

Four Critical Success Factors for Your Products

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Just build a great product and you'll take the market by storm, right? That's the myth perpetuated in Silicon Valley, and it's a difficult lesson that many entrepreneurs and even seasoned companies end up learning the hard way. Sure, some products seem to have everything magically fall into place and succeed. But the majority of successful products have good planning and execution **combined** with a great product.

In this article I'll discuss four of the critical success factors to consider for your products. These factors are based on the observations I've made during my twenty year career in Product Management and Product Marketing and working with dozens of companies in my consulting practice. I've also written about them in-depth in my new book, Expert Product Management.

The first factor for success is building a well-thought out, prioritized product roadmap. Product roadmaps often can mean the difference between success and failure when delivering and marketing products. Done correctly they can guide the engineering and strategic planning efforts of a company. They can help your company and partners plan and execute more effectively to maximize your marketing efforts and revenues. They can help win and keep large customers and partners. They can communicate to press and analysts your vision and where you are headed, giving you added credibility. And they can be a very effective tool for helping to raise your next round of funding.

A product roadmap communicates what the priorities are for the product. This includes what features are being developed, when the different releases will be delivered and what the long-term vision is. Without having a prioritized roadmap in place even if you do have a successful release of a product you risk losing focus and delivering the wrong features in the next version.

You would be amazed at how many companies we talk to that have no roadmaps in place and no process for gathering and prioritizing product requirements. As a result most Product Roadmaps are created "On-the-fly" and under pressure when sales or the company management makes a last-minute request. Because they aren't well thought out they don't have the impact they should. And they can be a source of much trouble if you aren't careful because people will view them as being a firm commitment about your plans. The bottom line is that if you learn how to gather requirements, prioritize them and create roadmaps you have a much higher likelihood of success. Note: there is a free feature prioritization matrix on www.280group.com in the resources section that can help you with this.

The second factor is planning and executing successful beta programs to ensure that real-world customers adequately test your products prior to their release. This ensures that you can be confident the product will deliver a good customer experience when it becomes available. If you don't run a thorough beta program you run the risk of your product having serious problems. If you release a poor-quality product customers may never forgive you, and you may not be able to recover from it.

Beta programs also give you the crucial customer testimonials and references to add credibility when you release the product. By having multiple customers who are willing to endorse your product at launch you dramatically increase your chances of success and of getting press coverage.

Most beta programs fail because companies drastically underestimate the amount of time and resources they take. A good beta program needs to run for several weeks, allowing customers enough time to install and use the product, provide feedback, upgrade to new versions with bug fixes and use the final candidate software for a few days to ensure no other problems are found. Additionally, a thorough beta program requires a dedicated person working on it at least half time for several months to create the plan and execute it. Setting goals, locating the right participants for the program, distributing the beta product, gathering ongoing feedback, solving problems that arise and communicating with the beta customers is a very significant amount of work. If you don't have the

resources to dedicate to it hire a contractor – that way you won't get to the end of the beta program and wonder whether or not the product is really ready to ship.

The third factor for success is planning and running a successful product launch. This process needs to begin three to four months prior to the availability of the product. You'll need that much time to write the launch plan, determine the budget, get the positioning and pricing finalized, decide on all of the activities and create all of the deliverables (press kit, white papers, testimonials, brochures, marketing materials, marketing & partner programs, etc.). In order to get effective press coverage that runs concurrent with product availability you need to go on a press tour two and half to three months prior to the product shipping (to give the long lead time publications such as magazines time to plan for coverage. And to run any kind of marketing programs you'll need several weeks to pull together the details and execute them.

Many companies are so focused on getting the product ready to "ship" that they put off planning for the launch and doing the work until it is too late. We constantly get calls from clients that tell us they have already shipped or are shipping a fantastic new product in a few weeks but don't have the launch activities in progress. The result is that the product becomes available but it doesn't sell nearly as well as it could have and the company doesn't meet its revenue projections.

Along with a lack of planning and execution many companies, particularly startups, are unrealistic about what kind of budget it takes to create significant awareness and demand for their products. For example, one client of ours hired us to run a product launch for them. They had spent approximately a million and a half dollars developing their product, and were forecasting ten million dollars in revenues the first year. When we asked them what they had budgeted for the launch and marketing they indicated wanted to spend about twenty five thousand dollars. We had to break the news to them that with this budget they were not likely to generate anywhere near that much revenue. Occasionally there is a product that is so amazing that a company is able to get away with doing little or no marketing. But for the other 99.9% of the products you need to be real about what you need to spend. After all, if you have risked a million and a half dollars building the product it doesn't make much sense to try to launch it on a shoestring.

One way to do a reality check on your launch budget is to use a Return on Investment (ROI) calculator (there is a free one at www.280group.com in the resources section). The ROI calculator lets you enter in the cost for each marketing program you are going to do and then lets you set the assumptions about how many leads it will generate, how many of those will become prospects and then how many you will close the sale for. From there you can use the profit per sale to get an idea of the ROI for each program and how you want to allocate your budget.

The fourth and final success factor that I'll discuss in this article is planning and executing an effective product review program. Getting great reviews for your product can be the difference between selling a million units and only selling a few. That's because reviews carry far more weight and credibility than any of the marketing materials your company creates. They are an unbiased (most of the time) reference point that potential customers will rely on to make critical decisions. Other than positive word of mouth through acquaintances very few other factors are as important as getting positive reviews for your products.

On the flip side, if you receive a terrible product review it may stall or entirely kill products sales. One or two bad reviews and your competitors may steal the whole market from you. And because it is almost impossible to get a publication to reverse their opinion after a bad review is published (or to alert readers to the fact that they have done so), you have to live with the results for a long time.

Companies tend to end up with bad reviews (or no reviews) because putting together a dedicated program for getting excellent reviews is either an afterthought or because they assign it to a junior person or someone who doesn't have the time to manage it. The result is that when bad review appears the company panics and then tries to manage the crisis.

It's easy to stack the deck towards your product getting great reviews if you plan ahead and spend the time and effort to do it right. Provide the reviewer with everything they need (a reviewer's guide, white papers on the technology, a foolproof demo, FAQs, screen shots, photos, customer references, etc.). Make it as easy as possible for them to have a great experience. Build a relationship with them and be ultra-responsive if they have questions or issues. If you do they just may cut you some slack if they have a problem and not include it in the final article.

That sums up the four critical factors for making your products more successful. If you'd like to learn more about any of these four factors visit www.280group.com to access free white papers, templates, training materials and toolkits. Or you can purchase a copy of Expert Product Management on Amazon.com.

About the author...

Brian Lawley is the President and Founder of the 280 Group, a Product Management services firm that provides consulting, contractors, training and templates. He is also President of the Silicon Valley Product Management Association. In his twenty year career he has defined, launched and marketed over fifty successful products for companies such as Apple, Symantec, Adobe, Nokia, SAP, Palm and dozens of startups.

Mr. Lawley is the Author of the Book "Expert Product Management: Advanced Techniques, Tips & Strategies for Product Management & Product Marketing." He was nominated for the Product Management Excellence Award for Thought Leadership by the Association of International Product Marketing & Management. He is also the editor of the Product Management 2.0 newsletter and blog and writes articles for a variety of other publications.