7 Skills

for Successful Product Leaders

Foreword

The product-led movement is blurring the lines between product, engineering, marketing, sales, and customer success. Instead of a product team's responsibilities being narrowly defined around shipping a feature, it now falls on product's shoulders to partner with sales and marketing to reimagine the product as an acquisition tool, collaborate with customer success to employ the product as a vehicle for onboarding and retention, and even ensure executives view product analytics alongside revenue data.

The role is changing. Product features are giving way to customer experiences, and in order to deliver meaningful experiences, today's product leader needs to form a new set of skills and build new habits. Fortune favors the bold. The first to adapt to this shift are rewarded.

Take Silicon Valley, the epicenter of tech innovation. There you'll find the chief product officer title commonplace. A product leader on the executive team was unheard of a decade ago. Now we're hearing more and more stories like the one in which the CEO of Qualtrics (one of the world's largest survey providers) told his head of product, "The future of the company is on you."

These are the tailwinds that are propelling forward the product function. While individual expertise may lag the pace of change, good habits will help bridge the gap. In this guide, we share seven future-proofing skills and traits that we picked up from some of the world's highest-performing product leaders. Enjoy, and thanks for reading.

Brian Crofts
Chief Product Officer, Pendo

0 Intro

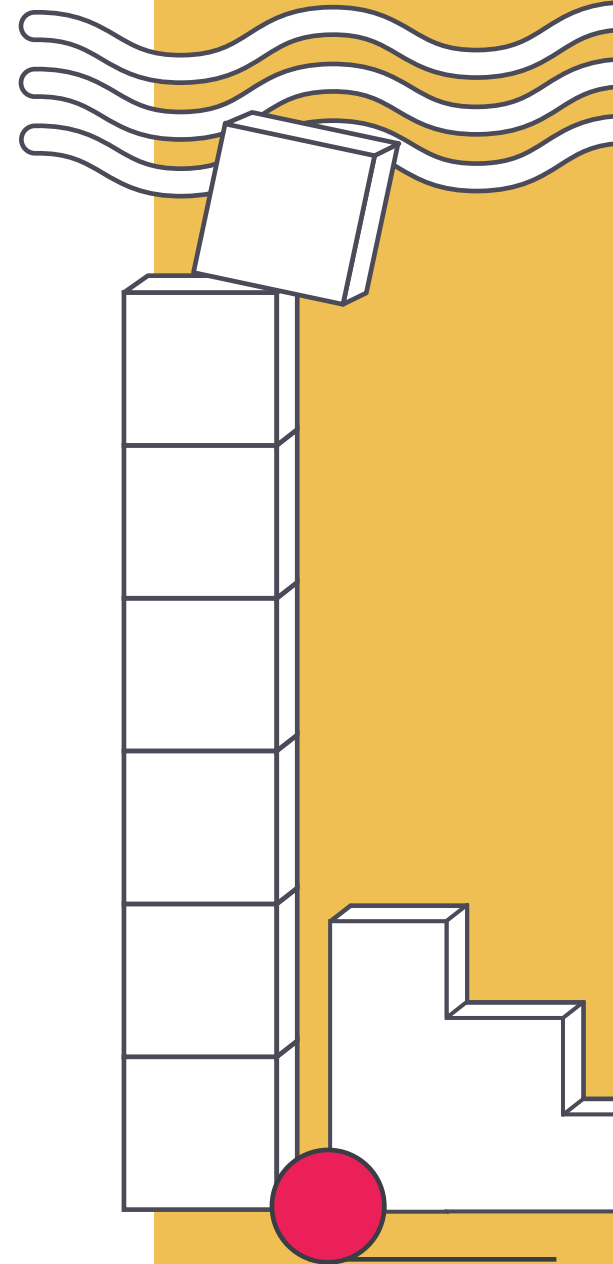# "We are what we repeatedly do. Excellence, then, is not an act, but a habit." –HISTORIAN WILL DURANT

When you work in product, it can be tempting to look at examples of famed product gurus, like Steve Jobs or Elon Musk, and think that being a great product leader is all about imagining breakthrough ideas. Investors call them "black swans" – products that, themselves, spawn new markets. The iPhone. Self-driving cars. You get the idea. As a product leader, if you spend enough time reflecting, you'll inevitably come up with the next "big thing," right? Probably not.

Top product pros are more *do-leaders* than thought leaders. For all of their ample brilliance, Jobs and Musk actively led the development of their most popular products. The key ingredients behind their recipe for success were work ethic and good habits, along with a dash of genius. In order to become a great product leader, you need to put in your 10,000 hours, as Malcolm Gladwell would say.

