

Innovate2011

The Rational Software Conference

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Let's **build** a smarter planet.



Managing a Market Driven Product Portfolio

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Agenda

- ➔ **Understand the concepts of Market Driven Product Development**
- ➔ **Understand some of the challenges organisations face**
- ➔ **Gain insight to the tools and processes needed to achieve breakthrough results, using IBM Rational Tools**



Markets are becoming.....



Markets are becoming **GLOBAL**

Customers want specific product & feature variants **CUSTOMIZED**

And product lifecycles are becoming shorter
AGILITY

SMALLER. FLATTER. SMARTER.

and we need to deliver the right products to the right markets at the right time



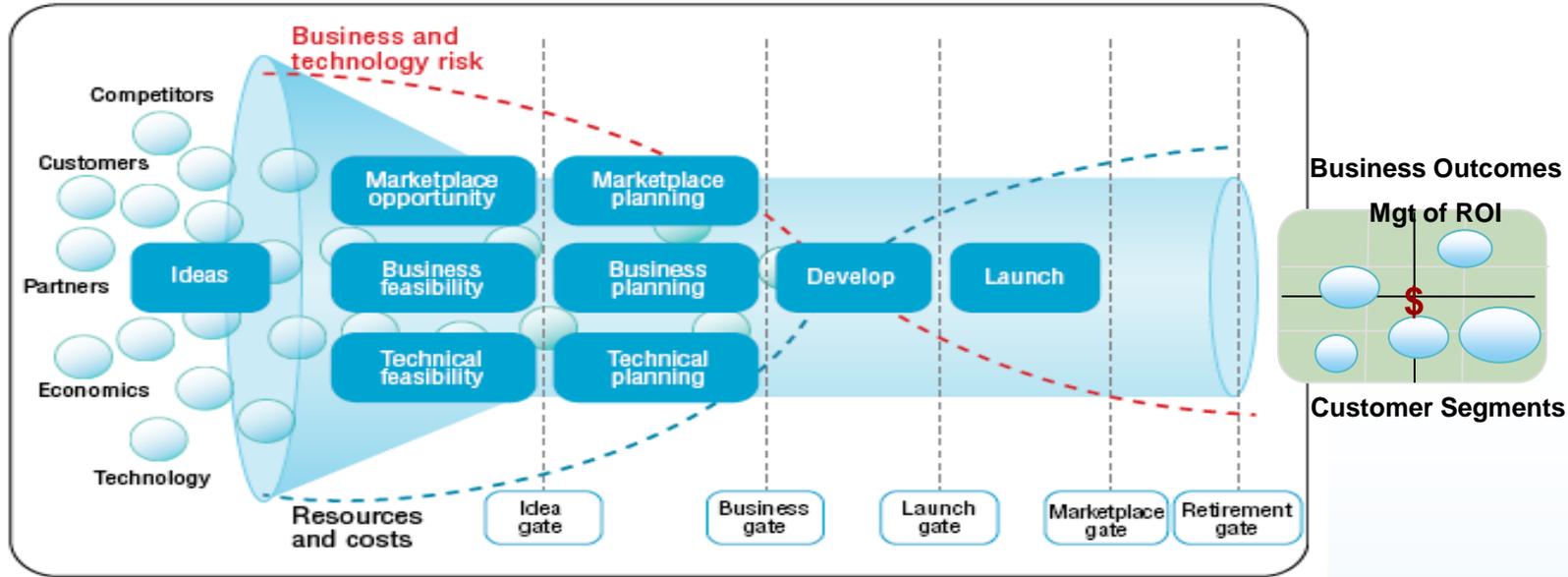
The IBM CEO study highlighted the need to reinvent client relationships



- “ Getting close to the customers” is the single most important priority**
- “ Better understand customer needs through collaboration and information sharing”**
- “ Exploit the information explosion to deliver unprecedented customer service”**

Source: 2010 IBM Global CEO Study
<http://www-935.ibm.com/services/us/ceo/ceostudy2010/index.html>

Product Mgt has a role to play



“ Portfolio mgrs are more frequently acting like CEOs bearing the responsibility for the strategic and tactical activities that help align a set of capabilities in the market place with what the customers value”

What is Market Driven Product Development



Market-driven product development supports teams to obtain greater understanding of their customers' needs and then take action to develop successful products with a high level of functional accuracy aligned with customer expectations and marketplace demand.

