THE PRODUCT MANAGEMENT AND MARKETING AUTHORITY

PRAGMATIC MARKETER

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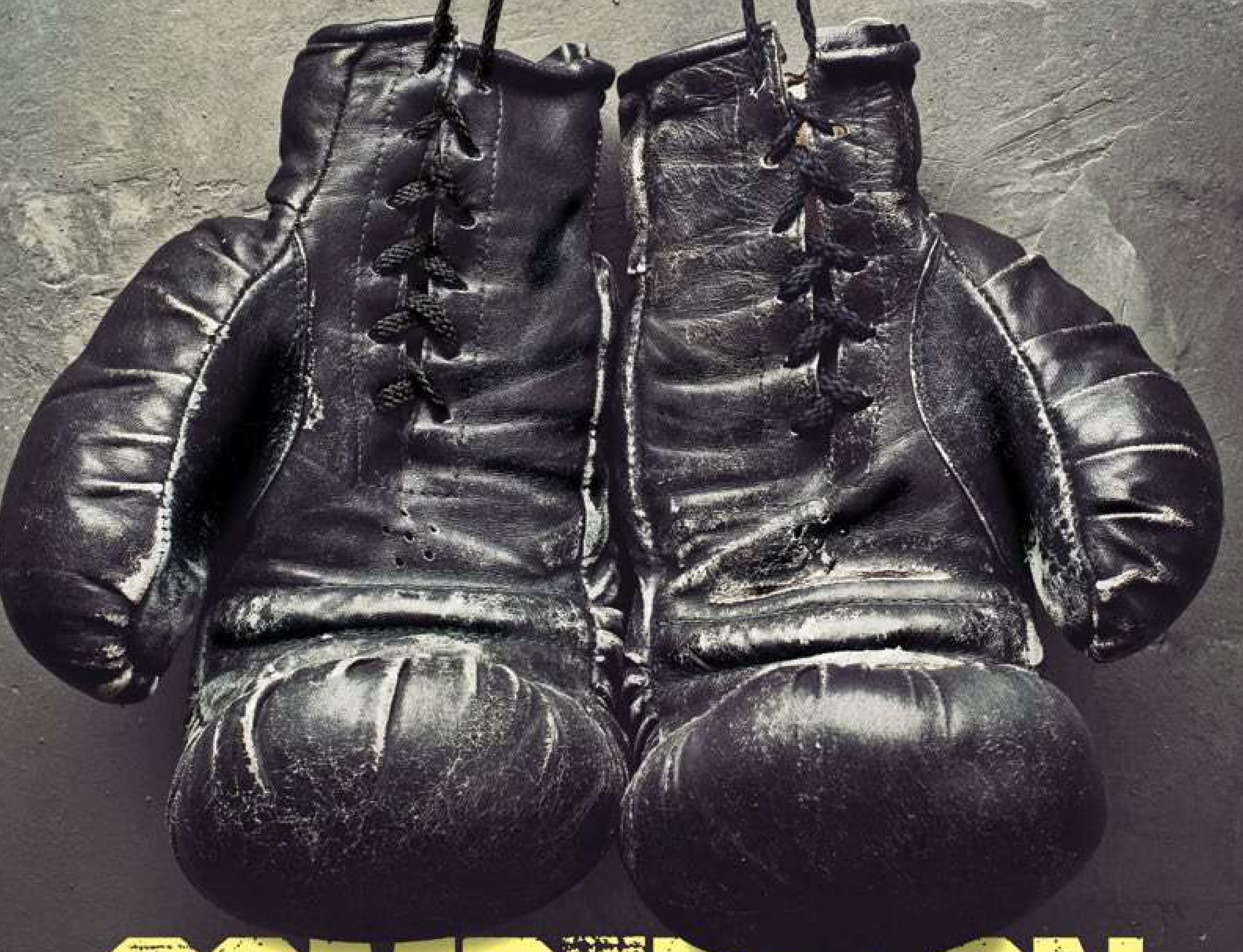

COMPETITION

WHO ARE YOUR COMPETITORS?

"Oh, we don't have any competitors. No one really does what we do."

I can't count the number of times I've heard otherwise smart executives give this answer. Nor can I think of a company or situation where it's actually true.

The really dangerous thing about that statement is that it leads to ignorance, which can lead to being blindsided. If you truly think you haven't any competition, you won't watch the market. You won't see the disruption coming. And you won't be able to react to problems or capitalize on the opportunities that competitive shifts can create.

When it comes to your competition, the answer isn't to put your head in the sand. It's to actively and regularly study that competition. And not just who you think is the competition, but who your market thinks is your competition.

So, how do you do that? How do you learn about your competition and decide which part of that knowledge you should (and shouldn't) care about? That's what we tackle in this issue of *Pragmatic Marketer,* thanks to the help of some great contributors, a real-life case study and, as always, a slew of tips and best practices you can put to work immediately.

Happy reading,

Rebecca Kalogeris
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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.

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FEATURES

DEPARTMENTS

Q A

Chris Taylor

Chris Taylor, vice president, marketing
Concert Technologies

CONCERT technologies

Q: HOW DID YOU BECOME A PRODUCT MANAGER?

A: When I left high school in England to look for a job, I received three offers, one of which was for a trainee mainframe computer operator. I took my offers to everyone whose opinion I respected; to my eternal gratitude, they all said I should get into computing. I became an operator and over time, I taught myself to program. Years later, I got an opportunity to work at a company called Sterling Software and by chance I became a developer.

After this, I spent time in post-sales where I learned the importance of focusing on customer needs instead of reinforcing my beliefs and biases by looking inward. Then I had an opportunity to move to the U.S. and become a product manager for the product family that I was involved with.

My second week as a product manager I was trained in the Pragmatic Marketing Framework. That training opened my eyes and has informed the rest of my career. Here was a framework for organizing the activities necessary to take a product to market and manage the life cycle. More important, we gained a common language for communicating market feedback across organizational silos.

> A product manager can sometimes feel like the guy on the back of a giant fire truck who only controls the rear steering wheel, not the front.

Q: IS THE ROLE WHAT YOU EXPECTED?

A: Product management is exactly what I anticipated and hoped it would be. It has allowed me to stick my nose almost anywhere in the business under the justification of better understanding the customer experience.

Although my current title is vice president of marketing, I'm still doing many of the same things that I did when I wore my product management hat. My ultimate goal is still to build long-term preference in the market for my solutions.

If you want to create a great customer experience, you have to view everything in your business model as connected. Happy customers bring organic growth to an organization. Not only do they bring more customers, they bring reputation in the marketplace and leadership. You must be concerned about these things at all times. New customers are hard to win; it's essential that you continue your efforts post-sale, to ensure that they receive their expected benefits—and more.

Q: HOW DID YOU MOVE INTO PRODUCT MARKETING?

A: My role naturally evolved. As a product manager, it can sometimes feel like you're the guy on the back of a giant fire truck who only controls the rear steering wheel, not the front. I prefer to drive—or lead—from the front. I gravitate towards the external communication of a product, but I also try to create a feedback loop with the people who translate market requirements into the most effective solution.

For example, my definition of product management has evolved from focusing on the technology produced to focusing on the customer's whole product experience. It isn't just about the product, it's also about the way it's delivered, priced and—just as important—how it's serviced and supported. As my career has progressed, I've become more of a believer in the fact that customer experience ultimately wins because it's an outgrowth of company culture. As we all know, "culture eats strategy," so I believe it's vitally important that you build a business culture that has an irrational passion for seeing its customers succeed.

Q: HOW DO YOU GET INTO THE MINDS OF YOUR BUYERS?

A: You have to talk to them, but you should always have an agenda. Without one, you won't find out what you need to know. While you shouldn't lead buyers, you should confine the conversations to gaining an understanding of where things unravel for them, how they express that and what the impact is. You need to understand why the problem hasn't perhaps been prioritized and how they survive today without a solution in place.

If you're not the first product to market, you may assume that because other people are already selling their products—and have had a modicum of success—this means that the category is valid. This is simply not true. It's entirely possible that you have not found something pervasive that will stand the test of time. They may just happen be very good at selling for a while.

Q: WHAT PROBLEM DO YOU HELP YOUR COMPANY SOLVE?

A: At Concert Technologies we ensure that our customers reap the benefits of technology investments they've made with someone else. We specialize in the accelerated deployment of multi-site, multi-service, multi-technology rollouts for government, commercial and international organizations.

What stands between our customers and their expected return on investment is the ability to install their technology in many locations, reliably, on time, on budget to a consistently high level of quality. Vendors of the technology tend to minimize the installation component, yet it's an experience that can be a nightmare. The person who installs in your area is not the same as the installer in Miami or Chicago. Each has different skills and that difference creates variance and project risk. We have created a methodology to achieve consistent results with any technician anywhere in the world, for any technology that we work with. Our job is to ensure that customers enjoy the benefits they expected when they chose to invest in that technology. We make the nightmare go away.

For example, we work with a fast-food restaurant chain that wanted to upgrade all of its digital menu boards. The scope of work was defined such that the installer was supposed to mount the new menu boards on the wall and ceiling mountings of the old ones. When we did our first install, we found that the mounts were incompatible. The old mounts had to be removed and new ones installed. Normally, this would require another site visit, resulting in a project delay and additional cost. However, by collaborating with the technician in the field, our project manager devised a method to fabricate a new mount using a $5 part available at any home improvement store. We captured the retrofit method on video, adapted the scope of work to reflect this requirement and additional part cost, and ensured that the project stayed on schedule with negligible impact to overall cost.

BUILD A BUSINESS CULTURE THAT HAS AN IRRATIONAL PASSION FOR SEEING ITS CUSTOMERS SUCCEED.

Q: DO YOU HAVE ANY ADVICE FOR SOMEONE WHO WANTS TO MOVE INTO PRODUCT MANAGEMENT?

A: Jump when you get the chance! Product management is great grooming for general management because you learn how to get people in different areas with competing agendas to do the things you need them to do. You will build muscles that will stand you well for the rest of your career.

If you don't want to be a leader and believe that you can be totally data-driven, stay away from this role. While it's important to be data-driven, you can't be someone who shrinks under the spotlight. You shouldn't be someone who constantly seeks the spotlight, either—it's not about you, it's about your customers and their needs. However, you should be comfortable saying, "I have done my homework and understand what we need to do." And you must be able to make a convincing case to a management team that may be lukewarm about becoming business-driven and a technology team that really doesn't want to listen to you. You must be capable of creating lasting alliances with key elements of your organization and make each feel that you are genuinely invested in their success. This authenticity is born of a deeper understanding of what's needed and how important it is to get it right.

One more thing: Always be listening. Always. PM

Summer Reading for Product Pros

If you've got some beach time planned this summer—and even if you don't—we've got some excellent summer reading recommendations for you. We asked some of our course alumni for their suggestions, and they shared a myriad of options. So, whether your vacation plans are real or virtual, make time to relax with a great book.

8 Blocks: The Critical Realities for Growing Any Business by Paul Schwada

Crossing the Chasm: Marketing and Selling Disruptive Products to Mainstream Customers by Geoffrey A. Moore

Deep Work by Cal Newport

F.I.R.E.: How Fast, Inexpensive, Restrained, and Elegant Methods Ignite Innovation by Dan Ward

Impact Pricing: Your Blueprint for Driving Profits by Mark Stiving, Ph.D.

Influencer: The New Science of Leading Change by Kerry Patterson, Joseph Grenny, David Maxfield, Ron McMillan and Al Switzler

What to Do When It's Your Turn by Seth Godin

Leadership Caffeine: Ideas to Energize Your Professional Development by Art Petty

My Years with General Motors by Alfred P. Sloan Jr.

