Value Chain Mapping: Visually Planning System Improvements

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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
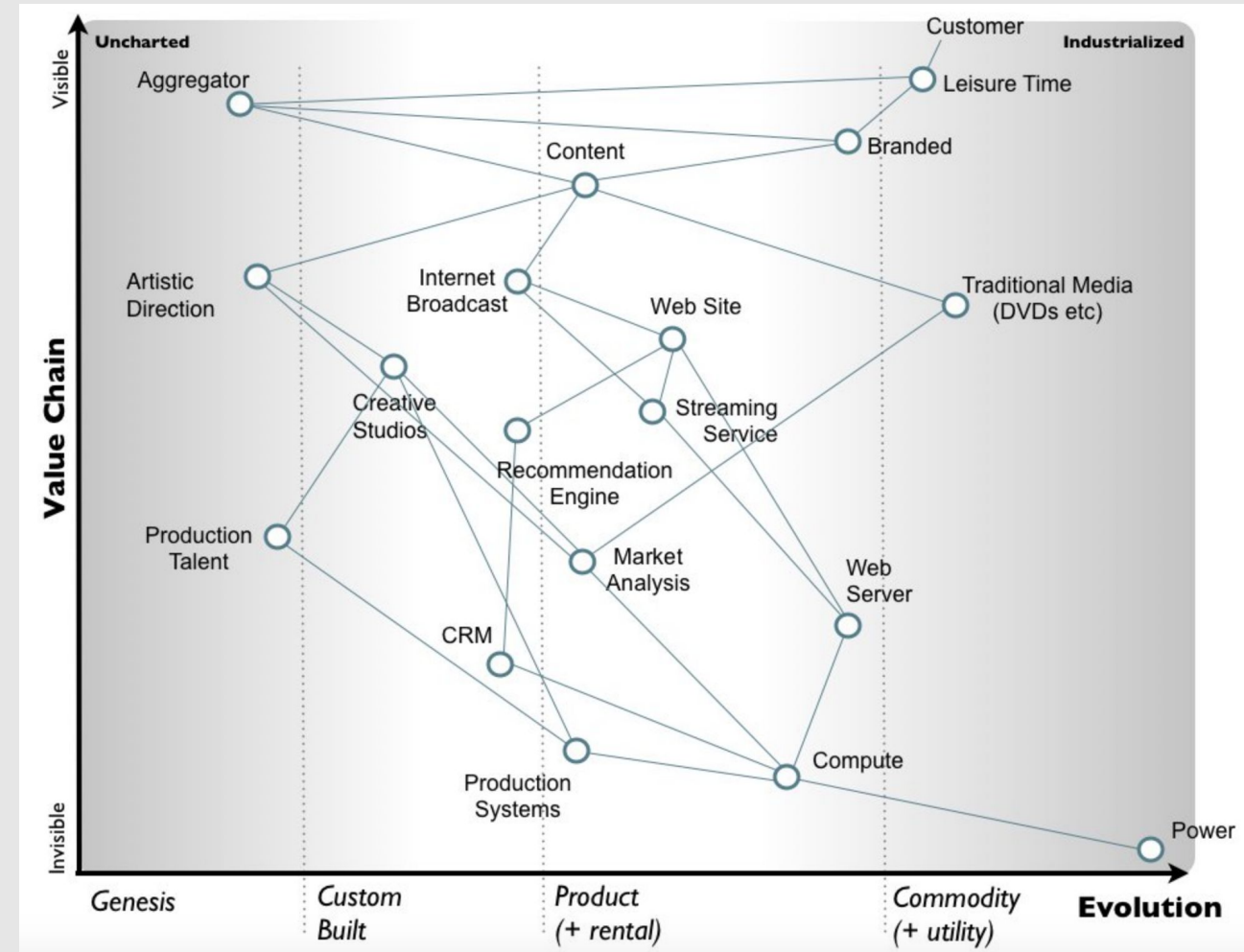
Question: How are these different?

• Theory	• Application
• Static	• Dynamic
• Script Kiddie	• APT (advanced persistent threat)
• Studying Basic Biology	• Practicing Medicine in an ICU
• Theoretical Physics	• Applied Physics

Question: How are these different? (cont'd)

• Definable	• Discoverable
• Long Lead Times are Acceptable	• Short Lead Times are Required
• Complicated	• Complex Adaptive System
• Newtonian Worldview	• Quantum Worldview
• Taylorism (Scientific Management)	• Toyotism/Lean/Agile

