

Role of product owners in Scrum development

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Premise

- ◆ It is presumed that the reader has a basic knowledge of Scrum and understands the nature of the ceremonies* that are used.

※This information is in the Scrum Guide

<https://www.scrumguides.org/docs/scrumguide/v2020/2020-Scrum-Guide-US.pdf>

- ◆ This document was written based on the following resources. Reading these resources will provide a more in-depth understanding.

Essential Scrum, PMBOK Guide (Version 6),
Scrum Guide

Credits

- ◆ The explanations in this document use quotes from the Scrum Guide.

Scrum Guide

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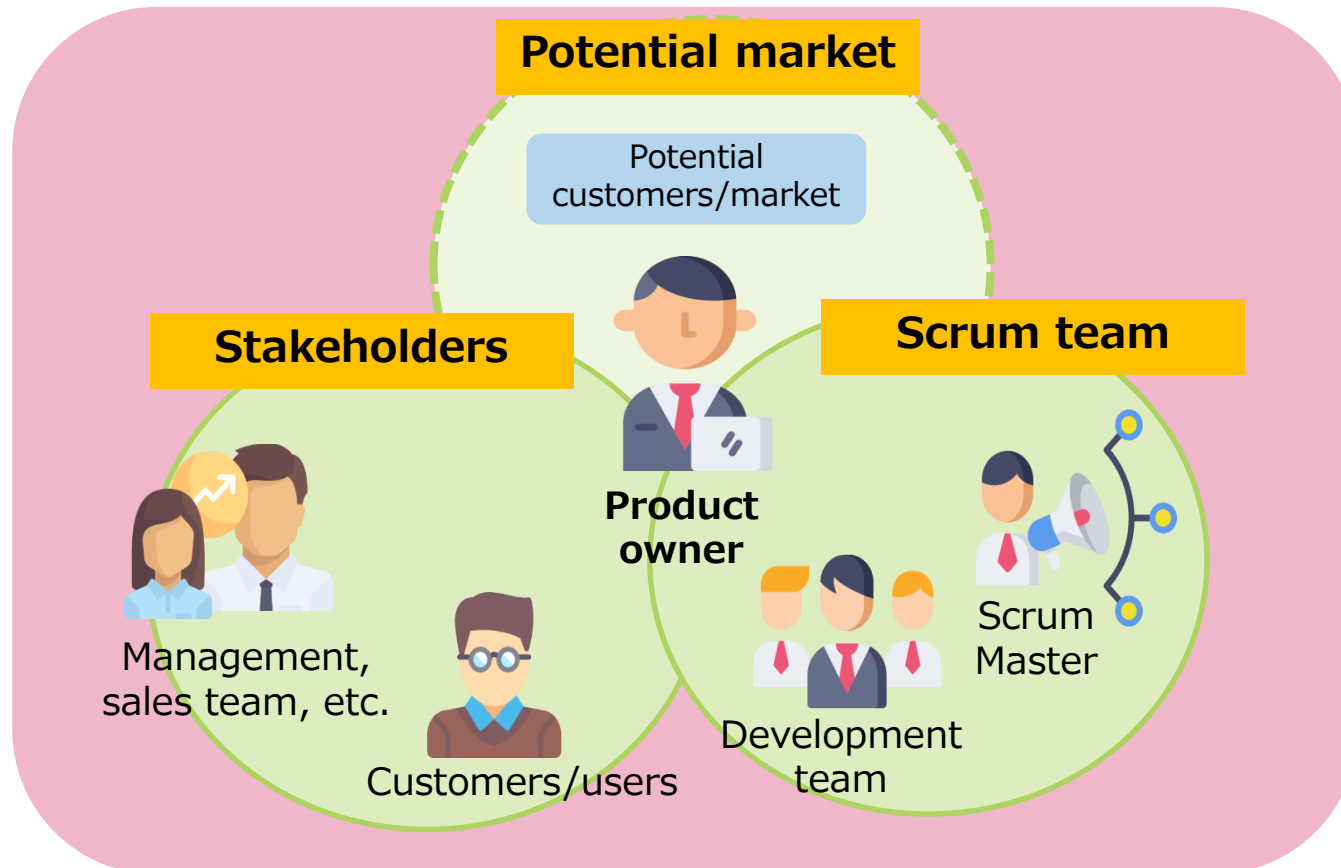
<https://www.scrumguides.org/docs/scrumguide/v2020/2020-Scrum-Guide-US.pdf>

- ◆ Icons used in this document are created by Freepik(<https://www.freepik.com/>) and published on <https://www.flaticon.com/>.

What is a product owner?

What is a product owner?

Product owner is one of the *roles* in a scrum team. The product owner works with parties such as the scrum team and stakeholders (a general term for parties other than the scrum team who are involved in the project) and is responsible for increasing the value (return on investment (ROI)) of the product through measures such as venturing into potential markets.



How a product owner differs from a project manager

Project manager

At its core, a **project** is

Work with a finite time period to create a unique product, service or outcome (from PMBOX Version 6)



A finite time period is one with a specific beginning and end

For this reason, a **project manager** needs to be conscious of the following.

The focus of a project is finishing (within set conditions), so the **schedule** requires the most attention.

