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What Are The Problems with Estimation?

For many organizations, we need to be able to forecast. But, as Ron Jeffries says:

“Yes, estimation is fraught. It is inaccurate, and politically dangerous. But we do have some knowledge and the project deserves to have it.”

Estimates are not evil in and of themselves. But the results are often used for evil. [Dilbert summarizes the traditional approach and the way we feel about it](#). Problems include:

- Estimates often become commitments and / or targets. People tend to treat these numbers as factual true data points instead of the probabilistic statements they are, with poor results.
- Estimates take a long time. Because we know the estimate is about to become a commitment, we almost do a complete design of the system in order to come up with an estimate.
- Estimates are wrong. Even after spending that amount of time on it, the estimates are wrong. And you'll find that the more time you spend on an estimate, the worse it becomes, mainly because you are building your estimate on assumption over assumption over assumption.
- Estimates are done by one group, or worse, by a single person. And so do not reflect the total view of what is required to do the work.

The agile approach to estimation is aimed at improving these outcomes.

Are There Any Benefits to the Team of Estimating?

The agile approach stresses speed, full team involvement, and information that is accurate enough for the purpose intended, not pure precision.

What is interesting is that from the perspective of the people doing the work (team / team of teams) the agile approach provides additional reason to do estimation:

- Clarity: Teams understand the type of work they do and what the market is asking for. They can ask clarifying questions to make acceptance criteria detailed enough for them implement the work. Through discussion as a result of estimation there is increased clarity for the whole Team.
- Knowledge transfer. Team members explain the actual work helping the whole Team learn cross functional knowledge when coupled with paired work prepare them to execute new skills on their own. As teams participate in the estimation process, each skill set brings their viewpoint to the discussion, this building a common understanding of the need and the work involved. Sure the

person doing the change might think it is a simple change, but the person with the testing background might understand that there is a wider impact.

- Reduced batch size: Estimation helps us forecast work. But what is interesting is that Teams quickly discover (as they analyze the success of their estimation) that the smaller the work, the more predictable their ability to deliver. So the process of estimation actually works to encourage smaller batches of work. Teams will start to establish team norms to say, for example, “if a story takes is expected to take more than 1/2 a week, we need to split it.”

I like this quote from Steve McConnell:

“The point of estimation is not to predict the future but to understand if we are even within a chance of managing our way to success.”

The business view of this chance is the forecast use of capacity. The team / team-of-teams view of this is to work to their capacity.

Want to Know More?

- [Is Generating an Estimate a Waste of Time?](#)
- [Our Estimates are Terrible!](#)

[Team](#), [Estimates](#), [Forecast](#), [FAQ](#), [Points](#), [EstimationApproach](#)

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