

The Pragmatic Marketer™

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The Product Management Triad

Top 10 Tools to Measure User Experience

The Strategic Product Manager and the CFO

Updating the Pragmatic Marketing Framework



Pragmatic Marketing® Framework
A Market-Driven Model for Managing and Marketing Technology Products

STRATEGIC

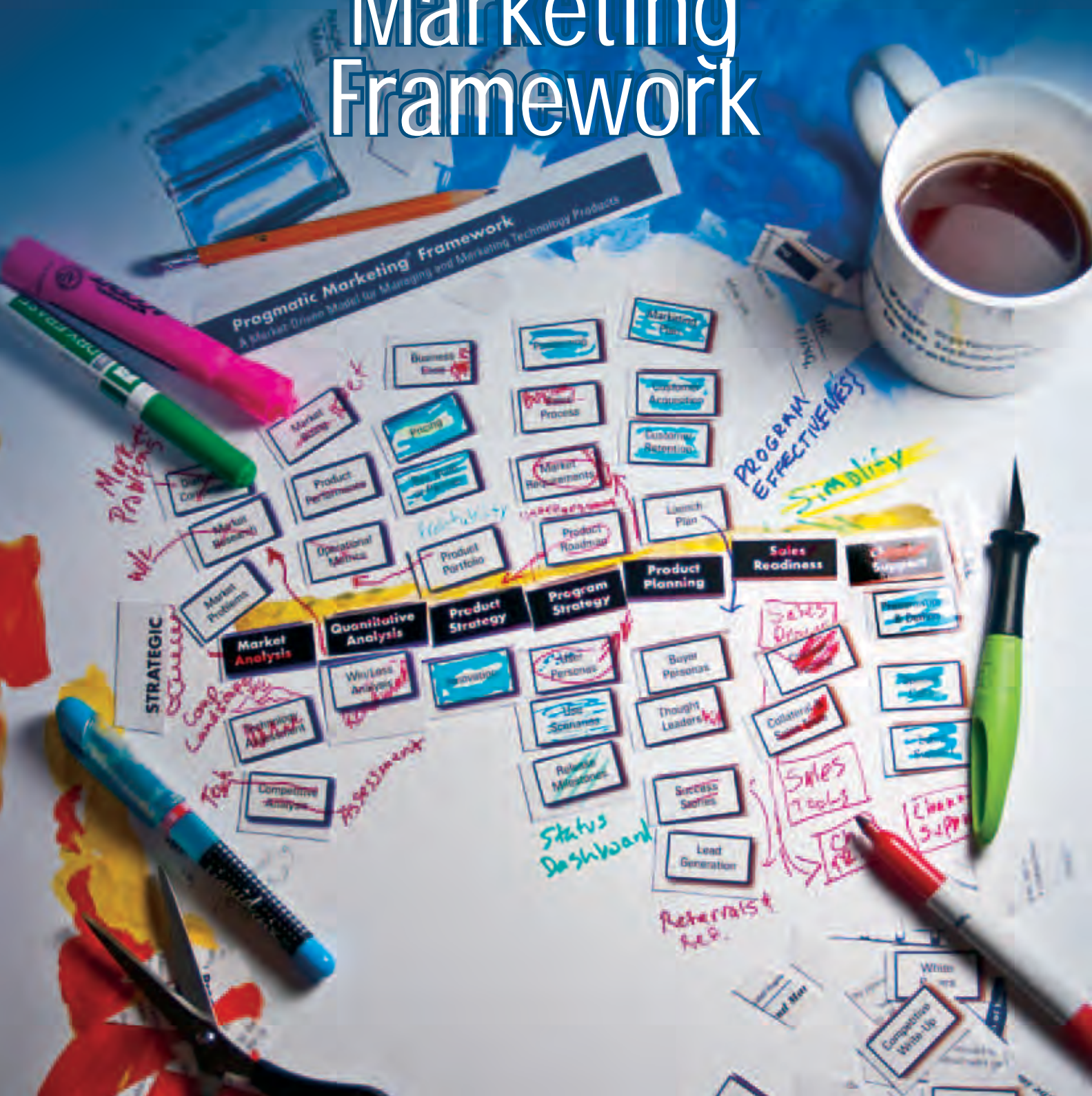
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The Industry Standard for Technology Product Management and Marketing

