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Launching

Hit the ground running and what not to do
Training

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Welcome
Leading the way for product managers/marketers

We believe the product management community is not well served. It’s easy to find blogs and articles online but they are uncurated and of uncertain quality. We believe product management as a profession needs more recognition and deserves its own journal.

People tend to drift into product management from other parts of the business and often don’t have a clear idea of the full scope of the role. Even if you’ve been in product management for some time, it’s unlikely that you’ve seen it at work in more than a handful of companies, so it’s difficult to get a good view on best practice. Product Management Journal is the reference for busy product managers and product marketers. Something that you can dip into, read up on and pull out useful tips and insights. Each volume has a theme and we hope that you will hang on to back copies for the time when you need them.

Who’s who?
The Product Management Journal is published by Product Focus as an independent publication for product managers with technology-based products. Product Focus was founded and is run by Ian Lunn (top) and Andrew Dickenson (below).

The founders continue to deliver many of Product Focus’s training courses and workshops.

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Battles tend to be lost not because of one major failure, but thanks to a series of small setbacks. Much the same is true of product launches, which demand the alignment of many internal departments, key suppliers and target customers. Each link has to be engaged, primed to understand their role and interested in the success of the launch. They must each have some ‘skin’ in the game. A successful launch has to be a planned project with committed resources and dedicated effort.

A good product development methodology, launch process and project manager provide the foundations for a successful launch. However, in any project, the chain of interlocking activities is only as good as its weakest link. Critical Path Analysis (CPA, see Fig. 1), either formally or on the back of an envelope, can help you identify the likely bottlenecks so you know where to focus your efforts.

On pages 8–9 you’ll find the Product Focus Checklist with a list of questions to consider when you are launching a product. This tool will help you to spot the things you may have missed in your normal go-to-market process. Not every point will be applicable to every launch, so you will need to decide what is appropriate to your product, organisation and market. In addition, the following points highlight the critical success factors that in our experience you should be considering for a successful launch.

**Critical Path Analysis**

For anyone new to Critical Path Analysis, CPA assumes that one event or action along a timeline may depend on others. Tasks can either be started while others are in operation (in parallel), or are sequential, and are waiting for something else to be completed. CPA will help you to identify the bottlenecks.

In the simple example above, producing the photograph can be done in parallel with agreeing the PR campaign and writing the press release; however sending out the press release with a photo is dependent upon both. The critical path is determined by whether route 3–4, 4–6 and 6–7 is shorter or longer in time than path 3–5 and 5–7.

There are many project planning tools that can help you or your project manager to do CPA, although often it can be enough to work out the key dependencies on the back of an envelope!
1. Take the lead

As product manager one of your key roles is to ‘champion’ your product. This means encouraging colleagues to buy in to the product and its potential. Selling internally is as important as the message you convey to potential customers in the run-up to launch. You have to take ownership, you have to build confidence, and you have to over-communicate if you want to maintain momentum. If you care, so will others.

A successful launch commands resources from all corners of your company and beyond, and an ability to convey the value and potential impact of your product is a key skill. You have to lead the effort to build a broad base of support, searching for advocates and lead customers to fuel the momentum that will take a product to launch and beyond. That way you get the word out faster, build your customer base more quickly and generate revenue more rapidly.

Case Study Vodafone’s global launch of 3G

In February 2004 Vodafone had positioned itself as the global leader in mobile data; a position that it wanted to maintain. The big eagerly-awaited development was the launch of 3G, which would deliver faster data speeds to dramatically improve the experience of using email and Internet on the move.

The product manager responsible for the 3G Mobile Connect Card at Vodafone Group said: “Being first to market was really important to us. We didn’t know when the competition was going to launch, so we had to take a view on how soon we went to market versus how ready we were. The trick was to decide when the quality of service and coverage across 5 European markets was sufficient for us to credibly say we’ve ‘Globally’ launched the product.

“The whole project was intense and the last few weeks were manic. But, it was worth it. We were first and enjoyed 2 month’s market advantage – job done! It wasn’t all plain sailing though. We couldn’t involve too many external parties in case our plans leaked out, and we were really concerned about properly testing the service. One thing that worked really well for us was trialling within the business, i.e. eating our own dogfood. The positive internal response from users gave us high confidence that the product would be the success it was.”

