

Selling XP To The People Who Buy

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ABSTRACT

One player that often gets neglected in discussions about Extreme Programming (XP) is the Gold Owner. Perhaps this is because it's very hard to get this player to be involved beyond the initial formation of a software project; perhaps it's difficult to identify a single person who acts as the Gold Owner. Currently, though, one of XP's greatest challenges is to make a compelling business case to the Gold Owner so that he will be willing to bring XP into his organization and to give XP projects the support they need to succeed.

Keywords

Selling, management, Gold Owner, risk reduction, business case.

1 WHO THE GOLD OWNER IS

The Portland Pattern Repository defines the Gold Owner this way:

The Gold Owner is funding the project; the Goal Donor defines what needs to be done.... In Extreme Programming's Extreme Roles, we call the Goal Donor the Customer [1].

The Gold Owner shepherds the project along from start to finish. Named or unnamed, every software project has a one. The key to identifying him is to find the person who has the power to give the go-ahead for software projects and the budget to pay for them. He absorbs the business risk for the project, and stands to gain the most from its success or lose the most from its failure. Sometimes it appears that this is not a single person, but in the end, no matter how complicated the political picture seems to be, it's almost always just one.

The Gold Owner is fundamental to the success of any software project, whether it uses Extreme Programming or not. Many traditional software projects fail due to lack of "management support," which almost always translates to a Gold Owner not fulfilling his role [2].

2 WHY GOLD OWNERS RESIST XP

Gold Owners are not "buying" XP at several different levels, and if they don't buy XP their subordinates will not feel empowered to implement it. Without support it's

too risky for customers to make tough decisions, and for programmers to change the way they interact with the rest of the company.

There are two primary reasons why Gold Owners resist XP with their minds (and their money). First, they resist XP because of XP itself. Second, they resist XP because they are people, and they sometimes make decisions based on factors that aren't in the "business case" for XP.

The XP Factor

Gold Owners think XP increases their business risk. If they have heard of XP at all, most have probably never authorized its use or been involved at any level with a project that has used it. To them, XP is new and untested, and as an unknown, carries risk.

Most Gold Owners already have all the risk they can stomach. The only way to get them to use anything new is to convince them that it will minimize their risk. This is the key to making the case for XP, despite the initial resistance.

What kind of risks are Gold Owners concerned about? Here are a few possibilities:

- Risk that an unknown process will not deliver.
- Risk that XP, being "agile" and less overtly formal, will result in a loss of control.
- Risk that XP will be too much trouble and take up too much time, both of which will make it too expensive.

Even if a Gold Owner can be convinced to start an XP project, though, it is difficult to get him to do the things necessary for the project to succeed. This manifests itself in several ways. First, a Gold Owner might not support the XP practices. For instance, one critically important XP practice is the on-site customer, yet we have found it difficult to get a Gold Owner to assign a customer to the project, give the customer power to make decisions and motivate the customer to prioritize features clearly. Second, as paradoxical as it may seem, it can be a challenge to get a Gold Owner to commit to the success of the project. This usually shows up as the Gold Owner

committing to a certain level of monetary and/or resource support, and then not delivering.

These types of actions indicate that the Gold Owner has not really bought into XP, but instead has decided to let the development team “do their own thing,” as long as it doesn’t affect the rest of the company. Often it appears that they’re hoping XP is a fad that the programmers will get over and go back to doing things the normal way.

Clearly, Gold Owners are not buying XP, or they aren’t buying *into* XP. Why is that? Often it is because they don’t understand XP, haven’t heard a business case for it, or don’t believe the business case they’ve heard. This is correctable, but it isn’t the entire story.

The People Factor

Gold Owners are people. People make decisions by determining their options and assigning value to those options based on what they consider to be important. The problem is that these value assignments are not objective. Gold Owners don’t make decisions in a vacuum, based entirely on whether a particular alternative has the best business case. This adds a variable to the selling equation that makes it difficult to sell XP, no matter how good it is.

Beck makes the point in *Extreme Programming Explained* that XP minimizes risk, so it is a good thing for businesses [3]. Either that is false, or Gold Owners are making decisions based on things other than business value. XP can deliver business value, so it appears that there are actually two types of risk:

1. Perceived business risk.
2. Personal and professional risk involved with trying something new (often overlooked).

A Gold Owner is risking that he will look foolish if this new and untested process fails, since it is different from the process the rest of the company uses. This can be a powerful force working against you when you try to sell XP.

A good business case is a necessary, but insufficient condition for selling XP. If you have a poor business case, don’t even try. The person you are selling to will have legitimate concerns about his personal and professional risk. If you have a great business case, that will give you a better chance, but the perceived personal and professional risk may still prevent the sale.

3 MAKING THE CASE FOR XP

Philosophical discussions about the merits of one methodology over another are fine, and they have their place, but they will not get you XP projects. To do that, you need to sell the right thing, at the right time, to the right person, in the right way.

