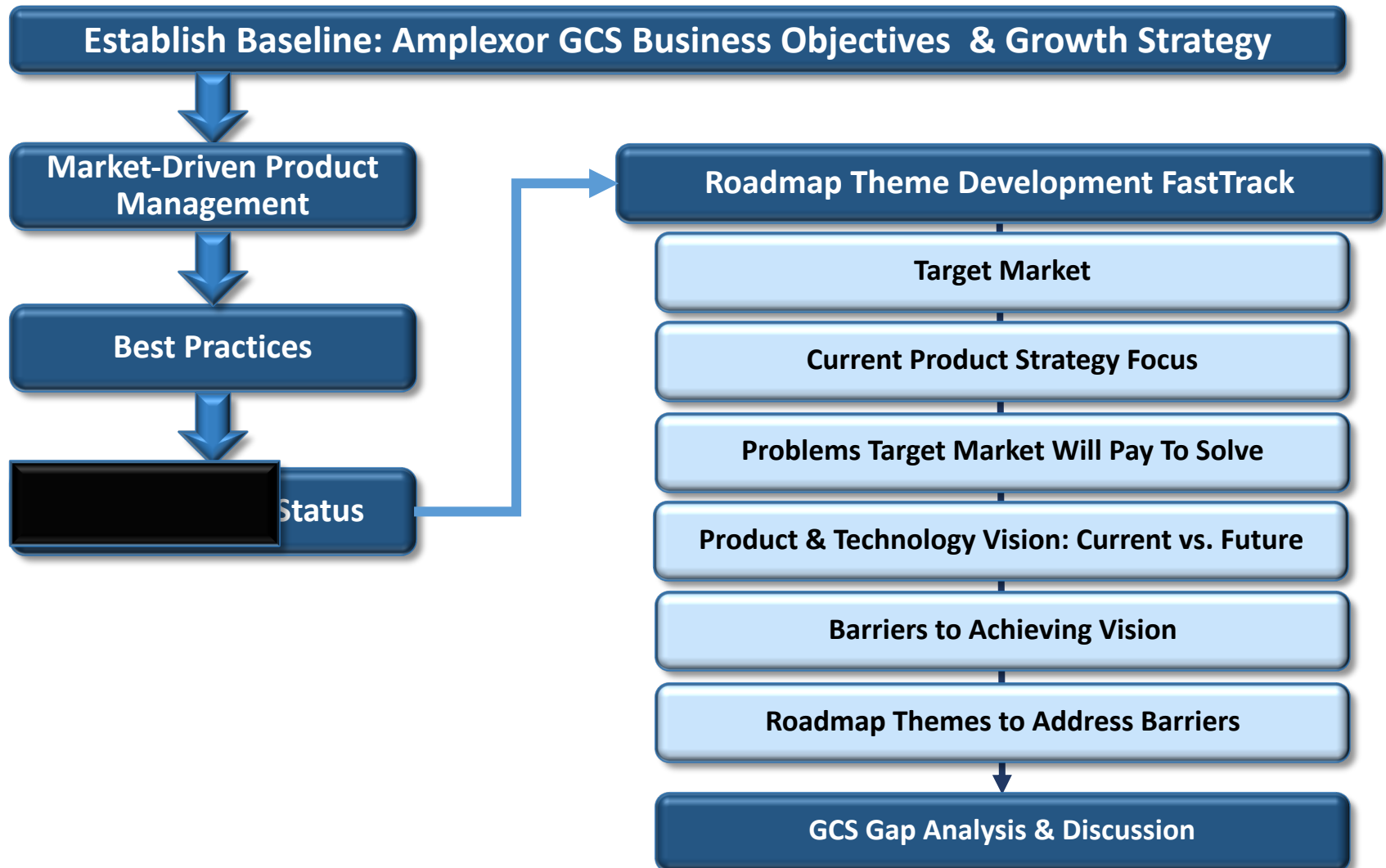


Product Management GCS Business Unit

John Hanson, May 29, 2018

Summit Focus & Process



MarketView Product Management Framework

What is the market & competitive Landscape?

Who is our target and what do they care about?

Does it fit our strategy and make business sense?
Should we buy, build or partner?

What is our value prop?
Do roadmap priorities reflect market needs?

