ITSM Value Streams

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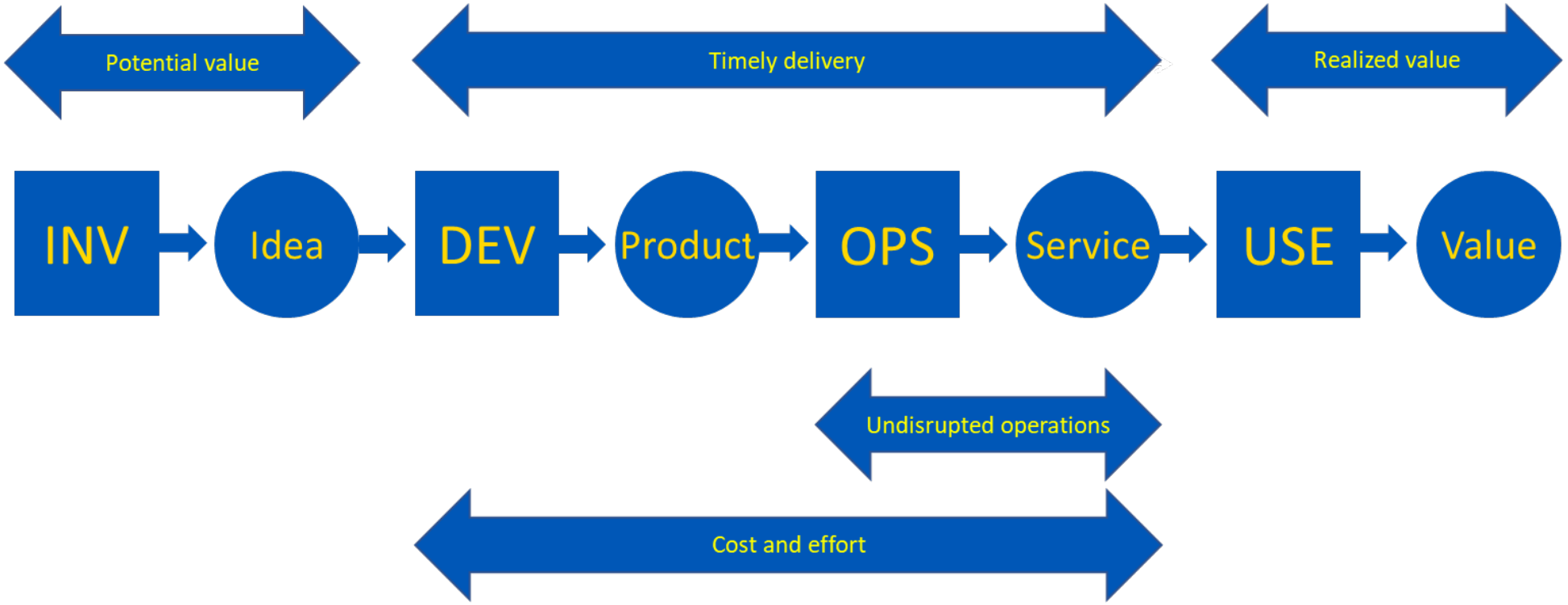
Overview

Version: July 2023 V1.0

ITSM Value Streams: Agenda

1. Introduction
2. IT Management objectives
3. Impediments
4. ITSM Value Streams
5. How to use ITSM Value Streams to address impediments
6. Q&A

