

# You Need a Product Office

AGILE2023

JULY 2023



## Does this sound familiar?

- You can't get clarity on the long-term delivery plan from your product delivery teams
- Products delivered don't meet client expectations or are too late to market to be impactful
- Product owners must deliver what is in the funding proposal, rather than drive scope decisions on customer need
- The PMO tracks projects and products in the same way leading to a focus on iterations not increments
- Deploy and forget approach to releases – features chosen based on hypotheses, but not tested after deployment

**Product management  
and ownership are  
rarely aligned, or maybe  
don't even  
communicate**



## PRODUCT OR PROJECT

We hear about product management and project management, without always considering the difference.

Discuss in your tables how you differentiate between a product or a project.

Come up with 2-3 differentiators.



# Evolving toward Product Management

## FROM

Sequential delivery with long decisions cycles and little customer validation

Near complete specification prior to funding go/no-go decision

Governance based on adherence to scope, budget, and schedule from a pre-determined plan

Features developed with infrequent or limited customer insight

Infrequent releases hampered by a long-duration release process

Wide product decision gap creates lag between ideation and validation of new features and business ideas



## TO

Rapid, iterative delivery with strong customer input and short decision cycles

Incremental funding decisions based on just-enough requirements

Governance based on iterative delivery against a high level plan

Frequent interaction with customers used to emerge new product features

Efficient DevOps CI/CD pipeline enables frequent small releases

Narrow product decision gap makes validation of product ideas a natural part of product management process

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, converging towards the top center of the frame against a clear, light blue sky. The perspective creates a sense of height and architectural scale.

Let's talk value



# The rise of the Value Management Office



DIGITAL MODERNIZATION | 5 MIN READ

## Transforming the Traditional PMO to a Value Management Office

By Rob Smallwood, Vice President of Digital Modernization and Bill Strittmatter, Enterprise Solutions Architect

November 9th, 2021

Change Management

## Health Care Providers Need a Value Management Office

by Robert S. Kaplan, Catherine H. MacLean, Alexander Dresner, Derek A. Haas, and Thomas W. Feeley

December 02, 2015



Today's issues Insights Industries Services About us

PwC Malaysia > Our Perspective > Our Perspective on People & Organisation > The Rise of Value Management Office

## The Rise of Value Management Office - Cracking the code to delivering value efficiently



24 July 2019

By Ankit Tandon, People & Organisation Senior Manager, PwC Malaysia

### Individuals and interactions over processes and tools

One of the key reasons why some projects fail is not because of the tools or the processes. It's often the people that are the hardest to manage. **Earlier**, we discussed enterprise agility and how to turn common challenges around people and culture, the work itself and outcomes, into opportunities.



# The rise of the Value Management Office

But Product Delivery:

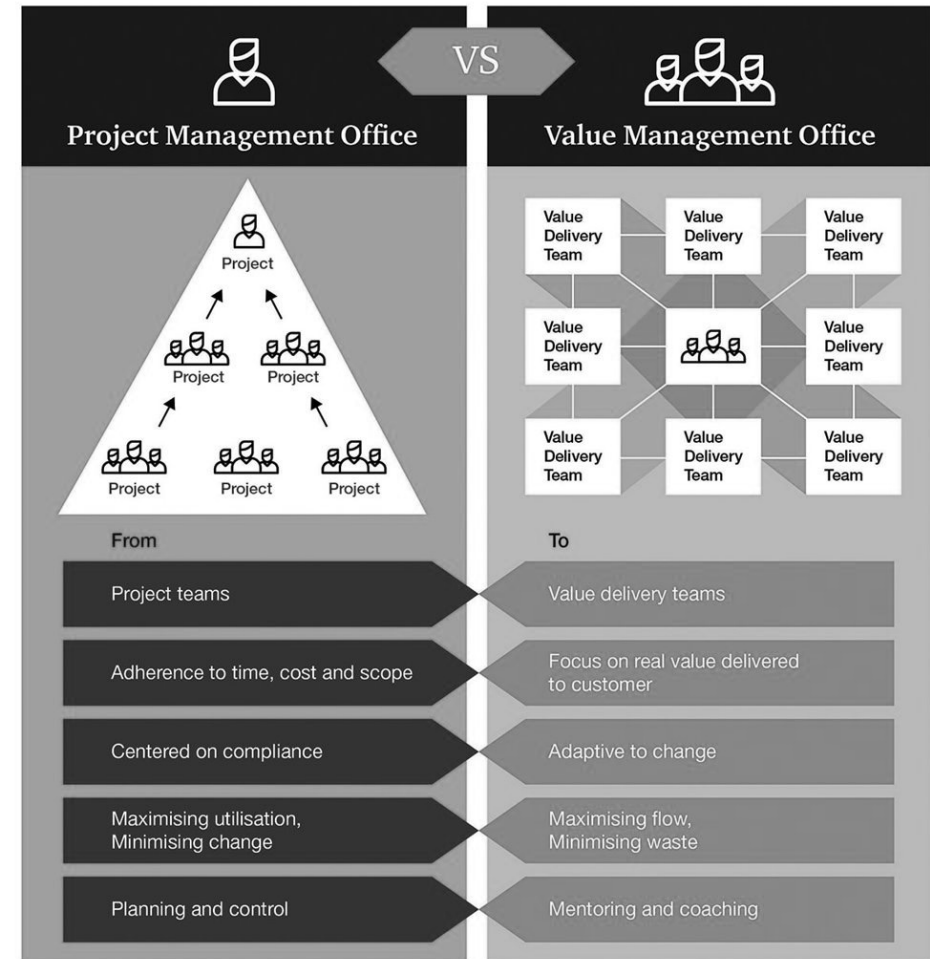
- Is more than a focus on value
- Is not guaranteed with agile teams
- Demands collaboration and alignment



