



THE VELOCITY TRAP_{v2}



I AM BRAD NELSON

PRODUCT STRATEGY & AGILITY

- 5 Fortune 500 Companies
- 10+ Years Experience
- 20 Certifications



**“To measure is to know.
If you can not measure it,
you can not improve it.”**

- Lord Kelvin







Output is a measurement of production;
An **outcome** is the result of outputs.

#1 Business Rule

WHY ARE BUSINESSES
IN BUSINESS?







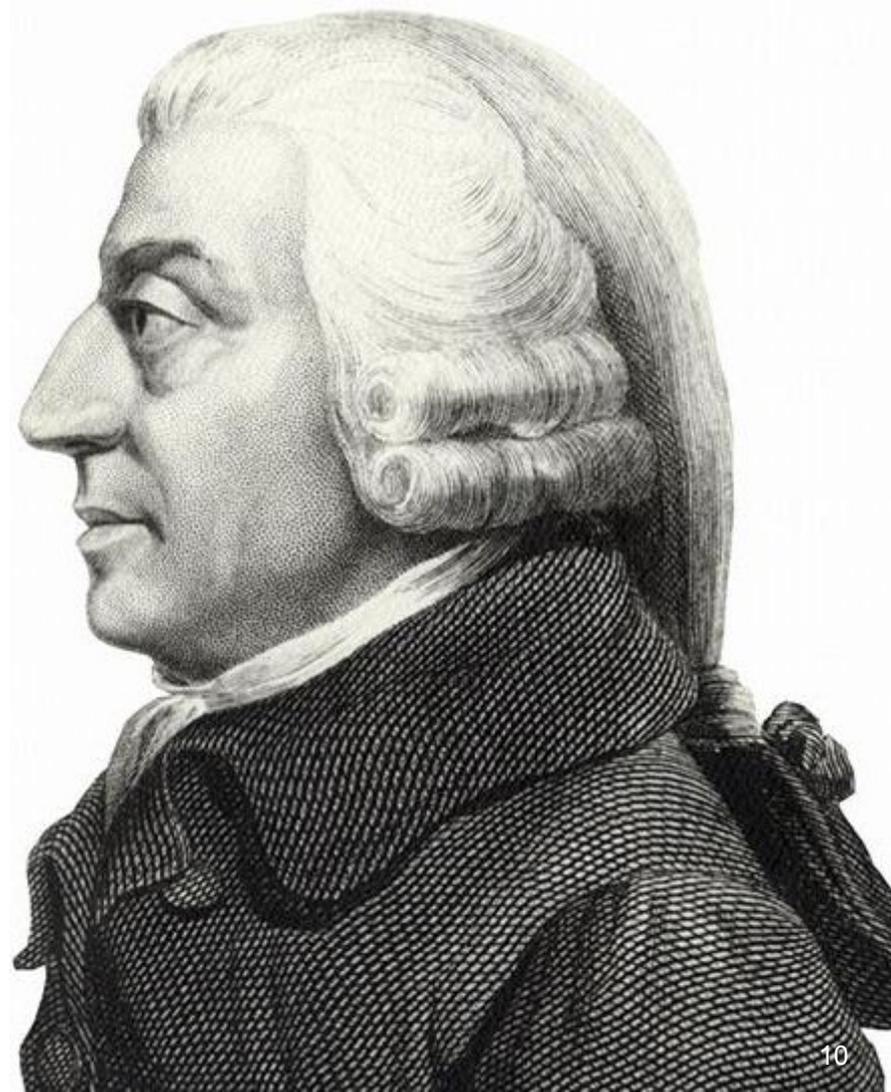
**Companies are in the business of
fulfilling wants and needs.**

Value = Demand

"Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer."

Adam Smith

The Father of Capitalism





Shipping Costs:

2019 = \$37.9 billion

2020 = \$61.1 billion

2021 = \$76.7 billion

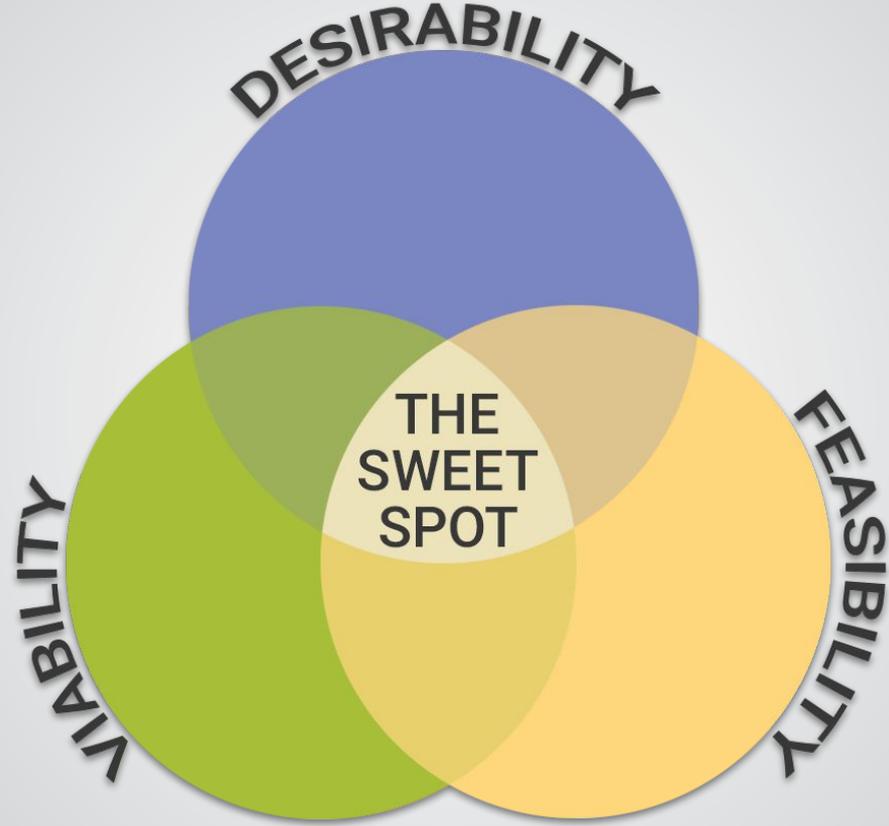


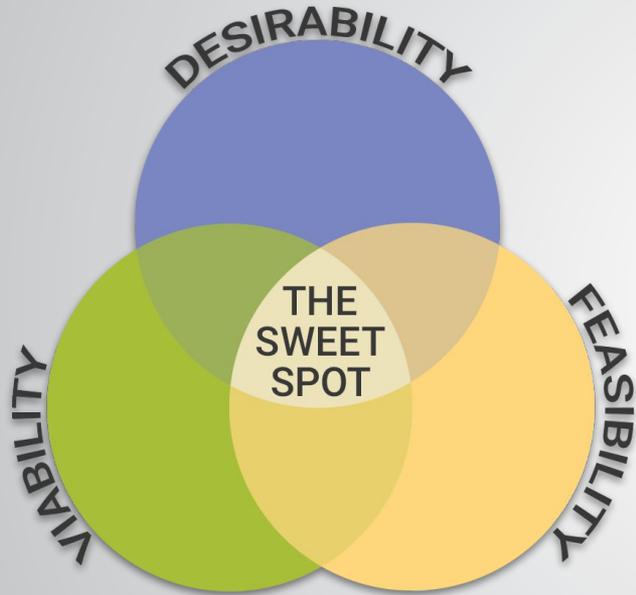
THE BIG THREE

FCA

FIAT CHRYSLER AUTOMOBILES







What do these metrics tell you?

Velocity
Burndown
On-Time
On-Budget
In-Scope
Code Coverage

WOW I HAVE WAY
TOO MUCH **MONEY**



DAMMIT WHAT AM I
GUNNA DO WITH
ALL THIS **MONEY**



IT'S LITERALLY
FALLING OUT OF MY POCKETS!
WON'T SOMEBODY **PLEASE TAKE**
SOME OF THIS MONEY?!



SO ANYWAY, THAT'S
HOW I IMAGINE OUR **TARGET**
AUDIENCE

The False-Consensus Effect

YOU ARE NOT THE USER.



