

## PART VIII: CASE STUDY

This case study is necessarily quite detailed. To get a true understanding of why a company and product organization make the decisions they do, you need considerable context.

If you believe you already have a solid grasp of the concepts in this book, especially in terms of team topology, product strategy, and team objectives, then feel free to skim this part.

However, my hope is that you will consider the effort to understand the details of this example worthwhile, as you will see how these important, but difficult, concepts play out in practice—in a real organization struggling with rapid growth, scale, and tech-debt challenges.

*You will also be able to see a detailed example of how a company staffed with ordinary people was able to achieve extraordinary results.*

This case study is based on my experience with an actual jobs marketplace company.

I chose this company because I think this is a good, representative example of a growth-stage company dealing with challenges of scale.

The company also has elements of an enterprise business and elements of an early stage startup. So, I think this case study applies to most companies.

I also like using a jobs marketplace company because they sell to businesses on one side (employers) and consumers on the other side (job seekers), and they have an internal platform supporting both.

However, there are two important caveats:

First, this example represents the company at a specific point in time (from a few years ago). There is obviously relevant history that impacted the situation I encountered, but in this case study, we take their situation as a given.

Second, while this is based on an actual example, I did take the liberty of layering on a couple additional complexities that did not occur during this particular quarter in time, but do occur frequently enough—and did in fact did occur at this company at a later point in time. I feel it's helpful to illustrate how these situations were handled in practice. So, in this case study, I portray that all of these things happened in the same quarter.

I do not share in this case study the actual company name or identifying information. That's because, for a case study to be truly useful, I need to share with you the good, the bad, and the ugly. Most companies are understandably not eager to share anything other than the good, even if things managed to turn out well, as was the case here.

One of the benefits to choosing a jobs marketplace is that there are many of them around the world, and I've had the chance to work with quite a few of them. I've found that, while every situation truly is unique, most of the important dynamics are not so different between them. That helps me have confidence that I can be candid here and not worry about embarrassing anyone personally.

You'll see that there's a lot going on here and it can appear messy, which is simply a reflection of reality in this, and indeed most companies—even ones that do very well.

Finally, please don't confuse a case study with any sort of ideal situation. There are many things that could have been done differently, and arguably better, but the point of a case study is to show what was actually done and why.

Hopefully, this example will give you a good sense for the types of considerations you will want to keep in mind as you face these and similar questions yourselves, and the type of leadership you will need to provide.

## CHAPTER 62: **COMPANY BACKGROUNDER**

To understand this case study, it's important to have at least a high-level understanding of this company's business. It's a typical, two-sided marketplace with employers on one side and job seekers on the other.

On the employer side, the company sells job postings to businesses, ranging from individual hiring managers at small businesses, up to medium-sized businesses. They were starting to see interest from larger enterprises with dedicated HR departments, but the product at this point in time was not yet designed or suitable for this market.

On the job-seeker side, the focus is on people actively looking for new employment—in their case, mainly for professional (aka white-collar) jobs. Specifically, these are not hourly or temporary workers.<sup>43</sup>

At the time of this case study, the company is currently five years old, with annual revenues of approximately \$45MM and growing at roughly 30 percent per year. They are close to profitability but are trying to focus on growth.

There are approximately 230 people in the company—95 in product/engineering, 45 in sales, 17 in marketing, 33 in customer success, 10 in IT, and 30 in G&A.

In terms of the executive team, there was a CEO, CFO, head of sales (CRO), and head of marketing (CMO). Then, of course, there was a

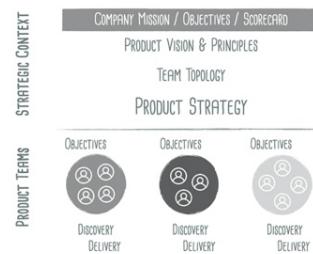
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<sup>43</sup> In terms of the business dynamics, I am simplifying here. Especially because, in a jobs marketplace, there are both active job seekers (need a job now) and passive job seekers (if something better comes along I'll check it out). They have different needs and there is real value in understanding and identifying each—both for the seeker as well as for the employer.

head of product (CPO) and a head of technology (CTO) and you'll read about both of them below.

It's worth pointing out that in large enterprises, this is also about the size of a typical business unit.

## CHAPTER 63: **COMPANY OBJECTIVES**



Each year, the company's board of directors sets annual company objectives. This involves a substantial amount of consideration and debate among the executive team and the members of the board about business strategy, competitive landscape, and potential levels of investment.

The board has the option of raising additional capital, or using other forms of financing, or deciding the company should focus instead on becoming cash flow positive—potentially at the expense of growth—or anything in between.

The overall guidance this year was to continue to grow and improve the core business—not taking the eye off the ball in terms of helping employers fill jobs, helping seekers find jobs, and continuing to grow the business with strong growth rates.

This year, however, the company has decided there is a promising expansion opportunity in pursuing large enterprises,<sup>44</sup> and they want

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<sup>44</sup> The company had been getting multiple inquiries from enterprises for at least two years. These were primarily coming from HR people who had used the jobs marketplace at former companies and believed it would be a better solution than what they found at their new company.

to look into broadening the company's products and go-to-market capability to better serve this market.

