WAVESTONE

The key to Product Owner success in an Agile world

Who is a Product Owner

A few decades ago, technology companies started to experiment with Agile practices in order to improve business performance. Adoption of 'best practice' Agile frameworks, such as Scrum or Kanban, soon became common across all industries to realise business value, faster.

Following this trend, big organisations (such as investment banks, for whom adoption of new technologies is a key driver of competitive advantage), started organisational wide Agile transformation programs [1-4].

However, despite often making a good start on the technology side, a common problem which we have seen them face is how to define business value and delight the customer. One of the critical success factors in developing digital products is having someone responsible to make the product thrive in the marketplace. In the Agile world, this is where the role of Product Owner surfaces and having the right person in the role becomes increasingly essential, no matter the industry or domain.
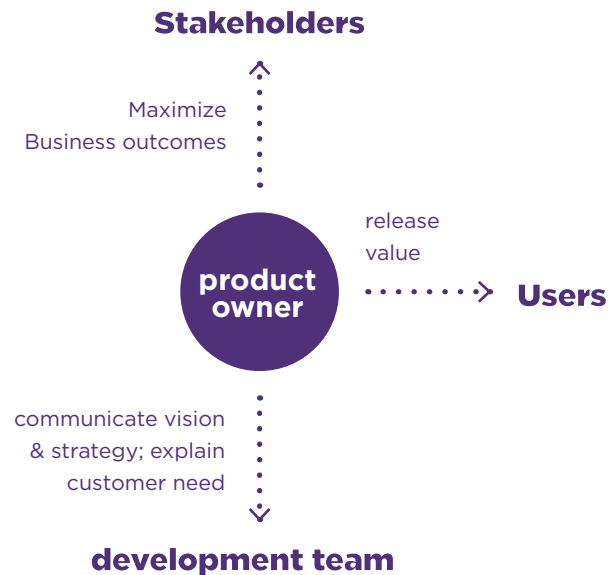
Scrum is considered by 97% enterprises as the most promising Agile framework to deliver complex products in uncertain environments. The Product Owner role in Scrum is that of someone who acts like that of a product manager, but fully leverages Agile practices to accelerate product success in a collaborative and innovative manner.

Executive summary

The role of Product Owner can be very challenging, so here are several areas to focus on in order to excel in the role.

- Agile Product Management expertise

- Customer centricity

- Domain expertise

- Technology appreciation

- Emotional intelligence

Stakeholders

Maximize
Business outcomes

product owner

release value

Users

communicate vision & strategy; explain customer need

development team

What makes a good Product Owner?

Agile Product Management expertise

To become an expert in Agile Product Management, it is vital to pay attention to the key aspects of Scrum and be disciplined in their use. This mainly revolves around:

- Making the Product Backlog and the product domain clear for stakeholders and the Development Team

- Enabling incremental delivery of business value in short Sprints by writing high quality Product Backlog Items (often in the form of User Stories)

- Empowering the Scrum Master to manage and facilitate processes, remove blockers and impediments in order to let Product Owner focus fully on product management

Customer centricity

A Product Owner should feel comfortable to work directly with customers – to empathise with who they are, understand their needs, what satisfies them, and create a Unique Value Proposition for them, measuring these at each step of the product development journey. Some key activities include:

- Adjusting Product Backlog priorities according to the actual usage of the product

- Frequently releasing product increments to get some early feedback from the customers

- Improving user experience of the core products by proactively suggesting value added services. That is, paying attention to the unarticulated need, and not just listening only to what customers explicitly say.

Domain expertise

A Product Owner should possess good understanding of the business domain, especially with regards to existing business models and how to create value. This does not mean that a good Product Owner should come from the business domain, but she/he must possess finely tuned commercial or business acumen.

She/he also needs to create a vision and a strategy for achieving future business models and be able to clearly articulate in order to guide the team in delivering this goal. This includes having a high-level plan, learning what works and what does not work in the domain, and adapting along the way. Good domain expertise is required when the product is changing existing business processes. In this situation, the Product Owner should ensure the end users are properly trained and synced in time with the business process changes.

Emotional intelligence

A Product Owner must be ready to manage conflicting stakeholder expectations and priorities. Emotional intelligence can help a Product Owner sense how to resolve tricky situations, such as the following:

- Gaining alignment between internal and external stakeholders to create a unified vision and product roadmap

- Sharing some bad news if things are not progressing according to the high level roadmap

- Resetting goals and targets and ensure the Development Team is focused and not 'boiling the ocean'

- Raising and resolving concerns with upper management when organisational change is needed

- Saying "no", whilst effectively maintaining buy-in

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USING EMOTIONAL INTELLIGENCE TO HELP COMMUNICATE WITH OTHERS CAN ULTIMATELY HELP THE SCRUM TEAM FOCUS ON DELIVERING THE RIGHT VALUE; FAILING TO DO SO CAN LEAD TO UNNECESSARY DISTRACTIONS AND IMPEDIMENTS.

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Technology appreciation

An understanding of existing technology platforms can help a Product Owner learn how to create new value in the context of the domain. Aspects such as Total Cost of Ownership (TCO), support and maintenance and investment into repaying technical debt and increasing coverage of automation (testing, user feedback, release management) can help increase the overall value of the product.

