

# One Knight in Product - E164 - Uri Levine

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## SUMMARY KEYWORDS

people, book, product market fit, problem, startup, create, realise, build, journey, users, solving, product, figure, company, speak, unicorns, writing, addressable market, important, mentor

## SPEAKERS

Uri Levine, Jason Knight

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Jason Knight 00:00

If entrepreneurship be the food of, love build on. That's right! To celebrate Valentine's Day, we're going to talk all about falling in love and getting into the right relationship with your product. Speaking of relationships, if you want to start a mentoring relationship up, why not check out My Mentor Path, a free mentorship platform where product managers and product leaders can connect with each other and get the support they need to grow in their careers, you can head over to my mentor path.com. To find out more about the benefits of mentoring to both sides of the relationship and sign up to be a mentor and mentee, or both. You can check the show notes out for more details. Alright, back to the episode and discussion about finding problems that really matter. And not just solutions that sound cool. How can we identify these problems? How do we know when to double down and when to give up? And how do we know when we've reached the promised land of product market fit? As the answers to all these questions and many more? Stick with us. On One Knight in Product.



Jason Knight 01:05

So my guest tonight is Uri Levine. Uri's a multiple entrepreneur, public speaker, mentor, author and cloud disruptive father of two unicorns, including the now Google owned collaborative navigation platform Waze, making Uri the perfect person to ask about roadmaps. Nowadays, he's doing his best to help the next generation of entrepreneurs navigate their startups through tricky traffic with his speaking, his online publication startups, as well as his new book, Fall in Love with the Problem, not the Solution, with which he aims to empower you to build a successful business by identifying your customers biggest problems and disrupting the inefficient markets that currently serve them. Hi, Uri, how are you tonight?



Uri Levine 01:39

Excellent. Thank you.



Jason Knight 01:41

So first things first, you said in your book that people often ask you, where the selling weighs 1.15 billion in 2013 was the right decision. So I have to ask, what's selling wise for 1.15 billion in 2013? The right decision?

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Uri Levine 01:58

You know, for a second, I would say their right decisions, or no decisions. Because when you make a decision, you wouldn't know what it would be like if you choose a different path, right? Yep. In many cases, you look back and you say that was a mistake. But back then no one knew that. So at the time, when Waze was acquired by Google, that was the highest price ever paid for an application. And it was by the only competitor that we actually had Google Maps at the time. And so we thought it's the right decision. And obviously, we made that decision. Occasionally, you know, you might want to think of the other examples throughout the history, right? Taking Google, for example. We don't think of Google as a company that ever struggled, but they did struggle at the beginning. And they had a very hard time, and they were unable to raise capital. And they approached Yahoo and ask you to acquire them for \$2 million, not 2 billion, not 2 trillion, 2 million. Right? And Yahoo said, No. And you look at it today. And it's a big mistake, right? We actually don't know that. We don't know what would have happened. If they would have say, yes. So in your life, when you make a decision, that's the right decision, by definition.



Jason Knight 03:08

There you go, it's more important to make a decision or as they say, in military terms, attack the left Hill, attack the right Hill, but don't just walk between the hills, right, you've got to make exactly some kind of decision. But I remember reading Build by Tony Fadell recently, which is a great book, where he talks about the trials and tribulations of being acquired by Google, and the shenanigans that came with it. And normally, when I see a company, for example, like ways get purchased by a big company, I'd expect at least some of the leadership, maybe the founders to have the golden handcuffs clicked straight on, you know, earn out periods, all these KPIs, and they can't really move on until they get to these certain benchmarks. But you left ways straight away. So is it fair to say that you're not really a big company kind of guy, and you just wanted to get on to the next startup?

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Uri Levine 03:50

You know, I'm a troublemaker, right? So if I would have, I wouldn't be fired from any corporate that I will join, right? Because eventually, I'm gonna say no, no, it doesn't work that way, right? Or whatever we are currently doing is wrong. We need to be completely different than then. So I'm a troublemaker, I will eventually get fired. In this case, I'm a startup guy, right. So I was already in the process of building new startups. And when the acquisition came, that was awesome opportunity for me to leave. And I literally left the day after, so I can build more startups.

