

# Demystifying Product Thinking

*And How it Relates to All Organizations*



Presented by :  
Beth Jagodinsky + Ryan Finco

## Introductions!

### Beth Jagodinsky

- Product management leader and practitioner with over a decade of experience with large and small orgs across industries
- Currently the Director of Product Strategy at Sparq and consult in strategic roles to help clients with their Product transformations
- Passionate about helping leaders and teams align user needs with strategic business objectives to achieve meaningful outcomes
- Live in Cedarburg, WI with my husband and two kids. I love to spend time in the northwoods, big Wisconsin sports fan, enjoy running, cycling and reading with any free time I get.

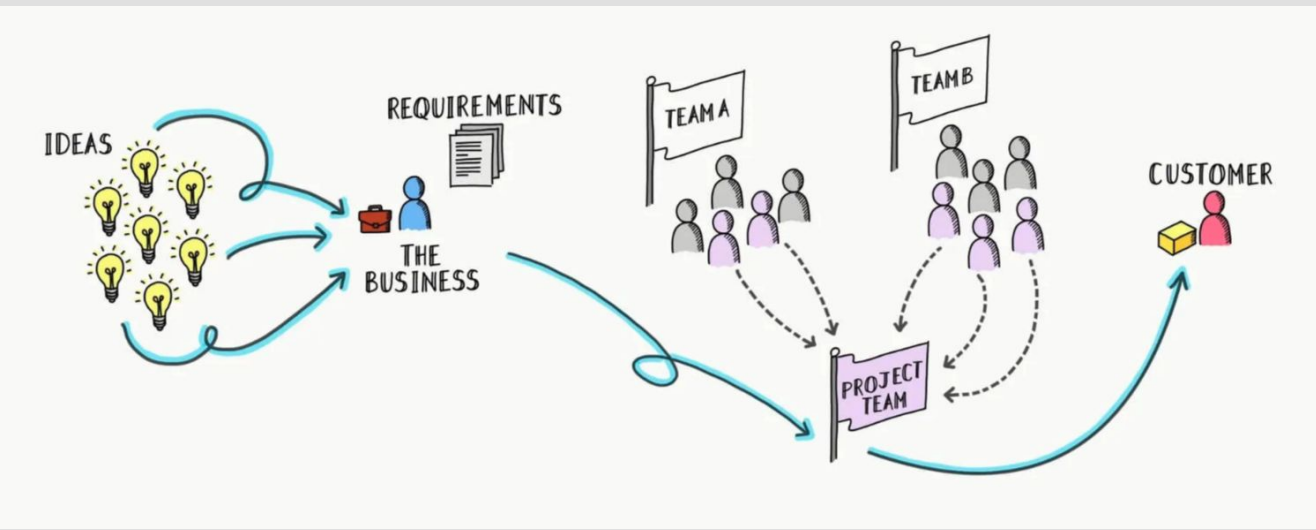
### Ryan Finco

- Principal product strategist at Sparq with 20+ years of experience in the product vertical.
- Has held various roles from tactical, team-centric positions like Product Owner and Scrum Master to strategic roles like Product Manager and Transformation Coach.
- Coached and assisted over 70 different organizations in delivering real product value.
- Experience spans from startups to Fortune 100 companies.
- Specializes in driving organizations toward effective product delivery.

