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From project to product:
The next frontier of
value creation

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Executive summary

Many enterprises claim to have a product operating model. Few may fund it, scale it, and measure its value in real time. The difference isn't structure; it's rhythm, capital flow, and intelligence. In a product-driven world, project thinking is no longer sustainable. Markets are moving faster, customer expectations are fragmenting, and artificial intelligence (AI) is accelerating everything from innovation cycles to operational tempo. For enterprises, the promise of the product operating models lies not in pilots but in its ability to scale to drive measurable value, resilience, and agility across the business.

Many are scaling product operating models to unlock exponential value. The urgency to adopt and scale product operating models is further intensified by the rapid evolution of next-generation technologies, particularly AI, including generative and agentic AI, alongside composable platforms, advanced productivity tools, and digital ecosystems. According to the *Fortune/Deloitte CEO Survey* (Fall 2024),¹ 89% of CEOs are currently exploring, piloting, or implementing agentic AI within their organizations. These technologies thrive on rapid iteration and integration, capabilities that traditional project-based structures are ill-equipped to support. At the same time, the role of the CIO has become more strategic, with nearly two-thirds of technology leaders now reporting directly to the CEO.² This elevation may create new opportunities—and expectations—for technology executives to demonstrate tangible business value through efficient resource utilization, improved Net Promoter Scores (NPS), and enhanced enterprise collaboration.

Three levers—product-based funding, the product acceleration office (PAO), and exponential engineering—convert early adoption into sustained enterprise advantage. Along the way, eight practical elements help embed rhythm, accountability, and shared ownership into how organizations plan, build, and deliver.

The result is a system where strategy, funding, and delivery move in sync, turning transformation from episodic to continuous and from initiative to identity.

From projects to products: The moment of *change*

The shift from project-based to product-based delivery is not just structural; it is philosophical. Projects end; products evolve. Enterprises that once defined success in milestones now measure it in customer outcomes and business impact. Scaling that shift requires more than reorganizing teams; it demands a new operating rhythm and a unified way of defining, funding, and measuring value.

Traditional project governance often fractures alignment: funding is time-bound, priorities shift midcycle, and teams optimize for outputs, not outcomes. Product models, by contrast, can replace annual project funding with dynamic capital allocation tied to real-time product performance enabling faster iteration, clearer accountability, and adaptive planning.

Based on our client experience, moving from pilot to scale is often the inflection point where organizations encounter the greatest challenges: Governance fragments, leadership engagement wanes, and product discipline loses coherence. Those that succeed connect vision to velocity through structure, rhythm, and shared language.



Elements for *successfully* scaling product operating models

To maximize the value of product-oriented delivery, organizations should adopt a model built on eight key elements. These elements serve as foundational pillars, each engaging different parts of the organization to drive a holistic and sustainable transformation.

1. Defining value streams
2. Developing a fit-for-purpose operating model
3. Establishing clear OKRs
4. Integrating shared services
5. Managing workforce capacity
6. Championing the transformation
7. Streamlining tools
8. Embedding exponential engineering

Each element is leveraged at different points within the transformation journey. An organization will start with value stream mapping to create a playbook that will define the transformation based on the organization's nuances.

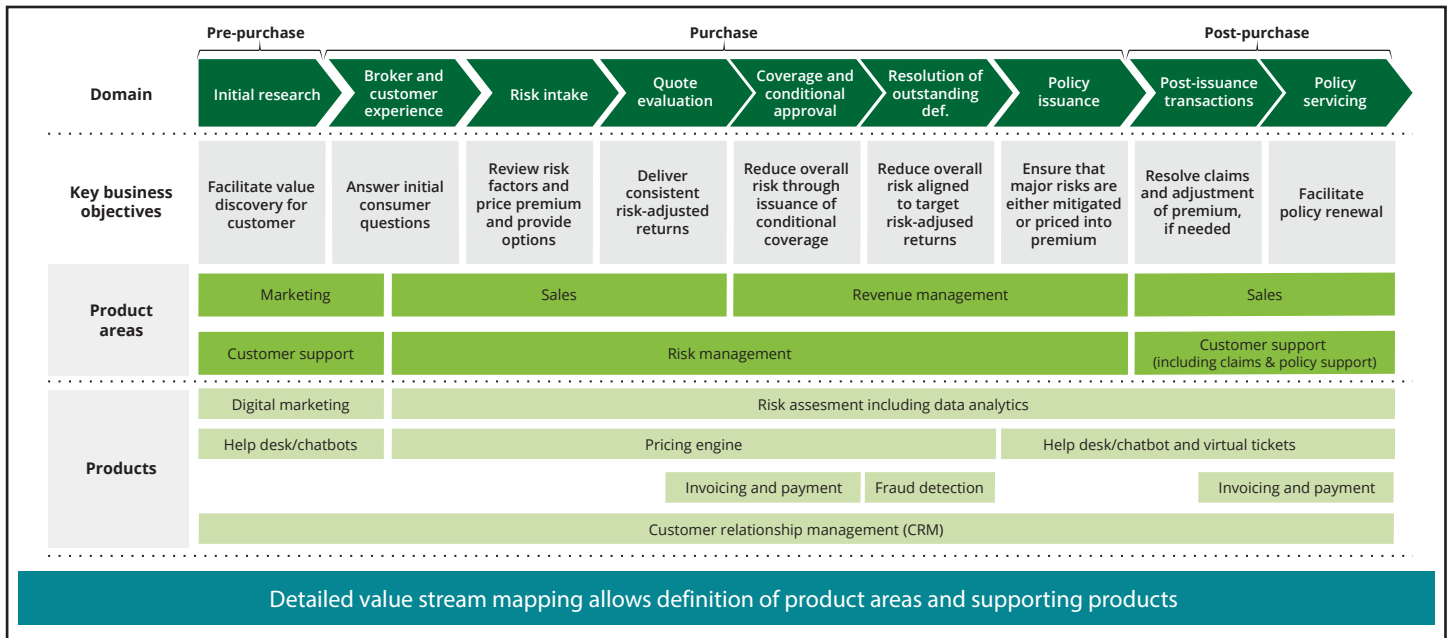
1. Defining value streams

At the beginning of this journey, it's important to define value streams, a process that defines distinct customer segments and maps their journeys to where and how the organization creates value. Value streams are a central part of the transformation from a siloed organization to one built around customer journeys or value streams.

