

Two LEGO minifigures are shown in a running pose, holding a grey baton. The figure on the left is wearing a white tank top with a red and white floral pattern and a blue race bib that says "TEAM GEE" and "1948". The figure on the right is wearing a white tank top and blue shorts with white stripes. Both figures have brown, spiky hair and yellow faces. The background is a plain, light-colored surface.

**Product Circle Chat:
How Does Product Add Value?
(aka What's in a Name?)**

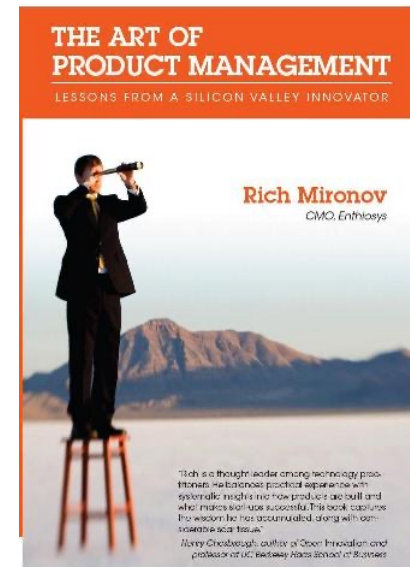
**Rich Mironov
20 July 2023**

@RichMironov @ProdCircle

About Rich Mironov



- **Veteran B2B/enterprise product leader**
 - 6 startups, including as CEO/founder
 - 200 clients, 13 smokejumper VP/CPO role
 - *“What do customer segments want (to pay for)?”*
- **Coach, mentor, Product Camp founder**



Agenda

- **Value of Product / What's in a name?**
- **Influencing the C-suite**



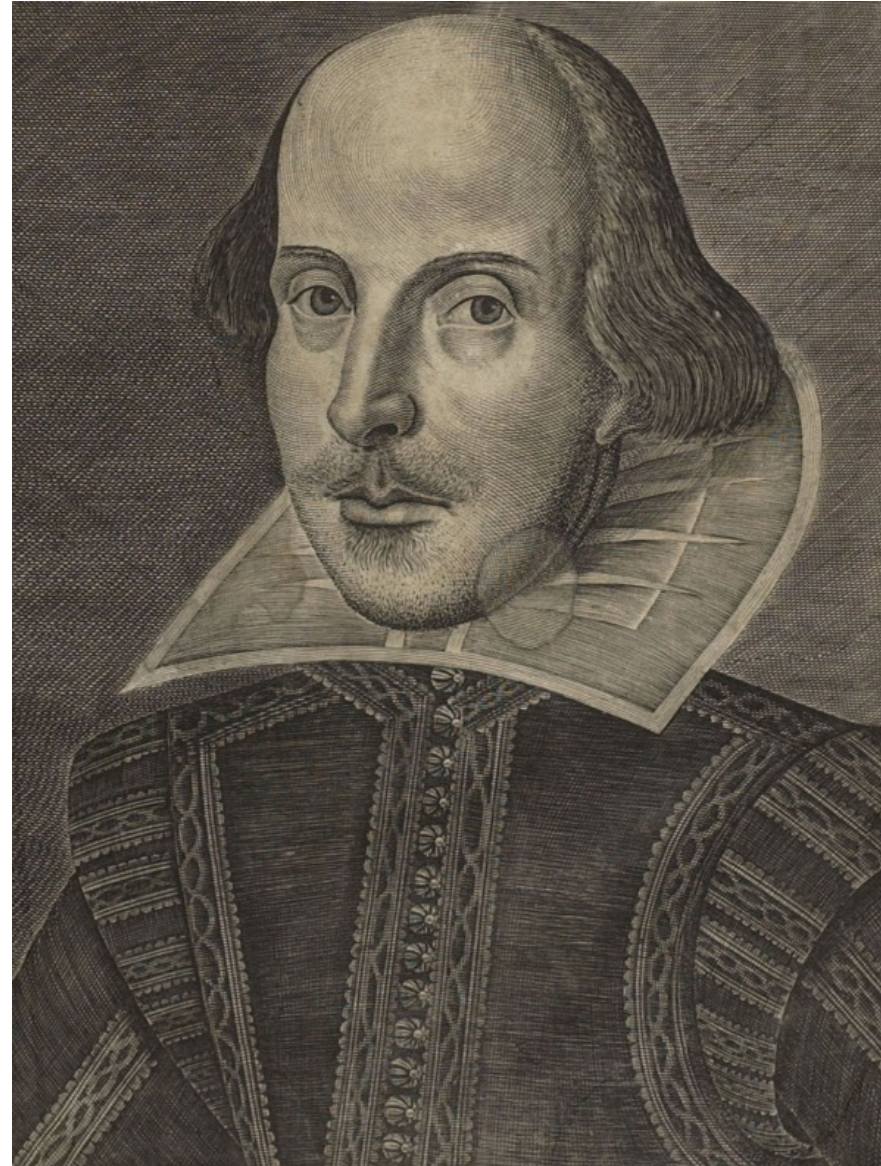
In Your World...



