MOVING FROM PROJECT TO PRODUCT

Get to market faster with your digital software development

There is a trend in corporate software development where traditional projects — *having a start and finish* — are being superseded by product management techniques allowing for faster adoption and timely impact on the return on investment

Read how changing from a project to product mindset can get you to market faster and build better experiences for your customers.

John Doucette
Vice President
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Corporate software development is undergoing an "accelerated feedback" revolution. Successful companies are delivering solutions quickly and continuously into working production environments because they have turned the corner from using the age-old methodologies and processes that governed them in the past. Since the onset of Agile in the early 2000s, many companies' software development initiatives have remained sluggish in their Agile journey within their development shops and continue primarily as a technology process. Since the business was not participating in Agile, programs and projects remained the hallmark of annual budgets. In the past 3-5 years, the customer digital experience has driven technology to leap forward quickly. The speed in which business builds software today has enabled disruption in the market by simply being first. Business must now partner with IT on a product lifecycle rather than a business project handed over with a budget attached. The market is moving so quickly that the shift to product management is evident to the winners and losers. You can easily see this disruption in traditional business around digital products like Uber (for the taxi), the growth of Amazon from an online bookstore to a distribution powerhouse (brick and mortar store), and Facebook as an advertising giant (ad agency).

The core differences between project and product

To begin, we need to consider how *software companies* operate. For the majority, the main ingredient is consistency of team and focus on product. Teams remain intact for product lifecycles in the marketplace; they simply do not split up. With the guidance of a customer focused product owner, the technology enhancements are implemented quickly and rapidly to remain highly competitive. The product development teams are empowered, outcome-oriented, and aligned to business-capability. They can, and are expected to, solve problems and improve the business together.

On the contrary, corporate software engineering teams are integrated with many departments to bring solutions to production. This cross-functional, project-enabled structure follows the prioritization of business and funding and relies on an organization of silos, which can cripple speed. Annual budgets are formed around pre-defined solutions or outstanding scope desired by a business partner, and in turn budget is allocated to several departments to implement. This could be infrastructure, application development, enterprise architecture, quality, DevOps, and business analysts to name a few. As projects come and go, teams are released and formed, slowing down momentum and losing consistency. They are empowered to deliver scope on schedule, not improving the business.

Why the change?

Digital transformation is leading the way for change in the way corporate enterprises develop software. Consumers are expecting highly engaged digital experiences in their lives and business is rapidly applying the psychology of those experiences to win market share. This also includes empowering internal customers (customer service centers, accounting, sales, etc.) with technology that drives efficiency. The traditional business products and services of a company are being "digitized" and thus manifesting into software products. The traditional "keep the lights on" IT organization with on-demand project teams are inherently slow to react to market changes, potentially causing their business to miss the market. This does not just have to be market share, but could also mean hiring and maintaining staff with different expectations on how technology is part of their job. Having empowered product-based teams in place following the full lifecycle of product introduction and adoption to maturity and extension will have a better chance of winning both customers and corporate culture. Bring the project to the teams, not the teams to the project. This approach also decreases the expensive cost of delays in the project approval process, increasing overall time to market.

Saving money

Changing the corporate budget process is daunting. The organizational structure and the way large projects are funded are not set up to evaluate the effectiveness of the solution until the end of development, even if they are using Agile methodologies. Simply running sprints and ensuring progress is being made against a project scope only proves you are spending the money as expected. Product owners are driving the team to follow the prioritization of a scoped backlog in which the budget was setup to deliver. They are not trying to solve the business problem, only the planned outcome defined by a business partner before the project started. Their primary responsibility is to build the solution, not run it in production. That is someone else's job when the project is done.

A product oriented budget evaluates the incremental solution through continuous feedback, which means the team is also deploying the product into production and owning the outcome. If the feedback means there needs to be a change in the logic or workflow of the product, then the budget diverts to the important features needed to increase the chance of greater adoption and impact on the market/cost savings. If the business problem is not being solved, then the idea may not be the right idea and the effort diverted to other profitable initiatives. Changing the budget process along the way to allow a team to fail without punishment, thereby allowing for rapid course correction, is an efficient use of money and time.

Accelerate the small things

Yes, it is a big job to change a company's budget and the project-oriented approach to building software. However, there are a few things which can improve the success of change and accelerate the transition to product awareness.

Build and run

Companies structure the build portion of software as capital costs and the running (maintenance) of the software as an expense. This accounting approach drives many of today's organizational structures, especially in IT. By creating a development team around a business function--say the "shopping cart" in the ecommerce department--and allowing them to bifurcate both build and run, they can use tools and systems to differentiate between new ideas (capital) and enhancements (expense). Keeping the team together will build momentum and allow to make changes throughout the life of the solution (now a product).

Product owner focus on feedback

In most cases, the product owner will build the backlog and ensure the team stays focused on the priority of the list of functionalities she/he has designed in the overall solution. By participating in scrums, grooming sessions, demos, and retrospectives, the product owner involvement revolves around the planned scope and timeline. As the team moves the solution into production earlier (as in build and run), the product owner should reach out to the users/customers and get real world feedback and bring it back for the team to consume and adapt to any changes. This will allow the team to take ownership of the business outcome, as they become part of the process and not just digest the planned scope laid before them many months prior. The earlier the release of a product, the faster the improvements based on the most important feedback (the end user). To decrease risk, release to a small group of end user champions and grow once validated.

Find the earliest MVP

Break it down, and then do it again. What can you deliver that will make a difference in adoption, cost avoidance, or increasing revenue? The answer to that question lies in the product owner's ability to really, truly understand what needs to be built and why it is being built – real-time. Remember, innovation comes from the producer, not the consumer and following Humphrey's rule that "a consumer does not know what they want until they see it." Although you should establish an MVP early as a target, it can change through feedback. In the traditional project management discipline of building software, the critical path was the focus of any good project manager. With a product in mind, the minimal number of stories it will take to implement an MVP is where the product owner focuses his/her time. Get there as quick as possible and delight the customer.

Move projects along a product path

Even in a project-based organization, moving the product owner out ahead of the software being built and understanding what the client needs and wants right now will improve the chance of a successful project. When the budget has been handed down, build your most optimal delivery team model and begin building against the backlog. As Sprints are completed, demos reviewed, and adjustments made to what was "thought" to be built, customers become delighted your product is becoming the experience they expected.

Working with a partner

No matter where your organization lands on the project/product scale, Magenic can help. We have been impacting positive results through innovative digital solutions for more than two decades. Our delivery excellence and successful implementations have been led by top consultants in digital product management and Agile software development. We have the right strategy, process, and people to help ensure the most optimal approach to getting to market faster and delivering modern, exciting customer experiences.

About Magenic

Magenic is the digital technology consulting company built for speed. We have the right digital strategies, the right process, and the right people to get our clients digital products to market faster.

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