



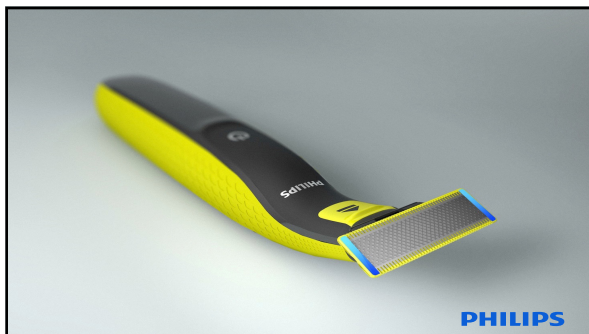
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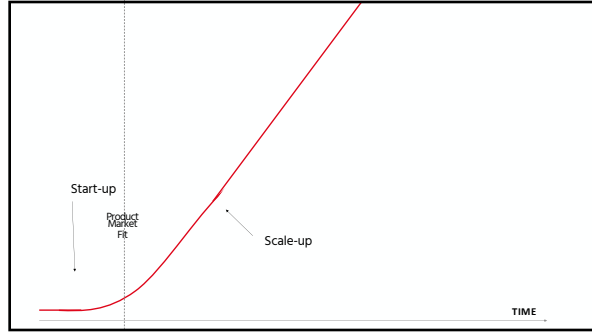
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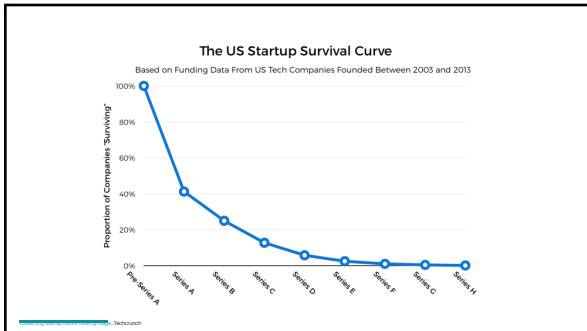
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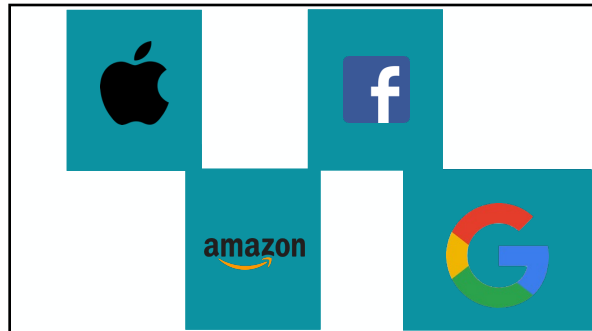
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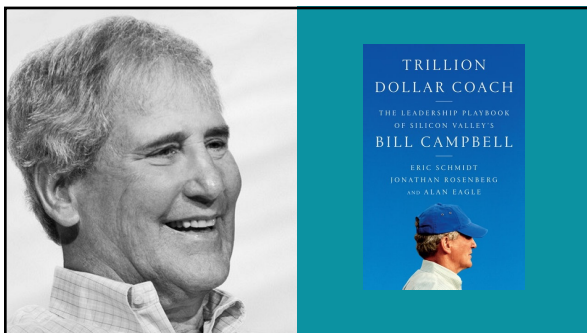
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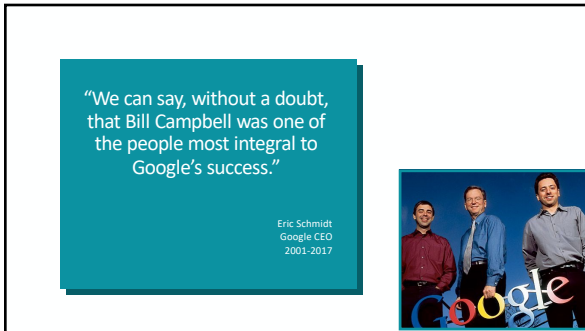
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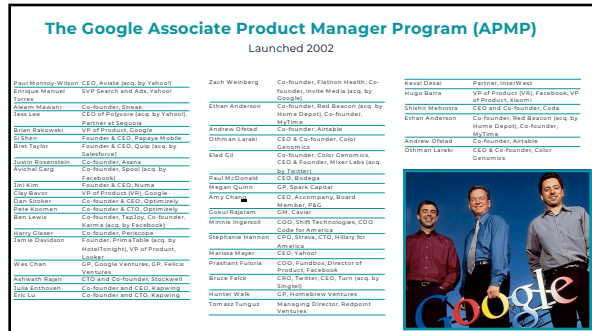
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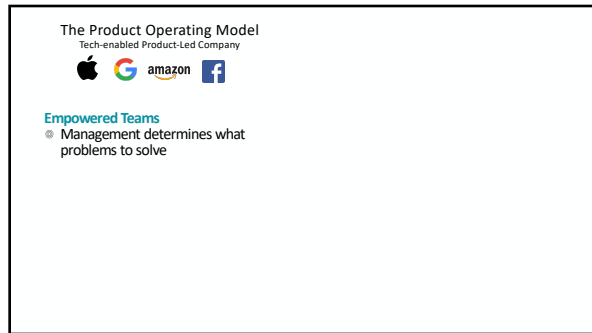
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18

A Not So Irrelevant Tangent

19

OUTCOME	OUTPUT
A change in human behavior that drives business results*	A tangible deliverable from the project.
*Ideally by you delivering as few features as possible	

20

OUTCOME	OUTPUT
Increase customer satisfaction	Chatbot to answer customer questions
Increase number of leads	Buy Facebook ads
Increase customer retention	Create strong onboarding experience

21



22

Back to the main story...


