



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?







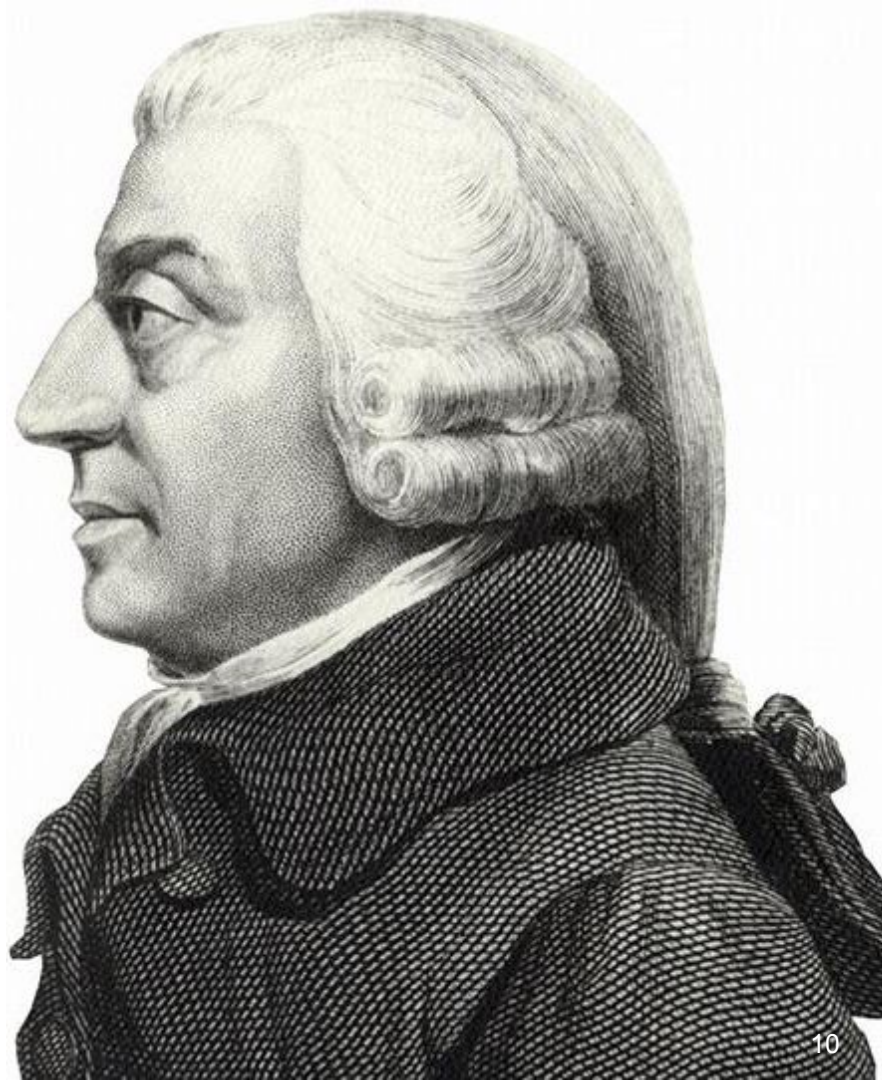
**Companies are in the business of
fulfilling wants and needs.**

