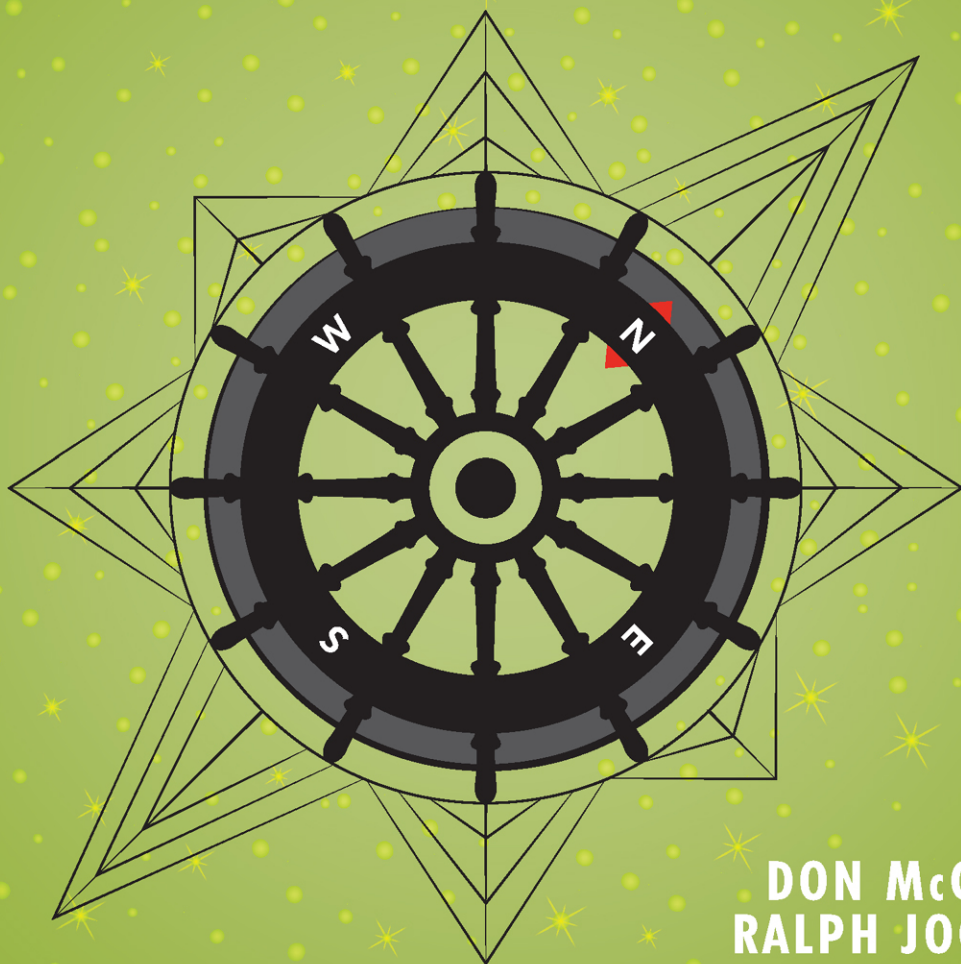# THE PROFESSIONAL PRODUCT OWNER

LEVERAGING SCRUM AS A COMPETITIVE ADVANTAGE

DON McGREAL
RALPH JOCHAM

Foreword by **KEN SCHWABER**

The Professional
Product Owner

Table 3-2 Value 2×2

	Visible	Invisible
Positive Value	New features	Architecture
	Added functionality	Infrastructure
		Design
		Automation (CI, CD) (Technical debt only temporary)
Negative Value	Defects/bugs	Technical debt
	System down times	Not used features
	Performance	Cost of deployment
	User experience	
	Cost of training	

Consider the following statement:

Technical debt is not, not "Done."

What does this mean exactly? In some occasions it could be the right business decision to create technical debt—for example, being first to market, creating a quick prototype, or reacting to an unexpected event.

You might be "Done" yet still have accumulated technical debt.

If you do not address technical debt right away, just understand that you will have to pay it back eventually—with interest. It may not be as visible as the interest rate on your credit card account, but you pay for it nevertheless. Think back to the innovation rate: Bad technical software quality will slow you down as simple changes take longer and require more effort than they should.

Having a solid definition of "Done" can help minimize the amount of technical debt produced. For any existing technical debt, ensure that you have a plan to repay it before the interest payments get out of control. Keep in mind that the time needed to pay off the debt will result in less visible value delivered each Sprint. Just like with financial debt, you will have less to spend on other things until your debt is paid off.

VALUE NEUTRALITY

This chapter has introduced you to a lot of interesting metrics. Their number one purpose is to provide data to generate information, so that you can make better decisions in the uncertain world of product development. Keeping these metrics free from influence and judgment is key. There is no bad or good information; there is only the current reality. This is what is meant by value neutrality.

Not having truly value-neutral metrics can cause unintended consequences and mask transparency. This is known as the Perversion of Metrics.

