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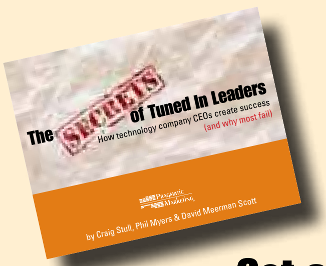

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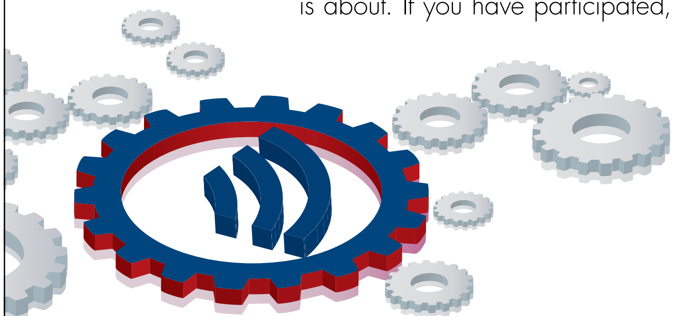

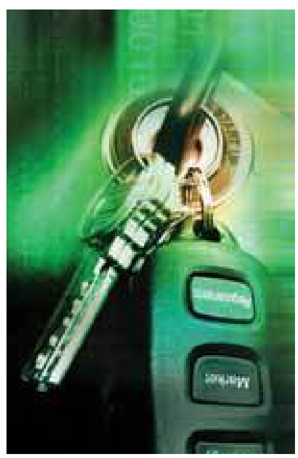

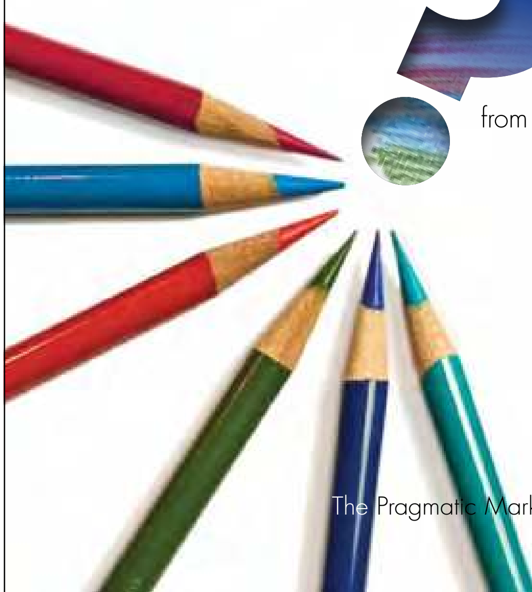

ProductCamp Best Practices

By John Milburn and Paul Young

ProductCamps are taking the world by storm and have sprouted up in Silicon Valley, Austin, Toronto, Amsterdam, Sydney and more. If you haven't participated in one, you might wonder what all the fuss is about. If you have participated, you already know!

How did ProductCamps originate?

ProductCamps are based on the concept of BarCamps, the first of which was held in Palo Alto, California in 2005. It's a reference to the hacker slang term, foobar. BarCamp arose as a tongue-in-cheek spin-off of Foo Camp, an annual invitation-only participant-driven conference hosted by open source publishing luminary Tim O'Reilly. Where FooCamp was by invitation only, BarCamp would be democratic and open to all. BarCamps have been held in over 350 cities around the world, and even virtually over the Internet.

The first ProductCamp (aka P-CAMP) was held on March 15, 2008 in Mountain View, California. Word-of-mouth spread fast about this "unconference" (no registration fee, no agenda, no selling) and about 170 people attended on a Saturday to discuss topics of interest to product managers, product marketers and a host of related roles.

Following this event, many participants commented via blogs, wikis, and tweets. The idea went viral, and other cities started ProductCamps of their own. Austin was first out-of-the-gate with others following over subsequent months in 2008, 2009 and into 2010.

Given the proliferation of ProductCamps, we thought it would be useful to summarize some best practices and hopefully these guidelines will help you organize or participate in an unconference in your local area.

Why attend ProductCamp?

Has your travel budget been cut? Do you want to learn from peers outside your company? Are you looking for informal ways to "meet-and-greet" others? Do you enjoy presenting or leading roundtable discussions on timely industry topics? Are you unemployed or under-employed, and want to increase your network? Do you want to meet others who are passionate about product management and marketing? If the answer is "yes," to any of these, you should participate in ProductCamp!

Why organize a ProductCamp?

Have you ever attended an industry conference or company event and felt like you could have organized it better? Do you feel industry conferences have become too "sterile" or dominated by big vendors? Are there a lot of knowledgeable product management and marketing professionals in your area, but no good forum to get together? Would you like recognition in your community as someone that "gets things done"? Dozens of your peers around the world are planning ProductCamps for these same reasons.

Since ProductCamp is free to attend and typically held on a Saturday, it's a low-risk way to expand your skills and personal network. Plus, since it's "user-sponsored," it will not be a thinly veiled sales event—participants are strongly discouraged from selling or promoting products.

Many ProductCamps use an "Open Grid" to set the agenda. Presenters and roundtable facilitators submit topics prior to the event, or sometimes even on the morning before the event starts. A final agenda is created real-time, by and for attendees.