Organizations could face a lack of true alignment with their customers, particularly in understanding who they are and what they value. Defining value streams around customer journeys, as seen in figure 1, does more than just improve business alignment; it forces architectural alignment across the organization. Instead of building and operating in fragmented, siloed systems, teams begin to organize around end-to-end flows of value. This shift promotes integrated platforms, more reusable services, and clearer ownership, making it easier to deliver cohesive, cross-functional solutions that meet customer needs holistically.

For example, a leading telecommunications provider unified products and teams across sales, finance, risk, compliance, and operations into a single "buying" customer journey. By anchoring objectives and delivery around this value stream, it was able to break down system silos, eliminate handoff inefficiencies, and accelerate delivery. Strategic goals were cascaded from the journey level to individual products and delivery pods, ensuring alignment not just in business intent but also in technology execution.

Figure 1. Value stream mapping



Source: Deloitte

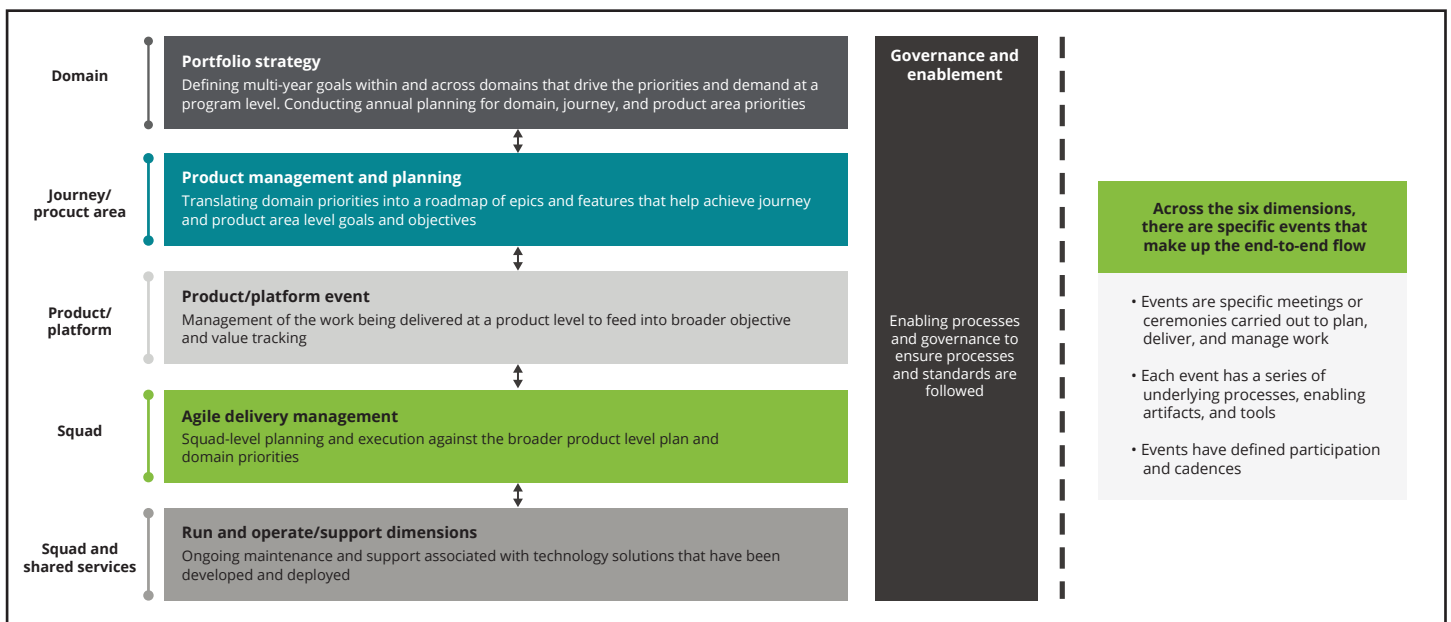
2. Fit-for-purpose operating model and governance

Before you start executing the new way of working, it is important to build a foundational understanding of the operating model and the robust governance structure that enables it to scale across a product-driven organization. Packaging this up in a formal playbook helps describe the new way of working with details about the roles and responsibilities, team archetypes, work-item taxonomy, and any other topic that enables the delivery of working within this transformation.

In this playbook, the organization can document the demand-intake funnel process and align strategic initiatives to showcase the portfolio management and resource capacity management, as seen in figure 2. This approach enables leadership to focus on initiatives that deliver the greatest value, fostering a disciplined environment where decision rights and ownership are clearly defined. It also allows the continued oversight, management, and integration of waterfall-based projects or transformation programs that inevitably continue even with product delivery. This can lead to a consistent value-based roadmap that guides the planned roadmap, IT resource allocation, and business outcomes. Many already have elements of this in place, but what they often miss is establishing a delivery rhythm—a consistent cadence that aligns with the identified increment and allows time to build toward maturity, predictability, and team accountability.

For example, a business unit within a leading telecom organization was experiencing lack of clarity around specific processes, roles, and responsibilities, resulting in operational churn and employee dissatisfaction. The introduction of a product operating model, accompanied by standardized processes, clearly defined roles and responsibilities, and established governance structures, addressed these challenges. This approach not only broke down organizational silos but also enhanced transparency around overall goals, increased accountability for delivery, and improved employee collaboration and satisfaction.

Figure 2. End-to-end delivery framework



Source: Deloitte

3. Establishing objective and key results (OKRs)

The product strategy must be directly connected to the company's vision, growth objectives, and market positioning. This goal-setting methodology serves as a framework for defining the objectives and tracking them based on their key results to translate their outcomes into the intended value realized.

