Aligning Agile And DevOps Practices With Business Value
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The key role of software in today’s increasingly digital business makes linking business outcomes to software and application delivery a mission-critical imperative. Unfortunately, there is a disconnect between the investment and the payoff in Agile and DevOps because it is difficult to measure the value. There is no straightforward method to connect the results of the release cycle to the business goals.

Focusing Agile and DevOps transformation initiatives on value streams — the sequence of activities development teams undertake to deliver to business and customer objectives — and measuring the outcome of delivery seems to be the most promising industry approach. Nascent value stream management practices and tools are the missing link that prove the value of software delivered by Agile and DevOps.

In January 2017, Blueprint commissioned Forrester Consulting to evaluate the adoption of value stream management-based practices and tools and the challenges companies face with measuring the business value of Agile and DevOps delivery.

**Geography**
- US: 100%

**Company size by annual revenue**
- $2 billion to $5 billion: 62%
- > $5 billion: 38%

**Top three industries**
- Financial services: 15%
- Healthcare: 14%
- Travel and hospitality: 14%

**Responsibility for DevOps**
- Final decision maker: 22%
- Part of decision team: 58%
- Influence decisions: 20%
Agile And DevOps Must Provide Value To The Business

As large organizations transition to Agile and DevOps, they recognize that these practices must primarily focus on delivering more value to the business, such as improving the customer experience of the software or delivering new services to acquire new customers. That's why organizations are coming around to the notion that Agile and DevOps should have a clear business mandate. In fact, 80% agree that it should focus on driving business value.

BUT THAT VALUE GOES UNMEASURED AND UNRECOGNIZED

However, organizations are challenged to move beyond typical IT-focused Agile and DevOps metrics like speed and quality to business-focused metrics like CSAT, competitiveness, and so on. In reality, 62% still rely on speed to determine the success of these efforts, and only 45% focus on value as a metric.

Eighty percent of organizations agree that DevOps drives business value, but they struggle to use value as a metric of success for Agile and DevOps initiatives.
Challenges Exist With Agile And DevOps Practices

Large organizations are plagued with manual processes, organizational silos, and linking DevOps to business outcomes. DevOps decision makers have encountered the following issues in their Agile and DevOps practices:

- Almost half struggle with linking DevOps practices to business outcomes. Agile is an app dev-only initiative with no links to upper stream requirements, while DevOps and operations rely on the value to the business developed in these Agile processes.

- Close to 40% struggle with a lack of cultural readiness by the business and IT. This points to a greater need for communication and collaboration across teams.

- Thirty-five percent have difficulty meeting industry and compliance standards, despite these regulations coming to the forefront as Agile and DevOps initiatives mature beyond simplistic, website projects.

- Only 30% completely agree that they can automate or orchestrate all pre-coding activities and are able to effectively reuse requirements and user stories across teams.

- Finally, companies struggle to communicate the status of DevOps initiatives efficiently. The majority still rely heavily on email and provide status updates on a weekly basis or less.
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Companies Are Taking Steps To Improve Agile And DevOps Initiatives

Application development and delivery professionals plan to improve their DevOps practices by:

› **Defining better business-related metrics and measuring business outcomes.** Measuring the success of initiatives allows organizations to understand where they need improvement. For that reason, it’s important to specify the metrics that demonstrate business value beyond traditional measures such as costs and incorporate them directly into the upfront release objectives.

› **Modernizing legacy applications.** Organizations must modernize applications in order to keep up with customer demands for new and better experiences. This means not only delivering new applications but also updating older ones.

› **Improving requirements definitions and management.** Clear and concise requirements definitions enable companies to improve customer experience and avoid costly rework. A more comprehensive view of requirements is also essential at scale, since Agile alone does not cut it.

› **Improving Agile management and scaling.** Adopting more-advanced Agile techniques requires tools that support automation and collaboration. Scaling Agile requires integration and collaboration across PPM, requirements management, and PM governance to facilitate team collaboration across the enterprise.

