

# Notebook - Build What Matters: Delivering Key Outcomes with Vision-Led Product Management

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As it turns out, effective product teams have one thing in common: a consistent focus on the customer that allows them to paint a clear picture of the product vision for helping customers achieve key outcomes, which are necessary to achieve business goals.

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Product managers have to deal with a heavy volume of feedback: customers criticizing the product and demanding additional features, engineers bemoaning outdated infrastructure or technical debt, and internal stakeholders with misaligned expectations.

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the Vision-Led Product Management framework

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“Happy families are all alike; every unhappy family is unhappy in its own way.” —Leo Tolstoy, Anna Karenina

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Pattern #1: The Hamster Wheel On a hamster wheel, all that matters is continuing to run, even though you’re not getting anywhere. Similarly, we find that sometimes product teams are almost entirely focused on hitting deadlines with little regard for the outcome.

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Pattern #2: The Counting House In the counting house, the focus is entirely on internal metrics with no regard for customer success. Many product teams become obsessed with internal metrics like revenue growth, monthly active users (MAUs), and customer retention.

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most internal metrics are trailing indicators of a product's success, and therefore shouldn't be the primary focus of product management. It's far better to answer the question, "How can we effectively deliver greater value to our customers?" If you can answer that question and create a good business model around the answer, your internal metrics will almost always follow suit.

Pattern #3: The Ivory Tower In the ivory tower, product teams become so removed, so far above the customers that they start thinking they know their customers better than the customers know themselves.

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Pattern #4: The Science Lab In the science lab, product teams tend to focus all of their efforts on highly measurable yet superficial improvements to their product. Collectively, these small-scale A/B tests don't do much to innovate or add customer value.

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It's almost impossible to A/B test your way to real innovation. Pattern #5: The Feature Factory

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next one to build. Product teams fall into this trap because they are led to believe by customers or internal stakeholders that if they just had this one next feature, they will close incremental deals or keep customers who might otherwise leave.

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Pattern #6: The Business School Business school is where you go to analyze business but not to actually do business. Similarly, product teams can get so wrapped up in overanalyzing everything that they avoid making tough but essential judgment calls. When it comes to prioritization, some product managers are tempted to get so technical and mathematical that they lose perspective.

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The initiatives that show the highest estimated impact are the ones that were modeled using the most outrageous assumptions,

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Pattern #7: The Roller Coaster A roller coaster is all about fast thrills and wild, whiplashing movements.

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This problem comes from setting a time horizon that is too short.

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Pattern #8: The Bridge to Nowhere Engineers love solving future problems with technology.

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overengineering a product,

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Pattern #9: The Negotiating Table Sometimes, product meetings can turn into a negotiating table, as the product manager tries to give everyone what they want.

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they help every team, whether those teams realize it or not. Pattern #10: The Throne Room Sometimes, the founder or CEO just can't let go.

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at a certain point, instinct doesn't scale.

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Ten Dysfunctions of Product Management: Self-Assessment The Hamster Wheel: output over outcomes The Counting House: obsession with internal metrics The Ivory Tower: lack of customer research The Science Lab: optimization to the exclusion of everything else The Feature Factory: an assembly line of features The Business School: overdependence on data and spreadsheets The

Roller Coaster: fast-paced twists and turns The Bridge to Nowhere: overengineering for future unknowns The Negotiating Table: trying to keep everyone happy The Throne Room: whipsaw decision-making from the person in charge Scoring 0 points: Wow! Maybe you should write a book on product management. 1 point: Amazing! You'd be valedictorian of your product class. 2 points: Not bad. You're keeping up with other product teams. 3 points: Hmm. You've got some work to do. 4+ points: Oof! You've got your work cut out for you. Take detailed notes as you read this book and make specific plans for how you'll fix these dysfunctions at your company.

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While these dysfunctions may seem like ten completely different problems, they fall under just three basic themes: Internal focus is drawing too much attention away from delivering meaningful customer value. The product team is so busy playing defense or has so little authority, there is no time left for ideation and innovation. The desire for short-term directly measurable business outcomes results in only superficial changes being prioritized.

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"Product leadership is defined as inspired communication of a vision. The majority of problems faced by most product teams are solved through strong leadership."

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There are two core operating tenets of being a product-driven

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You address a customer's need through a solution applicable to the broader market. Product decisions come first, and other decisions follow.

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builds solutions that work for an entire market segment, rather than for one customer at a time.

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Systems integrator Accenture is a quintessential services-driven company. They want to be able to say yes to any request for proposal (RFP) a customer submits.

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providing many different one-off custom solutions to keep new and existing customers happy.

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A product-driven company takes the exact opposite approach from a services-driven company. They never build a custom solution for an individual customer. Instead, they build a product that they expect multiple customers to adopt once available. In theory, product-driven companies gamble that the product they've created will address the needs of many customers, including those they haven't yet met.

