

CHAPTER THREE



IT'S
ALL YOUR
FAULT!!









RIGHT, I'VE GOT TO LEAVE EARLY FOR AN IMPORTANT MEETING.

I'LL SEE YOU GUYS IN THE MORNING.



WOW. LEAVING WHILE THE SUN IS STILL SHINING.

SOMETHING WRONG?

NO. NO. GOT A MEETING TO GET TO. DON'T WANT TO BE LATE.



NOT A HOT DATE, I HOPE. DON'T WANT TO BE JEALOUS.

I WISH. JUST WORK RELATED, I'M AFRAID.



WELL THAT'S OKAY THEN.

HOPE IT GOES WELL, SEE YOU IN THE MORNING.

WILL DO. HAVE A GOOD NIGHT.

BLOBS

RANDOM MUSINGS - LILLY RANDALL



About relationships and knowledge options

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Just a quick post before meeting the Cantina guys with Rose. It reminded me that relationships are some of the most valuable options. The ability to ring someone and them reach out and help you is very special. This is especially true when learning new things. People have different learning styles; I have trouble learning things straight from a book or blog post. Having someone you can ask questions when you're at the point you do not understand speeds up your learning process several-fold. At least it did for me.

Knowledge options

This ability to learn things quickly lead me to something I call knowledge options. Knowledge options are those pieces of information I know just enough of. The difference is that I learn enough about a subject to understand what can be done with the tools, and how long it will take me to learn the tools to the point that I can apply them.

Some subjects take a long while to become competent in so I start to apply them before I need them so that I'm competent with them in case I ever need them. Other subjects I leave until later. In both cases it is useful to know someone who can help me learn.

Another way of creating these knowledge options is to go through the contents pages of books and look for terms and subjects you do not know. A more general approach is to constantly look out for subjects you do not know about.



Finding a mentor

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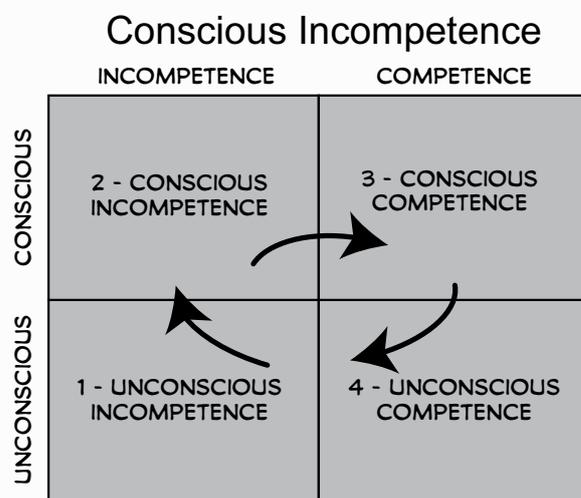
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Finding the right mentor for a subject that is available as well can be a challenge. My experience is that practitioners, the people who do this stuff in their daily work, are the best mentors. The practitioners normally can tell you which are the important bits. They have gone through all the material, tried it out, and tossed out the things that didn't work for them. Finding these practitioners is a lot easier nowadays than before.

To find a mentor for a subject, I start with searching for the authors who have published a good book on the subject. I then look for the community of practitioners who gather around the author. Besides the fact that the practitioners have lived through the experience, they normally have more time to spend explaining things to you than a busy author. These days most subjects have a community who meet in an on-line forum (e:mail /facebook / linkedin group) to discuss the material. The groups are normally very supportive of people asking questions about the subject and provide a very valuable resource.



Knowledge options explicitly acknowledge the value of being consciously incompetent about a subject with one extra criteria. How long it will take to become consciously competent in the subject. If a subject takes a long time to learn and it is likely to be useful, then learn the subject early. If it takes a short time, the learning commitment can be deferred.

The conscious competence model was invented by Noel Burch in the 1970, though some incorrectly attribute it to Abraham Maslow.



HIYA.



HEY, YOU MANAGED TO MAKE IT THROUGH THE DAY.



JUST. THANKS FOR DOING THIS. HOPE IT WORKS.

IT WILL, BUT YOU HAVE TO PAY ATTENTION AND GIVE IT TIME.



I WALK PAST THIS PLACE ALL THE TIME. NEVER BEEN IN THOUGH.

YEAH, WELL. MOST PEOPLE ONLY SEE THINGS THEY'RE LOOKING FOR...



THAT'S WHAT'S GOOD ABOUT THIS LITTLE HIVE OF SCUM AND VILLAINY --

-- KNOWN ONLY TO A CHOSEN FEW.

THE
LEARNING
CANTINA.

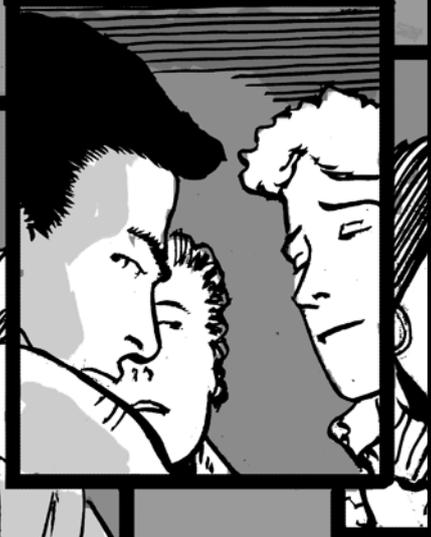
HI, JON.
HOW ARE
YOU?



GREAT, LILLY. GOOD TO SEE YOU.

HI, THERE. YOU MUST BE ROSE. WE SPOKE ON THE PHONE.

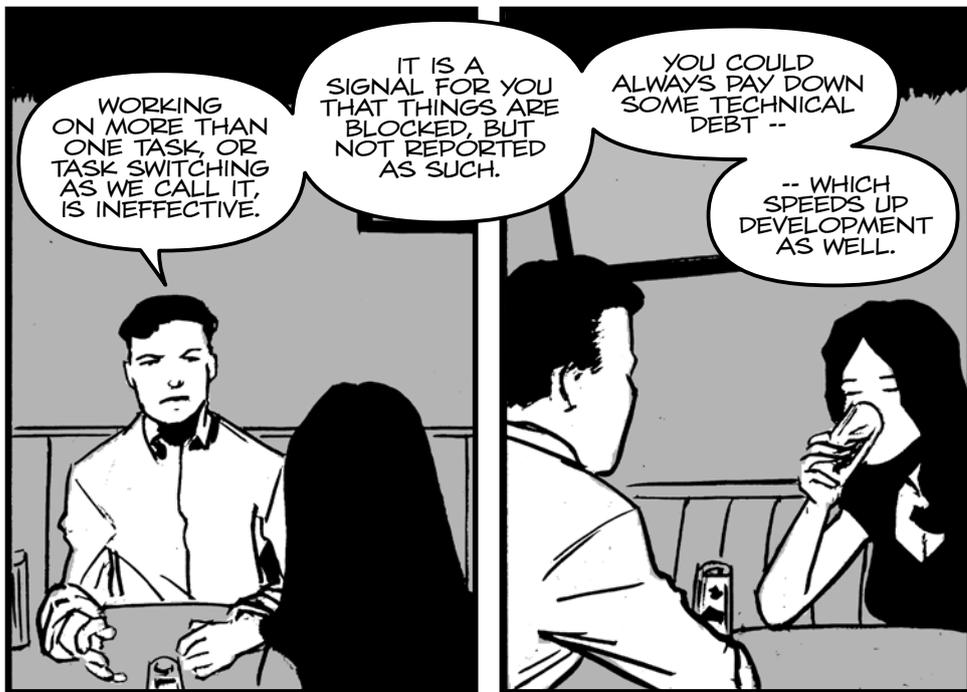
I HAVE A TABLE OVER HERE. DO YOU WANT TO JOIN ME?











WORKING ON MORE THAN ONE TASK, OR TASK SWITCHING AS WE CALL IT, IS INEFFECTIVE.

IT IS A SIGNAL FOR YOU THAT THINGS ARE BLOCKED, BUT NOT REPORTED AS SUCH.

YOU COULD ALWAYS PAY DOWN SOME TECHNICAL DEBT --

-- WHICH SPEEDS UP DEVELOPMENT AS WELL.



OH DEAR...



I ALMOST FORGOT ONE OF THE MOST IMPORTANT THINGS --

-- YOU SHOULD IDENTIFY DEPENDENCIES ON YOUR PROJECT.



I USE A GANTT CHART.

THAT'S NOT ENOUGH.

YOU NEED TO FIND A WAY TO BREAK THE DEPENDENCIES BETWEEN TASKS.



THAT COVERS THE BASICS.

WE NOW NEED TO THINK HOW WE USE REAL OPTIONS TO HANDLE UNCERTAINTY.



OH-- HERE'S LIZ KEOGH. PERFECT TIMING.

SHE CAN HELP US WITH THIS.



LIZ, THIS IS LILLY'S SISTER, ROSE.

ROSE, THIS IS LIZ KEOGH.

HOW ARE YOU DOING?

GREAT. PLEASSED TO MEET YOU.

I TAKE IT THAT JON HAS GOT THE BALL ROLLING --

-- WHERE ARE WE UP TO?



USING REAL OPTIONS TO HANDLE UNCERTAINTY.

AVOID COMMITTING TOO EARLY.



AND HOW DO YOU MANAGE THAT?

YOU HAVE SEVERAL WAYS OF DOING SOMETHING --

-- BUT DON'T KNOW THE 'BEST' WAY TO DO IT.



HAPPENS PRACTICALLY EVERY DAY.

RIGHT. THERE ARE THREE APPROACHES.



ONE, POSTPONE THE COMMITMENT, COLLECT MORE INFORMATION.



TWO, CHOOSE THE OPTION THAT IS EASIEST TO CHANGE.





IDEALLY YOU WOULD WANT TO HIRE SOMEONE LIKE HIM.

GARY...?



WHAT ARE YOU DOING HERE?

THIS IS THE LAST PLACE I WOULD EXPECT TO FIND YOU.

ROSE IS LILLY'S SISTER --

GARY? HE'S ON MY TEAM!



-- SHE NEEDS A REAL OPTIONS COACH.

YOU ARE KIDDING. STEVE IS GONNA FLIP.



ROSE, I THINK IT'S TIME FOR YOU TO BUY ME DRINK.



FAIR ENOUGH. THIS ROUNDS ON ME.

I'LL GIVE YOU A HAND, AND WE CAN HAVE A CHAT.



<<to be determined date>>

Tuesday

Dear Susan,

At University most of my friends lived together in one of two big houses. They were on the same street side by side and they were owned by the same landlord. The landlord had a lot of properties that he rented out to students. All of them were the same. Same kitchen, same bathroom. I suspected the landlord had a warehouse full of spares that he bought at the same time he bought the kitchens.

I ate dinner at one of the houses quite a few times. I would come in and the kitchen would be spotless. Two of the guys in the house were really fussy and insisted on everyone cleaning up the kitchen after a meal. They were also pretty disciplined at replacing things that ran out. They had a schedule and everything. The others went along with but I think they liked the place being tidy as well. Whenever I was round there at dinner time they would offer something to eat. Within ten to fifteen minutes we would have something on our plates to eat. These were student days so it was normally pretty basic.

Next door were the gym guys. They had moved the kitchen table to one side and installed a weights bench. One thing I remember vividly was that there were never, ever, ever clean cups. The kitchen sink was normally full of dirty pots but a cup of tea required a trawl of the living room and residents bedrooms. Whenever I had a cup of tea there I normally had to go to the shops at the corner to get milk, tea bags and even washing up liquid on one occasion. It did not worry me too much as it took just as long to find a couple of cups in the rubbish tip that they called a living room. One time one of the guys invited a new girlfriend around for dinner. It took him so long to prepare it that she dumped him. His performance was that impressive.

