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

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