

**REPORT**

# Global Report on Value Stream Management Maturity

## Key Findings and Analysis

## REPORT

# Global Report on Value Stream Management Maturity

## Key Findings and Analysis

### Table Of Contents

---

[Executive Summary](#)[Key Findings](#)[VSM Maturity Model](#)[Operational](#)[Visibility](#)[Alignment](#)[Efficiency](#)[Conclusion](#)[Survey Methodology](#)

---

Read the companion paper [“The Value Stream Management Maturity Model”](#) by Broadcom

### Executive Summary

The adoption of Value Stream Management (VSM) is occurring in the vast majority of enterprises, and with increasing momentum. To examine the market and validate the VSM maturity model Broadcom recently established, Dimensional Research conducted a global survey of more than 500 professionals and executives. All respondents had VSM and digital transformation responsibilities in their organization. The model and data from this research builds an industry baseline of VSM maturity. While each question serves to help score a company's VSM maturity, it also provides insights into areas in which companies are excelling, encountering challenges, and needing to make improvements. This paper reviews a subset of the survey questions posed. In addition, it details how the data is interpreted within the Broadcom VSM model and shows how the responses gathered translate to maturity.

### Key Findings

**Many at early stages and low VSM maturity.** More than half (60%) of respondents are still in the early phases of adoption, with 13% in planning, 25% with a pilot project, and 23% running VSM on a single product. Only about 2% use VSM on all products, representing the top tiers of VSM maturity.

**Excel spreadsheets the top-used tool to manage VSM.** When surveyed on tools employed, Excel spreadsheets were the most common answer, with 50% of respondents continually relying upon them.

**Visibility lacking.** More than two-thirds say their visibility isn't what it could or should be. 42% indicate their visibility is “OK,” and 21% characterize it as either poor or a complete “black hole.”

**Teams still lack a product focus.** A significant percentage, 88%, have permanent teams assigned. However, only 3% of respondents say these permanent teams are solely aligned around a single product.

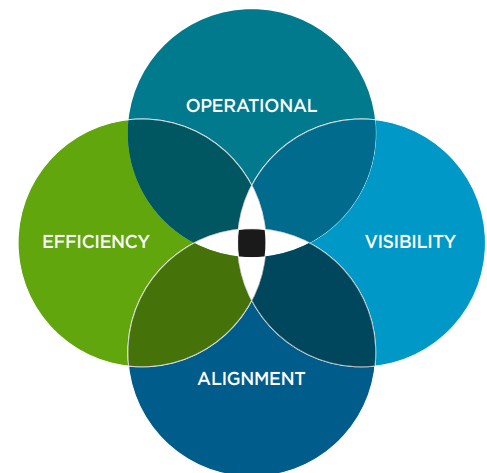
**Few have real-time insights.** Currently, more than two-thirds (69%) of respondents share VSM metrics quarterly or monthly. Only 9% indicate this data is being made available continuously, which is a key characteristic of the most mature implementations.

**Lacking metrics, lacking alignment.** Surprisingly, 11% of companies don't give employees business metrics to achieve or measure products by. 63% indicated they have metrics but that those are not mapped to individual product performance. Thus, the findings suggest that almost three-quarters of companies are missing the opportunity to have everyone aligned and focused on key objectives.

**Decision-making remains centralized.** For most respondents, 85%, decisions are either made at the leadership level or teams need leadership approval before implementing their decisions. Currently, only 6% say decisions are made and implemented at the team level, which is a hallmark of many of the most advanced VSM implementations.

## The Value Stream Management Maturity Model

The Broadcom model is discussed in detail in the report, "[The Value Stream Management Maturity Model](#)." In brief, the model describes five levels of maturity in three key focus areas: visibility, alignment and efficiency. Our survey questions were organized around these focus areas as well as Operations. This report reviews several key questions in each area.



### OPERATIONAL

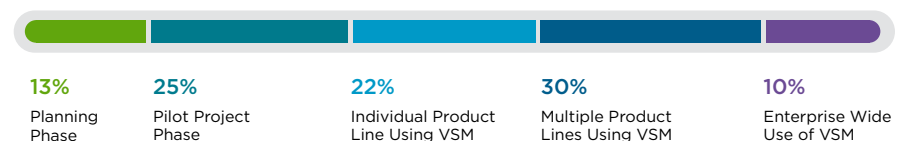
The operational category captures where companies are operating VSM today, what drives their VSM decisions, and how VSM maps to other key objectives.

#### Current VSM Utilization

Participants were asked how widespread VSM is in their company. More than half, 60% of respondents, are still in the early phases of adoption, with 13% in planning, 25% with a pilot project, and 23% running VSM on a single product. On the more mature end of the scale, 30% have multiple product lines using VSM, and 10% have established complete VSM adoption, with all their products utilizing a VSM approach.

#### How far along is your company with its VSM adoption?

Select the answer that best applies.





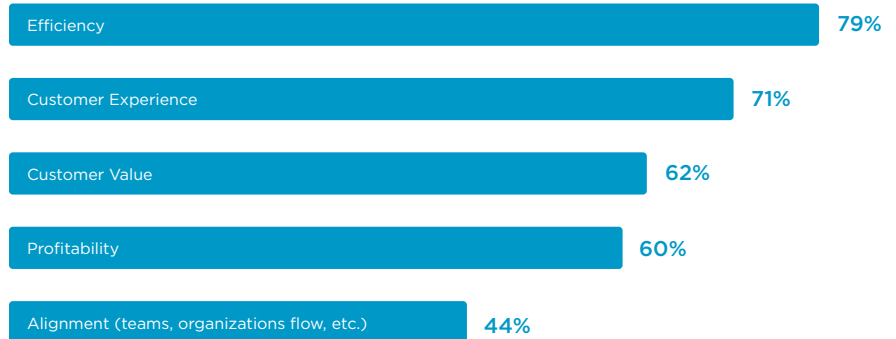
## OPERATIONAL

## VSM Drivers

Respondents were asked to specify the key drivers for value stream adoption. These results indicated that customers are an increasing focal point for today's business leaders, with customer value and customer experience being two of the top three drivers. Efficiency took the top spot and is also a key driver of digital transformation. As organizations mature, we expect to see customer value grow increasingly important and eventually be the leading driver for VSM.

