LEADINGAGILE

GOVERNANCE & WORKFLOW SIMULATION

The $100 Million Paper Airplane Business

EXERCISE OBJECTIVE

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- Understand the roles and tiers inside the Agile Operating Model (aka the Governance Model)

- Understand how decisions are made within the Agile Operating Model – focused on the *flow of value*

- Experience how assumptions are developed and mitigated - understand how feedback loops are leveraged in decision making

"OBJECTIVE" INTRODUCTION

To meet our growth strategy / results, we need to accelerate in less recognized markets, which might have lots of potential.
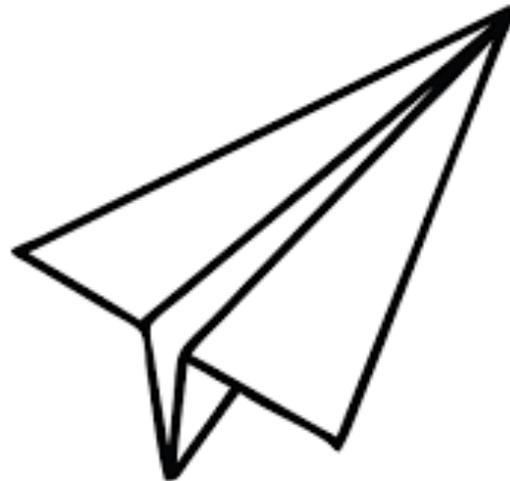
We have identified the Paper Airplane as such a market, where we have a small presence today.

We want to be considered a leader in the paper airplane space, with revenue of $100 million per year within 3 years.
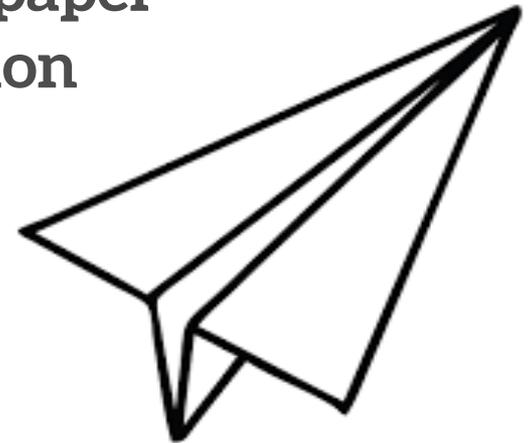
HOW WOULD YOU BUILD IT TODAY?

—

We want to be considered a leader in the paper airplane space within 3 years – with an outcome of $100 million in revenue.

GOVERNANCE SIMULATION!

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SIMULATION OBJECTIVE

Develop a new paper airplane product that can create momentum towards the $100 million revenue initiative

ROLES

BREAK INTO TEAMS AND NOMINATE ROLE PLAYERS

Strategy Teams

Investment Team

- Leadership & Business Owner

Product Family Team

- Product Manager

Execution Teams

Product Team

- Product Owner

Delivery Team

- Engineers

ROLE: LEADERSHIP & BUSINESS OWNER

I am responsible for the success of the business line. I help set the strategy and ensure our products are aligned to it.

ROLE: PRODUCT MANAGER

———

I have an in-depth understanding of **targeted market**, our **customer** and the **problems** they face as they navigate solutions in our space.

ROLE: PRODUCT OWNER

—

I connect our customer's problems to **solutions** that our delivery teams can develop for one product.

I manage the intake of all work coming into the delivery teams and **prioritize** it based on value and alignment to the strategic objectives.

ROLE: ENGINEER

—

I partner with our product team to build solution approaches, then break the solution into smaller work items called stories that our delivery team can complete in short time periods.

I also ensure we consistently deliver working tested product

READY… SET… GO

INVESTMENT TEAM :
LET'S MAKE A DECISION

—

We have a decision to make!

Business Model Proposition

Commodity Price/ High Volume

OR

Premium Price / Low Volume

PRODUCT FAMILY TEAM: LET'S MAKE SOME DECISIONS

What customer?

- School-Age Plane Tosser

- Adult Competitor/Collector

What is the top problems with stock planes that are most important to solve for them?

