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## **Faster! Gaining Product Momentum**

**The Exceptional Product Manager:  
What is the "Right Stuff"?**

**Who Needs  
Product Management?**

**Due Diligence for New Product Ideas**

**Seven Things You Can Do to Improve  
Your Credibility on the Web**



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Pragmatic Marketing, Inc. was formed in 1993 to provide product marketing training and consulting to technology firms by focusing on strategic, market-driven techniques. Pragmatic's training courses emphasize business-oriented definition of market problems, resulting in reduced risk and faster product delivery and adoption. Since its inception, Pragmatic Marketing has successfully graduated over 30,000 product managers and marketing professionals. For more information, visit [www.PragmaticMarketing.com](http://www.PragmaticMarketing.com) or call 480-515-1411.

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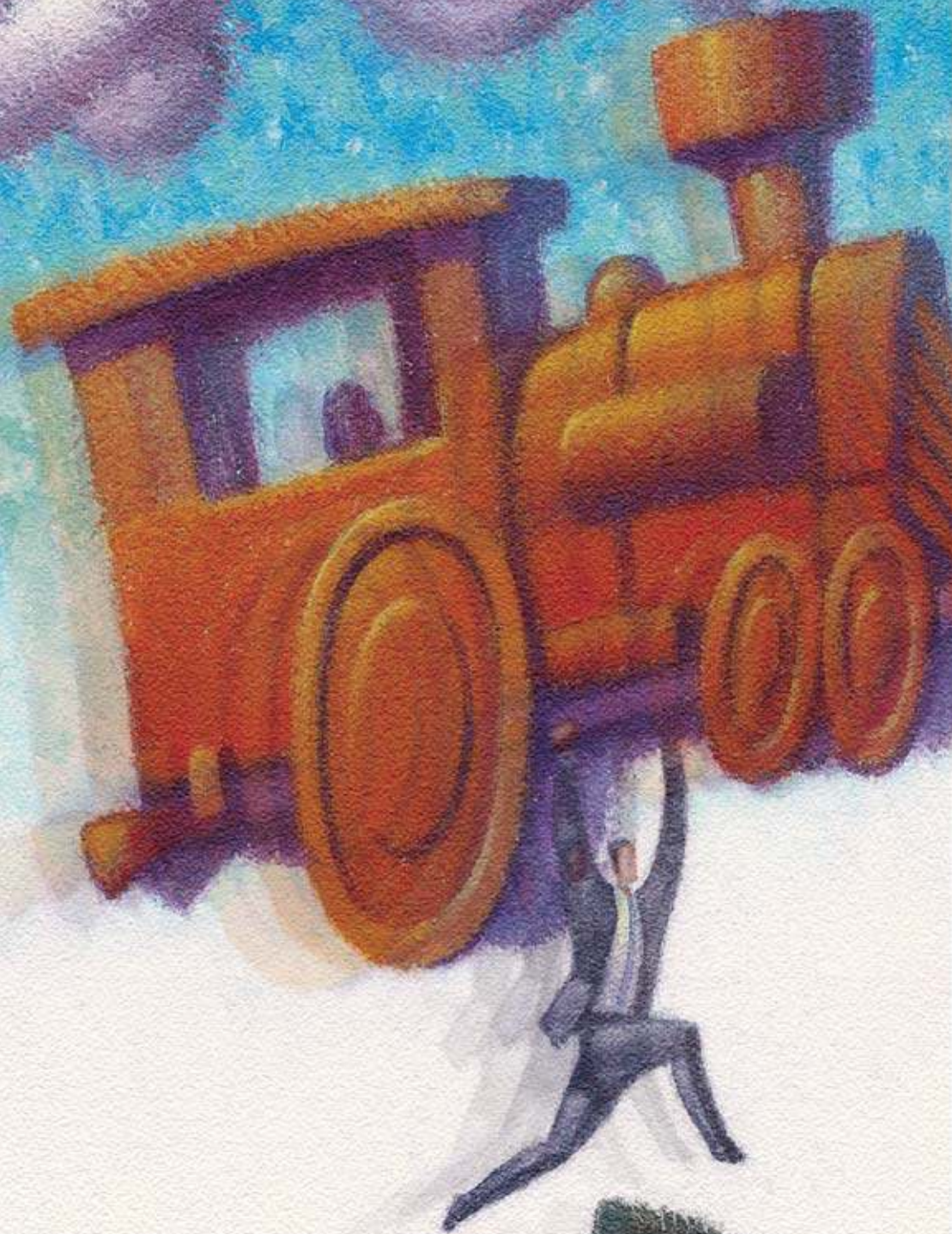
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# ***Faster!***





# Gaining Product Momentum

By Jacques Murphy

We have all heard the stories about people, during the dot-com era, who bypassed tried and true business concepts to champion untried—and untrue—concepts such as “The Internet changes everything.” and “The company with first mover advantage wins.” While there is some truth to these concepts (and I think we will learn where to apply them correctly) the problem was that they were built on beliefs that the old rules—the law of gravity, for example—no longer applied.

We all know, however, that the law of gravity does in fact still apply. And like the law of gravity, the Law of Momentum is one of the most important laws for your product.

The Law of Momentum basically states that you can push a thing to make it go faster, and that as a thing builds up speed, it's easier to make it go even faster.

One of the top responsibilities of a product manager—and I've never seen it on a job description—is to make the product gain momentum. When you make it gain momentum, it catches up to competitors that were already ahead, and eventually pulls ahead of the pack, leading to a more profitable product and a more successful company.

And once you've got the momentum, you don't have to work so hard to increase your speed.

Read on for tips about how to build momentum for your product.

## From good to great

The book, *Good to Great: Why Some Companies Make the Leap...and Others Don't* by Jim Collins (HarperCollins, 2001) analyzes companies that went from being good companies to being extremely successful and determines the factors that led to their transformation. One of the conclusions in the book is that there is no silver bullet that makes a company suddenly pick up momentum. It compares the effort to pushing a really big, heavy wheel. At first, it requires lots of pushing just to get the wheel to budge. Then, very gradually, the wheel starts moving faster and faster.

Our focus here is pushing on the big wheel that is our product in order to get it moving, and then moving faster. It's a lot of hard work.

## They all feed off each other

The first thing to understand is that building momentum is a cumulative thing. It comes from adding up momentum in such things as launching new features, marketing success, and customer success stories. Momentum in each area can be used to feed the overall momentum.

This is the equivalent of the need to expend a lot of effort to push on that big wheel. There isn't just one thing you can focus on to gain product momentum. It's the result of sustained hard work on many fronts.

## Feature momentum...

The most noticeable momentum that you can gain relative to competitors is “feature momentum.” This is where you can develop more new features—and better versions of features that your competitors are working on—in the same amount of time.

To increase the pace at which you develop new features, you need to rely on a structured process to: 1) identify and define competitive features, and 2) design, code, and test these features. The more you can structure your product research, requirements development, and prioritization of new features, the better you can focus existing development resources on developing the features you choose.

One way to focus developers on developing, as opposed to investigating and speculating, is to provide requirements that are factual and provide broad instructions while also making the major judgment calls that let a software developer focus not on what a feature must do, but on how to make it work.

By reviewing your requirements with the developers assigned to create designs from them, and learning what the major decisions are that must be made, you can indicate some of the decisions up front in the requirements.

For example: “Provide ability to export customer records for merge mailings” is a decent first start. But it's probably worth specifying that you want to export the records to “comma delimited files containing the specific fields selected





from a list of all potential fields in the customer record.” It saves you a lot of back and forth, plus it prevents a programmer from possibly thinking they need to develop something that exports into a complex data format.

### ...And feature fatigue

At this point, it's helpful to discuss something I call “feature fatigue” which happens when your development team can crank out features faster than the consultants and trainers at your company, not to mention your existing customers, can absorb them.

It isn't enough to speed things up in only one area. Good momentum requires progress on all fronts, or else the organization as a whole gets worn out trying to keep up with the part that has gained speed.

For example, you want to ensure that Marketing is building up the momentum to take advantage of your feature momentum, or any other momentum.

If you stagnate on any one front, you may find it creates a drag on the momentum you worked so hard to build somewhere else.

### Release momentum

Release momentum has two aspects. The first is the ability of Development to package and release new features. The second is the ability of your

company as a whole to receive the output of your software development engine and launch it to the market. This is where a structured and predictable release cycle is extremely helpful. Using tactics such as release and phase dates on a fixed schedule, with the same structure and timeframes for each release, Development can focus on production, rather than spending time wrestling with setting schedules and switching gears due to unexpected deadline changes. This is also where a cross-functional team that prepares for every launch can coordinate all the efforts needed for a smooth launch, both internal and external.