Market-driven product development drives a multiple customer-centric approach that has a particular focus on clarifying the sometimes confused frontend of feature selection within product development.

Market-driven product development reduces the companies risk of wasting valuable time, money and effort in the development process, and lower their chances of successfully building and delivering better products to market, faster and more efficiently leading to an increased ROI of the portfolio.



"our first product was a winner... But the rest colapsed. What happened? did our market dry up or did we just get stupid?"

- An unnamed and currently out of work CEO

Success is about getting the right balance between technology push and market pull



Many great product ideas come from somebody finding the solution to problems that nobody else is addressing in the marketplace

The key is to continually focus on market problems as a means to identify opportunities.

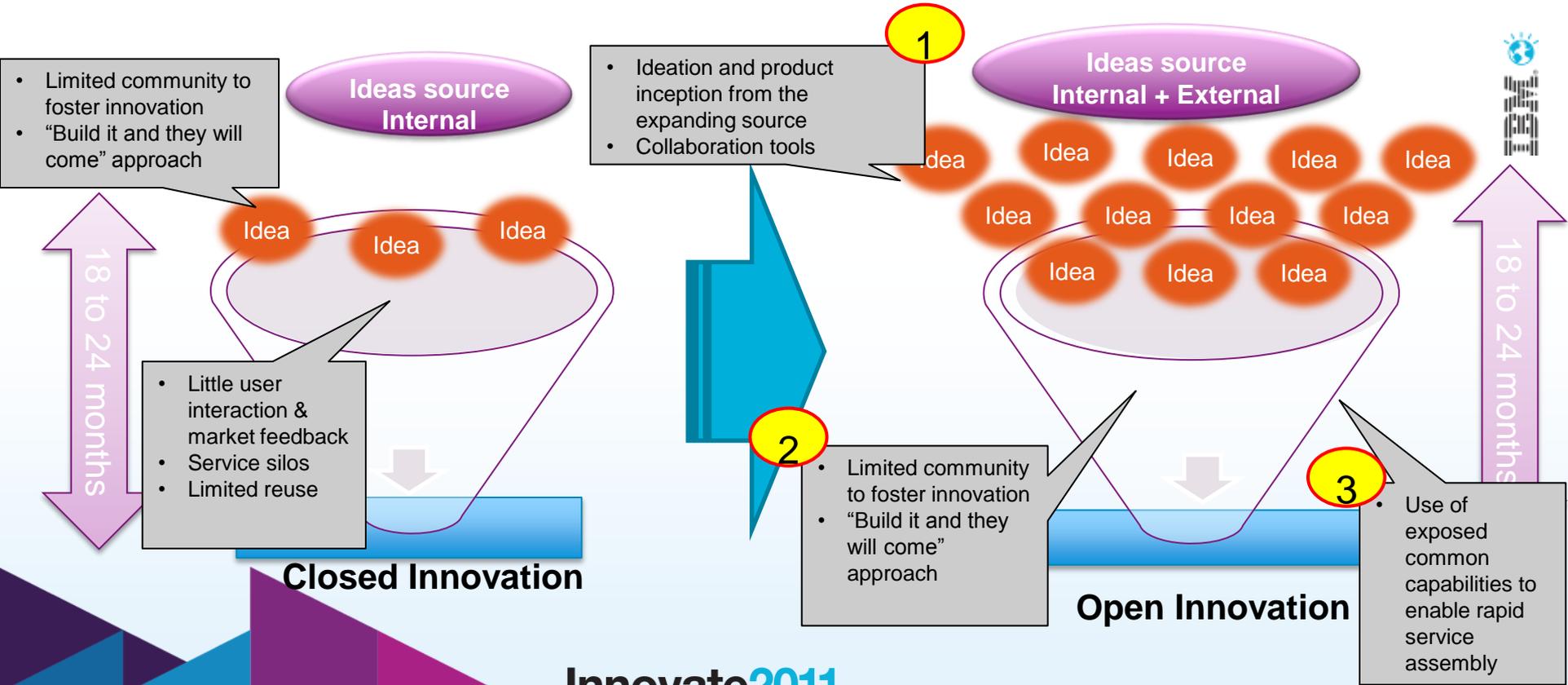


Aim to keep figuring out what your buyers need

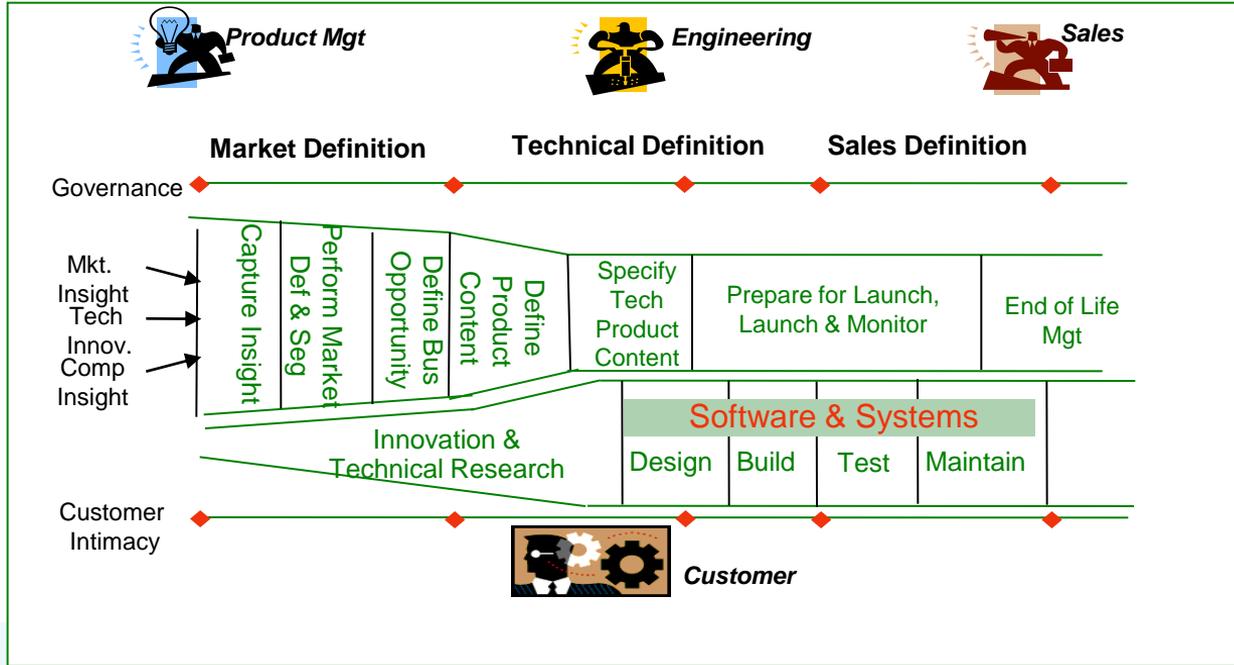
Technology is not everything. Start focusing on understanding the requirements of potential new clients.

What is the solution? Fail many, but fail cheap

- A new paradigm in innovation fueled by Web 2.0



Lets walk through some of the key disciplines within Market Driven Product Development



