product development
in the land of the free

the test-driven organization

11-Mar-10

delight customers

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‘the goal is to make money’

- goldratt

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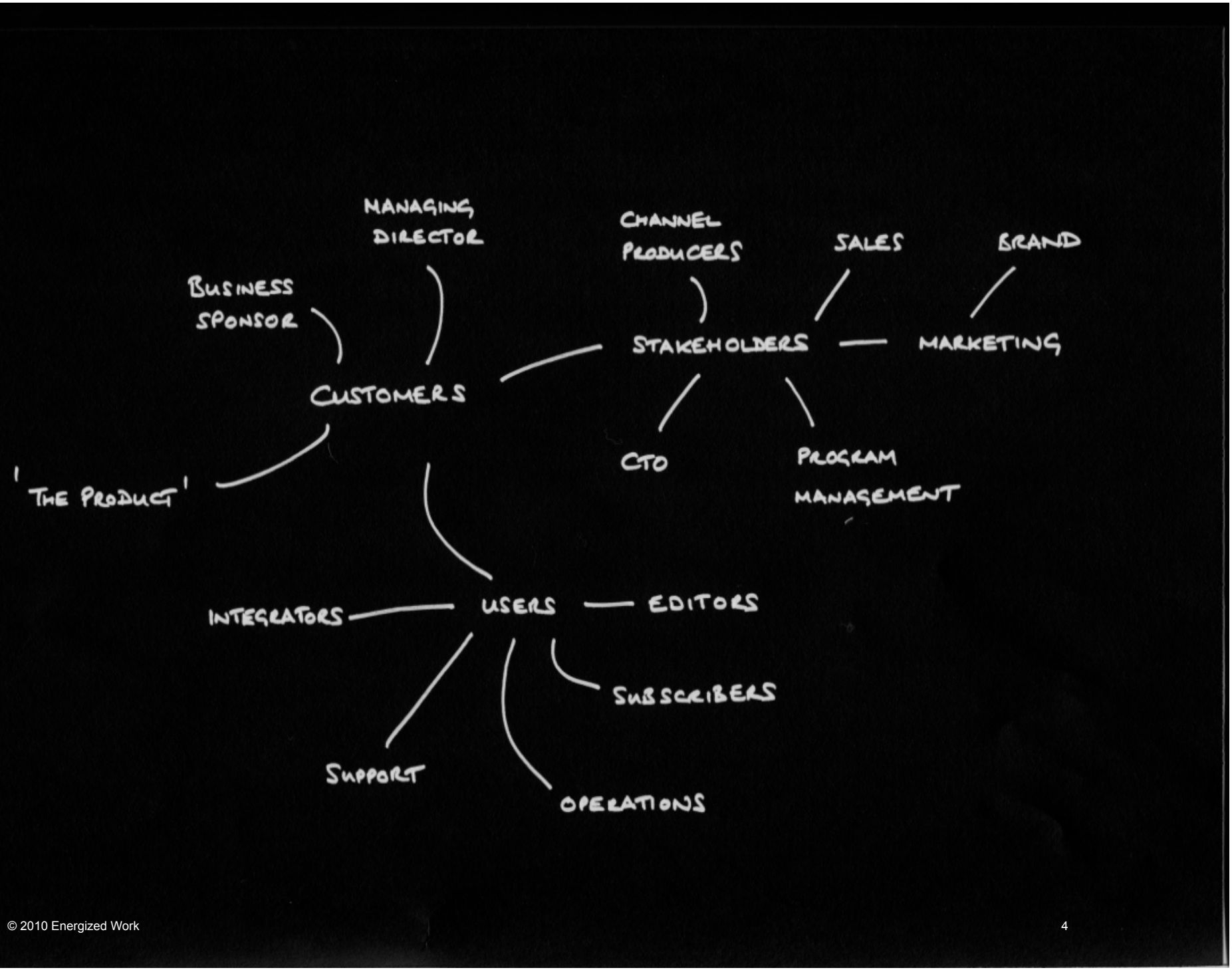

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balance
common goal
consensus

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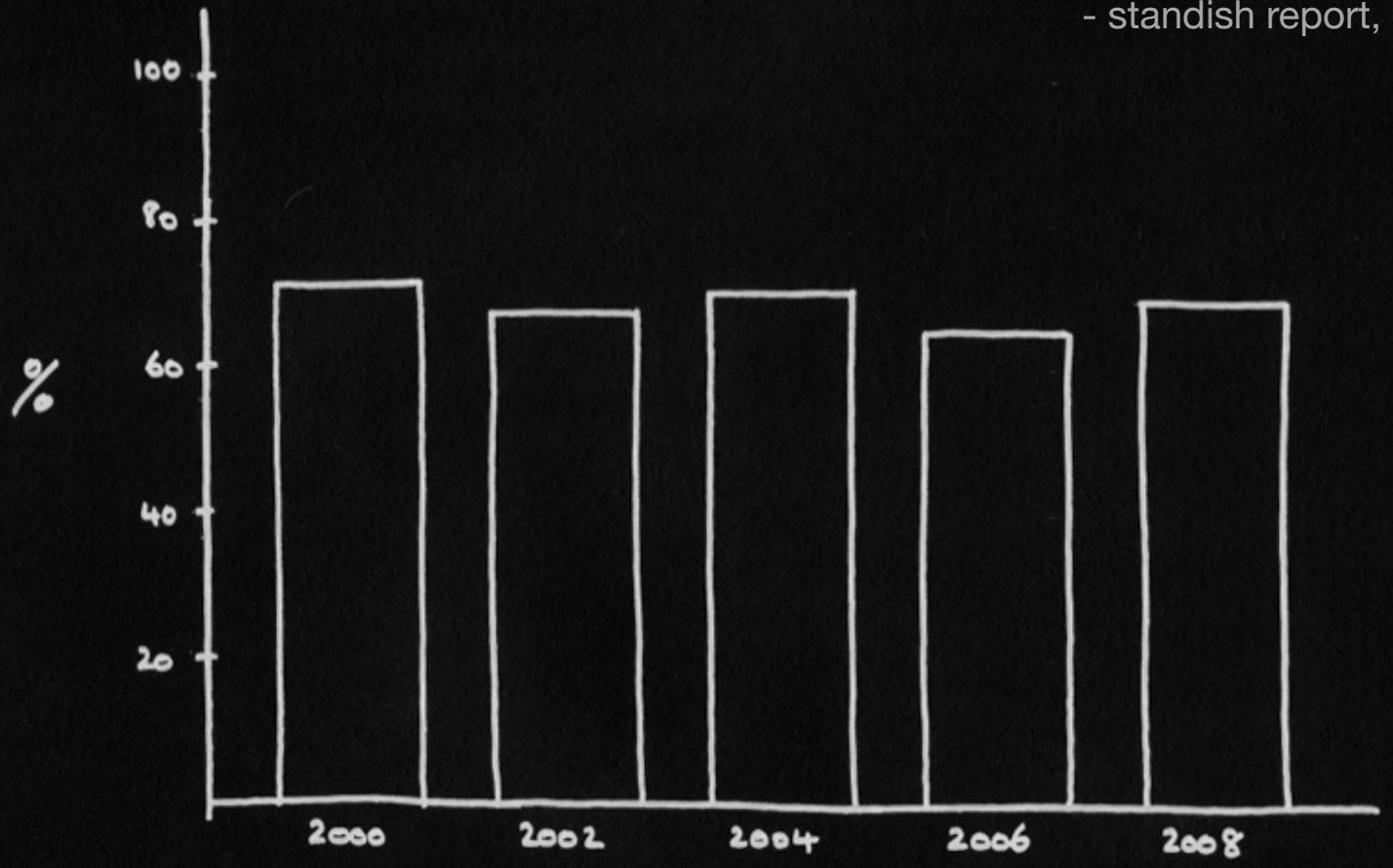
failed and marginal projects

