



**SEQUENT**<sup>®</sup>  
LEARNING NETWORKS

***How to Fine Tune Your Approach  
to Strategic Planning  
or  
Do You Really Have a Strategy?***

# Our discussion

## “Do You Really Have a Strategy?”

Is an interactive discussion whose purpose is to broaden the perspective of product managers and product marketers in the areas of strategic and tactical product planning.

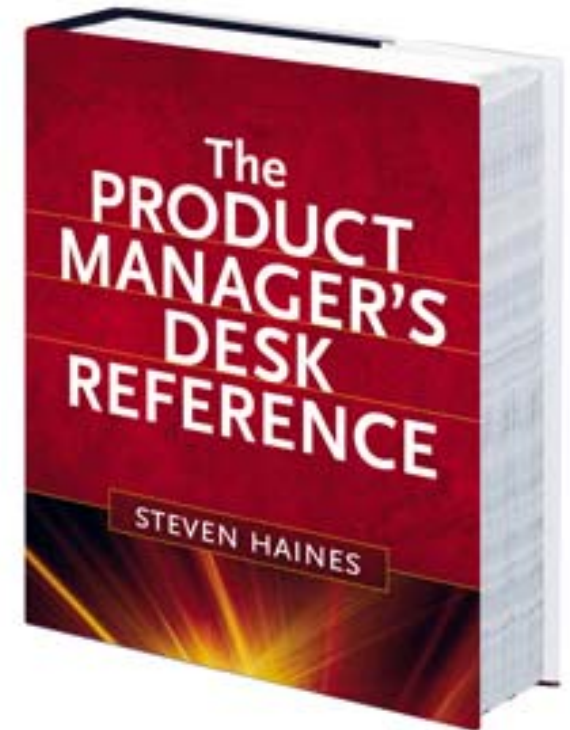
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# Topics

- **Perspective**
- **Your issues**
- **What's really going on?**
- **What is product myopia?**
- **What do we get past product myopia?**
- **What are the implications?**

# How is your company defined?

- **Auto company or transportation company?**
- **Pharmaceutical company or health care company?**
- **Yours?**

# **“Marketing Myopia”**

**An article written by Theodore Levitt from Harvard in 1960**

**“Sustained growth depends on how broadly you define your business – and how carefully you gauge your customers’ needs..”**

## Another quote...

***“If you had told them 60 years ago that in 30 years they would be flat on their backs, broke, and pleading for government subsidies, they would have thought you totally demented.”***

