

Triage Tables

PRAGMATIC, ACTIONABLE, QUALITATIVE GUIDANCE ON COST OF DELAY

1

PATTERN CATALOG OF VALUE-ACQUISITION LIFECYCLE FUNCTIONS

Choose the value-acquisition lifecycle function which best matches the opportunity (work item).

ONE-OFF OPPORTUNITY WITH AN EXPIRY DATE

The impulse function implies that there is a one-off opportunity to gain a benefit (make money) and after that opportunity, the chance is gone.
A customer with a remaining annual budget approaches you to spend the money before the new fiscal year. You either take the opportunity before the expiry date or lose the sale.

VERY FRONT LOADED

80 percent of the benefit is realized in the first 20 percent of the lifecycle.
A ski manufacturer issues new models every year in November, and most of the sales are sold in the first three months of what is a one-year lifecycle.

FRONT LOADED

80 percent of the benefit is realized in the first 50 percent of the lifecycle.
A bicycle manufacturer, as in previous example, issues new bicycles every year in November-December, but the majority of sales happen in the beginning of the season—in spring—and drop off toward the end of the summer.

BELL CURVE, NO CATCH UP

A bell curve with "no catch up" implies that there is a network effect in the marketplace that gives the first mover an advantage that cannot be taken away later.
This network-effect, first-mover advantage is often associated with technology platforms such as operating systems, productivity suites, mobile telephony standards, messaging and communications tools, and social media networking.

BELL CURVE WITH CATCH UP

A bell curve with catch up has no first-mover advantage, and second and subsequent movers can catch up and even overtake an early market mover.
The first car manufacturer that introduced LED lights in the market had an advantage, and it took one year for a second manufacturer to offer the same technology. Then it took several years for other market players to catch up. Nevertheless, the first player didn't have a lock-in market effect, and it didn't affect competitors' sales.

BACK LOADED

80 percent of the benefit is realized in the last 50 percent of the lifecycle.
A hotel's Easter marketing campaign starts after the New Year (80-100 days lifecycle). Most of the reservations are made in the second half of the lifecycle.

VERY BACK LOADED

80 percent of the benefit is realized in the last 20 percent of the lifecycle.
A conference organizer offers an event in a local region or metropolitan area aimed at attendees from that geographical region. Unless there is a perceived scarcity of tickets, attendees wait until the last 20 percent of the lifecycle before purchasing a ticket.

CONSTANT RATE

The constant rate function models the benefit for things such as cost-saving features.
When the product or service is deployed, cost is saved—perhaps workers are made redundant. Consequently, if we had that feature today, we would have the savings tomorrow, and the amount saved is fixed and constant.

BELL CURVE EXTENDED, DECAYING LIFE, DECAYING LOYALTY

This models an extended but shortening lifecycle, together with decaying loyalty. These are situations where a delay in releasing a product, feature, or service beyond the desired date has little impact due to customer loyalty, technology lock-in, or monopoly of supply or limited choice in the market. However, long delays cause the lifecycle period to shorten and loyalty to drop off.

BELL CURVE, EXTENDED LIFE, DECAYING LOYALTY

This models an extended lifecycle, with decaying loyalty over time. These are situations where a delay in releasing a product, feature, or service beyond the desired date has little impact due to customer loyalty, technology lock-in, or monopoly of supply or limited choice in the market.

LAST-MINUTE DECAY

Immediate benefits regardless of the delay, however, last-minute results in a rapid drop-off in realized benefits.
This models a business such as promoting a pop concert for a popular artist, such as Taylor Swift. If the tickets go on sale today, the whole stadium is sold out within hours. If we delay a week or a month, we still sell out. The perception of scarcity means that the sales are immediate regardless of the delay, unless we wait until the last minute without announcing the event.

2

TAXONOMY OF: SHELF-LIFE RATIO

How long does it take to deliver vs. how long you will receive a benefit

Determine the shelf-life ratio – the ratio of the lead time distribution range to the lifecycle period.

