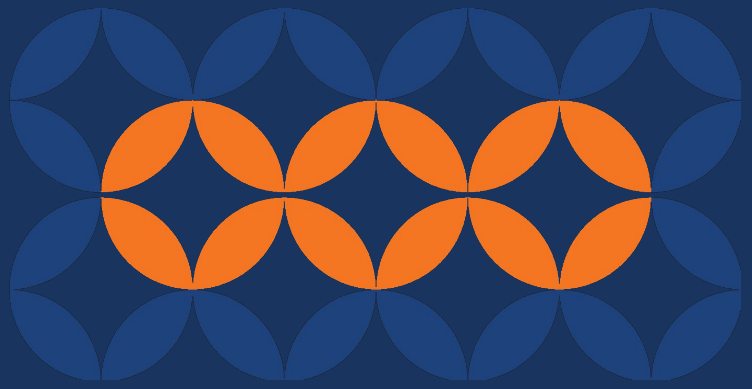
alterra

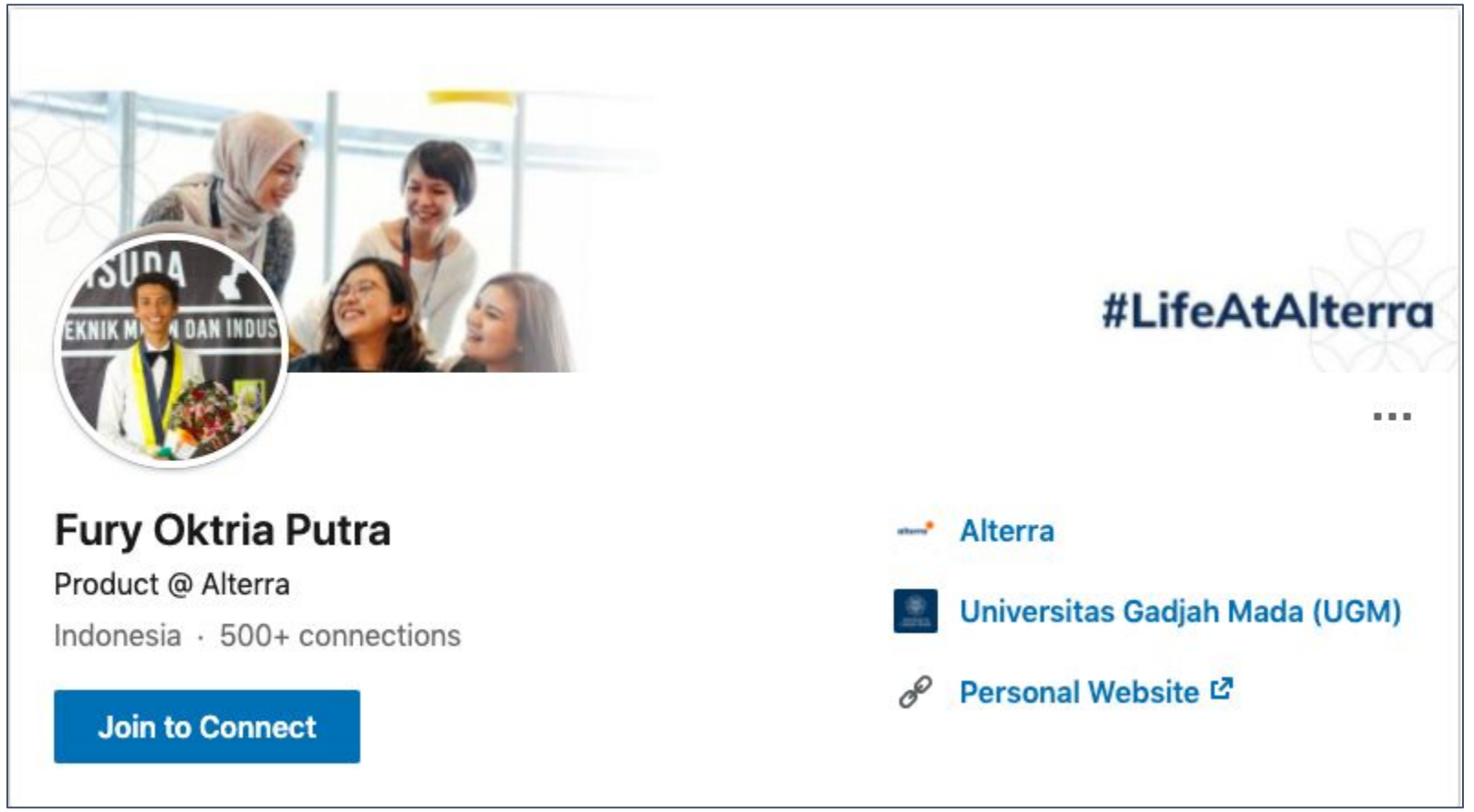


Escaping The Build Trap

How Effective Product Manager Creates Real Value

by Melissa Perri

FURY OKTRIA PUTRA PROFILE

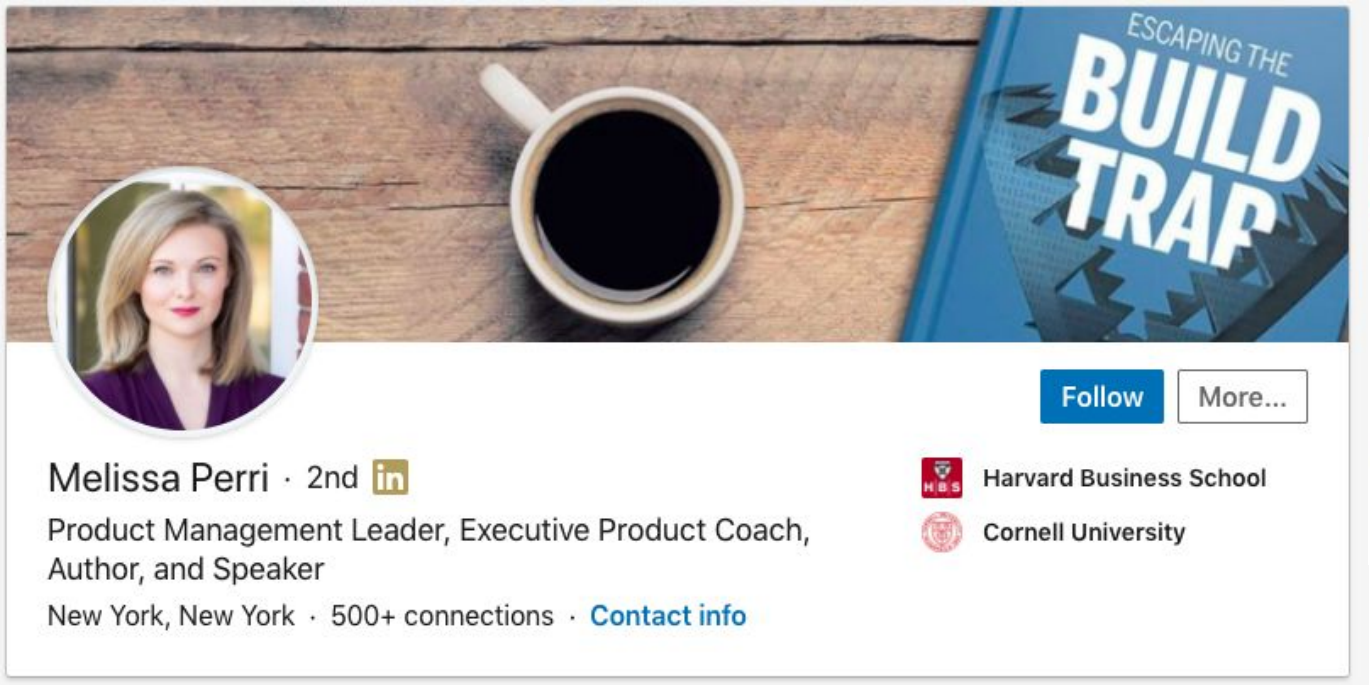


https://www.linkedin.com/in/furyoktria/

alterra

*"**This book is for every product person**. It's for the senior in college who wants to be a product manager but doesn't quite understand the full landscape of the job. It's for the first-time product manager who was thrown into the fray and is looking for guidance. It's for the product manager, just promoted to VP, who needs a guide