IT Value Maximisation for Business Analysts

The Journey and The Elephant

for IIBA UK North & Scotland

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BVMF®
BUSINESS VALUE MAXIMISATION FRAMEWORK

MAX VAL CONSULTANCY LIMITED

What is your top challenge in respect of maximising business value from IT?

Who is responsible for maximising value?

How much do the methods, approaches and practices help to maximise value?

The Journey

Year	Industry	Me	BVMF®
1981	Early desktop computers arrive	As a marketing information analyst I write my first software and get a very good result for the business	The conception starts for better business-IT work practices
1993	Internet/web now going…	I start documenting my models and techniques	The birth starts for better business-IT work practices
1995	Business process reengineering (BPR) starts to appear	My first article published in Corporate IT Strategy	Better business-IT working morphs to value maximisation
1996	IT industry still finding it difficult to admit there's a problem…	I draft 'A New Breed of Friendship' for the FT IT Review	Role of Business Value Maximisation Specialist (BVMS) initiated

Year	Industry	Me	BVMF®
1999	BCS Business-IT (BIT) Bridging group starts	I attend the founding of the BCS BIT group	70% of BVMF® has now been written
2000	Agile starts. David Taylor laments poor project success rates	I make my first presentation on BVMF®	Presentation at Business-IT Bridging conference
2001		I present BVMF® at BCS PROMS-G	Presented to BCS PROMS-G
2003	The BCS finally admits there is a problem with IT projects!		BVMF® is now 10 years in the making
2009		I present BVMF® to NCC	
2011		I present BVMF® to APM	

Year	Industry	Me	BVMF®
2012		I present BVMF® to Post Office BA team	THE PO BAs like BVMF!
2020	Agile starts its 20th year. Value Era #3 starts	I present a brief introduction to BVMF® for IIBA UK North	Brief introduction presented for IIBA UK North
2021	The market starts engaging with BVMF® more actively	I start training IT professionals in BVMF®	Experiences significant upswing in market interest
2022		I start certifying at Foundation level and licensing BVMF®	The upswing in market interest continues…
2023	Value Era #3 is now well underway…	I aim to roll out Intermediate level BVMF® certification	Intermediate certification to start

Three Eras of IT Business Value

Era 1: 1980 to 1999

Waterfall, luke warm results

IT introverted, not customer (business) focused, too techie, unrealistic, inflexible, waterfall, too long winded

Era 2: 2000 to 2019

Agile, slightly better results but barely half the story, leaves many questions unanswered

IT better at customer focus, starts using agile, realises bus requirements change and the need to work more granularly, continuous focus on bus value; good progress but **not the whole story** by any means – **too much focus on rolling out IT without sufficient recognition that it's the business process that delivers the value**…

Era 3: 2020 to 2039

Agile/Wagile/Prince2/etc underpinned by BVMF® gives *much* better results, significant even dramatic increase in business value…

Where I want to be and BVMF® has been aiming since the 1990s. We all work together, led by Business Value Maximisation Specialists (BVMSs). IT is more than a supplier and the business more than a customer. IT and the business are partners, co-producers, collaborators. Business objectives and process led. Business value led – to the max!

It's all very well to talk about 'bridging the gap' between business and IT which has been a conversation point for 35+ years but you can't do the bridging without a value based, suitably layered set of structures! The structures *are* getting a bit better but so very slowly and are still a pale shadow of what's required. BVMF® hit into this big time in the 1990s and has progressed forcefully ever since. I hope you will see this for yourself.

Pros and Cons of Methods

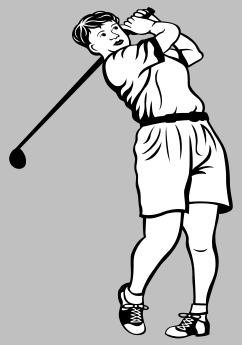
Method	Pros	Cons	Notes
Waterfall	Predetermination is good. Leaf level process model plus data model plus glossary provide value	Slow to deploy value. Not the whole story	* Elephant missing BPR implicit
Agile	More business focused	** Promotes that working software is the objective veering away from real bv	It's not the software that produces the value! Golf clubs don't play themselves
	More collaborative	Knee jerk reaction to waterfall. Confusing terms: product, 'requirement', feature… user stories not clear on the ingredients of value	Confused team structure and roles: PO (no BA!), Prod Mgr, etc. Hypocritical on outcome vs output; 15k to 136k deployments at Amazon
	More granular	Not the whole story	* Elephant missing
	More responsive to changing requirements	Lost some of the con/sequential logic of waterfall	Threw the baby out with the bath water
	Handles emergence 'better'	Emergence is only valid in certain situations	BVMF's Value Landscapes help evaluate best methods
Wagile/hybrid	Good compromise, more realistic	Not the whole story	* Elephant missing
Prince2, BRM, MSP, MoV, BABOK, etc…	They are trying to bring a logical approach	Not the whole story	* Elephant missing
UML/Use Cases	Better on interplay between human beings and IT func	Not the whole story	* Elephant missing Human/system interplay ok

* Elephant = the fundamental, underlying principles by which IT leads to business value

Explicit/deliberate/active obfuscation vs ** Implicit/incidental/passive inference/implication/effect

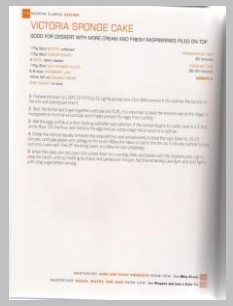
The Elephant in the Room

The IT value jig-saw has pieces missing or not fitting properly



A set of golf clubs is not the primary determinant for the golfer winning or losing the match

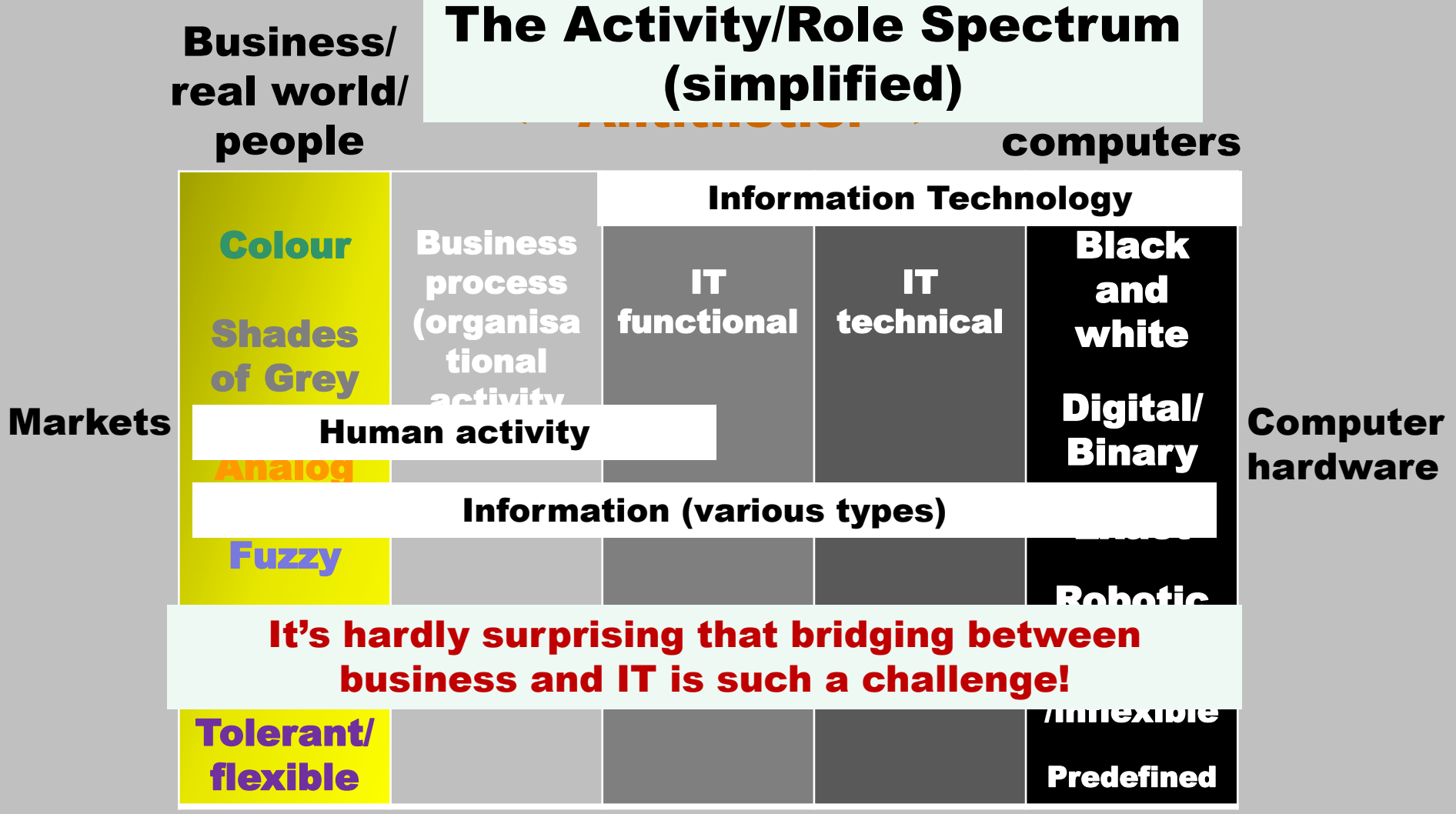
You would not drive your car all the way to work in reverse (although occasionally reverse gear is valid)



You can't bake a great cake without knowing what the ingredients are or how to mix and cook them properly

Bridging the Gap

The Activity/Role Spectrum (simplified)



The First Question

If I want maximum business value (MBV) from IT enabled process / 'digital' transformation for my stakeholders/value interested parties (VIPs)...