By Jim Foxworthy and Steve Johnson

Updating the Pragmatic Marketing Framework

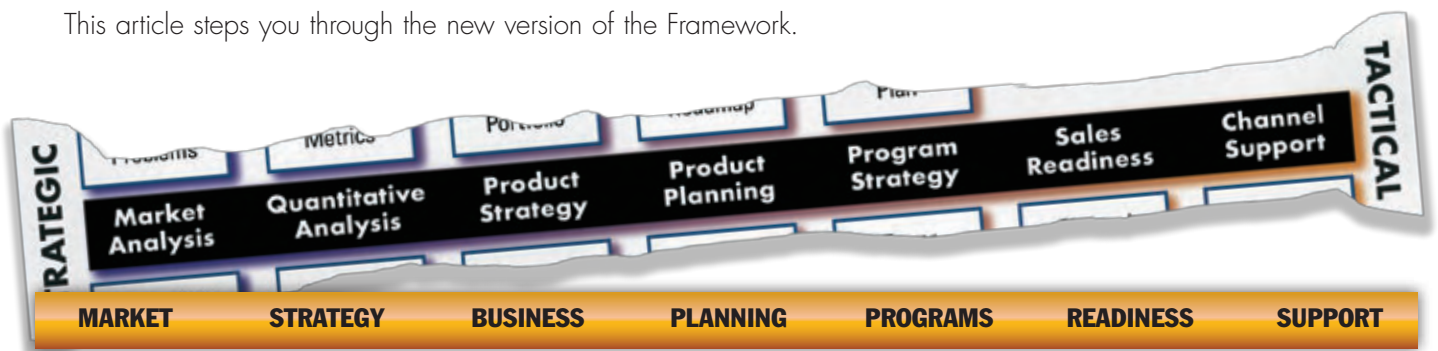


Periodically—and very carefully—we update the Pragmatic Marketing Framework™ to align with current practices for marketing technology solutions. Having trained more than 60,000 product management and marketing professionals, some of these changes are the result of our training efforts and some the evolution of the product management discipline in 21st century technology businesses. Over time some things become more important, some less.

We've seen an escalation of the importance of buyer and user personas. Social media channels like Facebook, LinkedIn and Twitter are key elements in today's marketing efforts. And e-books have become the preferred method of communicating thought leadership with a soft-sell orientation instead of traditional white papers and other "selling-oriented" materials.

So in June 2009, we revised the Pragmatic Marketing Framework—some items were moved, others renamed, a few added, or deleted—to reflect today's best practices in product management.

This article steps you through the new version of the Framework.



Improved workflow

The horizontal orientation of the Framework has not changed. The activities on the left side are still strategic; the activities on the right still tactical. It's been that way for more than 15 years.

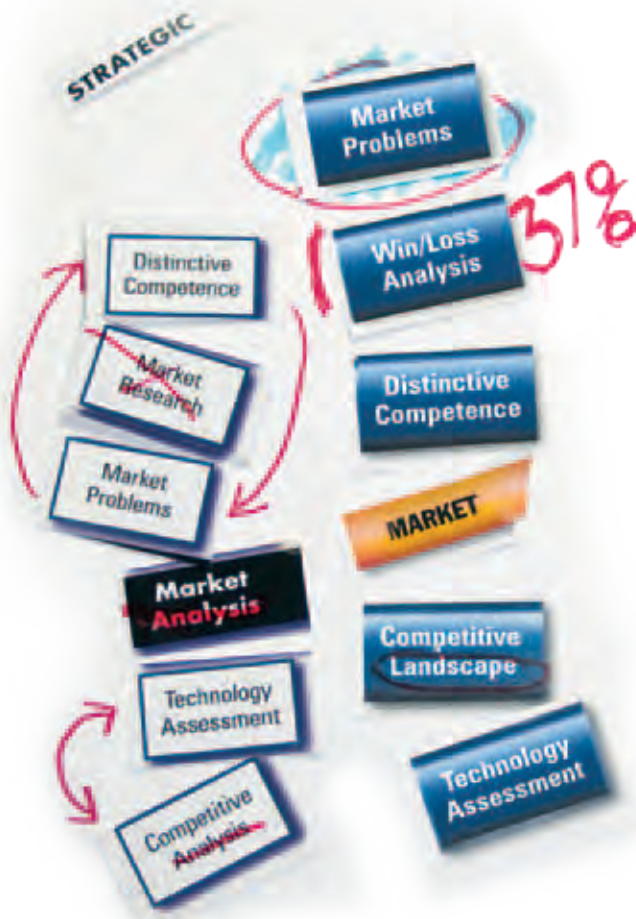
We've streamlined the categories of activities (columns) to better flow from strategic to tactical.

They now reflect the way many implement the Framework, from market to strategy to business and planning, to market programs and readiness, to on-going support. These sets of activities are now labeled **Market, Strategy, Business, Planning, Programs, Readiness** and **Support**.

Think about that logical structure for a minute. You spend time in the **Market** trying to uncover unsolved market problems, right? You try to determine whether or not the problems you've discovered are pervasive and urgent, and if people are willing to pay to solve them. And then you bring that inside the organization and start a comparison to your existing **Strategy**. Is this a fit with our strategic initiatives? With our portfolio of products? Is this a business we want to pursue at our company?

