

Demystifying Value Stream Management

How to set yourself up for success with VSM—
and avoid common pitfalls



What is VSM?

Value Stream Management (VSM) is a business practice, enabled by technology, that focuses on increasing the flow of customer value from the initial objective to its final delivery. The goal of VSM is to unite companies and their customers by visualizing and managing value throughout the product or project lifecycle.

95%

of executives and IT leaders say VSM is delivering value in the form of transparency, alignment, and accelerated velocity.¹

Why VSM?

VSM has emerged as an essential solution for helping organizations collaborate more effectively and execute more efficiently. VSM is a key to overcoming stubborn barriers that can plague the digital transformation process, allowing even the most complex organizations to pinpoint misalignment, eliminate waste, and improve operational visibility.

How to get VSM right

VSM is not a new term for an old practice, it involves different processes, different modes of collaboration, and in some cases different ways of evaluating success. It's essential that organizations have the right tools and teams in place to realize the benefits it offers.

¹ Dimensional Research: *Value Streams are Accelerating Digital Transformation: A Global Survey of Executives and IT Leaders*, October 2021

5 Key Steps to VSM Success



01 Identify

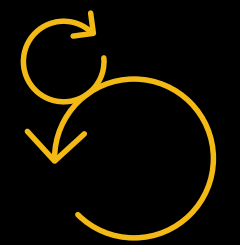
Let's take a quick look at the key steps in adopting VSM, and the common pitfalls associated with them.



02 Align



03 Rally



04 Execute



05 Evolve

01 | Identify

Start with outcomes, focus on customer value

True VSM starts with understanding how your organization actually creates value—from initial concepts to revenue—and then organizing around the people and teams that deliver value, not a collection of projects.

Not allocating sufficient resources—skills, budgets, and time—is the biggest barrier to successful VSM adoption.²

COMMON PITFALL

Lack of focus

Many organizations have multiple active change programs running simultaneously, and it's common to get pushback if they see VSM as yet another new initiative to take on.

“VSM requires clear leadership and buy-in from everyone in the idea-to-implementation pipeline.”

KEY TO SUCCESS

Frame VSM as an enabler

VSM needs to be viewed as an enabler of other initiatives like DevOps, Lean, Agile—not a conflict. It's an approach that fuels better alignment around strategic endeavors and leads to better business outcomes.



²https://www.vsmconsortium.org/the-state-of-value-stream-management-report-2022?utm_campaign=SoVSMR%202022&utm_source=Broadcom

02 | Align

Get strategy and delivery on the same page

Tie business strategy and delivery together in singular value streams, so that when challenges arise or tradeoffs need to be made, everyone is on the same page about the value they want to deliver and the progress towards it.

COMMON PITFALL

Not being inclusive

VSM can be led by different teams, but it needs engagement from across the organization to succeed. If you don't include key players upfront, you'll be frustrated by bottlenecks later.

“It's easy to underestimate the number of stakeholders and contributors in a value stream.”

KEY TO SUCCESS

Map your value streams accurately

Think about the value stream from concept to cash. Who are the stakeholders at every step of the process? It's not just planning and engineering, it's also finance, legal, operations, and others—and they all need to be aligned.



03 | Rally

Ramp up development teams

VSM provides the platform and data you need to translate business strategies into work for delivery teams to execute, while simultaneously eliminating friction. By using strategic roadmaps and epics to articulate business ideas, you can negotiate with development about what should be done and when, without getting into the weeds.

COMMON PITFALL

Micromanaging

Trying to dictate how work should get done creates friction. Teams need clear goals, but they need the autonomy to decide how to achieve them and what tools to use.

“If delivery teams aren't empowered, you will be stuck in the same bottlenecks and battles.”

KEY TO SUCCESS

Unified data

Consolidate data and make it accessible, usable, and connected to common goals. This is how hundreds, or even thousands of complex teams, all know exactly how their work delivers value, no matter what tools they work in.

83%

of companies correlate organizational silos with reduced customer value and product ROI.³

³Dimensional Research: *Value Streams are Accelerating Digital Transformation: A Global Survey of Executives and IT Leaders*, October 2021

04 | Execute

Orchestrate the plan while managing risk and change

Determine the optimal way to get work done, and provide visibility to improve collaboration and increase trust. Monitor work and steer execution to ensure prioritization, urgency, and allocations remain valid in the face of constantly changing demands.

COMMON PITFALL

Competing priorities

True VSM means continually prioritizing based on value, and that often means renegotiating resource allocation—not just plowing ahead because you’re averse to change, or only listening to the loudest voice in the room.

“It’s easy to fall back on old habits and patterns, but VSM is fundamentally about managing change.”

KEY TO SUCCESS

Listen to the data

When all efforts are aligned to business goals, it’s easier to see where the value is and prioritize accordingly, even if that means pivoting resources. The purpose of VSM is not to stick to the plan at all costs, it’s to make the right changes quickly and with minimal risk.



05 | Evolve

Validate results and iterate with shared understanding

Measure success and optimize the value stream to improve future work.

COMMON PITFALL

Not celebrating success

At its core, VSM is about managing change with minimal risk and staying on strategy, and it’s essential that teams see how their efforts create value—not just how efficiently they did the work—and they must be empowered to bring challenges and opportunities to business stakeholders.

“Don’t forget to measure, but measure value created, not just throughput.”

KEY TO SUCCESS

Shared learning

Business leaders need to help build a reputation for the value stream! By communicating successes and learnings, you drive continuous improvement, but you also demonstrate the potential of the value stream to other parts of the enterprise.



Companies cite **shorter feedback loops and closer alignment with customers as key benefits of VSM.**⁴

⁴ <https://www.forbes.com/sites/forbesbusinesscouncil/2022/01/06/value-stream-management-the-new-prescription-for-better-roi>

Value stream management is the key to accomplishing digital transformation

92% of surveyed business leaders believe value stream management would optimize their product lifecycle process, and nearly all believe a quality VSM technology solution would accelerate the adoption of VSM at their company.⁵

Value Stream Management helps business and development leaders work collaboratively to create a common understanding of both what effective strategy looks like and how best to execute against it.

VSM is both a strategy and a practice, and it must be supported by the right tools and technologies. Only true enterprise VSM solutions, like Broadcom's ValueOps™ VSM, provide the scale and customization required by the world's most complex organizations, enabling them to fund, schedule, track, and manage work throughout its lifecycle and maximize the value they deliver to customers.

⁵Dimensional Research, 2023 Value Stream Management Trends: A Global Survey of Executives and IT Leaders

Take the next step on your VSM journey

These role-specific eBooks offer a deeper dive into best practices for implementing VSM, and what it means to different stakeholders in the process:

[5 STEPS TO VSM FOR BUSINESS LEADERS](#)

[5 STEPS TO VSM FOR DEVELOPMENT LEADERS](#)

[TALK TO A VSM EXPERT](#)

ABOUT BROADCOM

Broadcom is a leader in the VSM software market. With our ValueOps solution, businesses can implement and manage an effective, efficient VSM strategy that enables internal teams to gain the visibility required to maximize alignment, reduce inefficiencies, and speed time to value. ValueOps seamlessly combines the proven investment planning features of Clarity™ with the advanced Agile management capabilities of Rally®—all in one integrated, easy-to-use, and flexible platform. With ValueOps from Broadcom, executives can more effectively understand priorities, capacity, progress, and results across their organizations. The ValueOps VSM platform enables every role within an enterprise to manage, track, and analyze unified value streams with a consistent value orientation and methodology.

For more product information: broadcom.com

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