Building a successful business *after* launch through rapid iteration

8

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VP, Engineering & Operations, IMVU, Inc.

GDC Online, Austin, TX - October 7, 2010

About Brett

• IMVU

- Social entertainment
- 2005 present
- VP Engineering & Operations

• There.com

- Virtual world, RIP 2010
- Various executive roles, 1999-2004
- Asylum Entertainment
 - Game developer
 - 1992-1999... think Gameboy -> Playstation era
 - CEO







by <u>Guest realdana</u> [+]

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FASHION TIP



Eyewear is an excellent way to add bling to your look while leaving your hands free to spin your latest beat. Sophisticated shades add glamour to this club style.

"add bling to your look"

See more evewear >









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credits

shopping

About Me



5 Relationship Status: In a Relationship Orientation: Straight Looking For: Chatting Smoking: Never Drinking: Moderate

My Gallery







littlegreengirl86

Female Age: 24

Avatar since: 08/20/07

United States - CA Last log on: 10/05/10

View my pictures

takes to make a PPC gift!"



st

"PM me if you think you have what it

My Visitors (2891)

vip club



Savannahrox13









SenoritaMaite 3











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IMVU Hits \$40 Million Annual Revenue Run Rate

1855 people

Buzz

39

Robin Wauters Apr 24, 2010

Yesterday at the **Startup Lessons Learned** conference in San Francisco, Brett Durrett, James Birchler and Timothy Fitz from avatarbased social network and 3D virtual world **IMVU** took the stage and talked about **scaling startups** (worth your time).

IMVU CEO **Cary Rosenzweig** ^(†) didn't come speak at the event, but was featured in a **video preview** ^(†) on the event website (third video on that page).

In this video – I'm not sure how long it has been online already – Rosenzweig boasts about the company's profitability and cites its annual revenue run rate, which he says is now at \$40



0

18 Comments

>> Tweet

IMVU's Big Product Launch!

tame. Subtitled "A hymn to female lidarity,"the piece evokes the un

rough. If all movement has an em

amazing.

Ms. Maboungou's solo, enhanced by the

drummers Paul Miller and Dominic Donkor

in her company Nyata Nyata, starts with feet stamping close to the ground, body bent over,

and erupts in a highly contained form of energy: a diamond that is anything but in the

If all movement has an emotional connotation in African dances, there is no illeral storytelling in "Figninto" (blind man), danced by the choreographenes Seydou Boor, Salia Sanou and another dancer, Souicymane Badolo. Yet African storytelling is the obvious tradition behind the images of blind men paling invisible tears out of their eyes in a setting glalong with two

Scheduling conflicts allowed me to see only a Scheduling conflicts allowed me to see only a rehearsal of 'Heritage' with Mr. Zabli's company, which features a sole woman, Edith Klonouen, who holds her own outstandingly among Mr. Zabli and he other mene. Ivory Coast his-hop file mapsuka and loubar dances are absorbed into a stylized whole that

the dancers render with precision and stamina, both

musicians) that evokes an inhospitable clime



IMVU's Big Product Launch!

Didn't Happen That Way



e Traditions of Africa a Contemporary Spirit Mr. Brown there and in New York, and he notes

webcome. Some good work in this field has been done by the African Odyssey series at the John F. Kentoly Center for the Performing. Arts in the African and Schl Arts, both ausociated with the Brossoft, Academy of Music. But this mini survey suggests that New grave Vork, at east, could be enriched by a more oncernited showcase of contemporary African Mc. dance.

Although most of the dancers have been yat trained in the distinct and different styles of traditional dance idioms, it is clear that the in American dances taught to young Africans are not for them. Secure in their heritage, these choreographers use it as a springboard to try

> something new. soli As Ms. Kombé is quoted at the festival, the par concern is "African dance with contemporary

a the Ivory a the Ivory Her company. Tcheiché (meaning eagl featured herself and three other women, Nina Kononier, Nadia Gbahihoson Beugre a Zorohonon, Nadia Gbahihoson Beugre a Flavienne Biale Lago, in "Dim" (yain). Li Ms. Maboungou, with whom she on Multied. Ms. Kombé nivez ematino

> ful abstracted treatment: the es associated with African dances as rhythm and energy, are eled here into a geometrically clear

Yet Affician scopitfing is the obvious malifose boils due images of bills men poling invisible trars out of their cycle is a streng (along with two mackanish the receives in indexplately left, the streng relation of "Heitings" with Akr. Zahl's company, which feature a a sole worms, field its Robonaw, who holds after www.constantingly mong Mr. Zahl and holder advects are absorbed into a splitted whole that the observe motion by previous and shole that the observe motion of the previous and strength shole that the observe motion of the previous and strength shole that the observe motion of the previous and strength shole that the observe motion of the previous and strength shole that

Most of our product was built <u>after</u> launch

BILL GATES BONO

IMVU homepage

Log in





Way oppler in starts messioning =

Way more visual! Way more expressive Way more fun!

