

Four Pillars for Product Launch

Best Practices from World-Class Companies

By Rick Sklarin and Ling Gee

You invested millions of dollars developing your new product. You followed a tried and true product development process. And you have created significant buzz for the features and functions anticipated in your new product. But have you invested similar resources in your product launch? How do you maximize your chances for success?

Successful product launches don't happen by accident. They're built on processes and methods proven to communicate your value proposition. They're designed to grow your business and, most significantly, they intentionally exceed the expectations of customers, channel partners, employees, industry analysts, and Wall Street.

Your product launch shapes those expectations. You only get one chance to make that first impression. Successful product launches create the internal and external excitement that drives the market adoption.

How Poor Product Launches Cost You

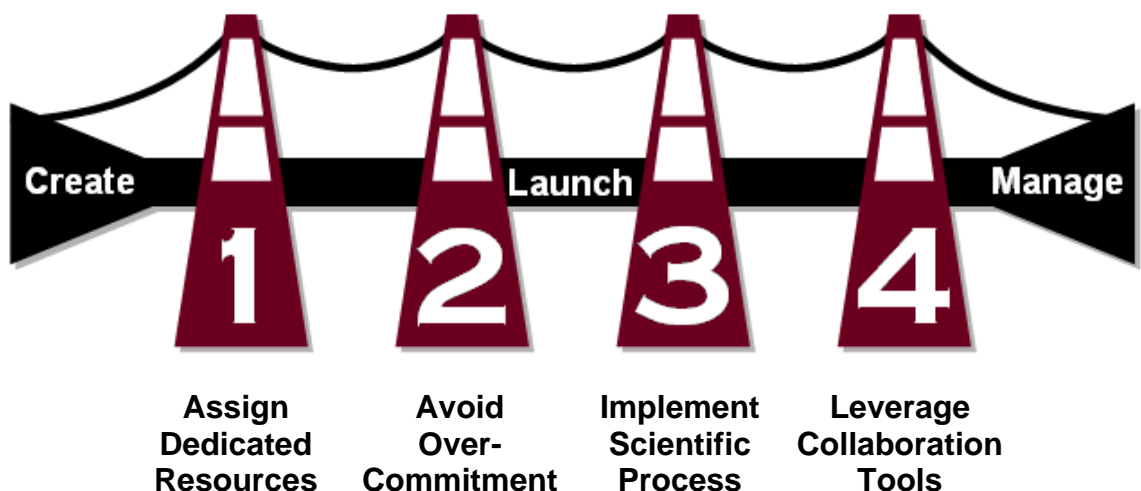
Everyone "gets" scientific product development processes such as the Capability Maturity Model and product development life cycle.

But many product and marketing organizations still approach product launches as art instead of science. While the entire product team assures the diligence applied to development details is "A" quality, the same cannot be said for the product launch details. Failure to commit enough people, technology, and management results from a lack of understanding of what makes up a successful product market launch.

As a result, many launches don't achieve expectations for your product's profitability. In a world of shorter product life cycles, you can't afford months and years to recover from a launch that falls short or misses the mark.

Here are some ground rules that will help you assure successful – and repeatable – product launch projects.

FOUR PILLARS FOR A SUCCESSFUL PRODUCT LAUNCH



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Assign Dedicated Resources

Launch management isn't a part-time job. It has to be your team's "day job" for the duration of the launch. Successful companies dedicate teams exclusively to the challenges of building market momentum for a new product launch. Companies that excel at product launch – for example, Amdocs and Adobe Systems Incorporated – strive for consistency. They use the same team from launch to launch, leveraging their experience and knowledge of shared processes and organizational decision-making.

Dedicated launch teams can include members for project management office (PMO), public relations, marketing, product management, and events management. You can create such teams with company resources or use a combination of on-site consultants to staff up and down as needed.

Recognize that launch roles can't be defined on a one-off basis. Your launch plan will help you identify the right resources and when those resources are needed. This plan will drive your search for partners and team members with a proven experience and demonstrated skill sets.

Include in this plan the time for up-front preparation. This will assure that all team members are on the "same page" as you progress through the plan and will ease adjustments as the "unexpected" occurs.