IT Management objectives



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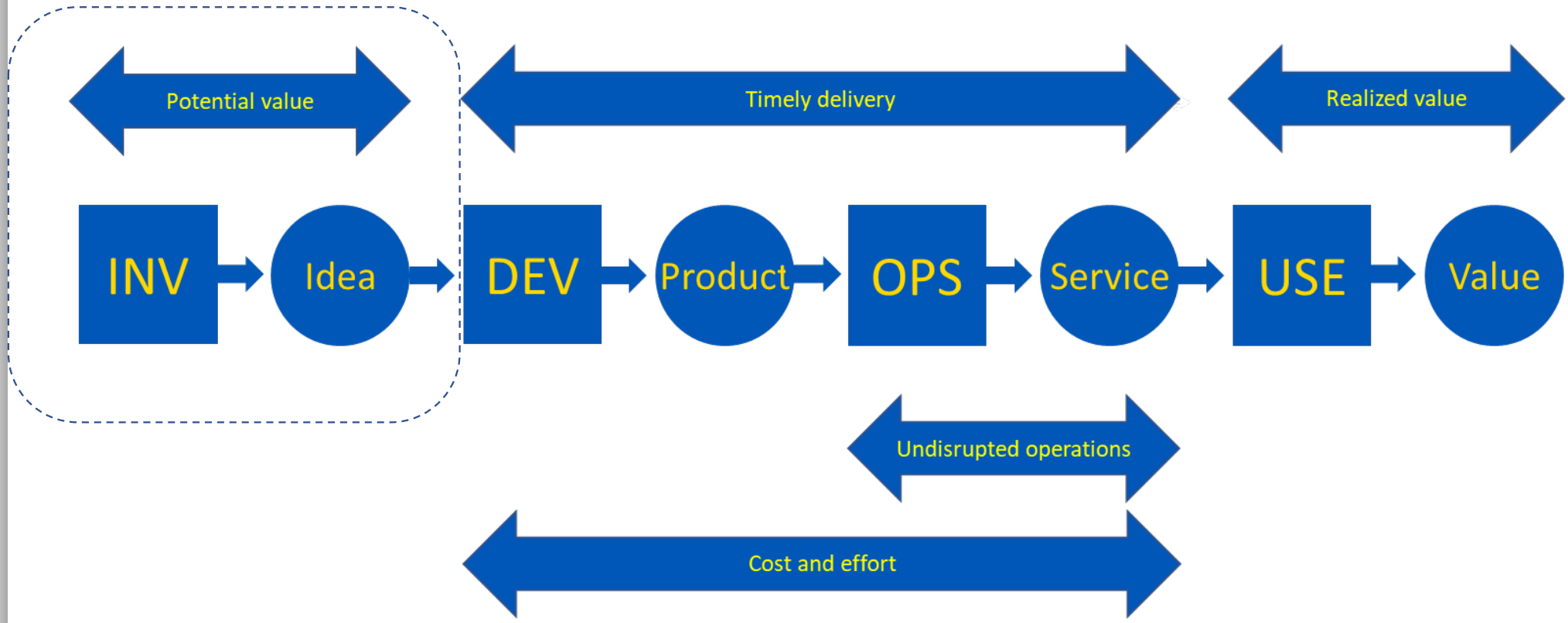
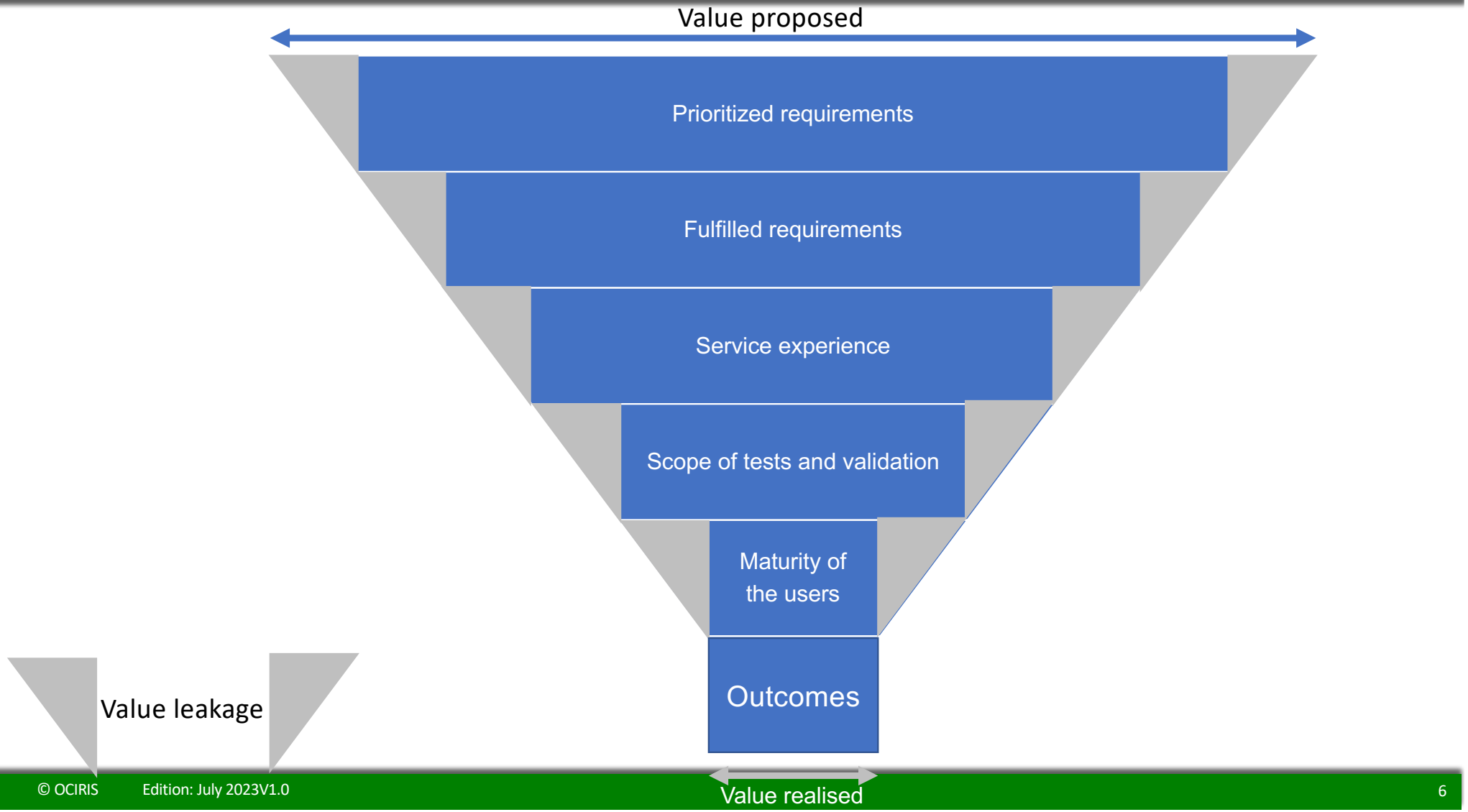
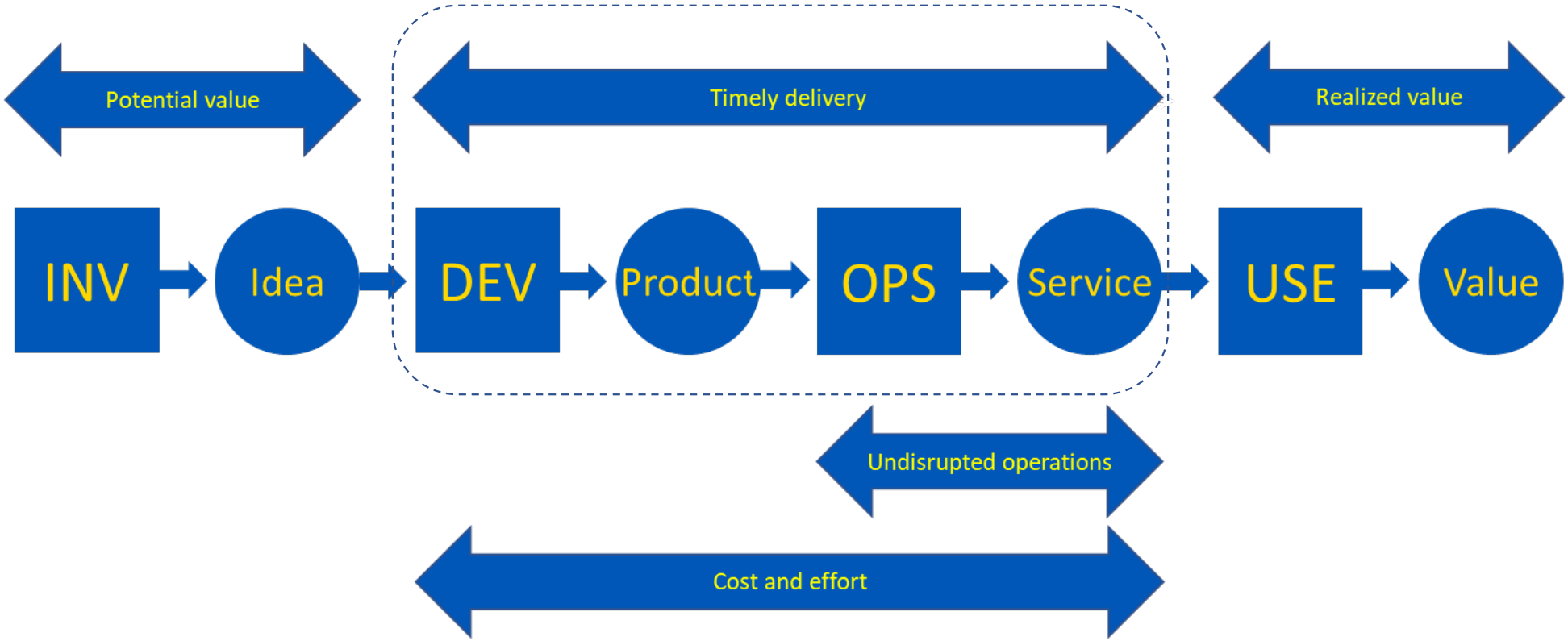
Impediments to potential value