2. Create a team

You can’t do everything yourself. Establishing a core team, while engaging a wider net of supporters, is the platform for a successful launch. Get enough resources as early as possible, and get the right resources. And, if at all possible, get a project manager. However, a common problem in product launches is to either forget a crucial area in the wider team or engage with them too late. As product manager you are responsible for the ultimate success of the product. Make sure you understand your company’s official process for launching and engaging all areas of your business. Get buy-in from each area early on and understand when and how
The Checklist

Engaging your colleagues
Within your own company there are key colleagues and departments to prime for your launch:
- Frontline staff from customer support who can act as an early warning system if things start going wrong.
- Sales channel teams: brief them early and engage them to hone the proposition messages and ensure support.
- Senior internal executives must become your strongest evangelists, giving you the profile you need to secure resources, engage channels, clear bottlenecks, and meet key prospects.

They want to be included. See Fig. 2 for the typical product manager touch points. It’s a good idea to talk to other people who have recently launched a product to find out which areas they had challenges with.

Communication during a launch phase is sensitive. There’ll be restrictions to limit leakages outside your company but, if you don’t discuss your product, you may miss opportunities and ideas. It is better to talk to other teams than to keep it all under your hat, better to be open to help and suggestions, and to integrate partners into the planning to gain their commitment to the launch.

3. Hone the proposition
New products are proposed for development because their advocates believe they will be attractive to a certain group of customers. This may have been months or even years ago, and over time things change. As you near launch, ensuring the proposition and positioning is still valid is increasingly important. If the proposition and market opportunity isn’t clear, it may be better to ‘pull the project’ rather than waste company time and money. Though significant changes may delay the launch, in the early stages there’s still scope to change product attributes and hone the proposition. It’s better to be at the start of a road going in the right direction than at the end of a road that will never take you to where you want to go.

A strong proposition demands a good understanding of the ‘pain’ that potential customers are trying to resolve or the aspirations they are hoping to achieve – explaining the benefits of your product and not just the features. Strong positioning...
explanies what makes your product a better solution compared to others and how it fits into the market.

What makes this stage so important is that the key messages that you develop while honing your proposition and positioning will form the foundation upon which all your product communication is based, whether that’s PR, sales collateral or channel training.

4. Manage your sponsor

You need a high-level sponsor to help you steer the launch and clear roadblocks. Keep your sponsor up-to-date and on-side. Find opportunities to communicate good news, and always have a set of proposition slides to hand so that you can explain the product and launch status if you happen to bump into them.

Make sure, though, that you set expectations carefully with a sponsor to maintain credibility and to allow them to manage other stakeholders effectively. Regular meetings to update them on the correct status and help make key decisions should not be forgotten.

5. Manage your project

There’s no chance of a successful product launch if you don’t have clear objectives and a good understanding of the key dimensions of your project (see Fig. 3). Your project plans are a demonstration of this, and they must be clearly understood and supported by all the launch stakeholders, otherwise there is a real risk that you will lose control of the project.

By clearly setting your launch aims, you also establish parameters by which you can judge its success. Given identical resources and time, the financial rewards from a great launch compared to a mediocre one can be staggering. Companies often congratulate themselves for a product launch that actually produced only reasonable returns, often because they didn’t

(Cont. on p.10)
### The Product Focus Checklist: No.1 Launching

#### THE PRODUCT

**Product proposition**
- Is the overall proposition clear?
- Is the positioning clear against existing solutions, the competition and the company’s current portfolio?
- Has the target customer profile been identified?
- Is there an internal presentation to describe the proposition?
- Has the product name been finalised and approved?
- Has the proposition and its key messages been validated with target prospects, the channels and/or industry analysts?

**Product development**
- Are the trials complete?
- Are you confident that you are ready to launch based on the trial results?
- Are any new processes ready and in place?
- Is the new product embedded into any existing processes?
- Are packaging, documentation, user guides, etc. complete?

**Development process**
- Have you completed all the relevant parts of your company’s development process (e.g. passed the appropriate stage gate and gained all stakeholder approvals)?

