

## The Origins of Agile

By Marty Cagan

If your engineering team hasn't already moved to some form of Agile methods (like Scrum or XP), then it's likely they're at least considering it. Agile really does attack some key problems that have plagued software teams for decades. But many product managers and designers, and to a lesser extent QA staff, are initially confused by Agile, unsure of their role in these methods. To be clear, these methods absolutely require these roles, but I attribute the confusion to the origin of Agile methods, and I've found

that when I explain the origins, it helps to illuminate the problems that Agile was designed to solve, and what challenges remain.

Many are surprised to learn that Scrum, the most popular of the Agile methods, is now over 20 years old. It was created in 1986 in Japan. (Yet another example of just how long it can take for a new idea to reach the tipping point).

But most importantly, these methods originated in the custom software world.

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### November Event - How Innovation and Collaboration is Shaping the Evolution of Virtual Worlds with Jim Yang, Linden Lab

By Keith Rayner

The online virtual world Second Life has now become an established element in the current mix of social networking and gaming. Most people have an opinion about it, many people have visited briefly out of curiosity, some people (and corporations) use it actively. Perspectives range from "I have a real life, why do I need a second one" to Second Life "cheating" in a relationship with avatars leading to divorce in real life.

So it was fascinating to get the inside scoop from Jim Yang, Director of Product Management at Linden Lab and see first-hand what makes people at Linden Lab tick. It turns out that the Linden folks drink copious amounts of their own Kool-Aid, conducting business meetings, IM chat and even job interviews within Second Life, and use Linden as their own last names at work (although Linden is the street name in San Francisco where the offices are located, not a real person).

But interestingly, the inflexion point for Second Life came when Product Managers gave use of the tools and

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# How Well Can You Predict the Future?

By Rich Mironov

It's been a very tough quarter for economic forecasters, quota-carrying sales teams and CEOs. The sudden downturn even caught GE's legendary planners by surprise. If you're an executive at a technology company, you may already have started an FY09 planning process to re-examine staffing, product investments and revenue. These already bake in your core business assumptions, though, so you should "stress test" your assumptions using scenario planning.

We've worked with a range of executive teams on scenario planning: using market-driven product roadmaps to identify business risks and core assumptions, and then highlight the interrelationships among strategic choices. Once you can see how products and delivery dates relate to market realities, you'll be able to answer the "what if" and "how come" questions that drive decisions.

Your product management teams should have product-level roadmaps, perhaps built along our recommended model. Good roadmaps identify key product-level assumptions as well as major deliverables and target customers/segments. If so, you have a head start on company-level scenario planning.

Our goal for scenario planning is not to predict the future, but instead to **prepare for it**: have well-thought-out answers for a handful of possibilities, and **practice reacting strategically** to outside events. Louis Pasteur reminded us that "chance favors the prepared mind." As product executives, we should constantly be scanning for major disruptions and considering company-level responses. (Your product managers are doing this for individual products.)

## So What Major Changes Should We Plan For?

You'll want to stress-test the company's product plan with four or five possible events that pull you in different directions. It's important to choose "right sized" scenarios, avoiding the outlandish ("Martians land in Philadelphia") and the trivial ("demand drops 10%"). Even if you pick wrong, much of the value is in the doing: you'll have solutions in your pocket for a half-dozen situations and a thought process for attacking more. You'll be prepared for a range of surprises.

What would shake FY09 enough to force re-planning? If any of the following happen, you will already have thought through your response and be ready to take action:

**Goal:** Stay ahead of BigCorp, which rolls out new solutions every June.

**Changed assumption:** BigCorp announces major staff cuts, slashing development across the board.

**We would:** add Sales/Product Marketing resources to capture BigCorp's early adopters in medical systems (our strategic segment) but downsize further in automotive (which is a declining segment).

**Instead of:** across-the-board cuts of our own that mirror BigCorp and position us as a follower.

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**Goal:** Serve higher education scientific research market with existing product line and staff, since market is flat-to-declining. Don't invest.

**Changed assumption:** new administration triples funding for college financial aid, basic scientific research and green/solar initiatives.

**We would:** repackage/reprice our existing biochemistry solutions, take our "student solar experiment kits" out of mothballs, and resurrect the university lease program.

**Instead of:** responding only with expanded marcom programs.

**Goal:** Invest heavily in software for new 23GB optical network standard. Launch in 4Q09.

**Changed assumption:** new chipset obsoletes 23GB standard

**We would:** scrap current product, immediately focus architects around new standard, and reassign (retain) the rest of team.

