BVPs and Pareto V2

May 12, 2025
Joe Little — LeanAgileTraining.com   - © 2025 Joseph Little

Do you want the slide deck?

- I'll send the PDF of the slide deck, if…

- …I have your email address.

- Add in chat?

Program

- List the Suggestions

- Discussion of Each One

- Biggest Take-away(s)

Suggestions

- Let's discuss

- Suggestion: Show your face

- Therefore: More engagement, more learning

Key Goal

- Better…

  - Better life

  - Better for customers

  - Better agile

More Immediate Goal

- More Business Value

- More Customer Satisfaction

- Higher Earnings

- How?

  - Use Pareto Rule. Vital Few.

  - Wilfredo Pareto.

  - Mostly 80-20

80-20 Means

- Do 20% of the Effort

- …to get 80% of the Value

How do we do that?

1. Add BVPs to each story

2. Add SPs to each story

3. Calc BVP/SP for each story

4. They will be ok at first, and become better as we learn.

5. Then, do you have an MVP near that 20% line?

The List

- Drivers (3-5)

- BVPs - Business Value Points

- SPs - Story Points

- Fun

- Motivation

- Pareto Rule (80-20)

- Learning! Re-planning

Surprise

- We think Knowledge Workers can be good at Learning.

- And there is a LOT to learn.

  - The Future

  - All kinds of other stuff (that is, indeed, relevant)

- We think the Learning can benefit us, the product, the customers.

Questions and Comments

- Now or later?

Define Product Success

- First: Have a definition

- Sales go up a lot

- Cust Sat goes up

- Customers call and say "I love it"

- Define it with OKRs or metrics

Use BVPs

- What are they?

- Use them to share tacit knowledge

- Use them to prioritize your stupidity

- Make the # transparent. Then others can help

- Learn and re-vote (always learning)

- BVP enable ROI number (BVP / SP)

Use BVPs

- Who votes?

- Reference story

- How fast to vote (60-75 mins)

- What info is available

- 3 consecutive Fibonacci numbers

- Average the voters to nearest integer

Why BVPs?

