**Brief Summary
of
Empowered
Ordinary People Extraordinary Products**

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Part 1 – Lessons from Top Companies

- If we were to highlight the differences between how the best companies create technology powered products and how most companies create products it boils down to the views they have on the
    - Role of technology - In strong product companies, technology is not an expense, it is the business. Technology enables and powers the products and services we provide to our customers.
    - Strong Product leadership – in strong product companies, product leaders are impactful, responsible for the product strategy, converting strategy to action and responsible for results
    - Empowered Product teams – in strong product companies, teams are given problems to solve, instead of features to build and are empowered to solve those problems in the best way they see fit – and are held accountable for the results
- Bill Campbell "*Leadership is about recognizing that there is a greatness in everyone and your job is to create an environment where that greatness can emerge*"
- Becoming one of the best companies today requires senior leaders who understand the true and essential role of technology
- The purpose of strong leadership is to inspire and motivate the organization. If product teams are to be empowered to make good decisions, they need to have the strategic context necessary to make those decisions
- Product leadership has four major responsibilities
    - Product vision and principles – which describes the future we are trying to create and how it improves the lives of customers. Inspirational, serves as a shared goal for the product organization
    - Team topology – refers how we break up the work among different product teams to best enable them to do great work
    - Product strategy – how we plan to accomplish the product vision. Strategy derives from focus, then leverages insights, converts insights into action and finally manages the work through to execution
    - Product evangelism – this is about communicating the product vision, principles and strategy. John Doerr "We need teams of missionaries, not teams of mercenaries"

Part 2 – Coaching

- Bill Campbell *"Coaching is no longer a speciality; you cannot be a good manager without being a good coach"*
- Coaching is what turns ordinary people into extraordinary product teams
- A coaching mindset provides a foundation of intent – it is the framing that directs your application of coaching techniques and your guiding principle for taking action and making decisions around developing a team
- Empowering people produces the best results – empowering is about creating an environment where people can own outcomes not just tasks

- It is important to cultivate diverse points of view, look for opportunities that encourage your people to stretch beyond their comfort zone, continually earn the trust of the team by establishing rapport and sharing personal challenges and have the courage to correct mistakes
- One of the ways to assess a product manager and develop a coaching plan is to have a formal assessment and do a gap analysis on the current level of competence of the product manager across Product, People and Process
  - Product – Product knowledge, - user and customer knowledge, data knowledge, industry and domain knowledge, business and company knowledge and product operational knowledge
  - Process skills – this would be in terms of product discovery techniques, product optimization techniques, product delivery techniques, product development process – be a continuous learner in these areas
  - People skills are spread across team collaboration skills, stakeholder collaboration skills and product evangelism skills
- The primary purpose of the One on Ones is to help the product person develop and improve – help the person reach competence and then to reach her potential – this is a relationship built on trust.
- In terms of developing the product team, some of the possible anti patterns we see are the manager does not care, micro managing the work, manager spends time more on taking not listening, not providing difficult feedback, and one who is insecure and incompetent.
- A written narrative of roughly 6 pages that describes the problem you are trying to solve, why would this be valuable to the customers and business and your strategy for solving the problem – if done well, the reader would be both inspired and convinced. Used successfully in Amazon.
- Strategic context which ensures the product team has the necessary understanding of the broader business context in which they are operating is important to be understood by all members of the product team. There are 6 types of strategic context
  - Company Mission – purpose of the company, communicate as to "why we are here"
  - Company Scorecard – KPIs that help to understand the overall picture and health of the business
  - Company Objectives – Objectives selected by the leadership team as the important areas of focus – related to growth, profitability, expansion or customer satisfaction
  - Product Vision and Principles – Product vision is somewhere between 3 years and 10 years out and describes the future we are trying to create and why the future will improve the lives of customers
  - Team Topology – what each Product team is responsible for, also for each of the product teams to understand where they sit in the larger picture and how their team relates to other teams
  - Product Strategy – Product strategy drives each specific product team's objectives – it connects the Objectives to the Vision to the teams
- A product manager needs to have a sense of ownership – think and act like an owner – have an Ownership mindset and take responsibility for the outcome rather than just the activities
- Perhaps the single most important behaviour of a capable product person is the "*ability to think*" - critical thinking and problem-solving skills are extremely important for a Product manager

