Applied Frameworks

Product Management in SAFe 6.0

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About the speakers...

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+ 20+ years of Scrum & Agile
+ CINO at Applied Frameworks
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+ Framework team at Scaled Agile
+ Former SAFe partner & customer

Today's **agenda**

01	Competencies, functions, and roles within SAFe 6.0

02	The Product Management Responsibility Wheel

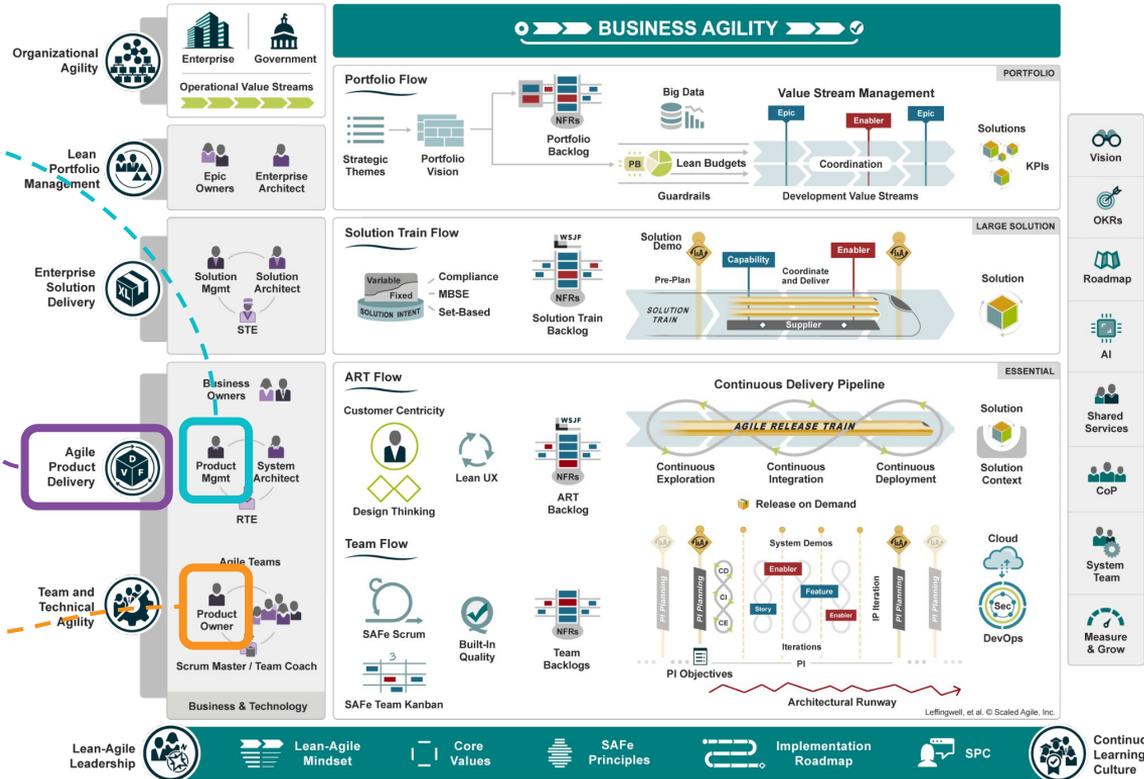|	
03	Digging into each responsibility

04	Discussion

Competencies, Functions, and Roles within SAFe 6.0

**SAFe Function**
Typically fulfilled by a team

SAFe Core *Competency*

SAFe Role
Fulfilled by a single person

Product Management Responsibilities and Collaborations

Product Management is the function responsible for defining desirable, viable, feasible, and sustainable solutions that meet customer needs and for supporting development across the product life cycle.

