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Silicon Valley Product Management Association
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NEWS

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August Event with Vito Salvaggio

How to Elevate Your Product Management Career

By Greg Cohen

Vito Salvaggio, VP of Product Marketing at Roxio, spoke to a full house at the August 2005 meeting of the SVPMA. Mr. Salvaggio shared his accumulated wisdom from fifteen years in Product Management on *How to Elevate your Product Management Career*. In all, the speaker presented twenty nine aphorisms with entertaining stories and anecdotes. Some of the highlights included:

Be very good at something – Find one area of product management that you excel at and be the best. This might be driving and coordinating a release to hit the deadline, negotiating with third party partners, speaking to the press, or generating creative ideas.

Be honest at what you're not good at – It's important to know your weak points, especially when you become a manager. You will need to build a team to fill the gaps.

Use "I" only when admitting mistakes – Own up to the problem.

Give people credit every chance you get – because when you do this, product management will also get credit. Further, give credit to those people who usually don't receive it. This will go a long way.

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Product Feature ROI

By John Mansour

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Senior executives often request a feature level ROI prior to approving plans for future product development. This can be a mind numbing exercise for product managers and developers. Most product features are usually interrelated at some level, so how is it possible to predict revenue and cost estimates on a feature by feature basis?

The short answer is - it's next to impossible! Here are four time saving tips to simplify the feature ROI exercise.

1. Group features into categories based on the business problem addressed, e.g., productivity, cost reduction, regulatory compliance, customer service, etc. Technology products and features offer nothing more than new ways to solve old business problems, hence, the ROI exercise is much easier if the focus remains on the business problem.

2. Estimate the additional number of units and product revenue if the problem is solved (or solved more completely). Very few busi-

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Letter from the President

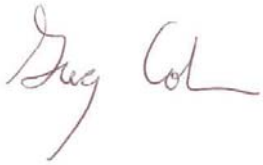
I am extremely excited to announce that Brian Lawley, President of the 280 Group, has been nominated as the next President of the SVPMA. Brian presented at the September 2004 meeting of the SVPMA and joined the board as Director of Communications a few months later. Brian has a great depth in product management and is a true leader. He has been a key contributor to the association, editing the newsletter, attracting top speakers, and most recently spearheading the launch of the SVPMA's new look and more professional and usable website. Congratulations Brian on the nomination!

When I became involved in software product management seven years ago, there was no association for me to turn to. I am thrilled to see a vibrant organization where Product Management professionals can learn about and exchange best practices. I am grateful to Bill Kong, the original founder of the association, its first board members Ray Stendall, Simon Peel, Laura Lukitsch, and Jasmine DeGaia, and Pragmatic Marketing for their early support. It has been an honor to serve the SVPMA as president over the last twelve months.

The SVPMA, just five years old, now represents over one thousand product management and marketing professionals in the greater bay area. Two years ago we became an official 501c non-profit. During the last twelve months, we have doubled our annual paid membership. We also brought new leadership to the board, standardized processes, introduced LinkedIn Groups, and reached out to partner organizations, including Norcal PDMA and CSIX. We redoubled our efforts to build a strong speaker list and brought in top presenters from companies such as LinkedIn, Google, Roxio and Guy Kawsaki from Garage Ventures, who all shared their "secret sauces" of the trade. And rest assured, we have an equally exciting line-up planned for 2006. With Brian at the helm, it will be another banner year for the SVPMA.

At the end of the day, it is the members who create the energy and character of the association. I feel we have one of the strongest and most talented member bases in Silicon Valley (this, by the way, has not gone unnoticed by hiring managers at top companies in the area, so I know others share the same opinion.) At each event, I enjoy meeting brand new attendees. But I must confess, I derive the most pleasure out of seeing the familiar faces of returning members and getting to know you a little more each month. We are an all volunteer group, not beholden to a national organization. The SVPMA is what we make of it. Being on the board of the SVPMA has been one of the most rewarding experiences of my career. I have had a tremendous amount of fun, gotten to truly know some terrific people in the valley, and encourage you to become more involved.

Thank you for the support and your participation during the past year.



President, SVPMA

SVPMA is an all volunteer non-profit association for Product Managers in Silicon Valley and around the San Francisco Bay area.