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
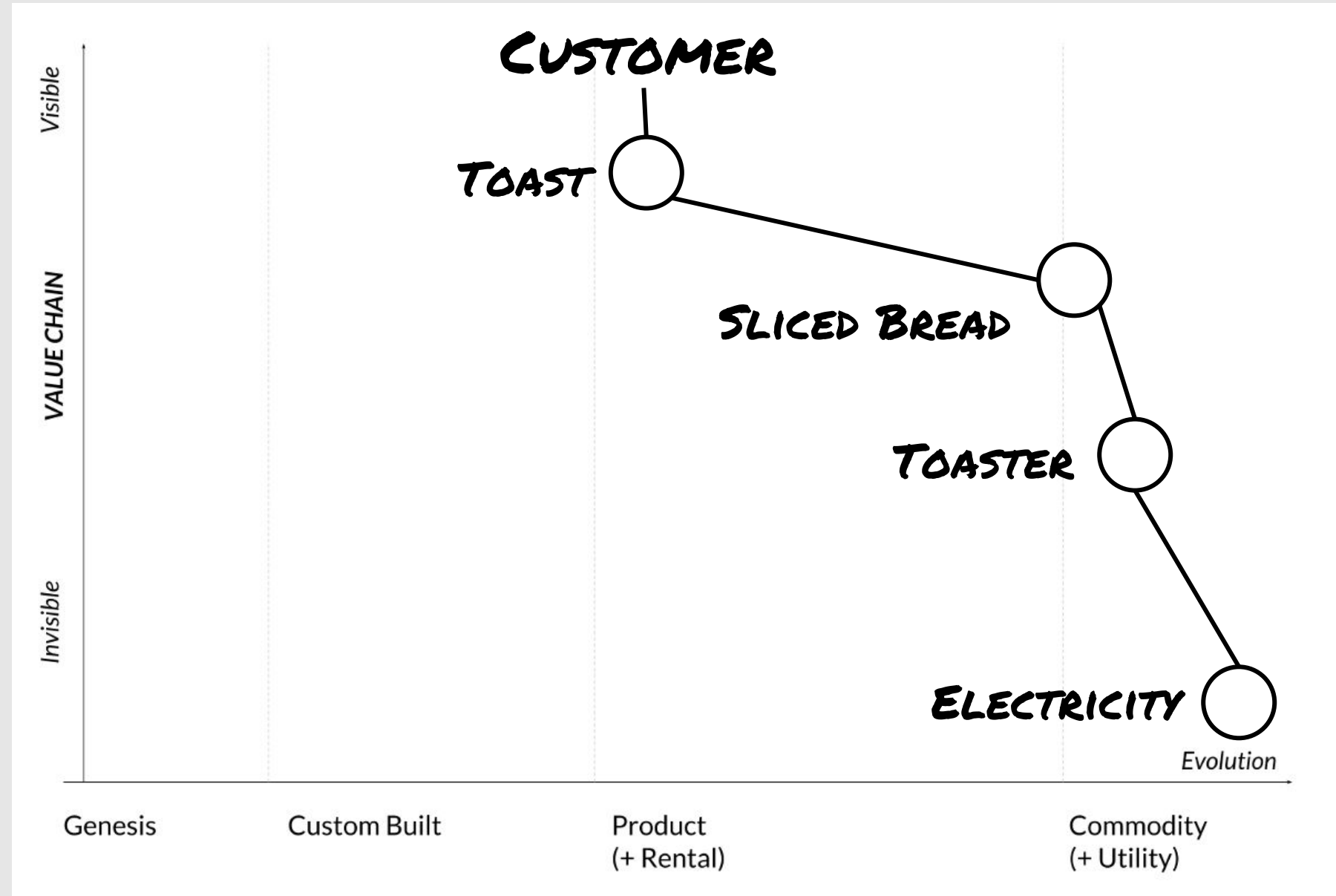
Toaster **Requires** Electricity

