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Doing **IT** Differently.

## The Role of the Product Owner

| Expert



| Direct



| Personal



| Passionate



| Visionary



# The Role of the Product Owner

## The Essential Link to the Delivery of Business Value

This white paper describes the role of the Product Owner in an Agile lifecycle.

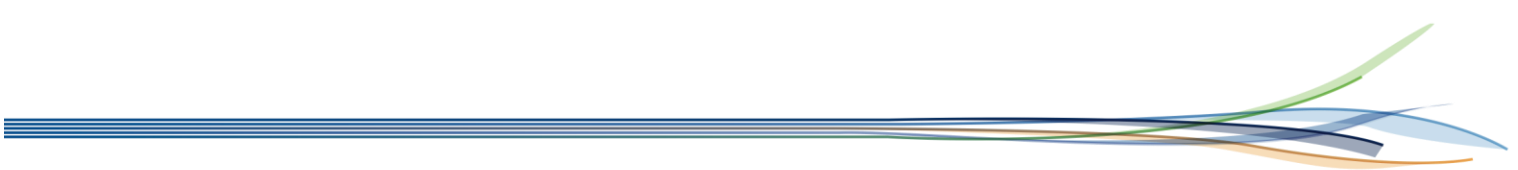
The Product Owner is, quite simply, the business value decision-maker for the Agile team.

This role in Agile teams is quite unique. The idea of having everyone in the room, to most people, means all the technical people – business analyst, graphic designer, developers, testers, iteration manager.

But the Product Owner is not usually technical. They come from the business. And that, actually, is the magic of their role. We **MUST** have a businessperson who is ready to answer any question that the team members have about the business problem and how to solve it.

Most teams that I talk to about this have an immediate reaction – “We can never get much involvement from the business. They all have day jobs.” That is often true. But have you ever been on a project where there was a dedicated business person? It is fantastic. You just lean over, ask them the question, and proceed with your work. How great is that?

Politically and organizationally, it might not always be possible to have a dedicated Product Owner in the room. But it is worth asking. It’s even worth fighting for. Don’t give up before you begin!



## Where to Find a Good Product Owner

As I've stated, a Product Owner usually comes from the business. But, "the business" can mean lots of different things.

In an internal IT shop, let's say in a bank, the business probably means the constituent customers inside the bank who want software to be developed. A good Product Owner in that case might be a manager who oversees clerks who work with clearinghouses to resolve problems with non-sufficient fund transactions. That manager might make a good Product Owner (at least by role).

You probably would not want one of the clerks, unless it was someone who had been with the bank for a long, long time and had played lots of different roles before serving as a clerk. In most cases, better to have at least a first-line manager.

Another good Product Owner person might come from the executive ranks. This happens most often when the initiative is a pet project of a particular executive. If you're lucky, that executive might be willing to be the Product Owner for the team. I worked with one team where the executive physically moved his desk into the Agile room and had his calls forwarded there. This was a MAJOR reason for the team's success, because they had instant access to the decision-maker and someone who knew the entire history of the reason this application was necessary (not to mention being passionate about getting it done!).

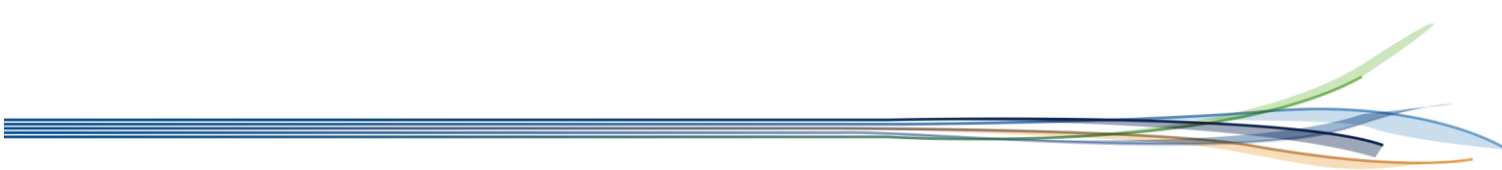
## Product Manager / Product Owner

In a software product company, it is easier. There is usually a role called Product Manager, a person who is uniquely responsible (i.e. neck on the line) for a product being sold to customers. It is partially a marketing role, because the Product Manager listens to what the market wants and figures out how to address it.

