

The journal for technology product management and marketing professionals • A Pragmatic Marketing® Publication

The Pragmatic Marketer™

Volume 6 Issue 4

2008



You Can't Innovate Like Apple

**Practical Rules
for Product
Management**

(Part II)

**Change is Pulling
Us into the Cloud**

**Maybe Your
Opinion *IS* Relevant**

**Beyond SEO:
driving customer
attraction, retention,
and top-line growth**



2008 Finalist

Is your company getting the most from its investment in product management and marketing?

Does your product management and marketing function need more structure or a repeatable process?



Training Seminars for Product Marketing

Effective Product Marketing teaches how to create successful go-to-market strategies using a structured, repeatable framework that supports an organization's goals for growth in revenue, market awareness and customer retention.

New Rules of Marketing shows how to harness the power of online marketing using blogs, viral marketing, podcasts, video, search engine marketing and thought-leadership to reach buyers directly.



Training Seminars for Product Management

Practical Product Management defines the strategic role of product management using the Pragmatic Marketing Framework. From how to identify market problems to delivering a successful product plan.

Requirements That Work shows you a repeatable method for writing clear requirements your team will read and use. It discusses techniques for prioritizing and organizing market requirements and clarifies the roles for team members.

Pragmatic Roadmapping teaches techniques for developing, consolidating and communicating product plans, strategy and vision to multiple audiences—both inside and outside the company.

In addition to the extensive published schedule, training can be conducted onsite at your office, saving travel time and costs for attendees, and allowing a much more focused discussion on internal, critical issues.

Pragmatic Marketing's seminars have been attended by more than 45,000 product management and marketing professionals.

Visit www.PragmaticMarketing.com or call (800) 816-7861



The Pragmatic Marketer™

8910 E. Raintree Drive
Scottsdale, AZ 85260

Pragmatic Marketing, Inc.

CEO
Craig Stull

President
Phil Myers

Editor-in-Chief
Kristyn Benmoussa

Editor
Linda Sowers

Interested in contributing an article?

Visit www.PragmaticMarketing.com/submit

No part of this publication may be reproduced, stored in any retrieval system, or transmitted, in any form or by any means, electronic, mechanical photocopying, recording or otherwise, without the prior written permission of the publisher.

The Pragmatic Marketer™ is available free of charge to qualified subscribers. To subscribe, visit pragmaticmarketing.com/subscribe

To be removed from the mailing list, visit pragmaticmarketing.com/unsubscribe or send an email to info@pragmaticmarketing.com
For advertising rates, call (480) 515-1411.

Other product and/or company names mentioned in this journal may be trademarks or registered trademarks of their respective companies and are the sole property of their respective owners. *The Pragmatic Marketer*, a Pragmatic Marketing, Inc. publication, shall not be liable regardless of the cause, for any errors, inaccuracies, omissions, or other defects in, or untimeliness or unauthenticity of, the information contained within this magazine. Pragmatic Marketing makes no representations, warranties, or guarantees as to the results obtained from the use of this information and shall not be liable for any third-party claims or losses of any kind, including lost profits, and punitive damages.

The Pragmatic Marketer is a trademark of Pragmatic Marketing, Inc.

Printed in the U.S.A.

All rights reserved.

ISSN 1938-9752 (Print)

ISSN 1938-9760 (Online)

About Pragmatic Marketing®

Pragmatic Marketing provides training seminars, onsite workshops, consulting services and an online community for product managers, marketers and business leaders at thousands of technology companies around the world.

More than 45,000 product management and marketing professionals have learned the Pragmatic Marketing Framework, a common sense approach to find unresolved problems, create breakthrough experiences, and launch market resonators. Over 90% of alumni rate the training as essential or very useful to their careers.

Our Consulting Services provide technology companies with implementation support and custom services designed to enhance the training received at Pragmatic Marketing's seminars or onsite workshops.

The online community at PragmaticMarketing.com is the first-choice destination for technology product management and marketing professionals. With 50,000 visitors per month, this dynamic resource center contains hundreds of articles, a job board, book reviews, instructional webinars, links to peer networking groups and much more.

Visit www.PragmaticMarketing.com to learn more.

Inside this issue:

Volume 6 Issue 4 • 2008



4 You Can't Innovate Like Apple

By *Alain Breillatt*

When what you teach and develop every day has the title "Innovation" attached to it, you reach a point where you tire of hearing about Apple. Without question, nearly everyone believes the equation Apple = Innovation is a fundamental truth. Discover what makes them different.

12 Practical Rules for Product Management (Part II)

By *Maureen Rogers*

A continuation from the last issue, we explore Pragmatic Marketing's 20 rules for product management success. In this next set of rules (rules 6-10), you'll see a heavy focus on understanding and articulating your distinctive competencies—and on getting outside your own four walls to determine what your (broad) market truly values.

18 Change is Pulling Us into the Cloud

By *Stacey Weber*

Product Management must communicate with and understand the development team. In an Agile world, they must maintain a sequentially prioritized requirements list at all times, or be sucked into the Development cloud.



24 Maybe Your Opinion IS Relevant

By *Jim Foxworthy*

One of our favorite sayings around Pragmatic Marketing is "Your opinion, although interesting, is irrelevant." But wait a minute! Maybe it is!

28 Beyond SEO: driving customer attraction, retention, and top-line growth

By *Jeoffrey Bean and Sean Van Tyne*

Businesses frequently want an evaluation of their websites—mostly to know how they compare to the competition. Most businesses are disappointed with their website's ability to convert visitors to loyal customers. In fact, many people say they aren't really sure what their website does for them.



You Can't Innovate Like Apple

By Alain Breillatt



Note: Experience tells me I must start with the disclaimer that I admire Apple, but I am not a Macabolic or a Windows Geek. I don't care who has the better OS—except to the extent that it provides examples for successful or poor innovation.

In addition, this article quotes various expert sources and reference materials throughout. For a complete list of links to quoted sources, please visit www.pragmaticmarketing.com/060404



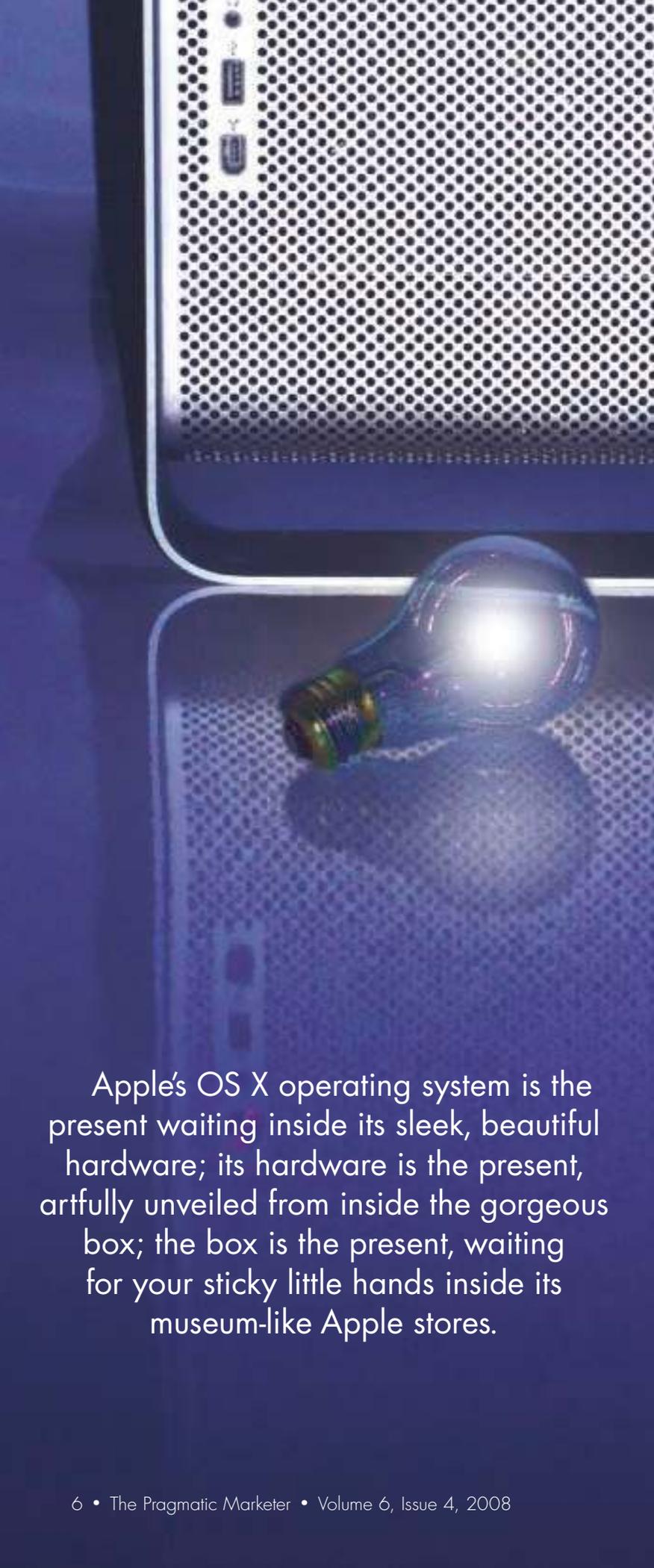
Apple! Apple! Apple! Magazines can't possibly be wrong, so Apple is clearly the "Most Admired," the "Most Innovative," and the "Master at Design."

Let me tell you, when what you teach and develop every day has the title "*Innovation*" attached to it, you reach a point where you tire of hearing about Apple. Without question, nearly everyone believes the equation Apple = Innovation is a fundamental truth—akin to the second law of thermodynamics, Boyle's Law, or Moore's Law.

But ask these same people if they understand exactly how Apple comes up with their ideas and what approach the company uses to develop blockbuster products—whether it is a fluky phenomenon or based on a repeatable set of governing principles—and you mostly get a dumbfounded stare. This response is what frustrates me most, because people worship what they don't understand.

I've been meaning to write this article for some time, but finally sat down and put pixel to screen after coming across a description of Michael Lopp's (a Senior Engineering Manager at Apple) discussion of how Apple does design. The discussion happened during a panel—including John Gruber (yes, for you Apple heads, that "Daring Fireball" guy)—titled *Blood, Sweat, and Fear: Great Design Hurts*, which was presented at SXSW Interactive on March 8, 2008. I scoured the Internet to find an audio or video recording, so I could garner these pearls of wisdom straight from the developers' mouths. But no search engine I know could locate said files. If someone reads this and happens to have such a recording, please, please share!





