Klarna

How to Create Products Customers Love

A Workshop For Product Teams Marty Cagan





How To Create Products Customers Love

WORKSHOP AGENDA

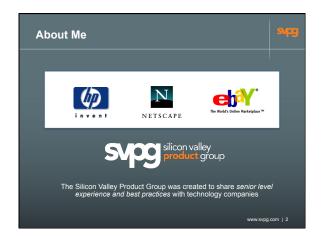
Day 1

⅓ hr	9:00 - 9:15
1 hr	9:15 – 10:00
⅓ hr	10:00 - 10:15
2 hr	10:15 - 12:30
1 hr	12:30 - 1:30
2 hrs	1:30 - 3:30
⅓ hr	3:30 - 3:45
1 hr	3:45 - 4:45
⅓ hr	4:45 - 5:00
	1 hr ½ hr 2 hr 1 hr 2 hrs ½ hr 1 hr

Day 2

Review	¼ hr	9:00 – 9:15
Product Discovery Overview	1 hr	9:15 – 10:30
Break	1⁄4 hr	10:30 - 10:45
Product Discovery Techniques	1 hr	10:45 - 12:00
Lunch	1 hr	12:00 - 1:00
Product Validation Techniques	1 hr	1:00 - 2:00
Product Delivery Techniques	1 hr	2:00 - 3:00
Break	1⁄4 hr	3:00 - 3:15
Product Optimization Techniques	1 hr	3:15 – 4:15
Migration Planning	½ hr	4:15 – 4:45
Summary	⅓ hr	4:45 - 5:00







Key Influences	svpg
 Customer Discovery Product Discovery Lean Startup Methodology Lean UX Lean Analytics Agile Methods 	
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and a	
Top 10 Product Innovation Issues	
Weak Product Leadership Role	
Weak Product Management Role Weak User Experience Role	
Not Utilizing Engineering Early Enough Little Direct Customer Interaction	
Stakeholder Driven Roadmap No Product Discovery Process	
8. Focus on Dates & Features not Business Results	
Missing Rapid Test and Learn Product Culture 10. Missing Product Discovery Team Collaboration	
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Top 10 Slow Product Issues	
Infrequent Release Cycles	
Not Yet True Agile/Scrum Lacking Sufficient Test Automation	
Lack of Impediment Chasing Project Management Not Yet Dedicated Product Teams	
Recommendation of the comment o	-
8. Escalations/Urgent Fixes Interruptions	
Too Many Meetings/Consensus Culture One Morale, Especially Among Developers	
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Top Issues – EXERCISE	
Prioritize your top 3 improvement opportunities	
www.svpg.com 9	





Top Product Mistakes	s/pg
Confusing Projects with	
Products	
www.svpg.c	om 12







Product Teams	svpg		
www.s	svpg.com 16		
Dedicated Product Teams	svpg		
• A small, cross-functional, collaborative (and ideally, co-located) team of empowered and			
accountable people focused on a clearly-definest of business objectives	ned	-	
set of business objectives			
	yng com 17		
s	svpg.com 17		

Projects Features Optimizations Bug Fixes Performance Improvements

Dedicated Product Teams – Structure · Product Manager • Lead Engineer/Architect • Interaction Designer Additional Engineers • Test Automation Engineers • Project Manager/ScrumMaster* Visual Design* • User Research* • Product Marketing* *shared **Dedicated Product Teams – Why It Works** · Ability to form the personal relationships so critical to collaboration The time for the team to truly develop the expertise necessary for innovation • Team understands business objectives Shifts from "release and forget" to focus on business results Product team is empowered and accountable **Dedicated Product Teams – Structure** · Clear Ownership (accountability) Alignment with KPI's (outcome focus) Alignment with Customer/Segment (user focus) Alignment with Architecture (technology focus) • Alignment with Business Units (business focus)

"Rapid Response" Team	svpg
Special Dedicated Team Responsible For: Critical Bug Fixes for Sustaining Products Possible: Critical Bug Fixes for Other Teams Possible: Minor Enhancements for Business	
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Product Teams – EXERCISE	sypg
Discuss potential product team structure	
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Three Obsolete Models	supg
Marketing-driven ProductTwo People, One RoleOne Person, Two Roles	
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The Product Manager Role	supg
The team builds what's on the product backlog, and the Product Manager is responsible for that backlog	
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The Product Manager Contributes	svpg
Deep Knowledge Of The Customer	
acknowledged expert in users and customers	
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The Product Manager Contributes...

