Mik Kersten (00:05):
Hello, and welcome to the Mik + One Podcast where I sit down with industry leaders to discuss the Project to Product movement. I'm Mik Kersten, Founder and CEO of Tasktop, and best-selling author of Project to Product: How to Survive and Thrive in the Age of Digital Disruption with the Flow Framework.

Mik Kersten (00:25):
I'm delighted to have Carmen DeArdo join me on this episode. Carmen and I met while he worked at Nationwide Insurance where he was responsible for driving continuous delivery, utilizing DevOps, lean and agile practices. For that effort, Carmen and his team were recognized as the most successful DevOps transformation of 2016 by devops.com. Carmen also coauthored the book, A Leader's Guide to Digital Transformation, which was recognized as one of the top five DevOps books of 2020 by the DevOps Dozen Community Awards. I have the privilege of working even more closely with Carmen now in his role as Principal Flow Advisor and VSM Practice Lead at Tasktop. Every time that we chat, Carmen shares new lessons on flow with me and new customer stories. So I'm just thrilled that he will share them with us today on the podcast. I hope you enjoy the discussion. And with that, let's get started.

Mik Kersten (01:13):
Hello everyone. I am delighted to welcome Carmen DeArdo to the podcast. Carmen and I go way back. He's been such a close colleague and companion on this amazing journey as we've worked out some of the core concepts of project to product. I actually met Carmen at the very first DevOps Enterprise Summit. Carmen, is that correct? What year was that?

Carmen DeArdo (01:36):
2014, Mik.

Mik Kersten (01:37):
Yeah. And you claim that you introduced me to Gene, is that also correct?

Carmen DeArdo (01:41):
It's my story and I'm sticking to it.

Mik Kersten (01:45):
I think it may well be true. And I remember actually, I'll never forget, in that very first introductory meeting, Gene immediately pointED out, "Oh, by the way, that's Brent, that's Brent from the Phoenix Project, you have to meet him." We'll leave guessing who Brent was to the listener. But Carmen, tell me a little bit about your first experience with DevOps, because what happened with me is I actually had a chance to see you present, right? I was amazed by the fact that some of these concepts I knew were so important to technology companies, to all the work I was doing with open source, to all the work we were starting to do to help larger organizations to become software innovators, you were applying. The way that you talked about it and the reason I was so excited to meet you after your presentation was because I realized that the kind of systems thinking that you were putting in place was something I was not hearing elsewhere.

Mik Kersten (02:37):
I was not hearing that same kind of technology and leadership combined to really help at that time in your career and Nationwide Insurance got pointed in the right direction. Just give us a bit of your story, your context, how you end up with Nationwide. I really do want you to relate this obviously back to some experiences that you had with Bell Labs, because I think that's what I've learned so much from. What was on your mind in 2014?

Carmen DeArdo (03:02):
I think what was on my mind in 2014 was... I mean, as you noted, I had the opportunity to start my career at Bell Labs, which was very steeped in the culture of Deming and Shewhart and lean concepts. I don't think flow was a thing, at least not when I was at Bell Labs, but I had that upbringing. Then I was also fortunate at Nationwide to get into the middle of agile, lean, DevOps journeys. My manager at the time, AVP was Tom Paider who has a deep background in lean, he wrote The Lean IT Field Guide with Mike Orzen. We were already starting to look at things from a perspective of... it started more than integrated tool chain, and I had the opportunity to work with Rosalynn Ratcliffe because we were... IBM was partners with us. Lee Reed who's now working with us was there.

Carmen DeArdo (04:11):
My first foray was really about we needed to be able to integrate our tool chain and I used the say model our artifacts across the tool chain, which essentially was our development value stream. I think as we started to refine those ideas, they aligned with DevOps in the sense that DevOps was focused on the right-hand side of that value stream. I call it code to cloud, but there wasn't any attention at that point, and still probably not as much as it's needed on the left-hand side. Our experience at Nationwide was roughly half our time and money was spent before code ever gotten the backlog of an agile team. Even if we were perfect from code to cloud, there's 50% of cost and time that we're leaving on the table. I think as we took a step back, what we realized is we had optimized in the middle of the value stream, which was okay because you have to start somewhere.