- **PM:Dev Team ratio?**
- **Designers/UX per team?**
- **Non-selling customer learning calls/week?**



**“What’s in a name?
That which we call
a rose... by any
other name would
smell as sweet.”**



Product Waste (vs Engineering Waste)



40-75% of development work doesn't deliver intended outcomes (revenue, savings, joy)

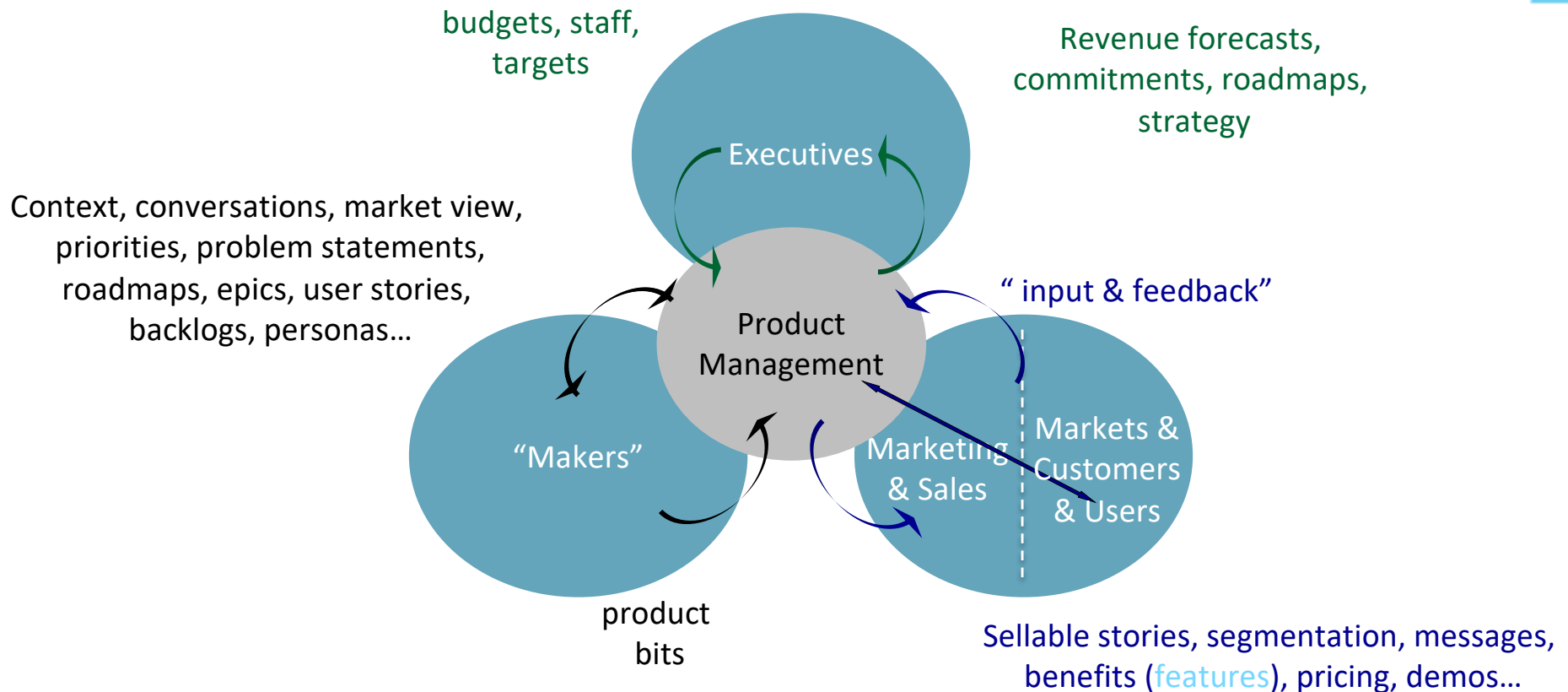
- 🙄 **Feature that's never (*rarely*) used**
- 🙄 **Process improvement that doesn't deliver improved process**
- 🙄 **Abandoned work, "one and done" funding**
- 🙄 **Low-value projects displacing high-value commitments**
- 🙄 **Having one big customer own your roadmap or architecture**



