

# Accelerating outcomes through data- driven prioritization

**Authors**

Matt Gierhart  
Linda Luu  
Brooke Einspanier  
Jeanette Cajide

# 2/3

CEOs stated using technology to drive more revenue generating activities will be crucial in 2023.<sup>1</sup>

Imagine a world where you can predict the actual value of a specific product feature and how it impacts the business. A world where business and IT have a simple way to answer the questions:

- What value outcomes are we trying to achieve?
- Where should we focus to achieve goals?
- How do we prioritize work?
- When will value be realized?

With numerous priorities, complex systems and multiple stakeholders involved, assessing the true impact and value of initiatives is a daunting task. A lack of transparency and traceability makes it difficult to organize, track and measure the value of tasks performed by product teams, such as user requirements, backlog items, epics or stories. The problem is further compounded in enterprises with numerous digital products and platforms. The inability to make informed decisions about resource allocation, prioritization and strategic planning will ultimately impact the ability to deliver customer and stakeholder value. Thus, adapting and pivoting a product build to changing market or business conditions becomes nearly impossible.

**In this environment, agility matters; but change without a measurable strategy is just chaos.**

To address these challenges and avoid chaos, we developed a framework called Value Orchestration. This framework links strategic objectives directly to the features in a product, enabling executives to make product decisions based on actual value rather than anticipated value. Value Orchestration's data-driven approach empowers product teams to effectively assign value to work items by consolidating feedback from various sources, such as customers and sales teams. It is a repeatable and actionable business process that aligns objectives, user requirements and team actions to value in a centralized dashboard with reporting capabilities.

With Value Orchestration, executives are able to measure, analyze and optimize their strategies, while promoting transparency, traceability and adaptability. Organizations gain a deeper understanding of initiatives' impact, enabling prioritization of tasks based on value generation while quickly adapting to evolving market situations and business goals.

# 64%

Product features are rarely or never used.<sup>2</sup>

## CONNECTING STRATEGY TO EXECUTION

Digital product launches often face limited adoption and usage due to various factors, but a common issue is the reliance on assumptions about users' needs and required features. Initiatives are frequently approved and funded based on perceived customer value or business optimization, rather than grounded in solid data.

To avoid wasting valuable time and resources on the development of rarely used features, enterprises require an approach that enables them to evaluate both qualitative and quantitative data, form hypotheses and track them throughout the build, launch, test and measurement phases. Value Orchestration offers a solution, emphasizing the delivery of tangible value by shifting the focus from features to outcomes. It ensures that product development is driven by well-informed decisions, ultimately leading to more successful product launches and better resource allocation.

*Value Orchestration provides the framework for identifying what is most likely to deliver tangible value – shifting the focus from features to outcomes.*

### What is **tangible value** for the enterprise?

There are three types of tangible value that work in tandem to allow enterprises to maximize value from their digital portfolios:

*User value: Will an initiative, product, or feature address an unmet need or pain point?*

- User value is what will make a measurable impact on the intended end user when they use the product. To identify user value, teams use research and pain point identification to uncover opportunities for continuous improvement and an actionable path forward.

*Business value: Does the business have a common vision driven by metrics?*

- Business value creates alignment among leadership on what expected benefit will be achieved from the work. To identify business value, team members work with business leadership to identify outcomes and key results measured through KPIs.

*Distributed value: Will the cost outweigh the benefit?*

- Distributed value ensures the effort to deliver value does not outweigh the value delivered. To identify distributed value, teams create a backlog containing a prioritized list of features based on the business and user value that will be delivered through the feature and pair it with a capacity tracker.

Value orchestration empowers a transformative program to focus on the user problems that drive business value.

Embedding Value Orchestration in the digital product development lifecycle allows you to quickly recognize market opportunities, harness the capabilities of all employees and effectively drive value. There are four principles that organizations need to embrace to make the most out of the Value Orchestration process.



Align on strategic outcomes

Identify gaps in the ability of current initiatives to deliver meaningful value and accelerate outcomes.



Identify and breakdown value

Assess all decisions based on data, drawing connections between business goals, user needs and expected value.



Prioritize by mapping value to effort

Shift the focus from a large program of work or multi-year delivery schedule to smaller, reasonable and measurable efforts.



