PRAGMATIC MARKETER

THE PRODUCT MANAGEMENT AND MARKETING AUTHORITY

FALL 2013

20 YEARS of PRAGMATIC PERSPECTIVES

A LOOK AT THE PAST, PRESENT AND FUTURE

TWO VIEWS ON: METRICS SOCIAL MEDIA ROADMAPS

MARKET INSIGHTS FROM ALUMNI

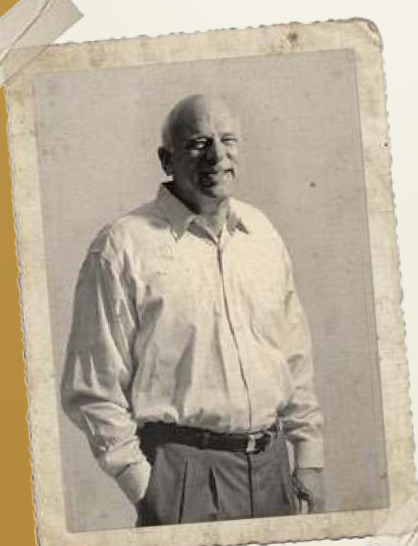
1993 2013 PERSPECTIVES

CHIEF'S LETTER

In the 20 years since I founded Pragmatic Marketing, we've taught nearly 100,000 people about the importance of listening to the market. And when you've been listening to the market as long as we have, you get to hear a lot of interesting perspectives.

Whether it's instructors or alumni, they all have unique insights that we can learn from. We've decided to dedicate this issue to those perspectives that touch on topics that affect us all in our day-to-day operations. Whether it's about how to measure efforts, the relationships we build or the tactics that keep companies in business, there are actionable takeaways and best practices for everyone.

We hope you enjoy our special 20th Anniversary Perspectives issue, and we look forward to staying in touch for the next 20 years.



Sincerely,

Craig Stull
Founder/CEO
Pragmatic Marketing

PRAGMATIC MARKETER

THE PRODUCT MANAGEMENT AND MARKETING AUTHORITY

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PRAGMATIC MARKETING®

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

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20 YEARS *of* PRAGMATIC PERSPECTIVES

1993 ⟷ 2013

THE ANNIVERSARY ISSUE

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20 YEARS of
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As Pragmatic Marketing celebrates its 20th anniversary, Founder and CEO Craig Stull sat down to discuss how the company came to be and the impact it has had for organizations.

A Q&A with Pragmatic Founder/CEO Craig Stull

WHY DID YOU START PRAGMATIC MARKETING?

Back when we began in 1993, companies were realizing that filling product management and marketing roles from within just made sense: These people know your products, your customers, your sales and how your organization works. But nobody really knew what product management was supposed to do and how it delivered value, so it became quite tactical and execution oriented—and there wasn't much strategy. I built the company and our training based on that market need.

HAS THE RESPONSE BEEN A SURPRISE TO YOU?

My original business plan surmised that about a thousand people needed this training. Now we're closing in on 100,000 attendees, so I realize my forecasting ability was not very good.

Our goal has always been to provide a quality learning experience—from the instructors to the materials and even to the food—and we never sacrificed this in order to grow faster. Our growth, which has placed us on the Inc. 5000 list of fastest-growing companies seven times, has come from the loyalty of our customers. We've had numerous attendees take our courses multiple times. The first time, they were focused in on the parts that applied to their problems as product managers. But now they're directors or vice presidents with different problems, and so they hear it differently. They also encourage others to attend, with 80 percent of our business coming from word of mouth.

It's like a fan club. People get so excited when they see the logo on our shirts. I've been stopped at airports, hotels and even at a car auction. All of our instructors have had those kinds of experiences, and we realize that it's not that we're great presenters or that we're smarter than anybody else, but that the content of the course is so effective for people that they really connect to it.

WHAT IMPACT DO YOU THINK PRAGMATIC MARKETING HAS HAD ON THE INDUSTRY?

We've demonstrated the impact that product management and product marketing management can have on a company and helped senior management understand the value of investing in those roles and empowering them to be more strategic.

We knew that what we taught worked for us. In fact, our instructors are so passionate about what they teach, because they applied the concepts at their former companies. They saw results and wanted to evangelize what they learned. But we were so small in the early days, we didn't know if it was as broadly applicable and as effective for others as it was for us. We've since had people go out of their way to tell us about how they applied what they've learned in our courses. That's been pretty eye opening, because people have literally changed large companies and changed the culture at their companies based on what they learned with us in just days.

IT'S LIKE A FAN CLUB. PEOPLE GET SO EXCITED WHEN THEY SEE THE LOGO ON OUR SHIRTS.

WHAT'S CHANGED SINCE PRAGMATIC MARKETING WAS FOUNDED?

Unlike technology, the underlying problems product professionals face have not changed much in 20 years. So the training hasn't changed from the perspective of what problems we need to solve, but we do keep the way we're dealing with these problems contemporary.

When we started Pragmatic Marketing, you didn't hear of CMOs or VPs of product management and director roles were rare. It was just a couple of product managers scrambling around doing whatever seemed most urgent. Now there are formalized roles and responsibilities, and what's most dramatically changed in 20 years is the investment the companies are making in product management. I think Pragmatic Marketing helped create that.

December 1993 – First public course held in Washington, D.C. Jim Foxworthy, now president of Pragmatic Marketing, attended.

Attendee remarks "how quaint," upon seeing projector for course presentation. Projector is never seen again.

1994
First onsite course held.

Pragmatic Marketing slide carousel returns from unsupervised trip to Hawaii.

100

1995 – Pragmatic training spans 100 companies.

1997 – Employee number three brought on board.

1998
Pragmatic Marketing training spans 1,000 companies.

Course presentation material case, lovingly nicknamed "the coffin," gets stuck in revolving door.

1999 – *Requirements that Work* course launched (now *Build*). First annual *Product Management and Marketing Survey* published.

Kristyn makes what feels like millionth audio cassette tape-to-tape recording for attendee registration packets.

20 YEARS *of* PRAGMATIC MARKETING

1993 ⟷ 2013

2000
Pragmatic Marketing makes Inc. 500 list for the first time, hits 10,000 attendees.

2001 – *Effective Product Marketing* course launched (now *Market*).

2003
Pragmatic Marketer magazine debuts.

2005 – First in-class Pragmatic Marketing certifications earned. Courses reach 25,000 attendees.

2008 – Courses reach 50,000 attendees.

2009
Product Launch Essentials course unveiled (now *Launch*). Pragmatic Marketing training spans 5,000 companies.

2011
Courses reach 75,000 attendees.

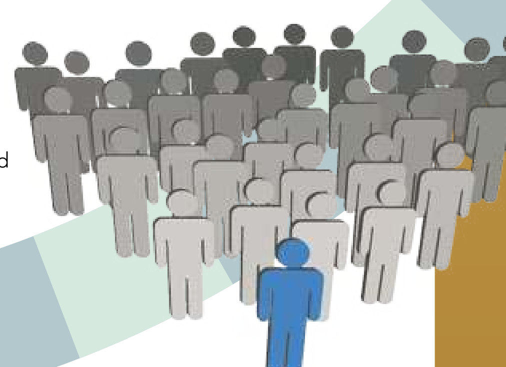
July 2013
Market-driven curriculum restructuring.

Pragmatic Marketing makes the Inc. 5000 list for the 7th time.

September 2013 – Reach 97,000 attendees and 26,000 certified alumni.

Instructor travels around the world—Austin, Hong Kong, Munich, Toulousse, Barcelona, Austin—for one client.

Late 2013
Attendees projected to hit 100,000. Will you be the one?



20 YEARS OF INSTRUCTOR PERSPECT

RICH NUTINSKY on Buying/Using Criteria

I illustrate the concept of buying and using criteria like this: When my wife and I go shopping for cars, we tend to look at different things. I want to know about features, performance and what all the buttons do. She wants to understand about costs, maintenance and insurance impact. Her criteria are about buying, while mine are purely using criteria. They are very different, but where they converge is the "sweet spot" where a car earns a second look.

I've noticed a pattern in the relationship between buying and using criteria in technology, which can be seen as either an opportunity or a threat. The criteria start out the same for new products, then diverge as time goes on until ultimately you find yourself wondering how anyone can hit that sweet spot. Then someone comes along and does just that—by delivering a completely different solution.

You can only know when this is occurring by keeping in touch with both buyers and users. This will help you be aware of whether you are early or late in that pattern and be proactive.

Having that market focus and knowing as much as you can about your buyers and users helps you clearly see when this separation of criteria is occurring and better position your company to address it.

JOHN MILBURN on Becoming Strategic

One of the biggest challenges I hear about from product professionals is that they have so many meetings, calls and interruptions, they can never find time to plan for next year or get ahead of the curve. Here are a few activities we've identified to help get started on the road to being more strategic.

Learn to say no. We need to be responsive, but we also have to be able to say no, when we're not able to attend a meeting.

Nothing important happens in the office (NIHITO). It's easy to find yourself spending too much time focused on internal issues—promotions, raises, diversity training, etc.—but you need to remember NIHITO, if you're going to be a strategic market-driven manager. Getting out and talking to the market provides the insight you need to plan ahead.

Focus on problems, not features. Ask what the problem is behind the feature request. Who has the problem? And in what context? That way, instead of just providing a feature they think they want, you can provide an actual strategic solution.

Market research. Understand the risk/return of a plan. What do the trends tell you? Do you need to do a survey to get validation with the market and understand what percentage of the market has that problem?

Product Management Day. Pick one day a month, quarter or week to block your calendar. Turn off email, instant messenger and your phone to focus on product strategy.

STEVE GAYLOR on Leadership

Management's job is to set their teams up for success—and when teams are successful, their companies are too. Here are several key components of leading your team in the right direction.

Manage the individual. Recognize that not everyone wants to be managed the same way. Some people are more comfortable with constant feedback to ensure they're proceeding correctly. Others prefer you stay out of the way until a task is completed and ready for review.

Focus on likes, when possible. It's no big surprise that people tend to excel most at what they enjoy. While you can't remove all "don't like" tasks, build employee development plans with those likes and dislikes in mind.

Ensure adequate resources. This includes additional training or access to additional human resources to help execute a task. If you don't ask, they might not tell you what they need.

Do unto others. You might recognize that something is not going to be enjoyable, but never ask someone to do something you wouldn't do yourself. As employees realize this, they are more likely to respect your decisions.

Have respect and empathy. The best way to gain these is to set aside time and focus on really listening to your employees.

In fact, listening is one of the most important parts of managing people. Be sure you listen to what they tell you, as well as to what they're not actually saying.

IVES

MARK STIVING on Pricing

There are two questions your customers answer every time they deliberate about a purchase. Will I buy a product in this category? If so, which one will I buy?

Will I? In an established market, pricing doesn't influence someone to buy in a product category. They will purchase in that category when they believe there is enough value for them. You can either build products that people want in those categories, or try to use marketing to convince them they need a product in your brand new category. Either way, relatively small changes in price will have no effect on those customer decisions.

Which one? Price plays a huge role in this decision. Once a potential customer decides to buy a product like yours, they compare your products with your competitors'. They make a decision based on which one will give them more for the money or meets their needs at the lowest cost. In any thoughtful decision process at this stage, price is an important factor.

When you are working on pricing, you should focus almost exclusively on the "which one" question. Talk to your customers. Have conversations with them, working in the following questions: What other products did you consider? How did you decide? What other sales channel did you consider? How did you decide? The answers to these questions are crucial to pricing decisions.

DAVE DANIELS on Product Launches

A product launch is a critical time for an early stage company, with its success possibly determining your company's survival. Here are six secrets that will help you confidently plan and execute a winning product launch without blowing your budget:

1. **Match product capabilities to market needs.** You have to know that your product is solving a real problem that buyers will pay you to solve.
2. **Have clear positioning and messaging.** Ensure that your buyers see, understand and then buy.
3. **Set clear launch goals.** These will frame the purpose of your launch and guide you in evaluating and measuring launch tactics.
4. **Use the power of leverage.** Leverage is defined as "the use of a small investment to gain a very high return." Use that definition to evaluate launch tactics that can most effectively achieve your goals and objectives.
5. **Prime the pump.** This collectively defines activities that build excitement and create demand for your product among sales teams, channel partners, executives and industry analysts—before launch.
6. **Time the launch to maximize sales.** Identify times and locations that afford maximum leverage, such as key industry trade shows or other major events.

Think about product launch as a process to build sales momentum, rather than an event, and it will help you go from incremental to exponential sales.

JON GATRELL on Working with CFOs

Product management isn't just about delivering features; it's about bringing profitable products to market. Because of that tie to the bottom line, you should work with your CFO to become more strategic by adopting techniques that automatically translate data into information that can be applied on a daily basis. To do this, add four proficiencies to your repertoire:

Financial literacy. Learn how to locate financial statements and public SEC filings on the web; read and interpret income statements, balance sheets and cash flow statements; extract key tidbits from public company statements; and interpret key statistics about company performance valuation. This will help you and your CFO work together in the same language to make informed, effective decisions.

Flux analysis. Be aware of month-to-month revenue changes to form a better understanding of customer behavior and implement tactics to reinforce positive trends and mitigate negative ones. This will help you and your CFO to focus on real drivers and not spend hours arguing about data.

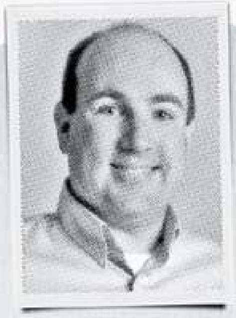
Tier analysis. Categorize customers into groups based on annual revenue contribution to your business to better understand and justify providing differentiated service to specific customer segments.

Money wheel analysis. Find repeatable sales transactions to scale revenues. Seeing the distribution and drivers of sales transactions will help you identify patterns for strategic decisions.

CFOs see the world through numbers, financial statements and cash flow. Speak their language to become an asset to them and help both the CFO and your entire company become more strategic.

PAUL YOUNG

on Measuring Product Teams



Lacking traditional or clear metrics, most companies rely on product-level metrics to measure product-team performance. These include product revenue, margin or customer satisfaction. The thought process is defensible: You want the product team to be motivated by metrics that lead the product toward success.

All things being equal, it would be preferable to measure outcomes as opposed to activities, but it is hard to separate and quantify the inputs of the product team vis-à-vis all the other variables that go into making a product fly. Looking at activities required to be market driven, such as these, is a better way:

1. Set a quota for their market visits (10 per quarter is a good start).
2. Require them to defend an updated business plan every quarter, without using the phrases "I think" or "in my opinion."
3. Have them keep their fingers on the pulse of the business by creating a monthly dashboard report that communicates the right product-level metrics.

These three activities require employees to be more outside-in focused—and they can control the outcome.

TODD MIDDLEBROOK on Working with Sales

As technology trends toward solutions selling, marketing materials often simply substitute the word "solutions" where "products" used to be. And unfortunately, the majority of sales-enablement materials concentrate on the features and functions of the product, with the focus on the user and not on the buyer. But sales is trying to sell to the buyer.

When you are in field-enablement mode, you need to think of sales as your customers. As sales is talking to buyers, they need to be able to talk about the impact to a company and the business benefit. They also need to understand pricing and be able to justify it. The positioning document can provide that basis for sales, calling out who the personas are and what the impact is in terms of the problems we solve—and ultimately enabling your sales force to sell those solutions.

Not only do you need to arm sales with the ability to answer what problems you solve and for whom, but they should also know why you're unique to both buyers and users—otherwise you haven't really enabled them at all.

STACEY WEBER

on Cross-Functional Teams

Establishing and leading a cohesive cross-functional team for your products helps you to communicate more broadly, gain alignment more easily and build better products. There are three steps to begin reaping those benefits:

1. **Assemble the right individuals.** A cross-functional team focuses on the whole solution: technology, marketing, sales, support, professional services, production, localization and any other part that helps the product succeed. Choose people who will be an ambassador for their functional area, sharing information with both the team and their department. The team benefits from members who are knowledgeable about the product and/or market, passionate about what the company does and who have influence within their own department.
2. **Establish the team meeting.** This is the primary communication vehicle, and the agenda should be part marketing, part organization. When thought-provoking items are on the agenda, people come to the meeting looking forward to hearing good information or providing input. The agenda is also a discussion guide to help team members prepare. Be ready to stray from it, however, if discussion warrants it. Additional best practices include starting and ending the meeting on time, tracking action items and taking and publishing notes.
3. **Stick together.** Cross-functional teams are more effective when they stay together for the life of the product. Keep team spirit strong by celebrating milestones and organizing discussion topics to maximize time. Most importantly, share valuable information with the team regarding data, revenue, product roadmaps and personas. Knowledge is power, and your team can be a powerful product advocate within the organization.

Ask the Experts:

What do you see happening in product management and marketing over the next 20 years?

Jim Foxworthy, President
Pragmatic Marketing

THE PROBLEMS WE ARE SOLVING are always changing, and so is the technology we use to solve them. But the fundamental idea has been and always will be the same: You should be listening to the market to find out what problems they need solved.

