Maximizing **Business Value** With **Lean and Agile**

excella CONSULTING

Mathias Eifert

About Me

- Managing Consultant at Excella Consulting
- CSM, CSPO, CLP, ICP-ATF, ICP-ACC, CSQE
- Applied Lean & Agile principles for 15+ years
  - Statistical Process Control
  - Process Improvement
  - Software Development / Business Analysis
  - Agile Coach

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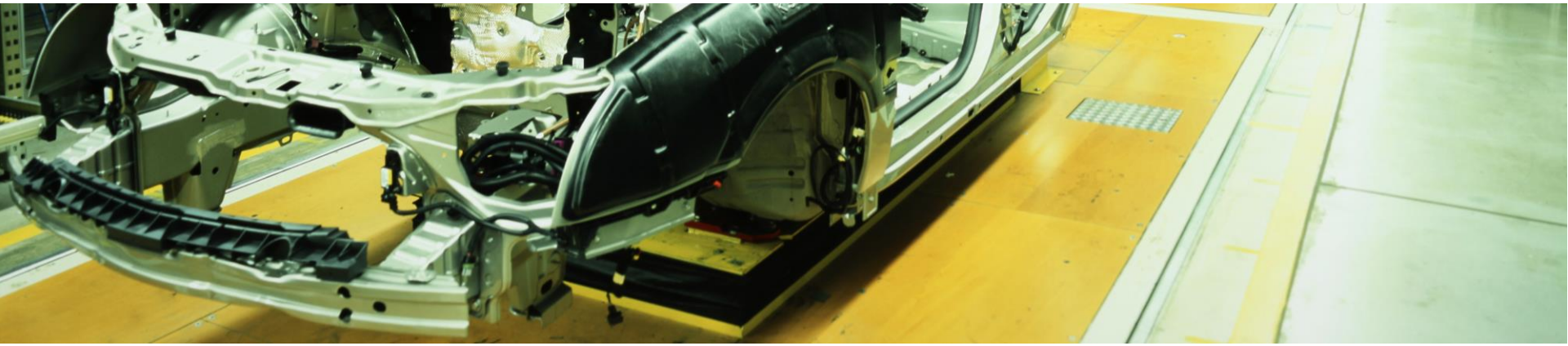
Highest quality, lowest cost, shortest lead time



What is Lean?

Toyota Production System

Basic Concepts of Lean

- Eliminate waste
- Optimize flow
- Limit Work in Progress
- Decrease Time in Process
- Optimize the whole process
- Achieve sustainability

How Do We Get There?