I've come to realise that technical debt is like a dirty kitchen. You cannot find anything and you have to clean up before you start to do any real work. While a little is still manageable on a daily basis, if it gets too big the act of cleaning up and hunting for things is a real gumption trap (from Zen and the Art of Motorcycle maintenance).

At some point the mess is too big to find things and it becomes easier to give up. This builds up to a series of failed attempts to clean up and the initiative to start becomes smaller and smaller.

<<to be determined date>>

Tuesday

Paying down technical debt or "Refactoring" as some of the developers call it is the equivalent of cleaning the kitchen and putting stuff in the right place. This means that the next person who comes along will know where to find what they need where they expect it to be.

Options helped me realise that technical debt is not debt. It is not a fixed cost.

Rather it is a sold option. The more valuable and urgent the requirement, the more the "sold option" (Technical Debt) costs you. As the guy who lost the girlfriend knows all too well. Sadly people never learn, he lost the next two girlfriends after me as well though we all became good friends.

I now realise that paying down technical debt is like keeping the kitchen clean. It helps me respond quicker and deliver faster with less effort. This gives me more options which is a good thing. Sometimes the most valuable investment for the business is a pair of technology cleaning gloves.

One last thing, tonight Lilly took me to The Learning Cantina. Amazing how she always finds these extraordinary places. She introduced me to Jon Terry and Liz Keogh and we had a great conversation about project management and Real Options. Sounds interesting, this options thinking. Made sense to me, but I'm not sure how this is going to help me. I'll first start with the project management ideas.

When I googled Liz I came a cross a blog post of her describing a real life situation where she applied options thinking.

Good night, Susan. Time to get some sleep.

Liz Keogh's Blog

Software, Training, Coaching, Writing.

Nov
01

Clients value changing their minds too

A few years back, I met Chris Parsons when he gave a talk about a topic I was hugely interested in. Chris was the CEO of Eden Development, a little software house down in Winchester. Meeting him resulted in us both appreciating offering options in real life.

After the talk Chris and I exchanged ideas about some questions he'd had difficulty answering. He seemed impressed and suggested I should come and coach his team for a day or two. I like small companies; they're usually fun and easy to coach. So, I offered him a fairly low rate and Chris replied promptly and said, "Come down on Monday." "Hmmm, you said, 'A day or two,'" I reminded him. "You see, Winchester's two and a half hours by train, each way, and I don't really feel like travelling for five hours only to do it again the next day, so I have a proposal."

I offered Chris the option for my help on the second day, at the same low rate. Chris could buy this option for the price of a hotel and a meal. If he paid for my hotel, I'd stay there regardless. This way I would have a nice relaxed time instead of trying to travel there and back in one day, and if Chris wanted me back for the second day all he needed to do was let me know before I left on the first day.

Chris loved the idea. I booked the hotel, and towards the end of the first day, I shared the idea of Feature Injection, which Chris Matts had taught me - pulling out work items from an initial project vision by considering the different stakeholders of a project, their goals, and the capabilities the system would need to meet them.

Chris Parsons was so pleased with the results on the first day that he asked me to come back on the second day - he used the option. When I came back in, Chris said, "I've spoken to our client and asked him to keep a prioritized list of the things he wants. We only need to know the top six things he wants us to work on. This allows us to help him focus on the stakeholder goals more effectively. We'll chat with him once a week to get more. Now... how do we make this work?"

When I called back a few months later to see how things were going, they had reduced the limit to three items, talking to their client twice a week. It turned out their client loved having the option to change his mind too!