Positioning: The Battle for Your Mind by Al Ries and Jack Trout

Sprint: How to Solve Big Problems and Test New Ideas in Just Five Days by Jake Knapp and John Zeratsky

Team of Teams: New Rules of Engagement for a Complex World by Gen. Stanley McChrystal, Tantum Collins, David Silverman and Chris Fussell

The Three Value Conversations: How to Create, Elevate, and Capture Customer Value at Every Stage of the Long-Lead Sale by Erik Peterson, Tim Riesterer, Conrad Smith and Cheryl Geoffrion

Thinking, Fast and Slow by Daniel Kahneman

TRAVEL TIPS FOR ROAD WARRIORS

Wonderful Washington, D.C.

You may have learned about America's capital city in textbooks, but there's nothing like seeing the real thing up close. With its neoclassical government buildings and broad avenues, Washington, D.C., certainly looks the part of our nation's capital. But the city also lives firmly in the present. If you came to tour the official sites, you might just leave remembering the local flavor.

National Mall | nps.gov/nama
Referred to as America's front yard, this two-mile stretch is packed with many of the city's usual suspects: great museums and major monuments. You'll see the Lincoln Memorial, Washington Monument, National Air and Space Museum, National Gallery of Art, National Museum of Natural History and so much more.

Capital Bikeshare | capitalbikeshare.com
Waterfront parks, off-street trails and a growing web of bike lanes make the city a unique place to pedal on two wheels. There's really no excuse not to do some two-wheeled sightseeing when there are more than 3,000 bicycles available from 350 stations across the metro area.

Ben's Chili Bowl | benschilibowl.com
Try D.C.'s signature dish and Ben's most popular menu item: the chili half-smoke (a half-beef, half-pork smoked sausage topped with chili). A local legend, Ben's has been in business since 1958.

▲ Jimmy Fallon having a little fun while enjoying Ben's Chili Bowl.
PHOTO: BENSCHILIBOWL.COM

Mount Vernon | mountvernon.org
A visit to this 21-room mansion, built on the banks of the Potomac River, offers a glimpse into 18th century plantation life and the colonial tastes of George and Martha Washington. Meanwhile, the outbuildings and slave quarters provide insight into the infrastructure utilized to run the estate.

Lincoln's Summer Cottage | lincolncottage.org
For more than a quarter of his presidency, Abraham Lincoln lived on this hilltop residence in northwest D.C. He visited with wounded soldiers; spent time with self-emancipated men, women and children; and developed the Emancipation Proclamation in residence here.

The International Spy Museum | spymuseum.org
Whether you're a fan of *The Americans* or *Get Smart*, prepare to be intrigued by the largest collection of international espionage artifacts ever placed on public display. From a lipstick pistol and eyeglasses that conceal cyanide pills to the Enigma cipher machine, you'll see artifacts that illuminate the work of famous spies and pivotal espionage actions.

DEA Museum and Visitors Center | deamuseum.org
Imagine: a museum dedicated to drugs, drug abuse and drug law enforcement. Opium dens, '70s D.C. head shops, Pablo Escobar and the Colombian cartels are just some of the highlights.

Rock Creek Park | nps.gov/rocr
A gem nestled in the middle of the capital, the 2,800-acre park offers hiking, cycling and even horseback riding. Hike one of the trails or paths in the park's extensive network or visit the planetarium in the park's nature center.

DC By Foot | freetoursbyfoot.com/washington-dc-tours
Gain a fuller appreciation of the city on a walking tour. DC by Foot offers a series of tours that include a National Mall tour, a Lincoln assassination tour and a Capitol Hill and Library of Congress tour.

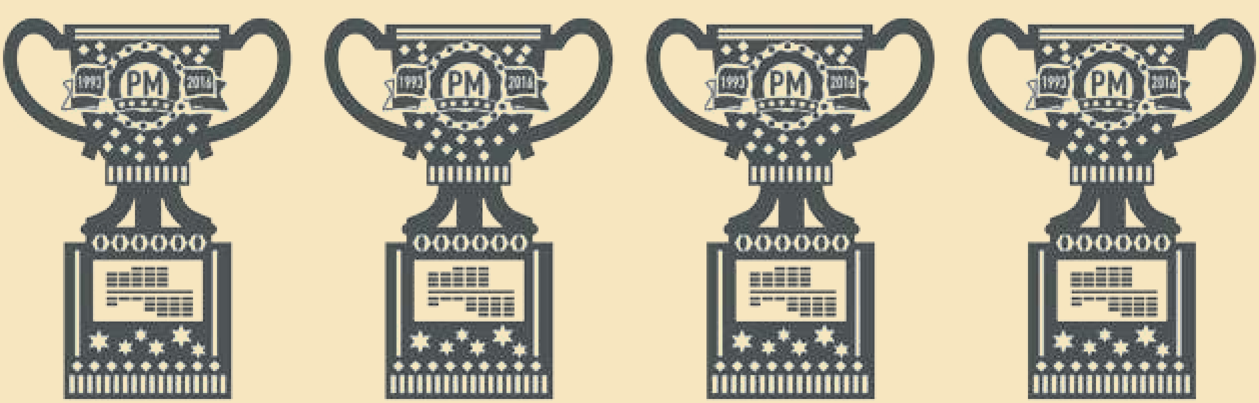
Tidal Basin Paddle Boats | tidalbasinpaddleboats.com
For a unique perspective of the Jefferson Memorial and the Japanese cherry trees, enjoy soaking up some sun on your very own paddle boat. Boats are available to rent between March 15 and Labor Day.

Dukem Restaurant (Ethiopian food) | dukemrestaurant.com
Did you know D.C. is the second largest Ethiopian city (second only to Addis Ababa, Ethiopia)? Take advantage of your culinary opportunity to visit one of the city's best-known Ethiopian restaurants. Dukem's traditional menu incorporates beef, lamb, chicken, and a variety of vegetarian dishes served on large platters over injera, a spongy sourdough-risen flatbread made from teff flour. Additional plates of injera serve as your cutlery. To eat, simply tear off pieces and scoop up bites of food.

MIND TEASER

Stand out from the competition

Differentiation is key to setting yourself apart from your competitors.
Which one of these trophies is not like the rest?



For the answer: pragmaticmarketing.com/win

Ask the Experts:

How can I measure sales enablement, public launches and customer happiness?

IDEALLY, YOU WANT TO TIE EVERYTHING YOU DO back to its impact on one of the following three business goals: profitable revenue growth, customer retention, and awareness and perceptions. But it can be challenging to find direct links from specific marketing activities to one of these three goals. What you can do is to measure the effectiveness of your portfolio of programs by looking at the overall impact to these metrics.

In your case, in addition to measuring these end goals, you want to measure intermediate objectives. Let's discuss each one.

Sales enablement. You want to build a confident sales team. You also want to give your sales team the ability to support themselves. And of course, you want to sell the product. The types of measures you could consider include:

How many opportunities have passed sales qualification?

How many opportunities are moving through each stage in the sales funnel?

How long does it take to get referral customers?

Public launches. First, determine whether this measurement is for new or existing products. Are you gaining new customers? How many? How many did you expect? If this is for an existing product, what is the current rate of new customer acquisition? Does that number improve after launch?

Mark Stiving, Instructor
Pragmatic Marketing

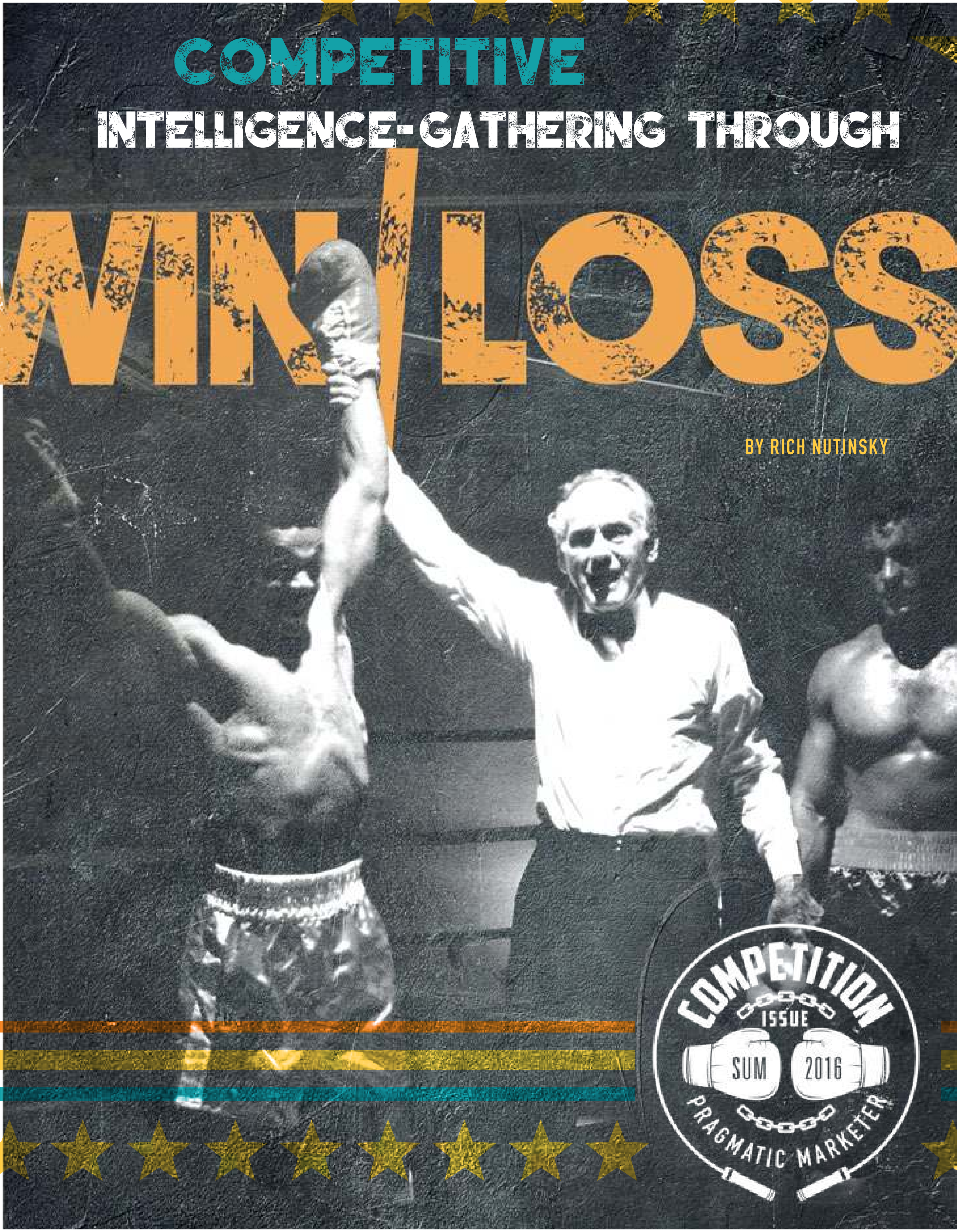
Customer happiness. If you have a SaaS-type product, usage should be easy to gather. The targets should be determined by setting a baseline (what you are getting today with minimal effort) and then improving on those numbers. I also recommend creating an annual customer satisfaction survey; the first one will be your baseline. Are you moving the number up over time?

There are no "standard" industry KPIs to measure what you're after, but these can get you started. Regardless, once you decide what you want to focus on, measure it, then take action, and finally, measure it again and again. PM

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

COMPETITIVE INTELLIGENCE-GATHERING THROUGH WIN/LOSS

BY RICH NUTINSKY



WIN/LOSS INTERVIEWS ARE AN EXCELLENT TOOL for gathering competitive intelligence. The interviews offer a unique opportunity to gather fresh data from a target audience where competitors play a distinct role in the customer decision-making process.

It's an area ripe for gauging both the market's awareness and its perception of competing solutions. You want to ask customers not only who they talked to, but why they talked to them and how you compared. You also want to learn about capabilities: the key factors in their decision. For example, do competitors have stronger capabilities? Are you missing key capabilities, or do you offer more than the competition? Finally, what are the key factors? What drove the decision, and where did your competitors shine or expose a weakness?