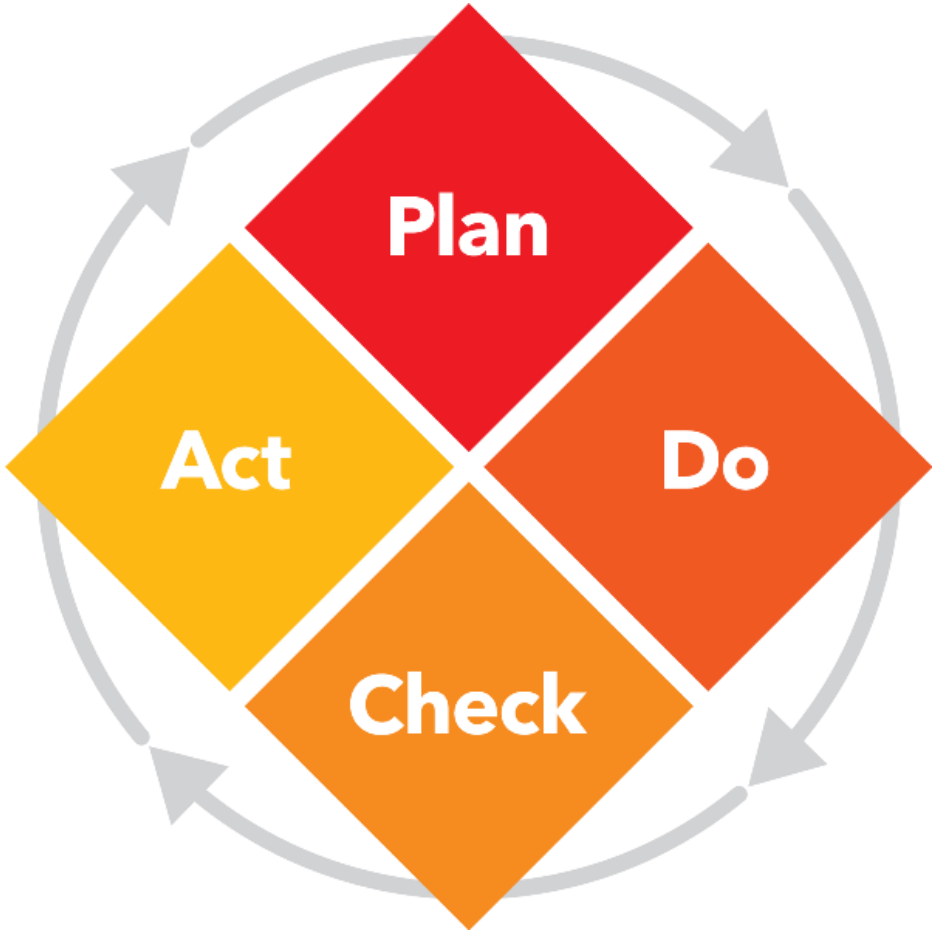
KAI • ZEN

Change • Good

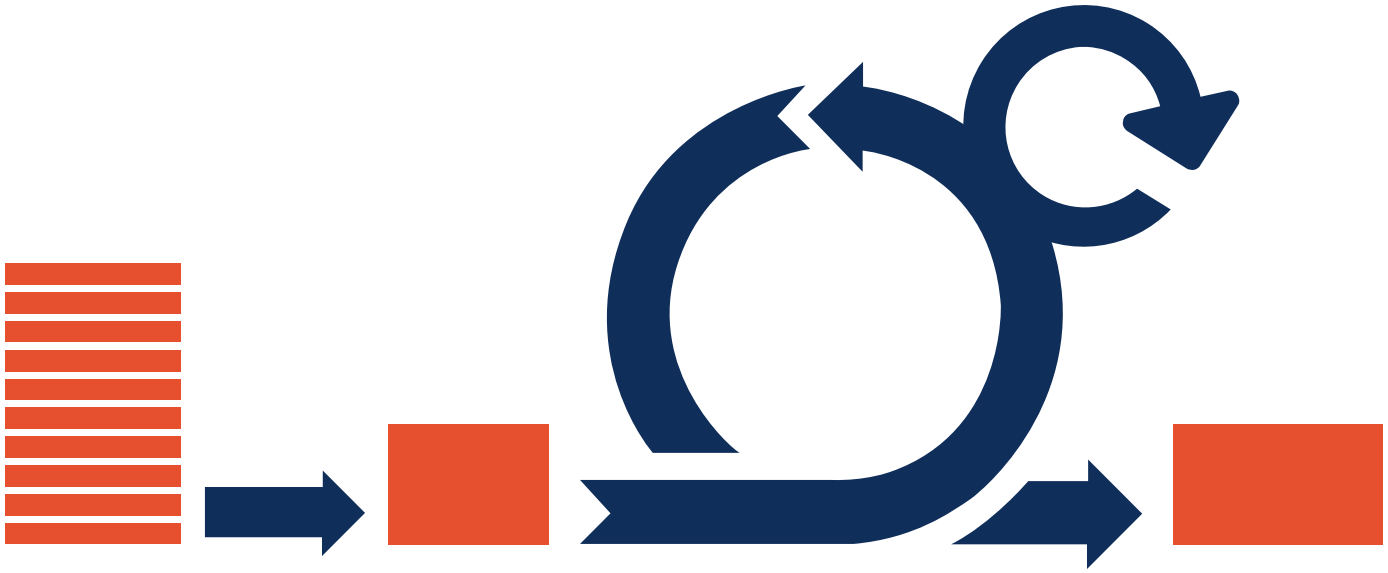
Kaizen

Continuous improvement
through **rapid, iterative learning**.

Deming's PDCA Cycle



Scrum



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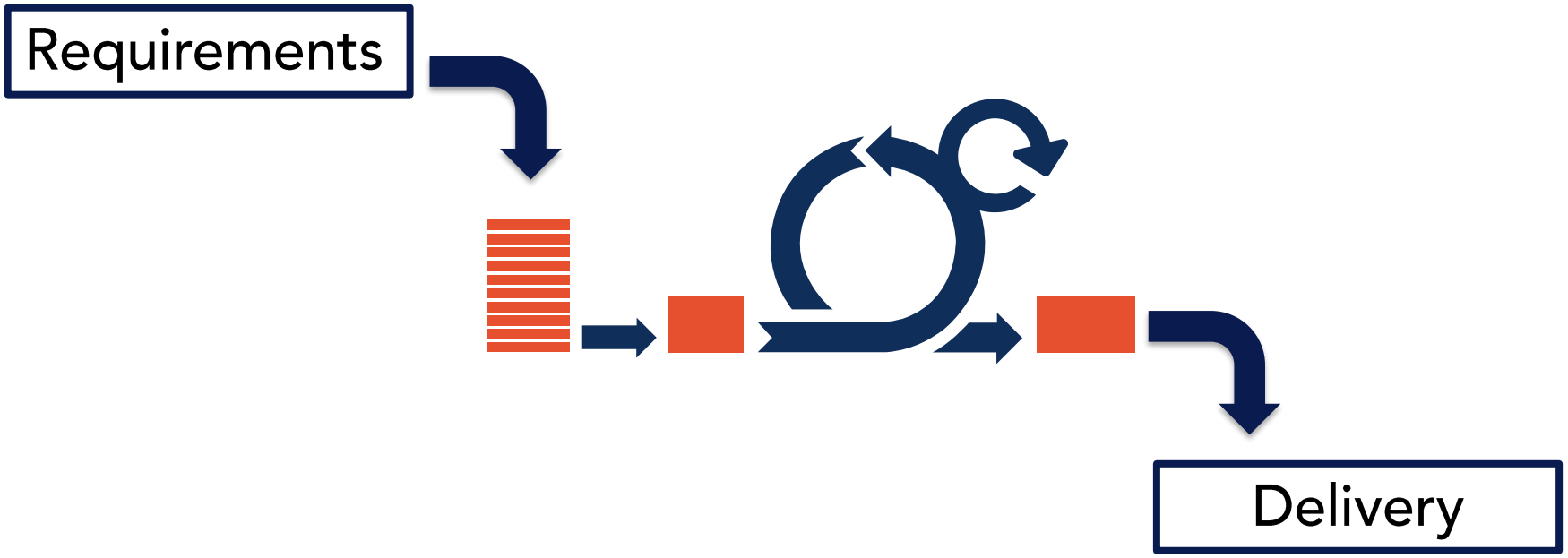