- Three critical characteristics of strong product teams is about tackling risks early, solve problems collaboratively and being accountable for results
- Collaboration is not about consensus, generating artifacts and is not about compromise - it is about creating products which are valuable, usable, feasible and viable – this requires collaboration e.g., creating story maps and prototypes requires true collaboration
- True collaboration on an empowered product team happens when you have people who are motivated and skilled in their respective disciplines – product management, product design and engineering – sitting around a prototype / watch a user interact with a prototype or come up with a solution that solves for all our constraints and risks
- In an empowered product team, the purpose of the product team is "to serve the customers in ways the customers love yet work for the business"
- Collaborating with stakeholders and executives involves listening carefully to try to understand the constraints and thinking hard about the solutions that would work for the customers and the business
- Empowered product teams are predicated on *trust* – when a product manager appears unprepared or naïve in front of the executives that trust is diminished and will take a long time to regain it
- It is recommended that product managers have three one-hour customer interactions each week and review the interactions and the learnings from it
- The true test of customer centricity is how the product person handles difficult or especially stressful decisions.
- In truly customer centric organizations, the product team must prioritize solving customer problems first
- Integrity and decision making are two important attributes of a great product manager
- Integrity is about
  - Dependability – making commitments and delivering them on time
  - Act in the company's best interests - product managers need to be perceived not only understanding the overall objective of the company, but sincerely committed to doing everything in her power to help the company succeed
  - Accountability – willingness to take responsibility for mistakes - "If a product team succeeds, it is because everyone on the team did what they needed to do, but if a product team fails, it is the product manager"
- Good decisions rest on a foundation of integrity and we need to constantly keep in mind the outcome we are striving for when we make a decision
- Product teams should be encouraged to consider the level of risk and associated level of consequence while making a decision
- Jim Barksdale, former CEO of Netscape had 3 rules of decisions
  - If you see a snake, kill it
  - Don't play with dead snakes
  - All opportunities start out looking like snakes

  ("Snake" refers to an important decision that has to be made. The first rule is to identify the issue and as such make the decision. The second refers not to continually go back and revisit earlier decisions. Finally, opportunities can often start out looking like snakes")
- On meetings, the biggest pain is that they are "synchronous" – every attendee has to stop what ever they are doing and be part of the meeting.
- Meetings are of generally three types – communication (all hands), decisions (prefer a written narrative) and problem solving (help solve a difficult problem)

- For organizing effective meetings, it is good to
  - Understand the purpose
  - Who the attendees are?
  - Preparation for the meeting – clarity on content, written narrative, relevant data being gathered
  - Facilitation – to get to the necessary decision or solution
  - Follow up – email notifications, action items if any and close the loop
- Five big risks that every product team needs to consider are
  - Will the customer buy it or choose to use it (value risk)
  - Can the user figure out how to use it (usability risk)
  - Can we build it (feasibility risk)
  - Can the stakeholders support the solution (business viability risk)
  - Should we build it (ethical risk)
- Ethics applies to every member in the company – so it is important to consider the implications of it in our work
- One of the toughest situations for a product person is when they spot brewing ethical issue but they are not sure how they should handle the situation
- It is important that the manager focuses at least weekly on whether each of the product team member feel is doing meaningful work, progressing in his/her career and building the necessary relationships with his/her team and with the executives that enable him/her to effectively and successfully lead empowered product teams
- As a manager, you must get to know people well enough that you understand what is meaningful to them and what makes them happy – in terms of meaningful work, personal relationships, personal recognition, work habits and career planning.

Part 3 – Staffing

- There are 3 higher order problems that companies face when it comes to staffing
  - Fundamental confusion about to look for when hiring strong product people – the best product companies hire competent people of character and then coach and develop them into members of extraordinary teams
  - Leaders equate staffing with hiring – if you focus just on hiring, you will reduce your changes of building the organization you need
  - A realization that staffing is the responsibility of the hiring manager – "The most important decision at Amazon, has been, and remains, hiring the right talent"
- Companies committed to the empowered team model hire competent people who share your values and are passionate about pursuing your product vision
- According to Stephen Covey, trust is a function of two things – Competence and Character. Competence includes your capabilities, your skills and track record. Character includes your integrity, your motive and your intent with people – both are vital
- Staffing is one of the three key responsibilities of management – but it is absolutely critical to ensure competence – without competence the person and the team cannot expect to be trusted by the management or leadership. There is no lasting empowerment without competence
- Once we know the candidate has the required level of competence, most companies focus on what is referred to as the cultural fit – which is very damaging, since it translates to "Hire people who look and think like us"