They have decided to increase the investment level by funding an additional product team (6 additional people), as well as additional enterprise-specific sales, marketing, and customer-success staff (11 additional people).

The board explained that, if this initial foray into enterprise goes well, they expect to make a more sizable investment the following year.

As a reminder, these company objectives are coming from the senior executive team, with the support and approval of the board of directors. These are presented here in OKR format, but what is important is a) their focus on a small number of meaningful objectives, and b) they are measuring the results based on business results.

**Objective 1: Continue to grow core business.**

- Key Result 1: Grow core business revenue by at least 25%
- Key Result 2: Reduce annual employer churn from 6% down to 5% or lower
- Key Result 3: Increase seeker success rate from 23% to at least 27%

**Objective 2: Establish company as a proven provider for enterprise-class companies.**

- Key Result 1: Demonstrate product/market fit by developing no fewer than six enterprise-class reference employers

## CHAPTER 64: ***PRODUCT VISION AND PRINCIPLES***



The company has a strong and compelling product vision and principles, but I will not share it here as it would make obvious the actual company being profiled.

However, I can say that the company was founded on the desire to help people find the best job possible given their capabilities, and to help employers find strong candidates for their open positions.

While that's easy to say, this company depends on repeat business from employers, and when faced with decisions that trade off short-term benefits for their company versus the long-term benefit for their customers, I saw them consistently deciding in favor of their customers.

I saw those values and principles play out multiple times, so at least I was personally convinced that they weren't just empty words.

Most important, the leaders of product management, engineering, and design—and the members of the product teams—had the product vision, product principles, and especially the product strategy in mind as they decided on, and then pursued, their team objectives.

## CHAPTER 65: **TEAM TOPOLOGY**



At the beginning of the quarter, the company had 16 product teams comprised of 60 engineers, 12 product managers,<sup>45</sup> 10 product designers, 2 user researchers, and 3 data analysts.

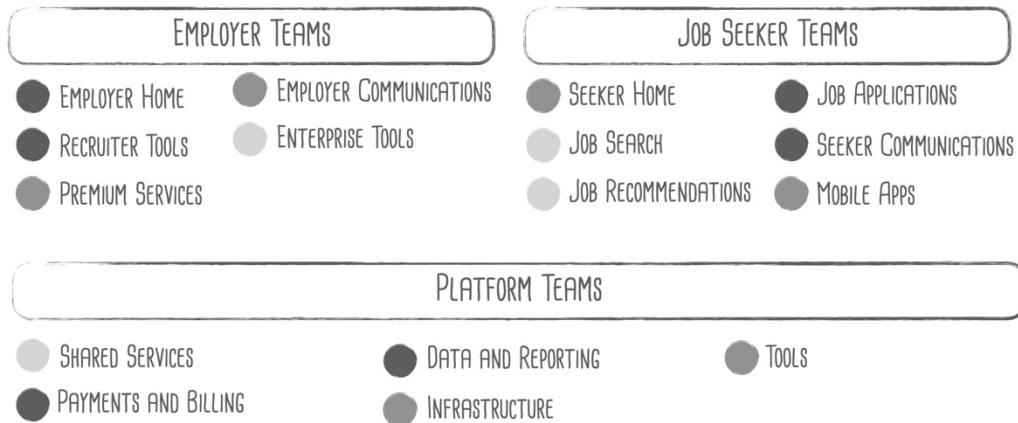
There are 2 directors of product management (one for employer and one for seeker) and 1 director of user experience design (all three reporting to the CPO), along with 3 directors of engineering (one each for employer, seeker, and platform—all reporting to the CTO).

### ***Team Topology Overview***

They have two types of experience teams—those focused on employers, and those focused on job seekers—designed to align with the two main types of customers. They also have about a third of their resources devoted to an internal platform that the experience teams are all built upon.

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<sup>45</sup> You'll note that they only have 12 product managers but 16 product teams. This will be explained below.



## ***Employer Organization***

- Employer Home
- Recruiter Tools
- Premium Services
- Employer Communications
- Enterprise Tools (new team)

## ***Job Seekers Organization***

- Seeker Home/Personalization
- Job Search
- Job Recommendations
- Job Applications
- Seeker Communications

- Mobile Apps

### ***Platform Organization***

- Shared Services
- Payments and Billing
- Data and Reporting
- Infrastructure
- Tools

### ***Employer Organization***

The Employer organization is there to serve the needs of the hiring managers and HR departments. They currently offer a freemium service where the first job posting is free, but to get additional postings—or premium services including featured jobs—there are listing and promotional fees.

These are the actual product teams and what each is responsible for:<sup>46</sup>

*Employer Home*—responsible for the dashboard for employers showing current job postings and applications in various states of review. This team also provides the ability to post a job, and to ensure that job is visible in organic search results (SEO).

*Recruiter Tools*—for employers that have HR departments, there are advanced capabilities for loading and managing large numbers of open jobs and managing the flow of applications, interviews, and decisions. This team also provides ways to search the marketplace for seekers

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<sup>46</sup> Just to be clear, the “product” is the jobs marketplace, and each of these 16 product teams is responsible for a subset of this larger product.

with specific attributes, and then allowing the recruiter to reach out to these job seekers rather than wait for them to apply.

*Premium Services*—employers have several optional services that are all designed to help them fill their open positions more quickly or generate an increased flow of applications. These premium services include having the jobs included in emails, featured jobs, etc.

