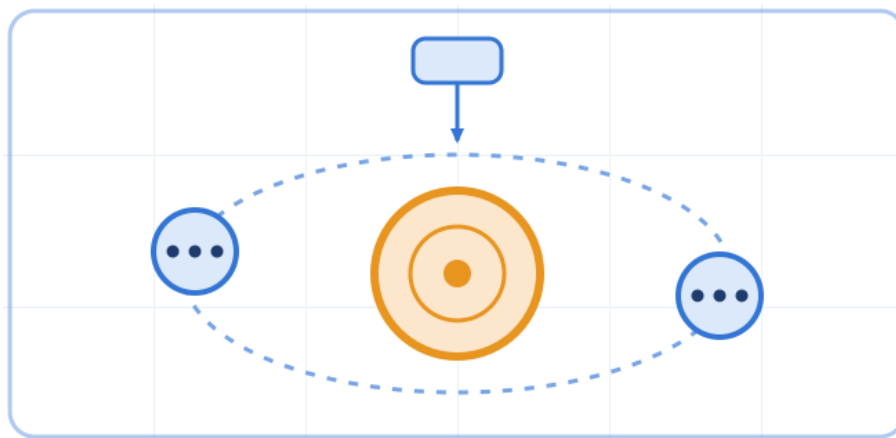


State of the art

Agile product operating model

Reference map of current professional knowledge



Updated June 2026

About this document

This document is a curated map of the knowledge, practices and models in professional use as of its publication date for operating an organisation by product —how product work is structured, funded, governed and measured, and what culture sustains it— instead of managing it as a succession of projects. For each entry, the map places it in context, indicates its degree of adoption in current professional practice and points to where to find reference information.

Use it as an observatory and reference point to check whether the professional knowledge you rely on is aligned with current practice and at the leading edge.

It is complemented by an in-depth companion guide that develops each concept and by the training and assessment platform in Skill Arena. In the [Agile product operating model](#) area you can test your level of knowledge and, if you pass, obtain a diploma that provides curricular accreditation of professional competence and currency in this area.



State of knowledge

Knowledge about the product operating model evolves progressively. Its principles —the shift from project to product, empowered teams and governance by outcomes— have been settled for more than a decade, but their synthesis and their nomenclature are being fixed right now: the book Transformed (Cagan and SVPG) is from 2024 and Scrum.org's Agile Product Operating Model, from 2024-2025, is still evolving. The cheaper cost of development brought by AI does not change these principles; it throws them into sharper relief. Throughout the document, the labels (ESTABLISHED, CONSOLIDATING, EMERGING) help identify the maturity of each concept:

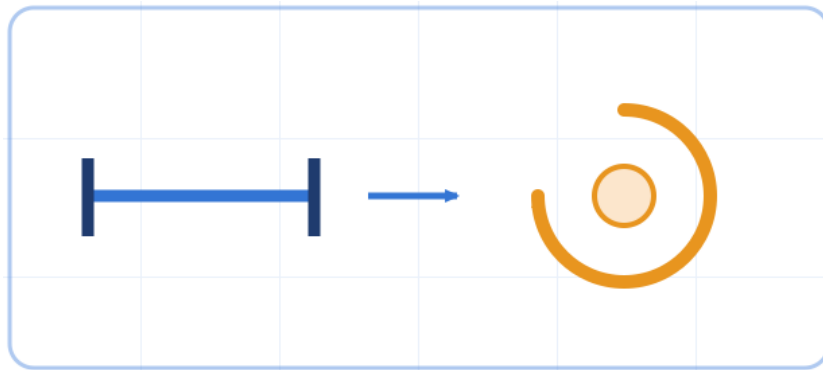
ESTABLISHED settled consensus; knowledge taken as required.

CONSOLIDATING gaining adoption fast; not yet universal but already relevant.

EMERGING recent frontier; high relevance and high volatility.

