

TEI 064: Help Your Product Team Go Fast

Host: Chad McAllister, PhD

Guest: Tristan Kromer

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Chad: Hey, everyone. This is Chad, your host. When people ask me what I do, I tell them I help product managers become product masters. And then, of course, they say, "Well, how do you do that?" I say, well, I use the product mastery roadmap and, of course, they're interested in finding out what that is about. And if you want to, you can download it for yourself at my blog which you'll find at theeverydayinnovator.com. To download the product mastery roadmap, just look for the Roadmap button.

My guest today is Tristan Kromer. In his bio, he shares that he helps product teams go fast. He does this by coaching teams at lean startup principles -- breaking down big problems into small steps and run an experiment to improve product and business models. He's done this for large enterprises as well as startups and companies in between. In the discussion, you'll learn about prioritizing product features and tools to validate product concepts as well as understanding what customers value. Find all the details of this discussion including the summary and full transcript at theeverydayinnovator.com/064. Now, on to the interview.

Hi, Tristan. Thanks for joining today and talking with the everyday innovators and sharing your experience.

Tristan: I'm pleased to be here, Chad.

Chad: So I'm really curious about this path that we've woven through the bio that I read for you. So these days you're a lean startup coach but a few of your milestones before that I notice was a philosophy undergraduate degree, being a band leader and a music producer, which I thought was very cool, VP marketing, and a startup co-founder. Is there a thread that is through those experiences? I'm just kind of curious, what got you to lean coaching?

Tristan: Well, all of those things are really about creative collaboration, all except philosophy I would say. The music industry is shockingly similar to the tech industry. I mean it's all basically a bunch of people running around claiming to be rock stars trying to become famous, desperately looking for money in the form of either A&R representatives or VC funding in the case of technology companies and of course somebody with phenomenal technical chops, in one case a drummer and in one case an engineer. You have the same exact types of personalities, the same exact product development problems. And fundamentally they're about creating something new in the world that is loved and desired by a customer or a user or a consumer in some way and trying to bridge the gap between your delusions about what the world wants, your reality distortion field, your inward facing reality distortion field, and what people actually want and desire. So it's a question of bridging that gap.

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Chad: Good connections to being the musical artist. I can appreciate that there's over that journey as a music artist and band leader and producer that you recognize that disconnect between what people want and what maybe the performer actually wants.

Tristan: Well, I mean I can't say I really recognize it so much at the time but in retrospect. So having spent so much time as a musician and as a marketer and then producer, it's like you have to learn those skills of marketing. You have to learn to connect with the audience like you recognize that like well wait a minute, no matter how good my music is, nobody's going to show up unless I do a fine job of marketing. So gradually moving in that direction and eventually leveraging those marketing skills to move into IT security and then to product management recognizing that all those things have to be linked in that siloing things to little departments in your mind and saying, no, no, no, I'm just doing product is almost a silly statement. You have to be aware of how the product is going to be marketed. That sets up expectations in regards to the futures and functionality of your product that can really destroy the user experience.

So you have to have a very holistic view about how customers are going to learn about, be attracted to and even dispose of your product at the end of the day. That's the entire customer lifecycle, the entire user experience goes, from the moment they first hear about your product to the moment they chuck it in the trash but this is no longer useful.

Chad: It is definitely an integrated system, that holistic perspective that product managers have to have. It's interesting I had this conversation this morning with the Solopreneur talking about the need to both be excellent at product, provide something of value to the world, and at the same time figure out how to attract people to that, doing the marketing perspective.

Tristan: Yeah. I think a lot of people, especially first time entrepreneurs, make a mistake of just trying to get people to their product no matter how whether that's clickbait or promising things that don't exist and will never exist. That's ultimately self-defeating. Do you know the movie Hudson Hawk?

Chad: I don't think I've seen it. Tell us about it.

Tristan: Most people have not seen it because it was pretty much universally acclaimed as utterly terrible. It was starring Bruce Willis and I believe it came out after Die Hard. I think he was trying to differentiate himself from that role. But it always struck me because the advertising for that film very much portrayed it like Die Hard, like it was another Bruce Willis action blockbuster. I had the kind of I guess fortune to accidentally see the film at two o'clock in the morning in my dorm room or something like that when I was very tired and just wanted something on TV. It was actually a pretty hysterical comedy, one that at least suited the mood for two o'clock in the morning films. I thought it was absolutely brilliant.