to set up their organization so that it scales successfully. It's for the leaders of large organizations who are looking to obtain that competitive advantage."* - Melissa Perri

MELISSA PERRI PROFILE



Senior Lecturer
Harvard Business School
Dec 2019 – Present · 5 mos
Greater Boston Area

Senior Lecturer on Harvard faculty teaching Product Management 101 and 102 in the MBA program.

Founder & CEO
Produx Labs
2014 – Present · 6 yrs
Greater New York City Area

Produx Labs helps companies grow or transform their Product Management organizations.

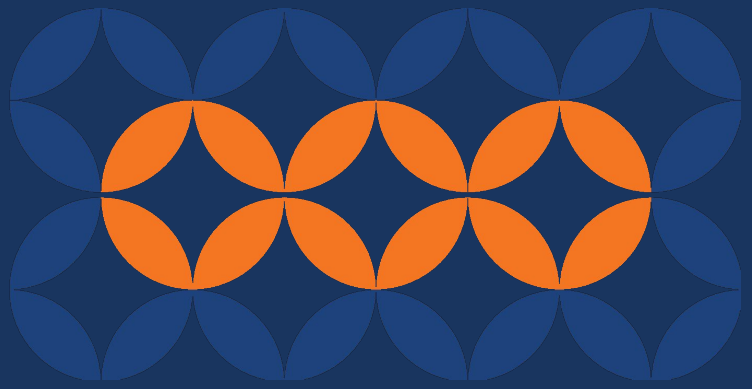
https://www.linkedin.com/in/melissajeanperri/