Deep Knowledge Of The Industry

competitors, trends

	•
The Product Manager Contributes	
The Product Manager Contributes	
Reference Customers	
obsesses over hanny	
obsesses over happy,	
referenceable customers	
www.svpg.com 31	
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User Experience Design	
Osei Experience Design	
Dalamad Damad 1970	
Roles and Responsibilities	
sypg .	
www.svpg.com 32	
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User Experience Design	<u> </u>
Interaction Designers:	
 Interaction Models: Information Architecture, Tasks, Wireframes 	
Visual Designers:	
– Emotional Response: Look & Feel, Comps	
- Content:	
Content: Fredional Passonse: Voice Conv.	
 Emotional Response: Voice, Copy 	
 Emotional Response: Voice, Copy User Researchers: 	
 Emotional Response: Voice, Copy 	
- Emotional Response: Voice, Copy • User Researchers: - Qualitative: User Testing	
- Emotional Response: Voice, Copy • User Researchers: - Qualitative: User Testing	

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The Power of Interaction Design	supg	
The Mental Model		
- Products that "just work"		
- Products where the value is clear and access	ible	
- No training or online-help required		
		-
w	w.svpg.com 34	
		I
The Power of Visual Design	supg	
The Emotional Response		
Assuage fear Build trust		
Convince people to provide personal information otherwise would not	they	
otherwise would not Motivate users to reach out to their friends		
 Persuade users to buy merchandise they wouldn 	ı't	
otherwiseMake them actually enjoy their time on your site		
Love a product they would otherwise just like		
w	w.svpg.com 35	
		-
Project Managers		
Roles and Responsibilities		
	svpg	

The Project Manager Role What the role is not: Team Admin Team Task Master Team Process Policeman

The Project Manager Role	supg
What the role <i>is:</i> • Impediment Remover • Problem Solver • Process and Techniques Coach	
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TI	The Project Manager Role	
Co	ommon Impediments:	
	PO waiting on marketing for branding related decisions	
	PO waiting on legal approval	
	UX waiting for a new pattern from the lead UX designer	
	Front-end Engineers waiting on visual designers for assets	
	Engineers waiting on critical changes made by platform teams	
	Engineers and QA waiting on staging	
	Engineers waiting on review time from an architect	
	Engineers waiting on resolving a build problem	
	Engineers waiting on completed (fully baked) backlog items	
	QA waiting on scaffolding from test automation	
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The Project Manager Role	svpg
The Need For Speed Constantly strives to remove impediments/obstacles Concerned with process health Eliminates need for meetings rather than increasing them Attends meetings on your behalf when possible Nags others when necessary on your behalf Never lets issues or impediments persist longer than 48 hours Coordinates daily with other ScrumMasters and release manager to manage interdependencies	
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The Project Manager Role	svpg
Great Project Managers: Sense Of Urgency Willing To Do Anything To Help Constantly Asking How They Can Help Lives To Ship Good Judgment "Just Do It" Attitude Pushy But Not Bossy	
MANA SUDO	rom 41



Technology	svpg
 Engineers (aka Developers) QA Engineers (aka Testers) Site Operations Site Security Architecture 	
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Lead Engineers / Architects	svpg
Responsible for holistic view of software Engineering Test automation Site operations Participate actively during product discovery Understanding what's possible Providing guidance on cost/complexity Best source of product innovation	
www.synn.c	nom 44