When we talk about the future, some companies immediately look to the leading edge where markets don't even exist yet. But you need to ask yourself: Are you building something because you can or because you should? Do you have the context you need, in order to make sure you're creating and marketing a solution to a known problem for a known persona?

You shouldn't get caught up in trying to be the latest, greatest thing—unless you can validate you are solving problems. Always think about what's going to do right by your markets.

So if you're trying to figure out how to make a lasting impact in the next 20 years, don't get caught up in predicting the future. But do make sure that you continue to pay attention to changes in the market. PM

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

BUSINESS WITHOUT BLIND SPOTS

BUSINESS VISIBILITY EVERY PRODUCT TEAM SHOULD HAVE

BY BARBARA NELSON

PRODUCT PROFESSIONALS IN TECHNOLOGY COMPANIES typically don't spend enough time analyzing metrics. They're focused on an overwhelming amount of tactical activities, plus the numbers can sometimes be hard to obtain. Often, when they do manage to carve out time, they don't know where to begin.

But if you aspire to be a strategic product leader, you must start acting like one. The team depends on it. And in the fast-paced world of technology, you need to balance time-to-market pressures with risk mitigation. Analyzing the data can help you mitigate risk: risk that you're building something no one wants, that you can't deliver something to the market profitably or that the product is veering off the road.

In mathematical terms, there are infinite things to measure and analyze—but we can't measure everything. Focus on a few key performance indicators (KPIs) to determine if you are on track or need to make changes before it is too late.

BUSINESS VISIBILITY

To drive your product to success, you need insight into how well it is performing in the market and how the internal systems are performing in the organization. Monitoring and analyzing external and internal metrics combined with your market experience will put you in the driver's seat.

Map the road ahead. You need context to clearly understand the KPIs and to eliminate the blind spots. For example, product strategy, product direction and the product roadmap give context to the metrics you will be tracking and how you should establish your budgets and objectives. If you are adding functionality to go into a new market segment, when will you be able to drive revenue and new customers in that market? When do you need to start demand-generation efforts to add leads to the top of the funnel? What do you need to do with products and services to retain customers in the segment in the future? Your KPIs should reflect your strategy.

Define the goals. For each KPI, you should define the goal or forecast against which the actual metric is compared. The goal or forecast should be SMART: specific, measurable, achievable, relevant and time-based.

Compare the data. Metrics should be monitored, but never in isolation. One data point without comparison to something else is meaningless. "We acquired 300 customers this month." Is that good? Compared to what? To gain the most intelligence from the data, compare it to multiple data points to see the trend.

Compare variance amounts, growth percentages or percentage of the whole of:

- Goal (forecast) to actual
- Periods, including month to date, quarter to date, year to date, month over month, year over year
- Products
- Market segments
- Competitors
- Industry benchmarks

Indicate the situation. Use a visual indicator to show "good," "neutral" and "bad" situations, such as a traffic light metaphor (green, yellow, red) or arrows (↑↔↓). Document the ranges for each indicator. An example for revenue: green = 100% of plan, yellow is between 80%–99.9%, red < 80%.

Tell the story. When you are reporting metrics to your team or to the executives, communicate the meaning by telling the story of the KPIs. Why are you missing, achieving or exceeding the KPI? Have you discovered a systemic problem or an isolated problem? Use data, not opinions, to support the story.

This is the framework for sharing key metrics, but what metrics should you analyze to find insights to drive product success?

As president of your product, you need business visibility into financial, customer, product, marketing and market metrics. Work with the owners of the data to collect, analyze and report the KPIs to the executives. Each department should analyze metrics they are responsible for, but as a product leader, you should be orchestrating a periodic business review to look at the metrics holistically at the product or portfolio level.

1. FINANCIAL

Product revenue: amount and units. Compare forecast to actual revenue by amount, units and average selling price. If you are consistently missing your forecast, you need to understand why. Analyze win/loss interviews, lead/funnel metrics and sales productivity to answer questions like:

- Did you have enough sales capacity to deliver the revenue?
- Is the average selling price going down? Why?
- Can you pinpoint the shortfall by region, market segment, customer type (new, existing) and channel (direct, reseller, retail)?
- Was the forecast achievable?

Gross margin. If you sell a physical product that you ship to customers, you should monitor gross margin or gross-margin percent. To do this, you need to know the cost of goods sold (COGS), which typically includes labor, materials and overhead of the item being sold. The formula is:

Gross Margin = Revenue – Cost of Goods Sold

Gross Margin % = Gross Margin ÷ Revenue

Product expense and profit. If you can do some basic profit trending for your product, you will have better business visibility to make key decisions that can improve profits.

Ask accounting if they can give you a simple profit and loss

(P&L) statement for your product. It may be based on cost allocations, rather than actual costs, particularly if labor and other expenses are not tracked at the product level.

If you can't obtain that information, do some simple calculations based on full-time equivalent (FTE) employees. Count the number of employees working on your product, multiply that times $100,000 for an annual cost. If resources work on multiple products, estimate how much time is spent on your product to determine the FTEs. Include development, quality assurance, release control, technical support, sales, product management and marketing.

Similar to revenue, you should track profit by:

- Region
- Market segment
- Channel (direct, reseller, retail)

2. CUSTOMER

As Peter Drucker said, "The purpose of business is to create and keep a customer." Brilliant, I wish I had said this! More than 100 years after this business guru was born, he is still relevant.

Customer counts. How many new customers are you acquiring per month? How many customers have canceled maintenance or subscriptions per month?

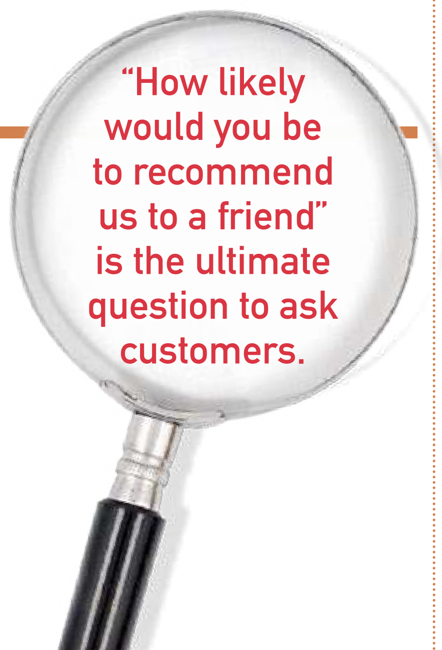
These metrics tell you whether your customer base is growing or shrinking. You need counts and percentage growth/decline for both new and lost customers, by period, region, market segment and product line. Analyzing customer counts by market segment and product line will give you visibility about where to focus efforts to meet strategic objectives.

Wallet share. Monitor customer wallet share by comparing average revenue per active customer (ARPAC) year over year. Is wallet share increasing or decreasing? Customers who use multiple products tend to be "stickier" (higher-retention rates).

If applicable, monitor the number of users per customer. Acquiring more users also leads to stickiness.

Lifetime value. If you have ARPAC per year and the average retention time (months or years the customer is active), you can calculate the lifetime value of a customer. For example:

$25,000 ARPAC
x 6 Years Average Tenure
$150,000 Lifetime Value



Average lifetime value will help you calculate how much you should spend acquiring new customers and how much you should spend on customer retention programs. Comparing lifetime value by product or market segment provides additional insight about where you should focus your resources to gain the most leverage.

Customer satisfaction. Measure satisfaction at the transaction level, the product level and the company level. Periodically interview customers to gain deeper context about why they rate you the way they do. The customers may be rating their interactions with sales or support high, but may be frustrated with the usability of the product or service—which sent them to support in the first place.

According to Frederick F. Reichheld of Bain & Company, "How likely would you be to recommend us to a friend" is the ultimate question to ask customers. Using a 0–10 score where 0 is not at all and 10 is extremely likely, he claims the Net Promoter Score is the single most reliable indicator of a company's ability to grow.

Once a year, ask every customer how likely they would be to recommend you to a friend. By dividing your customer base into four groups and surveying 25 percent every quarter, you can have a continuous source of data.

When you survey them, let them tell you why they would or wouldn't recommend you: What's the one thing we can do to improve?

Analyze for patterns, and then look at product, market segment and customer tenure to see whether the patterns vary by these attributes.

You might learn some market segments are more likely to recommend than others. If your strategic segments are lacking promoters, what do you need to do to change?

When you pinpoint the areas you need to improve (such as product, segment or customer tenure), be sure to interview both customers who responded to your survey and customers who did not. The quiet 80 percent of customers who don't respond to surveys might have a different story to tell. Here is where the quantitative metrics alone might not tell the whole story.

3. PRODUCT

Cost of delayed product introduction. How long does it take from the time you define requirements until you have a finished product in the market? Is the cycle predictable?

If you have developed a clear product roadmap, do a retrospective every quarter tracking what you planned to do versus what you actually did.

An important roadmap metric is the cost of delayed products. If the product was delayed by two months, go back to the monthly forecasted revenue for the product times two months. If you missed an important market window (like Christmas), the opportunity cost will be much greater.

Percentage of approved requirements/out-of-scope requirements. Monitor the percentage of originally approved requirements that get delivered in the final product. How many out-of-scope requirements were included? The problem may be poor requirements definition, which you can control, or it may be scope creep, which you need to communicate to your management. Report the facts and let management manage.

Open defects/time to remedy. Product quality should be monitored on an ongoing basis to make sure it doesn't become a serious problem.

Tracking defects by type of defect and time to remedy compared to prior periods and prior releases will give you insight into the quality of the current release.

For unreleased products, ask quality assurance for the statistics. If the number of open defects is not going down as the release date approaches, the release date is likely to slip. Releasing a product with poor quality will cost you money, time and reputation—don't even go there!

Customer support. From a product perspective, customer support should be measuring the number of calls per product, the average time to resolve an incident and the nature of the calls.

Analyze support metrics to identify areas of the product that can be improved for a better customer experience. Are there problems with installation of the product? Is the documentation too hard to understand? Is the product too hard to use?

4. MARKETING

Number of leads, lead conversion rate, revenue performance. The marketing department should be measuring every marketing program to determine the proper program mix to drive awareness and to engage with buyers early in the buying cycle.

If you have a closed-loop marketing automation system integrated with your customer relationship management system, you should have access to a dashboard of marketing and sales metrics to help you see where in the funnel you may be having difficulties if you are not meeting your sales targets.

How are you qualifying leads through the various stages of the buying cycle? Are opportunities getting stuck in a "no decision" state? If so, why?

Which marketing programs are most effective? Are the right market segments being targeted? Do the positioning and market messages resonate with the buyers?

Win/loss interviews will usually provide deeper context around what is working and not working in the buying process.

5. MARKET

Market share. Everyone wants to know what market share you have. By tracking this metric over time (year over year), you can discover whether the market is saturated or ripe for expansion. If the market is growing and yet your market share is shrinking, it indicates another competitor is growing at a faster rate than you are. If you are doing win/loss interviews, you can gain additional insights into why competitors' market share is increasing or decreasing.

To determine market share, you can either conduct your own survey or commission a research firm to survey the market to determine what solutions the market is using. You may also be able to purchase market share information from industry analysts or trade associations for certain vertical markets.

WHAT'S NEXT?

Determine which KPIs your company is already tracking at the product level, then examine which have the greatest variances between goal and actual results. Do you already have a plan or program to change the variances or mitigate the risk? If not, who should be responsible for developing and implementing the plan?

Look for some quick wins and rally the team to solve those problems. For larger, more systemic problems, make a business case so you can get resources to solve them. They should become part of the vital objectives of your product team.

In the meantime, prioritize the remaining KPIs you are not yet tracking. Work with the department capable of generating the metrics to find out how long it will take to begin gathering them.

If you are not already doing a business review of your product with the executives on a quarterly basis, schedule one. Step up to the strategic side by providing business visibility to the key stakeholders. PM

About the Author

Barb Nelson has been a market-driven evangelist for decades, having successfully managed and launched multiple generations of B2B products. For 12 years, she was a top-rated Pragmatic Marketing instructor, consultant and content developer with a unique view of the technology landscape. She is vice president of marketing for Sage Construction and Real Estate, and is a frequent speaker on product management and marketing (including 11 ProductCamps and many Silicon Valley Product Management Association events). She can be reached via email at barbara.nelson@gmail.com, on Twitter at @barbaragnelson or @SageBarb or on LinkedIn at www.linkedin.com/in/barbaragnelson/.

DOES MARKETING MATTER?

BUYER PERSONAS ARE REWRITING THE RULES ABOUT ROI.

BY ADELE REVELLA

IT WAS THE SECOND DAY OF A PRAGMATIC MARKETING course I was teaching, when a senior director's question sucked the oxygen out of the room: "How do I know that anything would change if I eliminated the marketing organization?"

While Tom's harsh words and choice of forum stunned me, his question did not. I've worked with enough CEOs and participated in enough reorganizations, budget cuts and executive transitions to know that only slightly less-threatening versions of this question are commonplace. And easy answers don't cut it.

METRICS CAN'T ANSWER THE REAL QUESTION

Many marketers have been asked to explain how much incremental revenue they generate. They are asked how much less they could spend without taking a revenue hit. Or if higher levels of spending would improve results.

There is little evidence that B2B marketers of complex solutions will ever have definitive answers to any of these questions.

Sure, we can report that a webinar was attended by someone who later downloaded a white paper and then purchased our solution. However, I'd like to have a nickel for every time the marketing impact is unknown because the salesperson was calling on that account for years.

When a company meets its revenue and profitability goals, senior management generally seems willing to adhere to the "if it ain't broke, don't fix it" rule. Most budget requests are approved, and the marketing team operates with relatively little interference.

But miss a few revenue or profit targets and marketing will quickly find itself in the spotlight. This is the moment when someone will start wondering if we could do better, or if a new team and reporting structure would fix things.

> "How do I know that anything would change if I eliminated the marketing organization?"

PART OF THE PROBLEM OR OF THE SOLUTION?

Many of the metrics we track have unintended consequences when we report them to other departments. What should stakeholders conclude about our role and value, if they only see the output and measures of our production activities?

Is it possible that the strategic role of marketing is being subverted by the way we interact with our stakeholders?

I'm not suggesting that marketing leads, content and sales tools aren't important. And I'm certainly not recommending that we discontinue our efforts to track results. Performance metrics help us to refine countless strategies and tactics.

What I am saying is that we need to balance the way we interact with stakeholders, focusing in equal measures on our strategic and tactical contribution.

This begins when we subtly shift the conversation in meetings, presentations and hallways away from project charts and deliverables. It requires marketers to become the source of information about what markets full of buyers are saying about how, when and why they choose solutions like ours.

Consider your company's perception of marketing ROI if your head was filled with buyer conversations of strategic value to your stakeholders:

- Which buyers will be receptive to your new marketing strategy and why
- What engages these types of buyers
- Why some buyers prefer X competitor
- What role each potential target in the buyer's organization plays in the decision
- Which buyers are most likely to choose you and why

If you scanned these bullet points, rather than contemplating their meaning, note the emphasis on the "why" aspect of each of these questions.

Most companies believe they know what the market needs, but few can predict the path to achieving the goals they imagine.

MARKETERS ARE MISSING BUYING INSIGHTS

In recent years, buyer personas have gained popularity as a tool to improve a marketer's focus on buyers. Today more than half of B2B marketers report that they have developed buyer personas.

Yet, few of these marketers have enough confidence in their perception of the buyer to define, defend and deliver strategies that don't conform with the internal perspective. So companies make decisions based on inadequate information about the market's receptivity, and marketers are on the hook to persuade buyers who don't care. In other instances, perfectly good products fail because the company didn't identify and communicate with buyers who have the need.

There is a lot of confusion about the content of buyer personas and how to ensure that they uncover compelling insights.

Some marketers fall into the trap of only collecting knowledge about the buyers internally. This has some value but doesn't prepare the marketer to persuade the same stakeholders who contributed the information.

Others retain expensive third parties to deliver a lovely set of PowerPoint slides or posters that are soon put away and forgotten. One marketer spent more than $100K on her buyer personas. When she contacted me for advice about how to leverage them, I was horrified that they described little more than the buyer's role and priorities—information readily available to her competitors with just a few hours of research on LinkedIn.

WHAT BUYER-EXPERT MARKETERS SHOULD KNOW

The value of buyer personas is directly proportional to the quality of insights about how, when and why buyers choose solutions like yours.

If your buyer persona simply recasts obvious and readily available information such as industry, job title and responsibilities, then this is a very low-value effort.

To change the conversation about the value of marketing, buyer personas need to be the result of in-depth, unscripted conversations with actual buyers. Fewer than 10 well-executed interviews can lead to five compelling insights:

Priorities. What happens to make this investment a priority for this type of buyer? Don't confuse this insight with pain points, because many or most of your target buyers have this pain and still aren't looking for a solution like yours. Your buyer personas should tell you what drives some buyers to address the pain, while others remain satisfied with the status quo.

