

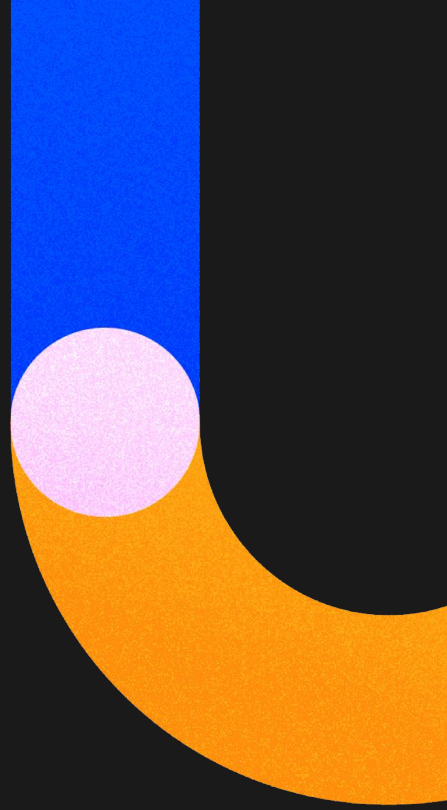
Outcomes over output

How to focus on changing customer behavior, instead of pushing features and reach business goals.



Hike One

Working towards outcomes

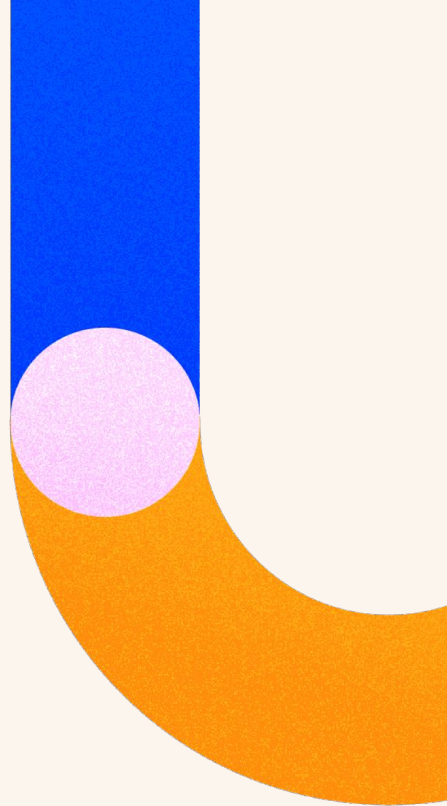


What's a product outcome?

A product outcome is the change in human behavior (customer, user, employee, staff) that drive business results. Outcomes are achieved when the *right* features are delivered. * An example of a business outcome could be to get more revenue, or a higher retention rate. An example of a product outcome could be a lower bounce rate, or shorter time to complete tasks.

When defining outcomes, it is important to keep in mind the difference between business and product outcomes. They are both valuable, but are measured and influenced differently.

*J. Seiden, *outcomes over output* (2019)



Product outcome ≠ Business outcome

As mentioned, both business and product outcomes are important to measure the success of a business. However, it is good to understand the difference, so you as a product team can set the right metrics.

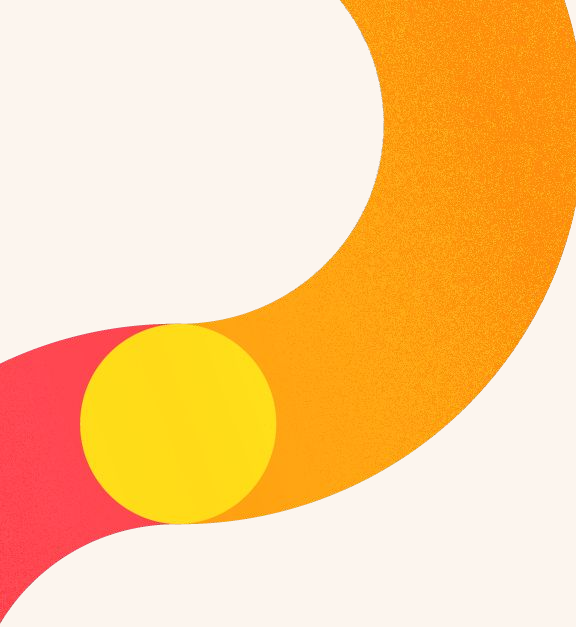
1. Business outcomes are lagging indicators
2. Product outcomes measure human behavior
3. Product outcomes are within the influence of the team