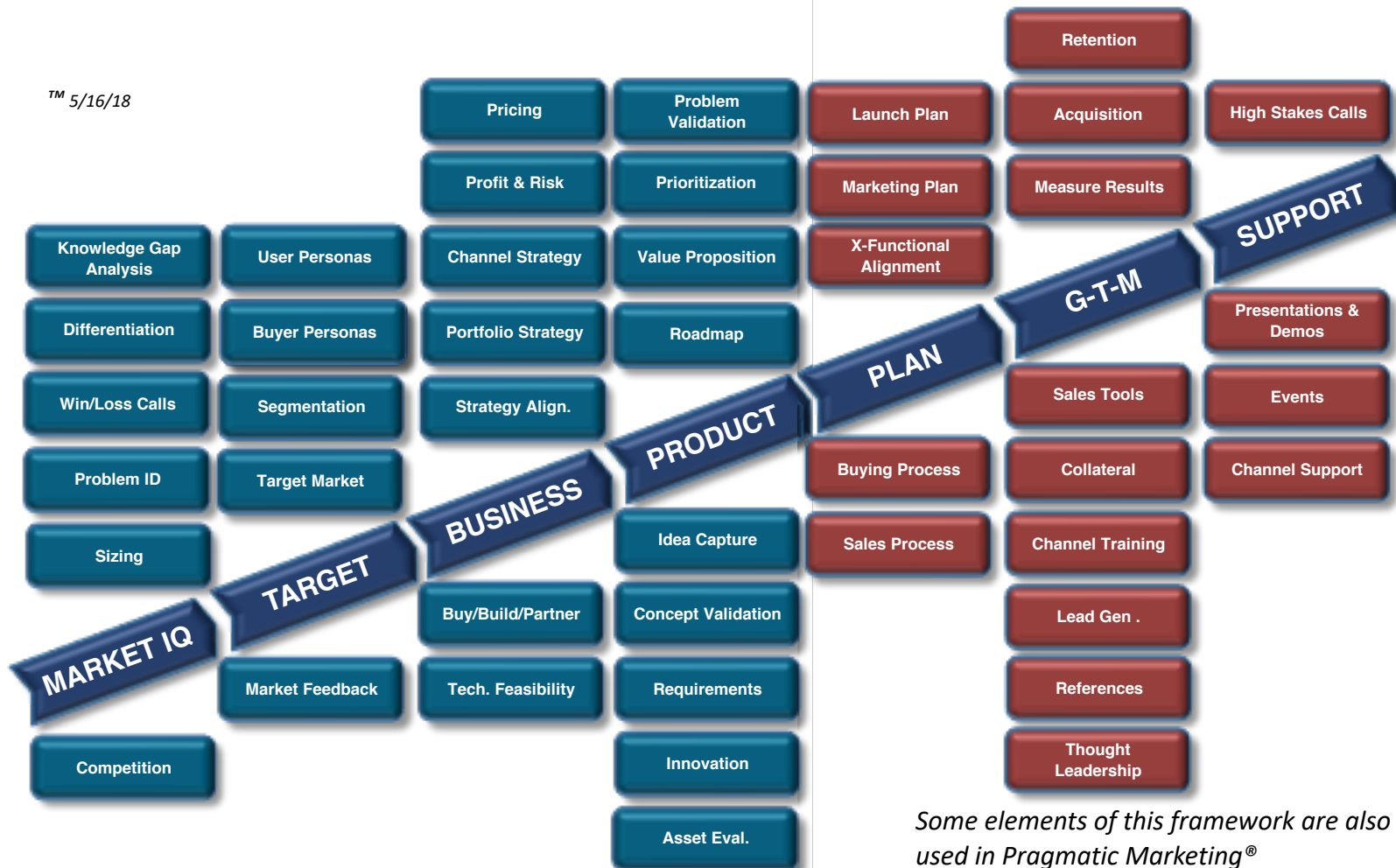


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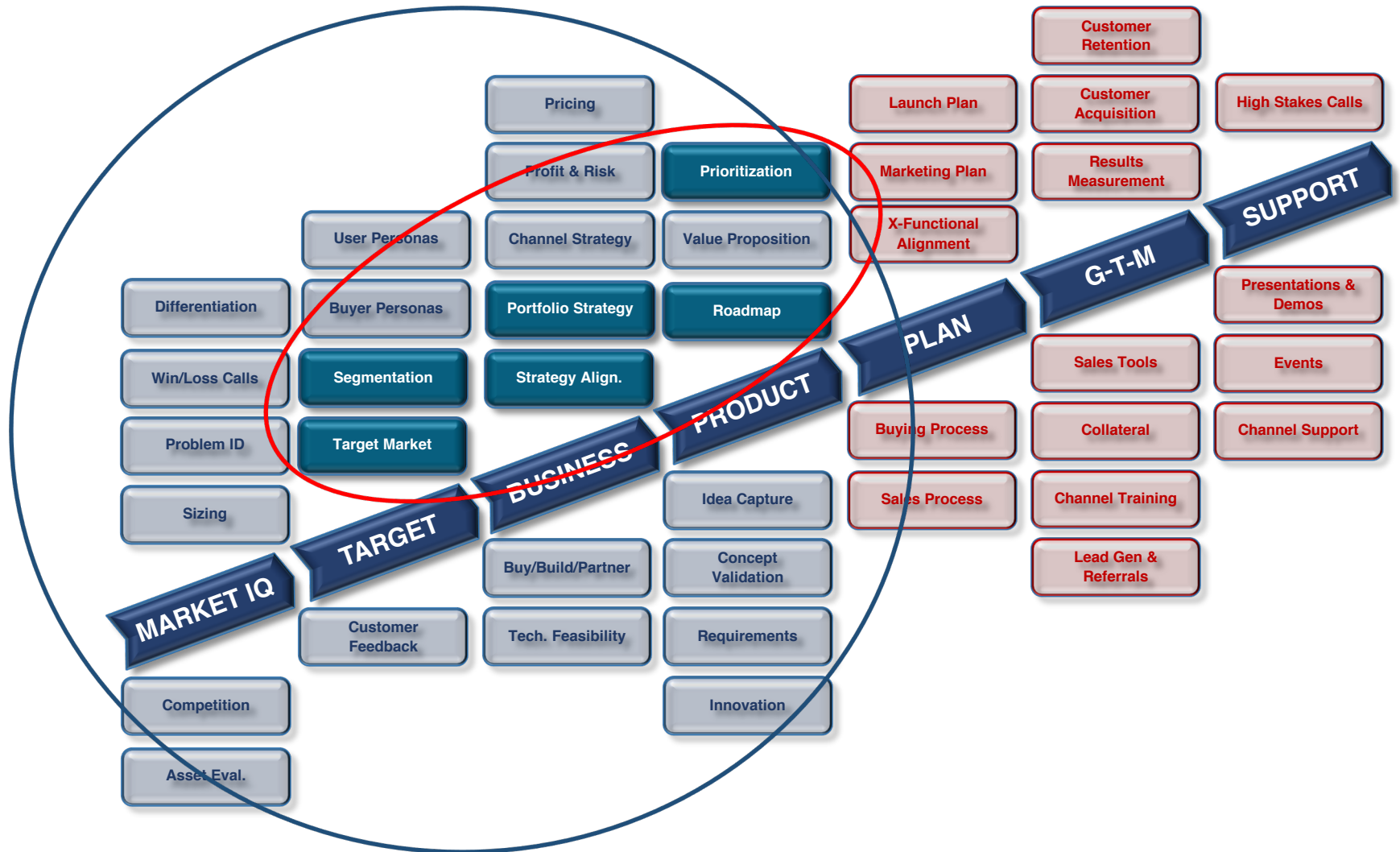


MarketView Product Management Framework

™ 5/16/18



Focus: FastTrack Roadmap Theme Definition



JOHN HANSON, MAY 29, 2018

Successful Product Leaders Focus On



Strategy - Defining us now and in the future.



Resource Allocation -
What will we do? What
won't we do?