*Employer Communications*—this team manages the several forms of ongoing communications with employers, especially having to do with the status of their open jobs, including e-mails, text, and notifications. This is both transactional (information about a specific job) and marketing (encouraging the employer to post additional jobs). This team is also responsible for online recruiting of new employer customers looking to post jobs (SEO and SEM).

*Enterprise Tools (newly formed team)*—as the company moves toward helping large enterprises with their recruiting, they believe they need several enterprise-specific capabilities, such as integration with large-scale applicant-tracking systems (ATS). This team is focused on identifying what is necessary to satisfy enterprise employers and delivering those capabilities.<sup>47</sup>

### ***Job Seeker Organization***

The Job Seeker organization is focused on helping people that are looking for a job to find a job.

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<sup>47</sup> This team ended up embedding a product marketing person full time on the team because there was so much critical work to be done in terms of developing the reference customers, the go-to-market considerations, and starting to understand and prepare the sales-enablement materials. This turned out to be very important and is a great practice for any product where messaging more specifically to a target segment or a new business is important. The book *LOVED* goes into more depth on scenarios where product marketing is particularly important in unpacking what's necessary for go-to-market success for a product in situations like these.

*Seeker Home*—this team provides the core experience for the job seeker on both the web and native mobile apps. This includes a dashboard of jobs the seeker is currently tracking, the status of applications, and recommendations for other jobs that may be a fit.

*Job Search*—this team provides the services that allow a job seeker to search the marketplace based on job attributes.

*Job Recommendations*—this team utilizes the data that has been collected in terms of searches and the seeker profile, and generates recommended jobs.

*Job Applications*—this team allows a seeker to apply for a specific job—collecting the information that has already been provided and combining it with any job-specific information that may be needed for that particular job.

*Seeker Communications*—this team handles the various forms of communication with job seekers including e-mail, text, and notifications. This is both transactional (status of a job application) as well as marketing (encouraging the seeker to return and apply for additional jobs). This team is also responsible for online recruiting of new job seekers (SEM and SEO).

*Mobile Apps*—this team provides job seekers with a native mobile experience for both iOS and Android devices. This team works very closely with the Seeker Home team as they try to keep the web experience and the mobile experiences comparable.<sup>48</sup>

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<sup>48</sup> When this work was going on, many companies had a special, dedicated “native mobile apps” team because so few engineers had at that point been trained on iOS and Android native app development. Within a year or so, this work moved into the other seeker teams—especially the Seeker Home team—which is, in general, a much better solution.

## **Platform Organization**

The Platform organization exists to help the Employer and Job Seeker teams be more efficient in serving their respective customers. By providing a reliable platform, the experience teams can focus on innovating in terms of value for their users and customers and not have to worry about the lower-level services.

*Shared Services*—whenever teams realize that there are potentially duplicate efforts going on across different teams, the Shared Services team works to provide a single solution that meets the needs of the various teams. This includes services such as authentication, preference management, and dozens of other similar capabilities. The Shared Services team is there to help make the Employer and Job Seeker teams more productive.

*Payments and Billing*—this team handles all financial transactions including recurring payments, discounts, promotions, and the various payment methods. There is a significant amount of complexity managed by this small, but very experienced team, but the benefit is that the other teams don't have to understand this complexity in order to use the services.

*Data and Reporting*—many parts of the company depend on reporting of the marketplace activity, starting with the product teams, but also including finance, marketing, sales, and company leadership. This team provides the reporting infrastructure that is fed to the employer and seeker dashboards, as well as enabling self-service reporting by the rest of the company.

*Infrastructure*—the Infrastructure team is responsible for ensuring that the technology infrastructure is able to meet the needs of the business. As such, they have taken the lead on major technical debt issues as well as assisting the engineers in the product teams with overcoming scale and performance challenges.

*Tools*—the Tools team is there to help all the product teams—Employer, Job Seeker, and Platform—with tools and services to help them be more productive and generate more-reliable systems. This includes site-monitoring services, test-and-release automation (DevOps) tools, and miscellaneous productivity and team collaboration tools.

## CHAPTER 66: **PRODUCT STRATEGY**



Now that the company objectives are clear, and the product vision and principles are in place, the leaders of the product organization (in this case, the CPO, the CTO, and their managers) need to update their product strategy to deliver on the company objectives.

Note that there is no guarantee that they will be able to come up with a way to do everything the board is hoping for in the year.

If the product leaders determine this is just not plausible, then the leaders will need to raise this back up to the CEO to either consider increasing funding or reducing some of the expectations, or possibly a blend of the two. But before that can be known, they will need to work closely with the product teams to determine what they believe they *can* do.

It's also important to note that, while the company objectives are annual, the product team objectives are quarterly. So, the product leaders and product teams have the ability to adjust course based on progress, obstacles encountered, new learnings and new insights, and new opportunities uncovered.

As a reminder of the big picture regarding product strategy:

Recall that a product strategy begins with *focus* on a small number of truly important objectives.

Then we will search for *insights* that can be leveraged to make a real impact on these company objectives.

Next, we will map the insights into *action*, which means identifying a set of one or more objectives for each product team to work on.