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

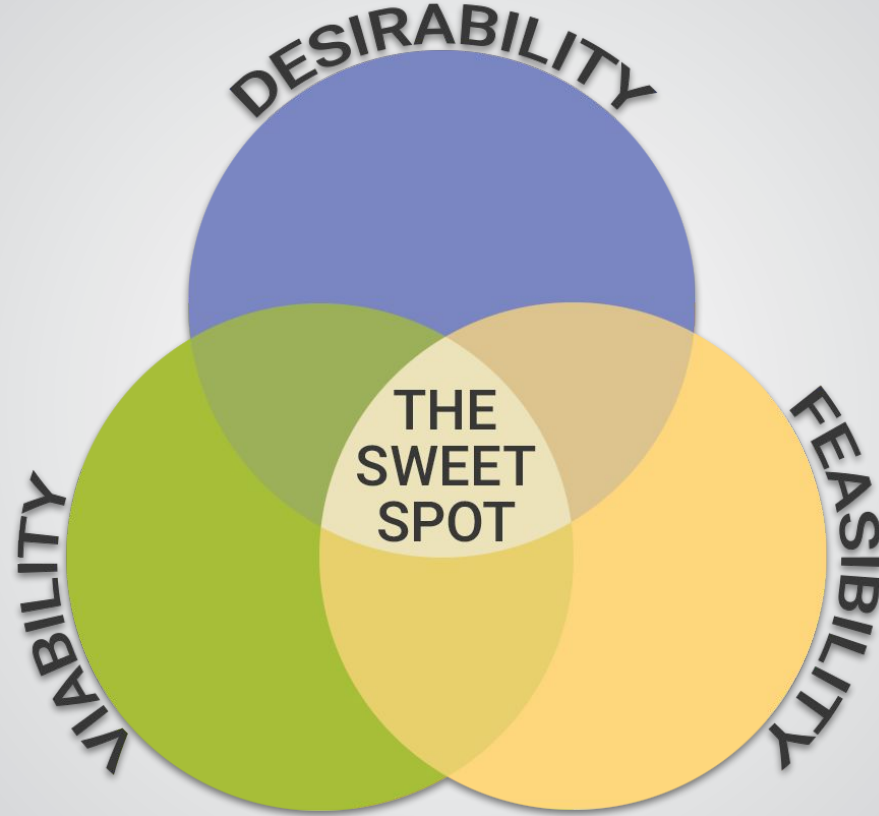
2020 = \$61.1 billion

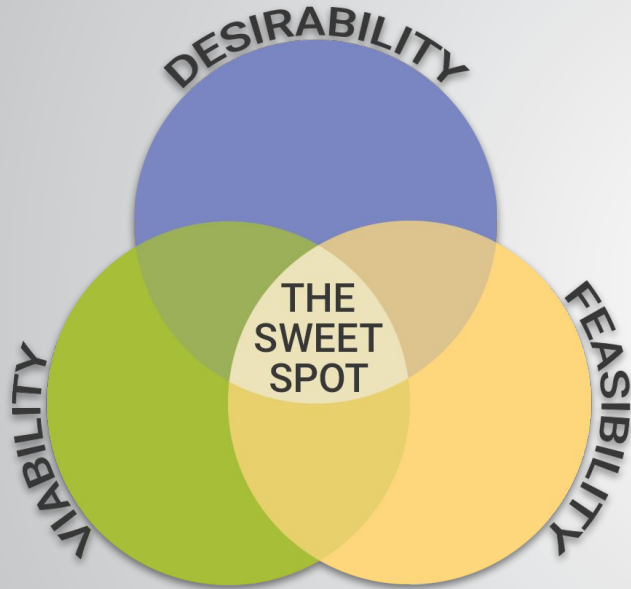
2021 = \$76.7 billion



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

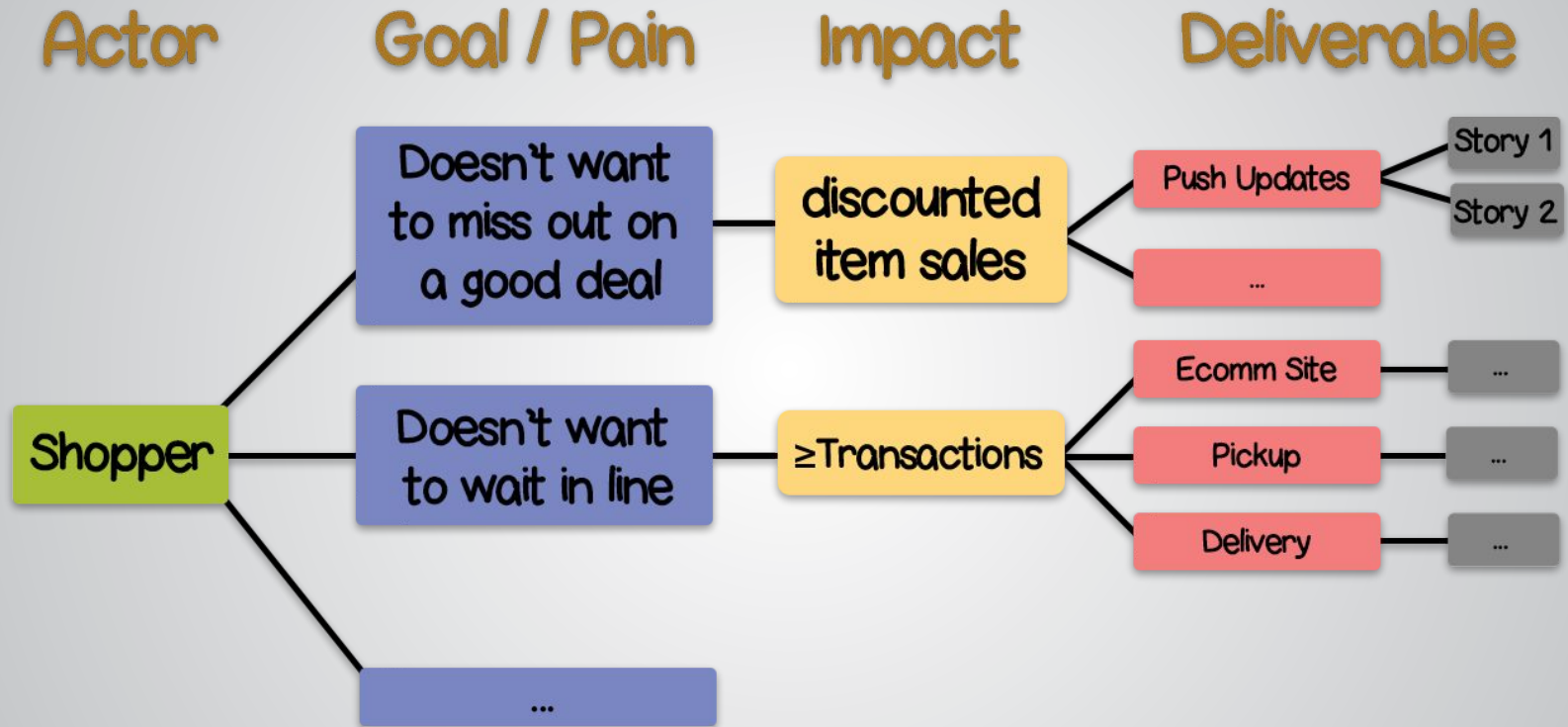
Apple (fruit)