Impediments to potential value: example of the value funnel



Impediments to timely delivery

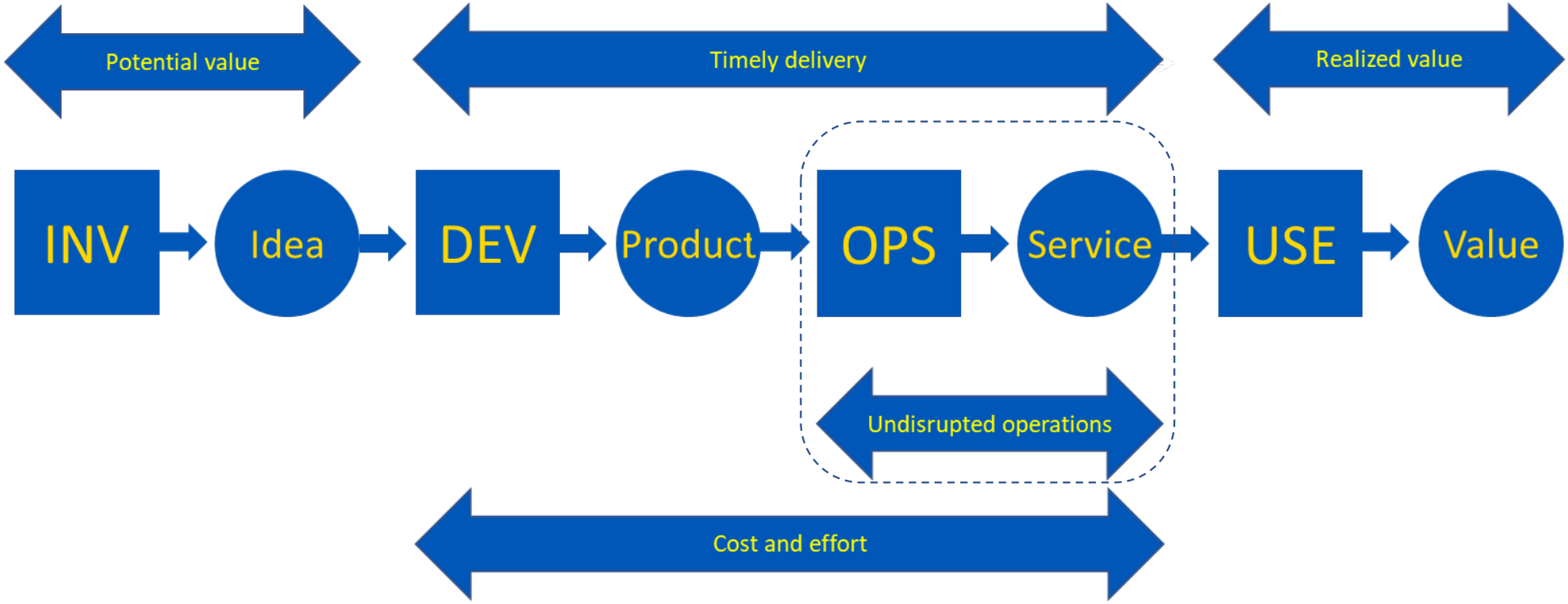


Impediments to timely delivery

The main impediments to delivering service components quickly are:

- Inadequate risk management.
- Inaccurate estimates.
- Unengaged stakeholders.
- Inadequate resources.
- Dependency delays.

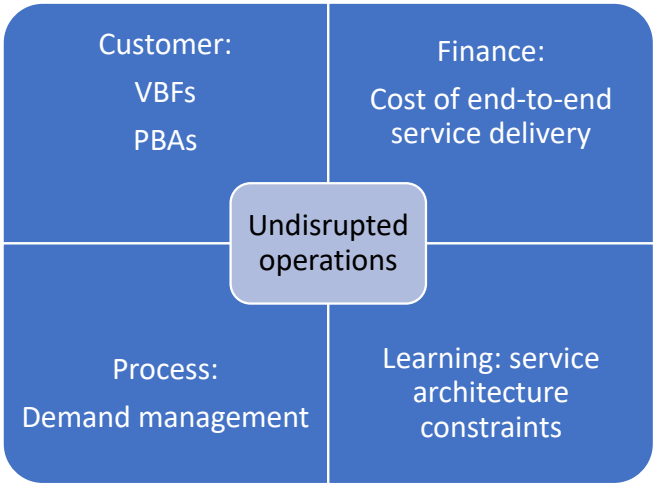
Impediments to undisrupted operations



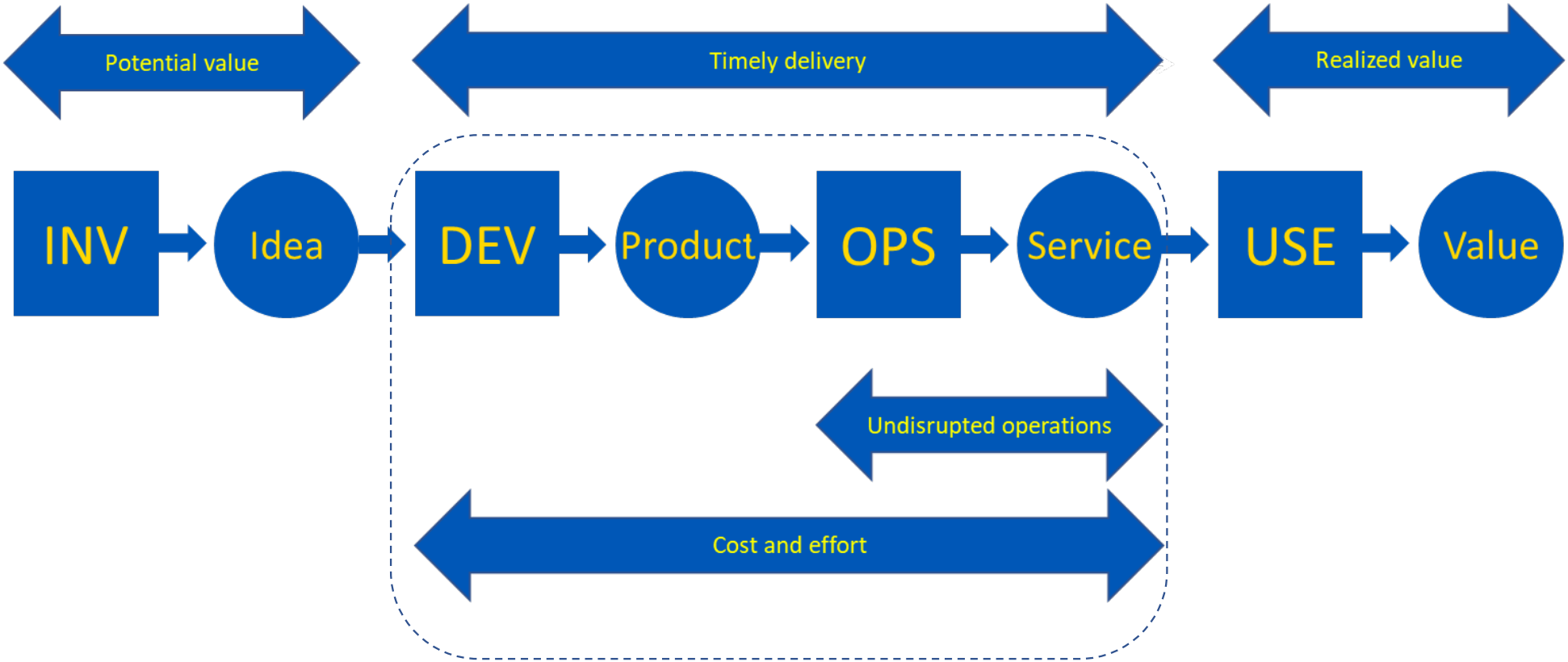
Impediments to undisrupted operations

The impediments to resilient operations can be analysed with a balanced scorecard:

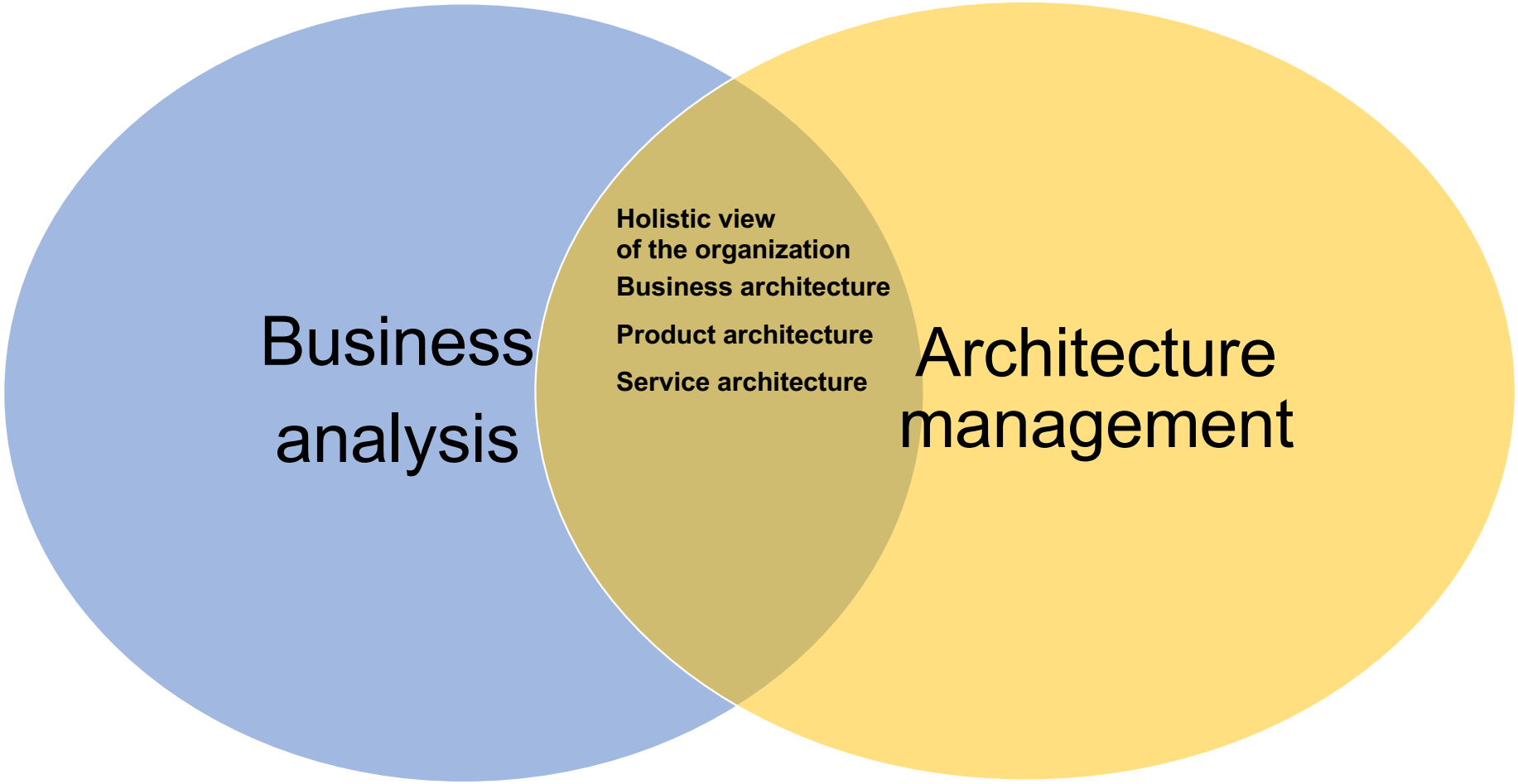
- From the customer perspective, a lack of knowledge by the service provider of the VBFs and/or PBAs leads to resilient solutions that are not aligned with business needs.
- From the financial perspective, the cost of end-to-end service delivery (including all the service components) can increase dramatically with resilient solutions. The customer may be not willing to pay for the service.
- From the process perspective, for many organisations the demand management process does not include requirements for resilient operations.
- From the learning perspective, the service architecture constraints are the limits to implement requirements for resilient operations. Therefore, the customers' expectation on undisrupted operations may not be fulfilled.



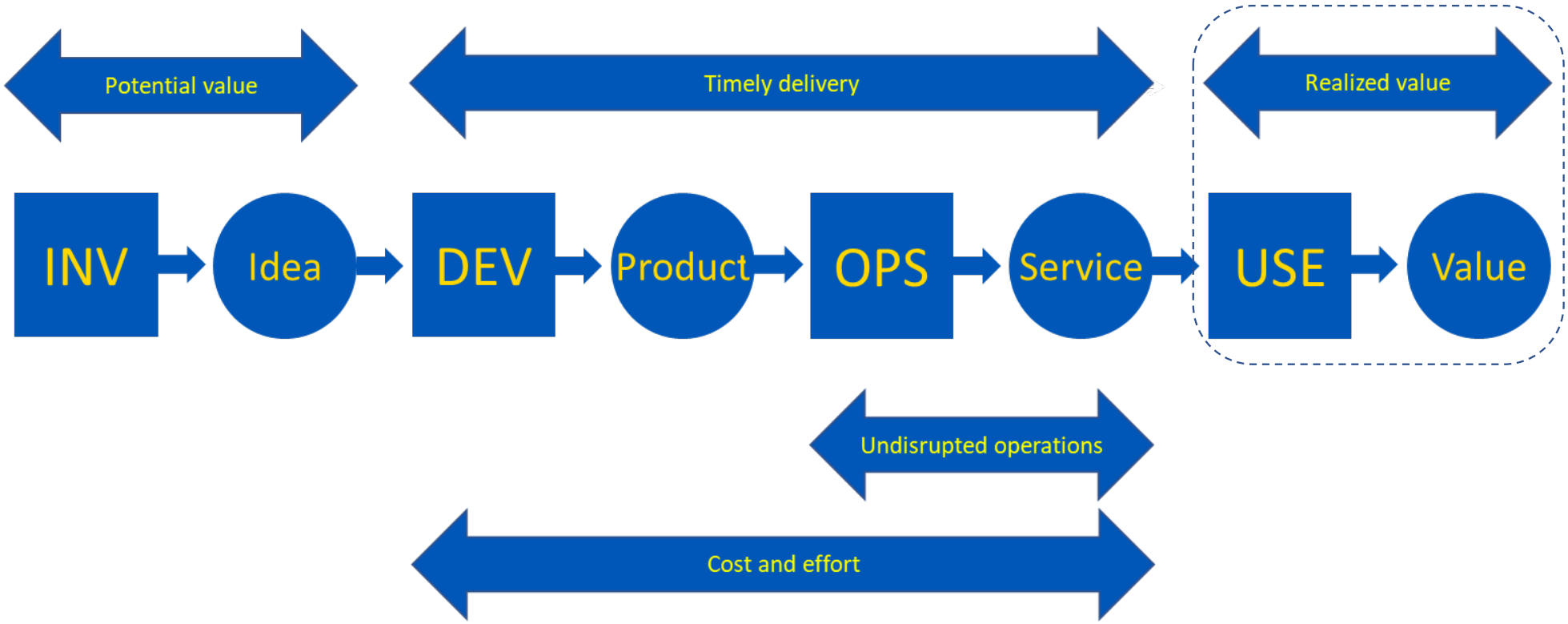
Impediments to cost and effort



Impediments to cost and effort: business analysis / architecture management



Impediments to realized value



Impediments to realized value

Service usage (including peaks of use, unused service components, business outcomes and other solutions)

Service experience (including UX and CX)

Service improvement (including requirements management, competitors service offerings and service pricing).

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ITSM Value Streams

Value Stream

The ISO 22468:2020 Value stream management standard (ISO, 2020) defines the value stream as 'all processes oriented at customer demand, that is in particular product and information flows'

Value Stream characteristics

The value stream's main attribute is transparency. This transparency leads to the following observable characteristics of a value stream:
Cross-functional teams: the value stream involves any parts of an organisation from the IT side as well as from the business side (for instance human resources (HR), finance and IT departments can conduct activities within a value stream to onboard new employees).
End-to-end processes: the value stream supports an end-to-end approach for improvement instead of local optimisation of processes in isolation.
Continuous improvement: there is a quick and continuous feedback between the teams involved to capture any improvement opportunity for the value stream.
Collaboration and communication: the ITSM value stream supports the sharing of a common goal through collaboration and effective communication between teams.

