Glossary

Note: *The definitions here convey the sense in which a term is used in this book. They may not always be industry-standard terms or definitions.*

Activity Action that contributes to an outcome.

Activity-oriented team A team that is responsible for a single activity. Usually a team of specialists (e.g., marketing, sales, support, development).

Agile In the context of this book, the word *Agile* (capital A) is used to refer to a mindset or methodology that is aligned with the values and principles outlined in the Agile Manifesto. It is not used in the sense of the common English adjective.

Asynchronous communication Channels of communication that don't require parties to the communication to be available simultaneously. For example, e-mail and online forums are asynchronous while phone, VOIP, tele/web conference, chat, and face-to-face meetings are synchronous.

Build vs. buy or make vs. buy A decision to build an IT solution (using in-house or outsourced talent) versus buy an off-the-shelf solution (increasingly in the form of SaaS).

Capability In the context of this book, *capability* refers to the people and systems that make up a business-aligned IT capability.

CapEx Expenditure of capital toward creating or enhancing assets (IT assets). It is recorded in the balance sheet. It shows up in the income statement only as an annual depreciation.

Continuous delivery (CD) An approach to delivering software that reduces the cost, time, and risk of delivering incremental changes *to users* through seamless automation from development to deployment that makes production releases uneventful and frequent.

Continuous integration A practice followed by Agile software development teams of frequently checking-in code under

development into a version control system, which then auto-triggers a comprehensive suite of fast-running tests after each check-in. It ensures that the codebase retains its functional integrity in the face of rapid development.

Cross-functional team An interdisciplinary, outcome-oriented team. It may consist of hard-core specialists, generalizing specialists, or generalists.

Cycle time The elapsed time for an item (feature) to progress through the complete value stream. Elapsed time = value-added time + wait time.

DevOps DevOps (development + operations) aims to improve collaboration between the development organization and IT-operations by locating these skills within a single team and by emphasizing culture, automation, measurement, and sharing.

Digital business A business that offers its customers a transaction space that seamlessly bridges digital and physical worlds.

Digital transformation Digital transformation is a change program that aims to transform a primarily brick-and-mortar business into a digital business.

Function lead A catch-all term in this book for people who provide leadership for specialist functions (e.g., VP or director or head of marketing, sales, development, architecture, quality, or program management).

Handoff The act of handing over a work item from one specialist or team to another. A value stream with a series of N specialist activities will have N – 1 handoffs.

Internal scope Scope internal to a feature. Flexible internal scope is key to leveraging a problem-solving approach as opposed to a deliver-to-planned-scope approach.

Internet business A business that doesn't sell software but whose revenues are all (or mainly) via Internet transactions (contrast with ISV).

ISV Independent software vendor (increasingly of the SaaS variety). New-generation examples include companies such as Atlassian, Box. com, and GitHub.

IT-B The part of the IT organization that creates value. The people in charge of conceiving solutions and building (and running) software. Wages of IT-B personnel are mostly treated as CapEx.

IT-I The part of the IT organization that protects value. The people in charge of IT infrastructure and assets. Wages of IT-I personnel are mostly treated as OpEx.

OpEx The ongoing, running cost of IT systems and infrastructure, including the wage cost of people dedicated to this. It shows up as expenditure in the income statement.

Outcome An independently valuable and achievable business outcome.

Outcome owner A catch-all term in this book for someone (below the rank of an exec) who is accountable for and dedicated to a business outcome. For example, product manager/owner/champion, chief product officer, or program/project manager.

Outcome-oriented team A team that has autonomy and accountability for an outcome (e.g., a cross-functional product team).

SaaS Software-as-a-service is a model of distributing software in which the vendor hosts the solution for the customer rather than it being installed on customer's infrastructure.

Silo Organizational silos are units or departments that tend to protect themselves and not work well with other units.

Systems of differentiation or engagement The IT applications that help differentiate a business offering in the market or help drive engagement with customers.

Unscripted collaboration Collaboration between teams is unscripted when it occurs outside of regular, scheduled meetings and without prior planning, permission, or approval.

UX (XD) User experience (experience design).

Value stream A value stream (in this book's context) is a series of activities required to deliver a business outcome.