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The product doesn't need to be perfect for every customer—it just has to be the best solution available.

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Embrace the reality that there will always be gaps between what your customer wants and what your product does.

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A product-driven company has a clearly defined target market (the gray box) and knows which segments of that target market the product currently serves well (the black box and white dots).

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coming from someone whose desires are met by the current product (a white dot),

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help the business through retention or upsells.

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comes from someone in the target market

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synthesize that feedback to determine how to improve their fit and deepen their market penetration by better addressing a wider range of customer desires.

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comes from someone outside of the target market

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disregard the feedback, unless they are intentionally expanding their target market to cover that type of customer.

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product is the driver. This means figuring out what the market needs are going to be and constructing a product that will meet them for a broad set of customers. Everybody in the company—sales, marketing, engineering, and so on—rallies around the product strategy.

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As CrossLead's head of product, Paige Morschauser describes the process, "People tend to look at PMF as just 'product' and 'market,' but that is an incomplete way of looking at it. It is important to factor economics into the equation and then consider the intersections between all three areas.

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buyer persona had been defined so broadly that they could never build enough features to satisfy all of their needs.

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In a product-driven company, product management and user experience (UX) design are the closest parties to the customer.

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A product-driven company addresses the needs of multiple customers with a single solution (or a handful of solutions) that works for all of them and therefore spends most of its product roadmap on changes that will benefit many customers, not just one or two.

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A product-driven company prioritizes the use of technology to solve problems and scale every part of their business.

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A product-driven company listens to current customers and prospects to understand the shifts in market demand and predict the needs of future customers.

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While a sales- or services-driven company succeeds by saying yes to a specific customer, a product-driven company often succeeds by saying no.

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First, it helps keep your prices low, and we know a key consideration for customers is price. The cost of delivering a product that has already been built, especially for software, is close to zero, which allows product-driven companies to reduce their prices so much that services-driven companies simply can't compete.

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Second, it keeps time-to-value low. Having a solution custom-built takes a long time, but pre-built solutions are available immediately—

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Finally, it offers customers the latest-and-greatest. Cloud-based SaaS platforms offer a major advantage in that upgrades can be made once and propagated to all customers either for free or for a modest price increase.

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First, being product-driven is more profitable because you've already built the right product for the next customer.

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Second, the valuation of a product-driven company is much higher than that of a services-driven company, with six to eight times higher valuations.

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This difference in revenue multiples is due to higher profitability, scalability, and opportunities for product-led growth that come from being product-driven, creating higher expectations among investors, who will value your current revenue higher as a result.

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Third, product-driven companies have the unique opportunity to employ product-led growth strategies, such as viral adoption and freemium offerings.

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When we talk about clarifying an end-state vision for your customer, we mean creating a vision for what the future should look like when your product is meeting that new customer's need—from the customer's perspective. The vision is not a bulleted list of product features but rather an expression of how the customer will derive value from those features.



The three core components of the Vision-Led Product Management framework, which we will address in Part Two of this book, are key customer outcomes (chapter three), customer journey vision (chapter four), and strategic plan (chapter five). Key Customer Outcome In this stage, you determine the right customer outcome to focus on, knowing that if you deliver on an outcome your customers care about, your business success will follow. Once you identify the key customer outcome, you can break it down into specific areas of value creation and strategize accordingly. This is your “metric of progress” to know if the product is delivering value to customers. You will go through a similar exercise to identify the key outcome and contributing factors for your business. Customer Journey Vision Your customer journey vision is a description of all aspects of the journey a customer will take with your product to achieve their outcomes, from the initial trigger and discovery, where they become aware of your solution, to retention, where they commit long-term. We will provide a number of creative ways of describing this journey, but your goal is to break down the journey into specific steps. It will be far more detailed than a general-purpose mission statement, making the story of how a customer finds, tries, and continues to use your product come to life. Product Strategy Once you have a customer outcome and you’ve mapped out the customer journey vision, you need a strategy for getting from point A (today’s customer journey with your product) to point B (realizing the customer journey vision). Your product strategy works backward from your vision and makes it achievable by accounting for business realities and constraints, identifying the key steps along the way, and establishing measurable milestones to ensure you stay on track.

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Ancillary Benefits of an Inspiring Vision Having a compelling end-state customer vision can also do wonders for your company when it comes to hiring, employee retention, and fundraising. People want to work for and invest in a company that has an exciting vision, so if you can show people the amazing things you’re working toward, they are going to be far more interested and engaged in what you’re doing. That’s the hidden power of strong product leadership.

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That’s the magic of a compelling vision grounded in customer value: it turns heads and changes minds.

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They skip over the most important question, which is, “What outcomes will my product produce for my customer?” Without an answer to that basic question, nothing else matters. Any dreams of big

exits, unicorn status, or market dominance hinge on providing sufficient value to customers.

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No one disrupts an industry directly; you disrupt an industry by solving a customer need so well that the industry is changed forever. A product is only ever as good as the value it delivers to customers.