**What are the key drivers for using value streams at your company?**

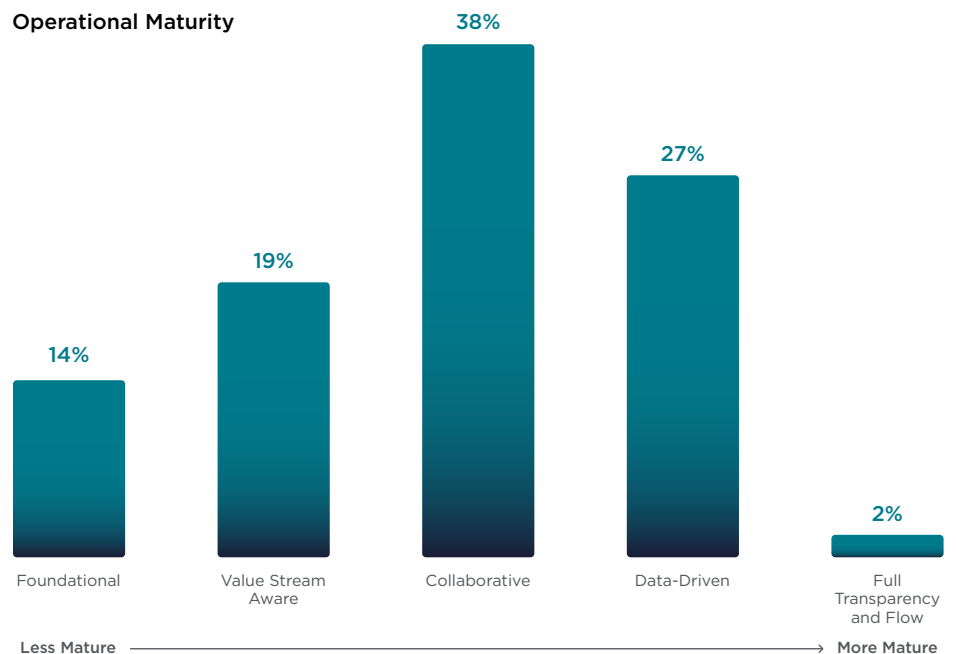
Select all that apply.



## Overall Operational Maturity

The chart below offers a summary of organizations' maturity based on responses to all the operational survey questions. The data reveals that most companies are in the third and fourth maturity tiers. This illustrates that most companies have started VSM with the right focus: increasing customer value. The data also shows that teams' strategies are on the right track, and that they are making progress in expanding VSM throughout the organization.

## Operational Maturity





## VISIBILITY

Both the pandemic and digital transformation drove organizations to move numerous workflows online. As a result, organizations have increased their use of automation to support digitized workflows and remote workers. However, while this automation has yielded advantages, many systems and applications are siloed and don't effectively share data, and much of that data lacks the context of customer value. For VSM to achieve its full potential, tools that extract, correlate, and present data are critical for providing visibility of product status and value delivery. All teams along the value stream need that visibility.

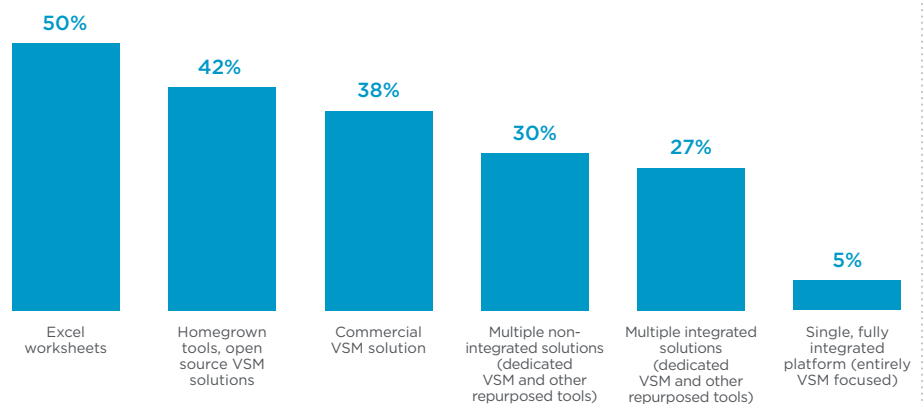
### VSM Tools Used

Participants offered diverse responses when surveyed about the tools used to manage VSM initiatives. The Broadcom VSM maturity model explains that tools are integral for collecting and sharing data and, therefore, essential in keeping teams aligned and boosting efficiency. Unfortunately, the most commonly used tool is an Excel spreadsheet (50%). While this tool can be effective, it can present limitations that impede information flow and make it challenging for all roles to utilize data.

Homegrown tools are used by 42% of respondents. These tools also tend to be more siloed and require internal resources to update and maintain. A similar percentage (38%) are using commercial VSM tools, and 30% are repurposing other commercial solutions for VSM. In total, 68% are using tools that are not integrated, which limits visibility. Only 5% use a single, fully integrated platform that is VSM focused.

