

Value Mapping: Best Practices



TCBAF Summit 2022

Sparx Systems North America

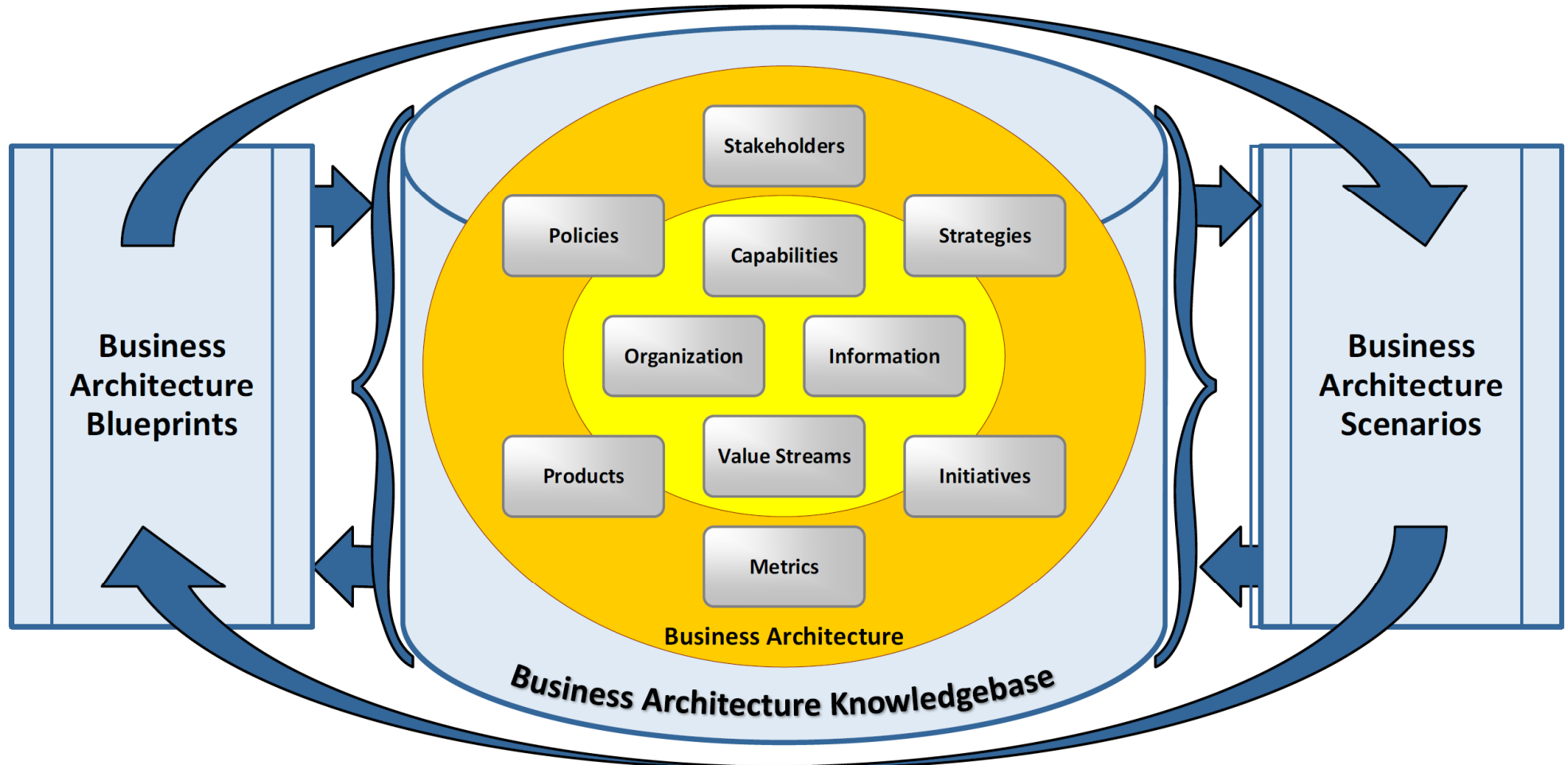
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“Align information technology and systems engineering capabilities with business strategy using industry best practices and industry leading tooling to deliver world-class results.”

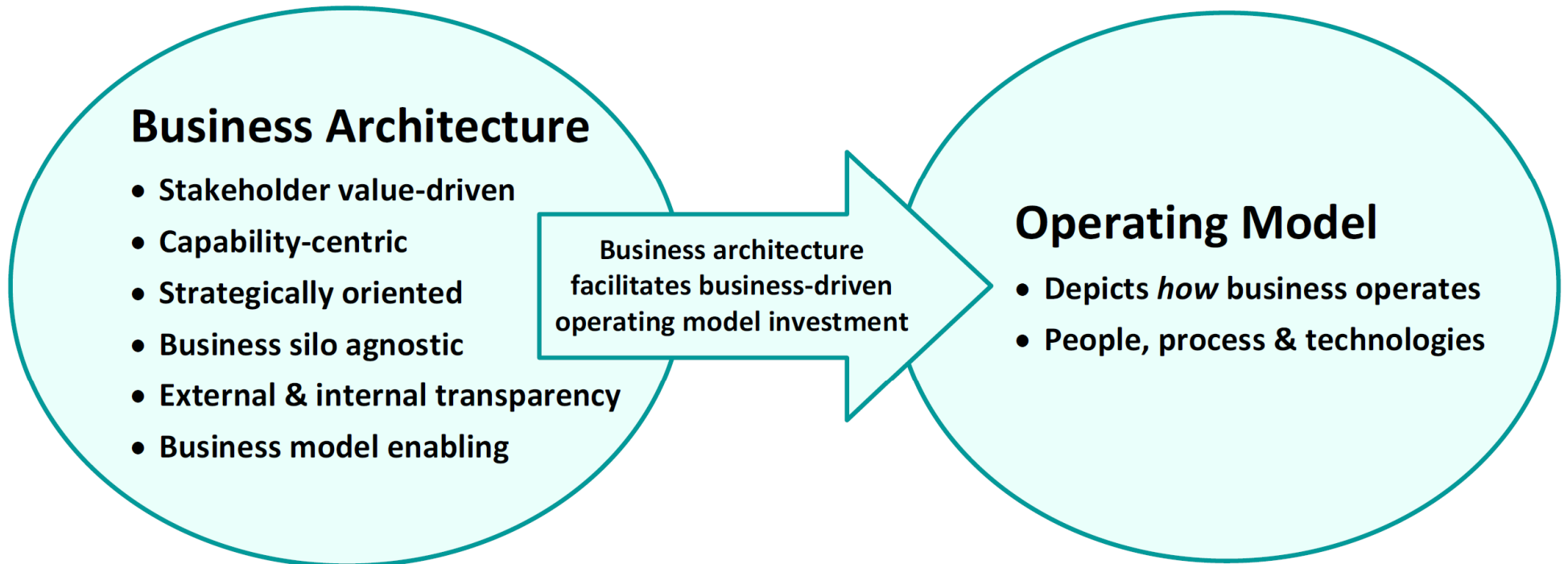
- Industry thought leader in enterprise architecture, business architecture, systems and software engineering, business analysis, and agile methods
- Member and contributor to
 - UML[®], SysML[®], UPDM[™]/UAF[®], BACM at OMG[®]
 - TOGAF[®], ArchiMate[®], IT4IT[™] at The Open Group[®]
 - Frameworx and Open Digital Architecture (ODA) at TM Forum