FREE download

3.8MB | NO spyware

What is IMVU? IMVU turns IM into avatar chat, letting you and your friends IM as animated characters in a 3D scene. The characters are called avatars. The scenes are called 3D chat rooms. IMVU and your first avatar are free. If you want to buy more avatars, clothes, or chatrooms, they are for sale in the catalog for about 50 cents each. Click for <u>more info</u>.

Animations!

Make your avatar smile,

frown, or jump for joy as

you chat with your IM



Avatars! IMVU avatars have lifelike behavior, movement and body language.





BEIA

buddy Bubbles! Chat cartoon-style! Your words in wobbly, floating bubbles!



Instant messaging just got way cooler™

3D chatrooms! Choose where to chat. In the firelit log cabin? On the ferris whee!? Location is everything.



Get creative! Got skills? Get busy making new avatars, clothing and rooms. more info

SAIM YAHOO! MSN

🕺 🏶 icq 🎧 Jabber тилло

ber IMVU works with all major IM networks. <u>Compatibility list</u>

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Goals for this Session

- Describe IMVU's development systems
- Provide examples that
 - Generate ideas
 - Inspire you to develop faster and better
 - Help you get started

• Convince you that this is possible at your company

Rapid Iteration





Big Project

Need solid understanding of your destination, *exactly* how to get there

Hard to change course once the mass is in motion

Plan, check plan, re-plan, review plan, execute plan

Big risk, big rewards!

You probably get one shot



Big Project

Rapid Iteration



React to the road ahead, obstacles unknown Frequently adjust and fix (pit stops) Smaller risk, incremental rewards Ability to change course, or destination



IMVU went with rapid iteration



Actually... we started with something like this

Iteration Cycle





Learn





Measure

Iteration Cycle









Measure

Guidance for Making "Build" Rapid

1. Customer-facing changes can be made at any time



Build Today

Engineer commits code 20 minutes later it is live in production Repeat about 50 times per day

Does This Really Work?

"Maybe this is just viable for a single developer ... your site will be down. A lot."

"It seems like the author either has no customers or very understanding customers"

Responses to February 2009 posting about Continuous Deployment at IMVU

(at the time IMVU had a \$12 million run rate)



Benefits of Continuous Deployment

- Rapid iteration using real customer metrics
- Regressions easy to find, correct
- Releases have zero overhead
- Engineers deploy code first day on job!



The Cluster Immune System

- Actively watches key metrics
 - Business: revenue, registration, logins
 - System: loads, database connections
- Two phase
 - Initial roll-out to ~5% hosts
 - Complete roll-out to 100% host
- Roll-back is automatic if metrics suffer

Finding and Fixing Problems



Identifying cause takes minutes



- Each release has few changes, 1-3 commits
- Production issues correlate with check-in timestamp
- No overhead to producing a new release to correct issue

Schema Changes

Problems

- Difficult to roll-back schema
- Alter statements lock / impact customers

Solutions

- New schema has formal review process
- No alter on large tables, create new table
 - Copy on read
 - Complete migration with background job
- NoSQL back-end

New Features

- Developed on trunk, not branch
 - "hidden" from customers by A/B experiment
 - 100% control, add QA to experiment
- Deployed daily during development
- Slow roll-out by increasing experiment %
 Experiment closed = fully launched

Challenges with Continuous Deployment

- Won't catch issues that fail slowly
 SELECT * FROM growing table WHERE 1
- Some critical areas cause hard lock-ups
 - MySQL
 - Memcached
- Lack of test coverage of older code
 - Not an issue if you start with test coverage
- Outsourcing

The Beginning of Build at IMVU



- 1. Check-in to CVS repository
- 2. Occasionally rsync to live server (manual)
- 3. Pray for the best

