

Product Primer

A Starter Guide to Building Great Products

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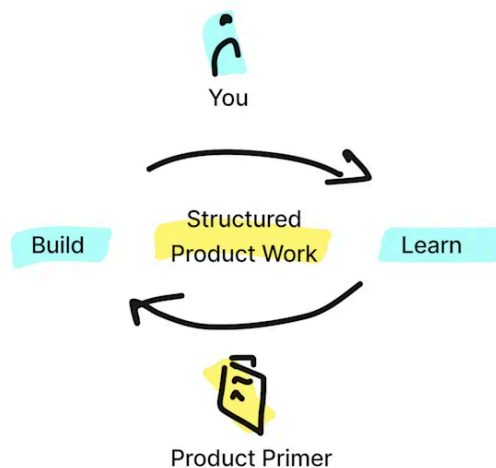
Introduction

Welcome to Product Primer – *A Starter Guide to Building Great Products*. The primer presents a collection of theoretical frameworks and practical methods for building products – empowering you build great products that serve a purpose and solve real problems.

Product work as a skill and Product Management as a craft is essentially problem solving at different abstraction levels, with varying level of detail and varying lengths of iterations. The Product Primer splits product building into three levels, which are addressed in the three main chapters:

- Why - The purpose of the product: Finding the key value proposition
- How - Keep focus in the right things: Turning purpose into practice with a sound product strategy
- What - Solving users problems by building meaningful solutions

And finally, there's a chapter on getting your product out to the customers. While go-to-market and growth are being addressed in the last chapter, they should not be an afterthought or someone else's problem. It is an essential part of your products success and what you should consider as an *integral part of the product*.



Whether you're a seasoned professional or just starting out, this primer is designed to guide you through the practices, structures and thinking frameworks that allow you to focus on the outcomes, building a great product and learning how to make it better. The perspectives and advice offered in this primer are highly opinionated, drawn directly from the author's own extensive experience.

About the Author

Aapo Kojo has nearly two decades of experience in building digital products. Some of the products he has put his work into have achieved success through strong business outcomes, positive user sentiment, or prestigious awards. He has also witnessed the rapid downfall of a business giant and the demise of a nearly successful startup. Throughout these varied experiences, one common thread remains: the commitment to building a great product.

Main Principles

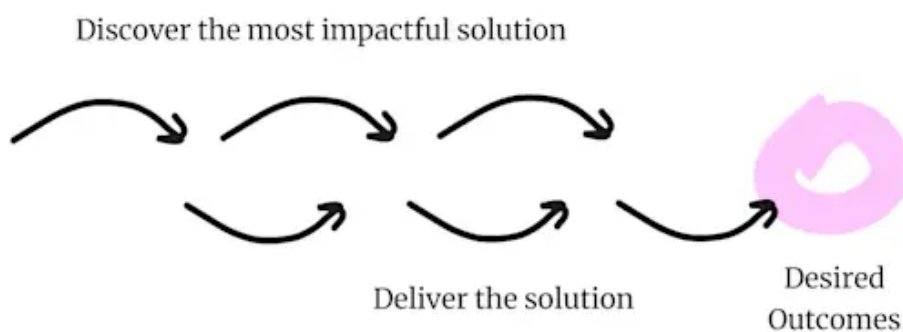
Embrace the Routine

Focus on the Outcomes

Product work is the process of finding the most impactful things to deliver. Start from the business problem and what is the *desired outcome*. All work and decisions along the way can be reflected against it.

From One-Off Exercises to a Continuous Process

Product work is not a one-off thing done at the beginning of starting to build a product, it is a continuous and parallel process to delivery, aiming to maximise the impact of product development. It is advisable to have a separate *discovery/problem/impact backlog* and a routine process for product work, which then feeds into the delivery work with the same cadence. This should not be considered a hand-off process, rather the same people or the subset of the delivery team working on two different aspects : first finding the most impactful solution and then delivering the solution.



Uncoupling the product process from the delivery process gives you more freedom to explore the problem space and consider alternative solutions beyond the boundaries of the existing delivery team structures.

Apply at All Product Lifecycle Stages

Product work can and should happen at all lifecycle stages of a product. The same techniques can be applied in different contexts; extending the product to new markets or distribution channels or iterating on new features for an existing product, as well as launching a new product. Depth and duration of the product work depends on magnitude of the expected impact and hence the investment appetite.