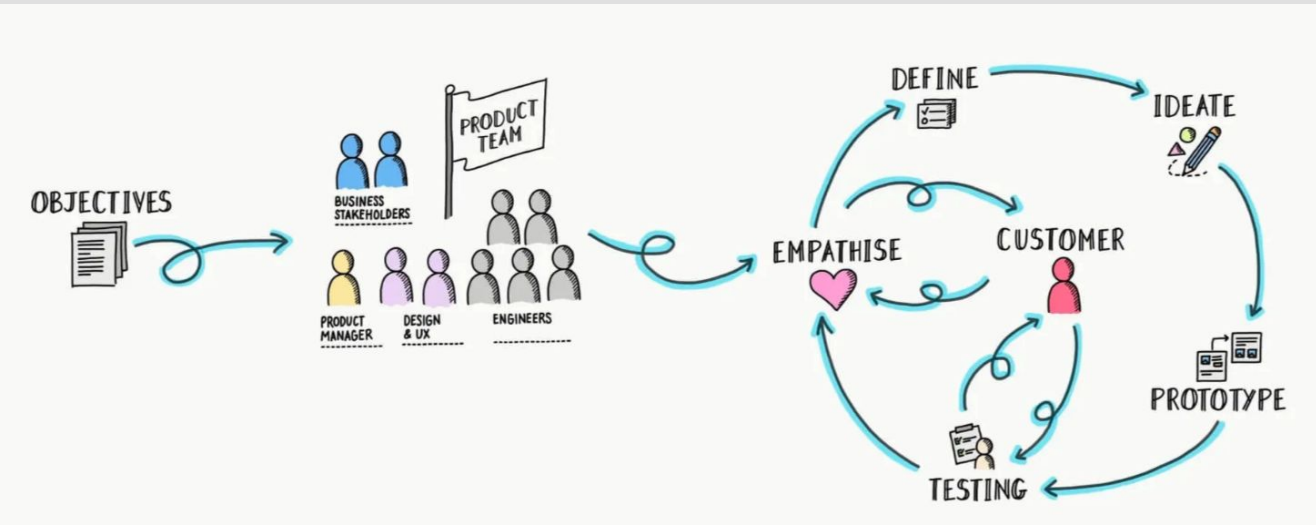
# What are we talking about today?

- Level set on where the industry and companies are at in the journey
- Definition of product thinking and what it means in simple terms
- The why behind the movement (research, evidence, stories)
- Product Transformation -Radical and Incremental Change
- Where to Start and Practical Application Stories
- Q&A

Organization A



Organization B



# But first, let's define 'Product'

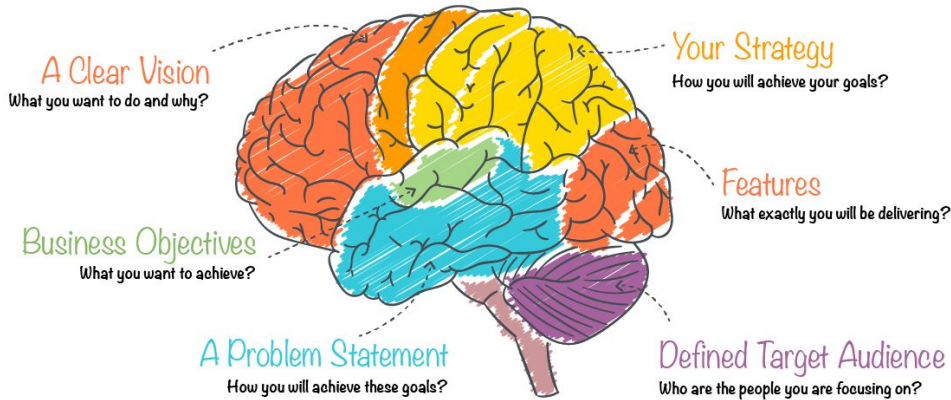
Product is a named collection of business capabilities valuable to a defined customer segment. A product may be just software and data. Alternatively, it may comprise any combination of software, hardware, facilities and services, as required to deliver the **entire product experience**. A product may be a repeatable service (for example, a subscription service); or it may be a platform (one-sided or multi sided). Although products (in the context of digital business) principally **serve external customers**, software organizations can also apply a product model to any **collection of business capabilities delivered in a coherent value stream to customers**.

*Source: Gartner*

# Product Thinking - Defined

Product thinking is an **approach to problem-solving** aimed at creating **valuable solutions to address user issues**. It focuses on the convergence of **user needs, technology capabilities, and business objectives**, with the ultimate goal of delivering products that not only **satisfy customers** but also yield a **favorable return on investment**.

