

The Product Manager's Growth Guide

How to Drive Product, Business, and Career Growth



Product Managers Are Key to Growth

Digital businesses such as e-commerce platforms, social networks, streaming media services, and SaaS providers have elevated consumer expectations for convenience and created demand for new services. They've led users to expect rapid-fire technical innovation, greater personalization, and real-time responsiveness.

Just as significantly, they've upended the nature of the relationship between businesses and customers. The basic economic model for many digital goods has shifted from single-transaction sales to subscription or other forms of recurring revenue. That's made understanding how to engage and retain users as important to product success as any technical feature.

Companies as diverse as Zillow, Pinterest, Intercom, ZipRecruiter, and HubSpot famously rely on rapid innovation and customer focus to create successful, high-growth products. They're also great examples of businesses meeting that

strategic challenge by relying on a unique take on a key role that straddles the line between technology development and business execution: the growth-driven product manager.

PRODUCT MANAGEMENT'S GROWTH MOMENT

The role of product manager is a fundamental part of every modern technology business. There are dozens of articles, textbooks, and certification courses available to help would-be product managers learn the formal skills and processes, such as agile development methodologies, required to manage a modern software organization.

But there's another side to product management that sometimes receives short shrift in that sort of curriculum: how to actually think like a product manager, and how to nurture the growth mindset that differentiates today's most consistently innovative and successful digital businesses.

That's why SparkPost's product team wrote this guide to help others spark growth for their businesses—and careers. Whether you're a new product manager or an established product leader, you'll discover:

- How successful product managers think about growth
- What skills characterize growth-driven product managers
- How to build growth into the earliest stages of product development
- Where to look for a product's growth potential
- Which questions to ask that open the door to growth

Becoming a growth-driven product manager requires curiosity, experimentation, and perspective. Let's dig in.



Thinking Like a Product Manager

How product managers conceive, develop, and market products and services is a defining quality of the technology industry. Indeed, PMs have an outsized responsibility for success of today's SaaS apps and other digital businesses.

Their challenging role requires an unusual set of technical, strategic, organizational, and emotional skills. And the most successful PMs think about the growth of their product and business in a very intentional way.

This approach is sometimes called "product thinking." Like growth itself, product thinking is a mindset, not a specific process or methodology. It's a fellow traveler with other ideas that have shaped software development today:

- Agile development, iterative improvement, continuous deployment, and other key aspects of modern software development.
- Experimentation and following the data to find growth surfaces that engender deeper and richer involvement with a product (more on this idea later in this guide).
- And above all, approaching what you're building from the perspective of your users—not from the stance of your internal processes, lines of business, or your industry's status quo.

It's this last one that's really essential. Product thinking means understanding your product in terms of the user, the user experience, and the results for the user. It's not a list of features, and it's not a UI. It's a whole that's greater than the sum of its parts.

Understanding how users see that whole product is one factor that separates great product teams from the crowd. Empathy is a powerful attribute in any of us, but it's absolutely critical for growth-driven PMs.

Certainly, great products require more than good intentions. The ability to leverage the emotional skill of empathy and use it to shape a tangible product is a core aspect of the product thinking mindset—and it's one that requires several key functional skills to do well.