Make sure that the product launch team truly includes all individuals needed for an unimpeded launch. Did you think about including Accounts Payable, so they know exactly how to bill for upgrades and new modules? For some reason, people keep forgetting the teammates whose job it is to make sure your company actually gets paid for what it sells.

### Marketing momentum

Marketing momentum increases when you time your output of collateral and sales tools to hit right at product launch, not to lag the availability of the features by weeks or months.

But marketing momentum goes far beyond that. Ideally, by the time new features officially hit the market, your

Marketing department has already presented case studies to analysts and to the press.

When it comes to press coverage, it's important to remember to go back to the publications that have covered you previously. The tendency is to try to hit as wide a number of publications and channels as possible. While that is a good thing, it's easy to forget that you already have some momentum going with the places where you have gotten coverage before. In this case, you get more speed by pushing a wheel that was already moving.

Finally, by creating a series of coordinated campaigns that build upon or complement each other, rather than carrying out isolated campaigns that don't work together, you get more marketing motion. Don't spin the wheel once and let it come to a stop only to find you have to expend the exact same effort as before just to get the wheel to go another turn. Craft messages and creative materials that build on earlier ones. With all your effort, the first campaign probably does nothing more than open the door. The second campaign gets you noticed. The third actually grabs the prospect's attention.

So for the same amount of effort with each ensuing campaign, you get bigger results.





## Sales momentum

Sales momentum builds off marketing momentum and feeds customer momentum, as described below.

One good way to maximize sales momentum is to ensure, as the product manager, that you fully train the sales force on all sales tools developed for them.

Another way a product manager can support sales momentum is through consistent support, tailored to the various reps' differences. For instance, for some reps, ensure you're a great resource for competitive information. For others, the best help from you could be setting up and running demos.

Of course, it's the VP of Sales who can have the most impact on momentum. But by coordinating your efforts with the sales managers, you add to the speed.

## Partner momentum

Partner momentum is probably the slowest to build. Partner momentum adds to all your marketing efforts, and in fact may make the difference between a good return and no return on a marketing campaign.

Partner momentum benefits from a structured review process that regularly reviews each partner effort and measures the return. It's better to consider marketing and sales efforts separately.

By creating marketing campaigns that feed leads to partners, and publicizing the leads and a partner's success with them, you create a lot of momentum among the partner's sales force.

Working with a larger company as a partner adds momentum to your marketing campaigns because you have more "feet on the street" to follow up on leads.

## Customer momentum

Customer momentum comes from customers experiencing good returns on their investment in your product. This leads to stories that get noticed in the press because they're real-world stories rather than simple marketing promotion.

One satisfied customer can lead to other satisfied customers through a defined reference program that rewards customers who serve as references with prospects or the media.

## Employee momentum

Finally, employee momentum may be one of the least noticed, but it feeds all the others. Employee momentum is where employees begin to work smarter, more collaboratively, and produce more as a team than they would as a combination of individual contributors.

Ways to build employee momentum include general efforts such as empowerment and training in teambuilding skills. Also included are more specific initiatives to train staff in common processes and build teams that work to common goals using common tools.

## Don't get even, get ahead!

By increasing the product momentum, you can enjoy watching your product—and your company—pull even with competitors who once outpaced you, and then pull ahead of the pack...

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*Jacques Murphy has over 15 years of experience in the software industry. He writes an email newsletter called Product Management*

*Challenges that focuses on increasing software product momentum in terms of development, marketing, sales, and profitability in order to improve the product's competitive position. To regularly receive helpful tips for software product management, send an email to [jacquesm@epix.net](mailto:jacquesm@epix.net) with "subscribe" in the subject line. Subscribers can also request a zip file of 80 back issues covering a wide range of topics.*

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# The Exceptional Product Manager: What is the “Right Stuff”?

By Mark J. Tiedeman



What makes an exceptional product manager? I was struck by this very question many years ago when I first became a manager. When it came time for the company's annual performance review process, it seemed that managers could agree most of the time on who the top performers were, but when asked to articulate the reasons why, the answers invariably were phrases like "high output, high-quality work," "displayed leadership," and so on, with an example or two given. While true, these reasons were too ambiguous and did little to guide people. Intuitively, we all know a star performer when we see one, but we are often at a loss to succinctly say why.

Hence, I asked myself: "Why is so-and-so a star and what makes him/her stand out?" What emerged was a list of attributes that were essential to not merely fulfilling, but exceeding, the requirements of the job. Star performers invariably scored well on virtually all of them, while others scored lower.

I use the list of attributes as a complement to the standard company performance review forms to both assess an individual's performance and to coach them. In so doing, keeping the list to a single page ensures maintaining focus on the key attributes. Employee feedback has been consistently positive because it provides specific goals in performing the job, practical assessments and tangible improvement ideas.

I found that about a third of the list is common across all jobs, not just that of product manager: for example, exhibiting a good attitude is universal. Other attributes, such as good communication skills, are also universal but their importance and the degree to which they are used varies by job function. Still, other attributes are unique to the product manager job itself.



So, what is the “right stuff” for product managers? Here is my list of exceptional product manager attributes, forged and honed from 15 years in high-tech product management.

## Attitude: Foundation for success

Attitude is the first attribute on the list because it is what drives individuals to achieve results and improve their performance. This is especially important for product managers because they must be self-starters and leaders who must constantly move their products and organizations forward.

**ATT1** Is enthusiastic, sees problems as opportunities, and proactively develops knowledge and skills needed.

**ATT2** Perseveres through any and all situations with indomitable spirit and professionalism, keeping perspective and displaying a good sense of humor.

I remember being told as a young engineer fresh out of school that if the boss said, “I have an opportunity for you,” to run for cover because it was probably an undesirable problem. With many “opportunities” under my belt since then, I have learned that problems—while admittedly sometimes painful to have to deal with—truly offer opportunities to improve. For example, customer objections to purchasing a product often require sharpening the value proposition and/or competitive positioning. Or, by clarifying the objection, an alternative solution may emerge that is much easier to deal with.

In a world that is increasingly global, competitive, and perhaps uncertain, how we handle adversity can determine the winners. In short, product managers are highly-visible role models: they are looked to by other members of the company for direction and, when times are tough, for how they respond and for assurance that the right things are

being done to ensure success. Humor is an especially effective tool. After a particularly difficult call with a customer, I recall my manager slowly shaking his head, and saying with a resigned smile, “In the next life, I want to be the customer!” That instantly broke the tension we all felt and allowed us to get on with addressing the customer’s issues.

## Knowledge: Applying what is learned

Knowledge provides a groundwork for most of the other attributes and its application helps product managers excel at them.

**KNOW1** For each product managed, intimately understands its features and capabilities, how they relate to customer benefits and uses, and how the product compares to competitive or substitute products and solutions.

**KNOW2** Understands key applicable market, customer, industry, competitive, environmental, regulatory and technological forces and trends.

**KNOW3** Is well-versed in market requirements and product definition using best current practices, and the end-to-end product realization process from conception through discontinuation.

As a product manager, I spend a lot of time being an “Information Broker” since I am constantly called upon to provide information to engineers, the sales department, and customers. Engineers want to know: Why is this feature or requirement important? Why must this be developed by such-and-such date? What is happening in the market or with a particular customer? Sales and customers want to know: Why is your product superior to competitive solutions? When will this feature be available? How does this feature work? And, so on. The fact is, knowledge inspires confidence and confidence breeds success. Knowledge is the source of a product manager’s

ability to influence and lead: engineers will be confident in the decisions we make, Sales will be confident in the ability to sell the product, and customers will be confident in both the product and the company.

## Communication: Engaging others

All jobs require some communication, but effective, proactive communication is especially important for product managers, who must engage a wide variety of co-workers, partners, customers and industry colleagues. Product Management is about communicating with others to both learn and convey what is—and is not—important, and what should be done, and why.

**COMM1** Superb, empathetic, open-minded, active listener; asks good questions.

**COMM2** Demonstrates clear, articulate, and well-organized oral and written communications style.

**COMM3** Proactively interacts and establishes rapport with people of diverse styles, backgrounds and job positions/levels.

