Lies, damned lies and customers

Becoming antifragile in product management

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SELECT QUALIFICATIONS

ProKanban.org
PKT
Professional Kanban Trainer

FLC
Alex Priestley
FLIGHT LEVELS ACADEMY

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Scrum.org
PSM III

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Where I’m going in this talk

- What ‘antifragile’ is
- How we can’t trust what customers tell us
- Flow Metrics are your friend
- How Flow Metrics helps you manage risk
- How to become antifragile in product management

Imagine you’re a product manager…

- You work in a company with the leading product in the market (with c40-50% market share)
- Your main competitor is gaining market share, but is still far behind
- You have developed a prototype for your next generation product
- You are testing it before announcing plans for a full scale production.

Imagine you're a product manager…

The prototype test results are in

The report is clear, with trustworthy data that is telling you:

- 75% of customers love the new product
- 15% are indifferent
- 10% prefer the old product

Imagine you're a product manager…

Quick poll result data

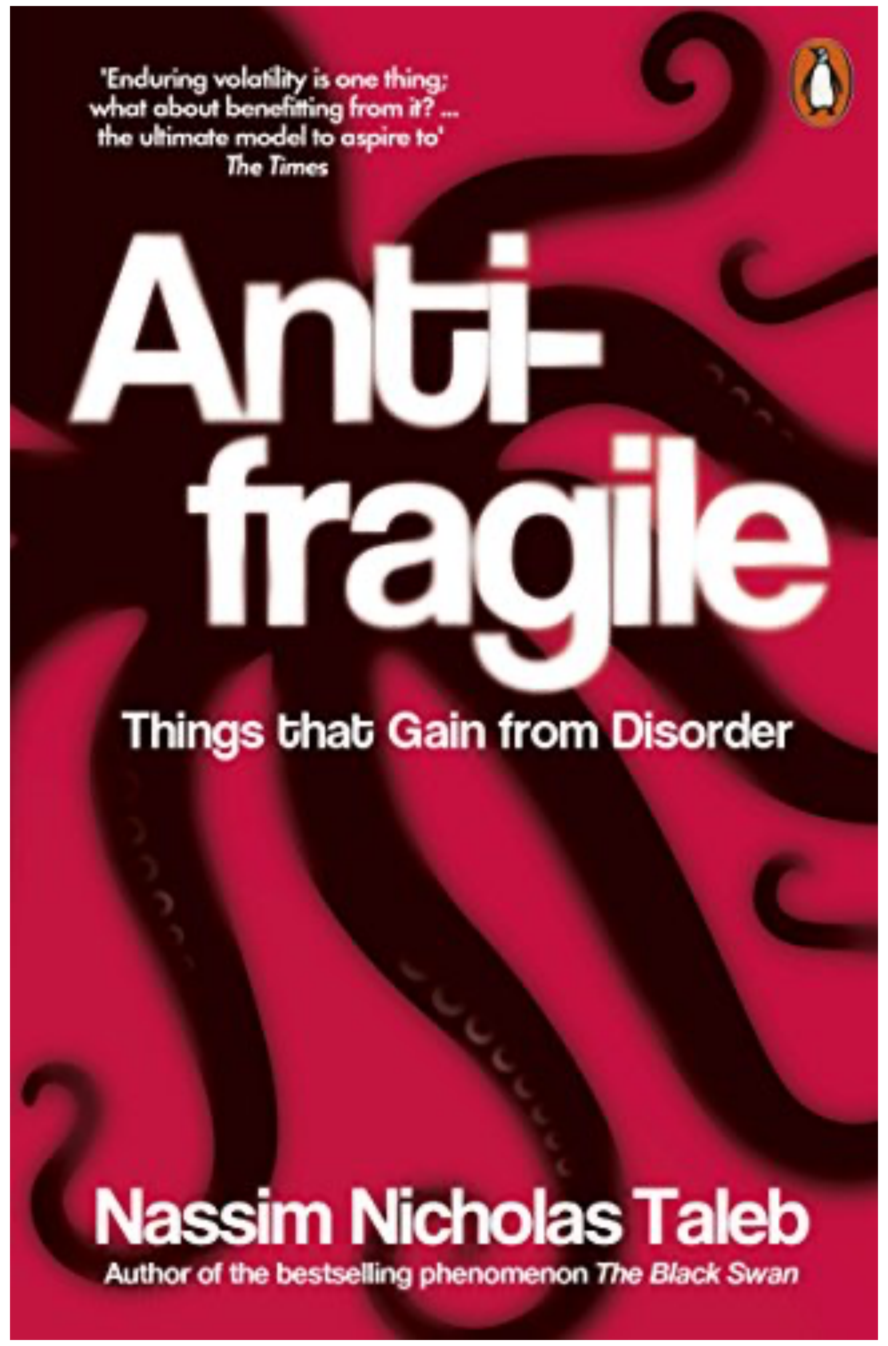
Your team has also done some local polling. When you asked a small sample the question:

'Should we ship this product?'

100% of people answered 'yes'

As an empowered product manager, what do you do?