Enter Text Here

Search

Apple iPad

Search

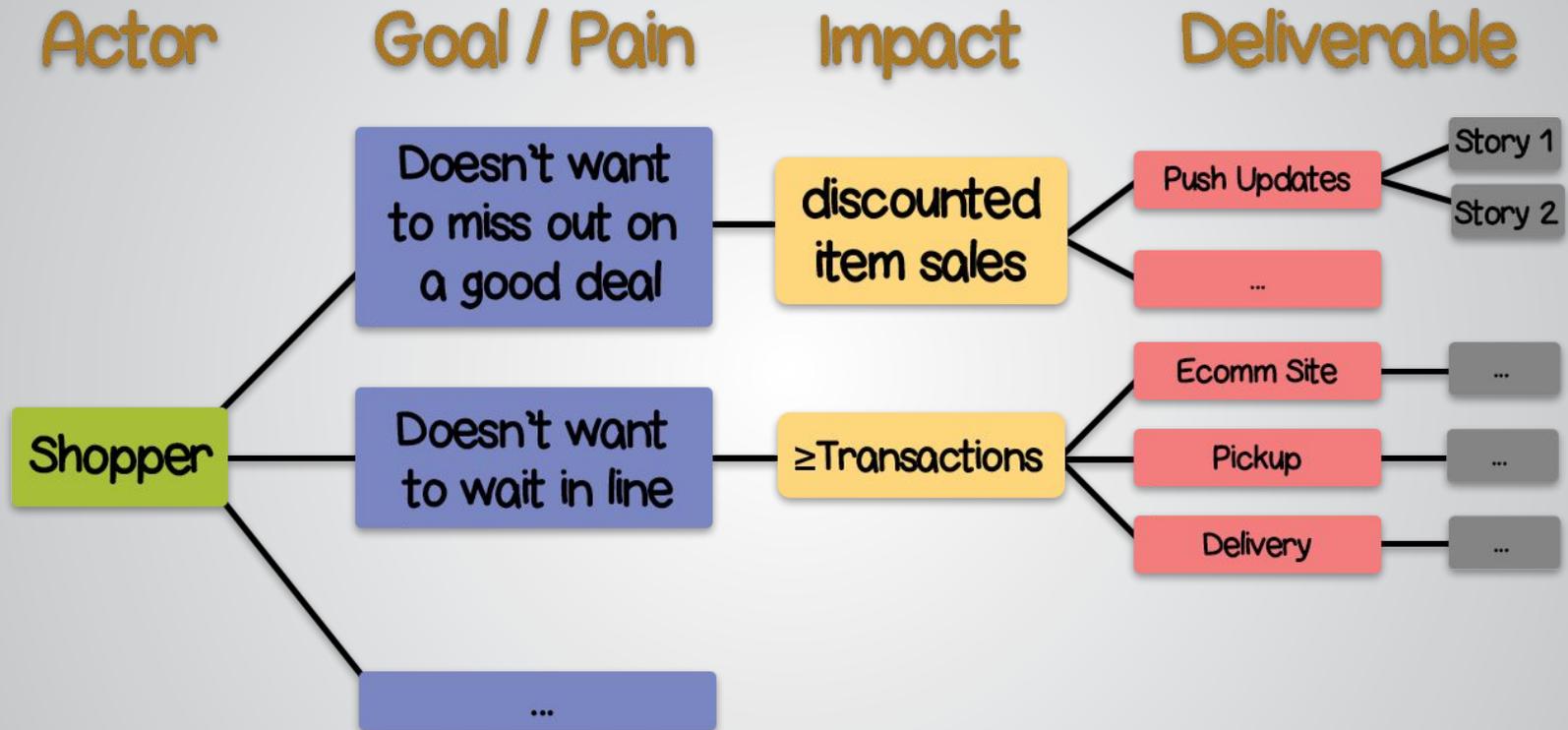
Apple (fruit)

Fruit Basket

Eye patches

...





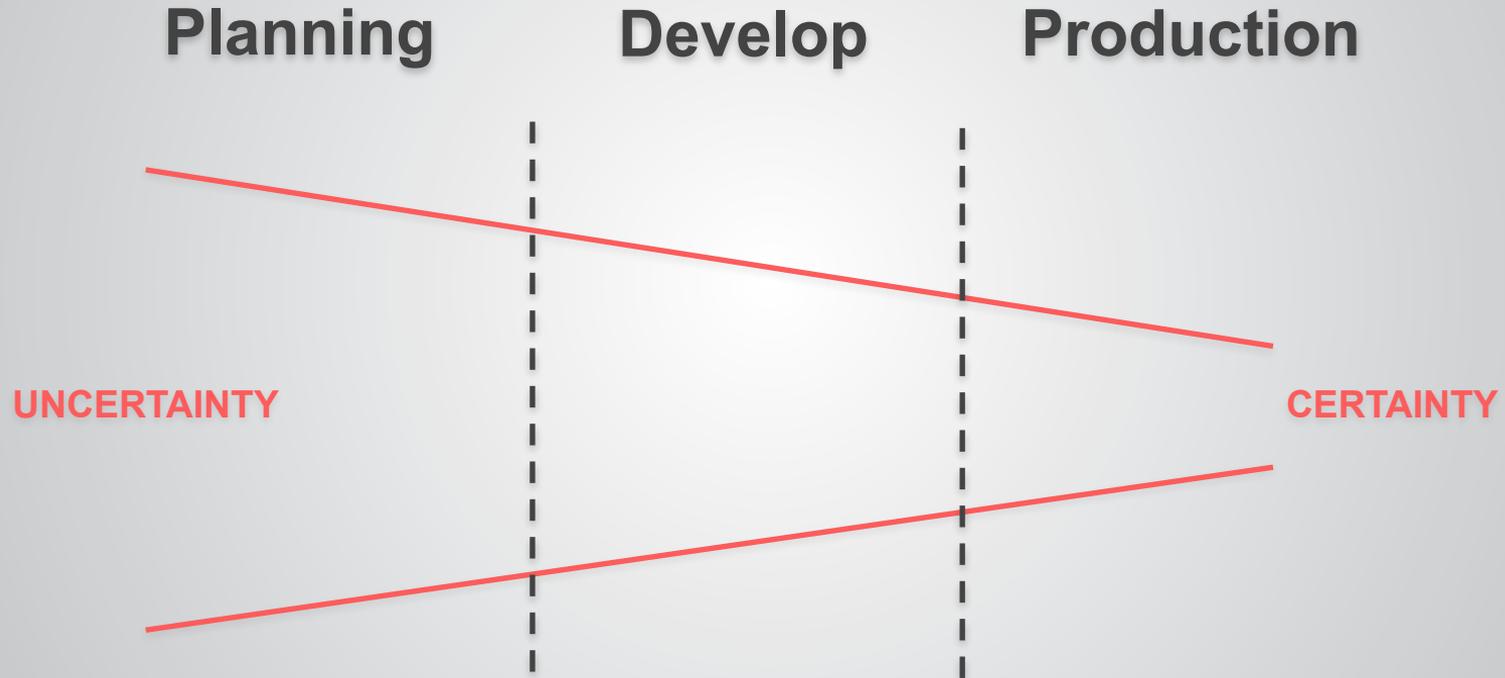
“...it typically takes several iterations to get the implementation of this idea to the point where it actually delivers the expected business value.”