Talk to the customers

This can not be emphasized enough: keep a direct conversation open with your customers at all times. Discussing directly with your customers keeps you at level on your customers problems, their jobs-to-be-dones and how your product is being used and experienced by your users as your product evolves, market evolves and users' behaviors evolve.

Why - The Purpose of the Product

Finding the Key Value Proposition

From User Needs to Market Understanding

Ultimately, every single product can be reduced to a specific user need, and hence to an individual user. To increase the chances of making a successful product, you need to find out if there is a critical amount of users that have a specific need, which can be better met with your product, and isn't served well enough with anything else out there. Chances here though are against you - there is already very likely a product or a solution the user is equipped with to tackle their problems and to fulfill their needs.

The space where you are working in, could be anything from enhancing the mobile experience for brick and mortar stores selling to online marketplaces, building a platform for short form content creators or building tools to organize the work for reachstack drivers in a container ship terminal. Whatever the context is, your intended product will be competing with existing ways of working, established habits and products already available at the market - be it your own or your competitors.

Is there a large enough audience for my product, which is currently underserved in the market? Can my product offer them something that isn't offered by anything else out there? Is the product compelling enough to get large enough audience rallying behind my product? Finding the unique value proposition for your product that fits the current market is essential.

The key value proposition as the product purpose could be stated for example as *The home for video meme creators* or *The number one online destination for fashion*. Based on the maturity of the product, this typically doesn't change much over time. When creating a completely new direction and purpose for the product, it is often considered a pivot. This could be a result of not finding enough growth with the existing product, a significant shift in the market or a new competitor entering the market and changing the game.

Finding the Unique Value Proposition

Frameworks, like the Blue Ocean / Red Ocean strategy framework, or the work of Clayton Christensen on Innovators Solution, help you frame your product idea and solution against that existing world, where your users are interacting with existing solutions. What are the elements of my product that are directly competing against the existing market? What are the users' existing expectations from a product in the market? What are the elements of my product that provide value other products currently can't?

Focusing on the current users, their current needs and how the existing product solves those problems, you may end up iterating on the existing products or offerings - and end up competing with similar, but better features or with a cheaper solution, but fail to look beyond what are the unmet needs and potential to create new innovations.

Blue Ocean strategy framework helps you identify where the current industry competition and investments are the highest - where you should do the minimal investments to offer a minimal level of service, and instead put most of your investments into the areas of your product where you create value beyond what is currently available in the market. Alternatively, if you can't find that competitive edge from your product, chances are users will not choose your product over the one they already use.

This is the part in product building which is usually referred to "finding the product-market-fit". To make a dent in the world with your product, you need to understand the world and the market where your product operates.

Tailoring the product offering to fit the market

While working in a consulting agency, we were expanding into the airline clients having built a world class mobile application and two in-flight entertainment systems to one national airline. Through those projects we had learned what players there are in the industry and how they work, and we saw an opportunity to both improve the way software is built as well as drastically improving the user experience and business opportunities especially within the in-flight entertainment systems. However, the industry had it set ways of buying software from the big players, and it was not an easy task to expand from a single national client to international clients as a local boutique agency.

Building new in-flight entertainment systems was both time critical, as we had learned it was tied to both acquiring new fleet or retrofitting old fleet - but also dependent on the level of investments a given airline was willing to make for stellar digital experiences, their ambition level. We started looking at our consulting offering for airlines through the 'Playing-to-Win' strategy framework, where we focused at looking both what was the unique value proposition we were able to offer and what were the characteristics of a potential airline client for our offering.

It lead into a process of shifting from targeting all major airlines with a generic offering, as usual for a consulting agency but less familiar model to airlines buying software, to targeting selected clients with higher potential for interest in our offering with a more specific and tailored product, geared more towards the industry standard of purchasing software as products. We set a few clients as *North Star* clients to pursue as a measure of success, and started spreading a clear message of our specific offering through trade shows and industry conferences and tailored our offering to our target clients, based on their upcoming fleet upgrades. Within a year from our focus shift we had started a project with one of our North Star clients as well as had contract negotiations ongoing for two major clients to be started on schedule with their upcoming fleet renewals.