Block 1 — Foundations and framing of the product operating model

What operating by product is, why it arises in contrast to the project model, the two formulations that articulate it and where its boundary lies with neighbouring subjects.



From the project, a finite effort with a beginning and an end, to the product as a continuous and enduring effort.

What an operating model is and what "by product" means · ESTABLISHED

The operating model is the set of decisions about structure, funding, governance, metrics and culture with which an organisation builds and operates products on a continuous basis. It is neither a methodology nor a prescribed process, but a set of principles; here its boundary is also delimited with the craft of product and with change management as a discipline.

Why it is here now. It is the framework that orders everything else in the topic and is settled in both reference formulations, which agree in treating it as principles, not as a process.

Where to look. [SVPG · The Product Operating Model](#) · [Scrum.org](#) · [APOM](#)

From project to product: the paradigm shift · ESTABLISHED

The move from the originating models —"IT", "project", "feature team"— to the product model, understood as a continuous and enduring effort rather than a temporary initiative with a beginning and an end. It changes who decides, how work is funded and what teams are held accountable for.

Why it is here now. It is the founding premise of the model and is well documented in the product literature; it remains the starting point of any transition.

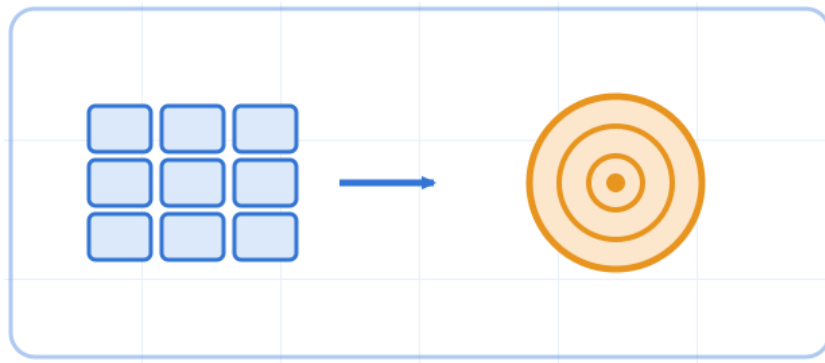
Where to look. [SVPG · The Product Operating Model](#) · [Scrum.org](#) · [Project to Product and APOM](#)

Outcomes over outputs · ESTABLISHED

The overarching, cross-cutting principle: assign teams problems to solve and outcomes to achieve, not lists of features to build. As producing output becomes cheaper and faster —AI among the tools that enable it—, governing towards the outcome matters more, not less.

Why it is here now. It is the criterion that distinguishes the model from a "feature factory" and recent evidence reinforces it: AI makes it possible to produce faster, including the wrong things, if it is not governed towards the outcome.

Where to look. [SVPG · The Product Operating Model — an introduction](#) · [Scrum.org](#) · [APOM \(evidence-based approach\)](#)



Governing towards an outcome to be achieved, not towards the volume of outputs produced.

The two formulations and their divergence · CONSOLIDATING

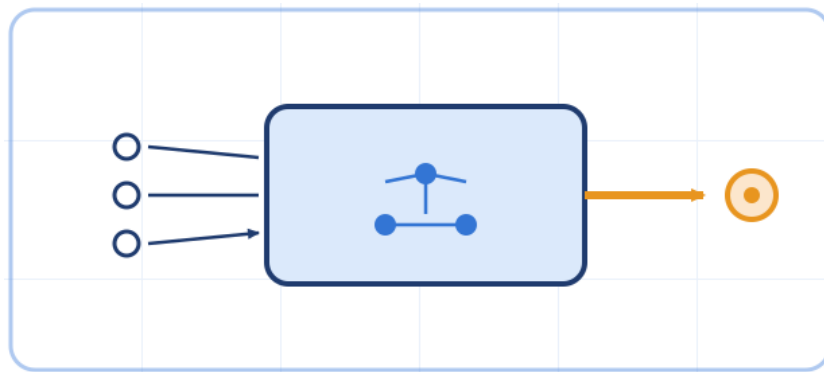
Cagan/SVPG's Product Operating Model (a model of principles, with three dimensions —how you build, how you solve problems and how you decide which problems to solve— and around twenty principles) and Scrum.org's Agile Product Operating Model (seven characteristics; anchored in Scrum, Nexus and EBM). They share a common core and diverge even in their label: Cagan deliberately avoids the adjective "agile".