Finally, the managers will need to actively *track progress* on the objectives and be prepared to remove obstacles and make adjustments in support of the product teams.

### ***Focus***

The leaders of the company have identified two company objectives for the year. One is around continuing to grow the core business and the other is around exploring a new expansion product.

In this situation, the senior leaders of the company have helped considerably with focus by narrowing down the company objectives to just two key objectives. If the leaders had a much larger list, then the product strategy likely would have needed to begin with narrowing that list down.

In every company, there are many opportunities that could be pursued. In this case, they were seriously debating geographic expansion, as well as offering additional services to employers (e.g., verification services and drug testing services), but none of these made the cut for this year.

Note that the context also included guidance that pursuing the new business opportunity should not come at the expense of the work on the core business.

## ***Insights***

### ***—Growing Core Business Objective***

The first company objective pertains to growing the core business.

The business result the company hopes for is 25 percent growth, and of course, there are any number of strategies for achieving this growth. But the leaders realize it's unlikely that just optimizing the current product will yield more than 5-10 percent growth.

There is organic growth still occurring in this space, but there are also several new competitors now, so they do not want to count on organic growth.

They believe they must do a better job than ever in taking care of their current customers—both employers and seekers—and, in addition, they must go out and win new customers.

A key part of the product strategy work involves a review and discussion of the key marketplace health KPIs and user research learnings.

In particular, they know that employers want to fill jobs quickly, but they want to make sure they are providing their hiring managers with a choice of *qualified candidates*.

Employers are obviously disappointed when they receive no applications, and they are frustrated and slow to decide when they have only a very small number of applications. That much was well known.

However, what was not well known—and was a consequence of doing some user research motivated by an observation from the data—is that, if there are *too many* applications for a given job, it creates its own set of problems. This is because it takes too long for employers to sift through and make a hiring decision. Further, on the jobs where too

many people apply, this also leaves a disproportionate number of disappointed job seekers.

Their analysis of the data shows that positions are filled the fastest, and hiring managers are happiest, when they receive a minimum of 8 but *no more than 25 qualified applications*.

Based on these numbers, they know that 28 percent of employer job postings receive too few applications and 7 percent receive too many. While this doesn't sound so bad, it's worse than it looks because the most-appealing jobs are getting way too many applicants, and disappointing far too many job seekers. Once a job posting has enough qualified applicants, maybe the algorithms could direct those candidates to more promising jobs?

They believe this correlates directly with employer churn, especially for those receiving too few applications.

They also believe this correlates directly with seeker satisfaction, especially for the many people who apply for a job they're excited about but never hear back.

So, as a strategic focus for the next quarter or two (depending on progress), they want employer teams to figure out ways of helping a higher percentage of jobs to get at least 8 qualified applications, and they also want to reduce the number of jobs that get more than 25 applications. They believe this will reduce employer churn, generating more job postings per employer while also generating more successful responses for job seekers.

From the job-seeker perspective, they know job seekers need to find a job. The clock is ticking. They are looking for a good fit, and they would like to have a choice of jobs, but it is primarily about quickly finding a match.

They know from the data that, if a job seeker does not submit at least one application in her first 48 hours using the marketplace, then she is very unlikely to return. They also know that only 27 percent of seekers who register actually submit at least one application.

They also know from the data that there is a substantial difference in seeker success for those job seekers that download the native mobile app to help them in their job search (32 percent), versus those that don't (15 percent).

While the first insight was not a surprise (you only have a 48-hour window to get a seeker engaged), the second insight was a surprise. Registering is such a large percentage of the work involved in submitting an application, and they struggled to understand why so many people would successfully complete the registration process, yet not apply for at least one job.

So, as the second strategic focus for the next quarter, they want seeker teams to figure out ways of helping more job seekers find a match and submit at least one application in that first 48-hour window—especially for the people who have registered.

### **—Enterprise Employer Objective**

The second company objective is fairly straightforward. Not easy, but clear. They will have a new-product team, and that team will have a clear assignment based on the company objective.

They know that many of the assumptions around the core business may not hold true for this new product as selling to enterprises is substantially different than selling directly to hiring managers. Therefore, they want to approach this objective by starting with identifying product/market fit. Further, they don't want the team distracted with anything else as they pursue product/market fit. It is all too easy for a team to get ahead of themselves with a new product.

While the work for the new team is straightforward, they are expecting that some of the work the new team needs to do will impact several of the other teams.

Demonstrating product/market fit in the enterprise will likely be an initiative that spans most of the year and will require changes and support from several other teams—probably most if not all of the Employer organization teams, and at least the Job Seeker organization Job Application team, and most if not all of the Platform organization teams.

Therefore, they will need to ensure that those teams have support for this work as an objective.

### ***—Re-platforming Objective***

While the two company objectives will drive much of the product work, there is another objective that comes not from the company executives or board, but rather from the product leaders.

The organization had been struggling with some very substantial technical debt due to the rapid growth of the business during the preceding several years. The previous year, the engineering organization proposed a two-year plan to move the organization to a more modern, AWS-based, microservices-based implementation.

The plan enumerated 20 major system components and proposed to tackle several of these components each quarter—in a specific, intentional order—over what they estimated would take roughly two years.

Note that the engineering team believed they could accomplish this re-platforming work in a shorter timeframe if they were willing to pause or suspend other work. However, this would have caused major disruption in the ability to add ongoing capabilities for the business.

