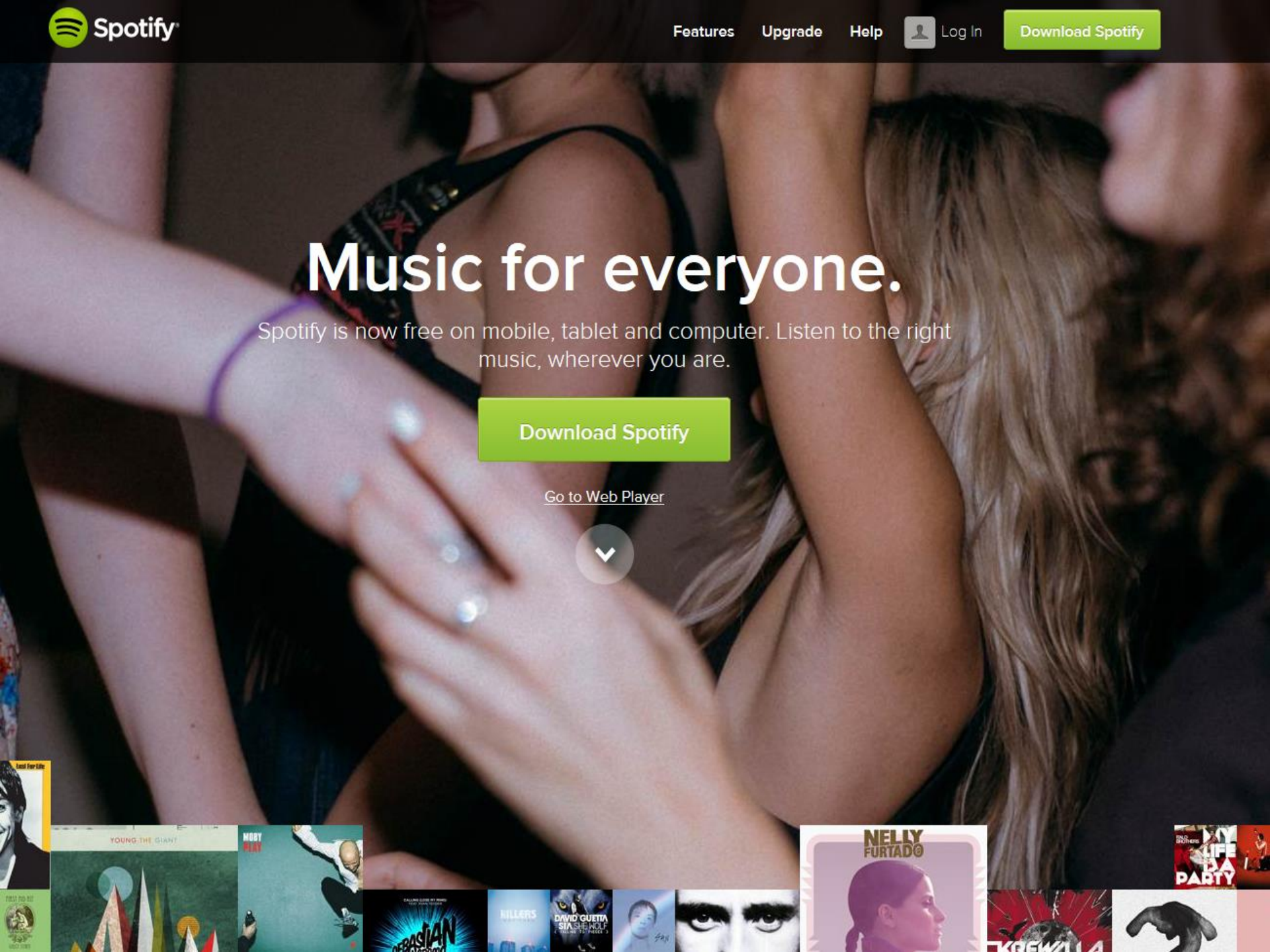
SIM 18/19 – T2.2
How Spotify Builds Products

Miguel Tavares Coimbra

U.PORTO FC


Spotify
Features
Upgrade
Help
Log In
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Music for everyone.
Spotify is now free on mobile, tablet and computer. Listen to the right music, wherever you are.
Download Spotify
Go to Web Player