# VMO vs. PMO

VMO is often presented as an agile PMO:

- Based on agile teams
- Focused on outcomes not output
- Adaptable to change
- Maximizing value delivered



<https://pwc.to/34h575Q>







## Role of the PMO

Governance

Transparency

Reusability

Delivery support

Traceability

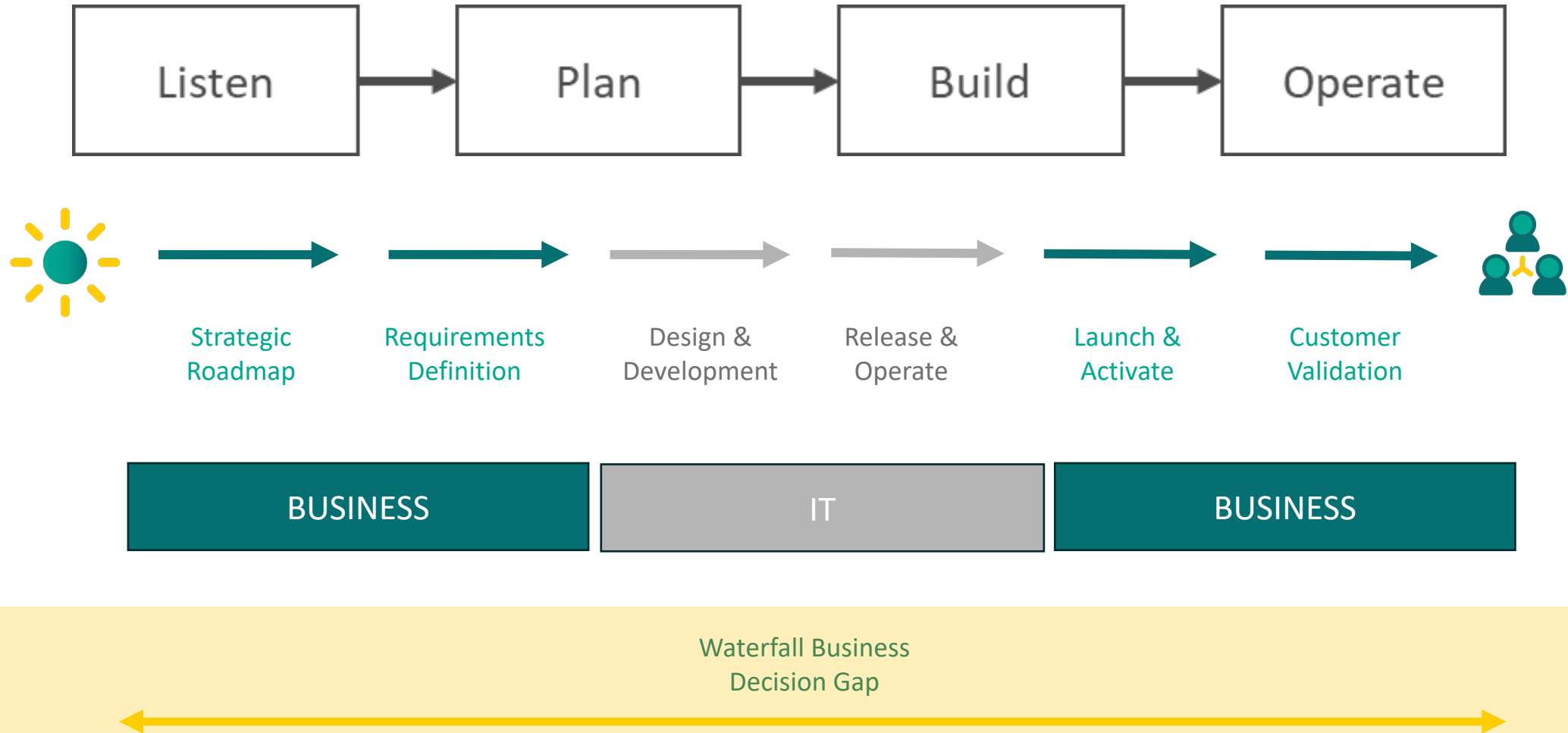


A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, creating a sense of height and architectural scale. The buildings are arranged in a circular pattern around a central point, with their lines converging towards the top of the frame. The sky is a pale, clear blue.