#### What tools is your company using to manage its value streams (VSM)?

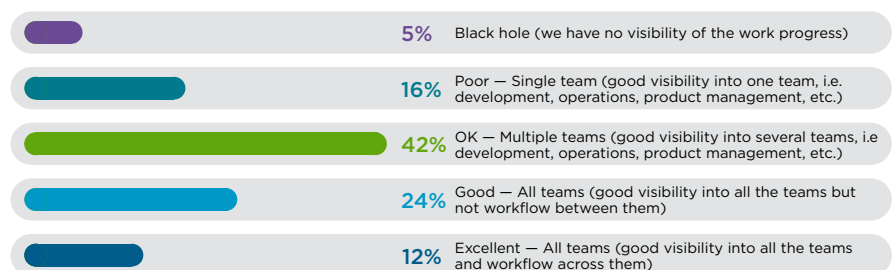
Select all that apply.



### Assessment of Visibility

Participants were asked to characterize their level of value stream visibility. Based on the preceding section, it is unsurprising that only one-third, 36%, indicated they have good or excellent VSM process visibility. That leaves almost two-thirds who acknowledge their visibility isn't where it could or should be. 42% characterize their visibility as "OK," and 21% say it is either poor or a complete "black hole."

#### In general, how would you characterize the visibility of work progress across your company's value streams?



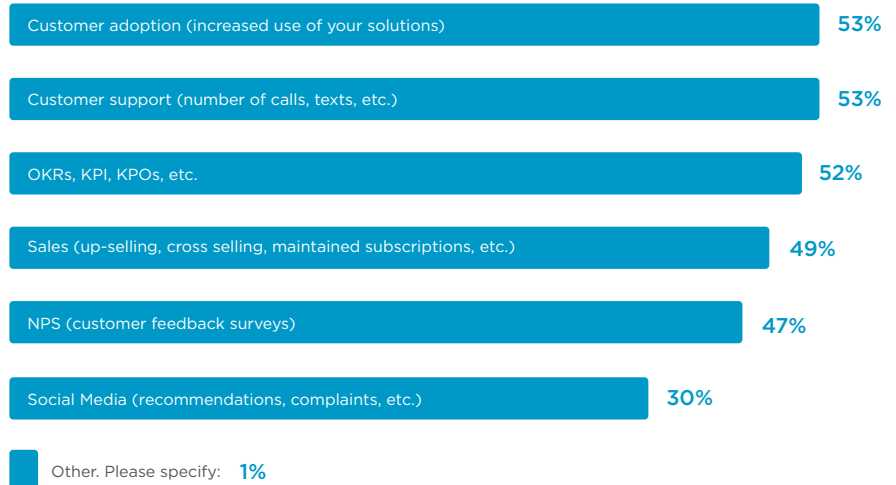
## VISIBILITY

## Metrics Used to Measure Customer Value

The primary tenet of VSM is customer value. According to the Broadcom VSM maturity model, understanding and measuring customer value requires, at minimum, six key metrics. The survey polled respondents on their use of each of the metrics, which are featured in the chart below. They represent key points along the value stream and provide a critical customer feedback loop. These findings clearly indicate that barely half of companies track any of the six key areas. Further, only 5% of those surveyed actually measure all six. As a result, most companies are fairly immature in their VSM journey. Without tracking customer value accurately, it is hard for leaders to know how happy customers are and what will increase customer value the most.

**What metrics does your company use to measure customer value?**

Select all that apply.



## VISIBILITY

54%

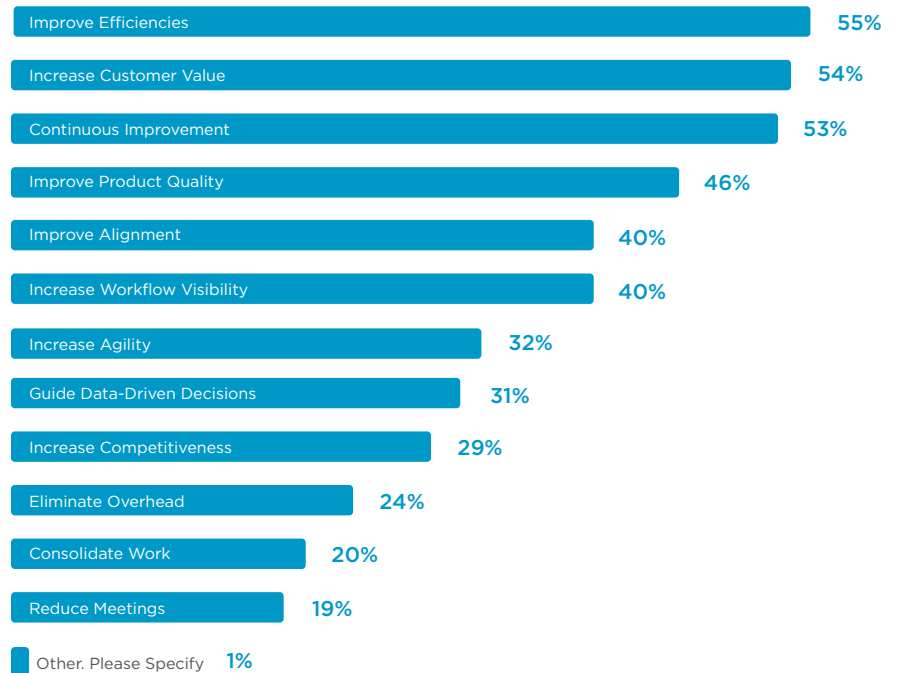
indicated that they **used VSM data to increase customer value**, placing it in second place

## How VSM Data is Being Used

When participants were asked how they use the data from VSM, the top answer was to increase efficiency (55%). Per the Broadcom VSM maturity model, the top answer should be increased customer value, which appears in second place, trailing just one percentage point lower at 54%. VSM data also drives continuous improvement (53%) and product quality (46%), while alignment and visibility (both tied at 40%) round out the top six. As organizations enhance their maturity, these percentages will increase across the board, while increasing value will always remain at the forefront.

