E&P | Consulting

PROFESSIONAL PRODUCT OWNERSHIP FOR DIGITAL ENERGY

Overview

This paper examines the increasing importance of the Product Owner role as Energy companies seek to adopt a product mindset and use agile tools and frameworks to accelerate the realization of value from Digital Products.

Why is Professional Product Ownership important?

Many organizations are now adopting the SCRUM framework to support their digital transformation agenda. The framework helps provide guidelines for the teams to work within to help not only deliver digital products but also support a shift in mindset. This shift from delivering 'big bang', multi-year technology solutions that often fail to deliver to releasing value more frequently and in smaller increments is a key step change required to deliver successful digital products. The Product Owner role is a key role within this framework responsible for driving the product vision, managing the business stakeholders and prioritising the work required to generate digital products and ultimately deliver value to the organisation.

Making the business case

The Product Owner will contribute greatly to the success of any digital product creation. It is therefore vital that to give your organization the best chance of realizing value from these initiatives the product owner role is approached with professionalism and the person with the right skills and attributes chosen.

What is a Product Owner?

The Product Owner role is defined by *scrum.org* as

"..accountable for maximizing the value of a product, primarily by incrementally managing and expressing business and functional expectations for a product to the Development Team(s) ".

https://www.scrum.org

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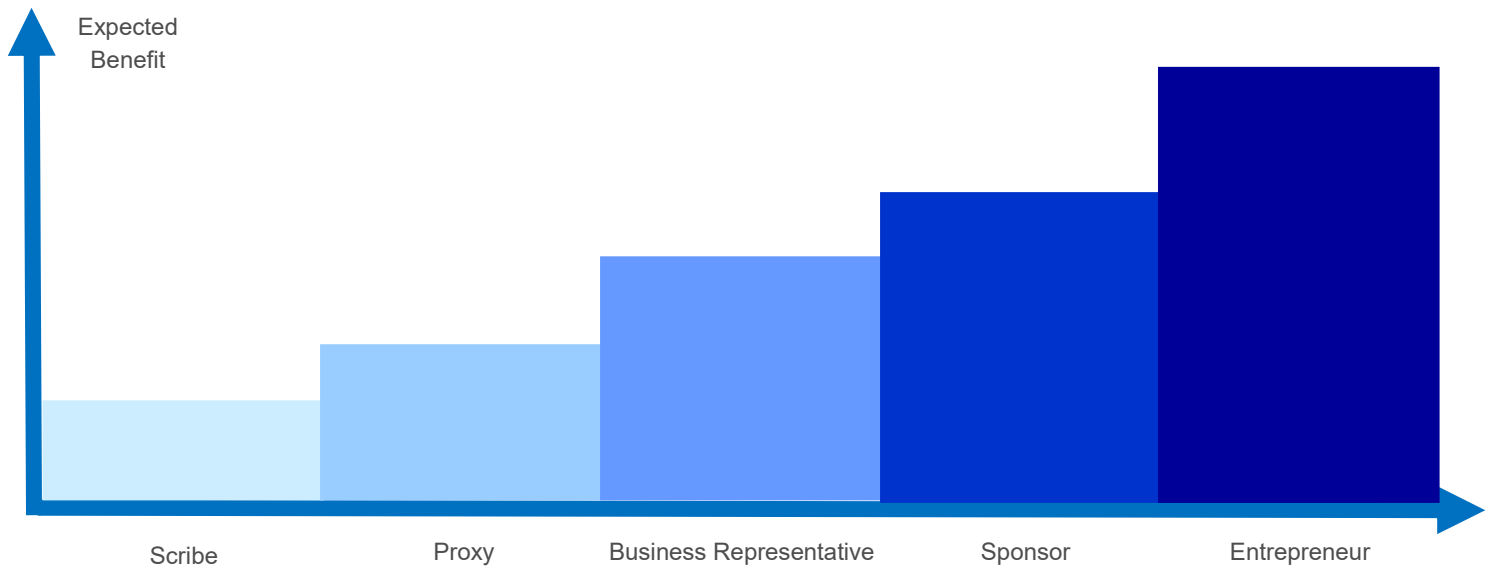
Expected Benefit

| Scribe | Proxy | Business Representative | Sponsor | Entrepreneur |

Product Owner Types

As organisations adopt the SCRUM framework and invariably tailor it to their own requirements different types of Product Owner emerge:

Scribe

Summary: Usually from the IT/Technology team, requirements capture and note taking mainly with no budgetary or work approval level.

