Intro to Agile Product Management

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About Rich Mironov

- Veteran product manager/software exec
  - “What do customers want?”
  - Business models, pricing, agile/lean
  - Organizing product organizations
- 6 startups, including as CEO/founder
- “The Art of Product Management”
- First agile product manager/owner tracks
Agenda

- What’s a Product Manager? Product Owner?
- Scope and Failure Modes
- Starter Organizational Models
Where Do We Find Agile Product Managers?

- Commercial software companies
  - Responsible for technical delivery AND revenue results
- Scaled-up agile organizations
  - At product / portfolio / strategy levels

Usually a formal position

Focus on jobs-to-be-done and skills, not titles
Scrum Teams

ScrumTeam.jpg (from Exploring Scrum- the Fundamentals, by Dan Rawsthorne & Doug Shimp)
What Does a Product Owner Do?

- Usually one PO per team, not one PO per product
- Provides intense sprint-level focus: stories, backlog, prioritization, acceptance
- Represents the customer’s interest in backlog prioritization and requirements questions... available to the team at any time
- Balances interests of competing stakeholders
- Feeds the hungry agile beast
Feeding the Agile Beast

Steam engine “firemen” need to shovel coal constantly, otherwise the train will stop.
Agile/Scrum: Product Owner Focus

Product Backlog
Epics & User Stories

Release Backlog
Epics & User Stories

Sprint Backlog
User Stories

Accepted story (“DONE”)

Potentially releasable software

Software release

Chart: 1 day

Sprint 1 to 3 weeks
No changes in duration or goal

Daily Standup

Review Demo, feedback

Retrospective Process improvement

N sprints

Release Retrospective Process improvement

product owner focus

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What Does a Product Manager Do?

• Drives delivery and market acceptance of whole products
  • Targets market segments, not individual customers
  • “What does this segment need/what will it pay for?”
  • Technical features, acceptance and adoption
  • Resolves inevitable competing priorities
  • Motivates/aligns functional groups beyond development (marketing, sales, support, partners, finance...)
I FIGHT
FOR THE USERS
By definition, commercial software has many customers
- Profitability is completely about scale
- 2nd copy of *identical* software costs $0 to build

Customers rarely compute value/ROI for us

We *propose* value to prospects during sales process
- “If you use our ergonomic standing desks, your staff will be 15% healthier and 10% more productive”

We segment markets for similar customers
- Exclude those who want very different solutions
- Exclude those who don’t accept our proposed value
What Does a Product Manager Do?

Conversations, market information, priorities, requirements, roadmaps, epics, user stories, backlogs, personas...

Budgets, staff, targets

Strategy, forecasts, commitments, roadmaps, competitive intelligence

Executives

Field input, Market feedback

Markets & Customers

Segmentation, messages, benefits/features, pricing, qualification, demos...

Marketing & Sales

Product Management

Product bits

Development
What Does a Product Manager Do?

• **ACTIVITY and OUTPUT (what people see)**
  - Write epics/stories, meet customers, cajole, pitch prospects, call meetings, accept epics/stories, praise teams, distract Sales, present roadmaps, catch arrows

• **OUTCOME (where we earn our salaries):**
  - Make technical/market trade-offs for revenue and adoption
  - Deflect interruptions
  - Turn away poor deals, customers and partners
  - Think about this quarter and next year; revenue and architecture
Product Management: Inherently Political

• Logic and facts are not sufficient
  • **Engineering demand >> supply**
  • Sales teams paid to close individual deals
    • **HIPPO**
• Responsibility without authority
• Where strategy meets implementation
Business Value: Slightly Estimatable

• Business value error bars > engineering error bars
• Blending of
  • Promises of future revenue
  • Promises of future operational savings
  • Promises of future development efficiencies (tech debt)
  • Quality forced onto a linear scale
  • Simplistic models of buyer behavior
  • Gaming, logrolling

Allocating our scarcest, most valuable resource
Someone (some team) must force-rank programs
Hypothesis:
• Epic/project business value estimates are +/- 70%
• 1 in 10 will deliver zero value

How would that change your portfolio planning?
Your interactions with stakeholders?
There’s nothing more wasteful than brilliantly engineering a product that doesn’t sell, or a project that doesn’t matter.
Good Idea Train

• Pulls into product station every day
  • From customers, sales, support, execs, engineers, analysts...

• Delivers hundreds of “good ideas” each day
  • Few are new or earthshaking
Emotional needs vs. commitment
Japanese “hai” is alternative to “NO”

"Thank you! That’s a really interesting idea. Let me put it into the idea backlog. And let’s talk more about the root cause of the problem you have."

NEVER agree without Dev sizing
‘Small p’ Product Owner

backlog, priorities, epics, user stories, personas, demo feedback

Product Owner

Development

Marketing & Sales

Markets & Customers

showcase customers

product bits

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Product Manager Has More Levers

- Engineering output
  - Product features
  - Order of delivery

- Product/market/business model
  - Pricing
  - Competitive positioning
  - Partners and Channels
  - Services and Support
  - Fit with corporate strategy
  - Product split, merge or EOL

After: Greg Cohen
Not what we intended, but...

- Most product management teams are already understaffed
- Product ownership adds 40-60% more critical work
  - Urgency of stories, backlog grooming, sprint planning, standups, acceptance
- One person can “do it all” for a single agile team
  - But typical Dev:PDM ratio is 25:1, not 10:1
Product Owners: Typically Under-Spec’d, Underpaid, Lacking Clout

Not what we intended, but...

- Selection (hiring) focuses on SME/BA, technical skills, story writing
- Little appreciation for market-side experience
  - Engineering’s belief in rational/technical customers
  - Requirements are out there to be “gathered”
- No recognition of organizational blocking skills
- Short-term assignments or career path?
Product Manager Failure Modes

Product Manager fails agile team(s) when...

- Part-timer, not engaged with team(s)
- Lack of detail on stories/handwaving
- Stale backlog
- Best of intentions, but pulled in too many directions
Product Owner Failure Modes

Product Owner fails “the business” when...

• Weak on market realities: whole product, competitive dynamics, value error bars, benefits, pricing models
• Unable to hold back interrupt stream
• Confuses showcase customers with broad market
Commercial Product Failures

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Most product failures happen here

Charter

Release planning

Sprint planning

N sprints

Release Retrospective Process improvement
Shared PO/PDM Scope

**Product manager focus**

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  - Epics & User Stories

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- **Sprint Backlog**
  - User Stories

- **Accepted story ("DONE")**

- **Potentially releasable software**

- **Software release**

**Product owner focus**

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- **Daily Standup**
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- **N sprints**

- **Release Retrospective Process improvement**

- **Charter**
  - Release planning

- **Sprint planning**

- **1 day**
Minimal PDM/PO “Organization”

- VP or Founders
- Heroic Single Product Manager/Owner + team

“management”

more technical

more market-focused
Dysfunctional Product Organization

VP Eng

Product Owners + team

VP Marketing

Product Managers

“management”

more technical

more market-focused
PDM/PO Organizational Map: Product Peers

GM / VP Eng / VP Products / CPO

PDM Director/ Product Strategist

Product Manager (as Owner) + team

Product Manager (as Owner) + team

Product Manager (as Owner) + team

more technical

more market-focused

“management”
PDM/PO Organizational Map: Market Mentoring

GM / VP Eng / VP Products / CPO

“management”

more technical

more market-focused
Agile Product Take-Aways

• Product management scope includes market success as well as technical delivery
• Agile stretches/stresses commercial product organizations
• Teaming, collaboration and skills more important than titles
• Find balance among collaboration, deflection, buffering, interrupts
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