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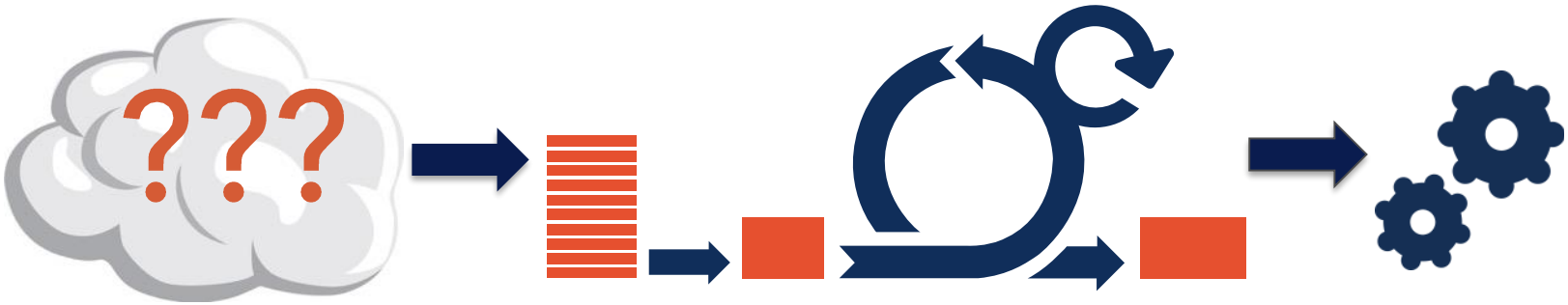


What Are We After?

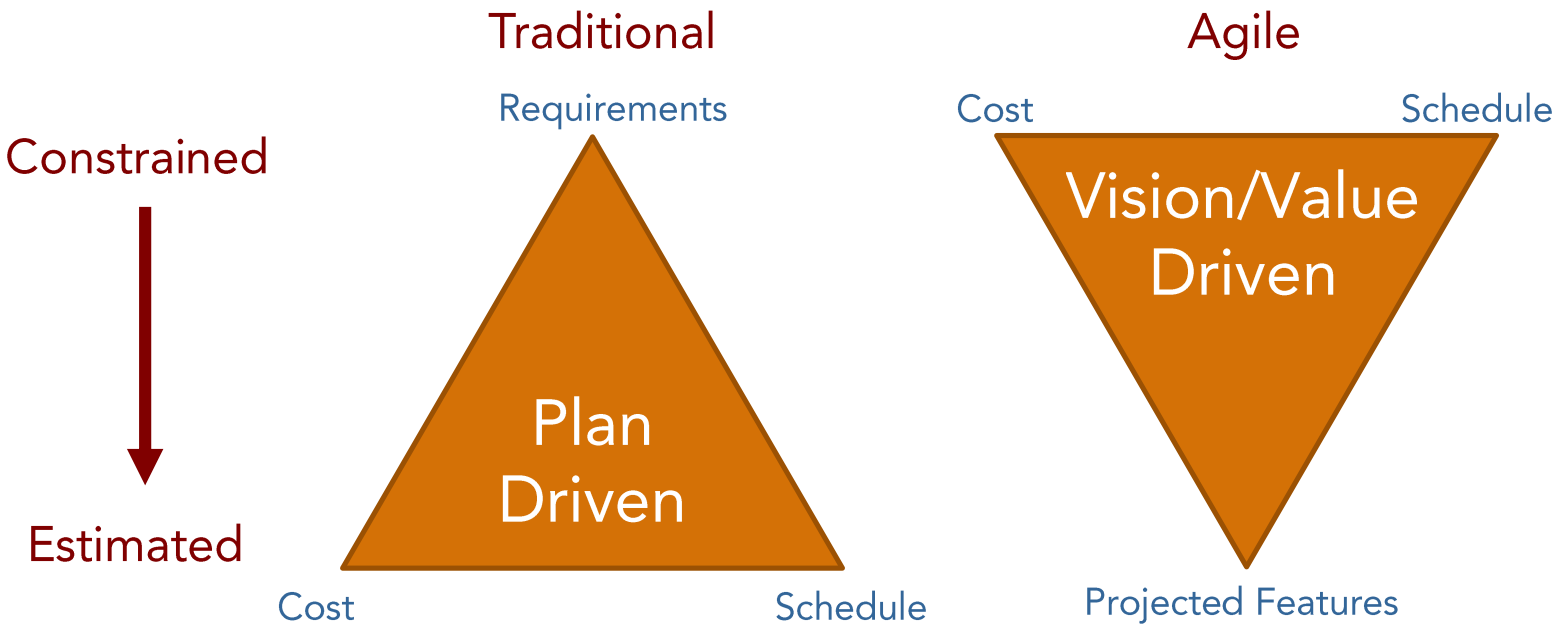
Output ➡ Features

Outcome ➡ User Behavior

Impact ➡ Organizational Goals

Jeff Gothelf, Author "Lean UX"