**There's nothing more
wasteful than brilliantly
engineering a feature that
doesn't drive business results
or boost customer joy.**



What Does a Product Manager Do?



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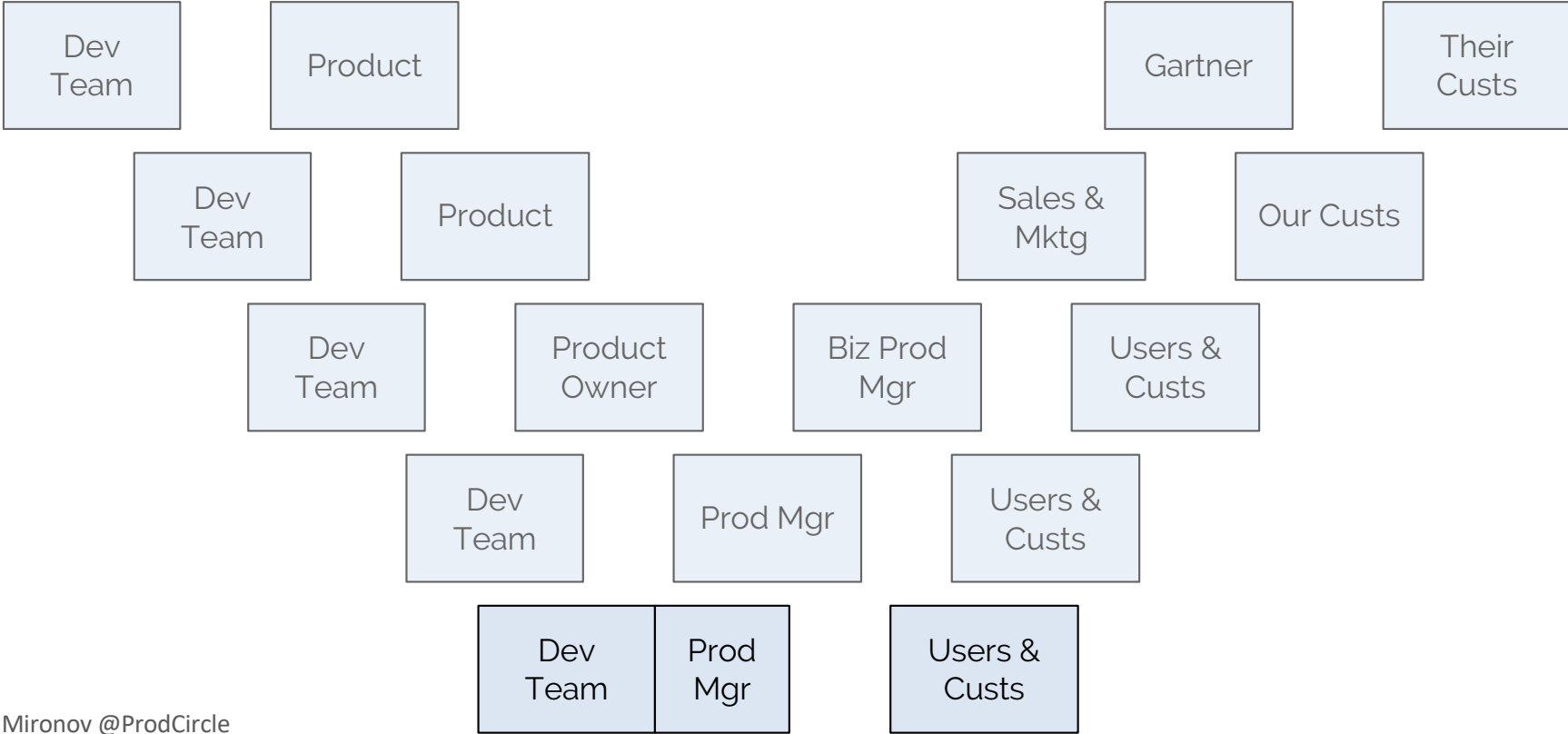
How Product Management Adds Value



