

# How Product Management Must Change To Enable the Agile Enterprise



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# Why Are We Here?

## Pragmatic Marketing's 2008 Annual Product Management and Marketing Survey

We asked, "How has your job **changed**?"

- Introduction of Agile has made it very difficult to fulfill traditional product management roles. Product managers have been turned into product owners with project management and dev management responsibilities. I know it does not have to be that way, but that is what has happened at the company. Results: "Inside-Out" products and pricing.
- More competition between people; more jockeying for position. It's the eighties all over again... swimming with sharks.
- Change is the name of the game. What hasn't changed?
- Development changed to Agile/Scrum, required Product Management to spend much more time as Product Owner.
- Drastically—our company has gone from being VERY development driven to being more customer/business led.
- Fewer people to do more work.

# About Me

- **Agile Product Manager at Rally Software**
  - Rally Product Manager and Rally Support Manager
- **Product Marketing Director at Rally Software**
  - Rally Enterprise
- **Product Manager at Borland Software**
  - Borland CaliberRM
- **Requirements Management Evangelist at IBM Rational**
  - Rational RequisitePro and Rational Rose
- **Education**
  - MS in Biomedical Engineering – Case Western Reserve University
  - BS in Biomedical Engineering – Université de Technologie de Compiègne





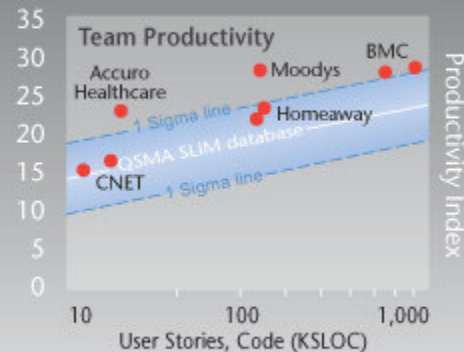
# Rally by the Numbers

## Customer Numbers



- 1500 customers
- 54,000 users
- 33,000 projects
- 50 countries

## Customer ROI



- 50% faster time-to-market
- 25% more productive

## Awards & Recognition



- 3x Jolt Product Excellence award winner
- 2x SD Times 100 award winner
- Best Tech Company to Work for in Colorado

## Customer Success



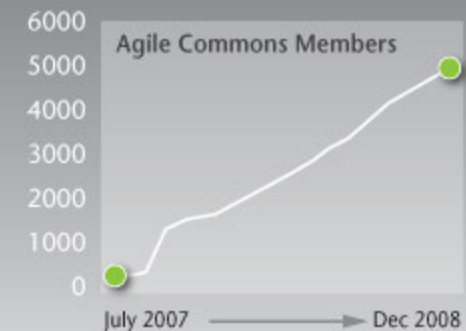
- 22 of the world's largest tech companies
- 18 of the world's largest finance companies
- 9 of the world's largest energy companies

## Partnerships & Integrations



- 20 enterprise-ready integrations
- 10 key technology partners

## Community Leadership



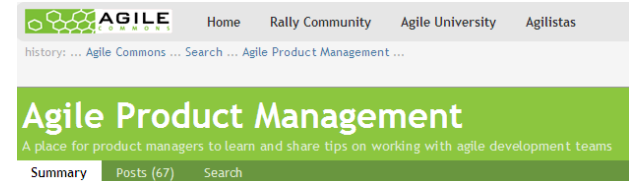
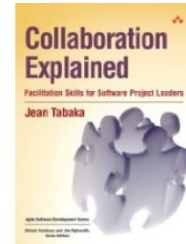
- 130 Agile U trainers
- 5,000 community members
- 3,200 trained students
- 100,000 content downloads



Succeed with Agile

# How Rally Helps Product Managers

- **Agile thought leadership**
  - Agile Product Management forum
  - Agile industry experts
- **Services**
  - Training & coaching from experts
    - Agile Product Owner Workshop
    - Certified Scrum Product Owner Training
- **Tools**
  - Rally Enterprise
    - Agile project management
    - Integrated requirement, defect and test management
  - Rally Product Manager
    - Prioritize backlog with CRM data
    - Share feature/release status to internal stakeholders
  - Rally Support Manager
    - Customer support to development transparency



# Today's Topics

- **The Product Management Move to Agile**
  - Why should product managers embrace Agile?
  - How does the product managers' role change with Agile?
- **Agile Product Management**
  - What are the agile product manager's key responsibilities?
  - How can a product group organize to support agile needs?
  - How do you effectively prioritize a product backlog?
- **Crucial Agile Product Manager Skills**
- **Q&A**



# Why should Product Managers embrace Agile?



# Reasons to Embrace Agile

- Improve *responsiveness* to customer needs
- Gain superior project *visibility*
- Increase team *collaboration*
- Improve software *quality*

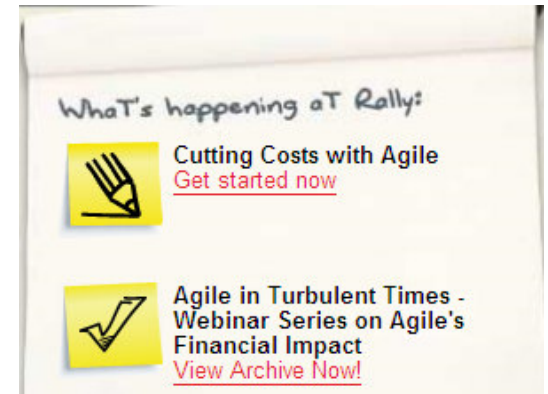
*"When we started with agile,  
I was concerned it might be  
a less disciplined method  
for development.  
In reality,  
**it's more disciplined,  
and provides  
more accountability.**"*

*Paul Beavers,  
BMC Software*



# Going Agile Brings GREAT Benefits

- **93%** increased productivity<sup>1</sup>
- **88%** increased quality<sup>1</sup>
- **83%** improved stakeholder satisfaction<sup>1</sup>
- **49%** reduced costs<sup>1</sup>
- **66%** three-year, risk-adjusted return on investment<sup>2</sup>
- Reasons for Agile adoption include:
  - **47%** to better manage project scope<sup>3</sup>
  - **45%** to creating clear business requirements<sup>3</sup>
  - **40%** to speed or better predict time to market<sup>3</sup>