From Cost to Investment



The planned scope drives the Estimation of cost and schedule

The vision drives the anticipated feature scope

Based on Jim Highsmith, Ken Collier, Gojko Adzic

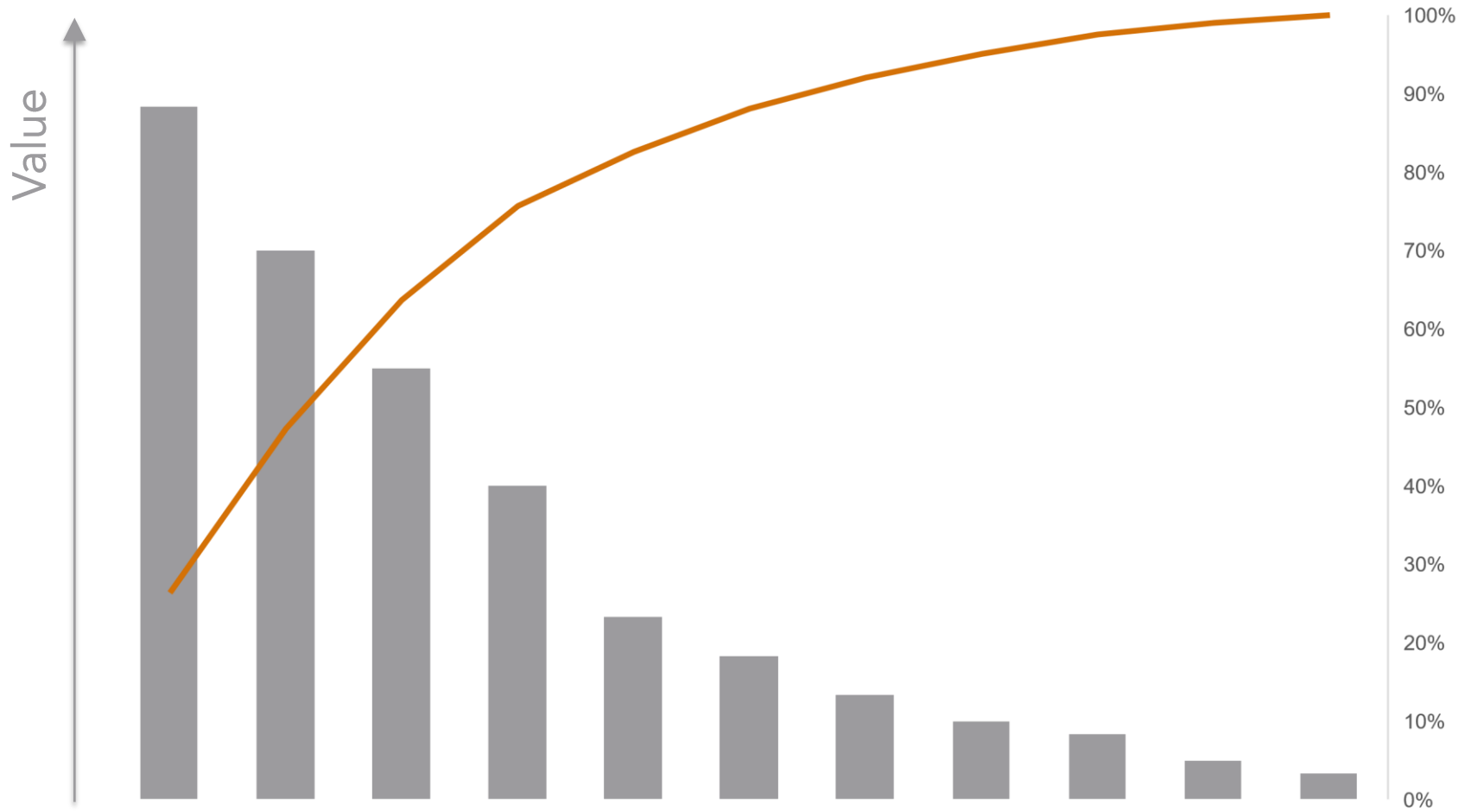
Flexible Scope?

Feature Usage in Software

- 20% of features always or often used
- 64% of features never or rarely used

Jim Johnson, Standish Group, presented at XP 2002

“20% of Features = 80% of Value”



"We are poor at assessing the **VALUE** of ideas"

