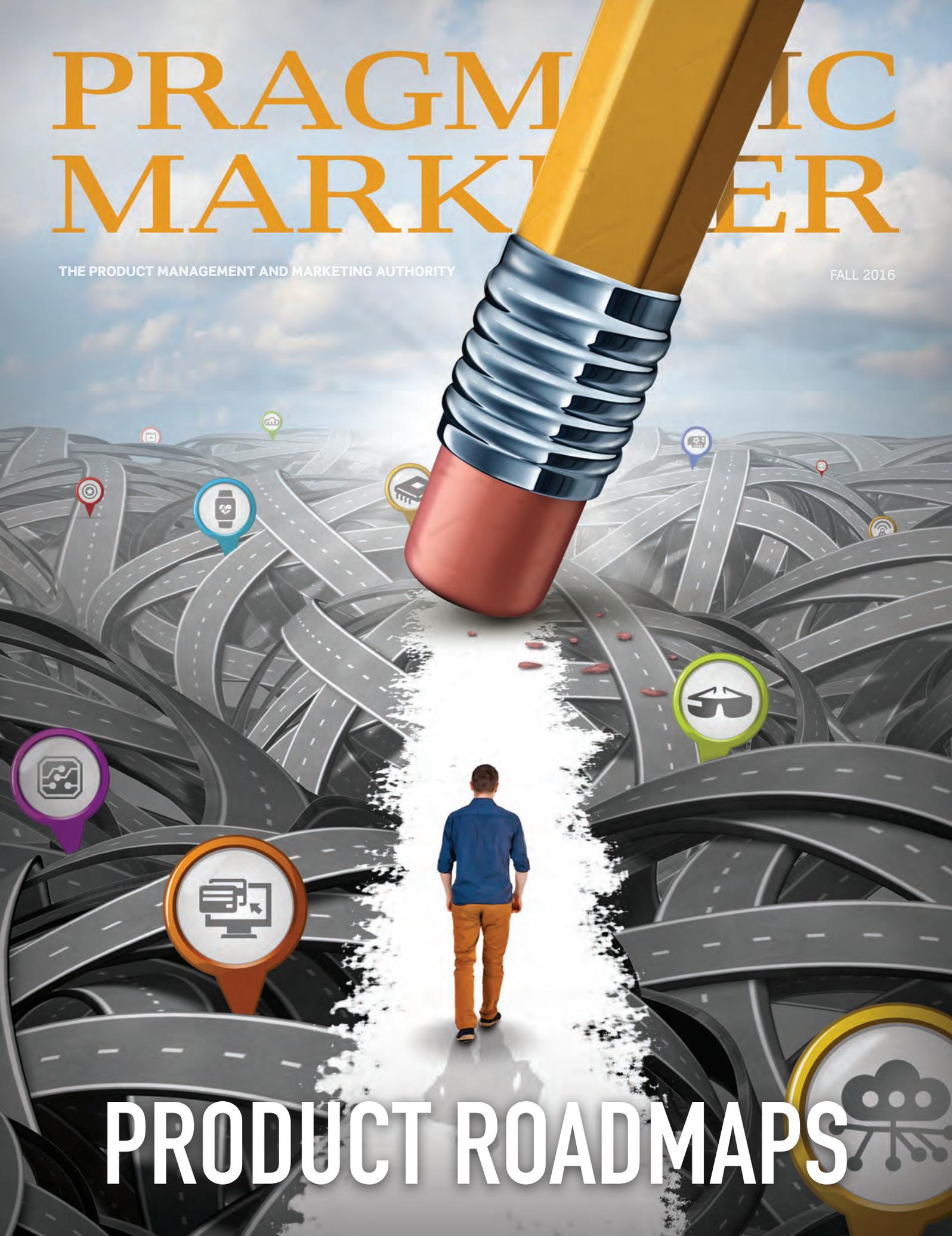


# PRAGMATIC MARKETER

THE PRODUCT MANAGEMENT AND MARKETING AUTHORITY

FALL 2016



# PRODUCT ROADMAPS

**W**HEN I WAS A KID, MY FAMILY TAGGED ALONG on my dad's business trips at least once a year. He took the money the company would have spent on his airfare and used it to drive all of us cross-country in our very chic, wood-paneled station wagon.

Prior to each trip, my parents would pore over maps and AAA TripTiks for hours, plotting our journey. But our preplanned route always had to be adjusted at least once, whether it was because of construction, weather or simply our map being out of date.

Of course today we have a ton of technological tools at our disposal to plan a road trip—from TomTom to Siri to built-in car navigation systems. These tools not only give us an optimal route based on our preferences and the latest information, but instantly recalculate our route after a wrong turn or missed exit.

I bet everyone reading this magazine has embraced these tools. You've thrown away the origami folding maps, replacing them with these new technologies. You've gone fully agile when planning your road trips.

But are your product roadmaps as nimble? Do they reflect the latest changes in your market, corporate strategy or product? Or are they still the static roadmaps of old, out of date as soon as they come off the printer? Or perhaps you think agile means you don't need a roadmap, that having a destination just limits your options.

How do you create, maintain and share roadmaps in today's ever-changing technology environment? It's complicated. But it's an important issue to address if you want to drive your products forward. And that's why we're tackling it in this issue of *Pragmatic Marketer*.



Happy reading,

Handwritten signature of Rebecca Kalogeris in black ink.

Rebecca Kalogeris  
Editorial Director  
editor@pragmaticmarketing.com

## PRAGMATIC MARKETER

THE PRODUCT MANAGEMENT  
AND MARKETING AUTHORITY

### FOUNDER

Craig Stull

### CEO/PRESIDENT

Jim Foxworthy

### EDITORIAL DIRECTOR

Rebecca Kalogeris

### EDITOR

Lisa Sorg-Friedman

### ART DIRECTOR

Norman Wong

### SPECIAL PROJECTS

Sarah Mitchell

*Pragmatic Marketer*™

8910 E. Raintree Drive, Scottsdale, AZ 85260

Interested in contributing an article?

[PragmaticMarketing.com/submit](http://PragmaticMarketing.com/submit)

No part of this publication may be reproduced, stored in any retrieval system, or transmitted, in any form or by any means, electronic, mechanical photocopying, recording or otherwise, without the prior written permission of the publisher. Other product and/or company names mentioned in this magazine may be trademarks or registered trademarks of their respective companies and are the sole property of their respective owners. *Pragmatic Marketer* is a publication of Pragmatic Marketing, LLC., and Pragmatic Marketing, LLC., shall not be liable, regardless of the cause, for any errors, inaccuracies, omissions, or other defects in, or untimeliness or inauthenticity of, the information contained within this magazine. Pragmatic Marketing makes no representations, warranties, or guarantees as to the results obtained from the use of this information and shall not be liable for any third-party claims or losses of any kind, including lost profits and punitive damages. *Pragmatic Marketer* is a trademark of Pragmatic Marketing, LLC. Printed in the U.S.A. All rights reserved. ISSN 1938-9752 (Print) ISSN 1938-9760 (Online)

PRAGMATIC  
MARKETING

Since 1993, Pragmatic Marketing has conducted product management and marketing training for 8,000 companies on six continents. Our team of thought leaders produces blogs, webinars, podcasts and publications that product professionals around the world turn to for industry insights.

Share this issue >



# PRODUCT ROADMAPS



CONTENTS | VOLUME 13 | ISSUE 4 | 2016

## FEATURES

### 8 TYING STRATEGY TO YOUR PRODUCT ROADMAP

by Jim Semick

### 10 ROADMAPMING YOUR WAY TO INTERNAL TRANSPARENCY

by Janna Bastow

### 13 USE BETA TESTS TO CREATE CUSTOMER-VALIDATED ROADMAPS

by Emily Hossellman

### 16 TRUE NORTH: MANAGING LONG-TERM ROADMAP NEEDS WITH AGILITY

by Dave West

## DEPARTMENTS

### ❖ Bits & Pieces

- 2  Rich Nutinsky: Celebrating 10 Years with Pragmatic Marketing
-  Road Warriors: Rome
-  Squeezing the Market for Data
-  Ask the Experts

### ❖ Build Better Products

- 20 ROI Calculations: Taming the Mythical Beast  
by Stephen Mathew
- 22 A Guide to Surviving the Product Zombie Apocalypse  
by David Nash

### ❖ Sell More Stuff

- 26 What Is a Customer Need?  
by John C. Mitchell
- 31 Rise Above the Competition with Social Intelligence  
by Andre Theus

### ❖ Lead Strategically

- 34 The Enduring Leader  
by Gaganjot Kainth and Abhinav Arora
- 36 Job Hunting Is Product Management  
by Pierre-Marc Diennet

### ❖ A Pragmatic Approach

- 41 Put this issue's ideas into action



Sign up for your free *Pragmatic Marketer* subscription, delivered quarterly via email, at [pragmaticmarketing.com/subscribe](http://pragmaticmarketing.com/subscribe).



# RICH NUTINSKY



*Rich Nutinsky recently celebrated his 10th anniversary as a Pragmatic Marketing instructor. To mark the occasion, we asked Rich about his career path.*

**Q: HOW DID YOU GET YOUR START?**

**A:** I took the hard road. College wasn't successful, so I bounced around. I worked in a bank and then in wholesale pharmaceuticals distribution. As a relatively young man, I became a vice president and discovered that one of my skills was the ability to bridge the language gap between business and IT.

I had relocated from Philadelphia and wanted to return home. But I had a high-level job in a closed industry. So, I went for career counseling. They did some testing and interviews and said I had the skills to be a consultant. I got hired into a software company to help companies implement software packages in manufacturing and distribution. I worked there for about eight years and learned a lot about software. I moved from implementation consulting to sales support consulting, and then into product marketing and product management. I worked my way up to the executive level and became involved in launching products, responsible for things like product marketing, corporate strategy and product strategy.

However, my team lacked a formalized structure. In 1999,

I discovered Pragmatic Marketing training and I began adopting the Pragmatic Marketing principles. It changed my career trajectory.

I soon became a founding partner in a software company, did a lot of consulting and served on boards.

That continued for almost six years until I was ready to look

for my next adventure. I remember having dinner with a close professional friend and said, "I don't know what to do. I'm not happy about where I am, and I don't relish the notion of joining the company where I'm consulting and doing the office thing." He suggested I contact Pragmatic Marketing. So I sent an email to Craig Stull and we had a long phone call about what we saw in the marketplace and what we found interesting.

Craig mentioned he was considering hiring another instructor and to follow up with him if

I was still looking in 30 days. I hadn't locked anything in, so I dropped Craig an email. He flew me out to Scottsdale to give the instructor presentation and offered me the job. We hammered out the details right there and I joined Pragmatic Marketing. Finally, I found what I think I was meant to do.

**Finally, I found what I think I was meant to do.**

**Q: WHAT'S YOUR FAVORITE THING ABOUT BEING A PRAGMATIC MARKETING INSTRUCTOR?**

**A:** It's definitely the people I meet and the companies I work with. Before I became an instructor, I implemented the Pragmatic Marketing Framework in four companies, so you didn't have to convince me; I know it works. It changes people's lives. I hear this all the time. I get emails and I see people I taught five or six years ago who now run teams. It's very rewarding.

I'll tell you a story: I was driving one day when my mobile phone rang. When I answered, a man said, "You probably don't remember me; I was a student in your class three months ago. My company was recently acquired for a major product—not my product—and while I always believed that my product had a lot of potential, it was never given enough support to be successful. When the new bosses visited, I figured, here's my chance. So I pitched them and they told me to put together a presentation.

"I sat down to build a business case using our company's templates and I thought, 'Wait a minute; I just went through that Pragmatic Marketing session and they talked about this. Let me get the books out.' I looked at what Pragmatic Marketing was promoting against our company's template.

"I decided to do it the Pragmatic Marketing way, and created a presentation. When I met with the executive team, I started my PowerPoint presentation and on slide three, they said, 'Stop giving us the presentation and just answer some questions.' I literally clicked to the next slide to answer their first question. And they would ask another question and I would go click, here is the answer. And 28 minutes into the presentation, the new bosses said, 'This is a no-brainer; give this guy the money.'

"I walked out of that room with a commitment of resources and budget to take my product to the enterprise level. It took my career to a whole other level; I was looked at as somebody who has a value, a person who understood the market and was trusted and credible. I just wanted tell you how amazing it was and to thank you."

Now, how would you feel if somebody called you up with that kind of story?

**Q: WITH ALL THE TRAVELING YOU DO, IS THERE A STORY THAT STICKS OUT IN YOUR MIND?**

**A:** Several days before I was scheduled to teach a class in Ottawa, I noticed that the forecast called for a major blizzard. I called the client on Friday and said, "I see they are calling for a major storm. Do we want to push the class back until the system blows through?" He said, "Rich, this is Canada. We're cool with the snow. So you get here, and we'll be here."

I decided to travel on Saturday instead of Sunday to make sure that I could get there. And I sat at the airport watching flights get cancelled until the airlines said, "Come back tomorrow at 8:00 a.m."

As I sat in the airport again all day Sunday, watching more flights get canceled, I began to worry. But I discovered that I could get a flight early Monday morning from Philadelphia to Montreal and then drive to Ottawa.

When I arrived in Montreal, I rented a four-wheel-drive truck and drove through a major blizzard. I was the only car on the road. I pulled in around 12:30 p.m. on the day of the first class. No one from the client's side was there. I looked at this guy and said, "Dude, this is Canada, right?" They finally got everybody in by about 3:00 p.m. Believe it or not, I actually finished all three courses by Wednesday at 4:30 p.m. We just plowed through the material, but I'll always remember that drive through the blizzard to get there.

**FINAL WORDS**

You can't do 10 years of this if you don't work for a company that understands what this kind of job is. A company that gives you the support and the content. The starting point is the absolute pure genius of the model that Craig developed: You've got to have that core content, something that's valuable and keeps the people coming. **PM**



**AT A GLANCE**

**Birthplace:** Philadelphia, Penn.

**First job:** Busboy

**Lessons learned on the first job:** I learned that I didn't want to be a busboy. Sometimes you have jobs where it's more important to learn what you don't want to do than what you want to do. The biggest secret is to find something you love. Then you'll never work a day in your life.

**Countries visited:** I forget my country count, but it's pretty high, well into double digits.

**People trained:** Almost 17,000

**Favorite cities to visit:** I like the energy of big cities. So the usual suspects of New York, London, Paris.

**Next place to visit:** South America is at the top of the list. And I'd love to visit South Africa.

**Favorite food:** I just love good food. I love Indian food. I found the best Indian foods in London, not India. And I love French food. You can't beat France; the whole culture loves food.





## TRAVEL TIPS FOR ROAD WARRIORS

# When in Rome...

After more than 2,000 years in existence, there's plenty to explore in Italy's capital city, whether you're a foodie, history buff or shopper. After all, this is where *la dolce vita*—the sweet life—originated, so you owe it to yourself to savor your visit.