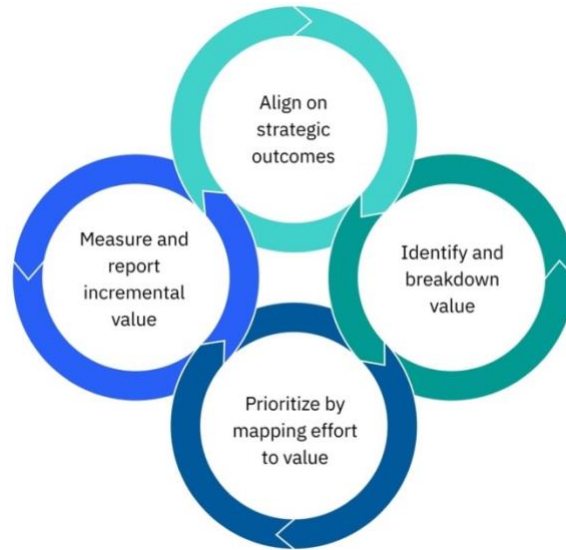
Measure and report incremental value

Trace value throughout the lifecycle to dynamically meet user demand while also managing business expectations.

Yet teams often get stuck at various points of a product’s lifecycle. Value Orchestration provides a way to get unstuck. It is possible, and even likely, that you will need value orchestration to “meet you where you are” – whether that’s reevaluating strategy or establishing new success metrics to track.

Value Orchestration is a continuous and nimble system that makes value traceable. This continuous loop makes it possible for teams to embrace the framework anywhere in the process (Figure 1) to start driving successful outcomes quickly.

Figure 1. Implementing Value Orchestration



To recognize the full richness and depth of Value Orchestration, you need to understand every stage and determine where your enterprise is in the cycle.

## Value Orchestration journeys: begin where you are

### *Make your strategy and user research tangible*

- Identify and breakdown value based on research and then **align** this to your desired strategic outcomes to **prioritize** product development efforts. **Measure and report** incremental value on a continuous basis.

### *Align efforts based on desired outcomes*

- **Prioritize** existing backlog to desired outcomes, continuously **measure and report** on their success and how the value delivered **aligns** to strategic outcomes. **Identify** new initiatives to further support your strategic outcomes.

### *Get your leadership to make data-driven decisions*

- Decisions are based on the data provided through **measure and report**. Based on this data, work is **prioritized** by mapping effort to value and then you **identify** the backlog that you hypothesize will be **aligned** to strategic outcomes.

# 108%

ROI when  
implementing Value  
Orchestration.<sup>3</sup>

## MEET BEECO

BeeCo is one of the largest beauty retailers in North America with over \$10 billion in revenue and more than 4,500 stores across the US and Canada. Due to recent drops in store operating margin and the growing impact of the dynamic customer, the company is looking to improve their digital tools in store and online. Recent user research has indicated several pain points and areas for improvement; but, with a limited budget, leadership isn't sure where to start.

Working hand-in-hand with IBM, the BeeCo team utilizes the Value Orchestration framework to align their strategic imperatives with their hopes and goals for their digital product improvements.



# 3,000

internal alignment  
hours saved annually  
by the application of  
Golden Threads.<sup>4</sup>

## MEET BEECo

### ALIGN

The business identifies key goals they have for the year including increasing average ticket/receipt, increasing returning guest rate and improving employee productivity.

Through extensive research and discussion, a Golden Thread was created around modernizing the digital tools that facilitate, enhance and manage the customer experience for in store salon appointments.

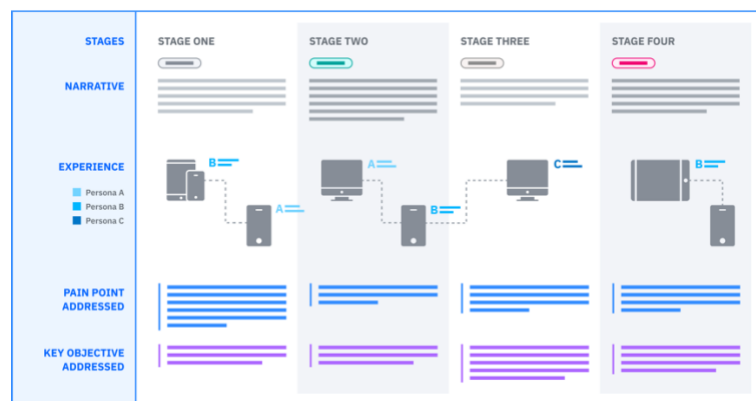
## ALIGN ON STRATEGIC OUTCOMES

In today's fiercely competitive digital landscape, having a clear direction and understanding of value is essential for success.