23

<p>The Product Operating Model Tech-enabled Product-Led Company</p> <p>Apple G amazon f</p> <p>Empowered Teams</p> <ul style="list-style-type: none"> Management determines what problems to solve (outcome) Engineering, Design, Product solve these hard problems together Continuous Product Discovery and Continuous Product Delivery <p>← Better product design More responsive to changing markets</p>	<p>Traditional Company</p> <p>Delivery Teams / Feature Teams</p> <ul style="list-style-type: none"> Management / sales decides what features to build (output) Engineering and Design implements features based on a roadmap No Product Manager – have a Product Owner (Agile Scrum) Continuous Product Delivery <p>→ More tech debt</p>
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Product Led Growth ● Freemium ● Free Trial ● Open Source 	The Product Operating Model Tech-enabled Product-Led Company 	Traditional Company
	Empowered Teams ● Management determines what problems to solve (outcome) ● Engineering, Design, Product solve these hard problems together ● Continuous Product Discovery and Continuous Product Delivery	Delivery Teams / Feature Teams ● Management / sales decides what features to build (output) ● Engineering and Design implements features based on a roadmap ● No Product Manager – have a Product Owner (Agile Scrum) ● Continuous Product Delivery
Lower CAC Scale faster	Better product design More responsive to changing markets	More tech debt

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The Product Operating Model Tech-enabled Product-Led Company 	Traditional Company
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Better product design More responsive to changing markets	More tech debt


26

Product Operating Model	Product Vision ● 3-10 years
	Product Strategy ● 18 months-5 years
	Product Metrics ● 1-3 years = How you will know if your strategy is succeeding
	Features & Solutions ● Rapid iteration = What you actually build

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Product Operating Model	Product Vision ● 3-10 years
	Product Strategy ● 18 months-5 years
	Product Metrics ● 1-3 years = How you will know if your strategy is succeeding
	Features & Solutions ● Rapid iteration = What you actually build

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	"Vision without action is a dream. Action without vision is a nightmare." Honda Soichiro Founder of Honda 1906-1991
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29

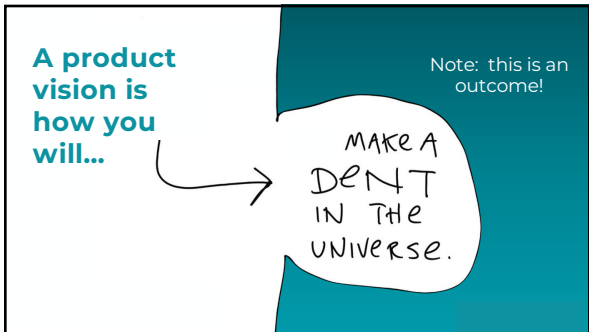
A Product Vision is not.... ● List of features ● Cool things your product can do ● Product Roadmap ● Countries operating in ● Org chart ● Market share ● Revenue ● Market capitalization	} — OUTPUT } — IMPACT
---	--

30

A product vision is how you will...

Note: this is an outcome!

MAKE A DENT IN THE UNIVERSE.



31


A product vision is how you will make a customer's life better

Note: this is also an outcome!



32

A product vision is the heart of any great product



33

What does a Product Vision do?