The Right Thing

Don’t sell “Extreme Programming”. Either you’ll engender visions of undisciplined hackers cobbling together brittle systems, or you’ll put the Gold Owner to

sleep as you wax poetic about what “YAGNI” means. Instead, sell the *results* of XP. You must quantify these results wherever possible, preferably in terms of money.

In his book *Consultative Selling*, Mack Hanan makes that point that you should talk about *how* you will add value only after you quantify the value that you will add [4]. For example, sell reduced development cost. Then explain that the way you’ll reduce that cost is by delivering faster, decreasing QA effort, etc. In the same way, you should sell faster cash flow generation and greater revenue.

Sometimes you will not be able to assign monetary value to the results, but you can still quantify them. You can quantify them in terms of *how* they will lead to monetary value even if you can’t say exactly how much. For example, decreased time to market with new products (leads to faster cash flow), increased market share through innovative products that respond to changing customer needs (leads to greater revenue), decreased developer turnover (leads to reduced cost of operations).

Show how XP’s ability to lower development risk offsets the personal and professional risk of using something new. Even though you are not selling the implementation details of XP at this point, some discussion of those particulars is bound to come up. XP leaves no room for dishonesty at this (or any) stage, so don’t try to hide the difficulties involved or any “rough edges.” The Gold Owner needs to buy the *whole* package.

If you don’t quantify the value that you add by using XP, you can still sell. But be prepared for an uphill battle where you trade away your margins, because you’ll be competing on price alone.

The Right Time

You cannot sell XP (or any new idea) very well if everything is going great for the Gold Owner, because there is no compelling reason to do things differently. The time to sell XP is

- when things aren’t bad, but they could be better
- when things are awful, and couldn’t get any worse.

When things aren’t bad, a Gold Owner will be more willing to dedicate resources to trying something new. On the other hand, because things aren’t necessarily broken, he probably won’t be as willing to make major changes outside of the development team, threatening XP’s ability to thrive. You need to help your Gold Owner understand that he cannot see the added benefit of XP unless he makes the changes necessary to support it.

When things are going poorly, it may be easier to sell XP because there isn’t as much to lose personally if it fails, and the perceived risk of other methodologies has risen to the point where XP is more attractive. A Gold Owner may be more willing to change the surrounding organization when things reach this point, but it may be

more difficult to get full funding, because he may not want to throw more money at anything that might fail. You need to help him understand that his long-term success depends on the project being successful, and that the only way he can ensure that success is to support the project with his money. Project success will help him turn the bad situation around.

The Right Person

Depending on the size of the company, the Gold Owner you're targeting could be very high up. The CTO might be the one who needs to buy XP, or the Executive VP of Development. It is possible that you will get the opportunity to sell directly to that person.

The more likely scenario, however, is that you will get an opportunity to sell XP to somebody lower in the organization. If you can get that person excited about XP and can bring him to a level of understanding where he can make a compelling business case himself, he can become your "internal salesman." The odds are good that he can make a better case within the context of his company than you can by yourself. Convince him. Let him convince his boss.

Be careful that he really understands XP, or go with him to make the case to his boss, because you don't want him successfully selling something other than XP that you then have to implement.

The Right Way

Discover a critical business or function where your Gold Owner needs value in terms of process or profit improvement. This could be where something is bad and needs improvement, or is acceptable but could be better. Show him the quantified value you can add and find out how much it is worth. Then charge an amount for that value that provides a compelling investment scenario in terms of initial investment, time to payback, and ROI. Convince him to buy based on the value you add.

To convince him to buy, you must demonstrate that your value is significant and that he can be confident you will add it. The confidence is the most important factor. If you promise the world, but the Gold Owner doesn't believe you can add it, he will not buy. Where does the confidence come from? A track record can help. Having a satisfied customer refer you to the Gold Owner is even

better. But the best way is to develop a relationship with your Gold Owner so that his confidence is based on what you have already done for him.

How do you establish this kind of relationship with a Gold Owner initially? Try offering XP in a "no-risk guarantee" manner so that the Gold Owner has a chance to see that XP works before he implements it on a larger scale. This could be a trial project on a relatively small but strategic system with a short release cycle. There are three goals:

1. Let the Gold Owner see XP begin to provide the results you promised in a very short time.
2. Minimize his cost to try it.
3. Minimize his risk if it doesn't deliver.

A trial period like this can establish trust between you and the Gold Owner, which adds credibility to the business case you're making. Nothing adds credibility like proof.

4 CONCLUSION

If you don't sell the Gold Owner on XP, you can't implement it successfully in his organization. XP will not work without full buy-in from him, and attempting it without his support will set you up for failure. If you can't get full buy-in, you can attempt to introduce some of the practices, but recognize that you're not really doing XP until you get the full buy-in that you need.

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