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Jason Knight 04:22

But what do you think that comes from? I mean, is there anything in your career? Has this been something that's always been there? Like, since you were a child something that you've always had like a passion to build new things? Or was that something that you kind of developed once you got into the, onto the career ladder and started to realise how companies worked?



Uri Levine 04:39

So I was always a troublemaker. But I think that not taking things for granted. And challenging everything looking at different perspective, getting frustrated and not in holding on to it, so it's not that I gonna give up on that. Wait a minute. There is no way that this is how stuff is working by Let me try to figure out a way to address that was always there right? Now I actually did the first move into an independent startup only in when I in year 2000, when I was already 35. And because before that I was most of my career at Comverse technology and Comverse was was growing pretty good. And at the time, there was a lot of room for internal innovation. So something that we might want to call start in. And I was building some of those. And and then I decided that this is really time for me to move on and start to build my own stuff.



Jason Knight 05:35

Well, you've definitely done that. And obviously, Waze was a massive success, a unicorn that you then moved on from, but then you moved on to, notably another company, move it a public transportation app, which you helped to set up, and then that got acquired by Intel for another cool billion. So that's like two unicorns that you've been involved in now. So I do have to ask, Where should I be putting my money for your third unicorn?



Uri Levine 05:57

You should, because I'm building multiple startups. Right? So you're looking at one and I'm saying, no, they're gonna be multiple of those.



Jason Knight 06:05

So you're gonna have how many unicorns? Do you think you're gonna be going for Buddy? And like, yeah, when you finally get bored of all this stuff, how many unicorns do you want to have in the paddock?



Uri Levine 06:13

I have five kids.



Jason Knight 06:15

So five unicorns?

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Uri Levine 06:16

Five sounds like a good number too.



Jason Knight 06:18

There you go, watch this space. But obviously, apart from being involved in these other companies, helping them out, given the benefit of your experience getting involved in the dirty work, no doubt, you've also got your new book, fall in love with the problem, not the solution. So what spurred you to write that book and why now?

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Uri Levine 06:35

So end of the day, they are two very strong personalities that I actually have one of them is an entrepreneur. And that one, everyone knows, right? The other one is actually being a teacher, in so I will feel equally rewarded if I build stuff myself, or I guide someone else to build it. And I mentor most of my CEOs in the 10 different startups that I have, and guide them and help them and coach them. And teaching at some of the universities here in Tel Aviv, occasionally intrapreneurship, and so forth. And I realised that fulfilling my destiny as a teacher is actually writing the book. And in that sense, I can share my know how, which is rather unique. Because in general, I will tell you, most of the intrapreneurs are not teachers, right. And most of the teachers are not intrapreneurs. And so when you when you have the combination, you end up with writing a book about know how and not about theory, right? And the difference between, in theory and in reality is way bigger in reality than it is in theory. And I think that if I can take that all that and share that with intrapreneurs, or business people or managers or anyone, actually, this is going to make them better. And if I can increase their likelihood of being successful, then I did my share.



Jason Knight 07:57

Yeah, but these people are going to compete with your unicorn. So right, what are you can do about that.

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Uri Levine 08:01

I hope they will win!



Jason Knight 08:03

Oh, there you go. Got your body on the grenade. But obviously, you've been writing before this on your blog, doing a lot of speaking and all of that stuff. So that kind of talks a lot to your general goal of teaching and helping out. But I've got to say that writing a book, I mean, it's

quite an undertaking, right? It's not an easy thing to do. And of course, if you're working with all these other companies, I'm assuming you're pretty busy as well. You've got your kids talk to you as well. So there's a lot of stuff going on. And then you've got this book. So was that like an easy process to make time for them to just sort of smash the book out? Or did it take a lot of effort and revision? And was it a lot of sort of blood, sweat and tears to actually get a book that you could be proud of?



