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The Pragmatic Marketer™

Volume 6 Issue 3 2008

Chasing Outcomes

You can't get there from here

Three Tips at the Tip of the Iceberg
How to ensure the success of your IT projects

Practical Rules for Product Management
Some rules just aren't meant to be broken

Maximize Your Word-of-Mouth Marketing
Turning users into fans

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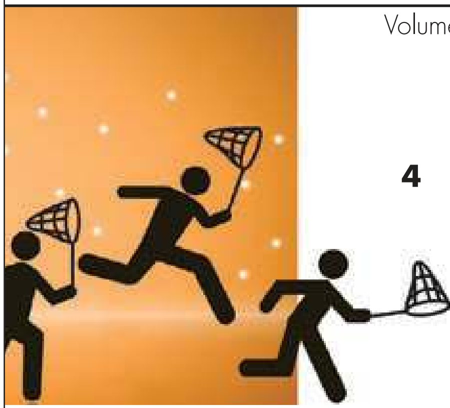
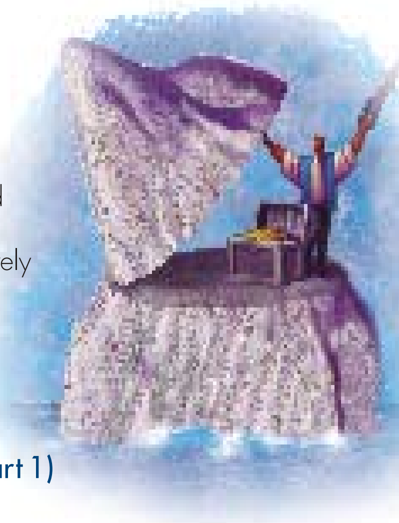




The following article presents concepts and short excerpts from the book *Tuned In: Uncover the Extraordinary Opportunities That Lead to Business Breakthroughs* by Craig Stull, Phil Myers, and David Meerman Scott. Used with permission. To be published by John Wiley & Sons, Inc., June 2008. ISBN: 978-0-470-26036-4 $27.95

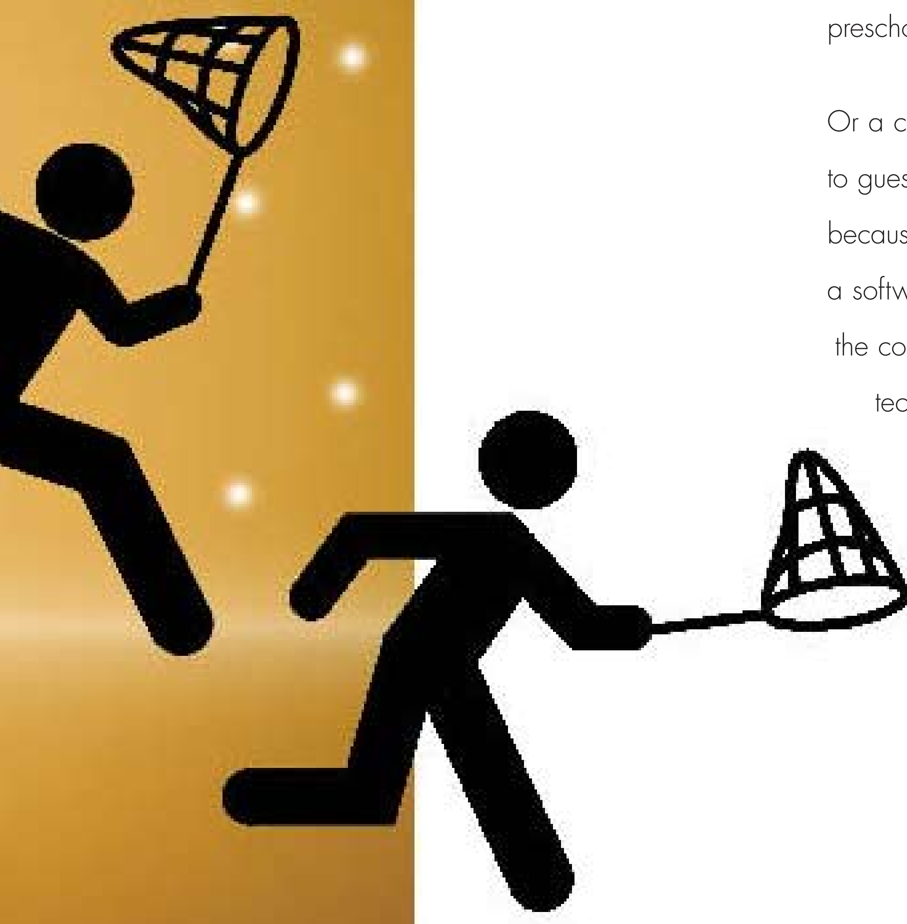
Order the book at *www.tunedinbook.com*

CHASING OUTCOMES:
You can't get there from here

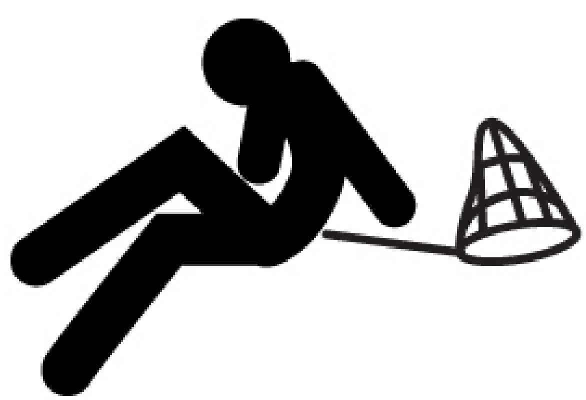
By Phil Myers Co-author of Tuned In: Uncover the Extraordinary Opportunities That Lead to Business Breakthroughs

Editor's note: An excerpt from the new *Tuned In* book appeared in Volume 6 Issue 2 of *The Pragmatic Marketer*. In that issue, we set the stage for learning how to stay "tuned in" to your market. Here, we provide additional advice for becoming tuned in.

Of all the causes of tuned out behavior, the most common we've observed is the logical (but incorrect) assumption that, because you're an expert in a market or industry, you therefore know more than your buyers about how your product can solve their problems. It's natural, for instance, for 20-year auto industry veterans to assume they know more than 100 mothers do about how to drive preschool-age children around town each day.



Or a cell phone manufacturer might think they are able to guess which capabilities are most important to users because "they use their own products daily." Similarly, a software business leader might assume because of the complexities and/or flexibility of their leading-edge technologies, the company is best equipped to decide how to present solutions that package a comprehensive set of capabilities. **Wrong!**



Too often, this type of assumption results in poor products, such as those created when Detroit product development experts design the radio (or keyless entry system or cup holder) that they themselves would want to buy. How many tech devices and software products have overwhelmed even the power users? We're missing a fundamental ingredient to the puzzle here:

When was the last time you bought your company's product?

Leaders who guess at what the market wants, follow a typical and familiar path: They start ***chasing outcomes.*** They get trapped doing this for two very simple reasons:

- Their business case (implied) was built on an n=many assumption.
- Their research was based on an n=1 foundation.

The result? You pretty much get what your research predicted…a solution that satisfies a small audience (sometimes only you). You then begin the slow and painful process of developing marketing plans, sales strategies, and new incremental development projects targeted to reach big audiences (executed rapidly because you are "agile"). It is then that you start chasing outcomes.

Sales are lower than expected, so you launch more marketing campaigns. Marketing results are lackluster, so you create a new version of your offering and re-launch. This time, you hold the sales channels accountable and start adding more management to each cycle to ensure that buyers "get it." And then the cycle repeats.

Bad news everyone. You'll never get there!

Chasing outcomes is analogous to playing a sport and spending all of your time watching the scoreboard. Those who have tried this approach will tell you that you lose all sense of competing and end up with the result you feared. If you had channeled all of that energy into the right things earlier, the result might have been different.

But, that would require a better perspective…a tuned in perspective.

Debunking the myths

We've analyzed hundreds of companies to understand the process of becoming (and staying) tuned in, and we've determined that most have a single, dominant focus that drives their approach to business. Think of it as a "company personality" that determines how an organization structures itself and behaves in the market.

The most successful organizations are tuned in to their markets. Whenever leaders create products or services—for potential new customers or even entirely new markets—they seek to solve buyer problems first.

We have also identified three *other* common types of organizational cultures. When an organization allows one of these three cultures to dominate, the resulting approach to business is very different from the one we outline in the Tuned In Process:

- ☐ Innovation Is Everything
- ☐ Revenue Cures All
- ☐ Customers Know Best

While most companies exhibit at least a small amount of each of these driving behaviors, one usually dominates. And the choice directly correlates to their success (or failure). Let's explore each of these cultures in further detail—debunking the myths along the way.

Debunking the myth that "Innovation Is Everything"

These days, innovation is hot. Check out all of the magazine articles, business school courses, and books on the subject, and you'll find countless examples detailing how innovation creates breakthroughs. This focus has led many organizations (start-ups in particular) to focus exclusively on their ability to innovate and to create a disruptive breakthrough that will make them famous. But directionless innovation is a common road to the business scrap heap.

The culture of "Innovation Is Everything" breeds tuned out behaviors. Innovation-driven leaders tend to listen only to themselves, although they do religiously track competitors. These companies fixate on "one-upping" alternative products in the marketplace. And they obsess about who's getting credit for the most clever or unique inventions.

Focusing on "changing the game" is not inherently a bad thing. Some organizations are really good at creating and marketing innovative products—Bose, Nike, and Brookstone are three that come to mind.

Unfortunately, what we tend to see more often are companies that *innovate for innovations' sake*, using inside-out thinking. In other words, they create products that are new, hip, and cool—or that have new, never-before-seen features. But these feature-laden products and services aren't developed in response to buyer-defined needs.

While it is *possible* that a product or service created by a tuned out, innovation-driven company will catch on, it is much less likely than if the innovation were specifically designed to solve market problems. As a result, these innovation-led companies invest big resources in hopes of a big win (much like a baseball player swinging for a home run on every pitch). Their risk of failure is huge.

Only when an innovation solves people's problems does it become a potent force.

We realize we're being a bit radical here. But, consider the piles of money plowed into innovation during the dot-com boom. Venture capital firms funded innovative e-commerce companies, innovative Web tool developers, and innovative portal sites that sounded new, hip, and, well…innovative. Anything with an "e" in front of it qualified. But unless they solved an underlying problem, these exciting innovations are mostly distant memories. Remember, the truly successful Web companies, such as eBay, Yahoo, and Amazon, solved market problems.