The good news? In this guide, you'll learn the seven key areas where you should be spending those 10,000 hours. And along the way, you'll receive advice and words of wisdom from some of the world's top product leaders, including:

- April Underwood, investor and former Slack CPO
- Jeetu Patel, CPO of Box
- Alexander Aghassipour, CPO & co-founder of Zendesk
- Tomer London, co-founder & CPO of Gusto
- Jack Chou, CPO of Affirm and former head of product at Pinterest
- Joe Gebbia, co-founder & CPO of Airbnb

Ultimately, our goal in writing this guide is to help you become the best product leader possible. It's part of our overarching mission to elevate the craft of product management.

1 Customer Obsessed

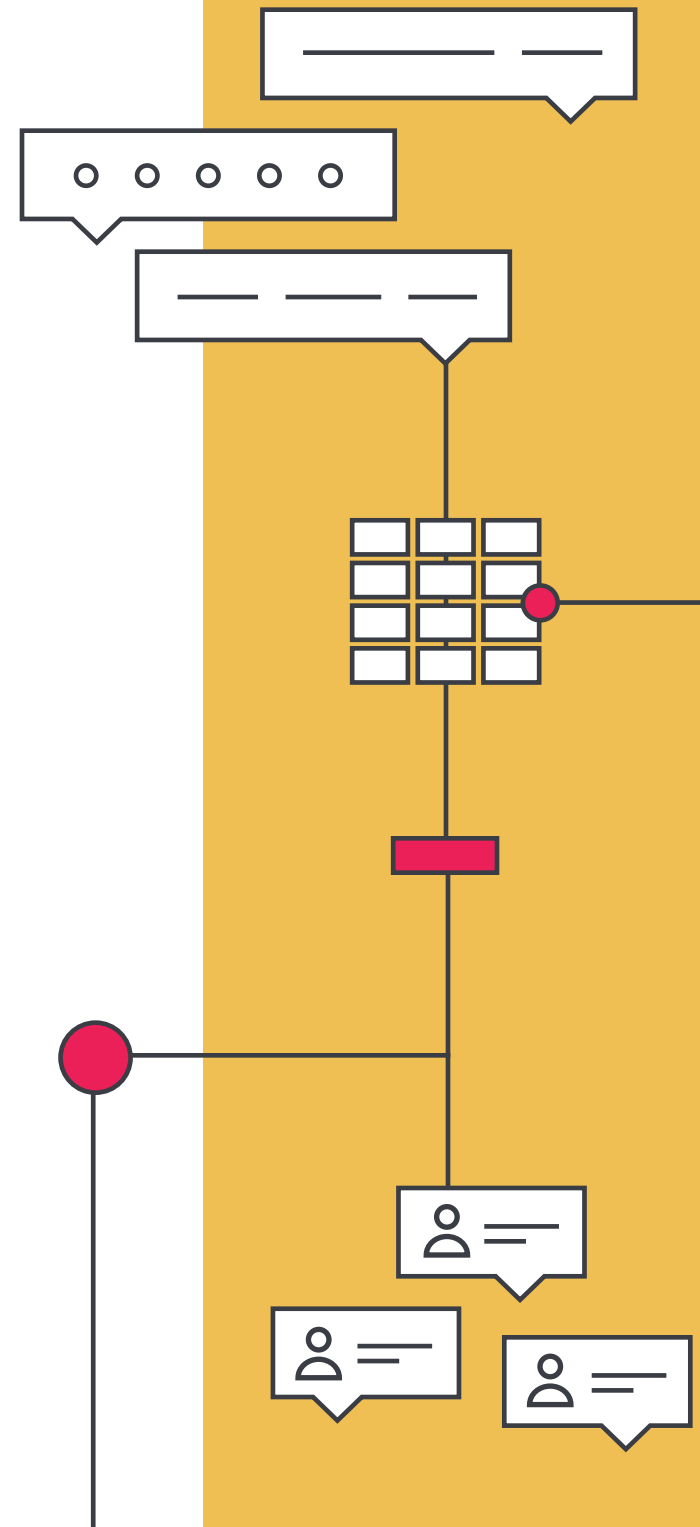# "Whoever gets closer to their customer wins." –AUTHOR BERNADETTE JIWA

Author Bernadette Jiwa put it succinctly: "Whoever gets closer to their customer wins."

Today's product leaders don't get very far without having an obsessive desire to solve customer problems. In fact, the *best* product leaders feel distinct unease when they're not regularly talking to users and trying to better understand their behaviors and preferences.

Pendo's Chief Product Officer, Brian Crofts, sees his role as helping the product team "fall in love with the customer's problem, not the solution." But before you can fall in love with the customer's problem, you first need to understand it. You need to ask difficult questions, and study product usage data, cohort respondents, and pattern-match feedback.