**Who (what industry) do you think Ted Levitt was referring to?**

# Answer...

## The railroads around 1920



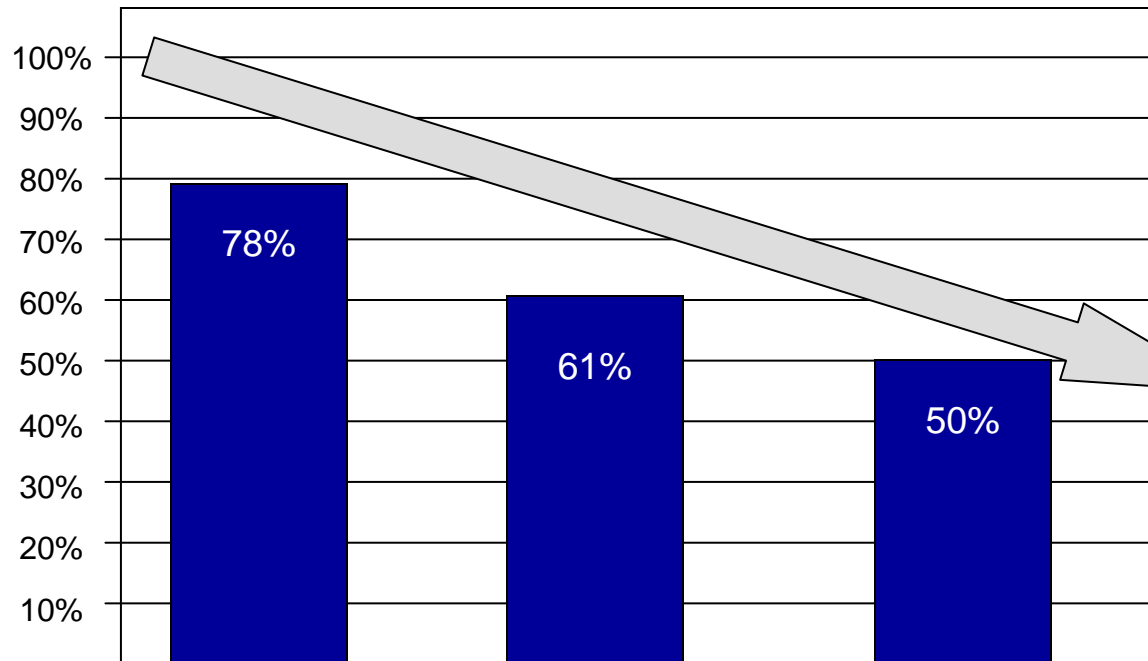
# The Strategy Challenge

- **If a senior leader passed a product manager in the hallway and asked:**
  - “... so what are you working on?” and “how’s that tied to our strategy?”
- **Do you think that the product manager would provide a quick, succinct answer?**

# Data from a recent research project

- **According to surveyed and interviewed senior leaders of product organizations:**
  - Most PMs do not have a concrete vision for their product
  - Tactical work takes precedence over strategic planning and building a long-term view of the product

# On Evidence of a Strategic Mindset



Leaders in surveyed firms say:

Make sure PMs understand the importance of a strategic mindset

Do not see enough evidence by PMs in effectively formulating strategies for their products

Make sure PMs have the right data, systems, and tools to drive strategic plans

73% say the product roadmap is the most important manifestation of a strategy for a product

**IMPLICATION:  
Tactics trump strategy**

**What are some of the most  
challenging issues for you when it  
comes to product strategy, planning,  
and roadmaps?**

**5 minutes to discuss...**

# What's really going on?

- Product managers are inundated by the urgent **needs of the moment** and the demands of hungry developers
- Product managers may be **missing market insights** needed to make balanced business decisions
- Being agile is creating a black hole, with engineering as the energy source
  - **Prioritization of work backlog without market perspective can be dangerous**

# What's really going on?

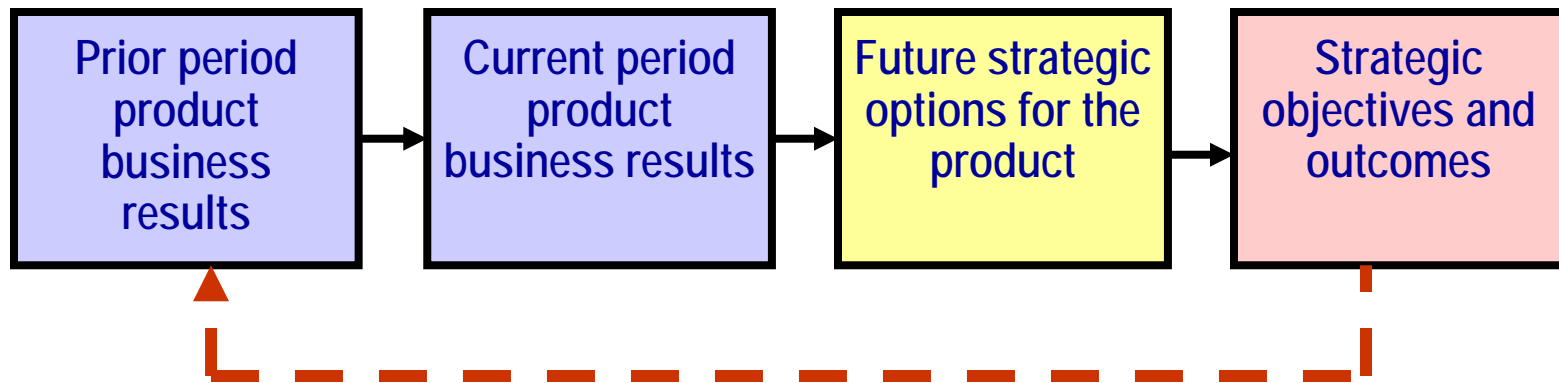
- **Functional agendas** often trump business or market driven logic
- Product roadmaps are seen by many as:
  - **The only evidence of the product manager's agenda**
  - **The primary essence of the product's strategy**