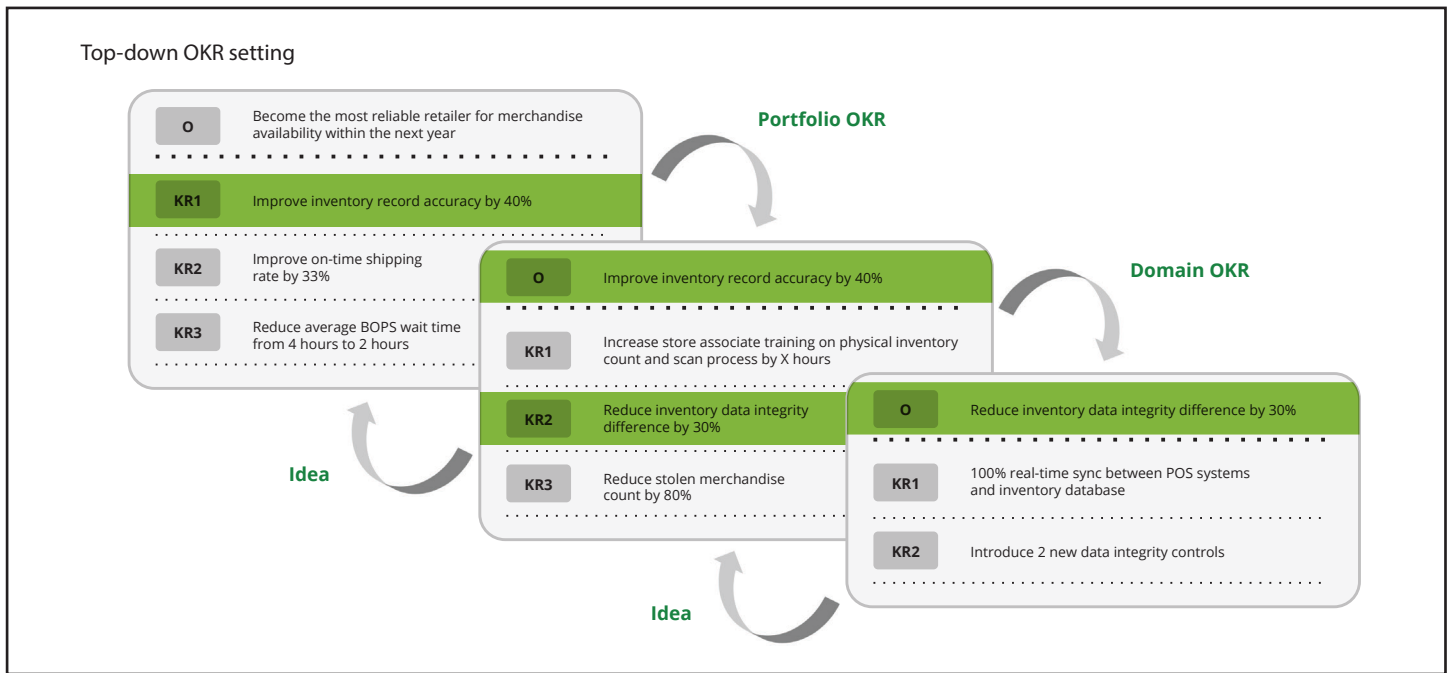
One of the powerful aspects of OKRs in scaling product operating models is their ability to cascade effectively through an organization (figure 3). With business leaders, strategic objectives are defined with high-level key results that reflect business-critical, portfolio-based outcomes. These key results then serve as the foundation for the next layer—typically business units, product areas, or domains—transforming into their specific objectives.

This cascading continues down to product pods, where key results from the layer above become the team's objectives, contextualized with measurable outcomes relevant to their scope. In effect, the key results at one level become the objectives at the next, creating a clear line of sight between day-to-day team activities and overarching business goals.

This structure is a strategic enabler: It aligns the organization around common goals, drives sharper go-to-market execution, and strengthens customer satisfaction with timely, relevant solutions. Equally, it can boost financial performance by scaling successful products rapidly and cutting low-value initiatives before they consume resources.

For example, a major digitally led omnichannel retailer organized its portfolio leaders to document their strategic priorities into objectives and key results. These key results became the domain-level objectives, allowing domain leaders to track their outcomes through newly defined key results by focusing on specifically their domain. This cascading event allowed each "pod" to create objectives per quarter that tied up to the broader strategic objectives yet focus in on the value being delivered.

Figure 3. Cascading OKRs



Source: Deloitte

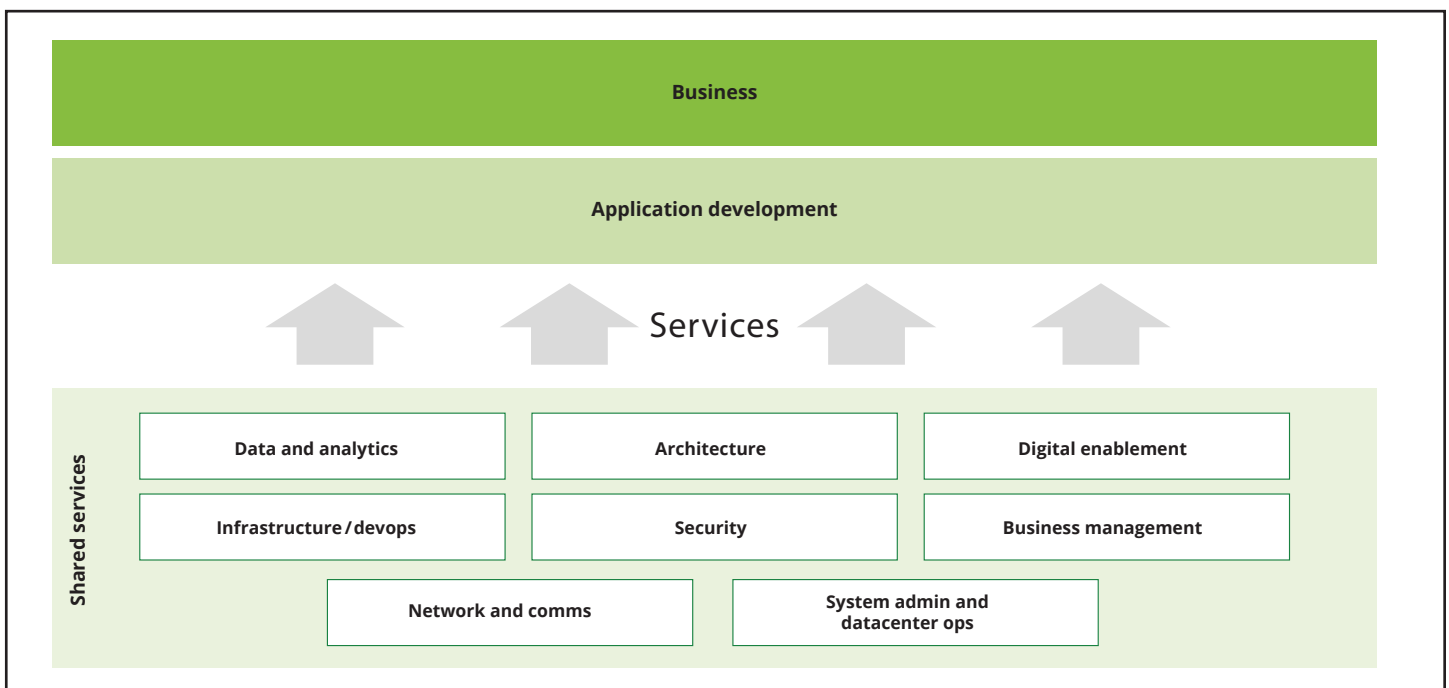
4. Shared services and platform integration