1. Helps you build better products

34



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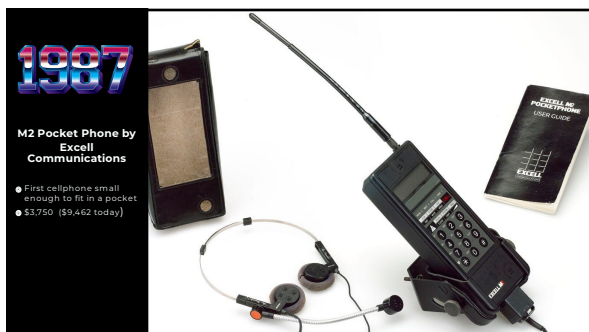
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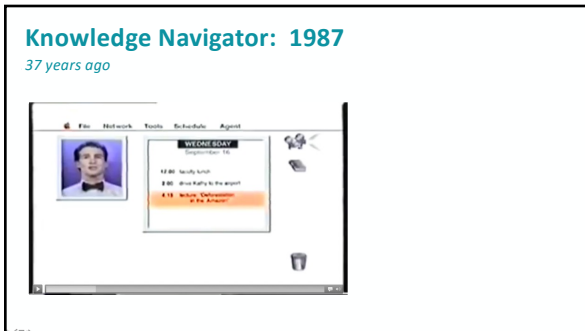
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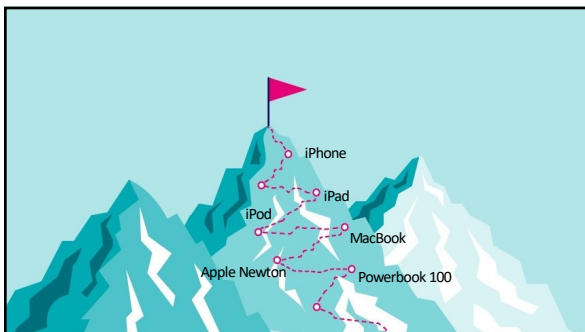
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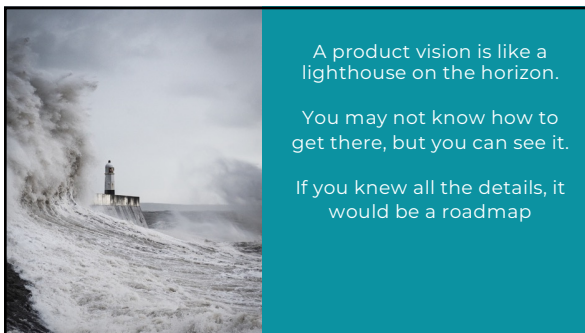
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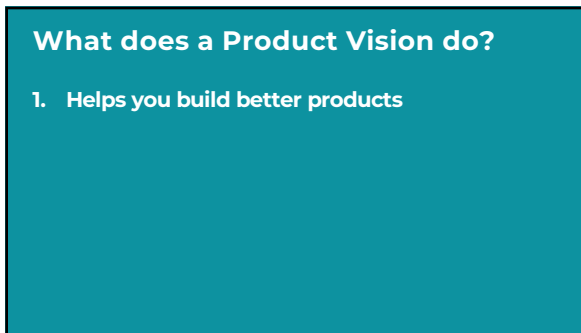


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47

A product vision is like a lighthouse on the horizon.
 You may not know how to get there, but you can see it.
 If you knew all the details, it would be a roadmap



48

What does a Product Vision do?

1. Helps you build better products
2. Motivates and Inspires People

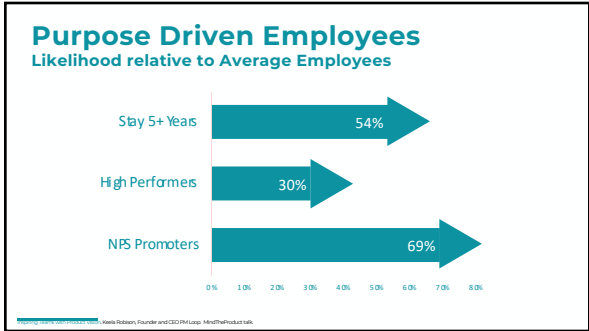
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“If you want to build a ship, don't drum up the men to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea.”

Antoine de Saint-Exupéry
Author of The Little Prince
French writer, poet, journalist and pioneering aviator.
1900-1944

50



51

What does a Product Vision do?

1. Helps you build better products
2. Motivates and Inspires People

Missionaries not Mercenaries

52

What does a Product Vision do?

1. Helps you build better products
2. Motivates and Inspires People
3. Drives Strategy

53

What does a Product Vision do?

1. Helps you build better products
2. Motivates and Inspires People
3. Drives Strategy
4. Aligns People

54



"Lead with context, not control"

Leslie Kilgore
Netflix CMO 2000-2012
Current Board Member of Netflix, Pinterest, Nextdoor, and Discord.

55



56

What does a Product Vision do?

1. Helps you build better products
2. Motivates and Inspires People
3. Drives Strategy
4. Aligns People
5. Focuses and Connects Engineering

57

What does a Product Vision do?

1. Helps you build better products
2. Motivates and Inspires People
3. Drives Strategy
4. Aligns People
5. Focuses and Connects Engineering
6. Helps Recruit

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"When done well, the product vision is one of our most effective recruiting tools, and it serves to motivate the people on your teams to come to work every day. Strong technology people are drawn to an inspiring vision."

Marty Cagan
40 Years in the Technology Industry
Former Product Executive at eBay, Netscape, HP
Partner at Silicon Valley Product Group
Author of "Inspired" and "Empowered"

59

What does a Product Vision do?

