

The Addison-Wesley Signature Series

AGILE PRODUCT MANAGEMENT WITH SCRUM

CREATING PRODUCTS
THAT CUSTOMERS LOVE

ROMAN PICHLER



Forewords by Jeff Sutherland and Brett Queener

A MIKE COHN SIGNATURE
BOOK
Mike Cohn

Praise for *Agile Product Management with Scrum*

“Product owners have had few places to turn to for advice, despite having the hardest role on an agile project. This book rectifies that. Roman Pichler’s insights into the duties of the product owner are powerful and practical. Correctly applied, his advice will benefit any product owner and agile team.”

—Mike Cohn, Author of *Succeeding with Agile*, *Agile Estimating and Planning*, and *User Stories Applied*

“Scrum is silent on how a product owner can maximize value. Most product managers and marketers don’t know how to use the iterative, incremental nature of Scrum to do so. Roman has filled this hole nicely with his new book, *Agile Product Management with Scrum*.”

—Ken Schwaber, codeveloper of the Scrum process

“With so little written on the intersections of agile methods and product management, Roman makes a significant contribution to the field. The book provides clear guidance and rich examples on how to become an agile product manager and a successful product owner, and, further, how to lead with a strong vision. This book is a must read for product managers new to Scrum, product owners new to product management, and any product manager who wants to get the most out of Agile.”

—Greg Cohen, Principal Consultant, 280 Group and Director,
Silicon Valley Product Management Association

“I’m always happy to hear what Roman is thinking. What I really like about this book is that he not only shares his experience (“Common Mistakes” is a great section), but he also brings in the wisdom of others in the field. This powerful combination allows him to see farther ahead and share that vision with us. Thanks, Roman!”

—Linda Rising, Independent Consultant and coauthor of
Fearless Change: Patterns for Introducing New Ideas

“Roman Pichler’s new and remarkable book focuses on the product and the product owner role, applying Scrum to the whole value chain. His experience as a coach leads to genuinely balanced, practical, and applicable solutions for every conceivable situation in the product lifecycle. This is the definitive reference guide to agile product management for all practitioners!”

—Markus Andrejak, Manager, Outsourced Product Development,
mobile.international GmbH

“Roman Pichler’s product owner book is an easy-to-read and comprehensive description of the important role of the product owner in Scrum. It points out the significance of vision and leadership, as well as minimal marketable products and short release cycles. It is a resource for new product owners to get into their job and gives management good advice on choosing the right person for that job.”

—Andrea Heck, Dipl-Inf (Univ.), Agile Transition Project Manager

“The product owner is a vital role in Scrum, and Roman’s new book is a welcome contribution to helping product owners succeed.”

—Craig Larman, coauthor of *Scaling Lean & Agile Development* and
Practices for Scaling Lean & Agile Development

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ENVISIONING THE PRODUCT

It wasn't fun to have a telephone conference in the early 1990s. Participants would often have to turn their heads away from the table and shout into a microphone. When people talked simultaneously, their voices cut out, turning conversation into gibberish. Polycom, a company that specializes in telepresence, video, voice, and content-sharing solutions, recognized that its customers needed telephone conferences that felt more like natural face-to-face conversations—without any distortion, echoes, or other interruptions. So Polycom envisioned a product with the following attributes (Lynn and Reilly 2002, 63):

- Superb audio quality—allowing more than one person at a time to speak and still be understood
- Simple to use—no confusing buttons and cords
- First-class looks—belongs in an executive conference room

The resulting product was called SoundStation, which launched in 1992. Its vision was an important stepping-stone toward the product's overwhelming success. This chapter discusses techniques for envisioning a product. We'll start with the content and the qualities of an effective product vision.

THE PRODUCT VISION

“Would you tell me, please, which way I ought to go from here?” Alice asks the Cheshire Cat in Lewis Carroll’s novel *Alice’s Adventures in Wonderland*. “That depends a good deal on where you want to get to,” said the Cat. “I don’t much care where —,” said Alice. “Then it doesn’t matter which way you go,” said the Cat (Carroll 1998, 56).

Being able to envision what a new product or the next product version should look like and do is essential for getting there. Envisioning the product results in the product vision—a sketch of the future product.¹ The vision acts the overarching goal, galvanizing and guiding people, and is the product’s reason for being. As in the Polycom example, the vision selectively describes the product at a coarse-grained level, capturing the product’s essence—the information considered critical to develop and launch a winning product. Demoing product increments to customers and users in the sprint review meetings and releasing software early and frequently validates and refines the vision. An effective vision should answer the following questions:

- Who is going to buy the product? Who is the target customer? Who is going to use the product? Who are its target users?
- Which needs will the product address? What value does the product add?
- Which product attributes are critical for meeting the needs selected and therefore for the success of the product? What will the product roughly look like and do? In which areas is the product going to excel?