Carmen DeArdo (05:20):
I think we see that in our conversations even today, organizations have started with some kind of concept around agile, scrum, and they're focused more on that middle portion of the value stream. But I think the feeling I had was we had to focus on the entire value stream. Those were the kinds of things that were in our head is, how DevOps could help us do that but also how we could get more of a handle on where things are flowing and more importantly, where they aren't.

Mik Kersten (05:56):
Yeah, Carmen, I think that for me, that moment, that part of your talk and then our discussion was really groundbreaking for me. It tied together so many of these things that I was concerned with, that I was seeing in these organizations, which in the end, boiled down to what you distilled as local optimization of the value stream. So I think you saw it back then. You actually saw it with some empirical data. Since this time you've actually been able to think to apply these concepts, obviously this was a key inspiration to me and something I definitely covered at length in Project to Product, but what's been so interesting to me, and I think maybe we can talk about this a bit more when we're talking about your more recent learnings is that this is still happening everywhere. It is fascinating to me how much across organizations that we work with large transformations out there today, knows this slope, there's just this gravity that pulls people into local optimization of the value stream.

Mik Kersten (06:58):
You said no one starts out with that as the goal, right? No one wants to make the goal local optimization of the value stream. How did Nationwide get there? I imagine there's some lessons that we can take from what you experienced and apply them to what we're seeing in other organizations today.

Carmen DeArdo (07:15):
Yeah. I think that's a great question, Mik. I think one of the things that I used to talk about and we used to talk about as a team who was trying to do this work was getting people to switch from vertical thinking to

horizontal thinking. I think we've seen in our careers sometimes there's a shift between a general practitioner view that people have a broader set of skills and then a very specialized view about what folks are focusing on. I think over time where we were at Nationwide, and I didn't see this at Bell Labs, we had some core concepts at Bell Labs about bringing a team together. I don't think we used the word cross skilled at the time, but we had the roles necessary to deliver a product on a team and we brought the work to the team.

Carmen DeArdo (08:15):
The first thing I saw was we had this project concept of taking people from different systems and then getting them aligned on a project. Typically, what happens in those kinds of journeys is organizations realize that there's some cost effectiveness to having some common capabilities, common practices, quality management, service management, requirements management, project management, and focusing then... and this is where the local optimization comes in, having OKRs and the like that focus on maximizing that. I have a pizza box story I talk about sometimes during conferences about if you have a team of pizza box makers, you're going to hire pizza box makers and you're going to fill up rooms with pizza boxes, but that doesn't sell pizza. In fact, that's contrary to the goal because you're spending time and resources on something that isn't really aligned with what the company's focused on. So It becomes very easy, especially in a large company to become focused in this functional area, the silo and you're working to get better, but again, all of that is leading to local optimization.

Carmen DeArdo (09:38):
Nobody necessarily can get above that, get outside of that system and say, "Okay, how are things working overall" and do that kind of systems thinking. That's something I took for granted at Bell Labs. That's something I rarely see. It's not that people aren't capable of doing it. It's just that's not the way organizations typically think when they're thinking about how to do and deliver products or projects today.

Mik Kersten (10:06):
Carmen, hang on a second because we've got... first, I think you should define what you think of as local optimizations of the value stream and what it means. I think that'd be really useful. I think organizations, as I've heard you say repeatedly, they don't start out with a goal of local optimization. They don't start out with a goal of making more pizza boxes. The starting point usually is delivering more value, more innovation, more pizzas and the like. What is local optimization of the value stream and again, how... you mentioned silos, you mentioned some of these, I think, the work patterns. I actually do really think that this was obviously one of the key topics as well in Project to Product that I learned a ton about from you, about the problems of bringing work to people versus bringing people to work. I had never seen it at that scale until you and I started analyzing what was happening and the failures that we can see from bringing people to work.

Mik Kersten (11:08):
But let's pause on that one for a moment and let's just get... I'd love your perspective on what is local optimization of value stream. Again, even with the best of intents of making the tastiest pizzas, how is it that's so quickly organizations snap back into that and into that as I think you put it, not the horizontal thinking, not the customer centric thinking, not the focus, flow, enjoy that Gene's got us thinking about, but back into the silos?