ProductCamp guidelines

Several common themes have emerged from ProductCamps held to date, though the flow and tenor may change from city to city. Since it's an unconference, there are very few rules. The general guidelines (adapted from BarCamp) are:

- ProductCamps are free, but there is a "cost" to attend. There are no passive attendees. Instead, everyone is referred to as a "participant" and expected to contribute in some way: presenting a session, coordinating sponsors, managing the venue, volunteering for setup and teardown, or sitting in a discussion panel—there are many ways to participate.
- Information sharing is expected and encouraged. Everyone is urged to share event information and experiences, both live and after the fact, via blogging, photo sharing, social bookmarking, tweeting, and wiki-ing. This open encouragement is in deliberate contrast to the "off-the-record" and "no recording" rules of many conferences.
- The "2-foot" rule applies: ProductCamp typically features concurrent sessions. If you feel you'll get more out of a different session, use your own "two feet" to move—no one should feel tied down.
- Networking is good! ProductCamps are held on a weekend and go all day, so participation is a commitment. The sacrifice in time and energy means only those who are really interested attend.

Venues typically provide basic services. Free internet access and Wi-Fi are crucial. Sponsors provide funding for "nice-to-haves" such as t-shirts, meals/snacks, signage, lanyards, etc. Attendance is free and usually restricted only by venue capacity. Due to the popularity of these events (and to assist in planning for meals, t-shirts, etc.) advance registration is often required.

ProductCamps have been held at university-donated facilities, professional learning centers, and corporate offices.

A typical day begins with attendee registration and breakfast. Then participants are led to a "main-tent" session that explains the format, rules, and introduction of ProductCamp planners—but, more importantly, the opening session sets the tone that ProductCamp is by and for attendees, open and discussion-oriented, and most importantly, fun.

In today's economy, several ProductCamps have offered a few minutes for anyone who has job openings to present a very short overview of the position/company.

ProductCamps use an "Open Grid" to set the agenda. Presenters and roundtable facilitators submit topics prior to the event, or sometimes even on the morning before the event starts. A final agenda is created real-time, by and for attendees. Session leaders are sometimes given 30 seconds in the welcome session to introduce themselves and their topic. Then it's time to vote! One popular technique is to give each participant three sticky notes as they arrive. Volunteers post session topics in a central area and ask everyone to place the sticky notes under their top three choices. Sessions receiving the most votes are plotted on an "agenda sheet" in such a way to minimize topic conflicts. Based on interest level and available time slots, some topics may not make the agenda. It's open, it's participant-driven, and it really works!

Sessions usually run 45-50 minutes with a break for lunch and plenty of "slack time" for informal networking. Most ProductCamps reserve a few meeting rooms for parallel sessions and list four to six time slots. The best ProductCamp sessions are facilitated roundtable discussions—leveraging participant knowledge. Notes, videos and photos are posted or linked to the ProductCamp website.

It's always fun to bring everyone together at the end of the day for a quick summary and to award prizes for best sessions. By this time, the group is comfortable and can get rather lively celebrating the hard work and start planning the next ProductCamp.

→

Tips for running ProductCamp

Don't over-plan! Think of it as a fun way to get together and meet others to learn and network—not a typical conference where events are pre-planned. Structure is good, but too much defeats the purpose.

Make registration very easy. People won't register if they have to jump through hoops—email address is the only personal information really needed at this stage.

If you have trouble getting sponsors, sacrifice the t-shirts and breakfast.

Assign a "go-to" person who is very organized and able to delegate—not to do all the work. The time commitment varies (more time is needed closer to the event).

There are five key areas that need leadership, coordination, and accountability to ensure a successful ProductCamp:

Marketing

- Create a website and Twitter hashtag. Optional: create a Facebook page and LinkedIn Group. If you have a local Product Management Association, ask them to post the event on their site and in newsletters
- Provide regular e-mail updates to registrants
- Get mentions in relevant newsletters, blogs and websites. Contact local media (newspapers, business and tech journals, TV, radio)

Volunteers

- Initially just collect names but a critical role on ProductCamp day
- Set up registration table for sign-in, t-shirt, sponsor give-aways, any information sheets, etc.
- Have name tags printed for those who pre-registered, blanks for walk-in registrations (remember to leave space for your participant's Twitter ID!). If you can, add session break and lunch times to the back of the name tag.
- Parking directions/assistance (if needed)
- Cleanup—after meals and at the end of day
- Hall monitors—between sessions to answer questions and help shepherd people where they need to go
- Session monitors—make sure there is a timekeeper and note-taker in each session (doesn't have to be one of the organizers, have the presenter/moderator ask for volunteers)
- Encourage people to take pictures (a camera phone is often good enough) and post to Twitter or the event website or a Flickr page. Use the Twitter hashtag as a "keyword." A dedicated photographer is a plus.

Don't over-plan! Think of it as a fun way to get together and meet others to learn and network—not a typical conference where events are pre-planned.

