Business Value Driven Development / Customer Focused Delivery

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In the three levels of process described in a previous article (see http://kenpugh.com/Articles/Doneness-Focused-Processes.pdf) , the highest is business value driven development (BVDD).   In this process the focus is on business value, such as increased revenues or decreased costs. For customer facing groups, the business value typically involves customer focused delivery – such as developing things that increase customer satisfaction.

BVDD involves decomposing changes into small releasable items and sequencing these items. It also deals with the impact of those changes on all stakeholders, e.g. the customer, marketing, and customer service.

Small Releasables

To deliver business value effectively, changes to systems should be grouped into the minimum set that can be released and produces business value. This minimum change set has been called the Minimum Viable Product (MVP), Minimum Marketable Feature (MMF), or Minimum Business Increment (MBI).   In this part of BVDD, the emphasis is on decomposing changes in smaller pieces, creating releasable change sets, and creating doneness tests to check for the delivery of the business value for a change.

The business value may involve a capability or feature of a program, e.g. the errand mapper for a GPS system which determines the shortest route to cover errand stops (grocery store, bank, post office, etc.). Or it may be about saving costs (e.g. cutting down the number of calls to customer service).

Customer focused delivery is a subset of BVDD where the primary business value is derived from customer satisfaction (adding promoters, providing satisfiers and eliminating detractors).   You need to determine a test for whether the business value is achieved.   For example, with customer-focused-delivery items, do you survey, interview, or use a derived metric such as number of calls to customer service?

The business value test cannot usually be made until the changed system is in use.   Depending on the user's interaction with the system, some tests might run quickly (e.g. how fast users get through a sign-up procedure) and some may take a while (e.g. did the monthly reporting changes produce the right results).

Sequencing

The sequence of releasing change sets should allow for the quickest delivery of business value.   This typically can be scheduled by first determining the relative business value of the changes (see http://kenpugh.com/Articles/Estimating-Business-Value.pdf).   The cost of delay, opportunity enhancement, or risk reduction can also be added to the business value.

Then the bang for the buck (BfB), which is business value divided by estimated effort, or weighted shortest job first (WSJF), which includes the cost of delay and other factors, can be calculated. The change sets with the highest BfB or WSJF could be scheduled first. However, the sequence may be modified by logistical or technical considerations.

Impact

Many software changes have impacts on other stakeholders, e.g. the customer, marketing, and customer service).   Workflows may have to be altered, new ways of interacting may require training, or advertising may be affected. These impacts should be evaluated and used as part of the sequencing decisions.

Impact Mapping

If you do impact mapping (https://www.impactmapping.org), you could use the assumptions to create business doneness tests.   You could assign business value to the goals and impacts and use that divided by effort to help sequence the changes.
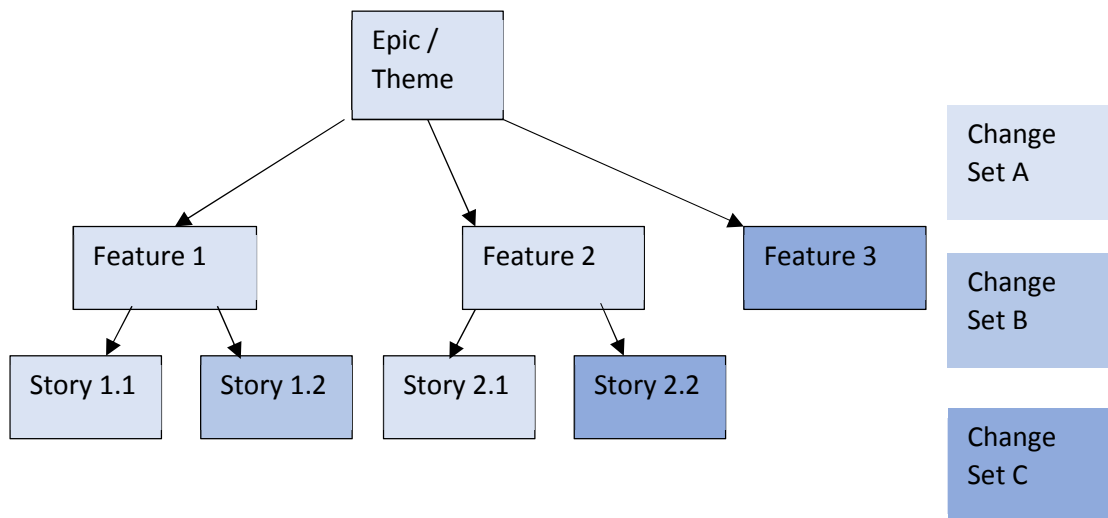
Decomposition

Decomposition in BVDD revolves around breaking down epics or themes into features and the features into stories.   The features and stories are placed into change sets (MVP, MMF, MBI, etc.) If a feature does not require every story to be released at the same time, then some stories can be placed in another change set.   Note that stories give a summary of a change; the details are gathered at the appropriate time.
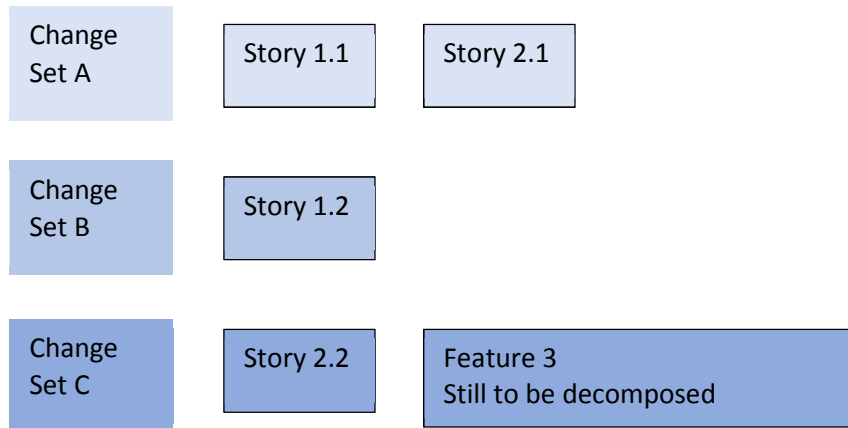
Typically, you create more than one change set at a time and then sequence them according to BfB or WSJF.

You can keep track of things (epics, features, stories) that have been decomposed and not yet placed into a change set. They can form a basis for creating the next set of change sets.

In the diagram, the changes sets are indicated by different shades.

Here are the stories with their associated change sets.   Stories should be associated with the business value of the change set that they represent.   That way all people involved can appreciate the value to the business or to the customer.

Change Set A	Story 1.1	Story 2.1
Change Set B	Story 1.2	
Change Set C	Story 2.2	Feature 3 Still to be decomposed

Summary

Focus on delivering smallest possible sets of changes with identified business values. Sequence the change sets based on BfB or WSJF.   That way, you can get the quickest return on business value for your investment.