Key Takeaways

Your product does not operate in a vacuum. Understand where the market is and what needs users have - which are already solved by one way or the other, and what expectations users may have. Find out who really are your target customers, what is the minimum you need to invest to match the existing solutions on

the market and put most of your bets in the competing factors other solutions don't offer for your intended customer segment.

Inspiration and Further Reading:

- The Innovator's Solution: Creating and Sustaining Successful Growth by Clayton Christensen
- Blue Ocean Strategy: How to Create Uncontested Market Space and Make Competition Irrelevant by W. Chan Kim, Renee Mauborgne
- The North Star Playbook: The guide to discovering your product's North Star by Amplitude
- Playing to Win: How Strategy Really Works by A.G. Lafley, Roger L. Martin

How - Keep Focus in the Right Things

Turning Purpose into Practice

Key Questions for Building Your Product Strategy

Strategy takes your product's purpose to practice. Your product strategy should answer at least the following questions: Why should your customers care about your product? Who are those customers? How does your product fill the gaps in the market? How will you measure success? What do you need to build and do you have the expertise and resources you need in order to build that? How do you validate what you are building is taking you towards the desired outcomes and towards success?

Strategy defines how the purpose manifests itself as a product and could mean for *Home for video meme creators* providing video meme creators a place to host their videos and their community and to monetise with their content. For the *The number one online destination for fashion* it could be providing a large catalog of global and local fashion items, with competitive pricing, delivered home fast and conveniently.

Filling a market gap

Short-form video content creators, still to date, are struggling with monetising their content through the platforms they distribute their content on. Platforms themselves are monetising from the content, the content creators just aren't part of the beneficiaries in the equation. From existing video distribution platforms we identified a specific niche, video meme creators, which were generating a lot of views, but getting zero compensation of those views, because of how the platforms' revenue models were designed.

For this specific niche we designed a platform revenue model that was both beneficial for the content creators, yet wouldn't be detrimental to the user experience. We created an incentive for the creators to bring their audience to the platform not only because of the experience tailored to suit the type of content they produced, but also because of the monetary incentives. For consumers we solved the content discovery problem by bringing all content from a certain niche into a condensed experience serving that content type and for the creators we helped make earnings of their work put into making the content. While we couldn't immediately match the virality provided by the incumbent platforms, we were able to create a home for their content and core fans and generate 2-3x the revenue they were making on the incumbent platforms - if they were making any at all to start with.

Our advantage over the incumbent platforms was the focus we put into understanding the intricacies of the content type - our team was equipped with the most influential content creators of the niche we were into, providing us both the insights as well as the networks of the space. From technology point-of-view we were geared towards optimising the video delivery costs and advertising revenue, resulting in a team that was nimble, moved fast and had just the necessary skills to build just the product needed - and manage everything else as someone else's side job only when absolutely required.

Key Takeaways

Start from the outcomes and keep the focus purely on the value you want to provide. Align your your users' success to your product's success. When your product enters the market, competitors are likely to react and hence the market is constantly evolving. Make sure you have the expertise and resources to constantly deliver value unattainable with the competitors' products.

Inspiration and Further Reading:

- The North Star Playbook: The guide to discovering your product's North Star by Amplitude
- The Star Model™ by Jay R. Galbraith
- Radical Focus: Achieving Your Most Important Goals with Objectives and Key Results by Christina R. Wodtke

What - Building meaningful solutions

Solving Users Problems

Addressing Needs with Desirable Outcomes

Building solutions is about translating users' needs into desired outcomes, both for the user and your product, and essentially to your business.

Mapping Your users' Needs

To understand what you need to build, you need to understand how users are currently getting their jobs done. This can be done by for example journey-mapping, breadboarding or creating user flows. Whatever it may be called, the key is to listen to your users, observe what they do and see it for yourself. Going directly to the users help you both understand the journey they currently take, but also uncover the painpoints in the process and feel the users' emotions as they navigate through their tasks.

Understanding the users journey in your own product will also help in building analyses on the users journey, or funnel, through the product. Data on the user funnels help you identify potential improvement points, and asking your users will give you insights on what may cause people not to proceed to the desired outcomes. Listening to the user's language also helps you adjust your product to fit the users thinking and mental models. Using an opportunity-solution-tree helps bridge the desired business outcomes to the users' journeys and help find the most impactful areas to address for solving users problems to achieve desirable business outcomes.

