Value Project Management:

'EVO' a free PM method - with a practical toolset -focussed on delivering value, & qualities, fast and efficiently.

Tom Gilb. @ImTomGilb
At BCS, 5 Southampton St, Covent Garden
for BCS West London and Quality SG
Free Event
Monday 7 September 2015
18:00 for Event start
18:30-19:30 Lecture, 19:30 to 19:45 Discussion, Then Refreshments and Mingling
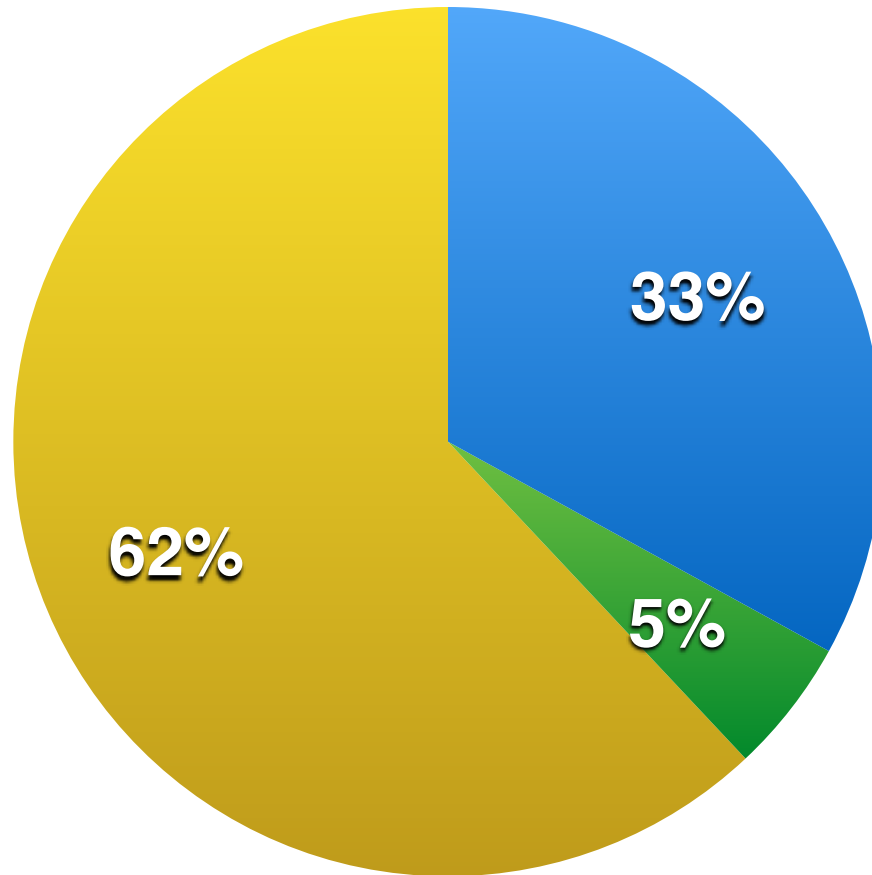Event end 20:30

1

The Main Ideas

- **1. EFFECT MANAGEMENT**

    – **Quantify values**

- **2. PLAN MANAGEMENT**

    – **Quantify plans. Strategies on terms of values**

- **3. PROFIT MANAGEMENT**

    – **Efficiency**

- **4. RISKS MANAGEMENT.**

    – **Do a little, measure, adjust.**

- **5. PRIORITIZATION:**

    – **Do highest efficiency first.**

Some Practical Cases from my practice

% Intelligible Plans

- 🔵 **Major Defects**
- 🟢 **Minor Defects**
- 🟡 **Intelligible**

33%

5%

62%

Planning Clarity Quantified

The Spec QC Process

1. Define plan readership → 2. Choose Rules for QC → 3. Check to find defects → 4. Checkers report how many defects **found** → 5. Defect density is computed (spread sheet) → 6. Decide if Defect level allows Exit or not
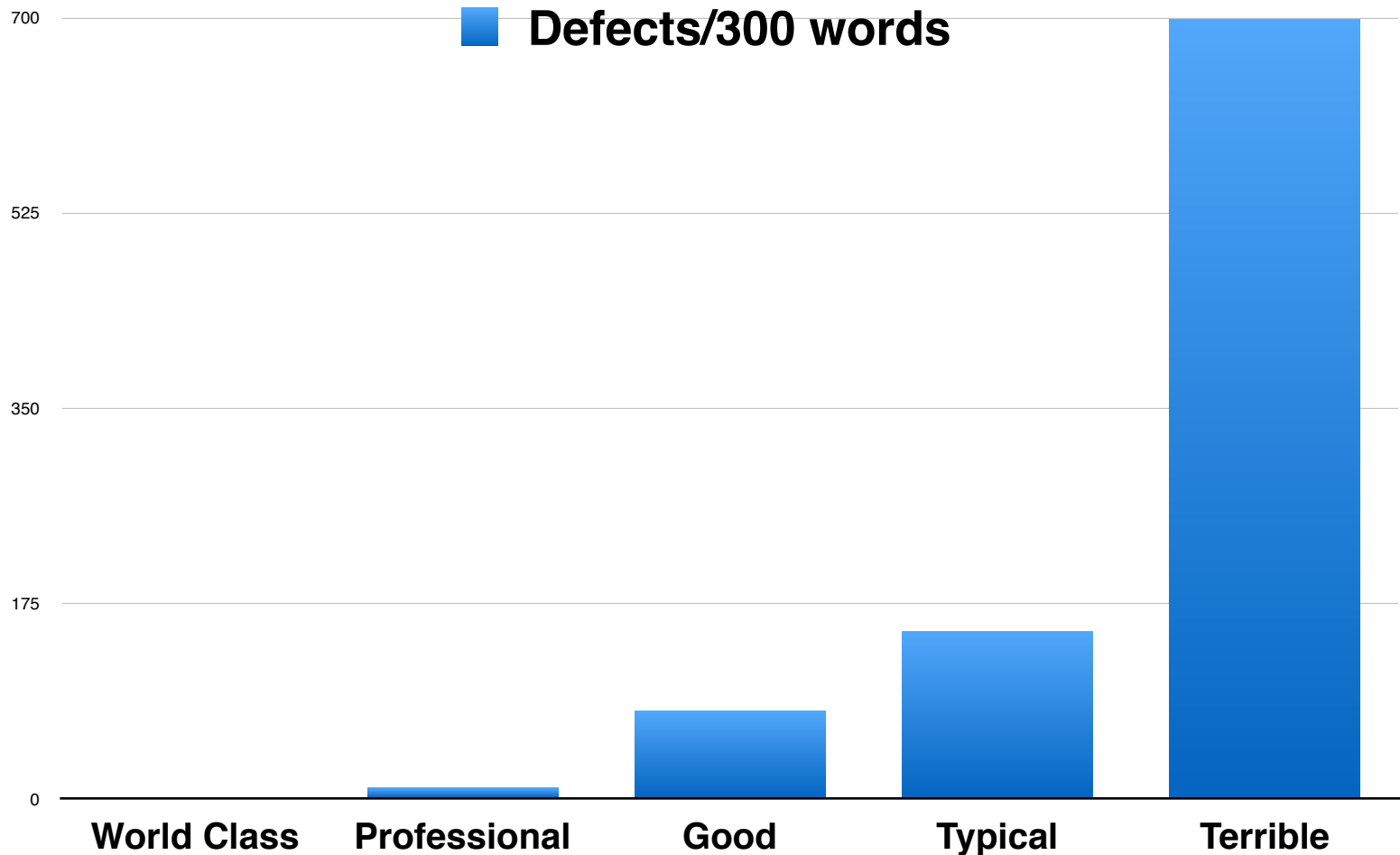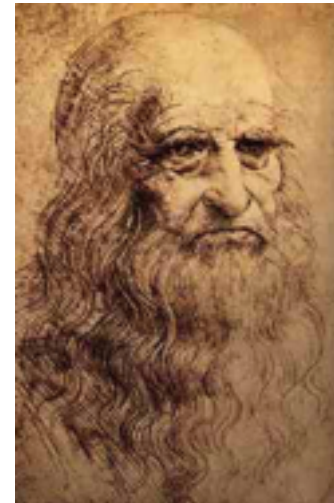
"Agile Specification Quality Control:
Shifting emphasis from cleanup to sampling defects"
in Testing Experience, March 2009
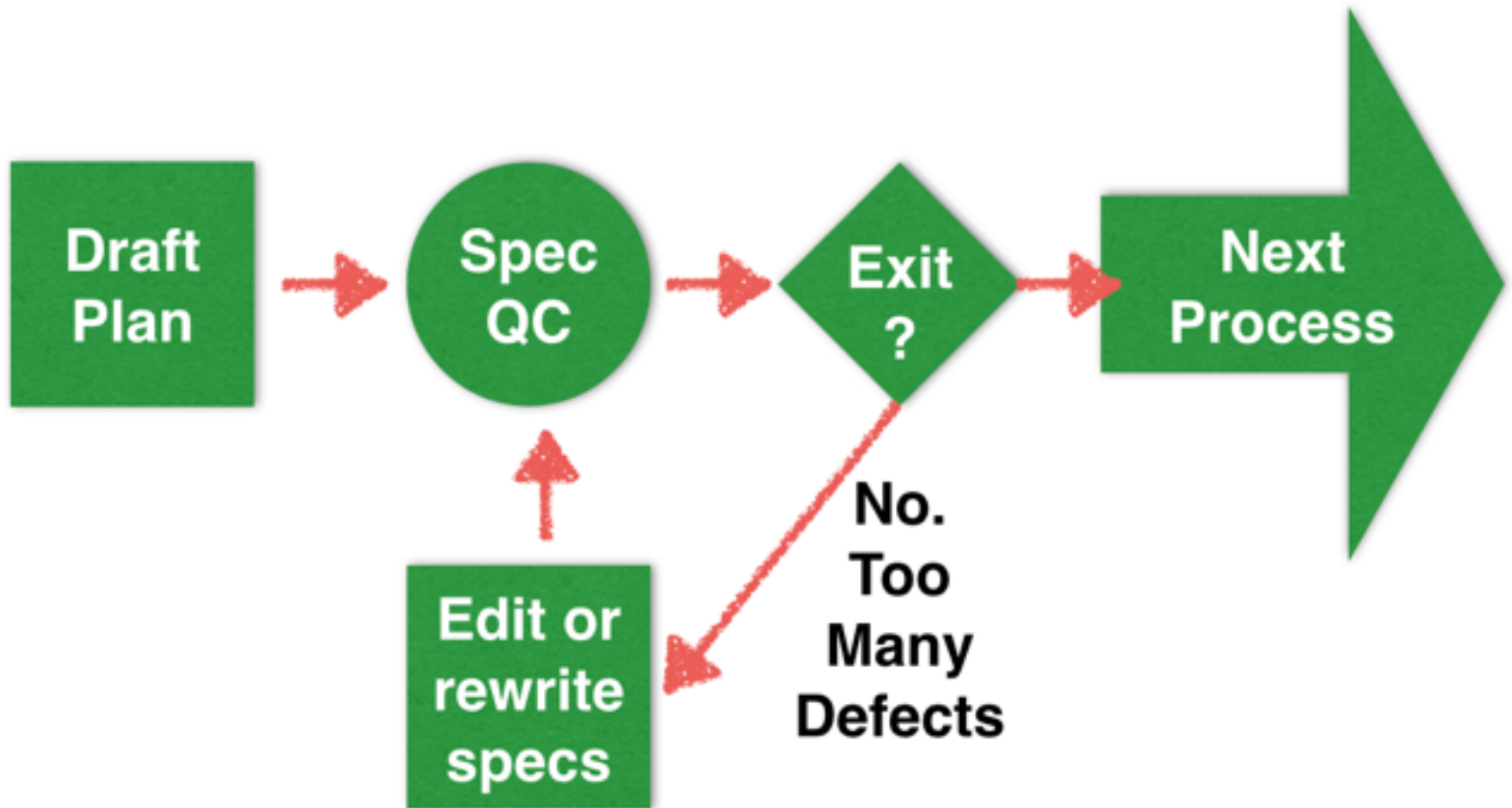http://www.gilb.com/tiki-download_file.php?fileId=264