Sessions

- Encourage people to sign up to present or host a roundtable
- Ensure everyone understands the “Open Grid” scheduling
- Collect and post presentations and notes from the sessions to the event website or a site like SlideShare
- Coordinate the “best presentation” voting and awards
- Conduct a post-ProductCamp survey

Budget

- Get financial commitment from sponsors
- Manage budget and pay bills (ideally, set up a 501(c)(3) and open a checking account)
- Order and pay for food, name badges, signs, t-shirts, lanyards and trophies

Venue

- Coordinate building open/close times, security and parking
- Visit the facility the day/evening before the event to ensure everything is ready
- Set up rooms including projectors, chairs, whiteboards, etc.
- Manage details about the food—set up, trash cans, location, cleanup

If you need help organizing a ProductCamp, please let Pragmatic Marketing know. We have been involved with every ProductCamp and can provide sponsorship, promotion and get involved with planning teams as a resource for questions and guidance. TPM

John Milburn has “walked the walk” in technology product management and is an instructor at Pragmatic Marketing. Throughout his 20+ year career, he managed or delivered over 40 hardware and software products and implemented the Pragmatic Marketing Framework at countless companies.

John is on the planning team for the Austin ProductCamp and has helped leaders of many ProductCamps. Contact John at jmilburn@pragmaticmarketing.com

Paul Young is a product management professional with more than a decade of experience in hardware, software, and services product management and marketing. He is an instructor at Pragmatic Marketing. He has also held a variety of product management and marketing roles in technology startups and Fortune 50 companies such as Dell, NetStreams and Cisco Systems.

Paul is founder of ProductCamp Austin and has helped leaders at other ProductCamps. Read his blog at productbeautiful.com. Contact Paul at pyoung@pragmaticmarketing.com

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Auditing Product Management in Early-Stage Companies

By L. Kurt Reiss

Many product managers like to work in startup companies. I've been one of them. Why? Without doubt, a product manager in a startup has an opportunity to make broad-ranging and meaningful contributions to product success, fast. But, life in that lane is not easy.

Early product definition tends to be quite elastic, leaving room for creativity. Corporate structure in a startup tends to be flat, allowing exposure to serious and far-reaching business and technology problems that impact decision making. That's all good. However, one of the major difficulties is **confusion**. It's all in flux. Yes, broad-stroke formulations of product vision and business concept do exist, the ones used to raise funds for the startup. But almost always, even these fundamental statements change with time. Flexibility is good but it's hard to succeed without a firm grasp of reality and clear articulation of objectives, decisions, success factors and progress metrics.

How do you deal with this "mess" of moving targets and reference points? The tool that has not been broadly used but can be of great help is the product management audit. What is a product management audit? Let's take a closer look, but first, I'll highlight key issues related to product management in a startup. Then, we'll define the specific problem we propose to address here and explore an example of an audit meant as a remedy for this problem.

The problem

The three issues that hold keys to product success and frequently, create problems in a startup are strategy, market and customer needs, and product requirements.

Strategy is extremely important for any endeavor, and especially for a startup, both the corporate strategy and the product strategy. The issue here is two-fold: Is our corporate strategy really sound and clear—as articulated—and is its impact on product strategy well understood? Do all key people in the company understand and agree on the current articulation of product strategy?

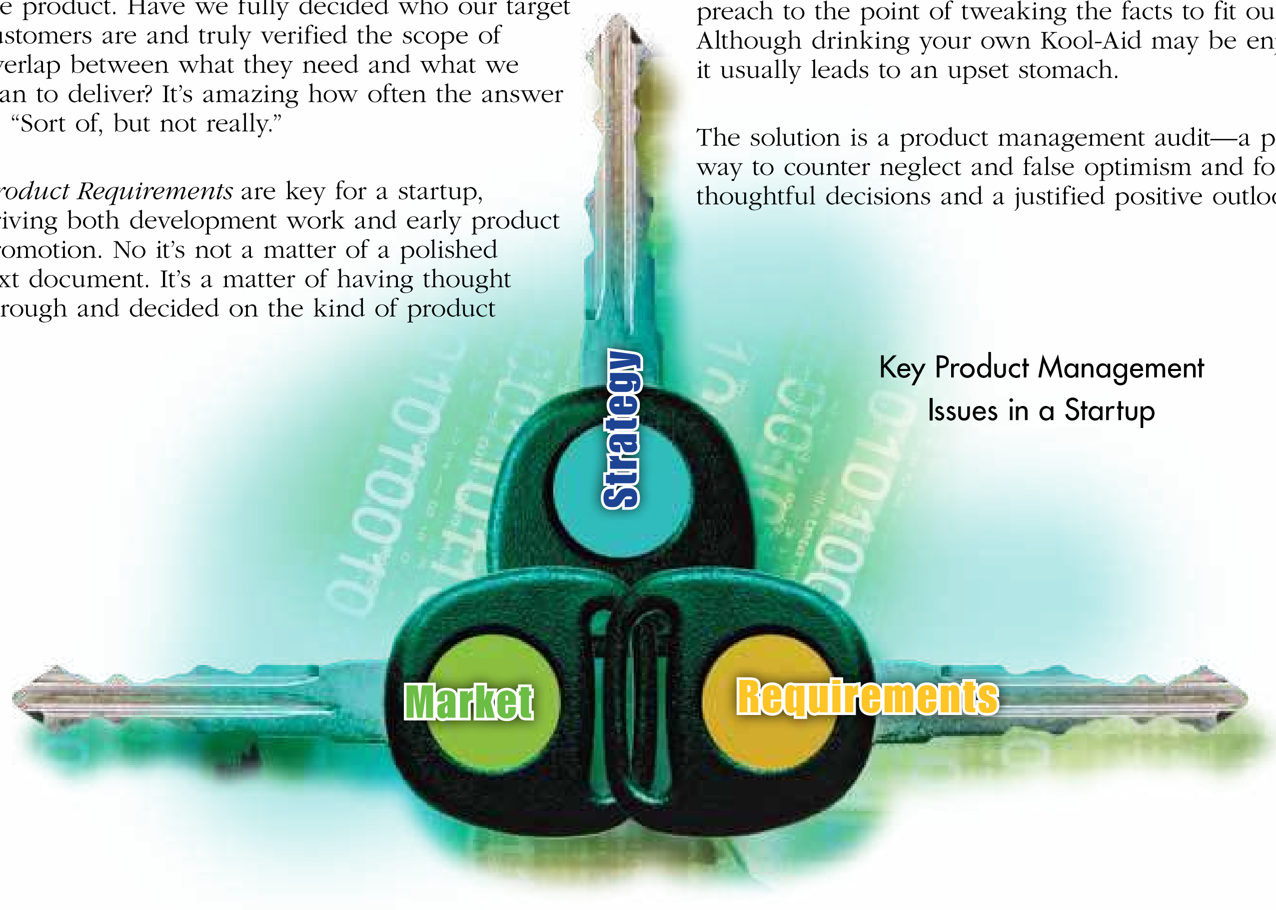
Target Market and Customer Needs define, almost completely, product requirements. Thus any lack of clarity here will soon lead to difficulties with the product. Have we fully decided who our target customers are and truly verified the scope of overlap between what they need and what we plan to deliver? It's amazing how often the answer is: "Sort of, but not really."