### The Colosseum | [rome.info/colosseum](http://rome.info/colosseum)

Construction began in A.D. 72 on this iconic symbol of imperial Rome. Built of concrete and sand, it remains the world's largest amphitheater, accommodating 55,000 spectators. From A.D. 80 to A.D. 404, the arena was used to host brutal public events such as gladiator fights, wild animal hunts and public executions.

### Trevi Fountain | [trevifountain.net](http://trevifountain.net)

This Baroque masterpiece features a marble statue of Neptune at the center, surrounded by tritons. According to legend, anyone who throws a coin in the fountain will return to Rome. To avoid the crowds, visit early in the morning or late at night.

### Vatican City | [vaticanstate.va](http://vaticanstate.va)

You could easily spend an entire day exploring here in the epicenter of Roman Catholicism. Besides St. Peter's Basilica, the must-see is the Vatican Museums, which contain Michelangelo's Sistine Chapel. Other highlights include the Raphael Rooms, old master paintings and antique sculptures.

### Galleria Alberto Sordi | [galleriaalbertosordi.it](http://galleriaalbertosordi.it)

Located near one of Rome's historic and art treasures, the galleria is one of Europe's most beautiful places to shop. It dates back to 1922 and has stained-glass skylights and mosaic floors. You'll find stores like La Rinascente, which features Italian and international fashion brands, and the mega bookstore La Feltrinelli. If you're interested in designer boutiques, walk along Via Condotti and the surrounding streets, or stroll through the Campo Marzio for Italian heritage brands.

### Caffè Sant'Eustachio | [santeustachioilcaffe.it](http://santeustachioilcaffe.it)

This café is considered by many to make Rome's best coffee. To avoid looking like a tourist, remember that cappuccinos are only drunk at breakfast. After that, order un caffè (a shot of espresso) or un caffè macchiato (a shot of espresso with a splash of steamed milk).

### Gelateria di Gracchi | [gelateriadeigracchi.it](http://gelateriadeigracchi.it)

Romans have as many opinions about gelato as their city has gelaterias. But Gelateria di Gracchi is consistently rated one of the top gelato spots in the city, and its flavors faithfully follow the seasons, ranging from apple and mint, to rum-spiked chocolate and cantaloupe.

### MAXXI (National Museum of 21st Century Arts) | [fondazionemaxxi.it/en](http://fondazionemaxxi.it/en)

With so much ancient and Baroque art, it's easy to forget that Rome also has some impressive modern art museums. The MAXXI—designed by Zaha Hadid—is built on the site of an unused military compound. The atrium features concrete curved walls, suspended black staircases and an open ceiling that captures natural light.

### La Carbonara | [lacarbonara.it](http://lacarbonara.it)

Founded in 1906, this restaurant offers a chance to enjoy fresh, seasonal and authentic Roman food. Classic Roman pastas include bucatini all'amatriciana, a spicy tomato sauce with peperoncino, guanciale (pig's cheek) and pecorino romano; spaghetti alla carbonara, a creamy sauce made with raw egg yolk, black pepper, guanciale and pecorino romano.





# SQUEEZING THE MARKET FOR DATA

## RECIPE FOR SUCCESSFUL PRODUCTS

No one sets out to build a lemon. So, how do you make sure your product is a success? Easy. Follow this simple recipe.



## INGREDIENTS

Even the best recipe won't help if you don't have the right ingredients. How do you get the freshest market data? Ask the right questions. Here are a few questions to get you started:

- What drives you crazy about your job?
- What drives your buying decisions?
- What do you think of my company and product?
- What would make them more appealing?
- Who are my competitors, and what do you think of them?
- What is holding you back from success?
- What great products have you seen lately?
- If there's one thing you'd want the CEO of my company to know about you and your business, what would it be?



Ask the Experts:  
**How do you manage the tension between strategy and execution in product management?**



Paul Young, Instructor  
Pragmatic Marketing

**B**ALANCING STRATEGIC AND TACTICAL WORK is one of the hardest challenges for a product team. Execution-focused activities are extremely noisy, generating a lot of day-to-day phone calls, emails, meetings and hot escalations to other line-of-business executives. You and your product team feel a pressure to respond to the noise, lest you be perceived as unresponsive by your peers. We've all been there.

But it's really a lose-lose situation. If you always respond to day-to-day firefighting, the longer-term strategic work gets put off indefinitely, eventually forgotten as the team loses that muscle memory and turns into professional firefighters. But the truly insidious thing about responding to the fires is that the team starts to turn away from the market (no time to do outside-in research when you're so busy being inside-out) and make decisions based on little or no market data. This will result in poor product decisions and lead to failure.

You must strike a balance. And although there is no perfect balance, the following techniques will help you get started.

**Gap Analysis and Prioritization**

Perform a gap analysis using the activities listed in the Pragmatic Marketing Framework to determine where the team spends time today, compared to which activities are truly most important. Once you visualize the gaps, you and your team can see where you are allocating too many resources and where you aren't allocating enough. Then you can use this information to prioritize and focus your work.

**Role Definition**

One way to take on the issue of firefighting is to redefine the roles on your product team. Make sure you have someone dedicated to focusing outside-in, scheduling NIHITO visits, setting product and portfolio strategy, business planning and pricing. Next, dedicate other people to focus on go-to-market activities, enabling the sales and marketing channels to understand the buyer and develop the tools and training to make the product fly off the shelf. It doesn't matter as much who does what, as long as it's clearly defined.

**Negotiate with Other Departments**

If firefighting takes up a lot of your team's time, perhaps there's a resourcing gap in another department. For example, if sales doesn't have enough help in technical sales support, they may lean on the product team. If technical support lacks resourcing, the product team may become the de facto tier 3 escalation. When the product team fills these gaps for other groups, the rest of the business is rarely aware that a gap exists because the gap has been papered over.

To find a solution, host an executive-level conversation about the appropriate role of product management and the other teams. If the executives recognize the true role of the product team, and they recognize the work that their teams should be able to take on, you can negotiate where to put the right resources to fill the gap. Alternately, they may approve an additional resource with which you can fill the gap.

Testing these techniques will help you find the balance between strategy and execution that works best for your team. **PM**



Do you have a question for our experts? Send us an email at [experts@pragmaticmarketing.com](mailto:experts@pragmaticmarketing.com).

# How to Succeed in Technology

## A STEP-BY-STEP GUIDE:

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



		Business Plan	Positioning	Marketing Plan			
	Market Problems	Market Definition	Pricing	Buying Process	Customer Acquisition		
	Win/Loss Analysis	Distribution Strategy	Buy, Build or Partner	Buyer Personas	Customer Retention		
	Distinctive Competencies	Product Portfolio	Product Profitability	User Personas	Program Effectiveness		
<b>STRATEGY</b>	<b>MARKET</b>	<b>FOCUS</b>	<b>BUSINESS</b>	<b>PLANNING</b>	<b>PROGRAMS</b>	<b>READINESS</b>	<b>SUPPORT</b>
	Competitive Landscape	Product Roadmap	Innovation	Requirements	Launch Plan	Sales Process	Presentations
	Asset Assessment			Use Scenarios	Thought Leadership	Collateral	"Special" Calls
				Stakeholder Communications	Lead Generation	Sales Tools	Event Support
					Referrals & References	Channel Training	Channel Support
							<b>EXECUTION</b>

© 1993-2016 Pragmatic Marketing, Inc.

# TYING STRATEGY TO YOUR PRODUCT ROADMAP

BY JIM SEMICK



## WE'VE ALL HEARD ABOUT "STRATEGIC" PRODUCT ROADMAPS.

But what exactly does that mean in practice?

A roadmap is a plan for your strategy that maps out the direction of your product. It provides context for your stakeholders and communicates the why behind what you're building. Ideally, it's a high-level visual summary that helps product managers get everyone on the same page.

A product roadmap isn't simply a list of features or the backlog. The roadmap needs to communicate the big picture to the organization—the initiatives that move the needle, expand markets, address competition and create customer value. That big-picture thinking can't be distilled in a list of features.

### THE BENEFITS OF A STRATEGIC ROADMAP

Whether you believe roadmaps should be date-based, short-term or long-term, your roadmap needs to convey the strategic

direction for your product. And it has to tie back to the strategy of the company.

A product roadmap has several ultimate goals:

- Describe your vision and strategy
- Provide a guide for executing the strategy
- Align internal stakeholders
- Facilitate discussion of options and scenario planning
- Communicate progress and status of product development
- Share your strategy with external stakeholders (including customers)

The most important part of the roadmap process happens before you begin building your roadmap. Setting the vision and strategic goals for the product—and, more important, getting alignment on these with your stakeholders—is the first step to creating a successful roadmap.

## TOP-DOWN STRATEGIC PLANNING

Through hundreds of conversations with product managers, I have clearly seen that executives prefer top-down strategic planning and communication. They want to have productive discussions about future initiatives that tie directly to the product vision and goals.

They simply don't care much about the details—what they really care about is whether the proposed roadmap fits with the strategic direction of the company and when its initiatives will be delivered to support the strategy.

Successful product managers keep the roadmapping strategy high-level. From there, you can derive the detailed release plan and backlog. Plus, by sharing a high-level product vision, you can get the executive team, marketing, support, engineering management and the rest of the organization on board with the strategy.

## EXPLAINING THE WHY

When developing a strategy that ultimately leads to a product roadmap, it's important to identify and articulate your product's vision and principles—the *why*.

Spend time before you begin planning your roadmap determining the product's mission, and then distill it into a simple statement your stakeholders can understand. This statement should include the product vision, the problems it solves, target customers and value to the marketplace. Documenting this forces you to nail down many of the key items that will inform your roadmap.

This strategy-first approach has several benefits. It makes it easier to articulate the product vision to any constituency across your company and ensures stakeholders are on the same page before you begin the detailed conversations that follow. It also allows you to more clearly identify priorities, as well as items that should be set aside because they don't serve the product vision.

## DEFINING YOUR PRODUCT GOALS

From the product vision, you can derive product goals that will in turn influence the initiatives that are on your roadmap. Coming up with these outcome-based objectives helps you translate your product strategy into an executable plan.

For example, if you are adding features for your customers' shopping-cart experience, you must be able to tie those features back to a specific strategic goal. For example, "improve satisfaction," or "reduce shopping-cart abandonment."

Every organization's product goals will be different but might include:

- Competitive differentiation
- Customer delight
- Technical improvements
- Sustain product features
- Improve customer satisfaction
- Increase lifetime value
- Upsell new services
- Reduce churn
- Expand geographically
- Mobile adoption

Goals can be general but should be measurable, as those tied back to metrics are the ones that resonate with stakeholders.

Goals are often longer-term initiatives, changing annually rather than monthly, and can be product-specific, company-oriented or more generic. Many organizations are moving to an objectives and key results (OKR) system that communicates measurable results, helping teams focus on the right things.

## SHOWING STRATEGY ON THE ROADMAP

There are several ways you can communicate the strategy on the product roadmap.

**Themes.** Rather than listing individual features and tasks in your product roadmap, think bigger-picture and group them into themes. Themes are similar product features, epics or initiatives grouped together according to a larger, strategic objective they share. For example, "Customers Complete First Purchase Faster" might be a theme that would be tied back to a measurable strategic goal.

**Metrics.** Metrics are ideal for guiding your product decisions and your product roadmap. Business goals such as revenue, margin, acquisition cost and retention are a great way to tie roadmap initiatives to your strategy. Customer-specific metrics such as product usage and retention are important as well if those relate to your broader strategy.

**Visuals.** Whether you use PowerPoint, a product roadmap template or product roadmap software, create a roadmap document that has impact. This means using color, or other means, to represent how your roadmap ties to strategic objectives. Keep it high-level. Remember that you are telling a story about how your strategy fits with the product vision. So tell the story in big, bold strokes rather than diving into the details.

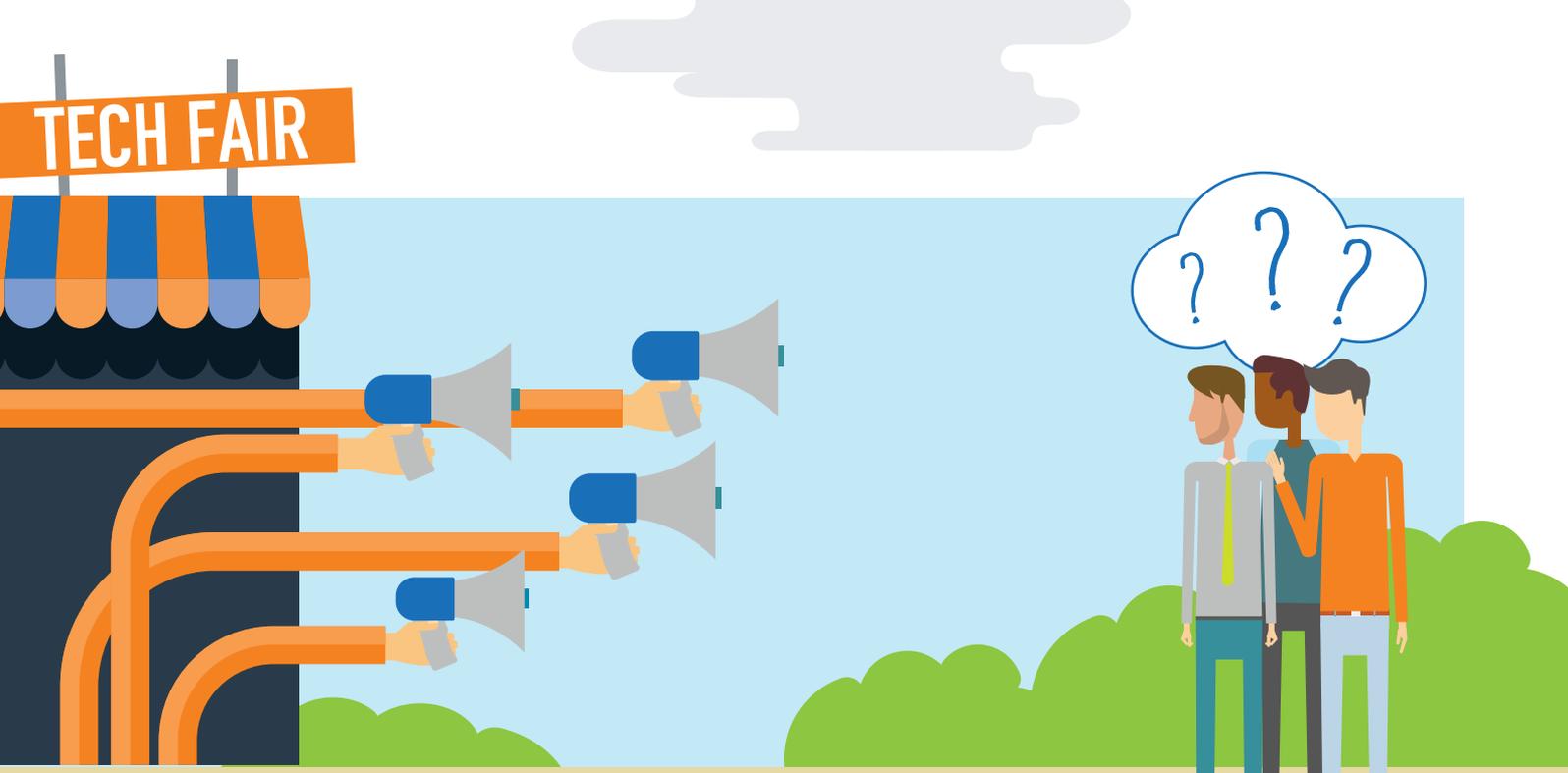
**Prioritization.** Introduce strategy into your prioritization process as well. Evaluate bigger opportunities based on their value relative to their complexity to implement. Value could be exclusively customer value or a broader business value. The initiatives that have the highest value and the lowest effort will be the low-hanging fruit for your roadmap (and easier to get buy-in for).