Business Architecture Framework



- Blueprints provide views into knowledgebase, based on stakeholder concerns
- Scenarios contextualize expected outcomes of business architecture work
 - Also inform initial selections of key stakeholders and likely concerns

Alignment with Operating Model



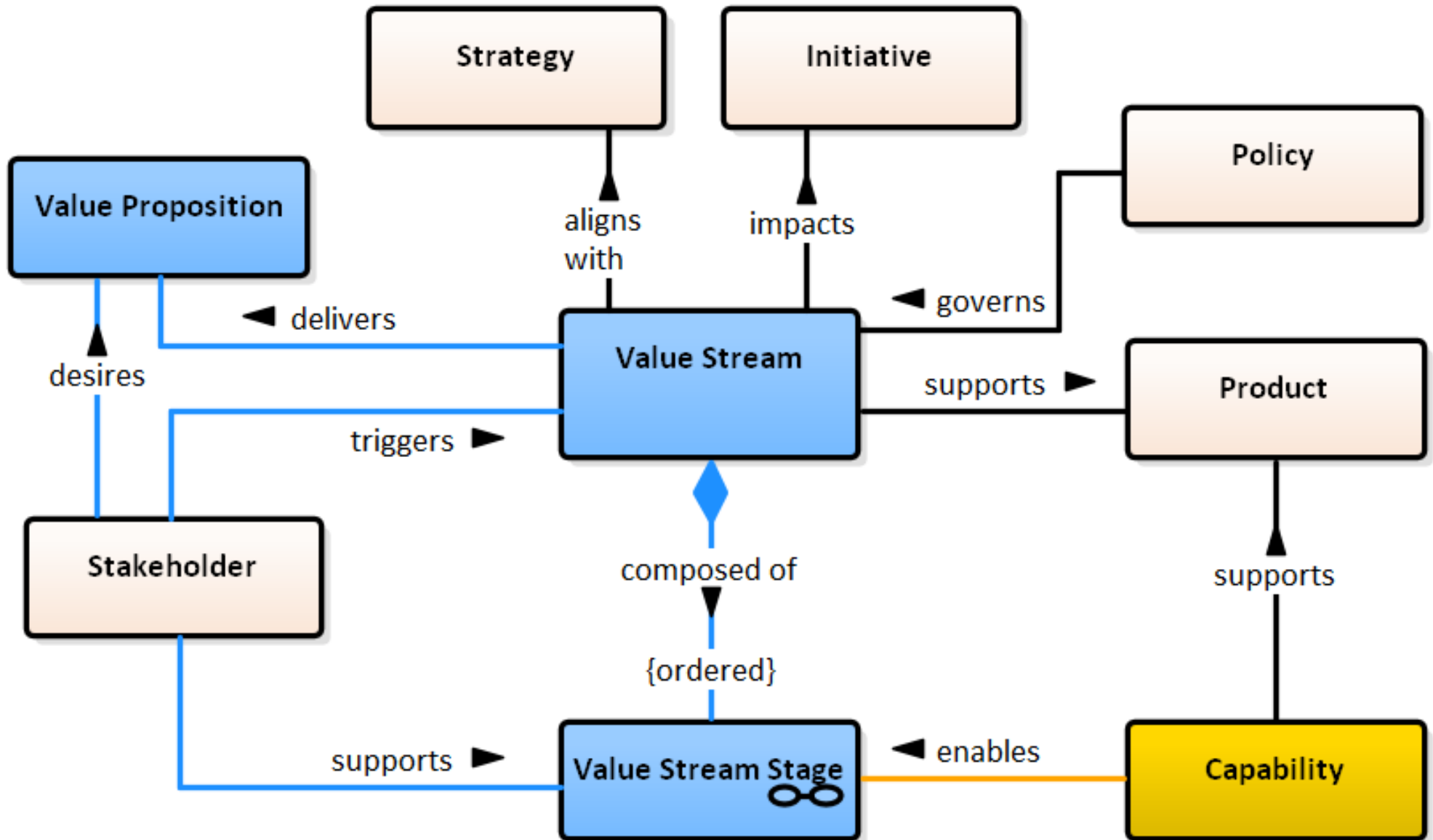
Value Map – Definition

- “A visual depiction of how an organization achieves value for stakeholders within the context of a given set of business activities”
 - Provides “outside-in” view of value delivery
- Describes value items exchanged between an organization and key external stakeholders (customers, partners, constituents)
 - Value defined as “the benefit that is derived by an organization’s stakeholders while interacting with that organization”
- Can also be used to understand value from internal stakeholder perspective
- Often mapped to other content such as strategy, capability, product, business unit

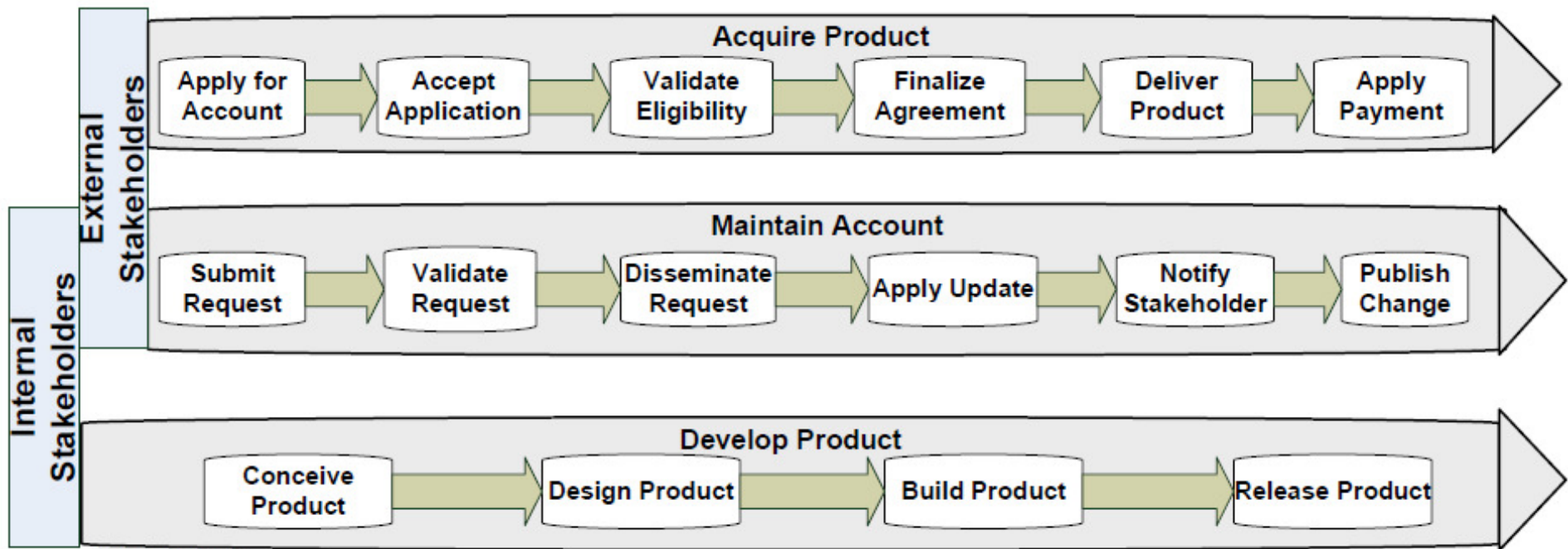
Value Map – Benefits

- Provide formal means to articulate desired value proposition
 - Link to strategies (upwards), capabilities (inside-out), and solutions (downwards)
- Provide common baseline for envisioning how to deliver value
 - Avoid distractions with overlapping/redundant processes, enabling technologies, and organization complexities
- Provide clear focal points for prioritizing how to achieve stakeholder value
 - Enable focus on areas to reduce complaints, elevate access, and increase value
- Enable prioritization and managed deployment of business capabilities
 - Provides context for capability improvement efforts

Value – Metamodel



Value Stream – Concept



Source: TSG, Inc.