Product Requirements are key for a startup, driving both development work and early product promotion. No it's not a matter of a polished text document. It's a matter of having thought through and decided on the kind of product we aim to bring to market, and when. And, it's a matter of mutual understanding among all the managers in the company what these requirements are. Are we building what we think we're building?

So are these three issues the problem we address here? Not quite. Entrepreneurs usually know these issues are important and create problems if not addressed. However, in a startup, people are very busy doing a lot of different things. Moreover, entrepreneurs want to be optimistic, driving to success by focusing on the possible rather than on the difficult. This combination doesn't leave much room for rigorous self-assessment.

The problem often is these three key issues are glossed over. We tend to think all three are in good shape, and justify these thoughts by superficial considerations and wishful thinking. We also want to believe what we preach to the point of tweaking the facts to fit our needs. Although drinking your own Kool-Aid may be enjoyable, it usually leads to an upset stomach.

The solution is a product management audit—a practical way to counter neglect and false optimism and focus on thoughtful decisions and a justified positive outlook.



Key Product Management Issues in a Startup

Key Factors in the Audit

The solution: a product management audit

What is a product management audit? First, it's a review. An analysis of the state of everything related to product management. The goal is to step out of the daily grind and take an unbiased look at issues, and grade the progress achieved towards solving each of them. It has some similarity to a financial audit. It's a step by step, "by the book," analysis of everything that impacts product management. It's a short, intense, and repeated effort.

What's the typical framework of a product management audit? For each issue related to product management, one should take a critical look at:

- Facts: What's known / not-known?
- Confidence: How confident are we to handle problems related to the issue?
- Responsibility: Who's responsible for resolving each of these problems?

That's the minimum, but a fundamental one. Of course, there are ways to augment the review by considering objectives, teams, resources, timelines, plans, etc. I would argue against taking it on. Always make sure the basics are sound before diving into the sea of details. Address details as a separate exercise.

Can an audit yield easy-to-understand-and-track metrics? Yes it can! And just two metrics will do. An "average" score (call it the A-score) and the "fix-it-now" score (the F-score). The A-score is a geometric average score of all factors under consideration. And the F-score is the lowest score of all individual factors.

Why is geometric average the right one to use? Think of a car's tire pressure. If three wheels are at 100% but one is at 0.01%, the arithmetic average (75%) says "it's still OK to drive" but the geometric average (10%) says "fix the tires now!" Clearly, you need all wheels in good working order to succeed.

The good thing about having numerical scores is they help track progress. They also help identify the bad outlier factors that need fixing immediately.

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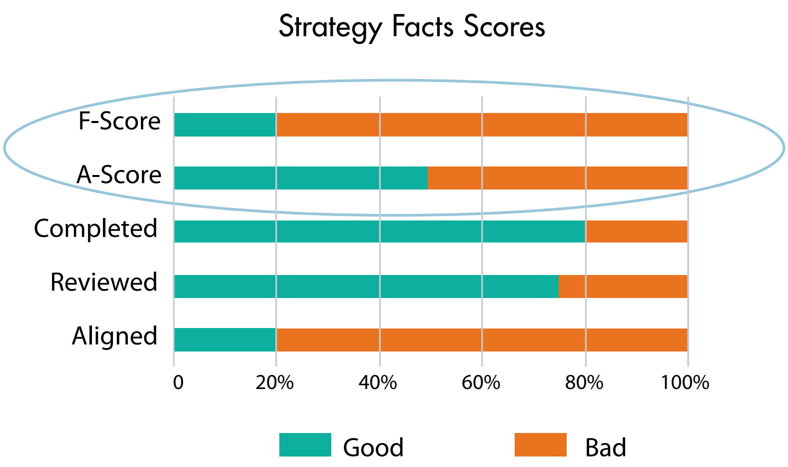
Example scoring of Strategy

Facts: Consider three strategy-related factors that can be scored with the good-bad percentage metric. For example, our strategy statement is 80% completed and articulated (80% good, 20% bad). And, 75% of our external strategy reviewers approve of the risks we'll be exposed to and bets we have made. And, 20% of our managers understand and accept our strategy. That yields A=49% and F=20%. That's very bad.