Da Vinci on The Rigor Needed for Creativity

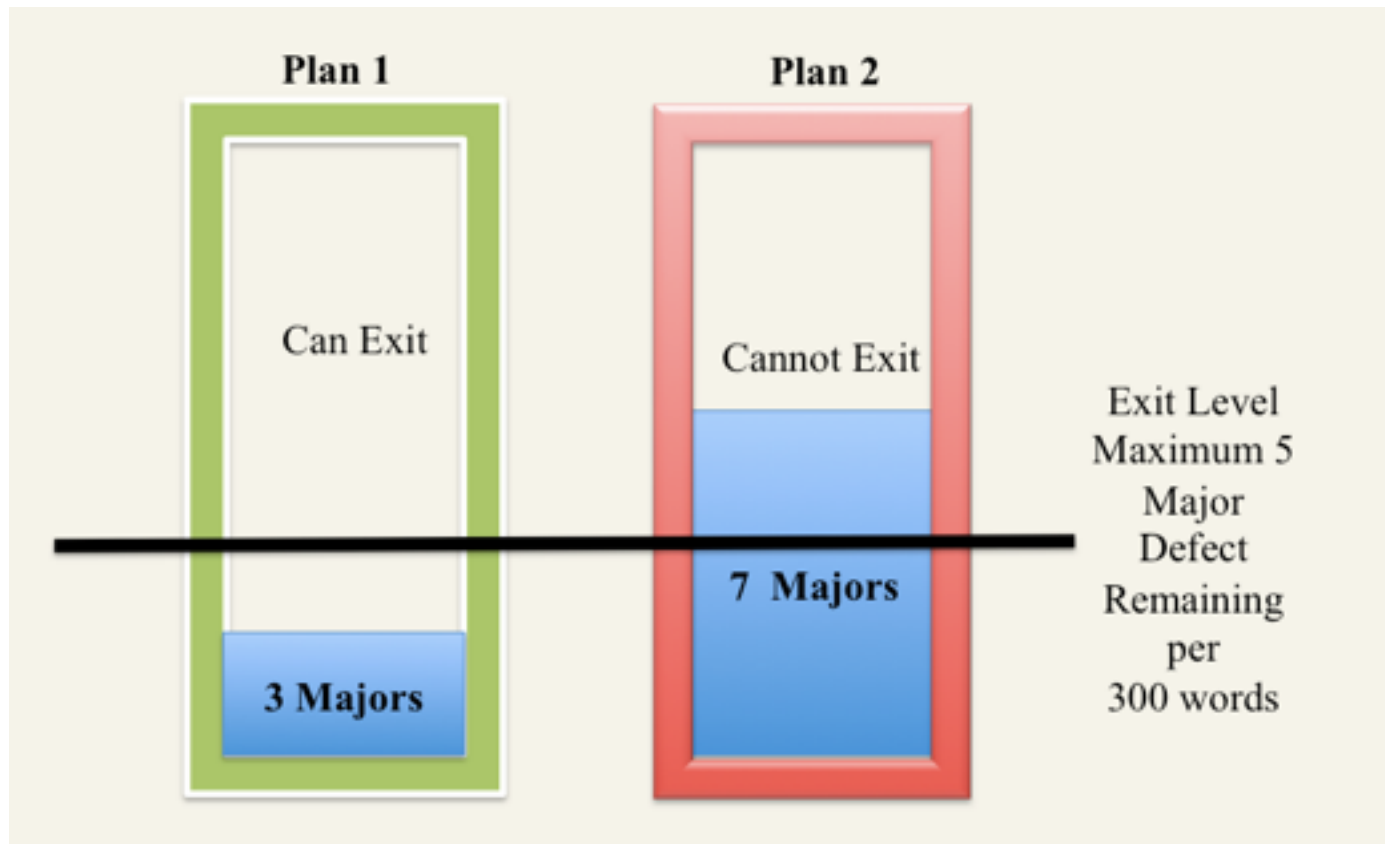"these rules will enable you to have a free and sound judgment:
since good judgment is born of clear understanding,
and a clear understanding comes of reasons derived from sound rules,
and sound rules are the issue of sound experience –
the common mother of all sciences and arts."

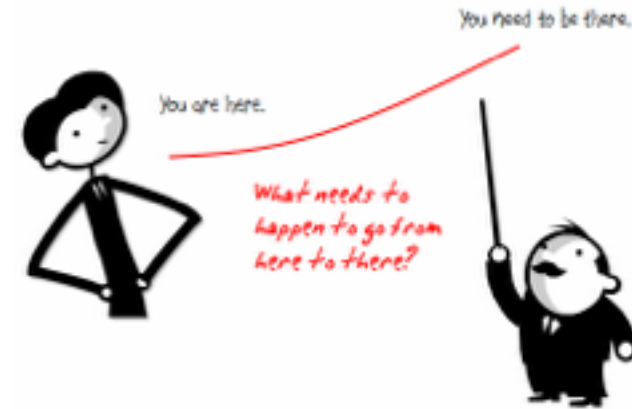The Notebooks of Leonardo da Vinci. 18.

QC Process with Exit

Plan 1

Can Exit

3 Majors

Plan 2

Cannot Exit

7 Majors

Exit Level Maximum 5 Major Defect Remaining per 300 words

Real Example
"Platform Rationalisation Initiative"
"<u>Main Objectives.</u>"
<u>London Multinational Bank</u>

- Rationalize into a smaller number of core processing platforms. This cuts technology spend on duplicate platforms, and creates the opportunity for operational saves. Expected 60%-80% reduction in processing cost to Fixed Income Business levies.
- International Securities on one platform, Fixed Income and Equities (Institutional and PB).
- Global Processing consistency with single Operations In-Tray and associated workflow.
- Consistent financial processing on one Accounting engine, feeding a single sub-ledger across products.
- First step towards evolution of "Big Ideas" for Securities.
- *Improved development environment*, leading to increased capacity to enhance functionality in future.
- Removes duplicative spend on two back office platforms in support of mandatory message changes, etc.

Basic QC Rules
for Top Level Objectives

- **CLEAR: Every word and phrase should be clear enough to allow objective test of a delivery.** (we need to know exactly what is required and expected)

- **UNAMBIGUOUS: Every word and phrase should be unambiguous to all potential intended readers.** (no different than intended interpretations should be possible)

- **QUANTIFIED QUALITY:** all qualities (good things we want to improve) shall be expressed quantitatively.

- After we started the exercise I regretted not adding the usual rule:

- 4. **NO DESIGN: objectives shall not be expressed in terms of a design or architecture**
  - (a 'means' to reach the 'real' objective), when it is possible and is our real intent, to express the improvements in terms of quality, performance, and cost that are expected, instead.

Potential consequence of major defects in architecture specs

COUNT MAJOR 'DEFECTS' (RULES VIOLATIONS)
Rules Reminder:
1. Clear, 2. Unambiguous, 3. Quantified Qualities,
4. No Design/Architecture

- "Rationalize into a smaller number of core processing platforms. This cuts technology spend on duplicate platforms, and creates the opportunity for operational saves. Expected 60%-80% reduction in processing cost to Fixed Income Business lines.
- International Securities on one platform, Fixed Income and Equities (Institutional and PB).
- Global Processing consistency with single Operations In-Tray and associated workflow.
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- First step towards evolution of "Big Ideas" for Securities.
- *Improved development environment*, leading to increased capacity to enhance functionality in future.
- Removes duplicative spend on two back office platforms in support of mandatory message changes, etc."

RULE 4. No Design/Architecture

- Rationalize into a smaller number of core processing platforms. *This cuts technology spend* on duplicate platforms, and *creates the opportunity for* operational saves. Expected 60%-80% reduction in processing cost to Fixed Income Business lines.
- International Securities on one platform, Fixed Income and Equities (Institutional and PB).
- Global Processing consistency with single Operations In-Tray and associated workflow.
- Consistent financial processing on one Accounting engine, feeding a single sub-ledger across products.
- First step towards evolution of "Big Ideas" for Securities.
- *Improved development environment*, leading to increased capacity to enhance functionality in future.
- Removes duplicative spend on two back office platforms in support of mandatory message changes, etc.

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Agile Spec QC Results

- **Reported** major defects =
- Last week: 15, 17, 21
- **Today** =18, 15, 15, 13   others less

- Estimated appx. Total defects found by a small team (2-4 people) = 36±6
  - 2x highest found.
- Estimated appx. Total Majors in the 110 words = 100±10
  - (3x group total. 30% effectiveness of team)
- Estimated approximate total defects in normalized page (300 words) = 280±20

  - (Majors in 110 words x 3)

Development Capacity:

Version: 3 Sept 2009 16:26

Type: Main <Complex/Elementary> Objective for a project.

Ambition Level: radically increase the capacity for developers to do defined tasks. <- Tsg

Scale: the Calendar Time for defined [Developers] to Successfully carry out defined [Tasks].

Owner: Tim Fxxx

Calendar Time: defined as: full working days within the start to delivery time frame.

Past [2009, {Bxx, Lxx, Gxx}, If QA Approved Processes used, Developer = Architect, Task = Draft Architecture]   **15 days** ±4 ?? <- Rob

 Goal[2011, { Bxx, Lxx, Gxx }, If QA Approved Processes used, Developer = Architect, Task = Draft Architecture]   **1.5 days** ± 0.4 ?? <- Rob

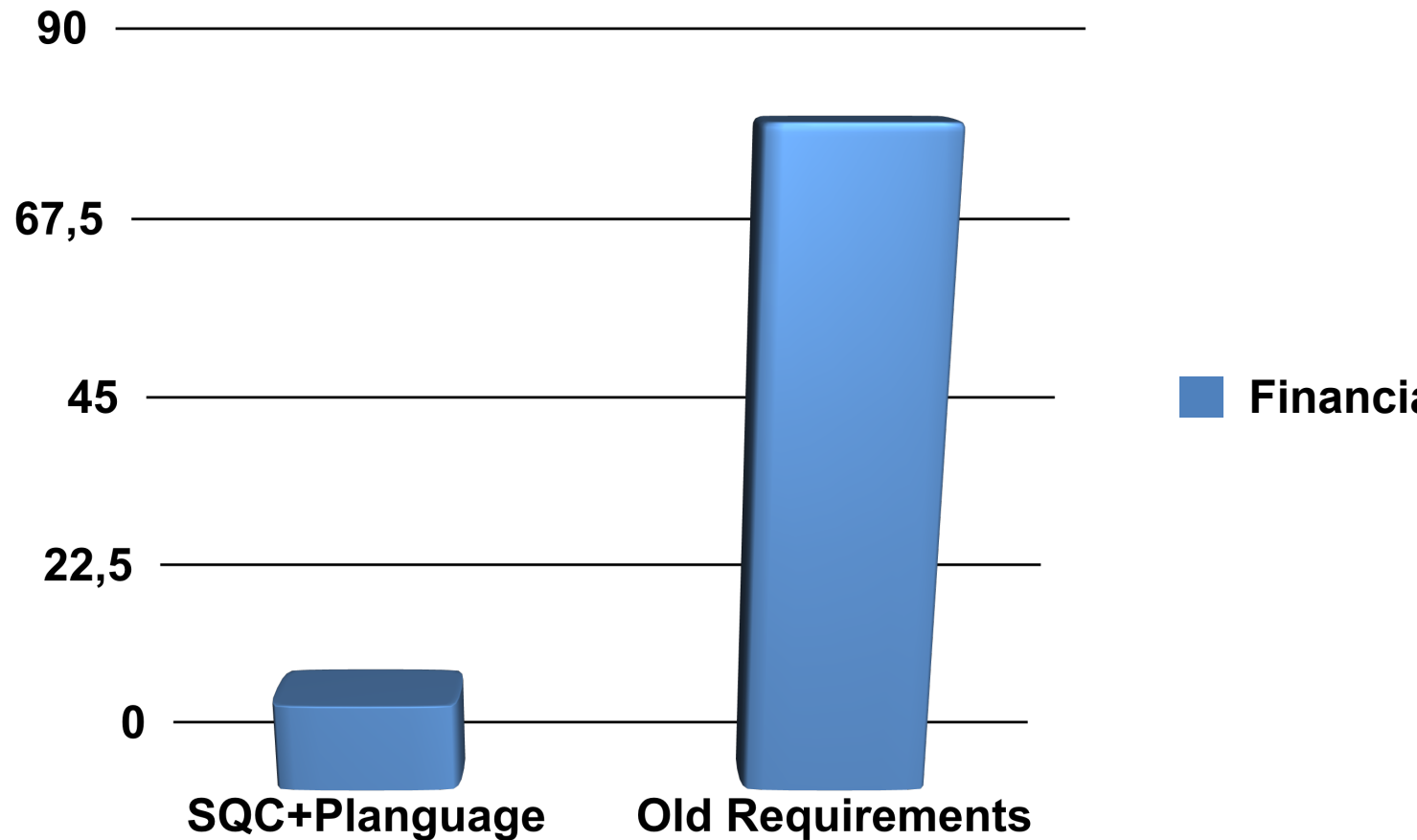**Justification**: Really good architects are very scarce so we need to optimize their use.

Risks: we use effort that should be directed to really high volume or even more critical areas (like Main Objective).

Reducing unintelligible IT requirements from 80/page to 10/page in 6 months
London, Citigroup
Spec QC/Extreme Inspection + Planguage Requirements

Major defects/page on 1st Quality Control

Legend: ■ Financial

Categories: SQC+Planguage, Old Requirements

Y-axis: 0, 22,5, 45, 67,5, 90

See Slide Note for details

Extreme Quality Management using Planguage and my Spec QC

Application of Specification Quality Control by a SW team resulted in the following defect density reduction in requirements over several months:

Rev.	# of Defects	# of Pages	Defects/ Page (DPP)	% Change in DPP
0.3	312	31	10.06	
0.5	209	44	4.75	–53%
0.6	247	60	4.12	–13%
0.7	114	33	3.45	–16%
0.8	45	38	1.18	–66%
1.0	10	45	0.22	–81%
Overall % change in DPP revision 0.3 to 1.0:				–98%

Downstream benefits:
• Scope delivered at the Alpha milestone increased 300%, released scope up 233%
• SW defects reduced by ~50%
• Defects that did occur were resolved in far less time on average
• teams typically exit with densities ranging from 5 majors per page (600 words) to 1 defect in a couple of pages.

