

THE PRODUCT MANAGEMENT AND MARKETING AUTHORITY

PRAGMATIC MARKETER

WINTER 2013

the
communication
issue



**VIEW FROM THE TOP:
HOW TO TALK TO CEOs**

- Elevate Your Product Team
- Confessions of a Sales Guy
- Crowd Branding

20

**WAYS TO IMPROVE
CUSTOMER
COMMUNICATIONS**

Welcome to the first issue of the relaunched *Pragmatic Marketer* magazine.

Last year, the number of people who have taken Pragmatic Marketing courses reached a milestone 85,000—demonstrating the growth of product management and marketing as a field in the 20 years we've been around. And with that rapid growth and constant evolution, industry professionals need a centralized resource to turn to for best practices, case studies and information about their roles. Our magazine had already built a reputation as an industry resource, and we felt the time was right to invest in relaunching it.

Our hope is that this magazine will get important conversations started in the product management and marketing community, so it seems fitting that our inaugural issue focus on the world of communicating.

We lead with an article about a challenge everyone faces: how to work more effectively with customers. Cindy Alvarez offers you 20 ways to get the ball rolling. We follow with tips and best practices for communicating with everyone from CEOs and shareholders to finance executives and sales guys.

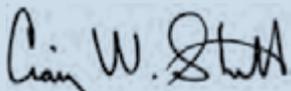
We've introduced three new recurring sections—Build Better Products, Sell More Stuff and Lead Strategically—designed to offer best

practices to help you in your day-to-day roles and to address the topics that you've told us matter most to you.

We hope you enjoy our magazine, and please feel free to communicate with us at editor@pragmaticmarketing.com. We welcome feedback, questions or ideas for what you'd like to see in future issues of *Pragmatic Marketer*.

We want to be that trusted resource that you look forward to every quarter.

Sincerely,



Craig Stull, Founder/CEO

PRAGMATIC MARKETER

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AND MARKETING AUTHORITY

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ISSN 1938-9752 (Print) ISSN 1938-9760 (Online)



Since 1993, Pragmatic Marketing has conducted product management and marketing training for 7,000 companies on 6 continents. Our team of thought leaders produce blogs, webinars, podcasts and publications that product professionals around the world turn to for industry insights.

the communication ISSUE

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“The Princess Bride”: Movie or Mini-MBA?



During normal conversations, either at home or at work, I often find that the reply that comes to mind is actually a quote from a movie. And more often than not, that movie is “The Princess Bride.”

You may have this experience yourself. Perhaps in a meeting, listening to the latest version of your organization’s strategy, your buddy turns to you and asks, “Think it will work?” And all you can think is: “It would take a miracle!”

Or your boss tells your team that the organization must have “focus,” and you think, “You keep using that word. I do not think that word means what you think it means.”

I’ve applied eight of my other favorites to the product management and marketing world. See if any of these situations sound familiar to you:

1. “You rush a miracle man, you get rotten miracles.” The lead engineer says the product will miss the release date by six months. You may want to strangle this person, but keep this quote in mind. You’ve got to collaborate with your counterparts in development, because what they do isn’t immediate. It’s not throwing a light switch.

2. “We are men of action. Lies do not become us.” Telling the truth, especially when it’s not popular, is one of the most challenging things to do in business or at home. We know what we believe, but do we have the courage to say it? Even when the audience is the president of the organization? It’s difficult to strike that balance between telling the truth and rocking the boat. At the end of the day, though, you have to look yourself in the eye and know you did what was right, that you spoke what you believed was true. And hopefully, you can make it through without your boss saying, “Do you want me to send you back to where you were? Unemployed, in Greenland?”

3. “I wonder if he is using the same wind we are using?” Competitive threat is a constant part of any successful business. If you are successful, there is always someone trying to take your market share away from you. You don’t want to obsess about the competition or build a product that mirrors what the competition has. But by the same token, you’ve got to pay attention to them. You’ve got to make sure that if there is a new wind out there, you get that in your sails too.

4. “You know how much I love watching you work, but I’ve got my country’s 500th anniversary to plan, my wedding to arrange, my wife to murder and Guilder to frame for it. I’m swamped.” Ever have one of those days when you just cannot seem to get all the work done? Product management and marketing are jobs where you’re just not going to finish everything. There are no clear priorities, and you have got to be really good at picking the things that you’re going to work on and letting the other ones hit the floor.

5. “Life is pain, Highness. Anyone who says differently is selling something.” Many years ago, I decided that the word “fair” should be stricken from the dictionary. If you expect life

to treat you fairly, you are only setting yourself up for disappointment. Move past those “unfair” situations as quickly as possible, because the longer you cling to them, the more time you’re wasting. The lessons you’re learning from what’s unfair today could be something you can apply somewhere else—and that’s okay.

6. “It’s not my fault being the biggest and the strongest. I don’t even exercise.” Do you work beside a supermarketer? That’s the fellow employee who always manages to work on products that exceed their revenue goals; who gets invited to every sales team quota club; and who has the best hair, the best clothes and the nice car.

There’s always going to be someone else who knows things that you don’t.

7. “Ha ha! You fool! You fell victim to one of the classic blunders—the most famous of which is ‘never get involved in a land war in Asia’—but only slightly less well-known is this: ‘Never go against a Sicilian when death is on the line!’” Try as you may, there is always one more business rule, one more experience that you haven’t had yet. And it seems as if the rule you need today is the one you don’t know. There’s always more to learn. Quotes 6 and 7 together, knowing that there’s always someone bigger and stronger and that there’s some classic blunder that I’ll always commit, keep me humble—and sometimes you need that.

8. “Sonny, true love is the greatest thing in the world, except for a nice MLT—mutton, lettuce and tomato sandwich—where the mutton is nice and lean and the tomato is ripe. They’re so perky! I love that.” At the end of the day, most stuff doesn’t matter. When emotions are high, and the release is late and everyone is screaming at each other, the successful marketer keeps perspective. Because life is not about this release or that customer or that deal. Life is much more, but is often as simple as a delicious sandwich.

Thanks for reading to the end. Good night. Good work. Sleep well. I’ll most likely kill you in the morning.

– Jim Foxworthy

Travel Tips for Road Warriors

TRAVELING TO CHICAGO?

Sure there’s culture, history and such. But what if you just want to get yelled at while ordering a hot dog? Yup, they’ve got that too. Here are a few odds and ends to check out in the Windy City.



The Wiener’s Circle

www.wienercircle.net

Not for the faint of heart, the char dog you order here comes with a side of verbal abuse from the employees, who have been described as “putting the ‘cuss’ back in customer service.” The hot dogs aren’t bad either.

The Field Museum

www.fieldmuseum.org

If you’re traveling with your little ones, consider “Dozin’ with the Dinos” at

Chicago’s Field Museum. Bring your own sleeping bag and play games from around the world while seeing live insects—all in the shadow of the 14-foot-tall Sue, the largest, best-preserved Tyrannosaurus rex specimen ever found.

Green Mill Cocktail Lounge

www.greenmilljazz.com

Not only is the Green Mill a fun place to hear jazz and poetry readings, but you can also check out gangster Al Capone’s favorite booth there. Rumor has it there’s an underground network of tunnels that Capone used to get in and out of the building.

Cloud Gate at Millennium Park

www.millenniumpark.org

One art-related must is Cloud Gate, a three-story steel sculpture from artist Anish Kapoor. It reflects and distorts the city skyline, and you can walk around and under it. Plus where else can you visit a sculpture with such a unique shape that natives affectionately call it “the bean”?

Resolutions Roundtable

“Get my backlog groomed out and increase the velocity with which we knock items off it.”

- Eban Tomlinson, product manager, ShipConstructor

“Get my company speaking opportunities at tradeshows.”

- Jennifer White, director of marketing, Network IP

“Help my team and company to become more Agile.”

- Victor Ortiz, director of product management, verticals & commerce, Digital First Media

“Make time to use my data better.”

- Kam Wa Tang, product marketing specialist, Yesmail Interactive

“Be curious.”

- Jon Zucker, senior product marketing manager, Imperva

“This year, I will spend more time at both extremes of the job: more customer face time—as opposed to phone calls and webinars to better understand users and buyers—and more time heads down analyzing data to better understand and improve the sales process.”

- Saeed Khan, founder, www.onproductmanagement.net blog

“Make a greater contribution to corporate and product strategy in the coming year.”

- Maya Markovich, director of product marketing, Daegis



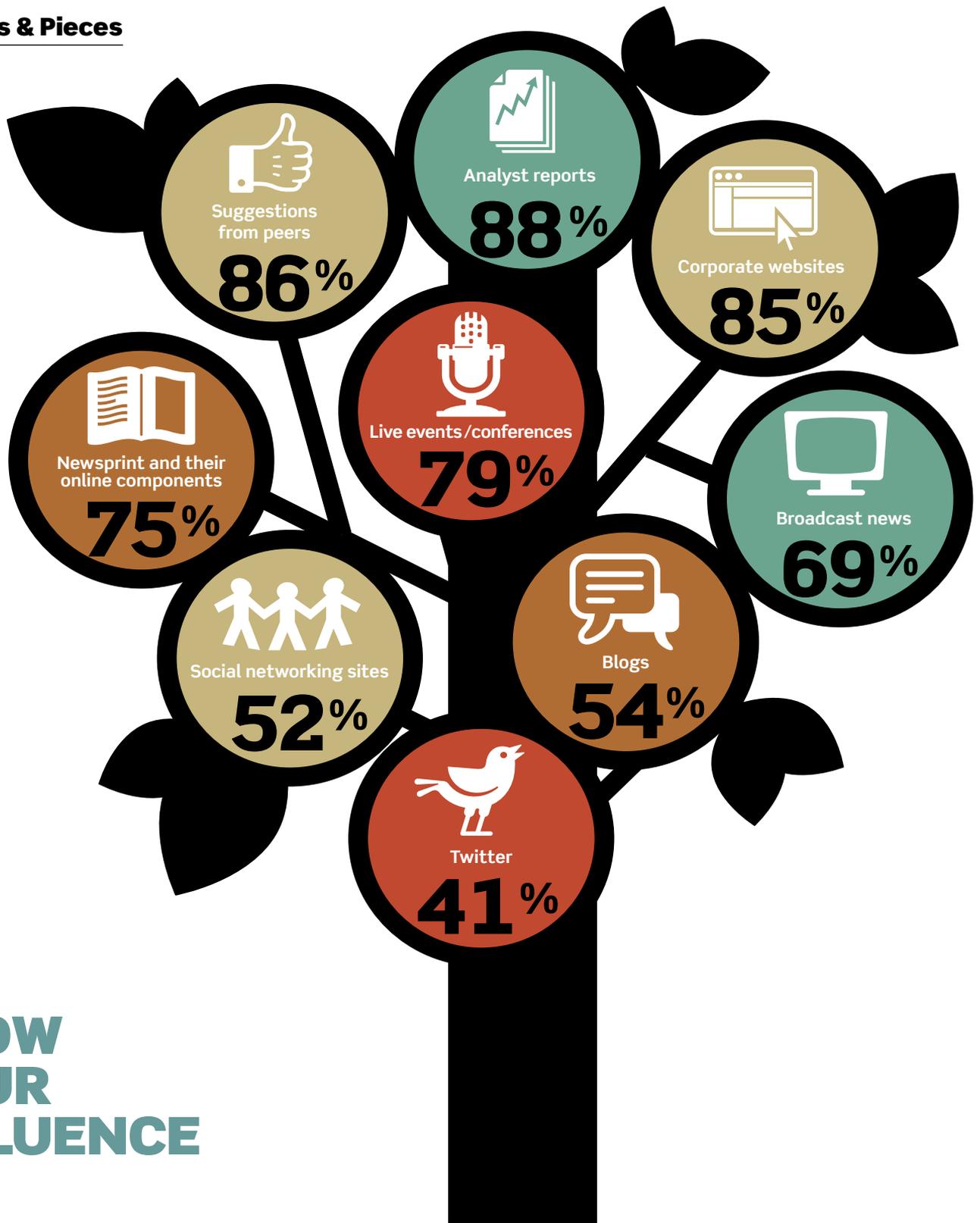
**Pragmatic Marketer asked:
What is your professional
New Year's resolution?**

Pragmatic Marketing's Golden Rules

1. An outside-in approach increases the likelihood of product success.
2. The answer to most of your questions is not in the building.
3. We are all pragmatic marketers.
4. If product management doesn't do its job, other departments will fill the void.
5. The building is full of product experts. Your company needs market experts.
6. Win/loss should be done by someone not involved in that sales effort.
7. Your opinion, although interesting, is irrelevant.
8. Positioning is the first step of execution.
9. Positioning focuses on the problems you solve.
10. Create a separate positioning document whenever the buyer's problems are different.
11. Name the product after positioning is finished.
12. Only build solutions for problems that are urgent, pervasive and that the market will pay to solve.