Discovering strengths and weaknesses is important, but the key factors are critical. What if you drive your business to add functional capabilities because you think that is what will help you beat the competition, only to learn that the additional functionality won't change the ultimate decision because that isn't what drove the urgency? Perhaps your functionality is fine but you should invest more in your technology. Maybe you need to develop a stronger value proposition or ROI story because that's where you fell down.

LOOK FOR PATTERNS

Many organizations view win/loss as transaction forensics. In other words, they dissect and analyze individual transactions in isolation to determine why they won or lost that business. When we talk about win/loss at Pragmatic Marketing, we discuss it from a market-driven perspective. It's not about why you lose or win one deal, it's about why you lost or won the last 10 deals. Even if your sales team does these transaction forensics, populating your CRM system with transaction data, someone unaffiliated with sales needs to canvass for patterns. It could be someone from product management or marketing, as long as it's someone who doesn't have a previous relationship with the customer.

It's not about why you lose or win one deal, it's about why you lost or won the last 10 deals.

With wins, customers have a vested interest in talking to you; they want to create a good relationship with their new vendor. The information you get from wins could confirm and validate all the things that you think make you successful. But you may very well learn that it was your time to market, not your super-duper feature, that clinched the deal. With losses, you may think that people don't want to talk to you, but in my experience, when a new person contacts evaluators, the success rate is quite high.

Ask sales who will be the most open to talk to you. Then reach out and simply say, "I understand you recently made a decision and you're going in another direction. I respect your decision. I wonder if I could get 30 minutes of your time to understand how we could have helped you better for the next time."

I've had a high success rate securing people with this approach. Many times, the attitude of the person is, "We made you do a lot for us and you got nothing for it. I can give you 30 minutes of my time."

Remember, you need a large-enough sample to begin to see patterns. And if you make this a regular part of your process, you'll get better at it. You'll be sure not to challenge or threaten the evaluators; you won't ask them to justify their decision and you won't correct their misperceptions. You'll remain completely neutral and approach the interview as research. This is a request for help, not a request to dissect their decision. And it's a numbers game. You must do win/loss consistently to get a sample set that's large enough.

While it's possible to find patterns in relatively small numbers, once you establish a pattern it is important to cast a much wider net. Do something more quantitative, perhaps a third-party survey. You want to validate what you think you have learned in your interviews.

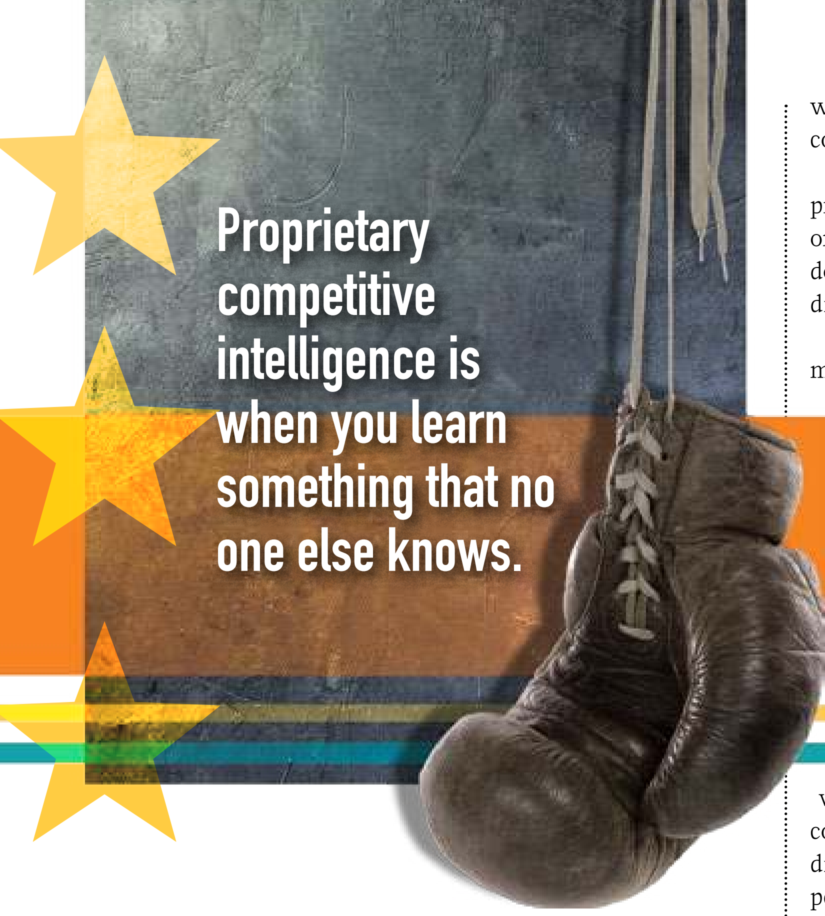
PAY ATTENTION TO MARKET WEIGHTS

Different markets weight things differently. Use win/loss to figure out what those weights are. I once walked into a win/loss opportunity with a recent evaluator. He explained that the reason we lost was that, despite the great job we did presenting our product, answering questions and creating a positive relationship, the final decision was driven by RFP scores. He then mentioned that he was getting rid of the RFPs, and by the way, would I like to have the responses?

Because I was doing this win/loss with a recent evaluator who wanted to tie things up, I gained unexpected access to a wealth of information. Another time, a client asked if I wanted to read my competitor's user manual. His company had decided not to buy from my competitor and planned to throw the manual out. Things like this happen when you're present.

In B2B environments where RFPs and RFIs are an integral part of the process, you can often gain an understanding of a customer's RFP scoring and development. When customers share how they made their decision, you will see whether your competitors better understood the weighting of common deliverables.

In a third instance, I lost a deal but went in for a win/loss interview and spent 45 minutes talking to the buyer. At the end of the interview, I was told: "You're



the only vendor who lost who contacted us. Everyone else just walked away. You came back and you listened. You asked what you could have done to be better, and it seems as though you're trying to find ways to provide better solutions for us. You lost this time, but the next time we look for something, you will be first on our list to contact." This win/loss interview helped my company build a bridge into an account and get a leg up on the competition.

Win/loss is a good way to demonstrate that you're interested in not only making money, but also in helping your industry. I once scheduled a win/loss interview, and when I showed up, they said, "We're ready for you." I thought to myself, "Who's 'we?'" and then I walked into a room where the entire selection committee was seated. They gave me an hour of their time. I heard the perspectives of the economic, technical and functional buyers. Although this was an anomaly, you never know what you're going to learn or what's going to happen when you do a win/loss interview. But if you don't do win/loss interviews, you can be sure nothing will.

KNOW YOUR STRENGTHS

Consider this: Every other source of competitive information is available to anyone. Whatever you get off the web, anyone can get off the web. But when you conduct a personalized win/loss interview, you might learn something that no one else knows; I like to call this proprietary competitive intelligence. You get specific information that only you have, and that makes you smarter.

I'll give you an example. I worked at a company where we competed against a major ERP vendor, and we found out that a large corporation was evaluating our product. Unfortunately, we lost that deal. Sometime later, I ran into someone from that company and asked how things were going.

"It's terrible," he said. "You know we bought the other provider, right? We've been implementing it for months and I'm only about 20 percent of the way there. I just spent millions of dollars. I don't know when it will be finished, and the amount of disruption in my business is unbelievable."

I began to do win/loss interviews whenever we lost to that major ERP provider. And what I found is that they could beat us functionally, they had a bigger name and the executive team was often more comfortable with them than with my company. But, the complaints about implementation were consistent. Based on what I learned about people who chose that competitor, we redid our entire sales presentation to highlight our total cost of ownership and time to benefit. We began to lead with what our solution would cost to implement, how long it would take, what you would pay in services and what you would have to do in training. We talked about all of that before we even got to the product features.

When we did that, in every evaluation the customer would then ask that major competitor: "Tell me about your total cost of ownership, tell me about time to benefit." Our competitor didn't have a story for that and we started to beat them 70 percent of the time, head to head.

Because of the data we got, we understood that our competitor's weakness wasn't the product, it was making that product work within a business. We significantly grew our company over a short period of time because of the data we gathered from discussing our losses.

A word of warning: Be prepared to hear stupid and inaccurate things during win/loss, and also be prepared to remain disengaged from them. You're on a fact-finding mission; you want to identify patterns, not correct misperceptions. However, if you hear the same misperception three or four times, it's time to report back to your team: "We keep losing this because people don't think we're (fill in the blank)."

Remember, the point of win/loss interviews is to learn something new, not to correct customers. It is a listening exercise. Customers have already made their decision and they aren't going to reconsider. But by asking the right questions and listening carefully, you can gather enough competitive intelligence to turn your current losses into a future of wins.

ABOUT THE AUTHOR

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

A COMPETITION-MINDED ROADMAP

BY MIKE BELSITO

IMAGINE THIS SCENARIO: YOU'RE RESPONSIBLE for the vision and execution of product development at your company. You've presented your product roadmap and received buy-in from the CEO and executive team, and from the software developers and product managers who report to you. You feel confident about the plan and envision the impact it will have on the company when your product goals are achieved.

Then, first thing Monday you get an email forwarded by your CEO that was from the chairman of the board. It's about the press announcement of a new product line that your primary competitor is launching. The product line appears to be revolutionary; certainly it will be talked about within the industry. The only problem is that this email didn't come from you.

Your CEO is already asking you questions. She has a board meeting this week and anticipates being questioned about this product line.

So what do you do? You feel confident about your roadmap, yet you understand the position your CEO is in.

If this sounds like a nightmare scenario, read on. The following tips can help ensure that your roadmap is competition-proof.

CONSIDER YOUR COMPETITION FROM THE OUTSET

If the first time you think about your competition is when the previous scenario occurs, it's already too late. Sure, you might be able to revamp your roadmap, but you're already in catch-up mode. Besides, revamping the roadmap may not be the right thing to do. The right time to think about your competition—and whether it should impact your product decisions—is at the beginning of the roadmap-building process.

ASK YOURSELF ABOUT YOUR UNFAIR ADVANTAGE AND YOUR COMPETITION'S

While it's easy for a roadmap to consist of dozens of features and product tweaks, it's important to back up and challenge yourself to answer a couple of important underlying questions:

Competitive advantage: the area in which you believe you cannot lose to your competition.

What is the overall product objective that you want your roadmap to achieve? In the eyes of your customers, what is it about the totality of the roadmap that will set you apart from everybody else?

Now, think about your primary competitors. You have no way of knowing what's being developed in their roadmaps, but ask yourself the following: In the eyes of their customers, what sets apart the competition and its products? If they have legitimate strengths, what might they do to enrich those strengths through product development? Perhaps you can start to envision how they plan to move the product forward.

IDENTIFY WHERE YOU MUST BE POSITIONED MORE FAVORABLY

Now that you know your product's direction and can envision how your competitors may be developing theirs, start to imagine how to reinforce your competitive advantage with customers over time. Of course, things might not go as planned. Your hypotheses about the competition may be way off. You may get new data points and go in a different direction from the original roadmap plan.

Even so, at this point be clear about where you will not yield. Choose one important competitive advantage that you refuse to give up. For instance, will you always hang your hat on your customer onboarding flow? Will you always be positioned as the best UX your users could possibly experience? Whatever the competitive advantage is, choose the area in which you believe you cannot lose to your competition.

ONLY CHANGE IF YOUR CHOSEN COMPETITIVE ADVANTAGE SLIPS

Once you start to execute on the roadmap, review your progress each month. Are you achieving your overall objective and not just completing new features or products?

Next, review the competition. What has changed? A thorough review of their website may tell you, but also check social media, release notes and any other place that they (or their customers) talk about their product. Perhaps there are no noticeable changes. Or, maybe your competition made some major introductions.

If there are significant changes, consider whether those changes allow them to win over the key competitive advantage you committed to. If they don't, continue with your original plan. Now you know when movement is occurring with your competition, but also that you haven't let up on the competitive advantage that means the most to you.

