The SECRETS of Tuned In Leaders

How technology company CEOs create success (and why most fail)

PRAGMATIC MARKETING®

by Craig Stull, Phil Myers & David Meerman Scott

The authors wish to thank the CEOs who graciously agreed to speak with us while we were researching this e-book. Without their insight, this e-book would not have been possible.

Please feel free to post this on your blog or e-mail it to whomever you believe would benefit from reading it.

THANK YOU

[This e-book was originally published as *The Secrets of Market-Driven Leaders*. It has been re-named and updated with a few facts and references to better align with the book *Tuned In: Uncover the Extraordinary Opportunities That Lead to Business Breakthroughs* written by the authors in 2008.]

Tuned In:

Uncover the Extraordinary Opportunities That Lead to Business Breakthroughs

Tuned In reveals the "secrets" that separate market leaders from followers and failures. It shows you how to stop wasting time and money trying to be innovative and start creating "resonators"—great products or services people buy without thinking because they solve the problems they have and make their lives better.

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"When was the last time you bought a product and said, 'I have to tell my friends'? This book will change the way you look at success and failure in the marketplace."

– Rob McGovern, Founder of CareerBuilder.com, Chairman and CEO, Jobfox.com

"You can keep guessing what will lead to your big business breakthroughs... or... you can read this book, tune in, and turn on extraordinary results. Highly recommended."

– Michael Port, Author of Book Yourself Solid *and* Beyond Booked Solid

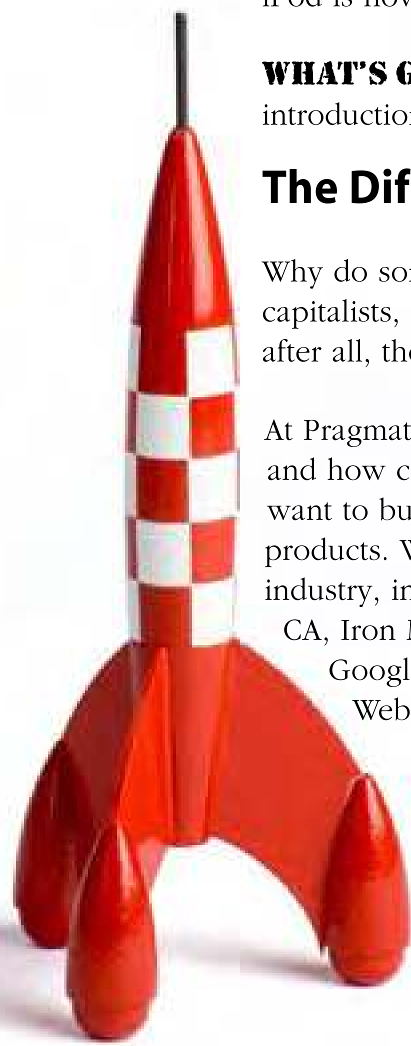
In 1993, Apple Computer (now Apple, Inc.) released the Apple Newton to great fanfare. The Newton was a product that many people within the company thought would reinvent personal computing. On the heels of two huge successes (the Apple II and the Macintosh), the mission seemed plausible. With the hype and buzz that has become a hallmark of an Apple product launch, early Newton advertising proclaimed: "The astonishing new invention that has room for your whole world but fits in your pocket. It manages your days, your names, and your numbers. It sends faxes and replaces your pager. It makes writing readable. It can draw even if you can't. It talks to computers and printers. And what you don't know, there's a good chance it does."

> "Our first product was a winner … but the rest stunk. What happened? Did our market dry up or did we just get stupid?"
>
> — *An unnamed and currently out-of-work CEO*

WOW. The Newton claimed to do virtually everything, including things you don't even know! The driving force behind the Newton? Then Apple CEO, John Sculley.

Of course, we now know that the Newton was a dismal failure. In April 2007, Computerworld declared the Apple Newton one of the 21 biggest technology flops of all time. The Newton missed, by far, its original goals to reinvent personal computing and it never met Apple's expectations. Critics and Apple insiders alike were quick to point to specific reasons for failure. Pundits said it was too expensive and that the graffiti-style writing system was too difficult to use. The unit was too big to comfortably fit into people's pockets (too bad the urban huge pocket craze hadn't yet started).

Contrast the launch of the Apple Newton with the Apple iPod introduction. Launched in 2001, iPod advertising was exceedingly simple: "1,000 songs in your pocket." Apple CEO Steve Jobs, now back at the helm of the company he co-founded, led a development effort focused on solving a problem in the marketplace—creating an elegant and simple portable digital music player that anyone could use. Prior to the iPod, MP3 players were crammed with features and functions and buttons and sported software that was difficult to master. Within six years of the iPod introduction, more than 100 million units were sold and the iPod is now one of the world's most popular consumer brands.



WHAT'S GOING ON HERE? The same company creates two major product introductions—one a spectacular success and the other a dismal flop.

The Difference is Outside

Why do some products fail while others succeed? That question keeps many CEOs, venture capitalists, employees, and shareholders up at night. Customers want to know too, because after all, they are spending their money on products.

At Pragmatic Marketing, our business is to study technology-company leadership, marketing and how companies develop best practice methodologies for creating products people want to buy. We train, and provide services to the teams that develop and market these products. We've studied the introduction of thousands of products across the technology industry, including those from big, well-known companies like Intuit, SAP, Microsoft, EMC, CA, Iron Mountain and SAS; breakout products from Blackberry, Salesforce.com and Google; and offerings from startup or niche players you may have never heard of like WebSense, Macrovision, FeedBurner, Act!, and AccuMap.

Recently, our focus has been studying the DNA of market leaders. We've surveyed our 45,000 alumni at 3,000 companies and compiled data for the past five years. And, in early 2007, we sat down for one-on-one discussions with 30 CEOs to dig deeper into what they think it takes to be successful. Drawing from our research and these discussions with CEOs, we looked at culture, organization, and process for building products; strategies for optimizing go-to-market plans; and measurement of best practices.

Our research validated anecdotal information that tuned in companies are 31% more profitable,[1] twice as fast to bring products to market, twice as likely to lead,[2] and enjoy 20% higher customer satisfaction rates.[3] We also found there is a much more fundamental reason for product failure than features and price. By pulling this information together into this e-book and our hardcover book (see *www.TunedInBook.com*), we will show you how to dramatically increase the likelihood for your success. And while it is possible to be successful by following a path different than what we outline here, the risk factors of going down an alternative path are much greater.

Why is it so challenging to become tuned in?

