

Problems with Finding Market Problems

Marketing Discovery That Drives Business Outcomes



Pragmatic Marketing



Mike Smart
Founder and managing principal,
Egress Solutions, Inc.

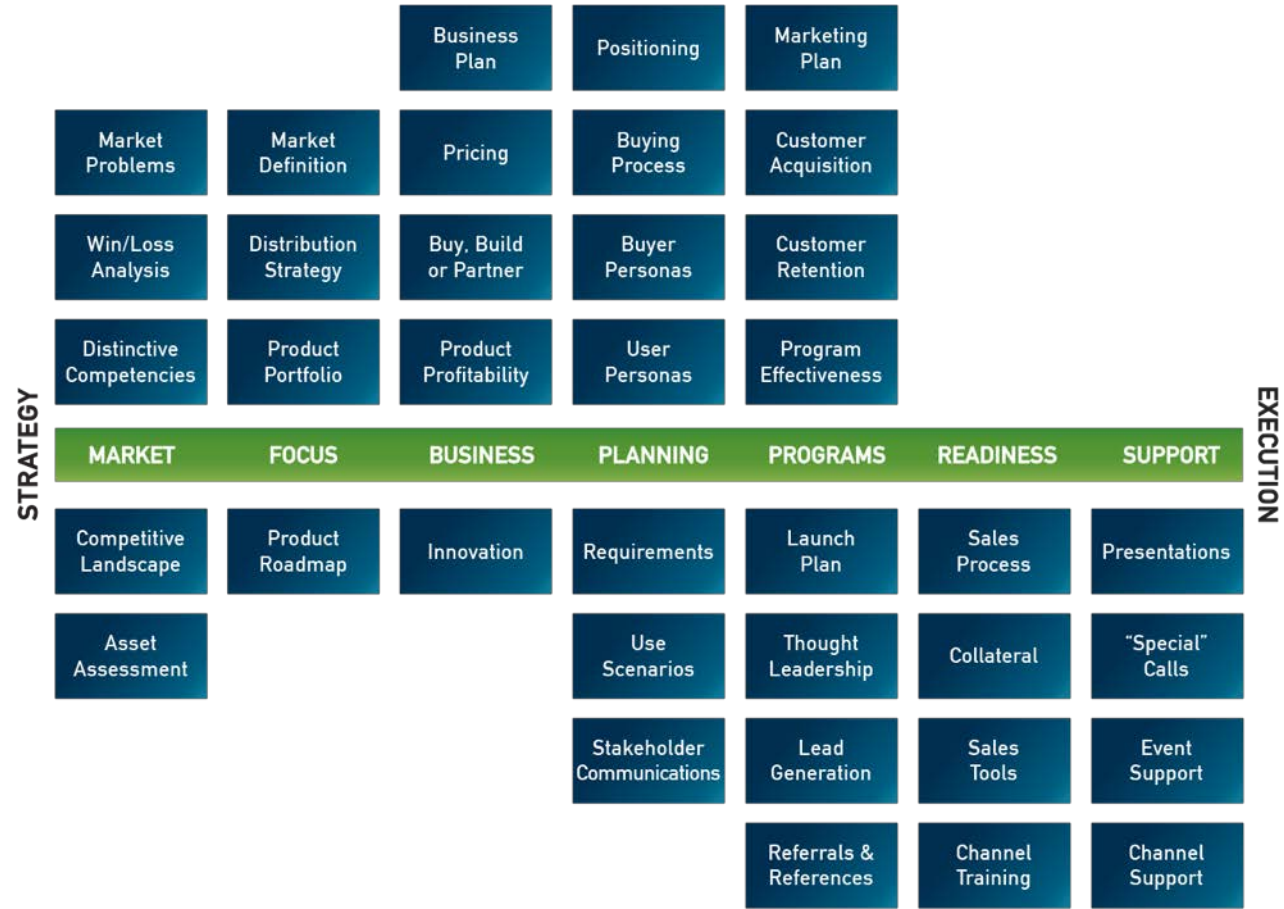
Agenda

- Challenges with market problems
 - Common language
 - Common goals and objectives
 - Common pitfalls
- Customer success
 - Use scenario
 - Best-practice adoption
 - Tools and techniques





about us



Experts in technology
product management and
product marketing

Specialize in
training

Trained hundreds of thousands
of people at thousands of
companies since 1993



presenter



Mike Smart

Mike is founder and managing principal at Egress Solutions, a product management and product marketing consultancy. He brings more than 20 years of experience with lean techniques in product strategy, product adoption, product launch and customer acquisition.