Some fast figures

- Paying subscribers: Over 6 million
- Active users: Over 24 million*
- Ratio of paying subscribers to active free users: Over 20%
- Revenue paid to rights holders since launch: $1bn
- Number of songs: Over 20 million**
- Number of songs added per day: Over 20,000
- Number of playlists: Over 1.5 billion created so far
- Available in 56 markets

Source: http://press.spotify.com/pt/information/ [May 2014]

Paradox

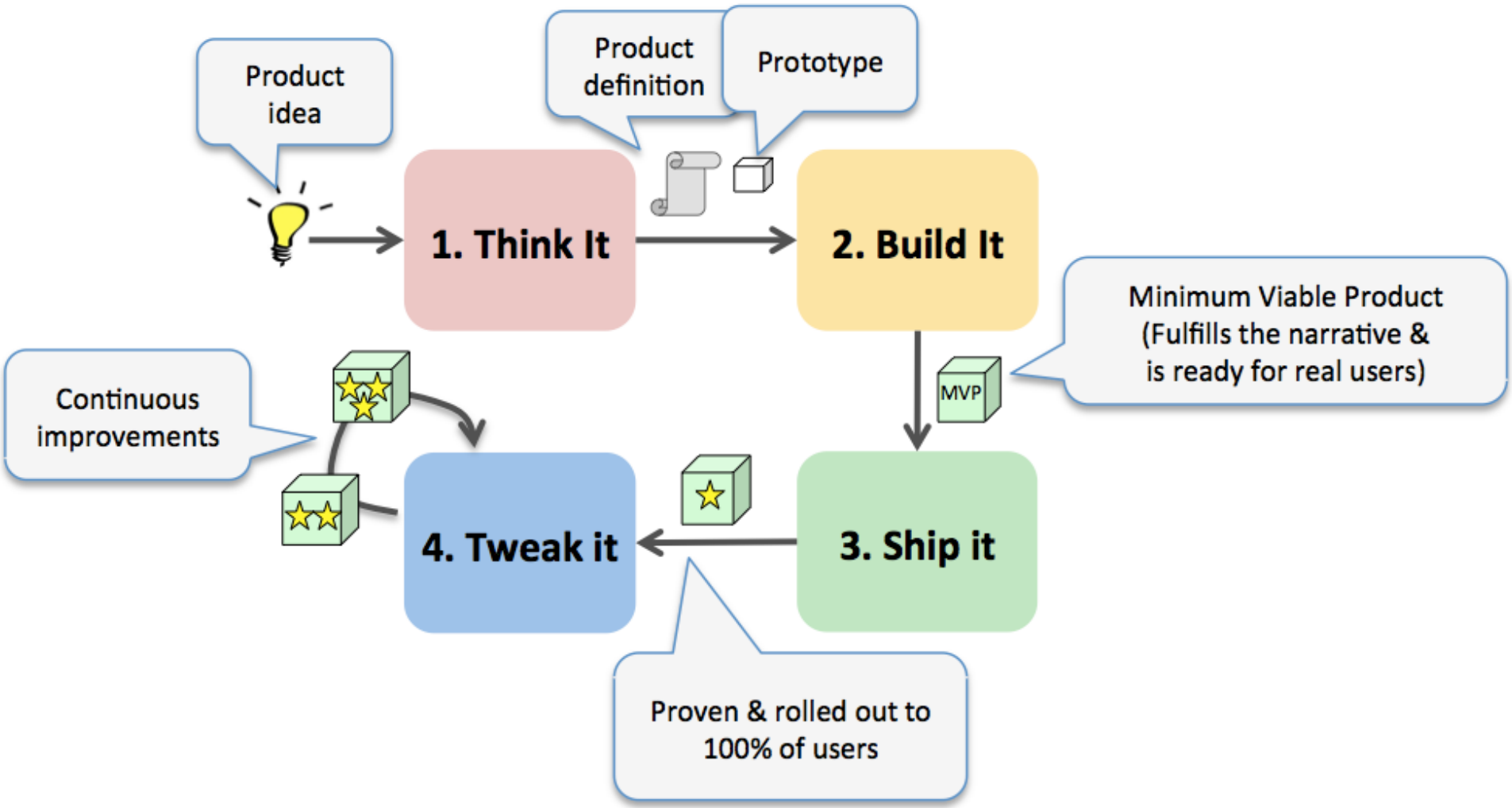
- “Successful companies like Spotify only want to deliver products that people love. But they don’t know if people love it until they’ve delivered it.
- So how do they do it?”