Depending on the size of the organization, the Product Manager might be the exact fit for the Product Owner role on your Agile team. Who else cares more about getting the product out the door than the person with financial responsibility for it?

However, that works best in a fairly small software product company. In a startup dotcom, with maybe 20-100 people, the Product Manager is most likely your best Product Owner. They will be able to spend significant time with your team right in the room, answering questions and figuring out solutions to challenges. Even then, a big part of the Product Manager's job is to listen to customers, so they won't be in the room 24x7, they will be out in the field talking with new, old and prospective customers. The allocation of their time might be something like 50% in the field, 50% in the team room.

The other possibility is that the Product Manager might designate a Product Owner to spend a majority of their time in the Agile team room, while the Product Manager spends most of their own time in the field talking with customers. This can work too. It is important that the Product Manager and Product Owner have worked together previously and can "finish each other's sentences" to a degree. If not, there could be situations where your in-room Product Owner makes one decision and the Product Manager comes back a week later and says "no way!" But as long as the Product Owner has the trust of the seldom-present Product Manager, it can work well.



To sum up, with an internal IT shop, you need a mid-level manager to executive from the business as Product Owner. In a software product company, try to get the Product Manager or at least a person that the Product Manager designates and empowers to make decisions.

## Attributes of a Great Product Owner

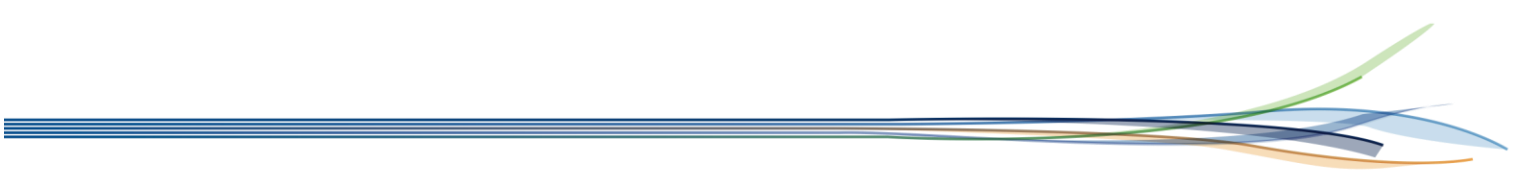
### Here is my definition of a great Product Owner:

- Can spend enough time with the team to be meaningful (at least an hour or two a day)
- Has the authority to make most decisions regarding the business problem being solved
- Builds a relationship with the team where there is mutual trust
- Is decisive (doesn't waffle)
- Feels a strong sense of ownership in the project
- Feels passion for the business problem being solved, i.e. has a personal stake

I personally have worked with at least a half-dozen of these types of Product Owners. It is a real treat. If it works well, the bond between the team and the Product Owner becomes very strong in a short time. The trust comes from the Product Owner because they are seeing real, live progress with every weekly demo of working, tested software. They can see that when they offer a suggestion, someone writes it on a card and puts it on the story wall. They can see the results of re-prioritizations, and don't feel pressured to "get it right the first time" because next week they have the option of shifting things around further.

The team's trust in the Product Owner builds quickly if the Product Owner is decisive and encouraging. Even in large organizations, I've seen Product Owners be positively courageous in making decisions quickly and giving the team the direction they need. Once, a Product Owner had to decide between content management systems for an application being built. The team had done technical spikes on two choices and offered the results of the research to the Product Owner. The Product Owner left the room and came back two hours later with a decision. The next day, I talked with another high-level executive at the company and he said "Yeah, I got tackled in the hallway by your Product Owner yesterday. He said we needed a decision RIGHT NOW and didn't want to waste time calling a meeting. I gave him my input and he was gone like a flash." This is the type of Product Ownership that makes Agile teams work at their highest potential.

