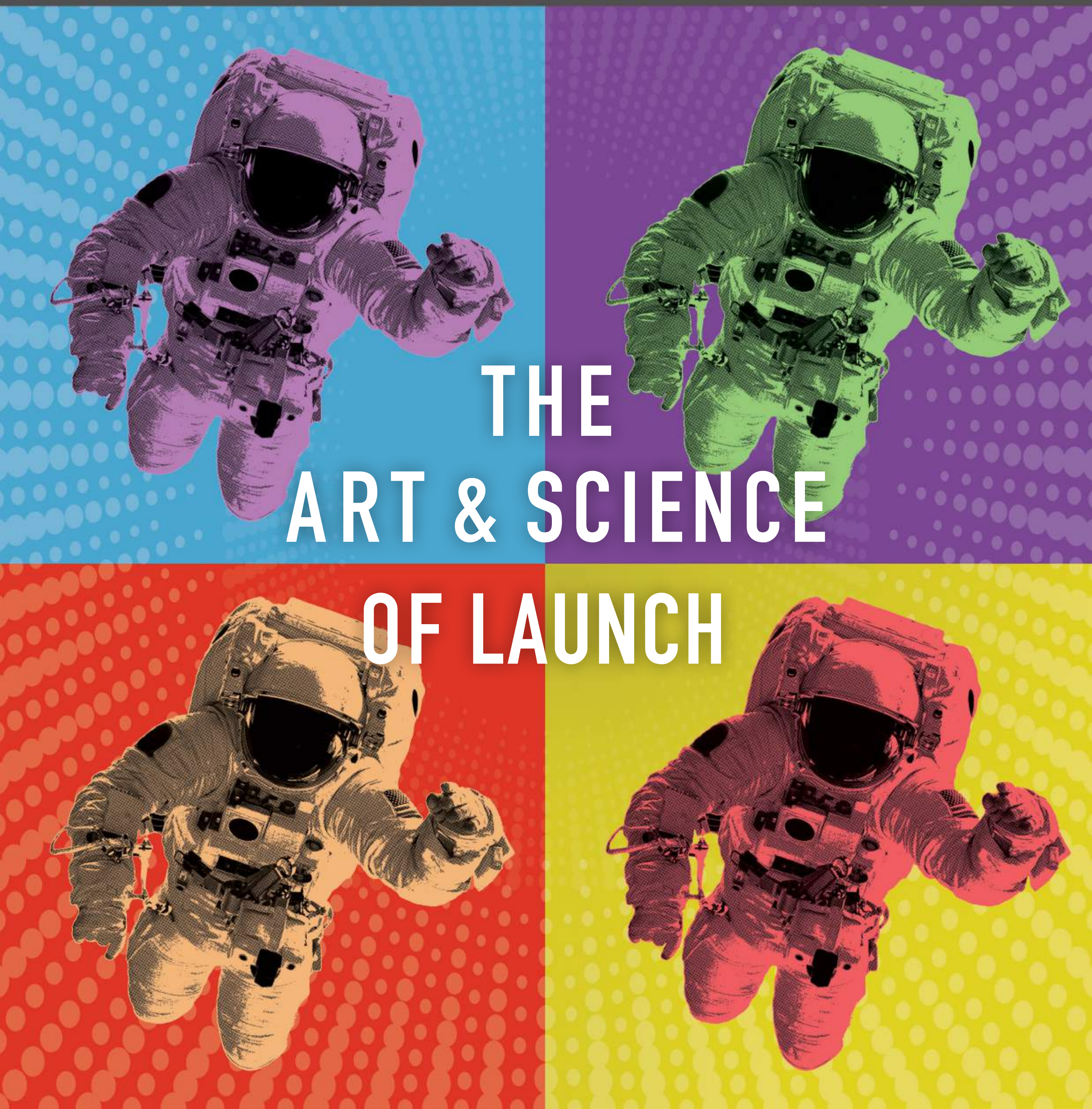
THE PRODUCT MANAGEMENT AND MARKETING AUTHORITY

PRAGMATIC MARKETER

SPRING 2014



THE ART & SCIENCE OF LAUNCH

CHIEF'S LETTER

We've all struggled with a launch underperforming at some point in our career. Usually, it's because we've forgotten the No. 1 rule about launches: Launch readiness is more than product readiness.

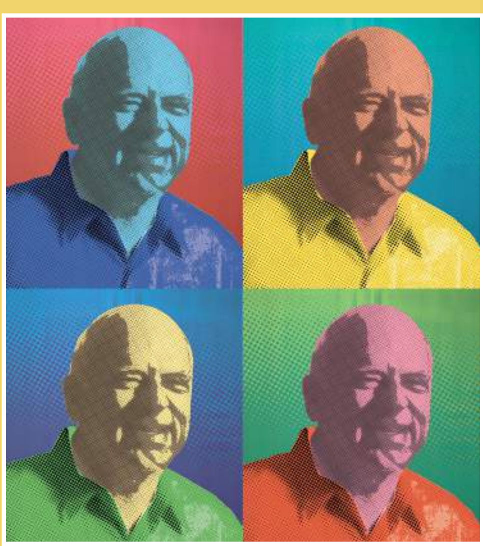
When we recently launched our newest course, *Price*, we didn't set the date by when the training materials would be ready. We set it by when the whole organization would be ready. When could the beta be done? The go-to-market materials prepared? The support systems in place? And the sales team armed with answers to questions? Until all these items were ready, nothing was really ready.

It's these concepts, the different aspects required for a successful launch, which we delve into in this issue. I hope it offers you the tools and tips you need to make your next launch a success.

Sincerely,

Craig W. Stull

Craig Stull
Founder/CEO



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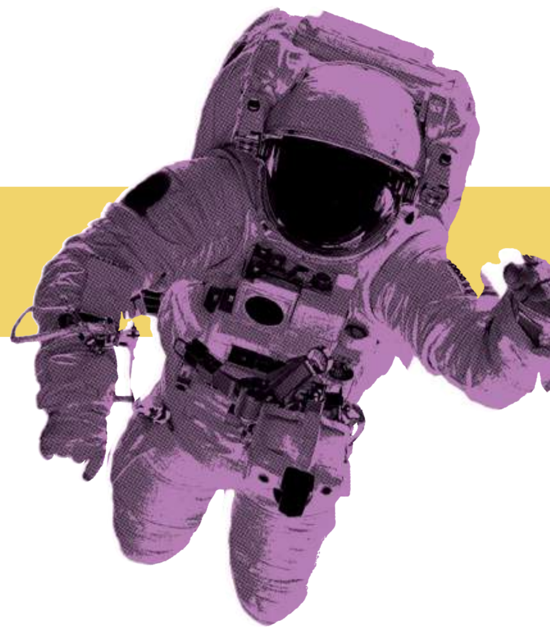
THE ART & SCIENCE OF LAUNCH



FEATURES

DEPARTMENTS

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Box of the Month

EACH MONTH, WE ARE HIGHLIGHTING a different Pragmatic Marketing Framework™ box with articles, blog posts, tweets and more to help you navigate your way through today's hottest topics.

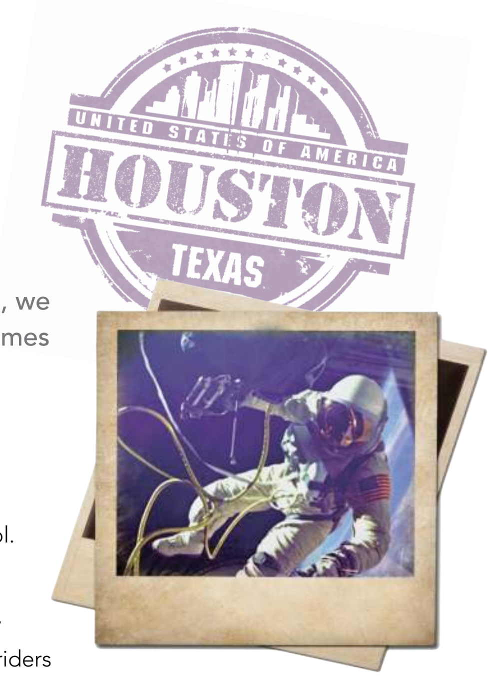
Our popular webinar and podcast series, Pragmatic Live, will also be in on the action with interactive discussions on the topics that matter most to you. Our next webinar is centered on May's box of the month, Requirements. Join us Wednesday, May 28th, at 2 p.m. EDT for "Dogs & Cats: How Product Management Can Work with UX Designers to Create Great Products." Visit www.pragmaticmarketing.com/live to register.

Here is a list of our other upcoming box of the month topics.

JUN	SALES TOOLS & TRAINING
JULY	INNOVATION
AUG	BUY, BUILD AND PARTNER
SEP	COMPETITIVE LANDSCAPE
OCT	PERSONAS
NOV	PRODUCT PORTFOLIOS
DEC	REFERRALS & REFERENCES

Follow us on Facebook, Twitter and LinkedIn to get the latest coverage of our box of the month topics.

Travel Tips for Road Warriors



Houston Highlights

When you think about Houston, your mind might travel to the Houston space command center and the often quoted line from the movie *Apollo 13*: "Houston, we have a problem." But you actually won't have any problems to report when it comes to finding something to do in "Space City."

Space Center Houston www.spacecenter.org

If you did think of the *Apollo 13* quote, you obviously have to go to the Space Center. Have lunch with an astronaut, experience what living in space feels like and feel the history—from the monitors to the rotary dials—at mission control.

Art Car Museum www.artcarmuseum.com

Also known as "Garage Mahal," this funky museum features "art cars" drawing from a fusion of fine, folk and public art and featuring low riders and other mobile contraptions.

Waugh Bridge Bat Colony www.houstontx.gov/parks/bats.html

Watch as up to an estimated 250,000 Mexican free-tailed bats emerge from the Waugh Bridge each night. Try to arrive about 15 to 30 minutes before sunset, and keep in mind that they prefer to emerge from the eastern side of the bridge. They're batty that way.

Beer Can House
www.beercanhouse.org

The name says it all, yet doesn't quite do it justice. There are estimated to be more than 50,000 cans adorning this monument to recycling, built by John Milkovisch, a retired upholsterer for the Southern Pacific Railroad. According to the website, "The house and landscape are adorned with many different types of beer that John, himself, drank (though his neighbors and his wife, Mary, were always glad to lend a hand)."

Mark's American Cuisine
www.marks1658.com

Our "Travel Tips" section wouldn't be complete without offering up somewhere to eat. This unusual restaurant is located in a 1920s renovated church, featuring golden ceilings, hand-painted deco walls and candle-lit tables. The award-winning menu and wine list have been featured in "Wine Enthusiast" and "Gourmet" magazines.

National Museum of Funeral History
www.nmfh.org

Dedicated to enlightening visitors on one of man's oldest cultural rituals, displays include authentic memorabilia used in the funeral services of Michael Jackson, Marilyn Monroe, Jacqueline Kennedy Onassis, Frank Sinatra and more. There is even a glass-paneled coffin to resemble the one featured in "Snow White and the Seven Dwarfs" and one made out of authentic currency—proving that you can take it with you.

Field of Vision
www.bertlong.com

With sculptures of eyeballs on pedestals (yes, you read that correctly) from local artist Bert Long Jr., there truly are eyes everywhere in this free public park.

Armand Bayou Nature Center
www.abnc.org

Another of Houston's nicknames is "Bayou City." The nature center allows you to experience why firsthand. In addition to viewing alligators, snakes, hawks and bison, you can take a tour on an electric pontoon boat or take a guided canoe tour. You can also travel back in time to late 1800's farm life in Texas with a visit to the center's Martyn Farm.

Bombay Pizza Co.
www.bombaypizzaco.com

Like a little tandoori with your pizza? Then the Bombay Pizza Co. is the place for you. Fusing Indian and Italian specialties, the restaurant offers unique delights, such as a caprese sandwich with cilantro mint chutney and a saag paneer pizza.

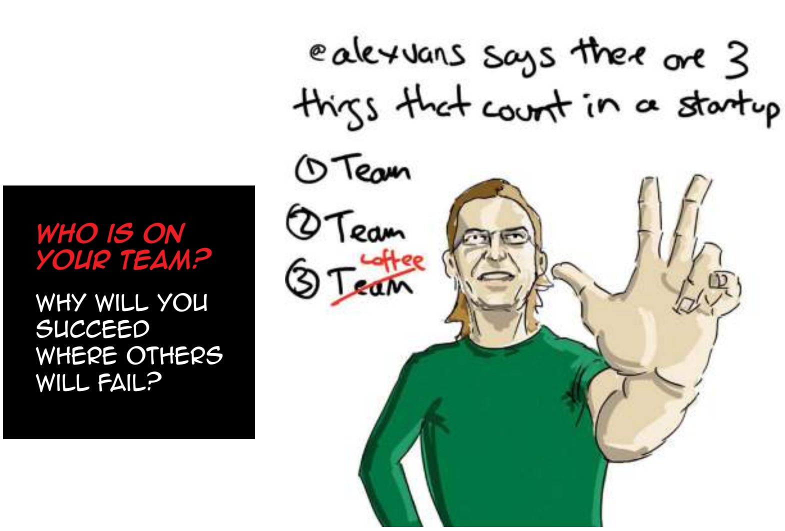
Six Secrets of a Winning Product Launch

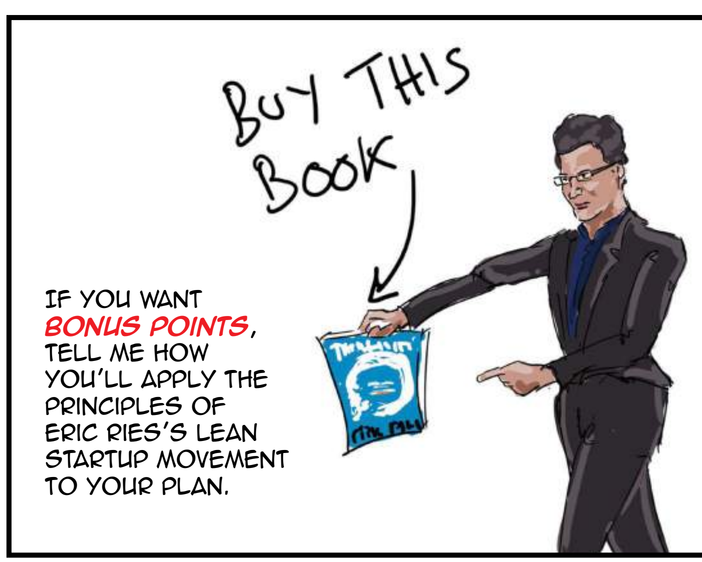
A LAUNCH DELIVERS SALES MOMENTUM for your company. It's one of the few opportunities to go from incremental to exponential sales. So why do only a few companies get it right? It's not because they're lucky. It's because they understand the six secrets of a winning product launch:

1. **Match product capabilities to market needs.**
2. **Create clear positioning and messaging.**
3. **Set clear launch goals.**
4. **Know how to use small investments for big results.**
5. **Prime the pump to build excitement and create demand before general availability.**
6. **Time the launch to maximize sales.**

For more on how to deliver a successful launch, visit pragmaticmarketing.com/6secrets.

