Distinguishing Signal from Noise in Metrics

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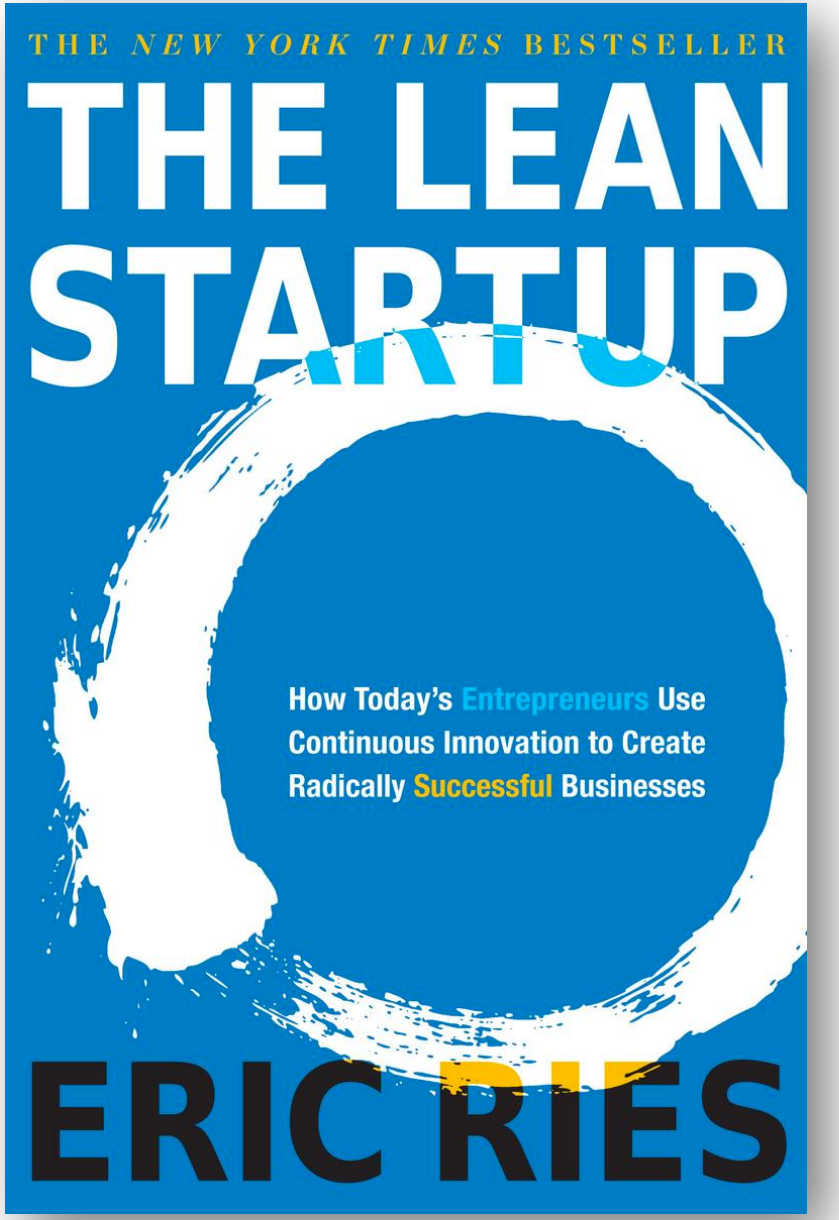
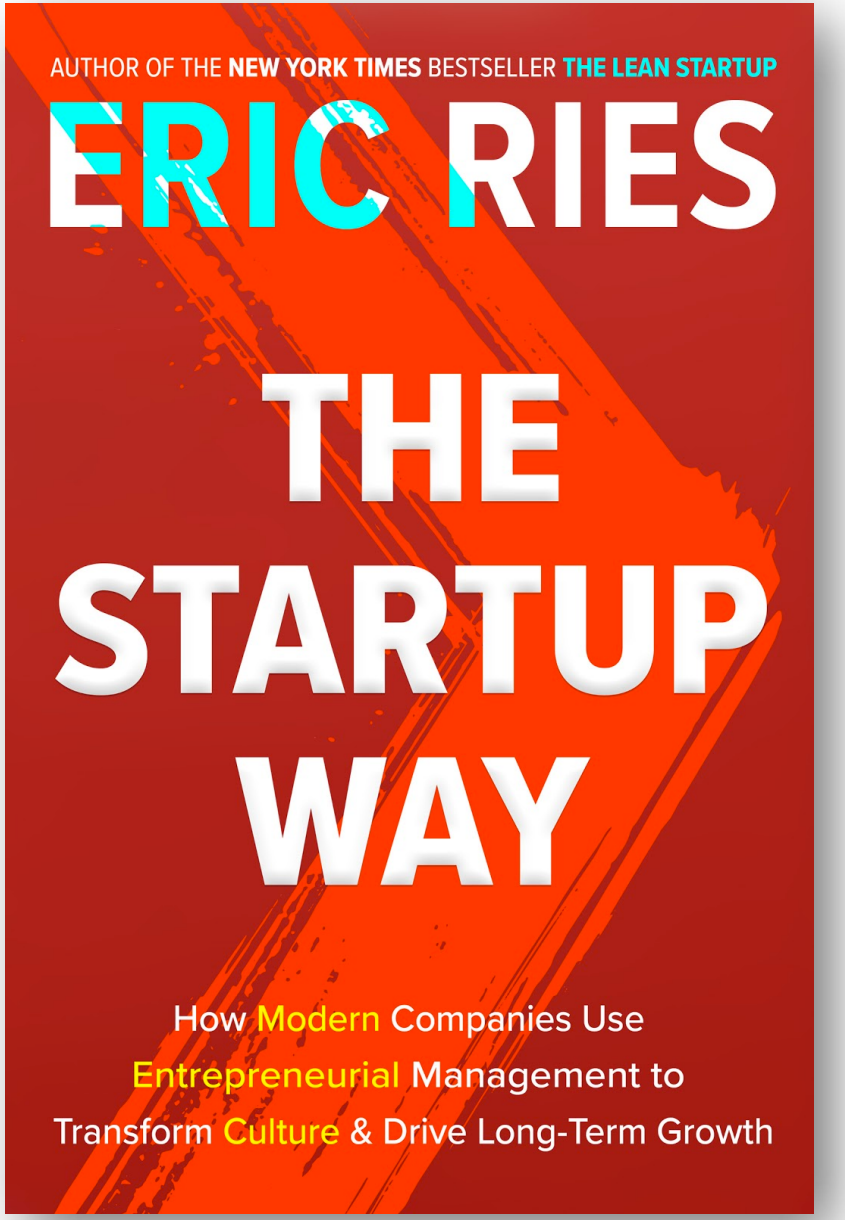


"If we stopped wasting people's time, what would they do with it?"

What are the right metrics?



"The fact that your site has seen an uptick in visitors doesn't mean your product is more popular or you're more successful."

What do we do with the right metrics?