**We are all
pragmatic
marketers.**

13. Every “product” needs product management and a business plan.
14. Map your sales process to the buying process.
15. Marketing moves every deal forward. Sales moves each deal forward.



GROW YOUR INFLUENCE

KNOW WHO YOUR CUSTOMERS TURN TO

Worldwide enterprise IT spending is forecast to total \$2.7 trillion in 2013, according to Gartner Inc. **So how do you plant your stake? Influence the influencers.** The above were considered valuable sources of information in determining which vendor to select for large B2B purchases. (Source: Hill & Knowlton Strategies survey)

Ask the Experts: It seems like there is so much to learn in my new product role. Do you have any advice on where to start?



Jim Foxworthy, President
Pragmatic Marketing

You should always start with Market Problems. You wouldn't get in a car and start driving without knowing where you're trying to get to. And it's the same thing for anyone starting a new product role.

It's very easy, no matter what your title is, to get caught up in executing activities and tasks and not thinking strategically. There's always somebody standing in your doorway, saying: When can you get this roadmap done? Can you help with this sales call? Or can you go to this event? The people who get into product jobs are can-do people. They never say no, they just go and respond.

But when it really comes down to it, no matter what task you want to pursue, you have to start with Market Problems. First and foremost, you must understand what problem you're trying to solve, and then use that context for all other activities. If you do that, you're golden.

To get to those Market Problems, one of our favorite sayings around Pragmatic Marketing is: "Your opinion, although interesting, is irrelevant." It means that you have to leave the building and listen to the market, rather than just dreaming stuff up. You discover those problems in the market by interviewing your customers and potential customers. Then, you dig deeper to find out how common those problems are in the market.

All of the activities we include in our Pragmatic Marketing Framework, from strategy through execution, are important. But in our courses, we drive people to think about what problems they are trying to solve first. Then the rest of it is more powerful, and the pieces will tie together more cleanly. And your execution will be smoother, because you stopped and thought about it before getting on the road. **PM**

Do you have a question for our experts? Send us an email at experts@pragmaticmarketing.com.

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PRAGMATIC MARKETER FEATURE SECTION



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WAYS

TO IMPROVE

CUSTOMER
COMMUNICATIONS

BY CINDY ALVAREZ

Turn understanding
the customer
into a competitive
advantage.

HOW MANY TIMES HAVE YOU built a product, only to find out that nobody was interested in the features you painstakingly included? Even when you asked your customers what they wanted beforehand?

Ultimately, it's not just about talking to your customers that gives you the information you need, it's about talking to them the right way. Here are 20 tips to help you communicate with your customers better, so you can more efficiently deliver the products they actually want—not just what they say they want.

1 Have Them Tell You How It Would Make Their Lives Better

Customer requests are usually just one or two sentences, devoid of context. How can you possibly gauge the urgency of a request without a real conversation?

Which one of these would you place a higher priority on?

1. "PLEASE add validation checking for email addresses! If you give people a text field to type in their email address, there is nothing stopping them from entering a bunch of junk! This is not a good user experience, if they are expecting us to have their contact info!"
2. "Would it be possible to offer support for text versions of your email notifications? Right now we are only receiving them in HTML."

The first person used the phrase "not a good user experience" with multiple exclamation points, indicating urgency. But when I emailed them to ask how they would benefit from this feature, they talked about how they might want to use our product in the future, if they decided to do a certain marketing campaign. Turns out the requester was just an exclamation-point abuser.

The second person, on the other hand, told me about using our survey product to ask customers about bugs or feature improvements and sending responses directly into their customer support's content management system. The HTML formatting was making the feedback very hard to read and forcing customer support

folks to retype long passages every time they wanted to respond. In other words, they were suffering every time they used our product.

We made the change within days. And by learning about how they were using our product, we were able to suggest that same use case to other customers.



2 Say What Your Product Is For; Say What Your Product Is Against

When I worked at a banking technology company, we maintained a fairly active user forum. There was a handful of users who were openly critical of various features. In particular, they kept requesting very complex power-user features that we knew would appeal to a limited audience and incur a big overall usability cost. We kept not building those features; the users kept getting angrier.

Finally, I posted a message that said:

Look, we are never going to build this feature, and here's why/here's our product vision. We hope you'll stick around as customers, but if you're looking for a power-user product, we may not be the best choice.

I hit "post" and waited for the online fury to begin. But it didn't. It actually made things better. When we didn't share our perspective, customers were forced to assume that we were just ignoring them because we were too stupid or incompetent to build the features



“TURNS OUT

THE REQUESTER WAS

AN EXCLAMATION-POINT ABUSER.”

they wanted. While we still disagreed, the customers respected that we had a vision (“oh good, you’re not idiots after all”) and appreciated that we were honest with them.

3 Have Rules, but Don’t Enforce Them

Placing limits on your product has two big potential benefits:

1. Simplifies the user interface to help customers learn it more quickly and thus move to paying you more quickly
2. Enables you to charge more to the subset of customers who need to go beyond those limits

But if you set the wrong limits, it can be a hassle to change your code, change your policies and communicate with all of your users. We have used several “unenforced” limits (how many questions per survey, how many reports, how many events)—where we stated that certain limits existed, but did not actually write the code to enforce them.

If no one breaks your limits, then they are probably too high or too inclusive. If everyone breaks your limits, then they are probably too low. Once you have actual usage data, you can make a much more educated guess on where to set limits, and then write the code to enforce them.



4 Only Build It If You Can Measure It

To put this tip another way, if you can’t think of a way to prove that having done this was good for your business, you probably shouldn’t do it. Funnels and metrics are one thing, but product changes fundamentally need to be about revenue.

As a person who cares a lot about design, I always want to redesign/improve bits of whatever product I’m working on. I have to ask myself:

1. Will more people buy the product if you make this change?
2. Will fewer people leave us for a competitor product if you make this change?



IF YOU CAN'T
THINK OF A WAY

TO PROVE THAT HAVING
DONE THIS WAS GOOD,

YOU PROBABLY
SHOULDN'T DO IT.”

And if I can’t really, honestly, confidently say “yes” or even “probably” to either of those, it usually means I should suck it up and focus on more important changes.

5 Tell Them What They Should Do Instead

Customers will often ask for something that is actually bad for them—something that will make your product harder to use or make the results less valuable. You shouldn’t build it, but you also shouldn’t ignore them.

The right response is to confirm, acknowledge and educate:

It sounds like you want to [get specific question answered/ accomplish specific task]. We have seen with other customers that this doesn’t work well, because [reasons, consequences]. What may work for you is to [alternate suggestion]. This would help you to do what you’re trying to do without [consequence]. Here’s how you would get that set up.

Here’s an example:

It sounds like you want to maximize the number of responses you get to your question about shipping rates. However, we have seen with our other customers that displaying the same survey repeatedly does not increase the rate of thoughtful responses—in fact, they’ve gotten customer complaints about the intrusiveness of the survey and more non-useful responses like “make this go away.”

What may work for you is to ask this question on a more relevant page, such as the shopping-cart page. You will get fewer responses, but they are more likely to be thoughtful, content-rich responses. You’d do this by ...

6 Fake the Functionality

I had this brilliant idea that our survey product should support automatically recurring surveys—to run a Net Promoter Score survey automatically every month, for example. But building the automation on the back end and the user interface on the front end would have been quite a bit of effort for something I wasn't positive customers would use.

Luckily, "automation" lends itself very well to manual human labor.

I picked two-dozen customers, and sent them individually composed emails (that looked like "real" marketing emails), inviting them to try this recurring survey feature "in beta." For the four who said okay, I logged into their accounts as admin and set up the survey for them. I then waited one month and sent another email saying that a month had passed, and so we were about to run their survey again.

From their perspective, it looked like a true automated recurrence, a feature that they said they wanted to use. But they all emailed back to say: Never mind, I don't really want this. How can I turn it off?

7 Send Your Customer to Your Competitor

You know your competition, so you probably know about tools that your prospective customers haven't heard of. Sure it's great if it's your product that makes them happy, but you still get partial credit for being the nice person who told them where they should go.

I send people who want to write long-form surveys to a competitor, and a decent number of them have come back months later because we had a good interaction and they're ready to use our services.

A good format:

Thanks for wanting to use [ProductName]. Unfortunately, we don't do [feature], but I think you'll be able to do what you need with [CompetitorName]. Their product does [feature], and we've talked to people who are happy with them.

In the future, when you need to do [feature that ProductName can handle], we hope you'll come back and check us out again!



8 Ignore It Until You Can't

My favorite line: "You will have both visionaries and nutcases using your product. It's very hard to tell them apart."

In other words, if you jump on a feature request the first time you hear it, you may be taking advice from a nutcase.

Here's what happens. You get a request. Wait. If

it's a good one, you will start hearing other people request it soon. Or you can be proactive and casually ask other customers if they have the same problem. (Note: Do not say, "Would you use an automatic cat washer?" Instead, say, "Tell me about how you keep your cat clean." Problem, not solution.) If no one else requests it, and people don't respond when you ask them about the problem, you can safely ignore it.

9 Offer a Workaround

Useful tip: The people who ask for complicated features are usually the people best equipped to handle a long or tedious workaround. Just recently, a customer asked for a way to exclude certain data from our metrics—something we don't support—but I offered them two potential workaround solutions. Neither was perfect, and both required the customer to write extra code—but they were completely okay with that.

I've heard people say that offering a workaround is like admitting that your product is flawed. Yes, it is. But you still want them to be able to get value out of it. A good format for this:

Unfortunately, our product doesn't directly support [that thing you want to do].

However, if I understand correctly, you may be able to [briefly describe workaround process] in order to approximate [that thing you want to do]. Here are the step-by-step instructions. Please let me know if this is confusing, or if I am misunderstanding the task you're looking to do.