Backlog

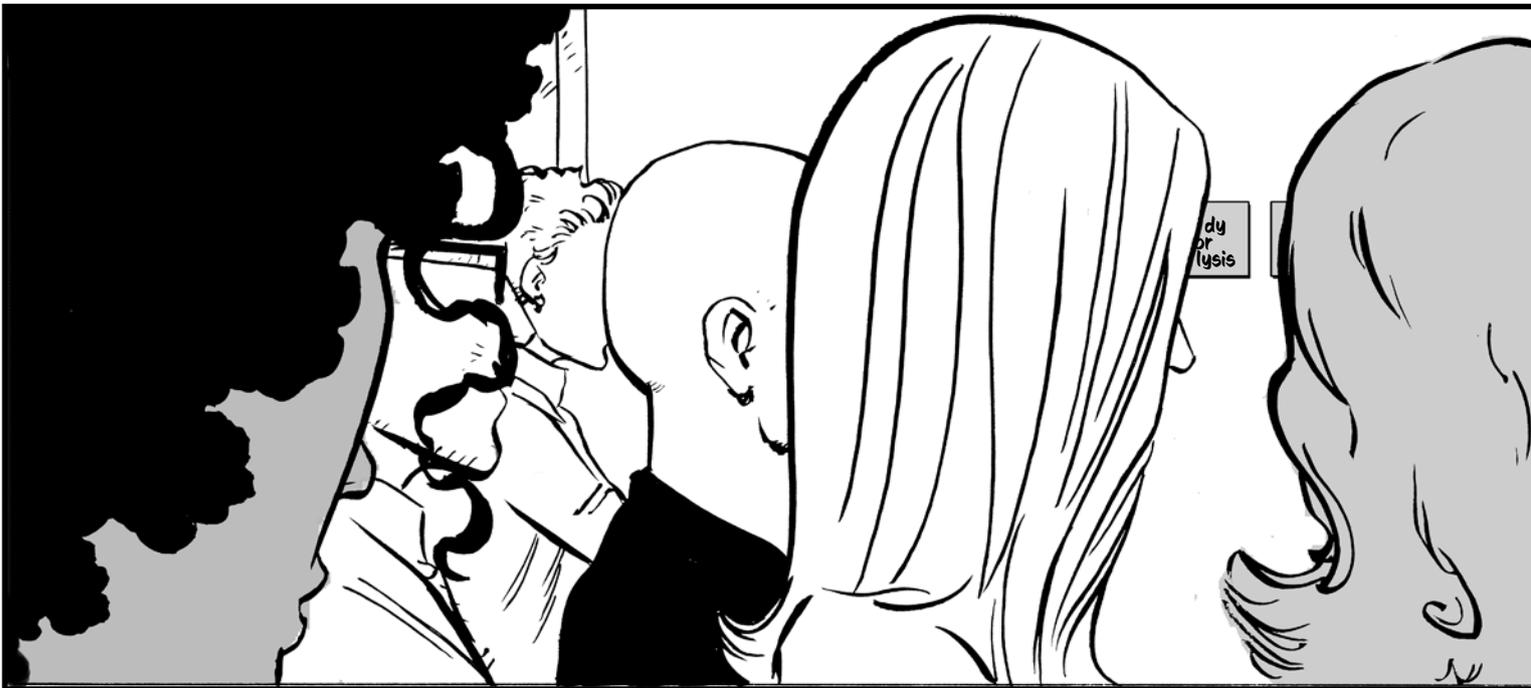
Prioritised

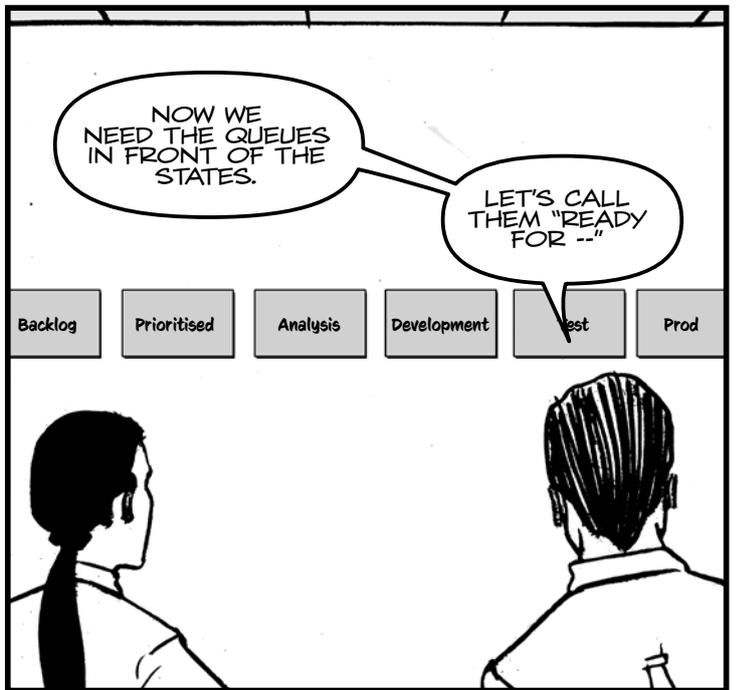
Ready for Analysis

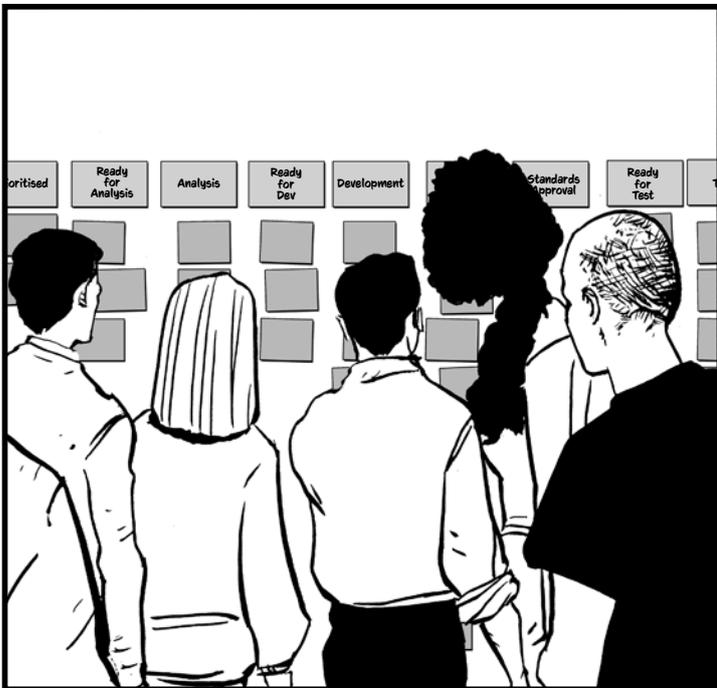
Analysis

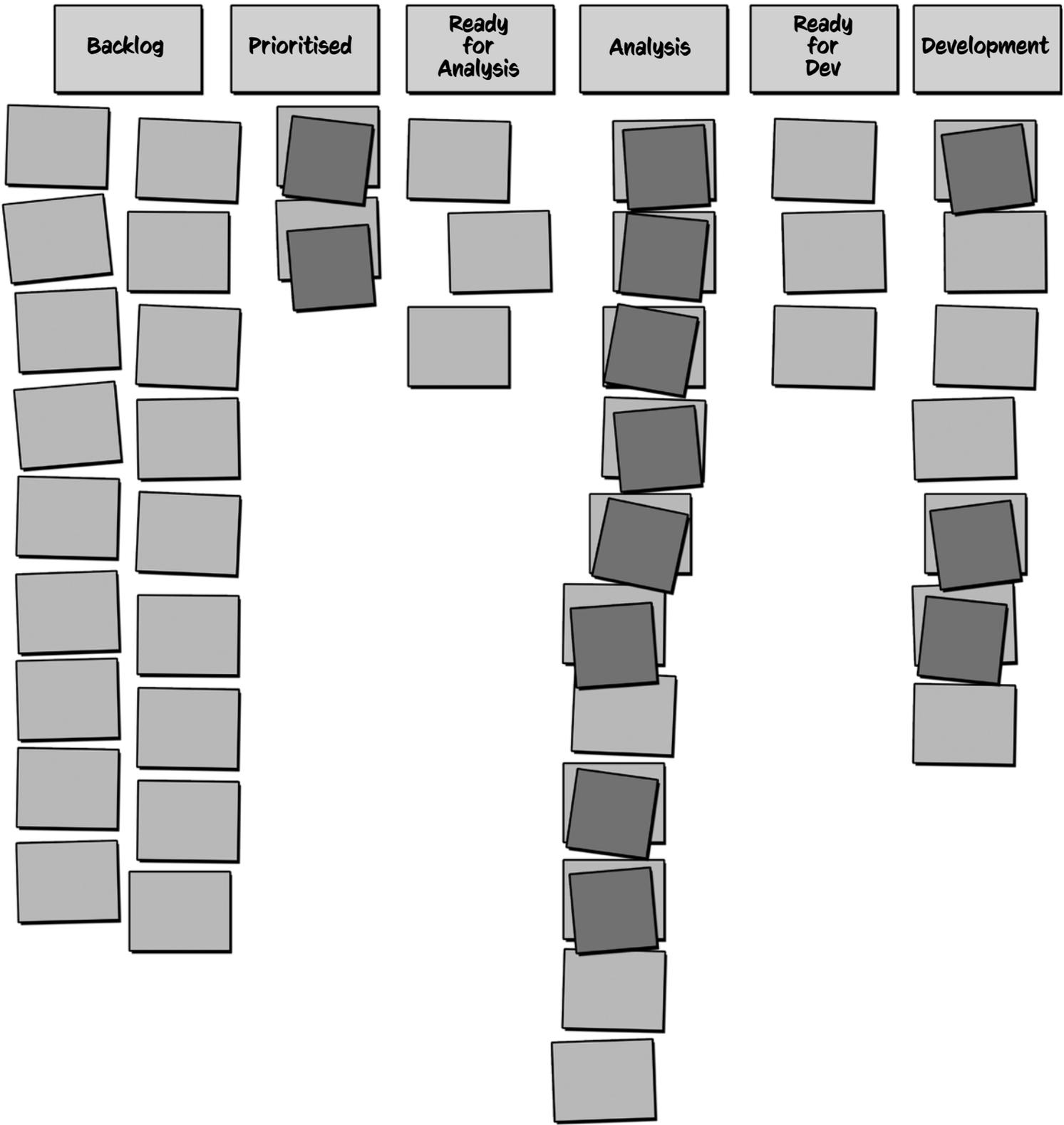
Ready for Dev

Development









Ready for Approval

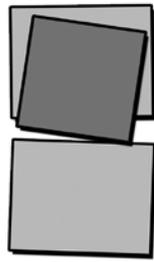
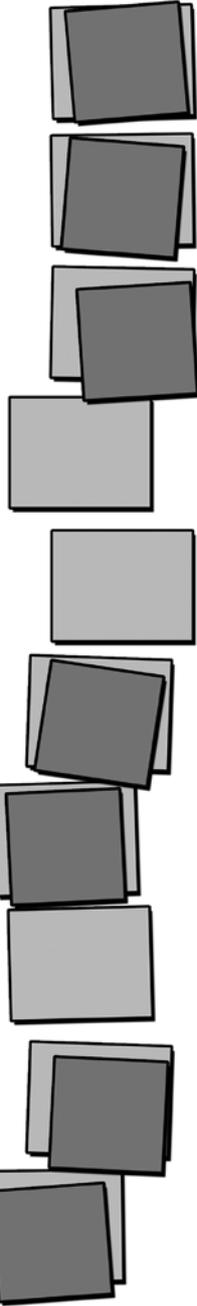
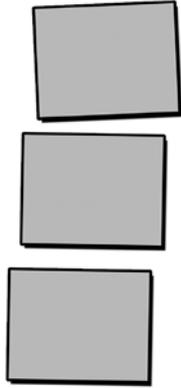
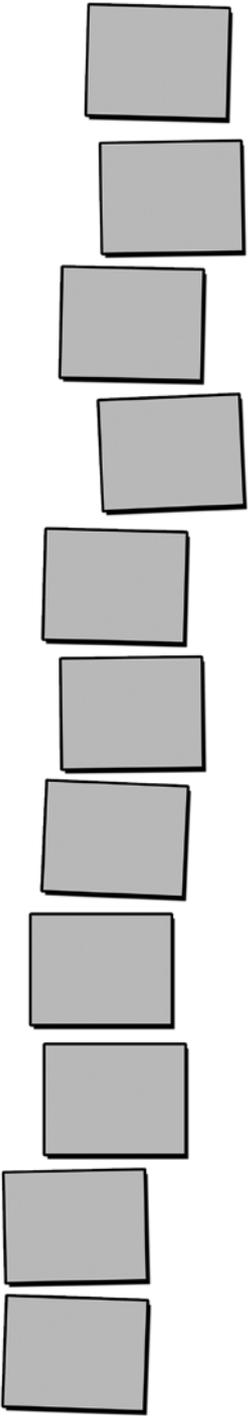
Standards Approval

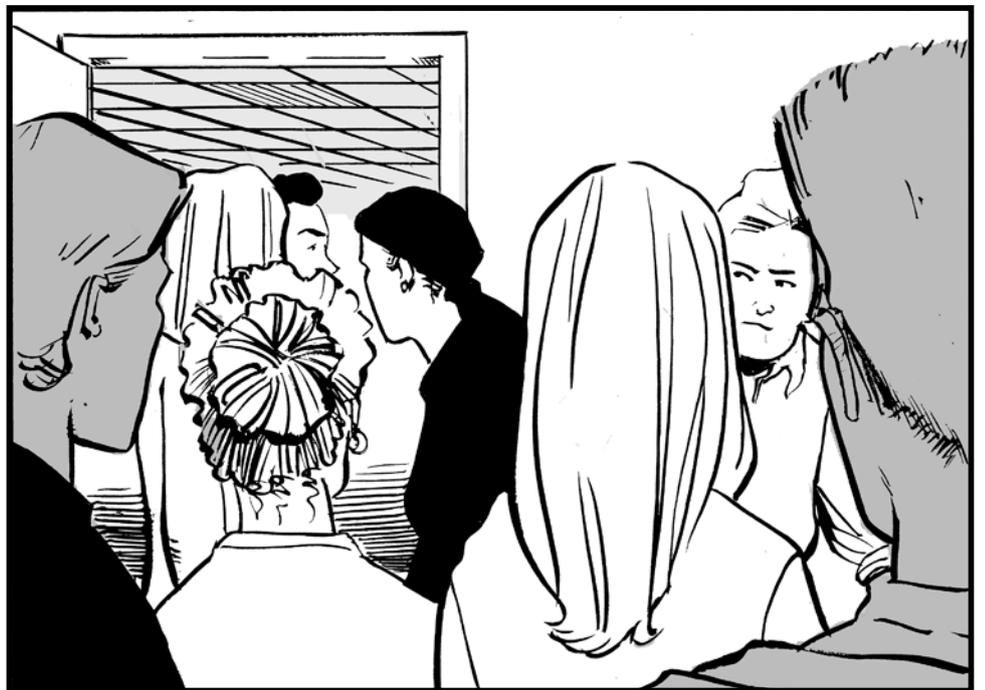
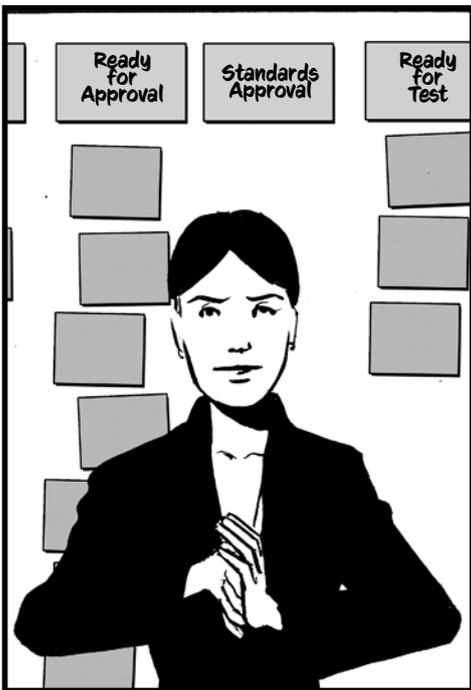
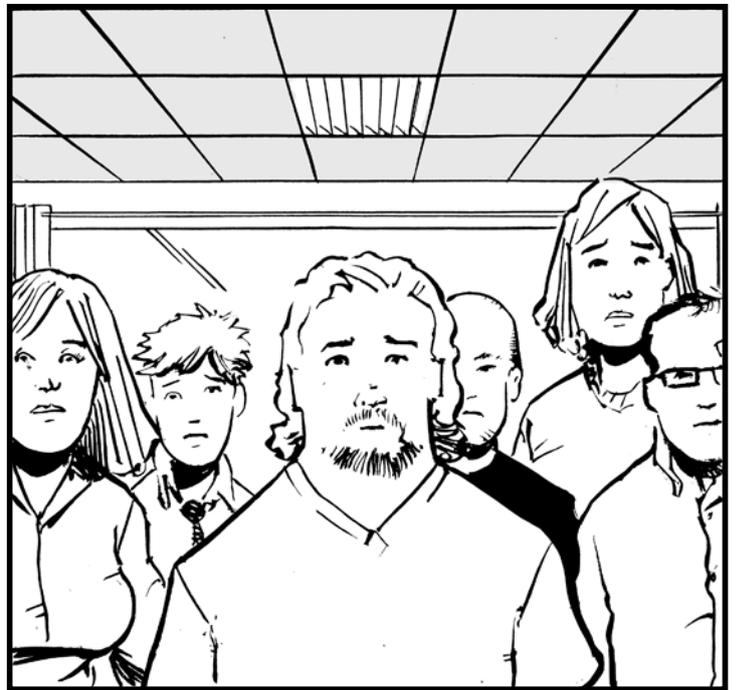
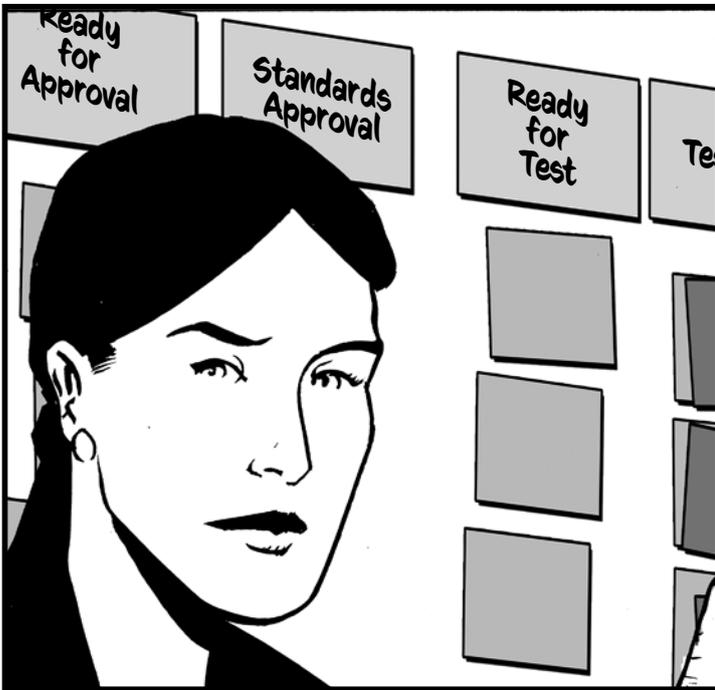
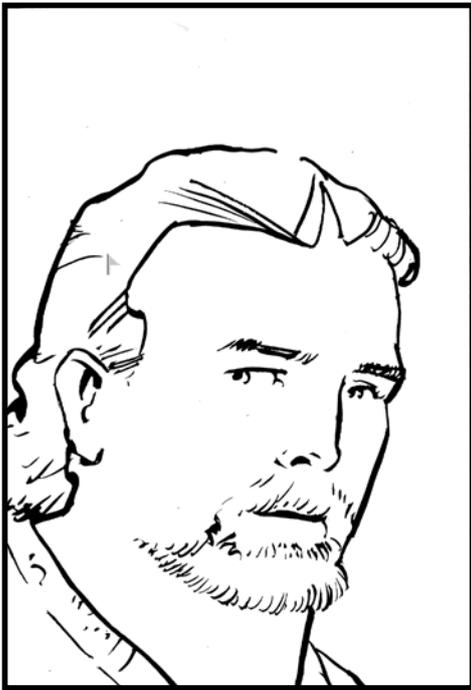
Ready for Test