Fruit Basket

Eye patches

...





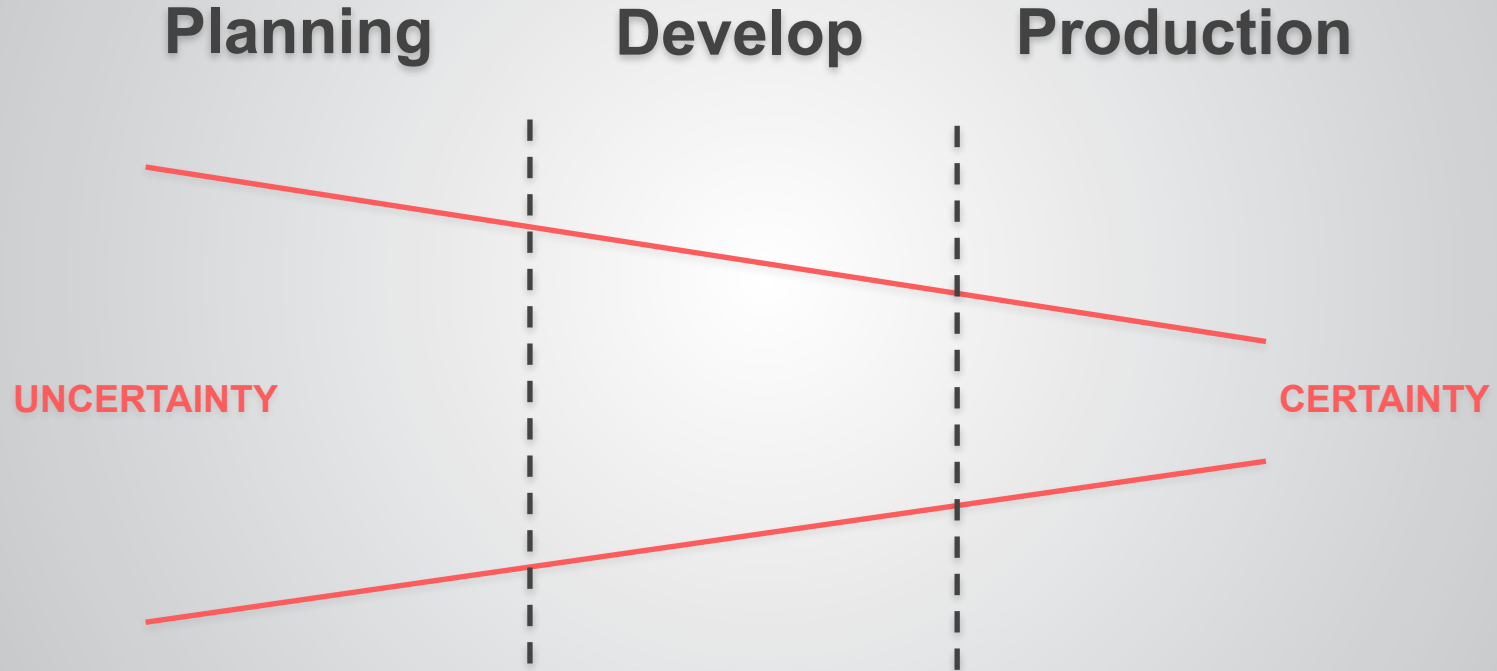
“...it typically takes several iterations to get the implementation of this idea to the point where it actually delivers the expected business value.”