Why it is here now. The pairing of both formulations is recent and APOM, in particular, is a young model still evolving, which places it in consolidation rather than settled.

Where to look. [SVPG · The Product Operating Model](#) · [Scrum.org · APOM State of Play \(I\)](#) · [Scrum.org · The context of APOM](#)

Block 2 — The product as an operating unit and the portfolio

The definition of "product" as the unit around which the model is organised, its typology, and how the set of products is governed and funded.



A product: clear boundaries, recognised users and measurable value as its output.

What a product is in this model · ESTABLISHED

The characteristics of a product —clear boundaries, recognised users and stakeholders, measurable value— and its distinction from project, feature, service or platform. It matters because, when something does not fully fit the notion of a product, the operating model is applied with nuances.

Why it is here now. Defining the unit is a precondition for everything else; it is a settled agreement in both formulations.

Where to look. [SVPG · The Product Operating Model](#) · [Scrum.org](#) · [APOM State of Play \(I\)](#)

Taxonomy and topology of products · ESTABLISHED

Customer-facing products, internal products, platforms and enablers, and the principle that each product can have its own operating model. It makes it possible not to force a single mould onto products of a different nature.

Why it is here now. The idea that each product can operate differently is an emphasis already captured and accepted in the model.

Where to look. [Scrum.org · APOM](#) · [Scrum.org · APOM in practice \(Accenture\)](#)

Product portfolio management · CONSOLIDATING

How products are aligned, funded and prioritised at the portfolio level: the "bets" between solutions and the work across products. It is not the roadmap of a specific product —that is craft—, but the governance of the set.

Why it is here now. Agile portfolio management is being formalised now —it starts with portfolio planning, with OKRs for cross-product initiatives— and is not yet universal practice.

Where to look. [Scrum.org · APOM \(evidence-based approach\)](#) · [Scrum.org · APOM](#)

From strategic context to product strategy · ESTABLISHED

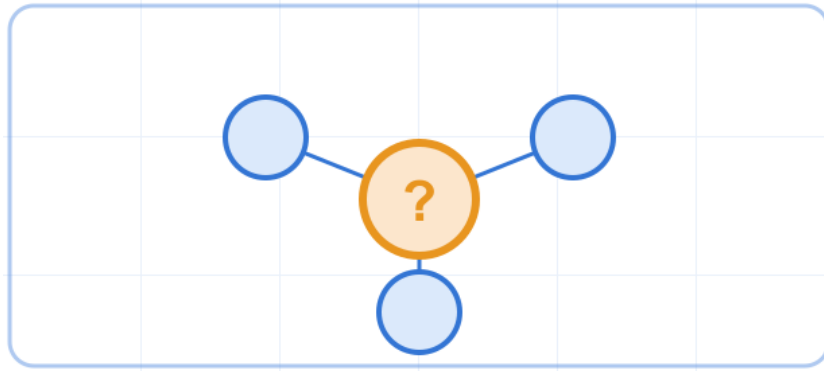
How business strategy comes down to product strategy and to the teams: vision, focus, insights and transparency as context that guides without dictating the solution. It does not cover the technique of formulating strategy, but its place in the model.

Why it is here now. The role of strategy as context conveyed to empowered teams is settled in the principles-based formulation.

Where to look. [SVPG · The Product Operating Model](#) · [SVPG · The Product Operating Model — an introduction](#)

Block 3 — Structure: empowered product teams, roles and organisational design

How people are organised for product work: the empowered team as the central piece, its roles and competencies, leadership and the design of the team organisation.



