

THE GOVERNANCE DIAGNOSTIC

Is the structure for a product operating model in place, or does it only appear to be?

This self-assessment turns the argument of the book into questions an executive can answer from their own position, without convening a programme or examining team behaviour. The questions follow the order of the book: investment governance and team accountability (Part II), AI governance (Part III), and the transition itself (Part IV). The answers reveal whether the governance conditions for a product operating model are in place, or whether the structure merely appears to be.

Read each question. Answer it as the governance machinery actually operates, not as the documentation says it does. Where the answer runs against the product model, that is where the design work sits. Two columns sit beside each question. The Ch column names the chapter that makes the full argument behind it. The Commitment column shows which of the four structural commitments in Chapter 15 the question tests: 1, one point of accountability; 2, persistent teams and outcome funding; 3, consumption-speed finance; 4, from order-taker to order-maker. A dash marks a question that tests a condition the commitments depend on rather than a commitment itself. The final section reads the answers back against the four commitments.

ORGANISATION

COMPLETED BY

DATE

The four commitments (Chapter 15)

1 One point of accountability. A single, accountable individual has ongoing authority over what the product team works on and what gets released.

3 Consumption-speed finance. Expenditure is reported against the evidence the portfolio review needs, at the cadence the work is consumed.

2 Persistent teams, outcome funding. The team that commits to an outcome also bears the consequences of pursuing it, funded against outcomes rather than stage gates.

4 From order-taker to order-maker. The technology function solves the business's problems rather than collecting its requirements.

Using it with a leadership team

1. Each member of the leadership team answers on their own copy before the session.
2. In the room, spend the time on the questions where the answers differ, and find out which part of the organisation each answer describes.
3. Score the team's agreed answers on the last page, and decide which commitment to work on first.

Investment Governance

	QUESTION	CH	COMMITMENT	YES	NO	PARTLY
01	Does investment in technology products follow a product outcome continuously, or a project scope that closes upon delivery?	4, 6	2	☐	☐	☐
02	Does the performance reporting you receive as an executive measure value delivered to customers, or scope delivered for approval?	7	3	☐	☐	☐
03	Can the Product Manager redirect a value stream's capacity away from work the evidence no longer supports without a separate committee decision? When a whole product's evidence turns negative, does the decision to reduce or divest rest with an accountable executive rather than a project-style committee?	5, 7	1	☐	☐	☐
04	When a product's evidence turns negative, is there a defined mechanism to reduce or redirect the investment, or does continuation require less approval than divestiture?	6, 7	2	☐	☐	☐
05	When the last technology programme closed, did the team that built it persist, or was it reallocated to the next project?	4	2	☐	☐	☐
06	Is there a product in your portfolio for which the investment model makes it structurally impossible to stop funding it, regardless of the evidence? YES COUNTS AGAINST	6	2	☐	☐	☐
07	Does the Sprint Review show what the Increment cost alongside what it produced?	15	3	☐	☐	☐
08	When Sprint evidence shows a product should pivot, can the team redirect its spending without waiting for the next budget cycle or a quarterly re-approval against a fixed scope?	15	3	☐	☐	☐
09	Is AI consumption reported for each product at Sprint cadence, to the person who holds the release decision?	6, 15	3	☐	☐	☐

Team Accountability and Decision Rights

	QUESTION	CH	COMMITMENT	YES	NO	PARTLY
10	For each product in your portfolio, can you name the single person accountable for what it delivers to the people who depend on it? Does that person have the authority to act on that accountability without a committee decision?	5, 15	1	☐	☐	☐
11	When a Product Manager kills a feature the business wanted, is that treated as the exercise of product accountability, or is it escalated as a governance breach?	13	1	☐	☐	☐
12	Are the teams accountable for your products cross-functional—carrying discovery, delivery, and operations under a single, persistent accountability, or do they hand off across functional boundaries?	5	2	☐	☐	☐
13	Can you trace a recent product outcome—a customer result, a value realised or not realised—to a decision held by a single point of accountability? Or does accountability disperse across the handoffs?	5	1	☐	☐	☐
14	Does each value stream have both escalation paths in place: value questions from the Product Owner to the Product Manager, and operating model questions from the Scrum Master to the Product COO?	5	1	☐	☐	☐
15	Have you designed the boundary conditions within which product teams operate autonomously, or are product teams either over-governed (every decision escalates) or under-governed (no clarity on where their authority ends)?	8	1, 2	☐	☐	☐
16	When the last high-stakes product decision was made below your level, did you treat it as the exercise of subsidiarity it should be, or did you override it?	8	4	☐	☐	☐
17	Do your teams receive customer problems to solve, or specifications to implement?	15	4	☐	☐	☐
18	Do customer demand signals and stakeholder governance constraints, such as security, compliance, and audit, reach the team through separate channels, or through the same working group?	15	4	☐	☐	☐
19	Has an executive said, explicitly and publicly, that the technology function's job is to solve the business's problems rather than to collect its requirements?	15	4	☐	☐	☐