It's easy to add features to a roadmap. But to build compelling products, your roadmap needs to be guided by strategy. Setting the vision and strategic goals for the product—and, more important, getting alignment on these with your stakeholders—is the first step to creating a successful roadmap. [P.M.](#)

## ABOUT THE AUTHOR

**Jim Semick** is founder and chief strategist at ProductPlan, the leading provider of product roadmap software for product and marketing teams. For more than 15 years he has helped launch new products now generating hundreds of millions in revenue. He was part of the founding team at AppFolio, a vertical SaaS company. Prior to AppFolio, Jim validated and helped launch GoToMyPC and GoToMeeting. Jim is a frequent speaker on product management and the process of discovering successful business models. He contributes at [productplan.com/blog](http://productplan.com/blog). Follow Jim at [twitter.com/jimsemick](https://twitter.com/jimsemick).





TECH FAIR

# ROADMAPPING YOUR WAY TO INTERNAL TRANSPARENCY

BY JANNA BASTOW

**A FEW YEARS AGO, A HANDFUL OF COWORKERS AND I** represented our company at a tech job fair. The company made sure we were a diverse crew of developers, recruiters, designers and me—the product manager—so that we would look like a strong, growing company.

Our cover was blown within a few hours when one job-seeker turned to me and said bluntly: “I talked to a few of you about what your product does and each person gave a different answer. Are you all working on the same product?”

I cringed with embarrassment. It was a good question, and one I couldn’t answer with authority.

The truth is that our C-suite hadn’t set a clear product vision. And now, months of ambivalence had culminated in this awkward moment at the job fair. As a company, we were winging it. We lacked internal transparency.

## WHAT IS INTERNAL TRANSPARENCY?

Internal transparency is when everyone knows what everyone else is working on and what the company goals are. Without it, products quickly fall apart. The classic case goes something like this: The development team is working on one thing, while the sales team sells another version of the product to

potential customers. Meanwhile, the support team sets a different set of expectations with existing customers about what’s coming down the pipeline. And the product manager is stuck putting out fires. Promised features are not completed and the product roadmap lacks focus.

This not only makes you look incompetent at a job fair, it actually prevents your products from moving forward. The good news is that when you build internal transparency, every team can work faster and with the confidence that they’re contributing to the company’s high-level goals.

As Google has grown into a company of more than 57,000 employees, its official stance on internal transparency is the same as when it started: Default to open. Google internally shares product roadmaps, launch plans and weekly status reports alongside employee and team objectives and key results. Each quarter, executive chairman Eric Schmidt presents all employees with the same materials as the board

of directors. And each week, the company continues to hold all-hands meetings where employees can ask the founders anything, just as they did when the company first started.

Why does Google so fiercely value internal transparency? Because communication among employees directly contributes

Communication among employees directly contributes to the success of its products.

to the success of its products. You too can achieve internal transparency when you keep these three steps in mind.

**Step 1: Establish a product canvas with your exec team.**

Start with the hard part: Take the many versions and beliefs about what your product is and why it exists and pick just one.

Who are you building for? What are you working towards in the short term? Long term? What's your vision? How are you and your approach different from competitors? What sets you apart?

If the answers are clear to all, great. But what if your executive team is split on these details? What if they're undecided? This is where the product canvas comes in. A product canvas is a one-page document that outlines key product elements and business goals:

- **Vision**—What does our company do? Where do we want to be in five years?
- **Description**—How do people describe the product? What's the official verbiage/pitch to use?
- **User Personas**—Who are we building for? Who are our target customers and target users?
- **Objectives/KPIs**—What do our customers want? What do we as a business want?

The canvas forms the basis of your product strategy and acts as a guide for product decisions downstream. Typically, it's created once and reviewed every few months to ensure it still describes the product effectively.

This is high-level stuff that needs to be a collaborative effort. So, bring your executive team to the table to work it out with you; this ensures you gain their support and buy-in.

To start, provide each person with a blank copy of the product canvas and have them independently fill it out. Next, ask each person to share their answers. Unless you have created a product canvas before, chances are that everyone will produce a different set of answers. And that's fine. The goal of this meeting (or series of meetings) is to disagree and reconcile discrepancies.

If someone believes the target user persona is X but no one else agrees, you need to discuss that discrepancy. This is something that will determine the direction of your product, so figure it out and make a firm decision. You don't want to butt heads later in the product development process when the stakes are much higher.

When you are done, freely share the completed canvas with the team. Print out copies and stick them up on the walls around the office as a

reference point. You can use it to defend your product decisions, and your colleagues can use it to challenge them.

The product canvas should serve as a single source of truth. If you can't trace your priorities directly back to it, you're on the wrong track.

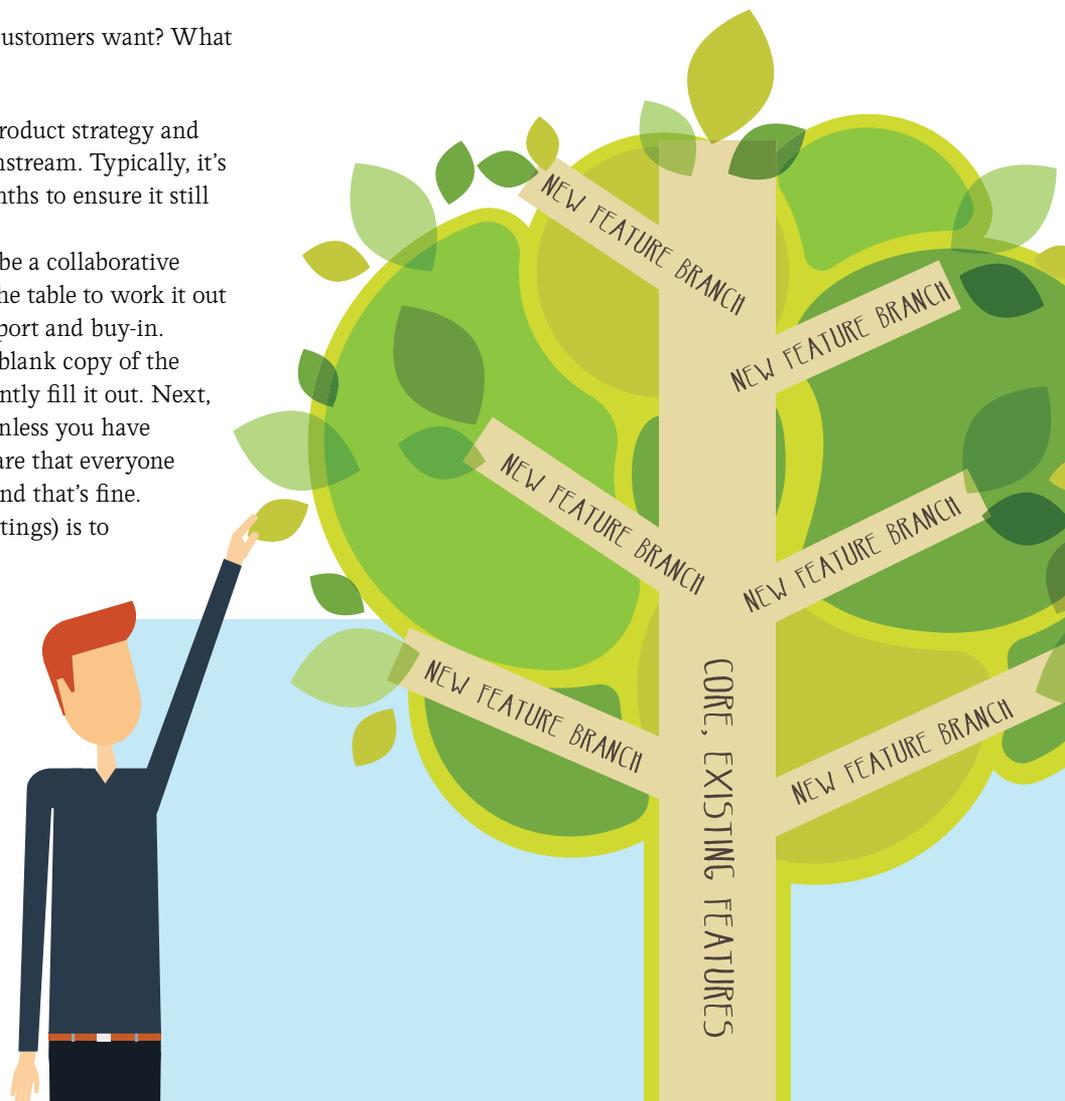
**Step 2: Work with your teams to identify priorities.**

You have a story to share now; it's on your product canvas. It's time to bring your team together to hatch a potential plan. For this, I've had a lot of luck using the Product Tree exercise.

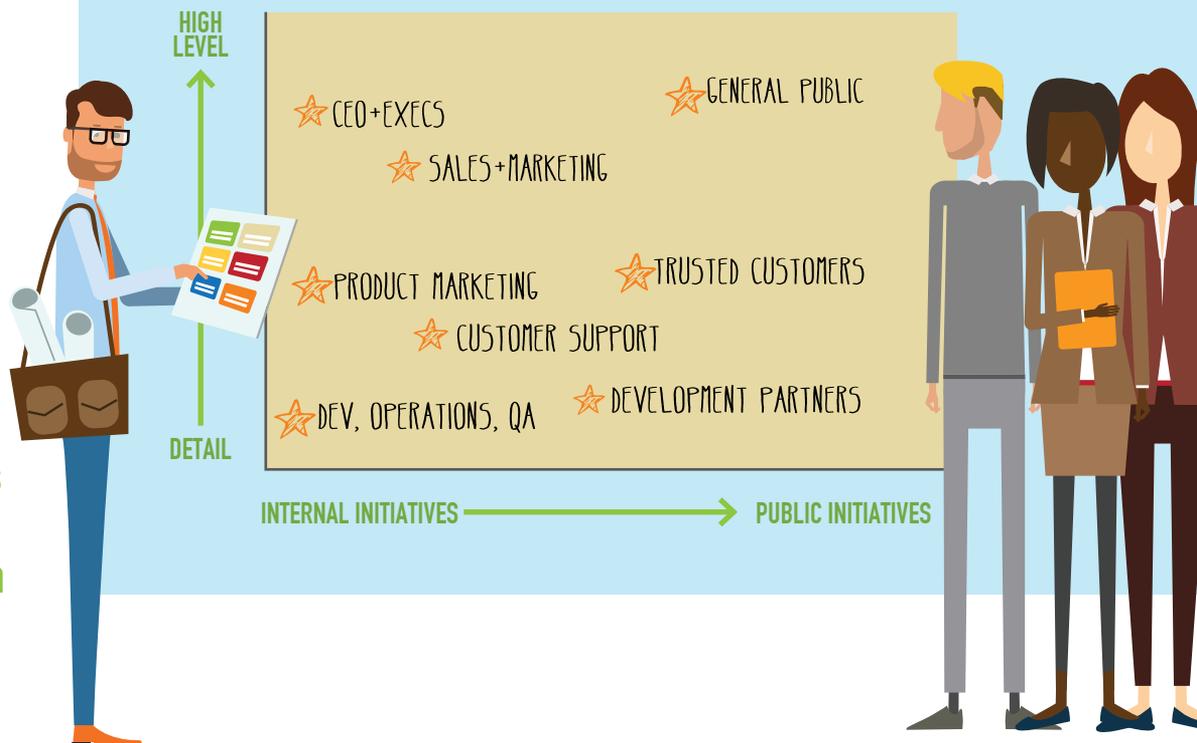
This exercise was developed by Luke Hohmann at Innovation Games, who found that turning prioritization into a game made it much easier to engage a diverse group. You'll need a handful of Sharpies, sticky notes and a print-out of your Product Tree.

The Product Tree's trunk represents the core product. The branches represent product areas, and each sticky note added to a branch represents suggestions for new features and functionality.

The "leaves" closer to the trunk represent top priorities that everyone agrees on and are clearly market-driven. More nebulous ideas for the future are stuck farther out on the branches.



**Make multiple versions of the roadmap. This helps you share your plans with several audiences while controlling the narrative each one sees.**



Here's how it works:

- Gather four to eight people who represent key areas of the business (e.g., engineering, sales, marketing and so on).
- Introduce the product canvas you've worked out with your executive team so everyone understands your product's direction.
- For the first 15 or 20 minutes, write out feature ideas on sticky notes. Don't put them on the tree yet. The point is to have the group discuss each idea and agree on where it might sit on the tree.
- Have a lot of ideas? This can be a great exercise in "pruning" the tree. Mediate a discussion to get the team's input and buy-in on what's important and what's not.

Remember, not all ideas have to make it to the tree. You'll want ask the following questions:

- What makes this a priority?
- Which of two priorities should be done first?
- Which ideas don't help us meet our product goals?

By working on this exercise together, you open up the roadmapping process to the rest of your company.

### Step 3: Prioritize and share your product roadmap.

You now have received input from leadership and individual teams, but ultimately the roadmap isn't a committee decision. As product manager, you get to make the final call.

Once you've established your priorities, you're ready to communicate them along with these key details to your roadmap:

- Time horizons
- Product areas
- Strategic initiatives
- Scope

A theme-based roadmap helps you communicate the direction and high-level strategy of your product. But beyond

that, what does each team need to know? Make multiple versions of the roadmap available so you can pull out and highlight relevant information for each group of stakeholders. This helps you share your plans with several audiences while controlling the narrative each one sees.

For example, the development team needs a highly detailed roadmap since they're building the product. Meanwhile, although you need buy-in from the C-suite, they don't need to be inundated with nitty-gritty details, so a high-level roadmap makes sense for them. And you may want to give your support team an even higher-level version to share with customers.

### THE TAKEAWAY

Your journey to internal transparency will provide perks for you and the people you work with. Teams will feel like their views are represented, and individuals will feel like their ideas are valued and welcome. This can open up the floor to new innovations that otherwise might not be considered. And because you received buy-in for the product direction, it won't be a huge shock when you update the roadmap. Finally, since you're communicating the appropriate level of detail to stakeholders, everyone can keep up.

With these roadmaps in place, everyone will be able to move quickly and confidently to make decisions that support the product vision without having to pull you in for support. The result will look graceful and effortless; only you know what happened behind the scenes. [PM](#)

### ABOUT THE AUTHOR

**Janna Bastow** is co-founder of ProdPad. She also organizes ProductTank and Mind The Product, a global community of product managers. Janna often starts and stops conversations with the question: "What problem are you trying to solve?" Contact Janna at [janna@prodpad.com](mailto:janna@prodpad.com).



