

Scale by Understanding Your Value Stream

Terry Frazier and Martha Ryan

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Introductions



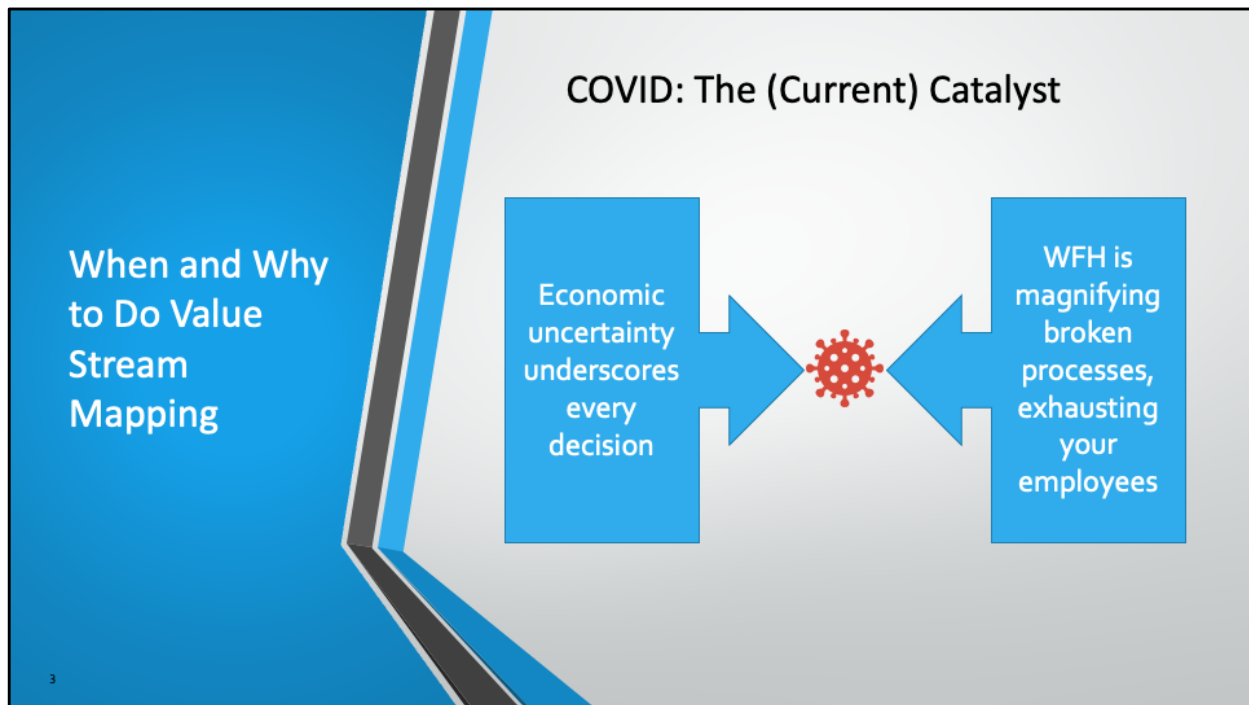
Martha Ryan

- 26 years in high tech finance, strategy, and operations
- Lean Six Sigma Black Belt
- MBA U. of Washington
- BA Bowdoin College



Terry Frazier

- 22 years as multi-industry consultant in customer communications, information and workflow analysis, and process automation
- Certified Competitive Intelligence Professional
- BSc U of Texas Tyler