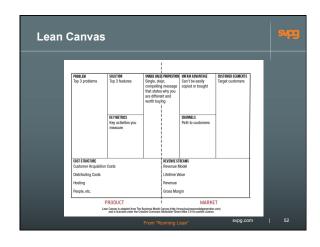


Product Marketing	supg
Responsibilities:	com I 46

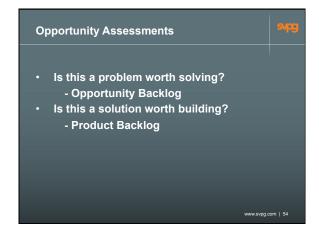




Roles and Responsibilities – EXERCISE	svpg	
Discuss any missing roles and how to fill then	n	
www	svpg.com 49	
Product Planning		
Techniques	0.000	
	SVPG	
Double Consuming	sypg	
Portfolio Grooming		
SunsetSustainingInvestment		
· investment		
		-







Opportunity Assessments	avbg	
1. Exactly what problem will this solve? (value proposition) 2. For whom do we solve that problem? (target market) 3. How will we measure success? (business metrics) 4. How big is the opportunity? (market size)		
5. What alternatives are out there? (competitive landscape) 6. Why are we best suited to pursue this? (our differentiator) 7. Why now? (market window) 8. How will we launch this product? (go to market strategy) 9. What factors are critical to success? (solution requirements/risks)		
10. Given the above, what's the recommendation? (go or no-go)	svpg.com 55	
Opportunity Assessment – EXERCISE Pick an opportunity for an existing product and create an assessment	sipg	
www.s	svpg.com 56	
Product Vision		
Techniques	SVPG	







Product Vision – EXERCISE	supg
 Identify types of customers in 2-3 years Identify key services in 2-3 years 	
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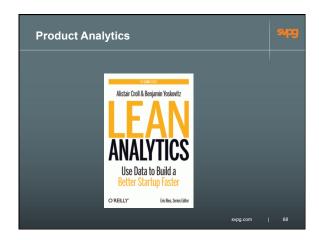
Product Principles	svpg
The product principles describes the <i>natur</i> e of the products you intend to create	
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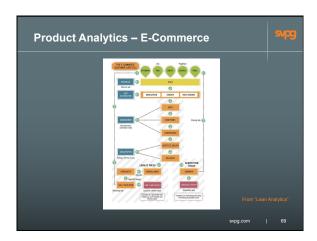












Product Analytics – E-Commerce	supg
 Conversion Rate Purchases Per Year Shopping Cart Value Abandonment Rate Customer Acquisition Cost Lifetime Value 	
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Product Analytics – OMTM	SVPG
The One Metric That Matters	
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Product Analytics – EXERCISE	sypg
Create a proposed product scorecard	
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The Need For Speed	
· ·	
1. Speed = More Iterations = More <i>Learning</i>	
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www.svpg.com 76	
The Need For Speed	
2. Speed keeps the team focused on MVP	
2. Opeca keeps the team rocused on my	
www.svpg.com 77	
The Need For Speed	_
3. Speed gets you active support from leadership	
leadership	

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The Need For Speed	
The Need For Speed	
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4. Speed keeps the team focused on their purpose	
purpose	
www.svpg.com 79	
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The Need For Speed	
5. Speed leads to happier customers	
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www.svpg.com 80	
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The Need For Speed	
6. Speed leads to better quality products	

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The Need For Speed	
7. Speed leads to <i>higher morale</i>	
The open and to might metall	
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The Need For Speed	
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8. Speed enables you to start collecting live	
data on actual usage sooner	
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The Need For Speed	
9 Speed keeps the team always looking for	
9. Speed keeps the team always looking for better techniques	