Antifragile



Fragile: breaks/deteriorates under stress

Robust: resilient and remains the same under stress

Antifragile: improves due to the application of stress

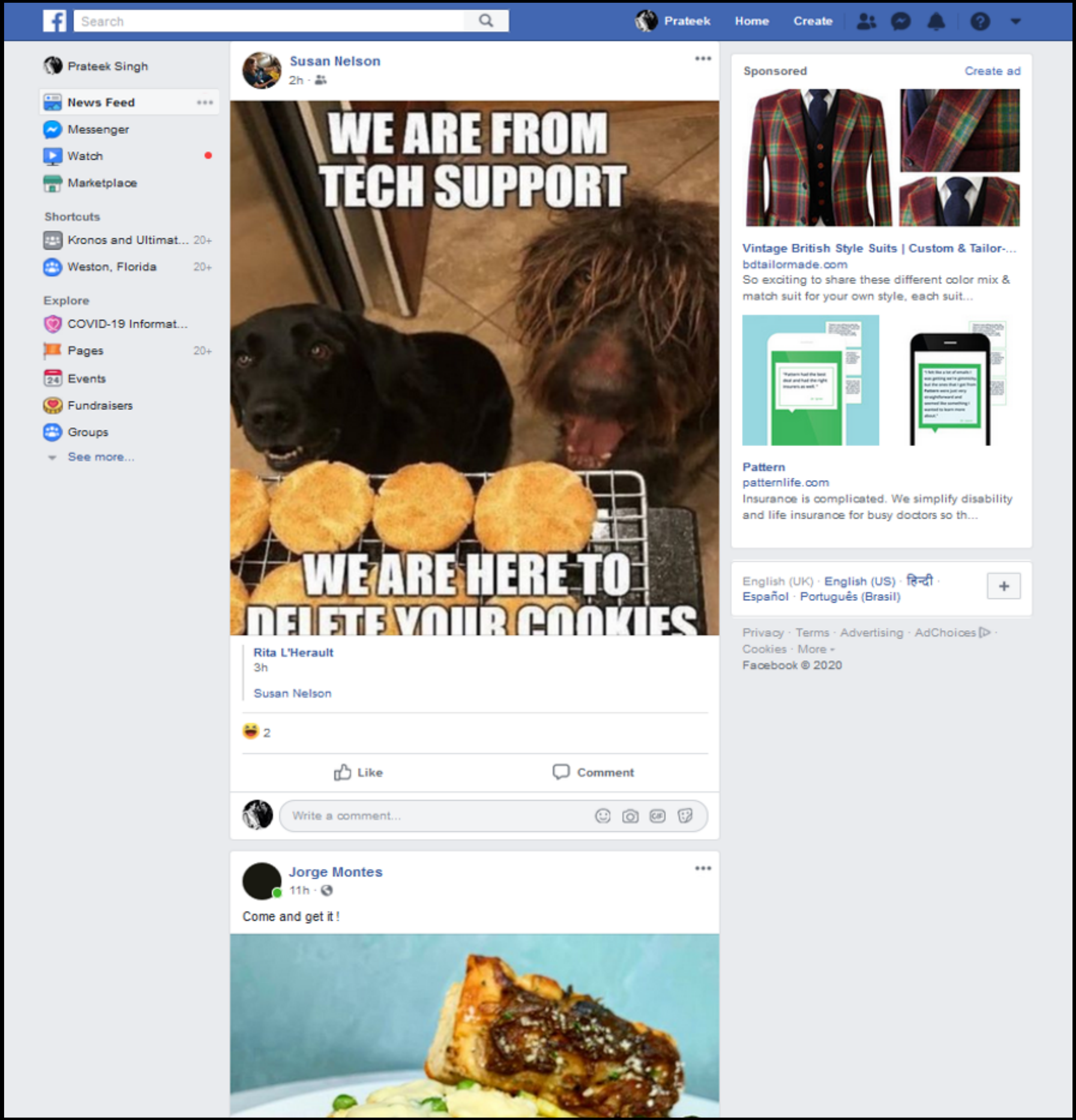
One of the greatest sources of **‘stress’** in our systems…

Our customers lie to us

A case study of antifragility

Masters of product management?


[thefacebook]
home search global social net invite faq logout
quick search go
My Profile [edit]
My Friends
My Groups
My Parties
My Messages
My Account
My Privacy
sponsor
Facebook Announcements
More things you can do with Announcement Ads:
9. Talk about your feelings.
10. Organize a mass protest of your school's labor,
Profile (This is you)
Texas A&M
Picture [edit]
TEXAS A&M UNIVERSITY
Visualize My Friends
Edit My Profile
My Account Preferences
My Privacy Preferences
Connection
This is you.
Information [edit]
Account Info:
Name:
Member Since:
Last Update:
Basic Info: [edit]
School:
Status:
Sex:
Concentration:
Birthday:
Home Town:
High School:
Contact Info: [edit]
Email:
Personal Info: [edit]
Interested In: Men
Relationship Status: Single
Political Views: Conservative
Interests: Jesus Christ, sports, anything to do with


Search
Prateek
Home
Create
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News Feed
Messenger
Watch
Marketplace
Shortcuts
Kronos and Ultimat... 20+
Weston, Florida 20+
Explore
COVID-19 Informat...
Pages 20+
Events
Fundraisers
Groups
See more...
Susan Nelson
2h
WE ARE FROM TECH SUPPORT
WE ARE HERE TO DELETE YOUR COOKIES
Rita L'Herault
3h
Susan Nelson
2
Like
Comment
Write a comment...
Jorge Montes
11h
Come and get it !
Sponsored
Create ad
Vintage British Style Suits | Custom & Tailor-...
bdtailormade.com
So exciting to share different color mix & match suit for your own style, each suit...
Pattern
patternlife.com
Insurance is complicated. We simplify disability and life insurance for busy doctors so th...
English (UK) · English (US) · हिन्दी · Español · Português (Brasil)
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Customer feedback

….was pretty clear

750k+ users joined a new Facebook group called ‘Students against Facebook news feed’

Feedback was clear across the board with comments including:
“I’m really creeped out by the new Facebook. It makes me feel like a stalker.”

Calm down. Breathe. We hear you.

September 5, 2006 at 10:45pm

We've been getting a lot of feedback about Mini-Feed and News Feed. We think they are great products, but we know that many of you are not immediate fans, and have found them overwhelming and cluttered. Other people are concerned that non-friends can see too much about them. We are listening to all your suggestions about how to improve the product; it's brand new and still evolving.

We're not oblivious of the Facebook groups popping up about this (by the way, Ruchi is not the devil). And we agree, stalking isn't cool; but being able to know what's going on in your friends' lives is. This is information people used to dig for on a daily basis, nicely reorganized and summarized so people can learn about the people they care about. You don't miss the photo album about your friend's trip to Nepal. Maybe if your friends are all going to a party, you want to know so you can go too. Facebook is about real connections to actual friends, so the stories coming in are of interest to the people receiving them, since they are significant to the person creating them.

