July Event with Andrew Reback of Intuit
Portfolio Management
by Greg Cohen

Andrew Reback, Group Product Manager at Intuit, gave a highly interactive presentation on Product Portfolio Management at the July 9th meeting of the SVPMA. Andrew spoke about how to evaluate multiple opportunities and communicate the basis for product management's decisions to senior management and the rest of the organization.

Andrew currently manages Quickbooks Industry-Specific Solutions and evaluates their portfolio regularly. Prior to Quickbooks, Andrew was at Shiva, Resonate, and Napster. He learned first hand about single product organizations that were unable to make the leap to become multiple product companies. Sales will often only focus on enhancing the current product and therefore entire opportunities may be missed until it is too late.

The crux of portfolio management is how does one manage and prioritize between multiple projects. Andrew opened by asking the audience what technique their companies used. The list included such analytic choices as Revenue and ROI, to more practical methods such as it is the first thing engineering can complete, to more qualitative methods such as the strongest advocate sets the priority. Whatever your current method, we are all trying to accomplish the same task: balance funds and resources for projects to achieve the company's near and long term objectives. Andrew spent the rest of the evening reviewing an approach for assessing and representing product attributes to objectively balance product/project investment with business objectives and risks.

The first step in portfolio management is finding an

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and More

This Is Not Your Father's Life Cycle Management
. . . Integrating PLM into your company
by Steven Haines, reprinted with permission
from Sequent Learning

It is no secret that the pace of business has increased and life cycles are compressing. There are so many buzzwords that it is hard to distinguish between some of these new initiatives, especially when we have processes that have the same names and different meanings.

Here's the example: When one hears or uses the "product life cycle management," what comes to mind? What about the acronym "PLM?" One of the common references of the term product life cycle management is the strategic and tactical management of products after they've been launched into the market. Namely, growth, maturity, decline, and exit…and how the levers of the marketing mix are adjusted to optimize the performance of those products. Right?

Think again.

A dramatic shift is taking place in the business of managing

The Roadmap Less Travelled

by Rich Mironov, reprinted with permission from Product Bytes

Every tech start-up struggles to create a roadmap: that short set of PowerPoint slides which defines the next six quarters of updates, minor releases and important advances. Since product managers strive for clarity, having a product roadmap is a critical communications tool. However...

• Sales is constantly pressing for roadmaps that show what today's customer requires, including a committed delivery date. "Once we close the deal, we can figure out how to build what's missing."

• Yet Engineering uses the roadmap as a target for product deliveries. Everything on the chart is a hoped-for objective; anything missing has been definitively dropped.

Therefore, we are talking about two distinct roadmaps with non-overlapping uses. Referring to both as "*the* product roadmap" creates endless confusion.

What's in a Name?
The (less traveled) road to clarity starts with precise nomenclature, so let's first consider the "**engineering roadmap**." You may have also called this beast the "release plan" or the "internal schedule" or the "development calendar." Fundamentally, it captures our technical **aspirations**: what we hope will happen.

This engineering roadmap is for **internal use only**. It's designed to help the technical team fit each project into an overall release process - coding, QA, beta testing and customer shipment - and drive staff assignments. Every work item must be included; otherwise it will be dropped, de-emphasized, or assumed away. Engineering managers need to show sustaining tasks as well, to justify headcount and budgets within the development group.
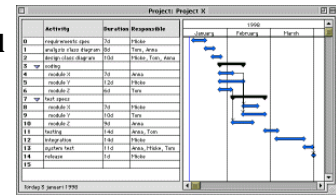
None of this would matter if most technical projects finished on time. Sadly, 'taint so. *(In 1995, I brought out a software product on time, on budget, and on spec. Never before and never since.)* What happens when things are late? Engineering managers dance through a complex series of postponements, reduced features, QA shrinkages, shortened betas, and redefinitions of success. In other words, **the current engineering roadmap is always the high water mark**. Things will never again be as good as they are today.

Along the Other Path...
Customers, of course, believe in product planning. They will hold your sales person at invoice-point and demand to see your current roadmap. (Here, we mean something completely different: the "**public roadmap**" or "customer NDA plan" or "analyst briefing chart.")

