Measuring the Business Benefits of SAFe

Defining Outcomes that Matter

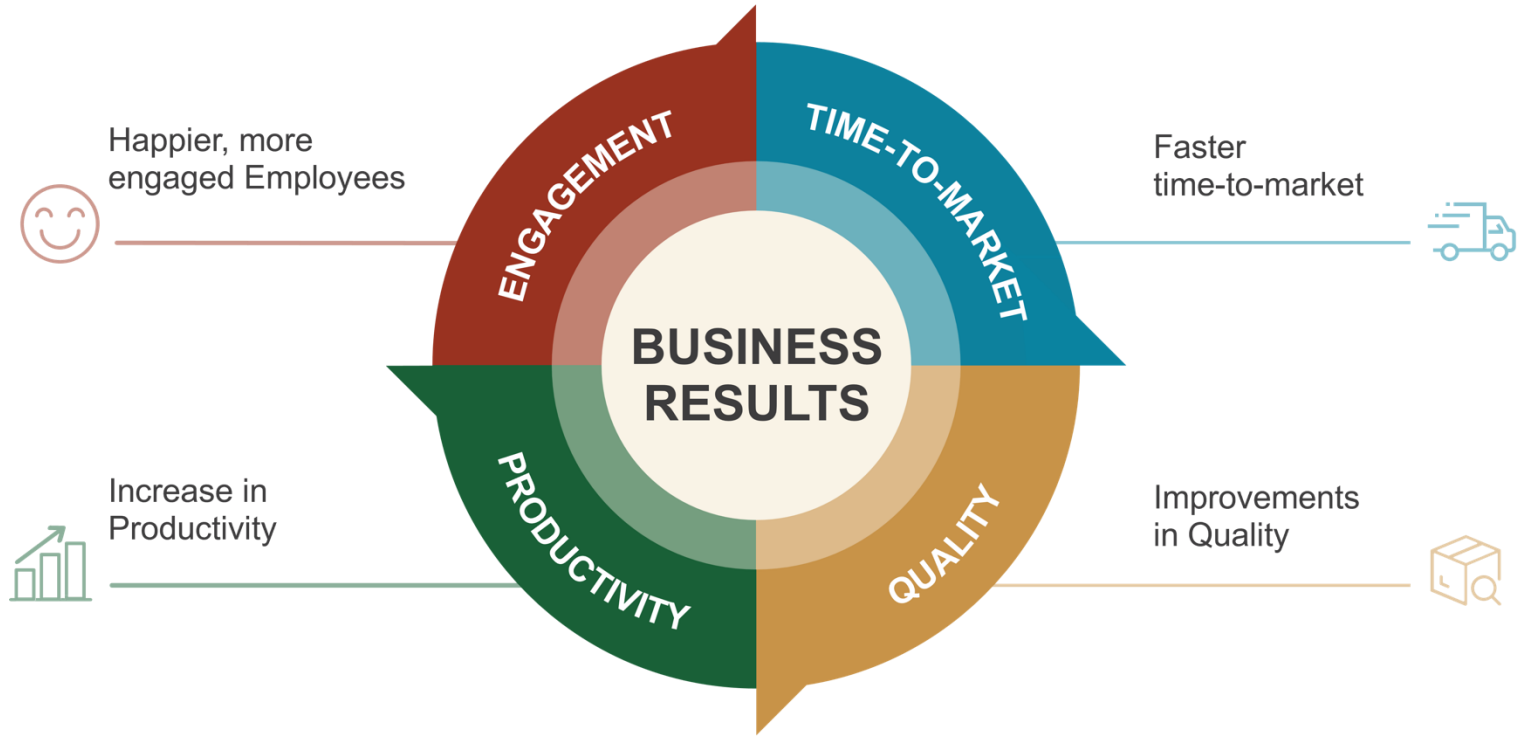**Marc Rix**

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How does SAFe benefit the business?

Typical results reported by SAFe customers

Happier, more engaged Employees

Faster time-to-market

Increase in Productivity

Improvements in Quality

ENGAGEMENT

TIME-TO-MARKET

PRODUCTIVITY

QUALITY

BUSINESS RESULTS

You: "Let's talk about the benefits of SAFe."

