



# The Art of Mindful Product Management

# Table of Contents

Preface.....	Slide 3
Who is the Product Manager?.....	Slide 4
What is Managing Product? .....	Slide 5
Product Management - Making Difficult Decisions.....	Slide 6
Product Management - Getting the Right Stuff Done.....	Slide 7
MVP: The first step in a long journey.....	Slide 8
Prioritization - The Elevator Pitch Deck.....	Slide 10
Validation - Making and describing things people want.....	Slide 11
Commercialization - Solutions to Customer Problems.....	Slide 12
Product Management - Magic Numbers.....	Slide 13
Design & Development.....	Slide 14, 15
Security.....	Slide 16
Support - for People and Product.....	Slide 17
Transition - Sunrise/Sunset.....	Slide 18

# Preface

*Zen - insight into the nature of mind and things, and the personal expression of this insight in daily life, especially for the benefit of others*

The product management information in this slide deck is geared toward creating and managing a new product. Taivara came out of the midwest venture scene, which means we've learned to work with modest investment and seek a fast path to revenue. We call that out as these slides are only a slice of product management. They are not intended to replicate the many excellent discussions on the topic, and instead add insight into our point of view. We've found the following information works as well for corporate intrapreneurs as it does for startup founders.

- **We don't know what we think we know** – Our subject matter expertise doesn't ensure our product and customers will work the way we think. We need to be skeptical about our assumptions and test the most critical of them.
- **Experimentation and iteration** – We design and conduct tests with customers, in market, to see what works and what doesn't. External experiments replace elaborate internal planning processes. We won't get everything (or most things) right the first time, but only the right metrics will tell us how close we were.
- **Fastest path to revenue** – Starting with a Minimally Viable Product or MVP (aka: good enough to solve one or more of your customer's most pressing problems), we try to generate revenue from early adopters. This is a strong motivator for the investors in our product, whether it's an executive team at a company or our spouse at home.
- **Product/Market Fit** – Once we identify where our original hypotheses are flawed, we pivot - adjusting the product direction to meet market need. Sometimes that change takes us back to the start, but we begin again with validated learning to guide our new direction.



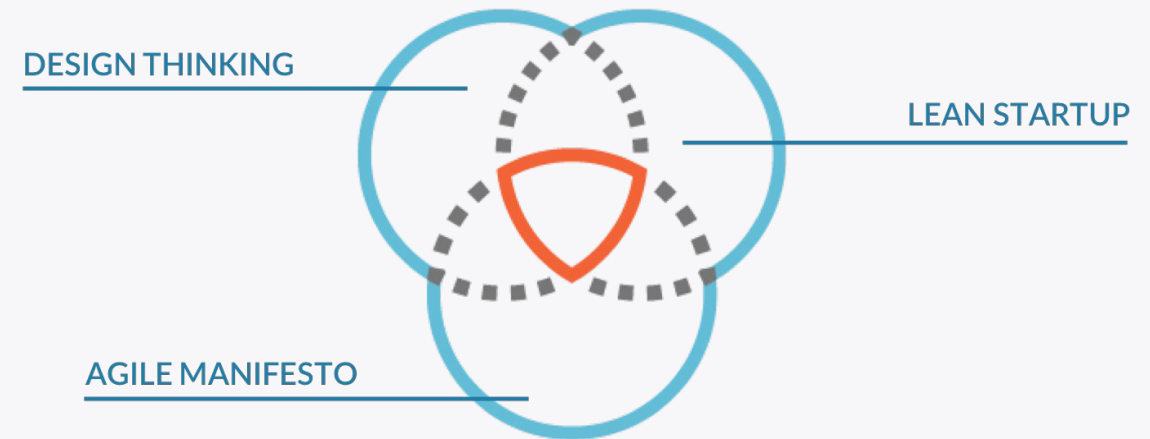
# Who is the Product Manager?

*A product manager is like a duck. A duck walks but not as well as a man, swims but not as well as a fish and flies but not as well as other birds. A product manager must know how to lead, sell, design, engineer - but not as well as specialists of those roles. — Unknown*

The product manager is often a generalist, frequently using some knowledge of engineering, design, copywriting, research and project management. Product management requires deep understanding of a customer's need and the empathy to address it in the most seamless way. If there's friction, they won't change behavior and the product won't be used. If it's effortless, you've created magic.