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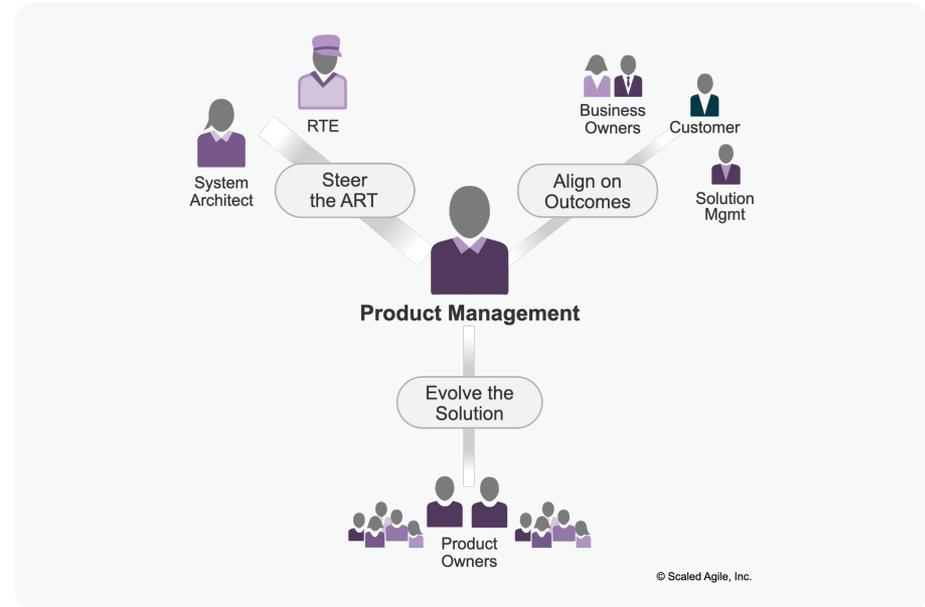
Exploring Markets and Users

Conduct primary and secondary research
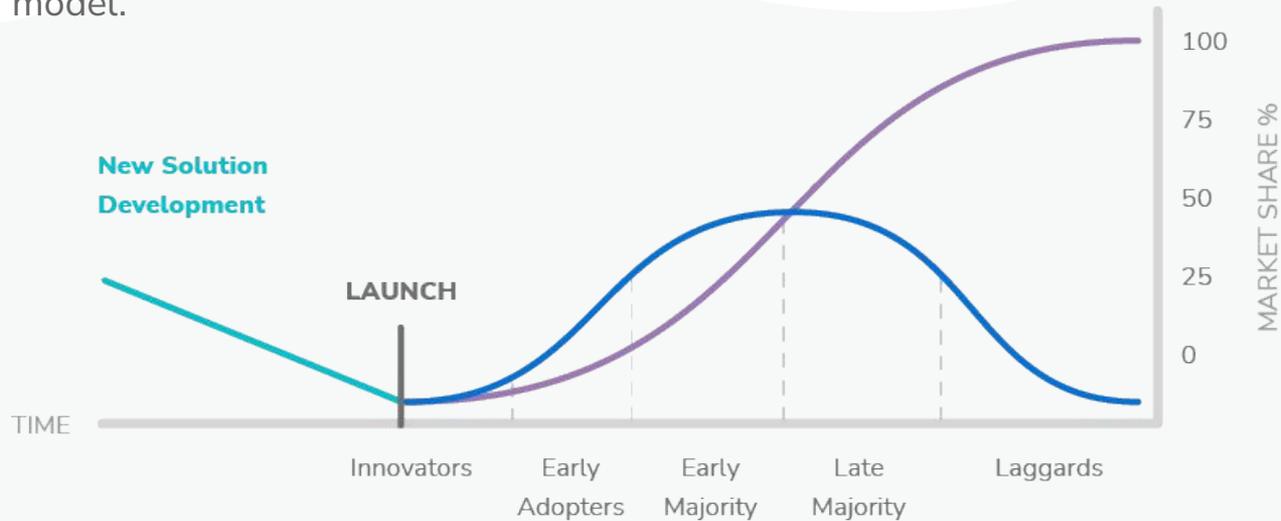
Apply market segmentation

Identify market rhythms and events

Understand end-user needs

Exploring Markets and Users

Research here
informs how value is
quantified and the
initial pricing model.

Research enables segment-specific
packaging, pricing model adjustments,
and new offerings.