The previous section on knowledge discussed examples of communicating information. However, effective communication begins with listening: “Seek understanding before seeking to be understood.” In communicating, nothing is worse than conveying information that the other party is either not interested in or cannot understand. When called upon to make presentations to customers, for example, I always try to find out as much as I can about the audience and what they want to know, as well as what we, as the vendor, want to accomplish. At the meeting itself, I also seek to have the customer talk first and I ask clarifying questions. All of this allows me to target what I present and how I present it to the customer’s specific needs. ➔

## Customers: Being the customer advocate

“It’s the customers who pay our bills” is an old and very true saying. The product manager’s fundamental role is to ensure the bills keep getting paid by identifying the intersection between what customers value—and are willing to pay for—and the organization’s distinctive capabilities to satisfy them better than anyone else.

**CUST1** Understands, empathizes with, and can articulate customers’ viewpoints and perspectives. Understands what problems, challenges and opportunities customers face in their businesses and how customers use, or could use, the product(s) to address them.

**CUST2** Translates customer wants and needs into concise technical marketing requirements.

**CUST3** Synthesizes and prioritizes across customers’ wants and needs, balancing them with company capabilities.

Having an engineering background, I have seen first-hand how easy it is to become enamored with technology and the tendency to add “bells and whistles” because it’s fun and because it can be done. As product managers, however, we must realize that the limited resources available to us must be laser-focused on solving customer problems and opportunities. Simply put, to be successful, help make your customers successful. At the same time, customers sometimes want the world and it is up to the product manager to qualify this, make the necessary tradeoffs to fit within company capabilities and timeframes, and drive ambiguity out of what needs to be done via articulate technical marketing requirements.

## Managing: Passion for results

Exceptional product managers are extremely results-oriented, doing whatever it takes to achieve the desired objectives.

**MANG1** Establishes appropriate goals. Plans and manages toward achieving goals, anticipates problems and issues and proactively drives their resolution.

**MANG2** Handles many tasks at one time and prioritizes among them.

**MANG3** Able to lead a team and be a team member. Instills a winning, “can-do” spirit among co-workers and team members, bringing out the best in them and lifting their level of play.

The first two attributes, here, are important yet basic “Management 101” concepts. The third attribute is less obvious and crucial. As a product manager, you are, by definition, the Chief Cheerleader for your product. You must believe passionately that your product is a winner and be able to communicate crisply why it is. You count on your teammates in engineering to build the product (to your specifications) and you count on your teammates in

Sales to sell the product (using materials you have developed). As a result, you have a great ability—and responsibility—to enable others to do their jobs well.

## Decision-Making: The essence of product management

The best, most succinct definition I ever heard as to what my job as a product manager entailed was: “Your job is to make decisions.” Product managers face a never-ending progression of decisions that range from the very specific and tactical, such as, “What words or letters should go on a label?” to the highly strategic, “What markets do we want to go after two years from now?”

**DEC1** Understands the problem to be solved, the issue to be addressed and/or the need to be satisfied.

**DEC2** Determines the criteria (business, technical, economic, customer impact, etc.) to be used in making the decision and formulates the path leading to the decision.

**DEC3** Makes sound decisions in a timely manner knowing when to get more information and when to proceed with incomplete information, avoiding “analysis paralysis.” Accepts responsibility and accountability for decisions made and their consequences.

**DEC4** Envisions possible future scenarios and outcomes and develops appropriate business and product strategies and contingencies.

A typical decision product managers face is to decide which features—and which capabilities within a feature—to include in a software release for Development. That release may take 6-12 months to develop and another 6-12 months before it is deployed and used by customers. That means it could take 12-24 months before it is known whether the decision was a good one—a lifetime in most markets where much can change. Waiting to get more





information to make the decision can help reduce risk, but it can also delay the release (and associated revenues), possibly missing the market window. Unlike the engineering world I started out in where things are “black and white” and answers are “right or wrong,” most decisions product managers face are in a world of “gray.” One of the most important lessons I learned came from an ex-CEO professor in business school who said: “There are no right answers, only intelligent choices.”

## Conclusion

Product management is a demanding discipline because it requires making sense out of a changing and uncertain world in which, as we have seen, there are often no “right” answers. It requires leadership, to relentlessly drive one’s organization and product forward in an increasingly challenging and competitive world. Yet, the joy and rewards of winning in the marketplace and seeing one’s product address a customer problem or need better than any competing solution are incomparable. By using the list of attributes, product managers can improve their effectiveness—and their managers can better coach them so they develop and have the “right stuff,” and, in turn, more frequently experience those joys and rewards.

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# Pragmatic Marketing® Surpasses the 30,000-Student Mark

As we closed out 2004, we also marked another important milestone for Pragmatic Marketing: In December, our 30,000th student—Noriaki Ikeda, a Research Analyst for Marketing Strategy with SPSS Inc. in Cambridge, Massachusetts—attended our Practical Product Management® seminar in Boston.

Reinforcing our belief that everyone in the Marketing organization will benefit from our courses, Nori’s primary responsibility is competitive research and analysis for this worldwide provider of predictive analytics software and solutions. Here’s what he had to say about why he attended the course and the impact it has made on his job:

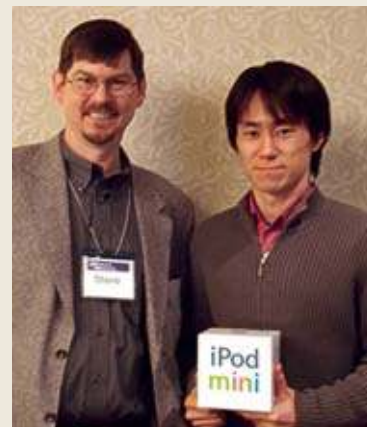
*Several of my co-workers have attended the Pragmatic Marketing courses and highly recommended the seminar to me. I was looking to strengthen my knowledge of best practices for conducting competitive research and win/loss analysis. I was also interested in getting more information about how to improve our positioning and better define our distinctive competencies.*

*I learned all that—and much more—from the seminar. As I am conducting competitive analysis, I am using the course materials to construct stronger competitive write-ups. Every day, I am using the templates provided in the seminar as a reference for my write-ups. For win/loss analysis, we continually work on improving our efforts and processes, and the knowledge I gained from the seminar and the templates will be a great reference in that area, as well.*

*The instructor for the seminar was a terrific lecturer. The course content is very interesting, and he provided very funny, real-world examples based on his own experience. He is very interesting, and he has a powerful command of the subject.*

*The fact that 30,000 students have taken these courses is proof of its value. Based on my own experience, I would tell other marketing professionals, “Just go! You will learn meaningful information that you will definitely use in your day-to-day work. Even after the course, you will refer to the course materials and the framework and the templates to continue to improve your skills.”*

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Pragmatic Marketing instructor Steve Johnson congratulates our 30,000th student, Noriaki Ikeda, a Research Analyst for Marketing Strategy with SPSS Inc., and presents him with an iPod and a certificate for 101 songs.

# Who Needs Product Management?

By Barbara Nelson

Product management is a well-understood role in virtually every industry except technology. In the last ten years, the product management role has expanded its influence in technology companies yet we continue to hear the question, "Who needs product management?"

Companies that have not seen the value of product management go through a series of expansions and layoffs. They hire and fire and hire and fire Product Management. These same companies are the ones that seem to have a similar roller-coaster ride in revenue and profit. Product management is a job that can even out the ups-and-downs and can help push a company to the next level of performance.

