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METRICS THAT MATTER

EVALUATING PRODUCT SUCCESS THROUGH DATA

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3 KEY TAKEAWAYS

WHAT IS THE PURPOSE OF MEASUREMENT?

HOW DO YOU DECIDE WHAT TO MEASURE?

WHY THE RIGHT METRICS LEAD TO BETTER PRODUCTS

PETER DRUCKER

"You can't manage what you don't measure."

WHAT ARE METRICS?

Metrics are quantifiable measures used to track and assess various aspects of a product, process, or organization.

Metrics can be both quantitative (numerical) and qualitative (descriptive)

NOT JUST NUMBERS

WHEN PEOPLE USE OUR PRODUCTS

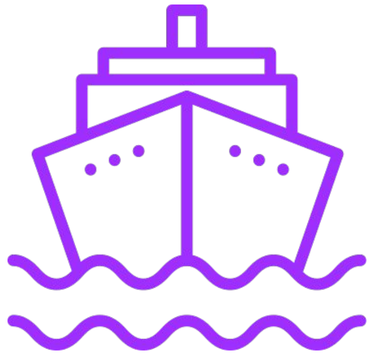
METRICS ARE NOT JUST NUMBERS

THEY ARE THE STORIES OF OUR CUSTOMERS

BUT WHY MEASURE?

METRICS ARE A COMPASS

TO MAKE BETTER DECISIONS



TO SHIP NEW FEATURES AND ENHANCE PRODUCTS

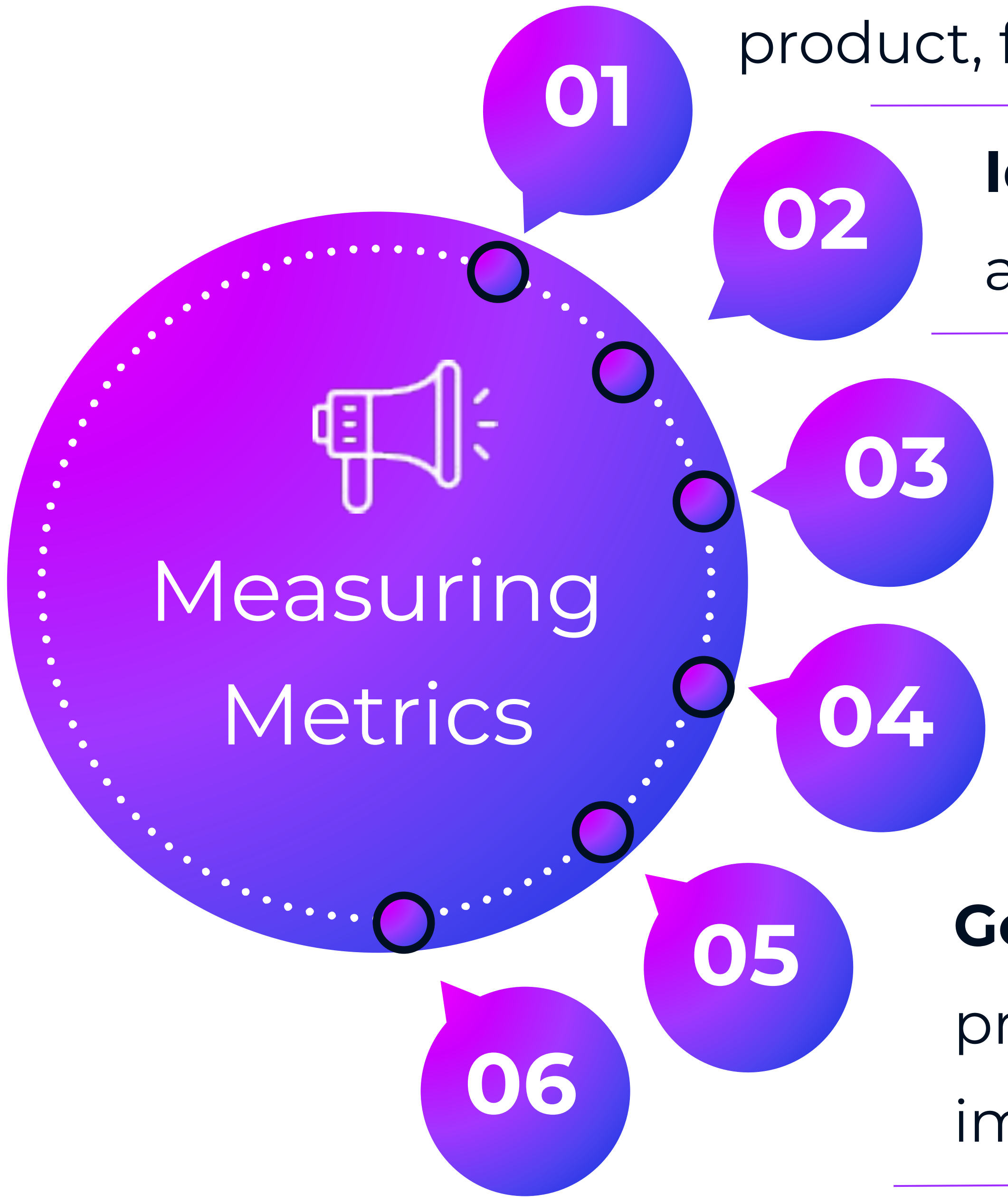
HOW DOES IT HELP?