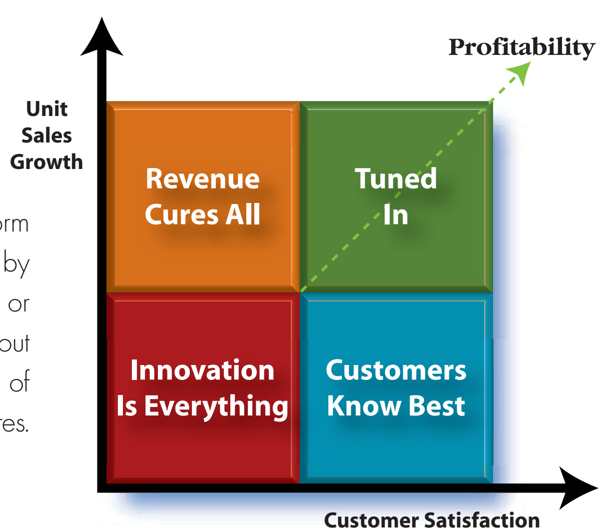
We've also noticed that many innovation-driven companies obsess over competitors' moves and try to make incremental (and innovative!) improvements to what the other guys are doing. This approach assumes that your competitors are already connected to the things your market values most and that the game is just a simple matter of establishing a clear area of superiority (through innovation, of course).

Another problem with this approach is that you tend to create products and services that are "better" than the other guys' because they are bigger, smaller, faster, or cheaper. The problem with this approach is that, too often, your customers don't care. Focusing on your competitors is a tit-for-tat game that rarely produces a market leader.

There's an important distinction to be made here, however. It is possible for a tuned in organization to learn about an unresolved market problem that has to do with another company's product. Interviewing buyers, for example, might reveal that people are ready to pay money for a product that they describe by comparing it to the competitor's product ("a good quality haircut in half the time that I would need to spend at the hairdresser in town"). Creating a product to solve this problem is definitely an example of tuned in behavior, even though the market problem is expressed as a comparison to an existing product.

But, in the end, a corporate personality built around innovation by itself has a low probability of success. Obsessing over the competition's product, or over your own product's increased performance or new features, means you aren't focused on the most important success driver: the market problems faced by your buyers.

Believe us, there is no such thing as the creative dreamer, sitting in an isolated office, who builds products that succeed *every time*. It may happen occasionally, but the products made by the vast majority of innovation-driven companies just don't resonate with the market.



Tuned In businesses perform better than companies driven by innovation, revenue growth, or customer satisfaction—without sacrificing the benefits of any of those three cultures.

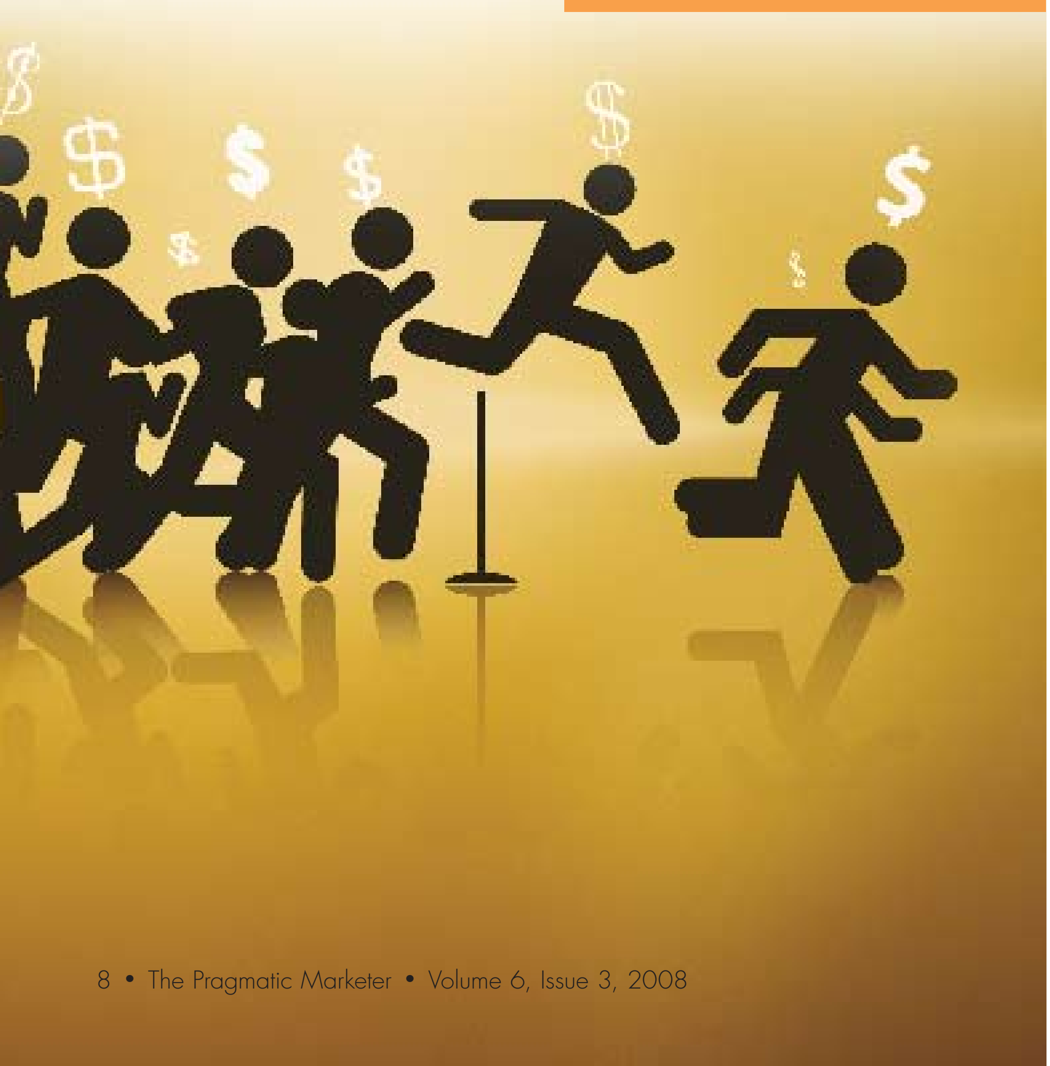
Debunking the myth that "Revenue Cures All"

This culture is often founded on the belief that revenue and sales are always the most important goals—which typically emerges soon after an initial round of fund-raising or some other infusion of capital. When companies enter a perceived growth phase (dictated by the strength of a market opportunity or some early wins), it is common for outsiders (such as investors, the board of directors, or your spouse) to insist on a strong sales focus. In larger organizations, a highly charged sales executive is often hired; some companies even make the new sales person the President and/or COO.

"Getting serious about sales" sometimes results in an initial brief period of success resulting from sheer force of will to push solutions into the market. But, because the revenue-driven company will often resort to signing any contract to make the numbers, lowering the price to bring in the business, or telling any story to close the sale, it's not long before the organization becomes tuned out to the real market problems of buyers. Then the salespeople start making promises the company can't afford to keep.

Non-revenue-generating departments (such as marketing, customer service, and product development) often suffer from reduced influence and resources, and can even face elimination. In response, the company ends up acquiring more and more resources to support the dynamic requests of Sales, often resulting in a death spiral that requires the sale of the company, a merger, or even bankruptcy.

> The revenue-driven organization worries about individual sales opportunities one at a time, rather than what resonates with a large marketplace.



In many consumer products, the "Revenue Cures All" approach results in jumping on the hype cycle. Some organizations spend huge amounts of money on expensive advertising in an attempt to buy their way into buyers' minds. These tuned out organizations believe that TV commercials, direct mail, and other forms of interruption-based marketing are the tools they need to succeed.

Instead of spending time understanding buyers and their problems, hype-driven companies spend time with their agencies working on campaigns to bombard people with slogans and messages.

We're not against advertising when used as a strategy to communicate powerful ideas that already resonate with people. Wendy's "Where's The Beef" campaign worked because it communicated an answer to buyers' problems (hamburgers had beef patties that were too small). But the hype-driven company *manufactures* buzz that has very little to do with helping people solve problems.

Debunking the myth that "Customers Know Best"

There are thousands of books, countless blogs and forums, hundreds of conferences, and lots of plain-old common sense that suggest an unrelenting focus on the customer is the best way to guide an organization. But there is a fundamental flaw with being a customer-driven organization: Your existing customers represent a small percentage of your opportunity... they have different market problems than non-customers (buyers who don't yet do business with you)... and—most importantly—they only frame their view of your future based on incremental improvements to their *past* experiences.

For example, if a company in the late 1990s that made and sold portable music devices asked their existing customers what they wanted, they might say "more storage" or a "smaller unit." The companies that listened to their customers missed the biggest market problems that were identified by Apple when they developed the iPod—that the existing portable devices were too difficult to use and impractical for downloading and managing more than a few songs.

Don't misunderstand us—we're all in favor of great customer service. We just don't believe that an obsession exclusively on your *existing* customers is the right way to design and build product experiences and to reach the *total* market. Eventually, the customer-driven company gets bogged down by taking baby steps to tweak features in existing offerings (to please existing customers) rather than making the bold leap to develop new products and services that solve potential buyers' problems.

Because the customer-driven organization relies on existing customer requests for endless extensions to existing product lines, the company can't develop breakthrough products and services that resonate with non-customers.

Assuming your customer knows best is a comfortable strategy, because it's very easy to get feedback about how to conduct your business. You ask: "What do you want us to create next?" And the customer is delighted to tell you. This strategy leads to a situation where you have listened to only a *few* people (those you already do business with) rather than *many* (the untapped market). Unfortunately, working only for your existing customers usually results in sleepy, increasingly unprofitable companies.

A missionary sell?