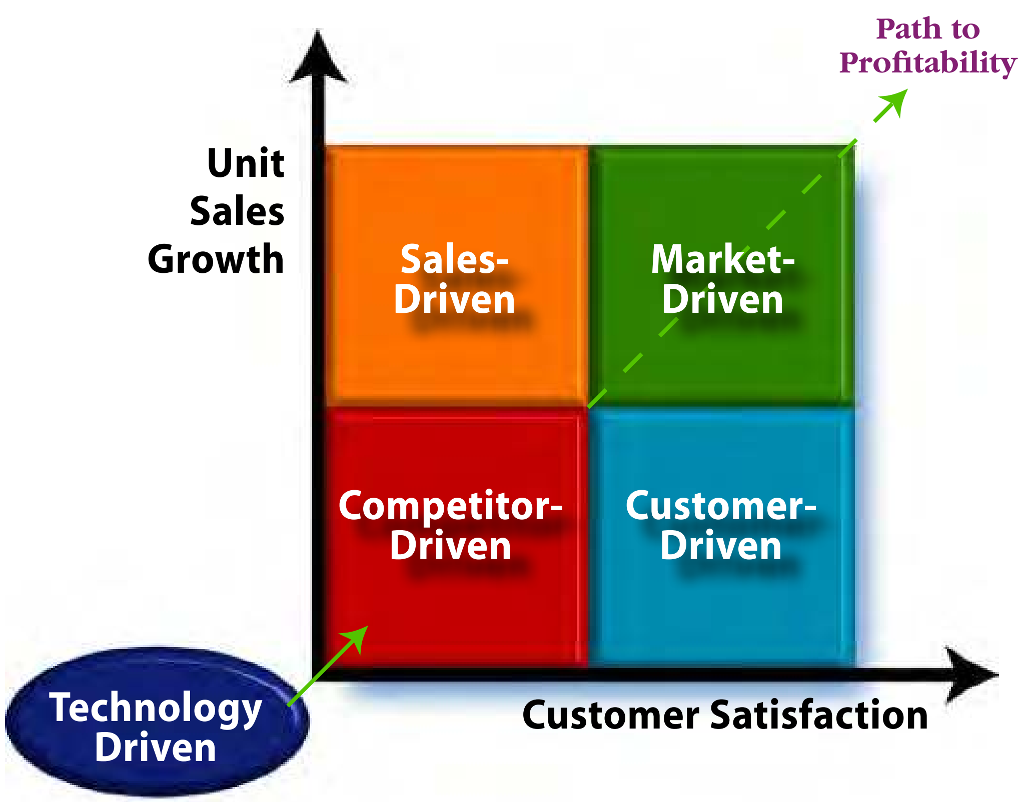
In fact, our research helped us uncover some startling observations about Apple which all technology company CEOs can learn from. Based on the evidence collected, we feel that the utterly different leadership styles—particularly the tuned in leadership habits—at Apple under John Sculley and Steve Jobs—is the difference between failure and success. We're convinced typical technology company culture leads to the kind of inside-out thinking that creates products like the Newton. The development process becomes bloated with stuff company insiders thought was cool, but people weren't prepared to plunk down money to buy. However, once a company's leadership focuses outside-in (paying attention to the needs of the marketplace), it results in the development of breakthrough products like the iPod—a product that solved an unmet market problem (an easy-to-use MP3 player) and one that people were happy to spend money on.

We heard a lot about the paradox of growth. We also heard that all CEOs want to be tuned in (or another way to put it "market-driven") but so few actually are—so we asked why is it so challenging to become tuned in?

[1] Derived from George S. Day and Prakash Nedungadi, "Managerial Representations of Competitive Advantage," Journal of Marketing 58 (April 1994): 40
[2] SoftwareMinds Best Practices report. © 2004.
[3] Summarized from Pragmatic Marketing's interviews with 30 technology CEOs

Tuned In Technology Companies and Success

There is absolutely no doubt the evolution of technology companies follows a predictable pattern. The success of the initial product is a rush, intoxicating for everyone involved in the company. However, too often, it's short-lived. In the predictable evolution of a technology company, the second and third products developed (like the Apple Newton) almost always fail. Why? Evidence shows it is because the entrepreneurs who started the company and who understood buyer problems soon become occupied with the details of running their organization. They no longer focus on buyer problems and building products the market wants to buy, but rather they obsess about the details of managing an ongoing business like hiring and firing, finance, office space, investors, and the like. Outside pressure forces the company to become the opposite of a tuned in company.



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COMPETITOR-DRIVEN (creating copycat products and services and entering the same vertical markets as competitors).

CUSTOMER-DRIVEN (letting existing customers define extensions to their products, sometimes creating a market of one).

SALES-DRIVEN (adding channel capacity to drive volume for existing opportunities and defining direction by the current needs of prospects).

"There is a difference between building the first product and building subsequent products," says Marc Sokol, co-founder of Realia, a company he built and then sold to Computer Associates, assuming the role of Senior Vice President and General Manager, Global Marketing for Computer Associates International, Inc. (CA). Today, Sokol is on the board of nine technology startups. "With the startup company and the first product, the germ of a good idea comes from an innovation that solves a problem customers have. Sometimes they are your customers or customers that you are familiar with, perhaps because you yourself have the need or the customers of your former employer had the need. The innovation is sparked by a need, a pain point, something they wished they had. In that early stage, you are swimming in the sea of the potential customer's problems. And you can learn. Then it is the science of validation—does anyone else do it? Is it a feature of an existing product? A new product? Or does it require a new company?"

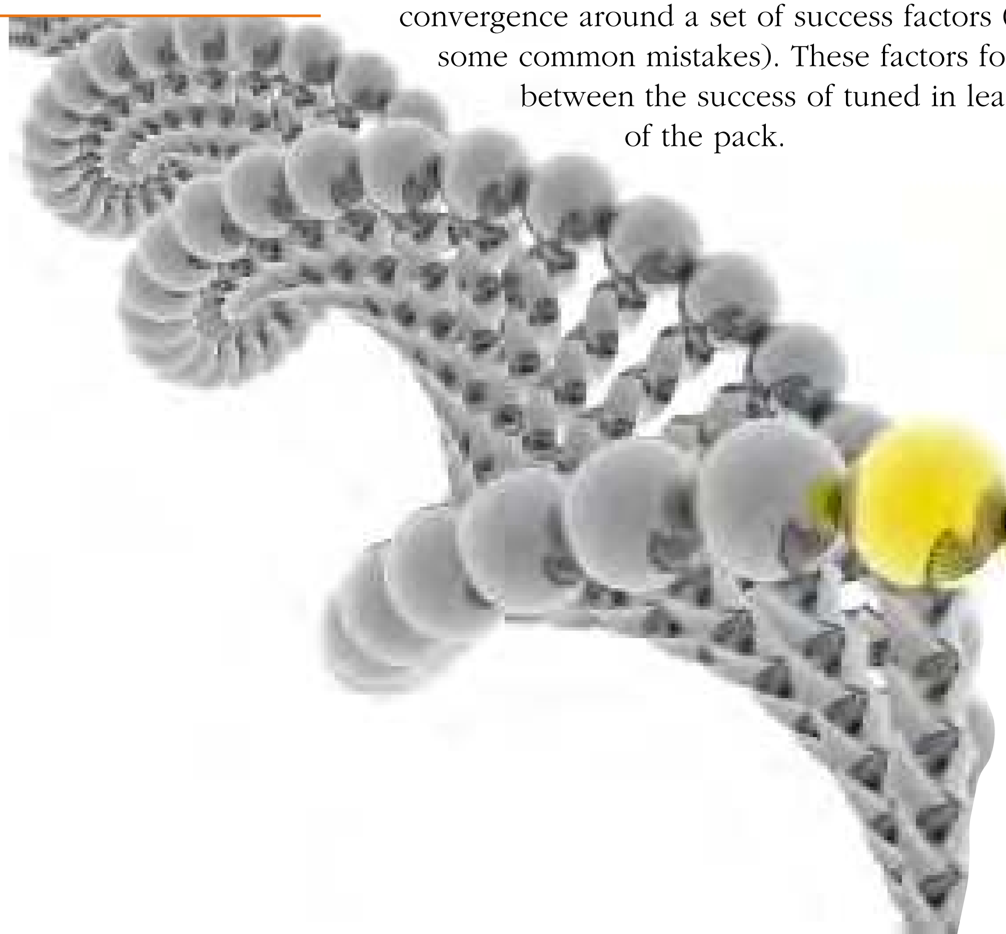
> "There is a difference between building the first product and building subsequent products."
>
> *– Marc Sokol*
> *co-founder of Realia*

According to Sokol, the problems happen when established technology companies move on from the initial success because those companies are influenced by the world they are in. "The company that already exists has customers that are self-selected because they are already customers," he says. "So if they only speak with existing customers they are not getting the full picture. You have to approach non-customers to get a sense of their needs, too. For example, if you are IBM and selling DB2 and you talk to DB2 users about their problems, you need to understand those products may only be applicable to DB2 users and non-users."