1. Helps you build better products
2. Motivates and Inspires People
3. Drives Strategy
4. Aligns People
5. Focuses and Connects Engineering
6. Helps Recruit
7. Builds Leadership

60

Classic Vision Statements

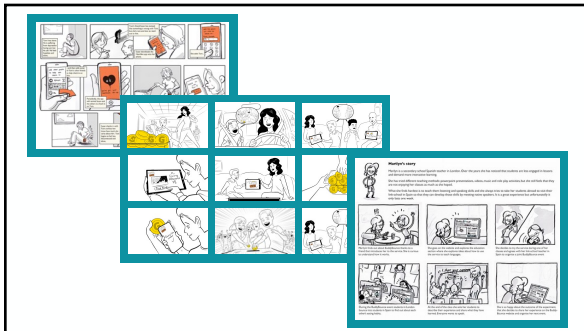
- **Tesla:** "Accelerate the world's transition to sustainable energy."
- **TED:** "Spread ideas."
- **Stripe:** "Increase the GDP of the internet."
- **IKEA:** "Create a better everyday life for the many people."
- **Slack:** "Make work life simpler, more pleasant, and more productive."
- **World Wildlife Fund:** "Conserve nature and reduce the most pressing threats to the diversity of life on Earth."
- **Nike:** "Do everything possible to expand human potential."
- **Square:** "Make commerce easy."
- **Microsoft:** "A computer on every desk and in every home."
- **Alzheimer's Association:** "A world without Alzheimer's disease."
- **Teach for America:** "One day, all children in this nation will have the opportunity to attain an excellent education."
- **Lyft:** "A world where cities feel small again."

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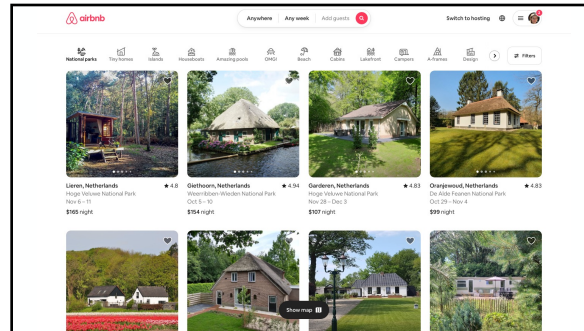
A short product vision statement alone is not a strong product vision

- ⊗ **You need a story with cause and effect:** People remember stories better
- ⊗ **You need meaning and motivation** to be a catalyst for action
- ⊗ **You need visual.** Many of us process information faster from pictures than text.

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63



64




Vision:
Belong Anywhere

65



66



“For us, it’s a dance between online and offline. And this has been our biggest challenge. We saw it play out in the storyboard. We realized the key is mobile....”

Joe Gebbia
Airbnb Co-Founder and Chief of Product

67

How to Craft a Visual Product Vision Storyboard



68

1 – 3 Month Product Vision Project



- Complex situations
- Lots of stakeholders


69

1 Week Product Vision Sprint




- Scale-ups
- Focused team effort


70



- © Dutch / US company
- © Y-Combinator
- © 5 years old
- © Series A




71



Problem Addressing

- © **The Silver Tsunami:** Elder population doubling
- © **Nursing shortage:**
 - More nurses leaving than entering the field
 - In the US, nurses make \$15-\$17 / hour, less than McDonald's



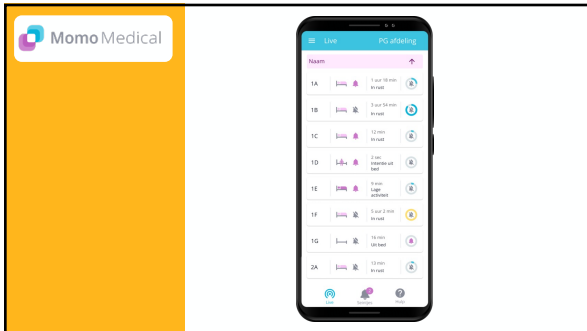
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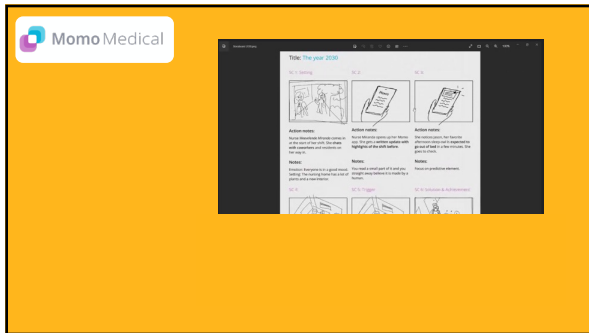
75



76



77



78



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Momo Medical

Vision:

To improve elder-care so that it is delivered with dignity and care.

To empower elder-care nurses to love their job.

80

Product Operating Model

- Product Vision**
 - 3-10 years
 - How you will make a customer's life better
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 - 18 months-5 years
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 - 1-3 years
 - How you will know if your strategy is succeeding
- Features & Solutions**
 - Rapid iteration
 - What you actually build