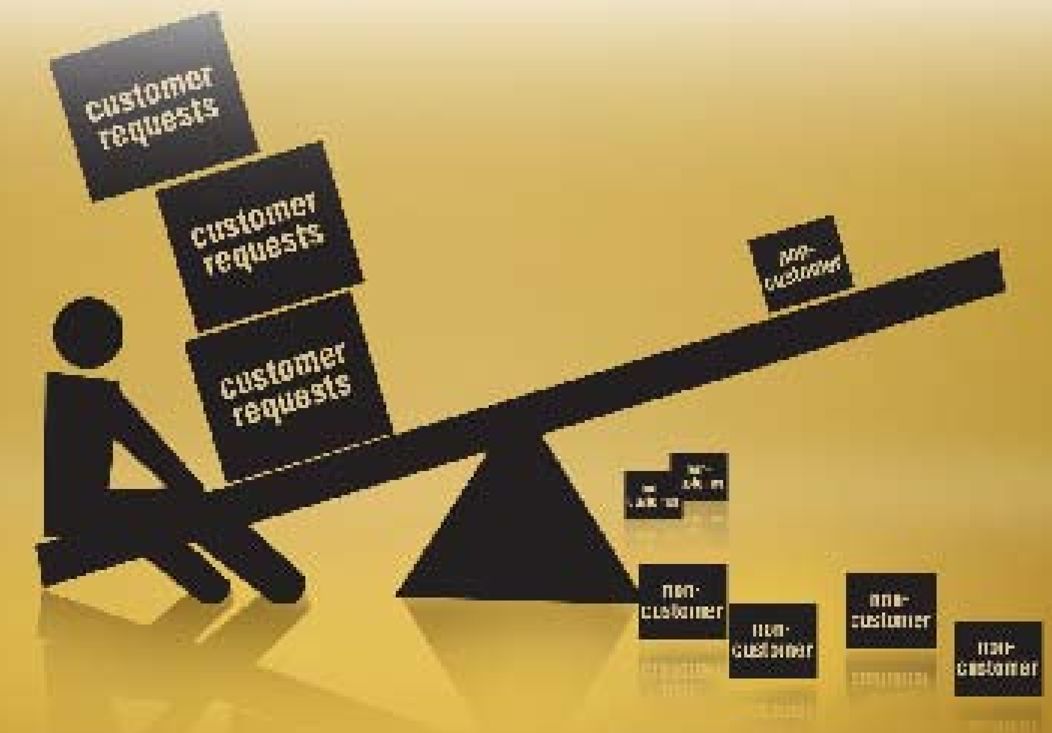
Ultimately, a focus on any of these other approaches—being a customer-, revenue-, or innovation-driven company—*is more risky* than a tuned in approach. It is possible to build success, but the odds are stacked against you. And, if you do beat the odds and develop a winner, you may still fail later. It might take years for the results of being tuned out to become apparent if your initially successful product can be turned into a cash cow.

A resonator is a product or service that sells itself. You find them in the market, not in your mind.

We often see tuned out companies create products and services that do not resonate. To compensate, they must adopt drastic strategies to drum up business for their offerings. You know how many companies talk about their "product evangelists"? And how many organizations say they are "missionaries in the market" and that they need to "educate people about the issues so they see the value of our product or service"?

These missionary selling strategies are simply symptoms of a tuned out company. You shouldn't have to wave your arms around and shout at people to convince them to pay attention to your product or service.

The tuned in, market-driven company understands market problems and builds products that resonate; these practices drive both sales and customer satisfaction.



Are you tuned in or tuned out?

If your organizational culture is closest to one of the three we've outlined here, it means your organization is tuned out. The key distinction is that being tuned out requires you *guess* when making important decisions such as what product to build, whom to try to sell it to, where to sell it, and so on. But each time you guess at one of these elements, you introduce more risk into your business.

Consider your own organization. How would you answer these questions?

- ☐ Do you build products based on what company insiders feel is best?
- ☐ Do you use advertising campaigns to "create the need" in the market?
- ☐ Do the salespeople dictate what goes into new products?
- ☐ Do you watch the competition and make moves to follow them?
- ☐ Do you only sell (and improve upon) whatever products you already have on the shelf?
- ☐ Is the founder's (or CEO's) opinion the most important?
- ☐ Do you base major decisions on financial data alone?
- ☐ Is gaining market share your primary objective?

You probably realize that a "yes" answer to *any* of these questions means you've got some of the symptoms of being tuned out—and that you're guessing at what your market requires. A "yes" also means you show the signs of a company chasing outcomes. Like a dog chasing cars, it's a path that often ends in a bad outcome. TPM

Phil Myers is President of Pragmatic Marketing, Inc. During his business career, he has led three technology start-ups, two initial public offerings and launched seven products to market that became category leaders. Contact Phil at pmyers@pragmaticmarketing.com

Three Tips at the Tip of the Iceberg: How to ensure the success of your IT projects

By Anita Wood and David Wood

Do you work in an IT environment that operates in firefighting mode? Is your department considered overhead for the organization? Are you confident that your IT project requirements are "good" or merely "good enough"?

IT no longer needs to play the role of an overhead scapegoat. IT is a key bolt within the organization, and it's time we start acting like it. If you are reading this publication, you may be a step ahead, because you've already made the connection between IT projects and the need to integrate Pragmatic Marketing's approach to technology as a business.

In this article, we'll touch just the tip of the iceberg with three key points to help you ensure the success of your IT projects.

Tip #1: Become a customer/market expert

Tip #2: Become proactive by aligning your IT projects with corporate strategy

Tip #3: Position the value of your IT projects to the organization

Although this is just the tip of the iceberg, it is no small feat. Prepare yourself to take small steps towards accomplishment. This is a large undertaking and requires planning—just like any other successful project or product. Remember the old saying, "A journey of a thousand miles begins with a single step." →

Tip #1: Become a customer/market expert

For years, IT has focused on the technology rather than the customer. Who is our customer? Who is determining which projects your IT team manages? And who in your IT area is playing the role of product manager?

Sadly, many IT organizations approach projects as though they are custom-programmed for a single user. But even internal projects should be treated as products—products that are used by more than one person, one department, or even one business unit.

And who is managing these projects as repeatable products? Likely no one—because this project/product disconnect is a view that is not yet common in the IT world. This means business problems are likely not being clearly identified—which, in turn, means you are often working on the wrong projects and/or not positioning your projects based on the value they provide customers, users, and the bottom line.

It's time to realize that IT has customers, too. We need to stop thinking about one person in one department, and instead focus on a market full of customers in our business units.

Your role as the customer/market expert

How are you tracking customer input? This is a vital role. If you have no dedicated product manager for your deliverables, all IT staff should have the means to identify, log, and track information gathered in the field. For example, how do you know that all 32 departments are complaining about the same business (not technical) problem?

How will you identify pervasive problems? IT staff looks for technical problems to solve, so asking them to identify business problems will take some training and direction to expand their expertise. To the best of your ability, you should learn everything there is to know about product management.

Before this task ever becomes a project, there are many vital functions normally accomplished by a product manager. A typical, well-run vendor product team has these six roles:

- Product manager, who finds and quantifies market problems
- Product designer, who defines solutions to the problems
- Development manager, who manages the development team
- Quality assurance manager, who assures quality from the customer perspective
- Project manager, who manages complex products beyond just the programming
- Product marketing, who launches the final product to the market

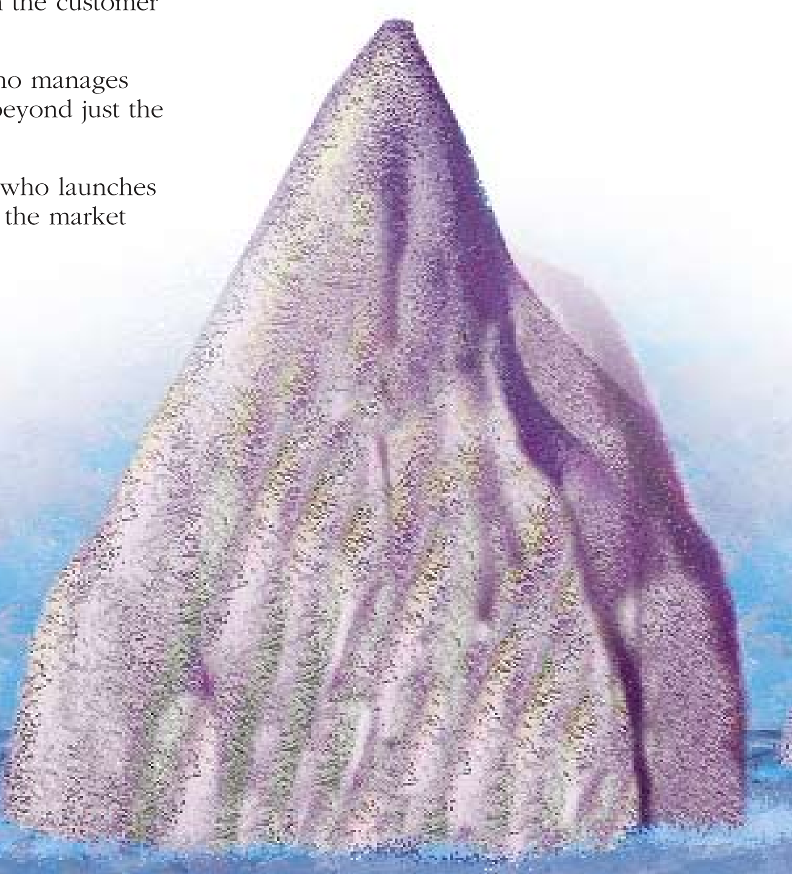
How do these roles correspond to the typical roles found in internal IT?

Let's take the IT Project Analyst role, for example. It is an interesting one because the roles of product management, product marketing, and project management are combined, but this combined focus is usually not well defined.

An IT Project Analyst typically struggles to identify exactly where his or her responsibilities begin and end. Moreover, even if that person has the product management and marketing responsibilities, he or she usually has little or no background or knowledge in that area. You can enhance this person's expertise, morale, and success by providing training in product management, including defining roles and responsibilities.

What's missing?

The IT Project Analyst is typically handed the project scope, including all the information the requestor believes is pertinent: project value, financial impact, business problems solved, and so forth. You might even have a standard project request form that requires this information. This project request is then evaluated and prioritized by IT to determine when it can go on the schedule and whether or not resources are available.



> We need to stop thinking about one person in one department, and instead focus on a market full of customers in our business units.

We hope you are questioning this process, because you would be right. What's missing here? We have a single requestor presenting a project idea—and IT runs with it? Of course they do, because they don't have the product management role in place to do the additional research, observe users and business problems, and identify the impact/benefit to all other prospective users.

Most importantly, the requestor is usually too close to the project to identify the true business problem. Without identifying the true business problem, you will likely work on the wrong project; and, when it is complete, the requestor will tell you it's not what the user requested.