Some Practical Tools
"This stuff works"
Erik Simmons, Intel in Forword

- A Value Planning Language:
  - Planguage (a paper on Planguage)
    - http://www.gilb.com/dl831
  - The Planguage Handbook "Competitive Engineering"
    - https://www.dropbox.com/sh/kxl3g8hm7vlbthr/AAC5gdzGAJqocX51q6vV2A92a?dl=0
    - http://www.gilb.com//dl540
    - TEMPLATES, PRINCIPLES, TERMINOLOGY, PROCESSES, STANDARDS

Some More Practical Experiences with Managing Value

Startup Week: Process

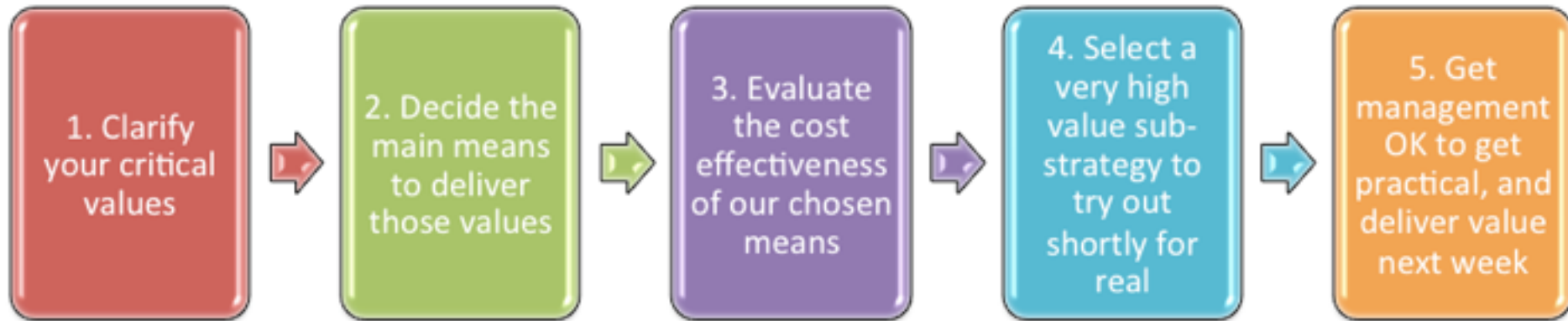1. Quantify Critical Few Objectives → 2. Pick Most Powerful Strategies → 3. Estimate Power and Costs of Strategies, for reaching our Goals → 4. Decompose Strategies and find something doable next week → 5. Present to Management and Get OK, try to deliver value next week

An Agile Project Startup Week

Gilb's Mythodology Column

www.gilb.com/dl568

Startup Week Purposes

1. Clarify your critical values → 2. Decide the main means to deliver those values → 3. Evaluate the cost effectiveness of our chosen means → 4. Select a very high value sub-strategy to try out shortly for real → 5. Get management OK to get practical, and deliver value next week

Evo Startup Standard, Jan 12 2013 http://www.gilb.com/dl562

The First Day of the Startup Process
Top Ten Critical Values
a *quantification* process
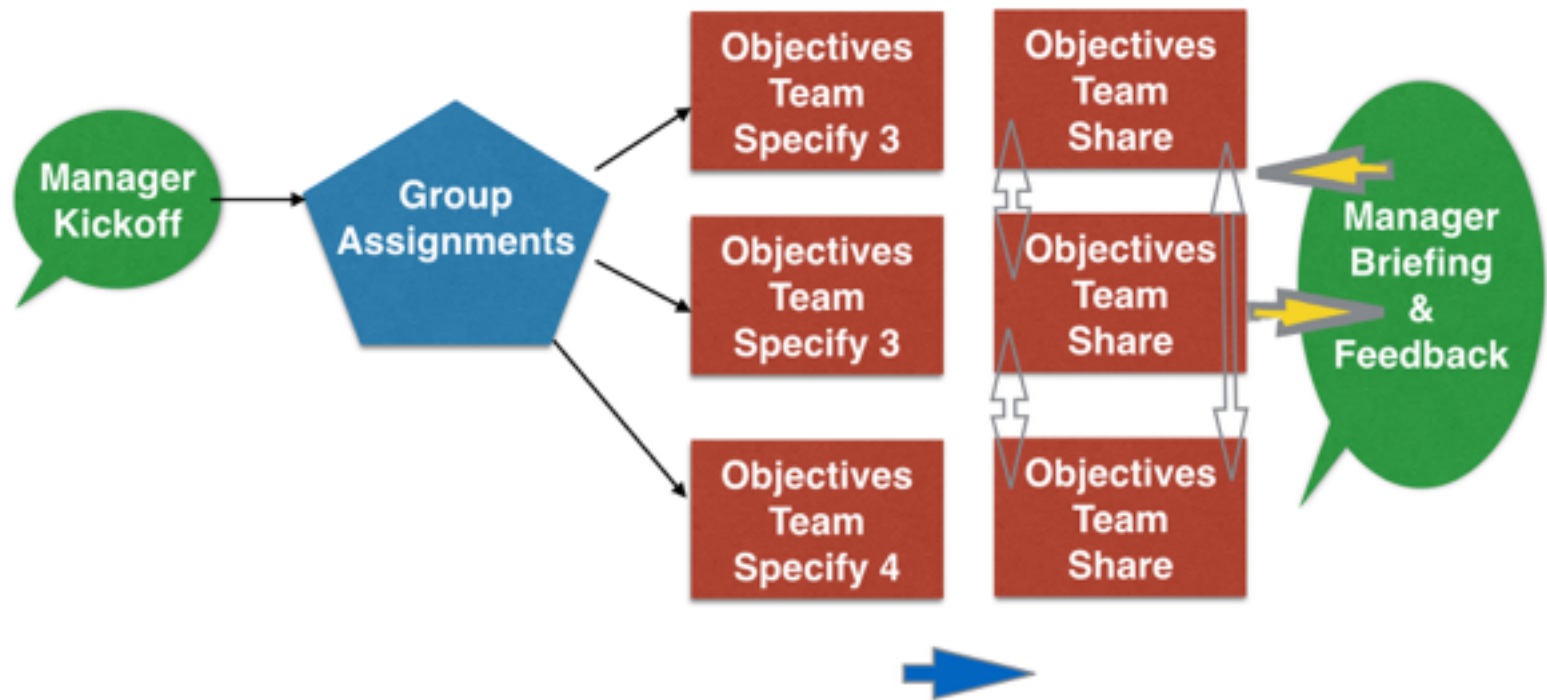
# Example of Top Ten Critical Objectives
(Real Set, Confirmit)

Treportal E-Sat Team Objectives for 12 weeks

- Intuitiveness 80%
- Consistency.Visual 14
- Productivity 2 minutes
- Flexibility.Formats 4
- Robustness 0 errors
- Replacability. 3 Features
- ResponseTime.Export Report 5 minutes
- Usability.ViewReport. 1 sec.
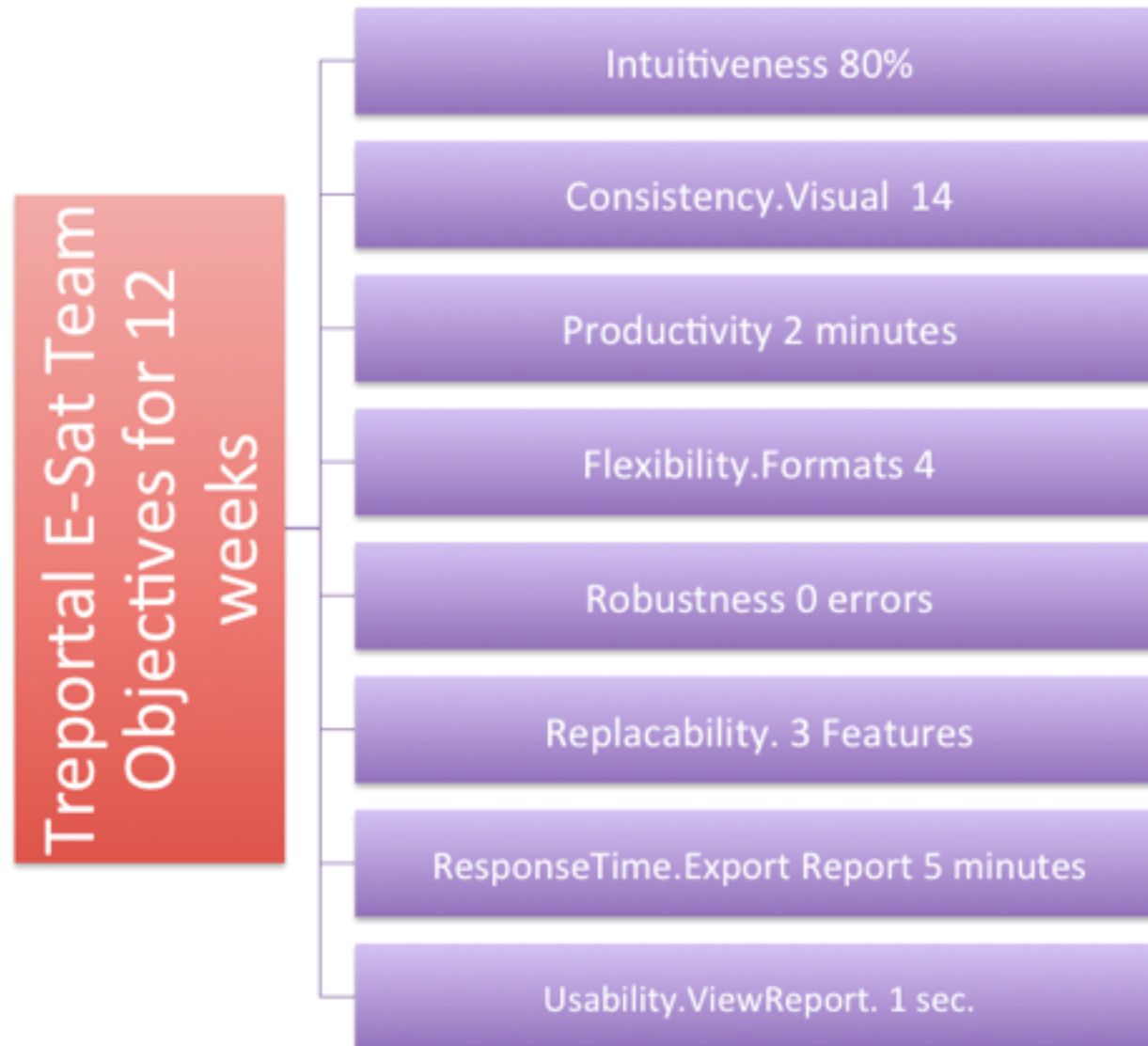
Many variable Critical Values to be managed at once
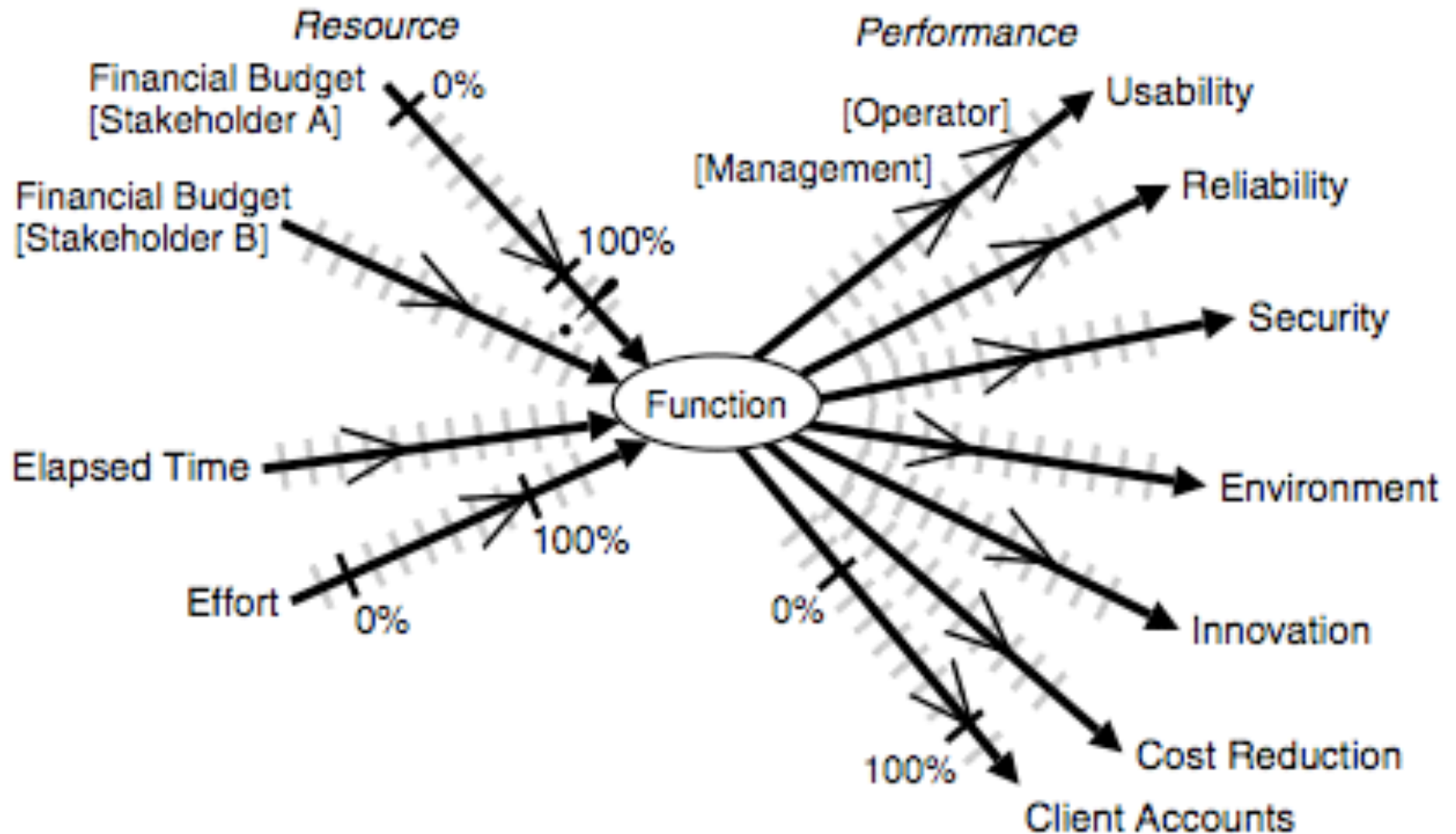
THE QUANTIFICATION PRINCIPLE

