

# The Value Stream Management Maturity Model

## Navigating Progress and Achieving Excellence

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### Executive Summary

Adopting Value Stream Management (VSM) is a crucial imperative for many enterprises today. In fact, one survey found 86% of respondents have started to employ VSM or plan to.<sup>1</sup> For many teams, the move to VSM represents uncharted territory. So how do these groups assess where they are and how they're progressing? This paper offers a VSM maturity model that offers crucial guideposts, helping define each phase of the journey.

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### Introduction: The Drivers, Principles, and Promise of VSM

For several years, digital transformation has been a critical, high-stakes, and strategic mandate for businesses across regions and industries. Profits, competitive position, and the very viability of businesses are riding on the success of these digital transformation initiatives.

In pursuit of digital transformation, teams in many organizations have made investments in areas like DevOps and Agile. While these investments have yielded team- and function-level benefits, they've failed to deliver gains at the enterprise level. This has left businesses falling short of the ultimate goal: gaining the agility and efficiency needed to deliver more customer value.

A recent survey asked leaders about their top strategic business focus for 2024, and found that 56% of respondents cited "increasing customer value."<sup>2</sup> To achieve their top-level goals and transformation imperatives, leaders need to find a way to finally break through persistent barriers and gain the cross-team visibility, collaboration, and alignment required. Most critically, they need to align products, people, and processes around customer value.

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Find out where you rank on the VSM Maturity scale.  
[Take the online assessment!](#)

<sup>1</sup>Dimensional Research, "2023 Value Stream Management Trends," December 2022

<sup>2</sup>Dimensional Research, "2024 Value Stream Management Trends," December 2023

96%

of respondents **have already received benefits from VSM.**

### **This is why employing VSM is now vital.**

VSM is a lean business practice that offers strategies for optimizing the end-to-end flow of value, from establishing business objectives and investment plans to delivering products and services to customers. VSM provides a framework for depicting workflows and identifying ways to improve them. With VSM, the ultimate goal is delivering more value to customers.

While the concept of VSM has been around for decades, it has only been relatively recently that the momentum behind this approach has grown dramatically.

Now, the consensus around VSM is nearly unanimous: one survey found that 96% of respondents have already received benefits from VSM.<sup>3</sup> Further by the end of 2024, most companies expect to have multiple products using VSM.<sup>4</sup>

## **The Three Pillars of VSM**

VSM enables organizations to use lean and agile methodologies to realize a number of key outcomes, including improved visibility, efficiency, and alignment. Here is more on each of these benefits, and what is required to achieve them:

### **Increased Visibility**

Through an effective execution of VSM, teams can gain the enhanced visibility that boosts decision making, fosters improved trust, and minimizes risk.

To fully realize VSM's potential, people from various teams and different levels need to have real-time access to data from across the organization. It is also essential to ensure data consistency and accuracy, which is critical for building trust in the data and the insights it provides. Finally, the data needs to be actionable, enabling teams to intelligently measure performance and outcomes.

### **Improved Alignment**

VSM enables teams to align strategy, planning, and work across the organization.

Too often, there can be a big, persistent gap between leaders' initial plans and objectives, and what gets delivered to market. To capitalize on VSM's advantages, organizations need to bridge this gap. Teams need shared tools that promote collaboration. Toward this end, it is essential that organizations maintain a consistent model for managing and tracking strategy, objectives, work efforts, progress, and results.

### **Maximized Efficiency**

Through well-executed VSM implementations, teams can achieve maximum efficiency, and in the process, realize continuous improvement, minimize waste, and speed time to market.

Across the end-to-end value stream, teams need to optimize work flow to speed execution. To realize these objectives, delivery teams need to know the top-level strategies, so they can use this insight to better prioritize backlogs and resources. Teams need to have visibility into capacity planning, resource management, and risk management, so they can apply concrete insights to fuel continuous improvement.

<sup>3</sup>Dimensional Research, "2023 Value Stream Management Trends," December 2022

<sup>4</sup>Dimensional Research, "2024 Value Stream Management Trends," December 2023

## Introducing The Value Stream Management Maturity Model

With any journey, it is critical to have a clear understanding of where you are, where you want to go, and how to get there. Pursuing VSM initiatives is no different. To make rapid, sustainable progress toward key outcomes, teams must have a clear understanding of their organization's current phase of maturity and what is needed to advance to the next level.