Uri Levine 08:41

Absolutely blood, sweat and tears. For a second, I would say I actually wrote an article about why Writing a book is similar to building a startup, right? So you go on a journey. And at the beginning, you don't know exactly where it's going to end up. And it's going to be a long journey, it's going to be a roller coaster journey. And in many cases, it's going to be a journey of failures, right? So there are chapters that I actually wrote, and then you raised or paragraphs, realising that it does not deliver the message that I wanted, or it does, but this is shouldn't be on a book or different aspects. And it was a long journey. The good news is, I was travelling quite a lot before COVID And then COVID hit and in pretty much aeroplane were grounded, right? So people actually, not a lot happened to them. But aeroplanes were granted. And the result is that I was unable to travel and I found the right time to write the book. It was about one year of writing it and another year of iterations iterations, iterations iterations, and now it's get published.



Jason Knight 09:48

Oh, there you go. And I'm looking forward to the outtake book as well so we can see all the bits that you left out. Well, maybe that can be the beginning of book two. But you gotta forward in the book from Steve Wozniak, co founder of Apple of course, who speaks very glowingly about the book. So I have to ask you, I mean, Steve Wozniak has been around the block a few times seems like it's a pretty big deal to impress someone like that with a book about entrepreneurship, like, how did you meet Steve?



Uri Levine 10:12

So you're right, right. So the first time that I approached him, he wrote the first chapter that they sent him and say, Wow, I wish I had that when I started. And then later on, he would actually fall in love with the book itself. But we have met before, we have met at a couple of conferences that we both spoke. And he really liked my presentation. And he actually happened to be on one of the chapters of the book. And that chapter speaks about understanding users with a story from the first time that we've met. And, you know, for me, Steve Wozniak, was really guru of technology. And he is the one that actually was there to build apple and, and I was in the, in the age that that was pretty much nearly the only one. And we met at a conference and I, we had dinner the night before the conference, and I wanted to have a selfie with him. And I use my iPhone, right? So on the iPhone, you can click on the screen in order to take a picture, or you can use the volume button on the side, right? Yep. So I was holding the phone like that and clicking on the side of the of the phone in order to take a picture. And he said, finally. And I said, Finally, what is it finally someone using it the way that they meant it to be? There you go. And then there is a whole chapter in the book that speaks

about why users are different, right. And it's really challenging, because when you use something, you tend to believe that this is the only way to use it, right. But if you will watch other people, all of a sudden, you would realise that wait a minute, there are other people that might be using a product differently, and might be perceiving the problem differently in they're actually different people than you and their ability to adapt new product is way different than yours, right. And now, if you're a building product, perhaps the most important thing that you need to realise is that you need to watch users, and you need to watch them for the first time in their life using your product. And if they're not doing what you expect, then ask them why.



Jason Knight 12:12

Yeah, and there's also this idea that they're not wrong for doing that as well. Right? Like it's can be really eye opening. I agree, like just even talking to people, but also watching them to see like what they're doing with the perfect little flower that you created. And seeing all the things that they clicked that you didn't think they were going to click and all the things that they're doing with it that you didn't think that they were ever going to do with it. And it's just, it's absolutely fascinating. But I think also there's a real fear.

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Uri Levine 12:34

Let me interrupt here, right, you are more concerned about those that are not doing what you wanted them to do not those that are overdoing. Yeah, those that are simply not doing because they haven't figured out that this is what they need to do.



Jason Knight 12:47

No, absolutely. But in any case, absolutely agree that it's important to watch people and talk to people. And we'll talk a little bit more about that in a sec about the book as well. But on the book, it's obvious book promotion, question time. What is the core value proposition of this book? Who should read it and why?

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Uri Levine 13:06

So very simple, it's going to increase your likelihood of being successful. That's it as simple as that in all the entrepreneurs in the world, everyone that works in us in a startup, everyone that deals with innovation, all the managers and business people in the world, everyone in the high tech industry.



Jason Knight 13:24

There's a decent sized total addressable market there. Hopefully, some of them are listening to this. But the book talks about falling in love with the problem and not the solution. Obviously, that's the title and how you're looking to change entrepreneurs mindsets with the book. So this assumes that many people out there are currently falling in love with the solution, not the

problem. Otherwise, I guess you probably wouldn't have to write the book. So why do you think in this day and age, because you're not the only person saying this, of course, in this day and age, people are still getting it the wrong way around?