Apple's OS X operating system is the present waiting inside its sleek, beautiful hardware; its hardware is the present, artfully unveiled from inside the gorgeous box; the box is the present, waiting for your sticky little hands inside its museum-like Apple stores.

Insights on innovation

Without the recorded details, here is a collection of insights that various attendees created from their notes of the discussion—along with my own thoughts about what this portends for people who aspire to be like Apple. My intention is to synthesize these comments into a single representation of what Lopp and Gruber actually said.

Helen Walters at *BusinessWeek* summarized Lopp's panel with five key points:

Apple thinks good design is a present. Lopp kicked off the session by discussing, of all things, the story of the obsessive design of the new Mentos box. You know Mentos, right? Remember the really odd packaging (paper rolls like Spree candy) promoted by some of the most bizarre ads on TV? It's the candy that nobody I know eats; they just use it to create cola geysers.

Have you looked recently at the new packaging Mentos comes in? Lopp says the new box is a clean example of obsessive design, because the cardboard top locks open and then closes with a click. There's an actual latch on the box, and it actually works. It's not just a square box, but one that serves a function and works. I bought a box just so I could examine it more closely. It's an ingenious design of subtle simplicity that works so well even shaking it upside down does not pop the box open.

According to Gruber, the build-up of anticipation leading to the opening of the present that Apple offers is an important—if not the most important—aspect of the enjoyment people derive from Apple's products. This is because the world divides into two camps:

1. There are those who open their presents before Christmas morning.
2. There are those who wait. They set their presents under the tree and, like a child, agonize over the enormous anticipation of what will be in the box when they open it on Christmas morning.

Apple designs for #2. No other mass-consumer products company puts as much attention to detail into the fit and finish of the box—let alone the out-of-box experience. If you're an Apple enthusiast, you can capture the Christmas morning experience more than once a year with every stop you make at the local Apple store.

Apple “wraps great ideas inside great ideas,” and the whole experience is linked as the present concept traces concentric circles from the core outward. Apple's OS X operating system is the present waiting inside its sleek, beautiful hardware; its hardware is the present, artfully unveiled from inside the gorgeous box; the box is the present, waiting for your sticky little hands inside its museum-like Apple stores. And the bow tying it all together? Jobs' dramatic keynote speeches, where the Christmas morning fervor is fanned on a grand stage by one of the business world's most capable hype men.

Pixel-perfect mockups are critical.

This is hard work and requires an enormous amount of time, but is necessary to give the complete feeling for the entire product. For those who aren't familiar with the term, pixel perfect means the designers of a piece of Apple software create an exact image—down to the very pixel (the basic unit of composition on a computer or television display)—for every single interface screen and feature.

There is no “Ipsum Lorem” used as filler for content, either. At least one of the senior managers refuses to look at any mockups that contain such “Greek” filler. Doing this detailed mockup removes *all* ambiguity—everyone knows and can see and critique how the final product looks. It also means you will not encounter interpretative changes by the designer or engineer after the review, as they are filling in the content—something I have seen happen time and time again. Ultimately, it means no one can feign surprise when they see the real thing.

10 to 3 to 1. Take the pixel-perfect approach and pile on top of it the requirement that Apple designers expect to design 10 different mockups of any new feature under consideration. And these are not just crappy mockups; they all represent different, but really good, implementations that are faithful to the product specifications.

Then, by using specified criteria, they narrow these 10 ideas down to three options, which the team spends months further developing...until they finally narrow down to the one final concept that truly represents their best work for production.

This approach is intended to offer enormous latitude for creativity that breaks past restrictions. But it also means they inherently plan to throw away 90% of the work they do. I don't know many organizations for which this would be an acceptable ratio. Your CFO would probably declare, “All I see is money going down the drain.” This is a major reason why I say you can't innovate like Apple.

Paired design meetings. Every week, the teams of engineers and designers get together for two complementary meetings.

- **Brainstorm meeting**—leave your hang-ups at the door and go crazy in developing various approaches to solving particular problems or enhancing existing designs. This meeting involves free thinking with absolutely no rules.
- **Production meeting**—the absolute opposite of the brainstorm meeting, where the aim is to put structure around the crazy ideas and define the how to, why, and when.

These two meetings continue throughout the development of any application. If you have heard stories of Jobs discarding finished concepts at the very last minute, you understand why the team operates in this manner. It's part of their corporate DNA of grueling perfection. But the balance does shift away from free thinking

and more toward a production mindset as the application progresses—even while they keep the door open for creative thought at the latest stages.

Pony meetings. These meetings are scheduled every two weeks with the internal clients to educate the decision-makers on the design directions being explored and influence their perception of what the final product should be.

They're called “pony” meetings because they correspond to Lopp's description of the experience of senior managers dispensing their wisdom and wants to the development team when discussing the early specifications for the product. “I want WYSIWIG... I want it to support major browsers... I want it to reflect the spirit of our company.” [What??] In other words, I want a pony. Who doesn't want a pony? A pony is gorgeous! Anyone who has been through this experience can tell you that these people are describing what *they* think *they* want. Lopp cops to reality in explaining that, since they sign the checks, you cannot simply ignore these senior managers. But you do have to manage their expectations and help align their vision with the team's.

The meetings achieve this purpose and give a sense of control to senior management, so that they have visibility into the process and can influence the direction. Again, the purpose of this is to save the team from pursuing a line of direction that ultimately gets tossed because one of the decision makers wasn't on board.

Now, if you want to get the quick summary of what we just discussed, I highly recommend reading Mike Rohde's SXSW Interactive 2008 Sketchnotes. He took highly illustrated notes of the Lopp/Gruber panel. Content for this write-up also came from: Scott Fiddelke, Dylan at The Email Wars, Jared Christensen, David at BFG, and Tom Kershaw. →

What else does Apple do differently?

If you read the various interviews that Jobs and Jonathan Ive (Senior Vice President, Industrial Design at Apple) have given over the last few years, you'll find a few specific trends:

1. Apple does not do market research. This is straight from Jobs' mouth: *We do no market research.* They scoff at the notion of target markets, and they don't conduct focus groups. Why? Because everything Apple designs is based on Jobs' and his team's perceptions of what *they* think is cool. He elaborates:

"It's not about pop culture, and it's not about fooling people, and it's not about convincing people that they want something they don't. We figure out what we want. And I think we're pretty good at having the right discipline to think through whether a lot of other people are going to want it, too. That's what we get paid to do. So you can't go out and ask people, you know, what's the next big [thing.] There's a great quote by Henry Ford, right? He said, 'If I'd have asked my customers what they wanted, they would have told me 'A faster horse.'"

Said another way, Jobs hires really smart people, and he lets them loose—but on a leash, since he overlooks it all with an extremely demanding eye. If you're seeing visions of the "Great Eye" from J.R.R. Tolkien's books, then you probably wouldn't be too far off. Here's the way their simple process works:

1. Start with a gut sense of an opportunity, and the conversations start rolling.
2. *What do we hate?*
A: Our cell phones.
3. *What do we have the technology to make?*
A: A cell phone with a Mac inside.
4. *What would we like to own?*
A: An iPhone, what else?

But Jobs also explained that in this specific conversation, there were big debates across the organization about whether or not they could and should do it. Ultimately, he looked around and said, *"Let's do it."*

I think it's clear they also benefit from the inauspicious "leak" to the market. By that I mean this overly tight-lipped organization occasionally leaks early ideas to the market to see what kind of response they might generate. Again, what other company benefits from having thousands of adoring designers come up with beautifully rendered concepts of what they think the next great product should look like?

2. Apple has a very small team who designs their major products.

Look at Ive and his team of a dozen to 20 designers who are the brains behind the genius products that Apple has delivered to the market since the iMac back in 1998. New product development is not farmed out across the organization, but instead is creatively driven by this select group of world-class designers.

Jobs himself has delegated away many of his day-to-day operational responsibilities to enable himself to focus half of his week on the high- and very low-level development efforts for specific products.

3. Apple owns their entire system.

They are completely independent of reliance on anyone else to provide inputs to the design and development of their products. They own the OS, they own the software, and they own the hardware. No other consumer electronics organization can easily do what Apple does because they own all of the technology and control the intimate interactions that ultimately become the total user experience. There is no other way to ensure such a seamless experience—a single executive calls the final shots for every single component.

4. Apple focuses on a select group of products. Apple acts like a small boutique and develops beautiful, artistic products in a manner that makes it very difficult to scale up to broad and extensive product lines. Part of this is due to the level of attention to detail provided by their small teams of designers and engineers. To think that a multi-billion dollar company only has 30 major products is astounding, because their neighbors at that level of revenues have thousands of products in hundreds of different SKUs.

As Jobs explains, this is the focus that enables them to bring such an extensive level of attention to excellence. But it is also an inherently risky enterprise, because they are limited in what new product areas they can invest in if one fails.

5. Apple has a maniacal focus on perfection.

They say Jobs had the marble for the floor at the New York Apple store shipped to California first so he could examine the veins. He also complained about the chamfer radius on the plastic case of an early prototype of the Macintosh. You had better believe, given the 10 to 3 to 1 approach for design, that every shadow, every pixel is scrutinized. It's in their DNA.

They are willing to spend the money to make sure everything is perfect, because that is their mission.

So is it possible for you to innovate like Apple?

So given all this, what is a company to do if they want to innovate like Apple? First, forget about it unless you are willing to invest significantly and heavily to establish a culture of innovation like Apple's. Because it's not just about copying Apple's approach and procedures. The vast majority of executives who say, "I want to be just like Apple," have no idea what it really takes to achieve that level of success. What they're saying is they want to be adored by their customers, they want to launch sexy products that cause the press to fall all over themselves, and they want to experience incredible financial growth. But they generally want to do it on the cheap.

To succeed at innovation as Apple has, you need the following:

You need a leader who prioritizes new product innovation. The CEO needs to be someone who looks out to the horizon and consistently sets a vision of innovation for the organization that he or she is willing to support completely with people, funds, and time. Further, that leader needs to be fluent in the language of your customer and the markets in which you compete. If the CEO cannot be this person, then he or she needs to be willing to trust that role to a senior executive and give that person the authority and latitude to effectively oversee the new product development process.

