Becoming Product-led is the Right Strategy for Government
Attaining the Next Level in Maturity for Agile-Minded Organizations

According to the Global Trust Imperative report, about 75% of respondents state that government services should be similar to or better than leading private sector organizations.

Given the differences between the purpose and operations of government versus private sector organizations, is it reasonable to compare government with the likes of Amazon, Capital One, or Netflix?

There are some clear differences. There are also some unexpected similarities.

One way that some government agencies are like their private industry counterparts is they provide a plethora of services to the public, many of which are fee-based. Some agencies are almost entirely fee-funded, meaning they mostly sustain themselves through the fees they charge for services rather than congressional budgets and taxpayer dollars.

Another way government and private industry are similar is both desire their people and programs to succeed and grow.

Where government and private sector most differ is that, when dealing with the government, the public does not have a choice. There is no competition. Whatever government service is needed, the public does not have a choice in where they go to get that service or through what tool, interface, or process they must navigate to obtain it.

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> **Government has not been known for its excellent customer experience, and specifically not for its digital experience.**

According to a January 25, 2022 article in FCW, a GovExec publication, "Citizen satisfaction with federal government services continued a four-year plummet and dropped to an all-time low score of 63.4% in 2021, according to an American Customer Satisfaction Index (ACSI) annual report."

The Global Trust Imperative report indicates people directly associate trust in their government with how well their government delivers digital services. The survey data suggests that the more technologically savvy the user, the less satisfied they are with digital government services.

Only 12% of customers say digital services offered by the government are meeting their needs. Could this low satisfaction score be the result of a lack of choice? Would the government digital experience be better if the public could get what they needed elsewhere? Would that change how government manages its solutions? These are interesting questions to ponder.

It is clear, the public wants the same digital experience with government as they receive from top commercial enterprises. That said, people will continue to seek government services and use whatever methods the government provides to them – because they do not have a choice.

The questions to answer are:

- Should government offer a digital experience on par with private industry?
- Should government operate as though people have a choice, even though they do not?
- Is a customer focus going to help agencies achieve their mission outcomes better?

Whether funded by Congress with taxpayer dollars or fee-funded, all government agencies have missions to achieve with limited financial resources. Does it make sense to expend the additional effort to meet the public's digital experience expectations when agencies are already struggling to provide their basic mission services within budget?

In this paper, you will learn why the answer to those questions is 'yes' and how becoming product-led is the next step in maturity for agile-minded organizations.

What you will learn:

- What is going wrong inside public-facing government agencies today
- The transformational shifts required to become product-led
- How to get there from here

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Where It Goes Wrong

The public is frustrated doing business with the government, but this frustration is not leading to less demand for government services. So why should government care?

The result of poor customer experience is that agencies are unnecessarily wasting money on operational inefficiencies, investing in less effective solutions, and falling short of meeting the full intent of their missions.

> **The bottom line: poor customer experience is inefficient, less effective, and puts missions at risk.**

Give credit where credit is due – government information technology (IT) offices have come a long way in their agile maturity. There are teams deploying code to production many times per day. Large projects are broken down into smaller projects. Discussions about product vs. project occur more frequently. There is interest in learning more about human-centered design. Factions within many organizations are attempting to move in the right direction, but there are systemic enterprise roadblocks that need to be cleared.

In this section, you will learn why:

- IT as a service provider is a bad model
- An agile focus is not enough
- Poor user experience is costly

IT as a Service Provider is a Bad Model

In his book, A Seat at the Table, Mark Schwartz, former CIO at the United States Citizenship and Immigration Services (USCIS) said, "We came to speak about IT and the business as two separate things, as if IT were an outside contractor. The contractor-control model led, inevitably, to the idea that IT should be delivering 'customer service' to the enterprise."

Most government agencies operate under this model. The business is responsible for mission outcomes and tells the IT folks what it wants. IT then is responsible for the technology delivery to meet the business's requirements on time and on budget. This is further accentuated by the fact that the business usually funds these IT efforts.