The data told a different story

Facebook page views in **August 2006: 10 billion**

News feed introduced in **September 2006**

Facebook page views in **October 2006: 22 billion**

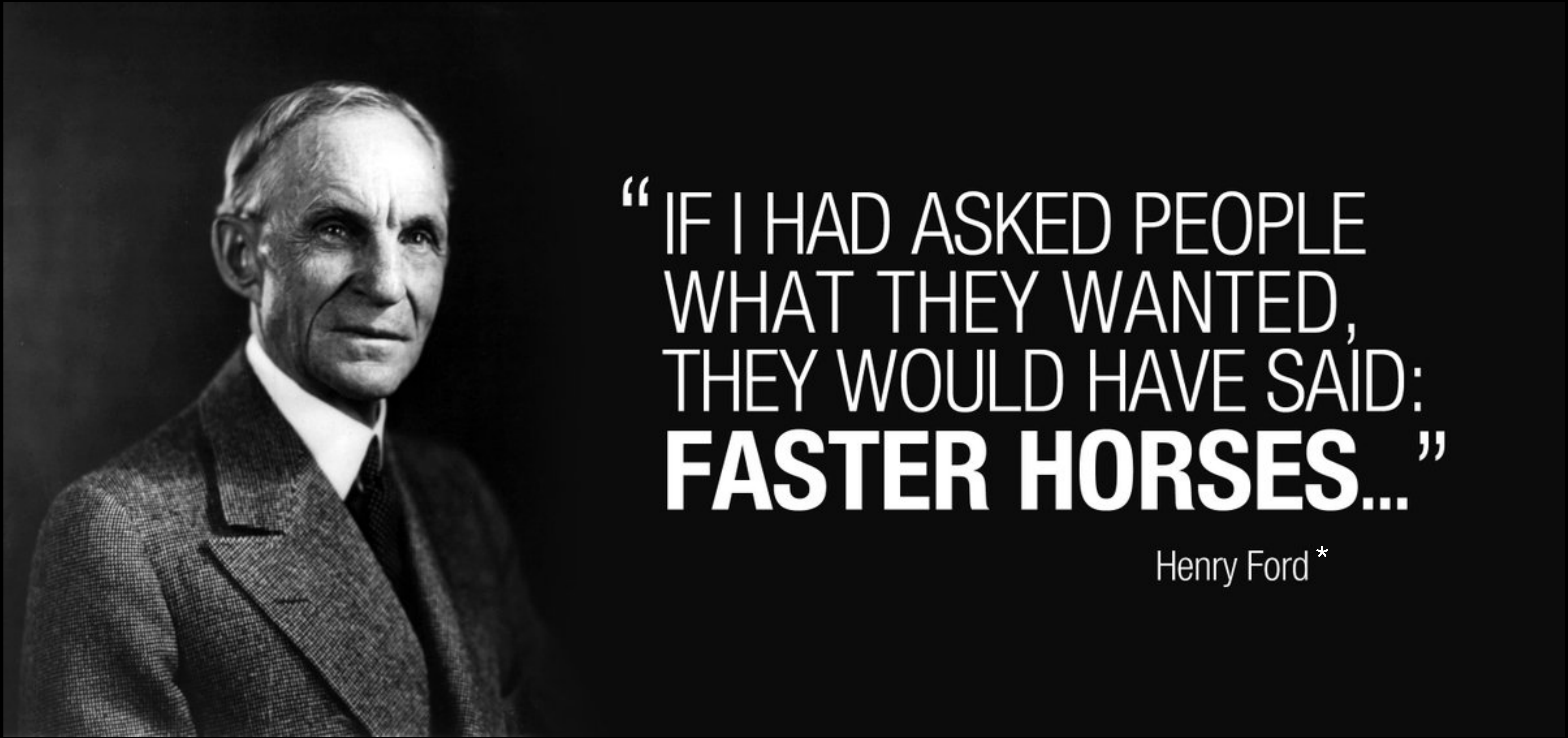
How many products, features, enhancements, can you recall have never delivered any value or even been shipped?

How many have you or your team(s) been a part of??

Our customers **lie** to us

Or through the lens of value

Our customers are often
wrong about value



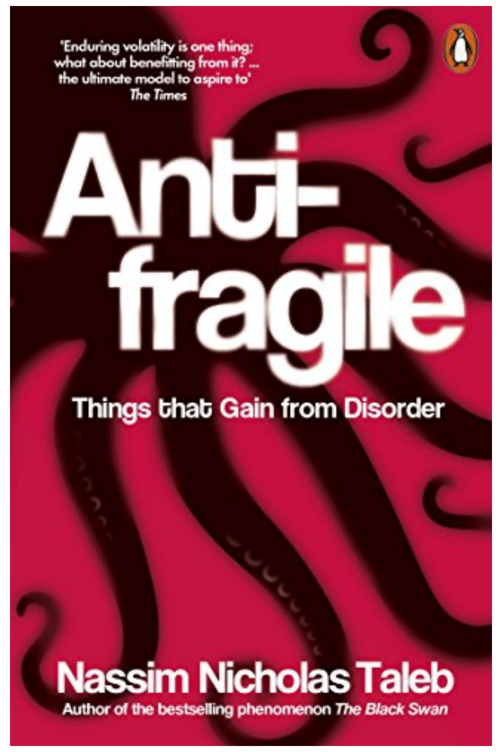
*probably said this

An innovator should have understanding of one’s customers and their problems via empirical, observational, anecdotal methods or even intuition.

They should also feel free to ignore customers’ inputs.

Harvard Business Review 2011

Antifragile product management



Fragile: breaks/deteriorates under stress

We deliver in large batches, which could result in large losses and major loss of customer or stakeholder value

Robust: resilient and remains the same under stress

We are able to maintain stakeholder value even when we are wrong

Antifragile: improves due to the application of stress

We are able to improve customer or stakeholder value when we find out we are wrong

Every product, project, initiative, feature, story, [insert work type] is an investment with an undeterminable return value

Every product, project, initiative, feature, story, [insert work type] is a bet which may not pay off

Or in other words:
any significant time spent up front trying to determine or quantify value is **most likely** waste

The only real determinant of value is customer feedback on **delivered items**

We have been doing feedback wrong

Our customers lie!

We need to rethink where we get customer feedback

It is not primarily:

- Survey results
- NPS scores
- TrustPilot reviews

It is observations of customer behaviour:

- Page views
- Time taken to complete a task
- Failure rate / conversion rate
- Percentage of target customers that use the feature

Three implications

1. Every new product/feature/request is an experiment which needs to be proven or disproven using observable data

2. Your product/feature/request is not ‘done’ on delivery. It’s done when the data tells you to keep it or discard it

3. Create your products to help you observe behaviour and preferences

Imagine you're a product manager…

The prototype test results are in

The report is clear, with trustworthy data that is telling you:

- 75% of customers love the new product
- 15% are indifferent
- 10% prefer the old product


NEW!
Coke
Coca-Cola
CLASSIC

"The simple fact is that all the time and money and skill poured into consumer research on a new Coca-Cola, it could not measure or reveal the deep and abiding emotional attachment to original Coca-Cola felt by so many people.”

Donald R Keough, former President and COO of Coca-Cola, 11 July 1985

An alternative strategy?

- A small investment
- Quick production
- Limited rollout
- Observe sales to determine expansion

We should expect to be wrong about value

If we’re trying to become antifragile, we need to rethink how we think about value. Therefore:

Return is not determinable,

Investment is controllable

We want to find out how wrong we are as quickly as possible

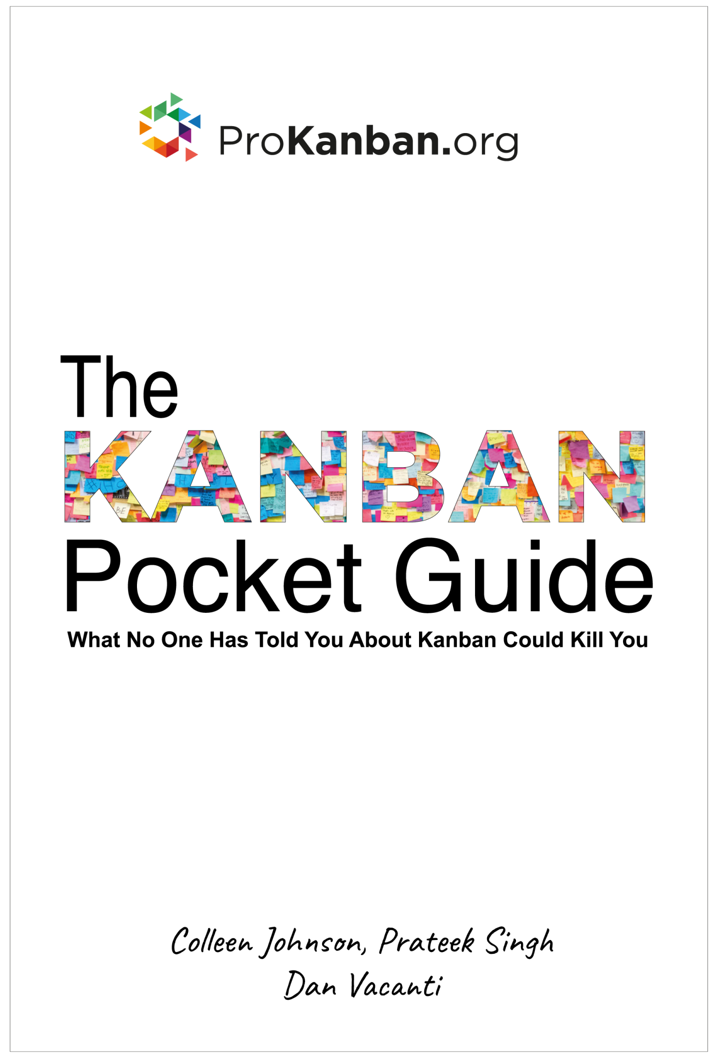
The basic metrics of flow

Cycle Time: The amount of elapsed time between when a work item started and when a work item finished.