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The Need For Speed	supg	
10. Speed is one of the few sustaina	ble	
differentiators		
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	www.svpg.com 85	
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The Need For Speed	svpg	
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0	dans	
Speed does <i>not</i> mean working 15 hour	aays	
Speed is a function of the skills of the tea	m, the	
techniques the team uses, and the culture organization	ortne	
organization		
	www.svpg.com 86	
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Product Development		
Process		
Techniques		
	svpg	

roduct Development Process	svpg			
on't try to have a one-size fits all process: Initiatives				
Projects Features				
Optimizations Fixes				
Content-Only				
w	ww.svpg.com 88			
The Acile				
The Agile Development Process				
Development Process				
The Agile Development Process Product Development Process	SMOO			



Agile is all about building and delivering software • Almost nothing said about how to come up with a valuable product backlog www.supg.com | 91

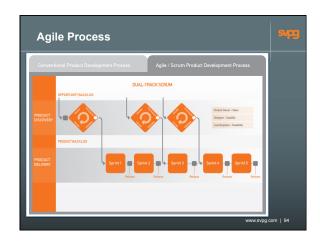
Agile For Product Organizations

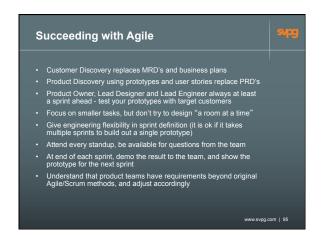
Dual-Track Agile:
Product Discovery
Product Delivery

Teams move much faster, but still don't get anywhere
 User experience design can suffer

User experience design can suffer
Feature chasing
Lack of perceived predictability
Engineers feeling like they are losing their ability contribute more than code
Architecture and technical debt may not get the attention needed with very large scale products

Marketing, sales, customer service brought in too late to prepare

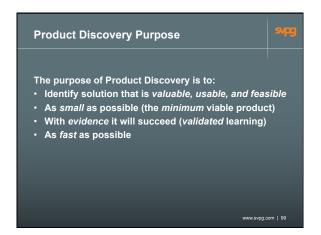


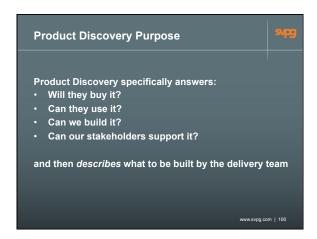




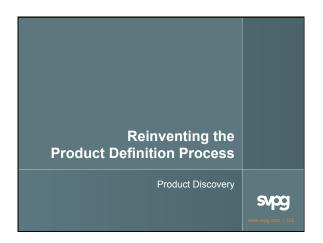


















Paper-Based Specs	
Reality 4:	
Reality 4.	
They are superficial; they don't	
provide the level of information	
engineering needs to	
accurately estimate cost	
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am.	
Paper-Based Specs	
Reality 5:	
They are a cop-out; the hard	
decisions like what exactly will	
be included in the release are deferred	
delerred	
www.supg.com 107	
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Paper-Based Specs	
D 111 0	
Reality 6:	
The control of the co	
They cause churn, and strain the relationship between product	
management and engineering	

Paper-Based Specs	supg
Reality 7:	
They aren't useful to others in the company that need to approve and prepare for the product that's coming	
sales, marketing, customer support, partners, operations, execs	
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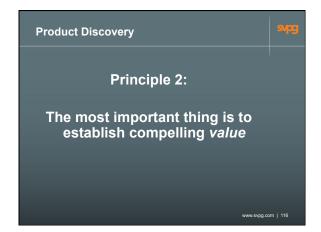