Henrik Kniberg, “How Spotify builds products”, Jan 2013

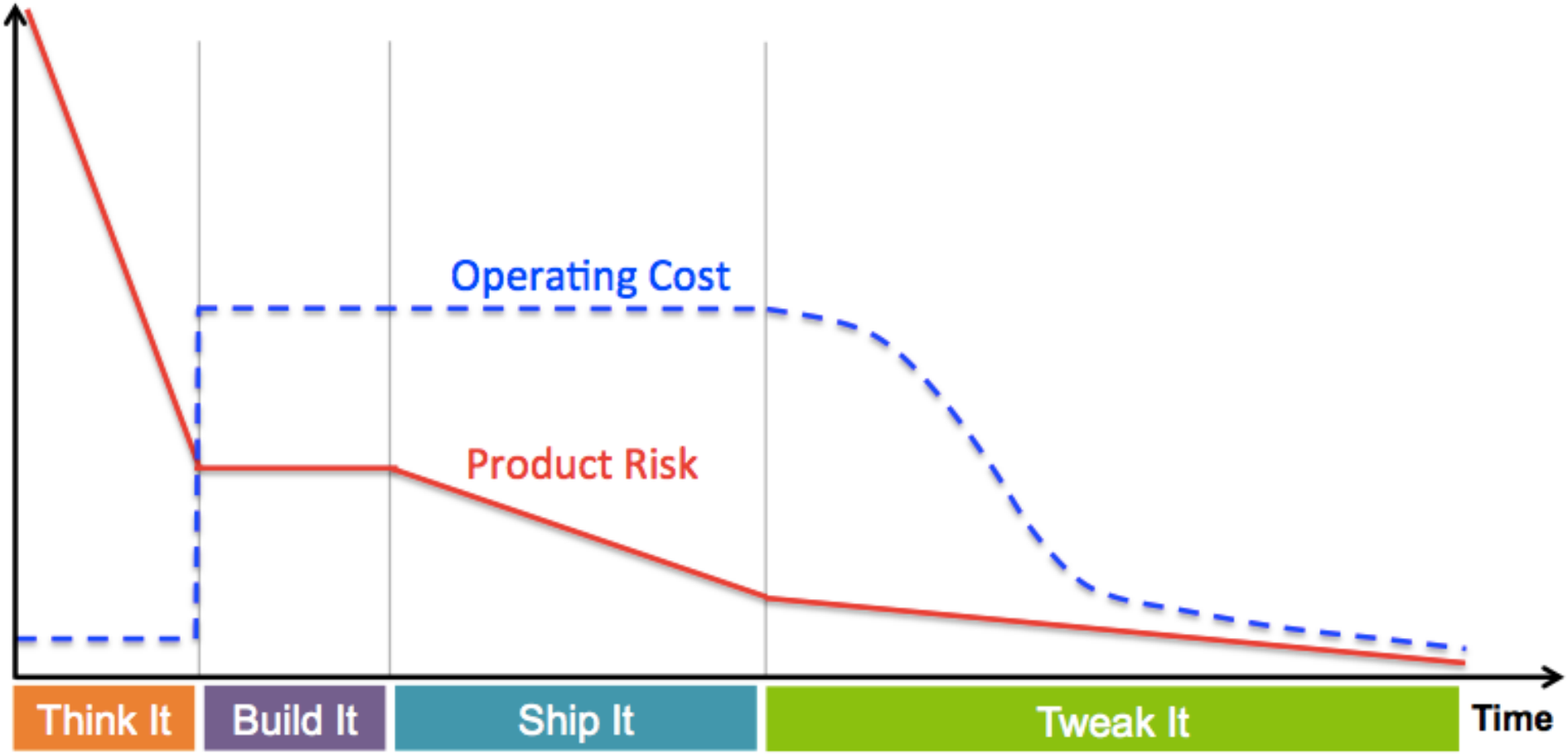
Spotify: Core Philosophy

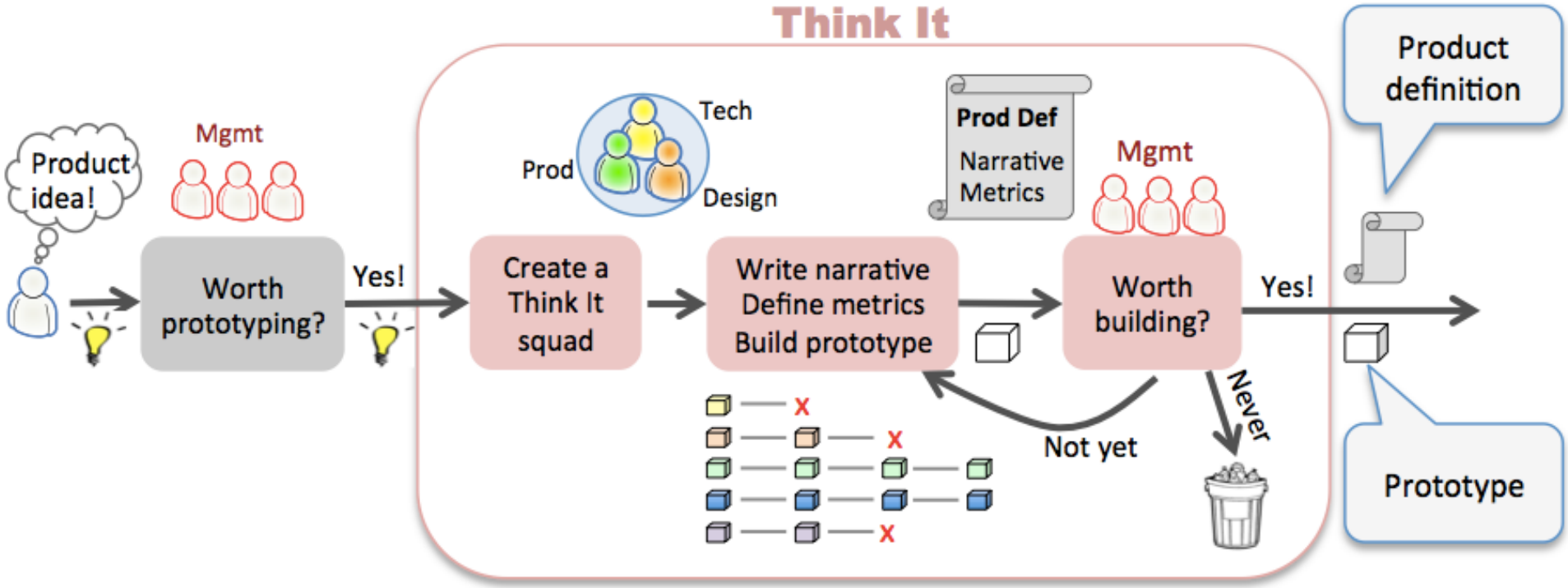
- We create innovative products while managing risk by prototyping early and cheaply
- We don’t launch on date, we launch on quality
- We ensure that our products go from being great at launch to becoming amazing, by relentlessly tweaking after launch