# USE BETA TESTS?

## to Create Customer-Validated Roadmaps



BY EMILY HOSSELLMAN

**A**N EFFECTIVE PRODUCT LAUNCH IS IMPORTANT TO PRODUCT SUCCESS, but equally important is having a solid product roadmap that lays the groundwork for your team and the future of your product.

Building that roadmap, however, is one of the biggest struggles product management professionals face. How do you decide what goes on the roadmap? How do you prioritize features? How do you know you aren't missing something critical? These are the types of difficult questions you must answer to build a viable roadmap.

At the same time, products are increasingly driven by the customer experience. In fact, according to Forrester, we're in

the "age of the customer," where building an amazing customer experience is a key driver of revenue growth and product success. And the best way to develop a customer experience that delights your target market is to involve customers in the product development process. This means your product roadmap should be powered by feedback from real customers.

But, too often, roadmaps are created in a vacuum. Product teams develop plans based on internal priorities, anecdotal feedback from vocal customers or what they believe their customers need. The result: roadmaps that miss the mark or don't prioritize what customers truly want.

So, how do you create a roadmap driven by customer

feedback? The answer is beta testing.

Beta testing is the phase that occurs after the internal quality-assurance team has put your product through the wringer in the lab, but before your product launches. During beta, you put your new product (or the latest release of an existing product) into the hands of real users in real environments to see how the product performs. You collect bug reports, feature requests, journals, surveys and other feedback to find weak spots and improve the product quality and overall customer experience.

Since beta testing often occurs right before the launch of a product, it may seem that it can't contribute to that product's roadmap. (At this point in the product lifecycle, it's often too late to make major changes based on the feedback collected during beta.) But the beta phase is the perfect time to gain customer validation of a product and collect the data needed to plan for future iterations.

Centercode's research team has found that a large number of companies performing beta tests leverage customer feedback to inform their product roadmaps. In a survey of 250 respondents (including product managers and others involved with their beta phase) from 215 companies, 73 percent said that beta testing has a moderate-to-high impact on enhancing their roadmap. Only 7 percent of respondents said that beta testing has no impact on enhancing their roadmap (and we'd argue that they just aren't fully leveraging it for this stage of product development).

#### WHAT BETA BRINGS TO THE TABLE

Beta testing offers unique insight into the complete customer experience with your product over a period of weeks or months and uncovers the true usage of your product in customer hands. It demonstrates whether your existing feature set meets customer expectations, the first step in building a good product roadmap.

Next, beta testing can uncover unmet needs and allow you to dig into those situations to understand the exact scenarios where new features are needed. You'll gain a sense of the frequency of that need and the percentage of your customer base that has it. All of which you can use to build detailed use cases to create a solid foundation on which to develop future features.

You can also survey beta testers about existing roadmap plans to see whether the intended additions interest them. This will help validate, prioritize and flesh out the existing roadmap. Finally, testers will provide a pile of new ideas to inspire future iterations or additions to your roadmap.

Real customer feedback can be a gold mine of useful product information about the current—and future—versions of your product. But to make this trove of data reliable and actionable, you'll need to run a beta test that's specifically designed to help reach these goals.

#### HOW TO RUN A BETA TEST THAT FUELS YOUR ROADMAP

Simply running a beta test isn't enough to ensure you're getting the feedback you need to power your product roadmap. The beta test has to have the right objectives and collect the right information from the right people.

##### Recruit the Right Testers

The first step to ensure the success of any beta test is recruiting the right testers. These testers should not only be members of your target market, but they should reflect the demographic breakdown of your customer base. This means beta testers should not be friends, family or employees. And if 30 percent of your market is made up of Mac users, 30 percent of your beta testers should be as well.

Much of the feedback that product teams receive from their customer base is either anecdotal or comes from a vocal minority that shares their opinions via support channels. It can be tempting to listen to these voices when making product decisions, but they often don't reflect your complete target market. Having a beta tester team that closely resembles your



market will provide a more complete picture of the customer experience with your product and provide data that helps you draw useful conclusions.

### Collect Feature Requests

Many product teams are hesitant to collect feature requests during beta tests because they know they don't have the runway to implement those requests now and don't want to disappoint their testers. However, there are reasons why feature requests should be included in every beta test.

Collecting feature requests serves an important psychological purpose by allowing testers to share ideas and feel that they have been heard. If testers aren't given a structured way to make suggestions, they'll end up submitting them as bug reports or discussion topics, which will muddy the data.

By creating a dedicated place where testers can submit feature ideas, you provide a centralized place to process, prioritize and respond to those ideas, even if you don't have immediate plans to use them.

You can also capture more general needs by calling them "suggestions" rather than "feature requests." This will encourage testers to submit ideas and unmet needs, instead of limiting themselves to requesting specific features. Then it becomes your job to analyze the feedback, identify the feature to fix it and add it to your roadmap for design and implementation.

### Create a Scoring System

Include the ability for beta testers to vote or comment on ideas that other testers submit. Voting makes it easy for popular ideas to rise to the top, and commenting allows the tester team to flesh out the ideas for you, providing additional context or use cases. Testers may also point out potential risks or downsides of a new feature, helping you understand the current concerns of your target market.

At Centercode, one of our key successes has been the implementation of a scoring system for feedback. This feedback scoring system is based on popularity (which considers things like votes and comments), category (which refers to the part of the customer experience it touches) and other criteria that allow the strongest ideas to rise to the top. If you see a critical need that isn't being met, this information can help you prioritize ideas and alter your roadmap. These are the ideas or features that, if implemented, could have the most impact on your product.

You can determine the criteria that make a new feature the most important to your product, and then develop a rubric to identify the most valuable ideas. This will ensure you collect the relevant information in your beta test to help prioritize potential product additions for the future.

### Survey Testers on Planned Features

To validate features that are already part of your roadmap,

directly survey your beta testers about them. Would they use them, and how would they use them?

While this may be speculative data, your beta testers will likely have the best insights about future feature ideas. You will be able to analyze whether different segments of your market have different opinions about the planned features and have quantifiable data on which features your target market would likely use, along with which features they have no interest in. Beyond just validating your roadmap, you could also use the results from this survey and compare it to the feature requests and ideas that were submitted during beta to gain a deeper understanding of any unmet needs or to find holes in your future feature plans.

### Collect Daily Journals

Surveys, bug reports and feature requests capture snapshots of a customer's product use. Journals, on the other hand, are a great way to collect details of the day-to-day customer experience. Journals are more free-form, allowing testers to talk about their experiences without feeling like they must address a specific bug or need.

While it may be more difficult to discern quantifiable data from journals, feedback in the entries can help uncover unmet needs or other small issues that users might not think are worthy of a bug report or feature request. Journal entries also provide invaluable insight into how customers use the product and showcase real-life use cases about features that testers may enjoy or find frustrating.

This information can be vital when analyzing your product's customer experience and illustrating the value of certain features to key stakeholders within your company.

### TO SUM IT UP

Using the feedback collected during beta testing to fuel your product roadmap ensures that you drive your product closer to the needs of your target market. You'll gain detailed feedback about where your product hits the mark, what gaps exist and whether your plans will fill those gaps. With this intel, you can be confident that you're releasing the best-possible product for your target market. [PM](#)

Journals are free-form, allowing testers to talk about their experiences without feeling like they must address a specific bug or need.

### ABOUT THE AUTHOR

**Emily Hossellman** is director of marketing at Centercode, a beta test management company that has helped hundreds of companies build and release better tech products. She educates companies about how to integrate the voice of their customers into their product development process. She is passionate about how companies can use beta testing to achieve true customer validation and release flawless products in an increasingly complex technological world. You can contact Emily directly at [emily@centercode.com](mailto:emily@centercode.com) or connect with her on LinkedIn at [linkedin.com/in/emilyhossellman](https://www.linkedin.com/in/emilyhossellman).



# TRUE NORTH: MANAGING LONG-TERM ROADMAP NEEDS WITH AGILITY



BY DAVE WEST

**E**VERYONE WANTS TO SEE THE PRODUCT ROADMAP. Sales wants to use it to drive bigger deals, engineering wants to know what is coming next to make technology decisions, and other teams want to feel like they are part of a long-term strategy that will take the organization to the next level. But the market is fickle, with an ever-changing set of priorities and needs. So how do you reconcile the need for a long-term product plan with the reality of a constantly changing market, especially when you use an agile approach like scrum?

## AGILE LOVES ROADMAPS AND PLANS

First, let's dispel a myth. Agile and scrum don't discourage the creation of a product roadmap. In fact, scrum teams plan frequently. To quote the agile guru Mary Poppendieck: "Agile hates plans but loves planning."

In short, with agile teams there is both the need for frequent planning and the challenge of keeping a plan up to date. But many scrum teams want to start a sprint before they have a clear vision for the product. Or worse, if there is a clear vision, they ignore it and focus on what they think is best. Having a vision and a backlog are the cornerstones for any scrum team and sprint. In *Agile Project Management with Scrum*, Ken Schwaber, a scrum co-creator, writes, "The minimum plan necessary to start a scrum project consists of a vision and a product backlog. The vision describes why the project is being undertaken and what the desired end state is."

## Support the Empirical Process

There is no single silver bullet for building the perfect roadmap. Each situation is defined not only by the product, but also by market, audience and

organizational culture. What makes sense for a bank selling bonds won't work for a web company delivering a new media product. Remember the golden rule when you use scrum: Support the empirical process.

Scrum, unlike waterfall, is an empirical approach. Drawing on the ideas of scientific method, it provides a lightweight framework that encourages inspection and adaptation through transparency. It assumes you don't know everything up front and encourages you to deliver working software frequently to learn. Managing the unknown requires agility. Therefore, it is crucial that a product roadmap not provide a detailed list of features and timeline, but instead provide direction for the team to build the right software. In a nutshell: Do not bring a waterfall roadmap to a scrum product delivery.

## 5 TIPS FOR MANAGING THE AGILE PRODUCT ROADMAP

**1. Focus on customer and user outcomes, not features and functions.** Many roadmaps emphasize features and their delivery. But concentrating on customer outcomes makes it possible to describe the plan's business focus. It also provides flexibility so that scrum teams prioritize the right things over requirements that may not deliver the right business outcomes.

If the roadmap is well-written, you won't need to continually explain the objective of a particular item to the rest of the organization.

**2. Eat the elephant one bite at a time.** Roadmaps, unlike college assignments, don't benefit from size. The best roadmaps don't provide a detailed list of features. Instead, they instill their audience with a sense of the product's direction. Rather than providing detailed descriptions, find a phrase—like mobile-first release—that explains the intent. This helps others latch onto the meaning of the release and provides flexibility for the scrum teams to build what is required. Delivering frequent, incremental roadmap updates, or providing an intranet site that shows roadmap status, helps manage change and provide a clear sense of direction. Of course, those updates must clearly connect to the work of the scrum teams delivering against those broad objectives to demonstrate regular progress against these goals.

**3. Be honest without scaring everyone.** How many times have you been to the roadmap presentation only to hear that the killer feature has once again slipped to the next release? Roadmaps that support scrum teams should still forecast, but do it in an honest and open way highlighting that the farther out an item is, the less likely it is to be delivered. Roadmaps are like weather reports: the longer the forecast, the less likely it is to be true.

**4. Add a clear measure of success to your roadmap and report data on its progress.**

Instead of simply describing the need, provide a way to measure its success. For example, if a required capability is for the user to obtain their credit score, you could define the measure of success as 12 percent of all customers and 50 percent of new customers executing the feature. By adding a measurable success benchmark to a roadmap item, you provide clarity and encourage the development team to instrument the application. Instrumentation provides a platform for lean analytics and connects nicely to empirical processes that are driven by learning and results. By connecting this data to roadmap items up front, there is no ambiguity for the business or the delivery team.

**5. Put everything in the context of true north.** Everyone wants to work on something that matters. In *Drive: The Surprising Truth About What Motivates Us*, Daniel H. Pink describes purpose as one of the three key elements to personnel motivation, along with autonomy and mastery. The purpose of a product is something more than its features, functions or even its user outcomes. Purpose describes why the product exists and is closely linked to an organization's mission. Describing everything in the roadmap in the context of its purpose allows scrum teams to better understand *why* at the macro level. The purpose is reflected in the sprint goal, which helps define the sprint backlog, which is then reviewed in the sprint review. Purpose helps connect all these scrum events.

### COMMUNICATE, COMMUNICATE AND COMMUNICATE SOME MORE

Ultimately, the product roadmap is a tool for communicating direction and providing a broad vision for timelines. It should be used to measure outcome success, communicating future intent and previous learnings. A short, business-focused, customer-oriented and measurable roadmap allows your organization not only to build the right product, but to motivate the entire organization. A successful product roadmap will become the narrative for your entire organization. [PM](#)

**Roadmaps, unlike college assignments, don't benefit from size.**



#### ABOUT THE AUTHOR

**Dave West** is the product owner at scrum.org. He is a frequent keynote speaker and a widely published author of articles, along with his acclaimed book *Head First Object-Oriented Analysis and Design*. He led the development of the Rational Unified Process (RUP) and then worked with Ivar Jacobson running the North American business for IJI. He also managed the software delivery practice at Forrester Research, where he was vice president and research director. Prior to joining scrum.org, he was chief product officer at Tasktop, where he was responsible for product management, engineering and architecture. Email Dave at [dave.west@scrum.org](mailto:dave.west@scrum.org).

CONNO  
T

VENI

VIDI



CI

FOUNDATIONS



FOCUS



BUILD



# DOUBT THEM ALL.

Pragmatic Marketing offers **SIX** different **CERTIFICATION LEVELS** that allow you to demonstrate your understanding of the Pragmatic Marketing Framework™ and the activities and skillsets required to bring it to life. Each certification coincides with one of our courses, and you have the opportunity to sit for the exam at the end of each training day.

So if you're ready to demonstrate your expertise to the world, visit [pragmaticmarketing.com/certification](http://pragmaticmarketing.com/certification) or call 480.515.1411.



MARKET

LAUNCH

PRICE

**Build Better Products**

ROI Calculations:  
Taming the Mythical Beast **20**

A Guide to Surviving the Product  
Zombie Apocalypse **22**

**Sell More Stuff**

What is a Customer  
Need? **26**

Rise Above the Competition with  
Social Media Intelligence **31**

**Lead Strategically**

The Enduring Leader **34**

Job Hunting is Product  
Management **36**

**ROI CALCULATIONS:**

# Taming the Mythical Beast

BY STEPHEN MATHEW



**D**OES THIS SCENE SOUND FAMILIAR? A product gets the green light, management pins high hopes on it, the CEO talks to the media and sales starts taking orders. Then suddenly, your boss wakes up and realizes that the ROI calculation hasn't been updated—or worse, it is non-existent.

Enter the mythical, do-good, no-harm, never-say-no, jack-of-all-trades, objective-yet-subjective, quantitative-yet-qualitative, strategic-but-pragmatic product management professional. The product pro calls a few colleagues in engineering and sales for clarifications, dusts off the ROI template and works into the wee hours to complete the calculations. At last, the final stumbling blocks to an otherwise exciting business opportunity are banished to the netherworld. At least until the mythical beast decides to rear its ugly head again.