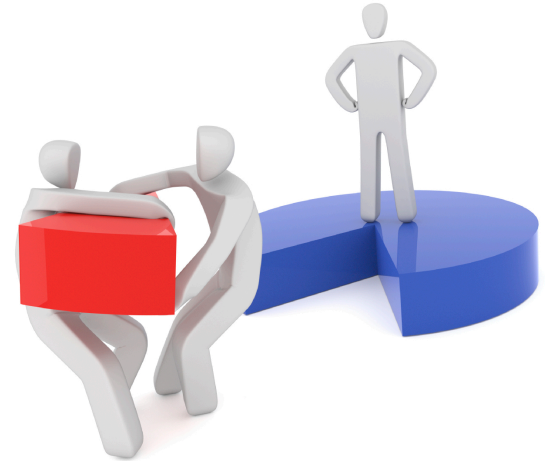


Go To Market - Defining
market segments, pricing,
positioning

How Do We Define Success ?



Products are selling



We are taking market share

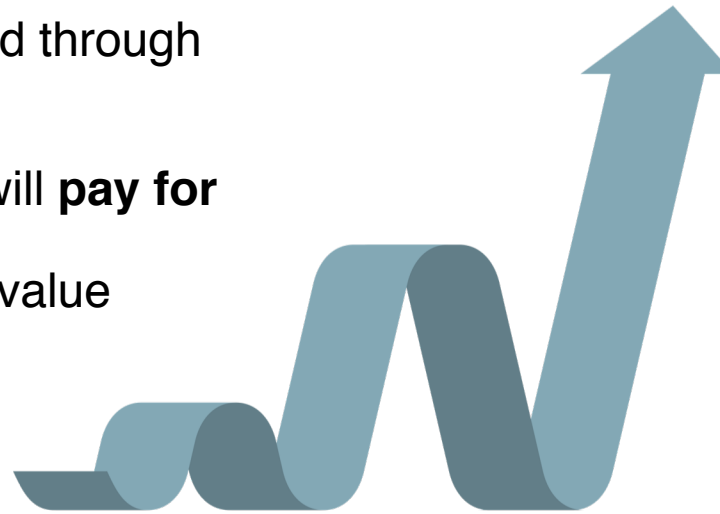
S E R V I C E
Q U A L I T Y
S A T I S F A C T I O N
L O Y A L T Y
S U P P O R T
C O M M U N I C A T I O N
F E E D B A C K
T R U S T



Customers needs are
met and they are
renewing

Definition of Winning - Profitable, Long-Term Growth

- **Identify the value** delivered through products
- Build products customers will **pay for**
- **Price** solutions in line with value



Quality Leader

- **Process, Focus & Discipline**
- **World class training** to increase performance, satisfaction & flexibility
- Focus on **repeatable & sustainable value creation**



Low-Cost Producer

Common Product Management Problems

Anything familiar to 



- Building what customers want, not what they'll pay for
- Spending all development \$\$ on maintenance & upgrades
- **Building things that are cool, but not profitable**
- Contractual commitments dominate roadmap
- **Frequent and surprise product delays**
- **Missing the new opportunities**
- **Lack of viable roadmap**
- Consumed by tactical activities
- Solutions released but not selling
- **Sales uses discounting to handle objections**
- Competitors always seem to get there first

Traditional Approaches to Product Management



Engineering Driven

- ✓ Quality focused
- ✓ Implementable solutions
- ✓ Leverage the latest technologies
- × Long drawn out innovation cycles
- × Innovation for engineers not the market

Traditional Approaches to Product Management



Sales Driven

- ✓ Fast pace development
- ✓ Business focus
- × Miss bigger opportunities
- × Inefficient use of development resources

Traditional Approaches to Product Management



Customer Driven - Add-on Feature Requests

- ✓ Core Market focused
- ✓ Meets customer expectations
- ✓ Whitespace focused
- × Risk of being leapfrogged
- × Incremental improvement
- × Lack of focus on Greenfield

Traditional Approaches to Product Management



Market Driven

New Pain Problem-Solving

- ✓ Market focused
- ✓ Game changing opportunities
- × Customers need to articulate problems vs. ideas
- × Need to solve the problem

Product Management



Engineering Driven



Sales Driven

Product Management

Balancing the Needs of Stakeholders & Using DATA to Do This



Customer Driven

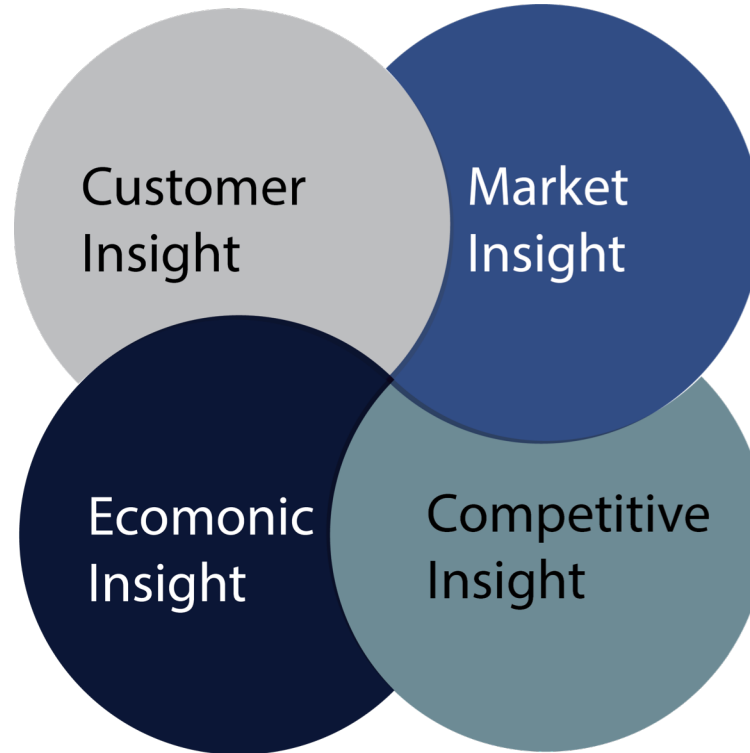


Market Driven

Driven by Process

- Customer Requests & Requirements
- Customer Stories & Use Cases
- Share of Wallet / Adjacent Space

- Pricing
- Revenue Opportunity
- Cost to Build or Buy
- Cost to Implement
- Product Profitability



- Macroeconomic Trends
- Market Problems & Pain Points
- Value Proposition / ROI

- Wallet Share
- Competition
- Win-Loss

Disciplined Discovery & Prioritization Process

Resulting in a Strategic Roadmap

- Market Research & Prioritization
- Business Cases
- Thematic Roadmap
- Tangible, quantifiable value –
 - Increase white space sales
 - Accelerate new customer acquisition
 - Increase profitability



Product Management Roles



Product Management Defined



- Technical Product Manager
- Product Owner
- Business Analyst

Product Management Defined



What is Product Marketing?

