

NAVIGATING THE SHIFT FROM PROJECT DELIVERY TO PRODUCT CENTRICTY

INTRODUCTION

Organisations are increasingly facing pressure to maintain their competitive edge as customer needs evolve and market conditions rapidly change. The inherent inflexibility and sequential nature of traditional top-down approaches act as barriers to progress, causing misalignments between business strategies and actual outcomes. To tackle these issues head-on, many organisations undergo a strategic shift, seeking to enhance business agility and flexibility.

The key theme here is product-centricity; an approach that places products and services at the heart of an organisation's structure and decision-making processes. With a holistic commitment to developing and continuously striving to deliver products that cater to customer needs, product-centricity steers away from the traditional approach of managing separate projects with temporary objectives. Instead, it aligns all aspects of the business towards the continuous creation, enhancement, and delivery of products and services.

Through this iterative and data-driven approach, organisations gain the capability to achieve continuous value delivery and promptly adapt to ever-changing market conditions. By emphasising innovation and fostering a learning mindset, product-centric organisations are able to attain higher levels of agility and customer satisfaction compared to organisations who continuously choose to utilise the traditional project delivery approach. Embracing product-centricity positions businesses for sustained success in today's dynamic and fiercely competitive business landscape, ensuring their continued relevance and maintaining a competitive edge in an ever-evolving market.

As mentioned within [Glue Reply's 10 Steps to becoming a Product Orientated Organisation](#), budgeting in a product manner and embedding a product focus into an organisation's strategy aids product orientation. To transition from the traditional project delivery model into a product-centric delivery model there are a number of factors to consider:

1. FUNDING MODELS

Organisations should consider their funding models when transitioning from project-focused delivery to product-centricity. Traditionally, funding for project-focused activities (*Figure 1*) is allocated to support the successful completion of the project. Funding models for project-focused activities are often temporary and assigned based on the project's requirements, key milestones and expected outcomes. This can lead to the de-scoping of items due to inaccurate forecasts and allocation of money and resources.

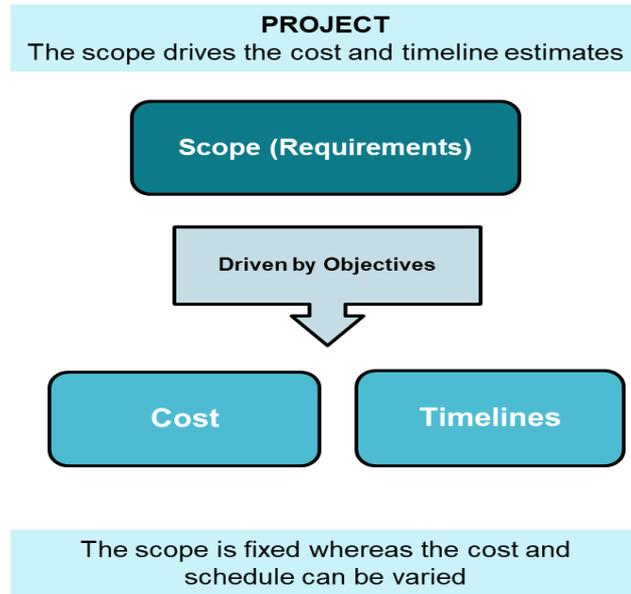


Figure 1: Project funding approach

In contrast to this, the funding models used within a product-centred organisation (*Figure 2*) are more consistent, long-term and sustainable. The level of financial investment and financial health (in particular the working capital of an organisation) will not be solely dependent on the expected success and benefits realised from large transformation programmes or series of projects. Instead, it can be distributed to products or services aligning with the short or long-term vision which can be developed iteratively in line with market trends and customer needs.