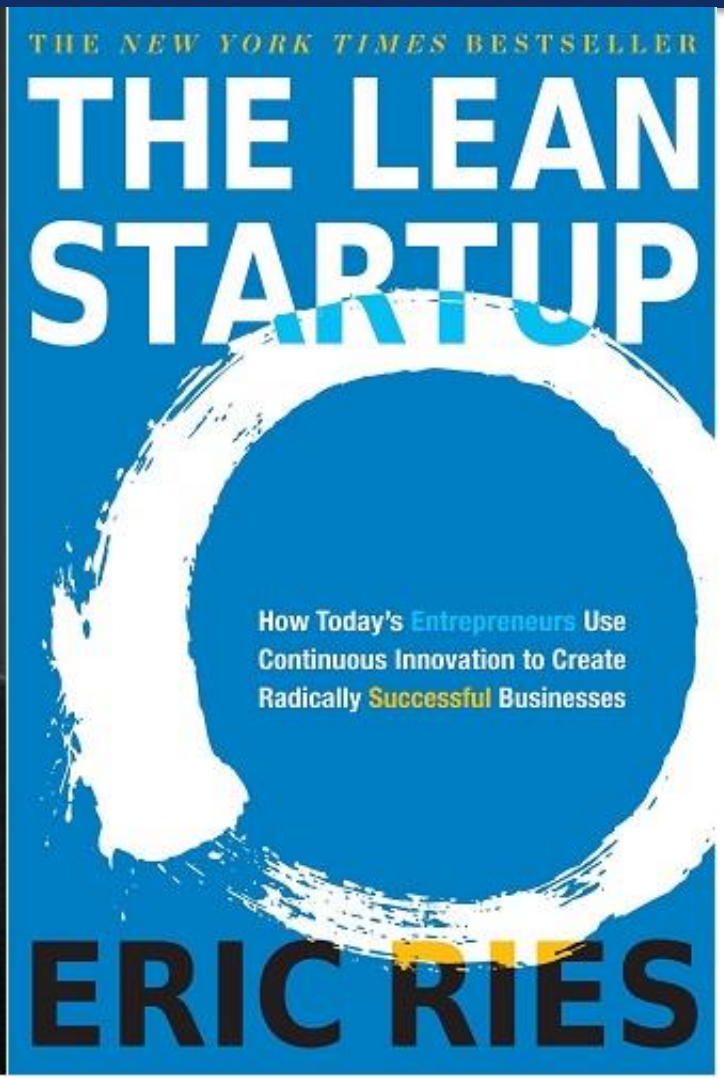
Ron Kohavi and Roger Longbotham

Prioritizing by Value

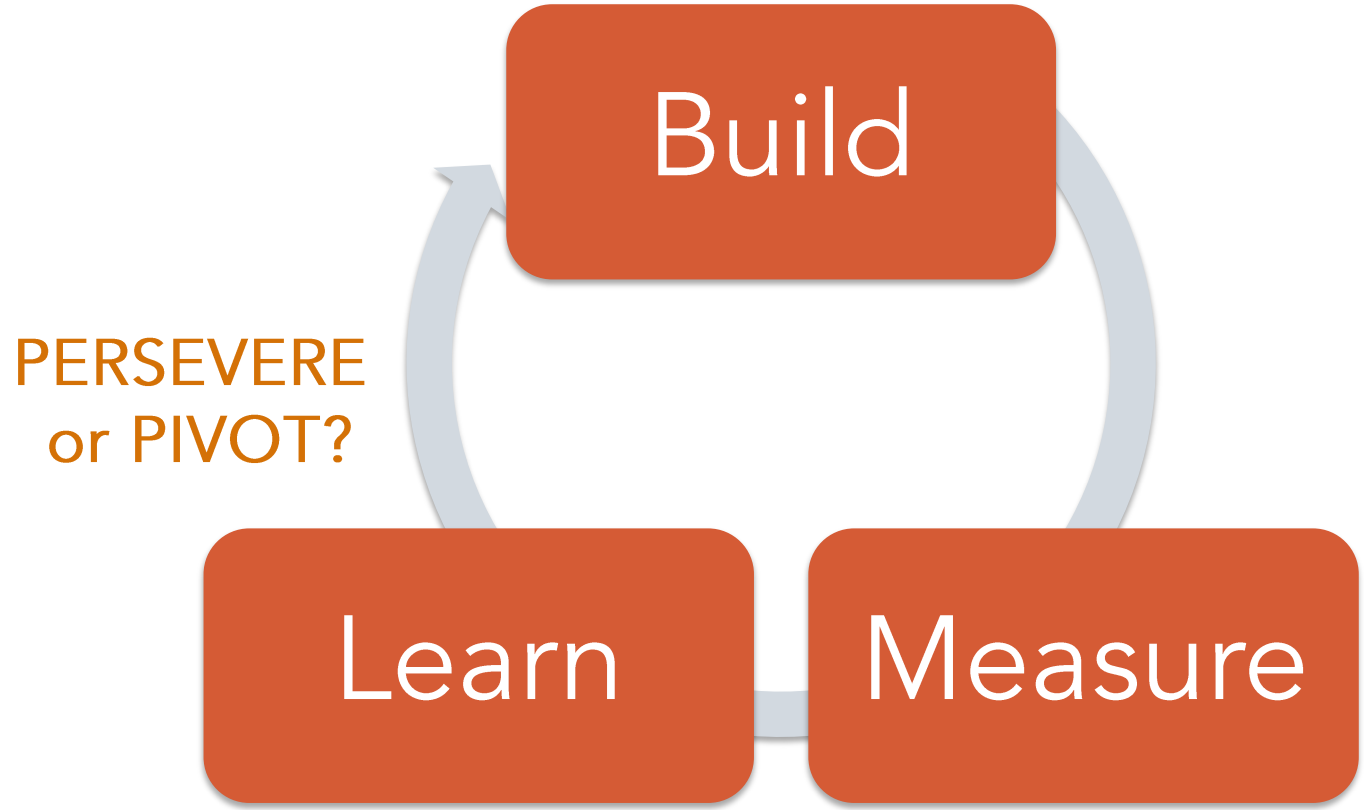
- Financial Value
  - Additional Revenue
  - Cost Avoided
- Information Value
  - SAFe:

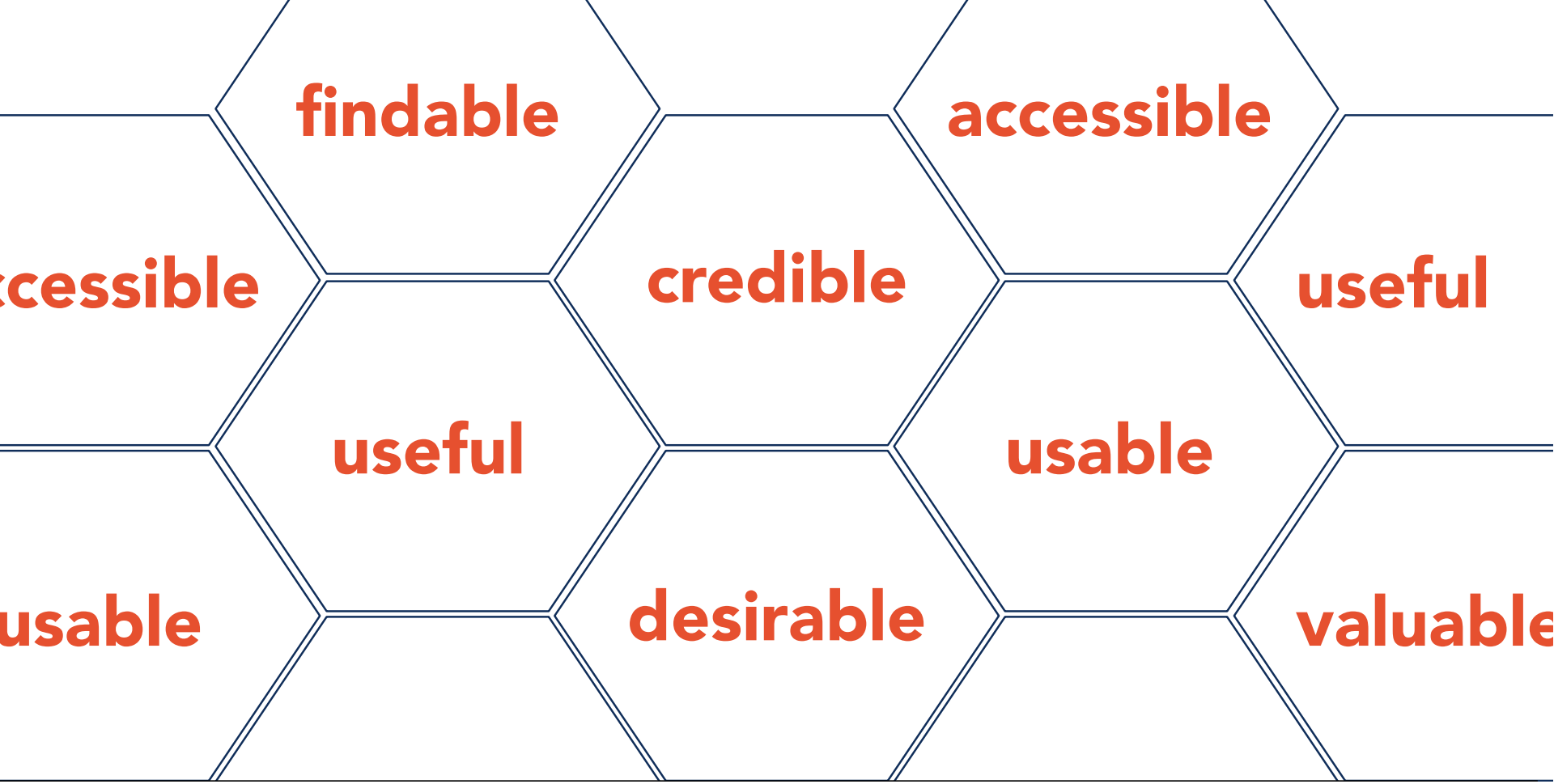
    Risk Reduction-Opportunity Enablement Value