- Simplicity

- Fun

- Speed

- Transparency

- Knowledge sharing

- Balance speed and accuracy

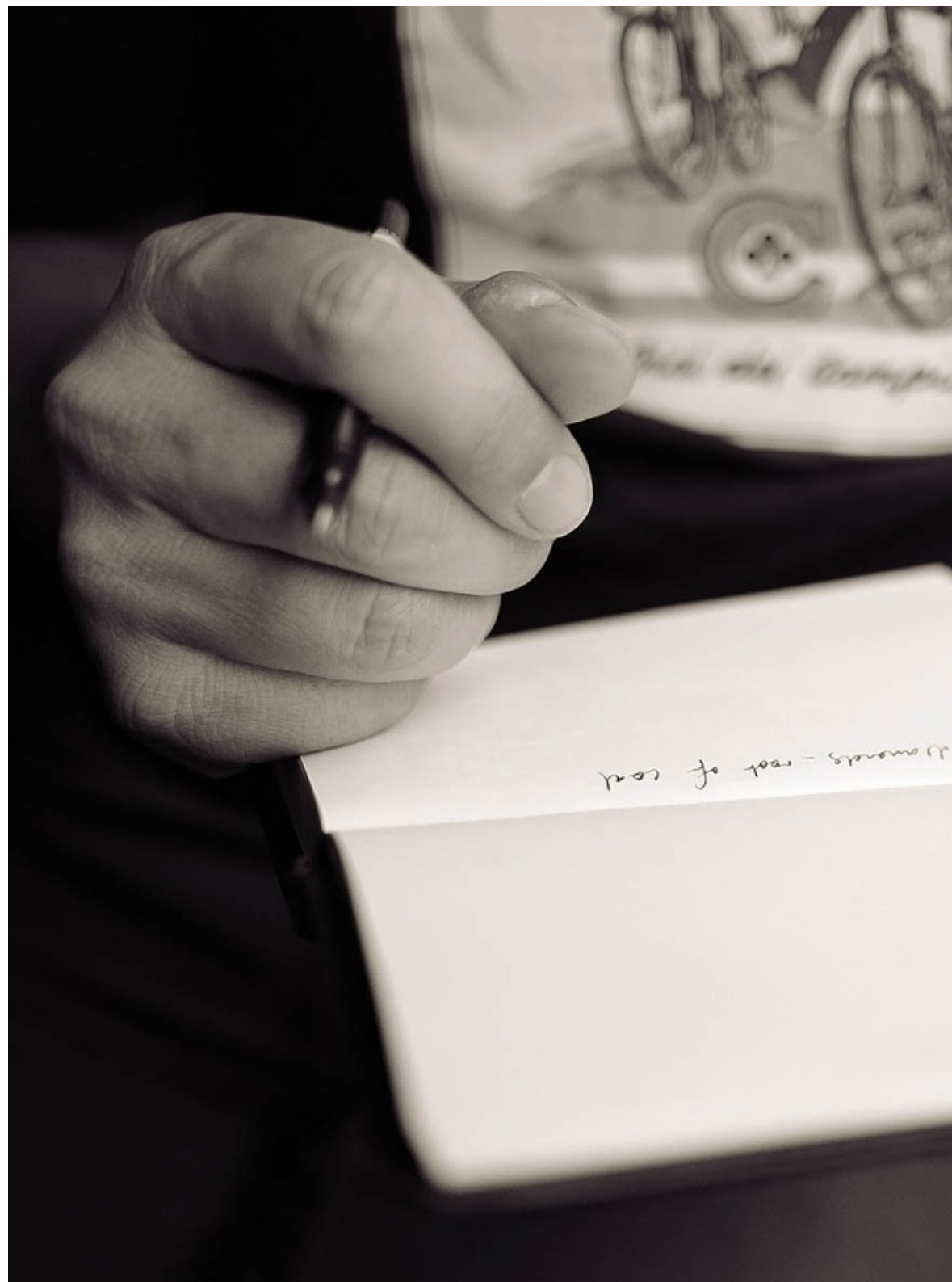- A game

- Easy to re-vote when smarter