Principles we follow:

- **Design Thinking.** Design thinking keeps an intense focus on the customer, their challenges, and the “job to be done.”
- **Lean Startup.** Lean startup is a method of experimentation and adjusting based on lessons learned with real customers.
- **Agile.** Agile encourages iterative and flexible development, continuously deployed and responsive to customer needs.



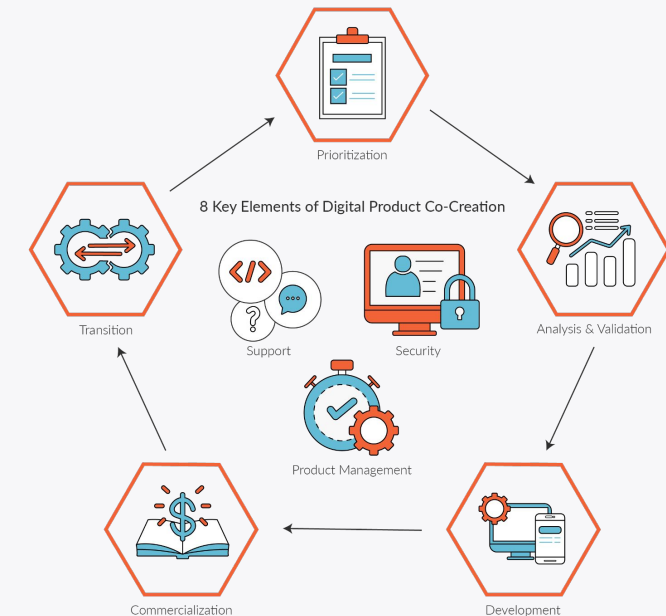
*Good product people are generalists. The product manager role is to use imagination, skill, and multiple iterations to discover solutions. The more contexts in which things are learned, the easier it is to abstract the principles and apply them elsewhere. This takes time to learn.*

# What is Managing Product?

*“Have a mind that is open to everything and attached to nothing.” – Tilopa*

Product management is a continuous refinement of our vision based on what our customers do, the market demands and our business needs. While it's placed at #4 in [Taivara's 8-Key Elements for Digital Product Co-creation Success](#), the product manager is typically responsible for the orchestration of all 8-key elements. Here is how the product manager conducts each stage of new product management:

1. **Prioritization** - Selling the vision and then guiding the organization to build it.
2. **Validation** - Testing the vision for customer and business viability.
3. **Commercialization** - Launching and selling the product.
4. **Product management** - Evolving the product and delighting the customer.
5. **Design & Development** - Meeting customer needs through delivery.
6. **Security** - Understanding and managing the risks.
7. **Support** - Ensuring availability and the customers know they matter.
8. **Transition** - Handing over the keys and owner's manual.



# Product Management - Getting the Right Stuff Done

*“What we do today is what matters most.” – Buddha*

The next few slides focus on the Product Manager’s role. The role is expansive, here are a couple resources we highly recommend to learn about the role, or to keep your skills sharp:

1. **If you want the fundamentals** - watch or listen to this brilliant presentation by Des Traynor of Intercom. It’s understandable and informational regardless of your product-management experience. <https://thisweekinstartups.com/launch-incubator-des-traynor/>
2. **If you’re looking for a ongoing stream of product management thought leadership** - check out the content at Marty Cagan’s Silicon Valley Product Group. <https://svpg.com/articles/>

## The product manager’s job description:

1. Run the product as a business ensuring long-term viability and contribution to your organization.
2. Intimately understand customer, user needs, and how to communicate them in a relatable way.
3. Oversee the stuff no one else on the team should have to: sales, marketing, security, privacy, legal.
4. Manage milestones to keep the product on time and on budget.
5. Follow the lean product cycle of test, measure, learn to reach product/market fit before the funding runs out.
6. Drive product performance through well conceived measures of success and accurate data.

## Begin with the end in mind

We recommend setting a vision illustrating where the product is going. The product we launch may not deliver the entire vision, but all steps taken can move us closer to that goal.