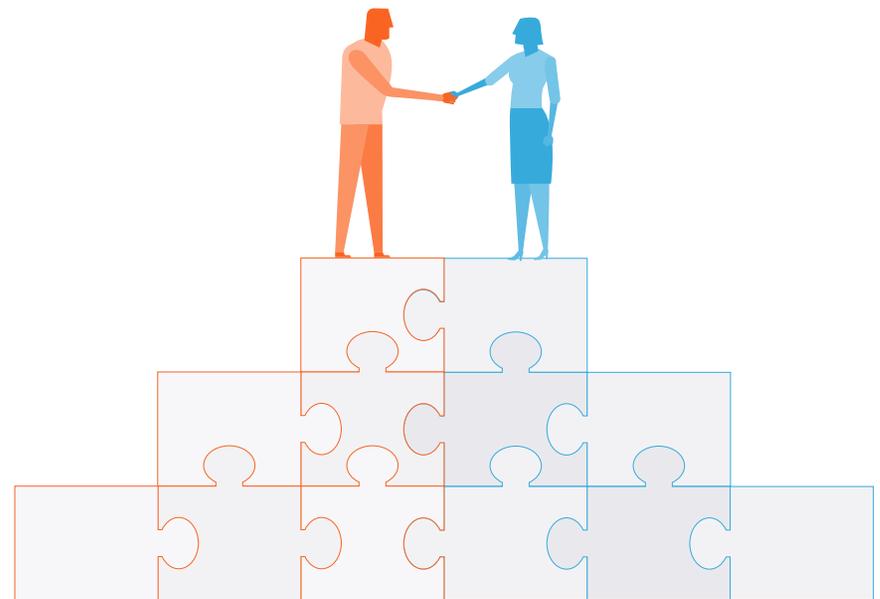
KEY SKILLS FOR THE GROWTH-DRIVEN PRODUCT MANAGER

The formal job description for product managers can vary widely from company to company and industry to industry. But across the board, exceptional growth-driven product managers exhibit several key qualities.

✔ Sees things strategically

Product managers help their team make strategic choices. Product ideas may arise from many sources: internal analyses, user requests, competitive offerings, and many others. Sorting through these as a team, then figuring out exactly how to proceed, takes strategic wherewithal and the willingness to answer difficult questions.

In fact, a product manager will have to give a firm "no" about a direction others on the team really want to pursue. That's because it's the PM's job to understand the bigger picture and stakes in play, for the product and the company alike.



✔ Recognizes their central role in growth

It would be easy to fall into the trap of being absorbed by the technical and design aspects of putting out a product. But growth-driven PMs instead are focused on the ways to exert leverage for customer and business success. They're focused on key product KPIs such as activation, engagement, and retention—all of which are essential to managing churn and profitability.

✔ Possesses complete product understanding

It is obvious that any product manager must know their product from top to bottom. PMs are a source of expertise not just for their own team, but for other stakeholders in the business, including customer success and support, sales, and marketing.

But growth-driven product teams don't let that knowledge become myopic; companies and PMs that become inwardly focused ensure decline, not growth. That's why effective PMs nurture their innate curiosity about their market category and competition, trends and best practices in the in the broader tech sector, and above all, their users' experiences.

That big picture view is essential to recognizing an opportune time to update or modify a product and steal a march on competitors.



✔ Has awesome customer empathy

To develop any kind of product strategy or roadmap capable of driving product relevance, growth, and profitability, product managers must seek a deep understanding of customer needs and user experiences. It's a user-centric approach he or she also promotes within the entire team and enterprise.

They crave insights that shed light on the customer journey. Having empathy for users is the "secret sauce" that empowers smarter product design, opens dialogue with the people they're trying to reach, and helps retain those users as every upgrade or cross-sell is perfectly matched to their need state.

The product manager is, in a very real way, a primary customer advocate within their team or organization. Without that focus on user need, it's very easy for product development and marketing to wander off-track, chasing after a shiny new feature or expansion that, in the end, doesn't hold enough value for the customer.

✔ Is driven by data

That means both qualitative and quantitative inputs. Growth-driven product managers always look for opportunities to talk to customers and end users to develop qualitative insights about why they value the product.

On the quantitative side, they'll pour over metrics about retention, usage, customer success, and other indicators that help them set goals and inform product iterations, marketing strategies, or other decisions.

✔ Always asks questions

Good product managers are experts, yes—but not know-it-alls. A key aspect of the growth mindset is understanding that technology, customer preferences, and competition move far too fast to stand pat. So growth-driven PMs are curious and inquisitive about every facet of the product and user experience.