Marty Cagan

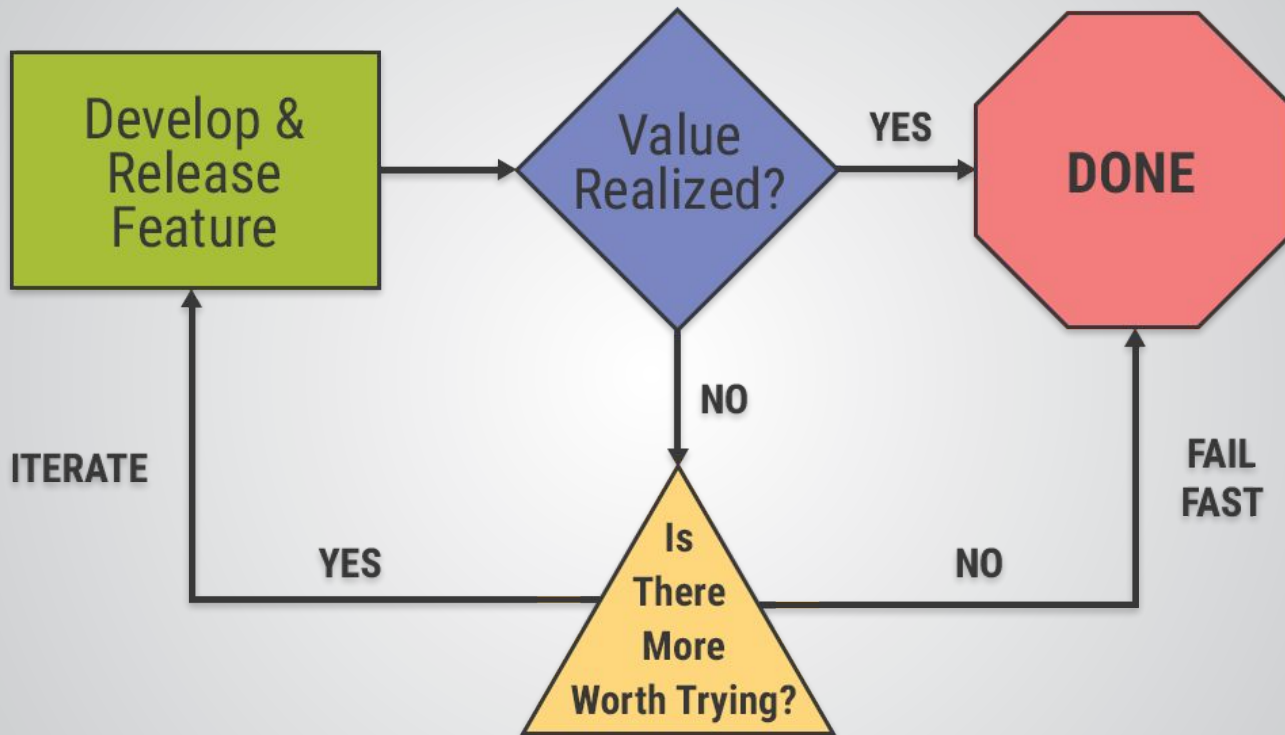
The work is not done once it reaches production, in fact, released software is just a step in our refinement process.