- “A stakeholder triggered, end-to-end depiction of how a business delivers value to that stakeholder”
 - One clear goal – “to satisfy and delight the customer”
- Ability to define organization- and industry-specific core processes
 - As opposed to generic 5 stage process of Porter value chain

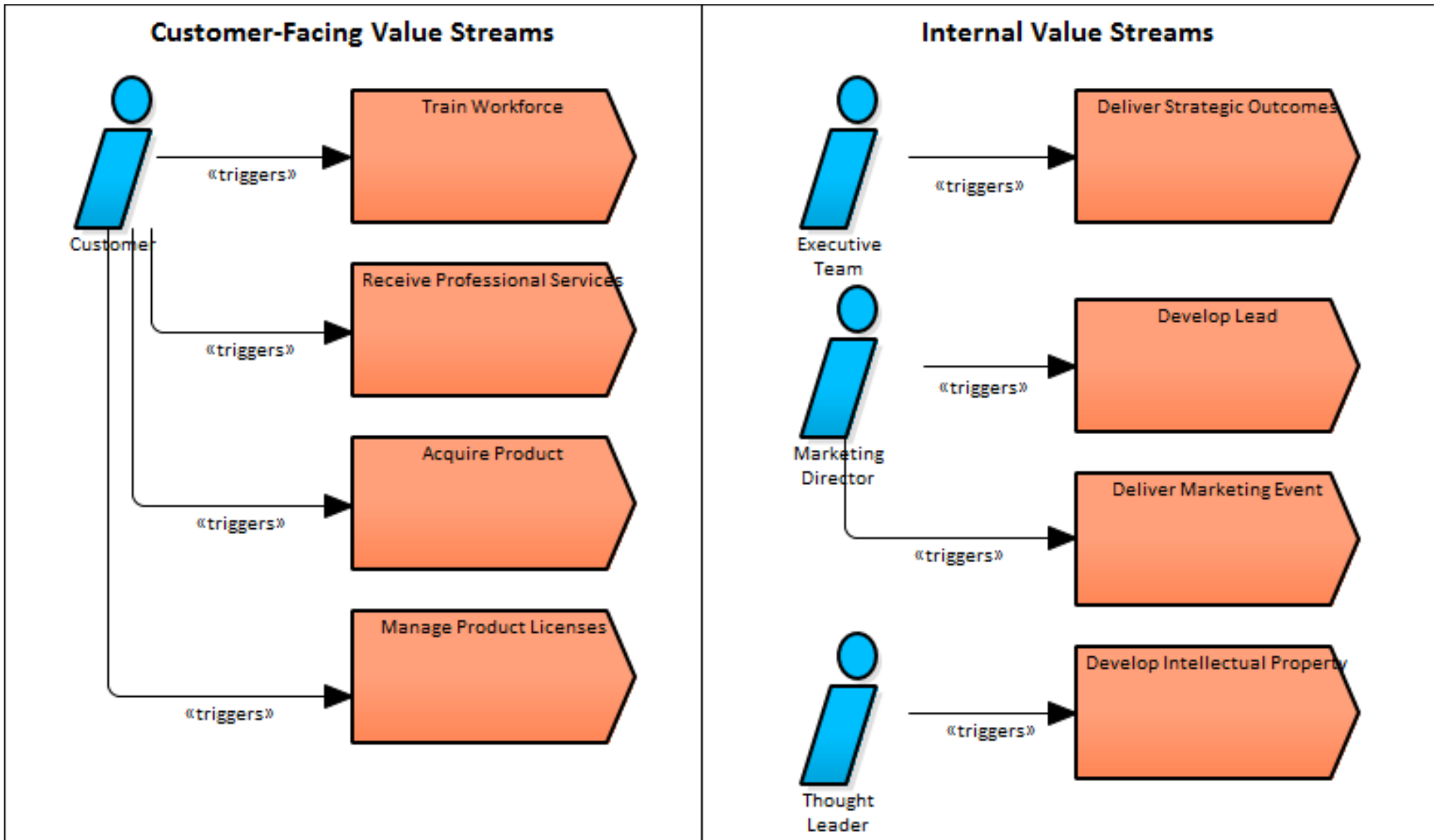
Value Stream Mapping – Approach

- “Outside-in” approach
 - Identify stakeholders who seek value when interacting with your organization
 - Synthesize value propositions that those stakeholders desire
 - Identify value streams that deliver those value propositions
- “Inside-out” approach
 - Identify the value-add things that your organization does (candidate value streams)
 - Identify the stakeholders who trigger those value streams
 - Synthesize value propositions that those stakeholders desire
- Classify as “Customer-Facing” or “Internal”
 - Are the triggering stakeholders outside your organization or within?
 - Could further classify as “Partner-Facing”, “Community-Facing”, or “Regulatory” if helpful

Value Streams – Naming Guidelines

- Name value streams based on what the triggering stakeholder is expecting
 - But not in a way that describes what your organization does internally
 - That perspective will come with capability and business process cross-mapping
- Use active verb-noun phrase
 - “Train Workforce” vs. “Deliver Training”
 - “Receive Professional Services” vs. “Deliver Consulting Services”
 - “Manage Product Licenses” vs. “Provide License Keys”
 - “Develop New Prospect” vs. “Generate Lead”

