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NEWS

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Product Leaders as Change Agents

By Bob Thronson

A highly effective method to launch and grow successful products within organizations is to combine ‘product management’ and ‘product marketing’ into one function. This combined function can be called product management, but you may want to come up with another name (e.g. product leader) to make sure that newcomers get a head’s up that things are different from what they may be used to.

In organizations where the ‘marketing’ and ‘product’ people are not one and the same, there can be a significant gap between customer needs and what a company delivers. Marketing people are not expected to be technology experts. Product people are not expected to be market experts. The processes used to transfer market requirements to the product side of the organization, and to transfer product limitations to marketing and sales, are often slow and inefficient. Most significantly, nobody owns the end-to-end success of the product.

Combining the functions solves these problems by creating a ‘mini-CEO’ who has complete visibility to issues and full ownership of success. It’s clear where the buck stops. A sense of urgency prevails. It’s a lot easier to optimize the solution across customer requirements, competition and internal capabilities.

Such a combined function requires hiring a few exceptionally qualified product leaders who:

- Are engaged with and high respected by customers and the sales team
- Work with engineering to overcome technical challenges and design quality solutions that can be quickly built
- Personally create much of the content and tools that are needed at each phase to develop and successfully launch and grow a product, e.g. development specifications for engineering, financial analyses justifying investment, sales and marketing collateral needed to promote the product
- Lead cross-functional teams who own the success of the product from concept through market success

Is it tough to find such ‘exceptionally qualified’ people’? In my experience, such people are readily available and enthusiastically step up if they are given a central role in the company, ownership and accountability of success, and a compensation plan that includes the opportunity for exceptional compensation based on meeting exceptional revenue and profitability targets. And since organizations avoid the costs of having both ‘product marketing’ and ‘product management’ people for the same product, they can afford to pay product leaders handsomely. Strong, motivated performers will seek out such roles. ⌘

Bob Thronson is Executive in Residence at Gryphon Capital Management Group. He is skilled at taking technologies to broad market success. Bob has been a senior management team member in five companies, three of which were acquired at attractive valuations. He also led marketing for a company that reached #4 on the INC 100.

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November Event Review: “Principles of Highly Persuasive Messaging” with Michael Cannon, Silver Bullet Group

By Cindy F. Solomon

At the November meeting of the SVPMA, Michael Cannon, CEO of Silver Bullet Group presented the Top Ten Principles of Highly Persuasive Messaging. Michael Cannon is an internationally renowned sales and marketing effectiveness expert, dynamic speaker and best-selling author of several business marketing books. An

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Part One — The Principles of Highly Persuasive Messaging: Create Your Most Effective Messaging with These Objective Evaluation Criteria

By Michael Cannon

In the world of business-to-business marketing, messaging is the words you use, along with supporting visuals, to persuade people to buy from you. Sales messaging, a breakthrough category of messaging, is the most effective messaging you can create as measured by its ability to persuade the most people to buy from you. (Learn about the different categories and types of messaging, or learn about the difference between sales messaging and a value proposition.)

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Numerous research reports show that the problem with most messaging is that it is ineffective. For example, in the IT Buyer Survey from International Data Group (December 2008), it was found that "58% of a vendor's marketing content is not relevant to potential buyers and reduces the vendor's chance of closing a sale by 45%".

One of the main reasons for ineffective messaging is the use of subjective criteria, such as conciseness, clarity, relevance to the target audience, addressing of the prospect's pain points, likeability, etc., to evaluate messaging effectiveness. These evaluation criteria have a different meaning to each person. What seems "relevant" to one person may not be relevant to another. It's very difficult to create effective messaging using subjective evaluation criteria.

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What is missing is an objective set of criteria, or principles, that is clearly defined, agreeable to the majority of people responsible for creating and using the messaging, and easy to use when evaluating messaging effectiveness, prior to formal market testing or launch.