Carmen DeArdo (11:36):
Sure, Mik. Let's take an example that I actually see a lot of when I'm coaching today and let's talk about the front end of the process because I don't think that gets talked about a lot. Let's talk about the work intake and let's talk about requirements management, if you will. If I have a team, and I actually talked to

a customer just this week who actually has teams focused on this left-hand side of the value stream, if I have a team and my job is to groom and design stories and get them ready for development to take in, that's not necessarily a bad thing, but if I start to then focus on... speed of doing that is important, but if I start to focus on "well, how many of these I can do" and "more is better," and before you know it... we see this in the data, we see this with, the WIP, the work in progress data and then the collected WIP data, you have four, five, six, seven months of work that's sitting there on the left inside of your value stream that is not yet entered into the design, develop, test phase of your product life cycle.

Carmen DeArdo (12:56):
You may feel that you're being very successful because you're being very productive on this left-hand side of the value stream, but when you take a look across your value stream, what do you see? You see that, well, first of all, it may take, based on your delivery capability, it may take months if not a year to actually deliver any of the work that you're defining. So how much of it's even going to be relevant? How much of it's going to be stale? Market conditions as we know are changing very rapidly. Working with one customer [inaudible 00:13:35], and what they found was around QA capability, and they actually had this issue. On the left-hand side of their value stream, they had this tremendous overproduction, which is a form of waste, of intake work, epic stories. And on the right-hand side or the mid right-hand side, they have had a buildup of work that wasn't able to get through their QA release, QA release certification part of their process.

Carmen DeArdo (14:07):
If you're standing above it and you're looking at this, the first thing you would say is, "Well, I have too much focus on the left-hand side I need to switch some of that focus to the right-hand side." That sounds simple, but who has that view? There's a scene in The Mothman Prophecies where Richard Gere's trying to figure out what's going on because all these bizarre things are happening, and he thinks somebody has premonitions and he's talking to this professor and they're looking at... I think it's the Sears Tower in Chicago, and the professor says, "If there's a window washer in the Sears Tower and there's a car wreck across town, they'll know about it before anybody else is. That doesn't make them a God, they just have a better perspective." Where is it in organizations where we have these perspectives to get above the fray and say, "Oh yes, we have an overproduction of work here. We continue to invest here when really we need to invest somewhere else," which is where the work is getting clogged up.

Carmen DeArdo (15:11):
It sounds like a simple concept, but in large organizations with dependencies and handoffs, it's a very difficult for people to get that perspective and be able to say, "Okay, pull the end on chain. We got an issue here. We need to shift where our focus is, which will then actually improve what we're delivering for our customers."

Mik Kersten (15:37):
Yeah. Carmen, I think that's in the end, the challenge. Both you and I spent just countless conversations on is, why is it so hard to get that perspective? I think to both of us, there was something innate about it. For you, it was from having seen an organization that's effectively managed with that perspective at Bell Labs. For me, it was something similar with Xerox PARC and then with open source and then with the way startups, software startups are managed, but what is so interesting to me about our earlier discussions is that it is fundamentally harder in very large organizations with thousands or tens of thousands of IT staff and with just the increasing amount of specialization that's happening on top of all the legacy, all the new initiatives and everything else.

Mik Kersten (16:27):

Like you, I think there's some inspiration that I draw here from Deming is that you can't change the system from within the system. You and I both know that, but I think our frustrations came from the fact that all the changes that we were seeing were being attempted from within the system and from within the agile tool, from within what was happening on the operations and service management side, from what was happening on the project management side, and those changes aren't working. I do remember... one of my fondest memories of our collaboration was when I was trying so hard... I was actually preparing for a meeting with you and some of the Nationwide's CEOs and on the flight over from Vancouver to Columbus, I was just thinking to myself, "It cannot be this difficult."

Mik Kersten (17:10):
I grabbed the piece of paper, I grabbed my pen, the last flight from Toronto to Columbus, there was no Wi-Fi, and I sketched the first Flow Framework. I scribbled up this diagram, which is actually quite similar to what The Flow Framework looks like today. I remember being very excited to show it to you. This was January, 2018. I think it's, again... I was trying to capture, and I wasn't showing it to anyone else at that point, by the way, you were the first person to see it, I think as you know, but I was just trying to capture ways that we could shift this perspective. Ways that we could make it easier to look at the system, to look at the flow, to look at the entire value stream because of the fact that, again, everyone's always just snapping back into their silos.