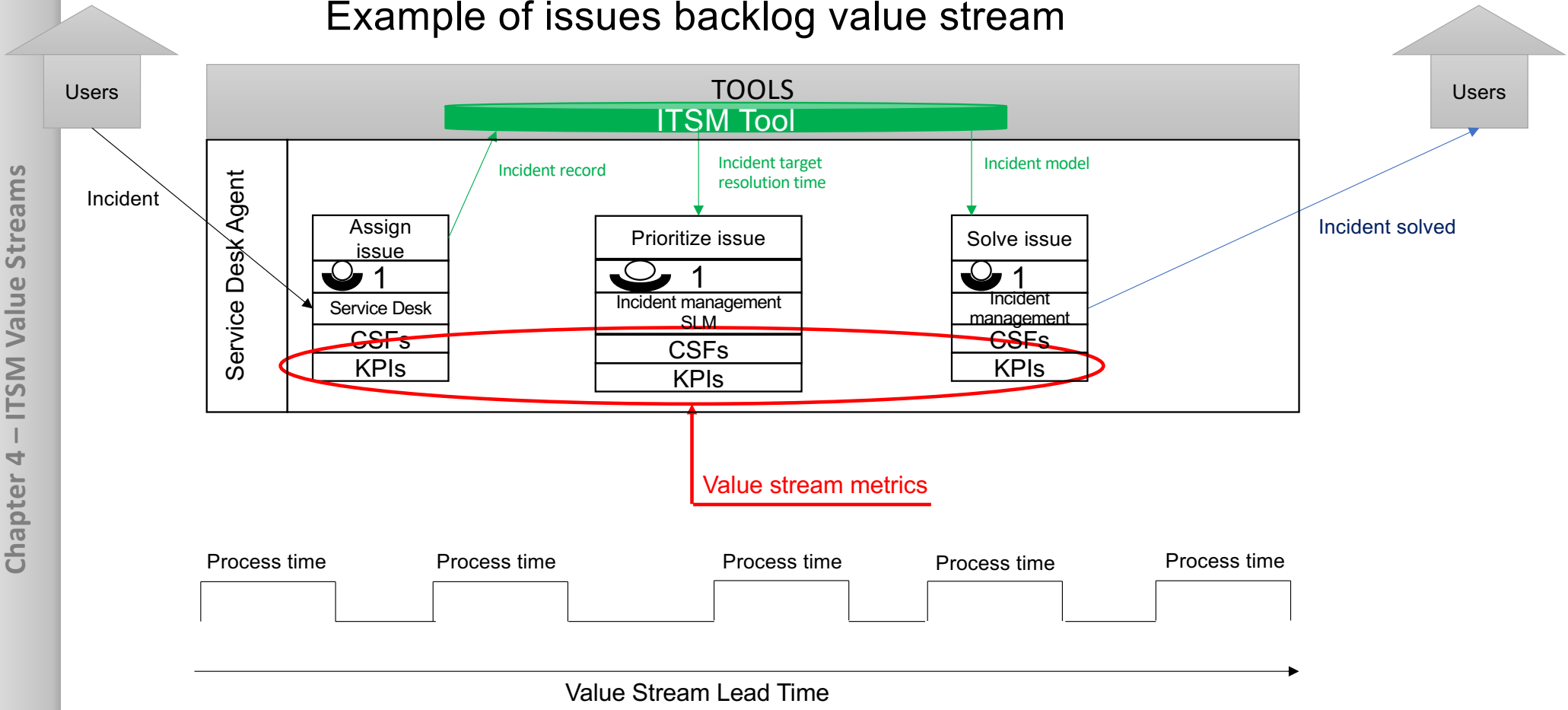
Value Stream Thinking

Value stream thinking is about techniques used to apply the characteristics of a value stream. These techniques are not all exclusive to value streams, but are very useful to support value stream thinking.

Value stream characteristic	Supporting technique
Cross-functional	• RACI matrix • Business alignment swarming
End-to-end processes to create value	• Goals cascading • Value stream mapping
Continuous improvement	• DOWNTIME sources of waste
Collaboration and communication	• Kanban • Vision sharing

ITSM Value Streams

Example of issues backlog value stream



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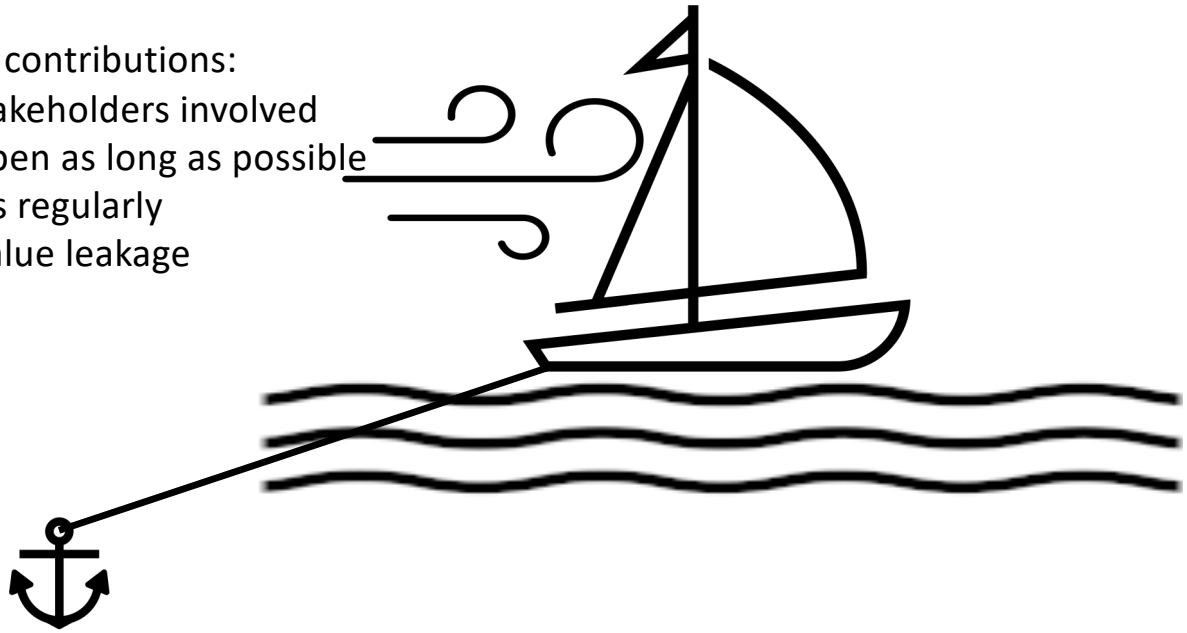
ITSM Value Streams to address valuable opportunities impediments

ITSM value stream contributions:

- Get the right stakeholders involved
- Keep options open as long as possible
- Revise decisions regularly
- Minimize the value leakage



Define valuable opportunities

Desired results:

- Business management informed about technologies enabling business opportunities
- Continually assessing the costs and risks related to IT products and services

Impediments:

- Lack of stakeholders' involvement to identify the potential value
- No or little review of decisions taken during service development

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ITSM Value Streams: Agenda

BACKUP SLIDES

IT Management objectives

IT management is often tasked with achieving the following objectives

- Potential value **(define valuable opportunities):** applying IT most effectively, for example, automating the right business processes and developing the right digital products and services.
- Timely delivery **(deliver service components quickly):** ensuring that the IT services are available at the right time, considering the cost of delay.
- Undisrupted operations **(minimise technical disruption)**: ensuring that disruptions to IT services and the effects of these disruptions are kept to a minimum.
- Cost and effort **(optimise Total Cost of Ownerhip and Consumption)**: minimising the financial cost and human effort associated with the IT systems and services.
- Realized value **(facilitate service delivery and consumption):** co-creation of value together with business operations, where IT operations provide digitalised data and business operations apply it effectively

Impediments to potential value

The main impediments to defining valuable opportunities come from the quality and predictability of the assumptions on the potential value expected from the services. These impediments are:

- Value leakage from business case to service consumption.
- Wrong stakeholders involved.
- Keeping to the plan.
- No decisions reviewing process.

