The Agile Value Paradox

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26/11/19
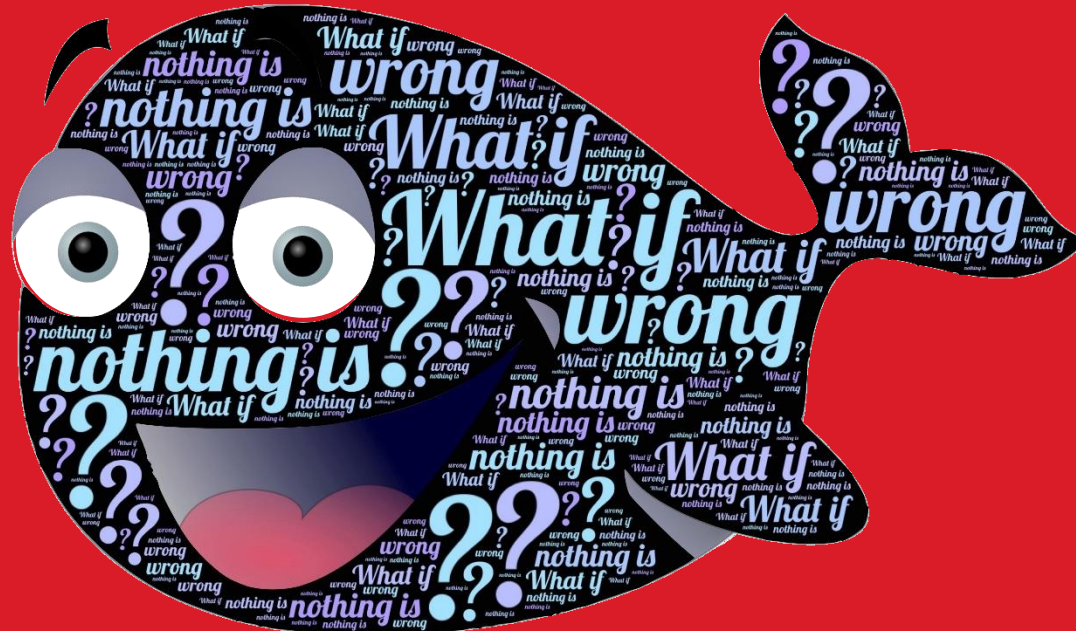
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IT STARTS WITH THE FACTS

METRI proposition

BENCHMARKING & PRICE MODELS

HR Benchmark
Connectivity Benchmark
Application Benchmark
Infrastructure Benchmark
BID Support
IT Service Review
Application Price Model
Infrastructure Price Model

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SOFTWARE DEVELOPMENT IMPROVEMENT

Agile Team Performance Monitor
Due Diligence Accelerator
Cloud Strategy Enabler
Software Risk Monitor
Supplier Performance Monitor
IT Cost Estimation
Agile Team Estimation
Solution Based Estimation

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GOVERNANCE

Demand & Supply Model
Target Operating Model
Business-centric IT Operating
Model
Service Management
OBEYA
Dashboarding

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SOURCING

(European) Tender
Supplier Selection
Sourcing Strategy
Mediation
Landing Zone
Value Driven Contracting