You need to focus. A cohesive vision describes the storyline for your products and services. That storyline needs to state decisively what is in bounds and what is out-of-bounds over an 18-month to 3-year period. Everyone in the development process who matters must be in lockstep with this vision, which means you need to have open lines of communication that are regularly and consistently managed.

This storyline or strategic vision needs to be revised according to market changes and the evolution of your new product pipeline. It helps that Apple tends to approach their products with a systemic frame of mind, looking to develop the "total solution" rather than just loosely joined components.

Obviously, the other focus is to make a profit, since that is what supports the continued efforts to design the next great product. And, when every one of the major products is a moon shot, they have to work to ensure it meets exacting standards—to do everything they can to ensure success.

You need to know your customer and your market. Jobs and team can get away with not doing market research, identifying target markets, or going out and talking with customers because of the markets they play in and the cult-like customers who adore them. Most technology companies also believe they can get away with this—and most technology companies get it wrong.

Quick, identify 10 different pieces of technology that truly meet your needs and that don't bug you due to a major flaw you either have to live with or compensate for in some fashion. Could you come up with more than five? I didn't think so.

We're drowning in a sea of technological crap, because every product that is released to the market is a result of multiple compromises based on decisions made by the product manager, the engineering manager, the marketing manager, the sales manager, and everyone else who has skin in the game as they prepare the offering to meet what *they* think are the target customer's needs.

The reason Jobs and Ive get it right is because they design sexy products with elegant and simple interfaces—for themselves. And they count on their hip gaggle of early adopters to see it the same way. Once the snowball starts rolling, it's all momentum from there.

Apple doesn't sell functional products; they sell fashionable pieces of functional art. That present you're unwrapping is all about emotional connection. And Jobs knows his marketplace better than anyone else. →



“If I'd have asked my customers what they wanted, they would have told me 'A faster horse.'”

– Henry Ford

Because you're *not* Apple and you are likely not selling a similar set of products, you must do research to understand the customer. And, while I'm sure Jobs *says* he doesn't do research, it's pretty clear that his team goes out to thoroughly study behaviors and interests of those they think will be their early adopters. Call it talking to friends and family; but, honestly, you know that these guys live by immersing themselves in the hip culture of music, video, mobile, and computing.

The point is not to go ask your customers what they want. If you ask that question in the formative stages, then you're doing it wrong. The point is to go immerse yourself in their environment and ask lots of "why" questions until you have thoroughly explored the ins and outs of their decision making, needs, wants, and problems. At that point, you should be able to break their needs and the opportunities down into a few simple statements of truth.

As Alan Cooper says, how can you help an end user achieve the goal if you don't know what it is? You have to build a persona or model that accurately describes the objectives of your consumers and the problems

they face with the existing solutions. The real benefit, as I saw in my years working at InstallShield and Macrovision, is that unless you put a face and expectations on that consumer, then disagreements about features or product positioning or design come down to who can pull the greatest political will—rather than who has the cleanest interpretation of the consumer's need.

You need the right people, and you need to reward them.

The designers at Apple are paid 50% more than their counterparts at other organizations. These designers aren't working at Apple simply because they're paid more. They stay at Apple because of the amazing things they get to do there. Rewards are about salary and benefits, but they are also about recognition and being able to do satisfying work that challenges the mind and allows the creative muscles to stretch. Part of this also comes down to ensuring your teams are passionate about innovation and dedicated to the focus of the organization. As Jobs says, he looks for people who are crazy about Apple. So you need to look closely at the people you are hiring and whether you have the right team in the first place.

TPM



Alain Breillatt is a product manager with more than 14 years of experience in bringing new products and services to market.

His previous professional lives have carried him through medical device R&D, consumer credit, IT management, software product management, and new product consulting at companies including Baxter, Sears, InstallShield, Macrovision, and Kuczmarski & Associates. As a consultant he has generated new product portfolios for Fortune 500 and smaller organizations and developed course materials on innovation for the MBA and Executive Education programs at Northwestern University's Kellogg School of Management.

Alain is a Director of Product Management for The Nielsen Company's syndicated consumer research solutions. Contact Alain at abreillatt@gmail.com or catch his latest insights at <http://pictureimperfect.net>



“How can you help an end user achieve the goal if you don't know what it is?”

– Alan Cooper

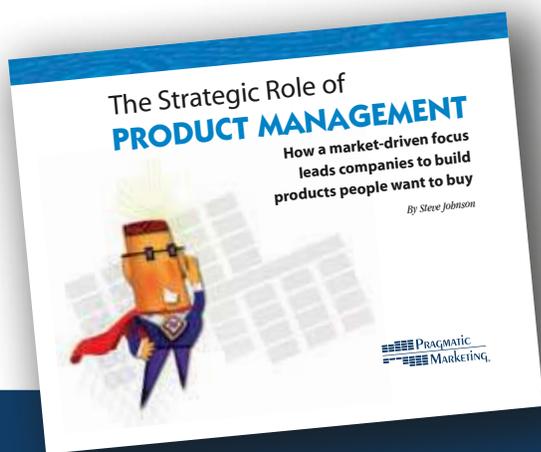
FREE eBook



The Strategic Role of Product Management

How a market-driven focus leads companies to build products people want to buy

By Steve Johnson



This free e-book explains why product management can and should play a strategic role in a technology company. One which ensures products are created not just because they can be, or because someone thinks it is a good idea but because someone has listened to the market, identified an urgent and pervasive problem, and determined that people are willing to pay to solve it.

Download at

www.PragmaticMarketing.com/srpm

PRACTICAL RULES FOR PRODUCT MANAGEMENT

By Maureen Rogers

Some rules
just aren't
meant to be
broken

(Part II)

Editor's note: In Volume 6, Issue 3, Maureen Rogers applied her own interpretations and personal experiences of Pragmatic Marketing's 20 rules for product management success in Part I of her series of articles on this topic. In Part II, she continues the series with Rules 6-10.

Pragmatic Marketing's Practical Product Management seminar not only teaches product managers about the renowned Pragmatic Framework, it offers attendees 20 rules for product management success. In the next batch of rules (Rules 6-10), you'll see a heavy focus on understanding and articulating your distinctive competencies—and on getting outside your own four walls to determine what your (broad) market truly values. Read on.

RULE #6

Product
Management
should help
sales channels,
not individual
salespeople.

Obviously, when you're developing market approaches and sales tools, your product and company will be best served by your focusing on those that can be widely deployed across an entire sales channel—whether direct or indirect. Take it from someone who has done some serious hand holding with some fairly hapless sales folks, we all would have been better off if I'd spent my time on things that would be available and useful to everybody.

But is the converse true as well? What about time spent with the truly excellent salespeople?

Maybe it's because I've spent so much time in small companies, there are plenty of circumstances in which I've spent what I considered very profitable time with individual salespeople who are pleasant, helpful, and insightful. In my experience, these have also tended to be the most successful sales folks.

You could argue, then, that they don't need your help. Maybe. But, as a marketer, you still need to acknowledge that you might need their help for reviewing sales tools, great feedback, access to customers... and so on. Yes, there are plenty of reasons why you want and need to develop relationships with individual salespeople. And sometimes that will mean providing them with individual help. The good news? They're not the kind who'll ask for it unless they genuinely need it.

Of course, just as time spent helping out dunderheads detracts from working for the greater, common good, so does time spent working with the A students. So you have to be careful not to indulge yourself all that much.

As for spending time wisely, like a lot of product managers, I've spent hours concocting presentations on demand, pitching in on last minute RFP responses, tweaking data sheets—so much easier now that everything's PDF'd rather than printed—when the same time could have been spent making sure that strong, current, baseline materials were made available in a shared space.

Just say “no” to creating a slight variation of the wheel every time a salesperson calls and asks you for something.

Similarly, when you're eliciting feedback and product input from sales, it's better to hear from many voices, rather than respond to the bleating of the lone sales wolf whose input is colored by the last lost deal.

But as a marketer, I really want to reserve some quality time with the quality salespeople.

RULE #7

Be able to articulate your distinctive competence.

So why, exactly, should someone buy your product as opposed to the other guy's?

It may seem obvious that you need to be able to tell a prospect what's distinctive about you, but we often get caught up in just getting the features and benefits out there. Our product is *really* good, and we want everyone to know about it—so sometimes we forget to mention “why us.” It's also easy to fall into the trap of picking up on some picayune feature that nobody cares about and making a big show about how and why this is a big differentiator. I've certainly done it: our product is the only one on the market that brings a smiley face up on each screen...the only one written in an obscure, arcane language... the only one that comes in a plain, brown wrapper. But a differentiated feature of your product, no matter how meritorious (or not) is NOT a distinctive competence.

No, your distinctive competence is something that you genuinely excel at—and that benefits your customer.

We all know the standard ones: You're the most efficient, with the most streamlined service and support; you've got the most advanced, the very best product; you're the most in tune with your customers and what they actually want, need, and value.

What might your distinctive competence be? Here are a few examples:

- You may have deep-seated knowledge of an industry that enables you to develop products that solve vertical-specific problems in ways that generic, horizontal applications can't.
- Your engineering approach may enable you to react to customer requests and emerging requirements more rapidly than others.
- Your implementation team may be so proficient that they can easily and cost-effectively customize your application.
- Your training approach may help your customers more easily “on-board” new employees.
- Your automation strategy may let your customers painlessly and quickly purchase and implement new modules.

Whatever it is, you need to know just what your distinctive competence is. And it should go without saying that it's reality-based. Prospects and customers will figure it out pretty quickly if you're blowing smoke here. →

RULE #8

Your opinion,
although interesting,
is irrelevant.

As marketers, we've all had to put up with the "everyone's an expert" syndrome, in which people feel free to second guess and take pot shots at everything we do.

Unveil the new logo? Someone will hate it—and let you know.

Name the new product? Guaranteed that someone will think the name is dumb—or inform you that they once had a dog with this name. (Come on, did someone really have a dog named OmniCentraSolvAll?)

Publish the list of new features? Why'd you pick *those* ones? Why didn't you use my suggestion?

Color of the golf-outing t-shirt.
Trade show graphics. Target market.
Partner strategy.

Doesn't matter how strategic, how tactical, how important, or how trivial: People always second guess what Marketing does.