## The evolution of a technology company

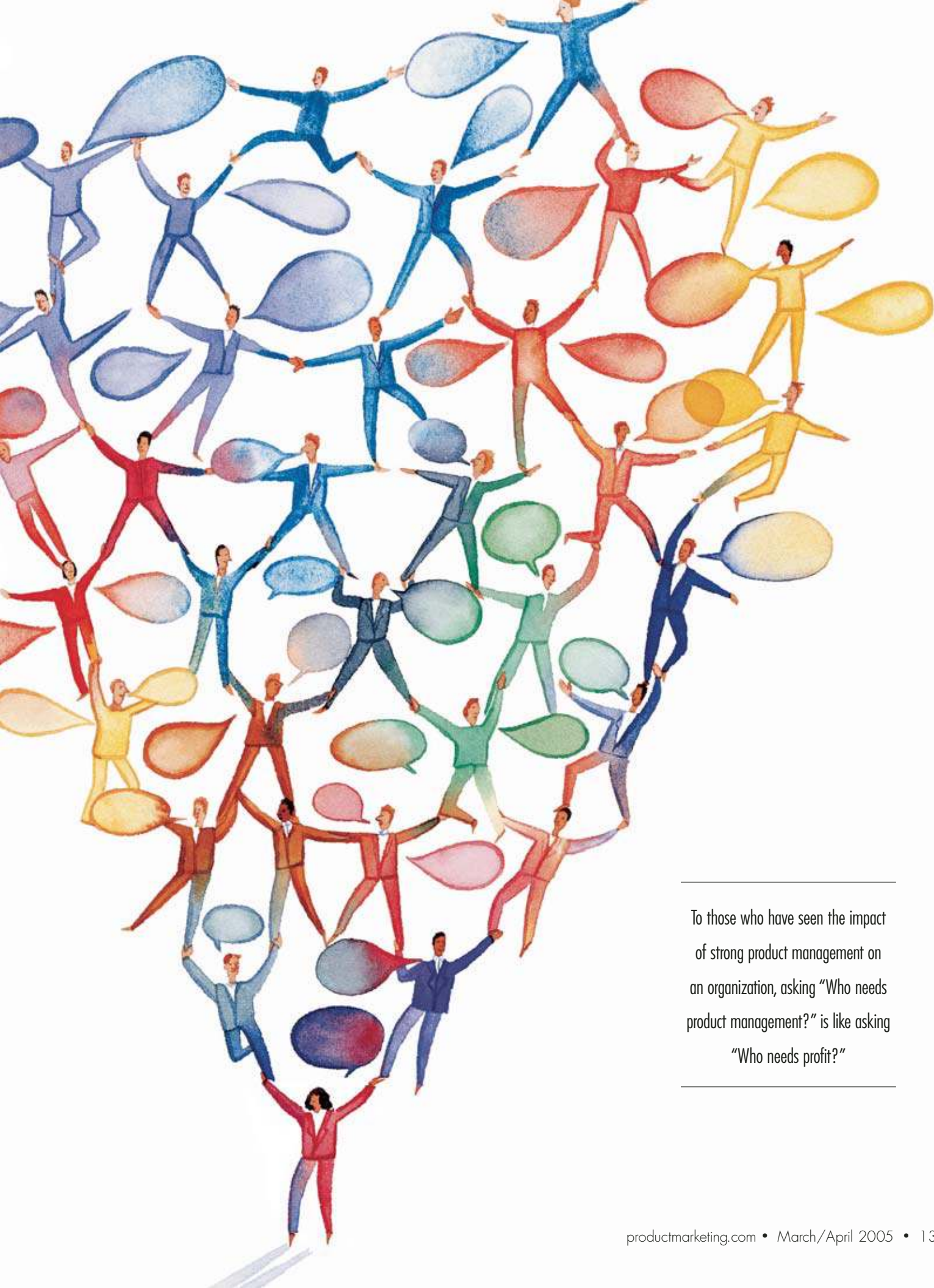
We've all seen a typical technology evolution. An entrepreneurial founder creates a utility that she needs to simplify her daily job. Explaining it to another, that person asks if it's for sale. Based on the enthusiasm of a few friends, she convinces her husband that there is an opportunity here and starts a company. She becomes a vendor. She quickly hires someone to sell the product while she handles all the technical work. Over time, she grows the company, hiring more developers and some technical support people and a documentation writer and a marketing specialist. But she continues in the role of technical leader. After the huge success of the first product, she envisions other products that people surely must need. But the second product isn't very successful and the third is a disaster.

The problem, of course, is that she no longer knows or understands her target market. Having become a president, she is no longer working in the domain and doesn't really understand the environment of the market. Instead of managing databases or warehouses or assets, she's now managing hiring and firing and financing. With her new income, she's buying toys that she could never before afford and she's really focused on her new set of interests. Because the new products haven't been successful, she challenges her executives to find new ways to generate

revenue. First the new head of Development takes control. Since they only control the feature set, developers build "cool" technology leveraging the latest tools. But these products don't sell either. Now the VP of Sales takes control and we increase our sales reach, adding remote offices, paying large commissions, and having offsite meetings in exotic locales to attract the best sales people. Revenue increases a bit but not enough to offset the costs. Then someone reads a book on branding so we hire a VP of Marketing to "get our name out there" and to "generate some buzz." After watching all these departments spend money like crazy, the VP of Finance steps in to bring some order from the chaos. Since Finance can't increase revenue, they focus on cutting costs, cutting all the excessive spending of the other departments. When Finance goes too far, the founder steps back in and focuses on her roots—the technology—and the cycle begins again. The VP of Development says, "Customers don't know what they want." The VP of Sales says, "I can sell anything." The VP of Marketing says, "We just have to establish a brand." The VP of Finance says, "We have to control spending." Our focus goes from technology to revenue to branding to cost-containment, over and over again.







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To those who have seen the impact  
of strong product management on  
an organization, asking "Who needs  
product management?" is like asking  
"Who needs profit?"

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This story is all too familiar to those watching the technology space. And we're seeing it in biotech and life sciences, too. What the president needs is someone to be in the market, on her behalf, just as she used to be. What's missing from this cycle is the customer. The customer with problems that we can solve. And one who values our distinctive competence.

### Why is there air?

To those who have seen the impact of strong product management on an organization, asking "Who needs product management?" is like asking "Who needs profit?" A president at a company in Florida explained it this way, "Product management is my trick to a turnaround. If I can get Product Management focused on identifying market problems and representing the customers to the company, then the company can be saved."

To break the viscous cycle of being driven by one VP or another, product management brings the customer into the equation. Instead of talking about our company and our products, the successful product manager talks about our customers and their problems. A product manager is the voice of the customer. The product manager is also the business leader for a product, looking across all departments.

*"There will always, one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him, and sells itself."—Peter Drucker*

This is the essence of being market driven—being driven by the needs of the market rather than the capabilities of the company. Being market driven means identifying what dishes to serve based on what patrons want to eat

rather than what foodstuffs are in the pantry. A market-driven company defines itself by the customers it wishes to serve rather than the capabilities it wishes to sell.

Companies that are not market driven believe the role of Marketing is to create the need for our products. You can see this in their behavior. Marketing is where t-shirts and coffee mugs come from. Marketing is the department that runs advertising. Marketing is the department that generates leads. Most of all, Marketing supports the sales effort. But mature companies realize that the aim of marketing is to make selling superfluous. Marketing defines our products based on what the market wants to buy.

### What is product management?

Because the term "marketing" is so often equated with "marketing communications," let's refer to this market-driven role as product management.

You need product management if you want low-risk, repeatable, market-driven products and services. It is vastly easier to identify market problems and solve them with technology than it is to find buyers for your existing technology.

Product Management identifies a market problem, quantifies the opportunity to make sure it's big enough to generate profit, and then articulates the problem to the rest of the company. We communicate the market opportunity to the executive team with business rationale for pursuing the opportunity including financial forecasts and risk assessment.





We communicate the problem to Development in the form of market requirements; we communicate to Marketing Communications using positioning documents, one for each type of buyer; we support the sales effort by defining a sales process supported by the requisite sales tools so that the customer can choose the right products and options.

If you don't want to be market-driven, you don't need product management. Some companies will continue to believe that customers don't know their problems. Some companies believe that they have a role in furthering the science and building the "next great thing." These companies don't need product management—they only need project management, someone to manage the budgets and schedules. But these companies also need to reexamine their objectives. Science projects cannot be made into products in the short-term. Don't expect revenues if your company is focused on the "R" in Research and Development. Product management can guide you in the "D" in R&D—the development of technology into problem-solving products.

### Strategic sales?

There are two ways of using sales people in a company: there's selling and there's "not their job." When we invite sales people for guidance on events or product features, we're asking them to stop selling and start focusing on "not their job." Assessing marketing programs or product feature sets or proposed services or pricing are all

"not selling" and therefore "not their job." We invite sales people to help us because they know more about the market than the people at corporate do. But the VP of Sales does not pay sales people to be strategic. She pays them to sell the product. If sales people want to be involved in these activities, they should transfer into Product Management; I'm sure there'll be an opening soon.

In the classic 4Ps (product, promotion, price, place), sales people are the last P, not the first. We want them to be thinking weeks ahead, not years ahead. We want them selling what we have on the price list now, not planning what we ought to have.

Instead, we should rely on Product Management to focus on next year and the year after. To be thinking many moves ahead in the roadmap instead of only on the current release.

Product management is a game of the future. Product managers who know the market can identify and quantify problems in a market segment. They can assess the risk and the financials so we can run the company like a business. They can communicate this knowledge to the departments in the company that need the information so that we can build products and services that actually solve a known market problem—so that we can expand our customer base profitably.