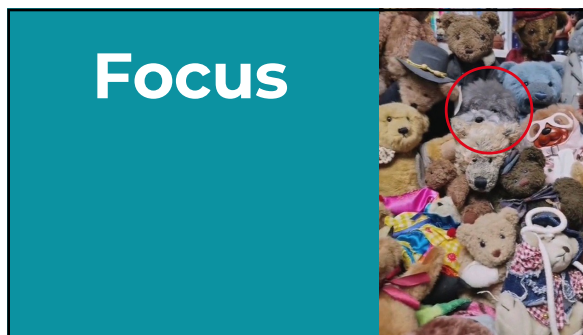
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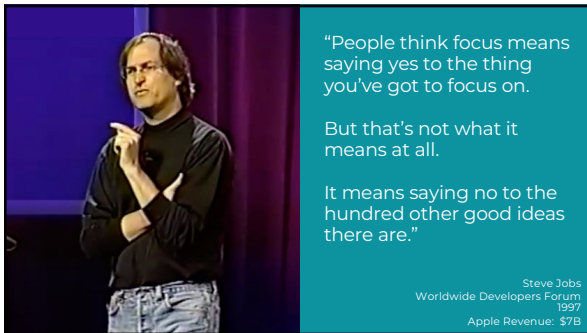
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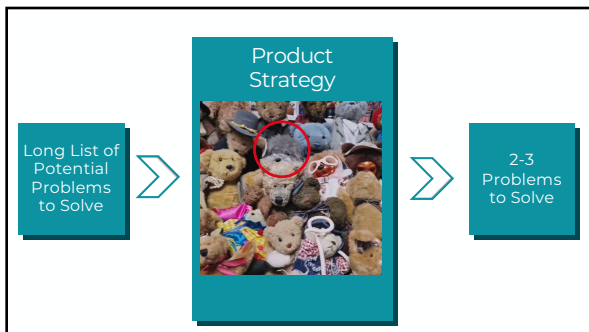
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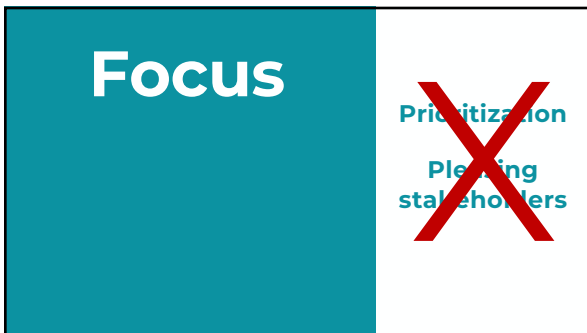
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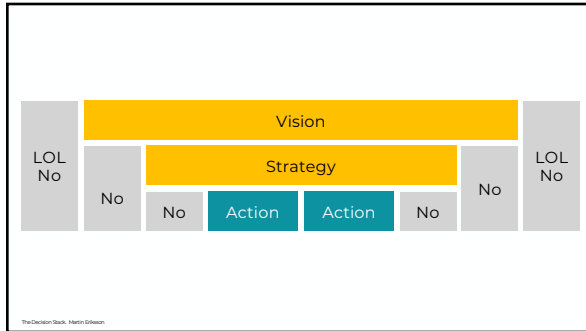
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91

Great Strategy

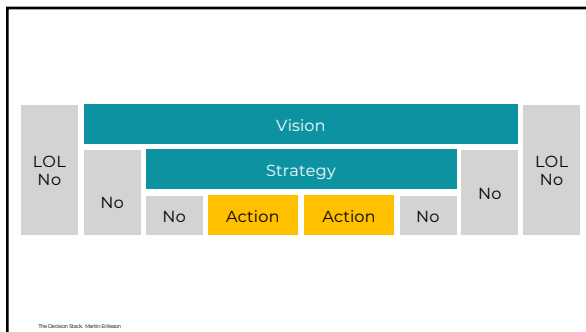
1. Starts with a vision *and* a challenge.
2. Is honest about the current state of your business and market.
3. Is a hypothesis on where you will play and how you will win.
4. Is a coherent set of choices and actions based on those insights.

Martin Eriksson
 Founder of Mind The Product and Product Tank
 Investor



Your strategy probably fails. The Decision Book, Martin Eriksson

92




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Placing Bets

Just because you assign a problem to a team does not mean they will succeed in solving it, at least in the next quarter.

“Play the odds”

- Assign the same problem to multiple teams
- Portfolio of high risk and low risk options



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Example Netflix

Netflix: Strategy Circa 2007


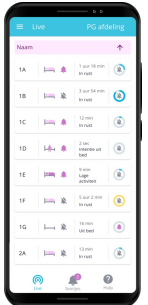
Vision: “Becoming the best global entertainment distribution service, licensing entertainment content from around the world, creating markets that are accessible to film makers, and helping content creators around the world to find a global audience.”

Principles: “Delight customers in margin-enhancing and hard-to-copy ways”

Key Strategies	Tactics	Metrics
Personalized	Ratings Wizard Netflix Prize	Percentage of customers who rate > 50 titles at 6 weeks RMSE
Instant	Hub Expansion Streaming	Percentage of disks delivered in one day Percentage of customers who watch > 15 min/month
Margin-Enhancing	Previously viewed Advertising Price & Plan testing	Gross Margin LTV
Easy	Simplify and kill Progressive Disclosure	Percentage of customers with > 3 titles in queue on day one

© Clean Slide

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MomoMedical

	Memory Care Facilities	Nursing Homes	Hospitals	Home Care
Bed Sensors	X			
Room Sensors				
Pendent Sensors with Mesh Network				
Predictive Analytics				

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Product Operating Model

- Product Vision**
 - 3-10 years
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 - 18 months-5 years
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- Product Metrics**
 - 1-3 years
 - How you will know if your strategy is succeeding
- Features & Solutions**
 - Rapid iteration
 - What you actually build

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Goal of Metrics:

To let you know if your strategy is succeeding

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Checklist

- Expresses value.