Mapping business and customer problems

Whatever the context, mapping business problems and customer problems can be done through the same means: understand the business through quantified data and talk directly to the customers to understand their context.

Problem	Business Problem	Desired Outcome	Customer Problem	Jobs-to-be-done
<p>"Order management only on desktop web at the cash register"</p> <p>Product discovery for mobile interface for online order management at brick-and-mortar stores for a large online fashion platform</p>	<p>Order fulfillment times from brick-and-mortar stores slower than from warehouses</p> <p>Higher portion of orders from brick-and-mortar stores aren't fulfilled at all because of inventory inaccuracies</p>	<p>Higher online order fulfillment rates with reduced order fulfillment times in brick-and-mortar stores</p>	<p><i>Store personnel interviews and store visits:</i></p> <p>Employees get congested at cash register during rush hours / sales periods</p> <p>Multiple different order fulfillment processes and devices</p>	<p>Primarily provide personal service to the in-store customers, offer as much product variety as possible</p> <p>Deliver the correct items to the online customers</p>
<p>"Passengers purchase flight tickets without signing in"</p> <p>Discovery for a small airline's new frequent flyer program</p>	<p>Low customer knowledge, as currently majority of purchases happen without proper customer identification</p>	<p>Higher portion of signed in customers purchasing flight tickets</p>	<p><i>Passenger interviews after most recent trip:</i></p> <p>Booking flights frequently does not give any benefits and requires the same steps every time</p>	<p>Spend a weekend in Berlin with the family.</p> <p>Attend a business meeting in Stockholm.</p>

Finding the intersection of business and customer problems and the most impactful areas to address through opportunity-solution-tree gives you a *five why's* approach to go deeper into the customer problems below the immediate surface. Seeing how personnel in a brick-and-mortar store work in the physical space interacting with the in-store customers, walk between the cash register and backroom storage and fulfilling online orders in-between, gives a very clear picture of the every-day practical problems that lead to reduced performance fulfilling online orders - more so than speculating the issues in the comfort of your own desk.

Desired Business Outcome	Potential Problem	Potential Problem	Product Assumption	Potential Solution
<i>Fashion Stores:</i> Higher order fulfillment rates with reduced order fulfillment times	Online orders are cancelled because item not found in store	Item was sold to an in-store customer	Real-time online order notification reduces the risk of selling the item to an in-store customer	Push notification on mobile app from new online orders
<i>Airline:</i> Higher portion of signed in customers purchasing flight tickets	Key Selling Point for Sign Up is current frequent flyer program, not relevant to most customers	Sign Up not part of the online ticket booking flow	Providing an instant signup benefit will overcome the signup friction	Frequent flyer program revamp with a signup bonus for a reward usable on the first flight

In every different context, it is of utmost importance to not base your decisions on how you wish or think your product should be used, but understand the customers job-to-be-done, and address the customers needs and look at your product through their lense. For example airline passengers are not primarily looking to join a frequent flyer program, they are using the airplanes to get to their holiday or work destination, and while doing that may benefit from additional perks offered by the airline's frequent flyer programs. Talk to the customers and build something that they need and value and lead to your businesses desired outcomes.

Key Takeaways

Observe what users do and ask what they aspire to achieve. Build for what they need, not what they want. Use quantitative data to understand the general behaviors of what users do. Use qualitative feedback from users to understand why they do what they do and don't do. Address the user's need with a solution that is focused on achieving the desired business outcome. Measure how your solution leads to those desired outcomes.

Inspiration and Further Reading:

- Shape Up: Stop Running in Circles and Ship Work that Matters by Ryan Singer
- Continuous Discovery Habits by Teresea Torres
- Design for How People Think: Using Brain Science to Build Better Products by John Whalen
- Competing Against Luck: The Story of Innovation and Customer Choice by Clayton M. Christensen
- Change by Design: How Design Thinking Transforms Organizations and Inspires Innovation by Tim Brown
- Hooked: How to Build Habit-Forming Products by Nir Eyal

Launching the product

Zero Users = Zero Insights = Zero Revenue

Getting Your Product Out

How will your customers find out about your product? How will they end up using your product and pay for your product? Arguably, from a products success point of view, this is something you should think very early in your products lifecycle, not after you have built the product. Yes, you need *a product* that you can sell to your customers, but thinking about the distribution and growth channels is essential for your products success.