BUYER PERSONAS SHOULD TELL YOU WHAT DRIVES BUYERS TO ADDRESS PAIN.

Success factors. This tells you what results or outcomes the buyer expects as a result of purchasing a solution like yours. Success factors resemble benefits, but when you hear them from recent buyers you will have a shorter list that is far more specific and compelling than anything you can reverse engineer based on the capabilities of your solution.

Perceived barriers. I often refer to this as the "bad news" insight, because it tells you exactly why this buyer would be unlikely to purchase your solution. Barriers could relate to prior attempts to solve the problem, negative (and even inaccurate) perceptions about the suitability of your product or company, or internal resistance from other departments or personas.

Buyer's journey. This identifies the stages your buyers pass through to evaluate their options, eliminate contenders and choose one solution. It specifies the stages when this buyer persona will be pivotal to keeping your solution under consideration and when other personas will be more critical. You'll be completely clear about when and why social media, content marketing, sales engagement and other resources have the most impact—and what you can do to improve your efforts.

Decision criteria. The final insight reveals the three to five capabilities that have the most impact on this buyer. Decision criteria frequently include specific features or attributes of the implementation or company. Pricing (or value calculations) can also be relevant to these decision criteria. This insight is critical for sales enablement, because it identifies which buyers will be concerned about specific features and why.

THE MARKETING CREDIBILITY PROBLEM IS EXPENSIVE

While Tom's question may have never been spoken in your presence, the hand-wringing about the merits of marketing takes a toll on every one of us. There are even those who predict the demise of marketing as a profession.

I can't imagine that marketing will ever disappear, but there are plenty of reasons to believe that we are not positioned to deliver the value that B2B companies truly need.

Too many really smart marketers toil away in organizations where they operate with little more autonomy than factory production workers.

Imagine the chaos that would ensue if financial statements were subjected to as many reviews as your most recent messaging document. Could engineering ever deliver a new product, if its role and management team were redefined every 18 months?

The endless debate about the value of marketing ultimately interferes with our goal of building the value of marketing. This needs to stop, and buyer personas give you a lot more power to rewrite the rules than you may have known. When will you begin? PM

About the Author

Adele Revella is president of Buyer Persona Institute, the company she founded in 2010 to deliver workshops and consulting for marketers who want the confidence to say, "This is what matters to the buyer. So here's the plan."

She authored and taught a product marketing course for Pragmatic Marketing from 2001–2007. She has 30 years of experience in B2B marketing, including more than a decade in executive-level management for product management, sales and marketing. She can be reached at adele@buyerpersona.com or on Twitter @buyerpersona.

RESETTING EXPECTATIONS: A BUYER INSIGHTS ROI EXAMPLE

A software-as-a-service (SaaS) solutions company decided to enter a new market, seeing an opportunity to build an innovative services organization that would consult with clients.

The company partnered with a consulting company and began to introduce the service offering to select customers through a small, specialized sales team. They weren't getting any traction with buyers and hoped that marketing would soon begin to build awareness and higher-quality leads.

Meanwhile, marketing was planning the new identity, sales tools and web content. To help clarify the message and target audience, the marketing team conducted a half-dozen phone interviews with buyers who fit the company's expectations of the ideal profile.

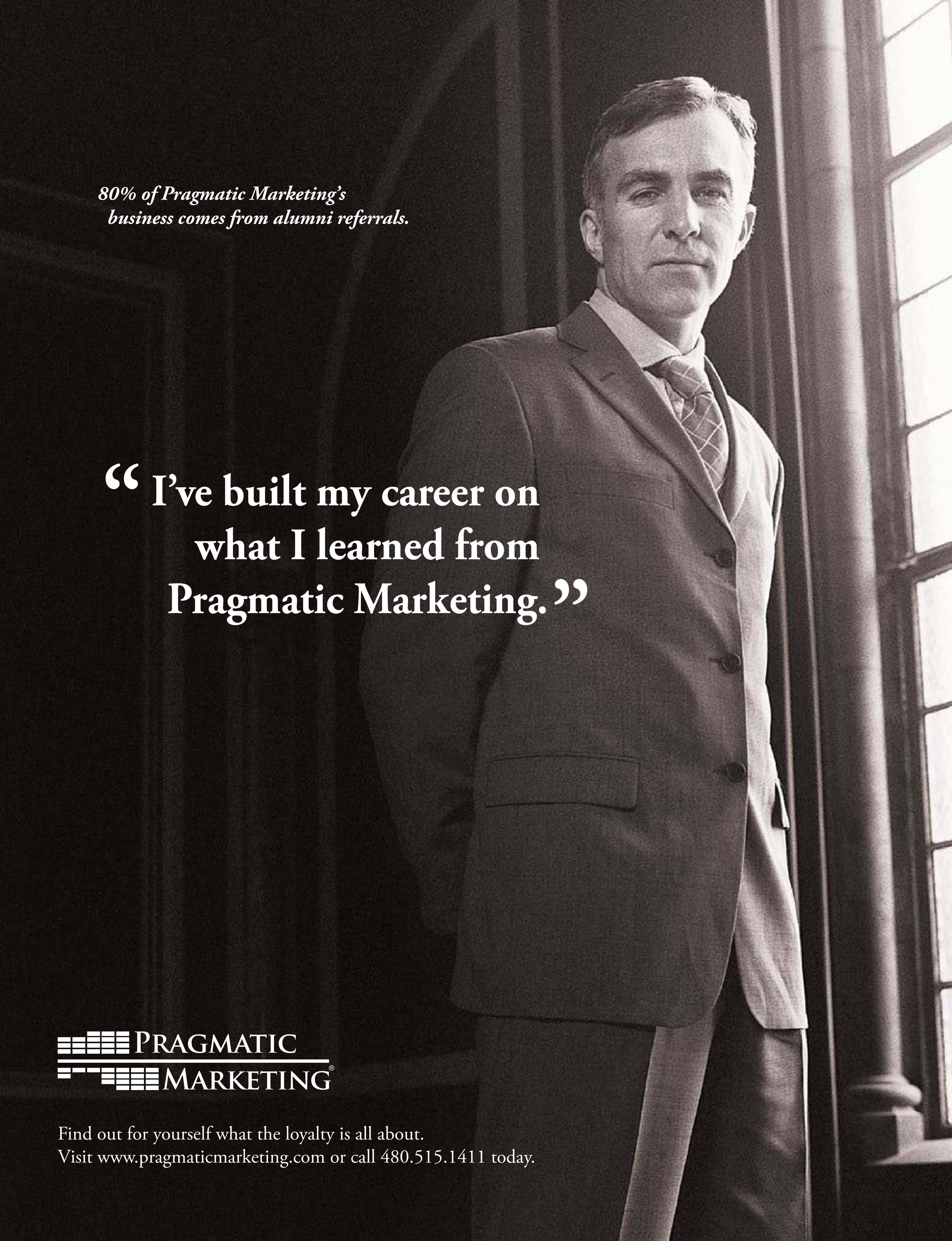
They got more information than they bargained for. Two key findings changed everyone's thinking about next steps.

1. In their customer's organization, no one had the responsibility to improve this aspect of the business. They would have to target several different executives and get them to work together or the idea wouldn't work.

2. The SaaS company was not perceived to be qualified to deliver business consulting services, and the partner they had selected was also a small, unknown organization. They would be competing against large, established players and would need to prove their ability to deliver results.

The SaaS company quickly understood that growing this new business would be a long-term investment and that it would take years to generate real revenue from it. With clarity about these barriers, the company had the option to reset expectations or to abandon the initiative before spending more money on it.

The marketers who delivered these buyer insights were recognized for their strategic contribution, while they were let off the hook for short-term leads. That's a pretty good ROI on a few hours of interview training and the six hours they spent on the phone with buyers.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1993 2013
PERSPECTIVES
SOCIAL MEDIA

ENGAGING THE SOCIALSPHERE

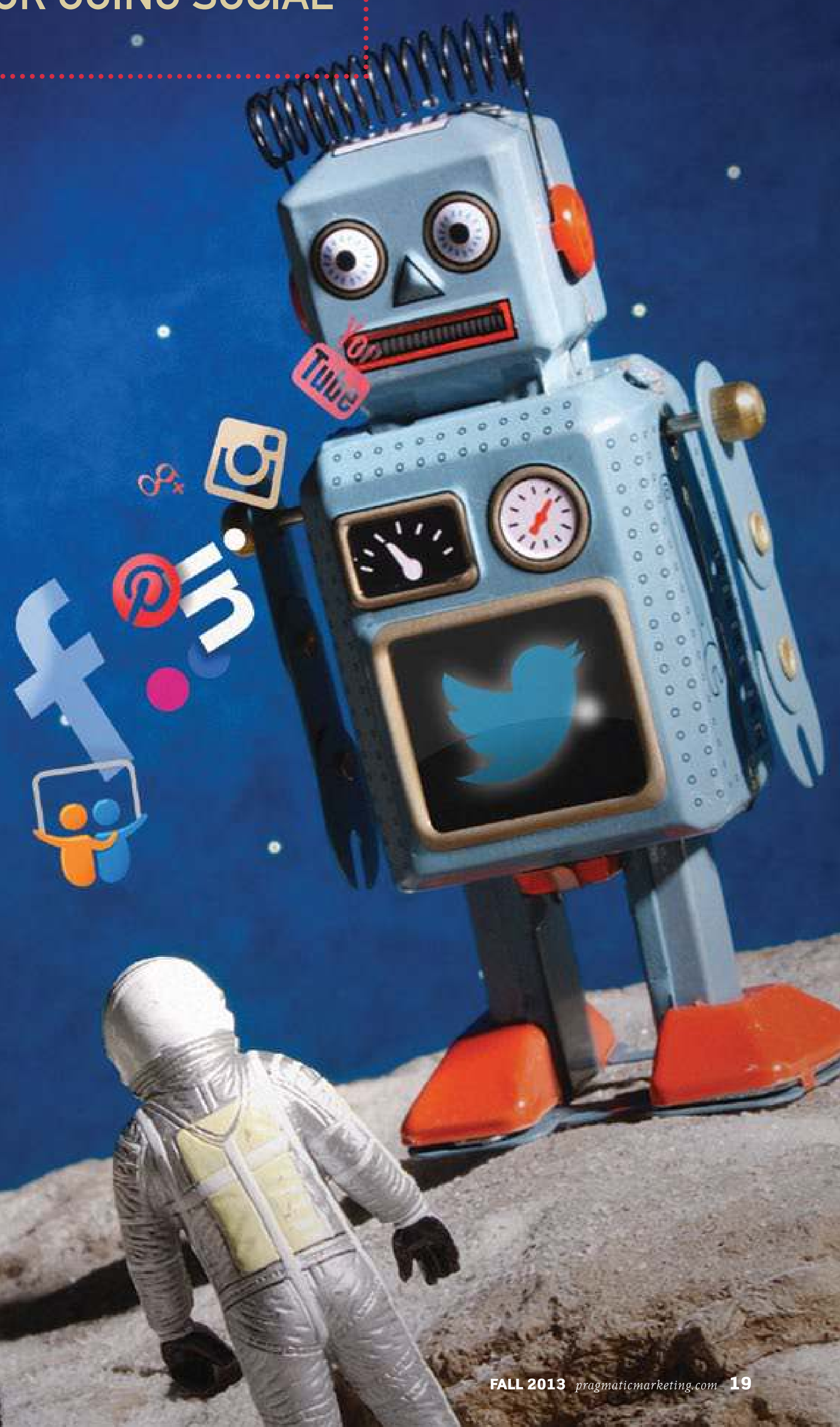
BY DEREK E. WEEKS

FOUR BEST PRACTICES FOR GOING SOCIAL

YOUR MARKET IS CLAMORING for your attention. Are you listening?

Every minute in the socialsphere, there are 98,000 tweets, 1,500 blogs, 600 new videos and 1,140 SlideShares posted according to go-globe.com. Word-of-mouth marketing and getting the pulse of your market has taken on an entirely new scale that can deliver tremendous benefits, if you engage correctly.

As the voice *of* the market, we are constantly looking for opportunities to improve product roadmaps, identify new customer requirements, understand the latest market problems or track the latest competitive threat. And as the voice *to* the market, we are perpetually taking charge of launch plans, developing new sales tools, improving thought leadership or delivering new presentations and demos.



Today, engaging with the market—whether you're listening or sharing—is simple with the right plan and approach. And to top it all off, tracking return on investment in the socialsphere has never been easier to measure.

Here are four best practices to get you started:

GET OUT THERE NOW

A few years ago, I wrote a blog post entitled *Cubicle vs. Airplane Marketing*. It looked at the need for us to get out into the market to meet customers face-to-face, test sales tools firsthand, and understand the real-world requirements of markets and buyers. And while I still highly recommend getting out of your cubicle and onto an airplane to truly understand your customers, the value of social communication tools grows stronger for us every day.

For example, I led a global survey that queried the state of market adoption, customer challenges and business-use cases for my company's target market. The survey ran every six months, and we promoted participation heavily on Twitter, LinkedIn and several highly frequented industry blogs and communities.

Using these forums, we boosted survey participation to more than 3,000 people, giving us a solid representation of the market, its users and requirements. Taking advantage of large existing communities online meant that we spent less time building our own forums—allowing us to reach sizeable audiences instantly. That kind of scale and speed would have never been possible on an airplane.

Even better, we published updated survey results to the market through those same social channels, including hundreds of tweets covering survey findings, blogs focused on analyzing the results and off-the-cuff video responses to the findings from industry influencers on YouTube. On SlideShare alone, the survey findings resulted in more than 65,000 views—not only increasing the visibility of the results, but dramatically amplifying word of mouth about our company and my role as a thought leader in the market.

The impact of social amplification was summarized well in a recent *Harvard Business Review* article: "Word of mouth still influences purchasing behavior. Only now, social networks increase that circle from a few trusted friends and family to hundreds of people online." Frequency of participation in the most active channels has a direct correlation to the value and feedback you'll receive.

You likely already have LinkedIn, Twitter, SlideShare and YouTube accounts, but make sure that you are participating in at least one of those channels daily to get and keep the conversation going.

BUILD YOUR ROADMAP

We need to think on a larger scale about gathering market and customer requirements that influence our product roadmaps. Crowdsourcing is one such option. For years, companies like Salesforce.com, Microsoft, Facebook, Cisco and LEGO have enlisted their customers and the public to help identify new ideas or to narrow down potential feature sets to the most impactful innovations. If you think your corporate Facebook page is simply a place to post news updates or photos from the latest industry event, consider using it to support your next market or product requirements document. Crowdsourcing can be a fun, insightful and quantifiable approach to engaging with your market. Open forums reach broad and sometimes less filtered audiences, so you can get the most out of the participation by defining your objectives up front, setting boundaries for participation, planning how to respond to both positive and negative feedback and establishing steady patterns of engagement that keep the crowd involved.

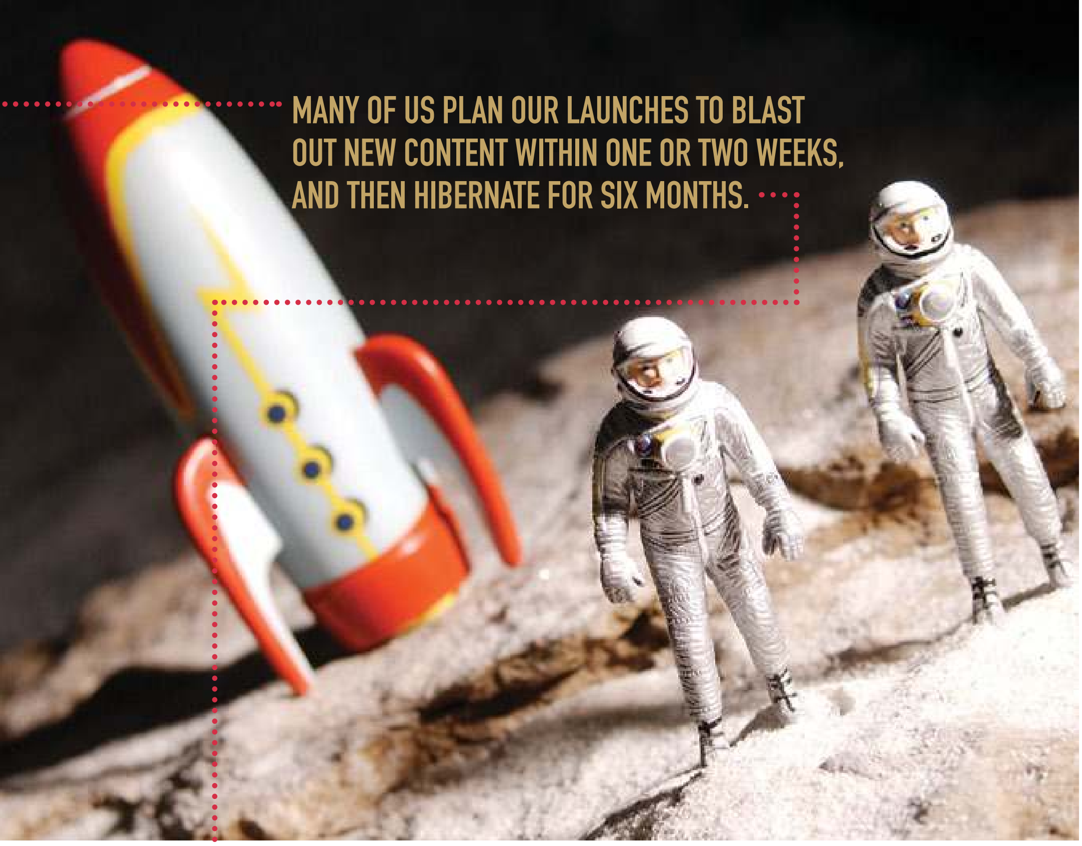
But the roadmaps that crowdsourcing helps you build are only part of the equation. You also need to build a roadmap of engagement.