The advantage is that you can then watch your



SOMETIMES
YOU REALIZE

YOU'RE JUST NOT GOING

TO BE ABLE TO MAKE
THIS CUSTOMER HAPPY.”

customers using the workaround and get better ideas on how to eventually build the easier, more “productized” way of doing the same task because you’re able to anticipate their needs.

10 Be Less Attractive (to Certain Types of Customers)

Each type of customer is demanding in a different way: Corporate/mainstream companies may expect faster support turnaround and more custom attention; power users may expect more complex features; and casual consumers may expect greater ease of use and guided onboarding. Try to do all three, and you will stretch yourself too thin and disappoint your customers.

Instead, think of the bright-colored frog whose colors signal, “Hey snake, I’m poisonous, so don’t eat me.”

11 Until We Can Do It, Use Us for Free

As I mentioned, you will have customers who are visionaries. They can see ahead to things that your product should do. This makes them impatient. You may agree with them—but you’ve seen your schedule and know it’s not going to come in the next month, or the one after that.

So you say, “You’re right, we should offer Feature X. In fact, I’m also really eager for us to include that, because I know that right now you are doing [workaround] and

that’s tedious. Unfortunately, we’re a small team so I can’t promise that it’s coming in the next month or two. In the meantime, I’ve comped your account.”

That’s my way of saying that I hope they will stick around, and that I hope I can ping them again when we’re actually building Feature X.

12 Let Some Fish Get Away

Related to the previous two, sometimes you will acquire a customer and then realize you’re just not going to be able to make this customer happy.

Sometimes they want features that we are never, ever going to build, because they clash with our product vision or will actually hinder our ability to gain customers/monetize. Sometimes it’s our fault: We have some weird bug that really only affects them, and so it’s not worth devoting a ton of time to fixing it.

In either case, here’s what you say:

Unfortunately, we’re a small team and are not going to be able to accommodate your request/bug fix. I’m sorry we are not providing you with the great experience we want our customers to have. But I’d rather be honest than keep you waiting, and I’ve refunded your subscription fee. You may want to check out [Other Site] or [Other Site]; they may be able to better serve you.

I haven’t had to do this often, but I’ve been quite surprised by how well customers took the news the few times I have. I guess the bar for honest communication is so low that even if you give people bad news, they’re glad to hear something true vs. something that just sounds good.



13 Build a Simple Application Program Interface (API)

Here’s the thing about configuration and customization options: They make power users happy, but they drive away your mainstream customers by cluttering up your interface and making it harder for them to make decisions.

Our customers kept asking about configuration that fit their specific needs. I loved that they were so enthusiastic about the product as to want to integrate it into their sites, but knew that adding another dozen options to our already-crowded interface would be a disaster.

I can't take credit for the solution, though. Our developer Michael told me, "I got tired of hearing about these requests so I just wrote a quick API. Here's how it works. Customers can write any bit of code around it to control the triggers." This has worked tremendously well, and the customers are more than willing to write the extra code for the extra control they want.

14 Email Us for More Info

Early on, I saw that several of our paying customers were marketing agencies, using one account to run surveys for several clients. I hypothesized that we could charge more money to agencies, since they were able to get value on multiple sites (and were probably passing the costs along to their clients).

I tested that hypothesis by adding a single "email us" line to our pricing page. I figured that would give me the contacts necessary to do customer development on this segment. But to date, almost no one has emailed about agency pricing. No one cares enough. So not only did we save hours of coding, we even saved hours of customer development interviews!

15 Force Customers to Pick a Single Priority

I've actually used this more as an internal tool. Let's say you have a bunch of new features you want to build, a bunch of bugs that need fixing and some existing features that should be improved. Your CEO says, "It's all important. We should be working on all of this." (This has been the case with every CEO I've ever worked with.)

So you say, "Here are five choices. If you could only have ONE, because all of our engineers were stranded on a deserted island and could only send us code via messages in a bottle, which ONE would it be?" (Or make up your own story, the funnier the better.)

Then that becomes priority No. 1. Repeat with the remaining items, and thus avoid the "everything is highest priority" syndrome—at least a little bit.



16 Charge a Ridiculous Amount

Usually, if a customer requests something that you don't want to build or that doesn't fit with your vision, you can simply offer to charge them an insane amount of money and they will suddenly reevaluate their priorities and decide it's not necessary after all.

But if they don't come to that decision, that's a signal you should pay attention.

At one company, we had a customer who demanded very extensive changes for Americans with Disabilities Act (ADA) compliance. Saying "no" wasn't an option if we wanted to keep the customer, but charging what seemed like a ridiculous amount of money was. Surprisingly, they said yes.

Actually making those changes was incredibly painful and tedious, but it brought to my attention that the capability was worth way more than we hypothesized.

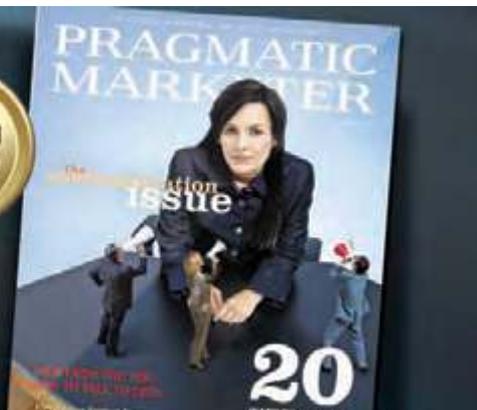
I worked with other product managers to ensure that our requirements included ADA specifications in future releases, and I worked with engineers so they could

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make certain parts of the code more modular for easier changes in the future. (And we were still able to charge a boatload of money every time someone requested these features.)

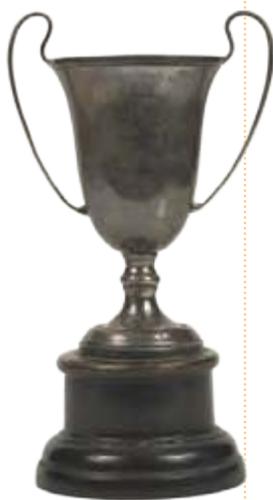
17+18 Ask for Help. And Be Grateful

If people are getting enough value from your product, they are probably willing to contribute some effort to make it even better. But let's not be totally arrogant here. My customers certainly aren't walking around all day thinking, "How can I make Cindy's product better?" It doesn't occur to them, unless you ask.

When the first person emailed to ask if we could provide our survey templates in Spanish, I knew our software would handle the character display. But we didn't have the language expertise in-house. And for a fledgling product, I couldn't justify hiring contractors. So I said, "Well, if you're willing to provide translations, we'll make them available."

The first guy responded with a three-page document of translated questions. So I set up a quick web page with forms that made it easy to collect line-by-line translations. It also included these instructions: Please feel free to rephrase if any of these questions or answers don't directly translate well.

We tweeted about how awesome it was to get translations and sent effusive thank-you emails out. This created a virtuous cycle: More people volunteering to translate, more thanks, more volunteers, etc. We now have surveys available in 14 languages and a significant non-English-speaking customer base.



19 Notify Me When ...

The feature doesn't exist yet. You put up a checkbox to "notify me when it exists." This isn't always a literal checkbox, but it's some way of prompting your audience to respond (or not).

The month before we initially launched, we put up a "notify me" splash page. When you clicked the "notify me" checkbox, you were taken to a brief survey. This confirmed customer interest, gave us a ton of email addresses and filled in an initial customer profile, so I could contact people for customer development interviews. Instead of completely losing that potential

customer, we had another opportunity to win them over if/when we added the feature.

20 Play Nice with Others

Your customers want to solve their problems. If your product doesn't do it all, figure out which additional products you can work with to get the job done.

Customers frequently ask if we're going to build a long-form survey platform to complement our current offering. We're not, but we found that using our tiny survey as a hook was a really efficient way to get people into a long survey. So I wrote up a quick guide showing people how to use our offering together with another company's.

While a formal integration would be nice, a detailed checklist is a good workaround in the short term. The rarest currency in most companies is time, and the biggest risk to time is the uncertainty of having to figure stuff out. A checklist or screencast doesn't reduce the amount of steps, but it dramatically reduces the number of decisions and "figure-it-outs"—and that makes customers happy.

Communicate to Win

All of these tips are about communicating with the market—talking and listening to current or potential customers.

When your product/company seeks to solve painful problems for customers through these communications, you create better relationships. You're empowered to ask more questions, and customers are happy to provide you with information in the hopes that it will further diminish their pains.

And whether you do it yourself, through offering competitor info or building partnerships, what you're providing is more likely to go beyond what customers say and addresses what they actually do—and they'll turn to you next time as their go-to resource. **PM**

About the Author

Cindy Alvarez uses product management, design and user research to turn user experience into a competitive advantage. She's worked with early-stage startups, medium-sized companies and Fortune 500 companies to make customer-driven development an ingrained part of company culture. She's currently leading product design and user research for Yammer. She can be reached at cindy@cindyalvarez.com.

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{ thecommunicationissue }



CONFESSIONS *of a* SALES GUY

An insider's look at how
product management can work more
effectively with sales.

BY STEVE HARPER



Have you ever wondered (or complained) about salespeople? Of course, you have. And at a ProductCamp recently, I was asked to address this dynamic. I started by asking the group of product managers, “What is the biggest frustration you have with sales?” I got a laundry list of the ills, character flaws and foibles of the sales team. Let’s face it, we are not the easiest people in the world. But we do a hard job and we keep the lights on. Here are the top four sales issues that were mentioned:

- Salespeople are only concerned with commissions.
- Salespeople think that they own the customers.
- Salespeople always want what the product doesn’t have.
- Salespeople have short attention spans.

This is a small subset of the overall rant I got from that group of product professionals. Frankly, as a sales guy, I think they are fair. But why are we sales guys (and ladies) like this? Let me explain the reality of being a salesperson.

Driven by Commissions

We are intensely concerned with our commissions, because it makes up between 50 percent and 100 percent of our income on a monthly basis. Any given month could be great or lousy, depending on how we do. We also live under the constant threat of losing our jobs. Believe me, as sales professionals, we are generally no more than one or two quarters away from losing our jobs if we do not perform. So if salespeople can sell a bunch of product A, and it is not hard to get installed and has a shorter sales cycle, then that is the product that moves.

If a new product comes out and takes hours of training and has a longer sales cycle, we may try it a couple of times, but will likely fall back to what puts money in our pocket and lets us keep our jobs. If that product is yours to manage, it will suck to be you.

I know, if only we would get you in front of a few customers or prospects, you could help us. What you don’t know is that we

tried that once. Yep. We took a product guy in to our best account, and he totally blew a deal that would have made for a huge commission check. I know it wasn’t you, but we won’t take that chance again.

Did this really happen? Maybe. Or maybe I just heard about it from a friend or it is an urban legend. But it is a real fear, and you have to deal with it. After all, salespeople own the customer relationship, which brings me to my next point.

Customer Relationship Owners

Yes, sales owns the customer relationship. Maybe we don’t own the actual customer, but the salesperson is the face of the company. That customer may even have come over from a competitor, simply because the salesperson joined your company. In some cases, they are more loyal to the salesperson than the product. It is that relationship that is the “value” that got the salesperson hired.

Features that Aren’t There

In many cases, customers would buy more or buy now—if only the product had that one single feature that isn’t there. Sometimes that is smoke being blown, but it is a real customer response. Customers want everything, and they want it at half the price.