CMO   CIO   CPO   CISO   CFO   Random Guy

"Tech leaders who are fluent in both the language of business performance and the language of technology deliver the best results."

—*DevOps Enterprise Journal*, 2023

You: "Let's talk about your business goals…"

CMO   CIO   CPO   CISO   CFO   Random Guy

You: "…and how we might be able to help."

Higher **REVENUE**
Lower **COST**
Lower **RISK**
Happier **CUSTOMERS**

SAFe outcomes are leading indicators

SAFe Outcome	Business Outcomes
Faster **time-to-market** (Shorter lead time from trigger to value)	**Revenue** captured sooner Lower inventory holding **costs** Higher **customer** loyalty
Higher **quality** (Solutions function as desired and required)	Higher/premium **pricing** Lower **cost** of rework Higher **customer** engagement
Higher **productivity** (More work done in less time)	Higher **capacity** for innovation Lower labor **cost** per unit Less spoiled **inventory**
Higher workforce **engagement** (Positive, creative, collaborative culture)	Higher rate of **innovation** Lower hiring and training **costs** Improved **customer** service

Great outcomes start with a great strategy

Step 1: Know the business context

Step 2: Identify the business objective

Step 3: Align the transformation objective

Step 4: Deliver the results

SAFe Transformation Canvas

Step 1:
Know the business context

Who are we?

   (Line of Business, Division, Business Unit)

What is our purpose?

   (Commercial products, mission, value prop)

Who do we serve?

   (Customers, markets, segments, regions)

How will we succeed?

   (Vision for the future, competitive edge)

Example: business context

	Who are we?	What is our purpose?	Who do we serve?	How will we succeed?
Business (OVS)	Autonomous Vehicle Delivery Operations	Enable point-to-point, light load parcel deliveries	General public, suburban areas near TTC distribution hubs	Capture dominant market share in emerging regions
	↑ *Supports*	↑	↑	↑	↑
Technology (DVS)	Autonomous Vehicle Engineering	Design and manufacture autonomous delivery vehicles	TTC business units exclusively	Provide safe, reliable, market-leading Avs to fuel business growth

Step 2:

Identify the business objective

What business goals are driving change?

    (Enterprise strategy, vision, strategic themes)

What are the desired business outcomes?

    (Revenue, cost, risk, customer happiness, etc.)

How will success be measured?

    (KRs, KPIs, business performance metrics)

Example: business objective

Objective	Key Results	
Achieve a dominant position within the autonomous delivery market	Increase serviceable market to 75% within 18 months	➤ MARKET SHARE
	Increase Net Promoter score from 35 to 60	➤ CUSTOMER HAPPINESS
	Improve repeat business rates from 60% to 80%	➤ REVENUE
	Acquire 15% new customers over the next 12 months	➤ REVENUE

(Lagging indicators)

Step 3:

Align the transformation objective

How must product development transform?

(Vision for change, purpose, urgency, scope)

What are desired transformation outcomes?

(Time-to-market, quality, engagement, etc.)

How will success be measured?

(KRs, KPIs, delivery performance metrics)

Example: transformation objective

Objective	Key Results		
Build a world-class innovation hub for market-leading autonomous vehicle technology	Reduce MVP lead-time-to-validation from 6 months to 1 month	➡	TIME TO MARKET
	Increase Employee Net Promoter Score (eNPS) from 50 to 70	➡	ENGAGEMENT
	Increase number of certified AV builders from 75% to 100% of engineering staff	➡	PRODUCTIVITY
	Establish Lean QMS based on federal motor vehicle safety standards	➡	QUALITY

(Leading indicators)

Business Context

Business Context

Who are we?	What is our purpose?	Who do we serve?	How will we succeed?