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Uri Levine 13:53

I don't know why, right? Because the reality is that there are a lot of people that will start with the solutions. And my recipe will start with something else, think of a problem, a big problem, something that is really worth solving. And then ask yourself who has this problem. Now, if you happen to be the only person on this floor in the war with this problem, then I would say, you know, go to a psychologist, it's going to be way easier to deal with the problem than to actually building a startup. But if a lot of people have this problem, what he really wants to do next is go and speak with those people and understand their perception of the problem and only then go and build a solution. Now if you follow this path, and your solution works, it's guaranteed that you're creating value. If you start with the solution, you might be building something that no one cares and that is going to be really frustrating. So all the journeys of EnTERPreneurship told the journeys of building startup is about value creation. If you create value you will be successful in solving problem is the easiest way to figure out value because if you solve someone problem you create value. Now in general, I would say, if you fall in love and by the way, what really happens is that when you speak with a lot of people, usually what's going to happen is that they're either going to disqualify the problem and tell you, I don't have this problem, right? Or never, I'd never heard of someone that actually had this problem. And this is going to be disqualifications of your idea very fast. But in a lot of cases, the acknowledgement is going to empower you, because people will start to tell you their version of the problem. And when this happened, you feel like they are sending you on a mission to solve that problem. And your mission. And this is, by the way, where you fall in love with the problem. Now, when you fall in love with the problem, two things happen. Number one is problem serves as the North Star of your journey. And we when you have a North Star, you're way more likely to get somewhere and you're going to have less deviations. And of course, you will have deviations, right? Even with the North Star, there are some nights that are cloudy, right? And so yep, this is where you'll need to figure out your path, but on yourself. But what is also going to make it the problem is going to make your storytelling way easier and way more compelling, right. So if we will be here in 2007. And I will tell you, I'm going to build an AI based crowdsource navigation system, then you're going to tell me, Oh, this is really interesting, but you don't care. If I will tell you, I'm going to help you to avoid traffic jams, then you do care. And so the problem story is the one that creates better engagement with everyone, right with your customers, with your investors with your hiring people, everyone is going to associate it with the problem. And then the story that everyone tells is very different, right? So if someone will ask you, what is your company doing, you'll say, this is the problem we are solving, right? Or this is the value we are creating for you, rather than our system is whatever you want, right? And so our system is based in solution. The problem we are solving based on the problem in this is the value that we create for you focus on you, which is even better than both.



Jason Knight 17:17

Do you think though that there are some industries out there, which this is legitimately prevalent in the so for example, I'm thinking of something like web three, which obviously has its detractors, it has its promoters, and it has people that are in love with it, you know, almost

almost in love with it for being web three. And there's this kind of identity around it and this idea that you're kind of in a club. So do you think that in certain situations, whilst obviously there's still a problem that you need to solve with your technology, that in some cases, the very technology itself can be almost part of the wider problem, or the space that you're existing in, in people's minds?

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Uri Levine 17:51

So at the end of the day, I will ask, so what are people doing with it, right? Because if you want something to create value, and you know, in this example, or even if you will take blockchain as an example, right? It's technology that you can do many things. But up until now, no one have figured out where is it creating value, right? And so for me, it's going to be the use case and not the technology. And even if we think of ChatGPT then for a second, I would say, This is awesome, right? But what's the use case right? Now she'll tell me, You know what, I'm going to reduce cost of all customer care in the war, because I now can do that very fast and easier and better. Okay, this is use case, this is awesome. I agree. By the way, I do agree. If you will tell me this is going to save tonnes of time for students to write their jobs, their, you know, seminars or whatever. I agree, but it doesn't serve the purpose of learning, right? So. So it's going to be the use case that is going to determine everything in the use case is basically fallen in love with the problem.