If their changes threaten your competitive advantage, by all means review your current roadmap to determine whether changes will strengthen your position. Again, this should only be done if that one competitive advantage you deemed critical is directly threatened.

REMEMBER THIS: YOU OWN YOUR ROADMAP, NOT YOUR COMPETITORS

In general, it's not a good idea to constantly change the direction of your product roadmap based on a competitor's introduction of new features. But there are times when actions from your competition warrant a thorough review. Following these steps helps ensure that no matter what happens with your competition, you can feel confident in the product decisions you make. PM

ABOUT THE AUTHOR

Mike Belsito is a startup product and business developer who loves creating something from nothing. Mike is the co-founder of Product Collective, the creators of Industry: a conference for people who build, launch and scale world-class products. Mike has led product teams as both CEO and director/vice president of product at various startup organizations, including eFuneral and Movable. He is the author of *Startup Seed Funding for the Rest of Us*. For more research, thoughts and commentary on all things related to product people, visit productcollective.com or contact Mike at mike@productcollective.com.

GOING
BEYOND GOOGLE

BY SCOTT SWIGART

Competitive Intelligence from the Deep Web

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

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

LINKEDIN.COM

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

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

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

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

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

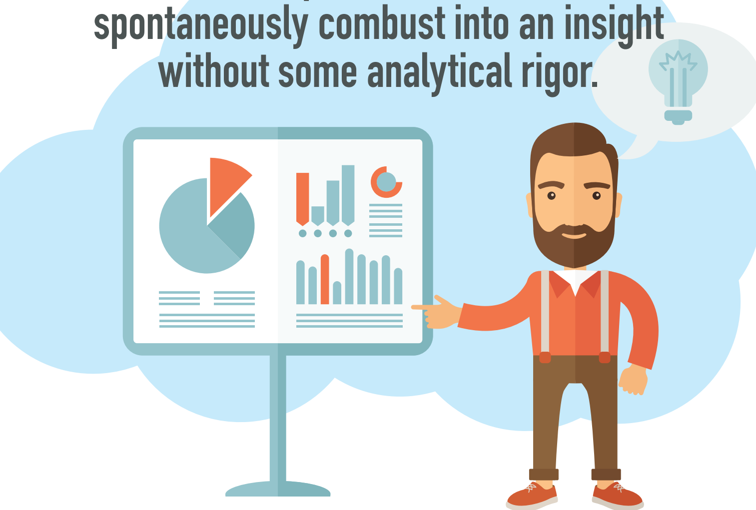
these profiles for the presence of “$”—that’s right, a dollar sign. Salespeople and businesspeople often talk about their responsibilities or achievements with statements like “achieved $X million in revenue in X region.” A search for a “$” retrieves those kinds of facts.

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

INDEED.COM

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

A million points of data won’t spontaneously combust into an insight without some analytical rigor.



Several years ago, we were interested in which U.S. cell phone carriers would embrace Android-based phones. We searched job postings on Indeed.com for each carrier. Sure enough, one of them began advertising for engineers and other people with Android experience. We also monitored LinkedIn and saw a similar increase in the number of people working at that company who listed Android in their profiles. Six months later, that carrier blitzed the airwaves with its Android campaign.

You can do the same thing in your industry. Is the competitor going to build Windows 10 applications, or are they staying focused on the iPad? Just ask Indeed.com how many open job postings there are for each.

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

Also, remember the job posting itself. Job postings, especially for senior positions, often describe in detail the importance of a particular position to the company. We have read job postings that state things like: “You will be heading up the new XYZ Division, one of only two new strategic divisions that will propel the business to $1 billion in revenue.” If you’re a competitor, is that important? I think so.

SLIDESHARE.NET

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

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

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

MORE, MORE, MORE AND LESS

These are three sites that we use constantly for competitive intelligence, but there are literally hundreds more that we use at least occasionally. These great tools include Quora.com (a question-and-answer site), Archive.org (an internet library) and Glassdoor.com (a jobs and career community). At some point, the problem switches from lack of information to too much information.

A million points of data won’t spontaneously combust into an insight without some analytical rigor. As you start playing with sites like these, it’s easy to be blinded by the data and lose sight of why you went looking to begin with. Be sure to step back and focus on the decisions that your competitors are facing. Determine what questions you have about your competitors, as well as how the answers to those questions would affect your decisions, and you’ll have a good idea of where the answers might live online. PM

ABOUT THE AUTHOR

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

DELIVERING DIFFERENTIATED CUSTOMER VALUE

The Most Direct Route to Business Results

BY NEIL BARON

FOOTBALL TEAMS SUCCEED WHEN THEY call the right play and all 11 players execute their role to the best of their ability. Even if a team has the most talented group of individuals, if everyone does what they think is best, rather than following the play, the result will be chaos.

Orchestras succeed when musicians play off the same sheet of music. If an orchestra has world-class musicians but everyone plays what they want, the result will be unlistenable noise.

In the competitive worlds of sports and music, organizational alignment is taken for granted, but it can be rare in business. Too many companies with talented employees fail to execute on their collective ability. Too often employees are busy managing their daily activities, and organizational alignment gets put on the back burner. This can result in suboptimal performance, leading to unhappy customers, missed market opportunities, frustrated employees and disappointed stakeholders. It also inhibits a company's ability to maintain a competitive edge.

But when leading companies combine organizational alignment with an ability to evolve with the market, they greatly improve their odds of remaining competitive. Eagle Investment Systems recognized its need to change with the market. As a 20-year-old company and the market leader, Eagle is not resting on its success. Instead, it is looking to capitalize on the many opportunities to continue increasing the value it delivers to customers, growing its primary markets and penetrating new ones.

Eagle clients value the deep relationships they've developed and consider Eagle to be a critical component of their business success. When Diane McLoughlin, a 15-year veteran at Eagle, was named chief client officer in 2015, the company's client retention rate was an impressive 95 percent. And while Diane and senior management were proud of that statistic, they also recognized that the needs of Eagle's clients and the marketplace were evolving. Spending on financial-services technology was shifting from IT departments to business units. There was also a shift from pure technology to cloud solutions, managed services and outsourcing. To appeal to the business units and C-suite, Eagle recognized the need to change its go-to-market approach from focusing on product features to communicating the impact its products could have on a client's business.

In Diane's own words: "Today clients are looking for Eagle to provide guidance and insight on how to solve business challenges. Rather than present a set of features, we must consult on how organizations can meet their business objectives, such as managing asset growth, launching new investment products, understanding exposure to market events and managing data to support global trading activities."

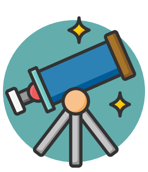
KEY REALIZATION

While Eagle's management team recognized the need for change and the importance of introducing best practices, they also acknowledged the need for external expertise to help make the transition. The head of product management recommended that Eagle enlist a partner to help evaluate company processes and challenge its view of value delivery. As a result, Baron Strategic Partners began working with Eagle's marketing and product management teams to evaluate their processes and explore opportunities to better equip the sales team.

Eagle recognized the need to change its go-to-market approach from focusing on product features to communicating the impact its products could have on a client's business.

LEVERAGING A PROVEN APPROACH TO DELIVER CLIENT OUTCOMES

Eagle followed a five-step process to shift its focus. Eagle began by developing a deep understanding of the pressing market problems, exploring opportunities to deliver differentiated value with key internal stakeholders and clients, and then articulating how its offerings could help customers solve these problems.



1. VALUE EXPLORATION (INTERNAL DISCOVERY)

A combination of internal interviews, document review, sales-call participation and working sessions helped Eagle see that it had several different opportunities to deliver meaningful customer outcomes and make a difference in the business of its customers—and ultimately, in the lives of those supporting the investment process.

Since many at Eagle are football fans, the company chose to refer to these opportunities as "plays." Eagle then went about trying to determine the best, most valuable plays that would align with the company's goals. Of course, value is determined by the customer, not the vendor, so the next step was to listen carefully to what the market needed.

2. VALUE VALIDATION (MARKET VALIDATION)

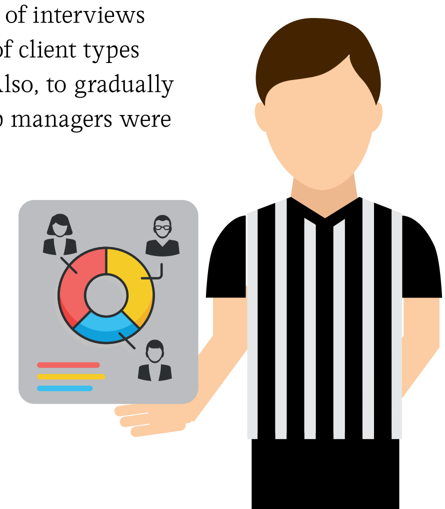
Eagle set out to collect market insights that would help prioritize a list of more than 20 potential plays. The focus during the value validation phase was to answer three critical questions:

- What are the problems that, if left unsolved, could have significant impact on companies and key stakeholders?
- What are the opportunities for Eagle to improve the lives of key customer stakeholders?
- Which plays deliver the most value to Eagle's target customers?

In order to understand the market, you must know how to listen and engage in an effective conversation to uncover the proper opportunities. Unfortunately, these barriers often get in the way:

- Sales and relationship managers sometimes feel threatened when others talk to their accounts. They may introduce roadblocks to protect customers or preserve opportunities, or inadvertently prevent access to the proper customer stakeholders.
- Sales and relationship managers may question the value of product teams talking to "their" customers, fearing that they will be left to clean up the mess of an awkward interview.
- Customers view any person in the room as "the vendor" and naturally want to draw the conversation into product-oriented discussions.
- Vendors may let their natural biases color the conversation; it's easy to fall victim to confirmation bias as we naturally seek to confirm what we already believe to be true.

In Eagle's case, it overcame these barriers by using an outside firm to lead these conversations. This allowed clients to open up and also ensured that the conversation remained objective and focused on the business challenges faced by each customer. Several educational meetings were held to gain buy-in and support from management and to build confidence with the relationship management team. Customers were carefully selected for the first set of interviews to ensure that a range of client types would provide input. Also, to gradually build trust, relationship managers were allowed to listen in on the conversations. In the end, the team was enthusiastic about the calls, which helped them uncover new insights about their customers.



3. PLAY SELECTION

The third step was to develop a list of criteria to evaluate and ultimately select the first plays. While the product team led this effort, it was important that the entire organization felt ownership of the process so they would be inclined to support it. To that end, every business should develop a play selection chart.

The chart below was tailored for Eagle to prioritize opportunities and select plays. While the headings at the top of each column may be similar for most businesses, the boxes underneath will probably change depending on a company's priorities. For example, Eagle valued client references, so that went into the Ability to Succeed column and was weighed when selecting a play. But another company might value the creation of free trial accounts because upselling is a part of its plan.

Creating these customized charts helps companies identify important criteria and then build internal consensus with key stakeholders. It's important to consider the entire chart for each play. If your company answers "yes" to more boxes across the chart than it answers "no," that's a good indication your play will be successful.

ABILITY TO SUCCEED	MARKET LANDSCAPE	EAGLE'S CAPABILITIES AND FIT	REVENUE
❑ Ability to generate "quick wins"	❑ Customer problem(s) addressed/impact of solving problems for customer	❑ Eagle strategy and goals	❑ Length and complexity of opportunity
❑ Client references		❑ Market trends/market opportunity	❑ Current Eagle pipeline
❑ Track record of successful deployments	❑ Market willingness to pay	❑ Eagle capabilities to deliver & support (required investments)	❑ Revenue opportunity per deal
	❑ Urgency of need	❑ Long-term impact on Eagle development and support	❑ Number of market opportunities
	❑ Competitive landscape		

4. VALUE PROPOSITION REFINEMENT

Once the winning play was selected, the team worked to refine the value proposition. They reviewed the information gathered during internal discovery and market validation to make refinements against the value Eagle thought it brought to the market. The process was useful for grounding the group in the market as they identified the target customer, articulated the value proposition, established the process to deliver value and then communicated that value to the market.