By the numbers, Mike has successfully launched software products for small and mid-market technology firms that have generated more than \$250 million in revenue.

Mike has provided product management and product marketing expertise and consulted to companies such as, Apttus, Adobe, Bain Capital, Core Security, Netapp, VMware and Vista Equity Partners.



Egress Solutions, Inc.



Who We Are

A product management, product marketing, consulting firm.

- In operation since 2009
- Serving customers in the North America, Asia and U.K.
- Helping companies implement the Pragmatic Marketing Framework



Finding and validating market problems are the most important activities for product managers, but:



More than 40% of product managers struggle to add innovative features.

Many product managers spend less than 20% of their time talking to the market.

Many product managers gather ample data and find it to be of limited value.

Sources: Product Management and Marketing Survey; Pragmatic Marketing Product Management Assessment; Egress Solutions, Inc.



poll

When it comes to finding market problems, our biggest challenge is:

- *Getting access to customers*
 - *Getting access to non-customers*
 - *Converting data gathered into meaningful information*
 - *We are running flat out, gathering all the market problems we need*
 - *Something else*
-

Market Problem Objectives



Q U A L I T A T I V E



Market Problem Objectives



Q U A N T I T A T I V E



Common Pitfalls and Traps



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Common Pitfalls and Traps

- Focus on near-term revenue

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- Too much time with existing customers

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- Chase competitors

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Common Pitfalls and Traps

- Focus on near-term revenue
- Too much time with existing customers
- Chase competitors
- Push an innovation agenda
- No problem backlog

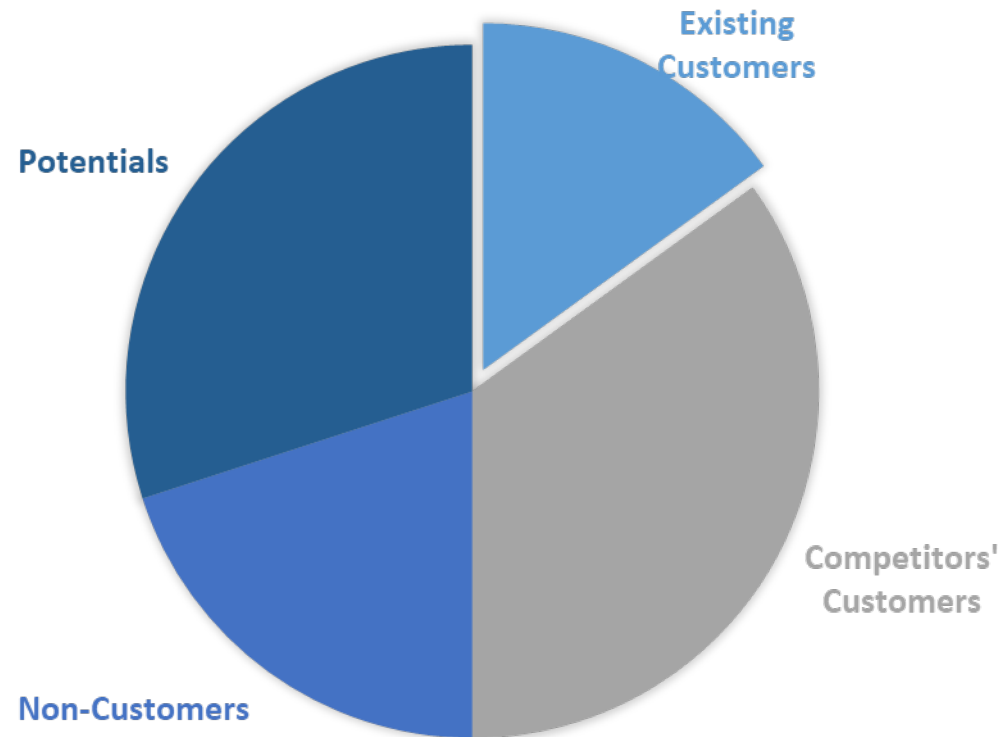
Finding Market Problems

- Is it stated or implied?
- Is there emotion attached?
- Is there value in solving it?
- Are there other options?