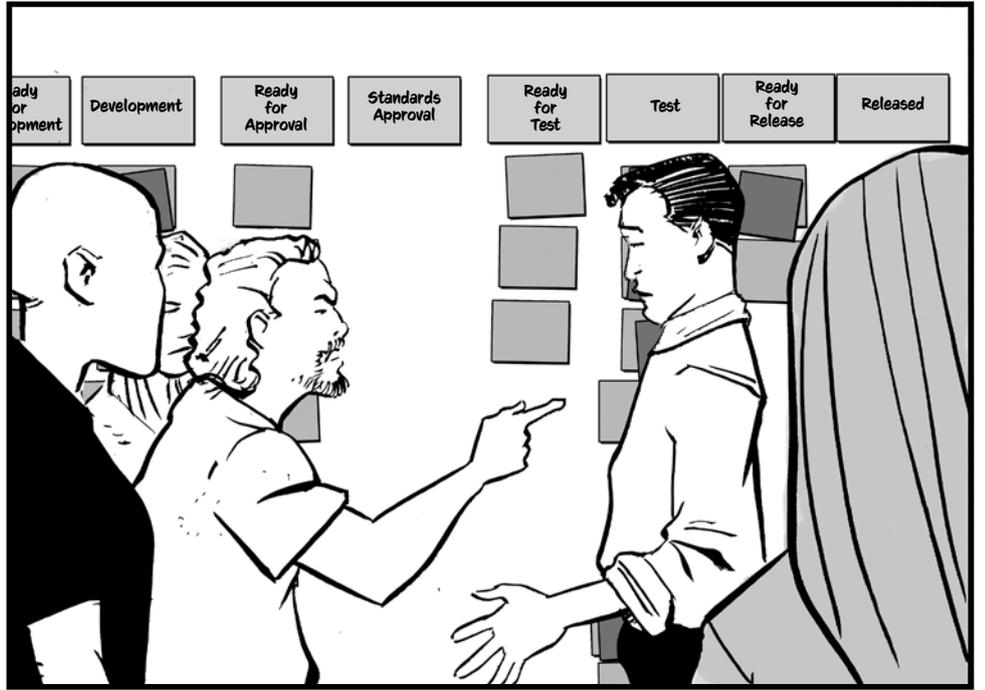
Test

Ready for Release

Released









NO, NO, NO! THAT NEEDS TO GO BACK A COLUMN.

WHEN WAS THAT DECIDED?

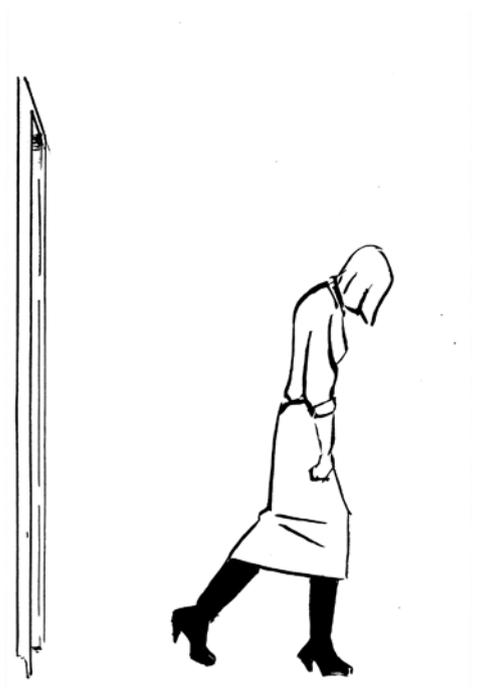
WHILE WE WERE AT THE BOARD. DIDN'T YOU SEE US CHANGE IT?

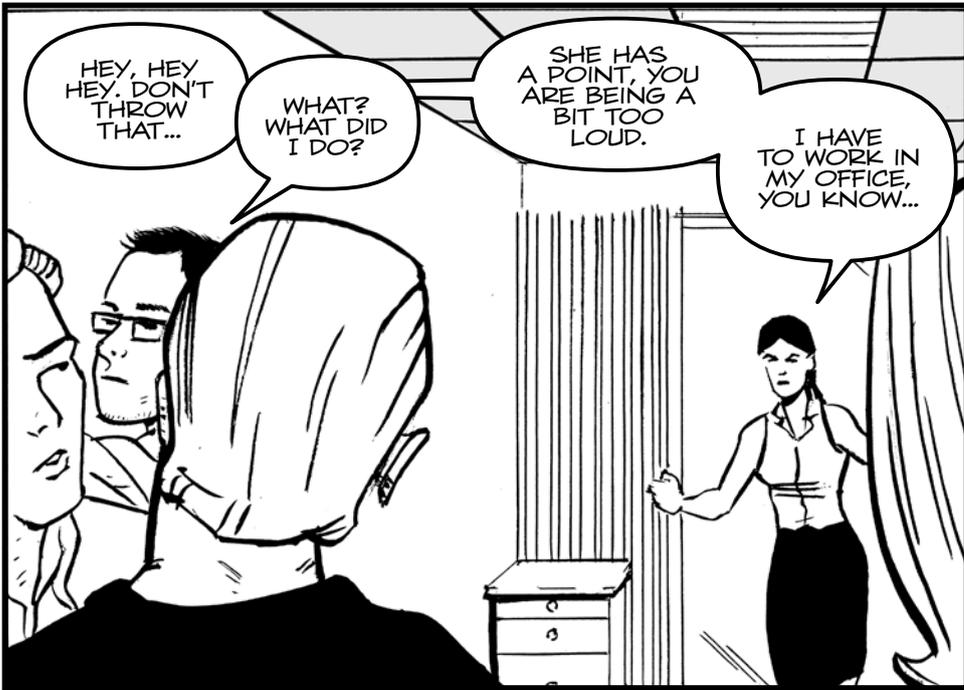
NO, AND YOU DIDN'T FIND IT NECESSARY TO INFORM THE REST OF US?



CAN YOU GUYS KEEP IT DOWN.

WE'RE FINDING IT HARD TO CONCENTRATE OUT HERE.





HEY, HEY HEY. DON'T THROW THAT...

WHAT? WHAT DID I DO?

SHE HAS A POINT, YOU ARE BEING A BIT TOO LOUD.

I HAVE TO WORK IN MY OFFICE, YOU KNOW...



HOW ABOUT IF WE MOVE IT OUTSIDE?



AND DISTURB EVERYONE?

I NEED TO SEE IT AS WELL.

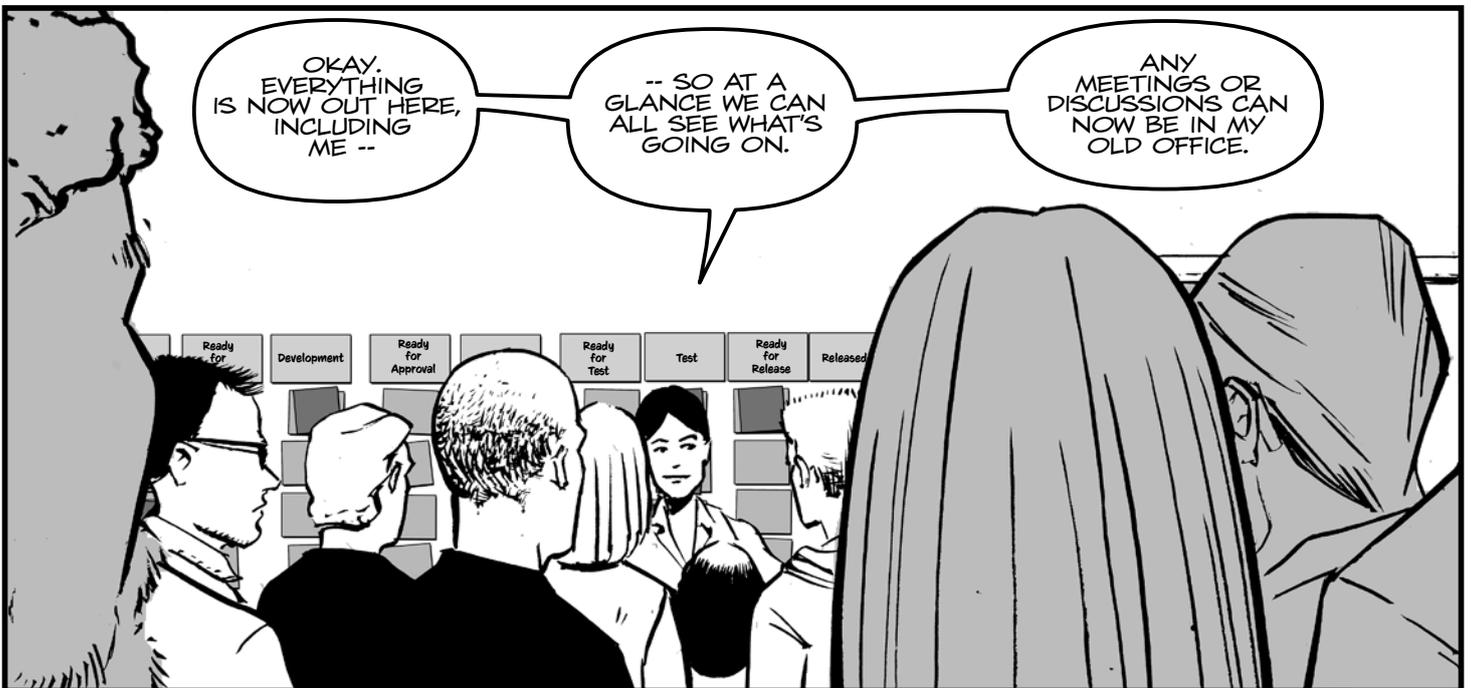
WELL I DON'T KNOW WHAT TO SUGGEST.



CAN'T BELIEVE I DIDN'T THINK OF IT BEFORE.

FEELING STRONG ENOUGH TO MOVE MY DESK?

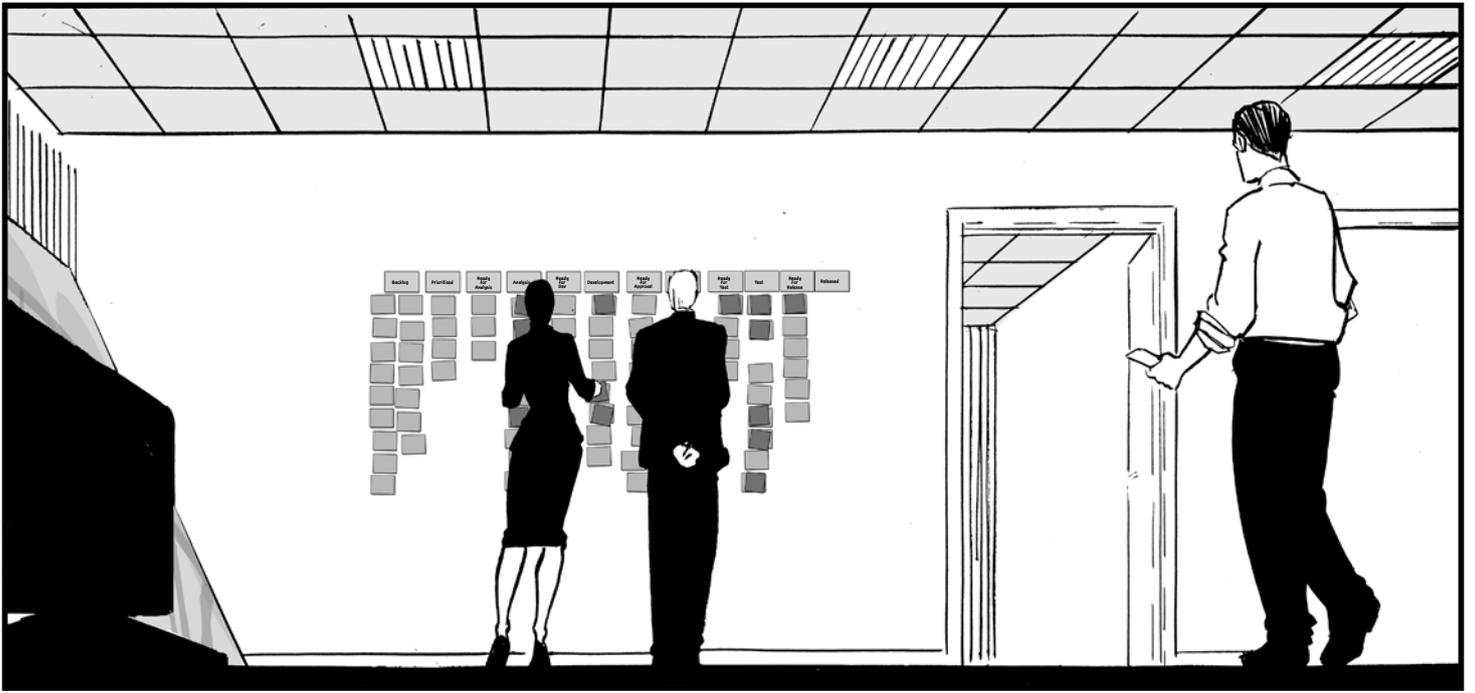
....?

