ORGANIZING AROUND VALUE WITH VALUE STREAMS

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„What does the term value stream mean to you?“
WHAT IS „VALUE“?

What are the customer segments?
How do they perceive the value proposition?

Value delivered to the organisation (Business Value)

Value delivered to the customer/users (Customer Value)
WHAT’S A VALUE STREAM?

‘Value stream’ : the series of steps required to deliver value to customers, from idea to production, concept to cash.
FLOW OF VALUE IN THE ORGANISATION
IDENTIFYING VALUE STREAMS

Value Stream example: Hotel Booking

Processes
- Pre-Stay
- Search
- Booking
- Add-on services
- Check-in
- Check-out
- Post-stay

Systems
- Cloud PMS
- Website
- R & A
- Booking Engine
- Kiosk
- Front Desk
- Mobile App
- Payment
- Mobile Key
- API

Silo Org

VS Org
- Can prioritise, develop and deliver value independently
- Long-lived
- Members are fully dedicated to the value stream
- Fully cross-functional and end2end
- Self-organising (aligned autonomy)
- Self-correcting
- Aligned towards shared vision and goals (team/teams of teams)
# Value Stream Canvas

<table>
<thead>
<tr>
<th>Value Proposition</th>
<th>Solutions</th>
<th>Solution Context</th>
<th>People and Locations</th>
<th>Customer Relationships</th>
<th>Economic Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOR ...</td>
<td>Systems, products, services developed</td>
<td>Context in which the solution will operate for each customer segment</td>
<td>Estimated number of people, by geography, in the development value stream</td>
<td>Type of relationship each customer segment expects the business to establish and maintain</td>
<td>Set of decision rules that align everyone to the financial objectives of the solution</td>
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<tr>
<td>WHO ...</td>
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<td>THE ...</td>
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<td>IS AN ...</td>
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<td>OUR SOLUTION...</td>
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<td>OUR SOLUTION ...</td>
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<td>Customer segments served</td>
<td>Paths used to reach each customer segment</td>
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<td>Budget for people and resources allocated to the value stream; includes OpEx and CapEx</td>
<td>Key performance indicators for measuring value delivery</td>
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</table>
„What are some of the biggest challenges to move from a silo organisation to a value stream organisation?“
TRANSFORMATION JOURNEY

Readiness  Transition  Evolution
TRANSFORMATION JOURNEY

**Readiness**
- Business goal for Transformation
- Role of Leadership is understood and agreed
- Internal Guiding Coalition
- Organize around Value

**Transition**
- Establish initial teams to deliver value - FLOW
- Share Knowledge and Alignment
- New Leadership options and mindset
- Execute and deliver Value
- Transparency about Transformation

**Evolution**
- Established learning organisation
STEPS TO A VALUE STREAM ORG

- Align and agree on what “Value” is for the organisation
- Identify value streams through a workshop(s)
- Define and agree on one value stream as a pilot
- Identify people, teams, organisational changes needed to deliver value
- Train and inform everyone impacted by the value stream
- Take an iterative approach to defining experiments and gathering experiences
- Re-evaluate the value stream itself (teams, organisation, structure, etc.)
- On the basis of the learnings/experiences expand to additional value streams
PITFALLS TO AVOID

- Renaming Silos as values streams
- Whole company as a value stream
- Sub-products as a value stream
- Partially available capacity on the value stream
- Short-lived value streams
THANKS FOR JOINING!

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