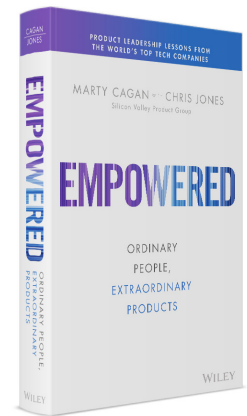


Empowered

Ordinary People, Extraordinary Products

by **Marty Cagan with Chris Jones**



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Tech Companies

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THE SUMMARY IN BRIEF

What is it about the top tech product companies such as Amazon, Apple, Google, Netflix, and Tesla that enables their record of consistent innovation? Most people think it's because these companies are somehow able to find and attract a level of talent that makes this innovation possible. But the real advantage these companies have is not so much who they hire but, rather, how they enable their people to work together to solve hard problems and create extraordinary products.

The goal of *Empowered* is to provide you, as a leader of product management, product design, or engineering, with everything you'll need to create just such an environment. A natural companion to the best-seller *Inspired*, *Empowered* tackles head-on the reason that most companies fail to truly leverage the potential of their people to innovate: product leadership.

Empowered puts decades of lessons learned from the best leaders of the top technology companies in your hand as a guide. It shows you how to become the leader your team and company need to not only survive but thrive.

IN THIS SUMMARY, YOU WILL LEARN:

- The difference between “feature” teams and empowered product teams.
- Why coaching is essential to innovating at scale—and how to do it.
- To redefine the relationship of product teams to the rest of the company.
- To transform your organization into empowered product teams.

Lessons from Top Tech Companies

In so many companies—even companies trying to do true, technology-powered products and services—product teams are too often not *allowed* to work the way they need to. It's not just the techniques that strong product teams use to discover successful products, but the differences between how great product companies work and the rest run much deeper.

So many companies still have the old IT mindset when it comes to technology. It's viewed as a necessary cost rather than the core business enabler it needs to be.

There is little if any active coaching of the people on the technology teams. And even if they wanted to coach, the managers often don't have the experience themselves. So problems perpetuate.

Most of these companies recognize that they don't have the staff they need, but they have very misguided ideas about how to correct that and what to look for in product staff. Moreover, these companies rarely have an inspiring, compelling product vision.

It's not that these companies don't want to transform, it's that transforming is hard, and they just don't know how. Or even what it really means to transform.

What they need is to move to empowered product teams.

Behind Every Great Company

Let's highlight the differences between how the best companies create technology-powered products and how most companies create products.

Culture is extremely important, but there is something about great product companies that is more fundamental. There are three critically important differences between the strongest product companies and the rest:

The first is how the company views the role of technology. The vast majority of companies view technology as a necessary expense. They know it's important, but they think of it more as a cost of doing business. In most companies, technology teams exist to serve the business.

In contrast, in strong product companies, technology is not an expense; it *is* the business. In strong product companies, the purpose of the product team is to serve customers by creating products customers love, yet work for the business.

That is a profound difference, which impacts nearly everything about the company and how it works, and results in

much higher motivation and morale. And most important, it results in a much higher level of innovation and value for customers and the business.

Pixar has shown the film industry what is truly possible when technology is at the core of an animated feature film, rather than just a necessary cost. Pixar uses technology in ways far beyond traditional film-making, and the technology teams are as valued as the creative teams.

The second is the role their product leaders play.

In most product companies, the role of true product leadership is largely missing in action. In most companies, there is no product strategy.

In strong product companies, the product leaders are among the most impactful leaders in the company. They are responsible for staffing and coaching the product teams; they are responsible for the product strategy and converting the strategy into action; and they're responsible for managing to results.

Empowered product teams depend on skilled product managers, product designers, and engineers, and it is the leaders and managers who are responsible for recruiting, hiring, and coaching these people.

The third is how the company views the purpose of the product teams—the product managers, product designers, and engineers.

In most companies, the technology teams are not empowered product teams; they are feature teams. Feature teams look superficially like a product team. They are cross-functional, with a product manager, a product designer, and some number of engineers. The difference is that they are all about implementing features and projects (output) and, as such, are not empowered or held accountable to results.