When teams follow the Agile Manifesto principle, "our highest priority is to satisfy the customer through early and continuous delivery of valuable software," the IT department is the service provider and the business is the paying customer.

Mark Schwartz saw the limitations firsthand – "the customer service model is a value trap." The business often brings pre-defined solutions, or initiatives, to the IT team to implement. IT defines the solution, estimates the cost and duration, and a project is formed. This project focus creates the divide Mark wrote about. IT may define the cloud and delivery strategy, but they are not helping shape the product strategy and desired outcomes.

A study from McKinsey noted that 75% of respondents believed IT should be an active partner with the business in developing strategy and leveraging technology, but only 25% of respondents indicated that this partnership exists in their organizations. Half of the respondents noted their organization is merely a supplier to the business.

An Agile Focus is Not Enough

Although product-led organizations are inherently agile, agile organizations are not inherently product-led.

The Government Accountability Office (GAO) Agile Assessment Guide is a comprehensive, 268-page best practices guide for agile adoption and implementation for government. It defines commonly understood concepts found in frameworks such as Scaled Agile Framework® (SAFe®), SCRUM, and Kanban.

The term 'product management' is only mentioned twice, on page 235, to briefly define what it is and to convey that Product Owners *collaborate* with product management. The assessment guide follows common agile instruction that a Product Owner is the link, and wall, between development teams and the business. The Product Owner's job, according to common teaching, is to ensure that what the business wants is carried out by the team that is delivering. The intent of Agile is lost in translation.

In this model, IT is the service provider leveraging agile frameworks to deliver more, more often. The business is IT's customer handing off requirements and setting expectations.

Organizations are becoming more efficient at delivering new features or new increments frequently, like well-run feature factories, but they often fall short in discovery, strategic planning and alignment, and post-deployment validation of outcomes.

> **Agile frameworks talk about backlogs and execution, but do not cover how to know what to put in the backlog or how to validate outcomes.**

In his book, [Pursuing Timeless Agility: the Path to Lasting Agile Transformation](#), Jimmie Butler writes about the *unintentional intentional distortion of Agile*. The idea is that to get agile ways of working into organizations, compromises were made to accommodate legacy management styles, which became mainstream. This limits value delivered.

What many see today as standard agile practice was not necessarily the intent of Agile as noted by Agile Manifesto co-author Martin Fowler, "that a lot of what people are doing and calling agile, just isn't."

Shielding the developers from the business and its customers to focus on delivering requirements seems like the productive thing to do in the flow of value, but this approach is keeping organizations from delivering the best outcomes for users.

Even when the intent of Agile is fully lived out and practiced well, Agile was not designed for the full product management lifecycle. Agile is not a product-led construct.

Agile frameworks and their common metrics place value in the things done and delivered, and how well. These are important, but value is only in what is achieved as a result of what is done. Therefore, agile is not enough. Agile principles and practices support a product-led approach but being product-led is bigger than agile.

Poor User Experience is Costly

Leaders often view customer experience efforts as a trade-off with other priorities. When budgets are tight, which they always are, more tangible outputs get priority and funding.

For some, CX (customer experience) is synonymous with UX (user experience), which is synonymous with UI (user interface). This confusion leads to a belief that it is all about look and feel, the aesthetics of the application.

Others may know the difference, but believe they understand the problem and the end user enough to make decisions on their behalf, so an investment in UX Design professionals is not made. With these beliefs, it is easy to understand why CX efforts are pushed aside.

User experience is about understanding what the user is trying to accomplish, why, and how to best meet that need. The problem is, without intentional discovery, research, and data, it is difficult to know what solutions are best. Microsoft once did an internal company [study](#) and found that two-thirds of their ideas did not improve the metric they were intended to improve.

Customer experience professionals drive discovery and validation. They help define and quantify the problem, develop assumptions and experiments to test those assumptions, and bring data to life to help make informed decisions about what should be tried next. They are an integral part of a continuous and parallel discovery cycle that is often absent.

A lackluster user experience will not reduce demand for government services. It will, however, result in operational, investment, and mission waste.