Knowing that dates shift and specific functions are always at risk, a Product Champion should craft a public roadmap that is long on vision and light on details. Near-term projects will have much more precision than next year's SWAGs. Delivery dates should be a quarter later than engineering dates, anticipating slippage.
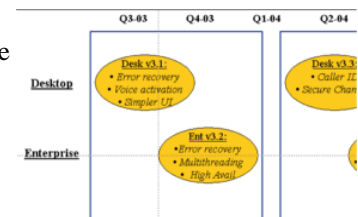
Enterprise customers *should* understand (but please don't tell them during an important meeting) that all

objective set of criteria against which to measure products (figure 1). Andrew divides the criteria into project and market risk. A few categories for product risk are time to market, dependence on new technology, and need for new subject matter expertise. Categories for market risk include current competition and risk of market adoption. The risk factors will depend on your own company and industry environment. You need to choose factors that make the most sense for your business. Once the risks have been identified, each project can be ranked. You can rank products numerically or just use low, medium, and high. Because the numeric rankings themselves are subjective, one must keep in mind the output from either ranking system is just a gauge. The ranks are then summed to produce an overall risk rating for the product.

Figure 2: Portfolio Representation

Attributes for Risk (x)

Product	Time to Market (<1yr, 1-2yrs, 2+ yrs)	Need for new subject matter expertise (L, M, H)	Infrastructure + other changes required (L, M, H)	Market Risk - Competitive threat	Overall Risk Level (L, M, H)
A	1yr	L	H	L	M
B	2yr	L	L	L	L
C	1yr	M	M	M	M
D	2yr	M	M	M	M
E	3yr	H	L	M	M
F	1yr	H	M	H	H

Figure 1: Ranking Products

The second step is to visually represent the data. Andrew recommends charting risk on the X-axis and incremental revenue on the Y-axis (figure 2). The Y-axis will depend on the suitable measure for your company, it might be ROI, but it must be on the incremental portion only. You are evaluating the benefit of further investment in the product to doing nothing. Each product is represented by a circle placed on the x and y axis based on the rankings from step one. The size of the circle represents the magnitude of the investment needed measured in developer resources. The color of the circle then represents whether the project is fully staffed, marginally staffed, or understaffed.

You should then use this chart to shift resources to projects that represent greater opportunities. As a product matures and as the market reaches saturation, it will move down and to the left on the chart since
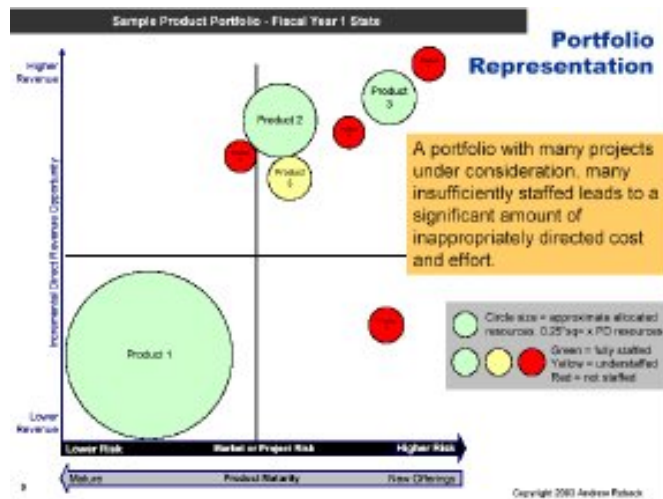
each new feature will have lower risk and a lower incremental revenue impact. Projects that fall in the lower, right may present opportunities better suited to a partner who is an expert in a niche of the market.

It is important to also understand the model's limitations. It is not a project management tool and will not help allocate named resources. Further, any product not requiring incremental development would be missed in this model, even though investments in marketing, sales, or channel partners may result in high returns. It will also not add insight to the decision to end of life a product. If you are still a single product company, the tool may be used to evaluate bundles of features against each other.

In summary, there are six easy steps to performing portfolio management:
1)   Define key product attributes
2)   Define metrics for key product attributes (qualitative or quantitative)
3)   Consolidate metrics
4)   Evaluate current funding of projects against the opportunity and near and long term business goals
5)   Rebalance current and future funding
6)   Re-evaluate funding decisions

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Annual SVPMA Picnic
photos by Jerry Yang

The SVPMA picnic, held on Saturday august 9th at Serra Park in Sunnyvale, was a great success. People ate, drank, socialized, and networked. The group enjoyed celebrity appearances by SVPMA founder Bill Kong and former board member Laura Lukitsch. We learned about the varied skills of the membership during the afternoon games, setting new association records in the three-legged race, hula hoop, and the egg toss. Isabelle, one of the associations youngest members at two years of age, won the award for most creative egg toss by throwing it onto her own head.