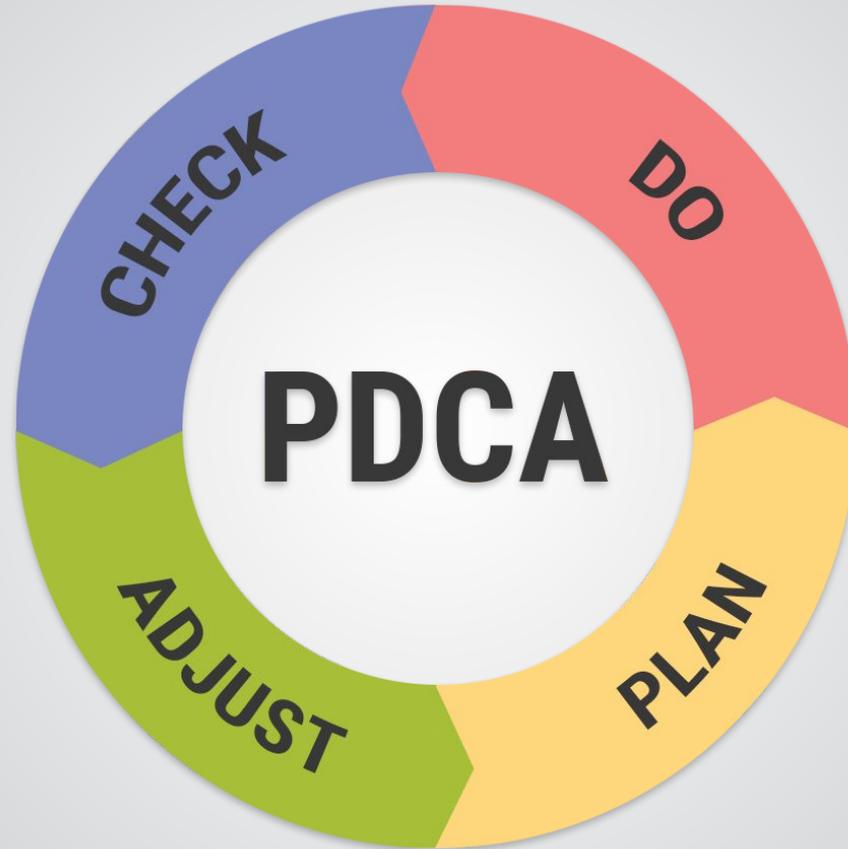
Marty Cagan

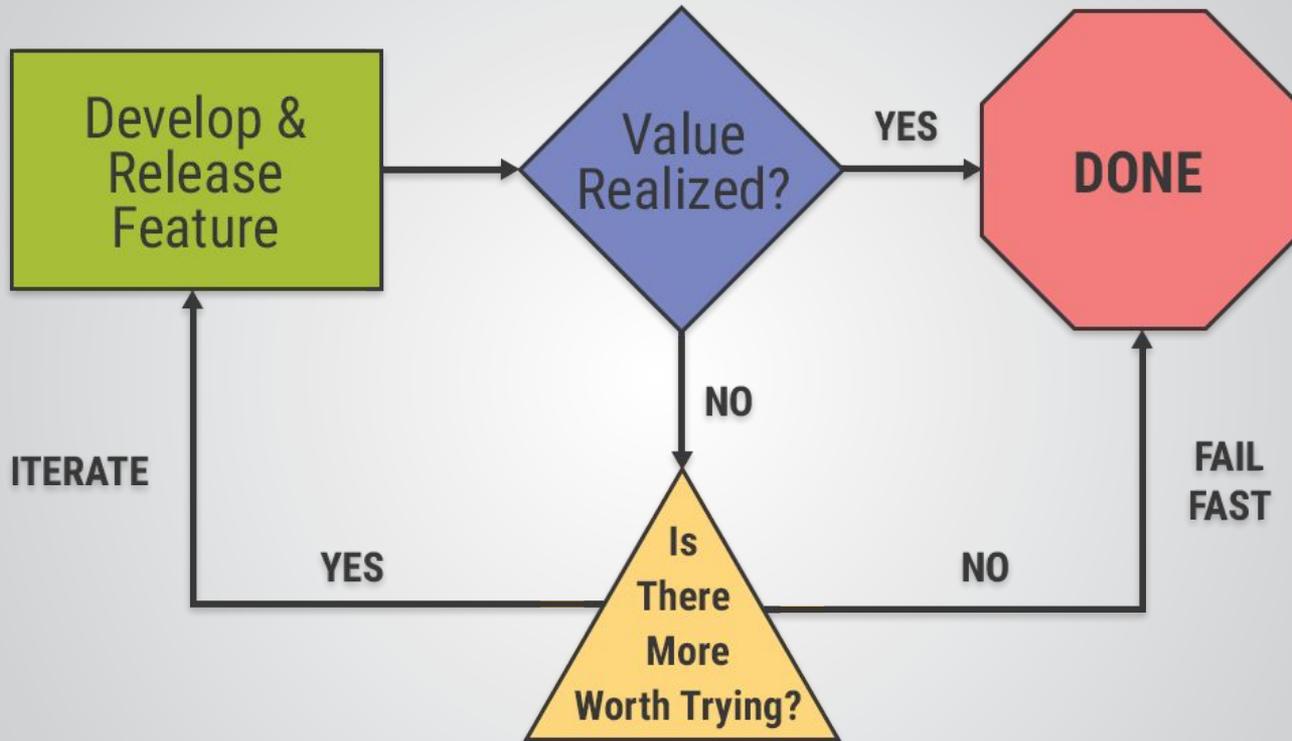
The work is not done once it reaches production, in fact, released software is just a step in our refinement process.