Look at any request for proposal. The customer has taken your specs and those of your four biggest competitors and put all of those features into the “required” column. We are then expected to “sell around” that. That is what we deal with.

Look, a Squirrel!

Yes, we have short attention spans. But it is because we have to; it is the only way we can juggle everything.

We are working numerous deals at any one time, and these deals may have vastly different values, products, services and product managers involved. We have to keep all of this in our heads, and try to make sure that we are as expert at what we do as possible. We go to meetings, learn new products, attend training and update our customer relationship management tools. Meanwhile, we simultaneously deal with service and support issues, make the forecast

“As sales professionals, we are generally no more than one or two quarters away from losing our jobs.”

call, defend the pipeline to our boss and to his boss and attend or dial in to the company meeting. And since many of us are remote and on sales calls, we don't get to go to that ice cream party in the lunch room or play Frisbee golf at lunch.

You see our relationship building with clients as "schmoozing," but it also is a critical part of our job. We work many more nights and weekends than you think and play a lot less golf than you imagine. We spend more time in airports and traffic than any human should have to.

We do all of this because we really do love what we do.

Winning with Sales

Here is advice from a sales guy about how to be an asset to the sales team.

First, respect our time. When you are introducing a new product, we want to know four things from you as part of the training:

1. What problem does this solve?
 - This is a big one. If we don't really see the problem, how will our prospects and customers? (We love statistics, such as "72 percent of businesses will be cyber attacked in 2012.")
2. Who has the problem?
 - Let's face it, we won't get too excited about a great technology that solves a critical problem that only three people admit to having. Your market research should be able to provide this information easily.
 - We love powerful case studies and success stories.
3. What does it do?
 - Hint: It does not shift the paradigm of anything.
 - It is either an evolution of what we do, or something we do not do now but should be doing.
4. How does it do it?
 - Provide at a high level, but please, automagic doesn't exist.
 - We should be able to explain how the product is different from competitors'.

Keep the training short and conduct it online. You should also have a complete go-to-market kit ready when the training takes place. I have attended new product training for products that are not yet ready for release, then received the sales enablement stuff weeks later, then had a launch weeks after that, and then ... What was that new thing again?

You can record a longer, more-specific training for podcasts and webinars. Remember, we have windshield and airport time we can use.

Focus Your Focus Group

Do not use the entire sales team as your market research arm. When we ask how you came up with pricing, please

have a reason. It is frustrating if the answers are "what the market will bear" or "we are looking for feedback." Of course, the feedback will initially be that the price is too high. That is what prospects always say. What we need is the justification for the price. If we are charging \$100 to solve a \$1,000 problem, excellent! That is a \$900 justification. If we are charging \$100,000 for a problem that can't be quantified, then we will hit severe roadblocks.

Find three salespeople that you can partner with to do some field research ahead of time. Don't go to the No. 1 superstar sales guy and try and get him engaged. You want the No. 3, 4 and 5 sales guys. They are hitting their numbers, but are not as maxed or arrogant as the No. 1 guy. (Yes, I said that.) Work with their boss and use them as your focus group.

How to Get in Front of Customers

As I said, sales owns the customer relationship. If you let that focus group you formed help design the training and sales enablement, they will be more likely to help get you in front of customers and prospects. You will never please everyone, but you will get much further this way.

Starting with line managers can also get you in front of customers and prospects. The vice president or regional vice president may or may not have direct insight into the relationships that the reps have. The regional director (or sales manager) probably will. Once you have some buy in from the line manager, approach him or her with five specific accounts (prospects and customers) that you would like to talk to. Have a brief call or sit down with the relationship owner to lay out what you would like to accomplish, then ask how to make that happen.

You will need to know what to talk about and what not to talk about. Have a good open conversation with the relationship owner. (Here's a tip: Buy the salesperson lunch. We buy all the time, so it's nice to be taken to lunch for a change.) Once you have the game plan, make it happen and don't screw up the deal. Get your data, move to another line manager, rinse and repeat.

In addition to getting you in front of more customers, understanding the sales role and the life we lead will get you further and more engaged with sales. Sales might even stop seeing you as a roadblock. Good Luck! [DM](#)

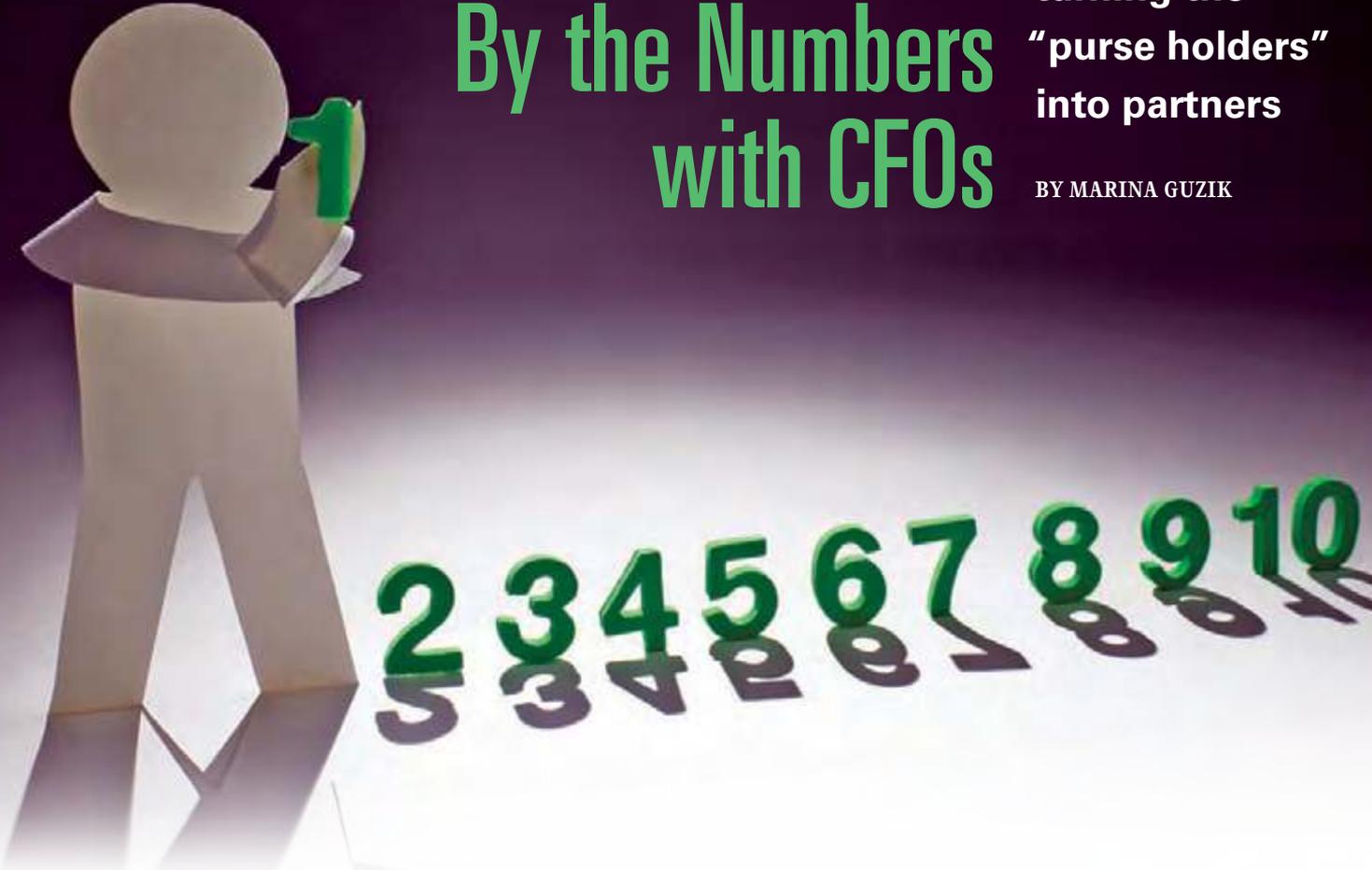
About the Author

Steve Harper is regional sales manager at Corero Network Security in Hudson, Mass. His 24-year career has spanned the gamut of sales roles, ranging from salesperson to vice president of worldwide sales. He also has founded a sales consulting practice and a software company focusing on sales effectiveness tools. He can be reached at steve.harper@corero.com.

Communicate By the Numbers with CFOs

Three keys to
turning the
“purse holders”
into partners

BY MARINA GUZIK



My friend, a marketing specialist, once told me how she really feels about accounting and finance people: “When I listen to you guys talk, it’s like you speak in some secret language. I don’t understand any of it.”

To some extent, she’s right. When we talk shop, we constantly use very specific jargon: prepaids, accruals, principles of conservatism (and we don’t mean politics), return on investment and so on and so forth. Every profession has its own terminology, but I agree that ours may seem a bit peculiar to an untrained ear. Unfortunately, that and our affinity for accuracy and details contribute to the persistent communication barrier between finance and other corporate functions—including marketing.

Nevertheless, as Yoda might assert: Communicate, we must. In the case of marketing, every program requires fiscal approval, so that it can become a line in the budget with sufficient monetary allocation. You may have the most brilliant idea, but if you don’t have funding to implement it, it will remain an ephemeral dream. The interrelation with finance is unavoidable.

It is, therefore, vitally important to be aware of the simple fact that, in the eyes of finance, marketing is a cost center that adds to the company’s operating costs, while having an unknown impact on revenues. It also has a profit-and-loss responsibility that directly affects the company’s bottom line. As long as you and your projects are perceived as just expenses eating away the precious margins,

there always will be tension in communications and resistance to your requests.

Turn It Around

There are three keys to turning around this negative perception and working more effectively with finance:

1. Treat them as more than purse holders.

Ultimately, there is one fundamental prerequisite for establishing any successful human connection, finance or otherwise: Know your audience and understand people's motivations and priorities. When dealing with your colleagues from finance and accounting, you should be able to gather insights into who they are, explain reasons behind their conduct and anticipate their reactions. Only then can you take full advantage of the communication process and successfully realize your intentions. Instead of treating them as the ones holding the purse, get them on your team and make them your business partners.

2. Speak the same language.

Thankfully, we do have a common language that can be used to facilitate mutual understanding: Both marketing and finance operate with numbers. Try to spin your budgetary needs in terms of the net benefits, emphasizing the end results you expect to achieve after the allocated funds are put to use.

Most likely, you already have the pitch and the supporting data ready. You've probably studied the demographics, the attainable market and the probability of customer/consumer interest—and you've done demand modeling and analyzed the pricing climate. All of that information can be translated into the ultimate target: revenue and profit projections.

Don't forget that your audience is inclined to deal with something tangible. You will not succeed with a vague description of future gains.

3. Cultivate a holistic attitude.

I will share a little secret with you. We finance people are very receptive to progressiveness. In the past 10 years, the corporate environment has changed dramatically—and chief financial officers, controllers, budget managers and financial directors no longer act as simple bean counters. Today, financial professionals

exercise a holistic approach to their duties. This means that the company's healthy growth and development is as much their primary concern as it is yours.

Always keep in mind that you, your teammates and colleagues in other organizational functions are all in the same boat, rowing toward the same goal of your company's survival and success.

I talk about the interconnection of organizational functions to all department heads and team leaders. I cannot claim that everyone is quick on the uptake, but some people adapt very fast. One marketing manager, for example, would preempt every project discussion with the same opening: "You are going to love this one!" Then he would proceed with charts and graphs, showing me the possible market share, the probability of customer acquisition, the competitive pricing and so on and so forth. When he finished with the cost estimate, I had enough data to assess whether the investment would yield continuously positive results.