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Most product development work can be classified as either: Delivering value to customers (examples: useful features, configurability, usability, cross-device support, speed, and reliability.)  
Extracting value for yourself based on the value delivered to customers (examples: increased prices, more evolved monetization strategies, attention-grabbing buttons, optimized flows, shorter free trial length.)

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“Product-led businesses provide solutions to address customers’ wants and needs. Customers will only provide value back to businesses when their wants and needs are actually fulfilled. So, product management must focus first and foremost on delivering outcomes that customers actually care about.”

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Second, companies find it easier to measure their own internal business outcomes (such as money in the bank) than the value they deliver to their customers (such as hard-to-measure customer ROI or an even less intangible benefit such as a feeling of security).

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Third, companies don’t even realize the trade-off exists. They’ve become so detached from their customers that they think of them as numbers on a dashboard rather than real people with real desires, capabilities, and constraints.

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“Your margin is my opportunity.”

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product manager feels pressured to grow the internal metrics of the company—recurring revenue, higher average revenue per account (ARPA), and so on—in such short order that they forget about the customer’s ROI.

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Obsess over maximizing the value your product delivers to customers, and only then consider how you can better monetize that value without stressing about whether you’ve squeezed out the last drop.

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providing customer value is what creates the opportunity to produce sustainable financial outcomes for the company, not the other way around.

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In a product-driven company, product management isn’t focused on the short-term goal of hitting numbers this quarter. Instead, product management is focused on making it possible to hit much bigger numbers multiple quarters or even years out.

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Customer success and account management maintain and expand revenue from existing customers. Sales closes deals in the pipeline to build the customer base and revenue stream. Marketing tells the story to the market and builds a pipeline of prospects.

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We like to use the concept of a 10x outcome as a way of encouraging product leaders to think boldly.

a team might ask for how best to increase shareholder value: Should we focus on growing revenue through new customers or retaining and upselling existing customers? Is there a unique data asset we can build that changes our company's valuation? Is there a high ROI on investing in other intangibles like our brand, customer relationships, and team?

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Note the product implications of this: if we wanted to increase our product price, it had to deliver more energy savings. Otherwise, the ROI could drop so much that we looked less attractive than other energy efficiency programs.

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Action Checklist And Resources

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You're not simply aligning your teams around a 10x customer outcome—you also need to define a customer experience that will actually generate that outcome, one that maps an actual customer journey that will yield the 10x outcome you want to deliver.

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Avoid the temptation to think in time frames that are too short; it's okay for your product vision to require a leap of faith. In fact, if you are able to fully validate your vision, then you're probably not being ambitious enough in the first place."

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Create a culture in which ideas are respected throughout the organization. Hear people out, no matter their title, paygrade, or experience in product development.

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Conduct a teardown of competitors' products, highlighting all of their weaknesses and the opportunities for them to be disrupted.

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Look outside of your industry to another that is changing rapidly and is on the forefront of innovation.

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Identify your “unfair advantage” and ask yourself how it can be exploited to the maximum extent possible.

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Observe the behavior of potential customers in your target market, not just as they use their current solutions, but before and after they use them as well.

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Get employees thinking out of the box with a design thinking exercise to brainstorm customer experiences that will achieve your 10x outcome.

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“Imagine we had literal superpowers and could bend the laws of physics. How might we solve this customer problem better?”

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“Since you don’t actually have superpowers, how could you approximate what you just did?”

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As a default, we recommend setting your time horizon for three years, because that gives you enough time to think long-term.

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“How do we build the right products based on the customer needs that are unlikely to change?”

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As a best practice, no matter your industry, we feel a roughly three-year vision establishes a nice balance between driving smart decisions affecting your business more immediately and creating value with 10x outcomes over the long haul.

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Customer Journey Stages When crafting your customer journey vision, remember that breadth is more important than depth, so don't worry about diving too deeply into each stage of the journey. However, each stage needs to be described in sufficient detail to confirm that the journey you craft is plausible.

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Stage 1: Trigger

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The trigger is the point at which the customer begins looking for a new solution to the problem your product attempts to solve. Something has to make them realize that their current solution isn't good enough.

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Internal triggers are based on impulse. Hunger is a good example of an internal trigger.

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External triggers are based on stimuli. Something grabs your attention and notifies you about a possible change in behavior that you might consider.

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CREATE behavioral funnel (Cue, Reaction, Evaluation, Ability, Timing, Experience).

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Stage 2: Discovery

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The product is going head-to-head against existing market solutions in a crowded space or one dominated by a monopoly and has to avoid getting lost in the noise. The product is so new that the problem it solves is one that potential customers can't recognize, classify, or describe. With no competitors to compare to, they may not be aware of the existence of the product or even the category.

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Often, the competitive battlefield isn't product quality or features but Google search results. Recognizing the importance of discoverability on search engines, some product teams invest as heavily in search engine optimization (SEO) as in the product itself.