Complex processes and siloed structures within enterprises can lead to disjointed user experiences and ambiguous value attribution. It becomes challenging for team members to see how their work aligns with the broader vision, making prioritization and consistency difficult to achieve. And hindering an organization's ability to pivot quickly.

One of the ways we solve for this within Value Orchestration is through the creation of a Golden Thread journey map. Golden Threads consist of three elements: product vision, product value and the roadmap for realizing that value.

Figure 2. Golden Thread journey map



It is a potent tool for visually curating your vision and roadmap across all products, enabling you to:

- Define user journeys that align with strategic goals and encourage desired behaviors
- Enhance user satisfaction and engagement by delivering consistent experiences
- Identify pain points being addressed and the value being created, clarifying the overall value proposition
- Bring your vision to life through the supporting architecture

By creating a Golden Thread journey map, teams can better align their work to the strategy and understand the value they deliver. This enables a team to quickly define and prioritize backlogs and drive roadmaps for various products, portfolios, and more. Trust and accountability are fostered, promoting collaboration to drive strategic outcomes.

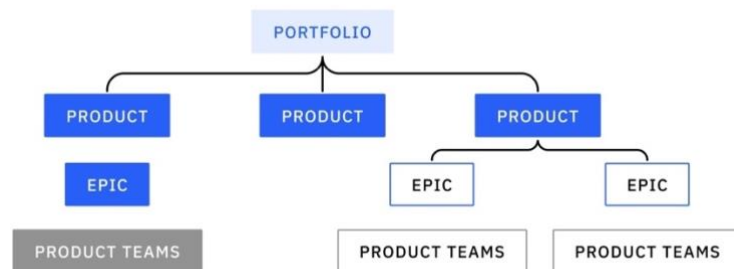
~26%

increase in expected value from roadmaps with Value Orchestration.<sup>5</sup>

## IDENTIFY AND BREAKDOWN VALUE

Value Orchestration is not about functions, it is about mapping value to the work that needs to be done. It emphasizes the connection between strategy, portfolio or product initiatives, and the value to customers. One way to do this is using a Lean Value Tree. A Lean Value Tree provides a starting point for organizations to identify the roadmap against which all teams will execute. Based on the enterprise's strategic vision, specific goals for portfolios or products are set by the business. Hypotheses of how to achieve these goals are generated collaboratively with business and technology leaders based on quantitative and qualitative data, such as the Golden Thread.

Figure 3. Conceptual Lean Value Tree



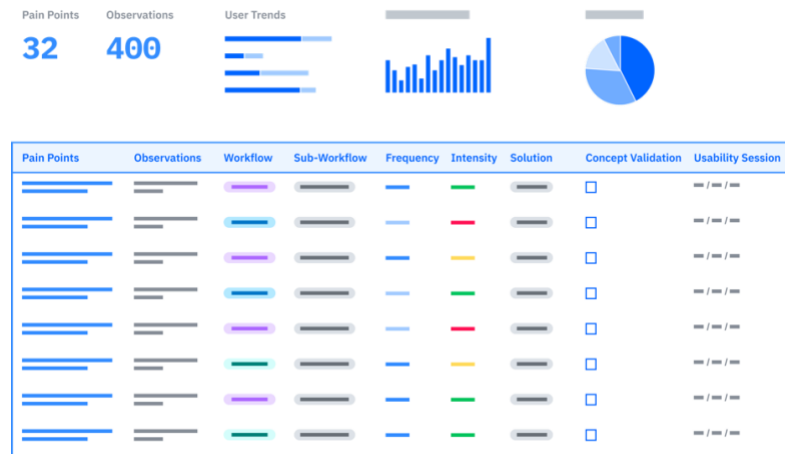
Looking at the resulting roadmap for each of your digital products, you can define the epics needed to deliver value. Teams will deliver epics through iterative, quick release building and user testing to prove (or disprove) a hypothesis. Hypotheses are validated by their ability to deliver on the expected value.