Once you get past that test, **Business** analysis begins. Is this a good investment for us? Do all the financial numbers associated with the investment work? Once you've cleared that hurdle, it's time to begin the process of **Planning** the actual solution you're going to create. From there it's all about go-to-market, so we plan out our **Programs, Readiness**, and on-going **Support**.

Let's cover the Framework changes, one column at a time.



Market column

In the **Market** column we've always had an activity called **Market Problems**, and as you know if you've been to our seminars, that particular activity is the absolute preeminent starting place. So we've moved it to the cornerstone of the entire Framework. We combined **Market Research** with Market Problems since after all, that's the reason you do market research: to discover market problems. Next to **Market Problems** is **Win/Loss Analysis**; a form of discovery research, specifically focused on those who have recently evaluated your products. This activity is becoming more and more important, and Pragmatic Marketing's 2008 Annual Product Management and Marketing Survey shows 37% of product managers are actively performing win/loss analysis. This has increased significantly from 17% in 2000 when we began surveying product managers. And remember that when you do win/loss analysis, you learn at least as much about the buying process as you learn about the product people were trying to buy.

Strategy column

Market Sizing was renamed **Market Definition**. Defining the market is much more than just counting the number of opportunities in a segment; it's about understanding all the different details about that segment and why you should pursue it.

Distribution Strategy is a new activity in the **Strategy** column. It's just as important to understand how you're going to market and deliver to the people who are planning to buy it, as it is to think about the product itself and whether or not it's a good investment for you. The buyer may want to be sold differently and receive solutions differently. Where once technology companies determined distribution based on their existing channels, it's now more important to understand how the buyer wants to receive solutions. More and more, product management is determining pricing and packaging, on-premise versus hosted, direct sales versus multi-tier versus web-based sales. How technology solutions are distributed is a part of the strategy, not an afterthought or driven by history and habit.

We moved **Product Portfolio** and **Product Roadmap** to this new **Strategy** column. This is where you compare your new product idea to your existing portfolio and current roadmap to evaluate whether or not this idea, in isolation, fits with the overarching goals of what you're doing as an organization.





Business column

Once you pass the hurdles of your product strategy, it's time to run the numbers. In the **Business** column, **Business Case** is now called **Business Plan**. It's a small change, but **Business Case** is just an artifact; planning is much more than that. Business planning includes at least two artifacts and a number of inputs. We have always covered these topics: now the activity is more aptly named.

Pricing, Innovation, and Buy, Build or Partner are still part of the **Business** column.

We've always encouraged you to look at **Product Performance** and **Operational Metrics** and the reason, of course, is so you can create a profitable product. We've combined these into a single activity, **Product Profitability**, in the **Business** column. **Product Profitability** is the ultimate measure of a good business. Development is accountable for functionality and schedules; Sales is accountable for revenue. Product management should obsess about creating profitable products. It's vitally important that marketing managers understand their role in a "soft sense," as the president of the product. If you're the president of the product, the one thing you should be held accountable for is product profitability.

Planning column

Positioning and **Use Scenarios** are still part of the **Planning** column—that hasn't changed.

There's a new addition to the Framework—the **Buying Process**.

Many marketing managers worry about the sales process and the associated sales tools, yet our research reveals many sales processes are out of alignment with the buying process. Let's change that now! Product managers and product marketing managers should understand the way buyers buy and create tools to instrument the selling process accordingly.

What matters is not how you want to sell but how they want to buy. And if you understand how they want to buy, the steps they go through, then you should mirror that with how you sell.

For most vendors, buyers don't use and users don't buy. Buyer and user personas have been cornerstones of our seminars and webinars since 2000 and continue to be important for technology companies. A deep understanding of both **Buyer Personas** and **User Personas** help companies build products buyers want to buy and users want to use. Buyer personas focus your marketing efforts because a product won't succeed if you can't get people to buy it. Not only do you need to understand how they buy, you need to understand who the buyers are and why they buy. Equally important are user personas. Selling your product doesn't matter if people won't use it—and recommend it to their colleagues. User personas are critical to the development process of your product because they reveal how users differ from buyers—and also how they differ from your developers, your sales people, and your own executives.

Lastly, in this column, **Release Milestones** was renamed **Status Dashboard**. **Release Milestones** was focused on the key development tasks to deliver products to distribution; **Status Dashboard** is something more. A status dashboard communicates overall organizational readiness. Not only is the code or device ready, but the organization is ready to deliver it to customers.

As the "single throat to choke" on product status, we encourage product management to maintain the dashboard for their products, whether on the intranet, a wiki or a periodic e-mail, showing the KPIs (Key Performance Indicators) and current project status.



Programs column

There are only three changes to this column.

We added an activity called **Program Effectiveness**. You've probably heard people say "you can't manage what you can't measure." Should you continue going to the big trade shows and conferences? Or should you start doing more webinars, podcasts and social media programs? Should you do both?