**New Solution
Development**

LAUNCH

TIME

Innovators | Early Adopters | Early Majority | Late Majority | Laggards

MARKET SHARE %

100

75

50

25

0

Profit Streams are the evolution of value streams

A Profit Stream is a value stream designed to create a sustainable business.

This means that a Profit Stream must:

✓ Quantify the **economic value** of the solutions they create...

✓ Be sold through **pricing** and **licensing** choices that...

✓ Ensure the **revenue** generated from these solutions exceed the **costs** required to serve customers...

NOT JUST ONCE, BUT OVER TIME

Profit Stream Design integrates three aspects of sustainability, all of which are interdependent and evolve over time.
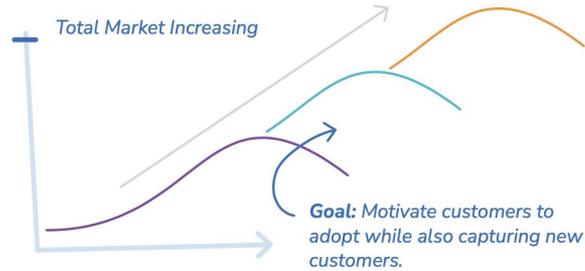
SOLUTION SUSTAINABILITY
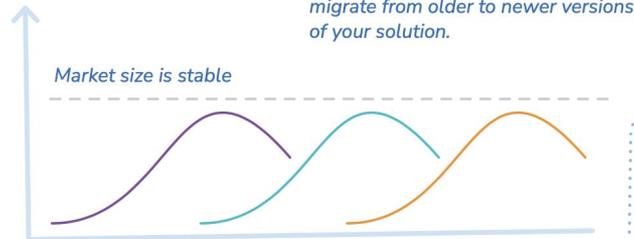
ECONOMIC SUSTAINABILITY

RELATIONSHIP SUSTAINABILITY

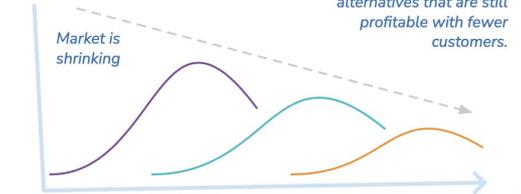# Developing the next solution as markets shift over time

GROWING INDUSTRY

Total Market Increasing

Goal: *Motivate customers to adopt while also capturing new customers.*

STABLE INDUSTRY

Goal: *Steal customers from competitors and/or motivate them to migrate from older to newer versions of your solution.*

Market size is stable

DECLINING INDUSTRY

Goal: *Exit the industry or create much lower cost alternatives that are still profitable with fewer customers.*

Market is shrinking

Connecting with the Customer

Adopt a customer-centric mindset

Empathize with the customer

Apply design thinking

Involve the customer continuously

Connecting means understanding **value**

The **Solution Context** is part of design thinking

Solution Context is the critical aspects of the environment in which the solution operates.

Moving part of the Solution Context into the solution can create value by reducing operational complexity.

Moving part of the solution into the Solution Context can reduce provider costs and/or create more options and controls for customers.

Provider Context

Solutions are offered to customers through a **Provider Context,** which identifies aspects of customer value that are not intrinsic to the solution and are integral to the solution's total economic benefit.