Impediments to cost and effort

The main impediments to cost and effort prevent the following good practices:

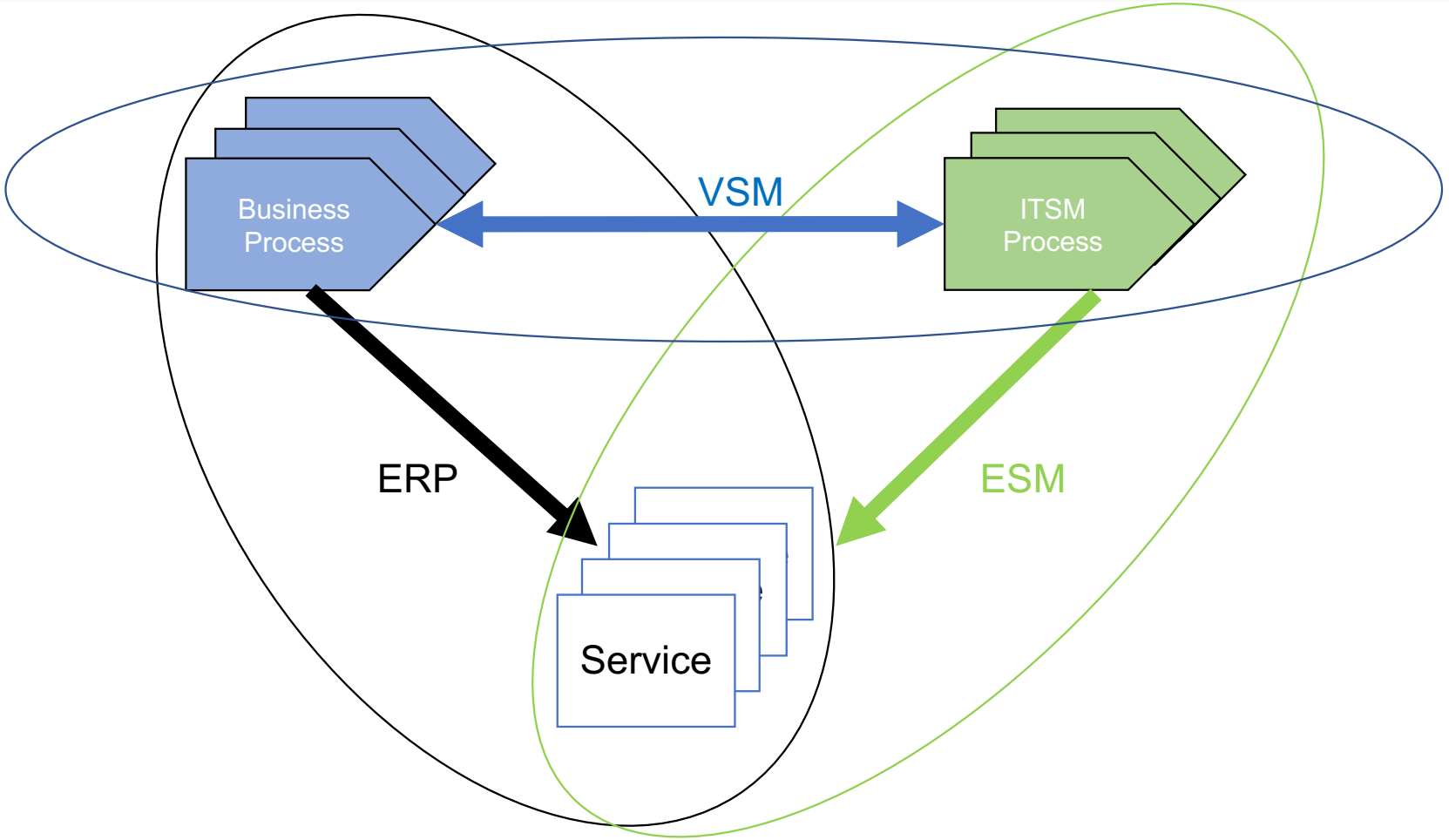
- Stakeholders‘ feedback loops.
- Inaccurate estimates.
- Proactive approach to increase efficiency of IT solutions.
- Business analysis and architecture management in tandem.

The SCALED approach to categorize impediments

The main impediments to IT management objectives can be categorized using the SCALED approach:

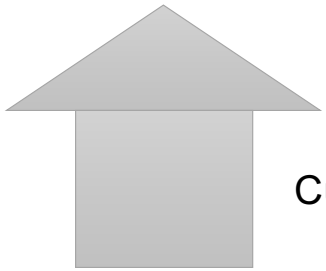
- **S**ystem: used to develop the product but also the service science
- **C**ulture: ability to define valuable oppoprtunities leading to change the initial plans
- **A**ssumption: value leakage, decisions reviews
- **L**ifecycle: value proposition, TCO- TCC, Lean thinking, value measurements
- **E**xpectation: stakeholders invoved, TTT, expectations coverage (level of technical debt)
- **D**esign: products Teams, sizes of works, resilient operations criteria, BA/Architecture as a tandem

ITSM Value Streams

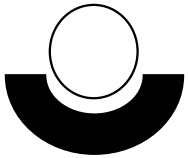


ITSM Value Streams

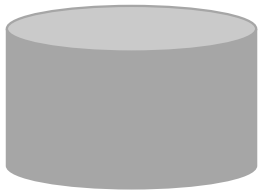
Value Stream Mapping symbols used



Customer

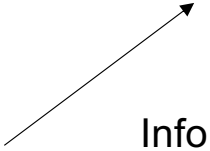


Number of activity operators



Software

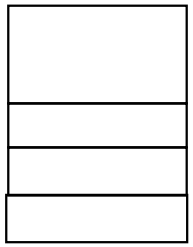
Digital information flow



Information upload

Information download

Process time



Data box: set of process parameters

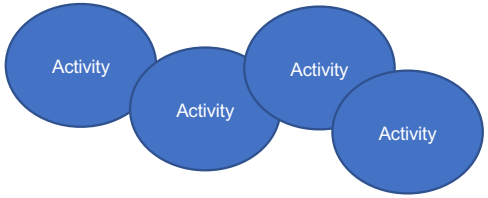
ITSM Value Streams

ITSM value streams are about combining ITSM processes within value streams using the following steps:

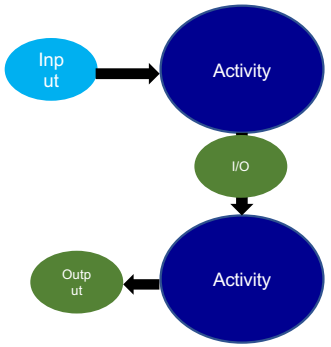
1. Identify the demand and define the outcome