Who are we?
- Terrific Transport Corporation (TTC)
- Autonomous Vehicle Delivery Operations
- Autonomous Vehicle Engineering

What is our purpose?
- Enable point-to-point, light-load autonomous vehicle deliveries
- Design & manufacture autonomous delivery vehicles

Who do we serve?
- General public, suburban areas near TTC distribution hubs
- TTC business units

How will we succeed?
- Capture dominant market share in emerging regions
- Provide safe, reliable, market-leading AVs to fuel business growth

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Transformation Objective

Build a world-class innovation hub for market-leading autonomous vehicle technology

Business Objective

Achieve a dominant position within the autonomous vehicle delivery market

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Desired Transformation Outcomes

Time-to-Market	Quality	Productivity	Workforce Engagement	Other
1	4	3	2	X

Desired Business Outcomes

Revenue	Cost	Risk	Customer Happiness	Other
3 / 4	X	X	2	1 — Market Share

Key Transformation Results

Desired Outcome	Metric (Leading Indicator)	From	To
Time to Market	Lead Time to Validate MVP	6 months	1 month
Workforce Engagement	Employee NPS (eNPS)	50	70
Productivity	% Staff AV Certified	75%	100%
Quality	FMVSS Lean QMS	Partial Compliance	Full Compliance

Alignment

Key Business Results

Desired Outcome	Metric (Lagging Indicator)	From	To
Market Share	Serviceable Market %	45%	75%
Customer Happiness	Customer NPS	35	60
Revenue	Repeat Business Rate	60%	80%
Revenue	Customer Growth Year 1	--	15%

Step 4:
Deliver the results

How will we communicate the strategy?

  (Storytelling, inspire, motivate)

How will we track progress?

  (Measure, adjust, celebrate)

Example: SAFe value message

Good morning, <u>Executive Steering Team</u>. We are the <u>Lean-Agile Center of Engineering Excellence</u>. As you know, <u>the Autonomous Vehicle Delivery Operations division</u> has a business objective to <u>achieve a dominant position within the autonomous vehicle delivery market</u>. <u>The Autonomous Vehicle Engineering organization</u> is committed to doing our part to achieve it.

We have developed a transformation strategy and OKR to significantly improve <u>time-to-market, workforce engagement, productivity, and quality</u> in support of this goal. We have identified <u>four</u> specific and measurable key results that will drive these outcomes. Specifically, we aim to <u>reduce lead-time-to-validate MVPs from six months to one month, increase Employee NPS from 50 to 70, obtain AV Builder certifications for all engineers, and establish a Lean Quality Management System based on Federal Motor Vehicle Safety Standards</u>. These outcomes directly support <u>the Autonomous Vehicle Delivery Operations division</u>'s goals to <u>expand the serviceable market, boost customer NPS, raise the repeat business rate</u>, and <u>grow the customer base</u>.

To successfully execute this strategy, we will need to upskill our people, streamline our processes, and modernize our technology quickly. The Scaled Agile Framework has helped many <u>automotive</u> organizations like ours transform to thrive in the age of digital and AI. Implementing SAFe will provide the shared principles and language we'll need to <u>provide safe, reliable, market-leading AVs to fuel business growth</u> so that together we can <u>capture dominant market share in emerging regions</u>.

We are confident this is our surest path to mutual success and request your support. What questions do you have?

Example: Tracking transformation outcomes

Objective	Key Results	Q1	Q2	Q3	Q4
Build a world-class innovation hub for market-leading autonomous vehicle technology	Reduce MVP lead-time-to-validation from 6 months to 1 month	↓ 5m	↓ 4m	↓ 2m	
	Increase employee net promoter score (eNPS) from 50 to 70	↓ 40	↑ 55	↑ 60	
	Increase # of certified AV builders from 75% to 100% of engineering staff	↓ 70%	↑ 75%	↑ 90%	
	Establish Lean QMS based on federal motor vehicle safety standards	↑ 20%	↑ 50%	↑ 80%	

Exceed business expectations

Higher **REVENUE**
Lower **COST**
Lower **RISK**
Happier **CUSTOMERS**

SAFe outcomes enable measurable business results.

Business leaders will promote it when they see it

"The transformation is worth billions of dollars in bottom line value." –EVP

"We have partners in the business who don't want to go back." –CDO, MD

"This model really helps to attract the best talent in the market." –CIO

"We feel like a small, nimble company again." –EVP

THANK YOU
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