1 "Agile Methodologies: Survey Results," by Shine Technologies, 2003; 2 Forrester Research, 2004;  
3 "Agile 2006 Survey Results and Analysis," by Digital Focus, October 2005

# Agile Product Manager: a Better Life

- More control of release content
- More visible progress
- More team empowerment
- Less waste
- Less finger pointing
- Less anxiety

**83%**  
improved  
stakeholder  
satisfaction



Agile Methodologies: Survey Results, Shine Technologies, 2003



# Agile: The Business Drives the Software



# How does Product Management change with Agile?





# What's Not Changing (Much)

Product management still the glue between strategy and execution

- Market analysis
- Pricing and packaging
- Product strategy
- Sales enablement
- Channel enablement



# Agile Manifesto – Statement of Values

“We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:

- **Individuals and interactions** over *processes and tools*
- **Working software** over *comprehensive documentation*
- **Customer collaboration** over *contract negotiation*
- **Responding to change** over *following a plan*

That is, while there is value in the items on the right, we value the items on the left more.”

Reference: [agilemanifesto.org](http://agilemanifesto.org)

# The Agile Paradigm Shift

Waterfall

Agile

Fixed

**Requirements**

Resources

Time

PLAN  
driven

VALUE  
driven

Estimated

Resources

Time

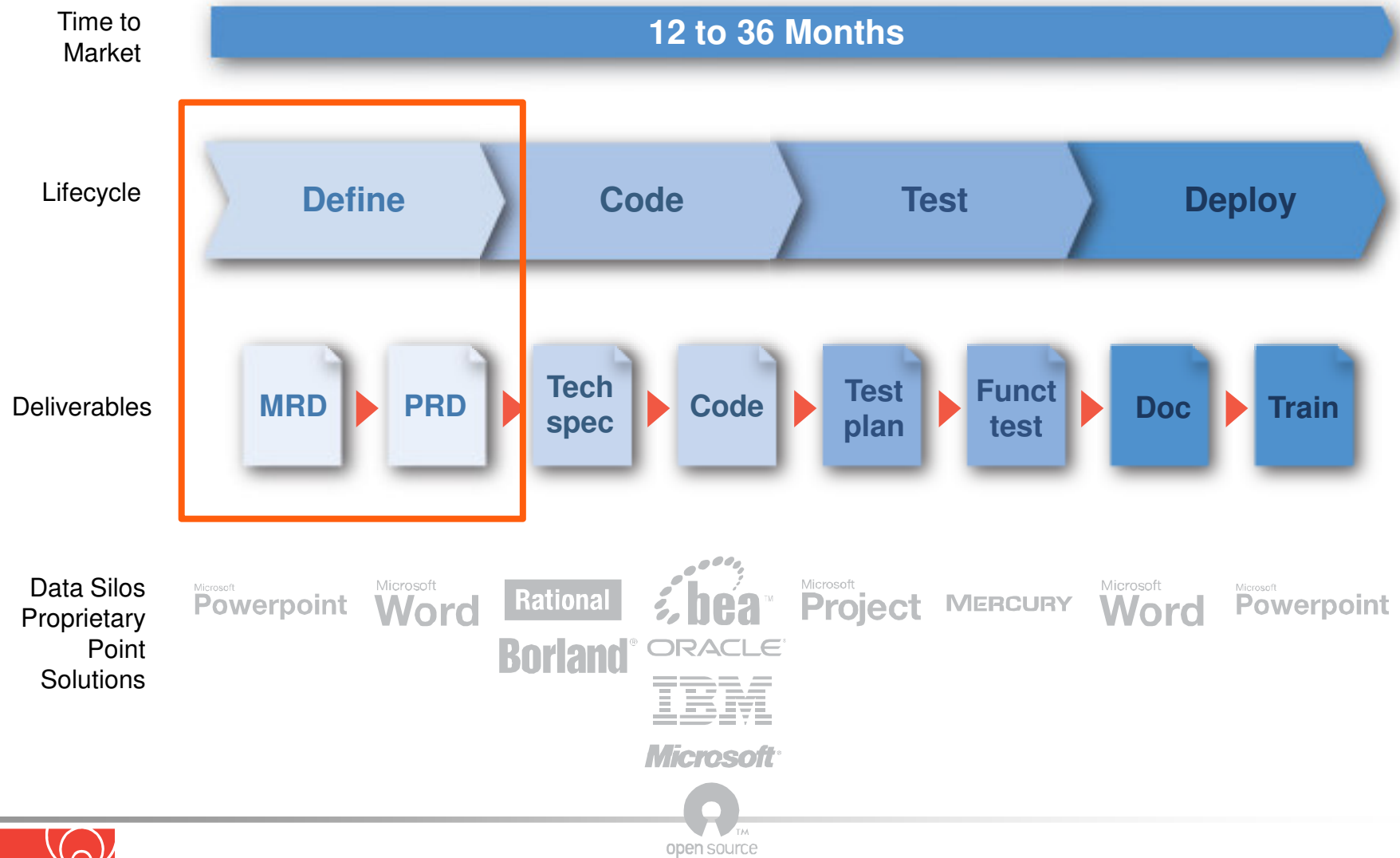
**Features**

The plan creates  
cost/schedule estimates

Release themes and feature  
intent drive estimates

# Traditional Software Development

Long, Large, Linear, Late





# Agile Software Development

## Iterate, Increment and Innovate

Time to  
Market

1 to 6 months

Waterfall 12 to 36 months

Lifecycle



Waterfall  
test

Waterfall  
deploy

Deliverables

Working, tested code on short cycles

Waterfall documentation

Integrated  
Management  
Solutions



Open  
Engineering  
Platform

Microsoft®



MERCURY

Borland®

IBM

ORACLE®



Succeed with Agile

# Most Noticeable Changes

Agile product management is part of the development team

- More releases to manage
- Intense focus on customer value
- Frequent user validations
- Tester mentality
- Trusted relationships
- More daily involvement with dev team
- Ranked requirement priorities



# Backlog : Ranked List of Stories/Defects

The screenshot shows the Rally Enterprise web application interface. The top navigation bar includes tabs for 'My Home', 'Dashboards', 'Backlog & Schedules', 'Defects & Tests', and 'Search'. The 'Backlog & Schedules' tab is active, and the 'User Stories' sub-tab is selected. The 'User Stories' section displays a table of stories, sorted by rank ascending. A red circle highlights the 'Rank' column, which contains numerical values ranging from 1.0 to 78.0. The table also includes columns for ID, Name, Release, Iteration, State, Plan Est, Task Est, To Do, and Owner. The 'State' column shows a sequence of letters (B, D, P, C, A) representing different stages of the story. The 'Owner' column lists the assigned user, 'Paul'.

