

PRAGMATIC MARKETER

THE PRODUCT MANAGEMENT AND MARKETING AUTHORITY

SUMMER 2013



THE INNOVATION ISSUE

CHIEF'S LETTER

At Pragmatic Marketing, we've worked with thousands of high-tech companies—so we're no strangers to innovation.

And we've recently completed some innovation of our own, restructuring our curriculum to offer more of what the market has told us it wants. You see, the market should be at the center of every innovation effort you make. As Neil Baron puts it in this issue's feature article, "A valuable innovation delivers an improved customer experience as a result of a better way of doing things."



In addition to Baron's view, Paul Brooks helps you decide whether what you're contemplating is actually a bad idea. Jessica Dugan provides tips to get past the hang-ups that are holding you back, and Eric Doner shows you how to foster innovation in your organization—all in hopes of helping you do your own innovating in a way that's valued by your customers.

This issue is also full of best practices and examples of

how to approach content, mobile products, competitive analysis, and much more.

As Peter Drucker once said, "Business has only two functions: marketing and innovation." This issue strives to help you do both.

Sincerely,

Craig Stull
Founder/CEO

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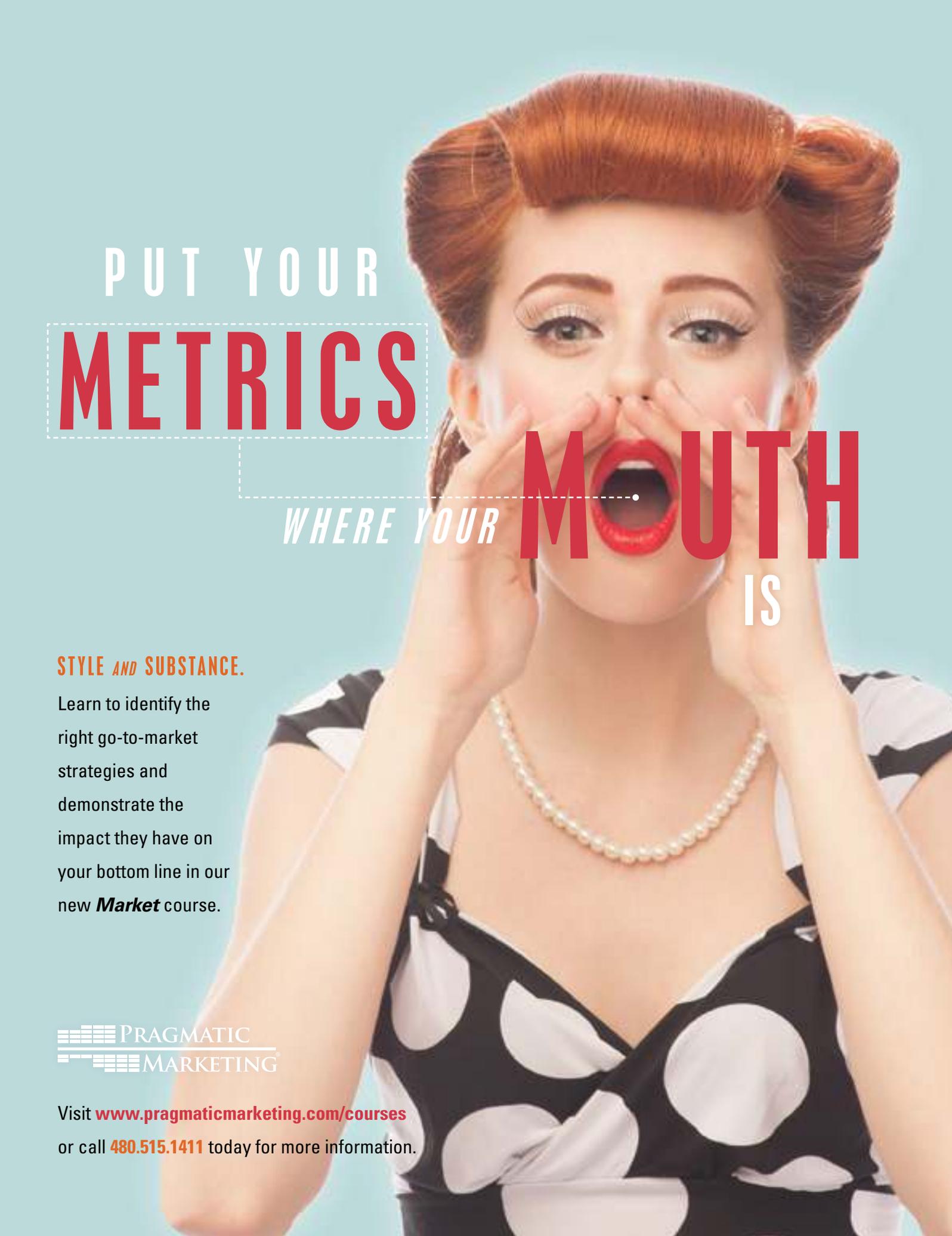
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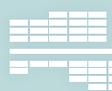


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Innovations that Solve Market Problems

BY STEVE JOHNSON

It's great when companies challenge their teams to develop innovations, but innovation should be about more than unfocused development time. It should solve problems in a new and unique way. Here are some problem-solving innovations that I admire.



MAILBOX

Product: Mailbox

Persona: Business person on the go

Problem: When checking my inbox on the road, some emails get lost in the shuffle.

Solution: Mailbox isn't about the reading and replying you do from your desktop. It's about curating and triaging to reach "Inbox Zero." You decide whether to reply, file it, trash it or be reminded later when you're working on email from a better work environment. My favorite option: the coffee cup, which will bring a message back tomorrow morning.

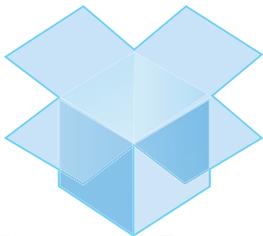
Product: The Nest Learning Thermostat

Persona: Energy-conscious consumer

Problem: There isn't an easy, automatic way to control the temperature in my house.

Solution: You can do that with your thermostat—or can you? I saw a great picture showing a brand-name thermostat with a one-and-a-half page "how-to" sheet taped next to it. It really hurt the aesthetic. The Nest actually learns the temperatures you like and builds a schedule that helps you save energy. It also confirms that you connected your wiring correctly, hops on the Internet to coordinate with the weather forecast in your area, and sends you an email once a month with details on your usage and tips for improvement. And they even included a screwdriver in the box! Nice.





Dropbox

Product: Dropbox

Persona: The wired professional

Problem: Moving files between multiple devices can be cumbersome.

Solution: Have all your important files with you everywhere on every device. We've had this problem ever since we had more than one computer, previously solving it with floppy discs, then memory sticks and then shared network folders. Synchronization between devices just works.

Product: Shopify

Persona: Small online retailer

Problem: I want to set up an online shop, but I'm not a programmer.

Solution: Shopify does one thing and does it very well. In just a few minutes, you can set up an ecommerce website. You don't need to know programming; just set up your catalogs, fill in some parameters and you're ready to start taking money.

And it's forever changed the way I think of customization. All products should be as easy to customize as Shopify. Just fill out a simple form—company name, tax ID, Google analytics code, your company logo or graphic—and voila, all your customizations are implemented.



Product: crowdSPRING

Persona: Small business owner on a budget

Problem: I need a logo or a website, but I don't have the skills to do it myself.

Solution: crowdSPRING offers design as a service: logo and site design from thousands of creative professionals around the world. People who need design don't know designers; people who know design don't have easy access to buyers. crowdSPRING brokers the two, while protecting both with a safe environment for both buyers and creatives alike.



About the Author

Steve Johnson, the tech industry's product management storyteller, is a recognized thought leader on product management, marketing and sales enablement. Before founding Under 10 Consulting, Steve was a Pragmatic Marketing instructor for 15 years and personally trained thousands of product managers and hundreds of senior executive teams.

Urgency and Accountability Are Two Sides of the Innovation Coin



BY SETH GODIN

Reprinted from Seth Godin's blog with permission from the author

As organizations and individuals succeed, it gets more difficult to innovate. There are issues of coordination, sure, but mostly it's about fear. The fear of failing is greater, because it seems as though you've got more to lose.

So urgency disappears first. Why ship it today if you can ship it next week instead? There are a myriad of excuses, but ultimately it comes down to this: If every innovation is likely to fail, or at the very least, be criticized, why be in such a hurry? Go to some more meetings, socialize it, polish it and then, one day, you can ship it.

Part of the loss of urgency comes from a desire to avoid accountability. Many meetings are events in which an organization sits in a room until someone finally says, "Okay, I'll take responsibility for this." If you're willing to own

it, do you actually need a meeting, or can you just email a question or two to the people you need information from?

Thus, we see the two symptoms of the organization unable to move forward with alacrity, the two warning signs of the person in the grip of the resistance. "I can take my time, and if I'm lucky, I can get you to wonder who to blame."

You don't need more time, you just need to decide.

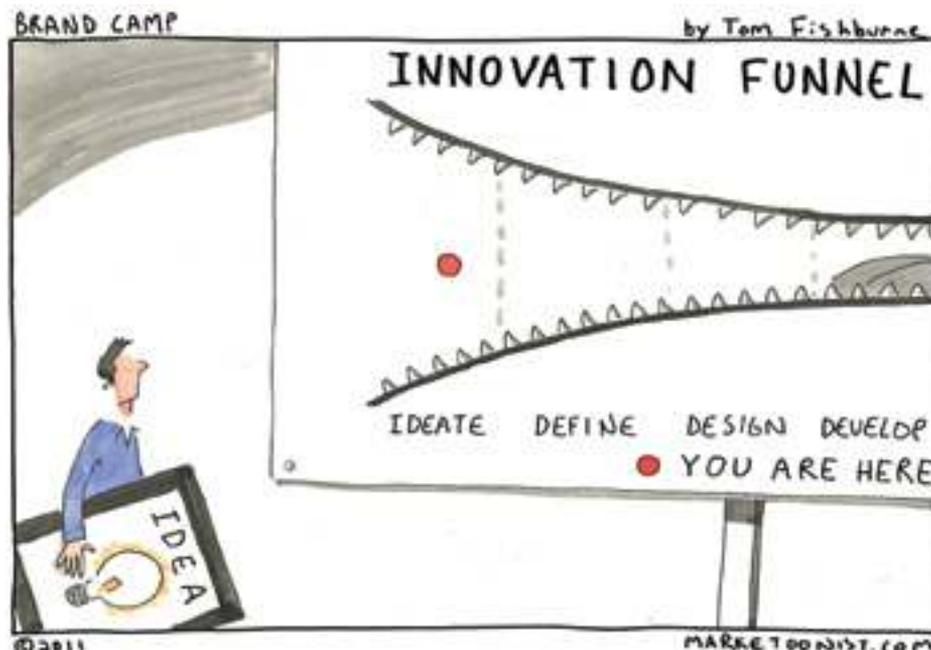
Read the history of the original Mac, and you'll be amazed at just how fast it got done. Willie Nelson wrote three hit songs in one day. To save the first brand I was responsible for, I redesigned five products in less than a day. It takes a team of six at Lay's potato chips a year to do one.

The urgent dynamic is to ask for signoffs and to push forward, relentlessly. The accountable mantra is "I've got this." You can feel this happening, when you're around it. It's a special sort of teamwork, a confident desperation ... not the desperation of hopelessness, but the desperate effort that comes from being hopeful.

What's happening at your shop?