Market Discovery

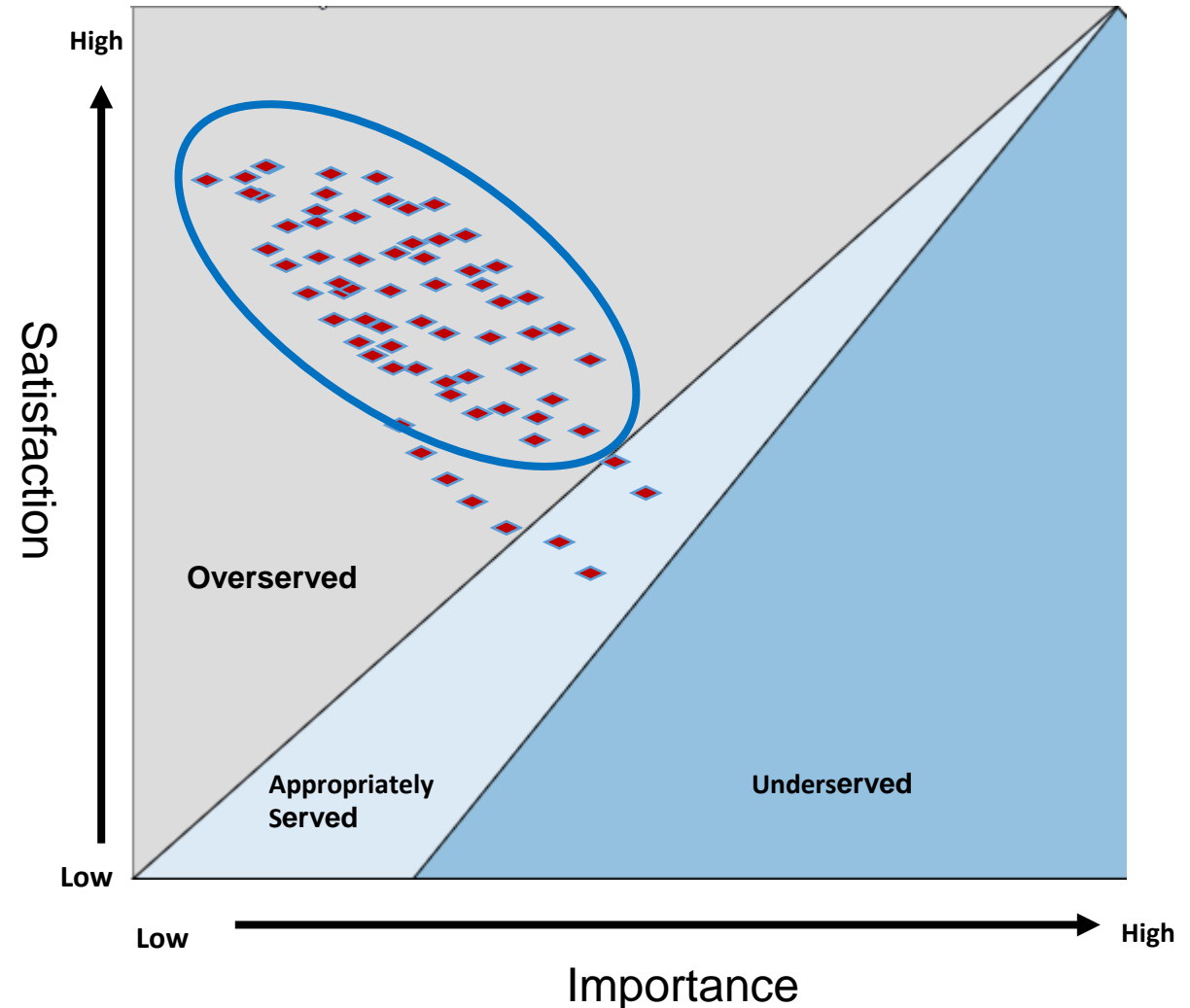
- Beware of early feedback; it's mostly noise
- Collect from a variety of sources
- Repeat visits will help refine assumptions
- Raw inputs must be structured



Market Validation

Avoid market problems when:

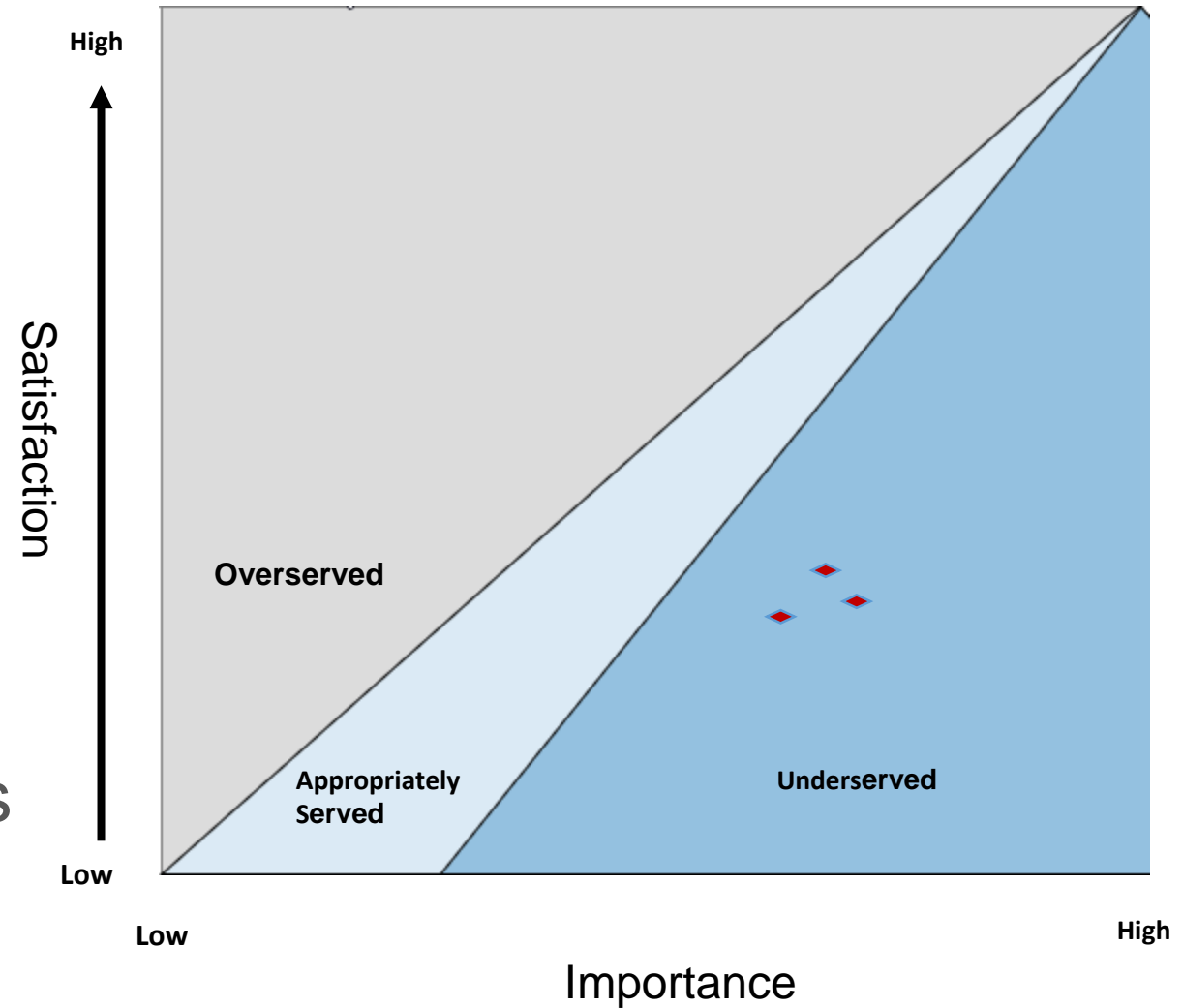
- Categories aren't well defined
- Numerous players are already established



Market Validation

Pursue:

- Opportunities with the highest importance and lowest satisfaction
- Opportunities when the players are not established



Market Problem Success Triad



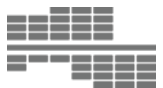


poll

Which best describes your market-discovery capabilities?

