How to choose features and treble your revenues!

Ben Finn OBE
co-founder,
Sibelius Software
ben@finn.com
Products

• Software
  – Desktop
  – Web-based
  – App
Products

• Software
  – Desktop
  – Web-based
  – App

• Physical goods

• Services
Features

Marketable benefit to customer:

• Function
• User interface
• Compatibility (OS etc.)
• Speed
How are features usually chosen?
Features proposed by

- Customers
Features proposed by

- Customers
  - Unrepresentative
  - Not good at solutions
Features proposed by

• Customers
  – Unrepresentative
  – Not good at solutions

• CEO / CTO / you
  – Think they know best
Features proposed by

• Customers
  – Unrepresentative
  – Not good at solutions

• CEO / CTO / you
  – Think they know best

• Developers
  – Like cool stuff
Potential features

Benefit to customer

More useful features

Size (or cost) of feature

Bigger features
Feature selection method
Gut feel

- Highly unreliable
- Whose gut?
Gut feel

• Highly unreliable
• Whose gut?
• Doesn’t balance benefit & cost
How *should* you choose features?
Potential features

• Spell-check
  – Many users want it a lot
  – But hard to develop
Potential features

• Spell-check
  – Many users want it a lot
  – But hard to develop

• Footnotes
  – Essential for some users
  – Quite hard
Potential features

• Spell-check
  – Many users want it a lot
  – But hard to develop

• Footnotes
  – Essential for some users
  – Quite hard

• Left & right page numbers
  – Many users want it, but not much
  – Easy to do
Benefit-cost ratio

Feature priority = \frac{\text{Benefit}}{\text{Cost}}
Benefit-cost ratio

Feature priority ≈ \frac{\text{Benefit}}{\text{Cost}}

\approx \frac{\% \text{ of users who’d use it} \times \text{How much they’d want it}}{\text{Developer-days work}}
## Cost-benefit analysis

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Benefit</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>% users who’d use</td>
<td>How much they’d want</td>
<td>Developer-days</td>
</tr>
<tr>
<td>Spell-check</td>
<td>75%</td>
<td>8/10</td>
</tr>
<tr>
<td>Footnotes</td>
<td>10%</td>
<td>10/10</td>
</tr>
<tr>
<td>Left/right page no.s</td>
<td>40%</td>
<td>2/10</td>
</tr>
</tbody>
</table>
# Cost-benefit analysis

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Cost</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spell-check</td>
<td>8 × 100 = 6</td>
<td>6</td>
</tr>
<tr>
<td>Footnotes</td>
<td>10 ÷ 50 = 2</td>
<td>2</td>
</tr>
<tr>
<td>Left/right page no.s</td>
<td>2 ÷ 5 = 16</td>
<td>16</td>
</tr>
</tbody>
</table>
How to do it in practice
Feature choosing process

- List potential features
- Get feedback
- Get customer/usage info
- Cost-benefit analysis
List potential features

• Database

• Employees
  – Sales & marketing
  – Development
  – Technical support

• Experts

• Competitive analysis

• Brainstorm
List potential features

Include:

• 2 sizes of big features
• Tiny features (grouped)
• Changes to existing features
• User interface
• Compatibility (OS etc.)
• Speed
List potential features

Probably exclude:

• Bug fixes
• Refactoring etc.
• Clearly unfeasible features
  – Very low demand & high cost
  – But keep in database
Get feedback

For each listed feature:

• Who’d use it
• How much they’d want it
• Improvements
• Development time
Get feedback

Internal:
• Employees (as before)

External:
• Beta-testers
• Focus group
• Experts
• Distributors
Get customer/usage info

• What they use software for
• Which features they use & how much
Sibelius uses

- Composing: 80%
- Arranging: 75%
- Teaching materials: 59%
- Writing out music: 50%
- In class: 31%
- Homework: 29%
- Private lessons: 18%
- Publishing/engraving: 14%

Customers who use Sibelius for this activity.
Cost-benefit analysis

• Senior team
  – Product manager
  – Sales
  – CTO
Cost-benefit analysis

For each potential feature:
• % customers who’d use it
• How much they’d want it
• Developer days

• Calculate priority
Adjustments
Adjustments

• Marketability
Marketability
Adjustments

- Marketability
- Gaps
- USPs
Adjustments

- Marketability
- Gaps
- USPs
- Balance
Results

• Feature list sorted by priority
• Develop in this order - approximately
How well does this work?
Feature benefit prediction accuracy

![Bar chart showing predicted vs actual benefit for various features: Ideas Hub, Sounds Essentials, VST, Paste as Cue, Panorama, Bar numbers, Title/blank pages, Instrument Changes, Undoable plug-ins, New fonts.](chart)

- **Predicted**
- **Actual**
Potential features

More useful features

Bigger features
Benefit / cost

- More useful features
- Bigger features

Benefit (£K)

Cost (£K)
Benefit / cost

Cost (£K)

Benefit (£K)

- £0
- £100
- £200
- £300
- £400
- £500
- £600
- £700
- £800
- £900
- £1,000
- £1,100
- £1,200
- £1,300
- £1,400
- £1,500
- £1,600
- £1,700
- £1,800
- £1,900
- £2,000
- £2,100
- £2,200
- £2,300
- £2,400
- £2,500
- £2,600
- £2,700
- £2,800
- £2,900
- £3,000

- £0
- £100
- £200
- £300
- £400
- £500
- £600
- £700
- £800
- £900
- £1,000
- £1,100
- £1,200
- £1,300
- £1,400
- £1,500
- £1,600
- £1,700
- £1,800
- £1,900
- £2,000
- £2,100
- £2,200
- £2,300
- £2,400
- £2,500
- £2,600
- £2,700
- £2,800
- £2,900

More useful features

Bigger features

39
152
9
2.7
Treble effectiveness

- Revenues
- Usage
- Appeal
Summary

• Don’t rely on gut feel!

• List potential features
• Get feedback on them
• Get customer/usage info
• Do cost-benefit analysis