As a product management pro, I have heard organizations and product practitioners ridicule the ROI exercise for its lack of real-world application. Few organizations give ROI calculation the rigor and scrutiny it deserves as an operations

and risk-analysis tool. Too many companies use it within too narrow a scope.

**Use Dynamic Models**

Some companies use the ROI exercise to satisfy the needs of their finance team, or as a checklist item to satisfy the quality department. But even in organizations where ROI calculations are used extensively, the focus is often on a single metric, such as the internal rate of return (IRR) or net present value (NPV).

However, when organizations focus on a single metric like IRR or NPV, it can result in a static model. Because of their narrow scope, these models often fail as effective tools for answering rapid-fire questions from finance or the C-suite during the business plan review. Using a dynamic model to succinctly and instantly address stakeholders not only showcases the preparedness of the product management team, it strengthens stakeholder confidence in the project. Incorporating an effective dynamic model is akin to simulator

training: It can be an effective crisis-preparation tool to anticipate things like changes in the sales forecast or increased costs.

Dynamic models have three distinct characteristics. First, a well-designed business model resembles a mathematical equation with defined variables and constants. Variables are typically the variable costs tied to sales volume or to another suitable metric. Constants are typically tied to fixed costs, such as rent.

Second, a dynamic model takes on a scope wider than the product or project under discussion; it closely resembles the P&L statement for the entire business unit. Such a model enables product teams to incorporate strategic and financial insights to the ongoing business such as new markets, sales cannibalization or changes in head count. Without a holistic view of the entire business, ROI calculations fail to address the nuances in strategy and tactics that differ between a new product, replacement product or enhancements to an existing product.

Finally, a dynamic model should have a front-end user interface that can analyze what-if scenarios and simulations. PC-based tools like Excel provide ample utilities to create a powerful front end for your business model that makes the data easier to understand and leverage.

For example, color coding the input fields is a simple yet effective best practice. Graphs and tables can add further utility to the business model. Similarly, isolating the model's variables and constants on a separate sheet enhances the ability to conduct what-if analysis on the fly. Incorporating a Monte Carlo simulation,

designed to account for risk in quantitative analysis and decision-making to various verticals, is another way to integrate a simulation tool for sales forecasts.

### Align with the Business Plan

ROI calculations are not independent artifacts. They need to mirror the business plan. Think of the business plan as the qualitative assessment while the ROI calculation is its quantitative manifestation. Yet business plans often ignore ROI calculations and vice-versa.

Each paragraph in a business plan should ask three essential questions: How much does it cost? How much does it make? Where is it in the ROI calculation? The reverse is also important. Each line item in an ROI calculation should beg three questions: What's the source for this number? Why should I trust this number? What level of risk is associated with this number? In short, each line in a business plan is either a cost or a revenue item that must be accounted for.

**ROI calculations are not independent artifacts; they need to mirror the business plan.**

### Integrate with the Business Process

Organizations might forget about the existence of an ROI calculation if not for the product development or business process that requires it. But integrating ROI calculations into the business process is not enough. It is essential to ensure that ROI calculations are consistently applied across projects and then sufficiently reviewed and critiqued by the relevant stakeholders at the appropriate milestones. A formal review process that requires stakeholders to sign off on the ROI calculation is generally enough to attract sufficient review and critique.

The evolutionary nature of ROI calculations should not be forgotten. All product ideas start as a seed. The colorful details come later. Therefore, your process should provide the flexibility to progressively build an ROI calculation through successive project milestones. Integrate the business plan with the product development process to reap the full benefits.

### Monitor and Tweak

No ROI calculations were built in a day. Neither should they remain static for years. Each is a work in progress, a living document for organizations of all sizes and shapes. ROI calculations that haven't changed in years need serious attention. They often hide variables or formula errors that are waiting to be discovered by new, unsuspecting employees.

Monitoring and tweaking ROI calculations happens on two levels. First, the project calculations themselves should be reviewed and updated at milestones within the project lifecycle. Second, the ROI template should be reviewed and updated at frequent intervals.

Assemble the product management and finance teams annually to review the template. Then dust off the old calculations and compare them with the actuals. It won't take long for patterns to emerge. Were the revenue numbers or costs off? Often, both figures are way off. Unless you learn from your experience and recalibrate your business plan with the ROI calculation, it will happen again.

ROI calculations can be a robust operations and risk-analysis tool. Treat them with the respect they deserve and you'll be rewarded. Once you create dynamic, living documents with built-in check-ins at appropriate milestones, you will have all the tools you need to keep the dreaded beast at bay. **PM**

### About the Author

**Stephen Mathew** is director of traffic products at a leading provider for intelligent traffic systems. Since starting his career as a sales engineer, Stephen has been involved in applications engineering, product engineering and product management roles across multiple industries in the United States, Canada and the Middle East. Stephen holds a bachelor's in electrical engineering from Mahatma Gandhi University, India and an MBA from Richard Ivey School of Business, Canada. He is also a Certified New Product Development Professional by PDMA. He can be reached at [Smathew@Econolite.com](mailto:Smathew@Econolite.com).



## A GUIDE TO SURVIVING THE

# PRODUCT ZOMBIE APOCALYPSE

BY DAVID NASH



**L**OOK AROUND: IT'S A DESOLATE WASTELAND. Zombies walk the earth, slowly, relentlessly. They are hungry and they don't discriminate. Before they turn on you and eat you alive, it's time to blow them away and send them to their final rest.

This isn't a scene from a movie, it's your product portfolio. But the threat is no less real, and your need to act is no less vital.

It seems like only yesterday: Your product portfolio was young and thriving. It had a bright future. At first, you didn't even notice as some products slowly lost their vitality. But over time, most

customers moved elsewhere, perhaps to a competitive offering or to one of your newer products. You tapered off your investment because there were so many other priorities competing for scarce nourishment. Maybe your product stopped growing—or worse, it continued to grow even as you starved it. Because these products didn't mutate into zombies overnight, you can be forgiven for failing to notice them slowly decompose. But they're now at your door, and soon it will be too late.

## Take the Quiz

### ARE YOU A PRODUCT ZOMBIE ENABLER?

The more questions you answer “yes” to, the more likely you are to have enabled these insidious creatures to roam your customer base:



**IF YOU FEAR CHANGE, YOU'RE IN THE WRONG JOB.**

**1 Does all your energy go into new product development and introduction?** We all know the new stuff is sexy—and customers are waiting—but don't take your eyes off your existing products for too long. Ask yourself these questions to see how diligent you are: Do your roadmaps indicate the removal of existing or legacy products, or just the birth of new ones? Does each new product or release explicitly provide conversion or migration tools to move existing customer data forward, so you can retire the old versions?

**2 Is your leave-no-customer-behind strategy well-intended but flawed?** You chose to let sleeping zombies lie by allowing your customers to remain on outdated products, instead of potentially causing disruption by asking them to upgrade. Now they are far behind, and you're likely to disrupt them even more when you ask them to climb out of a deep technology well.

**3 Did you agree to unrealistic, restrictive contracts?** You made well-intended promises to protect your customers' investments (a good thing) and agreed not to change or replace any software during the contract period. What were you thinking? Now you must either sell your way out of your existing contract into a newer product, or buy your way out and cut your losses.

**4 Does your sales team prioritize renewals over new sales?** Do they discount—or even give away—the older product? It's generally easier to ask a client to renew than switch to something different. The truth is you have to do both.

**5 Do your current products have capability gaps compared to the products they replace?** When you rolled out the minimum viable product of your latest and greatest, you skipped providing complete backward compatibility, then never went back to build these capabilities out. Now your customers have to give up something to move forward. This may be the single most common reason why customers stick with your old products. Now, you must either provide feature parity with what they already have or guide them to a better workflow, so they can abandon their prior practices and feature expectations.

**6 Are customers highly invested in and productive with your older product?** That's a good thing, but now they don't want to change and lose efficiencies. Perhaps they know how to customize and run older reports, have memorized hotkey combinations, or have built custom

add-ons to meet their needs. This provides a huge switching cost for you to overcome. Your new product value proposition must exceed the switching cost, hopefully substantially.

**7 Are you unable to walk away from your old products because too much revenue is at risk?** If so, you may need to do this in stages. First, try to sell your way out and convert these customers to your latest offerings.

Next, establish a realistic revenue threshold, below which all key stakeholders agree to walk away from the residual business. Or, establish a milestone that, once passed, allows you to achieve the same goal.

Then, begin to tilt the table so customers willingly move by themselves from the old to the new. Use various pricing incentives to drive conversions to your new product, or create disincentives to staying on the old products (like higher support costs, etc.). You won't convert them all, so don't make that your goal. Finally, once the revenue threshold or milestone has passed, run an aggressive end-of-life program until all customers have either been migrated or are known lost. Then, turn off the lights.

**8 Has a different organization assumed ownership of your product and you lost the recipe?** If this has happened, assign an interim product manager (your undertaker) and make it their mission to transition this product into the grave.

**9 Has the original product champion become an executive who doesn't want to retire it?** It happens more often than you think. But nobody wants a rotting zombie as their legacy. Gather the data, construct the business case (refer to Upgrade Your Arsenal) and convince them with data until they come around.

**10 Does change seem too hard?** If you fear change, you're in the wrong job.



END OF QUIZ



## PRODUCT ZOMBIE SUBSPECIES

Tigers and Gila monsters have subspecies, and so do zombie products. Here are the three most common.

### A Few Important Customers Love It

This subspecies arose because of the oversized consideration big customers often get with respect to lifecycle planning. Remember the Pragmatic Marketing rule that you are solving for the intersection of urgent + pervasive + willingness to pay. One of these factors alone is insufficient to warrant your investment. Is there a professional services play through which you can profitably serve these few, large customers? Can you enable a third party to extend your standard product and serve these custom needs?



### It's Not Costing Us Anything and its Sibling, It's Pure Profit

This is rarely true, but it is a popular myth when you are unwilling to do the work to uncover your true costs. It's dark and scary in there, but grab a flashlight and take a look to discover where these costs typically hide.

### If We Kill It, Our Customers Will Go Elsewhere

This one scares executives, especially those in sales. While you don't want to lose profitable customers, those on older products often don't buy enough of your current products to make them desirable. It might be time to let them go, or restart a sales discovery about their needs and how your current product portfolio can address them.

## THE TRUE COST OF PRODUCT ZOMBIES

Zombies aren't cheap. Here is what product zombies are actually costing you.

### Support

Are you still taking calls on these zombies? Were they designed for Windows XP? IE6? .NET V1? Visual Basic? Flash? Are you backhauling new technologies into old products? Can customers still acquire the third-party prerequisites needed to use these older products? If they are still operating, it's likely they also have significant information security vulnerabilities—big targets for hackers.

### Development and Technical Debt

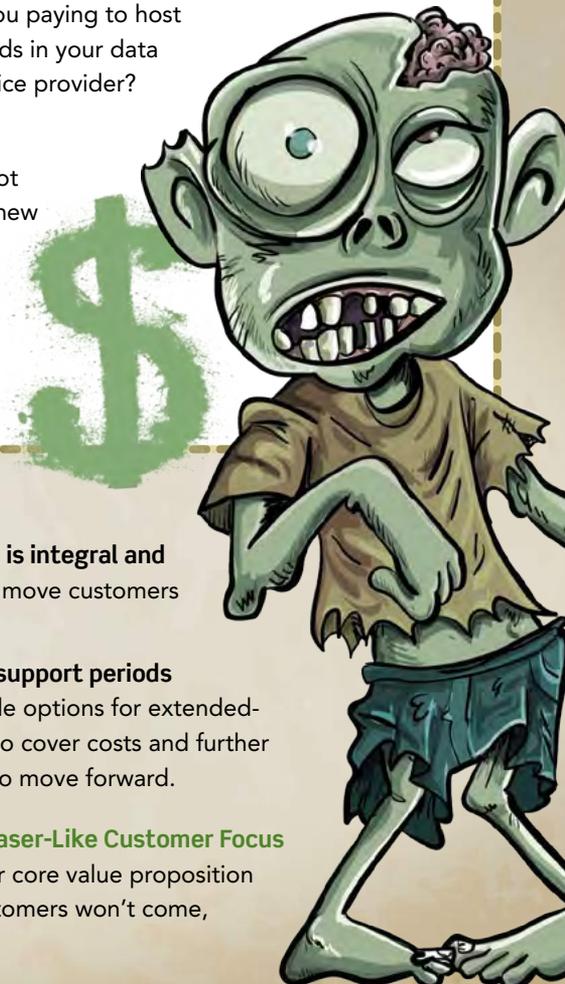
Although you aren't adding new capabilities to older products, customers expect you to keep them operating and safe. Are you still fixing defects? Closing security vulnerabilities? Testing and validating old code against a battery of constantly changing browsers, mobile clients and third-party plug-ins? Doing year-end or other statutory updates? You probably are.

### Operational and Cost of Goods

Are you paying software licensing fees to vendors? Are you paying to host inefficient workloads in your data center or at a service provider?

### Opportunities

How much does not accelerating your new products cost?



## UPGRADE YOUR ARSENAL

### Pummel Them with Your Product Roadmap

This quick hit list will help you destroy those zombies:

- **Explicitly show end-of-life products.** Clearly communicate what's new and what's going away. Give customers adequate notice and incentives to move. Never add new products to your roadmap unless you also disposition what's already in the field.
- **Notify customers early and often about product upgrades and retirements.** Don't ask their permission.

- **Ensure data migration is integral and ongoing.** This will help move customers and their data forward.
- **Clearly define end-of-support periods and transitions.** Provide options for extended-support subscriptions to cover costs and further incentivize customers to move forward.

### Crush Them with Your Laser-Like Customer Focus

Unless you surround your core value proposition with sufficient value, customers won't come,

or else they won't stick around. Socialize early and often with your customer/user community, explaining why it's in their best interest to move forward. Create heroes and then share testimonials about their business cases and the value they realized from moving forward. You're also less likely to strand or alienate legacy customers if you give away your last-generation knowledge base and older but still-useful support tools, enabling them to self-support.

### Bludgeon Them with Your Business Case

Your CFO and finance team will be your comrades-in-arms, providing support as you hunt down and eradicate your cost-sucking zombies. This is sport to them. Work with them to identify and account for some of your major costs, like those on the summary grid below.

You may find others as you dig in.