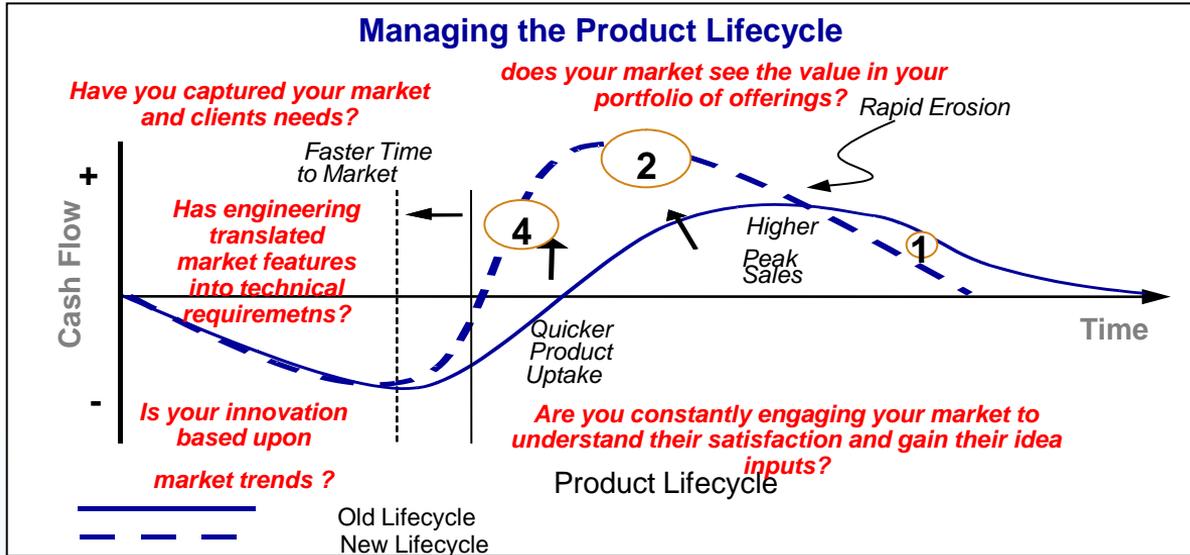
Market Driven Product Development & Engineering collaboration is all about integrating **product management**, **engineering**, and **the customer** more closely.



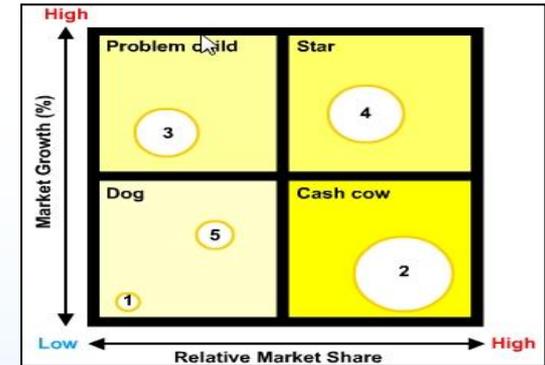
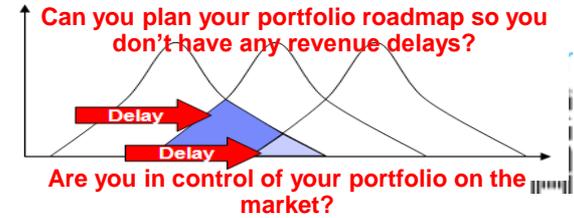
And what are some of the main challenges?