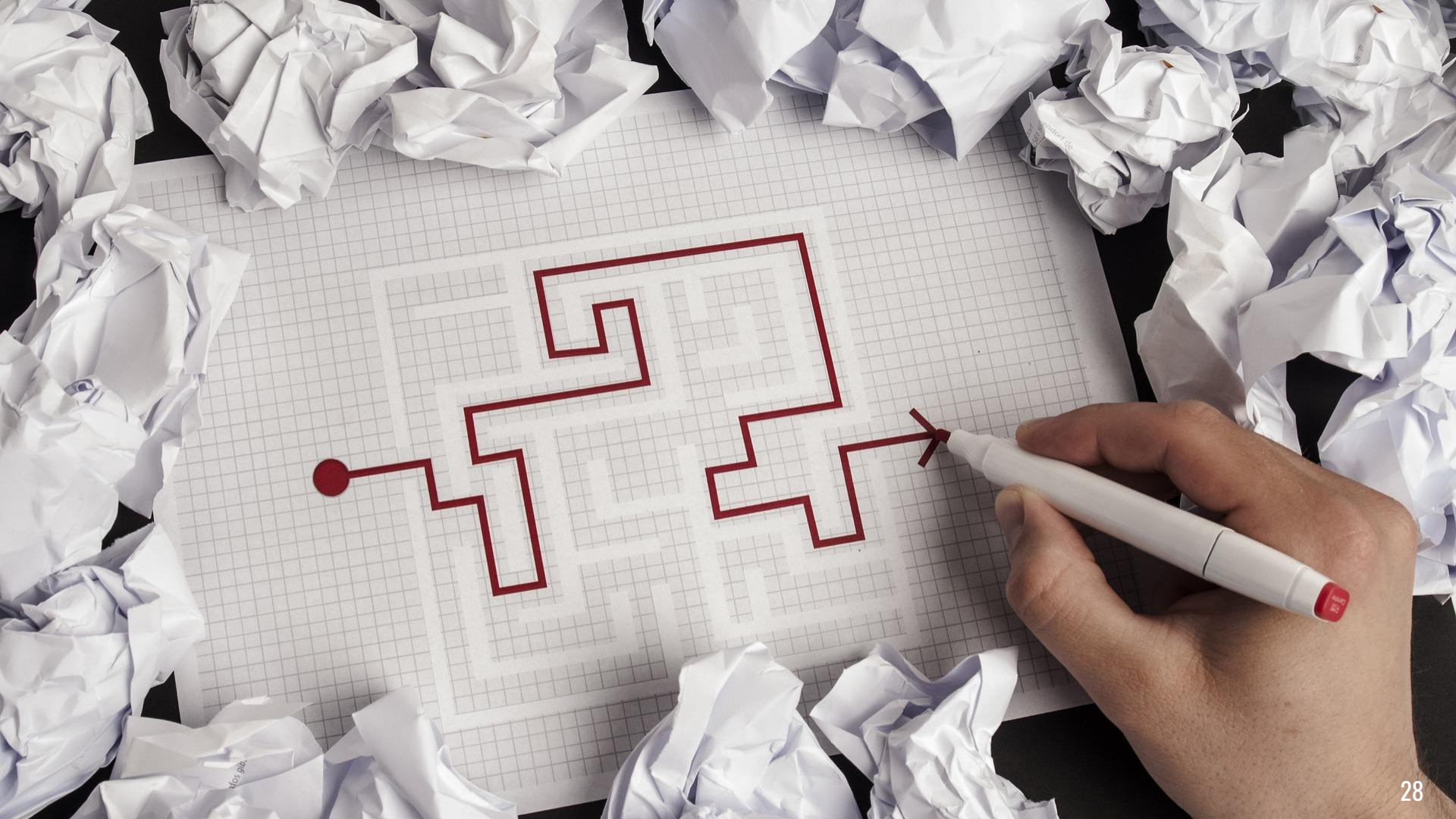
In Other Words

Cone of Uncertainty









#2 Business Rule

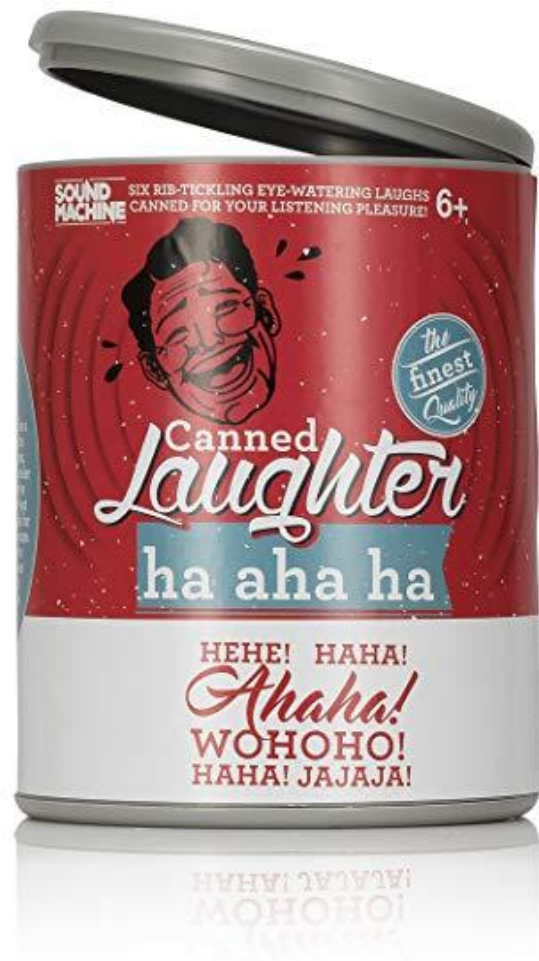
WHERE IS VALUE
REALIZED?