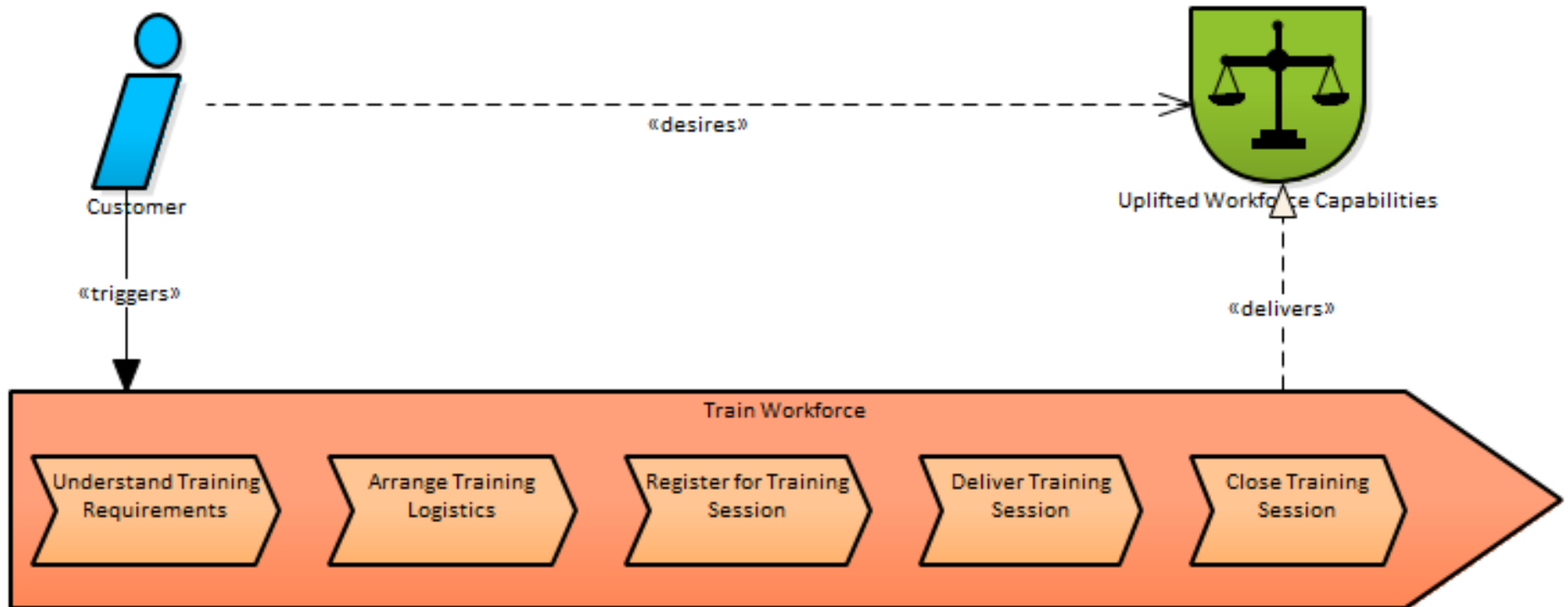
Stakeholder → Triggers → Value Stream



Value Propositions and Value Stream Stages

- Value Proposition
 - *“An innovation, service, or feature intended to make a company, product, or service attractive to customers or related stakeholders.”*
 - Synthesize value proposition based on stakeholder perspective
- Value Stream Stage
 - *“...represent the series of interchanges with stakeholders as the value stream moves from initiation to conclusion.”*
 - Decompose value stream into distinct stages as they correlate with the value items offered by each stage
 - 4 to 8 stages per value stream

Value Stream Overview



- Value Streams : Train Workforce - Value Items
- Value Streams : Train Workforce - Value Stream Stages
- Value Streams : Train Workforce - Capabilities

Value Stream Stages and Value Items

- Value item
 - *“The judgment of worth, made by an individual or organization, attached to something tangible or intangible and attained in the course of a particular interaction with one or more parties.”*
 - Value items are offered by the value stream stages that comprise a value stream
- Value propositions are delivered by value streams
 - Value items aggregate across a value stream and collectively contribute to the overall value proposition
- Identify the participating stakeholders for each stage
- Identify the value item(s) offered by each stage
 - Each value stream stage should have distinctive and unique value items

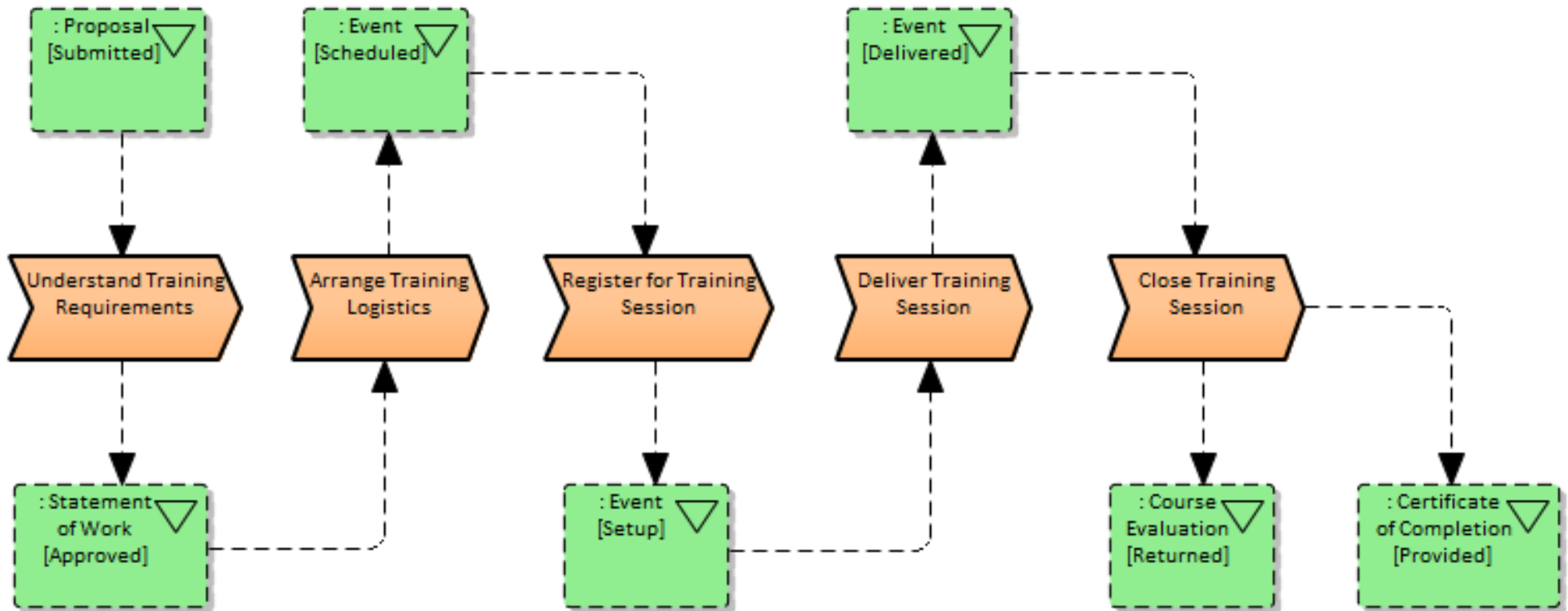
Describe Entry and Exit Criteria

Name	Description	Entrance Criteria	Exit Criteria	Value Item
Understand Training Requirements	Sales works with the Customer to determine which training courses best meet the Customer's needs.	Proposal Submitted	Statement of Work Approved	Clear Customer Expectations
Arrange Training Logistics	Event Management describes requirements for the Training Facility (which may be onsite, offsite, or remote) and the requested training schedule.	Statement of Work Approved	Event Scheduled	Appropriate Facilities
Register for Training Session	Prior to the Training Session, Event Management works with the Customer to identify which Students will be attending the training session.	Event Scheduled	Event Setup	Defined Target Audience
Deliver Training Session	Instructor delivers the Training Session at the Training Facility to the Students.	Event Setup	Event Delivered	Improved Professional Skills
Close Training Session	Event Management closes the delivery of the Training Session and provides Student feedback to the Customer.	Event Delivered	Certificate of Completion Provided	Targeted Customer Feedback
			Course Evaluation Returned	