Moreover, a good PM knows when to challenge assumptions and prevailing practices, or demand a sound rationale for set ways of doing things. They're relentless in the pursuit of incremental wins and better solutions, driving a virtuous cycle of actions and feedback that lead to continuous improvement.

✔ Displays unafraid leadership

Being able to demonstrate real leadership qualities builds trust with others. A talent for articulating a real vision for a product, powered by personal enthusiasm that also manifests as an ability to inspire others, is a major strength of great product leaders. So is a willingness to delegate responsibilities and help others shine in the spotlight.

Listening and responding intelligently to feedback and concerns from co-workers and users alike is corollary. That builds credibility and confidence that suffuses the entire team, and can even influence the user community. Honesty and transparency are virtues respected by co-workers and customers alike.

✔ Makes decisions with agility

Today's PMs work in a realm where there's a premium on quick responses and agility—a factor with particular impact on capturing growth opportunities. So being able to quickly analyze options, risks and rewards and reach unequivocal decisions is a pivotal skill.

Importantly, they've got to be fearless about making decisions. Paralysis by analysis or trepidation about making mistakes is, in fact, at total odds with the growth mindset. Nobody likes to make a mistake, but each error is also a useful data point that illuminates what works—by proving what doesn't.

✔ Is compelled to execute

Product managers are predispositionally driven to get things done. That means pushing everyone toward hitting the myriad milestones in a product's launch and ongoing development. They'll delegate as needed but also roll up their sleeves side-by-side with the team members more directly responsible for specific tasks.

✔ Nurtures collaboration

Product managers fail or succeed on the basis of how well others collaborate. If team members don't see eye-to-eye and are struggling to work together, a good PM will figure out how to smooth the waters and create an environment where they can mesh productively. This means instilling shared goals, expectations and a synergy of talents and temperaments—while still celebrating the healthy competition and debate that often drives innovation and achievement.

✔ Communicates well

Product managers must be able to articulate a wide range of ideas to equally diverse stakeholders. They have to be able to converse equally well with developers, engineers, marketers, salespeople, CFOs, CTOs, users, prospects, influencers, and others. Moreover, a PM's effectiveness often depends upon the ability know what information matters when and to communicate often complex topics in audience-appropriate ways.



Building Growth into Your Product's Core

Most product managers today are very familiar with the idea of a “minimum viable product,” or MVP. It’s sometimes a misused and misunderstood concept, but it’s a powerful enabler of growth when done right.

WHAT'S YOUR GROWTH MVP?

A minimum viable product is an early version of a product, such as a SaaS application, that is designed to ensure that product vision and strategy are aligned with market needs.

Typically, an MVP delivers just enough functionality and value to appeal to early adopters and other innovators. It’s not a beta version of your product, designed for shaking out bugs or for fine-tuning features and interface elements. It’s also not an idea that exists only on paper (or slides), or a raw demonstration of a proof-of-concept.

Instead, the term “MVP” suggests something very specific:

- **Minimum:** the smallest number of capabilities, features, and packaging that...
- **Viable:** deliver enough value that customers are willing to spend money (or another currency such as personal information)...
- **Product:** on something they can use today... not just invest in a future concept, promise, or offer.

The goals of an MVP are to validate the premise of a product, to test hypotheses about market needs, to make adjustments to the product vision, and to prioritize where to invest in future development. As such, MVPs are a profoundly powerful approach toward finding product-market fit.

By testing and refining core premises with real-world validation, MVPs help product teams to accelerate their decision making and maximize agility. When done correctly, MVPs mitigate the risk of spending time and money developing a product only to find no one has any interest in it when it’s released.

GROWTH MVPS START WITH TOUGH QUESTIONS

Don’t be fooled thinking “minimum” means “easy.” Determining an MVP’s minimum feature set is hard work, but asking the right questions is an important part of the process.

What problem are you trying to solve, and is it really a problem worth solving?

