Learning from Tesla: Faster feedback loops, better products

12 August 2019 | **Digital Transformation** | **Neil Moorcroft**
Reading time: 4 minutes

At electric car pioneer Tesla Motors, the race to achieve ever-faster customer feedback loops is a way of life for engineers.

According to an article published last year in the *Harvard Business Review*, the company makes about 20 engineering changes every week to its Model S vehicle, many in direct response to what its customers say about their driving experiences, or data the company gathers on how customers use their cars. "Examples include new battery packs, updated safety and autopilot hardware, and software that automatically adjusts the steering wheel and seat for easier entry and exit," write the article's authors.

Similarly, real-time telemetry data collected from Tesla cars out on the road is helping to refine the company's Autopilot driver-assistance feature, and customer feedback might well be a contributing factor in the company's recently announced plans to branch out into auto insurance, in partnership with insurance provider Markel.

In short, customer feedback is vital to Tesla when it comes to building better products, reinforcing customer loyalty and exploring new areas of business – and the faster that feedback can be gathered, the better. There's a great deal here from which other companies on the hunt for digital transformation business models might learn.

This 'fast feedback' lesson is just as applicable to companies racing to deliver digital products and services quickly. After all, like a Tesla Model S, digital services are products, not projects. They evolve over time, continuing to create value for the business and adapting to address changing customer needs. To create powerful digital customer experiences means moving fast and adapting products as quickly as possible, based on customers' likes and dislikes.

At Zuhlke, an important aspect of our Digital @ Scale solution centres on helping organisations that have already made some progress on their digital transformation journeys to establish faster customer feedback loops.

Fast feedback can tell them not just where software isn't working, but also what customers are looking for in terms of particular features and how well new features are received. These faster feedback loops are achieved in a number of different ways:

By assembling small, empowered digital teams

[Effective, high-performing digital teams](#) should bring together exactly the skills needed to build and deploy a service or feature and keep evolving it. And they should be empowered to take action on any issues that subsequently emerge from customer feedback. With full ownership of, and responsibility for, that service, an empowered team doesn't need to go elsewhere for approval – and wait for a response – before getting to work quickly on a fix.

By shortening software release cycles

An architecture based on loosely coupled components that isolate specific functions or business capabilities supports a more continual and incremental release process, as opposed to the less-frequent, 'big bang' releases of the past. That's important for fast feedback, since the larger the release, the more code there is to sift through in order to identify problems and tackle them. Shorter release cycles, by contrast, make it easier to act on feedback quickly.

By taking a rigorous approach to metrics

Data analytics are key to building a strong foundation for improvement based on [customer insight](#). Customer feedback needs to be gathered widely, in many different formats. We advocate a rigorous approach to monitoring and measurement, so that business data on customer types, churn rates, transaction volumes and the nature and frequency of complaints can all be gathered and collated quickly, for faster time to insight on customer responses and behaviours.

Our approach is based firmly on the idea that the faster the feedback loop, and the more rapidly a team can respond to that feedback, the more agile a company will be in responding to changing customer needs and preferences.

Quicker assessment of how new features are doing, meanwhile, gives strong clues as to how time and work should be prioritised. It can also help ensure that identified problems don't happen again. After all, if only a short period has elapsed between a team building a digital service and identifying any issues, the more likely it is that lessons will be learned and applied to future work.

And, as a result of fast feedback, it's not just the quality of work that goes up, but also business value and customer experience. As Tesla CEO Elon Musk put it in an interview with the online publication Mashable on the secrets of his success: "I think it's very important to have a feedback loop, where you're constantly thinking about what you've done and how you could be doing it better."