment

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Dysfunctional Patterns

• Functional DG’s: Test, Web Development
• Functional LOB’s: Sales, Accounting, Shipping,

• Caveat: SAFe approach OK to get started w/ first few ARTs, need more scalable approach when dealing with “full” portfolios
Dependency Bound Functional Groups

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<tr>
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<th>Mobile Development</th>
<th>Web Development</th>
<th>App Development</th>
<th>Middleware</th>
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<th>QA Test</th>
<th>Business Analysis</th>
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