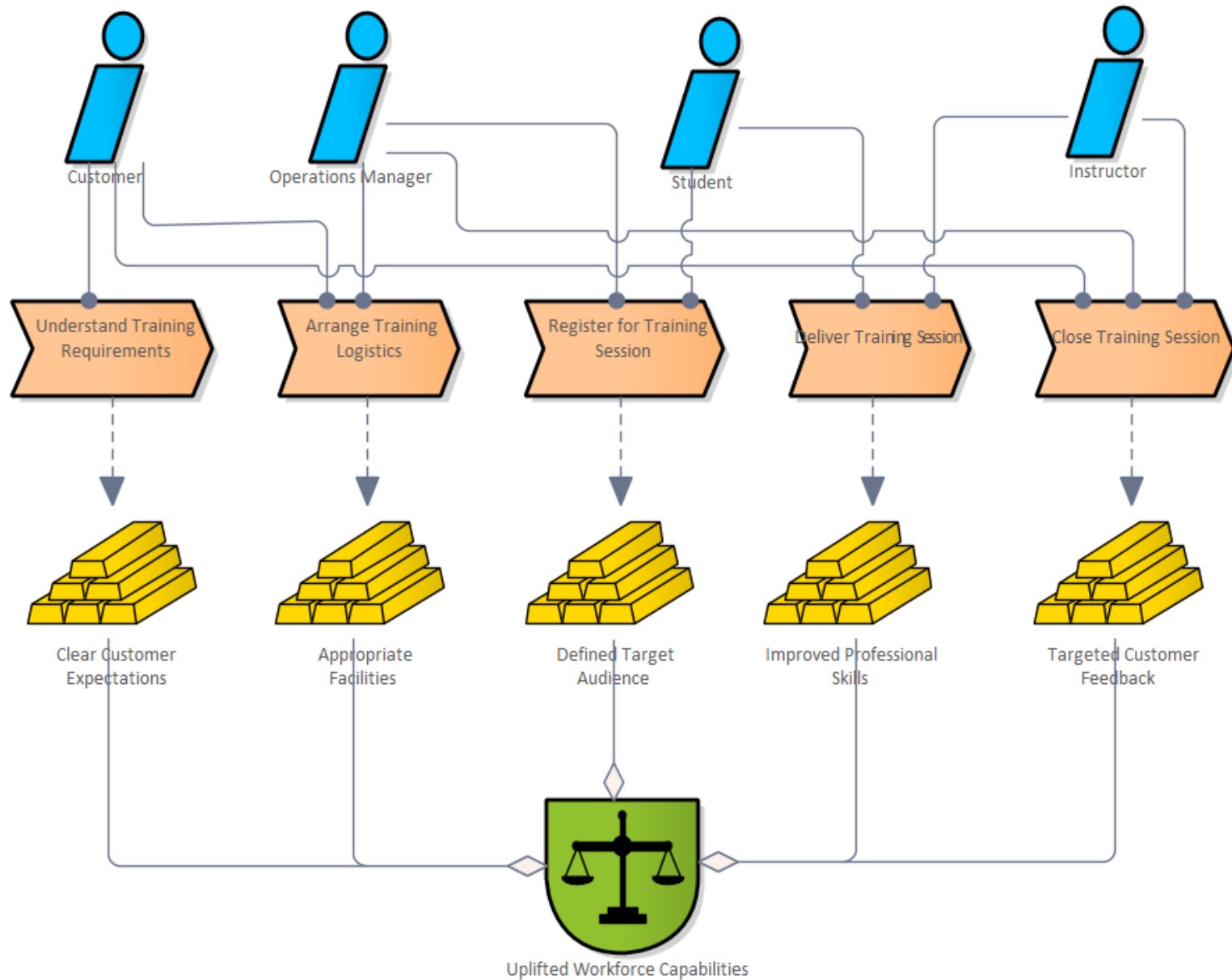
Value Stream Navigation

- Value stream mapping shows how information concepts move through and across one or many value streams
 - Value stream terminates when end state is reached and value is achieved
 - Change in state of information concept may terminate multiple value streams at any point
- Value stream mapping differs from traditional process modeling as significant emphasis is on state changes that result in creation of value items
 - Often represented in information maps with associated state models
- Certain state changes may cause re-entry to earlier stages
 - Information concept state models help with coordinating interaction between multiple value streams

Value Stream Stage – Entry/Exit Criteria



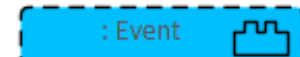
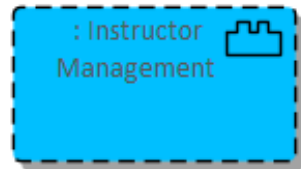
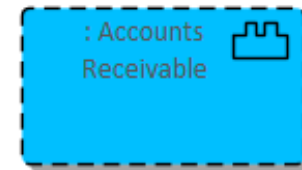
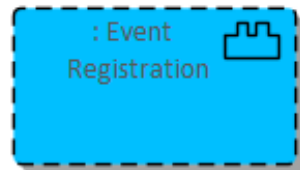
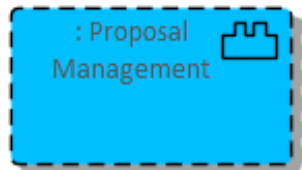
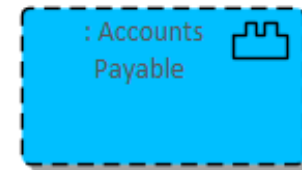
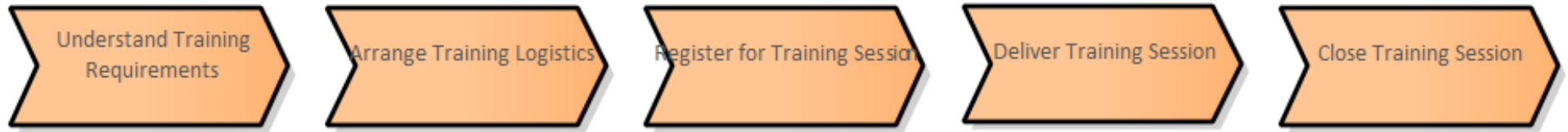
Value Stream Specification



