

Important Things for building a great Product¹

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Every product organization would dream of creating a great product, which can be popular among the masses and create a market segment in the meshwork. In the short time, I have spent building great products. Developing a great product may just not lie down to hard word or luck or a great strategy. Vision, Strategy & Tactics may not be mere enough to create a successful product. All the 3 elements hence influence each other. Building a product should also mean to benefit your customers and end users to fix the pain points. By building this it should create a value for you company and hence your overall company vision should align with the product vision you are trying to build. Below are the following things you may need to ask before you create a great product

Vision for your Product

As a Product Manager, you may need to be clear about the product you are intending to build, target customer, the way the product will shape and problem you are trying to solve. If any of the above things do not align it may not create ripples in the market. This will also not add any business value to the customer or value to the company.

Target Group for your Product

As a Product Manager, you would need to ask the below questions

- ✓ Does the market address the right segment?
- ✓ Where do my user/customers who would use my customer reside?

Most product managers would talk to potential customers while evangelizing the product. Potential customer will give you insights in what they would like in the product. You may need to talk users from different age groups. As the needs of 70year old will differ from someone in younger age group.

Needs of your User/Product

As a product manager, you would need to ask the below questions

- ✓ What kind of pain points does it address for my users?
- ✓ What special benefit does it provide?

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You should place yourself in customer shoes to understand his pain points and understand the user behavior. If you want to create a product for farmers for them to sell their produce. Work with them for a month to understand their need, their problems and challenges they would typically face.

The chances of this failing will be much lower as now you are creating a product for yourself. Interact with them on regular basis to understand if their needs have not changed over time so you can build the right product for them.

Designing the Product with basic understanding about the customer

When designing the product you would need to have a basic physiology about the product. As a product manager you would need to ask the below questions

- ✓ What Product it is?
- ✓ What makes the product special?
- ✓ Feasibility on developing the product?

Closely collaborate with the customer and understand the needs of the customer. Why are they looking at this product? Understanding the physiology of the user will help us design and define a product, which will be simple to use and at the same, time will fix the pain points, which he is having currently. This will ensure the intended set of users will use this effectively. Now use design thinking to create your product. If you are creating value for the user and users are consuming it on mobile (web or app), you need to understand from a design perspective that the screens on app or the mobile web pages should be minimal, have one objective, of creating max 2-layer screen. So that way it would not be a complex for user to use. This will ensure you are building the product to solve the users' problem.

Business Goals

As a Product manager, you would need to ask yourself. How will introduction of the product in the market benefit the profitability of the company? What would be my business goals?

A product benefit is the value the customer realizes from a product. They would need to be expressed in terms of customer needs, requirements, and motivations. To minimize the risk and ensure program delivers its planned benefits. Set measurable goals and review progress at each stage of development from generating ideas, through technical and commercial assessment to detailed development and launch.

Competitors

When considering as how to position your product in the market you would need to understand your competitors' strengths and weaknesses of their products. This will help you to position your product in the market or strategizing a Go-to –Market strategy. Understanding them gets you

one-step closer to deliver better value to your customers. In today's era you have a wide range of B2C companies and your product may compete in a very packed environment. Just take a quick recap of your last visit to your favorite coffee store. How many brands were there in your coffee? Probably too many to count. Most of the beverage giants have a portfolio of coffee beans to choose from and that too from one company. Each beverage would target a different customer segment. You should include a rough estimate of the size of your competitors in the profile, as it will doubtful their sales volume will be readily available.

Revenue Sources

Revenue Sources captures the way your product monetizes and generates money for your product. A key step in determining your revenue is developing the types of sources of revenue your product is going to generate for your business. Revenue sources includes product sales, Subscriptions, Online Ads, charging for premium features. Each type of revenue can be come from different sources. For example : sources of revenue for service sales can vary depending on type of customer and category, including mobile, online, consumer, corporate

Cost Factors of Product

Cost factors states the cost incurred by developing the product. This will also include the cost of acquiring the users and customer. Determine your price by selecting your revenue model while factoring in your competitive positioning and your target price. Each type of revenue model will have market benchmarks you can research to help you price competitively. Pricing is the key element of marketing mix. It is also an income generator for your product. So while pricing the product the company has to take immense care and consideration. If the product is priced too high or low, the product may intend to fail. So the product can change the pricing according to the market conditions and is not a onetime event.

Channels for the Product

Channels are ways you will contact your users and customer to inform them about your product and to sell and deliver the product. A correct distribution channel will need to be a backbone of any sales strategy. Without a proper distribution channel, it is highly unlikely your product will reach the end customer. Channels are important in case of products, which are new launched, or product, which are innovative. Distribution channel costs have to be taken to consideration because they are major cost to operations to the company. Most of newer startups have taken the route of directly selling to the end customers via online marketing or social media

Key Performance Indicators

Clear Key performance indicators to measure your actions and initiatives. For Product managers KPI are the strongest, defensible tool in decision making. They identify the progress of the work

of the team, the progress of the product and overall business. Product Manager KPI's include specific activities associated with the product, customers and overall process for bringing a product to the market. Product Managers should monitor customer related KPI's as an indicator of how well the sales and customer success engagement are working.

Test with Customers

You must be giving the prototype to customers and observe how they use it. You should keep track of many customers actually use the product and ask them what they like and don't like about the product. What feedback they have after using the product. Ask them improvements ideas about the products. What they don't like about the product. The basic idea of this process is to confirm or disconfirm the hypothesis developed earlier.

Conclusion

In general, there are a lot of product companies who fail. The most common has to do with the lack of Product management mindset or expertise within the team, which results in poor implementations and delivery caused by an inability to organize an efficient software development process. In addition to the lack of Product Management resource scarcity may lead to number of wrong ill-fated product decisions that will negatively impact the future product. Companies often make extravagant claims about their products and consumers loose interest that is a particular problem in the technological age when one person can spread bad news to thousands in the market. Startups might be too early-stage to have a dedicated product manager. But that doesn't mean that they can't leverage the tools of product management to improve iterations. The efforts of coding and designing are productive if the underlying assumptions behind them are validated. If not, founders risk landing where they started, instead of moving forwards.

References

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About the Author



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Ajay Shenoy, a certified Scrum Professional and Agile Coach, has been involved in Technology Solutioning since 2007. He started working as a Solution Engineer and slowly incorporated into a technical program manager. He is a Certified Scrum Professional and has good knowledge on Prince2, Agile, Lean, Scrum, Kanban and SAFe frameworks. Along with expertise in Project management, he has deep interest in Technology side. With these skills, Ajay can help people understand process as well as Agile. Ajay has a perfect blend of project management with technical skills and business acumen.

Ajay started his Agile journey in 2012, as part of engineering teams. He practiced scrum and other agile frameworks in delivering successful products within limited time frames. Ajay is proficient in Engineering practices such as Scrum, Lean Software development, and Kanban and has designed several solutions and market rollouts working with product/services companies. He believes in following key agile practices like Just In Time, Value Stream mapping, Refactoring, Improving lead and cycle time.

He single handedly built a group comprised of 700 employees with different skills/roles. He indulges in several meets/ conferences and sharing knowledge on public platforms like linkedin with reference to agile. Ajay has coached/trained several teams in different organizations; he was part of an agile team to improve an existing framework.

He has a Master's degree in IT & Finance and is currently based out of Bangalore.

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