Product Management **LISTENS** to the Market...

Product Marketing **TALKS** to the Market

Product Management manages **INBOUND** activities...

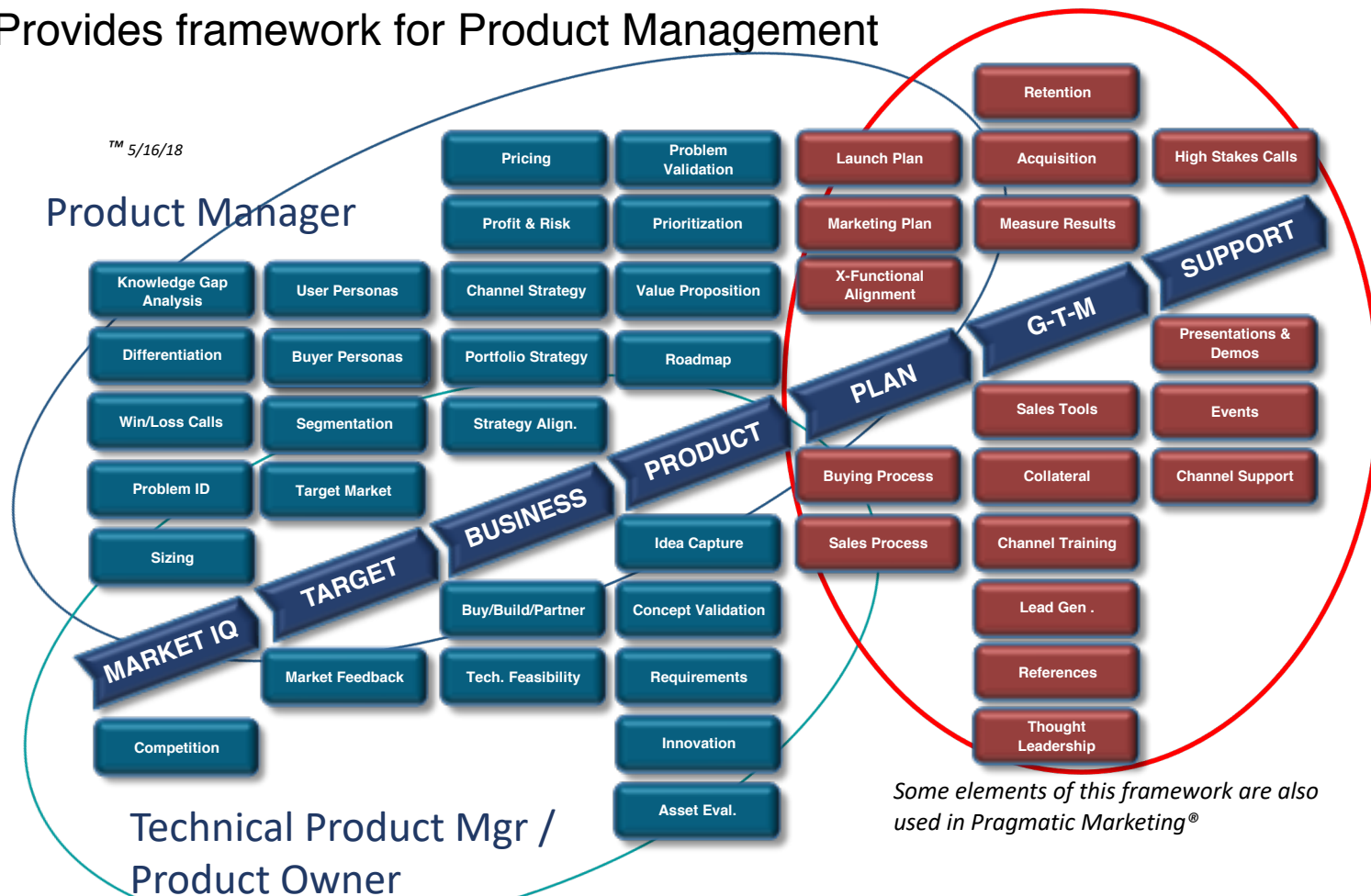
Product Marketing manages **OUTBOUND** activities

Product Management Defined



MarketView Product Management Framework

- Common language & understanding
- Set of standards & principles
- Provides framework for Product Management