- Instead of looking for people like yourselves, make it an explicit point to look for people that are clearly not like yourselves – people from different environments, educated differently, different types of work experience etc.
- When recruiting product managers, seek out entrepreneurial people who aspire to start their own company one day.
- If you establish a reputation as a strong manager who makes a sincere and sustained effort to develop her people there will be more people who would approach you for a job. Also make recruiting an ongoing and high priority activity, that would create a healthy network and funnel of strong candidates
- With respect to interviewing, it is important to differentiate between hiring for competence and hiring for potential (typically university grads), look for diversity, people who think differently and hire the right person with the right skills – domain knowledge can be picked up easily
- If you have found a strong candidate, it is critical to move quickly and produce an offer within 24-48 hours. Also have reference checks done – if needed go beyond reference checks in terms of social media interactions
- Though colocation is preferred for the Product teams, as Amazon, claims that creativity comes from people's interactions – if we were to split product teams in to discovery and delivery – would be better to have collocated teams for Discovery teams for better interaction and discussions – mainly in terms of artifacts, trust and time.
- Once a person is onboarded, it is the responsibility of the hiring manager to coach the new hire and help them succeed – this might mean using some sort of an assessment and build a coaching plan – and review the progress on a frequent basis.
- Having a bootcamp for new hires and onboarding them would make the employees feel they are important in the organization's scheme of things. Questions such as these could help in their growth in the organization
    - How are decisions made? How have they been made in the past?
    - What is important for the company now? What are we working toward?
    - How can I get people to trust me?
    - What is the most important thing to do right now?
- It is absolutely critical that the hiring manager understand that the annual performance reivew should never be the primary feedback tool – if so you have failed as a manager – the primary feedback mechanism should be your weekly 1 on 1.
- Conflict averse managers avoid giving constructive criticism when necessary and that could surface up later in the annual performance review as to not meeting expectations
- Terminating as an option should be exercised in situations when employee is not able to perform the job at the necessary level of competence, despite coaching. Another situation is when employee could have some behavioural issues that damage trust in the organization.

Part 4 – Product Vision and Principles

- An inspiring and compelling product vision serves many critical purposes
    - Keeps us focused on the customer
    - Serves a north star for the product organization so that we have a common understanding of what we are hoping to accomplish together
    - Inspires ordinary people to create extraordinary results
    - Provides us with meaningful work

- o Leverages relevant industry trends and technologies that we believe can help us solve our problems
  - o Provides the engineering organization with enough clarity as to what is coming next and can ensure they have an architecture in place that can serve that need
  - o Primary driver of team topology
- A strong product vision serves as one of the most powerful recruiting tools for strong product people.
- It also serves as one of the most powerful evangelism tools to enlist the necessary help and support from other members of the organization
- A strong and compelling product vision should be
  - o Customer centric - we tell the story of the product vision from the perspective of users and customers and how their lives will improve in some meaningful ways
  - o North star – product vision provides the purpose for all product teams on what piece of the larger product they are working
  - o Scope and time frame – product vision describes the future you are trying to create – in what ways will you improve the lives of your customers?
  - o Leveraging industry trends – you need to decide which are trends and which are fads and which trends have the opportunity to substantially help you deliver innovative solutions
- A compelling product vision is the gift that keeps on giving. You would need to
  - o Communicate the product vision – create vision types (conceptual prototype), prototypes, story boarding
  - o Validating the product vision – validate the demand for the vision – to know whether we are working on a worthy problem
  - o Product vision as a recruiting tool – product people want to work on something meaningful – work on something larger than themselves
  - o Product vision as an evangelism tool – investors, stakeholders, sales, marketing, customer service, customer success, key influencers - need all these groups to understand the future you are trying to create
- Product principles complement the product vision by stating the values and beliefs that are intended to inform that many product decisions would need to be made – decisions with respect to trade-offs, prioritization, ethics (especially if a product were to be used for malicious purposes)

Part 5 – Team Topology

- A product organization's team topology answers questions such as
  - o How many product teams should our organization have?
  - o What is the scope of responsibility of each of the teams?
  - o What are the skills required for each team and how many of each skill?
  - o What are the dependencies between teams?
- Topology helps answer the question of how a company should organize its product people into teams to best enable them to do great work
- Topology choices should be guided by
  - o Principles that support team empowerment – that comes down to ownership, autonomy and alignment with the company's customers, business and technology
  - o Number and nature of dependencies between product teams
  - o Team topology would need to evolve over time as the needs and circumstances change