In recent years, the team at Broadcom has been working extensively with some of the largest, most complex enterprises, helping them to make the promise of VSM a reality. We've delivered the guidance and solutions that have helped these early VSM adopters realize significant advantages in visibility, alignment, and efficiency.

Broadcom is one of the few organizations with this type of expertise, and is in a unique position to guide other teams in this journey. We've seen what success looks like first hand, and gained key insights into what makes the difference between those who fully capitalize on VSM's promise and those who don't.

This is why we've developed a VSM maturity model. In providing this model, we want to assist any organization adopting VSM. This model has been developed based on our extensive experience working with enterprises, as well as a survey of enterprise practitioners around the world executed by Dimensional Research. (To access some of the key findings and insights from this survey, be sure to view our companion paper, "[A Global Report on Value Stream Management Maturity, Key Findings and Analysis](#).")

Our survey found that, while many teams have embarked on a VSM journey, very few, only about 2%, have reached the top stages of overall maturity. Through the maturity model, we are hoping to help many more teams arrive at this level. Toward that end, we provide guideposts to help teams plan, execute, and track progress toward VSM objectives.

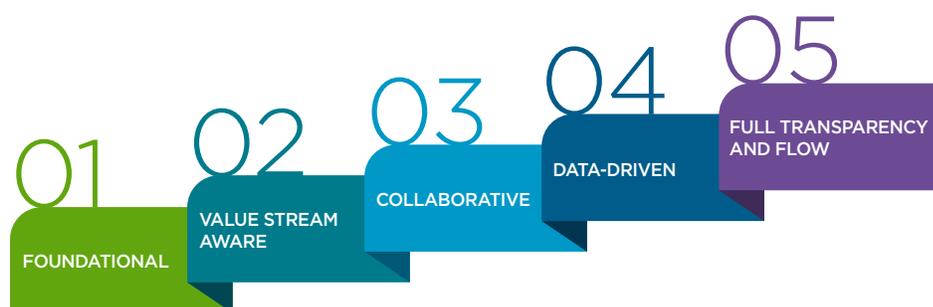
By leveraging this maturity model, teams can realize these benefits:

- Gain a clear picture of their current state.
- Understand what's required to advance and gain the benefits of the next level.
- Identify a plan for advancing most quickly and effectively.
- Realize maximum benefits of VSM.

## Value Stream Management Maturity Model: The Five Levels

This section examines the five levels of maturity in VSM. For each stage, we describe the relevant characteristics and strategic advantages. In navigating the specifics of each level, leaders gain a focused understanding of their VSM maturity, and gain actionable insights for growth.

### The Five Levels



### **Level 1: Foundational**

At this phase, value streams are not being managed consciously; teams know they're delivering products or services but don't fully understand the complete end-to-end process.

This level is characterized by a desire to transform and make improvements. In order to modernize and improve capabilities, digital transformation may be underway. However, these efforts have not been conducted in an integrated or organized, cross-team fashion. Without a clear understanding of value streams, teams can only work to make improvements in a piecemeal fashion.

Teams work in silos, and there's a lack of alignment and cooperation between leadership, with incentives that work against each other. There are few data insights at this level—and many organizations are contending with this reality. Our survey found that almost two-thirds of respondents indicated their visibility wasn't where it could or should be. Decisions are typically driven by anecdotal information or opinion, which leads to increased risks, dependencies, and inefficiencies.

### **Level 2: Value Stream Aware**

This level is characterized by a growing understanding of the organization's value streams and the need for continuous improvement. Teams have started to employ VSM concepts, but these efforts may be in early phases. Generally, value streams have been identified and mapped. Pilot initiatives have been started, and new processes and feedback loops are being tested.

Teams have also started collecting metrics, though they aren't fully utilized to guide process improvements. Plans are being implemented to mitigate inefficiencies and waste, and to address compliance and top-level strategies. Although inefficiencies, dependencies, and risks remain, plans are being created to mitigate them in the future, with an emphasis on infrastructure.