...and there was no automated test coverage



Getting Started – Extreme Basics

- 1. Continuous integration system
- 2. Production monitoring and alerting
 - System performance
 - Business metrics
 - Trending is nice too \bigcirc
- 3. Simple deploy / roll-back system

Commit to Making Forward Progress

- Require coverage for all new code
- Add coverage for failures / regressions
- Understand and fix root cause of failures
 - Failures in production
 - Intermittent test failures

Expect Some Hurdles

- Production failures
- Different overhead
 - Tests
 - Build systems
- Production failures
- Frustration
- Process changes
- Production failures



Iteration Cycle







Guidance for Making "Measure" Rapid

- 1. Make it simple to add instrumentation
- 2. Aim for real-time measurements of all business-critical data



"Measure" Today

- Split-test experiment system
 - Multiple branches
 - Roll-out system
- Real-time business metrics
 - Monitoring
 - Alerting
 - Trending
- User tests

Value of Experiments

- Freedom to try new things
- Validates hypothesis (or not)
- Identifies surprises (big ones)
- Identifying anomalies

Simple Experiment System

- Define experiment in code, branch
- Web interface for adjusting parameters
- Ability to compare metrics vs. control
- Make it easy to do this! Encourage use!

Easy Experiment Setup

```
$experiment = array(
    `name' -> `DemoGDC',
    'initial rollout' => '0',
    'branches' => array(
        'Enhanced' \Rightarrow 0.5,
        // can specify multiple weighted branches
    );
// Helper function for readability
function user should see test feature( $uid = NULL ) {
    return get branch for customer( $uid,
    $experiment ) ) == 'Enhanced';
    // assigns customer if first time called
// The experiment branch
if ( user should see test feature ( $uid ) ) {
```

// behavior for experiment

} else {

// control behavior

Experiment Admin Interface

Feature name	Rollout Status	Experiment Status	Explanation
Admins and qa get selected into branches at random. Everyone else will get the control behavior without being added to branches.	QA and Admin only	(open/active)	Submit
AMC:DollarStoreRedesign2 Everybody gets control behavior because the rollout is 0. Nobody gets assigned to experiment branches.	0%	(open/active)	Submit
Everybody gets 'control' behavior now, and the experiment is over.	0%	Closed on control	Submit
AMC:InvitePage Everybody gets 'remove' behavior now, and the experiment is over.	100%	Closed on remove	Submit

User Testing

You are not your user!

- Don't rely on summarized data
 - Have the whole team watch
- Users better at expressing pain than telling you what you should build
- Possible with cheap equipment / no overhead

Monitoring, Alerting, Trending

- System metrics
 - Loads
 - Response times

- Business metrics
 - Revenue
 - Key customer behavior

System Trending



Graph Template: Imvu - IO (Disk and Swap)



Application Trending



System Alerting

AF001141	Apache Connections Monitor	ок	2010-08-20 13:58:57 65d	21h 46m 39s	1/5	Current Apache Connections: 19 OK
	Apache Server Log Size Limit	ОК	2010-08-20 13:33:03 110	d 5h 53m 54s	1/2	OK. All files in /var/log/apache2 are of expected size
	Capacity Based LA Check	ок	2010-08-20 13:57:18 111	d 2h 24m 1s	1/2	OK. LA is 5.98/6.08/5.77
	Cybersource API Check	ок	2010-08-20 12:04:42 304	d 3h 2m 33s	1/2	OK, Cybersource API present and loaded successfully.
	DNS Drone Configuration Test	ОК	2010-08-20 12:05:51 746	d 3h 31m 14s	1/2	OK: DNS Drone configuration for AF001141 verified
	DNS Drone Running	ок	2010-08-20 12:07:00 492	d 0h 26m 14s	1/3	PROCS OK: 1 process with args 'named'
	Host Clock Skew	ок	2010-08-20 13:55:59 110	d 20h 24m 42s	1/4	Clock skew of -1 seconds in withing acceptable limits
	IMVU Apache Log Size Check Inconvenient	ок	2010-08-20 13:54:02 17d	0h 36m 13s	1/2	Ok, /var/log/user.log increasing by 0 lines per second (0 lines over 619 second period)
	IMVU PHP Fatal Error Check	ОК	2010-08-20 13:54:49 102	5d 2h 13m 51s	1/4	ok, 0 PHP Fatal errors in 1800 second interval
	IMVU Webserver HTTP	ок	2010-08-20 13:55:32 186	d 5h 3m 23s	1/4	HTTP OK - HTTP/1.1 301 Moved Permanently - 0.078 second response time
	NTPd Running	ОК	2010-08-20 13:56:44 1110	d 21h 48m 59s	1/5	PROCS OK: 1 process with args 'ntpd'
	Validate Networking Configuration Monitor	ок	2010-08-20 12:14:31 72d	2h 24m 1s	1/2	OK::: Routes, IPs, & SYNTAX defined in "/etc/network/interfaces" look good and consistent with the running configuration
	Webserver HTML Homepage Check	ок	2010-08-20 13:59:54 366	d 19h 30m 5s	1/3	OK, wget output had 680 lines and closing tag from 10.5.4.117 for www.imvu.com request
	cron running	ок	2010-08-20 13:51:14 84d	19h 39m 28s	1/5	PROCS OK: 1 process with args 'cron'
	disk space high priority	ок	2010-08-20 13:33:03 136	d 14h 26m 34s	1/3	DISK OK - free space: / 32959 MB (52%): /dev/shm 1645 MB (100%): /tmp 254 MB (99%): /dev 10 MB (99%):
	eAccelerator 0.9.5.3 enabled check	ок	2010-08-20 13:57:50 109	d 20h 23m 53s	1/8	OK: eAccelerator is enabled.
	eAccelerator Functionality	ок	2010-08-20 13:05:11 168	d 2h 26m 11s	1/8	OK. rc2.d symlink found OK. Directory and permissions verified
	webserver load	ок	2010-08-20 13:59:42 42d	1h 57m 20s	1/3	OK - load average: 6.22, 6.13, 5.83

