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Rich Mironov

Intro to Agile

Product Innovation
About Rich Mironov

• Veteran product manager/software exec
  o “What do customers want?”
  o Organizing agile/lean product organizations
• 6 startups, including as CEO/founder
• “The Art of Product Management”
Agenda

• Creativity vs. Innovation

• Contexts
  • Internal Innovation
  • Feature-Level Innovation
  • Product/Market Innovation

• Focus on validating problems that need solving, then finding solutions

• Two quick examples (time permitting)

• Takeaways
"Creativity is thinking up new things. Innovation is doing new things."
- Theodore Levitt
“Genius is one percent inspiration and ninety-nine percent perspiration.”
– Thomas Edison
“Innovation is like pornography. I know it when I see it"
- Rich Mironov
Ideation, Process, Outcome

- Innovation is a process with (hoped-for) outcomes
- Different goals, audiences, sizes
- “Innovation Days” are seductive
- Hard work is validation, testing, execution, iteration, delivering actual value
Innovation Buckets

• **Internal/operational innovation**
  - Do what we’re doing faster, safer, cheaper, sooner
  - Metrics: cost, quality, cycle time (cost-driven ROI)

• **Feature-level product innovation**
  - Serve paying customers and prospects better
  - Metrics: top-line revenue, renewals, market share (revenue-driven ROI)

• **Product/market innovation**
  - Address real market need in compelling new way
  - Metrics: massive growth, market redefinition (unicorns)
Show of Hands

Whose current project is supposed to...

• Trim cost, save headcount, lower inventory, reduce waste?
• Boost revenue or margin for an existing product set?
• Deliver a new product line/service?

• Do you have a plan to measure actual financial or end user results?
Internal Innovations

• **Agile transformations: building software better**
  o Process innovation (**how** we do it)
  o Hard to accurately forecast/measure ROI
  o Ship more/better software in order to...

• **Solving operational problems**
  o JTBD: did we really understand/solve right problem?
  o Adoption, change management: put solutions into use
  o Measure, iterate: auditable business results?
Customer-visible innovation happens mostly *around* the scrum cycle

- Strong validation of real customer value
  - Budget approval ≠ good idea
- **Actual users, not just stakeholders**
- **Frequent experiments, adaptations, UX**
- **Deployment/change management**
- **Success metrics (*that we really measure*)**
- **Bottom-line or top-line results**
There’s nothing more wasteful than brilliantly delivering a project that’s not deployed, not used, or solves an unimportant problem.
“Red queen” race to add competitive features
- Boost users, renewals, revenue
- Boost NPS, ease of use

Many features don’t add value
- A problem for *most* users?
- Clutter, cognitive load
- Drifting “Jobs To Be Done”
Prioritizing Based on Use

Des Draynor, Intercom:  
https://blog.intercom.io/prioritising-features-wholl-use-it-how-often/
Applying Agile/Lean Thinking

Does this “innovative” feature...
• Help majority of current/planned users?
• Have measurable success criteria?
• Support product’s mission/JTBD?
• Have we planned user testing, not just code/QA testing?
Product/Market Innovation

• Big ideas, new solutions to *real* problems

• For decades, HP has talked about “eating your own lunch before someone else does”

• *What’s your favorite market innovation story?*

“*We’re building the Uber of...*”
Innovation Horizons

Horizon 1: core business, sustaining innovation

Horizon 2: entrepreneurs building new business

Horizon 3: visionaries, scientists and engineers developing new technologies and concepts

After Mehrdad Baghai/McKinsey and Geoffrey Moore.
Dangers:

• Most disruptive products fail
• Confirmation bias, media selection bias, availability bias...
• Product/engineering is not enough
• Misremembering past winners
Commercial Failure Modes

- Wrong problem, wrong solution or product
- Not differentiated, poorly positioned
- Marketing/Sales failures
- Poor Quality*
- Late Delivery*

*Engineering/program management scope
Quiz

Q: Who invented the gasoline-powered automobile? What year?

A: Karl Benz, 1886, Germany
Henry Ford Quiz

“If I had asked people what they wanted, they would have asked for faster horses.”

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

Invented/popularized

- Assembly line
- 40-hour work week
- Middle-class manufacturing jobs
Q: Who built the first production electric automobile? What year?

A: Thomas Parker, UK, 1884

...General Motors VE1, 1996

...Tesla Roadster, 2008
Q: Who wrote first specs for a tablet computer?
A: Alan Kay, 1968 (Dynabook)
Name the Company, Year, CEO
Generations of Mobile Devices

GRIDPad (1989)
GO (1991)
Apple Newton (1993)
General Magic (1994)
Palm Pilot (1996)
Microsoft Pocket PC (2000)
Frontpath ProGear (2001)
Microsoft Tablet PC (2002)
...

...
Think Back to 2001...

- There were dozens of MP3 music players
- What problem did they fail to solve?
“Jobs” To Be Done

What was iPod’s breakout feature?
Product/Market Innovation

- Must be a real need
- Users/customers may not understand our solution, but they *do* understand their problem
- Timing matters
- Great technology and design matter
- Great marketing and sales matter
- We remember the few successes, forget the thousands of learning opportunities
“Open Innovation,” Chesbrough (Haas)

Vast majority of R&D happens outside

License in what’s useful to you, license out what you’re not using
Innovation Takeaways

• Innovation is a process, not an event
• Ideas come in every kind, every size
  o Vast majority are not new
• Only matters when we match real needs with right solutions and deliver value
• Need a strategy for sourcing, sorting, nurturing, discarding/learning from ideas
• Easy to confuse success with innovation
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