# Therefore, we have product myopia

- **Taking too narrow of a view of your product or product line:**
  - Defining your products only by features and functions over time
  - Using the product roadmap as your only way to plot your way forward
  - Not paying attention to all the ‘other stuff’ going on that impacts the product itself

# How do we get past product myopia?

- Take a more balanced approach
- Follow a more structured planning process



# What's on your roadmap now?



## Artists welcome

# First things first:

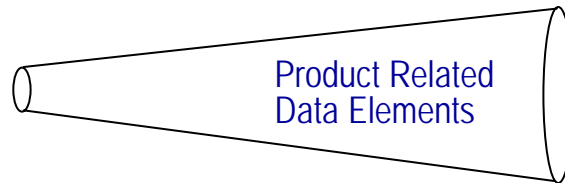
*Create/examine retrospective on product content*

| <b>Data element</b>  | <b>Two years ago</b> | <b>Last year</b> | <b>This year</b> |
|----------------------|----------------------|------------------|------------------|
| <b>Functionality</b> |                      |                  |                  |
| <b>Features</b>      |                      |                  |                  |
| <b>Performance</b>   |                      |                  |                  |
| <b>Platforms</b>     |                      |                  |                  |
| <b>Designs</b>       |                      |                  |                  |
| <b>Technologies</b>  |                      |                  |                  |
| <b>Versions</b>      |                      |                  |                  |

# Result?

## *A narrow view of the market*

| Data element  | Two years ago | Last year | This year |
|---------------|---------------|-----------|-----------|
| Functionality |               |           |           |
| Features      |               |           |           |
| Performance   |               |           |           |
| Platforms     |               |           |           |
| Designs       |               |           |           |
| Technologies  |               |           |           |
| Versions      |               |           |           |



# Examine other marketing mix elements

*Current and prior periods*

**What are the other marketing mix elements?**

| Data element     | Two years ago | Last year | This year |
|------------------|---------------|-----------|-----------|
| Pricing programs |               |           |           |
| Adv & promotion  |               |           |           |
| Channel programs |               |           |           |

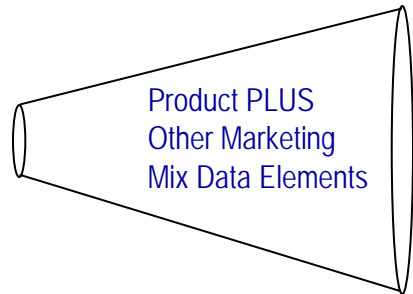
**These marketing mix elements bring the product's business into better focus**

# The combined perspective across marketing all market mix elements

| Data element  | Two years ago | Last year | This year |
|---------------|---------------|-----------|-----------|
| Functionality |               |           |           |
| Features      |               |           |           |
| Performance   |               |           |           |
| Platforms     |               |           |           |
| Designs       |               |           |           |
| Technologies  |               |           |           |
| Versions      |               |           |           |
| Pricing       |               |           |           |
| Adv & Promo   |               |           |           |
| Channel       |               |           |           |

# The market can be seen through a wider lens

| Data element  | Two years ago | Last year | This year |
|---------------|---------------|-----------|-----------|
| Functionality |               |           |           |
| Features      |               |           |           |
| Performance   |               |           |           |
| Platforms     |               |           |           |
| Designs       |               |           |           |
| Technologies  |               |           |           |
| Versions      |               |           |           |
| Pricing       |               |           |           |
| Adv & Promo   |               |           |           |
| Channel       |               |           |           |



# Examine other business elements

## *Current and prior periods*

**What are some of the other business elements that would impact the product's performance ?**

| <b>Data element</b>          | <b>Two years ago</b> | <b>Last year</b> | <b>This year</b> |
|------------------------------|----------------------|------------------|------------------|
| <b>Financial performance</b> |                      |                  |                  |
| <b>Forecast accuracy</b>     |                      |                  |                  |
| <b>Customer satisfaction</b> |                      |                  |                  |
| <b>Market share</b>          |                      |                  |                  |
| <b>Product quality</b>       |                      |                  |                  |