According to **Airbnb co-founder and CPO Joe Gebbia**, one of the best ways to uncover these problems is to ask customers directly about the negative experiences they've had with your product. As he said in a CNBC interview:

> *One of the greatest questions I ever learned in design research is to ask a customer, 'Tell me a story about a time you faced a challenge using our service?', and that single question can unlock so many possibilities and insights into how to close the gap between your product and your market.*
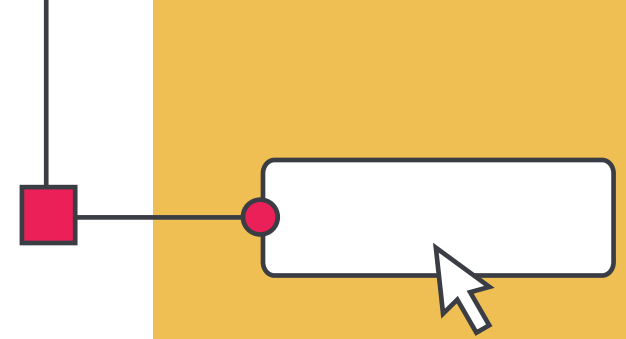
Obsessing over the customer can be challenging for companies that sell to business users because their *buyer* isn't necessarily the same person as their *user*. **April Underwood, investor and former Slack CPO**, explained to Time:

> *In the consumer world, you have to build software that is delightful and useful enough that people decide to use it. You have to earn every user one-by-one. In enterprise, historically those decisions don't get made by the people who use the software day-to-day, they get made by CIOs or IT administrators, they get made based on negotiations and cost and a lot of other factors. The usefulness of the platform has historically been an afterthought.*

Factor in the notion of a *champion* (an executive who endorses the purchase and is likely the beneficiary of the solution, though not likely to be the daily user) and the plight of the B2B product leader becomes even more complicated. Customer-obsessed product managers aspire to understand the interests and motivations of *all* stakeholders at customer accounts, but they spend the lion's share of their time focusing on user problems. Fortunately, there's increasing evidence that users are playing a more significant role in software purchasing. **Underwood** added:

> *There's a whole proliferation of software tools that are getting better and better for every type of task that you need to get done at work. They similarly are being chosen by the employees that actually need to use them.*

Key Takeaways

Being customer-obsessed means falling in love with the problem, not the solution.

The best way to uncover areas for improvement is to ask customers directly about their negative experiences.

Of all key stakeholders at a customer's account, the needs of the user are foremost.

2 Business Savvy

While the ultimate goal of a SaaS product is to provide value to customers, the ultimate goal of a SaaS *business* is to generate revenue.
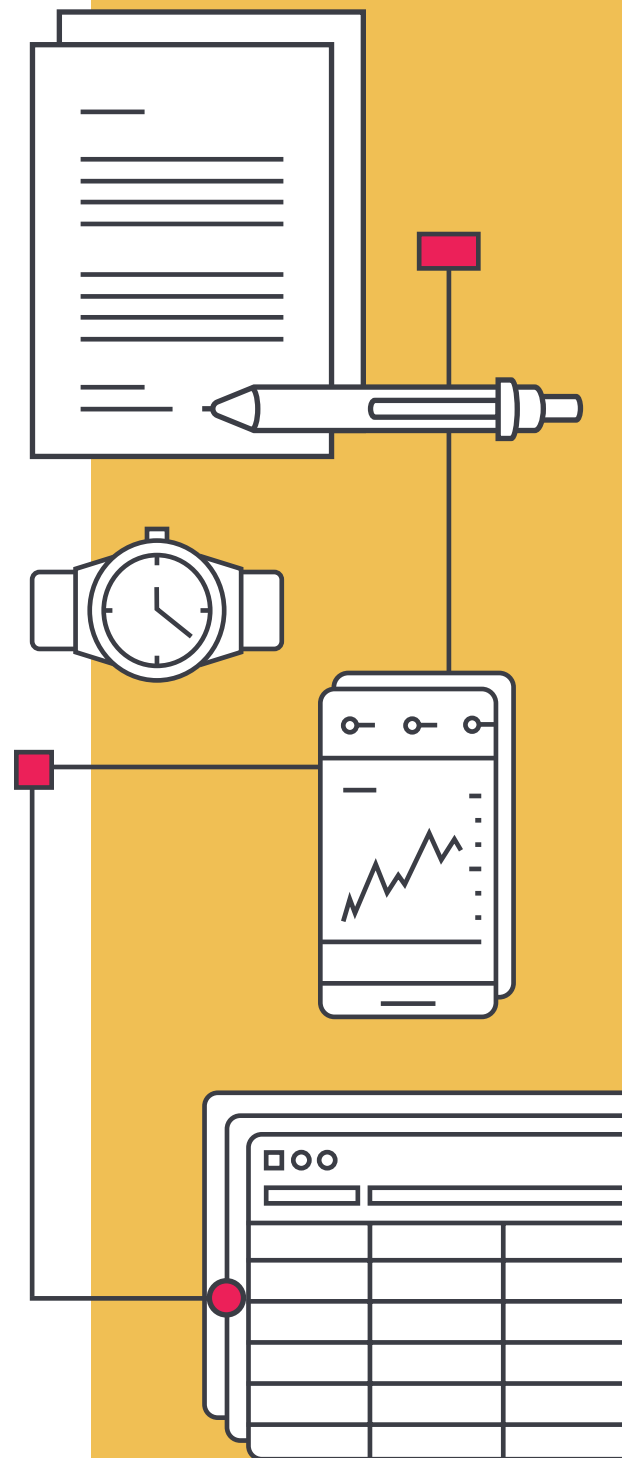
The best product leaders understand this distinction. They grok the economics of the company's business model as well as the mechanics of the go-to-market motion. And they understand the various ways the product contributes to the company's success.