Questions and Comments
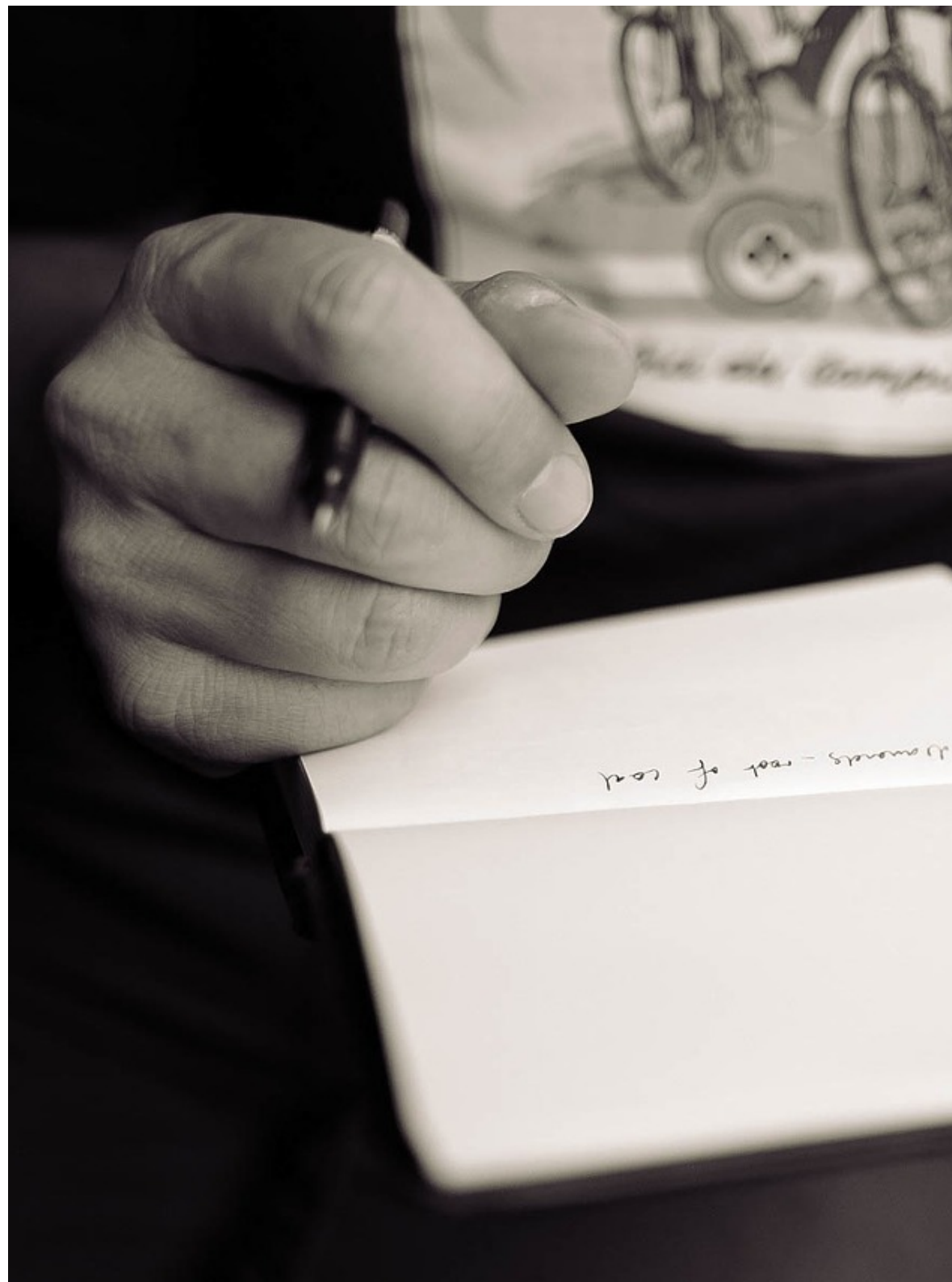
- Now or later?

Use SPs

- Developers (coders & testers)

- Identify a Reference Story

- Vote roughly (Fibonacci #)

