Value Chain Mapping: Visually Planning System Improvements

Phil Jochimsen
phil.jochimsen@wisc.edu
UW-Madison DoIT

ITProConf 6/6/2019
Alternate Titles

• How to predict the future
• How to spend time on things that matter
• Position yourself for job security
• Seeing around corners
• Preparing yourself for change
• Delivering Value in the age of Digital Disruption
Key Takeaways for Value Chain Maps

• Visually Communicate Value
• Variable Resolution - use as little detail as needed
• Fast, High Quality Communication Tool
• Provide Situational Awareness and Planning Capability
Question: How are these different?

- Theory
- Static
- Script Kiddie
- Studying Basic Biology
- Theoretical Physics

- Application
- Dynamic
- APT (advanced persistent threat)
- Practicing Medicine in an ICU
- Applied Physics
<table>
<thead>
<tr>
<th>Definable</th>
<th>Discoverable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Lead Times are Acceptable</td>
<td>Short Lead Times are Required</td>
</tr>
<tr>
<td>Complicated</td>
<td>Complex Adaptive System</td>
</tr>
<tr>
<td>Newtonian Worldview</td>
<td>Quantum Worldview</td>
</tr>
<tr>
<td>Taylorism (Scientific Management)</td>
<td>Toyotism/Lean/Agile</td>
</tr>
</tbody>
</table>
Excellent Communication is Key

To maximize opportunity in rapidly changing, complex adaptive environments, communication must be:

• Easy
• Fast
• Effective
• Must cut across all audience types
How does this stack up?

Information About Toast

Toast *Requires* Sliced Bread

Sliced Bread *Requires* Toaster

Toaster *Requires* Electricity

Does it meet these Criteria?

- Easy
- Fast
- Effective
- Must cut across all audience types
Toast in the year 2019

- Customer is at the top of the Value Chain
- Components: Nouns, not Verbs
- Only as much detail as necessary to communicate
Focus on what matters

The Customer!

They determine whether or not all your efforts were worth it.
Empty Value Chain Map

- Customer is at the top of the Value Chain
- Y axis: Value, from Invisible to Visible
- X axis: Evolution, from Custom to Commodity
Toast in the year 1819

- Customer is at the top of the Value Chain
- May need to first Bake the Bread
- Strike anywhere matches have not yet been invented
Website

- Customer is at the top of the Value Chain
- Aggregated Content is a commodity
Characteristics of a Good Map

- Visual
- Components
- Anchor (this is the Customer)
- Context
- Position
- Movement
Evolution

• Everything evolves over time to move from novelty to custom to product to utility/commodity
• Nothing can stop this evolution, although it can be delayed
• You can not position exactly where something is, so for quick communication, just use your best guess
• Evolution enables higher order systems:
  • Think of all the things we’ve built using Electricity, now that it’s a utility
  • Virtualization, Containers, Public clouds, and Serverless enabled us to start thinking about how the utility is Compute, not physical pieces of hardware.
  • Movement towards IaaS, PaaS, SaaS are all additional examples of evolution
Evolution

Climatic pattern
Everything evolves

Value Chain

Past

Future

Compute

Point of change

Genesis
Custom Built
Product (+ rental)
Commodity (+ utility)

Evolution
- Customer is at the top of the Value Chain

- Strategic Play for WiscWeb: Theme & Wordpress itself need to be more Utility, Less Custom
Office 365, Canvas, & Interop Initiative

- Customer is at the top of the Value Chain

- All 3 of these have in common: Evolution
Now, what to do?

- Try your hand at mapping
- See where you fit in relation to the customer
- Predict the future by seeing what components are ripe for evolution
- Get trained so you are ready to deliver value where evolved components land
Predict the Future: Teaching/Learning

- Customer is at the top of the Value Chain
- Components: Nouns, not Verbs
- Only as much detail as necessary to communicate
Predict the Future: Research

- Customer is at the top of the Value Chain
- Components: Nouns, not Verbs
- Only as much detail as necessary to communicate
Predict the Future: Outreach

- Customer is at the top of the Value Chain
- Components: Nouns, not Verbs
- Only as much detail as necessary to communicate
References & Further Reading

• Quick Resources & 20 Minute video: https://www.map-camp.com/_pages/what_is_mapping/
• Readable Summary to share with everyone: https://www.cio.co.uk/it-strategy/introduction-wardley-value-chain-mapping-3604565/
• Wardley Maps, Full Book (free): https://medium.com/wardleymaps
• Wardley Maps, as Leanpub book (free): https://leanpub.com/wardley-maps
• Link to empty value chain map: https://stories.platformdesigntoolkit.com/platform-value-chain-z-shape-385f759faffa
Empty Value Chain Map

- Customer is at the top of the Value Chain
- Y axis: Value, from Invisible to Visible
- X axis: Evolution, from Custom to Commodity