**Not all bets will pay off – they don't all provide the same level of impact on the user experience and overall product success.**

A streamlined way to create traceability of value for each epic is by using a Pain Point Tracker, which associates the backlog to pain points and provides a process by which to prioritize and assign value to each pain.



Figure 4. Pain Point Tracker



MEET BEECo

**IDENTIFY**

During generative research to understand guest sentiment toward BeeCo, the team uncovered several pain points between customers and in store stylists. They were documented, scored and aligned with KPIs linked to each specific pain using the Pain Point Tracker.

The team took these inputs and focused on digital features that could address both the business’ strategic goals and the customer pain points to create epics. The business conducted a value assessment for each epic and shared the results with the development team.

Leadership was then asked to weigh in to balance the value projected against the effort to deliver.

The Pain Point Tracker is a more tactical approach to clearly address pain points, not just push each team to “finish.” It can connect multiple types of value (e.g., strategic, user, technical, regulatory) and shows how each can be tagged to the backlog.

By creating this traceability, enterprises can realize the following benefits:

- Portfolio: Projection of value to better express where different types of value are going
- Product: Quicker access to pivot points based on market trends and moves
- Product team: More visibility and investment into why they are building out certain features and functionality

Value Orchestration provides a better understanding of business outcome value drivers, enabled by customer Golden Threads, and the technical requirements and capabilities required to deliver on them.

To go from strategic initiative to delivery, enterprises need to take a data-driven approach to prioritization that balances results and the effort required to drive value.

#### MEET BEECo

#### PRIORITIZE

BeeCo's combined team took the outputs and prioritized epics based on various factors, including distributed value items that needed to be in place prior to development, business stakeholder discussions needed for clarity and User Research Validation on design to have customers and stylists affirm the epic would deliver the value expected.

## PRIORITIZE BY MAPPING EFFORT TO VALUE

Value Orchestration uses existing metrics (OKR, KPI) to delve deeper on features aligned to backlog. It requires that you demonstrate how the intended business value directly impacts each epic's overall success – tying the insights gained from data analysis to specific user pain points and observations.

Both quantitative and qualitative data inputs, such as user research, business results and required effort, must be available and weighted appropriately. With AI and machine learning, analyzing combined datasets allows for correct prioritization and communication of the right narrative to relevant stakeholders regarding prioritization, deprioritization or removal from the roadmap.

Once value is identified, it must be broken down to a detailed view of the technical acumen and effort required to deliver. Given capacity, budget and skill constraints, business and user outcomes are considered in tandem to identify distributed value.

**Value Orchestration measures what really matters: outcomes, not outputs.**

Understanding how to take pain points and align teams to specific backlogs that add value as quickly as possible is essential. Common prioritization techniques, such as Kano, MoSCoW, and WSJF, follow a traditional method of prioritizing features over outcomes and cost over value. Prioritization through Value Orchestration is designed to shift a team's mindset from outputs to outcomes.

It is not about getting the biggest bang for your buck, but rather about mapping pain point solution scenarios to expected, incremental value and prioritizing your backlog accordingly.

Value Orchestration aligns top line vision and goals to specific metrics at the delivery team level.

Figure 5. Tying user and business value to pain points



Before leaping into “big bang” projects, enterprises should focus on dividing the program into manageable segments and delivering results early and often. This allows you to gather user feedback and validate epics quickly and iteratively. This incremental approach helps minimize never-ending projects, costs related to extensive delays and risk of failure while the enterprise builds new capabilities.

Creating traceable line of value from strategy all the way to the work delivered by product teams is what truly separates value orchestration from traditional approaches. Prioritizing the backlog is a complex effort that few enterprises have truly mastered. The ability to see how value is distributed allows organizations to streamline decision making, pivot based on real data and increase speed to value.