Our mission is

- To provide a forum to share day-to-day experiences and insights in Product Management
- To create a safe network of peers
- To promote research and education in Product Management

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How to Run a Successful Beta Program: Part 1

By Brian Lawley

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Customer beta programs are often one of the most critical factors in the success or failure of a product. Yet many times they are not well-planned and are executed at the last minute with a lack of resources and focus.

An effective beta program can provide you with valuable information, such as whether your product is truly ready to ship, what features should be in the next release and how satisfied customers will or won't be with the product. If done right, it can also set you up for critical launch and marketing deliverables that will add credibility to your story as you bring the product to market.

As a Product Management professional who is responsible for the overall success of your product, it is important that you ensure that the beta programs you run are comprehensive and effective (even if you are not the one who has ultimate responsibility to run the program). This article will include some of the tips and best practices that I have found to be helpful in making beta program successful over the years.

Setting Appropriate Goals

Make sure you define your goals up front and early. What are you really trying to accomplish? Do you want a broad cross-section of customers to spend extensive amounts of time using the product to prove that it is ready to ship? Or is your QA very extensive, and you just need a few customers to validate readiness with some hands-on customer usage. Do you want to gather early feedback for the next version? Or perhaps you want to find a group of customers that will be willing to talk to the press or provide you with quotes or testimonials.

Make your goals concrete

The earlier you set your goals and the more concrete

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Measure success by tangible accomplishments – Salary and title are not accomplishments. Revenue, market share, profit are all good metrics to use.

Don't try to rise too quickly – This was rampant during the dot come days. Realize that being the "VP of nothing" that went bankrupt actually hurts you. Learn to be good at all aspects of product management and get the experience. This will help you manage other product managers later in your career.

Don't go to your boss with questions. Propose recommendations – Don't give your boss action items. Identify the problem, discuss the possible solutions, and recommend one solution with your justification.

Plan your career in four year chunks – because this is the vesting period of options. But more seriously, you need to be in your role for at least two product cycles to have an imprint on it. Four years is a solid period to make a measurable impact on a business.

Your reputation travels – Everyone in Silicon Valley is three degrees apart or less. Therefore, everyone you work for is a reference whether you like it or not.

Don't run away from difficult business conditions – These can be great learning experiences. You learn more from mistakes than successes, but make more money from successes than mistakes. Realize that all companies have issues.

Choose who you work for very carefully – Check references about the company and analyze the business. You can't erase a mistake.

Don't chase money or titles – Chase good opportunities for success. It is better to have a B title at an A company than an A title at a B company. As an example, four years ago, would you have been better off taking a job as a VP at Pets.com or a product manager at Google?

Don't whine too much – If you don't enjoy your job, you have three choices: get with the program, convince them of a better idea, or leave. If you have become bitter to the point that your performance suffers, it is time to leave.

But be careful not to take a "bad" job just because you hate your current job – Don't run away from something, run to something.

Never hire sub-par people – The $20K - $30K difference between a sub-par product manager and a superstar is noise once you look at the fully burdened cost of the employee. Be rigorous in your hiring because superstars will make you look good while poor performers will drag your group's average down.

Run your teams lean – The larger your team, the more inefficiencies are created. Lean teams learn how to get better faster. And if you have a lean department, management will trust you when you request a new headcount.

Clear and concise communication is critical to career advancement – communicating is the core of product management. Make salient points and remember to come prepared to meetings, because no one else will.

To see Vito Salvaggio's full presentation, go to the meeting archive section of the SVPMA website: http://www.svpma.org/archives.html ⌘

Greg Cohen is a Senior Product Manager at Instill Corporation and on the board of the Silicon Valley Product Management Association. He has over seven years in software and application services specifically with spend analysis, contract management, and e-commerce.

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they are, the better. For example, I like to state that a certain number of customers must have installed the product, used it for N days (or N number of times or hours) successfully and found no major crashing bugs. I also like to agree up front with the team that the beta testers will be surveyed at the end of the program, and that a certain percentage of them have to indicate they believe the product is ready to ship. (i.e. 9 out of 10 beta customers must agree that it is ready).

Other goals might include finding 3-5 customers that are willing to give you quotes and talk to reporters when they ask for references. Or you might want to set a goal that the number of bug reports must show a decreasing trend to an acceptable level before the product can be declared ready to ship. Obviously there are a number of metrics you can use, but without defining success up front it will be difficult to create your overall plan, and even more difficult to push back to the team when there is pressure to ship the product and you don't have enough data to be sure if it is ready yet.