Jason Knight 18:58

Well, you say that building a startup is like falling in love. And that the good news about that is that you're in love, and you don't listen to anyone's warnings. But the bad news is that you're in love, and you don't listen to anyone's warnings. So how do you know when you found a problem? And if you assume that, at least at some point, you've kind of fallen in love with it, then you've also done some kind of validation on it. But maybe it's starting to go a bit south and you start needing to listen to people's warnings or start understanding maybe where things aren't quite right. Like how do you know when that type of thing happens?

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Uri Levine 19:28

So Marc Randolph, of one of the cofounders of Netflix, which by the way, wrote an endorsement to my book as well. He wrote a book called, This Will Never Work. And when I started to tell Waze to people, you know, even to my friends, the first the first reaction is always the same. This will never work. Now, the reason is that I was incubating this concept in my mind for a long while. And I was actually until I actually thought We'd love with that and was ready to go out with that to speak to other people. I was thinking about the problem, and then the solution and then the team that are going to build around and I thought about so many multiple perspectives of it, that I was ready. When you tell someone, they are not ready. In there, therefore the first reaction, this will never work. By the way, these were the nice guys, right? The lesser nicer guys told me, this is the stupidest idea that I ever heard. Right? And, and I heard that multiple times. And the reality is that an entrepreneur, once they fall in love, they don't listen to anyone else, if you would ask an entrepreneur, when is the right time to shut the company down, they will never shut the company down because what the company will die eventually, but they will not shut it down. And the reason is different. The most important

behaviour of an entrepreneur is perseverance is the Never Give Up attitude, right. So if you have an attitude of giving up, you will not become an entrepreneur. But if you are building something, and this is your attitude, and you basically believe in the problem, and you think that the mission is right, and you will tell yourself, you know what, even if I am going to end up unsuccessful, I would think that the journey was worthwhile to try, then you'll never give up.



Jason Knight 21:23

Oh, there you go, or you shouldn't. But obviously, it's no good solving a problem that you only care about, you talked about that yourself, this idea of the kind of sample of one and the fact that you have to go out and talk to people that have that problem. But in the book, you talk about a qualification matrix, which you use, at least in part to work out whether the idea is a goal or whether it's something that you should go out and solve. So what are some of the elements, aside from finding out a bunch of people, but some of the main elements that you use to make a decision about whether you should tackle a problem or should work with the company to tackle a problem?



Uri Levine 21:54

So the first one, by the way, is also always your personal perspective, right? If you feel that this is a problem, and you would like on a personal level to solve, then this is a good start. If you don't think that you care, or you have no clue how to address that, then you shouldn't start that. So the first one is going to be personal qualification right. The second one is actually looking at two dimensions, as you mentioned, one of them, which is kind of obvious is the total addressable market, right. So how many people care right, or if you have an offering for a very small niche, or very small segment versus a lot of people, right? So drivers, there are about a billion vehicles on the planet, and therefore you can assume that there may be 3 billion drivers. And then when you think of public transportation, there are about 5 billion people travelling on public transportation. So obviously, the addressable market is rather large, what is more important than the addressable market is actually how painful the problem is, right? Or how much value you can create by eliminating the problem in the value can be measured by by two dimension, right? So one is, is, is really value, right? So maybe this is how much money I'm gonna make you or this is how much money I'm gonna save you, this is how much time I'm gonna save you, which are measurable in that sense, or even better than that the frequency of use, right, so something that is going to be used multiple times, or high frequency, then it's obviously going to become valuable, it's also going to help your marketing strategy at the end of the day. Because if you have something that has high frequency of use, your growth strategy will end up as word of mouth, that's it, wherever you start, you will end up with word of mouth because there are multiple opportunities for someone to speak about that. If you have low frequency of use, then obviously word of mouth is not going to work for you. And in so this is easier right? On the second end on a sidenote, I would say that occasionally it's really hard to define the value that you bring. In the end, you are not clear about it right? So what if you make things simpler, right? So what exactly is the value here? What if you create certainty versus uncertainty, so your value is actually peace of mind, which is really important, but we don't know exactly how to, to measure it or qualify it. And maybe we will need the softer dimensions to define that. But at the end of the day, look at this matrix if you are going to create a lot of value to a lot of people or a lot of customers. You know these are going to be winners, right? If you create very little value to very few people don't even bother right. The

challenge is that most of the startups are somewhere in between right they either have high high addressable market with low value or low addressable market with high value and go for the value not for the addressable market if you can, if you don't create value, you will die anyhow



Jason Knight 25:00

But do you believe in the old painkiller, vitamin and candy analogy that some people use to almost categorise the problems that you're solving? So, you know, obviously, things that, as you say, a very painful things that need to be sold versus things that are kind of nice to solve, like, would you personally ever want to go into a company solving a non painkiller problem.