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Stage 3: Evaluation

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in a sense, the potential customer is looking for reasons to stop wasting their time.

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Stage 4: Trial

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the trial stage is the test drive.

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This is where a free trial might come into play. What are the things a customer needs to see during

that free trial to elect to upgrade to a paid account? What are the boxes that you need them to check in order to win them over at this stage?

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Stage 5: Engagement Customers reach this point after they've committed to your product, whether with money, social capital, or something else. Now, the customer needs to engage with your product to make the most of it.

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Stage 6: Retention Every customer journey has points at which there's a decision about whether or not to continue using the product.

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Retention is effectively customer loyalty, and it's an essential part of the customer journey.

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Are customers actually getting the value they expected from the product? Are customers aware that they are getting that value?

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the Kano Model, which clusters your product features based on how they translate to perceived customer value.

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Kano Model breaks down product features into specific categories: must-haves, performance features, and delighters.



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Must-Haves

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No one buys a car because of the seat belts, but if you were to remove them, sales would immediately grind to a halt.

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**Performance Features** Once you've met the minimal requirements of the market, you have to surpass the competition in order to win over customers. If you're a vehicle manufacturer, the collection of performance features of your car needs to be better than that of all other cars in the same class for at least one group of consumers. Performance features are those that customers have in mind during the evaluation and trial phase of their journey.

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**Delighters** The last category in the Kano Model is delighters, which includes those features that no customer expects, but which they greatly appreciate once they have them.

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Satisfaction plateaus with must-haves: at some point, you either have it or you don't. Satisfaction scales linearly with performance factors: the more you do, the more satisfied your customers will be (think gas mileage with cars). Satisfaction scales exponentially with delighters: since they're unexpected, a little extra effort can go a long way.

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expectations change over time, and a feature that started out as a delighter or performance feature can quickly become a must-have.

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Innovations that start out as differentiating become normative. That's a major reason why you have to keep innovating.

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we recommend the following types of artifacts: comic strips, vision mock-ups, and customer diary entries.

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Comic Strip

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A comic strip format creates a character-oriented narrative that is highly readable, accessible, and clear. Keep in mind it needs to be holistic, explaining the entire customer journey, not just onboarding and engagement. It should be short, so stakeholders can read it in just a couple of minutes and still get a clear picture. Finally, it should come across as human, explaining how the customer feels as they discover, try, and use your product.

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Vision Mock-ups

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Remember, these are not deliverables that you will hand to engineering. They are concept wireframes that will drive research and point you in the right direction.

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Customer Diary Entries

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Optional Components of a Vision Document There are a couple of optional additions that can help you enrich the customer journey vision: personas and design principles.

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Personas A persona is a composite sketch of a specific type of user or buyer within your target market, describing a key segment of your intended audience, including their key outcome, concerns, and decision-making criteria.

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Buyer personas describe the person responsible for the decision to buy the product.

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User personas describe the person who will be using the product on a more regular basis.

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Design Principles (or Product Principles)

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“Plans are worthless, but planning is everything.” —Dwight Eisenhower

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You could envision anything, but without a formulated, practical plan to achieve it, your vision is just a fantasy.

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having a plan, even one that is subject to change is far superior to having no plan at all.

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It's okay to change your strategy along the way. In fact, it's essential.

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“The process of creating a successful product is necessarily iterative. Any strategy for achieving product-market fit includes many hypotheses that need to be tested along the way. As you test your hypotheses and learn, you will change your hypotheses and your strategy. That’s not a sign you are doing something wrong; it’s a sign you are doing it right.”

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“If you don’t listen to your customers, you’re going to miss the important feedback you need to make a great product, but if you listen to customers too bluntly, you may lose sight of what the purpose of your product actually is.”

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The first step in building a product strategy is to conduct a gap analysis, comparing your customer journey vision to what the customer’s actual journey looks like today.

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Sequencing the Work Once you’ve done a gap analysis, you’ll have a good sense of the magnitude of the task at hand. It can’t all be done at once, so you’ll need to sequence your activities. Take stock of the limitations

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Factor #1: Navigating the Financial Situation and Fundraising

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It doesn’t matter how good your plan was if you cannot fund its development.

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Factor #2: Acquiring and Extending a Competitive Advantage

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Must-Haves: Earn the Right to Play

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it won't do you any good to build a new performance feature or delighter until you've included all of the must-haves.

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Performance Features: Earn the Right to Win

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Delighters: Earn the Right to Win Again

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delighters add to the product's "coolness factor" which can help you win again and again by contributing to customer love and product evangelism.

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Delighters drive loyalty.

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Prioritizing Delighters in the MVP

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Indeed, some people believe that a minimum viable product includes, by definition, only the must-haves. However, for any product—including an MVP—to succeed, it needs to include a combination of must-haves, performance features, and delighters.