[Amazon’s PRFAQ](#) methodology is a wonderful summary of this thinking. It puts a focus on the customer, pain point, solution, and benefit -- all in simple language. Simple language helps with clarity in all communications, whether internal or external.

# Product Management - Making Difficult Decisions

*“What’s the one most important thing for your business, right now? Do that.” – Mark Suster*

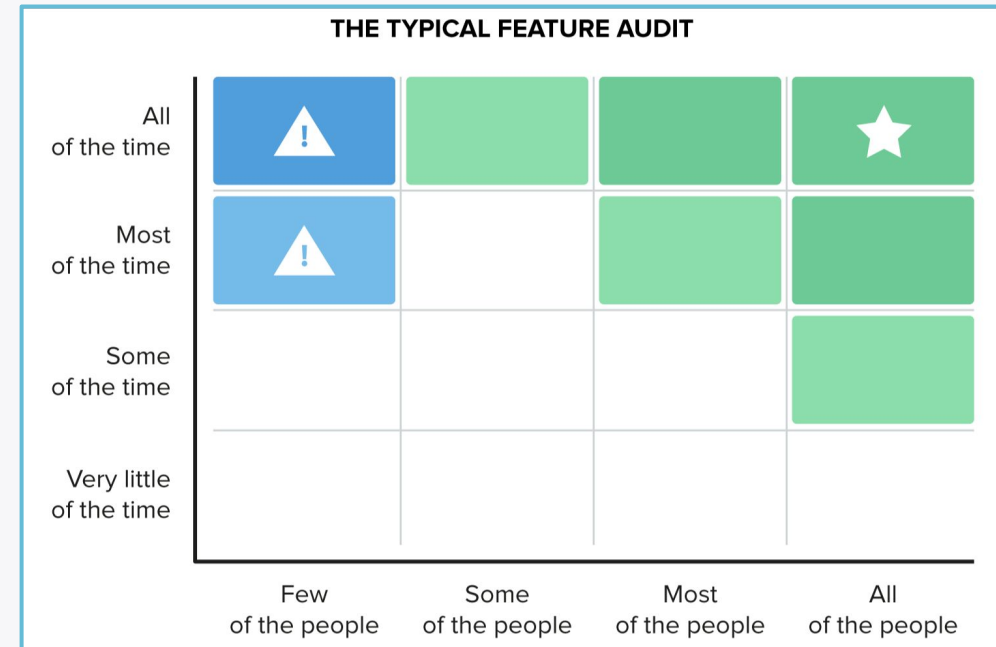
## 5 Steps to a Great Product

1. Features focused on a clear value proposition in a world-class way
2. Simple, intuitive, and anticipates customer needs
3. Exceed expectations no matter how high they are
4. Resonate emotionally
5. Change one’s life in a positive way

The first screen your users see has three important jobs:

1. Explain how your application works.
2. Motivate your users to get started.
3. Let your users know how to get help, if and when they need it.

**Watchout!:** Sometimes it’s not about how the feature is designed or built, it’s about how it’s explained. In those cases, better product marketing and customer communication is how you solve it, not product tweaks.



When planning your roadmap, and where your team spends their time, it’s useful to ask “how many people are actually using each of our product’s features?”

A simple way to visualize feature usage is to plot out all the features on two axes: how many people use a feature, and how often. You’ll most likely see trends. We’re not trying to do everything; we’re trying to do the right things.

# MVP: The first step in a long journey

*"I saw the angel in the marble and carved until I set him free." – Michelangelo*

A Minimum Viable Product is high-fidelity learning that only results from real customers making real financial decisions. You start with a minimal set of features, then build up; you are not building an end-to-end solution at this time.