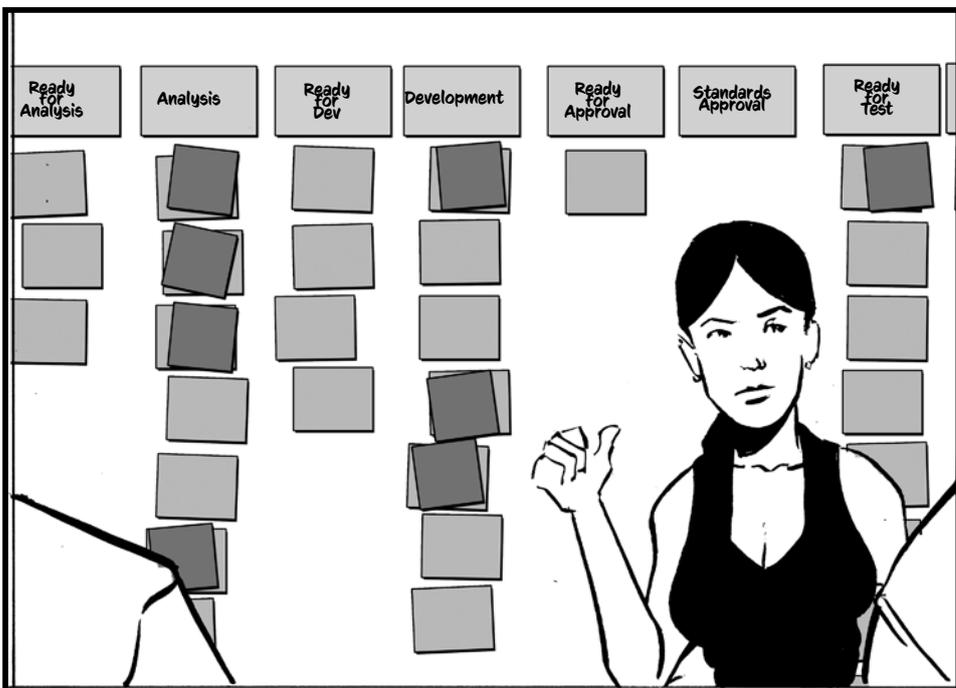
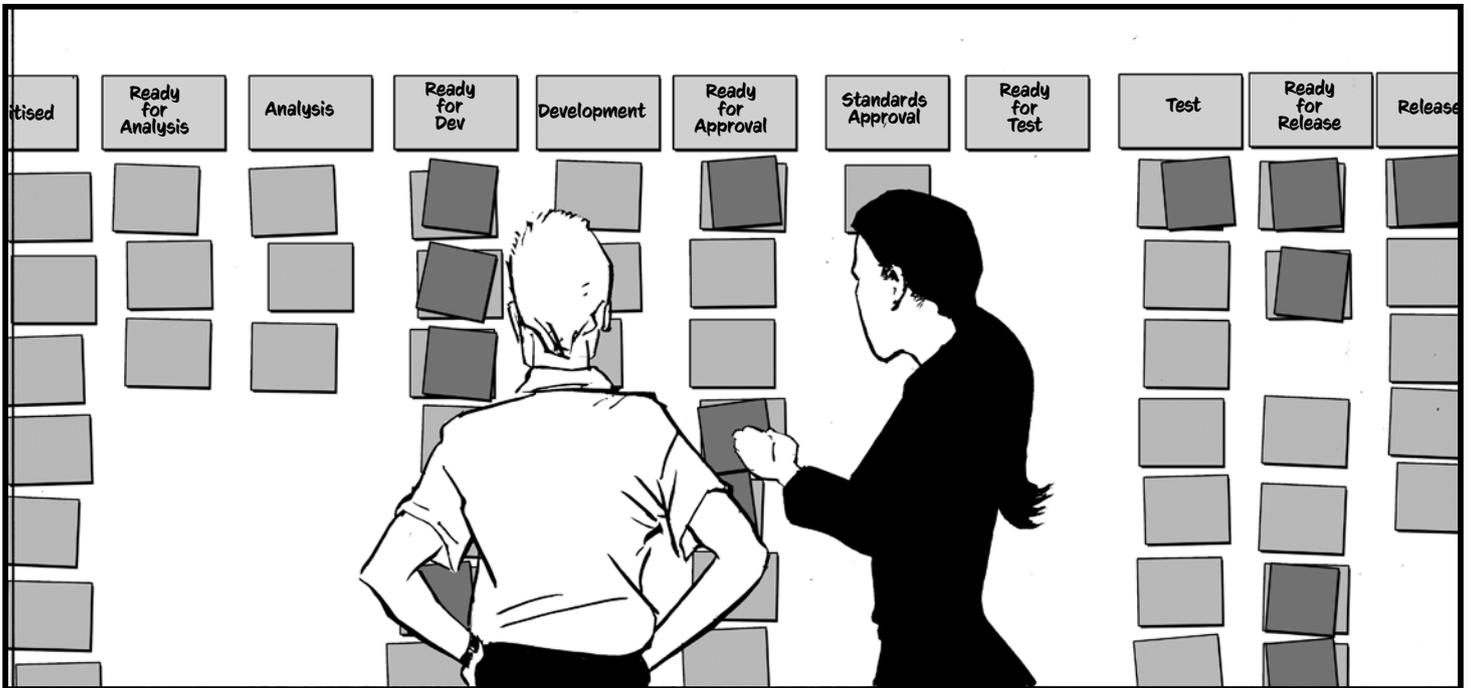


OKAY. EVERYTHING IS NOW OUT HERE, INCLUDING ME --

-- SO AT A GLANCE WE CAN ALL SEE WHAT'S GOING ON.

ANY MEETINGS OR DISCUSSIONS CAN NOW BE IN MY OLD OFFICE.







WE NEED PEOPLE TO BE ABLE TO MOVE BETWEEN THE ROLES MORE FREELY

SO SKILLS AND ORGANISATIONAL FLEEDOM'S STUFF?

HOW DO WE DO THAT?



WE ALLOCATE PEOPLE TO A TASK THAT THEY ARE JUST ABOUT ABLE TO DO --

-- NOT JUST THE BEST PEOPLE FOR THE JOB.

THEY SHOULD NOT BE ALLOCATED TO ANYTHING, SO IF A PROBLEM COMES UP, THEY ARE IMMEDIATELY AVAILABLE TO ADDRESS IT.



CAN WE DO THAT?

STEVE AND I NEED TO HAND OFF OUR WORK TO OTHERS AND GO HELP THE TESTING TEAM.



WHY ARE YOU TAKING SO LONG TO TEST EACH ITEM?

WE DO NOT REALLY KNOW WHAT WE ARE TESTING.

THE SPECIFICATIONS DO NOT HAVE ENOUGH DETAIL FOR US TO TEST.

WE HAVE TO WORK IT OUT FOR OURSELVES.



THIS IS A PROBLEM WITH THE BUSINESS ANALYSIS --

-- STEVE AND I CANNOT HELP YOU WITH THAT.



WE ARE GOING TO DO AS MUCH AS WE CAN WITH THE TESTERS.

ASK LILLY. SHE SHOULD BE ABLE TO FIND SOMEONE TO HELP US ON THIS.



NOT A BAD IDEA...



HEY, SIS. WHAT'S UP?

HOPE I'M NOT INTERRUPTING ANYTHING...

IT'S OKAY. I CAN MULTITASK.



WE'RE HAVING SOME TROUBLE WITH THE TESTING. DETAILING SPECIFICATIONS.

YOU KNOW ANYONE THAT CAN BE ANY HELP WITH BUSINESS ANALYSIS?



A FEW. I TAKE IT THAT THIS IS A, 'AS SOON AS POSSIBLE' SITUATION?

ISN'T IT ALWAYS?

HANG ON A MO... PUTTING YOU ON SPEAKER.



BRRHGG BRRHGG

BRRHGG BRP EHKHK



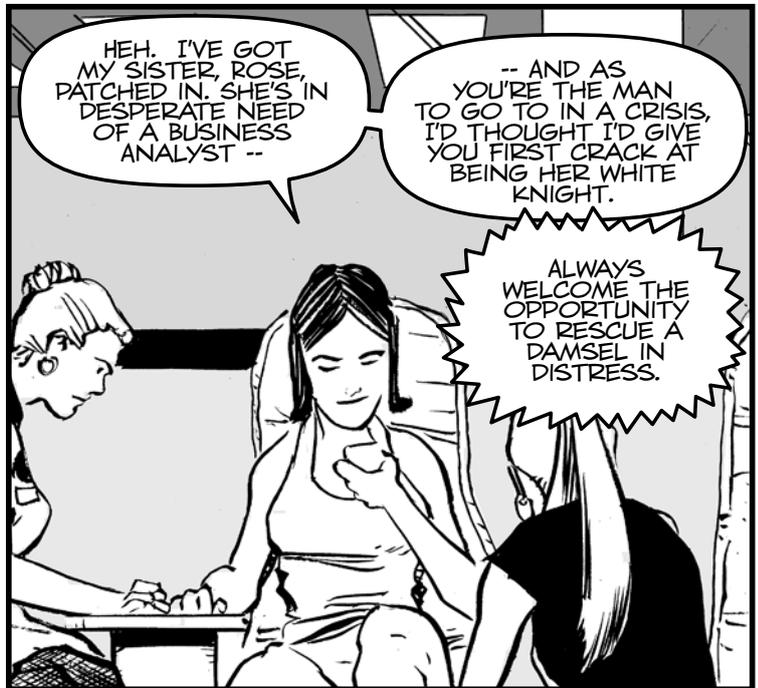
LILLY...

HEY, MAGNUS. HOW'S IT GOING?

SAME AS USUAL.

THAT BAD, HUH?

YOU KNOW IT.



HEH. I'VE GOT MY SISTER, ROSE, PATCHED IN. SHE'S IN DESPERATE NEED OF A BUSINESS ANALYST --

-- AND AS YOU'RE THE MAN TO GO TO IN A CRISIS, I'D THOUGHT I'D GIVE YOU FIRST CRACK AT BEING HER WHITE KNIGHT.

ALWAYS WELCOME THE OPPORTUNITY TO RESCUE A DAMSEL IN DISTRESS.



ROSE, THIS IS MAGNUS.

HIYA.

MAGNUS, THIS IS MY BIG SISTER, ROSE.