2. Define the CSFs and KPIs applicable to the value streams

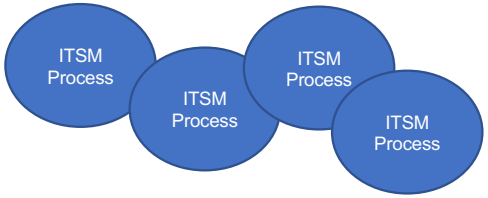
3. Define the activities



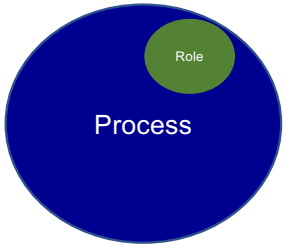
4. Define I/O for each activity



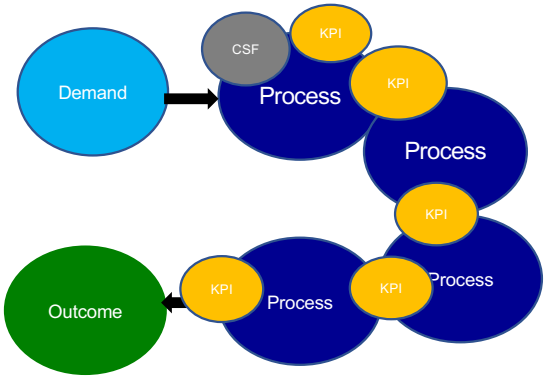
5. Select the applicable ITSM processes (based on I/O and activities)



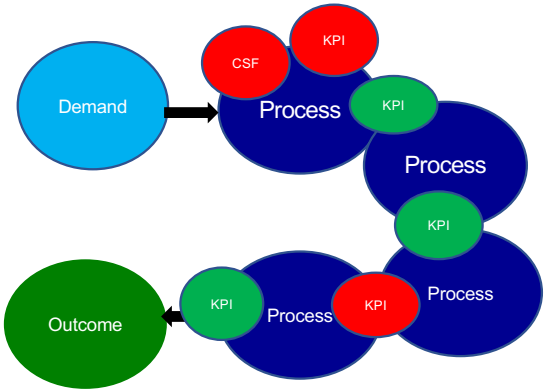
6. Assign roles to processes



7. Document high-level value stream



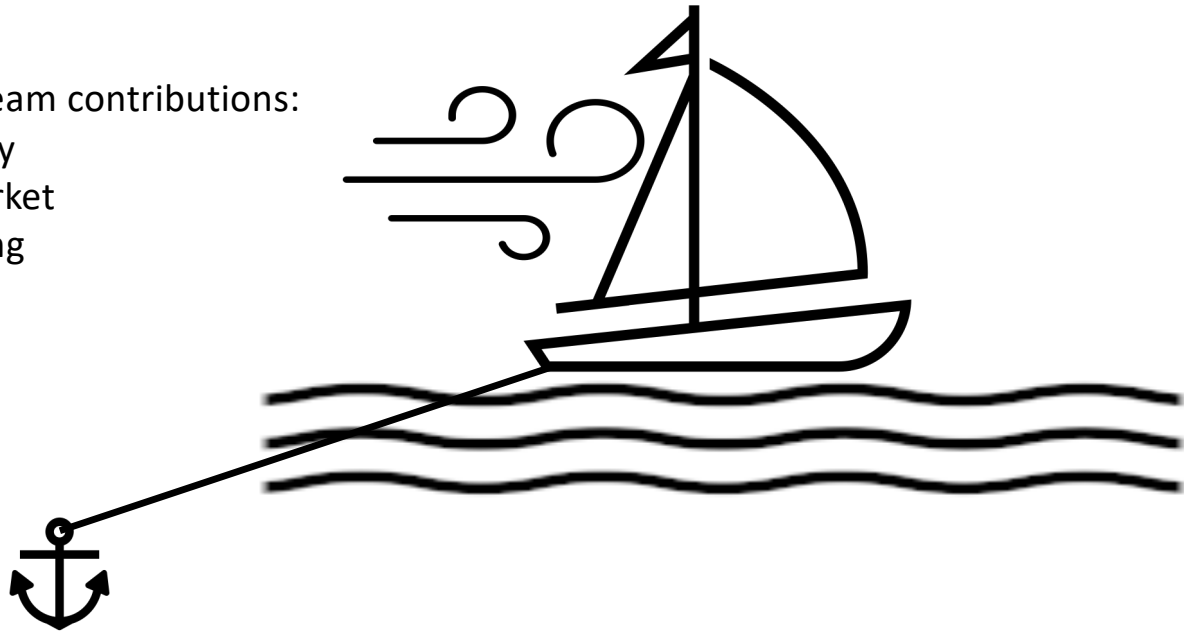
8. Maintain continous improvement of the value stream



ITSM Value Streams to address timely delivery impediments

ITSM value stream contributions:

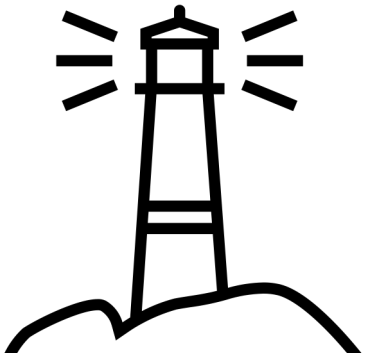
- High velocity
- Time to market
- Lean thinking



Impediments:

- Unengaged stakeholders
- Inaccurate risk management
- Inaccurate estimates

Deliver service components quickly



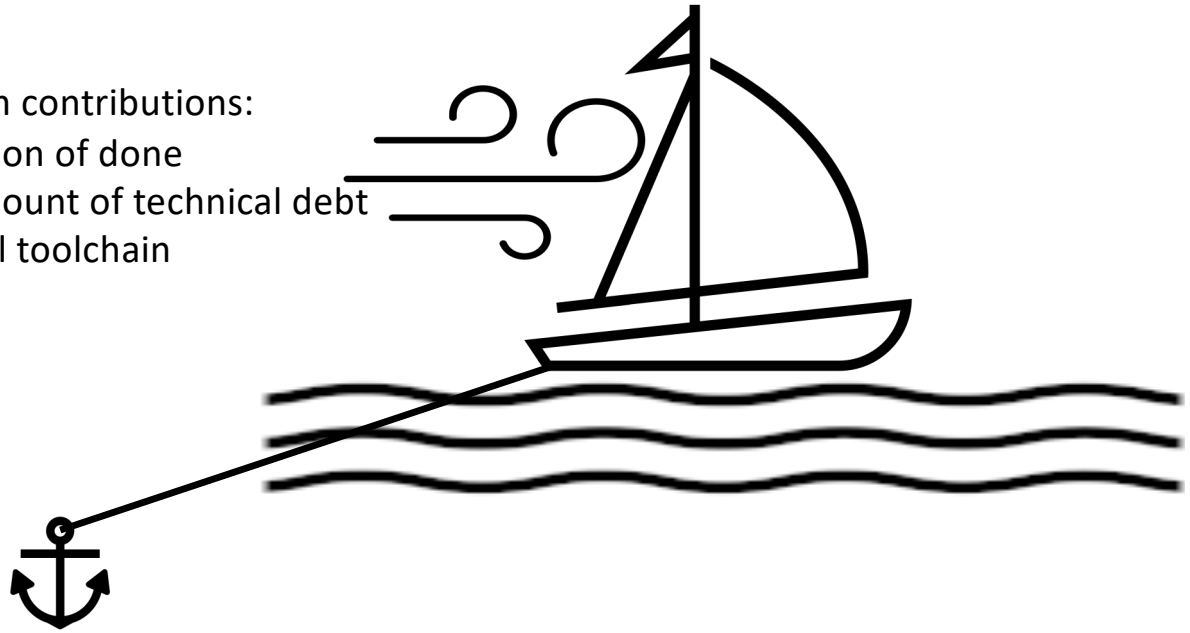
Desired results:

- Getting on time information about stakeholders requirements on services
- Defining accurate assumptions on services to deliver to address these requirements
- Allocating the resources to deliver service components On Time In Full On Budget

ITSM Value Streams to address undisrupted operations impediments

ITSM value stream contributions:

- Agreed definition of done
- Acceptable amount of technical debt
- Version control toolchain



Minimise technical disruptions

Desired results:

•Ensuring an acceptable level of disruptions for the customer

•Enhancing capabilities of the service provider to minimise technical disruptions of its operations

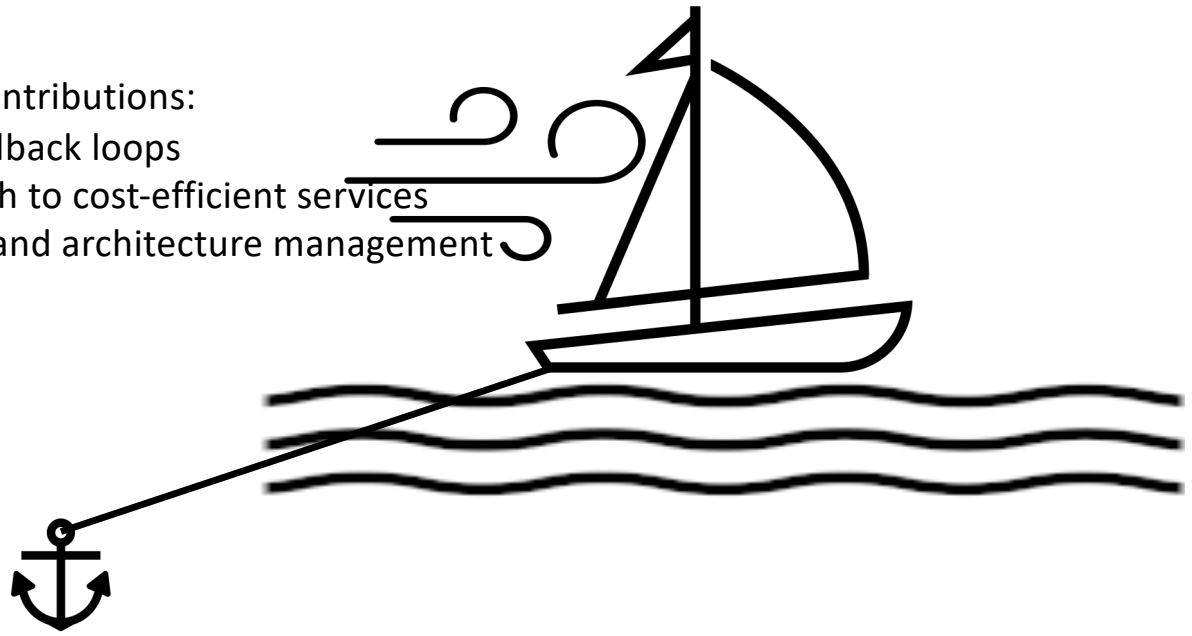
Impediments:

- Inaccurate identification of VBFs/PBAs
- Inaccurate end-to-end service cost
- Unacceptable amount of technical debt
- Inaccurate version control

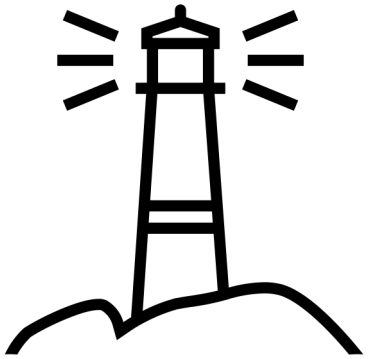
ITSM Value Streams to address cost and effort impediments

ITSM value stream contributions:

- Stakeholders' feedback loops
- Proactive approach to cost-efficient services
- Business analysis and architecture management as a tandem



Optimise TCO & TCC



Impediments:

- Lack of stakeholders'feedbacks on services
- Inaccurate measurement of cost-efficiency of the services
- No combined approach to business analysis and architecture management

Desired results:

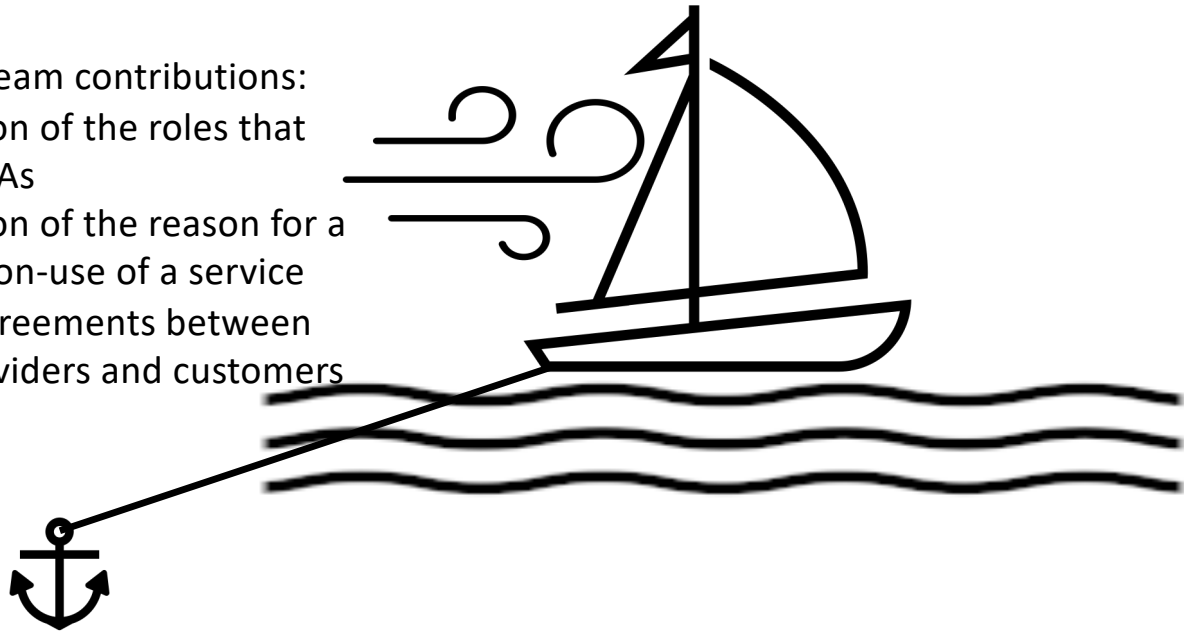
- Measuring a Return On Investment (ROI) or Return On Value (ROV) for the IT solution
- Getting regular feedback from the stakeholders on IT solution vs their requirements
- Adapting the architecture of the IT solution to reuse as many components as possible

ITSM Value Streams to address realized value impediments

Facilitate service delivery & consumption

ITSM value stream contributions:

- Identification of the roles that monitor PBAs
- Identification of the reason for a partial or non-use of a service
- Win-win agreements between service providers and customers



Desired results:

- Defining and assessing baselines for value realisation
- Aligning value realised with value proposed

Impediments:

- Lack of baseline to measure the value realisation
- Wrong assumptions in the value proposition
- No continual improvement applied to value realisation