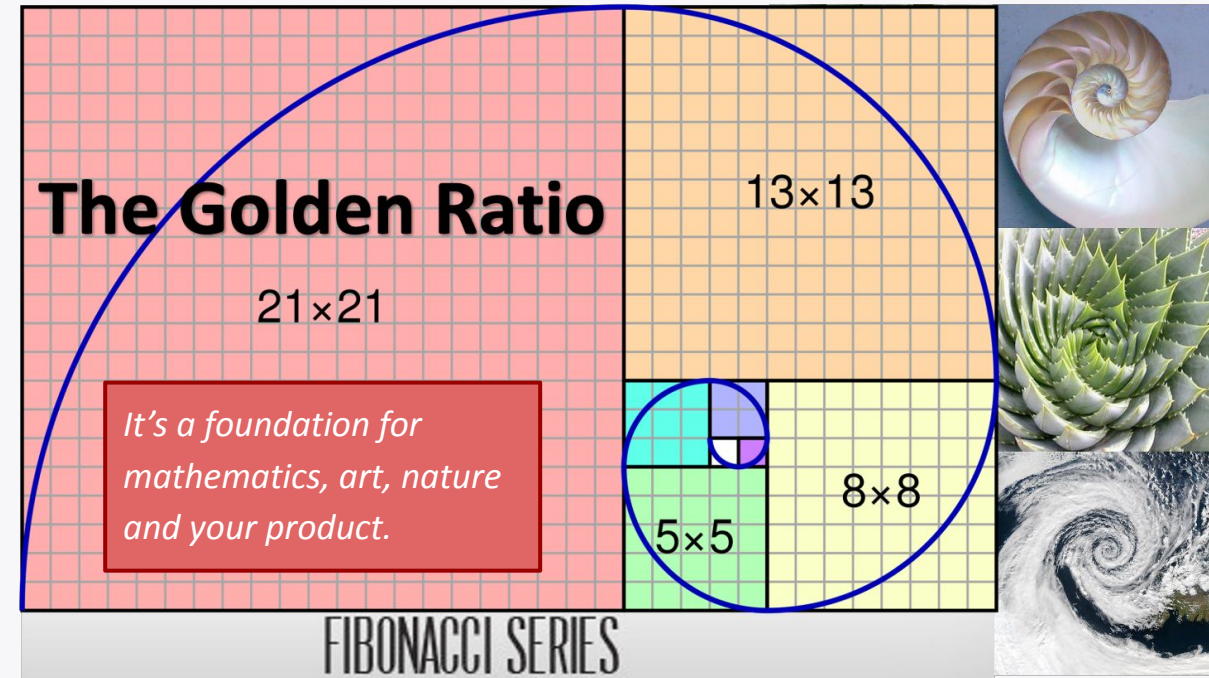
Start your MVP when...

- there's an opportunity for a frictionless handoff in the workflow
- your alternative for the existing step in the workflow is 10x better

Stop the MVP features when...

- the next step is done through a market leader
- the next step is completed in many different ways
- it's something you can't innovate on

Limit scope! - Everything else is on the roadmap. Sales has permission to say "Yes, we plan to do that, but here's where we're starting." What is viewed as a "must have" may never materialize once the product is in use. *Future* promise, and over deliver.



As the Golden Ratio illustrates, each addition to your product (new feature) has a growing effect on bloat, and complexity of the product. The true cost of this can only be seen in the rear view mirror, so always be mindful of the risk associated with saying "yes."



# Product Management Across the 8 Keys

# Prioritization - The Elevator Pitch Deck

*“Do not mistake the finger for the moon.” — Shakyamuni Buddha*

The product manager sells the product vision to secure funding and resources from the company. It's accomplished with a relatable problem, a desirable solution, and a compelling business case. That's why we like the pitch deck structure where we make a quick, enticing case for our business to investors - whether that's a VC or the C-suite.

The following list is a basic structure of a deck you might use for a first meeting with company leadership or potential investors.

1. **Problem** - who has it (customer) and what's their struggle (pain point). The more relatable to our audience, the better.
2. **Solution** - why the customer's world will be so much better with our product in it (value proposition).
3. **Market** - how much cash (pricing) is spent, and investment made, in this category annually? Is it trending up or down?
4. **Competition** - there will be competition or alternatives. Find them and understand how they have shaped customer expectations. Understand what is being done today and if it's perceived as “good enough.”
5. **Target Market** - describe all the customers and where we can find them.
6. **Go to Market** - how are we going to reach them? Give it serious thought, it's hard and can be expensive.
7. **Business Model** - high-level ROI. We need to have an understanding of cost and revenue drivers. In a corporate setting, show how it aligns to strategic goals and/or the bottom line.
8. **Unique Advantages** - products need to be 10x better to get people to change their behavior. A little better won't do it.
9. **Team** - who are the stars that are going to make this project work?
10. **Ask** - what do you need, in order to advance this project and prove its merit?
11. **Milestones** - spell out how you will know you're on the right path, and the expected pace of achievement.