While speaking at Twitter's two-day employee conference in July 2013, Arianna Huffington shared the perspective of her news business: "When we post a story, that's just the beginning, not the end, of the conversation. The news experience has moved from presentation to participation, and so we try to make everything we do a vehicle for engagement." When planning product launches or campaigns, we should similarly shift thinking from news and presentation to engagement and conversation with the communities we serve.

Social media is not simply about sending a tweet here and there, or posting news or questions to a LinkedIn group once a quarter. To achieve the best returns on your social activities, you need to plan ahead. Rather than thinking of social connections and community engagement as ad-hoc activities, consider building roadmaps to sustain your momentum.

How many of us plan our launches to blast out new content within one or two weeks, and then hibernate for six months until the next product release? For the next launch you plan, consider a six-month, mixed-media conversation roadmap with your market.

By planning ahead with a conversation roadmap, your voice to and from the market will be much more consistent—and more powerful.



MANY OF US PLAN OUR LAUNCHES TO BLAST OUT NEW CONTENT WITHIN ONE OR TWO WEEKS, AND THEN HIBERNATE FOR SIX MONTHS.

FOR THE NEXT LAUNCH YOU PLAN, CONSIDER A SIX-MONTH MIXED-MEDIA CONVERSATION ROADMAP WITH YOUR MARKET.

FOLLOW THE NUMBERS

There are those of us who remember when it used to be challenging to measure the ROI of marketing efforts, but social media outlets have improved their analytics tremendously over the past five years.

I can tell you that I have tweeted 2,275 times and have 596 followers. Our blog had more than 4,500 visits in a month. My SlideShare decks have been viewed more than 100,000 times, my LinkedIn profile has been viewed 588 times in a three-month span and the internal sales-enablement video I posted on our private YouTube channel had 72 views in its first day online.

These stats are not bragging. I am still a social neophyte compared to many others out there. The stats are simply offered as evidence of how easy it is to track one's activity, reach and impact. With metrics that show how you are building awareness and consideration for your offerings in the market, social-media activities will be viewed less as a hobby and more as a strategic marketing endeavor.

Want to add some fun into your numbers? Consider waging a friendly competition within your marketing and product teams. Because the stats are so readily available, see who is getting the most retweets, comments on their blog posts, views on their product demo or feedback on their potential feature list.

As a former business school professor of mine used to say, "Keeping score improves the score." In the socialsphere, living and playing by that mantra has never been as accessible as it is today.

BE HUMAN

When you have your plan in place and you venture out into social media, leave your industrial messages behind. People don't just want to hear "ZipBang v2.3 was just released" or "read my latest blog." Those kinds of industrial tones are generally turnoffs, and they get passed over quickly.

Show your personality, post an opinion or share your excitement. "I was flattered to see," "listen to her firsthand account" or "here's where they got it all wrong" communications engage people, encourage reaction and invite action.

Post more pictures, charts and videos. Just as you experience with your friends on Facebook, pictures, videos and images help show more of who you are. Let your personality show and invite people into a glimpse of your world.

Lastly, remember you are not in this alone. The greatest achievements in our lifetimes were not accomplished by individuals, but by large communities of people working together. Join us, share with us and count yourself in. PM

About the Author

Derek E. Weeks has more than 20 years of experience leading product marketing and product management teams at companies including Hewlett-Packard, OpenText and a number of successful venture-backed start-ups. As a senior software marketing executive, he brings a proven buyer and sales-centric approach to creating marketing plans, defining roadmaps, gaining mindshare and growing revenue. He is Pragmatic Marketing Certified, and he and his teams have been graduates and raving fans of Pragmatic Marketing courses for the past 12 years. You can find him online at www.linkedin.com/in/derekeweeks or @weekstweets, and he can be reached at derekeweeks@gmail.com.

You Need a BUSINESS STRATEGY, *Not a* SOCIAL MEDIA STRATEGY

BY JON GATRELL

FOR MANY A SOCIAL MEDIA GURU and consultant, the first question they ask a potential client is: "What's your social strategy?" And it's a good question to ask, sort of, if you're in social media consulting. Many companies admit they have no social strategy, providing an opportunistic wedge for consultants everywhere.

The better question to ask is: What is your business trying to achieve? Then think about how social tactics can aid in achieving those goals. Starting with the tactics is backward. You must start with the business.

Depending on business priorities, you may choose to focus on different activities. For example, improving service might require one set of social tools, tactics and resources; changing perceptions and creating awareness could require another. As social media and content strategist Jay Baer explains:

> *"The goal is not to be good at social media. The goal is to be good at business because of social media."*

That statement should be the spirit in which all social options are evaluated. Social media is anything but free, and it is just part of the marketing mix. You are making a choice of how to invest your time, and choosing one approach over another means something else gets dropped.

EXAMINING SUCCESS STORIES

There are a handful of social-media case studies that are often cited by bloggers and tweeters alike. The true successes didn't start with a social strategy—they started with a business need. Let's look at what these showcase social implementations were trying to achieve for their businesses.

Dell Outlet. One of the most visible success stories comes from Dell. The computer solutions provider set up its @delloutlet Twitter account to improve customer awareness about its outlet, which offers value-priced merchandise to consumers. The tweets aren't conversational per se, although the company does respond to inquiries and service needs. Instead, the @delloutlet stream provides awareness of promotions and other efforts designed to achieve an overall goal: revenue! The company achieved big results—$6.5 million in 18 months, according to Jason Falls of Social Media Explorer—via content development and Twitter. The stream now has more than 1.5 million followers, making it one heck of a broadcast channel.

This Is Seth's Blog. Seth Godin provides another example of increasing awareness without interaction. He is one of the best marketers ever, and many a product manager, product marketer and CMO strive to be 23 percent as creative and 36 percent as effective as he is. I mean this guy writes pithy little paragraph posts, which are retweeted all day long and consistently increase the visibility of his blog and brand. He does this with no engagement with his 300,000+ followers, which validates use of social as a channel for broadcast.

Old Spice. This frequently cited social story started with a goal: Change the image of the brand. According to Old Spice brand manager, James Moorhead:

"The oldness of Old Spice was part of the problem. Every young man in America has a memory of his father or grandfather's pungent aftershave—and young men don't want to wear their father's cologne."

While the online tactics gained the most chatter, it is important to note that the strategy and plan to achieve this goal started with TV commercials. Over time, it prioritized social efforts from the brand team to achieve the business goals, but it was not a "social strategy." Social became one of the most effective tactics in an execution plan for the brand that included traditional media and live events.

Namecheap. Namecheap is a domain service that competes in a really crowded and highly commoditized segment by using social as a differentiator. If you look at the @namecheap Twitter page, it becomes evident that service is important to the company—not just service as it relates to support, but to buying too. But don't take my word, take CEO Richard Kirkendall's:

"Our company culture is entirely dedicated to you, our clients and how we can help you buy and manage your domains in the most efficient and hassle-free way possible."

Namecheap has not made social its strategy, but has strategically chosen to view the customer as king and social as a channel for engaging the king. Effectively, social has been integrated into Namecheap's DNA, including operational processes, products and the buying process. According to O'Reilly Radar, the use of Twitter has had significant benefits, including as much as a 20-percent increase in domain registrations based on Twitter contests and alike.

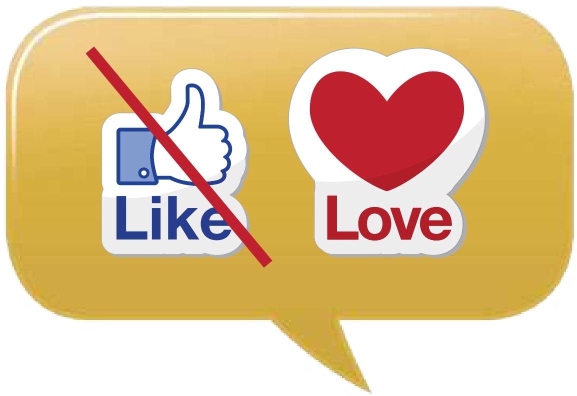
SOCIAL *isn't a new thing; it's a different way of doing things.*

There are many more success stories all over the web. As with the ones mentioned here, good content and good service are the key themes for achieving business goals and increasing awareness of a product, company or promotion.

WHERE SHOULD YOU START?

Social isn't necessarily a new thing; it's a different way of doing things. And let's be clear, it is real and valuable for all businesses. There isn't an option to not participate. But the questions should be around the level of investment and the focus of the effort: awareness, revenue, service, etc.

Social can be a great leveler for businesses and markets. With social, single home offices and small businesses can take their services global and start-ups can gain visibility and awareness not previously available without big budgets. But to create more effective programs, you have to understand your market's preferences and identify how social can help—rather than wedge social into the market. It shouldn't be a single channel for any given program or initiative. You need to focus on consistent goals and messages (content) across the channels, including social. Some refer to this as your content strategy, but a more accurate term is emerging: content architecture.



Many marketers look to tools to provide a silver bullet. But without alignment to the goals of the business and the overall strategy, social efforts can become noise, rounding errors and minutia that consume resources and time and deliver minimal ROI. If you develop your content architecture right, you can build strong relationships within your market to drive action, regardless of where social fits in.

ENGAGE OR BROADCAST?

Active engagement and real-time marketing, with teams involved in ongoing conversations and alike, is an effective approach to going social. But if this is your approach, you need to make sure your engagement is valid and not spam.

In a promotion for Jazz Fest, Acura did some random, off-topic tweeting. This was quickly exposed on Twitter as being what it is: spam. The etiquette of respecting your clients' and markets' time and meeting their expectations is critical. Just like we don't want to spam our opt-in list with email, we need to have the same courtesy with our social engagement or broadcasting. The content needs to be relevant and real. If you insist on putting out stale promotional messages (similar to old-school interruption marketing), those efforts (and any outbound marketing like that) won't succeed.

GETTING THE LOVE, NOT THE LIKE

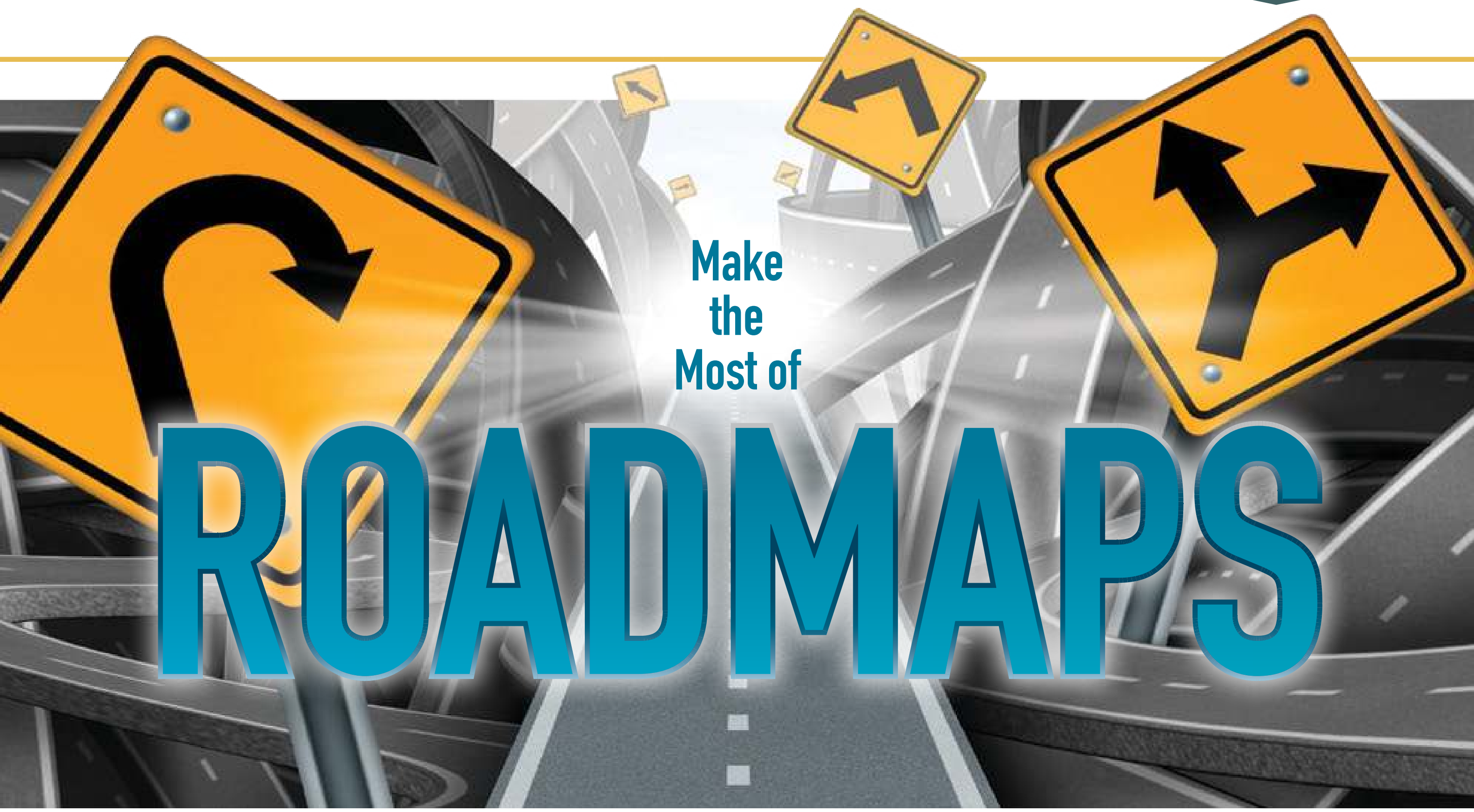
To put a bow on this, let's address a simple question: How do we get folks to love our products and brands? Customers and prospects alike are ultimately looking for service, content and information on their terms, not yours. Markets look for relevant information NOW, not when a salesperson can follow up. Your market wants service NOW, not once it goes into a queue and is assigned out of the CRM inbox. This is how we build relationships in a social world—by understanding expectations and delivering on them. And while social is increasingly the channel that some buyers use and some customers prefer for service and engagement, traditional methods still drive most of the revenue and value for businesses. The most successful programs I've seen have taken an integrated approach, where programs and market initiatives combine traditional efforts with social.

Net-net: It's not a given tweet, post or orchestrated set of social activities that drives success, but overall alignment of your business goals with the needs in your market—using social when appropriate. PM

About the Author

Jon Gatrell brings more than a decade of experience in product management, marketing, sales and corporate development to his role as a Pragmatic Marketing instructor. Jon previously served in senior product management and marketing positions at a number of companies, most recently at Stonebranch and Inovis. He has successfully implemented the Pragmatic Marketing Framework at multiple companies and integrated it into several acquisition plans. He has held leadership positions in numerous industry organizations.

In addition to his role at Pragmatic Marketing, Jon writes a blog on product management and marketing best practices at spatiallyrelevant.org. He can be reached at jgatrell@pragmaticmarketing.com.



Make the Most of ROADMAPS

Know where you're going before you hit the road.

BY STEVE JOHNSON

EXECUTIVES, SALESPEOPLE AND marketing leaders are frequently frustrated with the perceived short-term focus in product management. They often have no idea what is planned—if anything—beyond the next two-week sprint. That's why they ask for a roadmap: an 18- to 24-month view of the major sets of functionality that are planned for a product or a portfolio of products.

But only 15 percent of organizations worldwide have deployed multi-year product strategies and less than half of those organizations admit to having done so effectively, according to "The Study of Product Team Performance" from Actuation Consulting.

Part of the problem lies in the definition of roadmapping. A team of product managers were prioritizing their plans using product roadmaps. We talked about themes, markets, financial returns and how various strategic elements could filter the items selected for the roadmap. One product manager finally complained, "But when are we going to get to the roadmap?" He wasn't interested in how items were selected; he was only interested in having a graphical depiction. But roadmapping must come before the roadmap.

Roadmapping is a technique for strategic planning; the roadmap is a key artifact showing current plans. And not every document with a timeline is a roadmap.

For a roadmap, you'll want to show major features planned for the next three to six months and any new initiatives over the next three to six quarters. (The first is a "going to" list; the second is a "want to" list.)