It's this business savvy — or what **Box CPO Jeetu Patel** calls being a "business all-rounder" — that modern product leaders need in order to earn a seat at the executives' table. As Patel told Which-50, in a story about the rising influence of CPOs:

> *CPOs tend to have a pretty varied background. It's more of a business all-rounder with a very, very strong product sensibility.... The CPO-CEO tend to be tight partners. [Box CEO] Aaron Levie and I spend 15 – 20 hours a week in different meetings together because we are driving a lot of collaboration between how are we building the product, how it is actually going to be distributed and going to market.*

In order to develop that level of relationship with their CEO, product leaders need to align their own goals for the product with the broader goals of the business. That means focusing on revenue growth, account expansion, retention, and customer satisfaction alongside their product health metrics. And yes, that also means keeping an eye on cost when planning new products and features — not just the initial cost of building them, but also the long-term cost of maintaining them. As **Granbury Solutions CPO Duessa Holscher** explained to 280 Group:

> *I think the biggest lesson is learning the best way to iterate on the product and to not go too far down the path of thinking that you need to have everything in place... You may have clients who say they need all those features, but the cost of a feature is not just the cost to develop it in the first place. It's also the cost to maintain it and the complexity of how that makes the product more difficult to implement and support down the road.*

The best product leaders are "business all-rounders" who understand the ins and outs of their company's business model and go-to-market strategy.

Business-centric product leaders align product goals with business goals (e.g., revenue growth, expansion, retention, and customer satisfaction).

3 Design Focused

Business people now expect their work software to feel like the software they use at home. Perhaps this is why Alexander Aghassipour, CPO & co-founder of business-to-business SaaS juggernaut Zendesk, said: "You cannot brand or build your product without aesthetics and design being treated as first-class citizens."
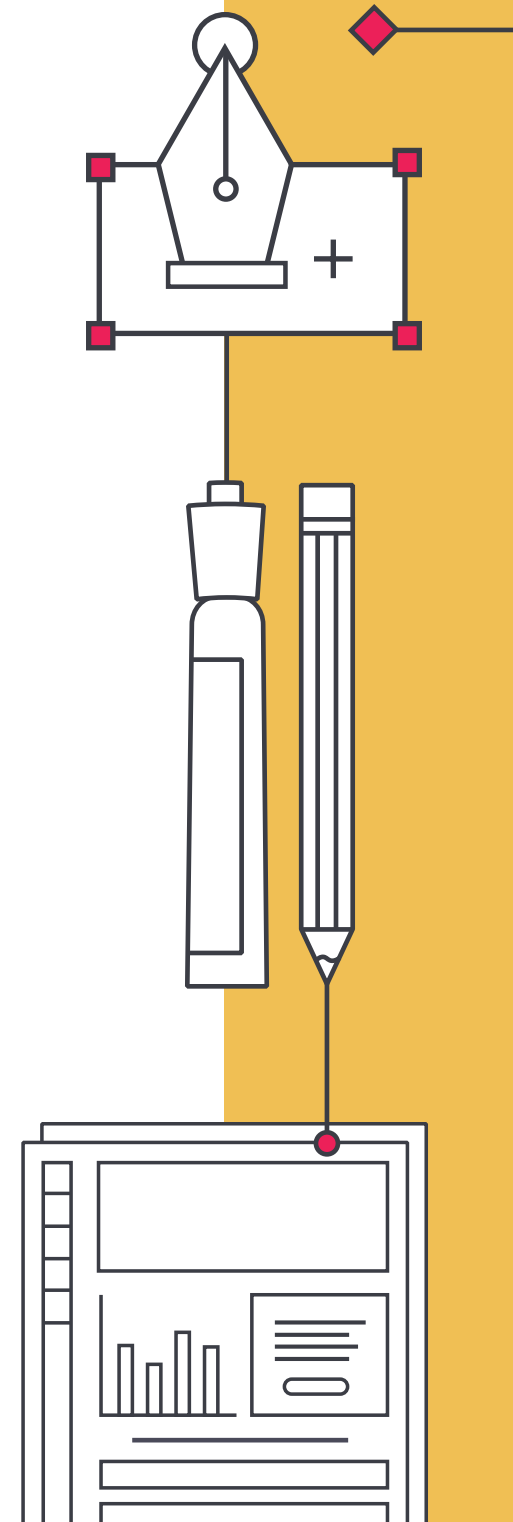
Design-focused product leaders sweat the details, refining, reducing and reworking until the product rises to the level of artistry. They seek simplicity and elegance in everything they build, ensuring that users, even business users, will have the best experience possible.