# Validation - Making and describing things people want

*“Actions may speak louder than words but words will inspire action.” — Samuel R. Young Jr.*

You’ll find the comprehensive pre-build evaluation process we follow in our [Opportunity Triage](#). We broadly think of validation as putting data behind our assumptions. In the planning stage, we’re building the case for our product. And when we’re describing it, we’ll catch ourselves saying, “I think...” Validation is documenting what we think and running tests so, we’ll know.

During the pre-product and planning phases, we use Qualitative research to get our customer’s perspective on the problem, our solution, and the language they use to explain it. Emphasis on *their* language as this is critical to communicating the problem, solution and value proposition in a way our customers recognize and respond to.

As we build confidence in our assumptions through qualitative research, we move toward Quantitative research to get a higher level of certainty.

Once the product is live, we continue to test, but flip the order. The product gives us quantitative data, talking to customers gives us the qualitative data to understand why the product is used in that way. Quantitative data provides a clear answer if something works, but it can’t tell us “why” it is or isn’t working.

**Quantitative Insights:** Surveys, testing, and analytics get you to a meaningful (statistically significant) sample size, providing a higher degree of confidence in the data.

**Qualitative Insights:** Talking to customers is how we discover the “why.” It’s important to guide these conversations and not lead them. Otherwise, we’ll get feedback on our own thinking and not insight into our customer’s.

# Commercialization - Solutions to Customer Problems

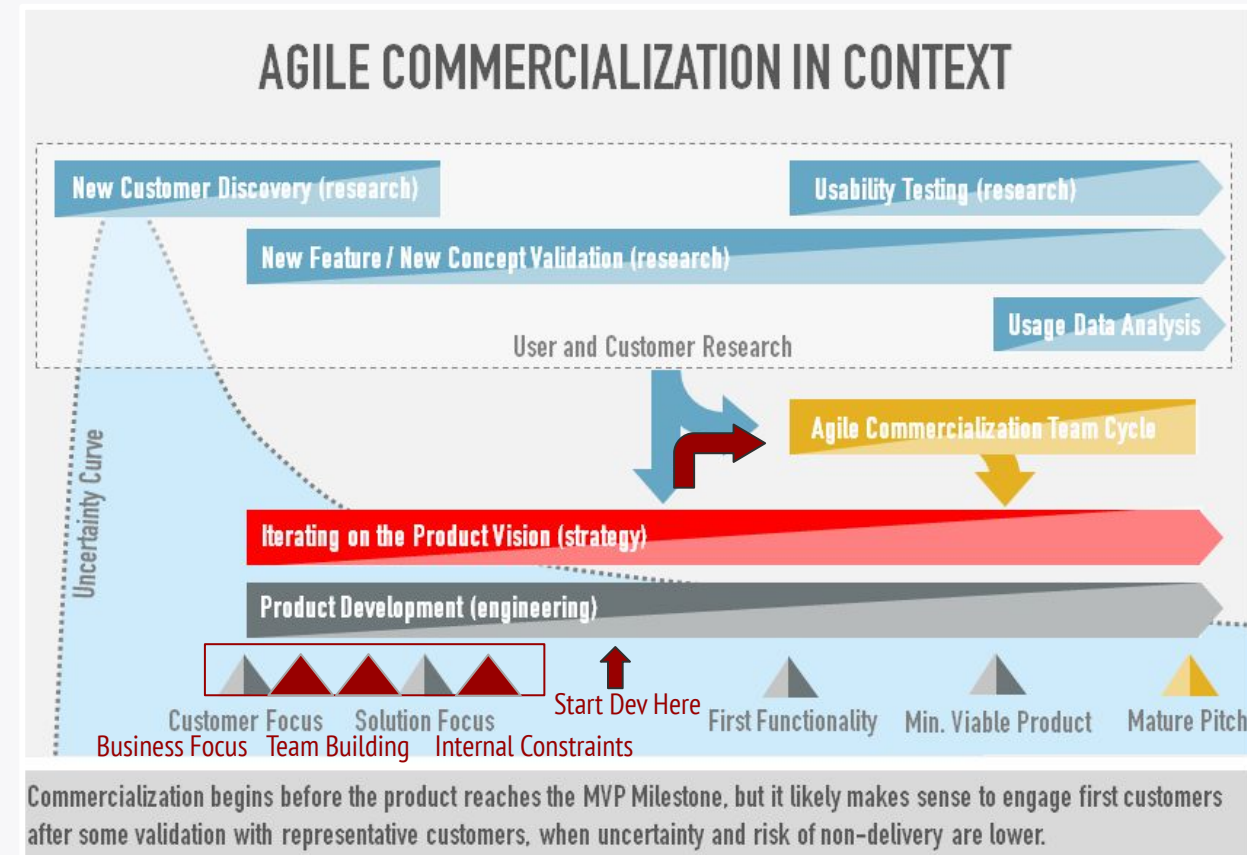
*"It sure will feel good when it stops hurting." – Unknown*