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Factor #3: Serializing Market Segments You may start with one type of customer, then move on to another. For example, some companies start in one geographic market and then expand globally from there because the dynamics in the initial market make it easier to establish a foothold, and the learnings from that first market can be useful in later phases.

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Factor #4: Serializing Outcome Delivery You may also consider delivering value related to the same overarching outcome for the same target market segment, but doing so in phases.

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Often, this means expanding from offering a single product to offering a multiproduct platform,

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Note that this approach requires establishing trust with the initial product.

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Factor #5: Resolving Technology and Data Dependencies Technology and data dependencies are those assets that are necessary to support your future customer journey vision.

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Factor #6: Creating Strategic Leverage Strategic levers are those things you can use to gain an advantage with your product, such as relationships, partnerships, patents, or other assets.

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Nonproduct advantages, such as business relationships, well-known reference customers, thought leadership position, SEO dominance on particular keywords, and brand equity are also leverageable assets that should absolutely be considered in developing a product strategy.

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This story illustrates an important point—a robust customer journey vision should transcend product development and align all teams toward a common strategic plan. Establishing Milestones As you consider these factors to sequence the work and fill gaps on your way to a vision, think about the major milestones along the way, and how you'll know when it's time to move into the next strategic phase.

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These milestones will serve as good places to reassess your strategic plan, natural points along the way to determine whether you need to make adjustments.

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Arriving at milestones is often the right point to share updates with the CEO and executive team, including: Development accomplishments-to-date Results and learnings so far Next steps in the original strategic plan Adjustments to that plan you intend to make now or are considering

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Piecing It All Together

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as new ideas and use cases popped up, it became increasingly difficult to explain why one idea fit into the vision for Huddle and another didn't.

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unless you're a startup launching the company's first product, you have to show a plan for how to execute on that strategy while balancing the needs of your existing product's customers, along with everything that comes with sustaining your business.

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the value of a roadmap: A roadmap connects the near-term product changes to the mid-term strategic milestones and the long-term vision. At a product-driven company, a roadmap helps other

teams like marketing and sales plan their initiatives based on the direction of the product. You can think of the roadmap as the grease between the product gear connected to the motor and the other teams whose gears turn in concert with the product gear. A roadmap communicates the sequencing of priorities and helps spark discussions to create alignment around those priorities. A roadmap facilitates communication about top-level priorities between the product leader and individual product managers on the team.

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product development activities can be placed into one of three categories: innovation, iteration, and operation.

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Innovation: Making progress against strategic milestones towards the vision. Iteration: Getting better results from what you've already built, including minor improvements, new features and one-off requests, A/B tests, and other optimization. Operation: Maintaining your product and running your business, including technical architecture, performance, security, bug fixes, and uptime. This category can be thought of as revenue protection.

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We recommend starting by making a top-down allocation decision, saying, for example, "We want to put 60 percent of our investment toward innovation, 30 percent toward iteration, and 10 percent toward operation."

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it ensures that executives understand the trade-offs that have to be made.

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This should be obvious, but big decisions need to come before small ones.



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Often, the disjointed (or ulterior) motives of competing stakeholders with varying degrees of influence in the organization can have an outsized pull on roadmap priorities.

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top-down allocation helps to prevent a situation where product managers are constantly playing defense while stakeholders are clamoring for more time and resources for their relative priorities.

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Recall that a hallmark of product-driven companies is to be able to say no, and a top-down allocation is very helpful in creating space for saying no. Fourth, it prevents product managers from having to take on an impossible task of comparing apples to oranges to grapes, which is exactly what they're doing when they have to compare roadmap items across all three categories.

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**Page 162 | Highlight**

In the book, *Product Roadmaps Relaunch*, Product Culture founder Bruce McCarthy makes a strong case for a clear prioritization framework as a defense against the chaos of reactivity. "I've seen it turn quarreling executives into an enthusiastically aligned team in short order. The key is to agree on the desired outcomes before attempting to prioritize anything, and then to work your laundry list through that framework together as a team."

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**Page 165 | Highlight**

A junior salesperson working on a small deal couldn't come to the product team directly, banging their fist on the table about a pile of feature requests. They had to instead go to the VP of sales, who would shrug the request off immediately, noting that unless the deal size were larger, it wouldn't be worth using up their limited tokens. Eighty percent of the one-off requests that used to come to product management vanished overnight.

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**Page 168 | Highlight**

you will prioritize your innovations differently than you prioritize iterations or operations.

**Page 169 | Highlight**

technical debt is not as much an issue of rushed development, as is usually cited, but more an issue with product management not being clear about the future needs of the product early enough with engineering. Pulling engineering leadership in at this critical stage can help to dramatically reduce technical debt down the road. Providing this forward-looking view to engineering allows them to make smart decisions about what technical debt is actually important to pay down, where rewrites of the code base are necessary, and where new modules, services, or systems infrastructure need to be crafted.