Occupying a relatively new role, CPOs tend to come from diverse backgrounds. But regardless of your starting point, it's vital that you develop an appreciation for the importance of design. Your product's success may just hinge on it.

If you overlook the small things — the tiny cracks forming in your product's design — those small things will inevitably start to compound, and the customer experience will degrade. In the end, you need to have a strong design focus in order to best serve your customers. As **Canva co-founder and CPO Cameron Adams** explained:

> *I've always approached product from a strong design background. After working as a designer at Google I saw the pros and cons of having a strong engineering slant to product management. I also have a strong technical background, but at Canva I've striven to bring design more into the conversation. This has helped us focus strongly on user experience, making sure that the product is serving our customers in the best way possible.*

Key Takeaways

The expectation that business software should feel like consumer software has made great design essential to any product's success.

Small design issues add up over time and lead to a poor user experience — that's why the best product leaders pay close attention to the tiniest details.

4

Data
Driven

Show us a product leader who makes all of his or her product decisions based on instinct, and we'll show you someone who's in danger of being left behind. Decisions are difficult to arrive at without data because discussions are rooted in dueling opinions. To quote **Tom Willerer, former CPO of Coursera and former VP of Product Management of Netflix**:

> " *In a company of smart people, you can easily get into endless debates about what path to take or how to build a particular feature. Data helps shortcut those discussions. You can test a thesis to see if it's true.*

Another benefit of being data-driven, according to Willerer, is that it helps democratize the ideation process, allowing you to "tap the larger company for innovative ideas." Instead of having to rely on a single decision-maker for product guidance, "you can give teams much more ownership by relying on experiments and data."
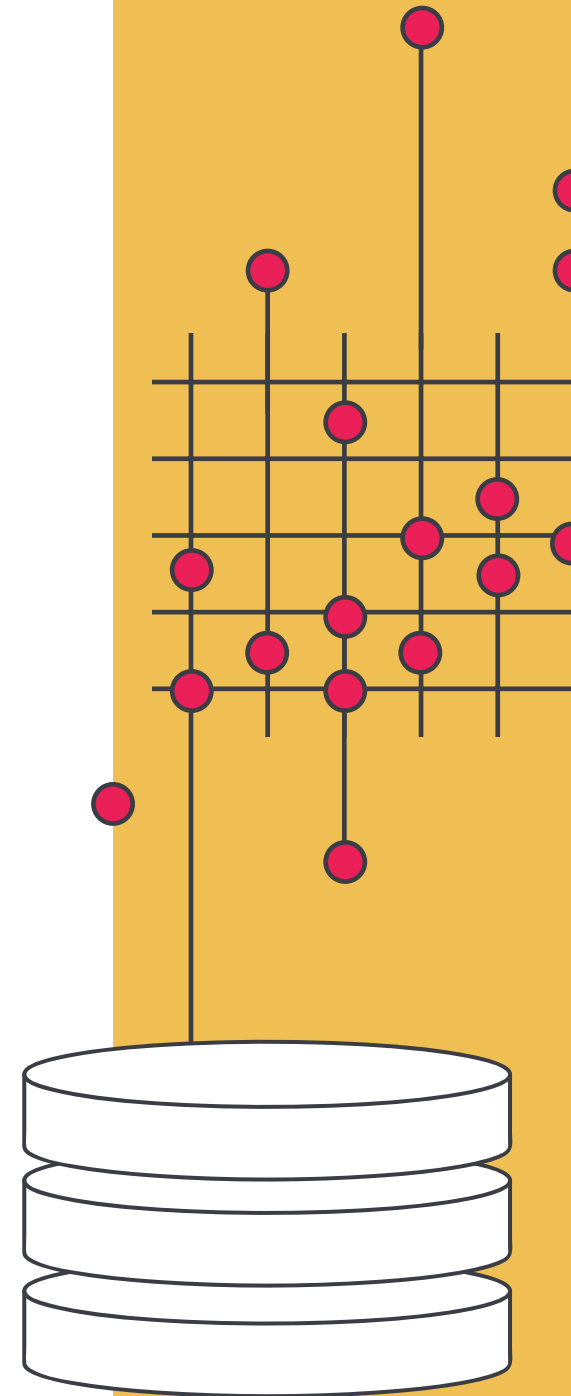
However, while using data as an impartial arbiter certainly has its benefits, it's important to remember that not all the tests will produce unambiguous results. In some cases, the data you gather will be inconclusive, which means there's still room for judgement. As **Jack Chou, CPO at Affirm and former head of product at Pinterest**, told First Round Review:

> " *I always ask, 'What happens if the results come back flat? What are you going to do?' You won't always get a clear signal from testing; other times, it won't tell the full story, and tradeoffs will need to be weighed. Push your team to take a position — a real hypothesis, not an apathetic one — and try to truly confirm or deny it. Experimentation shouldn't be a tool to remove human judgment and pass the buck.*

The most effective product leaders don't back down when the initial data is ambiguous: They make educated hypotheses and keep pushing forward, measuring impact along the way.

