

BusinessValue, "The Tesla equation"

BusinessValue, Story In Storypoints



BusinessValue is one of the most misunderstood concepts in Agile/Scrum. In this paper we try to give a handle that makes the concept of BusinessValue clear and increases the quality of your Product backlog.

The value of a product or the addition of value to a product is for a company or organization that what we call the BusinessValue.

How you determine the value for your company or organization is very situation dependent.

For example, the value of a system based on the guilder was of great importance before 2002 but after that, by introducing the Euro of no value (anymore). The value of a product or service or its expansion is therefore not fixed in time.

But there is a relationship between the investment that is made and the expected proceeds or the obligation to be met.

For example, the GDPR (General Data Protection Regulation) has no value for a company (assumption!) because the company is not getting better, faster, cheaper or more competitive by it but the GDPR is imposed by the legislature. If you don't comply with the law, you can't run your business anymore. The GDPR is not a BusinessValue, but it is necessary.

Why you do or don't do something depends on value you attribute to it. For example, luxury has a lot of value for some people but others assign more value to simple practical things.

But what's important to your business now and why is it important to know?

If you can objectively determine whether it is worth the investment, you can or can't make an investment based. In addition, if you want to make multiple investments, you can prioritize the investments better and more informed

I use the following **definition for BusinessValue**:

"BusinessValue is the value that an investment generates in (random order) money, job savings or capacity, (commercial) image, appearance, time or turnover"

BusinessValue can be expressed in a ratio number with the other items on the product backlog. This means that product backlog items with the same number have the same BusinessValue but not necessary flat.

BusinessValue is a value determined by the Product Owner together with the stakeholders.

To explain what BusinessValue is, I use a car as a metaphor and, to be modern,



"The Tesla equation."

Examples of BusinessValue:

01) Imagine being the proud owner of a Tesla.

During an overnight ride, one of the headlights falls out.

Answer:

The repair of a headlight is not a BusinessValue because that headlight always worked, is in the specification and is therefore a bug.

BusinessValue:	<input checked="" type="checkbox"/>
It's a Story:	<input checked="" type="checkbox"/>
Estimated in Storypoints:	<input checked="" type="checkbox"/>

No BusinessValue, no story (in Jira concepts), no storypoints.

02) Imagine being the proud owner of a Tesla.

It's a nice car with nice features but there's now lane support available
You are enthusiastic and buy the lane support:

Answer:

This is new requested functionality and therefore Businessvalue and a Story (in Jira concepts) thus award ing Storypoints.

BusinessValue:	<input checked="" type="checkbox"/>
It's a Story:	<input checked="" type="checkbox"/>
Estimated in Storypoints:	<input checked="" type="checkbox"/>



03) Imagine being the proud owner of a Tesla.

It's a nice car but unfortunately there's something broken right away.

The repair is not a BusinessValue because you bought a car without defects as it is touted in the leaflet
So it's a bug.

Answer:

This is not a Businessvalue, not a story (in Jira concepts), no storypoints, but a Task.

BusinessValue:	<input checked="" type="checkbox"/>
It's a Story:	<input checked="" type="checkbox"/>
Estimated in Storypoints:	<input checked="" type="checkbox"/>

04) Imagine being the proud owner of a Tesla.

You want to go to winter sports and that's why winter tyres want to be mounted under your car.

Here's two ways to look at it:

BusinessValue:

It's BusinessValue because you get better driving characteristics under special circumstances.

No BusinessValue:

A car is always equipped with the functionality tires: then this is not a BusinessValue.
The car drives and keeps driving.

Answer:

My preference is not a BusinessValue=No story (called a Task)=No story points because the functionality does not change.

In computer terms, you can think of changing the color of a text/button/background.

However, the colour has a functional value then it is BusinessValue!

BusinessValue:	<input checked="" type="checkbox"/>
It's a Story:	<input checked="" type="checkbox"/>
Estimated in Storypoints:	<input checked="" type="checkbox"/>

05) Imagine being the proud owner of a Tesla.



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And you bring your car for maintenance. There are no specifics.

Answer:

This isn't businessValue:

The car is and remains in fact unchanged in functionality.

This is separate from the extra training that the mechanic has done and the extra equipment purchased by the garage to (continue) maintenance.

But it's a task.

BusinessValue:	<input checked="" type="checkbox"/>
It's a Story:	<input checked="" type="checkbox"/>
Estimated in Storypoints:	<input checked="" type="checkbox"/>

06) Imagine being the proud owner of a Tesla.

During a happy ride you can hear a lot of noise somewhere under the car.

The road guard comes to see

Answer:

This isn't businessValue:

The road guard makes an impact analysis. And notes that there is a wheel bearing piece.

Big bales.

With this knowledge you decide to have the defect fixed.

This isn't businessValue:

The garage recognizes the impact analysis of the road guard and proposes repair.

This takes 4 hours and you can wait for it.

The functionality of the car does not change.

In automation terms, you're talking about a bug=no BusinessValue.

BusinessValue:	<input checked="" type="checkbox"/>
It's a Story:	<input checked="" type="checkbox"/>
Estimated in Storypoints:	<input checked="" type="checkbox"/>



07) Imagine being the proud owner of a Tesla.

The car gets a bit older and just doesn't run as well as before. You actually want a new one.

Answer:

This is a tricky one.

If you buy the same car with the same functionality, there is no BusinessValue

If the car has more functionality such as seat heating extra lamps and all that, and you ask specifically for this, then that's BusinessValue.

In computer terms, replacing functionality, I would score as Task.

BusinessValue:	<input checked="" type="checkbox"/> maybe <input checked="" type="checkbox"/>
It's a Story:	<input checked="" type="checkbox"/>
Estimated in Storypoints:	<input checked="" type="checkbox"/>

08) Imagine being the proud owner of a Tesla.

The Tesla company has a big update for the car. If you want to continue using the car in the future, this update must be carried out before the car.

The update has many changes that allow the garage to work faster and therefore cheaper. In addition, the consumption and handling of the car improves.

In automation terms, you could think of wls migration. "No one's got anything to do" but in the end the update guarantees that the product will last longer.

Answer:

This isn't businessvalue

BusinessValue:	<input checked="" type="checkbox"/>
It's a Story:	<input checked="" type="checkbox"/>
Estimated in Storypoints:	<input checked="" type="checkbox"/>



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09) Imagine you're the proud owner of a BMW X5.

You took another car. One that guzzles nice gasoline but above all has a nice broem.

After you've driven away from the dealer, just in front of the gas station, you'll see that the fuel light is on, so you have to refuel.

Answer:

This is not a BusinessValue but normal functionality.

BusinessValue:	<input checked="" type="checkbox"/>
It's a Story:	<input checked="" type="checkbox"/>
Estimated in Storypoints:	<input checked="" type="checkbox"/>



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Summary

"BusinessValue is the value that an investment generates in (random order) money, job savings or capacity, (commercial) image, appearance, time or turnover"

In summary, you can argue that:

If you haven't asked for it but you have to:	No BusinessValue;
If the piece is broken and it is repaired:	No BusinessValue;
You've asked for something new, or an adjustment,:	BusinessValue;

If something is BusinessValue, it's described in a Story and estimated in Storypoints.

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