Will you fail if you can't get a full-time product owner? Not necessarily. But, I can say definitively that the less interaction you have with your businesspeople, Agile or waterfall or whatever, the more risk you take. You have to have high-density communication between business and IT to ensure success, no matter what lifecycle you choose.



# Day-to-Day Activities of a Product Owner

## Here are the things a Product Owner does:

- Continuously prioritize the story backlog
- Decide which cards will be played in each iteration
- Move cards to “Business Verified” on the card wall, showing that these cards are DONE-DONE
- Answer lots of questions from all Agile team members: business analysts, testers, developers
- Make decisions on when to release into production
- Give the final consent before a release moves into production
- Explain the business reasons and business value behind decisions
- Attend all weekly demos and provide feedback on the demos
- Collect requirements from other business stakeholders and give them to the team in a coherent way
- “Trim the tail” – decide to put a release into production early if all the high priority stories have been developed and the remaining stories do not provide sufficient business value to warrant the original release date (and cost)
- Sell the project and product to the other business stakeholders
- Direct the creation of value stories

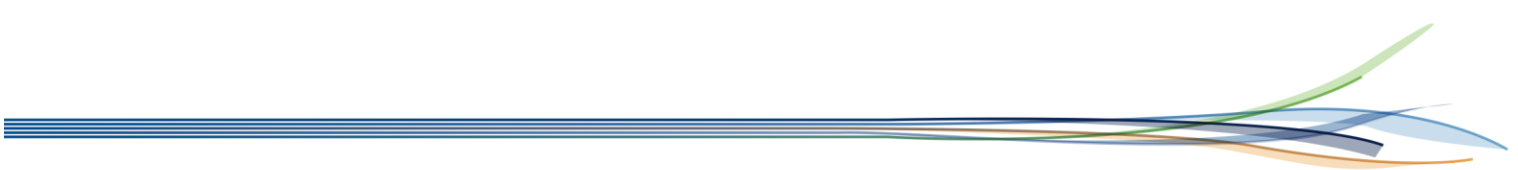
To explain, value stories are an artifact that Pillar has created to link the project back to value to the business. A value story is much higher level than a user story, and shows how the project is meant to make or save money for the business.

For instance, a value story might be written as:

*As Commercial, Inc. we want a billing application to reduce accounts receivable, so that we can collect receivables earlier and recognize \$10M more revenue per year.*

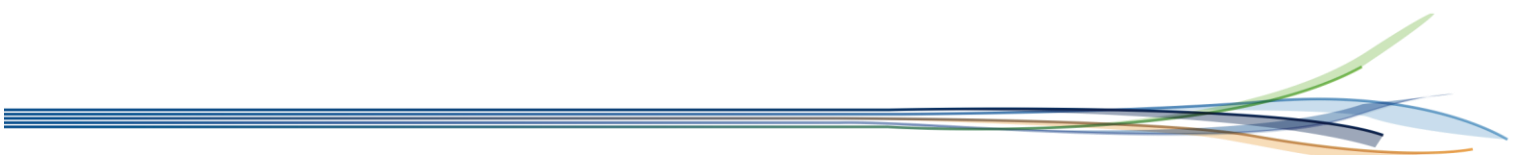
A value story should show the “return” of the ROI equation. This story should be front-and-center to the Agile team, even posted on a big, visible chart. And the Product Owner should be the author, or director of each value story. A project might have three or four value stories, even if it has hundreds of user stories. Value stories are more high level and business-focused.

The Product Owner must be involved with the team continuously. It isn't enough for the Product Owner to attend the demos and be involved at Close/Open of the iteration. The Product Owner must be available at multiple points through the iteration to help resolve issues and answer individual questions.