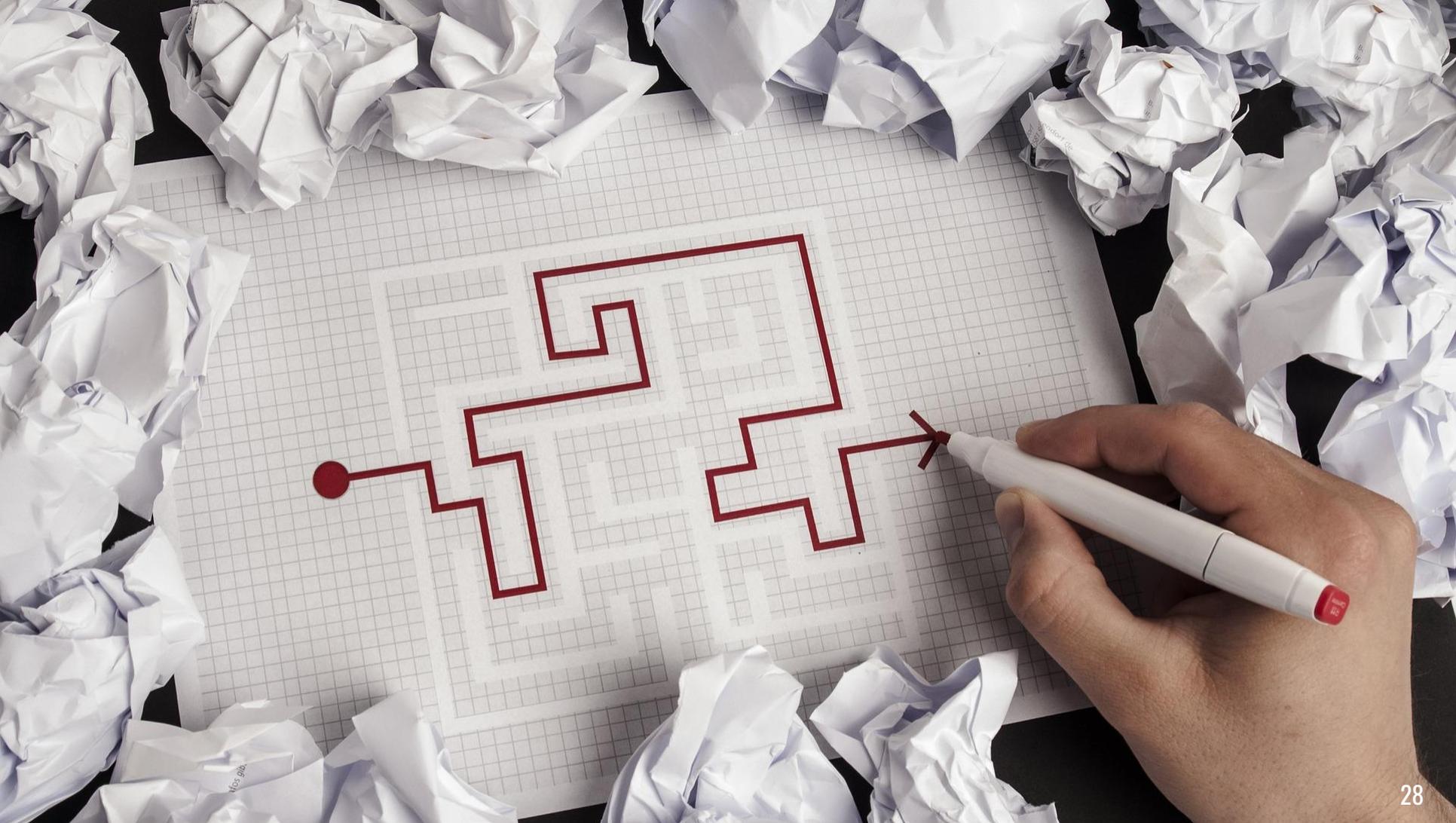
In Other Words

Cone of Uncertainty









#2 Business Rule

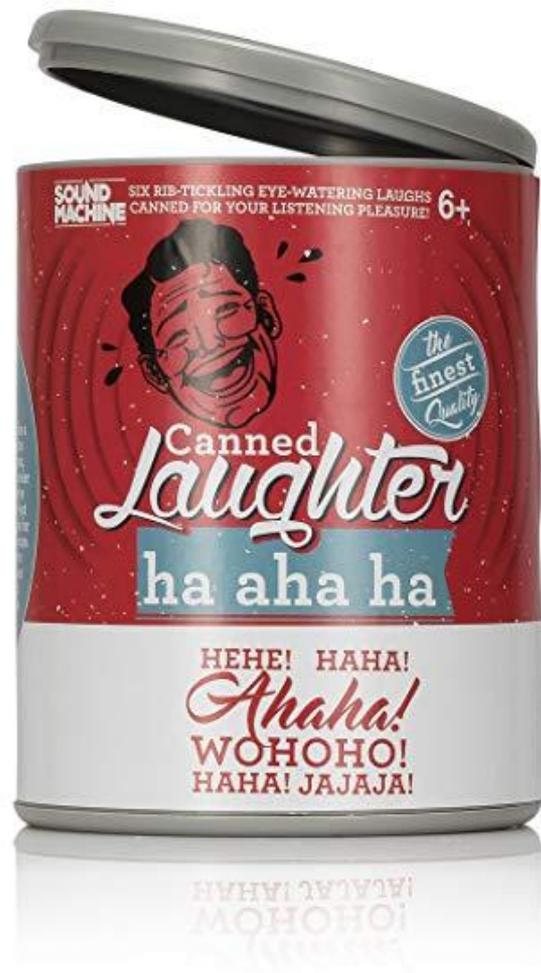
WHERE IS VALUE
REALIZED?

