

Speed Layers a concept to Develop Fast – Develop Slow

2019



PRODUCTBEATS

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The Beat of Product Thinking

By Magnus Billgren - Tolpagorni - Sweden

Dig into some thoughts from the Product Experts Across Europe

The papers range from strategic thinking toward favorite tools. You are reading one of the 8 papers. Let us introduce the papers to you:

1. VALUE DRIVEN PRIORITIZATION – Start with the beginning

Daniel Zacarias has met, discussed and trained thousands of Product Managers. They all share one common difficulty; How do I prioritize?

Daniel has tackled this problem from multiple perspective and has come to realize that prioritization methodologies don't bring the solution. You have to start with the Value. Well, we all say that, right. Maybe even your manager. But why is this so hard. In Daniels paper you will get hands on tips in how to do that, prioritize with Value in mind. But even more importantly you will gain a Value thinking

2. AGILE STRATEGY MAP – Strategies for the real world

In a fast-moving arena, we have all embraced Agile thinking to reduce waste and deliver products that are appreciated. Developers all over the world have united in agile development methodologies like SCRUM, DevOps, XP, Agile PM and more. But the problem has been to leverage the agile development thinking into the organization as a whole. One of the challenges is to work with strategy from an

agile perspective. Darren Duarte has over the years explored Agile methodologies and has started to implement the Agile Strategy Map. It is not only a new way of developing and visualizing your strategy but it introduces and agile thought to the strategic work. We live in an uncertain environment where things change. The Agile Strategy Map has this as a starting point and not as a predicament.

3. SOLUTION MANAGEMENT – managing complex environments

Many product management models and books start with a blank piece of paper. But in reality, for enterprise product managers that is not the case. Hundreds or thousands of man years have already been invested in the technology and product that you are to manage. In addition, the customer is not always buying a product but a solution. Greg Prickril has made it his quest to evolve and support Enterprise Product Management and organization to tackle this complexity.

In his paper he introduces his thoughts on Solution Management and how it relates to the Product Management.

4. PORTFOLIO MANAGEMENT – defining the scope

For established companies the portfolio management is often considered to be

one of the key activities for reaching sustainable profits. But which portfolios are we to manage and how do they relate to the Product Management activities? Harri Pendolin was one of the Nokia Heroes building the portfolios that conquered the world. In his paper he shares the starting point for managing portfolios. What are the different portfolios we are to manage and how do we do that?

5. SPEED LAYERS– Develop fast, Develop slow

We often talk about accelerating business. Becoming faster. But we also know that things move in different speeds. In the restaurant business it is obvious that developing a menu and recruiting a chef takes a longer time than to cook the food. (Hopefully) The same reality applies for all tech companies. Building a platform or creating a delivery organization has one speed while fixing a small bug goes much faster.

So, if we embrace the fact that things move in different tempo, how are you to work with your product? Magnus Billgren has implemented Speed Methodology in a number of world leading companies releasing the power of speed layers. Magnus takes the thoughts of Michael McGrath and his platform thinking one step further into our fast-moving world by embracing slowness.

6. SUSTAINABLE REVENUES – delivering a greater Value

The valuation of companies on the stock exchange is about anticipating the future revenues. Risks and uncertainty are quickly reducing the value of any stock. What if you could show the sustainability of your business and revenues?

The Product Management arena is a powerful position. We as product managers

define our company's future offerings. But how do we work to create a sustainable revenue, that also puts sustainability into the equation. Dr. Petra Färm has together with a group of extra ordinary product managers extended the business model canvas to include sustainability. In her paper she gives hands-on advice in how to create sustainable revenues and include sustainability in your business model.

7. VALUE, WASTE or OVERHEAD

Professor Dr. Dr. Tony Gorschek claims that your work can be categorized into three buckets: You create value, you do the necessary overhead or you develop waste. The core thinking behind agile and lean methodologies is to minimize waste and overhead and deliver more value.

So, if you want to become truly agile you have to focus more on value. Tony is one of Sweden's most published researcher in the world's most prominent paper like Journal of Innovation, HBR etc. And he will provoke to make you think about your contribution to your organization and your customers.

Is his paper waste, overhead or valuable?

8. You cannot develop great products without insights!

We all talk about understanding the customer and the market. But often we get caught in opinionated thinking and discussions. Torbjörn Höjer is a designer by trade and has always focused creating true insights before designing the products. But what tools are relevant to use for product managers in developing the insights needed. Torbjörn has collected ten of his favorite insight models.