The same challenges, identifying market problems, also exist when building an outbound marketing strategy. "To segment the market, you need to find customers with the pain point," Sokol says. "Sometimes the biggest pain point is difficult to find. For example, one company I work with sells a product that is best for companies with lots of locations—things like banks with lots of branches and retail with lots of stores. So the lead-generation effort is focused on reaching companies with lots of locations. It is a feedback loop where marketing people, Sales, and the CEO track the buyer's pain points, determine the most valuable part of the product and then find other customers with similar needs. Your customers and customer stories are much more credible as a result. If I have Starbucks as a client, then it is easier to sell to McDonalds."

How do you keep the right DNA in place as you grow?

So, how do you keep the right DNA in place as you grow? We found convergence around a set of success factors (and we also identified some common mistakes). These factors formed the difference between the success of tuned in leaders and the rest of the pack.



The 7 SECRETS of Tuned In Leaders

We went back and reviewed notes from our discussions with CEOs and our survey data, and found some striking similarities between the companies that are winning in the marketplace and those that are struggling. Behind the scenes, seven critical success factors emerged. So pragmatic were these "secrets" that most of the CEOs we talked with treated them as nothing more significant than looking both ways before crossing the street. So powerful are these maxims, the companies that use them operate with a sense of comfort while those that do not seem to be constantly struggling.

This e-book is a focus on the seven secrets. Each one is described in detail and supported by interesting case studies of successful CEOs, in their own words. Examples of "Fatal Flaws" that less successful companies are doing are also presented.

SECRET #1 = Work as a Trusted Advisor

SECRET #2 = Build from the Outside-In

SECRET #3 = Simple is Smart

SECRET #4 = Leadership is Distributed

SECRET #5 = Stop Being a Vendor

SECRET #6 = Marketing with a Big "M"

SECRET #7 = Measure only what Matters

#1 Work as a Trusted Advisor

The way today's leaders create a sustainable, growing, and successful company is to instill a company culture of working as trusted advisors to prospects and customers alike. Leading companies understand market problems and buyer behaviors before building products. These companies appreciate learning from their existing customers, but, it doesn't stop there. They also recognize current customers are not their only target market and thus study market problems of non-customers as well. They interact with the market, not only to ask questions, but to participate. So valued is their knowledge base, these leaders are viewed as tuned in experts in their vertical market and industry, and often participate in their customer's strategic forums.

> "The last time I checked, there were no buyers at our corporate offices…so maybe we should figure out how to spend more time in the field with them learning about what they need than we do here with us guessing!"
>
> *– Pat Sullivan*
> *Creator of ACT! and SalesLogix*

People at tuned in companies largely ignore the competition. And they most definitely do not care about technology for technology's sake. Instead, they focus a majority of their energies on the problems buyers are willing to spend money to solve. By first understanding market problems, then building the products people want to buy, and communicating to buyers an understanding of their problems, everything else falls into place.

Consider FeedBurner, the pioneer provider of media distribution and audience engagement services for blogs and RSS feeds. The company, founded in 2003 and acquired by Google in 2007, also offers the largest feed and blog advertising network anywhere. "We look for trends in the marketplace that will cause spiraling complexity for our customers and develop products that address these challenges," says Dick Costolo, co-founder and CEO of FeedBurner. "When we started FeedBurner, RSS was already out in the market and people were beginning to use it. So we saw that the future of media was likely to be distributed—instead of people just going to one publisher web site, they would get feeds from a variety of places like sites and mobile devices. We thought if that happens there will be spiraling complexity for the publishers of content because people no longer come to one site but get feeds from all over the place."

With a fundamental understanding of how the technology can help customers, the CEO's job is to create products the market wants to buy. "We did talk to publishers about feeds but mostly we saw change coming and built products to solve the problems we anticipated coming," Costolo says. "We saw the trends such as the vortex of complexity around advertising in feeds. That has helped us to understand what not to spend time doing. For example, there are a bunch of instances where third-party people have said we should do a feed search engine. We looked at those opportunities and decided that was not something to do because others are already doing that."

The CEO's job is to create products the market wants to buy.

An important characteristic of early stage companies is the CEO and other leaders within the company are very active in the marketplace. Not yet bogged down in the intricacies of running a larger and more far-flung business, they are close to the markets they serve. Often, the CEO is extremely hands-on like Costolo at FeedBurner. "I own the go-to-market strategy," he says. "I develop a business case solely around the vision for what we want to provide to publishers. For example, we decided that we wanted to create detailed metrics around the widgets we provide to publishers. The marketing communications and strategy around launching this was to talk about how these widgets can help them promote and measure awareness to feed owners. We are very satisfied with our market position and how people see us in the market, and we are very satisfied with our market share, which is about 90% or 95%."

After Innovation, What Next?

As early-stage technology companies like FeedBurner begin to scale, there is the very real challenge of keeping the trusted advisor culture intact. While in startup mode, the culture forces outside-in thinking. But as companies mature, people tend to look inward for answers, which almost always lead to struggles and can often mean failure. This is where tuned in leadership plays a critical role. Leaders at successful companies keep pointing people outward.

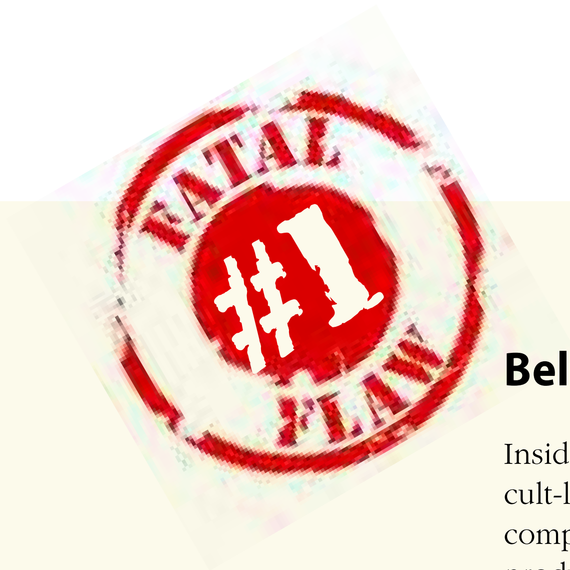
"I believe most great product ideas come from somebody bumping into a problem that nobody is solving through personal observation," says Pat Sullivan, creator of ACT!—the best-selling contact manager—used by millions of business professionals around the world and SalesLogix, the leading mid-market customer relationship manager. "Where is there a hole in the market to do something that nobody is doing? That is the best way."

"I believe most great product ideas come from somebody bumping into a problem that nobody is solving..."

Pat Sullivan
Creator of ACT! and SalesLogix

Sullivan recognizes that finding unsolved problems in the market is very different than looking at existing products as a starting point. "Some people try to look at existing products and see how you can make it different," he says. "But with a product like YouTube, how would you create a YouTube competitor? It is already done."

According to Sullivan, the key is to continually focus on market problems as a means to identify opportunities. "When I started SalesLogix, it was an exercise to re-enter an area I already knew. I looked at what the hole was in the sales force automation market. What problems could be solved? It looked like there was room to compete with ACT!" Sullivan discovered there was a hole in what he defined as the middle market—smaller organizations needed a solution that was as simple and easy to use as ACT! while at the same time providing corporate networking of data and real-time opportunity management. "The low-end retail store level was taken with ACT! and the high-end large enterprise direct sales model was owned by Siebel. So we went middle market with a VAR sales model."