In a combined responsibilities role such as IT Project Analyst, another issue is the lack of checks and balances. When the product management/marketing role is separate from the project management role, you gain value from the dialog that happens in reviewing and verifying requirements. And, you free up the project manager to lead the project. If this combined role is what you have to work with, however, make sure you identify ownership of customer/market expertise and include those tasks in your project initiation and planning stages.

Tip #2: Align your IT projects with corporate strategy

A product manager not only focuses on the customer and market, but also on the corporate strategy. For some of you in the IT environment, this may sound strange. But it is imperative to know the corporate strategy and mission, as well as the roadmap, inside and out.

This knowledge enables and empowers you to position your services and projects correctly. Use vocabulary that clicks with the strategy and, therefore, with management and executives.

A key here is finding a "mentor" in the organization who will keep you in the loop about the corporate strategy. If you are a manager or director in IT, volunteer to participate on strategy teams and in planning activities. If you are lucky enough to have a project analyst who truly understands the role of product management, send that person to the strategic planning meetings. The mentor may help you be in the right place at the right time.

You may feel unwelcome at first; but sit back, absorb, and learn the ropes of contributing to the strategy. After all, the organization's lifeline is (or should be) its strategy. If your projects aren't aligned with that lifeline, your projects' lives aren't really that valuable; are they?

Tip #3: Position the value of your IT projects to the organization

If you're not integrating the Pragmatic Marketing Framework (especially positioning, customer visits, and strategic alignment) into your IT projects, you are not measuring and demonstrating your value to the organization. Moreover, you are probably in need of a gap analysis to identify where you should focus your efforts to improve your visibility.

Walk through each box of the Framework. Who owns this (if anyone)? How well are we performing each box? This exercise will identify gaps between your current state and your desired state.

At first glance, you may think that some boxes don't apply to you. When you think about your last project that failed, however, you may realize how these "inapplicable" boxes might have helped that project succeed.

All of the boxes do apply; but, depending on the gaps you find, you may need to prioritize your attention. You won't be able to fix everything overnight. When prioritizing, remember that you probably have some catching up to do regarding proving the value of your IT team, so you may want to base your priorities on this objective.

A product manager not only focuses on the customer and market, but also on the corporate strategy.

Promote your projects

Who says IT doesn't need PowerPoint? Get out there and promote your projects and your value to the organization.

All of your project managers and IT leaders need to incorporate "selling the project" and its value to the corporation into every single initiative. As a simple, initial step, this promotional aspect should be included in every project's communication plan. Your IT team may also enjoy the visibility along the way.

Be sure you have the customer expertise and market data to back you up. As Pragmatic Marketing advises, it is about n=many, not n=1. In other words, don't target your efforts at value for a market of a single user; instead, focus on the deliverables that benefit the majority of users. This may mean your team will need to develop tough skin. Learn to say "no" to executives and managers (with supporting evidence, of course).

IT is often forgotten in corporate-level planning. As you increase your visibility and use positioning to demonstrate value, watch as you increasingly become included and involved much earlier in corporate strategy and planning.

A case study from Anita Wood

By way of example, consider an IT project where I applied this process. The high-level business problem had been identified and brought straight to the director, long before I became involved as IT Project Analyst. Since this was an enterprise-level initiative with a lot of visibility, I knew we absolutely needed product management and marketing activities. Fortunately, I had a product management background that enabled me to identify a gap in the process.

I leveraged analyst and industry expert research to support the value of the project, and I relayed that information throughout the project to gain buy-in (via PowerPoint!). The key, I believe, is that instead of accepting what was handed to me as "the requirements," I conducted customer and department visits to personally observe their problems.

I identified *all* problems (not just a subset) and was able to articulate complete, prioritized requirements. Not only did this process create a better product, it helped create a better rollout, too.

Because I observed and listened to actual users, I was able to identify the true business problems. For example, one department was handwriting hundreds of labels per month because they didn't have the correct device to print them. That type of business problem would never show up if you simply examined the device inventory. This success came about by watching how users work and identifying manual steps that weren't being solved by their existing devices.

> *"Many important aspects of work are invisible, not because they are hidden, but because it doesn't occur to anyone to pay attention to them."*
>
> – Karen Holtzblatt and Hugh Beyer, *Contextual Design*

Now, with the true business problems identified, we were able to find innovative solutions for the various scenarios. "Cookie cutter" was no longer the optimal way to make this project succeed. The best part of that process was seeing that users were grateful to be involved in the process and simply have their voices heard. By the time we presented recommendations—some of which were difficult to swallow for departments—the pushback was minimal, because the users understood the value and had been heard.

All along the project timeline, I scheduled ways to promote the value of this product-oriented approach to IT projects. I promoted all of our successes, even the smallest wins. I tracked metrics such as number of devices removed; number of oversized devices reallocated; examples of process automation to increase user efficiency; and expected savings. I used those metrics to communicate a monthly report of wins to the executive level. Publicizing wins along the way also increased adoption across the organization (i.e., public humiliation of the resistors).

Reporting and tracking was also vital to this project's success. By having good metrics to quantify the business problems upfront, we could demonstrate the comparison and improvement after implementation. We gauged success and increased customer knowledge, awareness, and empowerment. Clearly, sharing case studies, no matter how small, kills several birds with one stone: communication, visibility, and education.

Be a product manager vs. a project manager

The conclusion here is that we should treat IT projects as *products*. We should solve problems for a group of customers—a market full of customers—rather than wasting limited resources on a market of one. We act more like *product* managers and less like *project* managers.

Don't lose hope—although this may seem daunting, it is achievable and well worth the effort. IT absolutely has the capability to become a customer/market expert, align projects with the corporate strategy, and position its value to the organization.

IT is already a vital cog in the wheel, so now it's simply a matter of ensuring you are working on the right things and that you have an audience. The way to do that is to educate yourself about product management and marketing roles.

Be creative, and take small steps. Start with the resources and tools you currently have. Identify your gaps and work in phases. And most importantly, choose the optimal timing to begin promoting yourself. Track your progress for, say, six months, and make sure you will be a shining star when you step on stage. TPM

David Wood and Anita Wood, M.B.A., PMP, [principals of consulting firm ADW Computer, LLC] have more than two decades of combined technology experience in various roles, including IT infrastructure, development, project management, and consulting, as well as software product management and development. Their experience spans industries and sectors such as manufacturing, software, government, and healthcare. Contact Anita or David at info@adwcomputer.com

Are your product management and marketing teams overloaded with tactical activities, spending too much time supporting Development and Sales rather than focusing on the strategic issues of the organization?

The Pragmatic Marketing Framework

STRATEGIC → TACTICAL

Market Analysis	Quantitative Analysis	Product Strategy	Product Planning	Program Strategy	Sales Readiness	Channel Support
		Business Case	Positioning	Marketing Plan		
Distinctive Competence	Market Sizing	Pricing	Sales Process	Customer Acquisition		
Market Research	Product Performance	Buy, Build or Partner	Market Requirements	Customer Retention		
Market Problems	Operational Metrics	Product Portfolio	Product Roadmap	Launch Plan		
Technology Assessment	Win/Loss Analysis	Innovation	User Personas	Buyer Personas	Channel Training	Presentations & Demos
Competitive Analysis			Use Scenarios	Success Stories	Collateral & Sales Tools	"Special" Calls
			Release Milestones	Thought Leaders	White Papers	Event Support
				Lead Generation	Competitive Write-Up	Answer Desk

The Pragmatic Marketing Framework is the standard for product managers and marketers at thousands of companies. Since 1993, more than 45,000 people have been trained using this market-driven approach to creating and launching technology products.

learn industry best practices

Product Management training

Practical Product Management defines the strategic role of product management using the Pragmatic Marketing Framework (left). From how to identify market problems to delivering a successful product plan.

Requirements That Work shows you a repeatable method for writing clear requirements your team will read and use. It discusses techniques for prioritizing and organizing market requirements and clarifies the roles for team members.

Pragmatic Roadmapping teaches techniques for developing, consolidating and communicating product plans, strategy and vision to multiple audiences—both inside and outside the company.

Product Marketing training

Effective Product Marketing teaches how to create successful go-to-market strategies using a structured, repeatable framework that supports an organization's goals for growth in revenue, market awareness and customer retention.

New Rules of Marketing shows how to harness the power of online marketing using blogs, viral marketing, podcasts, video, search engine marketing and thought-leadership to reach buyers directly.

In addition to the extensive published schedule, training can be conducted onsite at your office allowing a more focused discussion for your specific goals.

achieve market-driven success

With guidance from Pragmatic Marketing experts:

Align your organization with the market. Identify gaps between your current state and best practice to enable your strategy and tactics to focus on market-driven success.

Accelerate your product plan. Uncover the market problems your product can solve in its next release.

Optimize your go-to-market programs. Understand recent wins & losses, and learn how evaluators review your offering to create compelling marketing messages in the language of your buyers.

participate in a thought-leading community

For more than 50,000 visitors per month, *PragmaticMarketing.com* is a dynamic, growing resource center with hundreds of articles, tips and techniques, expert blogs, a job board, book reviews, informative webinars, links to peer networking groups and much more.

Practical Rules for Product Management

By Maureen Rogers

Some rules just aren't meant to be broken

(Part 1)

Editor's note: The Pragmatic Marketing Framework catalogs the activities and artifacts required for creating and delivering technology products to the market. You probably have a laminated version of it. Have you ever looked at the back? In addition to learning the Framework, people who attend the Practical Product Management seminar receive 20 rules for product management success.

Maureen Rogers applies her own interpretations and personal experiences to these 20 rules in her multiple-part series. In this article, she explores rules 1 through 5.

Wait half an hour after lunch before going in the water. Never end a sentence with a preposition. Don't wear white after Labor Day and before Memorial Day.

Some rules really are meant to be broken.

But others aren't. In the "other" category, there are 20 astute and practical rules that Pragmatic Marketing has laid out for product management. I should know, because in my more than 25 years in B2B technology marketing, I've broken all of them. So with absolute conviction, I've reached the conclusion that, when it comes to rules, these all fall into the category of better to observe than to break.

After thinking about Pragmatic Marketing's rules, I've observed the following:

RULE #1

If product managers don't do their jobs, the other departments will fill the void.

When I first worked as a product manager, I wasn't all that sure what I was supposed to do. So I waited for everyone else—Engineering, QA, Tech Writing, Marketing, Sales Support, Customer Service—to stake their claims; then I ran around filling in the gaps. At the time, this struck me as a quite handy and pragmatic way to define my job. But it was a bad idea—and not just because I got stuck with all the stuff no one else wanted to do. As it turns out, products end up being better if someone truly owns the entire thing.