Example business outcomes:

Grow revenue
Grow profit
Grow margin
Grow market share
Reduce operational costs

Example product outcomes:

items in basket
Time to complete tasks
Sharing of content
Lower bounce rate



Product outcomes are the result of a clear product vision and strategy that is aligned with the company vision and strategy.

If you want to be successful in working towards outcomes and achieve business goals, ensure there is a clear product vision and strategy the company is working towards.



Common pitfalls

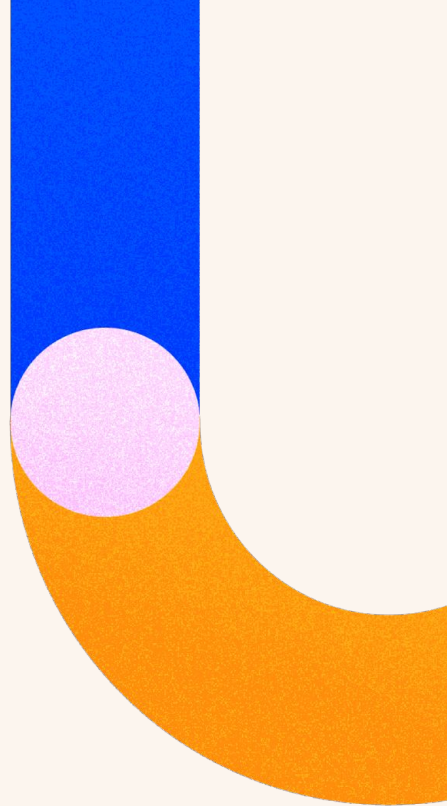
It often happens that we simply assume the solution we're building will lead to specific outcomes. However, this isn't always the case and can lead to an entire feature factory instead of delivering actual value to the end-user.

A simple check: *Is your team able to tell you which problems they are solving with the feature they're building?*

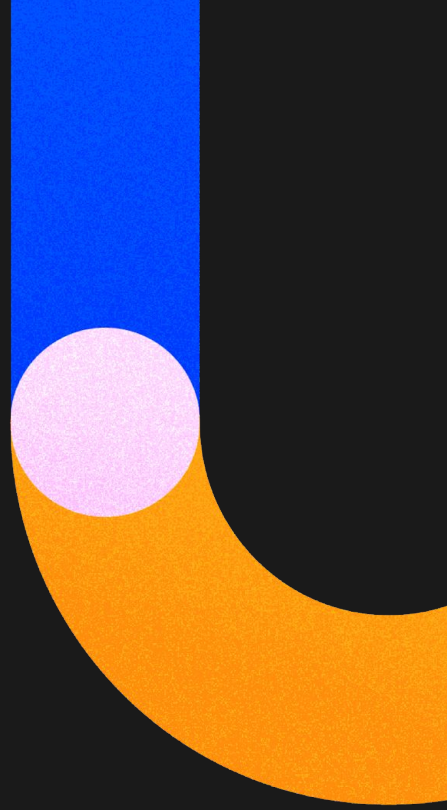
As Teresa Torres says; success should be measured in impact- the impact we had on our customers' lives and on the sustainability and growth of our business.*

In order to achieve this success, product teams should be aware of the product vision and company strategy. However, it is a common pitfall that teams are completely unaware of this foundational information, due to how product teams and business stakeholders view each other.