Yet regardless of how inconclusive data may be, there's one unambiguous truism in product management: If you think you know more than your customer, you're mistaken.
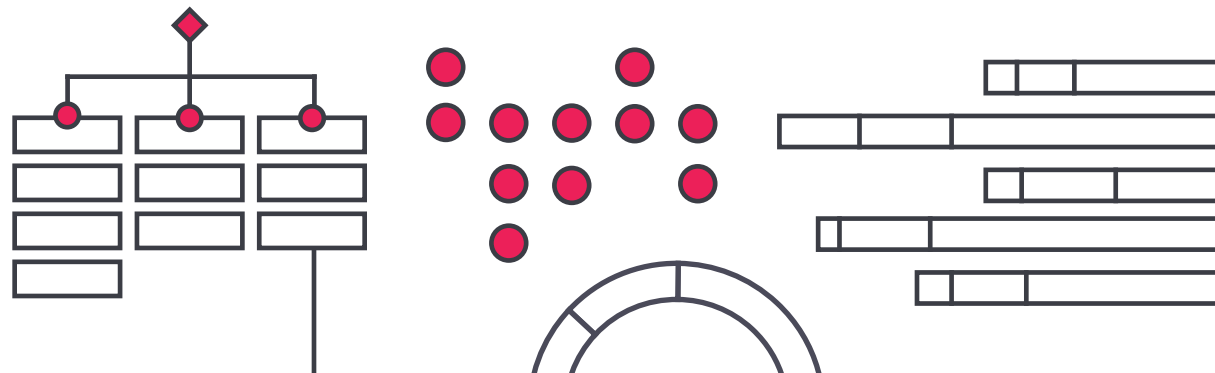
(Pssst. Need help getting your product analytics strategy off the ground? We've got a guide for that. Grab a copy of "10 KPIs Every Product Leader Needs to Know.")

Quantitative vs. Qualitative Product Data

The best product leaders make decisions based on a combination of qualitative and quantitative data. They combine insights about product usage and feature adoption with customer feedback, sentiment, and feature requests. The former illuminates what users are doing, the latter illuminates why they are doing it. Only by studying both can you really understand the customer's problem and how your product can help them overcome it.

While you're probably familiar with using product analytics tools to capture quantitative data, understanding the surrounding context is equally as important. The best product leaders segment and prioritize feature requests based on a variety of factors, some of which can be observed through usage tracking, others which need to be collected in one-on-one conversations.

Key Takeaways

The best product leaders always strive to support their recommendations with data – both quantitative and qualitative.

Data isn't a tool for removing human judgment but a rudder for guiding decision making.

Thinking they know more than the customer is a trap for product leaders.

5 Insatiably Curious

Having an insatiable curiosity is a prerequisite for anyone looking to work in product, let alone for product leaders. For many, it's the reason they were drawn to product in the first place — they want to know how things work.

For aspiring product leaders, curiosity is central to your growth. To quote **Granbury Solutions CPO Duessa Holscher**:

> *Be curious and be useful... If you're interested in moving into product, take opportunities to be willing to learn more about the product and about the market. Be curious about why decisions are being made. Stick your head out a little bit further to learn more about it.*

But to clarify, being insatiably curious doesn't mean you're only interested in topics related directly to your industry or discipline. The best product leaders are always on the lookout for new sources of inspiration. They look beyond their own industries and disciplines, seeking out creative solutions from other domains.

For **Airbnb's Gebbia**, inspiration comes in the form of mid-20th-century designers Charles and Ray Eames, best-known for their iconic furniture (some of which is now on display in the Museum of Modern Art). At first glance, furniture design might not seem like it has any relation whatsoever to Airbnb's own product design. But here's how Gebbia explained it to CNBC:

> *One of the precedents of their work, one of the ethos of their work was to make the best design for the most people for the least price, and I feel like in some form or fashion, we've channeled a piece of the Eames through Airbnb. By democratizing travel, by making it as accessible to as many people as we can by leveraging the power of the Internet.*

Of course, not every product leader will find product inspiration at the museum. The important thing is to stretch your knowledge beyond the list of requirements you see on a product job posting. Because having job-level knowledge is really the bare minimum. In order to be a highly effective product leader, you need to "cross-pollinate" ideas from other domains.

Key Takeaways

Let your curiosity be your guide and drive you to a better understanding of your product and business.

Remember that product inspiration can come from unlikely sources.