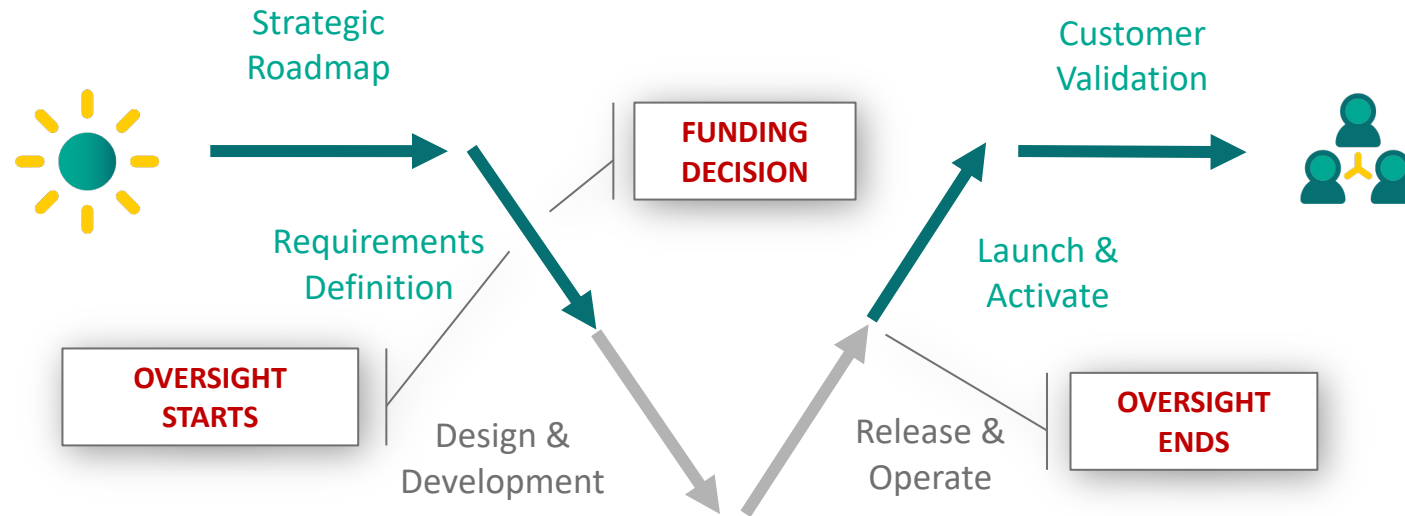
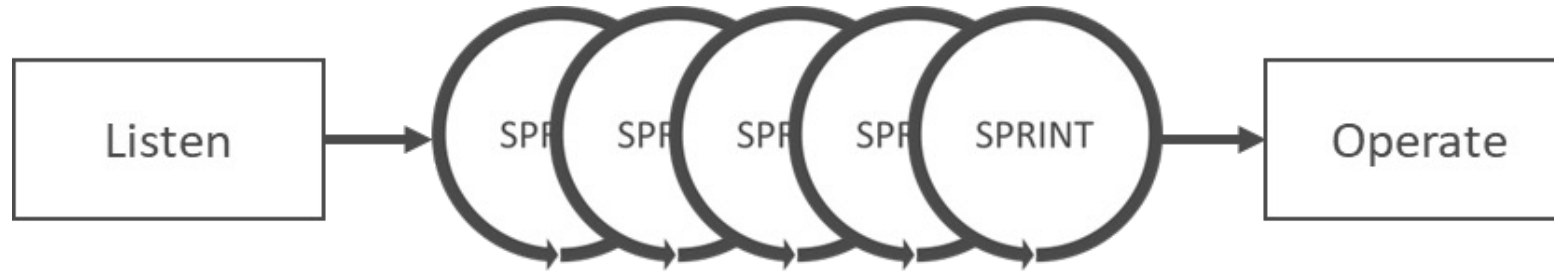
From project to product delivery



