

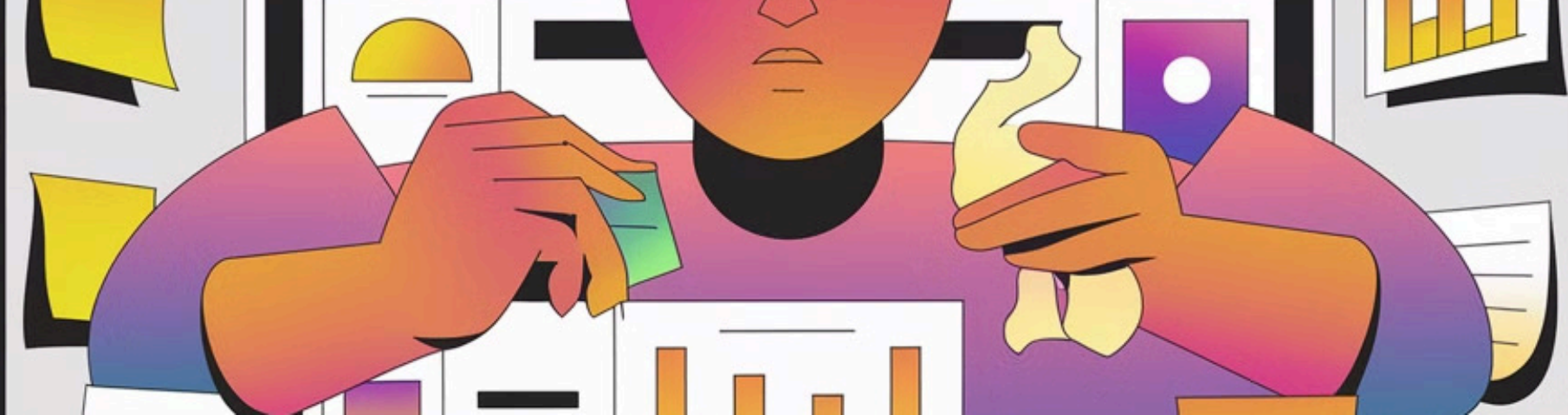


Measuring Success: A Structured Framework

Framework for evaluating product success

Understand why and how to improve products

Supports data-driven decision-making and continuous evolution



Purpose of Measuring Success

1

Assess Impact

Evaluate if recent changes
delivered value

2

Guide Future Enhancements

Identify opportunities and set
data-driven targets

3

Continuous Improvement

Build foundation for ongoing
product enhancement



Tackling Measuring Success Problems



Deep Product Understanding

How product creates value for user segments



Prioritization of Impactful Metrics

Select metrics aligning with value proposition



Structured, Data-Driven Analysis

Link metrics to business strategy logically



Key Areas to Address in Measuring Success

Strategic Thinking

Align product purpose with company goals

Top-Level Success Metrics

Define measurable indicators of success

Prioritization of Sub-Metrics

Break down key metrics into drivers

Guardrail Metrics

Monitor trade-offs to prevent harm

Step 1 – Clarify Scope & Context

1

Define Product/Feature

Identify what's being evaluated

2

Target Users & Value Proposition

Understand who benefits and how

3

Company Goals & Lifecycle Stage

Align with overall business objectives



Step 2 – Understand Product, Users, & Value Proposition

Product Description

Brief overview and core purpose

User Segments

Identify primary users and their value

Business Impact

Connect product to overall objectives

Step 3 – Define the North Star Metric (NSM)