Business Metric Alerting

<u>alerts</u>	Apache Restarts by Nagios	ОК	2010-08-20 14:00:50	17d 22h 15m 57s
	Bulk Import AOL Simple	ок	2010-08-20 13:55:28	17d 0h 58m 14s
	Bulk Import Gmail Simple	ок	2010-08-20 13:52:24	Od Oh 9m 13s
	Bulk Import Hotmail Simple	ок	2010-08-20 14:01:20	9d 15h 15m 15s
	Bulk Import Yahoo Simple	ок	2010-08-20 14:00:09	17d 1h 9m 19s
	Cacti Poller Complete In Time	ок	2010-08-20 14:00:05	17d Oh 42m Os
	Cacti Updating Check	ок	2010-08-20 14:01:15	29d 20h 30m 49s
	Chat Service Monitor		2010-08-20 13:57:11	97d 20h 7m 23s
	Check database backups based on last success run	ок	2010-08-20 12:04:37	0d 23h 59m 16s
	Client Release Exception Rate	ок	2010-08-20 13:37:08	0d 0h 54m 53s
	Customer Registration Quality	ок	2010-08-20 13:59:53	3d 20h 33m 32s
	Customer Registration Stale Queue Delay	ок	2010-08-20 14:00:13	0d 0h 48m 58s
	Customer Shard Usage	CRITICAL	2010-08-20 12:09:14	18d 5h 1m 6s
	Cybersource Successful Orders Rate [Off-Peak Hours]	ок	2010-08-20 06:58:03	37d 21h 6m 23s
	Cybersource Successful Orders Rate [Peak Hours]	ок	2010-08-20 14:00:30	12d 5h 40m 10s

Predictive Monitoring

- Sounds great!
 - But we can't make it work
- Problems with variation in business
- False alerts lead to ignored alerts

The Beginning of Measure at IMVU



1. Simple A/B experiment system

- 2. No cluster monitoring
- 3. Manual SQL queries

Getting Started with Measure

- 1. Enable experiments
- 2. Deploy a packages for trending & alerting
- 3. Add a simple counter system (memcached)
 - increment / set key functions for your app
 - simple template for monitoring to read value
- 4. Start counting something (revenue is good)



Monitoring and Alerting Options

- Nagios alerting, scales well, state is an issue
- Cacti trending, simple to start, difficult to scale
- Ganglia trending, scales well, work to centralize
- Zabbix trending and alerting
- Munin trending

Consider Monitoring

- Basic system (load, disk, availability)
- Customer lifetime funnel
- Key business metrics
- As you learn, anything that impacts these

We are constantly adding new monitoring

Iteration Cycle





Measure

Guidance for Making "Learn" Rapid

- 1. Regularly review data from "measure"
- 2. Make process change part of the process
- 3. Share data widely as possible