DEVELOPING YOUR ROADMAP

Your goal is to talk to the market to define the major sets of work, sequence them in a way that makes sense to the market and to the business, and balance the effort over time. If you're using a program like Excel for your planning tool, you'll want to include these fields in your spreadsheet:

- Effort (a qualitative value of effort by the product team)
- Release assignment (either a release number or date)
- Name of idea or feature (or whatever you call a set of work)
- Release theme (a technique for grouping similar items to deliver sets of capabilities)

Of course, each of these items needs to include the many, many features, user stories and tasks necessary to make the idea a reality. And with these fields, you can easily build a pivot table as a planning tool for the roadmapping process, like the one shown here.

Sum of Effort	13Q1	13Q2	13Q3	13Q4	14Q1	14Q2	(blank)
Base	16					16	
Integrate confirmations via email	16						
Point tracker						16	
Mobile			18		16		4
App Android v1			9				
App iPhone v1			9				
iPhone UI refresh							4
Real-time status updates					16		
Multi-user		8					
Admin support		4					
Share trips via calendars		4					
Social media		1		10			
Friends network				9			
Share via Facebook				1			
Share via Twitter		1					
(Blank)							
Grand Total	16	9	18	10	16	16	4

ESTIMATE YOUR EFFORT

The biggest challenge in putting together the roadmap is likely to be estimating how much effort each item will take. You want to get an estimate before anyone spends too much time designing a solution, but you can't really get a valid estimate without some level of design.

Here's the big trick: guess.

A guess is good enough for this level of planning. You don't need a person-hour estimate; you just need an idea of whether it's a month or a year, tiny or huge.

Many experienced teams find they can quickly and easily estimate roadmap items by fiscal quarters. This item will take one quarter; that one will take three quarters.

Or, rather than estimating in months and quarters, some teams are more comfortable—and more accurate—when estimating size. It's difficult to say "this will take two months"; it's easy to say "this is larger than that." Assign a relative number to estimates so that you can more effectively compare dissimilar things. But be careful with numbers. Before you know it, some fool (maybe you) will try to equate these effort numbers with person weeks or person months, and create an atmosphere of distrust between the development team and the rest of the company. And remember: An estimate is a guess, not a commitment. Assure your teams that sizing estimates are not date commitments.

GET ORGANIZATIONAL BUY IN

To align your roadmap with internal priorities, show your process.

Start by reminding everyone that there are more ideas than you can deliver. You can't have everything you want, given the resources available. You have to choose. And you want to choose using a formula instead of your opinions.

Explain the different factors you use when you're prioritizing items: impact to customer, number or percentage of customers affected, revenue and cost estimates, strategic initiatives, and so on. Explain the formulas. You want them discussing the factors and the weights, not complaining about individual items. Once they see a method in your approach, they're more inclined to support it.

You can take it even further by asking representatives from each team to say "yea" or "nay" to each item on the roadmap. Add internal buy in to the roadmapping process, with rows containing the ideas you are considering and columns for each of the organizational groups. Then allow each group to say whether that item is critical for them or their customers.

Some facilitators choose to limit the number of votes per operational area. For example, if there are 11 items in

Idea (feature, requirement, problem to be solved)	Leadership	Development	Marketing	Sales	Support	Implementation	Operations	Other	Internal Rating
Integrate confirmations via email	1	1	1	1		1	1		7
Admin support	1				1	1	1		5
Share trips via calendars	1		1		1	1	1		6
App iPhone v1	1	1		1					4
App Android v1	1	1		1					4
Friends network	1		1				1		4
Share via Facebook	1		1	1					4
Share via Twitter	1		1	1					4
Real-time status updates	1			1	1	1	1		6
Point tracker	1				1	1	1		5
iPhone UI refresh	1	1	1	1					5

(Note: Each idea has one point built in to represent product management's initial acceptance.)

the list, give each team five or six votes and see. Like the game of musical chairs where there's always one chair fewer than the number of children playing, this approach prevents people from choosing everything and really forces them to prioritize. I've found that people are more inclined to support something when they've had the chance to define it or at least contribute to its definition.

SHARE THE ROADMAP

A product or portfolio roadmap is a key tool in planning and looking beyond your current product deliverables to the months and years ahead. Some companies simply do not share roadmaps. They want you to buy what they have now, not defer your purchase waiting for the next big thing. I once saw a presentation with a clever logic diagram for sharing the roadmap:

- **Do you want to delay your sale?** If yes, then show the roadmap.
- **Do you want to delay the next release?** If yes, then show the roadmap.
- **Anything else?** Don't show the roadmap.

On the other hand, if you don't share your plans, others will guess what you're planning. Many companies, particularly startups, find sharing the roadmap a great way to promote and validate their innovation plans. A roadmap can also be a helpful tool with salespeople, prospects and customers.

You can't do everything at once, but a roadmap shows that you're thinking beyond the current development iterations. Existing customers want to know where you're going, so they can make their own plans. Which technologies and major capabilities can they expect this year and next? How will changes in your architecture affect their own plans? The same is true for potential clients; they want to see you're in sync with their plans.

But a roadmap isn't a substitute for delivery. Many times, sales teams are frustrated by a slow development pace, so they sell "futures," hoping to persuade clients to buy now instead of waiting. They sell the roadmap as a commitment, not a plan. A roadmap, just like a sales forecast, is a plan that will likely change. Be very cautious of guarantees. Plans change, commitments change and market conditions change. And resources get reallocated. The more your colleagues and your clients think the roadmap is committed, the more frustration you cause for product management, development, sales and marketing.

Most product leaders ultimately conclude the need for two roadmaps: 1) for internal use, shared with executives and development teams and 2) for external use, shared with salespeople, analysts and clients. The internal roadmap has more detail and more specific dates; the external roadmap offers major themes spread across quarters or half-years.

For your current plans to have any meaning, you have to know where you're going with a rough idea of how you're going to get there. And that's why roadmaps done right are such a powerful tool. PM

About the Author

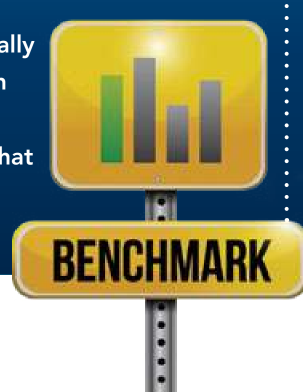
Steve Johnson, the tech industry's product management storyteller, is a recognized thought leader on product management, marketing and sales enablement. Previously, Steve was a Pragmatic Marketing instructor for 15 years and personally trained thousands of product managers and hundreds of senior executive teams. Steve is the author of *From Fragile to Agile: the Business Role of Agile Product Management*, available on Amazon. He can be reached at sjohnson@AppliedFrameworks.com.

BEST ESTIMATES

Here are some tips to enhance your estimating efforts:

1. WORK IN TEAMS. It's been proven that team estimates are more accurate than an estimate from one person. When there's a discrepancy, you can have those who estimated highest and lowest explain their reasoning. Maybe they've seen something or assumed something that the others haven't.

2. BEGIN WITH A BENCHMARK. Choose an item or two that your team has already completed—one that you know the time and effort it really took—and then compare new items against that benchmark.



3. INCLUDE TRACKING IN YOUR EFFORTS. A great way to get better at these guesses over time is to track how long things actually take and compare them to your estimates. Understanding why a guess was wrong also helps you get better at estimating similar projects in the future.

ROADMAPS AREN'T JUST FOR PRODUCT MANAGEMENT ANYMORE

A PRODUCT-MARKETING ROADMAP BUILDS DIRECTION AND VALUE.

BY JENNIFER DOCTOR

PRODUCT ROADMAPS ARE ESSENTIAL FOR PROVIDING DIRECTION, improving communication and establishing the product's and company's focus. They are also a constant source of discussion in the product community, as there are many views on the right elements and timeframes to include—as well as how the information should be shared. Roadmaps for other efforts that are part of the overall product planning lifecycle are often overlooked, however.

Too often, the technical direction for the product is all that is mapped out. But the product marketing team has the same need for a strategic planning process as their counterparts in product management. And they have the same need for an artifact that will share their direction, as well as improve communication and credibility.

The role of product marketing is often misunderstood. In short: While product management is often aligned with users and the product's capabilities, product marketing is typically aligned with buyers and the product's marketability. Executives see the data sheets, white papers and PowerPoint slides that are developed, but not the strategic value.

The strategic planning process of building a product-marketing roadmap will show the critical work being done to support the product. It will lay out a vision of when all that work will be accomplished and create a more complete overview when held next to the product roadmap.

The product-marketing roadmap shows executives, product management, development, marketing and other colleagues the go-to-market vision. It adds credibility to the product marketing team by demonstrating that its focus is set on continuous development, instead of reactive and one-off efforts. It allows the main attention to move from lead-generation campaigns to the more strategic analyzing of win/loss data, gaining customer insight, developing buyer personas, creating competitive SWOT analyses, etc. These increase your value, while also making your messaging in lead generation campaigns clearer, more targeted and easier to create.

STARTING STEPS

Taking the first step in building a roadmap for product marketing may seem overwhelming, like first steps into unfamiliar waters. But, when you break it down, it is a simple step-by-step process.

Step 1: Obtain a copy of your product's technical roadmap for the next eight quarters. Two years is considered long enough to look at what is coming, while still offering flexibility to be responsive to shifting market dynamics. If your organization has a portfolio strategy and vision, connect with its owner and become familiar with it.

Step 2: Obtain your marketing team's plans for demand generation, web, social media, events, papers, PR, etc. You need to understand what the marketing team is doing and how they do it. What are their goals? What are their expectations? Try to get the plans for the same two-year view.

The product-marketing roadmap adds credibility by demonstrating a focus on continuous development.

Step 3: Obtain the goals and plans of ancillary marketing teams. If you have teams focused on strategic planning for channel, alliance or partner relationships, find out their plans. Are they launching new programs in the next eight quarters? Their activities may be relevant, and it's best to be informed.

Step 4: Once you have plans from others in hand, arrange an all-day off-site meeting for the product marketing team. You want to be outside the office to minimize distractions and interruptions. Don't worry about being at an extravagant location; all you really need is a room with work tables, walls, whiteboards, etc. Make sure you arrange for beverages, snacks, lunch, etc. It's a small investment to keep up the energy of the strategic planning process.

Step 5: Arrange for a facilitator. This needs to be someone who does not have a vested interest in the outcome. They focus on the process and ensuring that all persons involved are listened to, engaged and valued. You may have a facilitator internally. Companies that have agile processes in place often have coaches, facilitators and/or trainers you can work with. If not, look to local product groups, networks and other companies for their expertise. The key to a successful meeting is the prep time spent with the facilitator. Find a sample product-marketing roadmap, so they know what the end result looks like. Talk with them about how you would like to encourage participation and how to engage all team members in the discussion. You know your team best. You need to engage with someone who will make sure that everyone in the room is committed to the end result.

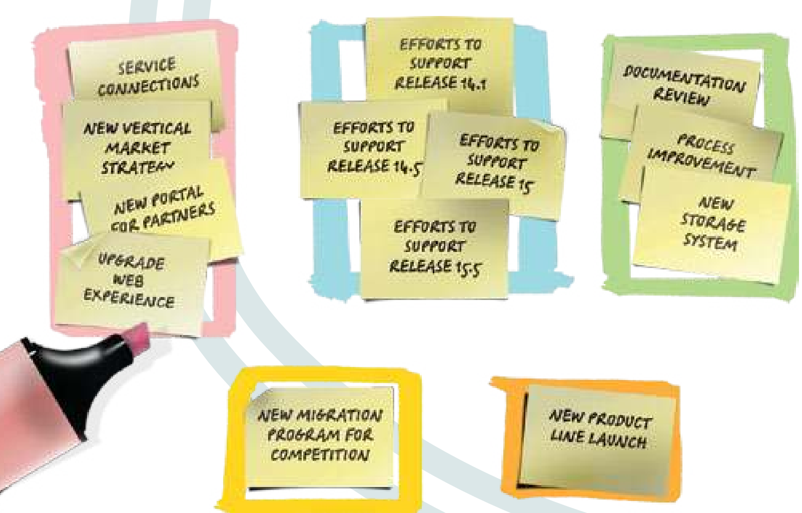
Step 6: Put the product marketing team in the room. Bring in sticky notes, paper, whiteboards and copies of the roadmaps, plans and marketing artifacts (sales sheets, etc.)—but leave the computers outside and turn off the phones! In brainstorming sessions, technology tends to inhibit and distract. And distracted people lose rhythm and collaboration. Here's a tip: Remove half of the chairs in the room and have people stand up. It gets the blood flowing and tends to encourage more interaction, which allows different people to contribute.

Step 7: Start your day with a team-building exercise. This may seem "old school," but you're about to start a day where you need to be able to share honest communication, respect and trust your teammates, and be willing to give and take. Make the exercises short and simple; 20 minutes is really all that is needed to get the team in the mood. Engaging employees this way delivers deeper, more actionable insights than those stodgy brainstorming sessions, online surveys, focus groups or other tools.

Step 8: Now it's time to review. Ask the senior product management leader to come in and share the company's strategy and then review, at a high-level, the technical product roadmap. Then, discuss the plans you gathered from the other departments. Your goal in the review session is to come to an agreement on what efforts from the others will impact your work.

Step 9: Pass out the sticky notes to the team, and have them write one activity that product marketing is responsible for that will support the efforts that were discussed. There should be one activity on one note. These are the elements of the roadmap. (Set a time limit on this exercise or it can go on all day.) Don't edit the items written; that task will come later. And it doesn't matter if it is high-level or low-level activity. This is a brainstorming session in a written form.

Step 10: Once the time period is called, take your sticky notes and break them into categories of items that are alike in work. Organize these activities that you just wrote into "important buckets," a master category/heading. Put the activities that don't fit into a bucket, the outliers, on the side. Remember to refer to the product roadmap for some important themes that may need planning. For example, if the core product is now going mobile, you may need a special category of items to support this. Tip: At this point, take a photo of what the board looks like. You may need to reference it later.



Now it's time to actually build the roadmap.

Step 11: Plot out the product roadmap against the marketing plans. Start by building a grid. Your whiteboards, large paper and sticky notes are the tools to build this.

Down the vertical side (the rows) place your initiatives, strategies, business, etc.—the buckets or categories that you created in step 10. What are these buckets of work called? How should the labels read to make sense to you and the business? One company may call it "Strategic Initiatives," while another may call the same "Organizational Directives." The label doesn't matter; it's the concept where you should focus.

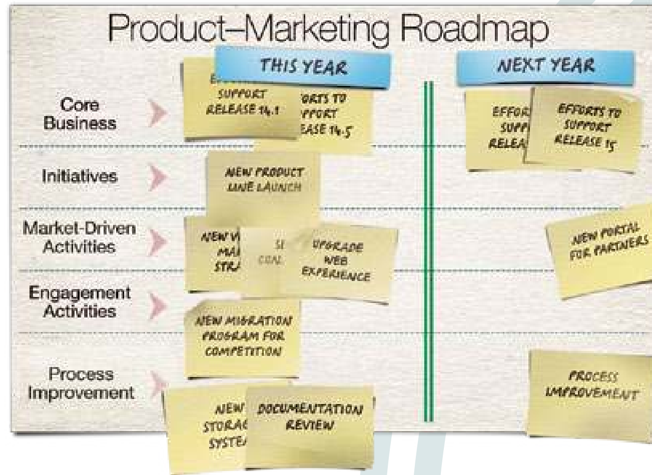
When you're done, the board/grid will look something like this:

The product-marketing roadmap is built around activities and actions that drive the promotion of the product in the market.

Step 12. Look at the empty space to the right on each row, and think about how you are going to complete the block. The content that belongs in here is what will bridge the conversation between you and the teams who provided input. How do you get the product from the initial idea to communications to your sales teams? How will you generate leads through the marketing plans? In each of the cell blocks, add the activities that will be performed to support the goal. This is the content for the product-marketing roadmap.

Take the sticky notes that are on the board and place them in the category where they belong. At this point in the roadmap building process, it doesn't matter what order you place the notes, just that you have them in the right bucket. When you are complete, it will look something like this:

Step 13: Without dates and goals, this isn't much of a roadmap, so add in columns with the quarters or years as your headers. Shift activities that have been previously discussed to the proper time frame when they will be accomplished. When are you setting a goal to achieve completion or delivery of that activity? The dates may be by months, quarters, years. What are the dates of your business cycles? How do other teams schedule and report work? Try to align your timeline with others. Doing this will help when you socialize the roadmap later in the process. Once you determine your dates, add in the columns and determine where each sticky note will go. It will look something like this:



Step 14: Examine your work. Once you have assigned your activities to the time frame, you most likely will have an exhaustive list of sticky notes hanging around. And don't forget to look at those activities that you put aside in step 10, the outliers, as well. You may find a place for them now. It's rare to find that any one product marketing team will ever have enough resources to complete all the items on their list in the time frame that is desired. In this case, you may find that you will have to rearrange or remove activities.

