



Let's Solidify Our Consensus And Further Advance The Practice Of Value Stream Management (VSM)

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In the dynamic landscape of software development and IT operations, Value Stream Management (VSM) as a practice and the automation platforms – Value Stream Management Platforms (VSMPs) - that automate the practices, have emerged as essential to optimizing and managing the entire software delivery lifecycle. The term “Value Stream Management” has been and continues to be discussed by analysts, vendors, and users. Before getting into the details, here is a brief history of Value Stream Management (VSM).

Timeline of Value Stream Management in IT:

2007: Introduction of Lean principles focused on eliminating waste and optimizing value streams in software development.

2011: Emphasis on collaboration between development and operations, setting the stage for integrated Value Stream Management.

2015: Value stream mapping, initially used in manufacturing, starts being applied to IT and software development processes.

2018: Gartner formally introduces the concept of Value Stream Management, emphasizing the need for comprehensive visibility and optimization across the software delivery lifecycle.

2020: Some of the first commercial Value Stream Management platforms (VSMPs) are introduced, providing tools specifically designed to manage and optimize software development value streams.

2022: VSMPs begin to incorporate AI and advanced analytics, providing real-time insights and automation capabilities to further streamline and optimize processes.

2024: A shift toward integrating strategic portfolio management capabilities, aligning development efforts with broader business goals and strategic initiatives.

This timeline highlights the evolution and growing importance of Value Stream Management in IT, from its roots in lean principles to the sophisticated, integrated platforms we see today.

Five Key Trends To Know That Are Shaping the Use and Understanding of VSMPs

- 1. The growing importance of end-to-end visibility:** One of the primary functions of VSMPs is to provide end-to-end visibility throughout the software delivery process. Organizations are increasingly recognizing the importance of having a comprehensive view of all phases, from ideation to deployment. This visibility allows teams to identify bottlenecks, streamline workflows, and ensure that each step adds value to the product. Real-time data integration from multiple DevOps tools into a unified platform is becoming a standard expectation for modern VSMPs.
- 2. Improve value stream mapping:** Value stream mapping remains a critical feature of VSMPs, enabling organizations to visualize and analyze the flow of value through their processes. By



mapping out value streams, companies can identify inefficiencies and areas for improvement. This focus on continuous improvement is essential to maintaining competitive advantage and delivering high-quality software products.

3. **Advanced analytics and performance metrics:** The ability to track and analyze performance metrics is another key strength of VSMPs. Real-time analytics provide actionable insights into key metrics such as lead time, cycle time, and deployment frequency. These insights are critical for making informed decisions and driving continuous improvement initiatives. As we progress through 2024, expect to see even more sophisticated analytics capabilities integrated into these platforms.
4. **Process automation and integration:** Automation is at the heart of modern VSMPs, helping to eliminate manual intervention and streamline repetitive tasks. These platforms are designed to integrate seamlessly with existing CI/CD pipelines, triggering actions based on pre-defined conditions. This not only increases efficiency, but also reduces the risk of human error, ensuring a more reliable and consistent software delivery process.
5. **Strategic portfolio management integration:** A notable trend in 2024 will be the increasing integration of strategic portfolio management (SPM) capabilities into VSMPs. This shift reflects a broader understanding that managing the value stream is not just about operational efficiency but also about aligning development efforts with strategic business goals. By incorporating SPM, VSMPs are helping organizations plan, prioritize, and execute initiatives based on their potential value and alignment with overall business objectives.

Market Terminology and Time for Consensus

The terminology surrounding VSMPs continues to be a topic of debate among vendors, users, and the analyst community. This discussion primarily revolves around the scope and features that define a VSMP, with differing views on whether related functionality such as strategic portfolio management should be included. Despite these differing opinions, the term "Value Stream Management" has been widely adopted to maintain consistency and avoid further confusion in the industry. Here are some facts to know:

- **The existence of the Value Stream Management Consortium (VSMC):** The [VSMC](#) is a collaborative organization of industry leaders dedicated to advancing the practice of Value Stream Management through research, best practices, and community engagement. Its mission is to help organizations optimize their software delivery processes and increase business value through effective Value Stream Management.
- **Market research and analyst perspectives:** According to Gartner's [2023 Hype Cycle for Emerging Technologies](#), the VSMP are reaching plateau in two to five years, reflecting the increasing importance and recognition of these platforms as an innovation trigger. Forrester highlights the significant potential of VSM to transform software delivery processes by providing comprehensive insight and optimizing workflows. According to their reports, the VSM market is growing rapidly, with projections indicating a significant increase in adoption as organizations seek to improve their agility and operational efficiency. [Forrester](#) also emphasizes the need for a clear understanding and consistent use of the term "Value Stream Management" to ensure industry-wide clarity and alignment among vendors and users. [IDC](#) highlights that VSM solutions are critical to improving operational efficiency, customer satisfaction, and reducing time-to-



market by identifying bottlenecks and optimizing value streams. IDC's evaluations emphasize the integration of VSM with agile project and portfolio management (PPM) to support adaptive responses in dynamic competitive environments, leveraging AI and analytics for enhanced data visibility and decision-making.

- **Organizational alignment around value streams:** Industry leaders using VSM today acknowledge an ongoing debate about the exact name and scope of this market. Despite differing opinions, many have opted to retain the term "Value Stream Management" to avoid further confusion and maintain a consistent understanding across the industry, and more importantly, in the [VSMCs 2023 research report](#), 32% of survey respondents said that they are organized around value streams (up from 22% in 2022).
- **Time for consensus as adoption looks strong:** Our research at [Research In Action](#) shows significant adoption rates of VSMPs, with 46% of organizations currently using them and another 30% planning, piloting, or evaluating their use, indicate a strong consensus within the industry to continue down this path. Given the significant adoption rates, there is a strong industry consensus on the value and importance of this approach. These numbers underscore the widespread recognition of the benefits of VSMPs in optimizing software delivery, improving cross-functional collaboration, and aligning development efforts with business goals. As such, it is critical that the term "Value Stream Management" be maintained to ensure consistency and clarity across the industry. Adherence to this established nomenclature will facilitate better communication, implementation, and further innovation, allowing organizations to continue to effectively leverage these platforms to drive efficiency and competitive advantage. By preserving the term, we honor the collective understanding and shared commitment of the many companies already investing in and benefiting from Value Stream Management.

Our Recommendation:

Given this level of adoption and industry consensus, it is imperative that the term "Value Stream Management" be retained. This consistency will facilitate better communication, implementation, and innovation, allowing companies to continue to effectively leverage these platforms and adopt the VSM best practices. By preserving the term, we honor the collective understanding and shared commitment of the many companies already investing in and benefiting from VSM. Now is the time to solidify our consensus and further advance the practice of Value Stream Management to drive efficiency, agility, and competitive advantage in the evolving digital landscape. As always, happy to discuss this to please reach out.