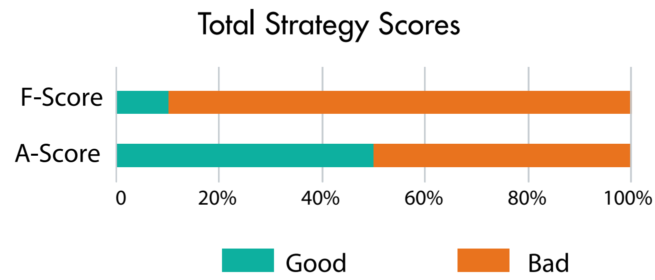


Confidence: We're 80% sure our strategy will not need to be modified before we ship the product. And, we're 50% sure our business can survive bad outcomes of our bets. And, we're 100% sure we will not run into any technology showstoppers. A=74%, F=50%.

That's not too bad but not good enough.

Responsibility: For 10% of our still-open strategy issues we have an individual identified who's responsible for closing them. A=F=10%. Really bad!

Total score for Strategy in this example: A=47%, F=10%.



These are dismal results, but the good thing is: they clearly point to areas where improvement is needed.

Example scoring of Target Market

Facts: We know user needs of 80% of the target market segment. We have articulated competitive win scenarios for 20% of anticipated competitive bid types. 100% of our identified target adopters are committed to do beta testing of our product. A=54%, F=20%.

Confidence: We are 90% confident that our value proposition is compelling to our target customers. We are 80% confident customer needs will not change before we ship the product. We are absolutely (100%) sure of our target market size. A=90%, F=80%. Excellent result—and therefore solid scrutiny is needed to verify this score.

Responsibility: We have individual owners for 50% of win scenarios that are still missing. A=F=50%

Total score for Market: A=67%, F=20%. Better than Strategy, but still far, far below target.

Example scoring of Product Requirements

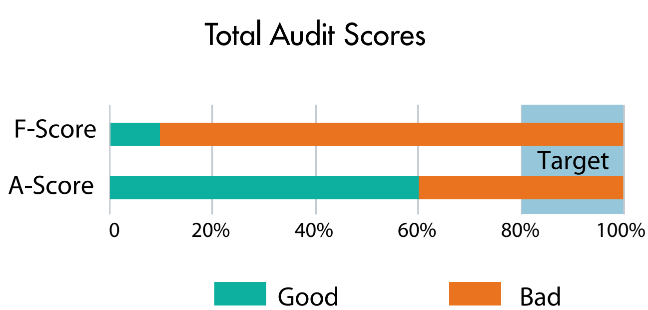
Facts: The Product Requirements Document (PRD) is 100% completed and reviewed. 90% of individual requirements have defined priorities associated with them. The review found 80% of these requirements are clear to reviewers. A=90%, F=80%. Good.

Confidence: We are 60% confident that requirements define all factors critical for winning against competition (Does this agree with the estimate for competitive wins in the Market section? What if it doesn't?). We are 90% confident that priority-1 requirements must be satisfied before the product ships (Which ones are the questionable 10%?). A=73%, F=60%. Still needs fixing.

Responsibility: We have one owner for 100% of the requirements that need better prioritization and/or clarification. For 20% of items that need clarification, we have identified reviewers that will decide if they have been sufficiently clarified. A=45%, F=20%. Bad.

Total score for Requirements: A=69%, F=20%. Well, this is embarrassing.

And finally, aggregating all scores, the total Audit score for Product Management in this example is: A=60%, F=10%.



I wouldn't invest in this example startup until these numbers are much, much higher. Can they get better? Of course they can. Once you know—as illustrated by the audit results—what needs fixing, it's easier to focus your energy and improve the situation.

Audit template

Whether you decide to do it or arrange for an independent audit, it's good to have a solid understanding of how it works. There are three key aspects of an audit: First and foremost, it's the scope: the list of questions or factors to examine and review. Second, it's the mechanics of organizing results and computing metrics. And finally, but perhaps most importantly, it's the veracity and validity of the audit. A template shown on the next page may be of assistance for the first two. As for the third, it's a matter of trust in the person(s) doing the audit.

Questions can be many and varied, but not all of them are the "right" questions for a product management audit. What are the right questions? They are largely defined by the intersection of the two sets of topics discussed earlier: "strategy-market-requirements" and "facts-confidence-responsibility." The ones in the preceding section could be a good starting point. How many questions to ask? As few as possible that are the most meaningful in your situation and answerable with a numerical (percentage) metric.

Some questions can be answered with a precise (countable) number. For example: "What fraction of individual requirements in the PRD have priority assigned to them?" Others can't. For example: "What is our level of confidence in factors that will assure our wins in competitive bids?" Still, a rough percentage estimate can be defined and be useful. Just make sure the audit captures and considers not only the estimate but also its source.