Product management is the key to running your business like a business instead of a hobby. **pm.c**



*Barbara Nelson is an instructor for Pragmatic Marketing. She has 21 years in the software industry, including Vice President of Product Marketing for a leading provider of business and accounting applications for the middle market. Before her decade of product marketing experience, she worked closely with customers in several capacities, which taught her the importance of listening to the customer and solving critical business issues. Contact Barbara at [bnelson@PragmaticMarketing.com](mailto:bnelson@PragmaticMarketing.com)*

## Why are we Pragmatic Marketing?

People sometimes ask why the company is named Pragmatic Marketing. The "pragmatic" moniker should make sense: we offer practical, no-nonsense solutions to the problems facing technology product managers.

It's the term "marketing" that throws people.

In technology, there are two definitions of marketing:

1) the market experts and business leaders for the product

or

2) the t-shirt department. As quoted in this article, Peter Drucker defines marketing as "to know and understand the customer so well that the product or service fits him." We use this classical definition of marketing.

Pragmatic Marketing was formed in 1993 to provide product marketing training and consulting to technology firms by focusing on strategic, market-driven techniques. Our training courses emphasize business-oriented definition of market problems, resulting in reduced risk and faster product delivery and adoption.





*Phil Myers, President and CEO, Cyclone Commerce*



“To make marketing a strategic  
weapon in your business,  
Pragmatic Marketing’s Framework  
is your blueprint. I have used it  
for ten years and it works.”

– *Phil Myers*  
*President and CEO*  
*Cyclone Commerce*

If you are trying to leverage your investment in product management and marketing, the first place to start is with a proven methodology. Pragmatic Marketing® has always focused on the unique challenges of managing and marketing technology products.

The Pragmatic Framework has been fine-tuned by 30,000 attendees over 11 years and has been proven to create technology products that customers want to buy. Pragmatic delivers on the promise in its name—presenting a practical course of action that really works.



*The Industry Standard in Technology Product Management and Marketing Education*

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By Catherine Kitcho

# Due Diligence

The process of due diligence is something that is customarily done in the venture capital community to evaluate the potential of ventures and startups, and it consists of analyzing and validating the information that is contained in the business plan. This process is valuable for entrepreneurs, startups and companies of all sizes to use for any new product idea. Because of the thorough approach normally used during the process, every aspect of the idea is examined, from market potential to customer fit to technology solution to the financial forecast. This cross-functional evaluation means greater potential for the ideas that pass this scrutiny and ultimately results in greater profitability as the idea is developed and then launched. Any company can use due diligence principles to evaluate new product ideas.

## Think like an investor

The best way to objectively approach the due diligence process is to assume the perspective of an investor. What would you look for in order to be assured some return on your investment? It might be a very large market, a ready customer, a sustainable competitive advantage, short-term profitability, or all of these things. Even if the new product will be developed inside a company, it's important to view each idea as a new business. Basically, you need customers with a compelling problem, a product that addresses the problem, resources to develop and launch the product, and profit in order to sustain the business.

A good set of due diligence criteria can be found in Chapters 3 through 8 of my book, *From Idea to Launch at Internet Speed*. There is one chapter for each of the following six criteria: Strategic Fit, Customer, Competition, Market, Resources and Profit. The book has a lot more detail about how to gather information for each of the criteria and how to do analysis, but I'll provide a brief summary here.

## Start with the customer

Unfortunately, the vast majority of companies first develop products and then look for a market, not the other way around. However, if companies could first think about customer problems and how they could use their core competencies to solve it, market pull is created, and it's a lot easier to achieve early sales and grow market share quickly. Even if you already have a product concept in mind, it may not be too late to use this approach. For instance, you probably have some idea as to the type of customer that might be interested in your idea. That's where you start, by actually talking to a target customer. You will want to find out as much about the customer as possible, as if you were creating a biography of them. You'll want to know how they might currently solve the problem that you think you will be solving with your new product. Sometimes, you find that a customer is interested in a slightly different product, and if your company

can still build it, you may end up with a more lucrative opportunity than your original idea.

Once you have an idea of how you can solve the customer's problem, then you must determine what it's worth to the customer. How much are they willing to pay for it, and what are the business benefits to them? This is called defining the value proposition. When you've found your target customer, then it's time to figure out how many customers are out there who might be willing to buy this product; that's how you estimate the market size. You also need to look at market trends to determine whether the target market is shrinking or growing, and by how much per year.

## The customer and market are only half the battle

So you have a potential customer and you know the value proposition. The next questions are: can you develop a product that will fit the value proposition, and can you build and sell the product at a price the customer can afford? This is the point when you need to objectively look at your new product idea; is it really what the customer needs to solve their problem? Sometimes new product ideas are "ahead of market," meaning that the customer isn't ready for the product your company has in mind. The customer may, however, need something similar or some of the functionality, so there may be a fit.





# for New Product Ideas

If there is a fit, do you also have the capacity to deliver the product to the market and achieve your target market share? To determine your target market share, you first need to take a look at the competition.

## Don't look now, but there are competitors lurking

No matter how brilliant your product idea, there will always, always be competition. There's no getting around it, so the best thing to do is just plan for it. Competitive analysis should be done at three levels: competitive environment, company level and product level.

The competitive environment is a high-level look at your target market. Who else is there? Are there one or two major companies, lots of companies, or none at all? The competitive strategy as well as the market entry costs will be driven by this characterization of the competitive environment. Fragmented markets with lots of competitors require a strong differentiation strategy. If there are no established competitors in the market, it may require more money to educate the target customer about the product. Competitive analysis should also be done at the company level and product level. Examine the company factors such as financial health, history, mission and vision, partners, and size of the companies that you will compete with. At the product level, do a one-for-one comparison of features and function. Create a matrix that shows the comparison at a company and

product level. Once everything is on one chart, you will then have a better idea of how much market share is possible.

## Other factors

Strategic Fit and Resources also need to be examined. Sometimes, a new product idea is so radically different from its organizational culture or the way the company does business that it requires too much radical change. Technology and human resources also have a bearing on whether the idea can be fully productized. Intellectual property protection and technology know-how are critical for developing the product idea. The availability of the right types of human resources during the new product cycle are also key; do they exist, or will significant hiring need to be done in order to fully develop the idea?

## The bottom line

Profitability is not often projected or analyzed during the idea phase of the new product cycle, but it certainly can and should be. You need to take a look at the end-to-end costs for the whole product cycle to evaluate the cost side. You need to project the sales over a period of years to evaluate the revenue side. Plot the costs and the sales, and where the lines of the graph cross, that's the point in time when the product becomes profitable. The amount of divergence between the two lines on the graph is the profit, and investors should ask: is this enough profit, soon enough, to warrant the investment?

## Gather the data and think it through

Using the six categories of criteria, gather all the data together and analyze. The next step is to think it through as a business. When the business plan is developed and the presentation is made to internal or external investors, it should be presented as a business case, not just a great idea.

## The quick and quirky example

Here's a hypothetical example of how to use due diligence for new product ideas. Let's assume you have just been transferred from the marketing department to a product group in your company. Your first assignment is to put together the internal business plan for the most promising product idea in your group, which consists of twenty engineers and developers. They have submitted ideas for ten new products, and your boss has prioritized them. You decide to do detailed analysis for two of the product ideas and then develop the business plan for the idea that will generate the most profit in three years. Your boss agrees with your approach.

You roll up your sleeves and do preliminary research on each idea: collecting information from the Internet, the corporate market research group, the research and development team, and one of the company's financial analysts. Now you're ready to assemble the information for each product idea as follows on the next page. ➔

## HealthCard

The first idea is for a medical records card, HealthCard, which would contain laboratory and other test results that patients can carry with them for doctors to use. This is similar to the embedded chip concept, except this is not an invasive procedure and the thinking is that more people would be willing to carry a card than having a chip implanted. A card would give the patient more control as to who has access to it, and how the data is used. Information would be added to the card each time new test results were made available to the patient. The card would be updated using a programmable card read/write device in the lab, clinic or doctor's office. The patient could choose which data to add to the card.

## Memorial Pathways

The second idea is an online portal for the bereavement and funeral industry, which would link charities with people who wish to make donations to memorialize the deceased, which is often done in lieu of sending flowers. It's called Memorial Pathways, and the business model would consist of donors paying a fee to record and submit a donation, and the receiving charity also paying a transaction fee to receive the donation. The online portal would link funeral homes, newspapers and other publishers who print obituaries, and charities.

# HealthCard

**Rating**  
(5 possible)

### Strategic Fit

**5**

Since your company is in the business of software and database applications, this idea complements the company's strategy and provides a way to enter the healthcare market, one of the company's longer-term goals.

