

# **INSPIRED: HOW TO CREATE PRODUCTS CUSTOMERS LOVE BY MARTY CAGAN | BOOK SUMMARY & PDF**

Inspired: How to Create Products Customers Love by Marty Cagan is a well written book detailing the process of creating a product, whether that be internet based or physical. Cagan starts from the beginning with the key roles of team members, takes you through the development process and finishes with marketing and selling your product.

## **PEOPLE - KEY ROLES AND RESPONSIBILITY**

### **Product Manager**

Has two key responsibilities: assessing product opportunities, and defining the product to be built. Once you've decided that you have a good opportunity and your company is well-suited to pursue it, then someone needs to discover what the solution—the product—actually is. This task is the heart of his or her job. Should have the following attributes - Product passion - Customer empathy - Intelligence & skills - Good work ethic - Integrity - Confidence & attitude - Focus - Time management and communication skills

“Never tell people how to do things. Tell them what to do, and they will surprise you with their ingenuity.”

### **User Experience Designers**

Are responsible for developing a deep understanding of the target users, and coming up with the tasks, navigation, and flow that are both usable and productive. Roles include; interactive design, visual design, rapid prototyping and usability testing.

### **Project Management**

Project scheduling and tracking. Typically has a sense of urgency, is data driven and decisive. Also needs to practice good judgement.

### **Engineering**

Those responsible for actually building the product. The product manager is responsible for defining the solution, but the engineering team knows best what's possible, and they must ultimately deliver that solution. 3 tips to help engineers and eliminate problems between product managers and engineers down the road

are; 1. Get them in front of the customers and users 2. Enlist the engineers help in exploring what's possible as technology develops 3. Involve the engineers from the very beginning of the product discovery process

### **Site Operations**

For Internet services, the product is typically run on central servers and accessed over the Web. The site operations team is responsible for keeping this service running.

### **Product Marketing**

Those responsible for telling the world about the product, managing the external-facing product launch, providing tools for the sales channel to market and sell the product, and for leading key programs such as online marketing campaigns and influencer marketing programs.

## **PROCESS**

### **Defining the problem**

The product manager must be able to quickly evaluate opportunities to decide which are promising and which are not.

The purpose of a good product opportunity assessment is to either (a) prevent the company from wasting time and money on poor opportunities by ultimately proving the idea should be shelved for now. Or, (b) for those opportunities that are good ones, focus the team and understand what will be required to succeed and how to define that success.

Ask 10 fundamental questions; 1. Exactly what problem will this solve? (value proposition) 2. For whom do we solve that problem? (target market) 3. How big is the opportunity? (market size) 4. How will we measure success? (metrics/revenue strategy) 5. What alternatives are out there now? (competitive landscape) 6. Why are we best suited to pursue this? (our differentiator) 7. Why now? (market window) 8. How will we get this product to market? (go-to-market strategy) 9. What factors are critical to success? (solution requirements) 10. Given the above, what's the recommendation? (go or no-go)

### **Defining the right product**

Software projects can be thought of as having two distinct stages: figuring out what to build (build the right product), and building it (building the product right). The first stage is dominated by product discovery, and the second stage is all about

execution.

When in product discovery, you welcome and explore new ideas, talk with users and customers, learn to apply new technologies, flesh out concepts and test them, and think about the overall product direction.

However, once you've spec'd out this product, and your engineering team begins the process of building it. A very profound and important shift needs to take place for the product team. Now the game is all about execution—getting the product built, tested, and delivered to market.

It's essential that you develop both your discovery skills (to ensure you're coming up with winning products) as well as your execution skills (to ensure that these great ideas actually make it to your customers).

### **Deciding what's important**

The product principles are a public declaration of your beliefs and intentions. Coming up with product principles means deciding what is important to you—and what is incidental—and deciding what is strategic and fundamental, and what is simply tactical and temporary.

While there's value in identifying your guiding product principles, you also need to prioritize them. Countless products are trying to be easy to use and also safe and secure. But what matters is the priority. Is ease of use paramount? Or is safety and security the primary concern?

### **Timely and definitive product decisions**

Even in small companies, getting decisions made is often time consuming and frustrating. Every product company needs a mechanism to get the key stakeholders and decision makers together to make timely and informed product decisions.

Establish a product council. The purpose of the product council is to set the strategic product direction, allocate product resources and investments, and provide a level of oversight of the company's product efforts. Make sure you have representation from the key areas, but try to keep the group at 10 or less.

There are four major milestones for product council review and decision making;

1. Review proposed product strategies and product roadmaps, and initiate opportunity assessments for specific product releases. That is, select the

- product opportunities to be investigated.
2. Review opportunity assessments and recommendations, and issue go/no-go decisions to begin discovering a solution.
  3. Review product prototypes, user testing results and detailed cost estimates, and issue go/no-go decision to begin engineering.
  4. Review final product, QA status, launch plans, and community impact assessments, and issue go/no-go decision to launch.

### **Product development partners**

Nothing is more important or compelling when launching a product than to have a solid set of reference customers (or reference applications for a platform product).

Use a charter user program (also known as a Customer Advisory Board, Customer Council, or Voice of the Customer).

Your goal is to end with at least six happy, live, referenceable customers from your target market. That means you'll probably need to start with 8-10. Recruit these customers right at the start of your project. They may be from your existing customer base, or prospects, or often a blend of both. The key is that they believe this is a real problem to solve and they need it solved as quickly as possible.