PERVERSION OF METRICS

> *I was taught that you cannot manage what you cannot measure. I still believe that this is right. On the other hand, I also strongly believe that what you measure drives the behavior of the people involved.*
>
> Ralph

In the 1990s in Europe, far too much milk was produced because it was highly subsidized. The commonly used terms in the news were "milk sea" and "mountain of butter." This drove the price so far down that milk was transformed into a more storable form like butter and milk powder. But even those

actions eventually reached their limit. Finally, the European Union decided that the number of milk-producing cows needed to be reduced. As proof that they were following through on this plan, farmers were asked to mail in an ear of each slaughtered cow. Once the ear was received, a financial money reward was sent to the farmer. The first mistake was that the EU did not ask for a specific ear, left or right. The second mistake was that cows are able to live without ears. At some point, reporters discovered whole fields with earless cows.[17]

The cobra effect[18] occurs when an attempted solution makes a problem worse—an instance of unintended consequences. The term stems from an anecdote set at the time of British rule of colonial India. The British government was concerned about the number of venomous cobra snakes in Delhi. The government therefore offered a bounty for every dead cobra. Initially this was a successful strategy as large numbers of snakes were killed for the reward. Eventually, however, enterprising people began to breed cobras for the income. When the government became aware of this, the reward program was scrapped, causing the cobra breeders to set the now-worthless snakes free. As a result, the wild cobra population further increased. The apparent solution for the problem made the situation even worse.

There is neither good nor bad news; there is only data. If you punish bad news, you will only get good news—or, more accurately, camouflaged bad news made to look good. Goodhart's law expresses the same idea: "When a measure becomes a target, it ceases to be a good measure." (See Figure 3-20.)

A good (or bad) example of something that is easy to count, easy to fake, and meaningless (perhaps even dangerous) to measure is productivity of a single developer by number of lines of code written in a given time frame. By doing this, you substitute growing functionality with lines of code, leading to one of the worst practices in software development called "copy paste programming."

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17. David Medhurst, *A Brief and Practical Guide to EU Law* (Hoboken, NJ: Wiley, 2008), 203.
18. Patrick Walker, "Self-Defeating Regulation," *International Zeitschrift* 9, no. 1 (2013): 31.
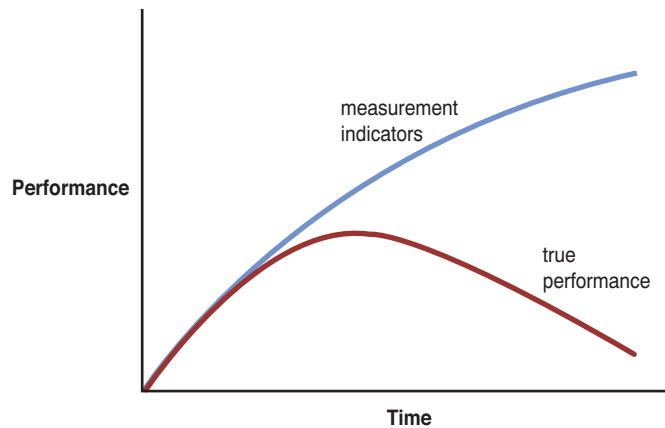
Figure 3-20 Goodhart's law visualized

Whatever you start to measure, play devil's advocate and have a creative brainstorming session about how the metric can be gamed. Try it with a couple of colleagues to increase your chances of surfacing the ingenuity of the people being measured.

I worked with a large organization whose well-intentioned Project Management Organization truly wanted to help the teams undertaking a Scrum adoption. The PMO put in place a rule that any team that varied its Sprint velocity by plus or minus 20 percent would need to meet with a PMO representative, who would see how he could help. Guess what started happening to the velocity metric? The teams did not see this as an act of goodwill but as punishment, and velocity was no longer a value-neutral metric.

QUIZ REVIEW

Compare your answers from the beginning of the chapter to the ones below. Now that you have read the chapter, would you change any of your answers? Do you agree with the answers below?

Statement	Agree	Disagree
There is no value until a product is released.	✔	☐
For for-profit organizations, value is ultimately represented in terms of money (revenue and cost).	✔	☐
Attaching incentives to value metrics improves performance and morale.	☐	✔
Metrics can help validate business hypotheses and the impact of releases.	✔	☐
Velocity is a good measure of value delivered.	☐	✔
A release can produce negative value.	✔	☐

Validation

Quiz

To set the stage for this chapter, try answering each of the following statements with *Agree* or *Disagree*. Answers appear at the end of the chapter.

Statement	Agree	Disagree
Validation is the act of making sure a project stays within scope, budget, and schedule.	☐	☐
Creating a simple online survey that collects data about your potential users is a valid release that provides value.	☐	☐
Everything is just a hypothesis until it is tested against the marketplace.	☐	☐
The more stakeholders provide feedback, the more they become accountable for the direction of the product.	☐	☐
Being compliant with all the internal governance rules provides all the validation needed to be successful.	☐	☐