Target customers were defined as those organizations and the people within those organizations who would get the most value from the play. They were the people most likely to buy a solution to meet their need. The value proposition then clearly defined why they should buy a solution from Eagle. Once the value proposition and the target customer were agreed to, the team was then confident to move to the execution phase.

5. EXECUTION

Marketing and product management began developing go-to-market messages and collateral, while the services and support organizations ensured they were prepared to onboard and support new customers. The execution plan was divided into three components:

1. Develop a playbook that would support the sales organization and provide materials for how to successfully sell the play.
Eagle started by polling the sales organization to hear the questions and concerns they had about selling the first play. The product team then spent several weeks answering the questions posed by the sales team and ensuring that they had proof points, examples of prior success and materials to address potential challenges. An iterative process, based on sales input and sales opportunities, helped improve the document. The sales team now uses the FAQ to accelerate deals.

Eagle continues to further develop the sales playbook to outline the specific steps, supporting processes and materials that will enable the sales team to sell the play more efficiently.

2. Refine the marketing plan for the play.

One reason to focus on specific plays is to provide a structure for marketing that makes it easier for customers to buy. There are key reasons why customers decide to upgrade their accounting systems, so it's important to make sure that the marketing plan supports those customer milestones with targeted marketing activities.

Focusing on a specific market with a highly targeted value proposition allows for a more efficient use of marketing resources. And choosing a play meant shifting the key marketing metrics from standard awareness-building to the ability of the sales team to drive specific interactions with clients and prospects.

3. Align the organization to deliver the play.

Success of a play involves more than just alignment of sales and marketing. It requires everyone at Eagle to be clear on their role in delivering the play. To ensure this occurred, we launched a value roadmap exercise. While most readers are familiar with a product roadmap, which describes how a product will evolve over time, the value roadmap describes how each functional group in the organization will deliver value over time. Each functional group leaves with a clear understanding of the play and a prioritized list of specific actions that ensure Eagle delivers the play with a high degree of quality.

RESULTS

Eagle's leadership is now seeing a higher degree of focus, more effective resource allocation and better cooperation between the functional groups. Sales is positive, feels a higher degree of support from the company and is actively engaged with prospects. They are confident that by having higher-level conversations with clients, they will be successful in winning new business. Product management is seen as more strategic and the individuals involved in the play development process are gaining recognition. The signs point to a future where Eagle will be even more effective at delivering meaningful solutions to the market and winning even more business.

Greg Farrington, head of sales Americas, says, "As a result of this effort, the Eagle sales team has greater confidence pursuing opportunities knowing that the organization is aligned to support them. Now Eagle is even more effective at delivering meaningful customer value and bringing the full benefits of our solutions to market." PM

ABOUT THE AUTHOR

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

KEY TAKEAWAYS

1. Recognize that this is a major shift.
2. Establish a working team early.
3. Realize the need for quick wins, strong internal marketing of the program and executive buy-in.
4. Run your first play and then modify based on market feedback. Improve the process as you launch your second play.
5. Ensure internal buy-in throughout the process. This will help guarantee that everyone is engaged in the execution.
6. Some companies lack a roadmap and the internal capabilities for getting there. In these situations, outside help may be critical.

Success of a play involves more than just alignment of sales and marketing. It requires everyone to be clear on their role.

Getting Ahead of

WAYNE GRETZKY ONCE SAID, "A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be." Designing and building a great product is a lot like hockey. You need to know the strengths of your team, understand the bench strength and be aware of where the market is headed.

Of course, you need to know where your competition is too. But as we learned in the Pragmatic Marketing *Focus* course, you want to avoid feature wars with your competition. Price battles and feature wars are seldom won without injuries.

So, how do you get ahead of the competition? The answer is simple: UX.

UX is the experience the user has when interacting with your product. It is most commonly associated with digital assets. However, it applies to any product and to that product's packaging and maintenance. Think about it: When you buy a car, you're looking for a specific experience that extends long after the purchase. That is the user experience.

A client of mine discovered the importance of UX the hard way. This client originally delivered a successful luxury art and jewelry business by catalog. However, when they changed their delivery focus to an online website, sales decreased well below targets. I was asked to conduct a UX review of their website and recommend improvements.

The client's catalog business was successful because of a loyal customer base. Customers often discussed the products with internal sales representatives, and built relationships over time. Price was never an issue. It was a rich, personal shopping—and buying—experience. But the online UX was well below expectations, and once-loyal customers turned to competitors like Amazon, Blue Nile, eBay and Etsy.

During my review, it became apparent that the UX didn't live up to that of the competition. Amazon allowed shoppers to view the product from alternate angles, including a 360-degree view. Other competitors offered customized

the Competition with UX

BY SANDRA MAPLES

solutions, chat and direct communication with artists. Given the competition's improved UX, my client's prices seemed inflated and they failed to deliver the expected value.

After conducting user research, I collaborated with my client's product and technology teams, learning about their product positioning, business goals and technology platform. From there, I provided prototypes of the experience their users were looking for. We conducted usability tests and gathered solid user input into the expected UX.

The product manager was able to share customer feedback with the CEO and demonstrate interactive designs of the expected experience to get approval for the change.

Upon making the product improvements, my client saw a quick return on their investment. They were able to improve the user experience, increase sales and start to regain market share.

Think about the products and companies that are frequently in the news for their superior UX: Amazon, Apple, Intuit and some others incorporate the user experience into their products. It's no accident these companies outperform peers on a consistent basis.

For example, Apple conducted extensive user research before designing its Apple stores to ensure that the experience matched user expectations and business goals. And if you read *Delivering Happiness* by Tony Hsieh, CEO of Zappos, you'll discover that UX, which includes customer service, is core to the company's values. Zappos continually evaluates UX to maintain and improve its relationship with customers.

Like Apple and Zappos, Intuit has a long history of delighting customers by understanding user pain points and expectations. Intuit's Design for Delight program (D4D) focuses on delivering a user experience that exceeds expectations and delights customers. However, in 2014 Intuit made some fundamental changes to TurboTax that didn't delight users.

A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.

–Wayne Gretzky

The TurboTax customer reviews on Amazon revealed the depth of customers' displeasure with the product changes and it threatened to cause long-term ramifications. However, Intuit followed its D4D core value and listened to the user base. The company responded quickly and publicly acknowledged the issues. Intuit's handling of the situation rekindled users' love for TurboTax. Comments such as, "Intuit listens to complaints and takes action" and "You did the right thing and I am back as your customer" summarize the outcome.

To stay ahead of the competition, it's important to foster a UX that supports user goals and builds a relationship with users that says, "I understand you." Once you have that relationship, you must nurture the UX to ensure that users continue to use, buy, upgrade and recommend your product—or better yet, demand it. Loyal users will proudly share their positive experiences, which translate into testimonials that reinforce the value of your product and reduce the risk of getting caught in a price war.

Like four-time Stanley Cup winner Wayne Gretzky, when you know your team's strengths and understand where the market is heading, you can beat your competition by building a winning product through collaboration, understanding your users and delivering a superior user experience. PM

About the Author

Sandra Maples is senior product manager, antimicrobial stewardship and sepsis, in the healthcare sector. She has more than 15 years of experience in UX, leading teams and designing solutions. Sandra has been the program manager for successful large-scale deployments that focused on meeting business goals, delivering quality products and launching solutions that turned users into delighted, faithful customers. She has also served as a UX design consultant. Contact Sandra at smmaples@yahoo.com or on LinkedIn at linkedin.com/in/sandramaples.

How Spilt Coffee Created a Billion-Dollar Mop

BY SHAWN BUSSE

YOU MIGHT BE SURPRISED TO KNOW that I enjoy mopping. Yep. Cleaning the floor. Vacuuming, too. Both great. There's something liberating about getting every last speck of dirt out of my life. Call me compulsive.

You might also be surprised to hear that the basic concept of this thing I love to do—mopping—is completely flawed. Think about it: You use a device (a sponge on a stick) to wet the floor. The dust (it's mostly dust, not ground-in dirt) is then transformed into … well, fine mud. Your wet stick-mop-thing then proceeds to smear the mud around. Plunging your mop head in a bucket of fresh water helps for a while, until the fresh water is transformed into a bucket of mud-dog hair gunk, and the whole process becomes an exercise in cleaning up the mop-smear.

Fortunately, the folks at Proctor & Gamble invented a better way: the Swiffer. Instead of smearing dirt around, the Swiffer is designed to attract dust and gunk in a one-and-done method. No water to create the mud, no mop bucket to smear dirty water. Brilliant.

So how did this great idea—the Swiffer—get from the lab to my house? And, how did P&G go from trying to formulate a better cleaning solution to creating a new kind of mop that makes them $500 million per year?

The answer lies, in part, in Jonah Lehrer's recent book, *Imagine: How Creativity Works*. Lehrer tackles this tough question: Where do we get our brightest ideas, and why is it that our best solutions appear out of the blue when we least expect them?

Think Different

The interesting thing about the origins of the Swiffer is that P&G didn't set out to reinvent the mop. No, the goal was to develop a stronger, more effective cleaning agent.

For years, the chemists toiled in the lab, producing failed attempt after failed attempt. At the end of the day, they simply couldn't overcome the "smear it around" paradigm of mopping.

Possibly out of frustration, P&G executives brought in an outside firm to help. A design agency, Continuum, knew they couldn't out-chemist the chemists at P&G. After all, P&G had more PhDs on its payroll than MIT, UC-Berkeley and Stanford combined. So, rather than toil in the lab (which hadn't worked anyway), the group did what chemists hadn't done: They watched.

What they watched was perhaps the most mind-numbingly boring stuff known to man: hours and hours of people mopping their floors, cleaning their kitchens and rinsing out buckets of dirty mud-water. Lehrer quotes the Continuum team leader (and now CEO), "This is about the most boring footage you can imagine."

But all of that boredom, all of that watching, finally paid off. One day, out of exhaustion, the research team surreptitiously spilled some coffee grounds while visiting an elderly test subject. Rather than breaking out a mop, the host swept up the grounds with a broom and then proceeded to use a damp paper towel to clean up the rest of the fine dust. It was in that moment that the idea for the Swiffer—a $500M category killer—was born.

Slow Down, Move Forward

One of the hallmarks of creative breakthroughs, according to Lehrer, is that they often occur when you least expect them. Think taking a walk, enjoying a shower, staring out the window, sitting under the apple tree.

Interestingly, the portions of our brain responsible for creative innovation become activated not by intense activity, but rather by environments that are more soothing and relaxing. In other words, if you're cranking through data in spreadsheets, by all means, work hard and concentrate. But, if you're looking for a fresh approach to a big challenge, take a deep breath and slow down. Get up from your desk, walk around the block and give your mind time to relax, ponder and observe.

Sure, by most measures, I'd be viewed as a terrible employee. I can't sit at my desk for more than a couple of hours, I walk around the block at random moments, and I'll often drop what I'm doing to tackle some seemingly unrelated challenge. I'd be a terrible accountant, financial analyst or database engineer.

What I'm really doing—with my walks and seemingly unrelated activities—isn't slacking off or dodging work. Rather, I'm freeing up my brain to solve the big problems that don't come easily. Problems that, when solved, enable us to move ahead in leaps and bounds.

Of course, this approach isn't new or even that innovative. Some of the better-known companies have been profiting from this sort of right-brain activity for years.

3M, known for its 15 percent program (a program that allows employees to use a portion of their paid time to hatch their own ideas), has a decades-long history of giving engineers time to tinker and dream. The results? Post-it Notes, the ubiquitous blue painter's tape and Cubitron II, some of coolest, most profitable sandpaper in the world. *Wired Magazine* did a great piece on how the 15 percent program resulted in a lens-manufacturing process that (in 1998) generated more than $100M per year.

Prior to 2013, Google was known for giving its employees a full day each week to innovate, and credits its time-to-dream program with many notable inventions such as Gmail, Google Earth, AdSense and the ridiculously fast-growing Android operating system. Since then, the company has replaced this policy with a more focused approach to innovation.