**Customer experience**
- Have all customer touch points been covered?
- Can customers find out about the product?
- Can customers buy the product?
- Can customers install the product?
- Can customers get support if they need it?
- Can customers cancel the product?
- Can customers pay for the product?

**Legal and commercial**
- Do standard customer contracts need updating?
- Are there any commercial or legal risks that need sign-off?
- Are the appropriate legal and commercial agreements in place with suppliers and partners?

#### CHANNELS TO MARKET

**Channel strategy**
- Has a sales channel strategy been agreed?
- Are there preferred channels and will the product rollout be staggered across the channels?

**Channel plans**
- Are there changes to any of the channel processes?
- Has an agreement been signed with each external channel?
- Are there joint marketing agreements?
- Will there be any jointly produced collateral?
- Are there channel training plans?
- What will be communicated to the channels and when?
- Is there material and collateral to support channels, e.g. brochures, sales guides, FAQs, Request for Proposal boilerplate?

**Stock in the channel**
- Is there sufficient stock available in the different channels?
- Are the appropriate stock monitoring and replenishment mechanisms in place?

#### PLANS

**Launch planning**
- Has a launch date been set?
- Has a communication strategy for the launch been agreed?
- Has a budgeted launch plan been developed and agreed?

**Post-launch planning**
- Is there a post-launch evaluation planned?
- Is there budget and resource to effectively address post-launch issues?
- Will there be an analysis of any launch event where objectives can be reviewed and success measured?
- Is there a plan to handle customers who have finished trialling?
- Are there on-going marketing plans in place?
- Are there ongoing sales targets in place?
- Is there an ongoing roadmap of developments planned for the product?
- Is there a process to gather feedback from customers and from the channels?
The Product Focus Checklist: No.1 Launching

PROMOTION

Lead generation
- Is there a promotional strategy for lead customers, existing customers and new prospects?
- Is there an opportunity to seed with lead customers?
- Is there a specific event, such as a trade show, user group or sales team meeting to launch and generate leads?

Collateral
- Is there a plan to produce soft copy and printed collateral?
- Is there collateral aimed at different customer audiences, e.g. executive level, technical buyer, commercial buyer?
- Do you have any customer testimonials or case studies?
- Are there any customer testimonials or case studies?
- Are white papers which give more in-depth discussion on a particular issue required?

Demonstrations
- Is there a demo of the product for internal training?
- Is there a demo available to use with customers?

Press and analysts
- Is there a PR agency involved?
- Is there a target list of journalists, opinion leaders and market research analysts to approach?
- Is there a press release or press launch event planned?
- Is there a set of Q&As for responding to press queries?

Marketing communications
- Is there a customer launch event planned?
- Is there any advertising or direct marketing planned?
- Will there be any opinion pieces or magazine articles?
- Is there a roadshow or are there speaking engagements?
- How about online promotions, presentations and tools?
- Are there any gatherings of potential customers that can be exploited, e.g. trade shows or user groups?
- Are there any opportunities for sponsorship?
- Are website updates and digital marketing needed?

Internal communications
- Is there an established mechanism to communicate the launch within the business?
- Are there any special events required, e.g. office stands, posters, presentations?
- Is it possible to use the product within your business, i.e. ‘eat your own dogfood/drink your own champagne’?

PRICING

Competitive pricing analysis
- Do you know how your product stacks up against rivals?
- Have you got a view on the channels (direct or indirect)?
- Are there any customers you can talk to for views?
- Have you quizzed your suppliers?

Pricing for the channels
- Is there a different pricing structure required for different channels, e.g. direct, indirect, online or for different regions?
- Are appropriate commission structures in place?
- Are volume discounts necessary for any of the channels?

Pricing structure
- Has the proposed pricing structure been approved?
- Has it been implemented and tested on the relevant systems?
- Has a trial customer bill been produced?
- Are volume discounts necessary?
- Will there be introductory pricing?

Pricing tools
- Have pricing documents been updated, approved and distributed?
- Is there a tool needed (e.g. spreadsheet or online) to help customers and sales work out pricing?