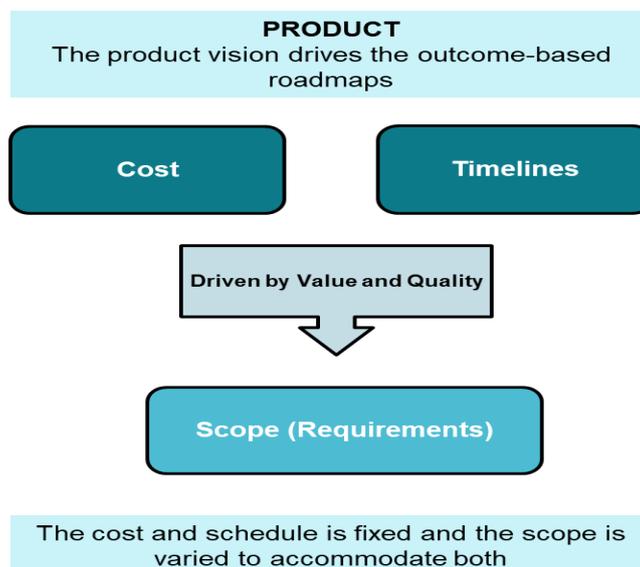


Figure 2: Product Centric funding approach

2. WAYS OF WORKING

Whilst there are significant differences in funding models, transitioning to a product-centric approach will also require changes in how the organisation operates. To become more product-focused, the organisation needs to adopt methods that encourage collaboration across different departments and prioritise design. In the past, traditional project delivery often caused different departments within the organisation to work in isolation from each other. This isolation often led to conflicts or delays in project outcomes. By introducing practices like discoveries, user research, show-and-tell sessions, and learning from experiences, opportunities for ongoing collaboration emerge. With these practices in play, products can be developed incrementally and consistently across the organisation, with direct consideration for the needs of the end users integrated into product designs.

A common mis-step encountered during the transition to a product-centric model involves the application of a 'one size fits all' approach. For instance, replicating an agile methodology found outside of the organisation without considering its alignment with the strategic objectives of the business will unlikely yield the intended results.

Various agile methodologies are available for shaping an efficient product-centric model. A crucial aspect for selecting the appropriate methodology is understanding the organisation's business needs, culture, maturity, and limitations. Key factors to be considered include:

- Strategic vision, goals, and objectives
- Regulatory restrictions
- Existing technology
- Augmenting internal and external collaboration
- Enabling efficient release patterns/schedules for swift product, feature, and enhancement launches
- Seizing opportunities for continuous improvement and minimising operational inefficiencies.

3. ROLE CHANGES

The roles that support project delivery must evolve to align with the capabilities of a product-centric approach. Project-oriented roles, such as Project Managers and, to a certain extent, Business Analysts, need to adapt to the product-centric framework. Their traditional focus on achieving outcomes within defined budgets, scopes, and timelines must shift.

In a product-centric environment, the role of a Project Manager becomes redundant because successful delivery within this environment is dependent on the effective collaboration between the Scrum Master, Product Owner and Development Team.

Business Analysts play a pivotal role in a product-oriented setting. Instead of extensively outlining requirements in formal documents with multiple approval stages, adhering to change control procedures, they'll need to capture requirements in shorter time frames, concisely defining key user stories and key use cases. User researchers will drive the collection of user research data through collaboration with internal and external stakeholders. Service designers will then incorporate these research findings into the creation of streamlined user journeys infused with best practices.

Effective collaboration among all roles is essential, with the Product Manager at the centre, driving the product's success, vision, and growth. Whilst product-centric activities can be distributed among different roles, there could be instances where roles are merged due to specific organisational requirements or constraints. See more about developing a hybrid role capacity within the white paper available via the [Glue Reply website](#)

4. CHANGE IN MINDSET

Embracing a product-centric mindset requires a specific orientation that revolves around creating, delivering, and consistently improving valuable customer products. This mindset emphasises understanding customer needs, offering innovative solutions, and achieving business goals.

Equally important is the need for employees throughout the organisation to precisely define and comprehend the range of products, services, and technologies within the business and their contextual significance. It's acknowledged that different organisations within the same industry might interpret a product or service differently.

This mindset necessitates a customer-focused, product-centred approach that prioritises continuous engagement and feedback from both customers and employees, facilitating ongoing enhancements and adjustments to meet evolving needs.

Within this framework, teams adopting a product-centric mindset take full ownership of the product lifecycle, encouraging cross-functional collaboration and utilising outcome-driven metrics for measuring success. This approach cultivates a culture of learning, adaptability,

and alignment with long-term strategy, driving the creation of enduring value in a dynamic market landscape; a must have for the successful enablement of product-centricity.

5. ORGANISATIONAL STRUCTURE

Numerous change initiatives fall short of their intended benefits due to insufficient planning and poor management of required changes and potential post-implementation risks. This challenge is particularly pronounced during the shift from project-oriented thinking to a product-centric approach; especially if the organisation lacks an effective structure to support the transition and ensure product-centricity for the long run.

To tackle this, effective change management strategies must pinpoint gaps within the organisation and have well-defined roles and responsibilities across different functions to prevent inefficiencies, duplicated efforts and encourage internal collaboration for sound decision-making. A key factor to ensure the above is to have a strong enablement within an organisation which will drive an adoption strategy. Organisations embark on this journey guided or supported by an internal or external coaching entity ideally in the form of a 'product centre for enablement,' providing a structured framework to facilitate the transition in the long run.