The next article in this series will cover how to recruit customers for beta programs, percentage responses you can expect and incentive programs. ⌘

Brian Lawley runs the 280 Group, which provides hand-picked Marketing and Product Management consultants to help companies define, launch and market breakthrough new products. http://www.280group.com

July Event with Guy Kawasaki

The Art of the Start – The Role of Entrepreneurship in Product Management

By Greg Cohen

Guy Kawasaki, managing director of Garage Technology Ventures, spoke to a standing room only crowd at the July 2005 meeting of the SVPMA. Guy presented on The Art of the Start – The Role of Entrepreneurship in Product Management, which is based on the lessons of his recently published book *The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything*. He spoke using a top 10 format, which he says he likes because if the speaker "sucks" at least you know how much longer the presentation will last. Following are the highlights from his presentation:

1. **Make meaning.** Set out to change the world in a positive way. This might be a product that increases the quality of life, rights a terrible wrong, or prevents the end of something good. Making money is not the same as making meaning. If your goal is to make money, you will attract the wrong people to the company.

2. **Make mantra.** A mantra is three to four words and guides the employees in their job. It is not a mission statement, which Mr. Kawasaki states are useless. They cost $10,000, take two days, require the input of 25 people and must include the customer, employees, and shareholders. To illustrate his point, the speaker asked the audience to guess the company with the following mission statement:

"Our guiding mission is to deliver superior quality products and services for our customers and communities through leadership, innovation and partnerships."

Mr. Guy Kawasaki addresses a standing room only crowd at the SVPMA's July meeting.

The audience came up blank. It turns out this is Wendy's mission statement. Mr. Kawasaki thought they would be better served with the shorter mantra of *healthy fast food.*

3. **Get going**. This is not the time to analyze or write the business plan. Start building a prototype, writing software, or launching your website and create something you love. Do not create better sameness. Take a lesson from the Toyota

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Looking for new opportunities in Product Management?

Check out the many job listings on the SVPMA Forum: http://www.svpma.org/forum/

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Scion and be willing to polarize people. Lastly, find soul mates. Being a solo entrepreneur is tough. You need people to balance you out.

4. **Define a business model**. Claiming you will get one percent of an ambiguous market is not a business model. Be specific about who has money in their wallet and how you will get it out. Keep the business model simple, such as we will make it for a dollar and sell it for five dollars.

5. **Weave a MAT**. MAT stands for Milestones, Assumptions, and Risks. Starting a company is a fresh start and you need a priority of what to do. Milestones are things you would brag to your spouse about, such as finishing a design or beta release. Assumptions of the business must be made and tracked. These include things like sales call per day, conversion rates, costs, time to install product, etc. Lastly, tasks help finish milestones or test assumptions. A task might be find an office or identify a vendor.

6. **Niche thy self.** Start-ups do not start big. Mr. Kawasaki illustrated this point with a simple x-y graph divided into four quadrants. Along the y-axis is the ability to provide a unique product or service and along the x-axis is the value to the customer of the product or service. You want to be in the upper right, providing a unique product of value. In the lower right exists price competition, since many companies can provide the product. In the upper left exists "stupid" companies, providing unique products of little value. Finally, the lower left is reserved for dotcoms, providing little value that anyone else could also provide.

7. **Follow the 10/20/30 rule.** This rule applies to raising money and pitching the company. "10" is the optimal number of slides in your PowerPoint deck. "20" is for the number of minutes it should take to convey your message. "30" is the point font to use because your audience will include gray haired investors with bifocals. But even if your audience was youthful, thirty point font ensures you do not add text so that you can read it. Audiences catch-on fast to this and read ahead.

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8. **Hire infected people.** Does the candidate "get it?" Do they love what they do? Be willing to hire people better than yourself because A players hire A players, B players hire C player, C players hire D players. And, therefore, it does not take long to get to Z. Further, a start-up is a family and you will be spending a lot of time with these people, so apply the shopping center test. If you were at the Stanford shopping center and saw a candidate would you a) run over and say hello, b) figure if your paths cross you will say 'hi' but not go out of you way, c) get in your car and go to a different mall. If you selected b or c, do not make the hire.

9. **Lower the barrier to adoption.** Make it easy for someone to use your product by flattening the learning curve. It should be as simple as open the box, plug it in, and it works. Further, embrace evangelist and give them the tools to evangelize.

