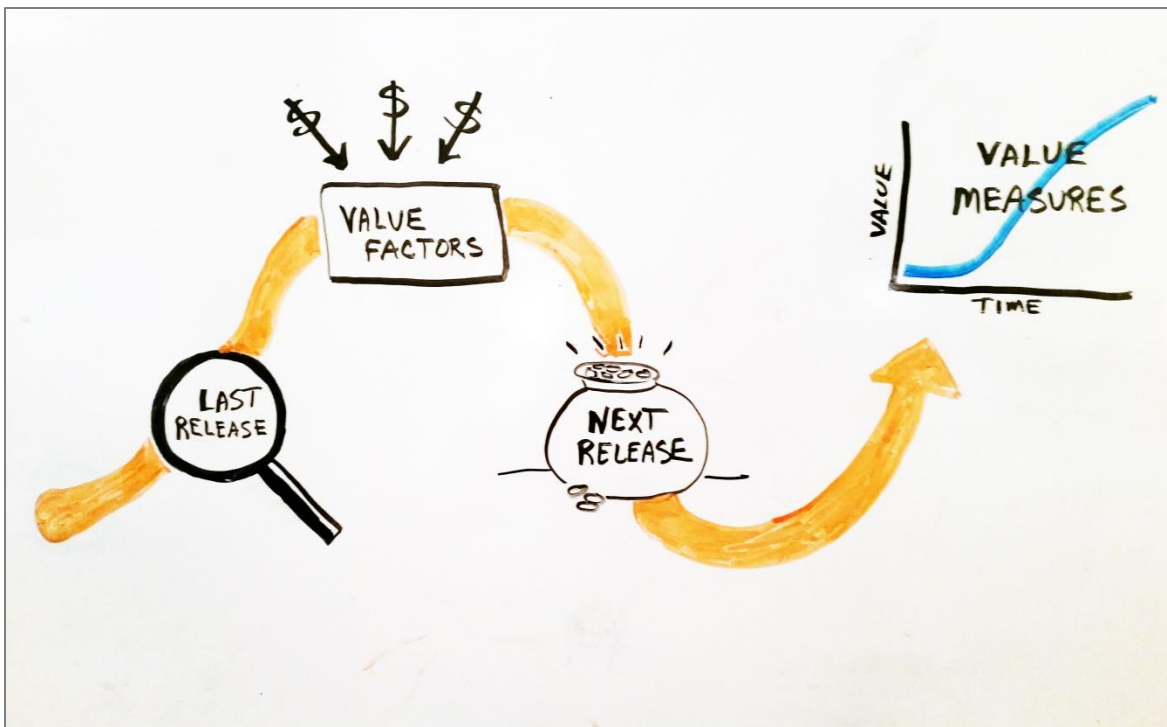


-- Workshop --

Defining Business Value

Scrum Gathering San Diego 2017
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Value Factor Practice

Instructions

1. Identify a recently completed project or feature.
2. Subjectively rate that effort in terms of cost on a scale from Zero to High.
3. Similarly rate it in terms of Delivered Business Value (independent of cost, ie. revenue) on a scale from Negative to High.
4. Given the first two elements, rate the Return on Investment for that effort on a scale from Negative to High.
5. Now list up to 5 factors that contribute to that perceived ROI along with measure units for each.

Example:

Project/Feature:	<i>Account Application Process Automation</i>		
Cost	Zero	Low 	High
Business Value Delivered:	Negative	Zero	Low 
ROI	Negative	Zero	Low 
Value Factor	Units		
<i>Time saved to validate manual application forms</i>	<i>Clerk Hours</i>		
<i>Saved printing cost for paper application forms</i>	<i>Dollars/Month</i>		
<i>Customer support time reduced</i>	<i>Support Hours</i>		
<i>Customer ease of application</i>	<i>Customer Hours</i>		
<i>Customer acquisition from referrals</i>	<i>Customers x Avg. Customer Revenue</i>		