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I find that -- well, I'm sure some people will disagree with my assessment of the film and its comedic potential, I think one of the problems there is again that disconnect between the expectations you set up and what you actually deliver. And that film failed utterly because it promised to be Die Hard and what it delivered was slapstick.

Chad: Was not. So stakeholders' expectation is a very critical part of the puzzle. And speaking of expectations, your focus these days is in lean coaching from the lean startup movement. And these lean principles have been getting a lot of attention to the point that large organizations have been getting involved in looking at them, trying to figure out how they can help them too and not just startups. What do you think are the expectations around this? Why are people so interested in what's going on with this lean movement?

Tristan: Well, there's I guess why people are interested and why people should be interested, and those are probably distinct things. People are interested because it's the latest buzzword, because it's the latest business book, because Eric Ries is a magical creature composed of Silicon Valley magic pixie dust like that's what people genuinely seem to think. And if they can just get close enough and grab some of that, that magic pixie dust, their companies will be successful and be reinvigorated. And while Eric is absolutely brilliant and he can do amazing things, it's not magic and that hype cycle that all things go through is pretty much the reason right now because you see a couple of successful companies like Dropbox will be very disruptive, even the ones that are not as well-known like Aardvark. When you see a company like Aardvark, which was founded by two ex-Google engineers and acquired by Google two years later for I think \$60 million, something like this, that's got to be the worst HR mistake in the world.

Chad: How did we let that one go?

Tristan. Yeah. Couldn't we have just given those guys a couple years off than to have them forced to pay \$60 million to reacquire them and then shut that product out? So I think people are looking at what's going on in innovation? From an HR perspective, why do people like it? How do we capture the talent of people that are attracted to that? What are the advantages of their methodology? Why are startups able to compete with giant companies? I mean massive scale right now. And why is it that as a large company, it cost me one year and over a million dollars per project just to launch something and see if it works? And these startups are throwing out projects 48 hours and it costs maybe an initial investment is 40 grand in four or three months of runway. It's very difficult to compete against that. You're paying \$1 million for the same thing that a startup can do in \$40,000. Something is clearly wrong.

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Chad: We could go down the direction of why this happens, which should be interesting, but I want us to focus -- and maybe on the show notes, for listeners, I'll point you to some of the episodes where we've talked about the history of how do you create innovation culture in a large organization?

Tristan: Yeah, that's an interesting one.

Chad: And a big important, one to consider too. Another topic that's come up a lot with the everyday innovators that are listening is this notion of how do we apply these lean principles to validate our concepts before we actually begin that development? So your exact example of in the startup environment, how we're spending a few dollars to test a concept before we begin development as opposed to maybe the traditional large company way of doing us of rushing into development and then basically seeing if the market embraces this product or not. Let's focus on that of how do we go about taking those first steps to validate our product concept? Where do we get started with that before we actually begin making the thing?

Tristan: I'm not sure I like the framing of that question because it --

Chad: Please reframe it in a way that sounds right. Let's talk about what it implies.

Tristan: The job of a startup is to find a repeatable business model. So a startup is any sort of organization that exists in a highly uncertain and risky environment or situation. Because of that, the startup has to essentially identify risks and eliminate them as quickly as possible. Now, particularly in the pure startup sphere, so non-corporate innovation, just three guys in a garage, typically those risks are customer demand. So a lot of the perception of lean startup is focused on the risking customer demand, things like smoke testing where you put up a landing page and see is anybody willing to sign up for this product? Is anybody willing to put their credit card down for this product before we start building it? Like that's a great tool and a great tactic. There are lots of other tactics like Steve Blank is a big evangelist for what he calls customer discovery, sometimes called customer development, just going and speaking to the customers, listening to them more accurately, seeing what are their pains, what are they spending their time with, where do they get angry in their everyday process, what can you solve for them.

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These are all ways to identify and understand your customer segment and then validate that they truly have a demand that they're willing to pay for. But there are a lot of other tools in the lean startup book that are applied to the real product development, A/B testing on different features, fake door tests, Wizard of Oz testing concierge, testing picnic in the graveyard, which is probably my favorite name for a tool. Depending on where are the biggest risk in your product is, you may have to employ different methodologies to understand and eliminate that risk. As you saw often in a large company, if you're building something where you know there is

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a proven demand, you don't have to question. Do people want a cure for malaria? Yes, they want a cure for malaria. Do we have to validate that people with malaria would want that, would be willing to pay something for that? Probably not. You could argue that we might have to test and see whether or not they can afford to pay for it, whether or not the insurance companies will pay for it, whether or not the government will pay for it. But let's assume that we can get somebody to pay for it. Perhaps the biggest risk isn't the demand and perhaps there are certainly some big risk in the technology aspect of how do we produce that cure. But there are also problems with even just the distribution. How do we get a cure for malaria or a vaccine for malaria that perhaps can only exist at a certain temperature, through to very hot swampy country with very limited infrastructure where it's most needed? Like that might be the riskiest thing.