His enthusiasm and professional camaraderie always ignited the cooperative spirit in me. This doesn't mean that I blindly signed off on whatever price tag was attached to each proposal, but I would immediately spring into action, jotting down numbers and calculating cost per acquisition, profit per unit, rate of return ...

So, next time you face the challenge of having your expenditures approved, try to be conscious of what motivates the person on the other side of the table and remember that a discussion of future monetary benefits is like a balm for financial ears. Trust me, the control panel of the communication road is within your reach. You just need to turn on the green light. **PM**

A discussion
of future
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a balm for
financial ears.

About the Author

Marina Guzik has worked in finance and accounting for 24 years, with the last 17 years in chief financial officer and controller positions at small and mid-size companies. She has worked in both the public and private sectors, including manufacturing, global supply chain, e-commerce, professional services, asset management and consulting. Her functional expertise spans a broad range of tasks and duties, from international treasury to mergers and acquisitions—and everything in between. She is the author of "CFO Techniques: A Hands-on Guide to Keeping Your Business Solvent and Successful" (Apress, 2011) and writes The Frustrated CFO blog. She may be reached at the.frustrated.cfo@gmail.com.

VIEW FROM THE TOP

By
Kent
Petzold

Insights into how to communicate effectively with CEOs

WHEN I WAS RUNNING A public company, a salesperson told me how another software firm had implemented his solution and, as a result, improved productivity. It was a pretty standard presentation about saving time and money, so there was nothing surprising there. But then he really got my attention by applying the expected productivity improvements to my earnings per share and the anticipated uptick in stock price. What did that salesperson do right? He connected with me at a meaningful level (earnings), prepared well for the call (used real data about my company) and gave me hope for a better future.

CEOs are almost always pressed for time, and we need people—both internal and external—to communicate efficiently with us. In the salesperson

example, he kept the conversation at a high level. He presented an effective elevator pitch about his company and products and quickly got to the punch line. In other words, he valued my time and his, and kept the conversation at a cadence and level that was effective in light of the limited time we had together.

Here are a few additional suggestions on how to effectively communicate with CEOs:

Talk net. CEOs are accustomed to operating at a strategic level. We understand that there are numerous implications and nuances to any decision—some are apparent, some are not. Talking net is part of a bigger theme of “don’t waste my time.” Avoid going through every little detail when presenting to a CEO. Keep the conversation at a high level, unless you’re invited to take it into the weeds. Give us the opportunity to probe into the areas we really want to know more about. Your ability and choice to talk net will be appreciated.

Align the conversation with corporate strategy.

Link your discussion to the goals, objectives and benefits that are strategically important to my company. This isn’t hard to do, even if you’re an outsider. That’s because many company objectives are almost universally true, and they’re not highly guarded state secrets. For example, nearly all organizations have plans to acquire and retain more customers, increase profits, gain manufacturing or distribution advantages or achieve a more defensible market position. You don’t need access to the business plan to know that those are key areas of importance to most CEOs. And with a little research, you can be even more knowledgeable and better prepared for a targeted and meaningful discussion.

Know that being “delegated down” is a good thing.

I don’t want to waste my people’s time any more than I care to waste my own. Their time is an important corporate resource. I’ll only refer you to a vice president or a director if I think your offering might be

useful to our organization. If I think your product really affects distribution, finance or another department, I’m not going to roll my sleeves up to dig deep into what you’re saying. Instead, I’m going to send you to the person that I’ve handpicked and trust to do those evaluations and make those recommendations. This is a good outcome.

Give me bad news early on. I prefer to hear bad news quickly and clearly. The focus isn’t about attributing blame or excessive posturing; it’s about how to organize our efforts toward the best outcome. Everybody knows the old adage that “nobody likes surprises.” But if problems fester, valuable time is lost and corrective options become limited. More lead time means more options about what can be done. Don’t procrastinate in bringing bad news forward.

Present solutions, not just problems. To grow an organization, you really have to rely on the judgment of your people. I try to surround myself with smart, thinking and capable people. When an issue arises, I expect them to explore well-thought-out courses of action. In fact, if an employee routinely reported problems without possible solutions, I would wonder whether we’ve hired the right person.

To summarize, bring me strategically important information that gives me hope for a competitive advantage. That will remind me why we’re meeting in the first place. Combine that with talking net and you’ve got a good chance of keeping a CEO’s attention. **PM**



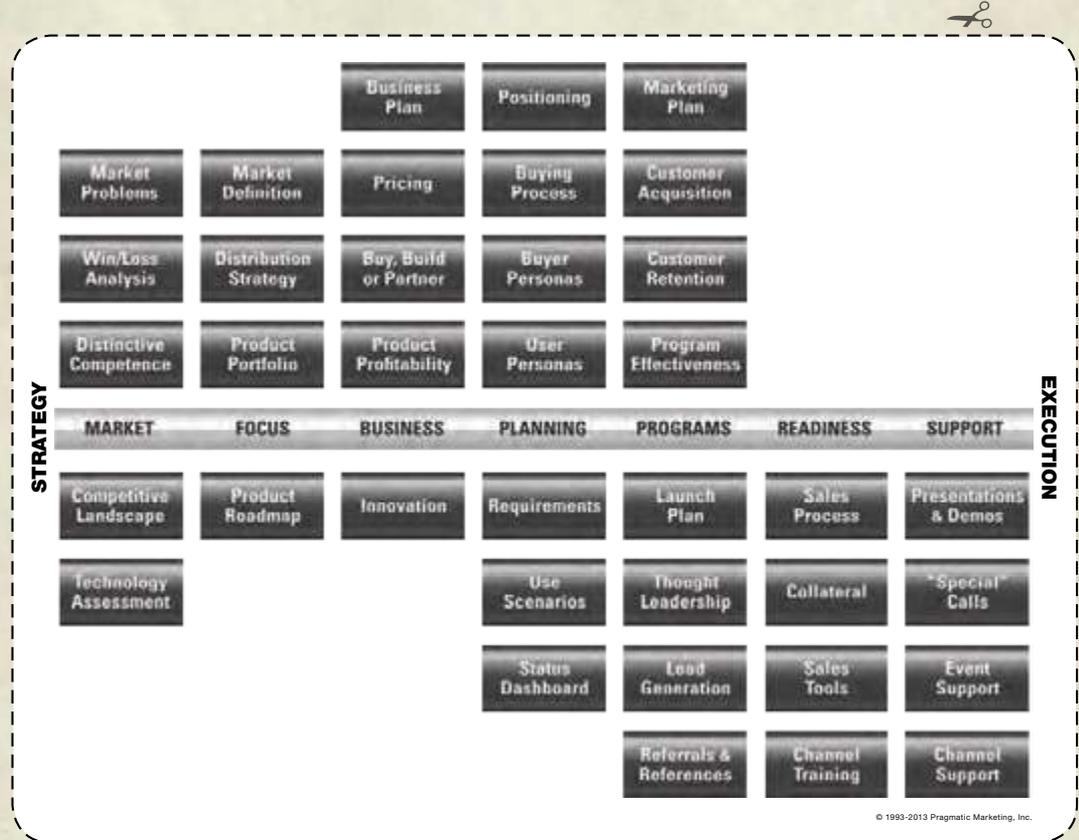
About the Author

Kent Petzold is the CEO of GFS Technology Inc., an Arizona State University spin out, developing enterprise-class security for mobile devices. Previously, he led three software companies to international dominance in their fields and subsequent successful exits via initial public offering or strategic acquisition. He was a partner in a venture capital fund, a managing director of an investment bank specializing in mergers and acquisitions for technology companies and has launched more than 25 successful products. He serves on the boards of public, private, charitable and faith-based organizations. He can be reached at kpetzold@cox.net.

How to Succeed in Technology

A STEP-BY-STEP GUIDE:

- 1 Cut out framework, avoiding pesky paper cuts.
- 2 Post conspicuously throughout office.
- 3 Follow framework faithfully with peers.
- 4 Reap the benefits of being market driven.
- 5 Rinse and repeat.



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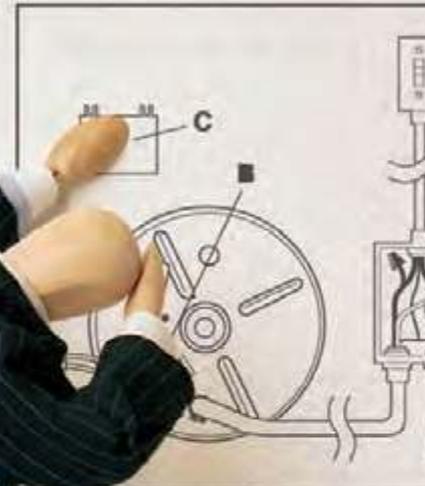
INSTRUCTIONS

Connect Disposer to Electrical Supply/Ground Disposer

Follow these instructions to direct wire the disposer. (If adding a cord and plug, follow the directions included with the cord and plug).

1. Remove electrical cover plate from bottom of disposer and pull out black and white wires (see Figure 9-1). **DO NOT REMOVE CARDBOARD INSULATION SHIELD.**
2. Run electrical cable through access hole (A) on bottom of disposer (with 1/2" conduit or 3/8" flex) and secure with clamp connector.
3. Strip wires back approximately 1/2 inch. Connect white (neutral) electrical wire to white disposer wire, and black (hot) electrical wire to black disposer wire (may have colored stripe) with wire nuts (see Figure 9-1). Tape wire connections with electrical tape, and push connections into disposer without displacing cardboard insulation shield. Do not reinstall electrical cover plate until disposer is properly grounded.

Once the circuit you are using is grounded at the service panel, attach the ground wire to the green ground screw (B) in the electrical cover plate opening. Reinstall electrical plate (C) (see Figure 9-1).



9-1



Some Assembly Required

Tackle the three most feared words in product management and marketing.

BY ROB EDDY

Why are product instructions so universally reviled? On the consumer side, this is not a new phenomenon. For decades, consumers have viewed instructions as an obstacle to enjoying a newly purchased product. They are often tedious, hard to follow, confusing and laden with legal copy, warnings and translations.

In fact, a Scandinavian study found that consumers will labor an average of just 20 minutes before giving up and returning electronics and high-tech products that they have a hard time with. These returns aren't directly related to specific flaws or defects—the consumer just can't figure out how to use it.

On the product side, the development of product instructions—also known as documentation—adds cost to the product, eats up precious resources and tends to slow product development cycles—sometimes even delaying product launches. This task often doesn't have a permanent home, since it bridges numerous functional areas including research and development, product management, engineering, quality, marketing and customer support.

It's clear that there is lots of negative baggage associated with product instructions. But what may not be as clear are the benefits of better instructions. Let's take a look at the big three:

1) Improve Consumer Satisfaction

It doesn't get much more obvious. Still, it's surprising how many companies get caught up in what we call “shallow marketing,” focusing more on development and launch and less on what happens when the product moves off the shelf.

More and more of our clients (and big-box retailers) are shifting their attention to the out-of-

the-box experience—and with good reason. Previous experiences with products influence new purchases, so dissatisfaction with a product's instructions means consumers are unlikely to buy the same product again.