All of us encounter pain points large and small in our day-to-day lives. If you’ve identified one that you think needs a solution, spend some time considering whether it’s a problem that has enough friction that people will want to use your product.

For example, consider ride-hailing services like Uber and Lyft. Anyone who has spent enough time in a large city knows how frustrating it can be to stand at a curb and try to hail a taxi. That was a pain point large enough to create instant growth opportunity by enabling anyone to simply pull out their smartphone, launch an app, and quickly summon transportation.



On the other hand, there are myriad products that failed to change much of anything. One notorious recent example was the sort-of-juicer called Juicero. The company put a lot of time and money into designing a high-tech press with proprietary consumables, looking to recreate Gillette's famous "make money off the razor blades" business model. It turned out that very few people wanted an expensive juice press that had Wi-Fi and required the scanning of a QR code before it would squeeze a juice pack. It didn't help that squeezing a juice pack by hand worked nearly as well as putting it in the press.

What's the easiest, most direct way to solve the problem?

Don't worry about all the cool features your product could offer. Just think about the straight line from problem to solution, with as few steps as possible along the way.

Consider Uber again. Originally known as UberCab, it was first offered only in San Francisco and it only featured a black car service that was more expensive than

a taxi. However, it allowed you to grab a ride by simply clicking a button or sending a text message, and that basic functionality proved to be wildly popular. Seeing how well it worked convinced the company to aggressively pursue the idea.

MVPS GROW ONE STEP AT A TIME

As noted earlier, a proper MVP means something quite specific. But just like an MVP helps accelerate product-market fit, there also are ways to get to an MVP itself faster and with less risk. Here are three approaches to try as you work toward developing an MVP.

Before building an MVP, test your promise and offer

You don't even have to have a single line of code written to start down the path of creating an MVP. Create a landing page complete with compelling bullet points that sell people on your product's features and mocked-up screenshots



that show them your vision. You might also want to create a video that narrates your screenshots and explains what problem your product will solve.

Include a sign-up field where visitors can add their email addresses to your list. You could even list different pricing plan options and ask people to choose the one that interests them, which will help you understand what they want from your product and the potential value they assign to it.

Great products require more than good intentions. A PM's ability to leverage the emotional skill of empathy to shape tangible product features is essential.

Create an AdWords campaign to drive people to the landing page, so you know which search keywords are creating the most traffic. You might be surprised by the results.

These preliminary steps won't take the place on an actual MVP, but they can help determine if developing an MVP is worth pursuing.

Use a manual process to deliver your product or service

The trick with this approach is to give the illusion that you're offering a fully functional experience even when you're not. As long as you're giving customers what they paid for, it doesn't matter if you're using a clunky process behind the scenes.

For example, when Zappos founder Nick Swinmurn hit on the idea of selling shoes online, which seemed outlandish in 1999, he first tested his concept by photographing shoes on store shelves and listing them for sale on his site. When someone bought a pair, he purchased them from the store and shipped them.

While that wasn't a viable long-term plan, that simple idea allowed Swinmurn to see if he was correct in his assumption that people would buy shoes on the Internet without trying them on first. It turned out he was right. And as an added bonus, he didn't have to invest heavily in warehouse stock and risk getting stuck with a lot of unsold shoes.

Use existing apps and services to approximate the experience

There are plenty of ways to use modern technology to create a process that you can later refine with unique software development. You can use existing tools to essentially develop a demo without sinking a lot of money into programming resources.

For example, Groupon started as a WordPress site where founder Andrew Mason and his small staff published deals as blog posts. They used an AppleScript to generate a PDF of a coupon that they then emailed to everyone who had claimed a deal. It was a clunky way to operate, but it proved that the concept worked.



Finding Your Product's Room For Growth

Once a product has launched, successful product managers identify key features known as “growth surfaces” that drive user engagement and other business metrics.

WHAT IS A GROWTH SURFACE?