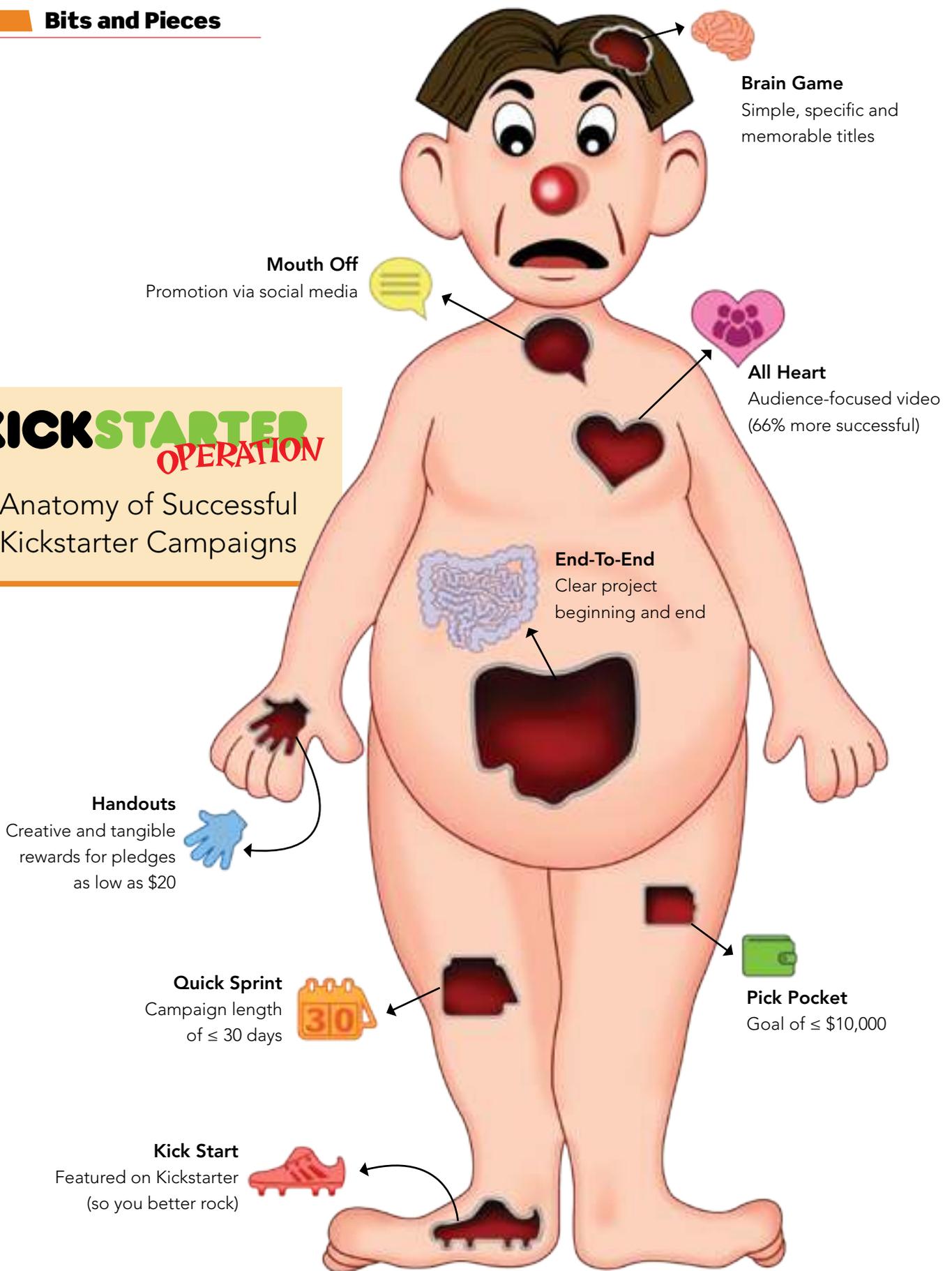
► About Seth Godin

Seth Godin has written 14 books that have been translated into more than thirty languages. Every one has been a bestseller. He writes about the post-industrial revolution, the way ideas spread, marketing, quitting, leadership and most of all, changing everything. His latest company, Squidoo.com, is ranked among the top 125 sites in the U.S. (by traffic) by Quantcast.



KICKSTARTER OPERATION

Anatomy of Successful Kickstarter Campaigns



Data source: Kickstarter.com



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Ask the Experts:

What makes a product innovative?



Craig Stull
Founder/CEO
Pragmatic Marketing

For many technology companies, innovation is measured by the depth of technology in the solutions: How many generations ahead of the competition is the platform, the software or the service? They focus on being first and talk about bleeding edge as if it's a good thing, and then they throw money into their research and development efforts. But as Steve Jobs pointed out when Apple was successful with the Mac, IBM spent 100 times what Apple did on innovation efforts during that same time period.

It's not the depth of the technology or of the investment that makes a product innovative; it's the impact it has on customers.

For instance, Apple's iPod wasn't the first portable music solution to market. Sony had the Walkman, and there were even other MP3 players in the market. But the iPod was the most innovative, because it had the biggest impact on customers. It provided a slick, fast and simple way to manage the entire process, using iTunes for music purchases—as opposed to the unwieldy buy-and-burn process of other systems. Apple saw consumer problems and then made an impact by fixing them.

Innovation isn't about adding more or doing more. Very few people want a remote with 300 buttons, for example. That's innovation for innovation's sake. What they do want are products that solve problems and that have real impact. Those are the products that are truly innovative. [PM](#)

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

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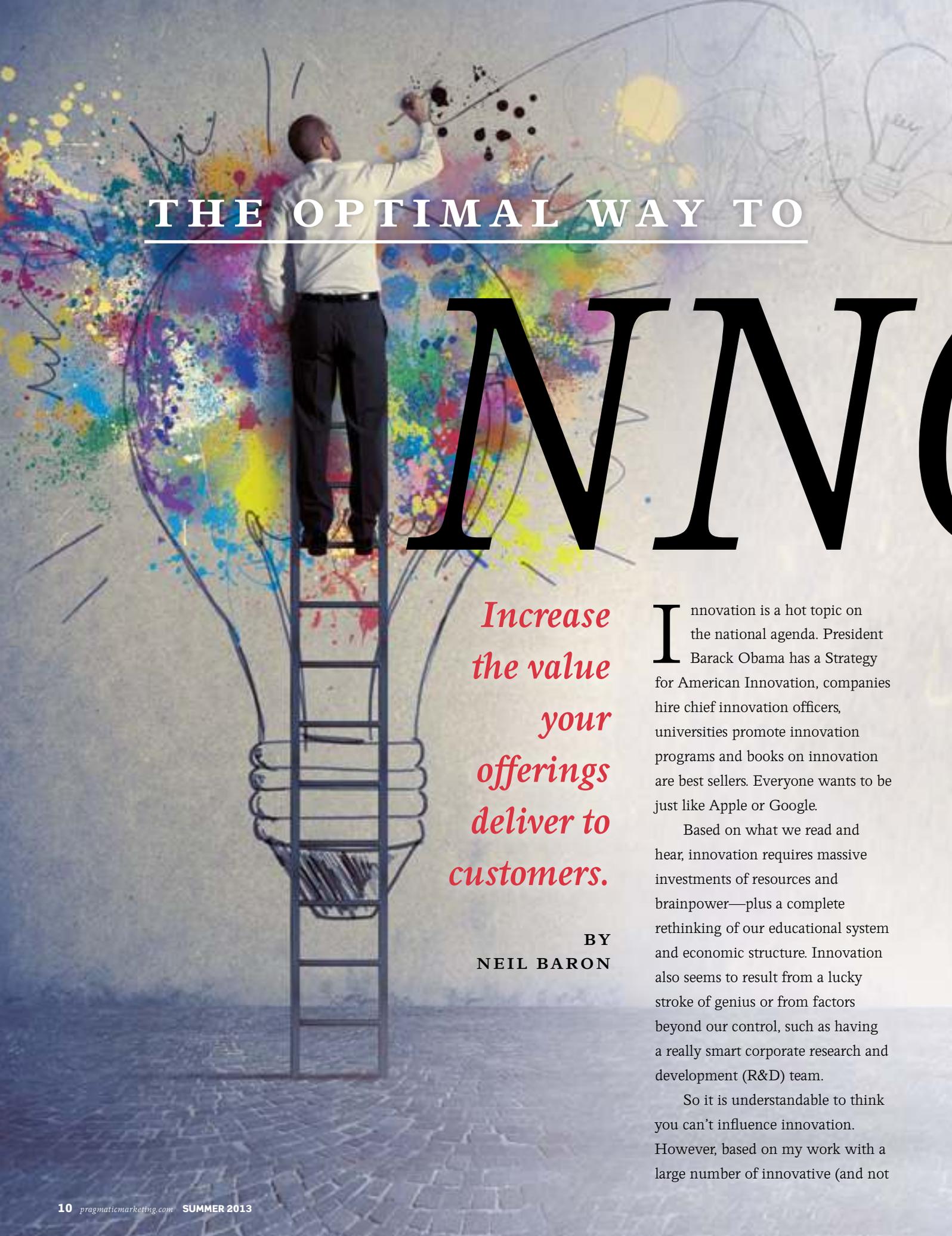
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THE OPTIMAL WAY TO

INNOVATION

*Increase
the value
your
offerings
deliver to
customers.*

BY
NEIL BARON

Innovation is a hot topic on the national agenda. President Barack Obama has a Strategy for American Innovation, companies hire chief innovation officers, universities promote innovation programs and books on innovation are best sellers. Everyone wants to be just like Apple or Google.

Based on what we read and hear, innovation requires massive investments of resources and brainpower—plus a complete rethinking of our educational system and economic structure. Innovation also seems to result from a lucky stroke of genius or from factors beyond our control, such as having a really smart corporate research and development (R&D) team.

So it is understandable to think you can't influence innovation. However, based on my work with a large number of innovative (and not

INNOVATE

so innovative) companies, product professionals must play a leading role for innovation efforts to be successful. In reality, I rarely meet companies that don't have really smart R&D people. And left alone without product-management guidance, these bright people will come up with clever innovations—but there is no guarantee that customers will buy them.

There are a number of approaches to innovation that product professionals often use:

1. Hope that the development team comes up with an idea worth commercializing.
2. React to a competitive initiative.
3. Respond to a government mandate.
4. Act on a request from a single customer.

Those approaches do occasionally succeed, but Booz, Allen and Hamilton research has shown that companies that innovate based on understanding customer needs financially outperform the others.

I refer to this needs-based approach as value-focused innovation, and it is built on answering this question:

How can my company deliver more value to the right customers?

Remember that innovation doesn't always have to result in a revolutionary new product or technology to be successful.

A valuable innovation delivers an improved customer experience as a result of a better way of doing things.

Take AIM

Value-focused innovation may necessitate that you and your organization rethink how you develop new products and services. At Baron Strategic Partners, we have identified 10 Areas of Innovation Mastery (AIMs) that are required for value-focused innovation. The AIMs touch on all aspects of innovation, including establishing a culture of innovation, managing your innovation portfolio and developing the innovation.

This article focuses on the AIM most companies stumble on: identifying your customers' known and unknown needs.

In theory, it should be easy to talk to customers and find out what they need. Unfortunately, customers can't always articulate it and might not even know that they have a problem or concern. Additionally, many people lack the skills, expertise and experience to uncover customer needs. They take the wrong approaches, ask the wrong questions and doom the innovation effort just as it is getting started.

As Henry Ford is quoted as saying, "If I asked my customers what they wanted, they would have said a faster horse." It is often beyond the capability of customers to articulate the need



Understanding what customers' problems need to be solved is the key to innovation.

for or to conceptualize breakthrough innovations.

As Brian Bernstein, director of product management for Philips Lighting, pointed out during a recent conversation, the wrong questions can also get you into trouble. For example, he said, if you ask a customer if they want a new feature, service or product, the customer can easily say yes. You then go off and develop that feature, only to find out that the customer wanted it, but wasn't actually willing to pay for it. There is a better way.

Get to the Point ... of Frustration

Opportunities to add value to the lives of customers can be uncovered by determining what is suboptimal in their lives. The key is to always seek to understand their world and identify points of frustration. This is very different than asking them what they want.

Observe, listen and ask the right questions of the right customers.

When UnitedHealthcare (an operating division of one of the largest health carriers in the United States) wanted to improve the customer experience, employees spent time in the homes of customers observing and asking questions. While the vast majority of members had a seamless experience, the company wanted to understand the experience that seriously ill members had when dealing with insurance. UnitedHealthcare wanted not only to observe the specific actions these people

took, but identify how it impacted their lives.

Ryan Armbruster, vice president of innovation competency, reported that his team would leave the homes of these seriously ill patients with a greater sense of empathy. Not only were their eyes opened to the insurance-related issues their sickest members sometimes faced, but the observers were impacted emotionally. Armbruster recalls going into the home of a terminally ill young woman whose mother was taking care of her. Stacks of medical records, reports and insurance papers took over the kitchen to such an extent that the mother lamented that there was no space to bake cookies for her dying daughter.

As a result of these and other emotional moments, UnitedHealthcare recognized that this situation cried out for a solution. It created its innovative Sherpa program, which assigns personal advocates to seriously ill patients. Now the Sherpa program successfully fields more than 2,000 inquiries for assistance per week and is continuing to grow.

Empathy is the ability to see the world through someone else's eyes. For UnitedHealthcare, empathy for its sickest patients led to an important innovation. You do not get the depth of these insights or an understanding of someone's emotional pain from a survey. The key is to capture your customers' stories about their challenges and address those frustrations.