The cross-functional team is assigned a problem to solve, not a list of features.

Empowered product teams · ESTABLISHED

The cross-functional, durable team to which problems are assigned and which is held accountable for outcomes, with empowerment, a sense of ownership and collaboration. It is, according to Cagan, the most fundamental concept of the model.

Why it is here now. It is the heart of the model and a firm consensus across the whole product literature; without it, the rest does not hold up.

Where to look. [SVPG · The Product Operating Model](#) · [Scrum.org](#) · [Project to Product and APOM](#)

Roles and competencies of the model · ESTABLISHED

Product manager, product designer, tech lead/engineering and product leader; competencies over titles, including that of using the tools of product work with sound judgement —AI among them. It does not develop the detailed craft of each role, which is a separate subject.

Why it is here now. The distribution of roles and the primacy of competence over title are standard in the model; the AI nuance enters as context that reorders the weight of each competency.

Where to look. [SVPG · The Product Operating Model](#) · [Scrum.org](#) · [APOM](#)

Product leadership · ESTABLISHED

Leading product people through coaching and leadership by context, and the role of product leaders and senior management—including the CEO—in sustaining the model. The leader provides context and problems, not solutions.

Why it is here now. Leadership by context is a stable piece of the model and a recognised condition for empowerment to work.

Where to look. [SVPG · The Product Operating Model](#) · [Scrum.org](#) · [APOM in practice \(Accenture\)](#)

Organisational design: topologies, autonomy and dependencies · ESTABLISHED

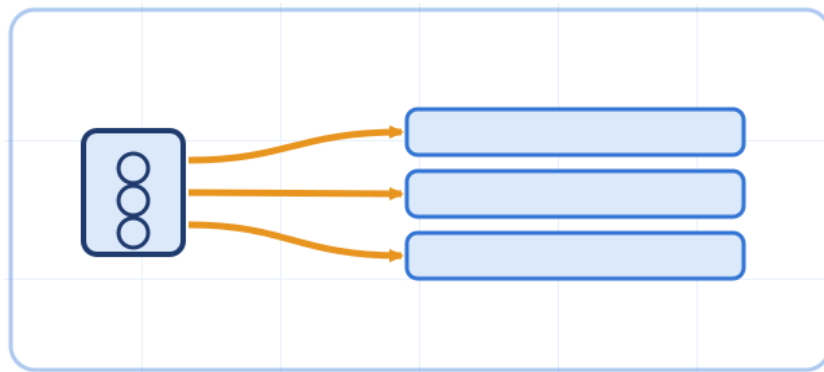
How teams are grouped around products and value streams: team types and interactions (Team Topologies at the model level), cognitive load, and the balance between autonomy and alignment with the minimisation of dependencies, including teams of teams when the architecture does not allow decoupling.

Why it is here now. Team Topologies is a consolidated framework and the common reference for the organisational design of the model; APOM incorporates it explicitly at the model level.

Where to look. [Team Topologies · Key concepts](#) · [Scrum.org](#) · [APOM State of Play \(I\)](#)

Block 4 — Funding and governance by value streams

How money is allocated and how decisions are made once the organisation operates by product: persistent funding, adaptive budgeting and the distribution of authority.



Funding that flows persistently to the products, not allocated by initiative or project.

From project funding to product/value-stream funding · CONSOLIDATING

Why project funding clashes with the model, and the persistent funding of products and value streams as opposed to allocation by initiative. The tools that lower the marginal cost of building — AI among them — reinforce the logic of funding persistent products, not one-off outputs.

Why it is here now. It is much advocated but still only partially adopted: Scrum.org's survey shows that silos and structural impediments persist and limit real autonomy, which places it in consolidation.

Where to look. [Scrum.org · Barriers to value delivery \(APOM\)](#) · [SVPG · The Product Operating Model](#)

Lean budgeting and Beyond Budgeting · CONSOLIDATING

Incremental allocation, short horizons and funding of persistent teams; the principles of Beyond Budgeting and of lean-agile budgeting at the level of concept, not the mechanics of a specific framework.