Thank you to the many volunteers who made the picnic such a great success with special thanks to Michelle Chen, Chris Lawrence , Rajesh Raman, Arean van Veelen, and Jerry Yang.

This Is Not Your Father's Life Cycle Management *from page one*

products. It's called PLM. Huh? Yes. PLM stands for Product Life Cycle Management (some spell it lifecycle, some spell it life cycle). Anyway, the newest approach to PLM involves the use of automated systems and technologies to afford manufacturers (or others with an extensive value or supply chain) the ability to improve development processes and to infuse a more product focused perspective throughout the business. Earlier ERP or back-office systems achieved efficiencies throughout the supply chain, financial systems and human resource management systems, but did nothing for the underlying business processes, including the entire new product development cycle (concept, feasibility, definition, development, and launch).

Multi-faceted landscape
Now, the landscape is changing. As history tells us, when we latch on to a new kind of business process automation, we think that we've reached corporate nirvana and life will be beautiful. Let's think back. What is brought to mind when the words "process reengineering," "ERP," and "CRM" are used? Many

corporations may think about many of the unfulfilled promises of those great process changes or process automation tools. These are great concepts, but most implementations didn't live up to the promise. Companies spent the millions on the licenses and professional services (ouch!), but most projects didn't work. Many articles alluded to failure rates of up to 75%. Why is this? Why do we jump on the bandwagon so quickly when a new way to automate a process comes along, and expect the software to fix the business problems?

Good Idea
The general concept of having a unified view of all operational, financial, supply chain, and customer data at your fingertips has tremendous appeal. Most corporate executives will acknowledge that fact that there is a lot of data in disparate places and that it's hard to harness it all; and more, to make it meaningful and usable by cross-functional product teams or your suppliers.

Making Sense of this
The pressure is intense. One can drown in the hype of

the promise, the pressure of the sell (by the software vendors and professional services companies) and the imperative of the corporate strategy to integrate data, share information, collaborate, and make decisions. So what do you do?

One way is to take a five-step approach to PLM systems.

The **first** step is to establish some goals. These goals can include (but are not limited to):

1. Making sure that cross-functional product teams have access to the timely, accurate data.
2. Having a mechanism to facilitate the integration of supply chain partners within your product design, development, and post-launch product management phases.
3. Reduce development cycle times and expenses
4. Improve purchase order processing times
5. Achieve higher levels of on-time delivery from suppliers
6. Improving productive capital equipment planning (like production machinery), acquisition, operation, and maintenance programs

The **second** thing to do is to have a clear understanding of the organization's business needs and internal processes and how those processes relate to the objective(s) cited in the first step. Often, the problem areas can be distilled to some, or all of the following:

• Data
• Operational
• Process
• Financial
• Customer
• Suppliers
• Logistics
• Inventory
• Components & subassemblies
• Organizational
• Product Quality

It's a good idea to lay out the business processes on paper and create appropriate business scenarios or key business flows so that the organization understands the inputs, dependencies, activities, and outputs for each business flow for each of these areas. Once these needs are identified, they'll need to be prioritized. Most likely, it will not be possible to resolve or automate all of the processes. Next, create a set of requirements detailed requirements (as if you were defining a product for a market segment). These requirements may require a collaborative effort between cross-

functional organizations as well as some possible oversight by an independent consultant. When the business scenarios are compared with the requirements for automation, it will be easier to understand and decide on the areas that are right for your first steps toward automation.

The **third** issue to deal with is the creation of a prioritized list of digestible pieces that your organization can absorb so that the chances for success of the PLM initiative are maximized. It cannot be emphasized enough, the importance to have actually touched the 'system' elements and manually executed the processes before trying to determine and prioritize the pieces that are the best candidates for automation. A business case should also be prepared. One of the elements of the case is an analysis of the PMO (present method of operation) with the proposed of FMO (future method of operation). This will enable a more accurate analysis of the value elements, and hence, the right elements for the primary stages of automation. Finally, a very well thought out plan should be considered to accommodate organizational change, so that the people whose lives are impacted will embrace the change. Companies rarely understand the psychological elements leading to resistance to change and move more aggressively than they should.

The **fourth** imperative is to define a data management and integration strategy. The adoption of PLM systems means that you'll need to understand where data is kept and how it needs to be combined in a single repository. The information you'll be needing access to includes:

a) Customer data records
b) Financial information
c) Supplier, procurement, and bill of material data
d) Manufacturing data
e) Inventory (raw materials, work in progress, and finished goods)
f) Logistics data
g) Contract data
h) Project data
i) Human resources

The need for alignment or integration into a single data store is critical, since the fifth imperative is access, analysis, and application (the 3 A's of PLM). The reason for the single data store is that meaningful information must be accessible by cross-functional team members. The information must be analyzed such that functional process owners can bring about the appropriate level of interlocking, prioritizing, and sequencing of project activities. Finally, the available information should be applied so that the product teams can make the right product line decisions.