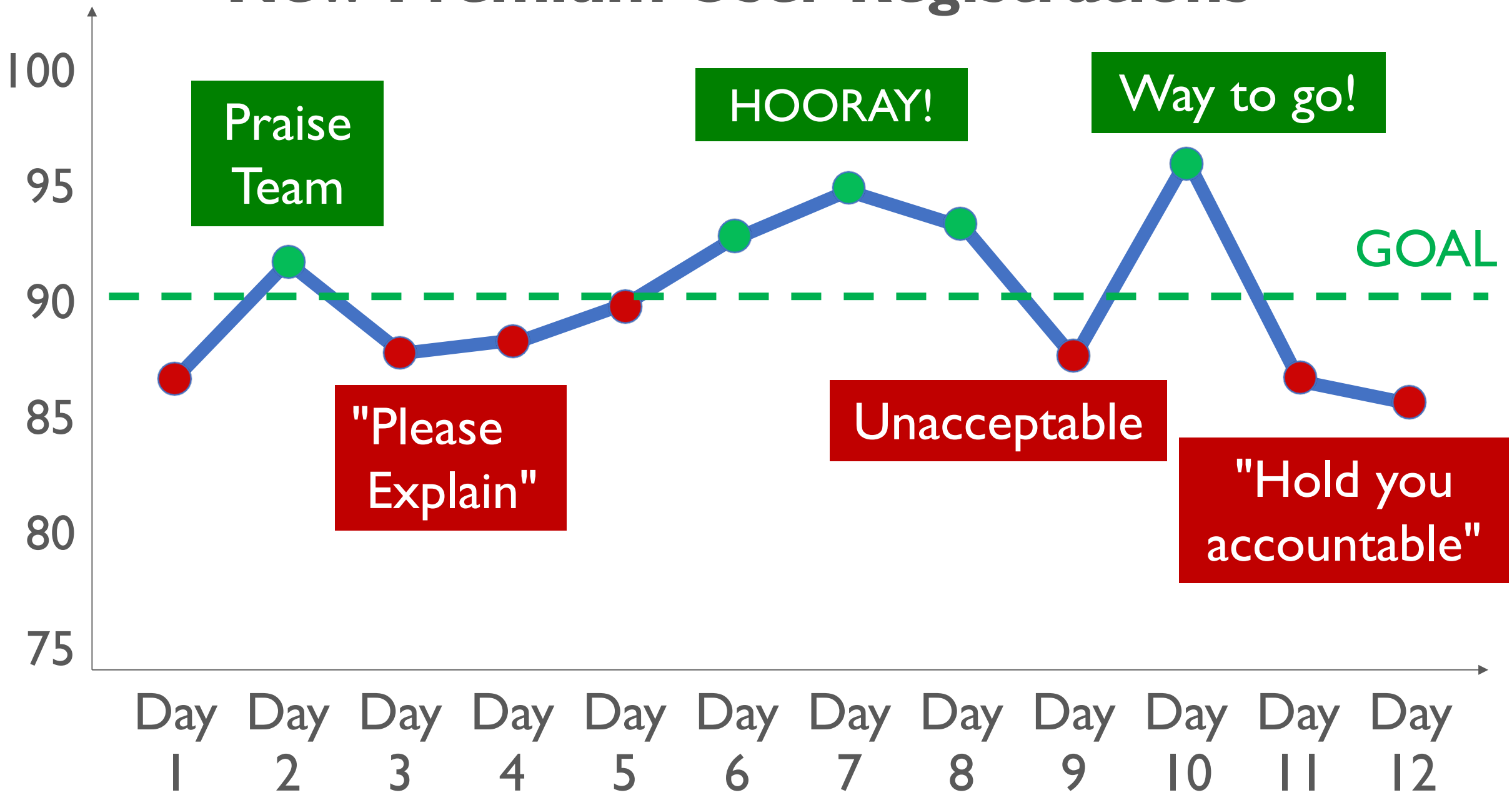
"The fact that your site has seen an uptick in visitors doesn't mean ***your site is getting more visitors***."