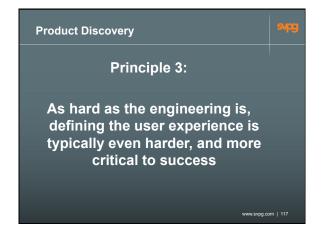


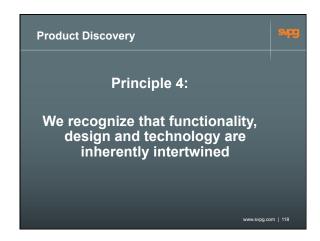


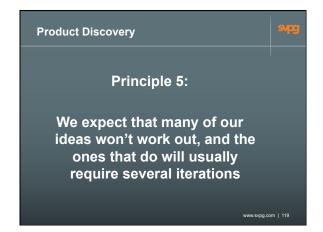


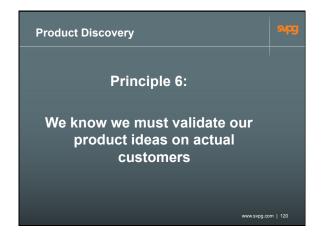










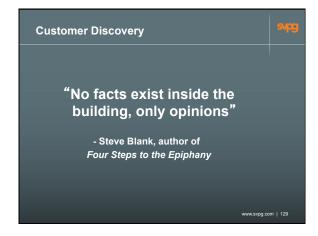


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Product Discovery	
Principle 7:	
Our goal is to validate our ideas	
the fastest, cheapest way	
possible, and we have a range	
of techniques for this purpose	
or techniques for this purpose	
www.svpg.com 121	
Product Discovery	
· · · · · · · · · · · · · · · · · · ·	
Principle 8:	
Fillicipie o.	
We also need to validate the	
feasibility of our ideas during	
product discovery, not after	
www.svpg.com 122	
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Product Discovery	
1 Todact Discovery	
Principle 9:	
We also need to validate our	
ideas with stakeholders <i>during</i>	
product discovery, not after	

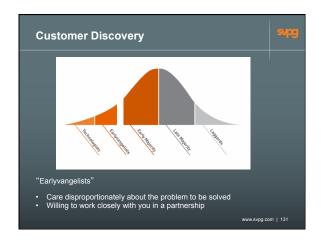
Product Discovery	
Principle 10:	
The <i>prototype</i> is the primary way to communicate the proposed product to the organization	
www.svpg.com 124	
Product Discovery	
Techniques Sypg	
www.svpg.com 125	
www.supg.com 125	
www.ropg.com 126,	
Product Discovery Techniques	
Validating Market Demand Validating Solution Approach	
Validating Market Demand	
Validating Market DemandValidating Solution ApproachValidating Solution Effectiveness	

Pr	oduct Discovery Techniques	svpg
	Customer Discovery Story Mapping MVP Tests Prototypes Validation	
	www.s.ypg.co	ım 127









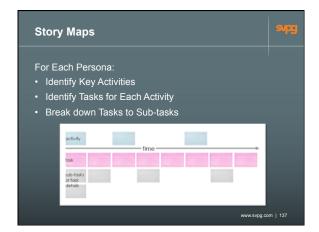
Minimum Viable Product (MVP)	svpg
We define MVP as the smallest possible product that meets the needs of these Earlyvangelist customers	
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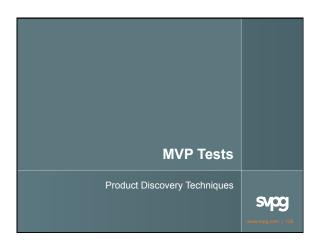
Customer Development Program	supg
Identify 6-8 <i>Earlyvangelist</i> Customers	
Customer Benefits Get a great solution to their problems Early and significant product input Early access	
Discovery Team Benefits Users and Customers available for ongoing questions Available for on-site visits Agreement to deploy test versions provide timely feedback Agreement to serve as reference, if happy with delivered product	
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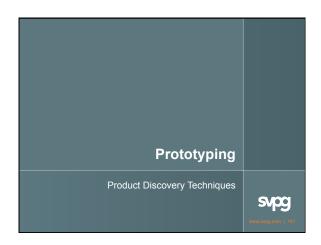




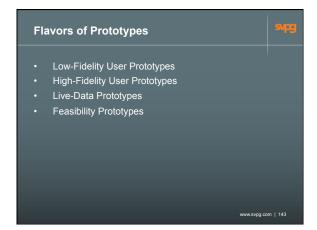


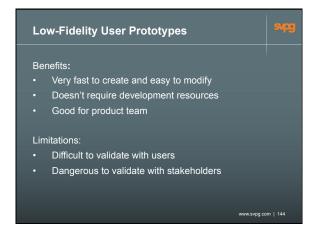
MVP Tests	sypg
 Landing Page Testing "404 Testing" Video Testing Concierge Testing Wizard of Oz Testing 	π 139