Product Roadmap Strategy

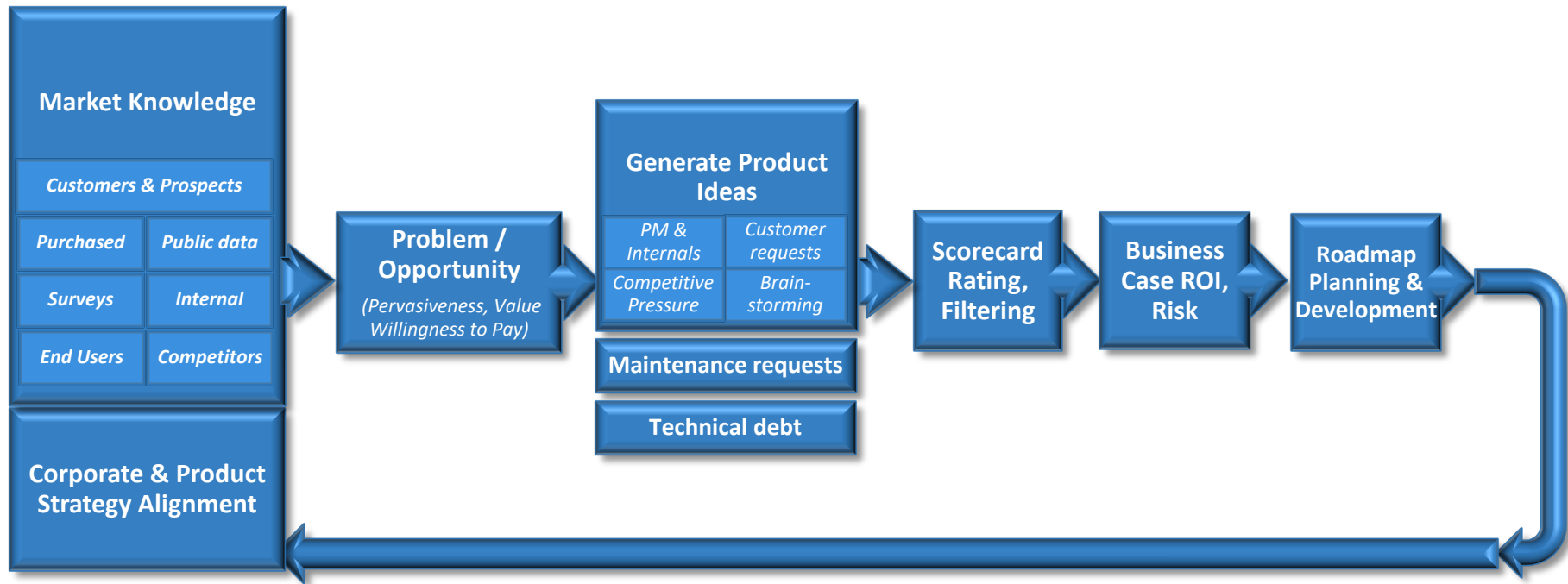


- Market-Driven & Business Focused
- Thematic Roadmap Strategy
- Data-Driven Priorities
- Repeatable Process
- **Create Monetizable Value**
- **Reduce Risk**



- *“I think” vs. “the Market says”*
- *Build it because we can*
- *Driven by Projects, not Strategic Themes*
- *Ready, fire, aim*
- *Unbalanced focus on existing products to existing customers*

Strategic Product Roadmap Process



1. Establish Market Knowledge Base (continued)

Taking Inventory

- Complete exercise - assess the actual state of things, be objective
- Choose priorities for improvement, with realistic resource & capacity targets

	Overall Score	Notes	Product 1	Product 2	Product 3	Product 4
Win / Loss Calls	10	On average 4 calls per month	●	●	●	●
NIHITO Engagements	4		●	●	●	●
Competitive Analysis	16	Primary focus of team currently	●	●	●	●
Industry Trend Analysis	10		●	●	●	●
Feature Request Analysis	12		●	●	●	●
Whitespace Analysis	4	Analysis planned for Q3	●	●	●	●
Current Market Analysis	13		●	●	●	●

Green	●	4 pts.	Have info, readily available to all parties, used in decision making, updated throughout the year
Yellow	●	3 pts.	Have info, may be dated, available to most parties, updated once a year or so
Red	●	2 pts.	Data is somewhere, though inconsistent, no regular process, not available to all parties
Black	●	1 pt.	Anecdotal data, not readily accessible, no process for updating

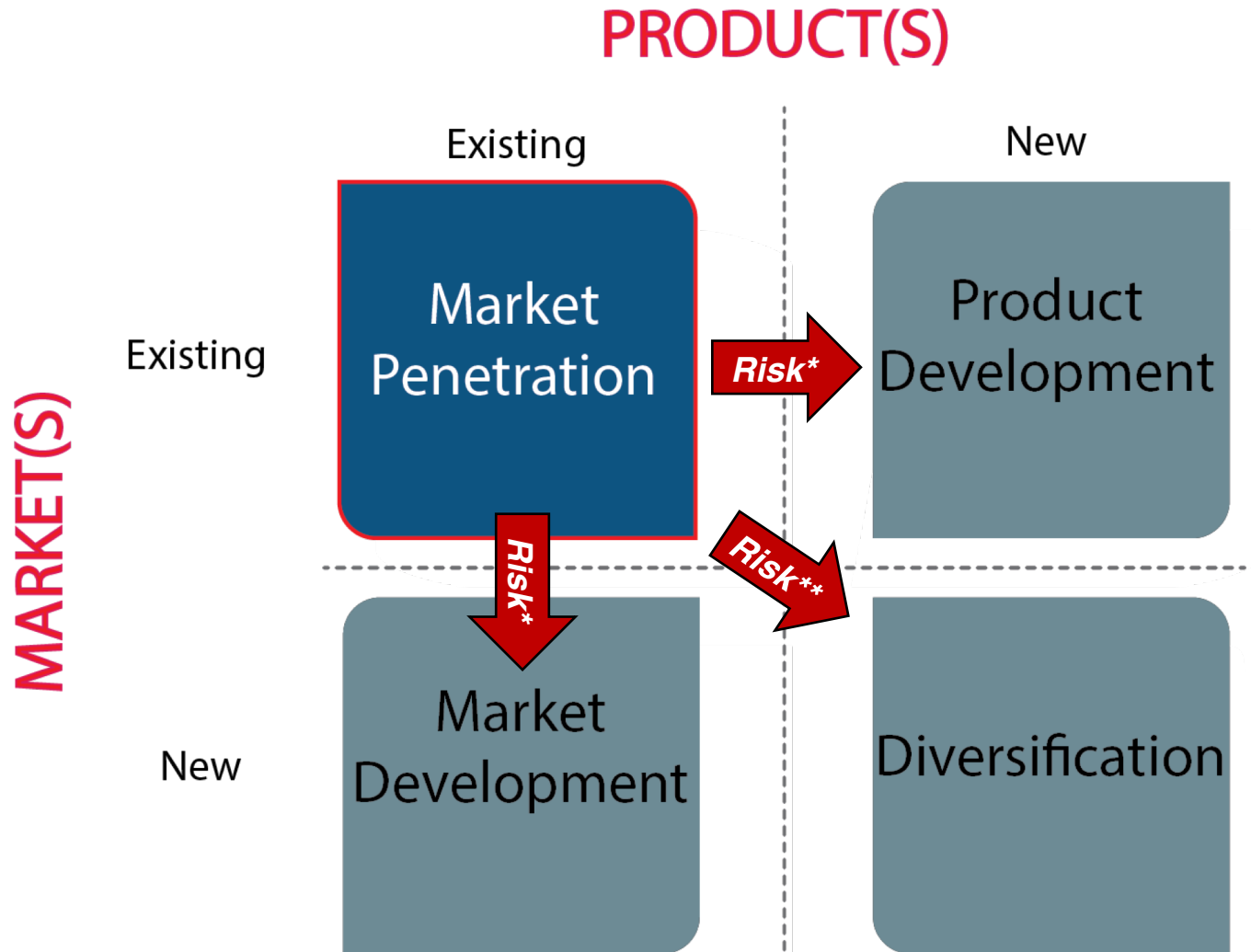
This is a partial list of fact base elements for illustration only

