



Tools to Convince Management of Your Investment in the Voice of the Customer

bpma



Boston
Product
Management
Association
bostonproducts.org
June 17, 2010

How do product managers justify their time to management, acquire sufficient resources, and develop a budget for front-end marketing? How much, exactly, is needed?

Customer understanding is inherent in the role of product manager and mandatory for success. Yet the time allocation, resources, and budget for acquiring customer input is rarely, if ever, explicit in the job description. Investing in Voice of the Customer (VoC) might not even be a listed task.

Ralph will reveal surprising, counterintuitive data and a unique formula for the significant investment required to hear the Voice of the Customer, for budgeting and staffing front-end marketing, and to achieve business success.

- Not "Why," not "How To," but "How Much?"
- Not "Invest to Understand Customer Needs," but "Tools to Convince Management!"

They said it

"Employing his M/E Ratio™, Grabowski can predict success or failure, with great accuracy, in 30 seconds or less."

Rod Spencer, businessman, engineer, grandson of the microwave oven's inventor

"A wonderful and captivating talk, clearly articulated from someone who has been there, done that! I really like how you show how success depends on quantifying wishes, generalities, and vague responsibility statements.

"It's the only way to survive as a Product Manager, and I am surprised at how desperately it needs to be done for most businesses. Your stories reminded me of many of my product management experiences at Black & Decker or Playtex or Xerox."

Sharon Herrman, Product Manager

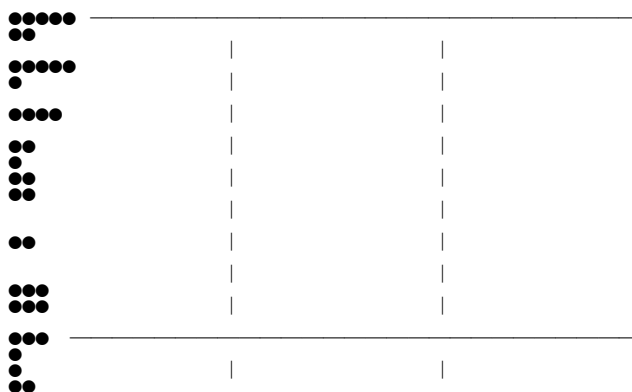
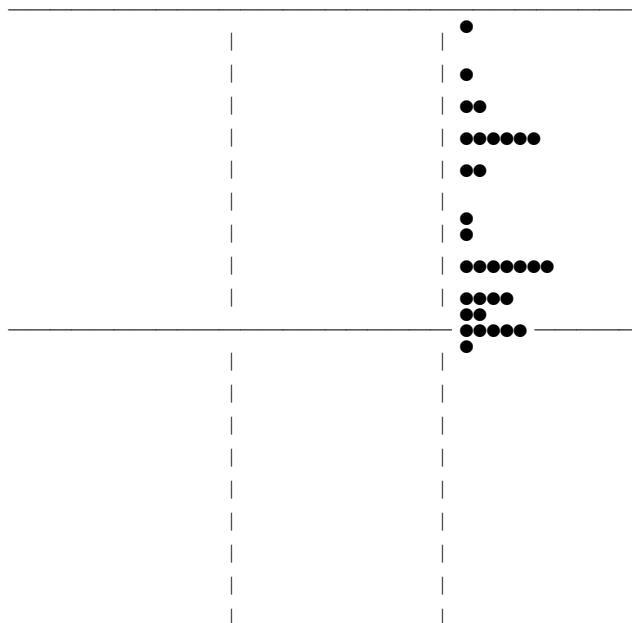
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Marketing*/Engineering Investment Ratio™

(*) excludes promoting and selling



Flaming
Failure
Neither
Super
Success

Infinity	Balico, balance aid medical device, Grand Prize Winner '05
Infinity	Helicos BioSciences, single-molecule DNA sequencing '03
Infinity	Angstrom Medica, synthetic bone, Grand Prize Winner '01
9	MIT \$50K Entrepreneurship Competition
6.25	Litton Medical (ex-BD, ex-DataMedix), mid '80s
5	MolecularWare, bioinformatics MIT \$50K Grand Prize '99
5	ZippyCool, beverage cooler MIT \$50K Semi-finalist '99
5	Invent Resources, product development '93
4	Becton Dickinson, medical - arrhythmia recall '78-'80
4	Varian Associates, Component Leak Detector '93
4	DIVA (AVID), video editing software '90-'93
4	LiquidPiston, combustion engine MIT \$50K Runner-Up '04
4	ZippyCool, beverage cooler MIT \$50K Semi-finalist '99
4	Adaptive Optics, Div of United Technologies
3.2	two machine vision systems, 3.2 '94, 4 '95
3	AFC Cable, armored wiring systems '97
2.33	Exact Labs, colon cancer diagnostics '95-'96
2	MarketSoft, enterprise software '98-'02
1.5	Dell Computer, PCs '90s
1.53	thingworld.com, Internet media '98
1	2 Juno, free e-mail '96
1.5	Cytoc, PAP smear preparation '88-'89
1.5	Intuit, financial software '90-'93
1.5	Z2, injection molding flow device MIT \$50K Finalist '99
1.5	PSI Environmental, boiler temperature gauge '93-'95
1.25	Phoenix Controls (Honeywell), VAV controls '83
1.25	Molten Metal (MMT), elemental recycling '91
1.2	Monster, employment via the Internet '98
1.2	Aurora Systems, CTI software '90-'94 and precursor
1.1	Brooks Automation, semi robots & cluster tools '89-'90
1.1	Evidian USA, enterprise software '97-'99
1.05	Reflective Technologies, reflective sportswear '94-'95
1	Amana (Raytheon), RadaRange microwave oven '66-'75
1	Acugen Software, semi test software '86-'00s
1	Lycos, global Internet hub and media '97
1	EMC, enterprise storage '90s
.9	Open Market, Internet commerce software '98

Financial and human impact:

> 1 Trillion dollars
> 400,000 jobs created or lost
> 150,000 engineering slots developed or gone

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marketingVP.com - results through June 17, 2010
● multiple data at one M/E Ratio™

.1	Molten Metal '97
.1	Optra, electro-optic sensors - 88 SBIR '84-'95
.1	Keithley Metrabyte, data acquisition Taunton MA '93
.1	MRS Technology, FPD lithography '86-'97
.1	Hampshire Instruments, X-ray stepper '91-'92
< .1	Essential Research, vacuum system CAD '90-'93
.09	RVA Technology, software '82-'85
.07	StarGen, fabless semiconductors '99-'06
.07	Orchid BioSciences, genotyping '98
.07	Veeco, wafer particulate detector '85
.07	Keithley Instruments, Cleveland OH '93
.06	GCA '81, semiconductor stepper
.06	GCA '92
.06	Brooks Automation, semi robots '77-'85
.05	Hampshire Instruments, '84-'90
.05	ITRAN, machine vision '79-'93
< .05	Varian Associates, IMPATT microwave oscillators '69
.04	Object Databases, software '92
< .04	Polaroid, instant photography '90s
.037	Machine Technology (MTI), semi track '93
.033	Raytheon, RadaRange microwave oven '44-'65
.033	Micronix, X-ray stepper '81-'87
.03	Evidian USA, enterprise software (2) '92-'96 & '00-'02
< .03	KSR, supercomputers '86-'95
.02	Cisco, Internet routers '00
< .02	Quarterdeck, operating system (OS) software '90s
.015	Luminus Devices, LED lighting '10
.014	Cetacean Networks, real-time Internet & VoIP '00-'04
.013	Fusion Lighting, lighting '91-'02
.013	Genuity, Internet '98-'00
.013	electronics & instrumentation, AMA, '53
.012	HyperDesk (FTP), Internet groupware '92-'95
.01	Becton Dickinson (BD), Telocate patient location '73-'77
.01	DataMedix (bought BD division), early '80s
.01	Physical Sciences (PSI), > 200 SBIR '84-'95
< .01	Xerox, copiers '94-'02
.008	Thinking Machines, supercomputers '90-'94
.007	Lotus, office software '90s
.007	Nortel, telecom '84-'02
.004	Digital Equipment (DEC), PCs & minicomputers '90s
.003	Applicon, Computer-Aided-Design (CAD) '72-'82
.002	Lucent, telecom '67-'03
< .001	SAL, X-ray stepper '81-'00s
< .001	WANG Laboratories, PCs & minicomputers '84-'91
< .001	VNCL, network video '93-'99
Zero	Thinking Machines '83-'89

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"Our Boston Product Management Association invited this presentation because we know what the Voice of the Customer (VoC) is, how valuable it is, and have had many 'how-to get the VoC' talks. However, of all the tasks we perform as Product Managers, how do we convince management of the value of that portion, of that investment in customer understanding?"

"Ralph Grabowski has helped launch new products, new companies, and more than seven new fields; which have grown to become worth **over ten Billion dollars.**" (*)
David Klein, President, Boston Product Management Association (BPMA)

Thank you, David. When my business friends heard of the BPMA's challenge, all remarked, "The BPMA is a very professional group of marvelous people." This is truly an honor.

Prologue. Let's get to know each other better.

- 1 – Who is a Product Manager?
- 2 – Product Line Manager?
- 3 – Product Marketing Manager?
- 4 – Marketing Manager?
- 5 – Who manages those functions?
- 6 – **Who struggles to convince management** of investment in customer understanding?
(Everyone raised their hand.)
- 7 – Who wants their next job to be Product Manager, either because you already are a Product Manager and, should you change jobs, want to continue in the role, or because you are not now a Product Manager and want that job?

(*) more information at <http://marketingvp.com/download/reg.pdf>

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You got the job!

Ralph E. Grabowski
Product Manager, Monitoring Systems

**BECTON
DICKINSON**

Becton Dickinson Medical Systems
Route One, Sharon, MA 02067
Telephone (617) 828-9080

Congratulations. You got the job!

Product Manager, Monitoring Systems, Becton Dickinson Medical Systems (BDMS).

You are thrilled! The parent corporation's absolute dominance, since the 1800s, of the market for needles, syringes, and blood collection devices, used pervasively throughout health care, means that you will enjoy instant, positive, brand recognition of the name Becton Dickinson, of the initials BD, and of the logo in every part of every hospital, doctor's office, clinic, lab, and health care setting in the world.

Fantastic! You become mini-CEO of a \$25 million/year product line, 70% of the Division's business, reporting to the President, with P&L responsibility and 300 indirect reports. BD pioneered patient monitoring in the Coronary Care Unit (CCU) 25 years before.