Uri Levine 25:20

So I always start with a problem that it's worth solving. Right? If it's not worth solving, then I don't care right now, he doesn't say that these are not going to be successful. What I'm saying is that they are not for me.



Jason Knight 25:32

So I guess someone else can go and solve those ones and take their own time to do that. But talking of time, you speak in the book about the long journey of building a startup, building a product, the initial enthusiasm, then the failures that you have up front, then the desert of no traction, then there's this green shoots that pop up of the maybe zone where maybe it's going to work out then as the product market fit stage, and then hopefully, up into the stratosphere, while on the way to being your third or fourth unicorn. So you've had an idea, you're in love with it, you're going through the journey. How long should you expect to stay in that maybe phase or maybe even in the failure and despair stage before you start to get some traction? Like, what's a decent amount of time to spend in that face?



Uri Levine 26:15

So whatever you think, way more. And here's the challenge, right? And for a second, I would say, Look, your journey is going to start and the journey has building a startup has multiple phases, right? So think of a corporate on one side and startup on the other side. So the corporate have a product they have identify their users, they know exactly how much they use it, the customers are paying for that. So they figure out product market fit, they figure out growth strategy, and they figure out business model. And each one of them is going to be a long journey by itself. And when you go into the journey, let me define the journey of a startup the following way, right? This is going to be a long rollercoaster journey of failures. And each one of them is important, right? So roller coasters with ups and downs, you know, all the businesses in the water have ups and downs, but the frequency of those in a startup could be few times a day. And I think that Ben Horowitz from the venture capital firm Andreessen Horowitz has the best quote on that. He used to be a CEO of a startup before he actually became a venture capitalist. And he was asked whether or not he was sleeping well at night as a CEO of a startup, and he says, oh, yeah, I slept like a baby. I woke up every two hours and

cried, that's really the reality, in the most important realisation is that this is going to be a journey of failures, right? So we're trying to build something new that no one did before. And even though that we have the conviction that we know exactly what we are doing, the reality is that we don't. So we try, we try one thing, and it doesn't work. We try another thing. And we keep on trying different things until we find one thing that does work. Now, the reality is that if you realise that this is going to be a journey of failure, then there are two conclusions, right? Number one is, if you're afraid to fail, then in reality, you already failed, because you're not going to try. Albert Einstein used to say that if you haven't failed that, because you haven't tried new things before, if you're going to try new things, you will fail. The second one, which is even more important is that you need to fail fast. Because the faster that you fail, you actually have enough time to make another attempt. And at the end of the day, well, if you are standing at halfcourt on a basketball court and trying to shoot and make a basket, if you have one attempt, you're very likely to miss that if you have 50 attempts, one of them you're gonna make, that's the analogy that is really, really important, the more the faster that you fail, the more time that you actually have for the next attempt. Now, the first part of the journey, you need to figure out product market fit. And product market fit is creating value to your customers. If you don't figure out product market fit, you will die as simple as that. In fact, we never heard of a company that did not figure out product market fit. They simply died. That's it. But when you think of companies that did figure out product market fit, you realise that wait a minute, they did not change their value proposition since they figure that out, right? So just imagine, think of all the applications that you're using everyday, right? So so being searching on Google using Waze, using WhatsApp, using Uber, watching Netflix, whatever it is, and ask yourself, what is the difference between any of those that I'm using today, in the first time that you have used that? And the answer is that there is no difference. We are searching Google today, the same way that we search Google for the first time in our life. We are using Uber or WhatsApp or Waze the same way that we did for the first time in our life. And so once you figure out product market fit, you don't change that anymore. You go to the other parts of the journey, which is about Increasing your addressable market, figuring out growth, figuring out business model, right? So how are you going to make money, right? And each one of them is going to be again, a journey of failures. Now, in fact, if you look at many of the tech giants of the world, right, so look at maybe Netflix, and in Google and Amazon, that are about 25 ish years old, right? Or even younger companies, right? So Tesla and Facebook, in the, in the Airbnb, and Stripe, and so forth, and they are about 15 years old. A little bit more than that. And ask yourself, how much of their aggregated value of all those companies together, was created in the first decade of their existence versus rest of time. Now, most of the time, in some cases, it's 15 years. In some cases, it's only five for six or seven years? Well, any you realise that it's less than 10%, created on the first decade, most of the value created after they figure out product market fit and growth in business model. And then they were on the takeoff run. And this is where the value was created. So it's a long journey. If you've asked yourself, how long should you stay in this desert have no traction until you figure it out? Or until you die.