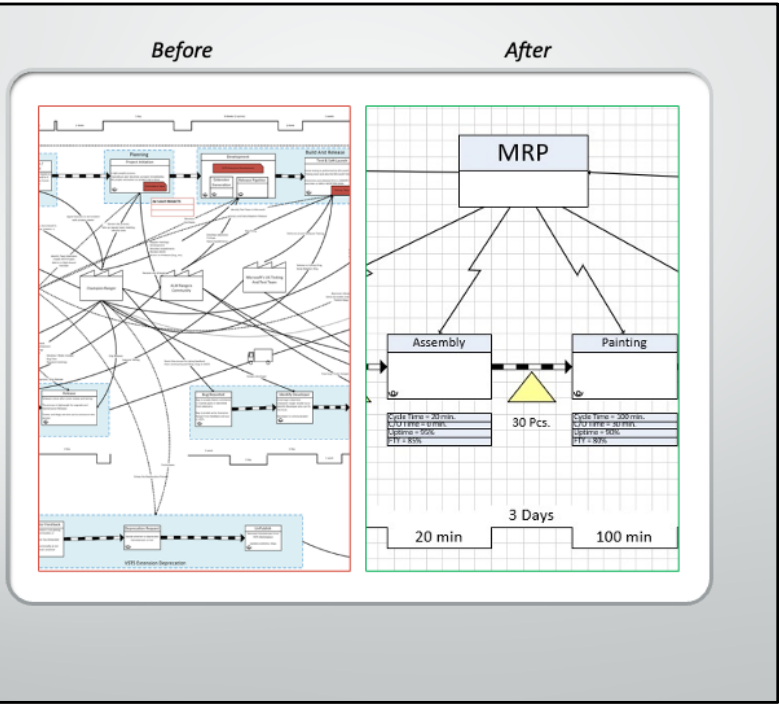


Now! Covid has made the economic situation a complete gamble and you can't afford to guess at how things should work when you go after a new opportunity. Covid has also driven working from home which immediately breaks weak processes and inappropriate metrics. At first, everyone was a champion and put in the hours to make it work. The longer it lasts, the more exhausted people are. If your people are tired, you know there is a better way and owe it to your team and the future of your company to take a look at HOW the work is being done.

Value Stream Mapping

Visually represents:

- Key inputs
 - Actions
 - Transformations
 - Outputs
- The real reason your customer pays you 😊