LEAD TIME - 2

LIFECYCLE PERIOD - 1

2:1

ULTRA-SHORT

LEAD TIME - 1

LIFECYCLE PERIOD - 1

1:1

SHORT

LEAD TIME - 1

LIFECYCLE PERIOD - 2

1:2

MEDIUM

LEAD TIME - 1

LIFECYCLE PERIOD - 5

1:5

LONG

LEAD TIME - 1

LIFECYCLE PERIOD - 10

1:10

EXTRA-LONG

3

TRIAGE TABLE: CLASS OF SERVICE

CONCAVITY	INSTANT	ULTRA-SHORT	SHORT	MEDIUM	LONG	EXTRA-LONG
		<1 delivery cycle	1 delivery cycle	2-4 delivery cycles	5-10 delivery cycles	>10 delivery cycles
CONVEXITY	ONE-OFF OPPORTUNITY	ONE-OFF OPPORTUNITY	ONE-OFF OPPORTUNITY	ONE-OFF OPPORTUNITY	ONE-OFF OPPORTUNITY	ONE-OFF OPPORTUNITY
	V. FRONT-LOADED	V. FRONT-LOADED	V. FRONT-LOADED	V. FRONT-LOADED	V. FRONT-LOADED	V. FRONT-LOADED
	FRONT-LOADED	FRONT-LOADED	FRONT-LOADED	FRONT-LOADED	FRONT-LOADED	FRONT-LOADED
	BELL CURVE #1 (1ST MOVER ADV)	BELL CURVE #1 (1ST MOVER ADV)	BELL CURVE #1 (1ST MOVER ADV)	BELL CURVE #1 (1ST MOVER ADV)	BELL CURVE #1 (1ST MOVER ADV)	BELL CURVE #1 (1ST MOVER ADV)
	BELL CURVE #2 (W/ CATCH UP)	BELL CURVE #2 (W/ CATCH UP)	BELL CURVE #2 (W/ CATCH UP)	BELL CURVE #2 (W/ CATCH UP)	BELL CURVE #2 (W/ CATCH UP)	BELL CURVE #2 (W/ CATCH UP)
	BACK-LOADED	BACK-LOADED	BACK-LOADED	BACK-LOADED	BACK-LOADED	BACK-LOADED
	V. BACK-LOADED	V. BACK-LOADED	V. BACK-LOADED	V. BACK-LOADED	V. BACK-LOADED	V. BACK-LOADED
	CONSTANT RATE	CONSTANT RATE	CONSTANT RATE	CONSTANT RATE	CONSTANT RATE	CONSTANT RATE
	EXT. LIFE #1	EXT. LIFE #1	EXT. LIFE #1	EXT. LIFE #1	EXT. LIFE #1	EXT. LIFE #1
	EXT. LIFE #2	EXT. LIFE #2	EXT. LIFE #2	EXT. LIFE #2	EXT. LIFE #2	EXT. LIFE #2
LAST-MINUTE DECAY	LAST-MINUTE DECAY	LAST-MINUTE DECAY	LAST-MINUTE DECAY	LAST-MINUTE DECAY	LAST-MINUTE DECAY	

4

USING TRIAGE TABLE

PART 1. DETERMINING DEFAULT CLASS OF SERVICE

Choose the lifecycle value function which best matches the opportunity (work item). 1

Determine the "desired delivery date", when the lifecycle begins (or value creation is first possible).

Determine the shelf-life ratio: the ratio between the lead time (how long does it take to deliver) vs. lifecycle period (how long will you receive a benefit from it). 2

Look up the Triage Tables for default class of service. 3 4

PART 2. MODIFYING CLASS OF SERVICE FOR START DATE

Determine the start date range using today's date, lead time period and your desired delivery date. 5

Determine customer expectations for delivery time:

Don't care: without any expectations.

SLA/SLE: within Service Level Agreement / Expectations.

Deadline: delivery date is fixed.

ASAP: as soon as possible.

Zero Tolerance: missed delivery date = total loss of the opportunity.

Indicate the lead time probability curve: thin or fat tailed. 6.1 6.2

Look up Triage Table modifier - thin or fat tailed according to your case. 7.1 7.2 Read how to change your previous position. Come back to the Class of Service Triage Table 3 or straight to the Classes of Service explanation. 4 In case of an "Expedite" result to find out about the class of service of your work item.

CLASSES OF SERVICES MAPPED TO COST OF DELAY

Look up Triage Table for class of service.

EXPEDITE

Critical and immediate cost of delay, it can exceed other kanban limit (bumps other work).

FIXED DATE

Cost of delay goes up significantly after deadline.