... what do I need to focus on, think about and, most importantly, do ...

...practically and pragmatically?!

Specifically…

- **What *is* value?**
- **How does value arise?**
- **Where will the value come from (how much value is there to be had?)**
- **What are the elements that need to be combined? (the value cake's ingredients)**
- **How best/optimally to combine the elements?**
- **How do you get more value?**
- **How do you avoid getting less value?**
- **How do you measure/quantify value?**

Furthermore…

When moving from a current manual or IT/'digitally' supported situation to a future one:

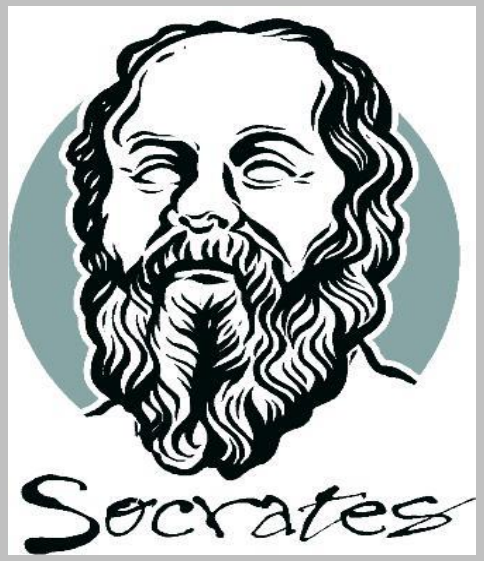
Will we be better off?

By how much will we be better off?
What's the likely net gain – and did we get it?

How do we make sure we'll be the best off possible?

How will we stay the best off possible?

Right, let's put our thinking caps on...



... factoring in Aristotle's syllogism/s, Plato's writings on Socratic Questioning and using a bit of basic philosophical logic... here we go...

What is Value?

The achievement/meeting of business/organisational goals, objectives and expectations of stakeholders/value interested parties (*VIPs)

PLUS

The exceedance of business/organisational goals, objectives and expectations of stakeholders/value interested parties (VIPs)**

Value is achievement against objectives

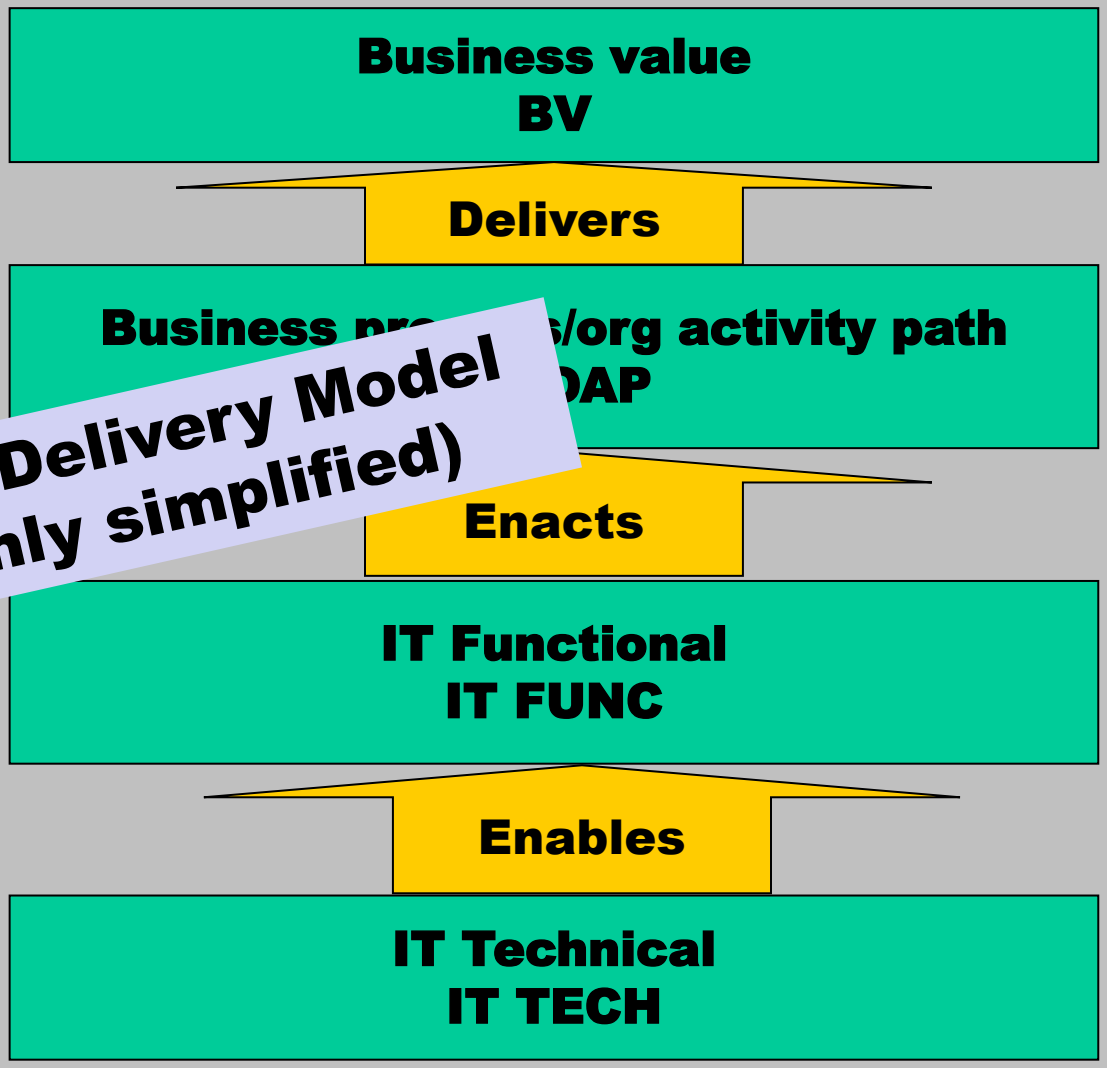
*** VIPs include all parties affected, involved in any way**

**** I want to maximise the harder to predict value as well as the easier to predict value**

It's not easy to predict all value and it accrues (or gets wasted) at micro level - business cases have tended to be "macro-assumptive"

Value is net benefit - all tangible and less tangible costs and benefits must be factored in/weighed up

How value arises at run-time, fully 'automated'



Value Delivery Model (highly simplified)

