

# Techstrong Research

## PulseMeter

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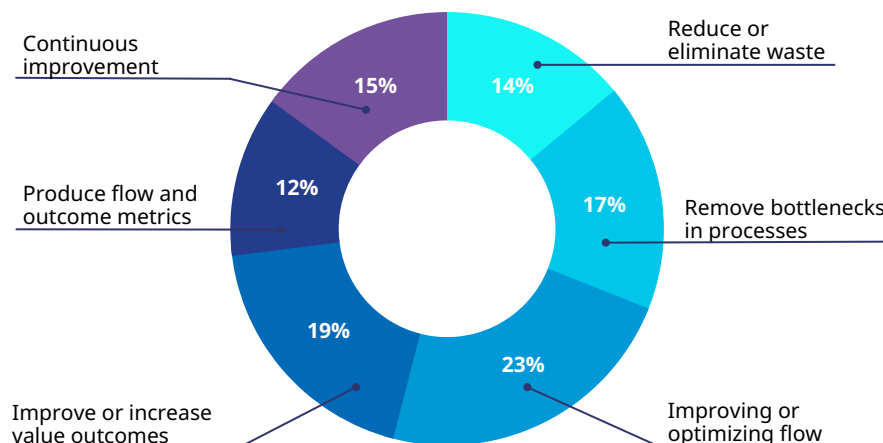
By identifying inefficiencies, bottlenecks and friction involved in delivering value to customers, value stream management (VSM) helps organizations view and measure flow throughout the software development and delivery lifecycle, and identify areas for improvement. Embracing VSM and its framework for continuous improvement allows organizations to be more agile and respond faster and more effectively to rapidly changing market dynamics.

VSM must be built on a solid data management foundation, align with the DevOps toolchain and development tools and, most importantly, have executive sponsorship to ensure stakeholder collaboration. Ultimately, the success of any VSM initiative depends on the organization’s willingness to change and break down the silos between product management, application development, data management, operations and infrastructure groups.

In early 2023, Techstrong Research polled our community of DevOps, cloud-native, cybersecurity and digital transformation readers and viewers to take their pulse on the benefits and challenges of value stream management. Respondents indicated they expect VSM to improve their flow (30%) and remove bottlenecks (23%) caused by the challenges of misaligned organizational structure (30%) and data issues (28%). The data clarified that VSM is at an early adoption stage, given that 40% of respondents use homegrown metrics, not standard benchmarks, and only 15% have achieved significant improvements through VSM. On the positive side, an additional 42% have seen some tangible benefits indicating the future is bright for VSM initiatives.

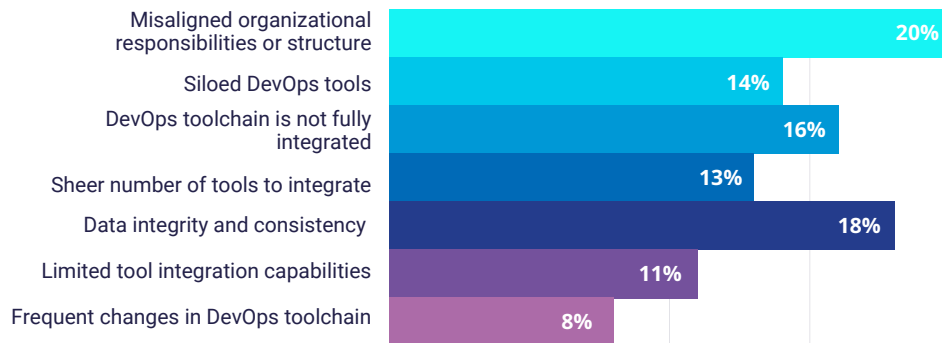
### What benefits do you anticipate by implementing value stream management?

Emphasis is on improving flow (23%) followed closely by removing bottlenecks (17%), indicating a significant focus on getting work through the delivery lifecycle quicker and with less effort. Expectations are for increasing value outcomes (19%) as the highest rated, but we are not there yet.



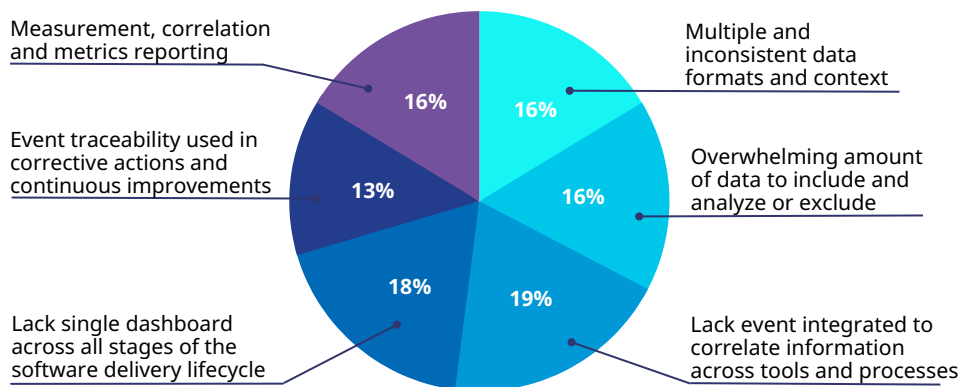
# What are the greatest challenges in integrating value stream management into your toolchain?

Organizational issues, data integrity, and tool integration are the most significant headwinds organizations face in integrating value stream management into their toolchains.