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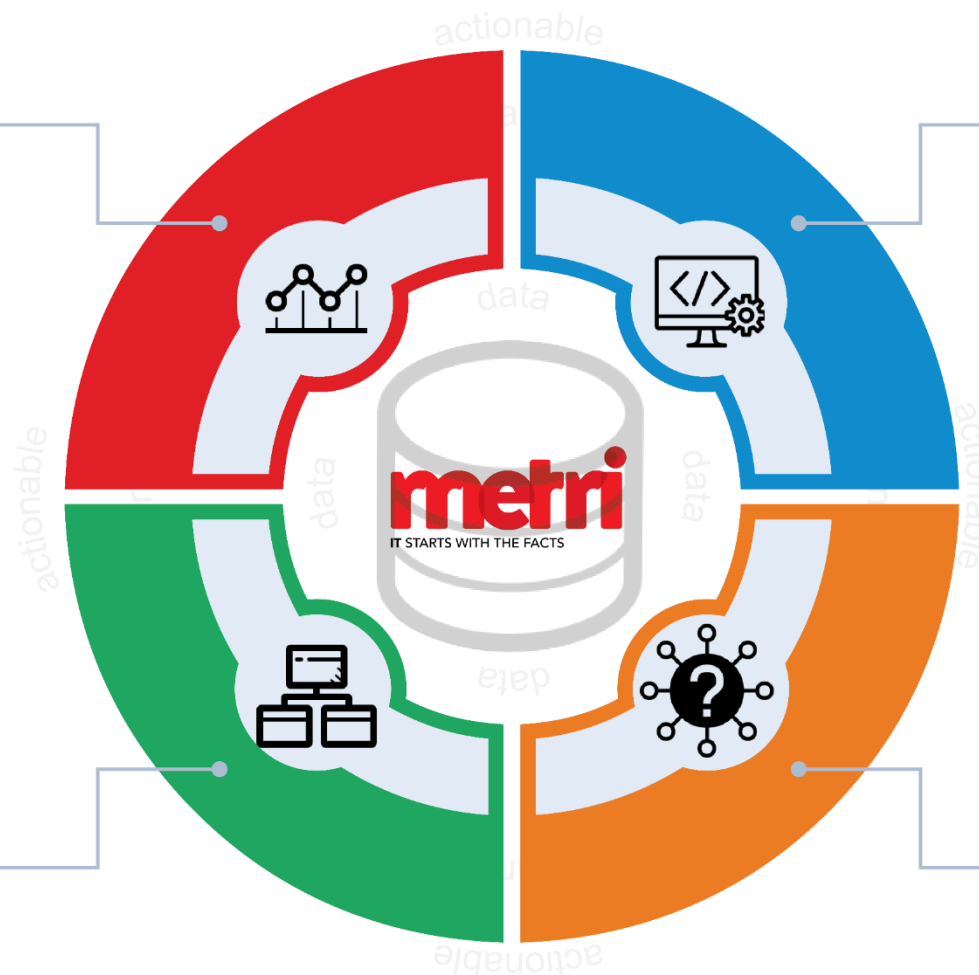
Agile is all about Value

Principles behind the Agile Manifesto

We follow these principles:

Our highest priority is to satisfy the customer through early and continuous delivery

of **valuable** software.

Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage.
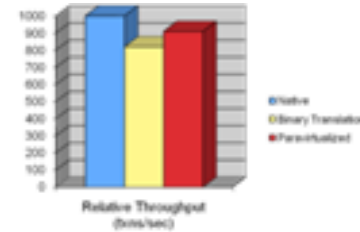
. . and 10 other principles

agilemanifesto.org

How to determine value? WSJF.

Feature	Business user value	Time criticality	RR | OE value	CoD	Job Size	WSJF
	+	+	=	÷	=	
	+	+	=	÷	=	
	+	+	=	÷	=	
	+	+	=	÷	=	

AGILE method WSJF: Weighted Shortest Job First

How to determine value?

Increase Revenue	**+**	Increase client revenue	**+**	Increase IT/OPS perfor-mance	**=**	Impact on Revenue	

Business Impact factor   **Business Performance Measure**   **IT & Operations Performance Measure**   **Business Value Metric**

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Agile is out of control – destroying value