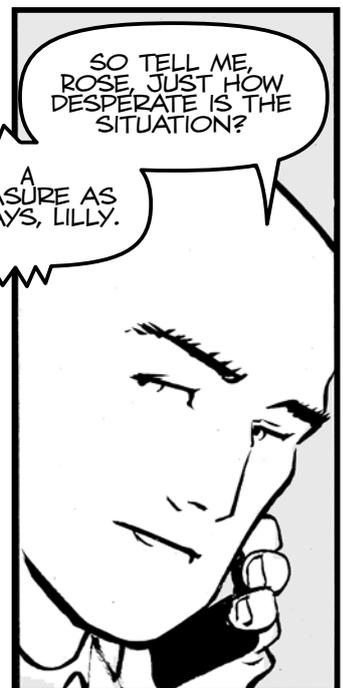
HELLO, ROSE.



RIGHT. NOW THAT I'VE INTRODUCED YOU, I'M GOING TO LEAVE YOU KIDS TO IT. I'LL SPEAK TO YOU GUYS LATER. PLAY NICE.

THANKS, SIS.

A PLEASURE AS ALWAYS, LILLY.



SO TELL ME, ROSE, JUST HOW DESPERATE IS THE SITUATION?



Visualisation Boards.

31st Oct

Today I worked with Gary on creating a visualisation board for my team. By visualising our process and making the process steps more explicit it becomes easier for us to see how we are doing and where the problems are.

What is a visualisation board?

A visualisation board is a tool to help you improve your process. It is literally a board where you visualise both the process and its steps and the current status of work within that process.

Origins of a visualisation board

The origins for a visualisation board is at Toyota. Toyota identified that storing, trucking, shipping and a number of other process steps in their manufacturing process are non value adding. By mapping out the steps that create value as well as the steps in-between that do not add value you create a 'value stream'.

Taiichi Ohno's Toyota Production System focuses on the delivery of value and the creation of knowledge. In Lean Thinking (book by Womack and Jones) the process is explained by going through the description of the value stream of a can of cola. The value of a can of cola is realised when the customer consumes it.

The value stream of a can of cola starts with the extraction of Bauxite from a mine in Australia. The resources and half-products are stored, trucked and shipped all over the world. In Iceland the ore is used to produce ingots of aluminium. In Finland the ingots are used to produce rolls of aluminium. In Spain these aluminium rolls are stamped into circles that are formed into cans. The cans are filled with Cola, send to the warehouse and from there to supermarkets where we buy them and finally drink the cola. The whole process takes 365 days however there are only 24 hours of value adding activity.

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By mapping the process out it becomes easier to get an overview of what is happening. We wanted to create something similar for our project. What are all the steps we take to realise our goal and how do they all relate?

How to create a visualisation board?

With our project the steps are less explicit and less visual. So we need to draw them out. The important visualisation of our board is both the states of our work where we add value as well as the waiting states or queues before and after them.

The ideal visualisation board has only three states. “Waiting” (work is waiting to be done), “Work in Progress” (where we do the actual work) and “Done” (when the work is done, duh.). However in the real world, systems are often more complicated. The whole process consists of multiple specialisms resulting in multi-step processes. We model each of these specialisms as a column in our visualisation board. In order to create a little buffer between these steps the visualisation board is extended by having a “Waiting” and “Done” for each process step. As the “Done” from one process is the “Waiting” of the next process, these queues are often named after the process they feed, e.g. “Waiting for development”.

Column modelling

Steps to create a visualisation board turned out to be reasonably simple. We modelled each step in our process as a column and added buffers between all these steps. We took extra care to ensure that all process steps done by different individuals or groups are included, even though they may only take a few seconds. An example of a step that could be done quickly but we have still modelled is the “Standards Approval” where our system administrators check if everything is done according to the standards. Getting the approval may sometimes take a long time as the admin guys are generally very busy. This causes us significant delays. By having this on the board it’s clearly visible when this is delaying us.

Hopefully when this happens to often we can have a conversation on how to remove this step and keep everybody happy and satisfied. When we have some time we will look into how to remove this. First we need to create trust in each other and increase the visibility of the approval problem.

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Hidden queues

Process steps and waiting for them is one type of queue. There are two other types we out for: waiting and multi-tasking.

When we can't continue to work on something because we have to wait on something or someone, the items we can't work on at that time are considered blocked.

To visualise these we agreed to write what's causing the delay on a brightly coloured sticky note. If the board is full of those brightly coloured stickies we know we have a problem.

Multitasking is when someone works on more than one item at a time. When you are working on more than one work item, you have created a hidden queue formed by the items you are currently not actively working on. The solution is simple. For starters we decided on a one item per person policy. We'll see how this works out and can change it later.

Bottleneck / capacity management

Eli Goldratt created a theory based on identifying the constraints to optimise throughput in a system. In other words how much a factory (or any other process) produces is determined by its slowest step. Assume producing a car takes ten steps. At each of these steps the team working there is able to handle producing 20 cars per hour, except for one step where they can only handle producing 12 cars per hour. Because all of the steps have to be done to produce the car, the total productivity can never be higher than 12 cars per hour.

The step that is creating the fewest cars in this example is called the constraint. It constraints or limits the total productivity. Adding additional capacity to anywhere in the system other than at the constraint will have no beneficial impact. It is only possible to improve the capacity of the whole by adding capacity at the constraint.

Board patterns

Gary used this Theory of Constraints by Eli Goldratt to explain some common patterns to look for when using a visualisation board. When you have a constraint in your system (board) work will queue up in front of a constraint. Also the steps after the constraint will have less work ready to work on as they are waiting for work to come through the constraint.

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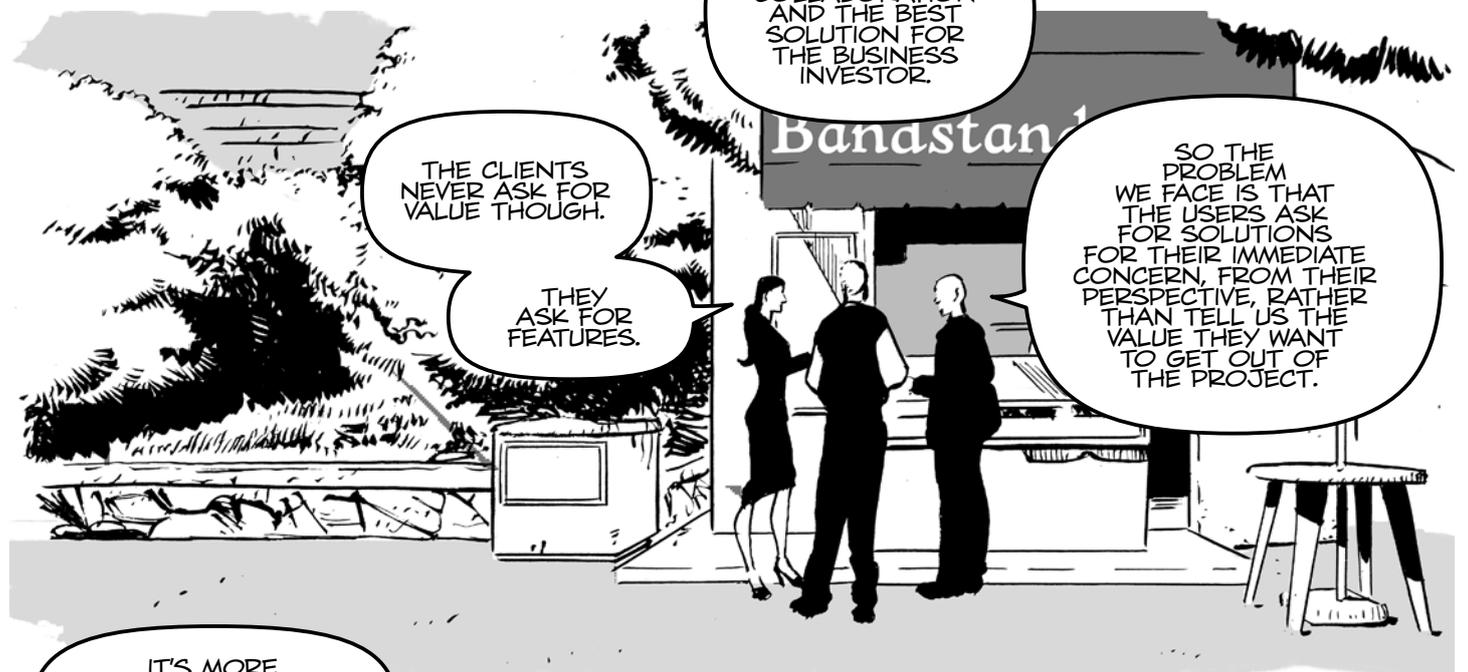
SO THEY ONLY REALLY KNOW WHERE THINGS ARE WHEN THINGS ARE DELIVERED TO PRODUCTION.

EXACTLY. IT'S LESS RISKY FROM THE BUSINESS INVESTOR'S PERSPECTIVE TO DELIVER SMALL INCREMENTS RATHER THAN BIG INCREMENTS OF SOFTWARE.

BUT SURELY IT MAKES THINGS HARDER FOR US TO DEVELOP THE SOFTWARE.

BE AWARE THAT YOU ARE TALKING ABOUT 'US AND 'THEM'.

IT SHOULD BE ABOUT COLLABORATION AND THE BEST SOLUTION FOR THE BUSINESS INVESTOR.



THE CLIENTS NEVER ASK FOR VALUE THOUGH.

THEY ASK FOR FEATURES.

SO THE PROBLEM WE FACE IS THAT THE USERS ASK FOR SOLUTIONS FOR THEIR IMMEDIATE CONCERN, FROM THEIR PERSPECTIVE, RATHER THAN TELL US THE VALUE THEY WANT TO GET OUT OF THE PROJECT.



IT'S MORE ABOUT WHAT'S WRONG NOW, COMPARED TO WHAT WOULD MAKE THE PRODUCT GOOD.

I'M GETTING A DRINK, YOU TWO WANT ANYTHING?

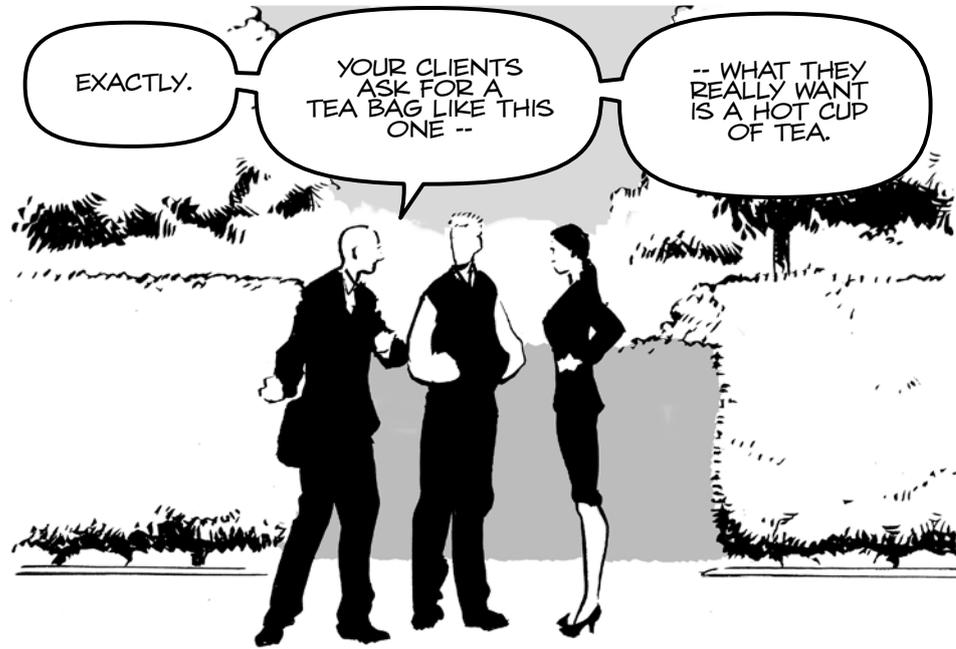
NOT AT THE MOMENT, THANKS.