In contrast, in strong product companies, teams are instead given problems to solve rather than features to build, and most important, they are empowered to solve those problems in the best way they see fit. And they are then held accountable to the results.

Coaching

Coaching is more essential than ever. If you hope to innovate at scale, it is simply not optional. Problems escalate faster, relationships are damaged much more easily, and collaboration is harder.

Coaching is what turns ordinary people into extraordinary product teams.

In the technology industry, we focus so much on the core skills and competencies used by product managers, designers, and engineers but so little on the skills and competencies of managers and leaders. Yet it is these managers and leaders who are responsible for molding people into effective teams.

The logic is simple: Your company depends on successful products. And successful products come from strong product teams. Coaching is what turns ordinary people into extraordinary product teams.

More than anything, good coaching is an ongoing dialog, with the goal of helping the employee to reach her potential.

The Coaching Mindset

Let's talk about the necessary mindset of you as coach. A coaching mindset provides a foundation of intent. It is the framing that directs your application of coaching techniques, and your guiding principle for taking action and making decisions around developing a team.

Developing people is job #1. If you are a manager, you should be spending most of your time and energy on coaching your team. This means expending real effort on things such as assessing your team, creating coaching plans, and actively helping them improve and develop.

Empowering people produces the best results.

Many new managers see their job as driving their team's task list. But empowering means creating an environment where your people can own outcomes and not just tasks. This doesn't mean less management—it means better management.

Beware your own insecurities. Be aware of your insecurities, and understand how your behavior can interfere with empowering your team. Most good managers have a healthy level of humility and are always exploring and working to improve their own performance and growth.

Cultivate diverse points of view. Good leaders know that they will get the best results when they are able to consider diverse points of view. They also know that they don't

have a monopoly on good ideas and that the best ones may come from others.

Seek out teaching moments. Reaching potential requires working through adversity. As a coach, you are always looking for opportunities that encourage your people to stretch beyond their comfort zone.

Continually earn the trust of your team. None of your coaching efforts will be effective without trust.

The One-on-One

This is the foundation of coaching. The primary purpose of the 1:1 is to help the product person develop and improve. This is a relationship that depends on trust. The product person must understand and believe that you as the manager are genuinely and sincerely committed to helping her reach her full potential.

Onboarding. With most new product people, there is a necessary and critical onboarding period where the person acquires the skills and knowledge required to get up to speed (reach competence). Normally, this period of close oversight lasts on the order of two to three months, and it is a much more intense coaching relationship than the ongoing coaching that happens once the product person is deemed capable.

Frequency. The 1:1 should be no less than 30 minutes, once per week, and this session is sacred and not to be another one of those "You okay with skipping this week?" kind of meetings.

Sharing context. If you are to empower your product person to solve problems in the best way her team sees fit, as a leader and manager you must provide her with the strategic context.

Homework. There's simply no substitute for the product person doing her homework. It is the foundation for competence, and it's the main activity during the onboarding period. What does homework really mean? For a product manager, it means learning the product inside and out.

Thinking and acting like a product person. What

does it mean to think like a product person? It means focusing on outcome. Considering all of the risks—value, usability, feasibility, and business viability.

What does it mean to act like a product person? Listening. Collaborating. Shared learning. Evangelizing. Inspiring. Giving credit and accepting blame. Taking responsibility. Knowing what you can't know and admitting what you don't know. Demonstrating humility. Building relationships across the company. Getting to know customers on a personal level. Leading.

Providing feedback. Also known as “tough love” or “radical candor,” honest, constructive feedback is the main source of value you provide as manager. Feedback should be frequent and as timely as possible (at the first opportunity to discuss privately). Remember to praise publicly but criticize privately.

Staffing

It's important to coach and develop your people. Now let's talk about how to find these people. Staffing is one of the clear and essential differences between strong product companies and the rest.

There are three higher-order problems in companies when it comes to staffing: The first is that there is often very fundamental confusion about what to look for when hiring strong product people. Too often the company thinks that, if they want to compete with the likes of Google and Amazon, they need to hire exceptional people. This is a dangerous misconception.

The best product companies hire competent people of character and then coach and develop them into members of extraordinary teams.