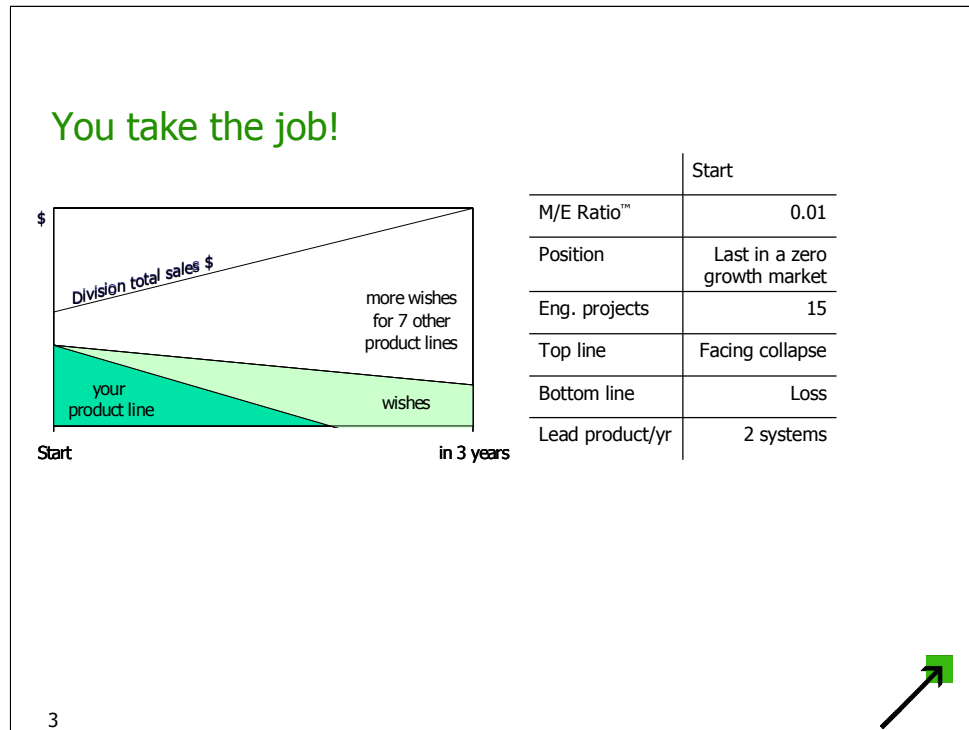
Sales have been steady for ten years. BD has in place:

- VP Sales with a \$6 million budget and a 25 man sales force; VP International
- 10-man field service crew for technical support
- Marcom with a half-million dollar expense budget, a booth for twice-yearly trade shows, data sheets, slick brochure, and reprints of convincing clinical trials by prominent Cardiologists, proving that your lead product has dramatically high accuracy.
- 15 new products scheduled to roll out from engineering in 6 months at one every 2 months – **so all you need to do for the next 3 years is product launches.**

You have had similar titles as your career has progressed; Product Line Manager, Product Marketing Manager, and Marketing Manager. However, these roles were mostly sales management, a good deal of sales support, a little selling, sporadic Marcom, some management, but **rarely real Marketing.**

Occasionally, you have the opportunity for **Front-End Marketing**, to uncover unmet customer needs, to design and to launch totally new products.

The results are wildly spectacular! You realize, **"This is for me. This is fun."**



Absolutely delightful! All you have to do is Front-End Marketing and steer the enterprise. As your career has progressed, it is 1977 and **you are ready for Front-End Marketing.** The good news was that **Becton Dickinson wants Front-End Marketing.** -- pause --

What? The bad news? The bad news was that they did not know what Front-End Marketing was **because they never did any. None. Never!** -- slide 3 --

Your product line is in a death spiral. It began losing market share 20 years ago. While the market had double-digit growth for the prior 10 years, your product line was flat, which meant that BD lost double-digit market share every year. You are now last; dead last in the US and Europe. Zero in Japan. HP is #1 and GE is #2; formidable, world-class competition.

The market is about to transition from analog to digital, software-based systems. Although your software is clinically proven to be vastly superior, your new digital systems sell only 2 per year while HP is selling dozens.

The market has become zero-growth. Your product line faces **collapse to zero in 24 months** or less. Corporate installed three management teams over the last 10 years attempting a Division turnaround. All three failed. You are the 4th.

--Transition-- The strategic plan, **based on wishes**, is for you to slow your line's collapse to only one-half over three years. If you do that, you will be awarded 3 gold stars.

--Transition-- Your mission is to buy the Division breathing room while they **wished** that seven other failing products would, somehow, take off. Raise your hand if you think this is crazy. (Everyone raised their hand.) **Yes, this is absolutely crazy!**

It is now a few months into the job and you are laboring mightily to retard the collapse, **having a ball! Really enjoying it!**

Your Product Manager Persona™ (PMP™)

- Innovate Persona Type 1™: a Persona of one
- "... daily behavior patterns, using specific details, not generalities."
Persona from Wikipedia

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Then your boss, the Division President, sticks his head into your office – sees you and a team at your side table, looks at the flip charts wallpapering your office two levels high, glances at your desk with a pile in the inbox, a bigger pile in the outbox, a stack of signed documents ready for distribution, another waiting for your signature, another marked-up pile waiting for editing, a pile of dictation tapes; looks over his shoulder to see similar piles on your secretary's desk – her fingers supersonic on the keyboard; and realizes that the people lined up outside your office are waiting to see you.

He comments, **"Ralph, it seems that you are doing the work of two or three people!"** Was that a nice compliment or what? **You take it as an ominous warning.** For, unless your boss is very wrong, high by at least a factor of 4, you are in trouble.

If you are attempting $\frac{1}{2}$ to $\frac{3}{4}$ of a job, considering market dynamics, sudden competitive thrusts, and others leaving or falling down on their job so you have to fill their role, you have a decent chance to do it well, to receive a good job review, a pay raise, and a promotion.

If your boss is right, you will do a poor job, receive a bad review, no raise, and no promotion.

If your boss is estimating low, if you are attempting more than 2-3 jobs, **you will fail and will be fired!**

So how many man-years are you trying to accomplish in the next 12 months?
You start a spreadsheet to add up the man-weeks.

The generalities in your job description are no help!
How many man-weeks are:

- Exercises leadership by personal command?
- Persuasive skills? Enthusiastic?

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Your job offer provides clues.

-- speaker creates spreadsheet on flip-chart --

Vacation	3 weeks
10 days sick leave	2 weeks
10 holidays	2 weeks
paid professional course	<u>1 week</u>
subtotal	8 weeks

You begin to tally your daily behavior patterns, using specific details, not generalities, by **innovating Persona Type 1™**: a Persona of one, a Persona of YOU.
This is your Product Manager Persona™ (PMP™).

Job description says, "Support trade show activity."	
show, 3 days + travel	1 week
show preparation	2 weeks
show follow-up	<u>1 week</u>
2 shows subtotal	8 weeks
	16 man-weeks so far

Marcom lady reports, "Our 10-year-old booth finally disintegrated, not surviving the cross-country return from the last trade show. Design a new one, Ralph."

You initiate Competitive Intelligence (CI).
All booths, including yours, look like this competitor's;
Las-Vegas-garish,
over-texted,
equipment off,
not customer friendly, and empty.

Tools to Convince Management of Your Investment in the Voice of the Customer



You initiate a nationwide market research project to understand customer needs, not customer needs while using your product, but customer needs at the trade show.

You pioneer ethnographic market research by observing customers as they visit booths on the show floor, to understand what they are looking for, what they really want to see, what makes them uncomfortable, and what might make them comfortable.

Fact-gathering, analytical Marketing™

reveals that, out of 15,000 Doctors and Nurses at each show, only 30 matter!

You are looking at \$200K of creative and construction costs for 30 customers.
A radical, unique design, the new booth paid for itself in

1 hour,
every hour,
every day, of
every trade show.

New booth

5 weeks

21 man-weeks so far

-- speaker continues spreadsheet on flip-chart --



The first stop after a heart attack is a Coronary Care Unit (CCU) for 3-5 days while a Cardiologist administers powerful drugs to prevent highly irritated heart muscle from triggering another attack and death.

A Coronary Care Unit is 12-16 beds arranged around a Central Nursing Station. The patient has electrodes on his chest picking up his heart ECG signal, displayed on the overhead bedside monitor and repeated at the Central Nursing Station in the foreground, where nurses and a computer can monitor every heartbeat while leaving the patient resting comfortably.

This is NOT simple bed rest. Certain single abnormal heartbeats can be predictive of another serious attack and death. The old analog technology relied on nurses painfully watching the monitors, attempting to see a single event from any patient, a needle in a haystack. Tests showed that, on average, **16 hrs passed** before nurses caught that single event. By the time the old, simplistic alarms rang, it was frequently too late. Nurses ran for the defibrillator, **but patients often did not survive.**

The new technology, software-based systems called arrhythmia monitoring, alarmed on a single event, within one heartbeat, one second, enabling the doctor and nurse to take early action. This radical innovation profoundly changed outcomes, with patients often **surviving their 4th heart attack**; living many more years with their spouse and grandchildren.

Job description says, "Sustain existing product." Sometimes it is easy, when an engineer wants to save a few bucks by changing internal, non-critical, Stainless Steel screws to plain steel. It is easy with a patient safety issue; stop the production line, crush the old parts, and immediately retrofit.

Two hours a week for meetings with Sustaining Engineering, preparation, and follow up.

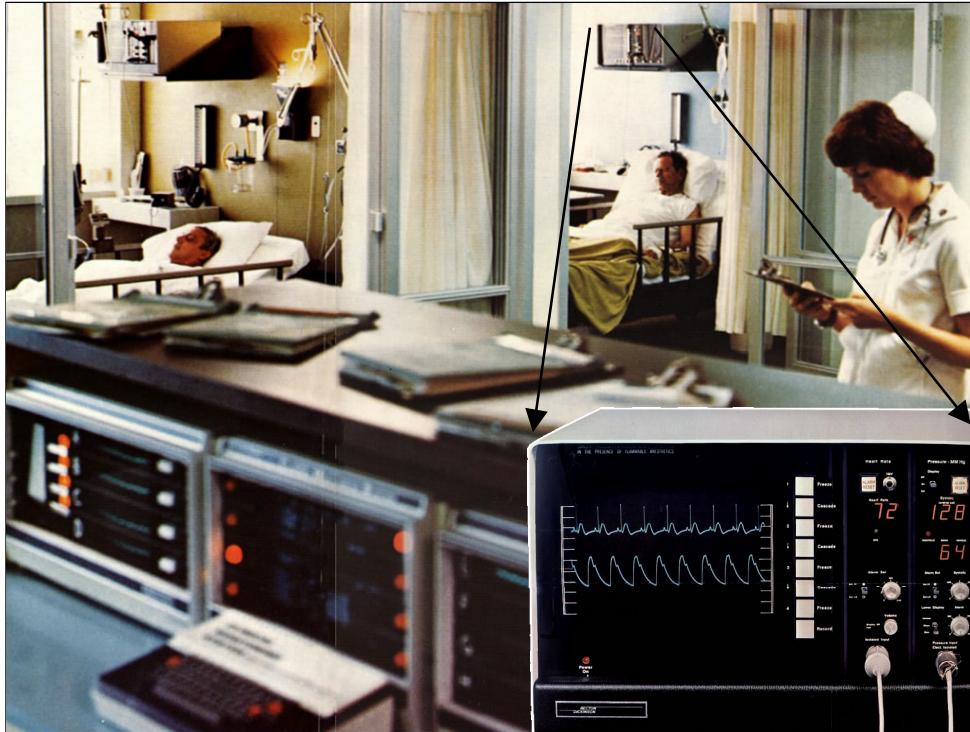
Sustaining Engineering

2-1/2 weeks

23-1/2 man-weeks

-- speaker continues spreadsheet on flip-chart --

Tools to Convince Management of Your Investment in the Voice of the Customer



We sell 1,000 bedside monitors a year. An engineer examines the floating faceplate;

tinted Polycarbonate plastic,
optically coated 2 sides,
with a manufacturing cost of \$400
to propose losing the tinting,
losing the optical coatings,
and using a cheaper plastic
to save \$333 each times 1,000 units.