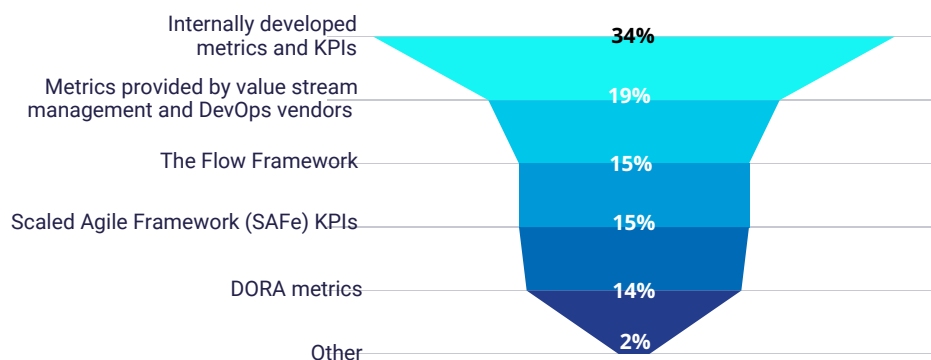
# What data management issues inhibit implementing value stream management?

Digging into the data issues, all rate about evenly, indicating organizations are dealing with many data management, transformation and integration issues concurrently.



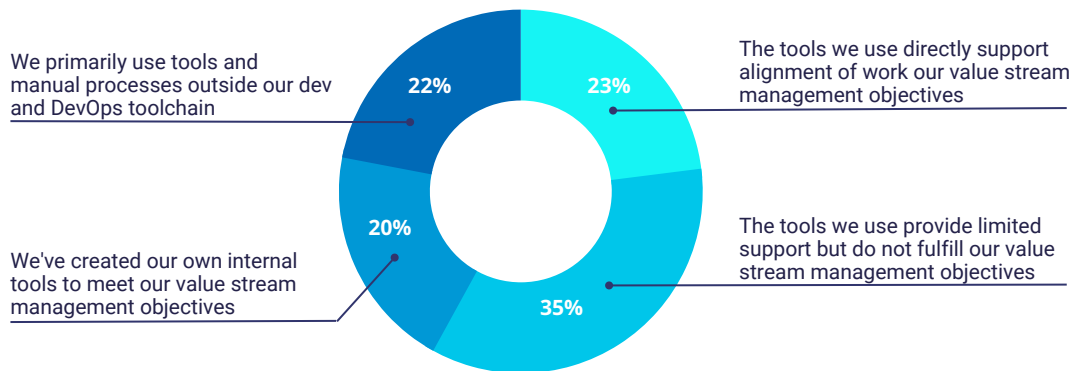
# What do you use as guidance to determine the KPIs and metrics for value stream management?

A substantial majority (34%) utilize homegrown metrics, indicating a need for commonly accepted standard benchmarks in the market and highlighting the early-stage nature of VSM adoption.



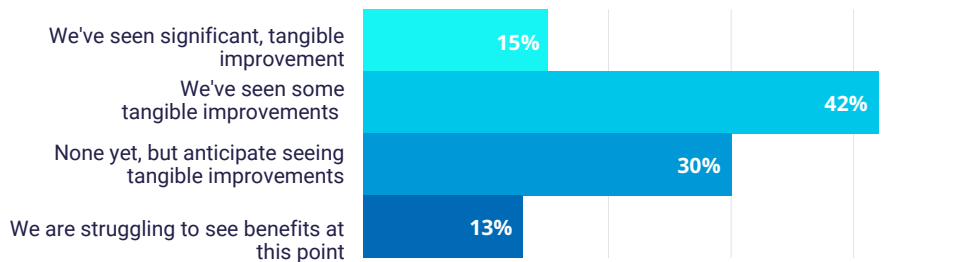
# Is value stream management integrated with your DevOps toolchain and development management tools?

Only 23% indicate direct DevOps toolchain alignment with VSM. Technology vendors require significant investment in integration at the risk of organizations building their own solutions, which are often impediments to migrating to commercial products.



## To date, have your value stream management efforts produced improvements visible to customers or the business?

In a bell curve distribution, 15% have achieved significant progress and 13% have not seen any benefits, again indicating the early-stage nature of VSM.



### Techstrong Research Analyst View

Despite its promise to help organizations manage and improve customer value delivery, value stream management (VSM) currently addresses friction and flow issues. Improving flow is necessary, but it is not sufficient to deliver greater customer value. Organizations must transcend the flow optimization benefits to fully realize the ultimate gains expected by implementing VSM.

From an implementation standpoint, aggregating, transforming, analyzing and managing data across all the relevant processes, tools and organizations remains a crucial challenge to VSM success. Gaps exist between DevOps tools and their alignment with VSM needs, providing an opportunity for vendors who are first movers in solving tool and data integration challenges.

Given that most respondents utilize a homegrown approach to set and measure VSM goals and results, a more standardized and widely adopted benchmark will provide a boost to further adoption and help streamline the path to VSM maturity.

The bottom line is organizations have high expectations for value stream management, with only 13% struggling to see the value and the remainder achieving significant value (15%), seeing tangible improvements (42%) or anticipating improvements (30%). Despite organizational alignment challenges and tool immaturity, it's not a matter of if but of when organizations adopt VSM. In today's dynamic environment, companies that do not embrace VSM risk falling behind their competitors because VSM provides a data-driven continuous improvement approach enabling organizations to optimize value delivery and better satisfy customers.