STANDARD

Increasing urgency, cost of delay is shallow but accelerates before levelling out.

INTANGIBLE

Cost of delay may be significant but is not incurred until significantly later (if at all).

6

TRIAGE TABLES MODIFIERS

Look up thin-tailed or fat-tailed Triage Table modifier, as appropriate, and determine modified location on Triage Table. 3

5

START DATE RANGES

Determine the start date range using today's date, lead time distribution, and desired delivery date:

LRM

Last Responsible Moment

DDD

Desired Delivery Date

LIFECYCLE PERIOD

SUPER EARLY

2x 100% of the lead time before the DDD and more

EARLY

From 2x 100% of the lead time – till 100% of the lead time

NORMAL

100% - 85% of the lead time

LATE

85% - 50% of the lead time

LRM

The instant at 50% of the lead time before DDD

IRRESPONSIBLY LATE

Any time after LRM

THIN-TAILED DISTRIBUTION

Good predictability, low impact, shorter delays

Tail Median (50% ile) < 5

6.1

TRIAGE TABLE MODIFIER MEDIOCRISTAN THIN-TAILED LEAD TIME

Trustworthy delivery...
Deadlines are used only for high cost of delay items.
FIXED DATE class of service assumes a deadline is likely.

7.1

TRIAGE TABLE MODIFIER EXTREMISTAN FAT-TAILED LEAD TIME

Untrustworthy delivery...
Deadlines are much more common due to a lack of trust and will often be used even for low cost of delay items. SLA/SLEs will be missed regularly.

7.2

FAT-TAILED DISTRIBUTION

Poor predictability, potentially high impact from long delays

Tail Median (50% ile) ≥ 6

6.2

Modify class of service table look-up as follows...

Move up or down cells on Triage Table as shown.

If you go off the top of the chart, then Expedite.

If you go off the bottom of the chart, then Intangible.

START DATE	CUSTOMER EXPECTATIONS	CLASS OF SERVICE	START DATE	CUSTOMER EXPECTATIONS	CLASS OF SERVICE	START DATE	CUSTOMER EXPECTATIONS	CLASS OF SERVICE	START DATE	CUSTOMER EXPECTATIONS	CLASS OF SERVICE
NOW	ASAP	EXPEDITE	NOW	ASAP	EXPEDITE	NOW	ASAP	EXPEDITE	NOW	ASAP	EXPEDITE
IRRESPONSIBLY LATE	WITHIN SLA/SLE	UP 3	IRRESPONSIBLY LATE	ZERO TOLERANCE	EXPEDITE	IRRESPONSIBLY LATE	WITHIN SLA/SLE	LEFT 1 & UP 3	IRRESPONSIBLY LATE	ZERO TOLERANCE	EXPEDITE
LAST RESPONSIBLE MOMENT	WITHIN SLA/SLE	UP 2	LAST RESPONSIBLE MOMENT	DEADLINE	UP 2	LAST RESPONSIBLE MOMENT	WITHIN SLA/SLE	LEFT 1 & UP 2	LAST RESPONSIBLE MOMENT	DEADLINE	EXPEDITE
LATE	WITHIN SLA/SLE	UP 1	LATE	DEADLINE	UP 1	LATE	WITHIN SLA/SLE	LEFT 1 & UP 1	LATE	DEADLINE	EXPEDITE
NORMAL	WITHIN SLA/SLE	DON'T CHANGE	NORMAL	DEADLINE	DON'T CHANGE	NORMAL	WITHIN SLA/SLE	LEFT 1	NORMAL	DEADLINE	FIXED DATE
EARLY	WITHIN SLA/SLE	DOWN 1	EARLY	DEADLINE	DOWN 1	EARLY	WITHIN SLA/SLE	DON'T CHANGE	EARLY	DEADLINE	FIXED DATE
SUPER-EARLY	WITHIN SLA/SLE	DOWN 2	SUPER-EARLY	DEADLINE	DOWN 2	SUPER-EARLY	WITHIN SLA/SLE	DOWN 1	SUPER-EARLY	DEADLINE	STANDARD
DON'T CARE	DON'T CARE	INTANGIBLE	DON'T CARE	DON'T CARE	INTANGIBLE	DON'T CARE	DON'T CARE	INTANGIBLE	DON'T CARE	DON'T CARE	INTANGIBLE