



BENCHMARKING THE SHIFT FROM PROJECT TO PRODUCT

And other insights from 3,000+ value streams

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According to Gartner, Inc.

In a 2018 survey, 85% of participating respondents said their organization has adopted or plans to adopt (fully or partially) a product-centric model

Main drivers:

- Faster delivery
- Digital business transformation

Gartner, Survey Analysis: IT Is Moving Quickly From Projects to Products, Bill Swanton, Matthew Hotle, Deacon D.K. Wan, 23 October 2018.

In today's session

- The 5 stages of the project to product shift
- 7 dimensions for maturity assessment
- State of the industry results
- Insights from value stream data
- Tips and recommendations



Search



Groups

- Assets, Wealth & Banking (~Business Products)
 - Everyday Banking
 - Account Services
 - Credit
 - Mobile Checking
 - Rewards & Promotions
 - Transfer & Pay
 - Lending
 - Secured
 - Unsecured
 - Wealth Management
- Banking Operations (~Shared Internal Products)
 - Contact Center
 - Core Banking
 - Core Trading
 - Credit Risk
 - Personalization & Authentication
- Business Enablement Platforms (~Standalone Internal Products)
 - Finance & Accounting
 - Payments
 - Tax and Accounting
 - Legal Compliance
 - Enterprise Analytics
- DevOps Shared Services (~Platform Products)
 - Monitoring and Alerting
 - Pipeline
 - Security
 - Service Orchestration
 - Service Sustainability

Concept to cash



Measure Your Shift from Project to Product ?

Based on Flow Metrics, Business Results, and Timeline Events



Generating Flow Metrics

14 (82.4%)

Tracking Business Results

2 (11.8%)

Tracking Timeline Events

4 (23.5%)

Flow Time

3

days to close a defect, on average

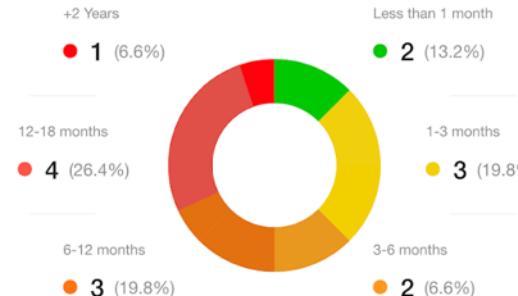
Jan 01, 2020 – May 30, 2020

Group by Month



Feature

When will products have capacity for new work? ?