Work Item Age: The amount of elapsed time between when a work item started and the current time.

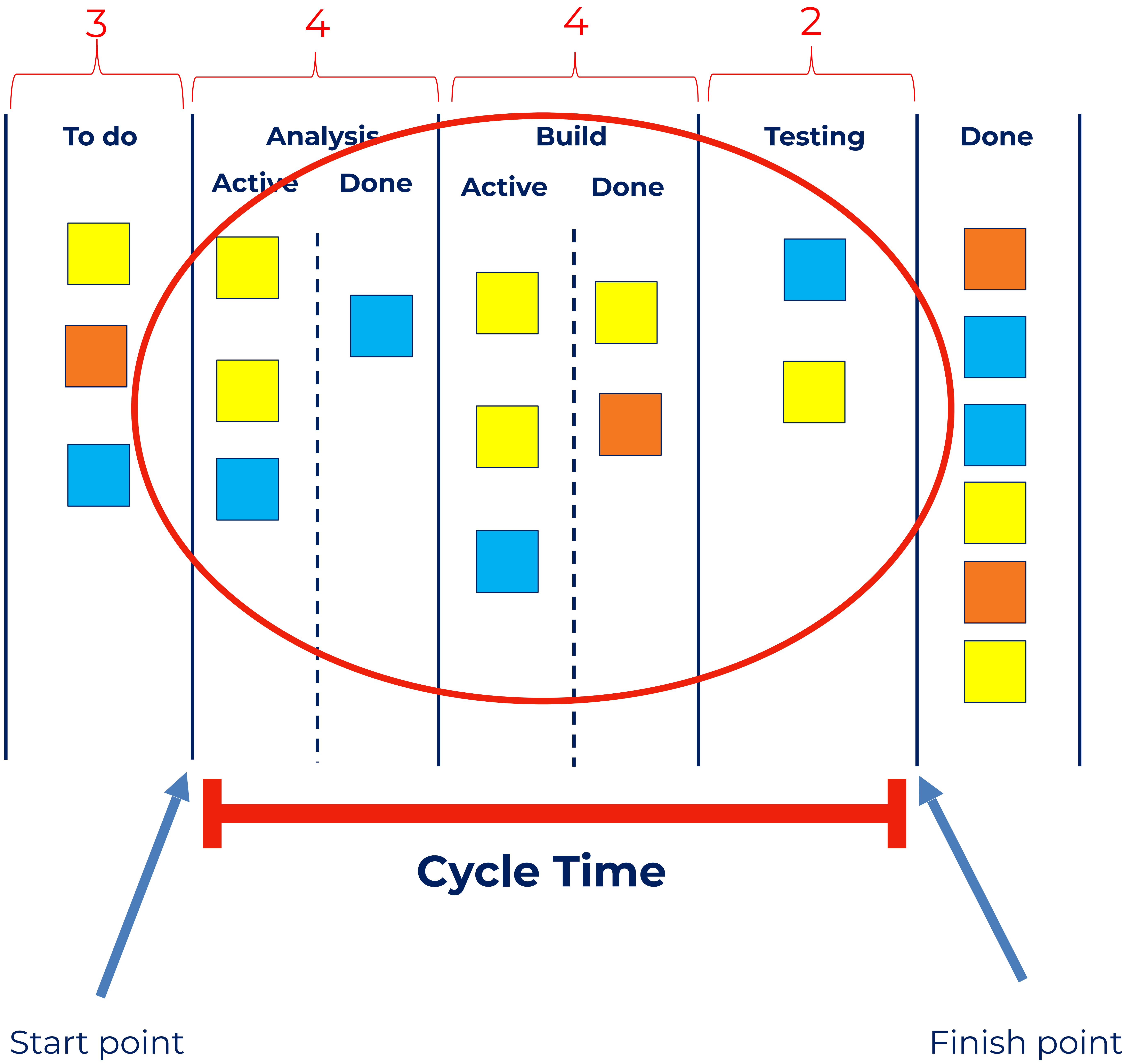
Throughput: The number of work items finished per unit of time. Note the measurement of throughput is the exact count of work items.

Work in Progress: The number of work items started but not finished.



What represents investment?

Cycle Time is a measure of the investment we have made in a delivered item

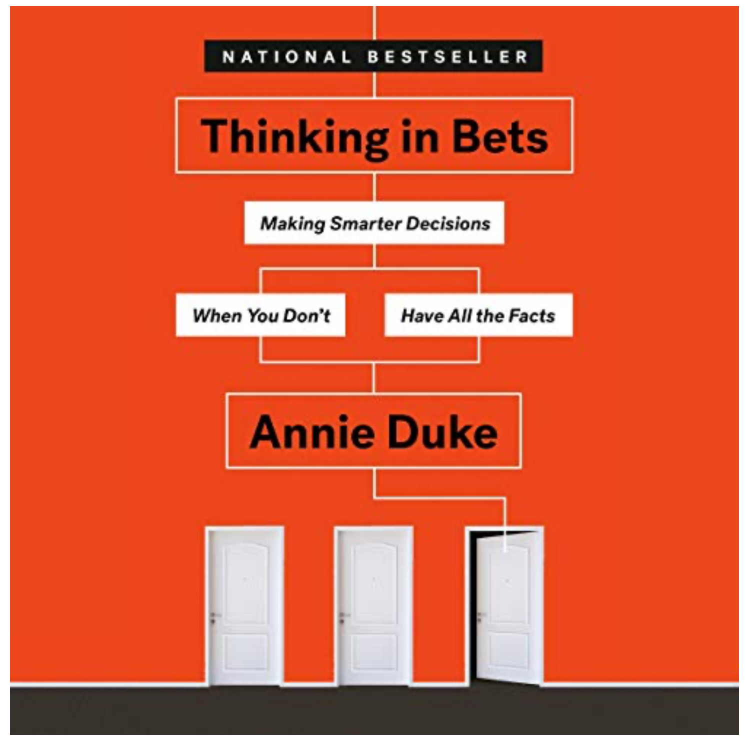

3
4
4
2
To do
Analysis
Active
Done
Build
Active
Done
Testing
Done
Cycle Time
Start point
Finish point

