**HW Week 9-Ind: Case: OPOWER**

Name: Aarjav Dutt

# **Case: Product Development at OPOWER**

## Should they accept the ABC Power REF? Defend your answer.

The Idea behind the ABC dilemma was that if it was better to keep a generalized extensible platform which can be used by many, or to customize it according to different needs but making the costs high. According to me, as a Product manager, OPOWER should accept the ABC power’s RFP because they are just in the initial phase of their company’s expansion. If they customize their product for the needs of ABC, even if it will have a higher build cost in the future by about 20%, building the revised data structure from scratch in the future will be more expensive, as it might become a necessity for all utilities. Hence, I believe, keeping in mind the long-term vision, Accepting the RFP will be a better idea.

## What customer needs does OPOWER address?

OPOWER applies behavioral science to save energy. It was built for customers who want to save power and take actions to save the environment but do not know how to, or they were not sure what to do to improve their performance.

## What is the product that addressed those needs?

OPOWER was introduced to address those needs. The product was built to raise awareness among people about their utility usage by giving detailed reports of their energy consumption and compared it to the consumption of their neighbors or people with similar sized homes.

## Who are the target customers and why? Competitors?

The First Target customers are the people, who are not aware or even concerned about saving energy. OPOWER uses behavioral science to showcase that other customers in their neighborhood were focused on saving energy, which inspired them to consume less energy as well. The second target customer were the state regulators who had significant influence over utilities’ decision to pursue environmental conservation projects.

OPOWER had competition with software startups like eMeter, Efficiency 2.0, Tendril and

smart grid integrators such as Silver Spring Networks.

## What was their approach to product management in early days and how did it change with time?

During the early stages of OPOWER, its vision reflected that of its founder. Yates being a software entrepreneur, used an informal product management process. However, As the company grew, and the feature set became more complex, the old process started showing a lot of strain. OPOWER’s product road map only evolved in response to the requests of prospective and existing customers. With time, the team started to deliver some requested features, showing fluidity and employing a reactive development approach called “technical debt”. Thus moving away from their vision and creating inefficiencies.

## What is the product management process and metrics now?

The current product management process is very flexible and agile. PM’s deal with internal constituencies and so they created a matrix to make sure single point of contact. The matrix communicates with the PM team through daily 90 minute stand up calls. Apart from this, OPWER followed a series of planning events, like High-level product plans with a 2-year horizon, a high-level product map spanning 12-18 months revised quarterly, weekly “Wave” planning specifying the features to be released in the next 3-4 iterations. And finally, the scrum team reviewed what was built in each iteration. For feedbacks, they relied on consumer surveys and usability testing.

Subjective metrics were introduced to OPOWER like, the product management organization was evaluated on how effective it worked with the sales team. Other metrics used were objective and had less rigid targets. For example, tracking percentage of features build over a 6-month period right from product initiation.

## Describe the Token System. What are the pros and cons?

To resolve the tension between the sales and the product team, a new system called the Token System was developed by Foster and senior VP Jeremy Kirsch. They pushed the custom features decisions to the sales team. For this, they designed a solution with 3 types of feature requests along with color codes:

“BLUE”: features already on road map which could be completed in time to meet customer’s requirements,

“Green”: Features accelerated in order to meet the customers’ needs,

”Yellow”: Features to be added for a specific customers’ request. The sales team was given tokens, and they could redeem these tokens when they saw fit on green and yellow features.

*The Pro*: The token system had brought about a smooth work flow with the sales team. Sales team would not spend tokens or try to win an RFP without the requested custom features.

*The Con*: Interdependency, the Sales team may argue about the product’s development time estimates. Product team will argue about token color to get sales to pay for them.

1. Three most important things you learned from this case?

Through this case study I learnt that:

* A product, along with having a good vision in mind, must also have a good road map. The product may keep iterating and building on new features, but it must always keep the customer in mind.
* When things don’t work your way, it’s time to be creative and innovative to bring changes in order to achieve your goals.
* As a company grows, It becomes necessary to have an exceptional, visionary product manager, since he would possess both consumer and enterprise level software skills which are required at the time the company is scaling from a small startup.