OVERREACTION

~~Actionable~~

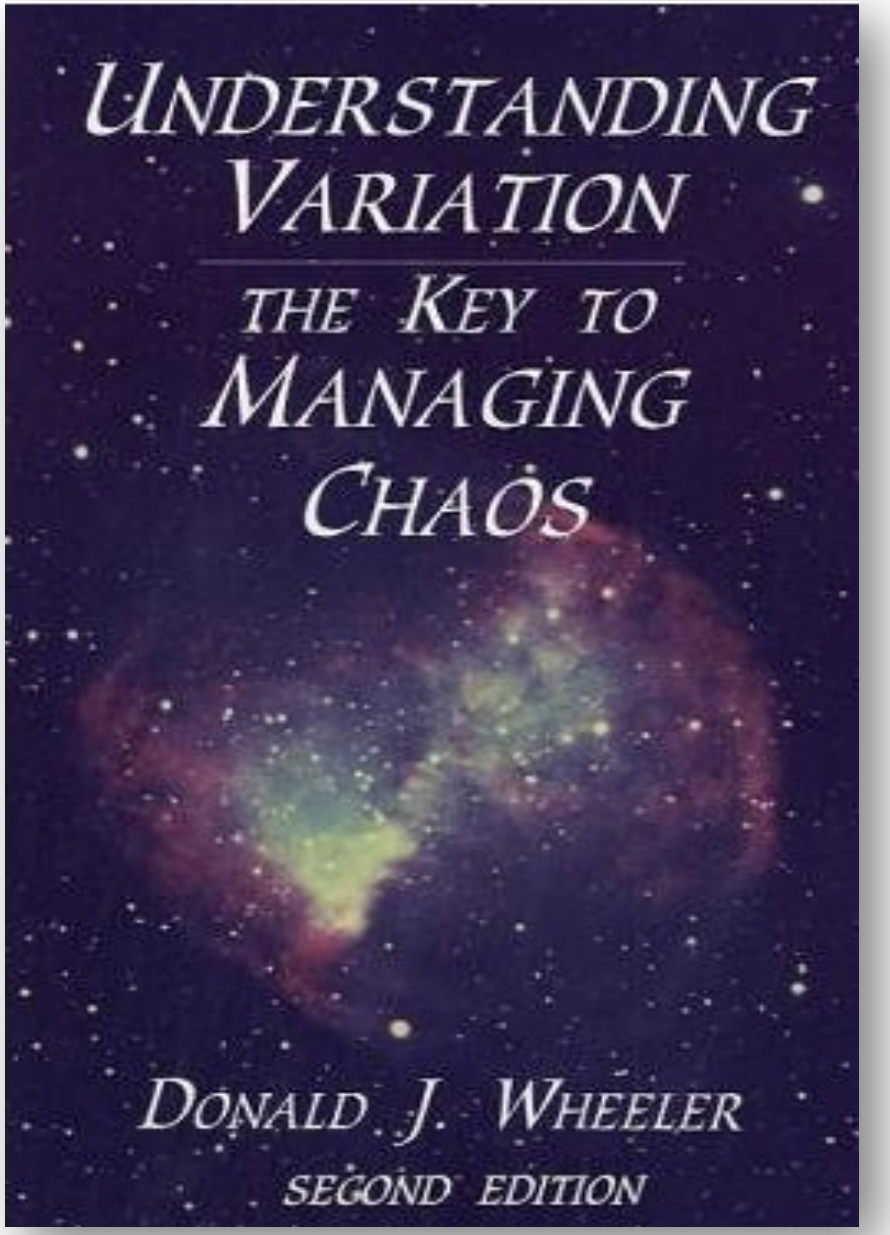
Metrics

New Premium User Registrations



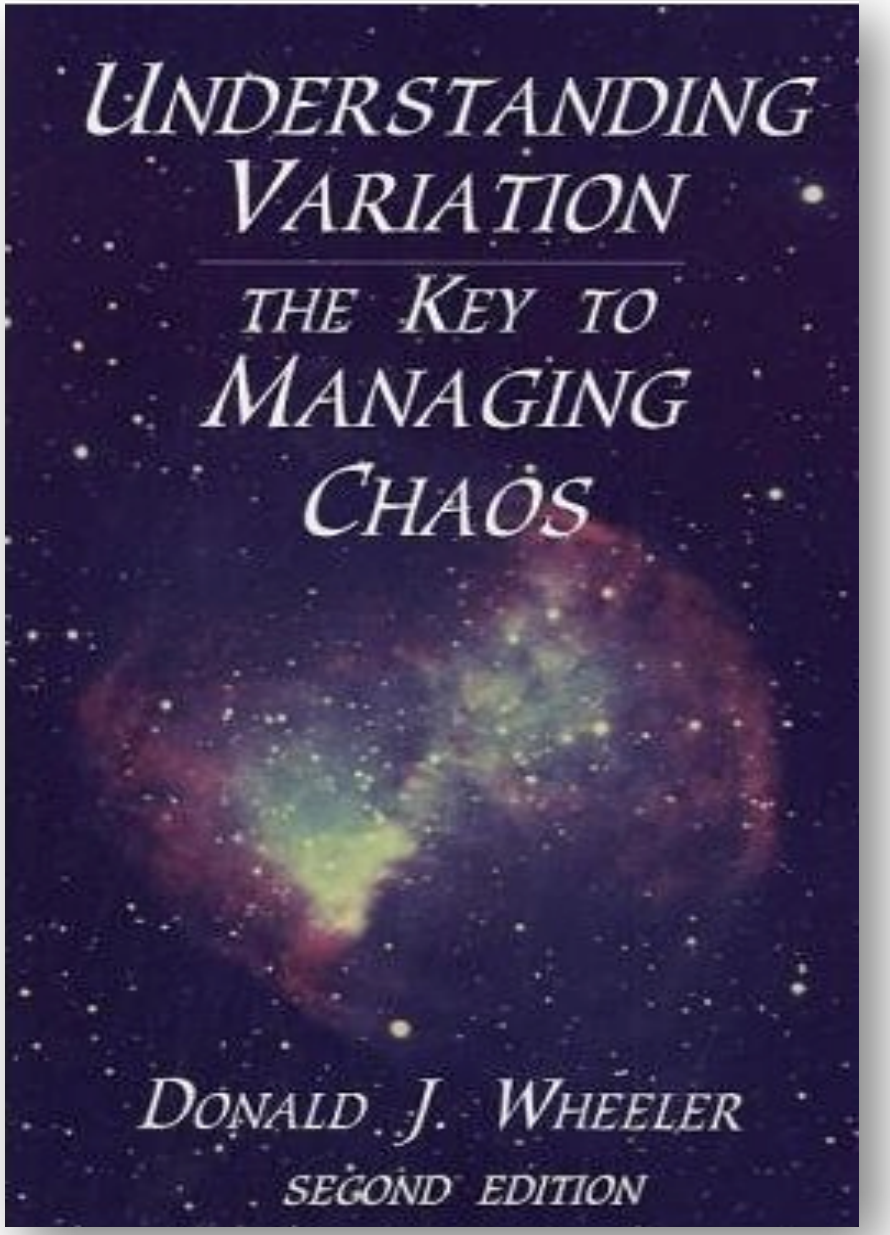
Don't waste time explaining noise

There is no "root cause" for noise



"While **every** data set contains noise,

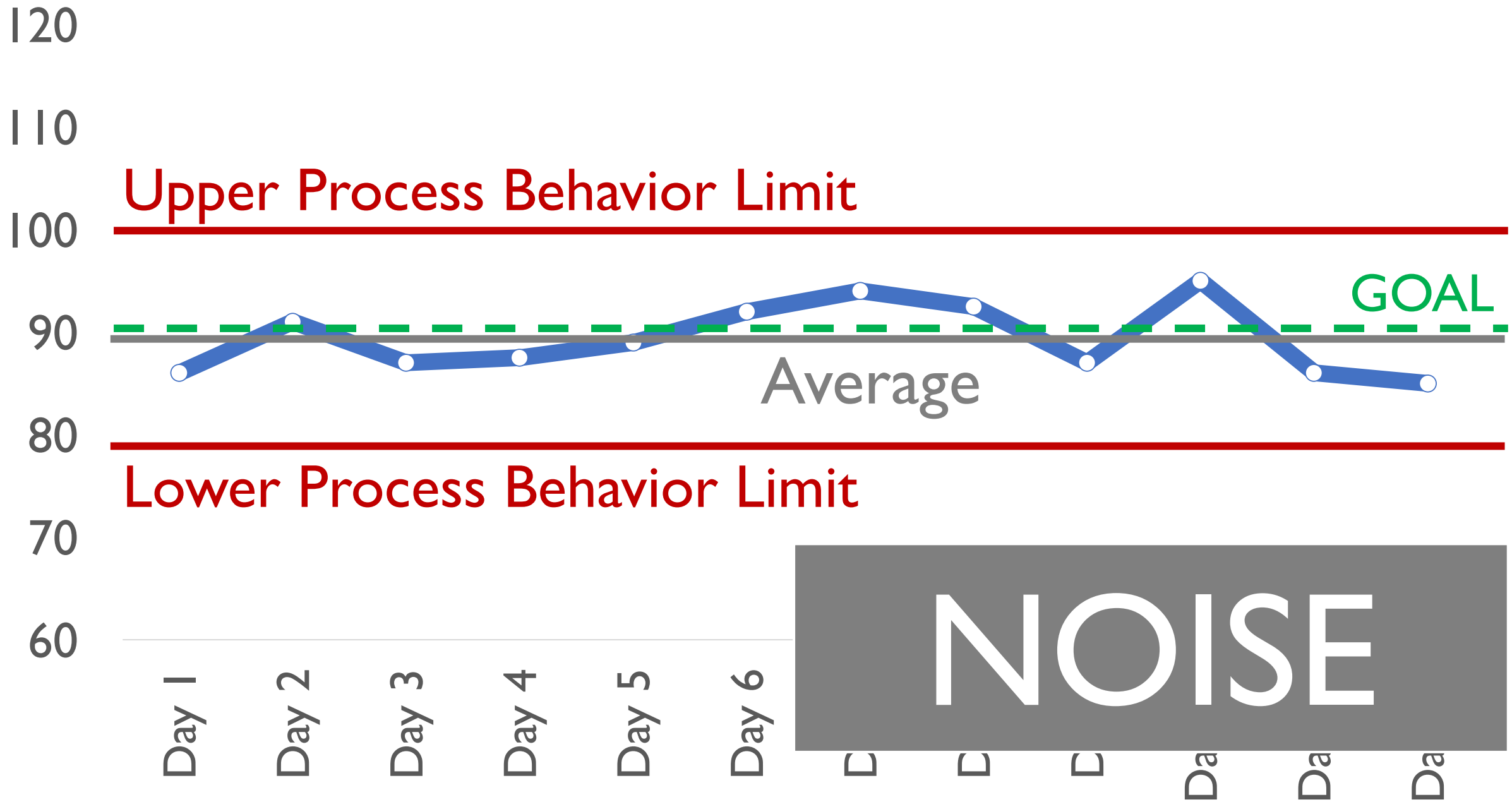
some data sets may contain signals."