Here are a few relevant statistics:

- A survey conducted in the United Kingdom in 1995 by a company called Userview found that 68 percent of respondents would not buy a product again if they had a bad experience with the instructions.
- A follow-up survey in 2006 found that percentage had increased to 77 percent. And 81 percent of respondents who had a bad experience with instructions said they would not buy other products from the same manufacturer.
- Research conducted by Aberdeen Group in 2010 found that manufacturers that were classified as “best in class” for producing high-quality and usable product instructions saw a 23-percent increase in consumer satisfaction and an 18-percent increase in revenue.

2) Get Better Reviews

Consumers are finding new avenues for and becoming less shy about providing purchase experience feedback. It's crucial that your instructions lead to a positive outcome, because as we all know, they are also considerably more likely to voice their feedback when they have had a negative experience.

They are also more likely to rely on the feedback of others. Surveys conducted by the Pew Research Center in 2010 determined that 75 percent of adults between the ages of 18 and 64 research products online before

BEFORE

buying. And with the proliferation of mobile platforms, research is increasingly taking place at point of purchase, with shoppers calling friends for advice about a purchase, looking up online reviews of a product or checking the price of a product to see if they could do better elsewhere. (“The Rise of In-Store Mobile Commerce,” January 2012).

3) Reduce Product Returns

This is probably the most compelling reason to invest in better instructions, especially when you look at the numbers. Accenture Research data shows that within the U.S. consumer electronics industry, between 11 percent and 20 percent of products are returned annually. Of those returns, 60 percent to 85 percent are what the industry calls NTF (no trouble found) returns: The consumer simply didn't understand the product, didn't need the product or couldn't figure out how to assemble or use the product. In the consumer electronics industry alone, somewhere between \$11.5 billion and \$30 billion worth of perfectly good products is coming back to the store. Taking a bite out of numbers like that can be pretty good motivation for manufacturers and retailers alike.

Turn Fear into a Feature

Clearly, improvements in product packaging and documentation can have a major impact on the consumer experience and the bottom line. So how do we convert those three most feared words, “some assembly required,” into a feature?

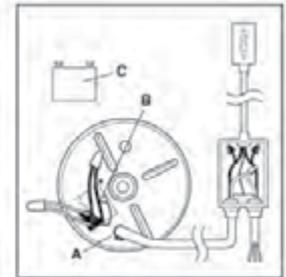
Here are some suggestions to improve comprehension and usability:

Focus on the end user, not on yourself. When working with clients, we often encounter what we've come to call

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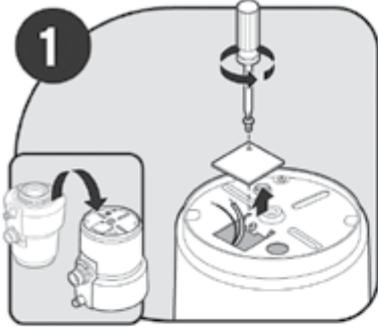
Once the circuit you are using is grounded at the service panel, attach the ground wire to the green ground screw (B) in the electrical cover plate opening and secure the electrical plate (C) (see Figure 9-1).



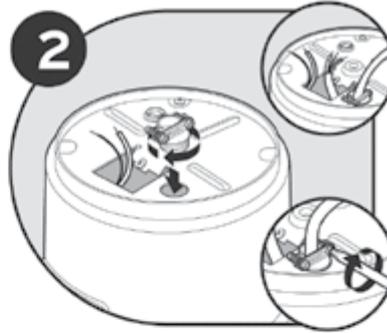
“product bias.” Engineers and product managers are so fully engaged in the features, functions and details of a product that they can no longer see it the way an average consumer will. They've lost their ability to be objective about what a consumer will and won't do when working with a product for the first time. This is why it's so important to make sure you've thought about who is using the instructions, as well as how and where they will be used.

Research indicates that 50 percent of Americans read at an eighth grade level or below. Don't talk down to consumers, but be as simple, clear and concise as possible. What's intuitive or obvious to you may not be to a consumer. Break things down into simple steps and use common language, not jargon, acronyms or overly technical language.

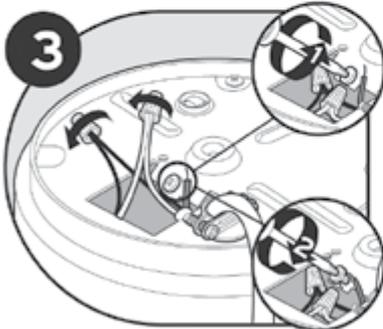
Set expectations. Consumers want to understand what they're buying, how it will work, what it will and won't do, and



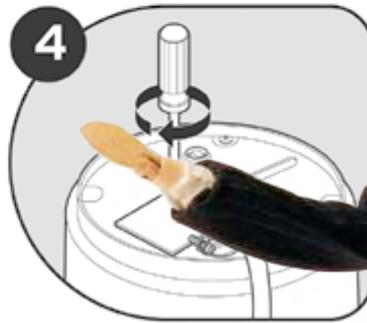
***WARNING: SHOCK HAZARD.** Turn disposer over and remove electrical cover plate. Pull out wires. **DO NOT REMOVE CARDBOARD SHIELD.**



With electrical supply turned off, insert cable connector (not included) and run electrical cable through access hole on bottom of disposer. Tighten cable connector.



Connect white to white and black to black or red with wire nuts (not included); ground wire to green grounding screw. Unit must be grounded for safe and proper installation.



Push wires into disposer (do not displace cardboard shield) and replace electrical cover plate.

AFTER

How do we convert those three most feared words, “some assembly required,” into a feature?

how easy or difficult it will be to install or assemble it. Answer as many consumer questions as possible up front:

- What’s in the box?
- What’s not in the box?
- What tools or additional hardware/parts are needed?
- How long will it take?
- What do I do if parts are missing?
- Is there support if I have questions?
- Do I need more than one person to safely install or assemble?

Consider format and organization carefully. Again, think about how and where the instructions will be used. Safety, warranty and legal information is extremely important, but it can intimidate and put off users. Making this information easy to locate is important, but you don’t want to bury the assembly or installation process in a sea of legal copy.

In considering format, keep in mind that booklets allow you to break information into segments or sections that may be easier for users to assess, digest, understand and follow. Larger formats can be used to show a broader perspective of the process and are often favored by goal-oriented users.

Whichever format you choose, ensure you've broken the process down into digestible chunks.

Use more visuals. Studies have consistently shown that people prefer pictorial instruction to words alone, as they are easier to understand and remember. Combine clear illustrations and concise copy, which doesn't clutter instructions with ancillary details, to reinforce what's shown. Some visuals to include:

- Images of what parts are included, using consistent viewing angles throughout
- Clear labels on parts and arrows to show how the parts move
- Numbers and sequencing to guide consumers through the instructions
- Human forms demonstrating actions, where needed for clarity

Wherever possible, also show completed steps to give users the opportunity to validate that they've completed steps correctly (e.g., here's what it should look like at this point in the process). Improving visuals can dramatically improve user satisfaction with instructions.

Consider the entire product lifecycle. If you're going to invest in better product instructions, it makes sense to leverage that investment wherever possible. Include information that the consumer will need throughout all interactions with your products, including point of sale, packaging, out-of-the-box, after-sale support, technical service, disposal and recycling.

Everything that improves and enhances the consumer experience (and subsequently your brand) should be part of your product development and marketing efforts—including proper product instructions to give a more positive experience. Financial gains can also be realized by reducing product returns and warranty and product support costs. In a nutshell, better instructions can help you move product off the shelves, as well as keep it from coming back—a sure way to improve your bottom line. **PM**



USERS OF INSTRUCTIONS TEND TO FALL IN ONE OF TWO CATEGORIES:

GOAL ORIENTED. Skim instructions and reluctantly reference when and where needed, but mostly just want to get the job done. Because of their tendency to skim instructions, they might benefit from a more visual approach.

PROCESS ORIENTED. Want to get things done right, and will meticulously follow instructions to understand the process. To appeal to their need for comprehension, provide the reasoning behind steps in the process that might not be readily clear.

Users of instructions might have different orientations, but getting lost in the process or noticing that information is incorrect or inconsistent with what they see or do makes all of them lose confidence in the validity of the information. And once they've lost confidence, they are more likely to return a product. Cater to how people will use your instructions to avoid that likelihood.

About the Author

Rob Eddy is vice president of sales and marketing at Infographics, a Knoxville, Tenn.-based graphic design firm that specializes in technical publications. Prior to that, he held product management and marketing roles at Haworth Inc., Newell Rubbermaid, Bemis Manufacturing and Novell Inc. He may be reached at reddy@infographicsdesign.com.

Getting the Price Right

Earn organizational buy in on pricing change initiatives.

BY MARK STIVING

Pricing is one of the most challenging areas in a company. It affects so many different departments, making it difficult to pinpoint exactly who has control.

Often, the product lines set the prices that go on the price list, but the CEO, CFO or some other executive sets the overall pricing strategy for the company. And sales negotiates to get the final price for large customers. It seems like everyone in the company is involved in pricing.

Changing pricing therefore takes buy in from many different groups who don't always have the same beliefs about what needs fixing. But if you're passionate about maximizing the results of your company's pricing strategy, here are a few tips that can help you spearhead those efforts.

“You need the numbers, but don't lead with them.”



Engage in one-on-one conversations—a lot of them.

You are not trying to convince anyone of anything, at least at first. Listen to their issues around pricing and ask questions like these:

- What would you change about the way we price?
- What about our pricing is costing us money?
- How can we quantify how much we are losing?

Many people in the company have similar answers, and this is common ground you can build on. Where you have different beliefs and assumptions, dig for a deeper understanding. It often provides new ways to look at the situation.

For example, let's say you want to start using rebates in your pricing repertoire. Your finance team adamantly objects, saying they don't work. Ask them why. Don't be challenging,

though; be curious. They have their opinion for a reason—and it may be right. Perhaps they tried rebates several years ago, and lost control of the process or were writing checks that weren't really deserved. Learning the reasoning can prove useful.

Define common goals. Maximizing shareholder value and profits are honorable goals, but they aren't the most helpful in pushing pricing initiatives. Is there something a level below

that where you can capture the enthusiasm of all departments inside the company? For example, in one company we created the goals of “speed, consistency and accuracy.” Speed means faster response time to requests for quotes. Consistency is making sure we don't compete against ourselves, unintentionally offering

the same customer a lower price. Accuracy means doing statistical analysis to find the highest price where we are still most likely to win the business. Speed, consistency and accuracy made for a clear set of objectives that everyone could support.

Overall, finding high-level goals that are clear, actionable and non-controversial can help drive change.

Craft the message. Pricing tends to be a quantitative discipline that looks at win/loss ratios, demand curves and key performance indicators. We know statistics, but statistics rarely win on their own. Yes, you need to show the size of the problem, and put a cost on the fix and a dollar value on the return. But people have a hard time believing these numbers, since they are so often wrong. You need the numbers, but don't lead with them. Instead, lead with a story:

“John Smith had lined up a customer who was buying a million of two different parts. We had part A won for sure, but we

weren't very competitive on part B. The customer kept asking us to lower the price on B to win the business, but we didn't have any more margin to give on that part. John finally convinced the business unit to lower the price on A so the total price was low enough to win both parts. You probably know what happened. The customer thanked us for the lower price on A and still bought B from a competitor. If we had rebates, we could have locked in both sockets at a nice profit."

After you have told the story, show the numbers.