Having an in-depth knowledge of your industry/discipline is the minimum — the best product leaders mine ideas and solutions from other domains.

6 Visionary

The product genius who knows better than his or her own customers what they want in a product is an overplayed trope, but there's still something to be said for the ability to rally a company around a bold vision for the future. A product leader's vision galvanizes purpose and motivates teams to strive for higher achievement.

But remember: Being a visionary is about more than coming up with ideas, it's also about plotting the steps required to make those ideas actionable. Here's how **Underwood** described to Time her perceptions of the relationship between vision and product:
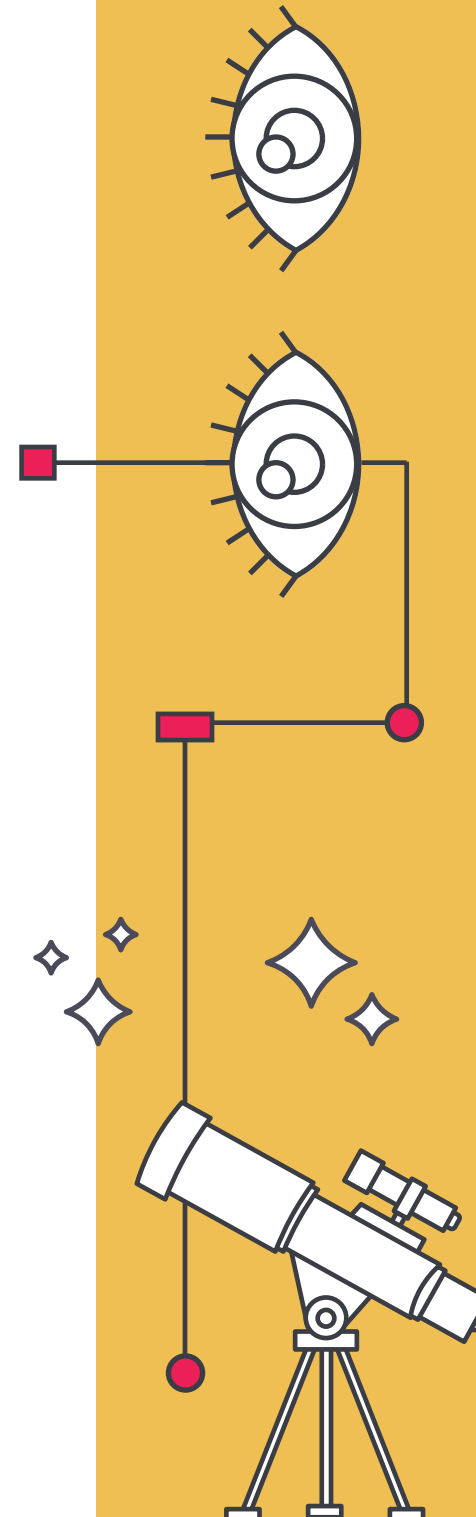
> [As CPO], I'm responsible for our overall product vision as well as all of the work that we do to turn that vision into practice. So, how we take the vision we see for the future of how companies are going to want to work, and transform that into our product roadmap and partner closely with engineering to actually build those capabilities into the product.