Rank	ID	Name	Release	Iteration	State	Plan Est	Task Est	To Do	Owner
1.0	S25	Spike: Purchase your Items	Release 1 (1,2,3,4)	Iteration 2 (R1)	B D P C A	2.0	8.0	0.0	Paul
3.0	S28	Check the Status of Your Order	Release 1 (1,2,3,4)	Iteration 2 (R1)	B D P C A	3.0	7.0	0.0	Paul
23.0	S31	Create Deployment Scripts	Release 1 (1,2,3,4)	Iteration 4 (R1)	B D P C A	3.0	10.0	0.0	Paul
24.0	S32	Mauna Loa Hardening	Release 1 (1,2,3,4)	Iteration 4 (R1)	B D P C A	4.0	11.0	0.0	Paul
26.0	S33	Resolve Performance Issues	Release 1 (1,2,3,4)	Iteration 4 (R1)	B D P C A	2.0	5.0	0.0	Paul
31.0	S38	Patch #1 - Mauna Loa	Release 2 (5,6,7)	Iteration 5 (R2)	B D P C A	2.0	4.0	0.0	Paul
32.0	S39	Spike: Cancel the Order	Release 2 (5,6,7)	Iteration 6 (R2)	B D P C A	1.0	3.0	0.0	Paul
37.0	S44	Search for Items	Release 2 (5,6,7)	Iteration 7 (R2)	B D P C A	3.0	0.0	0.0	Paul
38.0	S45	Demo Support	Release 2 (5,6,7)	Iteration 7 (R2)	B D P C A	1.0	0.0	0.0	Paul
41.0	S48	Spike: Tax table/calculations	Release 2 (5,6,7)	Iteration 7 (R2)	B D P C A	2.0	0.0	0.0	Paul
46.0	S51	Change Method of Payment			B D P C A	3.0	0.0	0.0	Paul
48.0	S53	Return Items			B D P C A	4.0	0.0	0.0	Paul
62.0	S4	Epic: User Management			B D P C A	21.0	33.0	0.0	Paul
65.0	S7	Epic: Shipping			B D P C A	19.0	48.0	18.0	Paul
70.0	S11	Epic: Shopping			B D P C A	9.0	30.0	12.0	Paul
72.0	S12	Epic: Payment Methods			B D P C A	8.0	35.0	11.0	Paul
73.0	S13	Epic: Order Management			B D P C A	6.0	0.0	0.0	Paul
74.0	S14	Epic: Performance and Scalability			B D P C A	9.0	30.0	0.0	Paul
78.0	S1	Shipping API			B D P C A	4.0	19.0	5.0	Paul

# “PRD” in the Agile World

## Release Backlog

Story Card A  
Story Card B  
Story Card C  
Story Card D  
Story Card ...



Plan



Review

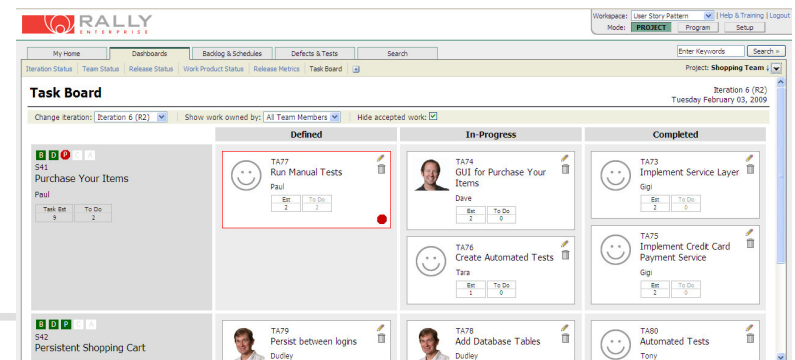
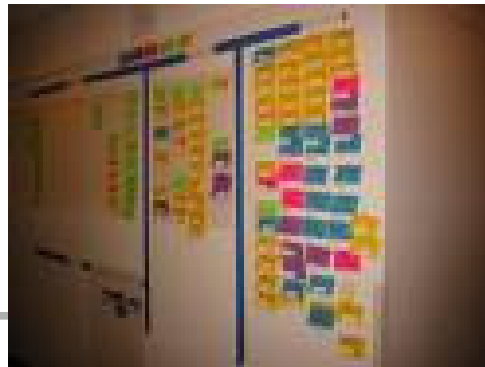
Fixed Resources

Define

Develop

Accept

Fixed Time  
(Iteration)





# Compare & Contrast

Product Management Task	Traditional Project	Agile Project
Create product roadmap	No predictability	Some predictability
Incorporate customer needs	Start of release	On-going
Document requirements	Detailed Limited discussions	Coarse Lots of discussions
Prioritize requirements	Start of project MoSCoW	Every iteration Ranked
<i>Validate requirements</i>	N/A (QA)	Acceptance criteria Customer validation
Assess release progress	Status reports	Workable software
Assess release date	Defect trends	Fixed date
Manage requirement changes	Hard to accommodate	Every iteration

