

Case Study

Market-Driven Focus a Driving Force Behind Kronos Workforce Management Solutions

In many businesses and manufacturing plants around the world, a time clock still hangs on the wall. Developed by Kronos Incorporated and launched in the late-1970's, those clocks represent breakthrough technology that automated the front-end process of collecting time and attendance information.

Today, after decades of ongoing innovation, Kronos has become a \$397 million workforce management company, with a suite of human resources, payroll, scheduling, and time and labor solutions that improve the performance of people and business. Kronos' customer roster includes many of the world's most recognized organizations. Every day, 20 million people use a Kronos solution. Equally impressive, Kronos boasts almost a quarter-century of consistent revenue growth and nearly 70 consecutive quarters of profitability. This sustained record of success, through good economies and bad, speaks volumes—both about corporate leadership and the company's unrelenting ability to stay ahead of market demands.

"This is a company that has been able to reinvent itself several times," says Peggy Drew, Director of Timekeeping

and Data Collection Product Management for Kronos. "We have a senior management team that is continually looking for new ways to innovate and solve important customer problems. We continue to build on more than 25 years of growth and success by creating innovative solutions to solve complex employee-related issues."

It's about time

That commitment to innovation is evidenced by the fact that Kronos invests nearly \$50 million each year on research and development—with product direction driven largely by customer feedback. Responsibility for translating those customer needs into product requirements rests with the Engineering product management team.

According to Drew, "At Kronos, we have numerous product managers across the organization. There are Product Marketing Managers, Service Planning Product Managers, and Engineering Product Managers. Marketing defines the high-level market goals, and Engineering develops the product. Our Engineering product managers work hand-in-hand with Development to execute the vision."

Today, the relationship between Kronos product managers and developers is strong and steady, based on mutual respect and credibility. That solid working partnership has been built over the last several years. The driving force was strong product management and an emphasis on helping product managers create product plans that developers readily embrace and produce solutions the market wants to buy.



Product requirements document as art form

“Writing good product requirements is truly a skill,” remarks Drew. “In fact, I’d say it’s almost an art form. If we go back a few years, there was a bit of a disconnect between our developers and product managers. We realized our Engineering product managers needed to learn and implement best practices for developing a Product Requirements Document (PRD) that our developers could understand and use. Toward that end, we began sending our product managers to the Requirements that Work™ course from Pragmatic Marketing®.”

The course helped Kronos establish clear roles for team members and adopt repeatable processes to create product plans that yield solutions that sell. The course drills into the details of articulating market requirements and helps extend Pragmatic Marketing’s market-driven methodologies throughout the entire product team.

“We wanted to give our people guidance about how to write good requirements and better manage through influence, so that those requirements were accepted by the development team. A strong set of requirements is the foundation for the functional specifications, which in turn become the foundation for the Quality Assurance test plan. The requirements also drive the Performance test plan and help our cross-functional launch team consider how to get the field up to speed on new functionality. A good requirements document is the foundation from which product success springs.”

Market-sensing makes good sense

When it comes to building a software product the market wants to buy, there’s no substitute for domain knowledge. “Actual market data is the key to a good product manager’s credibility,” Drew emphasizes. “We need to be able to speak confidently about business problems and market needs. We need to establish our folks as the customer experts. That knowledge and credibility comes from the market-sensing we do day in and day out. We have invested considerable time in ensuring that our people visit customers. And we coordinate customer advisory boards for each of our product releases. We can say with confidence that we are customer focused.”

She adds, “With this approach, our requirements are based on market facts versus opinion. With every requirement that we ship, we describe a real, live market-use case; we present a business case for why that particular requirement is necessary. As a result, we’re sure that what we’re building is ultimately what the market wants. Beyond that, we have a very strong team—one that can manage through influence, that can discuss a broad range of market needs, that can take what we have learned and extrapolate from there.”

In building the business case for its products, the Kronos team has matured into persona-based development. “When we describe the market-use cases, we talk about the targeted personas for that particular release and what business problem it solves for a particular persona,” Drew explains.

“It’s typical for us to ask, ‘What would Don Gormley think about it?’ He is our Information Systems Manager persona. Now we are not concentrating or focusing product efforts on any one customer, but rather on an amalgamation of what is necessary to address a broader business need.”

The proof is in the product

Learning about best practices for requirements definition is well and good; deploying them successfully is another thing altogether. Kronos has mastered both challenges.

“Within the latest release, we delivered a brand new scheduling product. The new solution was fully developed using this model for writing requirements,” says Drew. “And the reception from the marketplace has been extraordinary. We have heard from customers and prospects alike who said, ‘This is exactly what I need.’ That enthusiastic endorsement reinforces the effectiveness of our methodology.”

Drew concludes, “The most important takeaway from the Pragmatic Marketing courses was: The answer is not in the building. Their instructors have drilled into us that you have to keep a pulse of the market. We found synergy with the instructors because they understand our unique needs. When it comes to workforce management, people think of Kronos first. When it comes to strengthening our market-driven product development approach, we think of Pragmatic Marketing first.”

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