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

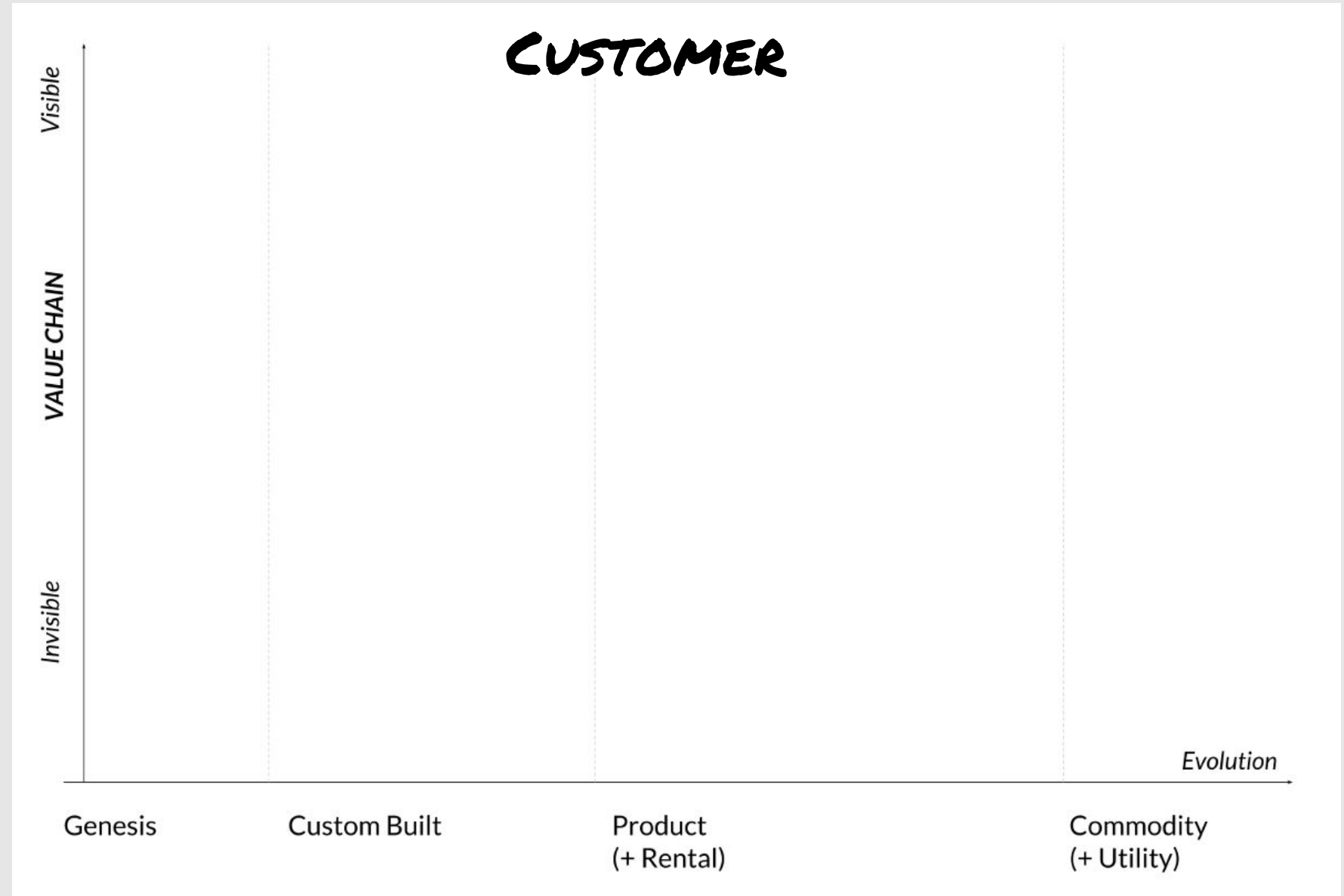# Focus on what matters

The Customer!

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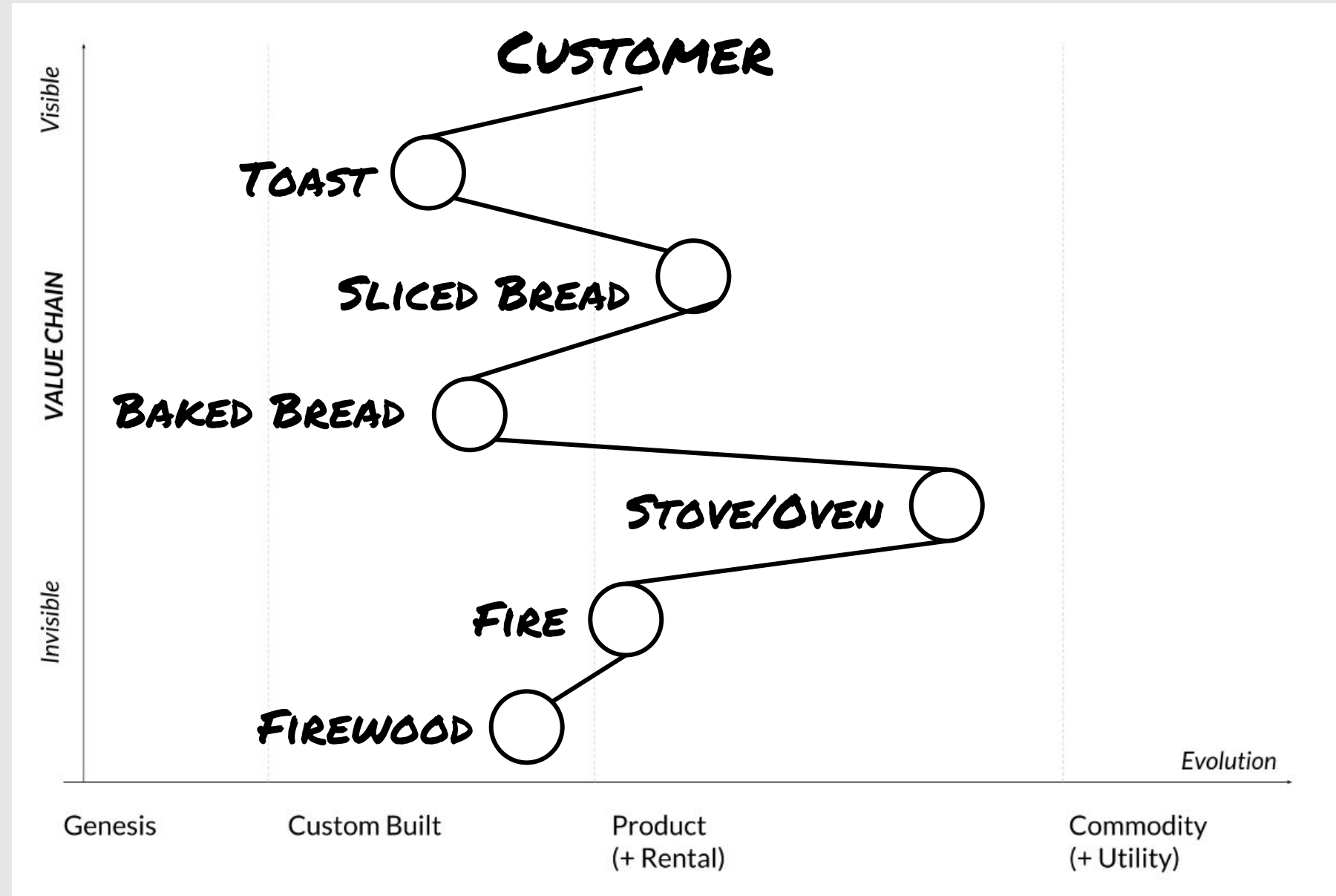
Empty Value Chain Map