Business Results

Timeline Events

+\$ Value

Revenue \$50M

-\$ Cost

Infrastructure Cost: \$150K

OKR: Renewals 11%

Total Cost of FTEs \$1M

New sales \$350K

质量问题

% Target Getting Benefits 32%

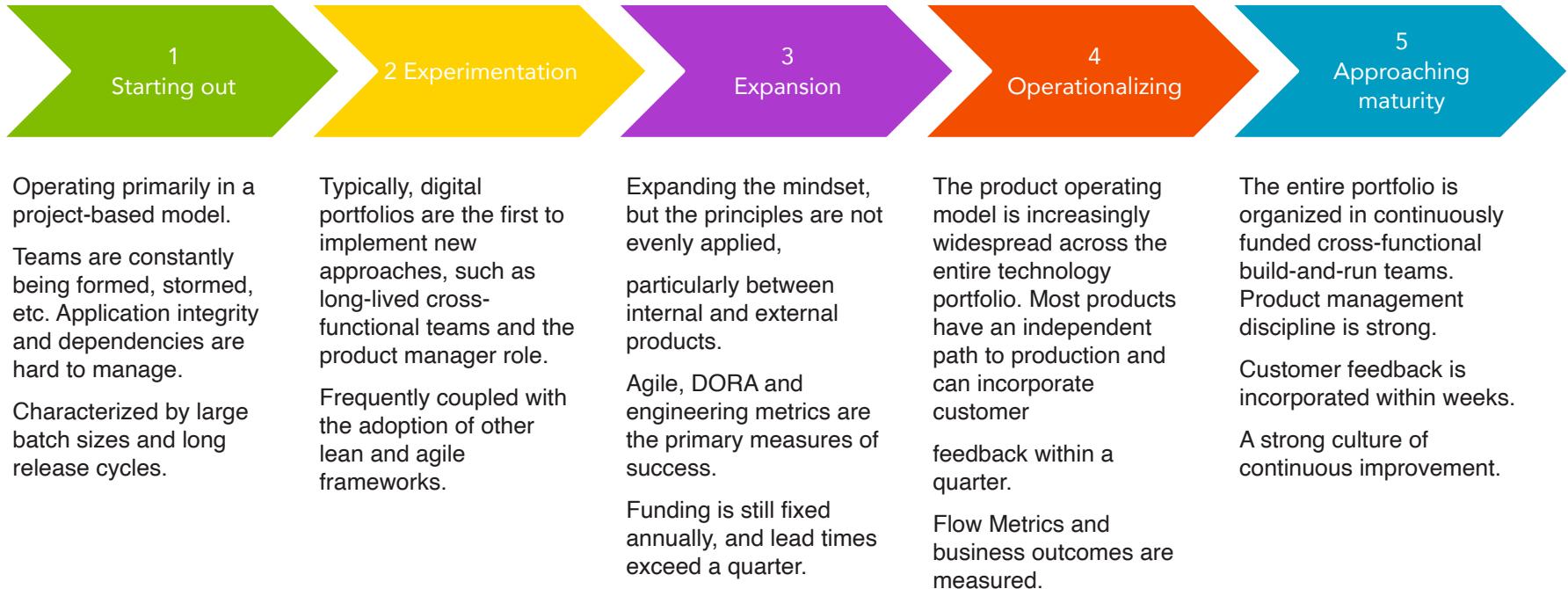
幸福感

OKR: eNPS 60.00

OKR: Escaped Defect Ratio 3%

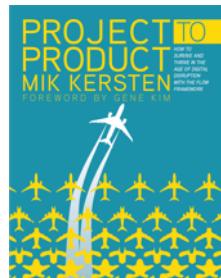
OKR: Turnover Rate 3%

5 stages to this multi-year process



7

differences between project and product operating models



	Project-Oriented Management	Product-Oriented Management
Budgeting	Funding of milestones, pre-defined at project scoping. New budget requires creation of a new project.	Funding of product value streams based on business results. New budget allocation based on demand. Incentive to deliver incremental results.
Time Frames	Term of the project (e.g., one year). Defined end date. Not focused on the maintenance/health after the project ends.	Life cycle of the product (multiple years), includes ongoing health/maintenance activities through end of life.
Success	Cost center approach. Measured to being on time and on budget. Capitalization of development results in large projects. Business incentivised to ask for everything they might need up front.	Profit center approach. Measured in business objectives and outcomes met (e.g., revenue). Focus on incremental value delivery and regular checkpoint.
Risk	Delivery risks, such as product/market fit, is maximized by forcing all learning, specification, and strategic decision making to occur up front.	Risk is spread across the time frame and iterations of the project. This creates option value, such as terminating the project if delivery assumptions were incorrect or pivoting if strategic opportunities arise.
Teams	Bring people to the work: allocated up front, people often span multiple projects, frequent churn and re-assignment.	Bring work to the people: stable, incrementally adjusted, cross-functional teams assigned to one value stream.
Prioritization	PPM and project plan driven. Focus on requirements delivery. Projects drive waterfall orientation.	Roadmap and hypothesis testing driven. Focus on feature and business value delivery. Products drive Agile orientation.
Visibility	IT is a black box. PMOs create complex mapping and obscurity.	Direct mapping to business outcomes, enabling transparency.

Table 2.1: Project-Oriented Management vs. Product-Oriented Management

Project to Product, Mik Kersten, IT Revolution, 2018.