### Customer

**4**

For the HealthCard, there are two types of customers. The primary customer is a consumer with personal medical information. The value proposition is that the HealthCard will give consumers greater control of their medical information in terms of how and when it is shared with their healthcare providers. According to your research, most people would prefer a card than an implanted chip because a card is less invasive and can't be accessed without the person's knowledge. The secondary customers are the medical services providers, such as clinics, laboratories or doctors. These providers would be updating the patient's card with test results, diagnoses, and other information. They would have to purchase equipment to read from and write to the card. The value of this system to the providers is in reducing the time it takes to retrieve and update patient records.

### Competition

**3**

There are a broad range of competing solutions here, including the chips that can be implanted under the skin, insurance credit cards that could carry medical info, and bar code systems. With all the competition, your primary differentiator will be the claim that the patients have greater control. The medical offices will still need to purchase some unique equipment for scanning and updating the card, so there is no particular advantage to them.

### Market

**3.5**

Because there are so many competing solutions, your ultimate market share will be limited. However, that may be offset by the fact that there are millions of patients out there who are potential customers, so the target market is pretty large.

### Resources

**4**

With your company's software and database savvy, the network and software infrastructure for the product will be relatively simple. However, the card scanning and reading technology will require hardware, which means that a technology partner would have to be found to build that end of the solution. Other than that, you have all the resources you need to carry this out.

### Profit

**3**

With the help of the financial analyst, you have estimated the end-to-end costs of designing, developing and selling the HealthCard system. There will be relatively high costs for initial marketing and sales because it will require selling on two fronts: the consumers and the medical office staff. On the revenue side, the numbers look very large from sale of the cards and look average for sale of the card scanning devices because you will be a reseller of the hardware built by your strategic partner. You estimate being profitable in the third year.



# Memorial Pathways

Rating  
(5 possible)

## Strategic Fit

4

The company has been successful in web-based deployment of software applications and databases but not specifically with portals, so this would be a new experience. The company has had a lot of experience in developing partnering relationships, however, which would be required to pursue this idea.

## Customer

3

There are two distinct customer groups that are sources of revenue: individual donors and charities. Although funeral homes may be involved in the business model, they more likely would provide referrals and links to you for their clients. Your company would be responsible for: providing a website for donation notices (bereaved family requesting donations); listing donations (that state the donor and the person being memorialized); creating links to newspapers for obituaries; handling the transactions from the donor side, and processing the notifications and transactions for the charity side. In terms of numbers, the only two things in life that are certain are death and taxes. So, there will be a continuous supply of grieving families and friends who will want to memorialize their loved ones. Today, many families request that people make donations to their favorite charities instead of flowers; it's a growing trend.

## Competition

4.5

This is a fairly new concept, so you'd probably be the first to provide this set of services. Charities themselves could be considered competition, but sometimes it's difficult for individuals to find out how to contact charities for making donations and, in effect, they might get more donations if somebody set up a portal system. Newspapers might also be partial competition because they post funeral notices and obituaries. So, this would be a new market, which means spending money to develop it and educate people about how the service works.

## Market

3.5

By being first to market and with a steady market demand, the combined market factors look good as long as you can set up all the business relationships to make it work.

## Resources

4

Your company may need to bring in a specialized consultant for portal systems and some other domain experts who know something about charities and the funeral industry. Other than that, you will have enough resources to complete the product.

## Profit

2.5

On the cost side, your biggest expense will be engaging a consultant with portal expertise to set up the system. Once the portal is in place, your ongoing expenses should be minimal. On the revenue side, the transaction fees will be relatively small, so there will have to be considerable volume in order to break even and be profitable. This product might not create high revenues in the longer-term because the market may be slow to develop into sustainable volume.

## The Final Comparison

Drum roll, please.

The average score for HealthCard is 3.75 and the average score for Memorial Pathways is 3.58. So, based on this rather unscientific, gut-level scoring system, you will spend your time doing a full business plan for HealthCard, satisfied that you did at least some high-level due diligence for each new idea.

*Catherine Kitcho is a consultant and author known as the Launch Doctor. This article is based on her second book, "From Idea to Launch at Internet Speed," available at <http://www.pelepubs.com>. Since 1995, Catherine has worked with more than 50 companies of all sizes to launch their companies and products, develop business and marketing plans, and improve product launch processes. Visit her website at <http://www.launchdoctor.com> for many free articles on product marketing and launch.*

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# Problems.

Do you understand the relationship between product management and product marketing?

Does it seem that product managers are overloaded with tactical activities?

Are you getting the most out of your investment in Product Management and Product Marketing?

Does your Product Management function need more structure and process?

Are product managers spending too much time supporting Sales? Development? Marketing Communications?

Do your product managers and product marketing managers understand their roles?

Are your product managers trailing the other departments instead of leading them by six or more months?

Are requirements a moving target?

Do your product managers rely on the sales channel for product requirements, positioning, name, or pricing?

Are your Market Requirements Documents not providing enough detail to Development so they know what to build?

Do your product managers wander into design in the Market Requirements Document rather than provide the market facts that Development needs?

Are you struggling to keep control during the product planning process?

Is there agreement between Product Management and Development on what to do?

Does your Product Marketing function need more structure and process?

Is your marketing plan just a revised list of last year's tactics?

Do you want better workflow between Product Management, Product Marketing, Industry Marketing and Marketing Communications?

Is Marketing disconnected from the sales process, generating leads and sales tools that go nowhere?

Is your message and program strategy based on a clear understanding of buyer problems and the reasons they should prefer your solution?

Do you know how to effectively measure all of your programs?

Have you been asked to create a marketing plan, without any guidance on what should be in a marketing plan?

# Solved.

Distinctive  
Competence

Market  
Sizing

Market  
Research

Product  
Performance

Market  
Problems

Operational  
Metrics

**Market  
Analysis**

**Quantitative  
Analysis**

Technology  
Assessment

Win/Loss  
Analysis

Competitive  
Analysis

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**Practical Product Management®**



# Complete Curriculum for Technology Product Managers

Business  
Case

Positioning

Marketing  
Plan

Pricing

Sales  
Process

Awareness  
Plan

Buy, Build  
or Partner

Market  
Requirements

Customer  
Acquisition

Thought  
Leaders

Product  
Roadmap

Customer  
Retention

**Product  
Strategy**

**Product  
Planning**

**Program  
Strategy**

**Sales  
Readiness**

**Channel  
Support**

Innovation

User  
Personas

Buyer  
Personas

Collateral &  
Sales Tools

Channel  
Training

Product  
Contract

Market  
Messages

Presentations  
& Demos

"Special"  
Calls

Release  
Milestones

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White  
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Event  
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That Work™**

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Pragmatic Marketing seminars introduce a framework that gives *technology* marketers the tools necessary to deliver market-driven products that people want to buy. We focus on all practical aspects of juggling daily tactical demands with strategic activities necessary to become an expert on the market.

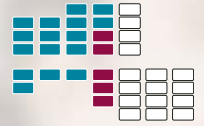


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# Solutions.

# PRACTICAL PRODUCT MANAGEMENT®



## Build Market-Driven Products by Listening to the Market

Pragmatic Marketing has always focused on the unique challenges of marketing *technology* products and services.

The framework we teach, refined and perfected over 20 years, shows specific processes to find and develop profitable opportunities, plan market-focused products and create winning promotional and sales campaigns. Each seminar offers immediate actionable ideas, templates and tools.



*The Industry Standard in  
Technology Product Management  
and Marketing Education*

Practical Product Management is for product managers and those who manage or contribute to aspects of product marketing and management. This two-day seminar fully explores the role of technical product management, providing tools and a framework to help get products to market more efficiently.