### **Level 3: Collaborative**

This level is characterized by a strong emphasis on alignment and collaboration throughout entire value streams, with an increasing focus on reducing inefficiencies and improving overall performance. Our survey found that improving efficiencies was the top-rated goal for respondents, and teams at this level started to see progress in this arena.

Consistent practices and organizational guardrails are in place, which helps to reduce risks, dependencies, and inefficiencies. Silos no longer exist between business and technology teams, leading to increased collaboration and alignment. Technology teams understand the reasons for guardrails and actively participate in infrastructure updates, indicating a growing sense of ownership and collaboration.

### **Level 4: Data-Driven**

This level is characterized by a strong emphasis on data-driven decision making and a high level of data maturity throughout all value streams. Teams are focused on using data to fuel ongoing improvements and optimize overall performance.

In this level, consistent data and dashboards are used by both business and technology teams, indicating a high degree of data integration and collaboration. Data flows between tools, which helps streamline processes and improve overall efficiency. Given these capabilities, teams move from the reliance on quarterly status reports and other techniques of the past and leverage real-time dashboards that keep all stakeholders apprised. Our survey found that 24% of respondents have established this real-time visibility.

6%

Our survey found **only 6% of respondents** say decisions are made, and implemented, at the team level.

Data is used to define top-level strategies. Data from execution can be rolled back up for business leadership, delivering real-time insights that reveal what is happening across the organization. Status reporting is created using data that is a natural outcome of workflows, representing a significant shift from the inaccuracy and administrative overhead associated with the manual reporting approaches of years past.

#### **Level 5: Full Transparency and Flow**

In level 5, organizations don't just excel in VSM; they also demonstrate a strong commitment to—and success in—a range of other areas, including innovation, collaboration, and transparency. Overall, this level is characterized by a culture of continuous improvement.

Teams view experimentation and innovation as a natural part of their workflows, and they readily adopt new methods and approaches. Teams are willing to challenge existing assumptions and experiment with new approaches. Across the organization, individuals are constantly suggesting better ways of working.

There's a strong emphasis on data-driven decision making. Teams at this level have achieved full visibility and transparency in their operations. Work is visible at all times, from ideation through to post-release customer feedback. This data-driven approach yields significant insights. Leaders can make better decisions, and do so faster and earlier in the development and delivery lifecycle.

Teams can spot where bottlenecks are starting to happen, so they can be addressed before they create problems. Ultimately, meaningful conversations and decisions are all driven by data, rather than subjective opinion or guesswork. Further, data and decision making are distributed, meaning teams are better informed and empowered to act on their insights. Our survey found only 6% of respondents say decisions are made, and implemented, at the team level.

## **Putting the Model into Practice**

With an understanding of the five levels of VSM maturity, teams can begin to apply these insights to their specific organizations and initiatives.

### **Industry Survey and Report**

Recently, Broadcom commissioned Dimensional Research to examine the current state of VSM maturity, as defined by the Broadcom model. The survey examines how far along organizations are in their VSM journeys, revealing some of the key emerging trends.

To support this effort, we created a matrix that defined the characteristics of organizations at each respective level and used those details to inform our survey questions. We used this information to survey respondents and determine their specific levels of maturity. The questions were organized around the three focus areas of visibility, alignment, efficiency and one additional section on basic operational functions. In addition, we compiled scores to gain an understanding of maturity levels across all three categories.

To learn more, be sure to review the complete survey report: **[“A Global Report on Value Stream Management Maturity, Key Findings and Analysis”](#)**

## Conclusion

Virtually every organization is at some phase of a VSM journey. While each company's journeys and results will vary, there are some key commonalities that mark the various phases of evolution. By leveraging the insights from this paper, teams will be better equipped to understand where they are currently, and how they can chart the most efficient path forward. To learn more, be sure to follow the link provided below.

## How Broadcom Can Help You Move to VSM Maturity

Broadcom is a company that's uniquely qualified to assist organizations looking to pursue VSM. Broadcom has differentiated solutions, people, and services.

Here's a brief introduction to each:

- **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

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