Managing the Product Lifecycle



Managing the Portfolio



Bringing the right products to the right market & the right time



We have to create the tools for Product Portfolio Management disciplines

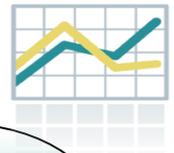
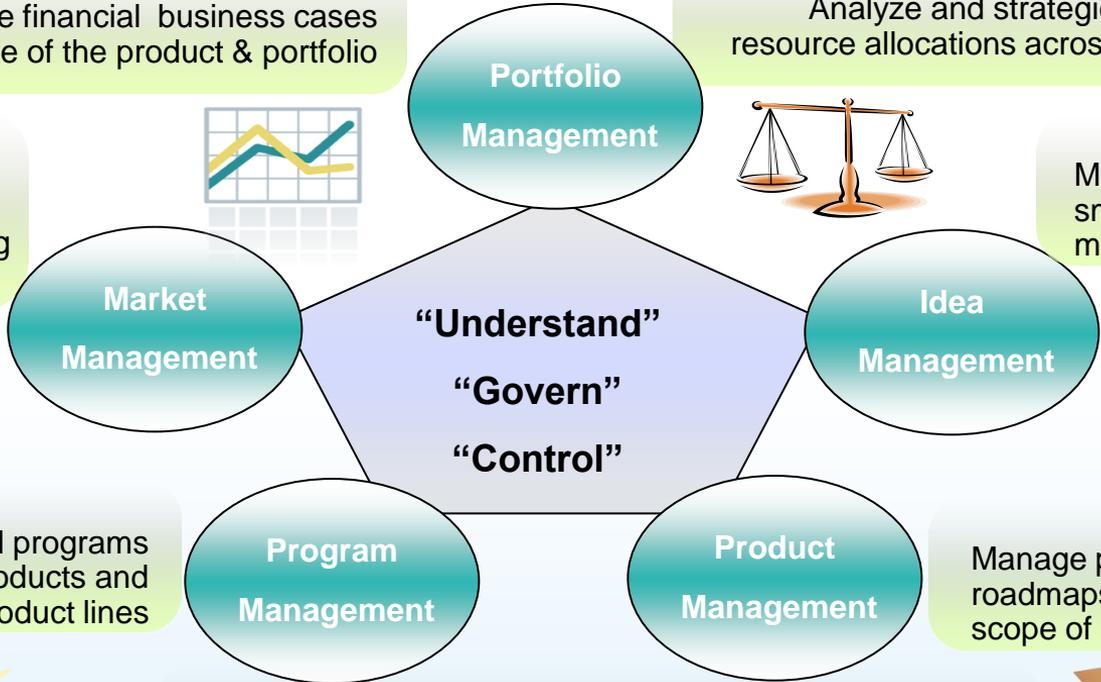


Define, predict & manage financial business cases across the lifecycle of the product & portfolio

Analyze and strategically balance capital and resource allocations across the enterprise portfolio

Connect directly with customers and partners and engage them in setting direction and priorities

Manage ideas – big or small - from inception to market execution



Customer Segments
Manage initiatives and programs that span multiple products and product lines

Manage product plans, Tech roadmaps, offerings, editions, and scope of requirements

Manage Market & Technical requirement across their lifecycles and capture the right features into variable product lines



The IBM Value Proposition

- Role based composable views for Portfolio Managers, Product Manager, Development Mgrs and BU Executives
- Collaborative real time data views in template dashboards for business intelligence & governance
- Portfolio information on hand with a search engine
- Reduce manual creation of information using home grown tooling
- Reduce IT cost due to point integrations and legacy maintenance support
- Helping your organisation bring the *right product, to the right market, to the right time*

We work with clients who see the business value in a long term vision for using a state of the art workbench for portfolio and product Mgt



Capture Market Insights and Innovation

For logging ideas in a structured way. These ideas will be structured, profiled and tagged and will be able to be analyzed against strategic objectives.

The screenshot shows the 'Add Idea' form in Rational Focal Point. The form is titled 'Enter information about the new Idea, then click OK.' and includes several sections: 'General Information' with fields for Title and Description; 'Attachments' with a file upload area and a 'Browse' button; 'Comments' with a text area; 'Links' with buttons to add links to Strategic Objectives, Related Ideas, and Customers; and 'Element Information' with a 'Parent Folder' dropdown set to 'Ideas'. The IBM logo is visible in the bottom left corner.

Add an Idea

The screenshot shows the 'State Transitions for Ideas' view for an idea titled 'Air Clean Filter'. The 'Current State' is 'Ready for approval decision'. The 'Transitions' section lists actions like 'Approve as product proposal', 'Approve as user request', 'Clarify', 'Reject', and 'Duplicate'. The 'Air Clean Filter' details include: ID 'idea068', Title 'Air Clean Filter', Description 'Why not improve the vacuum cleaner filter to not only have the regular dust filter, but to also filter out the very very small particles and remove unwanted smells?', Attachments 'Analyst Report.pdf (19 KB)', and Comments from users like Emma, Indra, and Amara. The 'Responsible' field is 'Amara', 'Submission Date' is '2008-11-11', and 'Submitter' is 'Ken'. The 'Implementation' section describes the business mechanism and level of effort. The 'Level of Effort (hrs)' is 7, 'Market Feasibility' is Good, 'Business Feasibility' is Excellent, 'Technical Feasibility' is Easy, and 'Commercial Risk' is Low. The 'Links' section shows connections to 'Products', 'User Requests', and 'Strategic Objectives'.