Jason Knight 31:22

Well, one way or the other. But with regards to product market fit, I think it's a very interesting point, because I've spoken to some people on the podcast and just on social media, and all these places where all the thought leaders like to hang out. And they were they're often saying things like, well, Product Market Fit isn't a useful concept anymore, product market fit is dead. Some people that are saying that they work for companies that lost Product Market Fit speaking to some people saying that they don't know how to measure it. And it's more of a

feeling than a measurable, actionable thing that you can aim for. But you in the book, say that you can measure it. And you're very specific about that. So in response to some of these people that are saying that, that you can't measure it, that it is something that is kind of just almost ephemeral. How do you measure that? And what are the steps that you need to? Or what do you need to optimise for to know that you have it?

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Uri Levine 32:13

So we define product market fit as creating value to your customers, right or to your users, whatever it is, right? And, and it's really simple, right? If you're going to create value, they will come back. And so the only metrics that measure product market fit will be retention, that they are coming back. If they don't come back, that means that you're not valuable for it. Now, the challenge with figuring on product market fit is that there is an underlying assumptions about the user that they are going to use the product in obtain the value and therefore they will come back, right. But between use the product and obtain the value, there is huge gap of number one trying to figure out what exactly is the value because in many cases, you have download an app or start to use something because someone told me, someone told you that, oh, you should try this. And so you go into this app, you download the app, you invoke it for the first time in your life, and you have no clue what to do with it. And most of us belongs to the segments of users that we will call them the early majority. And we are afraid of changes, right? So I didn't figure out that the second first second what to do with it. And I am going back to my comfort zone, which was exactly what I did before, right? So not using it. Yep. So the first challenge will be understanding where the value what the value is, the second challenge is going to be let's get to the value, right? So that transition or does the complexity of the app is going to dictate for many people, if they are going to figure out, you know how to get to the value, right? So just for example, if you have a registration on your product, because it's really important, and you ask people to register with their email and phone numbers, and, and whatever, before they even got to the value. Many people are going to give up right there, right? So they don't even know why they're giving you this information. And they don't want to give you this information. And therefore they will say okay, you know what I was doing just great yesterday. Let me continue that. And so getting to the value is going to be a second challenge. And only once you get to the value then the whether or not there is enough value in that. So this funnel of users is the only methodology that you need in order to figure out product market fit and all the time you need to improve the funnel. So if you bring 100 users on top, you really would like to go to end up with 30 or 40 users retain and keep on using the product right and so that means that you will need to address each and every gate or challenge by itself. And in most cases by way, a lot of people think that they are going to add more features, and therefore they're going to make the product more usable. I would say no, it's the other way around, you need to remove features in order to make it simpler. And just think of the I'll give you two examples here. And so the first one is, think of all the applications that you're using everyday, right? And ask yourself, how many features have you used today? And the answer is going usually going to be one or two. And that's about it, right? And the reality and this is a story that I heard about LinkedIn, I think it's right, but I have no clue. And I've used that story, because it's served my purpose. So unequal, accurate for a second, let's assume that it is. And the story goes that, you know, when LinkedIn started, they had a list of 30 features that they say this is the this is the product plan. And when they started to meet more people, more people told them, Look, 30 features is way too complex, let's narrow it down. And they ended up with a list of 10 features that they said, We cannot even launch the product without those 10 features. Obviously, later on the launch the product and the company turns out to be very successful. The company went public about a decade after they started en

when they went public, how many of those 10 features were actually developed? And the answer is one, just. And so obviously, in most cases, we need very few features in order to make it work in everything else is actually not just not needed. It's actually interfering with the simplicity, and creates complexity. Now, I am not sure exactly what is this feature, and what is this feature? And you just prevented me from getting to the value.