Going beyond the audit questions used in the example above, other fact-related questions may include:

- What fraction of our value proposition is uniquely differentiated?
- What fraction of our efforts brings a distinctly new value to the market?
- What fraction of our target market could materially benefit from the full set of features of our product?
- What fraction of the cost of the solution implementation by our customer will be due to the purchase of our product?

- What fraction of our product requirements directly map to our value proposition?
- What fraction of our product requirements represents new and differentiated value?

All of these questions are the "right" questions for the audit. That's because for each of these questions, a high percentage-score answer represents a "good" answer. The higher the score, the better.

Mechanics of the audit can be supported by a spreadsheet, like the one shown below. The auditor can complete the "Questions" fields and associated "%" estimates, as the audit proceeds.

The example above and the template need a fair amount of specificity. The main thing about the Audit is doing it, applying serious qualitative analysis and using the score as a tool, first for critical thinking, then for tracking progress—until the next audit.

Who needs (and wants) the Audit?

Certainly top executives in the startup should want it, as should the board and investors. If there is one, so should the product manager. Best startups may not need product management audits—all's working well there. But the vast majority of startups would certainly benefit. What if a company does not yet have a dedicated product manager? Often, the founder drives early product definition and its creation. However, the founder does not usually have the time and inclination which often leads to unjustified optimism about the product in the market and vague product requirements. An audit can really help.

Can it possibly happen that top executives of a company would not want a product management audit? Entrepreneurs are typically strong willed and may simply find it difficult to deal emotionally with someone else "checking" the validity of their own vision and perception. Weak entrepreneurs may even fear less-than-stellar results of an audit may negatively impact investors' view of the company. It is possible that some companies would prefer not to do such audits. But, the value of an audit is not in finding fault, it is in confirming that everything is fine and if not, in identifying areas that need attention. The audit results present an independent opinion, a tool facilitating good decision making for product management purposes.

You can do an internal audit but it's best to rely on someone external. Just think about a due diligence process a startup goes through prior to a round of funding. Would an investor ask the company itself to perform such due diligence? Would you rely on the analysis for fund-raising purposes to actually drive your business? The #1 objective of that analysis was to raise funds and that calls for a level of optimism that may be dangerous in day-to-day business operations.

Audit Template

		Questions	Scores (%)		
Strategy	Facts			STR	TOTAL
	Confidence				
	Responsibility				
Market	Facts			MAR	
	Confidence				
	Responsibility				
Requirements	Facts			REQ	
	Confidence				
	Responsibility				

Results	
POWER(PRODUCT(STR),1/COUNTA(STR)) = **A-score for Strategy =**	
MIN(STR) = **F-score for Strategy =**	
POWER(PRODUCT(MAR),1/COUNTA(MAR)) = **A-score for Market =**	
MIN(MAR) = **F-score for Market =**	
POWER(PRODUCT(REQ),1/COUNTA(REQ)) = **A-score for Requirements =**	
MIN(REQ) = **F-score for Requirements =**	
POWER(PRODUCT(TOTAL),1/COUNTA(TOTAL)) = **Total A-score =**	
MIN(TOTAL) = **Total F-score =**	

Many startup leaders rely on their network of friendly, non-competing, experienced (read: successful) executives for sanity checks on their business. That's good, and necessary. But it's not sufficient. First, it's always broad-stroke. Second, it only involves the top layer of the company. The net result is similar to the frequent result of offsite executive meetings: Executives have differing recollections of what was decided and few non-executive people in the company know what those decisions were.

This article focuses on product management in early stage companies. However, product management audit can also serve well in established companies, especially when they work to develop a new product for their portfolio.

So, if you decide you want a PM audit, who should do it? Do it yourself—if you can trust yourself in terms of experience and motivation—but it is best to rely on the objective judgment of a trusted, experienced, and independent professional.

Summary

Effective product management requires periodic rigorous review of key issues affecting the product. An audit of product management can serve a company well when used as a practical tool to evaluate and track progress and identify weak links. The audit, to be objective, is best done by someone independent, someone who's not involved in the day-to-day workings of the company.

The scope and details of an audit must be adjusted to the needs of the particular company. The main point is just doing an objective audit. There's much to be gained from going through it and applying the lessons learned in the company's drive to product success. TPM

L. Kurt Reiss managed products at multiple startups and companies large and small, such as Interactive Supercomputing, Cascade Communications and Lucent Technologies. Focusing on technology ranging from niche products to a global market-leading product family, Kurt contributed to and led product management and marketing teams through all product cycle phases. He is the author of FOR PRODUCT SUCCESS—A Partnership of Two Managers and the What and Why of It. *Kurt provides product management consulting services at www.pathwaysfps.com. Contact: kurt@pathwaysfps.com*

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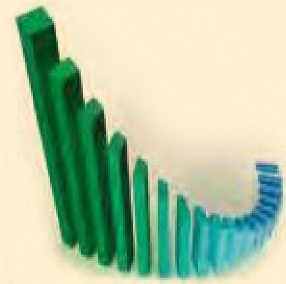

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How Many Data Points Do You Really Need?

By Ken Allred

One of the common questions I am asked when discussing win/loss analysis is, "How many deals do I need to analyze before I can start using the data?" In the past, my response has always been that you will get value from the very first win, loss, or no decision, you analyze. However, because statistics teaches us about minimum confidence levels, confidence intervals, and margins of error, people often struggle with the idea that they can start leveraging the data from their win/loss program from the very first data point.