- *Our market-discovery processes are not formalized.*
- *Our market-discovery processes are informal. We have templates in place and use review gates.*
- *Our market-discovery process is documented and repeatable.*
- *We have established a method for repeatable market discovery and it is optimized.*
- *Our market-discovery capabilities deliver predictable results.*

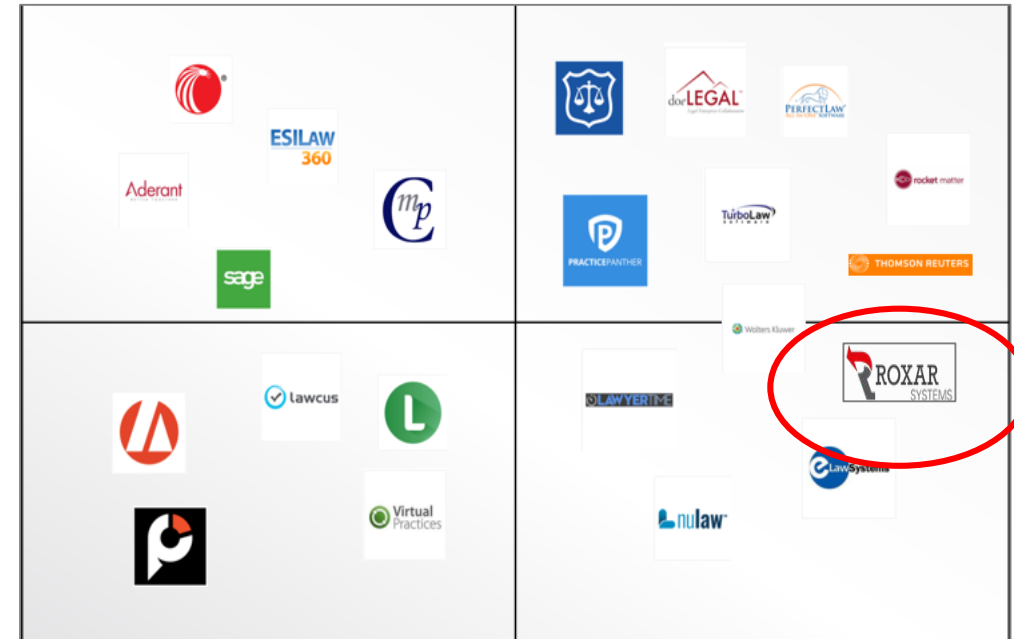
Is your growth plan dead on arrival?



Success Story: Roxar

The Challenge:

- Niche market player in the legal time-tracking segment
- Informal market-discovery process
- CEO wanted to formalize the process
- Ultimate objective was to find a new market and product opportunity



Using Personas Adds Precision

Persona | Buyer | User

- What are their problems, pains or gains?
- What “JOB” is our persona hiring our product to perform?
- How does this product/solutions impact our primary persona?
- What can the buyer persona help us learn about our product or the market?