YES. TEA PLEASE.

OKAY. TEA AND A COFFE PLEASE.

COMING RIGHT UP.



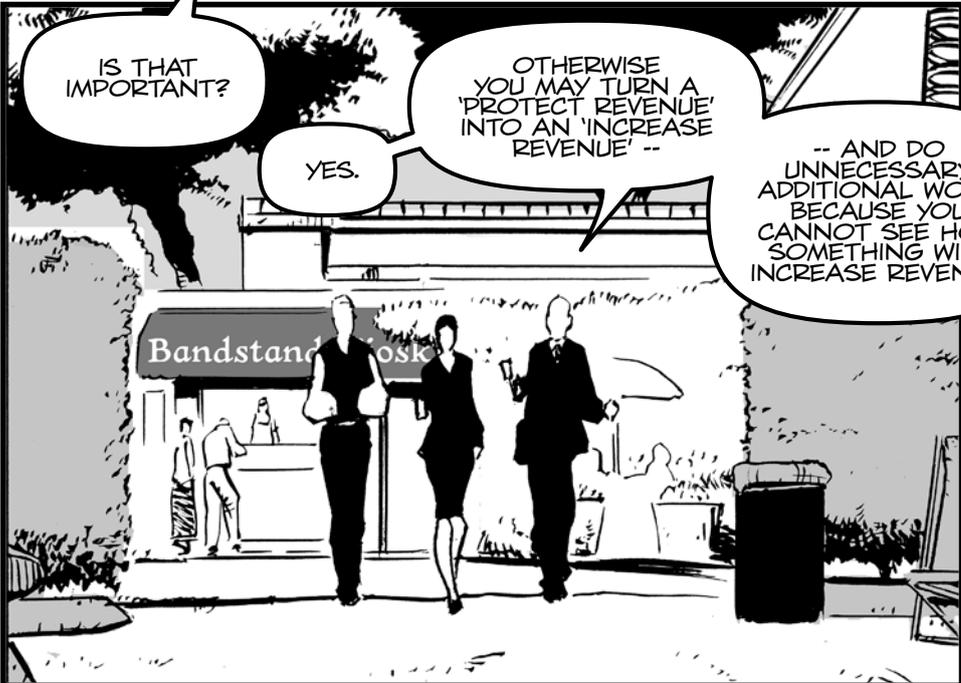




YOU MISS THE MOST IMPORTANT.

PROTECTING REVENUE OR AVOIDING COSTS.

MOST DEVELOPMENT IS ABOUT RETAINING CUSTOMERS, OR RISK MANAGEMENT, OR REGULATORY REQUIREMENTS.



IS THAT IMPORTANT?

YES.

OTHERWISE YOU MAY TURN A 'PROTECT REVENUE' INTO AN 'INCREASE REVENUE' --

-- AND DO UNNECESSARY ADDITIONAL WORK BECAUSE YOU CANNOT SEE HOW SOMETHING WILL INCREASE REVENUE.



WHAT'S THE DIFFERENCE?



MINIMAL EFFORT MAY BE NEEDED TO PROTECT REVENUE, BUT SIGNIFICANT EFFORT MAY BE NEEDED TO INCREASE IT.

EITHER ATTRACTING NEW CUSTOMERS OR GETTING EXISTING ONES TO SPEND MORE.



IT NEEDS TO WORK INSTEAD OF IT NEEDS TO SHINE.

SO HOW DO I KNOW WE HAVE DELIVERED VALUE?

EXACTLY.

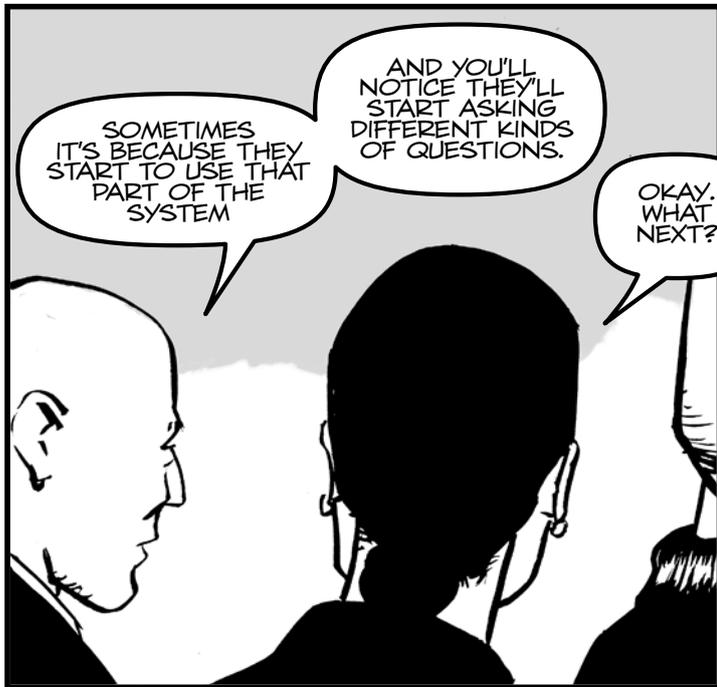


WE'LL THINK BACK...

WHEN HAVE YOU AS A HUMAN BEING KNOWN THAT YOU HAVE DELIVERED VALUE TO SOMEONE ELSE?

THERE ARE A NUMBER OF WAYS.

SOMETIMES THEY TELL YOU, BUT THAT IS RARE.



SOMETIMES IT'S BECAUSE THEY START TO USE THAT PART OF THE SYSTEM

AND YOU'LL NOTICE THEY'LL START ASKING DIFFERENT KINDS OF QUESTIONS.

OKAY. WHAT NEXT?



GOING BACK TO THE CUP OF TEA: SO NOW WE KNOW WE WANT A TASTY HOT DRINK RATHER THAN A TEA BAG.

WE HAVE MORE OPTIONS IN THE WAY WE CAN DELIVER THE VALUE.



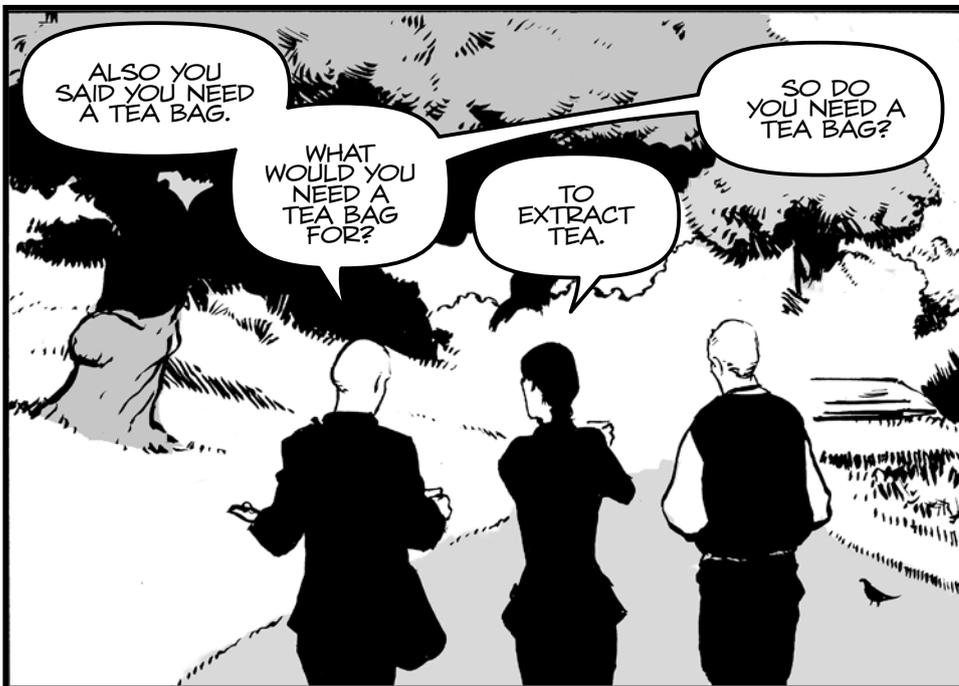
SO LETS ASSUME I STILL WANT A CUP OF TEA.

NOW THAT WE KNOW YOU WANT A CUP OF TEA, WE CAN EASILY WORK BACKWARDS TO IDENTIFY THE PROCESSES AND INPUTS NEEDED TO PRODUCE A CUP OF TEA.



SO WE NEED A TEA BAG, A CUP, MILK, SUGAR AND A SPOON.

HOW DO WE GET HOT WATER?





THE GREAT THING ABOUT STARTING AT THE END IS THAT YOU CANNOT MISS SOMETHING THAT IS NEEDED TO PRODUCE THE OUTCOME.

NOT ONLY THAT, BUT YOU DO NOT INCLUDE THINGS THAT ARE UNNECESSARY.



SO THE BUSINESS VALUE DEFINES THE SCOPE OF THE FUNCTIONALITY?

AND YOUR STRATEGY DETERMINES WHAT VALUE YOU ARE NOT CURRENTLY GOING TO CHASE.
YES.



COOL.

AS A RESULT YOU CAN DELIVER WITH THE MINIMAL AMOUNT OF EFFORT BY CHOOSING APPROPRIATE OPTIONS TO IMPLEMENT.

WHAT DO YOU MEAN?



SAY YOU ARE SETTING UP A CAFE ON THE BEACH --

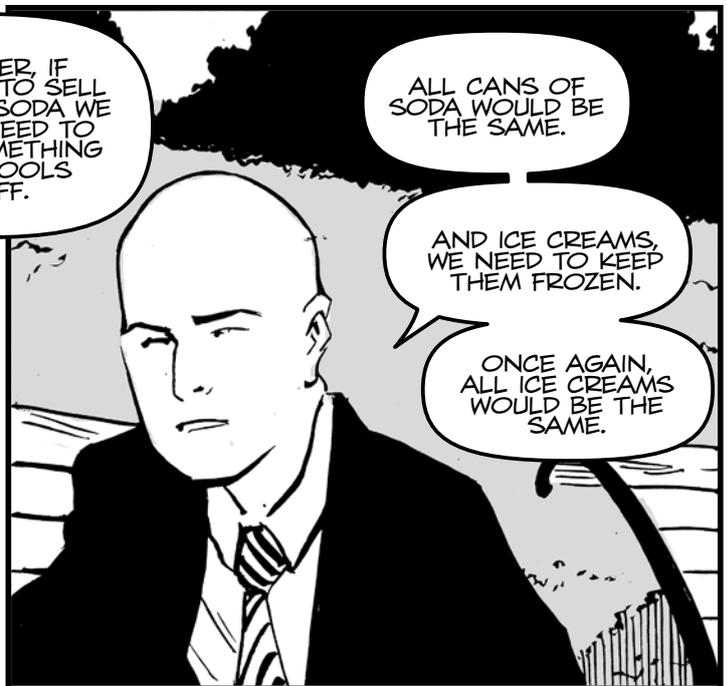
-- YOU START BY USING FLASKS OF HOT WATER TO TEST THE MARKET.

THEN YOU BOIL WATER ON A CAMPING GAS RING --

-- AND EVENTUALLY PAY FOR AN ELECTRICITY SUPPLY.



IS THAT IT?



WHAT IS THIS?

A BLACK SQUARE.

RIGHT. THIS IS OUR MODEL.



AND NOW?

A BLACK SQUARE AND A WHITE SQUARE.

ARE THEY THE SAME?

SHAPE, YES COLOUR, NO..



RIGHT.

IF WE INCORPORATE THEM BOTH --

-- THE MODEL IS NOW 'A BLACK OR WHITE SQUARE'.

WHAT ABOUT THIS?

ALL SQUARE.