SPENDING CATEGORY	TYPICAL UNITS	LINE TOTAL
<b>Product Management:</b> the time you spend managing your legacy products	Hours x labor rate Sprint velocity impact	
<b>Dev/test:</b> the time your sprint team spends keeping these products maintained	Hours x labor rate Sprint velocity impact	
<b>Support and Dev:</b> firefighting and defect resolution: the time spent reproducing, root causing, fixing and deploying those fixes to old products	Hours x labor rate Cost per support case	
<b>Dev Infrastructure:</b> the number of dev/test systems your team must maintain to cover all your product permutations	Capital expense + operational expense costs (\$\$)	
<b>Third-Party Costs:</b> your spend on third-party tools, services, software licenses	\$\$/month	
Other		
<b>GRAND TOTAL</b> (This is what you will save)		

## ZOMBIE APOCALYPSE SURVIVAL CHECKLIST

- ✓ Ensure your current products provide compelling value that exceeds the cost for your customers to switch.
- ✓ Confirm that your product roadmap communicates not just what is new but what is going away.
- ✓ Define and deliver real value and leverage your user community to champion the value of keeping current.
- ✓ Partner with your CFO on your business case to discover and assert the hidden costs of keeping your older products alive.
- ✓ Establish a culture of change and constant improvement.

Happy hunting! [PM](#)

### About the Author

David Nash earned his zombie-hunting credentials as vice president of product management at CDK Global, the largest global provider of integrated IT and digital marketing solutions to the automotive retail industry. Prior to joining CDK, David spent 16 years at Intel Corp. in various roles, including product management, product marketing, Intel Capital and new-business incubation. A product junkie, David founded ProductCamp Portland in 2012 as group therapy for product management professionals, and he serves on the organizing committee for this annual event. He lives in beautiful Portland, Oregon, and can be reached at [david@pcamppdx.org](mailto:david@pcamppdx.org), [@pdxproductguy](https://twitter.com/pdxproductguy) and [linkedin.com/in/davidnashpdx](https://www.linkedin.com/in/davidnashpdx).



## WHAT IS A CUSTOMER

**T**HE DRINKING FOUNTAIN IS A FIXTURE IN MOST PUBLIC BUILDINGS. Chances are, the one in your office hallway is indistinguishable from the one you encountered on your first day of kindergarten. You probably haven't thought much about drinking fountains since then, unless you are a plumber or work at Elkay Manufacturing.

In 2010, Elkay, a Chicago-based maker of sinks, faucets and other fixtures, launched its EZH20 drinking fountain and bottle-filler, revolutionizing what had been a mature, stable market. By studying drinking fountains—the people who use them, where people use them, and most important, what people use them for—the company found a huge opportunity to solve a market problem by developing a breakthrough new fountain.

The new fountain provides not only a refreshing sip of water, but also an easy way to fill the reusable water bottles many consumers carry. As a private company, Elkay does not disclose sales, but its new fixtures can be found nearly everywhere: college dormitories, airports, hospitals, office buildings and shopping malls. In short, it's a winner.

Elkay's case demonstrates what product developers and marketers know to be fundamental: Successful innovations must solve market problems. Yet before you can create a great solution to solve that market problem, you must first understand the customer need, and define them in clear, unambiguous language. After all, how can you understand something you cannot define?

To start, what is a customer need (or what Pragmatic Marketing calls a market problem)? If your response is somewhere between a blank stare and a headache, you are not alone. Many hands-on innovators—product professionals, market researchers, engineers, marketing managers—still cannot agree on what defines a need. It is not for lack of discussion. Articles,



# CUSTOMER NEED?

BY JOHN C. MITCHELL

conference presentations and blog posts have tried to define or differentiate flavors of customer needs, using terms like: wants, benefits, preferences, motivations, requirements, attitudes, functional goals, desired outcomes, product attributes, critical-to-quality characteristics, jobs-to-be-done, problems and use cases. This proliferation in terminology can leave innovators confused, wondering where to start.

Rather than arguing over the right term, I prefer to stick with the most familiar one—customer needs—and define it well.

Some use this definition: *A need is a desire that causes a customer to buy a product.* If customers buy products to satisfy needs, then needs provoke customers to buy products. But this definition is vague; it doesn't give any direction to product teams or market researchers on how to understand what customers want.

Instead, let us consider a more useful definition: *A need is an opportunity to deliver a benefit to a customer.* This definition contains three components:

1. A **benefit** that has value (the *what*)
2. A **customer** who values the benefit (the *who*)
3. A **context** that creates the opportunity to deliver the benefit (the *when* or *where*)

## The Benefit

The first component is the **what**, a benefit that has value. A benefit could be tangible or functional. Perhaps it helps a person do something faster, easier or more accurately. It could be intangible or emotional, helping a person feel better or avoid feeling worse.

Successful products deliver some combination of functional and emotional benefits. The mix varies by category. Some industrial products deliver almost entirely functional benefits, while some consumer products deliver entirely emotional

benefits. We must assess the opportunity to deliver both functional and emotional benefits, no matter which market we are in.

For example, the programmable thermostat is a common product. Its main product features are clear: It automatically controls your home's heating and cooling system throughout the day, using a built-in clock and microprocessor. Some models offer variable programs for weekends and weekdays or for each day of the week. Others have lighted displays and touchscreen controls. The newest models use the internet to remotely connect to smartphone apps.

These features are merely components of a solution, and a solution without a problem has no value. The features in your programmable thermostat deliver functional benefits like ensuring your home is a comfortable temperature when you arrive from work, preventing frozen pipes during cold days, regulating how much energy you consume and reducing system wear from excessive cycling on and off. They deliver emotional benefits such as helping you feel like a smart homeowner, perceiving yourself as

environmentally responsible and signaling your environmental commitment to guests. You did not buy a programmable thermostat because it had a lighted screen; you bought it so that you could turn up the heat on a dark, cold night without turning on the lights and waking the infant you just spent an hour putting to bed.

## The Customer

The second lens is the **who**, the customer who desires the benefit and is willing to exchange something valuable like money or information. A good understanding of needs means identifying and understanding the right customers.

Sometimes, the customer is simple to spot. If you sell a





**A benefit only has value if it solves a problem for a customer at a given time or in a given place.**

consumer product, your customer is the end consumer, the primary shopper who purchases the product. However, if you sell to a business, your customer is often a combination of several individuals who may seek one or more different benefits from your product, or your competitors' products, and they must reach a consensus on what to buy.

Not all customers perceive equal value in a benefit. A hospital purchasing manager may not see much benefit in a premium lightbulb with a lifespan 20 times longer than a traditional bulb. However, a maintenance manager, whose budget pays union wages to the workers changing lightbulbs every day, may value the same benefit much more. Similarly, demographics, firmographics, behaviors and attitudes also vary by customer. Male consumers may differ from female consumers. Managers at small businesses differ from those at large businesses. And while one investor may be comfortable with a large amount of risk and volatility, another may prefer security and stability. Even two otherwise similar individuals may hold different opinions.

### The Context

The third and final component of a need is the **context**, the when or where that a customer desires a benefit. Needs are never spontaneous; they are situational. A benefit only has value if it solves a problem for a customer at a given time or in a given place. Common contexts include: a physical place or setting such as at work, at home or in the car; an occasion, such as a dinner date or business meal; a daypart, such as

morning, afternoon or evening; or even a life stage, such as getting an education, raising children or preparing to retire. Context helps us explain why a benefit has customer value and how that value may change as the context changes.

Of course, not every context is relevant to every product category. As you might imagine, daypart or occasion contexts are more relevant to a foodservice or entertainment business, while life-stage contexts are more relevant to a financial-services business. In addition, contexts are rarely static, and customers regularly move across them. A business executive flying today for a meeting may be on the same plane next week for her family vacation. And she may be saving for her retirement at the same time she is saving to finance her children's education. She may have dinner with her husband tonight but eat with a client at another restaurant tomorrow. In each case, she values the delivered benefits differently.

### Getting Better at Uncovering Customer Needs

Recognizing the three components of a customer need lies at the heart of a solid understanding of the voice of the customer. Applying them will help you better structure your efforts to gain customer insight by posing relevant questions to relevant people about relevant situations. Here are three ways to get started:

1

**Do not conflate the solutions customers say they want with the underlying benefits those solutions deliver.** Too many product teams think that listening

to the voice of the customer simply means asking customers to specify—or even invent—the right solution to a given problem, despite considerable evidence that most customers are not particularly creative. Instead, as a first step toward solving the problem in a new and different way, product teams should strive to understand why customers have those problems.

Accomplishing this goal requires you to change how you interact with customers as you design new products. Rather than asking customers which features should be in your solution, reorient the conversation to explore the problems customers confront every day, and the benefits they would realize by solving those problems. Encourage customers to provide examples and stories to illustrate their problems. Even better, get out in the field and watch them confront those problems face-to-face to understand the functional and emotional benefits they desire most.

2

**Broaden your view of the customers you study.**

B2C marketers must consider different attitudinal, behavioral or demographic customer profiles. B2B marketers must consider different customer roles within different kinds of companies. Instead of asking, "Who is the customer?" product managers should ask, "Who are the customers?" An intentional approach to customer sampling is vital to any voice of the customer initiative.

## IDENTIFYING THE RIGHT CUSTOMERS

In B2B markets, the “customer” represents a collection of several stakeholders. A single person rarely buys and uses your product. Even when that’s the case, they are rarely the consumer and often have to satisfy downstream customers of their own.

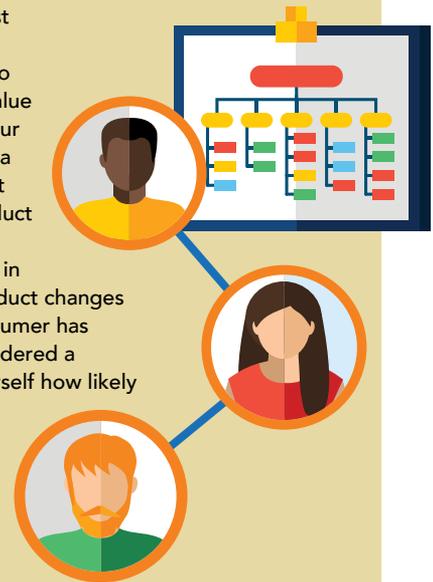
Satisfying the customer really means satisfying many customers. This additional complexity can make it difficult to understand which customers’ needs are most relevant, and, consequently, where to deploy your limited resources for gathering the voice of the customer.

We recommend two best practices for homing in on the right customers to study. First, map your value chain. Beginning with your ultimate end user, trace a path back to the point at which your finished product leaves your company’s control, noting each link in the chain where the product changes hands until the end consumer has it. Each link can be considered a customer. Then ask yourself how likely it is that each customer can provide relevant information to influence product design. Use a broad perspective. For example, one of the biggest innovations in soft drinks, Coca-Cola’s Fridge Pack format, was conceived by aluminum giant Alcoa from insights identified in consumer shop-along research.

Second, within each link in the chain, map all the stakeholders to consider who may have relevant information for your product. We have found that stakeholders for any B2B product tend to play a generic set of roles, regardless of category. Typically, there is:

- A specifier who designs the application
- An installer who sets up the product
- An operator who uses the product
- A maintainer who fixes the product when it breaks
- A purchaser who negotiates for and orders the product
- An economic buyer whose budget pays for the product

Sometimes the same person plays more than one role, and other times not all roles are present with each customer. However, unless you consider whether these roles exist and how they influence your market, you risk overlooking an important constituency whose opinion may make or break your product.



In addition to considering all plausible customer segments along the length of your value chain, it is essential to include customers who may have abandoned you for competitors. And consider as customers those who left the market entirely and no longer purchase from anyone: Why did they leave? Also, try to include customers who have yet to enter the market because they find the existing solutions too complex, expensive or inaccessible. Often, the most valuable insights that lead to the most disruptive innovations come from customers who are not buying from anyone, because nothing delivers the right benefit at an acceptable price.

**3 Study different customer contexts and understand how they are different.** It is impossible to understand the value of a benefit without first understanding where or when that benefit is desired, and how—if at all—customers benefit. Studying context will help identify constraints that rule out some solutions and the enablers that complement others.

Remember, simply because customers desire a benefit in one setting does not mean that they will desire it in another. Nor does it mean that the solution to a customer problem will work equally well in all contexts.

Consider all contexts as potentially different, potentially relevant sources of new information. Then use projective, experience-based interviewing, observational research, customer journey mapping and other deep-insight voice of the customer methods to be sure you examine a problem from all perspectives.

As the story of Elkay’s revolutionary drinking fountain demonstrates, successful new products are rarely the outcome of pure inspiration. Instead, they occur because of a diligent, intentional strategy. Companies that make the voice of the customer the foundation of their innovation system—understanding who needs what, where and when, at the front end of new product development—launch better products that achieve success in the market.

When you reflect on your next step in becoming a better innovator, first consider whether you truly understand what a customer need means, what problems they are fixing. That way you will know what to look for the next time you study your customers, and you will be better positioned to create a solution that delivers value to them and to your company. **PM**

### About the Author

**John C. Mitchell** is president and managing principal and a leader in the insights for innovation practice at Applied Marketing Science (AMS), a marketing research and consulting firm that helps clients find insights to develop new products and design distinctive customer experiences. Contact John at [jmitchell@ams-inc.com](mailto:jmitchell@ams-inc.com).

# Leave the firefighting to the professionals.

Your job is to be strategic.



**While it may not be a hose and a dalmatian, you do need the right tools to get the job done. That's where we come in.**

**Pragmatic Marketing** provides practical, actionable training and a comprehensive toolset for product managers and marketers. You'll learn how to use market facts to drive strategic decisions and how to balance the tactical activities that can consume your day. All of which means you can make a bigger impact on your business and your products.