For a detailed outline of Taivara's approach to Commercialization checkout [this file](#). The Product Manager is responsible for much of the effort which, in its simplest form, is selling. As the McKinsey-derived diagram to the right shows, all product and customer discovery feeds the commercialization engine.

When we develop a new digital product, we have a range of customers and losing any one of them risks killing the product:

- **Executives and/or Investors** - the people willing to risk time, money or their reputation for a return on their investment.
- **Founding Team** - if you're a startup, these people are leaving their job and risking their house, or reputation on this new idea. They are buying the vision, the value and the chance at high reward despite high risk.
- **Early Customers** - you're selling your first real customer four times! At each stage of discovery, development, prototype and pilot, you're asking them if they want what you're making. This is the start to confirming you have a valuable solution to a problem.
- **All Customers** - if you're successful at selling all the previous customers, you've earned the right to try and sell it to your entire target audience. Their behavior may not match early customers.

Source: <https://www.mindtheproduct.com/product-is-hard-by-marty-cagan/>  
<https://medium.com/digital-mckinsey/agile-commercialization-why-your-product-manager-should-close-your-first-customer-cedd287630ac>



■ - Taivara modifications

Original image credit: Mason Adair, Digital McKinsey

*"What sets an MVP apart is high fidelity learning that only results from real customers making real financial decisions." – Marty Cagan*



# Product Management - Magic Numbers

*“Don’t believe everything you think.” – Byron Katic*

## Ranking areas to improve

Anthony Ulwick designed a formula to identify and prioritize areas of improvement for a product. Have customers list each “job to be done,” then rank for both importance and satisfaction on a scale of 1 - 10 (10 being highest), and plug into this formula:

$$\text{Job: Importance} + (\text{Importance} - \text{Satisfaction}) = \text{Opportunity}$$

Highest numbers offer greatest opportunity.

**Note:** “(Importance - Satisfaction)” doesn’t go below zero as over-serving a job doesn’t reduce its opportunity.

Watchout!: The biggest opportunities are often areas considered “complete,” “bug free,” or “good enough” -- a minor improvement on an important task is usually better than a big improvement on something of little importance.

*Mark Zuckerberg identified where the 80/20 rule went wrong - 20% of the features may deliver 80% of the value... It also means on important tasks, you’re giving customers a B experience where it matters most.*

## Test your product with 5 users

According to Jeff Sauro of MeasuringU, testing 5 users will turn up 85% of the problems in an interface.

- Assuming the probability of a user encountering an error during testing is 31%.
- Distribution with a 31% binomial probability (Poisson Distribution) shows that more than 5 users in a test group, and returns diminish drastically - the more users you add to a test group, the less you’ll learn.

## Success Metrics

Understanding what really drives the success of the product and being able to measure its progress is vital. It’s also hard, and doesn’t feel like a top priority when launching a product. But taking that time is essential or you may find yourself winning at the wrong game, e.g., at a time when success was defined as “unique monthly visitors,” Facebook realized connection to other members was more important, and it crushed the engagement (and business) of its competitors.