This was therefore considered too risky to the business, so they instead decided on an incremental plan to strategically rebuild the infrastructure over a two-year period. This quarter represents the third quarter of work on this plan.

Much of this work, but by no means all, was expected to fall on the platform product teams.

### **Action**

The leaders are now ready to turn these insights into action, which means to get teams working on solving the problems they need to solve.

They know they could simply assign problems to each product team, but they also know that this would miss some important information.

While they understand the problems and the insights, what they know they can't know is the enabling technology available to each team, and their own ideas and enthusiasm about the various problems.

Therefore, their next step is to open up this quarterly team objectives discussion to the broader product organization. The leaders want to get the product teams thinking about how best to tackle these topics.

So, the product leaders ask for the members of the product teams to meet with them to discuss the product strategy.<sup>49</sup>

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<sup>49</sup> In this company, they encouraged all members of the product teams to attend this strategy briefing. In some companies, they only push for the product manager, product designer, and tech leads, while in other companies, it is just the product managers. This is partly cultural and partly a function of the size of the organization and whether they are all in the same office. The reason this company pushed for most if not all engineers to attend is that they were big believers in the role engineers play in innovation.

During this session, the head of product starts by updating everyone on the company objectives, then moving into the product strategy work and sharing the relevant data—and especially the insights.

The leaders explain that, in the coming days, they will approach each product team with one or two important problems to solve in support of these three objectives. But, in the meantime, they'd like the teams to consider the problems and the ideas and technology they believe can help.<sup>50</sup>

They explain to the teams that, if everyone wanted to work on the same thing, this would of course not work because they have to do their best to cover all three objectives.

However, they also explain that, if a product team is especially optimistic about a problem they believe they can help on, they are motivated to try to accommodate those desires wherever possible.

Note that this process is necessarily a combination of top down and bottom up. The teams have all been provided the company objectives and product strategy (top down), and they are all asked to consider what they may be able to do to contribute (bottom up). This begins a back and forth with the leadership to ensure that as much of the company objectives can be completed as possible. However, the key results always come from the bottom up.

## ***Management***

In the next chapter, we'll share where the team objectives actually ended up for each of the product teams. However, it would be misleading to share these results without describing the many

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<sup>50</sup> Just to be clear, we don't expect every team to contribute to every objective, as different objectives are more relevant to different teams. However, we do want each team to consider what they might be able to do to help with the specific team objectives and the more-general company objectives, and to make it known when they identify promising opportunities.

obstacles and challenges that had to be dealt with to get to where they landed.

Therefore, here are the major obstacles that emerged, along with how those obstacles were dealt with:

- Too much work landed on one particular team—in this case, the Employer Home team. The two solutions the leaders came up with were to either pass some of the work to other teams or add one or more engineers to this team. They ended up doing some of both.
- The most common obstacle was when one team identified a dependency on another team and needed to know whether or not they could count on getting what they need during the quarter. This happened both while planning for the quarter, and in multiple cases during the quarter, when the teams were deeper into the work. The dependency was mostly on a platform team, but sometimes, for example, a change to an employer team required a change from a job seeker team. In each case, it required the managers to talk directly to the parties involved to see if and when the dependency could be accommodated. In most cases, a little “horse trading” was able to satisfy both parties.<sup>51</sup>
- The Employer Home team identified that they needed some significant SEO help from product marketing to be able to deliver on their objectives. The managers ended up embedding an SEO person into this team for the quarter. They believed from their data analysis of the new-seeker funnel that, if they could do a better job on SEO, they could attract more-qualified job seekers and as a result improve the success rate.

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<sup>51</sup> However, there were some cases where the platform team could not commit to providing what was needed early enough for the experience team to use in time to finish in the quarter. In this case, the experience team was not able to deliver their solutions until the following quarter.

- The Infrastructure team had shared the technical debt re-platforming plan, as they had the prior quarters, but one of the teams (Enterprise Tools) realized that the timing was not going to be good for a critical area they needed to work on. The Infrastructure team ended up changing the specific modules planned for the quarter to avoid wasted work.
- The Shared Services team ended up with a very long list of work that they needed to do in order to support the various experience teams, and they needed help prioritizing all the different requests coming in from all the different teams. This was addressed in part by providing guidance on priorities. However, in certain cases, it worked best to allow the experience team to write the necessary software and then contribute that code to the platform (pending approval by the Shared Services team).

## CHAPTER 67: **PRODUCT TEAM OBJECTIVES**



What follows below is the result of the negotiation between the product leaders and the product teams, and also the negotiation between the teams themselves when one identified a dependency on another.

In some cases, the objectives that were initially suggested by the team worked out fine, but in other cases there was substantial back and forth so as to maximize the likelihood that as much of the company's annual objectives as possible could be achieved.<sup>52</sup> Much of this was reflected in the discussion on the desired level of ambition for each objective.

Please keep in mind that the team objectives are not meant to cover everything a product team works on—they all have other work, especially “keep the lights on” work and other issues that will inevitably arise. The team objectives are intended to cover the critical work in support of the company objectives.