# PRODUCT THINKING



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One of the core objectives of product thinking is to **prioritize delivering value** rather than adding features. Instead of assuming "This is great; customers will surely like it" a product thinking approach compels teams to question, **"Does this effectively address a problem? Will customers engage with it? Is it genuinely beneficial for both customers and the business?"**



# Traits of a Product Thinker

- **Empathy:** connect and seek to understand users on a deeper level, understanding their behaviors, emotions, and experiences
- **Experimentation:** embrace creativity and unconventional thinking, take a hypothesis driven approach to problem solving
- **Evidence:** gather and analyze data, conduct market research, observe behaviors/ trends and extract valuable insights.
- **Strategy Alignment:** harmonize business objectives with user needs and market dynamics, understand the bigger picture and how the strategic connects to the tactical
- **Communication and Collaboration:** facilitate the harnessing of diverse perspectives, the collection of input from various disciplines, and the cultivation of shared understanding
- **Iteration and Adaptability:** embrace change and flexibility to iterate on ideas and solutions

# Power Couple = Product Thinking + Agility

- Applying both Agile and Product Thinking helps you get the practices and mindset to maximize the value of the business's investment and deliver a product that customers want
- Agile Frameworks, like Scrum, are the mechanisms in which teams are able to deliver software most efficiently and respond to information

**Product Thinking empowers teams to gather information and data about the users, market, and business in order to navigate change and make informed decisions on altering direction, staying the course, or releasing a product.**

# How Does Product Thinking Apply To Every Organization?

The Product Thinking journey is going from the problem space (user or market problem) to the solution space (the business/organization's solution).



By applying product thinking practices, organizations can reduce the gap (time, money, effort) between these two and have a higher confidence for success in which the Product will address the problem AND be a solution that is beneficial to the business.

# The Why Behind the Movement

# Where Did Product Thinking Come From?

- Initially, consumers/buyers were expected to respond to a solution provided by an organization

**“Any customer can have a car painted any color that he wants so long as it is black” - Henry Ford**

- People’s wants and needs were guessed at, and gaps were filled by manufacturing desire - the power of the advertising space
- Design Thinking is dominant - “solve a specific problem” - The Use Case.
- There were some “renegades” making dents but they were the minority
  - 1931 - Neil McElroy at Procter & Gamble “Brand Man”
  - 1940s - Bill Hewlett and David Packard create and drive from “Voice Of The Customer”
  - 1950s - Toyota Production System
  - 1970s - Dr. Winston Royce creates the waterfall product flow, with intent of a “Product Manager” overseeing each section of the flow
  - 1980s - Scott Cook, founder of Intuit (Quicken) builds his business using product thinking and employing numerous product managers - Design was king!
- Mid 1990s - 2 things vaulted product thinking forward
  - The Internet
  - The seeds of “Agility” were forming

# The Internet & Product Thinking

Product Thinking exploded in popularity from 1993 to 2003!

- The Internet user base went from 100 million users to 700 million users!
- Scrum and the Agile Manifesto are established - bringing “product” closer to “production”.
- Clayton Christensen creates and defines “Disruption” and “Jobs To Be Done” concepts
- Amazon gets a web presence as a bookstore and goes public 1997
- Google launches in 1998
- Apple releases the iMac, and then later, the iPod (2001)

A kernel of an idea was forming and spreading. Customers were more than just a use case!

# Copernican Revolution!

- Steve Denning, in 2011 described the changes that had and were taking place in product and management in the following way...

“A paradigm shift from the 20th Century view that customers revolve around the stationary “center of the universe”—the value chain of the organization—to **the view that the organization is one of many organizations revolving around the customer.**

The organization survives and thrives only so long as it is agile enough to meet the customer’s shifting needs and desires.”