Jason Knight 36:48

Yeah, I mean, that's, you're not the only person to say that, like the idea of our simplicity and stuff. And I do get it. And I think it's important to make sure that you're focusing on the essential, I guess, a lot of what you've just spoken about there does feel very mass market B2C, so like something that you can give people to download, and the users are the same people that are buying it. And it feels that there's like a different story there for some of these startups that are maybe serving the enterprise or serving larger companies with different buyers and different users. And maybe these concepts of I mean, obviously, there's still a sales funnel, but the kind of the activation and the referral stuff maybe starts to melt away a bit. Do you think that there's a, I don't know, like a motivational message that we can give to the B2B product people out there that there's something that they can cling on to as well?



Uri Levine 37:34

Oh, absolutely. You know, we would like to say that, and b2b is different, but it's not the end of the day, what you're telling me is that wait a minute, I have three different users, right, I have the finance department, and they and then another department and another department, each one of them needs one feature in order to make it happen. But if they don't have that specific features, they don't care. And if they have more features, they don't care either, because at the end of the day, they are going to use very few capabilities. And what you really need to do is make sure that those capabilities are actually good enough, good enough for them deliver them the value, and then they will keep on using now the metrics is going to be the same. In B2B, when the customer pays, the metric is renewals, right? So if you don't renew your agreement, that means that there is no value for you. And I don't care if there is no value because you were unable to get to the value. I've overcomplicated or there is simply no value, you don't solve a real problem for them, or you don't address a real pain for them. But at the end of the day, if you create value for them, they will renew. In Now in many cases, because you're trying to sell to multiple parts of their organisations, you might need to have customer success that helps the different parts of their organisations to figure out how to use the product and guide them and, and teach them how to use the product. It might be way more complex, more complex process more complex sales, longer time to get the entire corporate to obtain the value that from the aspirants point of view, it's the same thing.



Jason Knight 39:17

So we're gonna fall in love with the problem so that they can fall in love with our solution. That's the end goal, right? So hopefully we can...



Uri Levine 39:24

Exactly



Jason Knight 39:24

... get some product people thinking about that sort of thing. But where can people find you after this if they want to find out more about the history of ways how to be more disruptive or just find out a little bit more about the new book.



Uri Levine 39:34

So you know, obviously for a second I would say read the book and in the book. The book right now is in Amazon US and it will be on Amazon, UK and rest of the stores in the UK from the middle of the month. So two weeks from now. And my website, urilevine.com can refer you to the right place for that and the that sense like the more people actually read the book, I fulfil my destiny in the sense that I want to create more value, I want to become even more valuable than then with ways and with everything else. And the book is about value creation. So I'm fulfilling my destiny here.



Jason Knight 40:19

Oh, there you go. That's a that's an aspirational aim. And hopefully we can get a few people to come in your direction and pick up the book and find out more. Well, that's been a fantastic chat. So obviously really glad we could spend some time falling in love with the problems. Obviously wish you the best of luck with the book. Hopefully we can stay in touch. But yeah, thanks for your time.



Uri Levine 40:37

Thank you. Absolutely.



Jason Knight 40:40

As always, thanks for listening. I hope you found the episode inspiring and insightful. If you did again, I can only encourage you to hop over to [oneknightinproduct.com](http://oneknightinproduct.com), check out some of my other fantastic guests, sign up to the mailing list or subscribe on your favourite podcast app and make sure you share your friends so you and they can never miss another episode again. I'll be back soon with another inspiring guest but as for now, thanks and good nights