Mik Kersten (17:58):
Tell me, if you could just share with us how it is that you helped me with these concepts and again, how is it that you basically got there yourself, were so helpful to me, and now are so helpful to so many other technology leaders to really look and measure from outside the system?

Carmen DeArdo (18:19):
Well, I think, Mik, and you're very kind. I mean I certainly have learned, I think, far more from you, but I think it actually... as we got later in this journey, what I actually remember is, and I think, what later became, I think the artifact network is we were using Hub at the time and we were looking at identifying and integrating artifacts in order to improve our efficiency but also our visibility of work. We all know that people want to work in their tool of choice, I mean, you've made a career out of this, and bringing that work to them rather than have them chase it is a key component of their productivity and happiness. And I remember thinking that really if you... at that point, I was the product owner of the tool chain.

Carmen DeArdo (19:18):
We started at the left-hand side, we had a PPM tool. We had a bunch of requirements management, quality management. We had service management tools. We had security management that was going on. We had a very full, complete tool chain. What I remember thinking was the gem, the information they actually want a mind is in the artifacts of the way that we do work. However, we don't have a way to see that. We would do a lot of value stream mapping and value stream mapping can be a very effective activity when done at the appropriate time and used in the appropriate way. But it wasn't something that actually gave us in real time, an automated way to see how our work was flowing. I remember thinking to myself, "If you start at the left-hand side of our value stream with..." we had something called a work request, and I think clarity at the time, and it turned into a feature and a story, and then eventually went through the rest of the process to release. The information was there. We just didn't have a way to get at it.

Carmen DeArdo (20:31):
I remember, I would say to people, "We need to model the artifacts across the value stream." And they would look at me like I had three heads, which is okay, I've had that experience before, but it was like,

"How can we get at that information? Because if we can, then we can make it very clear, making that visible, and then being able to measure and see just like on a highway, where's things piling up?" Because at the time, my sense is we were guessing. We weren't really doing our executives justice. I used to compare it to coaching a basketball game that you don't get to watch and you just get some stats and then you try to figure out what do I have to do to improve?

Carmen DeArdo (21:17):
We weren't giving them the visibility they actually needed. And so they had to guess at the DevOps practice. Well, just do this DevOps practice. Things will get better. Well, how do you know? I mean, that's like sending 50 people to get to the doctor and they come back with the same prescription. It's not a mechanical application of DevOps practices. It's applying the DevOps practice or any improvement based on where it is that's going to make a difference and then being able to measure that and demonstrate it. It was kind of at that point where those things were in my mind when you showed me your diagram, and I think things just locked into... that's just one of the moments I always remember. It's like everything locked into place. It's like, "Mik, you have the solution, it's right here. If we can apply this, this can be a tremendous opportunity for not only us, but other organizations to be able to unlock the key of just where are things flowing."

Carmen DeArdo (22:19):
And as Tom would always ask me, "Carmen, why do we want to know where things are flowing?" "Well, it's because we want to know where they're not." I mean, that's the memory I have of that whole exchange."

Mik Kersten (22:30):
Yeah, exactly. I think our paths too are pretty similar, right? Because for me it was the same thing. It was understanding and actually getting to work with, and that's something that we share in common, getting to work directly with that artifact network and having seen in terms of our own experiences where these waste states are, where all the waste is happening, where things are getting bottlenecked. It really was, I think both of our experiences an extrapolation of seeing the flows and seeing the dysfunctions of the flows.

Mik Kersten (23:04):
Carmen, that brings me to my next question. Over the past couple of years, you've been helping some larger organizations do really large deployments of The Flow Framework, measure and managing their value streams, basically helping them implement the thing that you've had me repeating ever since I heard you say it, either you manage your value streams or they're managing you. I would just love for you to give us a summary of some of the key lessons that you've learned, and especially the ones that you've learned most recently. I think that the fascinating thing is a lot of what we learned back then, several years ago, still applies. I think a lot of organizations are still struggling and again, snapping back into these local optimizations. In terms of our conversations more recently, I've noticed that you've actually got a new set of tools and approaches and ways of helping them break through that, even though a lot of these organizations, a lot of our listeners are still in relatively early stages of that journey.