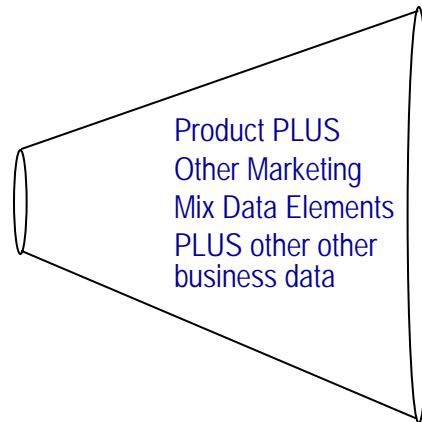
**These other business elements are important in evaluating the product's performance**

# Continuing to increase the amount of data broadens your perspective

| Data element          | Two years ago | Last year | This year |
|-----------------------|---------------|-----------|-----------|
| Functionality         |               |           |           |
| Features              |               |           |           |
| Performance           |               |           |           |
| Platforms             |               |           |           |
| Designs               |               |           |           |
| Technologies          |               |           |           |
| Versions              |               |           |           |
| Pricing               |               |           |           |
| Adv & Promo           |               |           |           |
| Channel               |               |           |           |
| Financial performance |               |           |           |
| Forecast accuracy     |               |           |           |
| Customer sat.         |               |           |           |
| Product quality       |               |           |           |

# The market can be seen through a wider lens

| Data element  | Two years ago | Last year | This year |
|---------------|---------------|-----------|-----------|
| Functionality |               |           |           |
| Features      |               |           |           |
| Performance   |               |           |           |
| Platforms     |               |           |           |
| Designs       |               |           |           |
| Technologies  |               |           |           |
| Versions      |               |           |           |
| Pricing       |               |           |           |
| Adv & Promo   |               |           |           |
| Channel       |               |           |           |
| Financials    |               |           |           |
| Forecasts     |               |           |           |
| Cust sat      |               |           |           |
| Prod Qual     |               |           |           |



# Examine other market data

## *Current and prior periods*

**What are some of the other market data elements that would impact the product's performance ?**

| Data element        | Two years ago | Last year | This year |
|---------------------|---------------|-----------|-----------|
| Market segments     |               |           |           |
| Customers served    |               |           |           |
| Competitor activity |               |           |           |
| Industry trends     |               |           |           |

**These elements ensure that we know how the product was positioned in the market**

# Increasing your perspective with more business data

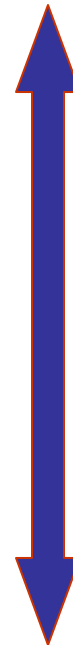
| Data element          | Two years ago | Last year | This year |
|-----------------------|---------------|-----------|-----------|
| Functionality         |               |           |           |
| Features              |               |           |           |
| Performance           |               |           |           |
| Platforms             |               |           |           |
| Designs               |               |           |           |
| Technologies          |               |           |           |
| Versions              |               |           |           |
| Pricing               |               |           |           |
| Adv & Promo           |               |           |           |
| Channel               |               |           |           |
| Financial performance |               |           |           |
| Forecast accuracy     |               |           |           |
| Customer sat.         |               |           |           |
| Product quality       |               |           |           |
| Market segments       |               |           |           |
| Customers served      |               |           |           |
| Competitor activity   |               |           |           |
| Industry trends       |               |           |           |

