

METHODS OF ORDERING THE PRODUCT BACKLOG

Remember: The Product Owner always has the final authority on the order of PBIs.

1. Eyeball It

- Educated guess, often with stakeholder collaboration
- No estimation of any kind required
- The most common method

2. Point Systems for Estimation of Business Value and Effort

• The Bucket System

Super-fast, collaborative

Distribute PBI's in "buckets" for estimates: 0, 1, 2, 3, 4, 5, 8, 13, 20, 30, 50, 100, 200

• 1000 Points

Useful for solitary estimation, subtle estimation differences

Distribute points as desired among all the PBIs

• Buy a Feature

Each stakeholder has a budget (eg 100 points) that is distributed as desired

Discussion and negotiation among stakeholders is also valuable

• Relative ROI ("RROI")

Ratio of Business Value to Effort is "relative" ROI

Sort PBIs by this relative ROI

As a job seeker	BV: 20
I can update my resume	RROI: 4
so that I get a job	Effort: 5

3. Financial Modelling

• Convert Estimated Points to \$'s

Use a product-level business case to determine **value** \$/point after using a point system for value as above

Use the fully-loaded rate of the Scrum team to determine **cost** \$/point

Simple sanity check of dollars can help with perspective

• Top Down Modelling

Use a product-level business case and determine how each PBI contributes to the business case line items for both value and cost

Similar to a work breakdown structure

• Bottom Up

Agile financial modelling to build the model iteratively and incrementally

1. Model a single PBI on a single sheet of a spreadsheet
2. Model a second PBI on a different sheet of the same spreadsheet
3. Find common parameters and formulas and refactor into a separate spreadsheet
4. Repeat for additional PBIs as needed

BERTEIG

Formatting Copyright © 2015 – Berteig Consulting Inc.

Transforming People, Process and Culture
Through the Power of Real Agility™

<http://www.berTEIG.com> sales@berTEIG.com +1-905-868-9995