Roadmap Creation

2. Align Product and Corporate Strategy

- Collaborate with the CEO to understand:
 - Key challenges & growth risk
 - Long term corporate growth objectives
 - Strategies to achieve the objectives
 - *Strategy for increasing company value?*
 - *Grow revenue?*
 - *Organic vs. Inorganic?*
 - *Grow market share?*
 - *Grow margin & average selling price?*
 - *Grow # of customers?*
- Align product strategy with corporate growth plan
- Create Strategic Roadmap Themes with multi-year relevance

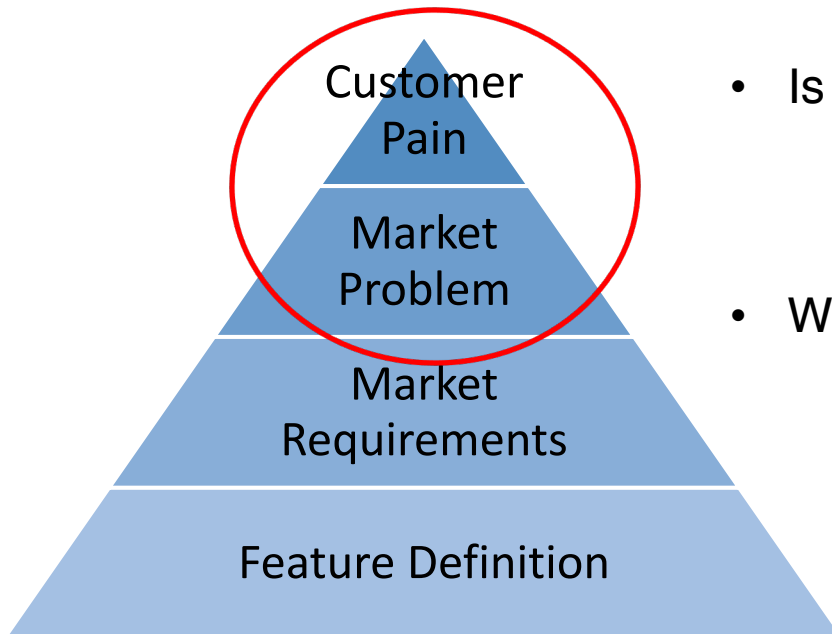
2. Align Product and Corporate Strategy (continued) Path to Profitability



Roadmap Creation

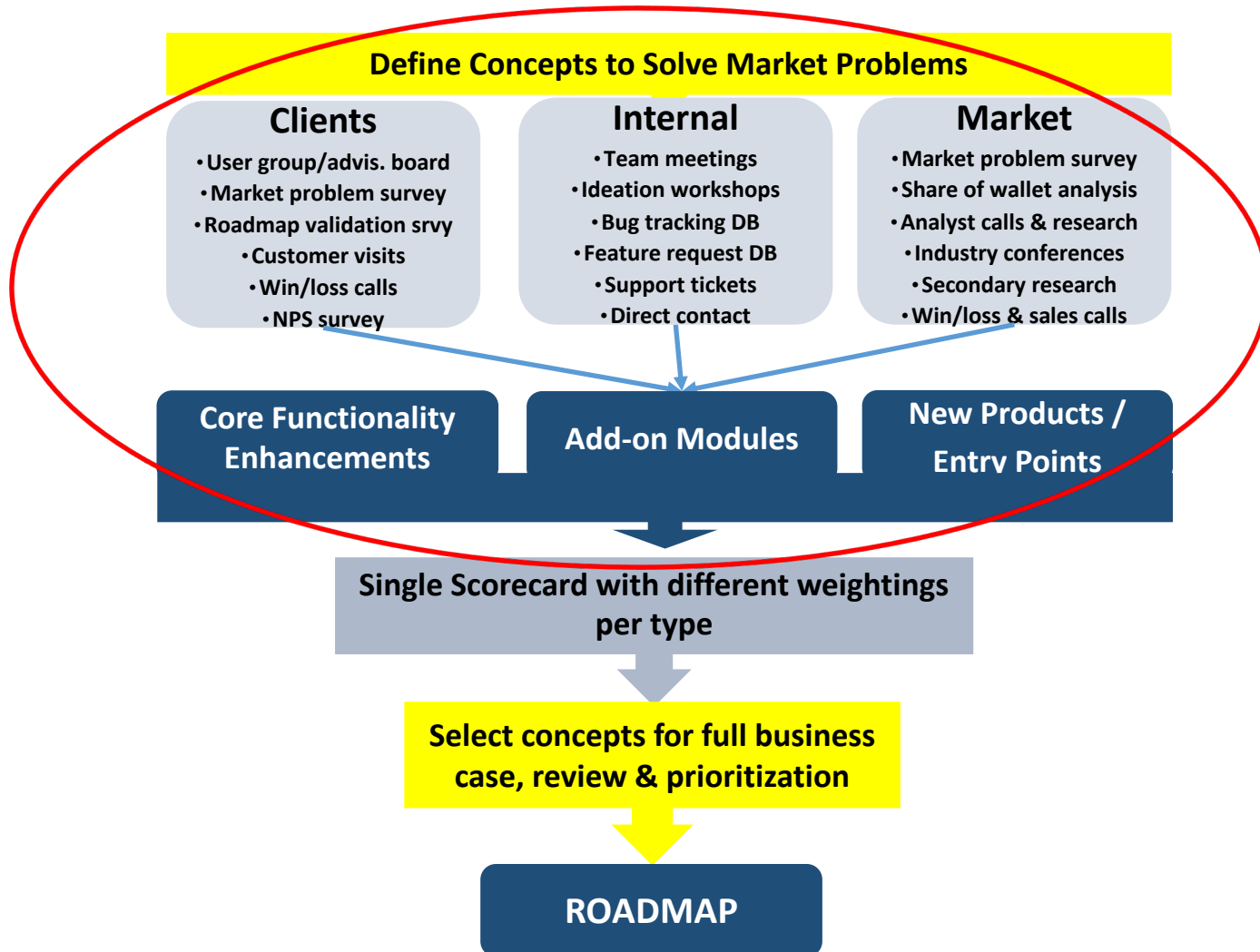
3. Define Market Problems & Opportunities