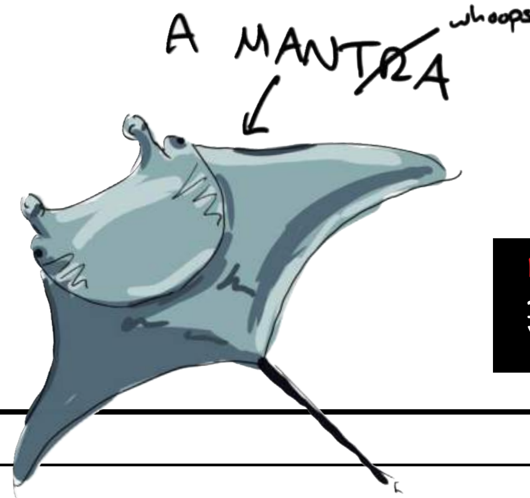
A telling rant about business plans by Neil Davidson. You can find this comic and his writings at www.neildavidson.com





WHAT IS YOUR MANTRA?

MAKE IT AS SIMPLE TO UNDERSTAND AS BLINKPIPE'S: "VIDEO CALLING AS NATURAL AS A HANDSHAKE, AS RELIABLE AS THE TELEPHONE AND AS EASY TO INSTALL AS A TOASTER."



WHO IS THE CUSTOMER?

IT'S NOT "EVERYBODY." IT'S NOT "ALL 30-YEAR-OLD GEEKS."

HOW WILL YOU REACH JESS?

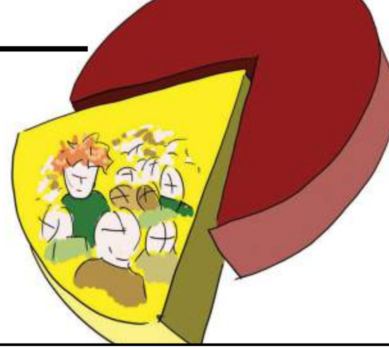
WHAT WEBSITES DOES SHE VISIT?

WHAT MAGAZINES DOES SHE READ?

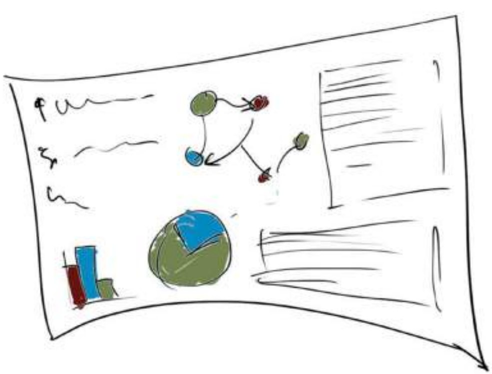
HOW (AND WHY) WILL JESS SHOUT "HOLY COW, THIS IS BRILLIANT" ABOUT YOUR PRODUCT TO HER FRIENDS AND COLLEAGUES?

HOW MANY PEOPLE LIKE JESS ARE THERE?

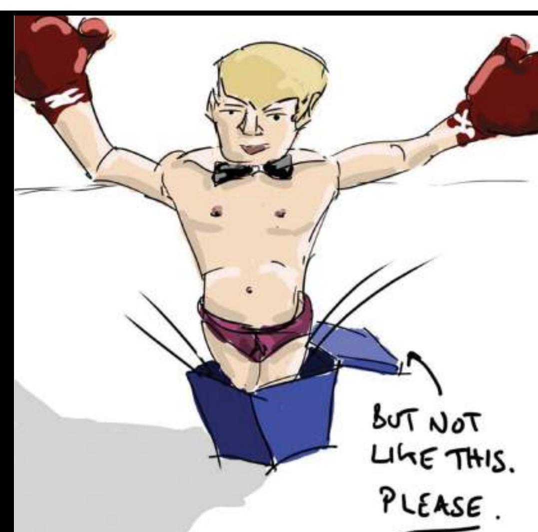
HOW BIG IS YOUR MARKET?



IF YOU WANT ***EXTRA BONUS POINTS***, FIT THIS ALL ONTO A SINGLE SHEET OF PAPER. IT CAN BE LARGE.



IF YOU WANT ***TRIPLE-PLUS BONUS POINTS***, DON'T FIT THIS ONTO A SINGLE SHEET OF PAPER. MAKE IT STAND OUT. BE DIFFERENT. YOU'RE AN ENTREPRENEUR. SINCE WHEN DID YOU FOLLOW DUMB "RULES"? SURPRISE ME.

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Ask the Experts:

How do I price a product that is first to market?

PRICING PRODUCTS WHERE THERE ISN'T COMPETITION yet can be a difficult thing to do. And the answer to the question changes based on whether you're in a B2C or B2B environment.

If you're B2B, you want to figure out the economic value of your solution relative to the solution your market is currently using. That means determining whatever true dollars and cents that a company makes, either earned or saved, using your solution vs. without your solution.

As a rule of thumb, you should expect to get 10 percent of whatever that economic value is. It's not higher, because you're asking somebody to take a risk with your revolutionary product. Let's say you're telling customers that your product will save them $1 million. They don't have proof, so they're taking a risk to see if it's actually going to pan out or not. They might be willing to pay $100,000 for a $1-million gain, because of the size of the risk.

If you're in B2C markets or B2B markets where you can't calculate the economic value for your customers, then you have to find another way to determine what your customers are willing to pay.

Under no circumstances, however, should you ask your customer how much they are willing to pay. Instead try the following questions: How much would you expect to pay for this? How much do you think other people would pay for this? Or you could use a scientific approach like Van Westendorp's price sensitivity meter, which uses a series of questions to determine what potential customers are willing to pay.

Mark Stiving, Instructor
Pragmatic Marketing

Once you've figured out the value of what your customers would be willing to pay for your product, then you have a tough decision to make. Do you want to skim or penetrate the markets?

Skimming the market involves trying to capture the customers that are willing to pay the most first, and then slowly bringing your price down to capture more customers.

Penetrating the markets involves starting with a very low, aggressive price to get more people to jump in early.

In general, a skimming strategy is better if you have a monopolistic position and you don't expect competition to be coming in quickly. However, if you expect competition to come in quickly or if it makes a lot of sense to have a huge marketplace, then you probably want to incorporate a penetration strategy.

The 10 percent of economic value is really just the marker to put in the ground, before determining which of the two strategies to go with. You should also take into consideration what your expectations are for future competition and how fast the market is going to grow. PM

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

WE HAVE LIFTOFF

How NASA launched the Apollo moon program

BY DAVID MEERMAN SCOTT

Astronaut Alan Bean, lunar module pilot for the Apollo 12 mission, holds a special environmental sample container filled with lunar soil collected during the extravehicular activity in which astronauts Pete Conrad and Bean participated. Conrad, the commander who took this picture, is reflected in Bean's helmet visor.

"We were ... marketing the United States of America"

- Captain Eugene A. Cernan, USN (ret.), the last man to walk on the moon[1].

APOLLO IS THE LARGEST AND THE MOST IMPORTANT MARKETING case study in history. It's a story that needed to be told, but to date had not—and certainly not from the perspective of marketing and PR practitioners.

This greatest technological achievement of the 20th century was also a global event, as an estimated 600-million television viewers watched and listened as the Eagle lunar module landed on the moon and the first human footprints marked the lunar surface. The buildup to the moment was long, but there can be no denying that the drama was epic and the dangers very great. Within the scientific community, it was understood that nearly every possible scenario required detailed preparation, ranging from anticipating physical mishaps and catastrophes to the remote likelihood that the astronauts might return to Earth carrying dangerous microbes. The achievement of broadcasting live television from the moon was nearly as astonishing as landing there.

Ask anybody over the age of 50 about the moon, and they're likely to talk about the amazing live television broadcasts from the lunar surface. On July 20, 1969, workers called in sick and children stayed home from school. Crowds gathered around televisions in department store windows and in parks where giant monitors had been set up. Local community papers and magazines, including the ubiquitous American coffee-table staples *Life* and *Time,* as well as radio and television news programs provided unprecedented

1. From the foreword to "Marketing the Moon"

and sustained coverage. And in the drama of the event, the attention of millions of people collected as one.

I was eight years old when Neil Armstrong and Buzz Aldrin landed their lunar module Eagle on the moon. I remember when subsequent missions occurred during the school day, televisions were wheeled into my elementary school classroom so we could watch liftoffs, lunar extravehicular activity "moonwalks" and splashdowns.

Live television from the moon, conceived and developed by the National Aeronautics and Space Administration (NASA) in partnership with many contractors such as Westinghouse and RCA, was the ultimate in content marketing. What better way to showcase what your organization is up to than providing live, real-time video footage that any television station could broadcast at no charge?

As important as all the live television transmissions were to the American people who footed the bill for Apollo, they almost didn't happen. Live television transmissions were not in the original plans for Apollo. Many administrators at NASA said television was unnecessary. Engineers argued that live video was a waste of valuable resources. And most of the original astronauts and their bosses insisted that operating television cameras would detract from the important work of the mission. Television made it on board the Apollo missions only as a result of the efforts of a small group of NASA visionaries, dedicated teams of engineers and years of persistence.

Within NASA, a handful of visionaries remained convinced of the visual power of live television and pushed against the old guard. Major proponents within NASA included George Low, manager of the Apollo Spacecraft Program office, and Christopher Kraft, director of Flight Operations. Playing an equally crucial role was NASA Public Affairs Chief Julian Scheer and his team, particularly Jack King and Robert J. Shafer.

Scheer took his case directly to the engineers. "Weight was a critical issue, no question about it," he said. "But I insisted, 'You're going to have to take something else off. That camera is going to be on that spacecraft.'" In response, the engineers fought back. "No, no, you don't understand. It'll interfere with flight qualifications," Scheer recalled them insisting. "Our job is to get the astronauts to the moon and back safely, and bring a [soil] sample back—not to appear on television."

Among the astronauts, Tom Stafford, a member of the second group and a veteran of two Gemini flights, voiced his disagreement with astronaut Gordon Cooper and many of the original Mercury 7. "One thing that always surprised me about Deke Slayton and most of the Mercury astronauts was their indifference—or animosity—toward the public affairs side of the manned space program," Stafford wrote some years later.

In his position as head of mission planning for the Apollo astronaut group, Stafford became a major advocate for live television. "It was clear to me that the American public was paying for Apollo and deserved as much access as it could get. They should see the wonders we saw. Hasselblad photos and 8mm movies were great, but nobody saw them until after a mission was over. What better way to take viewers along to the moon than by using color television?"

Kraft and Stafford, together with Scheer and the others on the public affairs team, fought years of resistance. "I even got a note from Deke Slayton that said, 'We're not performers, we're flyers,'" said Scheer. "They could never see the big picture. But they weren't landing on the moon without that [TV] camera on board. I was going to make sure of that. One thing I kept emphasizing was, 'We're not the Soviets. Let's do this thing the American way.'"

There's no doubt that live television from the moon is one of the most memorable human legacies of the twentieth century. It is an epic story of visionaries struggling against entrenched notions of access and information distribution. That the content was conceived and paid for by NASA to educate and inform both the Americans who were paying for the program and the rest of the world that was in awe of America's technical prowess presents a fascinating business case study that teaches modern marketers a great deal.

I wrote "Marketing the Moon" with Richard Jurek,

Apollo 13 Mission Analyzer. Raytheon produced the circular, "Apollo 13 Mission Guidance and Navigation Analyzer," and similar ones for other Apollo missions, as an aid to understanding the important activities during the missions. Of course, this analyzer reflected the mission plan had everything proceeded normally. When the oxygen tank exploded in Apollo 13's service module, the lunar landing was aborted and the mission became one of survival.

and we had always assumed that NASA had a massive PR machine that drove Apollo. That's the common wisdom and the position frequently incorrectly reported in books and articles. What we learned by speaking with half of the men who walked on the moon, NASA public affairs officers, PR representatives from contractors like Boeing and Raytheon and journalists from outlets like *Reuters* and the *New York Post* is that NASA didn't put a man on the moon alone: It was a team effort by NASA, industry and the media.

AN UNPRECEDENTED PARTNERSHIP

During the Apollo program, public relations was most often handled by the private contractors and subcontractors of the program. They had reason not only to get the story out about their involvement in the program, but also to sell their capabilities on both the national and international stages. This was a fascinating partnership between NASA and industry.

NASA had a lean public affairs team for such a large government agency, consisting of only 146 employees in

5 LESSONS MODERN MARKETERS CAN LEARN FROM "MARKETING THE MOON."

1 YOU CAN ACHIEVE AUDACIOUS GOALS. We accomplished the most audacious goal ever attempted by humans. We landed on the surface of the moon. Seen from today's vantage point, it's even more audacious. Your smartphone is tens of thousands of times more powerful than the Apollo guidance computer that got humans to the moon.

We need huge audacious national goals that the majority of Americans can get behind. The reason we haven't landed humans on Mars is because of a lack of marketing and PR.

You need to set your own audacious goals for yourself and for your business.

2 STRATEGIC PARTNERSHIPS DRIVE SUCCESS. The idea of government and industry working together to achieve a goal has been lost in the competitive nature of government relations. Indeed, during the Apollo program it was common for industry and government employees to work side by side. It didn't matter what organization your business card said—you were all on the same team, trying to achieve the same goal. This includes the companies that worked on Apollo, and their PR people worked to make sure they shared the limelight.

Partnerships are an important aspect of product marketing. You should look to align your business with other organizations that will help you do more than you can on your own.