# Waterfall Delivery Lifecycle



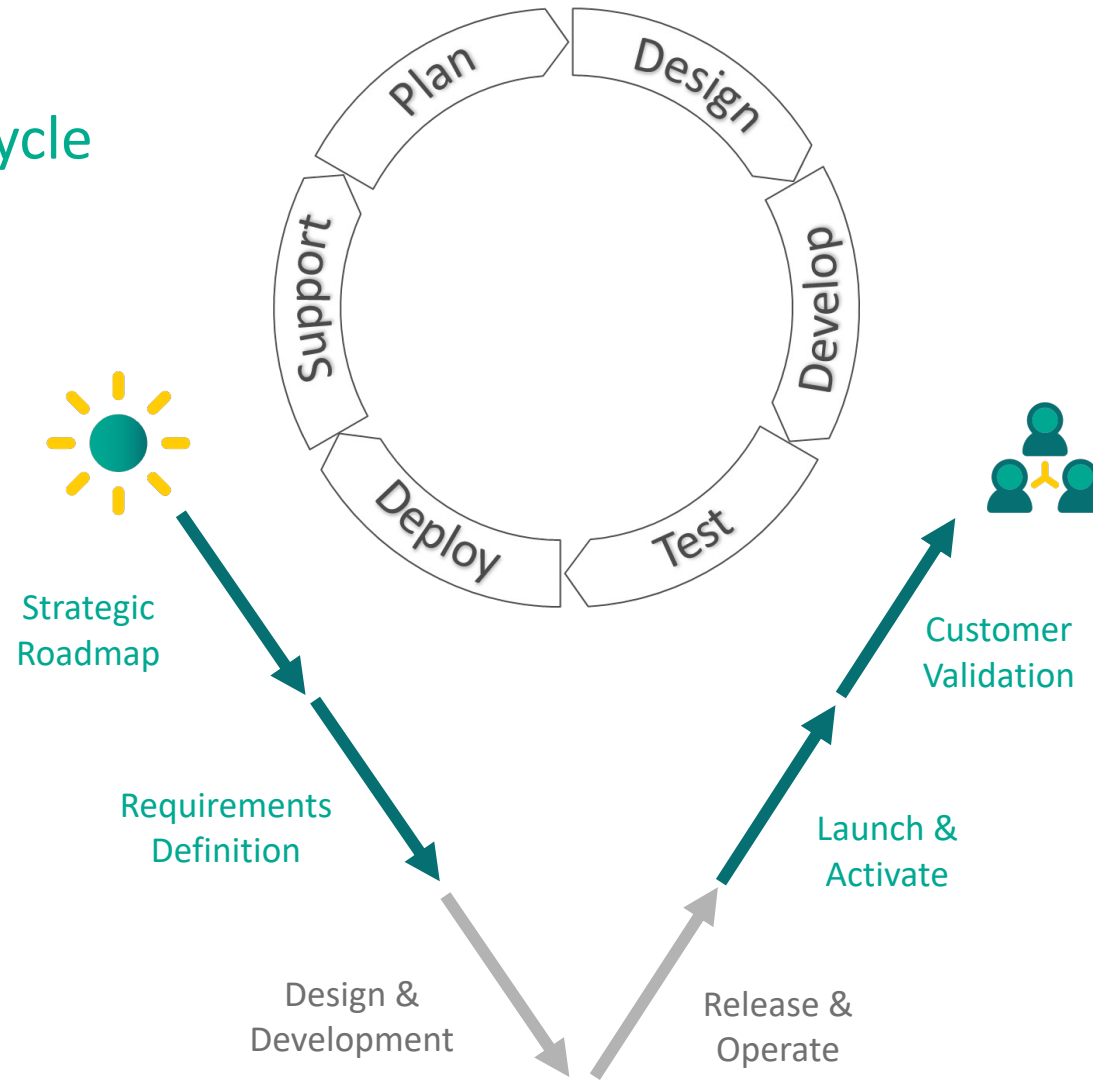
# Agile Delivery Lifecycle



←—————→  
Agile Delivery Business  
Decision Gap

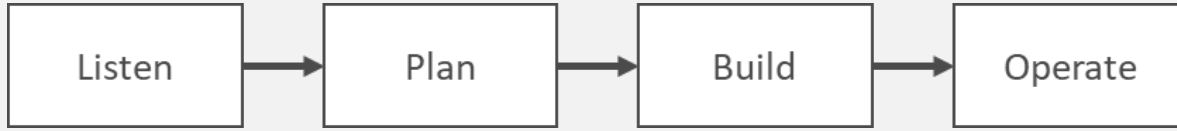


# Product Delivery Lifecycle

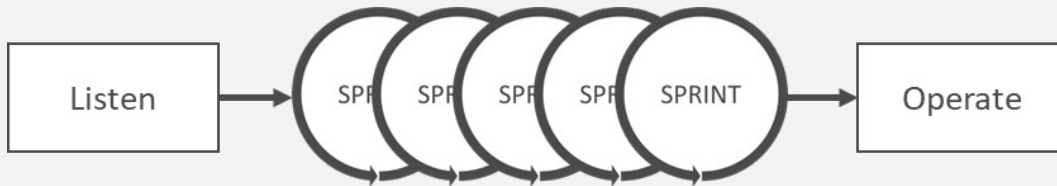


Product Delivery  
Business Decision Gap

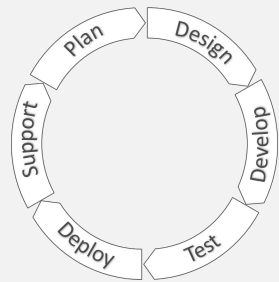
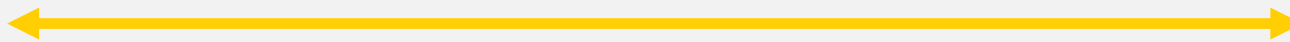




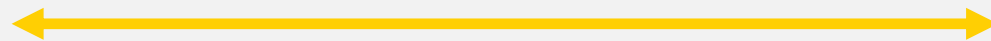
Waterfall Business  
Decision Gap



Agile Delivery Business  
Decision Gap



Product Delivery  
Business Decision Gap



Agility is being able to respond to what you hear quicker and better than your competition



This depends on alignment  
between the project  
management function and the  
product management function

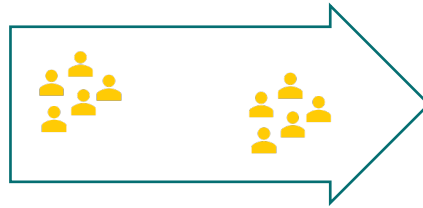
A photograph of two men in a meeting. The man on the left is wearing glasses and a blue shirt, gesturing with his hands while speaking. The man on the right is wearing a light blue shirt and is listening. They are sitting at a table with a laptop open. The background is a blurred office or cafe setting.