Product Funnel

Irrespective of your products customer base, whether they are consumers or large enterprise corporations, or something in between, a commonly used go-to-market funnel is applicable as your product's vehicle for growth: acquisition → activation → retention → referral → revenue, AARRR for short.

If you have an idea for a solution for each step of the funnel, you can start testing and validating your assumptions and iterate as you learn what works and what doesn't. In principle you will be balancing between how much it costs to acquire a new user with how much a user brings revenue. This sounds simple, yet it is the hardest part of creating a successful business. You either fail by not growing your customer base, fail to retain your customers or fail to convince your customers to pay for your product, or to generate revenue one way or the other.

Finding the most efficient distribution channel

While building a radio listening app as a co-op between the national broadcasting company and private radio channel capturing all the radio channels of the country, we started by doing a lean canvas of the product - not only mapping what is the unique value a dedicated radio app can provide both against the existing media streaming apps as well as the traditional radio, we examined the potential distribution channels for the upcoming app.

While the radio channels provided the streams to make the app technically possible, it was also in their interest in getting the app to the hands of audiences they were not currently necessarily reaching (young people) in a way that they can track - to use for their advertising revenue thorough extended reach. While we would've been able to get the streams from the radio channels through existing platforms without any interaction with the channels, we reached out to them very early on - asking for their stream URL's - but with primary intention of engaging with all the channels to get them onboard marketing the app once it would come out. This required making sure the channels understand the additional value an app can provide through extended audience reach, instead of eating from listening hours from the existing audience.

Once the app was released, radio channels were already in anticipation of promoting this new digital channel to reach an audience which was beyond their reach before. Shortly after the launch the app was able to reach nation wide usage through the spread marketing efforts of many individual local radio stations.

Product-Market-Fit

There are tools and frameworks mentioned earlier, like the Playing to Win -strategic framework or the Lean Canvas, that help you think the world outside of your product, the market and the customers, and how your

product fits that world. Wherever you are in the product lifecycle or professional career level, don't let your past knowledge hinder your continuous development of customer and market understanding:

"Get out of the building"

-Steve Blank

For your product's success it is once more essential to emphasize for you to go out there, physically and metaphorically: talk to the customers, observe what they do and validate your business and product assumptions continuously.

Inspiration and Further Reading:

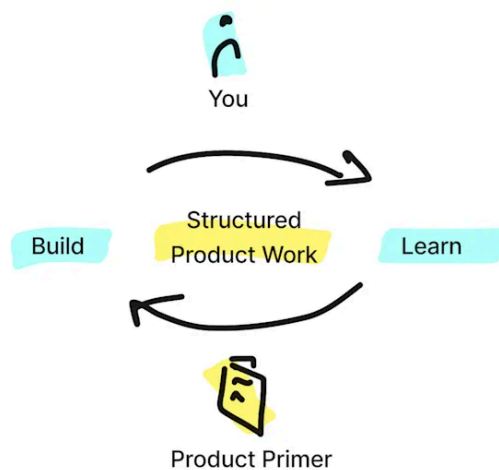
- Running Lean: Iterate from Plan A to a Plan That Works 2nd Edition, by Ash Maurya
- The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses Hardcover by Eric Ries
- The Four Steps to the Epiphany: Successful Strategies for Products That Win by Steve Blank
- Product-Led Growth: How to Build a Product That Sells Itself by Wes Bush

Summary

Rinse and Repeat

Embrace the routine

In everything you do, you get better by doing and iterating as you go. Focus as much of your thinking and brain power into your product building efforts and learning how your product performs and succeeds. Set up clear frameworks and processes so you don't need to re-invent the wheel whenever you need to evaluate your product's purpose, assess your strategic focus areas or think what to build next. And do all of these activities on a regular basis.



Now, go and build a great product. Wishing it a great success!

- Why - Find your product's purpose. As the market and your customers behaviors evolve, re-evaluate the relevance of your product.
- How - Define a strategy on how to deliver a meaningful product. Keep your focus in constantly creating value other products don't, with a team equipped to deliver that value as fast as possible.
- What - Understand your users needs and focus your solutions on outcomes. Keep on a constant dialogue with your users.
- Distribute and grow - Deliver your product to your customers through the channels where your customers are through means that they are familiar with. Find ways for existing customers to bring in new customers.