MVP Tests – EXERCISE	supg
Discuss where you could validate using one or more of these techniques	
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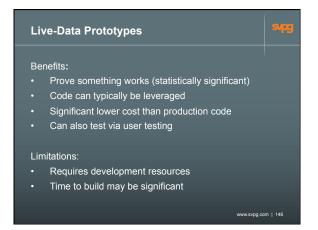


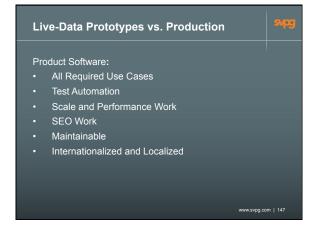






Hiç	h-Fidelity User Prototypes	sypg
Ron	efits:	
•	Quick to create and easy to modify	
	Doesn't require development resources	
	Good for qualitative user testing and insights	
Lim	itations:	
	Doesn't prove things work	
	If tests successful, must still be built	
	www.svpg.o	om 145

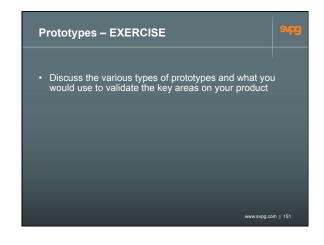




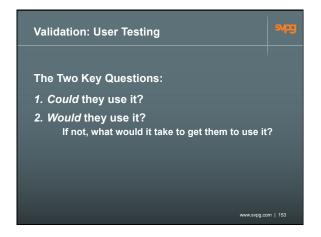
Prototypes and Validation - EXAMPLE	svpg
(S) CITIZENSPORTS	
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Pro	ototypes	sypg
1.	Enables you to quickly test ideas on target users	
	Forces you to think through product at a much deeper level	
	Provides the mechanism for collaboration between product owner, design and engineering	
	Allows a more accurate cost estimate	
	Provides engineering and QA with a richer product definition to work from	
	Enables the rest of the organization to understand the product in time to actually prepare	
	Forces you to consider form and function together	
8.	Allows you to "fail fast"	
9.	Significantly reduces churn	
10.	Keeps the team focused on the user experience	
	www.svpq.ci	om 149

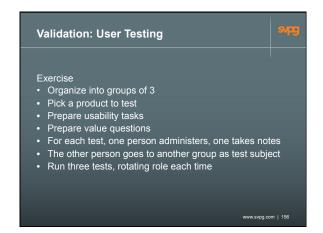
Lessons from Facebook	Sypg
 Design via prototypes because "mockups lie" Test with users early and often "feedback is good; get as much as you can as early as you can" Get ideas out there quickly and be open to change "Don't fall in love" A/B test and live prototypes for actual usage data 	
facet www.spg.o	







Validation: User Testing	supg
Part I – The Usability Test Discovery Team observes (in person if at all possible) Take advantage of the "first impression" opportunity Try to keep user in "use mode" and not "critique mode" Don't prompt (help the user out), and don't "lead the witness"	
Part II - The Value Test Product Manager drives Goal is to determine if the user would actually buy or choose to use the product, and if not, what would it take to do so?	
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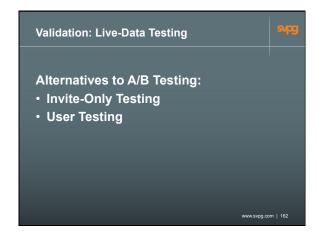
Validation: User Testing	svpg
Summary It's not hard to do! There is much to be learned on virtually every product The potential improvements are usually fairly clear Can do this testing with user prototypes, live-data prototypes, or live product You can learn quite a bit by testing on your colleagues, but make sure you get to real target user too	
www.svpg.co	om 157





