

# Value Management Methodology Æilus

Æilus Methodology v2.0

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Æilus is a value management methodology for socio-economic systems, derived from the **Theory of Value Management (VMT)**, and intended for practical work with value and anti-value flows, value interpretations, and the sustainability of value systems.

Æilus should be considered a universal value management methodology applicable to any socio-economic system - from small organizations to complex ecosystems.

It does not replace economic theory, management disciplines, or domain-specific practices. Instead, it provides a **rigorous and internally consistent framework** in which value management becomes conscious, verifiable, and sustainable.

## Purpose of Æilus

VMT describes how value arises, is interpreted, transferred, consumed, and transformed within value systems, as well as which fundamental constraints and regularities govern these processes. However, VMT deliberately does not answer the question of *what exactly should be done* in real systems.

Æilus fills this gap by providing a normative, but **domain-agnostic, layer** of knowledge that defines **which managerial interventions are admissible and meaningful** when the goals are to reduce flow resistance, increase system sustainability, and grow realized value.

Thus, Æilus is not a collection of practical recipes and does not replace domain-specific management methods. It defines the **boundaries of correct value management** within which various practices, tools, and organizational forms may be used.

## Relation to the Theory of Value Management (VMT)

Æilus is logically and methodologically grounded in the Theory of Value Management.

- **VMT** describes the reality of value: its ontology (actors, elements, flows, interpretations), axioms (context-dependence, asymmetry of interpretations, absence of value conservation), and theorems (sustainability, leakage, flow resistance, interpretational dynamics).
- Æilus defines **how it is possible to influence this reality** without violating its fundamental properties.

The success or failure of a particular practice within Æilus does not falsify VMT. On the contrary, such outcomes are interpreted as manifestations of theoretical regularities (for example, increased flow resistance or violations of participation conditions). In this sense, Æilus is a **methodological superstructure** over VMT, not an alternative theory.

## Core Ideas of Æilus

Æilus is based on the following key ideas:

1. Management operates through flows, not metrics. Value and anti-value are treated as dynamic flows between transformers, not as static results or isolated indicators.

Value interpretations are manageable. Planned, realized, and retrospective value are different interpretations, and their alignment is a legitimate object of managerial intervention.

2. Æilus also accounts for the existence of potential value ( $V^{potential}$ ) prior to the formation of planned value ( $V^{plan}$ ) - an interpretable possibility of state change that is not yet tied to a specific recipient or flow.

Æilus treats the formation of  $V^{plan}$  as a managerial act of selecting a recipient and organizing value delivery.

3. Anti-value and flow resistance are primary objects of management. The accumulation of anti-value and interpretation gaps leads to system degradation even when planned value grows.
4. System sustainability has priority over local optimization. Managerial decisions are evaluated by their impact on actor participation conditions and the preservation of critical transformation roles.
5. Practices are admissible only in the context of a value system. No practice is universally good; its admissibility is determined by its systemic effect.

## How Æilus Works (High-Level Overview)

Below is a generalized description of how Æilus operates in practice; concrete requirements are formalized through principles.

Æilus is implemented through **principles, processes, and roles** that together form an operational model of value management.

- **Æilus principles** define mandatory requirements for correct value management, including observability of elements, alignment of interpretations, control of participation conditions, and reduction of flow resistance.
- **Æilus processes** ensure the execution of these principles through regular loops of observation, analysis, and system adaptation.

- **The Æilus role model** distributes responsibility:
  - The *Value Transformer Owner* is responsible for realizing and transforming value within transformers.
  - The *Value System Owner* is responsible for system sustainability.
  - Additional roles are introduced as system complexity grows.

Æilus does not impose specific tools or organizational forms. It allows the use of any domain practices provided that they reduce flow resistance, do not undermine system sustainability, and comply with value management principles.

# Principles

The Æilus methodology is grounded in a fixed set of principles derived from the Theory of Value Management (VMT). These principles define the admissible boundaries of value management and protect the value system from destructive interventions.

