TRANSFORMATION

HOW TO ACHIEVE PRODUCT SUCCESS

BEING SYSTEMATIC ABOUT DISCOVERING, DEVELOPING, AND DELIVERING PRODUCTS

Product Growth Leaders

HOW TO ACHIEVE PRODUCT SUCCESS

So you've got an idea for a company or a product.

What does it mean to be market-driven? Do we need to be a product-led organization? How can we find success for our product?

Here are the three questions that keep leadership awake at night:

1. How do we sell more of what we've built?

2. Can we build what we've planned?

3. Have we planned the right products?

While many see these as three separate questions answered by three different departments (that is, the sales, development, and strategy teams), these are actually connected. If you plan the right products and build what you've planned, you'll sell more of what you've built.

Your ideal scenario is to build products that people want to buy so salespeople can sell what people want to buy.

So how do you create a modern, scalable product business? Companies that achieve product success embrace a deep

understanding of markets and problems, supported by a repeatable process.

FAILURE SCENARIOS

Here's what we want to avoid.

Quibi was a service that offered 10-minute 'quick bites' of video. In 2018, Quibi raised $1 billion in funding. In 2020, shut down after only 6 months of operation.

Jeffrey Katzenberg, head of Quibi, said, "I am humbled by its failure. It clearly did not have a product–market fit."

Inc Magazine declared, "[Quibi] tried to meet a need that simply doesn't exist."

Failing products tend to focus either on what's possible with technology or what is requested by a single customer.

One danger sign is when every customer needs custom work. They like the idea of the product but have many demands that the product doesn't meet. That's why salespeople are forced to sell the futures or the roadmap. Because you haven't solved 100% of anyone's problems.

This type of custom work destroys many companies. Custom work makes it harder to scale. And it impedes your market valuation. SaaS companies typically see valuations of 20 to 100x revenues. Custom shops are lucky to get .8 to 1.0x earnings.

It's better to deliver 100% of something than 60% of everything.

Successful products (and successful companies) solve problems for a market full of buyers. Our goal is to turn good ideas into successful products systematically.

MUTEME: A SIMPLE SUCCESS

"Dude! You're on mute!!"

How many times has this happened in one of your video calls? Or more accurately, when has it NOT happened? It's a problem we've all encountered. And it's a tricky problem. What is muted? It is the software? Your system? Your headset? Forgetting to un-mute is not a major problem, of course; it's an irritation. But it is a widespread problem.

With a simple solution.

MuteMe is a simple USB device that glows red when you're muted. Tap it to mute or unmute. Brilliant. The product team for MuteMe found a common problem and solved it. MuteMe is about $50 and they're having trouble keeping up with demand. (I love mine, and now I just laugh and laugh every time someone on a video call talks while on mute).

DEEP UNDERSTANDING OF MARKETS

How do most companies evolve? The founders find a problem they have and solve it. They create a product they need in their day job. They convince their families they can do this full time and they start a company. Because the founder solved a real problem, the product probably appeals to others with the same situation and the orders come rolling in! That's a great place to be.

Until they encounter the market of 1. At some point, many new companies start listening to individual customers. A client wants the product but with just a few changes. Then another client wants different changes. And before you know it, there are many custom versions of the product. It's not a product anymore; it's a "toolkit" or a "platform." Which is usually code for "we have no idea who needs this."

An all-too-common challenge for many companies is they identify some new technology (IoT and blockchain, for example) and start building a product. But for whom? To address what problem?

Remember: Customer problem first, technology second.

DEFINE THE PERSONAS FIRST

Who do you want to help? And if you don't know who you want to help, you're not ready to begin developing a solution. Unless you're building a product for your own executives and employees, you need to define personas for your product.

As an industry, we must stop referring to generic "customers" and "buyers" and "users," and start defining personas—the archetypes of the people we want to help. The school administrators, teachers, parents, and students for educational software. The marketing specialist and content creators for website tools.

Focus on the problems, not the technology

Personas have problems. And that's the basis for your product. Remember MuteMe? People who are frequently on video calls all share the problem. MuteMe solved it with a clever USB device.

Align the company around the ideal customer

Every employee in your company should understand the ideal customer, the product personas. They should always be asking, "How will this help our customers?"

A REPEATABLE PRODUCT PROCESS

The Quartz Open Framework defines a product planning process from idea to market.

1. DISCOVER important problems to solve.

2. Gain COMMITMENT from leadership with business deliverables.

3. DESCRIBE those problems as well as the personas who have them.

4. Work with development and design to CREATE innovative solutions.

5. Work with sales and marketing to DELIVER to the market.

6. Then CONNECT with the market using programs that drive growth in adoption and revenue.

7. And LEARN continually.

Learning is at the core of any market-oriented process. Validate your product idea at every step. Don't wait for the product to be "done." You've got an idea for a product? Great! Now experiment. Validate. Call on some folks who would use a product like your proposed idea. Create a brochure, a presentation, or prototype demo as if the product already exists.

HOW DO YOU ACHIEVE PRODUCT SUCCESS?

Focus on personas and their problems. Empower your product teams to focus on the needs of many, not the few. Learn to prioritize everything in the context of value to the customer and value to your organization. Learn and validate and test continually.

You need product management...

- When you don't trust the market information that is driving decisions
- When you don't know the status of a release
- When decisions are not written down

- When what little is written is out of date
- When your products are not successful, and no one knows why
- When your products are successful, and no one knows why

When you want product decisions to be...

Market-focused—built for all customers, not an individual customer

Validated—by leveraging in-person market insights supported by data

Transparent—providing visibility with standard roadmaps, plans, and schedules

Consistent—using the same tools and templates across products

Systematic—created and delivered using repeatable processes

That's the role of product management

Successful product managers aren't technical and tactical. They're not writing requirements and opening tickets.

Successful product managers are business people. They're systematic about discovering, developing, and delivering products. It's what the big kids do.

RESOURCES

Here are a few resources you might enjoy:

Persona Template	Download the persona template so you can start creating product archetypes today.
Repeatable Product Process	**Quartz Open Framework** is the only open-source product management framework for technology teams.
Turn Ideas Into Products	A Playbook for Defining and Delivering Technology Products by Steve Johnson, founder of Product Growth Leaders.

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ABOUT PRODUCT GROWTH LEADERS

O ur belief in the importance of application in learning is so strong that we incorporate these concepts in all of our professional development programs. Each program combines lessons with coaching, theory supported by application.

Guided by Steve Johnson, an industry pioneer with decades of experience training and coaching product professionals, our courseware addresses the most common areas of chaos and confusion in product management including product strategy, business planning, and prioritization as well as standardizing roles and processes.

Using the modern **Quartz Open Framework**™, participants learn how all the parts fit together into a coherent whole.

Product Growth Leaders guides emerging product leaders with **coursework** on strategic product management, a networking **community** of product professionals, and **research** on best practices in product management and marketing for technology-based organizations.

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