SUPPORT

- Are there processes to deal with after-sales support?
- Are the measurement metrics and reporting in place to check on performance?
- Have after-sales support been trained on the product?
- Is there specific support documentation required, e.g. FAQs, product technical specifications?
- Are there internal support websites that need to be updated?
know exactly what they were hoping to achieve in the first place.

You may have a project manager assigned to run your launch – if so it’s important to establish a close working relationship. But remember, you are the customer – the project should deliver to your requirements and you need to be involved in key decisions where trade-offs are being made. All the hard work is done at the beginning in the planning. Try to proactively address issues before they come up and bite you and you will have a successful project.

6. Learn from others

One's first launch can be an intimidating affair. With so many unknowns and variables all launches differ a little, but it’s still worth looking for similar products upon which you can base your plans. There will be failures you don’t want to repeat, and successes you’d like to emulate, and you should be able to identify some of the reasons the plan worked, especially if you know any of the players involved.

It is always a good idea to speak to product and project managers with launch experience, and especially those who have worked for other companies and can therefore offer a wider perspective. Ask your sales force and channel for advice, specifically for your product and for their experience within the market. There may even be friendly customers who can help, with buyers’ views of good and bad launches.

**Case Study Inmarsat launches maritime broadband**

Inmarsat started life providing satcoms to deep ocean shipping, far out to sea where only satellites can reach. It has since moved into land-based mobile broadband services and satphones, as well as airline products. Last November its president, Michael Butler (left) launched a maritime service Fleet BGAN (Broadband Global Area Network) at Trinity House in London. The 2-year launch was headed up by Programme Manager, Lisa Wagner, on her second launch. “It was a big project,” she told us, “specifying the user requirements and then going through it all with the engineers. Because it was a 2-year project we couldn’t time it perfectly, and we needed to rush it through because of competition. It had to be a hard launch, with terminals ready in the stores from 2 manufacturers on launch date.”

Inmarsat customers demand competitive hardware, and their launches tend to have the added complication of having to work with 2 manufacturers. “It is difficult because of the confidentiality issues between the technicians and working with 2 teams in parallel. I was hugely lucky to be on the launch as it’s given me a huge breadth of knowledge across many functional areas, and I’ve worked with people I’d never have dealt with otherwise.”

**Setting Goals**

Typical goals you might include when you set the objectives for a launch and the first few months post-launch are:

- Target launch date
- Sales levels
- Enquiry levels
- RFP responses
- Volume of support issues
- Customer satisfaction levels
- Launch costs
- Revenue and profit
Good timing
Choosing a date to launch your product

Choosing a date to launch is a tricky business. “When are you going to launch?” is one of the first questions you will be asked in the early stages of any product development. This sets expectations with your senior management, development teams, and across the whole of the business. The answer is probably a vague desire to be ready ‘as quickly as possible’, to hit an end-of-year deadline, or to launch at a high profile exhibition.

Setting the expectation of when you plan to launch is critical to the success of your project, to ensure it hits the market at an appropriate moment and that its delivery is actually feasible. Let’s face it, according to our 2018 Product Management Survey, only 48% of projects are delivered on time (Fig. 4, overleaf). The pressure to get to market quickly must be balanced against the risk of not being ready and compromising the quality or scope of the product. Failing to hit a launch deadline risks bad publicity, wasted launch budget, not to mention your own reputation within the company.

Launches can be difficult to stop, and it takes great courage to stand up and admit a product’s not ready. Given the long lead times for activities like advertising, system updates and communications within the business, halting a launch within the last couple of weeks is usually impossible: the train has already left the station. So it helps to have contingency plans in case things go wrong. To limit the risk, you may choose to ‘soft launch’ or ‘trial launch’ to a small number of friendly customers.

Case Study Launching at shows

Seth Nesbitt is VP for Product and Solutions Marketing at Amdocs, one of the world’s largest providers of operational support systems. He’s launched plenty of products. We caught up with him at the GSMA Mobile World Congress in Barcelona. “In our business, everyone likes to launch at CES (Consumer Electronics Show),” he said, “but is it better to avoid that? It’s tough when everyone is making a noise. We recently launched one month before a show, then used the major event as a follow-up. We contacted the main customers and used the event to reinforce the message, but not to make our major announcement.” Nesbitt suggests instead using one’s own user conference or perhaps the meeting of a core group of industry people.
under non-disclosure agreements. You may also only decide to launch through a particular channel that limits exposure to delays should those occur.