Æilus principles are not recommendations or best practices. They are mandatory methodological constraints that must be satisfied regardless of the domain, organizational structure, or tooling.

## P1. Observability of value and anti-value elements

Significant value and anti-value elements must be identified, measurable, and tracked throughout the entire lifecycle of the value system. If value or anti-value cannot be observed, it cannot be deliberately managed.

## P2. Alignment of value interpretations

Interpretations of planned value ( $V^{plan}$ ), realized value ( $V^{real}$ ), and retrospective value ( $V^{retro}$ ) must be regularly compared and updated. Unaligned interpretations lead to hidden resistance, anti-value accumulation, and loss of trust between actors.

## P3. Reassessment of demand for value elements

The required quantity and types of value elements must be periodically reassessed in accordance with current interpretations of value and the participation conditions of actors. Overproduction and undersupply are both sources of systemic anti-value.

## P4. Sustainability and participation conditions

Participation conditions of all actors, as well as risks and dependencies on external value flows, must be continuously monitored. System sustainability has priority over local efficiency or short-term growth.

## P5. Throughput over accumulation

A value system must prioritize throughput of value flows and minimize accumulation of value elements inside transformers. Accumulation is permitted only as an explicit and justified decision and requires regular re-evaluation of value interpretation before delivery.

## P6. Reduction of flow resistance

All interventions in the value system must aim to reduce flow resistance. Resistance manifests through gaps between planned and realized value, generation of anti-value, and undelivered value.

## **P7. Efficiency of value production**

When producing value elements, transformers must prefer practices that increase realized value under the same or lower consumption of value. Efficiency is evaluated by realized outcomes, not by effort or activity volume.

## **P8. System-level priority of practices**

Practice selection must prioritize improvement of transformer capability and overall value system performance. Local optimization of isolated process segments must not undermine system coherence or sustainability.

## **P9. Justified growth of planned value**

Growth of planned value is mandatory only when all of the following conditions are met: there is confirmed demand, sufficient inflow of value, proven delivery capability, and no violation of participation conditions or system sustainability.

## **P10. Integrity of value interpretations**

Interpretations of planned and realized value must be formed in good faith and remain verifiable within the value system. Intentional inflation of planned value or deflation of realized value for local advantage is a methodological violation.

Integrity of interpretation does not require agreement between actors. Disagreement is admissible; systematic distortion is not.

# Roles

The Æilus methodology is applied through principles and recurring operational loops. To make these loops sustainable in real value systems, Æilus introduces a role model that distributes responsibility for value dynamics without centralizing control.

Roles in Æilus are functional. They define ownership of value production, value delivery, and system sustainability. They are not job titles, hierarchy levels, or organizational positions.

## Role model structure

Æilus v2.0 distinguishes between core roles, scaling roles, and support roles. This separation ensures minimal required structure while allowing controlled growth of complexity.

Role	Type	When Needed
<b>Value Transformer Owner (VTO)</b>	Core	Always
<b>Value System Owner (VSO)</b>	Core	Always
<b>Flow Owner</b>	Scaling	Complex / critical flows
<b>Practice Owner</b>	Scaling	Shared / critical practices
<b>Domain Owner</b>	Scaling	Critical non-functional constraints
<b>Æilus Master</b>	Support	Adoption / maturity

## Core roles

### Value Transformer Owner (VTO)

The **Value Transformer Owner** is responsible for the capability of a specific transformer to sustainably **realize and transform value**.

The VTO owns the outcomes of the transformer, including:

- realized value delivered to recipients;
- anti-value produced as a by-product;
- flow resistance generated by transformer operation;
- the transformer's ability to continue participation without degradation.

The VTO selects, adapts, validates, and retires practices used inside the transformer. The VTO is not obligated to constantly increase planned value; growth of planned value is admissible only when deliverability is confirmed and sustainability is not threatened.

## **Value System Owner (VSO)**

The Value System Owner is responsible for the sustainability and integrity of the value system as a whole.