Chad: I would also expect to find issues with actual use of the solution and possible resistance based on different cultures.

Tristan: Yes, absolutely. Ebola outbreak is a good example of that where we knew the solution to reduce the infection rates. To some degrees, it took a certain amount of education to solve that. And that's certainly the case with a lot of problems. I see a lot of financial startups who are trying to create innovative solutions and they're failing on the basic education which could actually be more productive than a fancy new calculator.

Chad: So maybe let's go down the path of a specific example or at least scenario. How about if we talk about a couple and you can pick what you've been working on lately maybe or what you think is most pressing here. One issue is the new product concept that we don't know what the specifics of the value proposition are yet for our customers and we need to do that customer discovery kind of work ideally before we get building. Or maybe it's the larger organization that has a product that's been in the market and now it's time to add value to it and do the next generation product, and we need to figure out what are those right features to add for the next generation. Which one of those is more interesting for us to talk about?

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Tristan: I mean I find the early stage customer discovery to be just more personally compelling. I mean adding features to a product is certainly worth doing. I don't want to knock it.

Chad: Incremental innovation is the bread and butter of companies, right?

Tristan: Yes, sustainable, incremental innovation like making it just a little bit better, like these are all good things. Sometimes you can find some really radical ways to innovate. I always like it when companies actually innovate in things that are very hidden like Zara's innovation and warehousing and operations and what just sticks is actually pretty impressive. I think they made a Harvard case study out of it.

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Chad: Share the example a little bit.

Tristan: I'm not as familiar. There is a Harvard case study which I would definitely direct your readers to but --

Chad: And what's the name of the organization again? Zara?

Tristan: Zara. It's the clothing company. So let's preface this with I am not in the fashion industry. So hopefully, I won't completely bastardize this example. From my understanding of Zara being a non-clothing expert is that they essentially copy and reproduce existing styles that are phenomenal just-in-time. It's lean manufacturing techniques. But that's not the only innovation they brought to the fashion industry. So let's say essentially they're copying existing demand, existing trends, and they're able to get those demands to the market very, very quickly. From what I understand, they actually keep their warehouses almost half empty for the basic reason that they've determined that they can reduce the throughput of the warehouse by keeping it half empty because essentially they no longer have to reach and search for the top shelf. They don't have to struggle to find things so that means it's faster and quicker to get at them, get the materials to the right spot and get them out the door to the customer. Their stores are mostly retail space. They don't have that much warehousing space anymore so they can afford to have more of their shop to be open as retail space and be productive instead of just sucking up spaces as an inventory or a storage room.

These are small hidden innovations that are absolutely phenomenal. Not making massive production runs means that as a consumer, if you go into the store from one week to the next, you're going to find that that piece of clothing that you thought was interesting last week is gone. And now if you're interested in keeping up in Zara's fashion, you need to go visit that store every week because the cool new thing might be gone. They have essentially made their core competence the sustainable incremental innovation but in a really fast just-in-time delivery which is essentially created artificial supply constraints.

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Chad: And you've trained your customer to come back and purchase more often.

Tristan: Exactly. Like Air Jordan was the same thing, right? They print limited -- is it Air Jordan? Yeah. What is the collectible sneakers?

Chad: The Converse, the Chucks are still --

Tristan: I don't think it's the Converse. There is a market for Air Jordan.

Chad: Yeah, that might be Nike. I don't know. I would have to look it up to see who did it.

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Tristan: Nike, yes. Nike apparently constrains the supply of what they produce. There is a ridiculously large secondary market for trading and buying and selling sneakers.

Chad: The whole fashion world is just amazing. I know Crocs when they were big in the shoe business and everyone was running Crocs many years ago. They turned the supply chain upside down and that was their key to success was been able to do small runs rapidly and getting them out stores in a couple weeks, which was unheard of in the shoe market. So if we look at a company whether we're designing a new shoe or a new piece of software or whatever that concept might be, let's spend some time talking about customer interviews because I want to help our listeners out with this issue of how do we validate these ideas to move forward? So you said the startup setting is more interesting, having that new concept and figuring out if that's any good or not. Where do we go? What do we do first?