Performance objectives,
ranging from *core objectives* to 'any' detailed performance objective
– where 'getting better-and-better in time' is implied –
can *always* be defined using 'scales of measure'.
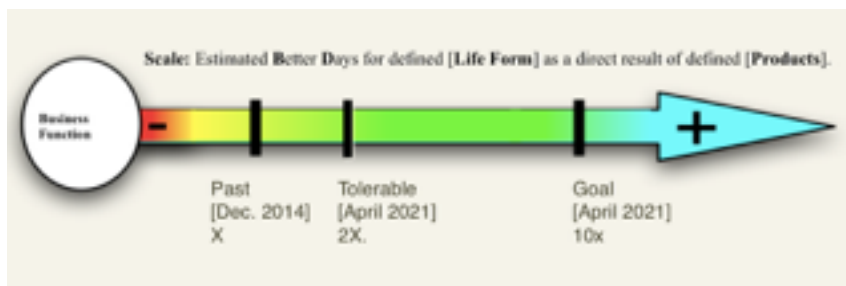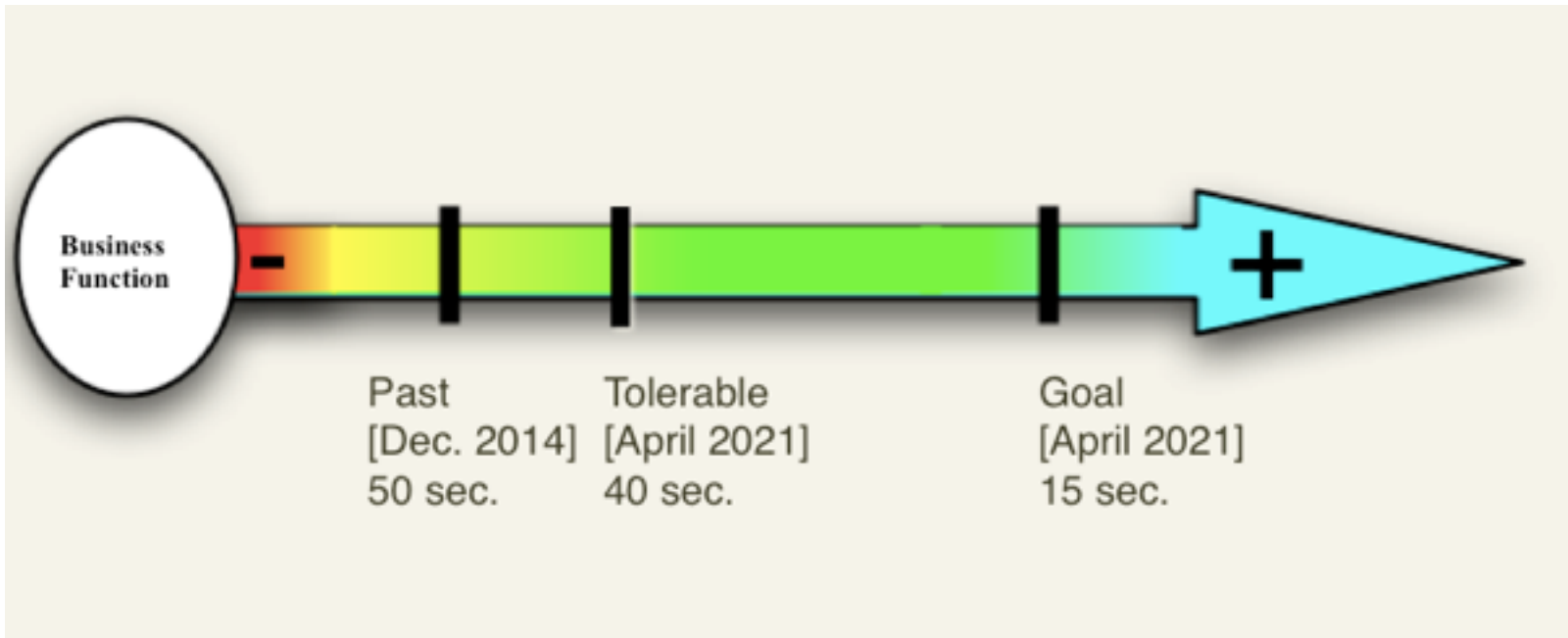
Top 10 Large Bank Project Requirements
Quantifying the most-critical project objectives on day 1, on 1 page

P&L-Consistency&T P&L: **Scale:** total adjustments btw Flash/Predict and Actual (T+1) signed off P&L. per day. **Past 60 Goal**: **15**

Speed-To-Deliver: **Scale**: average Calendar days needed from New Idea Approved until Idea Operational, for given Tasks, on given Markets.
Past [2009, Market = EURex, Task =Bond Execution] **2-3 months** ?
Goal [Deadline =End 20xz, Market = EURex, Task =Bond Execution] **5 days**

Operational-Control: **Scale**: % of trades per day, where the calculated economic difference between OUR CO and Marketplace/Clients, is less than "1 Yen"(or equivalent).
Past [April 20xx] **10%** change this to 90% NH **Goal** [Dec. 20xy] **100%**

Operational-Control.Consistent: **Scale**: % of defined [Trades] failing full STP across the transaction cycle. **Past** [April 20xx, Trades=Voice Trades] **95%**
Past [April 20xx, Trades=eTrades] **93%**
Goal [April 20xz, Trades=Voice Trades] <**95 ± 2%**>
Goal [April 20xz, Trades=eTrades] **98.5 ± 0.5 %**

Operational-Control.Timely.End&OvernightP&L Scale: number of times, per quarter, the P&L information is not delivered timely to the defined [Bach-Run].
Past [April 20xx, Batch-Run=Overnight] 1 **Goal** [Dec. 20xy, Batch-Run=Overnight] <**0.5**> **Past** [April 20xx, Batch-Run= **T+1**] **1 Goal** [Dec. 20xy, Batch-Run=End-Of-Day, Delay<1hour] **1**

Operational-Control.Timely.IntradayP&L Scale: number of times per day the intraday P&L process is delayed more than 0.5 sec.

Operational-Control.Timely.Trade-Bookings Scale: number of trades per day that are not booked on trade date. **Past** [April 20xx] **20 ?**

Front-Office-Trade-Management-Efficiency Scale: Time from Ticket Launch to trade updating real-time risk view
Past [20xx, Function = Risk Mgt, Region = Global] ~ **80s** +/- **45s** ??
Goal [End 20xz, Function = Risk Mgt, Region = Global] ~ **50%** better?
Managing Risk – Accurate – Consolidated – Real Time

Risk.Cross-Product Scale: % of financial products that risk metrics can be displayed in a single position blotter in a way appropriate for the trader (i.e. – around a benchmark vs. across the curve).
Past [April 20xx] **0%** 95%.   **Goal** [Dec. 20xy] **100%**

Risk.Low-latency Scale: number of times per day the intraday risk metrics is delayed by more than 0.5 sec. **Past** [April 20xx, NA] **1% Past** [April 20xx, EMEA] ??**% Past** [April 20xx, AP] 100**% Goal** [Dec. 20xy] **0%**
Risk.Accuracy

Risk. user-configurable Scale: ??? pretty binary – feature is there or not – how do we represent?
Past [April 20xx] **1% Goal** [Dec. 20xy] **0%**

Operational Cost Efficiency Scale: <Increased efficiency (Straight through processing STP Rates)>

Cost-Per-Trade Scale: % reduction in Cost-Per-Trade
Goal (EOY 20xy, cost type = I 1 – REGION = ALL) **Reduce cost by 60% (BW)**
Goal (EOY 20xy, cost type = I 2 – REGION = ALL) **Reduce cost by x %**
Goal (EOY 20xy, cost type = E1 – REGION = ALL) **Reduce cost by x %**
Goal (EOY 20xy, cost type = E 2 – REGION = ALL) **Reduce cost by 100%**
Goal (EOY 20xy, cost type = E 3 – REGION = ALL) **Reduce cost by x %**

In addition to 'Core' specification, the Value Driven planning language allows you to specify many other value-related things in a single requirement

Core	Background	Administrative
Scale	Type	Version
Meter	Past	Author
Tolerable	Record	Owner
OK	Trend	Expert
Goal	Stakeholders	Test Plan
Stretch	Justification	Status

Figure: *682.   Some Examples Of Core, Background, And Administrative Parameters. (Source 'Value Planning' Diagram 4.3, Aug 2015)

20 Sept, 2011 Report on Gilb Evo method (Richard Smith, Citigroup)
ON STABILITY OF 'REAL REQUIREMENTS' AND INSTABILITY OF 'DESIGN' AND 'ARCHITECTURE'

- http://rsbatechnology.co.uk/blog:8
- Back in 2004, I was employed by a large investment bank in their FX e-commerce IT department as a business analyst.
- The wider IT organisation used a complex waterfall-based project methodology that required use of an intranet application to manage and report progress.
- However, it's main failings were that it almost **totally missed the ability to track delivery of actual value improvements to a project's stakeholders**, and **the ability to react to changes in requirements and priority for the project's duration.**
- The toolset generated lots of charts and stats that provided **the illusion of risk control**. but actually provided very little help to the analysts, developers and testers actually doing the work at the coal face.
- The proof is in the pudding;

    - I have **used Evo** (albeit in disguise sometimes) on two large, high-risk projects in front-office investment banking businesses, and several smaller tasks.

    - On the largest critical project, the original business functions & performance objective **requirements document, which included no design, essentially remained unchanged** over the 14 months the project took to deliver,

    - but the detailed **designs** (of the GUI, business logic, performance characteristics) **changed many many times**, guided by lessons learnt and **feedback** gained by delivering a succession of early deliveries to real users.

    - In the end, the new system responsible for 10s of USD billions of notional risk, **successfully went live over over one weekend for 800 users worldwide**, and **was seen as a big success by the sponsoring stakeholders.**

        " I attended a 3-day course with you and Kai whilst at Citigroup in 2006"

Richard Smith's Planning Tool
which we are using on BCS Courses
Great for 'First Week' and all later weeks followup

https://app.needsandmeans.com

Quantify Values the First Week
Start Delivering the next weeks

An Agile Project Startup Week:
 'Evo Start'
Our Column in AgileRecord.com,
 as published 7 March 2013
http://www.gilb.com/dl568

The Standard
http://www.gilb.com/dl562
This is a detailed standard for
 conducting an 'Evo' (Evolutionary
 Project Management, Gilb's Agile
Method) as described in my book
 Competitive Engineering,
Chapter 10
[http://www.gilb.com//tiki-
download_file.php?fileId=77]

Talk slides pdf from
 ACCU Conference April 9 2014
90 minutes talk
Includes Startup Planning for
Business Startups, Confirmit, US
DoD
 case, 2 Bank cases, Detailed
Startup week outlines
and links to sources.
Bristol ACCU Conference
http://www.gilb.com/dl812

Gilb's Mythodology Column

An Agile Project Startup Week: 'Evo Start'

by Tom & Kai Gilb

Startup Process Day 1 and 2

- Day 1: <u>Project Objectives</u>: The top few critical objectives quantified.
  - Objective: Determine, clarify, agree critical few project objectives – results – end states
  - Process:
    - Analyze current documentation and slides, for expressed or implied objectives (often implied by designs or lower level objectives)
    - Develop list of Stakeholders and their needs and values
    - Brainstorm 'top ten' critical objectives names list. Agree they are top critical few.
    - Detail definition of language – meaning quantify and define clearly, unambiguously and in detail (a page)
    - Quality Control Objectives for Clarity: Major defect measurement. Exit if less than 1.0 majors per page
    - Quality Control Objective for Relevance: Review against higher level objectives then project for alignment.
    - Define Constraints, resources, traditions, policies corporate IT architecture, hidden assumptions.
    - Define Issues – yet unresolved
    - Note we might well choose to several things in parallel.
  - Output: A solid set of the top few critical objectives in quantified and measurable language. Stakeholder data specified.
  - Participants: anybody who is concerned with the <u>business results</u>, the higher the management level the better.
  - End of Day Process: meet 30 minutes with any responsible interested managers to present the outputs, and to get preliminary corrections and go-ahead.
  - Note: this process is so critical and can be time consuming, so if necessary it can spill over to next day. Perhaps in parallel with startup of the strategy identification. Nothing is more critical or fundamental than doing this well.