## At your company, how is the data collected throughout the VSM process used?

Select all that apply.



## How Information is Presented in VSM Dashboards

VSM can generate vast amounts of valuable information. How are teams sharing this information and making it actionable for employees and executives? The survey looked specifically at how VSM information is presented in dashboards. The highest-rated response was key metrics, such as key performance objectives (KPOs) and key performance indicators (KPIs). The second response was flow metrics, which received a 51% response.

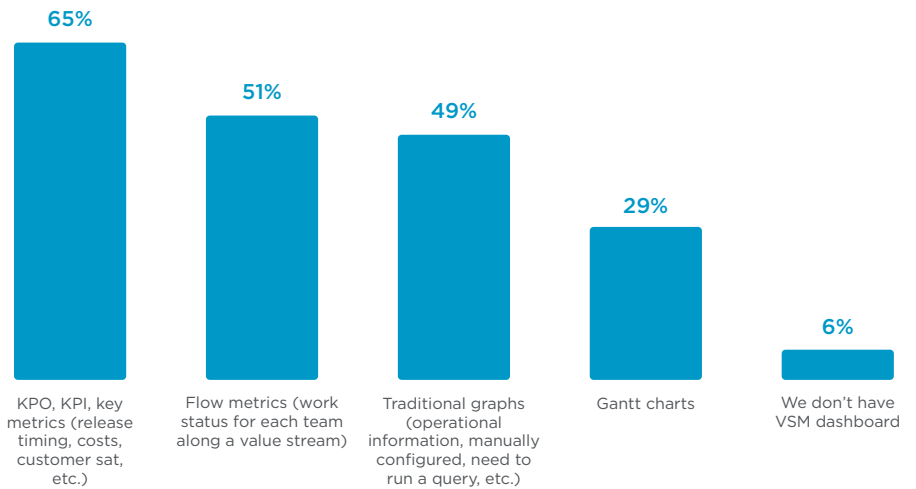
These figures indicate that teams are focused on mapping VSM performance to key business metrics that are sharable across the value stream and can guide ongoing improvements. By enabling teams to customize information and objectives, organizations establish a foundation for making more data-driven decisions. Ultimately, this helps individuals and groups align around customer value and key business objectives.



## VISIBILITY

## How is information presented in your company's VSM dashboard?

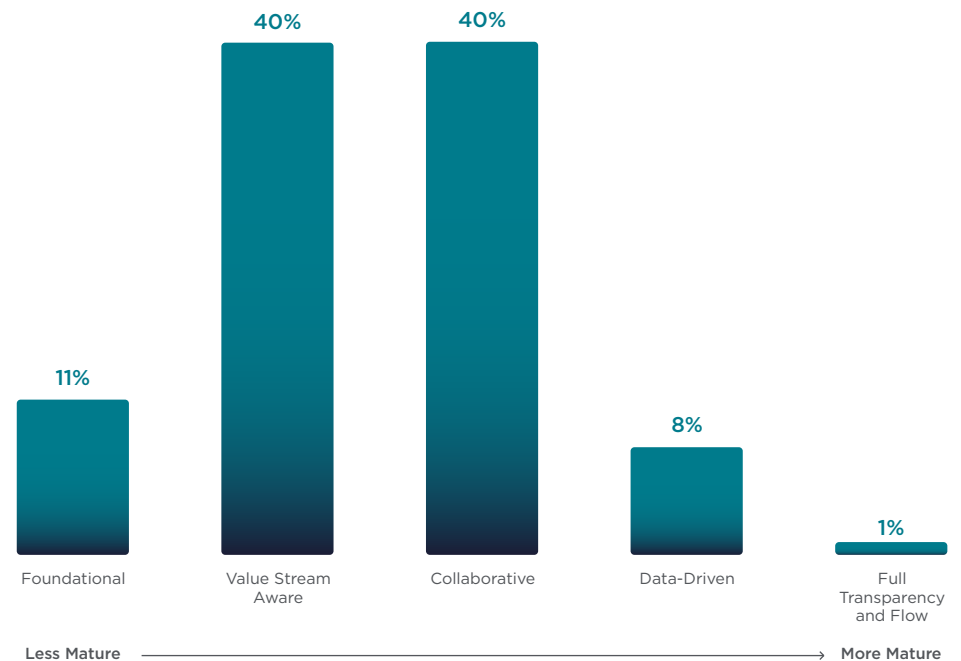
Select all that apply.



## Overall Visibility Maturity

The chart below represents organizations' maturity levels based on responses to all the visibility survey questions. The data finds that most companies are in the second and third maturity tiers. These findings indicate that most organizations lack a single source of truth, which impedes the effective sharing and utilization of VSM data. This in turn, limits the potential to enhance customer value and generate additional business benefits.