The VSO ensures that:

- participation conditions of all actors remain satisfied;
- system boundaries and critical flows are explicit;
- dependencies on external inflows and outflows are understood;
- local optimization does not undermine system sustainability.

The VSO does not manage transformer internals. The role exists to preserve system-level viability over time.

## **Scaling Roles**

### **Flow Owner**

The Flow Owner is introduced when value delivery between transformers becomes a persistent source of resistance.

The Flow Owner focuses on the space between transformers: alignment of interpretations, reduction of flow resistance, and prevention of undelivered value.

The Flow Owner facilitates agreements between Value Transformer Owners and restores deliverability where value is lost at boundaries.

### **Practice Owner**

The Practice Owner is introduced when a practice is shared across multiple transformers or is large or critical enough to require dedicated stewardship.

The Practice Owner is responsible for:

- maintaining the formal practice definition;
- ensuring correct implementation and adaptation;
- preventing cargo-cult usage;

- initiating revision or decommissioning when necessary.

The Practice Owner owns the integrity of the practice, not the results of individual transformers.

## Domain Owner

The Domain Owner is responsible for correct value interpretation within a specific domain (such as performance, availability, security, continuity, architecture, or knowledge).

The Domain Owner:

- defines and maintains domain policies;
- assesses practices against domain constraints;
- detects systemic anti-value caused by domain violations;
- escalates domain risks threatening sustainability.

## Support Role

### Æilus Master

The Æilus Master supports correct adoption and application of the Æilus methodology.

This role exists to:

- preserve methodological integrity;
- prevent cargo-cult adoption;
- support role interaction in complex situations;
- facilitate alignment and retrospective events.

The Æilus Master does not manage value production or delivery. The role manages correctness of methodological application.

Together, the role model ensures that responsibility for value remains explicit, scalable, and aligned with the principles of Æilus v2.0.



# Processes and Events

Æilus is not implemented as a one-time transformation initiative. It is implemented as a set of recurring processes and events that keep a value system observable, coherent, and sustainable over time.

In terms of the Theory of Value Management (VMT), value is dynamic: interpretations drift, resistance accumulates, anti-value emerges, and external dependencies change. Æilus processes exist to ensure that the system responds to these dynamics deliberately rather than accidentally.

## What Æilus Processes Are

Æilus processes are regular loops of observation, analysis, and adaptation. They operationalize the principles of Æilus by forcing the system to repeatedly answer four fundamental questions:

- What value and anti-value are currently moving through the system?
- How do planned, realized, and retrospective interpretations differ?
- Where does resistance grow and why?
- Are participation conditions and system sustainability still satisfied?

Processes do not prescribe which practices must be used. They create a disciplined environment in which practices can be selected, validated, replaced, or retired based on observable system behavior.

## What Æilus Events Are

Events are the organizational activation points of the methodology. They exist to synchronize interpretations, validate delivery, and make system-level signals explicit.

Without events, value work gradually becomes invisible again and degrades into informal opinions, local narratives, and metric-driven distortions.

## Core Operating Cycle

A mature Æilus implementation operates as a continuous cycle with four layers:

1. Observe - maintain visibility of value elements, anti-value, and accumulation.
2. Align - synchronize interpretations between senders and recipients.
3. Intervene - adjust practices to reduce resistance and improve realized value.

4. Stabilize - ensure participation conditions and domain policies remain satisfied.

This cycle does not aim at a final optimized state. It aims at maintaining reproducibility, predictability, and sustainability under change.

## **Mandatory Process Groups**

### **1) Value Observability and Element Lifecycle**

This process group implements the principle of observability (P1) and supports throughput over accumulation (P5).

- identification and tracking of significant value and anti-value elements;
- maintenance of element typology and interpretation consistency;
- monitoring accumulation inside transformers;
- re-evaluation of stored planned value before delivery into a flow.

### **2) Interpretation Synchronization and Validation**

This process group implements alignment and integrity of interpretations (P2, P10).