4 KEY TAKEAWAYS FROM THIS BOOK

1. Creating a **product manager role** with the right responsibilities and structure.
2. Enabling those **product managers with a strategy** that promotes good decision making.
3. **Understanding the process** of determining what product to build**,** through experimentation and optimization
4. **Supporting everyone with the right organizational policies**, culture, and rewards to allow product management to thrive

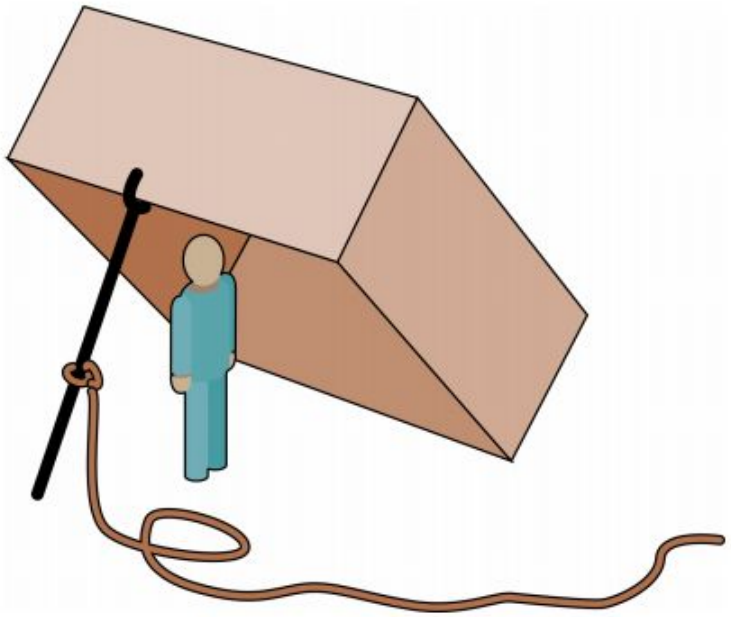
The Product-Led Organization

alterra



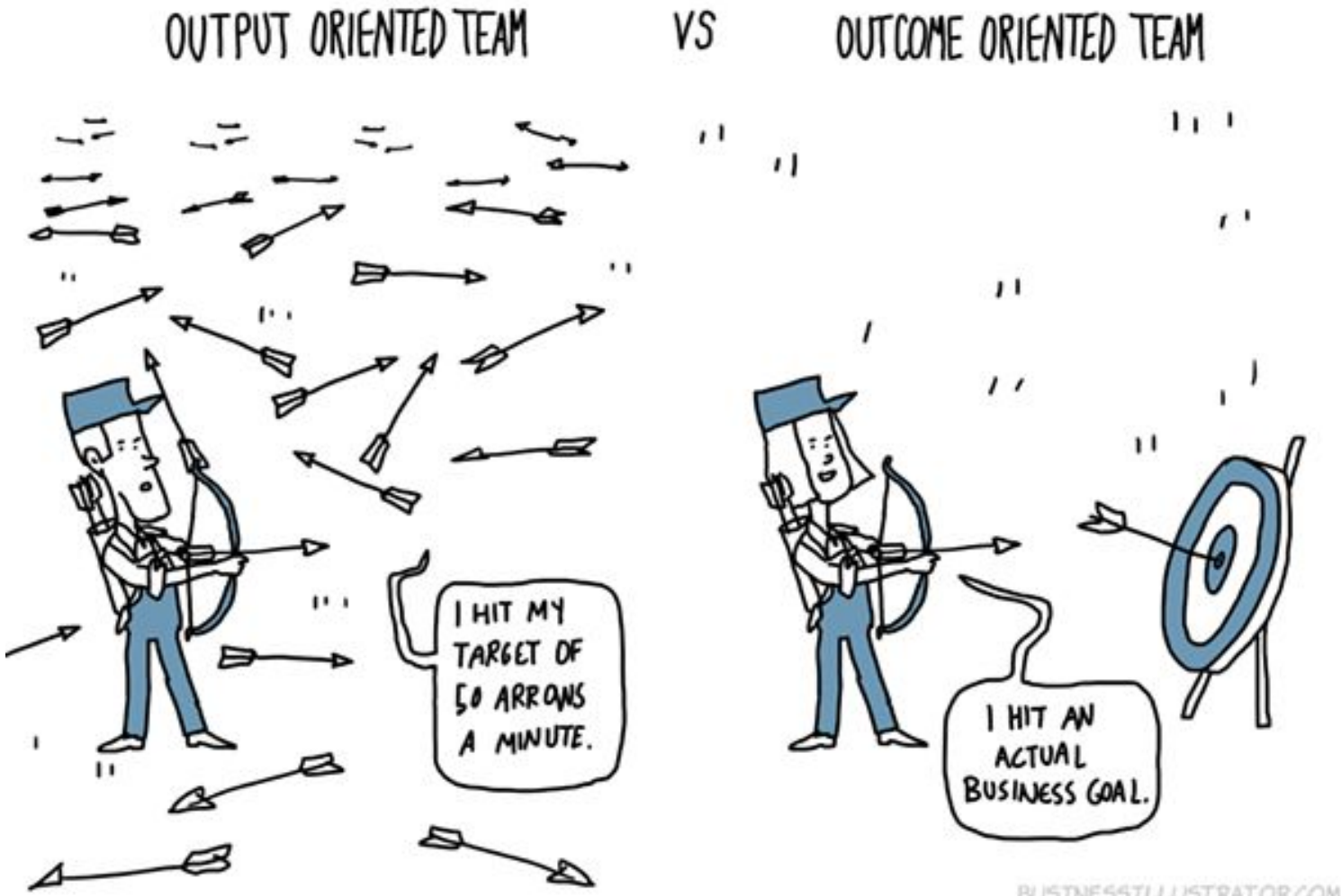