- Product does not make Engineering work faster
- Instead, Product extracts more value from development/design effort
 - Continuous (skeptical, relentless) external validation with end customers & partners
 - Ruthless prioritization
 - Bring *core development/design team* into solution brainstorming



Reducing Distance



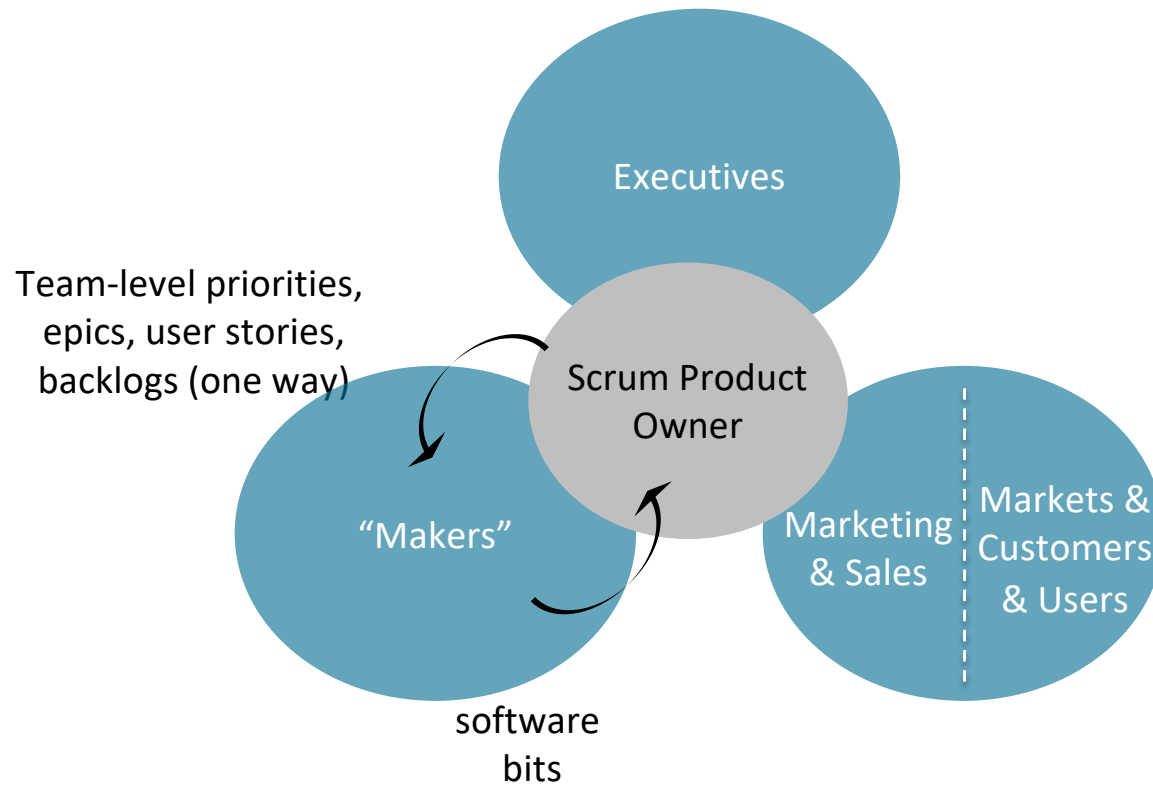
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Handoffs Are the Enemy of Insight



