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2.4.2 Comparing Methods of Customer Management Summary Points

	Traditional	Agile	Lean
Project Size	Large	Medium	Small
Industries	Construction Military Government / Policy Relocation	Information Technology Product Development Management Consulting Operations	Sales Customer Support Legal R&D
Customer Size	>250 participants	Up to 250 participants	Up to 10
Customer Communication	Representatives Large, Facilitated Meetings	Part of the Team Small Meetings	On-Call Ticketing / Request
Payment Method	Firm Fixed Price / Custom Pricing (Quote)	Time & Materials / Retail Purchase (Paid)	Cost-Plus / Subscription (SLA)

Traditional

- Customer Size: >250 participants (customers and team)
 - Greater than Dunbar's Number
 - Many different groups and sets of concerns
- Customer Communication: Formalized
 - Large Facilitated Meetings (Public Meetings or Hearings)
 - Large Surveys and Teams of Interviews
 - Representatives are sent (such as in government) to represent large stakeholder groups
 - Change Control Boards ensure all stakeholder (groups) are heard
- Payment Methods
 - Almost always Firm-Fixed Price (cannot change the price)
 - Requires custom quotes because of the size and complexity
 - This involves complex parametric estimation

Agile

- Customer Size: Up to 250 participants (customers and team)
 - Department user groups
 - Clear Market Segments
- Customer Communication
 - Customers are on the team
 - Customers engage in ceremonies and provide immediate feedback
 - No delays, and often just one representative can suffice for decisions
 - Sometimes working groups help to coordinate across functional concerns
- Payment Methods
 - Time and Materials (T&M) to scale resources for fixed periods of time
 - Retail Purchase (Paid), where a fixed price and targeted units sold ensure profits

Lean

- Customer Size: 10 people or less (customers and team)
 - Single user who needs support
 - One product group that needs new technology
 - One owner or a small group that needs expert advice
- Customer Communication
 - On-Call support (customer calls the vendor)
 - Ticketing systems (customer logs an issue)

- Communication is then one-on-one with issue holder
- Payment Methods
 - Cost-Plus contracts (guaranteed profit plus any expenses)
 - Subscription (SLA) or Fixed Fee

Hopefully these new details are opening up one clear set of constraints on Project Management Methods: The Customer. Scheduling and managing resources using traditional means, with large meetings and formal communication can really make sense at scale; but also when you have many differing concerns in requirements (stakeholder groups), or an unavailable customer on large, complex work. Agile works well when the customer prioritizes your project and there can be a single, decision-making representative. Lean makes sense when the customer needs immediate attention, but at uncertain intervals. Lean also makes sense when the work and complexity is very small (although the expertise level may be very high).

But is it always up to the customer? What about the product? What kind of engineering is required or resultant based on these methods to maximize their potential returns?

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