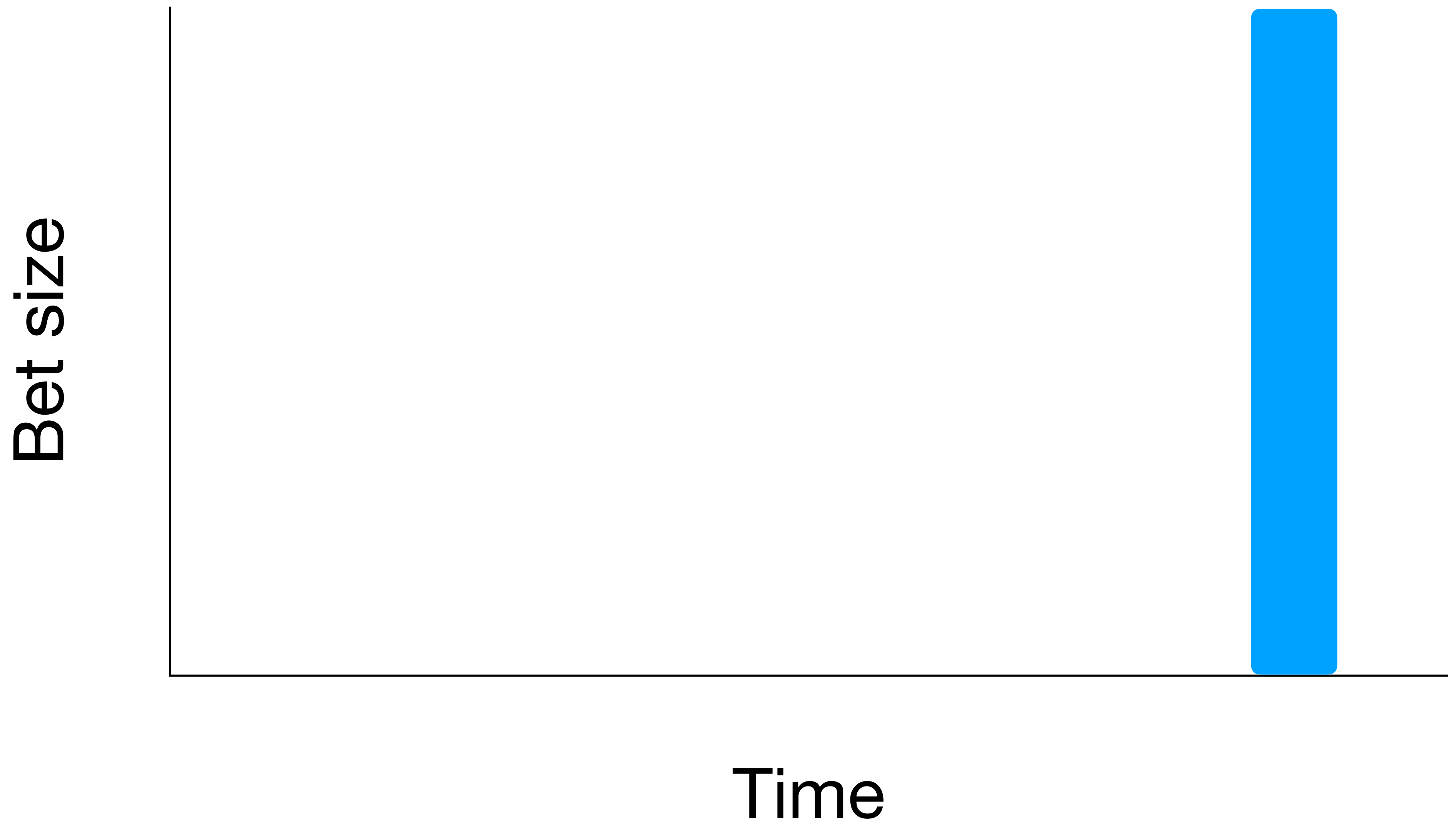

ActionableAgile™
Cycle Time Scatterplot
© 2013-2023 ActionableAgile Software AB
Cycle Time
Completion Date
95%
85%
70%
50%
20230301
20230401
20230501
20230601

