

## CASE STUDY

# BOEING AND VALUEOPS VSM: DELIVERING MUCH MORE WITH MUCH LESS



## CLIENT PROFILE

Site: boeing.com

Industry: Aerospace

Headquarters: Chicago, IL

Employees: 141,000

## CHALLENGE

- When technology budgets are reduced by over 30%, you had better be sure you're optimizing the value you're getting from every dollar

## BROADCOM SOLUTION

- Portfolio management plus value stream management equals a dramatic improvement in performance.

## BENEFITS

- Cost reductions, improved business outcomes, and a future-ready business, despite some of the most challenging times in Boeing's history

Boeing is the world's largest aerospace company and leading manufacturer of commercial jetliners, defense, space and security systems, and service provider of aftermarket support. Boeing products and tailored services include commercial and military aircraft, satellites, weapons, electronic and defense systems, launch systems, advanced information and communication systems, and performance-based logistics and training.

## Challenge

With technology budgets reduced from \$3.5 billion to \$2.2 billion in just a few years, Boeing needed to ensure that each of their 6,500 IT staff were focused on delivering the best possible value for every activity they performed, and that any adjustments were made quickly and with minimal disruption. At the same time, Boeing needed to eliminate technology silos and support greater integration between the technology and business teams to eliminate the tendency for work to be "thrown over the fence" from the business to IT to execute.

## Solution

For Boeing, Value Stream Management, or VSM, is a way to look at business objectives from an internal customer perspective. All of Boeing IT's customers are internal to the business, and Boeing IT wanted to look at those customers in a Lean Agile manner with an emphasis on the value of the work rather than features and functionality. VSM allowed them to understand where the highest value work was so that they could focus there.

To support their VSM work, Boeing selected the ValueOps from Broadcom Software VSM platform. This platform combines Clarity™ and Rally® to offer an integrated solution to manage value streams optimally. Boeing IT used the platform's portfolio management functionality to help the organization mature from a traditional work approach to a transformed architecture that prioritizes value and fuels

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the delivery of that value using the rest of the ValueOps platform. Instead of focusing on traditional IT verticals, Boeing looked across all of their verticals and prioritized the work with a focus on business transformation.

This was a fundamental cultural change, dramatically shifting the way that work had always been done within Boeing. That change was driven by Boeing's CIO, who recognized the need to move to a Lean Agile way of working—and who secured the buy in of the CEO. This allowed for a much better alignment between business and IT functions, and a tighter integration of the planning and prioritization process.

The strategic alignment between the business and IT allowed business stakeholders to collaborate in the development of the right approved and prioritized investments. In parallel, IT created a service culture, leaning out those services to create a more effective and efficient workflow across all business areas that prioritized the partnership between business and technology resources.

Boeing created several operational value streams that would support their path to maturity. ValueOps from Broadcom was not only the platform, but also one of these value streams along with enterprise decisions, ecosystem automation, integrated planning, and several more. One value stream in particular delivered significant improvements.

A single intake mechanism for the entire enterprise that leveraged the ideas functionality in the ValueOps solution provided a clear vision for all stakeholders for upcoming work requests, along with information about whether and when those requests were going to be funded, how the work would be planned, and so on. This provided a very clear picture of the work's alignment with business priorities.

## Benefits

In the first year of portfolio management, even before all the governance and improved decision-making processes were in place, the visibility provided through ValueOps from Broadcom allowed Boeing to eliminate \$25 million dollars of overlapping work. Much of this resulted in a streamlined business immediately—for example, consolidating analytics across the organization rather than having separate analytics functions in each IT tower.

By focusing on delivering value streams, Boeing not only facilitated a significant reduction in required budget by streamlining processes, improving alignment, and eliminating wastage; they were also able to improve the focus on business outcomes, delivering greater value to their business partners, and achieving tangible improvements in ROI across the technology organization. The key to this was the ability to not only focus on the work that was the highest priority for today, but

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also the highest priority work for the future of Boeing. This will allow the organization to maximize their potential capabilities and keep Boeing at the leading edge of innovation.

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