- Doesn't fly far enough

- Doesn't last very long

- Doesn't look very impressive

- Hard to build/fold

PRODUCT TEAM :
LET'S MAKE A DECISION

Epic: Doesn't fly far enough

- Broad Wing Design

- Weights

Epic: Doesn't look very impressive

- Finishes (glossy, matte,)

- Themes? (fighter, commercial,)

- Promo Tie-Ins? (Movies, Events.)

Epic: Doesn't last very long

- Heavier Paper

- Bumpers for Nose and Tail

Epic Hard to Build

- Instructions in packaging

- Lines marked on sheet

- Perforated

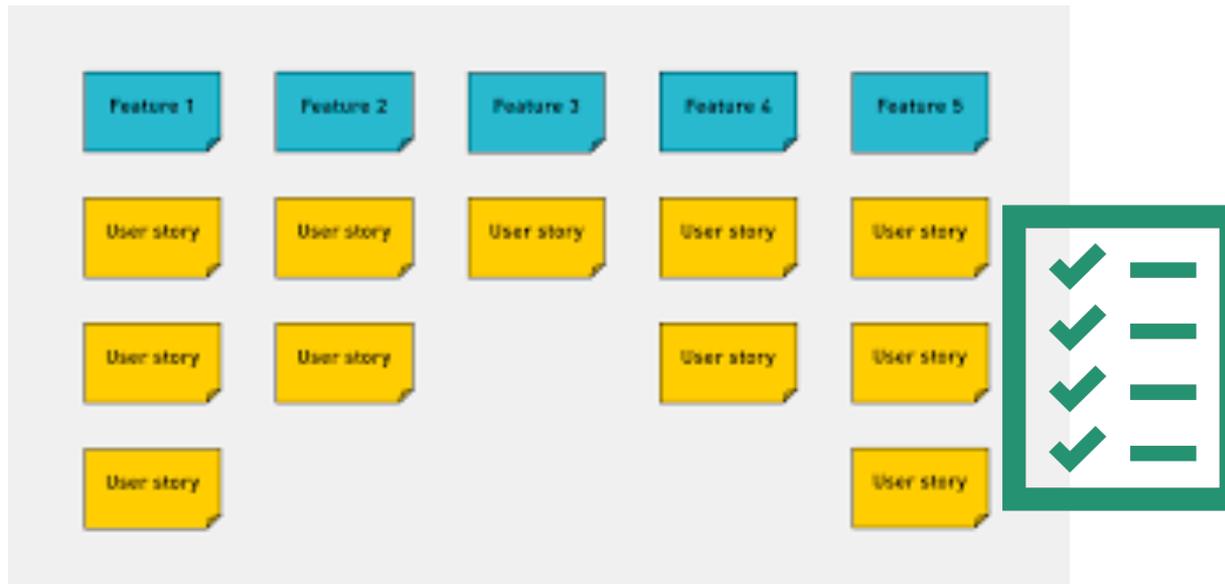**Note: Stock Paper Airplane takes 1 month to produce in volume**

PRODUCT FAMILY TEAM : RELEASE TARGETING

- Confirm Feature Approach

- Determine Release Target

PRODUCT & DELIVERY TEAM

- Breaking Down Feature into Stories

  - User Story Mapping

  - Defining Acceptance Criteria

DELIVERY IN PROGRESS...

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PRODUCT TEAM :
LET'S MAKE ANOTHER DECISION

Epic: Doesn't fly far enough

- Broad Wing Design

- Weights

Epic: Doesn't look very impressive

- Finishes (glossy, matte,)

- Themes? (fighter, commercial,)

- Promo Tie-Ins? (Movies, Events.)

Epic: Doesn't last very long

- Heavier Paper

- Bumpers for Nose and Tail

Epic Hard to Build

- Instructions in packaging

- Lines marked on sheet

- Perforated

Note: Stock Paper Airplane takes 1 month to produce in volume

DELIVERY IN PROGRESS………

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FEATURE 1 DELIVERED

AEROPLEX
5000

FEEDBACK LOOPS FROM FEATURE 1

AEROPLEX
5000

PRODUCT FAMILY TEAM:
LET'S MAKE THE NEXT DECISIONS

—

Should we...

Keep Going

or

Pivot

AEROPLEX
5000

WHAT HAPPENS NEXT

END OF SIMULATION

DID YOU NOTICE?