- A product leader needs to take into account that the empowerment of the company's product teams is impacted by the topology choices
- Optimizing for empowerment requires balancing three interrelated goals
  - Ownership – sets the scope for team's responsibilities around functionality, experience, quality, performance and technical debt and the clarity of ownership
  - Autonomy – teams use the tools of product discovery to explore different options and approaches before committing to a solution. Every team topology will require some sort of inter team dependencies but an empowering team tries to minimize these dependencies to reach the necessary business outcomes
  - Alignment – refers to how well the boundaries between teams track with other aspects of strategic context – higher alignment would lead to improved empowerment
- Any topology must consider both the underlying technology architecture as well as the broader strategic context (including the business objectives, product vision, strategy) of the product
- Platform teams provide leverage because they allow for common services to be implemented once but used in many places. They reduce the cognitive load for experience teams E.g.
  - Shared services such as authentication and authorization
  - Library of reusable interface components
  - Tools for developers to test and release automation
- Platform teams also allows for managing complexity because they encapsulate particularly difficult or specialized areas of the product – e.g. integration with legacy system, managing payment processing, managing highly specialized tax collection
- The most common way for strong platform team to pursue major work is through shared team objectives
- Experience teams are responsible for how the product is experienced by users – through apps, UI, solutions etc
- A true experience team will have a direct impact on customers if the product goes down
- Experience teams are most empowered when they are given as much end to end responsibility as possible - that would provide them with ownership and autonomy – In creating a topology aligned by customer

Part 6 – Product Strategy

- Product strategy is about deciding which problems they should solve
- An effective product strategy is absolutely essential to enabling ordinary people to create extraordinary products, because it focuses and leverages their talents
- Whatever the goal is, your strategy is how you are planning to go about accomplishing the goal
- Product strategy is about how do we make the product vision a reality while meeting the needs of the company
- People find product strategy hard because it requires four things that are not easy for most companies
  - Willing to make tough choices on what is really important
  - Generating, identifying and leveraging insights
  - Converting insights into action
  - Active management without resorting to micromanagement
- Stephen Bungay "*Generating activity is not a problem, in fact it is easy. The fact that it is easy makes the real problem harder to solve. The problem is getting the right things done – the things that matter, the things that will have an impact, the things a company is trying to achieve to ensure success*"

- Good strategy works by focusing energy and resources on one, or very few pivotal objectives whose accomplishment will lead to a cascade of favourable outcomes
- With respect to insights, there are four effective and valuable sources and strong product leaders spend much of their time on
    - *Quantitative insights* – insights with respect to business model, acquisition funnel, customer retention, sales execution and other indicators – the key is to know enough to spot the learning and leverage the learning into meaningful action
    - *Qualitative insights* – here insights can be of two types - *evaluative,* which is about what did we learn from testing out this product idea and *generative* which is about did we uncover any new opportunities that we did not pursue
    - *Technology insights* – enabling technologies are constantly changing and occasionally a technology comes along that allows us to solve long standing problems in new just now possible ways
    - *Industry insights* – this is about major industry trends, insights in other industries that may pertain to your industry and insights from similar markets in other regions of the world
- Insights that are generated need to be shared and communicated to the rest of the Product leaders / teams in the organization
- The next step is to leverage the insights into action. In the empowered team model, the intention is to provide the teams with a set of specific problems they each need to solve and then give them the space to determine the best way to solve those problems
- One of the techniques to managing the problems to solve is the OKR system. OKR as a technique to formalize these discussions would work provided you have empowered product teams, effective product strategy and are ready to entrust their product teams to solve the problems we need to solve

Part 7 – Team Objectives

- If the company is still using feature teams, implementing OKRs could be a cultural mismatch - OKRs is foremost an empowerment technique and came from companies which had empowered product teams
- We see in companies conflicting views with respect to organizational, team and individual objectives – and in many cases precedence is given to team and individual objectives over organizational
- Leadership also plays a part – they need to step up and see ways to turn product strategy into action
- One of the common misconceptions about team objectives is that only a single product team would work on a specific problem. What we actually see, is that collaboration between teams is critical to work on a team objective
- The essential part of team objectives is to empower a team
    - by giving them a problem to solve rather than a feature to build
    - ensuring they have the necessary strategic context to understand the *why* and make good decisions
- Team objectives are comprised of an objective (the problem that needs to be solved) and some measures of progress (key results)
- Typical examples of good objectives are
    - Increase the percentage of shipments delivered with next day delivery
    - Reduce subscriber churn rate