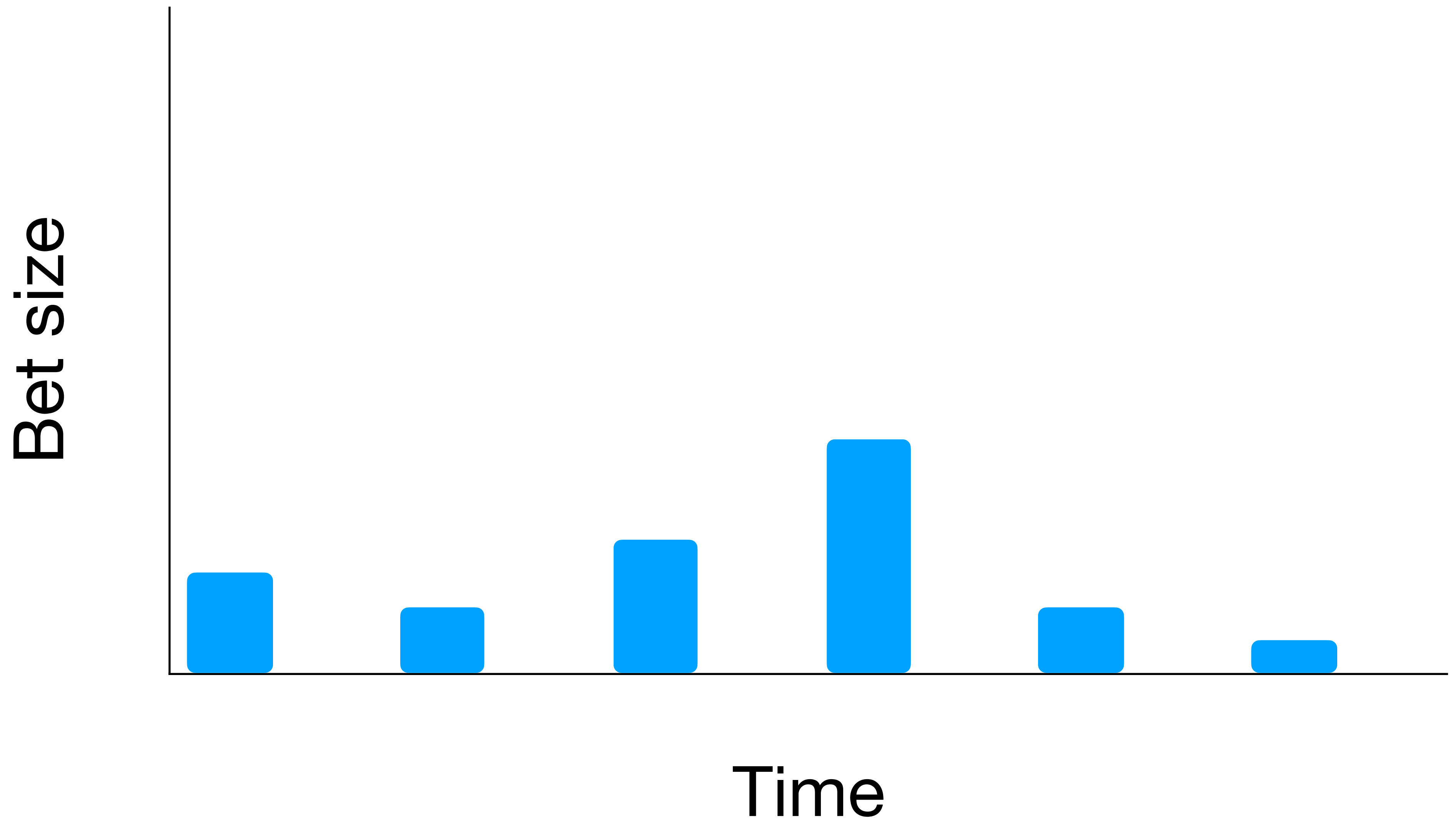
How Cycle Time helps us

- We want to reduce Cycle Times from idea to feedback as much as possible
- Feedback could be from customers, internal stakeholders or the system itself
- Simply, we want to get feedback after making the least amount of investment