- standish report, chaos data



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doing the right thing isn't getting easier

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over-organized

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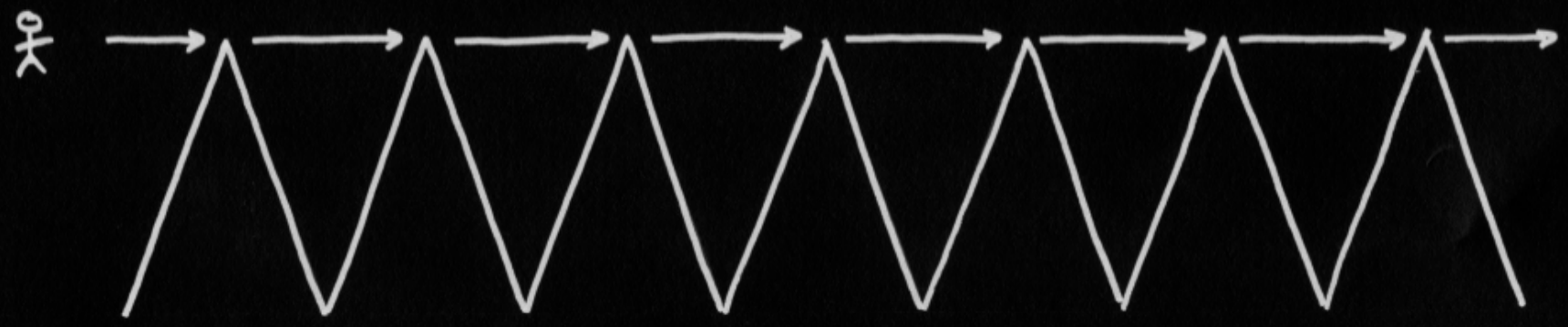

pre-sales
marketing

sales

engineering

production
control

production

logistics

support

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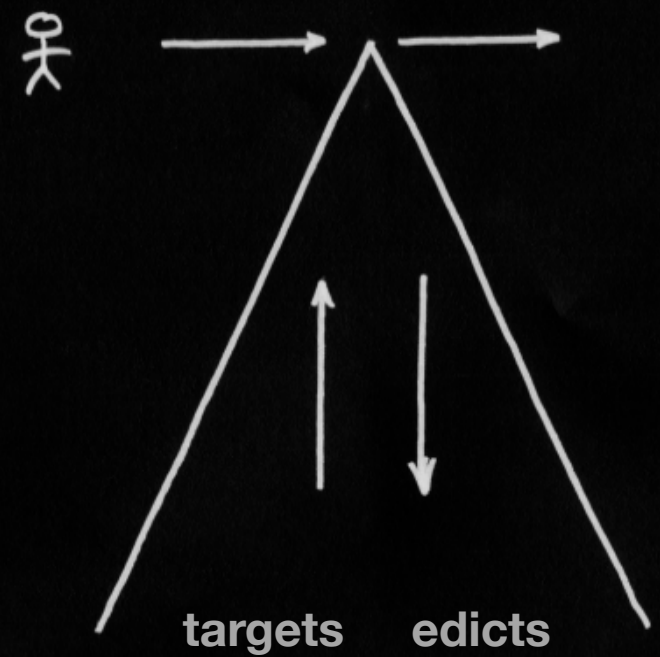

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too complicated

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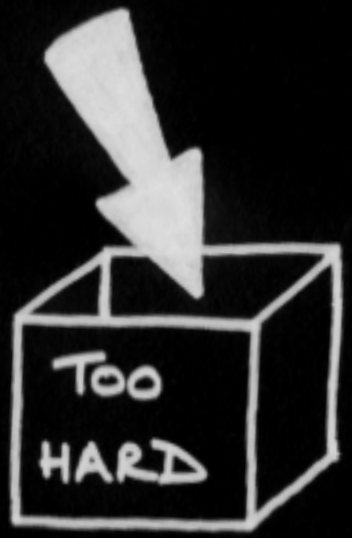
avoiding the problems



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success by project size

- standish report, chaos data

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‘it is better to fail conventionally, than to succeed unconventionally’

- john maynard keynes

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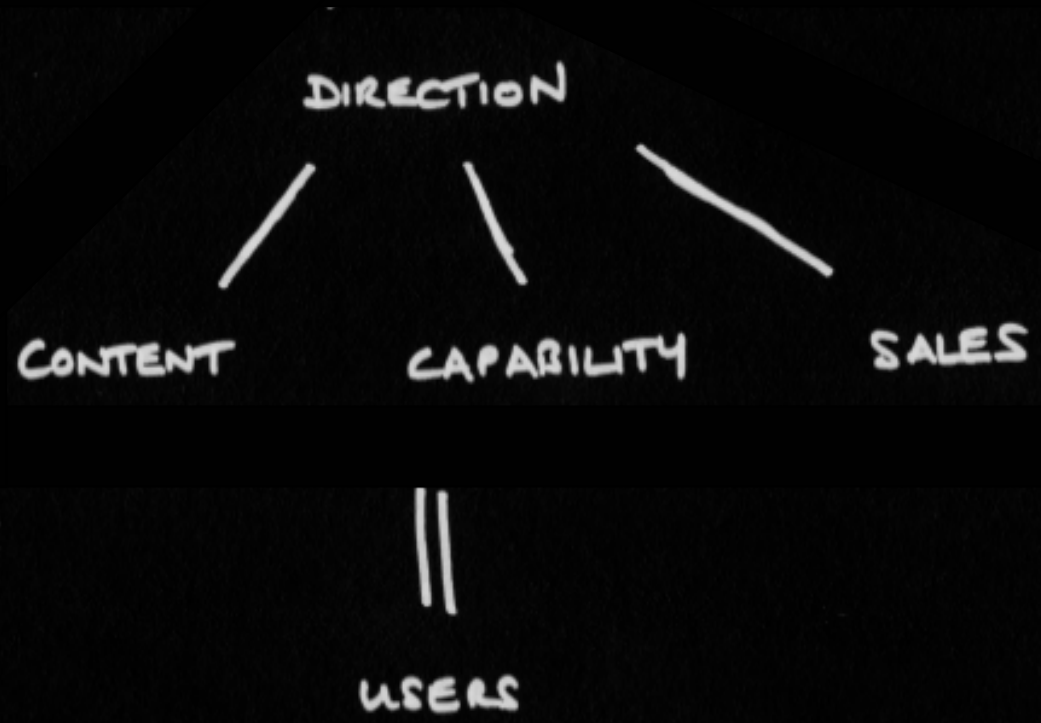