7 dimensions to practically assess where you are and plan what's next



Team organization
& resourcing



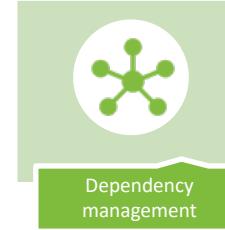
Customer
centricity



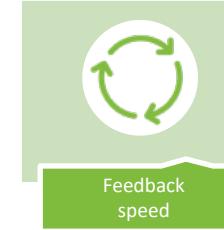
Definition
of value



Backlog management
& prioritization



Dependency
management



Feedback
speed



Delivery team metrics

How are teams organized and resourced?	<ul style="list-style-type: none"> Funding projects People brought to the work Build and run are separate 	<ul style="list-style-type: none"> Funding products (external, internal and platform) Work is brought to the people Stable, long-lived, build-and-run teams
How strong is customer-centricity?	<ul style="list-style-type: none"> Loose affinity with customers A shallow understanding of customer needs No feedback loops 	<ul style="list-style-type: none"> Good understanding of customers and what they value Programmatic mechanisms to gather, respond and react to customer feedback
How clear is the definition of value?	<ul style="list-style-type: none"> Emphasis is on being on time and on-budget Most people don't understand how they contribute to the business 	<ul style="list-style-type: none"> Emphasis is on achieving clear business outcomes Value is a focal point for everyone on the teams Focus is on incremental value delivery
How are backlogs managed and prioritized?	<ul style="list-style-type: none"> Project plan drives priorities Long-term implications (like tech debt) are not considered Gantt charts drive waterfall-like behavior 	<ul style="list-style-type: none"> The product manager drives product vision and roadmap; cares about long-term viability Business imperatives drive roadmap, tradeoffs, and prioritization
How are dependencies managed?	<ul style="list-style-type: none"> Execution path involves SLAs with functional areas (QA, Security) Heavy coordination required 	<ul style="list-style-type: none"> Dependencies are consumed as self-service capabilities Handoffs and coordination is minimal
How rapidly can feedback revise planning?	<ul style="list-style-type: none"> Highly governed release windows Difficult to apply principles of feedback and continual learning 	<ul style="list-style-type: none"> Products have automated independent paths to production Feedback can be incorporated within weeks
How are delivery teams measured?	<ul style="list-style-type: none"> Siloed metrics (Agile, engineering, QA, DORA) 	<ul style="list-style-type: none"> Leading metrics: Flow Metrics measure across horizontal delivery processes Lagging metrics: Business outcomes