Waterfall   Average agile practice   Performance measurement
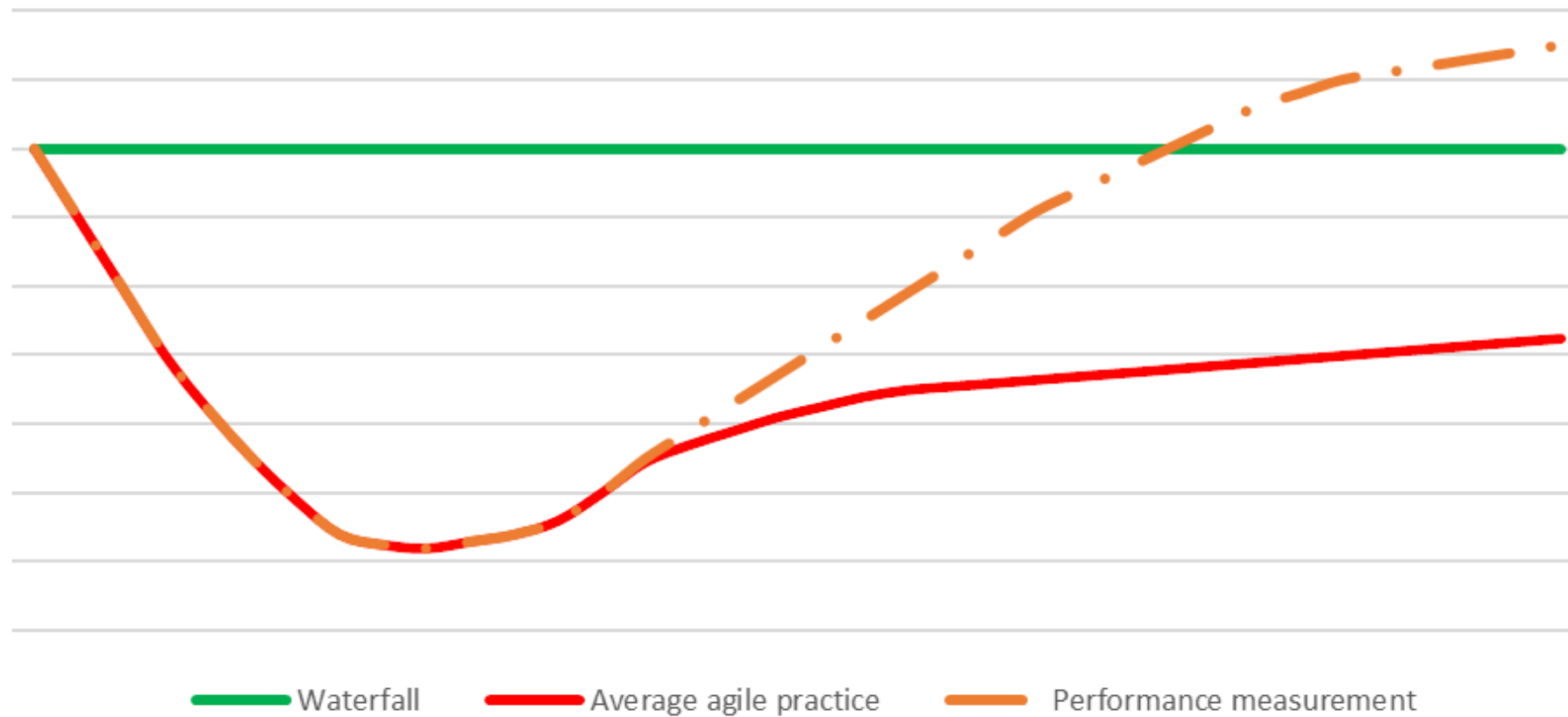
Losing value due to lack of control

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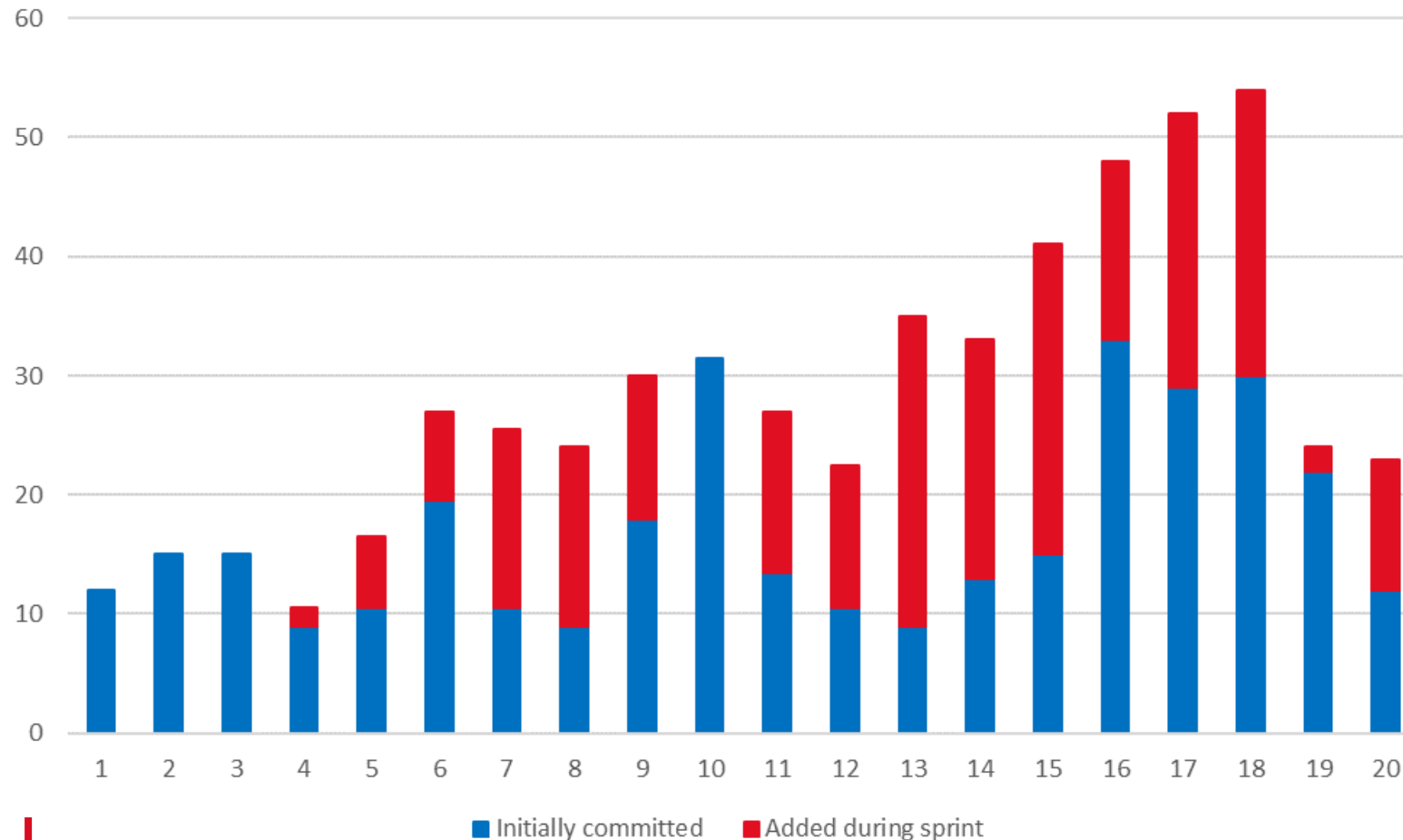
Assess Software Quality & productivity