### I. Strategic Role of Product Management

- What is marketing?
- Definition of the role of product management
- Contrasting product management and product marketing
- Assigning ownership of responsibilities
- Identifying the “first steps” with gap analysis

### II. Market Analysis

- Distinctive competence
- Market research
- Market problems
- Technology assessment
- Competitive analysis

### III. Quantitative Analysis

- Market sizing
- Product performance
- Operational metrics
- Win/loss analysis

### IV. Product Strategy

- Business case
- Pricing
- Buy, build, or partner?
- Thought leaders
- Innovation

### V. Product Planning

- Positioning
- Sales process

### VI. Case Study

### VII. Delineating Responsibilities

- Communicating market facts to Development, Marcom, and Sales
- Drawing the line between Product Management and the other departments

### DAY 3 Requirements That Work™

*(For those who write requirements)*

### VIII. Building the Market Requirements Document (MRD)

- Writing requirements
- Implementing use-case scenarios
- Programming for the “persona”
- Determining product feature sets
- Creating the MRD

### IX. Analyzing Business and Technology Drivers

- Reviewing specifications
- Prioritizing the product feature set

### X. Getting (and Keeping) Commitments

- Product contract
- Getting the product team in sync
- Getting executive support
- Communicating the plan in the company and in the market

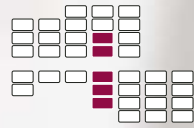
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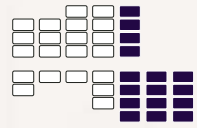


# REQUIREMENTS THAT WORK™



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- Understand the source of conflict between Development and Marketing
- Define clear roles and responsibilities
- Introduce a product planning methodology

## II. Gathering Input

- Channels of input to product planning
- Organizing product ideas
- Quantifying market needs

## III. Building the Market Requirements Document

- Writing requirements
- Implementing use-case scenarios
- Programming for the “persona”
- Determining product feature sets
- Creating the Market Requirements Document (MRD)

## IV. Analyzing Business and Technology Drivers

- Reviewing specifications
- Prioritizing the product feature set

## V. Getting (and Keeping) Commitments

- Product contract
- Getting the product team in sync
- Getting executive support
- Communicating the plan in the company and in the market

## I. Roles and Responsibilities

- Differentiate the roles of product management and outbound marketing
- Distinguish sales support from marketing
- Overview of strategic outbound marketing process
- Workflow between product management, product marketing, industry marketing and marketing communications.

## II. Target Audiences

- Build useful audience profiles
- Influence the buying process
- Create high-impact market messages
- Select the right programs for your audiences

## III. The Strategic Program Plans

- Develop clear market strategies
- Create the right budget
- Relate plan elements to company and sales goals
- Build the business case for marketing investments

## IV. Align with Sales

- Respond to endless tactical requests
- Collateral and tools that impact buying decisions
- Measure and improve sales tool productivity

## V. Goal-Oriented Program Execution

- Manage lead quality and throughput
- Integrate programs by target audience
- Build and measure positioning awareness
- Influence customer retention
- Measure progress, with or without CRM

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- Apply the process to current programs
- Continuously measure and improve

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# Seven Things You Can Do to Improve Your Credibility on the Web

*By Steve Guengerich and Ross Speir*

When it comes to believing what one reads online, credibility matters. Credible sources have the ability to change opinions, attitudes, and behaviors, to motivate and persuade. In contrast, when credibility is low, the potential to influence is also low.

On the web, credibility has two sides. On one side are the web users trying to determine what information is credible. On the other side are the web designers trying to create highly-credible websites.

So, what can you do to increase the credibility of your company and its products or services on the web? Fortunately, the answer is not a matter of gut instinct or luck—the answer lies in science.

## The science and study of credibility

In 1999, graduate students at Stanford University studied web credibility on a large scale for the first time, and published the results in a Web Credibility Study. The study was re-run in 2002, during which the results from the earlier study were compared. Each time, a snapshot was taken of the perceptions of approximately 1,500 participants.

The result of the study shows strong scientific evidence of specific design elements that web users impart with greater credibility.

Here are seven of the top tactics you can employ to improve your own website's credibility. And for each tactic, we have provided an associated persuasion strategy to which it is linked.





### 1. Associate your website with respected organizations.

Websites that are associated with organizations that people respect, receive the highest ratings of credibility. If you are a resort or golf club, you want to be associated with Jack Nicklaus; if you are a car company, J.D. Power and Associates®. On a local level, respected organizations might include the Chamber of Commerce.

Along these lines, having your website linked to by other websites that users think are believable is another sign of credibility. For example, if your site is linked to by a news organization that is well-respected outside of the Internet, like Consumer Reports, the implication is your website is perceived as credible as Consumer Reports.

#### **Persuasion strategy: Social Proof.**

If everyone else is doing it, it must be good or right. This strategy relies on the use of customer lists, testimonials, and other similar examples of social proof to provide a persuasive case for a website's products or services.

### 2. Respond to inquiries received through the web.

Nothing kills credibility faster than prospective customers try to reach you at your "sales@..." email address only to have their inquiries go unanswered. Conversely, users consider a website credible if you provide quick responses to their customer service questions. Even better, your site sends emails confirming the transactions that users make.

#### **Persuasion strategy: Permission.**

The simple act of an email inquiry to your website is the first step in a permission-based strategy. By responding to the inquiry with a question and choice of next steps, you ease customers into action, ideally showing them value before asking for commitment.

Another way this strategy can be applied is at checkout, by having customers incrementally commit to a purchase, as opposed to "Do you want this? Yes or no!" Some incremental steps ask them to "verify products you want," or ask where to ship, how to ship, and request preferred payment information.

Permission doesn't work when requirements are sought too early in the dialogue, for example, premature website registration requirements.

### 3. Anyone home? Make them feel that you're real.

Users like to see websites that list an organization's physical address. They also like to see a contact name, phone number, and email address.

For all of us who suffer spam, there are ways to provide an email address and thwart the email address bots. Among them is simply writing out the email address such as "You can email me at 'steve at perceptivesciences dot com' if you wish to reach me online."

#### **Persuasion strategy: Visualize.**

Users want to visualize their interactions. This means being able to associate a concrete address with perhaps a picture of a building, or to see pictures of a product in its context of selection and purchase. For example, Lands' End employs visualization effectively with its My Virtual Model™. →

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Credible sources have the ability to change opinions, attitudes, and behaviors, to motivate and persuade. In contrast, when credibility is low, the potential to influence is also low.

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The science of credibility, especially in regards to the use of computers, has advanced a great deal over the past five years. Its advance is a branch of the larger field of persuasive technology, popularized by academic thought leaders, such as BJ Fogg.

"Persuasive technology is any interactive computing system designed to change people's attitudes or behaviors," said Fogg, in his seminal book *Persuasive Technology* (Morgan Kaufmann, December 2002).

Credibility can be defined as believability; it is a perceived quality, like beauty. Much like evaluating beauty, people often agree when evaluating a source's credibility.

Most researchers and psychologists confirm that there are two main dimensions of credibility: trustworthiness and expertise. People evaluate these two elements and combine them to develop an overall assessment of credibility.

Trustworthiness is the quality of being perceived as truthful, fair, and unbiased.

Expertise is the quality of being perceived as knowledgeable, experienced, and competent. The most credible sources are those perceived to have high levels of trustworthiness and expertise.

Think how much we entrust every moment to the credible operations of computers. We do so only when we know they are trustworthy and we have a high degree of satisfaction that they operate with a great deal of expertise. When they don't, we lose faith.

#### 4. Content you're willing to sign your name to—literally.

Users consider websites that have articles containing citations and references as more credible. They also like to see authors' credentials listed for each article.

##### **Persuasion strategy: Authority.**

People respect authority. Having an authority associated with a service or endorsing a product simplifies the decision-making process. That's why product reviews are so powerful—see Amazon.com®!

#### 5. Content you're willing to vouch for.

Closely aligned to the previous item, users consider sites more credible when you include a policy about your content. Along the lines of a privacy policy, a content policy addresses issues of who your authors are, how you check the content veracity, etc. Also considered more credible are sites that let you search for past content, like archives.

Related to intra-site (archive) content, is inter-site search. Users like sites that link to outside sources and material.

##### **Persuasion strategy: Reciprocity.**

You do something nice for someone; they'll return the favor. You treat someone seriously, with the appropriate amount of concern and respect for their personal identity, and they are more likely to respond in kind with reliable data about themselves and genuine information describing their purchase-selection process.

#### 6. Dress for success.

Web users are more sophisticated today than ever. Come on—we talk about “googling” our competition! Thus, your website should look professionally-designed. If you plan to spend money listing your products and services on the web, do so in a way that represents you professionally.

Likewise, arrange your site in a manner that makes sense to users. Nothing is more off-putting than a registration form that lists state before city. Or where the search box is in the bottom right corner of the screen—“below the fold”!

##### **Persuasion strategy: Liking.**

People are more likely to interact with entities they like or can relate to. “Liking” can manifest itself in a variety of ways:

- *Website*—is the “look and feel” appealing? Is it easy to use?
- *Company*—is the branding recognized? Does it connect with the customer?
- *Community*—are there pictures of people “just like me” on the website?