In these circumstances, the rule about opinions holds.

But I have to add a big qualifier, because an informed opinion can be both interesting *and* relevant.

Sometimes the person with the informed opinion knows something you don't know. Or thinks about something in a way that you don't. Or just always seems worth listening to.

With any luck, you'll know who the Informed Opinions are and include them somewhere in the process before decisions are made. (*After* you spent all that money on the new logo is not the time to find out that an underground fascist party or the dumbest reality show ever uses a similar graphic.)

What can the Informed Opinion do for you?

It can save you from making a mistake.

You might have fallen in love with the new color scheme. Come on, who doesn't like avocado and harvest gold? The Informed Opinion might inform you that two of your closest competitors are using the same colors, and you don't want to look "me, too."

UniCentraSolvAll may sound like a uniquely swell product name. Informed Opinion may be able to tell you that it's actually a heavily marketed pesticide in one country, or a product that in another country unclogs drains.

You may have missed an important and compelling product feature, and Informed Opinion may be able to tell you what it is and why it's so important.

Of course, Informed Opinion's opinion is not so important if you've done your homework. But you can't think of everything, so it's always good to have a couple of trusted Informed Opinions you can count on.

As far as your own opinions go: Offer your opinions only when asked for them. Try to eradicate (or at least minimize) any after-the-fact sniping and second guessing. (You hate it when it's done to you!) And keep in mind that an opinion that's informed by facts and market information is genuinely valuable and generally welcomed.

RULE #9

The building is
full of product experts.
Your company needs
market experts.

There's nothing worse than a marketing person who knows little about the product they're marketing. Matters not whether you're "just" in Marcom; minimal fluency is required. The bar gets raised for Product Marketing and Product Management, of course.

But as the rule says: If you're in technology marketing: *The building is full of product experts.* Developers. Services folks. Sales engineers.

Nice if you can demonstrate your understanding of SOA, your appreciation of MDM, your giga-intimacy with bits, bytes, and all assortments of hertzies. What the company also (and really) needs from Marketing is insight on what's happening in the market.

What's the competition up to? What trends—both technical and business—do you need to watch? What's up with the wonderful world of compliance and regulation? (Eek! It's everywhere.) What's going on in your verticals?

Not to mention what's lurking out there that might have an impact on your customers and prospects—and how they might benefit from your product at this particular time. And just how *do* those customers use your product? What connections are they making between the features and benefits? What are they asking for? What do they need that they aren't requesting?

Sure, it's great if you can read binary, but in the long run, your product is better off if you can read *The Wall Street Journal*.

RULE #10

Find market segments that value your distinctive competence.

I suspect that all marketers have, at some point, attempted to broaden their market to extend beyond whatever segment in which they find themselves. Sometimes this makes absolute sense. The problem occurs when you start convincing yourself that your offering—as is—will work for everybody.

At the macro level of “distinctive competence,” you’re not going to sell bleeding-edge technology into an industry where companies typically adopt new-fangled “stuff” with a five-year lag. You’re not going to sell a costly, hands-on services model to a company that prides itself on do-it-yourself. You’re not going to sell costly bells and whistles to a company that runs on shoestring margins.

At the less-grand, micro level, “distinctive competence” may translate into a feature set (or singular feature) that is ideal for one market. So it’s tempting to think that should at least be somewhat useful for other markets, as well.

But unless that shiny new market really needs and wants what you have, heading down this path will only get you: more expense to attract fewer customers, longer sales cycles, more price resistance, and less satisfied customers. You name it; you’ll find it when you drift into territory that doesn’t value your distinctive competence.

So before loping down the Boulevard of Broken Dreams, you owe your product a critical examination of just how and why someone wants and needs what you’ve got. Plain and simple, if you can’t come up with an answer, those potential customers won’t be able to either. Sure, you’ll convince some of them to buy your wares by sheer force of will. But that’s not the recipe for market success.

You may, of course, be able to create that market success by altering, or perhaps even just tweaking, your product. Just make sure that this is something you really want to do (i.e., something that fits your strategy).

Yes, focusing on your distinctive competence—or even on your simple, technical differentiation—may mean that you find yourself in a niche. This is fine, if being a niche player is what you really want to be. If not, find yourself a distinctive competence or means of differentiation that won’t relegate you to a niche.

Easier said than done, I know. But whoever said that product management was easy?

TPM

Maureen Rogers is a senior consultant with Communigration, specializing in strategic product marketing (market identification, product positioning, and product messaging) for B2B technology and services companies. A resident of Boston, Maureen is a graduate of MIT’s Sloan School of Management and has over 25 years experience as a product manager and product marketer. With her friend and colleague John Whiteside, she blogs on marketing at Opinionated Marketers (<http://opinionatedmarketers.com>) and, on her own, writes about business, the workplace, and culture at Pink Slip (<http://pinkslipblog.blogspot.com>). Maureen can be reached at mrogers@communigration.com

Part III of Maureen’s article will appear in the next issue of *The Pragmatic Marketer*.

Stay current with industry best practices



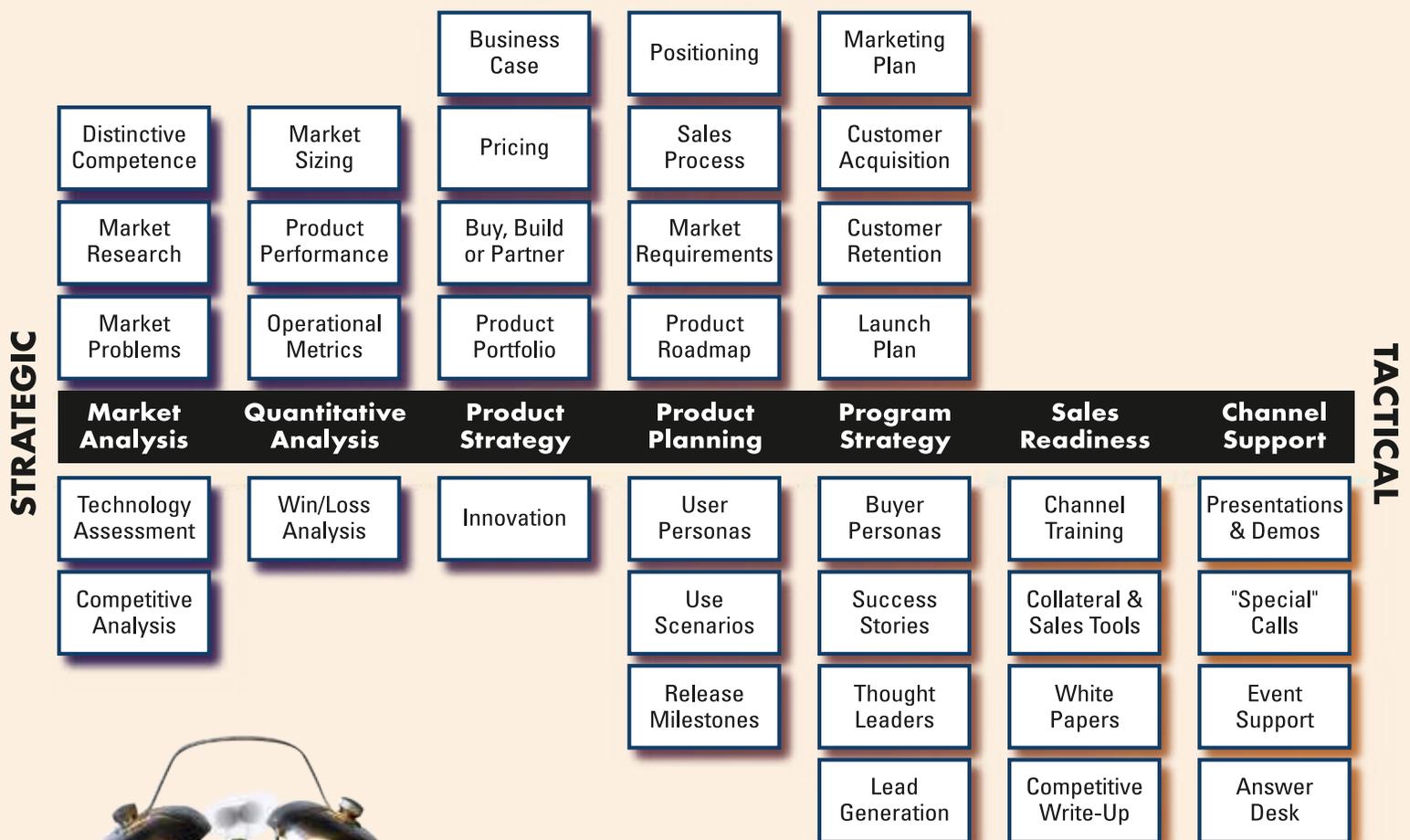
Visit the
**online community at
PragmaticMarketing.com**

- Review 8 years of **Annual Product Management and Marketing Survey** results
- Attend a **webinar** by one of today’s industry thought-leaders
- Read **hundreds of articles** on product management, marketing and leadership strategies
- Visit the **Job Board** to see companies looking to hire product managers and marketers
- Read **profiles of companies** who have achieved success using the Pragmatic Marketing Framework
- Stay connected with your industry peers by joining a local **Product Management Association**
- Participate in **online networking** with LinkedIn and Facebook groups
- View a list of **recommended books and software tools** for product managers and marketers

**PRAGMATIC
MARKETING®**

Are your product management and marketing teams overloaded with tactical activities, spending too much time supporting Development and Sales rather than focusing on the strategic issues of the organization?

The Pragmatic Marketing Framework



© 1993-2008 Pragmatic Marketing



The Pragmatic Marketing Framework is the standard for product managers and marketers at thousands of companies. Since 1993, more than 45,000 people have been trained using this market-driven approach to creating and launching technology products.

learn industry best practices



Product Management training

Practical Product Management defines the strategic role of product management using the Pragmatic Marketing Framework (left). From how to identify market problems to delivering a successful product plan.

Requirements That Work shows you a repeatable method for writing clear requirements your team will read and use. It discusses techniques for prioritizing and organizing market requirements and clarifies the roles for team members.

Pragmatic Roadmapping teaches techniques for developing, consolidating and communicating product plans, strategy and vision to multiple audiences—both inside and outside the company.



