

Game On: Best Practices in Product Management

How to hit it out of the park every time by Jody Meth, Practice Director

Industry Perspective

The retirement industry is a mature and competitive playing field, and chances are if you're in the business, you've won a few and you've lost a few. Bringing differentiated products and services to market - that your customers want to buy, and that you can effectively deliver - is not always as straightforward as it may seem. After all, you can't win the World Series just because you have the right equipment.

Leading providers are starting to recognize that a disciplined approach to product management is a critical element of success. Margins are tight, and the pressure to win is high. The lack of a disciplined product approach has resulted in millions of dollars invested without achieving the desired client adoption or financial returns - **many providers have attempted to load the bases but have struck out several times along the way.**

While the tenets of product management are clearly understood, few providers have demonstrated the patience, fortitude, and ability to consistently apply them. Just like a baseball player needs to *get "back to basics"* during spring training, our industry needs to return to product management lifecycle fundamentals, driving adoption of clearly defined products and services that are aligned with market and client needs. To maximize effectiveness and optimize the Return on Investment (ROI) of products and services brought to market, **let's take some lessons from "America's pastime"**, a time-honored tradition steeped in **strategy, execution and statistical analysis.**

Product Definition - a multi-dimensional approach to load the bases

One of the most critical and fundamental aspects of achieving product discipline is defining the product offering. This is a significant effort in and of itself, but a wasted effort if you fail to do two key things: (1) maintain it and (2) align the organization.

Just like a baseball player needs to get "back to basics" during spring training, our industry needs to return to product management lifecycle fundamentals.

A product taxonomy is not a once and done exercise but rather a living, breathing reference tool that becomes the "north star" of the entire organization - the **"rules of the game"**. A flexible but disciplined approach, complemented by a dedicated team and organizational commitment to sustain it, is essential to success. A detailed taxonomy enables the entire team to mobilize around the full depth and breadth of your product offering by providing answers the following questions:

- **Document the current state** - What are you selling? Who are you selling to?
- **Understand the competition** - What is your brand promise? How do you articulate your key differentiators?
- **Identify target markets** - What markets or products provide the best opportunity? How can you optimize your value proposition? Who are you NOT serving?
- **Support the Voice of the Customer** - What are your customers (both internal and external) expecting? What is the desired customer experience?
- **Inform development and sales strategies** - What is the anticipated Return on Investment? How will you achieve client adoption?
- **Enable implementation and service delivery** - What does the organization need to be successful? How will the product be supported?

To ensure that you keep your eye on the ball at all times, your product strategy should be grounded by the Voice of the Customer.

A product taxonomy enables your team to demonstrate their expertise by articulating what is in the client's best interest, which may be different than what the client has specifically requested. It aligns your organization around:

- **What can you deliver readily** – with confidence and to achieve positive customer outcomes?
- **What alternative services are available** – at a potentially higher price tag?
- What is your preferred offering?
- What products, services, and features are not supported?

Once the taxonomy is completed – and your bases are covered – **you can strategize about the next game.**

Ideate and Plan – keep your eye on the ball by integrating the Voice of the Customer

Once your core product is defined, it is time to strategize on subsequent generations and features. To ensure that you **keep your eye on the ball** at all times, your product strategy should be grounded by the Voice of the Customer as the focal point of the end-to-end product lifecycle. A product strategy substantiated by Voice of the Customer input, and complemented by data garnered through market research and an assessment of the competitive landscape, will significantly improve your ability to drive adoption and ROI goals.

To optimize the product planning process, a structured yet flexible governance approach that engages the entire cross-functional team as key stakeholders, ensures a consistent

methodology driven by market demand versus isolated requests. A common pitfall in this stage is to succumb to the squeaky wheel – whether it is your biggest client or the biggest revenue generator on the sales team. Client specific requests and competitor innovations that create a market splash will always compete for limited capital investment dollars. Sometimes, the squeaky wheel should get the oil. But your overall process should ensure that all voices are heard and serve as an effective mechanism for eliminating obstacles and re-prioritizing capital initiatives as business needs evolve.

Finally, once you've defined your product strategy and roadmap, it's critical that you develop a compelling business case that clearly anticipates organizational readiness and what it will take – both internally and externally – to drive client adoption. This business case should not only guide development and deployment efforts, but it should also be revisited with scope changes.

Product Development – if you build it, will they come?

Have you ever had a cutting edge idea, a solid business case, broad sponsorship and --- no adoption? You are not alone. While many providers have realized significant improvements in their IT development and testing capabilities, they are still not achieving their ROI or client adoption goals on individual product initiatives.

Beyond planning, achieving a **“build it and they will come”** outcome requires multiple layers of talent, accountability, project management, and detailed documentation that includes specifics on assumptions, exclusions and outcomes. The Voice of the Customer should be central to decisions made throughout the life of the product – not just in the product plan and business case, but all the way through requirements, build, and deployment.

Finally, you need to clearly define your minimum viable offer and avoid “Phase 2-itis” – that condition where clients fail to adopt the product because critical functionality is missing from the initial product offering. There must be clear definition and understanding on the “need to have” versus the “nice to have” in order for the majority of your target clients to be able to use the product on day one.

Product Deployment – crossing home plate

If you don't score runs, the rest doesn't matter. Product deployment and subsequent adoption is the ultimate goal. Providers with immature product practices often fail to achieve this pinnacle. Just like winning baseball teams don't wait until the day of the game to define their plays and roster, successful product management organizations understand that it is important to contemplate product deployment and plan for client adoption through all phases of the product lifecycle. They leverage a number of proven tactics to drive success, such as:

- Establishing client fit criteria for new and existing customers
- Understanding what actions the client will need to take to adopt the product – e.g. participant notifications, plan document changes, technology modifications
- Leveraging “give to get” – asking for adoption commitments in return for client pricing concessions
- Incorporating adoption goals into personal performance metrics tied to compensation

Product Management – statistical analysis to evaluate both the game and the season

In a baseball game, the scoreboard provides a clear indicator of success, supplemented by numerous statistics that enable a team to improve its performance before the next game. Within our industry however, most providers have lacked such a level of transparency and ability to measure results.

The single biggest challenge faced by many providers is adherence to discipline and driving adoption of products by new and existing customers. To address this challenge, leading providers are ensuring that the projected ROI and other quantifiable objectives included in the business case are being measured on an ongoing basis. They are actively applying and analyzing key metrics such as adoption results

by client and market segment, percent adherence to the preferred product offering, and product/offer P&L to effectively gauge the overall Return on Investment.

This is where the diligence applied throughout the lifecycle bears fruit – or strikes out. By establishing – and continuously evaluating – key performance indicators and success measures, you will gain the transparency and insight required to evaluate the season and refine future strategies.

Establishment of a Voice of the Customer pipeline to monitor ongoing market demands – bearing in mind that some of your customers are internal – will generate a healthy supply of inputs required to drive a successful multi-year strategy.

Conclusion

Faced with lean budgets and more aggressive Return on Investment expectations, leading providers are recognizing the strategic importance of a comprehensive and disciplined approach to product management. These providers are shifting to a heightened emphasis on the entire product lifecycle and securing the talent required to drive results aligned with key business objectives.

Bringing innovative, meaningful products and services to the market, that are embraced and adopted by customers, is the ultimate goal of the product management organization. Through thoughtful **strategy, execution, and statistical analysis** during all phases of the product lifecycle you will be better positioned to **hit it out of the park every time.**

Connect With Us

- ☎ (855) 274-3434
- ✉ connect@getBridgePoint.com
- 🌐 www.getBridgePoint.com