A hands-on practical paper giving you concrete discovery models to start working with today.

The product brains

Product Brains in the Stockholm archipelago from left Magnus Billgren (Sweden), Matt Towers (US), Harri Pendolin (Finland), Erika Merz (Germany), Greg Prickril (Germany & US), Claire McBride (Ireland), Daniel Zacarias (Portugal), Petra Färm (Sweden), Darren Duarte (Germany & Australia) and Torbjörn Höjer (Sweden)



Tolpagorni 10 golden principles for successful Product Management

These ten rules are to guide your way of working. All of them are based on research and practical experiences. Each one of the principles unfolds the secret of success. Don't just read them. Take a principle and spend ten minutes, and analyze what it means to you!

1. Leave the building and identify Patterns.
2. Understand how value is created.
3. Work in multiple speeds.
4. Use your long term thinking to make short term decisions.
5. Use fast tools to improve precision.
6. Invest in your bottlenecks.
7. Insights are built by data.
8. Do less, more often.
9. Show & Tell - and listen.
10. Product thinking is about creating a Sustainable Business

Conferences to attend

There are quite a few product conferences around the world gathering large crowd of people. Some are more inspirational than others. While some provide trainings and practical workshop as add ons to the conference. The big difference are the number of tracks to choose from. Some conferences aim at multiple tracks to cover all needs. Other Conference focus on the user experience by offering one-track events. Multi track events will allow you to find knowledge your looking for while one track events will help you build a deeper network and offer a better experience.

<i>UK</i> Mind the Product	October 17-18 2019	The biggest product event with multiple tracks and great inspirations	Multi track
<i>Australia</i> Leading the Product	October 17 2019	Tools, Inspiration, World class speakers	Single Track
<i>Australia</i> Leading the Product	October 22 2019	Tools, Inspiration, World class speakers	Single Track
<i>Belarus</i> ProductSense	October 28-29 2019	The leading product event in Russian speaking world	Multi Track
<i>Sweden</i> ProductBeats	November 6-7-8 2019	A tight conference for trainings, inspiration and workshops	Single Track
<i>China</i> Product Summit	November 8-9 2019	The leading conference in China	Multi Track
<i>Switzerland</i> Product Management Festival-Zurich	November 13-14 2019	A huge conference on product with multiple tracks	Multi track
<i>Portugal</i> Productized	November 21-22 2019	2 day conference perspectives and insights on how to build great products	Multi Track
<i>Sweden</i> ProductBeats Stockholm Week	March 18-19-20, 2020	The secrets of Product Success and what is happening in the Product Space	Single Track
<i>Germany</i> Software product management summit	March 24-25 2020	ISPMA organized for Software	Multi Track
<i>France</i> La Product Conference	June 4 2020	Empowering the French speaking Product People community	Multi Track

Trainings

The number of professional trainings are evolving. And the quality is continuously improving. There are four types of trainings available in the market:

- Product Fast track** Accelerated trainings to get you into the Product thinking
- Product Foundation** A solid training program that gives you a perfect stepping stone for accelerating your career
- Product Pograms** Programs for product executives and senior product managers
- Product Specialist** Area specific trainings in UX, Design, Product Marketing, Product Planning giving you deeper knowledge in an area

FAST TRACK	DESCRIPTION	SUPPLIER
Product Essentials	1-day fast track to product thinking	Tolpagorni
Product Management Fundamentals	1-day fast track into product thinking	Folding Burritos
Seven Tools Product management	eLearning fast track	Edlegio
FOUNDATION		
Certified Product Management (ISPMA)	4-days training, Great toolbox	Tolpagorni
Foundation Level (ISPMA)	3-days end-to-end perspective	Prickril Consulting
Certified Product Management (ISPMA)	University Program	Utrecht University
Product Management	3-days including product marketing	Product Focus
Product Management 2.0	Practical 3-days training	Contribyte
Strategic Product Management	3-days Solid foundation	Blackblot
PROGRAM		
High Performance Product Management	Program for Product executives	Tolpagorni
Product Executive Program	Program for Product executives	Insead
Professional Product management	Program for senior product managers	Tech University Dublin
SPECIALIST		
Design Thinking	eLearning - product & design thinking	Edlegio
Product Management Essentials	1-day Approaching new opportunities	Mind The product
Product Management Foundation	1-day Way of Working	Mind The product
Product Planning	1-day requirements and roadmapping	Tolpagorni
Product Strategy	1-day develop executable strategies	Tolpagorni
Product Value	1-day evolve your product marketing	Tolpagorni