You need a Product Office



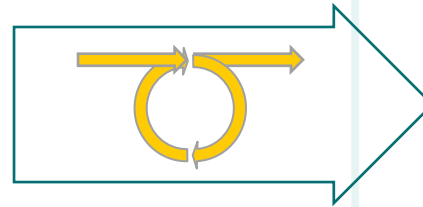


# The Product Office



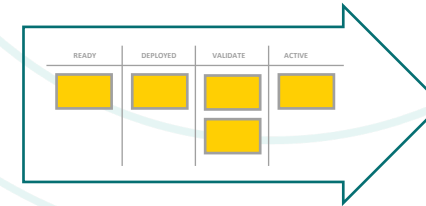
## Foundation

- Vision and guidance
- Alignment
- Accountabilities
- Prioritization
- Scale agility



## Capabilities

- Customer value streams
- Product-based funding
- Long-term product roadmaps
- Increments to manage risk
- Driving customer adoption



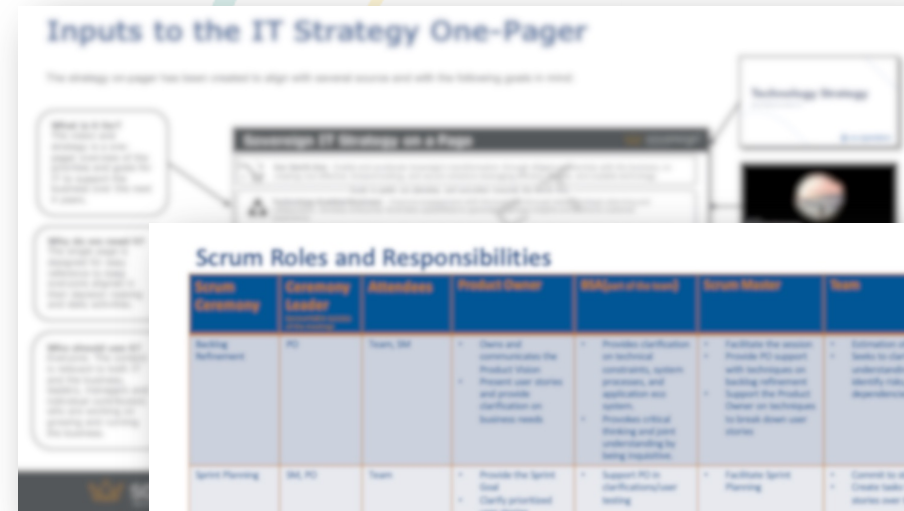
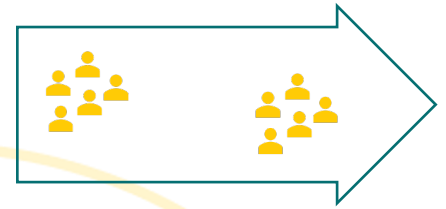
## Oversight

- Emergent product roadmap
- Plan quarterly
- Focus activity
- Manage dependencies
- Integrate often



# Organizational Model

- Vision and Guidance
- Alignment
- Accountabilities
- Prioritization
- Scale Agility



### Scrum Roles and Responsibilities

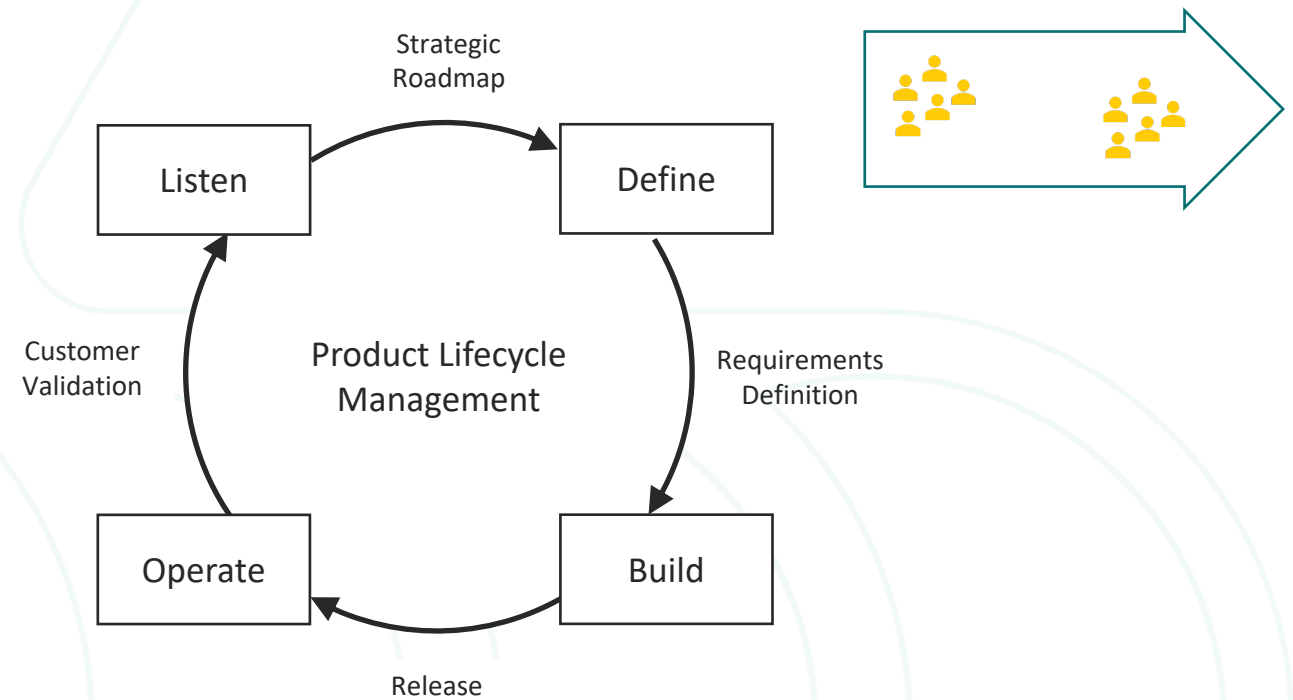
Scrum Ceremony	Scrum Leader / Facilitator	Attendees	Product Owner	BA/Analyst/UX	Scrum Master	Team
Backlog Refinement	PO	Team, BA	<ul style="list-style-type: none"> <li>Owns and communicates the Product Vision</li> <li>Provides user stories and provides clarification on business needs</li> </ul>	<ul style="list-style-type: none"> <li>Provides clarification on technical constraints, system processes, and application data systems</li> <li>Provides critical thinking and good understanding to being repetitive</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate the session</li> <li>Provide PO support with techniques on backlog refinement</li> <li>Support the Product Owner on techniques to break down user stories</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of user stories</li> <li>Seek to clarify their understanding of the user story, identify risks, and highlight dependencies</li> </ul>
Sprint Planning	BA, PO	Team	<ul style="list-style-type: none"> <li>Provide the Sprint Goal</li> <li>Clarify prioritized user stories</li> </ul>	<ul style="list-style-type: none"> <li>Support PO in the Product/User testing</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate Sprint Planning</li> </ul>	<ul style="list-style-type: none"> <li>Commit to stories</li> <li>Create tasks to break down stories over the sprint</li> </ul>
Daily Standup	BA	Team, PO	<ul style="list-style-type: none"> <li>Provide clarifications if requested</li> <li>Provide updates on their specific tasks</li> </ul>	<ul style="list-style-type: none"> <li>Provide clarifications from a technical perspective</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate the daily stand-up</li> <li>Update impediments beyond the team's reach</li> </ul>	<ul style="list-style-type: none"> <li>Update on the plan for completing user stories</li> <li>Ask for clarifications</li> <li>Raise impediments</li> </ul>
Sprint Review / Demo	Team	PO, BA, Stakeholders	<ul style="list-style-type: none"> <li>Accept / Reject stories</li> <li>Be present leading if necessary</li> </ul>	<ul style="list-style-type: none"> <li>Owns functionality to the PO</li> </ul>	<ul style="list-style-type: none"> <li>Help the team with facilitation</li> </ul>	<ul style="list-style-type: none"> <li>Owns functionality to the PO</li> </ul>
Retrospective	BA	Team, PO	<ul style="list-style-type: none"> <li>Provide input on the sprint</li> </ul>	<ul style="list-style-type: none"> <li>Provide input on the sprint</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate the retrospective</li> <li>Update collaborative improvement backlog</li> </ul>	<ul style="list-style-type: none"> <li>Provide input on the sprint</li> </ul>



