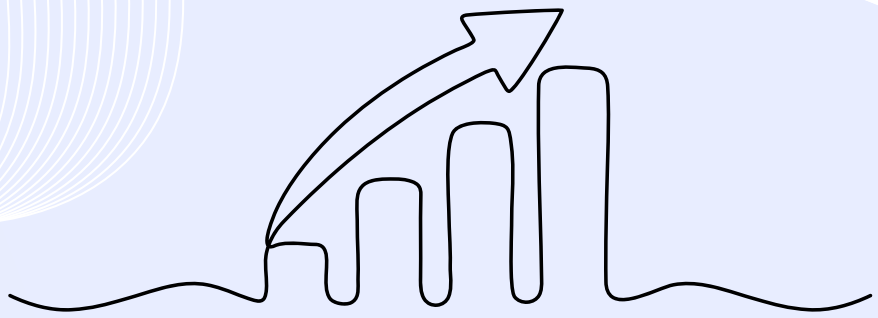

Tech Jargon

Part 1

for

Product Managers

Reading Your Product

Metrics | Funnels | A/B Tests | Dashboards

From an Engineer-Turned-PM

The Metrics & Experiments Mental Model

A way of treating your product as a set of **measurable behaviors** you can instrument, analyze, and experiment on — so decisions are backed by evidence, not instinct.

It helps PMs move from "I think it's working" to "here's what the data says." Get this wrong, and you launch features with no way to know if they helped or hurt. Get it right, and every product decision has a feedback loop built in.

When you understand this mental model, you can:

- Define your North Star metric and the leading indicators that predict it
- Instrument event tracking and funnels before launch, not after
- Design A/B tests with proper cohorts and know when a result is real vs. noise
- Spot vanity metrics before they mislead your team and stakeholders

This guide covers the 10 essential terms that bring this mental model to life

Event tracking

Recording what users do

Event tracking is logging specific user actions — clicks, page views, form submissions, purchases — so you can measure behavior instead of guessing. Events don't track themselves — an engineer has to instrument each one.

Think of it like a security camera for your product — it records what users actually did vs. what you assumed they did.

We need to add tracking events before we launch this. If we ship without instrumentation, we'll have no way to measure impact.

For PMs, this means if you can't measure it, you can't improve it. Define the events you need tracked during the spec, not after launch. Every feature should ship with instrumentation built in.

Metric vs dimension

What you measure vs how you slice it

A metric is a number you track — revenue, conversion rate, session duration. A dimension is how you slice it — by country, device, or user segment.

Think of it like a restaurant's total revenue (the metric) vs. revenue by lunch vs. dinner, dine-in vs. delivery (the dimensions). The total looks flat, but the slices reveal what's actually changing.

Signups are up 20% overall, but break it by source — organic is flat, it's all paid. That changes the story.

For PMs, this means never report a metric without the dimensions. A flat number can hide a spike and a crash canceling each other out. Always ask: "What happens when we slice this?“

Funnel

The steps users take toward a goal

A funnel maps the sequence of steps users take toward a conversion — landing page → signup → onboarding → first action → payment. At each step, some users continue and some drop off. The shape of the funnel shows you where the product is losing people.

Think of it like a checkout line at a store — some people browse, fewer grab items, fewer reach the register, and some abandon their cart at the last step. The funnel shows you exactly where people walk away.

70% of users start onboarding but only 30% complete it. The drop-off is between step 2 and step 3 — that's where we should focus.

For PMs, this means funnels tell you where to invest. A 10% improvement at a high-drop-off step can matter more than redesigning the whole flow. Define your funnel before launch so you can measure it from day one.

Cohort

A group of users tracked over time

A cohort is a group of users who share a starting point — all who signed up in January, all who completed onboarding last week. Unlike a segment (a static slice), cohort analysis tracks how each group behaves over time.

Think of it like comparing graduating classes — 2023 might have different outcomes than 2024, even from the same school. The cohort lets you spot the difference and trace it back.

Retention looks stable overall, but the January cohort is churning faster than December. Something changed in the onboarding flow.

For PMs, this means averages lie. A "stable" retention number can mask new users churning while old users stick around. Compare cohorts to see whether things are getting better or worse.