Lean Startup



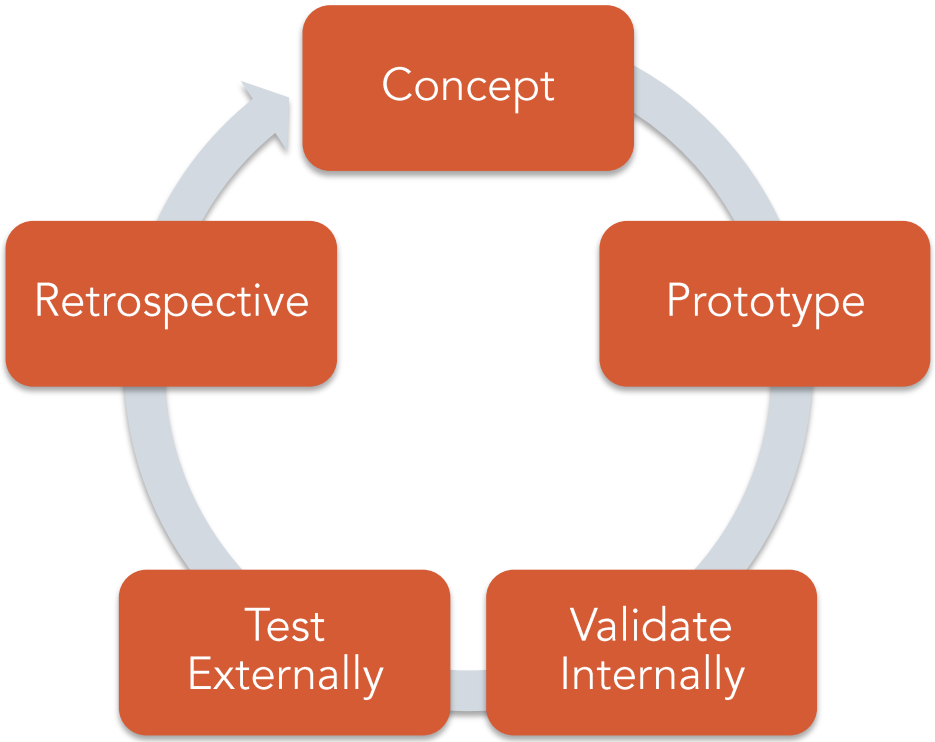
Lean Startup



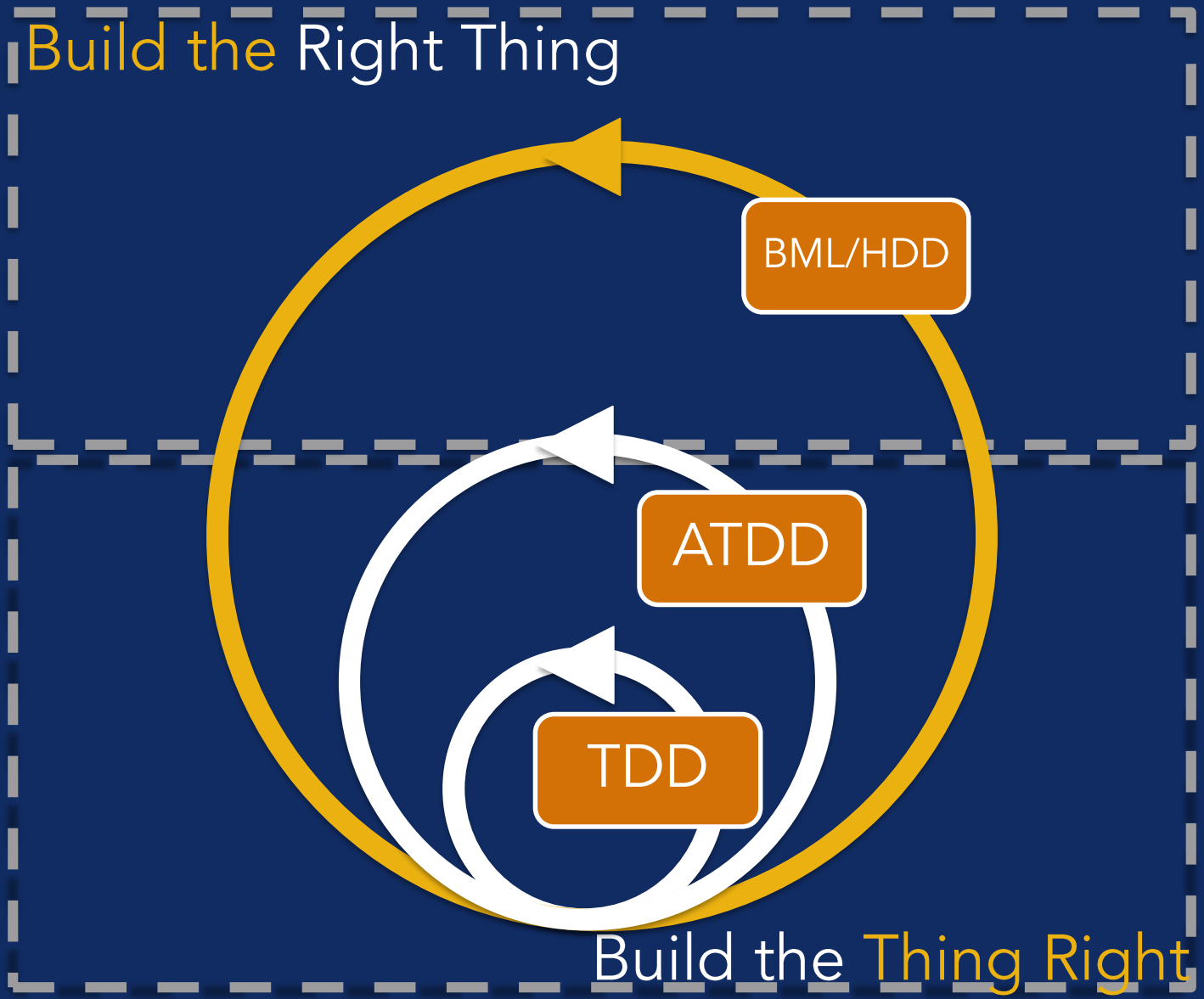

findable
accessible
ccessible
credible
useful
useful
usable
usable
desirable
valuable