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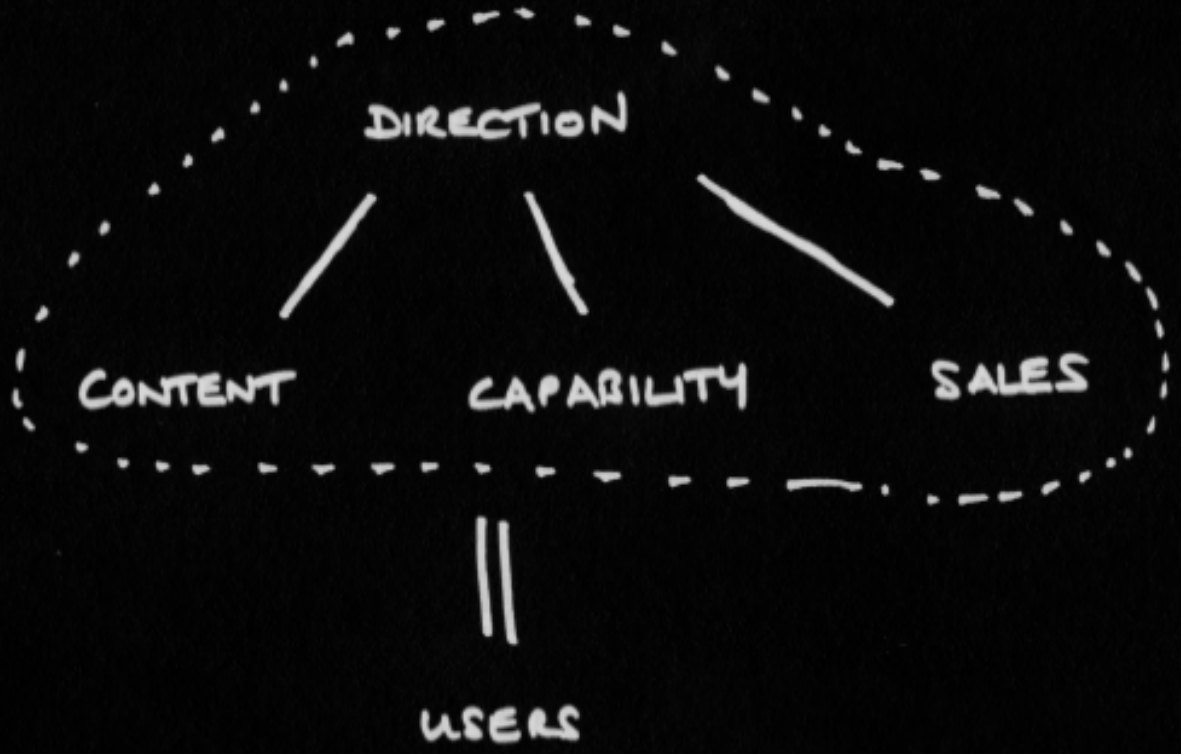

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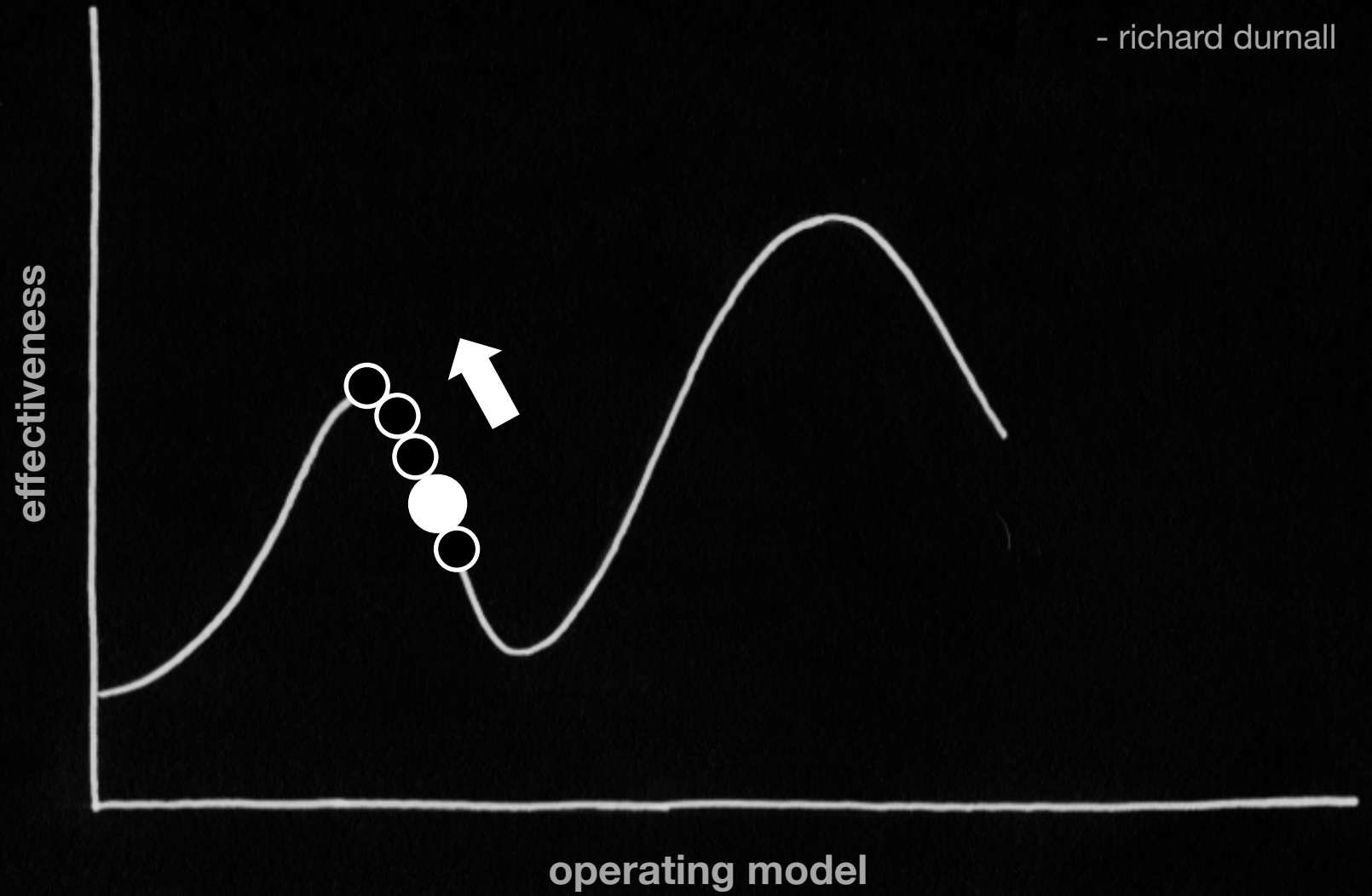
- richard durnall