3 DEVELOP A BRAND JOURNALISM APPROACH TO YOUR COMMUNICATIONS. The NASA Public Affairs Office's ranks of journalists understood what constituted a good story and what details appealed to the press. Thus, NASA created materials that addressed reporters' needs in press releases, bylined articles, background materials, sponsored media symposiums, television newsreels and fully produced radio broadcasts—complete with interviews and sound effects. By having journalists work as the conduits for NASA to the outside world, NASA was perfectly positioned to deliver news and information content that could be quickly assimilated into the news streams of the day.

Too often, technology companies just report what their products and services do. An approach like brand journalism helps you get out of product mode and create the sort of information that your customers need to help them solve problems.

4 MANAGE YOUR FEARS OF REAL-TIME COMMUNICATIONS. Just like people rejecting live TV in the 1960s, executives today reject live social media at work out of fear. You're not the first marketer to struggle with content creation, audience development and skeptical bosses. We all have a lot to learn from the marketing and PR pioneers of America's space program of 50 years ago.

Embrace social media and real-time communications. Get out there.

5 PREPARE FOR WHAT COMES NEXT. *"I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to Earth. No single space project in this period will be more impressive to mankind, or more important in the long-range exploration of space; and none will be so difficult or expensive to accomplish."*

In those few words, President John F. Kennedy defined a classic quest. The speech demonstrates the power of a good story to motivate people to action, one that all marketers can learn from. In this quest story, we know the hero (this nation); the goal (the moon and back safely); and the hardships along the way ("none will be so difficult or expensive").

Many companies use this kind of approach when launching a new product. There is an end goal, people work really hard to achieve the goal and once it's done, it's time to party!

Eight years after Kennedy's speech set out the goal, Neil Armstrong and Buzz Aldrin walked on the moon on July 20, 1969. Kennedy's quest got us to the moon. But then the story ended. And that was the biggest failure of marketing the Apollo lunar program. Few people were excited about the additional missions beyond Apollo 11.

While your own launch should be an important goal, make sure you're prepared for what comes next.

NASA Public Affairs staff shown working in the Mission Control Center in Houston on June 7, 1965, during recovery operations of the Gemini 4 mission. From left to right: Bob Hart, Paul Haney, Al Alibrando and Terry White.

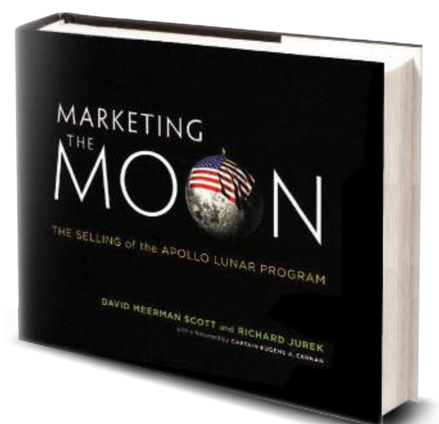
15 locations across the country in July 1969. Therefore, the contractors' public relations representatives became primary sources of information about technical aspects of the Apollo missions for thousands of journalists.

"We knew each other, we talked, and as the program gained momentum in '68 and early '69, all the PR guys got together and tried to figure out how we could carve out a little bit for ourselves and be of assistance to the thousands of journalists around the world who were following the program and coming to Houston for the moon landing," Harold Carr, a public relations representative for Boeing at the time, told us.

"Whenever the press had detailed questions about spacecraft design, hardware or spaceflight subsystems, the answers came from PR representatives from the companies that built the components. Chuck Biggs, a NASA public affairs officer during Apollo, remarked in an interview with us years later, "We sure didn't do the PR job by ourselves. We needed representatives from Rockwell, Martin Marietta and all the other contractors to do the job. By head count, we had more contractors' public relations people than we had NASA employees." It was a true communications partnership created to tell the Apollo story worldwide through the media.

As the largest and most important marketing case study in history, Apollo provided us with lessons on how to get buy in, develop audiences and create content—and those lessons are just as important today as they were 50 years ago. PM

AUTHOR'S NOTE: *I wrote "Marketing the Moon" with Richard Jurek, president of Inland Marketing & Communications, Inc. Like me, Rich is a lifelong space enthusiast and a collector of historic space artifacts from the Apollo program. Captain Eugene A. Cernan wrote the foreword to "Marketing the Moon." Flying to the moon not once, but twice, Captain Cernan also holds the distinction of being the second American to walk in space and the last man to have left his footprints on the lunar surface. It's been a blast to dig into marketing history by speaking with half the men who walked on the moon and some of the hundreds and thousands of unsung participants from the golden age of spaceflight.*



MARKETING THE MOON

www.marketingthemoon.com

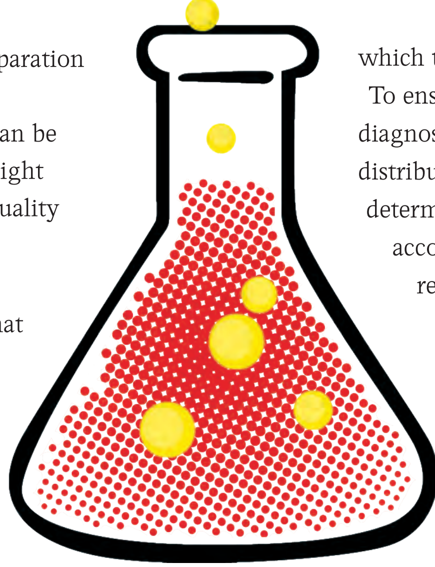
ABOUT THE AUTHOR

David Meerman Scott is an internationally acclaimed strategist whose books and blog are must-reads for professionals seeking to generate attention in ways that grow their business. Scott's advice and insights help people, products and organizations stand out, get noticed and capture hearts and minds. He is author or co-author of 10 books. "The New Rules of Marketing & PR," now in its 4th edition, has been translated into 26 languages and is used as a text in hundreds of universities and business schools worldwide and has sold more than 300,000 copies. Scott also authored "Real-Time Marketing & PR" and "Newsjacking," and he co-authored "Marketing Lessons from The Grateful Dead" with HubSpot CEO Brian Halligan.

MAKE THE MOST OF YOUR BETAS

How to establish product, team and tester readiness for beta-testing success

BY LUKE FREILER



FOR MANY COMPANIES, BETA TEST preparation is fraught with uncertainty. Even knowing when to start can be a complicated decision. You might want to base the decision on quality assurance (QA) milestones, ensuring the product is stable enough for users. But if you're facing a product release window that can't be missed, your beta schedule might be set by counting backward on the calendar.

In our experience at Centercode, the best way to get ready for beta testing is to establish concrete guidelines in three areas: product readiness, team readiness and tester readiness. If these areas are out of sync or underprepared, your beta will most likely suffer. But when they come together, they enable higher participation, easier management and better results.

PRODUCT READINESS

The general standard for beta product readiness is a stable, feature-rich (although not necessarily feature-complete) product. If you give beta testers a very buggy product, you'll generally see a flurry of initial activity—comprised primarily of redundant bug reports—followed by a major drop-off in participation. Beta testers expect that the test product will have some issues, but there's always a tipping point after which they're too frustrated to keep trying.

To ensure product viability, we perform a simple diagnostic check on the beta product before distributing it to testers. The check starts with determining an acceptable level of basic functionality, according to the features of the product and requirements of the users. Then we try out the beta build that will undergo testing to verify that it possesses this basic functionality we're expecting.

There are three additional things to keep in mind for these checks:

1. You probably don't want to perform your diagnostic check based on scripts from QA. They're not likely to tell you much, since the product should have gone through those tests already. Be a little more exploratory. And perhaps this goes without saying, but you shouldn't ask QA to run these checks for you. Generally, it's best to limit their involvement to providing test equipment.

2. If you're beta testing hardware products, be sure to perform the diagnostic on a small, random sample (e.g., 20 percent of the units). Test multiple units so you don't later discover that the one unit you tested was the only one that worked. You should also select the units at random, rather than sequentially, so you're more likely to encounter any issues that were introduced or fixed at some point in the manufacturing process.

3. If you're beta testing software products, you should install and perform the diagnostic check on each major platform you plan to test in beta (e.g., Windows 7, OS X Lion, Android, iOS, etc.).

At this point, you might determine your product is viable for beta testing, but that doesn't mean it's beta-ready yet. You still need to think ahead to the end of beta testing. As they say, you can't put the genie back in the bottle. So what sort of things do you need to anticipate? Anything restricting the beta product's use, particularly after testing is complete, for example:

- Protecting beta software from file sharing with an activation/license management system
- Automatically disabling beta software and hardware after testing is complete
- Asking beta testers to return beta hardware after the test

In the first two cases, there's a technical component that needs to be built into the product prior to distributing it to beta testers. If you distribute without it, there's nothing you can do to protect your product retroactively. In the third example, preparing for return shipment before the start of testing is essential. You'll want to give your testers all the return shipping materials up front, as well as clear instructions about return procedures. If you don't do this at the beginning, testers are much less likely to comply.

TEAM READINESS

When it comes to beta team readiness, you'll want to be very systematic and detail-oriented. It can be challenging at times, because you'll often be managing your own immediate team and interfacing with stakeholders in other departments (and sometimes other companies). It's worth the effort, though. Just think of how easily your beta test would veer off course if one of those stakeholders wasn't up to speed on responsibilities or schedules.

To ensure beta-team readiness, try to incorporate these best practices:

- Create a beta plan by defining core parameters and processes (e.g., testing goals, mechanisms for collecting feedback, categories for bugs, incentives, etc.). It might sound obvious, but unless your team solidifies these details in advance, you'll be prone to oversights throughout the process. (You can download a free set of

REACHING 90-PERCENT PARTICIPATION

Based on countless discussions with technology companies of all shapes and sizes, we've discovered that the average level of beta-test participation is somewhere in the range of 30-40 percent. Many companies over-recruit for their betas because of this, but that results in an enormous amount of wasted time and resources. Here are eight best practices to solve the participation problem:

1. START WITH A PLAN. Include a clear overview of test objectives, along with any unique requirements for individual testers.

2. MAINTAIN A COMMUNITY OF CANDIDATES. This allows you to understand the historic performance of individual candidates, recruit those who match the exact target market of each product and ramp up new projects more quickly.

3. SELECT THE BEST TESTERS. While many companies rely on a lottery or first-come, first-served policy, we recommend looking for testers that have put effort into their application. They should also have experience relative to the product and goals and match the desired demographics as closely as possible.

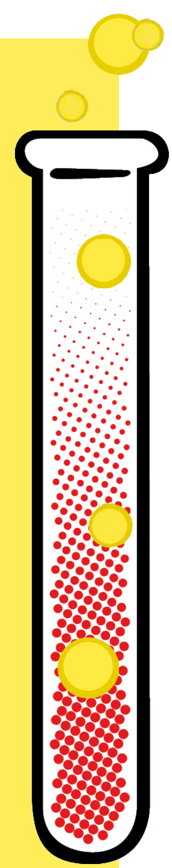
4. COMMUNICATE EXPECTATIONS. In addition to providing clear guidelines of what's expected, provide easy access to necessary links and ensure testers know exactly how to participate in the test, including how to submit bugs, complete surveys, etc.

5. COLLECT DAILY JOURNALS. Most testers won't have a constant flow of bugs or want to bring new conversation to the forums daily. Journals can keep them engaged, requiring them to log in each day and provide a few brief lines about their most recent experiences with the product. Also include an opportunity to rate their experiences with the beta product each day on a scale of one to five.

6. MODERATE ALL FEEDBACK. To ensure beta participants don't become discouraged and feel their efforts are falling into a black hole, constantly moderate and respond to all forms of incoming user feedback, including user forums, bug reports, suggestions and daily journals. As little as a line or two can add up to show that you're paying attention.

7. CLOSELY MONITOR PARTICIPATION. Testers can fall off track. By constantly monitoring them and reaching out with a short, positive dialog when they are faltering, you can get them back on track. Monitoring also provides you with opportunities to applaud the efforts of good testers, which could eventually turn them into incredible testers.

8. REWARD APPROPRIATELY. Beta test "incentives" are an integral part to most tests. A suitable reward like the product itself (preferably the release version) or something like a branded t-shirt will go a long way toward showing testers they're appreciated and a part of the product team. Since the beta is over, it won't affect participation directly—but it helps build strong relationships. It's also good karma.



beta test planning kits for both software and hardware products at www.centercode.com/library.)

- List all beta stakeholders with clearly defined responsibilities and schedules—paying careful attention to those who are external or in other departments. Review your plans with each person and ensure their commitment.

- Obtain any deliverables (e.g., support documentation, surveys, product keys, non-disclosure agreements, the product itself, etc.) from the stakeholders in advance of the beta test if possible. Otherwise, make sure they understand the deadlines and make any necessary resources available. People who aren't familiar with beta testing might not realize how detrimental even a short delay can be.

- For stakeholders who directly participate in the beta test activities, make sure to account for potential slips in schedule. You should also have a contingency plan if someone's availability is limited because of a planned vacation, the potential birth of a child or some other event.

- Lastly, for any infrastructure that will be relied upon during the beta (beta test management tools, customer support, bug tracking, content delivery, servers, etc.), make sure they are accessible, active and tested well in advance. If the testers require logins for any of the systems, ensure that accounts have been set up for them.

TESTER READINESS

Once you've handled product and team readiness, beta tester readiness should be fairly straightforward. The key is to make sure that your testers aren't just willing, but are also ready and able to test. From there, your responsibility is to make sure nothing is inhibiting their participation throughout the entire test.

Here are some quick tips:

- Have your beta participation agreements and non-disclosure agreements signed and stored before you start. Also, make sure you explain your beta secrecy requirements to testers in plain English.

- Verify contact information and addresses early, especially if you're shipping any sort of physical product or incentive to your testers. Even if you're testing electronically distributed software, verifying contact information is still important. A simple phone call to an inactive tester sometimes is all it takes to spark great participation.

- Be clear with your testers about their responsibilities and schedule, then stick with it the best you can. By and large, beta testers aim to please and respond well to solid direction.

- Make certain that your testers understand how to use the systems you're providing for the test. Ensure any resources or training needed by testers to carry out responsibilities are both easily accessible (physically or electronically) and easy to understand. Friction or confusion about how to participate can squash their interest right from the outset.