Product Marketing training

Effective Product Marketing teaches how to create successful go-to-market strategies using a structured, repeatable framework that supports an organization's goals for growth in revenue, market awareness and customer retention.

New Rules of Marketing shows how to harness the power of online marketing using blogs, viral marketing, podcasts, video, search engine marketing and thought-leadership to reach buyers directly.

In addition to the extensive published schedule, training can be conducted onsite at your office allowing a more focused discussion for your specific goals.

achieve market-driven success

With guidance from Pragmatic Marketing experts:

Align your organization with the market. Identify gaps between your current state and best practice to enable your strategy and tactics to focus on market-driven success.

Accelerate your product plan. Uncover the market problems your product can solve in its next release.

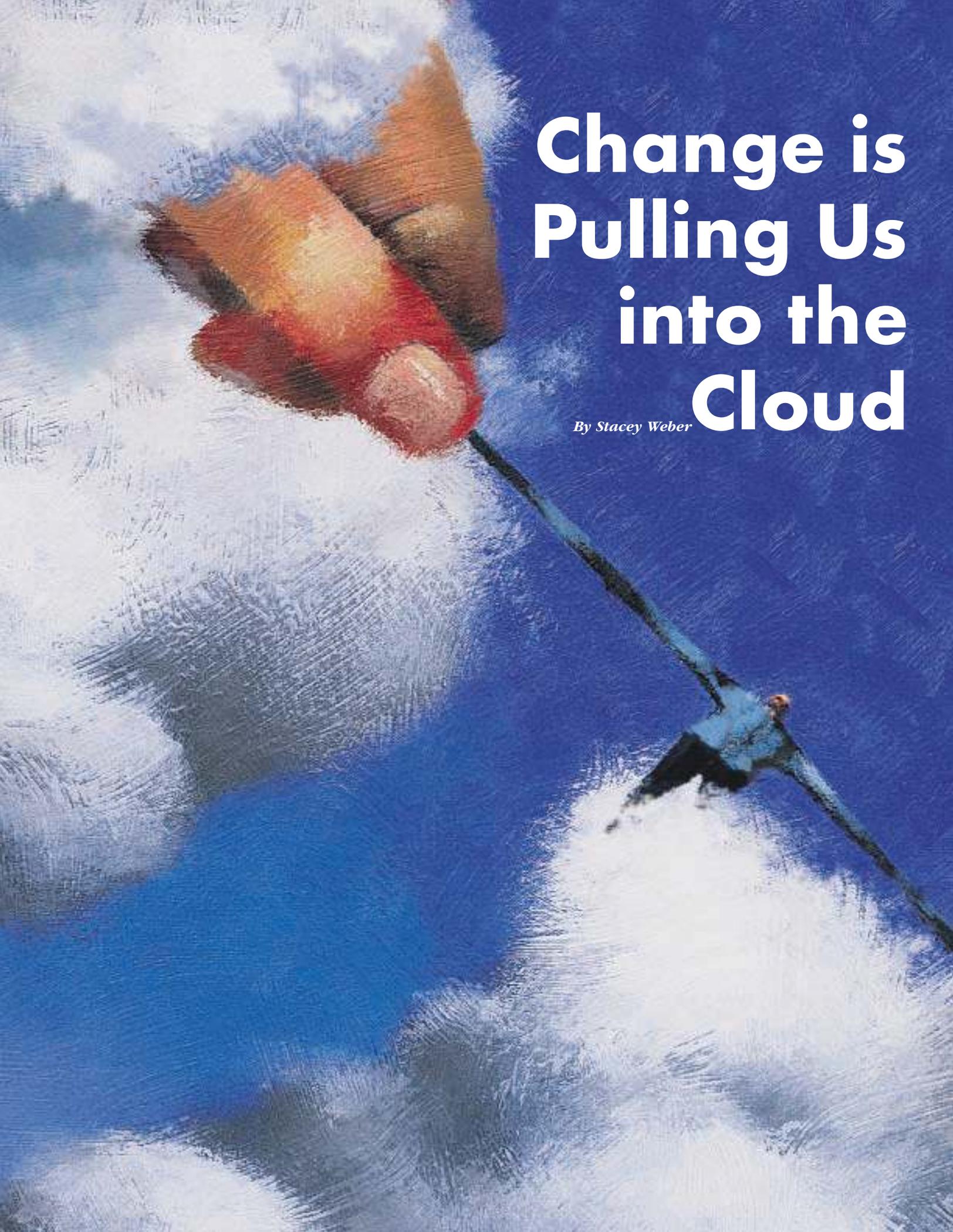
Optimize your go-to-market programs. Understand recent wins & losses, and learn how evaluators review your offering to create compelling marketing messages in the language of your buyers.

participate in a thought-leading community

For more than 50,000 visitors per month, *PragmaticMarketing.com* is a dynamic, growing resource center with hundreds of articles, tips and techniques, expert blogs, a job board, book reviews, informative webinars, links to peer networking groups and much more.

Visit www.PragmaticMarketing.com or call (800) 816-7861



A painting depicting a person climbing a rope. The rope extends from the bottom right towards the top left, where it is attached to a large, textured object with red and orange colors. The background is a deep blue sky with white, fluffy clouds. The overall style is expressive and textured, with visible brushstrokes.

Change is Pulling Us into the Cloud

By Stacey Weber

Product management is an interesting career. We don't code; we're not necessarily engineers. And yet, we must communicate with and understand our development team. Our products are built under the guiding hand of technology experts. Imagine their work as a cloud—they take input from our companies, do something, and we get new product to sell. Product managers hover really close to that development cloud, and sometimes we feel like we're actually in it!

There seems to be a constant stream of new terms, new "paradigms," new methods and tools and languages. The seemingly high rate of change, as evidenced by a steady stream of new buzzwords, can make our heads spin!

My favorite college professor was an engineer at heart, and in practice—he taught college courses in programming, and wrote custom software in his spare time. He was amazing—he had started coding in the 1960s, worked in a variety of industries, and seen dozens of major shifts in technology and capabilities. I spent many hours listening to his wisdom and philosophy on QBasic, COBOL, C programming, and life!

At one point, he taught a class, Data Structures in C, where I was the only student. Having taken my customary winding path through post-graduate education, my course schedule was out of the normal rotation. I needed to complete the course during that semester in order to graduate, and I was the only student. Well, Neale taught the course anyway—it was just the two of us, and neither of us missed a class the entire semester. I learned a great deal about sailing—it was one of his favorite topics, and provided all sorts of programming challenges. He shared two secrets with me, which have been remarkably helpful in dealing with the buzzword of the day.

Focus on the problem

A program is just a solution to a problem. Don't get caught up in the language of the day—the important part is the logic. Focus on building a flowchart showing logic that makes sense and efficiently calculates a precise and accurate answer. After that, you can think about the language you'll use to code it. First, focus on the problem.

Focus on concepts

Second, learn how to effectively interpret buzzwords. Every few months, you're going to hear a new buzzword. When you boil it all down, most of the ideas aren't entirely new. Think about the technology adoption curve, for example. Most of us were introduced to this concept in Geoffrey Moore's book, *Crossing the Chasm*. Did you know that the concept was first introduced in the 1960s, in the book *The Diffusions of Innovation* by

Everett Rodgers? The ideas come back around again and again—usually with a new word attached. Sometimes, the idea comes back with a whole new *set* of terminology.

We need to focus on the concepts, then draw associations between sets of buzzwords and the basic concepts they represent. Think timesharing, then Software as a Service.

These two basic pieces of advice have come in handy a number of times since then, and I find myself coming back to them as I consider the impact of Agile development methodologies on the world of product management.

When I refer to Development, I'm talking about that entire team. I'll assume that includes people who play the roles of product designer, development manager, project manager, and quality assurance.

If we were building custom software—projects that served one specific customer—we would sit down with that customer and find out what they needed. Our product designer would study the users and create a solution that was perfect in all ways (ok, maybe not *perfect*—but really good, and tailored for their specific situation).

Now, when we can sell that one product multiple times, a very cool thing happens to our financials. See, the first piece of technology costs a lot—sometimes millions. We have to research it, prototype, design, code, and test. After that, the overhead drops a considerable amount. If the product is software, every copy after the first one costs us a blank CD and a box, maybe some paper if it still needs a user's guide. The cost might be \$15, if we're still clinging to shipping physical media.

As vendors, we want to build a product that sells multiple times, to get us past the initial cost and into a serious profit zone. Our company needs us to build a "resonator"—a breakthrough product or service that buyers immediately understand has value to them, even if they have never heard of our company or its products before. →



Targeting a market segment

That's where product managers jump in. In order to sell our product multiple times, we have to make it appealing to a group of buyers that's large enough to support us. Let's call that a market segment.

Market segments share problems and they are a design target for Development.

Unfortunately, market segments are also a little ethereal. It's hard to wrap your brain around the idea of creating a product for a group, because we're human, and we all realize that each member of that group will have unique problems that no one else experiences. How will we decide which problems to focus on?

Someone has to analyze that market segment and articulate who "they" are and what problems they have. That's the product manager's primary role—to be the messenger of the market and to articulate the market's pains and pleasures. For the development team, the product manager must provide adequate context to allow them to design an appropriate solution.

Development needs product managers to tell them:

- Who are the players in the target market segment? What do they look like, and what are their jobs like? Who provides the funding to purchase? Who influences their decision? Who will eventually use the product?
- What problems does the target market segment share? How frequently does each problem occur, and what's the situation when the problem does happen?
- What is the relative importance of each problem? What is the impact level for each, and how many times has it been seen in the target market segment? When I say "relative importance," I truly mean that we have a prioritized list, numbered 1, 2, 3, 4, 5, 6, etc. This numerical priority is much more useful to Development than the traditional high/medium/low ranking. This prioritized list of problems and their associated personas is called a requirements list.

It may be tempting to refer to this list as a backlog. Please be aware that in Scrum, the backlog is the same type of list, but it contains detailed features rather than personas and problems. The backlog is what Development creates to show how they will solve the problems they're focusing on from the Requirements List.