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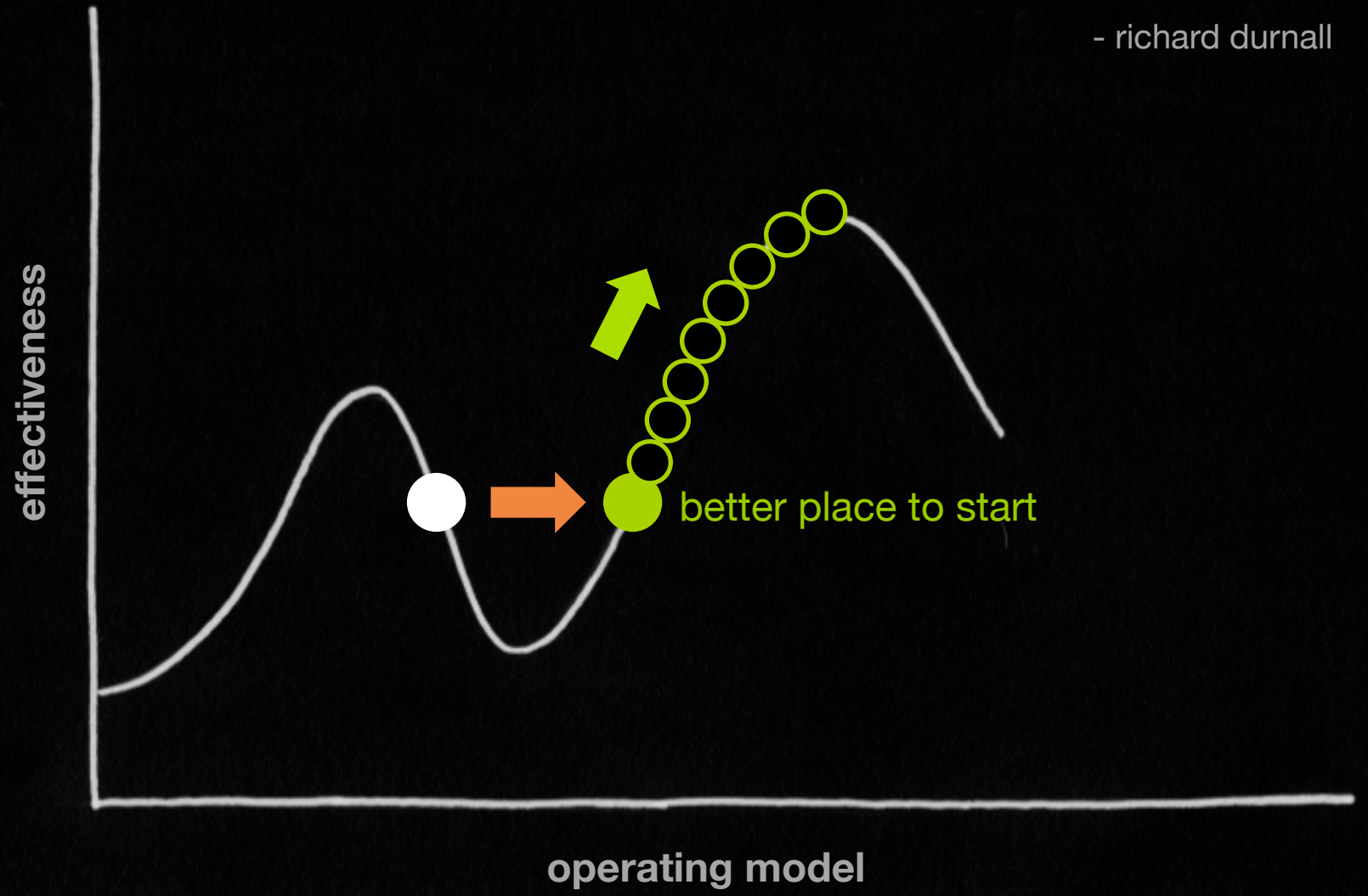
- richard durnall



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‘find a lever
by seizing a crisis
or by creating one’

- lean thinking, womack and jones

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understand the system

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acknowledge crisis
plain language
give options

executive readiness

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joint commitment
build executive confidence

executive partnership

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setup quickly

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do something
that can’t be ignored

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‘forget grand strategy for the moment’

- lean thinking, womack and jones

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produce
immediate results

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protect flow

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process
structure
attitude

posturing

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**‘everyone thinks
of changing the world, but
no-one thinks
of changing himself’**

- leo tolstoy

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are customers delighted?
are we getting better?

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continually
rediscover customers

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measure
visualize
analyze

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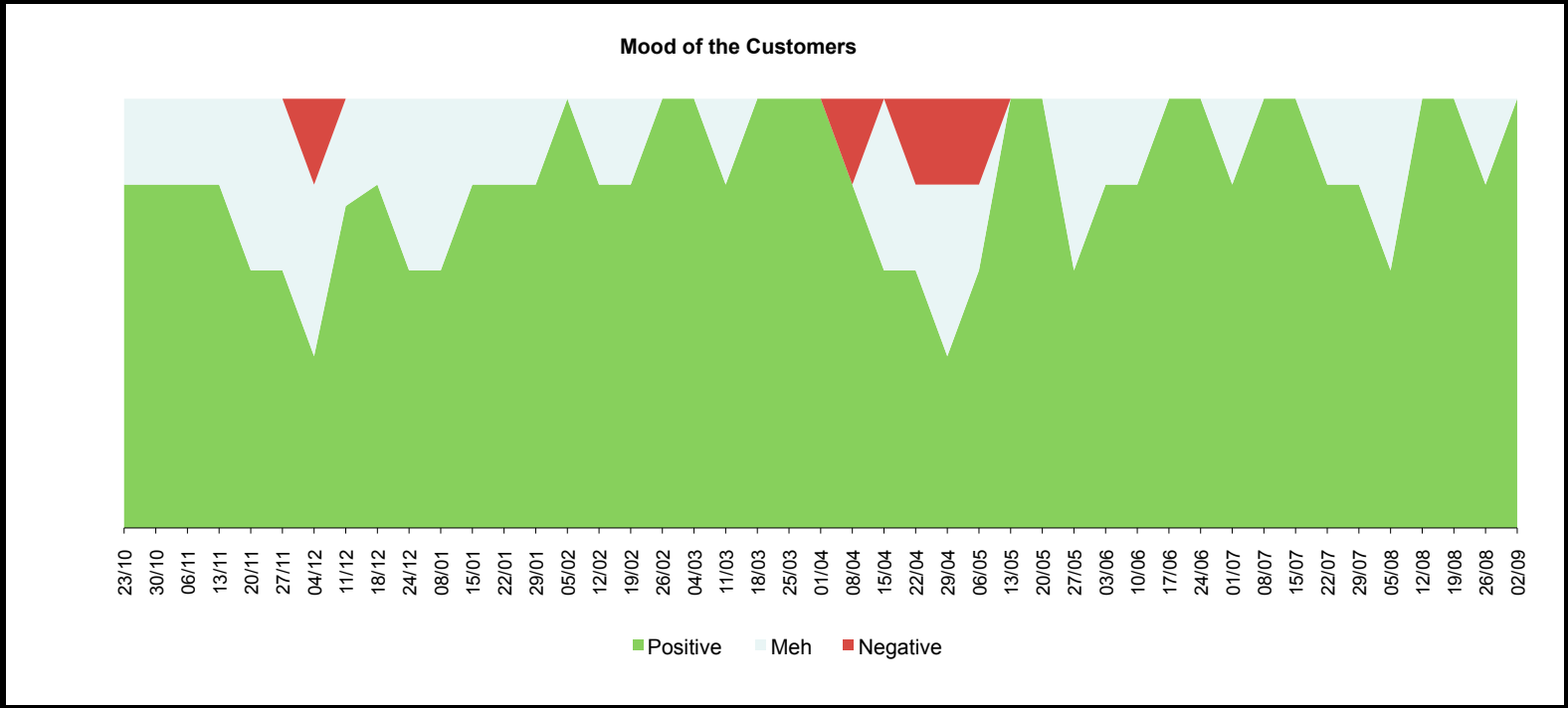
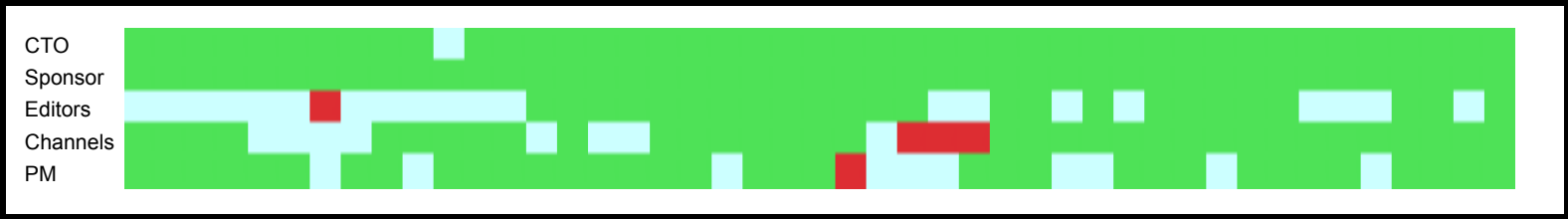
customer mood