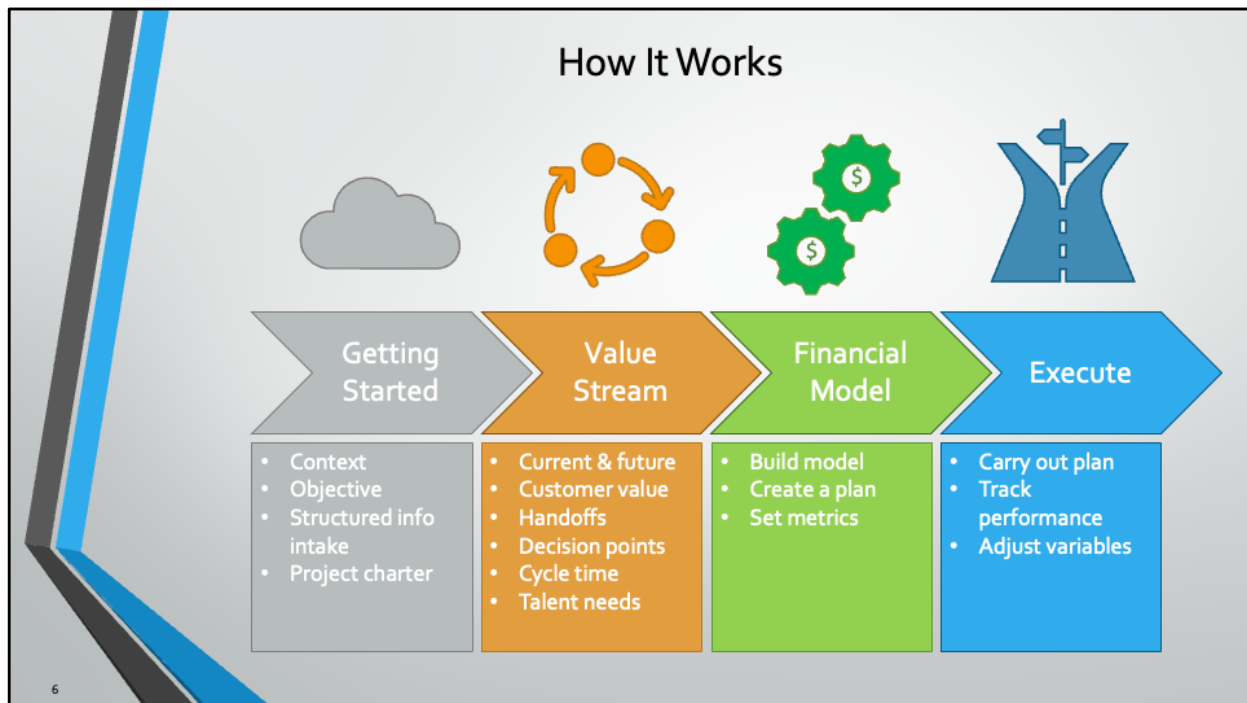


Value Based Financial Model

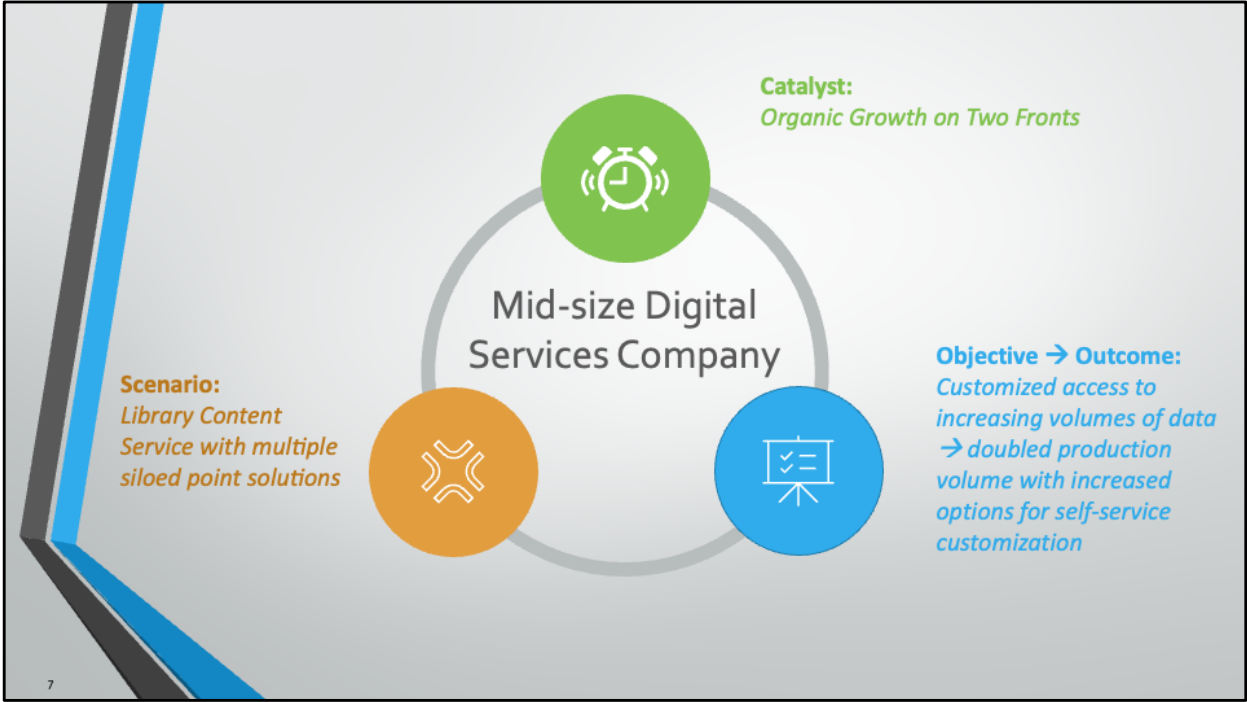
More thorough and accurate

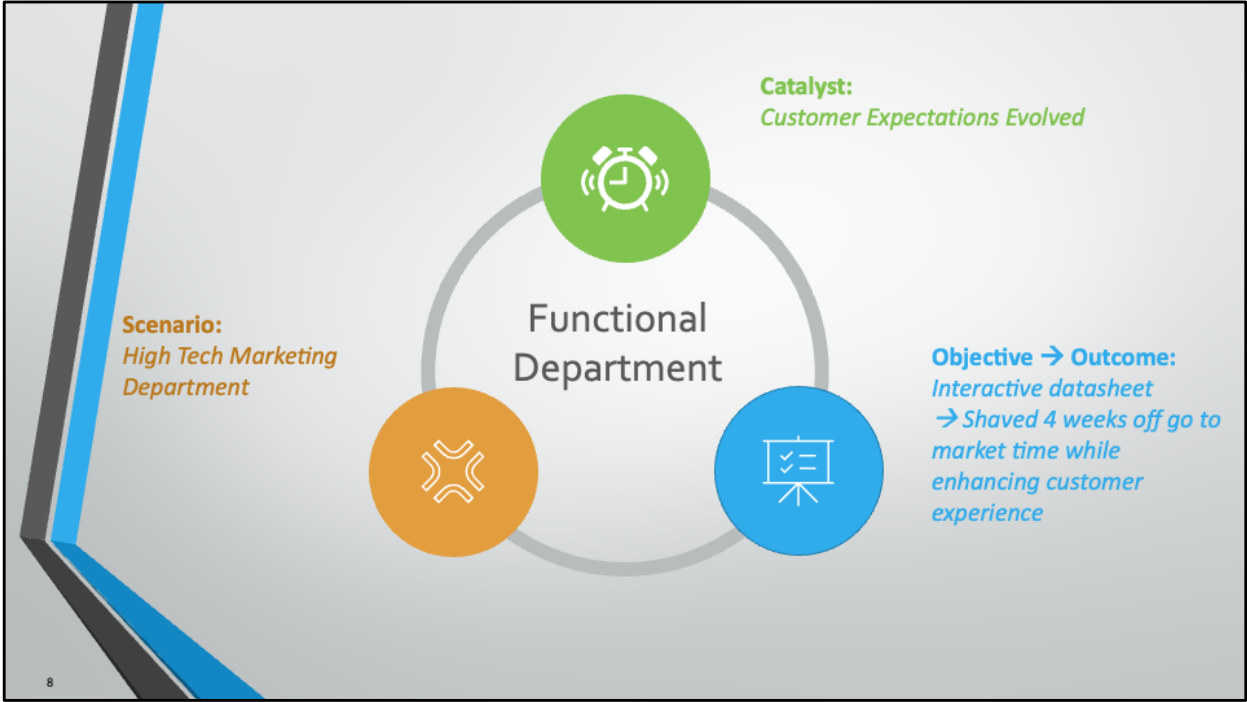
- Align finance team with stakeholders
- Focus on cost & benefit of true value add
- Highlight cost of non-value add
- Better decision-making tool