Within an organization, shared services and platform enablers refer to centrally managed capabilities—such as security, infrastructure, and data services—that provide foundational support to product teams, as seen in figure 4. Though specialized and domain-specific, these services are critical in allowing teams to focus on delivering customer value without duplicating effort. The shared services function acts as an enabler to coordinate with product teams and align on delivery needs. This is further highlighted through kanban-style workflows for the continued ability to pull work in to meet existing shared services priorities and support product pod requirements and dependencies based on roadmap needs.

Integrating shared services into the new way of working requires coordination among pods and a voice of leadership. By embedding shared services and platform enablers into the operating model, organizations realize faster speed to market, lower operational costs, and significantly improved experience for product teams and pods.

For example, a nonprofit organization's IT group faced challenges with siloed teams and inconsistent resourcing, which often led to duplicated efforts, unclear accountability, and delayed delivery. With this new way of working, shared services teams began operating in a kanban-style workflow enabling a clearer visibility into dependencies and more consistent service delivery. This integration provided a scalable foundation for supporting future initiatives across the organization.

Figure 4. Shared services integration



Source: Deloitte

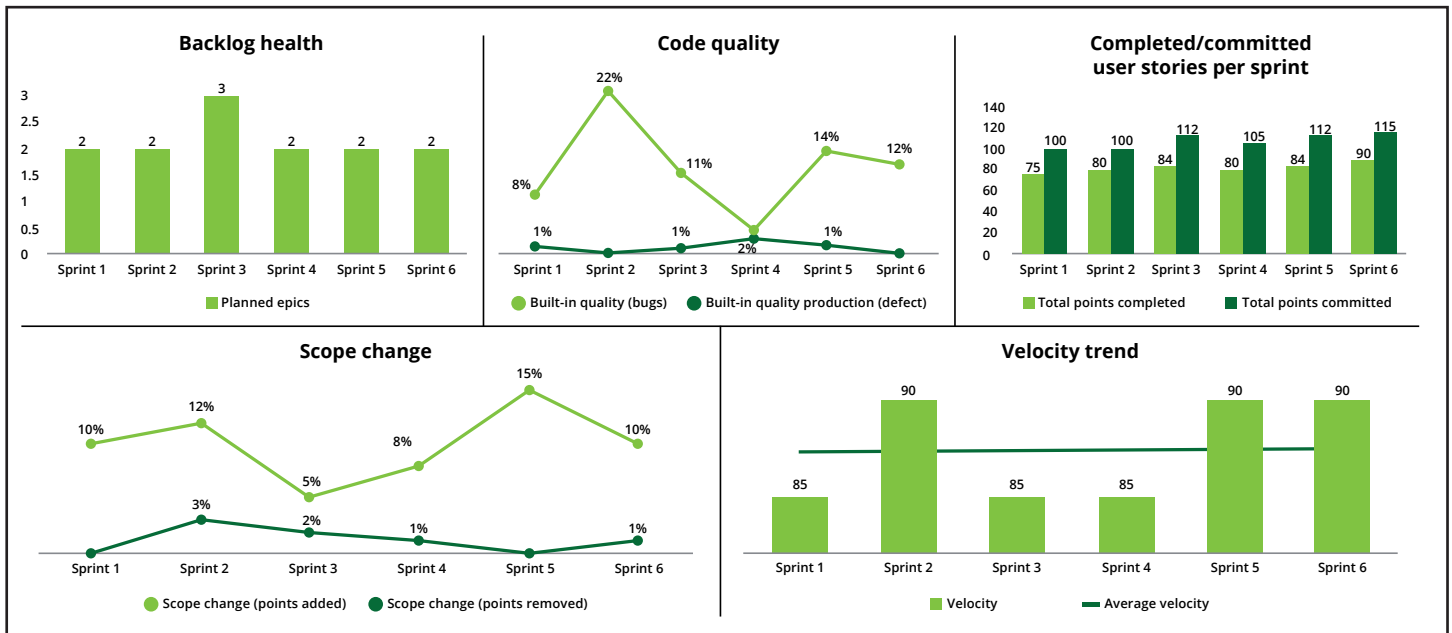
5. Delivery performance key performance indicators (KPIs)

Many organizations evaluate in some shape or form, but many miss out in building evaluation tools that are delivery performance-based. Delivery performance KPIs serve as essential tools to evaluate critical aspects of how an organization operates, offering visibility into both performance and organizational health, as seen in figure 5. It establishes clear product-level metrics that highlight operational efficiency and ROI, while giving the transparency needed for data-driven capital allocation to help ensure every dollar advances strategic priorities. Delivery outcomes can be met through predictability by standardizing these metrics across teams and leveraging common tools through which organizations create a common language to assess productivity, plan capacity, and align on delivery expectations.

This consistency enables more accurate forecasting, better resource allocation, and faster course correction when needed. In the context of a product operating model, KPIs are foundational—not only for tracking progress and success at every level, but also for enhancing predictability, enabling teams to be equipped to meet outcomes, and driving continuous improvement at scale.