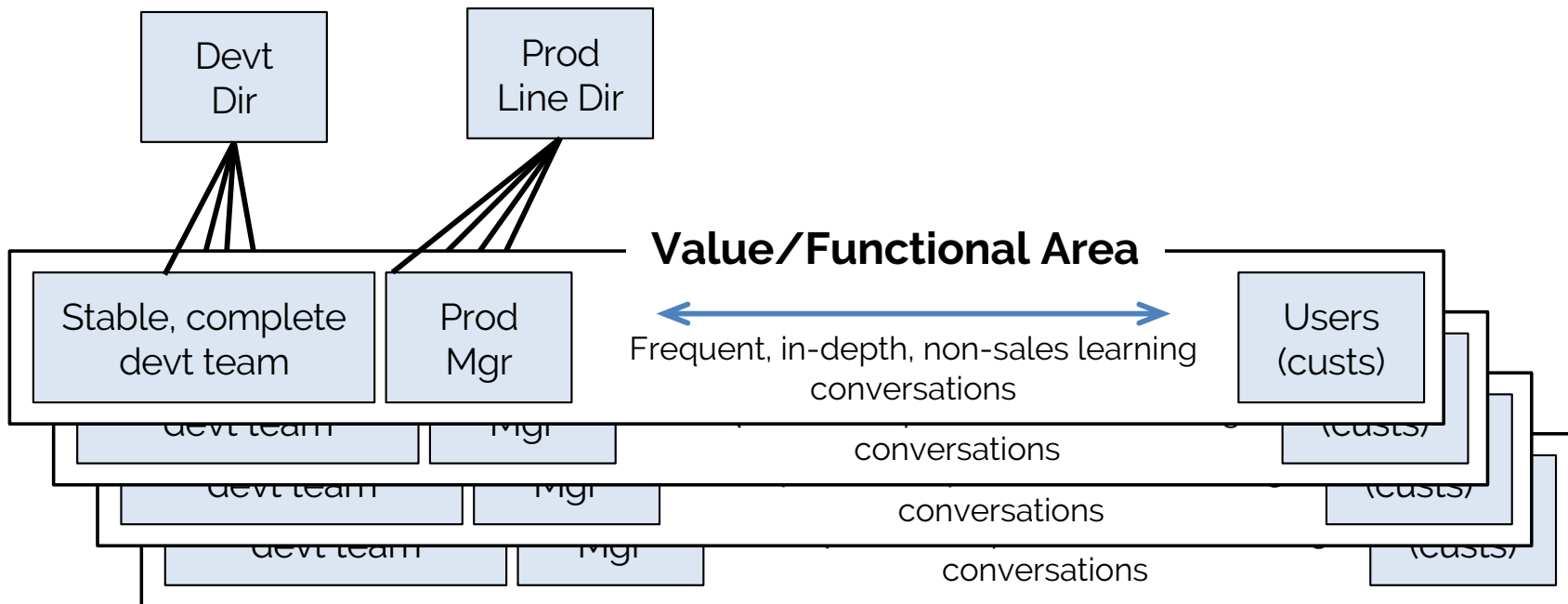
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“By The Book” Scrum Product Owner