Wow! That is \$1/3 million savings at a time when the whole division is losing \$1 million/year.

You are the only person in the room representing the customer.

Nurses must look at patient ECG signals on the bedside monitor through this faceplate, right?

BD never did any Market Research. You find no customer requirements documents for that faceplate in this 5-year old product. You initiate a nationwide market research project.

Nurses DON'T say, "We need a tinted, Polycarbonate plastic faceplate, optically coated 2 sides, floating 2.5 +/- .1 centimeters from the proximal CRT surface."
You have a heart attack from being NOT surprised.

Nurses say, "We need to help our patients **survive their heart attack** so they go home to their Grandchildren." Your classic 11-steps™ market research method, part of which became the Voice of the Customer, will not work.

Pioneer ethnographic market research

- Innovate Persona Type 2™: represent one kind of customer
Innovate Persona Type 3™: represent related parties
- Harry Heart Attack
- Nurse Nancy

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You pioneer ethnographic market research by observing in the Coronary Care Unit.
It is extraordinarily difficult.
You cannot just walk into a CCU with patients near death.

-- slide 10 --

Harry Heart Attack is kept alert so he can call the nurse when he has heart pain.
He is frightened and knows that he might never go home.

Nurse Nancy leaves Harry alone, entering his room only occasionally.
When she enters Harry's room, she looks at Harry and not at the monitor.
Nurse Nancy is at and around the Nursing Station, usually about 20 feet from Harry.
Her head snaps abruptly with furtive glances into Harry's room.

-- slide 11--

So you walk into your Customer Laboratory. You all have a Customer Laboratory, don't you?
All of you? Don't you? (Assistant sets up a faceplate 20 feet away from the speaker.)

... to set up a bedside monitor 20 feet away,
hooked up to a patient simulator box delivering ECG and blood pressure signals.
You can accurately dial in any heart rate – 72 Beats Per Minute (BPM) is shown on the screen.



You bring in Head CCU Nurses who have just evaluated all of your competitors' bedside monitors to select yours for purchase at their hospital, to ask, "Why did you reject our competitors' monitors and select BD."

They all say, "Because we would have to look at your competitors' monitors."
"We don't HAVE to look at yours."

That is like saying you shopped for a new car, rejecting all because you would have to drive them; except for one car, which is now in your garage because you would not have to drive it!

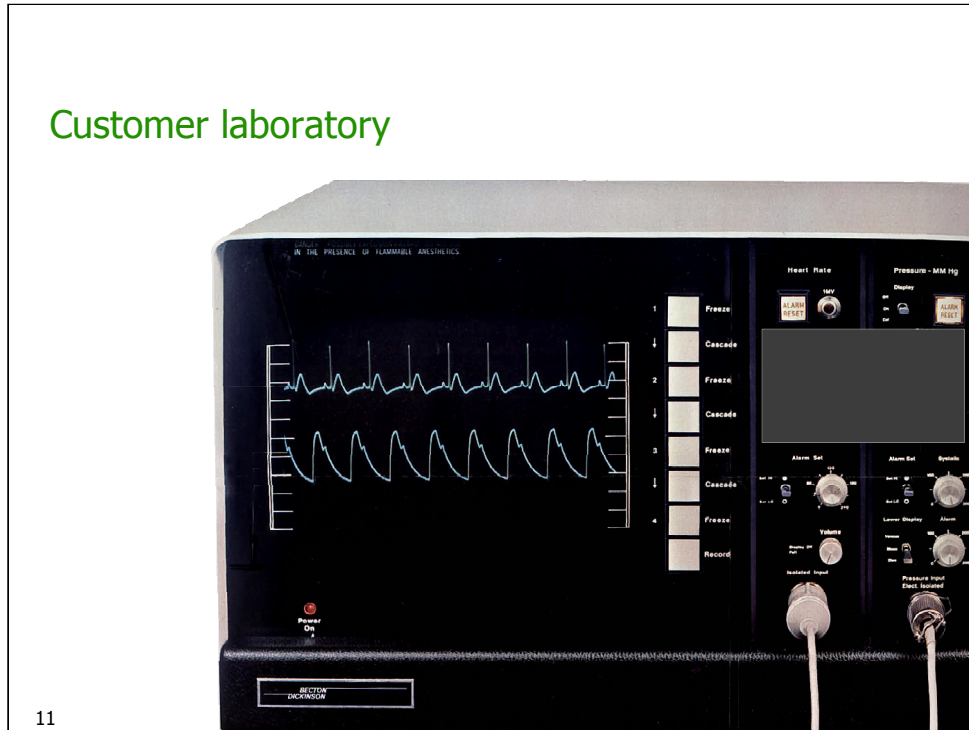
"OK, but even though you don't HAVE TO, you DO look at our monitor, don't you?" you ask. "NO, we DON'T look at BD's monitor. We look at the patient," they say firmly. The hospital spends about \$15,000 for each monitor and **Nurse Nancy does NOT look at it!**

"OK, what BENEFIT does our monitor deliver? What do you get from it?" you ask. As each Nurse snaps an abrupt, furtive glance, each tells you that she picks up the Heart Rate.

"OK, you read the Heart Rate from our digital readout, right?"
"No, she says, **I don't use that readout.**"

Your Competitive Intelligence (CI) says BD's manufacturing cost for that extra-bright, extra-large, 1-inch high LED display, which can be read from 30 feet, is ten times your competitors' costs for their dimmer and smaller ½ inch LED displays, which can only be read from the foot of the patient's bed or closer. And **Nurse Nancy does not use it!**

Customer laboratory



You cover up the numeric readout, dial in 72, and ask each Nurse, "What is the Heart Rate." From 20 feet away, each snaps an abrupt, furtive glance and reports, "70, 74, 72, 71 ..."

You went to college to become an Electrical Engineer, where you were taught to read an oscilloscope. You worked for Tektronix, the premier oscilloscope company, learning how to read an oscilloscope during their 6-week training program. You were taught to place your eyes 2 inches from the 'scope face, take 2 minutes, and that you could usually, not consistently, achieve 5% accuracy.

Nurse Nancy, highly educated but without engineering training, snaps an abrupt, furtive glance **from 20 feet away and consistently achieves 3% accuracy! You fall off your chair!**

Bedside monitors must prevent an imploding CRT from showering glass into the patient's eyes. All your competitors CRT's are one piece, protecting with multiple layers of glass and plastic bonded together, like old TV tubes, which means fuzziness of the patient ECG.

Nurse Nancy would have to enter Harry Heart Attack's room to get close enough to read the ECG. She might scare Harry Heart Attack. Nurse Nancy stays out of Harry's room and, when she does go in his room, she looks at Harry."

Your special, separate faceplate is not only implosion protection, but also acts like **sophisticated sunglasses and optical filter.**

ECG traces are crisp on BD monitors! Nurse Nancy can read the Heart Rate from 20 feet away, without entering Harry Heart Attack's room.

-- slide 12 -- You have a decisive competitive advantage.
Create a special picture for the new brochure, "Letting you Focus on the Patient."

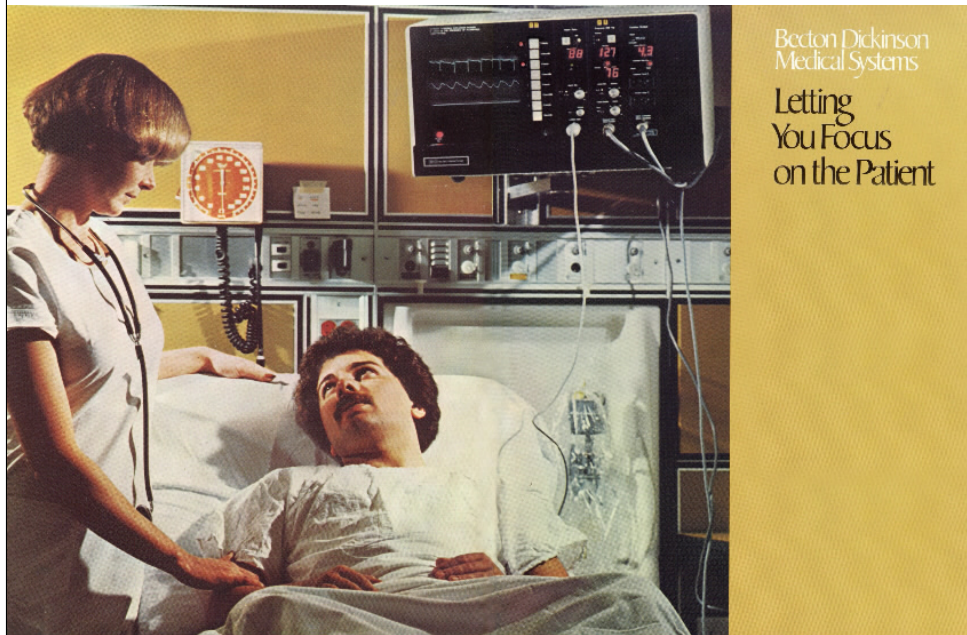
Faceplate

3-1/2 weeks

27 man-weeks so far

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Benefit: focus on the patient, not look at monitor



Where are we going with this?

You haven't done anything! You have **just blown past ½ man-year, ½ of a job**, and you haven't done anything! Your name is on the org chart, you dropped in to two trade shows, and helped with some screws and plastic bits. **You haven't done anything!**

-- slide 13 --

-- speaker continues spreadsheet on flip-chart --

The first of **15 new** products from engineering is ready to launch. BD invested \$1 million in five years developing unique new technology, receiving five US Patents, with fifteen more pending.

There has been NEITHER market research, NOR customer requirements documents, NOR project planning, NOR beta sites, NOR customer review to support this new product.

Create a nationwide market research program and discover that BD had developed a technology FOR WHICH THERE WAS NO NEED! **One down, fourteen to go.**

90% of everything you ship is Dead Of Arrival (DOA) at the hospital.

Furious, the Food and Drug Administration (FDA) is creating Good Manufacturing Practice (GMP) rules, just because of you!

It turns out to NOT be a manufacturing problem, but interconnected:

- Customer understanding
- Market segmentation
- Market forecasting versus sales forecasting
- Quotation process
- Product packaging
- Product pricing
- Sales training, and
- Literature

-- speaker continues spreadsheet on flip-chart --



The FDA will be in your building shortly, conducting their first-ever GMP audit.
Fix it FAST because if you fail their audit, the FDA will shut you down!

You have 10 software systems installed in Coronary Care Units, radical new technology with 30 alarms instead of 3. The sales force received 30 minutes of training. Your burly, overly aggressive, hyper-macho, Male Chauvinist salesMEN are expected to train sweet little Nurse Nancy about algorithms and software. Nurse Nancy is afraid to touch the keyboard, afraid that she might hit the wrong key and kill a patient.

8 of your 10 computer-based systems in the field are turned off.

Create a week-long training program for Nurse Nancy.
Bring in Nurse Nancys from all 10 existing hospital installations and train them.
Make this training program mandatory before purchase.
Hire, train, and manage 7 nurses to develop and execute the Nurse Nancy training.