# The Why Behind the Movement!

With a revolution regarding how customers now were viewing the things they were buying AND the idea that the marketplace had become so incredibly open and viable to anyone, anywhere, two key components became critical

- Problem-Solution fit had to reflect the “system” of the consumer and **holistically look at what the consumer needed**
- **The customer and organization are intertwined** and each needs measurable value (see the failure of the .com bust in 2001)



# Where Are We Today?

- The landscape of how and why people and businesses make decisions and purchases is highly complex, and decisions are made based on a myriad of dependencies.
- **A use case is not enough!**
- Everything is a system and all decisions are based on the intricacies within that system - these things all need to be considered when delivering a product or service.
- Understanding the users position creates value, which increases market share for the organization.

# Product Transformation

*Change is Hard*

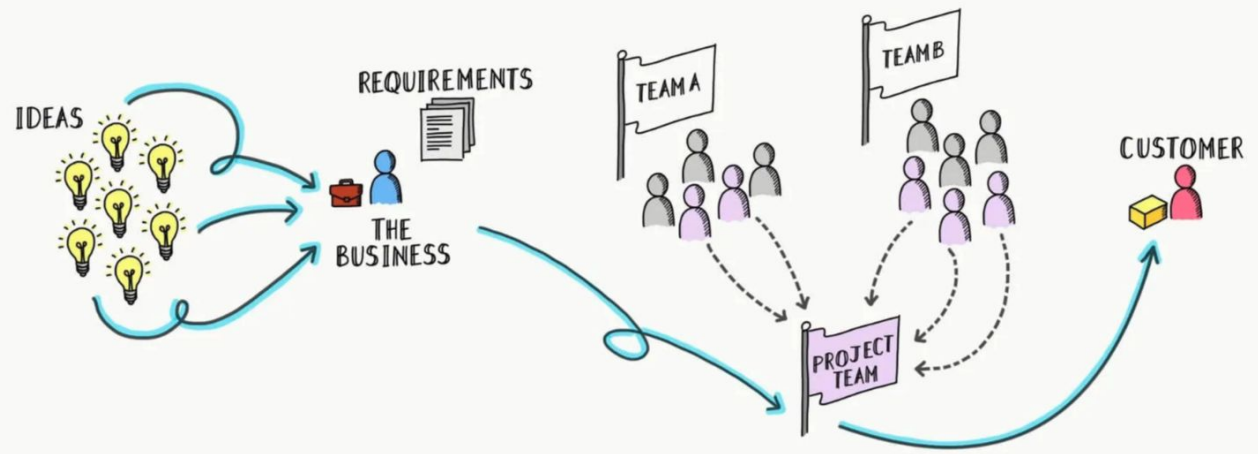
# Product Transformation in Organizations

Marty Cagan - Silicon Valley Product Group, SVPG summarizes the key areas of change when transforming to being a product-driven organization.

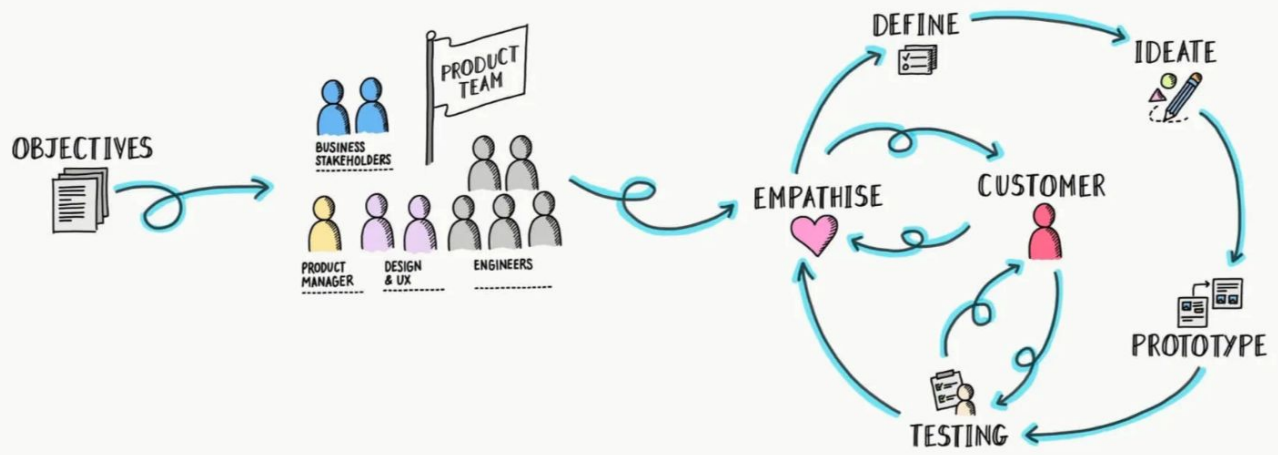
1. Changing *how you build and deploy*
2. Changing *how you solve problems*
3. Changing *how you decide which problems to solve*