- Day 2: <u>Project Strategies and Architecture</u>: the top few critical strategies for reaching the critical objectives
  - Objective: to identify the top 'ten' most critical strategic decisions or architectures; the ones that will contribute or enable us most, to reach our primary objective goal levels on time.
  - Process:
    - Analysis of current documentation and slides to identify candidate strategies, implied or expressed.
    - Brainstorming of the 'names' of the specific strategy list, the top ten and a set of less powerful ideas (say 11-30)
    - Detail each top ten strategy sufficiently to understand impacts (on objectives and real costs)
    - Specify for each strategy all critical related information (like stakeholders, risks, assumptions, constraints, etc.)
    - Quality Control for clarity – correct unclear items. Exit based on defect level, or not.
    - Likely that work will need to be done in parallel in order to detail ten strategies sufficiently for specification.
  - Output: formal strategy specification, ready for evaluation, and decomposition and delivery of partial value results.
  - Participants: system architects, project architects, strategy planners. And members of the project team who will be in on the entire weeks process. The major input here is technical and organizational strategy (the means to reach the objectives)
  - End of Day Process: : meet 30 minutes with any responsible interested managers to present the outputs, and to get preliminary corrections and go-ahead.
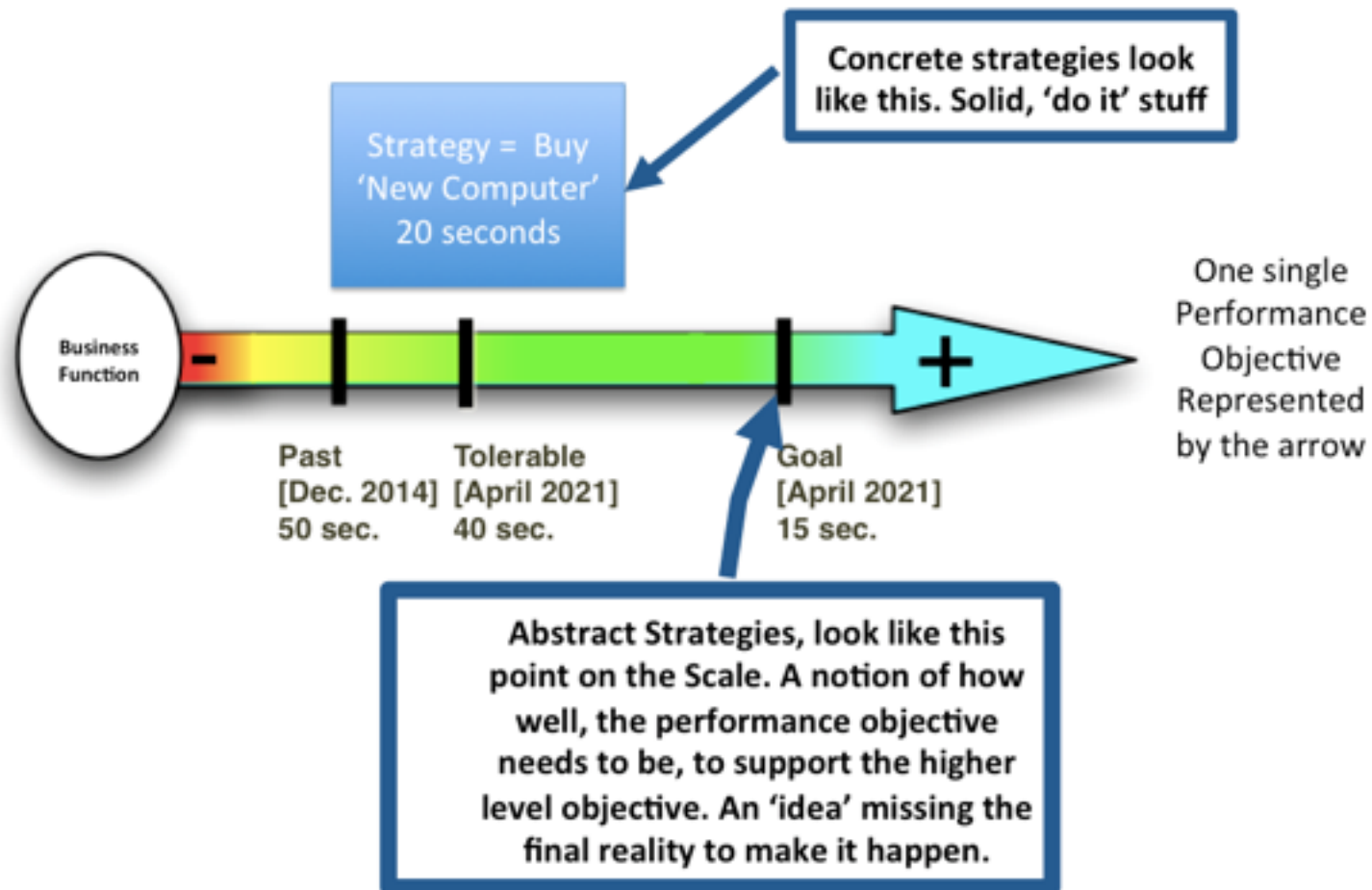
Day 3: Evaluation of Strategies using Impact Estimation: our best estimates with experience and risk. How sure are of the major strategy decisions.

- **Objective:** to estimate to primary effects and all side effects of all top critical strategies on all top critical objectives, and on some resources (time, cost, effort). The estimates will be backed up by evidence, or their credibility will be rated low.
- **Process:**
  - Using the objectives and strategies developed on first 2 days as inputs
  - Populate an Impact Estimation table (aka Value Decision Table) with estimates of the expected result of deploying defined strategies. Estimate main intended impacts
  - And all side effects (on other core objectives)
  - And on all resources (time, money. Effort)
  - Estimate ± ranges
  - Specify evidence and sources for estimates
  - Determine credibility levels
  - Quality Control the IE table against standards (rules or IE 'CE' rules) for possible 'exit' (meets standards)
  - Lots of parallel work needed and expected to do a good job.
- **Output:**
  - A fairly decent Impact Estimation table, possibly a several level set of them
  - This should us it to decide need of are good enough strategies
  - And will help us prioritize the value delivery steps set up
- **Participants:** architects, planners, anybody with strong views on any of the strategies. The team for the week.
- **Note:** it might be necessary and desirable, now or later, to do this impact estimation process at 2 or 3 related levels (Business, Stakeholder, IT solution) to see the relationship clearly. This might exceed time limits and be done parallel or later.
- **End of Day Process:** meet 30 minutes with any responsible interested managers to present the outputs, and to get preliminary corrections and go-ahead.

Day 4: Evolutionary Step Decomposition: what are the high value short team value delivery steps we can execute.

- Objective: to identify near-team candidates for real value delivery to real stakeholders. What can we do for real next week!
- Process:
  - Identify the highest value (to costs) strategies and sub-sets of strategies
  - Decompose into doable subsets in weekly to monthly cycles or result delivery
  - Plan the near steps (1 or more) in detail so that we are ready to execute the step in practice.
    - Who does it, main responsible, team.
    - Expected measurable results and costs
    - Stakeholders involved in receiving
    - Test process (for value)
- Output: 1 or more potential steps for value delivery to some stakeholders, a plan good enough to approve and execute in practice.
- Participants: Project Management, architects prepared to decompose architecture in practice. The weeks team for this start up study
- End of Day Process: meet 30 minutes with any responsible interested managers to present the outputs, and to get preliminary
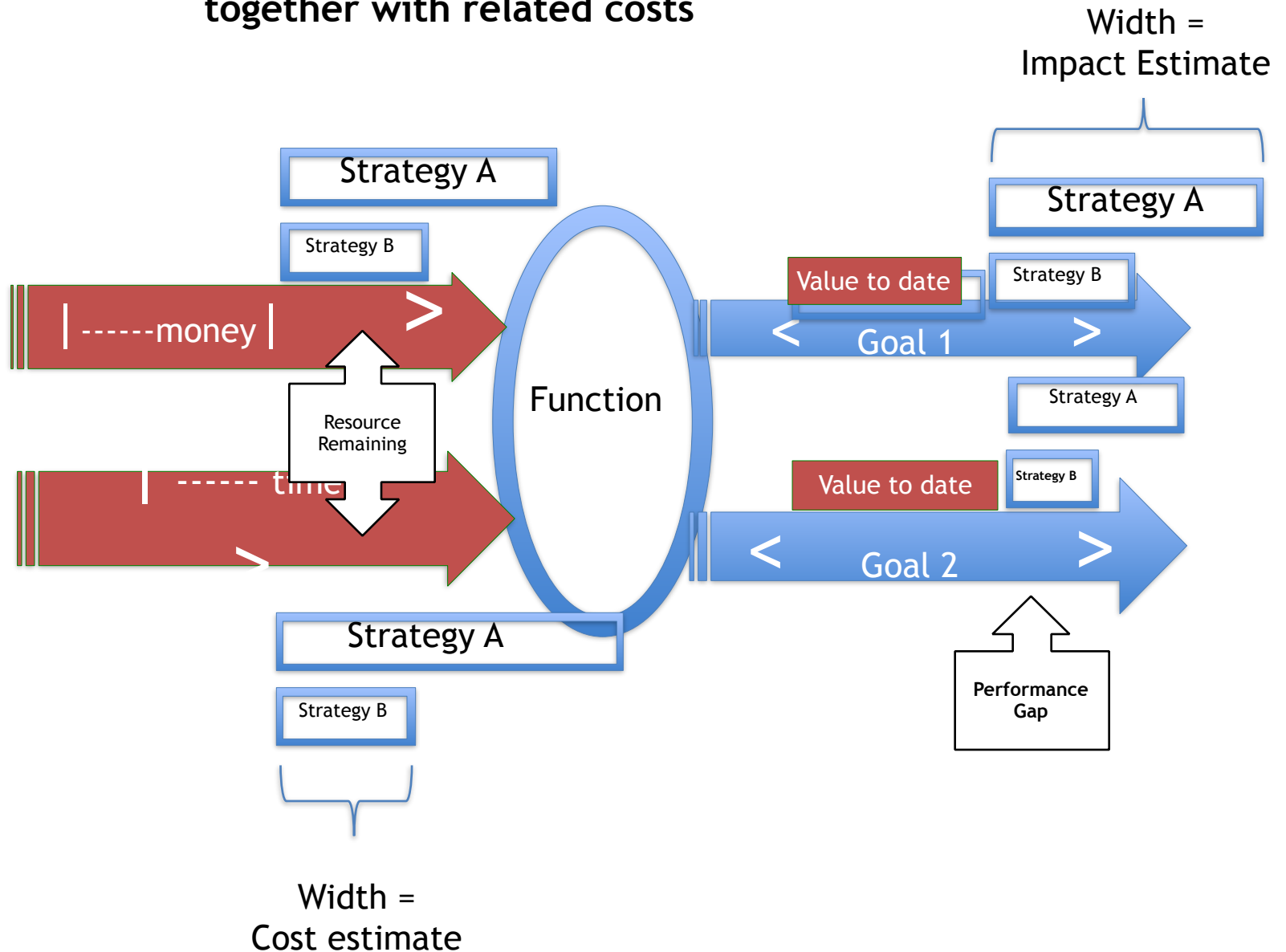
Architecture Power

Estimate

Identify Quick wins

Estimate = Delivered value next week

Abstract and Concrete Value Strategies

Concrete strategies look like this. Solid, 'do it' stuff

Strategy = Buy 'New Computer' 20 seconds

Business Function

Past [Dec. 2014] 50 sec.

Tolerable [April 2021] 40 sec.

Goal [April 2021] 15 sec.

One single Performance Objective Represented by the arrow

Abstract Strategies, look like this point on the Scale. A notion of how well, the performance objective needs to be, to support the higher level objective. An 'idea' missing the final reality to make it happen.

Estimating the Power of suggested architecture together with related costs

Width =
Impact Estimate

Strategy A

Strategy B

Strategy A

Strategy B

| ------money | >

Value to date

Strategy B

< Goal 1 >

Resource
Remaining

Function

Strategy A

| ------ time

>

Value to date

Strategy B

< Goal 2 >

Strategy A

Strategy B

Performance
Gap

Width =
Cost estimate

Day 3 of Project Startup

- How do the strategies/architecture

- deliver value for your quantified value requirements?

Goals \ Strategies	Identify Binding Compliance Requirements Strategy	System Control Strategy	System Implementation Strategy	Find Services That Meet Our Goals Strategy	Use The Lowest Cost Provider Strategy
Security Administration Compliance 25 % → 90 %	100 %	100 %	100 %	50 %	0 %
Security Administration Performance 24 hrs → 4 hrs	75 %	100 %	100 %	100 %	0 %
Security Administration Availability 10 hrs → 24 hrs	0 %	0 %	0 %	100 %	0 %
Security Administration Cost 100 % → 60 %	50 %	100 %	100 %	100 %	100 %
Total Percentage Impact	225 %	300 %	300 %	350 %	100 %
Evidence	ISAG Gap Analysis Oct. 03	John Collins	John Collins	John Collins	John Collins
Cost to Implement Strategy	15 man days (US$ 5,550)	15 man days (US$ 5,550)	15 man days (US$ 5,550)	15 man days (US$ 5,550)	1 man day (US$ 1,110)
Credibility	0.9	0.6	0.6	0.75	0.9
Cost Adjusted Percentage Impact	202.5 %	180 %	180 %	262.5 %	90 %

Citigroup, London

Figure 4. Acer Project: Impact Estimation Table.