—

- Investment Teams didn't design a solution-they set a strategy and made sure decisions aligned to it

- Execution teams didn't spend time planning anything until it was committed

- Detailed Decisions happened closer and closer to the customer

  - Product Family Team made decisions about customers and problems

  - Product Team made decisions about solutions and options

  - Delivery Team made decisions about stories and acceptance criteria

- We conducted testing to mitigate assumptions

- We didn't build the whole product first. We were iterating

  - Got feedback before the entire solution was built

  - Changed directions but stay aligned to our objective

ROLE: BUSINESS OWNER

—

I am responsible for the success of the business line. I help set the strategy and ensure our products are aligned to it.

ROLE: EXPERIENCE OWNER

—

I have an in-depth understanding of targeted market, our customer and the problems they face as they navigate solutions in our space.

ROLE: PRODUCT OWNER

—

I connect our customer's problems to solutions that our delivery teams can develop for one product.

I manage the intake of all work coming into the delivery teams and prioritize it based on value and alignment to the strategic objectives..

ROLE: DEVELOPMENT LEAD

—

I partner with our product team to build solution approaches, then break the solution into smaller work items called stories that our engineers can compete in short time periods.

I also ensure we consistently deliver working tested product

RESEARCH CLUE: SCHOOL-AGE PLANE TOSSER

- Market Research suggests that School-Age Plane Tossers are happy to buy paper planes and their parents are happy to buy—unless the price gets too high.

- Parent buyers feel regret when they think a plane is a one-use toy unless it is priced like a one-use toy

- Based on Customer Journeys developed by the Experience Owner, Plane Tossers will not ask to buy the same plane again if:

  - It "just fell to the ground last time"

  - There is a new one that "looks like it will be more fun"

RESEARCH CLUE: ADULT COMPETITOR/COLLECTOR

- Market Research suggests that Adult Competitor/Collectors love the comradery and competition of the plane flying events, but they are mostly there to impress their peers and make new friends. Price is not a major issue.

- Based on Customer Journeys developed by the Experience Owner, Adult Competitor/Collectors will not buy the same plane again if:

    - It didn't start any conversations at the event

    - It had an embarrassing first flight attempt when it was brand new

    - They had to keep fixing/tweaking during the event

TEST CARD: EPIC = "DOESN'T FLY FAR ENOUGH"

Buyer	Feature Tested	Response
School-Age Plane Tossers	Broad Wing Planes	• Increased their average flight distance by 3 feet • Weren't excited about the look of plane compared to the original stock angle design
School-Age Plane Tossers	Weights	• Increased their average flight distance by 1.8 feet • Played with and lost weights on 30% of experiences
Adult Competitor/Collector	Broad Wing Planes	• Increased their average flight distance by 4 feet • Fine with design if they feel they can beat competitors with it
Adult Competitor/Collector	Weights	• Increased their average flight distance by 2.8 feet • Really want the ability to manipulate locations of the weights

TEST CARD: EPIC = "DOESN'T LOOK IMPRESSIVE"

Buyer	Feature Tested	Response
School-Age Plane Tossers	• Finishes (glossy, matte, etc…?)	• Matte rated over Glossy which rated over stock paper IF price was not significantly larger
School-Age Plane Tossers	• Themes? (fighter, commercial, etc…)	• Themes rated over stock paper but concerns around ease of construction
School-Age Plane Tossers	• Promo Tie-Ins? (Movies, Events., etc…)	• Promos rated over Finishes and Themes IF the theme was relevant to the buyer
Adult Competitor/Collector	• Finishes (glossy, matte, etc…?)	• Matte rated over Glossy which rated over stock paper—no price condition
Adult Competitor/Collector	• Themes? (fighter, commercial, etc…)	• Themes rated well behind Finishes or Promos, unless they were focused on a thematic event
Adult Competitor/Collector	• Promo Tie-Ins? (Movies, Events., etc…)	• Promo rated behind Finishes, unless an event has the same promo thene

TEST CARD: EPIC = "DOESN'T LAST VERY LONG"

Buyer	Feature Tested	Response
School-Age Plane Tossers	• Heavier Paper	• Plane lasted an average of 1.2 more flights without damage
School-Age Plane Tossers	• Bumpers	• Plane lasted an average of 1.8 more flights without damage
Adult Competitor/Collector	• Heavier Paper	• Plane lasted an average of 2.4 more flights without damage
Adult Competitor/Collector	• Bumpers	• Plane lasted an average of 3.2 more flights without damage