- Is the customer pain urgent?
 - *Is the problem costing them money, loss of productivity or loss of customers?*
- Is the pain pervasive?
 - *Does a significant portion of the customer base have this pain?*
- Will they pay to solve this pain?
 - *Is there such high value to the customer(s) that near-term payback is easy to achieve?*

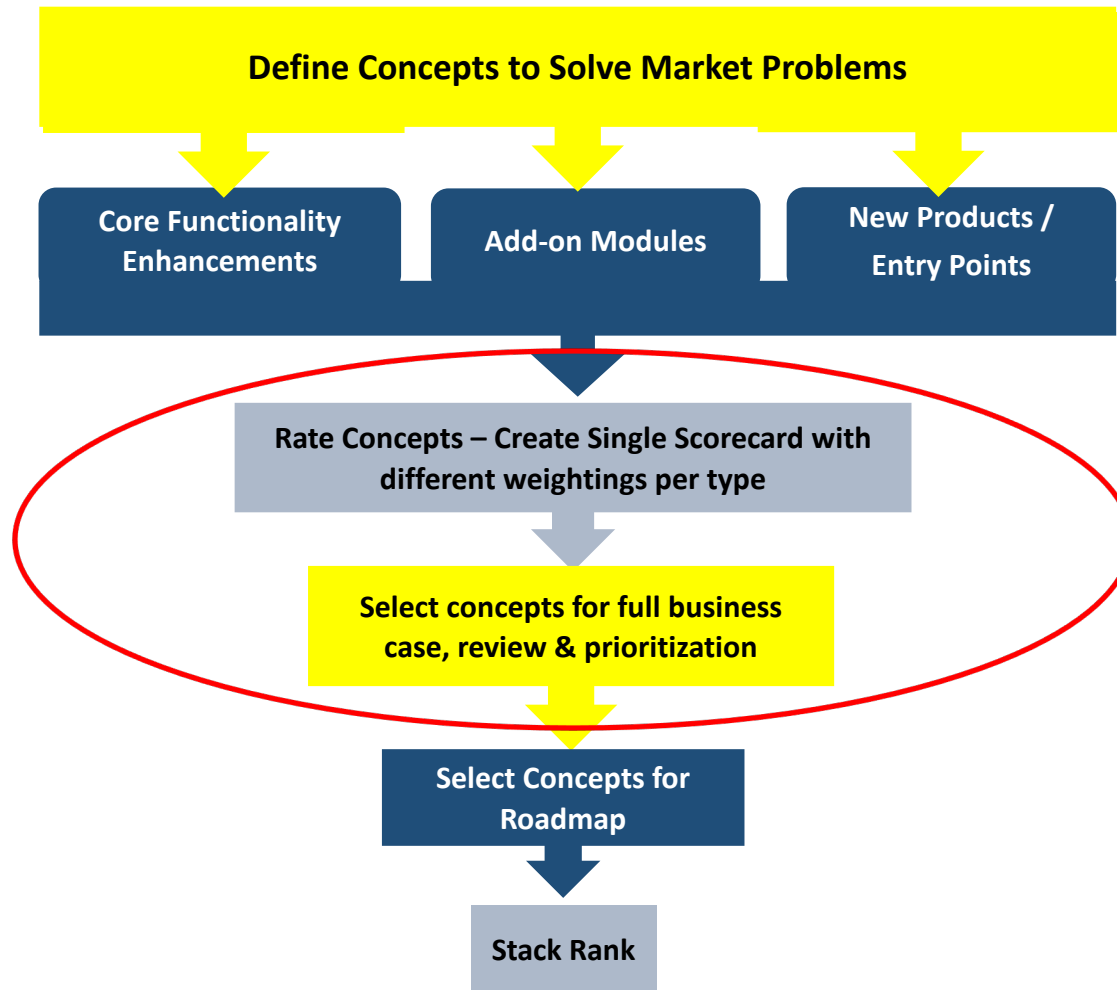


Roadmap Creation

4. Generate Product Ideas



5. Scorecard Filtering Concept Score Card & Decision Process



5. Scorecard Filtering (continued)


Scorecard

- Objective method to evaluate & prioritize concepts
- Aligned with company growth and product roadmap strategies
- Reduces subjectivity and undue influence from 'the loudest voice'
- Provides transparency and quantifiable justification for decisions

Product / Project	Description	REACH (Existing & Prospective)	PROBLEM Pervasiveness (% of targets)	BUSINESS IMPACT (e.g. revenue, volume, profit, retention, etc.)	STRATEGIC FIT	MARKET POTENTIAL	CONFIDENCE	EFFORT	RICE Score (R x P x S x C)/Effort
		Estimate actual # you can reach to propose solution)	5 = >85% 4 = >70% 3 = >55% 2 = >30% 1 = <30%	5 = Very High 4 = High 3 = Medium 2 = Low 1 = Very Low	5 = Very High 4 = High 3 = Medium 2 = Low 1 = Very Low	5 = Very High 4 = High 3 = Medium 2 = Low 1 = Very Low	Use actual % to indicate confidence in ratings at left	Person months .5 minimum Increments of .5	
Weighting		XX%	XX%	XX%	XX%	XX%	XX%		