A Real London Impact Estimation Table
Made one day, to get £50,000,000 next day

		..............................Deliverables						
		Telephony	Modularity	Tools	User Experience	GUI & Graphics	Security	Enterprise
Business Objective								
Time to Market		10%	10%	15%	0%	0%	0%	5%
Product Range		0%	30%	5%	10%	5%	5%	0%
Platform Technology		10%	0%	0%	5%	0%	10%	5%
Units		15%	5%	5%	0%	0%	10%	10%
Operator Preference		10%	5%	5%	10%	10%	20%	10%
Commoditization		10%	-20%	15%	0%	0%	5%	5%
Duplication		10%	0%	0%	0%	0%	5%	5%
Competitiveness		15%	10%	10%	10%	20%	10%	10%
User Experience		0%	20%	0%	30%	10%	0%	0%
Downstream Cost Saving		5%	10%	0%	10%	0%	0%	5%
Other Country		5%	10%	0%	10%	5%	0%	0%
Total Contribution		90%	80%	55%	85%	50%	65%	55%
Cost (£M)		0.49	1.92	0.81	1.21	2.68	0.79	0.60
Contribution to Cost Ratio		**184**	42	68	70	19	82	92

Day 5: Boss Says 'Go' (next week only)

- Boss approves doing the next week
  - This is normally used to present the plan to management and get approval to go forward the next week.
  - In our case we have chosen a 4 days model due to Easter Holidays. So we have to find another way to present and approve.
  - **Objective**: To present the entire set of plans to responsible executive(s) and discuss them, with approval if possible, or approve with changes.
  - **Process:**
    - Present all planned outputs
    - Discuss them and answer questions
    - Take corrections
    - Get approval for the next implementation step.
  - **Output**: Approval for next implementation step, corrections
  - **Participants**: project tem + key manager above the project manager.
  - **End of Day Process**: none, unless corrections needed before execute OK.
    - Possible corrections and ready to execute a delivery step next week
  - —

Boss Approves
Next week experiment
To
Get Real Value Delivered
And measured

Selling 'Value' to your IT Boss

- Value Planning (Using 'Planguage')
  - Links directly to managements values and plans
  - Is visible and measurable **evidence** of IT value to the organization
  - Is some methods for **very early** increments of value delivery (weeks not years)
  - Is **intelligible** to 'your boss' (is not IT technology,
  - it is **results** that make everybody look like good managers.
  - Can be used to manage outsourcing **contracts**: no value, no pay.

'Just do' ing 'Value':
(nobody can stop you)

- Whenever you encounter **value-talk** at meetings and in documents
  - **Quantify it**
- Whenever you are selling or being sold 'technology'
  - **Quantify** (estimate, measure, contract for) **specific value delivery**
    - NOT: *"it is cutting edge technology"* (Management BS)
      - http://www.gilb.com/dl465
    - BUT *"It will deliver 50-70% of the Productivity Goal by next year, contractually guaranteed."*
- *Measure the BS Level, and don't accept it:*
  - *Is 100 fudge words per page in requirements OK to hand on to the rest of the organization?*

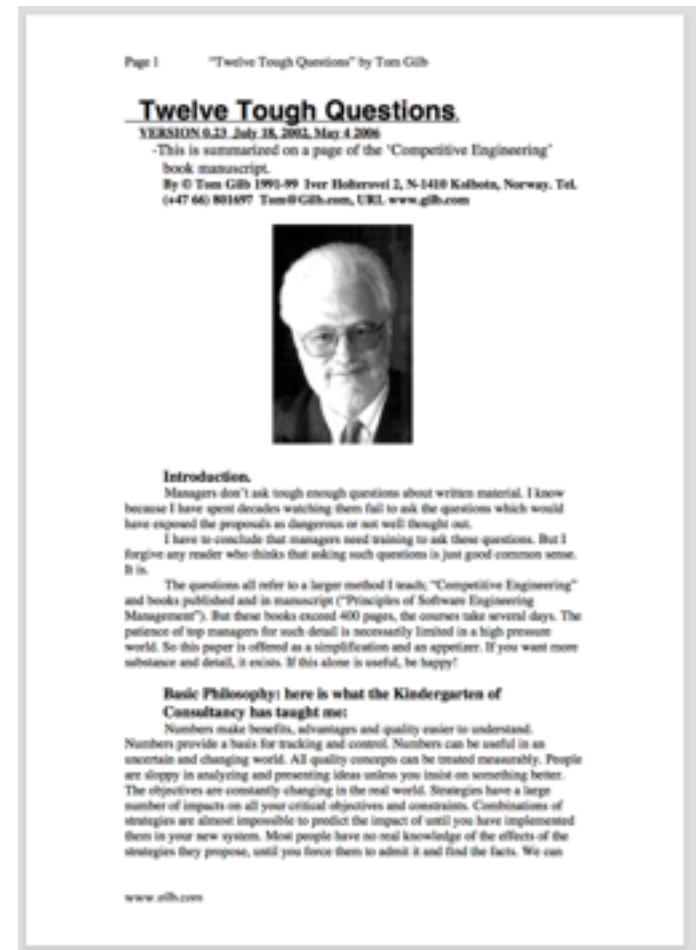http://www.gilb.com/dl465

12 Tough Questions

Involving Management

- **The 12 Tough questions**
  - Are a way to get managers interested in metrics
  - They lead directly
    - to quantified management objectives
    - to quantified project and product requirements
    - to the use of impact estimation tables evaluating alternative solutions quantitatively
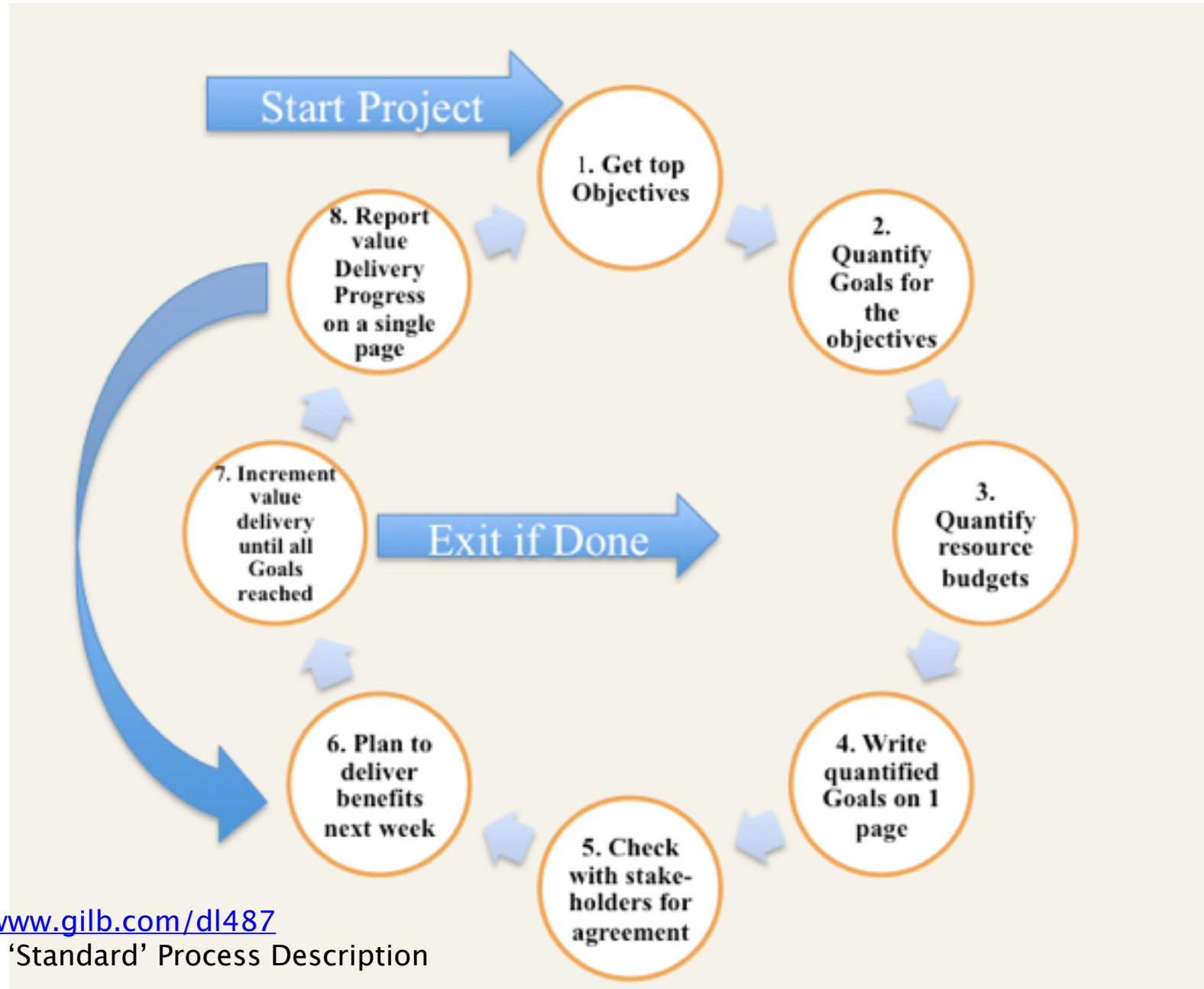
TWELVE TOUGH QUESTIONS

- **1. Why isn't the improvement quantified?**
- **2. What is degree of the risk or uncertainty and why?**
- **3. Are you sure? If not, why not?**
- **4. Where did you get that from? How can I check it out?**
- **5. How does your idea affect my goals, measurably?**
- **6. Did we forget anything critical to survival?**
- **7. How do you know it works that way? Did it before?**
- **8. Have we got a complete solution? Are all objectives satisfied?**
- **9. Are we planning to do the 'profitable things' first?**
- **10. Who is responsible for failure or success?**
- **11. How can we be sure the plan is working, during the project, early?**
- **12. Is it 'no cure, no pay' in a contract? Why not?**

There is a detailed paper on these questions at www.result-

Longer explanation of these simple but powerful value questions

- 12 tough questions paper
- http://www.gilb.com/tiki-download_file.php?fileId=24

# A View of the 'Evo' Agile for values Project Management Process

The diagram shows a circular process with eight steps:

1. Get top Objectives
2. Quantify Goals for the objectives
3. Quantify resource budgets
4. Write quantified Goals on 1 page
5. Check with stake-holders for agreement
6. Plan to deliver benefits next week
7. Increment value delivery until all Goals reached
8. Report value Delivery Progress on a single page

Start Project

Exit if Done

Some Deeper aspects of Value Planning
extra slides if time

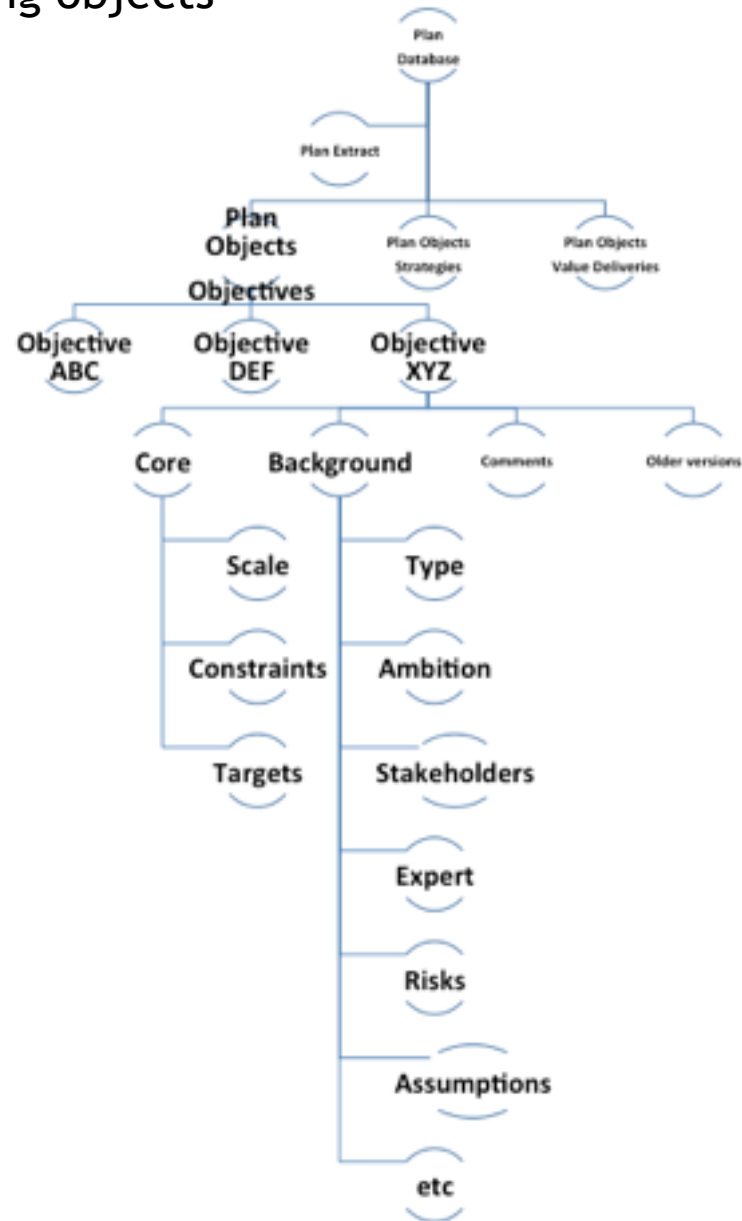## else skip to BCS slides to end the talk