Mik Kersten (24:02):
Can you just give us some of the highlights of some of the biggest surprises, the biggest learnings that you've had in terms of the Flow advisory that you've been doing over the past couple of years?

Carmen DeArdo (24:11):

Sure, Mik. I think it starts as Dominica DeGrandis talks about is the visibility of work because if you can't visualize it, you also can't manage it. So I think the learnings that I had very early on and still come out is that... and some of this, I think also comes from the project culture, where in the project culture features and maybe defects within the scope of those features or what role. Nobody wants to pay for upgrading the struts library because there may be a potential security risk. No one necessarily wants to make the next delivery better. They're focused on their own delivery. That's how they're incented. Risks and debt typically are not things that were made visible or were artifacts that were prioritized them worked. What struck me, especially on the risk side was these organizations were probably spending millions of dollars on tools in order to do dynamic scanning, static scanning, mitigation, maybe other compliance items that they have to deal with.

Carmen DeArdo (25:26):
And yet when you ask them, "What is the journey of a risk? Where does it start?" You would get these very long discussions and diatribes of, "Well, we run a scan and the security manager runs a report and then they have a meeting and then maybe there's another meeting. And then they beg somebody to prioritize this." What struck me was... I'm sure by the time this got to the CEO or the CIO or CTO or whatever, if they ask questions about risk, they were probably getting the kind of checkbox answers that you talk about, Mik, when you say activities versus outcomes. Well, do we have a security tool? Check. Are people trained on it? Check. Do we run security scans? Check. That's great. What's your outcomes? Are you actually acting on those? How long does it take from the time you notice something in a scan that could be a critical vulnerability until it gets fixed?

Carmen DeArdo (26:28):
None of those things seem to be coming to the forefront. I mean, I had a discussion recently with someone who said they had an OKR by the end of the fiscal year to address all their risk issues. We're looking at their Flow Metrics and their flow and flow velocity, and here they have this big mountain spike in the last few weeks of the fiscal year where all these risk issues were addressed. The person said to me, "Yeah, we made our OKR, but for months and months, we were just lucky because we had vulnerabilities sitting there." Again, at the highest level, "Oh, it looks fine. We met our OKRs." However, they had a lot of vulnerability that wasn't really being addressed effectively.

Carmen DeArdo (27:15):
I think the other lesson I've learned, this actually happened when I was sitting there looking one day at the set of Flow Metrics. And I said, "There's something wrong because..." I'm not going to get into the depths of things like Little's Law, but what struck me is this system must not be stable because the flow load, the flow time and the flow velocity, were not in sync in terms of what Little's Law would tell us they should be first stable system. The flow load was much higher than it would be if this system was stable. I don't have access to the actual source tools that are generating the metrics per se, so I can't look at somebody's quality center and look at their defect and actually say, "When was this created? When's the last time it was updated?" But I made a statement during a session that I thought maybe three quarters of their defects were being neglected. They were not moving towards completion with the same pace as other things that were reflected in their metrics.

Carmen DeArdo (28:22):
One of the people on the call got a little indignant like, "Well, how could you know that?" Unbeknownst to me during the call, they went off, actually dug into the source data and near the end of the call, come up and say, "Yeah, you're right. We have all these old defects. They're sitting there. They say they're in progress, but they're not, they're not really being worked." I think as I started to look more into this, what we find is almost every interaction I have has a high percentage of neglected work in progress. It appears

in the source tools that this is being worked on, which is doubly dangerous in the world that we live in now, because people are relying more on status information that they can pull themselves around a defect, a feature, whatever they're interested in. If these states aren't accurate, that's information that's sending the wrong message and the wrong expectations.

Carmen DeArdo (29:22):
And yet time after time, even though these customers again had agile practices, scrum. Maybe they were using SAFe. Supposedly these all have at their heart, pull models, yet you could see all this work was flowing downstream. They were getting overwhelmed. And then they had a large percentage of work that was being neglected. That's been a big finding with organizations to have them now go back and just look at why it is that they got in this situation. What's going on in their work intake process? What's happening with context switching? Why is it that they end up in these situations where they have all of this flow load where a high percentage of it is being neglected and their system in fact is not stable. I mean, their input, their outputs, their ability to sustain what they're doing is not stable.

