

Iterating towards Bethlehem

**(or, making the shift from a “packaged software” guy
to a “hosted services” guy)**

August 2, 2006 :: SVPMA

Michael Sippey
GM, TypePad :: Six Apart, Ltd.

About me.

<http://sippey.typepad.com/>

(Lifelong geek, English major, writer, product manager, consultant, business guy, blogger, amateur designer, spreadsheet geek, father of two.)

About the title of this deck.

W.B. Yeats, “Slouching Towards Bethlehem”

Turning and turning in the widening gyre
The falcon cannot hear the falconer;
Things fall apart; the centre cannot hold;
Mere anarchy is loosed upon the world,
The blood-dimmed tide is loosed, and everywhere
The ceremony of innocence is drowned;
The best lack all conviction, while the worst
Are full of passionate intensity.

About Six Apart, Ltd.

MOVABLETYPE™
Publishing Platform

MOVABLETYPE™
ENTERPRISE

 **TypePad®**
Inform. Influence. Inspire.

 **LIVEJOURNAL™**

VOX™

Bust 1.0

(circa 2002)



six apart

Web 2.0

(January 2005)



Act 1

(Let's rewind the clock a bit.)

Name that product!



“Packaged” software was truly packaged software

Disks. Disk labels. Disk sleeves. Manual. Manual
addendum. Installation guide. Welcome letter.
Invoice receipt. Box. Shipping box. Shipping
label.

Anyone feeling nostalgic?

Software life cycle.

define > design > build > test > release

A thick black horizontal line with diamond-shaped arrowheads at both ends, pointing left and right.

elapsed time: 12-24 months

**(How about now? Feeling
nostalgic yet?)**

What was my job back then?

Getting everyone in the van.



Market Validation

Is the market real?

How big is the market?

Does the product fit the market?

What are the sales costs?

How we did it.

Find 30 prospects. Set up meetings.
Demo your idea / alpha / beta / product.
Ask questions. (Lots of questions.)
Take copious notes. Score your results.

Critical questions.

Do you have this problem?

Does this solve your problem?

How much would you pay for this?

Base hit or home run?

How would you spend \$100 of our money?

***We always* learned new things.**

**Occasionally, we learned *very*
new things.**

O	TC	Type	Symb	Target	Working	Comp.	Avg Price	Broker	Trade Strategy	A	Order Ratio	Order
N	by	csus	advs	25,000	0	0	\$0.0000		Market Neutral		Ratio 2	1788
N	by	cbus	generic	388,500	0	0	\$0.0000	bafa	Market Neutral	○	Ratio 1	1642
N	by	tbus	generic12mo	100,000	0	0	\$0.0000		Conv Arb	○	Ratio 2	1730
N	by	mbus	generic2	100,000	0	0	\$0.0000	cant	LongShort	○	Ratio 2	1673
N	by	csus	ibm	1,000	0	0	\$0.0000	<directed>	Conv Arb	○	Ratio 3	1448
N	by	csus	ibm	100,000	0	0	\$0.0000	<directed>	Market Neutral	○	Ratio 1	1722
N	sl	csus	intt	10,000	0	0	\$0.0000	gains	Conv Arb	○	Ratio 2	1568
N	by	cseu	moxycash	1,000,000.00	0.00	0.00	€0.0000	alex	Market Neutral	○		1775
P	ss	csus	abf	30,000	28,250	28,250	\$14.1819	<multi>	Conv Arb	○	Ratio 2	1494
P	by	csus	ibm	25,000	16,600	16,600	\$63.0100	<multi>	Conv Arb	○	Ratio 1	1485
P	sl	csus	ibm	300	200	200	\$32.0000	schwab	LongShort	○	Ratio 4	1751
W	sl	cseu	420437	2,500	2,500	0	€0.0000	bear	Conv Arb	○	test2	1452
W	by	csjp	6467104	15,000	15,000	0	¥0.0000	morgan	Long Short	○	Multi Gr...	1463
W	by	csus	aapl	100	100	0	\$0.0000	alex	LongShort	○	Ratio 1	1717
C	by	cbus	001031AA1	10,000	10,000	10,000	\$101.0000	gold	Market Neutral	○	Ratio 1	1724
C	by	cbus	001957ag4	1,000,000	1,000,000	1,000,000	\$101.0000	brok	LongShort	○	Ratio 2	1753
C	by	cbus	002824af	1,000,000	1,000,000	1,000,000	\$1.0000	ssb		○	Ratio 1	1581
C	by	mbus	010308yg3	100,000	100,000	100,000	\$103.3450	morgan		○		1496