*T. Torres, *Continuous Discovery Habits* (2021)



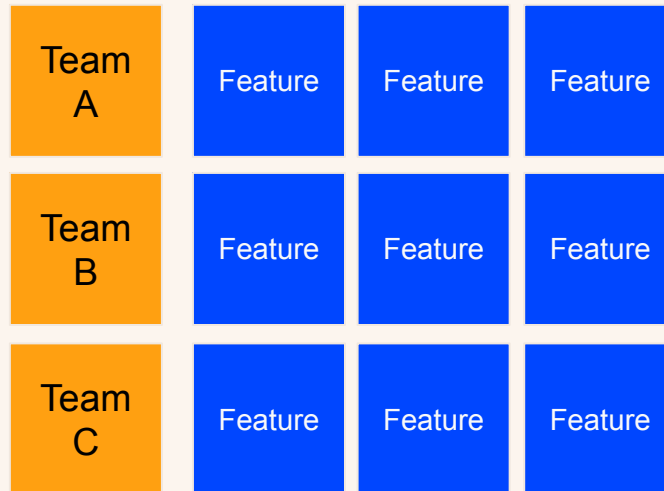
Managing by outputs vs. outcomes



Managing by outputs

When product teams are managed by outputs, they work on a fixed list of features that should drive business outcomes. However, design teams often have little knowledge about these goals and are solely the executing party. They lack the autonomy to make decisions on finding the right output (solution).

“Make the favorites list a main navigation item”



*T. Torres, [Product talk](#) (2019)

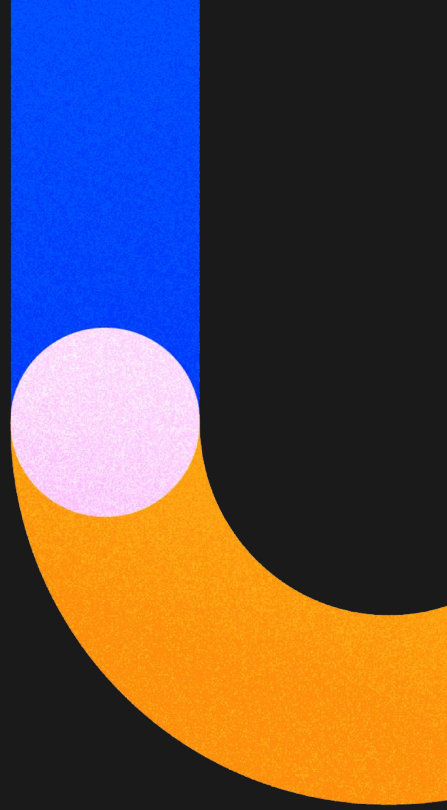
Managing by outcomes 🌟😄

When managing by outcome, the product team works towards a shared goal that has been defined together with the business. They have the autonomy to decide on the opportunities and solution (the output) that will drive business results themselves.

Metric **over** feature. E.g. “# users are saving the recipes they want to cook”

	Q1	Now	Next	Future
Team A	Metric	Opportunity	Opportunity	Opportunity
		Opportunity	Opportunity	Opportunity
Team B	Metric	Opportunity	Opportunity	Opportunity
		Opportunity	Opportunity	Opportunity
Team C	Metric	Opportunity	Opportunity	Opportunity
		Opportunity	Opportunity	Opportunity

What often happens



We combine the two 🧐

We have the motivation, but our output is not sufficient.
Product teams have set product outcomes to work towards,
but they are steered towards certain solutions to deliver.
These teams are unconsciously still managed by outputs.

“# users are saving the dishes they want to cook”

👉 *“Make the favorites list a main menu item”*

	Q1	Jan	Feb	March
Team A	Metric	Feature	Feature	Feature
Team B	Metric	Feature	Feature	Feature
Team C	Metric	Feature	Feature	Feature

The cycle of business and product team collaboration

Within product design we are so aware of the psychology that comes into play when creating solutions. We build empathy with our end-users, in order to come up with the right output.

We seem to forget about this empathy when working with our stakeholders (our colleagues). When we start to build trust within teams and in collaboration with business partners, we can work towards outcomes together. There are 2 things we should do:

1. As managers we should provide input without dictating output.
2. As product teams we need to learn how to work towards outcomes.