Magnus Billgren

Product Guy and Guru Tolpagorni Product Management AB

Speed Layers- Develop fast, Develop slow

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Inspiration & Influences

- Looking at products and understanding the logic of them. Why do they behave as they do?
- Engaging with product teams across the globe
- Participating, absorbing and using research
- Developing products

What's happening product management today

Product management is expanding in all dimensions. It is entering into new industries specifically in services and public entities. The Scrum methodology has highlighted the Product Management role in software companies. Along with product management books, models and & tools, conferences and opportunities for training is exploding. Product management is solidifying into a mature industry.

Future of Product Management

We see more professional product managers. Individuals who have been working in product for multiple companies have really learned the profession of product business. Professional training companies and University programs are adding to the profession by building and sharing knowledge. In many organizations we see an increased value in the product management function. Two areas are driving the development of product management; Customer Value and Speed. All companies are trying to scale and increase customer value and they want to roll out products faster. To achieve this, we need to really define what value means and consider new methodologies for measuring it. At Tolpagorni we are working with speed management that encompasses both short and long term thinking.

What's unique in Sweden

Swedish industry is well balanced. Traditional industries like ABB, Scania, Ericsson, Atlas Copco, TetraPak are important as a foundation of the industrial structure. There are also unicorns that have quickly grown to mega stars like Spotify, Klarna, King, iZettle. Together with the large number of medium sized companies and startups the product industry is well balanced. The Swedish market has an extremely export oriented culture.

In Sweden a number of local tools and models have been developed that are only used in Sweden. ValueModel®, Pulse methodology, modularization methodologies are examples of this. This makes the Swedish products more unique than most. Swedish companies are sustainability oriented. We place a great value in how extensible the products are for long term business success.

Tips and tricks

- Become your own customer for a day
- Visualize your product to grok the logic
- Identify your defining technology? What is the secret sauce of your product that gives you the long term edge?

Speed Layers a concept to Develop Fast – Develop Slow

By Magnus Billgren - Tolpagorni Product Management - Sweden

Products Strategies often fail

At Tolpagorni, we've made it our business to develop product strategies, advising companies on how best to navigate the road to success. Over the years we've created and driven strategies throughout a number of diverse industries – and in that time, we've seen it all. We've seen the roadmap with unlimited resources. The suicidal sales-driven strategy. The PowerPoint Dream strategy. The passive run-me-over strategy. And many, many more.

With every new strategy we see, however, the more we ask ourselves the same questions. Why is it so hard to create a product strategy? What is the thinking behind successful strategies? And, most importantly, how do we create a strategy that we can effectively execute upon? Now, after years of experience devising hundreds of strategies for hundreds of businesses, we've set about to answering those questions. And we approach it from a time and speed perspective.

Our Hypothesis: Work with SPEED LAYERS

We believe there is a place for a new way of looking at strategy, products and organizations. We call it Speed Layers. It is a concept for creating a strategy and managing products and organizations. It builds the capabilities needed in today's accelerated environment by using a speed perspective.

REALITY CHECK and our CHALLENGE

All companies in the technology intensive world are being challenged. “Innovate or Die” is today's mantra. The markets are shifting and new technology is being developed. Agile development models have drastically altered the arena for creating products and services. The speed of change is increasing in all markets. It is not a matter if a shift will occur but instead how and in what pace the shift is happening.

The new challenging situation cannot be dealt with by using the old school management and strategy models. To address the challenges alternative perspectives are needed. Perspectives allowing incremental yet radical innovation. Perspectives enabling short term monetization while pursuing investments in new core technologies for long term success.

Most products have a very complex environment. There are deliveries to be made every day. There is a daily development being done for securing long term business. We need to position the product in the ecosystem and sales that needs to be closed today. There are multiple development teams working on platforms, data, features and operations.

Business decisions are hard to make in this complex arena. We struggle to create business cases on core technology development where the obvious revenues are impossible to foresee. We enter a long business decision process for development we should have done yesterday.

In many organizations we try to establish one way of working. One way of doing product management, one way of running projects, one way of evaluating investments. This strive for one common way of working might make it easier for management but it creates tons of waste in organizations.