- Customer is at the top of the Value Chain

- Y axis: Value, from Invisible to Visible

- X axis: Evolution, from Custom to Commodity
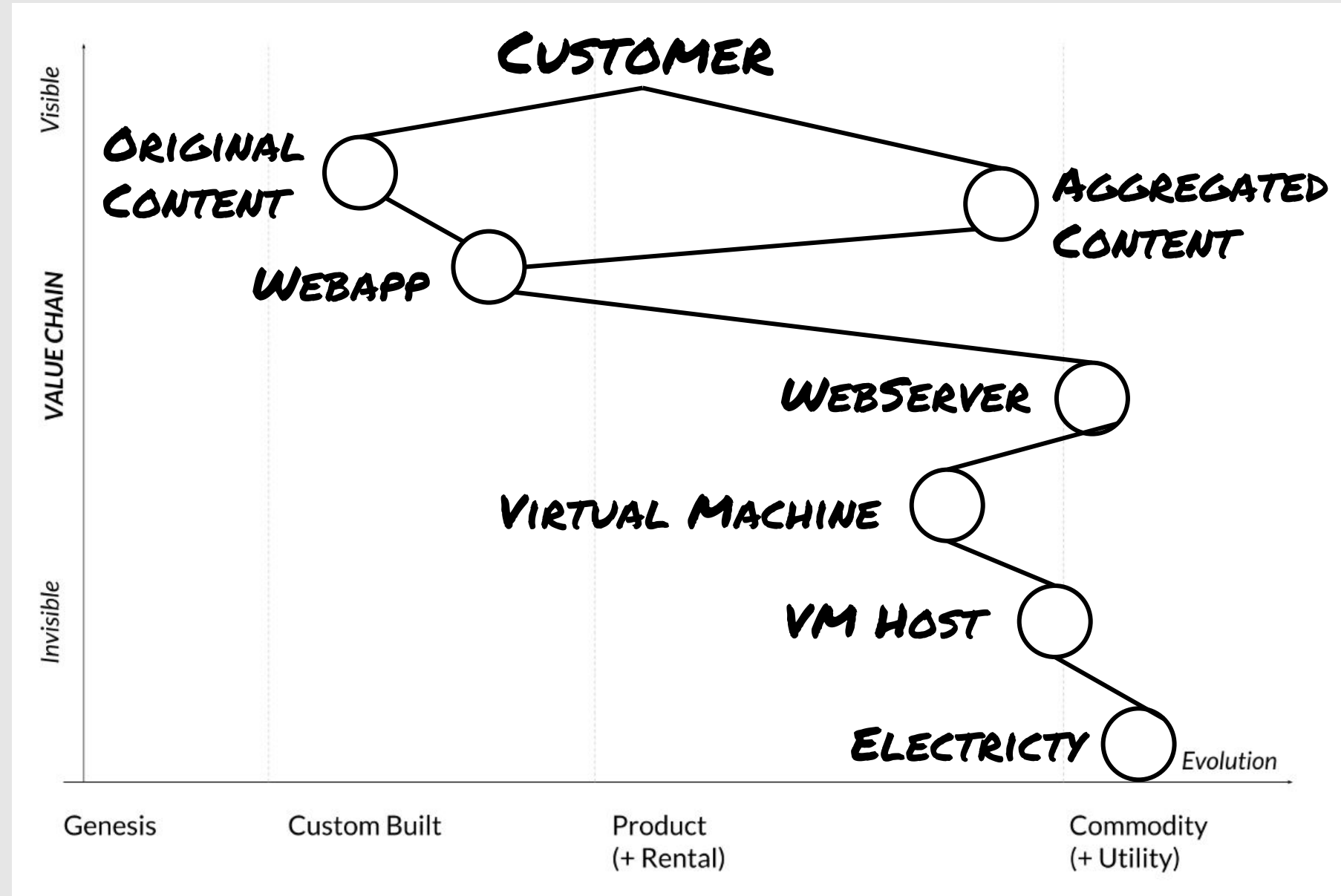
Toast in the year 1819