Top 3 priorities for CEOs can all be impacted through Value Orchestration:

1. Productivity or profitability
2. Tech modernization
3. Customer experience<sup>6</sup>

## MEASURE AND REPORT INCREMENTAL VALUE

The process of delivering value doesn't end with implementation. Value Orchestration rethinks traditional metrics to quantify the realized value (or actual value) of a digital product. Continuous monitoring, feedback gathering and reporting are necessary to make certain the product meets user needs effectively and sustains value.

To measure and report realized value, organizations determine the metrics most relevant to the success and value of the product. Depending on the nature of the product, these metrics could include user engagement, retention rates, conversion rates, revenue and customer satisfaction.

Figure 6. Example of value-based metrics



An existing enterprise metric model is a great starting point to make informed decisions throughout the product development process. Traditional product measurements, such as KPIs (speed/velocity, features delivered, within budget) focus more on delivery outputs than customer outcomes. Objectives and Key Results (OKRs) do a better job at aligning the portfolio metrics directly to strategic objectives, but still fall short of measuring real value for the business. These traditional metrics often place the emphasis on lagging measures that don't help teams understand whether their work is making an impact toward the strategic goals.

**Utilizing the right measurement tools is essential to making certain that value is not just assumed but tracked and measured.**

With Value Orchestration, the goals, pains and gains of users are leading indicators of customer value. This provides insight into whether an initiative is on track to prove your hypotheses. Making this data accessible to both the business and IT on a continuous basis completes the path of traceability.

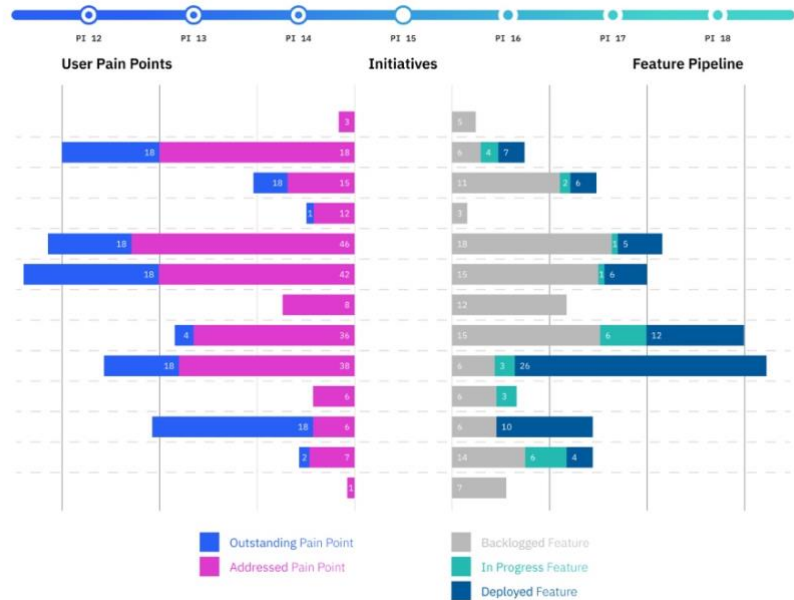
MEET BEECo

MEASURE

BeeCo captured initial baseline metrics to make certain that when epics were delivered, they could be measured against the current state.

By creating dashboards, enterprises can show a direct correlation between user pain points and the backlog. Value Orchestration Dashboards continuously monitor whether the solutions are solving the pain points they are intended to, and whether solving those pain points is delivering the impact that you expect in terms of both user behaviors and the enterprise outcome goals.

Figure 7. Value Orchestration dashboard



Together with traditional metrics and ongoing user feedback, Value Orchestration metrics enable product teams to demonstrate the incremental and realized value being delivered. The dashboard also helps the enterprise look across and down the initiatives to see which epics have resolved the most critical pain points and guide decisions on when to pivot, fold or double down on digital product initiatives.

## CONCLUSION

Value Orchestration provides organizations with a clear view of both the present and future, empowering them to prioritize and pivot as needed to drive value. It involves understanding your users' needs, delivering solutions that address those needs and ensuring the product remains relevant and valuable over time.

By making value traceable from inception to outcomes, Value Orchestration supports and nurtures successful digital product transformation across the enterprise and mitigates the risk of chasing the wrong opportunities. With the right mindset and tools, you can embrace Value Orchestration at any point during the product lifecycle and drive real change in how the business and IT connect – elevating the role of IT across the organization.