Why it is here now. The principles are mature, but their adoption in product organisations remains uneven; it is labelled as consolidating for reasons of adoption, not of conceptual novelty.

Where to look. [Beyond Budgeting · 12 principles](#) · [Scrum.org · APOM \(evidence-based approach\)](#)

Governance, product authority and constraints · CONSOLIDATING

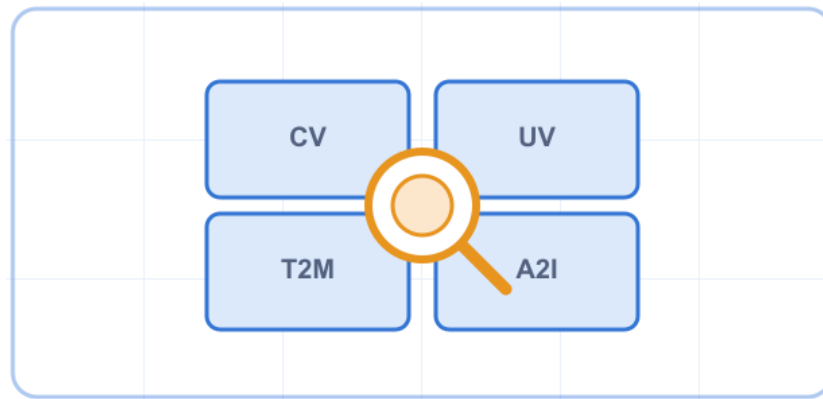
Who decides what once the strategy is set: the distribution of product authority, the role of management and of the CFO, and light governance as opposed to phase-gate control. It includes distinguishing fundamental constraints (compliance, security, regulation) from those inherited without justification.

Why it is here now. The distribution of authority is the hardest transition; APOM insists on distinguishing a fundamental constraint from one that is only there "just because", and that practice is still settling.

Where to look. [Scrum.org · APOM State of Play \(I\)](#) · [SVPG · The Product Operating Model](#)

Block 5 — Outcome orientation: metrics and evidence-based governance

How value is measured and decisions are made with evidence: OKRs, evidence-based management, delivery cadence and the health of the model itself.



The four Key Value Areas of EBM —Current Value, Unrealized Value, Time-to-Market and Ability to Innovate— inspected empirically.

Objectives by outcomes: OKRs · ESTABLISHED

The OKR as a mechanism of alignment and outcome governance at the portfolio and team levels: focus and context, not a task list. It does not cover the technique of writing OKRs, but their function within the operating model.

Why it is here now. OKRs are mainstream practice and their role of alignment by outcomes is settled; APOM uses them explicitly to connect portfolio and teams.

Where to look. [Scrum.org · APOM \(evidence-based approach\)](#) · [Scrum.org · APOM](#)

Evidence-Based Management (EBM) and the four Key Value Areas · ESTABLISHED

The four Key Value Areas: Current Value and Unrealized Value (market value), and Time-to-Market and Ability to Innovate (organisational capability); empiricism, hypotheses and experiments at the management level. Activity and output do not, on their own, tell you about the ability to deliver value.

Why it is here now. EBM is an established Scrum.org standard and the evidence anchor of the APOM formulation; the four areas are a stable reference.