Operational Waste

Many government agencies have benefits or services that the public applies for. Whether people apply in person, via telephone, mail, or online, each method has a distinct support and handling cost as well as the risk associated with varying errors and data quality issues.

Many organizations cannot answer basic operational impact questions, such as:

- What is the human and technical expenditure to adjudicate one form or request?
- How are the human and technical expenditures impacted by scale?
- How does the adjudication cost break down per phase of the value stream?
- What is the value stream and which segments are most costly?
- By how much are the new features predicted to impact costs? How do you know?

Dissatisfied and confused customers reach out for help more. This costs money. Inefficient backend operations and tools are also costly. Both require a focus on user experience, yet many solutions are put into place without adequate product-led thinking and practice. As the Microsoft study suggests, about 60-70% of these solutions fall short.

Investment Waste

Government and private-sector organizations both waste time and money building the wrong things. It is not that they build the completely wrong thing, though this does happen, what teams often do is build something that is somewhat helpful but not as effective as it could be.

Making sound investment decisions requires data and asking the right questions.

- What problem are you trying to solve? Is it the right problem?
- What is the quantifiable impact of that problem?
- How much do you need to change that problem? How do you know?
- How much will the proposed change positively impact the problem?
- How does this fit into your overall product strategy?

Product-led organizations are product-driven rather than project-driven. Project-driven organizations will identify a need and fund a project to fill that need. This creates the challenge many agencies are dealing with today in that there are duplicative systems, disparate architectures, inconsistent design, and varying user experiences. This is what spawns the need for "modernization" efforts.

Centralized demand management processes help address that problem, but the initial discovery is only on the front end of these efforts. Once decided, funding, resources, and schedules are often put in place to manage the initiative, with teams executing via some "agile" framework.

Product-led organizations follow a continuous discovery, delivery, and validation cycle in parallel, incorporating data and human-centered design, to better ensure that what they are delivering is customer- and mission-centric. Most government agencies are not following this model. Without this product-led focus, poor investments are made.

Mission Waste

The mission of each government agency is worthwhile. A lack of strategic focus and commitment to customer experience hinders the agency's ability to look ahead and execute in ways the public expects.

In addition to each agency's objectives, laws and regulations such as the Integrated Digital Experience Act (IDEA) and the President's Management Agenda (PMA) mandate improving the experience for users and saving time for employees.

According to Executive Order 14058: Customer Experience,

> *"The Government's primary mission is to serve. By placing people at the center of everything we do, the Government will be able to deliver timely, modern, and secure services to you – the people. We will rebuild trust in our government, ensure no one is left behind, and inspire others to join us in serving future generations of Americans."*

"We will rebuild trust in our government" is a mission objective that is at risk by not being product-led and customer focused.

According to the McKinsey Public Sector Journey Benchmark 2018, dissatisfied customers are twice as likely to express public dissatisfaction while **satisfied customers are nine times more likely to trust the agency and agree it is meeting its mission**. Satisfied customers are five times more likely than their unsatisfied counterparts to agree that a public service is a good investment of taxpayers' money.

The opinion of government staff for how well their agency is meeting its mission is irrelevant. The public they serve decides. Data-driven, human-centered design helps define and meet product strategy. Product strategy aligned with mission objectives helps meet the mission. This cascading strategy is missing from most government agencies.

Product-led Transformation

Is *transformation fatigue* a thing? There is agile transformation, digital transformation, and business transformation…it feels like a scene from Forest Gump. Is another transformation really needed?

> **Product-led transformation is not a completely new endeavor. It is the heart and soul of all other transformations – the central focus we should have always had.**

"In the future, describing how much an enterprise spends on IT will be meaningless." – IT Governance

The above prediction is founded on the idea that IT is the business, and the business is IT.

Digital transformation leverages technology, and specifically software, to deliver the mission. Agile transformation leverages better ways of delivering software. Business transformation is an umbrella term to describe the changes an organization undergoes to support shifts in structure, processes, and technology – encompassing digital and agile transformational needs.