Value Stream Cross Mapping

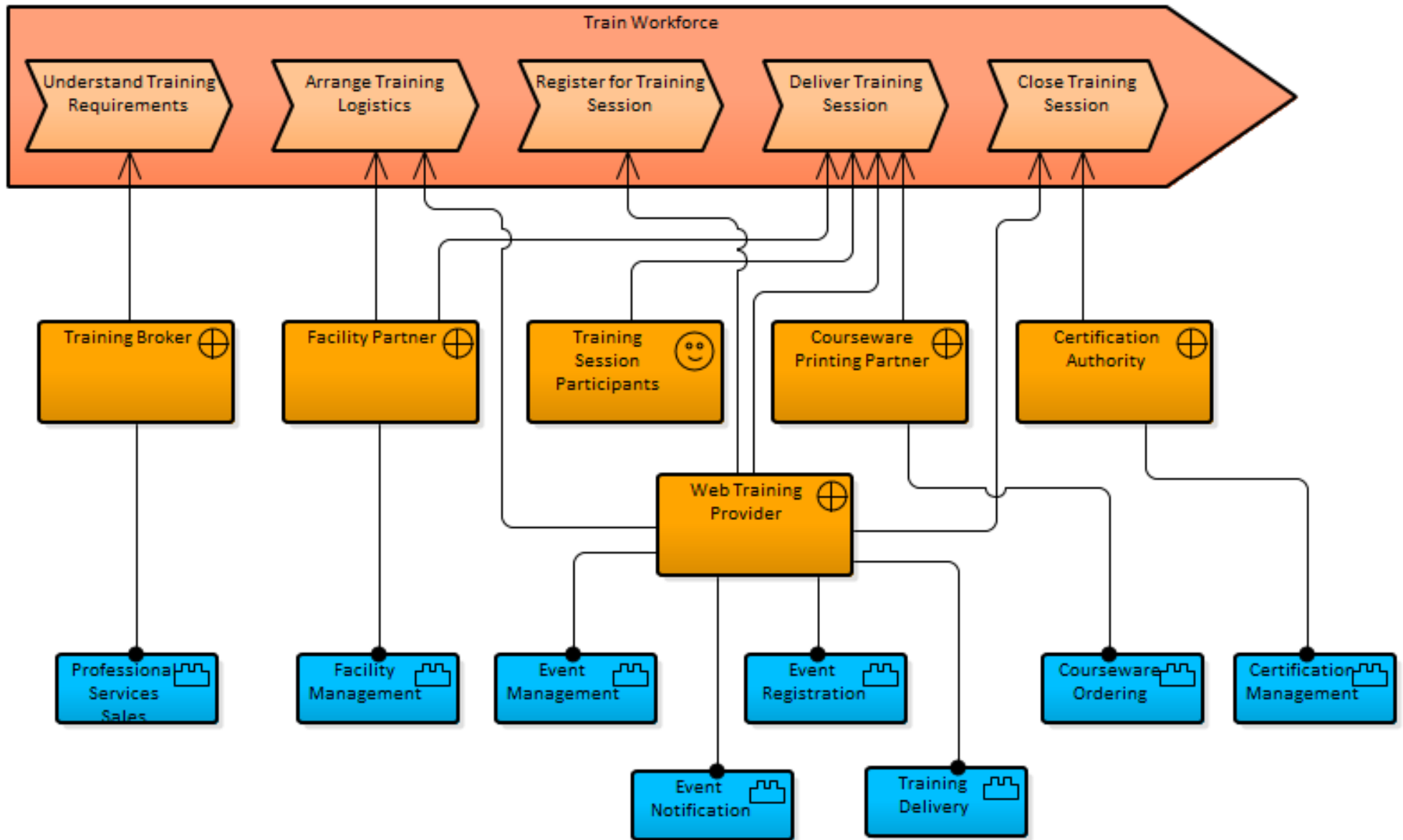
- Map each value stream stage to enabling capabilities
 - Test completeness, fidelity, and names of capabilities
 - Validate if capability outcomes match the information concepts used to describe entry and exit criteria
 - Provide context for capability-based improvement
- Map value stream stages to external organizations who support specific stages
 - And show which capabilities they bring to the table in the value stream
- Map products to value propositions and value items
 - Same product may have different value in different value streams
- Map initiatives to value streams to describe improvement efforts
 - Characterize current state with SWOT analysis and future state with high-level improvement requirements
- Map value stream stages to operational business processes
 - Frame detailed business processes in context of end-to-end perspective

Value Stream Stage/Capability Cross-Mapping



Source \ Target	Target												
	Accounts Payable	Accounts Receivable	Attendee Management	Client Management	Event Delivery	Event Management	Event Preparation	Event Registration	Facility Management	Instructor Management	Professional Services Sales	Proposal Management	Quote Management
Arrange Training Logistics						←			←	←			
Close Training Session	←	←	←			←							
Deliver Training Session					←	←	←						
Register for Training Session						←		←					
Understand Training Requirements				←							←	←	←

Value/Organization – Cross-Mapping



Value Stream-Based Improvement

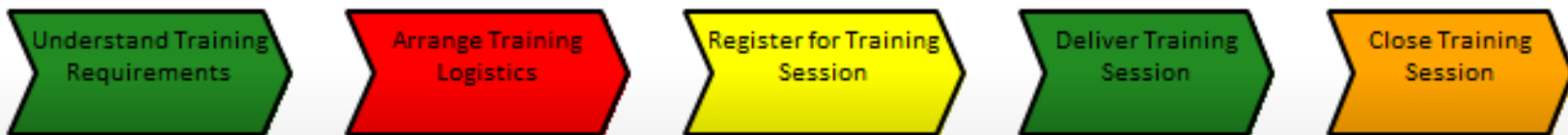
Current State Challenges

- Recurring disconnects between version of software the customer has installed and which version is required for specific training courses.
- Instructor not always aware of exact location of training session, who to contact, security procedures, and guest wireless access.
- Not efficient collecting and managing paper-based course evaluations, particularly for remote training sessions.