Believing your own BS

Inside-out thinking is dangerous. Sometimes technology company CEOs develop a cult-like feeling about his (or her) powers and market-knowledge based on an initial company success. The CEO believes he can just dream up new ideas for technology products the market wants to buy because he's done it before. What's often left out of the formula is the key ingredient of how it was done before—by listening to the market and becoming a trusted advisor to the industry. In today's complex technology environment, there is no such thing as the entrepreneurial dreamer sitting in an isolated office creating technology products. Although there are rare exceptions, in the vast majority of inside-out developed offerings, the market does not want to buy the products created. Was the Apple Newton developed this way and that's why it failed?

SECRET #2

Build from the Outside-In

"Customers don't care about your products in the long run. They care about solutions to their own problems and visions. Once a technology company understands this and focuses on delivering solution value, everything changes for the better. They operate with more clarity, create long-term customer relationships and become more sought after in the marketplace."

— Fred Amoroso
President and Chief Executive Officer
Macrovision

Tuned in leaders understand the complete picture of market problems before building products. They develop solutions in the context of the total customer experience. Product managers, executives, and marketers in technology companies regularly meet with people in the marketplace and observe how they do business in order to understand the full scope of their usage requirements and their most significant obstacles to adoption.

The most important thing they do is to live in the prospect's world and look at all the touch points that matter. Leading companies interview potential customers and study what they do. When Scott Cook first built Quicken, he actually went into homes and studied the process of how families paid bills and managed their finances. He didn't rely on intuition, or competitive intelligence, or the advice of smart friends. Instead, Cook directly observed the problems his potential customers had in his chosen marketplace.

In depth interviewing (like Scott Cook did with families) is by far the most effective way to learn about market problems and meeting with people on their own turf (for example, in their workplace) is best. But other ways include joining industry associations and attending conferences your buyers attend to understand the issues. Read the same blogs and trade publications that your buyers read. This knowledge is the starting point to know what products to build.

The finishing touches come from putting the right bridges in place to ensure the total customer experience is complete. How successful would the iPod have been if it ignored access to music (through relationships with industry to distribute) and the medium for simple downloads (iTunes)?

A habit of creating a company culture that develops products people know they need and want to buy because the picture is complete (like the iPod) is the ultimate sustainable advantage.

What do Buyers Need?

Dealer.com, a major player in the automotive web solutions space, builds web sites and web-based sales tools for dealerships across North America. Mark Bonfigli, CEO of Dealer.com says, "In 1994, we originally built our product within a small auto dealership I founded that utilized the Internet and did not have salespeople. We built out a web solution that launched in 1996 by solving a real-life problem for both dealers and people who want to buy cars without the hassle of auto sales representatives."

As the web became a place for people to shop for all kinds of products, Bonfigli learned car buyers wanted to shop online to compare models and dealers without visiting the showroom first. This posed a challenge to traditional dealerships that have been run for decades on the walk-in customer model of direct sales. Because auto dealers are not experts in Internet technology, an unmet market problem existed that Dealer.com identified—creating web sites and web-based systems for auto dealers.

> "We keep figuring out what our buyers need."
>
> *– Mark Bonfigli*
> *CEO*
> *Dealer.com*

From the initial product of an auto dealer web site, Dealer.com has gone way beyond the original idea to web services for auto dealers to manage marketing, sales, inventory management and more. In all cases, Dealer.com is totally focused on understanding what problems auto dealers have that can be solved by web technology. "We keep figuring out what our buyers (the auto dealers) need," Bonfigli says. "We still have our own dealership but we go into many others to find the problems other dealers have—not just with our type of product but with all kinds of products from other vendors. We are in regular communication every week with many auto dealers, both existing customers and potential customers. Because of that, we pull and receive feedback on a regular basis. Improving the product is built into our company DNA and we keep morphing the product. For example, we have a sophisticated customer relationship management solution that we built for our auto dealer clients that includes innovations the market needs like dragging inventory (cars) into an e-mail and instantaneously sending it to Mrs. Jones."

Bonfigli says the reason Dealer.com maintains a clear edge in a competitive marketplace is that they continually work with both buyers and existing customers. "Built into our CRM system is a library of 100,000 auto dealers, some are customers but many are not," he says. "I can quickly show any potential client 50 different permutations of a web site solution for any dealer. Why wait eight weeks for a prototype when you can have a solution in eight seconds? If someone calls or e-mails us with an inquiry, I can show them something customized just for them in an instant."

By the end of 2007, Dealer.com had grown 860% in five years and received several industry awards for business performance. "We will never be satisfied until we are the number one standardized solution for the auto industry" says Bonfigli.

Building things you could, not should

Creating products because it would be cool to build, or because the CEO thinks it would succeed, or the Venture Capitalist says so, or one customer asks for it—are much more likely to end with a Newton-like failure. Does this scenario sound familiar? One of your better existing customers comes to you with a product enhancement request and says they're willing to pay you a lot of money to build it. Building the enhancement sounds exciting to your team. And the revenue can make your quarterly numbers. Your inclination is to sign a deal on the spot. Do you build it?

If you understand the secrets of tuned in leaders, you know that you can't make a decision to accept the enhancement unless you understand what it means to your marketplace. If you know what the market wants and the enhancement request comes in, you might be in luck! You can get one customer to pay for something the entire market can use. But without looking outside, you only look at incremental cost and not the opportunity cost of addressing the broader market and you could end up serving a market of one with the enhancement and only a few dollars to show for the effort.

Simple is Smart

Whenever tuned in leaders create products or solutions—for potential new customers, existing customers, or even new markets—it is always in the context of creating a simple solution to the problems people have. Contrast this with the development and marketing programs of the typical technology company. Most companies deliver solutions and messages from their own narrow, insular, and egotistical perspective. They talk about the new super widget. They announce a new feature. They obsess about the latest revision (version 2.309b). They insist on comparing their widget against the competition by using superlatives and jargon. What these poorly executed programs don't do is speak directly to the market problems people have and in simple terms, describe how technology can solve those problems. Most products and communications are hard to understand, hard to use and worst of all, completely out of context with the total customer experience.

> "Whatever happened to 'first mover advantage' from having a 'disruptive innovation'? My portfolio is getting killed by copycat products from companies that execute better."
>
> *– Venture capitalist still recovering from the .com hangover*

The best companies create solutions that are narrow and deep. They organize around a single market problem and solve it completely with a solution that to the buyer seems simple, obvious and most importantly handles all the related tasks in one easy step. Often, this means specializing in a single vertical market or industry. Customer communications programs are not one size fits all either. Instead, tailor to the context of each market or industry you serve.

Consider EqualLogic, Inc., a company that delivers a consolidated iSCSI-based storage area network (SAN) solution for small- and mid-sized companies. "Our strongest band of potential customers is 100 to 5,000 employees range," says Don Bulens, President and Chief Executive Officer of EqualLogic. "The company was founded on the massive problems around data recovery and data availability that created a burden on mid- and small-size companies. The product and the go-to-market strategy were built around this problem."

Bulens says a fundamental principal of the company is a focus solving storage problems and the company communicates to potential customers simply, and in the context of this problem. “At our monthly sales meeting, I say that EqualLogic helps customers to ease their storage pain,” he says. “Everything revolves around the market segment we focus on and are trying to form as deep a relationship as we can with our customers. Those intimate relationships with customers are the most important thing for us.”