Remember that these objectives are *problems to solve*—they are not solutions. The teams are expected to try out potential solutions in

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<sup>52</sup> It's important to emphasize that this back and forth is normal. It is a reflection of the fact that some things come from the leaders and other things come from the teams.

discovery and pursue solutions where they have evidence they will work. This is what is meant by an *empowered team*.

You'll also note that several of the teams have been assigned the same problem to solve. In most cases, these were *common objectives* because these were the most important problems that needed to be solved, and so multiple teams were asked to tackle them as they pertained to their area. This is fine, and is a consequence of their product strategy, and I would argue appropriate in their particular case. But it's important to note that it's not necessary either.<sup>53</sup>

With these common objectives, the teams will need to communicate and coordinate closely, and also management will need to help connect the dots where necessary, which mainly occurs during the ongoing coaching.

### ***Company Dashboard***

What follows is a subset of the company's dashboard, containing the KPIs related to the product strategy.

#### *Employers: improve success rate for employers*

(% of jobs that successfully fill during 60-day posting cycle)

- *Current employer success rate: 37%*
- *% postings with less than 8 qualified apps: 39%*
- *% postings with more than 25 qualified apps: 7%*
- *% postings with between 8 and 25 apps: 54%*
- *Average number of postings per account: 5.9*
- *Employer churn rate (annualized): 6%*

#### *Job Seekers: improve success rate for seekers*

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<sup>53</sup> Unless otherwise noted, all the key results are aspirational. The specific level of ambition is discussed in the Callout "Level of Ambition"

(% of seekers that successfully find job in 60-day job search period)

- *Current seeker success rate: 23% (average)*
- *% registered seekers that submit >= 1 application in first 48 hours: 27%*
- *% seeker success rate for app users: 32%*
- *% seeker success rate for non-app users: 15%*
- *Average number of applications per job search: 3.2*

## ***Employer Organization***

*Employer Home*—the Employer Home team believed they now had enough historical posting and seeker data to make intelligent recommendations to the hiring manager during the creation of the job posting, which would significantly increase the likelihood of a successful posting.

Objective: Improve success rate for employers via recommendations

- *KR: Increase employer success rate from 37% to 39%*
- *KR: Increase postings with more than 8 qualified applications and less than 25 from 54% to 58%*

*Recruiter Tools*—the Recruiter Tools team expected to be significantly impacted by the enterprise objective, so they proposed to essentially work alongside the new Enterprise Tools team as they pursued this new market. They would do whatever they needed to in order to improve the recruiter tools to meet the needs of enterprises. Note that this is a *shared team objective* with the Enterprise Tools team.<sup>54</sup>

Objective: (Shared with the Enterprise Tools team)

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<sup>54</sup> Note that this is an example of a shared team objective. The Employer Tools team will be working closely with the Recruiter Tools team, as well as two of the platform teams, in order to collaborate to solve the shared team objective.

- KR: (*Shared with the Enterprise Tools team*)

*Premium Services*—the Premium Services team had a risky, but potentially significant, theory where they believed that certain of their services should be made available to *all* employer postings. They believed this because they had evidence that these features generate more successful postings, hence less churn, and that overall, total revenue would rise. They proposed to pursue this theory by running a series of targeted tests. They expect that the reduction in churn rate will take time to show up, but that employer success rate increase should be predictive.

Objective: Improve success rate for employers via premium services

- KR: *Improve employer success rate (for test cohort) from 37% to 40%*
- KR: *Listings revenue impact neutral or positive (for test cohort)*

*Employer Communications*—the Employer Communications team believed they could leverage new CRM best practices to improve the efficiency of the interaction with recruiters and hiring managers to enable the hiring manager to more quickly close the loop with candidates.

Objective: Improve success rate for employers via communications

- KR: *Improve employer success rate from 37% to 40%*
- KR: *Increase % postings with >8 applications and <25 from 54% to 56%*<sup>55</sup>

*Enterprise Tools (new team)*—this new team took the lead on the enterprise objective initiative and worked with the other teams as needed. Their intention was to immediately begin a customer

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<sup>55</sup> See the Callout “Attribution of Shared Results” to understand how teams were able to know which changes caused which impacts.

discovery program with eight prospective enterprise customers that had already been identified by the sales organization. Their intention is to use these early prospective customers to discover and deliver product/market fit for this new market.

Objective: Demonstrate product/market fit for enterprise

- KR: *Get at least 8 customer discovery program customers to sign letter of intent to buy*<sup>56</sup>

### **Job Seeker Organization**

*Seeker Home*—the Seeker Home team believed they could leverage historical data to introduce intelligent personalization to the seeker’s home dashboard to guide job seekers to more-suitable jobs. Note that this is a *shared team objective* with the Job Recommendations team.

Objective: Improve success rate for seekers via recommendations

- KR: *Increase seeker success from 23% to 25%*
- KR: *Increase first application in first 48 hours from 27% to 30%*

*Job Search*—the Job Search team believed they could expand the search paradigm so that, once a seeker has described their desired positions, the search capability can continuously scan new postings and ensure the seeker is notified immediately upon a new match.

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<sup>56</sup> Ultimately, the measure of success for this Enterprise Tools team is to develop at least six reference customers for the initial enterprise product offering. However, the leaders and the team expected that it would likely take more than a single quarter (but hopefully less than two quarters), so then the question was what would be a good proxy KPI for real progress towards this business result. The decision was made to use active participation in this customer development program, with the belief that if at least eight customers sign the (non-binding) letter of intent to buy, then it’s reasonable to expect that some number of them will actually buy when the product is ready. This is very much dependent on the team delivering on the promise of the product.