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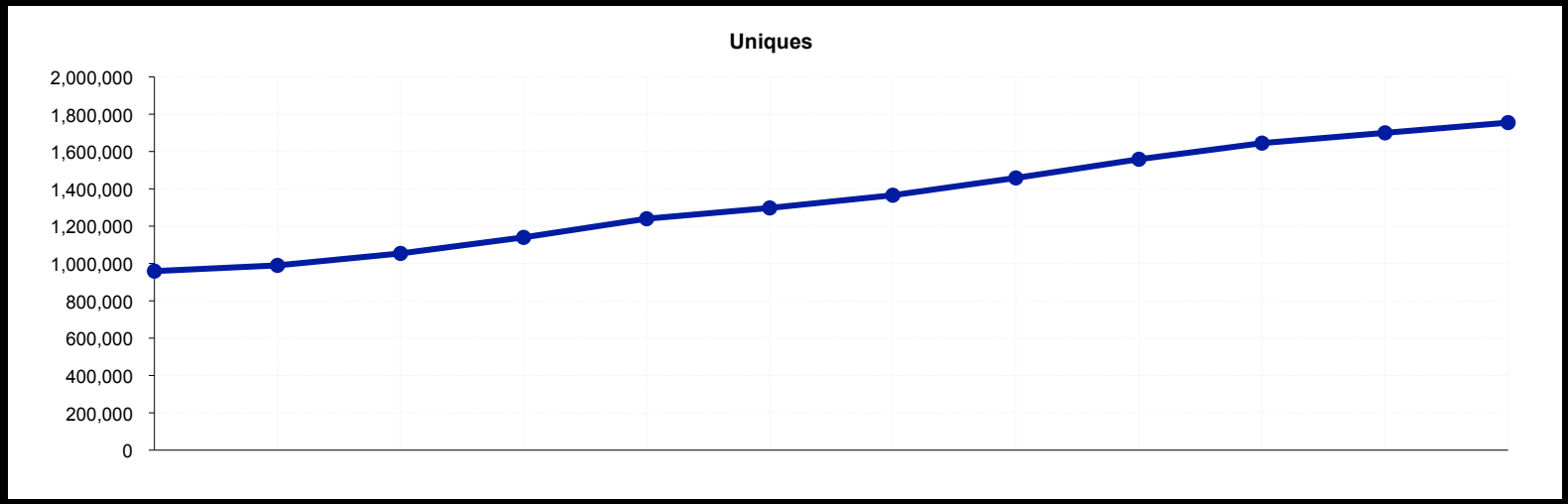
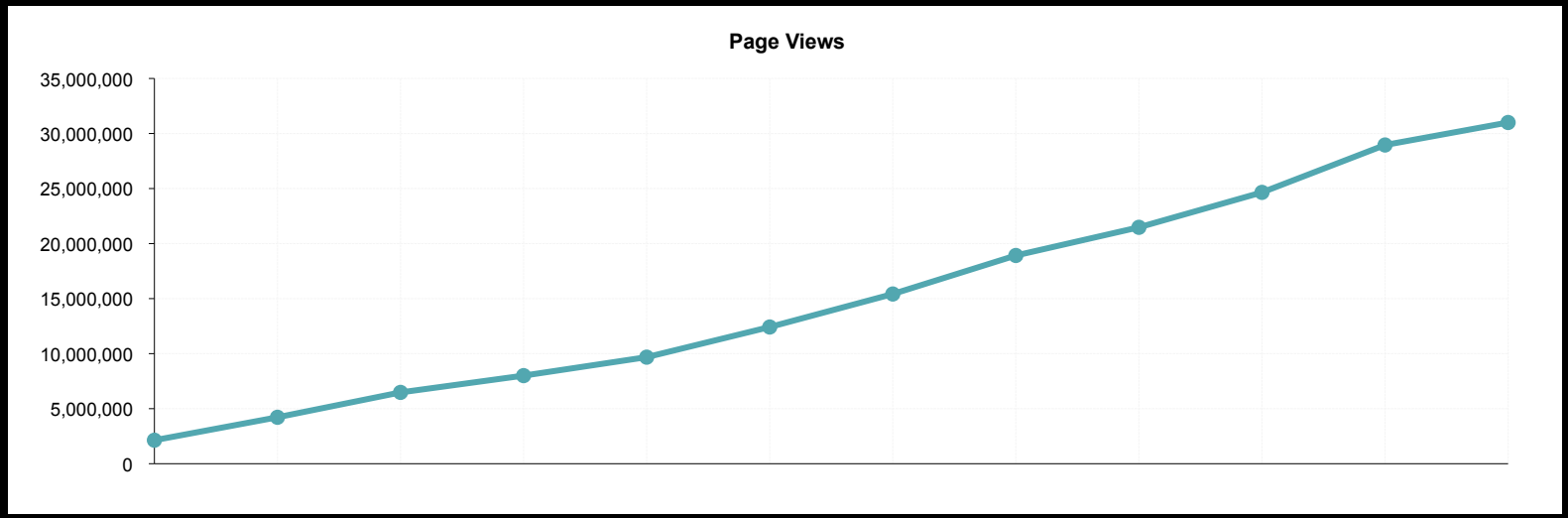
usage example





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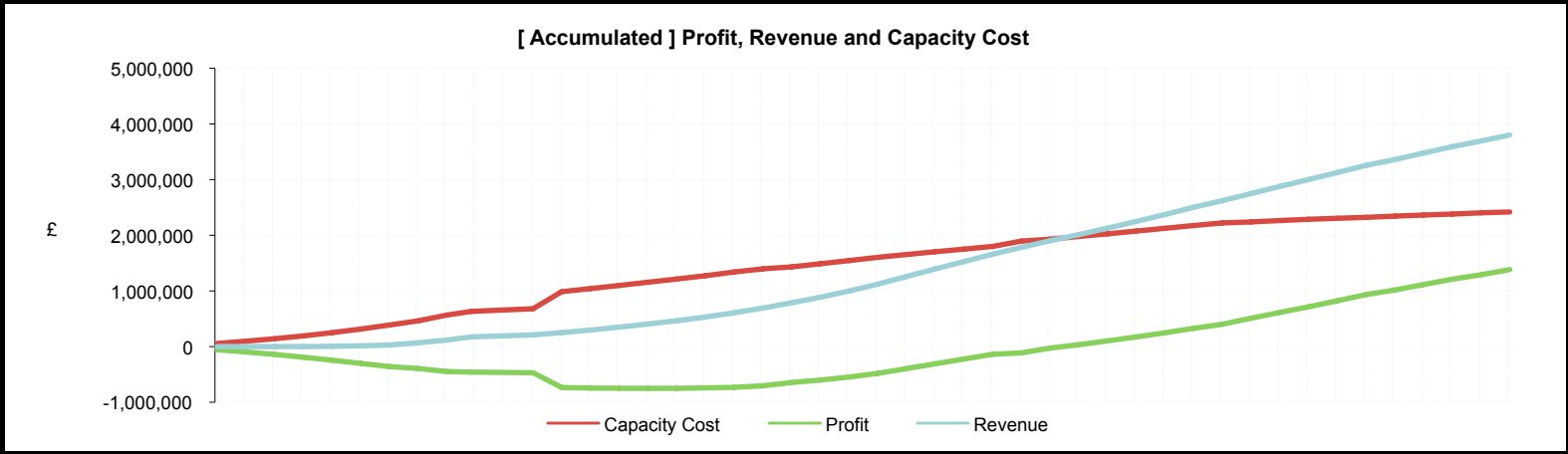
profit and loss



Iteration	1	2	3	4	5	40	41	42	43	44	45
End Date	23/10	30/10	06/11	13/11	20/11	29/07	05/08	12/08	19/08	26/08	02/09
REVENUE	**0**	**0**	**0**	**0**	**5,000**	**128,394**	**103,984**	**117,265**	**114,620**	**101,920**	**107,648**
LABOR	28,213	29,227	33,189	37,541	45,574	16,841	22,023	19,564	17,418	22,375	15,152
Sapient	8,800	11,000	11,000	13,150	12,075						
Facilities											
Hardware	17,892										
Hosting											
Software											
Stationery	1,624										
Sundries		53	49		21						
CAPACITY COST	**56,529**	**40,280**	**44,238**	**50,691**	**57,670**	**16,841**	**22,023**	**19,564**	**17,418**	**22,375**	**15,152**
PROFIT	**-56,529**	**-40,280**	**-44,238**	**-50,691**	**-52,670**	**111,553**	**81,961**	**97,701**	**97,202**	**79,545**	**92,496**