> “Everything revolves around the market segment we focus on and are trying to form as deep a relationship as we can with our customers...”
>
> *–Don Bulens*
> *President and Chief Executive Officer*
> *EqualLogic*

To lead the customer focus of the company, Bulens hired a senior-level executive as Director of Customer Programs and EqualLogic has formed a customer advisory group. They have also turned to web-based tools. “We developed a message board forum initially for customers and the Customer Service Department to interact, but we have a goal to open it up to everyone, including buyers, the media and analysts,” Bulens says. EqualLogic also has a customer-oriented blog called Storage @ Work (http://www.equallogic.com/blog/) written by Marc Farley, the Director of Customer Programs.

“We measure everything and then pick what matters and measure that really well. For example, the rate of new customer acquisition,” Bulens says. He sees tremendous opportunity in the market that EqualLogic is helping to define, and his strategy is to focus on communicating with his customers, simply and in context of their problems.

“The storage industry is the last place of vendor tyranny in the IT industry,” Bulens insists. “Michael Dell helped to simplify computers and Cisco helped to simplify networking. Storage needs to be simplified. Companies of all sizes had their storage capacity growing by 50% per year and the existing storage solutions are amazingly complex. Our technology has radically simplified storage and made it really easy, so customers save time and money. Our market, storage deployed over Ethernet, has tens of thousands of target customers and is expected to be $5 billion by 2010, according to IDC.” With a focus on partnering with customers to solve problems, EqualLogic has grown in just six years of existence to the number two player with 15% market share according to Gartner and the number one pure-play in the business.

Dead chicken parts

Ever wonder if companies like KFC, or Tyson Foods, or Perdue Farms would be successful if they described their products using inside-out thinking? Hmm… Chicken. "Hey," KFC might say, "Would you like to buy some packaged dead chicken parts? We're an end-to-end solution for the killing, chopping, freezing, cooking, and packaging of chicken." Yet, this is what most technology companies do. Instead of understanding the market and delivering messages to them, companies mistakenly worry about understanding what they have and how to get a group of customer-facing evangelists to "pitch a new idea" to the market. This results in expensive one-way "communications" that bore customers, and take your company farther away from profits.

Leadership is Distributed

> "66% of technology companies view the role of product management as strategic and 52% have either product managers or business unit managers reporting directly to the CEO… those that did were twice as likely to be leaders."
>
> – *Pragmatic Marketing & SoftwareMinds surveys (2003-2007)*

At industry-leading organizations focused on a market-driven approach, company operations are driven from the business unit or product management level. Leadership is distributed. Why? Because the business unit leaders and the product managers who work there are the people who are closest to the marketplace and best understand the problems buyers face. Product managers and business unit leaders are the people charged with developing the products people want to buy. Winning companies recognize it is better to distribute leadership and to employ a bottom-up strategic planning process that drives the business forward than it is for functional senior managers to collaborate on decision making and push new strategies, processes, and plans out to the organization.

Top down is much less likely to succeed. At many of the struggling companies we've worked with, strategies for the business have been developed outside of an understanding of market problems. At these less successful companies, strategy is typically developed by committees chock full of company insiders without input from the marketplace. At some of these industry laggards, a finance-driven approach is used where a slew of MBA-types crunch numbers all day and dictate what happens at the strategic level of the business. At other organizations, strategy is dreamed up in the vacuum of a conference room by well meaning C-level executives who base decisions on instinct and prejudice and stuff that worked well in the past. However if the C-suite is not taking proper input from the business-unit-level product managers, then their efforts to steer the ship often end up hitting icebergs. For example, how many mergers help solve market problems?

Intuit is a company that's illustrative of how a distributed leadership strategy developed from the business unit and product management level is most likely to succeed. Steve Bennett joined Intuit in January 2000 as the company's President and Chief Executive Officer. The company's initial growth period was a big success because early on, Intuit's founder Scott Cook, did an excellent job of identifying an untapped market problem and produced Quicken. Under Bennett's leadership, the company organized bottom up with a leadership culture that develops and ensures outside-in processes are in place.

"A key aspect was to instill an innovation program that pushed responsibility down to general managers and product managers for the total use experience," Bennett says. "We created general managers for business units that are focused on horizontal problem areas like consumer tax and gave them full control over development and marketing for that business segment. It is important the business units weren't product groups but problem-focused groups."

Bennett says he works with the business units by conducting in depth strategy and operational reviews that look at three perspectives. How well does each business unit:

- Address the total customer experience?
- Understand buying process and decisions?
- Manage operational process and product results?

According to Bennett, Intuit is doing very well. Currently, the company is at $2 billion in revenue and growing at 10% year-over-year and has consistently met or exceeded projections since its inception. With a $9 billion market cap and 26 P/E ratio, Intuit is best-in-class. He attributes the organization around business units and the focus on understanding customer problems with the company's ability to grow beyond its initial success with Quicken.

"A key aspect was to instill an innovation program that pushed responsibility down to general managers and product managers for the total use experience."

Steve Bennett
President and Chief Executive Officer
Intuit

"Each business unit has its own development, product management and some dedicated marketing with corporate teams supporting them," Bennett says. "The power base is with the business units and is responsible for driving the business because they own the strategy of offering and optimization of delivery all the way to customer. At the business-unit-level, we are constantly monitoring what's going on in the marketplace and what problems our customers have. We are not big on focus groups or quantitative surveys, instead we work by observation and testing innovative solutions."

Bennett says the company is not really interested in competitive or technology vectors as measurement tools but interested in how much new value can be created for customers. "The business unit managers own the go-to-market strategy but they can't execute without the marketing team," he says. "We haven't developed any big branding or corporate promotion programs to get in the way of getting solutions in the hands of customers that need them. Therefore, we ask the business unit managers to lead the launch of offerings to the market."

What Steve Bennett of Intuit, and other companies creating a distributed leadership that focuses strategy down to the business-unit-level ensure, is company strategy is driven by market requirements, not inside-thinking. It is critical to focus an organization so that "outside-in" processes are in place.

Puzzle palace decision making

Just because you got promoted to be part of the executive team and get paid a lot of money doesn't make you smarter than everyone else. In a typical scenario we often see, the strategic team goes off on a retreat where everyone brings pet ideas. The person with either the loudest voice or the biggest title usually "wins." Usually, product management people who are invited to the meeting might interject and describe what the market needs based on in-depth interviews, but they are typically shot down by executives who say something like, "We don't have time for all that analysis, the competition is eating our lunch." As time presses, the group feels the need to come back with a "new action plan" so the market research phase is cut short. The minute you stop listening and start pontificating, you're guessing. And when you guess, chances of success diminish significantly.

Stop Being a Vendor

In our experience working with thousands of technology companies, we've watched a sequential decline each year in the level of "trust" between vendors and customers. We've learned the most successful organizations are ones their customers view as trusted advisors. Importantly, the way they get there is to ensure all of their customer-facing functions embrace the discipline of being a problem-solver and solution-seller instead of as a vendor. Industry leaders don't push solutions at their customers and walk away. Instead, they develop programs to partner with their customers in the process of continuous problem solving.

As a result, tuned in leaders today garner customer satisfaction rates, renewal rates and things like NetPromoter Scores in the 50-80% range. Those that are not, generate scores in the 5-10% range.[4] How do they do this? A formal customer relations program is the first step. The best programs include both electronic and personal contact management, early access to products, "loyalty" programs such as preferred licensing terms, "named" support staff, escalation paths for resolving conflicts, and customer advisory councils and conferences. The second step is to develop a professional and responsive sales organization (or channel partners) that provide added value in the sales and service processes. Importantly, industry leaders employ a sales organization that is compensated both to sell to and retain current customers.