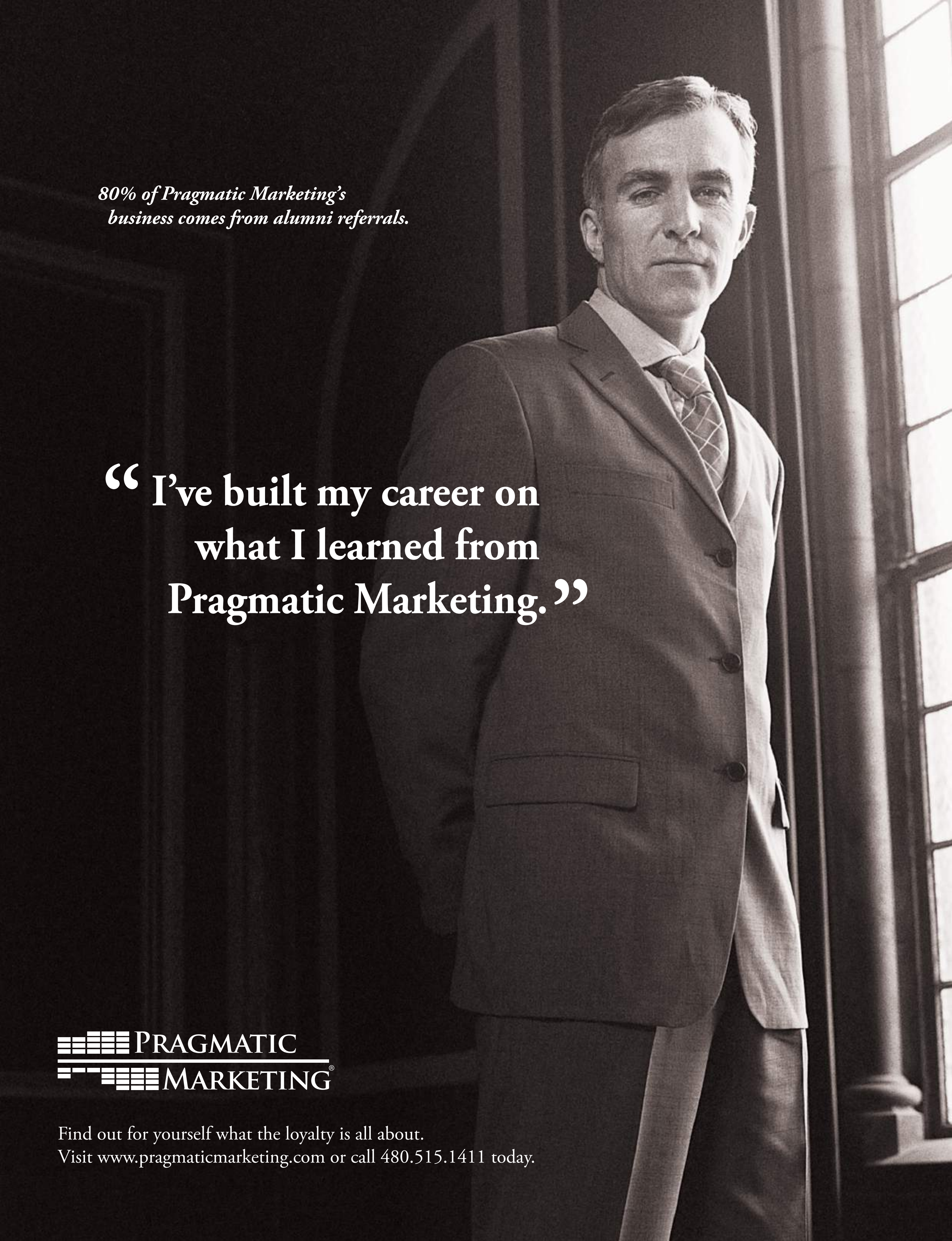
PEOPLE WHO AREN'T FAMILIAR WITH BETA TESTING MIGHT NOT REALIZE HOW DETRIMENTAL EVEN A SHORT DELAY CAN BE.

- Finally, when it comes to scheduling, provide an appropriate amount of time to complete tasks and other responsibilities. It's important to keep in mind that beta testers are volunteers with other responsibilities, and this isn't a full-time job.

Hopefully the best practices outlined in this article will get you thinking and planning for your next beta test. That's really the best defense against the uncertainty that can precede a beta test: Accept that certain things may be beyond your control, but meticulously plan and prepare for everything else. PM

ABOUT THE AUTHOR

Luke Freiler is the CEO and Founder of Centercode, where he's helped hundreds of technology companies improve their products through effective beta testing. Luke designed the beta test management platform that many major tech companies use today to run their pre-launch testing and achieve customer validation for their new products. Prior to founding Centercode, Luke worked for Native Instruments, Ericsson and Samsung, helping develop, test and launch a variety of successful products. He can be reached at luke@centercode.com.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THE NAME GAME

33 TIPS & TACTICS FOR GENERATING NAMES

BY STEVE RIVKIN

NAMING SOMETHING MAY BE THE MOST UNIVERSAL aspect of business. Whether it's a company, a product or a service, you've got to call it something. But with trademarks and domain names exploding around the globe, the challenge is doing the job better and faster.

Over the last decade, Rivkin & Associates LLC has generated new names for hundreds of businesses. Here are some of the shortcuts, thought-starters and mental prods we've observed along the way. So if the name is your game, read on.

1. WORK BACKWARD FROM THE SELLING PROPOSITION

Start by writing down an advertising headline, a positioning statement or a theme line for your product. Then work toward a name that reflects that marketing strategy.

You have an instant coffee that tastes and smells like real ground roast. The name: Taster's Choice. Your new bath soap has so many oils and softeners that it leaves the skin silky soft to the touch: Caress. Your chain of Mexican restaurants serves up a mouth-watering range of that spicy cuisine: The Whole Enchilada.

2. SPELL IT A DIFFERENT WAY

An intentionally misspelled word could become your company name: Toys R Us. Or it could be your product name, such as the gelatin dessert that became JELL-O or the fruit-based drink for kids that became Froot. But avoid engaging in difficult-to-remember technobabble, such as these real names: @Climax, 1-4-@LL, 160 over 90, Design VoX, mmO2 and $Cashnet$.

3. GO AGAINST THE GRAIN

Study the competition. If everyone else is high-tech, think high-touch. If all the category names seem masculine, try feminine.

A hospital in Arkansas found that its competitors all had serious, straightforward names for their maternity centers, like The Maternity Center or The Birthing Center. So one hospital called its center Stork & Company. The community loved it.

There's a long list of cars with three-syllable names all ending with the letter "a": Aurora, Corolla, Integra, Maxima, Miata, etc. If you were branding the next new model, you might choose to go against the grain.

4. GENERATE FIRST; JUDGE LATER

Get yourself (or your task force) started by generating as many different names as you can. Write everything down. There are no bad ideas, yet. Save the judging for later.

In a group session, try this penalty: Every time someone says, "What a lousy idea," they have to produce two more ideas for names.

GENERATE FIRST; JUDGE LATER

There are no bad ideas, yet. Save the judging for later.

5. GO FOR QUANTITY

Don't fall in love with a short list of two or three possible names. Develop lots of names. In a typical trademark search, you'll lose at least 8 of every 10 names you generate—sometimes more.

6. TRY A RANDOM IDEA

Creative consultant Roger von Oech suggests opening your mind to things that have nothing to do with a problem you're working on.

Open your dictionary to page 133 and pick the third word. Make that word relate to your naming need. Could you use it as a metaphor?

Write down the name of your favorite sports team. How would it impact the project you're working on? Random ideas can make your mind blossom.

7. TRY FOR AN ACRONYM

Volunteers In Service To America=VISTA; Mothers Against Drunk Driving=MADD; A bank's Fully Automated Super Teller=FAST.

Acronyms are hard to create. But if you can come up with an acronym that has real meaning, you've already built a marketing premise into your name.

8. GET COMFORTABLE

Get away from the phones. Get away from the office. Physically, you'll do your best work on naming in a relaxed, comfortable environment. Emotionally, it should be an environment that says it's okay to take chances.

9. STUDY YOUR LOCAL RETAILERS

Retailers often come up with inventive, evocative names. What thought processes are they using that you could use?

Best Buy's Geek Squad is an unexpected combination of language, engaging the brain on several levels. One Night Stand is a women's boutique that rents high-priced designer clothing for special occasions. And Creature Comforts is a descriptive name for a pet groomer.

10. MANUFACTURE A NEW WORD

Try putting together a new word from the parts of words you already have. In some cases, you can weld entire words together. It's called constructional linguistics.

A car plus a van yielded Caravan. Reporting on the news of the week yielded *Newsweek*. Manufactured names are all around us, such as Citibank, NutraSweet, Sunkist and Bridgestone.

This is not a new technique. In the 1860s, a cheap and hard-wearing floor covering made from flax ("linum" in Latin) and oil ("oleum") was named Linoleum. And the illustrious luncheon meat Spam came from spiced ham.

11. PLAY BOTH SIDES OF THE BRAIN

The "magic" in a new technology can have analytical and logical appeal. Sony's Trinitron was derived from "trinity," meaning the union of three and "tron" from electron tube, depicting the way the Trinitron combines three separate electron tubes. Or the name can have subjective and intuitive appeal, like the Northstar engine.

Let's say you've developed a new family of products—brand name Centaurus—for medical imaging that laps the field when it comes to wide viewing angles with maximum color accuracy. According to the scientists, your invention reduces the amount of light scattering in the matrix and provides an extended viewing angle of greater than 170 degrees.

But what brings it all home is your platform name: Super WideView Technology. Paired with your brand name, your promise is both subjective and rational.

12. EMBRACE EMOTION

Reason alone does not a great name make. Supreme Court Justice Felix Frankfurter acknowledged this aspect of naming when he wrote, "The protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them."

Sears could have named its car battery Reliable. It's practical and logical, but very ho-hum. Now consider the actual choice, the evocative and emotionally charged DieHard.

13. THINK ABOUT WHY IT WILL BE USED

A $100 pair of sneakers should make me faster and more agile. So what suggests fast and agile? Reebok is the name of a fleet-footed African gazelle. Puma is the Spanish word for a large wild cat. Would Keds or Converse make me that agile?

14. THINK ABOUT WHERE IT WILL BE USED

Imagine your product in the customer's hands, actually being used. A marketer realized that many people like to dictate on their way to and from work—and Commuter became the name for a portable dictating machine.

15. BORROW A PHRASE FROM THE LANGUAGE

A linguist refers to this as "adapting a metaphor." It's similar to how Sears borrowed the word diehard to describe a tenacious and stubborn car battery.

Another example is Close-Up toothpaste, which contains mouthwash to make you feel comfortable in "close-up" situations. It is even known as the kisser's toothpaste in the trade.

Once upon a time, Dutch sailors used the expression "spiksplinternieuw" in speaking of a new ship. It meant the ship was new in every spike and splinter of wood. The British later anglicized the phrase to "spick-and-span-new," and U.S. sailors Americanized it to "spic and span." All it took was an alert manufacturer of household detergents to seize the name Spic and Span.

16. USE THE BEST TOOLS

For serious naming efforts, there's only one choice for a dictionary: the prodigious 13-volume "Oxford English Dictionary." A distant second choice is "Webster's Third New International Dictionary, Unabridged," with nearly half a million entries. While you're at it, forget the slender thesauruses found in most offices and get a nice fat one. Two good choices are "March's Thesaurus and Dictionary" and "The Synonym Finder," which contains 1.5 million synonyms.

17. GO TO CHURCH

In 1878, Procter & Gamble invented a new soap. It was white, very pure and it floated. Harley Procter was struggling to find a name for it. Inspiration came one Sunday morning as he listened to the minister reading from Psalms 45:8. "All thy garments smell of myrrh, and aloes, and cassia, out of the ivory palaces, whereby they have made thee glad."

Young Mr. Procter had found his name, Ivory—even though the actual substance ivory is not pure white in color and it certainly doesn't float.

18. LISTEN TO YOUR CUSTOMERS

Today, that means focus groups or online panels. Once upon a time, it was just a chance encounter.

A Baltimore pharmacist was blending his own skin cream in the early 1900s. George Bunting sold it in small blue jars labeled as Dr. Bunting's Sunburn Remedy. Female customers who never ventured into the sun without a parasol raved about the cream. But he wanted a broader base of business. Then one day, a male customer entered the store and remarked that the sunburn remedy had miraculously cured his eczema (a painful inflammation of the skin). From that chance remark, Dr. Bunting's Sunburn Remedy became Noxzema (for no eczema).

19. THINK OF THE NAME AS A PROMISE

Linguists have observed that a name is much more than a sound. It is also a bundle of associations. What attribute or benefit can you capture? The cold remedy NyQuil was coined from the fragments "ny" (from night) and "quil" (from tranquil)—the promise of a tranquil night's sleep. And "raise your arm if you're Sure" is the message from an aptly named deodorant.

20. GO FOREIGN

Look for translations of root words, core words and relevant terms. Mitsubishi (whose symbol is three diamonds) named its new luxury car the Diamante (derived from the Spanish, Portuguese and Italian words for diamond). Volvo means "I roll" in Latin and Oreo means "hill" in Greek. (The original version of the cookie was mound-shaped, not flat.)

Decaffeinated coffee was introduced in Europe, with Sanka being a contraction of the French phrase, "sans caffein."

21. HAVE A COMPUTER DO THE WORK

Several software programs exist for creating company and product names. Or you could create your own by using a program that "mates" words in column A with words in column B.

Computers don't have much judgment, of course. They don't have marketing orientations or linguistic awareness. But they'll certainly spew out lots of possibilities, which you can then review.

22. PURCHASE AN EXISTING NAME

A bank paid $10,000 to acquire another bank's name for a cash management service that was no longer being marketed. A perfume company paid a million dollars for the rights to one name that had already been cleared and registered in 70 countries. Coors licensed the name of its upscale Irish Red beer from a long-defunct brewery.

If a name you covet is owned by someone else but is dormant or little used, go after it. Have an intermediary (such as a trademark attorney) make an offer. You have nothing to lose.

23. TAKE THE TIME TO EAVESDROP

You never know what you'll hear. A well-known sleep aid was named by a fellow who overheard a group of people leaving the theatre late in the evening. "'Night, all," they called to each other. This alert listener had his product's new name: Nytol.