PART I The Build Trap

THE BUILD TRAP



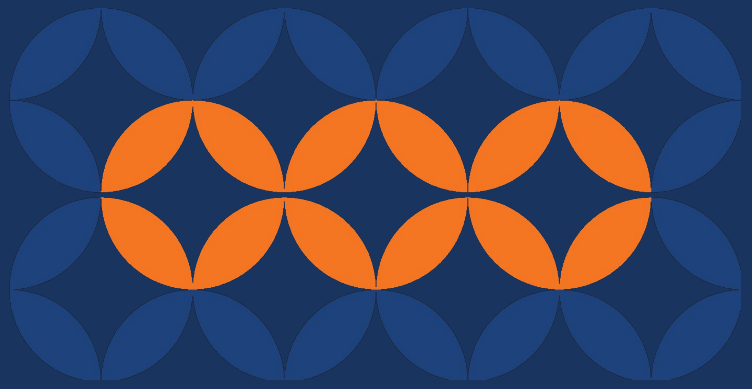
The build trap is when organizations **become stuck** measuring **their success by outputs** rather **than outcomes**.

THE BUILD TRAP



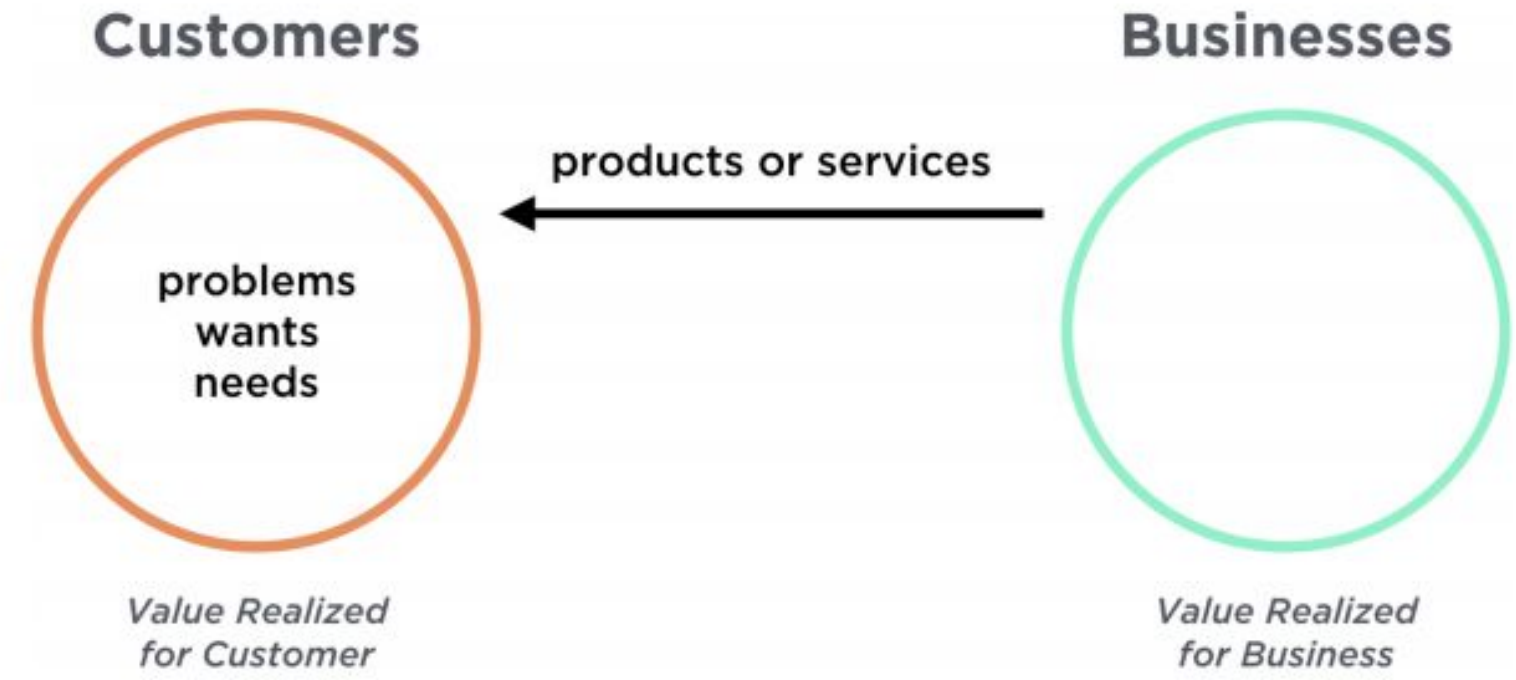
The build trap is a terrifying place for companies because it distracts them. Everyone is so focused on shipping more software that they lose sight of what is important: **producing value for customers**, **hitting business goals**, and **innovating against competitors.**