In *Getting it Done,* Roger Fisher relates a story about a railroad expert being summoned because a brand new diesel locomotive would not start, no matter what the engineer did. After a short time of studying, the expert gave the locomotive a tap with a hammer and it started right up. Although very appreciative, railroad executives were somewhat surprised to get a bill for $1,000 and asked the expert to itemize it. The reply came back in two lines:

- Hitting the locomotive with a hammer ($10)
- Knowing where to hit it ($990)

[4] http://www.netpromoter.com/calculate/nps.php

Jim Malcolm, founder and CEO of AccuMap EnerData Corp. garnered 90% market share for the company's information service targeted to professionals who work in the Canadian oil industry. At the time Malcolm sold the company in 1998, investors were rewarded with a 6,000% return on their investment. Malcolm credits his success to three things: hiring great people, empowering them to build the products people want to buy, and maintaining a customer focus as a trusted advisor instead of a vendor.

"We won people's business because we listened and they know we listened."

Jim Malcolm
founder and CEO
AccuMap EnerData Corp.

"We developed AccuMap, a PC-based product, with the map of western Canada (the country's oil producing region) being what the user saw," Malcolm says. "Imagine turning on your computer and there's a map of the oil producing regions with all the rivers, roads, lakes, pipelines, gas wells, oil wells, and much more." Malcolm says that his customer focus as a trusted advisor allowed him to build AccuMap into the industry-leading product. "We didn't take customers from A to Q like the other big competitors did," he says. "Instead, we took them from A to B to C. Our system followed all the steps they were used to in their hard-copy world, we just did them quicker and more elegantly. We won people's business because we listened and they knew we listened. After a trade show we'd have close to a thousand written documents of suggestions and we'd take weeks and read them and categorize the ideas and look for trends of similar thinking that intuitively made sense. When we found them we implemented them."

Unlike many companies we spoke with, Malcolm didn't just collect a bunch of ideas and sit on them. AccuMap actually used the information to create products people want to buy. "It's significant that for the first five years of our company's existence, every time we released new data (which was monthly) we also released a new revision of our software with new product features," he says. "This meant that good ideas from users might appear in our software within days of them suggesting the idea. This flabbergasted our users and, of course, gave them an incentive to share their great ideas. People became so enthused with our responsiveness that they responded, sometimes writing lengthy documents of elaborate suggested improvements. Good stuff. Contrast this with the normal release cycle of a standard software company that might release a new version yearly or every couple of years. After five years, our user base was so large and the suggestions so vast that it became impractical to maintain the pace and we moved to quarterly releases of new software."

Malcolm says the company's trusted advisor focus also worked as a sales strategy. "We'd go to a potential customer and demonstrate the product," he says. "When they asked how much it would cost, we would say we would install it for free for a month and let them use it. If at the end of the month they didn't believe it made their life easier, they could return the product and keep all the maps they'd produced for free. Sometimes, even with this pitch they would say to me, 'No, your product isn't ready yet, because I need X feature or Y data type.' We would say 'excellent.' There would be no sales tactic at this point except to request a further meeting with them when we had such feature or data. They respected the fact we didn't try to convince them to take our product because we had other features they didn't value at that moment. When we added the desired feature we would then go back to them and invariably make the sale. Our actions were actions of respecting the prospect, the potential customer." But an important aspect of this strategy is that Malcolm refused to build enhancements when requested by a few large customers, even when they offered to pay hundreds of thousands of dollars to do so. "I only built an enhancement when it could be utilized by a wide number of users because it made sense for the entire industry," he says.

As the company got bigger, Malcolm realized a great trusted advisor program would be to create his own tradeshow to bring large numbers of people from the industry together to discuss issues. Of course, this effort also branded the company as a very important player in the marketplace. "We could get more people at our own tradeshow than the industry association could get to their tradeshows," he says. "We would get 1,000 people at our conferences when we were showing new features. We'd bring in guest lecturers on interesting topics and we'd bake bread on the premises (who doesn't love the smell of fresh baking bread and that olfactory experience would get attached to my software). It was all about taking our culture of honesty, integrity and doing everything for the right reason and taking that culture to the streets."

One of the most fascinating results of Malcolm's focus on being a trusted advisor was AccuMap often brought together people from different departments at client companies. "Historically, all of our competitors would build a system for geologists, or for engineers, or for land personnel," he says. "Of course this just reinforced poor communication among these disciplines. The geologists used geological systems and the engineers used engineering systems. We developed our system modularly so the same base system could have a land component plugged in, or an engineering component plugged in or a geological component plugged in. Because the system was so easy to learn, the geologists started to look at land issues and the land guys started to dabble in engineering questions. Instead of creating feuds, this broke down the miscommunications and promoted teamwork. This also meant I could sell AccuMap into multiple places within a single company such as the land department, the geology department, and the engineering department. So if I lost a sale in the geology department, I'd go down the hall and sell to the land department. This meant I could get a "beachhead" of internal champions somewhere in most companies and this gave me a calling card to continue to be in that company."

"If I lost six customers a year I would really study why we lost those customers—why had they lost faith in us? We would ask, 'what does it take to get your business back?"

Jim Malcolm
founder and CEO
AccuMap EnerData Corp.

When Malcolm sold the company in 1998, there were more than 500 companies using AccuMap with 6,000 users. "If I lost six customers a year I would really study why we lost those customers—why had they lost faith in us? We would ask, 'what does it take to get your business back?'"

Missionary selling

In many technology companies, we see a situation where a new product is ready for launch and company insiders "want to create a splash." So they bring in a new high-powered agency and often deploy a new sales force to come up with creative ways to reach millions. Everyone inside the company gets excited about the opportunity and the creative types come up with a strategy that "breaks the mold" and "will cut through the clutter." Even though it is a huge financial commitment and the CEO is skeptical, time pressures mean a decision needs to be made. The campaign is approved. And… other than some internal fanfare, nothing much happens, except the face you present to your customer is inexorably shaped by "cleverness" vs. the real value that trusted advisors and solution sellers bring.

Marketing with a Big "M"

Industry leaders understand that marketing is more than just "marcom" (marketing communications) and the role of marketing involves much more than just creating a message and delivering that message with the tools of advertising and public relations.

Unfortunately, in many less successful organizations, the promotional aspects of marketing are all that really occurs. Companies are more likely to fail when they get busy doing what they think is "marketing" without first going out into the market to understand what products people want to buy. Companies get into trouble when they throw bucketfuls of money at the promotional aspects of marketing such as advertising, tradeshows, PR, media relations, analyst relations, and the like without paying due attention to the problem identification, market definition, and product management aspects of marketing.

> "Marketing is too important to be left to the marketing department."
>
> *– David Packard co-founder of Hewlett-Packard Company*

Successful companies understand marketing is not just promotion and advertising. Industry leaders focus first on the marketplace and identifying market problems that exist and can be solved with technology. These industry leaders organize around both inbound marketing (understanding market problems and buyers) as well as what is more traditionally defined as marketing, the outbound components including the creation of a go-to-market strategy.

We've dubbed this success factor of industry leaders "Marketing with a Big **M**." The difference between just marketing and **M**arketing is a focus on marketing as the fundamental driver of a business.

"We started in late 1989 at about the time that Microsoft launched Windows," says Matthew Rizai, who as CEO of Engineering Animation Inc. built a highly profitable technology company with sales over $100 million and 1,100 employees worldwide. EAI produced animation and visualization software, growing very quickly in the 1990's leading to a successful IPO in 1996. "That was also the time Terminator came out as one of the first movies that used computerized animation technologies and 3D visualization. We started looking at visualization technologies to figure out how to make things more productive for different jobs." Rizai and his colleagues first went to Hollywood to see if they could sell a product for use in the movie business, but quickly found it would be too difficult. So they needed to identify another market.