**Set expectations carefully**

Considering the risk of delays – often beyond your control – don’t raise expectations too high when you start planning your launch. Right from the start, talk about the ‘target launch date’ and use such language to subtly convey the element of risk.

Don’t be more precise than is absolutely necessary. The second half of the year or the end of Q3 may be enough, and gives you room for manoeuvre if things go awry. Of course there are launch dates that can’t shift, e.g. the need to be ready for the Christmas sales rush. Don’t go public with a launch date unless you really have to. If things go wrong, it’s much less damaging resetting internal expectations than disappointing potential customers. However much you may want to build up hype, spike a rival or give customers time to prepare, your competitors will have the last laugh if you can’t meet your promise. A better solution is to refine your communications by ramping up the publicity as a realistic launch date approaches.

**Dates to avoid**

Internal alignment can rule out many launch dates. Within your business there may be regular events with which you need to sync, perhaps monthly updates on price lists or regular promotional activity. Your company may have a strategy to provide a steady stream of launches and announcements that ‘encourages’ you to pull forward or put back your launch. Make sure you understand internal timetabling before spending too much time on your launch plan.

It may also be best to avoid busy times that stretch internal resources, e.g. at the end of the financial year, over Christmas or mid-summer when key personnel may be on holiday. The same holiday periods may be quiet times for PR and marketing activity because so many people are away from their desks.
From having the whole year available you may feel your options are starting to be limited. You may even discover you’re not alone in choosing a particular launch date. This may be inevitable, but it is best to avoid coinciding with other major activity within your business or channels. Clashing with other key announcements diminishes the effect of your launch. While you may not know what your rivals are up to, make sure you don’t clash with a launch from your own company or a partner. Doing so not only dilutes the impact, but also puts greater pressure on internal resources.

**Dates to choose**

Trade shows are golden and efficient opportunities to launch. The media are easy to approach and plenty of customers will see what you are doing and offer feedback. Show brochures and guides give you a further opportunity to promote your launch. However, if your launch isn’t that strong it might be lost in the noise of big shows like CeBIT or the Mobile World Congress.

It might be better to find a key company event or user group conference at which your launch will make a more conspicuous impact. Or perhaps there is another marketing or PR campaign you can piggyback on.

Whatever date you choose, ensure it’s not a bank holiday, and make sure it actually exists (don’t choose 31st April). And finally, once the big day arrives, make sure you’ve got some way of finding out how things are going as the first thing everybody asks is “How’s it going?” and it feels good to have an answer!

**Case Study Apple launches iPhone**

Apple began hyping the launch of the first iPhone in January 2007, for a US launch in June 2007, but were cautious about announcements for the launch date in the UK and other European countries. Through September, stories about sales of the iPhone in the US raised interest in other markets, including a story about the millionth US unit sold.

In the meantime, Apple were busy negotiating with European mobile operators to decide who would sell the iPhone. It wasn’t until negotiations were closed that Apple announced launch dates in Europe. The hyped-up launch at 18:02 on 9th November 2007 at stores in the UK received front-page coverage of the queues and early adopters desperate to buy an iPhone.

**Wise Words**

“Everything should be made as simple as possible, but not simpler.”

Albert Einstein, theoretical physicist
Relaunching is a great opportunity to galvanise a jaded team, raise the profile of your work within your company and inject new energy into a product. Staffing and infrastructure issues can be resolved during the process of change, but these are no more than bonuses. The driving force behind a relaunch is the need to improve the market position of your product, either by turnover, profitability or growth.

Relaunching can be risky and expensive, especially if you choose to alter the course when times are still good and in growth, and you’re making a pre-emptive strike. Deciding to relaunch during the mature phase of a product’s lifecycle is common for FMCGs (Fast Moving Consumer Goods), with minor tweaks giving the plateauing curve of growth a sufficient kick to raise it above the competition (Fig.5). More often than not, relaunching will be forced upon you because you’ve inherited a dying product, with a growing gap emerging between its performance and that of the market and/or rivals. What needs to be done can be defined by analysing that gap. In short, you have to audit your product to establish where its future lies.