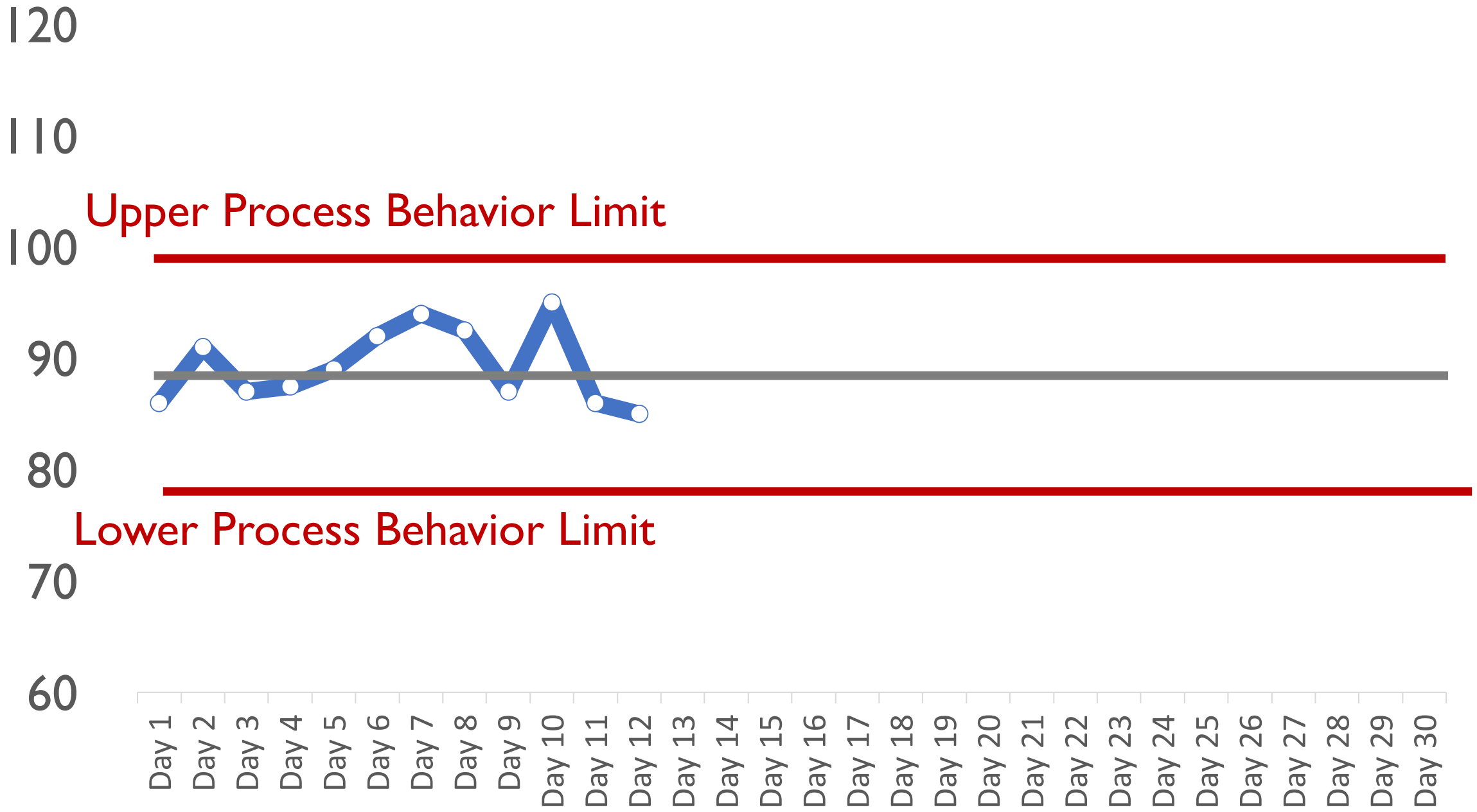
"Before you can detect a signal within any given data set, you **must first filter out the noise**."

"Process Behavior Charts"