"Some of us in the company had trial experience so we looked at courtroom and trial use of our software for accident reconstruction," he says. "That was the first market. We went to the attorneys and we told them we could do Terminator style graphics for lawyers. Although we looked for the need in the market with trial lawyers, we had the expertise to know the product made sense." For the trial lawyer market, Rizai identified a market problem: How can a lawyer show a judge and jury what happened during an accident in a compelling manner? By interviewing lawyers to understand the market problem and the product required to solve the problem, EAI developed an ideal product that sold in the $50,000 price range.

Through this process of problem identification and understanding what product people wanted to buy, Rizai was doing **M**arketing with a Big **M**. The company didn't just toss out a product they dreamed up in a conference room and relied on promotions and advertising to "create a need." Rather, EAI used marketing tools to identify a market problem (the difficulty of showing a jury in a courtroom how an accident occurred) and build a visualization product that a defined market (trial lawyers) were willing to pay money to solve.

EAI then went to work to identify other people who had market problems that could be solved by the company's technology. "Since people were doing this visualization stuff for cars and movies, why not humans?" Rizai wondered. So he decided to investigate the potential for 3D visualization in the medical area. "But we did not know anything about the medical business, so we made some calls to the Mayo Clinic and found someone who became very interested in our ideas and became a partner," he says. "We went together with our Mayo Clinic partner to the Department of Commerce and ended up getting a grant to fund the product development. What we realized internally was technology is not everything and we needed to start focusing on understanding the needs of our potential customers, to understand what they required. In this sort of research, there was no selling, it was just data gathering to figure out what people needed. Our strategy was developed by talking to potential customers and people in potential industries in a non-threatening way to find out what problems they had that we could solve."

"...What we realized internally was technology is not everything and we needed to start focusing on understanding the needs of our potential customers, to understand what they required..."

Matthew Rizai
CEO of Engineering Animation Inc.

According to Rizai, once EAI figured out the company had products the market wanted to buy, they created an environment to duplicate success. "We went to aerospace companies, auto companies, and heavy equipment manufacturers. As I see it, these are the required steps: **1)** Understand market needs **2)** Develop a product strategy and **3)** Create a marketing, distribution and sales strategy." Rizai's three steps are exactly what we call Marketing with a Big **M**.

OK, so we learned how EAI developed products based on market problems, but what about outbound marketing? How did the company get the product in front of potential customers? "The target market was enterprise-wide, corporate," Rizai says. "So we go to different job functions like the head of engineering, the CFO, and sometimes the president of the company. But these guys can be conservative. So our go-to-market strategy was focusing on a few customers to give us the success stories we can then use to scale up. The challenge was the need to pick the right companies to target and then tailor a presentation to each company. The proof-of-concept benefits of telling a story about a new customer is critical for success in the rest of the market. Our go-to-market approach always included trying to get one great customer in each target market before we go after the entire market. Getting the highest quality reference possible is critical."

By every measure, Rizai as a CEO and his company EAI was a success. *BusinessWeek* magazine recognized Rizai as one of the best entrepreneurs of 1997, and Forbes ASAP recognized EAI as number 8 on its list of the 100 most dynamic technology companies in the US in 1998. We asked Rizai what it takes to make a successful technology company. "At all stages—from startup through going public and the growth stage—we were constantly developing product for new markets," Rizai says. "We did not have much experience with steady state."

Seduced by branding and award-winning campaigns

The average tenure of a Chief Marketing Officer is about two years.[5] Why so short? In a typical scenario, the well-meaning CMO identifies that something needs to be "fixed" in the first six months. For many CMOs (especially those with a consumer marketing background) the answer is to spend much of the next year "re-branding" (fiddling with outward manifestations of the company such as logos, the color scheme of the web site, image ads, and tchotchkes) all at the expense of the market and what they need to know. After a year when nothing has fundamentally changed (except millions of dollars spent), the organizational antibodies rise up against the hapless CMO and he or she is suddenly out of a job within 90 days.

[5] 2004, *www.spencerstuart.com/about/media/45*

Measure only what Matters

Measurement is a tricky thing for most companies, but not tuned in leaders. Successful companies don't fall prey to the typical requirements of the C-suite, investors, boards, industry analysts, and Wall Street for managing the minutia and death by metrics. Of course, nobody would argue data and metrics don't have value, particularly when the numbers provide visibility and transparency into company performance. The problem with measuring marketing activities is too many companies have trained their employees to measure the wrong things. At the typical technology company, functional line managers deliver detailed metrics on such things as the number of sales leads, the number of "PR hits" (magazine and newspaper articles that mention the company), engineering productivity rates and waterfall charts, regional sales performance and more. Well, guess what? Those things don't matter and only serve to create a management environment that works hard but not smart!

Market-driven leaders measure only what matters. Their C-suite needs are dominated by demands for real measurements that help them run the business. When done right, the measurement will not just be a way to dole out MBO bonuses, but will serve as the dashboard for how the company is run. Metrics will help answer questions such as: Should you increase spending to build new and innovative products? Should you expand your marketing programs? Develop new channels? Increase or decrease your marketing staff?

"At the end of the day, customer satisfaction, unit sales growth and profitability are the only metrics that matter."

– Paraphrased from every successful CEO we interviewed.

During our discussions with (and surveys of) people in thousands of companies, the biggest eye-opener for us was the way CEOs measured the impact of the company's operating mission on the success or failure of the business. Things like the:

> "We had a bunch of metrics to measure success, including the number of new customers, new seats in customers, average contract value of renewals, and a breakdown between regions of the world."
>
> *– John B. Carrington*
> *executive chairman and former CEO*
> *Websense, Inc.*

COST IN DOLLARS AS WELL AS THE OPPORTUNITY COST OF GETTING THE PRODUCT RIGHT: how much faster can you bring a new product to market and how much money can be saved by eliminating development mistakes?

OPPORTUNITY COST AND P&L UPSIDE OF ELIMINATING THRASHING ON THE FRONT LINES: how can we lower overall costs of sales and marketing by spending our dollars and resources more wisely?

FUNDAMENTALS OF THE VALUE OF THE BUSINESS: what impacts will this have on customer satisfaction rates, retention and referrals?

MANAGEMENT OF THE PEOPLE AND CULTURE INTANGIBLES: will any of this improve margins, employee productivity or retention rates?

"We had a bunch of metrics to measure success, including the number of new customers, new seats in customers, average contract value of renewals, and a breakdown between regions of the world," says John B. Carrington, the former CEO of Websense, Inc. and who now serves as executive chairman of the company. Since joining the company in May 1999, Carrington has been the driving force behind its financial success including the Websense March 2000 IPO that raised more than $72 million and a customer base that now includes more than 24.5 million users in the Employee Internet management (EIM) market. The company has grown from a $30 million market capitalization to a $1.5 billion dollar market cap.

Websense has a program to gather information about what the market wants to buy. "As for developing new additions, when we went to the customer base, they wanted things like a blue button or putting the cursor on the left which was not helpful," Carrington says. "And Sales wanted to do what the competitors did. But that's not helpful either." But drawing on positive input, Websense had an objective to develop two new product add-ins per year.

