

How to get the most out of software product development engagements

Introducing

PRODUCT DEVELOPMENT AS-A-SERVICE

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INTRODUCTION

When choosing a vendor to support their software product development initiatives, most buyers tend to focus exclusively on industry expertise and price. However, **delivered value primarily depends on the way the vendor engages clients on the operational and delivery level, and whether engagements are set up so that a true win-win situation can take place (it goes beyond “programming by the pound” method).**

Here, we'll present an approach to defining engagement relationships that enables each client to draw on their vendor's know-how in a way that meets their particular needs and produces optimized and contextualized partnerships. Enter Product Development as-a-Service - PDaaS.



WHAT IS PRODUCT DEVELOPMENT AS-A-SERVICE?

Product Development As-a-Service (PDaaS) is a holistic approach to software product development that relies on product-based thinking, expert agile-based delivery processes, continuous training, and top-notch Human Potential expertise (we don't like the term "resources" applied to humans).

On the spectrum of possible engagement approaches, PDaaS sets the stage for competent and well-organized vendors to realize their full potential, and generate maximum value for their clients by using their organizational, delivery, process experience and technical know-how.

Traditional Approaches

To better understand what PDaaS precisely means, it would be helpful to explain it in relation to the traditional approaches to defining product development engagements.



STAFF AUGMENTATION

is essentially about the vendor putting one or more of its tech experts at the client's disposal, effectively making them a part of their company and a specific team within it. The employee, or the employees, are fully managed by the client side, with the vendor only receiving feedback on their performance.



TEAM AUGMENTATION

means that the vendor assigns a team (rarely a multifunctional team) to work on a project, or one of the project tracks. Product and project management still rest with the client. As far as the impact the vendor can have on the product roadmap, it is limited to the velocity and quality of delivery.



PRODUCT/PROJECT DELIVERY

is a model where the product development outline is developed by the vendor's team. That team includes a project manager while product management is still fully owned by the client side. The vendor is still not expected to provide input regarding the scope of the engagement; the project / product is completed and delivered to the client exactly as they've envisioned it.

This model works well for relatively inconsequential or time- and scope-boxes projects with limited value, and where long term planning and project shelf-life are not important. True Product Development is doomed to fail in this model as well.





Limitations of Traditional Approaches

Without denying their value or applicability, traditional approaches to defining client-vendor engagements suffer from several key deficiencies.



Box-like nature. While perhaps more practical and less time consuming, offering clients a number of set options to choose from does not take into account client's specific needs.



Lack of collaboration. The role of the vendor team is to "take orders" and execute what has been agreed on, without much consultation or consideration beyond the tasks at hand.



Broken development process. Teams tend to be rigidly focused on initial requirements and push against any change requests. This reflects badly either on delivery deadlines or quality of output.



Communication breakdowns. Communication is one-directional (client to vendor), and happens through a limited number of channels, which additionally derails delivery.



Team instability. The team is reduced to a group of "doers" with very low intellectual investment and/or low morale leading to attrition and dissatisfaction.



Advantages of the PDaaS

Product Development As-a-Service differs from traditional approaches both in principle and in practical terms. Here's how.

INDIVIDUALIZED APPROACH

Instead of ready-made offerings that may or may not be fully responsive to what the client actually needs, PDaaS is about examining client goals and adjusting the nature of the engagement in line with that understanding.

CONSULTATIVE APPROACH

Having a consultative approach does not mean having expertise in the client's industry. Rather, it's about technology solutions providers using their experience in developing products and being better aware of "what works, what doesn't and why" from the perspective of developers and business analysts.

INNOVATIVE SOLUTIONS

PDaaS produces innovative, bespoke technological solutions in each engagement. The clients are not given a solution they would then need to adapt to - rather, possibilities provided by technology are tapped in to fine-tune the solution to the clients business vision, allowing them to stay ahead of the competition.

Here's an overview of how PDaaS compares to traditional engagement approaches on some key issues that.

	Staff augmentation	Team augmentation	Product delivery	PDaaS
Retention / longevity	Low	Depends on many factors	Not a factor	High
Added on value / two way communication	Depends on the person	Depends on team lead capabilities	Non-existent	High
ROI on Client's time investment for ramp up	Low	Low-medium	Low	High
Stability	Low	Low-medium	Irrelevant	High
Value delivered	Low	Low-medium	Low-medium	High



PDaaS IN PRACTICE

Typical steps in a product development engagements that follow PDaaS approach include:



Introductory Engagements



Mobilize & Innovate



Develop & Sustain

Additionally, each engagement has a defined govern process, which allows the vendor and the client to stay aligned throughout the engagement.



INTRODUCTORY ENGAGEMENTS

Introductory Engagements provide a high value / low risk opportunity for clients to get a sense of how a vendor's team works and evaluate if they are a good fit.

Discover engagement serves to evaluate product goals and the value proposition to gain in-depth understanding of product requirements.

Assessment engagements are used to critically evaluate operational, UX, and technical product requirements.