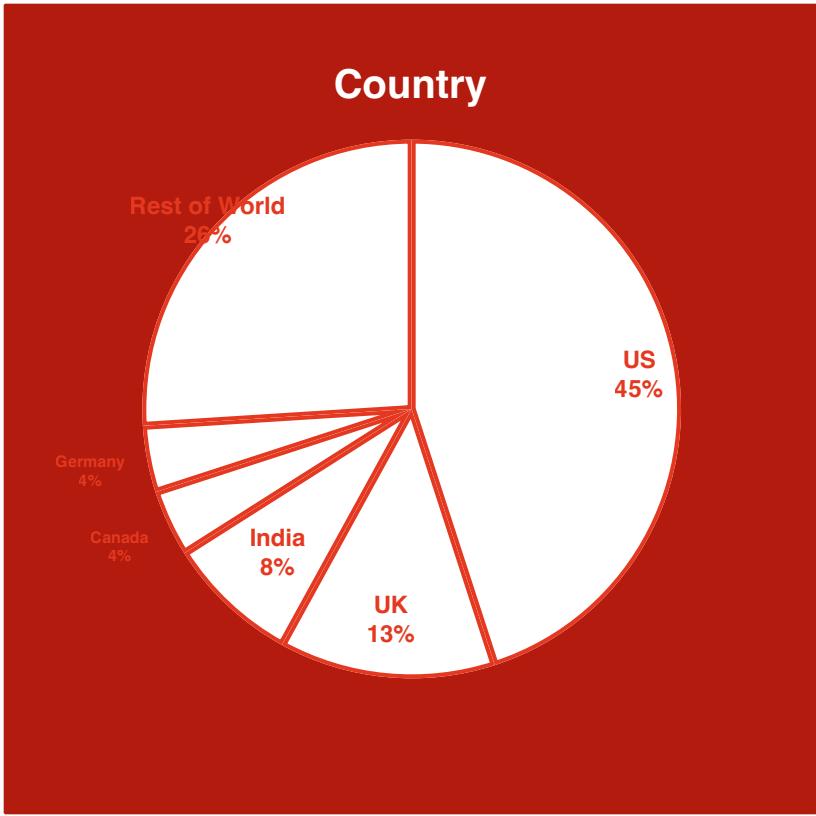


Project to Product

How is the shift going?



A little about the survey



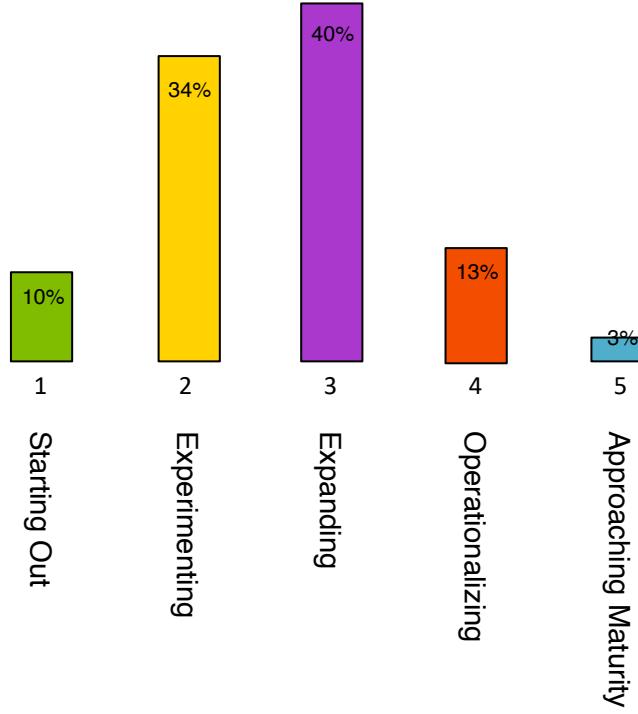
259 responses

223 companies

166 unique job titles

How is the shift going?

84% of organizations
have not yet fully
operationalized the
shift, where the true
ROI is captured



Based on 259 respondents to the Tasktop Product to Product Maturity Assessment

What **increases** the likelihood of crossing the chasm?

Seven most important factors (highest in **green**)

Team organization & resourcing



The entire portfolio is organized in continuously funded cross-functional build-and-run teams

Most of the portfolio, including some internal platforms, is delivered by cross-functional build-and-run teams; funding is annual or semi-annual

Internal platforms and shared services are operationally funded; external-facing products are delivered by cross-functional teams