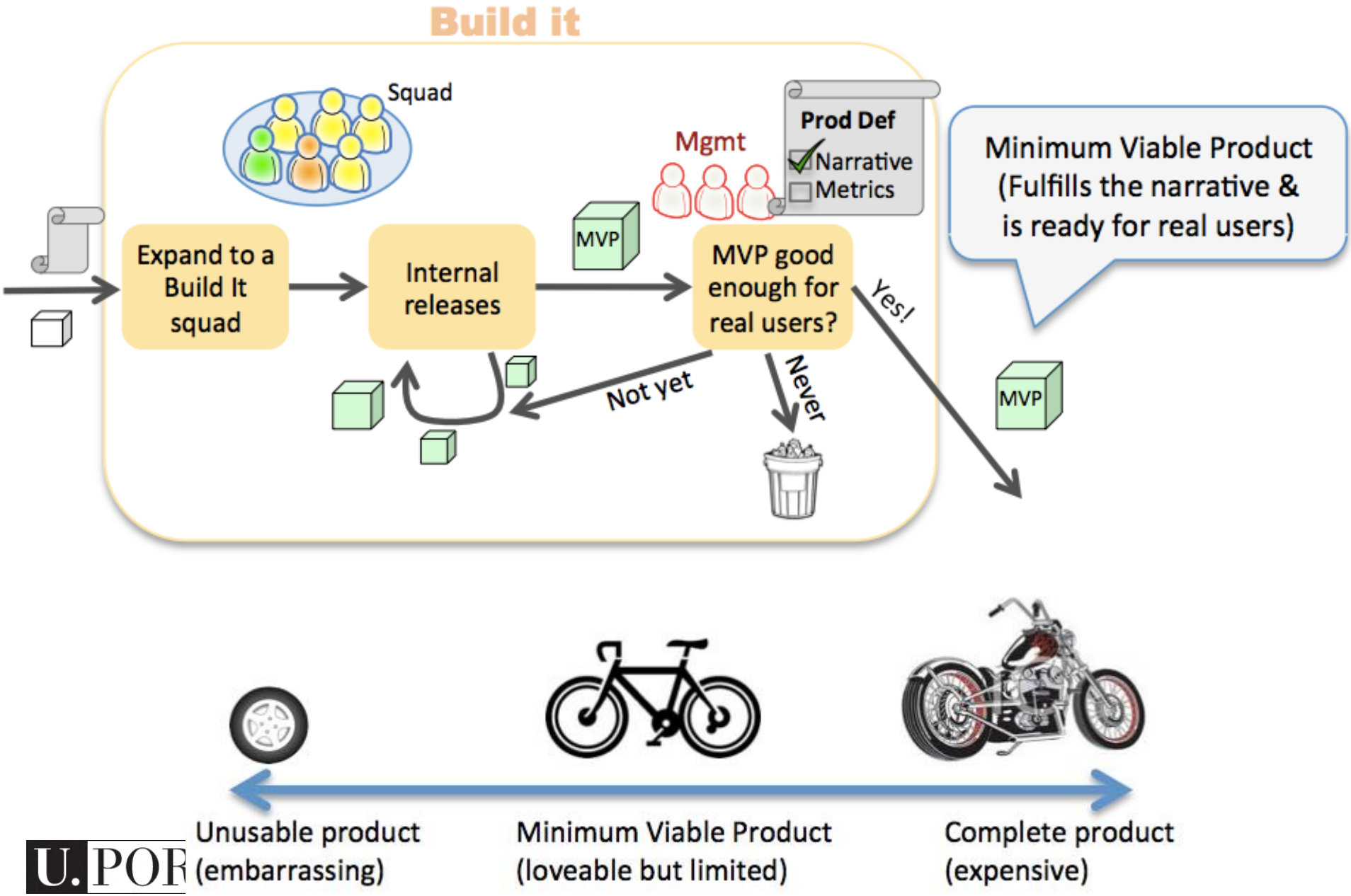
- **Think It** = figure out what type of product we are building and why.
- **Build It** = create a minimum viable product that is ready for real users.
- **Ship It** = gradually roll out to 100% of all users, while measuring and improving.
- **Tweak It** = Continuously improve the product. This is really an end state; the product stays in Tweak It until it is shut down or reimagined (= back to Think It).



