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When people start with SAFe there is a lot of confusion around the need to assign a Business Value to the PI Objective. The thinking goes “we already understand the business value because we have the features - why not just use that?” In many ways this is the same kind of thinking process as “why do we establish sprint goals when we have users stories?” The problem with this type of thinking is that if you are not careful features and stories become a way of specifying fixed scope, do not allow learning as we go along, and set us up for blame game when things don't quite work out as expected (Business: “But the features says it has to do this!”; Team: “We thought it meant that and this is how we got there.”) To rectify this, we treat the features or story as a “wish” and the PI Objectives (and sprint goals) become a feedback loop to that the team provides to ensure there is common understanding. (See What is the Purpose of Sprint or Iteration Goals? for more information)

Having established the PI Objectives, we need to close the loop on communication, and we do this by having the business owner review the PI Objective, discuss their understanding of the PI Objective with the team, and assign a Business Value to that PI Objective based on that understanding. This process creates a “handshake” between the business and the team, with the PI Objectives in the team’s own words and the Business Value is the agreement from the business that the Plan makes sense to them.

In addition to closing this loop, there are two other primary uses of the Business Value that is assigned to the PI Objectives:

1. It enables local decision making by the team. For example, if the team finds it has a choice to focus on one piece of work over another, their understanding of the value of the objectives will enable them to make that call quickly and locally. Or if the team discovers they are able to meet the PI Objective through a different path than expected (e.g. they have learned something which will allow them to shortcut the release of value) then there is no need to go back and “change scope”; the team is empowered to do this. For example, let’s imagine that the Team plans 2 Features that they think will fulfill a PI Objective. As they do the work the complete all of Feature 1 and half Feature 2 and they realize they have met the PI Objective. Instead of just following the plan, resulting in no additional value, the Team can maximize the work not done and get on to the next item.
2. The commitment to deliver value is based on the PI Objectives. We can therefore use the Business Value to understand a team's ability to make and meet their commitments. The more a team is able to make and meet their commitments, the more likely stakeholders will trust the team, and so improve how they (team and stakeholders) collaborate over time. The Business Value can be used to create a metric which shows this ability.

> In summary, “Why do we assign a Business Value?” To close the feedback loop with the business, to enable local decision making and to help us understand whether we are making and meeting commitments.

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