Changing or improving the Provider Context can improve overall solution profitability, often in a way that can be less costly than changing the solution itself.
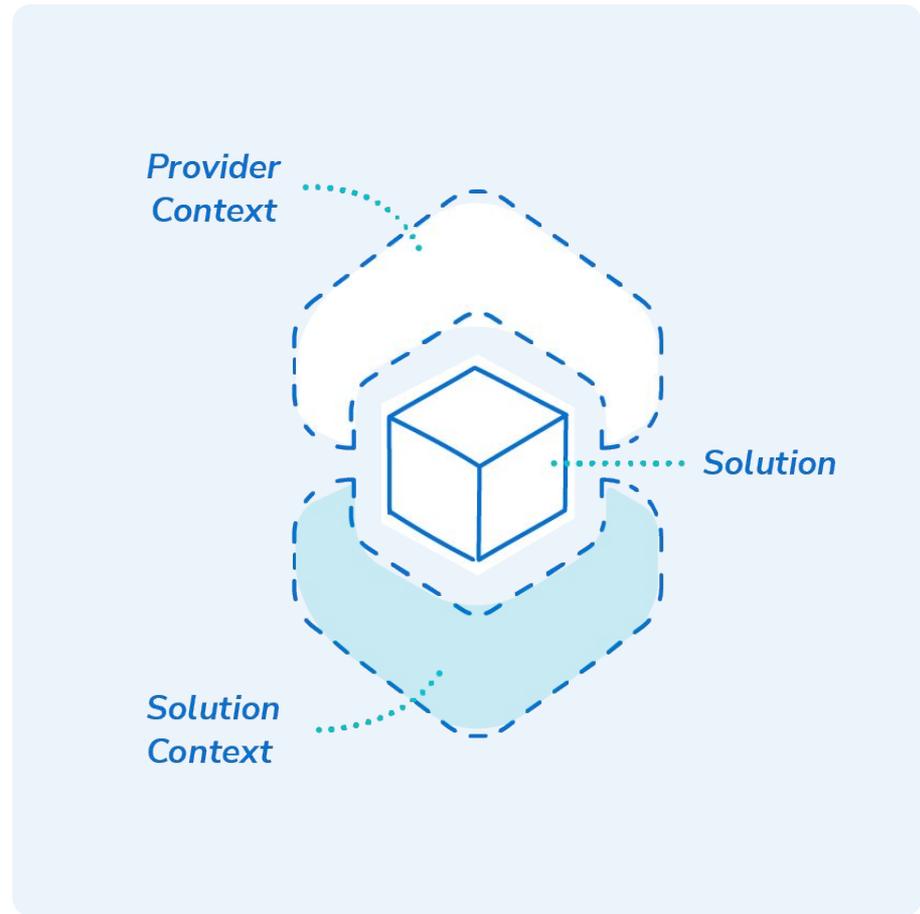
Defining Product Strategy, Vision, and Roadmaps
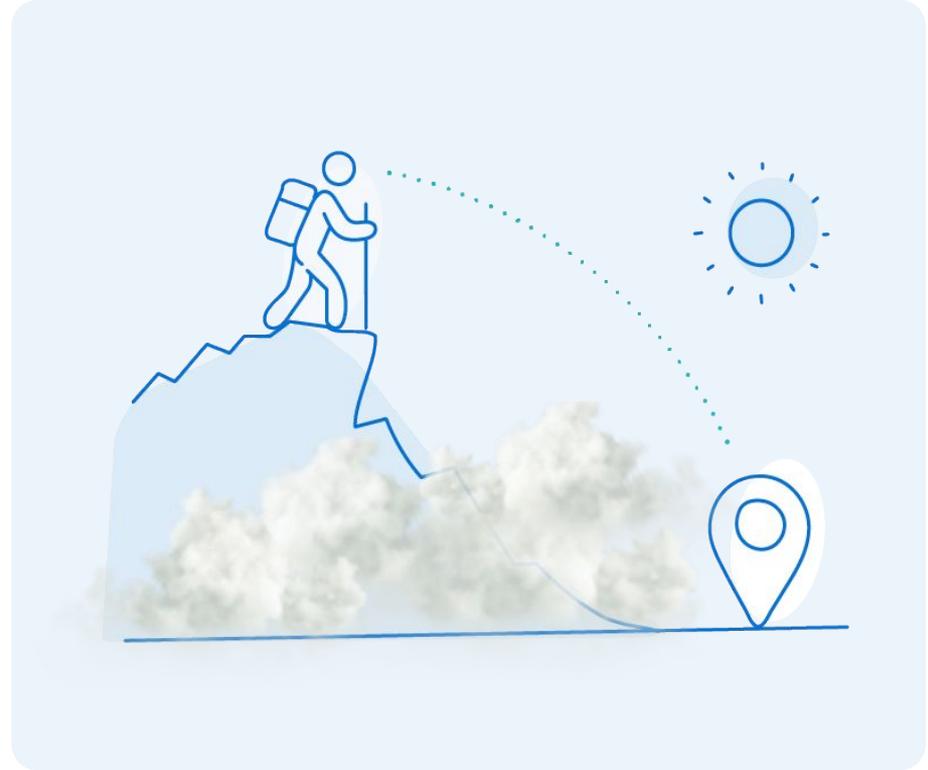
Align strategy to business objectives