#### 7. Stay current.

A web visitor considers a site more credible when the site has been updated since the user's last visit. At first thought, this may seem expensive, especially for a small business, but it's easier to achieve than many think. There are relatively simple, automated steps you can take to feed today's date and company-relevant headlines to your home page, keeping the content fresh.

##### **Persuasion strategy: Scarcity.**

If something is scarce, people will want it all the more. This strategy connects to an element of human decision-making that tends to value the potential of something lost more than the potential of something gained. So among the updating tactics to keep website information fresh is to highlight scarcity, such as “limited time offers” and “supplies limited”—compelling action by those who may be undecided, but leaning towards a purchase.



#### Summary

The bottom-line is that web credibility—like personal credibility—is paramount, and deserves every businessperson's attention. As you consider how you can make your organization's web presence more credible, we encourage you to do so in the larger context of one or more persuasive strategies. These strategies can have a significant positive impact on the results you'll achieve online. **pmc**

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## Metavante Corporation—Capitalizing on the Power of Positive Change

Today's banks are being held accountable by regulators like never before. To keep pace, the financial services industry has been spending its IT dollars in new and different ways. Rather than "nice-to-have" software, such as market analysis or sales tools, a significant portion of the IT budget is now going to products that help banks prevent fraud and comply with new legal and regulatory mandates. And that means that technology companies providing software solutions to the financial industry must keep a finger on the pulse of shifting market demands.

That's where Metavante Corporation and its Product Management team come in. Metavante delivers electronic banking and payment technologies to financial services firms and businesses worldwide. Several years ago, the firm realized it needed to sharpen its focus on building solutions that solve today's toughest challenges and that bring real value to its clients. Toward that end, the company

launched an effort to revamp and revitalize its Product Management organization.

Today, Nancy Cody, Vice President and Manager of Financial Technology Services Product Management, heads up a team of 20 product managers with responsibility for more than 50 products that make up Metavante's core offering. "We're setting the tone for where we want to take Product Management across the company," she emphasizes. "We are trailblazers, and we like that role. Previously, most of our product managers were in the development group. We moved the team into our business division to focus on what our clients need most—so we can make product investments with their best interests in mind."

### Listen up

Cody's first challenge in taking over Product Management was to bring together a diverse group of people who were executing the product manager role in different ways. "Some spent much more time on development; others were more industry focused. We

had no standard definition of the role of a product manager and no real best practices in place. Most important, we were not listening to clients nearly as much as we should. As a result, we were spending time and money on products that we thought were great; but when we got them to market, customers weren't willing to buy. Now, our objective is to make sound product decisions based on information that is valid and reliable."

One of Cody's immediate goals was to get a handle on industry best practices and to raise the product management profession to a higher level within the company—where product managers were recognized as key decision makers. "In the past, the perception was that the product managers were just super technologists," she remembers. "If you needed somebody to give a demo or to answer a question about how a product works, go to Product Management. That's not what we want the role to be. So we embarked on a program to change the way we performed product management in order to change how we were perceived."



# Case Study

The team initially began its rebirth by taking a product management class at the University of Wisconsin, Madison. While the two-day session provided a good, basic foundation, the course was geared toward managing the type of consumer products you might buy in a drugstore or a supermarket. Cody felt her team needed something more relevant to take them to the next level. And she discovered Pragmatic Marketing® and its Practical Product Management® course.

“The appealing aspect about Pragmatic Marketing is that it is exclusively technology focused,” says Cody. “I attended the public session and said, ‘Wow! This is exactly the situation we’re in.’ The instructor understood our business and the challenges that technology companies face. Plus the course provided us with an outstanding framework for advancing product management. It is a framework we can actually implement to improve our business.”

## Let the fires burn

After the session, Cody says she made substantial progress just by knowing the Pragmatic Marketing Framework. “I re-defined all of our jobs and wrote new job descriptions. I customized the framework a bit to reflect the Metavante organization. Then I decided to bring the training in-house, and we had 45 or 50 people attend. It was time well-spent. If we take time away from our jobs for training, it needs to provide real information that we can use when we go back to work. The exercises and the tools we learned with Pragmatic have been very valuable, and we are utilizing them every day. The course is very practical in terms of getting results quickly.”

According to Cody, one of the most valuable lessons learned was to evaluate where the product managers were spending their time and ensure that they were focusing on the “left hand” or strategic areas of the framework. She says, “We realized we must always ask ourselves the question: What problem are we trying to solve on behalf of our clients? We must get out and talk to our clients and do more research in the industry. Another message that hit home for the product managers was to ‘let the fires burn.’ At first they asked, ‘How can I do that? Don’t I need to pick up the phone and answer the latest question and try to put out the fire?’ The course taught us that when we do that, the more strategic work gets pushed off to the side. So we talked a lot about setting priorities and focusing our time on the work that has real value.”

## Results that speak for themselves

Today, Cody’s Product Management team spends 30 to 40 percent of their time on the road, interacting with clients. They regularly attend meetings of Metavante’s seven regional user groups, plus two national user groups and a client conference. “One thing we consistently hear from our customers is that they are impressed by our commitment to them. Not only can they talk to us on the phone, they can meet us in person and can talk about the challenges they face and the product enhancements they would like to see. We are listening to our customers and actively engaging them in our product process. Best of all, our executive team hears from customers at our CEO conferences, and the general theme is: ‘You seem to be investing a lot more in your product development and delivering better

enhancements.’ The fact is, we’re investing in the right things and making decisions that best meet the needs of our clients.”

Beyond customer meetings, the team has also put several standard customer communication programs in place. “We have become much more open with our clients and now provide them with a steady stream of information about the vision for our products over the next three years,” Cody notes. “We share a customer-ready version of our product plans and updates on projects, which we update quarterly so customers can see where we are. Last year, we began hosting bi-monthly conference calls with customers to tell them about enhancements and new releases coming out within a 60-day timeframe. We now have over 200 clients call in, and they tell us the calls are some of the best things we’ve ever done. Recently, we hosted customer webinars to go over our product roadmaps. And the customers love them.”





Another success story was a major initiative to implement a product launch methodology that was driven by the Product Management team. The seven-step process involves everything from evaluating market and revenue opportunities to assessing the value a new product would bring to clients. Every product launch starts with a steering committee representing all stakeholders. At various "gates" in the process, the group hammers out and signs off on each decision. The product launch methodology was a direct result of recognizing the need to better understand market needs and make decisions along the development path that would result in more valued products.

### Playing a more strategic role

Based on the progress made over the last few years, the Product Management organization has elevated its role within the company. "We are building up the position of product manager here, and they are gaining more respect," Cody says. "Now, their jobs are recognized as an important contributor to our company's success. In fact, we recently began a company-wide planning initiative on growing our business organically. And the product managers have been asked to participate. We are drawing on our research and product plans to demonstrate how we can contribute to new revenue growth opportunities for our company. Because we have an in-depth product planning process in place, we have most of that information at our fingertips—as opposed to having to rush out and research it at the eleventh hour."

She adds, "We are working closely with our business strategy team to understand where the new market

opportunities are and anticipate what products might solve problems in those markets. We are taking a longer-range view of the market needs, so we are prepared when our executive team asks us to think about new business opportunities. We want to be ready to go—armed with our product plans and the research we have done. It is so much better going into those meetings with facts rather than opinions."

### Building on the momentum

Cody concludes that, while her Product Management group has made considerable progress, there is always more work to do. She believes that the training and methodologies they now have enable them to build on their success. "We have established best practices and have a product management framework developed by an industry leader with which to guide our processes. This is not one person's grand idea. It has been proven to work in the industry by an organization with an established reputation."

She says, "We are continuing to use the knowledge and tools we gained from the Pragmatic Marketing training on a day-to-day basis. We are using the framework in our monthly team meetings, where we focus on an area of the framework and share best practices for how each of us are handling it. More than anything else, we are working hard to continue to be market focused. We are constantly asking: What does our customer want? What problem are we trying to solve? It's amazing what a difference it makes when you shift the mindset to focus outside your walls."



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*See available dates on back cover.*



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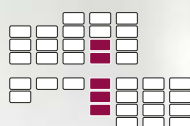


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 May 9 - 10 (11)\* ..... Minneapolis, MN  
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 June 6 - 7 (8)\* ..... San Francisco, CA  
 June 13 - 14 (15)\* ..... Vienna, VA  
 June 20 - 21 (22)\* ..... Bedford, MA  
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 July 18 - 19 (20)\* ..... Austin, TX

\* Requirements That Work, Day 3

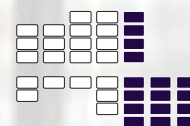
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