The second is that, in far too many companies, the leaders equate staffing with hiring. But it's a much larger problem than just hiring, and in fact, if you focus just on hiring, you will dramatically reduce your chances of building the organization you need.

The third higher-order point is to realize that staffing is the responsibility of the hiring manager. Hiring managers often believe this is the responsibility of HR and think of themselves as just a passenger on the journey and not the driver.

Competence and Character

Let's discuss the characteristics you should consider when

recruiting and assembling strong, cross-functional, empowered product teams.

Competence. Table stakes for any of your hiring onto an empowered product team is competence. The person must have the necessary skills—as an engineer, a product designer, or as a product manager. Without competence, the person and the team cannot expect to be trusted by management or leadership. So there is no lasting empowerment without competence.

Character. Once we know the candidate has the required level of competence, most companies focus on what is usually referred to as “cultural fit.” This is probably one of the most damaging concepts for your efforts to build a great organization.

For too many organizations, cultural fit is the politically correct term for what essentially translates into “Hire people who look and think like we do.” It's not that the way we think is bad; it's that what we really need are people that think differently from us. The chances of solving hard problems goes up substantially if you can approach the problem from several perspectives.

So, rather than looking for people like yourselves, make it an explicit point to look for people that are clearly not like yourselves. People who come from different environments. People who were educated differently. People with different types of work experience. People with different life experiences.

When candidates are viewed through this lens, there are many excellent candidates to be found, all over the world. Often, they are hiding in plain sight in your own company. Just make sure they are competent.

Recruiting

Most people think that staffing begins with sourcing, but in strong product companies staffing begins with active recruiting. In an HR-driven approach to hiring, a hiring manager might provide a job description, but things don't really get going until HR starts providing resumes (known as sourcing).

For strong managers, it's the opposite. The hiring manager identifies what she wants, and then she goes out and recruits. The truly strong manager knows that, through recruiting, she is crafting product teams and not just a collection of people.

So, where do you find these people? Building your network

of potential recruits is an ongoing activity—not something you start doing once you have an opening. You meet people at industry conferences and professional meetups, at competitors, during visits to partners and customers, via introductions from referrals, and even socially.

You can host talks at your office with selected industry speakers who can attract candidates and also help build the reputation of your organization. Another great technique is a company blog written to demonstrate your dedication to the craft of great product.

The product vision is one of our primary tools for keeping the organization truly focused on what the customer cares about.

Hiring

Much of the hiring process will be dictated by HR compliance and compensation, but there are some essential points for the hiring manager.

First, if you have found a truly strong candidate, then it's critical to move quickly. Strive to produce an offer in 24–48 hours. Beyond that, you may lose a good candidate. And even if not, it demonstrates to the candidate that the company has a hard time making decisions, which is not a good look.

Second, take reference checks seriously, and do them personally—don't delegate this to anyone else. Be sure to ask if the person would hire the candidate again. One of the most important goals of a reference check is to try to identify candidates that are going to prove toxic due to their personality.

Go beyond a reference check. One of the surest ways today to spot toxic personalities is to explore the candidate's behavior on social media. Find their profiles and look at how they interact with others.

The official offer may come from HR or from the hiring manager, but in either case, what is most important is that

the hiring manager call the candidate, and explicitly tell the candidate that if she joins and commits to putting in the effort, then you will promise to personally invest in coaching and developing the candidate to reach her potential.

If the candidate is especially good, it's very possible that she will receive multiple offers, so you should request that the CEO or other key leader reach out and offer to talk. This sends a very valuable message to the candidate and can also help get the relationship off to a good start.

Product Vision and Principles

Most companies have some sort of mission statement that summarizes the purpose of the business, but a mission statement typically says nothing about how we plan to deliver on this mission.

This is the critical role of the product vision. An inspiring and compelling product vision serves so many critical purposes that it is hard to think of a more important or higher-leverage product artifact:

- A good product vision keeps us focused on the customer.
- A good product vision serves as the North Star for the product organization so that we have a common understanding of what we are hoping to accomplish together.
- A good product vision inspires ordinary people to create extraordinary products.
- A good product vision provides us with meaningful work.
- A good product vision leverages relevant industry trends and technologies that we believe can help us solve problems for our customers in ways that are just now possible.