Empathy and Innovation

Jeff Salzenstein is a former top-ranked tennis professional and NCAA tennis champion. A bright guy with an economics degree from Stanford University, he spent his playing career studying ways to improve his game. He constantly questioned the conventional wisdom about the game and how it was taught. After retiring from professional tennis, Salzenstein became one of the first online tennis coaches. And, not surprisingly, he is now considered one of the more innovative coaches in the sport. As proof of his teaching expertise, he even improved my game.

Since Salzenstein was one of the top players in the world, you might think it would be hard for him to relate to the world of his students. However, his own struggles with defeats and injuries as a player enable him to relate to the challenges and frustrations of everyday players who want to get better. Just like the most innovative companies, Jeff constantly seeks to identify the sources of frustration for his customers (students). He learned that understanding what customers' problems need to be solved is the key to innovation.

Jeff's innovative approach to tennis combines his background as a top 100 player with knowledge gleaned from studying a variety of martial arts. He used these insights to develop a series of unique drills and instructions that provide new ways of making tennis less frustrating to learn.

Salzenstein's success reinforces the notion that empathy for your customers' plight is key to innovation. He now virtually coaches more than 20,000 players in more than 30 countries.

What would you see if you actually spent a day observing what happens in a typical "day in the life" of your customers? What would you learn if you asked them specific open-ended questions about their frustrations, goals and challenges? Getting to the root of the problems they face helps you to figure out what tools you have in your arsenal to help them solve those problems.

Questions Before Answers

So empathy obtained from asking the right questions and observing customers is the key to innovation, but why is it so hard?

As Armbruster of UnitedHealthcare puts it, we are trained starting in kindergarten to provide answers. We are not taught to ask questions or identify problems.

How often have you been in a meeting when the most important question you should ask is: What problem are we trying to solve?

Despite the challenges, it is important to get input from the right customers by asking the right open-ended questions. You want to become an expert in their business, their challenges and their strategic initiatives.

Of course, the exact questions you should ask depend on your specific situation, the individuals you are speaking with and what you hope to learn.

It is often difficult to really listen to customers. Some get caught up in the tyranny of seemingly urgent activities or lack the skills and confidence to effectively interact with customers. Others let their egos get in the way, so that it becomes difficult to really hear what customers are saying.

Your stress hormones can be your worst enemy. I've seen the fight-or-flight response derail the conversation. You might get defensive and argue with the customer or get really nervous and rush through the conversation in an attempt to get it over with quickly. Neither approach will yield valuable insights to drive innovation.

With training, coaching and practice, product professionals can get better at asking questions and listening to the answers. On occasion, an outside expert can be engaged to ensure that these listening sessions are conducted in an objective manner, free of bias.

A key outcome from this step is a deeper understanding of your customers' challenges and obstacles to success. You should collect these stories, share them with your colleagues and use them as the foundation for innovation.

Implementing the value-focused innovation method is not easy. If it were, more companies would do it. But focusing on solving customer problems, rather than analyzing internal research output, is the smart approach to doing innovation right. [PM](#)

About the Author

Neil Baron is an internationally recognized authority on selling and marketing innovative products, services and solutions sold to risk-averse customers. He has served in a variety of senior marketing and management roles at companies such as IBM, Digital Equipment Corporation, Sybase, Art Technology Group, Brooks Automation and ATMI. He is passionate about involving customers throughout the go-to-market process. In 2009, he started Baron Strategic Partners, a consulting firm focused on helping organizations launch groundbreaking products and services and reenergize older ones. He can be reached at nbaron@baronstrategic.com or through www.baronstrategic.com.

address in the '90s and, deep down, we all want to like Yahoo. But it's not always easy, and this seemed like another reason to point a finger and have a good laugh. In the space of a few hours, bloggers and journalists caught on and the story could be read over and over again. A quick online search for this story returns an enormous amount of results—many of them saying what a terrible idea it was.

The story continued to gain steam, and a second wave of people came on board with their opinions. Even my hero, Richard Branson, joined in to say he was perplexed. Water coolers all around the world were surrounded by people talking about Yahoo and its questionable choice.

But then something happened.

More details came from Yahoo that soon gave a different perspective on the situation: "This isn't a broad industry view on working from home. This is about what is right for Yahoo, right now." Translated, it was a calculated solution to a very specific problem at Yahoo, nothing else—a problem that only affected an estimated 2 percent of Yahoo staff.

So how did Yahoo know there was a problem? The answer was in the data. Yahoo CEO Marissa Mayer is famous for being seriously data driven. She had analyzed the unimpressive virtual private network (VPN) log history for remote employees and very clearly saw the issue. The remote working arrangement was directly opposing the ultimate Yahoo goal, so it had to go.

The memo to Yahoo employees, which quickly found its way onto the Internet, read: "To become the absolute best place to work, communication and collaboration will

be important, so we need to be working side-by-side. That is why it is critical that we are all present in our offices." Later Yahoo said of its employees: "They're more collaborative and innovative when they're together. Some of the best ideas come from pulling two different ideas together."

Was it innovative or just another bad idea? We all had immediate opinions, but we weren't privy to all the details.

Without any kind of factual basis, it's guesswork.

Whether it's guessing based on previous experience, on other similar situations or gut instincts, it's still just guessing. Yahoo, on the other hand, was working toward a specific goal and identifying problems based on data. Innovation is defined as the introduction of new ideas that solve a genuine problem. This was true innovation from Yahoo, and they had data to back it up.

Data Is Back

There were two main reasons the Yahoo story gained such publicity:

1. People didn't understand there was a problem at Yahoo. Why fix something that isn't broken?
2. The solution was so specific, it was easy to assume there were other better options.

Both reasons were addressed when the data and goals were revealed. The attention to the story crumbled; we were trumped by data.

Data is a great leveler. It enables a junior developer to question a CEO with authority; he who has the data rules the world. Data isn't just numbers and digits, it's people, actions



and behaviors. For example, the digital web design team who worked on the Mitt Romney U.S. presidential campaign, after conducting A/B testing on how two different versions of a web page performed, stated, "This team has data, not opinions."

In many instances, it is possible to propose an idea and use data to find out its value in a matter of days or hours. This has turned product development and user experience from an art into a science. Creating data is now a bragging right: The more tests you run, the more you learn and the quicker you can build products that customers will love. The lean startup movement has given this thinking a lot of attention recently. Data, analytics and learning mean less guessing and rushed opinions.

One company known for building innovative products by focusing on data is Mayer's former company, Google. In 2009, designer Douglas Bowman famously quit the company, sharing on his blog: "Yes, it's true that a team at Google couldn't decide between two blues, so they're testing 41 shades between each blue to see which one performs better. I had a recent debate over whether a border should be 3, 4 or 5 pixels wide, and was asked to prove my case. ... I won't miss a design philosophy that lives or dies strictly by the sword of data."

Clearly, not everyone is a fan of data in measuring innovation, but data can be the key in proving or disproving your idea.

Becoming Data Driven

"Would you tell me, please, which way I ought to go from here?"
"That depends a good deal on where you want to get to," said the Cat.
"I don't much care where," said Alice.
"Then it doesn't matter which way you go," said the Cat
—Alice's Adventures in Wonderland, 1865

You can't measure against success until you know what success looks like. Consider the following questions:

1. What is the overall vision for the product? What are you trying to achieve?
2. What will prove that you are meeting the vision? What are the indicators that you can measure your success by?
3. What metrics or behaviors are you able to influence in order to drive the key performance indicators (KPIs)?

Here is how Yahoo would have answered these questions about working from home:

1. What is the overall vision for the product, what are you trying to achieve? "To become the absolute best place to work."
2. What will prove that you are meeting the vision? "Communication and collaboration."
3. What metrics or behaviors are you able to influence in order to drive up the KPIs? "We need to be working side-by-side. That is why it is critical that we are all present in our offices."

By employees being present in the office (quantitative measurement), communication and collaboration would be improved (qualitative measurement), which would contribute to Yahoo becoming the "absolute best place to work." Using data to identify the problem is as important as using it to validate the solution. No doubt Yahoo will be wholly measuring the changed behavior to prove or disprove the chosen solution.

Take Control of the Question

Becoming data driven is not a sure way to prove that your ideas are innovative. It's the complete opposite. Using data is a way to expose the truth, even if it's not what you expected. It gives you authority and a better reputation with those you work with.

True innovation, compared to perceived innovation, will stand up to the test. In order to build products that customers will love, we need to rely more on measuring and less on guessing.

So is it innovative or just another bad idea? Let the data be your guide. [PM](#)

About the Author

Paul Brooks (@okpaul) is a UK-based, award-winning product manager for a NASDAQ listed profit optimization company. Specializing in user experience, he acts as the design authority across the company's suite of B2B web-based applications. He studied in the United Kingdom, France and the United States and previously worked at a digital marketing agency and as a freelance designer for public-relations agencies.

PEOPLE + PROCESS = PERFORMANCE

How having the right culture for innovation adds up.

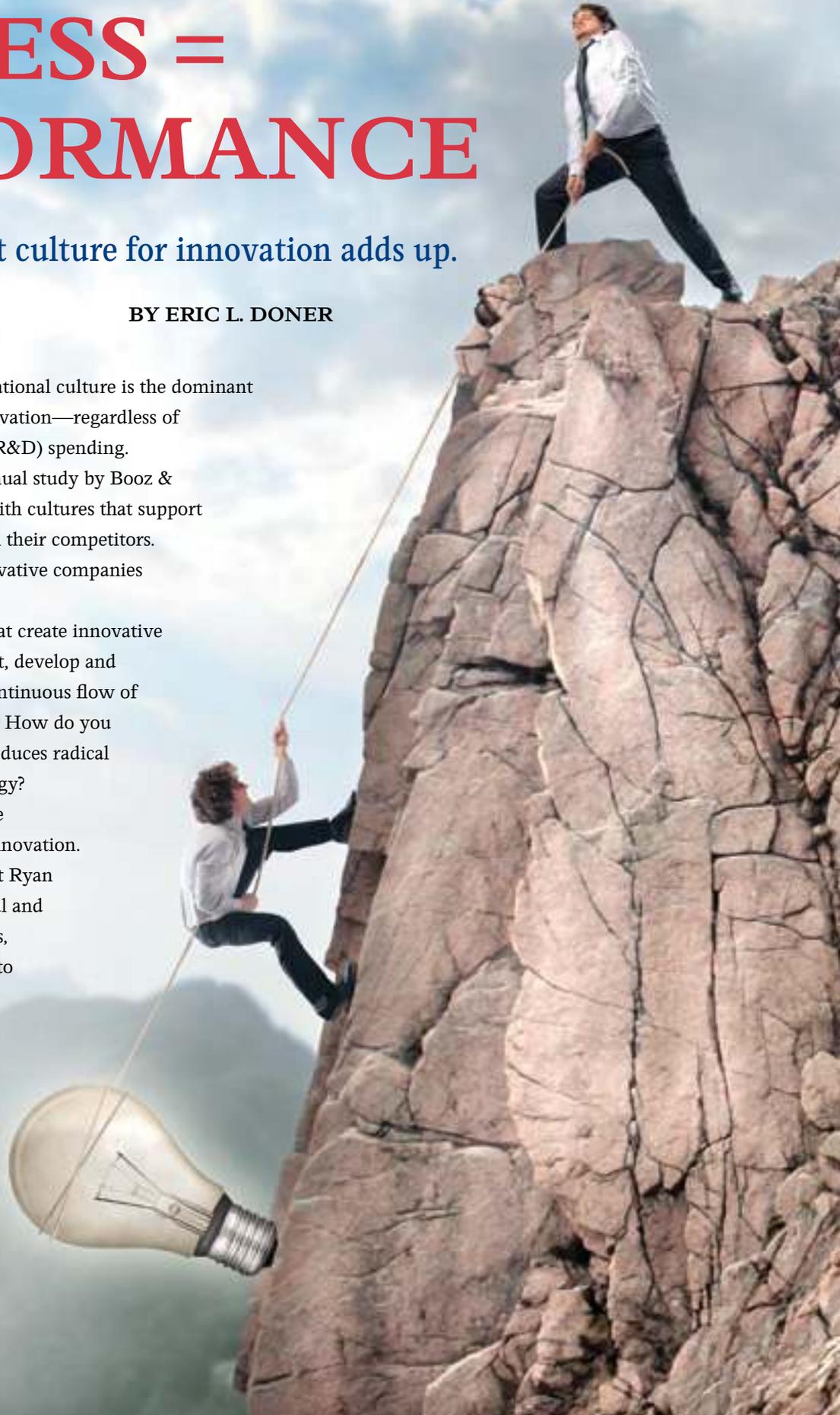
BY ERIC L. DONER

The research is clear. Organizational culture is the dominant driver of creativity and innovation—regardless of research-and-development (R&D) spending.