Product owner

A **product**, meanwhile,

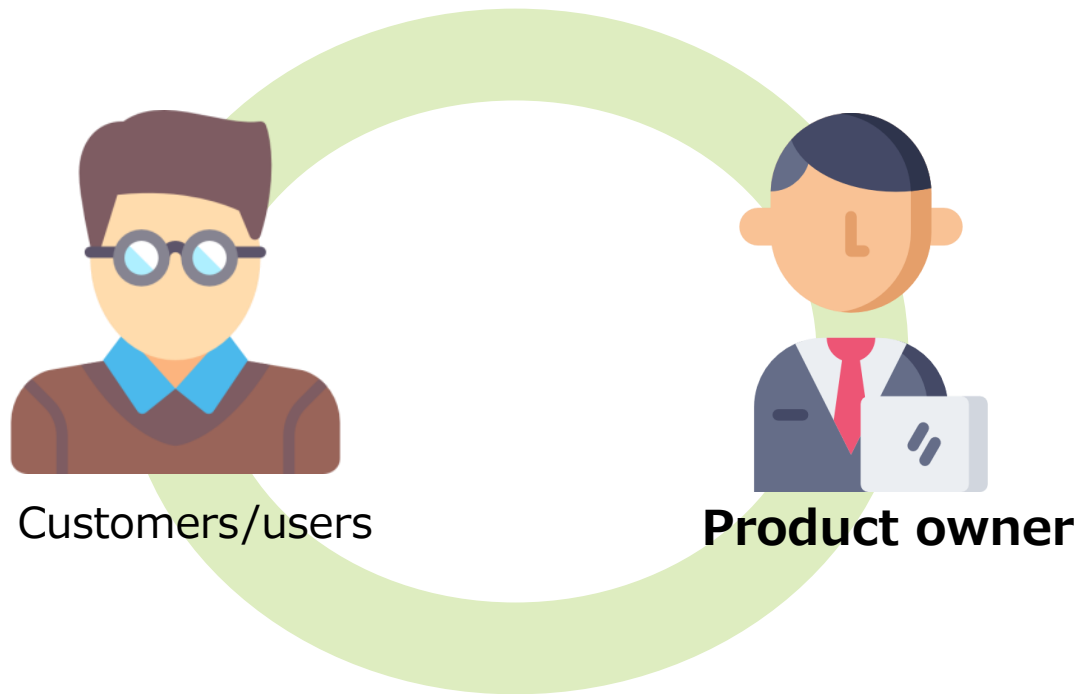
generates revenue by meeting market needs.

For this reason, a **product owner** needs to be conscious of the following.

The focus of product development is to meet the needs of the market, so the **market** requires the most attention.

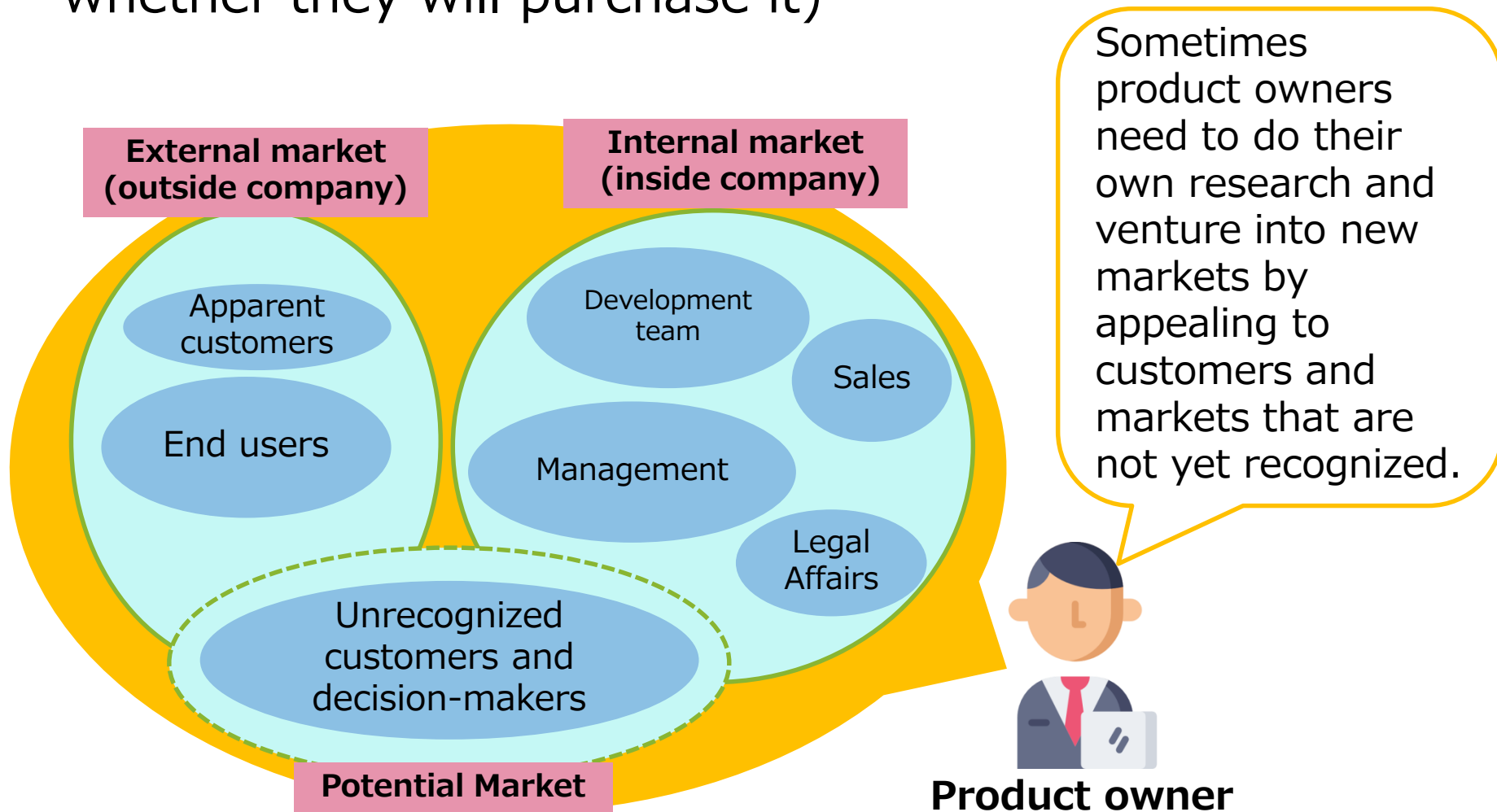
Target market (general areas)

“All individuals and organizations who purchase a product or service, or who may do so.” (from Kotobank)



Target market (from product owner's perspective)

All parties other than the product owner (regardless of whether they will purchase it)



Target market

Points of caution

- **Internal markets (within the company) need attention too**

While the needs of external markets need to be met in order to generate revenue, the needs of your internal market also need to be met in order to create the product. For example, if you do not meet your developers' need to know the direction of the product and why it is needed, they will not be able to judge what needs to be developed.