Introducing the concept of SPEED LAYERS

What would happen if we were to look at the strategy, product and organization from a speed perspective? It changes everything. We can quickly identify that there are layers in work where different speeds are needed. All those issues you need to handle like bugs, sales opportunities, new technology, a new market entry, recruiting new personal, setting up a new partnership etc. can be placed in different speed layers.

Each speed layer shall receive its unique priorities, ways of working and decision-making process. We want to have speed in execution on sales activities and bug fixing and a strategic evaluation on implementing a new technology platform. And they need different financial evaluation models and decision making.

Speed layers establish an outcome driven organization and relevant ways of working. It will minimize waste in the organization and increase your value delivery.

Speed layers are of course different in different organizations. We have worked with 2,3 and 4 speed layers. Most common is a three-speed-layer model. A typical set up for the three layers can look like this:

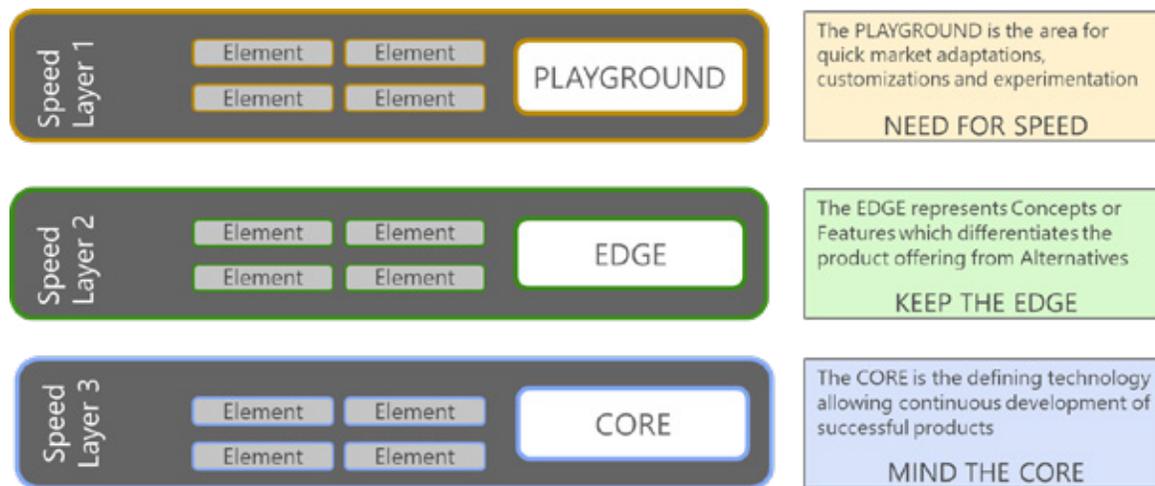


FIGURE - Each layer consists of multiple elements. The three layers have different goals and drivers that defines the pulse and speed of the layer. That will result in different processes and way of working in the layers defined.

- **Speed Layer 1 with the Playground**
Speed layer 1 is about high speed execution. It is often driven by deliveries and customer interaction. The Playground defines the rules of engagement within the deliveries. It defines customization level and in what areas.
- **Speed Layer 2 with the Edge**
Your differentiation in the market is often defined by the work you do in speed layer 2. The differentiation or the Edge as we sometimes call it must be continuously replaced since your competitors will copy it.

- **Speed Layer 3 with the Core**

The core of the product is what drives your long-term success. It is the part of the product where you create the sustainable vector of differentiation. The area where you always will be better than all the rest.

The different speed layers shall have their own way of working, KPI: s and financial models.

Speed Layer a Starting Point

Below is an example of principles applied for the different layers. The example can be used as a starting point for establishing rules for the Speed Layers:

SPEED LAYER 1 with Playground

The Speed layer 1 is often driven by the customer behaviors and how you deliver the product. We all know that we need to respond quickly to customer demands and accelerate deliveries.