- comparison of planned, realized, and retrospective value interpretations;
- explicit formulation of interpretation criteria;
- validation of realized value by the receiving actor;
- detection of systematic interpretation distortions.

### **3) Demand and Quantity Reassessment**

This process group implements the principle of dynamic demand for value elements (P3).

- reassessment of required element types and quantities;
- detection of overproduction and undersupply;
- confirmation that produced value has a viable recipient and deliverable flow.

### **4) Sustainability, Risks, and External Dependencies**

This process group implements the principle of sustainability and participation conditions (P4).

- monitoring participation conditions of critical actors;
- tracking dependencies on external inflows and outflows;

- identification of leakage and structural fragility;
- decisions to stabilize the system instead of growing planned value.

### **5) Resistance and Anti-Value Reduction**

This process group implements the principle of reducing flow resistance (P6).

- analysis of gaps between planned and realized value;
- identification of anti-value sources;
- localization of resistance inside transformers and between them;
- prioritization of interventions that reduce resistance rather than shift it.

### **6) Practice Selection, Validation, and Retirement**

This process group implements principles of efficiency and system-level priority (P7, P8).

- selection of practices based on realized value per consumed value;
- preference for practices increasing transformer and system capability;
- validation of practices through observable effects;
- retirement of practices that degrade sustainability or create systemic anti-value.

### **7) Justified Growth Management**

This process group implements the principle of justified growth of planned value (P9).

- confirmation of demand for increased value;
- confirmation of sufficient inflow and production capability;
- confirmation of deliverability of realized value;
- verification that participation conditions and sustainability are not violated.

## **Recommended Events**

Æilus does not mandate a single event calendar. However, a minimal sustainable implementation typically includes the following events:

- Value System Review - review of system boundaries, actors, critical flows, and dependencies.

- Interpretation Alignment Session - synchronization of value interpretations across critical flows.
- Flow Resistance Review - identification of bottlenecks, accumulation, and undelivered value.
- Practice Review Board - evaluation of practice adoption, adaptation, and retirement.
- Value Retrospective - analysis of retrospective value to improve future interpretations.

## Role Ownership of Processes

Processes in Æilus are owned, not merely executed. The role model defines accountability for maintaining each loop:

- VTO owns transformer-internal observability, practice selection, and reduction of locally generated anti-value.
- VSO owns system-level sustainability, system configuration, and balance between growth and stability.
- Flow Owner owns resistance and interpretation alignment on complex or critical flows (if introduced).
- Domain Owner owns domain policy compliance and prevention of domain-related anti-value (if introduced).
- Practice Owner owns integrity and admissibility of shared practices (if introduced).
- Æilus Master supports methodological integrity and prevents cargo-cult adoption.

## What Good Operation Looks Like

A healthy Æilus operating model demonstrates three observable properties:

- interpretations remain synchronized and verifiable;
- resistance and anti-value decrease over time rather than accumulate;
- system sustainability is preserved under changing conditions.

# Artifacts and Reports

Æilus requires value work to be observable, comparable, and discussable. Without explicit artifacts, value management degrades into subjective opinions and local narratives.

In Æilus, artifacts are not documentation for its own sake. They exist to implement core methodological principles: observability of value elements, alignment and integrity of interpretations, reduction of flow resistance, and preservation of system sustainability.

## What Artifacts Are in Æilus

An artifact is a structured representation of part of a value system. Artifacts make implicit knowledge explicit and actionable.

Artifacts answer the following questions:

- what value and anti-value elements exist;
- where they move;
- where they accumulate;
- how they are interpreted by different actors;
- where resistance and anti-value emerge.

In Æilus, an artifact is valid only if it supports decisions. Artifacts that do not influence decisions create anti-value.

## Core Artifact Groups

### 1) Value System Schema (VSS)

A Value System Schema (VSS) is a formal description of a value system: actors, transformers, flows, and critical exchanges.

VSS establishes system boundaries and prevents invisible external dependencies. VSS can exist at transformer level or system level.

