Goldfish Bowl Panel
SPLC 2009:
How to maximize business return of SPL

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Participants

- Initial
  - Jan Bosch, Intuit
  - Ken Jackson IBM
  - Charles Krueger, BigLever
  - John McGregor, Clemson University
  - Andy Nolan, Rolls Royce
- More than 10 further goldfish in the bowl including Dirk Muthig, Ronny Kolb, Juha Savolainen, David Weiss, Stuart Jobbins, Kentaro Yoshimura....
- Organizers
  - Danilo Beuche, Mark Dalgano, Isabel John, Klaus Schmid, Christa Schwanninger

Cost is the driver!

- You need some deterministic factors and you need a const model in order to count the the business return
- You must understand and quantify the business side of your product line, then you can start maximizing its return
- If you do not define it for YOUR organisation, then you will fail
- To decide what is YOUR value, you can use one of the standard value or cost models , but you should use one
- There is a strong connection between dealing with Options and Products: The faster number of products is the thing that is visible from your options... so for externals, business managers, that's the thing that counts
- For some organisations, we need to take the engineering resources out of the equations for the cost model as they should not count when introducing PL
- Empirical data shows that after 3 products you get ROI
- But a business manager is interested in Revenues, not in ROI

Speed is the driver!

- There is only ONE reason for product lines: getting products out earlier
  - It's not the big that eat the small, it's the fast that eat the slow
  - We can never afford to slow down, because of the market pressure
  - But for introducing product lines, we have to slow down (at least a but), so the question is not the amount of variability but it's the duration of the stop that you have to take
  - Big bang does NOT work
- There is no other reason (quality etc) as they are too hard to measure and are not as visible as number of products
- It's a products matter.. you have to find things that your customer really wants to pay for
- We have to take into account product innovation and process innovation
  - PL is process innovation
  - Product innovation comes from business
  - So there is a gap
- Counter example what about Iphone vs. Nokia, there speed was not enough
  - Yes, that's a risk
  - But Iphone is not really a product line
  - So the initial question is: Is it worth at all?

The process is the driver?

- You need a certain maturity for starting with product lines, so getting this maturity is an important point
- Most of the conference is on engineering... but better engineering is not the best way to make money, you need something better
- Migrating to an automatic production process can be a driver
- You need an engineering process and a product line business for good PL benefit
- So one possible business driver could be having the options: think of variabilities as option.. as points where you have a quick choice to react on the market

Strategy is the driver !

- You do not need a cost model, you need a strategy to stay on the market and to discover new markets
- And we do not net a strategy that goes too far on the specialisation edge, but a general strategy for our product line
  - The hurdles to enter a business might disappear in the future
  - So rapidly capitalzing with a small team might be THE upcoming business model and THE upcoming strategy
- For the strategy we have to decide: Business vs. Engineering: The engineering people do not understand the business that they are in (and vice versa?!?)

Value is the driver !

- You need some direct value that immediately is there when you start introducing product lines... value for later is not the business that managers want
- We need scoping as a business activity, not as an engineering activity because business value is the driver, not engineering
- In your company YOU have to define, what is value for you
- It's not easy counting value.. so is there something easier? Having more variability is expensive, so is there a measure that counts the value of your portfolio
- You need an effective PL , not a valuable one because ROI gets larger when cost gets down. If you want to increase the value, build a cost model
- You need some direct value that immediately is there when you start introducing product lines... value for later is not the business that managers want