Value Factors in Your Recent Work

Project/Feature:			
<i>Cost</i>	Zero	Low	High

<i>Business Value Delivered:</i>	Negative	Zero	Low
	----- -----		
<i>ROI</i>	Negative	Zero	Low
	----- -----		
Value Factor			Units

Project/Feature:			
<i>Cost</i>	Zero	Low	High

<i>Business Value Delivered:</i>	Negative	Zero	Low
	----- -----		
<i>ROI</i>	Negative	Zero	Low
	----- -----		
Value Factor			Units

Thinking About Value Factors

Quantitative Factors		Qualitative Factors	
<i>Keywords</i>	<i>Examples</i>	<i>Keywords</i>	<i>Examples</i>
Faster, cheaper	Deliver faster	Better	Better user experience
More, less	More registrations per week	Private	Enhanced privacy
Increase, decrease	Decrease clerical errors	Easier	Easier to input data
Can, cannot	Can access their own records	Improved	Improved screen flow
Do not have to	Do not have to print form	Enjoyable	Enjoyable user experience
Compliant	Complies with regulation 12	Transparent	Transparent progress
Consistent	Standardized information gathered	Richer	Richer data availability

List some that are relevant to your domain.

Quantitative	Qualitative

Identify Value Factors

Instructions

1. Identify a current or upcoming project or feature.
2. List one or more Business Value Factors that are goals of the work.
3. Mark them with a simple importance rating Hi-Medium-Low.
4. Optionally list the major cost factors for this work.

Project/Feature:	
Time Frame:	

Business Value Factors	Importance (H-M-L)
1.	
2.	
3.	
4.	
5.	
6.	

Development Cost Factors
1.
2.
3.
4.
5.

Value Factors and Measures

Definitions

Value Factor: What are we watching?

Units: What measurable units does it have?

Baseline: What is the current value in these units?

Time Frame: How soon would we like to deliver full value?

Target Value: What value do we hope to achieve in the time frame?

Measurement Method: How will we measure it?

Dollar Conversion: What is a formula for converting the value factor into dollars?

Examples:

1. Value Factor:	<i>Clerk Time Saved from Manual Process</i>
Units:	<i>Hours</i>
Baseline:	<i>2 hours per form</i>
Time Frame	<i>3 months</i>
Target Value:	<i>15 min. per form</i>
Measurement Method:	<i>Log processing time</i>
Dollar Conversion:	<i>(base hours - actual hours) * wages/hr * forms processed</i>

2. Value Factor:	<i>New Customer Accounts</i>
Units:	<i>Number of customer accounts processed</i>
Baseline:	<i>5/day</i>
Time Frame	<i>6 months</i>
Target Value:	<i>20/day</i>
Measurement Method:	<i>Count(DB Select)</i>
Dollar Conversion:	<i>New Customer Value * # Sign-ups</i>

Detailed Value Measures

For your top 1 to 3 Value Factors, elaborate their measures here.

Value Factor 1 :	
Units:	
Baseline:	
Time Frame:	
Target Value:	
Measurement Method:	
Dollar Conversion:	

Value Factor 2 :	
Units:	
Baseline:	
Time Frame:	
Target Value:	
Measurement Method:	
Dollar Conversion:	

Value Factor 3 :	
Units:	
Baseline:	
Time Frame:	
Target Value:	
Measurement Method:	
Dollar Conversion:	

Measurement Methods

Method	Cost (High-Medium-Low)

Value Factor Uses

References

- [Measurable Value with Agile](#) 2009 – Shriver
- [Appropriate Agile Measurement: Using Metrics and Diagnostics to Deliver Business Value](#) 2006 – Hartman and Dymond
- [Adapting Lean Canvas for Portfolio Management](#) 2013 – Swanson
- [Workshop: Defining Business Value 2017](#) – Brown
<http://www.agilecoachjournal.com/2017-04-08/defining-business-value>