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**Page 171 | Highlight**

you're well into the plateau of your legacy product before you start thinking of your next innovation, you're too late.

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**Page 172 | Highlight**

For the iteration category, your focus becomes incremental value delivery: to the customer, to the business, or to both. What improvements can you make to deliver more value to customers with your existing product?

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**Page 172 | Highlight**

"RICE" is a simple but robust prioritization framework developed by the team at Intercom that many product managers use. It stands for Reach, Impact, Confidence, and Effort,

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**Page 173 | Highlight**

Reach: The number of customers/prospects you expect to reach. Impact: The magnitude of the business result you anticipate for the affected customers. Confidence: The degree of confidence your team has that you will actually see the results you expect. Effort: The resource allocation required to complete the project over a given period of time, typically measured in "story points" or "developer-days."

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**Page 175 | Highlight**

we never recommend taking the output from the RICE model at face value and blindly setting priorities accordingly.

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**Page 176 | Highlight**

Operation

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**Page 176 | Highlight**

Service-level agreements (SLAs),

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**Page 176 | Highlight**

Data privacy requirements,

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**Page 176 | Highlight**

Security requirements,

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**Page 176 | Highlight**

Cost of goods sold (COGS—an accounting measure of the cost to run the product), such as AWS hosting expenses Other operating expenses and challenges,

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**Page 177 | Highlight**

it's better to reserve a percent of product development for the operation category and allow stack ranking of nonfunctional requirements, security holes, technical debt, bugs, and the like against other initiatives in the same category.

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**Page 178 | Highlight**

In regard to fixing bugs, you can adopt a zero-tolerance policy, where you fix them as soon as you find them, or you can set a service-level agreement (SLA) that specifies how long a bug is allowed to remain in production before it needs to be fixed, which can vary depending on the severity of the bug.

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**Page 180 | Highlight**

For me, the key lesson was that building operational tools for internal stakeholders should be

**Page 180 | Highlight Continued**

approached like you would building a product for a customer or external user.

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**Page 182 | Highlight**

write down what they think the customers' most common answers would be to the question, "How do you know if this product is delivering value to you?"

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**Page 182 | Highlight**

The best way to get alignment when there are differing perspectives is to collect data by conducting customer research. When speaking with customers, we recommend using The 5 Whys,

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**Page 185 | Highlight**

encourage you to talk with forward-thinking customers who seem to have a good sense of where the market is headed.

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**Page 185 | Highlight**

External validation before internal validation keeps your internal discussions from devolving into a debate over the opinions of your highest paid or most influential team members.

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**Page 186 | Highlight**

get direct input from: Your customer-facing teams. Include sales, marketing, customer support, and account management,

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**Page 186 | Highlight**

Engineering leadership. Engineering needs to verify the complexity, technology risks, and feasibility of delivering

**Page 186 | Highlight**

Third-party sources. Explore reviews and community content found in the App Store,

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**Page 187 | Highlight**

if you do get complete consensus without meaningful friction, you should consider it a warning sign that you aren't being bold enough or that the executive team is exhibiting "group think."

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**Page 189 | Highlight**

It's often more important to get agreement on the decision-making process than on the decision itself.

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**Page 189 | Highlight**

Stakeholders should be treated as advisors and contributors, but they don't get a vote.

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**Page 190 | Highlight**

we prefer using an offsite meeting location because it gets your people outside of their normal, everyday environment. This, in turn, helps to create space for creativity and bold thinking, and a neutral location reinforces your culture and sense of teamwork.

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**Page 191 | Highlight**

We can't say this strongly enough—your presentation quality matters tremendously.

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**Page 191 | Highlight**

If you don't communicate a coherent story or seem to not be fully bought-in yourself, people will be less likely to believe in you as a visionary leader. On the other hand, if you do it right, people are going to get excited about the vision, about your leadership, and about the opportunity in front of the company as a whole.

**Page 195 | Highlight**

this approach is that it is largely reactive. Customer research is only being used to deal with problems for an initiative that's already been prioritized, but it's not informing the decision-making about what to build in the first place.

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**Page 195 | Highlight**

"Let's design a product, build a prototype, then test it with customers to make sure it's not terrible. We'll fix any problems we encounter and put it into production." But what if the initiative itself is actually the wrong thing to work on? What's the point of optimizing a product that doesn't meet a customer or business need? In reality, a company needs to embrace customer research at every stage of product development, including the initial decision-making about what goes into the pipeline.

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**Page 196 | Highlight**

run a one-time importance versus satisfaction survey to see how customers prioritized different outcomes

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**Page 197 | Highlight**

Before having a product vision, we were building features based on a gut feeling instead of listening to what our customers wanted and needed.

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**Page 198 | Highlight**

- Consider different types of research to better understand your customers.
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**Page 202 | Highlight**

We recommend reassessing both your roadmap and vision at either the one-third or one-quarter mark of your overall time horizon. So, if you have a one-year roadmap, you should update it quarterly.