Apple (specifically, the late Steve Jobs) is notorious for taking an original idea and editing it to tremendous success. By observing (not actually doing the initial work), Jobs took Xerox's original idea out of the lab and turned it into one of the most ubiquitous devices known to man: the mouse.

Don't Be Mistaken: Dreaming Means Hard Work

While it's tempting to think walks and long showers are the key to success, moments of insight aren't really about taking it easy. If you dig deep, you'll see that most creative breakthroughs involved a period of serious hard work, editing and revision. (Before creating the light bulb, Thomas Edison conducted thousands upon thousands of failed experiments.)

And, as any business owner knows, great ideas are just a starting point. Unless your company has a solid system of execution, your pile of dreaming will look a lot like chasing rainbows. After all, Edison probably said it best: "Genius is one percent inspiration and ninety-nine percent perspiration."

About the Author

Shawn Busse has an incredible knack for finding opportunities and helping small businesses thrive. As CEO of Kinesis, he provides companies with the tools they need to connect marketing, HR, finance and employee engagement to improve company performance. Shawn enjoys helping business leaders discover the power of this convergence as they work hard to create not just a business, but a legacy. Over the last 18 years, Shawn has led numerous transformational business efforts; his fundamental approach to doing business is summed up in two words: win-win. Contact Shawn at shawn@kinesisinc.com or connect with him at linkedin.com/in/shawnbusse. Visit the Kinesis website at Kinesisinc.com.

Kapost: Lessons Learned From 3 KEY FAILURES

BY ANNE MURPHY

RECENTLY, I CAME ACROSS A GREETING CARD WITH LOVELY CURSIVE letters on the front, surrounded by drawings of blossoming flowers. It said, "The secret to happiness is low expectations." I laughed, particularly since I found it in the wedding card section. But it also got me thinking about the marketing profession.

Today's marketing professionals don't have the luxury of low expectations—we're held accountable for real results and revenue. What's more, the majority of the customer journey occurs digitally, allowing marketing technology to track, react and customize experiences accordingly. This forces CMOs to be held accountable for quantitative, data-centric metrics and strategies. They have to answer for revenue and prove the value of marketing initiatives, or risk getting the boot. After all, the average tenure of a CMO is a mere 42 months.

As new digital channels emerge, technology improves and buyer expectations skyrocket. These changes force marketers to regularly test, iterate and execute new strategies and tactics. Inevitably, there are flops. Yet, because of this changing landscape, modern marketers have an opportunity to learn quickly from our mistakes, dissecting them to understand where we missed the mark.

Failure isn't fun, and while working at Kapost, I've experienced my fair share of missteps. However, whether tactical or strategic, our failures have informed our plans, building an even stronger foundation for our current marketing operation and helping us reach our goals.

Failures can be powerful catalysts for figuring out what doesn't work, but also for determining what does. Here are three key failures that taught us invaluable lessons about successful B2B marketing.

Tactical Fail

It was one of our largest investments for the year.

Marketing automation software can be a powerful tool; you can't scale modern marketing without it. But you also need the right content to feed it, to target specific audiences successfully, to drive action.

This is particularly poignant during event season. Events are still one of the largest line items for marketers, often consuming 20 to 25 percent of a company's marketing budget. Eighty-one percent of B2B marketers incorporate in-person events into their marketing strategies, and, according to Content Marketing Institute, they have ranked as the most effective tactic every year for the past six years.

Driving buzz, booth visits and revenue during events requires a full-scale strategy, in addition to a significant investment. So, when we accidentally sent nearly 10,000 of our high-priority prospects an outdated email promoting a month-old conference, instead of driving RSVPs to the high-end private event we planned at an upcoming and expensive conference, we weren't too pleased. However, when the panic settled, we regrouped, reevaluated and moved forward with these lessons learned.

Slow down.

Planning should take the majority of your time. A well-thought-out plan will eventually save time, making execution seamless instead of cumbersome. At the time of our snafu, the marketing operations team was working at breakneck speed. We hadn't adequately planned for the peak of event season and the volume of emails that needed to move through our marketing automation platform. The lack of an overarching, big-picture strategy led to fire drills. We weren't prepared, and because we moved so quickly, we missed key steps in the process of building out campaigns.

Own up.

There's a silver lining to this cloud. Our marketing operations team acted fast. As soon as we realized our mistake, it was all hands on deck. Collaboration was fast, approvals were immediate and within the hour, we sent an apology email. We made sure the copy was relevant and genuine.

As it turns out, we not only solved the problem, we turned it into an opportunity to engage with prospects in an authentic way. The call to action in the apology email, offering to buy recipients a cocktail, delivered 50 RSVPs to our happy hour. While that may not seem like a huge number, the cheeky, humble email also elicited personal responses from 25 prospects who shared their own marketing errors.

Respond to those responding to you.

Remember, these are *people* on the other side of your communications. Everyone who responded—either letting us know of the error or replying to our apology—received an email back from our marketing operations specialist. The sentiment was overwhelmingly positive. This campaign led to genuine, active engagement with our audience to the level that some even thought we did it on purpose. We did not (and will not) purposefully deploy an outdated campaign, but the lessons learned helped us recover and pay close attention to the way we plan our initiatives in the future.

Strategic Fail

It should have been a traffic-driving sensation.

Not every idea needs to be a full-scale initiative, and this failure from May 2014 proves it. The marketing team conceptualized a *Star Wars* vs. *Star Trek*-themed marketing campaign. We'd ask marketers, "Is your content more like *Star Wars* or is it more like *Star Trek*?" Both Trekkies and *Star Wars* fans are well known, vocal and dedicated to their causes on the interwebs, we reasoned. *Star Wars* movies have grossed more than $4.5B over 39 years and inspired a number of events, conferences, movies, toys and books. The 13 *Star Trek* movies have drawn more than $1.9B worldwide, and their fans go all out when it comes to their love for the series and the movies.

While fun in theory, our failure rested in a flawed strategy, built on an idea that our team loved but that didn't resonate

Our failure rested in a flawed strategy, built on an idea that our team loved but that didn't resonate with our audience.

There's something beautiful about modern marketing: You can shift immediately.

with our audience. Additionally, we dedicated weeks of work time to this initiative, using developer and content resources to design and build an interactive quiz, something new and extremely time-intensive for our team.

Within the first 30 days of the campaign launch, the *Star Wars* vs. *Star Trek* assets received 59 percent fewer unique visitors compared to other Kapost campaign launches. It drove only 15 leads within the first 30 days of launch, and none went past the lead stage to an opportunity or closed-won deal. So, what went wrong, and what did we learn?

Create for your audience, not yourself.

Before you build a massive campaign and dedicate significant time and resources to it, make sure you understand what your audience cares about. Even though we loved the idea of the campaign and had gotten one another excited to execute on our idea, we never tested it with our target audience. Thus, it flopped. Comparing *Star Wars* and *Star Trek* to marketing strategies didn't resonate with our audience.

Don't skimp on distribution.

Unlike other campaigns, we didn't reach out to our networks to guest blog and further promote the assets we worked so hard to produce. The truth is, even if you create the most brilliant and awe-inspiring assets, your content will fail without a strong distribution strategy. True success lies in getting your content in front of a wider audience.

Leverage email.

We didn't have a dedicated content asset to support this initiative, or an effective way to segment prospects in our database without blindly guessing who would be most likely to like *Star Wars* or *Star Trek*. As a result, we didn't utilize marketing automation to drive more traffic and move more leads down the funnel. This had an impact on our ability to deliver a relevant message across the funnel and drive the right traffic to the interactive page.

Optimization Fail

It needed to drive the majority of our leads for the quarter.

Every year, our team puts together a major, integrated initiative called the Kapost 50. The effort demanded is Herculean and includes research, interviews and collaboration across our internal teams. This is followed by the creation of 50 brand profiles, published on a custom-created microsite, requiring additional investments in time and web development. It's a team-wide effort.

In December 2015, *The Kapost 50: The 50 Best Brands in B2B Marketing* officially launched. This was the fourth consecutive year our team ran this initiative, and, based on past performance, we predicted a huge spike in traffic and leads. On the day of launch, our social media campaign blew performance benchmarks out of the water with targeted posts—largely on Twitter—to the top 50 companies. Not only did the campaign trend on Twitter that day, but social media drove approximately 50 percent of the traffic to the microsite.

The interactive microsite was completely ungated, similar to our previous Kapost 50 campaigns. As users scrolled down the page, before they even got to the main content area they saw a full-panel call-to-action button, driving people to register for a webinar series featuring the stories of four brands that had made the list: Rockwell Automation, Netskope, Wiley and Brady Corporation. This call to action was also a looping video, aligned with the overall campaign theme. It was beautiful, modern, sleek.

Even if you create awe-inspiring assets, your content will fail without strong distribution.

And yet, it drove three times fewer leads on the day of launch than the year before, and by the end of the month, there were 1.2 times fewer conversions. This was not just a content fail; our team was in danger of missing our lead goal. Here's what we learned from the experience.

Traffic isn't enough.

The team responsible for social media did their job beautifully, driving significant traffic to this interactive page. However, the page wasn't optimized, and thus, it failed to convert. Every step of the journey has to be optimized to drive the results you need for marketing. Marketers have to align on the ultimate goals of the campaign to drive the results we expect—and need—for our business.

Don't be afraid to pivot.

There's something beautiful about modern marketing: You can shift immediately. We tried testing different messaging on the call to action to drive more leads, and we were able to make up some of the lead-generation failures from the first day of the campaign. But, what if we had focused on a different call to action entirely? There are many ways to test and shift in digital marketing, and you need to build into your plans immediate analysis and time to pivot. It has been said that luck is the residue of design, and by dedicating more time to post-launch optimization, we may have been able to reach our lead goal expected by this particular campaign.

Test small, push big.

There were many new components to this particular campaign, and we hadn't tested many of them first on a smaller scale. We put all of our lead goal "eggs" in this untested basket, including a new web layout and a webinar series, which provided a less-than-seamless customer experience.

Had we taken the time to perform smaller tests on the webinar or landing-page designs, we could have better predicted audience reactions and planned accordingly. Instead, we depended on untested structures to be the foundation of our quarterly lead goal.

Perfection vs. Excellence

A fellow marketer and close friend recently reminded me that perfection is impossible. "Instead of being a perfectionist," she said, "I consider myself an excellentist."

In marketing, we can drive ourselves crazy with our failures. However, there's a silver lining to failing. Mistakes allow us to validate some strategies, while leaving others behind. They force us to learn more about our audience and how they engage with our brand. They wake us up, turning us into better marketers. Our failures prove we aren't perfect, but they do give us the experience we need to be excellent. PM

About the Author

Anne Murphy is the director of content marketing at Kapost, the leading content platform for B2B marketers. Anne and her team are responsible for fueling Kapost's marketing channels with relevant, high-quality content that drives revenue. She lives and works in beautiful Boulder, Colorado. Connect with Anne on LinkedIn at linkedin.com/in/annelmurphy.

STEPS TO ESTABLISH PRODUCT-MARKET FIT

BY DAVID KULLMANN

THE CEO OF QUIRKY—A PLATFORM THAT ALLOWS USERS TO VOTE on inventions to crowdsource—stepped down last year because his company burned through its venture capital and couldn't persuade investors to re-up. While the idea of a crowdsourced inventors' marketplace sounded great, and initial returns were promising, after the smoke cleared, the company couldn't maintain its momentum.

While any company can convince a few people to buy something, to achieve sustainable success you need a larger portion of the market to get excited about what you offer. If your product is truly a market fit, you'll be pulling all-nighters to keep up with manic consumer demand.

Most companies spend the majority of their time prioritizing features, developing build schedules and visualizing big-picture ideas. But coming up with ideas is often easier than executing them. And, many people get caught up in ideation and are unprepared when it's time to go to market.