It's good to have several stories; you may need them in different circumstances. But be aware that executives are not patient for long stories. Make your stories short and applicable.

"No" simply means they don't understand yet.

Put It All Into Action

Now that you know your message, take a more active approach and go back to the one-on-one conversations. With any detractors you've found, be nice, tell the story, show the data and clearly identify your deepest level of disagreement. You won't win over everyone, but you may be able to keep them from adamantly opposing your position.

A word of caution: Do not present your story and data in a large meeting of executives, if you haven't already talked with them. Once a disagreement occurs publicly, it becomes more difficult to change the minds of those who participated. Unfortunately, I've done this. Eventually, I won the executive over, but it would have been much less work had I talked with him one on one to reach that agreement first.

Finally, here's a bonus tip:

Don't take "no" for an answer. If you strongly believe that what you are doing is best for the company, then "no" simply means they don't understand yet. In the world of pricing, if you quit whenever you hear "no," you won't get anything done. Be smart, be likable and be persistent.

These tips all come from my failures and successes at getting pricing initiatives moved through companies. But they



aren't pricing specific. The same methods will likely apply to any major change program you would like to push through a company. Remember, the people who can get the hard things done are the ones that get promoted. [PM](#)

About the Author

Mark Stiving is a respected price strategist with more than 15 years of experience helping companies implement value-based pricing strategies to increase profits. A speaker, coach and consultant, Stiving has worked with many esteemed companies, including Cisco, Procter & Gamble, Grimes Aerospace and Rogers Corporation. His new book, "Impact Pricing: Your Blueprint for Driving Profits" (Entrepreneur Press, 2011), was written to further share his expertise. Read more from Stiving on his blog, www.PragmaticPricing.com. He can be reached at ms@markstiving.com.

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Crowd Branding

Put your customers to work marketing your products.

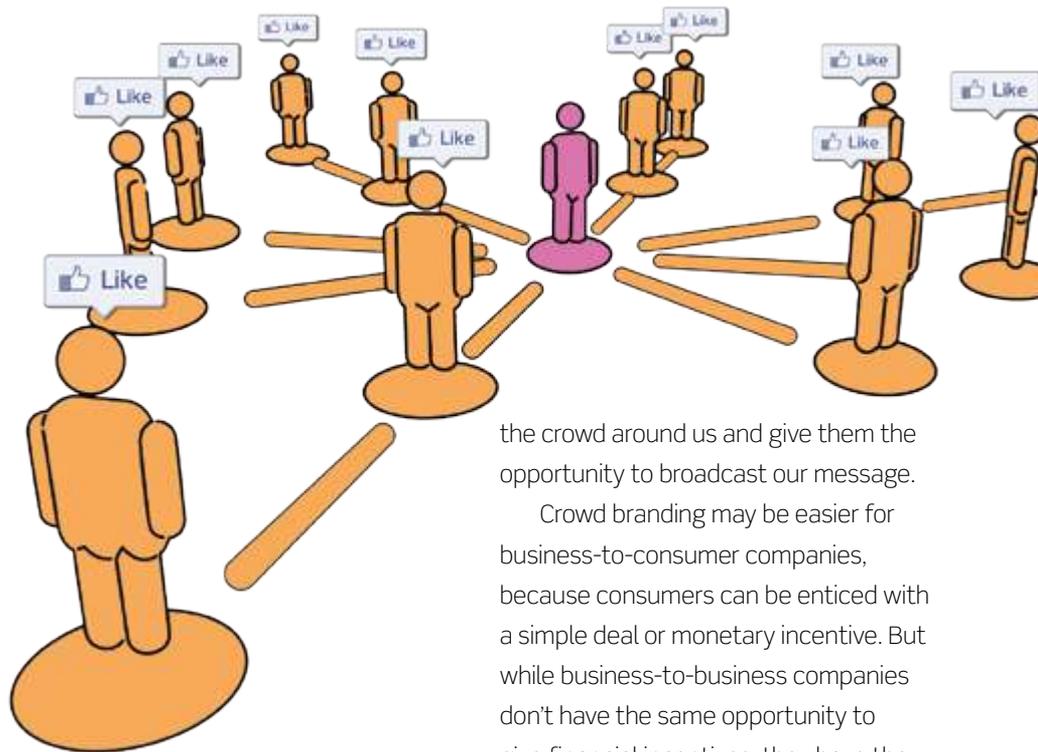
BY ZACH SERVICEO

Dunkin' Donuts recently gave "getting together over coffee" a whole new meaning with the launch of its Dunkin' Coffee Customizer. The mobile tool let people create their own coffee drinks and then share those creations with friends on Facebook. It's a great example of how to get folks interacting, engaging and sharing the message of your brand.

Marketing communications is now a two-way street between businesses and customers, and companies like Dunkin' Donuts are embracing that. People engage and interact with the brand, then share their encounters with 300 to 500 friends. And like that, for free, the crowd around you has done your brand marketing for you—and you've gone viral. I call it "crowd branding."

To be effective, those two-way communications should make the people around your brand have a warm, happy association with it. They shouldn't see you as just a broadcast channel on Twitter, tweeting that you had a summer cookout at the office or had corporate news go over the wire today.

Creating a positive association can be as simple as getting involved with a local charity and tweeting a message behind the cause. People who aren't customers



or would never even be customers might retweet your message. People live on their tablets and mobile devices these days, and you can get nice economy of scale out of igniting the masses like that—no matter the size of your marketing budget.

Another example can be seen in companies like Groupon or Living Social. If you broadcast one of their daily deals and get five people to sign up, they will give you an incentive of \$10 off X or a free offer. That's crowd-branding thinking: Make a small investment in

the crowd around us and give them the opportunity to broadcast our message.

Crowd branding may be easier for business-to-consumer companies, because consumers can be enticed with a simple deal or monetary incentive. But while business-to-business companies don't have the same opportunity to give financial incentives, they have the opportunity to think about other rewards.

At one mobile-application-management-platform company, we gave away 20 extra passes we had for a CIO summit in Boston via a Twitter contest. We were able to target CIOs who were not yet customers, and it didn't cost us anything. Then, at the event, the team could meet face to face with the winners and make the sale. Our contest winners were awarded free passes to the event, and we were awarded some of their business. That's a win-win.

Crowd branding in the B2B space might require more steps, but it can be

more beneficial and often run with much more success than on the consumer side.

Let's look at the steps needed to set up crowd branding and how it might be used at an online banking company, which we'll call Bank X.

Define and align. Set specific goals at each phase, then verbalize and hold yourself to those goals—making sure your efforts align with them. For example, with the recent hit to the banking industry's reputation, our online banking company wants to generate publicity and good will about its offering. It announces that focus internally, so everyone is dedicated to the same effort and sets a goal accordingly.

Decide on channels. With so many channel options available, it's important to hone in on what works best for your initiative. Most importantly, when you decide on a channel, set an engagement goal and don't stop until you achieve it. Bank X finds it helpful to work in a space that it is familiar with, and decides to make the most of its strong Twitter following. They set a goal to secure 50 new followers and garner 75 original tweets using the contest hashtag.

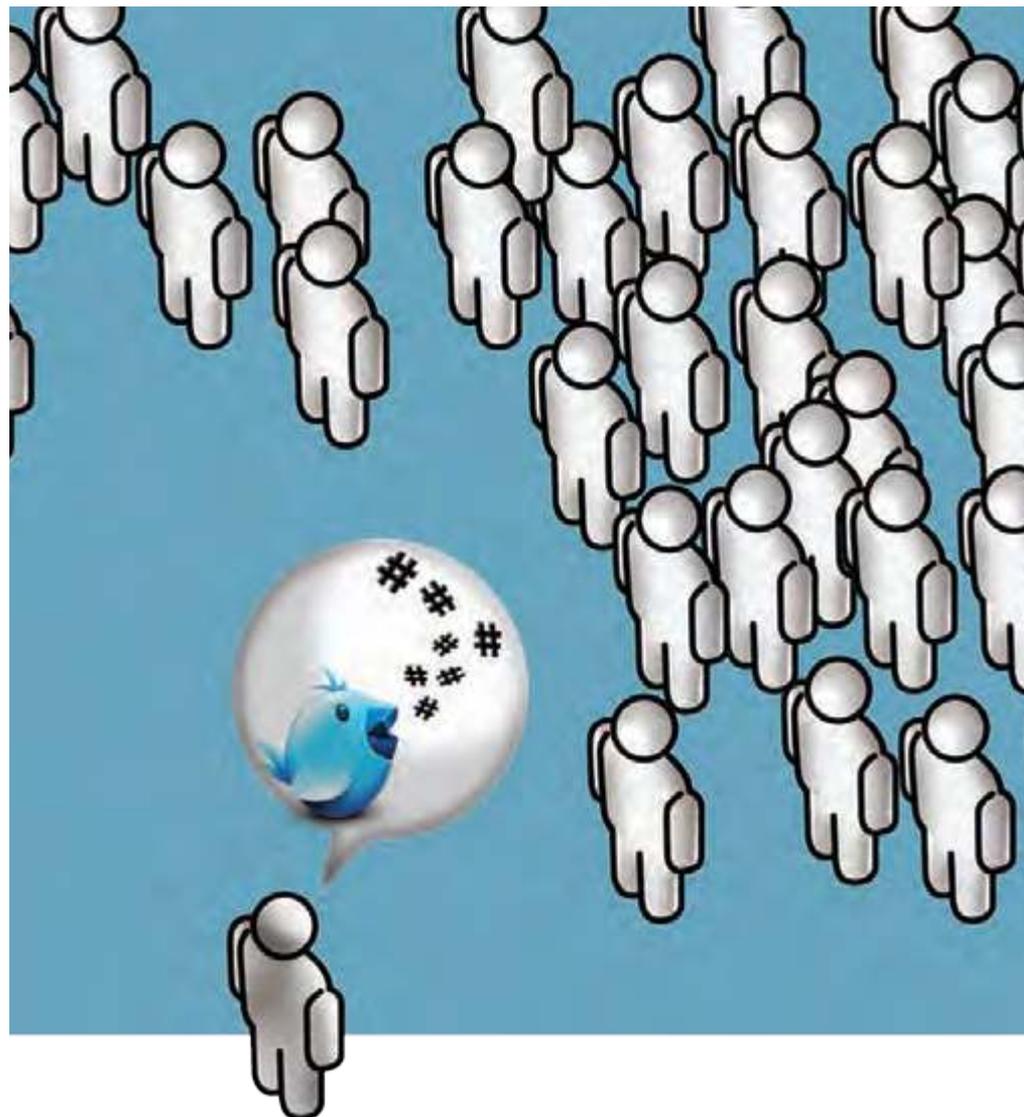
Have brainstorming sessions.

Once you know your goal and the channels to broadcast the messages through, begin brainstorming. Make sure it is done in a comfortable environment where participants don't fear being judged. For Bank X, this leads to a one-week contest where its small-business customers submit the best ways they've reallocated savings they've gotten from the company's product. That generates stories that are beneficial to the brand, with customers spreading a great

message with examples like "we used that money we saved to have a summer outing" or "we went on a harbor cruise."

Find a partner, if necessary.