As so often happened during the course of my long career, I learned the hard way that good product managers aren't just pragmatic, they're proactive. They don't just sit around waiting to see what everyone else does; they make it clear up front what their role is. And then they fill that role, rather than the gaps.

Here are just a few of the things that can happen when product managers don't fill their roles:

If you don't provide clear and supported input to the process, the engineers will develop what they please. It's your responsibility to talk to your customers (and your prospects), check out the competition, listen to the analysts, learn about your industry, learn about your customers' industries, find out what your sales engineers and customer support reps are encountering, look at those RFPs, and glean market intelligence. And it's your responsibility to translate all this "stuff" into product requirements that you communicate to your engineers.

Yes, there will be things that your developers come up with on their own—and a lot of it will be great. But <u>you</u> need to be the driving force behind what goes into that product, or you could end up with a magnificently engineered product that nobody wants or needs.

If you don't provide clear direction about your target customers, Sales will go wherever they please. Your products should be built with some particular use and customer in mind… shouldn't they? Please let Sales know.

Even if your products are entirely horizontal—every company can use a database and a word processor—products need to be targeted to specific customers and/or buyers.

You may also have a product that's better suited for certain-sized companies or specific geographies. There may be good reasons to target industries as well. (If you're selling to later adopters, for example, Get-a-Life Insurance is more apt to buy if One-Life-to-Live Insurance is on your customer list.)

The point is, you need to send Sales where they stand the best chance of winning. Even if you have the most generic product, you have to start somewhere. Pick that somewhere wisely, or Sales will pick it for you. And, in the short run, they're not necessarily going to choose wisely (i.e. in support of your long-run strategy). Sure, they may make a sale or two, but it may not end up being a good thing for your product or your company.

While we're on the subject of sales, if you don't establish pricing, Sales will make it up. You absolutely need to listen to what Sales has to say on the matter. But it's up to you to determine pricing that will work, that's commensurate with the value provided, that's not out-of-whack with the competition, and that is what the market can bear. If not, you'll be in the wonderful world of having your sales team cannily figuring out what the prospects have in their wallets, and then establishing <u>that</u> as the price *du jour*—or just low-balling and overpromising to get the deal. (Just watch out when customers get together and compare notes.)

If you don't provide clear direction about target customers and the right message for them, Marcom will go wherever they please and say whatever they want. Like Sales, if you're not providing guidance to Marcom about target customers, they will come up with it on their own. Their programs may make spectacular sense; they may not. It's best not to leave things to chance.

Similarly, if Marcom doesn't know what the product is and does, they will come up with their own story. Again, their story may make spectacular sense; it may not. Again, it's best not to leave things to chance. I worked for a company that was teetering, very publicly, on the brink of bankruptcy. One day, I saw a banner ad for one of our services. The ad touted our financial stability. I immediately called the ad person in Marcom and pointed out that this wasn't exactly our strong suit. "But that's what our buyers are most interested in," she told me.

I could go on about how important this rule is, but by now you get it. And you were likely well ahead of me in getting it.

Of all of the Pragmatic Marketing rules, I find this the most important. And that's not because those who will be filling whatever void you leave are evil and must be stopped. (Hey, you may even want, need, appreciate their suggestions and advice.) But, if engineers are figuring out what's in the product all on their lonesome… if Sales is pulling prices out of their ear on the way to a call…if Marketing is claiming that your product solves world peace when it's really designed for warmongers—they're all trying to do something that is neither their expertise nor their responsibility. That responsibility is yours. Take it and use it. ➔

RULE #2

An outside-in approach increases the likelihood of product success.

However brilliantly, presciently, and uniquely imagined a product is; however a product idea seemingly springs full-blown from some Medusa's head, there is no substitute for solving a real problem experienced by real people in a way that will work for them.

How do you get real?

I've found the key is in five simple words: See how your customer works.

That means looking at the current processes they have in place, at the inputs, the outputs, the end results. Who does what to whom? How do they do it? Where do they hit roadblocks? Little snags? Where does the ball drop? What happens when *that* happens?

There are a number of ways you can do this.

One is to actually go in and watch. Some of my most valuable hours in the field have been spent observing how my customers get their jobs done—with or without my product.

In days of yore, as the product manager for a mainframe financial reporting system, I spent the night at AT&T while they closed their books, just to see how they used our product.

Boy, was I exhausted after 20 hours. And, boy, did I see some areas where our product could be improved.

I've done this a few times since. And, to me, it's the most effective way to figure out where your product needs to go. Knowing what people go through trumps your imagination, common sense, and intuition—no matter how wonderful they all are.

Another good technique is open-ended interviews that get your customers and prospects to talk about "things": business, processes, behaviors, wish lists, druthers, etc. When I've used this method, I've taken notes and, where possible, made recordings.

A third technique I've used is creating "A Day in the Life" scenarios, where you lay out the hour-by-hour activities your customer goes through and figure out where your product can be inserted to relieve some of the pain that invariably occurs in even the happiest work day. Obviously, it helps if you've observed and/or spoken with customers to ensure you have the right idea about how they spend their days.

The bottom line: Your product has to "fit" the customers' needs and desires, solving a true problem. You never want your customers to be stuck exchanging an existing problem for a new one—using your product. This won't happen if you build a product outside-in.

RULE #3

Time spent on the strategic reduces time wasted on the tactical.

Simply defined, *strategic* is where you want to go; *tactical* is how to get there. It's pretty easy to see that you'd better have the strategic figured out first.

While there are many different areas in which the "strategy vs. tactics" debate can occur, I'll frame it here in terms of trying to market a product absent a strategy. (Which also translates into trying to market a product for which the product manager hasn't followed Rule #1, and the product has just sort of happened—generally at the hands of the engineers, I'm afraid.)

My personal favorite is the "if we build it, they will come" approach, in which a product is built, then tossed over the transom into Marketing, who are presumably waiting with open arms and closed mouths for the product toss.

No, no, a thousand times no!

You need to have a product strategy in mind that spells out positioning basics (who's going to use the product and why), establishes the pricing rationale, provides at least a rudimentary guidepost for where the product is going, etc., etc., etc.

Another thing we've all faced as marketers is the situation in which we've been goaded (forced?) to just *do* something, do anything. "Something" must be done! This usually comes down on the head of Marcom and usually means helping fill the big, gaping maw at the beginning of the sales pipeline.

Do something. Do anything. Let's get going.

Banner ads…webinars…email blasts…spiffs…promotional deals…guys with sandwich boards trolling the streets.

Thus, the campaign to nowhere begins.

You may get somewhere, but even that somewhere is going to feel like nowhere, absent a strategy. Never confuse activity with action.

There's a corollary to this rule: *In the absence of a strategy, people will go ahead and do what they think is best.*

So the marketers will look at the product they've been given and hazard a guess on where they can market it. They may do a bang-up job of it. (Great! Two hundred tuna fishermen attended our webinar. Too bad our product doesn't really do anything for them. Not to mention that we really should be selling to tuba players. Tuna? Tuba? Close enough.)

Strategy's hard. It means really thinking through things. It means taking a risk by declaring where it is you want to go. It means having the discipline and strength to give it time enough to succeed.

Tactics absent strategy? You might think you're getting somewhere, but you're really on the night train to nowhere.

RULE #4

In the absence of market facts, he who owns the compiler wins.

I've lived through this nightmare more than once, and all I can say is, even in the presence of market facts, it's plenty easy for the guy with the compiler to win. But when you're working with the engineers, it is *always* best to have the following:

- **Win-loss analysis.** If 19 out of 20 times, you hear that a key factor in a loss was ease of use, your developers may respond that "the customers don't know what they're talking about," "we're selling to the wrong people," and "our sales folks don't know how to sell." *But you will have market facts to support your argument that the UI needs work.*
- **Competitive information.** The last thing you want to find yourself doing is playing competitive catch-up. It is *always* useful to know what you're up against. And, if you can anticipate moves that your competition is going to make—by watching what they're saying publicly, whom they're partnering with, where they're selling, etc.—so much the better.
- **Market trends.** What's going on in your industry or the industry into which you sell? What's being said about technology trends? No, you don't have to listen to every pronouncement from on high, but it helps not to operate in a complete vacuum. So dig up whatever data you can find on SOA, SaaS, MDM, or whatever acronym your product needs to accommodate. (Years ago, I worked for a software company that was wedded to OS/2. I came to a development meeting with a copy of *InfoWeek* magazine sporting a cover showing OS/2 in a coffin with a lily on it. That display definitely helped us move along on our decision to convert to NT.)
- **Customer input.** The customer is not always right, and sometimes, they will ask for stupid or irrelevant things. But your trusted customers—not your developers—are the ones actually using your product, so their ideas matter.
- **Sales engineering and customer service input.** Better than anyone else, your sales engineers tend to know the technical obstacles to selling and implementing your product. You need a forum for capturing their ideas. Better than anyone else, your customer service folks tend to know the technical obstacles to ongoing, day-to-day success with your products. You need a forum for capturing their ideas, as well.

When you, as a product manager, start talking product with the engineers, you need to be armed with the richest set of market facts you can find. The preceding suggestions are useful sources of those facts. It's then up to you to put the market facts into a digestible, sensible format for presentation to engineering.

There is still no guarantee that a really stubborn guy with a compiler won't balk at product ideas that aren't invented in his brain. But, if you've got the facts, ma'am, it's far more likely that resistance will fade away.

RULE #5

Product Management determines the go-to-market strategy; Marcom executes the strategy.

First off, much of my career has been spent in smaller companies where Product Management/Product Marketing and Marcom were housed under one very small group. Heck, I've been in places where they were me, myself, and I.

But I did spend several years in a large company where we had separate Product Management, Product Marketing, and Marcom groups. And herein lies a cautionary tale of what happens when it's not clear who's setting the strategic agenda.

At this company, Product Management and Product Marketing resided in the same group, and we were clear about the roles each group played. But Marcom was completely and utterly separate from us, connecting on the org chart only to the president's box.

This would have worked out fine if someone in the president's box or in the EVP boxes just below actually agreed that Product Marketing—which set the go-to-market strategy—and Marcom were separate functions, with different roles, responsibilities, and expertise. And then declared that the two groups were going to get along.