### 2) Value Element Registry and Element Typology

Significant value and anti-value elements must be identified and tracked.

The Value Element Registry defines which elements matter in the system. The Element Typology defines element types so flows can be interpreted consistently.

### **3) Value Interpretation Model**

Interpretations of value are explicit objects in Æilus.

The system must be able to compare planned, realized, and retrospective interpretations.

Typical artifacts include: Value Interpretation Matrix, Interpretation Change Log.

These artifacts ensure integrity of interpretation: disagreement is admissible; systematic distortion is not.

### **4) Demand and Balance Model**

Demand for value elements is dynamic and must be represented explicitly.

Artifacts include:

- Element Demand Model;
- Supply-Demand Balance Map.

### **5) Flow Throughput and Accumulation View**

High throughput and minimized accumulation are required at the system level.

Artifacts include:

- Value Flow Map;
- Flow Accumulation Heatmap.

Accumulation is permitted only as a deliberate decision and requires re-evaluation before delivery.

### **6) Resistance and Anti-Value Register**

Resistance and anti-value are primary objects of management in Æilus.

Artifacts include:

- Flow Resistance Register;
- Anti-Value Source Map.

### **7) Transformer Efficiency and Capability Model**

Æilus evaluates efficiency by realized value under consumed value.

Artifacts include:

- Value Production Efficiency Model;

- Transformer Performance Profile.

## **8) Practice Portfolio and System Impact Assessment**

Practices are evaluated through their systemic effects.

Artifacts include:

- Practice Portfolio;
- System Impact Assessment.

## **Reports: Turning Artifacts into Decisions**

Artifacts capture structure; reports reveal dynamics over time.

Reports answer:

- what changed;
- where resistance grows;
- where anti-value accumulates;
- where planned value diverges from realized value;
- whether sustainability is threatened.

## **Minimum Report Set**

- Planned vs Realized Value Gap Report;
- Flow Resistance Report;
- Anti-Value Dynamics Report;
- Throughput & Accumulation Report;
- Transformer Efficiency Report;
- System Sustainability Signal Report.

## **Artifact Discipline**

Every artifact must have an owner, an update loop, and a decision purpose.

Artifacts without ownership or purpose inevitably generate anti-value.

# Domains and Policies

In Æilus, value is never delivered in isolation. The same value element may be interpreted as acceptable or unacceptable depending on the context in which it is delivered.

Æilus formalizes such contexts as domains, and the constraints they impose as domain policies. Domains are not optional non-functional add-ons. They define whether delivered value remains admissible or turns into anti-value.

## Why Domains Exist

A common systemic failure mode is producing something that appears valuable locally, but becomes anti-value at the system level.

For example, a functional improvement may be acceptable from a feature perspective, but unacceptable from a security, continuity, or reliability perspective. In such cases, value is rejected not because it is useless, but because it violates the conditions required for safe participation.

Domains exist to make this explicit.

## Definition: Domain

A domain is a value-interpretation context that imposes requirements on admissible practices, processes, and outcomes of a transformer.

Domains:

- do not create value directly;
- prevent non-admissible anti-value;
- protect the sustainability of delivered value over time.

Domains exist because value interpretation depends not only on what is delivered, but also on how and under which conditions it is delivered.

## Definition: Domain Policy

A domain policy is a set of constraints that practices must satisfy in order to remain admissible within a given domain.

Domain policies:

- do not define which value should be produced;



- define how value may be produced without generating non-admissible anti-value;
- ensure participation conditions and system sustainability are not violated.

## Domains as a Synchronization Mechanism

Domains act as a synchronization mechanism for value interpretation between transformers and receiving actors.

They answer a systemic question: Is the delivered value acceptable under the constraints that matter to the receiver?

Without domains, systems drift into local optimization: transformers maximize output and planned value, while recipients experience instability, risk, and hidden anti-value.

## Evaluating Practices Through Domains

In *Æilus*, practices are never evaluated as good or bad in the abstract.