Global Innovation 1000, the annual study by Booz & Company, shows that companies with cultures that support innovation consistently outperform their competitors. Booz also found that the most innovative companies actually spend the least on R&D.

Is it leaders of organizations that create innovative culture? Is it truly possible to attract, develop and retain creative talent to ensure a continuous flow of new ideas and distinctive products? How do you foster a work environment that produces radical innovation and disruptive technology?

To begin, reflect on the creative environment and how we define innovation. Respected communication strategist Ryan May states: “Creativity is the mental and social process used to generate ideas, concepts and associations that lead to the exploitation of new ideas—put simply: innovation.” And Jeff DeGraff, University of Michigan business professor, author and noted innovation consultant, says



“Innovation is about what doesn’t exist yet. Innovators see it—others don’t.” In this regard, innovation shares an aura of ambiguity with culture.

Culture Is Elusive

Corporate culture can be hard to define, but you know it when you see it. An organization’s culture is the aggregation of its mission, vision and values plus the beliefs, attitudes, behaviors and actions of both its leaders and its performers. Culture drives policies and practices and shapes the brand. In a thriving culture with authentic leaders, employees who are encouraged and empowered will consistently create and contribute. However, an authoritarian, change-resistant or risk-averse culture prevents innovation. Employees are not likely to offer new ideas; they work just hard enough to not get fired, and only until they can find something better.

Achieving the goal to build and sustain a culture of innovation requires adopting a “People + Process =

Performance” equation. Give strategic priority to both people and process and results are predictable. Neglect or ignore either, and you have a formula for failure.

Bill Bernbach, cofounder of Doyle Dane Bernbach Worldwide Communications Group Inc., once wrote in an *Esquire* article: “Creative people have an annoying habit. They create.”

To foster that creativity, they require a work environment—a culture—where they can practice and demonstrate creativity. Most importantly, they should be applauded for failures, and not be criticized or ostracized.

Hire for Innovation

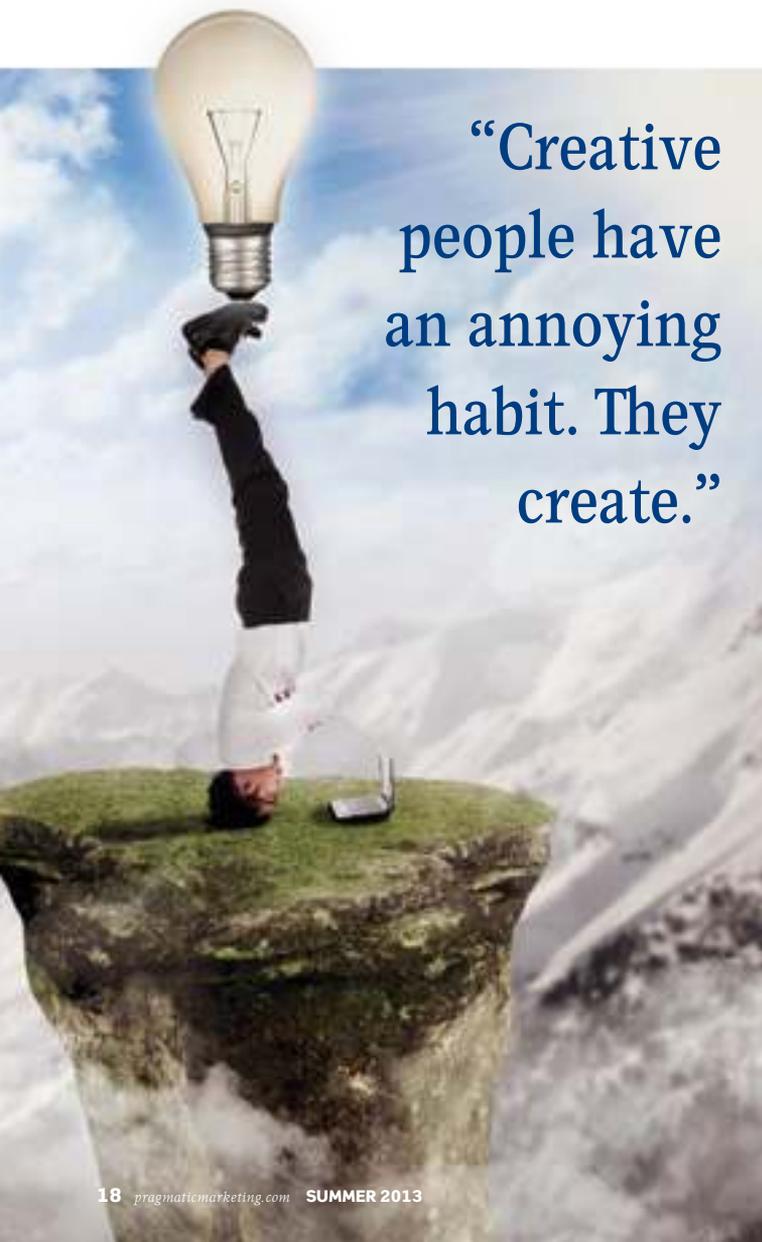
Across industries and geographies, CEOs consistently highlight four personal characteristics most critical for employees’ future success:

- Collaborative
- Creative
- Communicative
- Flexible

In addition to these attributes, a major challenge in the war for talent is to find employees with undefined future skills, for which no training is available today. The *IBM 2012 Global CEO Study* found that CEOs are increasingly focused on finding employees who can constantly reinvent themselves. And John Chambers, Chairman and CEO of Cisco, told graduates of San Jose State University: “The class of 2013 must be innovation-ready to survive and thrive in an economy where lightning-speed change is a matter of course.”

So how does an organization find and recruit “future-proof” employees who think big, thrive on ambiguity and continuous change, and are lifelong self-directed learners? For further insight, I turned to Joseph Murphy, a psychometrician and evangelist for staffing process improvement. He assured me that it is possible to measure the ability to brainstorm and the capacity to generate robust and valuable ideas. He cautioned, though, that organizations must clearly define their skill requirements to test for them—and must ensure that their culture values creativity and “tolerates” creative employees.

Remember our equation: People + Process = Performance. You may win one battle in the talent war when you acquire the people you need to create exciting new products. However, the major battle is to ensure that your policies and business practices do not create barriers to innovation. Your cultural strategy must encourage autonomy and breed creativity. Carefully onboard, guide, coach and develop your human assets to sustain their motivation, retain their loyalty and help attract more like-minded creative talent. According to the



IBM study, a majority of 1,700 CEOs surveyed highly value a corporate culture of openness—diversity of thought and the free flow of ideas—and they expect innovation. But while they value such a culture, are they creating it?

Management Style

Leadership style and skills play a large part in the equation. In a blog posting on businessdictionary.com, Ryan May wrote, “Supervisors must manage for the creative process and not attempt to manage creativity itself.”

And in their *CBS Money Watch* blog, Kelly and Marshall Goldsmith warn about the behavior of well-intended but self-delusional managers in “The Three Most Annoying Habits of Successful People”:

1. **They need to win all the time.** They’ll steal your idea and take credit for it.
2. **They try too hard to add value.** Instead of saying “terrific idea,” they say “Why don’t you add this piece to it?” They may add 5-percent value, but lower your commitment by 50 percent.
3. **They are publicly critical.** They have high standards and complain to their colleagues when others fall short of expectations.

Managers should be mindful of these examples and avoid inadvertent comments that stifle creativity and innovation

Consider these suggestions from the IBM study and from my personal experience:

Replace rulebooks with shared beliefs. Reduce complexity to enable everyday decision making, and help employees become fluent at responding to issues and problems.

Look hard at your corporate culture. Look at what you actually practice, not what you intend to project. How can you improve your culture if you don’t know what it looks like?

Build values that employees will live out. Allow them to help create the purpose and system. The people closest to the work often have the best ideas.

Create unconventional teams. Leverage diversity, experiences and unknown strengths.

Concentrate on experiential learning. Make it relevant to both the current job and future success.

Empower high-value employee networks. Encourage social media, since employee connections can become valued collaborators and customers.

Create a stimulating environment. Art, collectibles and games are great sources of inspiration. Capture everything using whiteboard paint, for example. Just add erasable markers.

Encourage and reward risk taking. Failure is a great teacher, but you have to be willing to take risks. Provide frequent positive feedback and reward creative ideas that work.

Enable and facilitate shared tribal knowledge. Informal learning has more stickiness.

Cisco’s Chambers also told the San Jose State grads that the “Internet of Everything” requires a new mindset, and its power can be used to solve some of our world’s most vexing problems. Surely this quest for solutions requires innovation, in both computing power and people power. We must remember that it is people who build, manage and maintain the information infrastructure—and they need supportive business practices to enable them to create, innovate and perform.

Computer scientist and graphical user interface pioneer Alan Kay said in 1971, “The best way to predict the future is to invent it.” We have witnessed that future and there is much more ahead. Some of the greatest innovations of the 21st century have been developed in, and will continue to evolve from, an entrepreneurial culture where creative people can best apply their skills and produce value. And while start-ups certainly encourage and even demand creativity from employees, established organizations can also adopt the elements of an entrepreneurial culture.

Organizations that get it right when it comes to creating and sustaining a culture of innovation will stay in the game and earn big wins. They will be led by courageous leaders who take purposeful action. They will be willing to examine and improve their corporate culture and invest in people, learning and systems to invent their future. [PM](#)

About the Author

Eric Doner is a respected organizational culture strategist with more than 25 years of corporate experience in sales, management, learning and development, consulting, military and nonprofit leadership and academic roles. He is the founder and CEO of AchieveCorp, a firm that provides assessments, tools and training to enable organizations to create greater value by improving their culture. He is a professional speaker, trainer and co-author of “Plan to Win: Strategic Territory & Account Planning” (THiNKaha, 2011). You can read his blog at www.achievecorp.com and contact him at edoner@achievecorp.com.

INNOVATION BY DESIGN

Tackle four barriers to innovation with design thinking.

BY JESSICA DUGAN

The movie *Design & Thinking* poses this scenario: Say someone hired you to build a bridge. Think of the types of questions you'd have to answer to do your job. What kind of bridge would it be? A suspension bridge, drawbridge or covered bridge? What materials would you use? Steel, wood or plastic?

These are all necessary questions, but if you step back to look at the problem you're solving, you see the true challenge: moving people and objects from point A to point B. With that new problem frame, you suddenly have access to new possibilities and new questions. Does it have to be a bridge? What if it was a zip line, boat or helicopter?

At Peer Insight, we help organizations ignite innovation by focusing less on physical design and more on "design thinking," a human-centered approach to problem solving and innovation that puts the needs of the customer at the center.

The first step in the design thinking process is to understand your customer's current reality. To do that, we often conduct in-person interviews with key customers at their homes, offices or other in-context environments to observe their day-to-day experiences and empathize with their challenges. We then work with the client team to analyze our observations and turn these insights into innovative products that solve those challenges.

There are four common pitfalls that everyone should avoid when taking on such innovation challenges.

Pitfall #1: Seeing the Technical Solution, Not the Human Problem

Often, when we engage in an innovation project, our clients have a narrow view of their business challenge or problem, which can block them from seeing otherwise obvious solutions.

For example, we recently worked with Computer Sciences Corporation (CSC) to build internal design thinking and innovation capabilities. The teams were open to applying a human-centered approach, but had a difficult time seeing past the organization's "lens" of technology. When we asked them to explain a typical customer's experience with one of their products, they would tell the story in terms of technological devices and data flows: "The data from tower A is going to get sent to the receiver over in tower B." While a true depiction of how their business works, their scenarios left out the most important part of the service: the customer.

Map the journey. To truly understand both the experiential and emotional path your customers take, create a journey map, a visual diagram of a customer's experience. For example, to understand a customer's journey in a store, you would start by listing out all activities and steps a customer would perform. Don't just look at what happens in the store, look beyond the in-store experience. Map the decision process to go there, their preparations and their travel. Examine what happened after they opened the door and when they were shopping around. Look at the checkout process, whom they talked to after they left and whether or not they returned. Journey maps help you empathize with the struggles and moments of joy the customer experiences.

To map their customers' journeys, the CSC teams engaged in observational research. After just a single round, they began to understand that they're not serving a digital process, computer or technology. They're serving people.

Design thinking helps open up your view of a problem beyond what you already know and gives you a new way to frame it.

Pitfall #2: Working in a Silo

We've all heard of the lone wolf, who single-handedly brings new and innovative solutions to his company. But true lone innovators are few and far between. We can do a lot on our own, but ideas and solutions are always better with more heads in the game.