When done well, the product vision is compelling, inspiring, and empowering—leaving the product teams feeling excited to begin the hard work of making this vision a reality.

Creating a Compelling Vision

So, what makes a strong and compelling product vision? The product vision is one of our primary tools for keeping the organization truly focused on what the customer cares about. While we need to understand the impact on our company, we need to never forget that all of the benefits derive from providing real value to our customers.

When we tell the story of the product vision, we do so from the perspective of our users and customers. The idea is to demonstrate how their lives will improve in some meaningful way.

North Star. The product vision, done well, serves as the North Star for the product organization. Just as the North Star can guide people to their destination even when they're scattered across the globe, the product vision provides this purpose for all of the product teams, no matter where they are in the organization or on what piece of the larger product they're working.

Scope and time frame. Many companies make the mistake of describing a product vision that is not ambitious or meaningful enough. The product vision stands little chance of being perceived as compelling or meaningful if the team thinks it's just a matter of a few features. The product vision describes the future you are trying to create. In what ways will you improve the lives of your customers?

Normally, the time frame for the product vision is between 3 and 10 years out. Very complex products and devices are at the longer end of this range.

Leveraging industry trends. There are always emerging trends, typically enabled by new technology. There are also fads that get some hype for a while, then fade away. As product leaders, you need to decide which are trends and which are fads and, most important, which trends have the opportunity to substantially help you deliver innovative solutions for your customers.

Remember that customers don't care about our technology—they care about how well we solve their problems. So, while we may make a bet on specific technologies, we must always keep in mind the purpose of that technology is to solve problems in ways that customers love.

Product Strategy

Ultimately, empowered product teams are all about giving teams hard problems to solve and then giving them the space to solve them.

But how do we decide which problems they should solve? Answering that question is what product strategy is all about. An effective product strategy is absolutely essential to enabling ordinary people to create extraordinary products, because it focuses and leverages their talents.

Whatever the goal is, your strategy is how you're planning

to go about accomplishing that goal. Strategy doesn't cover the details—those are the tactics we'll use to achieve the goal. Strategy is the overall approach and the rationale for that approach.

Product strategy means, how do we make the product vision a reality, while meeting the needs of the company as we go?

Why is product strategy so hard? Because it requires four things that are not easy for most companies:

- 1. The first is to be willing to make tough choices on what's really important.** Choices mean focus. Deciding what few things you really need to do, and therefore all the things you don't do. Focus comes from realizing that not everything we do is equally important or impactful, and we must choose which objectives are truly critical for the business.
- 2. The second involves generating, identifying, and leveraging insights.** While product strategy starts with focus, it then depends on insights. And insights come from study and thought. These insights come from analyzing the data and from learning from our customers. The insights might pertain to the dynamics of our business, our capabilities, new enabling technologies, the competitive landscape, how the market is evolving, or our customers.
- 3. The third involves converting insights into action.** Once we have decided what's critically important (focus) and studied the landscape to identify the levers and opportunities (the insights), then we need to convert those insights into action.

In a company that's serious about empowered product teams, this means deciding which objectives should be pursued by which product teams, and then providing those teams with the strategic context necessary for them to solve the problems we need them to solve.

- 4. The fourth involves active management without resorting to micromanagement.** Reality is never static or predictable. As product teams pursue their objectives, some make more progress than others, some need help or encounter major obstacles, some find they need to collaborate with other teams, some realize they're missing key capabilities, or any of a hundred other possible situations. Properly managing this activity requires smart, engaged leaders practicing servant leadership.

The bottom line is that product strategy requires choice, thinking, and effort.

Ultimately, the only thing that will truly motivate a company to change to the empowered team model is results—business results.

Business Collaboration

Having strong product leaders and empowered product teams is necessary, but it's usually not sufficient. That's because product work happens in the context of the broader company. Your CEO matters, as do the rest of your key executives and the various stakeholders representing other key areas of your business.

However, establishing the necessary working relationships with the rest of your business is a different level of hard. It requires a lot more sensitivity and nuance.