# Design & Development

*“Wise men don’t judge – they seek to understand.” – Wci Wu Wci*

When it’s time to design the product, product managers will engage with design in the the following areas:

**Heuristic review and benchmarking** - a review of current best practices to ensure we’re up to contemporary standards. As B2B customer expectations have been shaped by consumer experience, the demands of how we meet the user experience has changed.

**User workflows** (jobs to be done) and **swim lanes** - User workflows set expectations of how we plan to meet user needs, where we enter the current “day in the life,” and why we expect our approach to succeed. A swim lane process map organizes activities into groups based on who is responsible for each step within a workflow, and may be interacting with our product at that stage.

**Wireframes** and **high-resolution graphics** of key pages. We don’t need every page designed, just enough detail and examples so developers have some precedence and asset definition to follow. Design tools have advanced enough that we frequently find we can skip the wireframe designs.

Our guiding principles are to deliver designs that will:

- Improve, complement or innovate on the existing workflow
- Impact usage through - benefiting all users, getting more users using it, or getting users using it more
- Generate meaningful engagement

We follow the guidance of Dieter Rams, Braun’s iconic designer, who continually asked himself “Is my design good design?” This is a good question for product managers and designers to ask themselves.

Here are Rams’ good-design principles. Good design...

1. Is innovative
2. Makes a product useful
3. Is aesthetic
4. Makes a product understandable
5. Is unobtrusive
6. Is honest
7. Is long-lasting
8. Is thorough down to the last detail
9. Is environmentally friendly
10. Involves as little design as possible

# Design & Development

*“Move and the way will open.” – Zen Proverb*

We assume the product manager does not have deep technical knowledge or development skills - which is true with Taivara's product leads and many of its corporate clients. The product managers are expert on “what” needs to be done, but dependent on developers to deliver the best path for “how” it's done. Understanding the intent of what is to be accomplished is important for both.

The language used by the product manager may not reflect exactly what is needed. Developers need to help navigate the difference. If it looks like custom buttons are requested and there's a default set with the platform being used that are “free,” we count on the team to bring that up for discussion.

Development is an essential partner for making the right decisions. The product manager has an obligation to create a safe space for the team and allow dialogue that challenges and critiques assumptions in an attempt to arrive at the best product approach.

Product is a series of tradeoffs based on priority (risk, reward, importance, urgency), level of effort (time, cost, maintenance). It's negotiation as much as navigation.

A simple framework for prioritizing project ideas via ranking on three core dimensions:

1. The impact of the change if it is successful
2. Confidence that the test will yield a successful result
3. Cost to execute the test

Team efficiency is achieved by removing obstacles - typically input constraints like data and access to systems, and external dependencies like teams who have a queue of work you may fall into.

For new product in a thriving business - the demands of core products will frequently win prioritization debates. By understanding exactly what we need to deliver on the value proposition, we can limit our ask to very specific interactions with existing systems and teams, and have them resolved before we start building - avoiding prioritization debates.

# Security

*“Nothing ever goes away until it has taught us what we need to know.” — Pema Chödrön*

A good preview of how to make a secure product can be found in Taivara’s [Top 10 Security Best Practices](#). Security is not the responsibility of a department once a product is built, it’s an integral part of product planning.

**Coordinate with CISO and legal counsel** - The job of this team is to highlight risks, what it takes to reduce them.

- The CISO will set priorities, determine strategies, and create operational plans for an effective security program in line with business goals and regulation.
- CISOs will also act as a spokesperson while addressing auditors, vendors, and stakeholders.
- Legal will help with understanding the regulations for your industry.
- In some cases, a product can attract new regulations if it is perceived to damage markets, the environment or quality of life.

**Risk management** - Security is sometimes mandated through regulation, but in many instances it’s another business decision. Is the cost worth the return? You may hear the expression, “if the fine is less than the cost of meeting the regulation - take the fine.” We need to be able to model the cost of a security incident and decide if it's worth the cost of preventing it.