Metrics serve as a compass, guiding decision-making by providing a clear understanding of where a product or organization stands.

They enable data-driven insights, helping to identify strengths, weaknesses, opportunities, and threats.

Metrics are crucial for setting and measuring progress towards goals, fostering accountability, and driving continuous improvement.

SIX FUNDAMENTAL OUTCOMES



Understanding Performance: Metrics provide a clear picture of how well a product, feature, or process is performing, allowing for informed adjustments.

Identifying Trends: Measurement helps in spotting trends over time, such as user behavior patterns, market trends, and performance fluctuations.

Comparative Analysis: Metrics facilitate comparisons, whether it's comparing different products, strategies, or time periods, aiding in benchmarking.

Problem Detection: Metrics act as an early warning system, flagging potential issues or deviations from expected outcomes.

Goal Setting and Achievement: Metrics quantify progress towards goals, providing a tangible way to track success and identify areas needing improvement.

Data-Driven Decisions: Measurement transforms raw data into actionable insights, supporting evidence-based decision-making.

CHOOSING THE RIGHT METRICS

WHAT TO MEASURE?

Type of Product

- Hardware
- SaaS
- Subscription based
- Platform

Stage of Product

- Early Stage
- Growth Stage
- Maturity and Optimization

Size of Organization

- Start Up
- Mid-Sized
- Large Enterprise

Industry

- Technology/SaaS
- Retail/E-commerce
- Financial/Banking
- Social Media

..AND

Alignment with Business Goals:

Ensure that selected metrics align directly with the overarching business objectives and strategy.

Relevance to Stakeholders:

Consider the perspectives of different stakeholders and select metrics that matter to each.

Actionability:

Metrics should highlight areas for improvement and guide strategic decisions.

Measurability and Availability:

Reliable and accessible data is essential for consistent metric tracking and analysis.

Customer Centricity:

Understanding and meeting customer needs are fundamental to the success of a product.

Time Sensitivity:

Distinguish between short-term and long-term metrics based on the product's development stage and goals.

Ethical Considerations:

Ethical considerations are crucial for maintaining trust and complying with regulations.

Leading vs. Lagging Indicators:

Differentiate between metrics based on the need for proactive vs. retrospective analysis.

LEADING VS LAGGING METRICS

WHAT TO MEASURE?

Predict
THE FUTURE

Leading indicators can be considered like a bit of a crystal ball that help you make decisions and take actions that could potentially help you predict the final outcome.

Though leading indicators may suggest that the conditions are aligned to achieving a certain outcome, it isn't guaranteed.

Leading indicators are harder to define.

Examples: Customer Satisfaction, Drop off rates, Click Through Rates.

Retrospect
THE PAST

Lagging indicators are those that give you information about something that has already happened or is the result of actions and decisions that were made to achieve a certain goal.

These metrics tend to be those that are the eventual goals of your business, ex: Revenue.

They are the undeniable truth of your product's performance and unlike leading indicators you can't do anything to change the immediate outcomes.