Architectural Proof of Concept (PoCs) engagement verifies the technical feasibility of my product.

UX Prototyping is used when the goal is to validate product usability.



MOBILIZE & INNOVATE

Mobilize is all about assembling and engaging the core development team, and supporting them in understanding the project scope and objectives. In this step, the working agreement and the process approach are also defined.

DEVELOP & SUSTAIN

In the Develop & Sustain phase, the development team starts performing with the agreed upon cadence of value delivery, push to production, and innovate activities.

GOVERN

The Govern process is about navigating the challenging and ever-changing product and business priorities. As mentioned earlier, this process ensures continued alignment between the vendor and the client during the life of the engagement.

The Govern framework operates on three levels:

- **Delivery Management** is focused on managing all the activities involved in the product delivery process (agile ceremonies, weekly status reports and any current topics).
- **Delivery Governance** is a conversation between the vendor and the client to determine how well the engagement is meeting client expectations. This is accomplished through collaboratively analyzing metrics, trends, and addressing relevant items that come out of retrospectives.
- **Quarterly Partnership Governance** is the strategic level of the Govern framework. It consists of regular communication between the vendor's and the client's leadership teams to share details of pertinent business goals and strategies and to explore additional value creation through greater collaboration.





As each practical component of the PDaaS approach has a different purpose, the output, skills and team composition required to implement each of them is also different.
Here's an overview of these differences.

Functions	Govern	Discover	Mobilize & Innovate	Develop	Sustain
Objectives	Ensure consistency across product teams Control value created Support cultural change	Create product definition As-is assessment Success factor metric definition ROI & value proposition	Technical architecture decision Proof-of- value creation Proof-of- concepts	Design, Build, Train, Operationalization	Ongoing fixes Minor enhancements Continuous refactoring Performance enhancement Tier 3 & Tier 4 Production Support
Deliverables	Roadmap Thought leadership Value management plan Governance	Functional spec UX storyboard Architecture blueprint	Proof-of-concept/MVP Reference architecture UI wireframes	Production ready code Automated test scripts Process status documentation Technical and visual design documentation	Knowledge base Monitoring dashboard Tier 3 & Tier 4 Incident resolution
Skills	Thought leadership Change enablement Stakeholder management Vision	Business analysis User experience design Technical architecture Coordination	Business analysis User experience design Technical architecture Governance & change management design	Business analysis Technical architecture Process management Change management	Application support Business analysis Ongoing governance
Roles	Delivery lead Value manager Technology lead	Product owner Solutions architect UX designer Project manager	Product owner Full-stack dev DevOps QA Scrum master Project manager	Product owner Full-stack dev DevOps QA Scrum master Project manager	Project manager Developer DevOps QA

TOOLS OF SUCCESS: WHAT IT TAKES FOR PDaaS TO WORK

Any company or team wishing to incorporate PDaaS into their operational philosophy needs to develop certain key traits and capabilities in order to be able to practice it.

CROSS-FUNCTIONAL TEAMS

Product development requires a team with a varied set of skills, dependent on the product being built. For successful and timely product development, a team may require having the roles of a Project Manager, Business Analysts, Application Developers, Security Analysts, Quality Assurance Analysts etc. Thriving cross-functional teams also know how to develop and support a team culture that enables them to adequately engage the client.

FOCUS

To be able to truly deliver value to every client, vendors need to be able to build product-focused teams, and not assign developers to multiple engagements. Multiplexing doesn't allow a professional from any field to truly contribute with all the skills they possess.

KEY TALENT & EXPERTISE

PDaaS employs key talent and best practices in software development delivery to take a product from idea to deployment and user adoption. This is normally done by employing a roster of seasoned professional enterprise-level product developers to rapidly build, deploy, and iterate solutions. The key is to apply the appropriate development capacity to the engagement, at the right time in the product development life-cycle.

AGILITY

In the context of PDaaS, agility means

- Early and continuous delivery of valuable software
- Welcome changing requirements, even late in development
- Daily interaction with business stakeholders
- Working software as the primary measure of progress.
- Continuous attention to technical excellence and good design

COLLABORATION & COMMUNICATION

The vendor needs to know how to maintain frequent and transparent communication, and define the appropriate processes and channels to make the effort seamless. In PDaaS, this is achieved through the Governance framework, which ensures alignment and transparency by establishing regular touchpoints throughout the entire engagement lifecycle.



CONCLUSION

The key advantage and the core value offering of Product Development As-a-Service is a new, out of the box way of shaping engagements that radically increases the chances of achieving exceptional results. Finding a partner that meets the criteria required for practicing PDaaS is not easy, however, considering that most tech vendors are still project-focused. With the goal of executing as many projects as possible, few have the depth of experience and operational sophistication needed for a holistic approach to product development. Also, knowing what to ask and what to look for is not just about ticking a number of checkboxes.

But, it can be done. And the rewards of reduced risk, faster time-to-value, and product quality ensure that the effort will be worthwhile.

If you're interested in learning more about PDaaS and the value it can bring to software product development, make sure to visit our website or drop us a note.



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