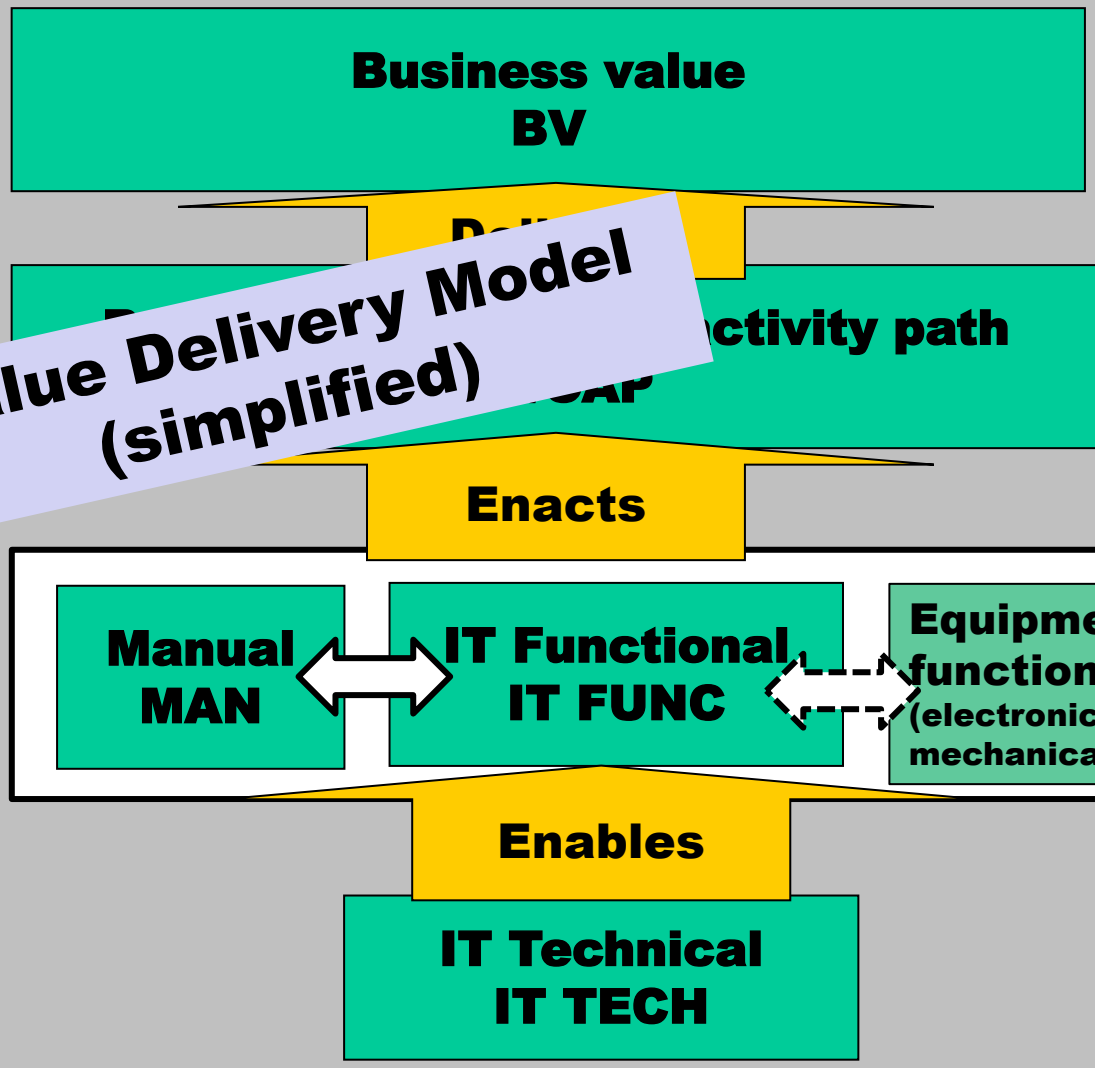
Improved revenue, cost reduction, profit, information, etc...

Produces the value

What IT does

What IT is/how IT works

How value arises at run-time, auto-assisted



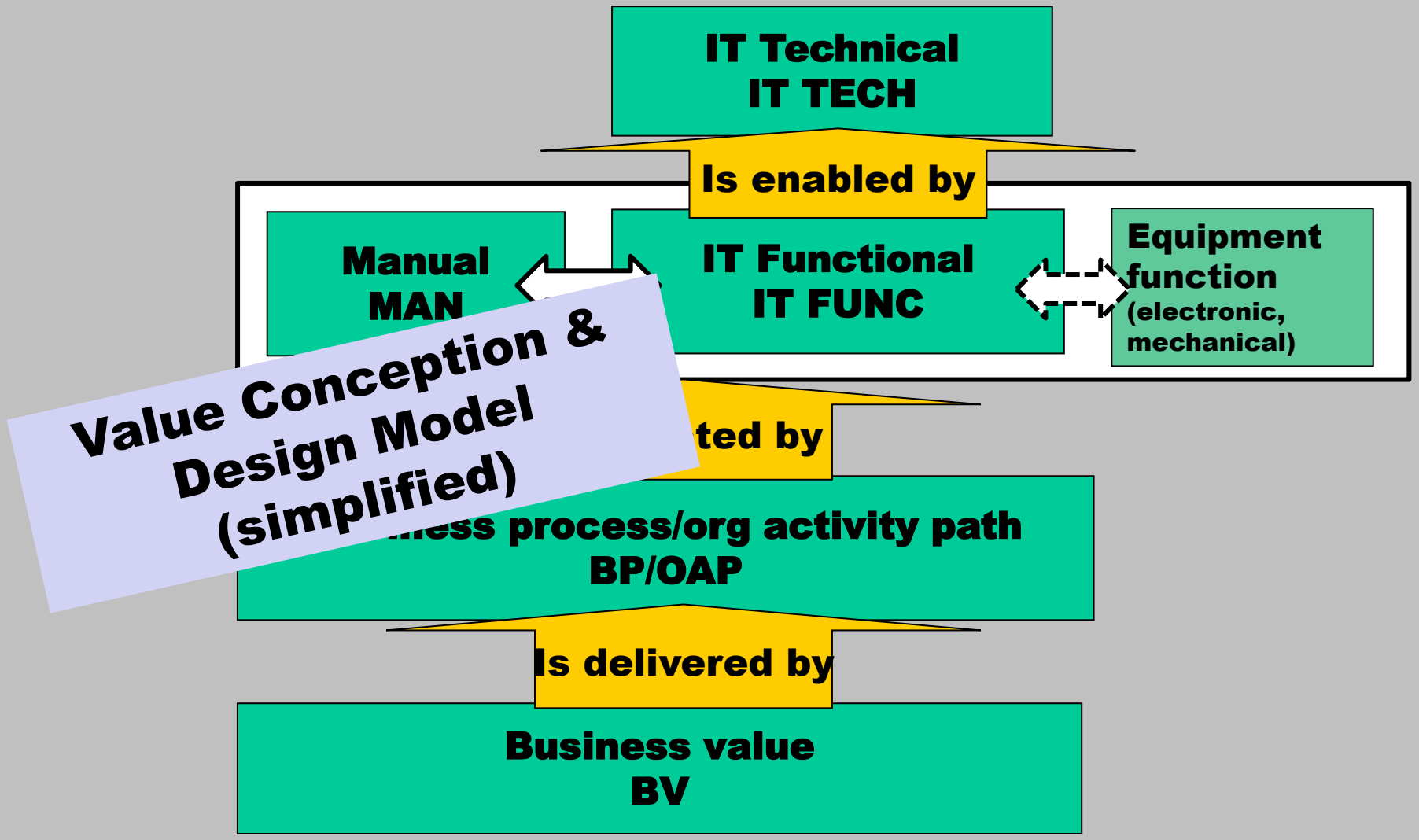
This includes 'pure' BP/OAP which is not auto-assis and BP/OA which *is*

The BP/OAP-IT part of this process can only be what it is because of the IT enablement

This includes 'pure' human activity not associated with the IT system but may be auto-simulated ... MAN Pure MAN/IT, and (mechanical) equipment function

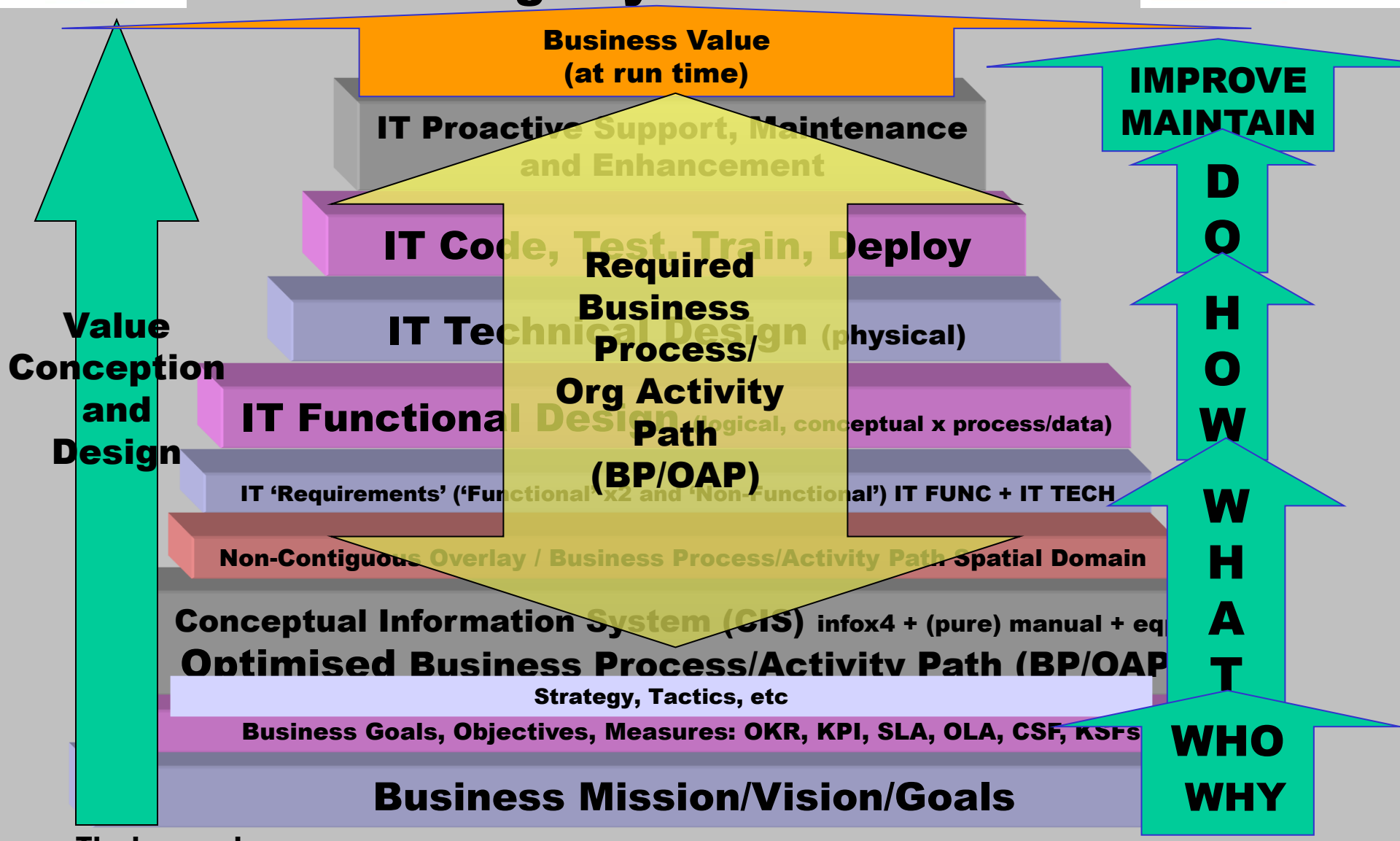
This includes auto-assistance at various levels by software and fully 'automated' processes