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**Page 203 | Highlight**

The bottom line is you don't want to be operating on a strategy you know is no longer correct just

because it had been correct once upon a time.

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**Page 203 | Highlight**

Often, product managers try to cobble together all of these desired changes and requests, playing product management Tetris so they don't have to say no to anyone.

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**Page 204 | Highlight**

One of the ways we've mentored Paul is in communicating why good ideas sometimes don't make it onto the roadmap.

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**Page 204 | Highlight**

Maintain an "idea bank" for product suggestions, including those that are not on the roadmap.

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**Page 204 | Highlight**

Provide transparency not only about what's on the roadmap, but what's not able to make it onto the roadmap and why.

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**Page 204 | Highlight**

Establish a simple, consistent framework to assess each idea's impact versus effort—in this case, RICE—to compare product initiatives fairly.

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**Page 205 | Highlight**

Regularly review the ideas in the "idea bank," their respective RICE scores, and corresponding ranking.

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**Page 208 | Highlight**

Here are a few points to keep in mind when collecting stakeholder input on product priorities: They won't understand the trade-offs or consequences of their feature requests. They don't have an

awareness of the opportunity costs involved. It's not their job to understand either of these. It's the product manager's job to listen and then account for them.

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**Page 210 | Highlight**

For all the books, articles, and blog posts available on Agile development practices, there is remarkably little content available about determining what should go into the backlog in the first place,

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**Page 211 | Highlight**

vision and strategic planning to feed the innovation category,

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**Page 211 | Highlight**

customer feedback, new features, and A/B testing feed the iteration category,

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**Page 211 | Highlight**

bugs, internal tools, and other technical improvements feed the operation category.

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**Page 217 | Highlight**

Whatever you do, don't let your salespeople take the internal roadmap and share it in an effort to close more deals. This is very dangerous. Once customers have seen your internal roadmap, they're going to hold you to it, which eliminates any of the flexibility that you need as a product manager and strips away one of the most important benefits of Agile development.

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**Page 218 | Highlight**

For the innovation category, you might consider doubling or tripling your normal sprint cycle and letting a cross-functional team of product, design, and engineering focus on a single new feature for that entire time, giving them the space to think outside the box, but setting a time limit so they know they need to put something in front of customers or users to ensure they're on the right track. For the iteration category, Scrum might make the most sense because it's well-suited for a Lean "build-measure-learn loop" and A/B testing. For the operation category, you might use Kanban to



**Page 218 | Highlight Continued**

ensure production issues are handled in real-time, first in-first out.

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**Page 221 | Highlight**

We believe that after engineers have released features (or other enhancements) to production that had been intended to move a particular metric or deliver some value, the product manager should come back with evidence that the outcome was actually delivered.

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**Page 229 | Highlight**

these key attributes: Customer empathy Curiosity Humility Adaptability Intelligence Data-driven decision-making Continuous improvement Scrappiness

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**Page 230 | Highlight**

His intense curiosity was his superpower.

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**Page 230 | Highlight**

The ones who succeed are the ones self-directed and motivated to learn everything they need, ask the right questions, take accountability for outcomes, and refuse to quit.

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**Page 231 | Highlight**

We strongly recommend that you give homework assignments to all prospective product management hires.

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**Page 237 | Highlight**

design more broadly addresses topics like product usability: how users will perform essential tasks, find information where they expect it, get up and running quickly without becoming overwhelmed, and so on.

**Page 237 | Highlight**

UI design, or visual design, more broadly addresses topics like the visual look and feel of the product, how the product experience mirrors the brand elements, the consistency of frequently used styles, the use of animations for usability and delight, and so on.

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**Page 238 | Highlight**

5 to 7 Developers (your base value) 1 Product Manager 0.5 UX Designer (variable depending on the nature of the product) 0.3 UI Designer (variable depending on the nature of the product) 1 or 2 Quality Assurance Engineers

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**Page 239 | Highlight**

The product leader needs to take the time to over-communicate the lines of responsibility so that product managers don't clobber each other and so that parts of the product that require an owner actually have one. For example, if a high-severity bug gets filed, whose duty is it to prioritize it in their backlog? Who is responsible for resolving technical debt buried deep in the code that's causing database performance issues? These questions require answers from product management and engineering leaders.

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**Page 240 | Highlight**

The product manager is responsible for understanding the market opportunity, competitive landscape, customer needs, and success metrics, and then makes the strategic and prioritization decisions, handing them off to the product owner. The product owner fulfills obligations to the engineering team by specifying requirements and acceptance criteria, managing the backlog, attending daily stand-up meetings with their respective scrum teams, and dealing with issues in development as they arise.

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**Page 241 | Highlight**

Playing a game of continuous telephone since neither party can make informed decisions on their own, but both need to be involved

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**Page 241 | Highlight**

Potentially disempowering the engineering team by making them one step farther removed from customers

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**Page 242 | Highlight**

possible by centralizing the functions that should be defined and executed consistently and providing necessary support for the functions that are better decentralized.