- 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.
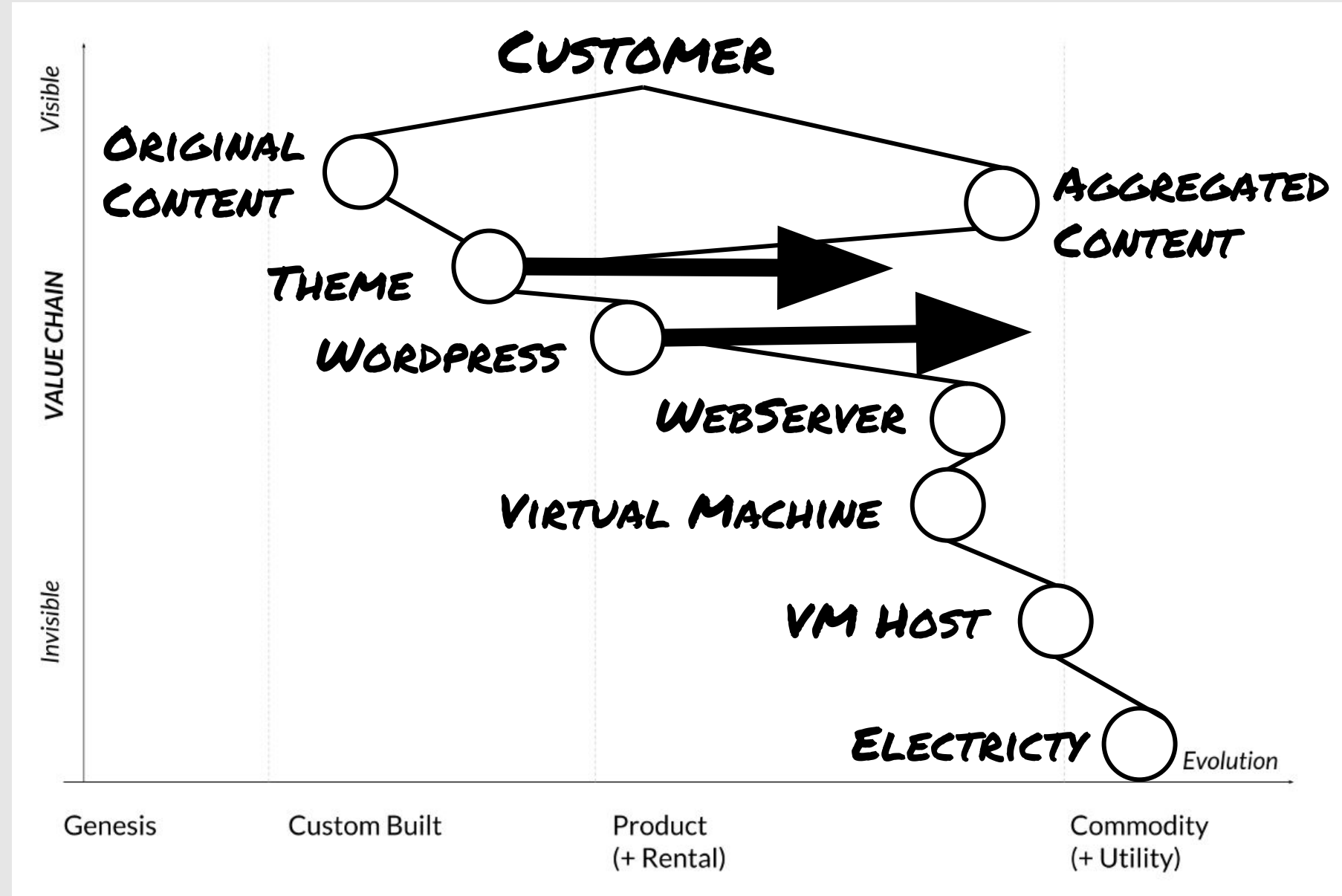 - Movement towards IaaS, PaaS, SaaS are all additional examples of evolution