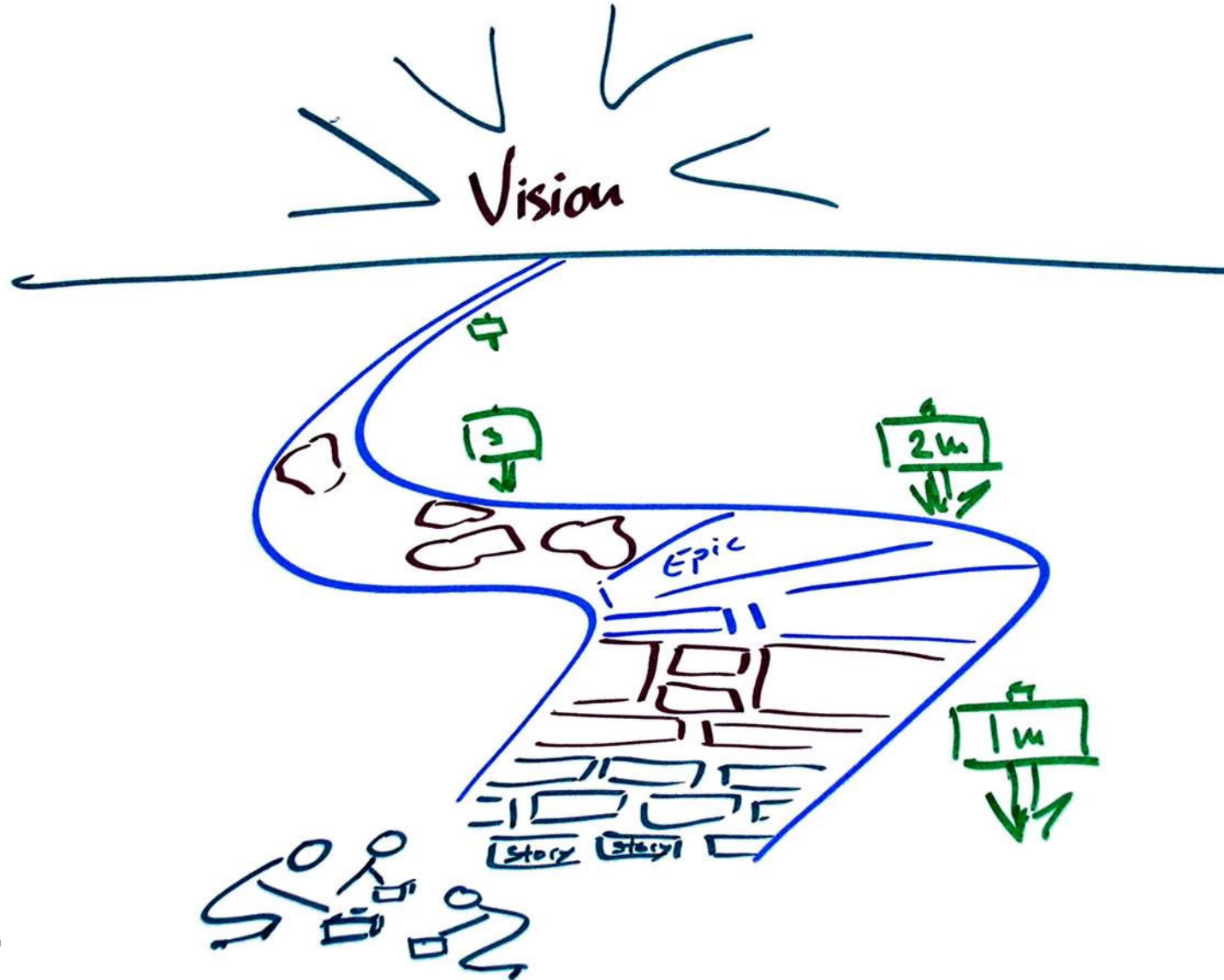
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# What are the Agile Product Manager's key responsibilities?



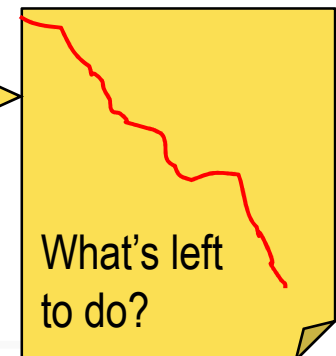
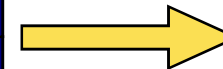
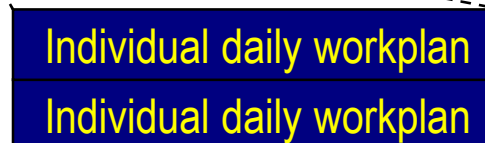
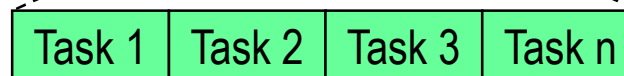
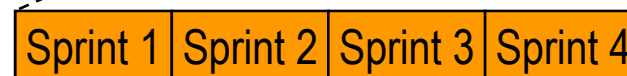
# Planning from First Step to Horizon