- Vote quickly

- Fun

- Vote within 3 Fibonacci #s, then average

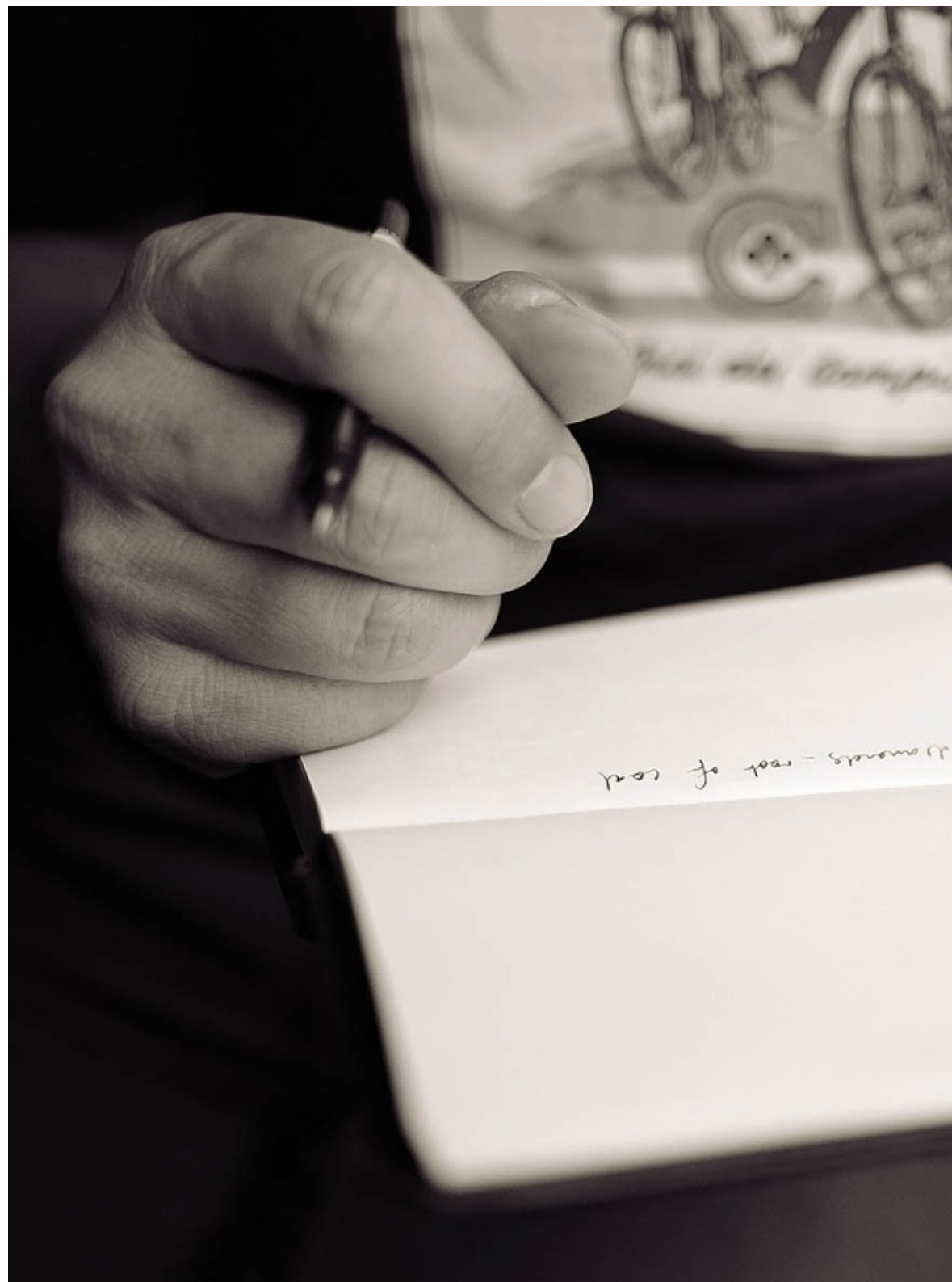- Definitely expected to re-vote later

- A game

SPs - Problems

- All the darn history

- The pressure

- The stress

- NO!!!!

SPs - Why?

- Fun!

- Transparency of #

- Knowledge sharing!!

- Enables R-factor

- Simple

- Fast (ish)

- Enables realistic expectations sooner

- Easy to re-vote when smarter

Questions and Comments

- Now or later?

Fun!

- In all these things.

- People deserve fun

- AND, fun is useful, eg, to get them to share more

- "Playing a game"

Fun - a few points

- Mostly "serious" fun

- There's too much "no fun" out there.

- The Grinch really did steal Christmas - BUT…

- People "express" or do fun different ways. That's ok

Fun - Why?

- More motivation

- To reduce stress

- More collaborating, sharing

- More willing to look at other's ideas

- More creative, innovative

- Votes more in the middle

- Enthusiasm

Questions and Comments

- Now or later?

Motivation

- Key with Knowledge Workers

- Lots of factors affect motivation

- Doing our own SPs

- Seeing the Value much better

- Seeing that we learn

- Small wins (in Sprints)

- Fun!

- Easier to buy into the Plan

Inspire your Team

- You can't <u>make</u> anyone inspired

- But you can explain things, their way

- Remember also: "The thrill is gone" (BB King)

- Inspire them again, and again

80-20 - Pareto Rule

- This is the whole point of First Things First (Covey)

- The ROI idea, really

- Do as little as possible to deliver a WoW! first release

  - Fewer stories means simpler and faster

- More BV (in a time box)

- Faster releases

- More ROI, more learning, more adaptation

80-20 Rule

- Pareto and many have found that 20% of one thing gives 80% of another thing

- In this case, 20% of effort gives 80% of Business Value, commonly.