The Evangelical Lutheran Good Samaritan Society (Good Sam), a large long-term care provider, has campuses across the country—but the good ideas popping up at them weren't funneling up to the main campus. Peer Insight was hired to create an internal innovation architecture, or centralized platform, where innovative ideas could be shared across the campuses and championed by Vivo, its innovation team.

One of the most important steps was picking the right team, which consisted of both external and internal team members. Good Sam recruited external individuals with design-thinking skills who could approach problems a bit differently. They also included "internal credibles" who knew the ins and outs of the company and supported these externals in understanding the needs of the organization.

Once you have the team in place, there is another constituent to consider: the customer. In order for a new product or service to be successful, the customer has to make the decisions. A good innovation team frames the problem with a prototype, then sets it up so the customers can decide what to move forward with.

Organizations are often nervous about this; they want to have the power. But when you put the decision-making power in the user's hands, there is a clear winner every time. The energy and enthusiasm that surround certain features and concepts, will empower the team to move forward.

Pitfall #3: Focusing on Perfection

Organizations want everything they do to be perfect. Unfortunately, that kind of thinking has no place in the innovation cycle. The earlier you get an idea in front of users the better. It helps test your assumptions and the feedback ultimately

helps improve the quality of the product.

One of the most difficult things for an organization to do is put out an imperfect, low-fidelity prototype. They often worry that giving customers a glimpse of an unfinished service or product will hurt the company's reputation. But that's not true at all; it's about progress, not perfection.

During our training with CSC, we found that some of the managers weren't comfortable with failure. By reframing assumption testing and prototyping as a way of learning rather than failure, we were able to give them permission to try out new ideas without fear. It's not failing if you're building upon what you've learned in each round and creating a better product or service. You have to be comfortable with throwing away your idea and moving on to the next.

Pitfall #4: Inability to Pivot

In a project for the American Association of Retired Persons (AARP), we developed a website to help baby boomers during times of transition, whether it's retirement, empty nests, unemployment or buying a new home.

In-person interviews with baby boomers, showed us that there was a lot of anxiety tied to the recession at that time. People were most focused on what came next in their work lives, whether they were employed, retired, didn't have a job or were "re-careering." That led to the creation of the "Life Reimagined" portal, which included online tools to help with those times of transition.

We used a low-fidelity alpha test website, which included only "make-or-break" functions that were necessary for the product to be viable. The test website was open to the public for 90 days, and we promoted it through Google Adwords, the AARP conference and videos on YouTube. This process was scary for AARP, because although it was a functioning website, it wasn't the most aesthetically pleasing and not all of the links were fully functioning.

Interestingly enough, through this test, we found that although the service had targeted boomers, the people who were using the services

skewed a lot younger.

It was an eye-opening experience to realize these were future AARP customers who are going to be retiring in the next 30 years. They need support throughout many transitions in their lives, not just the ones that we were thinking about. AARP still provides the site, but the messaging is for a broader audience.

The opportunity to pivot or refocus your innovation effort is another reason we encourage our clients to get out there and put things in front of users before they're perfect. You might find yourself with a product or service that is very different from what you started with, but that might expand your customer base in a new way like AARP.

Don't Innovate to Innovate

While overcoming these pitfalls can help you be a better innovator, you still want to make sure you're innovating for the right reasons. Every organization wants to be at the top of their market with a product or service that redefines the industry, but even a really good idea cannot do that on its own. If the idea is not human-centered or aiming to improve the quality of life or the experience for your customers, then it's not a sustainable innovation. You can't just innovate to innovate; you have to innovate for the customer. **PM**

About the Author

Jessica Dugan is a senior design consultant at Peer Insight, a Washington, D.C.-based innovation consultancy, with a passion for people and their stories. Drawing on her background in design research and business strategy, Jessica collaborates in the creation of innovative products and services. She holds master's degrees in design and in business administration from the IIT Institute of Design in Chicago. She can be reached at jdugan@peerinsight.com.

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Going Beyond Google

Competitive intelligence from the deep web.

BY SCOTT SWIGART

Have you ever had that sinking feeling that the answer you were looking for was out there on the web, but you just couldn't find it?

Competitive intelligence is about getting answers to the important questions: How quickly is our competitor's revenue growing? What's the rate of adoption for its new product? What are its B2B prices? Do they discount to get a sale? If so, how much? What features will be in its next version? Is it going to buy another company or get bought?

You may be able to answer some of these questions just by asking around either your company's sales team or your competitors' partners or customers. Increasingly, though, you can use the web to find quantitative answers to your important questions. The web is full of sites that can help you search for competitive intelligence. This article will walk you through the top few.

LinkedIn.com

You might think of LinkedIn as little more than a site that houses your digital résumé—to be visited every so often, as you ponder a change in employment. But LinkedIn is, quite simply, the world's largest database of business information.

A common intelligence question is: How is the competitor staffed? This could include the percentages of people that are in sales, marketing or research and development, or how many are located in the United States or other select countries.

By searching for a company on LinkedIn, you can instantly see how many people at that company have LinkedIn profiles. If the company is similar to yours, you can extrapolate how many total people it employs. For example, let's say LinkedIn shows 4,500 people at your company. You know that your company actually employs 6,000 people, meaning that your actual employee count is 133 percent of the LinkedIn number. Now let's say LinkedIn shows 2,000 people working for a competitor that is similar to your company (in the same industry, U.S.-based, etc.). Using the same ratio, you could estimate that the competitor really has close to 2,700 employees.

You can drill down and use this same technique to estimate how many salespeople it has, how many people it employs in the New York area or to answer a number of questions about the organization.

You might also want to identify its top customers or estimate its revenue for a certain region. You can often find



this information by searching these profiles for the presence of "\$"—that's right, a dollar sign. Salespeople and businesspeople often talk about their responsibilities or achievements with statements like "achieved \$X million in revenue in X region." A search for a "\$" retrieves those kinds of facts.

Finally, for a look at what products the competitor is developing, view the profiles of its engineering people. See what they're excited to be working on, as this can reveal details that the company hasn't yet officially disclosed.

Indeed.com

Another key area you can search is job postings. After all, companies don't do things; people in companies do things. If a company wants to do something new, they probably need to bring on new staff to do so. As a result, job postings are a leading indicator of where a company is heading.

A few years ago, we were interested in which U.S. cell phone carriers would embrace Android-based phones. We searched job postings on Indeed.com for each carrier. Sure enough, one of them began advertising for engineers and

other people with Android experience. We also monitored LinkedIn and saw a similar increase in the number of people working at that company who listed Android in their profiles.

Six months later, that carrier blitzed the airwaves with its Android campaign.

You can do the same thing in your industry. Is the competitor going to build Windows 8 applications, or are they staying focused on the iPad? Just ask Indeed.com how many open job postings there are for each.

You can also use Indeed.com to find your competitors' customers. Let's say a competitor sells the ACME 3000 widget. If you search for that product on Indeed, you will find companies saying that candidates need experience with the ACME 3000. Their only reason for making this a requirement would be that they use that technology.

Also, remember the job posting itself. Job postings, especially for senior positions, often describe in detail the importance of a particular position to the company. We have read job postings that state things like: "You will be heading up the new XYZ Division, one of only two new strategic divisions that will propel the business to \$1 billion

in revenue.” If you’re a competitor, is that important? I think so.

Slideshare.net

Another top site that we check for nearly every analysis is Slideshare. It is often referred to as the YouTube of PowerPoint for its similarly easy-to-use interface for uploading presentation files. And because companies speak in PowerPoint, that is a very good thing. If you want to come up to speed on a trend, industry or competitor, just enter a search term and you will see all presentations that include that term.

How valuable can a slide presentation be? On Slideshare, we have found product roadmap presentations and investor-relation presentations that give detailed breakdowns of business units, growth, strategies and more.

And when you can’t find everything you’re looking for on the web and need to interview people to get important intelligence, presentations are gold for finding these experts—and they usually even contain contact information.

More, More, More and Less

That’s three sites that we use constantly for competitive intelligence, but there are literally hundreds more that we use at least occasionally. These great tools include Quora.com (a question-and-answer site), Archive.org (an Internet library) and Glassdoor.com (a job and career community). At some point, the problem switches from lack of information to too much information. A million points of data won’t spontaneously combust into an insight

without some analytical rigor. As you start playing with sites like these, it’s easy to be blinded by the data and lose sight of why you went looking to begin with. Determine what questions you have about your competitors, as well as how the answers to those questions would affect your decisions, and you’ll have a good idea of where to focus your efforts online. **PM**

About the Author

Scott Swigart is cofounder of Cascade Insights, which provides competitive intelligence, qualitative market research and strategic marketing services to clients in the hardware and software industries. He is well recognized for his contributions to the competitive intelligence community and regularly speaks at national conferences for marketing research and competitive intelligence associations. He can be reached at scott@cascadeinsights.com.

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The 4 Mindsets of Mobile Product Design

Meet and exceed user needs to build powerful mobile applications.

BY SCOTT PLEWES

Today's mobile users bring high expectations to the table. In a 2010 study by *eMarketer*, 73 percent of users indicated a company's mobile software should be easier to use than its desktop or web product. And 69 percent said their perception of the company's brand would be negatively affected if the mobile version wasn't easy to use.

In an increasingly crowded mobile market, an application that immediately captures the user's attention, is easy to navigate and offers real value is critical to market success. In helping design and develop mobile apps over the years, we've uncovered four important mindsets required to successfully meet and exceed these criteria.

Mindset 1: Don't Port; Create

"Create a product, don't reimagine one for small screens. Great mobile products are created, never ported."

—Brian Fling, author of Mobile Design & Development

Focus on the most important tasks and user goals. In general, a successful mobile product offers only a fraction of the features and capabilities offered by its equivalent desktop or web version. These capabilities could be a subset of existing desktop features, a set of new features that better address a mobile user's needs or a combination of the two. Only the most relevant and important features should be included in a mobile version of an existing product. All other features should either be discarded entirely or moved to secondary screens.

To determine what's important to users in a mobile context, study their behavior regarding needs, goals, workflow and workplace processes. Product management and user-experience designers should work together and include these time-tested user research techniques:

- Contextual interviews and focus groups to uncover actual needs and opinions
- Task analysis to break down all the steps a user takes to fulfill his or her goals
- Field research for insight into the way users would interact with your mobile product in the real world
- Usability testing to identify and correct any gaps between user goals and the actual experience your product is delivering today

These methodologies provide the insight needed to envision and create a mobile product, not simply port an existing desktop or web service.

Mindset 2: Understand the User's Context

Because a mobile device can be used anywhere, your application's design should be able to suit a variety of environmental, organizational and personal contexts. For example, think of the difference between a Travelocity user at home planning a vacation and a Travelocity user trying to confirm a connection time on a smartphone as they run

through an airport. Mobile users want to complete tasks quickly, and they can easily become frustrated if a mobile product doesn't work as expected or is slow to perform.

Use the value-for-effort equation. When evaluating the efficiency of your mobile design, use this formula:

$$\text{Value} = \frac{\text{Ability to Fulfill an Immediate Need}}{\text{Time Required to Accomplish the Task}}$$

A mobile version with extraneous functionality will force users to sift through unnecessary data. To help users get the most value in the least time, keep the denominator of the equation as small as possible by focusing on their context-specific, immediate needs.

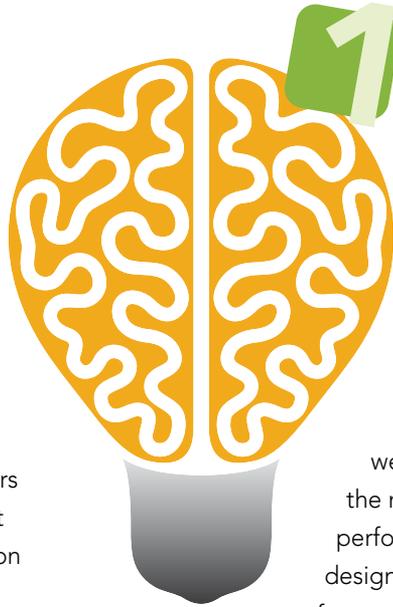
The environment influences the interaction. Users may interact differently with a mobile product than they do with a desktop or web version. In an office setting, for example, a user has the time and the ability to perform data entry. This same user would likely not want to do this on a small touchscreen while waiting in an airport lounge.

In the case of a mobile product for business use, there also may be regulatory or legal constraints to consider. In a hospital setting, for example, it may be appropriate to store sensitive patient information on a secure desktop computer. But it could be illegal to house it on a smartphone that could leave the hospital and easily fall into the wrong hands.