New Premium User Registrations



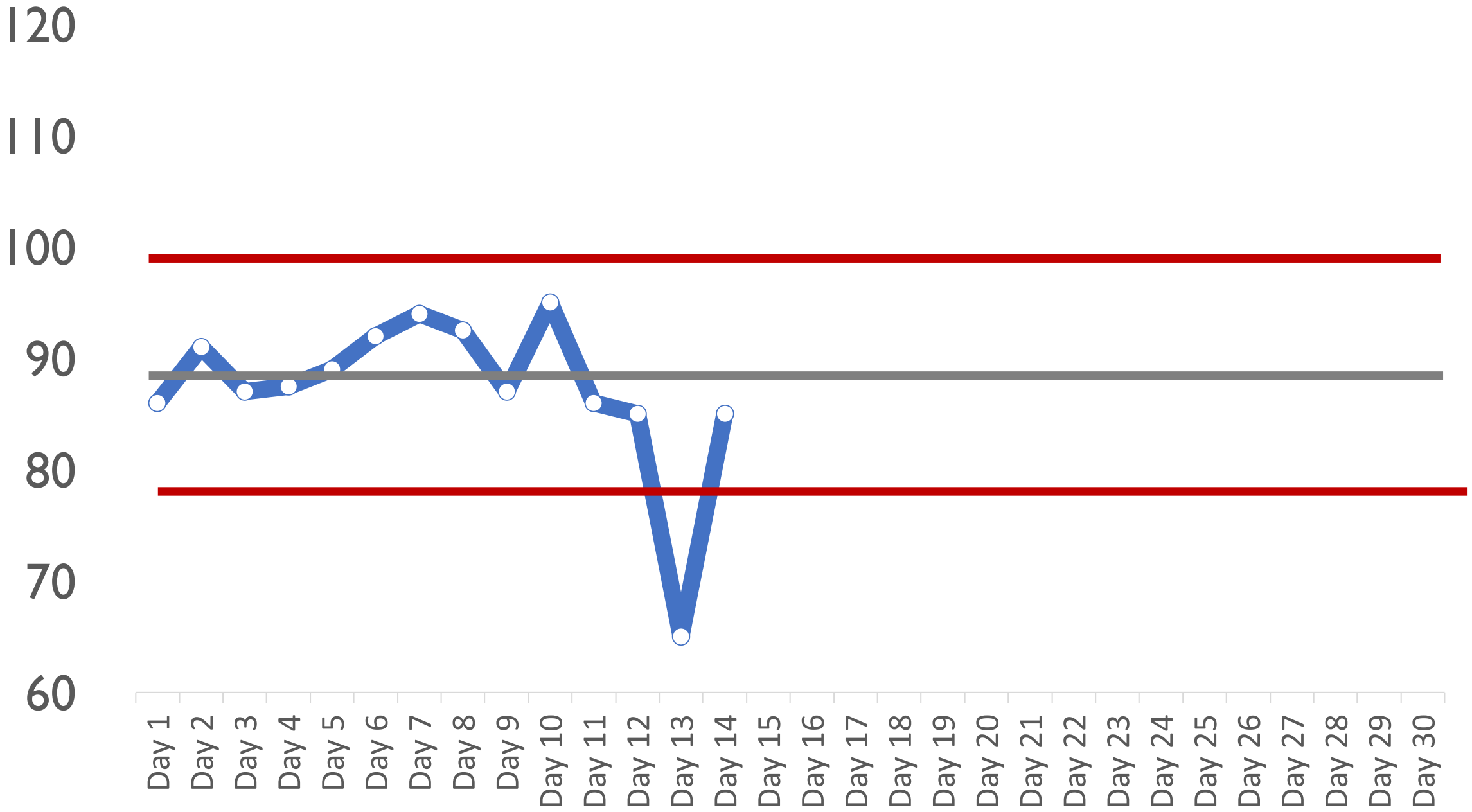
New Premium User Registrations

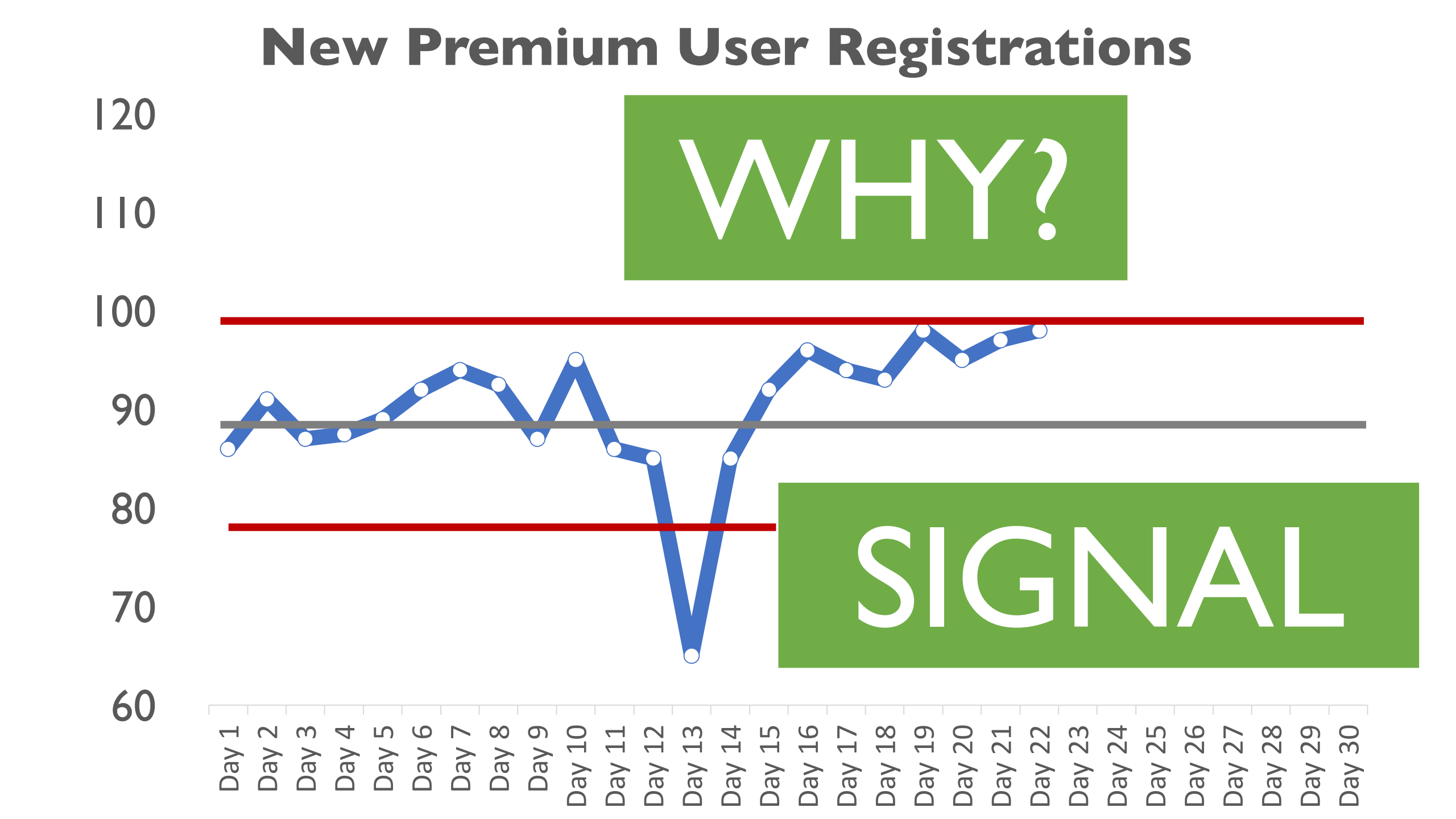


New Premium User Registrations

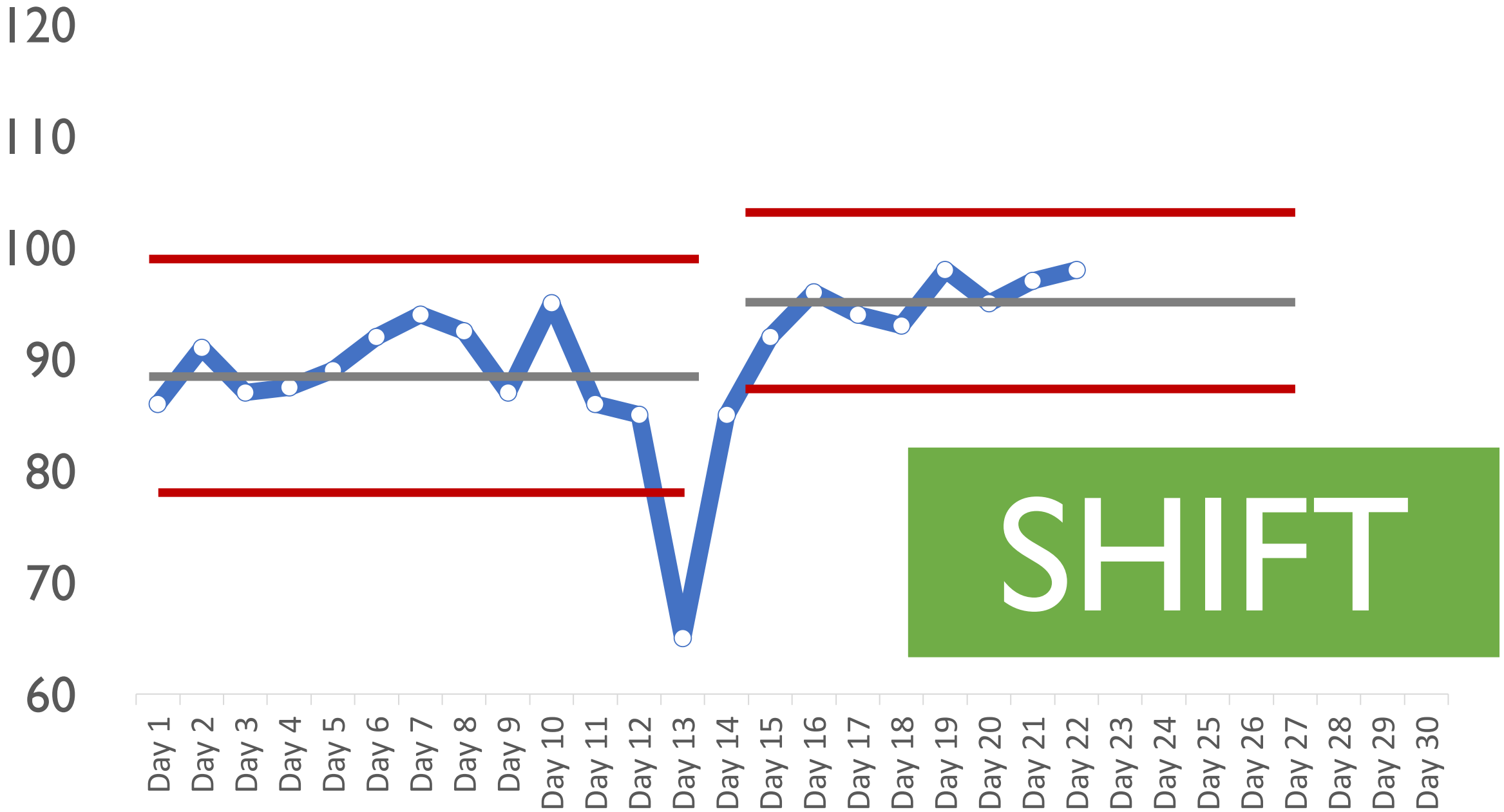
There might be a "root cause" for a signal

New Premium User Registrations




New Premium User Registrations
120
110