"Learn" Today

- Data frequently reviewed
 - Postmortem failures
 - Scrum retrospectives
 - Weekly business review
 - Experiment results
- Iterate on processes after every sprint
- Data shared with *all* employees

Experiment System Output

Sta	Start date: 2010 End date: 2010 Run Report Image: Flush cache						
A	AMC:avatar Add Buckets						
delete Bucket All accounts that logged into client				logged into	client	✓ Logged into client Experiment:	
delete Bucket appendation						✓ Logged into client Experiment:	
				control	appendati		
		User Count		148266	150702		
			%	20.19	20.22		
			%	1000			
female % 69.36 %		%	69.36	69.06			
	%			<i>///</i>			
		and the second second	%	0.24	0.23	#imvugdc	
			%	0.57	0.59	0	
	% 35.50 35.37		35.37				
		and the second second	%	29.48	29.61		
		and the second se	%	25.80	25.93		
		and the second second	%	1.54	1.51		
		and the second se	%	5.50	5.44	%	
			%	2.18	2.14		
			%	43.59	44.39	Control Treatment	
		-	%	15.74	16.01	Samples 64630 / 148266 66903 / 150702 Mean 0.43591 0.44394 Variance 0.24589 0.24686	
				400.04	425.20	P-value: 0.000010	
		-		136.91	135.30	Significance: 99.9990% Chance of occurring randomly: 0.0010%	

ROI Analysis

- Experiments simplify understanding 'R' — Measure revenue per user in experiment
- Scrum simplifies understanding 'l'
 Track "actual time" on each task

Beware Data!

- Do you understand what was measured?
- Do the results make sense?
- Have you reached a local maximum?
- Is your view too narrowly focused?
- Is it statistically significant?



Statistical Significance Made Simple

- 1. Define N as "the number of trials."
- Define D as "half the difference between the 'winner' and the 'loser'."
- The test result is statistically significant if D² is bigger than N.

	T1	T2	T3
Control	8	32	62
Experiment	4	19	40
Ν	12	51	102
D	2	6.5	11
D ²	4	42.25	121
Significant?	No	No	Yes

Requires 50/50 split between control and experiment. Provides 95% confidence interval using a Chi-squared test

This is a great blog post: http://blog.asmartbear.com/easy-statistics-for-adwords-ab-testing-and-hamsters.html

Review and Revise

- Regularly review your operating data
 - Business performance
 - Experiment results
 - Retrospectives for process
- Change processes based on learning
 - Stop doing, Start doing

Now What, Mr. Rapid Iteration?



Failure is a Learning Opportunity

Postmortem undesired results

- Service failure
- Business failure
- Organizational problems

• Produce action items that prevent recurrence

And actually do them

Toyota "5 Why" Method

- Get to root cause, not just symptom
- Ask "why" 5 levels deep for each issue
- Identify corrective measures for each cause
 Respond with appropriate level of investment

Example 5 Why

Y1: Why were logins failing A1: The master database has too many connections

Y2: Why did the master have too many connections? A2: A new feature was using slow-running queries

Y3: Why were there slow queries?A3: They were implemented with a cache time of 0

Y4: Why would queries have a cache time of 0? A4: Ned, the new engineer, did not know that slow queries on the master have to be cached

Y5: Why didn't Ned know about caching slow queries? A5: Well, he's new and we don't discuss it in boot camp and he cut and pasted from another query as an example

Transparency

- Share data!
 - More informed decisions
 - Empowered staff
- Share the good and the bad
- Don't penalize failures
 - People avoid sharing data if they are penalized
 - Failure is an opportunity to learn & improve



The Beginning of "Learn" at IMVU



- 1. A/B testing (no roll-out)
- 2. Extremely basic reporting on funnel
- 3. Shared in daily standup and by e-mail

Making Iteration Rapid



- Make it easy
- Measure!

Look for anything that slows the iteration cycle

- Incremental improvements
 - Baby steps on your way to rapid iteration
 - Pick one thing to improve

Thank You! Any Questions?

Brett G. Durrett

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Twitter: @bdurrett

Tweet this talk!



IMVU recognized as:

Inc. 500 <u>http://bit.ly/dv52wK</u> Red Herring 100: <u>http://bit.ly/bbz5Ex</u> Best Place to Work: <u>http://bit.ly/aAVdp8</u>

(and we're hiring)

http://www.imvu.com/jobs