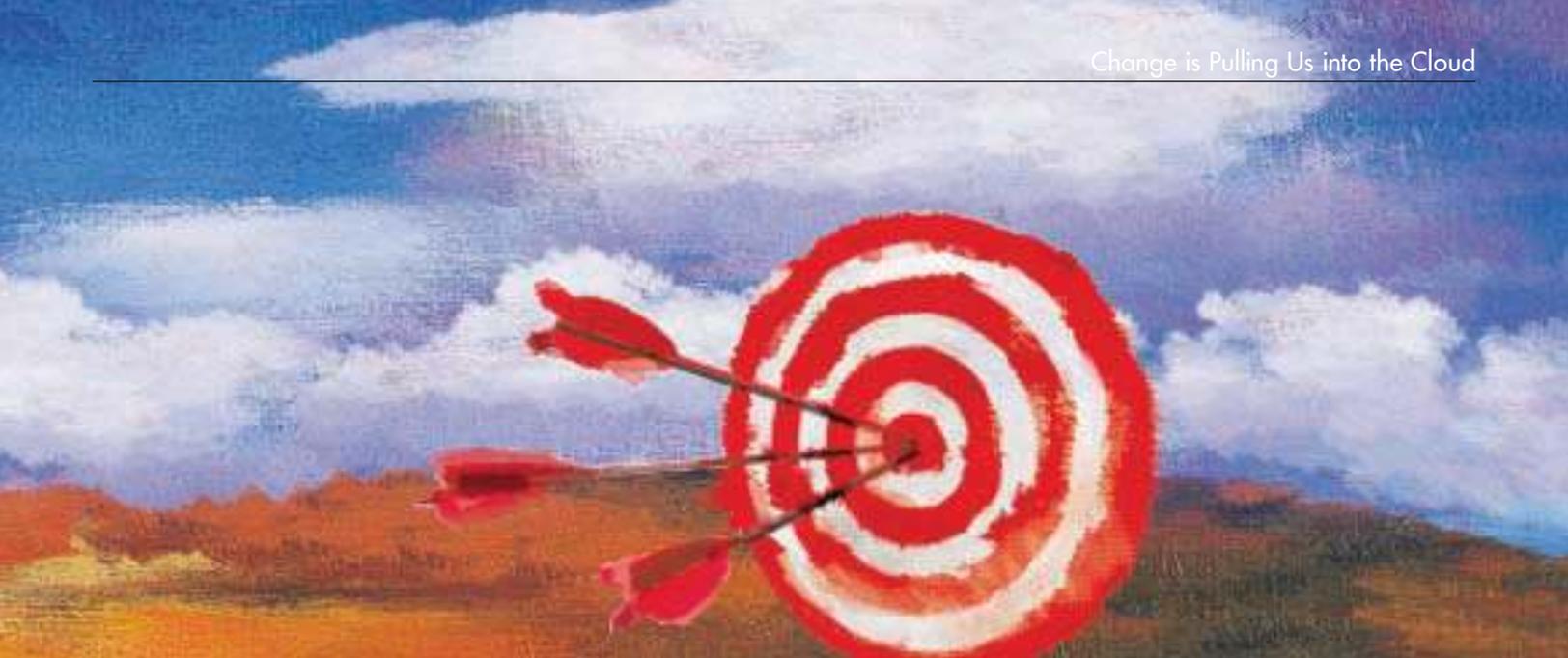
The answers to these questions are the product manager's deliverables to Development, *regardless of the development method in use.*

The good news is that these requirements can be written on index cards, which we can sort to show priority. There is something satisfying about physically sorting that stack and, later, seeing the "to do" stack get smaller, while the "things accomplished" stack grows.

Scrum and sprint

If you're dealing with a sudden move to agile development in your organization, it can be a little unnerving. You start hearing about the "scrum master" (which sounds a little scary, doesn't it?), and wonder where the "bullpen" can be found. You try to figure out what exactly a "sprint" is, and where we're running to (or what we're running from)!

In all seriousness, there are a lot of new terms thrown around, and you might start seeing some new behaviors. We'll explore some challenges product managers might encounter when their teams "go Agile."



Prioritizing the list

Depending on the development method the team uses, the requirements may be packaged in a different way. If the team is agile, they receive one chapter at a time. If they're waterfall, we give them the whole book. Regardless of what Development is doing this week, or how they're organizing their work, the product manager needs to keep a list of prioritized requirements—and, for each one, they need to communicate the personas and how they're impacted, along with a description of how the problem occurs and how frequently it happens.

When teams operate in the more traditional Waterfall method, the product manager takes a large section from the top of the Requirements List and wraps it into whatever document is appropriate for his or her organization. The team reviews the whole thing, and the entire set of requirements for a release is approved all at once. Then, Development retreats to the cloud and starts the design work, researching and estimating the cost and time to build.

When teams use an iterative method—XP or Agile or Scrum, you get the picture—the product manager takes a few items from the top of the Requirements List, maybe even a single line item (depending on the size of your team and the complexity of the problem to be solved). Development goes through design, and they build

and test a solution, “sprinting” through the highest priority items in the Requirements List. When they finish, we give them the items that reached the top of our list—after they took stuff for the last iteration. Eventually, we decide it's time to release—so we do the final testing, and release whatever we've completed so far.

Whether our development team is using waterfall or agile, we provide requirements that show the persona, problem, and frequency. We provide the impact of each problem and market evidence to support it. We also provide that sequential prioritization, whether it's stacked index cards or a spreadsheet sorted by priority.

Tuned in to Agile

The tuned in product manager maintains the prioritized market requirements list, so he or she is ready when Development needs more work. Your top priorities—the top cards in the stack or the top rows in the Requirements List spreadsheet—consistently represent the most urgent and pervasive problems discovered. Furthermore, this market-driven product manager has validated that companies are willing to pay money to solve the problems that show up on the list.

If your development team switches to an agile development method, and you've been using the Pragmatic Framework to build market-driven products, you may not even notice

it. That was my experience the first time I worked with a team who went Agile. I delivered a prioritized market requirements document to them, just like always. Later, I learned that they had broken my requirements into sprints.

In fact, I made this discovery when we found a bug in the field and needed to deliver a fix. I remember going to the Development manager's office to talk about it, after I heard the problem from Customer Support. I can still see the smile on her face when she told me that (she'd have to double-check with the team, but she was pretty sure) we could release next week, *and* we could include the highest priority things from the current Requirements Document. Seems they were doing this “Agile” thing, and they had already finished *and* tested the top items. That was a sweet day that stands out in memory.

I'm sure that I had been told about that change before “the bug day,” but until I saw that smile and heard the great news, I had not truly realized the positive power that Agile brought to the table. The game had changed, and I felt like I had gotten free dessert—a big yummy dish of ice cream with marshmallow cream and peaches and whip cream and a cherry on top—without even asking for it. We delivered the bug fix and the enhancements, and sat back reminiscing about how the world is truly a fine and wonderful place. ➔

Unfortunately, my story seems to be rather unique among product managers who are being swept into the Agile wave. Alas, many are not prepared for Agile. Instead, you've been writing long, prose-heavy Market Requirement Documents. You've used a stepped priority (high/medium/low), rather than sequential (1 to N). Guess what? Your development team is going to have to figure out how to break that stuff into sprints. Chances are, even if they look only at the "high" items, it will be way too much work for a sprint. That's when your office starts filling up with questioners. They want to know, what should we work on in the first sprint? Can we save the purple widget for iteration three? Will you break down requirement 2.4 into tasks small enough to fit one sprint? Oh, you're not sure right now? That's fine—just come to the daily stand-up each morning, and tell us what to work on that day. See, that way, you can think about just a little bit each evening, rather than prioritizing the whole bunch.

If product managers don't maintain a sequentially prioritized requirements list, they will be sucked into the Development cloud if their team goes Agile.

Are you researching the target market segment to find problems that are urgent and pervasive, and that people are willing to pay to have solved? Are you articulating those problems for Development? Are you describing the personas and which persona is having each problem? Are you providing them the information they need to build an effective iteration strategy?

Get out of the cloud and get back to basics

If you're feeling out of control—if you're spending all of your time spoon-feeding information to your Agile team—you have to ask yourself: Are you doing everything you can to lead your development team effectively? After all, they *are* the cloud. They take our input, work their magic, and "POOF!"—out of the cloud comes cool technology that never existed before.

Build and maintain a prioritized market requirements list. Link the problems to the market evidence you found to support it. Get back to the basics of product management, and your Agile team might surprise you with their power. **TPM**



Stacey Weber is an author, speaker, and instructor for Pragmatic Marketing, Inc., teaching the top-rated seminars Practical Product Management and Requirements That Work. She has eight years previous experience using the Pragmatic Marketing Framework to increase market focus and dramatically increase revenue in software companies. She now helps other companies reap those benefits through her role at Pragmatic Marketing.

Stacey is particularly interested in the dynamics of market-led organizations and the interactions between Product Management and Development. Contact Stacey at sweber@pragmaticmarketing.com

Viral Marketing? Search Engines? Blogs?

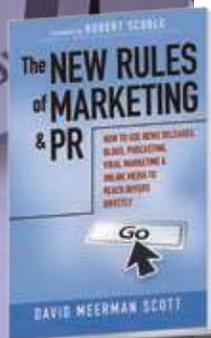
Contact us to conduct this seminar onsite at your company or visit www.pragmaticmarketing.com for upcoming dates and locations.

Create a Strategy to Reach Buyers Directly

The New Rules of Marketing™ seminar shows you how to leverage the potential that web-based communication offers your business:

- Establish a personal link with your current and prospective customers. Reach niche buyers with targeted messages unlike “old-school” advertising they’ll likely ignore.
- Learn to publish content that people want to read and search engines reward with high rankings. Understand how tools like blogs, podcasts, webcasts and social networking enhance your online presence.
- Learn a step-by-step, practical framework for building an online marketing strategy and an action-plan to create online thought leadership for your organization.

Based on the best-selling book, *The New Rules of Marketing & PR: How to use news releases, blogs, podcasting, viral marketing & online media to reach buyers directly* by David Meerman Scott, the New Rules of Marketing seminar shows you how to reach buyers directly with information they want to hear.



New Rules of Marketing™

Create a strategy to reach buyers directly

Visit www.PragmaticMarketing.com/newrules

or call **(800) 816-7861** to register

Maybe Your Opinion *IS* Relevant



By
Jim Foxworthy

One of our favorite sayings around
Pragmatic Marketing is this:

“Your opinion, although interesting, is irrelevant.”

It reminds us that the answer to most of our questions lies not in our own opinions, but in the voice of the buyer. Leave the building and listen to the market, rather than sit around and just dream up stuff.