How value is conceived and designed at design time, auto-assisted



Value Conception & Design Model (simplified)

Value Conception and Design using Layers of Focus



The layer cake, chain, jig-saw were lacking...

Where will our value come from? What are value's ingredients? How much value can we get from each ingredient, i.e. what's the Propensity?*

Ingredient description	Ingredient name	% of total value to be realised*
Business process/org activity path (incl. creation and use of information INFO)	BP/OAP	25?
Human [illegible] and		10?
		10?
I[illegible]ality	IT FUNC	25?
IT technicality/technology	IT TECH	10?
Morale, PR, image, reputation, goodwill, perception, kudos, prestige, motivation (less tangible)	MISC	5?
Cost (£s absolute/reduction delta)	COST	15?

Origins of Value, Ingredients and Propensity

* The value ingredients are not always mutually excusive; it depends how you look at them… also we must factor in mechanical equipment's functionality …

What do we expect the value of IT FUNC-N to be?

How much value (uplift in process performance) do we expect?

In an averagely worthwhile, acceptable, successful project, to what extent do we (expect to) boost the reengineered business process's ability to do its job by using (improved) 'automation'... as a starting point/general guideline?

What is the general number? What do we want *our* number to be – on our specific project/s? How will we get there?

10% (1.1)?
25% (1.25)?
50% (1.5)?
75% (1.75)?
100% (2.0)?

Will we be faster, more accurate, better quality, more available/accessible/ centralised? And are we prepared for the negatives as one tiny fault can cause huge damage? And wrt visibility, computerised functionality (and errors) can be harder to see for the humans involved...

... the answer will be revealed in a future presentation...

How much better off do we expect to be?
The Business Value Equation

Net Business Gain (or Loss)
is proportional to
the Performance of the Reengineered/Reviewed Business Process/Org Activity Path
as helped (or hindered) by the IT Functionality
as supported (or degraded) by the IT Technicality/technology
plus (or minus) an element of Image, Morale, Reputation, etc...
...all subject to Cost

The Business Value Equation

This combines the value factors (ingredients) together *numerically* to show how much value we expect to achieve (at design time) and do achieve (at run time) and … how very easy it is to do more harm than good!

We have:
Net Business Gain/Loss (NBG/L) is proportional to the power of the reengineered business process/org activity path (BP/OAP-R)
as boosted (or hindered) by IT functionality (IT FUNC)
as enabled (or degraded) by IT technicality (IT TECH)
plus or minus less tangible factors (MISC)
all minus cost (COST)

Prediction and verification of value by process and sub-process

Symbolically, this is:

$$NBG/L \propto BP/OAP\text{-}R * (IT\ FUNC * IT\ TECH) +- MISC - COST$$

Some key terms:
Value = *net* benefit, BPR = business process reengineering/redesign/review
Information Systems Business Value = ISBV
Gross ISBV = IT FUNC, Net ISBV = IT FUNC * IT TECH
IT Effectiveness = IT TECH, IT TECH = Uptime * Efficiency/Effectiveness
E.g. 90% * 90% = 81%

The Business Value Equation

Example Based on Predicted and Actual Output, at Design and Run time

The existing business process (BP/OAP-0) is outputting 25 widgets a day; when reengineered (BP/OAP-R), it outputs 30 widgets a day

Now, when 're/automated' (to BP/OAP-RA), the business process's output will be equal to:

The output of the existing reengineered business process BP/OAP-R at 30 widgets

As boosted (or hindered) by the new IT functionality IT FUNC-N i.e. 30 * the IT functional boost factor (expressed as n.nnn), e.g. 30 * 1.333 = 40

As supported/enabled (or degraded) by the new IT technicality IT TECH-N i.e. * 100% at full tilt (more likely to be 90% efficiency for 90% of the time i.e. 81%)

So, the equation we are looking at is: 30 * 1.333 = 40 * 81% = 32 …

The new level of 're/automated' output (BP/OAP-RA) = BP/OAP-R * (IT FUNC-N * IT TECH-N)

…we will ignore the other ingredients (MAN), MISC and COST for the time being…

Given that we are now outputting 30 widgets a week in our newly reengineered process and we assume that IT-TECH-N will be 100% (is that realistic?) … how much good will we do by introducing or upgrading the 'automation' of this process?

Upper and lower limits of the variables are important…

Transforming Output into Net Business Gain/Loss

Process	Initial widgets output/ volume	IT FUNC-N * n.nnn	IT TECH-N * nnn%	Resultant output	Net Business Gain/Loss over BP/OAP-R	% Gain/ Loss over BP/OAP-R
BP/OAP-0 un-reengineered process	25			25		N/a
BP/OAP-R reengineered process (baseline)	30					
						-33.3 (worse than ever was!)
			81	36.5	6.5	+21.7%
predictable/exceed expectations output						

NB these numbers do not take (MAN,) MISC and COST into account… you can add MISC, turn it into money, take away COST, get to profit…

The transmission effect of (IT FUNC * IT TECH) on the BP/OAP will much depend on the degree and nature of the existing and incoming 'automation'…

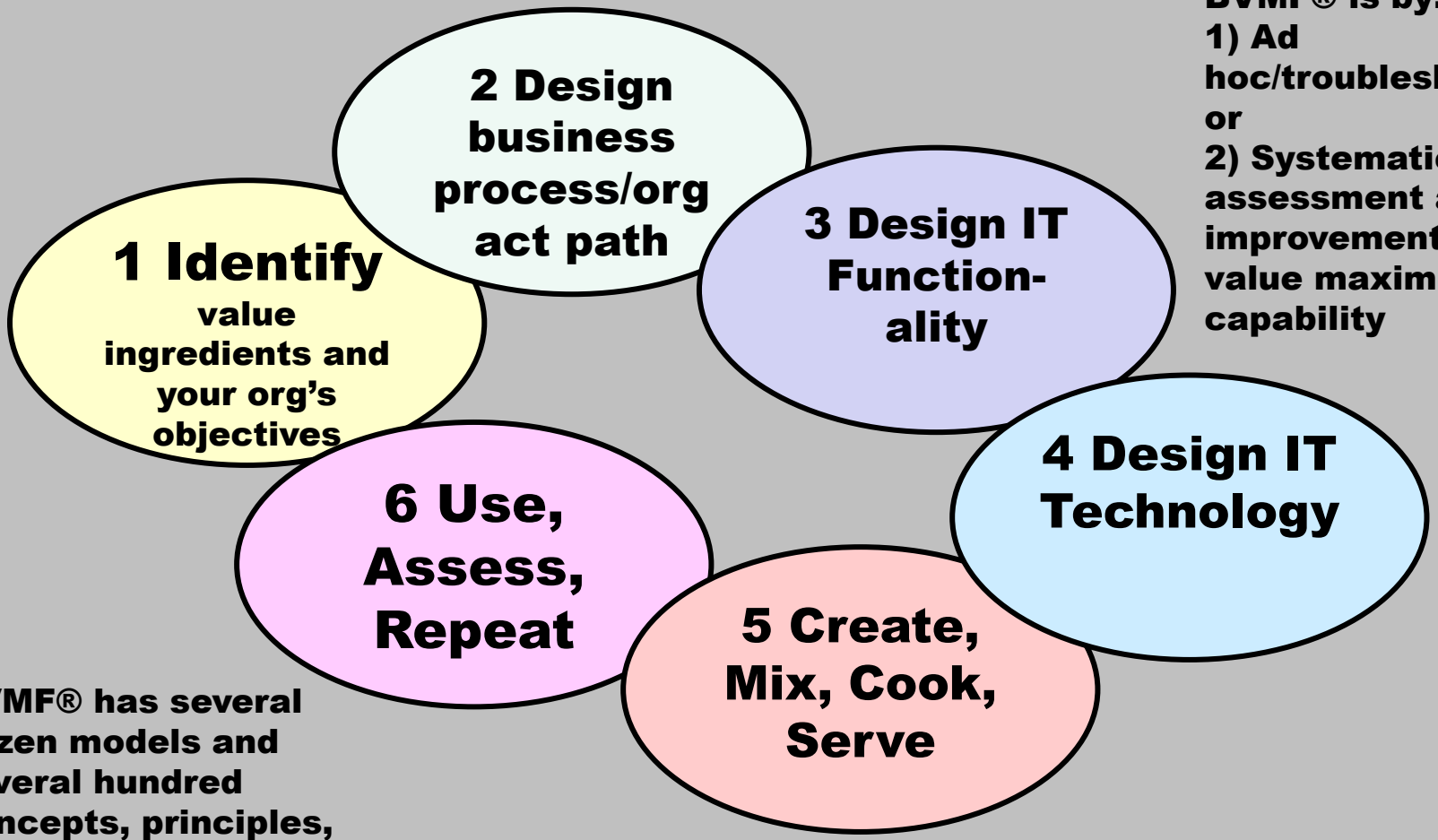
Output can be calculated into revenue or profit so ROI can be calculated, i.e. net business gain in monetary terms…