#	Rule	Rational
1	<i>Encapsulated with clearly defined interfaces</i>	<i>Increase speed Ecosystem enablement</i>
2	<i>No design for reuse</i>	<i>Avoid technical debt Speedy</i>
3	<i>Fast feedback loop</i>	<i>Fast updates Secure value delivery</i>
4	<i>Developed solutions and knowledge shall be shared</i>	<i>Building long term competitiveness with short term projects Identify patterns</i>
5	<i>Continuous evaluation of whether solutions shall be moved, and redesigned, to other Speed Layers</i>	<i>Leverage good solutions Keep it Manageable</i>
6	<i>Financial evaluation is made on the individual delivery</i>	<i>Short decision process Easy evaluation</i>
7	<i>Defined available resources (or prioritization logic)</i>	<i>Short decision process Business Commitment</i>

FIGURE - Typical rules and rational for Speed Layer 1 with the Playground. This layer is often driven by deliveries and has a very high speed.

Speed Layer 2 - with EDGE

Speed layer two is often driven by the Edge of your product.

What is it that gives your product an advantage over the competition in the market? How do you ensure that you're always a step ahead? Having an edge in the marketplace is vital, which is why 'Edge' is a fundamental layer in your product. You may know 'Edge' by different names such as USP (Unique Selling Point), differentiator, or value offering, but whatever you call it, it always needs to have the same two characteristics:

1. Continuous evolution. Your 'Edge' must be constantly upgraded, updated and redeveloped in order to stay fresh and current. Bear in mind that your competitors will always seek to emulate you, and so in order to stay ahead of the pack, innovation and progress are of key importance.
2. Continuous value. Your 'Edge' needs to offer significant value to your customer, and so in order to differentiate yourself from your competition, you need to always be reevaluating the level of value you offer. Pay special attention to the area of resonating focus, and keep your edge sharp.

#	Rule	Rational
1	<i>It shall clearly differentiate from the alternative</i>	<i>Drives sales Protect core Ecosystem enablement</i>
2	<i>The EDGE shall be exchanged continuously</i>	<i>Competitors will copy your EDGE Stay ahead</i>
3	<i>The EDGE shall be possible to Demonstrate</i>	<i>To visualize value delivery Customer feedback</i>
4	<i>Everything in Speed layer 2 is not the EDGE</i>	<i>EDGE means best</i>
5	<i>Requirement Management shall consider applicability in other speed layers.</i>	<i>Ruthless prioritization Leverage projects Sound Product Architecture</i>
6	<i>Financial investment is business case and budget driven for multiple customers</i>	<i>The investment shall generate sales The EDGE is not customer driven</i>
7	<i>The EDGE shall be actively used in Marketing</i>	<i>Reason to exist</i>

FIGURE - Typical rules and rational for Speed Layer 2 with the Edge. This layer is often driven by the market and is where you secure your competitive edge.

Speed Layer 3 with CORE

Inspired by the work of PRTM and Michael McGrath, who referred to it as 'defining technology', 'Core' is the singular component of a product that allows for the development of sustainable differentiation. Rather than being limited to a single technology, 'Core' is a continuous skillset or tool that is difficult for competitors to copy, and facilitates the process of constant product redevelopment. Sometimes it is an algorithm, sometimes a modular system, and sometimes a process or production. Whatever its form, however, 'Core' can never be customized and must continuously be invested in for the sake of business success. As such, it is the most critical element in any product strategy, and must never be ignored.

#	Rule	Rational
1	<i>It shall be difficult to copy</i>	<i>Builds barrier of entry Protect CORE Ecosystem enablement</i>
2	<i>Enable you to continuously develop new profitable products, Ddelivers sustainable vector of differentiation</i>	<i>The DNA of your portfolio Your product leadership</i>
3	<i>Defines the life cycle of Speed Layer 3</i>	<i>Changing the CORE is painful Jeopardizes the business if done wrongly</i>
4	<i>The integrity of the CORE must be protected from customization – identify CORE Significant Requirements (CSR)</i>	<i>There can be only one variant of the CORE</i>
5	<i>No business case - a ticket to compete</i>	<i>Doesn't directly generate money Strategically driven Contiuous evolution of the CORE</i>
6	<i>Area for building knowledge and IPR</i>	<i>Shall be continuously evolved and protected Build Dev team</i>