Both need to be considered together

COMMON PITFALLS

Leading
INDICATORS

Lagging
INDICATORS

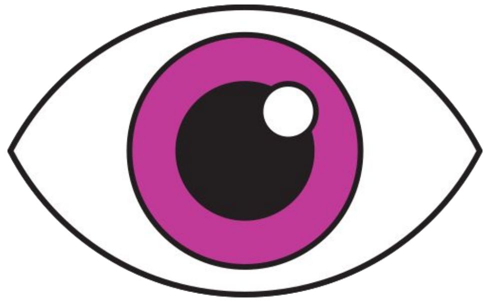
- Too much focus on the lagging indicators results in missing the opportunity of working on activities that will help impact the leading indicators that will eventually more likely influence the final outcomes.
- Lagging indicators encourage a focus on outputs rather than outcomes
- By being hyper focused on the end result and cheating the system could negatively impact the performance and experience of your product

ALBERT EINSTEIN

“Not everything that can be counted counts, and not everything that counts can be counted.”

QUALITATIVE DATA

If quantitative data answers "what" and "how much," qualitative data answers "why."

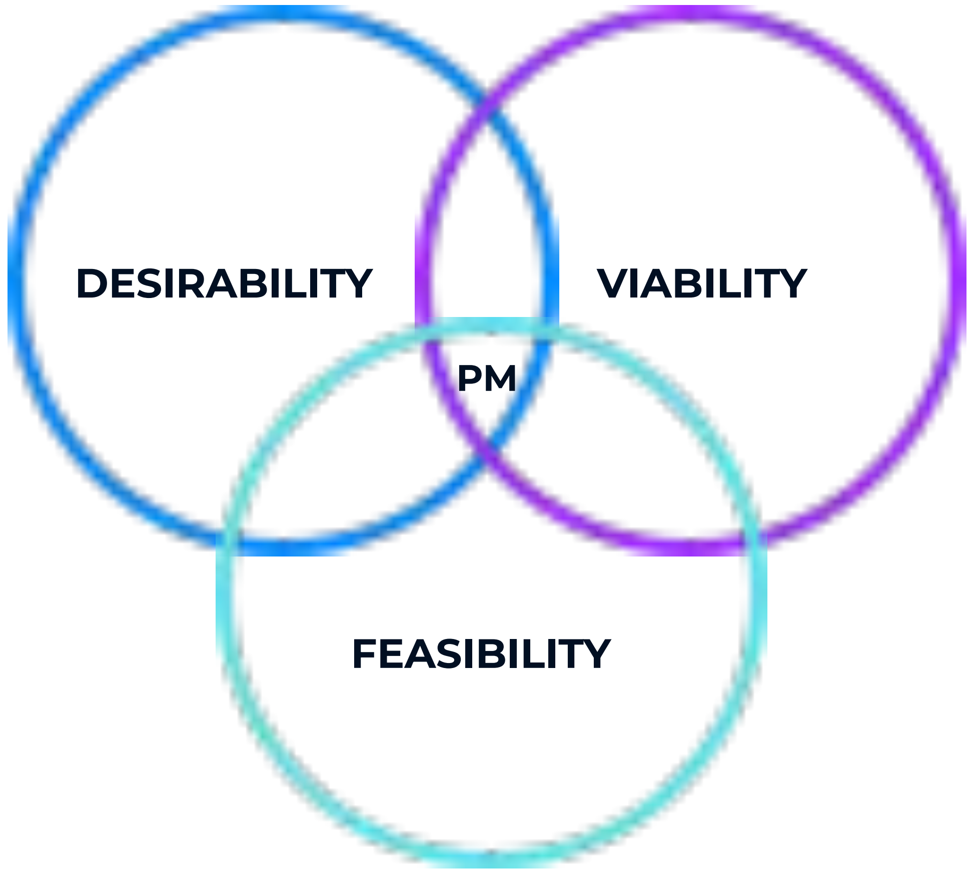


Ask questions and conduct interviews with your target audience in your target market