# Product Lifecycle Management

## Foundations for:

- Customer value streams
- Product-based funding
- Long-term product roadmaps
- Increments to manage risk
- Driving customer adoption



How to optimize flow through your team structure

Scaling Complex Products - Vertical Scaling

Vertical Scaling

**Getting funding:** how we define products and projects differs

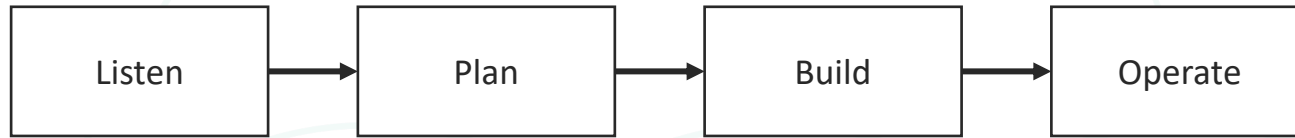
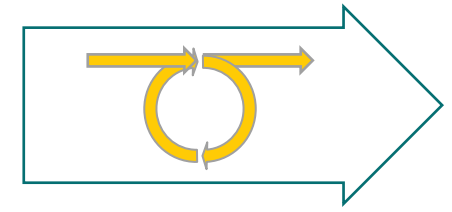
1. Discuss each question
2. Pick a suitable answer
3. Draft stakeholder questions



# Defining the Work

Question	Product	Project
Requirements	High-level requirements prioritized in a product roadmap	Essential - complete requirement definitions (BRD)
Who runs the project	Product owner on behalf of	Project manager on behalf of project sponsors
Objective / vision	Essential – clear objective and success measures	In project charter – rarely revisited, doesn't change
Risk management	Risks identified and mitigated through early delivery/investigation	Risk log & mitigation plan
Success	Value realization with customer	On time, on budget
Delivery plan	Incremental delivery roadmap	Milestones along comprehensive project plan
Business case	Product/Market fit – understanding of opportunity (opportunity canvas)	Complete business case including financial projections, budget, timeline