Your boss asks, "Ralph, it is obvious to both of us that the VP of Sales is failing. In addition to your other responsibilities, **take over his job** and his 25-man sales force."

Shipments/employee are less than ½ industry average. **Triple shipments/employee.**

Marcom lady reports, "We are running out of literature. Do you really want to reprint this old garbage?" You realize that all the literature is obsolete, does not convey benefits, and is useless. Create customer understanding for all products. **Conceive all new literature.**

Your PMP™ spreadsheet grew; 7 pages long! You enter man-weeks for each task, sort by Marketing, Promoting, Selling, and Managing; then take it to your boss, the President. He raises every one of your numbers and adds many more specific tasks.

He looked at the total and concluded, "You aren't doing the work of two or three people, Ralph. **You're doing the work of ten to fifteen!"**

Our mission

Tools to convince management

- Your Product Manager Persona™ (PMP™)
- Rewrite your job description, Rev 2
- Learn the Voice of the Board™ (VoB™)
Learn the Voice of Management™ (VoMa™)
Teach the Voice of Marketing Management™ (VoMM™)
Teach the Voice of Marketing™ (VoM™)
- Quantify and articulate your worth
- Marketing/Engineering Investment Ratio™ (M/E Ratio™)

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Outline.

Our mission, should we accept it, is to learn **five tools** to convince management of your investment in the Voice of the Customer (VoC).

- 1 – Your Product Manager Persona™ (PMP™)
- 2 – Rewrite your job description
- 3 – Manage many more languages
- 4 – Quantify and articulate your worth
- 5 – Employ the Marketing/Engineering Investment Ratio™ (M/E Ratio™)

Tools to convince management

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- Rewrite your job description, Rev 2
- Learn the Voice of the Board™ (VoB™)
Learn the Voice of Management™ (VoMa™)
Teach the Voice of Marketing Management™ (VoMM™)
Teach the Voice of Marketing™ (VoM™)
- Quantify and articulate your worth
- Marketing/Engineering Investment Ratio™ (M/E Ratio™)

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In our prologue, you have been pulled, kicking and screaming, through determined details of daily behavior patterns and specialized specifics **of someone else's** Product Manager Persona™ (PMP™).

Pay no attention to that man behind the curtain.

Construct YOUR OWN persona of one, a persona of YOU. Use it for your own planning, to translate the generalities and ambiguities of **YOUR role**, of your job description, into your daily behavior patterns and into your specifics.

Planning, estimating, organizing, structure, discipline, creating process, writing it down ... Isn't that what you are good at, what your skills are, which made you a Product Manager?

If your job description matches your Persona, good. If not, rewrite it.

Get your manager's agreement of both Rev 2 of your job description and of your Product Manager Persona™ (PMP™), have him sign both, and have HR put both in your personnel file.

Tools to convince management

- Your Product Manager Persona™ (PMP™)
- Rewrite your job description, Rev 2
- Learn the Voice of the Board™ (VoB™)
Learn the Voice of Management™ (VoMa™)
Teach the Voice of Marketing Management™ (VoMM™)
Teach the Voice of Marketing™ (VoM™)
- Quantify and articulate your worth
- Marketing/Engineering Investment Ratio™ (M/E Ratio™)

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Part 3.

You already speak multiple languages:
the customer's, engineering, finance ...

Address four more languages.

Imagine if your management spoke a foreign language, no English, and you spoke English,
no foreign language. Learn their language:

Learn the Voice of the Board™ (VoB™)
Learn the Voice of Management™ (VoMa™)

A companion paper may be helpful,
"The Board of Directors; Vital Partner for a VoC Culture" (*)

However, the twist here is that you need to **TEACH** two more.
Since you cannot expect management to learn your languages, you need to teach them.

Teach the Voice of Marketing Management™ (VoMM™)
Teach the Voice of Marketing™ (VoM™)

(*) <http://marketingvp.com/download/boardvoctranscript.pdf>

Engage (all of) your management with customers



For example, the males are the President, a VP, and a salesman.

The ladies are Head Coronary Care Nurses,
whom you bring in for week long sessions where,
side-by-side over breakfast, lunch, drinks, and dinner, ...

Customers teach (all of) your management

Voice of Marketing™ (VoM™)

Voice of Marketing Management™ (VoMM™)



... in classes and in role-playing, **they teach your management:**

Their language

How you perform market research on them

How your competitors perform market research on them

How they want you to perform market research on them

How your salesmen sell to them

How your competitors sell to them

How they really want you to sell to them

About your literature

About your competitors' literature

What they really need from your materials

About their needs

What's good and bad about your current products

What's good and bad about your competitors' products

What benefits they really need now to meet their current needs

What their needs will be in 3-5 years

What they believe your competitors are developing for 3-5 years out

What benefits they really want your company to deliver in 3-5 years

And, we made friends.

Tools to convince management

- Your Product Manager Persona™ (PMP™)
- Rewrite your job description, Rev 2
- Learn the Voice of the Board™ (VoB™)
Learn the Voice of Management™ (VoMa™)
Teach the Voice of Marketing Management™ (VoMM™)
Teach the Voice of Marketing™ (VoM™)
- Quantify and articulate your worth
- Marketing/Engineering Investment Ratio™ (M/E Ratio™)

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Part 4.

You don't want 3 gold stars. Let's talk money!

Quantify and articulate your worth.

However, select your arrow with great care.

You believe you made the right decision on the plastic front panel:

Legally

Morally

Ethically

Medically, and

Professionally,

... in the best interests of Harry Heart Attack and Nurse Nancy.

However, your boss says,

"Ralph, you didn't save us a nickel.

"You squashed a major cost-saving initiative!

"You ran up travel expenses for you and all those nurses.

"You took almost a month and all we got is a pretty picture.

"Show me something that will get my attention!"



\$10 million in 20 days -- pause --
Now that we have your attention ... -- transition --

Your pioneering ethnographic market research to understand customer needs at the trade show uncovered a fundamental pattern and led to the innovation of Persona Type 4™, the committee.

Hospitals purchase a new monitoring system about every 7 years. It is a very big deal, in money, in impact how Doctor Feelgood and Nurse Nancy practice medicine, and for the care and survival of Harry Heart Attack.

If Doctor Feelgood and Nurse Nancy attend trade shows in between the 7-year purchase cycle, they pay no attention to your booth. However, when the hospital is about to purchase a new monitoring system, an **EVALUATION COMMITTEE** is formed and, if the purchase is near the date of one of the two major shows, the committee attends as a team, makes a last round of competitors' booths, votes when they are back in the hospital, and the purchase is made.

Competitors' booths look like Las Vegas, are not customer friendly, feel cold and foreign, and are uncomfortable to Doctor Feelgood and Nurse Nancy.

You designed the new booth to look like home for Doctor Feelgood and Nurse Nancy, to appear like the warm, comfortable hospital environment where they came from before the show and where they will return.

Looks like walking into a CCU. Approach the Central Nursing Station.
See the patient bedside monitors across the aisle. Drop into the Nurses' lounge in back.
Committees scheduled back-to-back for the entire show!
Doctor Feelgood and Nurse Nancy envision themselves with YOUR product.

Put this image in your office behind your head where your boss can see it, with you in the picture, conducting the orchestra, **steering the enterprise to success™!**

Quantify and articulate your worth

	Before	After
Bookings, 10 days following 2 shows	\$5 million, but facing collapse	\$10 million (not zero)
Your contribution		\$10 million

- Your 5 man-weeks means your payback is \$2 million per week, or your payback is \$400K per day, or
- \$10 million in 50 hours of 2 trade shows = \$200K per hour
At \$1.6 million per day, you paid for yourself in 30 minutes!

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Before you, with the old booth, they booked \$5 million in the 10 days after each of the two yearly shows, or \$5 million over the 20 days. Your product line faces collapse and is expected to book zero.

With your new booth, you are booking not zero, but \$10 million in 20 days.

Earlier we said that the new booth paid for itself in 1 hour. That is the **WRONG** way to articulate these results.

The new booth didn't do it. **YOU DID IT!**

You designed the new booth in 5 weeks.
Quantify and articulate your worth, contribution, payback, or ROI every which way you can.

\$400K per day
\$2 million per week
\$1.6 million per day
You paid for yourself in 30 minutes

Before-and-after quantified and crisply articulated.

Do we have your attention?

Innovate Persona Type 4™: the committee

- Voice of the Committee™ (VoComm™)
- \$10 million flowed from your fact-gathering, analytical Marketing™

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The new booth didn't do it. YOU DID IT!

You innovated Persona Type 4™: the committee.
You captured the Voice of the Committee™, VoComm™.

\$10 million flowed from YOUR fact-gathering, analytical Marketing™

mini-CEO (Product Manager)

Steering the enterprise to success™

- Create strategy to achieve those goals
 - Shape financial and strategic goals
 - Fact-gathering, analytical Marketing™
- 

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What does a CEO do?

You are the mini-CEO, **steering the enterprise to success™** with **fact-gathering, analytical Marketing™**.

"Market Research is the fundamental intellectual discipline underlying the creation of strategy.
"Strategy must be based on facts, not on wishes."

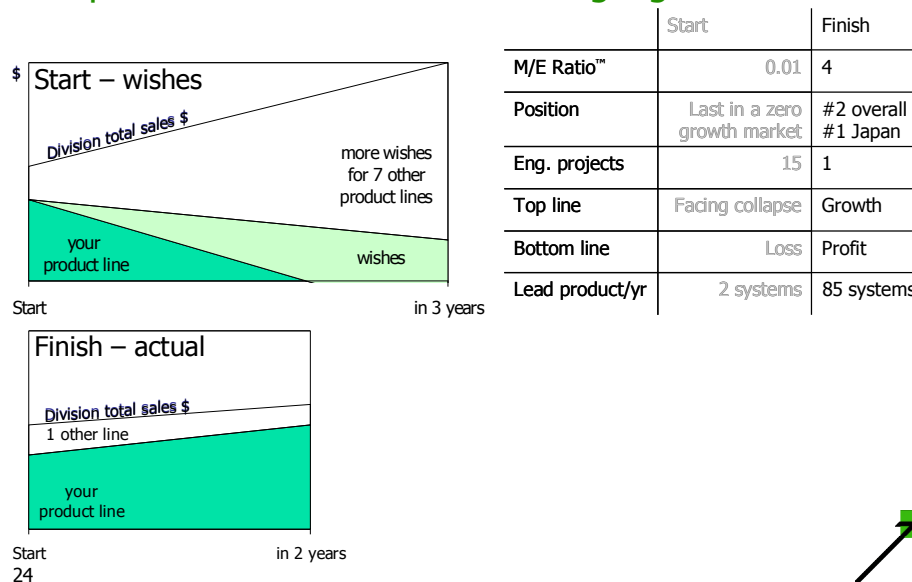
Dr. Barry Unger, co-founder, MIT Enterprise Forum

Armed with the facts, you **shape financial and strategic goals**.

Armed with the facts, you **create strategy** to achieve those financial and strategic goals.

Division turnaround and divestiture

Shape & exceed financial & strategic goals



Financial goals

Before Delay the collapse, suffer losses
After Keep sales flat, breakeven

Exceeded goal Growth and profits

Strategic goals

Before Suffer collapse, last place
After #2

Exceeded goal From last place to #2 overall, #1 in Japan, in a zero growth market, in two years.