alterra

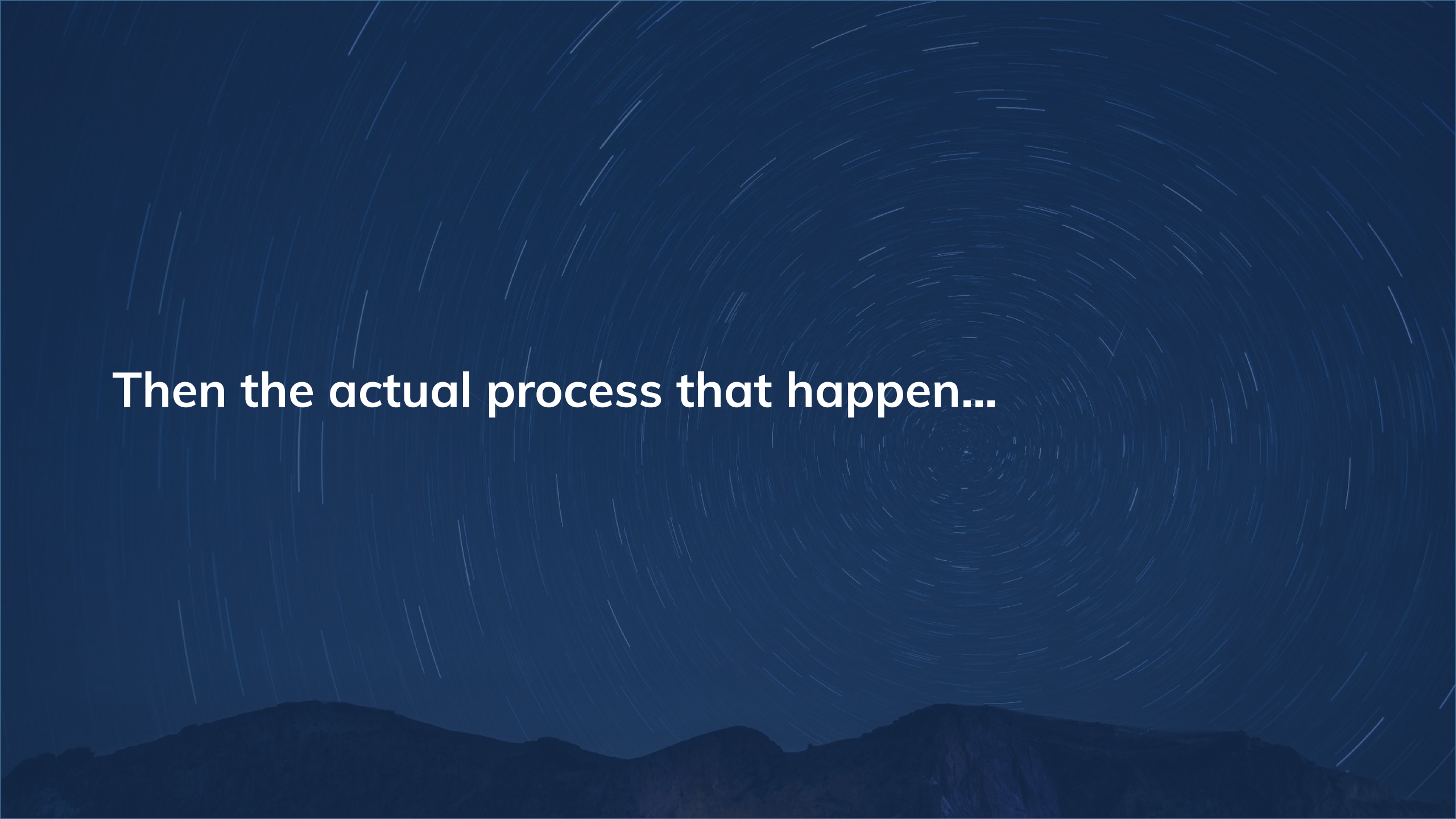


PART 1 The Value Exchange System

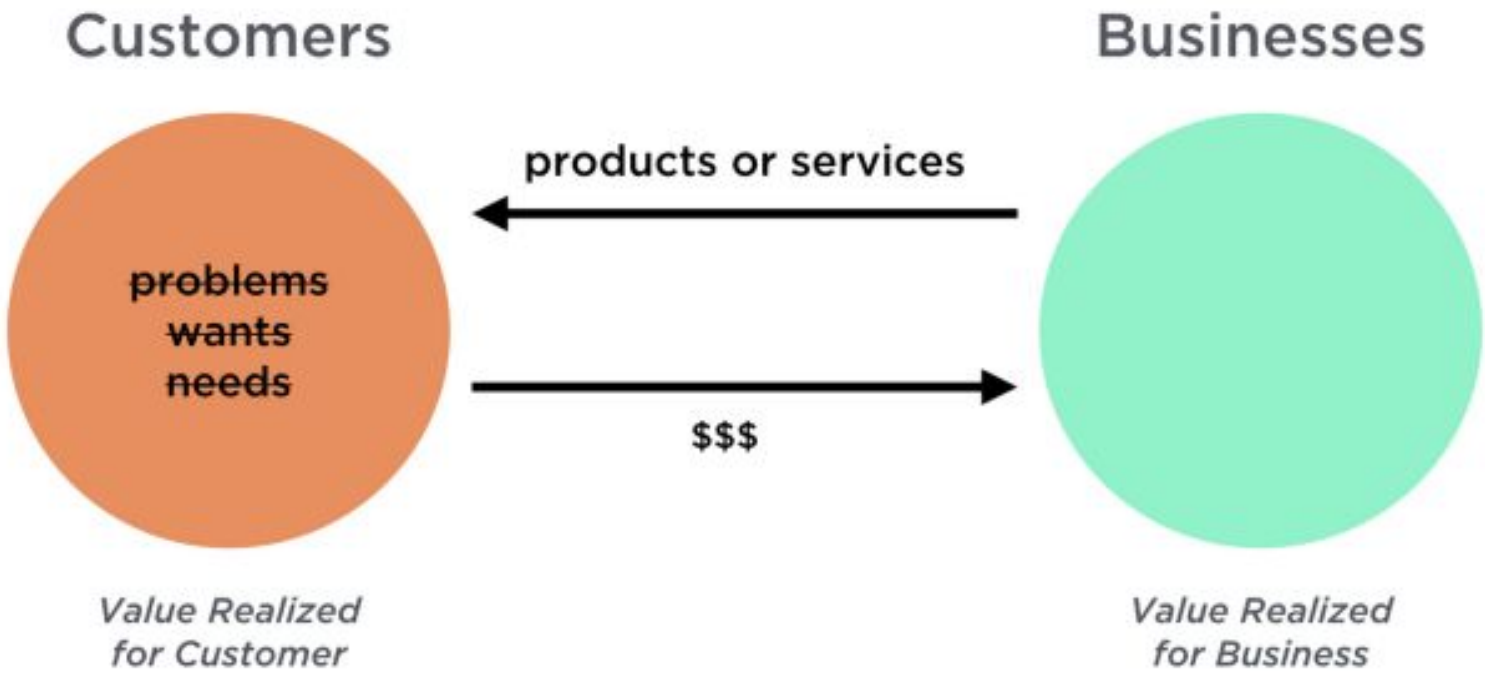
THE VALUE EXCHANGE SYSTEM



The Value Exchange


Then the actual process that happen...