And so on. By exercising key assumptions, you'll already have evaluated plans for some possibili-

ties. Even more importantly, you'll have a basis for decision-making and a bias toward action when other (similar) surprises pop up.

In your next board meeting, you're sure to be asked for recommendations and thoughtful trade-offs. "What projects can we safely delay? Are there new market opportunities? Should we drop an entire product line?" Scenario planning is a great way to answer complex strategic questions.

#### Sound Byte

Q4 '08 was full of market surprises. You can't predict the future, but you can use scenario planning to prepare for a tumultuous 2009. ☞

*Rich Mironov is the Chief Marketing Officer for Enthiosys and author of the "Art of Product Management." If you would like to sign-up for Rich's Product Bytes newsletter, goto: <http://www.enthiosys.com/contact-us/>*



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# December Event – Five Things that Matter with David Webster, IDEO

By Adrita Bhor

IDEO (<http://www.ideo.com>) is a global design consultancy firm where experts in human factors, business and engineering come together to produce innovative products for their clients. IDEO has 550 people working in 8 locations, distributing the power of design to simplify, enrich and transform people's lives.

David Webster (a partner at IDEO heading their Health and Wellness practice) presented IDEO's design principles and future strategic directions in a visually appealing session at SVPMA. IDEO has a long history of successful product designs like the Palm V pilot, the Microsoft Mouse, high tech external storage devices for Western Digital, kitchen tools and various medical products like Alli and Pangea Organics.

Seven things that define what IDEO stands for are:

1. Its motto of innovative design
2. It has assets that come from diverse backgrounds and multiple disciplines
3. It loves to solve complex problems
4. It has worked across multiple industries for multiple clients
5. It is inspired by everyday people

6. It has a long history in innovation and technology.
7. It thrives on bringing products, services, spaces and brands to market

Over their 30 year period, IDEO has experienced the "unwitting journey from lowbrow to an altruistic highbrow" several times. They believe that the 3 things that define innovation are *people*, *technology* and *business*. An ideal mix of smart and creative people, effective technology and realization of a specific business need, leads to designs that have a deep impact on society.

Four things that define the IDEO methodology are *insight*, *strategy*, *expression* and *communication*. Design ideas begin with non-intrusively observing users or working with a small number of in-depth conversations with a target group. These observations are then transformed into design and navigation using strategic focus. IDEO also allows free expression by having low inhibitions about externalizing the designer's idea. Designers can demo using 3D prototypes, movie clips or even rudimentary scotch taped versions of their ideas. Lastly, IDEO develops compelling communication strategies to increase the market's brand

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awareness and acceptance for their developed design.

Five things that IDEO is focusing on are:

1. *Health convergence:* IDEO is designing medical brands that users can trust. It involves a shift from hardcore healthcare to healthcare consumerism where more medical decisions are in the hands of the users rather than the doctor or institution.
2. *Aging population:* IDEO is working on designs to make the older people more independent. Better support and interaction with innovative design helps them lead their lives with ease.
3. *Social impact:* IDEO is involved with charitable organizations like the Gates Foundation and the Rockefeller Foundation to develop designs that help people in the developing nations of the world e.g. they developed the low cost Aquatech pump for efficient crop irrigation in Kenya.

4. *Sustainability:* IDEO is designing products that have long-term impact on lifestyle and stand the test of time.

5. *Government work:* IDEO is working with TSA to enhance the security experience at airports and the Department of Energy to make energy conservation at home more appealing to masses.

The presentation familiarized the audience to the IDEO concept and demonstrated the value of creative thinking, artistic expression and user understanding for great product designs. ☞

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## Mark your Calendars for these upcoming events:



- Jan. 7th, 2009 - Ross Mayfield, Socialtext
- Feb. 4th, 2009 - Catherine Connor, Rally Software
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scripting language for the creation of avatars and environments to their community - the whole thing then took off exponentially with Second Lifers expressing themselves in ways that the product folks had never imagined.

And it's this freedom for creativity that obviously inspires Jim Yang. As he played a five-minute video of a whole town being built in a Van Gogh-like impressionist setting, with Don McLean's "Starry Starry Night" playing in the background (Watch the World, Robbie Dingo, on [YouTube](#)), Jim looked as enthralled as the rest of us.

Adding this creativity to an already 3D world gives what to me is the key differentiator for Second Life – total immersion. Whereas other social networking sites are engaging, they are still very two-dimensional, with no real visual immersion, interactivity or expression, but now we have Second Life taking the still two dimensional web 2.0 up a level to a richer, deeper 3D immersive web.