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box score

OPERATIONAL

FLOW	Last Week	4-wk Average	+ / -	UNPL	LNPL
THROUGHPUT	13	13			
INVENTORY					
WIP	13	14	-1	2.013	

REWORK	Last Week	4-wk Average	+ / -	UNPL	LNPL
DEBT	2	2			
DEFECTS					

	Last Week	4-wk Average	+ / -
EFFECTIVENESS	85%	82%	3%

FINANCIAL

	Last Week	4-wk Average	+ / - £
PROFIT	92,496	89,103	3393
REVENUE	107,648	109,447	-1799
COST	15,152	20,345	-5193
COST PER STORY	3,839	3,979	-140
INVENTORY			
WIP	49,907	53,732	-3825

P / L

	£
PROFIT	1,383,137
REVENUE	3,801,448
COST	2,418,311

MOOD

Team	Week Before	Last Week	+ / -
POSITIVE	58%	58%	
MEH	25%	33%	8%
NEGATIVE	17%	8%	-8%

Customers	Week Before	Last Week	+ / -
POSITIVE	40%	75%	35%
MEH	40%	25%	-15%
NEGATIVE	20%		-20%

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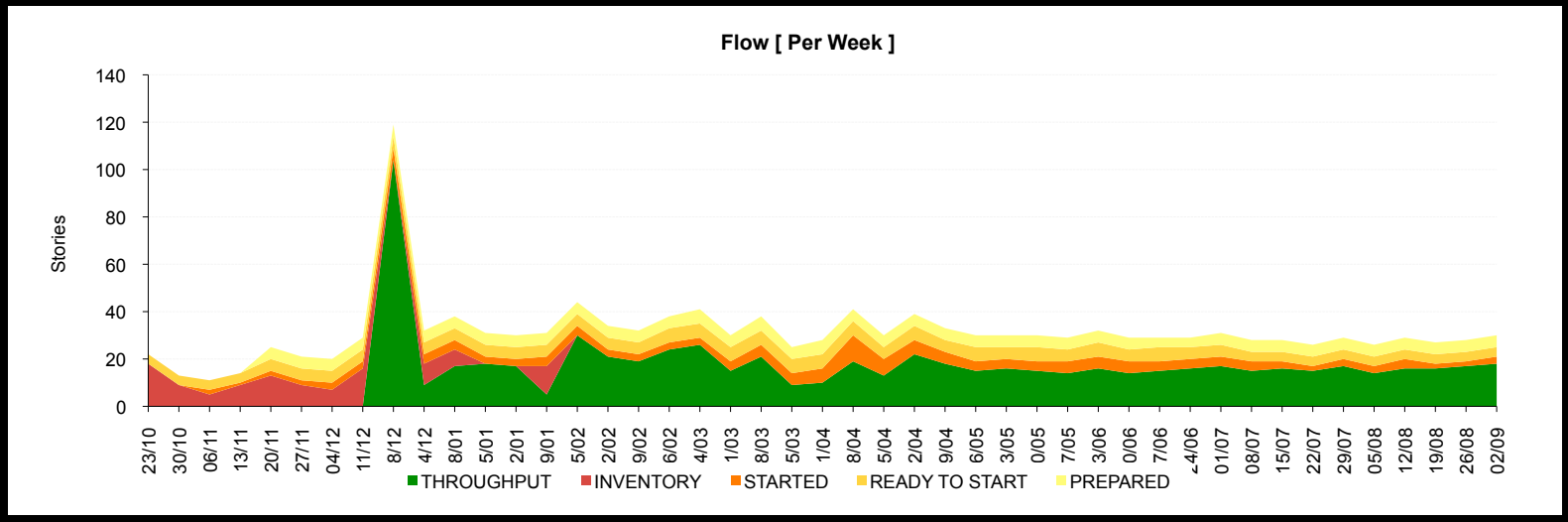
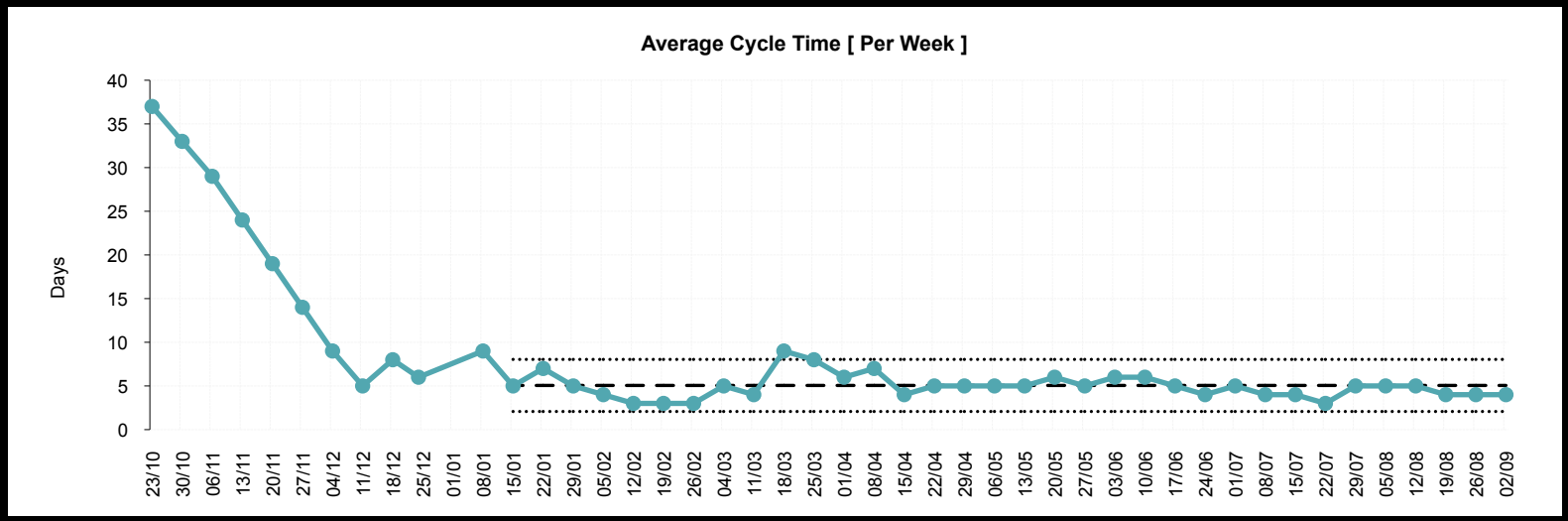
flow and cycle time