Project A
Project B
Project C
Project D

Sample Scorecard



Microsoft Excel Worksheet

Roadmap Creation

6. Business Case, ROI

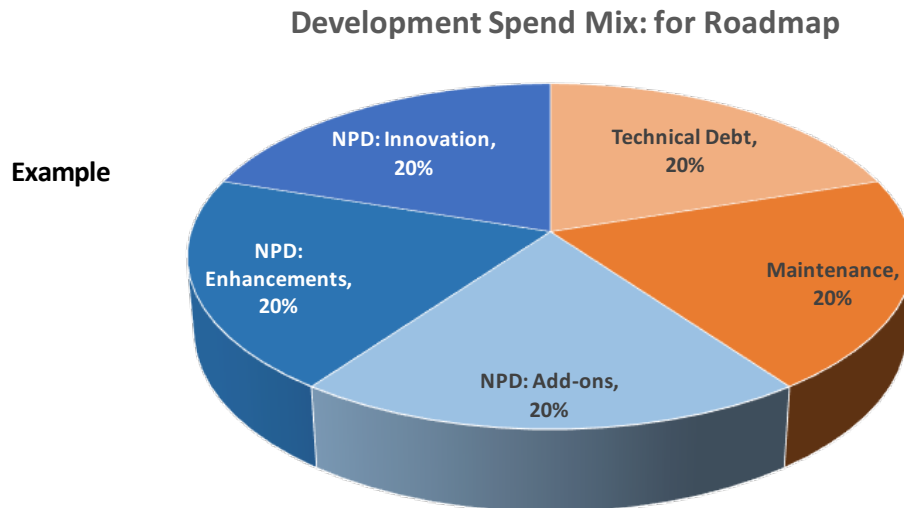
Data for Roadmap Slides	Worst	Expected	Best
Impact on Customer Sat	30.00%	30.00%	30.00%
Estimated Impact on Attrition Rate	+30%	+30%	+30%
Estimated Impact on Opportunities	+20%	+20%	+20%
Estimated Impact on Win %	+20%	+20%	+20%
Addressable Customers	178	178	178
Customer Penetration % (At 5 Years)	10%	10%	10%
Customer Penetration (Total at 5 Years)	\$467,252	\$712,000	\$1,602,000
Addressable New Market	\$30,000,000	\$30,000,000	\$30,000,000
New Market Penetration % (At 5 Years)	5%	10%	15%
New Market Penetration (Total at 5 Years)	\$1,500,000	\$3,000,000	\$4,500,000
Increased Customer Wins (Over 5 Years)	+80	+80	+80
Attrition Improvement (Retained customers over 5 Years)	+34	+34	+34
Total Units Sold Over 5 Years	60,657	231,430	117,800
Initial Investment	\$201,000	\$159,000	\$142,200
Avg Annual Costs (Years 1-5)	\$867,900	\$880,738	\$935,924
Man Months to Build	14.3	9.5	7.6
Initial Dev Investment	\$126,000	\$84,000	\$67,200
New HR Costs (Year 0)	\$45,000	\$45,000	\$45,000
New Infrastructure Costs (Year 0)	\$20,000	\$20,000	\$20,000
Marketing Launch Costs	\$10,000	\$10,000	\$10,000
5 Year ROI	23.6x	71.8x	221.7x
5 Year NPV	\$2,864,047	\$6,978,161	\$19,551,384
Payback Period	1.6 years	0.8 years	0.2 years
NPV Range	\$16,687,337		
Maximum Initial Investment	\$126,000		
Risk Index	16.8		

6. Business Case, ROI (continued)

Development Mix Allocation Tracking

Enables focus on Market-Driven vs. Customer-Driven allocations

- ✓ Avoid 'Innovator's Dilemma' trap of singular focus on customer
- ✓ Focus on being market-driven, not customer-driven or internally-driven
- ✓ Spur innovation to uncover new value monetization potential



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6. Business Case, ROI (continued)

Stack-Ranked Concept Priority List

Concept/ Project	Theme	COST (000's)				Revenue (000's)				NPV 3 Yr	ROI 3 Yr	Risk Index	Power Score	Rank Overall	Investment Scenario
		Year 1	Year 2	Year 3	TOTAL 3 YEAR COST	Rev Yr 1	Rev Yr 2	Rev Yr 3	TOTAL 3 YEAR REV						
● Concept name	Theme 1	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$5.0	25.0	0.7	100	1	Maint. Only
● Concept name	Theme 2	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$4.5	30.0	0.7	95	2	
● Concept name	Theme 3	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$4.0	20.0	0.7	80	3	
● Concept name	Theme 2	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$3.5	20.0	0.7	60	4	
● Concept name	Theme 1	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$3.0	15.0	0.7	75	5	Current Capacity
● Concept name	Theme 1	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$2.5	12.0	0.7	55	6	
● Concept name	Theme 3	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$2.0	8.0	0.7	45	7	
● Concept name	Theme 1	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$1.5	11.0	0.7	40	8	
● Concept name	Theme 3	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$1.0	7.0	0.7	35	9	Suggested Plan
● Concept name	Theme 2	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$0.5	4.0	0.7	30	10	
● Concept name	Theme 2	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$0.5	6.0	0.7	25	11	
● Concept name	Theme 2	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$0.3	5.0	0.7	20	12	
○ Concept name	Theme 2	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$0.2	na	0.7	15	13	Suggested Plan
● Concept name	Theme 2	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$0.2	8.0	0.7	10	14	
● Concept name	Theme 2	\$1.20	\$0.50	\$0.30	\$2.00	\$1.00	\$1.20	\$1.40	\$3.60	\$0.1	2.0	0.7	5	15	

- Monetizable
- Customer Commitment
- Strategic / Executive Decision

Promoted despite of score ▲
Demoted despite of score ▼

6. Business Case, ROI (continued) Strategic Roadmap Highlights

- Avoid Peanut Buttering
 - Pick best ideas, not several good ones
- Identify ***unfair*** advantages
 - Recognize 'me too' initiatives
- Why should ***this*** project get funded?
- Evaluate risk & reward
- Be objective!
 - Even subjective data can be somewhat quantified