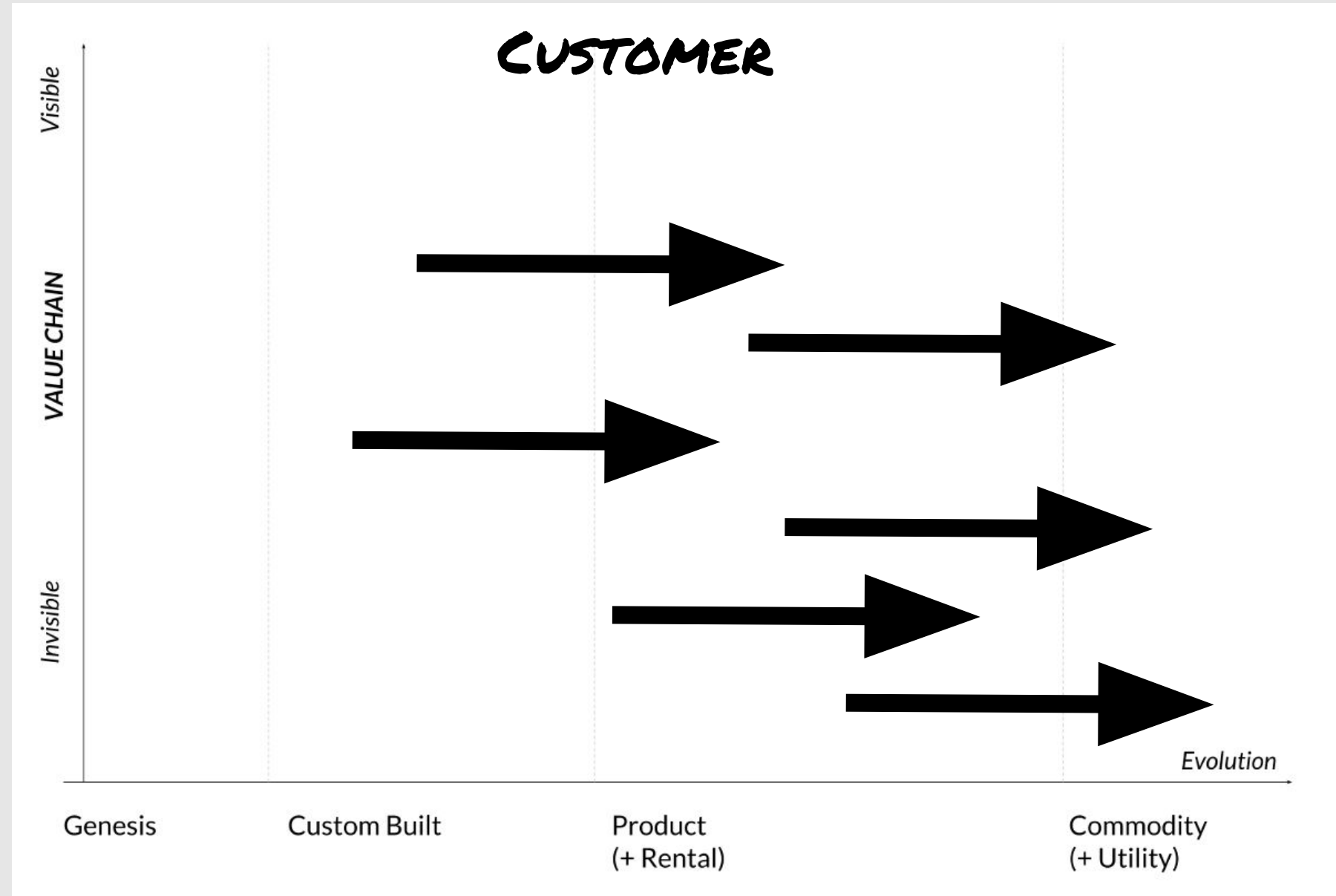# Evolution
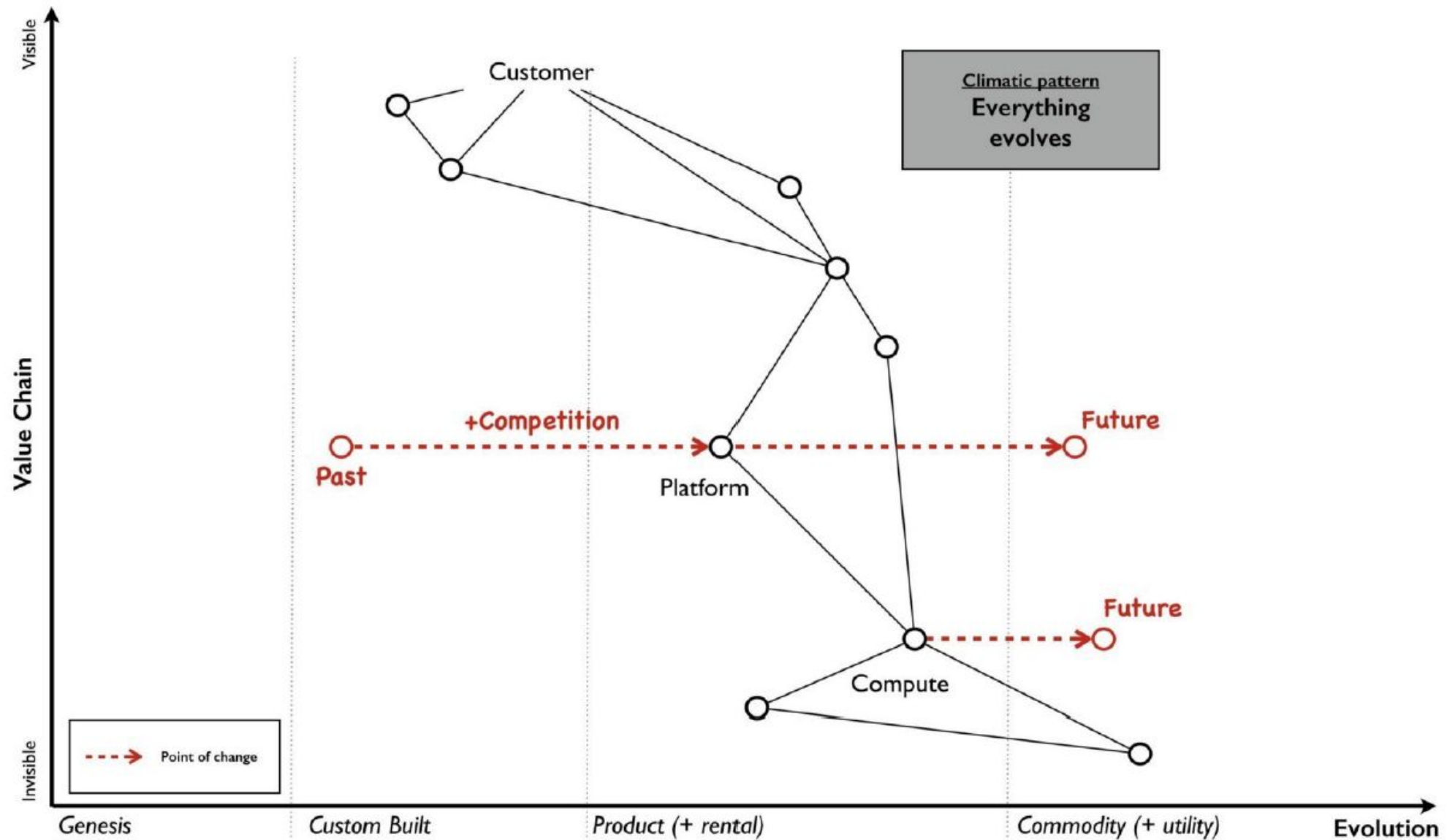
WiscWeb Wordpress Service & Hosting