Establish equitable value exchange models

Create and communicate a compelling vision

Manage flexible roadmaps

Navigating through a fog of uncertainty
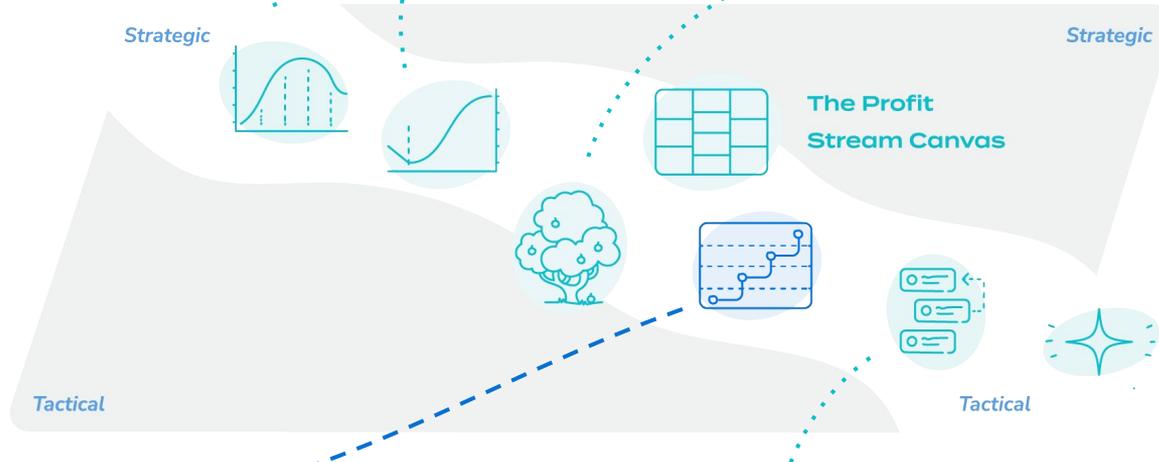

North Star

Solution Vision

Roadmaps are one tool to help in navigating the fog

The **Industry Lifecycle** captures the broad structure of all solutions serving a given market.

The **Solution Lifecycle** captures the development, launch, and ongoing success of your solution.

Prune the Product Tree captures the evolution of solution features over time, emphasizing organic growth.

Strategic

The Profit Stream Canvas

Strategic

Tactical

Tactical

The **Solution Roadmap** captures planned commitments, milestones, and releases, typically for 1-3 years.

The **Solution Backlog** is a prioritized list of work items that improve the solution for near-term deliverables.

The **North Star Solution Vision** informs cohesive usage of the other tools.

Equitable value exchange includes **profit** over time

Revenue, Profit, and Investments over time

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Sales

Cumulative profits

Costs

LAUNCH

END OF LIFE

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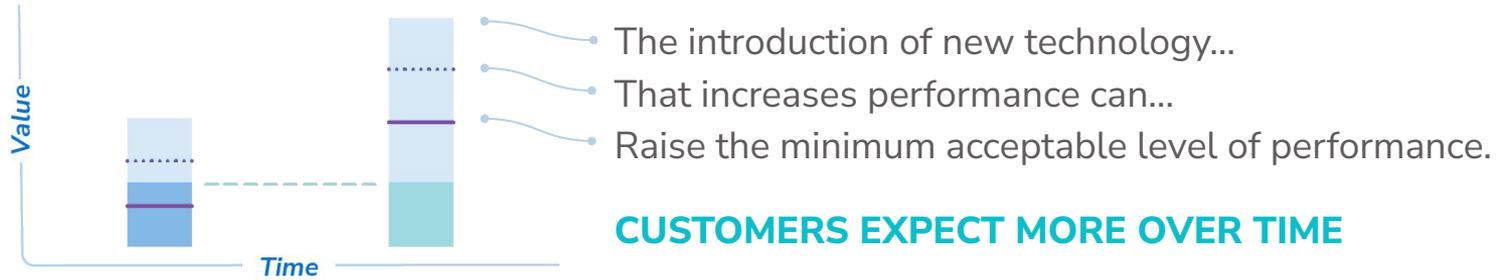# Managing and Prioritizing the ART Backlog