RISK   MAINTAINABILITY

CISQ

OMG
OBJECT MANAGEMENT GROUP

Software Engineering Institute

ROBUSTNESS	EFFICIENCY	SECURITY	CHANGEABILITY	TRANSFERABILITY
2.94	2.90	2.93	2.91	2.90
1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4	1 2 3 4
Risk of critical failures in production	Risk of performance / scaling issues	Risk of security breaches	Ease and speed of modifying	Ease and speed of learning

Overall application functional size

Performance and productivity

OMG
WE SET THE STANDARD

OMG Standards for automated function points

AFP	EFP	
406	Added 64 Modified 34 Deleted 6	104

PRODUCTIVITY   BENCHMARK

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Focus on speed creates:
lower agility & higher TCO

Software Resiliency	
64	

Software Agility	
42.6	

Software Elegance	
42	

100   50   0   50   100   C#

100   50   0   50   100   C#

100   50   0   50   100   C#

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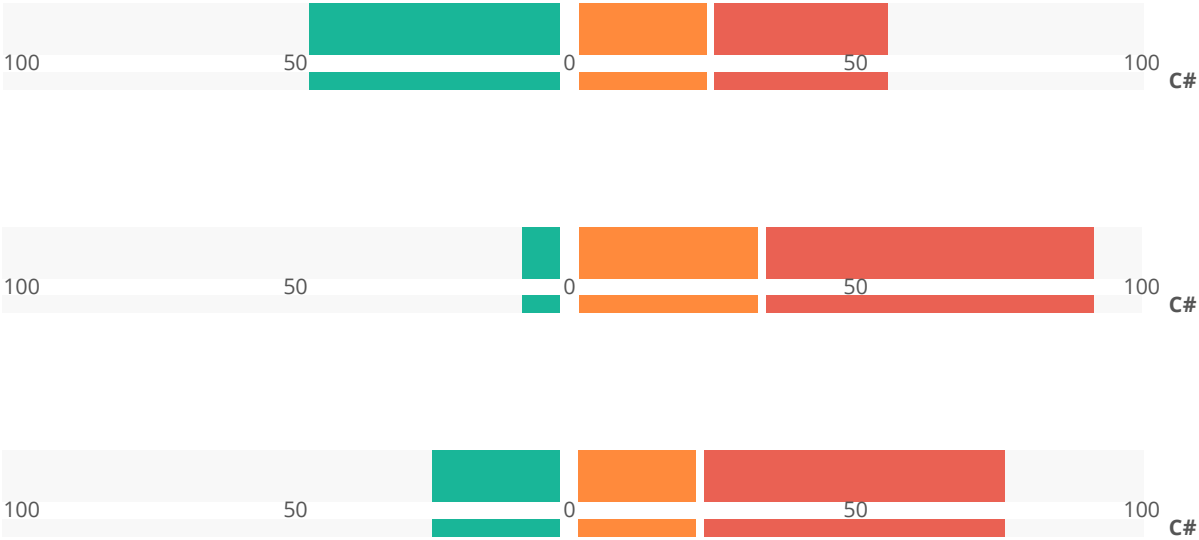
Different value in the Application lifecycle