Other companies get so excited about their ideas that they hit the height of their social interest too early and are forgotten when launch time arrives. Remember Clinkle, a mobile payments startup offering user rewards? The initial idea got potential users excited; the startup even managed to raise $20 million during development. However, the hype died down as people realized that an actual product was a long way off. The eventual product launch more closely resembled a single lit sparkler, not a full fireworks display. Employees left in droves.

Of course, the other direction is just as dangerous. Calxeda, a company that built ARM-based servers, tried to market tomorrow's solution to today's consumers. It fell flat because people weren't yet ready to go in that direction. Both Clinkle and Calxeda were unable to achieve a product-market fit because they failed to time their product to consumer readiness.

If a product is truly a market fit, you'll pull all-nighters to keep up with manic consumer demand.

Then there are businesses like OnLive, a streaming game service purchased last year by Sony and shut down a month later. OnLive failed previously in 2012 before retooling its subscription gaming approach. It attempted a comeback in 2014 on the popular Steam platform and as an enterprise workflow software. But that ultimately failed too. Even with Sony's more aggressive pricing model, the market simply didn't demand what the product offered at a price required to remain viable.

Creating a product is just the first step in a long, complex equation. The world must be ready for your product, and people must understand how your product solves their problem. These businesses failed because they couldn't create the proper product-market fit. To avoid their fate, test the value of an idea before fully developing it, and only decide how to proceed based on those results. Fleshing out an idea just to see whether it will work results in sunk costs, wasted time and lost business intelligence opportunities.

Luckily, it doesn't have to be particularly difficult to identify the market fit and execute a product strategy to match; you just have to follow the proper procedure. An important tactic here is to set the bar high and hold your organization accountable. A small trickle of customers at a low conversion rate doesn't indicate product-market fit. Instead, look to achieve product-market fit by reaching or surpassing the conversion rates of competing products. The following steps will help you find the best fit for your product.

1 **Document your plan.** First, take a step back and reevaluate your original plan. Create a simple one-page documented plan. This won't be a business plan for your investors where you make optimistic guesses about your financial success. Rather, it will show a simple business model that outlines your solution, how it solves customers' problems and the associated risks. Lean Canvas offers a free version online.

A small trickle of customers at a low conversion rate doesn't indicate product-market fit.

2 **Tackle the riskiest part first.** Start with the most uncertain part of your plan and tackle that. The risk might be in marketing, sales or development. Wherever it is, focus your attention there before moving on. It may seem obvious in hindsight, but the easiest way to lower your uncertainty is to eliminate the biggest risks first.

3 **Put function above operationalization.** Identify your business model and product fit before you tackle how to operationalize them. Does your solution truly meet the consumer need? Have people demonstrated that they want this need fulfilled and are willing to pay for it?

Focus heavily on learning what works, then start operationalizing once you know you have product-market fit. Remember, Clinkle failed because leadership spent $20 million operationalizing the company instead of using its resources to establish product-market fit.

4 **Define and measure key metrics.** Company leaders must talk to everyone—from stakeholders to end users to prospects—if they want a clear understanding of what their user base expects. Use that information to create specific metrics that determine whether your business is succeeding.

Define and track your metrics around AARRR: acquisition, activation, retention, referral and revenue. These high-level metrics will help you understand the big picture of your business model and solve ground-level problems using top-level logic.

5 **Make your claims testable.** When you make claims about the outlook of your product and business initiatives, you need a way to test those claims. Product pros and entrepreneurs love to make vague claims that sound good but can't be used to evaluate success.

For example, instead of saying, "We will become famous through content marketing," say, "Writing 10 guest posts for credible publications will net 1,000 new visitors in this time frame." Can you duplicate the results? If so, you have a repeatable testing model. Now you can home in on what makes your product the right market fit and focus on those areas.

6 **Shorten the cycle time.** Use manual processes first to understand the ins and outs of what you need to accomplish. Next, design your processes using that knowledge to shorten your cycle times. For example, rather than building a report-generating feature over the course of a month, create the report by hand for your first 10 customers. It will take more time in the beginning, but once you understand the value of that feature, you can decide how—or whether—to flesh it out more fully.

Before anything else, product-market fit—or its absence—is what will make or break your company. Many great ideas have died because they arrived at the wrong place, at the wrong time, in front of the wrong people. Make identifying your product-market fit as important as the development of your product, and you will dramatically increase your chances of success. PM

About the Author

David Kullmann is a partner at Citrusbyte, which helps clients define, design and build products that delight their users and owners. Citrusbyte works with customers to build their startups, modernize and rebuild their technology, and introduce new products into new markets. Citrusbyte advises its clients in all facets of the product—from engineering to marketing—to help them make better-informed decisions. Connect with David on LinkedIn at linkedin.com/in/davidkullmann.

Pitfalls in Product DECISION-MAKING

BY ADAM SEWALL

IN ANY GIVEN DAY, YOUR COMPANY MAKES THOUSANDS OF DECISIONS. Big ones. Small ones. Some have many dependencies, others have none. If your company is like most, chances are that it fits one or more of the following conditions:

- It lacks a process governing how product decisions are made
- It has a governance model for decisions, but it is too lax
- It has a governance model, but it is too cumbersome
- It has a governance model, but it is incoherent or poorly understood

In the absence of a coherent process, a variety of approaches and tools will fill the void. This can happen at the business-unit level, where each unit is organized and makes decisions differently; or it can happen at the team level, where individuals plan and prioritize according to their own homegrown, spreadsheet-based formula.

Once it takes root, this ad hoc decision-making can dramatically impede product success by eroding credibility and trust, introducing bias and obstructing repeatable processes. Here's what to look out for when assessing your organization's ability to swiftly make decisions and prioritize work that solves the right customer problems.

Frequency and Recency

It's a fact that, as humans, we are more likely to recall things if they have been mentioned frequently or recently. That is why advertisers like to show the same brand message multiple times over a short time period.

This can have obvious consequences when it comes to product planning. When all else is equal, a product team that is asked to produce a plan is more likely to prioritize items they've heard recently or frequently.

Now, you shouldn't avoid paying attention to things you hear frequently. In fact, frequency is a fairly reliable indicator of pervasiveness, which is a fundamentally good dimension to consider in determining the biggest customer problems. The problem, in our experience, is that you usually end up with something that resembles this table.

FEATURE	REQUESTED RECENTLY	REQUESTED FREQUENTLY
File Upload Widget	Yes	Yes
PDF Report Download	Yes	Yes
Bulk User Management	Yes	Yes
Single Sign On	Yes	Yes
Self-Serve Billing	Yes	Yes

This is great if you plan to build all five features. But what happens if you only have the resources to build three? How do you weigh these items by relative importance? And what about requested features that didn't end up on this list? It's entirely possible that a large, strategically important customer has a need that's not represented on the list.

Better would be something like this:

FEATURE	# REQUESTS	LAST REQUESTED
File Upload Widget	3	Apr 3, 2016
PDF Report Download	7	Mar 6, 2016
Bulk User Management	8	Dec 1, 2015
Single Sign On	8	Sep 10, 2015
Self-Serve Billing	15	Nov 15, 2015

And better still would be the following, which includes total revenue attached to the feature requests from all potential customers:

FEATURE	# REQUESTS	LAST REQUESTED	$ REVENUE
File Upload Widget	3	Apr 3, 2016	250K
PDF Report Download	7	Mar 6, 2016	100K
Bulk User Management	8	Dec 1, 2015	100K
Single Sign On	8	Sep 10, 2015	1.5K
Self-Serve Billing	15	Nov 15, 2015	10K

To reduce frequency and recency bias, you must generate a comprehensive and accurate view of all customer needs—not just the ones you heard about last week. In the B2B world, generating this list requires teamwork; you must engage members from sales, customer success and other customer-facing teams.

HIPPOs

It's a bad idea to let the highest-paid person in the office (HIPPO) make product decisions *if* that person is wrong. The problem is that this isn't always clear. And, even when it is, no one wants to tell the boss their ideas are bad.

HIPPO-led decision-making can have a number of side effects. First, it can discourage smart people from doing their best work. If everyone knows your CEO will dictate what he wants on the roadmap—regardless of alternate recommendations—they will be less motivated to think long and hard about tough customer problems.

Second, relying on a HIPPO is neither a scalable nor repeatable approach to making effective product decisions. Who calls the shots when the HIPPO leaves the company? What happens when you grow past 100 employees? Startups with strong-minded founders face particularly challenging dynamics in this regard.

Finally—and perhaps most important—a HIPPO is often the farthest removed from customers and has the least insight into what customers actually want. The decision by Kodak CEO Walter Fallon not to pursue digital technologies—despite the fact that Kodak engineers had already developed the first digital camera in 1975—is just one example of C-level decisions that are out of touch with customers and the market.

LOVRs

As anyone with a 2-year-old can attest, it's hard to ignore someone who's emphatic and persistent. The loudest voice in the room (LOVR) is not that different; they can have a major influence on the product decision-making process. This fact poses a number of challenges.

First, like 2-year-olds, LOVRs drown out the other voices in the room, making it difficult to identify and listen to the needs of quieter, more introspective individuals. This leads to a narrower, less diverse set of perspectives from which to inform your decision-making process.

Second, and less obvious: If you give LOVRs what they want, others will soon learn that the only way to get your attention is to be loud. When this happens, your team will treat every minor feature request or customer need like the sky is falling.

Finally, and somewhat counterintuitively: the loudest voice in the room—that noisy board member, for example—may actually be dispensing valuable information. Put differently, don't mistake someone who is loud for someone who doesn't know what they're talking about.

Collective Belief

In a 2003 *Harvard Business Review* article that analyzed several spectacular product failures, Isabelle Royer uncovered the reasons why companies continue funding development and marketing efforts for failing projects:

> *Hardly the product of managerial incompetence or entrenched bureaucracy, the failures I've examined resulted, ironically, from a fervent and widespread belief among managers in the inevitability of their projects' ultimate success.*

If you've ever listened to people in a meeting parrot non-empirical, self-reinforcing statements about a particular product or project, then you likely have witnessed at least the beginnings of what Royer dubs collective belief.

Similar to groupthink, collective belief can be incredibly powerful. It can align your organization around a specific vision, enabling teams to move quickly. After all, aren't you supposed to have strongly held convictions and stay laser-focused on your vision of success? Isn't that what it takes to build great products?

Yes, but you need to ensure your vision for product success doesn't blind you to information that contradicts that vision. As

If you give LOVRs what they want, others will soon learn that the only way to get your attention is to be loud.

Royer observed, organizations that stay the course in the face of mounting evidence that they're on the wrong track waste vast amounts of time, money and resources on products that are ultimately mothballed.

Going on Gut

Yes, gut decisions are sometimes necessary, and they may result in successful outcomes. The problem? Basing your decisions on intuition makes it almost impossible to repeat your successes and—perhaps more important—avoid repeating your failures.

Going on gut has a number of other downsides. It can be difficult to explain why certain decisions are made, so this information may not be shared broadly within a business unit or organization. When this happens, gut decisions may cause confusion about strategy and—in the worst cases—erode credibility and trust within your organization. These dynamics become ever more pronounced when gut decisions result in failed product decisions.

Finally, if you're prone to confirmation bias—which we all are to some degree—then making decisions based on intuition can lead away from product success. When your decisions result in good outcomes, you'll confirm your gut mode; when they result in bad outcomes, you're likely to omit them from your mental record.

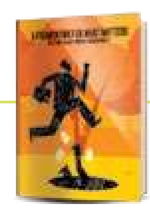
The Steve Jobs Fallacy

It's tempting to think that great products originate from a singular genius. Let's face it, it's a cleaner, sexier narrative: A lone genius goes off in the face of great adversity, against the will of naysayers, to come up with a product so revolutionary that it spawns its own new category.

In reality, product development is far messier—and involves far more minds—than a single product visionary. It's worth recalling that even Steve Jobs relied on reams of market research and his team's input when he conceived of and developed game-changing products like the iPad.

