



**BITS Pilani**

# **Software product management**

## **Assess opportunity**

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- Define value proposition
- Assess value of the product
- Assess the risks



# Define value proposition

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## Steps:

- Define Customer problem / pain point
    - Ex. Difficult to reach Metro station (Bounce)
  - Explain how your product solves customer problems or improves their situation (relevancy)
    - Ex. Rent a bike – pickup near your house & drop anywhere (Bounce)
  - Determine a specific set of benefits it delivers, preferably quantifiable (Value)
    - Ex. Easy to reach Metro station. Saves 30 minutes.
  - Explain why the customer should buy your product instead of the competition's (Differentiation)
    - Ex. More convenient than walking to bus stop, then taking a bus and then once again walk to the Metro station
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# Define value: Examples

Product	Pain point	How does it solve	Benefit / Value prop.	Differentiation from competition
Bounce	Difficult to reach Metro station	Provide bike on rent – pickup & drop anywhere	Easy to reach Metro station	More convenient than bus
AirBnB	Unable to get a feel for the city & its people & culture	Rent room in a house instead of hotel	Get unique experience of local culture	Hotels do not provide this experience
Zoom	Poor video quality	Better technology	Superior experience	Superior quality compared to WebEx



# Define value: Exercise

Product	Pain point	How does it solve	Benefit / Value prop.	Differentiation from competition
Rivigo				
OYO				
Postman				

# Assess value of the product



- Talk to potential customers to assess the opportunity
  - *This is one of the most powerful and important skills for any product manager and very often the source or inspiration for many breakthrough product ideas.*
- Through interview, understand
  - Are your customers who you think they are?
  - Do they really have the problems you think they have?
  - How does the customer solve this problem today?
  - What would be required for them to switch?

# Interview customer: Example

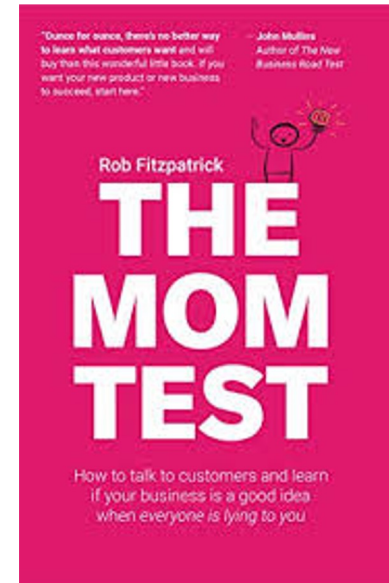
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‘Mom Test’: How to ask the right questions to assess a product idea?



Mom test - Ch  
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# Mom Test: Part 1



What wrong questions were asked?

- Asking close ended question “You like your iPad right?” instead of “How often do you use the iPad?” or “What do you use your iPad for?”
- Asking whether you will buy the product without first explaining the product: “”Would you ever buy an app which was like a cookbook for your iPad?”
- Telling the features without first trying to understand what features are needed “you can share recipes with your friends, and there’s an iPhone app which is your shopping list. And videos of that celebrity chef you love”.



# Mom test: Part 2



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Did Mom have a need for recipe book on iPad?

Probably for healthy dishes

What market segments could be were discovered from the conversation?

Young people

What kind of recipe books could be targeted to young people?

Basic dishes

What is good about this question: “What’s the last cookbook you did buy for yourself?”

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# Tips for customer interview

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- Go with intention to learn – Ask about their work, how they do it
  - Meet customer in their location – This will make them comfortable
  - Go with Product manager, UX designer and engineer – to brainstorm later
  - Do the customer's job for them, to understand the problem
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# Insight to be gathered during opportunity assessment:

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- Do consumers have the problem you are trying to solve? – Is our hypothesis true?
  - If there was a solution, would they buy it? – Is the need compelling?
  - Would they buy it from us? - Are we better than competition?
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# Also try to signup pilot customers, during this phase

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- Identify 6 customers who truly feel the pain and are near desperate for the solution we plan to build, who are willing to test the product and buy it once ready and willing to be reference.
  - If you are unable to find even 4 or 5, then we are probably chasing a problem that is not very important.
  - It is important to explain that you are trying to build a product useful to many customers and not a custom solution.
  - Explain that you will dive deep into the problem and build a single solution that works well for all 6 customers.
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# Assess opportunity: Exercise



Design a set of interview questions to assess the following product idea

- a) Online book library for students - technical & management books that allows student to borrow & read digital books (similar to Spotify) (B2C)
  - Pain point: Students need to refer to many books. But only some parts of the book are useful. Buying the whole book is not value for money
  - Solution:
    - Tie-up with publishers to make books available online
    - Students pay a monthly subscription
    - Students get to borrow 5 books at a time and read them online
    - Publishers gets commission based on books borrowed and the duration the book was used

# Role play: Interview

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Let us do a role play

- Need 2 volunteers – Interviewer and Interviewee
  - Interviewer: Vinay Adaki, Shashank
  - Interviewee: Dewraj, Vinay
  - Let us observe the conversations and note down which questions were good and which could have been better
  - Please note that if we were the interviewer, we might have fared in a similar way
  - This is only a learning exercise and not a test of your interview skills
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# Possible questions to ask the students...

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- What courses are you doing?
  - How many hours do you study every week?
  - What resources do you use to study?
  - How sufficient are these, for your study?
  - What kind of additional resources would help?
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# Assess opportunity: Exercise



Design a set of questions to validate the following product idea

- a) Website to enable a company to identify the right software product to purchase for a given business need (B2B product)
  - Pain point: There are many products in same category. Companies find it hard to pick a right product for their needs such as logistics, workflow, payroll, sales, customer service
  - Solution:
    - Provide a directory of selected software products along with product details, product comparisons, business use cases they support, etc.
    - Provide phone consultancy to help clients select the right product for their need



# Appendix