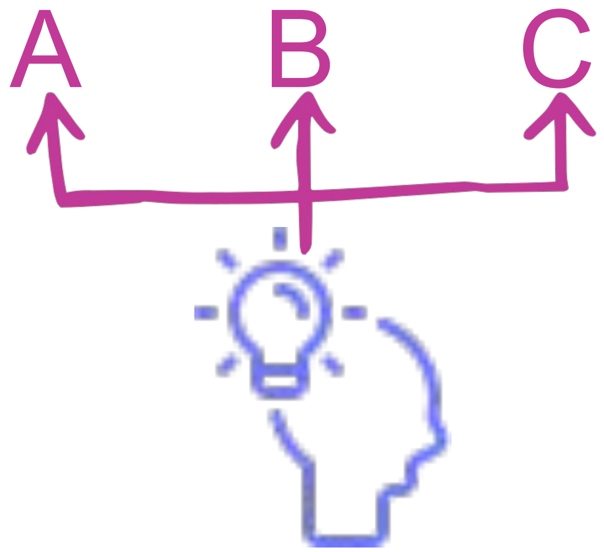
Observe how your target audience solves their problem currently or how they use your product

Share your prototypes with focus groups to understand areas of improvement

BUT WHY?



PRODUCT MANAGEMENT

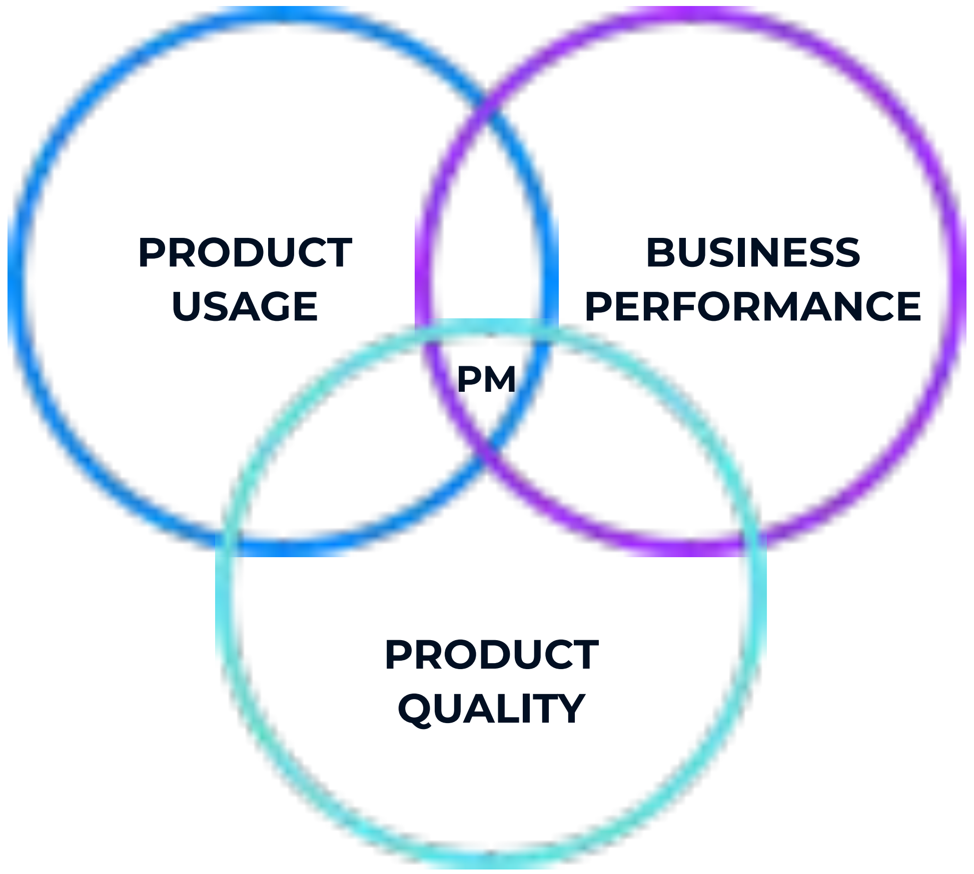


RIGHT PRODUCT

RIGHT MANAGEMENT

RIGHT DECISIONS

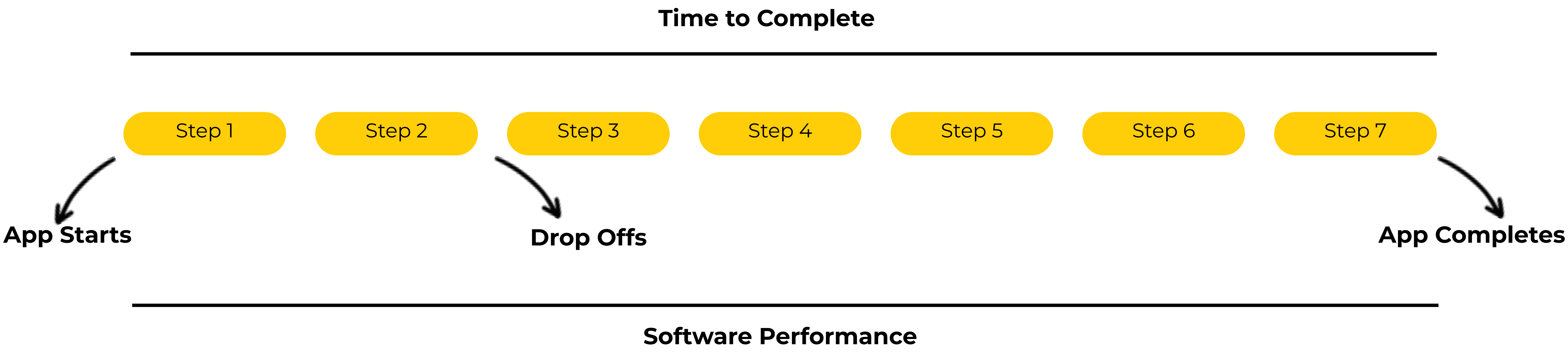
RIGHT METRICS



PRODUCT METRICS

EXAMPLE: SIGN UP FLOW

RIGHT METRICS
LEAD TO BETTER
PRODUCTS



EXAMPLE: TRANSACTION FLOW

RIGHT METRICS
LEAD TO BETTER
PRODUCTS

Total Revenue Generated/Day/Month/Year

Total Value of Transactions/Day/Month/Year

Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | Step 7