When I have quiet time in my life (a rarity!) one of my favorite pastimes is to read the works of Ralph Waldo Emerson. I won't go into a discourse on Emerson and his writings. But it suffices to say he helps me to think deep thoughts (but in a slightly more productive way than Jack Handey!).

One of Emerson's most famous essays is titled, “Self-Reliance.” A favorite passage from that essay reads:

“To believe your own thought, to believe that what is true for you in your private heart is true for all men—that is genius.”

Hold on! Emerson seems to be saying my opinion *IS* relevant! I am supposed to believe that what is true for me is true for all others! Who is right? Emerson or Pragmatic Marketing?

The short answer is: **Both.**
Here's why.

Pragmatic Marketing is not saying that all your creative ideas are to be discarded just because they are yours. What we are saying is that you must have the discipline to use the Pragmatic Framework all the time, and *especially* when you dream up the idea yourself.

Following the Framework

Let's imagine you are sitting on an airplane (again). You can't use your laptop because the football player in front of you has his seat all the way back into your space (you are in coach, of course). Forrest Gump is playing, but on a screen the size of a box of chocolates five rows up. So you dial up some tunes on your iPod and try to relax.

Suddenly, it hits you like a sledgehammer! What our customers need is <insert your latest idea here>! In your head, all the pieces are suddenly coming together, and you realize that you've just come up with the next big thing for your product.

But wait...didn't you learn from Pragmatic Marketing to stifle your own opinions? No. What you learned was to follow the rigor of the Framework. So, let's do that.

Step 1: Speak in problem statements

Think hard about your idea. Is it described as "add a spinning weasel to the bottom of the report writer wizard"? Or is it expressed as a problem statement, written in the voice of the buyer, about them, and what is broken in their lives?

Write, re-write, and re-write again. This step is both critical and tough. We are all inherently feature-speakers. Learning to write in the voice of the buyer takes practice. Remember: no Fisher space pens!

Got a well-written problem statement?
Keep going.

Step 2: Validation research

Take your problem statement to a handful of folks in your market. Ask them if you've captured something that resonates with them. Ask them to compare and contrast the urgency of this problem with others that you already know they have.

This step is one of the hardest, because it is really tempting to "convince" buyers that you are correct. Be very careful here, and work hard to avoid injecting your own bias.

Does the problem resonate? Is it urgent?
Keep going.

Step 3: Begin the collaborative process with Development

Combine your problem statement and the acid-test results from the market, then go grab a sandwich or a beer with your buddy in Development. Talk about the problem statement, but *not* about the features you would use to solve the problem. Let the creativity of your Engineering counterpart engage with the problem.

Listen. Is this a large project? Or something that can be blended into an existing project? If the expense to solve the problem seems reasonable, keep going. →

Step 4: Get executive support before you spend any money

Write a business proposal, not a business case. Take no more than half a day to complete the proposal, and then submit it to your execs. A simple one-page summary that includes:

- What is compelling about this market opportunity? What is the market segment? How big is the segment? Do you know the revenue potential?
- What are the business problems? Are they urgent or critical? Why? If not urgent today, when will they become urgent? Are the problems pervasive? Are people willing to pay to solve the problems? Are the problems currently being solved or have you uncovered unmet needs? If there are current solutions, why should the company create another solution?
- How does this opportunity leverage the company's distinctive competence? How does this fit with corporate strategy?
- Is the need driven by a technology shift? What are the technical issues or opportunities? Can you leverage technology you already have or can obtain?

- Briefly describe the competitive landscape and what advantage you would have against the competition.

- Describe the research you conducted.

Is the proposal consistent with company strategy? Does it seem like the proposal will generate profit? Keep going.

Step 5: Write the business case

There are lots of pieces to this, and we won't cover all the details here. But the simple version goes like this:

- Get revenue estimates through market surveys or secondary research and combine them with "reasonableness tests" with your sales team
- Get cost estimates from Development for the project
- Get cost estimates from Marketing for the go-to-market expenses for the project
- Subtract costs from revenue to calculate profit

Still looking good? Keep going...and going...and going (with apologies to the Energizer Bunny).

Prove you are wicked smart

If your opinion is really a reflection of a flash of brilliance, you'll be able to prove it using the Pragmatic Framework. If it is just your opinion, the rigor of the Framework will stop you before you step off a cliff.

So your opinion is irrelevant not because you are stupid, but because if you use *solely* your opinion to sway your leaders to invest, you put your organization at great risk. Emerson is right—you are wicked smart. Pragmatic is also right—listen to the market, without bias. If your idea matches a need in the market, then the market data will do the heavy lifting to *prove* you are wicked smart. It is your opinion without the data that is irrelevant.

Now, if we could just get that first-class upgrade... 



Jim Foxworthy is an industry veteran and expert in high-tech companies. He has been utilizing the Pragmatic Marketing Framework since the early '90's. In addition to his role as a Pragmatic Marketing instructor, Jim also leads the Pragmatic Marketing Onsite Services team, helping companies implement product management and marketing best-practices.

Prior to joining Pragmatic Marketing, Jim spent 28 years in the computer industry, including operations support, application development, along with 17 years of sales and marketing experience with large and small independent software vendors. As Vice President of Sales & Marketing, he built the sales and marketing organizations for some start-up companies, but none of them paid off in million-dollar stock options, so he is still working every day. Jim's balance of technical, sales, and marketing knowledge is certainly an attribute to his success. Contact Jim at jfoxworthy@pragmaticmarketing.com

Need help implementing the Pragmatic Marketing Framework?

There has never been a better time to call in a specialist.



Did you and your team leave a Pragmatic Marketing seminar feeling inspired and motivated to create change only to be stalled by day-to-day realities? Did you know Pragmatic Marketing offers onsite training and implementation services that get your organization aligned to create products markets want and need to have?

We have helped companies of all sizes:

- Clarify roles and responsibilities between your Product Management, Marketing and Engineering teams
- Prioritize the right activities and re-allocate resources
- Get support from your entire organization
- Implement any of the concepts from the Pragmatic Marketing training including product management, marketing, requirements, roadmapping and social media

**In a challenged economy,
you have to be market-driven today,
not someday.**

Call now and ask about our limited-time Quick Win offer.

(800) 816-7861 or visit www.PragmaticMarketing.com/quickwin



The Industry Standard for Technology Product Management and Marketing

Beyond SEO:

driving customer
attraction, retention,
and top-line growth

**Does your website speak to
your customers and fulfill
your business objectives?**

By Jeffrey Bean and Sean Van Tyne

Businesses frequently want an evaluation of their websites—mostly to know how they compare to the competition. Based on our experience, most businesses are disappointed with their website's ability to convert visitors to loyal customers. In fact, many people say they aren't really sure what their website does for them.

To assess and enhance website effectiveness, it's interesting to consider how they got to the point they are in the first place. Most websites are developed by outside web developers or creative professionals. Some developed internally—typically with little or no prospect or “demand side” information. Many use the website-in-a-box approach, reassign an existing Intranet, or copy their approach (if not their content) from a competitor in order to speed uptime.

Two critical components *are* usually missing at this juncture: connecting with the markets that are served and providing a great user experience for website visitors.

Too few companies leverage the view of their strengths and weaknesses, distinctive capabilities, or demand-side (user) requirements when developing their websites. When this happens, both content and technology—such as streaming video and webcasts—are often disconnected from the needs of the business and the site visitors.

Optimize your website business performance and user experience

In recent years, many executives frustrated with their websites have been told that investing in search engine optimization (SEO) should be their next step in making the most of their website's performance. While some business owners and leaders have noticed improvements, most are still not sure that this effort truly optimizes the website for their business.

What they *are* sure of is that SEO can be very expensive. At this stage, it is common to hear CEOs and business owners ask, “We have spent all this money on SEO, is there anything beyond spending even more money on SEO to maximize the contribution of our website?”

The answer is “Yes!”

Four steps to optimize website business performance and the user experience

There are four critical steps businesses should take to make their websites more compelling to their target audience.

- **Understand the market first.** Find out what prospects value—before you put up content and push it out to the market.
- **Specify the business purpose of the website.** Know the market problem your site will solve and which parts of the business you want to accelerate.
- **Develop the user experience strategy and design.** Map the market and business needs to the solution's design; ensure consistent brand and messaging throughout the design.
- **Measure the design against the objectives.** Validate that customers' needs are met and tasks are easy to do; test with people who fit the profile of your target customers.

Understand the market



The way the website communicates what the company *does for* the prospect or customer is more important than what your company actually does. Do not put up content and then push it out. Find out what the prospects really value about your products or services and how they want it described. Call these your “*Do Fors*.” Then apply the Do Fors directly to the development of the site along with the rest of the content reflecting what prospects value.

This type of user intelligence is critical in transitioning the website from an accessory to a true business asset. This information may be acquired through a number of methods such as collecting existing demographic or psychographic (lifestyle) information, purchasing reports about the market and competition, close examination of internal sales or customer data, or surveying people that match the target website users.

If the solution is business-to-business, the same approach can be applied by taking into account the requirements, processes and success measures of the businesses being served.

Specify the business purpose



When you know the problem your site helps you solve, the content better addresses the needs of prospects and customers in the market. This “two-way connection” is based on developing a solid view of the website users—new prospects, clients, suppliers, etc., including:

- Who they are
- What they need
- What they want
- How they want it
- Their willingness to pay for it

Unfortunately website business missions are frequently not included in the development process. They are sometimes detached from the real challenges and desired acceleration points of the business. Many times the roles of the website are either too vague or are left languishing for so long their value is obsolete.

Develop the user experience



The user experience encompasses all aspects of a visitor's interaction with the company's services, products, and website. It is critical to the company's success to provide excellent prospect and customer experiences. This objective puts the user at the center of the design process—incorporating user concerns and advocacy from the beginning—and dictates that the needs of the user should be foremost in any design decisions.

To meet the exact needs of the customer and to deliver simple, elegant solutions that are a joy to experience goes beyond giving customers what they say they want and merely providing a checklist of features. You must have a strong understanding of your market needs and the target audience of your solution. You must also map the market and business needs to the solution's design.

Ensure consistent brand and messaging throughout the design. In many regards, your user experience is your brand. You must develop an understanding of what motivates your users and manage their expectations while consistently representing your brand and message throughout their experience with your company, services, and products.