These changes are profound and difficult. However, they can start with small steps.

Organization A



Organization B



# Lets Get Real For A Second...

- Organizations are not perfect!
- Change seems so far away....”option B” seems unattainable...
- It is important to understand that change happens in 1 of 2 ways;
  - Rapid, radical shifts in paradigms
  - Slow, step by step incremental movements

**The end state is aspirational! Movement in that direction is key!**

# Radical Shifts...

- If someone is empowered within an organization, they can create a way to function differently, and in doing so, create their own working model.
- This is often called in organizations a “Innovation Team”, and this team is given autonomy to run with new ways of operating
  - Think about how build and deploy is done
  - Consider the problems to be solved
- This new operating mechanic is often contrary to how the organization currently functions.

**An Innovation Team can be a fantastic first step in creating lasting change within an organization! It creates a model that can potentially be duplicated.**

# Step By Step - Incremental Change

- Not everyone in an organization is empowered to make larger scale changes, but they can still make a difference!
- It starts with a few simple things
  - Become more curious about what you are doing for your organization
  - Consider your users of your product, even if you are only involved in a small piece of the puzzle.
  - Think about what you are doing in relation to where the organization wants to go - are they aligned? why/why not?

# Be A Part of a Larger Mission

In 1962, JFK was visiting the NASA space center. During his visit, he noticed a janitor carrying a broom.

He walked over to him and said “Hi, I’m Jack Kennedy. What are you doing?” The janitor responded, “Well Mr. President, I’m helping put a man on the moon.”



# Where To Start

## *Applying Product Thinking*

# Framing As a Hypothesis

Get into the mindset by turning the business problem into a hypothesis

When people are stuck in their industries, they stop doing this. They stop asking the questions. They don't want to be wrong.