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**“What are your plans to use the following practices to improve your Agile and DevOps initiatives?”**

<table>
<thead>
<tr>
<th>Practice</th>
<th>Planning to implement/Expanding implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defining better business-related metrics</td>
<td>61%</td>
</tr>
<tr>
<td>Modernization of legacy applications</td>
<td>61%</td>
</tr>
<tr>
<td>Improving requirements definition</td>
<td>58%</td>
</tr>
<tr>
<td>Improving Agile management and scaling</td>
<td>54%</td>
</tr>
<tr>
<td>Continuous testing</td>
<td>52%</td>
</tr>
<tr>
<td>Improving reporting</td>
<td>51%</td>
</tr>
<tr>
<td>Improving requirements management</td>
<td>51%</td>
</tr>
<tr>
<td>Measuring business outcomes</td>
<td>50%</td>
</tr>
<tr>
<td>Continuous integration/continuous delivery practices and tools</td>
<td>49%</td>
</tr>
<tr>
<td>Automating upfront business activities</td>
<td>46%</td>
</tr>
</tbody>
</table>

Base: 110 US DevOps decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Blueprint, March 2017
Value Stream Management Is The Solution

DevOps decision makers place high value on solutions that remedy a variety of Agile and DevOps problems. Foremost is the need for capabilities that automate the complexity of the DevOps toolchain. This includes business alignment and pre-coding steps, scaling of Agile and DevOps processes, automating translation of business initiatives, market requirements, or customer experience enhancements to shippable code in order to go faster.

Given the high importance large organizations place on these solutions, it is no surprise that 94% expect notable improvements on their Agile and DevOps initiatives if they implement a solution that includes all these capabilities. This is value stream management, which Forrester defines as a solution that enables companies to extend automation, value delivered, costs, burn rates, and other management reporting capabilities for a given value stream to the business.

Ninety-four percent expect notable improvements to their DevOps initiatives from implementing a value stream management solution.

“How valuable would the following solutions be for your Agile and DevOps practices?”

<table>
<thead>
<tr>
<th>Solution</th>
<th>Valuable/Very valuable (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-to-end traceability from business initiative and source code components to test assets to deployed components</td>
<td>84%</td>
</tr>
<tr>
<td>Automatic monitoring and reporting on the status of our entire DevOps toolchain</td>
<td>82%</td>
</tr>
<tr>
<td>Automated support for legacy application modernization</td>
<td>80%</td>
</tr>
<tr>
<td>Reports and dashboards on the business value delivered by our DevOps pipeline</td>
<td>78%</td>
</tr>
<tr>
<td>Automation and orchestration of upfront business activities (e.g., reuse, compliance, etc.)</td>
<td>76%</td>
</tr>
</tbody>
</table>

Base: 110 US DevOps decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Blueprint, March 2017
Organizations Expect To Realize Benefits From Value Stream Management Solutions

As a result of implementing this solution, large organizations in this study reported that they expect to achieve efficiency early on, continuous value to the business, and visibility across the DevOps toolchain.

- **61%** Efficiency gains in the earliest definition and analysis stages
- **58%** Value delivered to the business at any time by the value stream
- **54%** Visibility into all components of the DevOps toolchain
- **46%** Improved understanding of costs and budget burn rate
- **44%** Visibility into a user outcome of implemented features
- **43%** Visibility into the automated governance control points of the pipeline

Value stream management solutions extend automation, value delivered, costs, burn rates, and other management reporting capabilities for a given value stream to the business.
Conclusions

Companies will be successful only if they can link development and delivery initiatives to proof of the business value that is delivered. Today, large organizations are especially challenged to link this value, due to a lack of alignment of the DevOps pipeline managed by IT and the results expected by the business, a lack of visibility throughout the entire development process, a failure to prove the value delivered, and an inability to provide total transparency on compliance standards.

Organizations need value stream management solutions to offset these hurdles and advance their Agile and DevOps initiatives. As such, they expressed interest in a solution that helps them with value stream management. This solution would provide end-to-end traceability from business initiatives and source code requirements to test assets and deployed components, automated reporting of the status of the toolchain, and much more. By adopting value stream management tooling and processes, large organizations expect to increase the value they deliver and drive their businesses in the digital age.

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