- o   Reduce the cost to acquire a new customer
- o   Reduce average time spent handling a customer call
- While the objective is the problem to solve, the key results tell us how we define success – and that is defined by business results.
- Sometimes we find that a team will be tempted to define their key results by something that is easy to measure rather than what is most meaningful to measure.
- It is important to share the strategic context, product vision and product strategy to the product teams so that they have an understanding of the ultimate goal, the importance of the problem to solve and the implications of the work to be done
- It is the responsibility of the leaders to decide which problems should be worked on by which product teams
- Once a team is asked to pursue an objective, the first thing they need to consider what the appropriate key results should be and what they believe they can accomplish
- The next step is to ensure that the product teams and the broader organization are aligned on the problems to solve
- It is important for everyone to understand that besides the team objectives, product teams would work on "Keep the Lights On" work – which involve fixing critical problems, responding to customer issues, work related to technical debt etc
- Leadership and teams should also be clear on the level of ambition that the teams should strive for in their discovery work – should the team focus on low risk/low reward or strive for more substantive improvements – often referred to as a roof shot (conservative, low risk) and a moon-shot (ambitious, 10x improvement)
- In businesses we see situations where we need to deliver something important by a specific deadline = driven by an industry trade show, partner driven date, calendar driven date due to tax holidays etc – these are high integrity commitments where you have an important external commitment or a very important and substantial internal commitment
- Collaboration among teams can take two forms – Shared team objectives and Common Objectives
- Shared objectives is when multiple teams share the same team objective – e,g. platform and experience teams may have the same objective when the platform team would need to provide services to the experience team
- The other form of collaboration is common objective – when multiple teams are asked to pursue the same problem but each in their own way. E.g. subscriber churn where many customers are leaving the service – having multiple teams address this from multiple angles is often a good way to mitigate the risk
- Team objectives need to be tracked by the teams – and need to take into account the amount of Keep the Lights on work which could disrupt progress on team objectives.
- Product teams are given the space and time to come up with the solutions to the problems they are assigned – with the empowerment comes responsibility and accountability
- Accountability is related to ambition – for a moon-shot, even if the team fails to generate results, that is fine. However for a conservative roof-shot , important deliverable, a failure would bring accountability (high integrity commitment) into play
- For OKRs to be successful in organizations, we need to have a knowledgeable leader, an empowered product team, have the strategic context and the problem to solve explained to the teams and then measure the progress

Part 9 – Business collaboration

- Having strong product leaders and empowered product teams is necessary, but is usually not sufficient – there needs to be a good working relationship with the rest of the business which requires sensitivity and nuance
- Executives need to believe that product leaders have a deep understanding of the business and are committed to ensure that the solutions provided will work for the various aspects of the business
- Product leaders are judged on business results, product strategy and product teams
- An empowered product team serves customers with the products customers love and yet work for the business. The Product team would need to collaborate with the stakeholders to come up with solutions that work (valuable, feasible, usable and viable).
- With product teams working on solving hard problems – some of the techniques can help us in generating insights which then could be shared as learnings to other divisions / members in different parts of the organization
- All Product teams would work on Keep the Lights on items (fixing bugs, addressing compliance issues, technical debt etc) – but if the keep the lights on items becomes too high, it impedes the work on the team objectives – product leaders must look out for these and maintain a good balance between different types of work
- Evangelism or marketing to your organization is important to communicate the value to other stakeholders and executives in the organization. This could be through demoing prototypes, sharing the pain, sharing the vision and sharing the learnings with other product teams

Part 10 – Inspired, Empowered and Transformed

- Great teams are made up of ordinary people who are inspired and empowered – they are empowered to solve hard problems in ways their customers love, yet work for their business
- To transform to empowered product teams, three things are essential
    - o Strong product leaders
    - o Give product leaders ability to recruit and develop the staff required for empowered product teams
    - o Redefine the relationship with the business – product leaders as true partners in business instead of stakeholders having the upper hand
- The best single source of innovation and the most important ingredient of an empowered team is the empowered engineers who work with enabling technology every day
- Empowerment of an engineer means that you provide the engineers with the problem to solve and strategic context and they are able to leverage technology to figure out the best solution to the problem

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