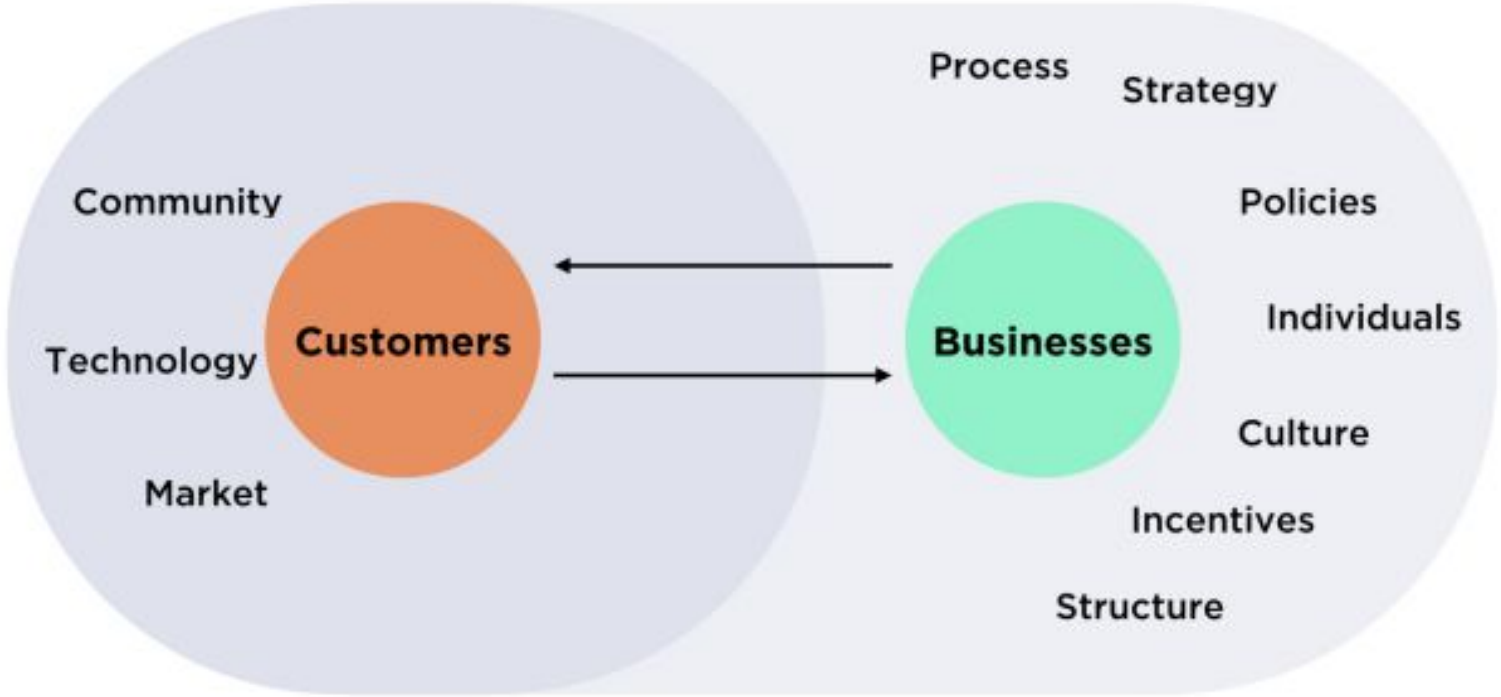
THE VALUE EXCHANGE SYSTEM



The Value Exchange Realized

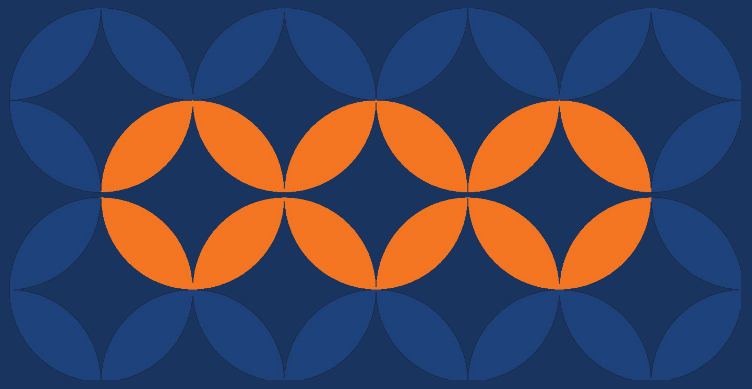
The value exchange system by Melissa Perri

THE VALUE EXCHANGE SYSTEM



The Value Exchange System

alterra



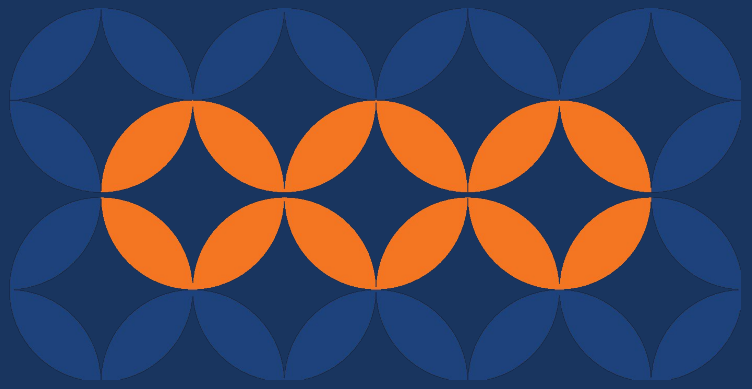
PART 2 Constraints on the Value Exchange System

alterra

CONSTRAINTS ON THE VALUE EXCHANGE SYSTEM

> *"Yet most companies I encounter are* ***stuck in output mode****, and their entire organization is* ***optimized to increase the output****. Their processes are driven by deadlines and* ***by checking off as many features on a list as possible****. Teams are* ***rewarded and incentivized to build more****. Policies exist for the purpose of pushing teams to write more code or ship more features, and efforts (like talking to customers) are seen as waste."* Melissa Perri

alterra



PART 3 Project vs. Product vs. Service

PROJECTS VS PRODUCT VS SERVICES

1. **Products**, as I said before, are vehicles of value. They deliver value repeatedly to customers and users, without requiring the company to build something new every time.
2. **Services**, unlike products, use human labor to primarily deliver value to the user.
3. **A project** is a discrete scope of work that has a particular aim. It usually has a deadline, milestones, and speci□c outputs that will be delivered.

Projects are an essential part of product development, but the mentality of thinking only in projects will cause damage.