Instead of waiting around for a singular genius to solve your product challenges, get everyone involved: your customers and internal stakeholders, your net promoters and your detractors, and your HIPPOs and LOVRs.

Building great products and getting them to market is hard. And no one is immune to bias. But the good news is that you don't have to do it alone. When supported by the right framework and technology, you and your team can identify prevailing pitfalls and take a repeatable, data-informed approach to focus on what matters most. PM



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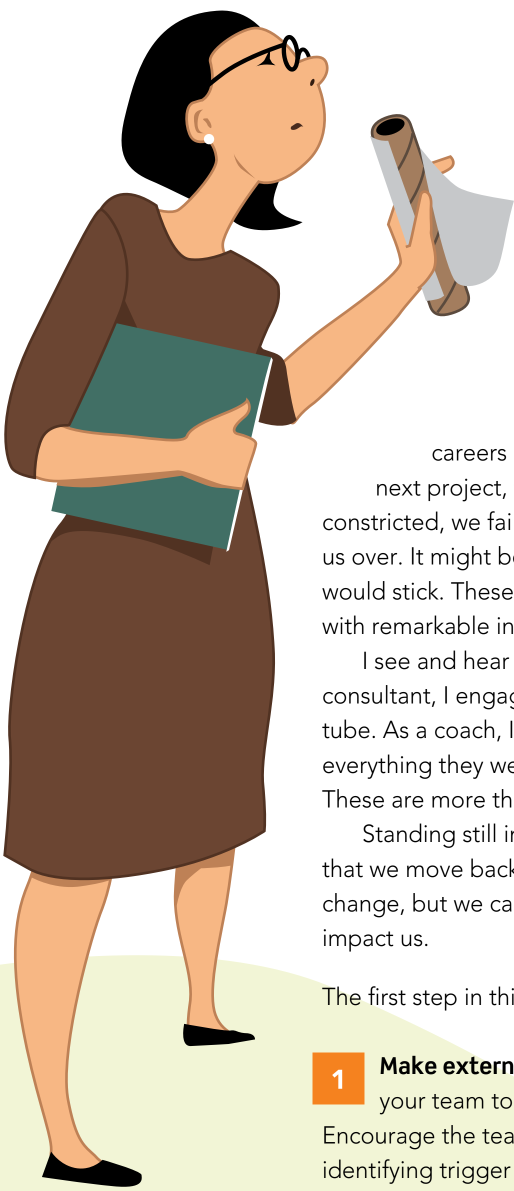
THE ART OF MANAGING:

Change Your Field of View

BY ART PETTY



THE NEXT TIME YOU ARRIVE AT THE END of the roll of paper towels, instead of throwing the cardboard tube into the recycling bin, why not channel your inner kid? Put the tube up to your eye and use it as an imaginary telescope. Admit it, you did that as a kid. We all did. These tubes made excellent telescopes for spying on annoying siblings, and wrapping paper tubes were reserved exclusively for sword fights with these same characters.

The view through the tube is analogous to how many of us view our organizations, careers and industries. Too often, we're laser-focused on the object in front of us: the next project, the next quarter or our annoying competitor. Because our field of view is severely constricted, we fail to see the bigger picture until something from outside our narrow worldview runs us over. It might be a disruptive competitor we scoffed at, or new technology that we never thought would stick. These unseen, unanticipated changes disrupt our organizations and derail our careers with remarkable indifference.

I see and hear the result of this monocular vision in my work all of the time. As a strategy consultant, I engage with clients who spend way too much time looking through the paper towel tube. As a coach, I'm frequently approached by individuals who wake up one day to discover that everything they were educated and trained for and were accustomed to doing no longer applies. These are more than sobering moments. For many, they are horrifying.

Standing still in this era—with our organizations, our strategies or our own careers—guarantees that we move backwards at the speed of change. On our own, none of us can stop the force of change, but we can do a better job scanning for trigger events and anticipating how they might impact us.

The first step in this process is to expand your field of view. Here are eight ideas to help with that.

1 **Make external scanning part of your normal operating routine.** It's essential to get people on your team to regularly look at and talk about the world beyond your industry and customers. Encourage the team to look at new developments in other industries and geographies. Focus on identifying trigger events that have the potential to ripple through industries.

2 **Jump-start scanning.** Assign teams to visit conferences and trade shows in unrelated markets and look for the latest developments, innovative technologies or emerging business models.

3 **Use association techniques to stimulate investigation and idea development.** Observing how innovative firms and market leaders in other segments execute their business can serve as a source of ideas. Your goal isn't to mimic those firms, but to identify approaches that you might adapt to your audiences to differentiate you from competitors. For example, ask yourself: "How would the Ritz-Carlton reinvent our customer service approach?" Or, "How would Amazon use our data to improve our marketing?"

4 **Create a space to curate observations and foster idea generation.** I'm a fan of curating content in a physical space. It might be a room filled with whiteboards or offering ample open space for flip-charts. A physical location allows people to wander in and out, consider ideas and observations, and add their own thoughts to the evolving discussions. If your team is dispersed geographically, put someone in charge of operating a virtual whiteboard.

5 **Check your instinct to prognosticate too early in the process.** While we all like to think we're analysts able to assign probabilities to potential outcomes, focus your initial efforts on discussions, not mathematics. Ask yourself:

- If this materializes in our space, what will it look like?
- How will this impact our customers?
- How might we leverage this trend?
- How might we protect our business against this?
- How do we get out ahead of it before competitors do?

6 **Cull the herd.** Over time, edit the events down to those the team selects as most likely to impact your space and firm. Shift the dialog to, "How do we defend against or leverage this?"

7 **Create the mechanism to turn insights and ideas into actions.** Create intelligent experiments out of the insights gained from scanning. Whether it's scenario analysis, exploration of potential partnerships or acquisitions, or early-stage research and development, the work of scanning must eventually move beyond conversation.

8 **Keep refining and improving your processes.** Strive to involve more people. Allocate more time for discussions. Consider involving customers and partners in the "what if?" scenarios and draw upon their ideas. Don't let this process stall or atrophy. Otherwise, you will revert to your tube-like view of the world.

None of us can afford to focus solely on the view from our conference-room window. Other than the color of the grass or leaves on the trees, the view never changes. Work hard as a professional and as a member of your organization to find ways to expand your field of view. While you might not be able to alter the course of that storm bearing down on you, the advance notice will allow you to sidestep or leverage it. Both are better than being blindsided and crushed. PM

About the Author

Art Petty is an executive and management team coach and keynote speaker. Art has two-plus decades of experience as a marketing, strategy and sales executive in software and systems. He's an avid writer on the topics of leadership and management and is the author of *Leadership Caffeine: Ideas to Energize Your Professional Development* and co-author of *Practical Lessons in Leadership*. He also writes the Management Excellence Blog at artpetty.com/blog. In his spare time, Art serves as a graduate management educator at DePaul University.

A PRAGMATIC APPROACH

Put this issue's ideas into action.

Look for Patterns in Win/Loss

Choose someone unaffiliated with sales to conduct enough win/loss interviews to identify patterns.

Rich Nutinsky

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Consider the Competition Early

Think about your competition—and whether it should impact your product decisions—at the beginning of the roadmap-building process.

Mike Belsito

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Search Job Postings for Competitive Intelligence

Companies often hire new staff when embarking on something new. Job postings are a leading indicator of where a company is heading.

Scott Swigart

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Focus on Customer Value

Develop an understanding of pressing market problems and then explain how you can help customers solve those problems.

Neil Baron

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Establish a Relationship

Foster a UX that supports user goals and builds a relationship with users that says, "I understand you."

Sandra Maples

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Slow Down, Move Forward

Creative breakthroughs often occur when you least expect them. So, take a deep breath and slow down to free up your brain.

Shawn Busse

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Be Prepared

Spend most of your time planning. A well-thought-out plan will save time and minimize your risk of fire drills.

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Confirm Product-Market Fit

Test the value of an idea before fully developing it, then decide how to proceed based on those results.

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Minimize Bias

Reduce frequency and recency bias by generating a comprehensive, accurate view of all customer needs.

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Expand Your Field of View

Visit conferences and trade shows in unrelated markets for the latest developments, innovative technologies and emerging business models.

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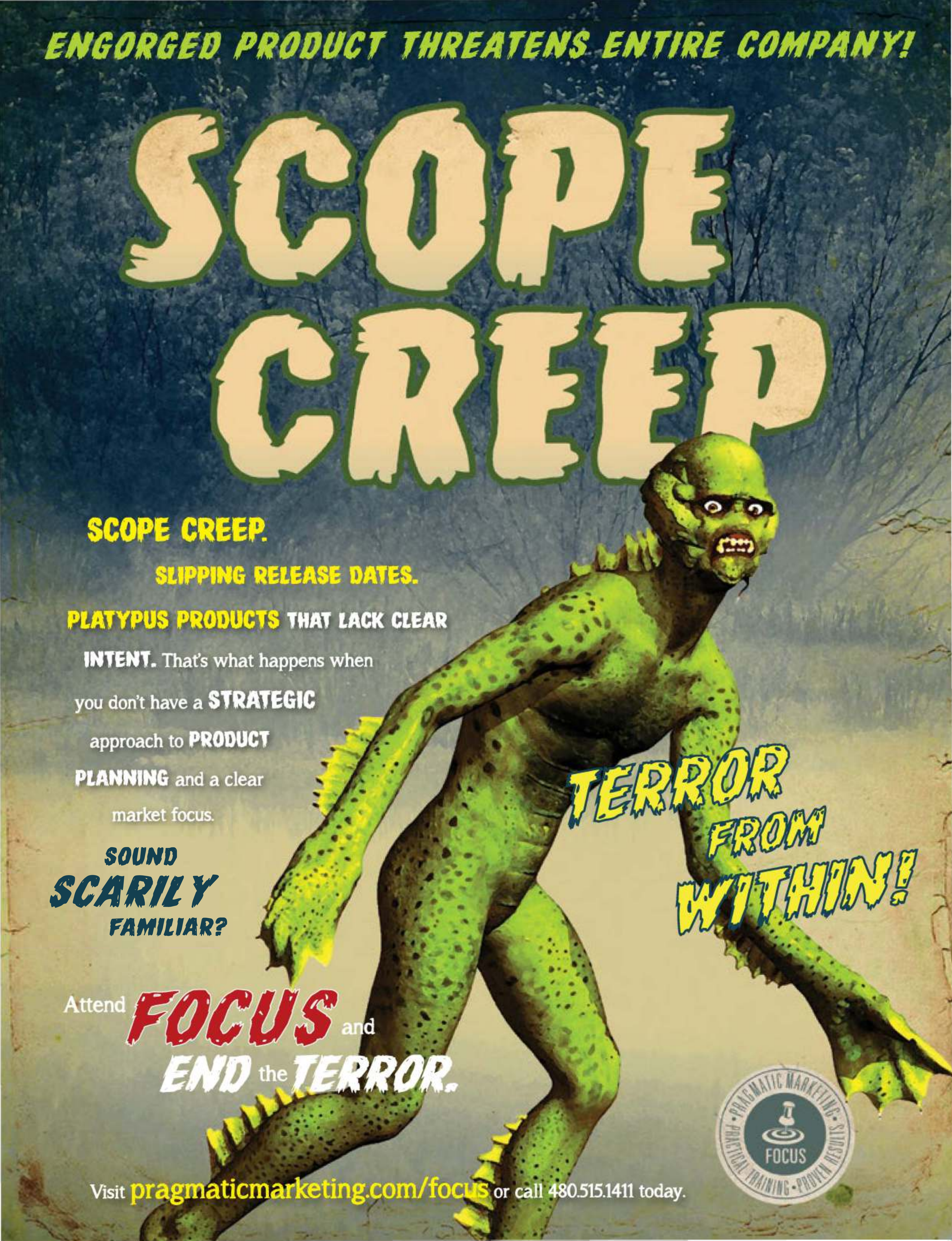
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