Design for partial attention and interruption. Mobile-device users face frequent interruptions mid-task, either related to the device (such as from an incoming call or lost network connection) or their environment. A good design will accommodate these interruptions by including shortcuts that allow for simple and efficient multitasking. iPhones, for example, make it easy to switch between a phone call and an application.

When designing your product, be sure to identify the most common forms of interruption and include graphical displays that simplify context switching and multitasking. Also, be sure to help users understand where they are at all times, where they can go and how they can get back.

Point to priority information. To ensure hurried or interrupted users don't become lost, it's also important to provide easy access to the most frequently accessed features and information. Once you have identified what these are through usability testing, ensure they are easily accessible



from any screen. This can be done via prominent buttons or icons.

Avoid or limit free-text entry whenever possible. Just

like mobile screens, mobile keyboards are small and not well suited to data entry. Research the most common tasks that will be performed by your users, and then design predefined lists, autocomplete forms and/or suggested text to speed

and simplify their interactions.

By understanding your user's context and tailoring your user interface to support it, you will reduce the risk that your application will confuse or frustrate customers. Users who can access critical information in seconds, and resume their tasks quickly, will be more likely to view your mobile product as a trusted resource at work, home and on the move.

Mindset 3: Share Pertinent Information Quickly

As the saying goes, you only have one chance to make a first impression. This is especially true in the mobile world, where users have an array of apps to choose from. In the competitive app market, value must be apparent immediately and easy to access, so users can accomplish their desired tasks.

With a limited screen size, it isn't possible for an application to display all areas of interest to users at once, and they won't have the patience to search through dozens of screens for information. You need to design an interface that quickly brings relevant information to the surface.

Limit to one task per screen. Because it can be difficult or time consuming to scroll, pinch, zoom in on or click links on a small screen, it's important to create individual, focused screens for each task you've identified through user research. While a screen can expose multiple tasks, it should help the user complete only one task at a time. The primary real estate of each screen should relate directly to the task in question.

Provide hints and clear feedback for every action. Some actions on a mobile device—such as downloading an update—take longer than others. Ensure your UI offers feedback and progress updates on actions that take more than a few seconds. On Android, for example, you can quickly see the



status of apps being updated.

One way to provide quick access to additional information is to use dashboards and push notifications to reveal higher-level information.

Be predictable. As the mobile device market has matured, many visual attributes have become standardized across platforms and operating systems. The battery indicator on smart phones, for example, is almost always found at the very top of the screen. Soft keys that perform similar functions like “back” and “forward” should always appear in the same position from screen to screen.

Mindset 4: Recognize the Personal Nature of a Mobile Device

A mobile device clearly differs from a desktop or laptop in size, but it’s also viewed by users as a more personal device. If your application is one you foresee users using multiple times a day, it’s a good idea to provide the ability to save preferences and automatically “remember” recent entries.

An intuitive user interface that acknowledges the personal nature of the mobile device and anticipates user intent can mean the difference between an app that collects dust and one that becomes part of your customer’s daily routine.

Allow users to easily control notifications and alerts. Users expect the ability to personalize aspects of your application. A good design will allow them to:

- Modify the alert notification (whether it is a sound or a vibration)
- Easily turn off alerts
- Quickly respond to the alert directly from the alert screen

Anticipate user intent. Today’s mobile users expect their smartphone or tablet to be “smart.” Design your product to recognize input already provided and focus the next choices accordingly. If, for example, your tests show users often wish to perform task B upon completion of task A, ensure your design shepherds users directly to B from A.

Windows Phone 7 does a good job of anticipating user intent by displaying the keyboard most appropriate for the form being completed. iPhone and Android are also good at accommodating activity. When the user is on a call, for

example, the screen turns black. As soon as the phone is pulled away from the ear, the screen reappears because it “knows” the user will probably want to perform another activity. Because the device is close to the user at all times, applications can be used multiple times throughout the day. The most useful and efficient quickly become part of a user’s lifestyle, while the rest are discarded.

User Interface Best Practices

When designing a mobile product, there is almost never a need for a one-to-one relationship between its capabilities and the desktop product. User needs differ greatly from one platform to another because a user’s goal on a tablet or smartphone can be quite different from his or her goal on a desktop. For this reason, you must always create a mobile product—and not just port it from an existing solution.

By understanding the context in which the device will be used, obtaining a deep and objective understanding of your users’ needs and tailoring your design to meet user goals, you can successfully translate an existing product into a streamlined mobile application that is intuitive, quickly adopted and, in turn, successful in the crowded mobile marketplace. [PM](#)

About the Author

Scott Plewes is an expert in user experience design, user research and incorporating the voice of the customer into product design. As vice president of user experience design at Macadamian, Scott has 20 years of experience designing across the spectrum—from desktop, web and mobile experience design through to even command line and telephony design. He can be reached at scott@macadamian.com.

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Tame the Content Beast

How to give your buyers high-quality content without going insane.

BY KIM GUSTA

Tech buyers are smart, savvy shoppers with no time to waste. The majority of them (79 percent) say the quality of the information you provide as a vendor significantly affects whether they'll do business with you ("What Your Prospects Want and Don't Want from You," *UBM TechWeb*, May 2012).

What they want and need is high-value content in order to make good buying decisions. And it's not a matter of doing quick-hit "checklist marketing"; it's about creating quality content that shows your company really understands your buyers' needs, challenges and responsibilities. You have to answer buyers' questions throughout the buying cycle in a helpful, sincere manner.

But high-quality content can't necessarily be created quickly, nor should it be. The good news is quality trumps quantity any day when it comes to content.

There are two key pieces of information to keep in mind. First, technology buyers state that 86 percent of vendor information doesn't meet their needs. That means there is an opportunity for high-tech companies that can deliver content that answers buyers' questions and addresses their concerns throughout the buying cycle. Second, there is a way to do this without dedicating your

entire marketing team to crazy, last-minute content creation.

There are five steps to establishing a repeatable content-creation process that tames the content beast:

1. Find out what your buyers want.
2. Inventory what you have.
3. Create an editorial calendar.
4. Apply economies of scale.
5. Borrow/ask/steal for content ideas.

If you follow these steps, content creation will become a planned, efficient process, and its demands will no longer overwhelm you or your organization.

Step 1: Find Out What Your Buyers Want

"Your opinion, although interesting, is irrelevant." Those of you who've attended a Pragmatic Marketing class likely remember this humorous truth. It gently reminds us to take the time to do buyer research before creating a new product, developing messaging or going to market with a new solution. It applies equally to content creation.

It's dangerous to assume what your buyers are interested in. The best course of action is to ask. Talk to your buyers and understand their problems. This is the differentiator that separates a company with so-so content from

one that creates materials that truly resonate with buyers. Those who take the time to do their homework, talk to buyers and really understand their challenges will create high-quality content that buyers read, share and pass along to their colleagues and bosses.

To start the research process, consider asking your buyers questions such as these:

- What are your most important responsibilities?
- What are your top obstacles/problems?
- Why haven't you considered a product like ours?
- What alternatives do you believe will help?
- How does your boss measure your success?
- Where do you look for new information?

Step 2: Inventory What You Have

It's my experience that most high-tech companies already have lots of content lurking on network drives, laptops or rarely visited web pages. Granted, much of this content might be out of date. But often there are jewels, even just a paragraph or two, in these existing pieces that can be repurposed. Creating content from scratch is almost always more work

than editing something you already have.

The challenge, however, is getting your hands on all this existing content. You're probably aware of where bits and pieces reside, but unless your company has a great system for cataloging all content, you probably aren't aware of everything that's out there. That's why the next step is to inventory all your content.

It likely sounds daunting, but you'll save yourself an extraordinary amount of time by reusing existing content. Begin with a simple spreadsheet that lists key bits of information for each piece, including:

- File name
- Author/owner
- Type of content (white paper, video, case study, etc.)
- Target audience
- Sales cycle stage
- Where to find it
- Date created/updated
- Status (Current? Needs updating? Too old to salvage?)

Once everything is inventoried, it's much easier to start repurposing content. You can also identify scraps



**Quality
trumps
quantity
any day.**

of content to pull together and old content to delete. With inventory in hand, you'll save yourself a ton of work as you create content campaigns for a specific product or service.

Step 3: Create an Editorial Calendar

Creating an editorial calendar is an important project management task that prevents last-minute scrambling. Essentially, it's a method for matching up planned content with delivery dates, authors, contingencies and more. You plan out upcoming campaigns, events and launches on the calendar and then fill in appropriate content for each.

The editorial calendar also ensures there are no content gaps, which can happen with an ad hoc approach. No more realizing in mid-April, "Oh no, we have nothing for the huge May trade show!" An editorial calendar forces you to think ahead and assign names to tasks. It's also a must-have tool for managing big events, such as product launches.

Your editorial calendar doesn't have to be anything fancy. Like the inventory tracker, it can be a simple spreadsheet. Make a note of any upcoming events requiring content. List what content you'll create, when you'll create it and who's responsible for it.

I recommend using your editorial calendar to plan at least three months in advance. Six to 12 months out is even better. Yes, there will be changes as new information needs are uncovered, unscheduled events arise or new topics emerge. But that's okay. By laying out everything on your calendar, you'll see how changes or additions impact other items, so you can make better planning decisions.

Step 4: Think Economies of Scale

Many marketers make the mistake of starting from scratch every time they need to create a blog post, webinar, white paper or video. Don't make

things more difficult than they need to be. In addition to saving time and effort by repurposing the content you already have, you should consider multiple ways to use a piece of content before you create it.

Improved time and work efficiencies aren't the only benefits of repurposing content. It also helps ensure consistency of messaging. Rather than pulling content from the air, your existing content keeps your messaging on track.

Deploying similar information in a variety of formats also helps you cater to the different learning styles and preferences of your buyers. Some people want to get their information from a white paper; others might prefer to watch a video. By repurposing content, you can address a wider audience with less work on your part.

Content expert Ardath Albee created the Rule of 5: Always think of

at least five different ways to re-create a piece of content. Do this before you create the new piece. This will give you economies of scale and ensure that the new piece of content is truly reusable in multiple ways.

For example, let's say you plan to hold a webinar next month on system compliance. Let's apply the Rule of 5 here and create a short list of other types of content you could create from the webinar:

1. Create a blog series highlighting the five main topics discussed in the webinar. (Transcribe the webinar content so it's quick to write.)
2. Package the blog posts into an eBook or white paper and offer it to webinar attendees.

**Always think
of at least five
different ways
to re-create a
piece of content.**



3. Re-create an image from a webinar slide as a stand-alone infographic and post it on social media.
4. Break the recorded webinar into short "teaser" video segments to post on YouTube or your website. Link each video segment to the archived full-length webinar.
5. Summarize how-to steps covered in the topic in a "getting started" or reference guide.

If you're finding it challenging to figure out five ways to repurpose a certain piece of content, consider it a red flag. The content might be too limited in scope or slightly off topic. You're probably better off putting your efforts into a different piece.

Step 5: Borrow/Ask/Steal for Content Ideas

In Steps 1 through 4, you set up a repeatable process for creating content easily. You'll likely want to assign these items to someone on your team to be sure they get the attention they deserve.

But no matter how well defined your process, you will sometimes run up against a blank wall when it comes to thinking up interesting content ideas. Here are some ideas on creating high-quality content that don't take a lot of time.

Answer buyers' 50 most common questions. Your own sales and marketing people are great sources of customer insight. In fact, anyone in your company who works with your buyers likely knows questions they commonly ask when considering your products or services.

Follow the lead of marketer Marcus Sheridan and bring your salespeople and marketers together in a room. Brainstorm at least 50 questions your buyers commonly ask. Consider also including the "difficult questions" that most companies shun answering publicly, such as those regarding your pricing or how you compare to competitors. Then create content that answers these questions. If you address them in a series of blog posts, you'll get great search engine results, as these are often topics buyers search for.

Examine the sales cycle. Digging deeper into your sales cycle is another great way to come up with new content. What do people want to know at each stage? Early in the sales cycle, they might seek broader information. "How are my peers solving challenges like this?" "Can your product do x?"

Questions later in the sales cycle may be more specific: "How does it integrate with our CRM?" "What's the installation process like?"

Curate good content. Fortunately, not all content you distribute needs to be created by your company. Buyers value quality external content too. You can quote an interesting research study by analysts in a blog post or highlight a great case study. As long as the content is useful to your buyers, consider sharing it (and, of course, giving credit where due).

It takes some up-front work, but your content creation process will become more efficient and strategic. You'll end up with high-value content that resonates with your buyers and isn't a load of work to create.