Realize that your company is currently used to feature teams that exist very clearly to serve the business, and now you're trying to replace them with empowered product teams that exist to serve your customers in ways that work for the business.

What this really means in practice is that you need to move your product organization from a subservient model to a collaborative model.

At a very human level, you're asking very senior executives to think differently about teams comprised of ordinary people—individual contributors—who have been coached into extraordinary teams.

This is a very significant change, especially as it impacts the rest of your business. So let's discuss the implications of this change and how you, as a product leader, can guide your company through this change in mindset and responsibilities.

The Role of Product Leaders

Moving the product teams from the subservient feature team model to the collaborative empowered product team model begins with trust—especially between the product organization and the rest of the leaders of the business. The keys to that trust are the product leaders, especially the head of product.

Without a strong head of product who inspires confidence and is trusted by the CEO and the other key executives, it will be a long and very difficult road.

Note that there is a big assumption here, which may not be true in your organization: The assumption is that the product leaders are generally at the same peer level with the other key executives and stakeholders in the organization.

In any case, the product leaders must establish a direct relationship with the CEO (or general manager in a very large company) and the other key executives. That's usually the heads of sales, marketing, service, finance, legal, and business development. But this list varies at each company.

The basis of this relationship is that the executives need to believe the product leaders have a deep understanding of the business and are committed to ensuring that the solutions provided will work for the various aspects of the business.

This is table stakes for the product leaders. Beyond that, there are three aspects the product leaders will be judged on:

Business results. Ultimately, the only thing that will truly motivate a company to change to the empowered team model is results—business results. The reason the company even began on this journey is very likely because the old way was not delivering the necessary results. So it's important that the product organization deliver the results. And to do that, it's important that the organization have an intentional and focused product strategy, and that the product teams are empowered and accountable to the results.

Product strategy. It's important that this strategy be shared with the executives because that will communicate the reason for the focus and for the decisions on what to work on. Note that it's common that one or more of the most important insights were first discovered by one of the key executives or stakeholders, and in such cases, it's important to be generous in crediting the source of that insight. You want to build a culture that encourages the constant seeking and leveraging of these insights.

Product teams. Companies in the empowered product team model quickly learn that the real work occurs in these product teams, and their ability to solve hard problems for the business depends very much on the people on the team, especially the product manager. So be aware

that they will be judging the product managers and, indirectly, the product leaders.

Product leaders are only as strong as their weakest product manager, and this is why. This is also why it's so important during new-employee onboarding that the manager make sure that the new employee (this mostly pertains to new product managers) has done her homework and truly understands the customers and the business before she interacts with the key executive or stakeholder. Without this deep knowledge of customers, there will be no trust.

Inspired, Empowered, and Transformed

Great teams are made up of ordinary people who are inspired and empowered. They are inspired with ideas and techniques for quickly evaluating those ideas to discover solutions that work—that are valuable, usable, feasible, and viable. They are empowered to solve hard problems in ways their customers love, yet work for their business.

Empowered teams that produce extraordinary results don't require exceptional hires. They do require people who are competent and of character so they can establish the necessary trust with their teammates and with the rest of the company.

Meaningful Transformation

Inevitably, once you realize the scope and scale of what is necessary to work the way the best companies work, it raises the question of how to change from the way you're working today to the way you believe you need to work tomorrow. And this is essentially a question of transformation.

What does it really mean to transform to empowered product

teams? The prerequisite for this transformation is getting your senior leaders—typically starting with the CEO—to understand the necessary role of technology as the key enabler of the business and not just a necessary cost of doing business. Without this understanding, your chances of success are low.

At the highest level, there are three major steps. And as a general rule, they need to happen in the following order. First, you'll need to ensure you have strong product leaders in place. Second, you'll need to give those strong product leaders the ability to recruit and develop the staff required for empowered product teams.

Third, for the product teams that are ready to operate in the empowered product team model, you will need to redefine the relationship with the business. With the empowered product team model, the idea is to be true partners with the business—collaborating to come up with solutions that customers love, yet also work for the business.

You will always have strong competitors that covet your customers—but now you are equipped to not just fight back but to grow and thrive by continuously innovating on behalf of your customers.

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