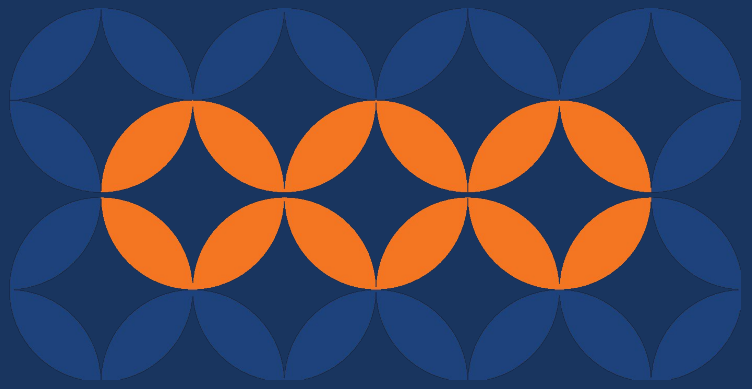
alterra

PROJECTS VS PRODUCT VS SERVICES

A product is something that needs to be nurtured and grown to maturity. This takes a long time. When you ship features to enhance a product, you are contributing to this overall success. **This feature enhancement is a project, but your work may not be done when you are finished**. You need to **keep iterating by scoping out new projects** to reach the overall outcome and be successful.

Companies that optimize their products to achieve value are called product-led organizations. These organizations are characterized by product-driven growth, scaling their organization through software products, and optimizing them until they reach the desired outcomes.

alterra

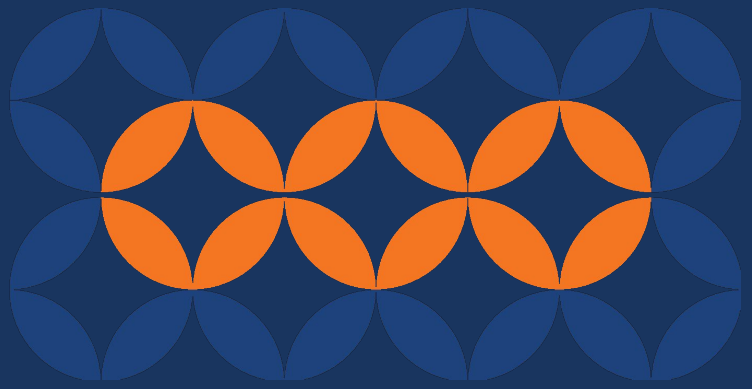


PART 4 The Product-Led Organization

THE PRODUCT-LED ORGANIZATION

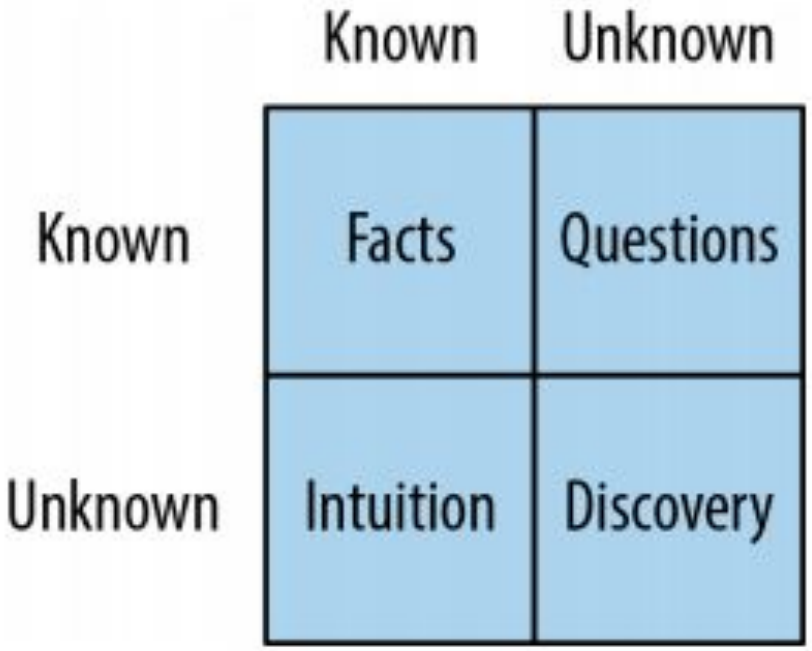
1. **Sales-Led**, let their contracts define their product strategy.
2. **Visionary-Led**, is to consider Apple. Steve Jobs propelled that company forward, creating the product strategy, and got it over the hurdles of failed products to the success it is today.
3. **Technology-Led**, These companies are driven by the latest and coolest technology.
4. **Product-Led,** Product-led companies optimize for their business outcomes, align their product strategy to these goals, and then prioritize the most effective projects that will help develop those products into sustainable drivers of growth.

alterra



PART 5 What We Know and What We Don’t

WHAT WE KNOW AND WHAT WE DON'T



Knowns and Unknowns

1. **Known-Known**, **facts** that you gather from data or critical requirements from customers.
2. **Known-unknowns**, clarified enough that you know which **question** to ask.
3. **Unknown-knowns**, the **intuitions** from your experience.
4. **Unknown-unknown**, things that you **don't know you don't know**

Product management is the domain of recognizing and investigating the known unknowns, reducing the universe around the unknown unknowns. We can solution run based on known knowns. But it takes a certain skill to be able to sift through the massive amounts of information and to identify the right questions to ask and when to ask them.

THANK YOU