Get away from the "survey" mindset

By just listening to the terminology executives use, it is obvious many initially base their vision of a win/loss program on their prior knowledge of market research or political polls. For instance, the term "survey" is often used to describe what is actually an in-depth "interview." Unfortunately, this market research-based mindset often diminishes the usefulness of a win/loss program and gives the false impression the program will need hundreds (or even thousands) of data points to be accurate or useful.

Certainly, if you were to use a win/loss program to determine the general buying habits of your buyers (or the populace as a whole), you would want to interview a large number of random customers in order to achieve a representative sample and a high level of statistical confidence. However, working with hundreds of companies over the past ten years has shown that the most successful win/loss analysis programs do not try to cast such a wide net. Instead, they act more like a laser pointer that illuminates very specific information about very specific issues and questions. In other words, to get the most out of your win/loss program, it should not be seen as a survey tool (which simply gathers information), but rather a *decision-making* tool and an *early warning* tool.

If you think you can't get value from your win/loss program, or believe you can't begin making decisions based on win/loss data until you achieve a statistically significant number of data points, our research shows you risk missing as much as 75 percent of the potential ROI you could achieve with your win/loss analysis program. The key is to understand how and when to use the intelligence gathered through your win/loss analysis.

The decisions executives and managers make

To determine how many interviews are needed for a win/loss program to be effective, it is important to understand the kinds of decisions your organization makes and to understand how win/loss analysis can help you make better decisions.

Professor Robert A. Harris, in his VirtualSalt blog, outlines three major types of decisions: strategic, tactical, and operational.

Strategic decisions determine the long-term direction of an enterprise, product, or department. They also tend to direct and control an organization's resources. Strategic decisions involve a high degree of uncertainty due to the scope and time frames usually associated with these types of decisions.

Real-world examples of win/loss analysis that helped clients make better *strategic* decisions include:

- Competitive losses indicate buyers
  - want a vendor with strong off-shore capabilities in two specific countries
  - had issues with key contractual terms the client requires of new customers
- Buyers in both wins and losses describe a specific set of needs that aren't currently addressed in the market and warrant development of a new product

Tactical decisions support or achieve strategic decisions. In other words, tactical decisions are made to help bring about the results envisioned in the organization's overall strategy. As such, they tend to be more immediate than strategic decisions, and can be made at both the managerial and executive level, whereas strategic decisions are almost exclusively determined by executives.

Real-world examples of win/loss program data that led clients to make *tactical* decisions include:

- Competitive wins indicate a key factor in buyers' decisions was the presence of superior sales engineer support
- Buyers in competitive wins talked about specific sales messaging and sales collateral that helped them make their decision, while buyers in lost opportunities did not reference these things
- Buyers in losses cited over-confidence of the sales representatives and disparaging the competition as key reasons for non-selection

Operational decisions support tactical and strategic decisions. They help to ensure that daily operations go smoothly and that tactical decisions are implemented. As the name indicates, these are usually made by managers, although they can also be made by executives.

Real-world examples of win/loss program intelligence that help clients make *operational* decisions include:

- A buyer in a lost opportunity indicated
  - the sales representative poorly presented the solution and did not understand how their product would solve the buyer's problems
  - they didn't select the client primarily because a product feature was not available, but the client's product actually had the feature
  - they are still evaluating solutions and would like to hear from the client again *(this situation happens more often than you think)*
- A buyer in a won opportunity indicates they were having trouble with communication and it was having a negative impact on their decision satisfaction

The number of data points needed to support accurate decision-making increases as you move from operational (which is often immediate and one data point can be sufficient) to strategic, which may require a large amount of information to get a clear picture of the entire situation. For instance, deciding which paper supplier to use for a direct mail campaign (an operational decision) would probably not require client interviews, but if you wanted to change the focus of your company from services to software (a strategic decision), it is in your best interest to interview a representative number of current clients to determine how they would react to such a change.

Win/loss as a decision-making and decision-support tool

From my experience over the last ten years, I found that win/loss analysis provides most benefit at the tactical and operational level, although, certainly, it does provide tremendous insight at the strategic level as well. It just takes a little more time before you can start to lean on your win/loss program when making long-term, strategic decisions.