24. ESCHEW INITIALS

Studies have shown that all-initial names are as much as 40-percent less memorable than names that use actual or made-up words.

If you doubt that, just look at the all-initial names of companies in the Fortune 500. How many do you really recognize? Does this one mean anything to you: "JCP&L, a GPU Company?"

25. SAY IT OUT LOUD

Names should be pleasing to the ear as well as to the eye. Imagine how many times each day your new name will be said over the phone.

Just altering a word's formation may produce a better sound. The origin, caleō, of both these words suggests "warm" or "loving." But Calida is more pleasing to the ear than Calidus.

26. SUMMON A SUFFIX

Suffixes play a special role in developing new names. Could one of these be useful?

-ine, -in are frequently used for medicines and chemical substances: Anacin, Bufferin and Listerine.

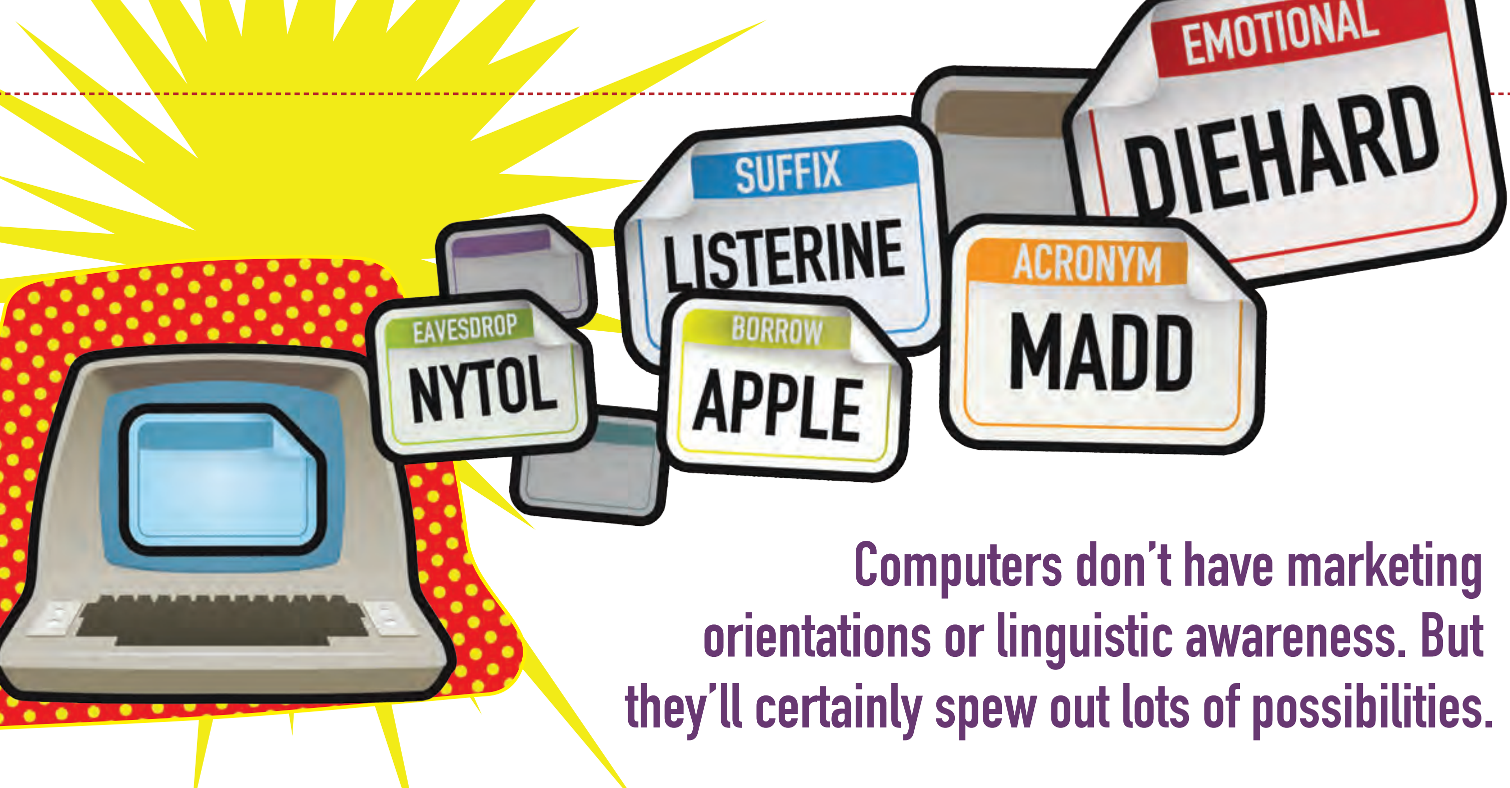
-oid normally means "resembling" or "having the form of": Celluloid and Polaroid.

-ex is often used to imply "excellent" or to give prestige to a name: Rolex and Kleenex.

-elle is a feminine suffix that adds grace and softness: the triangular-shaped diamond, Trielle.

27. PUT THE BENEFIT RIGHT INTO THE NAME

A perfume named Passion. A deodorant named No Sweat. An all-terrain vehicle named Explorer. A long-lasting, wear-resistant polyethylene named Duration.



Computers don't have marketing orientations or linguistic awareness. But they'll certainly spew out lots of possibilities.

28. FIND A BIG BROTHER

Someone in an allied field might give you the name you need. If you're naming the company's newsletter, for instance, look at the names of metropolitan newspapers. But go beyond the obvious ones like *Times*, *Herald* or *Gazette*. You'll find some novel coinages: *Post-Intelligencer* in Washington, *Sacramento Bee* in California and *High Point Enterprise* in North Carolina.

29. START WITH AN UNUSUAL LETTER

In the English language, words most commonly start with these five initial letters: S, C, P, A and T. The five least common are X, Z, Y, Q and K. One out of eight words starts with an S. One out of 3,000 starts with an X.

George Eastman coined the name Kodak for a variety of reasons, including that it was short, unusual and vigorous. "The letter K," he said, "has been a favorite with me—it seemed a strong, incisive sort of letter."

30. REPEAT THE SAME SOUND

The rhythmic cadence of a name can affect its appeal and memorability. Kodak uses the same sound as bookends for the name.

Listen to the repetition of sound in a name such as Fruit of the Loom or Coca-Cola.

31. UNFOLD YOUR MAP

Place names can become product names.

The slip-on loafer is believed to have evolved from a Norwegian shoe called the clog, so Henry Bass, a cobbler from Maine, named his loafer the Weejun.

A Massachusetts cookie company installed a new machine that could wrap cookie dough around jam. The first jam the company tried was made from figs. Their policy was to name their products after neighboring towns, so Newton, Mass., was duly honored with Fig Newtons.

32. REVERSE THE NATURAL ORDER OF THINGS

General Ambrose Everett Burnside was the commander of the Army of the Potomac during the Civil War. His most distinguishing feature (which launched a trend) was his profuse side whiskers, growing down along the ears to the cheeks. They were called "burnsides." It might not be a brand name, but around the turn of the century, the word experienced a linguistic transposition and became sideburns

The holding company for Pathmark supermarkets could have given itself the prosaic name of General Supermarkets Corp. Instead, it was transposed to Supermarkets General.

33. LAST BUT NOT LEAST, BORROW AN IDEA

Thomas Edison once said that ideas have to be original only in their adaptation to the problem you're working on.

The name "Apple" can describe a fruit, a record label and a consumer-electronics company.

So go ahead. Borrow one of these ideas. PM

ABOUT THE AUTHOR

Steve Rivkin is a marketing and communications consultant, author and speaker. He founded Rivkin & Associates LLC, a firm that creates new names for companies and brands. Prior to that, he spent 14 years working with Jack Trout and Al Ries at Trout & Ries Inc., a marketing strategy firm known for its work in positioning. Follow Steve's monthly blog on naming at www.NamingNewsletter.com or reach out to him at Steve@rivkin.net.

The 60-Second Business Case

State your case in moments, not months.

BY JASON BRETT

A FEW YEARS AGO, MY BOSS laid down a simple expectation: Always know what your 20 most important product enhancements are. Of course, one of the biggest challenges of product management is the struggle to prioritize. It can be tough to choose where to focus efforts from a giant list of to-dos from stakeholders, market data, customer requests and even our own brilliant ideas that come to us in the shower.

So to meet this need, product management at Silverpop developed a scoring matrix to help prioritize our efforts. We call it the 60-second business case, and it lives at the very beginning of the product cycle.

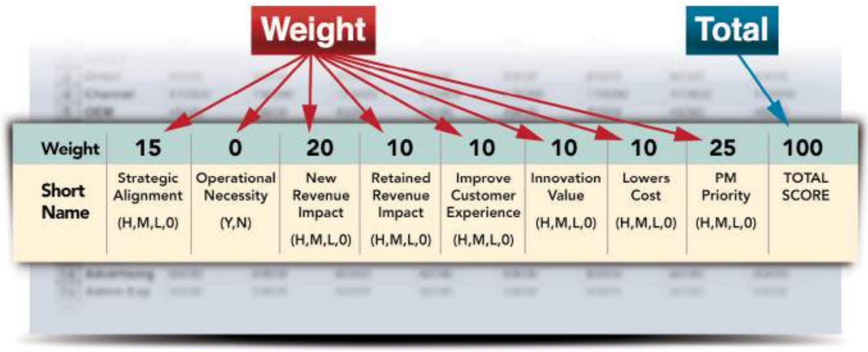
The 60-second business case evolved from a desire for everything in development to support our key business criteria: strategic alignment, operational necessity, revenue, improving customer experience, innovation value and lowering costs.

Each of these criteria, as well as its product management priority, is scored and weighted on a 100-point scale.

As company departmental priorities shift and evolve, we can quickly adjust the weighting to reflect these changes. This leads to regular discussions that ensure everyone consistently understands where each criterion ranks in our values and priorities. We score potential projects against each criterion to see how they rank. (See Exhibit 1.)

Strategic alignment. In Exhibit 1, you can see that we want to focus on strategic alignment more than retained revenue, so we weigh it as a 15.

Now think about how difficult it can be to measure strategic alignment. That's why we created set criteria for determining if an item has a high, medium, low or zero ranking.



Weight	15	0	20	10	10	10	10	25	100
Short Name	Strategic Alignment (H,M,L,0)	Operational Necessity (Y,N)	New Revenue Impact (H,M,L,0)	Retained Revenue Impact (H,M,L,0)	Improve Customer Experience (H,M,L,0)	Innovation Value (H,M,L,0)	Lowers Cost (H,M,L,0)	PM Priority (H,M,L,0)	TOTAL SCORE

EXHIBIT 1: Weighting of Criteria

"High" meets all three of the following:

- Supports company mission
- Moves toward product vision
- Correlates to at least one specific strategic objective (or quarterly/annual goal) as defined by the leadership team

"Medium" meets two of those criteria, "low" meets one and "zero" obviously meets none.

Let's say you're a CEO who wants to reduce time to market, enter the vintage toy market or sunset legacy systems. Your product team can actually weigh these potential initiatives against whether it aligns to the company's mission statement, product vision or one or more of your strategic goals.

Every six months, we come back and look at strategic alignment to determine what short-term goals have changed and therefore require items to be rescored.

Operational necessity. These items absolutely have to be done or our business is in significant danger immediately. We call it "keeping the lights on" and there are no distinctions of levels, but rather a yes or no designation.

Let's take an extreme example: Say we've got some servers under heavy load and we need to make some code changes to keep them from coming to a grinding halt. These types of things are usually handled by our architecture and network operations department, but occasionally they may have business impacts that require product management's detailed consideration. And when they do, we don't try to rank them as high, medium or low. Our only goal with operational necessity is to get it out of that category. We want to put the fire out as quickly as possible.

Revenue. There originally was just one revenue bucket, but we broke it down into New Revenue Impact and Retained Revenue Impact, because they have different values. Both have the high, medium, low and zero classifications, but we rate them based on the amount of revenue per year that we believe we can attribute to an effort.

So a high is going to generate a million dollars in new revenue or retained revenue, medium is going to generate $250,000 to $1 million and low is what we call anything that has either a revenue impact that we know exists but can't easily measure or we just don't measure it. It's relevant, but small and not worth trying to do a detailed projection on. A zero obviously has no expected revenue impact.

Your revenue categories will be different, and ours will certainly evolve as revenue grows too. But by creating broad categories with a wide margin, you create a scoring model that should minimize debate about the revenue implications of a decision. The purpose here is to keep the conversation quick and high level. It's not about building a true business case; it's about aligning everybody to an agreement of value.

Improve customer experience. This category works similarly to revenue. We've got very large buckets defined that are based on the percentage of customers that will experience a positive impact: High is at least 80 percent, medium is 30 percent to 80 percent, low is below 30 and zero means no impact.

Innovation value. This is also really hard to measure, since you can't quantifiably say something is innovative. We've outlined additional criteria to determine this ranking.

High meets all three of the following:

- First or early to market with a feature or capability
- High visibility (PR, marketing or "buzz") value in the marketplace
- New and positive business impact for our customer leadership team

"Medium" meets two of those criteria, "low" meets one and "zero" meets none.

Lowers cost. The buckets are a little smaller for lowers cost. High is for an effort that will save us $250,000 a year or more. It can come from many different sources—whether it's that we need to maintain less hardware, don't have to buy more hardware or are going to get fewer support calls—but $250,000 a year for a high cost savings is where we've put our line in the sand. Medium is $50,000 to $250,000. Low follows the same rules as the other monetary ones, and then there is zero as well.

Part Science/Part Art

Those business criteria are what we think of as the science of product management. We've figured out a way to measure each of these business criteria and each can be supported very quickly in a conversation. In defending a specific product, feature or initiative, you can walk through the spreadsheet and say something is important, because it's got high strategic alignment and here's how.

> **THE "FUDGE FACTOR" IS THE ART OF PRODUCT MANAGEMENT.**

The last piece of this is the final column for "product manager priority." Another way to think of it is the "fudge factor," and it's the art of product management. This is where you bring together the knowledge that you've assimilated over time, including customer interviews that helped you understand the passion that customers might have for a feature and the impact it will have on them. It's not as easily quantifiable. And you use your product management judgment to score the outcome. This actually accounts for 25 percent of the total score in our example.