Stretch goal Kick Hewlett Packard out of the Coronary Care Unit!

Exceeded goal HP's Japanese share went from 100% to zero and your Japanese share went from **zero to 100%**. You kicked HP out of the CCU in Japan.

You are on your way to kicking HP out of the CCU market in the US and in Europe.

Strategy to achieve those financial and strategic goals.

Before "Hesitation," a candid but damning indictment that nobody had a clue as to how to steer the enterprise!

After Abandon 6 other product lines and allow the seventh to wither.

Before 15 "Gee-whiz" engineering projects underway to launch new products.

After Invest heavily in Front End Marketing to rigorously examine all fifteen against 3 questions:

1. What benefits does the customer wish to spend money to receive? Quantify them.
2. Considering only those, where might we already have, or develop in engineering; a decisive, defensible competitive advantage?
3. In which market segment(s) can we deliver the most value to the customer?

--- text continued on next page ---

Quantify and articulate your worth

- Division sold for \$60 million
you finished in 2 years
- you contributed \$30 million/year, or
your payback is \$30 million/year, or
your payback is \$120K per day

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Armed with the facts, you abandon, shelve, or downsize **fourteen out of fifteen** engineering projects as unneeded, ill conceived, or not decisive. **Focusing on the next-generation product**, you drive it from 2 units per year to 85 per year – more than Hewlett Packard.

HP's software team gave up, resigning as a group to join Becton Dickinson.
Your counterpart at HP is fired. You crushed the competition.

You are the mini-CEO of 85% of the Division's business.

-- slide 25 --

-- pause --

Now that was a good ride! That was fun!

You finished in two years. Start-to-finish quantified and crisply articulated.

The Division sold for \$60 million, 1-and- ½ times what they wished for in their dreams.
No matter how you quantify your results, no matter how you slice-and-dice your outcomes,
your worth, value, contribution, payback, or ROI might be considered or articulated
as at least \$120K per day to as much as \$1.6 million per day!

Aim your arrow with great care. Shoot softly.

It might not be too cool to demand to your boss, "The Division was sold for \$60 million.
You'll take half!" He might think that HE did it.

Perhaps it might be more diplomatic to ask,

"Let's grab a sandwich together, or even set up a retreat.

"There are some thoughts noodling around in my head, some numbers, some concepts.

"It would be helpful to get your views, your inputs, and your guidance.

"Might we spend a little time together?"

You got a raise!

Ralph E. Grabowski
Product Manager, Monitoring Systems

**BECTON
DICKINSON**

Becton Dickinson Medical Systems
Route One, Sharon, MA 02067
Telephone (617) 828-9080

Congratulations. You got a raise!

Actually, you got 5 raises in 18 months.

In fact, when you showed BD before you joined that you would contribute millions of dollars if you did even half, they raised your offer twice.

You got 7 raises in a year-and-a-half!

Tools to convince management

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Teach the Voice of Marketing Management™ (VoMM™)
Teach the Voice of Marketing™ (VoM™)
- Quantify and articulate your worth
- Marketing/Engineering Investment Ratio™ (M/E Ratio™)

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Part 5.

The MIT Enterprise Forum, a worldwide support organization for technology-based enterprise, asked me to develop a new metric, a new model.

The **Marketing/Engineering Investment Ratio™ (M/E Ratio™)** is a unique formula for the significant investment required

to hear the Voice of the Customer,
for budgeting and staffing front-end marketing,
for connecting Marketing investment with management,
and to achieve business success.

A new metric, the M/E Ratio™

Marketing/Engineering Investment Ratio™

- Applies and scales universally
 - Separates Marketing (VoC) from Promoting and Selling
 - Relates Marketing (VoC) to Engineering in time and scope
 - Recognizes Marketing (VoC) as an investment, not an expense
 - Models success and failure
- and
- Validated by evidence

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To be useful, the new model must meet 6 needs.

It must **apply and scale universally**.

Not just medical devices, but across a broad range of technologies
Across waves of innovation
Equally for startups, new fields, mature companies, and mature industries
For big companies with big-dollar engineering
And for small companies with low-dollar projects

It must **separate out Marketing** from Promoting and Selling
because many confuse the three in language, in definition, in budget, and in accounting.

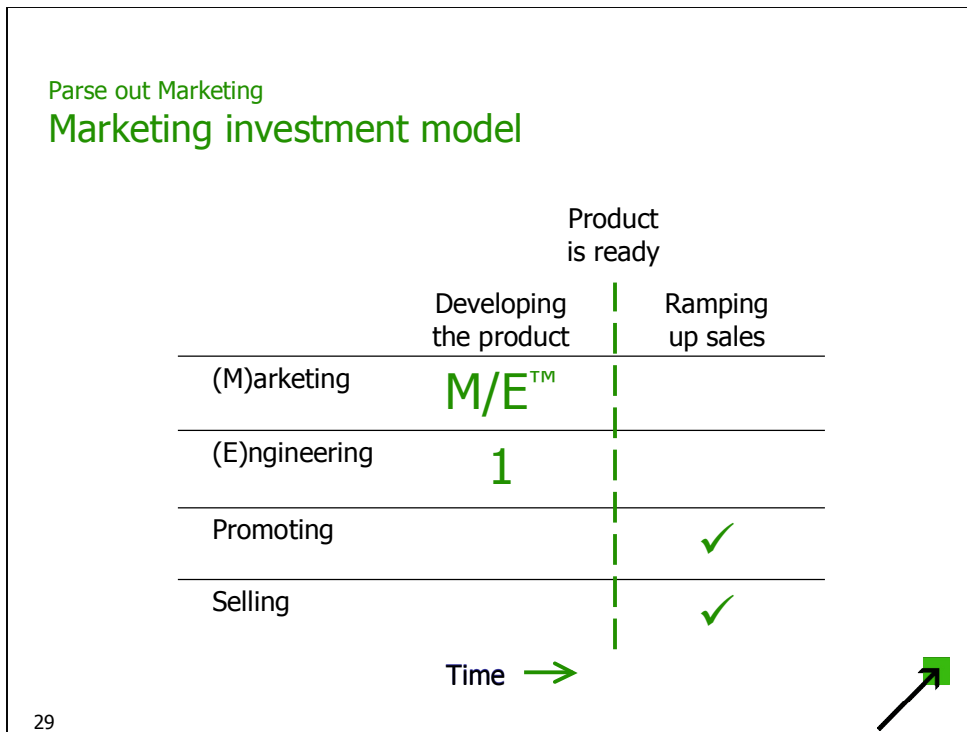
Such separation means that it must **NOT relate to sales**
since neither startups have sales, nor does a new product have sales while in engineering.

It must relate **Marketing to Engineering** in time and scope because we need to know
WHEN to invest in Marketing, because **Marketing relates to Engineering. Period.**

It must recognize Marketing as an **investment**, not an expense,
because Marketing IS an investment, just as engineering is an investment.

It must **model both success and failure**, because to know where to steer the enterprise,
we also need to know where to avoid the pitfalls.

And, it must be **validated by evidence**, by data. Not by opinion.



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Separate out Marketing from Promoting and Selling.

Add Time to the guideline.

To the right of the "Product is ready" is the time after you have completed developing the product: when you are ramping up sales. Promoting and Selling occur during this time slot.

Relate Marketing to Engineering, neither to promoting nor to sales.

To the left of the "Product is ready" is the time when you are developing the product. Engineering occurs during this time slot. Marketing also occurs during this time slot.

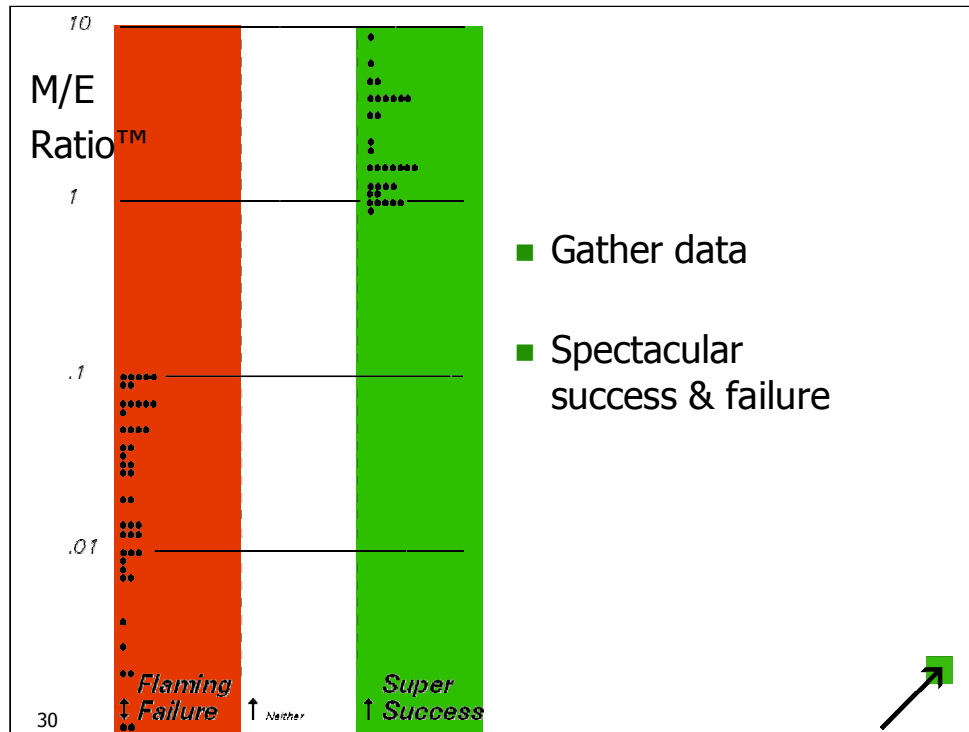
Call it an Investment instead of an expense.

Marketing is an Investment. Engineering is an Investment.

Promoting and Selling are expenses.

If we normalize Engineering to 1, then all we have to do is to find out what the ratio is, the **Marketing/Engineering Investment RatioTM (M/E RatioTM)**.

Tools to Convince Management of Your Investment in the Voice of the Customer



Relate the budget to success and avoid the pitfalls of failure.

Let's gather data. Let's do Market Research on Market Research.

What you are about to see represents 18 years of rigorous pursuit of successes and failures, digging out their M/E Ratio™ in private interview and personal visit. The data are not available in public records.

Here is a graphical way to **summarize what we might learn from these outcomes**. We can picture the relationship between investment in up front Market Research, and to success or failure.

The axis on the left is the ratio of Market Research investment to Engineering investment, called the **Marketing-to-Engineering Investment Ratio™ (M/E Ratio™)**, on a logarithmic scale.