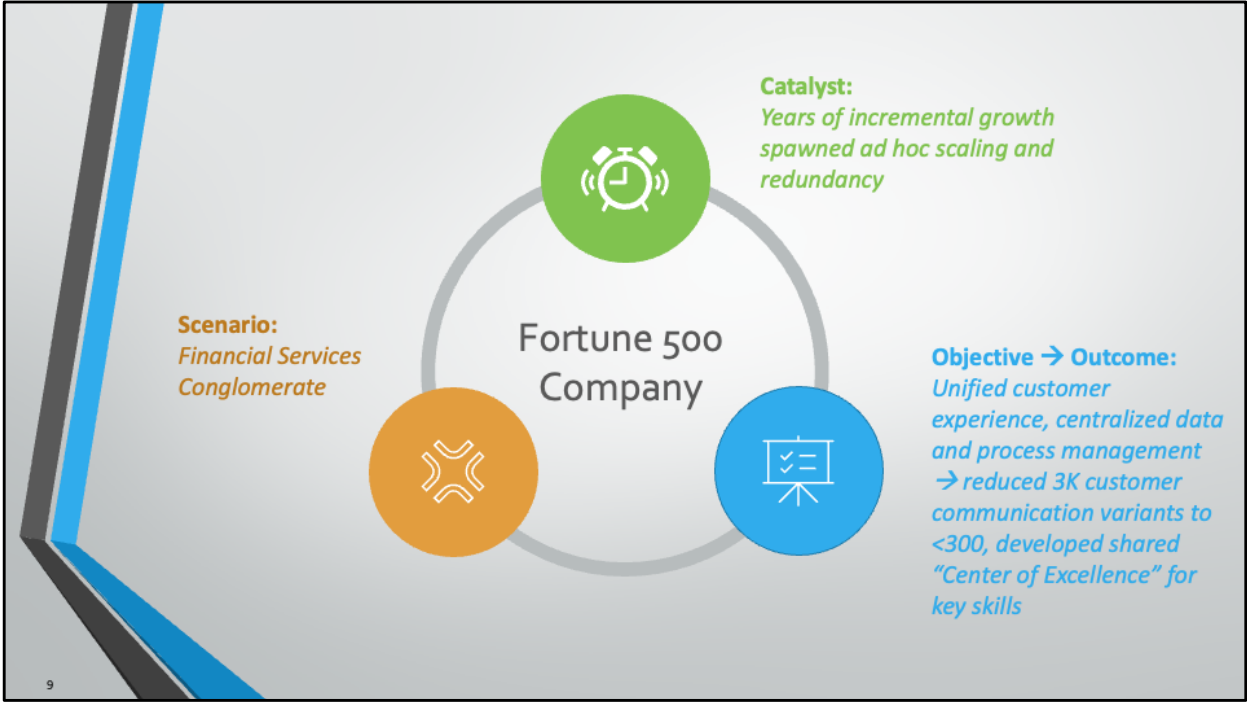
	G	H	I	J
	Base Case		Sponsor IRR -> 26.6%	
	2017A	2018F	2019F	2020F
	57,269	10,000	10,000	10,000
	3,986	2,250	2,317	2,381
	5,898	6,839	7,044	7,166
	67,153	19,088	19,361	19,544
	21,618	32,579	33,252	33,577
	-	112,649	112,649	112,649
	88,771	164,316	165,261	165,760
	-	5,878	3,491	-
	2,751	2,949	2,564	2,641
	2,751	2,949	8,442	6,132
	16,801	16,801	101,250	91,250
	19,552	19,750	109,692	97,382
	39,203	46,495	46,495	46,495
	29,819	8,129	21,384	35,744
	69,021	54,624	67,879	82,240
	88,771	164,316	165,261	165,760
		0.000	0.000	0.000