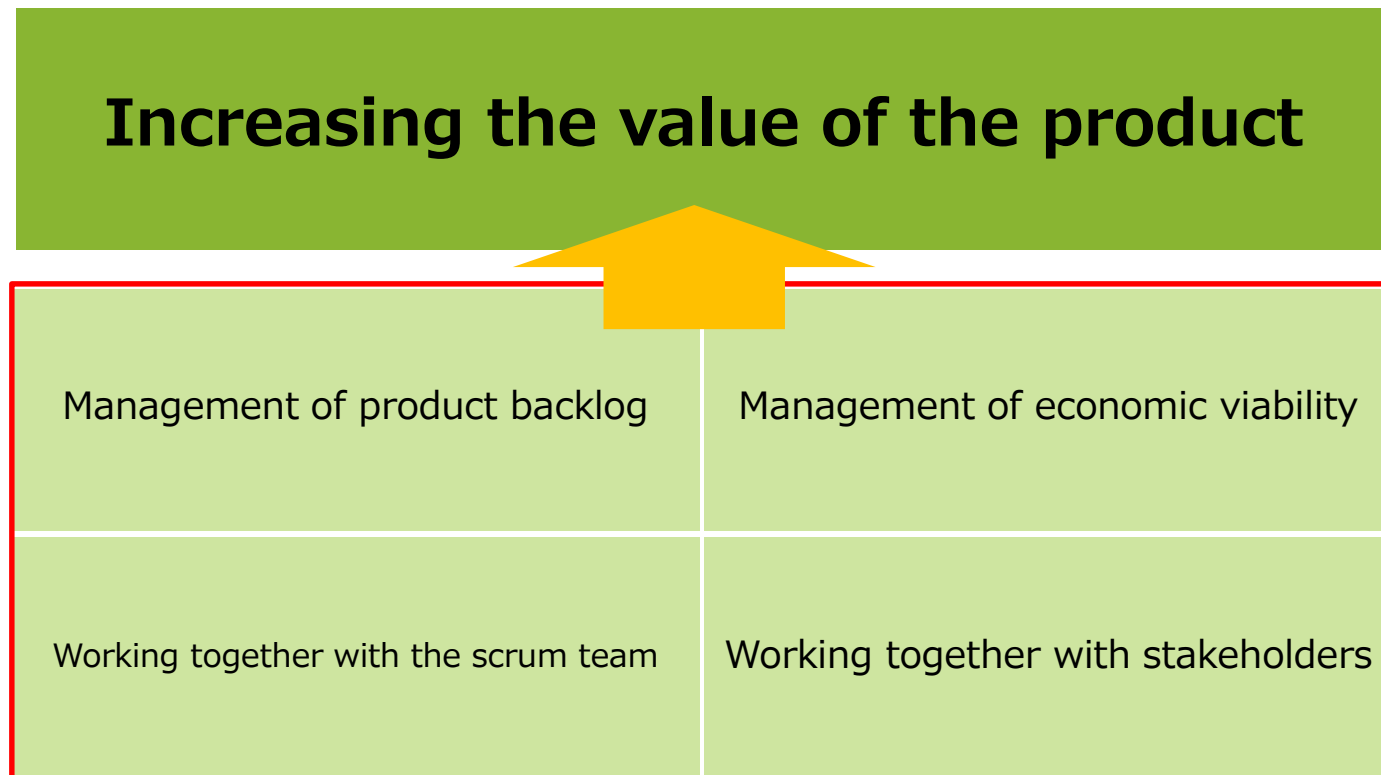
- **Market needs are not necessarily apparent**

Some issues in both your external and internal markets are apparent and others are not (the former are called apparent needs and the latter are called latent needs). In addition to pursuing apparent needs, product owners must be conscious that there are latent needs and **if necessary, take the initiative to find out what those needs are.**

Role of product owners

Role of product owners

Product owners are responsible for focusing on market needs and increasing the value of the product.



Management of product backlog

What is product backlog?

Product backlog is a list of everything known to be necessary for the product, in order of priority (from the Scrum Guide)

Product backlog
A
B
C
▪ ▪ ▪

The scrum team and stakeholders can see the current status of the product by checking backlog.

A properly organized product backlog is a **common language** for the developers and stakeholders (in other words, it provides a means for discussion between people in different positions).

Management of product backlog

If the product backlog is not managed...

...the development team will not know what they need to create and the stakeholders will not know the status of the product. In general, it is not possible to see the direction of the product if the product backlog is not organized.



Management of product backlog

Responsibilities of product owners

- (1) To clearly indicate the nature of product backlog items.
- (2) To decide on the priority order of product backlog items.
- (3) To clearly indicate the acceptance conditions.
- (4) To answer questions about product backlog items.

Product backlog
A
B
C
▪ ▪ ▪

- Arrange the items in the order that will generate the greatest ROI (return on investment), taking into account factor such as the time, demand and development period.
- It is not necessary to define all of the items in detail when starting a sprint. (Development can be done as long as the functions necessary for the first release are defined in detail.)

Management of product backlog

Points of caution

- The product owner may not need to create the product backlog

The Scrum Guide says “This is sometimes done by the product owner and sometimes done by the development team. In any case, the product owner has the final responsibility.” The person who manages the product backlog does not need to be the same person who creates it. With that said, since the product owner has the final responsibility for the product backlog, the product owner needs to be able to answer any questions that the developers and stakeholders may have about the product backlog.