Make these calculations at Design time, Test time, Run time, etc.

IT FUNC should not be just another line on the 'project' plan… it's the project or sprint's major opportunity to create value by boosting the BP/OAP

Use the Archimedes principle against the ingredients' Propensities to measure your finally manifested result to assess how your IT Functional boost turned out … or was it your improved BP/OAP that did it, or even an improvement in IT TECH?!

Application of BVMF®

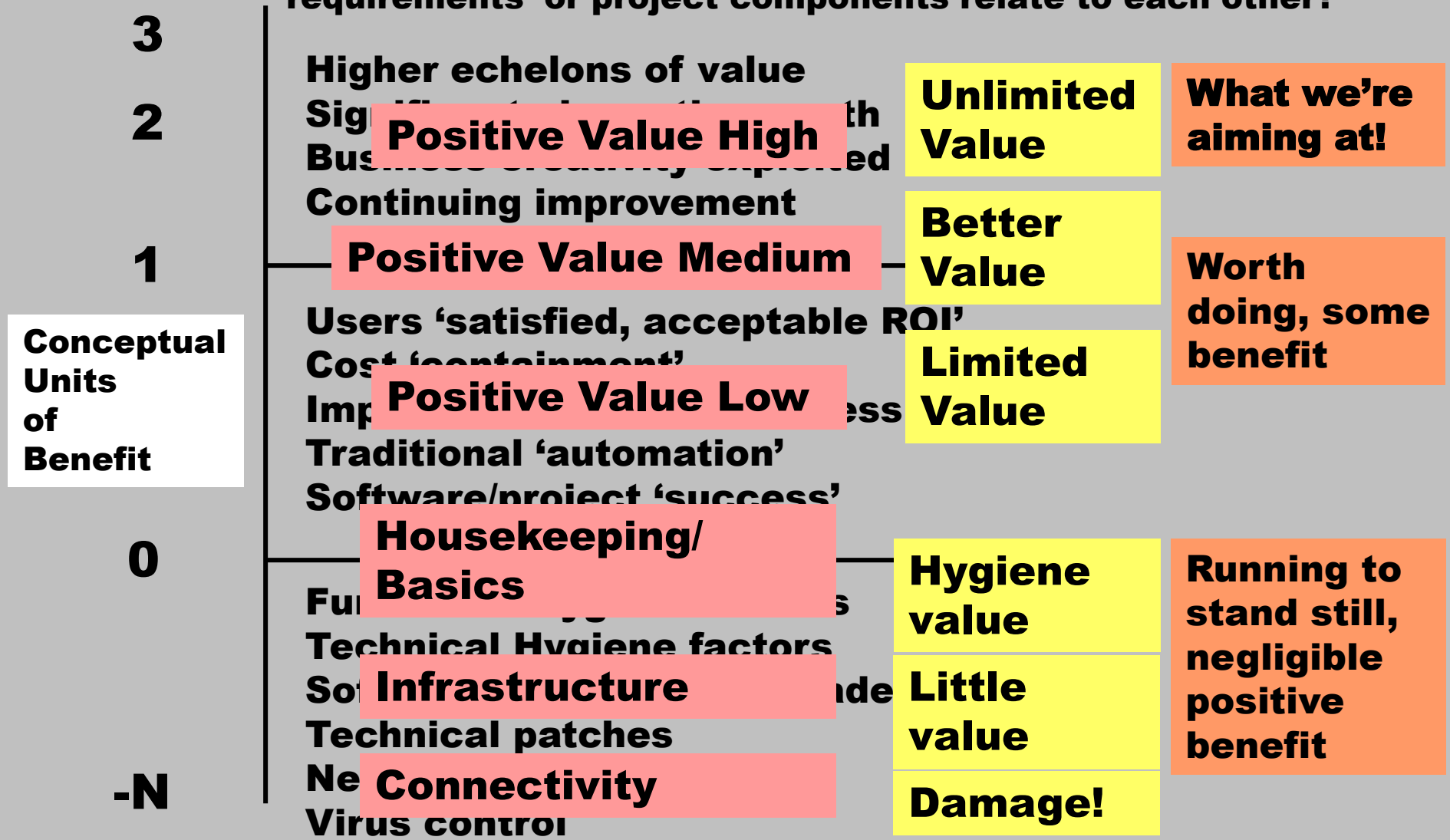


Application of BVMF® is by:
1) Ad hoc/troubleshooting or
2) Systematic assessment and improvement of value maximisation capability

BVMF® has several dozen models and several hundred concepts, principles, guidelines and techniques (CPGTs) arranged into modules

The Conceptual Units of Benefit (CUB) Ladder (1)

What degree of value can we expect from each project, project element, sprint, etc; at best, and at worst? How do the functions 'requirements' or project components relate to each other?



The Conceptual Units of Benefit (CUB) Ladder (2)

Score 'requirements', functions and project elements at design and run time. Use as adjunct to MoSCoW with who, why, what, etc.

3

Positive Value Factor: High
Satisfier++/Motivator++/Wow

BP/OAP, IT FUNC

Exceedingly Worthwhile (expectations exceeded)

2

Positive Value Factor: Medium
Satisfier+/Motivator+/Exciter/Delighter

BP/OAP, IT FUNC

More than Worthwhile (expectations met/exceeded)

BP/OAP, IT FUNC

1

Positive Value Factor: Low
Satisfier/Motivator/Normal/Want

Epics, features/themes, user stories

Conceptual Units of Benefit

Worthwhile (expectations met)

Enabler/Dissatisfier/Hygiene/Basic

BP/OAP, IT FUNC, IT TECH

Tech debt, vulnerabilities, live issues

0

No Value (Neutral)

BP/OAP, IT FUNC, IT TECH

You can also consider MAN, MISC and COST. And try for granular application...

Negative Value (Waste)

TECH

With grateful thanks to Hertzberg, Kano, VSA&M and Lean. Beware, these CUB scores continually move downwards – sad fact of life!

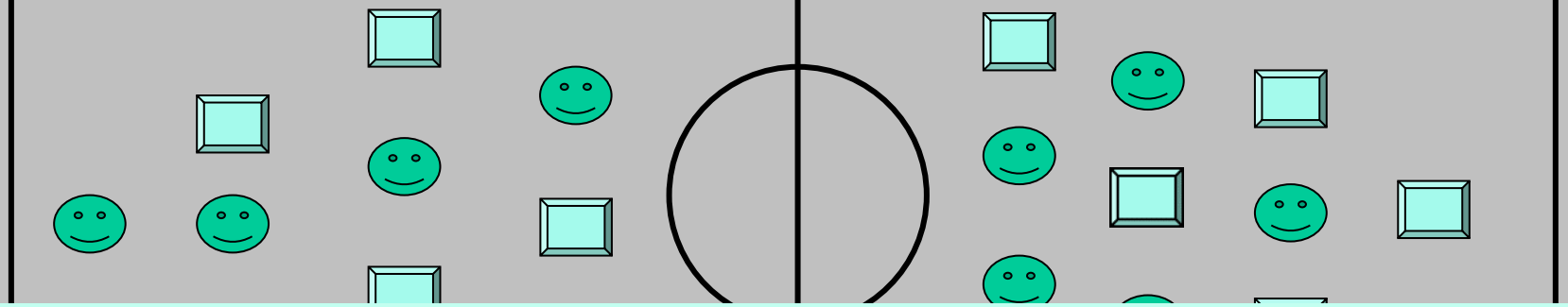
Optimal Human-Computer Interaction using "Football Team Management"

to balance our team for maximum performance

Value arises from the <u>combined</u> strength of the players…

Would you compose your team, like this?