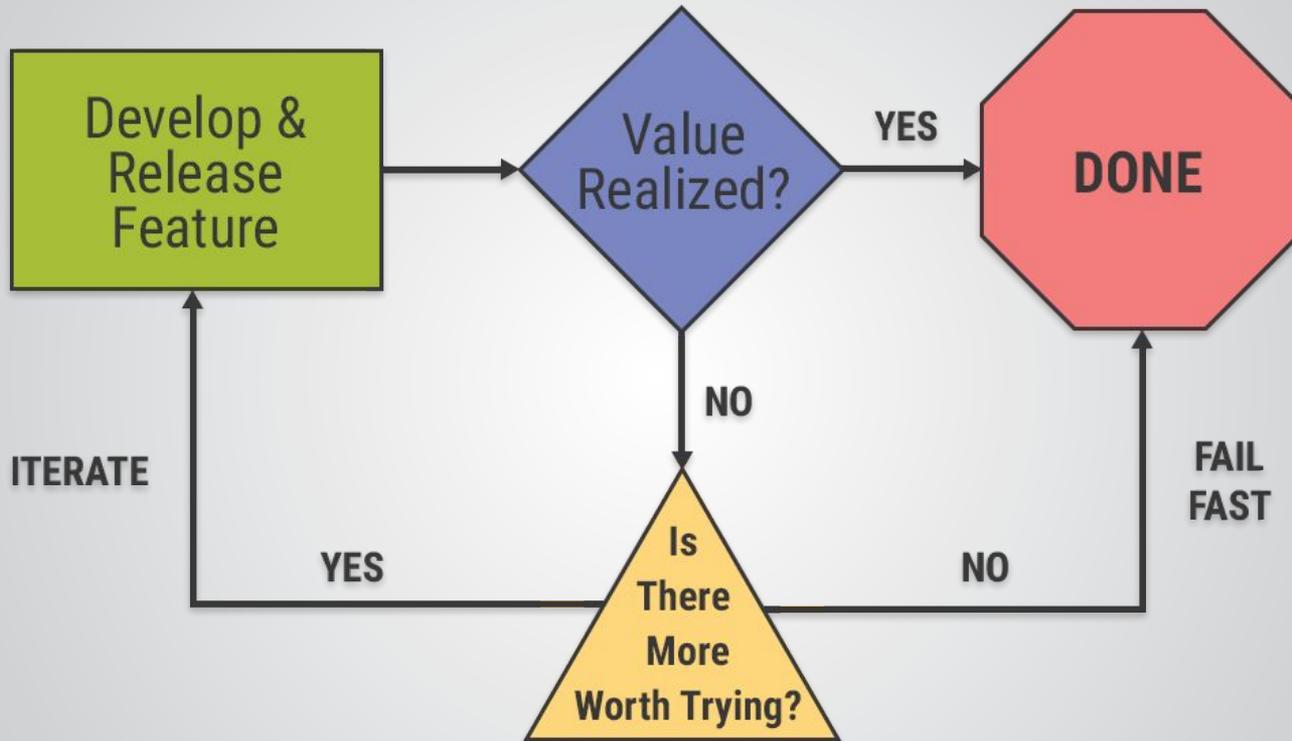
2









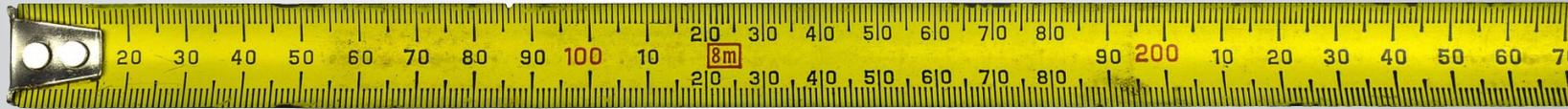


