



WHITE PAPER

//// HOW TO DEVELOP AN EFFECTIVE PRODUCT STRATEGY

Building from the inside out is the old way of doing things. It's better to build your strategy from the outside in by focusing on your customer. This will help you bring the right product to the right audience and put you on the path to success.

Heather Zimmerman

Principal, Digital Product Consulting

May 2019



Product strategy comes down to one thing: pain. Your customers have it. As a product owner, you want to take it away. That's where strategy comes in.

Strategy is the difference between software that is a good idea and software that is a game-changer. How should you think about strategy? As an opportunity to get to know your customers better and make their lives easier.

In this paper we will give you steps to build out your product strategy. None of them will be complicated. Some may even seem obvious. But don't overlook them. The more thought you put into strategy early the better you will be over the long haul.

Focus on the Customer

This might seem painfully obvious but it's not for many companies. In fact, **in a 2017 survey** of 680 executives by *Harvard Business Review*, only 15 percent of respondents said they believe their company is "very effective" at delivering a relevant customer experience. Yet 9 out of 10 cited it as the most important factor in delivering what customers want.

How do you develop a strategy that helps you give customers a valuable experience? Start by asking three questions:

- Who is your customer?
- What is your customer's pain point?
- How will your product solve it?

Repeat these questions until your answers are part of your brand story. Then start validating them.

Think Outside In, Not Inside Out

Too often organizations take an inside-out approach to product strategy. They ask questions like, "How do we do things?" "How have we built our infrastructure?" "How does our business run?" "How do we sell our products?" Those are good questions for other facets of running your business. But not product strategy. Flip it. Ask the same questions but about the business of your customers. Then go even further. Ask about the customers of your customers. What is causing them pain? Invest in this knowledge as it will inform your strategy.

Think of it this way: If you take the inside view, you're not seeing the full board. And you may be missing opportunities in front of you, including the potential of entering new markets.



Resist complacency. You may think you already know everything about your customers. But you don't. You can't. Consumer preferences change all the time. Accept it. And design a process where you're consistently in communication with them. The payoff can be extraordinary.

There are several high-profile examples of companies that led from the outside, putting the needs of their consumers first, and ended up revolutionizing their categories. Companies like Amazon, Uber, Netflix, and Disney to name a few. They ended up putting their software experience out front and made that experience what they are known for. That became their strategy. How did they do this? They worked from the outside in.

"There are no facts inside your building ... so get outside," writes Steve Blank **in his popular business book**, *The Four Steps to the Epiphany*.

We agree. But what if it's not realistic to get outside and talk to all of your customers? That's where a technology solution can help. The goal is to develop a digital path for capturing consumer feedback, which can be gathered and shared with stakeholders. This will be what sets you apart as a product owner.

Establish Feedback Loops

Creating feedback loops will give you access to data that you can measure to make strategic business decisions. They shouldn't be one-time things you use once and discard, like an occasional survey. They should be used over the long term and nurtured as an invaluable source of intelligence.

"It's important to establish open feedback loops so users can let you know if you are really solving their most pressing problems," writes Brian de Haaf, author of the book *Lovability: How To Build a Business That People Love and Be Happy Doing It* in **an article for Forbes**. "One way to do this is through an online ideas portal where customers can submit suggestions for new features and functionalities."

Once you have feedback loops established, keep your product strategy alive by treating it as an iterative function of your business. Gather insights and share them throughout the organization, using tools like embedded data visualizations, which create visuals that are easily digestible to all stakeholders.

The key is to think of your strategy as an ongoing process. Keep listening to the feedback and keep adjusting to the needs of your consumers. The results aren't meant to be shared just once a year in an annual report. They're meant to be shared and applied every day.



Be Flexible in Your Thinking

Set a course and understand it will change and you need to change with it. You want to have a product strategy that accounts for agility and allows you to revisit it based on feedback. Forget the past. Focus on the future. Lean forward. It's like sailing. Lean into the wind. Use it to tack to the left or the right, but always forward. If you have the right inputs, you can make adjustments. Just remember that a strategy needs constant maintenance. Ask the right questions and the answers will guide your strategy.

At Magenic, we worked with a client in the med-tech industry who was looking for a roadmap for products that improve safety in the operating room. To gain the insights we needed, we asked a series of questions: Who are the customers? What do the client's products mean to customers? Which stakeholders drive outcomes? The doctors? The nurses? The administrators? Patients? Through this process we brought all the various stakeholders into a broader product strategy, which helped the client build out its strategy to become a partner with hospitals, nurses, and doctors in delivering patient safety in the OR.

Remember to Think About Culture

The cultural side is crucial. You want to people to feel connected to the product and invested in the outcome. Remember: success will be defined by the people, not the technology. That means moving intentionally, listening carefully, and getting buy-in along the way.

The goal is to bring the right product to the right audience. Fast is important. But doing it right is more important. You want the results to be what's fast. And you want your strategy to land effectively.

Ultimately, the results are what will accelerate your business. We've seen it happen. With the right strategy in place, you could transform a delivery schedule from once a year to every 10 months. Then 10 months to six months. Then six months to three months. Then who knows.

What we do know is building strategy this way works. It's an exercise that creates its own course. It will help your organization grow new muscles. And with those new muscles you will be able to take away customer pain.





Looking Ahead — With Magenic

Magenic focuses on educating our clients to understand the value of what they own and what it does so they can define business goals and properly invest in order to move forward with speed. Let us help you with your product strategy. **Contact us** to learn more about our Product Quick Start.



About Magenic

Magenic is the digital technology consulting company built for speed. We have the right digital strategies, the right process, and the right people to get our clients' digital products to market faster.

Visit us at magenic.com or call us at **877.277.1044** to learn more or to engage Magenic today.



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