Objective: Improve success rate for seekers via search

- *KR: Increase seeker success from 23% to 25%*
- *KR: Increase % applications from search results from 0% to 3%*

*Job Recommendations*—the Job Recommendations team believed they could improve the quality of their recommendations and help seekers find the jobs they didn't realize they were qualified for. Note that this is a *shared team objective* with the Seeker Home team.

Objective: Improve success rate for seekers via recommendations

- *KR: Increase seeker success from 23% to 25%*
- *KR: Increase % applications from recommendations from 3% to 5%*

*Job Applications*—the Job Applications team signed up to make the application process significantly more intelligent. Once a seeker has applied to one job, it would be significantly faster and easier to apply to others, from any device, any time.

Objective: Improve success rate for seekers via applications

- *KR: Increase seeker success from 23% to 25%*
- *KR: Increase average number of applications submitted from 3.2 to 4*

*Seeker Communications*—the Seeker Communications team embraced the concept of “first 48 hours” as a theme and planned a series of experiments with a richer and more timely experience during this period—at least until the first application has been submitted.

Objective: Improve success rate for seekers via communications

- *KR: Increase seeker success from 23% to 25%*
- *KR: Increase first app in first 48 hours from 27% to 30%*

*Mobile Apps*—the Mobile Apps team proposed to focus on real-time notifications as a way to encourage more engagement—both during the first 48 hours, but also ongoing as new potential job matches were discovered.

Objective: Improve success rate for seekers via app

- *KR: Increase seeker success of app users from 32% to 35%*
- *KR: Increase % first-time seekers that install and use the app from 17% to 20%*
- *KR: Increase last 30-day rating in the app store from 3.0 to 3.5*

### ***Platform Organization***

Note that as the platform teams exist primarily to help the employer and seeker experience teams meet their objectives, most of the platform teams' objectives for the quarter will necessarily be in support of other teams' objectives.

*Shared Services*—as several teams believed they needed to pursue notifications, the Shared Services team committed to provide the necessary services support.

Objective: Provide the technology necessary to support the experience teams

- *High-Integrity Commitment: Deliver 1.0 version of notification system<sup>57</sup>*

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<sup>57</sup> You may be wondering why this is a high-integrity commitment rather than just a normal “keep the lights on” dependency, or if not that, a shared team objective? We only do high-integrity commitments for the major deliverables, not minor dependencies (of which there are always many). As to why not a shared team objective, the difference is that the teams had already discussed and determined they needed a notification service, so the question was really *when* they could be able to start using it?

*Payments and Billing*—the Enterprise Tools team asked the Payments and Billing team to provide the support necessary for establishing monthly billing accounts on corporate terms rather than handling transaction-only payments. Note that this is a *shared team objective* with the Enterprise Tools team.

Objective: Demonstrate product/market fit for enterprise

- KR: (*Inherit key results of Enterprise Tools team*)

*Data and Reporting*—the Enterprise Tools team asked the Data and Reporting team to enable enterprise-wide reporting, and to help aggregate reporting for companies that had multiple users (hiring managers) each with their own accounts. Note that this is a *shared team objective* with the Enterprise Tools team.

Objective: Demonstrate product/market fit for enterprise

- KR: (*Inherit key results of Enterprise Tools team*)

*Infrastructure*—the Infrastructure team was in the midst of a two-year re-platforming effort to address the substantial tech-debt issues. The emergence of the enterprise effort caused the team to propose adjusting the sequencing of work to ensure the ATS integration work could happen on the new foundation which should be both substantially faster and also save having to reimplement this later.

Objective: Continue major tech debt re-platforming effort<sup>58</sup>

- *High-Integrity Commitment: Complete migration of 4 more major system components to the new architecture, while*

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<sup>58</sup> This is an example of an objective that spans quarters as the Tech Debt plan is a two-year plan, so this illustrates an ongoing, multiyear objective, but with meaningful progress no less than every quarter.

*ensuring all teams can continue forward progress during re-platforming<sup>59</sup>*

*Tools*—the Tools team was asked to focus on more-flexible, real-time monitoring to handle the enterprise integration needs.

Objective: Demonstrate product/market fit for enterprise

- KR: (*Inherit key results of Enterprise Tools team*)

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<sup>59</sup> This could have been key results rather than a high-integrity commitment, but it is a very difficult problem in software to quantify the improvements in velocity, reliability, scalability, performance, and fault-tolerance from moving to a more modern platform. This is why it's so difficult to do a high-integrity business case for tech-debt work, and I don't recommend even trying. I tell the leaders to just make sure you do the work if you want to stay in business (and keep all your jobs).

## *Callout: Level of Ambition*

With aspirational key results, it's important to have a clear understanding of how ambitious the team is being with their key results for the quarter.

This is often a place where company culture shows through. Some companies encourage their teams to be very ambitious (moon shots) and others want the teams to be very conservative (roof shots). Some ask their teams to project some level of confidence in the key results (e.g., "Your key results should be with 70% confidence.").