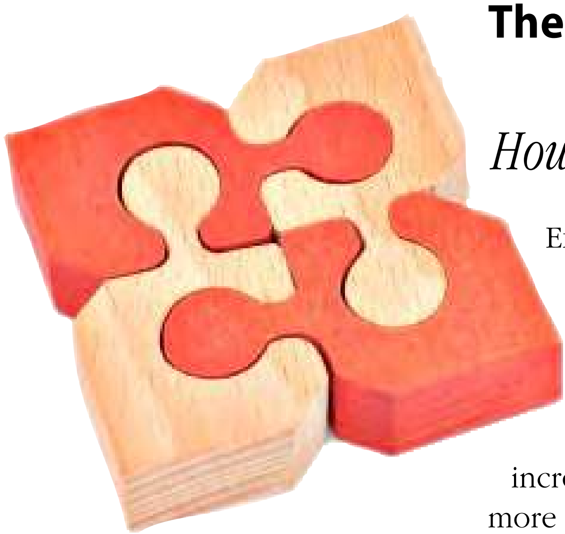
According to Carrington, market share metrics are important in understanding where to focus the business. "We had 75% to 80% of the market within companies that have 1,000 or more employees," he says. "We could scale to that level. Now Websense is trying to head downscale to the small and medium-business markets because we saturated the marketplace of the bigger companies."

Carrington says that in the product development area, Websense relies on measurement of customer problems to guide them in the product development effort. "We noticed employees were wasting time surfing the Internet, eBay, and other places while at work," he says. "So we produced reports that showed more than 50% of Internet use was non-business related. There was a huge market problem for our customers. So we started to segment the categories of sites that employees visited." The measurements of employee Internet use also formed the core marketing messages and media hooks for that aspect of the Websense product offering.

Carrington says the company uses systems such as SalesLogix and relies on dashboards to manage the sales, company metrics, and the results of marketing programs. "Early on, the average Websense customer was paying $15 per employee per year. Our goal was to get to $100 per employee at an average customer," he says. "We eventually got to $92 on an annual subscription model." Having visibility into these kinds of measurements not only helps to run the business, it also serves as a guide for outsiders. "It also gave the public market (including analysts and investors) a chance to see how we were going to increase revenue," he says. "Customers were used to paying a little extra for things, so the business model worked well because our goal was add in modules to get more revenue."

Scoreboard watching and analysis paralysis

Companies typically spend lots of money and time measuring the wrong things. Monthly, quarterly, and yearly meetings and periodic reports which take days to prepare and deliver, chock full of metrics to present how well you are doing, aren't that helpful in understanding the market. The problem is the metrics have been developed inside-out and they only serve to bore, confuse and provide data points to shoot down any hypothesis that starts with doing something different than the status-quo. They serve to create deferrals and no action until you can watch the scoreboard light up differently the next time… or come up with new metrics so the game can be changed.



The Power of Pragmatic Marketing

How do you know where you fit?

Executives and staff at many companies already think they are tuned in (market-driven). Hey, the mission statement even says so! Yet, when we go into these organizations and actually measure the things people do all day, we inevitably hear about problems and opportunities that originate as inside-out thinking (Apple Newton) vs. from the outside-in (the buyers' perspective which leads to breakthrough products like the iPod). In other words, technology companies are increasingly ineffective because their field and customer-facing organizations spend more time postulating and pontificating around scenarios that support their offerings than listening and learning about problems their customers actually have (and are willing to spend money to solve).

OUR MANTRA:

Your opinion, although interesting, is irrelevant!

When was the last time you bought your company's product?

What really matters is the buyers' opinion. Of course, each company will have different measurements that matter and varied things of importance to manage the business. But there are some real measurements that may be used to assess how tuned in your organization is right now. We challenge you to objectively answer the following questions. If you answer "yes" to all of them, congratulations you're tuned in!

Tuned in companies can answer and quantify these questions. They work better, achieve results faster and have happier customers that return their calls when someone wants to ask them what problem they can help them with next.

The ultimate measurement is product profitability. If you find an urgent problem, can solve it in an innovative way and clearly communicate to your buyers that you solved the problem, you eliminate the cost of educating the market and creating the need. These costs are often the difference between being profitable or not.

- ☐ Do you meet your product delivery schedules?
- ☐ Are your product requirements defined by the needs of the market?
- ☐ Is the focus of your research and innovation on addressing an understood and well-defined market need?
- ☐ Do you first look outside for new technologies before building them yourself?
- ☐ Are product positioning and messages based on the specific quantified problems of a well-defined market and buyer?
- ☐ Is the positioning statement done before development begins?
- ☐ Can a customer or prospect understand the "value to them" of a product or feature by reading the first few lines of any of your marketing deliverables (data sheets, brochures, fact sheets, etc.)?
- ☐ Does your web site focus more on market problems, market segments, buyer personas, and solutions than on your products, technology, and your company?
- ☐ Do you have a marketing programs strategy?
- ☐ When you have a meeting with a customer, do you spend the largest percentage of the time listening versus talking?
- ☐ Does someone other than Sales routinely visit non-customers?
- ☐ Do you have someone who is your chief prospect advocate?
- ☐ Can an average salesperson quickly locate the right tools to present your product strategy or to close a deal?
- ☐ Are your channels selling all of your products?
- ☐ Is part of your marketing programs budget and sales goals allocated to customer satisfaction and customer retention?
- ☐ Do you measure product profitability including estimating fixed costs on a pro-rated basis?
- ☐ Do you retire non-performing products?

About the Authors

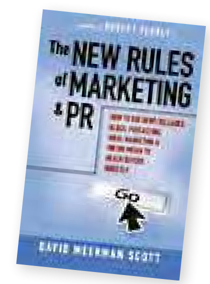
Craig Stull, Founder and CEO of Pragmatic Marketing, started the company in 1993 to provide product marketing training and consulting services to technology companies, focusing on strategic market-driven techniques. Prior to founding Pragmatic Marketing, he held Vice President positions at three major software companies where he developed what would become the Pragmatic Marketing Framework.

Craig has over 20 years of technology marketing experience with additional roles served in sales, technology operations and systems programming. This combination of sales, marketing and development gives Craig a unique insight into all aspects of technology management and marketing.

Phil Myers has over 25 years of software industry experience and is widely regarded in the industry for his strategic marketing expertise and ability to develop high-quality management teams across Development, Sales, and Marketing organizations. He is a frequent speaker at conferences and symposiums, and serves as a board member for several software companies and a variety of Arizona Growth initiatives.

Phil's background includes leading two successful initial public offerings and launching seven products that became market leaders in their category.

David Meerman Scott is an online thought-leadership and viral marketing strategist. The programs he has developed have won numerous awards and are responsible for selling over one billion dollars in products and services worldwide. His book *The New Rules of Marketing and PR: How to use news releases, blogs, viral marketing and online media to reach buyers directly* has been a best-selling PR and marketing book since it was released in June 2007. He is the author of two other books, and a contributing editor at *EContent Magazine*. David blogs at [Web Ink Now](Web Ink Now).



About Pragmatic Marketing

Pragmatic Marketing is not theory. It is an industry-proven model for success at applying a tuned in process to manage and market technology products. In this e-book we focused on just a few real-life examples of companies that are tuned in as well as companies that would like to be.

We offer a fundamentally different approach to technology-company **M**arketing with the *Pragmatic Marketing Framework*. It shows technology marketing executives and managers how to identify and design solutions for problems potential customers actually have; how to prioritize the issues; and how to create effective marketing programs that speak the customers' language.

Although the concepts of becoming tuned in are simple and easy to understand, the reality of implementing the Framework requires a fundamental shift in the way a company operates. Companies must effectively transition from one that works inside-out to one that delivers what the customer requires by working outside-in. Our training helps them do that.