Create feature Story line from the idea

Perform Market Segmentation

Aligning the needs and focus around the market segments directions and priorities is a dynamic view to provide the right input to make the decision on what functionality will be developed with the most impact on the market needs.



Summarize Market Segmentation

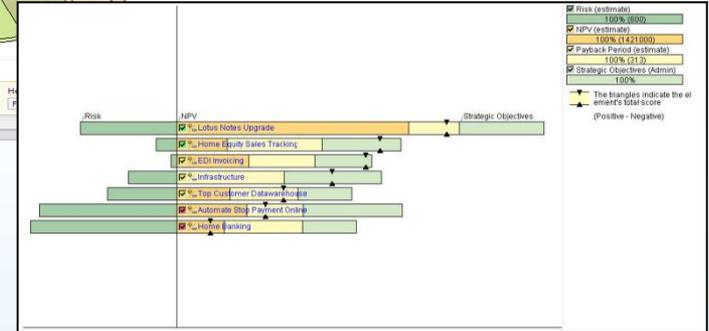
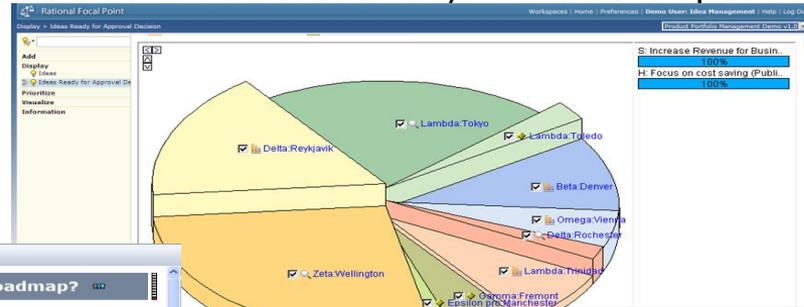
Prioritize & Select Ideas

Which enhancement request is better with the product roadmap?

General Information	Synchronize Calendar entries
ID: 33	ID: SREQ0002
Title: Add ability to open Excel file from email	Title: Synchronize Calendar entries
Type: Enhancement Request	Type: Enhancement Request
Description: Many of our user receive Excel file via email. They should be able to open these files directly from their mobile phone.	Description: Synchronize Calendar entries via blueberry.
Justification: -	Justification: Need to be up to date
Background Information: -	Background Information: -
Attachments: -	Attachments: -
Illustration: -	Illustration: -
Related URL: -	Related URL: -
Internal Comments: -	Internal Comments: -
Stakeholder Comments: -	Stakeholder Comments: -
Stakeholder: -	Stakeholder: -
Comments: -	Comments: -

Completed: 9. Required: 10. Recommended: 15. Number of elements: 8. Comparison: 10.

Criteria: Roadmap Match (public) | Delete This Comparison | Delete All Comparisons



Understand Market Value

Define Business Opportunity

Defining the business opportunity by creating outlined business features and market values, a business case including predicted cost and revenue scales. With a focus on Return On Investment and Volume planning.

The screenshot shows the Rational Focal Point interface. On the left, a tree view lists various product features under 'User Requests (1158)'. The main pane displays details for the 'Quieter drying program' (ID: ureq0039). It includes a description: 'The drying program needs to become more quiet. 40 decibels is the noise level for the washing programs. The drying program should be the same.' and a benefit statement: 'People will get an all quiet dishwasher.' Below this, it shows 'Detailed General Information' and 'Development Cost Estimates'.