Or like this?

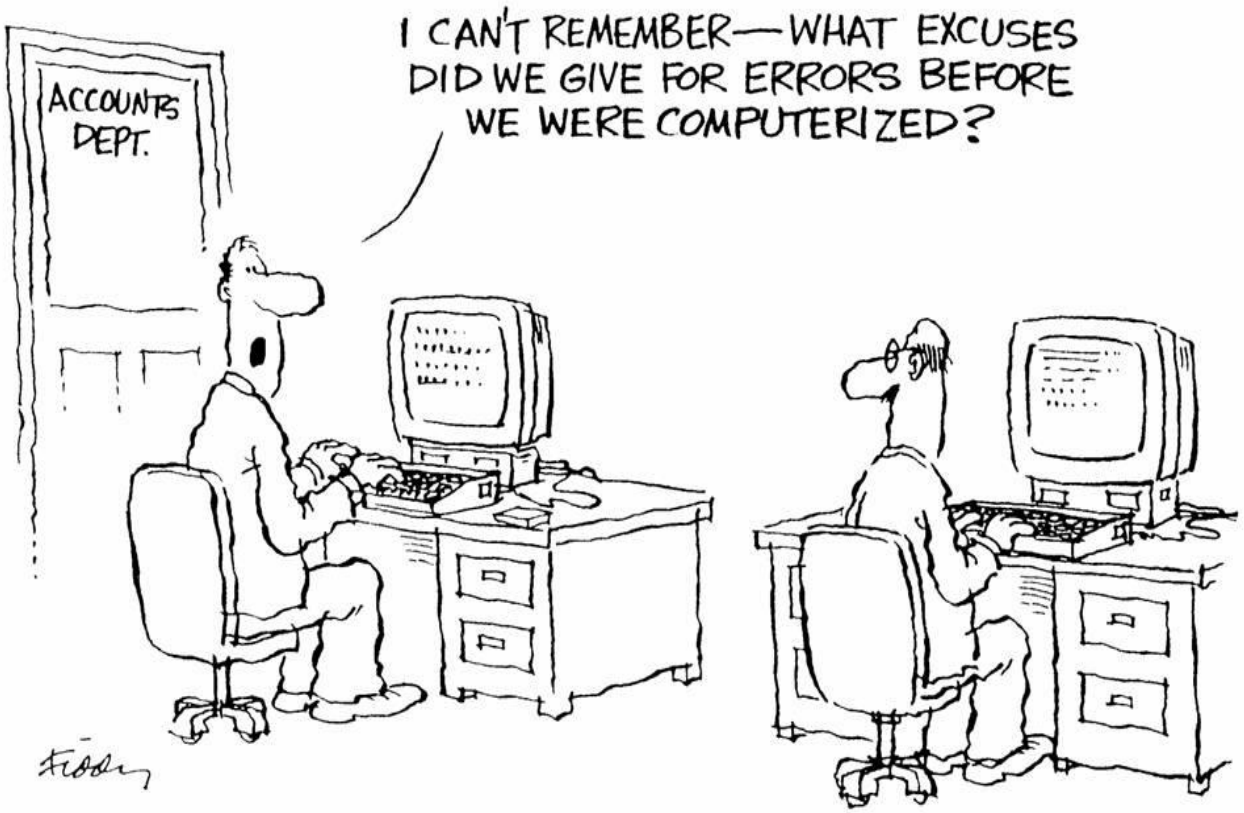


BVMF® has a variety of models and techniques to help address this challenge including Interfacial Sins Avoidance (ISA), macro to micro correspondence (MTMC), value focused functional design (VFFD), etc…

Boeing did this very badly with their 737 Max MCAS system. Pilots and system were NOT blended together in an effective fashion. Pilots were not properly trained and the ball (of control) could not be passed from system to human effectively at the crucial (run) time when human override was required. Sadly, 346 people died.

The Mighty Cruel Ratio

There are (so) many ways to get this wrong, and only a (very) few ways to get it right; sometimes even only one!



Oh dear, oh dear...

This makes me think of burgers and chips and Fish Finger Syndrome... why a 1 hr wait?

IT is potentially highly dangerous… the more you 'automate' the more damage occurs when things go wrong, as they often do! Many organisations still don't get this.

In 2017, British Airways cancelled 726 flights when their check-in system failed – there was nothing wrong with the planes! Cost £80m.

In 2018, a report said "TSB lacked common sense before its IT meltdown". Cost £100m.

From 1999 to 2020, the Post Office persecuted and jailed many of its sub-postmasters for fraud which turned out to be the fault of its Horizon IT system. Cost £100m.

Business Practice and Contingency (BP&C) helps deal with this…

2/3/12

Computer crash hits thousands of customers at the Post Office

by SONIA ELKS

THOUSANDS of people were kept waiting for their benefits and pensions yesterday after the Post Office's computer system crashed.

Customers were told staff could not deal with anything which required a computer, including posting parcels.

It was the 'fourth major service interruption' in the Post Office's electronic systems in nine months, according to Consumer Focus spokesman Andy Burrows. The system crashed yesterday morning and was not resolved for several hours.

'Customers need Post Office services, including the collection of benefits and pensions, to be reliable and resilient,' said Mr Burrows.

'The problems seem to be nationwide and have resulted in several hours of inconvenience for Post Office customers.

'We have heard some branches have decided to close early for the day – leaving customers without access to services. Most branches have only been able to accept cash payments and do manual transactions such as selling stamps.

'We will be meeting with Post Office Limited to understand how the problem will be addressed.'

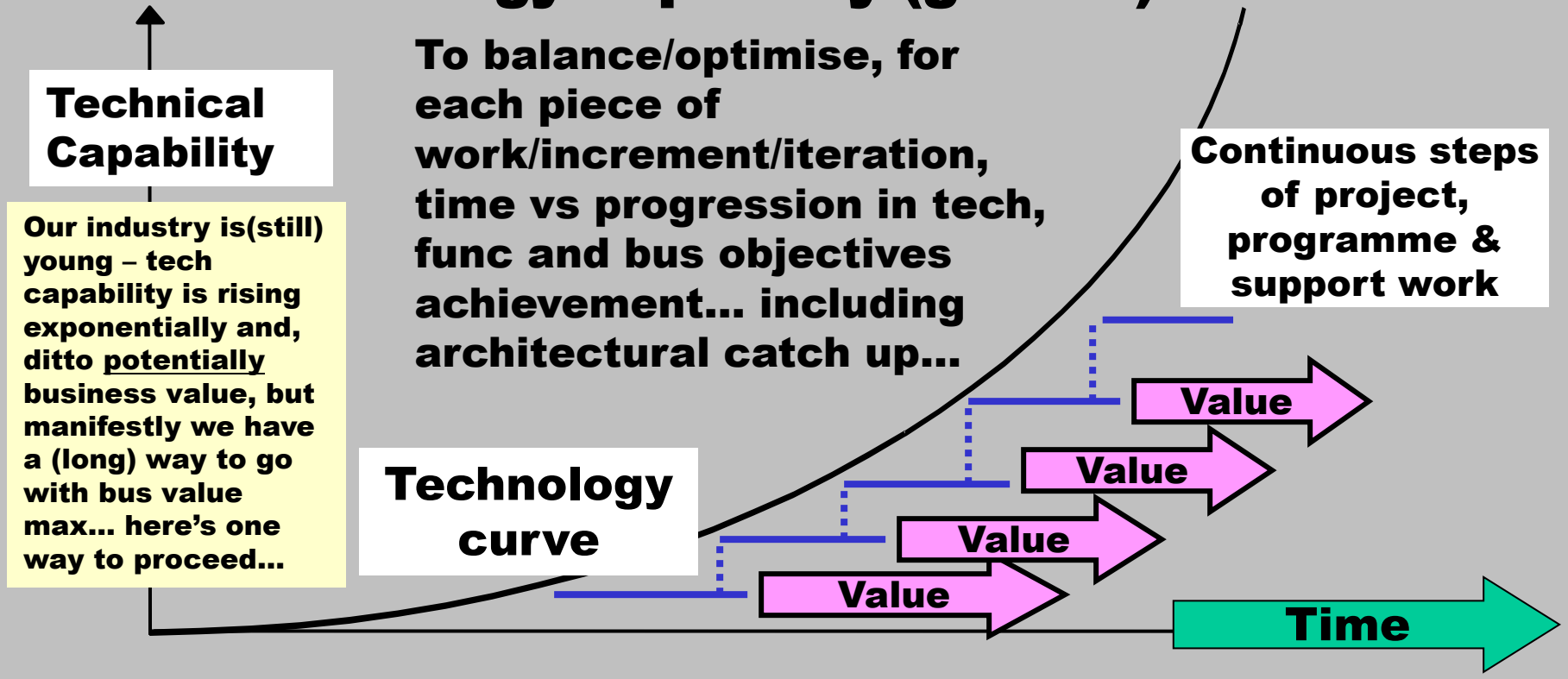
A Post Office spokesman apologised to customers for the problems.