Fill Id	Broker Id	Filled By	Fill Date	Fill Time	Fill Qty	Price	Settle Date	Billed Comm	Other Fee	Ticket Charge	FIX Exec.
2	alex	sa	06/03/2004	4:11:20 PM	2,500	\$63.0100	06/03/2004	\$75.00	\$0.00	\$10.00	35242
5	alex	sa	06/03/2004	4:11:20 PM	500	\$63.0100	06/03/2004	\$19.95	\$0.00	\$10.00	35254
6	alex	sa	06/03/2004	4:11:22 PM	2,000	\$63.0100	06/03/2004	\$60.00	\$0.00	\$10.00	35238
9	alex	sa	06/03/2004	4:11:22 PM	1,000	\$63.0100	06/03/2004	\$30.00	\$0.00	\$10.00	35244
10	alex	sa	06/03/2004	4:11:23 PM	1,500	\$63.0100	06/03/2004	\$45.00	\$0.00	\$10.00	35246
Total for Broker alex				12:00:00 AM	7,500	\$63.0100		\$229.95	\$0.00	\$50.00	
1	gold	sa	06/03/2004	4:11:17 PM	2,000	\$63.0100	06/03/2004	\$160.00	\$0.00	\$10.00	35236
3	gold	sa	06/03/2004	4:11:20 PM	1,000	\$63.0100	06/03/2004	\$90.00	\$0.00	\$10.00	35250
4	gold	sa	06/03/2004	4:11:20 PM	500	\$63.0100	06/03/2004	\$45.00	\$0.00	\$10.00	35252
7	gold	sa	06/03/2004	4:11:21 PM	3,000	\$63.0100	06/03/2004	\$240.00	\$0.00	\$10.00	35240

Allocation Extended Security Fill Price Portfolio Security Surge

For Help, press F1

Takeaway 1: If you can't get 30 meetings...

...you don't have a product.

Takeaway 2: Nothing's better than seeing a user in context.

(My GOD, *that's* how they use our product?)

**Let's fast forward just a few
years...**

(New job: consultant.
Which is really the same as the old job.)

Act 2

(also known as Bubble 1.0!)

(Big money, big teams,
big hardware, big dreams.)

“Let’s build a jukebox.”

(No van this time...instead, a trip to Vegas.)

Market research phase 1.

(DILO scenarios, experience architecture,
lots of time in bars with beer.)

Market research phase 2.

(There are these guys with the keys...)

**Time to non-functional prototype:
6 weeks.**

(Goal: sell investors.)

**Time to functional prototype:
12 weeks.**

(Goal: sell distributors.)

DOWNLOAD & PLAY

?

Now Playing: Killers - Mr. Brightside
 Downloading: 50 Cent - Candy Shop (Feat. Olivia)

NOW PLAYING
 KILLERS
 MR. BRIGHTSIDE

FIND MORE MUSIC
 by Artist, Album or Song

PLAY
 NEW
 MUSIC

MUSIC PRICE LIST

\$1 = 2 Credits
 \$2 = 5 Credits
 \$5 = 14 Credits
 \$10 = 28 Credits
 \$20 = 60 Credits

Credits
 Remaining
 3

Beck
 sea change

Black Eyed Peas
 monkey business

Big & Rich
 horse of a different color

Bob Seger
 greatest hits

SLIDE
 B
 A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

DOWNLOAD & PLAY
 NEW MUSIC ADDED EVERY WEEK





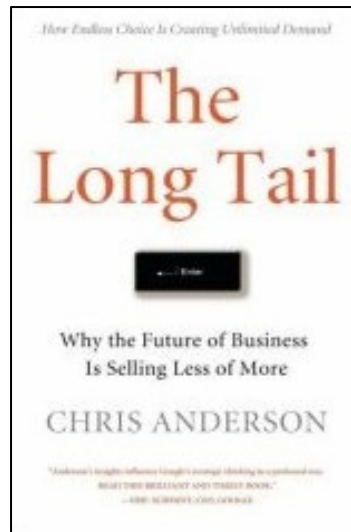
Takeaway 3: End users aren't the only ones that matter.