Design Strategy Relationships
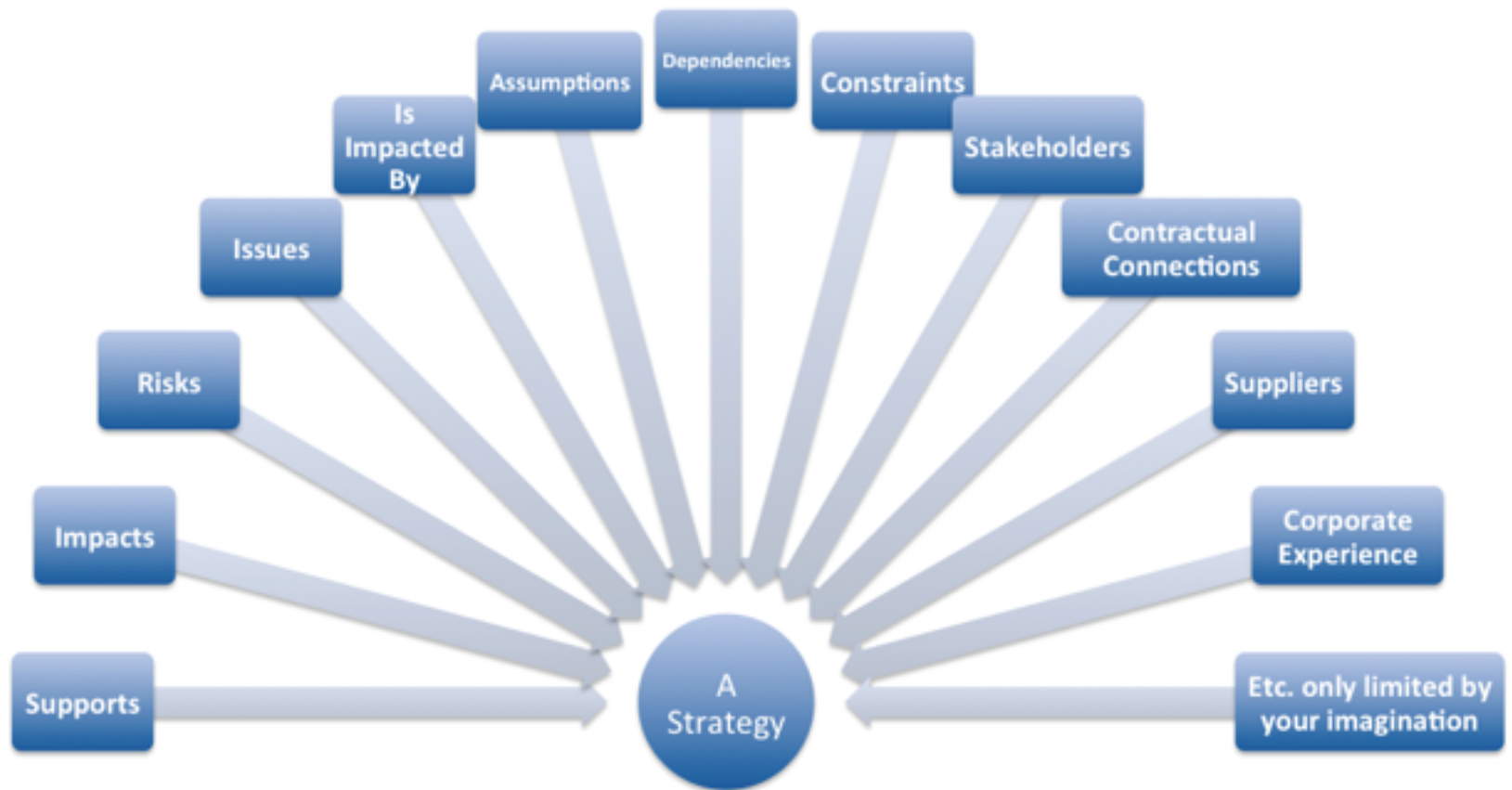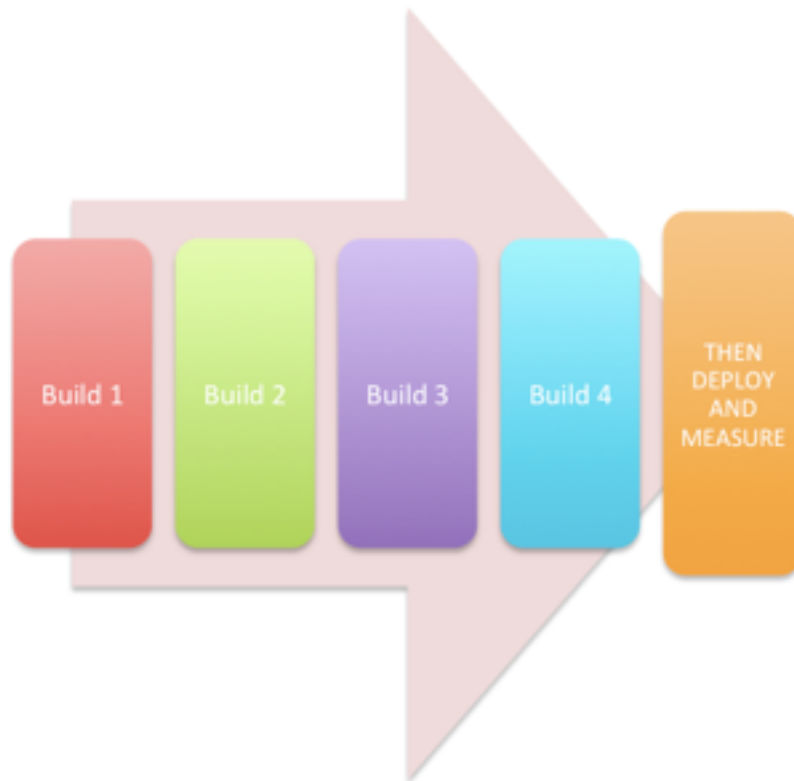
'Object Oriented Planning'.
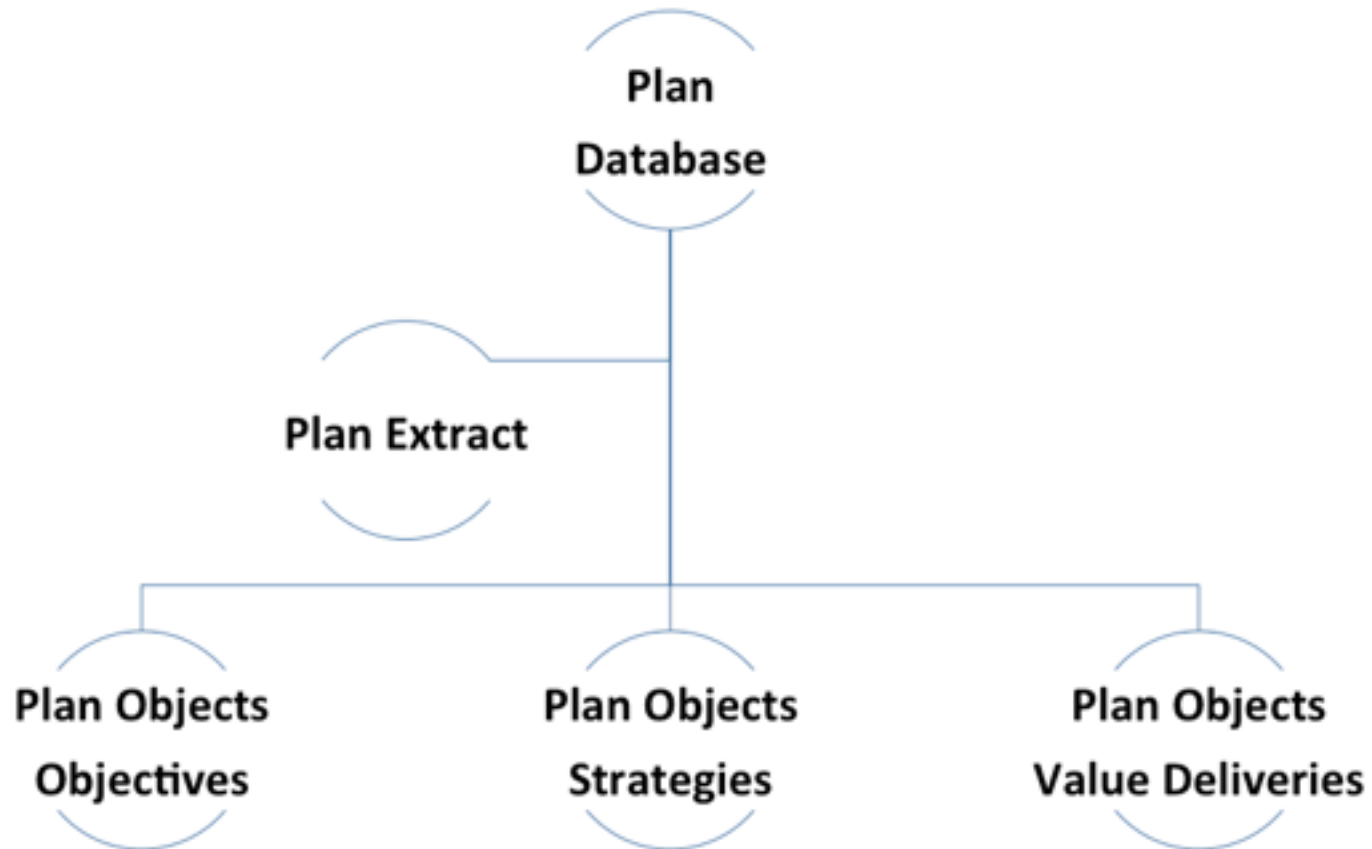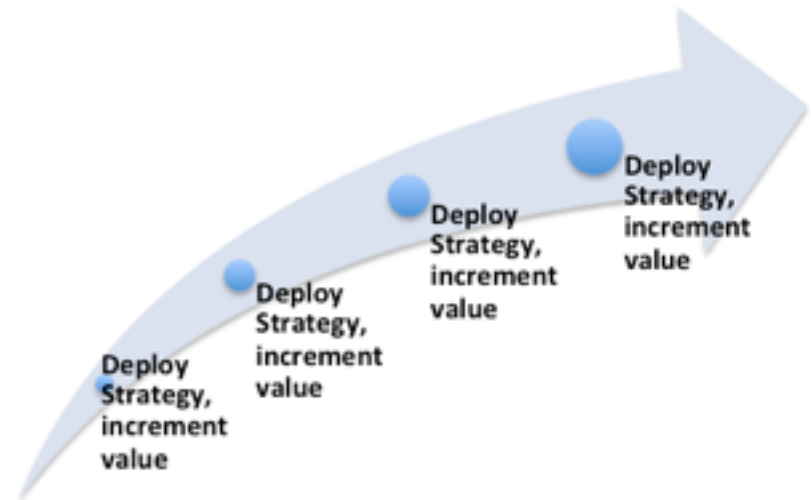
A hierarchy of planning objects

Value Decomposition

Value Delivery Cycle Decomposition
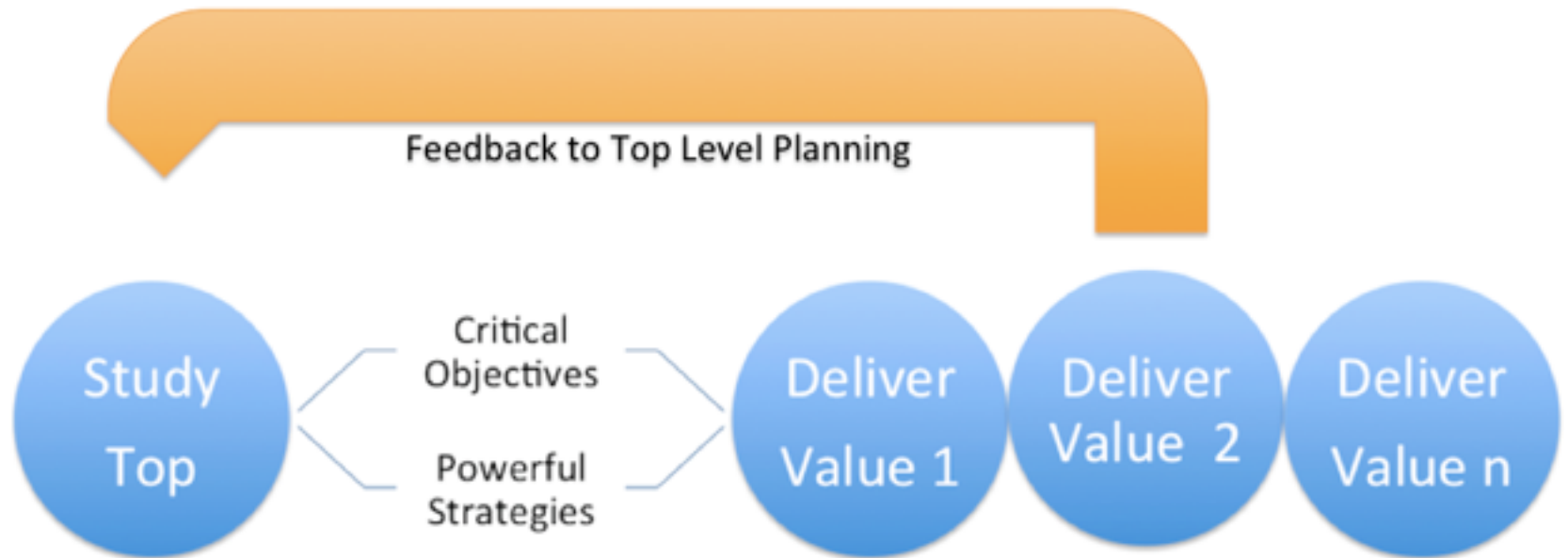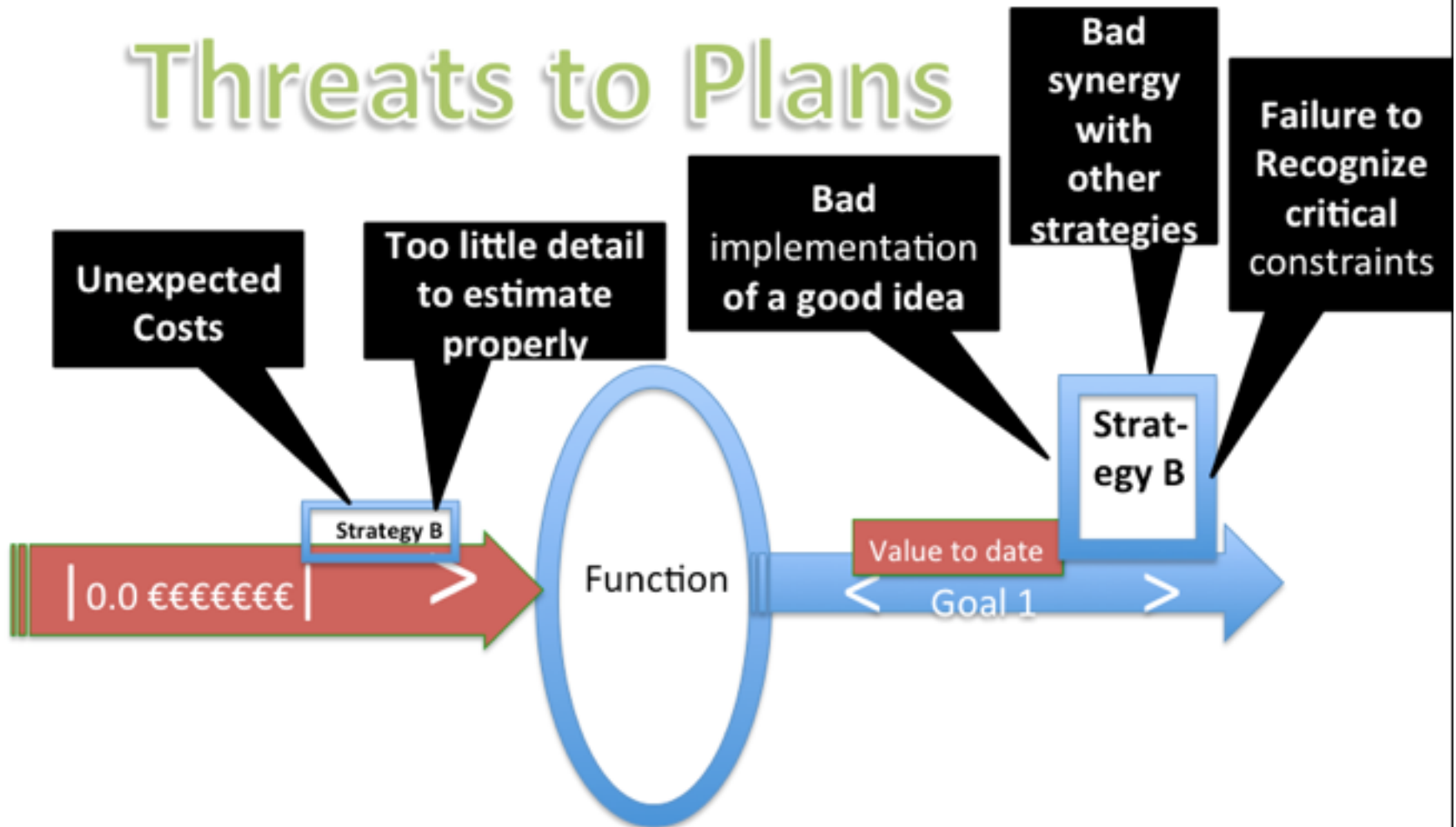
Various Risks to Plans