North Star metric

The one number that defines product success

A North Star metric is the single metric that best captures the value your product delivers to users. It aligns the team around one measurable outcome — not revenue alone, but the behavior that drives sustainable growth.

Think of it like a compass heading on a hike — you might take different trails, detour around obstacles, and stop for breaks, but everyone is navigating toward the same point. Without it, each team optimizes for their own trail.

"We've got 15 dashboards and everyone's citing a different number. We need to align on one metric that actually reflects product health.

For PMs, this means your North Star should reflect user value, not just business output. For Spotify, it's time spent listening. For Slack, it's messages sent. Pick the metric that, if it goes up, means users are genuinely getting value.

Leading vs lagging metrics

Predictive signals vs outcome measures

A lagging metric measures what already happened — revenue, churn, NPS. A leading metric measures what predicts the outcome — activation rate, feature adoption. By the time a lagging metric moves, it's often too late to react.

Think of it like health: weight is lagging — it reflects past behavior. Exercise and diet are leading — they predict where your weight is headed. You can only act on leading indicators.

Churn spiked this quarter, but that decision was made months ago. We need to track activation weekly — those are the early warning signs.

For PMs, this means don't just track outcomes — track the behaviors that drive them. If your North Star is retention, leading metrics might be onboarding completion or first-week engagement**.**

A/B test

Comparing two versions to see which wins

An A/B test splits users into two groups — one sees the current version (control), the other sees a variation (treatment). You compare the results to see which version performs better on a specific metric, removing guesswork from product decisions.

Think of it like a taste test — half the people get recipe A, half get recipe B, and nobody knows which is which. The results tell you which recipe people actually prefer, not which one the chef likes more.

Let's not debate the button color in a meeting — ship both versions, run the test for two weeks, and let the data decide.

For PMs, this means A/B tests turn opinions into evidence. But they need enough traffic, a clear metric, and enough time to reach significance. A test that runs for two days on 200 users proves nothing.

Statistical significance

When a result is real, not random

Statistical significance means the result you saw in a test is unlikely due to chance — the threshold is a p-value below 0.05. But significant doesn't mean meaningful — a tiny lift can be significant with enough data while too small to matter.

Think of it like flipping a coin — heads 6 out of 10 might be random. Heads 90 out of 100, something's off. Significance tells you it's real — not that it's big enough to care about.

The test shows a 3% lift, but we haven't hit significance yet. We need another week of data before we can call it.

For PMs, this means don't call a test early because numbers "look good." Ask two questions: "Is it real?" and "Is it big enough to matter?"

Dashboard

A view of your key metrics in one place

A dashboard is a visual display of your most important metrics — updated in real time or on a schedule. Good dashboards surface what matters and make trends, anomalies, and patterns visible at a glance. Bad dashboards show everything and highlight nothing.

Think of it like a car dashboard — you see speed, fuel, and engine warnings at a glance. You don't need to know the RPM of every cylinder. A good product dashboard works the same way: signal, not noise.

We have 40 charts on that dashboard and nobody looks at it. Can we rebuild it with just the 5 metrics the team actually checks weekly?

For PMs, this means a dashboard is only useful if people use it. Define what decisions it should support, limit it to the metrics that matter, and review it regularly. If nobody opens it, it's not a dashboard — it's decoration.

Data product

A data asset built for others to use

A data product is a dataset, pipeline, or tool built and maintained like a product — with ownership, documentation, and quality standards. Example: a churn-risk score that product teams use for outreach, with a weekly refresh and accuracy guarantees.

Think of it like the difference between a pile of ingredients and a meal kit — both have the same stuff, but the meal kit is organized, labeled, and ready to use.

Marketing keeps asking for the same export. Let's build a self-serve table they can query, with a schema contract and freshness SLA.

For PMs, this means if multiple teams rely on the same data, treat it as a product — owned, documented, and maintained. It needs consumers, quality guarantees, and someone responsible when it breaks.

Up Next

A plain-English guide to architecture patterns — monoliths, microservices, events, and queues — the terms that explain why some changes ship in a day and others take a quarter.