Not
ideal



Stakeholders

Tell us the order
of the backlog

Uh...development
team, could you
explain this?

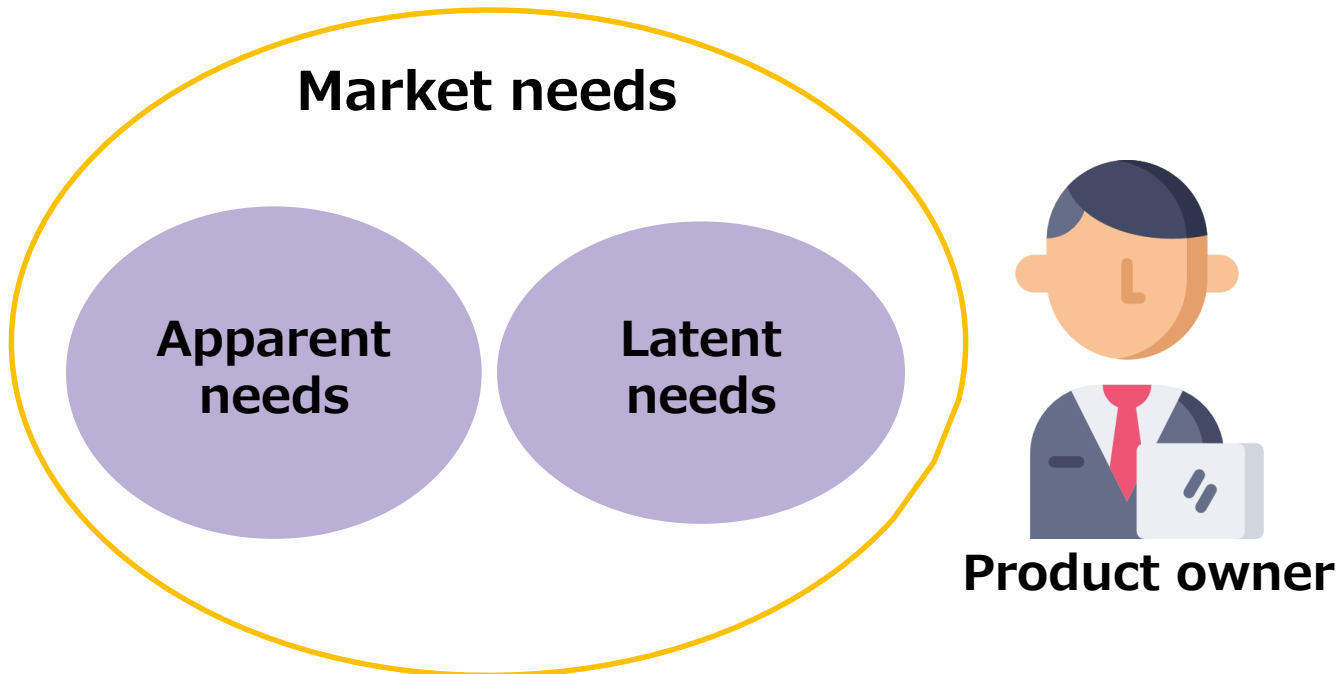


Product owner

Management of economic viability

What is management of economic viability?

This is decision-making about which of multiple solutions to market needs is most reasonable **in an economic sense**.



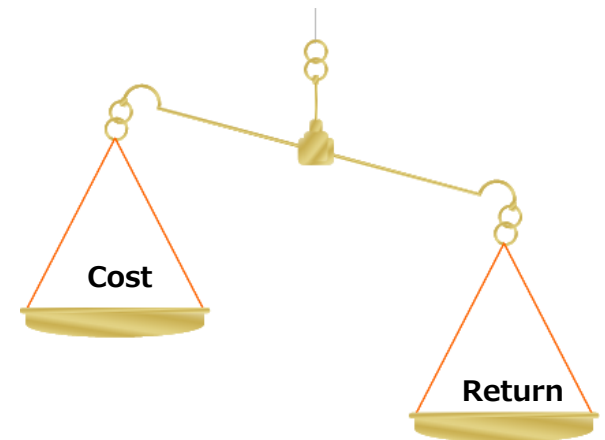
Management of economic viability

What makes something reasonable in an economic sense?

This is about the return expected on the money being spent (ROI).