Tristan: So in the realm of customer discovery, so let me differentiate between generative research, which is kind of a UX term evaluative experiment. So if you have a clear hypothesis about who your customer is and what they want, you can run an experiment on that that will give you a relatively clear yes or no answer. My target segment is skateboarders who are 20 years old and had broken arm within the past three weeks. My hypothesis is that if I show them this landing page, then they will sign off. So if this, then that. That's a clear hypothesis. I can get a yes or no answer. I will show that landing page to one hundred students. My fail condition will be if it's less than 30%. So my value proposition in this case is a magical cast that will heal their broken arm. If less than 20% sign up, clearly this product is a bad idea or it's unbelievable.

Chad: So you've set up a clear test situation.

Tristan: Clear test situation. That's an evaluative experiment. Now, most people do not have a clear hypothesis and that is the big mistake they make. So their hypothesis is something like, if consumers see my product and the value proposition of something like makes you more awesome, then they'll sign up. Those two components like the customer segment of everyone and the value proposition, which isn't too vague to be believed, are unclear like the hypothesis is no longer testable. There's no clear success condition. There's no clear failure condition. Entrepreneurs will dilute themselves into thinking like well I was going for a target conversion rate of 20% but I got a 19. Let's go on.

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I only got on 15 while some people like that, right? A lot of people liked it 10%. Let's go on. They'll go down to like 1% conversion rate and they'll be like, "Hmm, well least somebody liked it. Let's keep building a little bit more," like clearly those people will be our evangelists. And they haven't designed a clear experiment. They don't have a clear hypothesis. When you're in that situation, the thing to do is not run an evaluative experiment but to do generative

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research; that is, trying to research that generates ideas, come up with many ideas and a specific idea about what your hypothesis might be, in this case who is your customer segment and what is your value proposition. That type of customer research, there's a few different methods. There are customer discovery interviews. There's ethnography, sometimes known as anthropology. There are surveys, there are focus groups, and there is data mining. Two of those I hate. Surveys and focus groups are generally unreliable and should only be done by people who really know what they're doing.

Customer discovery interviews are kind of the cheapest, easiest that get you nice qualitative data, but they are a little bit difficult. We have a tendency to again have that inward facing reality distortion field where we can have an interview or a chat with a customer, leave thinking that that customer absolutely loves our product, will ask questions like, "Oh, wouldn't you like to try my cool new dating app?" "No, not really I have a girlfriend." "Oh, but if you didn't have a girlfriend, would you like to try my cool new dating app?" "Well, maybe but I don't really like dating apps." "Well, if you like dating apps, wouldn't you like to try my new dating app or don't you have a friend that might like to try to my new dating app?" "Oh, I suppose somebody might like to try it." "Well, great! Awesome!" Clearly, I've confirmed my hypothesis. That's just a bad technique and self-delusion so confirmation bias.

For anybody who finds himself in that state, I would recommend two easy fixes for you. Number one, there's a very good book written by an engineer called The Mom Test by Rob Fitzpatrick.

Chad: The Mom Test. Love the title.

Tristan: The Mom Test. It's fantastic. It's basically like don't ask questions that force people to be like your mom like, "Hey, mom, isn't my idea awesome? Isn't this new haircut awesome?" And like, "Of course, honey, it's wonderful." So it's by Rob Fitzpatrick and it absolutely is the easiest read and the most pragmatic advices to how to conduct those customer discovery interviews with non-leading questions, how to frame them, how to find those customers. The second thing is even easier. Go get a friend.

Chad: And what do we do with this friend?

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Tristan: Take that friend and just asked them to take notes for you, preferably somebody who is a little bit more objective, a little bit more skeptical about their idea. The purpose of that note taker is not just to take notes about what the customer says. The purpose of the note taker is also to listen to what questions you're asking. Are you asking leading questions? To give you feedback on your interview technique, to kick you in the shins when you ask a leading question, to be that second set of eyes that tells you that you're actually just deluding yourself. Find an

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entrepreneur, find another entrepreneur. They can take notes for you. You can take notes for them. That is the cleanest and easiest way to get some feedback on your interview technique and get better at it quickly is to pair.

Chad: Another benefit of that that I've seen having that note taker for you is sometimes there's other communication going on that you might not pick up, that you're just in the interview, right?

Tristan: Absolutely.