(Can't ignore the other actors in the value chain.)

Takeaway 4: Prove it with a prototype.

Especially when you're breaking new ground.

Takeaway 4 ½: Turn it into a best seller.



Act 3

(also known as ~~Bubble~~ Web 2.0!)

(Everyone knock on wood three times.)

Let's build a product.

Let's ~~build~~ a ~~product~~.

Let's iterate a service.

We've learned the hard way.

July 4th weekend, 2005: TypePad 1.6

“Let’s change how users design their blogs. And how they’re rendered. And how users manage their communities. And most of the app’s JavaScript. I mean, hey! If it’s this big already, what’s one more thing? We get more bang out of QA, right?”

**What went wrong that weekend
scarred everyone involved.**

("Dude, you just had to be there.")

**We didn't learn right away,
though.**

We had to iterate to iterate.

What's the right periodicity?

~~One month~~

~~Three weeks~~

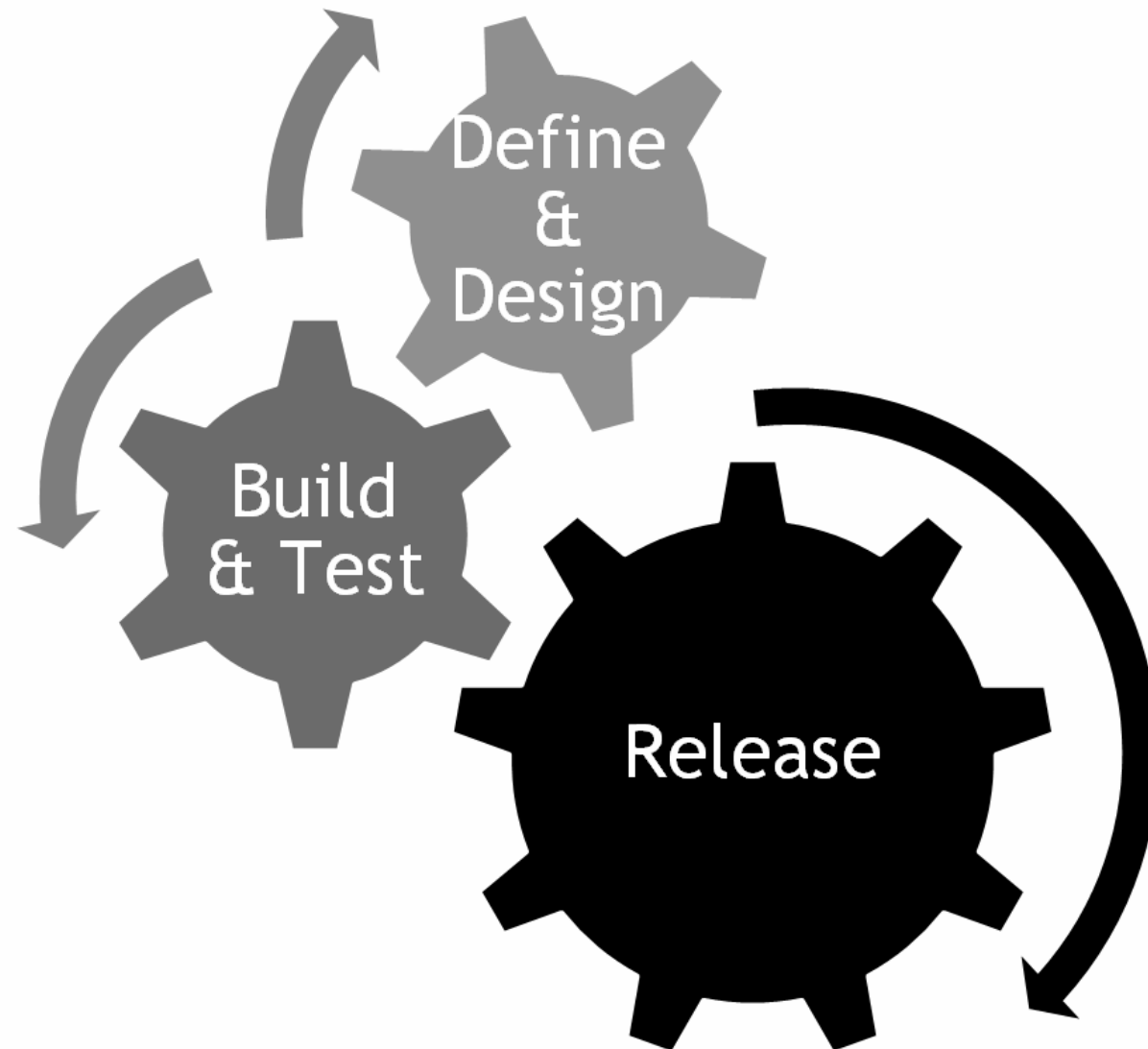
~~One week~~

A release every two weeks

~~Software life cycle.~~

~~define > design > build > test > release~~

~~elapsed time: 12-24 months~~



(I had to use some of the new fancy clipart in Office 2007.)

How we make it work.

Roadmap and schedule on the wiki.

Lightweight specs.

Living in FogBugz.

Iterating.

Willingness to let go.

Simplify releases.

Infrastructure focused v. feature focused.

Let everyone be their own hero.

*-athons.

**But what about the product
management stuff?**

Know your market.

(The 15,000 readers of TechCrunch
are *not* a market.)

(What we're doing.)