Well, that never happened. And, although the reasons had little to do with marketing, is it any wonder that the company folded?

Although I had many good friends and colleagues in Marcom, relationships between us (Product Marketing) and them were generally non-productive and rancorous.

Marcom was under Sales, and much of what they did was what Sales wanted them to do. Suffice it to say that Sales wanted the short-term hit, not the long-term build. It never seemed to matter what the overall corporate strategy was; if Sales didn't think they could easily sell it tomorrow, it didn't get marketed today.

Marcom also owned the entire budget, so Product Marketing was always in the position of begging to get any attention for our products.

Sometimes, the budget stuff played out in ridiculous ways. At one annual (internal) sales conference, we had an exhibit hall for the products. Product Marketing had draped tables, out-of-pocket signs printed at Kinko's, photocopied sell sheets, no lights, and lame-o promotional gimmicks to attract the sales guys' interest.

Marcom shipped in tradeshow booths—complete with beautiful lighting and nice signage—at which they showcased their new corporate brochures, ad campaigns, website, and corporate giveaways.

We had the content; they had the stuff.

Shouldn't we have come together on this? But, no. The enmity between the two camps was just too great. The rap on Product Marketing: no sense of the real-world pressure from Sales. The rap on Marcom: no content, big spenders.

I spent half my life at this company just trying to define organizational roles, smooth ruffled feathers, make peace, and make some sense out of things. Believe me, if I couldn't get things to work out between us, no one could.

What a waste!

So, I'll add to Pragmatic's rule: Ensure that the roles are clear, and insist on an environment of mutual trust and respect. Strategy and execution are both important. But if the executors aren't bothering with the strategy, whatever happens will not be pretty.

TPM

Part II of Maureen's article will appear in the next issue of *The Pragmatic Marketer*.

Maureen Rogers is a senior consultant with Communigration, specializing in strategic product marketing (market identification, product positioning, and product messaging) for B2B technology and services companies. A resident of Boston, Maureen is a graduate of MIT's Sloan School of Management and has over 25 years experience as a product manager and product marketer. With her friend and colleague John Whiteside, she blogs on marketing at Opinionated Marketers (http://opinionatedmarketers.com) and, on her own, writes about business, the workplace, and culture at Pink Slip (http://pinkslipblog.blogspot.com). Maureen can be reached at mrogers@communigration.com

The Strategic Role of Product Management

How a market-driven focus leads companies to build products people want to buy

By Steve Johnson

This free e-book explains why product management can and should play a strategic role in a technology company. One which ensures products are created not just because they can be, or because someone thinks it is a good idea but because someone has listened to the market, identified an urgent and pervasive problem, and determined that people are willing to pay to solve it.

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Turning users into fans

It isn't just about winning customers anymore. You have to build fans.

A fan is not born; a person grows into a fan. The progression starts when someone is first introduced to a product…then becomes a customer… and, ultimately, propagates their positive experience through word-of-mouth marketing.

The cycle of fans

Geno Church wrote an article posted at *Brains on Fire*[1], where he explains the evolution of a person into a customer and, ultimately, into an evangelist. He describes this "cycle of fans" as an endless circle. It starts with an introduction, moves to participation, proceeds to adoption, becomes evangelism, creates community, and begets ownership—which leads to more introductions and starts the cycle all over again.

This fan metaphor effectively captures the message that getting a fan to spread the word about your product creates new introductions—and, if all goes well, new fans.

Word-of-Mouth Marketing

By Scott Sehlhorst

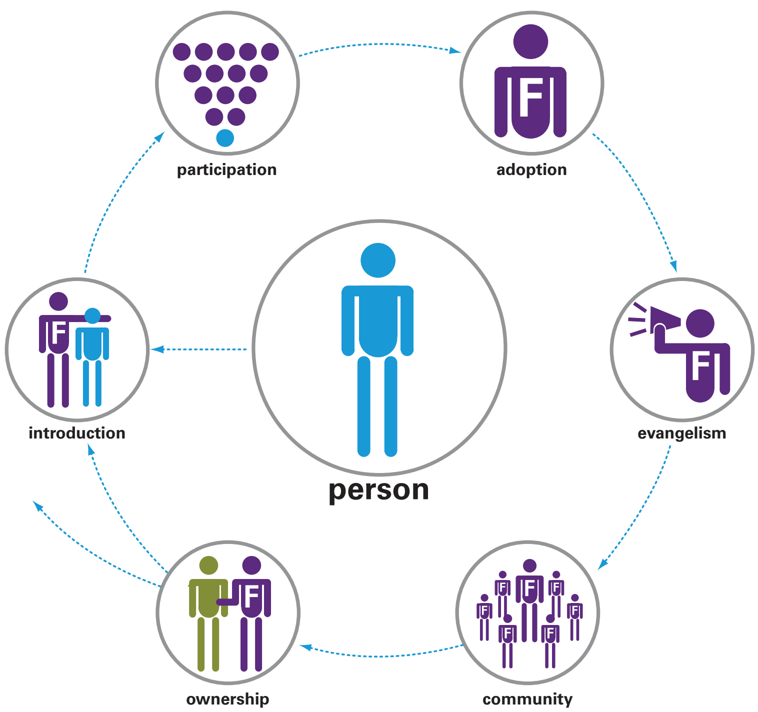
The other side of the coin

But what if you fail along the way and break the cycle of fans? You could very well create another kind of cycle—one that Jennifer Laycock calls the "Cycle of a Detractor."

In her article, *How a User Becomes a Customer Evangelist (or a Loud-Mouthed Detractor),* Jennifer states, "Just as we have experiences that make us loyal to a company, we have other experiences that turn us off so completely that we head out to tell the world about them. People can be generous with their praise, but they can also be generous with their criticism."[2]

Clearly, there are social networking elements to evangelism. Social networking on the Internet allows for scalable, instantaneous communication. And memorable ideas not only move quickly, they grow quickly—perhaps geometrically. This effect can be very powerfully positive, or it can be notoriously negative. ➔

C Y C L E O F A F A N



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1 Geno Church, Cycle of a Fan, 2007-08-08, http://brainsonfire.com/blog/2007/08/08/cycle-of-the-fan

2 Jennifer Laycock, 2007-08-10, http://www.searchengineguide.com/senews/010466.html

Start at the beginning

On the way to building fans and generating word-of-mouth marketing, let's mix in another metaphor—the sales funnel. Business analysts often use the funnel to describe the process of introducing new prospects into the sales pipeline and moving them through qualification to the point of sale.

At its widest point, the top of the funnel represents the entire universe of unqualified prospective leads. Qualification of those sales leads reduces the number of potential prospects for sale, narrowing the funnel. As potential customers continue to move through the sales process, they also move down the funnel, with progressively fewer people at each stage than the previous one.

Now let's take a look at how a prospect moves through the funnel (similar to the cycle of fans)—with the desired outcome of creating delighted customers who engage in word-of-mouth marketing.

Exposed and interested

At the mouth of the funnel, you see the points where potential customers become exposed to and, hopefully, interested in your products.

Your marketing efforts will expose people to your product. The better you distribute your message, the higher the number of people that will be **exposed** to your product. But pure exposure isn't enough.

Remember all of the "dot-bomb" companies that bought Super Bowl ads in 2001? They got lots of exposure; however, their funnels immediately narrowed so tightly they were left with only a very small number of people who were actually **interested** in their products. Not effective as marketing campaigns.

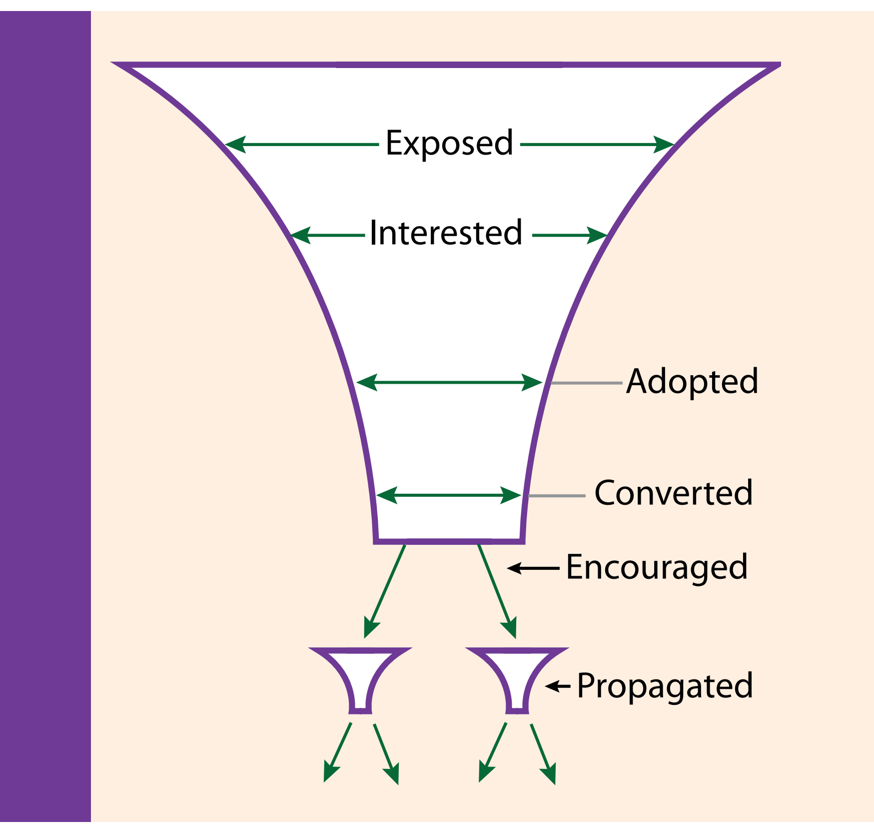
This is where targeted marketing makes a difference. How many people who saw ads for an online wedding registry site during the Super Bowl were actually getting ready to marry? There is a massive drop from exposed to interested people when your product is not exposed to people who are *likely* to be interested.

Are they listening?

This stage of the funnel is also where good marketing copy makes a difference. You have a target audience of people likely to be interested in your product and willing to listen to your message. What if you have a lousy message? Your pipeline will dramatically narrow.