Performance

- Poor
- Problematic
- Not Ideal
- Working Well

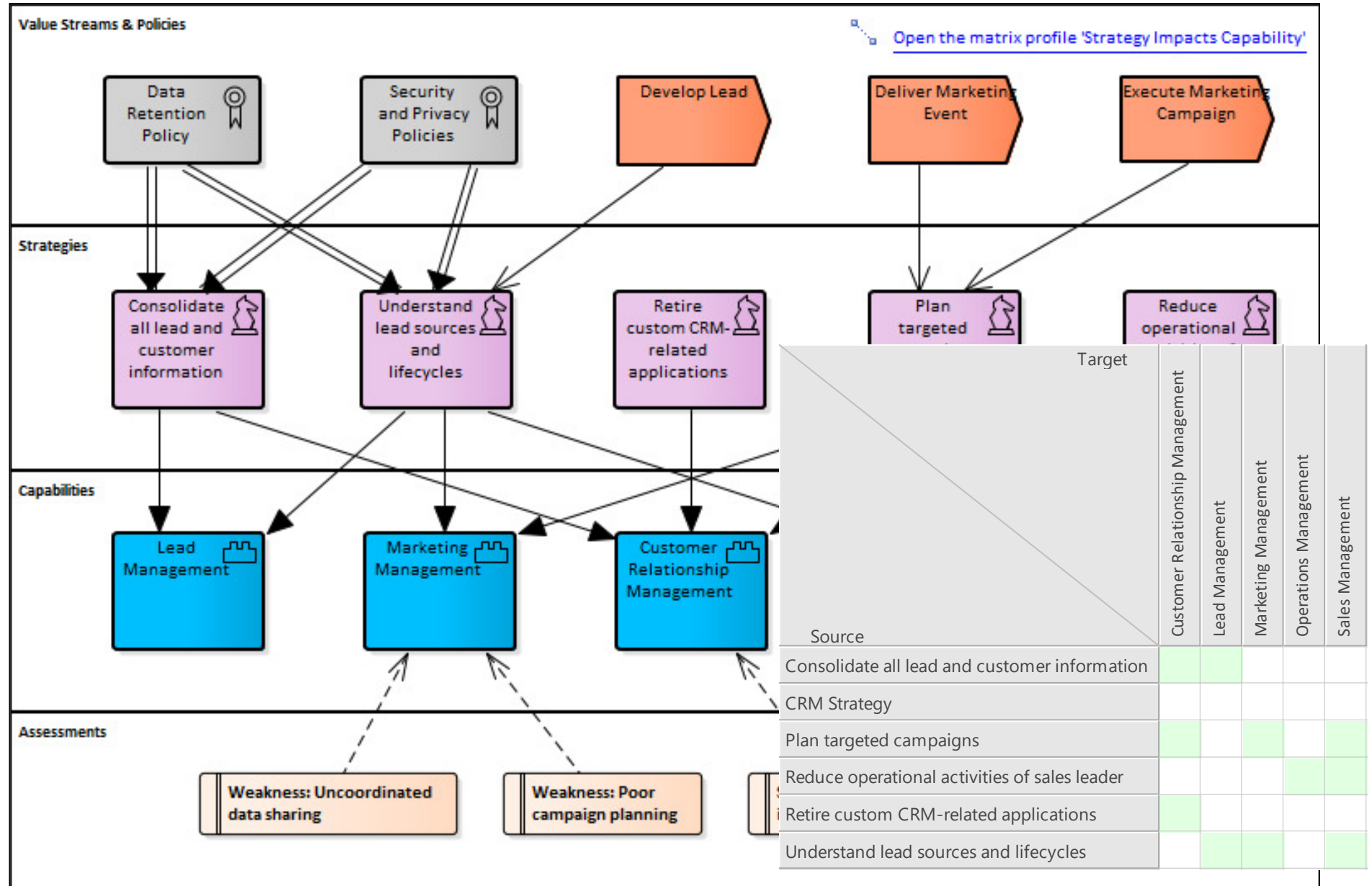
Train Workforce



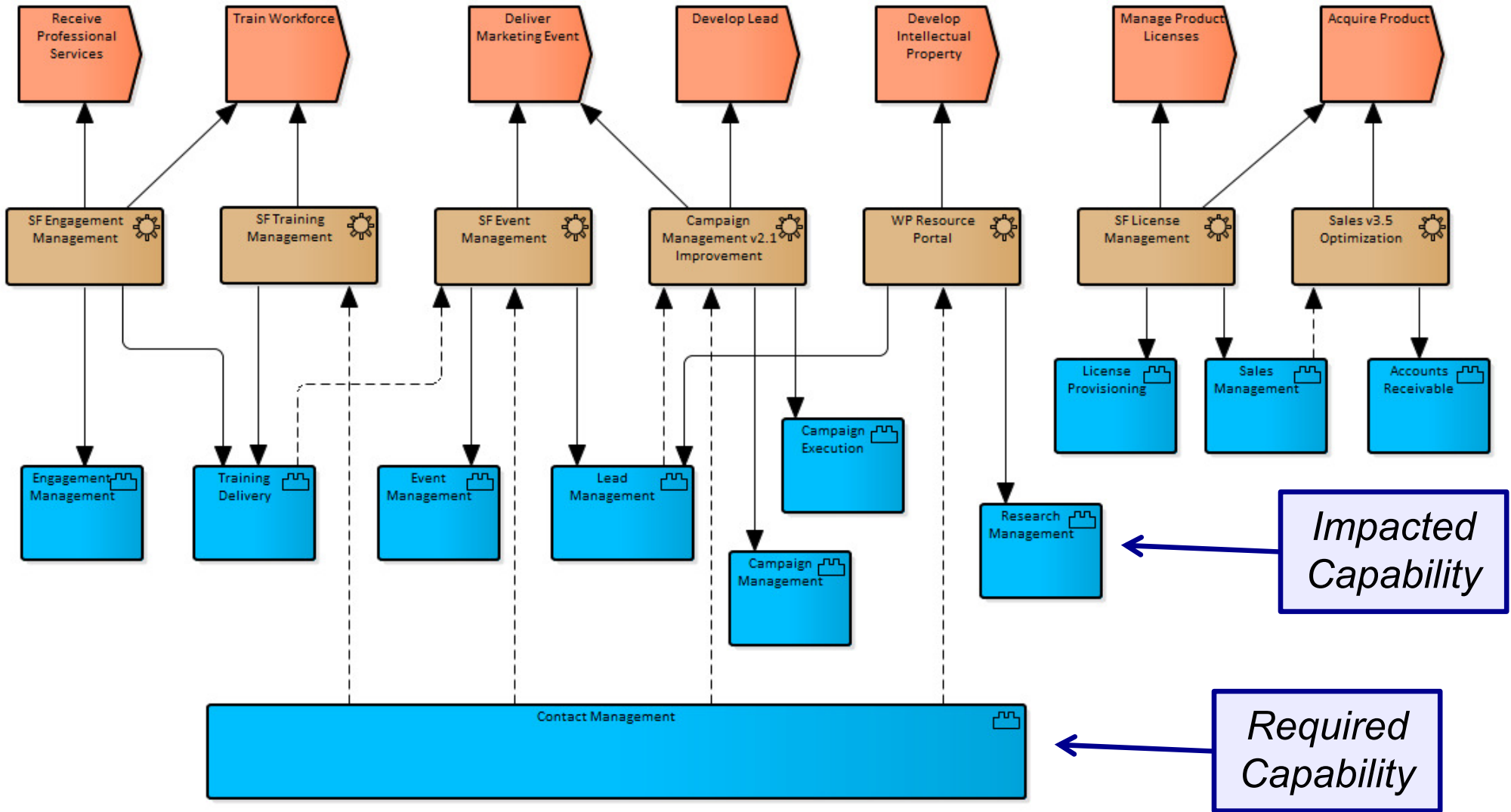
Future State Vision

- Make sure Sales knows which version of software is supported by various versions of the courseware.
- Improve interaction with Customer regarding required software for Students.
- Improve Engagement Management so Sales, Customer, Training Facility, and Instructor are all on the same page regarding logistics.
- Improve process and platform for managing course evaluations.

Cross-Map Strategy



Initiative Cross-Mapping – Value and Capability



Conclusions

- Value mapping is critical business architecture viewpoint to help executives and planners
 - Articulate why customers should do business with them
 - Represent how they're different than competitors
 - Describe how partners interact across extended ecosystem
- Provides views into other business architecture perspectives critical to modern business transformation
 - Which stakeholders are impacted?
 - Which capabilities should we uplift?
 - What information is required?
 - Which organizations are involved?