Flow back speed



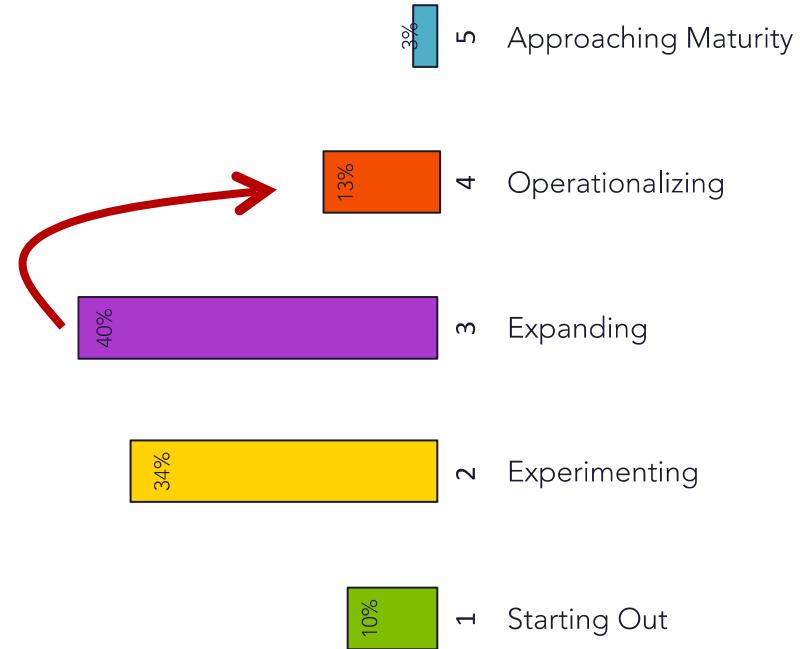
All products have an automated and independent path to production and can incorporate customer feedback within weeks

Dynamic team metrics



Flow metrics and business outcomes are incorporated in operational reviews at all levels

Flow metrics are measured in addition to Agile, DORA, and Engineering metrics



Team organization & resourcing

- Annual funding encourages upfront, large-batch creation of work
- Negative consequences:
 - Missed commitments and outcomes
 - Technologist burnout, stress
 - Finger-pointing culture
- CFOs are influenced by this data

Planview® Tasktop Viz Findings

EPICS

90:06

Committed

Done

STORIES

80:30

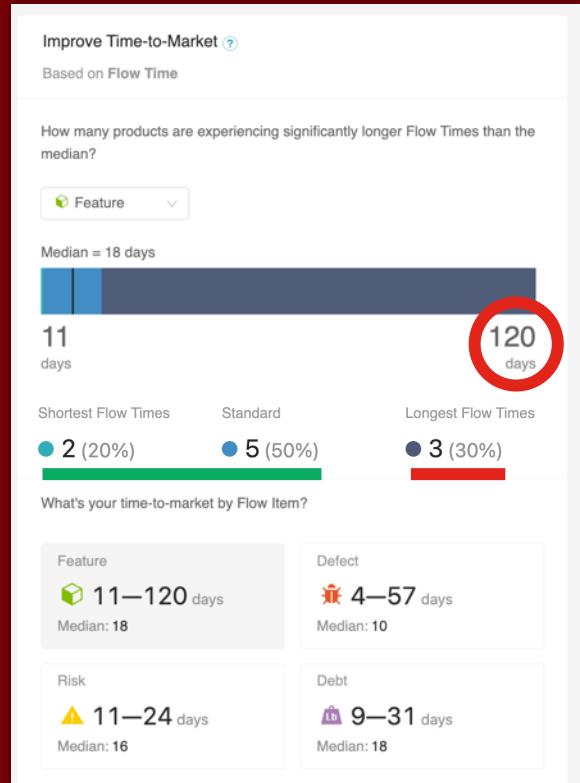
Groomed

Done

Feedback Speed, within Weeks

- A lot of organizations are running fast... towards the bottleneck
- Negative consequences:
 - No ROI
 - No more budgets
- Measuring speed through dependencies helps inform which DevOps practices to adopt and where