The outcome, and true benefit, is the ability to prioritize projects and allocate resources. For product planning, for instance, the product team will want to allocate resources for profitable, high priority projects, not pet projects. Moreover, for physical goods, the teams will find that the information that flows across the supply chain will enable more accurate demand forecasts, thereby avoiding stock-outs or just too much inventory. For sales teams, the benefit becomes clear because they can have up to the minute product information as well as product availability status.

Therefore, one of the overall promises of PLM systems is to make sure that the needs of the most profitable customer segments can be met with the right products at the right time.

Incorporating the business of product management
A holistic definition of product life cycle management includes the creation, development, and delivery of profitable products to a targeted market, and then in managing those products as they achieve stature in the market, mature, decline, and ultimately, are discontinued and markets exited. It also includes the oversight of all functional business elements, including marketing, financial, operations, and customer service & support.

We believe product managers are at the core of each cross-functional product team. We also believe that the core product team is empowered to make decisions, and will become increasingly dependent on timely, accurate information from the PLM systems. The amount of communication and collaborative activity required to be successful will continue to escalate. Team leadership skills will grow as product managers will need to encourage appropriate, efficient, and rapid communication among team members. Project management also becomes a more important skill set. The organizations represented on the cross-functional team, for example, can't just report on progress toward a milestone. All members need to be able to understand the multi-dimensionality of their tasks in working with multiple suppliers and coordinating these providers to achieve their deliveries, lest the market window be missed. The level of communication and information exchange among development, marketing, sales, the supply chain people, manufacturing, customer service, and quality assurance needs to be extraordinarily tight.

With greater numbers of suppliers, especially those focusing on hardware or components, synchronization on designs and interfaces becomes critical. Disparate supply chains across the field of disparate suppliers makes the job of the cross-functional product team that much more complex and the need to work together toward the common goal of hitting the window becomes that much more important.

So watch out for new developments in the area of PLM. You'll have these neat, collaborative tools to use. In managing these products, the imperatives remain very strong:

- Make sure your executive leadership is completely committed to the PLM process, and in the support of empowered cross-functional teams as the standard business work structure.
- Use phase/gate methods to screen projects and assess feasibility for new products and innovations, and leverage the data from PLM systems to speed up the decision-making process.
- Don't let processes constrain you. Be flexible. The rigidity of using a phase-gate process for a line extension may delay a launch. Product teams should have the market-based data at their fingertips so that the teams make timely decisions.
- With improved data availability, business cases will serve as the primary vehicle to validate the economic outcomes for product or project alternatives.
- Communicate with regular meetings, design reviews, development reviews, etc. All functional team members need to know what they're responsible for and when.
- Keep your eye on the customer and market during the entire life cycle.
- If you have design issue doubts, get prototypes done as fast as possible to test the concept as well as supply chain elements.

Certainly, businesses need to make sure to level set on terminology. Make sure everyone knows which PLM someone's talking about. And, yes, there are many new automated tools on the market for sharing information and enabling collaboration. The possibility for information sharing across the business will indeed grow - and can be met by these new systems. But remember, these new tools are only as good as the people, processes and data that run as an undercurrent throughout the entire product life cycle.   z

Steven Haines is the founder and president of Sequent Learning Networks. Sequent, based in New York City is the first and foremost cross-industry product management training company in the world. Sequent Learning Networks is on the Web at www.sequentlearning.com -- or call +1 212-673-5454.

SVPMA Workshop Report
by Jamie O'halloran

The first workshop in our series was a great success. We had an excellent turn out and were treated to a wonderful workshop by our presenters from the management consultancy PRTM (www.prtm.com) . We would like to extend our warm thanks and appreciation to presenters Stan Baginskis, Alex Blanter and Aritomo Shinozaki for the exceptional *Voice of the Customer* workshop they provided. The workshop presentation slide deck will be posted on the SVPMA web site shortly.

Our workshop series is designed to provide more in depth learning opportunities to our members, and a more hands on approach than our monthly meetings afford. Results from a survey of our first workshop's attendees show us that we are doing just that. They prove out the value of the workshop format and ensure the continuation of the series. Here are some of the highlights from the survey:

- Over 90% agreed that the workshop was valuable, that the exercises were helpful and that they would recommend the workshop to others.
- 80% agreed that the skills learned will be useful in their current position.