The director of product management at another company showed this model to her c-suite. The chief financial officer said he wasn't confident that the product manager's influence should account for 25 percent, so they had a very reasoned discussion on how much influence the director's skill set should have. The CEO chimed in a few minutes later and said he disagreed with the CFO. "That's what we pay these people to do," he said. "To understand the market in a way that's not easily attributable and make the best decisions for our company."

Each of these categories gets converted to a score, which is basically 0-3 points multiplied by the weighting factor and totaled. Then, we simply sort the list from highest to lowest score, and—voilà—we have a value-based list of candidates.

The HiPPO in the Room

HiPPO is an acronym for the "highest-paid person's opinion." It is typically a strong opinion that can have a big impact. The 60-second business case can help determine if that opinion aligns with the plans for the product.

For example, one stakeholder was pushing for a particular product feature. Instead of months of research, we did a quick 60-second business case to show if the feature was aligned strategically, was a necessity, had a revenue impact and so on. It quickly came out with a low score so we focused our efforts elsewhere.

When the stakeholder came back and wanted to know why the feature didn't make the cut, we actually were able to point out that we (including the stakeholder) had all already agreed on the way to score efforts. We then walked him through each category.

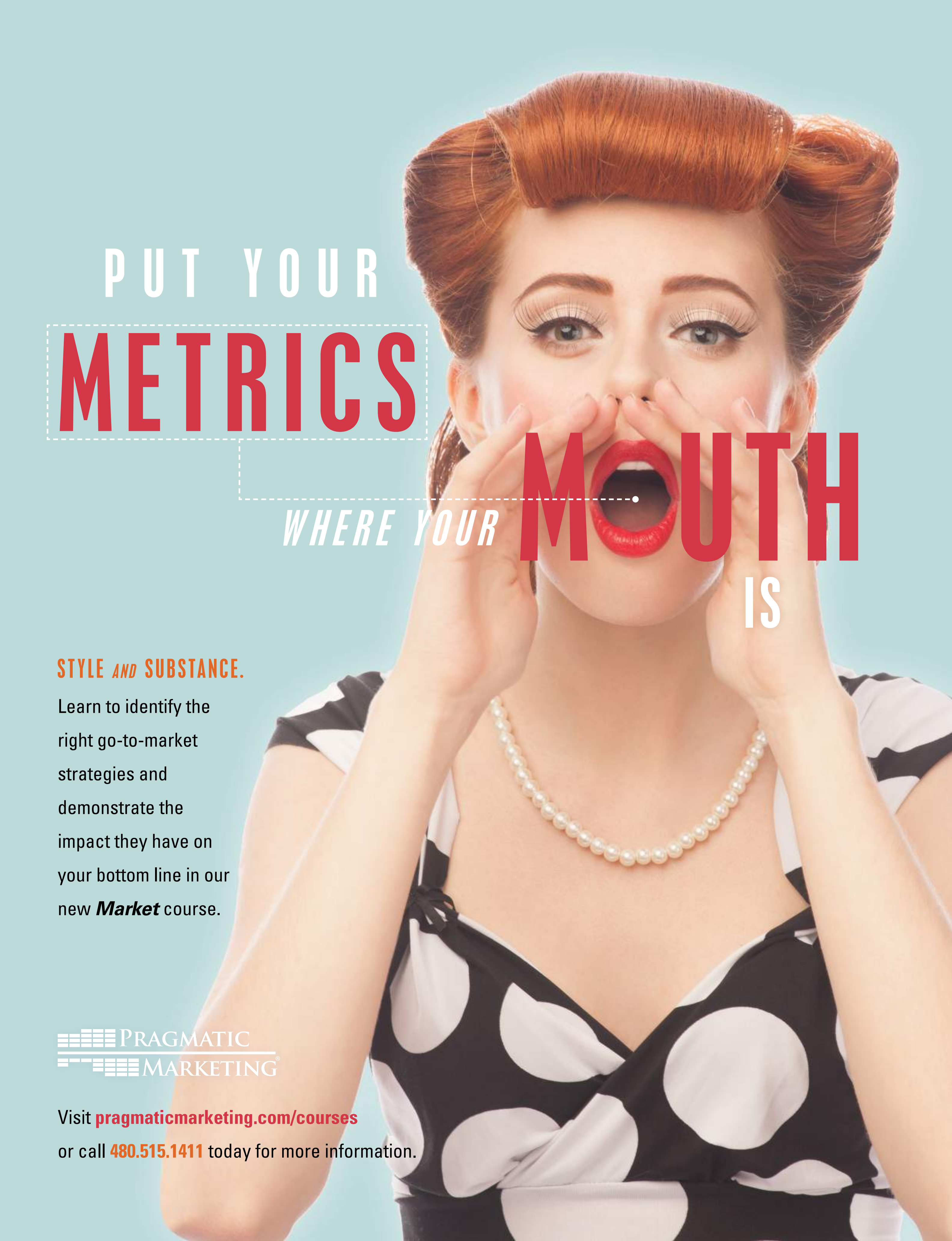
Once he understood why the feature wasn't being considered, we discussed changing the overall weighting in an area where the product did score well: innovation. He declined and said that although he was passionate about the feature, it wasn't the right thing to spend our time on at the moment.

The point is that we didn't have to build a business case or have a bloody argument or a political fight. It was a reasoned discussion enabled by a tool that allowed us to walk through and systematically evaluate the value of something he felt very strongly about.

The 60-second business case can be an incredibly powerful tool to get everyone in agreement and to prioritize efforts more efficiently and effectively. I hope you put it to good use at your company. PM

About the Author

Jason Brett is a senior product manager for Silverpop, where he focuses on bringing revolutionary marketing automation products to market. He has 15 years of experience in marketing technology and is a leader in product management with a passion for marketing innovation. Prior to joining Silverpop, Jason served as a product manager for AT&T and was the founder of SiteTamer, an early SaaS web content management and email management startup. He currently serves on the Product Management Society board for the Technology Association of Georgia and is the founder of ProductCamp Atlanta. Jason is a graduate of the University of Arkansas at Little Rock. He can be reached via email at jbrett@silverpop.com, and you can find him online at http://about.me/jasonbrett.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It's Not Just About the Product

Lessons learned from both startups and mature products.

BY ROHINI VENKATRAMAN

I SPENT MY FIRST SIX YEARS IN TECH at large, mature companies. I often mentioned, however, that I wanted to work at a startup to be on a small team with a new product. As an associate for Intuit's Rotational Development Program, I had the unique opportunity of exploring product-management roles on both new and mature products over the course of two years.

In each of my rotations, the specificity of my responsibilities changed based on the maturity of my product. The core values of my role, however, were the same whether I was testing hypotheses for what could be our next $30-million product or running the annual release for a 20-year-old product.

I learned three lessons that surprisingly applied to both the startups and the mature products:

1. Put Customers First and Job Descriptions Second

My first product management rotation was with QuickBooks, a product that is two decades old. While running the beta for our annual release, I provided phone tech support to testers. At first, this was frustrating. I wondered why I was responding to problems, when I was supposed to be managing a product. As I spent more time talking to customers and watching them use my product, I learned that when they said something "wasn't working," it really just wasn't working the way they expected. Without these conversations, I would have been blissfully unaware of the problems plaguing my product—leaving me with unhappy users or, worse, no users.

My final product-management rotation was on a scrappy one-year-old team that was committed to helping small businesses get loans. When my team learned that our users found it intimidating to complete bank loan applications, we started to spend our days on the phone, "holding hands" with them through the process. "I'm not an expert on lending though," I told my manager, when I started on the team. "Don't worry about it," she said, smiling. "It does wonders to have someone on the other end of the line."

As I helped business owner after business owner complete loan applications, it became clear that the education and confidence that we provided to small business owners was the push they needed to pursue their financing applications. While this process was not scalable, it provided us with deep insights about our users and the loan application process in general. It was then up to us to innovate a simpler solution.

In both the QuickBooks and lending scenarios, I saw firsthand how product managers need to step away from design reviews and sprint planning to connect deeply with product users. Until I understood my users, there was no need for anything to be designed or built.

2. The Customer's Perception Is Reality

My third product-management role involved TurboTax, which you may know has been around for a while. My team had recently learned from market research that students were not using our product. The statistic was unsettling for two reasons: 1) The TurboTax user experience is being continually improved to guide first-time taxpayers and 2) students with loans and college jobs were poised to receive beneficial tax refunds using our product. Digging in to our data, we learned that students knew TurboTax as their parents' tax software—and they didn't think it could help them.

It became my job to effectively share knowledge of our product with students. As a first step, I created marketing collateral that outlined the student-specific benefits of TurboTax. I sent it through channels that are accessible to students, like social media and college bookstores.

Sales of TurboTax to students increased significantly that year, due to our understanding of—and efforts to change—their perceptions of our product.

Sales increased significantly, due to our efforts to change perceptions of our product.

On my rotation with the more startup-like loan team a year later, we found that business owners weren't accepting financing offers. It didn't make sense to us. They put hours into the application process, getting together necessary paperwork and providing references. They obviously need financing. Why don't they take the money once they get it?

Following up with business owners opened my eyes to a specific customer misperception: Applicants always believed that interest rates could be lower. In reality, for our specific loan type, the rates were competitive. I came to realize: Wow, they just don't trust what we're offering.

As my team brainstormed ways to iterate our product, we incorporated ways to educate and set expectations for applicants during the process. This helped the applicants understand the offers they received from our product in the context of banks and other options out there.

In both the scenario of the mature product and the scrappier one, the product experience was built to cater specifically to user needs. The problem, however, was that this was only clear to the people building the product. It took keen observation and deep analysis to understand how our target demographic perceived our products—and innovation to change the customer reality.

3. Savor the Surprises

My "scrappiest" rotation was with Intuit's new business initiatives team, with a goal of coming up with the next $30-million business idea for the company. Early in my role, I sat around a conference table with Generation Y (and some X) coworkers, brainstorming. Someone asked, "Have you seen our generation's credit-card debt?" And another added, "And spending? Gen Yers don't budget their money. We need to create something to make it simpler."

Without leaving our cushy San Diego office space, we whiteboarded effective budgeting tools—glorified Excel spreadsheets, incentives and education—to enable Generation Yers to spend less and save more. Two days later, we were bullish on our solution for tomorrow's financial problems. Equipped with mockups, our first stop was a community college. With each student that we interviewed, we heard the same thing: Each month, they recorded the amount they wanted to spend for each category.

After a day of interviews, we were ready to accept that we had been wrong. Generation Yers already budgeted their money. Learning this didn't mean we called it quits. Instead, we continued our research at more colleges, the mall and other Generation Y social hubs. Whether they were setting aside a certain amount of money each month for a big trip or a rainy day, our interviewees all budgeted in some way in order to save. They just rarely met their monthly goals.

The surprise was that it wasn't entirely their fault that they didn't meet these goals. The fact is that friends don't exactly let friends save. There was significant peer pressure to spend money. And that was the problem we needed to be solving.

Rather than cling to our initial hypothesis, my team was energized to uncover the deeper problem—and took the time to fully understand it and methodologically determine our next step.

And then there was QuickBooks. Our work on QuickBooks was not without its surprises, despite the budgeting solution's two-decade head start. For the aforementioned beta program, I recruited two sets of testers: those who had been using QuickBooks for years and had previously participated in a beta program and those who were completely new to the product. For this particular release, our team was especially excited about our new "Mac-like" design.

Each week, beta participants were asked to engage in various activities that tested our product. As I read user commentary each week, I noticed vast discrepancies in feedback. Some users hated components of our new design and others loved it. "How could people not like this new design?" I wondered. "It is beautiful!" It was shocking to me.

Instead of ignoring this undesired reaction, however, I decided to spend time understanding the opposing point of view. Finally, I realized that for users who had built specific workflows around our product, a new design meant disruption to efficiency. It was because of these reports that we made an additional effort to explain why things changed and how to maintain their specific processes—and this prevented my team from disenfranchising an entire segment of our user base.

And the Learning Goes On

Part of being in product management is keeping your eyes peeled for surprises, because they jump out at you when you least expect it. And with more mature products, it's particularly easy to get comfortable with the status quo and to miss new developments. What's most important is to embrace surprise as a situation that only stands to improve your product.

As you consider the requirements of a product management role, realize that no matter where you are—whether at a large company or a small startup, leading a mature product or a nascent one—the fundamental principles of success are almost identical. Push yourself to identify problems you are passionate about solving for users—and then go above and beyond the written description of your role to solve the problem for your product's users. PM

About the Author

Rohini Venkatraman was raised in San Jose, Calif. She holds a B.A. in psychology from The University of Pennsylvania and is a product manager at Livefyre. When she isn't talking tech, Rohini is writing. In addition to her self-published novella on Amazon, you can read more at unabridgedro.blogspot.com. Follow her on Twitter @rohinivibha.

Five Myths of Inbound Marketing

When inbound marketing goes out of bounds

BY BRIAN HODGSON

OVER THE LAST 5 YEARS, THE GROWTH of "inbound marketing" has created a seemingly fundamental shift in how companies go about attracting new customers.

The theory is pretty simple: 1) Create content, 2) push it out across all your social media channels, 3) build followers and 4) wait for followers to reach back (inbound). And then, voilà leads! The problem with this simplistic approach is that most of the leads are not qualified, and many followers are either ivory-tower types trying to grow their own networks or people who are outside the influence of your prospects' buying process.

Over the last few years, I have spoken to many marketing candidates, partners and colleagues on how inbound marketing is working. Here is some of the feedback:

"My marketing team publishes a blog, and uses LinkedIn and Twitter. We get good traffic on the blog, but I have no idea if LinkedIn or Twitter drive any opportunities."

–President of system integrator

"You should post a blog post at least once a week. What you say is less important."

–C-level executive at inbound marketing software company

"We promote things through Twitter, but I have no confidence it creates any value."

