Products, Assets and the Praxis Delivery Model

Introduction

A question that often comes up about the Praxis Delivery Model is “How does it relate to Product Management”. This question usually arises from the close association of Product Management with Agile software development and the popular misconception that Agile is a project management method.

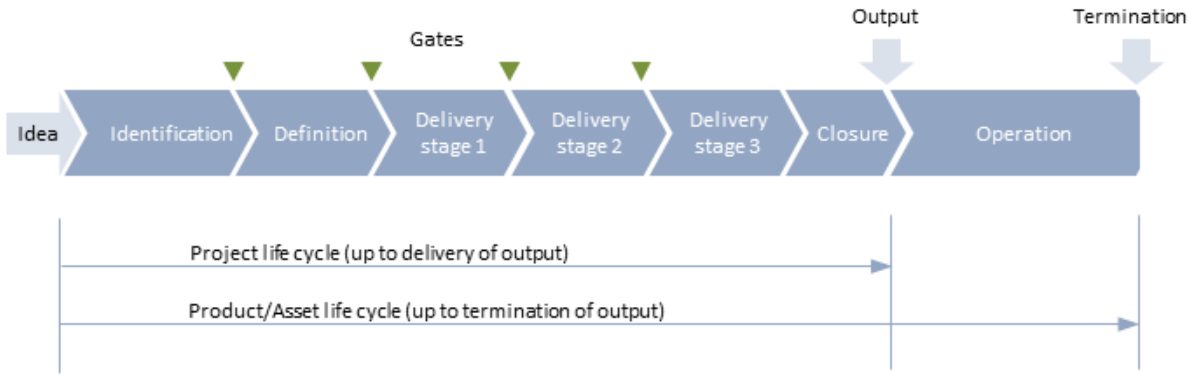
A similar question has also been posed about the Praxis Delivery Model and it’s relationship with Asset Management.

The simple answer is that Product Management and Asset Management are disciplines that typically use projects as a delivery mechanism. They are part of Business as Usual (BAU) and not part of the project delivery continuum represented by the Praxis Delivery Model.

This article explains why.

Back to basics

To fully explain the relationship between Product/Asset Management and project delivery we need to go back to basics in the form of the life cycle.



We know that the project life cycle is focused on delivering an output, whether it be a bridge or a software system. The output is operated until such time as it has completed its useful life, at which point it is terminated, decommissioned or scrapped, depending upon your preferred terminology.

In the diagram above we have termed this the ‘Product/Asset life cycle’. These terms have different meanings in different contexts and are often interchangeable. Even within the sphere of project delivery they mean different things to different people. In this article, we will give them specific meanings in order to contrast different situations.

Product: A typically digital or ‘soft’ output characterised by the ease with which changes can be made and the comparatively low cost of making changes, e.g. commercial software applications or organisational change.

Asset: A typically physical output characterised by the difficulty of making changes once the design is complete and the comparatively high cost of making changes, e.g. a bridge, an oil rig or a satellite.

There is another important distinction between products and assets in this context. Assets are often subject to standard design criteria and regulation, and are more easily defined early on. Products are much more difficult to fully define in the early phases of the project that creates them.

Both products and assets are delivered by projects or programmes and the life cycle phases remain the same. The difference lies in the detail of how the phases are managed.

The asset life cycle

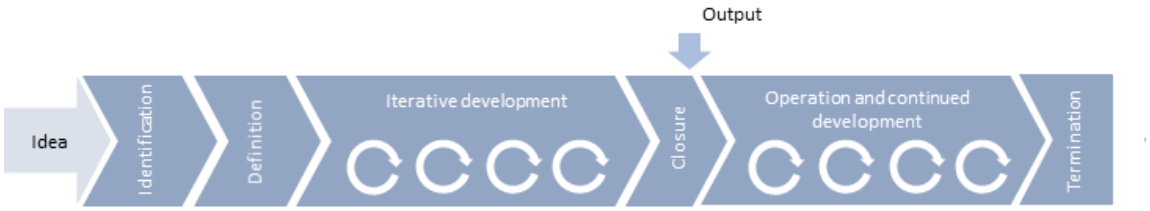
In the asset life cycle, the definition phase will be iterative as multi-disciplinary teams capture requirements, develop solutions and prepare a specification.

The delivery phase will accommodate changes to the specification subject to the principles of change control.

There is typically a clear point at which the project is closed and the asset is handed over to the team(s) that will operate and maintain it. Maintenance may be predominantly about keeping the asset working effectively but there may be the potential to make changes. These will often mean that operation has to be ceased while the asset is upgraded – potentially managed as a new project.

The product life cycle

The assumption is that a product cannot, or should not, be fully designed before development work starts. The identification and definition phases are often merged and only produce a high level definition of what is required. Capturing requirements, developing solutions and developing component outputs is then conducted in a highly iterative way.



The nature of a digital product means that this iterative development of features can continue for ever – often with the same team of people. The line between development and operation is blurred and features can be added without pausing operation.

This begs the question “Is there a need for project at all?”. People who advocate ‘#noprojects’ would answer “No!”, but there is no simple ‘one size fits all’ answer to that question. A temporary project organisation may be the best way to develop the initial usable version of the product or it may not. That depends upon the context and is a discussion for another article.

For the purpose of this article we assume that a project approach is being used. The question is therefore: “At what point do we close the project and move to operational development?”

In the world of Agile development the term Minimum Viable Product (MVP) is often used. The aim of an MVP is to do only as much work as is necessary to start generating benefit from the product or demonstrate that further development is worthwhile.

Some forms of MVP are very basic. So called ‘Wizard of Oz’ MVPs are really just a ‘proof of concept’ without much substance. More substantial MVPs may be called a Minimum Marketable Product (MMP), Minimum Sellable Product (MSP) or Minimum Deliverable Product (MDP).

These more substantial forms of MVP can act as a useful separation between the project development and operational development of a product. Once an MVP has been achieved and it has been agreed to move on to the operation and continued development phase, the project organisation can be demobilised and the project closed.

One final observation on this illustrates the fundamental commonality of the asset and product life cycles: for a bridge or an oil rig, the MVP is pretty much the same as a finished asset. So even the asset life cycle transfers from project to operation at the point an MVP is achieved.

Conclusion

This article briefly explains the relationship between Project Management, Asset Management and Product Management. It demonstrates how projects (and programmes) deliver an asset or product that will subsequently be operated, maintained and possibly, continually developed. It also provides a rule of thumb for deciding where to draw the project/operations dividing line in the product environment.

Asset and Product Management are aspects of an organisation’s business as usual that use project and programme management as a means to develop their initial output (or MVP if you prefer) and for these reasons, assets and products do not appear in the Praxis Delivery Model.