A practice is admissible only if:

- it satisfies the domain policies of the transformer;
- it does not violate value interpretation for receiving actors;
- it does not undermine participation conditions or system sustainability.

The same practice may be admissible in one domain and non-admissible in another.

## Typical Domains

*Æilus* does not define a closed list of domains. The relevant set of domains is determined by the value system context.

Typical domains include (but are not limited to):

- Performance;
- Availability and Continuity;
- Security;
- Architecture;
- Continuous Improvement;
- Knowledge Management.

Domains may be introduced whenever correct interpretation of value requires explicit specification of quality constraints.

## **Domain Owner Role**

A Domain Owner may be introduced when a domain becomes critical for value interpretation and system sustainability.

The Domain Owner is responsible for:

- defining and maintaining domain policies;
- assessing practices and processes against domain constraints;
- detecting systemic anti-value caused by domain violations;
- early escalation of domain risks threatening sustainability and participation conditions.

The Domain Owner does not produce value directly and does not replace the Value Transformer Owner. The role exists to protect the admissibility of value.

In short: domains do not optimize value; domains prevent value from becoming non-admissible.

# Practices Collection

In Æilus, practices are not best practices and are not imposed centrally. They are treated as formalized local value systems that operate inside transformers.

If a transformer is not a single human actor but an organizational unit (team, department, service, or function), it inevitably has its own internal value system. In Æilus, such internal value systems are described and managed as practices.

## Definition: Practice

A practice is a formal template of a local value system inside a transformer. It defines how incoming value and anti-value are realized, transformed, stored, and how outgoing value and anti-value are produced.

A practice does not describe how to do work correctly in the abstract. It describes what value it consumes and what value it produces under explicit conditions.

## Practices and the Value Lifecycle

Practices in Æilus operate across the full value lifecycle defined in VMT:

- $V^{potential}$  - potential value not yet tied to a recipient or flow;
- $V^{plan}$  - planned value directed to a specific recipient through a defined flow;
- $V^{real}$  - realized value that emerges at the moment of consumption;
- $V^{retro}$  - retrospective re-evaluation of previously realized value.

A practice may transform  $V^{potential}$  into  $V^{plan}$  (discovery practices), realize and transform  $V^{plan}$  (delivery practices), reduce anti-value and resistance, or increase the transformer's capability to deliver value sustainably.

## Practice Interfaces: Inputs and Outputs

To ensure composability and manageability, every practice must have explicitly defined interfaces.

These interfaces include:

- incoming value and anti-value elements;
- outgoing value and anti-value elements;
- expected effects on resistance, throughput, and participation conditions.

Practices may be combined into processes only when their interfaces are compatible. Incompatible practices inevitably generate anti-value through misalignment and hidden resistance.

## Practice Catalogue and the Role of ÆVRI

Æilus assumes the accumulation and evolution of a practice catalogue through the Æilus Value Research Institute (ÆVRI).

The practice catalogue is not a list of universal solutions. It is a curated collection of validated local value systems (practices) with documented applicability, constraints, and observed effects.

Adding a practice to the catalogue does not make it universally admissible. Admissibility is always determined by the concrete value system context.

## Responsibility for Practice Selection

Selection, adaptation, composition, and retirement of practices is the responsibility of the Value Transformer Owner (VTO).

The VTO:

- builds transformer processes by selecting practices from the catalogue;
- adapts practices to improve realized value and reduce resistance;
- is responsible for anti-value generated by practice usage;
- must ensure compliance with domain policies and participation conditions.

Practices are not centrally mandated. They are valid only as long as they remain admissible and produce positive system-level effects.

## Practices Are Not Recipes

Æilus deliberately avoids turning practices into recipes or checklists.

A practice is meaningful only when:

- its effects are observable;
- its assumptions are explicit;
- its interaction with other practices is understood;
- its systemic impact is continuously validated.

In this sense, practices are experimental but disciplined: they are refined through observation, not adopted by imitation.