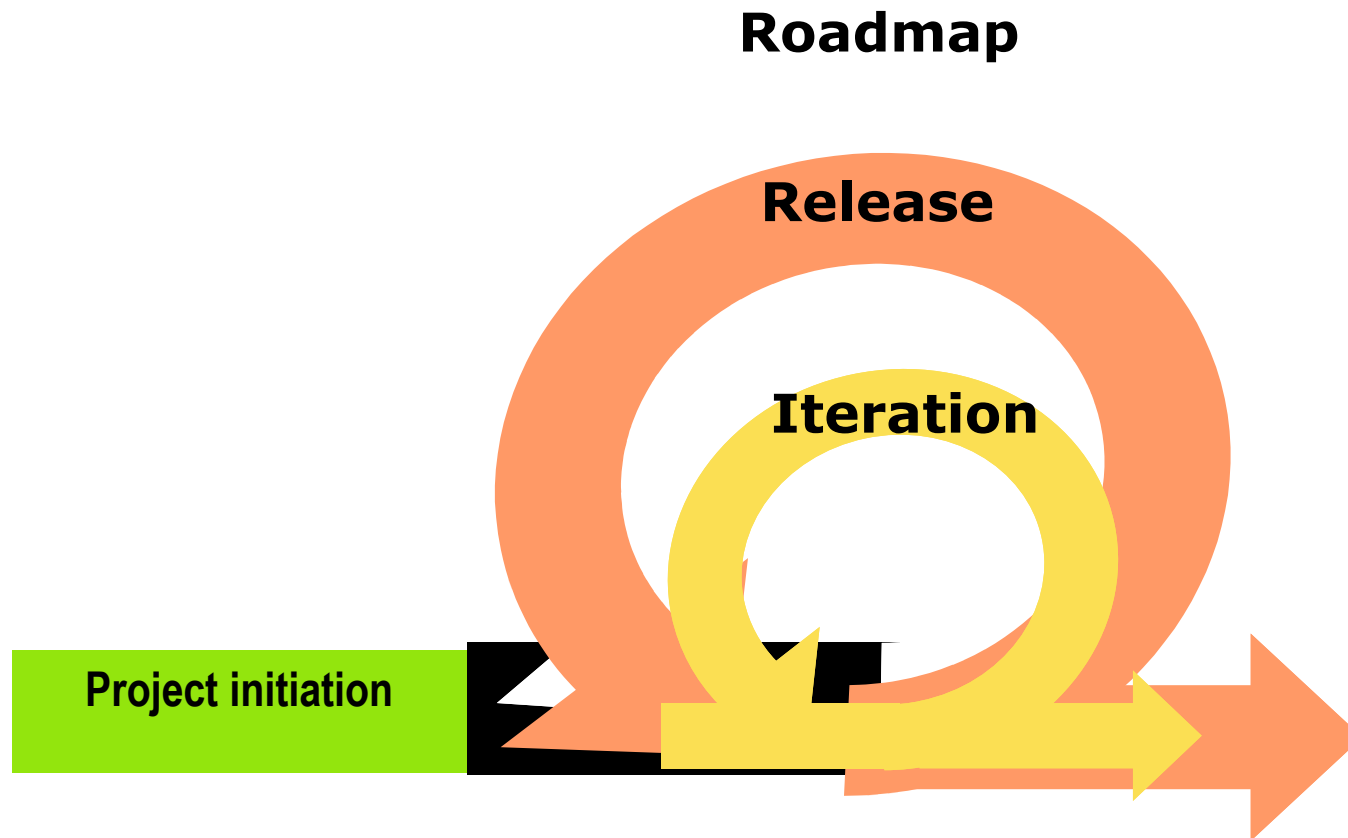


# The Five Levels of Planning

- Product **Vision** drives **Roadmap**
- **Roadmap** sets **Release** dates and features
- **Release** plan sets **Iteration** stories
- **Iteration** plan locks development tasks
- **Daily** stand-ups share task status & remaining work



# Get a Rhythm with Multiple Cadences



# Product Management Iteration Cadence

1	2	3	4	5
Stand-up	Stand-up	Stand-up	Stand-up	Stand-up
Iteration Planning: Stories		Identify features for next iteration	Requirements meetings	Requirements meetings
Iteration Planning: Tasks		Conceptual model/arch - future iterations		
Assist with design	Monitor progress, accept stories	Monitor progress, accept stories	Monitor progress, accept stories	Monitor progress, accept stories
Assist with acceptance tests	Assist with acceptance tests	Assist with acceptance tests	Assist with acceptance tests	Assist with acceptance tests
Update current reqs/stories	Update current reqs/stories	Update current reqs/stories	Update current reqs/stories	Update current reqs/stories

6	7	8	9	10
Stand-up	Stand-up	Stand-up	Stand-up	Stand-up
New stories, reqs for next iteration	GUI prototypes for next iteration	Help write tests	Get gross-level estimates next iteration	
Monitor progress, accept stories	Monitor progress, accept stories	Monitor progress, accept stories	Monitor progress, accept stories	Updates to reqs, rankings based on demo.
Assist with acceptance tests	Assist with acceptance tests	Assist with acceptance tests	Assist with acceptance tests	Demo/Review
Update reqs/stories	Update reqs/stories	Update reqs/stories	Update reqs/stories	Retrospective

## Activity Legend

	Team
	Future Iteration
	Current Iteration
	Past Iteration

**Ack! I'm  
all alone!**





# How can a Product Group organize to fulfill Agile roles & responsibilities?

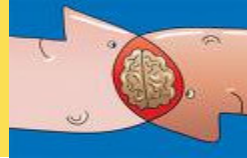


# Scrum Product Owner



# When the Product Owner Can't Do it All

## Strategic / external focus Product (Marketing) Manager



## Tactical / internal focus Product Owner

Available to non-Dev stakeholders

Fully available to the Dev Team

Communication outside the Dev team

Communication inside the Dev Team

Collect and validate customer needs

Promote the “product”  
internally and externally

“Voice of the Customer” for the Dev  
Team

Identify market needs & events  
Track market and technology trends  
Define pricing and packaging  
Sales and channel enablement

### Attend release planning, iteration demos

Create product roadmap  
Identify features & benefits

Prioritize backlog  
Attend iteration planning  
Write stories (and acceptance criteria)  
Approve stories  
Attend daily standup meetings