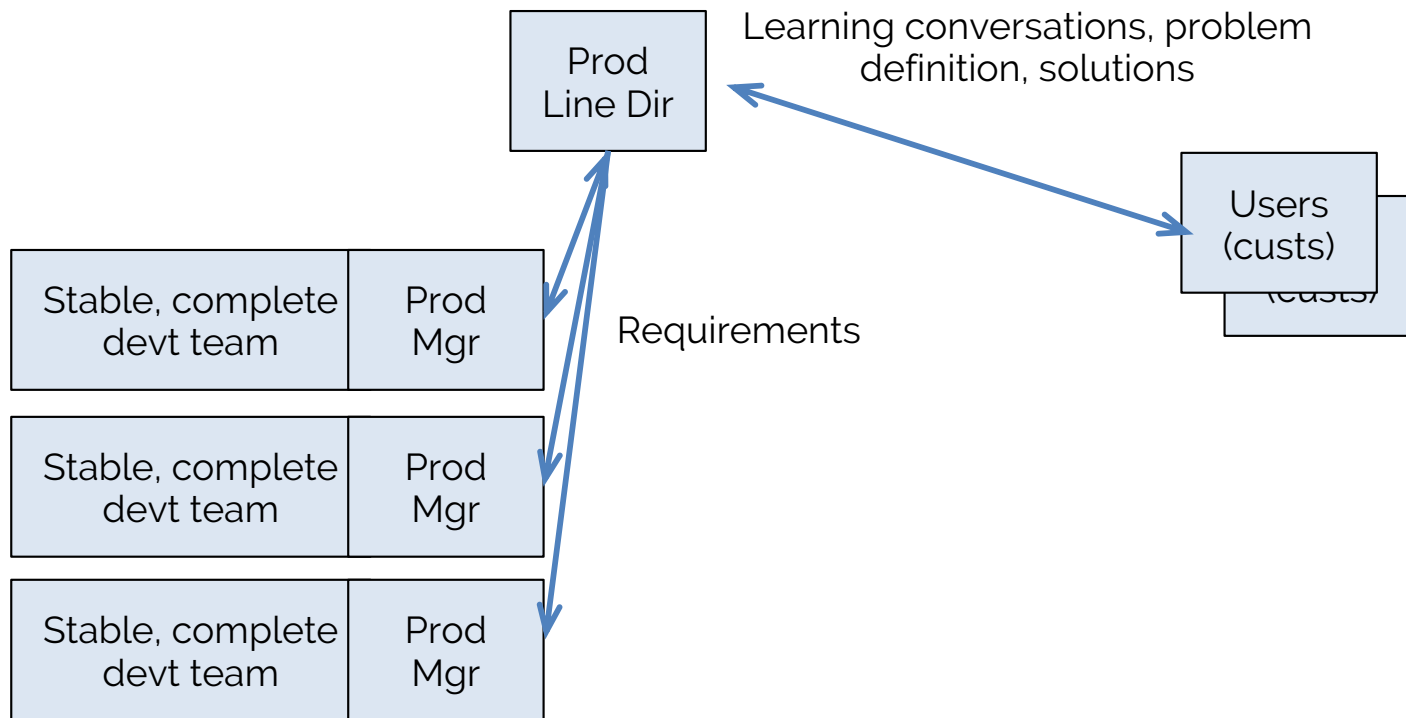


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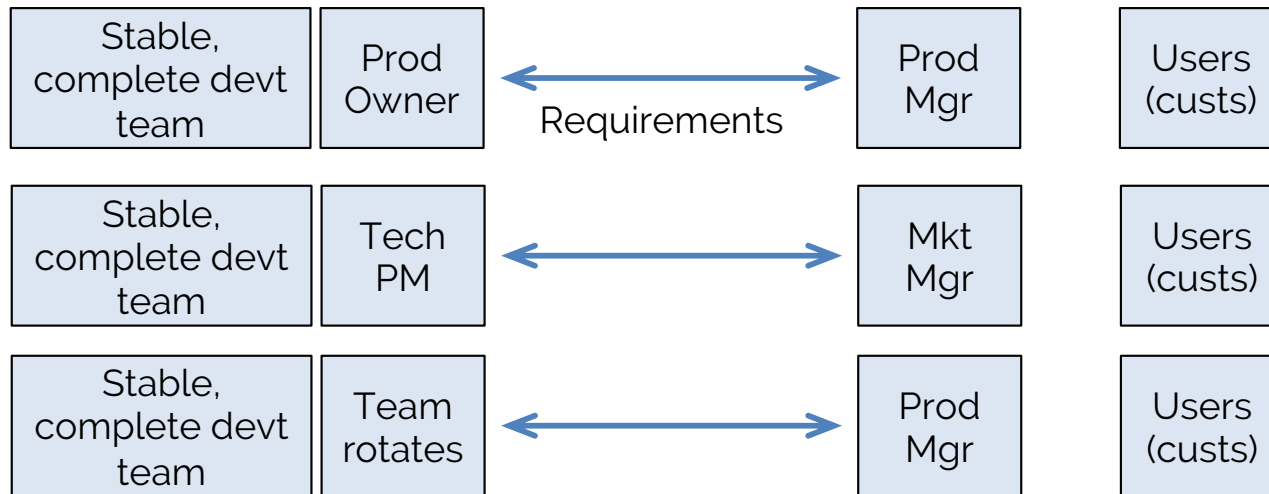
Product Structure I Like