# Now.. Imagine if you had this?!

| Data element          | Two years ago |        |      | Last year |        |      | This year |        |      |
|-----------------------|---------------|--------|------|-----------|--------|------|-----------|--------|------|
|                       | Plan          | Actual | Diff | Plan      | Actual | Diff | Plan      | Actual | Diff |
| Functionality         |               |        |      |           |        |      |           |        |      |
| Features              |               |        |      |           |        |      |           |        |      |
| Performance           |               |        |      |           |        |      |           |        |      |
| Platforms             |               |        |      |           |        |      |           |        |      |
| Designs               |               |        |      |           |        |      |           |        |      |
| Technologies          |               |        |      |           |        |      |           |        |      |
| Versions              |               |        |      |           |        |      |           |        |      |
| Pricing               |               |        |      |           |        |      |           |        |      |
| Adv & Promo           |               |        |      |           |        |      |           |        |      |
| Channel               |               |        |      |           |        |      |           |        |      |
| Financial performance |               |        |      |           |        |      |           |        |      |
| Forecast accuracy     |               |        |      |           |        |      |           |        |      |
| Customer sat.         |               |        |      |           |        |      |           |        |      |
| Product quality       |               |        |      |           |        |      |           |        |      |
| Market segments       |               |        |      |           |        |      |           |        |      |
| Customers served      |               |        |      |           |        |      |           |        |      |
| Competitor activity   |               |        |      |           |        |      |           |        |      |
| Industry trends       |               |        |      |           |        |      |           |        |      |

# The extended set of product, marketing mix, business and market data gives you the best perspective

| Data element  | Two years ago | Last year | This year |
|---------------|---------------|-----------|-----------|
| Functionality |               |           |           |
| Features      |               |           |           |
| Performance   |               |           |           |
| Platforms     |               |           |           |
| Designs       |               |           |           |
| Technologies  |               |           |           |
| Versions      |               |           |           |
| Pricing       |               |           |           |
| Adv & Promo   |               |           |           |
| Channel       |               |           |           |
| Financials    |               |           |           |
| Forecasts     |               |           |           |
| Cust sat      |               |           |           |
| Prod Qual     |               |           |           |
| Mkt Segs      |               |           |           |
| Customers     |               |           |           |
| Competitors   |               |           |           |
| Industry      |               |           |           |



# Now we're equipped to better plan our future by not being so "Product Myopic"

| Current |                       | Next Year | Year After |
|---------|-----------------------|-----------|------------|
|         | Functionality         |           |            |
|         | Features              |           |            |
|         | Performance           |           |            |
|         | Platforms             |           |            |
|         | Designs               |           |            |
|         | Technologies          |           |            |
|         | Versions              |           |            |
|         | Pricing               |           |            |
|         | Adv & Promo           |           |            |
|         | Channel               |           |            |
|         | Financial performance |           |            |
|         | Forecast accuracy     |           |            |
|         | Customer sat.         |           |            |
|         | Product quality       |           |            |
|         | Market segments       |           |            |
|         | Customers served      |           |            |
|         | Competitor activity   |           |            |
|         | Industry trends       |           |            |

# What are the implications?

- **All stakeholders can have a broad perspective on the “business of the product”**
- **Helps to establish a mindset of market oriented decision-making based on facts and data**
  - We can build better customer stories
  - We can reveal true market opportunities
  - We can write clear, concise product requirements
- **Streamline teamwork**
  - Helps get PMs/Marketers and engineers out of pattern of negotiating product content based on resources, complexity, and schedule
  - Always inserts business and market logic into the discussion
  - Helps get the team focused on beating the competition, not each other
- **Sizes the speed of business with the speed of the company**
  - If everyone understands how all pieces fit together, they’ll be able to more effectively plan and allocate human & financial resources



# Why else? Because you share information across many constituencies

- **You do have to share information:**
  - Internal stakeholders (you do want to build consensus)
    - *Cross functional constituencies* (you improve your ability to influence others)
    - *Business leaders* (you earn empowerment)
    - *Your peers* (so they can learn from you)
  - External stakeholders (you don't want to show them everything)
    - Industry analysts
    - Customers

# Who said these things?

- **I pay attention to everything**
- **I connect what we're doing to the outside world**
  - What business are we in?
  - What are we going to focus on?
  - What's the value proposition of our company?
- **I balance the near term and long term**
- **I focus on values and standards of expected behavior and how we treat each other**



**Alan R. Mulally**  
CEO – Ford Motor Co  
Former EVP at Boeing

# In the end, everyone is happy



# Thank you!

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