## Visibility Maturity



## ALIGNMENT

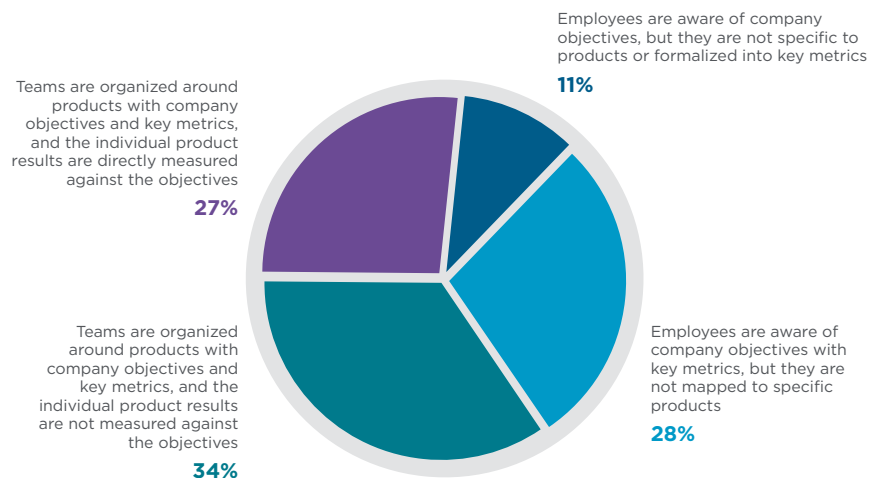
Alignment is about ensuring that each team in the company is pulling in the same direction and not pursuing conflicting actions, objectives, or goals. For VSM, the North Star is increasing customer value, which should, in turn, drive improved customer loyalty, revenue, and profits.

### Techniques for Keeping Employees Aligned

The survey asked respondents how they keep employees aligned with top-level goals. Answers reflect a wide range of maturity in the market.

Surprisingly, 11% of companies do not provide their employees with key product metrics to focus on and track. While 63% have metrics in place, they either lack product-specific goals or fail to align their product performance with overall company metrics. Only a quarter of companies (27%) organize their teams around individual products, with each group tracking specific metrics that measure product contribution to the company's strategic objectives. This means that almost three-quarters of companies miss the opportunity to align and focus everyone on what they can control, determine what needs improvement, and map their efforts to overall business objectives.

#### In general, how does your company keep employees aligned with key business objectives?



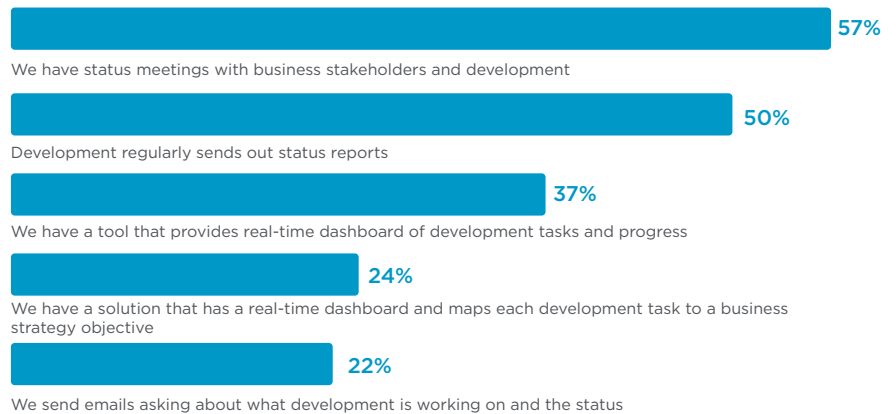
## ALIGNMENT

## Keeping Software Development Aligned with Business Strategy

The survey investigated how respondents keep software development aligned with business strategy. The results clearly illustrate that many teams have some fundamental work to do to advance maturity.

Developers are most commonly kept focused through meetings (57%), which is also the most time-consuming and inefficient method. Additionally, 50% of companies rely on teams sending out regular status reports, which is another resource-intensive approach. However, only 24% of organizations use the ideal method, which involves using a real-time tool that informs developers about the specific needs of the business and keeps the business informed about progress.

**At your company how is it verified that the tasks software development is working on are aligned with the business strategy? Select all that apply.**

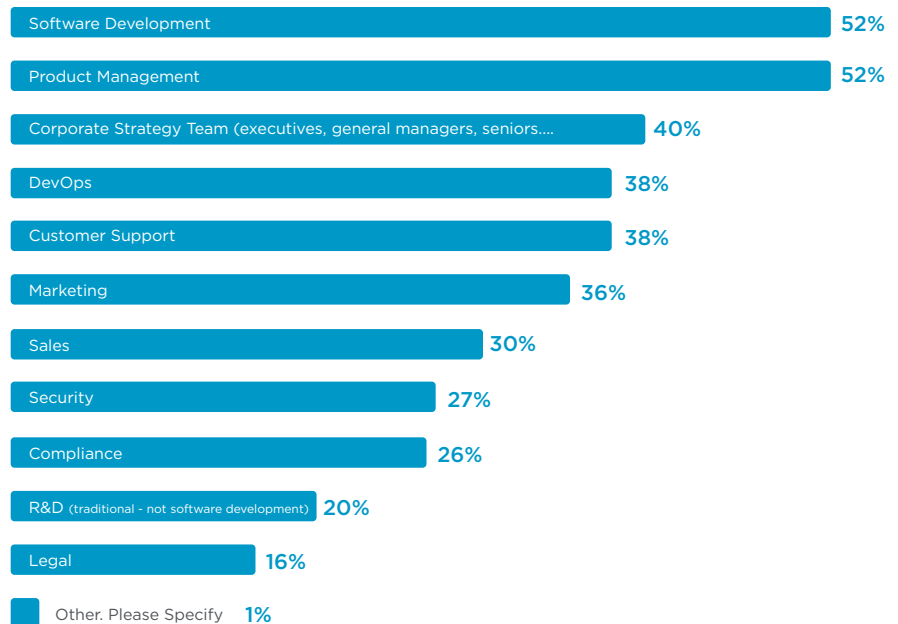


## ALIGNMENT

## Which Teams Are Actively Involved in Value Streams

As outlined earlier, to maximize the potential of VSM, cross-team collaboration and engagement are vital. Participants were asked which groups at their company are actively engaged in the value stream initiative. Because VSM requires a company-wide focus on customer value, the more teams participating in VSM, the higher the organization's maturity level. The results show that many teams are engaged, but only 1% of respondents indicated that all these different groups were engaged, and only 6% cited the involvement of eight teams or more. So, for most companies, too few teams are involved, leaving holes along the value stream.