While you are adjusting for time and resource balance, it will be obvious where gaps exist that should be evaluated. If you see a blank cell on the board, talk about it. Maybe you left that cell intentionally empty, or maybe you should shift an activity or two into the empty cell? Go through each cell and talk about the activity and resource assigned. Are your expectations reasonable now? If not, keep adjusting until you have complete agreement among the team that the activities within each cell address the goals, direction and needs of everyone in the room in a way that will continue to grow your product.

Now, congratulate yourselves! You have built a new artifact—a product-marketing roadmap. Enjoy an after-hours team gathering, and get some sleep. There's still work to be done tomorrow.

SOCIALIZING AND COMMUNICATING

Unlike the product roadmap, which is built around features, the product-marketing roadmap is built around activities and actions that drive the promotion of the product in the market. But the need to get the organizational support is just as critical. You need to take your new artifact to your peers and partners to obtain their buy in. Without the support of your colleagues, the activities on your roadmap will not be accomplished and you will be unsuccessful in meeting the strategic goals set forth.

Remember, you built your plans off their plans, making your efforts intertwined with theirs. Highlight those connector points. Point out the specific items and impact to each individual group. Help them understand the scheduling of each activity. A specific activity that the other team requested or thought would be addressed may have been deferred or not included. When this happens, it is important to explain what drove the decisions on placement. In other words, prepare to justify and defend. If you have truly used their plans as the backbone, defending your plan should not be a difficult task.

One of the major differences between a product roadmap and a product-marketing roadmap is the stakeholders you share this artifact with. A product roadmap is often shared with external customers and market prospects; a product-marketing roadmap is never shared externally—and rarely shared with the sales team. The product roadmap is sharing a product direction while the product-marketing roadmap is sharing a work activity direction. The audiences for this product-marketing roadmap are the internal customers of your organization, the very same ones who helped supply information to build it.

A roadmap is a living document. It's organic, and it will change.

Getting support at the beginning is not enough. This is a plan that needs to be consistently communicated. It needs to be socialized as part of the daily, weekly, quarterly and annual rhythm. Use this as a guide at quarterly business reviews, staff meetings, product management/product marketing summits, etc. Take advantage of the product roadmap visibility with the executives to "hang" the product-marketing roadmap on the same conversation. Teach the executives to look for this as a regular communication tool for providing vision.

Remember, your goal is to provide not only direction to your product marketing team, but show value to the executives beyond the marketing communication deliverables. Create a quarterly update from the product marketing team that you disseminate to your stakeholders, which contains the progress against your roadmap, relevant metrics supporting the work done and other interesting facts. It will show value on an ongoing basis to a wide audience.

Metrics to include are not only how you have performed against your plan, but the impacts of the activities. For example, if one of your goals was to "upgrade the web/portal experience," then talk to the web team and ask about how their results have changed since your effort. If "customer migration" was an activity, look at the new customer mix versus the old. What percent of your competitor's customers were converted? How much did they spend? What increase was that? Provide impact metrics that reflect the business value.

It is also important to understand that a roadmap is a living document. It's organic, just like the product roadmap, and it will change. This is not a "one-and-done" effort. Schedule time in your team's routine to review the product-marketing roadmap every quarter. Have resources shifted? Are priorities changing? Do adjustments need to be made? You invested the time in the process; don't let the artifact die. Keep it updated and fresh.

With support in hand and a communication plan under way, it's time to build out the plan from the strategic view of activities to one involving tactics. What are the tools that need to be created to support the new migration? What training will need to be delivered to highlight the benefits of the feature coming next year? Is there a PR component that needs to be addressed? Plan your tactical activities from the strategic direction, and you are likely to notice that the everyday work makes more sense. You will see how the tasks are connected. They support a bigger picture now. There is value being built and delivered.

Building a product-marketing roadmap is not difficult. The strategic planning process that comes with the effort is where the energy of the activity is exerted. The roadmap is a tool; the strategic process is invaluable. This is true for product management, and it is true for product marketing. The end result will not only help guide your activities but also bring a spotlight to shine on the value of product marketing. PM

About the Author

Jennifer Doctor is a product professional with more than 20 years of experience in product management and product marketing. She is a strong advocate of the ProductCamp movement, having attended many around the United States, and is the founder of both ProductCamp Minnesota and ProductCamp South Florida. She has an active product blog at http://www.outsideinview.com and is a regular contributor to the product management and marketing discussion on Twitter. She can be reached at jennifer.doctor@gmail.com or followed at @jidoctor.

ALUMNI INSIGHTS

HOW TO BUILD ANALYST RELATIONSHIPS

A Q&A with Gartner managing vice president F. Christian Byrnes

WHERE DO PRODUCT PROFESSIONALS FIT IN WITH ANALYSTS?

Analysts have two sources of information. We spend most of the time on the phone with end-user clients, talking about very narrow market areas. Typical analysts have about 400-500 end-user client interactions each year to learn about what works and what doesn't, what problems people have, what people have tried and under what conditions they work.

Vendor product professionals are the second source, with about 20-30 percent of the information we use coming from them and other people at the vendor organizations. We understand that they have a strong perspective, as they should, so we validate what we learn from them with the end-user clients.

WHAT CAN YOU TELL US ABOUT THE ANALYST MENTALITY?

Analysts come from both end-user and vendor environments, and many have been product managers, engineering and technology vice presidents or CIOs. They tend to have 20-plus years of experience in the space they're covering. For better or for worse, that global expertise can occasionally be perceived as being a bit arrogant. Some of that is from experience; some is because the job gives them the ability to have that personality.

We are at a transition point right now where, for the first time in history, tech analysts are retiring—not quitting for some other job. And they are being replaced with new blood, which makes for an interesting transition. Over the next 5-10 years, we could see some significant changes in the analyst community—as well as throughout IT.

Instead of looking only at people with 20 years of experience, we're creating junior analyst positions that require closer to 10 years. These people tend to be aggressive learners who want to make a splash and really show what they can do. They're the ideal people for you to come across. If you can convince them that your view of the market is the correct one and they can validate it through their interactions with end-user clients, they can become a proponent for your world view—and that can be incredibly helpful within any market segment.

WHAT CHALLENGES DO YOU FACE IN DEALING WITH PRODUCT PROFESSIONALS?

Within the IT industry, the Magic Quadrant is a very familiar document type that was created by Gartner. It is a summary document that shows the relative positions of all of the vendors in a specific defined market space. The two parameters, X and Y, are "ability to execute" and "vision." Ability to execute is about whether you can deliver what you promise and are able to actually get there from where you are now. The vision is about whether you understand long term where the market is going and how you're going to service it. Those two things are crucial, because your customer isn't buying a product that they're going to install and ignore. They're going to use it for at least a product lifetime, and they're going to expect a relationship with you as a vendor. They have to know that where you're going is the same place they need to go to.

There's a tremendous amount of emotional connection to what Gartner has to say in a Magic Quadrant. We frequently hear entrepreneurs question how Gartner operates and how honest and ethical Gartner is, because we don't agree with their view of the market and what their prospects actually want from them. We get most of our information from the end users who are buying the products, so we believe we have a good basis for what we say. That's not always going to convince someone who spent every penny of their family's money plus a few million of venture capital on an approach that the analyst simply doesn't agree with.

WHAT ADVICE CAN YOU OFFER PRODUCT PROFESSIONALS IN DEALING WITH THESE SITUATIONS?

Out of hundreds of client interactions in a year, analysts really can see patterns in market demand and in fulfillment of that demand, so we can provide good information to entrepreneurs who are open to accepting it. Look for information that you can make use of from analysts, even if you disagree with them.

Also, we ask for client references and get a lot of our information from those. You'd be amazed, though, at the number of complaints that come from the references. I suspect that companies call their client base, and the clients give nice, positive answers so they can be left alone. So the vendor really has to make sure that their references are going to give the analyst honest answers, but ones that are positive. For the most part, that's a matter of giving such strong customer service that your customers will view you as great. No one expects any software product or hardware product to be perfect, but if they don't get good service, they're really willing to talk about that.

HOW DO YOU START TO BUILD A RELATIONSHIP WITH ANALYSTS?

First, don't start by insulting the analyst. You'd be amazed how many people would benefit from hearing that piece of advice. Your own experience as a product professional or entrepreneur is certainly valid, but you're not going to be able to touch on anywhere near the number of clients or the variety of prospects that an analyst does. So you can be 100-percent right and still not match the broader market, simply because you don't have the inputs that the analyst has.

Knowing how the analyst sees your market can help immensely in positioning your offering to build a positive relationship. Reading up on the analyst's insights gives you inside knowledge of how they see the world and how they have reported on you and your competitors.

Also, compete with your competitors. You're going to be positioned against them within some form of a mental matrix, even if it's not as a part of a Magic Quadrant. An analyst who is very familiar with vendors in your space is going to know how they position products, how successful that is and whether that positioning is the same way end-user customers see the vendor. When you're talking with the analyst, using those reference points can be very useful, and contrasting yourself with your competitors is a good idea. Demonstrating a slightly different world view or slightly different approach to the market is also good.

You also need to have a clear vision. Your prospects and customers are very reliant on your vision and where you're taking your company and your product over the 3-5 year time frame. The analyst is going to judge whether or not you have such a vision, whether you can articulate it and then whether or not it's reasonable and conforms to the analyst's view of the market.

HOW DO YOU CONTINUE TO BUILD THOSE RELATIONSHIPS LONG TERM?

Most vendor/analyst relationships start out with the vendor in heavy selling mode, selling their position. There's nothing wrong with that. But as you develop that relationship, you become more able to influence the analyst's overall views, because you absorb some of what they're saying and because they become more knowledgeable of your abilities and how you're servicing your customers.

There's a market segment called governance risk and compliance (GRC). Five years ago, it didn't exist and five years from now, it will be very different. The analysts on my team who cover that space are constantly refining, updating, shifting boundaries and changing exactly how it's viewed. And they're seeing that customers are using the products in this class differently now than they were two years ago. They're learning a lot from the vendors, just as they're learning a lot from the end users. And some of the vendors are actually ahead of the end users on understanding where things are going. These vendors have the opportunity to build really strong relationships with the analysts that may benefit both sides for the next 10 years.

Building relationships takes time. If you're in product management or are an individual entrepreneur, you're competing for analyst attention, for mind space. The analyst is charged with identifying who the most effective competitors are, so we want you to compete. We want you to talk to us and tell us what's going on, and to try and convince us that you're right. But we're also going to map it against what we know from the end users who are interested in products like yours. We may know why they are not returning your salespeople's calls. It may have something to do with how you're positioning or how your sales force is behaving or some element of your reputation. Chances are the analyst has a pretty good feel for what's going on in the market segment they cover. Learn from them, as they learn from you. PM

About the Author

CLASS OF 1993 ALUMNI

F. Christian Byrnes is a managing vice president at Gartner. His team is distributed across the globe and covers the management of risk-related programs such as information security, business continuity, privacy and compliance. In addition, he consults with leading organizations worldwide on technology direction, security trends and best practices. He is a former CEO, as well as COO, vice president strategic marketing, vice president business development and vice president of software engineering at various software companies including IBM, Martin Marietta and Landmark Corporation. He created a unique formal methodology for deployment and delivery of information security in large organizations. He can be reached at chris.byrnes@gartner.com.

GET TO THE DATA

CONDUCT MARKET VISITS THAT COLLECT MORE THAN OPINIONS.

BY FRANK TAIT

QUESTION:

Where on this line would you find "right"?

Wrong — Perfect

ANSWER:

From a product management perspective, it would be a nanometer to the right of wrong. Once you're not wrong, you are right—and can continuously improve on the way to perfect.

The trick is that you must know where wrong is first. You get this data by interviewing several people in your market. The key is understanding the difference between data and opinion.

For example, Frontline Technologies provides workforce management software to a number of industries, including school districts. So when one person tells us that "teachers do this," we record it. Then we go talk to the teachers to validate it. If the teachers say the same thing, then we treat it as data. If they don't, it was just an opinion. Someone talking about what they do is data. Someone talking about what someone else does is opinion.

The dangers of listening to opinions, rather than data, are that people often tell you what they think you want to hear or frame what they say around how they do something, as opposed to why. You end up building a solution that really doesn't address the problem. Products die when you don't address market problems correctly, as the course correction is often more expensive than the build was in the first place.

One of our customers was trying to reduce call-center costs and gave us a laundry list of things that would have shaved seconds off business practices. But he was telling me what he thought he needed, not the problem he was trying to solve.

We spent a morning in the call center, asking questions and observing how they used our system. We noticed one particular step that took an average of three minutes on every call. We made a simple enhancement that took the three-minute step to about 10 seconds and released it, and they were floored that we gave them back hours each day—as opposed to minutes.

If you want your customers to be floored too, get out into the market and find out what problems they have.

START WITH THE USER

At Frontline Technologies, we start with market and persona segmentation and build a hypothesis around our user and buyer personas, focusing on the primary user of a system. From there, we can build an interview grid and an interview funnel to cover our current understanding of the market and personas. For example, here is a look at one of our markets in two dimensions: size and location.

Each Persona	Small	Medium	Large	XL
Urban	X	X	X	X
Suburban	X	X	X	N/A
Rural	X	X	N/A	N/A

Then we build our persona-grid hypothesis. It looks at who the users and the buyers are and identifies the primary user.

This particular example is for a teacher-evaluation system, and the principal was the primary evaluator and buyer. Other people would use the system, but they were just providing data to the process as opposed to controlling it.

	User	Primary	Buyer
Principal	Y	Y	Y
Secretary	Y	N	N
Teacher	Y	N	N
HR Director	Y	N	Y

We go into the interviewing process acknowledging that we have a hypothesis for the market problem and the potential solution, but recognizing that it is just an opinion without the interviews. The interviews transform our understanding of the market problems and potential solutions from opinions to actionable data.

We target interview candidates that will clarify what variances in the market problem, if any, exist in the different market segments and for different personas—as well as what the perceived value of solving the market problem is. We start with the primary user and try to get four to six interviews for each of the personas in the grid.

ESTABLISH A PROTOCOL

We use a simple interview protocol that takes from 30-60 minutes, and is designed to differentiate between data and opinion. We ask permission to audio record the interview so that we can truly listen to what our interviewee is saying, rather than being distracted by taking notes. No multitasking when conducting an interview.

I'll demonstrate this protocol process, using a real example. For a recent product, our hypothesis for the primary user persona was a school principal. We went and visited Tina in her office.

1. Frame the context of the interview. This is critical so that you get the amount of data "just right"—not too broad or too narrow.

2. Ask them to describe their current process. You're asking them to tell you how they do X, in relation to Y. Silence is your friend here. Many interviewees are trying to figure out what we want to hear, when all that we want to hear is their story. Our product managers slowly count to 10 after asking a question. The interviewees will fill the silence with what is on their minds. In Tina's case, we asked her to describe the process she used to evaluate teachers, and she spoke for 20 minutes.

3. Ask what issues they have with their current process. This question is key to determining market problems. Sometimes the problem areas are obvious and sometimes they're not. While Tina was describing her process, she mentioned some historic data. I asked how frequently she accessed that data, and she swiveled around in her chair and opened a file drawer dedicated to just one person's historical data.

That moment helped us understand that we needed a cloud-storage component to our product. None of our competitors had that capability, and this was not part of our initial hypothesis of the market problem. If we were not in Tina's office, we would not have known of that need—and addressing it became a key differentiator for our product. I thought of personnel evaluations as being three to five page forms, not a 300-page dissertation every year. We did not understand the storage implications of this little problem.

4. Ask what the business consequences of those issues are. These answers often provide solutions. Also, ask

if there was anything different at the beginning of the year, at the end of the year or if there's a monthly or quarterly process. It helps you get a sense of their cycles, and it prompts them about issues they might otherwise forget to mention.

5. Ask what they would do for a solution. Clearly, this could also lead to solutions. You have to provide context for this question: If you were the superintendent, how would you fix this problem? Or if you were the CEO of a company selling you a solution, how would you fix it? Context is important, because initially they may only think about what they can do in their current role. And if they could fix it, they would have already.

Once they give you the solution, ask if there are any barriers that would stop that from happening today. For example, is there a union contract or funding issue? When they start to talk about the barriers, they're actually telling you what sales objections are going to come up in the sales process.

6. Ask them what other questions they would have asked if they were in your role. This is important, because you don't know what you don't know. When they provide these questions, ask them to answer them. And remember to re-ask steps 3, 4 and 5 to get at the issues, business consequences and possible solutions. If they were knowledgeable enough to know what you didn't ask, they're knowledgeable enough to have an answer.

7. Ask if there was anything else that could have been done for a better interview. This question is about continuous improvement of the process.

Even though not all interviews are great, all of them are valuable—either for providing new information or validating something we thought we already knew. The key is to hear what that interviewee has to say, not what we want to hear.

After conducting three to four interviews, we determine our "Interview Zero": Which interviewee "got it," and clearly communicated the problem and its business consequences. We start our review of the recordings with this interview.

