

Using drivers to assess and prioritize features

All product leaders regularly make high-stakes decisions about feature priority that determine which features make it into the product and which don't. But many leaders don't have a prioritization system that explicitly links a feature's priority with its value and cost. Further, most don't link value assessment to key business and product objectives.

Obo's approach to assessing and prioritizing features is based on feature value—in terms of impact against business drivers—and feature cost, to optimize your return on product investment.

In Obo, you use **Drivers** to assign feature value based on your business and product objectives. Obo Plan Optimizer then uses those drivers for creating product plan scenarios. Drivers serve as a common currency for evaluating features, and they clarify why certain features are prioritized over others.

Driver Sets are groups of Drivers that help you choose the best product plan as it aligns with your most important objectives. Here are two Driver Set examples:

Corporate Driver Set:

- Monthly Recurring Revenue (MRR)
- New Markets
- New Customer Acquisition
- Renewals

Product Driver Set:

- Competitive Advantage
- Performance
- Time to Value
- User Delight

We use a scale from 0 to 5 for Drivers, and you define what each level means for each Driver. Zero represents the lowest (often that's no impact), and 5 is the highest. Levels can be quantitative or qualitative:

| Driver Level | Quantitative Example: Monthly Recurring Revenue (MRR) | Qualitative Example: New Markets |
|--------------|--|-------------------------------------|
| 0 | None | None |
| 1 | Less than \$15K | Begins to lay groundwork |
| 2 | \$15K - \$30K | Lays substantial groundwork |
| 3 | \$30K - \$45K | Enables, required |
| 4 | \$45K - \$60K | Enables strong entry |
| 5 | More than \$60K | Promotes expansion |

Using a quantitative, measurable scale tends to make your feature assessments more effective with executives and other stakeholders.

Choosing drivers

To get buy-in, it's important to establish Drivers by collaborating with your team and internal stakeholders. When choosing Drivers, we suggest you start with your corporate goals and the metrics you use to measure product success. For example, review your current corporate initiatives, and choose drivers that support them. You can also choose drivers that are more specific to a product line or product.

The best way to get started is to get started: Pick one or two Driver Sets with three to five Drivers each. Define each level of the scale, from 0 to 5. It's important to enter this, even if the levels are qualitative and general (such as None, Low, Medium, High, Very High); the scale provides guidance and enables more consistent ratings. Now, rank Drivers in order of importance, or you can set specific weights, which are relative, within each Driver Set.

An approach we use at Obo is to run a preference survey to our leadership team. The survey asks them their preference among a set of potential Drivers. Survey results show us the most valued Drivers and give us a good starting point for choosing Driver Weights.

Setting up your Driver Sets and Drivers

You can add, modify, or delete Drivers and Driver Sets anytime if you're an Obo Admin. Click the Strategy icon on the left menu bar, and you'll be on the Driver Sets page. Click the blue + icon to create a new Driver Set, or click the More icon (three dots) to the right of an existing Driver Set to edit it. This is what it looks like in Edit mode:

Use this gripper to change display order of the Driver Sets

Name

Corporate Driver Set name

Description

Drivers supporting corporate objectives Driver Set description

| Rank | Drivers | Descriptions | |
|------|-----------------------|---|---|
| 1 | Customer Acquisition | Expected impact on new customer sales | Delete this Driver ✕ |
| 2 | Customer Retention | Expected impact on retaining existing customers | ✕ |
| 3 | Customer Satisfaction | Expected impact on Customer Satisfaction Rating | ✕ |
| 4 | New Markets | Expected impact on expansion into new markets | ✕ |
| 5 | Revenue | Expected impact on revenue | ✕ |

+ Driver Use these grippers to move the Drivers in order of importance

Custom Weighting (10-100) Cancel Save

Order of importance used for weighting Drivers

Open any Driver to define what “Levels 0 – 5” mean. The description you enter displays on features’ DRIVERS tabs and ensures that everyone determining and viewing driver settings understands the scale.

Here’s an example for our Driver called “New Markets”:

| | |
|---|--|
| <p>^ New Markets</p> <p>Value Descriptors</p> <p>Marker 5 Promotes expansion</p> <p>Marker 4 Enables strong entry</p> <p>Marker 3 Enables, required</p> <p>Marker 2 Lays substantial groundwork</p> <p>Marker 1 Begins to lay groundwork</p> <p>Marker 0 None</p> | <p>Expected impact on expansion into new markets</p> |
|---|--|

Driver weights

Not all Drivers are created equal—some are more important than others, and their relative importance changes over time. There are two ways to indicate the relative importance of Drivers within a Driver Set.

The first and simplest is to rank Drivers in order of importance.

When you’re creating a new Driver Set or editing an existing one, you’ll see grippers to the left of the Driver names. Use your mouse to reorder the Drivers.

Their weight is determined using a linear formula, where the top rank (1) is 100 and the bottom rank is 10, i.e., $100 - ((\text{Driver Rank}) - 1) * (90 / (\text{Number of Drivers}))$.