100



101

Checklist

- Expresses value.
- Fully ownable by the product team.

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Company Business Goal

Metric Examples

- Revenue
- Profit
- Margin
- Market share
- Reduced operating costs
- Reduced churn/increase retention
- New market

103

Company Business Goal
Have 30% of sales come from North America

Product Metric

- Content localization
- US tax calculations on products

Sales Metric

- Sales Reps in the US
- 15 Major Accounts Developed

Ops Metric

- Office opened in the US
- Legal requirements met

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Checklist

- ⊗ Expresses value.
- ⊗ Fully ownable by the product team.
- ⊗ A leading indicator of success.

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Lagging Indicator

- Measure the actual results.
- Are historical – they say what happened last quarter.
- Show the final score of your strategy and/or efforts.
- Are easier to measure, but harder to directly improve.



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Spotify

Leading Indicator
Lagging Indicator

- Measure the activities necessary to achieve your goals.
- Describe how to achieve your goals.
- Lead to results, they come first.
- Not the end goal, but they give you a hint that you are on the right track – they should lead to the lagging indicator.

Time spent listening to music by subscribers

MRR

The Spotify Case Prepared by Amplitude

107

Spotify

Even More Leading
Leading Indicator
Lagging Indicator

- Things that lead to the leading indicator that we want.
- Keep working backwards into smaller and smaller things.

Breadth

Depth

Frequency

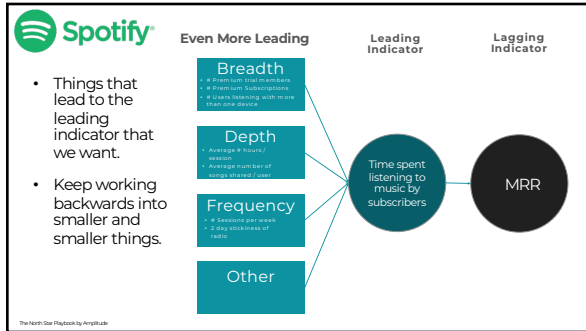
Other

Time spent listening to music by subscribers

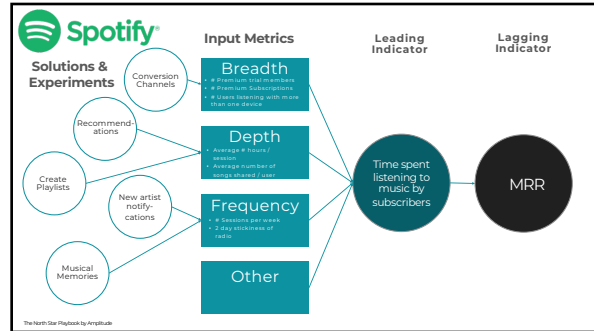
MRR

The Spotify Case Prepared by Amplitude

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110

- ### Checklist
- ⊗ Expresses value.
 - ⊗ Fully ownable by the product team.
 - ⊗ A leading indicator of success.
 - ⊗ SMART
 - ⊗ Specific
 - ⊗ Measurable
 - ⊗ Actionable
 - ⊗ Relevant
 - ⊗ Timely
 - ⊗ Not a vanity metric

111

Momo Medical

$$\text{Love Score} = \frac{\text{Number of nurse interactions with software per five minutes}}{\text{Number of residents being taken care of}}$$

112



113

- Momo Medical**
- How to raise the Love Score
- ⊗ Chocolate.
 - ⊗ Call with night shift nurses to introduce themselves in first 2 weeks.
 - ⊗ Great Job notifications.

114

Momo Medical

Result
85% Love
Score



115

Momo Medical

Decisions based on love score

- Low Love Score: Customer visit to learn.
- High Love Score: Focus moves to converting to paid – sales pitch.
- If Love Score is not increasing: Check and see if there are a lot of agency workers. If so, focus on business case of saving money

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Product Operating Model

Product Vision

- 3-10 years
- How you will make a customer's life better

Product Strategy

- 18 months-5 years
- Your path to deliver your product vision.