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TO UNDERSTAND THE UNARTICULATED CUSTOMER NEED [9], EMOTIONAL INTELLIGENCE BECOMES CRITICAL. THIS IS WHERE DESIGN THINKING HELPS TO MINIMISE THE UNCERTAINTY AND RISK OF INNOVATION. HOWEVER, DESIGN THINKING IS JUST A PROCESS AND LIKE ALL TOOLS THAT AVAILABLE IN THE PRODUCT OWNER BRIEFCASE, HAVING A HIGHER DEGREE OF EMOTIONAL INTELLIGENCE WILL PAVE THE WAY TO EXTRACTING GREATER BUSINESS VALUE – FOR YOUR ORGANISATION AND THE CUSTOMER. "

Five tips to succeed as a Product Owner

Starting out as a Product Owner does not require an overcomplicated strategy, but there are some essential practices which could help you to display the benefits of Agile product management. Here is a list of five key practices for anyone undertaking the Product Owner role for the first time or for those wanting to hone their Agile skills:

1 Enable incremental delivery

In order to enable incremental and efficient delivery (a valuable Product Increment in every Sprint), the Product Owner needs to ensure the Product Backlog Items (PBIs) are "small" enough to be completed in one Sprint. The PBIs should look like a subset of the larger customer problem or an opportunity that needs to be solved and should be aligned to organisational strategy. A Scrum Team should be able to deliver multiple stories every Sprint.

2 Minimalist style

Once having a well-defined PBI, the next step is to create a high-level design which considers both user experience and technical perspectives. It is common to see PBIs increasing in size due to too many details up front, instead of identifying the are minimum to satisfy a user. This can lead to inadvertent technical debt and is consequence of not having a shared understanding of complexity. All details can actually be delivered as a part of another PBI in the following Sprint.

3 Frequent release of an increment as a core practice

When a Product Owner decides not to release the latest Increment, they miss the chance to get feedback from real stakeholders and users. Each released Increment allows the Product Owner to listen to the market and gather customer insights for further improvement. Some Product Owners release the Increment to a limited subset of their users (Canary Release [6]) in order to get early feedback and reduce the risk prior to full deployment (Fig 2).

4 Trust and collaboration with the development team

Good collaboration between the Product Owner and the Development Team can increase the value of the Scrum Team's output. The Product Owner should be prepared to accept that technology issues, uncertainty and imperfect information are present. Solving these requires a positive approach. Trust and a sense of safety between a Product Owner and the Development Team is critical – the Product Owner should regularly communicate the business goals and purpose, so that the team is always focusing on delivering value in the most cost-effective manner possible. At the same time, the Product Owner can expect the team to communicate proactively about technology risks and options to mitigate them.

5 Product Backlog prioritisation

A Product Owner should define a clear approach to manage their Product Backlog and explain the priority in which PBIs will help to solve customer problems. Such a Product Backlog should be highly transparent to the stakeholders. Sometimes, it helps to make outstanding technical issues and their complexity transparent in the Product Backlog, to highlight that attention to technical design and maintenance of the product can enable fast and reliable delivery of business value.

Value	Sprint 1	Sprint 2	Sprint 3	Sprint 4

Strategy III
Strategy II
Strategy I

Time
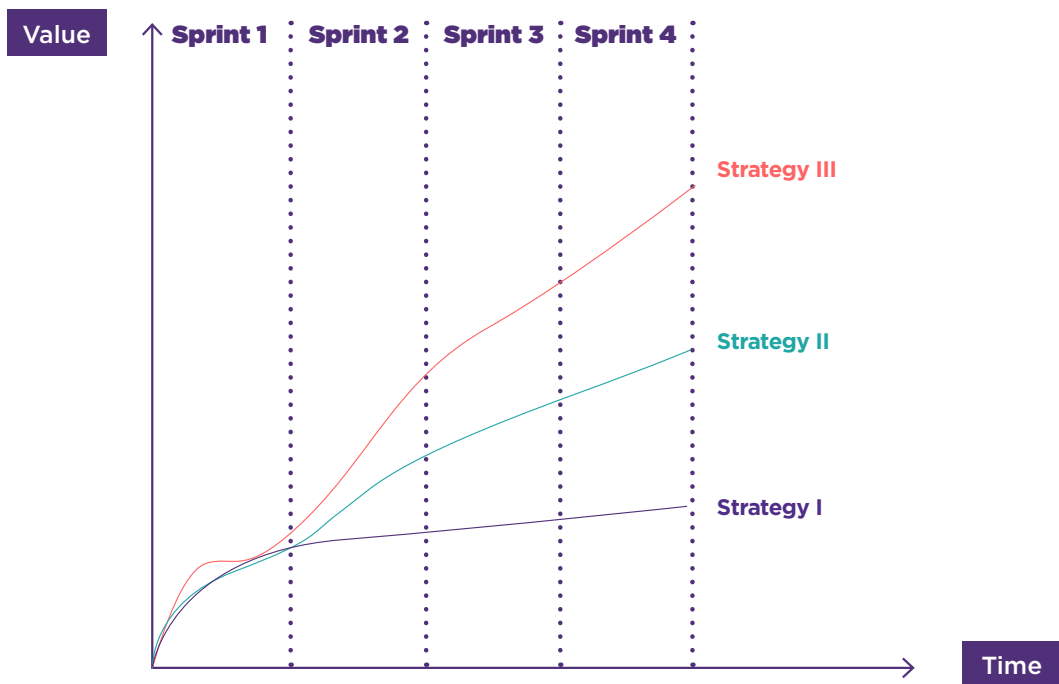
Strategy I Major Release	No release	No release	No release	Gi-live release	Use sprint increment to measure progress
Strategy II Soft Launch	Canary release	Canary release	Canary release	Go-live release	Use sprint increment to do more user testing
Strategy III Quick Launch	Go-live release	Go-live release	Go-live release	Go-live release	Use sprint increment to get regular user's feeback

References

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