- Might be 70-30 or 90-10

- Do as little as possible to deliver a WoW! first release

  - Fewer stories means simpler and faster

- More BV

- Faster releases

- More ROI, more learning, more adaptation

Questions and Comments

- Now or later?

OK, so what now?

- You have an MVP. It's not the 100%-100% rule.

- You have separated the wheat from the chaff, to some degree.

- Maybe not yet exactly 80-20.

- Your BVPs & SPs are not perfect! Oh NO!!!

- In fact, nothing is perfect and everything is changing.

- What now?

You live, you learn!

- You pick yourself up, dust yourself off, and start all over again.

- That is:

  - You learn

  - You improve the plan

  - You move closer to the better 80-20.

Yes, I know

- Some people want to think you're (you all) are perfect! Ah!

- Some people want to "just stick to the original plan" dammit!

- But the truth, boy: you have a lot to learn. And that's the fun part.

Prioritize your stupidity! (Ha ha ha)

- Seruously, decide what you need to learn the most.

- Maybe: Which are the worst 10 stories? What information or knowledge would help us re-vote the BVPs and SPs — better. So that they suck less!

- Quickly, in the next Sprint!

- Then, re-plan, iteratively and incrementally!! (Bet you never saw those words before!)

Key

- Add in some "contingency" time

- Add in "final testing and approvals". The complete view on the date.

- Come up with a (new) reasonable date each time.

- Over, time, the date does not change much.

- And sometimes you deliver BEFORE the date.

Two things!

For the Managers (and customers)

- Your managers don't ~~want~~ need a perfect plan

- They don't care that much about the details

- They probably care mainly about the date

Psychological and Cultural Change

- You all can continuously improve the plan

- You are always chasing the tail of change. Never catching it

- This is significant psychological and cultural change.

- Sorry! Congratulations! (Or, it's a double-edged sword.)

Questions and Comments

- Now or later?

Define Success

- "Drivers"

- Numerical "definitions of success", 3-5

- AKA: OKRs, KPIs, Metrics, etc

- The Vision (or Product Goal) is in words. This one is numbers

- Much more clarity (for many)

- Part of your job to inspire

- "If they know where they're going, then they can get there"

Examples

- Increased profit

- Lower costs

- Faster through-put

- Faster process cycle time

- Fewer defects (in the process)