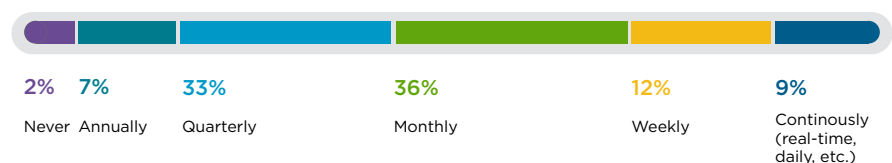
**At your company, which teams are currently actively involved in building and managing value streams?** Select all that apply.



## Frequency of VSM Metrics

To maintain alignment and achieve success, it is essential for leaders and team members to have timely, cross-team visibility and to be aware of how their efforts are progressing toward objectives and goals. Currently, more than two-thirds (69%) of respondents share VSM metrics quarterly or monthly. Only 9% indicate this data is being made available continuously, which is a key characteristic of the most mature implementations.

**In general, how frequently are VSM metrics (status, issues, resource allocation, etc.) made available to teams (executives, development, DevOps, marketing, customer service, etc.)?**



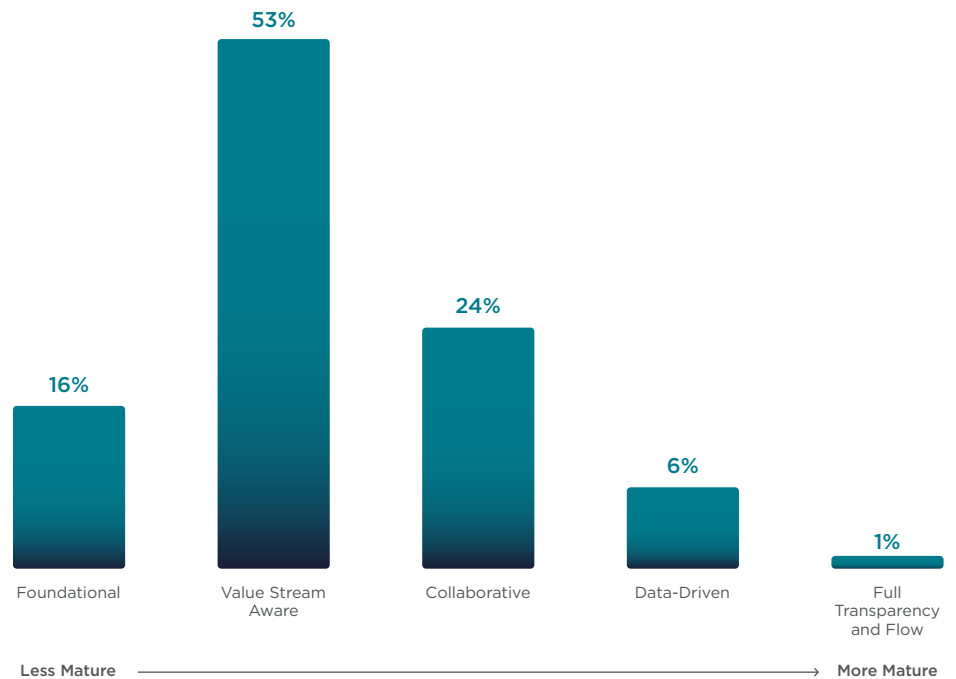


## ALIGNMENT

## Overall Alignment Maturity

The chart below reveals that companies are, in general, in the second tier of the Broadcom VSM maturity model. Organizations are further behind in alignment than they are in the operational and visibility areas. In general, alignment and people are the most challenging aspects to address. To achieve alignment, teams from across the organization must be engaged by having goals and objectives aligned, providing constant feedback on progress and areas to improve, and sharing successes.

## Alignment Maturity



## EFFICIENCY

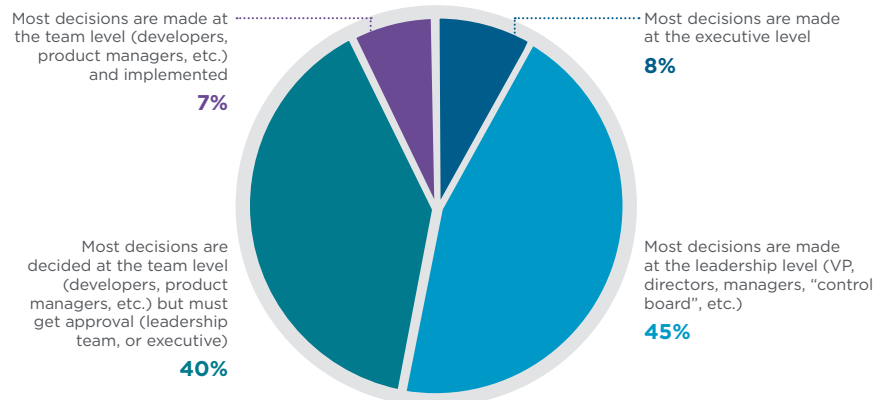
Efficiency was a primary focus of digital transformation due to its cost-cutting and profit-generating focus. For those same reasons, efficiency is a pillar in the Broadcom VSM maturity model. Efficiency needs to be optimized along the entire value stream, so teams can deliver products that delight customers, while doing so faster and in a less resource-intensive manner.