Authority: None   **Background:** Bus. Analyst, Requirements Engineer, PMO Analyst

Proxy

Summary: Usually from the IT/Technology team   but is seen as 'point person' within the SCRUM team for the business. Has to go back to those stakeholders for most approvals

Authority: Low   **Background:** Project Manager, Team Leader

Business Representative

Summary: From the Business side and as such has more authority in terms of product development and budgets but still rolls up to   a higher sponsor

Authority: Medium   **Background:** system owner, information manager

Sponsor

Summary: The person who led the initial business case for the product, has complete responsibility for budget and product decisions

Authority: High **Background:** business managers, IT managers

Entrepreneur

Summary: Has complete control of all factors business & digital, may even be using their own money.

Authority: High   **Background:** Domain! But must have passion for the product, strong leadership and communication skills
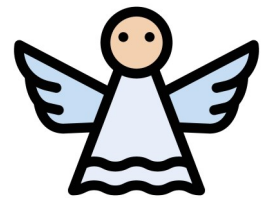
Is there a perfect product owner?

Visionary leaders such as Steve Jobs, James Dyson, Elon Musk & Bill Gates are often cited as examples of great product owners, and undoubtedly fit into the entrepreneur category, but in a large, complex energy organisation with many product owners required across different disciplines, it's unrealistic to expect to have large numbers of these perfect specimens. Instead the some of the desirable characteristics that make these leaders so successful should be understood, broken down, prioritised, and adopted where appropriate.

What makes a great Product Owner within Digital Oil and Gas
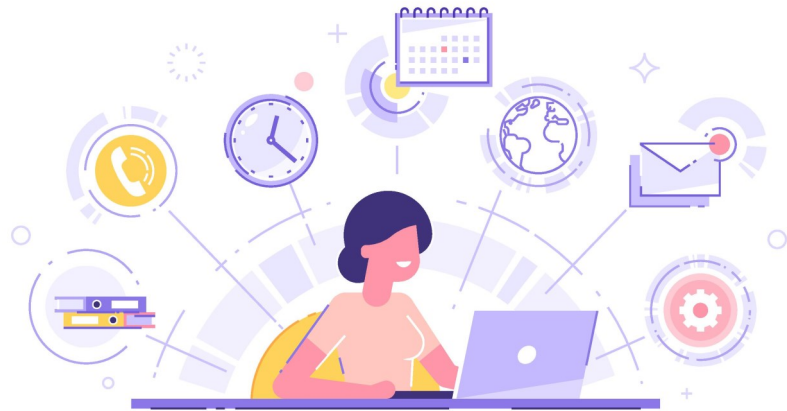
What are some of the key skills and traits of a Product Owner?

With many different flavours and high expectations, it may seem like special powers are required to become a great Product Owner however there are some key skills and traits that can be highlighted to help ensure the Product Owner has the best chance of success

Communication - A Product Owner will work with a wide range of stakeholders ranging from the CEO, to rig site teams, to members of the development team. The ability to communicate clearly at all levels within an organisation is vital to the success of the product. Communicating the product vision clearly amongst these stakeholders and translating requirements into actionable items ensures that with each increment the product delivers value in line with the vision and expectations.

Decisiveness - Within the SCRUM framework ideally the Product Owner is THE decision maker. They have the final say on what is placed on the Product Backlog and have to be able to aggregate technical, political, and commercial factors to make these decisions. They have to be able to cut through bureaucracy and indecisiveness to ensure that product development and value creation can proceed at pace. The ability to embrace the Agile 'Fail Fast' mantra is a key skill that can support effective decisiveness.

Vision - A clear Product Vision that is understood at all levels is vital in ensuring the success of any product. The Product Owner must be able to communicate this vision to all stakeholders to ensure any decisions made are in line with this vision. The Product Owner also has to be able to inspect and adapt this vision throughout the product lifecycle and ensure it continues to represent aspirations that are valuable to the organization.

Domain Knowledge– Understanding the specific domain the product resides in can be vital. In the Energy industry, there are many domains that come together to find, harness, and deliver energy to end customers. The ability to understand how a product will add value to that particular domain and its customers will ensure the product delivers the results expected.
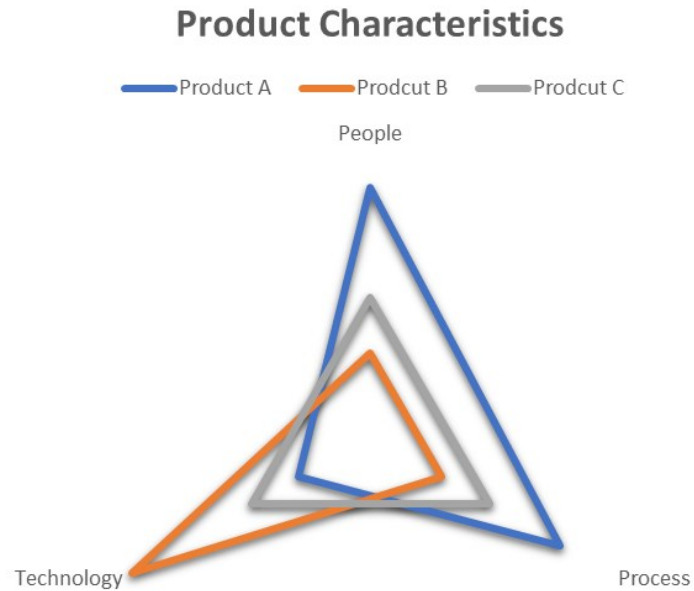
Narrowing the field