## ABOUT THE AUTHORS



**Matt Gierhart**  
Global Lead Partner, Digital  
Product Engineering  
IBM Consulting  
Matt.Gierhart@ibm.com

Matt is focused on helping clients identify and implement new innovations and products. As a thought leader, he works across geographies and sectors to apply new uses of technology and digital business models. Matt's key skill is turning visions, new offerings, and innovations into actual projects with measurable benefits for the client and local teams.



**Linda Luu**  
Partner, Head of Product  
Dialexa, an IBM Company  
Linda.luu@dialexa.com

Linda is passionate about designing solutions that meet business and customer needs while being technically feasible. She has over 20 years' experience working with global organizations seeking to respond faster to the shifting needs of customers, in the areas of portfolio management, scaling product teams, operationalizing the adoption of value streams.



**Brooke Einspanier**  
Associate Partner, Intelligent  
Product  
IBM Consulting  
beeinspa@us.ibm.com

Brooke provides clients with insights that help to launch a feature, initiative, or product that enhances value. Establishing key outcome metrics, including customer satisfaction, accessibility and revenue and profitability of developed offerings.



**Jeanette Cajide**  
Vice President of Strategy  
Dialexa, an IBM Company  
Jeanette.Cajide@dialexa.com

Jeanette wades into complex business settings and creates clarity and insight. Her ability to think strategically across both business and technology is supported by her drive to roll up her sleeves and do the work. Jeanette focuses on creating new digital products and innovative service offerings that lead to growth and revenue for clients.

*Writer:*  
*Rachel Nichols, IBM Consulting*

## NOTES AND SOURCES

1. “CEO Study 2023”, IDC, July 2023.
2. “ROI, It’s Your Job”, Jim Johnson, The Standish Group, 2002.
3. “The Total Economic Impact™ Of IBM Garage Value Orchestration Services”, Forrester Research, June 2023.
4. Based on metrics tracked with IBM and Dialexa clients.
5. Based on metrics tracked with IBM and Dialexa clients.
6. “2023 Chief Executive Officer Study: Decision-making in the age of AI”, IBM Institute for Business Value, June 2023. <https://www.ibm.com/thought-leadership/institute-business-value/en-us/c-suite-study/ceo>



## **About Dialexa, an IBM Company**

In October 2022, IBM acquired Dialexa to enhance our combined strengths in digital product engineering. At the time, there were many digital agencies, software development and mobile development shops. Very few of them offered what Dialexa offered then and offers now – world class innovative product development grounded in sound strategy, ideation, design, architecture and development. Together, we help clients co-create, co-execute and co-operate on digital product strategy, design, development, launch and performance. Our strong product discipline, proven track-record for client delivery and culture of innovation and collaboration makes IBM + Dialexa the preferred partner to drive digital transformation for enterprises across all industry sectors.

To learn more about our Digital Product Engineering capabilities, visit:

<https://www.ibm.com/consulting/digital-product-engineering>

## **About IBM Consulting**

IBM Consulting is the catalyst for business transformation. With deep industry expertise spanning strategy, experience design, technology, and operations, we have become the trusted partner to over 3,000 of the world's most innovative and valuable companies. Our 160,000 consultants embrace an open way of working, bringing a diverse set of voices, experiences and technologies like Hybrid Cloud and AI together to accelerate business transformation. Supported by IBM Garage, our proven co-creation method, we bring speed and scale to innovation with an enduring ecosystem of technology leaders to deliver solutions for some of the world's most complex challenges. We collaborate closely, ideate freely, and apply breakthrough innovations that drive sustainable change and re-invent how business gets done.

Find out more at [IBM.com/consulting](https://www.ibm.com/consulting).



© Copyright IBM Corporation 2023

IBM Corporation  
New Orchard Road  
Armonk, NY 10504  
Produced in the United States of America

October 2023

IBM, the IBM logo, ibm.com, and Dialexa, the Dialexa logo, and Collaborative Quality are trademarks of International Business Machines Corp. and Dialexa, respectively. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the Web at "[Copyright and trademark information](#)" at [www.ibm.com/legal/copytrade.shtml](http://www.ibm.com/legal/copytrade.shtml)