The logo for 'MOVABLETYPE Publishing Platform' features the word 'MOVABLETYPE' in a bold, blue, sans-serif font, with a small blue icon of a person's head and shoulders to the left. Below it, the words 'Publishing Platform' are written in a smaller, green, sans-serif font.The logo for 'MOVABLETYPE ENTERPRISE' features the word 'MOVABLETYPE' in a bold, blue, sans-serif font, with a small blue icon of a person's head and shoulders to the left. Below it, the word 'ENTERPRISE' is written in a smaller, green, sans-serif font.The logo for 'TypePad' features a blue icon of a stylized 'P' to the left of the word 'TypePad' in a blue, sans-serif font. Below it, the tagline 'Inform. Influence. Inspire.' is written in a smaller, green, sans-serif font.The logo for 'LIVEJOURNAL' features a blue icon of a pencil writing on a circular path to the left of the word 'LIVEJOURNAL' in a blue, sans-serif font.The logo for 'VOX' features the word 'VOX' in a bold, white, sans-serif font, set against a red, rounded rectangular background.

Make the customer part of the team.

The whole team sees the \$\$ metrics.

Support staff and support ticket DB.

Motivation, feature and usability research.

Eating our own dogfood.

(And it doesn't hurt that we're in the megaphone business.)

2. What is your age?

		Response Percent	Response Total
18 - 24		3.9%	8
25 - 34		24.8%	51
35 - 44		33%	68
45 - 60		31.6%	65
60+		6.8%	14
Total Respondents			206
(skipped this question)			0

3. General attributes

3. How important were each of these attributes in your decision to choose a blog?

	Very important	Important	Somewhat important	Not very important	Not at all important	Response Average
Reliability	66% (133)	29% (58)	5% (10)	0% (0)	0% (0)	1.39
Well-known industry leader	10% (21)	31% (63)	31% (63)	19% (39)	7% (15)	2.82
Cost	32% (65)	41% (83)	21% (42)	4% (9)	1% (2)	2.00
Functionality	65% (131)	32% (65)	2% (4)	0% (1)	0% (0)	1.38
Ease of use	69% (139)	26% (52)	4% (9)	0% (1)	0% (0)	1.36
Total Respondents						201
(skipped this question)						5