Chad: It's the sigh or the glance away. And picking up on that can be really helpful.

Tristan: Absolutely.

Chad: And I don't know in those cases, at least if it was a friend that I was working with for a while in this. I would encourage them to jump in and say something about those if I missed it. "Oh, what was that sigh about?"

Tristan: Absolutely. They can also take notes. Use little emoticons on the page to note when people are excited. So one of the things that I think is really valuable to note is when the interviewer asks a really good question that provokes an emotional response of some fashion. As you said, a sigh, a frown, a surprise look. Write down that question. That's an important question. You just ask one that really provoked a response like, "Oh, how often do you find yourself doing legal paperwork in the office?" "Oh, God! I have that problem all the time." Now write down that question. That might be good verbiage to use as Google search terms. It might be good verbiage to put on your landing page. Anything that provokes an emotional response is generally very, very valuable information and stuff that you're never going to get from a quantitative understanding of what people clicked on the landing page.

Chad: Really good useful solutions there. I don't know the books. I want to go check out The Mom Test because a lot of people ask those specific questions. How do I find the right customers to go ask in the first place, the customer segment I'm trying to target? What do I ask them? That sounds like a great resource. And just to underline this issue of leading questions. We don't want to lead our people that our potential customers we're trying to evaluate our hypothesis with down some yellow brick road, but get honest real feedback, right? And I've heard some people talk about really simple questions like tell me more about that or what do you mean by that? How do you feel about these kind of open and digging deeper questions?

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Tristan: Sure. Look, essentially you're trying to not talk a lot. That's the goal. The goal is to listen. So people say go talk to your customer but really you're supposed to go listen to your customers. And so those are prompting questions where you're just trying to get the person to

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say more and show that you're listening to them. Silence is also very effective. So sometimes if you just shut up, the other person will automatically attempt to fill that silence. So you can just be silent for a minute. Look at them. Show that you're listening and they will go off. They will tell you more. Sometimes you get a really recalcitrant person who does need a little bit more prompting like tell me more or yes, please show me how did you feel about that.

I would also just remember that customer interviews, you are a human being and there is no one right question. There is no one right way to ask these things or no one right way to conduct these interviews, and you will have to tailor those questions to yourself like Kate Rutter and Janice Fraser who I worked with for a while. One of the questions they always recommend is if you could wave a magic wand, how would you solve your problems or what would your world look like? I always felt extremely silly saying that. It just doesn't work for me that way.

Chad: It didn't fit you.

Tristan: The phrase was tell me a story about that. I often feel silly doing that. So I just can't pull off that question very well. So I'll ask something instead like if I'm exploring a marketing application, let's say, and I'm talking to a marketing person, I'll say, "Well, look, if you had Seth Godin in front of you, a famous marketing person, what question would you ask him?" So Seth Godin in this case replaces the magic wand. If you had Eric Ries in front of you, what would you ask him?

Chad: Right. It provides a specific context for people to think about.

Tristan: Exactly. So I find that very useful. So again, just having that second person there to help give you feedback and do a little mini retrospective on each interview is the only way that you're going to get better very quickly with these interviews. If you go out and do interviews and you've never done them before, the first few will suck. I've done hundreds and hundreds of customer interviews. If I did five today, I guarantee the first two would suck. That's okay. Just keep doing them. As long as you're getting feedback from somebody else, they will get better.

Chad: And I think that's really good, encouragement too because a lot of people are a bit intimidated by doing these customer interviews especially if we're developers coming to this and we want to find out more about our customer problem.

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Tristan: Oh, absolutely.

Chad: And knowing that, the first few suck. That's part of the learning process.

Tristan: The first few suck. They're painful. I think the worst thing we're seeing is that a lot of us are introverts and don't want to go up to people and talk to them or that's painful to find that

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right icebreaker but it's a skill. It's a skill like basketball. You just need to go out and play a few times to even start to understand how to dribble the ball. That's just the way it is. But it is a skill that you can develop. I'm very introverted. I much rather be at home watching the X-Files, watching the new X-Files I guess.

Chad: I'm very excited about this too.

Tristan: Free plug for Fox I guess. I've learned to be a public speaker. I have learned to get on stage and play my instrument in front of other people. That's just a skill and you can learn it like any other right.