The theory

The obvious place to start when auditing your portfolio is with market share and market growth. If you’re sitting on a cash cow (as defined by Bruce Henderson of the Boston Consulting Group (BCG) in the 1970s),

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**Case Study Heat Magazine**

In 1998 publishers Emap thought there might be a gap for a men’s weekly devoted to entertainment. The company spent a fortune advertising the launch, and hoped to sell 100,000 copies a week. Despite a huge marketing campaign the title was a flop, and within months its future was in doubt. There was no market in that gap, but Emap weren’t prepared to give up so easily, and came up with a cunning plan of relaunching the magazine with the same look, the same name, a similar team, just different content and aimed at women. You now know the magazine as Heat, and today it sells some 500,000 copies a week. Heat was a classic case of relaunching a successful failure, a product with plenty of potential but aimed at the wrong market. The launch provided valuable market research and a framework for re-focusing the product towards a different market. Heat remained an entertainment magazine, but for women, gradually focusing on gossip and redefining the market.
with high market share in a mature market, you won’t be wanting to invest much, just milk the profits.

In that situation you’ll do nothing more than make small improvements to maintain your position, while searching for ways to keep costs low, passing the profits on to invest in what Henderson described as star products that are rising fast in a growing market, but which are expensive to fuel. The risk, of course, is that you forget to feed the cash cow (i.e. relaunch), which runs dry while it could still be doing very nicely, thank you.

**The reality**

The challenge with a marketing theory like the BCG matrix (see Fig. 6) is that it assumes you have a clear picture of the market size, your position and your competitors. In our experience, this is rarely the case. However, senior management love their numbers and you will need to collate any marketing statistics you can to build as compelling a case as possible for a relaunch.

At the end of the day, the decision makers ask themselves: “Do I really believe this?” Often it’s the telling anecdote from a key customer or the sincerity of the product manager that convinces the senior executives in your business, rather than market statistics and theory.
Every industry relies upon early adopters to set the pace, to introduce new technologies and seed new ideas into markets. Whether it’s by encouraging journalists to try out a new gizmo, getting celebs to step out in the latest haute couture, or by sending beta versions of games to teenagers, the principle is the same. Product managers use lead customers to soft launch a product, hone key messages, build its credibility, and hopefully earn some useful publicity.

The importance of credible lead customers, in both consumer and business markets, is especially relevant for new product areas and for disruptive products. In those situations where there is the least experience upon which to build, and the greatest need for testing, there are significant benefits to be gained from using lead customers to develop case studies that can be used to educate, convince and reassure potential buyers.

“The benefit of lead customers in B2B markets,” says Barry Graham (previously head of Product Management in the Messaging Business Unit at Acision) “is that they can provide both technical and usability testing. Although good requirements capture can deliver products well fitted to the job,” he says, “the lead customers will always discover oversights and opportunities to improve the product.”

Lead customers can help predict the potential of a product. “As the lead customers start to realise the benefits of the features in the first release, the potential benefit of the planned roadmap features will become much clearer. In many cases data will emerge that fundamentally changes the relative benefits of features in the roadmap, and may require a complete re-plan.”

Appropriate testing with appropriate lead customers

Graham goes on to emphasise that “the data from such testing must be considered in the context of that lead customer’s environment. They
must represent the market. They must also be prepared to make the investment,” he says, “in deploying the product, and must be willing to give it the levels of internal support you’d normally expect. In one particular case with a Chinese telecom operator, the entire deployment was done using ‘unofficial’ channels and favours from a single engineer’s personal contacts. Once success was declared, the number of people associated with the project rose overnight! A low profile makes managing any problems with the product easier, but may well introduce uncontrollable risks, delays and cost. It is therefore critical that the expectations and relationship with the customer are carefully managed. The product manager and the person responsible for the relationship with the customer (such as an account manager), must communicate frequently and openly.”