4. TypePad attributes

4. Tell us how strongly you agree or disagree with the following statements:

	Strongly Agree	Somewhat Agree	Neither Agree nor Disagree	Somewhat Disagree	Strongly Disagree	Response Average
TypePad is a reliable and trusted hosted service	45% (89)	43% (85)	10% (19)	2% (3)	1% (2)	1.71
TypePad has powerful functionality	24% (48)	52% (103)	19% (38)	3% (6)	2% (3)	2.06
TypePad has professionally designed templates	28% (55)	49% (98)	17% (34)	5% (10)	1% (1)	2.01
TypePad is worth paying for	35% (70)	52% (102)	9% (17)	3% (5)	2% (4)	1.84
TypePad is constantly offering new features & functionality	18% (36)	46% (91)	31% (62)	4% (7)	1% (2)	2.23

Example Project - Morae Manager

File Segment Marker Search View Player Help

Analyzer - Project

- Jody
 - Markers
- Kristen
 - Markers
- Liz
 - Markers
- test42204
 - Markers
- Purchase_Process

Details

Name: Jody
 File Path: C:\Documents and Se...
 Start Time: October 01, 2004 14:
 End Time: October 01, 2004 15:
 Duration: 1:10:01.11
 Description: <None>
 Camera: Yes
 Microphone: Yes
 Keyboard: Yes
 Screen Text: Yes
 Mouse Clicks: Yes
 Video Codec: TechSmith Screen Cap...
 Video FPS: 5.0
 Video Resolution: 1024 x 768
 Video Bit Depth: 32-bit

Camera



Recording - Jody

The Onion | America's Finest News Source™ - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address http://...

Snagit

File View Tools Help

Select a Profile then click Capture.

Basic Capture Profiles (6)

- A region to File
- A region to Clipboard
- A window to File
- A scrolling window

Capture

Capture Settings

Profile: A region to File

0:00:00.00 1:10:01.11 0:04:08.74 / 1:10:01.11

Search results for: Jody - Entire recording

Elapsed ...	Event	Application	Time/Date	Clicks	Window Title	Focus
0:03:45.40	Window/Dial...	Internet Exp...	14:07:12 / ...			Focus
0:03:45.80	Window/Dial...	Internet Exp...	14:07:12 / ...			Focus
0:03:46.20	Web Page C...	Internet Exp...	14:07:12 / ...			
0:03:46.20	Mouse Clicks	Internet Exp...	14:07:13 / ...	L Button Down	The Onion ...	
0:03:50.60	Mouse Clicks	Internet Exp...	14:07:17 / ...	M Button Down	The Onion ...	
0:03:53.00	Mouse Clicks	Internet Exp...	14:07:19 / ...	M Button Down	The Onion ...	
0:03:58.40	Mouse Clicks	Windows Ex...	14:07:25 / ...	L Button Down	Running App...	
0:03:58.60	Window/Dial...	TechSmith S...	14:07:25 / ...		Snagit	Focus
0:03:58.60	Window/Dial...	TechSmith S...	14:07:25 / ...			Focus
0:03:58.60	Window/Dial...	TechSmith S...	14:07:25 / ...			Focus