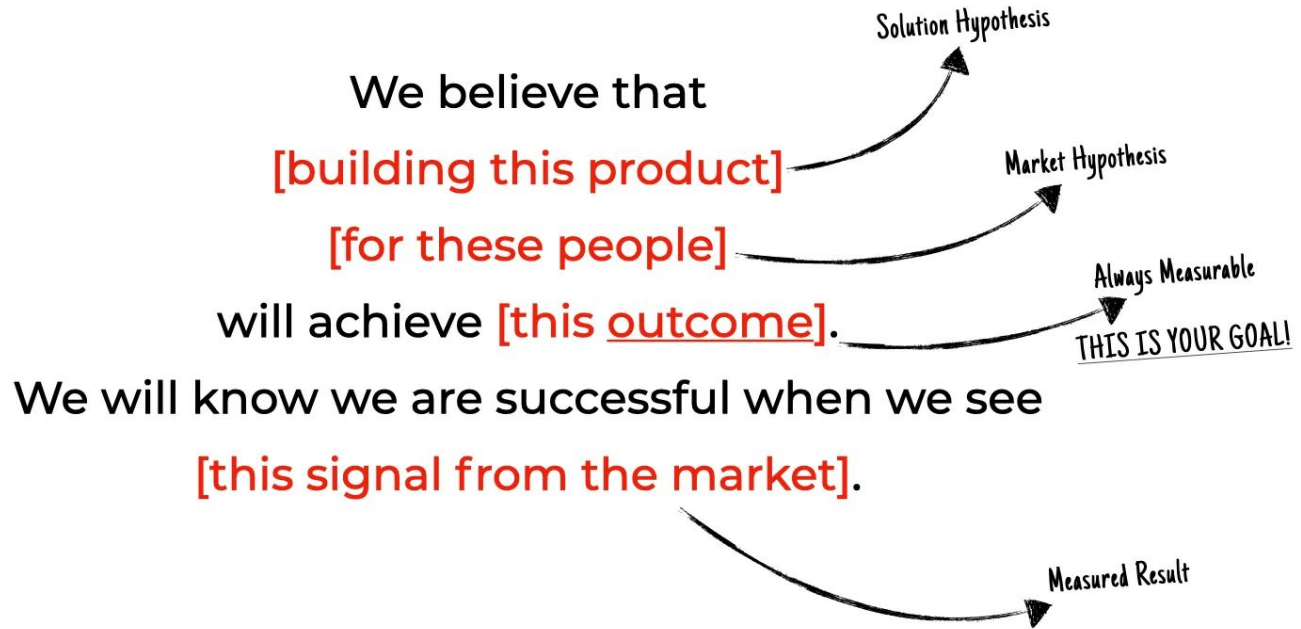
So, shift it away from a question of correct/incorrect and “want”, and move it to the idea of a theory that will then be proven or disproven based on results. Hypothesis have built in accountability and are objective by nature.

A hypothesis is a data driven bet.

**“We need to make our website much faster!”**

**Or**

**“If we increase the page load speed our web sign ups will increase by an estimated 10%”**



Jeff Gothelf's Template for Hypothesis Driven Development

# Common Scenario: A Solution But No Problem?

- You and your team/s are given instructions to build a feature, a “thing”.
- After some investigation you find that this solution has considerable dependencies that could be very costly and time consuming for the business
  - High Run Rates, Cost of Delay of other work, etc.
- AND! - You're unsure of what the problem is to be solved...

**How can this be brought into product thinking?**

# Product Thinking - Strategic

- “What is the hypothesis for this feature? - i.e. if the users have this feature/function, what is believed will happen?
- Stepping back further, what is the problem being solved?
- Do we have any data detailing the scope of the problem?
- **Can we solve this problem in other ways?**
- Will the solution to this problem be valuable to both the user and the business?
- **Are there small, quick things we could do to validate this problem?**
- Is anyone else in the organization also working on this problem?
- How does the impact of this problem being solved relate to the impact of other problems noted by the business?

# Product Thinking - Tactical

- Who do we look to for guidance and rapid feedback in relation to this?
- What should the user be able to do with this once we are finished with our work?
- What job are we solving for the user?
- What is the expectation of timing and resource use for this effort? Who has established that expectation?
- **Do we know what dependencies we may encounter?**
- How is this aligned with our short term goals and direction?
- **What is the priority and what is being put on hold to ensure this gets completed?**
- Do we have the availability and skills needed to complete this?

# Product Thinking - Real Scenario

Company X wants to automate reports that need to be delivered to their end users, Insurance Carriers, on a monthly basis. Currently the process is done by Finance subject matter experts at Company X using Microsoft Excel. The data for the Excel reports is gathered from three different sources including Salesforce, a homegrown custom application used by finance, and a SQL database. The reports are then formatted and delivered based on Insurance Carrier specific preferences. The company wants to apply technology and automation in order to increase operational efficiency.

**How would you apply product thinking to this situation?**

**How do you understand the problem space?**

# Product Thinking - Real Scenario

**Product Team started conversations with the SME's and Marketing/Sales about the end users and their needs through user interviews and building personas...**

Who are the users?

*Procurement and Executives at Insurance companies*

What behaviors do we know about the users?

*Desire efficiency, always looking to reduce costs, rely on data and need it accessible to perform analysis and run their own reports*

What do we know about the industry trends and market landscape?