Measure the design

© 2008 Bean & Van Tyn

Validate that customers' needs are met and tasks are easy to do. Putting your solution in context for your customers and users is key to validating that the solution meets their needs and is easy to use. You need to work with people who fit the profile of your target customers and conduct design reviews to gather feedback. Develop prototypes to review concepts to ensure that your site meets customer and user needs. Also validate where workflows and content for various customer segments overlap and differ. Start thinking about the right experience to support the different market segments and users' needs.

Once you have validated that the site meets customer and user needs, you can then evaluate the tasks to ensure that they are easy to complete. It is a test of the ease of use of the solution and *not* the intelligence of your customers. If the tasks are hard or impossible to complete, then your solution is not easy to use. →

Website business missions



Develop a specific mission for your website—before investing the technical and creative talent, time, and money in the build. Here are some examples of actual website business missions:

- Reduce time-to-market and time-to-revenue
- Generate qualified leads
- Expand product and service reach while reducing our costs
- Target a previously unreachable customer
- Allow partners to more easily do business with us
- Establish or increase credibility
- Transact business
- Attract and retain new customers
- Convert visitors to customers
- Increase customers' loyalty and spending

Quick cases in point

In pursuit of new business, a small consulting firm was frequently asked if they had a website. Based on the demand-side information and needs of the business, the three missions of the website were to:

- Establish company credibility
- Be an easy-to-use networking tool
- Provide those working at the company with an easy-to-access, anywhere sales presentation

During the tweak-and-tune phase, feedback from those who closely matched the ideal client profile said they wanted more background information and company case studies, and these sections were lengthened and reformatted. These efforts resulted in a 50% increase in clients within 120 days. Interestingly, since these steps were implemented, the background information and case studies are the most frequently viewed pages.

In another case, a five-year-old high-growth financial services firm was getting little value from its website. Support costs increased, SEO return on investment had flattened, and the site's contributions to the business were down.

The company developed a better understanding of the markets they served—prospects did not want to read about specifications, but *how* the financial services being offered could solve *their* problems (The Do Fors). The owners decided to make the website missions about: solving problems for prospects and making it easier for clients to engage with the company. The results showed a 25% increase in clients over the following six months. The site now serves the company as a qualification tool and distribution channel—and the cost to reach these new clients has decreased by 10%.

Conclusion

Only via a thorough understanding of your market, customer's needs, and specific business objectives for the website can you take meaningful and complementary steps beyond SEO. Follow-up by executing a user experience strategy and design process that provides an engaging and differentiating visitor experience, and you will be taking major steps toward measurable customer attraction, retention, and top-line growth for your company.

TPM



Jeffrey Bean, Principal, Del Mar Research & Consulting, assists clients in defining and achieving their next level of growth with specialized marketing and business development. Contact Jeffrey at JBean@DelMarResearch.com. For more information visit www.DelMarResearch.com



Sean Van Tyne, AVP User Experience, LPL Financial, solves business-critical problems where people intersect with technology. Sean is: the current President of the User Experience Special Interest Group, www.uxsig.org; a member of the Board of Advisors for UXnet, www.uxnet.org; and advisor on a number of professional and corporate boards. Contact Sean at Sean@VanTyneConsulting.com

Ask the Expert

I am looking for some innovative ways to push Sales to sell the products already in their toolbox instead of them always focusing on selling new products that are still being planned or proposed. Any suggestions?

To solve this problem, we need to focus on its source. Sales people talk up the products they believe will generate the best prospect response. If your new products get all of the play, it's because your sales people don't have confidence in your story about the current products. In a different version of this same problem, sales people don't want to sell the new products.

The way out is to convince your sales people that a target group of buyers are very interested in a particular story about your existing products. This involves several new steps that begin with a new way of thinking about the role of product marketing. Does your company ask Marketing to create good leads and sales tools and then expect the

sales people to take it from there? This idea performs reasonably well when the company has a narrow product and market focus. But as products and markets mature, every company experiences some version of your problem.

The innovative idea you are seeking requires product marketers to treat sales people as an audience that needs to be influenced. When an audience resists, your targeting, segmentation, and messaging strategy isn't working. Don't expect your sales people to tell you what's broken—it isn't their job to look for patterns and develop market strategies. Before you ask your sales people to take your story to one buyer, you need to prove to yourself that a market full of buyers wants to hear it. **TPM**

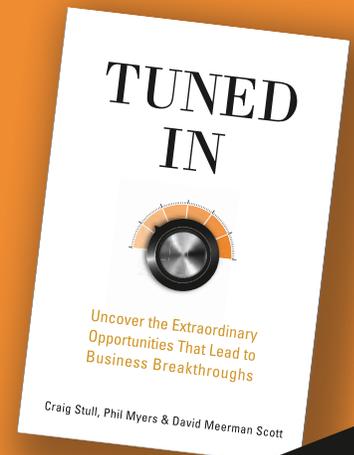


Adele Revella has more than 25 years experience as a technology industry executive, seminar leader, and consultant.

Since 2001 she has been the author and instructor of the Pragmatic Marketing seminar, Effective Product Marketing, showing companies throughout the world how to develop and execute successful go-to-market strategies. Contact Adele at arevella@pragmaticmarketing.com

“If you read nothing else: Chapter Eight, ‘Articulate Powerful Ideas,’ is a mini marketing seminar on how best to talk about your business and how to talk about it differently to different groups.”

— Inc. Magazine



Order at www.TunedInBook.com

978-0-470-26036-4 • \$27.95 Hardcover



Featured on “Our Picks This Week” at BarnesandNoble.com
#1 best-seller on Amazon.com
#1 best-seller on 800ceoread.com

Seminar Calendar



Call **(800) 816-7861** or go to **www.PragmaticMarketing.com** to register!

Practical Product Management®

Introduces a framework that gives product managers the tools to deliver market-driven products that people want to buy. Focuses on the practical aspects of juggling daily tactical demands of supporting the channel with strategic activities necessary to become expert on the market.

- September 8 - 9 (10)*Irvine, CA
- September 15 - 16 (17)*Boston (Bedford), MA
- September 15 - 16 (17)*Raleigh (Durham), NC
- September 15 - 16 (17)*San Francisco (Burlingame), CA
- September 22 - 23 (24)*Austin, TX
- September 22 - 23 (24)*Denver (Littleton), CO
- September 22 - 23 (24)*Newark, NJ
- September 29 - 30 (11)*San Francisco (Burlingame), CA
- October 13 - 14 (15)*Minneapolis, MN
- October 13 - 14 (15)*Tampa, FL
- October 20 - 21 (22)*Boston (Bedford), MA
- October 20 - 21 (22)*Santa Clara, CA
- October 27 - 28 (29)*Montreal, QC, Canada
- November 5 - 6 (7)*Baltimore, MD
- November 5 - 6 (7)*San Francisco (Burlingame), CA
- November 11 - 12 (13)*San Diego (Del Mar), CA
- November 17 - 18 (19)*San Francisco (Burlingame), CA
- November 18 - 19 (20)*Ottawa, ON, Canada
- December 3 - 4 (5)*Houston, TX
- December 3 - 4 (5)*San Francisco (Burlingame), CA
- December 8 - 9 (10)*Boston (Bedford), MA
- December 9 - 10 (11)*Scottsdale (Phoenix), AZ
- December 10 - 11 (12)*Vancouver (Burnaby), BC, Canada
- December 16 - 17 (18)*San Francisco (Burlingame), CA

*Day 3 is Requirements That Work

New seminar locations!

Pragmatic Roadmapping™

Offers techniques for developing, consolidating and communicating product plans and vision to multiple audiences—both inside and outside the company. Designed for members of the product management, marketing and development teams tasked with planning product direction and communicating product strategy.

- October 31San Francisco (Burlingame), CA
- November 12Raleigh (Durham), NC
- November 14Boston (Bedford), MA

Requirements That Work™

Provides a repeatable method for writing clear requirements your team will read and use. It discusses techniques for prioritizing and organizing market requirements and clarifies the roles for team members. This approach enables organizations to deliver solutions that sell.

- September 10Irvine, CA
- September 17Boston (Bedford), MA
- September 17Raleigh (Durham), NC
- September 17San Francisco (Burlingame), CA
- September 24Austin, TX
- September 24Denver (Littleton), CO
- September 24Newark, NJ
- October 1San Francisco (Burlingame), CA
- October 15Minneapolis, MN
- October 15Tampa, FL
- October 22Boston (Bedford), MA
- October 22Santa Clara, CA
- October 29Montreal, QC, Canada
- November 7Baltimore, MD
- November 7San Francisco (Burlingame), CA
- November 13San Diego (Del Mar), CA
- November 19San Francisco (Burlingame), CA
- November 20Ottawa, ON, Canada
- December 5Houston, TX
- December 5San Francisco (Burlingame), CA
- December 10Boston (Bedford), MA
- December 11Scottsdale (Phoenix), AZ
- December 12Vancouver (Burnaby), BC, Canada
- December 18San Francisco (Burlingame), CA

Effective Product Marketing

Delivers practical tools and processes for product marketing, industry marketing and marketing communication managers who want to improve their strategic contribution and align with the sales organization. Learn how to build a repeatable process to develop, execute and measure go-to-market strategies that ensure product success.

- September 17 - 18San Francisco (Burlingame), CA
- September 24 - 25Reston, VA
- October 14 - 15Boston (Bedford), MA
- October 28 - 29Minneapolis, MN
- November 11 - 12San Francisco (Burlingame), CA
- November 18 - 19Tampa, FL
- December 10 - 11San Francisco (Burlingame), CA
- December 16 - 17Boston (Bedford), MA

New Rules of Marketing™

Teaches technology company marketers how to harness the power of online marketing using blogs, viral marketing, podcasts, video, search engine marketing and online thought-leadership. Learn a step-by-step framework for building an online marketing strategy and a tactical, actionable plan to reach your buyers directly.

- September 23Reston, VA
- October 16Boston (Bedford), MA
- October 30Minneapolis, MN
- November 13San Francisco (Burlingame), CA
- December 18Boston (Bedford), MA

The Pragmatic Marketer™

8910 E. Raintree Drive • Scottsdale, AZ 85260

PRSR STD
US POSTAGE
PAID
PHOENIX, AZ
PERMIT #995