**IGNITE YOUR CAREER.** Visit [pragmaticmarketing.com](http://pragmaticmarketing.com) or call 480.515.1411 today.



# Rise Above the Competition with Social Intelligence

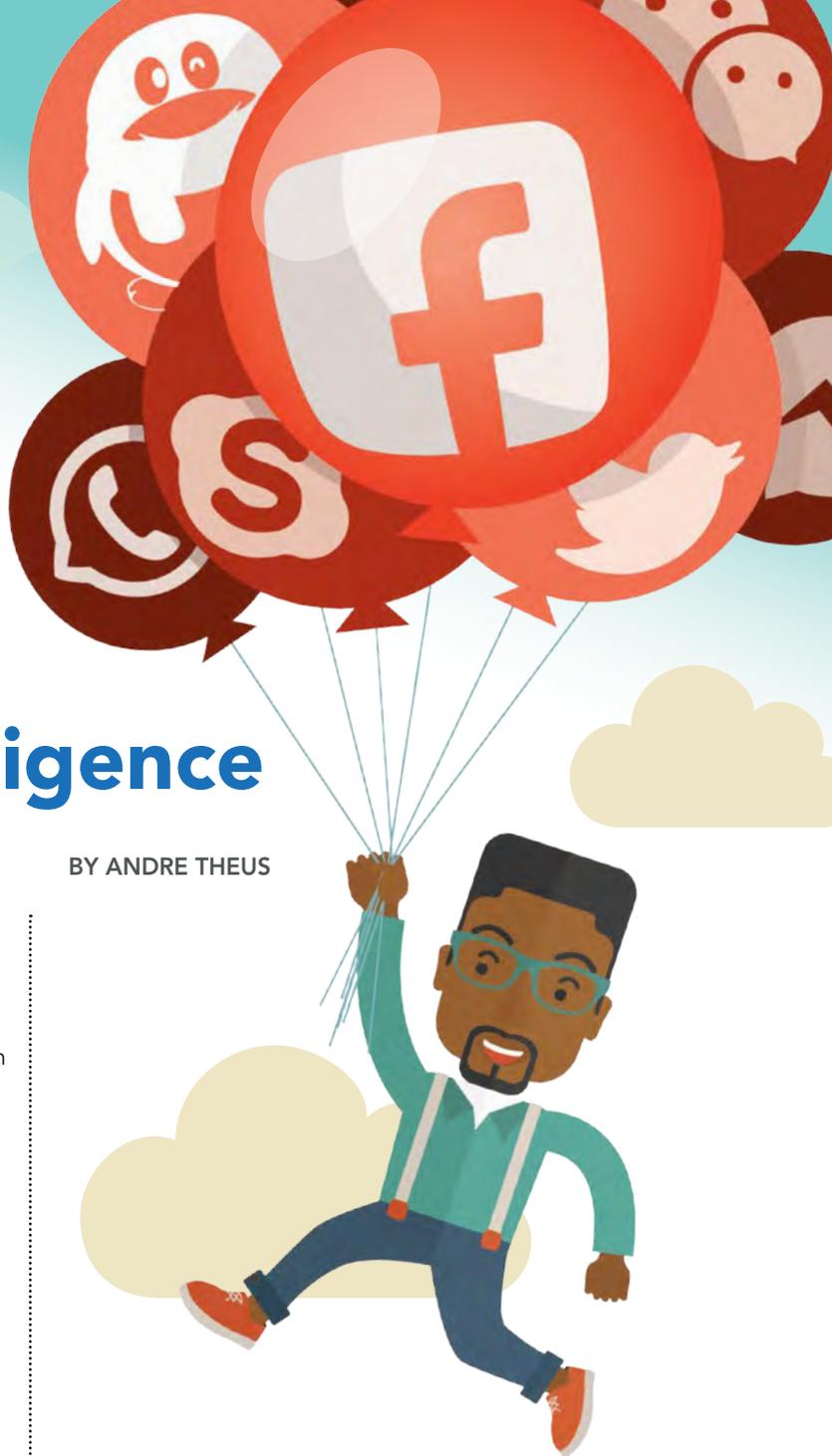
**D**ESPITE MY PROFESSIONAL INVOLVEMENT IN ONLINE MARKETING for over a decade, it was not until 2008 that I fully recognized social media was here to stay and would disrupt our existing media landscape. In 2008, I was captivated by how the Obama campaign changed the rules of running a modern political campaign.

In true entrepreneurial spirit, the Obama campaign placed a big bet on uncharted territory by relying heavily on digital media. It was a beautifully executed campaign strategy, creating a movement and leveraging social networks to rally the masses in order to first win the democratic primaries and then later the presidential election.

The presidential campaign not only secured Barack Obama a spot in the White House, but in October 2008, Obama was also voted “Marketer of the Year” by the Association of National Advertisers—surpassing savvy marketing teams from companies like Apple.

As a marketer, I am all too familiar with using digital media to spread my message and convert people. But most of us were taught at a young age that it is equally—if not more important—to listen. And there is no shortage of conversations to listen to. Social-media networks are liberalizing the digital zeitgeist that previously was Google’s well-guarded treasure. The thoughts and desires of our generation are now broadcast live for everyone to see.

Social listening must be a critical part of the job function for product management and marketing professionals. Observing social streams allows you to discover market trends early on and provides a glimpse of what your competition is up to. I’ve identified five steps for effectively gathering social intelligence to rise above your competition.



BY ANDRE THEUS

## Identify Social-Media Streams That Matter to You

During the past decade, hundreds of new companies have entered the social-media landscape. Some—like Friendster, MySpace and Google+—have struggled to manifest their position, while others have exponentially grown their user base. In April 2016, Facebook counted a staggering 1.59 billion monthly active users, according to Statista.

It’s impossible to effectively observe all those conversations across hundreds of networks. You have to identify and observe social-media streams that are important to you, then narrow in on the conversations that matter most to your company or product.

At ProductPlan, for example, our important social-media networks include LinkedIn, Twitter, Medium, Quora and Slack



**TOP SOCIAL MEDIA NETWORKS**  
(Monthly active users in millions)

(yes, Slack is not just a messaging application). If you sell to consumers, your most important social-media networks may look quite different and might include channels like Instagram or YouTube. And if you target buyers in Asia, you will want to ensure that WeChat is on your list.

Not sure where to start? Take a look at the social-media networks your competitors are most active on. Do a Google search for a competitor's brand name and look for the social networks that are listed on the top page results. If they are active on the given network, your competitor's social-media accounts will probably rank high in Google.

### Create a Game Plan and Break Through the Noise

The nature of social media is lots of chatter; it is easy to get lost in the noise. That is why it's important to pay attention only to what matters to your company. To become an effective social listener, you must first create a game plan. Your social listening plan will outline how to observe the social-media streams that are important to you. It must also define your process and how you keep track of your findings. Finally, it should answer these five questions:

- What are my top social listening goals?
- What social-media channels do I observe?
- Which competitors or influencers am I keeping close tabs on?
- How much time am I investing and how do I track my findings?
- What is my social listening use case?

The reasons for social listening vary from company to company. Think about the use cases that will help with your product or marketing strategies. Do you want to observe social-media channels to keep close tabs on your competitors? Or, do

you want to listen in on the conversations of your target market to validate future product features?

It is easy to get lost in the weeds; a lot of companies share information that has little or no value. I like to pay extra attention to the founders or CEOs of our competition because they are busy and don't have any time to waste. As a result, they tend to speak their mind.

To avoid getting too granular, focus on social conversations about the following topics:

- Competitive positioning statements
- Business-model changes from your competition
- New competitors and interest in their offerings
- Frequency of social engagements
- Offer types (e.g., webinars, eBooks, free trial, etc.)
- Influencer endorsements
- Consumer feature requests
- Consumer sentiments on specific trends
- Product support conversations

You also need to tune out blatant sales and marketing messages. Often, marketing teams treat social media purely as a promotional channel. A large percentage of what they share is "buy my product" or "try my service." Instead, narrow in on messages that offer concrete insights into your competition's marketing strategies or tactics.

### Track Your Observations and Take Action

At ProductPlan, we are lucky to be part of a vibrant product management market and we have a healthy competitive landscape. I follow most of our competitors, enjoy reading their social streams and keeping up with the latest market trends in product management.

Spending a few hours each month browsing through social-media channels can give you a great deal of insight



into your competition. For example, a competitor's article posted on Medium provided specifics about company size and team composition. And articles on LinkedIn Pulse helped me recognize early on that another competitor had changed its business model from offering a free plan to offering a time-limited trial.

Reading through your competitor's social-media streams can be insightful and fun, but you also need to track your findings and come up with action items based on those findings. For example, social listening can help you adjust the priority on future features or revise your competitive landscape. It also can help calibrate your positioning statement, introduce new marketing strategies and identify new market opportunities. After all, the greatest insights are no good if they don't impact your product and marketing strategies.

### Create a Social Listening Toolkit

Now that you have a good idea about what to look for and how to track your findings, let's talk about tools to help track your social-media streams more effectively. But first, a word of caution.

Although I like some aspects of existing tools, in my opinion there isn't any one solution on the market that offers a comprehensive toolset specifically for social listening. Most vendors focus on feature sets that allow marketers to share messages more effectively, not on listening.

That said, with so many conversations at hand, it is great to automate some of the process to save time. Below are a few examples of social listening tools I have used:

- **Mention** lets you monitor your competitors' social-media accounts and your own in one place. It notifies you whenever someone mentions, shares or links to your content, and you can reply directly from within the app.
- **TweetDeck** is a dashboard that helps monitor notifications, messages and activities from multiple Twitter accounts. You can also keep tabs on influencers and monitor keywords that are important for your business.
- **Flipboard** is a great way to consolidate several websites and social-media streams in one place. I usually read my Flipboard compilation on my iPad.
- **Twitonomy** tracks social-media performance metrics, such as number of followers.

- **Hootsuite** allows you to effectively manage your social-media accounts, such as scheduling posts.
- **BuzzSumo** gauges your content, as well as that of your competitors, and can help you find influencers.

In addition to these tools, I use Google Sheets to keep track of social-media metrics, and I find a simple Google Doc remains the best way to keep track of your findings and share them with the rest of your team. Remember, tools may save you time, but they can't automate everything. It is equally important to sit down and thoroughly read your competitors' posts.

### Make Sense of Social Streams

Let me leave you with the following advice: Do not think about social media as simply a promotional channel where you can share your message. Effective social listening provides a great deal of insight into your competitors. But that doesn't mean you should blindly follow the competition; there's a good chance that what they share today does not accurately reflect what they are working on.

Historically, companies hired market research consultants. But today, consumers freely share their thoughts and desires publicly. It is no longer difficult to get market and competitive data; the challenge is to make sense of the flood of data and break through the noise.

Although social listening tools allow you to automate some of the process, the tools available today can only partially assist you. Ultimately, product and marketing teams must use their smarts to effectively interpret social-media streams to rise above the competition. **PM**

The challenge is to make sense of the flood of data and break through the noise.

### About the Author

**Andre Theus** is the director of marketing at ProductPlan, where he works closely with customers and prospects to build better product roadmap software. Andre has worked for disruptive technology companies for more than 10 years. Prior to ProductPlan, he was a member of marketing teams at RightScale, Sonos and Citrix. Andre received a master in computer science from the Cologne University of Applied Science in Germany. Contact Andre at [andre@productplan.com](mailto:andre@productplan.com).



Learn how to sell more in our **Market** and **Launch** courses.

[pragmaticmarketing.com/courses](http://pragmaticmarketing.com/courses)



# THE Enduring Leader

BY GAGANJYOT KAINTH AND ABHINAV ARORA

**W**E'VE ALL WORKED WITH LEADERS WHO EXCEL IN THEIR ROLES. And we've all worked with leaders who just get by. But even dynamic leaders who are really good at what they do could improve. Organizations need leaders who are more than merely effective. They need *enduring* leaders—those who can help propel their organizations forward to remain relevant in the marketplace.

## The Effective vs. Enduring Leader

The distinction between an effective leader and an enduring one is important. At a minimum, a leader should have a vision: Where are we going today?

An *effective* leader is able to build on that—putting words to that vision and leading teams, partners and stakeholders in pursuit of the vision. Effective leaders communicate, empathize and engage across these three spheres of influence to launch a product that delivers value for both their organizations and their customers.

An *enduring* leader is able to look even farther into the future, grasping the inevitability of change. Enduring leaders are defined by an ability to evolve their visions and bring along their teams and stakeholders amid a perpetually evolving market. Team members aren't one-time project builders; they are resources whose skills and effectiveness improve with each iteration as they learn on the job. Through sustained

engagement with their own leaders and partners, enduring leaders are able to discover long-term organizational synergies, effectively influencing the organization as a whole.

Most critically, however, enduring leaders are truly focused on their consumers and their ever-changing circumstances and needs. Enduring leaders think beyond product planning. It's not enough for them to walk a mile in the customer's boots—they must wear them permanently.

With this focus on the long term and the ability to evolve their vision, enduring leaders bring a sustainable competitive advantage to their products and organizations.

## The Spheres of Influence

Enduring leaders pursue sustainability, continually working within their three spheres of influence toward their goals:

- **Marketplace Sphere of Influence:** Leaders seek to refine and evolve their vision by constantly studying the needs of the marketplace and then market-testing possible solutions.
- **Leadership Sphere of Influence:** Leaders engage their peers and organizational leadership to discover synergies and competencies. By understanding what their organizations do well, leaders can plan for and build tomorrow's competencies.

- **Team Sphere of Influence:** The goal of leaders is to create a cycle of refinement. By putting processes in place at a program level, helping teams improve their skills and working to remove obstacles, leaders can help their teams better deliver on subsequent iterations with always-improving results.

To endure, leaders must influence—and be influenced by—all three spheres.

### Working with Customers

When leaders commit to a long-term partnership with their customers, they're able to keep a constant eye on what's changing. How is the customer experience changing? Is there a shift in their fundamental expectations?

Let's pretend you are in the highly competitive mobile-gaming industry. You worked on your market requirements in December with a plan to launch on July 1. Chances are, your target customer has been downloading two new games per month while you were developing. (And that's conservative, considering that in January 2016, more than 19,000 games were launched on the iTunes App Store.) This means that by the time you launch, your target customer will have been exposed to 12 of the most popular gaming experiences, substantially shifting their expectations and desires. With those changing desires, your product may well be a laggard by the time it launches.

It might not just be your customer's experience with other mobile games that you have to consider. Over the longer term, some customer experiences need to be viewed at a macro level, as fundamental use cases begin to alter. For example, gamification can be seen across a wide cross-section of industries, including e-commerce, banking, health, food and beverage, consumer goods and more. How do these experiences affect your customer's expectations?

This is why it's important for leaders to listen to customers in a never-ending cycle of discovery and prototyping.

### Working with Leaders

Almost every successful corporation employs a horizontal and vertical growth strategy, which means that exploiting synergies is now fundamental to your product's success. Every product today can play a part in an organization's overall success.

Apple's integrated ecosystem of devices and software is perhaps the most famous example, but this strategy also can be seen across disparate industries such as consumer goods and automotive manufacturing, where interchangeable parts were famously key to reducing burgeoning costs and improving production speed.

Enduring leaders engage with the organizational leadership sphere across multiple iterations, keeping them abreast of the long-term product vision, and always look for synergies and

opportunities in other departments. The goal is to not only impact the product and its customers, but to contribute to the organization's future by replenishing the pool of internal competitive advantages.

### Working with Your Team

"Coming together is a beginning. Keeping together is progress. Working together is success," Henry Ford once said.

Keeping teams together requires a dedicated effort to understand everyone's capabilities, limits, drivers and impediments. It may not be easy, but this effort pays exceptional dividends as the team's theoretical knowledge converts into practical know-how. Their governing structure and processes are slowly molded to better enable the way the team works. Operational processes go from constraining their capabilities to supporting the team's needs.

At the heart of the enduring leadership theory is a

requirement to build long-term teams instead of short-term projectized teams. Building long-term teams starts with careful retrospection at the end of every iteration. It requires soft skills to elicit systemic problems and an open mind to listen to critical feedback. Addressing this feedback not only ensures a better environment by removing impediments to product success, it also helps leaders keep people on the team longer.

### The Long-Term Benefit

The long-term focus of enduring leaders enables companies to build and retain a loyal user base of evangelists who know you are aware of their

needs before they are. It enables organizations to operate cohesively instead of as a house of brands built on siloed product lines. Most critically, it enables perpetually improving teams that take each iteration of a product as an opportunity to sharpen their skill sets, toolkits and processes. Put another way: Enduring leaders enable enduring product lines—creating organizations that endure. **PM**

---

**Enduring leaders are defined by an ability to evolve their visions amid a perpetually evolving market.**

---

### About the Authors

**Gaganjyot Kainth** has worked for the last decade as a program and people manager at multiple *Fortune 100* banking and financial sector firms. She has led large-scale, multiyear and cross-geography programs with large cross-functional teams. She is a big believer in unlocking the team's potential through unlocking the individual's creativity and credits each member of her team as the reason for her success. Connect with her at [gagan1kainth@gmail.com](mailto:gagan1kainth@gmail.com) or [linkedin.com/in/gaganjyot-kainth-59564239](https://www.linkedin.com/in/gaganjyot-kainth-59564239).