# Build



← Scrum/Kanban →

← DevOps →

← CI/CD →

← Lean →

**Scrum/Kanban** for product development

**DevOps** extends agility to operations

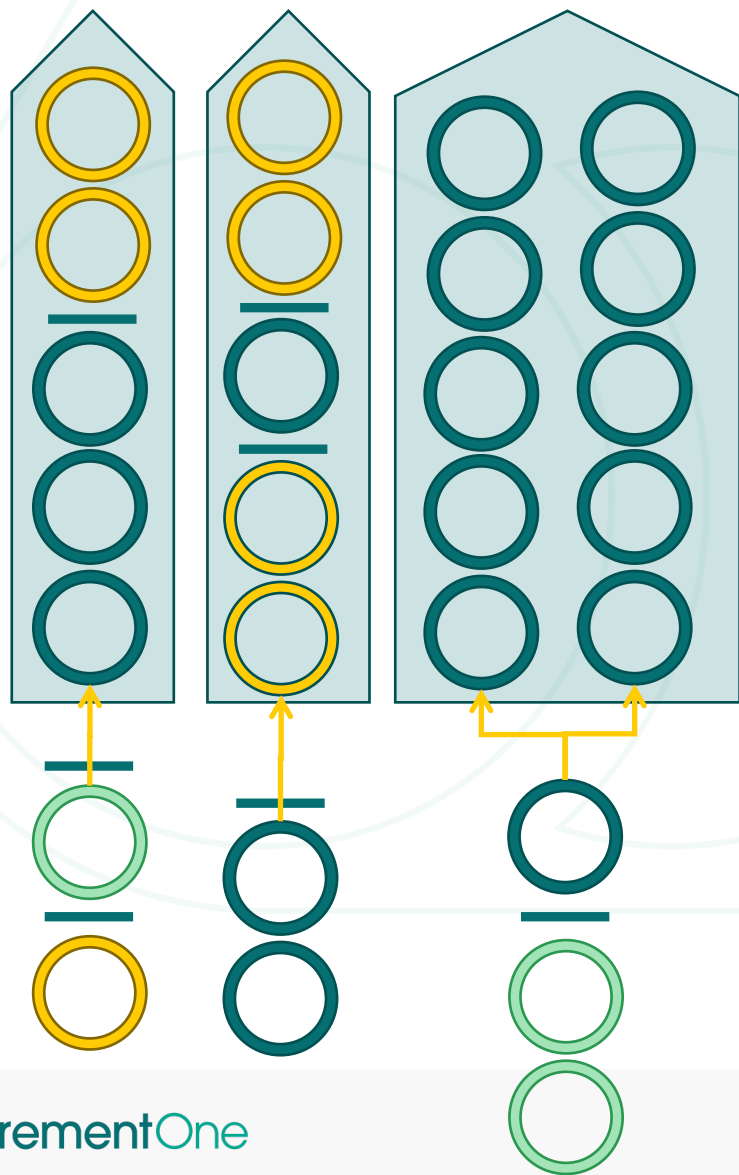
**CI/CD** (continuous integration / continuous delivery) for release

**Lean** methodologies optimize the value stream

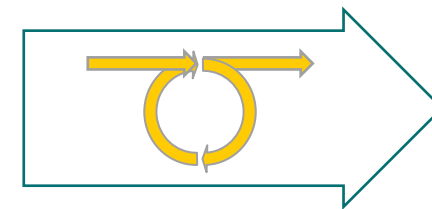
# Build

Single team value streams

Multi-team value streams



- Emergent product roadmap
- Plan quarterly
- Focus activity
- Manage dependencies
- Integrate often



### Value Streams

A useful approach to defining the team's 12-month plan is to consider single value streams and a common Plan-Build-Operate-Plan flow of delivery. Consider the interaction between business and IT value streams. The IT value stream is a component of and supports the surrounding business value stream.

The business value stream takes the perspective of delivering value to external customers.

### Agile Planning Levels

Agile planning described in the previous sections supports a progressive approach which links long horizons often associated with strategy and roadmaps (used in the short term iterations of development sprints/cycles). The table below describes the levels of planning used to link the different planning horizons, including the roles involved at each level and associated into business facing and team facing responsibilities.

	5 Levels of Planning	Outcome	Focus	Calendar	Participants
Product Manager / Business Facing	VISION	Value/ Capabilities	Service Offering/ROI/CRM	Annual/3-year Annual	Senior Product Management, Architecture, Business Dev
	ROADMAP	Increment/Canvas/ Journey Mapping	Value Proposition/Market/offer alignment to CRM	Annual/3-year Annual	Product Management, Product Owner, Architecture, UX, Business Dev
Product Owner / Team Facing	RELEASE	Agile Road Mapping/ Increment Planning	Epics/ User Experience	Quarterly/Monthly	Product Owner, Stakeholders, Product Analysts, PMO
	SPRINT	Priority/ Capacity Planning	Stories/ User point Estimation	2-4 weeks	Product Owner, Delivery Team, Scrum Master
	DEVELOP	Specialised/ Self-organisation	Task/Dependencies	Daily	Product Owner, Delivery Team, Scrum Master