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- **Question marks**

- **Stars**

- **Cash cows**

- **Dogs**

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Applicatie lifecycle

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Application is functionally or technically obsolete and is phased out within 1 year

Dogs

Research and disruption. Creating accepted Minimal Viable Products

Question-mark

Legacy applications that require minimal changes

Rebuilding MVPs as full-fledged applications on the target architecture

Cash Cows

Stars

Stable applications that need controlled change to respond to changing environmental conditions

End of Life

Start-Up

Harvest

Scale-Up

Improve & exploit

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Shifting balance in value creation
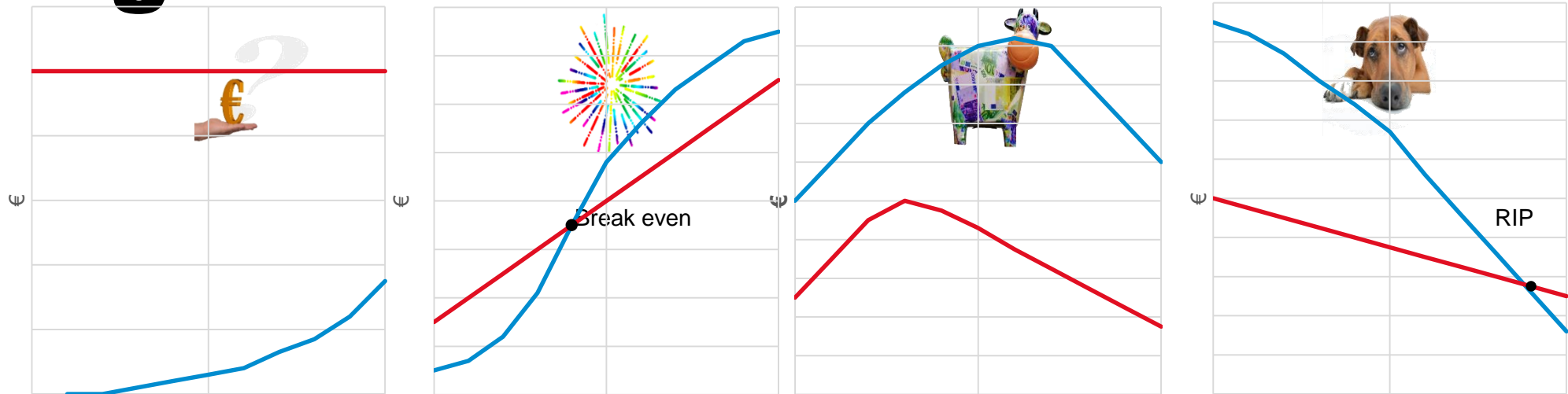
|	QUESTIONMARK	STARS	CASH COWS	DOGS
Business Control	Innovation	output	quality / productivity	cost
Financial control	fixed budget (mostly CAPEX)	business case (mostly CAPEX)	TCO/Margin (mixed CAP/OPEX)	Declining budget (mostly OPEX)
Operating Model	lean start-up	agile	safe / lean / devops	lean / oper.excell.
Market VALUE	product leader	customer intimacy / product leader	operational excellence	operational excellence
Revenue	0	strong inclining	stabile	declining
Cost	Fixed	strong inclining	stabile	declining