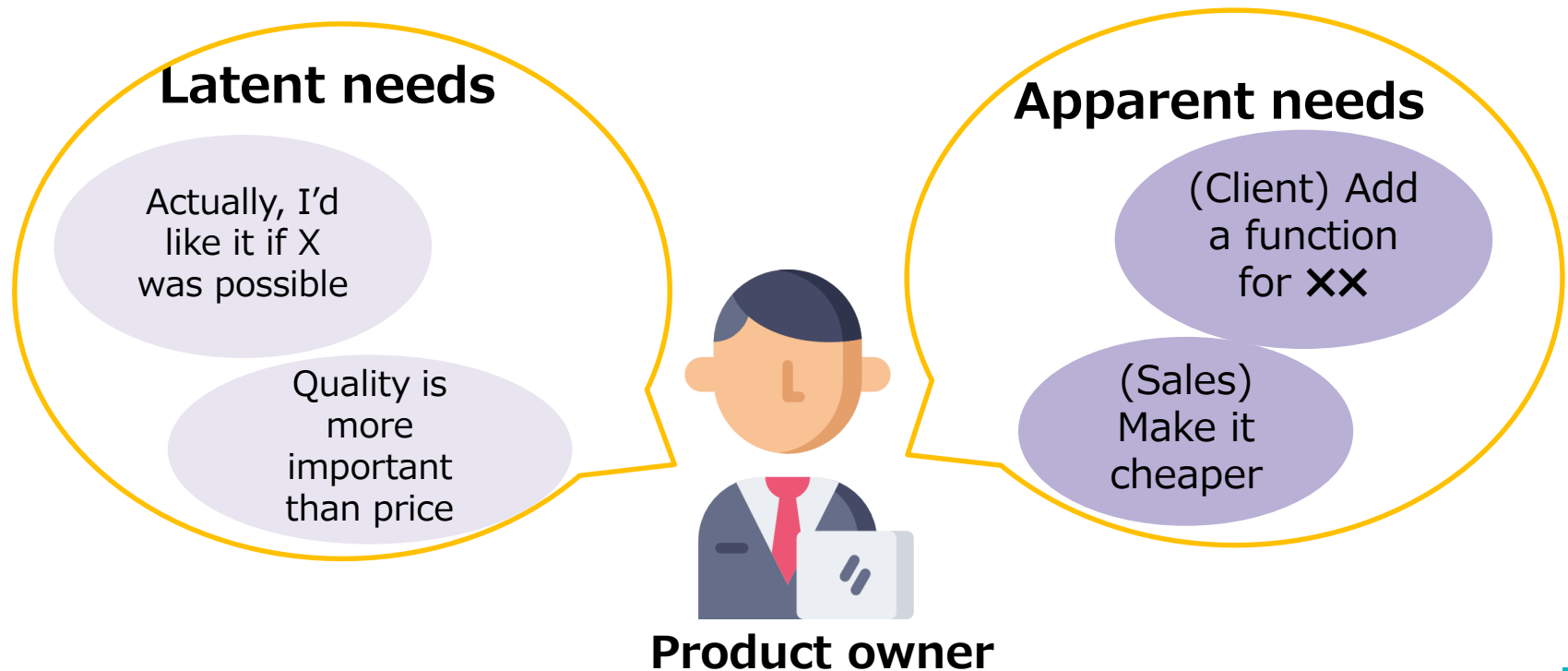
For example, if extending the development period by one week to add a new function could increase revenue by 5%

The product owner must decide whether extending the development period will be worth the cost of an additional week.



Management of economic viability

Markets have apparent needs (mainly requests from stakeholders) and latent (hypothetical) needs. Product owners need to decide the priority order from an economic standpoint without focusing only on the needs that can be seen.



Management of economic viability

ROI

Product owners need to **make controlled investments** to maximize ROI.

	Investment	Return
Nature	The amount invested can be controlled	The results cannot be predicted
Specific example	XX yen needs to be spent on advertising to generate YY yen in revenue	The actual profit will not be known until the results are seen

Economic viability of product backlog

There is a tradeoff between the requirements of a product (for example, adding a new function will lengthen the development time).

Product owners need to judge which is the highest priority and reflect that in the product backlog.

Product backlog
B
C
A
▪
▪
▪

The priority order of the product backlog is decided based on hypotheses, which means that it constantly changes in response to new information and situations.

Product owners need to make sure that the priority order is suitable on an ongoing basis.

Management of economic viability

Points of caution

- **Product owners are responsible for maximizing the value of the product the development team creates**

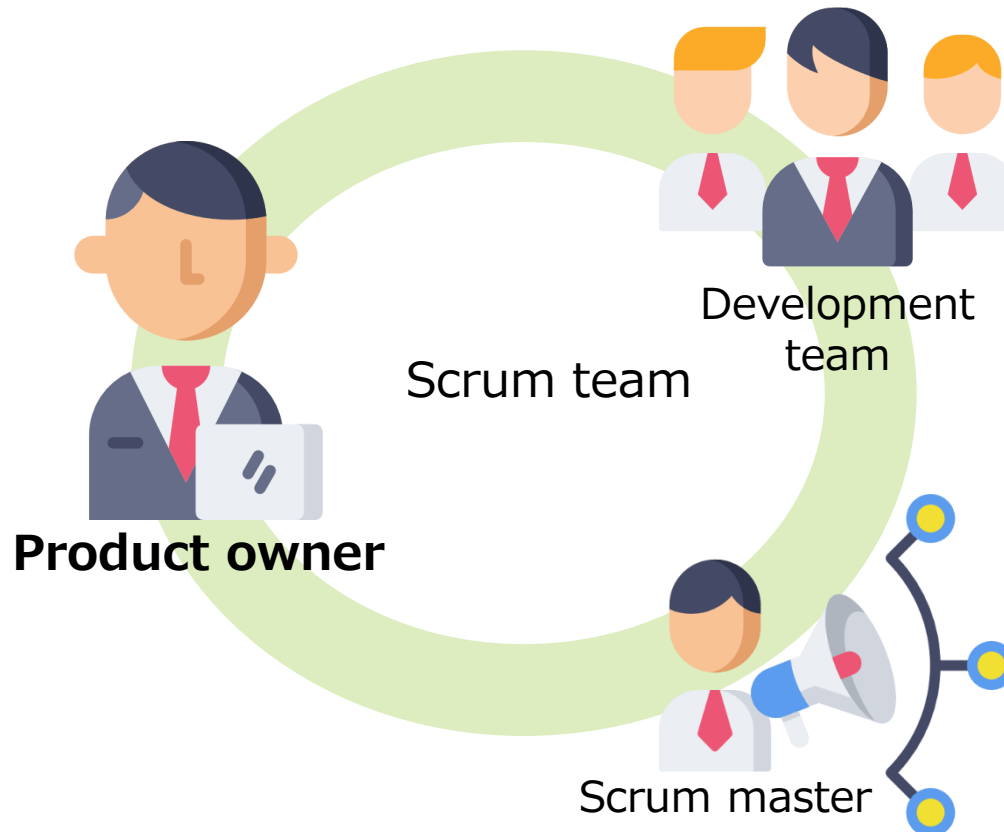
Product owners need to constantly address multiple market issues and increase the value of the product they are spearheading in response to those issues. The return must not be limited to one type; product owners must constantly be aware of who the value of the product needs to appeal to.