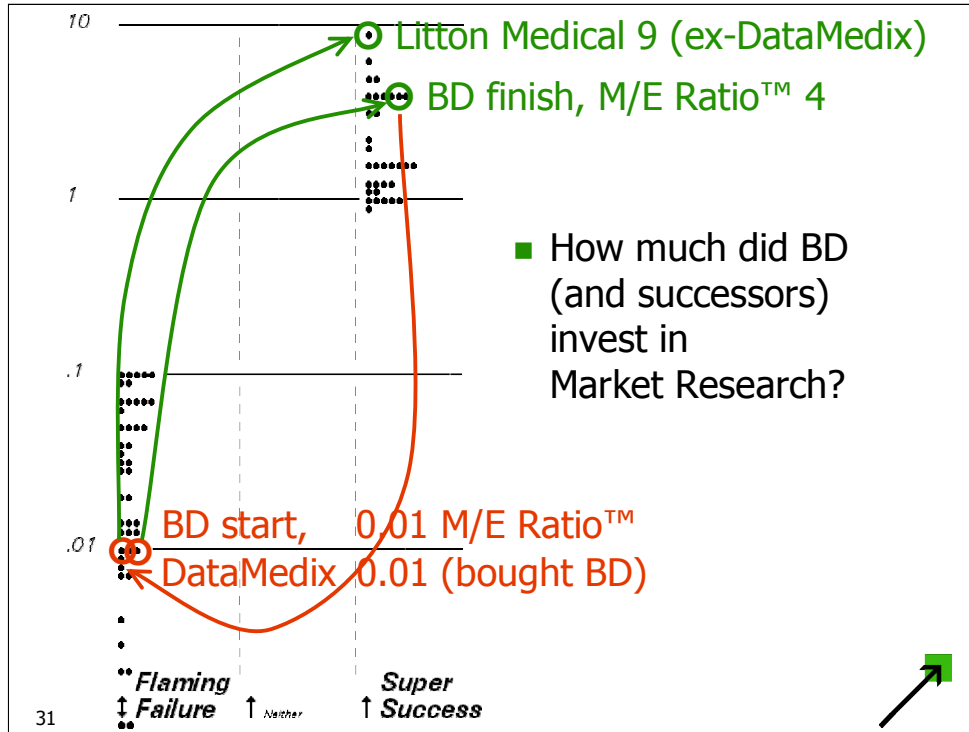
The mediocrity in the middle is ignored. Successes and failures are placed in 2 bins.

A vector is determined by the end points. We will gather evidence from the extremes, from spectacular successes like the Becton Dickinson turnaround, and from business basket cases such as Wang and DEC who have all gone down in flames and/or in bankruptcy.

---- dig deeper ----

View company names in the **Marketing/Engineering Investment Ratio™ data**.

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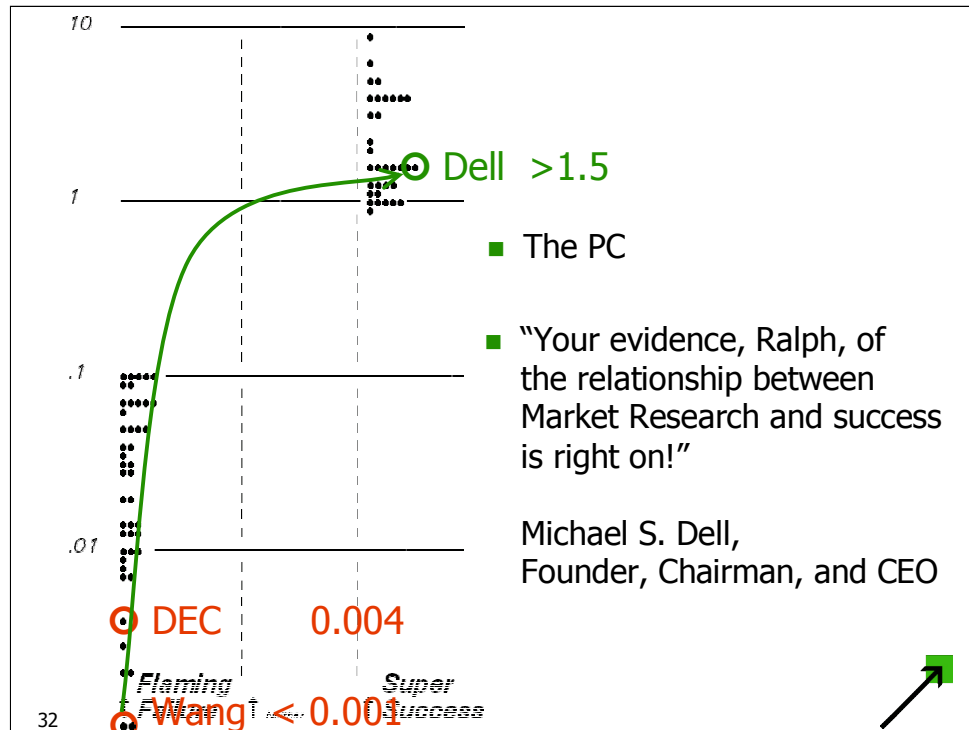


How much did BD invest in Market Research to understand the customer, to speak their language, and to articulate their needs? How much did BD invest to drive engineering, promoting, and selling? How much did this market research cost?

- Start, 0.01 M/E Ratio™, a failure.
- BD raised the M/E Ratio™ from 0.01 to 4 and became a success within months. Market Research drove success.
- DataMedix bought the Becton Dickinson division for \$60 million, pumped in another \$100 million in cash (2010 dollars), but dropped the M/E Ratio™ back down to 0.01. They were bankrupt within 18 months.
- Litton Medical bought DataMedix, raising the M/E Ratio™ from 0.01 to 9 and successfully rose from the ashes of DataMedix. Market Research drove success.

Same technology, same people, same customers, same market, same products. The difference is that Market Research drives success. The lack of Market Research leads to failure.

Tools to Convince Management of Your Investment in the Voice of the Customer



The PC.

Wang and DEC both launched PCs in 1982.

In 1984, an 18-year-old started selling keyboards from his dorm room.
DEC launched their second generation of PCs in 1985,
the same year that this young novice finally launched his first PC.

Raise your hand if you have ever purchased or used a PC from either Wang or DEC.
Raise your hand if you have ever purchased or used a PC from Michael Dell.

-- transition --

"Your evidence, Ralph, of the relationship between Market Research and success is right on! Dell's M/E Ratio™ is North of 1.5!"

Michael S. Dell, Founder, Chairman, & CEO

The technology is the same, the industry-standard PC.
The only difference is the investment in Marketing, the M/E Ratio™.

DEC and Wang are gone, shedding 177,000 jobs and 56,000 engineering slots between them.
If each employee had a spouse and two children, that would represent more than 10% of the entire population of Massachusetts – gone.

By contrast, Dell has grown to
more than \$60 billion in revenue,
more than \$100 billion in market capitalization,
and more than 60,000 employees.

Kitchen appliances

American Appliance Company

- MIT spinout
- Cambridge, MA startup to make home refrigerators
- "... the product ... was a bust ..."
official company history

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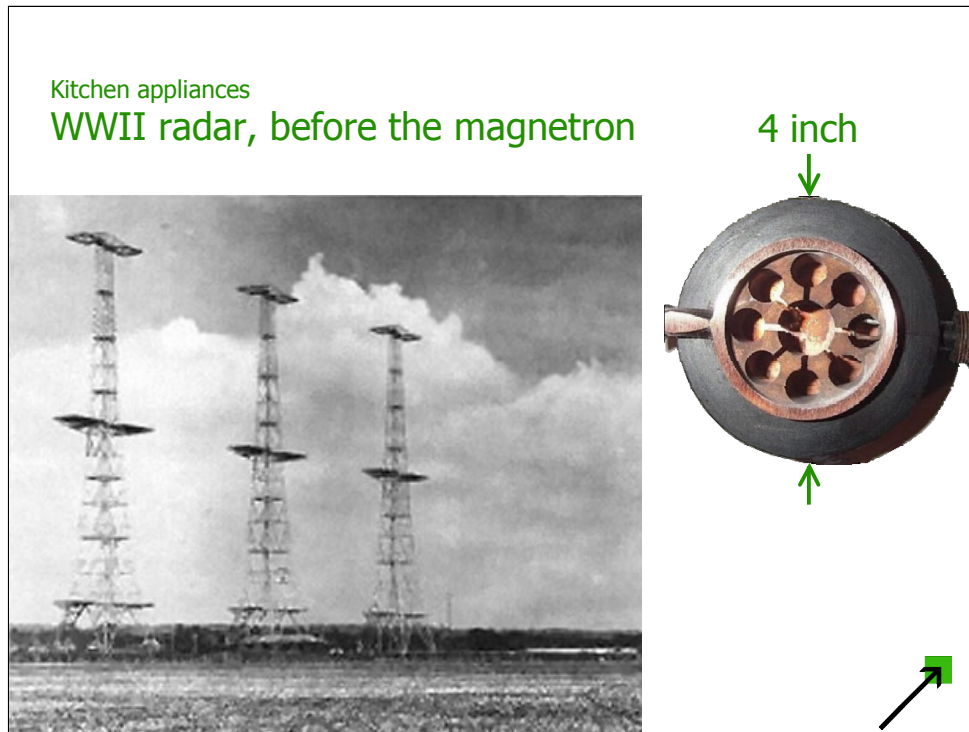
Let's acquire data from a lower technology enterprise.

An MIT spinout, American Appliance Company, was founded to make a home refrigerator, which, in 1922, was an innovation from the traditional ice box; a wooden box loaded with a 50-pound block of ice by the iceman.

It was a bust. (*)

Keep thinking kitchen appliances as we fast-forward.

(*) <http://www.raytheon.com/ourcompany/history/early/index.html>



At the outbreak of WWII, Britain's "Chain Home" (CH) radar, the first to be used in wartime, allowed the RAF to defeat the much larger German forces during the Battle of Britain.

A radar antenna must be many wavelengths tall and wide. CH was **huge** since no country could produce useful power at short wavelengths (high frequencies). The 50-foot long wavelength, low frequency "Chain Home" antenna was 360 feet tall, half as tall as Boston's Prudential Tower, and 600 feet wide, two football fields long.

Its correspondingly enormous transmitter is that building the size of a house in the center of the picture.

However, **the Allies needed radar on airplanes.**

-- speaker rolls eyes and shrugs --

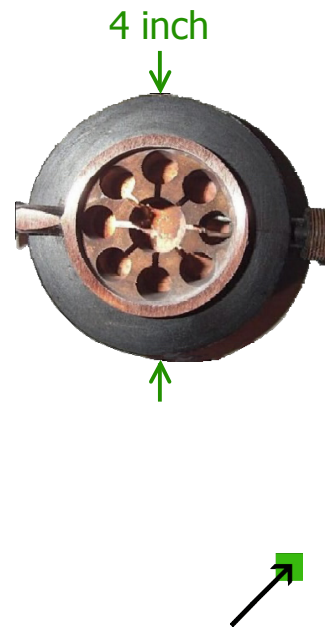
-- transition to magnetron --

The good news was that **we invented the magnetron**, which astounded its developers by delivering 10 times the power of CH at 150 times shorter wavelength, in a palm-size package.

This meant that the antenna might be 150 times smaller and also detect smaller objects.

A 4 inch magnetron might replace the CH transmitter building.

Magnetron



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But there was a big problem. The heart of the radar, the magnetron transmitter tube, required a complex shape machined into a internal solid block of copper. A skilled machinist labored two weeks to make one.

However, the Allies needed radar on **tens of thousands** of airplanes.

The US Government gave contracts to the two major electrical and electronic powerhouses, Western Electric and Westinghouse. Between them they failed to make 20 per day.