### How Development Teams Make Decisions

Respondents were asked about how development teams arrive at decisions. As an organization's VSM maturation increases, teams grow less reliant upon top-down decision-making approaches. Over time, individuals at every level of an organization become more data-driven and better equipped and empowered to make decisions. This data-driven decision making fuels better choices, made faster, and creates higher levels of efficiency.

For the vast majority of respondents, 85%, decisions are either made at the leadership level or teams need leadership approval before implementing their decisions. This not only creates delays but doesn't enable or foster decision making close to the need. Currently, only 7% say decisions are made and implemented at the team level. Over time, as organizations continue on their VSM journeys, we expect this number to grow significantly.

**At your company, how are typical decisions (tools used, platform, coding strategy, feature implementation approach, etc.) made by the development teams?**



### How Development Resources Are Assigned

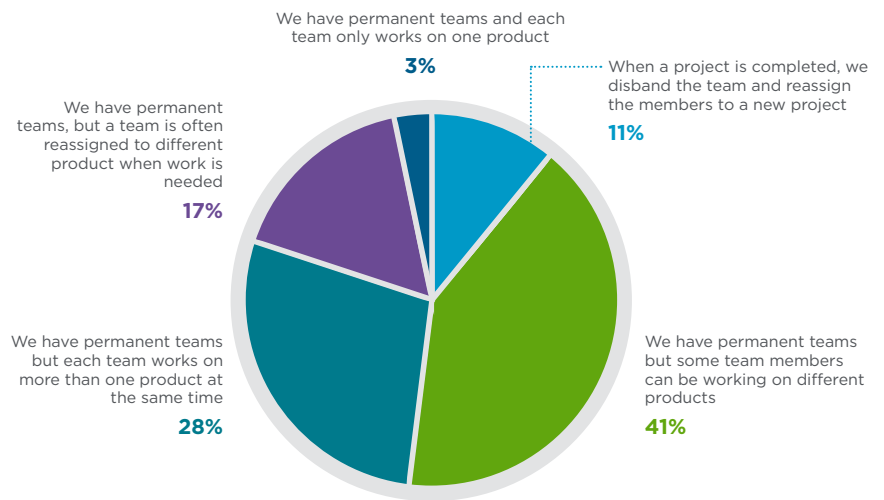
In pursuing VSM initiatives, organizations tend to migrate from a traditional project focus to a product focus. Projects are time-bound, receive one-time funding allocations, and tend to move team members from one project to another, inhibiting them from becoming experts on a product and how it delivers value to the customer. On the other hand, per the Broadcom VSM maturity model, products are aligned with value streams, have permanent teams, and receive sustained funding. This alignment fosters improved team expertise, customer value, and efficiency.

While the majority, 89%, have permanent team assignments, most involve shifting team members to different products or managing more than one product. This requires individuals to frequently shift their focus and switch contexts, which can lead to inefficiencies and slow down the process of developing expertise. Only 3% of respondents say these permanent teams are solely aligned around a single product. While some flexibility is required in modern development organizations, 3% of developers on permanent assignment is entirely too low and costs the organization efficiencies.

## EFFICIENCY

### In general, how are development resources assigned?

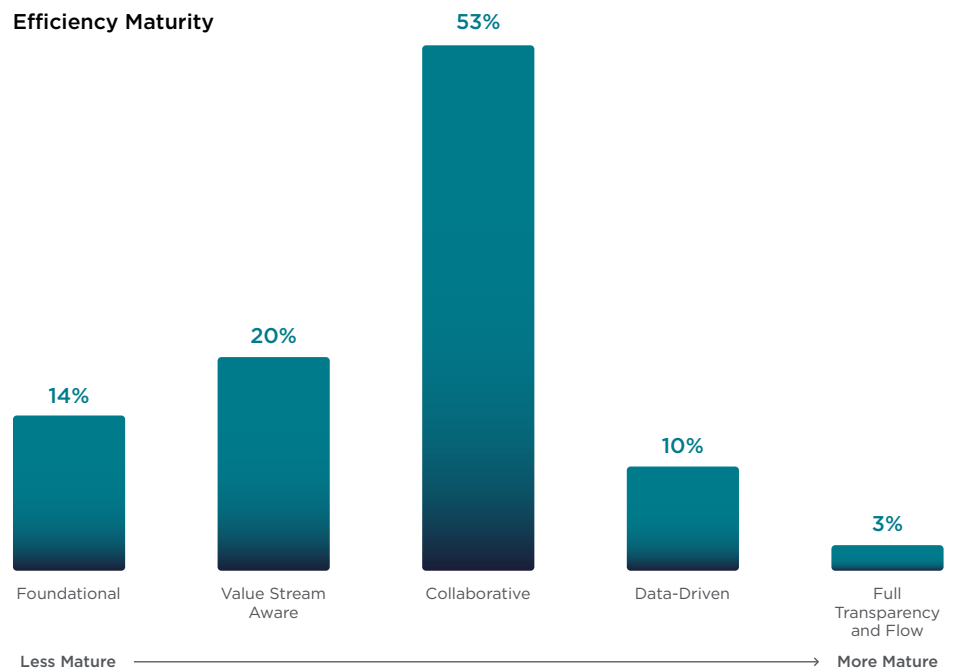
Choose the answer that best applies.