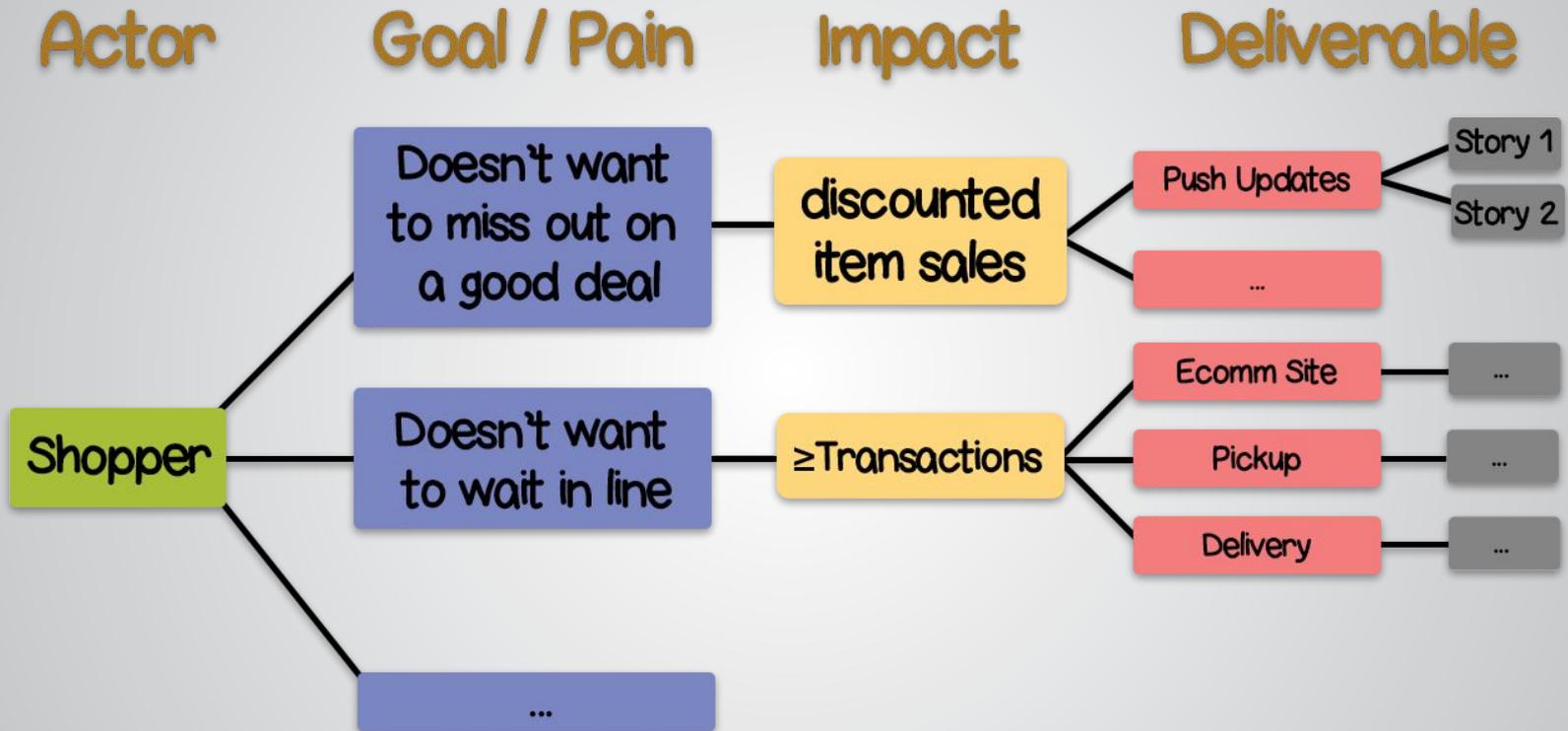
#3 Business Rule

HOW DO YOU DECIDE
WHAT TO MEASURE?