Mik Kersten (30:23):
Yeah. Carmen, I think has been one of the biggest surprises in terms of what I've seen myself in deployments of the Flow Framework, and then also what I've learned from you and from the other Flow Advisors is, I think, I had a sense that the work in progress, the queues and what we measure in The Flow Framework has as flow load was bad. It is very surprising just how bad it is and then how pervasive it is. I felt like it shouldn't be this surprising. There's some understanding that when you completely overload people, overload teams, you get less out. I do think this does have to relate back to what you said, that this is not visible. It's not visible to the right people. It's not visible in the right ways.

Mik Kersten (31:08):
And if it were, I think we're all assuming that there'd be something done about it. Every time we have made it visible, which sounds like you actually managed to get through that in a single meeting, there was an acceptance of this and acceptance of the fact that when you get flow load that high, you get, either value delivery just goes to a trickle, it's no longer a value stream. It's so constrained and so overloaded.

Mik Kersten (31:32):
So I think it would be... I guess, the challenges that we do have, whether it's leadership, whether it's project management, I think... and let me know what you think of this, but what I've realized recently and you bring up OKRs, which is a really timely thing to do. What I've realized is that at the management and leadership level, there's usually no sense of what a value streams capacity is, at that team of teams level, what capacity is. As you said, that the agile frameworks, they've got their pull models, which is meant to help that, WIP limits are meant to help that. But fundamentally, when planning is being done to bring that next great mobile application or that next great offering to market, it's being done with no sense of capacity. And then the result is very quickly, whether it's for older initiatives or newer initiatives, is the queues pile up, the work in progress piles up and productivity grinds to a halt.

Mik Kersten (32:30):
I actually do think that this is a safe enough space for you, Carmen, to tell us what Little's Law is, why it's important and why it actually... and of course, we're finding ways to simplify this, make it more visible and make it more tangible feeling. But can you just tell us, why are queues so bad and why do you think that they're just constantly ignored?

Carmen DeArdo (32:57):

That's a great setup there, Mik. Little's Law... I mean, I'll generalize this and people who don't know can certainly do more research, but again, in a stable system, and those are my words, but if you look at the assumptions what they're defining as a stable system, if you know what the input rate is, which in a stable system should be the same as the output rate, and you know how long things stay in the system... let's think about a bank. If I stand outside a bank and I see people coming out and I count how many they come out in a day and I ask them how long they were in there, I could come up with an estimate of... at any point in the day, if I walked in the bank, how many people I should expect. Let's say I do that and I say, "Okay, based on what I..." I do this for a few days and the numbers are relatively consistent.

Carmen DeArdo (33:51):
The fourth day, I say, "Okay, I'm going to go in this bank in the middle of the day and I should find..." let's say 10 people. Then I walk in and there's 55. There's something wrong. Those 55 people are not being all served. Maybe they're being neglected, if you will, in some way. When you opened up the window to the system... a lot of times our windows across the value streams are just little slices. We get a window into the agile board. "Oh, everything's good on the agile board." "Well, where's this work coming from?" "Well, I don't know, that's coming from portfolio." Then you go over to the portfolio team or they have another board, or then it's going to release. So again, it's these local views and these local windows and maybe things maybe look okay there, although they really don't, but they seemingly look okay.

Carmen DeArdo (34:50):
I think one of the reasons people get into this, and one great example was, there were some teams that were focused on building a new mobile app for a new product. They were looking at their work and they were managing their work and they were pulling their work in. They were fine. And actually, they didn't have neglected work in progress in general. However, when you talk to them and said, "Well, what is getting in your way?" It's like, "Yeah, we have these states further downstream where it takes a long time." "What area is that?" "Well, that's this backend team that has to do some verification and certification process."

Carmen DeArdo (35:34):
So you say, "Well, maybe we should look at that." And this is really an internal product. I think one of the learnings is, sometimes there's this focus on the external products, the business facing products, when most of the products that a company has, and we've talked about this, is internal and platform and they get neglected, and they don't necessarily pull the work in. If you're this internal team that keeps getting work as a result of one of the seven external facing teams that you're supporting, pulling in work, it's flowing downstream to you. So now we go and look at that team and we put their flow under the microscope and sure enough, they have tons of WIP, tons of neglected WIP. And they have these huge pile ups waiting to get through various stages of their work process.