Even when you know who you want, the paperwork to bring them on board can take weeks – especially in large organizations. That's a luxury your schedule can't afford. So up-front preparation steps should include the necessary lead time for outside resources and establishing master services agreements, or in-house resource allocation agreements, so your team can start work immediately.

Dedicated Resources Provide Launch Foundation at Amdocs

For customer relationship management (CRM) services and software supplier Amdocs, assigning dedicated resources is an important ingredient for ensuring that product launches meet business goals.

The St. Louis-based company recently rolled out version 6.0 of its trademarked *intentional customer experience*[™] product suite.

"The larger the launch and the organization, the more a program management skill set is a critical factor," says Amdocs vice president of Product Marketing Eric Carrasquilla. "Finding people is not the problem. Breaking them free from their 'day jobs' is the problem. You can't do a launch on the side," he says, adding, "It's got to be your day job."

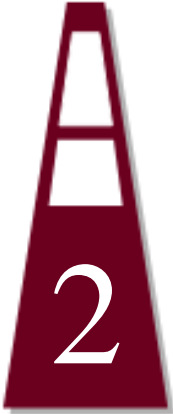
Outside contractors can be a valuable addition, Carrasquilla says, if the infrastructure is in place to bring them on board quickly.

"There are many freelancers out there today with industry experience," he explains. "If you have an agreement already in place and you have the people with the right 'pedigree,' you can add the resources you need very quickly."

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Don't Over Commit Your Product

The old rule bears repeating: under-commit and over-deliver. The biggest mistake companies make on product launches is overcommitting the product to customers, analysts, and employees.

To avoid disappointment or distrust, resist the temptation to over-sell your product's:

- Capabilities and benefits to customers
- Differentiation or fixes to prior product gaps or deficiencies to industry analysts
- Timing and magnitude of shareholder benefits to Wall Street
- Capabilities with your own employees

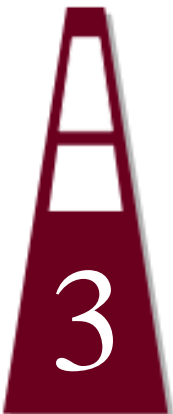
Deliverables are controlled by lead time, not budget. Period. What's true for product development is just as true for product launches. You can do it rapidly or you can do it well, but you can't do both at the same time.

Three planning steps will help you identify realistic deliverables for your launch.

First, identify the "long pole in the tent" – the task with longest duration and highest importance. Examples are advertising buys, marketing-communications production, enabling customer service to support the new product, or field service training programs.

Second, create a work-back plan from your anticipated launch date. Once you define what the plan needs and its completion date, dedicate the resources necessary to deliver on it.

Third, communicate, communicate, communicate. Keeping your management team and employees up to date on the details will allow you to successfully navigate the ebbs and flows of natural changes. Maintaining a trusted relationship with analysts will encourage their conviction on your behalf. Communicating and working with your customers will appropriately build expectation and reassure you are meeting your customer needs.



Implement a Scientific Launch Process

Take the same approach to product launches as you do to product development. Use proven, scientific processes. Product development begins with planning, managing, tracking, and measuring from the conception of your product. You need:

- Established end-to-end product development launch processes
- Time-phased tracking
- Product cost capture and measurement
- Workflow management to share information across the product development stages
- Process control component management

Marketing product launch uses the same foundation as product development. Best-practice companies start with a marketing product launch P&L. Then they measure marketing ROI with tracking that starts with the marketing bill of materials and follows through to customer use of the product.

Build on proven activities and project systems to budget and track your marketing product launch investment. For example you can determine the investment and management needed for media and trade spend by applying experience from previous launches. "A set budget is assigned to manage campaigns," says Mathew Winter, SAP's Consumer Products Industry Principal. "You then give representatives the tools to allocate dollars down to store level." In this way, you can measure if your channel got the expected volume lift from the product marketing launch investment.



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Leveraging Foundational Elements of Enterprise Resources Planning (ERP) for Marketing Product Launch.

SAP, the world's third-largest software supplier and the largest provider of inter-enterprise software company, uses its ERP acumen to achieve product launches that meet their goals. Just as SAP helps to synchronize production elements with marketing events to avoid the bullwhip effect of demand that the supply stream cannot match, the company believes that these core ERP components are directly applicable to marketing launch management.