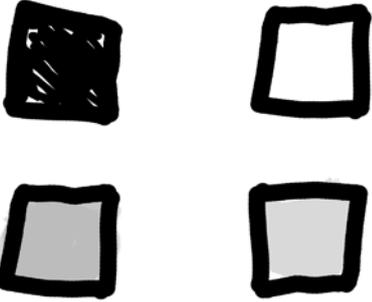
SO I SUPPOSE THAT WE CAN ADD RED TO THE MODEL.

PRETTY MUCH.



AND?

MODEL IS NOW, BLACK, WHITE, RED AND GREEN SQUARES?



COULD BE, BUT AS WE WENT RED WITH THE LAST ONE, WE COULD JUST SAY 'COLOURED'.

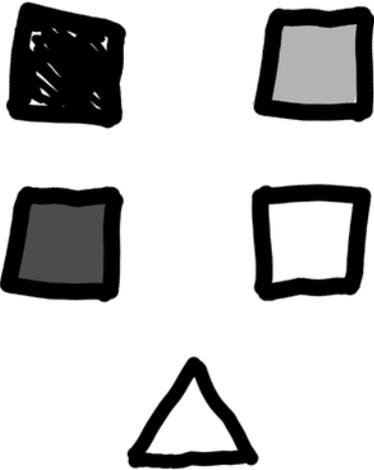
SO THE MODEL IS NOW 'COLOURED SQUARES'.

YES.

WHAT ABOUT THIS?

WELL, ALL THE SQUARES ARE THE SAME.

SO WE NOW INCLUDE TRIANGLES?



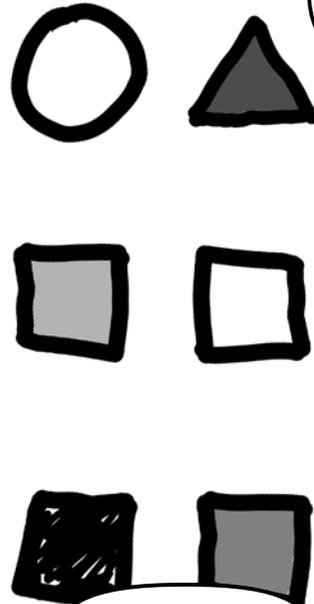
POSSIBLY.

BUT THEY ALL HAVE STRAIGHT SIDES.

SO THE MODEL BECOMES 'COLOURED STRAIGHT SIDED SHAPES'.

SO YOU'RE ADJUSTING, EVOLVING, THE MODEL AS EACH NEW EXAMPLE IS INTRODUCED.

THIS WOULD NOW BE 'STRAIGHT SIDED AND CURVED SIDED SHAPES'.

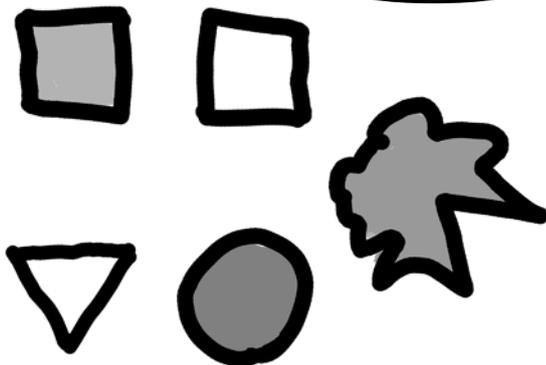


'SMOOTH SIDED' WOULD BE MORE ELEGANT.

OKAY...

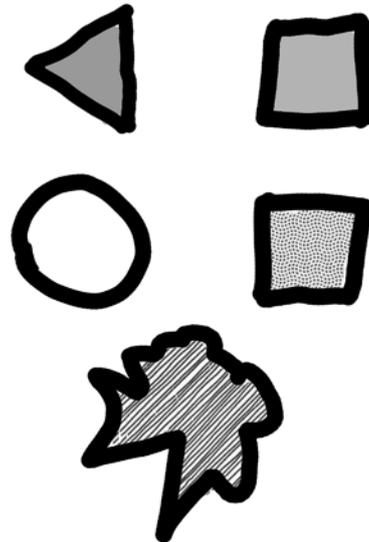
BY CREATING THE MODEL, WE CAN USE IT TO IDENTIFY AN EXAMPLE THAT IS DIFFERENT --

-- OR WHETHER THE EXAMPLE ALREADY FITS IN THE MODEL.



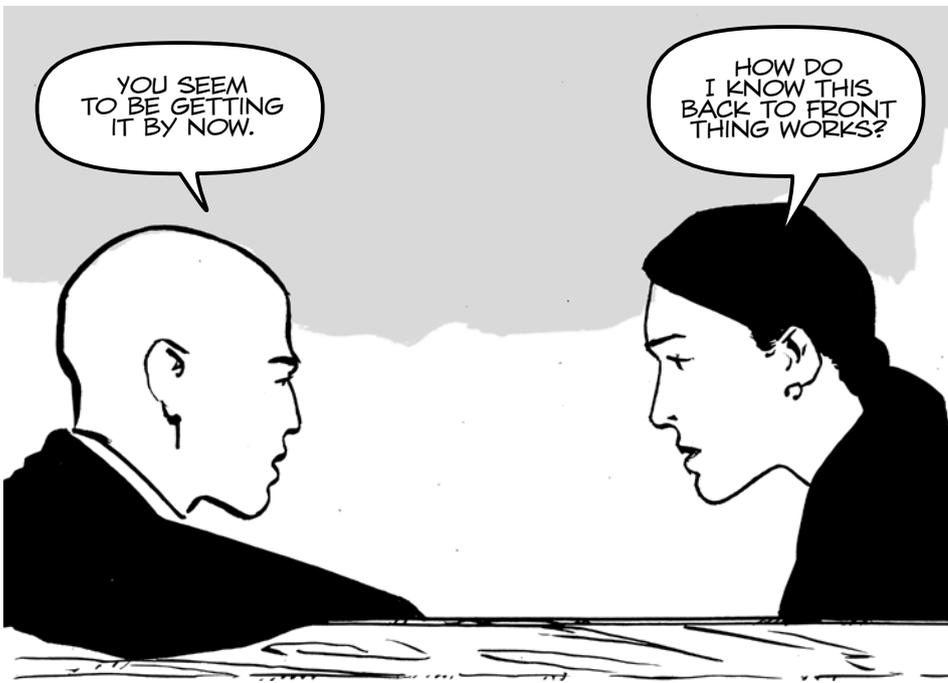
REGULAR AND IRREGULAR.

OKAY, ONE MORE.



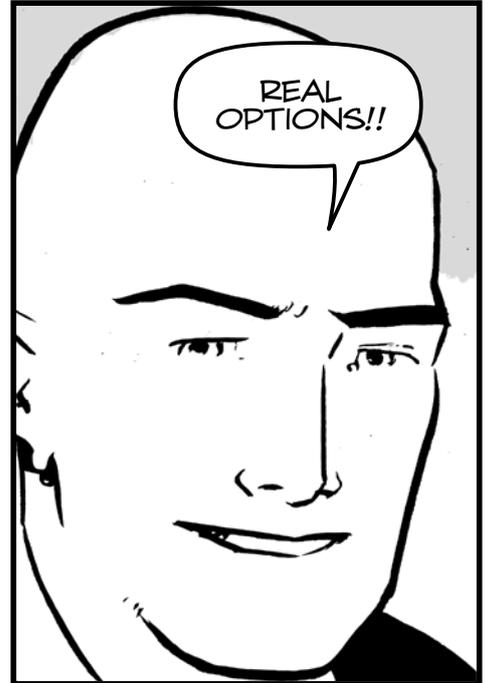
'PLAIN AND PATTERNED'?

YES, NOW YOU'VE GOT IT.



YOU SEEM TO BE GETTING IT BY NOW.

HOW DO I KNOW THIS BACK TO FRONT THING WORKS?



REAL OPTIONS!!



HOW DOES THIS RELATE TO REAL OPTIONS?

MY SISTER TOLD ME THE REAL OPTIONS MODEL IS: OPTIONS HAVE VALUE, OPTIONS EXPIRE.



NEVER COMMIT EARLY UNLESS YOU KNOW WHY.

I DON'T SEE HOW THAT FITS INTO THIS.



'NEVER COMMIT EARLY UNLESS YOU KNOW WHY' TELLS US WHEN TO MAKE A COMMITMENT: WHEN WE HAVE THE NECESSARY INFORMATION.

WHY DOES THAT MEAN OUTPUT TO INPUT WORKS?



IF WE MOVE FROM INPUTS TO OUTPUTS AT EACH STEP, WE DO NOT KNOW WHETHER WE HAVE ALL THE INFORMATION WE NEED TO SATISFY THAT STEP.



JUST NEVER BEEN GIVEN THE OPPORTUNITY TO TRY IT.

THANK YOU, MAGNUS --

WE CANNOT WAIT TO GET BACK AND IMPLEMENT THIS.



BLOBS

RANDOM MUSINGS - LILLY RANDALL



Feature Injection: Hunt the value?

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Always looking for ways of analysing problems to come up with solutions I came across a website that described Feature Injection. Feature Injection has three steps:

- 1) Hunt the value.
- 2) Inject the features.
- 3) Break the model.
- 0) repeat

What value to hunt?

Feature Injection tells us to move toward the outcome until we encounter value. That sounds nice, but is more difficult when you try to apply this. Value is created when a benefit is created for either the consumer or the producer of a product or service that they are willing to pay for.

There are four ways of generating value: increasing or protecting revenue, or reducing or avoiding costs in alignment with the strategy of the organisation.

If that is the case then why are Twitter and Instagram worth so much? Facebook bought Instagram for a cool billion dollars even though it does not generate a cent in revenue. Twitter was worth gazzillions even when it wasn't generating any revenue either. The value model is well and truly broken!



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A number of modern companies do not build revenue models. Instead they build options to generate revenue. These options have two important aspects.... Network and Usage.

Network

Social Networks are more valuable to their users if they have more users or a bigger network. How much is the first telephone worth if no one else in the world has one? Only Alexander Graham Bell really got to think about that and came up with a clever solution. He understood the importance of network and gave away phones for free to hotels and other places where many people would get to use them.

Usage

Usage is another important aspect. If people do not use your service, there is no way you generate revenue from them. The more they use your service, the more likely they are to generate a revenue for you. Revenue can be them paying for a service or indirect like ads.

There's value in numbers

In order to get the most value out of the network and usage it is important to accurately measure EVERYTHING!. Thinking you have a big network is not the same as knowing you have exactly 501,217 users and seeing a graph of the trend. Thinking people use your product is not the same as knowing that they use it on average for 27 minutes per day. Numbers are key!

Hunting the value requires you to think about your context and where the value could be. It is no longer just reducing cost and increasing revenue. Understand where your value is coming from.

Seeya next time -

L

<<to be determined date>>

Wednesday

Dear Susan,

Really excited about some stuff at work. Last week we met with Magnus (a friend of Lilly) who explained "Feature Injection" to Kent and me. This week we started applying it together with the team.

What we discovered was that much of the work we were doing so far was building Tea Bags when in fact we wanted to deliver cups of tea. We needed to become more focused on the end result, not just doing the steps.

For each task (or tea bag as we now call them) we identified the value it delivers. It turned out that a lot of the items we were working on were related to the same outcome and that we should be doing them together to deliver value rather than simply deliver unrelated chunks of functionality.

We called a meeting with our customers and asked them to tell us what they wanted. Rather than discuss the individual Tea Bags, we discussed the value items or cups of tea. It was a really hard discussion but we managed to defer a number of items. Even more amazing was that for two value items the customers decided the value did not justify the effort required and so we scrapped them all together.

We have agreed a regular meeting every two weeks to prioritise the next thing we want to start. So it would appear that one of the key benefits of Feature Injection is not to just to identify the things needed but to identify the things we should start building.

You know what Susan, I may just start to like running a project (but don't tell any one).

Good night,

Rose

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