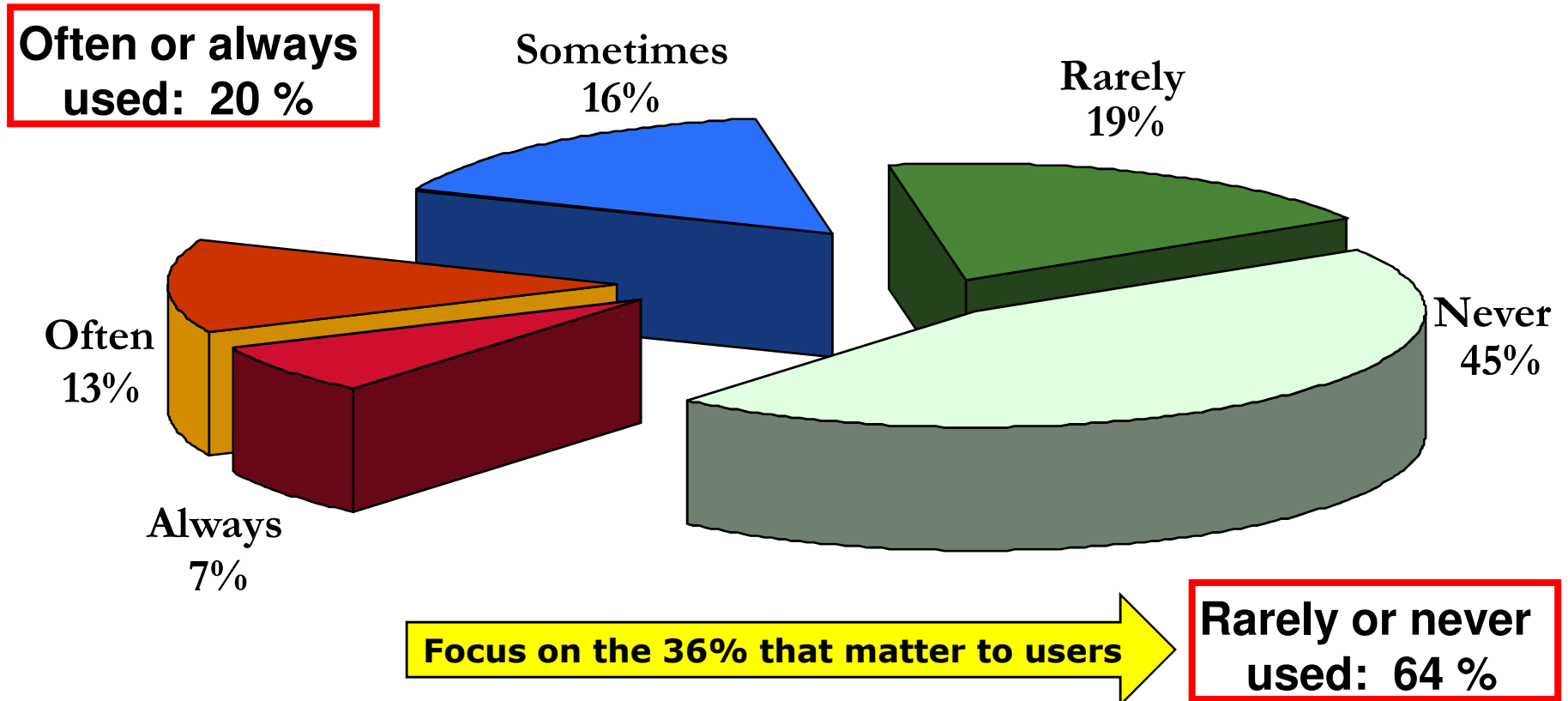
# How do you effectively prioritize a product backlog?





# Goal: Deliver Fewer Features Faster

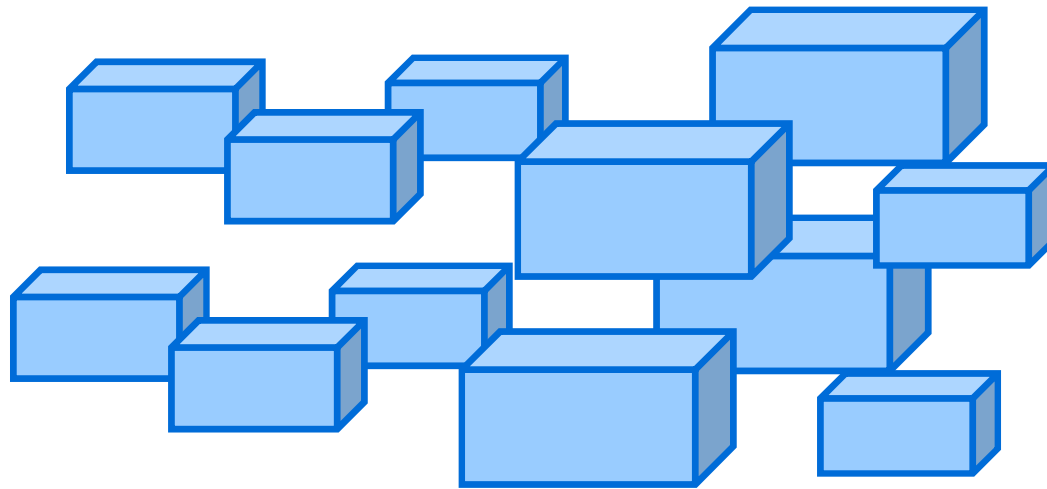
Features and functions used in a typical system



# Finding Your #1 Priority



# Lots of Items...How Do You Prioritize?



# Prioritization Attributes

- Competition Value
- Strategy Value
- *Revenue Value*
- *User/Stakeholder Value*