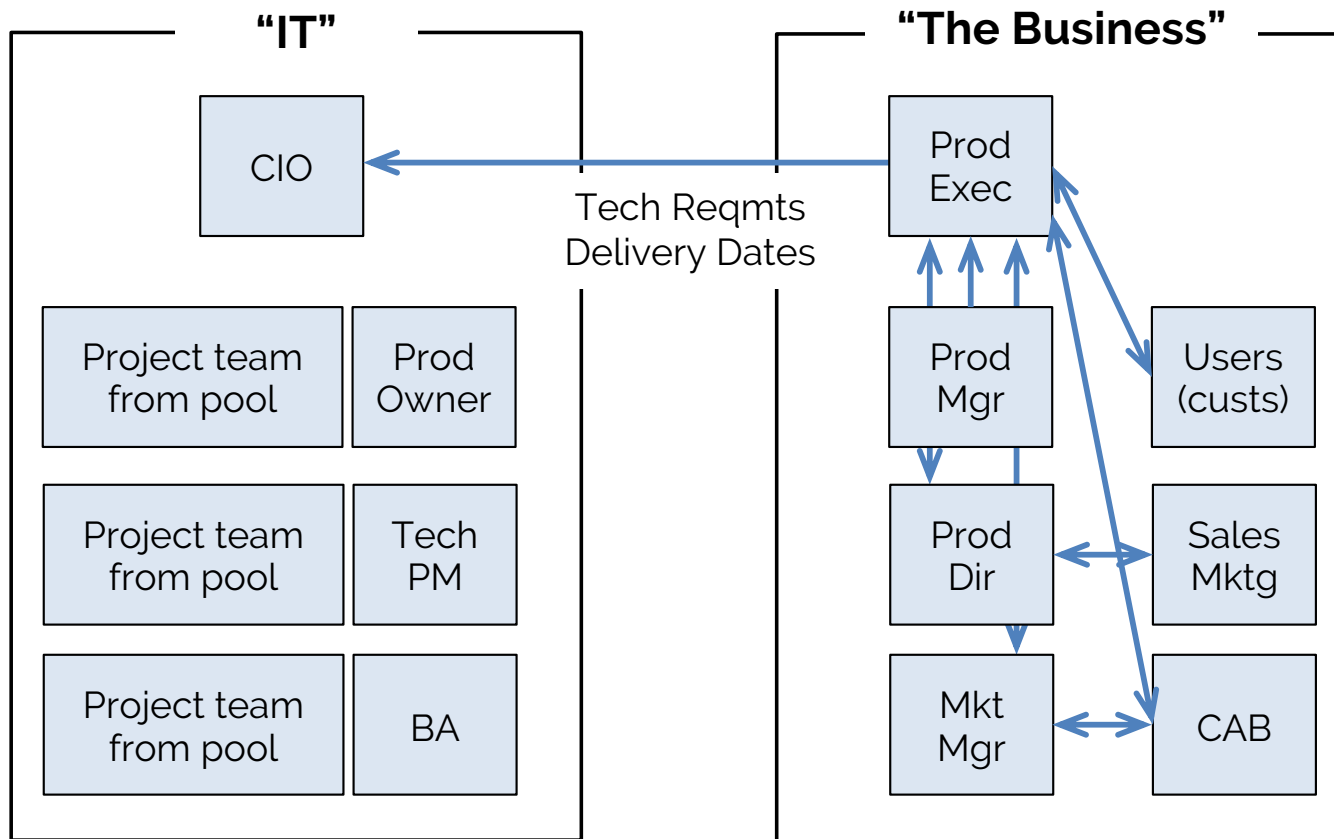
Product Structure I Don't Like



Product Structure I Don't Like



Product Structure I Hate



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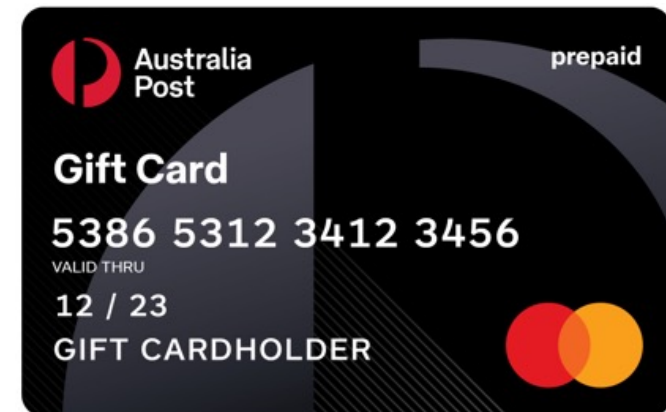
“Reverse Dog Whistle”