1. Even though the product vision is not part of the Scrum framework, it is mentioned by Schwaber and Beedle (2002, 34). Ken Schwaber also writes about the vision in *Agile Project Management with Scrum*: “The vision describes why the project is being undertaken and what the desired end state is” (2004, 68).

- How does the product compare against existing products, from both competitors and the same company? What are the product's unique selling points? What is its target price?
- How will the company make money from selling the product? What are the sources of revenue and what is the business model?
- Is the product feasible? Can the company develop and sell the product?

If you plan to use a new product as a springboard for changing your business model, this information should be reflected in the product vision. Take Apple's iPod and iTunes as an example. Apple came to dominate the digital music market by creating a good product, the iPod, and wrapping it in a great business model. The tight integration of iPod and iTunes, the company's online music store, not only provided a convenient way to purchase music online, but it locked in customers. This allowed Apple to change the rules of the game—selling online music at comparatively cheap prices. The company makes small margins on the music but large ones on the MP3 players. An iPod vision would most certainly contain the requirement of seamless integration with iTunes, and the iTunes vision would refer to the business model and the additional revenue made from selling iPods.

DESIRABLE QUALITIES OF THE VISION

The vision should communicate the essence of the future product in a concise manner and describe a shared goal that provides direction but is broad enough to facilitate creativity.

Shared and Unifying

Everyone involved in the development effort should buy into the vision: Scrum team, management, customers, users, and other

stakeholders. As Peter Senge puts it: “A vision is truly shared when you and I have a similar picture and are committed to one another having it, not just to each of us, individually, having it” (2006, 192). A shared vision creates alignment and galvanizes everyone involved in the development effort. It facilitates effective teamwork and enables team learning. “When people truly share a vision, they are connected, bound together by a common aspiration” (Senge 2006, 192). If team members have private visions, the individuals end up pulling in different directions rather than toward the common goal. A great way to create a shared vision is to involve the Scrum team and stakeholders in the visioning activities.

Broad and Engaging

The product vision should describe a broad and engaging goal: a goal that guides the development efforts but leaves enough room for creativity, a goal that engages and inspires people. Marissa Mayer, vice president of search product and user experience at Google, describes how Google leverages the vision:

We bring together a team of people who are really passionate about [a] subject. I think it's interesting: We still don't do very high-definition product specs. If you write a 70-page document that says this is the product you're supposed to build, you actually push the creativity out with [the] process. The engineer who says, you know what, there's a feature here that you forgot that I would really like to add. You don't want to push that creativity out of the product. The consensus-driven approach where the team works together to build a vision around what they're building and still leaves enough room for each member of the team to participate creatively, is really inspiring and yields us some of the best outcomes we've had.²

2. “Inside Google’s New-Product Process,” BusinessWeek.com, June 30, 2006, www.businessweek.com/technology/content/jun2006/tc20060629_411177.htm.

Resist the temptation to provide too much detail or to overspecify the product. More functionality is discovered and captured in the product backlog as the project progresses.

Short and Sweet

When it comes to the product vision, less is more. The vision should be brief and concise. It should contain only information critical to the success of the product. The blockbuster products in Lynn and Reilly's ten-year study have no more than six product attributes, for instance (2002). The product vision is not, therefore, a feature list, nor should it provide unnecessary detail. Agile project management expert Jim Highsmith explains, "Coming up with fifteen or twenty product capabilities or features proves to be easy. Selecting the three or four that would incent someone to buy the product is difficult" (2009, 97). Product development expert Donald Reinertsen agrees: "Most successful products have a clear and simple value proposition. Buyers typically make their choice between competing products on the basis of three or four key factors" (1997, 174–75).

The product vision is usually concise if it passes Moore's elevator test. "Can you explain your product in the time it takes to ride up in an elevator?" (2006, 152). If the answer is no, the vision is likely to be too long or complex.

THE MINIMAL MARKETABLE PRODUCT

To create a vision, the Scrum team has to peek into the future and state what it *believes* the future product will roughly look like and do. For anyone not blessed with perfect foresight, predicting the future correctly is notoriously difficult. After all, the only thing certain about the future is that it is uncertain. No market research technique can deliver forecasts that are 100% accurate. And making a completely fail-safe investment is an illusion. Cooper, for instance, states a failure rate of 25% to 45% for new products (2001, 10); some