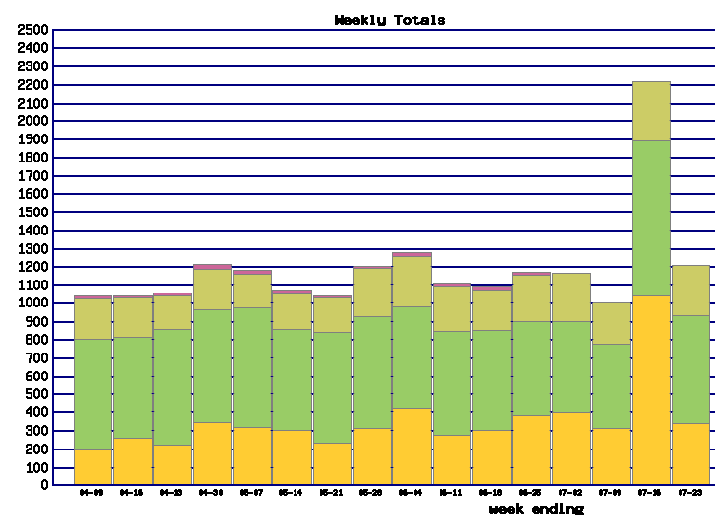
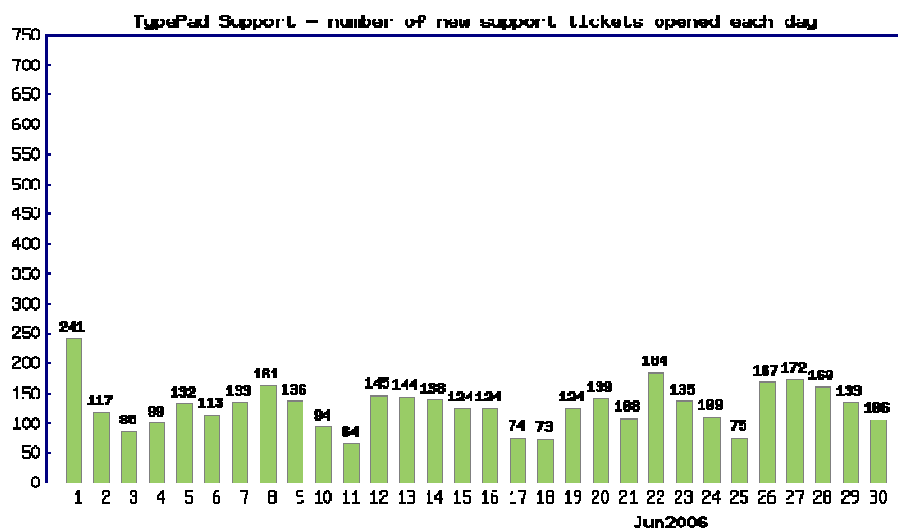
Metrics

Selected Duration: 0:00:00.000

Number of Events: Total: 1761 Selected: 1

Ready NUM

(Who doesn't like charts?)



**(Google AdWords keyword
performance report redacted.)**

Beware the vocal minority.

(1% <> 99%)



LJ at OSCON

Some of the best and brightest minds of the [Open Source](#) world (the stuff that makes LJ tick!) are gathering in Portland, OR, this week for a yearly get together. Six Apart is sending a large contingent to [OSCON](#), including [@crucially](#), [@whitaker](#), [@anildash](#), [@xb95](#), [@btrott](#), [@bulknews](#), [@markpasc](#), [@byrnereese](#), [@teknikill](#), and [@bschoate](#). They're giving several talks including [LiveJournal's Secret Spinoffs](#), [Trying to Suck Less](#), and [Stump the Band](#). Being open source means that the guts that make LiveJournal go are totally free for anybody to use, so they help power sites like Wikipedia, Craigslist, DeadJournal, Slashdot, and dozens more.

August is going to be hott

Stay tuned for some exciting news next month. We'll be launching LJ Talk, LiveJournal's own instant messaging service, in the first part of August. You may have heard [a little about it](#) already, and there will be even more discussion during OSCON since LJ Talk is a Jabber implementation. You can read the more technical stuff [here](#), or just wait a few weeks until it's ready to launch with some quick and clear instructions as well as an LJ Talk client with powerful voice and chat capabilities. We've been testing it and we're all already addicted!

[\(2028 Comments\)](#) [Comment on this](#)

So what's my job now?

Getting everyone in the van.



Takeaway 5: It's the same old story.

Is the market real?

How big is the market?

Does the product fit the market?

What are the sales costs?

**The more things change, the
more things stay the same.**

(Except things are faster. And cheaper.)

Still awake?

(Q&A)

Ping me.

[http://sippey.typepad.com/
sippey@sixapart.com](http://sippey.typepad.com/sippey@sixapart.com)