### **Market Research: understanding the capabilities and the limitations**

The main tools and techniques for market research:

- Customer surveys
- Site analytics
- Data mining
- Personas
- Usability testing
- Competitive analysis

As useful as market research tools and techniques are, I know of no winning product that was created by market research. Not Google, not eBay, not the iPod or iPhone, not FaceBook or MySpace. None.

Winning products come from the deep understanding of the user's needs combined with an equally deep understanding of what's just now possible. By all means use market research tools to help refine your product and make it as good as it can possibly be. Just don't expect the techniques to produce the idea for the next Facebook, Flickr, or YouTube.

## **Understanding the target user**

One tool for making the hard decisions is a persona (aka user profile)—a technique for capturing the important learnings from interviewing users and customers, and identifying and understanding the different types of people who will be using your product.

- Personas help you prioritise what's important
- One of the most common mistakes product teams make is confusing themselves with their customers. Personas help with this problem.
- Many products have different types of users. Personas often help you prioritize the importance of these different users, and also realize where you need a separate user experience.
- Personas are a very useful tool for describing to your entire product team who the product is for, how they will use it, and why they will care.
- Personas have the benefit of rallying the team around a common vision.

## **Reinventing the product spec**

The spec must describe the full user experience—not just the product requirements but also the user interaction and visual design. Recognise how closely intertwined the requirements are with the user experience design.

The spec must accurately represent the behavior of the software—and we need to acknowledge that words and pretty pictures are just too limited in their ability to describe this behavior. As such, the spec needs to communicate the behavior of the product in a way that all these groups get what they need.

The spec will change—the rate of change should slow down dramatically once engineering gets started, but there will be decisions and issues that arise, and the spec should change to reflect the very latest decisions.

There are a number of artifacts in the creation of a spec, such as lists of prioritized requirements, wireframes, and mock-ups, but there needs to be a single master representation of the spec to minimize confusion, ambiguity and versionitis.

## **Product validation**

This refers to verifying that the product spec is describing a product that you have evidence will be successful, but doing so without actually building out and deploying the product.

There are three important types of validation that you need to perform before you hand over a final product specification to the engineering team:

1. Feasibility testing - is the product buildable with the technology, time and funds available?
2. Usability testing - can users figure out how to use the product?
3. Value testing - whether or not your product is something users will find valuable and want to buy

### **Prototype testing**

1. Find test subjects
2. Prepare the test in advance
3. Prepare the test environment appropriately
4. Test the prototype
5. Update the prototype

The point of this prototype testing is to identify what you need to fix in the prototype to make it more valuable and usable. So, as quickly as possible, you'll want to correct the problems.

## **PRODUCT**

### **Lessons from Apple, a different type of hardware company.**

There is a great deal to learn from Apple, but to me there are three higher-order lessons:

1. The Hardware Serves the Software -Apple understands that the role of the hardware is to serve the software, and not the other way around. The software needs to know what the user wants the phone to do, so hardware technologies like multi-touch displays, and accelerometer and proximity sensors are invented to enable this. Every technology is there for a purpose.
2. The Software Serves the User Experience Usability - interaction design, visual design, industrial design, are all front and center in the company's priorities—and it shows. It may have taken two-and-a-half years to come up with the iPhone, but the team knew that it was all about the user experience, and they knew they had to move mountains to make the experience great.
3. The User Experience Serves the Emotion- Apple understand better than anyone else the role that emotion plays in getting consumers to crave, buy, and love a product. They know how to create products that speak to these emotions in consumers. People are craving the iPhone.

### **What is possible is constantly changing**

Many companies believe they need to create an entirely new market in order to do something big. The media helps fuel this. Everyone wants to know: “What’s going to be the next new thing?”

Much more often than not, the next big thing is not something altogether new, but rather a new incarnation of something old. The difference is that the new product does it so much better, faster, and/ or cheaper that they end up redefining their category.

There are two key methods that smart companies use to create winning products in mature markets. First, they understand their target market and where the current products fall short. Second, great product leaders know that what is now possible is always changing.

### **The role of emotions in products**

People buy and use products largely for emotional reasons. The best marketing people understand this, and the best product people ensure that their products speak to these emotions.

Once you have clearly identified and prioritized the dominant buying emotions your customers bring to your product, focus on that emotion and ask yourself where else they might be able to get that need met? That’s your real competition.

In many cases you’ll find that the competition you should be worrying about is not the startup or big portal that’s after the same thing you are, but rather the offline alternative.

If you can tap into any one of those emotions that every human everyday feels—loneliness, insecurity, fear, frustration, anger, then you’re on the right track.

### **Usability vs. aesthetics - both are important**

Many teams feel that the visual design of a product or site is not really important. They argue that what matters is the functionality and the value proposition, and that things like nice colors, fonts, icons and layout are just unnecessary and superficial fluff.

I strongly disagree with this view, and the more products I see, the stronger I believe in (a) the role that emotion plays in inspiring products, and (b) the direct role visual design plays in creating that emotion.

Fundamentally, I believe you need both interaction and visual design skill sets to deliver a good user experience, and that these people need to work closely with the product manager to define the product, which includes both the functionality and the user experience.

## **THE KEY TO CONSUMER INTERNET SERVICE PRODUCTS**

1. Usability
2. Personas
3. Scalability
4. Availability
5. Customer support
6. Privacy and data protection
7. Viral marketing
8. Globalisation
9. Gentle deployment
10. Community management

## **THE KEY TO ENTERPRISE PRODUCTS**

1. Usability
2. Product actually needs to work
3. Specials
4. Customers and charter user programs
5. Designing for the sales channel
6. The customer versus the user - different end users
7. Product installation
8. Product configuration, customisation and integration
9. Product updates
10. The sale process