### Overall Efficiency Maturity

Relative to the visibility and alignment pillars, the efficiency chart below indicates organizations are further along in maturity but are still just averaging tier three. Organizations have pursued digital transformation and other efficiency initiatives for years. This has been done across several areas, including automation, Agile development, and operational optimization through monitoring and observability. Through these efforts, organizations have seen efficiency gains.

### Efficiency Maturity



## EFFICIENCY

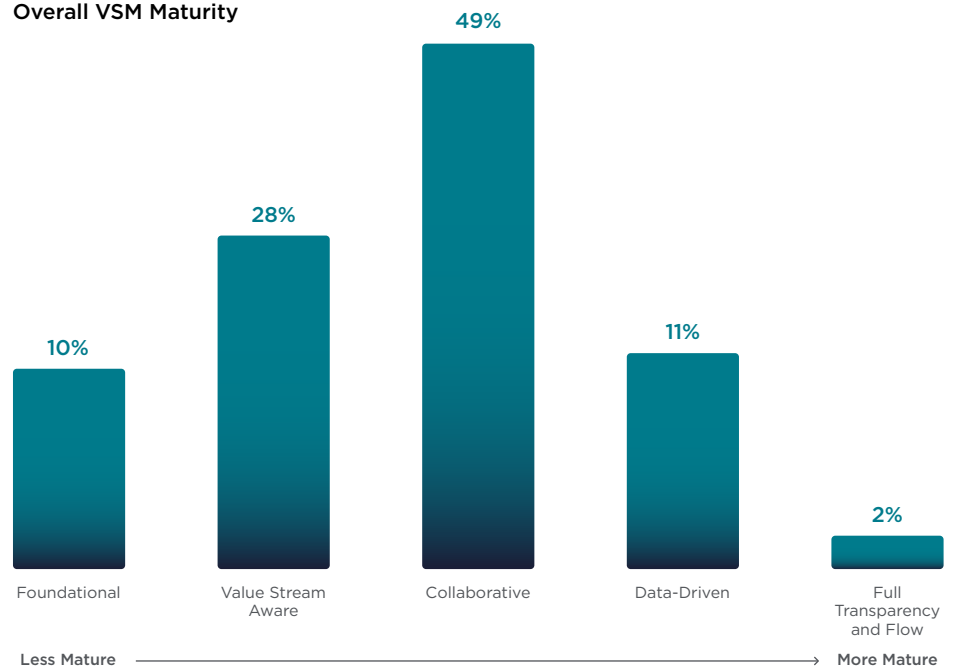
However, when analyzing this data in more detail, it seems clear that, in this regard, many participants are speaking specifically about development efficiency on a task or project rather than about the holistic, enterprise-wide efficiency that VSM promises. While efficiency gains in development are key, these advantages ultimately need to make it into the entire value stream, from initial idea to delivery. Across the entire value stream, more efficiency gains can be captured.

## Conclusion

The vast majority of organizations have embarked on the journey of VSM adoption and are making steady progress and realizing the benefits of increased customer value. While each organization's implementations, objectives, and results will be unique, some clear patterns have emerged. In the overall maturity chart below, the majority of organizations scored in the middle tier, with only about 2% of companies at the very top levels of VSM maturity. As discussed in this report, companies have advanced further in efficiency than they have in other areas. It is not expected that maturity will progress evenly across all three categories, and leaders will want to focus on those areas that yield the most significant gains first.

The objective of the Broadcom VSM maturity model and subsequent research is to provide explanation, context, and specific data so that leaders have effective guideposts that help accelerate and streamline their progress. Learn more about [The Value Stream Management Maturity Model](#).

### Overall VSM Maturity



## Survey Methodology

IT and business leaders at enterprises in a range of industries were invited to participate in a survey on their company's VSM and digital transformation initiatives. The survey covered such topics as objectives, challenges, and solutions.

A total of **501 qualified participants** completed the survey. All participants had direct responsibilities for VSM and/or digital transformation at their company. Companies were all enterprise class with 1,000 or more employees. Participants were from five continents, representing a global viewpoint. The survey was administered electronically, and participants were offered a token compensation for participation.

## About Dimensional Research

Dimensional Research provides practical marketing research to help technology companies make their customers more successful. Our researchers are experts in the people, processes, and technology of corporate IT and understand how IT organizations operate. We partner with our clients to deliver actionable information that reduces risks, increases customer satisfaction, and grows the business.

For more information, visit [www.dimensionalresearch.com](http://www.dimensionalresearch.com).

## About ValueOps

**Solutions:** ValueOps™ VSM by Broadcom has a long track record of fueling customer success. For more many years, these offerings have seen sustained innovation, with a focus on supporting VSM and modern ways of working. Today, ValueOps by Broadcom features these integrated products: Clarity™, Rally®, ValueOps ConnectAll, and ValueOps Insights. With these solutions, teams can manage VSM, from idea, to funding and prioritization of strategy, to product or service delivery.

**People:** Broadcom has seasoned experts dedicated to supporting customers' VSM initiatives. People in product management, executive leadership, sales, and support have been directly engaged with leaders and delivery teams at top enterprises around the world. Our people have a proven track record of helping businesses achieve VSM success

## For more information

Visit [www.broadcom.com/value](http://www.broadcom.com/value)

**ValueOps™**  
by Broadcom

For more information, visit our website at: [www.broadcom.com/value](http://www.broadcom.com/value)

Copyright © 2024 Broadcom. All Rights Reserved. The term "Broadcom" refers to Broadcom Inc. and/or its subsidiaries. All trademarks, trade names, service marks, and logos referenced herein belong to their respective companies.

Global-Report-on-VSM-Maturity-WP\_BC-VO-2023\_CE-3936\_v15c January 3, 2024