"In high-performance organizations today, people who design, build, and run software-based products are an integral part of the business. They are given and accept responsibility for customer outcomes." – Lean Enterprise

Software runs the mission. Customer outcomes should be the primary measuring stick for everyone working on software-based products. That is being product-led.

A customer focus has obvious benefits to the public user, but the impact within the government agency reverberates. McKinsey noted that, "In the midst of a public crisis of confidence, one emergency-management agency launched a customer-experience transformation. Two years into the transformation, the agency had experienced a 40 percent improvement in its Federal Employee Viewpoint Survey (FEVS) results."

Here are four key areas that will transform on a product-led journey.

Product Strategy

Moving from projects to products requires agencies to map out their value streams, identify common business domains, and define the products (aka systems) that are needed to serve that value stream. Teams will be built around those long-lived products.

It will be messy at first. There will not be clear-cut lines between products and capabilities. Some systems will need to be consolidated and decommissioned. Others broken up into distinct products that are more manageable.

Product strategy is aligned with broader portfolio, domain, or divisional strategy. Teams build product backlogs based on problems to solve or ideas to try that presume to move the desired objectives and measures closer to their targets.

Ultimately, every product has a vision statement, north star metric, and a strategy to achieve the desired outcomes the product intends to affect. The public does not care about the software the government provides to them, they care about what that software enables them to do or accomplish. The same is true of the internal users that government-provided systems serve. It is not about what is done or delivered, it is about what is achieved as a result of what was done or delivered.

The Business – IT Relationship

Product teams include members from the business, user experience (aka Design), and technologists. Everyone on the team interacts more with the stakeholders and customers.

The team works together to research, test, and validate problems and solution ideas during discovery phases. The entire team understands the product vision, strategy, and success measures to achieve, and works together to influence those measures. Everyone is accountable to the mission outcomes. They are less focused on velocity and more focused on identifying the next right thing.

Measures That Matter

Success is about what is achieved as a result of what is done. The team is outcomes focused, tied to product and organizational strategy. Objectives and Key Results (OKRs) drive execution of those outcomes. Execution success is outcome success.

A North Star Metric is the one measure that matters above all else. If this one metric does not improve, the mission is not achieved.

For example, if an agency built a way for the public to submit online applications to reduce paper, calls to the call center, and provide a more convenient 24/7 method for the public to apply, then the only measure that matters is the percentage of applications received online. If that number does not go up, success has not been achieved, and future work should be prioritized toward improving that metric.

There will be other measures. Leading indicators will provide hints along the way that things are likely to move in the right direction. Lagging indicators validate after-the-fact that results are or are not moving in the right direction. Everything measured should help provide insight into and help make decisions for what needs to happen next to achieve the North Star Metric.

Human-centered Design

Customer experience is about humans and helping them better perform the job they need to do. Human-centered design is central to solving user and mission problems using technology. Tri-track agile combines continuous discovery with agile delivery to continuously test and validate assumptions.
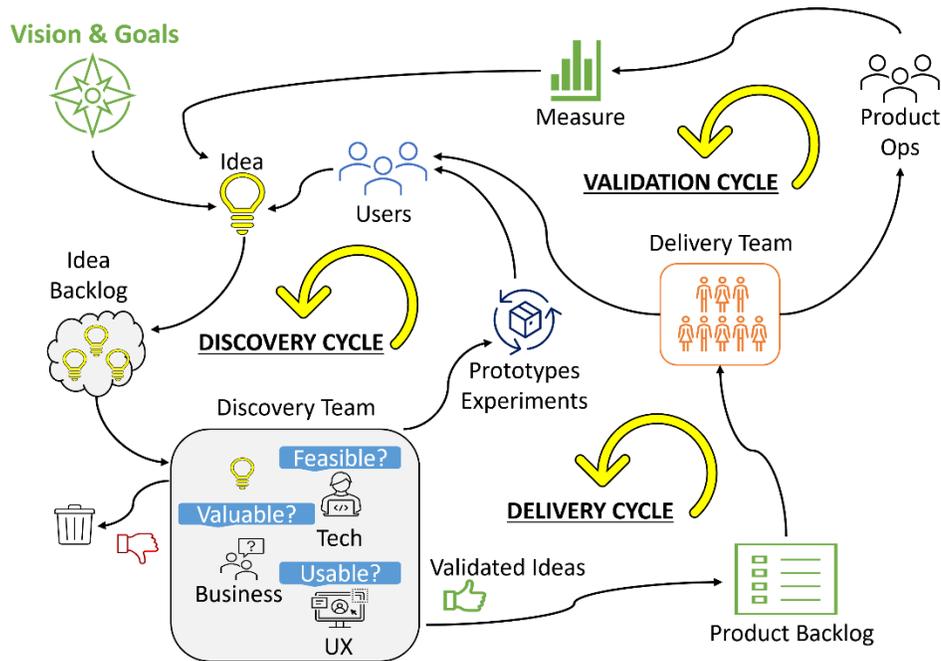