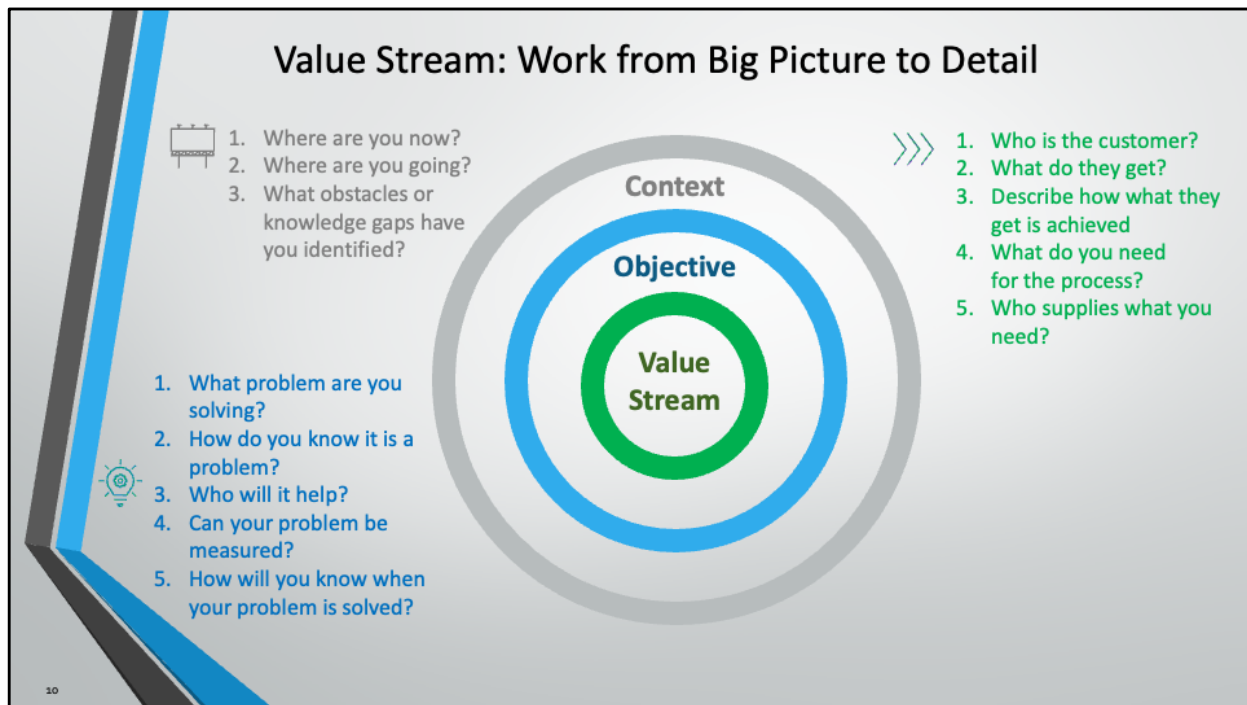


1. Getting Started = Start at the beginning, not in the middle or at the end
2. Value Stream = Visual representation of SIPOC elements that deliver value to your customers
3. Financial Model = Process based model that accounts for the SIPOC elements with operational detail to generate cost/benefit scenarios
4. Execute = Value stream and Financial Model provide framework to prioritize actions and create a plan and timeline to implement









Context:

Current state of your industry, business and market opportunity or challenge, in broad terms.
 Your long-term goal.
 Any knowledge gaps or obstacles you have identified.

Objective:

Can your problem/opportunity be measured?
 How will you know when your problem is solved, or your opportunity is achieved?
 What are your expectations for how long it will take to achieve the objective?

Value stream:

Who is the customer?
 What do they get?
 Describe how what they get is achieved - What is/are the process/es?
 What do you need to initiate and engage in the process/es - Inputs or prerequisites?
 Who supplies what you need to engage in the process?