Carmen DeArdo (36:26):
Nobody's looking to invest in that team. They're not the ones that are getting all the attention. They're not the ones that are getting all the funding or priority. However, if you invest there, you're going to get a seven to 10 to whatever forward amplification of return because that's how many teams that you are focusing on or depending on consuming something from this team. That to me, is really hidden in most organizations. They don't understand or have visibility to those dependencies, the parts of the things that you talk about in the networks, in The Flow Framework, where they may not have... work is being pushed on to them, being piled up, and there's no investment in trying to understand, let alone improve their flow.

Mik Kersten (37:18):

Yeah, exactly. I think Carmen, it's amazing how these things basically amplify each other in creating even larger queues because you'll have things queuing up on that... say that mobile team who's got even... there are even bigger queues on the platform team that needs to be supporting them. Amazingly, none of this is visible. Attempts to make it visible again, tend to focus on, like you said, those local boards.

Mik Kersten (37:47):
Just take us through another one. Just a couple of things here. One is, how do you get people thinking differently and realizing the importance of these queues, the importance of actually... or what suggestions do you give them to start shortening these queues? Because I think the amazing thing that you and I both have seen is once this is visible, once this is accepted, how quick the wins are. Something that you've always emphasized for me that I think is so important in terms of the improvement around this is seeing those wins and celebrating those wins. In the end, within the organization, showing that there's some... in terms of the work in progress and flow load, there's massive low-hanging fruit because the benefits are so quick, and as soon as things start feeling better and flowing faster, all of a sudden you've got people across the value stream in the business, and ideally the customer much more happy.

Mik Kersten (38:41):
So can you tell us just some guidance on how you get people to take those first steps? Then I would really like to also hear beyond WIP and the flow load that we're seeing, what has been one of your biggest learnings outside of that in terms of the flow dysfunctions that you're seeing?

Carmen DeArdo (38:59):
Sure. I think you're right that you need those success stories. I mean, first of all, it's the people closest to the work, again, going back to Deming and the concept of quality circles, there's people closest to the work that know how best to improve it, but you have to give them the information and the opportunity and the capacity to actually run those experiments and say, "Yes, this worked," and then apply those across the organization. I mean, one situation that we work with, and I ended up calling this the builder's dilemma, was when you looked at their stories, they were being completed and most organizations are this way. Their stories get completed in eight, nine, 12 days, right around two- or three-week iterations. When the business sees that, they say, "That's not my experience."

Carmen DeArdo (39:56):
When you actually measure the epics in the features, which actually deliver the business value, because most of the times they're decomposed into stories and they don't really get business value until those epics or features are delivered, they were running 50, 60, 70, 80 days. You could have a ratio of five, six, seven, 10 to one between the time to complete a story versus the time to actually deliver value, true value to the customer. You start to have that conversation and say, "Well, why is this happening?" We're talking to one team and there's some ratio of stories to features, and we start to look at how many things become in progress at any one point in time. They're doing these PI planning's and there are more and more things that are being brought in and started, but they aren't necessarily being completed.

Carmen DeArdo (40:51):
It's like a builder building houses, and yet they don't get their money and there is no value until they close and someone moves in and the bank gets their money. You ask questions like, "Why did you decide to start the 49th epic instead of focusing on finish one of the previous 48?" It sounds like an easy question, but, but the answer I got was kind of surprising. They said, "Well, we base our PI planning sessions on trying to keep as many stakeholders as possible happy. And if a stakeholder feels something of theirs is getting worked on, then we start it." "Well, okay. That's interesting, but maybe they're happy at the beginning, but there's a price to pay for that. They're not going to get into their house any sooner. Their

foundation might get poured, but it's going to sit there longer because of the process you're going through."

Carmen DeArdo (41:45):
They made a simple change. They just started to limit how many new things they started and focusing on improving and delivering value more quickly. It actually improved. Because they were doing less context switching, they were able to get more things done, reduce the flow of time on their epics. Even though they started later on some of these other items, they were actually being able to complete them earlier because they were more effective and efficient in how they were operating. That can be counterintuitive when you're thinking of the more things we can start in parallel, the better we will be, when it's actually the opposite of that. I guess that's my one story.