He added: 'Post Office branches remained open and arrangements were put in place to ensure that special cash payments were made to pensioners and benefit claimants using the Post Office Card Account.

'Post Office ATMs, Post & Go services and Paystation bill payment and E-top up transactions were unaffected by this problem.

'Services have now fully been restored and customers are able to complete all transactions across the Post Office network. We are continuing to monitor the situation closely to make sure our services remain available as normal.'

To optimise value against (high) expectations and to hit the moving target, we need to cut steps into the Technology capability (growth) curve



This helps you optimise your efforts against a moving target

The Step Diagram

(A celluloid film's 24 frames a second looks like seamless moving pictures…)

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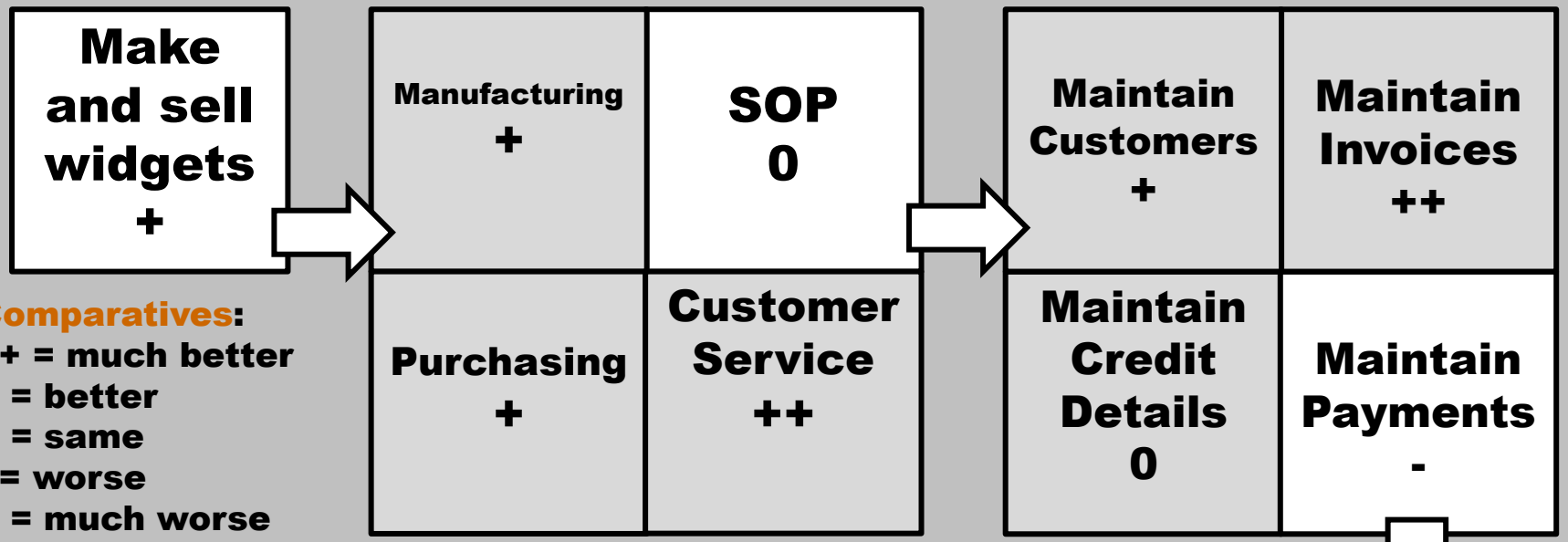
Although Peter Drucker said "You can only manage what you can measure" which is broadly true, you can maximise each successive tranche of value using comparatives and sensible 'handles'…

Continual Improvement with the Crossword Diagram

For 'putting a handle' on value, to identify and rectify low value scores, to make sure the new world is *much* better than the old



Comparatives:
++ = much better
+ = better
0 = same
- = worse
-- = much worse

Scores represent actuals or estimates of performance of business process BP/OAP as helped by IT FUNC (by function) as enabled by IT TECH. Optionally feed in BV Equation, CUB Ladder scores and Football Team Management (FTM) identifying lower scoring areas and variables in order to maximise predictable *and* less predictable value. Use KPIs (against OKRs) and extend them.

Add in recent dimensions of what to analyse, how to measure/assess, granularity... can also include Man, Cost, Misc. BP/OAP horiz and vertical, then FUNC, then TECH, then other variables..

Decompose into 4 cells and score each cell...

Services

Service	Status	Chargeable
Introduction to Business Value Maximisation Framework (BVMF®)	Available	N
Value Clinic (30 minutes)	Available	N
Business Analysis primer (recap on basic BA skills)	Available	Y
Foundation training in BVMF® (15 hrs, certification as BVMS)	Available	Y
Intermediate training in BVMF®	Under development	N/a
Advanced training in BVMF®	Under development	N/a
BVMF® Consultancy	Available	Y
Value based career coaching/mentoring	Available	Y

How much better do you think you now are at understanding, identifying and manifesting IT business value?

Better

Same

Worse

Don’t know

{Other}

Thank you for listening!

Email DavidJ@Maximum-Value.co.uk

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Bonus slides follow...

A few more models, concepts and techniques…

Name	Function	Status
Representivity	Correspondence/alignment between real world process and data and how appropriately they are represented in an IT system	Foundation and Intermediate training
Predefinition, currency and control (P,C&C)	Degree of control a user has within a given time scale, including immediacy of mutual communication (IOMC)	Under development
Sole working vs team sizes	Optimisation of the balance between the single mind and larger teams	Under development
The IT Effectiveness Programme	Systematic way to improve value maximisation capability using the IT effectiveness Spectrum assessment tool	Intermediate/Advanced
Assess, Boost, Check (ABC)	Way to boost value when it threatens to falter; works in conjunction with Crossword Diagram	Foundation
Croydon Facelift	Optimised way to work and communicate with users/SMEs	Drafted, under trial
Functional Creativity	To help the business community to envisage required IT functionality	Foundation
Taking the Rap	So business managers can avoid surreptitious inclusion of work practice	Foundation/Intermediate
Value focused ‘requirements’ definition	To develop atomic, value focused ‘requirements’ for each value ingredient	Foundation/Intermediate
Specific terminology definition	Yield more value from accurate terms definition with glossaries that equate business and IT terminology	Foundation

BVMF®
BUSINESS VALUE MAXIMISATION FRAMEWORK

Some Illustrations of the Power

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A construction company, a retail merchandising brokerage, a telecoms organisation and a university have all had deep rooted business-IT problems resolved or rife opportunities exploited by BVMF®

The European Purchasing Manager of a multinational manufacturer said "Your business value approach has got us more value then we thought possible."

The MaxVal website has case studies and more client comments on it…

Eras of IT Business Value
and the 20 year time lag

Era	Date	Characteristics & Events	Use	Methods & BVMF	Results
0	1960-1979	Mainframes, IBM, DEC PDP	Payroll, batch	Basic	Average. Pundits sceptical
1	**1980-1999** **1996**	**Minis, Micros, Desktops, Apple, Visicalc, Vax/Vms (DEC), Unix, MS DOS, email, dawn of internet/web** **Research shows business-IT hybridism is highly powerful** **Saying there's problem/telling the truth is too controversial (FT IT Review)** **IT doesn't serve business well**	**RDBMS, client server, 3GL, 4GL/GE**	**JAD/RAD** **SSADM** **Waterfall** **BPR** **Successful multi faceted business-IT 'hybridism' leads to birth of BVMF®**	**Poor success** **Takes too long** **Not business focused** **Many failures**
1	1999	IBM survey on results of ERP BCS Business-IT Bridging Group starts Agile invented	ERP, BPR	Software implementation	Organisations are missing out on value by not reviewing their processes
2	2000 2003	**David Taylor, President of IT Dirs Assoc, says "We need a whole new approach."** BCS finally admits there is a problem	"We need something different"	**I said 'Yes David, that's why I've developed BVMF!'**	Agile authors think software is *the* problem
2	**2000-2019**	**Agile, Microsoft prevalence** **Business becomes client of IT (you hope…)** **IT starts to serve business as a supplier to a client**	**SQL Server** **MS Dynamics**	**DevOps (hm…)** **BVMF® refined**	**IT gets more business focused, continuous, granular (hooray) – but misses the main story; Agile 'smudges' value**
3	**2020-2039**	**We are here!** **Business-IT collaborate, become partners which leads to <u>much</u> more value**	**Digitisation and 'digital' transformation**	**Increased interest arises in BVMF®**	**In Era 3 – we are finally getting there…**