Validation: Live-Data Testing	sypg
 Live-Data Prototype Product Scorecard Web Analytics A/B Testing Framework 	
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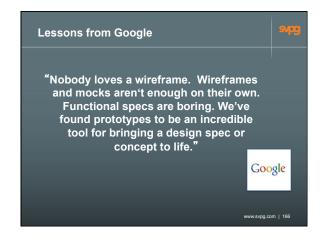
Validation: Live-Data Testing	svpg
Tools · Homegrown · Platform-based · Analytics-based	
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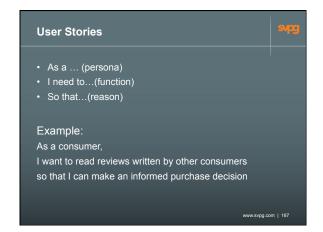


Live-Data Testing – EXERCISE	svpg
 Pick 3 things you believe you should live-data test Discuss how you might implement this test 	
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Product Discovery	supg
Once we have validated designs, we need to describe t work for the product delivery team	this
This is captured as user stories and prototypes on the product backlog	
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Story Workshops	sypg	
 Intended to include others <i>prior</i> to Sprint Planning Review prototypes and stories Identify any special documentation needs Ensure feasibility 		
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Product Discovery		
Summary	sypg	
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Product Discovery	avba	

If we want to think through an idea, and quickly validate the concept with our customers, we create a user prototype and run user tests

If we want to prove something works, we use a live-data prototype and run an A/B test

If we want to understand why something isn't working the way we had hoped, we run user tests

Change solution approach Change target customer Change problem to be solved Change business model Change channel strategy Change growth strategy

We will not complain about the workload We will launch our product in the market and not rest until it is successful We will think with our hands through rapid prototyping We will use both sides of our brains (creative and analytical) We will approach every activity with an open mind and a beginner's mind We will strive to continuously improve how we create and launch products

Product Discovery Process Summary	svpg
 Identify product discovery team (PM, UX, ENG) 	
 Utilize ideation techniques as needed (vision, product principles, personas, customer discovery) 	
 Quickly prototype ideas (user or live-data prototype) 	
 Validate prototype with customers (less than 2 weeks!) 	
 Review feasibility (and ideas) with engineering 	
 Demo and discuss prototype with stakeholders 	
 Iterate or pivot 	
 Continue until minimal viable product discovered, or you decide it's best to give up 	
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Product Discovery Plan – EXERCISE	svpg
Create a 1 week product discovery plan	
	www.svpg.com 175



Product Delivery Techniques	svpg
Problems with Big Bang Releases Too much risk of outage Too much risk of date slippage Too much change at once for users Too little ability to learn from live-data	
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Gentle Deployment Techniques	supg
Incremental Deployment Release Trains Continuous Deployment Parallel Deployment	
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Product Delivery Techniques	svpg
Managing Technical Debt	
20% Infrastructure Allocation	
sipg.com	

Product Delivery Techniques		svpg
Software Quality		
Done Done		
svpg.com	ı	180















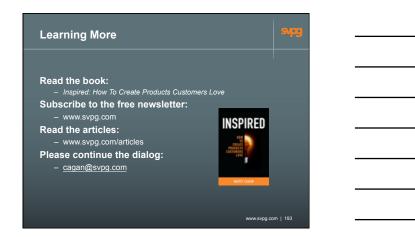














HOW TO CREATE PRODUCTS CUSTOMERS LOVE

Workshop Evaluation

Name (optional):		
E-mail (optional):		
Check here to be signed up for our Pro	oduct Newsletter	
How many years of product experience	e do you have?	
0-2 years	3-5 years	>5 years
On a scale of 0-10, how likely would colleagues? (10 is extremely likely):	you be to recommend	J this workshop to you
Optionally, please feel free to tell us w	hy:	

Thank you very much for your help in improving this workshop!