YOU GET WHAT YOU MEASURE







Office Space (1999)



OUTPUTS

THE FOUR KEY METRICS

1. Lead Time / Throughput
2. Deployment Frequency
3. Mean Time To Restore
4. Change Failure Rate

POOR PERFORMANCE OUTPUTS

1. Effort (Hours / Story Points / VELOCITY)
2. Utilization (Time Spent / Hours Worked)
3. On Time - On Budget - In Scope (Triple Constraint)
4. Lines of Code / Merges Committed

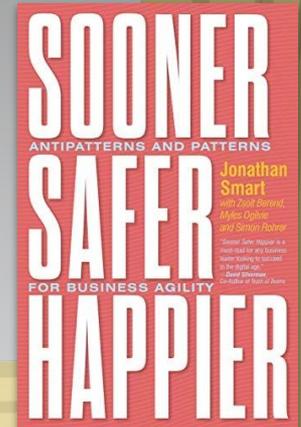
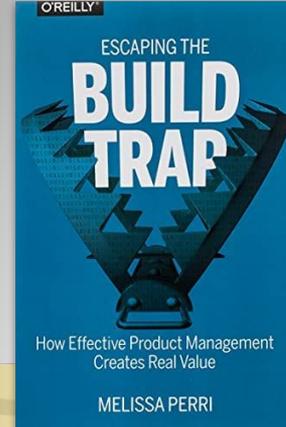
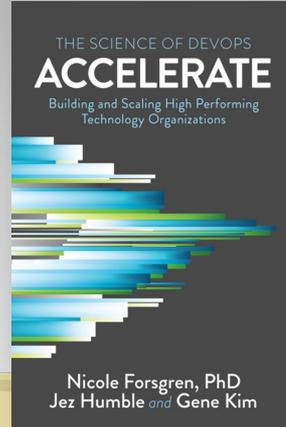
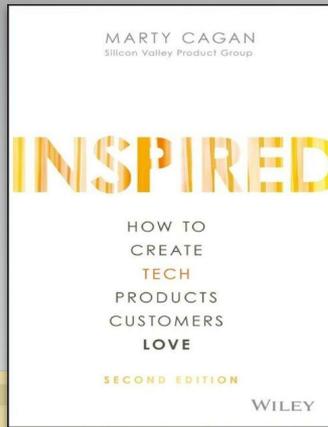
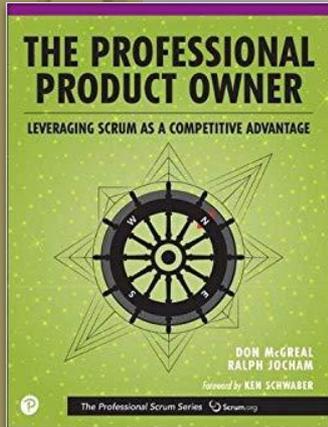
**“We didn’t do anything wrong,
but somehow, we lost”**

Stephen Elop, Nokia CEO

3 BUSINESS RULES

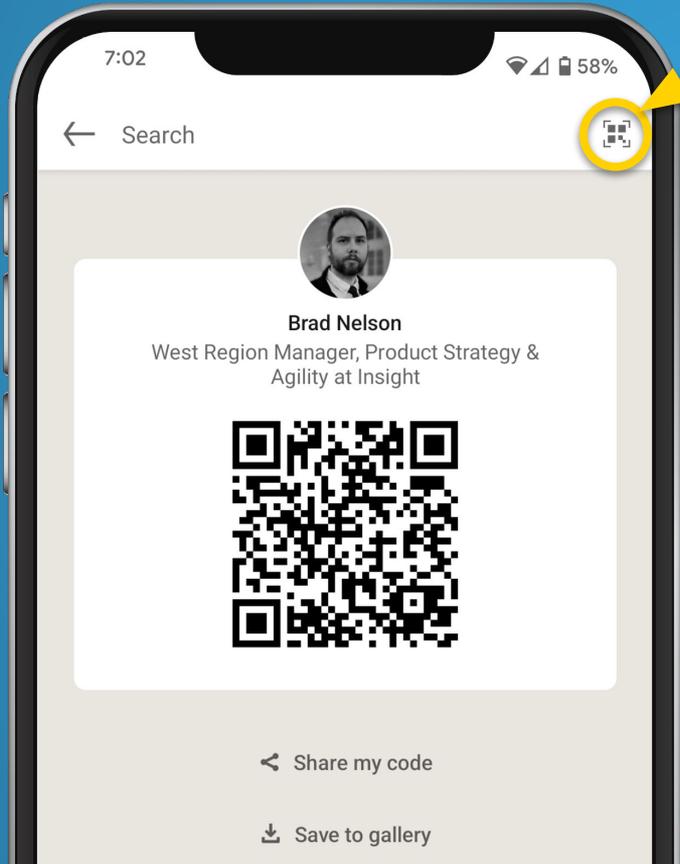
1. VALUE = DEMAND
2. VALUE IS REALIZED IN PRODUCTION
3. YOU GET WHAT YOU MEASURE

THE VELOCITY TRAP BOOKSHELF:





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