Outcomes over output: the key takeaways & further reading (1 page in 5 minutes)

I - What are outcomes?

- You can manage a team by telling them what to make: that's called managing outputs. It's a problem, because features don't always deliver value
- You can manage a team by asking them to create some high-level value, like growing revenue. That's called managing impact. It's a problem because it's not specific enough
- What you want is to manage with outcomes: ask teams to create a specific customer behavior that drives business results. That allows them to find the right solution, and keeps them focused on delivering value
- For our purposes, an outcome is "a change in customer behavior that drives business results"
- Defining outcomes in terms of customer behaviors creates a more customer-centric and user-centric way of working
- Outcomes and Agility: using outcomes to direct the work of your teams unlocks your team's creativity. They will work to find the best solution to the problem at hand in order to create the outcome you seek

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II - Using outcomes

- Don't mistake impact-high-level aspirational goals-for outcomes. Impact is important, but it's too big for any one group to target. Use the magic questions to define outcomes:
  - What are the human behaviors that drive business results?
  - How can we get people to do more of these things?
  - How will we know we're right?
- Remember that by "humans" we mean customers, users, employees, stakeholders, or anyone involved in the system that we're building
- When you're planning work, be clear about your assumptions. Be prepared to test your assumptions by expressing work as hypotheses. Test your hypotheses continuously by working in small iterations, experimenting, and responding to the data and feedback you collect
- Use outcomes to track progress. Leading indicators tell you that you're going to hit or miss your target. Lagging indicators show your target. Build an understanding of what behaviors lead to achieving the targets you seek
- Use outcomes (not features) to plan initiatives. Ask "what new behaviors will this initiative create that will deliver business value? How can we deliver that value sooner?"
- OKRs can be improved if you think of the Key Result as an outcome

III - Outcomes based planning

- Planning with outputs limits teams' agility and problem-solving flexibility. Increase teams' capabilities here by planning around outcomes
- Create outcomes-based roadmaps that list questions, themes, and outcomes instead of features
- One way to find outcomes is to create Customer Journey Maps. These maps help visualize how systems work in terms of customer (and employee) behavior, and so can help you find important outcomes in the system

IV - Outcomes for transformation

- When considering organizational change, take a customer- centric approach with your colleagues. What are their goals? What value can you offer to them in order to get them to "buy" the change you are selling?
- Frame organizational change initiatives in terms of outcomes. What are the new behaviors you want to create in the organization? What will people be doing differently when your change program is successful?
- Changing people's behavior is hard, and not easy to predict or plan on paper. Instead, take an action-oriented approach: experiment your way forward to make progress.

V - Further reading

- Stay fast at scale: productivity in terms of outcome, DevOpsDays Eindhoven
- Cheung, Marie. Outcome-based Service Mapping (2018)
- Fritz, Joanne. How to talk about Nonprofit Impact from Inputs to Outcomes (2019)
- Fritz, Joanne. How Nonprofits Can Measure Outcomes and Why They Should (2018)
- Humble, Jez, Joanne Molesky, and Barry O'Reilly. Lean Enterprise: How High Performance Organizations Innovate at Scale (2015).
- North, Dan. Outcomes Over Features - The Fifth Agile Value (2006)
- Rex, Alice Newton. Outcome-driven roadmaps: A deeper dive into roadmaps based on outcomes (2018)
- Rumelt, Richard. Good Strategy Bad Strategy. The Difference and Why It Matters (2011)
- Spool, Jared. Building A Winning UX Strategy (2014)

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OUTCOMES OVER OUTPUT

Why customer behavior is the key metric for business success