For example, a major telecommunications provider lacked standardized KPIs across its delivery teams, leading to limited visibility and no consistent way to assess performance or drive improvement. To address this, the organization implemented a unified KPI framework and provided training to embed it into day-to-day operations. These metrics became a core part of quarterly business reviews, creating a shared language around delivery performance. With consistent tracking of cycle time, throughput, and reliability, teams could identify issues faster, allocate resources more effectively, and improve predictability at scale delivery.

Figure 5. KPI dashboard



Source: Deloitte

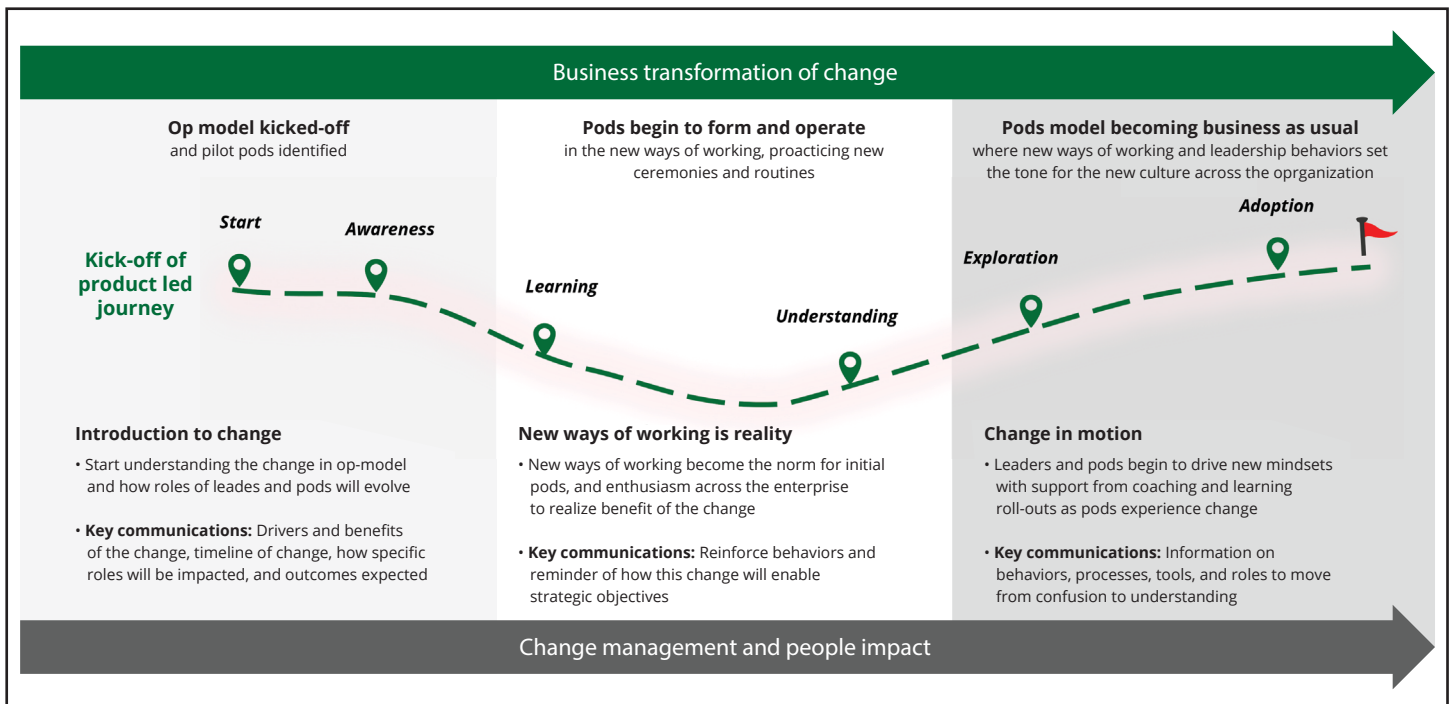
6. Championing the transformation

As organizations engage in a product-centric transformation, many stakeholder groups may not see a need to engage or actively champion the change that comes along with it. Many times, organizations leave business leaders as an afterthought and then struggle with their engagement and championing of the new way of working. With a transformation of this scale, it's essential to assess different stakeholder groups (e.g., business unit leaders, business relationship managers), understand their degree of change in their role and daily responsibilities, and provide a clear pathway, as seen in figure 6, to adapt to the change and increase their fluency in leading in this new way of working.

By understanding these factors, targeted management can be designed to support stakeholders throughout this transition of change with tailored training, workshops, and communication strategies to the specific needs and concerns of each stakeholder group. These steps should clearly articulate the drivers and benefits of the change, outline the transformation timeline, detail the anticipated impact on individual roles, and define the expected outcomes. Such a focused approach helps facilitate smoother adoption and maximizes the overall effectiveness of the transformation initiative.

For example, a multichannel retail organization undergoing a product-centric transformation struggled to engage its business leaders, many of whom viewed the shift as purely operational and disconnected from their strategic roles. Leaders were unclear about how they fit into the new delivery model and often defaulted to high-level thinking, leaving product teams without meaningful input or sponsorship. To address this, the organization launched a structured leadership fluency program, an intentional series of role-specific sessions that clarified expectations, introduced product delivery concepts, and outlined how leaders could actively support and influence outcomes. Over time, business leaders began contributing more directly to roadmap planning; crafting stronger, outcome-oriented OKRs; and engaging more deeply in cross-functional decision-making, leading to greater alignment and more effective product delivery.