- Risk (financial, strategic, operational or hazard) = Probability x Loss.
- Other possible considerations include the following:
  - Occurrence – when is the risk likely to occur
  - Urgency – how much mitigation time is there
  - Manageability – how easily can the risk be handled
  - Dependencies – does it follow or trigger other events
  - Proximities – how close is the risk to the personnel well-being of employees



# Support - for People and Product

*“The less you judge things, including the contents of your mind, the more clearly you’ll see them.” – Robert Wright*

## Customer: External

This is another opportunity for customer empathy. When they are seeking support, it’s usually when something is not meeting expectations.

**Define “great” support & measures of success** - State clearly the standard against which to measure your support team. Report on the numbers that correlate with the change you want to see, e.g. if you want to make a case for more support staff, focus reporting on trends in the case volume per agent, and the correlation between speed of reply and customer satisfaction.

Personal contact needs to be patient and understanding. Tone in communication, written, verbal or video, needs to be empathetic.

**Establish self-service options** - Developing a knowledge base is time consuming, but it empowers your customer and helps your support team with onboarding resources and the ability to deliver consistent support.

Most knowledge base software offers reporting tools and can show where customers are getting stuck, what documents need updating, and which product improvements have priority.

## Customer: Internal

When co-creating a digital product, customer support isn’t limited to the end user and customer support team. It’s required for the internal teams affected by the product and it’s inputs and outputs. Meeting the needs of internal customers requires:

- Clarifying processes for features that people follow repetitively.
- Minimize opportunities for ambiguity. Assume that the new platform isn’t universally intuitive, and document accordingly.
- Documentation - not just of the product and procedures, but of hours of availability, levels of urgency, and paths of escalation
- Training - teach the teacher and 1:many overview sessions
- Walkthroughs - exposure to the product capabilities and recurring workflows
- Free - self-service documentation
- Paid - SLAs and predictable response times
- Maintenance to minimize code decay and technical debt

# Transition - Sunrise/Sunset

*"The art of living... is neither careless drifting on the one hand nor fearful clinging to the past on the other. It consists in being sensitive to each moment, in regarding it as utterly new and unique, in having the mind open and wholly receptive." – Alan Watts*

For any given product with limited adoption, you have four choices:

1. Kill it: admit defeat, and start to shut it down.
2. Increase the adoption rate: get more people to use it.
3. Increase the frequency: get people to use it more often.
4. Deliberately improve it: make it quantifiably better for those who use it.

Know when it's killing it and when it needs killed by setting clear metrics that define success for the product.

For startups, we help with the following steps when a product is working. It's similar, to varying degrees, with corporate clients - based on level of involvement and resources devoted during the co-creation process:

- **Hire** - we help recruit and vet the roles needed, usually starting with the CTO
- **Embed & Train** - the resource(s) join the Taivara team for immersion into the product and tech stack
- **Transition** - move assets and access to client control
- **Augment & Support** - Taivara team acts as flex capacity and technical support during transition and while the client gets comfortable with capacity needs

**Watchouts!** Co-creating products reduces some of the risks associated with mergers, acquisitions and not-invented-here obstacles. They may still persist, however, so we manage the risk in the following ways:

- **Planned successor** - identify and involve the person who will ultimately own the product. A sense of ownership keeps ahead of many of the objections.
- **Culture** - including process and language. Taivara adapts to the internal systems so our work is consistent with yours, adding to the sense of familiarity with products we work on.
- **Analytics** - new product development involves a lot of subjective and assumptive decisions. Putting data and analytics behind key aspects of the product helps avoid reopening debate about what has worked and where the product needs to go next.
- **Lessons learned** - share what has been learned to date. It's the post-mortem autopsy report.

Too many organizations migrate before understanding what's currently working and providing value. Then they set their sights on achieving greater value with new investment. Understanding the known-good, sometimes shows you don't need new investment, only optimization.

# Product Management in Your Industry

The preceding slides reflect consistent product management practices we've seen applied successfully across industries. It also just scratches the surface of what is required of a product managers, and doesn't address unique challenges found in every market.

Taivara is fortunate to have both depth and breadth of experience in new digital product co-creation. We're active in:

- Financial service tech
- Retail tech
- Mobile medical
- Pharmacy software
- Cybersecurity
- Education tech
- R&D commercialization
- Biomedical tech

We'd be happy to discuss how the content in this deck relates to the unique needs of your market.

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