AI Governance Readiness

	QUESTION	CH	COMMITMENT	YES	NO	PARTLY
20	For any AI system your organisation has deployed, can you name the governing instructions that specify what it is authorised to do without human review at each step?	9	-	☐	☐	☐
21	Are those governing instructions version-controlled, carrying a revision history, and audited on a regular cadence, or were they written at deployment and left unrevised across multiple Sprint cycles?	9, 11	-	☐	☐	☐
22	Is the Definition of Done still superordinate across every skill file and agent instruction, or has it drifted into inconsistency?	11	-	☐	☐	☐
23	Where in your organisation does an AI system's output lead to a consequential decision without a human reviewing the reasoning behind it? Is that boundary defined by design or by default?	8, 9	1	☐	☐	☐
24	Can you distinguish, for any AI deployment in your portfolio, between decisions that are reversible within an iteration and decisions that are not? Is the human oversight mechanism calibrated to that boundary?	8	-	☐	☐	☐
25	If an AI system in your organisation has been producing incorrect outputs for the last three months, what mechanism would have surfaced that pattern? Is that mechanism currently operating?	11	-	☐	☐	☐
26	Is the escalation channel carrying operating model signals to the Product COO, and is the Product COO acting on what the Scrum Masters send?	11	-	☐	☐	☐
27	Has a budget cycle quietly eroded the team persistence that makes pattern detection possible? YES COUNTS AGAINST	11	2	☐	☐	☐
28	What is the governance mechanism by which AI team performance is inspected at a fixed cadence and acted on? If the answer is a steering committee review, is that review operating on the product model's logic or the project model's?	10	-	☐	☐	☐

Transition Progress

	QUESTION	CH	COMMITMENT	YES	NO	PARTLY
29	Twelve months into your product operating model transition, have the investment governance signals changed, or has the transition produced vocabulary change without structural redesign?	6, 12	-	☐	☐	☐
30	Are the people who were raising structural questions before the transition began now in roles where those questions are welcome, or are they still being managed as difficult?	App. D	-	☐	☐	☐
31	When your organisation faces a budget pressure or a political escalation, does it reach for the product model's mechanisms or the committee structure it grew up in?	12	-	☐	☐	☐
32	Is there a product in your portfolio where the senior leader now says, "The Product Manager owns this decision", not because the documentation requires it, but because that is what people in their position now do? Where has that signal appeared? Where has it not?	13	1	☐	☐	☐
33	For middle managers whose routine work is being automated, are deliberate mechanisms in place to develop the professional judgement their roles will require? Is the replacement mechanism operational before the incumbent one is removed?	14	-	☐	☐	☐
34	Does every investment case that automates developmental work record the four fields Chapter 14 sets out: classification, replacement mechanism, accountability, and sequencing?	14	-	☐	☐	☐
35	Does your transition plan have a defined endpoint, a completion condition that, when met, closes the programme? If so, the plan is running on the wrong logic. Evolution does not have a completion condition. YES COUNTS AGAINST	Intro, 15	-	☐	☐	☐
36	What did your organisation learn from its AI deployments in the last quarter that changed how it governs them?	15	-	☐	☐	☐

Reading your results against the four commitments

COMMITMENT	QUESTIONS CARRYING IT	NO OR PARTLY	÷	SHARE
1 One point of accountability	03, 10, 11, 13, 14, 15, 23, 32		÷ 8	
2 Persistent teams, outcome funding	01, 04, 05, 06, 12, 15, 27		÷ 7	
3 Consumption-speed finance	02, 07, 08, 09		÷ 4	
4 From order-taker to order-maker	16, 17, 18, 19		÷ 4	

Questions 06, 27 and 35 are worded so that a Yes runs against the product model. For those three, count Yes or Partly instead of No or Partly.

For each commitment, count the questions carrying its number that you answered No or Partly, and divide by the number of questions carrying that number. The commitments carry different numbers of questions, so compare these shares rather than raw counts. The commitment with the highest share is the one most likely to be missing in practice, regardless of what the organisation chart or transition plan says. Chapter 15 sets out the failure each missing commitment produces.

A clean result on three commitments does not offset a weak fourth. The properties the product operating model exists to produce—bounded autonomy, empirical inspection, and subsidiarity—appear only when all four commitments are in place. Partial commitment is how most transitions stall, and the failure that follows is the one the missing commitment existed to prevent.

Where the answers point to more than one weak commitment, start where Chapter 15 ends. Choose one product and fund it against an outcome rather than a set of deliverables; Chapter 13 explains why funding changes first. Name the person accountable for that outcome and give them the release decision. Then attend the Sprint Review four weeks later and judge the working output against the outcome the money was committed to. Repeat this assessment after the first quarter of Sprint Reviews. The answers that have changed show which commitments are now operating. The answers that have not show where the design work still sits.