In this company, the leaders used subjective terms to describe to the teams the level of ambition they were hoping for. In general, they wanted the teams to be relatively ambitious because they did not believe that roof shots would achieve the results they felt they needed.

## CHAPTER 68: **BUSINESS RESULTS**

For those wondering how all this actually played out, I have included here quarterly results and also some observations from about a year later.

This concentration of effort around getting more jobs to have between 8 and 25 applications did indeed pay off. This was mostly the result of spreading around the applications that were being wasted by going to jobs that already had enough. At the end of the quarter, the company had raised the “successful posting” KPI from 37 percent to 41 percent, but the best news was that this continued to grow and ended the year at nearly 45 percent. This resulted in substantially decreasing employer churn—from 6 percent down to 5.1 percent.

As you saw, the company attacked these problems from many different angles, in the hopes that some would succeed. The approach that had the most significant impact was the Job Recommendations team, which was all about showing job seekers jobs the system believed they were qualified for, but the job seeker didn’t realize they were. Not only did this have an immediate impact, but it continued to improve for at least two more years.

On the job seeker side, they ended up making fairly fundamental changes to the workflow of first registering and then providing the first application. They were able to significantly improve the percentage of job seekers that submitted an application in the first 48 hours (from 27 percent to 42 percent), primarily by making the first application submission much easier and more integrated with the registration process.

The native mobile app investment also proved valuable, and in following quarters they better aligned the product marketing efforts to encourage more job seekers to install the app.

In terms of the objective for achieving product/market fit for selling to enterprises, this ended up taking two full quarters to get their six reference customers, but that did result in the company building out a direct sales channel. However, the company found that moving from selling online directly to hiring managers, to selling through a direct sales force to HR organizations, required much larger changes than they had anticipated. It took the better part of a year to get the necessary foundation to the level they needed it, including security and access control, data and reporting, and payment and billing.

If you were to ask the product teams themselves, they would probably say their favorite result was the progress on the re-platforming, which ended up taking the full two years, but resulted in their ability to move significantly faster and much better aligned with their efforts.

Most of the platform teams had the platform product manager role covered by the tech lead. For some of the teams, this was really not a problem (Infrastructure, Tools, and even Shared Services). However, for other teams (Payments and Billing, Data and Reporting), the business complexities and constraints overwhelmed the tech leads and the company added platform product managers to these teams later in the year.

Overall, while some product teams had more success than others, the employees, leaders, and investors in this company were more than satisfied with the progress, and the level of innovation required was both acknowledged and celebrated. They still had much work to do in the years ahead as they continued to grow, but they had made real progress.

Because the leaders had been very open and transparent with the executives and stakeholders in the company, several of those leaders shared with me that they had a much better appreciation for how technology products get made, especially the level of experimentation required to solve the particularly difficult problems.

## CHAPTER 69: **KEY TAKEAWAYS**

If you persisted in working your way through this case study, I'm hoping that you have a clearer picture in your mind about how strong product organizations work in practice.

Here are what I consider the 10 most important points I hope you take away from this snapshot of a real company in the midst of dealing with the challenges and stresses of rapid growth:

1. The critical role that the product leaders need to play—from the topology, to the product strategy, to the team objectives, to actively managing the issues and obstacles that came up during the quarter.
2. The importance of a true product strategy based on focus and insights. The product strategy is what tells us which problems we need each product team to solve. These leaders crafted a strategy around a few, high-impact insights and then asked most of the organization to tackle these problems. The results will only be as good as the strategy.
3. The importance of active management of team objectives—both by the product teams themselves, but also from the product leaders. If the teams do not stay on top of their objectives, life intervenes, and pretty soon much of the quarter is gone and not enough has been done.
4. The value of empowering teams and teams of missionaries. The real innovations that occurred were all a direct result of having empowered teams excited to work on a hard problem that can make a real difference for the customers and for the company.
5. The limitations of what you can know and what you can't know. These leaders knew that there was no way to anticipate which ideas

would really bear fruit and which would not. They planned for that reality.

6. The risk management element of placing a series of bets, knowing that only some will pay off. These leaders were placing bets based on how strong the data insights were, how much confidence they had in the specific people and teams, and how confident the teams were in their ability to make an impact.
7. The impact that the team topology has on converting the insights into action. A different topology would have resulted in different assignments and likely very different results. Maybe better, maybe worse, but definitely different. This topology has some clear virtues but also some real limitations.
8. The necessary give and take between the leaders and the product teams—partly top down, partly bottom up. The leaders did not abdicate their responsibility by inviting the teams to volunteer for areas they felt strongly about, but their willingness to try to accommodate went a long way toward motivating the teams.
9. The importance of sharing the broader strategic context with all of the product teams. For product teams to make good decisions, they need to have the big picture, and they need to understand the product vision and product strategy—and especially the insights behind the product strategy.
10. Uncertainty is messy, and there are never guarantees. But smart leaders usually find a way to make it work because they trust their teams, accept the uncertainty, and manage the risks appropriately.

Realize that every company is in a unique situation, with different market position, different talent on the teams, different enabling technologies, and different company cultures. Just because something may have worked well for this job marketplace company does not mean it will work for you. But hopefully this example gives you a good

sense for the types of considerations you will want to keep in mind, and the type of leadership you will need to provide.