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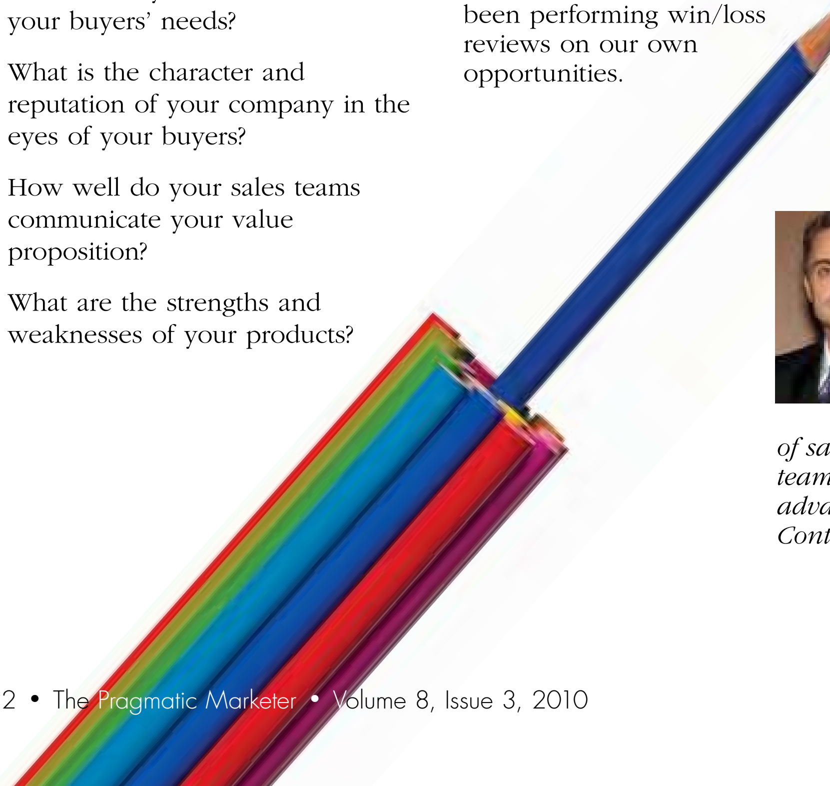
When you consider that each analysis is going to help you make an average of ten operational or tactical decisions, it becomes clear very quickly that you can realize great value from the very first interview of your win/loss program. Just how much value does each of these potential decisions represent? Let's look at an example: one of the most common operational decisions identified in win/loss reviews are sales weaknesses for an individual sales representative that can be immediately addressed through focused training and/or coaching. If this training can help the sales representative avoid making the same mistakes in future opportunities, their individual win rate will improve. The impact of this one decision to help a sales representative with an area of weakness identified by a buyer could be in the millions of dollars, depending on the size of your sales opportunities.

If done correctly, every win/loss interview will net key, actionable intelligence such as:

- What business needs are your buyers trying to solve?
- What could you do to better serve your buyers' needs?
- What is the character and reputation of your company in the eyes of your buyers?
- How well do your sales teams communicate your value proposition?
- What are the strengths and weaknesses of your products?
- What are the strengths and weaknesses of your competitors' products?
- How are your costs perceived in relation to those of the competition?

Last year, when I was reviewing some interviews we had done with our own buyers, I saw an issue emerge that definitely led to a better tactical decision. One of our respondents commented that their communication with us was almost entirely with the salesperson and they did not have sufficient contact with the Account Consultant who would be handling their program. Since one of our strategic goals is to be a trusted consultant to our clients rather than just a provider of data, I realized this was a significant issue. After getting the same feedback in two other interviews, I determined this was not an isolated case and made the tactical decision to involve our Account Consultants and other subject matter experts early in the sales process. The results have been good, with our clients coming out of the sales process more informed and more committed. This tactical decision was made based on three data points, but would have been entirely missed if we had not been performing win/loss reviews on our own opportunities.

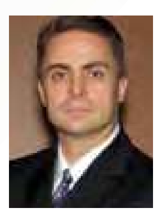


So, how many data points do you need?

The case I just described did not require many interviews or data points for the win/loss analysis to have a positive impact—in fact, it only took one to begin the decision process. This illustrates you can and will receive value from the very first opportunity you analyze. And as you add more data points, you will receive further validation and discover important, new insight.

The point is: since win/loss analysis is a dynamic process, it can and should focus on those issues that are most important to you and your buyers. This means, unlike a static survey, fewer data points are needed in a win/loss analysis to reach the insights you need to make better tactical and operational decisions to help you achieve your current strategic goals and overall success.

Don't wait until you have a "sufficient number" of data points before you realize value in your win/loss program. Begin analyzing and using your win/loss data from your very first buyer interview and start seeing returns much more quickly. TPM



Ken Allred, Founder and CEO of Primary Intelligence, is a thought leader in SaaS-based sales intelligence, analytics and sales enablement solutions. He is committed to the optimization of sales, marketing and product management teams through the implementation of advanced Sales 2.0 intelligence solutions. Contact Ken at kallred@primary-intel.com

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September 13 - 14 (15)* ... Atlanta, GA
September 13 - 14 (15)* ... Montreal, QC, Canada
September 20 - 21 (22)* .. Baltimore, MD
September 27 - 28 (29)* .. Minneapolis, MN
September 27 - 28 (29)* .. San Francisco (Burlingame), CA
October 4 - 5 (6)* .... Chicago, IL
October 4 - 5 (6)* .... New York, NY
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October 25 - 26 (27)*....... Boston (Bedford), MA
October 25 - 26 (27)*....... Raleigh (Durham), NC
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August 11......................Toronto, ON, Canada
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August 25 ....Denver (Littleton), CO
September 15 ....Atlanta, GA
September 15 ....Montreal, QC, Canada
September 22 ....Baltimore, MD
September 29 ....Minneapolis, MN
September 29 ....San Francisco (Burlingame), CA
October 6......................Chicago, IL
October 6......................New York, NY
October 20...................Houston, TX
October 27...................Boston (Bedford), MA
October 27...................Raleigh (Durham), NC
November 3.................Herndon, VA
November 3.................Toronto, ON, Canada
November 10 ....San Jose, CA
November 17 ....Vancouver, BC, Canada
November 18 ....Austin, TX
December 15................San Francisco (Burlingame), CA
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