Chad: Right. Absolutely. It's just a matter of practice and gaining experience. I want to underline that magic wand question, that those kinds of questions always make me a little bit uncomfortable too because I've seen them used badly and probably more than used effectively. Well, you're basically asking the person to tell me what are your requirements? How would you solve this problem? And that's never a good place to start. We want to understand what's the task people are trying to solve, what's the context, and bring our abilities to it to try to figure out what the best solution is.

Tristan: Yeah. That's the difference between saying like, "Well, if you had a magic wand, what features would this product have?" and saying, "Well, if you had a magic wand, what would the world look like? How would your life change?" So asking about features is generally a bad idea. Asking if people want a feature, if they would pay for a feature, asking anything about the future state of the world or some hypothetical scenario is almost always going to force the person to lie to you. Wouldn't you like eggs for breakfast six months from now? I don't know. Yeah, sure, I guess so. It's much better to ask about the past.

Chad: Yeah, absolutely. And it's not that people are directly lying to us but anytime we're asked a question, we're pretty good at coming up with some response on that.

Tristan: Not solution. I like to ask. So I think it's okay if you're really good at customer discovery to ask, if you're just trying to brainstorm per product ideas and product features, it's okay to ask about things like that but it's not okay to assume that that's actually correct and just build what people are telling you. It's like the old fake Henry Ford quote, if I ask people what to build, they'd ask for a faster horse, which, first of all, Henry Ford never actually said that. Second of all, if they say, I want a faster horse, then your next logical question should be why do you want a faster horse? Do you want a faster horse to get to town? Do you want a faster horse to win in races? Do you want a faster horse because it takes you three days to get to town and your vegetables and produce have gotten rotten by the time you get there? These are the things we should be asking about the use case about their true goals and desires and needs because the solution might be a car or it might really be a faster horse.

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Chad: Absolutely. And all those questions are really getting into trying to uncover the real heart of the problem so we have a proper frame of the problem. And I want to remind everyone listening that all those great tips, these are all in the context of starting with a clear hypothesis. Are we doing a customer interview here with the hypothesis in mind or are we doing generative research?

Tristan: I like to think of it as generative research. If you have a clear hypothesis in mind, then you should just be testing it, preferably with yes, some qualitative data but with some quantitative data. The customer discovery part is really to generate and solidify that idea to the point that you can do a very focused test and say like, yes, people are putting their credit card into the machine to pay for this device that I've created. The generative research is supposed to get you to that point. Steve Blank breaks those up into customer discovery and customer validation. These are two different phases. Janice always says go wide and then decide. So generate a huge number of ideas and then you narrow those down and then you narrow them down to one and then you test that one idea to make sure you're right. And if it fails, you go back and you generate more ideas. I do not like to interview with absolutely rigid hypothesis because you're going to invariably lead the interviewee into that little tiny box that you want to talk about, and you're eliminating the possibility that you might actually discover new or unexpected information.

Chad: So when it does come time for running the experiments to actually test the hypothesis, what are good ways of getting that done?

Tristan: I think a lot has been said about that. I think the general method is a smoke test of some variety. A smoke test is any sort of test where you're presenting a value proposition to somebody and you're asking for payment in some form, whether that's money directly which is obviously a very strong validation, it could also be time if a customer is willing to spend a lot of time registering or logging in or configuring your application even if the application doesn't work, that's generally a good sign. Time equals money. Data is the third one. So some people will ask again please give me your email address or connect via LinkedIn. So those things are valuable in a different way. Now, they're going to be less valuable. People will give away their email address for almost no money. You can offer people a candy bar and they'll give you their email address.

Chad: And not necessarily their actual email address but the one they use for candy bars.

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Tristan: Surprisingly, they will give you their real email address actually. We ran this test in Japan.

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Guest: Tristan Kromer

Chad: Oh, really?

Tristan: Yeah. I had a team which was running a smoke test which was presenting a value proposition by a flyer to consumers and asking for the commitment of signing up. They were getting a zero conversion rate or very, very low. And so they were suspicious that the test itself was a bad idea or not working. And so I challenged them to go out and simply pay people for their email address because they were convinced that it was simply not acceptable in Japanese culture to give away your email address. And so they gave away 50 cents candy bars to see if anybody would actually do this. Within the first two people immediately gave them the candy bars and they'd only bought two candy bars so they were convinced that they were correct and they were --

Chad: A test of two.

Tristan: Yeah.

Chad: And was this just on the street?

Tristan: That was just on the street.

Chad: Very good.

Tristan: Anyway, a slight tangent.

Chad: That's a good example of a scrappy test though.