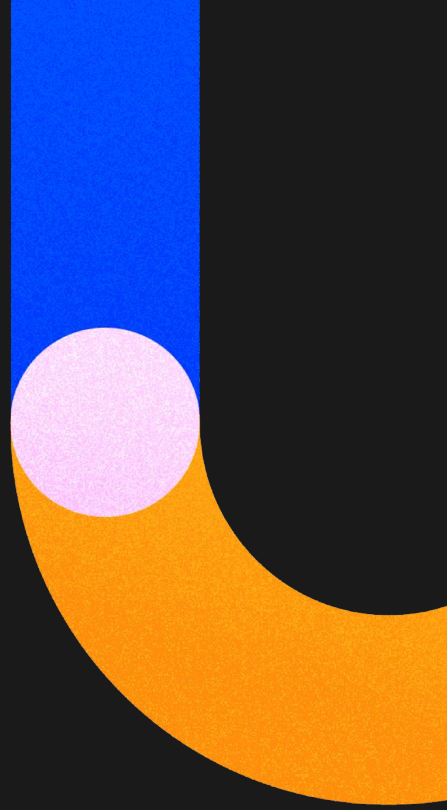
**Negative loop of collaboration. T. Torres, [Product talk](#) (2019)*

Provide input without dictating output.

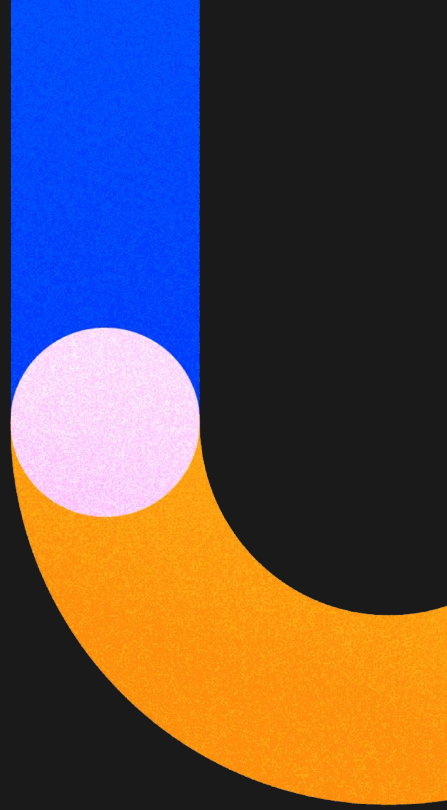
The challenge in working towards outcomes from a management position is to trust the team to come up with the right opportunities and solutions. It is easier to share ideas and to voice opinions than to ask questions. However, by asking questions we can teach our product teams to focus on the outcome rather than the feature they are creating. Find some examples on the following pages of questions to ask your team the next time they give a status update.



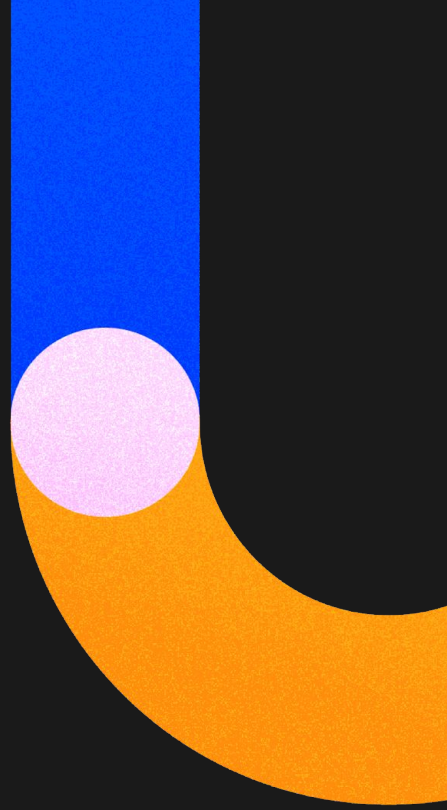
What evidence do we
need to know if we're
right or wrong?