This is the gap in the current marketing approach that "The Principles of Highly Persuasive Messaging" fills. You now have an objective set of criteria to use as a checklist when evaluating the effectiveness of your messaging. Review your messaging now by asking, **Does your messaging…**

1. **Focus on One Offering.** Sales messaging is about selling a specific offering — a complete product or service — to a specific person. If you sell a number of products and services bundled together, then you can think of this as one offering. If you have many products or services that you sell on a stand-alone basis, then you must have sales messaging for each offering.

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2. **Target the Buyer by Audience Type and Buyer Role.** There are numerous audience types to consider such as Customer, Channel Partner, Sales (Inside, Outside, Channel), Market Research Analyst, and Financial Analyst/Investor. There are also buyer roles such as User, Technical, Economic, Line-of-Business Manager, and Executive. You must target your messaging to your buyer by audience, and potentially by role too, so that the messaging resonates with each buyer or stakeholder’s interests and perspective.

   The rule of thumb to use when deciding if you need to segment your audience messaging by buyer role is: Does that buyer segment have a similar set of business challenges and is the solution to those challenges also similar? If the answer is “no” to either of the questions, and if the buyer segment is critical to your success, then you must have messaging for each buyer segment. Or, accept that the messaging to that buyer segment will be less effective in persuading them to buy. It’s your choice.

3. **Identify and Persuasively Answer the Audience’s Primary Buying Questions.** The buying questions for each audience are fundamentally different. For example, Customers are asking, “Why should I buy your solution rather than a competitive alternative?”. Channel Partners are asking, “Why should I distribute your product or service?”. Sales is asking, “Why should I spend time selling your product or service?”. This is why you must identify and then persuasively answer each audience’s specific questions. The great way to determine the effectiveness of your current messaging is by identifying your audience’s primary buying questions and then evaluating how persuasively your messaging (collateral, sales training, and sales tools) answers these questions. Is it really good enough to win an order?

4. **Target Specific Market Segments or Sales Opportunities.** Messaging that straddles all industries and/or markets is typically so high-level that it is not very effective, i.e., persuasive, when used in an actual sales conversation. You can increase your messaging effectiveness by honing the messaging down to a specific set of prioritized customer segments in marketing terms, or sales opportunities/plays in sales department terms.

   A market segment is a cross-referencing group of people that has a similar set of business challenges and where the solution to those challenges is also similar. Segments can be vertical by industry, and horizontal across industries/markets by job tasks or department and even specific geographies.

5. **Enable the Technology Adoption Life Cycle (TALC) and Sales Cycle.** In the early phases of the TALC — Early Market, Bowling Alley, and Tornado, the most important customer buying question is “Why should I change-out my current solution for a new solution?”. The answer to this question is called business-creation sales messaging, and it has little to do with your company, per se. The primary goal of business-creation sales messaging is to create demand for the product or service category by stating a compelling reason to change, convincing buyers that there is great value — Business Case — to be gained in changing from their current solution to a new or better solution.

   In the late-market phase of the life cycle — Main Street, when market demand is more established, the most important customer question then shifts to “Why should I buy the solution from your company rather than a competitive alternative?”. The answer to this question is called competitive sales messaging, and it must provide clear competitive differentiation of your company and offering. The primary goal of competitive sales messaging is to create orders for your company, convincing buyers that your offering is their best choice.

   The sales cycle has distinct phases that follow the customer buying behavior in the TALC. For example, let’s say you’re selling a product in the early phases of the TALC. At the beginning of the

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sales cycle, the primary customer buying question to answer is "Why should I meet with you?". Once you have a meeting, the next phase in the sales cycle is answering "Why should I change-out my current solution for a new solution?". The final phase of the sales cycle is then answering "Why should I buy your solution rather than a competitive alternative?". Great sales messaging must persuasively answer and enable each phase in both the technology adoption life cycle and sales cycle. (Learn more about aligning messaging with the TALC here.)

6. **Make the Right Comparison.** A lot of messaging does not manifest this comparative principle. When you are developing *business-creation* sales messaging, it's not about the value of your solution. It's about *the value of the difference between your solution and the customer's current solution*. The reference point for comparison is the customer's current solution.

   On the other hand, when you're developing *competitive* sales messaging, it's not about the value of your solution. It's about *the value of the difference between your solution and the competitors' solutions*. Here, the reference point for comparison changes to the competitors' solutions.