We are also very excited to announce the next workshops in our series:
Managing Requirements & Collaborative Product Definition *: An examination of Product Lifecycle Management processes, methodologies and solutions.*

Our presenter will be Jonathan C. Miller Chairman and CEO of Truereq Technologies, a leading provider of Product Lifecycle Solutions. The workshop will take place on September 20th:Wyndham Hotel. Details of the even will be sent out shortly.

We also have two more future workshops to announce. The first is an identification exploration of personal Product Marketing skills called: ***Identifying Your Distinctive Competencies****: Using a Product Marketing Framework to identify and articulate what value you can deliver to your organization or a potential employer*. Barbara Nelson from Pragmatic Marketing will conduct the workshop on November 15th. In January, we will be bring you a workshop on ***Communicating with your Customers***, focused on how to speak to hi-tech customer's in order to persuade them to buy your products. Steve Martin will be our presenter.

We are excited to continue to bring you great speakers and presenters on topics that will help you succeed in you careers as Product Management and Marketing professionals. Thank you to all who helped develop and make our workshop series a success. We look forward to your attendance, participation and feedback in the future. z

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The Roadmap Less Travelled *continued from page two*

projects more than 6 months away are subject to change. *"Time-from-now"* is a good measure of speculative risk. Still, you need a multi-year story about product directions to appear strategic. Keep it light and simple! When you can, avoid customizing roadmaps for several key prospects along incompatible dimensions. The smart ones will keep copies of your presentation, and ask very pointed questions as their favorite items fail to ship.

Tell Them What They Want to Hear?
In my experience, some softly phrased honesty nourishes relationships with serious customers. *("That's a great suggestion, but it would have a lot of implementation risk. Let me tell you why, and explore other ways that we might address your business requirements.")* Often, savvy customers demand a face-to-face roadmap discussion with product managers to get closer to R&D's reality, and sidestep your sales team's natural optimism. An hour with someone who can explain tough trade-offs is a way for thoughtful customers to make informed decisions.

How can you say "no" to a customer? Take a note from our Japanese colleagues, who have perfected the fine art of gentle discouragement. In Tokyo, an audible breath through the teeth and *"that could be very difficult"* is one polite way of refusing a request. Here in the US, product champions might say "that's on our roadmap, but we are still working on scheduling and priorities." Another favorite placeholder is "that's a great idea! Let me review it with our architects and see where it will fit in our plan."

Sound Bytes

Engineering roadmaps and public release plans are related but are not the same item. When you hear that "we need a roadmap slide," consider responding with a brief interrogation: internal or external? NDA or public presentation? Major deal closer or just fishing?

I'd consider two or three distinct (***and distinctly named***) documents: a public roadmap for use with press, analysts and prospects; a Key Customer roadmap, used strictly under NDA when Product Management is present; and a Development calendar for staffing, planning and executive buy-in. Getting agreement and maintaining these is hard work. z

Rich Mironov is the Vice President of Marketing at AirMagnet in Mountain View. He specializes in product strategy and strategic planning for early-stage technology start-ups. Product Bytes is his monthly newsletter.

BOOK REVIEW
Software Product Management Essentials by Alyssa S. Dver
Review by Greg Cohen

Software Product Management Essentials: A practical guide for small and mid-sized companies by Alyssa S. Dver is one of those uncommon books that knows its audience and delivers on the title's promise. It is a welcomed new book on the profession, containing a rich collection of product management wisdom: each chapter provides a compendium of what to consider before embarking on a product management task, be it requirements gathering, beta testing, or launching the product. Further, Dver delivers her insight in a remarkably light package of only 140 pages of text, an easy read for any cross-country flight.

One of the book's highlights is Dver's explanation of the development process, managing requirements and the product delivery process. These three chapters comprise a full third of *Software Product Management Essentials* and present the reader with a full methodology. Dver outlines the Base Level Integration Process (BLIP). Product managers always balance three competing objectives: features, time to deliver, and quality. BLIP trades off features to remain on a regular and predictable release cycle with high quality. The BLIP cycles overlap, so as the integration phase of one cycle completes, the planning phase of the next cycle begins. A main benefit being that when a feature misses the current release, it can be scheduled for the next release in three to four months. Dver supplements this and the other sections with forty-three pages of templates in nine appendices, making it easy for any reader to implement the author's detailed framework.