A Generic B2B Customer Value Story



- Our super-special credit scoring application will reduce the number of credit checks you run.
- You currently do *{insert number}* credit checks per year at *{insert price}*. We'll reduce that by *{insert percentage}* for a savings of *{computed}*.
- We will only charge you *{insert price}* for a net savings of *{computed}* and ROI of *{percent}*.



**If we can't (quantitatively)
talk about B2B customers
will make/save money
with our product, they
won't buy it.**



Internal Value Starts with WHY

1. Broad goal/intention: should it...

- Reduce churn/boost renewals?
- Cut support costs?
- Increase cross-sell/upsell?
- Eliminate outages?
- Speed up onboarding?

2. Then a theory about what behaviors will improve these...

3. Metrics naturally emerge



“Count The Digits”

- **If this is intended to drive upsell...**
[audience] * [increased conversion SWAG] * [revenue placeholder]
[50k “Basic” customers] * [1-3% upsell] * [\$1000/year]
- **If this is intended to reduce our support costs...**
[guesstimated tickets] * [improvement SWAG] * [cost/ticket]
[300-400 tickets/week] * [4-6%] * [\$75/ticket]
- **NOT ACCURATE, but useful in rough sorting/discarding ideas**
 - *“Is this worth doing?” “More than A or B or C?”*



general anesthesia $\frac{1}{700,000}$
 Carotid laceration $\frac{1}{2000}$
 pneumothorax $\frac{1}{8000}$
 tension pneumothorax $\frac{1}{3500}$
 falling $\frac{40}{100,000} \times \frac{1}{365} = \frac{1}{910,000}$
 Asteroid Strike $\frac{1}{1000}$
 pulmonary edema $\frac{1}{1500}$
 latex allergic reaction $\frac{1}{100,000}$
 driving $\frac{8}{1 \times 10^9} \times 1$
 sepsis $\frac{1}{2000}$

$$\begin{aligned}
 R^{-1} &= (700,000)^{-1} + (910,000)^{-1} + (2000)^{-1} + (500,000)^{-1} \\
 &+ (8000)^{-1} + (625000)^{-1} + (8000)^{-1} + (2000)^{-1} \\
 &+ (3500)^{-1} + (10^5)^{-1} \Rightarrow R = 1:300
 \end{aligned}$$

Roadmap/Commitment Amnesia

- **Always start with current roadmap**
 - Recap top few items
 - Never uncommitted capacity
- **Reiterate intended outcomes or **money** for top in-plan items**
- **Frame OR for work with same objective**
- **Invite them to lobby other stakeholders**



Good OKRs / Roadmap Shows (Un)Certainty



Reduce Churn Through Better Onboarding (#1)

Europe growth via languages, units, GDPR (#2)

Rearchitect object model for supportability & faster integrations (#3)

	Q3-23	Q4-23	1H24	2H24 →
Reduce Churn Through Better Onboarding (#1)	Login UI	Activity metrics	Inactive user reporting	Qtrly biz reviews
	CS playbook	Deep success/failure analysis	Lead gen by successful segmt	AI/ML success model
	Req'd training			
Europe growth via languages, units, GDPR (#2)	I18N	Spanish	GDPR v1	EU-based repository
	French	Date format	German	
			EU sales/support team	
Rearchitect object model for supportability & faster integrations (#3)	New DB model	First microservices	Next microsvcs	Full AWS
	Top 10 tickets	Automated DB benchmark		

Takeaways



- **Titles don't matter: the work matters**
 - Talk directly with real users about real problems outside sales process?
 - Empowered to drive difficult trade-offs?
 - Can turn down stakeholder requests?
 - Customer value is defined by (outside paying) users
- **The language of execs is money**
 - Think, think, think about your audience(s)
 - Assume amnesia
- **Individual PMs (mostly) can't change culture**





Rich Mironov

www.mironov.com

+1-650-315-7394

rich@mironov.com

[@richmironov](#)