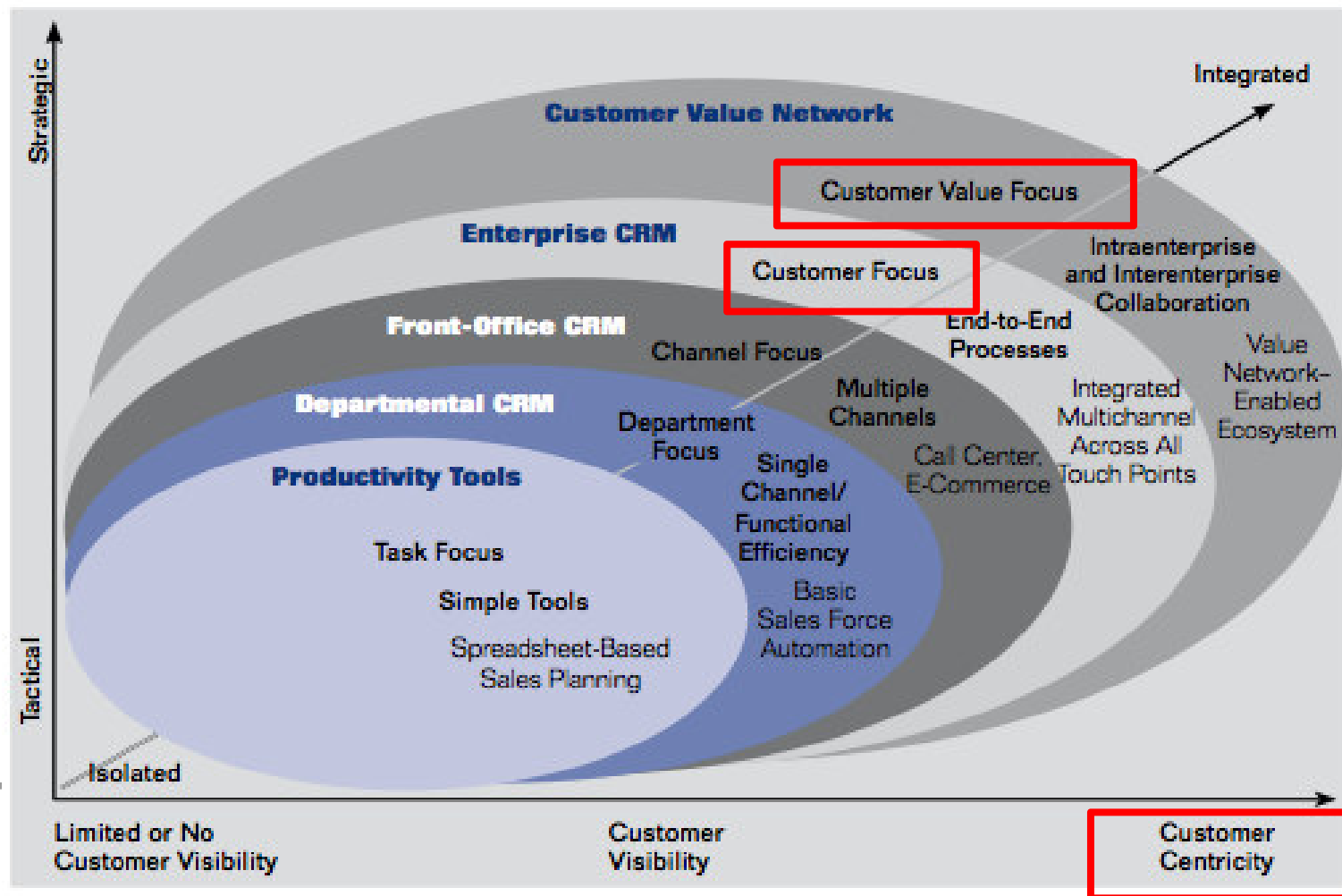


# CRM Systems: An Untapped Potential

*"Rally Software has a nice integration between their tools, designed to support Agile development teams, and the Salesforce CRM system..... Very slick, particularly in how this example shows the value of integrating CRM with other things.*

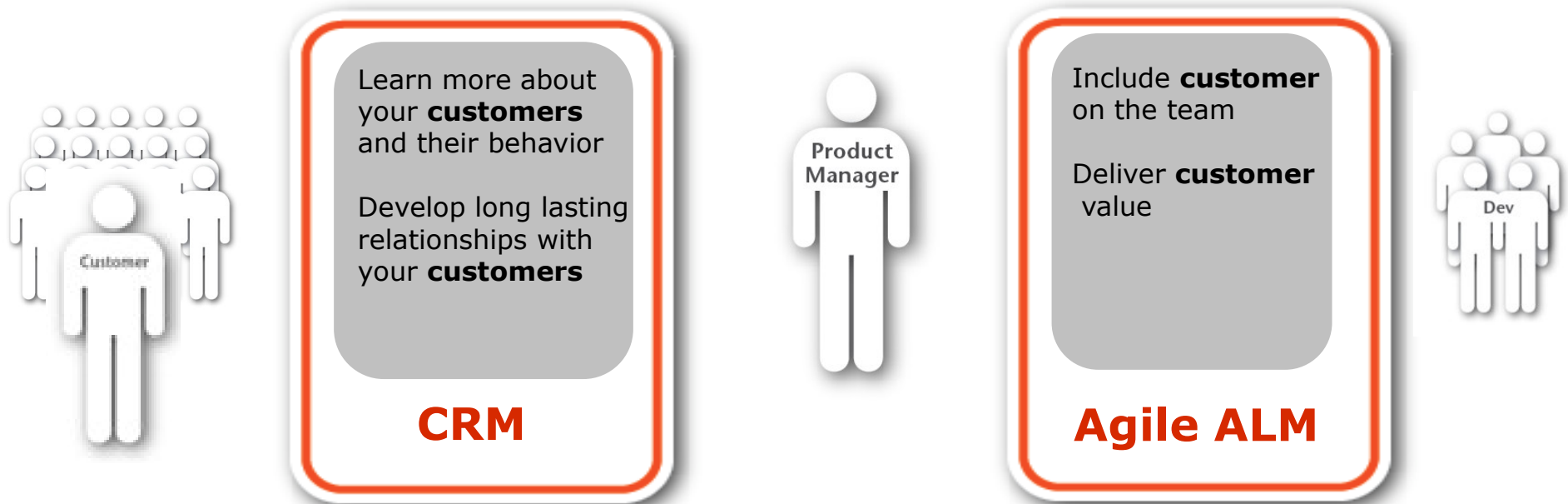
***As of today, CRM has a lot of untapped potential."***

*- Tom Grant, Forrester Research (Oct 2008)*



# Staying In Touch With All Customer Needs

- CRM = Customer Relationship Management
- Agile = Customer Value Delivery



"CRM initiatives often fail because implementation was limited to software installation without providing the appropriate motivations for employees to learn, provide input, and **take full advantage of the information systems**"

# Leveraging CRM Data for Prioritization

**RALLY SOFTWARE** [Setup](#) [System Log](#) [Help](#) [Logout](#) **force.com apps** **Rally Product Manager**

Home | About Rally Product Manager | RPM Setup | Feedback | **Features** | Backlog Candidates | **Release Dashboard** | Reports | Dev Products