Carmen DeArdo (42:25):
I think as far as other learnings... and what I'm finding is how much people respond more to don't really understand who their customers are or focus on satisfying or delighting who they are. By that, what I'll say is, many times when you start to talk to an internal team or a platform team, and you ask, "Well, who is your customer?" It's kind of like crickets, or "what value do you actually provide?" I'm not blaming them. It's just not the way they're thinking. If you ask them more of why they're doing certain things, it's more like because their boss is telling them to do it rather than they're doing it to give a better customer experience. Bosses are not customers. I understand they're stakeholders and they can be very important stakeholders, but are we actually thinking... Sometimes when we're talking about how to measure flow time, they'll say, "Well, if I don't do it this way, it's going to make us look bad or it'll look bad on this report."

Carmen DeArdo (43:31):
I'll say, "Okay, let's flip this around. You are your customer. Is that how you would measure your time?" If I bring my car into the shop and I drive it on the lot, maybe it only goes up on the lift and they get it done in 45 minutes. I don't care about that. My car has been there three days. My clock started when I dropped my car off. Not when you put it on the lift. You have to start thinking like your customer. That sounds simple, but it isn't. I think trying to get people to look through the lens, this design thinking aspect of through the lens of their customer, what is it that they're doing and how is that being reflected from their customer's perspective? It doesn't come naturally in some of the environments that we work with.

Mik Kersten (44:21):
Carmen, I think as simple as it sounds, the clarity of that advice is understanding your customer, making sure everyone on the value stream understands the customer and what they're delivering. It is this catalyst for autonomy and for flow. The other one that you're relating is just stop starting and start finishing, which by the way, we have to do on this podcast, we have to start finishing. But again, as simple as it sounds, the power of this, when I've seen you apply it and help others apply it, is just amazing, because again, the results can be so quick.

Mik Kersten (44:54):
Before I invite you to share any last words, I do encourage everyone to take a look at Carmen's book: A ;eader's Guide to Digital Transformation, it won DevOps Dozen Awards, which was just great to see some of these great thoughts in there. Carmen, in terms of reaching out to you, reading more of what you've written, because you've been covering these topics in great detail and very eloquently, where can people find you?

Carmen DeArdo (45:16):

The easiest place to find me is on LinkedIn. Just Carmen DeArdo, you can find me. We also have a Project to Product group that's been formed where we have a lot of discussions along these veins around flow and making the journey for project to product. That's the best place to locate me. And I look forward to hearing from folks.

Mik Kersten (45:37):
Excellent. Thank you, Carmen. Any last words?

Carmen DeArdo (45:40):
Yeah. The key is sometimes when you're looking at these things and you're in middle of these things, it feels like you have a long ways to go, but I think part of the joy of this experience is also understanding how much progress you can make and the fact that these small successes, and they're not easy to get, but once you get them and you see people's eyes change from being very critical to hopeful, cynical to hopeful, I mean, I use that phrase in one of my talks, is probably one of the best satisfactions that you can get. I've seen it. I've seen people who were very cynical that, "Okay, this can't work" to "okay, I'm really excited now, I think this is really something that we can do." It can happen. It doesn't just have to happen at the unicorns. It can happen at your place and it's getting those first few successes and then you really can see some amazing things happen.

Mik Kersten (46:40):
Amazing. I could not agree more. I think those are some very inspiring words for people struggling with this, and again, looking at applying these principles is just how quickly and how effective this can be, especially when you take that outside and look.

Mik Kersten (46:53):
Carmen, thank you so much for joining us, and we'll wrap up. Reach out to Carmen on LinkedIn. Thank you everybody for listening.

Mik Kersten (47:06):
A huge thank you to Carmen for joining me on this episode. For more, follow me and my journey on LinkedIn, Twitter, or using the hashtags #MikPlusOne or #ProjectToProduct. You can reach out to Carmen via LinkedIn. I have a new episode every two weeks, so hit subscribe to join us again. You can also search for Project to Product to get the book. Remember that all the author proceeds go to supporting women and minorities in technology. Thanks, stay safe. And until next time.