- **Economic perspectives should ideally also be shared with the development team**

Making the development team aware of the need for each function from an economic perspective guarantees transparency. The development team understands the functions better and feels more invested, which makes the development team more autonomous. For this reason, product owners should ideally be proactive about sharing the current economic situation and the economic implications of the product.

Working together with the scrum team

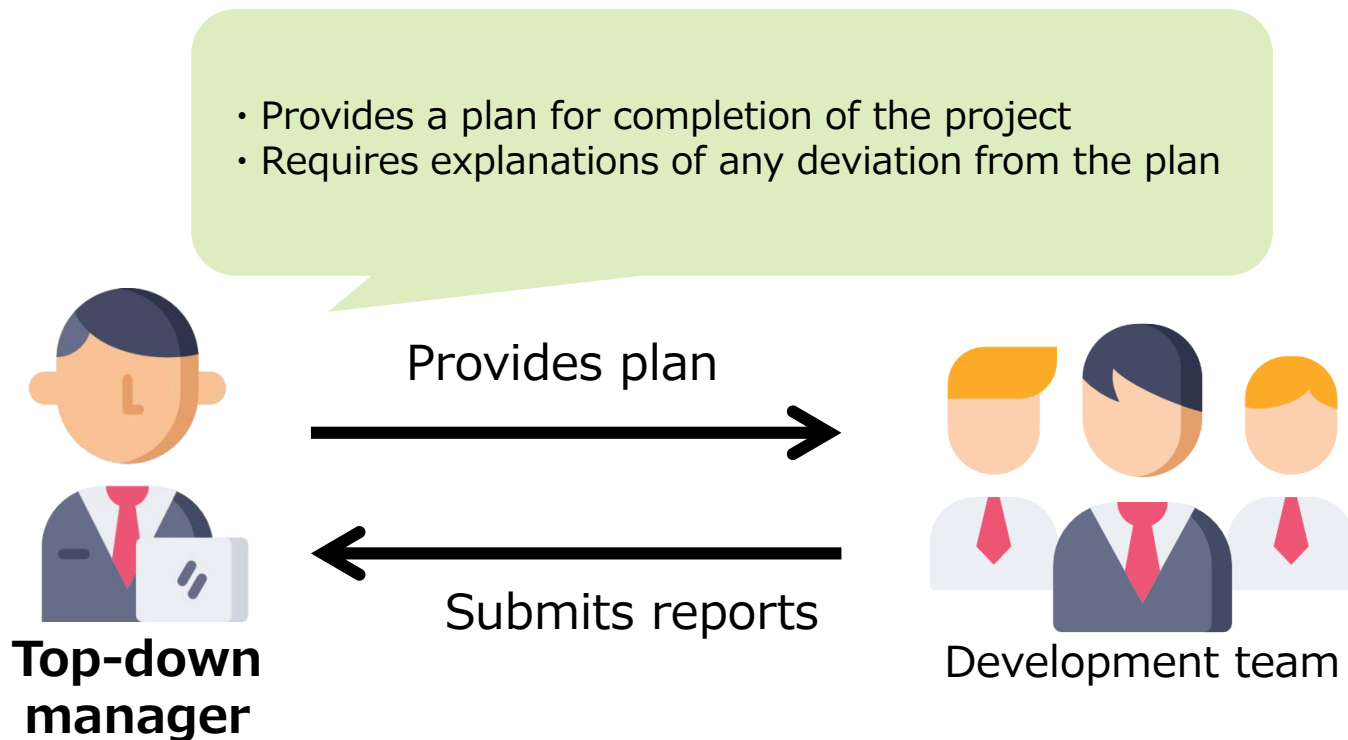
To achieve their mission of improving the value of the product, product owners need to work together with the scrum master and development team.