The Lemonade Giveback

Here's our mission: transform insurance from a necessary evil into a social good. We've designed Lemonade to bring out the best in people, while giving society a push for the better. Introducing the Lemonade Giveback.
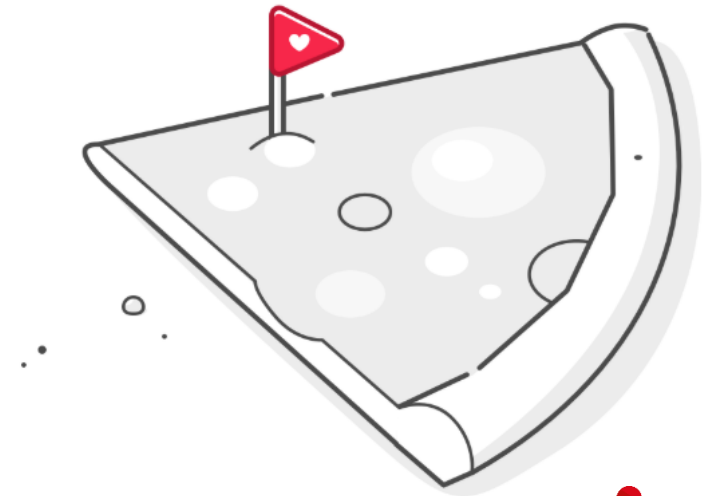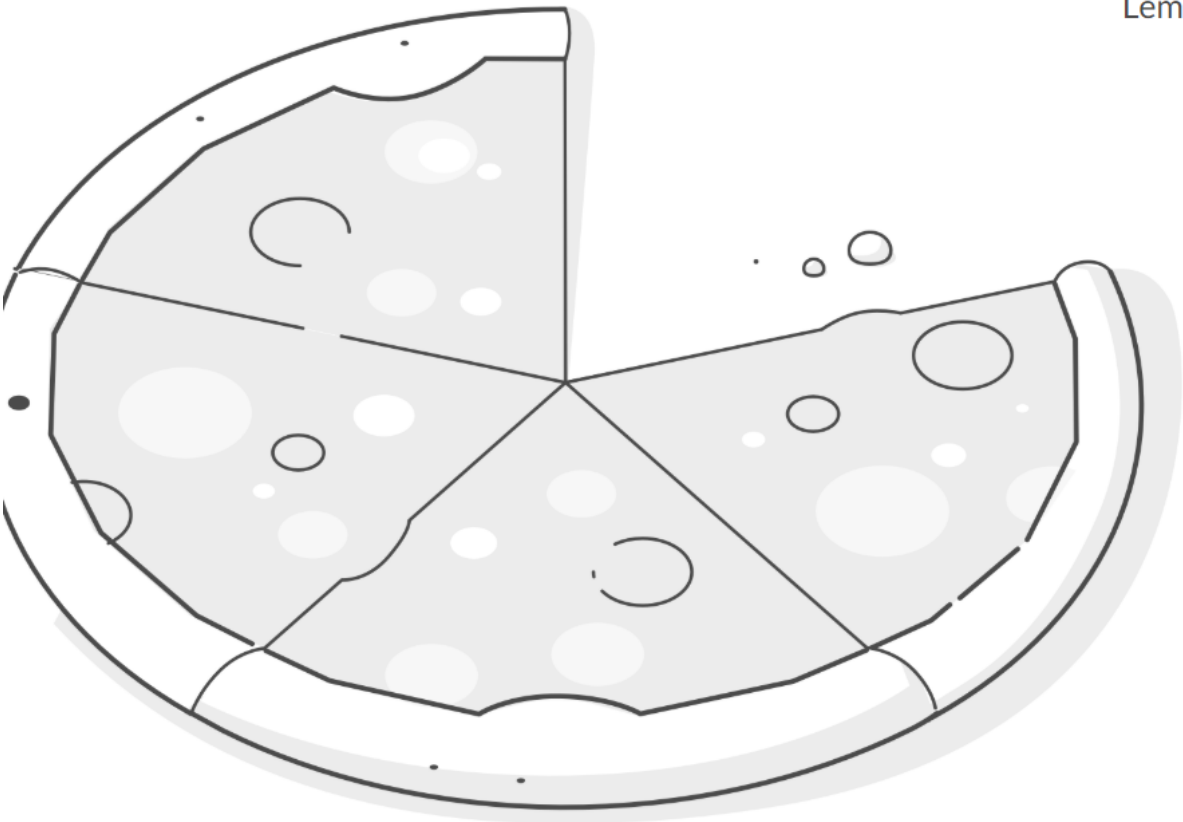
Solving the Agile value paradox

Focus on:

- Creating value

- Creating the RIGHT value

- Finding a proper balance between:
  - Market Value
  - Product Value
  - Operational Value

- Being agile in using the RIGHT agile toolbox

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