   Only the difference, or delta, has real value to the customer and the bigger the delta the more likely you are to create a business opportunity and get the business. The underlying assumption is that if you can clearly communicate how your product can help prospective customers solve their problems or reach their objectives better than their current solution and/or better than the competition, then you should win the business.

7. **Use Strong Comparative Language.** In order to help the buyer see the difference between the old way and the new way or the difference between your solution and the competitor's solution, you must use comparative adjectives such as *more, easier, faster, less, reduce, increase*, etc., in your messaging.

   Numerous neurology studies (used as the basis for Neuromarketing) have proven that the old brain is the true decision maker, and that the best way to communicate to the old brain is to present it with clear comparisons between opposites such as *black and white, best and worst, fastest and slowest*. That's why great competitive sales messaging must include superlative adjectives such as *most, easiest, fastest, least, greatest, only*, etc., where appropriate, to create the highest level of comparison possible.

   Another strategy to provide greater comparative contrast is to quantify the difference.
   For example, you can change "reduces costs" to "reduces costs by 15%" and "unmatched performance" to "3x better performance" to create crisp contrast that is easily understood by the old brain.

8. **Define Clear Capability Advantages.** This derivative of the "Make the Right Comparison" principle is used mostly for competitive messaging. Most companies' competitive messaging is a list of the company capabilities and product features. While these capabilities and features are fine for descriptive company or product messaging, they're not effective when you need to create highly persuasive sales messaging.

   This is because a capability or feature by itself has little real value to the customer. Only the difference between your capability and the competitor's capability has value. The greater your capability advantage and the clearer you can communicate that advantage, the more likely it is that your company will win the deal.

   The best way to communicate your capability advantage is to summarize the difference and then provide the capability comparison, for example, "Best Service: 4-hour mean time to repair versus 5.5-hour mean time to repair" and "3x Better Performance: 300 rev per second versus 100 rev per second".

9. **Communicate Value in the Customer's Context.** Having clear capability advantages is necessary but not sufficient. What's missing is the "so what?": What does this capability advantage mean to the customer? The best way to communicate the value of your capability advantages is to put it in the context of the business problems you can solve better than the current solution or competition (Customer Benefit), and the business value you can deliver, over and above the current solution or competition (Customer Business Value).

   For example, a petroleum company is in the market for a new drilling rig. One of your capability advantages is "3x Better Performance: 300 rev per second versus 100 rev per second". The business problem solved for the customer (Customer Benefit) is that your rig will drill 22% faster than

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the competition's. The Customer Business Value is that you can reduce the customer's overall drilling cost by 11% or by $560M.

10. **Incorporate Lots of Proof Points.** Most buyers do not immediately believe your messaging claims. So, the more evidence or proof points you offer to support your claims, the more credible your claims, and the more your buyers will believe you. The best proof points are customer testimonials, case studies, etc. The second-best proof points are independent third-party organizations such as market research firms (Gartner, Forrester, etc.), standards boards (ISO, IEEE, etc.), and trade associations (Chamber of Commerce, American Management Association, etc.). The next-best proof points are a demonstration or proof-of-concept implementation, followed by support data such as an ROI summary, charts, graphs, etc.

    Your proof points must also provide direct support for your messaging. You must provide proof that your capability advantages are true, that you can solve the customer's problems better, and that you deliver greater business value.

Checklist of evaluation criteria (11–20) to be continued in the next newsletter…

The more of these principles your messaging incorporates, the more effective it is. Moreover, since messaging is "the fuel" on which all your marketing and sales engines run, it will also have a big impact on the effectiveness of all your marketing and sales investments.

Typical results from companies that implement great sales messaging include:

- An increase in sales leads and sales pipeline growth of 10% to 20%
- An increase in win rates of 15% to 30%
- An increase in market share of 5% to 10%
- A reduction in the amount of time Marketing spends supporting Sales by 40% to 50%

Better messaging means better results. It's truly a silver bullet to help you increase market success and gain a more sustainable competitive advantage. z

Note: Part Two will discuss the remaining 10 criteria, such as making the customer the hero, and avoiding the use of "GOBBLEDYGOOK" adjectives.