100
90
80
70
60
WHY?
SIGNAL
Day 1
Day 2
Day 3
Day 4
Day 5
Day 6
Day 7
Day 8
Day 9
Day 10
Day 11
Day 12
Day 13
Day 14
Day 15
Day 16
Day 17
Day 18
Day 19
Day 20
Day 21
Day 22
Day 23
Day 24
Day 25
Day 26
Day 27
Day 28
Day 29
Day 30

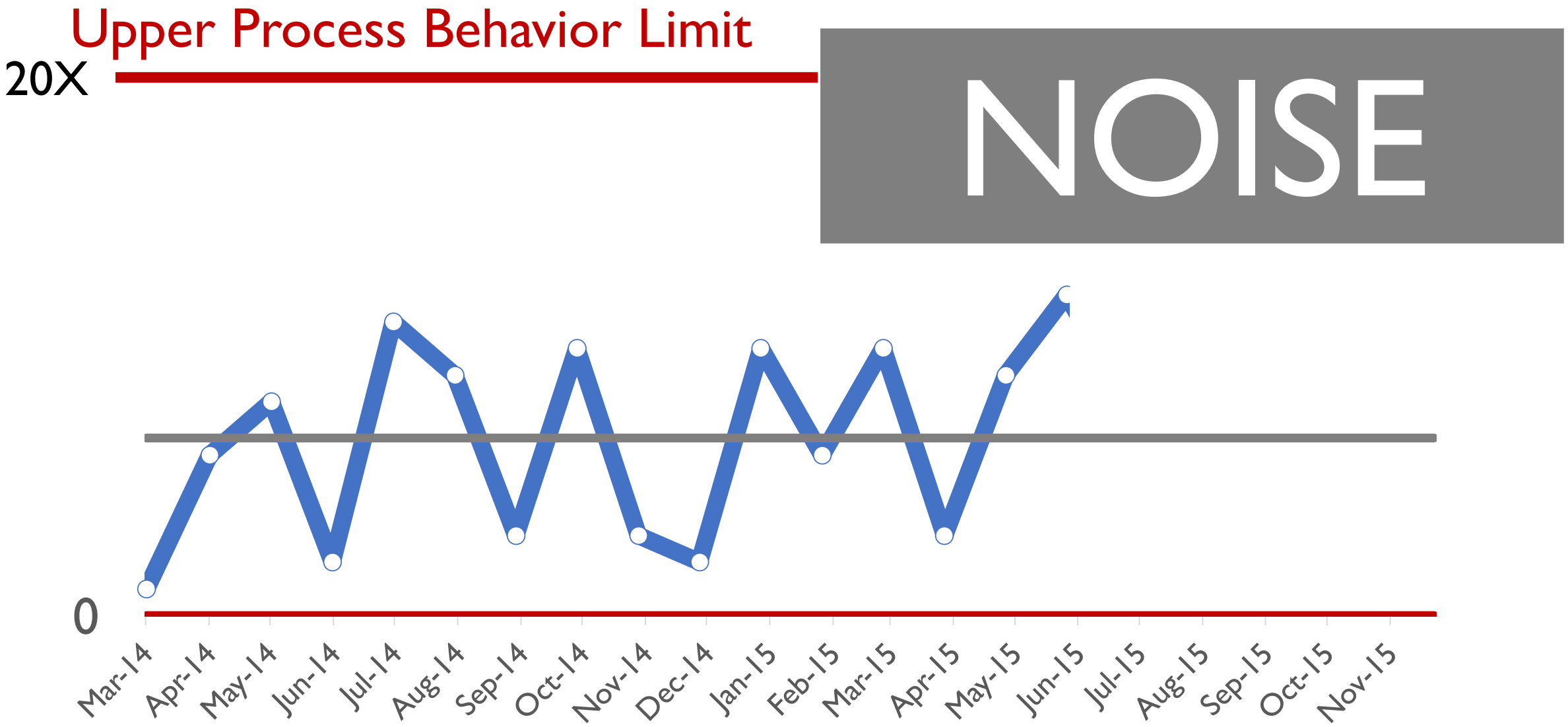
New Premium User Registrations



"Why were leads down last month?"