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**Page 245 | Highlight**

In our experience as advisors, Conway's Law has usually proven true with almost every team we've worked with.

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**Page 246 | Highlight**

There is no silver bullet solution. The trick is to minimize the negative consequences by placing the seams in the organization where they will have the least impact on your ability to deliver customer outcomes and business results.

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**Page 246 | Highlight**

We propose six general ways of structuring your teams: By product By feature By technical layer By customer segment or persona By customer journey stage By performance metric

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**Page 248 | Highlight**

one of the reasons why enterprise companies move so slowly is that they have convoluted organizational structures with multiple teams, each one moving at their own pace.

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**Page 248 | Highlight**

Teams in bloated organizations may be able to move fast individually, but not together.

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**Page 252 | Highlight**

some considerations as you decide which one is right for your company: Maximizing autonomy (minimizing dependencies) between teams Minimizing the impact of Conway's Law on your customer experience Creating clear jurisdictions and responsibilities for individual product managers Optimizing for the product life cycle stage (you may choose different org structures based on the maturity of the product)

**Page 253 | Highlight**

There are a lot of ways to think about company culture. We like to define it as “the everyday behavior of employees.”

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**Page 253 | Highlight**

To create that culture, there are a few things you need to do: Dedicate time to customer discovery Focus on collaboration Delegate decision-making Emphasize diversity

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**Page 253 | Highlight**

the most important distinguishing characteristic of the enterprise is the degree of separation that emerges between product managers and customers.

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**Page 254 | Highlight**

As the organization grows, you add a sales team, then a customer success team. Client-facing employees take over as the voice of the customer, and they usually don’t want product managers interfering with their charter by asking questions of customers directly. Before you know it, a game of telephone begins to form between the product team and the customers.

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**Page 255 | Highlight**

“Those who have the power in a company are the ones who are perceived to be the customer experts.”

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**Page 255 | Highlight**

Here are some specific ways to ensure product managers get frequent interactions with customers: Usability studies. Ideally, product managers should conduct (or at least attend) usability studies

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**Page 256 | Highlight**

Sales calls. As we discussed earlier, a product-driven company needs to have a product that’s ready for the next customer.

**Page 256 | Highlight**

Customer check-ins. Most account management teams do quarterly business reviews (QBRs) with customers.

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**Page 256 | Highlight**

Site visits. There's nothing more insightful than seeing a product in action in the real world.

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**Page 256 | Highlight**

Missed opportunity interviews. Product managers tend to prefer speaking to customers that are relatively friendly and approachable and with whom they have a trusted long-term relationship.

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**Page 257 | Highlight**

Product advisory board. Form a committee comprised of your top-tier accounts who have a good pulse on the direction of the industry.

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**Page 257 | Highlight**

Do your colleagues respect you, enjoy working with you, and consider you a great collaborator?

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**Page 258 | Highlight**

a simple 360-degree feedback survey of the people who collaborate with you: On a scale of 1 to 5 (with 1 being horrible and 5 being excellent), how am I doing as a product manager? What am I doing well? Please provide specific examples. What could I be doing better? Please provide specific examples.

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**Page 258 | Highlight**

In reality, you want your team to trust that your decisions are sound, that there's a rationale behind them, and that you are aligned to a vision and strategy that make sense for the customer and the company. It's less about being nice and more about being effective.

**Page 259 | Highlight**

culture of innovation gives people the space, time, tools, and resources to understand problems and opportunities thoroughly and think creatively about solutions.

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**Page 259 | Highlight**

As you begin bringing in new people to fill out your product team, we strongly encourage taking active steps to invest in diversity. This includes diversity across gender, race, age, socioeconomics, religion, sexual orientation, and more. Appropriate representation is both a matter of ethics and a matter of maximizing your business performance.

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**Page 260 | Highlight**

Product sits at the intersection of business, design, and technology. Creating a mix of product managers, some with experience as senior developers, others who have studied design, and others with a strong business management background, contributes to diversity and overall team effectiveness.

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**Page 260 | Highlight**

Instead of asking, “Which person do we think best meets or exceeds the qualifications for this specific role,” ask the question, “In filling this role, which person would contribute most to our collective ability to achieve outcomes for our customers?”

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**Page 262 | Highlight**

Ideally, a new hire brings something—experience, personality, or perspective—that no one else on the team currently possesses. Often, people think of “culture fit” as a new hire matching with the people on the team or, worse yet, someone that it would be cool to grab a beer with, which is how “bro cultures” form and metastasize. Proper culture fit is actually about extending the team’s capacity to exhibit the values you aspire to embody.

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**Page 269 | Highlight**

We chose the keystone and arch visual for the book cover intentionally. We imagine the ancients envisioning the ability to “walk through walls” and then building the first arch from a pile of stones.