By finding out what your buyers want, conducting an inventory, creating an editorial calendar, repurposing your content and borrowing content ideas, you'll establish a repeatable process and get that ravenous beast under control. [PM](#)

📄 **Download a sample Content-Inventory Tracker and Editorial Calendar at www.kimgusta.com/tamethebeastpragmatic**

The image shows two overlapping spreadsheets. The top spreadsheet is a 'Content-Inventory Tracker' with columns for 'Content ID', 'Title', 'URL', 'Status', 'Date', 'Author', 'Category', and 'Keywords'. The bottom spreadsheet is an 'Editorial Calendar' with columns for 'Date', 'Topic', 'Status', 'Author', 'Category', and 'Keywords'. Both tables have multiple rows of data.

About the Author

Kim Gusta has a lot of experience taming the cantankerous content beast—first as a corporate high-tech marketer and now as a seasoned copywriter and content expert for technology companies. She specializes in creating powerful content that persuades technology buyers to say yes and take the next step with your company. Her entire career has been in high-tech, including marketing-leadership roles at global companies such as Symantec. She offers free helpful resources for taming your content beast at www.kimgusta.com/tamethebeastpragmatic.

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Once Upon a Time

How to shake up product marketing with better storytelling.

BY KATHY KLOTZ-GUEST



Humans are wired for stories; we're storytelling animals. So the recent resurgence in storytelling, the original social medium, has been a welcome evolution. It's also an important one because stories:

- Cut through clutter created by the online content explosion
- Are remembered up to 22 times more than facts alone, according to Stanford University research
- Scale faster than facts alone, creating a multiplier effect that is critical for marketing

In short: If you aren't telling stories in your content, you should be.

From Product-Centered to Story-Driven Content

The way customers are buying—particularly in B2B—has changed. According to Forrester Research (October 2012), B2B customers, on average, are more than two-thirds along in their buying journey before reaching out to a vendor. Customers are doing their own research and they're asking the most important question: How will your product or service make my life better?

As a result, stories of customer success and real change matter more than ever to demonstrate the answer to that question. And if your marketing fails to elevate the discussion to one about how lives are improved, you'll never rise above the noise.

To become a storytelling organization, elevate your product or service discussions to focus on the human needs of your audience. Tell stories about real people who use your product or service; don't focus on the product itself. Your goal is to tell a story that makes your customer the hero.

Seven Steps for Storytelling Success

One of my favorite models for storytelling comes from improvisation's real-time way of cocreating stories. I've used this model as both an improviser onstage and as a marketer. Recently, I used it in several sessions about storytelling that I led at ProductCamp Silicon Valley 2013.

What I love about this particular model, the "seven-step story" (that I have modified for this article), is that it is easy to adapt. It walks people through all the key elements of a story: the hero, the conflict, the climax, the resolution and the change. This model works for just about every type of story a company can have and is told through the lens of your customer. I have adapted the original seven-step model specifically for product storytelling with my own story sensibility and "human lens." The following version is my proprietary model:

Once upon a time, <hero> was doing ...

And every day, he or she faced <big conflict> ...

Until one day, he or she discovered <the solution: your product or service> ...

And because of that, he or she could <benefit 1>.

And because of that, he or she could <benefit 2>.

And because of that, he or she could <benefit 3>.

And every day since that day, he or she uses <your product or service>, because it enables him or her to <big human need>.

Note: You don't need three benefits, but three is the maximum you want. Shorter stories are more powerful.

Here's a brief example, applying the model to a cloud-based storage product:

Once upon a time, Bob, a company owner, kept numerous files in a number of locations.

And every day, he updated information in many places, because he did not have the data he needed in one secure place that he could access from anywhere. It was a huge pain, taking time and resources.

Then one day, a friend introduced Bob to Company X's cloud-based data services.

Because of that, Bob could securely access data anywhere and anytime.

Because of that, he was able to get more work done quickly and easily and without worrying about compromising data security.

And every day since that day, Bob's organization uses Company X because the ability to securely access data "anytime, anywhere" has reduced his risk, ensured data freedom and freed up his time to do what he does best: run his business and spend time with his family—not with his IT department.

The cloud is simply how Company X delivers its services. What matters most in the scenario is that the product allows Bob to do something (bigger than the product) that he could not do before. In this case, Company X enables simplicity, data accessibility and security—and frees up more of his time to do what he wants to do.

People Buy Change, Not Products

Users don't buy value propositions; they buy something bigger that helps them in their lives.

What can your customer do now because of your product that he/she could not do before? In telling the story, your product or service must make your customer look good. They are the hero, and the most important part of the story is showing how the hero changes. Your offering is the supporting sidekick, and you must think beyond it, because when you make marketing about features, you miss the opportunity to connect with people at a visceral level.

Focus on what people really want, and don't stop at superficial answers, like convenience or saving money. Those can be valid value propositions, but what people really buy is hope of improvement. Stories have capital precisely because they show customers how their lives will be different. A great story helps prospects and customers envision "what could be"

because of your offerings. Hope matters.

Ask your customers, "How did we make your life better?" And then make the stories personal and credible. The best stories are built on truth.

Elevate your marketing. Products come and go, but a deep commitment to changing customers' lives for the better—something bigger than any company—is a purpose that provides meaning. That's the change your stories must focus on if they are to resonate emotionally with your audience, be memorable and create compelling calls to action.

That's my story. What's yours? [PM](#)



About the Author

Kathy Klotz-Guest is an improviser, storyteller and marketer, who is CEO of San Jose, Calif.-based marketing and communications firm, Keeping it Human. She also is a founding senior fellow and marketing director for the Society for New Communications Research (SNCR.org) and plays for ComedySportz on Sundays. She has master's degrees from Stanford University and University of California, Berkeley. She speaks on marketing topics all over the country, blogs (CustomerThink.com, Socialmediatoday.com) and runs a marketing podcast. She can be reached at kathy@keepingithuman.com.

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Seven Deadly Myths of Intellectual Property

Know the difference between the facts and fiction of intellectual property.

BY DINOS GONATAS

When product executives get together, we're usually preoccupied with urgent tasks: pricing and positioning, new introductions, social networks, voice of customer, Agile development, etc. We tend to neglect non-urgent issues, even if they have long-term value potential. Intellectual property (IP) is only discussed now and then.

At one former employer, my chief technology officer even took it a step beyond neglect, saying he didn't want his team reading competitors' patents—and risking subconscious copying. Then he stated one of the seven common myths about intellectual property.

Myth 1: Even if you can get a patent, technology moves too quickly for it to be important. In fact, the fast-moving tech industry has as many patent assertion actions as all industries put together. Consider these headlines:

- "Jury awards Apple \$1.049 billion in Samsung patent dispute ruling" - *The Verge*, 8/24/12. (It has since been reduced to \$600 million.)
- "Microsoft Owes Up to \$600 million Over Patent Use" - *Bloomberg*, 3/23/09
- "A10 Networks enjoined from selling ADCs infringing Brocade patents" - *Network World*, 1/11/13
- "Broadcom Granted Permanent Injunction Against Emulex in Patent Infringement Suit" - *PR Newswire*, 3/20/12

The last two items carry an especially scary message: If you infringe on a competitor's patent, they can apply for a court

order preventing you from selling your product. Complying can mean a big waste of time and money reengineering the product. In a worst-case scenario, it could mean killing your product altogether.

In brief, a patent has a description of the invention, drawings and claims that set forth specifically what is covered. It can be a new device, a composition of matter or method. There are also special “design patents” that cover industrial designs and decorations, like those rounded corners on the iPhone.

A patent entitles the holder to sue infringers and nothing more. If the holder prevails, they can usually obtain an injunction preventing further infringement and monetary damages covering the value of the business the infringer won attributable to the technology. Note that companies are only entitled to damages covering prior infringement if the product is clearly marked as patented, along with the patent numbers. It’s the product team’s responsibility to ensure all physical products are marked and all software lists the patent numbers (usually in the manuals or in the “About” drop-down menu).

Let’s look at some of the other misconceptions about patents and intellectual property.

Myth 2: You can’t get a patent on software. While you can’t get a patent for an abstract idea like $E=MC^2$ or a new algorithm to convert octal into decimal numbers, you can generally get a patent on a method deployed in a computer that does something useful. For example, a new type of graphical user interface, a method for evaluating computer code or parallel processing of data arrays.

Myth 3: Don’t bother to get a patent; it costs too much to enforce. While it can cost a bundle to defend a patent case—as much as \$6 million to pursue a final verdict if a prestigious top-dollar law firm is chosen—patents are rarely litigated. A primary objective is deterrence or bargaining leverage, as seen in this heavy-handed email from Steve Jobs to the president of Palm, Ed Colligan. The email followed a phone call threatening to sue Palm for patent litigation. →

The Palm CEO had already reinforced his position by purchasing an extensive patent portfolio from Siemens, and he got the result he wanted: Apple backed down after the bluster expressed in Jobs’ email. Fortunately, overt threats like this don’t happen often.

Defensive strategies are very common, but a strong portfolio also dissuades competitors from challenging you. The number of times a lawsuit didn’t happen is hard to tally, but I have worked with well-funded companies who, despite their knowledge of their competitors’ copying their technology, took no action for fear of retaliation.

In the unfortunate event you are sued by your competitor, a valuable portfolio might give you worthwhile counterclaims in settlement discussions. It’s risky to open a nonconfrontational licensing or cease-and-desist discussion with an infringer without opening yourself up to being sued in retaliation. Consult your attorney before taking any steps here.

As a side note, a strong patent portfolio can also increase the value of startups that hope to be acquired—particularly if the patents are strong enough that they can be defended by the acquirer when the market is bigger. Patents are important tools for protecting your company’s edge. Patents also are potentially valuable assets for business development, contributing to partnerships. You don’t have to be a huge company like IBM with a licensing program generating billion-dollar royalties. Many smaller companies and universities license technologies they are not able to bring to market themselves.

Myth 4: A patent gives you the right to practice a

technology.

A patent is really the right to prevent someone else from practicing an invention. It’s a negative right. Someone else could already have a broader patent that covers what you want to do, while the offering you conceived of is actually an improvement. Therefore, having a



patent does not give you the right to practice what you invented.

For example, let's say you invented a new method for analog-to-digital (A/D) signal processing. Suppose your method combines several elements: A, B and C. Step A could be using the analog signal to charge a capacitor, step B could be disconnecting the analog circuit from the capacitor and step C could be connecting the capacitor to a computer and performing some computations in software.

Anyone wanting to practice A, B and C in combination needs a license to your patent. However, if another company has a patent covering a method for A/D conversion with only steps B and C, you will need a license to this patent.

Myth 5: It takes too much time and money to file a patent.

The high-end law firms are very expensive, but there is a large supply of qualified patent drafters. Some are alumni of big firms striking out on their own. Others are patent agents, who are engineers that passed the patent bar exam and are qualified to write and prosecute patents. Fees range depending on location and business environment, but they start at less than half the hourly rate of the big firms. Some attorneys will even quote a fixed fee for drafting a patent application.

It does take several years for a patent to work its way through the system. During this period, the patent office can request modifications or reject claims altogether. These communications require careful responses by your attorney or agent, since few changes can be made once the patent issues. Narrowing the patent claims makes it easier to achieve a patent, but it reduces the scope of the technologies it covers.

Sometimes an attorney will narrow the field of the invention to obtain a patent quickly. Broader patents are harder to obtain and must overcome more "prior art," literature that is already in the public domain, by being more "inventive." Often, the commercially valuable

application of your invention is unexpected. If you narrowed your application unnecessarily to only cover the product you first had in mind, your invention could be used for free by your competitors.

It's critical to maintain control of patent prosecution in strategic partnerships that produce intellectual property of their own. I discovered in one project that the strategic partner narrowed the patent claims to get faster approval from the patent office in a way that covered its application but not my company's products.

Myth 6: An idea has to be really inventive to get patented, so I shouldn't bother applying for patents

that seem "trivial." A lot of trivial novelty is approved by the U.S. patent office. (The European patent office has a far higher standard for inventiveness.) What's more, sometimes trivial innovations get adopted widely—then they become valuable. One famous example is "one-click" ordering by Amazon.com, where ecommerce was aided by storing credit card numbers for repeat use without reconfirmation or reentry. And I myself have been frustrated by competitor patents that were nothing more than adding two

elements together in an obvious way, but got by the patent-office examiner.

If you have several seemingly trivial patents, they will be more powerful if the market adopts their features. While one of the patents could be invalidated in court or in a reexamination, getting several weak patents invalidated is a steep hurdle, like flipping heads on a coin several times in a row. Competitors will think more carefully about imitative products—unless they have valuable patents you also need.