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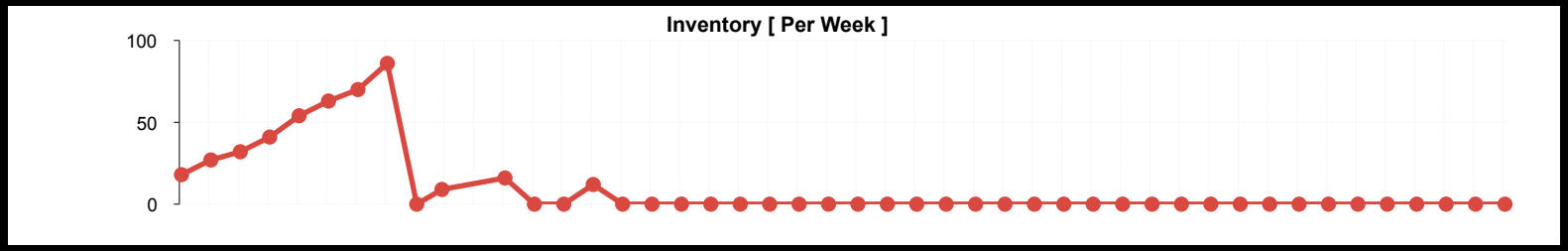
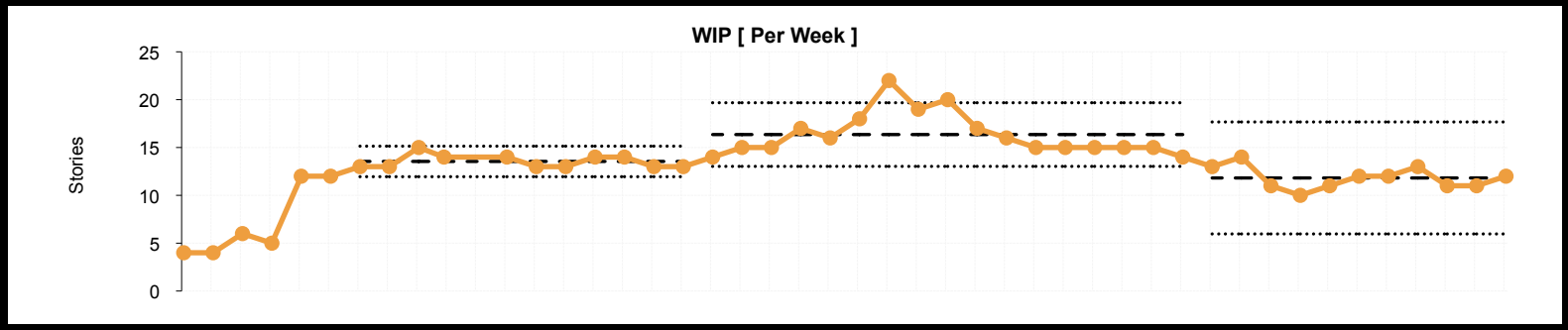
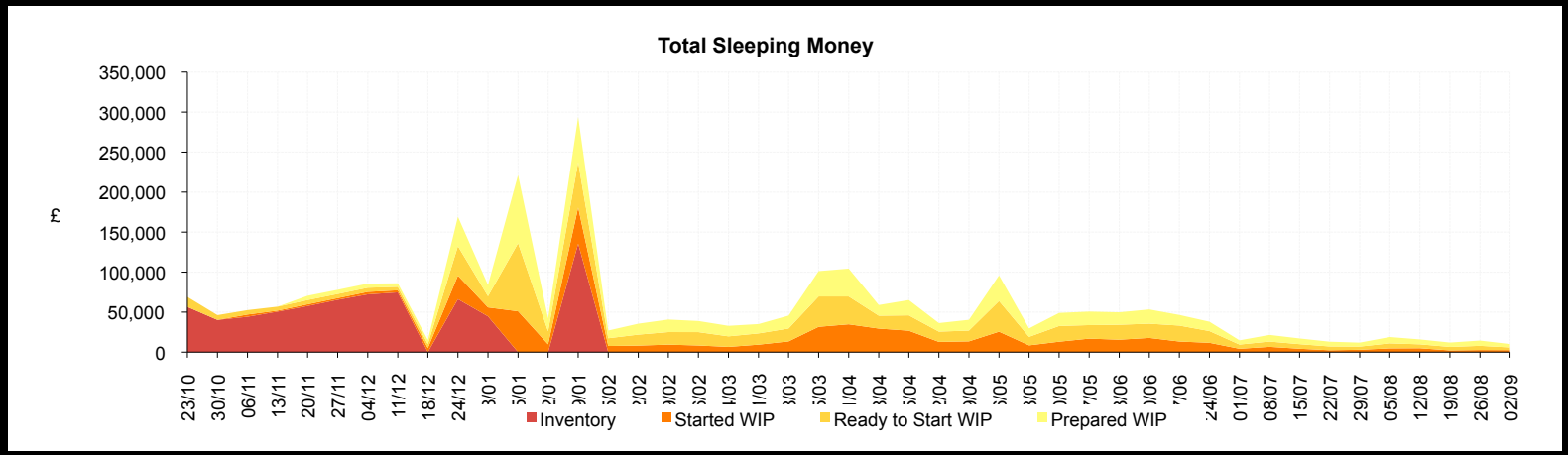
cost of inventory and wip







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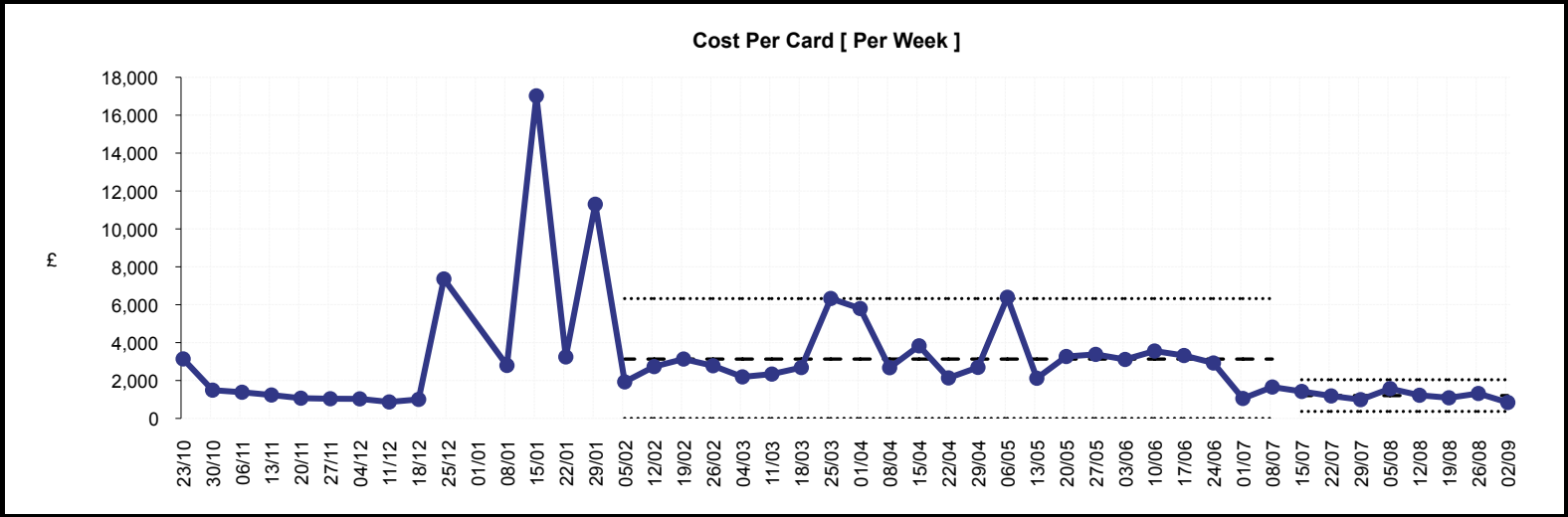
cost per card