We all know corporations and advertisers love to engage their audience. So how is the business world leveraging the potential of immersion? Advertisers and branders haven't quite made the leap yet as the Second Life community is not large enough to qualify as a mass market, although I suspect there are many niche opportunities. But for businesses (and politics) the possibilities are endless. Barack Obama held town hall meetings in Second Life, and companies hold

presentations and multi-way conversational meetings with on-the-fly language translation. Architecture firms use it for interactive, rapid iteration prototyping and design meetings. Banks test new branch office layouts with customers. Auto companies show car concepts, HR train employees, and First Response teams can run through virtual emergency rescue scenarios.

So what's left to do for a Product Manager or Developer at Linden if the users create the environment? Well plenty, actually. Your avatar is born with a set of pre-built capabilities, and the tools Second Lifers use to enhance their avatars need to be themselves created and developed, including LSL (Linden Scripting Language.) The land and islands needs to be managed, and the environment controlled. If you build a house, inherent properties built in to the product mean you can't walk through the walls for example.

Fascinating. As one quote goes, "It's just like your first life except you can fly." ☘

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The custom software world – building special purpose software for specific customers - has long been a brutally difficult type of software. This is partly because customers notoriously don't know what they want, but they have a need so they write a contract with a custom software supplier, or sit down with their internal IT folks, who then work to deliver, and when they do, the customer invariably responds that this isn't really what they had in mind, so the cycle continues and frustration mounts. But the core need still exists, so this has provided job security for countless IT developers, custom software shops, and professional services businesses.

Further, custom software has long been on the short end of the stick when it comes to recruiting and retaining top software talent. Partly this is because many top software professionals prefer to work for companies that are in the business of creating software for thousands if not millions of customers. Partly it's because software professionals get paid more at product soft-

ware companies where the product team is responsible for coming up with software products that please many people, or they don't make money. So these companies know they must hire the talent necessary to create winning products, and they pay accordingly. But to put this in perspective, only a relatively small percentage of software people actually work on commercial product software; most work on custom software.

In the custom software model, since the customer believes he knows what he needs, you'll rarely find the role of the product manager. Likewise, you'll almost never find user experience designers. The reasons for this are more complex, and involve a degree of ignorance (relatively few in the custom software world realize what user experience designers do and why they're needed), and cost-sensitivity (cut costs by letting the developers design), but to be fair, due to the shortage of designers in our industry, the few that are available are immediately grabbed by the product companies that realize how critical they are, and so custom software teams can rarely find designers even if they have the leadership that realizes they need them. Similarly, QA as a discipline is rarely found in custom software projects; again, the developers are typically expected to do the required testing.

Another crucial element in understanding the custom software world is that the vast majority of custom software projects are relatively small and done to support the internal operations of a company – applications like HR, billing, and manufacturing, where the limited number of users means that issues such as scalability and performance are usually less critical.

Historically the custom software world used the Waterfall process because the various stakeholders needed a way to monitor progress during the long process of creating these contract applications. In fact, the Waterfall methods originated here as well.

In the product software world, where the software must sell on its merits, we introduced the roles of product managers to gather and represent the needs of a wide range of customers; designers to create usable and desirable user experiences; and QA testers to ensure the software worked as advertised in the range of customer environments.

But in the custom software world, the same fundamental issues of coming up with something that satisfied the customer continued. For these teams especially, the Agile methods represent significant im-

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provements. They improve the communication between the customer and the engineers. They significantly reduce the risk by building smaller, more frequent iterations so that the customer can learn whether he really likes something or not much sooner, rather than wait for the end of a long process. They help introduce some modern software testing concepts, and they help relieve the team from spending countless hours preparing documents that are rarely read and quickly obsolete.

In general, these are great benefits for product software teams as well, but I always explain that a few adjustments are required. I've written earlier about these topics, such as how to insert user experience design into the process, and how to manage releases and deployments, but another area that has struggled is the architectural design area.

The Agile methods encourage engineers to not get attached to their implementation believing that things can be re-factored or re-architected relatively quickly and easily. This is true for the vast majority of custom software, but for many product software systems, such as large-scale consumer internet services which must support hundreds of thousands if not millions of users, this approach can be naïve.

So it shouldn't be a big surprise that the main issues that many product software teams have encountered with Agile methods stem from the custom software origin. The many books, articles, and training classes that don't mention product managers or any form of user experience designers (interaction designers and visual designers) weren't meant for product software teams.

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My suggestion to teams moving to Agile is to make sure the firm you hire to help your organization actually understands the differences that product software demands. Most don't, but enough do. ☘

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