Product Metrics

- 1-3 years
- How you will know if your strategy is succeeding

Features & Solutions

- Rapid iteration
- What you actually build

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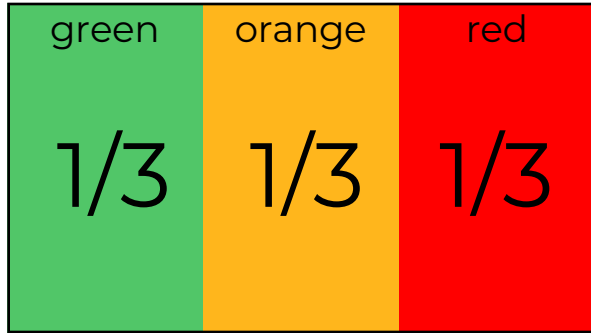
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Continuous Discovery

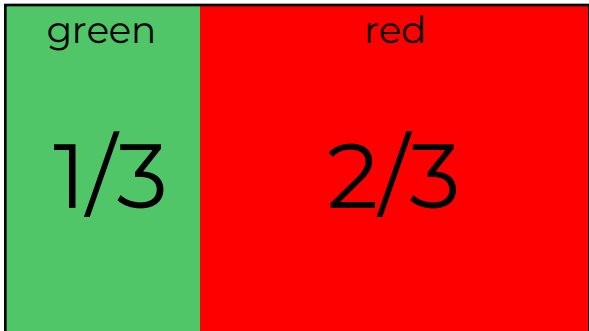
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What percentage of Microsoft ideas improved the metric that they were intended to address ?

121




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123

All of the ideas tested were thought to be good ones – but neither intuition nor expert opinion are good gauges of the value our ideas have for users.

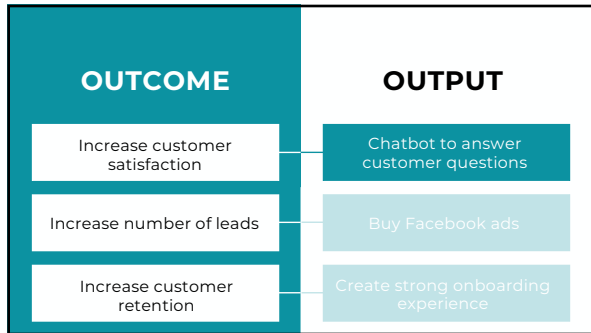


Ronny Kohavi
General Manager
Microsoft

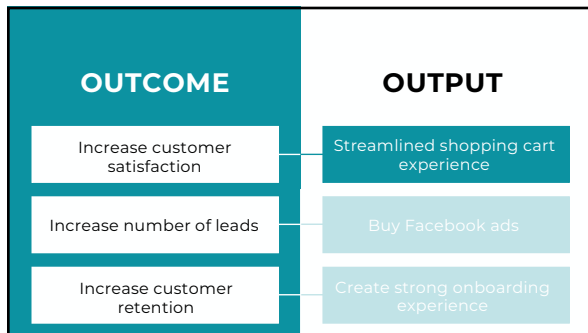
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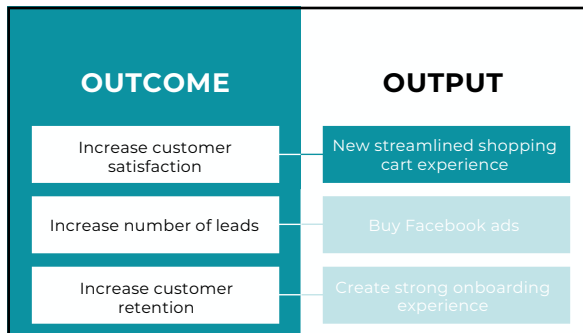
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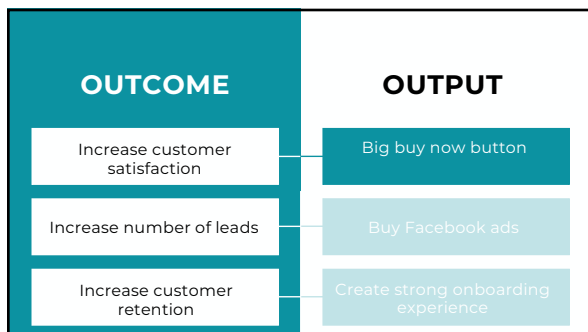
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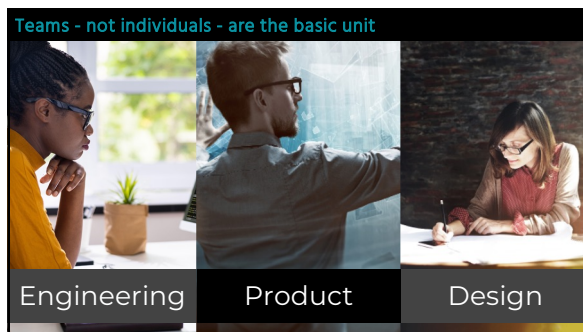
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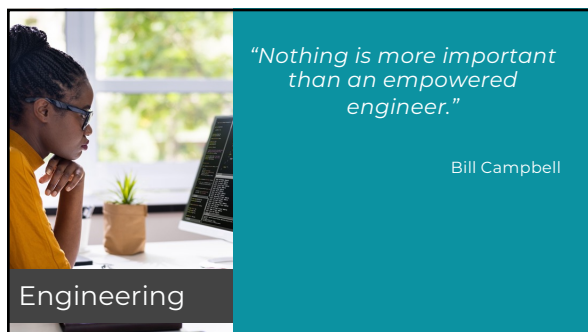
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131

Median headcount at which startups installed a full-time PM:	Average Engineer to full-time PM ratio
Europe: 34 US: 10	Europe: 24:1 US: 8:1