Relationship with the development team

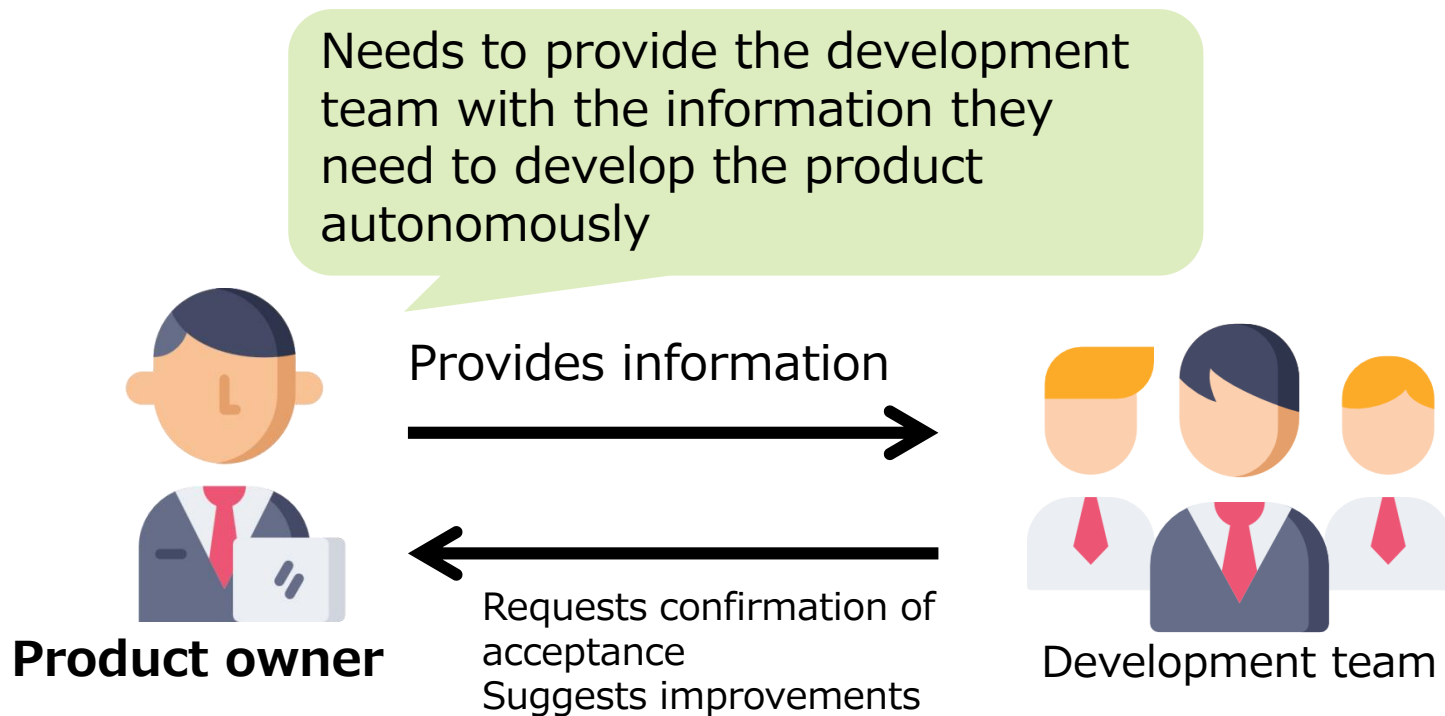
Top-down managers

Top-down managers focus on progress management and constantly seek reports on progress from the development team.



Relationship with the development team

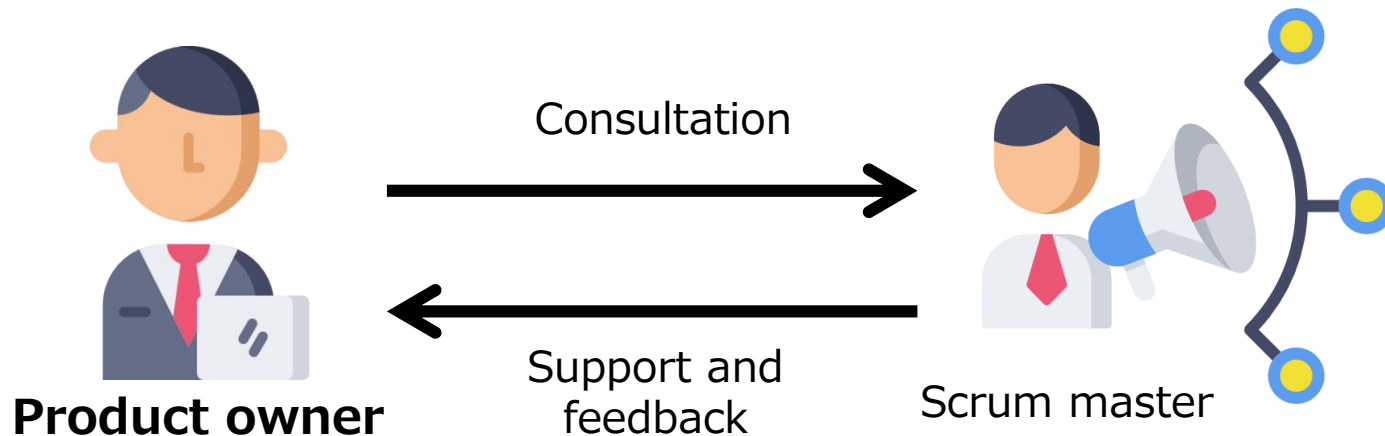
Product owners need to provide information on points such as market issues, criteria for judging priority order and scope so that the development team can develop the product autonomously.



Working together with the scrum team

Working together with the scrum master

Product owners receive feedback from their scrum masters, who have a third-party role. This provides product owners with an opportunity to improve the way they work. They also receive support by consulting their scrum masters about faults in the product development.



Working together with stakeholders

Points of caution

- **Do not micromanage**

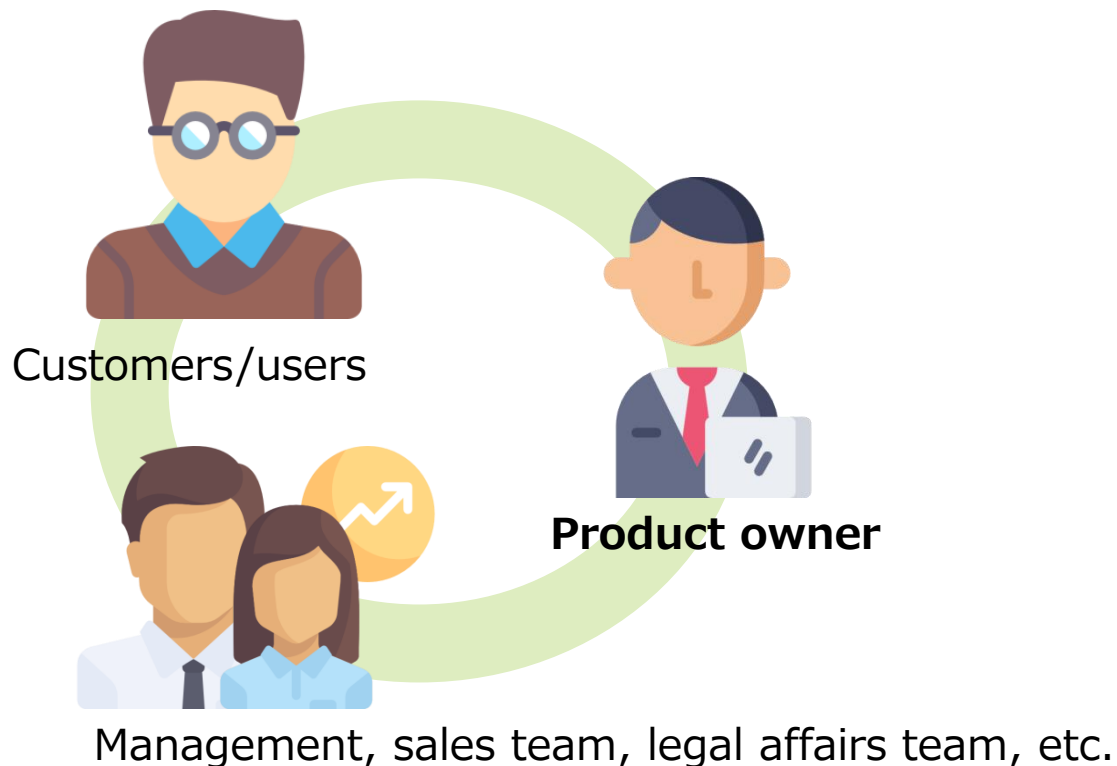
Scrum places value on allowing the development team to organize themselves autonomously. Product owners therefore need to respect their development teams, and it is not ideal for them to interject about their development teams' methods or velocity. Product owners must also respect their development teams' ability to create a plans that will enable them to meet sprint goals.