"SAP uses the same methodology for product launch that we apply to product development," says Matthew Winter, SAP's Consumer Products Industry Principal. "The foundational elements are the building blocks of ERP including a truly integrated financial and project management system to: capture costs, track in a time-phased fashion; manage the process control components; and create workflow for a stage-gate process to inform process participants of pending activities."

Product costing and ROI measurement are accomplished by SAP project systems to track timing and bill time and costs against product marketing. Process control is provided by applications such as collaborative projects.

"SAP has history and strength using established cost structures to capture investment," says Winter, "We are now learning how to apply this to the traditional marketing component of product launch. Bringing that end-to-end process to the marketing side of product launch is our goal."

Apply the mySAP Product Lifecycle Management application to product launches to identify clear marketing and launch milestones and tasks. Using these tools ensures proper scheduling and avoids driving launch tasks by an announced "availability date".

Life-Cycle Management Keeps Adobe Launches on Track

Software leader Adobe applies product life-cycle management techniques to keep product launches on track. The San Jose-based company is currently rolling out the latest generation of its popular document management software, Acrobat 3D.

"At each milestone we go back to the management team and ask for buy-in," explains Ricky Liversidge, Adobe director of Acrobat and Breeze product marketing. "It's essential for gaining alignment on our vision, timing, and plan. It's a mechanism for getting people on board to get to the next step."

To manage the process, Adobe uses a dedicated team of internal experts.

"They come to the project as experts in the framework and approaches – the best practices," says Liversidge. "They provide the internal mechanism to ensure that the life-cycle approach is carried from product to product."

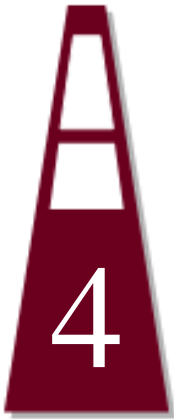
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This methodology makes it easy to move standard processes and procedures from project to project, gaining you:

- Organizational cohesion and consistency across product lines and functions
- Alignment of cross-functional activities
- Effective transitions from engineering to marketing
- A knowledge “legacy” of documented best practices



Leverage Collaboration Tools

Globalization, downsizing, and telecommuting have changed the way enterprises large and small operate. Whether across town or across the ocean, organizations are spread out. You simply can't do things the way you did when everybody was in the same building.

Technologies like Web conferencing and collaboration environments let widely dispersed teams bridge the geographic gap and work together easily. And, today's technology can offer these services at prices that are affordable for organizations of any size.

Collaboration technology unites dispersed team members by letting them:

- Conduct remote meetings
- Share calendars, files, and documents
- Train new employees at will

More importantly, by expanding communication, this technology:

- Facilitates cross-functional integration
- Automates activity management and work flow
- Tracks tasks and milestone dates
- Builds a central repository of launch documents

You can also use the same model to “virtually” organize the channel partners you need for closely integrated marketing programs. With controlled access logins, you can link VARs, distributors, systems integrators, industry analysts and publications, and even beta customers into your network by using the same toolset.

LAUNCH PLANNING PAYS REPEATABLE DIVIDENDS

Today's leading companies don't rely on chance for market success. They take a scientific approach, just as they do for product development, to align company resources and activities for maximum launch impact. This investment in up-front resources pays off quickly, realizing revenue expectations early in the launch cycle and achieving strategic market penetration.

You know the demands of your market. You know you have designed and delivered the best product. Why fall short only because your launch had insufficient resources, misguided expectations, poor planning, or lacked coordination? Success demands high commitment from the early steps of product concept through the final steps of customer adoption and, in the best case, customer advocacy.

As margins grow razor thin and competition can come from anywhere, scientific product launch can give your company the extra edge you need not just to survive, but also to thrive.



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ABOUT THE AUTHORS

Rick Sklarin, a partner at Crimson Consulting Group, has led more than 18 new business and product launches for clients including: Accenture, Adobe Systems Incorporated, Clarify Inc., Disney Mobile and Mobile ESPN, Microsoft Corporation, SBC, and Sprint Nextel.

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