A growth surface is a feature or interaction that's intrinsic to your product and drives business growth by encouraging users to:

- Spend more time with your product
- Broaden their use with new interaction patterns
- Extend their engagement into additional product lines

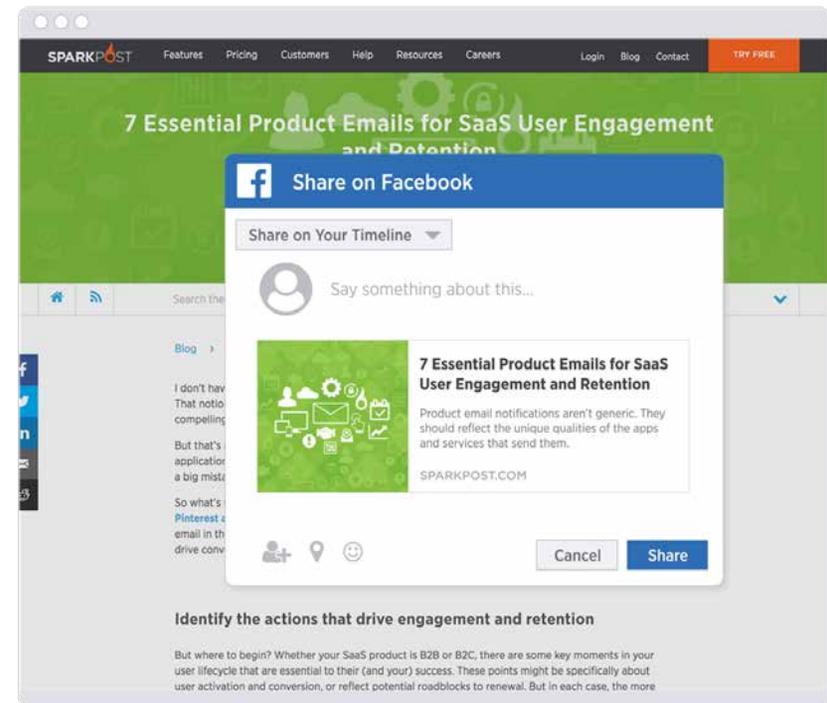
The operative word is “intrinsic.” You're not trying to drum up demand from new users. You're looking for existing users to show you new ways to use your product, so you can quickly take advantage of those growth surfaces and increase engagement.

You may want to anticipate growth surfaces from the beginning of development, such as the classic free-to-play video game model that gets players hooked on the action and prompts them to spend money on upgrades or other features that help them be more successful.

The same technique also prompts users of free business accounting or CRM —platforms to upgrade to a paid model because they eventually find that they need more sophisticated features.

Whether or not you bake a forward-looking approach into your feature roadmap, always keep in mind that your users may surprise you with the choices they make. Consider Facebook, which realized that its users were often using their status updates to share links to news articles.

Facebook recognized a growth surface that could increase user engagement and invested in that part of its product, adding such features as link previews and related news stories. Then it began encouraging news sites to publish their articles directly on Facebook.