Who and Why



PRODUCT CONNECTIONS



Research Methods

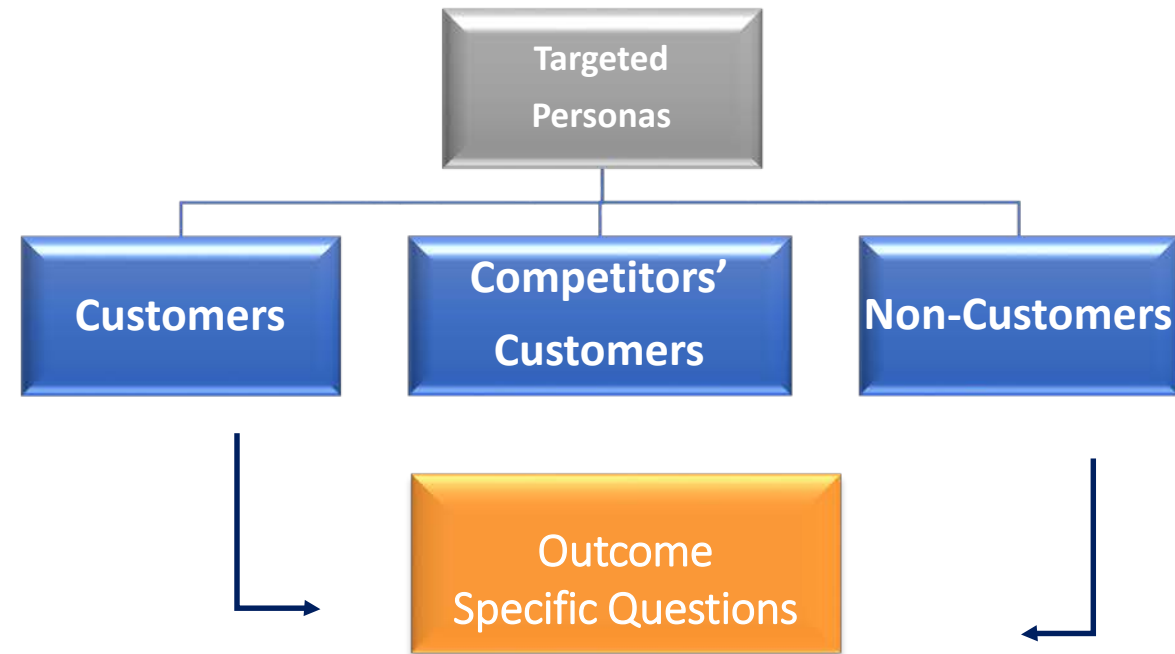


Online Survey

- Standardized closed-ended questions
- Ranking, rating and averaging
- Gather a representative sample of customers
- Measurable and statistically significant

In-Depth Interviews (IDI)

- Open-ended questions
- Relies on interviewer's knowledge
- Searching for common themes
- Extracts nuance from survey respondents
- Deeper dive using secondary questions



Opportunity Canvas:

Market Problem		Competitive View	Technical Implications
Why do they care? Why chose our solution? How urgent is the problem?		What alternatives or substitutions exist or will exist in the near future? What specific competitors offer this capability?	Platform dependencies? API
Risks	Acceptance Criteria	High Level Financial Analysis	Recommendations
Any issues that could impact the desired outcome	<ul style="list-style-type: none">- What does a viable release look like?- Prepare a press release in advance to baseline acceptance.	Level of effort analysis: e.g. 2 scrum teams for 15 months Market/revenue potential by segment e.g. bottom-up and top-down market forecast	Go/No Go/Hold

What Did They Learn—Best Practice

A background image for the slide showing a pair of black-rimmed glasses resting on a document. The document contains various financial charts, including line graphs and bar charts, with labels such as "Futures", "SFE 10 Year Treasury", "CME Eurodollar", and "Cash Rate Futures and Target Rate". The entire image has a greenish-blue tint.

fact-based insight

Assessing and selecting new opportunities is not a science. It is an aggregation of formal research, customer and non-customer data, channel research supported by fact-based insight.

What Did They Learn—Best Practice



remain flexible

A high level of precision is not possible at this stage, nor is it desirable.
Commit to lean principles—Missteps are inevitable; be willing to pivot quickly.

What Did They Learn—Best Practice



experiential knowledge

Product managers' confidence in marketing-facing activities have expanded rapidly from the adoption of this practice. Skills such as business acumen also improved.

Market Problems to Opportunities



Market Problem

- Define targets
- Segment buyers and users

Market Discovery

- Engage via surveys, questionnaires, etc.
- Gather pains, frustrations within context
- Sample the whole customer base (market)

Market Validation

- Combine qualitative and quantitative analysis and best practice
- Engage target buyers and users via online surveys and IDI
- Use open-ended, ranking and rating questions to verify assumptions

Data Analysis

- Qualify survey data
- Extract interview responses
- Identify key trends

Insights

- Complete opportunity assessment
- Align on recommendations
- Go/No Go/Hold



poll

Tell us what you will do with what you have heard today.

- *I am comfortable implementing 1 or 2 of the ideas shared today.*
- *I am comfortable implementing several of the ideas I heard.*
- *I am comfortable implementing the majority of the ideas I heard.*
- *Our team is already using most of these ideas.*



contact



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Thank You for attending!

Join us for next month's webinar:

Six Ways Product Management's Role Will Change in 2018



JAN Product Portfolio	FEB Win/Loss	MAR Stakeholder Communications
APR Requirements	MAY Distinctive Competencies	JUN Collateral
JULY Product Profitability	AUG Referrals & References	SEP Innovation
OCT Customer Acquisition	NOV Customer Retention	DEC Market Problems