**Spreading the risk or adding trouble?**

There is obviously a temptation to take on more than one lead customer, to spread the risk and widen the range of experiences and environments. The risk is overload. A better idea is to ask yourself, “Who are the lead customers who are going to best teach me what I need to know to be successful with the group of customers who will immediately follow them?” That means you must also check that the lead customer is going to use the product in the same, or similar way you’d expect of future purchasers.

“The lead customer must have an immediate need for the thing that your product delivers.” Though media-friendliness in a lead customer helps when it comes to case studies, their need for the product and appropriateness for the market is more important than the publicity you may gain. The findings of an in-depth and successful test are more

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**Case Study Motorola’s launch of 3G**

Motorola had exactly the problem of too many lead customers when it introduced GPRS in the late 1990s, and an over-enthusiastic sales force deployed the product to 5 times the number of lead customers than had been planned. Motorola, with its vast resources, was able to complete the tests, says Barry Graham, but could not satisfy the needs of so many lead customers, who were all different and all trying to achieve different goals. “In trying to solve the immediate needs of all these customers,” he says, “it was ultimately impossible to solve the needs of any of them.”
What makes a great lead customer?

- Ones that get especially high value from the offering, so that they make a great reference.
- Customers who are relatively easy to access. You’ll be working with them closely.
- Those that are able to make a purchasing decision quickly. Time lost at this stage is likely to delay development work and lose revenue and momentum.
- Customers who will be able and willing to communicate the value they get from the product.
- Beware of customers whose conclusions you can’t trust, e.g. those who might find fault to leverage negotiations, or praise unnecessarily because they don’t care.
- A good lead customer acts as a beacon for other buyers, and is respected by peers.

Trust is such a vital component that there’s a great temptation to select lead customers with whom you have an ongoing relationship, rather than customers who are going to provide you appropriate feedback and a great story. So you have to ask yourself early on, what makes the ideal lead in B2B markets?

1. Define the profile of target lead customers
   As you have limited time and resources to spend signing up lead customers, you may need a screening process to focus your efforts on prospects that best match your target profile.

2. Make the proposition attractive
   Your challenge in closing lead customers is in demonstrating that the value they gain from the product and from being early adopters outweighs the cost and risk in testing an unproven solution that could leave them stranded if it fails. This requires a good understanding of what the potential lead customer values: it might be the prestige of being a lead account, some business benefit they gain from the product, or some other factor you need to unearth.
   In B2B markets this commonly includes the opportunity to take part in the trial. Offering an opportunity to take part in a trial can be an attractive way of adding value to key accounts.

3. Search in the right place
   The best place to start in your search for the ideal lead customer is
to use your best salesperson or team, or the most successful channel. Your best team is most likely to understand their customers, and can find the innovators that form your prospect pool. Better sales people tend to be trusted not to let customers down, and are almost certainly able to carefully negotiate with lead customers to maintain a realistic vision of what the product can achieve, while keeping alive the aspirational vision of being part of an important trial. Motivating the top team requires more of your time and focus. Selling your new product disrupts their workflow, and puts credibility on the line with their customer. They will need convincing that the product will deliver its promises, that the payback will come, and that the company will support their customers.

4. **Signing up lead customers**

   Raising awareness is important in attracting lead customers, but closing the deal will probably require personal selling to reinforce your trustworthiness and commitment. You may have to offer extended trials, free product or extra customer support as incentives. Setting expectations that a customer will produce a case study, and keeping trials confidential using non-disclosure agreements (NDAs) and trial agreements, allows you to keep quiet if things don’t go to plan and take advantage when things are successful.

5. **Managing lead customers to meet your needs**

   Maximising the value of a lead, and turning them into product champions is a great skill. Aside from the commercial deal, this may also mean dedicating a trial team to rapidly resolve any technical, professional or support questions as they arise. Keep your top sales team involved to manage the customer expectations and ensure they are met so that a positive case study and reference can be developed.

**How to attract lead customers**

If you can’t generate lead customers through the sales channels you may have to use other tactics to increase awareness of your product and to attract prospects:

- Use experts like analysts and magazine reviewers to recommend potential lead customers.
- Attend networking events.
- Use white papers and trade magazine contributions to enhance your credibility and angle for trialists.
- Consider social channels led by opinion formers (from technical visionaries to sports stars and celebrities). Look at product placement to improve word of mouth awareness.
- Use telemarketing and email to market your proposition directly.
- Try internet advertising, through your own website or paid ads on search engines.
- Pay an agency to source customers. This is especially effective in a consumer environment.