For the best product leaders, being a visionary isn't about coming up with a steady stream of moonshot ideas, it's about consistently identifying the best path forward for the product — and making adjustments to the roadmap accordingly. Often the source that informs a product leader's vision is the same as the source of their customer obsession: conversations with customers.
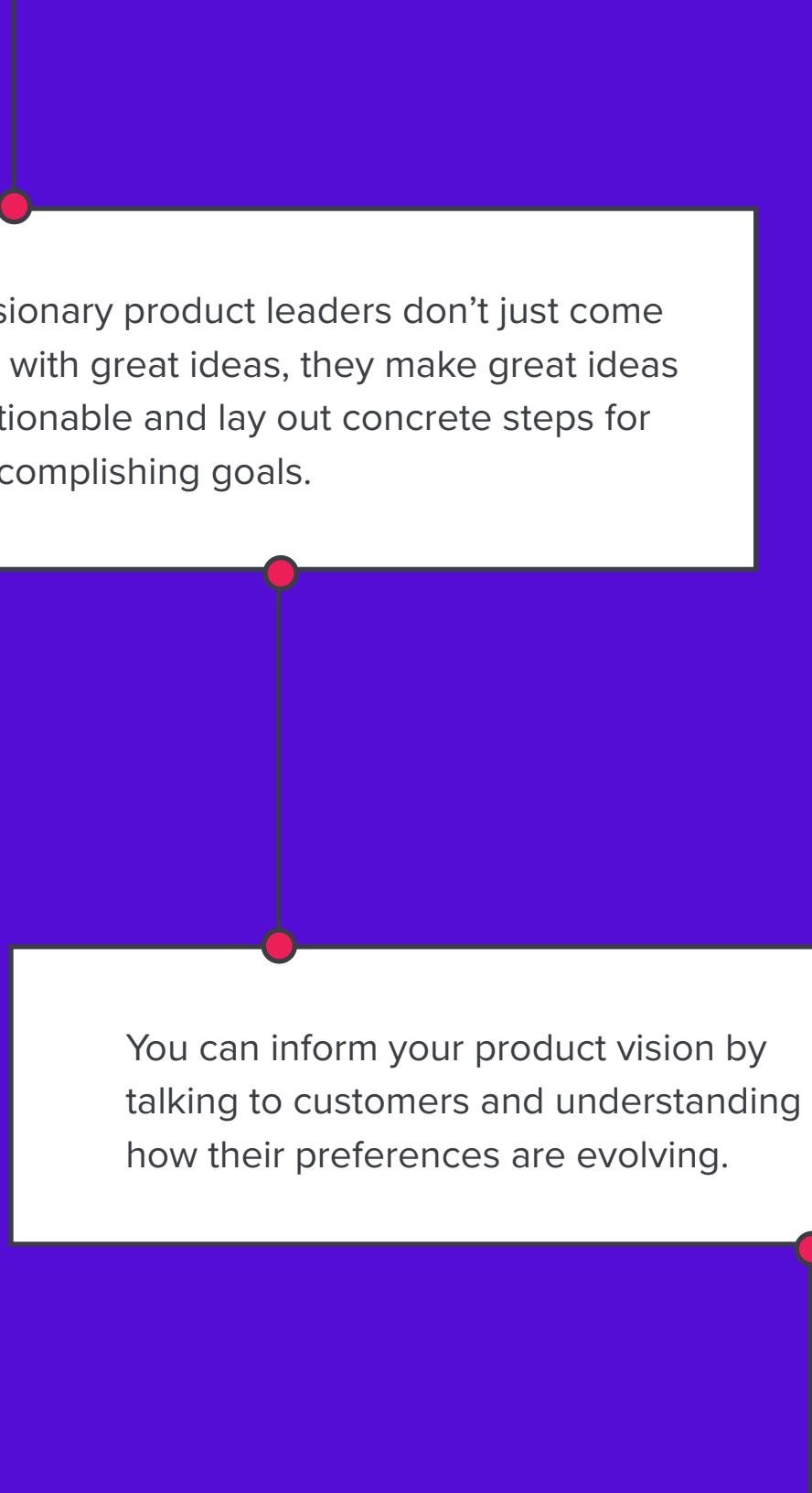
To quote **Tomer London, co-founder and CPO of Gusto**:

> To inform your vision, spend more time with potential customers, understand who they are today, and learn who they become over time.
>
> Simple customer interviews aren't enough since you can only ask customers about their current expectations and not their future expectations. Instead, prototype realistic solutions and show them to customers to observe their reactions. Look for the "wow" moments, and when you find them, don't let go.

Key Takeaways

Visionary product leaders don't just come up with great ideas, they make great ideas actionable and lay out concrete steps for accomplishing goals.

You can inform your product vision by talking to customers and understanding how their preferences are evolving.

7 Technically Fluent

Product leaders who lack technical acumen are at a disadvantage. After all, product is effectively a bilingual function: they help reconcile business needs with the realities of engineering by communicating with each group in their own natural language. However, this isn't to say that product managers must have an engineering background or that they need to be able to write code in order to enjoy a successful career.

As **P.K. Agarwal, regional dean and CEO of Northeastern University, Silicon Valley**, explained in an <u>article</u> about what it takes to become a CPO:

> *It can be helpful to have a technical background, but it's not entirely necessary...*
>
> *There are design folks, analytics and data folks, and engineering folks involved in the general 'product' space. They all have to come together even though they are fairly separate areas, functionally, so you need a CPO who can manage three different cultures and worlds of their own. The best CPOs are, in essence, mini-CEOs.*

While having a technical background is certainly a bonus, you can still achieve technical fluency without it. If you lag in this area, you may want to call on your *insatiable curiosity*. That's how **Willerer** — who began his career as a marketer — became **Netflix's VP of Product Management**. As he said in an <u>interview</u>:

> *I started in the marketing department doing research, and I supported the product and content teams as well as marketing. Until my interview, I didn't even know that product managers existed. But as I learned more about it, I realized product management was exactly what I wanted to do. After a year and a half in marketing, I transitioned to being a PM.*
>
> *I learned a ton... As a PM you basically get a Ph.D. in using data and A/B testing as part of product development.*

Key Takeaways

You don't need to write code in order to be a strong product leader, but you *do* need to be able to communicate effectively with engineering.

The best product leaders learn on the job, filling in gaps in their technical knowledge as their careers progress.

Thank you
for reading!

P.S. Need product help?
Learn how Pendo helps you
understand and guide your
users so you can deliver a
better product experience.

www.pendo.io

pendo