We've talked about what a product owner is and what qualities can help a product owner be successful but how do you prioritise the skills needed from your product owners and ultimately make the right choice when appointing one.

Different Products come with different challenges and as such being able to select a Product Owner with a focused set of skills aligned to a particular product will help narrow the field and make the task much less daunting.

Here we use the 3 tenets of **People, Process & Technology** to illustrate an approach that could be used to help prioritize skills a product owner might require for a particular product.

In the radar chart to the right, we have 3 example Products with differing impacts on the 3 tenets . The maturity table below illustrates how we might rank each of the tenets to enable creation of the chart :

Product Characteristics

	People	Process	Technology
HIGH	• New ways of working • Design or re-design of organisation. • Creation of new competencies and roles	• Design of new processes • Significant change management and training required	• New technology resulting in significant IT change • New vendor or in house product • New support contract
MEDIUM	• Revised competencies required • Some new responsibilities • Revision of organisational structure or roles	• Existing processes re-design • May introduce requirement for training	• Change to existing technologies • New functionality or enhancements • Revise vendor contract
LOW	• No changes to responsibilities or role • Minimal change in competencies required to continue duties as-is	• Processes introduced are limited to support functions • No formal training required	• Minor functionality change • No change to existing technology • Use additional vendor provided functionality

Evaluating your options

What types of Product Owner will exist? Ensure that you understand what type of Product Owner may be able to exist in your organization. There will be blurring of the lines between the types we discussed earlier however ensuring you know what level of responsibility and control your Product Owner will have ensures that the Product Owner clearly understands their remit and what additional governance will be required to support them.

What skills and traits are important to your organisation? - We listed some of the top attributes earlier but there are several other valuable traits that contribute to successful Product Ownership e.g. negotiation, technical, analytical, passion, empathy, transparency, and many more. Take time to define which of these are most important to your organization and balance that with what you can realistically attain either via developing existing staff or from the marketplace.

Hone in on the key skills required for each product - Winning the hearts and minds of your end customer is a tough challenge at the best of times. Having a Product Owner who has the right background and skillset for a particular product will ensure the best chance of success. Each product is unique and will carry its own set of requirements and challenges that the Product Owner must be well equipped to deal with. One size does not fit all!

Do

Tailor requirements for your organization & products In this paper we have discussed the varying levels or Product Owner and the skills they would typically need to be successful. It's important to ensure this mix of responsibility and ability fits within your current or target structure. An entrepreneurial type, though at the top of the benefits chart, may not be the right fit for your organization and may struggle to deliver those expected benefits.

Don't

Be unrealistic about the skills and attributes you need. It's tempting to create a shopping list based on the many reference points and guidance articles out there. This will only set an unattainable goal, elongate the time required to appoint a Product Owner, and potentially cause a poor selection to be made.

Business Agility Journey

" Compared to last year, we have seen more organizations commencing their business agility journey, and those on the journey report greater progress. Year-on-year, overall maturity has increased by 8%

"

" COVID-19 has acted as a forcing function on organizations around the world that, with the exception of North America (which decreased in average maturity by 10%), reported an average maturity increase of 15% post-COVID-19.

"

The Business Agility Report 3rd Edition, Scrum Alliance

More and more businesses are maturing within their agile journey. A key area that powers this evolution is great leadership. A good Product Owner with the right skills and traits for your organization is an essential part of providing this leadership.

Leadership is key

Your aim, our target

When appointing Product Owners there are many avenues and alleyways you can go down. Whilst the lure of an entrepreneurial Product Owner could seem tempting this may not be the right choice for your organization and/or the product you are seeking to develop. Conversely, to deliver significant change and transformation within your organization appointing scribes and proxies might be a recipe for failure.

The goal for E&P consulting is to support you in understanding the type of Product Owner you need, find the right Product Owners for your organization and embed those leaders within your teams to ensure you are set up for success in the short and long term. At E&P we focus on bringing to you the best talent allied with appropriate domain skills and use our extensive network and the wider market to achieve this — not a bench.

Innovation	Integration	Support

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