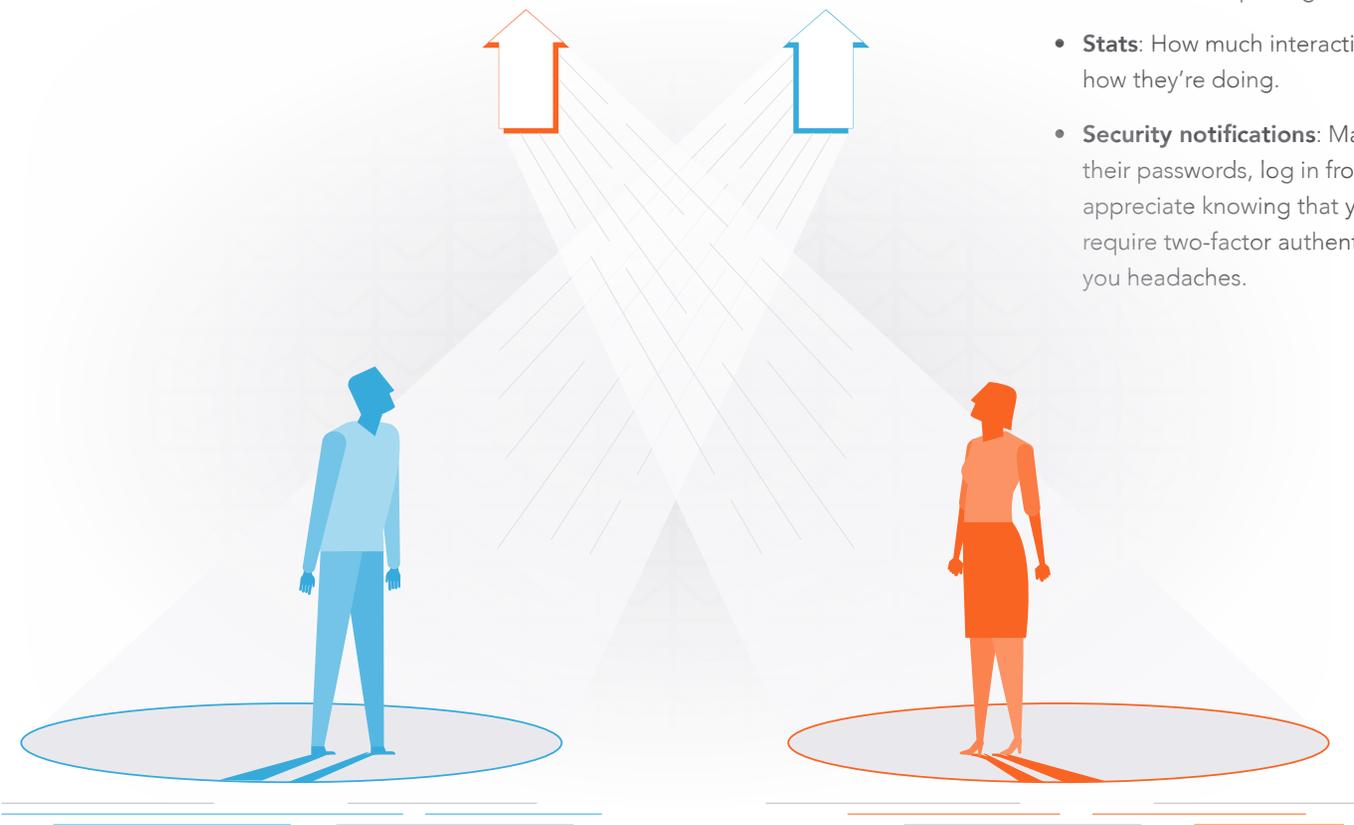


DISCOVERING GROWTH SURFACES IN UNEXPECTED PLACES

When you identify a new growth surface, make sure you're ready to test and measure your efforts. Pay attention to engagement, conversion, and retention stats and don't be afraid to follow the paths they reveal, even if they're ones you hadn't anticipated.

Even seeming utilitarian functions are potential growth surfaces. For example, notification channels such as in-app billboards, push messages, and email are highly effective ways of driving growth. Consider these use cases that each encourage return visits or deeper engagement with an app:

- **Account activation:** You want to verify the email address a new user provided and remind them that they can get started using your product.
- **Onboarding:** Make sure you help new users hit the ground running.
- **Content sharing and user invites:** Whether your product has a B2C or B2B focus, there are many ways you can get new users to bring friends or colleagues along for the ride.
- **Activity:** Let users know about others' interactions with their use of your product, or even remind them to finish completing a profile or task. You can also integrate social media hooks so users can share their activity with friends and help bring them into the fold.
- **Stats:** How much interaction did a user receive? Many people love to see how they're doing.
- **Security notifications:** Make sure you notify users when they change their passwords, log in from an unrecognized device, and so forth. They appreciate knowing that you're looking out for them. And make sure you require two-factor authentication, so it's harder for the bad guys to cause you headaches.