## Frequently Encountered Problems (FEPs)

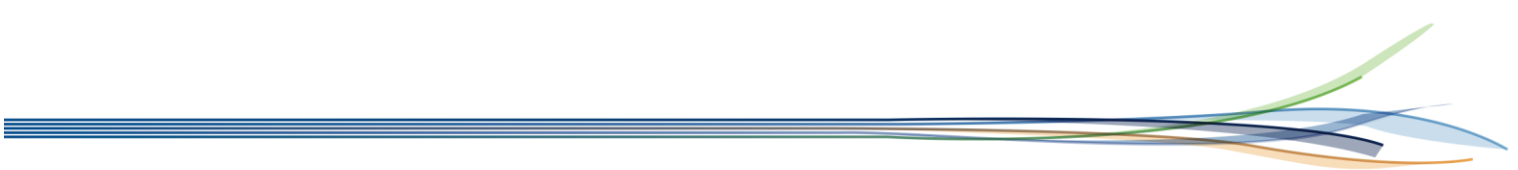
1. **Team treats the Product Owner as their ONLY business representative** – From the start, Agile has tended to be a fairly insular project process. Teams too often focus on what is going on “in the room” and ignore those nasty distractions that happen outside. But this can be dangerous. A team that treats their Product Owner as the sole source of business information can get into big trouble. An Agile team should respect their Product Owner and use them as their primary source of requirements, but they should also be building relationships with other stakeholders and figuring out if there are hidden agendas that the Product Owner might be missing for some reason.
2. **Team gets more than one Product Owner** – Some Agile teams are asked to handle requests from multiple Product Owners at once. This causes headaches for everyone. As a result, the reality is that the Agile team has to decide which Product Owner’s request is more important and prioritize thusly. Their decision criteria usually revolves around which wheel is squeakiest or which Product Owner has a higher position in the company. I’ve never seen this work well. Someone on the business side needs to be the “real” Product Owner and have the ability to prioritize the work of the team.
3. **Product Owner does not devote enough time to the Team** – Some Product Owners do not spend enough time with their Agile teams. This causes the team’s questions to be batched up for the few times when the Product Owner shows up and is available to answer them. This batching process is wasteful, and it means that team members are very likely to guess what the Product Owner might say and just go with it. These guesses (assumptions) can be disastrous. The more time the Product Owner can spend in the team room, the better. Having said that, a schedule of at least 1-2 hours per day is usually enough to keep the team from wandering off in the wrong direction. Product Owners who are also Product Managers tend to go on frequent business trips to see customers. As long as phone and instant message communication is a way to reach the Product Owner, this doesn’t have to be a big problem.
4. **Product Owner pushes the team for results** – The opposite problem from #3 is that the Product Owner might be too excited about launching this product and might put undue pressure on the team. This happens most often in software product companies. Pressure to launch will produce a lower quality product. There is a certain amount of pressure that is helpful in a work environment, but usually the team places that pressure on themselves without a Product Owner adding to it. That being said, a Product Owner might make a decision to launch a product early because the features she wants are already developed. This can work, with some level of release hardening, of course. But an early release decision, with acknowledgement of reduced features, is different than trying to pressure the team to produce more features in less time.
5. **Change of Product Owner in midstream** – It is always going to be difficult for an Agile team to move from one Product Owner to another in the middle of a release. It will inevitably involve reshuffling the priorities as the new Product Owner endeavors to put his “stamp” on the requirements. There isn’t much advice to offer here, only to make the issues with the change of Product Owner big-and-visible to the right decision-makers, and to avoid it whenever possible.



## An Example of a Great Product Owner

For an example of a great Product Owner, listen to Pillar’s Webinar “The Role of the Product Owner.” This Webinar is an interview of Kyle Anderson, who served as Product Owner for State Auto’s highly successful Agile project called OneSource. The interview was recorded in late 2009, and Kyle provides a detailed set of insights for budding Product Owners.

<http://www.pillartechnology.com/content/webinardetail/id/12>



## Conclusion

I hope this has been a useful introduction to the role of the Product Owner. We will be creating more and more resources on this important topic in the near future.



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