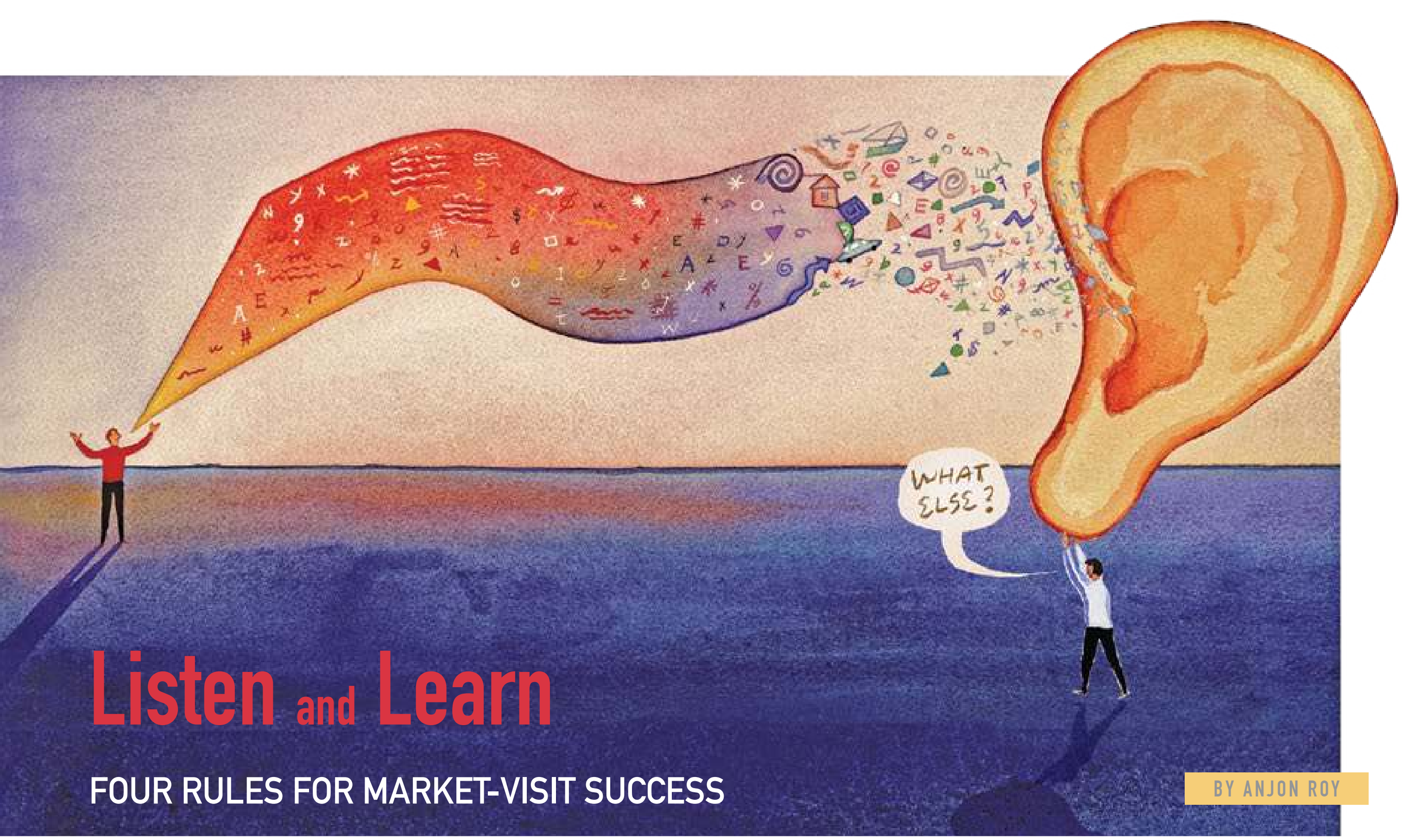
We have a great conference room with whiteboard walls that we use for debriefing as a team. A scribe writes on the wall, and someone else controls playback of the audio. We map out the process and highlight the concerns or issues in the customers' language. We also highlight both data and opinions. As mentioned, when interviewees describe something they do, we treat it as data. When they describe something someone else does, we treat that as an opinion that needs to be validated. We use that same wall to transcribe the other interviews, highlighting where we validate a common process or issue. It doesn't take many interviews for patterns to become visible.

We use this process for new products, new features and to revalidate existing features. If you take the time to truly hear the customer, you get great actionable data from a knowledgeable source. And in many cases, you even get a reference, because the second sweetest thing people hear, after their own names, is confirmation that they were truly heard. PM

About the Author

CLASS OF 1993 ALUMNI

Frank Tait is the director of product management at Frontline Technologies. He is a driven business leader with more than 20 years of senior executive experience in predictably and profitably growing innovative software products and services businesses in turn-around and high-growth situations. He can be reached at franktait@me.com.



Listen and Learn

FOUR RULES FOR MARKET-VISIT SUCCESS

BY ANJON ROY

So, you've decided to listen to the market to become better informed about what people need from your products. You diligently line up appointments to meet or talk on the phone, getting that scarce time slot on the calendar of a user or critical decision maker. You show up for the appointment.

Now what? Do you fall silent? Do you immediately start probing for pain points? Do you start recommending solutions that just happen to align with your distinctive competencies? Authentically immersing yourself in the market takes a deceptively challenging combination of 1) listening and 2) learning. It's part art and part science. Here are some effective basic guidelines for everyone from seasoned pros to new product professionals.

1. ASK OPEN-ENDED QUESTIONS

Starting your questions with "how" or "what" is a simple rule of thumb that usually results in more involved answers.

Conversely, starting a question with "is," "any," "can," "do" or "will" almost always results in closed-ended questions that produce either a yes/no or a single-word factual answer. Don't believe it? Take 5 minutes and brainstorm a series of questions using both sets of words and see what you come up with.

Sales professionals use closed-ended questions to enhance pain points and move a prospect or customer toward your solution—but sales is not your role when you are listening to the market.

Here are some example questions to get an interviewee to open up:

- What are your biggest worries?
- How can you explain these recent {adverse events}?
- What patterns are you noticing with your {problems}?
- What are your biggest competitive fears?
- How are your users reacting to your latest {event}?
- What are others saying?
- How are you going to address your {challenges or goals}?

Asking questions like these provides you the opportunity to listen and learn. And being extra disciplined in sticking to the "how/what" rule helps those new to listening to the market further develop those skills.

2. FOLLOW UP AND REPHRASE

For a more engaging conversation and to explore answers in greater depth, ask follow-up questions—ensuring you continue to follow rule #1. Examples include:

- What else?
- What more can you tell me about {blank}?

- What would it look like if you solved {blank}?
- What would it mean to your organization if you solved/didn't solve {blank}?
- How would you feel if {blank}?
- What else?

Notice a few things:

- Keep your follow-up questions short. Your primary role is to listen, not talk. Short and simple questions are the most powerful.
- "What else" was listed twice. Typo? Nope! It's a great follow up to get people to talk. You'll be surprised how many times you can keep asking, "What else?"
- Did you notice the "feel" question? Don't be afraid to tap into emotions. Even highly analytical people from enterprise software professionals to financial product professionals can be sensitive to the challenges they face. Connections are built when emotions are expressed.

Rephrasing can also be a useful technique of engaged listening. Rephrase what the interviewee is saying to clarify or drill down for greater depth. It keeps the focus on their challenges and away from your features, benefits and competencies. Rephrasing also keeps the discussion nonjudgmental about the interviewee's issues, putting them at ease to be as transparent as possible.

3. NEVER BE CLOSING

Some sales professionals strive to "always be closing" (ABC). Sales representatives, be they consultative-sales professionals or transaction-oriented hunters, must be focused on getting a deal. That's OK; it's their job.

But listening to the market means never aiming for a deal, and market professionals should adhere to "never be closing" (NBC). Focusing on the deal can pollute the process of authentic listening, as well as risk your credibility with the interviewee.

NBC also means that we must resist the temptation to "jump to the solution" that the product provides when it fits with an interviewee problem. This may be particularly challenging for those closest to the product developers. There will be an understandable temptation to tout your distinctive competencies. Again, when you are listening to the market, your job is not to provide solutions, it's to explore and listen for market problems, aspirations and knowledge.

Now, what do you do when you meet someone practically begging for your solution? In these cases, politely acknowledge their interest and give their contact information to your sales team so they can focus on their job, just as you focus on yours.

4. DON'T FORGET TO DOCUMENT

To the extent that your successful market visits produce "deliverables," nothing is more tangible than what gets documented. Documenting is key for disseminating information and amplifying your volume as the "voice of the market" within your own organization.

Categorize participants based on where they fall in a variety of index ranges. Types of parameters can include:

- Where are they on the spectrum of technical to non-technical?
- Are they primarily driven by problems or aspirations?
- Are the main customers they serve internal or external?
- What is their short-term budget status vs. long-term strategy and financial position? Are they more attuned to one of those drivers than another?

Document patterns you see across market visits and the various parameters.

Finally, have a mechanism for disseminating your documented information to constituents within your company. As the voice of the market, include sales, executives, engineering, client services and marketing communications as target recipients for your documented deliverables. Be sure to provide high-level summaries for all to read (2-3 minutes or less) and more details for those interested.

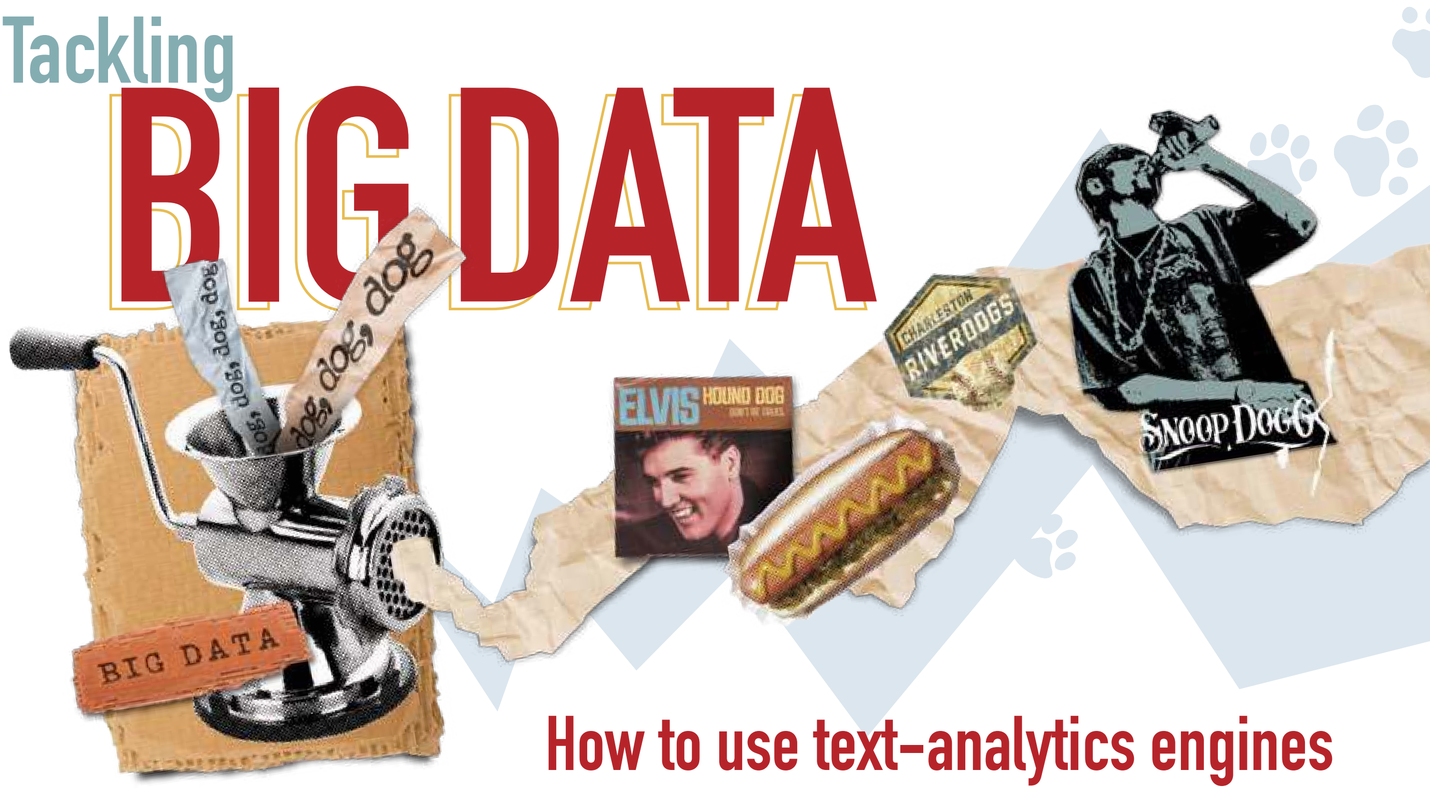
To paraphrase a common saying: If nobody ever sees documentation of your market visit, did it really happen? PM

About the Author

Anjon Roy has broad expertise in technology product markets and financial product markets, having held senior positions in strategic product marketing, channel management, consulting, account management and policy analysis. He is an alumnus of Gartner Inc, Royal Bank of Canada, the GAO's Financial Markets Group and various startup firms. He became Pragmatic Marketing Certified in 2011 and is a certified professional coach and an adjunct professor at the UDC School of Management. Anjon holds a BS in computer science from Connecticut State University and an MBA from Georgetown University. He can be reached at anjonroy@gmail.com and at www.linkedin.com/pub/anjon-roy/1/192/3b5.

CLASS OF 2011 ALUMNI

Tackling BIG DATA



How to use text-analytics engines to your customers' advantage

BY STEVEN TOOLE

While the term "big data" may be overused these days, the problem it defines is no less a reality. Frankly, hardware and software products developed by some of the people reading this helped create this monster. It's become faster, easier and cheaper for our customers to churn out more and more data. This has created a problem for our customers—and an opportunity for us.

The two problems associated with all big data are:

Cost. It costs money to host, store, find, secure, back up, move, archive and recover, just to name a few. And by its very nature, unstructured data is hard to find, organize, prune and protect.

Risk. The risk factor lies in holding on too long to sensitive data, such as credit card numbers, social security numbers, business transactions, email conversations and anything else that could spell trouble when landing in the wrong hands.

Data typically does not increase in value with time; it grows in obsolescence each day. The more unstructured (and mostly obsolete) data to weed through for discovery and review, the greater the cost and risk.

THE BIG DATA OPPORTUNITY

The good news is that from every customer pain is born new solutions, product features and capabilities that drive even greater value for your products. And increased value means greater differentiation and revenues for your products.

Text analytics engines, which are designed to automatically mine and analyze a large volume and variety of text-based data, can help you capture that value by turning big data into usable data.

But if they aren't already part of your product's capabilities, you're not alone. In an October 2012 report[1], Gartner reported that 2011 IT spending driven by big data functional demands totaled $27 billion. The report also stated, "In 2016, IT spending driven by big data will reach $55 billion."

The big data wave is still in its relative nascence, and the agile product team still has a chance to gain a first-mover advantage in bringing a more intelligent, big-data proof product to the market well ahead of the competition.

Four primary inflection points have turned big data into an opportunity for technology marketers: the doubling of memory size; advances in network speed, capacity and reduced pricing; solid state storage; and continued CPU performance increases.

[1] Beyer, Mark A., John-David Lovelock, Dan Sommer and Merv Adrian, "Big Data Drives Rapid Changes in Infrastructure and $232 Billion in IT Spending Through 2016," Gartner, October 12, 2012.

To put a finer point on the opportunity text analytics provide in the world of big data, Gartner also clearly recommends that organizations engage in early adoption of machine data and text mining through 2015, and look to embedded capabilities from traditional vendors thereafter.

TEXT ANALYTICS ENGINES EXPLORED

First, it's important to realize that not all text analytics engines are created equal. Let's look at the three main types of text analytics engines:

1. Boolean keyword
2. Lexical techniques
3. Concept-aware technology

Boolean keyword. Anyone who's ever done a Google search should have a pretty good grasp of how Boolean keyword search works. Enter keywords with arguments such as "AND," "OR," "NOT" or "NEAR" to narrow the results that you might get by simply entering a word or phrase. This works well if the user knows exactly what to look for, and the search term or phrase is the right amount of unique to yield few false positives without omitting results that should be produced. Conversely, the shortcomings of Boolean keyword search are caused by synonyms, acronyms, abbreviations, misspellings and multi-lingual limitations.

For example, searching for "dog" will yield anything containing the term "dog," including hot dog, Snoop Dogg, dog stocks, bird-dogging, Elvis Presley's 1956 hit single "Hound Dog" and the Charleston RiverDogs minor league baseball team. However, an entry that talks about a German shepherd might not come up if the entire entry omits the term "dog."