Planview® Tasktop Viz Findings



Flow Metrics & Business Outcomes

Pays my salary



Planview® Tasktop Viz Findings



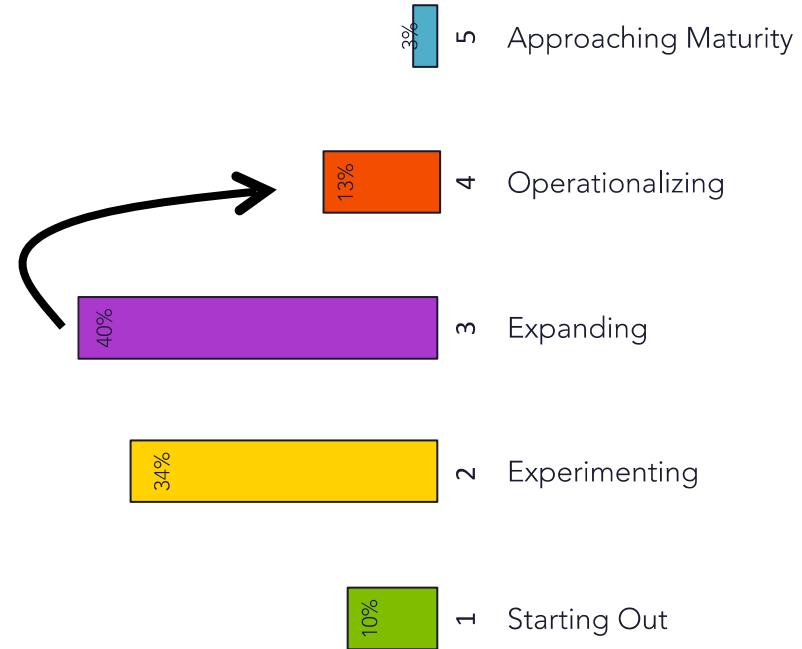
50% have no capacity for 6+ months

What **decreases** the likelihood of crossing the chasm?

Single most important factor

- **Customer centricity**

- Our external-facing applications can clearly identify their customers, **but we have no programmatic feedback mechanisms in place**



Feedback Mechanisms

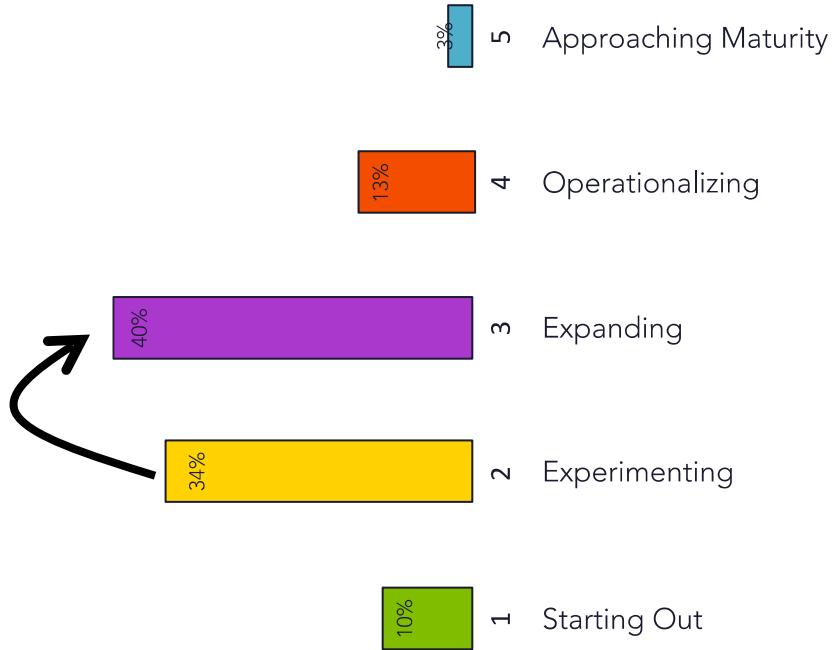
- Finding: Inability to identify the customer or measure value
- Negative consequence:
 - Inability to prioritize high-value work
 - Lack of agency
- Recommendation:
 - Track **one** business result at a minimum
 - + Begin measuring value stream-level engagement; it's a good proxy

Planview® Tasktop Viz Findings



What **increases** the likelihood of getting past experimentation?

- Even progress across all dimensions!



Lessons Learned

- The project-to-product shift takes years
- Prioritize learnings before rushing into expansion
- Learnings come faster when the current state can be visualized and quantified
- Engagement is a good proxy for value in the early stages

Take the Project to Product
Maturity Assessment



tasktop.com/assessment



September 13-14, 2022

Thank you!

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