Hello, and welcome back to Module 7 of the Agile operations fundamentals course. In this module, we're going to look at exploration the options and strategizing the way ahead.

So, the thing you'd have to do during this phase is set a BHAG -- or, a Big, Hairy, Audacious Goal -- review your retrospectives and root cause analysis, value stream mapping, the to-be situation. We'll talk about removing bottlenecks. We'll talk about how to eliminate waste. And finally, we'll talk about making a decision on what areas you need to improve.

Now, what you normally start off with is the as-is value stream map, which we talked about in the previous module that you would work together with the team to develop in the workshop. This section is still a part of the workshop. It's just the next hour or the next few hours. It normally could be done in the same day or done as a separate section.

The Big, Hairy, Audacious Goal is a concept put forward by Jim Collins in his book, Good to Great. The big, hairy, audacious goal is a target that the team sets for itself that helped them stretch the limits. It's not something that goes into, let's say, your budget or your targets. It's something that is set as a stretch target to help the team think outside the box in order to get there.

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Now, the advantage of using a BHAG is that the minute you set one, it is just like magic. Teams come up with ideas to achieve the BHAG. And if you set a low BHAG, you will achieve a low BHAG. But if you set a high one, you normally do achieve the high one.

The six golden metrics that you can set a BHAG for are the quality metric -- now, this will vary depending on what the operational process is producing -- the customer satisfaction, throughput, unit cost, cycle time and the team satisfaction.

These six are the top six metrics that any operational team should measure. You wouldn't want to set a BHAG on all six of them, but just a couple of them will be fine. And sometimes even just one. Now, at any given moment in time, there's always one of these metrics that are, let's say, the key problem area and setting a BHAG there can sometimes help.

The first thing you do on your journey of exploring the options is to look back at your retrospective. Look at what worked well, what didn't work well and what are the puzzles for the team.

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the retrospective, what makes us happy, what makes us sad, what are the ideas, what should I think. Another little good technique is the sailboat retrospective.

So, this where you put up a poster that looks something like this and you put sticky notes on what propels us forward, so that's the wind in your sails. What's holding us back, what are the anchors and what are the big icebergs in our path. What are the risks ahead? So, you could use this model as well.

The key message is don't try to make a huge list of everything that you need to do: you know, start doing, stop doing, continue doing; you have these long lists. What you want to do is vote on the top three things and the top three pain areas and focus on solving that.

The thing with continuous improvement is that it should be small and effective. If you try to tackle too many things at the same time, the chances are you may not tackle anything at all.

From a retrospective, it's very important to remember that the key points that the team finds are normally symptoms; it is not the root causes that show themselves up in retrospectives. So, it is very important to do the root cause analysis and ask the five whys in order to get to the

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root cause.

Another technique that you can use in root cause analysis is the Ishikawa or the fish bone technique. And you can see here in this picture, you can set different areas and then try and find out the reasons behind the root cause of the problem.

Now, when you're looking at the value stream map, you will find areas that just jump out at you, and you would look at it and identify areas of both waste and bottlenecks. So, I'm going to spend a bit of time talking about them.

So, what is waste or Muda, as the Japanese call it in the lean way of working. A good definition of waste is anything that a customer would not be willing to see on your invoice to them. In lean, there are seven wastes and six sigma has added the eighth one.

So, the first type of waste is excessive products; so, inventory that is not being used. The next one is talent; so this is under utilizing people's skill and exchange. The third one is waiting time; so, time just spent waiting without actually being productive.

The fourth type of waste is motion, which is unnecessary movement of product or people. The sixth one is defects

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that are caused by wrong work or incorrect information -- transportation, unnecessary movement of product and material.

Over processing; so, doing more work than is needed or building functionality that is not really needed. And finally, overproduction, producing too much or too early. So, waste is just one of the three areas. That's called Muda.

But there's also Mura and Muri. Mura is unevenness that causes a loss of productivity; and, Muri is over burdening. So, if you have work that is flowing through your pipeline that is very uneven, you could have a drop in productivity. You would be suboptimal. And the same thing if you over burden your people.

Now we come to bottlenecks. What are bottlenecks? Bottlenecks are basically stoppages in the system or things that slow the flow. You'd have to find a way to expand these bottlenecks to help things flow through them.

In this picture, for example, there is no point in optimizing step one or optimizing step three if step two is your bottleneck. So, try and focus on your bottlenecks first.

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