Tristan: It is a nice scrappy test. So the idea is you present the value proposition, you get some type of payment and that can be in the form of a landing page, it can be face to face, it can be as a sales call, it can be as an event. Sometimes people do like an event smoke test where it's like come get together and discuss this problem. That's again a time commitment in exchange for the value proposition of we're going to provide some community and solution. We're going to discuss the solution to your problem. Anything like that is absolutely fine.

Now, I think though the one test that I don't see people doing a lot which always concerns me is a comprehension test. So a comprehension test is let's imagine you put up your landing page and your landing page, the example I always like is I have shoes that cure a plantar fasciitis. I don't even know if I'm pronouncing that correctly. So if you get to this landing page and their shoes that cure plantar fasciitis, would you buy those?

Chad: If I had that problem, I would pride be more inclined to. My father-in-law has that problem so he might be more inclined to.

Tristan: Oh, there you go. So you actually might know what this is. Most people, so he throw up this landing page in a realistic scenario and drove a hundred people to it, your conversion rate

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would be almost zero or probably zero. And when your conversion rate is zero for landing page, there are three likely explanations for that. So the number one most likely explanation for conversion rate of zero is always that your analytics is broken. So check that. Everybody makes that mistake. Everybody screws up at some point and the conversion rates there are like no, no, no, it doesn't mean your value proposition is right. Check analytics. The second thing is that people don't want your product. But the third most likely reason is that people don't understand what you're offering them.

[0:39:00]

Chad: I was thinking about a fourth one, I wonder if you put it in somewhere else, is you have the wrong audience targeted. So in that example, well I would pass by that page quickly because I don't have that problem right now.

Tristan: Yes. I would definitely agree with you on that. I lump that into number two also because your people are basically poorly defined. If you have a well-defined customer segment and you send those people to that page, then you should get an answer whether those people want that product. But if it's the wrong target audience, that's fine. Your hypothesis is incorrect. Go back and get more ideas. So comprehension test is a quick way of making sure that people can understand your value proposition in a coherent way because a lot of people will explain their solutions with technical jargon that may not be understood by the person who actually desires the product.

So in this case, if I got onto the street and asked people a simple test, hey, do me a favor. Can you please explain the sentence that I'm going to read to you back to me in your own words? And I'll say shoes to cure plantar fasciitis and they'll give me a quizzical look. But eventually, I might get to that one person, one out of 20, that goes, "Oh, do you mean that foot pain that you have early in the morning from running? Oh, okay, that's interesting." I fail the comprehension test. You want to have at least 80% of the people should be able to recite that value proposition back to you in a coherent way. But even if you fail it, take that qualitative response with the one person who gets it and try his phrase.

Chad: Right. Absolutely.

Tristan: If you get a few different responses, try the vocabulary that they're using. That's again incredibly useful information because those might be the words that people are inserting into the Google search box. It might be something they'll respond to on a landing page.

Chad: When it comes to the comprehension test, one element in there is the domain experience and this issue comes up a lot where companies like to have product managers that have domain knowledge of where they're working. And there are times where that's appropriate and there's times where those assumptions can lead you astray. And what I liked as

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you described this comprehension test is it could help you get out of that box of what you already know so well you think and maybe not make some of the assumptions and learn how people are thinking about the problem differently than you might be thinking about it.

Tristan: Yeah, I think that's very valuable. Think having a good cross-functional team not only in terms of skill sets but in terms of domain experiences extremely useful to have a different viewpoint. Every team is well deserved to have a loyal opposition, somebody who is a little bit skeptical but ultimately is in the team with you and wants to succeed but is willing to play devil's advocate, is willing to have a contrarian viewpoint. It's useful to have a biochemist working on a robot to just get a different set of eyes on it.

Chad: Absolutely. And be naïve even about that domain and bring a fresh perspective.

[0:42:07]

Tristan: Ask a different question.

Chad: There are so many great examples of the pizza delivery guy, helping to solve a problem just by asking a question out of the blue.

Tristan: Exactly. That's why one of the things I try to spend time on is I volunteer for an organization called Lean Startup Circle which is a peer-to-peer community. We run it on a conference format like BarCamp or Leancamp here in San Francisco. What we found it very much is that instead of having speakers and knowledgeable people come and tout their wisdom to us, we find that most often no one person knows the answer. It's often very helpful just to get people in a room together and ask questions like well, we had a wonderful conversation about unit economics last night. We had some guy from operations giving his opinion. He didn't have all the answers and nobody in the room had all the answers but together we had a wonderful conversation that challenged each other by asking sometimes stupid questions.