Seth Godin often writes about getting people's attention. Seth uses a purple cow as a metaphor for getting attention. How many people slow down when driving by a field of cows to look at one of them? What if that cow were purple? More people would slow down. As Godin writes in *Purple Cow*, "The idea is pretty simple—find a small group that cares, give them something remarkable and make it easy to tell their friends (the folks who don't care as much)."[3]

Brian Clark blogs about copy writing in *Copyblogger*. In his article *How to Get Past the "Don't Buy" Button,* he sums up the key elements: "This is something copywriters intrinsically understand—that even when people are perfect candidates for a product, and even when those people want to buy, they will talk themselves out of it unless you address each objection they come up with."[4]



3 Seth Godin, Portfolio 2003,
http://www.sethgodin.com/purple

4 Brian Clark, Copyblogger
http://www.copyblogger.com/how-to-get-past-the-dont-buy-button

Buyers become adopters

OK, so now that your overt marketing is complete, you have customers. What's next?

Once you get purchases, you have users—at least for a few seconds. Now you have to make sure that your software is usable. A vital key to word-of-mouth marketing is *sustainable usability.* As I mentioned in a recent blog post, *Usability Sells Software*[5]:

- The buyer persona perceives more value (at the time of sale) from having more features.
- The user persona experiences more value (over time) from having fewer features.
- It's the product manager's toughest dilemma: Initially, more is more, then less becomes more. Either way, the message is clear: Software that is more usable grows in value to users over time.

To convert buyers to adopters, it is imperative that your product be usable for *new* users. How many times have you downloaded a trial version of software, installed and launched it, and been almost offended by the inadequacy of the product? You probably already validated that the software had the capabilities you needed or the features you thought you needed. So what turned you off? The product was unusable. You lose some users of your product. The funnel narrows.

If your product is usable, most of your new customers will quickly become competent. Users don't spend very long being new. Most users will reach a level of competence and stay there. Only a very small percentage will invest the time and energy to become expert users. And an even smaller percentage will become converts.

Competent users have **adopted** your product. But not all of those users will develop a sense of devotion to your company or product. The funnel has narrowed some more. ➔

5 Scott Sehlhorst, Usability Sells Software — Word of Mouth Marketing, 2007-01-10, http://tynerblain.com/blog/2007/01/10/usability-sells-software

Tracking the Vector of an Idea Across the Internet

The Genesis

In his article describing the cycle of fans, Geno Church takes an interesting approach in contrasting the evolution of a sports fan with that of a typical customer:

"Every fan has a story. Are you a fan of a college football team, a baseball team, a car, a restaurant, or a musician? Maybe it's even an auto mechanic. Some of us show more "fan" behavior than others. I fall in the fan bucket. I want more out of the experience than just satisfaction. And I want more from that business or that team than just allowing me to make a purchase from them."

Geno's article is the inspiration for the theme of this article.

Cycle of a Fan, Geno Church, 2007-08-08

http://brainsonfire.com/blog/2007/08/08/cycle-of-the-fan

The Extrapolation

Stacey Douglas, a business analyst and blogger, found Geno's article, and pointed out that this cycle applied to any process of adopting an idea, not just sports fandom.

The Adoption Cycle, Stacey Douglas, 2007-09-10

http://www.undocumentedfeatures.com/2007/09/10/the-adoption-cycle

The Validation

Jackie Huba, co-author of the Church of the Customer blog and an acknowledged expert on word-of-mouth marketing, also found Geno's article and noted that it presented another view on their ideas around evangelism. In that article, Jackie presents a loyalty ladder that shows how customers become repeat customers, then evangelists, and ultimately owners.

Corporate evangelism vs. customer evangelism, Jackie Huba, 2005-11-13

http://customerevangelists.typepad.com/blog/2005/11/corporate_evang.html

The Visualization

Jackie also identified a great article by David Armano, where he classifies people as being users, customers, audiences, etc. David uses this classification to clarify and define market segments. This allows him to better communicate an understanding of the market to stakeholders. David makes the point that labeling should not subvert user-centric design, which should still be based on personas.

The style of David's visualization of labels may have inspired the look of the cycle of a fan diagram, which introduces the concept of the evolution of the fan as a recurring cycle.

People. People Who Need Labels., David Armano, 2006-06-19

http://darmano.typepad.com/logic_emotion/2006/06/people_people_w.html

Creating converts

You've used good marketing to get people's attention. You've targeted the buyer persona so that people will initially purchase your product. You've made sure your product is usable, so your users won't abandon it before they become competent. But how do you get your users to become **converts**?

For people to become converts, they not only have to love your product, they have to love your company. So you need to delight your customers:

- Part of creating "customer delight" is achieved through prioritization—identifying essential customer requirements that *must be* in the product.
- Another element of delight comes from product design—not only must you have delightful features, the features must be a joy to use.
- And, finally, part of creating converts is achieved through delivering great customer service and post-sale support.

Make these folks happy, and they recommend your product. Don't forget the expert users. Even though they are fewer in number, they tend to be more active in spreading both good and bad product reviews.

Encourage sharing… and it propagates

Encourage people to talk about your product. Give your product away for free. When I like something that is free, I tell more people about it than when I like something that costs $100. This low barrier to exposure gets the word out that you have good stuff. And some of those people will come calling for the stuff that does make money for you.

Some people share the message because they want to, regardless of what you do. Other people just need a nudge. Those people should be **encouraged**.

With the Internet, it is very easy for people to share their opinions informally with many more people than in the past. When it is extreme, this effect is referred to as being viral, because word quickly and somewhat unpredictably spreads—like a virus through an un-immunized population. People make comments in forums, write articles for blogs, type up detailed reviews, and otherwise promote your product. It is more than just a casual conversation with a handful of friends.

When the message gets out, it gets **propagated**. That feeds back into your funnel, but not just once—it starts ten new funnels or a hundred.

Where funnel meets fan: word-of-mouth marketing

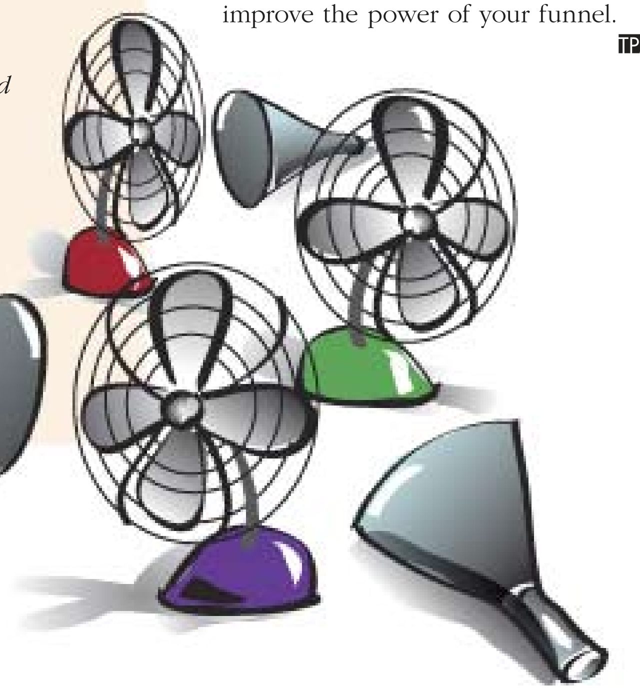
As a product manager, it is your job to move people through each stage in the funnel—maximizing opportunities for word-of-mouth marketing for your products. Look at the dynamics of word-of-mouth marketing and see how they can help your product to succeed:

- The whole process starts when your target audience is **exposed** to your message.
- You get customers by sharing your message in a way that gets them **interested**.
- When your product is **adopted** by customers, they become users —as long as it is easy for them to get started.
- Users become fans when they are **converted** by the greatness of your product and your company.
- Word-of-mouth marketing comes from fans who are **encouraged** to share (even when all you have is the absence of discouragement).
- Your product's exposure comes from a **propagated** reputation, a.k.a. word-of-mouth marketing.

The cycle of fans rings true. To take advantage of it, you need to think about what you do at each stage. Along the way, you can make many smart moves that will have a compound affect on your word-of-mouth marketing. And that will improve the power of your funnel.

TPM

Scott has been helping companies achieve Software Product Success for more than a decade. Scott consults as a business architect, business analyst, and product manager. He has also worked as a technical consultant, developer, project manager and program manager. Scott has managed teams from 5 to 50, and delivered millions of dollars in value to his customers. Scott formed Tyner Blain LLC in 2005 to provide targeted services for clients while building a community focused on successful software development. Contact Scott at scott@tynerblain.com, or join him on the Tyner Blain blog at http://tynerblain.com/blog



Ask the Expert

Should the role of Product Marketing Manager report to the Product Management department or the Marketing department? What are the advantages/disadvantages of either approach?

These are good questions that don't have a single answer.

Organizational structure can be adapted to suit multiple purposes and many factors can be considered when determining which, if any, specific structure is best. Let's take a closer look at the pros and cons of the options you outlined.

In many organizations, Product Marketing (PMM) owns the outbound marketing functions of the enterprise. In many cases, this closely aligns with the Marketing group's focus, and it makes great sense that PMM be part of the larger Marketing organization.

Many PMM resources are closely aligned in both temperament and background to other marketers throughout the organization. In fact, in some organizations, the entire Product Management role is aligned with, and a part of, the marketing organization. After all, owning the responsibility of market expertise is, at its core, a marketing function. The alignment challenge is the tendency to lose focus on the role of PMM in terms of bringing the market messages to the external world. If the marketing group decides to utilize the PMM resources to primarily support the Marketing communications role—developing collateral content, lead generation programs, and the like—the gap left in the strategic role of product management is significant.

If you are fortunate enough to have a Product Management organization that is separate from the Product Marketing group, then assigning all aspects of both inbound and outbound marketing of products to the PMM resources may be the better choice. This allows for leveraging the market data gathered by the product managers with the PMM group, as well as their participation in market sensing activities and information gathering. The down side of this arrangement is the somewhat fractured relationship with all of the outbound marketing needs of your company.

As long as this reporting structure doesn't adversely affect the working relationship of the PMM resources and Marcom group, then this may be the preferred route.

The most important factor is that regardless of reporting structure, you should assign an owner to all of the activities on the Pragmatic Marketing Framework and ensure those activities are adequately staffed, produce artifacts and deliverables necessary for effective marketing program and field training support, buyer persona development, and a repeatable sales process.

I would also add that either of these alternatives is vastly better than having your PMM resources report to Development or Sales.

