**Product Management Due Diligence List**

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**Constantly Updated List at**

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Diligence Framework

* Phase 1 - Discover the Current Product
  + The objective in this stage is not to form an opinion, your role is that of a detached and curious observer intent on understanding the product in its current form.
* Phase 2 - Understand the Product’s History
  + The objective in this stage is to understand why the product acts / feels / was designed / was priced / was coded / was released / was sold / was marketed in the way that it has been.
  + Historical product choices were made for a reason, those decisions and their rationale may be illogical or irrelevant, the goal in this stage is to understand how and why those decisions were made, and begin to form an opinion as to whether those were the right ones.
* Phase 3 - Form an Opinion on the Product’s Future
  + The objective in this stage is to incorporate your understanding from Phase 1, and your historical research from Phase 2, in order to form an opinion on the product's future.

Diligence Question List

* Customer Observation and Interview – Minimum 10 customers.
* Customer Product Experience
  + Feelings
    - How does the product make them feel? Efficient? Happy? Sad? Annoyed? Ignored?
  + Onboarding
    - How are customers onboarded? Is this automated? Why or why not? Is this the right approach?
    - What is each customer’s time to value (The time it takes from when they are sold to when they actually derive value from the product)? Break out by persona / segment / cohort?
  + Billing
    - How do customers actually pay for the product? Credit card / ACH / Invoice / Check?
    - Are there any issues with billing? Are customers happy about it or would they prefer another way?
  + Support
    - How are customers supported? Email / phone / chat / text / social channels / in person / support system (Salesforce / Zendesk)? Are these channels good / bad / worthwhile?
    - Is there a public knowledge base? Is it used? Why / why not?
    - Are customers happy with the responses they get? If not, why? If so, why?
    - How, if at all, does customer support relate to customer churn?
  + Contracts & Service Level Agreements
    - What is the contract signing experience like? What are sample contracts for each persona and customer segment?
    - What are customer service level agreements? Are they profitable for the company? Are they too strict / too lax? Have they been routinely violated?
    - What are the termination dates? By cohort / product / persona / segment? Is there a termination “cliff” where many contracts come up for renewal at once?
  + Localization
    - Are all customers English speaking? Are there localization issues? Would the product perform better if localized? Would it reduce complexity to have one product language?
* Product Team
  + Who are the members of the team? Are they effective? What performance review process exists? Is it effective? Do you want to retain all / some / none of the product team?
  + What is the product culture? Is it the same as yours? Is it focused on growth / stability / security? What incentive scheme does it operate under? Is the team effective? Will the culture merge with yours?
  + How is knowledge shared and capture? How are features and product artifacts managed?
  + Is the product team all in one office? Different offices? Are they remote or in office?
* Product Artifacts
  + Competitive Landscapes
    - Who are the primary competitors in the space?
    - Who are the secondary competitors? Are they worth buying? Why are they secondary?
    - Who does your sales team see in the sales process? Who do they lose against? Who do they win against? Why do they lose? Why do they win?
    - Are their substitutable goods / services / products that have been ignored?
    - Are there competitors that the company is losing against that they are not tracking? Are there competitors on the horizon?
  + Market Maps
    - What is the space that the company operates in? Is it one of fierce competition (productivity tools) or quasi-monopoly (Uber / Lyft)?
    - Why are they in that space?
  + User Stories
    - How does the product team produce their user stories? Obtain examples for a recent release.
  + Customer Personas & Segments
    - Who are the customer personas? What do the product’s customers look like?
    - What are the customer segments? Are they the same as the personas or different? Why are they different?
  + Product Vision
    - What is the product vision? Why is that the product vision? Is there a product vision or is there just a list of features to be developed?
  + Go To Market & Target Market Analysis
    - How has the company gone to market with new products and features?
    - What is the rollout process? For product? For engineering? For marketing? For sales? For services? For customer success?
  + Pricing
    - How are products priced? Monthly / Quarterly / Yearly? Recurring subscription / one time payment / combination?
    - Are there discounts given? Why are there discounts given? Should they be given? Education / military / special segment discounts?
    - Are products sold at list price or are there discounts given? If so, what are they and why are they given? To what personas / segments?
    - How are those prices displayed to customers? Are they on the website? Do customers have to call or request a quote? How long does it take for a customer to obtain a price for a product?
    - Are the prices reasonable or should they be lowered / raised?
  + Product & Feature Priorities
    - Relating to product vision, what are the current priorities for each product and how are those broken down into features?
    - Why are they the current priorities? How were they prioritized (Value, CEO/VP Edict, Big Customer Request)?
  + Product Roadmap - 3 / 6 / 12 Month
    - Relating to product and feature priorities, how do those priorities come together to form the product roadmap for the next 3/6/12 months?
    - Where is the product roadmap stored? Who has access to it? Why is that the case?
  + Partner Ecosystem
    - Who are the current partners? What functionality do they provide? Why were those partners selected over other partners in the space?
    - Are any of those partner solutions better integrated through either building those solutions or acquiring them?
* Data & Metrics
  + Cohort Analysis
    - What are the retention rates for both customers and revenue, on a per product / customer segment / user persona basis?
  + Customer Acquisition Cost - CAC
    - How are customers acquired? What channels? At what cost? Are some channels better / worse than others? Are some channels not being used?
  + Customer Life Time Value - CLTV
    - What is the lifetime value of your customers? By segment? By persona?
    - Are all of these profitable? If so, could they be more profitable? If not, why not?
  + Product Usage Metrics
    - How is the product being used? How is that being measured? Time on site / DAU/MAU, core actions taken?
    - What tools are used to measure this (Google Analytics, Optimizely)? Are staff trained on these tools? Why / why not?
* Technical Diligence
  + While technical diligence is an entirely different essay, it’s worth considering some of the questions that can affect the product.
  + 3rd Party Resources
    - Does the team rely on any consultants? Have they signed the appropriate legal agreements (Ex - IP Assignment, NDA)?
    - How much of the product was developed / designed in house vs outsourced?
  + Engineering Process
    - What process does engineering run on? Agile? Waterfall? Hybrid? Is it effective? Why / why not?
    - Are there dedicated test and staging environments? If so, how are they used? If not, why not?
    - What systems do you use for code collaboration and revision?
    - How are secrets (AWS Keys, Encryption Keys, Logins) handled and shared? What are your access controls? What personnel have access to these items? An ability to change them?
    - Does each product manager have their own engineering resources? Or do multiple product managers assign tasks to one engineering team?
  + Data Handling, Backup, Recovery
    - What is your disaster recovery plan? Has it been tested? When was it tested? What was the result?
    - How is data backed up? Has it been tested? When? What was the result?
    - How is data secured? Have you ever conducted security audits? If so, what were the results? If not, why not?
    - Where is customer data stored? Cloud / on premise / hybrid?
  + Technology Stack
    - What languages is the product built with? Does your company have expertise in these languages? If not, are you prepared to obtain them? If so, is the level of expertise the same?