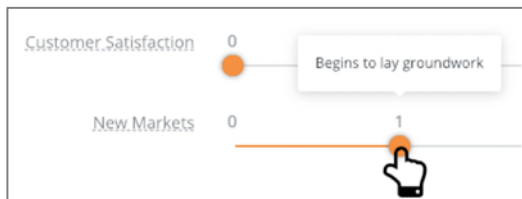
Alternately, you can enter Driver weights—any number between 10 and 100. Click **Custom weighting** and enter relative weight values between 10 and 100.

| Drivers | Descriptions | Weight |
|-------------------------|---|--------|
| ✓ Revenue | Expected impact on revenue | 100 × |
| ✓ Customer Acquisition | Expected impact on new customer sales | 50 × |
| ✓ Customer Retention | Expected impact on retaining existing customers | 30 × |
| ✓ New Markets | Expected impact on expansion into new markets | 20 × |
| ✓ Customer Satisfaction | Expected impact on Customer Satisfaction Rating | 10 × |

Custom Weighting (10-100) Cancel Save

Using Drivers to rate features

Within Obo, create or open an existing Feature and go to its DRIVERS tab. Hover over the Driver name on the left, and you'll see a description of a Driver Set. Hover over a number, and you'll see a definition of that level in the rating scale.



Use the sliders to set values for each Driver. The Relative Value displayed is calculated based on the weight of that driver and the value you've selected.



Over time, Drivers and Driver weights will change; you can modify your Drivers whenever you'd like. Be aware: If you've rated features using an existing Driver Set and then modify the Set, this could change the features' values. You may instead choose to create new Driver Sets.

Feature relative value is normalized to 200. It is calculated using $((\text{Driver Weight} * 200) / (\text{Sum of Driver Weights})) * (\text{Level\#} / 5)$

Example drivers

Most of the drivers below are geared toward software products, but you can easily modify and use them for other product types. We've grouped them into categories—Business, Product, and Customer—but, arguably, some drivers could belong in more than one category.

Don't be put off by the long list! These are intended to spark internal discussion on what works best for your company, your products, and your teams.

We suggest that you work with no more than two or three Driver Sets with about 3 – 5 Drivers each. The best drivers for you are the ones that your stakeholders agree to and that help you make product decisions aligned with your business and product objectives.

Business drivers

Business drivers are typically company-wide, for all products, and are often based on metrics.

| Category | Driver | Description |
|-----------------------------|--|--|
| Conversion | Goal conversion rate | Expected impact on total goal conversions divided by total visits. |
| Customer acquisition | New customers | Expected impact on number of net new customers. |
| Customer satisfaction | Customer satisfaction | Expected impact on customer satisfaction score. |
| | Net Promoter Score (NPS) | Expected impact on the likelihood that your customers would recommend your product to a friend or colleague. |
| Market | Market share | Expected impact on market share. |
| | New markets | Expected impact on ability to create or sell to new market segments. |
| Marketing | Brand reinforcement | Expected impact on building brand loyalty and repeat purchases. |
| Partnerships | Partnership support | Expected impact on ability to support partners. |
| Renewals | Renewals | Expected impact on renewal rate. |
| Revenue | Revenue - annual or monthly recurring revenue (ARR or MRR) | Expected impact on revenue measurement most relevant to your business or products. |
| | Net new ARR or MRR | Expected impact on net new Monthly Recurring Revenue (or Annual Recurring Revenue). |
| | Revenue churn | Expected impact on customer churn in terms of the revenue lost in a time period. This is helpful when some customers pay more than others. |
| | Average revenue per account (ARPA) | Expected impact on total revenue divided by total number of customers. |
| Usage, adoption, engagement | Daily or monthly active users (DAU or MAU) | Expected impact on the average number of daily active users of your product. |
| | Customer engagement | Expected impact on the level of meaningful use of your product by the average user. |
| | Viral coefficient | Expected impact on the growth of your customer base generated by successful customer referrals. Viral Coefficient > 1 means that for each new customer, you gain an additional customer or more. |

Product drivers

Product drivers are more specific to a particular product or product line.

| Category | Driver | Description |
|-----------------------------|---|---|
| Audience | Impact on top customer(s) | Expected impact on top customer or customers that matter to your product and business. |
| | TAM (Total Addressable Market) | Expected impact on addressable. Could be measured as percent of customer base, percent of market segment, or number of market segments. |
| | New markets | Expected impact on growing new customer base in new market segment. |
| | Market share | Expected impact on growth in current market segment. |
| Competition | Competitive advantage | Expected impact on competitive advantage. |
| | Market share | Expected impact on percent of your target market that has purchased or is using your product. |
| | Innovation | Expected impact on innovation or extent of innovation. |
| Operational & support costs | Operational costs | Expected impact on product operational costs. |
| | Support costs | Expected impact on product support costs. |
| | Ease of maintenance | Expected impact on maintenance effort and costs. |
| Performance | Response time (or other performance metric) | Expected impact on a relevant performance metric for your product. |
| | Time to value | Expected impact on time to complete key tasks that create value for the customer. |
| | Task completion rate | Expected impact on completion rate of key tasks that create value for the customer. |
| | Scalability | Expected impact on product scalability. |
| Security | Security | Expected impact on product security. |
| Usability | Usability | Expected impact on product's ease of use. |
| User delight | User delight | Expected impact on user's experience, independent of having a need fulfilled. |



Field Guide

Put your best product forward™

Created by product people for product people, Obo is a product decision system that guides you to make the best decisions about what's in your product plans.

Call +1.650.926.9900 or email demo@obo.pm to schedule a demo now.

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