**Feature Support Discover** [Printable View](#) | [Customize Page](#) | [Help for this Page](#)

**1** [Feedback \(1\)](#) | [Open Activities \(0\)](#) | [Activity History \(0\)](#) | [Notes & Attachments \(0\)](#)

**Feature Detail** [Edit](#) [Delete](#) [Clone](#) [Select Feedback](#)

Feature Name	Support Discover	Owner	<a href="#">Paul Pullman [Change]</a>
Description	Customers also want Discover	Category	Shopping
Product	Consumer Site	Status	Requested
Created By	<a href="#">Paul Pullman</a> , 9/10/2008 10:07 AM	Last Modified By	<a href="#">Paul Pullman</a> , 9/11/2008 11:30 AM

**3** **Scoring & Prioritization**

<b>2</b> <b>4</b>	<b>2</b>
User Value 4	Total Value Score 9.00
Competition Value 1	Priority Should Have
Strategy Value 1	Rank 2
Revenue Value 3	Revenues \$10,000.00

**Backlog Preparation**

Backlog Candidate	<a href="#">Shopping Team V2</a>	in Rally	Yes
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**Rally**

[Show Rally Status](#)

**Recent Items**

- [Support Discover](#)
- [00001032](#)
- [Pyramid Emergency Generators](#)
- [Shopping Team V2](#)
- [allow me to pay with AMEX](#)
- [Pyramid Construction Inc.](#)
- [need AMEX option](#)
- [<enter summary>](#)
- [Express Logistics SLA](#)
- [00001031](#)



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# Rally Product Manager (for Salesforce.com)



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[Requirements Management](#)

[Test Management](#)

[Defect Management](#)

**[Product Management](#)**

[Support Management](#)

[Community Management](#)

## ► EDITIONS & PRICING

## ► INTEGRATIONS

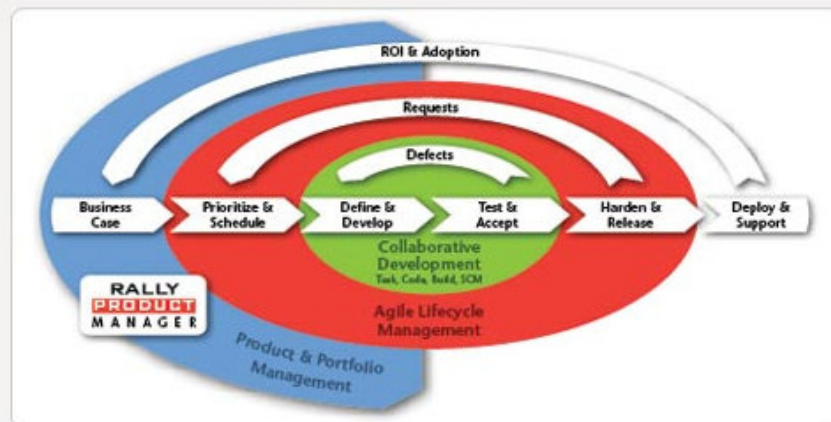
## ► DEMO CENTER

## ► DEPLOYMENT SOLUTIONS

## Agile Product Management

Rally Product Manager is opening new doors for product managers whose sales and support teams use [Salesforce.com](#), and for Agile organizations who want to collaborate with their customers to maximize the business value of their software releases.

Rally Product Manager integrates the market-leading [Agile lifecycle management solution](#) with the market-leading Customer Relationship Management (CRM) solution to drive innovation, collaboration and customer responsiveness for the Agile enterprise.



As Agile software development becomes mainstream with more and more

[VIEW OUR DEMOS](#)

[FREE SIGN UP](#)

[BUY NOW](#)

## Customer Testimonial:

“Based on what we have seen in the Beta program, MANDIANT is very excited about adopting Rally Product Manager. The idea of integrating CRM and Rally is brilliant! The ability to finally show the development team which customers have asked for the functionality they build, along with displaying the status of all customer-reported suggestions to sales and customer support, is invaluable.”

David Merkel, Vice President of Products, MANDIANT



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# Crucial Agile Product Manager Skills

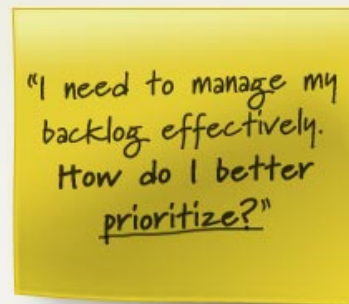
- Focus on customer value
- Select a backlog prioritization scheme
- Identify the most important feature to build
- Learn to cut features in chunks
- Be available to your team
- Validate completed stories ASAP
- Make decisions
- Delay decisions

# Hungry For More Information?

- [http://www.rallydev.com/personas/product\\_manager/](http://www.rallydev.com/personas/product_manager/)

## 4 Steps to Agile Development Success for Product Managers

As a Product Manager, you have to select and deliver the highest value features while providing customers full visibility into development status to drive customer loyalty. And, you need to have an efficient way to collect requests from multiple sources, ideally by leveraging customer information stored in your Customer Relationship Management (CRM) system. That's why we've put together a toolkit to help you jumpstart your Agile adoption. [Fill out the form](#) below to get Rally's free **Agile Product Manager Toolkit**.



### Step 1: Learn the Basics

First, learn the basics with this set of resources, specifically designed for Product Managers, including:

- 🔗 **"How Product Management Must Change to Enable the Agile Enterprise" Webinar:** As more development teams adopt Agile processes to increase their responsiveness to customer needs, Product Managers must change the way they work to keep up with faster development cycles and shorter customer feedback loops. Product Managers new to Agile soon realize that Agile processes require more involvement from their group. In this on-demand Web seminar, learn how to manage these new activities to best serve the Agile Enterprise.
- 🔗 **"Agile Product Management Meets CRM" Webinar:** Learn how Agile teams are integrating leading Agile lifecycle management solutions with the leading Customer Relationship Management (CRM) solution from Salesforce to prioritize features by the number of customer requests, expected revenue, degree of alignment with your product strategy and competitive advantage.

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# Questions and Answers



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