Figure 6. Stakeholder change journey



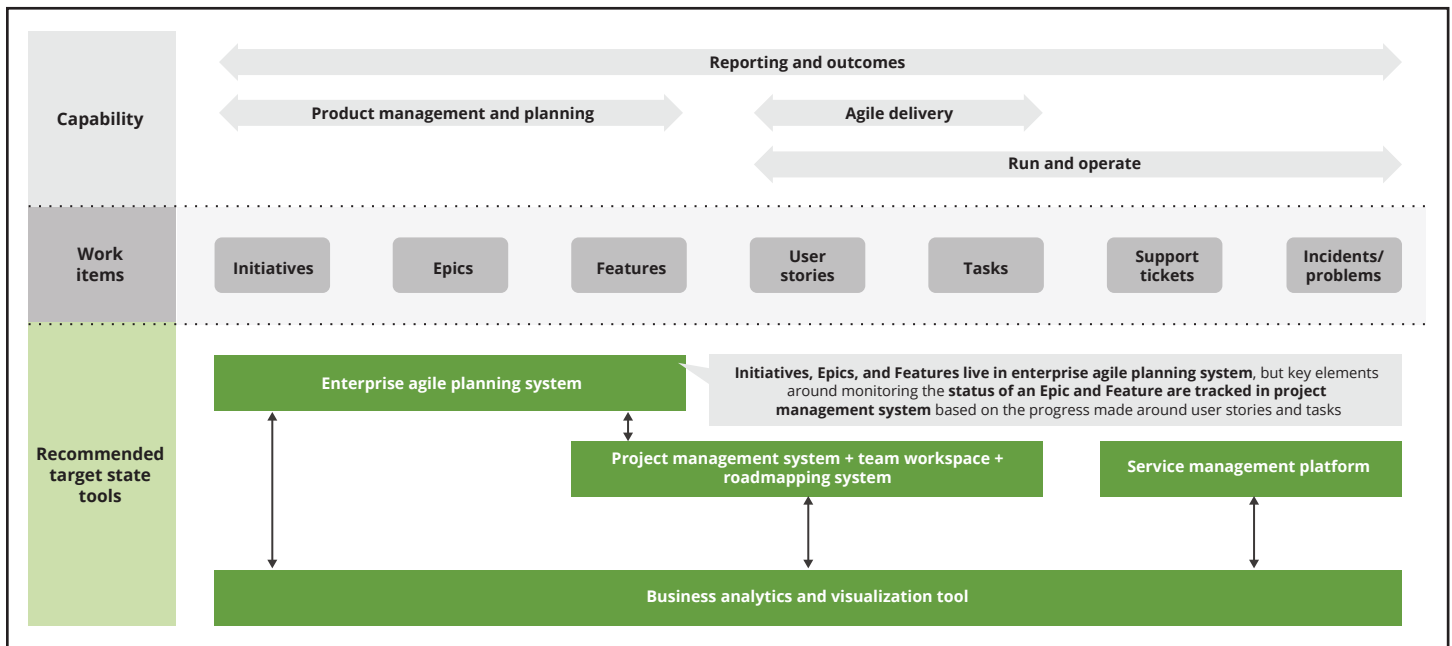
Source: Deloitte

7. Streamlined tool stack

To successfully scale a product operating model, organizations need a centralized, top-down, aligned tool stack that supports and reinforces every layer of the model. As teams, products, and portfolios expand, a fragmented tool landscape can lead to misalignment, siloed data, and operational inefficiencies. An integrated tool stack (figure 7) addresses this by creating a unified system of record, connecting priorities, roadmaps, and dependencies across teams and enabling consistent workflows across the enterprise. This tool stack plays a foundational role in scaling by standardizing how work is planned, tracked, and measured. It enables organization-wide OKR alignment, demand intake, and capacity planning, ensuring that strategic objectives are translated into executable work at every level. As the number of pods and products grows, tooling helps ensure repeatability and coherence in how teams operate—driving a common language, shared metrics, and traceable outcomes.

For example, a global standards institute lacked an integrated, standardized tool stack for teams to leverage across their organization. Not only was this causing misalignment and siloed operations, but it also contributed to significant technology debt and increased operational risks across decentralized tools being leveraged. After conducting a current-state technology assessment, the organization identified key consolidation opportunities and aligned a unified technology stack to help drive standardization and promote consistent ways of working across teams within the model.

Figure 7. Integrated tool stack



Source: Deloitte

8. *Embedding exponential engineering*

As organizations scale their product operating model, they quickly encounter diminishing returns from traditional engineering delivery. Linear increases in development capacity no longer translate to proportional gains in innovation or speed. The potential result: rising technical debt, bottlenecks across the value chain, and productivity plateaus that erode the economic efficiency of the operating model itself. To restore leverage, forward-leaning enterprises are embedding exponential engineering practices at the core of their operating model. This shift can reframe engineering from a cost center to a value multiplier—a system in which each additional unit of talent, technology, or investment yields disproportionate returns in throughput, quality, and adaptability. AI-assisted code generation, automated testing, and rapid data analytics all save developers more time for innovation and feature development. The productivity gain from coding alone is estimated to be worth US\$12 billion in the United States alone.³

By integrating AI-enabled developer tools, digital co-pilots, and intelligent automation into product team workflows, organizations create compounding productivity effects across their engineering ecosystem. These tools don't just help accelerate delivery; they enhance the *economics* of reducing marginal cost per feature, shrinking cycle times, and freeing human capacity for higher-order design and innovation. This is not a tooling upgrade; it's an economic rearchitecture. Technology leaders redesign team structures, funding models, and platforms to enable automation at scale and eliminate value leakage across the software development life cycle (SDLC). The potential result is a self-reinforcing system where speed generates savings and savings fund innovation, sustaining the growth flywheel of the product operating model.

By embedding exponential engineering into the operating model economy, organizations can:

- **Automate high-frequency, low-value tasks—converting fixed effort into scalable productivity.**
- **Accelerate feature velocity and iteration cycles without proportional increases in headcount.**
- **Amortize technical debt through continuous refactoring powered by intelligent tooling.**
- **Enhance developer experience to reduce attrition and reinvest talent in strategic innovation.**
- **Shift focuses from activity to outcomes, enabling business and product leaders to manage value creation as an economic system, not a delivery process.**

While all these elements are important for a product delivery transformation, there are three unique aspects that bring success to the forefront for an organization.

Three levers for unlocking enterprise *advantage*

1. *Funding with product operating model*

Although it is a common challenge in shifting to a product operating model, funding stands out as a critical enabler that determines the success and scalability of the transformation. The shift demands more than a structural change. It requires a transformation in mindset, governance, and accountability. Instead of financing discrete, time-bound projects, organizations should focus on continuous funding models that empower long-term product teams to deliver sustainable value. This approach aligns financial investments with strategic business outcomes, enhances agility, and helps ensure that resources are directed toward creating measurable customer and enterprise value. In an increasingly dynamic and competitive environment, effective funding transformation within the product operating model is central to achieving scalability, innovation, and operational efficiency.