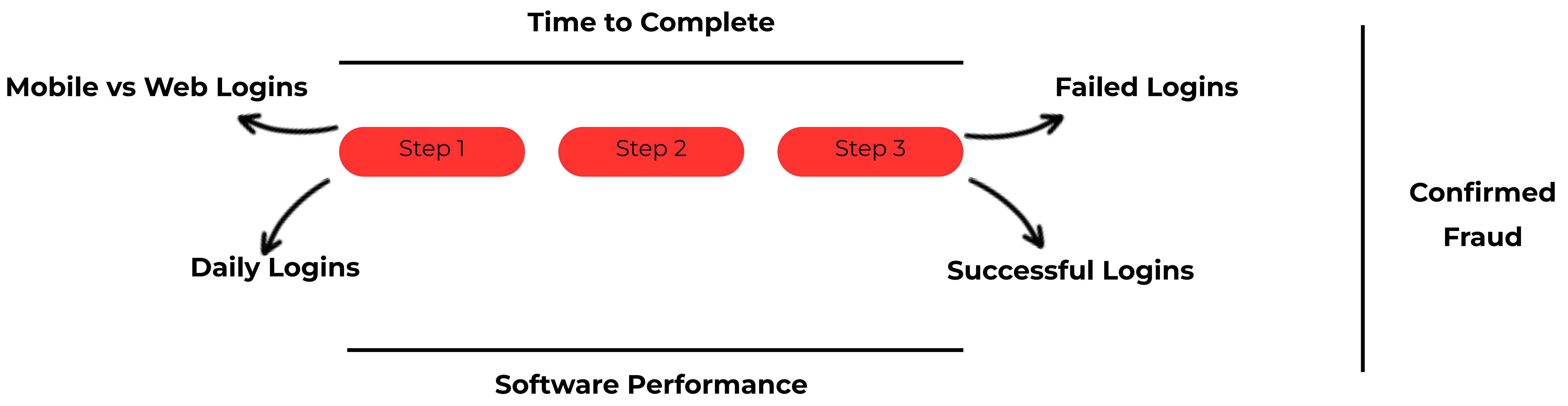
Transaction Starts

Drop Offs

Transaction Success

Total No. Transactions

EXAMPLE: LOGIN FLOW



FINAL TAKEAWAYS

RECAP

1

Metrics are not just numbers but a summary of thousands of customer stories and experiences that serve as a Compass for Product Managers

2

The right Metrics need to be chosen based on the Type of Product, Stage of the Product, Industry and Size of the Organization

3

In order to make the best decisions, a Product Manager needs metrics they can use to make changes that help achieve the desired Goals

Thank you

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