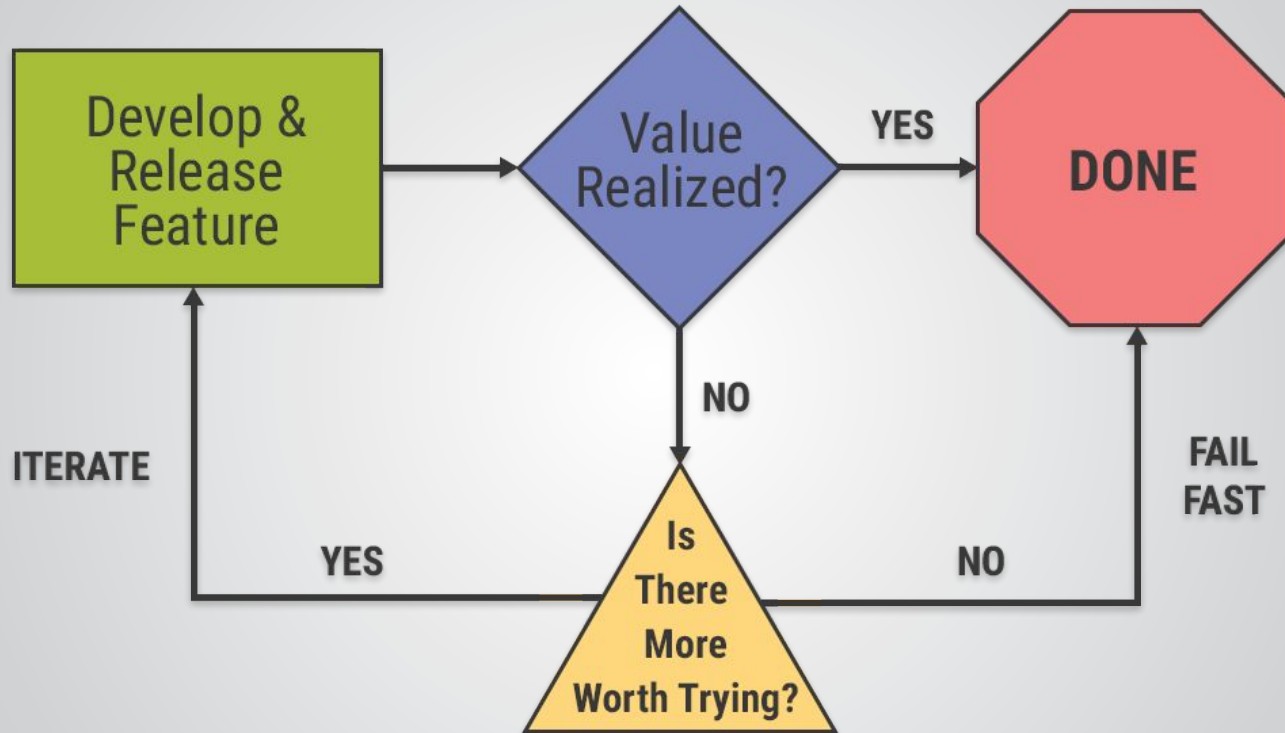
2











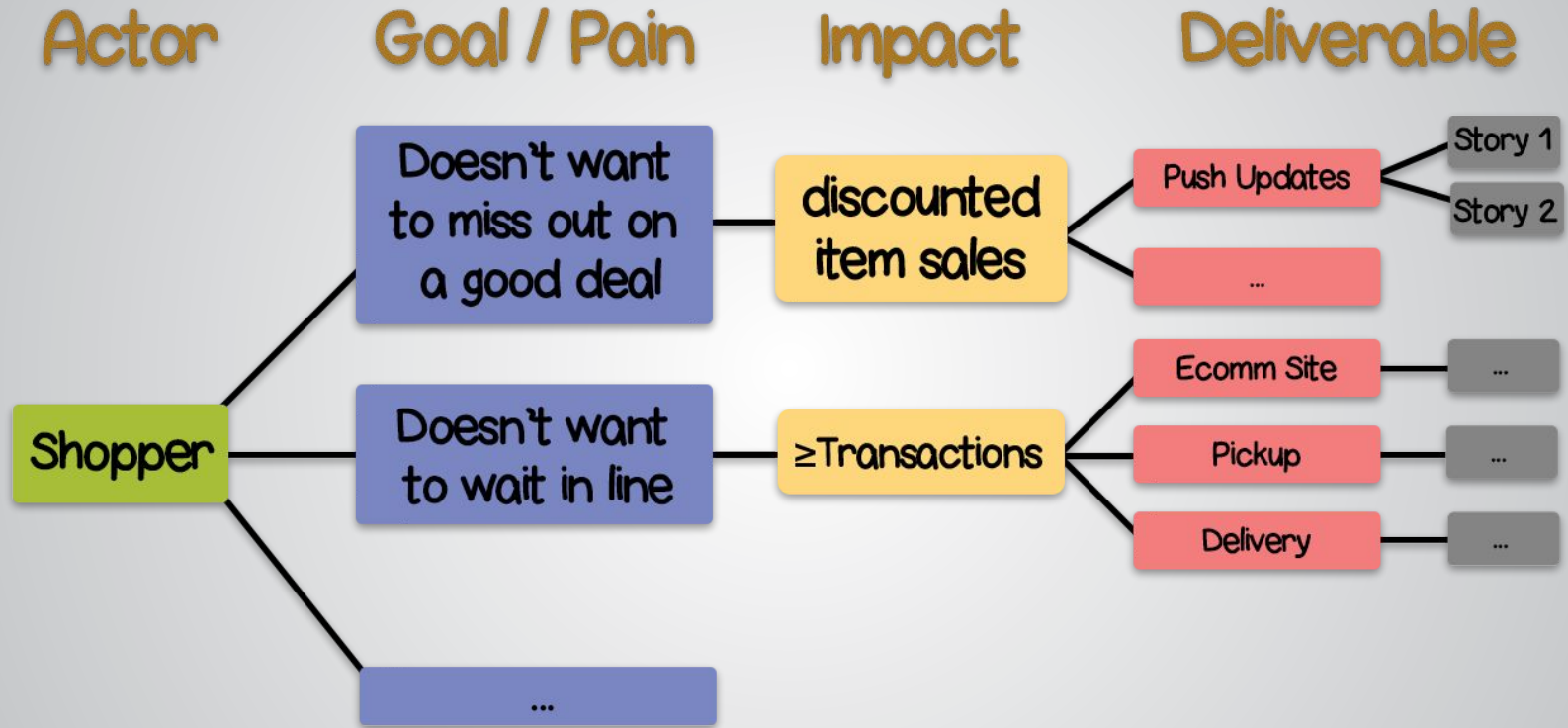
#3 Business Rule

**HOW DO YOU DECIDE
WHAT TO MEASURE?**

3

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

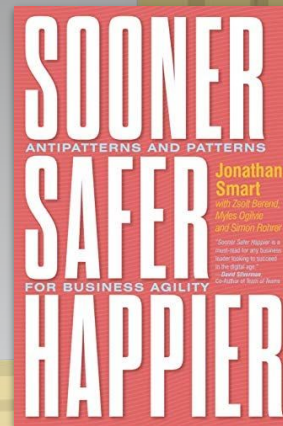
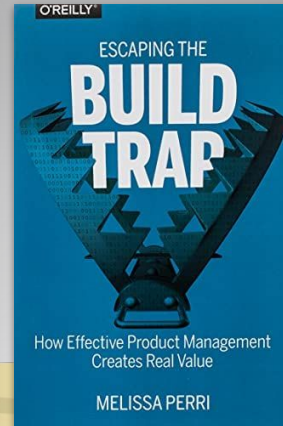
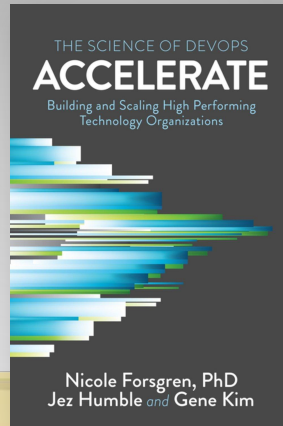
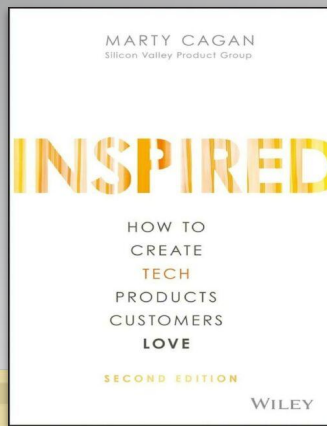