Traditional project-based funding typically allocates financial resources to specific initiatives with defined budgets, timelines, and deliverables. Success is measured primarily by adherence to cost and schedule parameters rather than the realization of tangible business outcomes. This often results in fragmented ownership, redundant efforts, and limited scalability across the enterprise. In contrast, a product-based operating model introduces a paradigm shift where funding becomes dynamic, which can be tied to real-time product performance and is allocated around persistent, cross-functional product teams. These teams focus on continuous delivery, improvement, and innovation, measuring success through customer satisfaction, adoption, and business impact rather than traditional project milestones.

Scaling the product operating model across portfolios requires a deliberate and phased approach. Organizations should begin with high-impact product pilots to validate the new funding framework and refine practices before extending them enterprise-wide. Consistency can be achieved through common taxonomies and financial frameworks that standardize how value is measured and reported. Technology plays a critical enabling role: Product portfolio management tools help track investment versus value delivery, while data analytics supports predictive funding, identifying where resources will generate the greatest impact. Equally important is the cultural dimension of scaling. Leaders must embed a product mindset across the organization through targeted training and change management. Empowering cross-functional teams to take ownership of outcomes rather than outputs fosters accountability and agility, while recognizing and rewarding teams based on value creation encourages sustained performance.

For example, a leading automotive parts manufacturer recognized that its traditional, enterprise-wide funding model was limiting agility and innovation. Under the previous approach, budgets were allocated annually and tied to fixed projects, leaving little room to respond to shifting market demands or evolving product priorities. To address this, the organization transitioned to a portfolio-oriented funding model anchored in strategic business objectives and measurable OKRs.



2. Product acceleration office (PAO)

The PAO serves as the connective tissue of transformation. It anchors rhythm, governance, and insight into a single system that keeps the enterprise aligned and moving at pace. When the PAO is immature, it operates as a coordination hub—helpful but reactive. As it matures, it becomes the intelligence layer of the organization, sensing where value is being created, where it is stalled, and how to adjust.

In the early stages, activity within the PAO focuses on establishing cadence and visibility. Teams begin to synchronize planning cycles, document dependencies, and collect basic performance metrics. These efforts build confidence but still rely heavily on individual leaders to drive accountability. As structure takes hold, governance becomes consistent, and data begins to shape decisions. Forums connect strategy to delivery, and leadership starts to see patterns rather than isolated reports. The PAO evolves from keeping time to setting tempo.

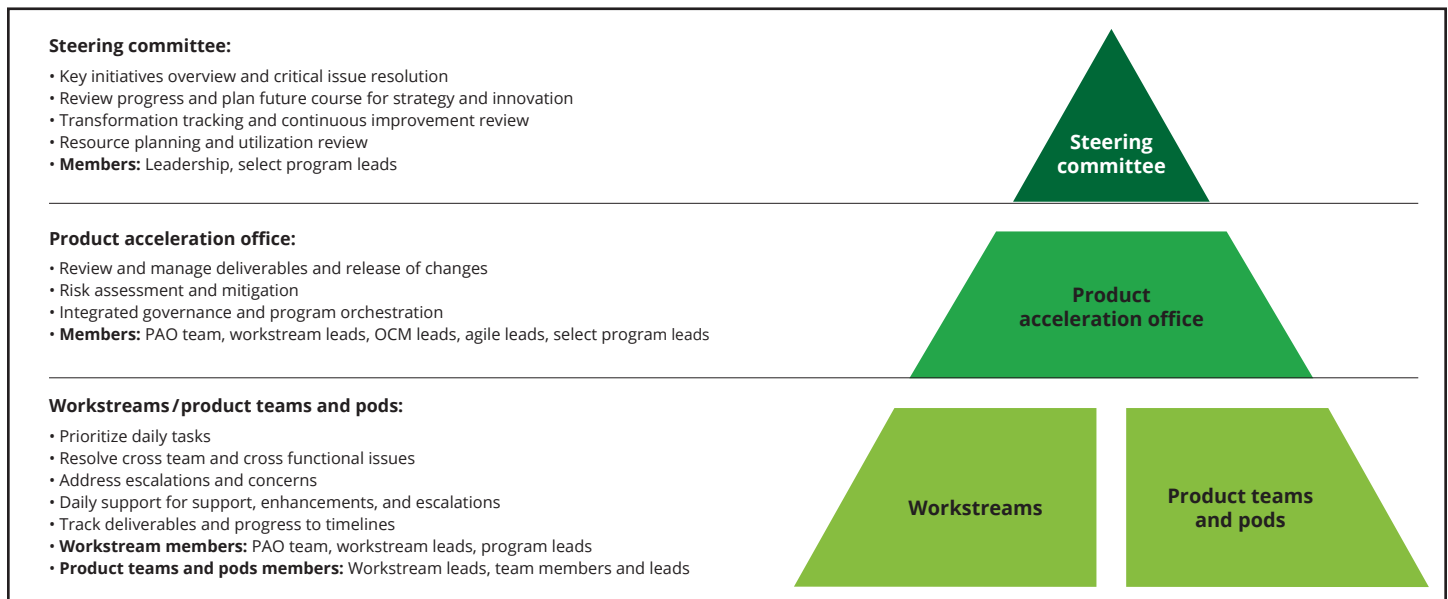
Once embedded, the office orchestrates the rhythm of the enterprise. Planning and funding flow together, and teams make decisions based on shared insights rather than hierarchy. Outcomes begin to drive investment, and friction across domains decreases as the PAO learns to anticipate rather than react.

At maturity, the PAO becomes predictive. It no longer simply reflects progress; it enables it. Metrics turn into foresight, leadership alignment becomes instinctive, and funding adjusts dynamically to where the next increment of value can be realized. A mature PAO transforms the organization’s operating model from managed change to continuous evolution.

Readiness rises in parallel. As the PAO strengthens its reach and precision, it turns transformation into an enterprise capability—one that senses, adapts, and scales value creation with intent.

For example, within a leading retail organization accelerating its digital and technology transformation, the transformation team established a PAO, as seen in figure 8, to govern and scale a consistent way of working across the enterprise. With program management at its core, the PAO served as the operational hub, coordinating across workstreams, business and IT leads, and delivery pods to reinforce standard practices, resolve blockers, and maintain transformation momentum. By acting as a connector across functions, the PAO enabled faster decision-making and constant communication, helping the organization operate with greater cohesion and clarity.