Design Strategy Risks

The strategy has never worked, but we don't know it

The strategy has nasty hidden side effects

The strategy becomes illegal in some places

The strategy costs too much initial resources

The strategy fails to work in a changed environment

What could possibly go wrong with that *great* strategy?

They strategy costs too much operational resources

The strategy fails to work with a subsequently implemented strategy

The strategy fails to deliver when scaled up
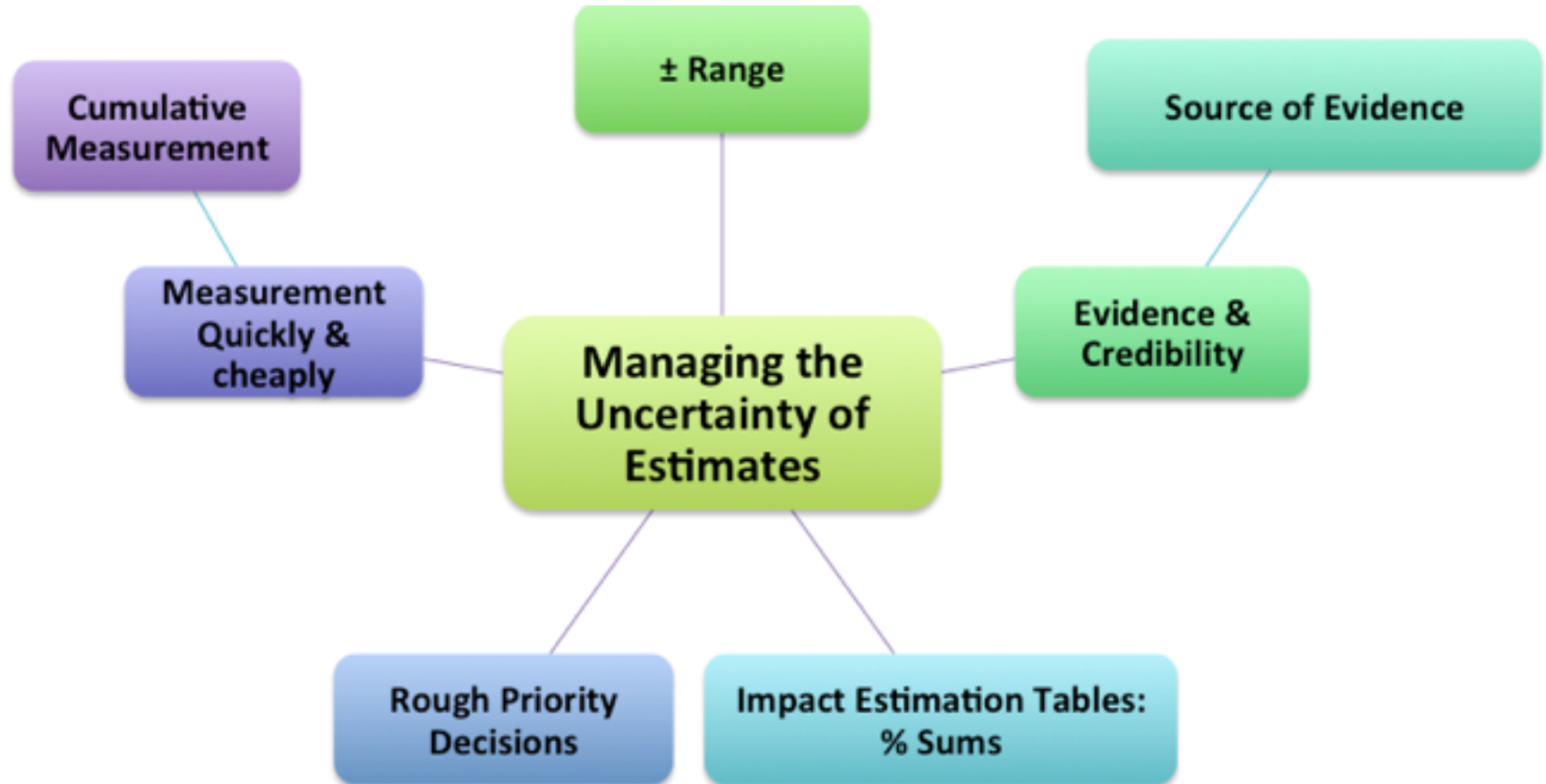
The strategy fails to deliver, even in a pilot experiment
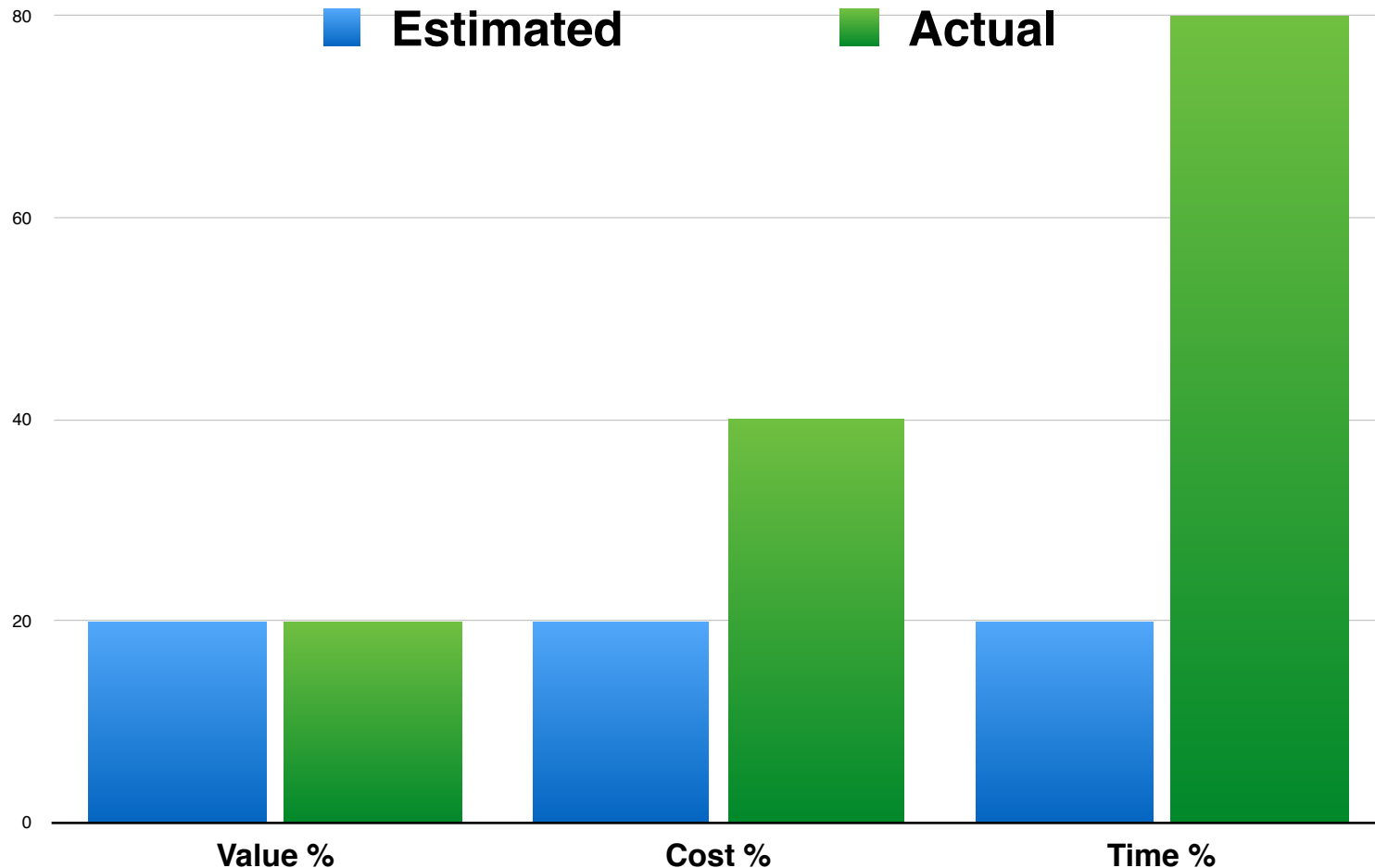
Cost Risks

Risk Tools in Impact Estimation

20% Snapshot:
Design to Cost Dynamically.
The point being that unexpected residual resources may force you to choose unexpectedly different architecture, in order to achieve deadline and budget

The Fundamental Principles of Value-Driven IT Systems 'Engineering'.

1. Values are multiple and simultaneous: unavoidable.

2. All technical solutions contain multiple values and

costs.

3. All values and costs have unknowns, uncertainties and

risks.

4. Value delivery must work incrementally, with feedback

and change.

Free BCS Value and Quality Courses

9-10 September
Value Requirements: with emphasis on Quality
same syllabus as earlier

11. September
Architecture Engineering: with emphasis on Quality
Same syllabus as before but a 1 day version, with the Value Requirements course as a recommended pre-requisite

23 September
Lean Quality Assurance
as held before

25 September 2015
IT Decision-Making for Managers and Senior Consultants: using Value Planning Methods.

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IT Decision-Making for Managers and Senior Consultants: using Value Planning Methods.

Summary
IT planning is constant decision-making and prioritisation. This course will outline and document a series of integrated tools to help make better decisions with regard to value, quality, costs and risks.

This will not train in depth but will quickly make you aware of some available methods, give you access to documentation, and welcome you to more depth training on other BCS courses.

Content. (About one classroom hour each)

1. Quantification of critical values and qualities in requirements and objectives
2. Specification of background information to help understand risks and priorities
3. Impact Estimation Tables: a tool for comparing complex options, architectures and strategies.
4. Dynamic Decision Making: learning fast, committing late
5. Delegation of Decision Making: to where the action and competence is placed.
6. Agile Contracting: decisions and commitments in smaller increments
7. Evo: a project planning framework for decision making

NEW COURSE

BCS 2015 Courses

7 Sep 2015	Value Project Management Joint BCS West London Branch and BCS Quality Specialist
9-10 Sep 2015	Value Requirements: with emphasis on Quality
11 Sep 2015	Architecture Engineering: with emphasis on Quality
24 Sep 2015	Lean Quality Assurance
25 Sep 2015	IT Decision-Making for Managers & Senior Consultants: using Value Planning Methods
10-11 Nov 2015	Startup Planning for Entrepreneurs, Startups, Innovators
18 Nov 2015	Quality and Value Requirements Quantification
19 Nov 2015	The Impact Estimation Table
20 Nov 2015	Quality-Driven Agile Project Management: The 'Evo' Method

Free Book Manuscript

- Tinyurl.com/ValuePlanning   (a live dropbox)
- Manuscript 104 subchapters
- Drafted Summer/Fall 2014
- Major 50% Edit Summer 2015, Ongoing in Fall
- Feedback appreciated
- Aimed at 'management'
  - (not IT or Engineers)

The End of slides