**Comments**

If you have any comments or questions email them to journal@productfocus.com
In our launch issue and with our focus on hi-tech products, what better book to review than Crossing the Chasm, targeted as it is on ensuring the successful adoption of innovative hi-tech products.

Before Crossing the Chasm, the product lifecycle was viewed by many as a continuous curve of customer adoption, moving smoothly from introduction to growth, maturity and onto decline. This curve fails to acknowledge or attempt to explain why most products fail to deliver forecasted commercial success.

Moore proposed that the adoption curve has ‘gaps’ between certain stages – in particular, there is a ‘chasm’ following the introduction of a product that must be bridged before a product can become more mainstream.

In this book and the follow-up, Inside the Tornado, Moore proposes marketing approaches to crossing the chasm. For example, by targeting a well-selected lead customer with a whole solution to their needs a slew of further customers within the same segment can be addressed with that same solution. The analogy offered is that the lead customer is the front pin in a game of bowling. Following success with this pin the following pins will fall.

The book's readability, evidence and practical advice aim to help you take your products from enthusiastic technophiles to the pragmatic mass market. Some people consider the book is light on facts to prove its claims, but it has enjoyed huge success. If you prefer more academic books, you might want to consider Christenson’s The Innovator’s Dilemma or Information Rules by Shapiro and Varian.

If you’ve not read it, Crossing the Chasm is a highly readable classic. It became a bible for hi-tech entrepreneurs in 1991, but its ideas remain relevant and provide a foundation on which to build your knowledge about launches. Try Inside the Tornado for additional insights and for the tools on marketing throughout the adoption lifecycle.
Have your view

Every year Product Focus runs an industry survey to measure the state of product management and product marketing across Europe. This gives real insight into industry norms, trends and best practice. You can see some of the comments we got from our last survey below.

“A key issue in our organisation is our inability to learn and share from previous experience. Our product launches could be more effective and my job less stressful if we could improve our process and culture by making the sharing of experience part of the job description.”

“The theory’s great but my experience is that I can’t rely on delivery estimates, can’t get business development to help with lead customers, haven’t got a consistent strategy to align with and spend all day covering for disconnected departments and soothing egos.”

“We bring together the disparate sections of the company that otherwise don’t co-ordinate. It’s far more than product marketing, it’s more like business management. We provide the drive to launch products that are attractive for our business and the customer.”

Annual Survey
We use our survey to benchmark product management each year. Let us know if you’d like to take part. You can download the latest results from our website.
A launch project should not finish at launch – it should only finish when the product is successfully afloat.

A major issue for product launches in many businesses is that the launch team and resources stick around up to launch and then disappear just as the product is making its first faltering steps into the world. All the focus, know-how and momentum stops at this critical point which often results in major problems. Issues that would be easy to solve with the launch team are much harder to resolve once all the infrastructure and experience has disappeared.

Counting the cost

It’s nigh on impossible to get everything right up front; there are always things that are missed and there will always be issues to sort out after the launch. The cost and time to do this should be planned into the development project right from the start. This needs the participation of all areas, including Development, who shouldn’t be let off the hook until these early problems are resolved and the product can be treated as ‘business as usual’.

We believe that there should always be another stage after launch when the development team remain engaged for a fixed period and/or until certain Key Performance Indicators (KPIs) are met. These KPIs could include when a certain number of customers are up and running, the point at which no new major bugs are identified, or reaching a minimum level in surveys of customer satisfaction. The cost of doing this is not insignificant however; it has to be balanced against the cost of failure; i.e. missed market opportunities, bad publicity and dissatisfied customers. Why spend all that money on a product launch and pull away the safety net at the last minute?

Wise Words

“Expose yourself to the best things humans have done and then try to bring those things into what you are doing.”

Steve Jobs, US entrepreneur and co-founder of Apple Inc
Product Management Leadership Forum

1-day workshop for product management leaders

Learn how to build and run a world class product management function

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