The chapters on Product Launch, Product Marketing, and Pricing focus more on *what* than *how to*. They function almost as a checklist to ensure you have not missed anything in the process. Readers requiring in-depth explanation of these areas should consult texts devoted to those topics. Dver recommends a number of these texts at the end of the book under "Suggested Readings."

Software Product Management Essentials ends with a wonderful chapter on "Going International." Dver demystifies the challenge of taking your product abroad. She covers the difference between Internationalization, Localization, and Globalization. In addition to explaining the engineering and design challenges, the author offers plenty of practical advice on how to distribute, market, sell, and support your product in overseas markets.

Dver is a pithy writer, a rare trait among authors. Throughout the book, I wanted to read a case study or a short example from her professional experience. But true to the title, this book is about the *essentials* and does not waste words on stories to illustrate the lessons. Dver has created a handbook for product managers. There is no epilogue or conclusion. Each chapter stands on its own and is packed with an incredible amount of practical advice. For the novice product manager, *Software Product Management Essentials* is a great place to start. For the experienced product manager, it is a great reference text to review as you move through the development and release of your product.   z

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ON THE MOVE

If you or a product manager you know has recently been promoted or started a new job, please email the SVPMA at OnTheMove@svpma.org .

LETTER TO THE EDITOR

Do you have a issue you would like to share with the membership, feedback on a presentation or article, or suggestions for the newsletter? Let us know. Please email all comments to letters@svpma.org .

Saturday September 20th 8:30 am to Noon

Wyndham Hotel-1300 Chesapeake Terrace, Sunnyvale

Managing Requirements & Collaborative Product Definition Workshop

SVPMA.ORG
Silicon Valley Product Management Association

SVPMA is proud to invite Jonathan C. Miller Founder, Chairman and C.E.O. of Truereq Technology the leading provider of Product Lifecycle Solutions, to lead a workshop on **Managing Requirements & Collaborative Product Definition;** Using Product Lifecycle Management solutions to engage the entire extended enterprise to improve product success rates.

Typically product management in small to mid sized businesses is administered through a disparate combination of email, documents, spreadsheets and project management applications. These disjointed applications seldom lead to product success. Most product managers spend an inordinate amount of time organizing product data and disseminating information. This workshop will show participants how to apply a **product management strategy** that integrates employees, partners and customers into the product lifecycle resulting in **increased productivity and product success**.

Workshop Agenda Includes:
Continental Breakfast & Networking
Introduction to PLM Processes & Methodologies
Discussion of Collaborative PLM
Presentation of multiple PLM Solutions
Interactive PLM Planning and Strategy Training Session

Pre-Registration (before September 16)
SVPMA Members $25
Non-SVPMA Members $40

Event Day Registration
SVPMA Members $35
Non-SVPMA Members $50

More information & Registration: http://www.svpma.org/workshop.htm

SVPMA Workshop Series:
The Silicon Valley Product Management Association (SVPMA) was founded to address the needs of Product Managers, Product Marketing Managers and other professionals working within the Product Management field.

The goal of the SVPMA Workshop Series is to provide our members hands-on, interactive product management training delivered by leading consulting and professional services companies, lecturers and trainers. Topics will include; review & analysis of best practices, Complete Product Creation, Selling your high-technology products, and Market-testing product innovations.

Speaker Bio: Jonathan C. Miller C.E.O, Truereq Technology
Jonathan C. Miller possesses over 15 years of experience building software development enterprises. Jonathan has been a key player in many successful start-up ventures helping build over $5B USD in stakeholder value. Jonathan presently serves as Chairman & C.E.O. of Truereq Technology. Prior to Truereq Jonathan held the positions of Vice President of Product Management and later Chief Community Officer at PeopleLink a leading provider of online collaboration and customer relationships management software. As Chief Operating Officer Mr. Miller lead the growth of The Fortunecity Network from obscurity to being the 26th largest property on the Internet. As an early member of the Flycast Communications team Jonathan Miller managed the product and marketing efforts that launched the pioneering web advertising company.

About Truereq Technology
Truereq Technology offers a complete, integrated suite of Product Lifecycle Management (PLM) tools aimed at small to medium sized businesses. The TrueView Platform, Truereq Product Server / Product Desktop combined with the Sesame Defect Tracking & CRM solutions deliver an integrated / collaborative PLM environment that is easy to set up and use. Customers that use truereq experience more product successes resulting in higher profits. Find out more at www.truereq.com today.