How to Create a Value Stream Map

1. Draw It As Is!

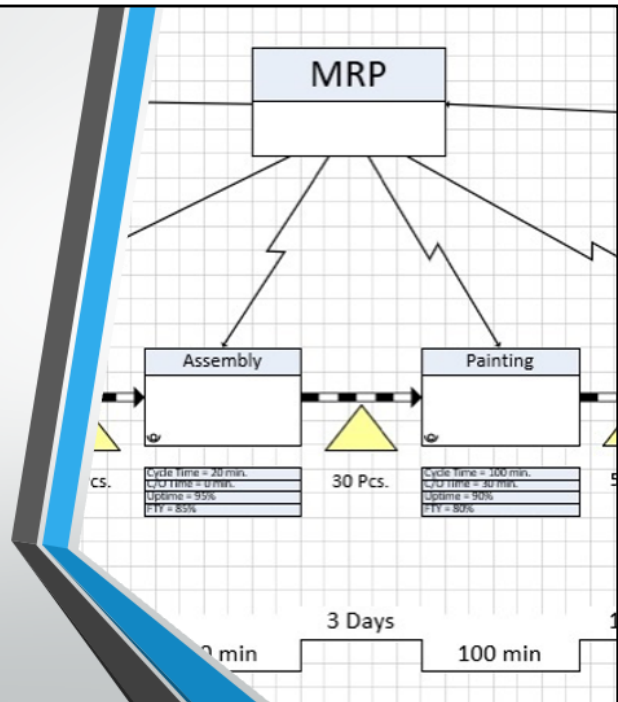
- Use post-its, process software or pencil & paper
- Work backwards from customer to supplier
- 1 box per process in delivery of the product
- Layer in the information flow
- Highlight handoffs
- Add data: process owner, time, activity rates
- Call out obstacles to achieving goals
- Iterate to align on visual representation



How to Create a Value Stream Map

2. Draw It Again...How You Want It!

- Focus on what the paying customer values
- How can you better deliver the value?
- Address the current obstacles
- Align on performance expectations



How to Create a Value Stream Map

3. Build Your Financial Model

- ID key variables
- Make variables flexible in the model
- Align performance expectations
- Stakeholder review
- Prioritize to frontload biggest gains

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	88,771	164,316	165,261	165,760
		0.000	0.000	0.000

Questions?



What Happens If You Engage Us



- 15 to 30 calendar days



- 4 to 6 web conference interactions



- 1 to 2 revision cycles













- 2-3 deliverables

➤ Singular objective, limited scope

Next Steps

mryan@martharvan.com
 214.415.8269
twf@terryfrazier.com
 972.522.8568

1	Complete the questions			Your work
2	Intro call → Charter			30-60 min
3	Interview → Structure Info			60-120 min
4	Value Map → Validate			1 Week+ 60-120 min
5	Financial Model → Validate			1 Week+ 60-120 min

1. Answer the questions on the previous slide under Context and Objective
2. We'll set up a 30-60 minute call and use what we learn to create a basic charter which lays out the scope of the engagement and what we will do, what the deliverables are.
3. If you agree with the charter, we will then conduct the interview. We can do this on the phone or in person as appropriate
4. We translate what we learn in the call or meeting to populate preliminary Value Map (current and future state if appropriate). We'll hold a follow up call to validate the map and iterate as appropriate.
5. We will translate the map(s) into a financial model and meet with you to review and iterate as appropriate.

Terry Frazier

Terry Frazier is a former research director and technology and information analyst for Fortune 1000 firms. Since 1998 he has worked for a variety of boutique and large-scale research and consulting firms in the areas of content, customer communications, information and workflow analysis and process automation.

In 2011 he received certification as a Competitive Intelligence Professional from the Academy of Competitive Intelligence in Cambridge, MA.

He is the author of numerous industry and technology studies, and holds a BSc. in Journalism from the University of Texas at Tyler.



Martha Ryan

Martha Ryan spent 26 years in a variety of CFO team roles, primarily at one semiconductor company. Leading the integration of two foundational acquisitions, she established processes and KPIs to drive strategic financial plans and P&Ls for seven Business Units that generated over \$1B in annual sales.

As the company grew from startup mode to maturity, Martha led worldwide implementations of demand planning and product cost capabilities and became known as the "go to" process expert. She ultimately led 95 corporate improvement programs.

Her passion for financial strategy and efficient value delivery draws on experience across every corporate functional area. She holds a Black Belt in Lean Six Sigma and a certificate in Change Leadership from Cornell University. She earned her MBA at the University of Washington and her BA from Bowdoin College.