Program Effectiveness answers that. Once you begin measuring, it's easy to see what programs make sense and which should be discontinued.

If you've attended our *Effective Product Marketing™* seminar, you may recall the story about a young marketing professional who got promoted, ran into his senior executive in the hallway and got the

following advice. "Don't focus

on your efforts; focus on your results." Meaning that it really isn't important how many leads came from a particular marketing program, what matters in the end is how many leads produced how many dollars of revenue.

Thought Leaders was renamed **Thought Leadership**. It seems like a small change in words, but it reveals that you're no longer just working with thought leaders; many of you now *are* the thought leaders. You're providing thought leadership directly to your markets with blogging and other social media like LinkedIn, Facebook and Twitter. With today's new rules of marketing, marketers don't have to rely on the media and industry analysts to be the thought leaders to tell their story; marketers can now tell their own stories directly to buyers.

The last activity in the **Programs** column is **Referrals & References**. It replaces **Success Stories** as a broader definition of how to leverage customers in your selling process, helping prospects evaluate your solution with people who already have experience with your organization.



Readiness column

We moved **Sales Process** from the **Product Planning** column to the **Readiness** column. The sales process should mirror the buying process. **Collateral**, such as white papers and e-books, are external documents that your sales teams provide to the buyer persona; **Sales Tools**, such as competitive write-ups and ROI calculators, are internal documents your channel uses to be more effective in selling.

Support column

The **Support** column remains the same with the exception of renaming **Answer Desk** to the broader **Channel Support**. →



So there it is: the Pragmatic Marketing Framework, updated for 2010 and beyond, based on enhancements that came from the market (you). We've tested this revision with current and potential customers, and received great responses. We know you'll find it aligns with the reality of product management in your organization.

If you're new to us, come to one of our seminars to learn how you can use the Pragmatic Marketing Framework as a systematic approach to define and deliver products to market. To create products that people want to buy.

If it's been a few years since you attended a Pragmatic Marketing seminar, come back for a refresher (New slides, new tools, new stories!).

TPM



Want an updated copy of the Framework? Go to PragmaticMarketing.com to see the new Framework with definitions for all the activities. Download a copy to use in your internal presentations. Buy the poster to hang on your cubicle wall.



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Job Interview? Use the Pragmatic Marketing Framework!

Here's a great tip: when you're part of a product management job interview, take along your Pragmatic Marketing Framework. Whether you are a hiring manager or job candidate, referring to the Framework during the interview process can be a highly effective way to structure the conversation.

Hiring Managers. One approach to an effective interview is to refer to the Pragmatic Marketing Framework and use it to explain the open position.

Perhaps you used the activities in the Framework to divide work amongst multiple job titles. Using the Framework in an interview, you can identify the activities this candidate will perform, along with any hand-offs to other team members.

Or perhaps the ideal candidate needs to handle all 37 activities on the Framework. In that case, use the Framework to have the candidate talk about the various activities and identify their strengths and weaknesses.

Candidates. It is always a great idea to have the Pragmatic Marketing Framework with you when you interview for a new position. Convey to a hiring manager that you use a structured process for your work, to show both competence and confidence. If they know the framework, you'll build instant rapport; if they've never seen the framework, then you look even smarter.

The laminated version of the Framework is also an excellent tool to illustrate your view of a particular role in a company. For example, if you are interviewing for a position that will require you to be the "messenger of the market," the Pragmatic Marketing Framework can be used to talk about how you would fulfill that responsibility. Perhaps you'd point at Market Problems or Win/Loss Analysis and illustrate with a prior set of job experiences how you used data from market interviews to drive product direction.

Summary: Don't be afraid to use the Pragmatic Marketing Framework during the interview. If the person across the table is also familiar with the model, you immediately have context for the balance of the interview. Maybe they will pull out their copy, and it will work like a secret handshake!

Seminars

NEW Seminar!

Living in an Agile World™

Strategies for product management when Development goes agile.

Practical Product Management®

Principles of the *Pragmatic Marketing Framework*, the industry standard for managing and marketing technology products.

Pragmatic Roadmapping™

Techniques to plan, consolidate and communicate product strategy to multiple audiences.

Requirements That Work™

Methods for creating straightforward product plans that product managers can write and developers embrace.

Effective Product Marketing™

Repeatable, go-to-market process to design, execute, and measure high-impact marketing programs.

New Rules of Marketing™

Reach buyers directly, with information they want to read and search engines reward with high rankings.

NEW Seminar!

Product Launch Essentials™

Assess organizational readiness and define team responsibilities for a successful product launch.

Executive Briefings

Designed specifically for senior management, *Executive Briefings* discuss how to organize Product Management and Marketing departments for optimal effectiveness and accountability.



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

Pragmatic Marketing's seminars have been attended by more than 60,000 product management and marketing professionals.