BVMF® BUSINESS VALUE MAXIMISATION FRAMEWORK

Types, Aspects & Dimensions
Characteristics of the Value Landscape

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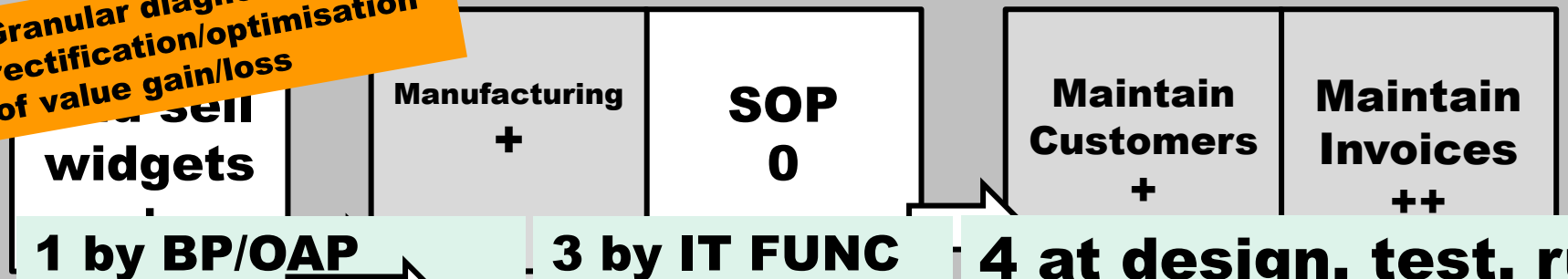
Macro/big picture/high	Mid level	Micro/detail/low
General/generic		Specific
Predictable	Less predictable	Unpredictable
Design time	Dvt & Test time	Run time
Predicted/expected/forecast		Actual
Tangible	Less tangible	Intangible
Quantifiable	Less quantifiable	Unquantifiable
Quantitative	Handled	Qualitative
Conceptual/abstract/logical		Concrete/physical
Negative	Zero Hygiene	Positive +, ++, +++
Dependent	Less dependent	Independent
Objective	...	Subjective
Absolute	...	Comparative
Ongoing/at a point in time		Incremental/delta
Objectives part met	Objectives Met	Objectives exceeded
First past the post (possibly waterfall)		Proportional (possibly agile)
Perceived	...	Real/actual
High propensity	Medium propensity	Low propensity
High representivity	Medium representivity	Low representivity

Crossword Diagram

Dimensions of Application

Granular diagnosis and rectification/optimisation of value gain/loss



1 by BP/OAP

2 by elements:
MAN
IT FUNC
IT TECH
MISC
COST

3 by IT FUNC levels: module, function, form/screen, field, validation/logic/bus rules/coded process

4 at design, test, run time…

5 at/for each Step (iteration/increment)

Assessment Criteria:
Time to enter data and accuracy of MI
Effectiveness of process and IT functionality
Presence of 'bugs'
Need for surrogates, workarounds…
Presence of sins (errors) at micro level… etc…

Who is Business Value Maximisation Framework (BVMF®) for?

Who is responsible for maximising value?

Business Analysts (BAs)?
Project Managers (PMs)?
Product Owners (POs)?
Product Managers (PMs)?

Actually, anyone interested in gaining *much* more value from IT enabled process: business analysts, project managers, product owners, portfolio managers, programme managers, IT managers, IT directors, senior developers/technicians, CIOs (misnomer), CxOs, business SMEs/secondees, business change/organisational design managers, relationship managers, etc.

Business value maximisation specialists (BVMSs) and BVMF® help, and show us all how to work together in this endeavour to engender MBV

BVMF®
BUSINESS VALUE MAXIMISATION FRAMEWORK

To optimise the value of each STEP in the Step Diagram

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Decide for each STEP how high you will shoot for technical, functional and process improvement – and how long the STEP will be.
It's not about Waterfall, Agile or a hybrid approach; it's about continuous progress.
For example, are you in a business marketplace where first past the post applies, or, where a more proportional reward system applies?
What time scales are required?
Waterfall <-> Agile is a spectrum and each piece of work may be different in this respect

Use the Value Landscape Characteristics to help decide which approach will be best for a given piece of work

Aspects of Value

Ways of looking at value and understanding it

Two key Landscape Value Characteristics (LVCs)

Above or below the value (Conceptual Units of Benefit) line:

- **Hygiene value**
- **Positive value**
- **Negative value**
- **Arbitrary value (starts neutral, becomes potentially Negative)**

Proportionality:

- **First past the post; all or nothing**
- **Proportional**

Business Value Maximisation Framework (BVMF®) - Structure of Components

Analysis of problems, symptoms and causes

↓

Macro level, outline solutions (models and modules) with pointers to micro level solutions

↓

Micro level solutions: concepts and principles (understanding the problems and focus needed) and guidelines and techniques (things to *do* to resolve the problems), structured into modules

↓

Concepts, Principles, Guidelines & Techniques (CPGTs)

Value Identification & Maximisation	**Functional Concepts**	**Principles of Automation**	**'Bridging' skills, the value role**	**Decision Strategy**	**Business Practice & Contingency**	**Culture & Assimilation**

Models, modules and techniques are being continually developed and refined...

Business Value Maximisation Framework (BVMF®)

Is a comprehensive set of fundamental, underlying principles by which IT business value is maximised, practically and pragmatically

Underpins and transcends Waterfall, Agile, Wagile, Prince2 and other approaches and methods, significantly, even dramatically, increasing net business (organisational) gain

Consists of several dozen models and several hundred techniques (concepts, principles, guidelines and techniques; abbreviated to CPGTs) – the models clarify the problem/challenge and point to a solution at a macro level; the techniques are things you focus on and do to solve the problem/s

Uses understandable, everyday analogies to illustrate its principles and yet has been developed from more than 35 years of first, second and third hand experience and research, all reconciled and verified using standard philosophical logic like Socratic questioning and Aristotelian syllogism coupled with techniques such as hypothesis and observatory and inductive refinement. Case studies are also continually providing input and feedback

Is as much an ethos, attitude and approach (business value focused) as a set of models and techniques

Why Business Value Maximisation Framework (BVMF)® is different

It's the only fully dedicated, fundamental, understandable and usable set of principles for IT business value maximisation known to exist

It does not reinvent the wheel – you use it with Waterfall, Agile, Wagile, Prince2, everything… and it makes those approaches/methods significantly, even dramatically, more effective

It's been developed from first, second and third hand experience coupled with philosophical logic and reasoning (per Aristotle, Socrates and Plato) – practice leads to hypothesis/theory which leads on to improved practice and the cycle repeats – it never stops progressing

The Business Value Equation

Considerations

Be aware whether you're measuring delta/change value or absolute/ongoing value... i.e. the incremental value of moving from T1 to T2, say from 30 to 40 widgets a week at a unit cost of £5 down to £4.50, or the ongoing value of 40 widgets a week at a unit cost of £4.50...

We assume here that the full effect of IT FUNC operates on BP/OAP boosting (or hindering) it. Depending on the degree and nature of any 'automation' the effect of IT FUNC will typically not be 100% but may be 85% for example...

Successive releases of business process and IT systems include changes to processes (BP/OAPs) and IT systems and so some value gains will be due to pure process (BP/OAP) upgrade irrespective of any improvement in IT FUNC

What we want/expect from IT FUNC and what we get are two different things, usually! Design time expectations may not be realised at Run time

You will likely struggle to apply this equation at a fully granular level (you can work down from high level process all the way to function, screen and even field level, in theory) but doing it at a sensible level will invariably yield great dividends in Business Value

Key Points about BVMF®

BVMF® does NOT replace existing/traditional/conventional methods, practices and roles – it augments, completes, focuses and refines them. It sets out the principles of value maximisation providing a framework to help implement 'solutions'. It seeks to SIMPLIFY rather than complicate.

BVMF® fundamentally aims to address IT enabled *business* process but is also substantially appropriate to software enabled technologies like aircraft operation, building management systems and IoT. Finally, it can also be useful on non IT projects.

This slide pack has been a basic introduction. BVMF® has much more to offer as it contains:

- **Several dozen models (in PowerPoint) – these define the problems and offer a macro level 'solution' for the micro activities (CPGTs) to support**
- **Several hundred concepts, principles, guidelines and techniques (CPGTs) (in PowerPoint and Word) – these are the micro level points you think about, focus on and do to enact the macro level 'solutions' presented in the models**
- **A number of models and approaches to implementing BVMF® within a systematic programme to augment the default ad hoc, tailored approach where you choose to use any of the framework's tools to help you raise your ISBV**