- 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
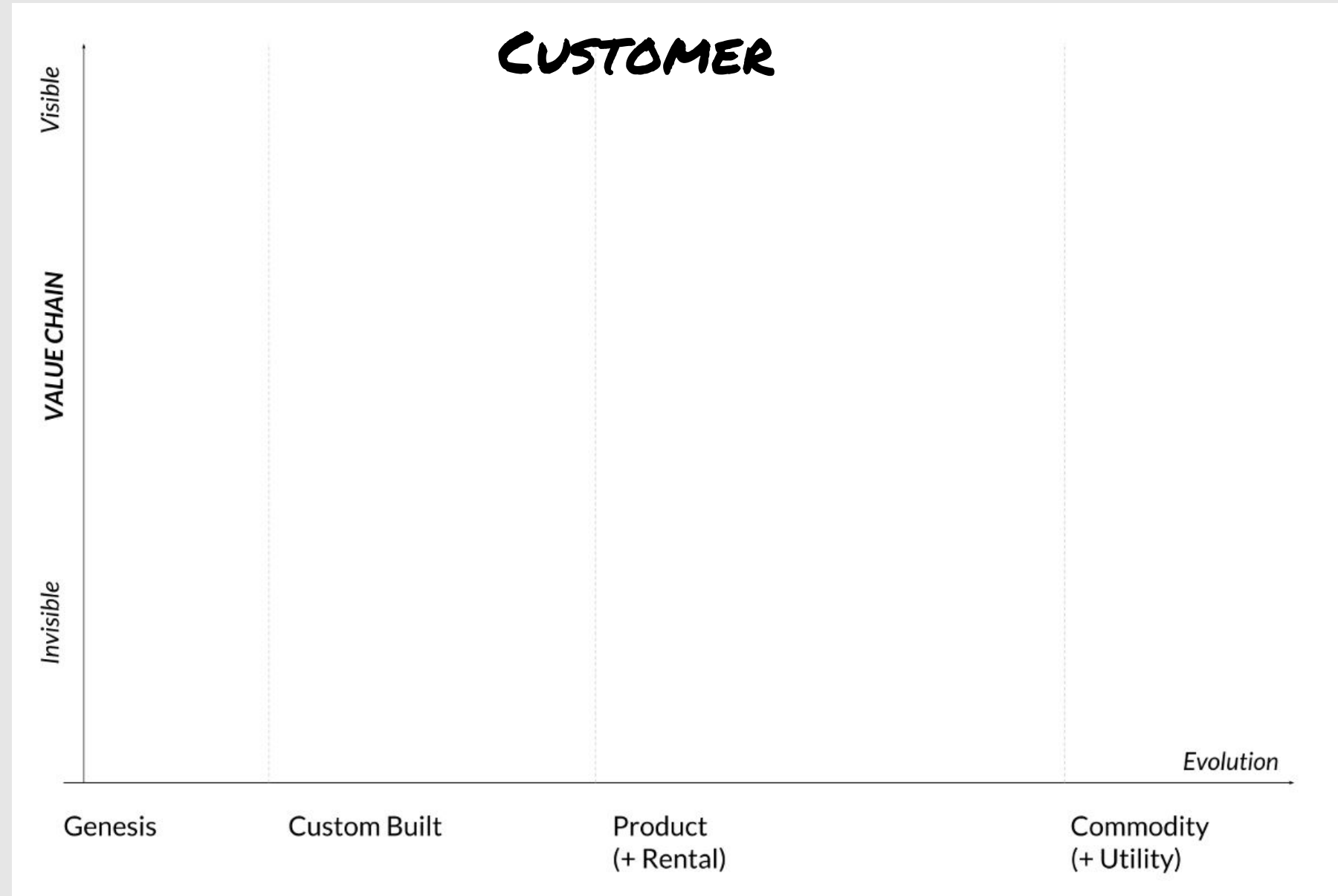
Now, what to do?

- 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
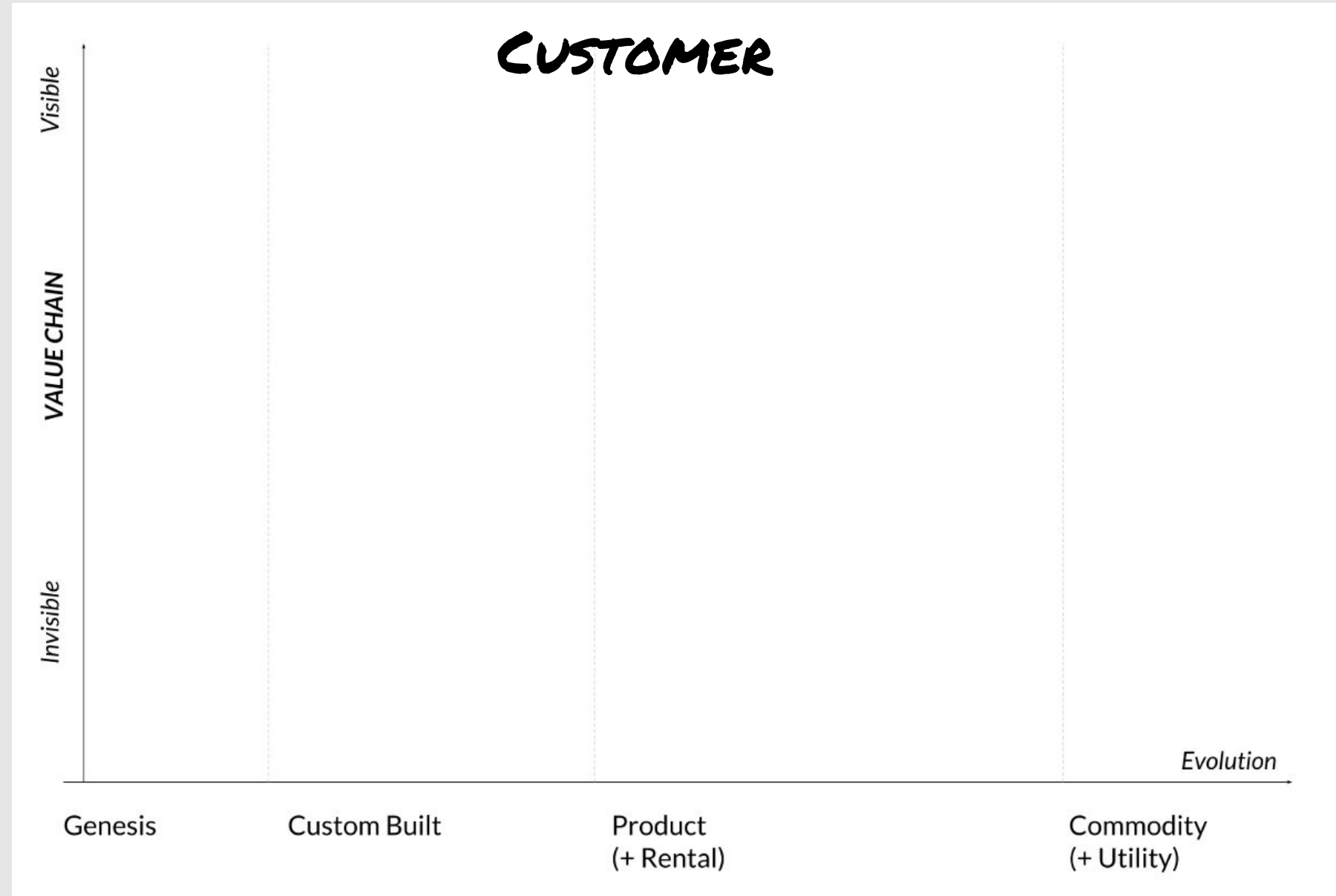
Predict the Future: Teaching/Learning