- **Do everything you can to give your development team a more in-depth understanding of the product**

In order to organize themselves autonomously, the development team needs to have an in-depth understanding of the product. Product owners need to support their development teams by **being as open as possible about information on the product. Face to face conversations are more effective than documents** for increasing the development team's knowledge.

Working together with stakeholders

Building a cooperative relationship with stakeholders (everyone who is involved in the product besides the scrum team) makes it possible to receive useful information about the product, along with feedback.



Working together with stakeholders

Points of caution

- **Product owners should ideally strive to gain useful information on the product from stakeholders**

Seeking feedback from stakeholders can yield useful information on the product and insights that you had not thought of. Try to gain feedback from stakeholders through venues such as sprint reviews from the perspective of suitable management of economic viability

- **Do not follow stakeholders' requests uncritically**

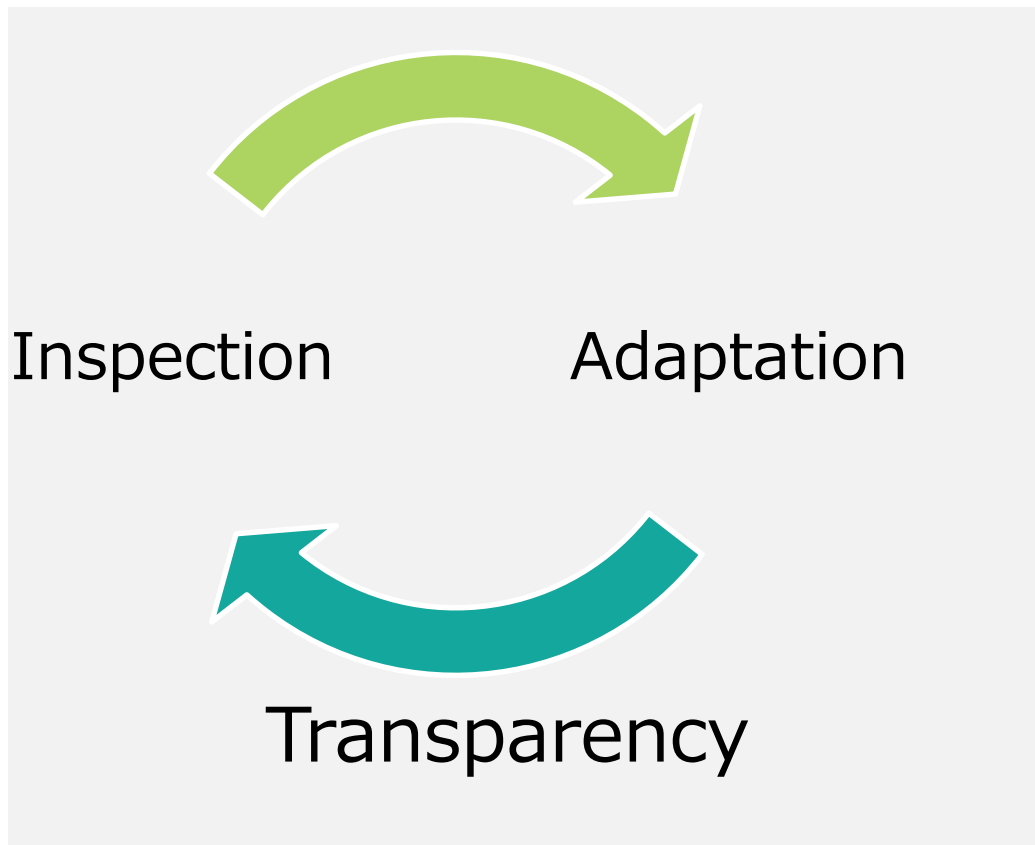
While stakeholders' requests should be requested as they affect the priority order, you need to think about these requests critically, as **fulfilling stakeholders' requests may not necessarily increase ROI.**

Do not forget that your mission as the product owner is ultimately to increase the value of the product.

Involvement in each ceremony

The three basic concepts of Scrum

The following three concepts are central to Scrum. **All ceremonies must embody these three concepts.**



The scrum team must evaluate its processes and deliverables at each ceremony and adapt each time new facts come to light to verify hypotheses. This series of actions is only possible when transparency is guaranteed.

Involvement in each ceremony

Event	Involved	Involvement of product owner
Daily scrums	Maybe	Not required, but being involved makes it possible to assess current progress.
Backlog Refinement	Yes	Required. The product owner needs to share information on each product backlog item so that the development team can make estimates.
Planning	Yes	Required. Sharing information on the current economic situation, sprint goals and future strategies with the development team increases their commitment.
Sprint reviews	Yes	Required. Applying information from reviews to the backlog makes it possible to maintain transparency.
Retrospectives	Maybe	Not required, but being involved makes it possible to find solutions to issues that are difficult for the development team to solve alone.