As an entrepreneur or as an intrapreneur, it behooves you to get a second perspective to borrow somebody and just ask them like, hey, I'm going to explain my business model to you. What I would like you to do is just ask me questions and challenge me. The entrepreneur's job in that case is not to defend their business model but just to note down what are those questions? Have I considered that? Have I properly defined my customer? Does it seem reasonable that they'll pay monthly as opposed to yearly, as opposed to on demand? These are questions which I should perhaps be addressing or I should perhaps run a test or these are kind of learning goals. These are potential risks in my business model that I might need to address with an experiment or a research.

Chad: Really get advice. And the heart of that for me is just staying curious and staying open and keep listening.

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Tristan: Absolutely.

Chad: Very good. And as listeners know, as we get towards the end of interview time, I always like to ask for an innovation quote. There's many that I find encouraging and insightful and I want to see what you brought today for us.

Tristan: So my favorite quote is "Actions express priorities." It's not really specifically about innovation. It just happens to apply to innovation quite a lot. It's by Gandhi. I just find it very, very simple and true. We as humans tend to get very easily distracted. You may have a plan and you might think you're even executing that plan. But if you look back at the week and look at what you're allocating your time to, you may find you're allocating your time to email. You may find you're allocating your time to bug fixes. You may find you're allocating your time to working on product requirements.

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If you look back and you see that I claim to be doing lean startup, I claim to be doing customer discovery interviews and I spend a grand total of two hours on that in the whole week. Well, now you know where your priorities are.

Chad: You know where they're not for sure.

Tristan: You know where they're not, right? I worked with one company, a fairly large company. It was about I think one hundred people so actually not that big, but their stated priority was growth. It was their stated priority. And out of those one hundred people, they had a growth hacking team of two people. That was all the company resources that was allocated to growth. Everybody else was doing bug fixing, fixing continuous product development and other stuff. Look, that happens. But when we notice that, if we focus on the idea that our actions are actually what dictate our priorities, a lot of dysfunction can be revealed very quickly.

I'm actually a big fan of Nick Noreña who works with me. He logs his activities in Google calendar along with what he actually did so that you can compare it to what his planned activities were just so he can look back and do a little again retrospective on his week. I found that a very valuable exercise.

Chad: Yeah. And personally I think those journaling exercises to -- like I've been trying to embrace the five-minute journaling. I can't say I'm using this regularly but each morning starting just a few minutes in the morning with what I want to get done that day, what makes a good day, some things I'm thankful for and the like. And then at the end of the day, do that self-reflection too about did I actually spend my time where I wanted to or --

Tristan: Did I do it? Yeah.

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Chad: Yes. Where we put our time is what's important to us.

Tristan: Yeah, exactly.

Chad: Well, Tristan, I really appreciate your time. Thanks so much for sharing some of your experiences with us as a lean coach. How can people find out more about the work that you're doing and follow up with you?

Tristan: Thanks for asking. The easiest way to get in contact with me is just through my blog at grasshopperherder.com. That's where I post my latest thoughts and ideas about innovation ecosystems, product management, and so forth. And from there if you're an early stage entrepreneur and you need a hand, I do have open office hours that I again volunteer my time for it as part of the Lean Startup Circle. You're more than welcome to use them. You can find links to that and my more professional services as a lean coach at grasshopperherder.com.

Chad: Wonderful. Grasshopperherder.com. It might help people remember that URL if you just briefly talk about how it got its name.

[0:47:49]

Tristan: So actually I lived in a ground floor apartment in Tennessee which was kind of half submerged so half of it was below ground. I have no idea why this was but every morning the grasshoppers that used to live outside for some reason like to crawl underneath my front door maybe because it was warm or something like that. So every morning I would have to go into my living room and get a piece of paper and try to shove these grasshoppers out my door in a vain attempt to not be the slaughterer of grasshoppers every day.

Chad: Yep and be overrun by them each day.

Tristan: So every day I herded grasshoppers out my door.

Chad: That's a good story and a good name so I like it. Grasshopperherder.com. Tristan, thank you again for your time.

Tristan: Thank you very much, Chad.

Chad: Thanks so much for listening. If you haven't told someone else about this podcast for a while, please do so. Together we are helping to improve the profession of product management and innovation. And of course, you'll find all the notes from the discussion with Tristan including the links to valuable resources at theeverydayinnovator.com/064. Please check it out. Keep innovating.