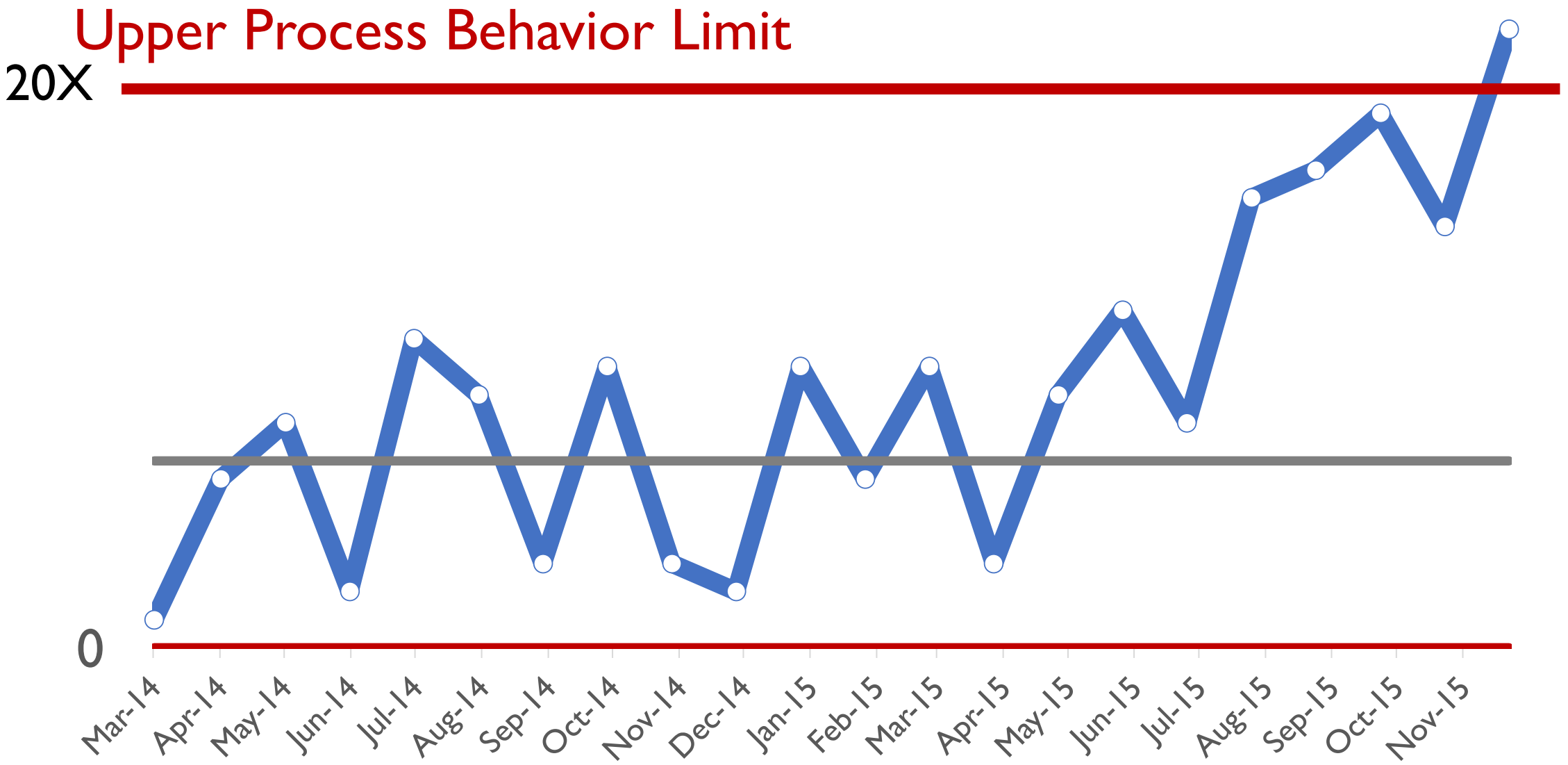
¯_(ツ)_/¯

Tier 1 Leads


Upper Process Behavior Limit
20X
NOISE
0
Mar-14
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15
Mar-15
Apr-15
May-15
Jun-15
Jul-15
Aug-15
Sep-15
Oct-15
Nov-15

Don't waste people's time "writing fiction"

Tier 1 Leads


Upper Process Behavior Limit
20X
0
Mar-14
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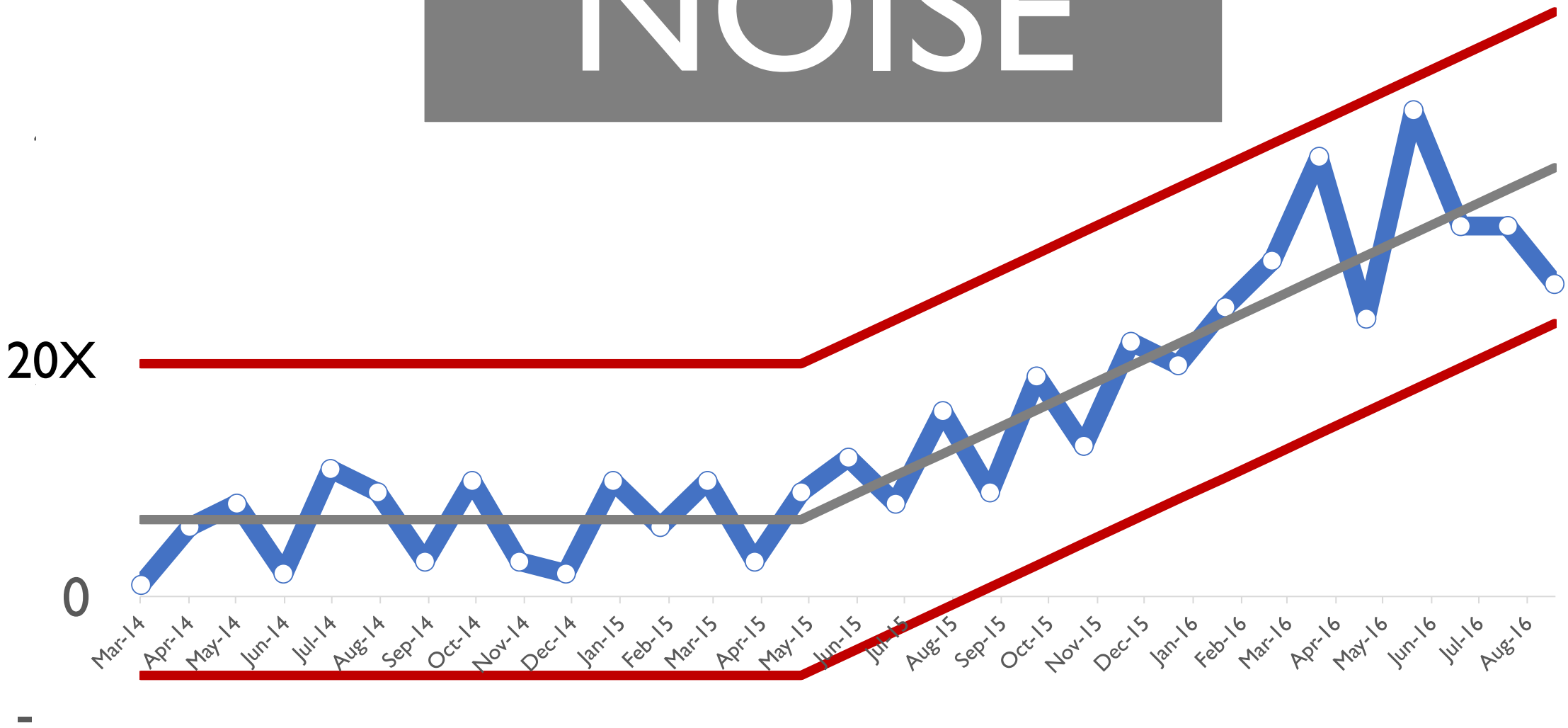
Dec-14
Jan-15
Feb-15
Mar-15
Apr-15
May-15
Jun-15
Jul-15
Aug-15
Sep-15
Oct-15
Nov-15