Thinking in bets





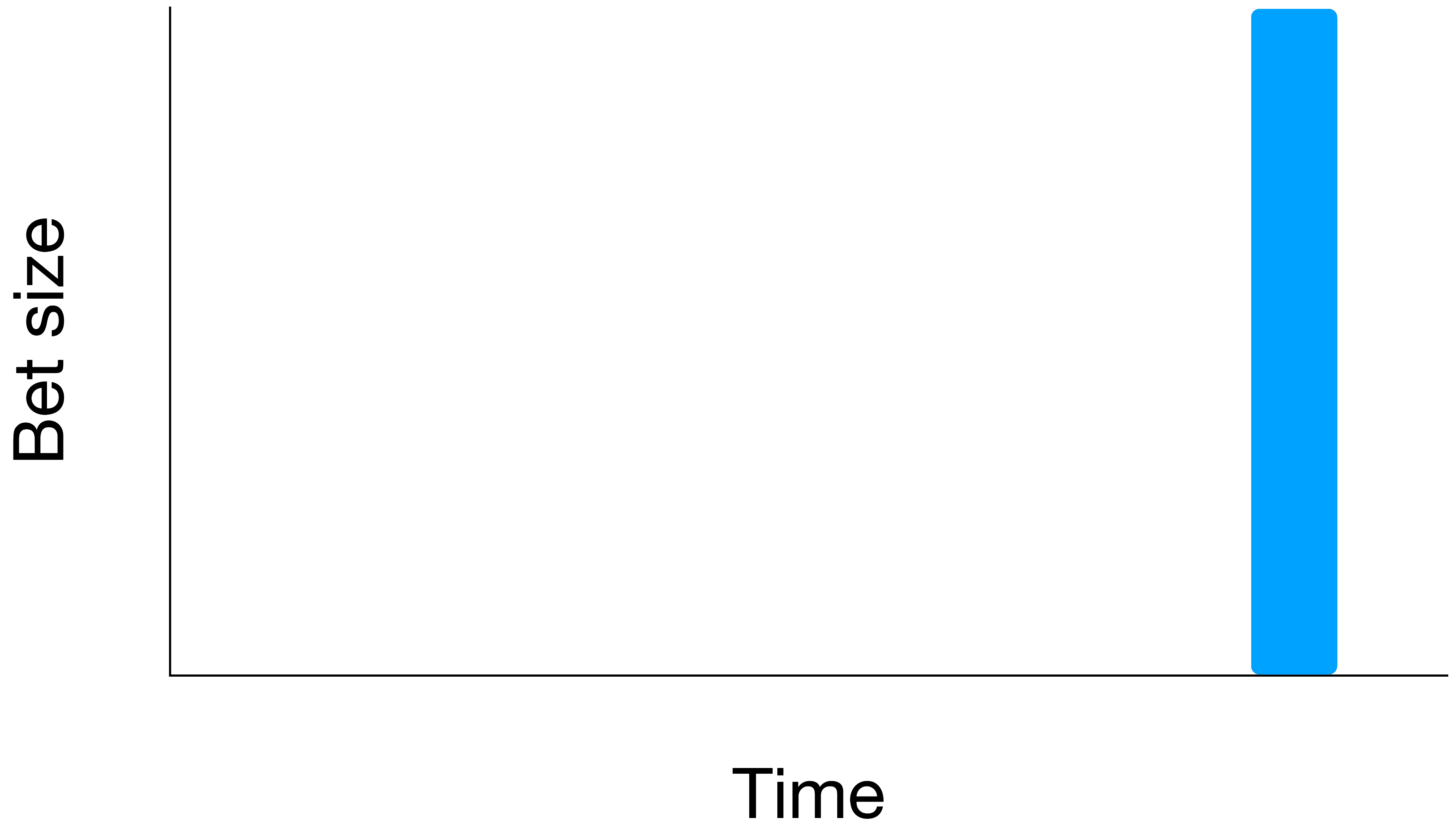


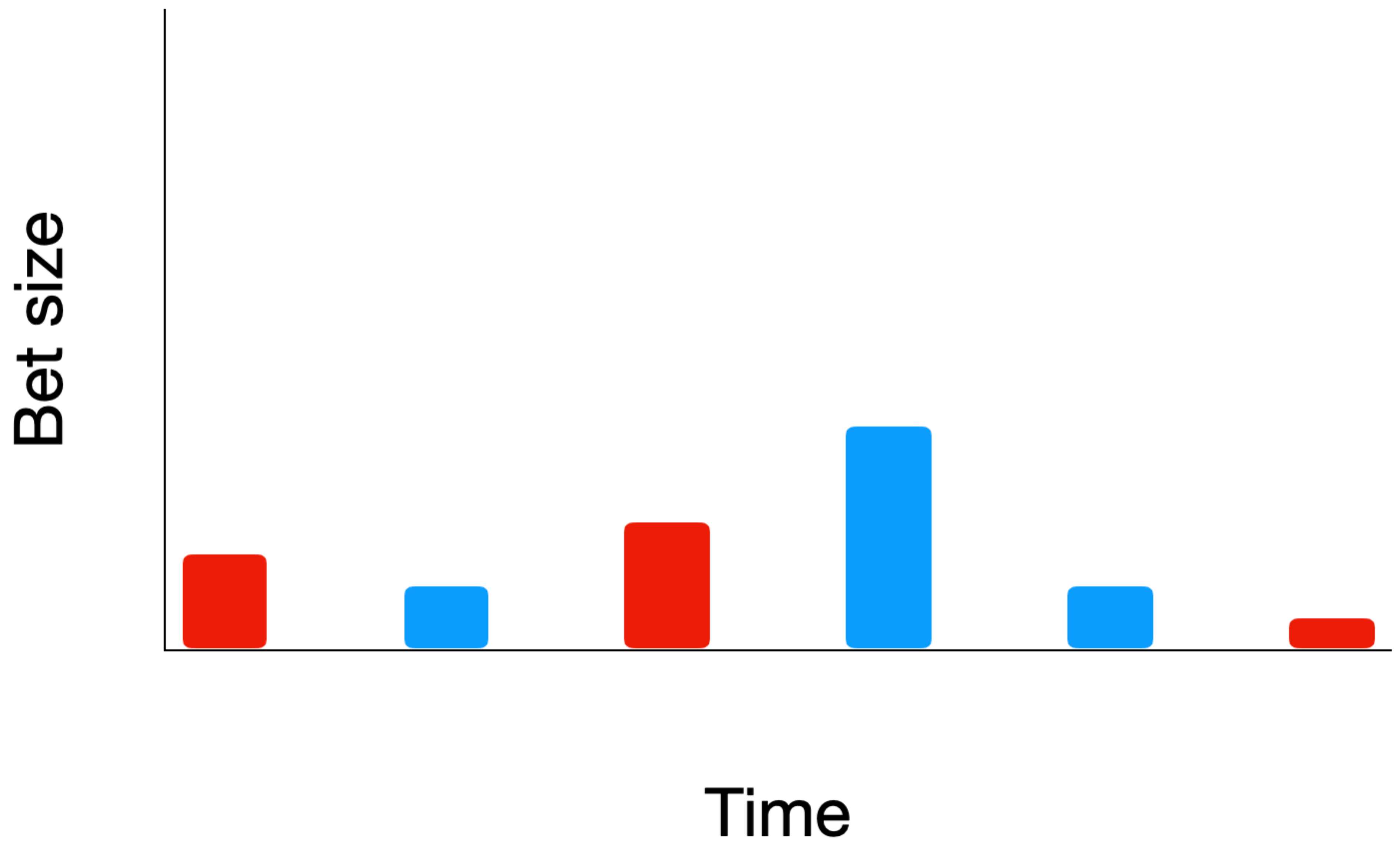
Thinking in bets will improve decision-making throughout our lives.

We can get better at separating outcome quality from decision quality, discover the power of saying, “I’m not sure,” learn strategies to map out the future, become less reactive decision-makers, build and sustain pods of fellow truthseekers to improve our decision process, and recruit our past and future selves to make fewer emotional decisions.