Remember that little MIT spinout which could not make a refrigerator? In desperation, the US Government gave a contract to American Appliance Company, which in the meantime had changed its name to **Raytheon**.

Raytheon's Chief Technology Officer, **Percy Spencer**, realized that the magnetron had a constant cross-section and had an inspiration.

With a stamping press, he stamped out lots and lots of these shapes from thin sheets of copper, stacked up the pieces, ran them through a belt furnace, brazed them together, and made nearly **3,000 magnetrons per day**.

Our side could now build **tens of thousands of radars**.

We won the war
WWII radar

Before

After the
magnetron

Britain's
"Chain Home"
ground radar

USA P-61
"Black Widow"
night fighter

20 MHz

x 150 to 3 GHz

Antenna
360' by 600'

÷ 150 to fit in
airplane nose

Transmitter
building

Palm-of-
your-hand



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You are looking at the **entire radar in the nose of that airplane!**

The combination of the palm-size magnetron, small antennas, and high resolution enabled small, high quality radars, finding the enemy at a distance and at night:

airborne radar as in the nose of this P-61 night fighter
detecting submarine periscopes previously undetectable from the air
mapping radars for navigation and precision bombing
accurate gun laying radars on battleships
in PT boats

"Few in a position to judge would hesitate to name the magnetron as having had a more decisive effect on the outcome of the war than any other single scientific device evolved during the war. It was of far more importance than the atomic bomb."

AP Rowe, Superintendent of Britain's Bawdsey Research Station

Radar technology had grown from long waves, to short waves and then to really, really tiny waves, which were called "**microwaves.**"

As the war wound down, Raytheon was desperate to commercialize their technology. One day, Spencer came back from lunch with a Hershey bar in his back pocket and happened to stand in front of a magnetron.

Shortly, he felt a **warm, squishy, brown mess in his pants.**
Percy Spencer had an inspiration. Cook ... no ... **radar!**

RadaRange

- Lack of marketing;
Raytheon failure
 - \$50,000 (2010 \$)
 - ~6 feet tall
 - ~800 pounds
 - 220V wiring
 - water cooled
- Marketing steers
Amana to success
 - <\$500
 - countertop
 - portable
 - standard 110V
 - air cooled
 - home economist



Percy directed his engineers and, in 1947, launched the **Raytheon RadaRange**.
What? You were expecting a microwave oven?
Without marketing guidance, it was the proverbial **800-pound Gorilla** in your kitchen.

It sold for \$50,000 (2010 \$)
used special 220 Volt wiring (needing an electrician)
and was water-cooled (requiring special plumbing)

-- transition --

After twenty years of failure, Raytheon finally recognized that they needed to dramatically increase the Marketing investment, acquiring Amana Refrigerator in 1966 for their Marketing expertise. How ironic. The failed refrigerator company buys a successful refrigerator company to steer another kitchen appliance to success. Amana's Marketing steered their engineering effort and the Amana RadaRange to success.

to make a microwave oven which customers would buy
it must sell for <\$500
be portable to the countertop (can be lifted by a woman)
uses standard 110 Volt wiring (no electrician needed)
and air cooled (no special plumbing)

When homemakers purchased an **Amana RadaRange**, Amana sent a professional home economist into their home to help install their Amana RadaRange, to teach them to become a successful microwave oven user, **and to cook the family's first microwave meal**. She became a friendly face, a warm voice, and on 24-hour call for a year.

This Raytheon picture is called a "Box shot."
Looks like a torture box from a Frankenstein horror movie. Scary! NOT customer friendly.
Then look what they do to **my food**; they put my food into a black hole. **MY FOOD!**
The contrast is stark.



Steaming baked potatoes, scent filling the air, oozing with savory melted butter.
Down-home breakfast of eggs, the marvelous aroma of Lazy Maple bacon,
toast and jam, buttered raisin bread toast.

Stick-to-your-ribs pork chops.
Piping hot rolls.
Family casserole.
And, are you ready for this?

Mom instantly prepares hot Cocoa with marshmallows when the kids come in from the cold.
You gotta love it.

What message does this picture convey?
The benefit delivered; **hot, wholesome, food for the family!**

Yes, you can see the box, if you try. Directed by Marketing to pictorialize the benefits delivered,
the photographer lit the scene with exquisite care to make the box almost disappear and
to emphasize the food, which is deliberately **reflected from both the door and chrome trim.**

---- Raytheon RadaRange photo courtesy of the Spencer Family Archives and
Rod Spencer, grandson of Percy Spencer, inventor of the microwave oven.

Amana RadaRange picture scanned from the cookbook brought into the Grabowski home
in 1972 by Amana's home economist when we bought our first microwave oven.

---- dig deeper ----

"Why good products fail"

<http://marketingvp.com/guests/globe/>

"Neat Technology, But Who Will Buy It?" <http://marketingvp.com/papers/neat/>

A play in 3 acts with Percy Spencer, inventor of the microwave oven –
portrayed by his grandson, Rod Spencer



RadarRangers™. RadarRangers™ in high heels.

Hostesses for Amana's customer laboratory on rails,
not just bringing customers to the customer laboratory,
but bringing the customer laboratory to the customer
by whistle-stop train.

Railroad cars fitted their length with RadarRanges,
attracting crowds of housewives who,
from one end of these unique RadaRange kitchens to the other,
from yummy sizzling hamburgers,
to mouth watering baked potatoes,
to taste bud-tingling juicy roasts ... cooked ... no, **microwaved**.

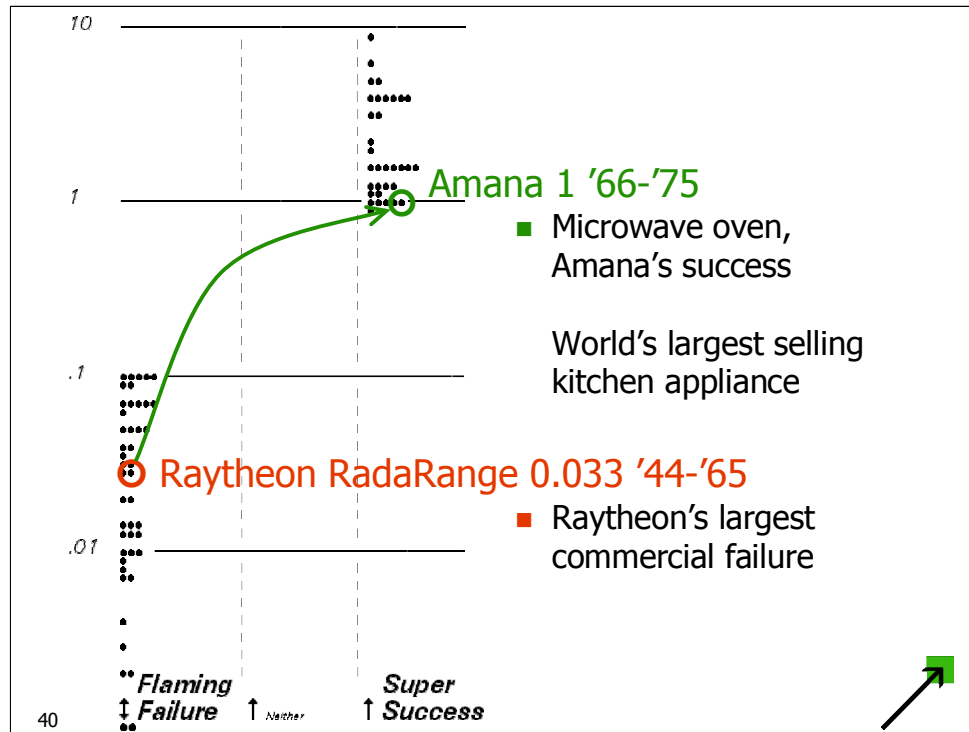
Amana's RadarRangers™ went beyond the Voice of the Customer (VoC). -- transition --
Amana's RadarRangers™ cooked and ate the **Food of the Customer™ (FoC™)**.

The History Channel will launch a special series this Fall, "Inventions That Changed The World."
Their opening episode is devoted to the magnetron, Percy Spencer, and his RadaRange.

Because of the magnetron and Percy Spencer, Germany lost the war, we are not slaves,
and there are a few Jewish people still alive on the planet. Because of the magnetron and
Percy Spencer, the **USA** became a fortress of freedom, rose to World leadership, and
entered an era of **unprecedented economic, intellectual, and technical progress**.

Because of the magnetron and Percy Spencer, MIT employed 4,000
designing half of the radars deployed during World War II,
emerged as the world's leader in science and technology, and
spawned incredible post-war growth of our
technology Mecca around **Route 128, "America's Electronics Highway."**

Tools to Convince Management of Your Investment in the Voice of the Customer



The magnetron and Percy Spencer changed the world. We won the war. However, **Percy's RadaRange could not even change the kitchen.**

Raytheon's RadaRange suffered from an M/E Ratio™ of 0.033, beginning life as Raytheon's largest commercial failure.

-- transition --

Amana raised the M/E Ratio™ to 1, and the RadaRange took off like a money rocket, forever changing how Americans eat and cook.

By 1975, sales of microwave ovens exceeded that of Gas Ranges.
By 1976, more people owned microwave ovens than dishwashers.

Today, the microwave oven is the World's largest selling home appliance; more than stoves, more than refrigerators, and more than dishwashers.

The difference between failure and success was Marketing, not technology.

-- pause -- Who has either used a PC, sent a document or e-mail to a PC, or received one from a PC this month?

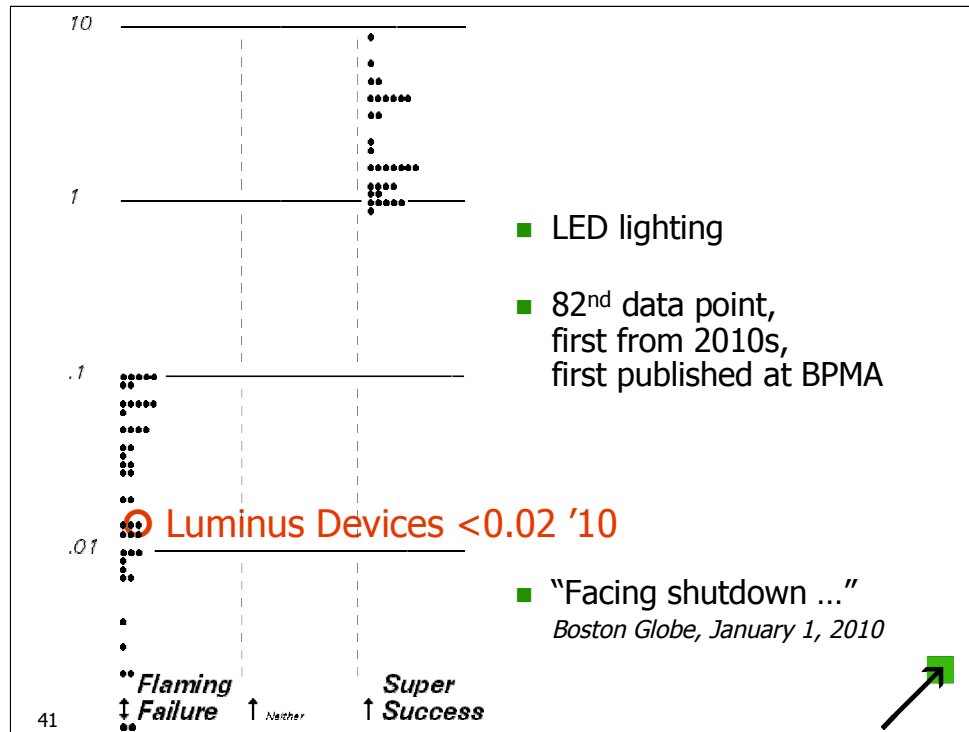
Who has either used a microwave oven or eaten food cooked in a microwave oven this month?
If your Father has a heart attack, he will still be nursed in a Coronary Care Unit and, because of Becton Dickinson's M/E Ratio™ of 4, will likely survive.