Rich Nutinsky is a thought-leader in the area of product management with special focus towards industry analyst relations. He works for Pragmatic Marketing as an instructor for the top-rated seminars Practical Product Management, Requirements That Work, Strategic Role of Product Management, and Pragmatic Roadmapping. Rich also delivers workshops and consulting services to many Pragmatic Marketing clients to assist in the implementation of the Pragmatic Marketing Framework. Rich has over 20 years of experience in the software industry and 15 years in product management. Contact Rich at rnutinsky@pragmaticmarketing.com

Achieving Best Practice in Product Management and Marketing with Pragmatic Marketing

Implementation of any change framework is hard. As an executive or business unit leader, you know the steps involved and could probably do it yourself. But your goal is to drive profit, customer satisfaction or other corporate metrics, not change internal processes. You just don't have the time or resources to lead the effort, and be a coach to the entire team.

What you need is a trusted consultant who knows your business and can implement enough process to create efficiencies without forcing the entire company through an upheaval. With an expert you trust, there is no trial and error but immediate results in the key areas of success for a market-driven company:

- Market sensing
- Speed to market
- Product adoption
- Product launch
- Customer satisfaction

As experts in what works and what doesn't, Pragmatic Marketing can accelerate your implementation of a market-driven framework, helping you change the organization rapidly and effectively with minimum disruption. The seminars and workshops we teach have provided the basis for successful shifts in corporate strategy, break-through products and market-leadership positions for many organizations. Quite simply, the Pragmatic Marketing Framework has become the industry standard because it works!

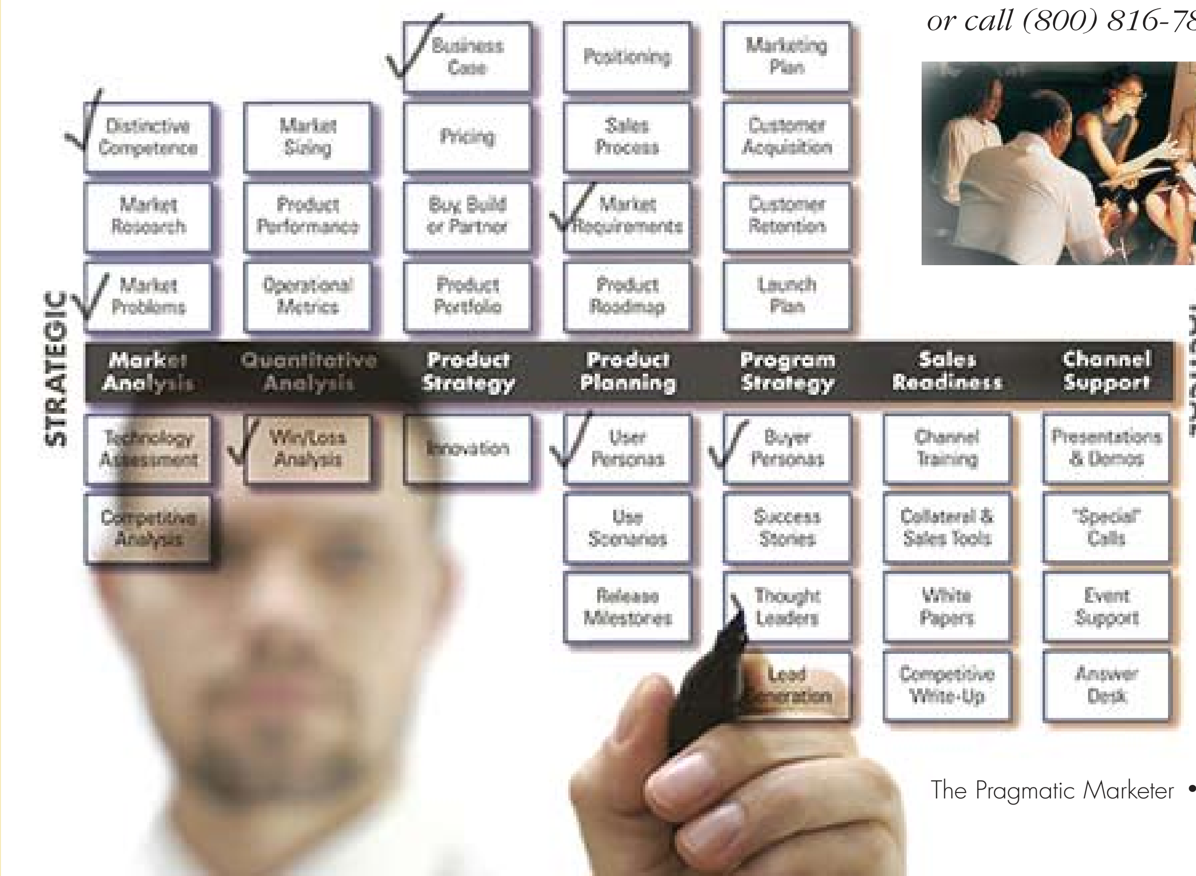
Engagement Details

A usual project begins with a knowledge exchange, in which members of your executive team review what it means to be truly market-driven and how your current organization is aligned to meet that goal. With an understanding of your current environment, Pragmatic Marketing can then suggest a course of action to achieve success that includes one or more of the following:

- Alignment with your market by identifying gaps between your current organizational state and best practice, then creating a plan to address the misalignment.
- Acceleration of your product plan by uncovering market problems which can be used to develop the business case for new product development.
- Optimization of your go-to-market programs by analyzing your existing solutions to current market problems, and using this knowledge to drive marketing programs and sales effectiveness.
- Reinforcement of market-driven principles by delivering a series of tactical sessions focused on specific tasks from the Pragmatic Marketing Framework.

TPM

To gain a better understanding of what Pragmatic Marketing can do for you, please visit www.pragmaticmarketing.com/services or call (800) 816-7861.



Seminar Calendar

Pragmatic Marketing®

Call (800) 816-7861 or go to www.PragmaticMarketing.com to register!

Practical Product Management®

Introduces a framework that gives product managers the tools to deliver market-driven products that people want to buy. Focuses on the practical aspects of juggling daily tactical demands of supporting the channel with strategic activities necessary to become expert on the market.

July 7 - 8 (9)*......................San Francisco (Burlingame), CA
July 9 - 10 (11)* ....Boston (Bedford), MA
July 15 - 16 (17)* ....Minneapolis, MN
July 21 - 22 (23)*................San Francisco (Burlingame), CA
July 21 - 22 (23)*................Toronto, ON, Canada
July 28 - 29 (30)* ....Columbus, OH
August 4 - 5 (6)*..................Chicago (Des Plaines), IL
August 4 - 5 (6)*..................San Francisco (Burlingame), CA
August 11 - 12 (13)* ....Boston (Bedford), MA
August 18 - 19 (20)*............Atlanta, GA
August 18 - 19 (20)*............San Francisco (Burlingame), CA
August 25 - 26 (27)* ....Philadelphia, PA
August 25 - 26 (27)* ....Vancouver, BC, Canada
September 8 - 9 (10)*..........Irvine, CA
September 15 - 16 (17)* ......Boston (Bedford), MA
September 15 - 16 (17)* ......Raleigh (Durham), NC
September 15 - 16 (17)* ......San Francisco (Burlingame), CA
September 22 - 23 (24)* .....Austin, TX
September 22 - 23 (24)* .....Denver (Littleton), CO
September 22 - 23 (24)* .....Newark, NJ
September 29 - 30 (1)*........San Francisco (Burlingame), CA
October 13 - 14 (15)*...........Minneapolis, MN
October 13 - 14 (15)*...........Tampa, FL
October 20 - 21 (22)*..........Boston (Bedford), MA
October 20 - 21 (22)*..........Santa Clara, CA
October 27 - 28 (29)*..........Montreal, QC, Canada

Day 3 is Requirements That Work

Pragmatic Roadmapping™

Offers techniques for developing, consolidating and communicating product plans and vision to multiple audiences—both inside and outside the company. Designed for members of the product management, marketing and development teams tasked with planning product direction and communicating product strategy.

October 31.....................San Francisco (Burlingame), CA

New seminar locations!

Requirements That Work™

Provides a repeatable method for writing clear requirements your team will read and use. It discusses techniques for prioritizing and organizing market requirements and clarifies the roles for team members. This approach enables organizations to deliver solutions that sell.

July 9 ....San Francisco (Burlingame), CA
July 11...........................Boston (Bedford), MA
July 17...........................Minneapolis, MN
July 23 ....San Francisco (Burlingame), CA
July 23 ....Toronto, ON, Canada
July 30 ....Columbus, OH
August 6 ....Chicago (Des Plaines), IL
August 6 ....San Francisco (Burlingame), CA
August 13 ....Boston (Bedford), MA
August 20 ....Atlanta, GA
August 20 ....San Francisco (Burlingame), CA
August 27 ....Philadelphia, PA
August 27 ....Vancouver, BC, Canada
September 10 ....Irvine, CA
September 17 ....Boston (Bedford), MA
September 17 ....Raleigh (Durham), NC
September 17 ....San Francisco (Burlingame), CA
September 24 ....Austin, TX
September 24 ....Denver (Littleton), CO
September 24 ....Newark, NJ
October 1.......................San Francisco (Burlingame), CA
October 15.....................Minneapolis, MN
October 15.....................Tampa, FL
October 22.....................Boston (Bedford), MA
October 22.....................Santa Clara, CA
October 29.....................Montreal, QC, Canada

Effective Product Marketing

Delivers practical tools and processes for product marketing, industry marketing and marketing communication managers who want to improve their strategic contribution and align with the sales organization. Learn how to build a repeatable process to develop, execute and measure go-to-market strategies that ensure product success.

July 16 - 17 ....San Francisco (Burlingame), CA
July 23 - 24..................Atlanta, GA
August 5 - 6..................Boston (Bedford), MA
August 20 - 21 ....Costa Mesa, CA
September 17 - 18 ....San Francisco (Burlingame), CA
September 24 - 25.........Reston, VA
October 14 - 15.............Boston (Bedford), MA
October 28 - 29 ....Minneapolis, MN

New Rules of Marketing™

Teaches technology company marketers how to harness the power of online marketing using blogs, viral marketing, podcasts, video, search engine marketing and online thought-leadership. Learn a step-by-step framework for building an online marketing strategy and a tactical, actionable plan to reach your buyers directly.

July 15..........................San Francisco (Burlingame), CA
July 22 ....Atlanta, GA
August 7 ....Boston (Bedford), MA
September 23 ....Reston, VA
October 16.....................Boston (Bedford), MA
October 30.....................Minneapolis, MN

The Pragmatic Marketer™
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