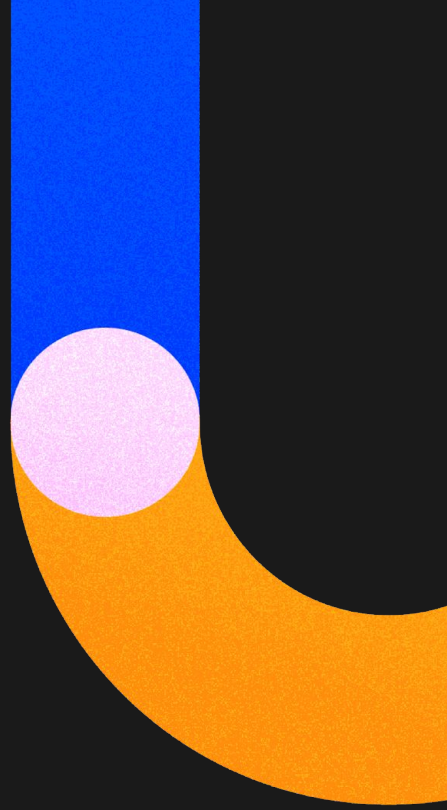
How do we know that
the user need is real?



What else have you
considered?



What need is this
solution addressing?

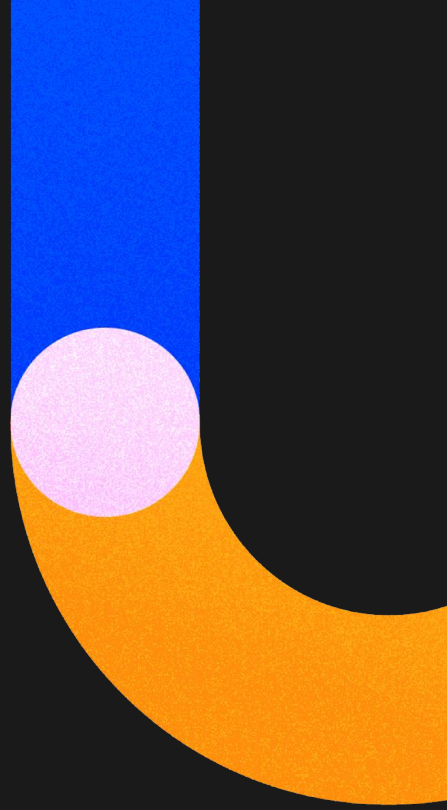


Teach teams how to work towards outcomes.

As product teams we are used to report on what we are creating. But this means we are basically asking our business managers to provide feedback on the solutions we are building. Instead, as product teams we should report on the opportunities we spot by discovering user needs and match these with the business goals we have set. Together with your business colleagues, you can find the best path to reach the business outcome. A way to do this is by externalising the thinking process as this helps to ensure people in a conversation are talking about the same thing.