**Abhinav Arora** has spent the last decade leading digital product-based solutions for some of the largest *Fortune 500* companies in North America, Europe and Asia. He has earned his MBA and a bachelor's degree in technology and is Pragmatic Marketing Certified. He is also a Certified SCRUM Product Owner and Certified Supply Chain Professional. Connect with him at [abhinav\\_arora@outlook.com](mailto:abhinav_arora@outlook.com) or [linkedin.com/in/abhinavarora83](https://www.linkedin.com/in/abhinavarora83).

# JOB HUNTING IS PRO

BY PIERRE-MARC DIENNET

**M**INE IS A COMMON STORY, BUT YOU DON'T hear it told very often. My startup failed.

I started a company based on a technology idea. I raised a bunch of money. I put together a team of passionate, talented people. We built a product. We went to market. Everything went well, until—pretty dramatically—it didn't.

The company that I spent four years building simply evaporated. I found myself with no income, no savings, a young baby at home, and—you guessed it—no job. What did I do? Did I cry? Did I complain? Yes. I did both.

But after I did those things, I set myself up to find a job. It took me a while, and it was brutal, but it is that journey—from failed startup founder to gainfully employed product manager—that I would like to recount for you. Job hunting can be hard, and I want to share my hard-won findings with others who can use them. Also, I want to show how the tools that I picked up as a product lead helped me navigate some rough personal waters.

## Who Would Hire Me Now?

My story starts the first day after I threw in the towel on my company. You can imagine the stress. How would I find my feet? What job could I do? Who would hire me now? I had no idea where to start. Out of instinct, I resorted to the kind of product thinking I had spent four years practicing. The job hunt, I figured, was essentially an exercise in finding product/market fit. I was the product and I was looking to fit somewhere. Instead of thinking too much about the daunting task ahead of me, I simply put my head down, got out my spreadsheets and started tracking the metrics.

I set up my sales funnel and initiated the process of finding a winning strategy. I would focus on each step of the job-hunting process in order: application, first-round interview, second-round interview and final interview.

The only job I really wanted was a product manager role, but keep in mind, my confidence was shot. I had just taken a great idea and a great team and flown them into the side of a mountain. I was devastated and limping through the legal and tax wreckage. I didn't feel lucky. I didn't want to set my sights too high because I didn't feel like I could afford to fail. So, in order to mitigate my chances of not getting my goal position, I decided to go after two other positions as well: producer and project





# PRODUCT MANAGEMENT



**The job hunt, I figured, was essentially an exercise in finding product/market fit. I was the product and I was looking to fit somewhere.**

manager. I started with a kind of “spray and pray” strategy, hoping that if I hit up enough people, something would stick.

Looking back, that lack of focus turned out to be a wasteful mistake. But I’ll come back to that.

Now that I knew what I was applying for, I needed to figure out the best strategy to use on my application. For example, what was the best way to put together a resume? Everyone will tell you that a resume is a thing you craft after you decide which job to apply for. They will say that the raw material of your experience needs to be shaped to match each position.

But is that true?

Further, what’s the best strategy for a cover letter? Those same people will also say you must tailor your cover letter to match each individual company, position and hiring manager to which you apply. They will say that only a considered, well-researched cover letter will win you a first-round interview. But again, is that actually true?

Do people actually read cover letters these days? The cover letter is a digital document, as ephemeral and ignorable as any email. I knew from experience that, as a busy team member in a



## Volume is more effective than precision when it comes to submitting job applications and cover letters.



fast-paced company, reading more than a couple of sentences of any missive was rare. When it did happen, it was for a specific bottom-line reason, like a contract, competitive research or technology deep-dive. Someone who wanted something from me rarely got more than a brief look at the subject line.

### Test Various Methods and Track Their Efficacy

I wanted answers to these questions. I didn't want to waste my time following bad advice derived from someone else's experience or pursuing strategies that didn't fit my situation. The only way to discover the strategy that would work best for me was to test various methods and track their efficacy. I wrote custom letters and custom resumes. I sent general letters and general resumes. I tried various degrees of each, labeling each effort and waiting to hear if I got an interview.

After applying for more than 40 jobs over a month, I had enough data to make a solid strategy decision. It turned out that volume was more effective than precision. By using a template resume and letter, I won a first-round interview 15 percent of the time, and I could crank out five applications a day. If I wrote a customized cover letter and tailored my resume to the job, I would win a first-round interview slightly more often, 25 percent of the time, but it would take me one full day per application. So, in practice, a general application won an interview every one-and-a-half days, whereas a custom application took four.

It took 40 tries to figure out, but this measurement process gave me a sense of control. If I got discouraged, I would just look at the numbers and reassure myself that it was working. Most important, this data let me be confident in my strategy for the first step in the funnel. Now I could focus my attention on the second step: the screening interview.

I didn't realize it at first, but I was bombing my first-round

interviews. You never know you're bombing an interview during the interview itself because the person you talk to is always super nice. But after more than five strikeouts, I needed some objective feedback. I enlisted friends to walk me through a typical screening-interview scenario and take notes on whether they would hire me. Right away, they were able to give me good strategic advice.

### Wear Your Failures as a Badge of Honor

I was talking in an apologetic tone about the parts of my personal history that didn't conform perfectly to the job description. The fact that my startup failed, for example, was something I wasn't proud of, and that came through in the way I talked about it. My friends' feedback was to "own" my failures, to turn them into the scars from a war that I should be proud to have served in. It's true, isn't it? You can't have lost if you didn't at least play the game.

### Listen to What They Want You to Say

It seems I wasn't listening enough. This is a common and understandable mistake for a job seeker. I mean, the pressure is pretty high. You're unemployed. It's not like you've got all year to find that perfect snuggly little job. You gots to work! I wasn't paying attention to the clues the interviewer was giving me. The truth is, that first-round interviewer wants to like you. In fact, they are often telling you exactly what they want you to say. A great example is a leading question like, "What kind of people-management responsibilities did you have at your previous position?" You can assume that the interviewer is looking for an applicant with experience managing people. The answer to that question is not, "Well, I did manage people but I really liked getting out of the building and selling."

## Prepare 4 Great Stories That Showcase 4 Different Qualities

This was probably the single best piece of advice I got during my job hunt. A friend helped me build a little resource of stories that I could rehearse and use during interviews. I put one together around teamwork, one about learning from my mistakes, one about closing a big deal and one about my professional aspirations. Then, in the interview itself, I could repurpose these stories to great effect.

And it worked. With these three strategies (speaking proudly about my past, listening closely to the interviewer and using my cadre of stories), I went through to the second round

on nearly every interview. I only failed to advance if an interviewer misjudged my experience, interviewing me because they hoped I was less—or more—experienced than I was.

Perfect. I was moving down the funnel and identifying the winning strategy at each stage. Next was the second-round interview and I was on a roll.

I quickly realized, however, that the second-round interview was a totally different animal. It was most often with someone I would work with if I got the job. They had a more precise idea of the skills, attitude and style they were looking for. Their questions about my experience were far more probing. They would ask me to detail exactly what I did every day at my startup, or what decisions I made that I regretted or how I got along with my co-workers. Also, they were finely tuned to my tone. I could sense they were looking harder for red flags than that first screener. The pressure was high and I have to be honest. I blinked.

## Find Real Fit

It was in this second round that I let myself get swept up in the heat of the moment and made my biggest error. I let myself stretch the truth.

I was two months into my job search. I was temping at a publishing firm in Manhattan. As everyone knows, temping does not a living wage pay, and I was getting increasingly desperate for a real job. I had applied to an advertising agency for a producer position and in the second-round interview, I was asked if I had advertising experience. The truth was “no.” I had never worked for an ad agency. My only experience in advertising was as a startup founder who was trying to redefine advertising for online video. Looking back, it was partly my lack of advertising experience that contributed to my startup not hitting its mark. But, I blustered on that question and spun a story about closing a deal with a major broadcaster. Unfortunately, the interviewer bought it.

Perhaps the interviewer was as desperate to hire someone as I was to find a job. Perhaps, they didn’t really think through their own job requirements before interviewing me but, together, we pushed past that glaring hole in my skill set and I moved forward in the process. In fact, I got the job. The final interview was essentially a repeat of my second-round interview. I presented myself as sane and capable, and when it came time to ask about my actual advertising experience, I blustered

though with my same story, selling myself on energy and willingness to learn rather than knowing what I was talking about.

I’ll skip over the gruesome details, but it turned into a horrible mess. That little fudge on the details of my experience cost me dearly. I was in over my head on the very first day. They let me flail around for six weeks, watching me make super junior mistakes, and then they finally let me go. It was perhaps the worst experience of my life. I’m not exaggerating. The combined stress of having a 6-month-old baby, falling behind on my bills and watching the guillotine blade being slowly raised above my head was very nearly the end of me.

You must find real fit. Be honest with yourself

**The first-round interviewer wants to like you. In fact, they are often telling you exactly what they want you to say.**





and others. Cramping your round product into a square hole will just waste resources. It doesn't work. You cannot fudge fit. Both the best and worst thing about data-driven decision-making is that it's clear. The product either sings or it doesn't. You cannot fake the data in your favor. Think about your own experience. Surely there have been times when you tried to make something fit that clearly didn't. It could have been a relationship, or a new friendship or even a new home. You thought perhaps you could adapt to it. You thought perhaps if you forced it hard enough it would eventually feel comfortable. Did it work? I didn't think so.

The same is true in job hunting. Just because someone offers you a job does not mean it's the right job for you. It is just as much your responsibility to pay attention to the fit as it is for the hiring manager. You know you best. They know their company best. Together, you must make sure these two things will work well together. It's hard. I get that. As a job seeker, the pressure is on you. You want to get a job fast and it doesn't feel, in the moment, like you have the luxury to be choosy. Let my tale disabuse you of that misconception now ... please.

**It Wasn't About Me, It Was About the Detailed Work of Driving Traction**

Boom. I found myself back at square one, even more broke and more stressed. Boy, was that an interesting time.

What I will say, however, is that being able to look at my job hunt spreadsheet and review my strategic findings from my last push was heartening. Just being able to inject that little bit of objectivity into the process, where it wasn't about what a failure I was or what I did wrong or the long list of my deficiencies. It was just about following the metrics. It made me feel confident that there was a place for me, for the product I was peddling. All I had to do was pay attention to where my product was engaging customers and how to facilitate greater engagement.

Metrics-wise, this second effort was greatly improved. With more focused targeting, I was getting first-round interviews 50 percent of the time and moving through to second-round interviews. Then, in these second-round interviews, I took pains to be up front about what I was good at and the experience I had. I asked questions to get a sense of what the job would entail and dug into the requirements. This attention to fit did not go unnoticed with hiring managers. I didn't move forward with every company, but when I did, I felt confident. There was no tension between what the job entailed and my skill set. It was a job I knew I could do, at a salary I was willing to take, and it took me only three final interviews to find and be offered a solid position at my current company.

Happy ending? Yes. Definitely. But the journey to get there was harrowing. I shudder to think where I could have ended up had I not used the product management tools of funnel analysis, product/market fit, user interviews and iteration. I'm sure without these helpful tools I would have given up much sooner. I would probably be in some less-than-happy situation, providing a lot less value to my employer.

Job hunting is not easy, and the temptation is to go for the quickest win, but let my story be a vote for data-driven decision-making. Let my story be a strong first-person example of the value of paying attention to the funnel, of working hard to find the right job fit, of using your instincts, but also taking strength from the numbers. Let my story prove that job hunting IS product management. **PM**

**Find real fit. Cramping your round product into a square hole will just waste resources.**



**About the Author**

**Pierre-Marc Diennet** is a product manager at Lotame Solutions, Inc., a data management platform for the advertising industry. He is the founder of an interactive video startup, nTangle.tv and the author of the off-Broadway play *Perdita*. He lives in New York City with his wife and 2-year-old son. Email Pierre-Marc at [pdiennet@gmail.com](mailto:pdiennet@gmail.com).



Learn to lead strategically in our **Foundations** course. [pragmaticmarketing.com/foundations](http://pragmaticmarketing.com/foundations)

# A PRAGMATIC APPROACH

Put this issue's ideas into action.

## Lay the Groundwork

Set the vision and strategic goals for your product and get alignment with your stakeholders before building your roadmap.

Jim Semick

page **8**

## Create a Product Canvas

Start with the hard part: Take the many versions and beliefs about what your product is and why it exists and pick just one. Then document.

Janna Bastow

page **11**

## Recruit the Right Testers

Select beta testers who reflect the demographic breakdown of your customer base to provide a comprehensive picture of the customer experience.

Emily Hossellman

page **14**

## Build Agile Roadmaps

Focus on customer outcomes, not features and functions, so that you can concentrate on intent and define clear measurable success.

Dave West

page **17**

## Align and Integrate

Integrate the business plan with your product development process to reap the full benefits of ROI calculations.

Stephen Mathew

page **21**

## Kill Dead Products

Clearly communicate what's new and what's going away. Give customers adequate notice and incentives to move to your new product.

David Nash

page **24**

## Uncover Customer Needs

Ask customers about the problems they confront—not which features to include in your product—to understand the best way to help them solve those problems.

John C. Mitchell

page **28**

## Focus Your Social Efforts

Identify and observe social-media streams most important to you, then focus on conversations that matter.

Andre Theus

page **31**

## Build Enduring Teams

Perform a careful retrospection at the end of each iteration to identify and implement areas of improvement.

Gaganjyot Kainth and Abhinov Arora

page **35**

## Treat Your Job Search as a Product

Test various application methods and track their efficacy to discover a strategy that works.

Pierre-Marc Diennet

page **38**

## PRODUCT ROADMAPS



Sign up for your free *Pragmatic Marketer* subscription, delivered quarterly via email, at [pragmaticmarketing.com/subscribe](http://pragmaticmarketing.com/subscribe).

Share this issue >



# Practical Training. Proven Results.

Pragmatic Marketing offers a complete curriculum designed to help companies build and market products that sell. Our courses provide real-world insights, actionable best practices and proven tools that will maximize your impact.

So, whether you are responsible for determining what should be on the shelf, or how to make it fly off the shelf, we have a course for you.

For more information about these courses or our executive offerings, visit [www.pragmaticmarketing.com](http://www.pragmaticmarketing.com) or call **480.515.1411** today.

To determine which courses are right for you click on the video below or go to [pragmaticmarketing.com/PragmaticCourses](http://pragmaticmarketing.com/PragmaticCourses)



## Foundations

Implement a proven, practical blueprint for being market driven.



## Focus

Use market data to identify and present the right product strategies.



## Build

Align product and development teams to build remarkable products.



## Market

Focus your team on the marketing strategies that deliver results.



## Launch

Elevate your team's product and marketing launches.



## Price

Set the right price for each product in each market.