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Continuous Discovery

Output

- 2-3 hours of customer interviews / week
- 10-20 experiments / week

@schalkhoflab

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Continuous Discovery

Output

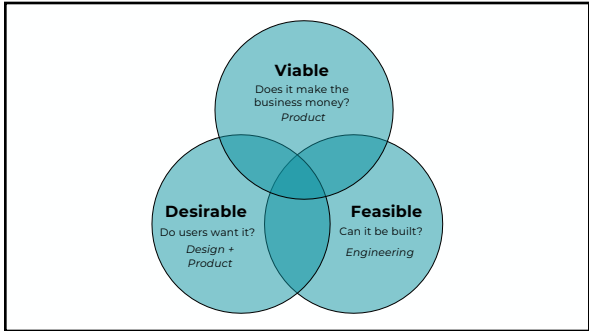
- 2-3 hours of customer interviews / week
- 10-20 experiments / week

Approach

- Outcome = stable over time
 - Team needs 4-12 weeks to learn what impacts it. In the 2nd Q you start to get the benefit
- Focus on one outcome at a time.
- 4 hours / day of Product Manager - 30 min / day from Eng. Lead

@schalkhoflab

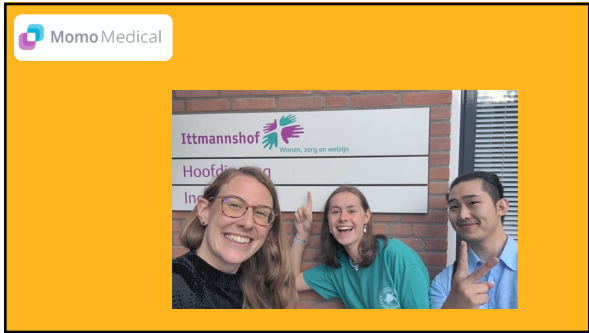
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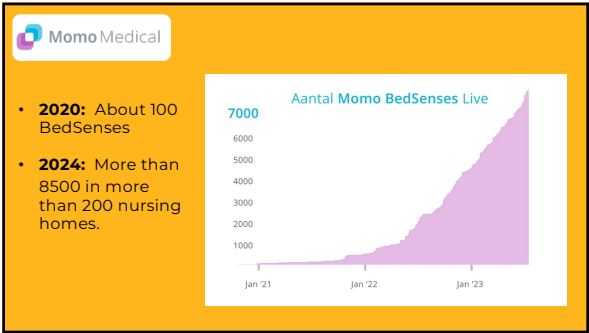
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Continuous Delivery

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The Product Operating Model

Tech-enabled Product-Led Company



Empowered Teams

- Management determines what problems to solve (outcome)
- Engineering, Design, Product solve these hard problems together
- Continuous Product Discovery and Continuous Product Delivery

Traditional Company

Delivery Teams / Feature Teams

- Management / sales decides what features to build (output)
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- No Product Manager – have a Product Owner (Agile Scrum)
- Continuous Product Delivery

← Better product design More responsive to changing markets More tech debt →

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Don't aim for change, but for evolution and improvement.

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Tips for product managers who want to move further to the left

- Focus on vision / strategy**
 - Stay focused on opportunities to solve problems that move you closer to your vision.
 - Don't just react to what customers want now
 - If your org does not have one, go create it.
- Mindset shift:**
 - Outcomes over outputs.
 - Focus on the why – why are you building this
- Data Not Opinions:**
 - Data will bring more credibility to encourage the organization to take the risks.
- Talk to bosses about what success means:**
 - Define metrics for when you are done.
 - Come to meeting with data.
- Empowered Teams = accountable**
 - Product trio must develop trust
- Set success criteria before launch:**
 - Iterate until you reach it.
 - Success is not shipping a feature
- Involve engineering earlier:**
 - Engineering is a 1st class member of the team.
- Engage with your executives**
 - Share (at least every week) what you've learned last week and what you are planning to test next week.
 - The more execs understand, the more they will step back and let teams execute.

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Tips for leaders who want to move further to the left

- Ensure company has a strong vision / strategy and it is communicated**
 - Communicating this is your responsibility
- Mindset Shift:**
 - Outcomes over outputs.
 - Stop telling teams what to build.
- Judge teams based on reaching outcomes:**
 - Don't judge based on delivering roadmap or shipping features.
 - If incentives and bonuses are based on output, this is what you will get.
- Create safe spaces for learning:**
 - Reward people for learning.
 - Do not punish failures when process was good.
- Fund like a VC based on milestones:**
 - Ensure budgeting does not punish teams who cancel projects or find ways to deliver cheaper.



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Product Managers

- Focus on vision / strategy
- Mindset shift
- Data Not Opinions
- Talk to bosses about what success means
- Empowered Teams = accountable
- Set success criteria before launch
- Involve engineering earlier
- Engage with executives

5:00

Product Leaders

- Ensure company has a strong vision / strategy and it is communicated
- Mindset Shift
- Judge teams based on reaching outcomes:
- Create safe spaces for learning
- Fund like a VC based on milestones:

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