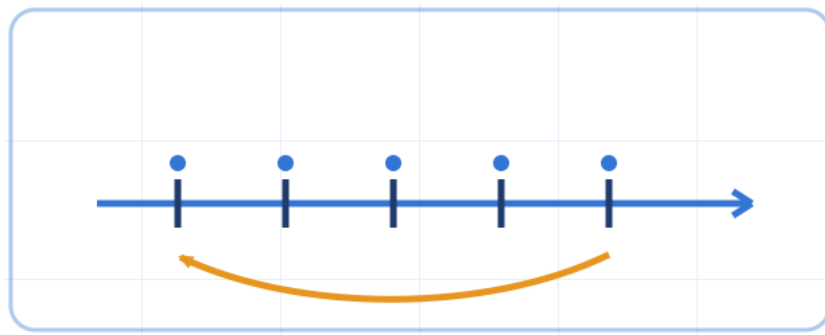
Where to look. [Scrum.org · EBM Guide](#) · [Scrum.org · Evidence-Based Management](#)

Delivery cadence as a condition of the model · ESTABLISHED

Small, frequent and reliable releases —at least every two weeks, ideally continuous— with instrumentation, observability and phased deployment. It is captured as a condition of the model, not as an engineering technique.

Why it is here now. It is a settled requirement of the model: without frequent and reliable delivery there is no empirical learning and no governance by outcomes.

Where to look. [SVPG · The Product Operating Model — an introduction](#) · [SVPG · The Product Operating Model](#)



Small, frequent releases that close a learning loop about real value.

Portfolio measurement and health of the model · CONSOLIDATING

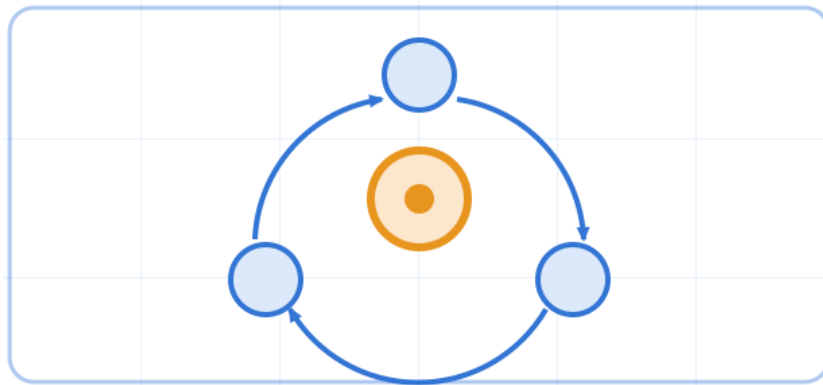
Metrics at the portfolio level and of the transition itself, and the signals that the organisation genuinely operates by product and not only in name. It distinguishes real change from cosmetic change.

Why it is here now. Measuring whether an organisation "really" operates by product is a more recent and poorly standardised practice; Scrum.org's survey frames it as an open challenge.

Where to look. [Scrum.org · Barriers to value delivery \(APOM\)](#) · [Scrum.org · Evidence-Based Management](#)

Block 6 — Culture of product work

The values, behaviours and mindset that sustain the model: without the right culture, empowerment and governance by outcomes do not take root.



An empirical culture: a continuous cycle of hypothesis, experiment and learning sustained by trust.

Product mindset, trust and psychological safety · ESTABLISHED

The culture oriented towards product and outcomes as opposed to the one oriented towards projects and dates, and the conditions that sustain it: starting from the "why", transparency with stakeholders and trust as the basis of autonomy.

Why it is here now. Product culture and psychological safety as the basis of empowerment are a firm consensus in the literature.

Where to look. [SVPG · The Product Operating Model](#) · [Scrum.org](#) · [APOM State of Play \(I\)](#)

Learning, experimentation and error management · ESTABLISHED

An empirical culture: discovery as the norm, tolerance of controlled failure and continuous improvement. Cheap, early error is information, not a defect to hide.

Why it is here now. Empiricism and continuous discovery as the norm are settled and are the cultural counterpart of delivery cadence and of EBM.