Guide Feature creation

Prioritize Features with WSJF

Accept Features

Support Architectural Runway

Participate in ART events

Perceptions of value change over time

The introduction of new technology…

That increases performance can…

Raise the minimum acceptable level of performance.

CUSTOMERS EXPECT MORE OVER TIME

A solution that provides compelling benefits…

Must maintain or improve these benefits over time to retain and/or increase customers.

Better TVs

Tech-infused clothing

Faster, cheaper phones

Better, healthier lives

Improved worker productivity

Lower costs for data storage

Greater price, performance

Prioritizing for Profit

Investments designed to attract new customers

NEW CUSTOMERS

Investments designed to leverage profit engines (existing customers)

PROFIT ENGINE

Investments designed to lower costs and improve operational efficiency

OPERATIONS

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Delivering Value

Collaborate throughout the value stream

Ensure product completeness

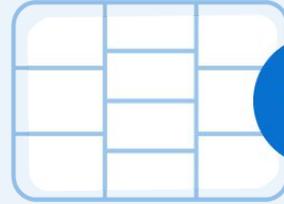Enable operations

Release value on demand

Meet business goals

Delivering **value**, raising **prices**, adjusting **packaging**
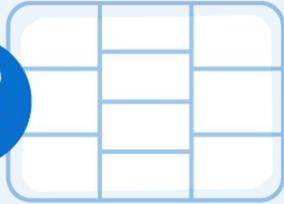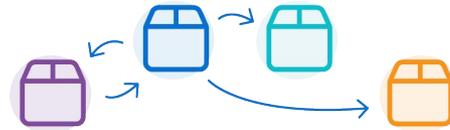
TIME
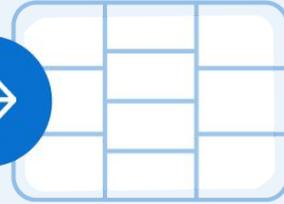
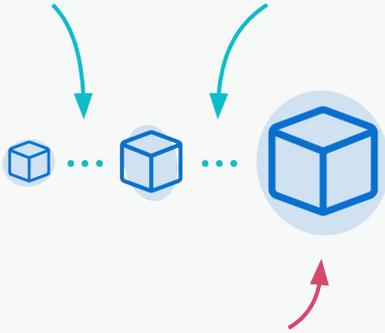**EXTERNAL TRIGGERS**

INTERNAL TRIGGERS

Adjusting Pricing

Adjusting Packaging

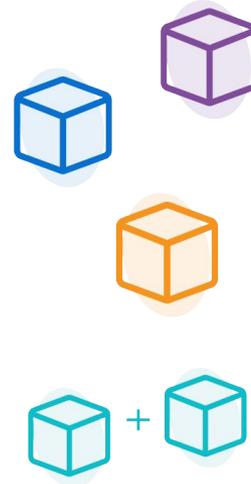# Adjusting **packaging**

More features

Even more features

BOOM!

BOOM!

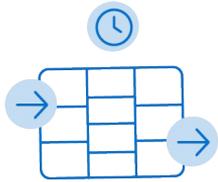*Simply stuffing more features into a box does not meet customer needs*

Creating new packages creates an opportunity to fine-tune the solution to target segments and maximize profits across the market.

+

How to adjust packaging

1

2

3

4

Strategy

5

6

Understand trigger(s)

Snapshot

Gather data

Design new packaging and pricing

Develop implementation plan

Implement packaging changes

Discussions

Thank you for stopping by!

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