



ScrumWorks Pro – Best Practice Guide:

Getting Started with Business Value



Pre-requisites:

- Understanding of the product backlog, backlog effort estimation
- See: Best Practice Guide: Backlog Estimation



Goal: Explicit Prioritization of Requirements

- “One characteristic of excellent requirements is that they are explicitly prioritized.”
- “When customer expectations are high, timelines are short, and resources are limited, you want to make sure the product contains the most essential functions.”
- “Establishing each chunk of functionality’s relative importance lets you sequence construction to provide the greatest product value at the lowest cost.”

Source: Wiegers, Karl, “First Things First: Prioritizing Requirements”, *Software Development*, September 1999.



In practice this is challenging

- Customers want everything (now!)
 - “If left to their own devices, customers will set perhaps 85% of the requirements at high priority, 10% at medium, and 5% at low priority.”
- Forces decisions about *when* features will be delivered, since delivering “everything” is often not realistic.
- Active prioritization reduces likelihood of design death.

Source: Wiegers, Karl, “First Things First: Prioritizing Requirements”, *Software Development*, September 1999.



Business Value Weighting helps Product Owners prioritize requirements

- Prioritize Items relative to each other using a Cost/Benefit analysis per Backlog Item
- Cost = Backlog Effort estimate
 - Team provides
- Benefit = A business value
 - Assigned by the Product Owner
 - In any units of value desired, (e.g., currency)
 - Or a relative value system (e.g., scale of 1-10)

Relative Weight Method

- Consider both presence and absence of features

Feature	Relative Benefit	Relative Penalty	Total Value	Value %	Estimate	Cost %	Priority
API	8	6	14	42	32	53	0.79
RSS feeds	9	2	11	33	21	34	0.92
Drag-n-drop tool	3	5	8	25	8	13	1.92
Total	20	13	33	100	61	100	

Source: Wiegers, Karl, "First Things First: Prioritizing Requirements", *Software Development*, September 1999.



Using ScrumWorks Pro's Business Weight feature

Create Business Weights for items:

- Relative Benefit
- Relative Penalty
- Sum of Benefit and Penalty is the Business Weight

Create Estimates

- Backlog Effort Estimates



Using ScrumWorks Pro's Business Weight feature

- Business Weight % =
 - Business Weight of Item / Sum of Business Weights in the Release
- Effort % =
 - Effort Estimate of Item / Sum of Effort Estimates in the Release



Using ScrumWorks Pro's Business Weight feature

- ROI =
 - Business Weight % / Effort %
- ROI is an index to help in the prioritization process
 - Cost-Benefit Analysis



Example

- Let's look at an example in ScrumWorks Pro



Sample Product: Editors

User Story fo.. X

Basic Info Business Weight Themes History Attachments

Estimates:

Benefit: (of inclusion in Product)

Penalty: (of omission from Product)

Business Weight:

Business Weight (BW): 11
Benefit + Penalty Business Points(1-20)

rBV: 2%
BW / sum of all BWs in Release

ROI: 1.36
rBV / Effort %

* Title: User Story for

Description: User Story

New ^ v Apply OK Cancel

Effort: Release: Release 1.1 Texas Holdem and 5 card Stud Done
in Gummi Bears

New ^ v Apply OK Cancel