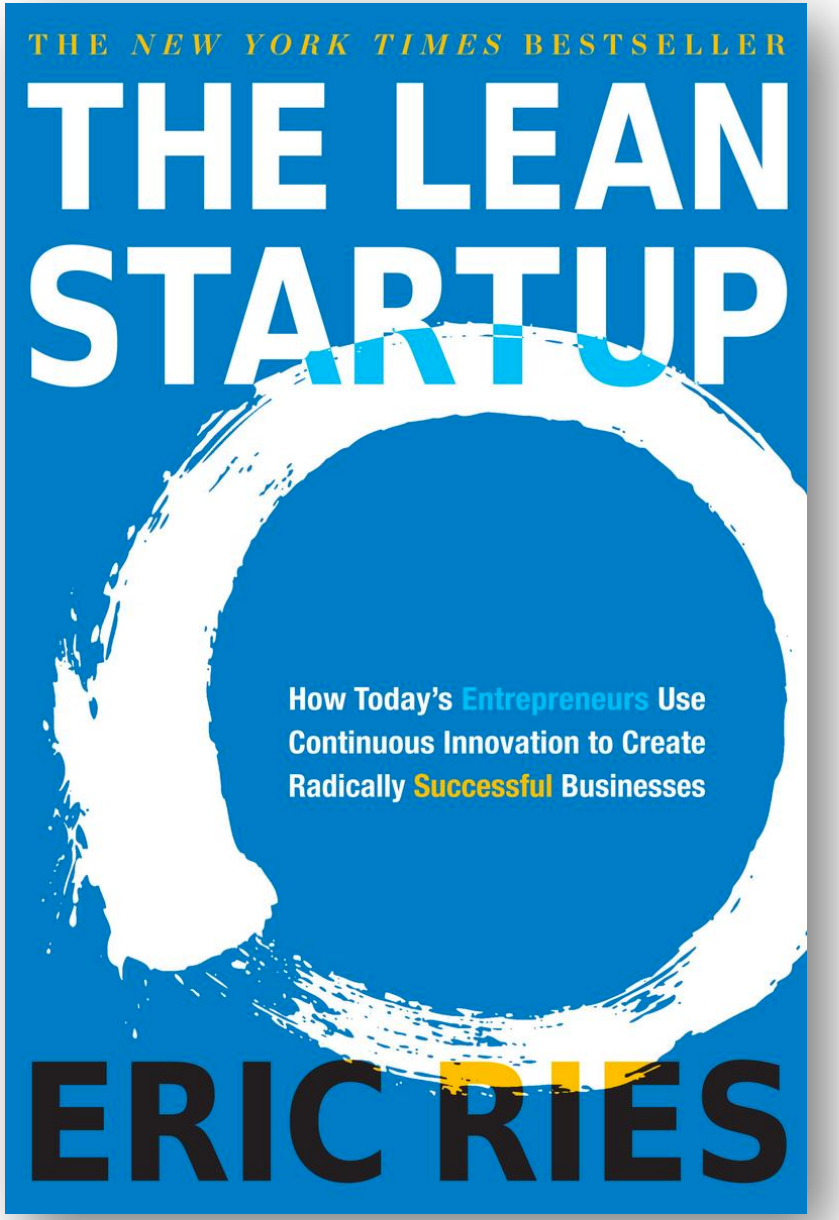
Tier I Leads

WHY?
SIGNAL
0
Mar-14
Apr-14
May-14
Jun-14
Jul-14
Aug-14
Sep-14
Oct-14
Nov-14
Dec-14
Jan-15
Feb-15

Tier I Leads

NOISE





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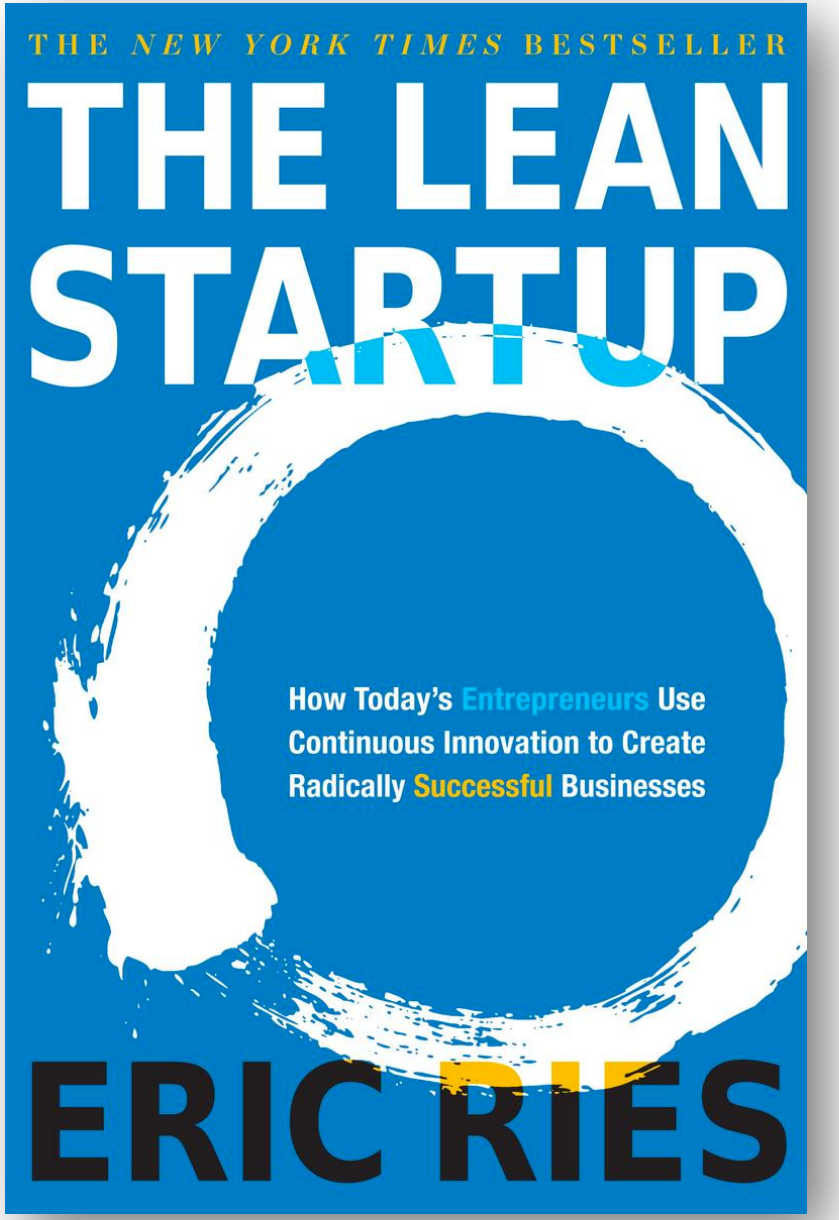

"We would achieve speed by bypassing the excess work that does not lead to learning."

Learning = Improvement

We can improve more if we overreact less

My Lunch and Learn: "The Red Bead Experiment"

@MarkGraban

More Info:

www.MarkGraban.com/LSW