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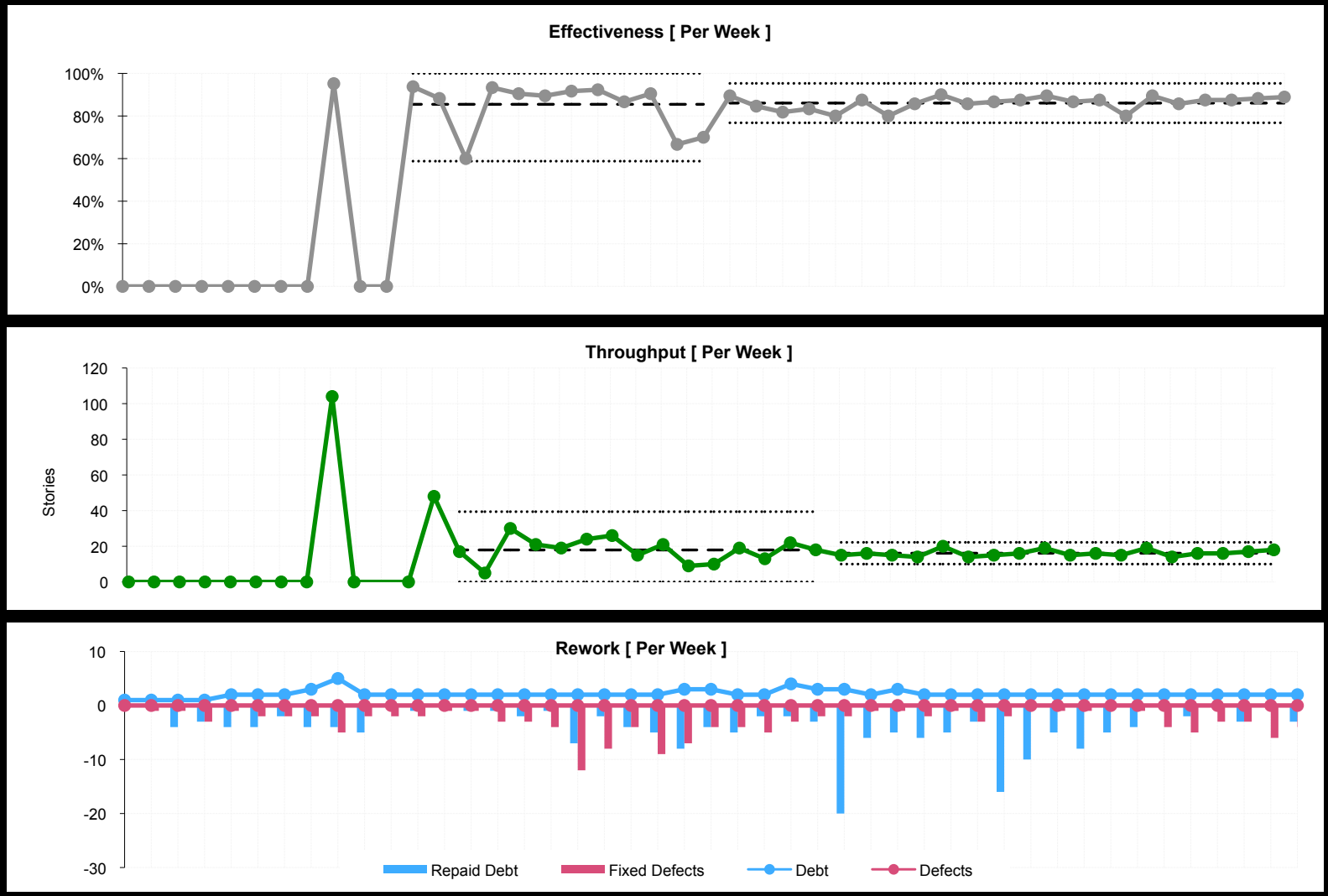
effectiveness



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‘the purpose of analysis is to give us insight’

- understanding variation, wheeler

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improve system
distort system
distort data

targets

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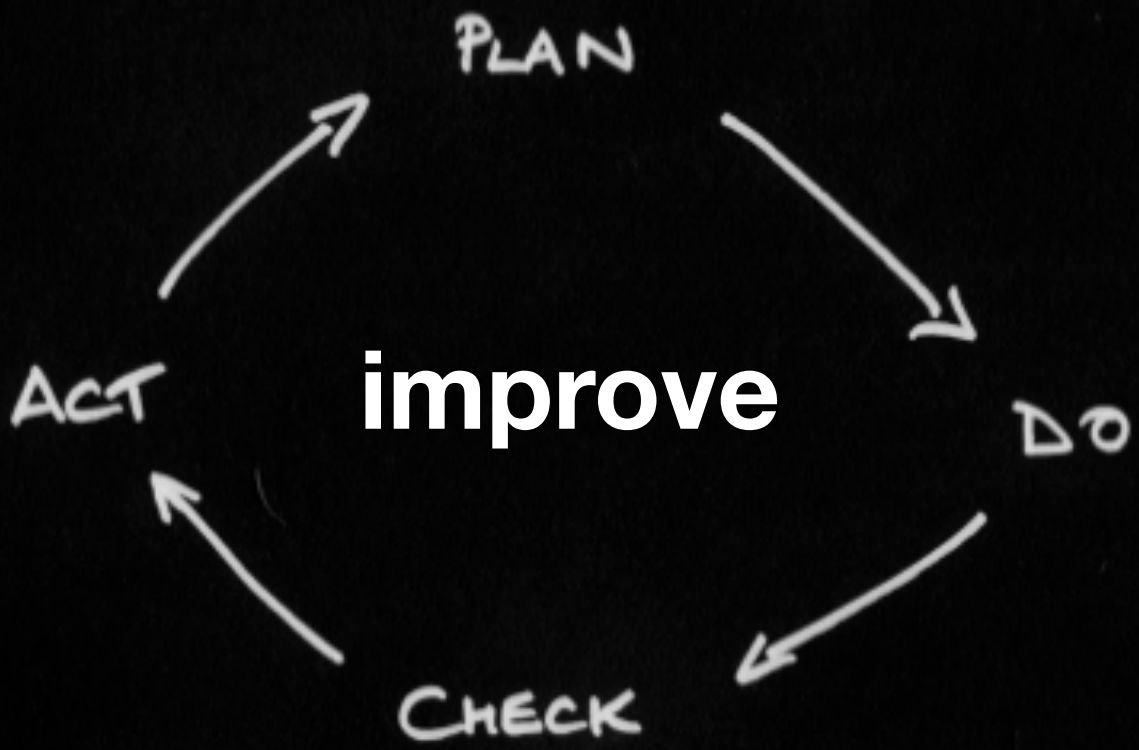

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‘as soon as you’ve got momentum expand your focus’

- lean thinking, womack and jones

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battleship
service
journeyman

product stream

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portfolio as
a system of products

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operational
financial
people

effectiveness

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flow
quality
waste

focus

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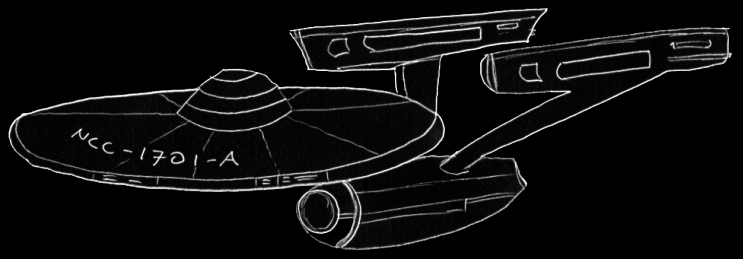
the curse of enterprise thinking



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test-drive the organization

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From The Times

February 2, 2009

Something must be done to break cycle of IT failure

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- Catalogue of abandoned projects over seven years
- £1.6bn wasted by work and pensions ministry

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Offender IT failure 'a shambles'

A government IT project for tracking offenders in England and Wales through the criminal justice system was a "shambles", MPs have said.

Officials in charge of the scheme - abandoned after costs trebled - lacked even a "minimum level of competence", the Public Accounts Committee found.

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see the status quo and break with tradition

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make an enemy of complexity

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measure what we do from our customers' viewpoint

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anything is possible

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