Antifragility by thinking in bets

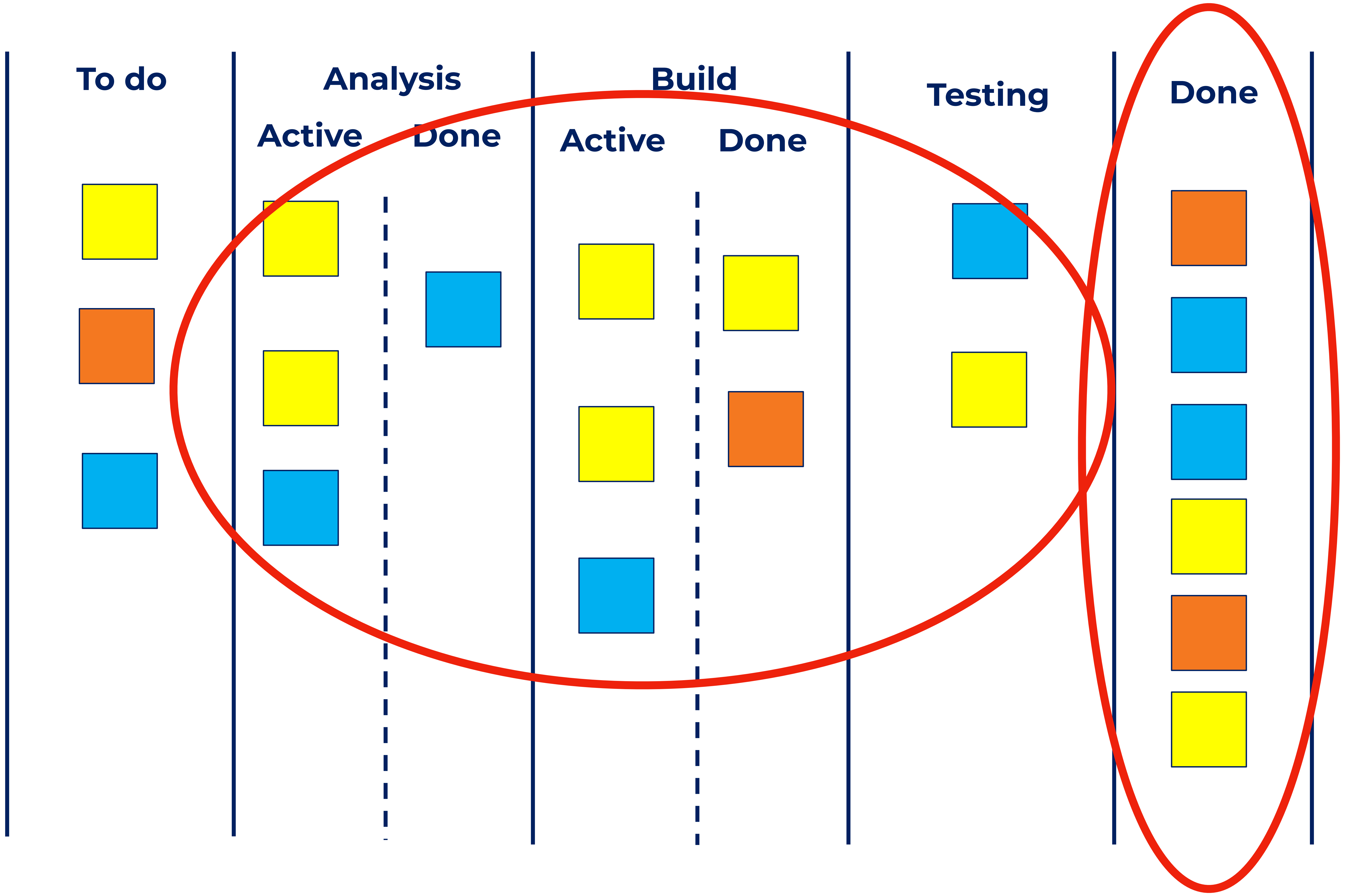
Being wrong makes you better





One big problem with Cycle Time

It can only tell us about past investments

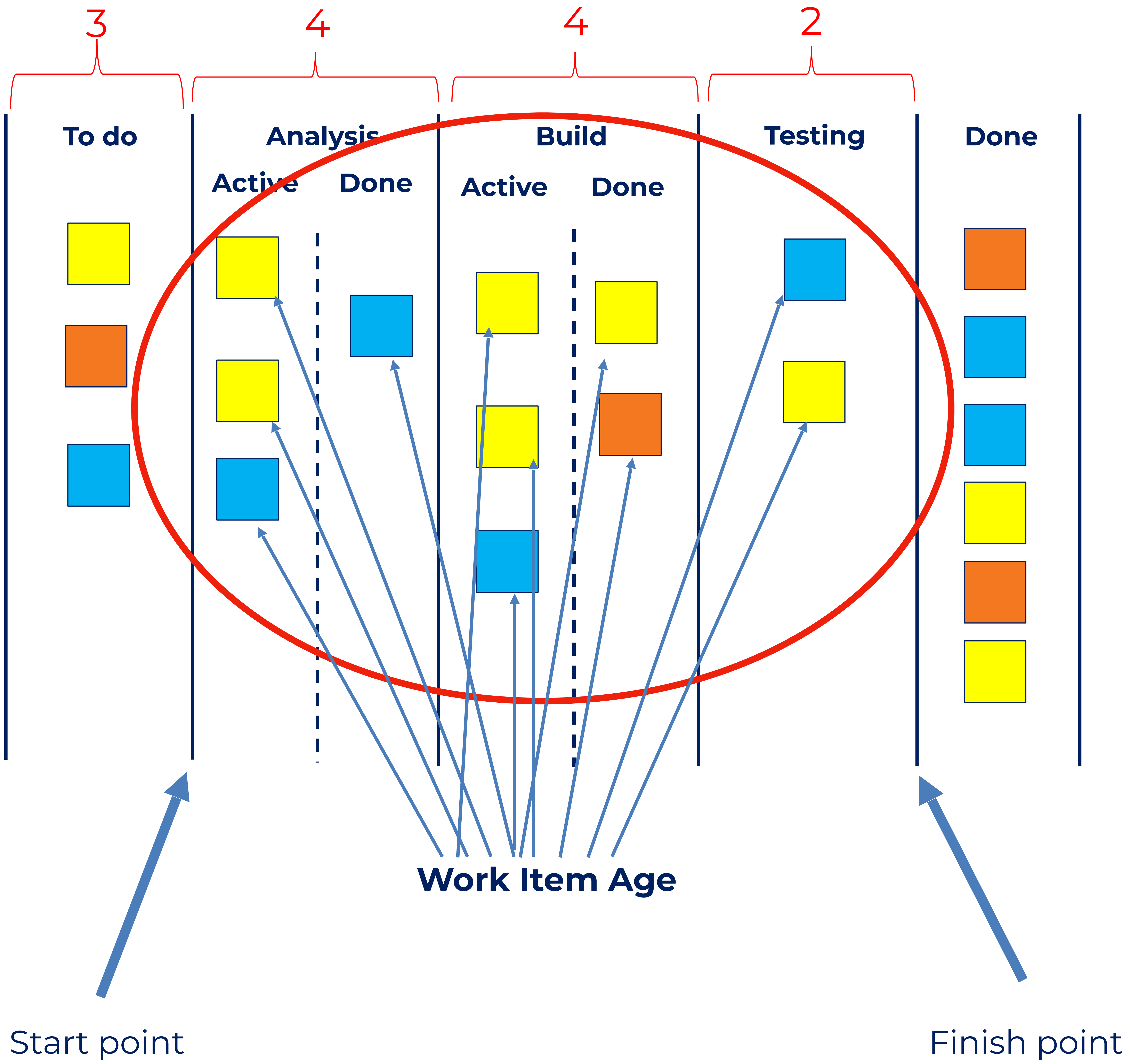


Work Item Age

The least used Flow Metric?

Work Item Age is the precursor to Cycle Time.

It’s the amount of elapsed time between when a work item started and the current time


3
4
4
2
To do
Analysis
Active
Done
Build
Active
Done
Testing
Done
Work Item Age
Start point
Finish point


ActionableAgile™
Aging Work In Progress
© 2013-2023 ActionableAgile Software AB
As of 20230613
WIP: 2
WIP: 14
WIP: 4
WIP: 4
WIP: 11
This is the last enabled workflow stage. Work items that have reached this stage are classified as done and are shown in the Scatterplot chart.
Age (Days)
23
20
16
15
12
10
7
5
0
95%
85%
70%
50%
Analysis Active
Analysis Done
Dev Active
Dev Done
Testing
Done

Reducing product risk

Work Item Age (and WIP)

As a measure of active investments this metric allows you to make immediate decisions to protect your investment.

We control age in two ways:

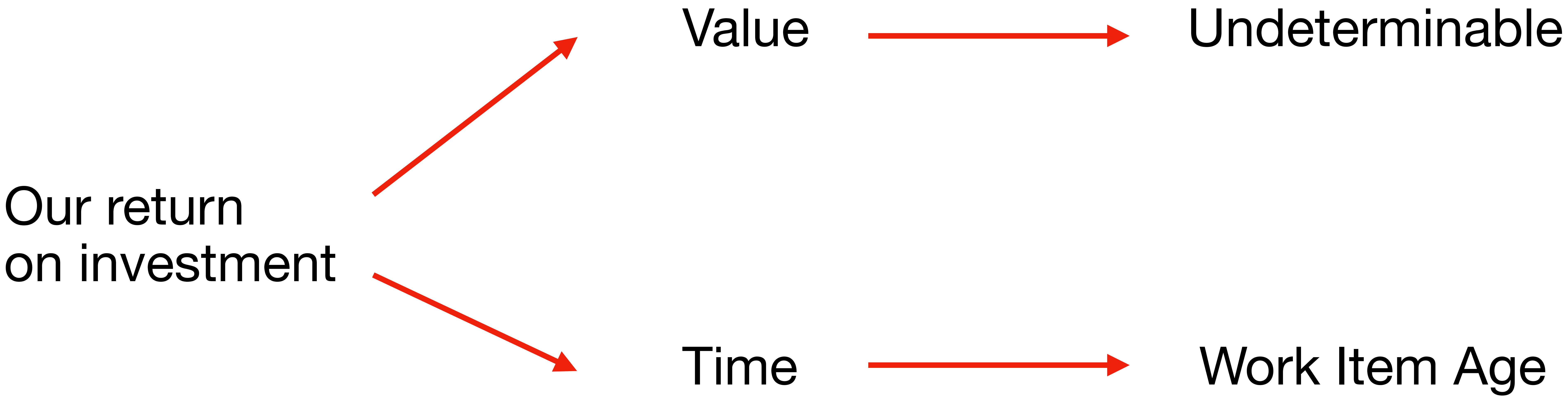
1. Limiting the number of items we work on simultaneously (limiting WIP)

2. Making our products, features, requests, the smallest they can be (small batches)

As items age

Two things will keep happening

1. Our investment increases, our return stays unknown
2. Our probability of investment exceeding return keeps increasing


Our return
on investment
Value
Undeterminable
Time
Work Item Age

Become antifragile in product management

(Remember what makes us ‘agile!’)

We are wrong about value: we need to find out how wrong as quickly as possible.

Our best bet; limit the amount of upfront investment.

You can do that by:

1. Limiting work in progress and reacting quickly to aging items
2. Working in small batches
3. Getting customer feedback faster—by observing customer behaviour

Don’t sabotage your ability to these three things 👆🏻

Questions?

Thanks for having me!