chris.armstrong@sparxsystems.us
<http://www.sparxsystems.us>

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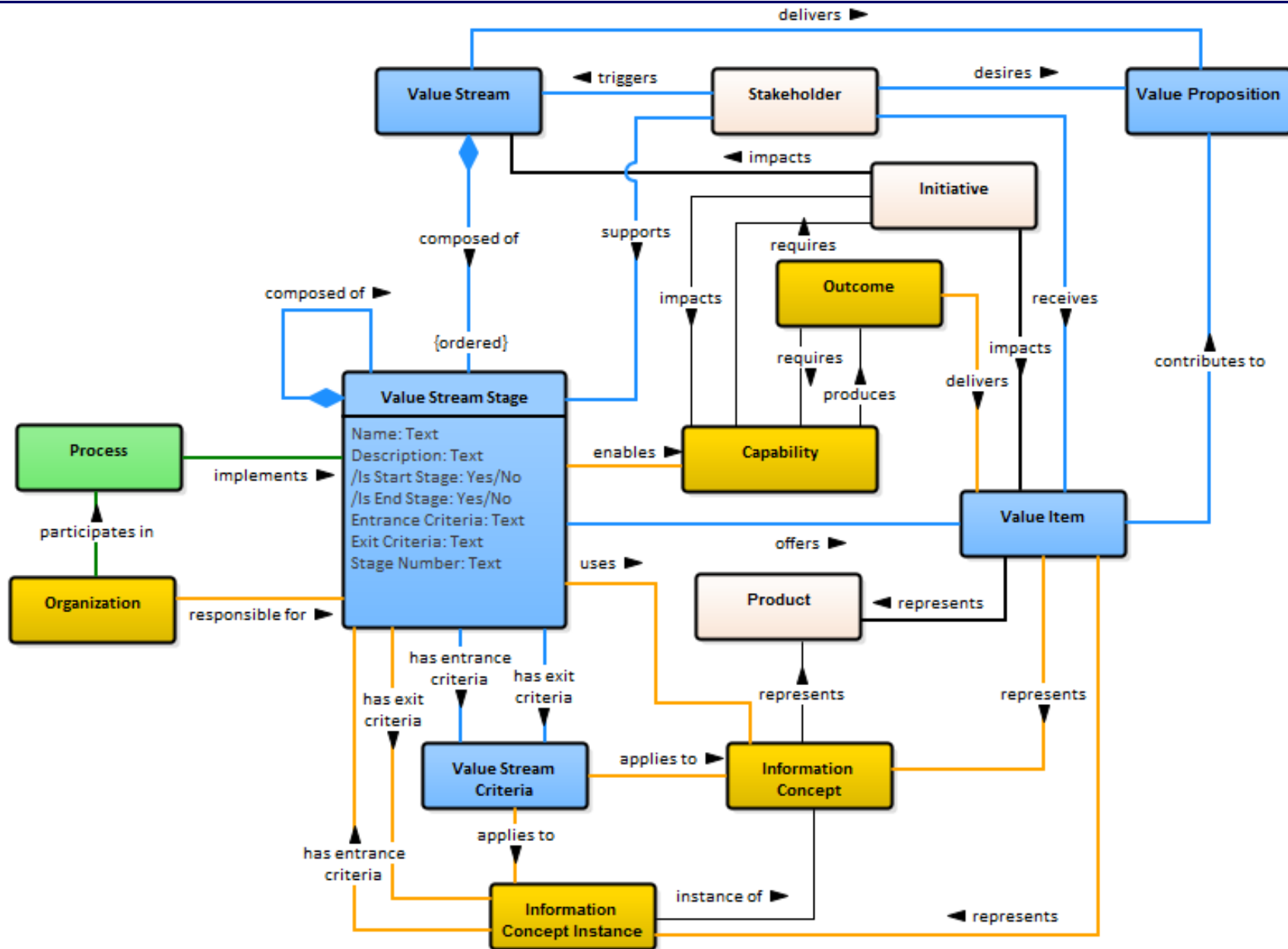
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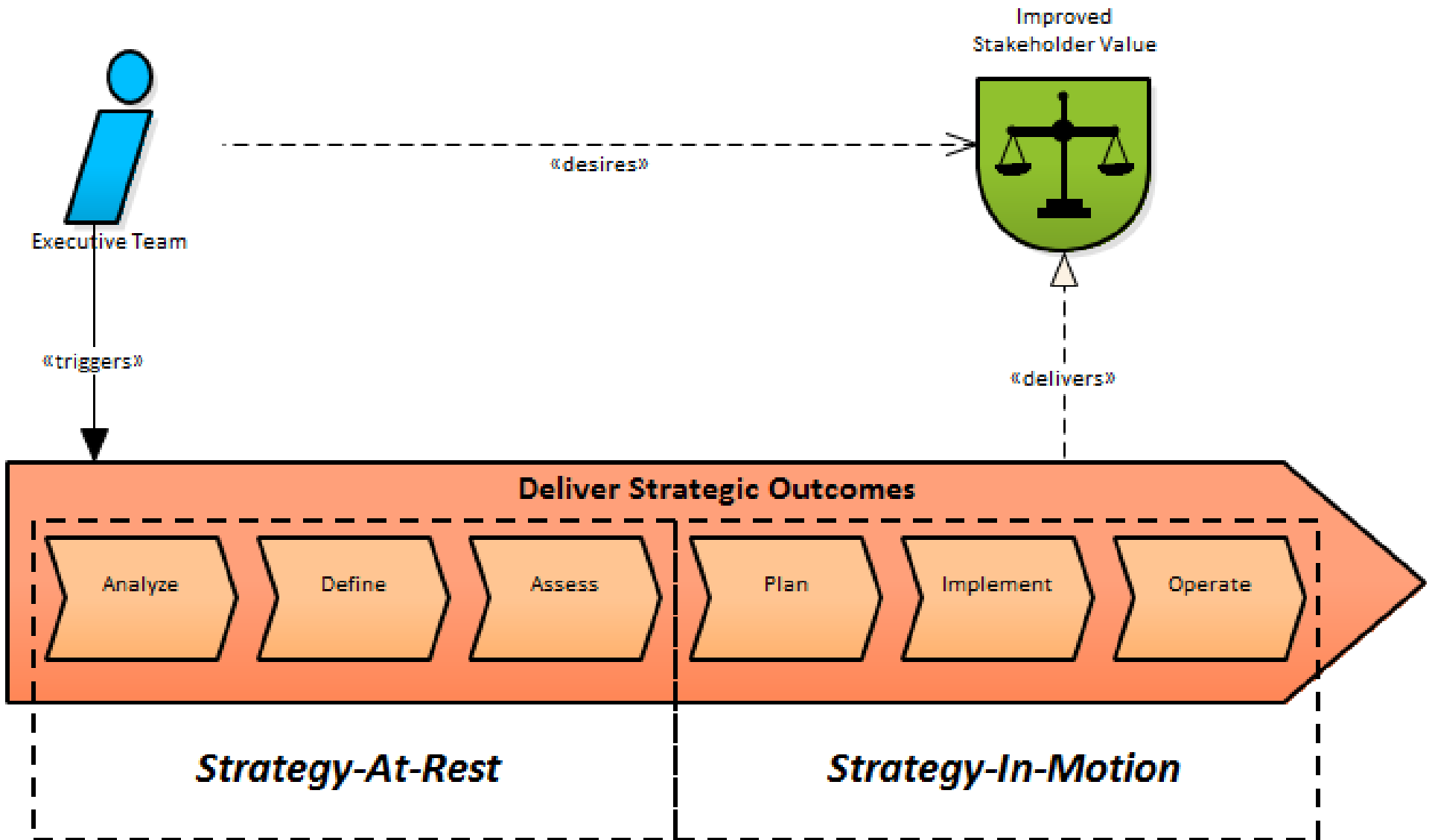
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Value Stream Stage – Metamodel



Deliver Strategic Outcomes – Value Stream



Deliver Strategic Outcomes – Entrance/Exit Criteria