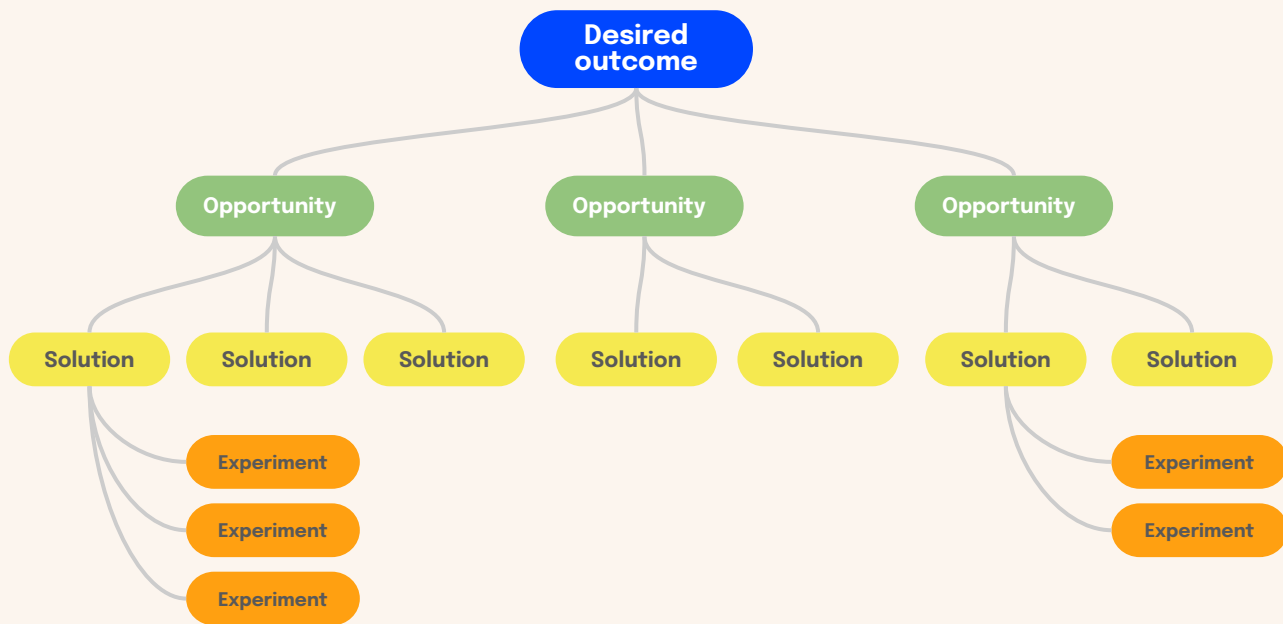


Externalise your
thinking; make it visual
👉 Opportunity map



Opportunity map

You may have heard about opportunity mapping or impact mapping. The goal of this exercise is the same, to map out how to achieve a desired business outcome.



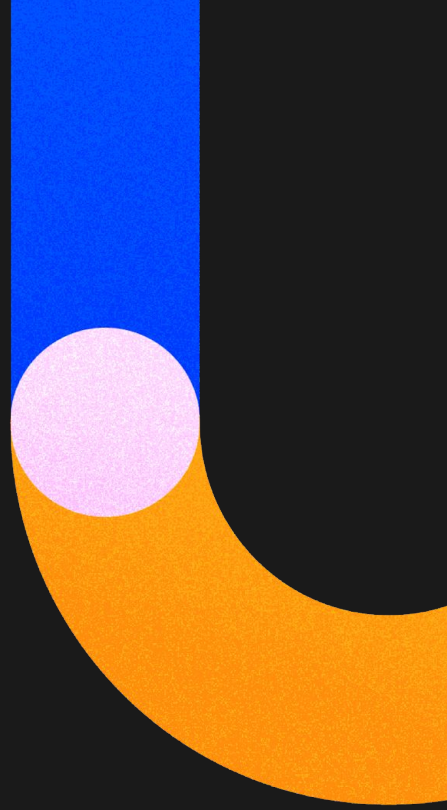
👉 Business - product outcome

👉 User needs, wants, pains & gains

👉 Best path to business outcome

👉 Everything is an assumption

How we frame the
problem impacts
the solution we
generate.