Myth 7: We don't need to bother with an IP strategy or looking at competitors' patents. Patents aligned with a technology strategy tend to build on each other to create a portfolio around a long-term product roadmap. Ignoring competitors' patents is like having your head in the sand when it comes to potential risks. Even more so, competitors' patents and applications are a great source of competitive intelligence about their technology roadmap.



What's more, most patent applications are published 18 months after the initial filing. This means by reviewing initial filings, you can see current ideas long before they become issued patents, often in advance of market deployment.

Get Involved

To become more involved in managing your company's IP strategy, first discover what procedures exist to protect inventions. Often there is an engineering committee, with a senior engineer or CTO handing off to an attorney. But they need the product's view.

Engineers like great technical ideas, but sometimes those lack commercial value. They often have high standards for what they think qualifies as inventive, so engineers might overlook commercially valuable inventions that are only modest innovations. On occasion, you might ask them to review competitors' patents, but be sure to involve your legal colleagues. Engineers can be forthright about expressing opinions, but good document hygiene means they must never send emails or memos about a competitive patent suggesting detailed knowledge, especially of any potential infringement.

See how the IP portfolio relates to the product roadmap to advise budgeting decisions on what patents to file, which countries to file them in and what applications to abandon. These are commercial decisions that add perspective to the engineering meetings.

Lawyers tend to be risk averse. Their training is highly intellectual and theoretical but the best ones get the big picture. Get their respect by learning their language regarding confidentiality agreements and contracts with vendors or customers. Over time, see if you can help your legal team make patenting more cost-effective, so you can cover more inventions. The Licensing Executives Society has training on intellectual property, with active chapters in many cities. You don't need to be a member to attend. The Institute of Electrical and Electronics Engineers also has meetings about intellectual property.

You have something unique to add to intellectual property strategy, because your understanding of commercial context complements the engineers' understanding of technology and your technical depth complements the attorneys' focus on process. Ultimately, you'll extend your role by sustaining your company's long-term advantage. [PM](#)

About the Author

Dinos Gonatas holds a PhD in physics from the University of Chicago and a bachelor's degree from Princeton University, and he has participated in executive education at the Babson College of Business and the Wharton School. His consultancy, CPG Advisors, focuses on IP and new technology commercialization. His expertise is in intellectual property management and business development, with an industry focus in high technology, communications and instrumentation. He also is an inventor, holding eight patents in synthetic fuel processing and thermal catalysis. He can be reached at dinos.gonatas@gmail.com.

BEST PRACTICES

Product professionals are the only ones with a view of both the technology and the market. You might not always get credit, but remember that you have a unique position to recognize the commercial relevance of new technology and are ultimately responsible for its success. Here's how you can help:

Conduct patent reviews.

Decide whether to file a patent on each bit of technology before it is offered for sale. Make patent review part of the product release process.

Mark clearly. Ensure that products are marked with relevant patent numbers.

Register copyrights, trademarks and designs.

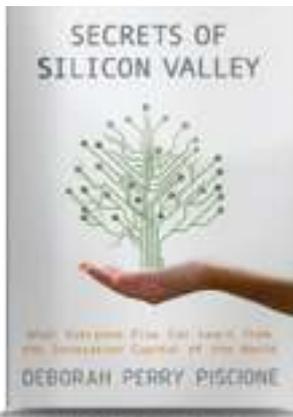
Defend your brand by registering distinctive logos and names that uniquely describe your offering and innovative designs.

Stay in control. Maintain good trade secret practices and control of source code. Software should be copyrighted, making unauthorized duplication illegal.



Secrets of Silicon Valley

What everyone else can learn from the innovation capital of the world.



BOOK EXCERPT

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by Deborah Perry Piscione.
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Innovation has always been defined quite differently from invention. The dictionary defines innovation as “the introduction of something new; a new idea, method or device; a novelty.” In a more modern and revised Wikipedia definition, innovation is “the creation of better or more effective products, processes, services, technologies, or ideas that are readily available to markets, governments, and society.” The definition of innovation has now changed to reflect its differentiation from improvement, in that innovation refers to the notion of doing something differently rather than doing the same thing better.

The question of whether innovation is still happening is hotly debated in Silicon Valley circles. There are those, such as mega venture capitalist Peter Thiel and serial entrepreneur Max Levchin, who argue that the United States, which holds itself up as a beacon of innovation, is somewhere between “dire straits and dead.” There are also those such as Peter Diamandis and Ray Kurzweil who believe that the Singularity is near, and our modern definition of innovation has only just begun. Others ask a broader question still: How much innovation do we really need?

I think few on the street would disagree if it was suggested that Steve Jobs and Bill Gates are the paramount innovators of our time. But if you wanted to split hairs, neither man really invented the products that initially marked them as entrepreneurial icons. For example, Steve

BY DEBORAH PERRY PISCIONE

Jobs’ and Steve Wozniack’s fourth-generation computer—the Apple Lisa—was very much influenced by a three-day visit to Xerox PARC in Palo Alto.

Jobs was convinced that the future of the computer was going to be its graphical user interface (GUI), and wanted to see what Xerox PARC engineers had done with GUI technology, although the GUI had been earlier invented by Doug Engelbart, who was at the time an employee of Stanford Research Institute. Xerox granted Jobs, Jef Raskin (the man best known for starting the Macintosh computer), and Apple engineers access to its GUI in exchange for an opportunity to purchase 100,000 shares of Apple at the pre-IPO price of \$10 per share. The result was that Jobs and his staff were able to replicate, enhance, and, in 1984, successfully mass produce and commercially market what Engelbart had invented and Xerox PARC engineers had innovated.

Regardless, it is irrefutable that what these men did remarkably altered the course of the world through the technological “innovations” that they were able to commercially market for both industry and home use.

Inside the Innovator’s Mind

In 2011, Clay Christensen, an authority on disruptive innovation, and his co-authors, Jeff Dyer and Hal Gregersen, who are professors, attempted to qualify the characteristics that the world’s leading innovators had in common. In their book *The Innovator’s DNA*, they assert that innovative people have “creative intelligence, which enables discovery from other types of intelligence.” The co-authors studied how innovators go about their business, how their methods differ from traditional businesspeople, and what other leaders can learn from their habits. They found that

these people possess five discovery skills: innovators are associating, questioning, observing, networking, and experimenting. Innovators are also curious, observant, and ask a lot of questions. Such individuals are chronic experimenters who are not afraid to play around with their products and business models. It would be rare for an innovator to see an object and not question how it could be



improved upon in his or her mind experiment and visualize an improved creation. Innovators are more likely to create new ideas if they have lived or spent considerable time in another country.

The authors believe that the companies that have the highest innovation premiums display the same habits as individual innovators. In addition, these companies work hard to attract the most creative people and develop the types of environments that will keep them around to help the company to innovate. One way to stimulate innovation is through the practice of job swapping, something that Google executives have found to be an advantageous way to provoke questions and stimulate greater efficiency. Job swapping—which can take place within the context of different divisions inside of one company or between different companies—provides the means for businesses

to create an environment of surprise that is needed to free employees from traditional biases and assumptions. This “outsider’s perspective” is also a way for individuals and companies to recognize the trends and ideas that are emerging from the larger global environment.

It is this very environment of increasing complexity that is changing the rules of innovation. Designers at IDEO, an international design firm and innovation consultancy, believe that the inventive design thinking process is best thought of as a system of overlapping sequences of, rather than a series of, orderly steps: inspiration, ideation, and implementation. Inspiration comes from recognizing a problem or opportunity that motivates the search for solutions. Ideation is the process of generating, developing, and testing ideas. Implementation, of course, is effectively executing the idea.

IDEO designers talk about how “design thinking is a deeply human process that taps into abilities we all have but get overlooked by more conventional problem-solving practices. It relies on our ability to be intuitive, to recognize patterns, to construct ideas that are emotionally meaningful as well as functional, and to express ourselves through means beyond words or symbols. Nobody wants to run an organization on feeling, intuition, and inspiration, but an over-reliance on the rational and the analytical can be just as risky. Design thinking provides an integrated third way.” IDEO’s CEO, Tim Brown, believes that the best innovators are T-shaped—they need to have deep expertise in one area and a broad interest in many others.

Innovation Benchmarks in Silicon Valley

The Joint Venture Silicon Valley Network is a collaboration of experts who annually produce the “Index of Silicon Valley,” a report on the state of Silicon Valley which monitors the rate of innovation through three lenses: venture capital investment in the near- and longer-term direction of development; the generation of new ideas; and the value added across the economy overall. According to the *2011 Index of Silicon Valley*, venture capital experienced its first increase since 2007, rising 5 percent over the previous year, reaching a staggering \$5.9 billion. Silicon Valley venture capital accounted for 27 percent of the nation’s total VC

investment and 53 percent in the state of California. Along with innovation, there has been an increase in patents registered in Silicon Valley, having jumped by 9 percent in 2009 compared to an increase of 6 percent of U.S. patents during the same time period.

Silicon Valley will always be a leader in innovation when you have companies like Apple and Google leading the way. Steve Jobs once said, "Innovation distinguishes between a leader and a follower." To no one's surprise, Apple is the world's leading innovator, and there is quantifiable proof. Consider Apple's innovation premium, which is the "proportion of a company's market value that cannot be accounted for from the net present value of cash flows of its current products." It was 52 percent during Jobs's second tenure at Apple in comparison to – 30 percent from 1985 to 1997 when he left the company. Call it Steve Jobs's vision or his marketing genius for being in touch with what consumers wanted—the company thrived when he took it over again.

Today, while Apple may have slipped to an innovation premium of 35.7 percent according to Forbes's "The World's Most Innovative Companies," it does remain a leading tech innovator in the world due to the iPhone and its spinoff innovations,

companies, business models, and processes. The smartphone has singlehandedly altered the course of the way people live their lives. The number of downloaded apps is estimated to hit 49 billion this year. And there truly is an app for everything: health, transportation, entertainment, social networking, business, organization, design, and philanthropy.

Just wait until your smartphone offers you personalized healthcare. A company called Alivecor is testing how to turn your phone into an EKG monitor that will automatically transmit data to a cardiologist, a product that is expected to cost \$100 or less. Withings has also created a smartphone-enabled blood pressure cuff that automatically inflates, deflates, and then records the pulse rate and the blood pressure of the patient. Its app will graph the pressure over time to make trends more apparent, and then will share the information with a doctor via your iPhone or iPad. The cuff retails for \$129.

If this all sounds like the full-body diagnostic "tricorder" from Star Trek, it's not far off. A day is coming soon when your smartphone will be able to provide full-body personalized healthcare. There is currently a \$10 million prize offered by the X-Prize Foundation for anyone who can invent it. **PM**

🔗 RESOURCES

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- PARC, "Xerox PARC History," www.parc.com/about
- Dan Farber, "Apple in the Courtroom: 25 Years of Defending the Crown Jewels," *CNET*, August 10, 2012
- Computer Museum tour
- Dafydd Neal Dyar, "Under the Hood: Part 8," *Computer Source Magazine*, November 4, 2002
- James Wallace and Jim Erickson, *Hard Drive* (Michigan: Wiley, 1992)

▶ About the Author

Deborah Perry Piscione is the creator of Alley to the Valley, an organization that networks the world's most influential women for dealmaking, and BettyConfidential. Since moving to Silicon Valley from Washington D.C., she has successfully founded three companies in six years. Piscione has served as a commentator on CNN and NPR, and has appeared as a guest on *Today*, *Wolf Blitzer Reports*, *The O'Reilly Factor*, *Hardball with Chris Matthews*, and *Politically Incorrect*, and has been a featured guest on PBS, BET and NPR programs. Piscione has won numerous awards, including the 2009 Silicon Valley Women Business Owner of the Year, a Gracie Allen Award for her participation in a debate for NPR's *Justice Talking*, and a distinguished award from The White House Project. She has been featured in leading women's magazines such as *Ladies' Home Journal*, and in newspapers including *The New York Times*, *Chicago Tribune*, and *Dallas Morning News*.

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Reduce, Reuse, Recycle

You'll save yourself an extraordinary amount of time by reusing existing content.

Kim Gusta

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Tell Tales

Stories scale faster than facts alone, creating a multiplier effect that is critical for marketing.

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Do the Research

Ignoring competitors' patents is like having your head in the sand when it comes to potential risks.

Dinos Gonatas

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Think Like an Innovator

It would be rare for an innovator to see an object and not question how it could be improved upon.

Deborah Perry Piscione

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