*Insurance companies are aiming to be more tech forward and demanding more real-time data from their vendors, this is a pain point for Company X and making it difficult to compete due to the manual processes and lack of data automation*

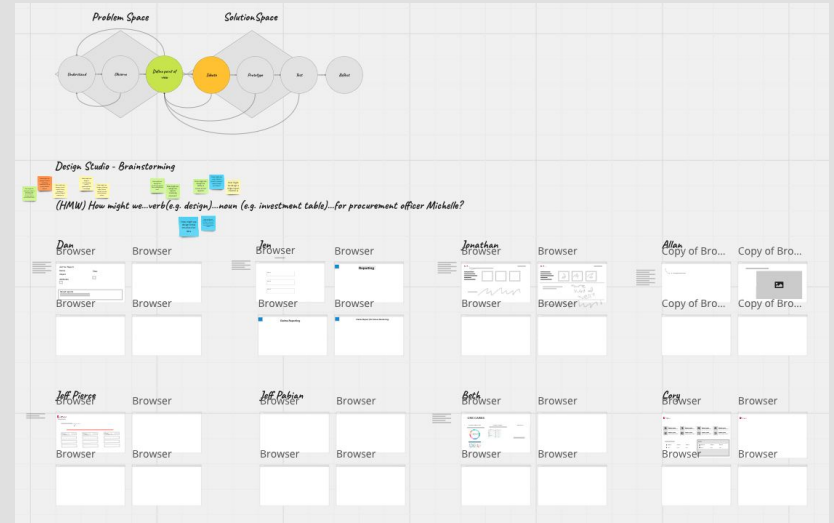


# Product Thinking - Real Scenario

Next, the team facilitated a workshop to create a **product vision, product strategy**, and confirm/ validate how this will support the overall **business strategy**. This was then **documented and shared with the team and stakeholders**. We also **brainstormed how to measure and know we will be successful**.

**Assumptions Workshop** - team and stakeholders gathered together to lay out all the assumptions about the technology, users, business. Using the assumptions, we prioritized into experiments and actions to surface evidence and data.

**Design Studio** - the whole product team (UX, Engineering, Product) gathered together to do a design studio workshop and sketch out ideas and ways to solve the user problems



# Product Thinking - Real Scenario

When solutioning...

Hypothesis: We need to render the data visually within the UI for procurement end users

Upon discussions to deeply understand the workflows, we uncovered that these end users prefer to take the raw data in excel and run it through their own reporting tools like Power BI. The most important objective for the end users is to download the reports at any point in time with the most up to date data.

Think about the investment in time, money, and resources had we continued forward with the idea that data should be visually rendered on the UI. Instead we are able to deliver earlier than anticipated and move on to new work!



# In Closing...

- **Everyone** in an organization shapes the end customer's experience
- Product Thinking is a mindset and habit that needs to be cultivated and reinforced across teams and organizations, collectively
- Change happens slowly - consistency is key
- Asking questions is not the same as saying “no” - being respectfully curious is a good thing
- Small steps towards change, compounded over time, can make profound impact

# Where to Learn More...

- Marty Cagen - **Inspired:** How to Create Tech Products Customers Love
- Roman Pichler - **Strategize:** Product Strategy and Product Roadmap Practices for the Digital Age
- Theresa Torres - **Continuous Discovery Habits:** Discovery Products that Create Customer Value and Business Value
- John Doerr - **Measure What Matters:** How Google, Bono, and the Gates Foundation Rock the World with OKRs
- Melissa Perri - **Escaping the Build Trap:** How Effective Product Management Creates Real Value
- Strategyzer Book Series (5 Books)
- Simon Sinek - **Start With Why:** How Great leaders Inspire Everyone To Take Action
- TIP: Collab Tools - Miro, Mural
- Podcast: “Product Thinking” - Melissa Perri
- Podcast: “This is Product Management”
- Podcast: “How I built this”
- Podcast: “The Product Podcast”

# THANK YOU!

Questions? Feedback?

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