Lean UX

Lean UX



Design as Hypothesis


Build the Right Thing
BML/HDD
ATDD
TDD
Build the Thing Right

Testable Hypothesis

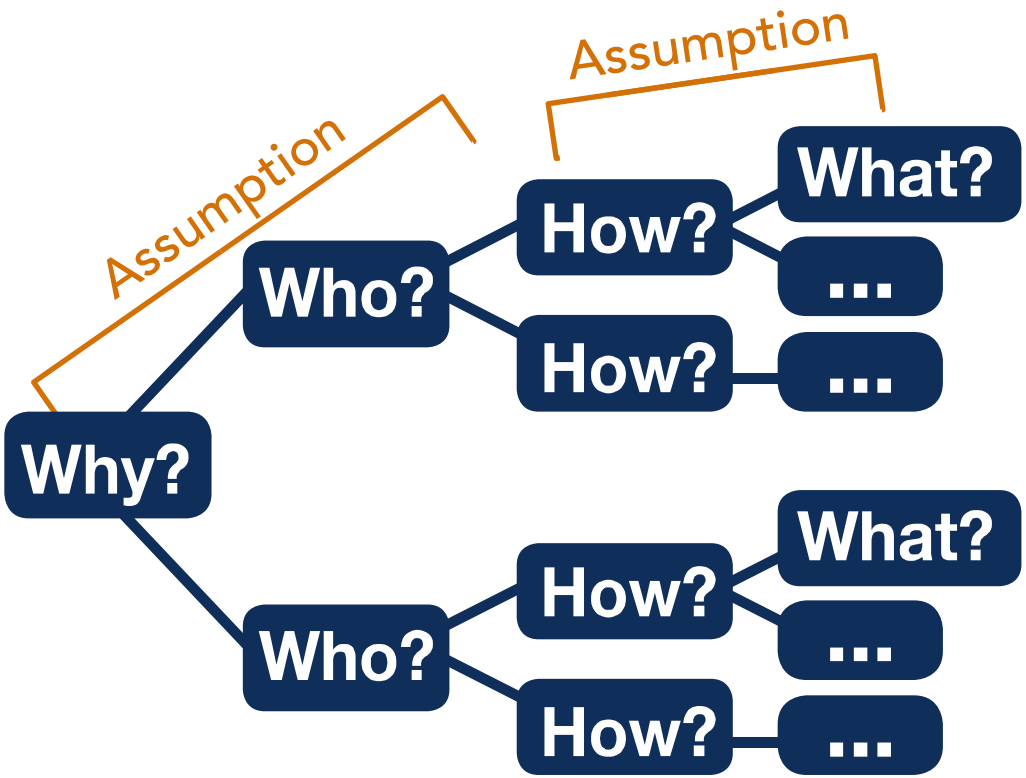
We believe that

- [doing this]
- for [these people]
- will achieve [this outcome].

- We'll know this is true when we see [this market feedback].

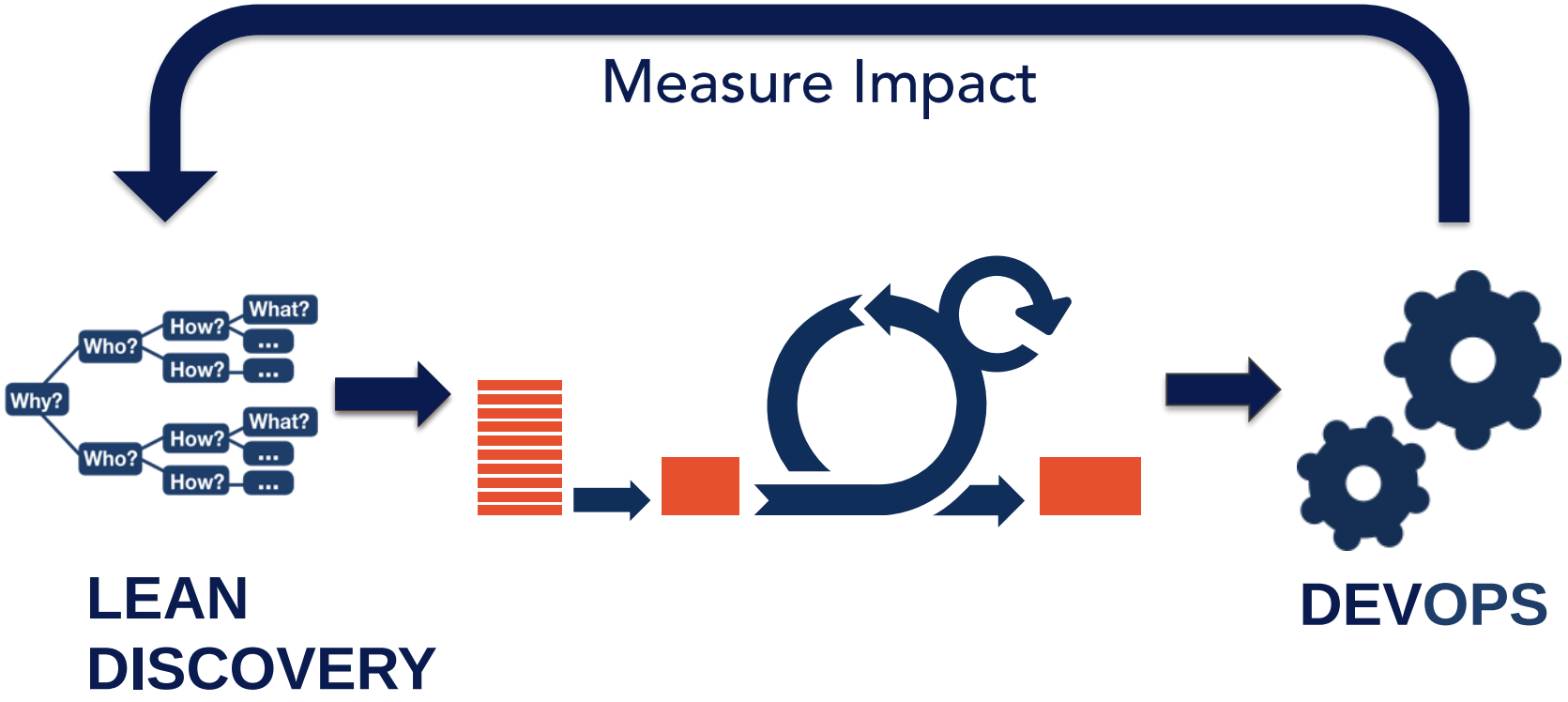
Jeff Gothelf, Author "Lean UX"

Impact Mapping



Gojko Adzic, impactmapping.org

Closing the Value Loop



Risk Management

Uncertainty:

The lack of complete certainty, that is, the existence of more than one possibility.

Risk:

A state of uncertainty where some of the possibilities involve a loss, catastrophe, or other undesirable outcome.

Douglas Hubbard, Author "How to Measure Anything"

Surfacing assumptions
is **risk identification**.

Validated learning
is **active risk mitigation**.

The Dread Business Case

The Dread Business Case

- A business case expresses a set of assumptions.
- These assumptions are usually:
  - Hidden
  - Unvalidated

Defer Commitment…

… until the last responsible moment

Key Points

- Have conversations about value
- Quantify business goals
- Validate your assumptions
- Resist the temptation to fix scope
- Understand the value of UX
- Keep calm and acknowledge uncertainty