Figure 8. PAO structure



Source: Deloitte

3. Enterprise adoption

Many organizations initiate their product-oriented journey in one of two ways:

- **Top-down, in which the mandate is enterprise-driven, sponsored by the CEO, or**
- **Bottom-up, in which the mandate is technology-driven, championed by the CIO.**

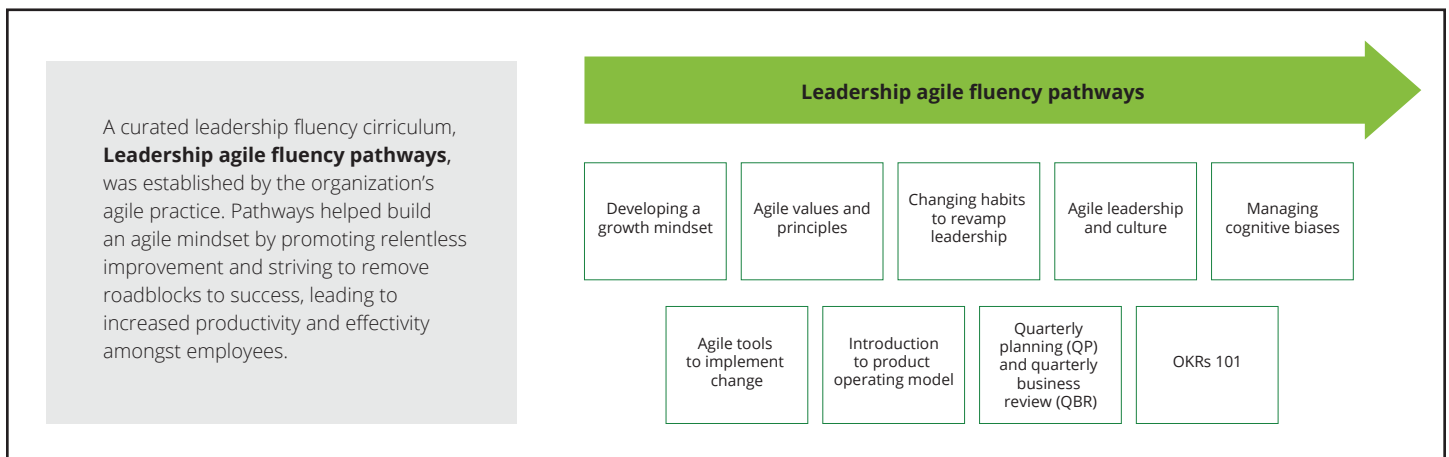
A scaled product operating model succeeds when both technology and business leaders own the transformation with each leader, which brings a distinct focus that, together, turns strategy into measurable value. A unified vision helps ensure consistency across business and technology leadership, minimizing conflicting priorities.

The technology leaders should focus on engineering a solid foundation by building the technical backbone—comprising platforms, data, and tools—that empowers product teams to deliver rapidly and at scale. Business leaders should focus on aligning the product strategy with the organization’s and each domain’s overarching vision, growth objectives, and market positioning. However, many executives are unfamiliar with product management and agile principles or have diverse ways of viewing it. Structured workshops, immersion sessions, and leadership coaching build a shared language and conceptual foundation. Leadership commitment is enhanced when executives actively sponsor and participate in initiatives. By providing visible support, reviewing outcomes, and addressing organizational impediments, leaders demonstrate commitment while also learning from early experimentation. This stage builds credibility and creates momentum for scaling. In scaling, leaders embed product ways of working into organizational systems. This includes shifting funding models from project-based to product-based, redefining OKRs and KPIs toward outcomes, and adjusting governance structures to empower product teams.

Leadership emphasizes these changes are not superficial but integrated into the enterprise operating delivery rhythm. Sustainable transformation requires leaders to model the behaviors they expect: customer obsession, agility, transparency, and a willingness to learn from failure. So, while the technology leaders think of the *how* and the business leaders define the *way*, the product operating model sustains as a competitive advantage at an enterprise scale.

For example, as part of a major retail organization’s transition to a product operating model, leadership recognized early that business and technology executives lacked a collective understanding of product management principles and agile ways of working. To address this, the organization launched a curated leadership fluency curriculum (figure 9) tailored to different leadership roles. Business leaders focused on customer-centric planning and outcome-based funding, while technology leaders explored delivery enablement and cross-functional collaboration. The curriculum included structured immersion sessions, use-case discussions, and direct coaching tied to active transformation initiatives. By creating space for leaders to learn in context and contribute to pilot programs, the organization built greater buy-in, improved cross-functional alignment, and established a unified leadership voice that consistently reinforced the product mindset across the enterprise.

Figure 9. Leadership fluency



Source: Deloitte

Conclusion

Product models don't create value—*the system that funds, governs, and accelerates them does*. The next generation of enterprises will likely distinguish themselves not by how agile they are, but by how intelligently and continuously they turn rhythm into return. With a solidified approach to combining and scaling these three levers, enterprises can compound enterprise value.

Organizations that scale product operating models successfully typically do so by institutionalizing a delivery cadence that connects quarterly planning to daily execution. With each planning increment, teams gain maturity, leadership builds trust in the model, and the organization evolves from change management to operational excellence. Supported by a central product acceleration office, this rhythm becomes the heartbeat of how business and technology deliver together.

Implementing a product operating model enables strategic planning at the enterprise level and aligns the organization's objectives, allowing for the maximization of resources, reduction of waste, and delivery of customer-centric solutions. Scaling operating models requires a new way of running the organization that combines digital capabilities and product orientation in an integrated, well-structured approach, thereby achieving dramatic improvements in revenue, customer experience, and cost.

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Endnotes

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2. Deloitte, "[CIO perspectives: New Deloitte survey unveils technology leaders' current priorities, performance, and competencies](#)," press release, June 4, 2024.
3. Kelly Raskovich et al., "[IT, amplified: AI elevates the reach \(and remit\) of the tech function](#)," in Tech Trends 2025, Deloitte Insights, 2024, p. 38.

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