Where to look. [SVPG · The Product Operating Model — an introduction](#) · [Scrum.org](#) · [Evidence-Based Management](#)

The relationship with stakeholders and with "the business" · ESTABLISHED

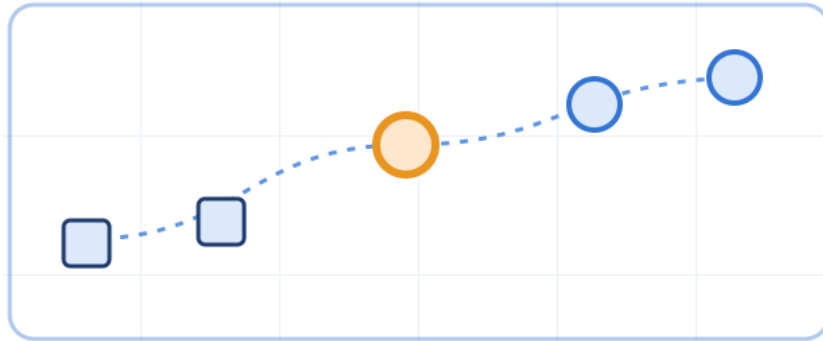
Moving beyond the "business that requests / technology that serves" model: the collaboration between product and the rest of the organisation and the handling of cultural objections. Technology and business solve problems together, not on request.

Why it is here now. The critique of the "IT" model and product-business collaboration are central and stable in Cagan's formulation.

Where to look. [SVPG · The Product Operating Model](#) · [SVPG · The Product Operating Model — an introduction](#)

Block 7 — The transition to the product operating model

The move from the originating model to the product one in what is specific to this model —not to change management as a general discipline—: its nature, its leadership and its boundary with scaling.



An incremental transition, product by product, where each group advances at its own pace.

The transition: holistic nature and incremental journey · ESTABLISHED

Why "renaming to product" without changing structure, funding and incentives fails, and why the change is understood holistically. The transformation is a continuous journey, product by product, where each group can advance at a different pace.

Why it is here now. It is a settled diagnosis: renaming the existing as "product" without touching incentives, structure or processes does not work, and incremental sequencing is the recognised path.

Where to look. [Scrum.org · APOM State of Play \(I\)](#) · [SVPG · The Product Operating Model](#)

Leading the change, objections and power dynamics · ESTABLISHED

The role of the CEO and of senior management, cross-functional transformation teams and the personal transformation of leaders, together with the catalogue of stakeholder objections and their responses, and the power dynamics (for example, divesting from an influential product).

Why it is here now. Transformed devotes an entire section to objections and their responses, and senior-management sponsorship is a recognised condition of a successful transition.

Where to look. [SVPG · The Product Operating Model](#) · [Scrum.org · APOM in practice \(Accenture\)](#)

The boundary with scaling frameworks · CONSOLIDATING

How SAFe, LeSS and Nexus relate to the operating model —as a layer of instantiation or implementation— without teaching them, and what distinguishes them from the model itself. The model states the "what" and the "why"; the scaling framework, one possible form of the "how".

Why it is here now. The "scaling as a layer of instantiation" framing is recent and is being actively discussed; Scrum.org has published specific material on the relationship between APOM and SAFe.

Where to look. [Scrum.org · APOM and SAFe, do they relate?](#) · [Scrum.org · APOM](#)

What to watch in the next revision

Signals of change that the editorial team anticipates for the next edition of this map:

- The "AI-native product operating model": an emerging discourse (2025-2026) argues that AI-native companies invert part of the classic model —build first and decide later, fewer product managers per surface area, agents that validate their own work. It falls outside this map for now, but it is the signal with the greatest potential for movement.
- The consolidation of Scrum.org's Agile Product Operating Model: new instalments of the "State of Play" series, results of its survey and possible adjustments to the seven characteristics.
- Value-stream funding and adaptive budgeting: if their adoption moves from advocated to habitual, several pointers in Block 4 could move to established.
- Model-health and portfolio metrics: if a standard emerges for measuring whether an organisation "really" operates by product.
- The evolution of the boundary with scaling frameworks (SAFe, LeSS, Nexus) as they reposition themselves with respect to the operating model.

A note on the references

The links included were available and verified as of the update date. Given the pace of change in the area, some may change; each revision of the map also updates its references.

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