Collection of features into Offering

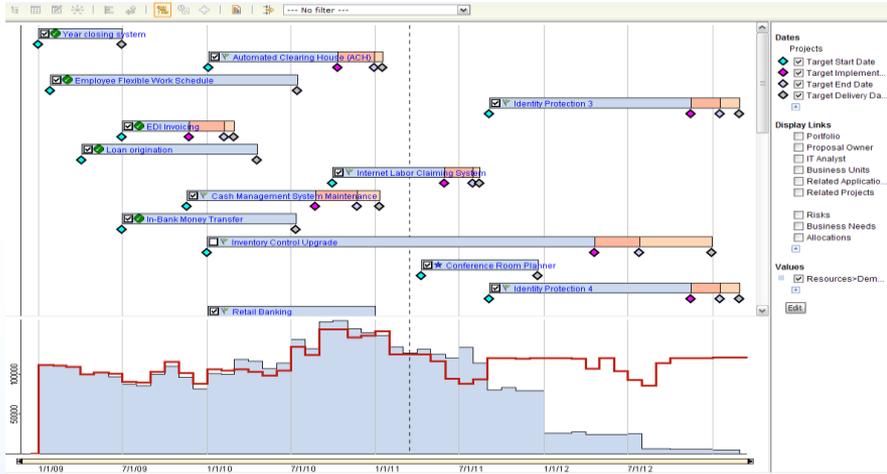
Profiling the offering

This block contains two screenshots. The top screenshot shows the Rational Focal Point 'Visualize' view, displaying a complex network of product features and their relationships, with a risk/cost matrix on the right. The bottom screenshot shows the IBM Financial Manager 'Project A: Financier Time Grid Attribute' window. It features a line graph showing revenue and net present value over time (2009-2011). The graph shows revenue starting at approximately \$1,650,000 in 2009 and rising to over \$2,000,000 by 2011. The net present value curve peaks at around \$1,480,000 in 2010. A 'Current Project State' panel on the right provides key metrics: Current NPV of \$1,272,696.46, Expected NPV at Delivery of \$1,000,000, and a Total Benefits of \$2,568,858.54.

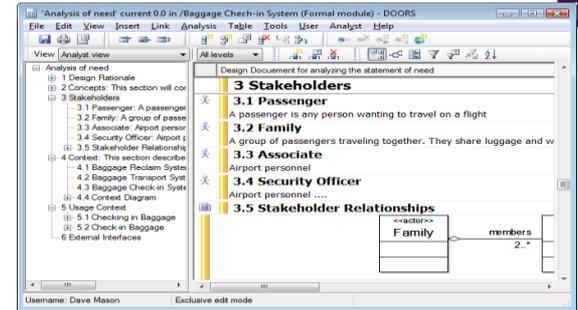
Creation and modeling the investment Case

Define and specify product content

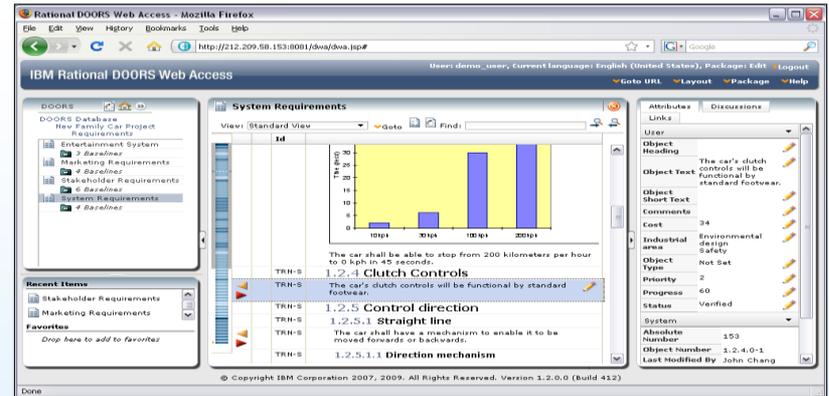
For defining the product content. Taking the approved features and then creating a structured requirements map for technical & commercial content. Here we will also revise the business plan with investments costs and estimations on resource needs.



Creating the roadmap against capacity plan



Tag Market Requirements to Tech Requirements



Specify detailed Tech Requirements