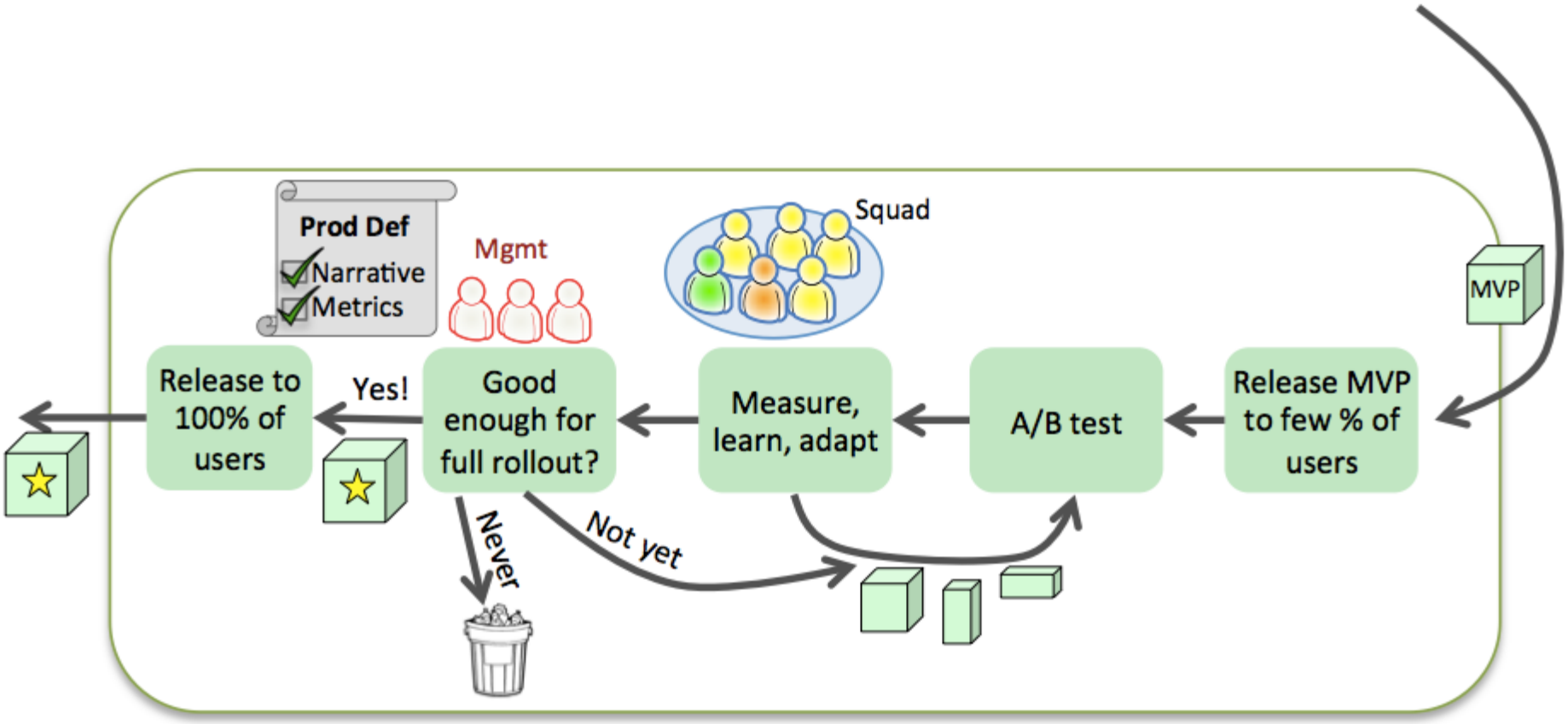
Why 4 stages?