- Higher customer satisfaction

- Etc… endless almost
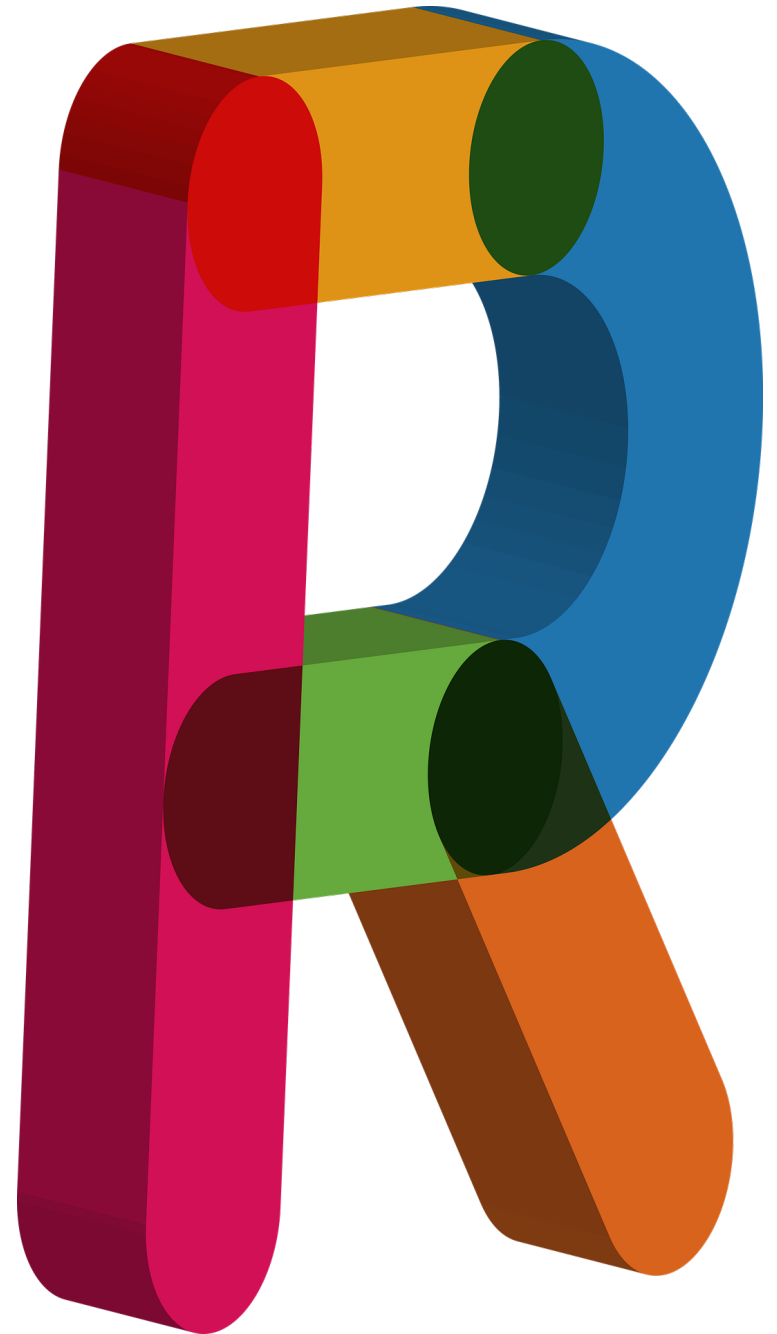
R Factor 2

- It takes the team about 4 minutes to calculate the R Factor.

- And it takes them about 4 minutes to organize the Product Backlog in R order.

- Everyone participates!

- Now the Product Backlog should, for the moment, be strictly in R Factor order.

Reflection

- The Product Backlog will not look "right."

- You will see that it will need to change, but in some ways it will make sense.

- Now…

Re-ordering the Product Backlog

- We want to re-oder the Product Backlog based on other factors, which I propose are:

    - Risks

    - Dependencies

    - Learning

    - MMFS/MVP

    - and other factors

- It will take between 5-30 minutes to re-order the Product Backlog.

Re-order - How?

- Anyone can propose that an item be moved forward (or backward).

- That person must explain why.

- Anyone can disagree, but must explain why.

- Discussion ensues (often).

- If no agreement is reached fairly quickly, the PO must decide (for now).

Scope-Date Trade-off

- The Product Owner "draws the line" where the first release is (now)

- And also type 2nd release

- It is suddenly clear which stories must be in the first release (first guess).

- This is expected to change, but still, first guess.

Agile Rel. Planning

— VISION

12 Sprints
$$\frac{8+ \text{stories}}{96} \rightarrow 50$$

- PROD BKLOG
  - ROLES (5-7)
  - USER STORY WORKSHOP (50)