Choose Overarching Metric
Captures product's core value



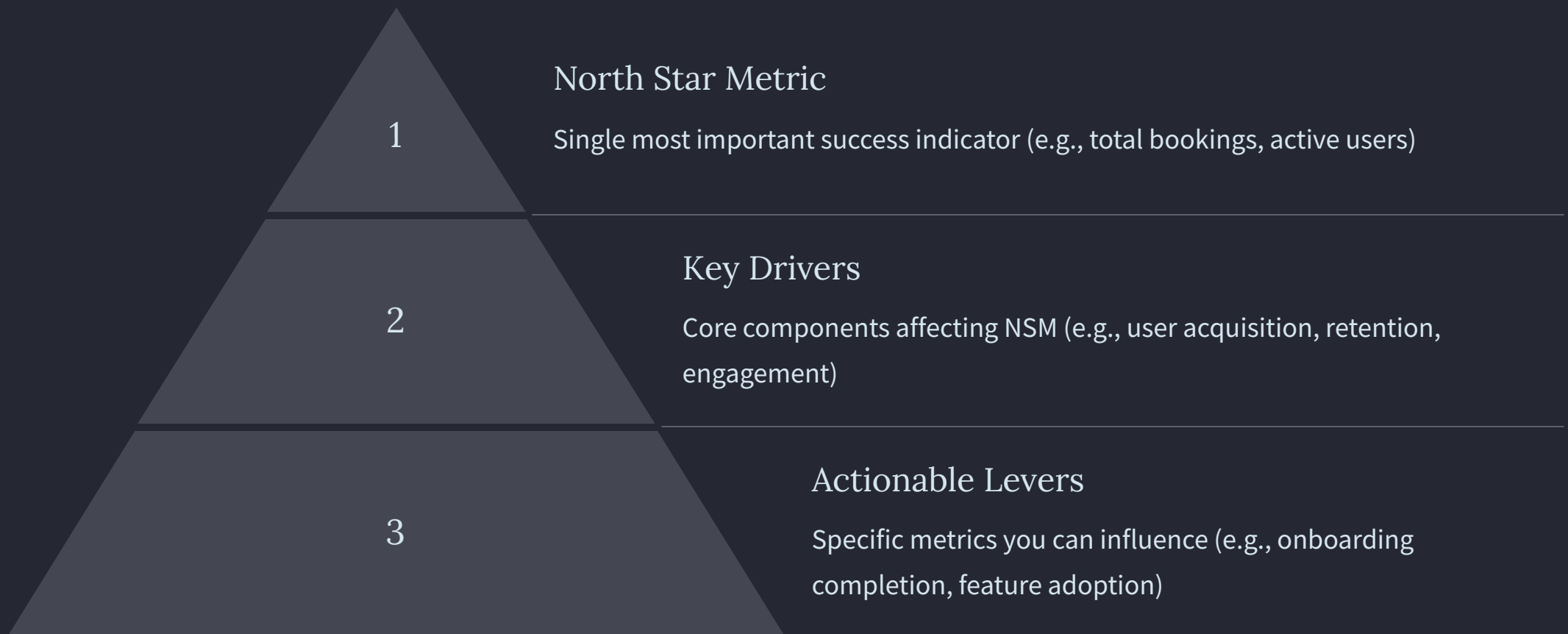
Reflect Long-Term Success
Drives strategic decisions