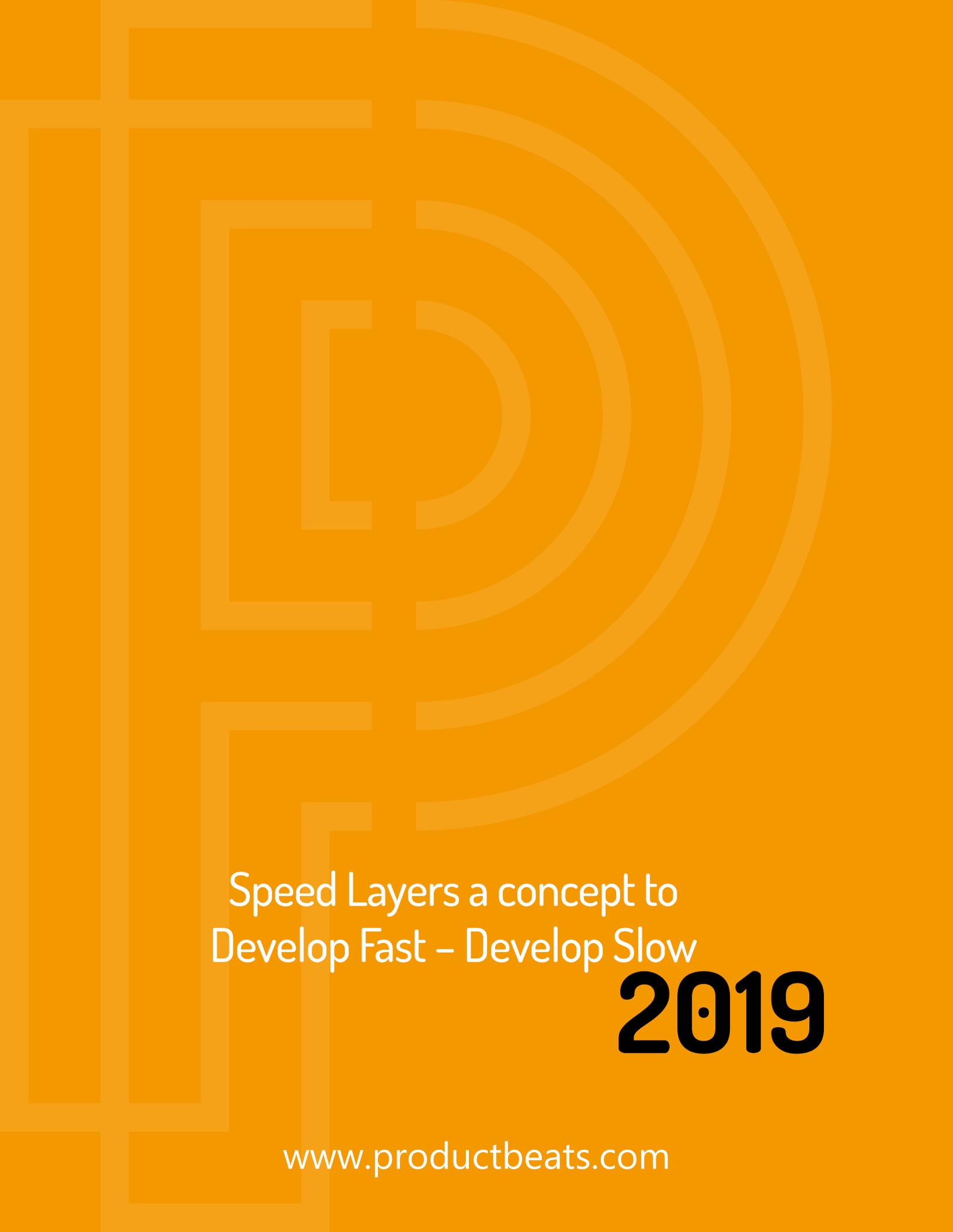
FIGURE - Typical rules and rational for Speed Layer 3 with the CORE. This layer is often driven by technology and sustainable differentiation that is hard to copy.

Conclusion

Speed is pivotal in strategy execution. Using the concept of Speed Layer helps organizations to establish a relevant decision mechanism. Hence, assisting us in executing a strategy. Speed layers also bring capabilities into the product. It allows prompt response on customer demands and also sustainable revenue streams. The concept can be used explicitly designing your strategy, product architecture and organization.

References

The Speed Layer thinking is a perspective and a model. It has been used in multiple cases by leading companies and focuses on a pragmatic strategy and product development. The model is developed by Tolpagorni after years of driving Product Management consulting and research. It is inspired by thought leaders such as Michael McGrath, Rich Mironov, Geoffrey Moore, Prof Dr. James Anderson, Prof. Dr Tony Gorschek as well as Rock Star Jonatan Stenson. The Conway's Law has been a trigger in developing the concept as well as the SERT program at Blekinge Tekniska Högskola.



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