- Customer is at the top of the Value Chain

- Components: Nouns, not Verbs

- Only as much detail as necessary to communicate

Customer

Visible

Invisible

VALUE CHAIN

Evolution

Genesis | Custom Built | Product (+ Rental) | Commodity (+ Utility)
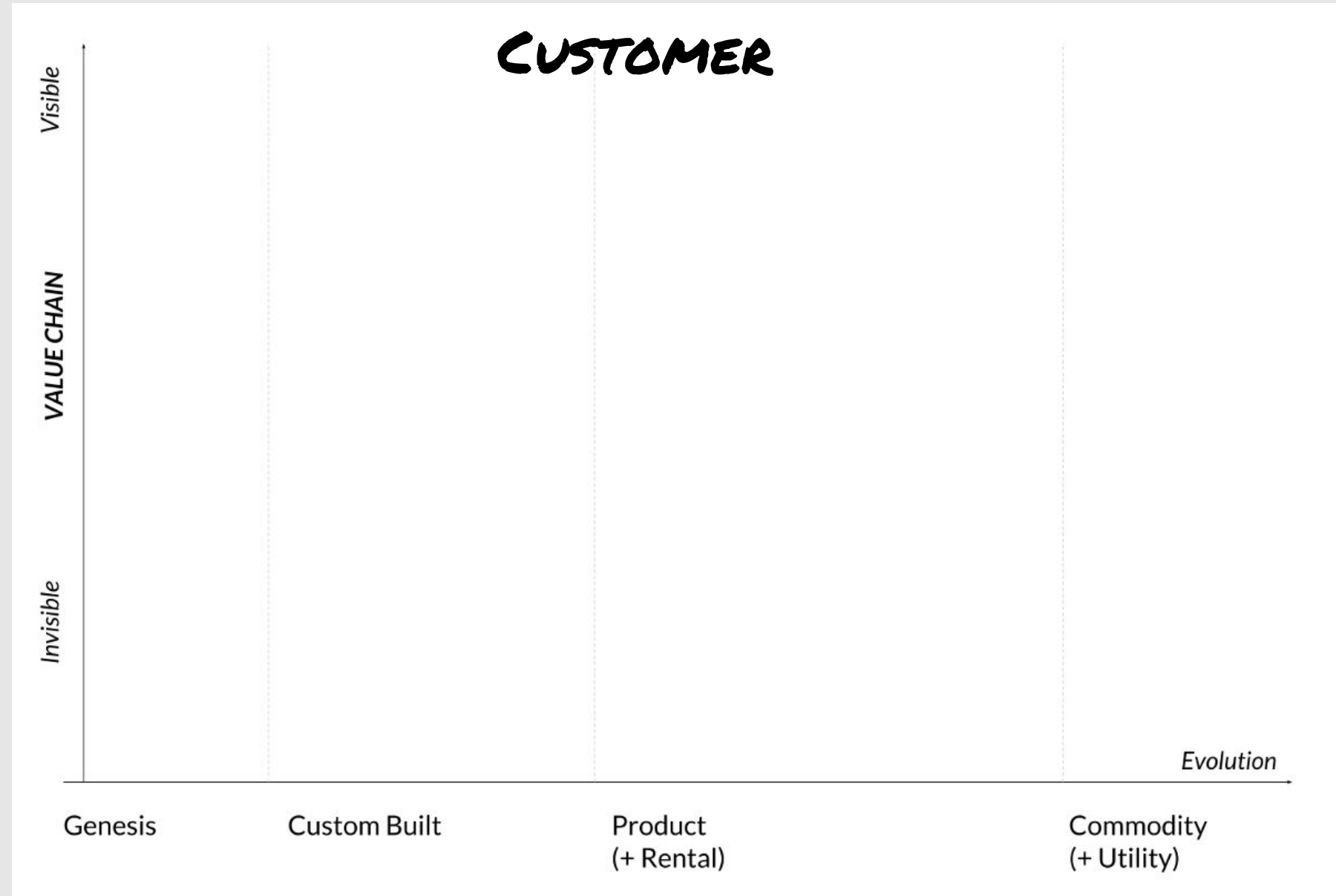
Predict the Future: Research

- 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

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