–Editor of a major trade magazine

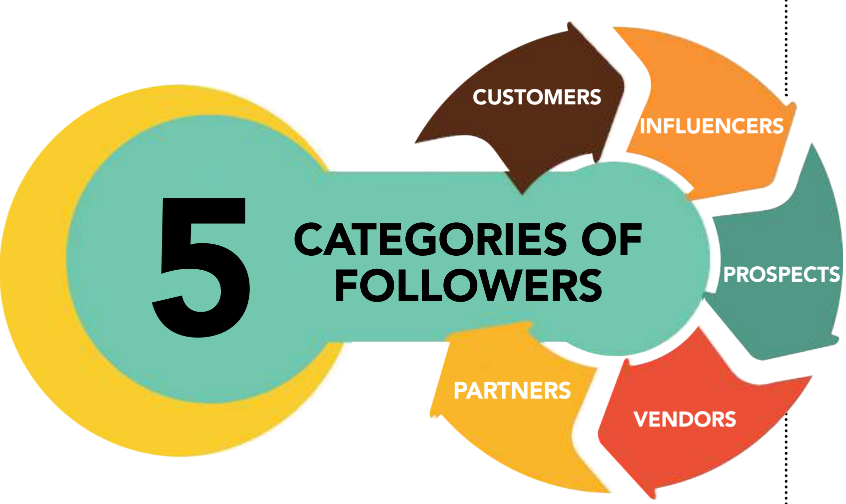
The problems I see with the vast majority of inbound marketing practitioners is that they view it as a replacement for the fundamental elements of marketing, instead of as a set of tools to complement "traditional marketing." Creating a slew of content with a lousy message or undifferentiated value proposition is actually worse than doing nothing.

The hype of inbound marketing has led to the perpetuation of five popular myths.

Myth 1: Number of Followers Is the Measure of Success

Many people are very proud of their growth in followers. One candidate I interviewed proudly declared that she had built thousands of followers by blasting out emails and asking people to follow them. When I asked how she measured the impact on leads (never mind revenue) she had no clue.

In my experience, followers fall into five categories: customers, influencers (consultants, analysts, press), prospects, vendors and partners. (These are the people and the organizations they represent, but there are further segments based on their roles within these categories.)



Everyone wants the prospects, but the vast majority of people on social media fall into the other four categories. In fact, I have posted questions in LinkedIn groups only to be subsequently hammered with vendor "suggestions" trying to pitch me consulting. The key questions you should be asking are: 1) Which groups are most valuable, and 2) what is the effort to add new followers in each category? We do want more prospects, but that might not be the right target for these channels if they don't engage regularly or are costly to acquire. Getting one partner follower, who also communicates to 100 joint prospects, may be more valuable. It's not just about building followers; it's about the right followers.

Myth 2: Creating Thought Leadership Is Better than "Feature Function"

Everyone wants to be a thought leader, but not everyone is one. I get constant email blasts of "best practices" or "thought leadership" articles, but the majority of those are what I would call "Marketing 101." They are about an inch deep and not specific enough to my situation to be useful. I get so many that I probably ignore some that would be quite useful.

To be really valuable in helping a customer solve a problem (the ultimate success in sales and marketing), you need to understand the context of the prospect. Think about these questions:

- Where are they in their thought process?
- What is their role in the organization?
- What are the specific problems they are trying to solve?

Doing a product demo that addresses a prospect's specific problem can be the most effective way to drive sales for someone who has already educated themselves (ideally with your thought leadership content). Thought leadership is good, but actually showing how your thought leadership can solve problems is even better.

Myth 3: Creating Content Will Drive Leads

Creating great content is fundamental to successful inbound marketing. However, it is just the start of the process. The allure of easily publishing content via social media is actually a double-edged sword, and making sure the content gets to the right people is still a challenge. Let's first address what defines "great content."

One man's garbage is another man's treasure. Prospects who are very early in their search for solutions might appreciate 101-type or basic information, because it helps put their situation in perspective. It might highlight where their problems fit with solution options and maybe even new problems they didn't know they had. Unfortunately, someone who is further down the path will be frustrated with the simplistic points—and will likely tune out all your other communications.

Another issue is that even when you have a great asset, simply blasting it out to all social media channels is fraught with issues. I have been guilty of creating what I believe is great, then realizing I do not have the plan or budget to get it to the targets I want.

Your content can drive leads, but only if your strategy includes the most effective and targeted channels to reach the right prospects in the right context.

Creating a slew of content with a lousy message is actually worse than doing nothing.

Myth 4: Sales Will Increase as Inbound Leads Increase

Many thought leadership pieces are placed behind a landing page requiring an email address. This will no doubt generate leads, but the quality of the leads is almost always suspect—with some people filling out the form with bogus information to get the free content.

Also, while the headline was compelling to the person, they may find the actual content to be irrelevant to their needs. But too late, the contact information has already been passed to a sales person who is anxiously emailing and following up.

It isn't about the quantity of leads, it's about the quality. And ensure you deliver what you promise with your content to help prospects stay in the right mindset when talking to your sales team.

Myth 5: Sales Wants More Content

It actually tends to be marketing that loves to churn out new content, especially in the age of inbound marketing. A few years ago, I read that 75 percent of marketing materials never or rarely get used by sales. My guess is that this may be higher with social media. Most content is for the top of the funnel, getting prospects into the database by generating oodles of content—and hundreds of unqualified leads.

Again, the pressure on marketing from sales isn't for more content; it's really for creating the kind of content that will generate more quality leads.

Steps to Success

Despite the hoopla around inbound marketing, most marketing dollars will be wasted without sound fundamentals. Here are some steps to help you work around the myths of being "inbound."

Segment your audience so you know which followers are heroes. One of the biggest benefits of social marketing is the ease with which you can find out information about people. Furthermore, the ease of integration between email marketing tools, customer-relationship management systems and third-party data (such as LinkedIn and data.com) makes building and maintaining information much more cost effective. Use that information for segmenting your audience.

Think from a strategic standpoint about which of our top-level categories of followers can provide the best leverage—customers, prospects, influencers, partners or vendors.

At Oz Development, for example, our solutions are all built around a core business application (such as NetSuite, Magento or ChannelAdvisor), so partners are actually more important to acquire and nurture than prospects. Conversely, a start-up company that is trying to build customers may initially focus on prospects and an established firm may find it better to focus on customers as they introduce new products.

Once you identify the top level, it is important to do as much micro-segmentation as possible. This creates very targeted audiences, which enable:

1) More focused content and more engagement within the group
2) More flexibility in controlling marketing across market segments and sales cycles
3) Ability to avoid overloading specific targets with every communication

Create content that is specific to the stage. Creating content for specific roles and context is a simple concept, but it is difficult to execute. The table below represents a straightforward example of a content map. Along the top are the three basic stages of a sales cycle: building awareness, creating value and the close. Each row shows a representative role and a sample sales tool that could help move the process along.

	Build Awareness	Create Value	Close
Executive	Press coverage	Case studies	Executive relationships
Business User	White paper	Return on investment tools	Tailored demo
IT	Recorded demo	Architecture presentation	Support tools

I have seen numerous articles outlining how the traditional sales funnel is dead. I disagree with this notion, although I agree that the way customers go about buying has changed. They may go through the whole first stage of awareness without you even knowing—and could even be using your great content to get that done. But as a sales and marketing team, you still need to understand where the prospect is in the cycle and what problem they are trying to solve—and then direct your content toward helping them toward your solution.

One final note on content and stages. Early in the cycle, during the awareness phase, follow-up must be done carefully to ensure you don't push the prospect away. Downloading a white paper doesn't mean they are ready to buy, and a more aggressive follow-up may simply push the prospect to another vendor. The tempo of the buying process is much more in the prospects' hands today than 10 years ago.

Use traditional outbound marketing to get to the right people. Hubspot is the biggest advocate of inbound marketing, but they email their list as much as any traditional marketer I have seen. As an example, I looked back at a single month, and found I had received six emails from Hubspot. Wikipedia defines outbound marketing as "buying attention, cold-calling, direct paper mail, radio, TV advertisements, sales flyers, spam, telemarketing and traditional advertising." And I would argue that 1.5 untargeted emails a week could be considered spam.

But that's not to say that the elements of outbound marketing shouldn't come into play. While I don't think you should blast all your content, email can and probably must be used to ensure your audience learns about your message and to drive leads and business.

Similarly, cold calling is not dead and can be quite effective with current social media tools. Looking at a company's hiring on LinkedIn can provide great context and focus to a cold call, especially if you have good content to back up the call.

For marketing to truly become inbound, you have to offer information that will make your followers want to come to you time and time again. Ignore the myths and focus on the concrete steps you can take to succeed. PM

About the Author

Brian Hodgson is vice president of sales and marketing at Oz Development Inc. He can be reached at bhodgson@ozdevelopment.com.

The 10 Commandments of Product Marketing

Add rigor and discipline to your efforts by adhering to these essentials.

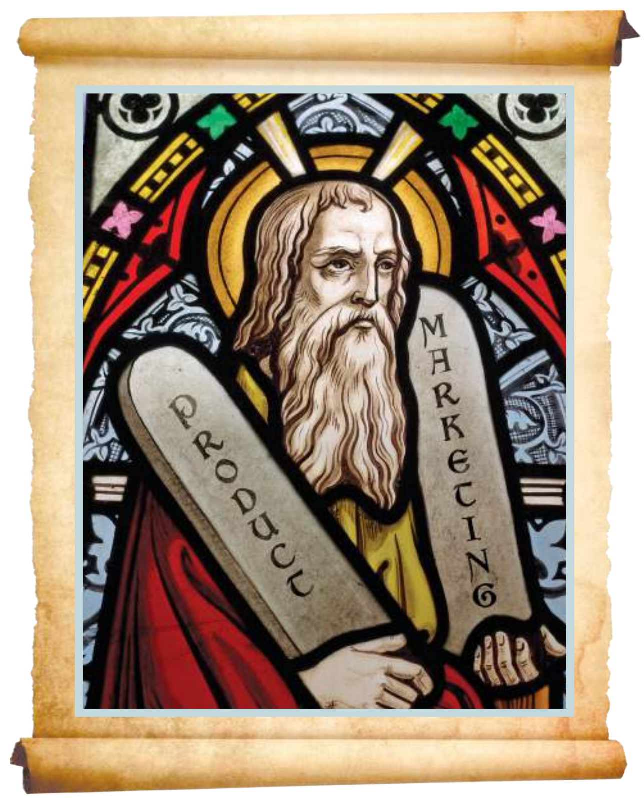
BY SCOTT LANG

WHETHER YOU'RE A FAN OF Charlton Heston or Mel Brooks, you likely understand the concept of a commandment: It is a foundational command or directive or an essential requirement with no compromise. In the course of managing today's crises and worrying about tomorrow's problems, we as product-marketing professionals can lose focus on the essentials needed to be an effective product marketer.

Having been at the product-marketing game for about a dozen years at three different companies (more if you count how many times I was acquired) and having had the distinct honor of working for a master of product marketing, I submit to you this list of the essentials, which we call "The 10 Commandments of Product Marketing." I hope they help guide new product marketers or reintroduce core product-marketing fundamentals to veteran practitioners.

The 10 commandments are built around the constituencies we as product marketers serve: sales, product management and business, press and analysts, competitors, partners and most importantly, customers.

I **Have an up-to-date positioning document and buyer persona for your product.** How often do you start developing product or marketing materials without fully knowing who the target buyers are and what their pains are? It happens more than it should when we are going too fast, but without this fundamental understanding you run the risk of losing control of your message. Never forget: YOU own the message.



II **Know the business plan for your product and have a measurable go-to-market plan for it.** Regularly perform a marketing activity analysis against budget to measure this. You can't manage what you can't measure, and you can't achieve an objective without understanding what it takes to get there. I recommend setting a regular cadence of operational reviews with your functional marketing counterparts, where you can review a standard set of results to measure what's working and what's not. And

SALES REPS ARE COIN OPERATED; THEIR BEHAVIOR FOLLOWS THE MONEY.

when marketing issues come up during quarterly business reviews, make sure your business leader is prepared with the numbers. It's your responsibility as steward of the marketing budget for the business.

III Know how customers are using your product. Observing customers in their native habitats need not be intimidating. Ask for a ride-along with a sales rep, or talk to an established customer willing to give you honest feedback. (Customer reference program members are an ideal source for this.) Use these conversations to determine if how you're positioning your product is real or just hype. Be prepared for an opinion different from what you were expecting and take it in context with other conversations. Just because you have one conversation with one customer who says something completely divergent from what your buyer personas say doesn't mean you have to shift how you market your product. Keep it real by speaking to a real customer at least once per month. This is also a non-threatening way to gather win/loss data.

IV Know where your product's customers and users are coming from. This one can be tricky, especially if your business lacks the operational maturity to have consolidated business metrics. There will be someone—likely multiple people—who are able to tell you how many active customers you have for a product (maintenance or support records); the sizes and industry verticals of your customers (Hoover's et al); average sales price, discount and margin (bookings database from finance); and new customers vs. existing (finance). The trick is to consolidate this information so you have the right information when you need it. For example, wouldn't it be great if—when your business leader indicated you needed to focus on selling to existing customers to drive penetration—you had that data at your fingertips and could weigh in on the addressable market?

V Know your product's license and maintenance revenue targets and progress toward those targets. As a product marketer, you are the VP of marketing for your product. The main focus of your role as a marketer is contributing to revenue. How are you influencing license bookings? Pretend for a moment you work for a "company-is-the-product" startup. You own marketing for that product—and therefore the company—soup to nuts. What do you need to know to be successful? Knowing your progress toward targets helps you move your marketing investments to meet current business objectives.

VI Know who sells your product. Also know what their comp plans look like. Sales reps are coin operated; their behavior follows the money. Knowing how your reps are compensated helps you know what to focus on in sales-enablement discussions. For example, if reps have their comp plan tied to growth in enterprise-level accounts in their region, they're not going to respond to products and training that address a small- to mid-market customer. Hand-in-hand with this is an understanding of quotas, average deal sizes, whether they're comped on other parts of the portfolio, professional services, etc. This helps you better understand the folks who are taking your product to market and how to talk their language. You can then be better positioned to influence comp-based incentives or spiffs for your product.

VII **Ensure sales, partners, field marketing and others can successfully evangelize for your product with accurate and up-to-date sales tools.** Gather feedback from the field and provide regular updates. This seems like a no-brainer and will likely be 75 percent of your job. Notice the nuance here, though. Your role as a product marketer likely revolves around building messaging, enabling the sales force and influencing campaigns to drive leads and awareness. But turning other marketing shared-services personnel into advocates for your product increases internal mindshare and ultimately improves focus and results. It's not just about the blocking and tackling of producing sales tools and a good website, but also ensuring the folks building those tools and that website or managing that event can tell the story well. Part of your success will be dependent on turning others, not just sales, into evangelists. Remember, you're likely competing with other products for mental shelf space across the company. Be aggressive: It's always easier to ask for forgiveness than permission.