Questions Open the Door to Growth

When a product team is planning new features or even entirely new products, it's easy to ask a potential buyer what they think they need, or what would be valuable to them. And, to be sure, asking for customer input certainly is a good thing to do—but time with your customers is a precious resource, so how should product managers make best use it?

NOT ALL QUESTIONS ARE EQUALLY VALUABLE

Apple's legendary CEO Steve Jobs once said, "Some people say, 'Give the customers what they want.' But that's not my approach. Our job is to figure out what they're going to want before they do. I think Henry Ford once said, "If I'd asked customers what they wanted, they would have told me, 'a faster horse.'"

Anticipating the needs of your product's customers isn't as easy as simply asking them to identify what solution they'd buy. It's much harder than that—it means understanding the more fundamental need customers are trying to solve. Apple's repeated ability to do that demonstrates how powerful getting that right can be for growth.

Great product managers ask lots of questions. But they're questions that expose fundamental needs rather than feature wishlists or tidy validation of product plans.

KEY QUESTIONS TO ASK

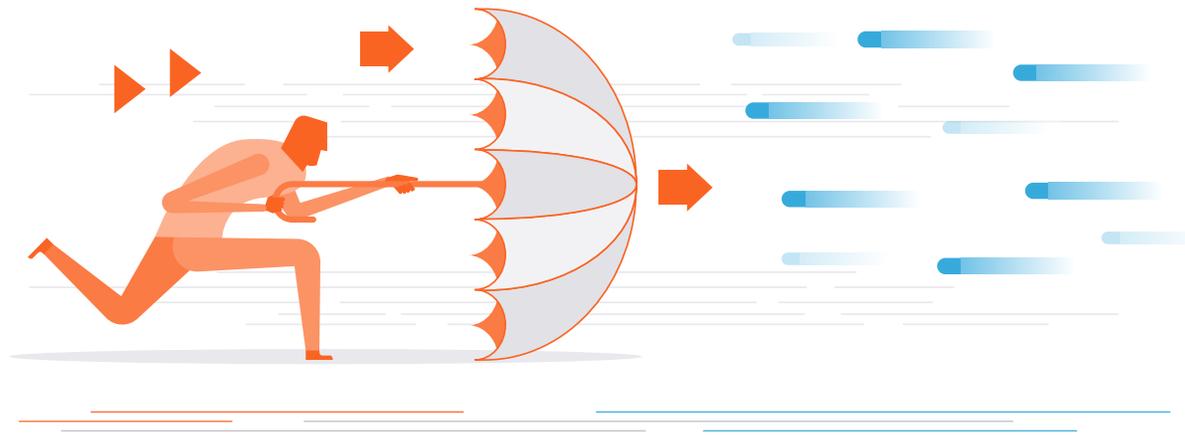
1. Describe your typical daily workflow. What are the biggest pain points in it and how do you work around them?

You want to walk through your customers' process and note where blockers pop up to slow down their efforts. As you compile their responses, you can see trends develop and begin to understand how your software can solve their major problems with new feature releases as soon as possible. You'll also know which features your customers can wait for in the mid-term, as well as the ones that you can safely put on a back burner for a while.

Make sure you also pay attention to the methods your customers say they use to get around their obstacles. Those descriptions can also help inform new feature development.

2. Let's say you've solved all your pain points and you no longer need any workarounds. What would you do with the extra time?

This question can help you understand what's on your customers' roadmaps for their businesses. They likely have endeavors they'd like to undertake, if they had some extra time to work on them, so knowing what they are can give you pointers toward future features for your service.