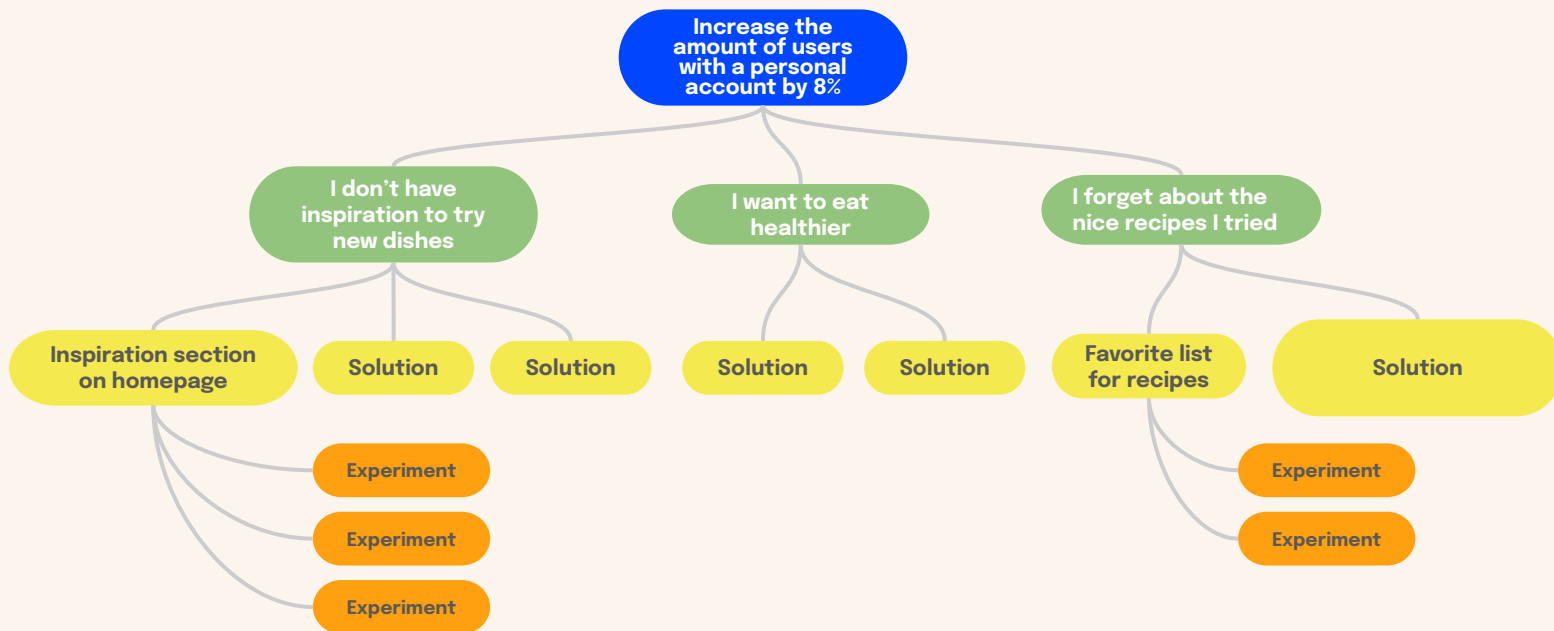




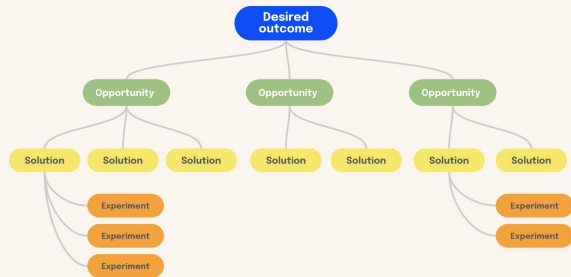
Opportunity tree

- 1 Visual representation of how to reach a desired outcome
- 2 Helps to make implicit assumptions explicit
- 3 Focus on opportunities first
- 4 Create alignment around a shared understanding

Example



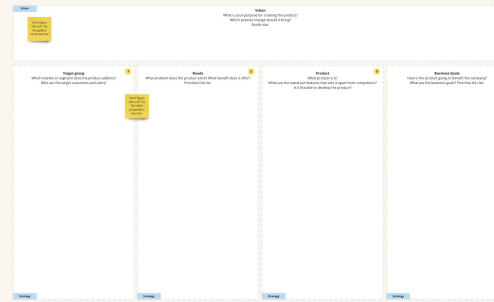
Taster workshops by Hike One



Kickstart an outcome focussed mindset

Introduction to opportunity mapping & getting started with defining opportunities.

[Get in touch](#)



Setting an actionable product vision

Visualise your product vision and define next steps to make it an actionable strategy.

[Get in touch](#)

Want to know more? Get in touch.



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