10. **Seed the Clouds.** Sometimes you cannot predict what will drive your product's success. When a market appears that you did not expect, take the money: it is a gift. Mr. Kawasaki gave the example of how PageMaker saved Apple and created an entire market that Apple had not anticipated. Further, find the influencers in organizations. In large organizations, the higher you go, the thinner the air and the harder it is to support intelligent life. Therefore, don't suck-up. Rather, suck across and down. These people have tremendous influence in the organization.

11. **Be a Mensch.** What would a top ten list be without a bonus eleventh slide? Mr. Kawasaki makes the point that you should be a *mensch*, which is a Yiddish term for someone who is a good and ethical person. This is important because organizations exist in the context of a larger society and companies that harm society do not scale and do not last. It is important to set the highest standards for your employees. Thus, a) help people who cannot help themselves, b) do the right thing, the right way, and c) payback society. ⌘

Greg Cohen is a Senior Product Manager at Instill Corporation and on the board of the Silicon Valley Product Management Association. He has over seven years in software and application services specifically with spend analysis, business analytics, and contract management.

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ness problems are solved in their entirety in a single product release, meaning, once the problem is adequately defined the problem definition becomes reusable when planning future releases by simply associating additional features with the same problem to form a more complete solution.

3. Estimate the lost number of units and revenue if you don't build the solution. This assumes the solution you're proposing is a "must have" for a large majority of your target customers or a radical new offering that puts you in a league of your own.

4. Add the incremental revenue you'll get with the solution plus the revenue lost if you don't deliver the solution and divide the total by the cost of bringing the proposed new solution (features) to market. The result is your ROI.

Your product plans should always focus on solving the most pressing problems for each market segment you serve. The common denominator occurs when the "must solve" problems are the same across market segments. If your proposed R&D investments map to the "must solve" problems (80/20 rule) the feature ROI exercise becomes relatively simple.⌘

*John Mansour is the founder and CEO of ZIGZAG Marketing, Inc. In 2001 John packaged 15 years of high-tech industry experience into a 10-step "**How To**" methodology focused on the execution phases of planning, developing, and marketing high-tech products. To read more articles by Mr. Mansour, goto: http://www.zigzagmarketing.com/newsletters.asp .*

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BOOK REVIEW

Purple Cow: Transform Your Business by Being Remarkable

Review by Brian Lawley

I first became a fan of Seth Godin's books when he came out with Ideavirus, which was all about how to create products that had built-in viral market (you can get a free copy of the entire book at www.ideavirus.com). Seth's marketing bet was that the book was so good that you would end up buying a printed copy and buy products from him for years to come. His bet worked with me.

Another one of his excellent books is Purple Cow: Transform your business by being remarkable. The book is an easy read. Entertaining and informative, its message is even more critical now than ever for companies that want to create winning products. With all of the half-baked products and broken product promises that customers endured during the boom, this book preaches that it's time to get back to creating products and services that are truly remarkable.

Purple Cow advocates that in order to stand out, in order to have your marketing and all of your other efforts make any impact, you must go beyond "good enough". For me, he was preaching to the choir, having been a Product Management professional for most of my career working on breakthrough products like the Macintosh Human Interface, Symantec Café and the Whistle Interjet. I've always been convinced that what makes a product incredibly successful is taking care of the little details that add up to a great experience for customers. Purple cow is somewhat of a manifesto on this topic.

One of my favorite parts of the book is where he discusses the concept that "The opposite of very good is remarkable". Companies like Microsoft make products that are very good (or in many cases just good enough to sell). But look at products that have become phenomenons - the Macintosh, the Palm Pilot, Hotmail, IBM Thinkpads - these are products that truly shined (at least when they were first released) and went far beyond "good enough".

Seth also argues that your marketing needs to be just as remarkable. Combine it with great products and you have the recipe for cutting through the noise and having your product be noticed. As he says in the book, "Safe is risky".

Full of case studies, including Krispy Kreme, Jet Blue, and many other tech and non-tech companies, Purple Cow is a must read for anyone involved in product development and product definition. Every entrepreneur, CEO, general manager, product manager and marketing professional interested in creating industry-changing products should read this book. ⌘

Brian Lawley is President of the 280 Group, which provides hand-picked Product Management and Marketing consultants and contractors to help companies bring breakthrough new products to market.

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- Brian Lawley • President, SVPMA

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