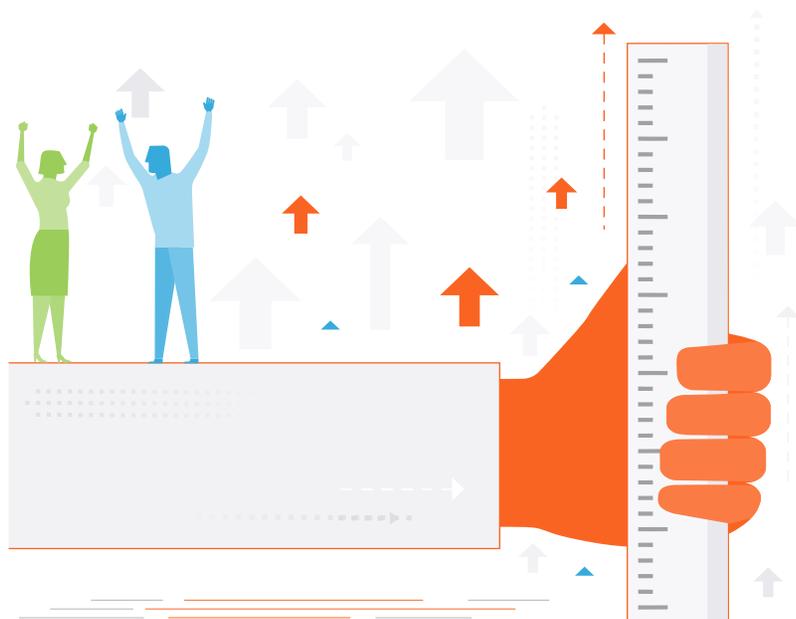


3. Who do you work with, both on your team and outside it, during a typical workday? What are their job functions and how do you interact with them?

The answer to this question will help you understand how your software fits into the bigger picture at your customers' workplaces. You might discover not only ideas for new features but also opportunities where you could get your sales team involved.

4. How do you measure success at your company?

The KPIs (key performance indicators) your customers use as yardsticks to determine how well they're doing from month to month and year to year can help you understand how your solution supports the work done to achieve those goals. You may discover your software maps nicely to those measurements, or you could learn your offering misses the mark in important ways.



5. How do you describe our software to new employees on day one?

This question offers a good way to deconstruct your software and understand how your customers view its basic functionality. New employees likely won't receive an in-depth tutorial on the product during their first day at work, so those simple "We tell them that the software does X, Y, and Z" responses will give you a sense of how your software fits into your customers' businesses. You may be surprised by what they say.

6. What processes or code have you built to integrate or customize our software?

If you want to know how to find your next growth surface, this question will be revealing. While you may well find one or two of Henry Ford's "faster horse" feature wish lists, you'll also discover plenty of guidance about actual pain points. After all, your customers already have had to invest time and money to solve them inefficiently. One or two similar answers will emerge and you can go back to your engineering team with a clear idea of what they need to work on next.

7. Let's pretend you have to slash your budget and eliminate some software in the process. On a scale of 1 to 10, with 1 being "cut this first" and 10 being "this is crucial," how would you rate our software and why? Who's ahead of us in your ranking and what software is behind us?

This one requires brutal honesty from your interviewee, but it's important to understand exactly what your customers think of your software. Is it truly something they could live without? The "why" part of their answers, as well as how they rank you compared to the other tools they use, will help you understand where you should improve your offering so it becomes indispensable to your customers' daily workflows. You may want to schedule time for some competitive research afterward.

Get Started on Your Path to Growth

Growth is the direct result of great product strategy, effective go-to-market execution, and strong user engagement. That's why the success of digital products today depends upon growth-driven product managers to lead their teammates, stakeholders, and customers on that journey.

The reach and value of SaaS and other digital products are only going to increase over the next decade. Whatever the domain—B2B applications, social products, e-commerce, games and entertainment, or mobile and other new devices—the role of the growth-driven product manager will become even more complex, interesting, and important.

We hope this guide has helped you think about how to develop and nurture your growth mindset. We look forward to seeing what you build!

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