Recommended Resources to Improve Sales and Marketing Effectiveness:

- Read free articles about sales messaging at SBG's Resources Center.
- Learn a methodology for implementing great sales messaging with the 10-page eBriefing,
- *Best Way to Increase Your Sales*.

Michael Cannon is an internationally renowned sales and marketing effectiveness expert and best-selling author on topics related to sales messaging and sales planning. For more information, visit www.silverbulletgroup.com or call 925-930-9436.

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December Event Review: "PM Skills for the Future!" panel discussion with Rich Mironov, Christina Noren, Greg Cohen, Ivan Chalif, and Tom Grant

By Dan Galatin

Rich Mironov, Principal Consultant at Mironov Consulting, moderated a lively panel discussion on December 1st about the future of product management. The panelists were Christina Noren, Senior VP of Solutions at Spunk; Greg Cohen, Senior Principal Consultant at the 280 Group; Ivan Chalif, Chief Blogger at The Productologist; and Tom Grant, Senior Analyst at Forrester Research. The panelists fielded questions covering a broad range of topics about the PM function, skills, tools and techniques from Mr. Mironov and the audience.

When asked where they felt the role of PM was headed over the next five to ten years, most of the panelists responded that it was essential that PMs focus on the strategic aspects of the role and shepherding innovation in the organization. Mr. Grant said that social media will continue to be an important trend but that PMs have to fit it within the context of people's lives. For that reason, for example, he is skeptical about the long-term appeal of geolocation-based applications and whether people will want others to know where they are 24 hours a day.

Upcoming Events:

February 2nd - David Mok, Seagate

March 2nd - David Taber, SalesLogistix

April 6th - Mike Gospe, Author, Marketeer, and Instructor

May 4th - Ann Ruckstuhl, Symantec

A significant portion of the discussion concerned the most important PM skills to hire for, and the panelists essentially agreed that soft skills were crucial. As Mr. Cohen put it, when evaluating a candidate for a PM position, one must consider whether he or she can influence peers, produce insight and execute on that vision. There was less agreement on the best ways to measure those skill levels. Ms. Noren emphasized the importance of the 360 degree interview processes, but Mr. Chalif believed that "hallway conversations" and hearing others' impressions provide a truer picture of how well an individual is performing in the role.

Several questions posed to the panel concerned the requirements gathering process. Mr. Cohen said that ethnographic techniques are becoming more prevalent. Mr. Chalif cautioned that there is risk relying solely on crowdsourcing, and similarly Mr. Grant said that simply asking people to vote up or down on a feature is not effective. Ms. Noren stated that the best way to gather product feedback is through a progressive level of engagement that starts with asking the customer or prospect if they have time to talk about the problem, continues with asking for Beta feedback, and finally ends with asking them for money in return for the solution.

Both Mr. Grant and Ms. Noren described building their own custom tools for managing product requirements rather than relying on Excel. In general, Mr. Grant said he saw more and more types of tools coming into the market. It is important to consider the problem one is trying to solve when choosing a tool: for example, is one aimed at dealing more with managing a complex set of requirements or with visualizing the solution to a problem? Ms. Noren felt that Agile systems have contributed to enabling Engineering to cut PM out of the planning loop; she recommended a system that is PM-centric and also connected to Engineering processes.

All in all, the evening's discussion was highly engaging, entertaining and informative. ⌘

Dan Galatin has 18 years combined experience in product management and software engineering. He is currently a Senior Product Manager at Keynote Systems and can be contacted at dgalatin@yahoo.com.

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expert in enabling B2B companies to increase competitive differentiation, win rates, and market share, Michael has assisted hundreds of companies, such as Agilent Technologies and Oracle, to increase revenues. He has over 20 years of sales and marketing, management and founder's experience in the enterprise software, telecommunications, wireless, training, and professional services industries holding positions ranging from Account Executive to VP of Sales to CEO.