TEST CARD: EPIC = "HARD TO BUILD"

Buyer	Feature Tested	Response
School-Age Plane Tossers	• Instructions in packaging	• Reduced Time to Build by 10% but required reading
School-Age Plane Tossers	• Fold Lines marked on sheet	• Reduced Time to Build by 20% mins some issues with fold quality
School-Age Plane Tossers	• Perforated	• Reduced Time to Build by 40% mins, some issues with tearing
Adult Competitor/Collector	• None	• Hard to Build not a factor for this buyer

FEEDBACK LOOP : EPIC = "DOESN'T FLY FAR ENOUGH"

Buyer	Feature 1 Delivered	Response
School-Age Plane Tossers	Broad Wing Planes	• Same Store Sales are up 10% thanks to long-flight guarantee. Exit store surveys indicate that appearance is still a factor when not chosen
School-Age Plane Tossers	Weights	• Same Store Sales are up 15% with long-flight guarantee.
Adult Competitor/Collector	Broad Wing Planes	• Same Store Sales are up 10% thanks to long-flight guarantee. • Competition sales are up 5% Exit competition surveys indicate that other factors are at play when not chosen
Adult Competitor/Collector	Weights	• Same Store Sales are up 5% thanks to long-flight guarantee. Exit store surveys indicate that weights need to moveable/customizable

FEEDBACK LOOP: EPIC = "DOESN'T LOOK IMPRESSIVE"

Buyer	Feature 1 Delivered	Response
School-Age Plane Tossers	• Finishes (glossy, matte,)	• If Matte: Same Store Sales are up 15%. . • If Glossy: Same Store Sales are up 10%
School-Age Plane Tossers	• Themes? (fighter, commercial, etc…)	Same Store Sales are flat. Exit store surveys indicate that themes "weren't that interesting" in buying decision
School-Age Plane Tossers	• Promo Tie-Ins? (Movies, Events., etc…)	Same Store Sales were up 20%, profitability impacted by 30% based on promo licensing costs
Adult Competitor/Collector	• Finishes (glossy, matte, etc…?)	• If Matte: Same Store Sales are up 15%. . • If Glossy: Same Store Sales are up 10%
Adult Competitor/Collector	• Themes? (fighter, commercial, etc…)	• Same Store Sales decreased 15%.. Exit store surveys indicate that themes "made it a kid' toy" in the buying decision
Adult Competitor/Collector	• Promo Tie-Ins? (Movies, Events., etc…)	• Same Store Sales decreased 15%.. Exit store surveys indicate that themes "made it a kid' toy" in the buying decision

FEEDBACK LOOP: EPIC = "DOESN'T LAST VERY LONG"

Buyer	Feature Tested	Response
School-Age Plane Tossers	• Heavier Paper	• Same Store Sales are up 15% thanks to long-life guarantee and repeat buyers. Profitability is down 10% due to costlier paper
School-Age Plane Tossers	• Bumpers	• Same Store Sales are up 20% thanks to long-life guarantee and repeat buyers. Profitability is down 15% due to bumper costs
Adult Competitor/Collector	• Heavier Paper	• Same Store Sales are up 10% thanks to long-life guarantee and some repeat buyers. Profitability is down 10% due to costlier paper
Adult Competitor/Collector	• Bumpers	• Same Store Sales are up 20% thanks to long-life guarantee and repeat buyers. Profitability is down 15% due to bumper costs

FEEDBACK LOOP: EPIC = "HARD TO BUILD"

Buyer	Feature Tested	Response
School-Age Plane Tossers	• Instructions in packaging	• Same Store sales are flat despite "instructions included" messaging
School-Age Plane Tossers	• Fold Lines marked on sheet	• Same Store Sales are up 15% thanks to "easy to build" guarantee and some repeat buyers.
School-Age Plane Tossers	• Perforated	• Same Store Sales are up 35% thanks to "easy to build" guarantee and significant increase in repeat buyers. Profitability decreases 20% due to perforation process costs
Adult Competitor/Collector	• None	• Hard to Build not a factor for this buyer, no sales impact.