Figure 1: Tri-Track Agile

Agile typically focuses on the delivery cycle. This is why Agile is not enough. Human-centered designed is not within the Agile discussion. Human-centered design lives within the continuous discovery and validation cycles to inform what to build and then to ensure post-deployment that what was delivered moved the intended metric of the pursued outcome.

A product-led team will include representatives from the mission, UX, and technology across each of discovery, delivery, and validation. The human experience is accounted for in a balanced manner while achieving strategic business objectives.

Next Steps

How do you get there from here?

Recognize the Need

> **The first step is recognizing the need for change – that being good at "agile" is no longer enough.**

Your agency was recently sold on "going agile," and you did. Agile transformation experts promised it would solve all your delivery problems. It may have solved many problems, but there are still some gaps.

There are still gaps in strategic focus and alignment. There is still a barrier between the business and IT. It still takes more time and costs more money to deliver than estimated. Success measures are still focused on outputs and delivery. Mission outcomes are still hard to achieve.

Identify a Partner

> **IntelliBridge has proven success helping government agencies transform into strategy-driven, product-minded teams.**

IntelliBridge's approach is hands-on, pragmatic, and effective. A "show, not tell" engagement allows us to walk alongside you on your journey. We can support enterprise strategy and drive product-led transformation in a pragmatic way to ensure change is impactful, strategically aligned, and lasting.

Build a Game Plan

> **Successful transformations start where teams are, start small and smart, instill new patterns, build momentum, and ensure changes settle in and are built upon.**

Transformation is a marathon, not a sprint. It is not something that can be dropped in and installed. It is not something that can be achieved by staff with a few trainings and handouts. But you already know that having gone through agile transformation.

Let us start with gauging your organization's interest and readiness for product-led transformation. Contact us to set up an informational meeting to learn more about how IntelliBridge can help your agency improve its strategic focus and better achieve its mission outcomes through product-led transformation.

Looking For a Strategic-Minded Partner?

IntelliBridge applies its proven strategic management framework and "show, not tell" coaching expertise to help organizations become more intentional about strategy, driven through product-led transformation. A step-by-step approach guides the organization to a suitable enterprise strategy and provides a plan and the support to successfully execute the strategy within agile organizations.

Reach out to our team today to learn more about how we are using this approach to help our federal government clients United States Citizenship and Immigration Services (USCIS), United States Marshals Service, (USMS), and National Oceanic and Atmospheric Administration (NOAA).

Let us help you get from where you are today to where you want to go through intentional strategy management and product-led transformation.

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About IntelliBridge

IntelliBridge's mission is to advance Government services with transformational IT and mission critical operational services that accelerate technical performance, actionable intelligence, and enhanced capabilities for Defense, Civilian, National Security, and Federal Law Enforcement customers. Visit us online at www.IntelliBridge.us.

About the Author

Jimmie Butler is a Principal Advisor for Strategic Consulting at IntelliBridge and the author of the book, Pursuing Timeless Agility: the Path to Lasting Agile Transformation.