Michael is Founder of the Silver Bullet Group and creator of the hugely successful Silver Bullet Sales Messaging® System, a proven, proprietary methodology for dramatically improving the quality of B2B messaging. His presentation was subtitled, Objective Criteria Equips Marketing to Accelerate Revenue Growth (by doubling the effectiveness of the messaging and the tools that persuade people to buy).

Michael immediately engaged the audience of product focused professionals by questioning what roles and business objectives were represented in the audience. Although his examples involved primarily the sales organization's perspective within B2B enterprises, the approach he suggested applies to every product messaging situation charged with accelerating revenue growth by creating greater competitive differentiation and advantage, increasing Marketing ROI, and providing better channel (Direct, Indirect) engagement and support.

Cannon defined messaging as "the words you use, both written and verbal, along with the supporting visuals, to persuade a person to do business with your company."

Naming the root cause of ineffective customer messaging as the "Customer Messaging Gap", the bottom line is that companies do not provide persuasive answers to key customer questions, such as

- "Why should I change out my current solution for a new solution?" and
- "Why should I buy this solution from your company rather than from the competition?"

Cannon picked apart a typical Customer Messaging Map (that could have been pulled straight from a Marketing Requirements Document), identifying targeted messaging to key stakeholders with distinct message categories, distance to customer, message types, questions to answer and message goals. The further distance from the sales conversation, i.e. corporate messaging, market messaging, and product messaging, the less influential the messaging is to the customer buying decision. The gap is at the critical sales messaging area just prior to the sales conversation where opportunity creation, the question of competitive offerings and request for a meeting occurs.

Statistics reinforce the problem with sales messaging:

- "58% of a vendor's marketing content is not relevant to potential buyers"
- "80 to 90% of marketing collateral is considered useless by sales."

Further aggravating the problem, in an attempt to resolve the gap, Sales representatives take it upon themselves to create sales messaging ad hoc, or Field Marketing is tasked with creating the messaging out of sync, and/or customers are forced to figure out the answers for themselves to justify their purchase decisions. This wastes cycles, risks revenue loss, and frustrates sales and customers alike.

Cannon discussed an infographic from CSO Insights, 2008 Sales Performance Optimization Report that displayed the "Effort vs. Impact on Sales Effectiveness" of marketing programs.

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In order of impact from highest effort to lowest cost:

- ERP (Enterprise Resource Planning)
- CRM (Customer Relationship Management)
- SKM (Sales Knowledge Management), Sales Training Event, Blitz Campaigns & SPIFs (Sales Promotion Incentive Fund), Sales Collaboration, Sales Process Mapping
- Sales Messaging mapped as the most impact for least effort and cost

Sales messaging must provide a persuasive answer to the buyer's primary buying questions. Buyer's questions can be answered at three different levels: feature, benefit and customer business value. Customer business value centric messaging is the most effective in creating the business value from the customer's perspective, by identifying the lowest total cost of ownership and implementing the least risky option. Since most buyers consider your sales messaging to be claims, it's important to provide proof points with customer testimonials and 3rd party organizations to prove the truth of each key claim. The more clearly you contrast the difference between you and your competitors, the more business you win. Messaging should succinctly clarify the contrast between offerings using quantification and sharply contrasting adjectives.

Sales messaging must be aligned to the buy/sell process, with key messaging relevant to each step of the customer's decision making experience as well as buying identity in the technology adoption life cycle.

A summary of the top ten principles of highly effective messaging:

1. Target the buyer by audience type and buyer role
2. Indentify and persuasively answer the audience's primary buying questions
3. Enable the sales cycle and the Technology Adoption Life Cycle (TALC)
4. Make the right comparison
5. Use strong comparative language
6. Define clear capability advantages
7. Communicate value in the customer's context
8. Incorporate lots of proof points
9. Make the customer the hero
10. Pass the sales and customer validation test

Additional information is available at http://www.silverbulletgroup.com/resources

If you are interested in the focus for this event, checkout Part 1 of Michael Cannon's article in this newsletter. ⌘

Cindy F. Solomon, CPM/CPMM blogs & tweets about software, startups, innovation and product management issues http://www.cindyfsolomon.com

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