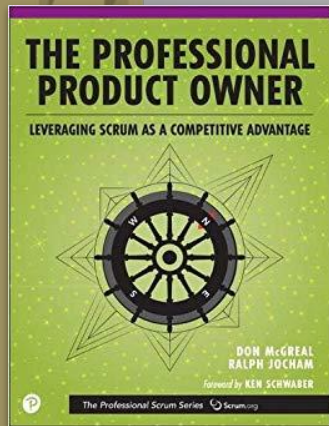
**“We didn’t do anything wrong,
but somehow, we lost”**

Stephen Elop, Nokia CEO

3 BUSINESS RULES

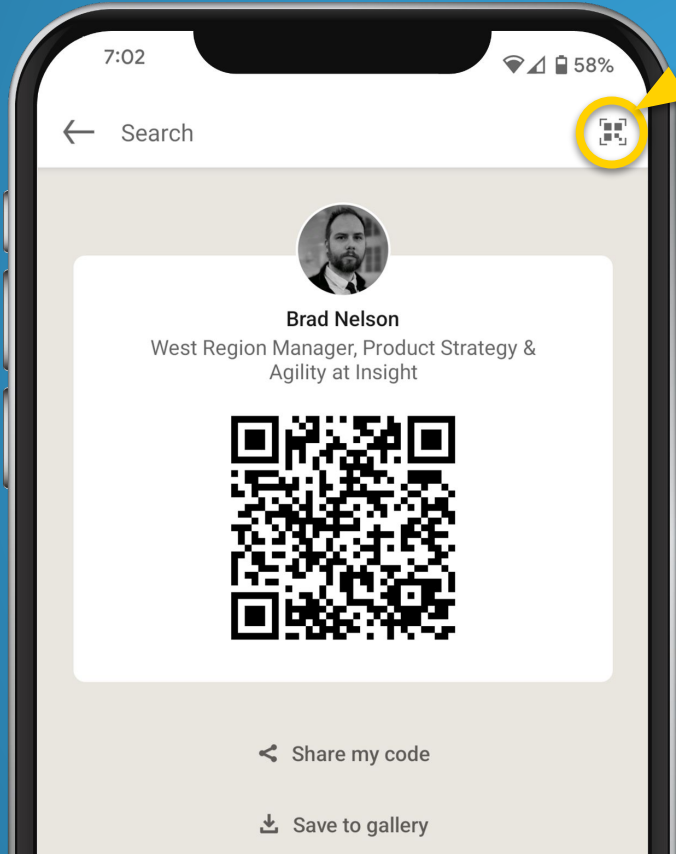
1. VALUE = DEMAND
2. VALUE IS REALIZED IN PRODUCTION
3. YOU GET WHAT YOU MEASURE

THE VELOCITY TRAP BOOKSHELF:





linkedin.com/in/bradgile



Scan QR Code

THANK YOU!