Partnering with another company can give your effort more value in the industry or the channel. It can also provide you with resources you don't have access to. For example, if your blog doesn't carry enough weight, anchor the effort by partnering with an editorial entity. Be strategic in how you set your goals here. Several publications might



be interested in this sort of partnership, but prioritize which publications are most important to your customers and hammer out the details with the reporters, asking, “What would be of interest to you?” In the case of Bank X, we have an advantage as media are always looking for customer stories. We partner with *Online Banking News*, where they love to hear how small businesses are using Bank X technology to save money and then reinvesting that money in their staff for a happier work force.

We also use the editorial partner to judge the entries, so we’re not judging our own customers.

Make the most of the exposure. Strike while the iron is hot. Once your effort has launched using the main channel you have chosen, look at ways to maximize exposure in other channels.

For Bank X, to go even more viral and increase the crowd branding, it requires participants to tweet with a specific hashtag once they submit their case studies. Once the *Online Banking News* editors decide on a top 10 from the entries, they put it to a public vote. The finalists’ job—whether on Facebook, Twitter or however they want to do it—is to ask people to vote. At the end of three days, we tally the votes, and the top five win.

Winners are featured on the Bank X blog and in *Online Banking News*. It’s a great customer story for *Online Banking News*, and a way for the top five to get the word out about their companies. You’ve created an event that benefits everyone, and generates nice publicity and buzz around your brand—as well as the good will you were seeking. When the story is live, Bank X also can track which customer leads came from reading it.

The results of your crowd-branding effort should tie back to the overall business goals of the company. If your crowd-branding initiative doesn’t drive your business forward, it needs to be redesigned. Period.

There is a lot involved in the crowd-branding process to ensure the end goal is met. But the returns can be huge.

In the case of Dunkin’ Donuts, I created an iced coffee, and so did my brother, little sister and about 500 people in the first half hour that post went up. We were all creating mini ads and sharing them virally with friends for Dunkin’ Donuts for free.

It’s brilliant when it works like that, and it’s a great demonstration of the constant innovating and reinventing of the wheel that is such a big part of this marketing game. **PM**

About the Author

Zach Servideo has supported public relations, marketing and social media initiatives across a broad spectrum of private and publicly held companies, as well as provided strategic business counsel to a wide range of technology startups. Having been a successful part-time media consultant while working at large public relations agencies, he established his own tech media consultancy, Servideo Media Consulting LLC. He may be reached at servideo13@gmail.com.

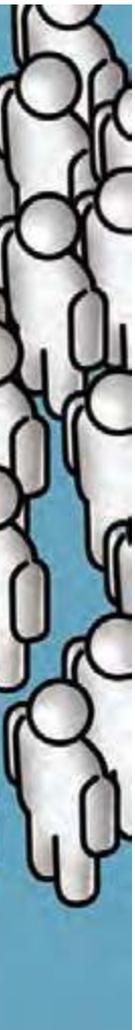
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Earn Better Returns on Investor Relationships

BY MIKE SMART

Board members, investors and other key stakeholders are not “out to get you” as product professionals. Yet sometimes, interactions with them lead to that perception.

Members of a company’s board or investors really want the company to succeed. Your best chance of success is to communicate with them in their language and in a way that fosters that good will. So how do you do that?

Power of Personas

Product managers and marketers often create personas to represent the types of people who buy and use their products. A persona provides insight, enabling clearer and more targeted communications.

So why not use the same technique for board members, investors and other key stakeholders? As a product professional communicating to board members and investors, the intent is to inform and sell—so a buyer persona makes sense. To build the persona, ask the following questions:

- What are the key initiatives for this board or these investors?
- How do these individuals define success?
- What obstacles do they see?
- How does my proposal address perceived barriers for the business?

Developing personas can be the foundation for better communications with investors and other stakeholders, and it ensures they are universally understood within your company.

Stay Current

Consider what’s happening to them of late. Think of what environment they are living in. What are the factors that they would be concerned about? Obviously, they care about the health and well-being of the company. But they’re also concerned about the broader business landscape, because that affects the viability of an investment.

Board members usually focus on more than just one company. So they’re looking for trends that could be applied across the portfolio of companies they interact with.

Keep It Simple

As for the medium for the communications, the universal tool that glues all of us together is PowerPoint. It has become the de facto way that we communicate ideas.

I believe in adhering to venture capitalist Guy Kawasaki’s 10/20/30 rule. Stick to no more than 10 slides, present for no more than 20 minutes and make sure you use a font no smaller than 30 point.

How many drawn-out presentations have you sat in, and wondered why the presenter was getting down to this level of detail for this audience?

Investors and board members are very accomplished and usually attuned to what’s going on around them. They hear a lot, see a lot and are asked to make decisions about a lot of different things—so they can be short on time and seem impatient.

Product professionals like to tell everybody everything about what’s going on with their products. It’s difficult for those who don’t live day-to-day with your products to keep up. So, know how to communicate just enough information. Practice speaking in terms of market problems and their impact, viable solutions to those problems and their potential results. You should also include the risks of either addressing those problems or not addressing them. Your stakeholders will be better informed about how to provide support and make decisions.

You Are on the Same Team

Again, it’s important to remember that the board member/product-professional relationship is not adversarial, and these people

truly want to help. Many of them have operating experience, so they understand what it means to run a business. Because they don't have an operating role, it can be frustrating for them to see how something can be done, but not be in a position to do it.

It's important to define specific things that you want from them—not just their money, but also what you want their role to be. “Yes, I want you to approve my proposal or write me a check, but I'd really like you to help me identify other resources or network into other places that might help accelerate our activities.” They usually know people who know people.

Engaging board members at this level is an important part of communicating more effectively with

them. Help them to help you and your relationship will be about so much more than a “go/no go” or writing a check. [PM](#)

About the Author

Mike Smart brings more than 25 years of hi-tech industry experience in a variety of leadership roles to the business. He has successfully consulted with technology companies such as NetApp, VMware, Autodesk, BigMachines, MRI Software, P2 Energy Solutions, MicroEdge, and SirsiDynix. Prior to founding Egress Solutions Inc., he served in leadership and executive roles at Pragmatic Marketing, Nsite (now SAP), Go-Remote (now iPass), and Tandem Computers (now HP). He can be reached at msmart@egressolutions.

GUY KAWASAKI'S TOP 10 TOPICS

venture capitalists care about:

- Problem
- Your solution
- Business model
- Underlying magic/technology
- Marketing and sales
- Competition
- Team
- Projections and milestones
- Status and timeline
- Summary and call to action

Source: Guy Kawasaki's blog, "How to Change the World."



Elevate Your Product Team

Boost your product team's credibility by providing them time in the market.

BY RICH NUTINSKY

Early in his career, a company president worked for an organization where product managers did demos and answered product questions. He later moved to a very large European technology company, where the product managers owned the profit and loss, ran a line of business, were responsible for hundreds of millions of dollars in revenue and answered to senior management.

He was surprised by how vastly different the two were and wondered how these could possibly be the same people. They weren't. There are really two models that are prevalent when we talk about people in product roles. One is the profit-and-loss business leader and strategic player; the other is the product expert that answers the questions and supports the field.

Often, general management actually wants product teams to be strategic, to plot direction and to own the profit and loss. But it's difficult to manage the P&L, when they don't have control of the "P" or the "L." They don't own the channel, are not approving transactions, are not the revenue generators and certainly have limited accountability for costs. That's a difficult position to be in. It's easier to simply say your product people are walking sets of documentation, but that limits their value.



Clearly, the profit-and-loss business leader role is held with greater regard as part of the leadership group, but how do you get your product team into that role?

One answer might come from looking at the sales force. Why do executives put so much credence into the direction and advice given from the sales force? One would argue that sales has a seat at the table, because that's where revenue comes from. A look around the business, however, shows that revenue comes from support, consulting and a lot of other places too—yet they don't have the same kind of impact as our channel organizations.

The reason they have the influence is that they are the ones who:

- have the market data
- face the competition
- hear from prospects and customers

In many organizations, the people that are out there asking questions are exclusively on the sales force. And that market interaction translates to credibility and to insight.

To elevate product teams in the eyes of the business, you have to give them access to that same kind of market interaction. It's important to get outside of the building to become the expert on what's going on in the market. By having that market knowledge and expertise, product teams have a currency that is very usable inside the business.

With that credibility and understanding, they can start to talk about business issues—instead of just product issues. They can start to talk about how to do things like grow revenue, increase market share, stave off competition, identify new areas of opportunity and make strategic shifts in technology or target markets—all of the things that are really required at a management level.

When product organizations make that leap from being reactive support organizations to being proactive and empowered by market knowledge, the entire role changes in the company.

For that company president I spoke about, seeing how much value a business-savvy product organization brought to the company, he vowed that he would always empower his product managers to be business contributors, not just support people.

His story struck a note with me about how differently companies treat the product management role. Product organizations do best by moving their focus from being product centric to being market centric and immersing their teams into the market. And product execs play a critical role in making this happen.

We must ensure that our teams have the opportunity, the time and the budget for travel, industry events, research and being engaged in blogs and discussions. And we must incentivize them with metrics that drive compensation and bonuses. Typically, companies give the plaque at the annual meeting to the best sales support resource in the building who helped close the most deals. Where's the plaque for the person who immersed themselves in the market and brought back the best market information to drive the company forward? Recognition should be based on market interaction, and not just internal support.

Provide that kind of management endorsement, direction and enablement and then measure it, review it and give the people the tools and the knowledge they need for continued growth. Then, hold them accountable.

When I ran a company, I wanted to elevate my product teams beyond doing sales demos. So when my product managers said they were invited by an industry group to sit on an expert panel at their national convention, I thought, "Now we're getting somewhere."

When your people are considered experts in the industry like that, you have developed a valuable asset—one that can be leveraged internally for strategic leadership. Giving them the opportunity to get out into the market helps them become those experts. **PM**

About the Author

Rich Nutinsky is an instructor at Pragmatic Marketing, with more than 20 years of experience in the software industry. He has launched several successful software products using the Pragmatic Marketing Framework. Prior to joining Pragmatic Marketing, Rich served in various product management positions for companies including Arasys Technologies, where he was vice president of product management and development. He has provided consulting services to market leaders such as Microsoft, AT&T, DuPont, NEC, GE and Siemens, working with senior-level executives to improve their product strategy, product management, and marketing processes. He may be reached at rnutinsky@pragmaticmarketing.com.

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A PRAGMATIC APPROACH

Put this issue's ideas into action.

Know Where You're Headed, Before You Go

Discover the market problems you need to solve, before doing anything else.

Jim Foxworthy

page 7

Offer a Workaround

People who ask for complicated features are usually equipped to handle long or tedious workarounds. Don't be afraid to provide them.

Cindy Alvarez

page 13

Empower Sales with Knowledge

Tell sales what problems a product solves and how it solves them as part of product training.

Steve Harper

page 20

Speak the Same Language with Finance

Talk in numbers and net benefits to justify marketing budgetary needs.

Marina Guzik

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Talk Net to CEOs

Don't go through every little detail; give CEOs the opportunity to delve deeper as needed.

Kent Petzold

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Use More Visuals

Provide pictorial instructions for your products to increase usage and lower return rates.

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Don't Accept "No"

Keep pushing for the pricing strategies you believe in.

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Start Crowd Branding

Look for ways to put your audience to work marketing your products and company.

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Build Investor Personas

Customer personas provide insight and enable clearer and more targeted communications; the same technique is helpful with investors.

Mike Smart

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Get in the Market

Empower your product teams to be proactive by providing them time in the market.

Rich Nutinsky

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