breaking up

(by R) PB

:10 Sprints

- BUS VALUE
  - DRIVERS (3-5)
  - PRIORITY POKER → BVP

R_1

R_2

- EFFORT
  - DoD
  - PLANNING POKER → SP

$$R = \frac{BVP}{SP}$$

- RISKS, DEPEND, LEARNING, MMFS/MVP, Other

(RE) ORDER THE WORK

$$Vel = X_{EST}$$

Scope
date
$

$40K

ST-7
+
BSH-Y

- FIX IT PLAN
- Comm plan
- Contingency
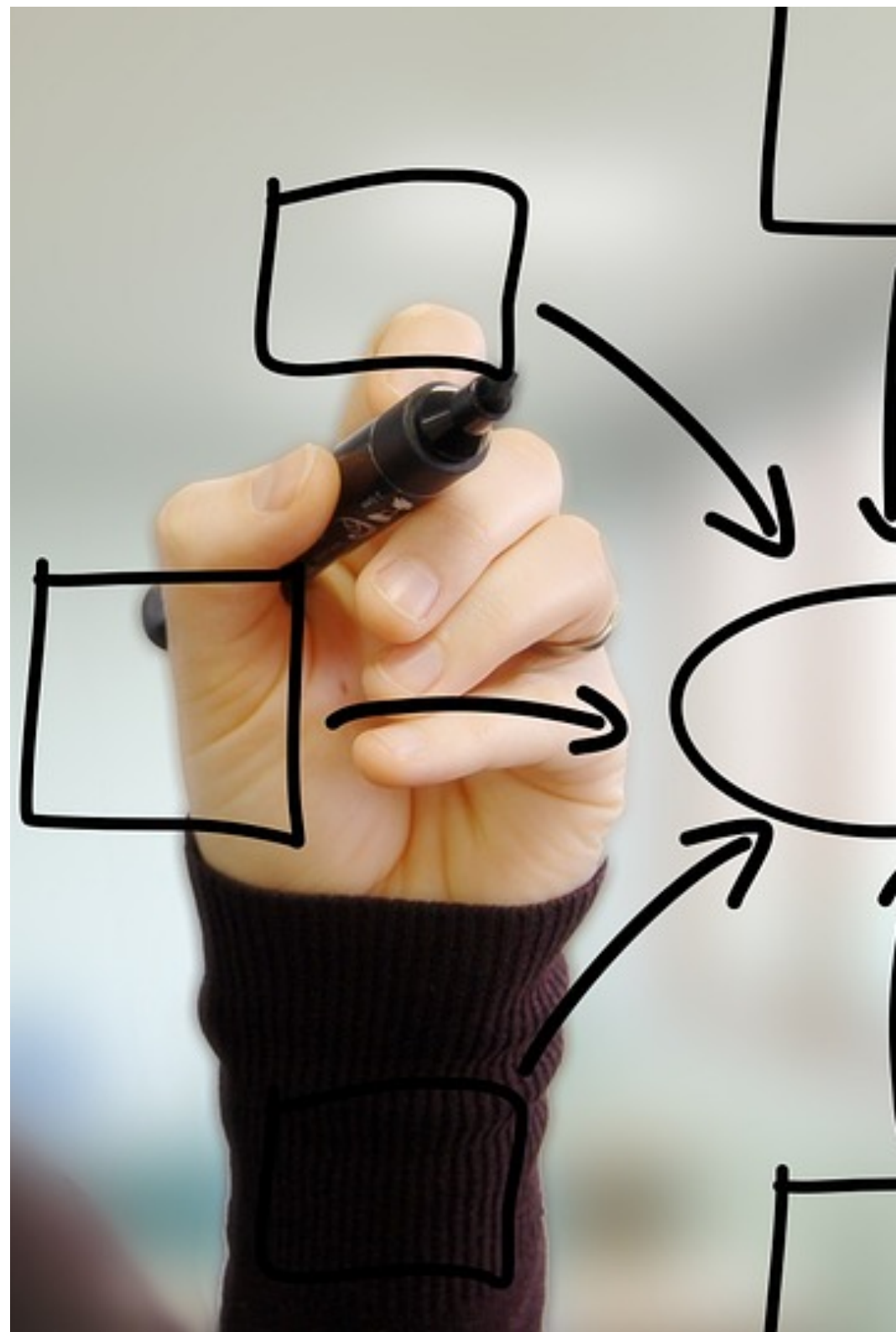
How Long?

- We estimate the Velocity of the team (a bit of a fancy calculation).

- A SWAG.

- Then we use that to estimate how many Sprints to complete the first release.

- Include contingency and "landing strip!"

Your Questions?

- So, what are your questions?

My Question

- What is your biggest take-away?

Contact Info

- Joseph Little

- www.LeanAgileTraining.com

- jhlittle@LeanAgileTraining.com

- Happy to talk later!

- Hope I see you somewhere soon (a course, a webinar, etc)