ADD ME ON LINKEDIN!

Download Slides @

www.velocitytrap.com

REFERENCES

- ◇ *Amazon Operating Income 2010-2022 | AMZN*
Retrieved January 9, 2023 from <https://www.macrotrends.net/stocks/charts/AMZN/amazon/operating-income>
- ◇ PYMNTS. (2022, March 4). *Amazon's Share of US eCommerce Sales Hits All-Time High of 56.7% in 2021*
Retrieved January 9, 2023 from <https://www.statista.com/statistics/806498/amazon-shipping-costs/>
- ◇ (2022, February). *Amazon's shipping costs from 2011 to 2021*
Retrieved January 9, 2023 from <https://www.statista.com/statistics/806498/amazon-shipping-costs/>
- ◇ Budiu, Raluca. (2017, October 22). *You Are Not the User: The False-Consensus Effect*.
Retrieved December 9, 2019, from <https://www.nngroup.com/articles/false-consensus/>
- ◇ Cagan, Marty. (2019, March 20). *Inspired*. Available at:
<https://www.audible.com/pd/Inspired-Audiobook/B07BDQ1Y6J>

REFERENCES

- ◇ Cagan, Marty. (2013, March 10). *The Inconvenient Truth About Product*. Retrieved December 15, 2019, from <https://svpg.com/the-inconvenient-truth-about-product/>
- ◇ *Evidence-Based Management Guide*. Retrieved December 9, 2019, from <https://www.scrum.org/resources/evidence-based-management-guide>
- ◇ Forsgren, Nicole, Humble, Jez, & Kim, Gene. (2018, March 27). *Accelerate: The Science of Lean Software and DevOps: Building and Scaling High Performing Technology Organizations*. IT Revolution Press.
- ◇ Goldratt, Eliyahu M. (1984). *The Goal*. North River Press.
- ◇ Goltz, Shlomo. (2014, August 6). *A Closer Look At Personas: What They Are And How They Work | 1*. Retrieved on December 9, 2019, from <https://www.smashingmagazine.com/2014/08/a-closer-look-at-personas-part-1/>

REFERENCES

- ◇ *Impact Mapping*.
Retrieved December 9, 2019, from [Impactmapping.org](https://impactmapping.org)
- ◇ Kim, Gene, Behr, Kevin, & Spafford, George. (2015, July 15). *The Phoenix Project*. IT Revolution Press.
- ◇ Koning, Peter. (2019, August 21). *The Agile Leadership Toolkit*. Addison-Wesley Professional.
- ◇ McGreal, Don & Jocham, Ralph. (2018, June 18). *The Professional Product Owner: Leveraging Scrum as a Competitive Advantage*. Addison-Wesley.
- ◇ Nielsen, Jakob. (2001, August 4). *First Rule of Usability? Don't Listen to Users*.
Retrieved February 27, 2020, from <https://www.nngroup.com/articles/first-rule-of-usability-dont-listen-to-users/>

REFERENCES

- ◇ Orton, Kristann. (2017, March 28). *Desirability, Feasibility, Viability: The Sweet Spot for Innovation*. Retrieved December 15, 2019, from <https://medium.com/innovation-sweet-spot/desirability-feasibility-viability-the-sweet-spot-for-innovation-d7946de2183c>
- ◇ *Professional Scrum Product Owner (PSPO) Training*. (n.d.). Scrum.org Presented by Julie Everett on January 28-29, 2019, <https://www.scrum.org/courses/professional-scrum-product-owner-training>
- ◇ Reiff, Nathan. (2019, December 9). *How Amazon Makes Money* Retrieved December 9, 2019, from <https://www.investopedia.com/how-amazon-makes-money-4587523>
- ◇ Sinek, Simon. (2019) *The Infinite Game*. Available At: <https://www.audible.com/pd/The-Infinite-Game-Audiobook/B07DKHSL3W>
- ◇ Smith, Adam (1776, March 9). *The Wealth of Nations*. W Strahan and T Cadell, London

REFERENCES

- ◇ *Top Vehicle Manufacturers in the US Market, 1961-2016*. (2018, April 18). Retrieved on December 9, 2019, from <https://knoema.com/infographics/floslle/top-vehicle-manufacturers-in-the-us-market-1961-2016>
- ◇ Travel vector created by freepik. Retrieved December 12, 2019, from <https://www.freepik.com/free-photos-vectors/travel>
- ◇ Vacanti, Daniel. (2015, March 4). *Actionable Agile Metrics for Predictability: An Introduction*. Daniel S. Vacanti, Inc.