Examples

Airbnb: Nights Booked, Uber:
Completed Rides

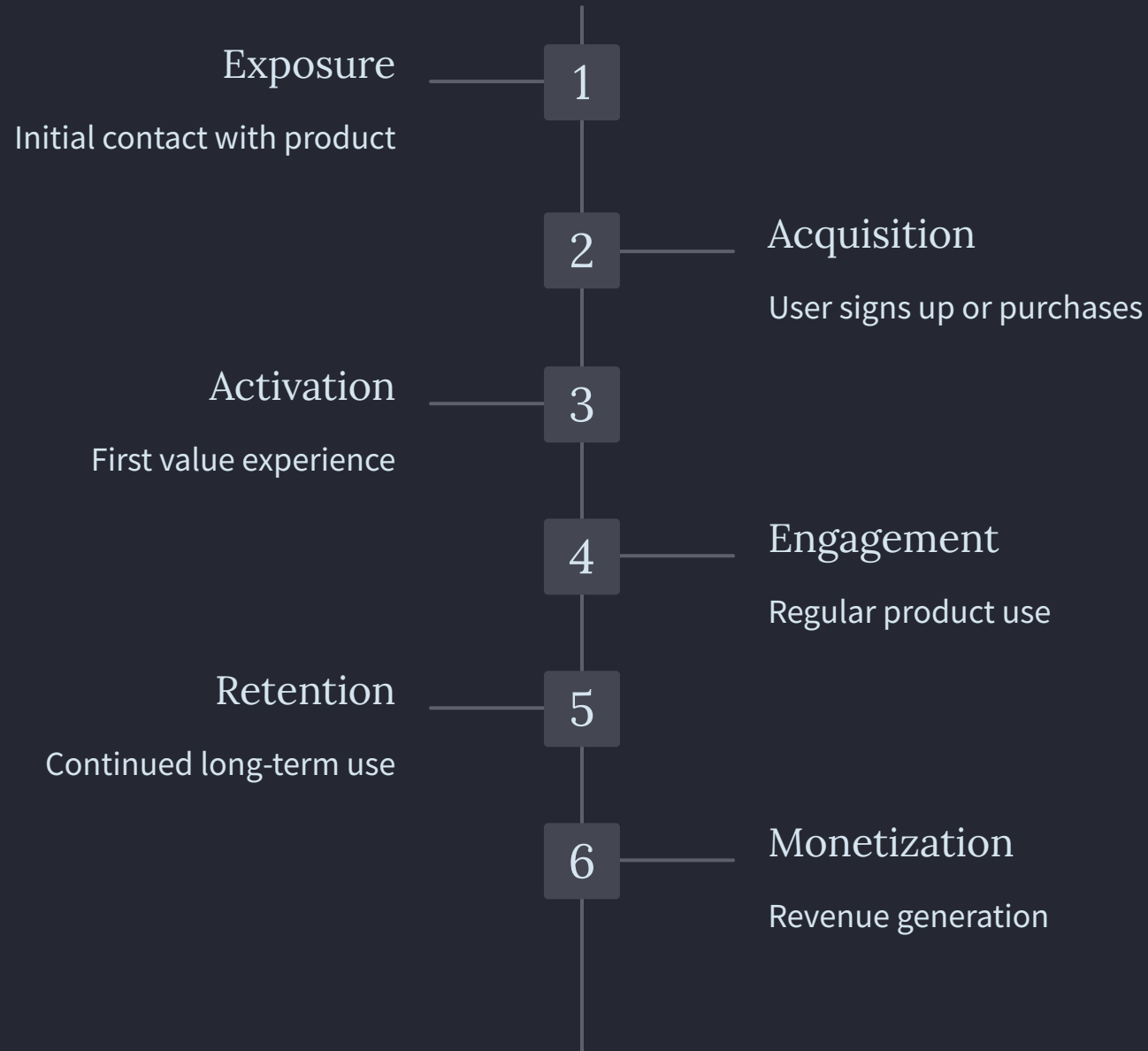
Step 4 – Break Down the North Star Metric

Breaking down your North Star Metric (NSM) helps identify the key factors that drive overall product success. Whether your NSM is total nights booked, items sold, or streaming minutes per user, understanding its components is crucial for optimization.



Each level of the pyramid represents increasingly granular and actionable metrics. While your North Star Metric shows overall success, the actionable levers at the bottom provide specific areas where your team can make improvements and drive positive change.

Step 5 – Map User Journey & Establish Baselines





Step 6 – Prioritize Metrics & Identify Counter Metrics

Select Primary NSM

Choose overarching success metric

Supporting Metrics

4-5 key metrics that drive NSM

Set Baselines & Targets

Establish current performance and goals

Guardrail Metrics

Monitor potential negative trade-offs



Step 7 – Validate Metrics & Test Hypotheses

1

Assess Performance

Compare current metrics to baselines

2

Formulate Hypotheses

Develop testable theories from analysis

3

Experimental Validation

A/B testing, cohort analysis, feedback



Step 8 – Summarize & Communicate Framework

1

Create Clear Summary

Outline measurement strategy concisely

2

Restate Key Elements

Mission, NSM, metrics, and targets

3

Prepare for Discussion

Justify choices and address trade-offs

Quiz time



Test Your Knowledge

Challenge yourself with questions from previous sections



Learn Together

Compare answers with your colleagues



Check Understanding

Review your answers and track progress