You Need a Product Office
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 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

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sequential delivery with long decisions cycles and little customer validation</td>
<td>Rapid, iterative delivery with strong customer input and short decision cycles</td>
</tr>
<tr>
<td>Near complete specification prior to funding go/no-go decision</td>
<td>Incremental funding decisions based on just-enough requirements</td>
</tr>
<tr>
<td>Governance based on adherence to scope, budget, and schedule from a pre-determined plan</td>
<td>Governance based on iterative delivery against a high level plan</td>
</tr>
<tr>
<td>Features developed with infrequent or limited customer insight</td>
<td>Frequent interaction with customers used to emerge new product features</td>
</tr>
<tr>
<td>Infrequent releases hampered by a long-duration release process</td>
<td>Efficient DevOps CI/CD pipeline enables frequent small releases</td>
</tr>
<tr>
<td>Wide product decision gap creates lag between ideation and validation of new features and business ideas</td>
<td>Narrow product decision gap makes validation of product ideas a natural part of product management process</td>
</tr>
</tbody>
</table>
Let’s talk value
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, 2016

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

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
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
From project to product delivery
Waterfall Delivery Lifecycle

Listen → Plan → Build → Operate

- Strategic Roadmap
- Requirements Definition
- Design & Development
- Release & Operate
- Launch & Activate
- Customer Validation

BUSINESS → IT → BUSINESS

Waterfall Business Decision Gap
Agile Delivery Lifecycle

Listen → SPRINT → SPRINT → SPRINT → SPRINT → Operate

Strategic Roadmap

Requirements Definition

Design & Development

FUNDING DECISION

Launch & Activate

Customer Validation

Release & Operate

OVERSIGHT STARTS

OVERSIGHT ENDS

Agile Delivery Business Decision Gap
Product Delivery Lifecycle

- Product Delivery
- Business Decision Gap
- Requirements Definition
- Strategic Roadmap
- Design & Development
- Release & Operate
- Launch & Activate
- Customer Validation
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.
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
Product Lifecycle Management

Foundations for:
- Customer value streams
- Product-based funding
- Long-term product roadmaps
- Increments to manage risk
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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

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

DevOps extends agility to operations

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

Lean methodologies optimize the value stream
- Emergent product roadmap
- Plan quarterly
- Focus activity
- Manage dependencies
- Integrate often
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

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

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

- 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
- 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
- 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

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