> Your success will be dependent on turning others, not just sales, into evangelists.

VIII **Know your product's top three competitors and be able to explain how your product is different.** I bet this is the No. 1 request you get from sales. But if you're like many companies, analyzing competitors is a tricky undertaking. It's frowned upon to download a competitor's product under false pretenses or break the law in any way, so you rely on publicly available materials that are either authored by the competitor or from an expensive third-party source. My advice is to stay above it and simply provide strengths and advantages of your products.

IX **Know who the key analysts and market influencers are and how they position your product in the market.** Don't rely exclusively on the analyst relations, public relations or social media teams to give you regular updates on analyst reports or industry articles. You need to take responsibility for knowing who your top influencers are and how they feel about your product, and you can do that by subscribing to their blogs and Twitter feeds. Also, establish a quarterly cadence with those influencers to talk business strategy, product updates, etc. It doesn't even have to be formal, and some of the best influencing I've done is over coffee or standing on a tradeshow floor. Begin with the end in mind: How do you want this conversation to end? Courting these influencers is as critical to your success as educating your sales force. Ever had a deal go south when a customer said that Analyst Firm X hadn't heard about your product before?

X **Know your product's release schedule and roadmap and execute product releases on time.** Another "duh" moment. But seriously, how many times have you been surprised that a product is ready to release, and you nearly caused a delay in its release? At the company I work for, product management owns the release to marketing/manufacturing date, but product marketing owns the generally available (GA) date when the product is actually live and sellable. There are typically 10 business days between these two dates (with some flexibility on either end), which gives product marketers 10 days to shepherd sales tool updates, marketing programs and sales training through the processes needed to post it all live. To keep up on when the release is coming, attend your product or program manager's regular release meetings and be prepared with a plan on how you will market the product.

Breaking It Down

Remember the old maxim that you either are in sales or sales support? Master these 10 commandments, and you will be better connected to the business, be able to measure your

The 10 Commandments of Product Marketing

COMMANDMENT:

- **I** Have an up-to-date positioning document and buyer persona for your product.
- **II** Know the business plan for your product and have a measurable go-to-market (GTM) plan for it. Regularly perform a marketing activity analysis against budget to measure this.
- **III** Know how customers are using your product. Talk to customers three times per quarter.
- **IV** Know where your product's customers and users are coming from.
- **V** Know your product's license and maintenance revenue targets and progress toward those targets.
- **VI** Know who sells your product and what their comp plans look like.
- **VII** Ensure sales, partners, field marketing and others can successfully evangelize for your product with accurate and up-to-date sales tools. Gather feedback from the field and provide regular updates.
- **VIII** Know your product's top three competitors and be able to explain how your product is different.
- **IX** Know who the key analysts and market influencers are and how they position your product in the market.
- **X** Know your product's release schedule and roadmap and execute product releases on time.

results with what really matters (bookings), be closer to the customer than you ever thought possible and less likely to have to answer to sales.

Remember, you have execution teams to help you. Leverage them so you can be a marketing representative to the business. Overlaying these commandments on top of the Pragmatic Marketing process—and using the templates and tools available to you—adds rigor, discipline and a professional quality to your role as product marketing and business representative to the marketing department. PM

About the Author

Scott Lang is director of solution marketing for a large end-to-end IT solutions provider. He has spent 18 years in technology marketing and a dozen years in product marketing, most recently leading a large team of software product marketers. He can be reached at langcmh@yahoo.com, on Twitter @scottinohio or on LinkedIn.

ANSWERS THE QUESTIONS:	ACTIONS & DELIVERABLES:
▪ Who is the buyer? ▪ What are their concerns, pains and challenges? ▪ What message do we use to communicate our value to them? ▪ Where do they look for information? Who do they trust? ▪ What is their role in the buying cycle?	▪ Deliver a positioning document and buyer persona for every buyer of the product. ▪ Meet regularly with your product manager to determine freshness/relevancy of persona and positioning. ▪ Consistently check the relevancy of your positioning and persona with a real customer.
▪ What are the top business goals for the product this year? ▪ What GTM activities are planned to support these goals? ▪ What measurements will be used to determine if we have reached our goals?	▪ Create a quarterly/semi-annual/annual tactical action plan and lead development of the GTM plan each year. ▪ Use the format: Business Goal -> GTM Goal -> Objectives -> Measurement. ▪ Set a regular cadence of operational review meetings with functional/executional marketing teams. Be clear on what you want them to report on and in what frequency. Use the GTM plan as the foundation.
▪ What are the main drivers to purchase? ▪ What is the customer spending money on right now? ▪ What use cases are customers using the product for? ▪ What works in the sales process? ▪ Why do we win? Lose?	▪ Have phone calls or onsite visits with sales, product managers and pre-sales. ▪ Deliver a brief report for each call explaining the problem they faced, why they selected your product (or why they didn't) and what action you can take to reinforce or change sales behavior. ▪ Use the Pragmatic Marketing win/loss call format.
▪ How many customers do we have by region? Size? Industry? Product? ▪ How many customers are we acquiring every quarter? ▪ What is the average product penetration by customer?	▪ Work with operations, finance and support teams to determine baseline customer metrics. ▪ Establish a regular cadence to update numbers.
▪ What is our progress to target? By region? ▪ Where are we over-/under-achieving? ▪ What is the average sales price and discount?	▪ Get annual and quarterly revenue and maintenance targets. ▪ Measure progress using data from business or finance.
▪ What are the different comp plans for my reps? ▪ How do the comp plans differ by region or rep type? ▪ What is the average rep productivity?	▪ Partner with sales, business leaders and other reps to obtain their plans (without personal information, of course). ▪ Regularly review comp plan changes with operations teams.
▪ Am I delivering the right sales tools to sales and partners? ▪ Are sales, partners and other marketers able to effectively tell my product's story? ▪ Can customers easily navigate the website and understand my product?	▪ Meet regularly with sales teams to update sales tools and determine what's working or not working. ▪ Update the website with relevant product release information and SEO terms. ▪ Train sales and partners when there is new or noteworthy developments to the product or message.
▪ Who are my top three competitors? ▪ How is my product different from theirs?	▪ Identify the top three strengths of the product vs. the top three competitors. ▪ Work with product management and pre-sales to validate.
▪ Who are my top influencers (analysts, press, others)? ▪ What do they feel about my product? ▪ What can I do to change their perceptions?	▪ Be "in the market" by regularly reading analyst and other influencer insight. ▪ Maintain a list of influencers (media, analysts, bloggers, thought leaders, etc.) and subscribe to their blogs and Twitter feeds. ▪ Establish a regular cadence with your influencers. ▪ Participate in your market's community (e.g, brief analysts, blogs, tweets, etc.).
▪ What is my product's release schedule and what is in that release? ▪ How should I plan my marketing launch?	▪ Attend the regular product management or program management release meetings. ▪ Maintain a list of releases, dates, versions and features so you can speak fluidly about this to sales and others. ▪ Prepare a marketing plan for each release as appropriate.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PRAGMATIC MARKETING

Diamonds in the Rough

Recruiting for product management outside of product management

BY COLIN MILLERCHIP

FOR MANY ROLES, it's quite straightforward to test a candidate's ability. Want to hire a tester? Get them to test a piece of software. A software engineer? Get them to code something. Testing someone's suitability for product management is trickier. Get this wrong and hire the wrong person into the role—and you might just break your company

One approach is obvious: Hire someone who's already in product management. As with all hiring, it's still a bit of a lottery, but at least you have a track record to explore and maybe even evidence of their effectiveness in the role.

But I'm reminded of a brilliant essay on recruitment of product managers by Kenneth Norton. As he states: The most important thing we're looking for in a product manager is raw intellect. And if you limit your pool of candidates to existing product management, you're turning your back on all those super-smart candidates with no past product-management experience.

But of course, raw intellect still isn't enough. We do want experience, but I don't believe it needs to be product-management experience. Some time ago, one of the cofounders of Red Gate Software Ltd. penned a paragraph that captures not only the importance of experience in a product manager, but some of the key benefits that come from it:

> "Great product managers are experienced; experienced in something. It almost doesn't matter what, as long as they have maturity, good taste and sound judgment. They need to see shades of grey, be open minded, discover good answers to difficult, ill-posed questions, and not just defend their corners and win their arguments. That's something that, I think, comes with age."

So here's the rub: How do you find the candidates with the potential to become product managers, without drowning in fruitless interviews? How do you find the diamonds in the rough?

Incoming!

Let's assume that in principle you're willing to consider candidates without formal product-management experience. You put up the job ad, and even after HR's preliminary sift, a load of resumes land on your desk, each from someone with bags of potential … on paper. What next?

Traditionally, you'd also do a pretty savage paper sift, to cut down the time spent in first interviews. But we know we're looking for hen's teeth here, so while I do carry out a further paper sift, I plan to talk to quite a few candidates at this stage.

I introduced a telephone screening into our recruitment process for exactly this purpose. In 20 minutes, we rattle through a set of questions that primarily test a candidate's critical thinking skills in both the technical and commercial realms. Think Edward de Bono (the "father of lateral thinking") meets Enrico Fermi (physicist renowned for his fiendish problem-solving skills), and you're getting the idea as to the type of questions we ask.

For many candidates, you know after the first question whether it's worth asking a second. And we've now adopted this same telephone screening into the recruitment process for experienced candidates, owing to the fact that a scarily high proportion of experienced product managers blow out at this stage as well.

Inside the Garden Wall

At this point, let me say a few words about internal candidates. We've found several great product-management candidates masquerading as software engineers and marketers inside the building. But be wary of unduly lowering the bar just because someone is a known quantity. After innumerable unqualified external applicants, and with pressure building to fill the vacancy, this may become very tempting. We irrationally assume that, just because they're great at their current job, they would be great in product management as well. The siren song of "we'll make it a trial, and they can always go back to their old role if it doesn't work out" only makes the temptation stronger.

But resistance is not futile! Remember the consequences of below-par product management, and keep that bar set high. And if candidates show strong potential, but not quite enough to completely convince you, then consider an interim position, such as business analyst or product owner to test them in a role that's a step toward product management.

The Survivors

So they aced the telephone screening, now what?

You'll have the normal list of things to check, such as cultural fit, communication skills, technical chops, yada yada. And that's the problem: It's fairly easy for someone to "yada yada" about the role, even if they've never done it before. While it's valuable to check that they can talk credibly about the role, it's critical to check they can do the role. We want someone who can "walk the walk," not just "talk the talk."

Here's the approach we've taken in the past:

First face-to-face interview:

- Check on "talk the talk" across pretty much all aspects of the role.
- Check soft skills and cultural fit.
- Do a first test that they can "walk the walk" with a mini-product exercise.

Second face-to-face interview:

- Get them to prepare a presentation to show they can "walk the walk" on a bigger product exercise.

While the "talk the talk" portion is barely more than a warm-up exercise for an experienced product manager, it's a more interesting discussion with our potential diamonds in the rough. If they're serious about a career in product management, I expect them to have done sufficient background research to understand the role on paper (for example, as described in the Pragmatic Marketing Framework). They should also dig below the surface and find out some of the practical issues.

As for "walk the walk," remember how we ask a tester to test something and a software engineer to code something? We want to see them doing the job, and the same applies for product management.

We do a smaller product exercise in the first face-to-face interview, which requires no pre-interview preparation. We give them 15 minutes to prepare and 5 minutes to present back to us. In the past, we've used questions like: Should Apple launch an iPhone Nano? And how would you increase adoption of the electric car?

If they get through to the second face-to-face interview, then we give them a bigger exercise that requires some preparation time. Make sure that both sides are clear on expectations here: The candidates need to understand that we're asking them to do the research, and not just prepare a meta-level presentation on how they'd go about doing the research. And the interview panel members need to know to judge the presentation in light of the limited time available to prepare.

In terms of topics, I'd suggest you pick one in an area that you know a reasonable amount about, but that isn't at the heart of your business. This means you will have enough insight into the topic to be able to judge the credibility of the presentation, but hopefully not so much that you fall prey to the temptation to measure it against your own deep insight.

On and On

There are, of course, lots of other issues to bear in mind, which are covered in numerous other articles and blog posts. I'll pick up just a couple that I see as critical.

If you've any doubt at all, it's a no. Definitely. 100 percent. I can't tell you the number of candidates who were a really close call, but then another candidate came along who showed us what great really looks like. The role is too important for a merely good candidate.

Assuming you find your diamonds, make sure that you give them a piece of work that will truly test them out in their probation period.

And finally, if you're a candidate about to be interviewed by me, and you've found this article in your pre-interview research, well done! Now, ask yourself this: In light of the previous sentence, what do you think this means about the interview process you're about to engage in?

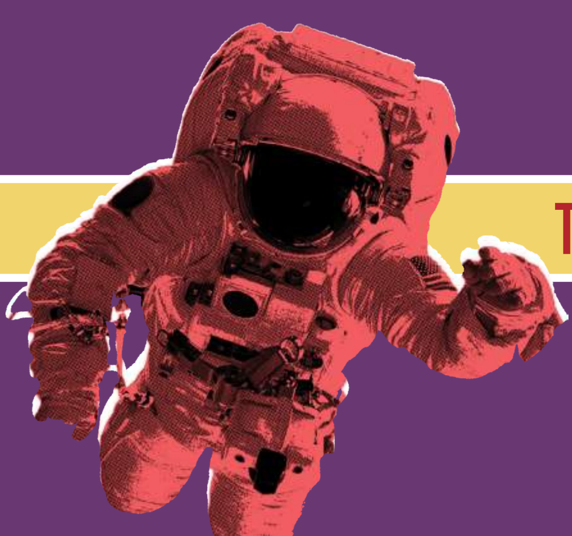
Happy hiring!

About the Author

Colin Millerchip is the head of product management at Red Gate Software Ltd. He has more than 20 years' experience working in information technology in Cambridge, United Kingdom. His product-management experience includes enterprise-level strategic software for telecommunications companies and mass-market B2B software. He is the founder of the Cambridge Product Management Network. He can be reached at colin.millerchip@red-gate.com.

A PRAGMATIC APPROACH

Put this issue’s ideas into action.



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