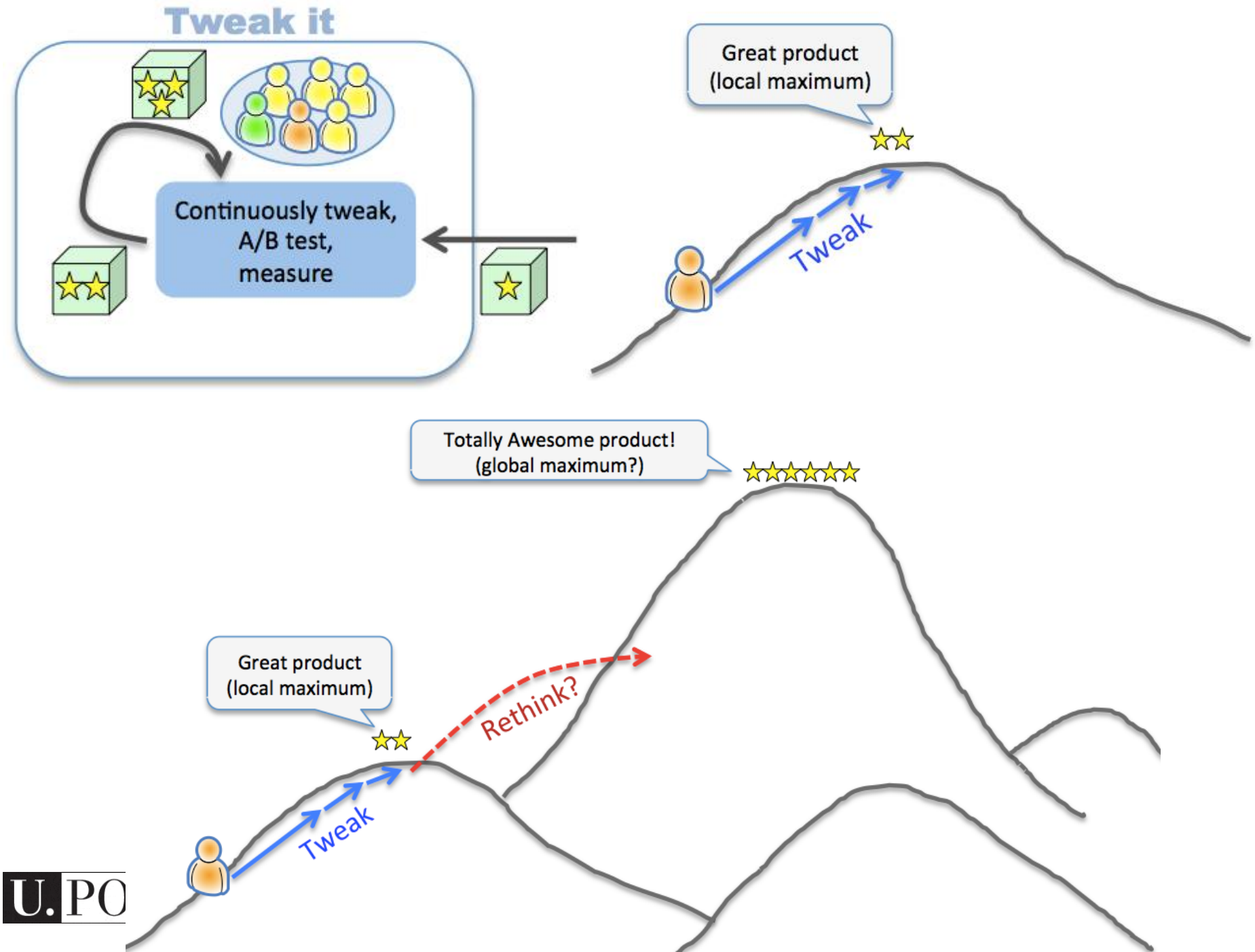

Operating Cost
Product Risk
Think It
Build It
Ship It
Tweak It
Time

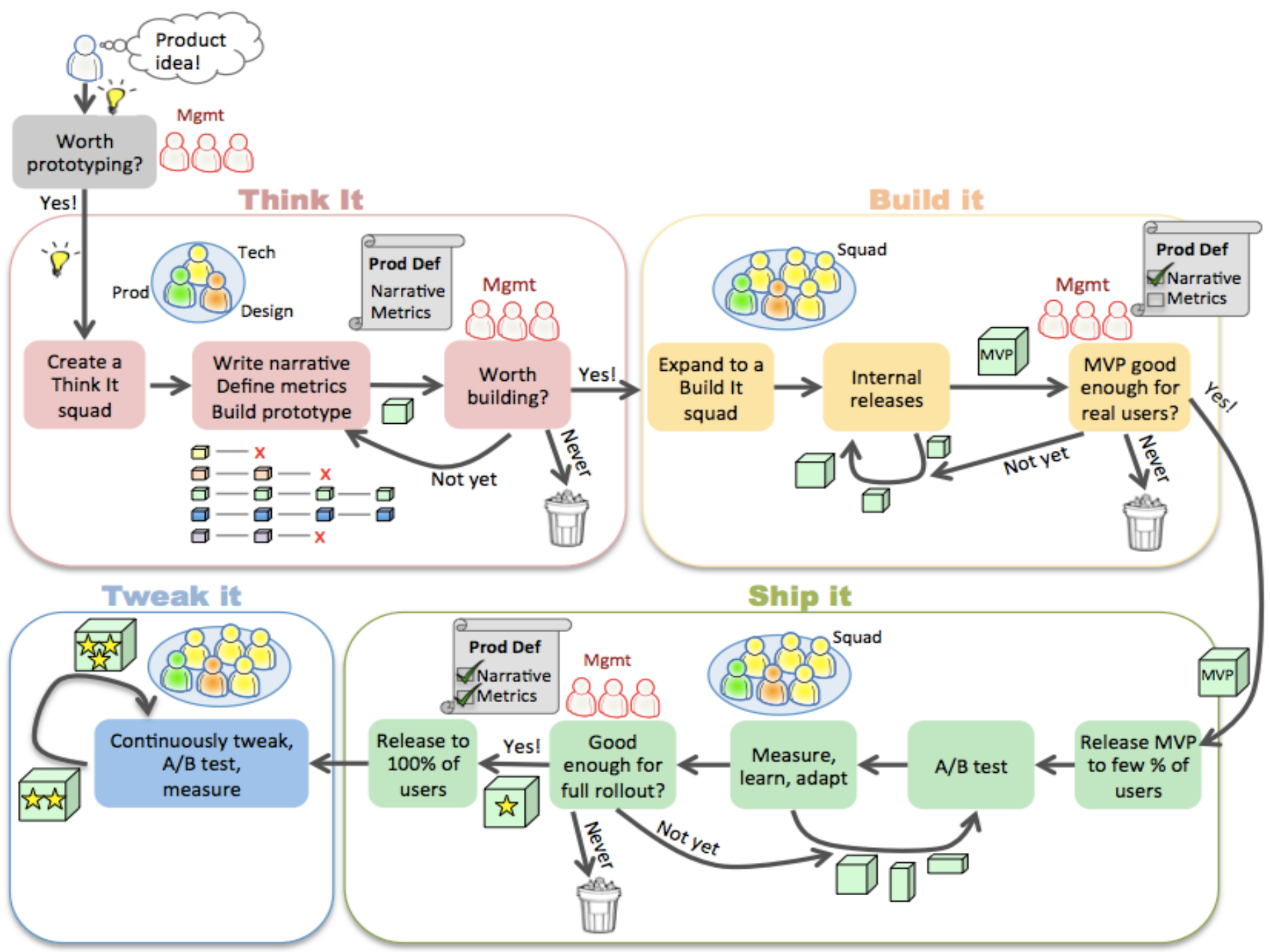

Think It
Product idea!
Mgmt
Worth prototyping?
Yes!
Create a Think It squad
Prod
Tech
Design
Write narrative
Define metrics
Build prototype
Prod Def
Narrative
Metrics
Mgmt
Worth building?
Yes!
Never
Not yet
Product definition
Prototype


Build it
Squad
Mgmt
Prod Def
Narrative
Metrics
Minimum Viable Product
(Fulfills the narrative &
is ready for real users)
Expand to a
Build It
squad
Internal
releases
MVP
MVP good
enough for
real users?
Yes!
Not yet
Never
MVP
Unusable product
(embarrassing)
Minimum Viable Product
(loveable but limited)
Complete product
(expensive)

Ship It


Prod Def
Narrative
Metrics
Mgmt
Squad
MVP
Release to 100% of users
Yes!
Good enough for full rollout?
Measure, learn, adapt
A/B test
Release MVP to few % of users
Never
Not yet


Tweak it
Continuously tweak, A/B test, measure
Great product (local maximum)
Tweak
Totally Awesome product! (global maximum?)
Great product (local maximum)
Rethink?
Tweak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Prod
Design
Prod Def
Narrative
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Write narrative
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Build it
Squad
Prod Def
Narrative
Metrics
Mgmt
Expand to a Build It squad
Internal releases
MVP
MVP good enough for real users?
Yes!
Not yet
Never
Tweak it
Continuously tweak, A/B test, measure
Ship it
Prod Def
Narrative
Metrics
Mgmt
Squad
MVP
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Acknowledgements

- Henrik Kniberg
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- http://www.crisp.se/henrik.kniberg

Henrik Kniberg, “How Spotify builds products”, Jan 2013