Lexical techniques. This includes using word lists, dictionaries and thesauruses. It can be more accurate than Boolean keyword search, because it is based on predefined lists that contain related terms. Using the "dog" example, someone would need to build a list of all the possible representations of the word "dog," such as doberman, German shepherd, beagle, hound, etc. In this case, searching for "dog" will reference the dog library and produce results containing any of the terms in the library. The shortcoming of this technique is that it's labor intensive to build libraries, and they need to be updated constantly as new terms like "labradoodle" emerge. They also need to be populated with common abbreviations (such as "Cardi" for Cardigan Welsh corgi), acronyms (such as BMD for Bernese mountain dog) and misspellings (in the off chance a user can't correctly spell dachshund, shih tzu, schipperke or chihuahua). And if the set of searchable content is in more than one language, a separate table needs to be created for every search term in every language.

Concept-aware analytics engines. This last type is used by U.S. Federal Government Intelligence Agencies, as well as thousands of law firms, because it is the most effective approach to managing unstructured big data. It organizes unstructured content conceptually, the way humans do, without the need to build complex libraries or keyword lists.

Concept-aware analytics engines work, ironically, like a hound dog that gets trained on a scent—searching for anything containing that scent. Concept-aware engines are fed sample content (the "scent") that conceptually represents a category, such as dogs. Sample content could be documents, emails or web content (in whole or part). Using our dogs example, a user would identify several sample documents about dogs. The engine maps the concepts in those documents, converts the text into mathematical algorithms and calculates the relationships between words in a document using a high-dimensional mathematical space. It can then find conceptually related results (i.e., "find more like this"), regardless of misspellings, acronyms, abbreviations, synonyms and even language.

No passages or documents about hot dogs, Snoop Dogg or the Charleston RiverDogs would return, unless there was also a reference to the animal (such as the RiverDogs' mascot, Snoop Dogg's canine pet, or the description of a Dachshund). Entries containing abbreviations (Cardi), acronyms (BMD), misspellings ("Dockshound") would all be included, even if they do not contain the word "dog" entirely. The system can be trained in any language by simply using example text in the language desired.

Weeding through millions of unstructured documents and emails is a big task, but concept-aware text analytics provide a fast and effective way to get right to the pertinent conceptually related items.

Once the desired categories are defined using example text, concept-aware auto-categorization sheds light on the "dark data" comprising a large amount of big data. Using examples of what the user is looking for, the system can "find more like this" and the user can take whatever action is desired.

GET STARTED

Regardless of your product's market, you can drive increased value for your customers by using text analytics engines to reduce the big data problem—and to increase the big data benefits. Here are eight use cases where concept-aware text analytics engines can tackle big data.

1. Archiving. Sample documents of old email newsletters and outdated marketing documents can be used as examples to find similar documents that can be considered for defensible deletion, dramatically reducing the clutter without having to manually inspect each document and email.

2. Compliance. Once the junk has been pared down, concept-aware categorization can be used to enable greater precision in determining exactly which documents and messages are required to be archived—and for how long—according to retention policies and regulatory requirements.

3. Collaboration. Auto-categorization dramatically improves the ability of users to consume and properly apply internal research assets and intellectual property that can be leveraged elsewhere in the enterprise or for external consumption. It makes documents easier to find, dramatically improving collaboration, sharing and syndication of valuable content.

4. Social media/brand management. Social media is a big part of the "big data boom." Highly unstructured, it lends itself to organization, grouping similar content together, finding related terms and instantly identifying new terms as they evolve.

5. Content management. Web content that's not categorized limits web visitors' ability to find what they're looking for, and limits the publisher's ability to monetize valuable content (even if it's crowdsourced content). Auto-categorizing web content as it's produced enables web publishers to apply far richer categories to content than humans typically do and is far more cost effective.

6. Databases (ERP, CRM, etc.). Unstructured content exists even within structured databases. Concept-aware analytics engines provide users with a far more effective way to slice through mountains of unstructured content in databases and organize it for greater business value and more informed business decisions.

7. Records management. Platforms that categorize company records have been exposed to the challenges of unstructured big data for some time. Concept-aware categorization can be applied to records management as a more effective way to conceptually group or tag documents and apply the appropriate policies to those document sets. Whether the policy relates to archival, defensible deletion, retention, sharing, restricting or any other action, concept-aware categorization analytics engines can help address records management challenges in a highly effective, cost-efficient way.

8. Security, privacy and forensics. Content that either no longer has value for the organization or is not marked for retention through compliance could be an unnecessary liability. Sensitive customer data, such as medical records, Social Security numbers, credit card numbers or (worse yet) illicit materials are a virtual time bomb. Concept-aware auto categorization can reduce risks by enabling you to identify these materials, dispose of them in a highly defensible way and demonstrate that your company's information-governance policies are enforceable and consistent.

Despite the hype around big data, it poses both challenges and potential benefits for your customers. The pace at which big data is increasing is nothing short of mind boggling, creating market opportunities that are increasing in size daily.

Turning unstructured big data into reduced risk, reduced cost and increased value depends on visionary product teams who have identified customer challenges and have made a commitment to addressing these challenges with innovative solutions.

Concept-based auto-categorization has proven itself as a highly effective, extremely fast and incredibly precise approach. The possibilities are endless for applying it to big data to address its major obstacles and to harvest its broad benefits. PM

About the Author

Steven Toole is vice president of marketing for Content Analyst Company, based in Reston, Va. (www.ContentAnalyst.com). Content Analyst is a leading developer of text analytics software engines used by dozens of software product companies, information services firms and systems integrators internationally. He can be reached at smtoole@contentanalyst.com.

Kanban Catches On

How to use kanban boards for product management

BY MAUREEN JETT

"Kanban," which is Japanese for "signboard" or "billboard," is a method in just-in-time (JIT) production systems where cards are used to signal when materials should be moved to a different location. I first heard about kanban boards being used for Agile software development about a year ago and determined that it was an inexpensive experiment to try in an effort to improve the focus and visibility of our software development process.

WHY USE A KANBAN BOARD?

You are likely already familiar with burn down charts, which show how many tasks remain and how much time is left in a sprint or iteration. Like a burn down chart, a kanban board is a visual representation of the work left to do.

However, a burn down chart typically corresponds to an iteration or sprint, while a kanban board can correspond to any milestone. It shows specific tasks to be done before a project is complete, and a project can be anything with true business value—whether it's a feature set, getting a product to alpha or some other business goal.

Also, because burn down charts require keeping track of the ideal and actual tasks for an iteration and should be updated daily, they can be somewhat tedious to create and maintain. A kanban board does not show the time remaining or how much time each task is expected to take, and this simplicity and flexibility is one of the reasons kanban boards are easy to implement.

IMPLEMENTING KANBAN BOARDS

We use kanban boards to keep on track and monitor the progress of high-profile projects. First, we write down each task that absolutely has to get done on its own sticky note. While it may be tempting to include "desirable" tasks as well, this will slow down the project. One of the benefits of using a kanban board is that it forces the stakeholders to reach agreement on what is absolutely required. Since our development process is done using an agile process, it's not unusual for the required tasks to change as the project is underway—and you can add or remove tasks as needed.

The sticky notes are then placed on a whiteboard (or extra-large sticky note) in the developer bullpen or other highly visible location. The title of the project should be written on top, and it should be divided up into workflow categories, such as "to do," "in progress," "quality assurance," "alpha," "done" or whatever descriptions make sense for your environment.

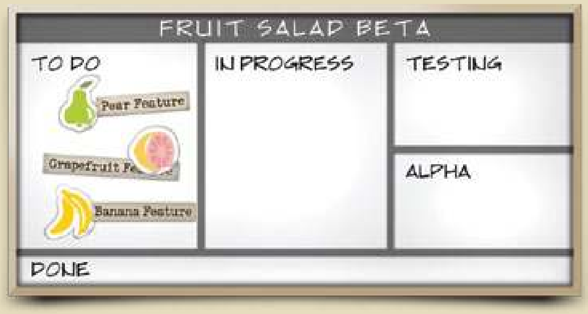
Initially, all the sticky notes go in the "to do" section. Then as items get worked on, they move to the "in progress" section, continuing on to "done" as they work their way through the development process. If an item doesn't pass testing, it goes back to "in progress." A quick glance at the kanban board tells the product manager and other stakeholders where tasks are in the development cycle, whether or not the project is progressing and how close a project is to being done.

Kanban boards can be implemented at any time during a project. We typically create the kanban board after the project is in progress, rather than at the very beginning. This way the project is better understood, so there will be less churning of sticky notes. Once all the sticky notes are on the board, the stakeholders can decide if the board works as is, if any tasks should be deferred or if the project needs to be redefined. Being able to see a visual representation of the work to do on a project makes it easier for us to decide if anything is missing or if there's too much work for the desired completion date.

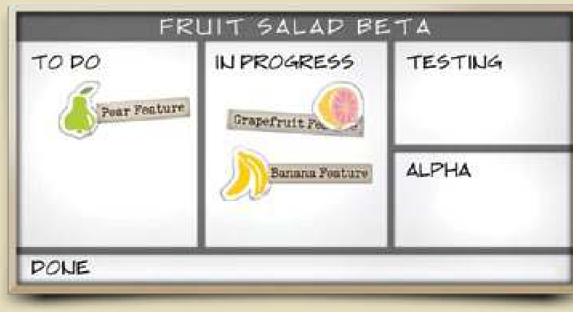
KANBAN EXAMPLE

Here's how a kanban board might look in practice. The project is "Fruit Salad Beta" with workflow categories of "to do," "in progress," "testing," "alpha" and "done."

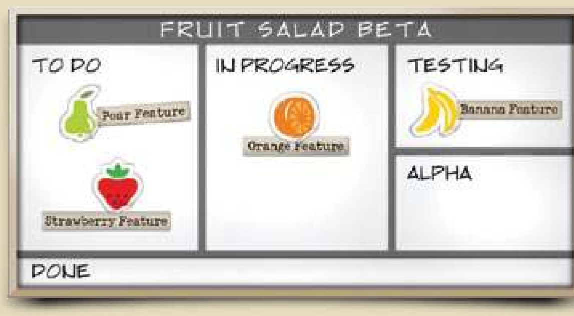
The required tasks are Pear Feature, Grapefruit Feature and Banana Feature. To start, all the features go in "to do."



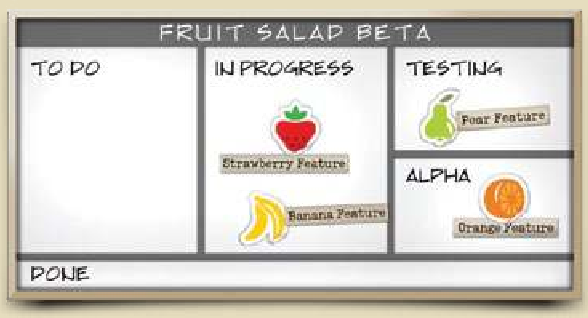
Programmers start working on Grapefruit Feature and Banana Feature, so those move to "in progress."



Grapefruit Feature becomes more difficult than originally thought. The product manager goes back to the customers and finds out that a simpler version would meet their needs. It is replaced with Orange Feature. In the meantime, Banana Feature has been completed and moves to "testing." Stakeholders also decide that Strawberry Feature is needed, so it gets added to "to-do."



Banana Feature fails testing and goes back to the programmer and "in progress." Once fixed, it moves to "testing." It passes and is ready for alpha testing. If it fails, it goes back to "in progress." Once it passes internal and external testing, it moves to "done." The board gets updated like this until the project is completed.



HIGH TECH OR LOW TECH?

As you might expect with a tool used by developers, people have written software to implement kanban boards. An advantage to using software is that if it links to your development software, the boards are updated automatically in real time. For teams that are geographically distributed, kanban board software might be a good choice. Our programmers are all in the same location and usually in the same room, so we currently use a low-tech implementation. A couple of things to keep in mind when making the decision between a high-tech and low-tech implementation are that 1) the product manager must be able to access and maintain it and 2) the kanban boards should be highly visible.

This article focused on using kanban boards for software development, but because of their flexibility, there's no reason they can't be used for other projects such as releases or marketing activities. You can even implement them while continuing to use burn down charts, using burn down charts to track iterations or sprints and kanban boards to provide greater visibility to major business initiatives that might span multiple iterations. PM

About the Author

Maureen Jett has worked in the software industry for more than 25 years. She is currently a product director at VanDyke Software, which uses an agile process for developing software. The products she manages are SecureCRT, SecureFX and the VanDyke ClientPack. She can be reached at Maureen.Jett@vandyke.com.

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A PRAGMATIC APPROACH

Put this issue's ideas into action.

METRICS

Interview the Quiet 80 Percent

Customers who don't respond to surveys might share a different side of the story.

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Build Better Personas

Buyer personas need to be the result of in-depth, unscripted conversations with actual buyers.

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Plan Ahead

Rather than thinking of social connections and community engagement as ad-hoc activities, consider building roadmaps to sustain your momentum.

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Without alignment to business goals, social efforts can become noise, rounding errors and minutia that consume resources and time.

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When it comes to roadmaps, people are more inclined to support something when they've had the chance to contribute.

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To build relationships with analysts, read their insights on how they view you and your competitors.

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Go Directly to the Source

Talking about what someone else does is opinion; talking about what you do is data.

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Ask "How" and "What"

Open-ended questions lead to more involved answers, providing you the opportunity to listen and learn.

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Structure Your Data

The more unstructured data to weed through for discovery and review, the greater the cost and the risk.

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Create a Kanban Chart After Projects Start

There will be less churn of tasks, because the project is better understood.

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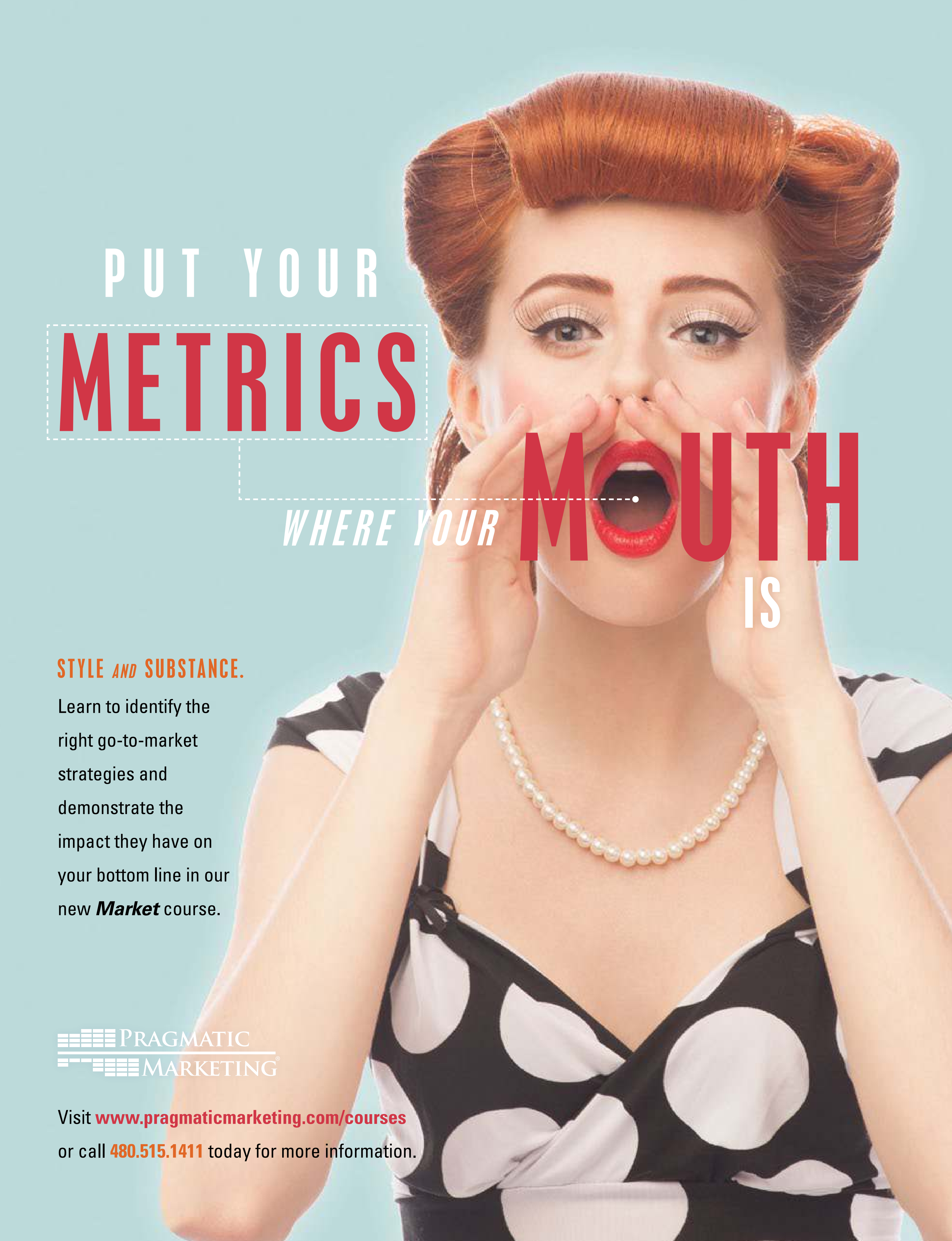
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