**Tracking deliver:** how we talk about delivery of products and projects differs.

1. Discuss each question
2. Pick a suitable answer
3. Draft stakeholder questions

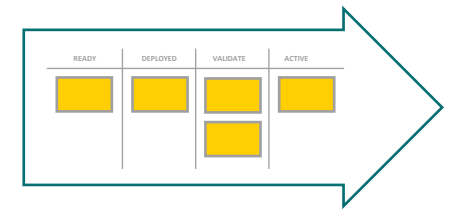




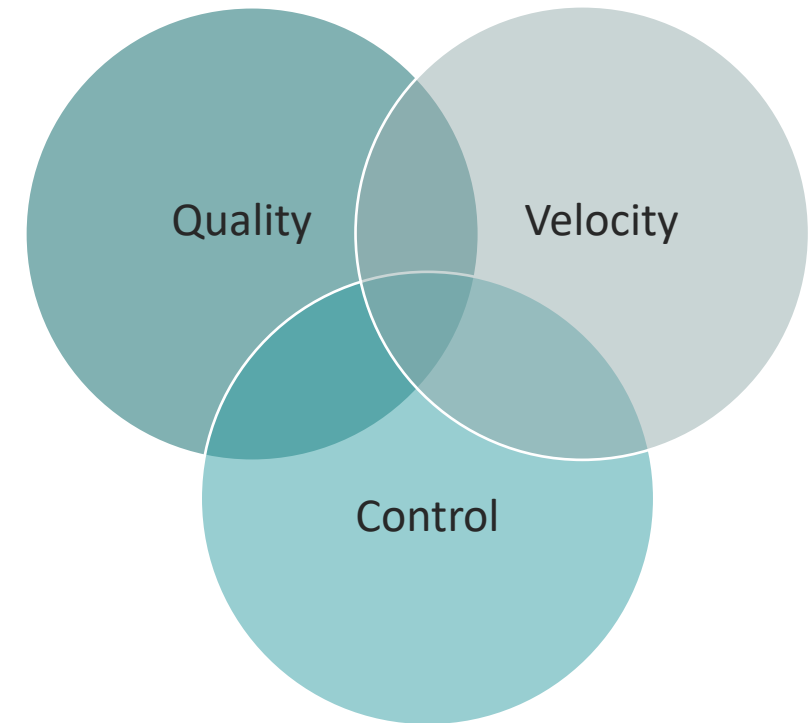
# Building the Work

Question	Product	Project
Changing Requirements	Welcomed - continuously changing	Scope changes require Change Request
Release Cadence	Frequent – from on demand to every 1-2 months	Only at major milestones
Integration	Frequent – work across teams is regularly integrated	Dedicated phase of delivery for integration and release
Capacity Management	Scope adjusted when team capacity insufficient	Resources (people) added to project to address capacity shortfall
Measurement of Progress	Value delivery - incremental releases	Milestone delivery and alignment to project plan
Delivery plan	Continuously changing	Changes require approval from CAB
Success (are we on track)	Value delivered to customer (and realized)	On time, on budget

# Oversight



- **Planning horizons** – Aligning 2-week plans with longer term plans
- **Scale** – Effectively utilizing multiple teams towards a strategic goal
- **Enabling Constraints** – Freedom bounded by standards to support scale
- **Complexity & Uncertainty** – Managing predictable alongside unpredictable environments



# Why Plans Can Be Confusing

<b>Question</b>	<b>Product</b>	<b>Project</b>
Information	Contains only currently known information	Contains all relevant information
Investment	Spend just enough time to understand the current state	Spend enough time to be sure the desired outcome is attainable
Delivers	Acts as a baseline for next steps	Acts as a description of the optimum plan of execution
Currency	Rapidly out of date	Generally stable over time
Stability	Continually updated with new information	Rarely changes
Ease of update	Requires continual updating to be relevant	Barriers to updating or changing the plan (e.g. CAB (change approval board) or Project Manager)



IMPLICATIONS FOR ORGANIZATIONS



# Guiding your digital product delivery



## Innovation

- Define experience value stream and decompose into appropriate product or customer value streams and identify contributing platform value streams
- Agree value stream success measures and align with organizational objectives
- Finalize resourcing, prioritization criteria and preferred operating model



## Design & Execution

- Create quarterly increment delivery roadmap with stakeholder prioritization and inform platform value stream roadmaps with prioritized needs
- Build governance and oversight mechanisms around outcomes over activity, customer satisfaction over on-time, on-budget delivery
- Define vendor management principles for supporting digital delivery

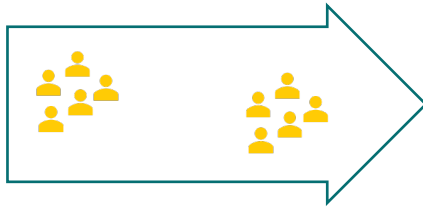


## Activation

- Make release costs transparent and dedicate capacity to reducing release costs over time
- Accelerate activation and adoption of validated features across business
- Validate impact of new features with customer input including analysis of impact on value dashboard success measures

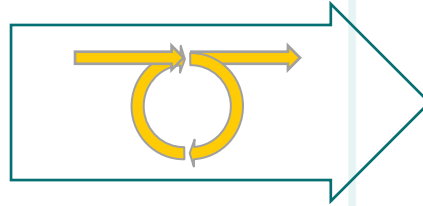


# The Product Office



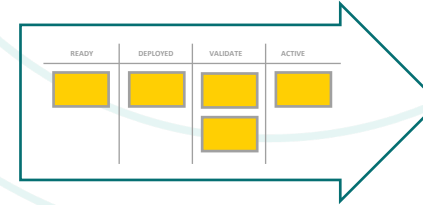
## Structure

- Vision and guidance
- Alignment
- Accountabilities
- Prioritization
- Scale agility



## Capabilities

- Customer value streams
- Product-based funding
- Long-term product roadmaps
- Increments to manage risk
- Driving customer adoption



## Oversight

- Emergent product roadmap
- Plan quarterly
- Focus activity
- Manage dependencies
- Integrate often

# Dave Sharrock

Founder and CEO

PhD, MBA

Government of Canada Agile SME

CST, CEC, CAL Educator