It is not easy for an organisation to transition to a product-centric culture. Instead, it can be a lengthy process that requires many progressive steps. Even after starting the shift, traces of project-focused thinking may remain. This emphasises the importance of taking a gradual approach that focuses on learning and improvement. This includes assessing the current maturity level within the organisation and attempting to advance its product-centric thinking. This requires abandoning rigid project-oriented practises in favour of adaptable, customer-focused, and iterative processes. Effective communication, participation of stakeholders across the organisation, and continual education are critical to the success of this transformation. By following this path, organisations can nurture a culture that thrives on innovation, collaboration, and alignment with both customer needs and strategic objectives.

6. LEADERSHIP

Recognising the pivotal role of leadership in driving a successful project-to-product transformation, it's essential to establish core cultural principles such as collaboration and empathy. Transparently communicating the rationale behind the product-centric change, its benefits, and the roadmap for implementation builds trust and understanding. In summary, leadership buy-in serves as the cornerstone for a successful project-to-product transformation, laying the groundwork for a resilient and innovative culture that seamlessly transitions from product delivery to product-centricity.

To support the soft leadership of the transition from project-to-product, there are a wide range of techniques that can be used including employing coaches, using pathfinder products and other techniques to demonstrate the change and prove the success thereof

initially, and subsequently embed the change strategically.

7. DETERMINE & MONITOR KEY PERFORMANCE METRICS

Both during and following the shift from Project to Product-centricity, maintaining a strong alignment between strategy and execution is paramount. It's imperative to continuously monitor critical performance metrics, which can encompass key performance indicators (KPIs) like Net Promoter score, customer satisfaction, OKRs, and feature adoption rates. These metrics play a pivotal role in enhancing the decision-making capabilities of a Product-centric organisation.

Frequent analysis of performance indicators such as these allows the organisation to stay closely aligned to its strategic objectives. This, in turn, enables business stakeholders to ensure any decisions made are prioritised against the goals of the organisation. This prioritisation further enables the business to effectively respond to changing market trends and user needs. Changes to strategic priorities can be efficiently managed by adjusting the product backlog, incorporating analysis findings and influencing business decisions.

To ensure that success is accurately gauged, organisations should rigorously align their metrics and KPIs with their strategic direction so that the strategy-to-execution link remains intact throughout various stages. The "golden thread" represents the seamless connection between strategic and tactical planning as well as final execution. This cohesive alignment guarantees that the progress towards strategic objectives is both transparent and measurable. Importantly, when metrics and strategy are harmonised, the process of adjusting priorities becomes more seamless. This means that, from a product context, any shifts in strategic priorities can be directly translated into changes in the prioritisation of items within the product backlog. This alignment not only strengthens the link from strategy to execution but also empowers organisations to dynamically adapt their product focus in response to changing business needs. Similarly, the "golden thread" also allows feedback on the feasibility of changes in strategy and the projected realisation of that change.

CONCLUSION

While the traditional project delivery approach can still support organisations in realising benefits, many are shifting the emphasis to iteratively releasing value within condensed timeframes in order to increase their responsiveness in delivering value to their customers. The ability to integrate best practice, promptly respond to emerging market trends, and consistently deliver this value to their users have become core components of the strategic goals of most organisations in today's market. Embracing product-centricity opens the door to moving away from misaligned project outcomes and delayed decision-making that is often entangled in rigid change control processes to a more streamlined approach that uses the strategic objectives of the organisation as the 'north star' for critical decision-making.

In order to successfully transition to a product-centric model, it is vital to establish a robust foundation on which to build. The alignment of senior leaders and buy-in from all stakeholders coupled with flexible and responsive decision-making, forges a pathway to a seamless transition. Evolving the mindsets, financial models, organisational structures, and ways of working play a pivotal role in embedding iterative product delivery and ensuring the organisation can foster a collaborative culture that works towards regularly releasing incremental value and being nimble in its approach to managing change. Shifting away from conventional project delivery and moving into product-centricity is the first step towards greater organisational agility and improved customer value.

GLUE REPLY

Glue Reply is the Reply Group Company specialising in IT architecture, integration and data solutions that drive business value. Pragmatic in its approach, Glue Reply provides independent advice on the technology solutions that achieve clients' business objectives. Glue Reply's core proposition is to help organisations maximise the value of their business change and technology investments by helping them define, design, implement and resource best practices. Glue Reply works with many companies as a trusted advisor as well as being known for getting stuck into the nuts and bolts of any technical challenge to ensure the desired outcome. Glue Reply's solutions drive operational excellence whilst preparing clients for digital transformation, cost reduction and data exploitation. For more information please contact us at glue@reply.com or call us on +44 (0) 20 7730 6000.