Data and tonight's images are, by definition, from yesterday. **Let us understand. These results, these outcomes, are as real, relevant, and current** as today's documents and e-mail, as your Father's next heart attack, and as tomorrow's breakfast, lunch, and dinner.

For the day after tomorrow? Raise your hand if you want to go Green, to be environmentally friendly, and emit less Greenhouse Gas.

-- text continued on next page --

Tools to Convince Management of Your Investment in the Voice of the Customer



The small 6-inch burner on an electric range uses 1500 Watts of power, putting energy into the electric coil, into the stove parts, into the air, into the pot, and eventually some into the food.

A microwave oven uses the same 1500 Watts, generating more than 1000 Watts of microwaves, all of which goes into the food.

Energy is power times time. What the electric range does in minutes, the microwave oven does in seconds. You do the math.

Work out the numbers for a gas stove and you will come to the same conclusion; the microwave oven has been, remains, and will be for the foreseeable future, **the Greenest, emitting the least Greenhouse Gas, and the most environmentally friendly way to cook in the kitchen.**

-- slide 41 --

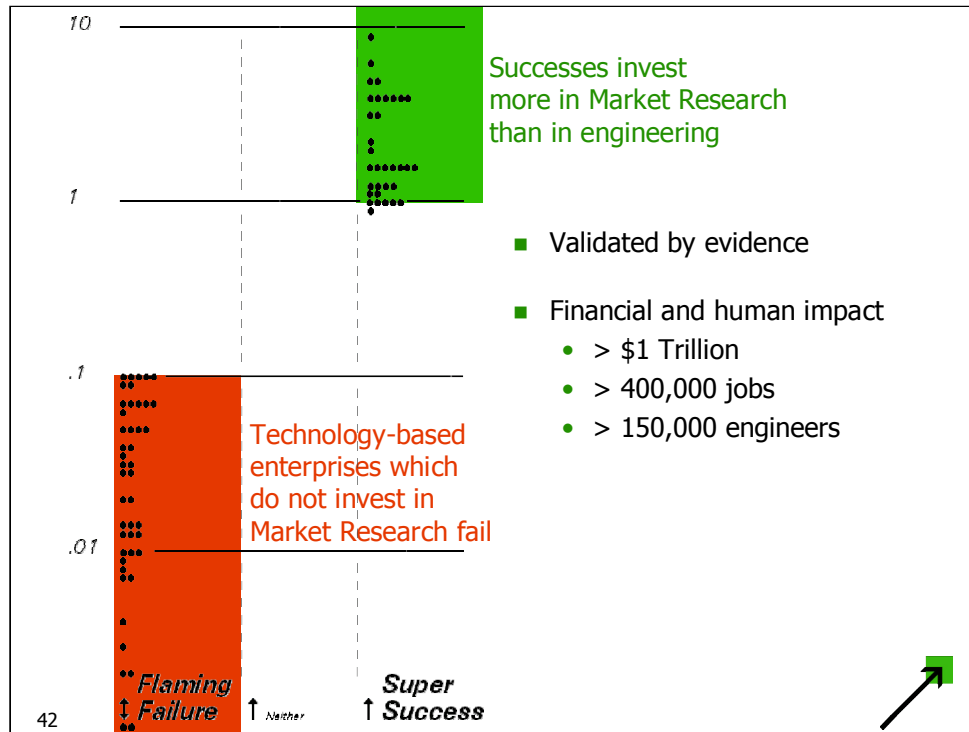
For the day after the day after tomorrow? To go Green, to be environmentally friendly, and to emit less Greenhouse Gas, the world will be changing to LED lighting, which consumes less than 1/10th the energy of Thomas Edison's incandescent lights.

In honor of the BPMA tonight, we are first publishing the first data point of the 2010s, our 82nd.

Luminus Devices was started to make high power light bulbs for rear-projection TVs. Suffering from an M/E Ratio™ of less than 0.02, they did not have enough marketing horsepower to recognize that people would stop buying rear-projection TVs when LCD TVs dropped in price.

Why have a 3-foot deep rear-projection TV when you can have a 3-inch thin LCD with a far better picture for less money? Luminus Devices consumed \$140 million, does not have even a tiny fraction of 1% market share, and is still trying to figure out where to steer their enterprise.

Tools to Convince Management of Your Investment in the Voice of the Customer



The counter-intuitive, surprising evidence is in. **All the data are the same** from 8 different decades; from the '40s, '50s, '60s, '70s, '80s, '90s, 2000s, and now from the 2010s, through waves of innovation inundations and technology tsunamis, from startups to Fortune 500 firms, and across a broad range of technology-based enterprises; from medical devices to kitchen appliances.

Successful enterprises invest at least one dollar and average **more than two dollars and fifty cents** in front-end marketing, exclusive of promoting or selling, for every engineering dollar. Business disasters invest less than two cents in Market Research for each engineering dollar.

The magnitude of the upstream Marketing process demands decisive resources.
The enormity of the challenge simply requires it.

All the failures had good technology.
 All the companies which succeeded on technology alone are in the lower right (Success with no significant Marketing investment). There is no data there.

The M/E Ratio™ is not only a retrospective explanation of yesterday,
but also a powerful, prospective tool for today and tomorrow.

"Employing his M/E Ratio™, Grabowski can predict success or failure, with great accuracy, in 30 seconds or less."

A prominent businessman whom you will meet shortly

The choice is yours. **To what M/E Ratio™ would you steer your product?**
 An M/E Ratio™ of zero-point-one or less portends failure.
 You bet your product line, you bet your company, **you bet your job.**

Should you achieve and maintain an M/E Ratio™ above 2.5, **enjoy the ride.**

Tools to convince management

- Your Product Manager Persona™ (PMP™)
- Rewrite your job description, Rev 2
- Learn the Voice of the Board™ (VoB™)
Learn the Voice of Management™ (VoMa™)
Teach the Voice of Marketing Management™ (VoMM™)
Teach the Voice of Marketing™ (VoM™)
- Quantify and articulate your worth
- Marketing/Engineering Investment Ratio™ (M/E Ratio™)

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Summary.

We have learned **five tools** to convince management of your investment in the Voice of the Customer (VoC).

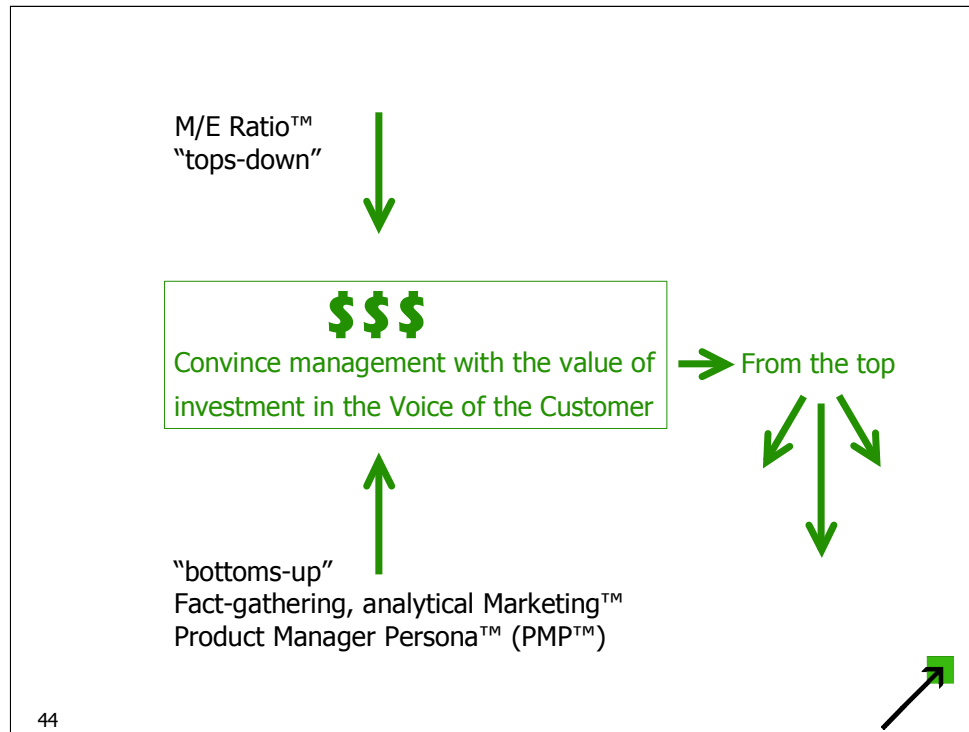
- 1 – Your Product Manager Persona™ (PMP™), a persona of one, **a persona of YOU.**
- 2 – Rewrite your job description to reflect your PMP™. Have the boss sign off on both.
- 3 – Manage many more languages
You already know the Voice of the Customer, VoC

	pronounced "voc," learn and TEACH.
VoM™,	pronounced "vom"
VoMM™,	pronounced "vooom"
VoMa™, and	pronounced "voma," and
VoB™	pronounced "vob"

Commingle with the Voice of the **Committee**™ (VoComm™).
Feast on the **Food** of the Customer™ (FoC™).

- 4 – Quantify and articulate your worth. **It is more than 3 gold stars.**
- 5 – Employ the **Marketing/Engineering Investment Ratio™ (M/E Ratio™),**
a powerful, prospective tool for today and tomorrow.

Tools to Convince Management of Your Investment in the Voice of the Customer



This is your target.

Convince management with the **value of investment** in the Voice of the Customer.

Begin “tops-down” with the M/E Ratio™. Use this first because you might be new on the job and have not done anything yet, because your good work may take time (even years) to bear fruit, because it applies and scales universally, because it focuses on Marketing separately as an investment, and because it is **COMPELLING EVIDENCE, not your opinion.**

Second, approach “bottoms-up” with both your fact-gathering, analytical Marketing™ and your Product Manager Persona™ (PMP™)

Enlist management to value and support Front End Marketing from the top.

What happened at BD? Remember we suggested pulling your management aside?
Took the President on a retreat for a week.

A few weeks later, he dropped into your office. “Ralph, read your Monthly Operations Report (MOR). See that you are about to form a project team to address a matter of serious impact on our financial and strategic objectives. We want to help. Called all the Department Managers into my office this morning. We all want to help. Each Department Manager will provide you with 1-4 people, half-time, for the next few months. You can kick this off with 10-15.

“3 Nurses, 4 engineers, 2 from field service, 1 from purchasing, and 1 from Finance to start. Let me know if you need more. Your direct reports while on your initiative. As the project flows, feel free to tap anybody in the Division on the shoulder. You may also need money for a temporary executive and consultants. Told the CFO to expect you. When you are ready, we’ll call everyone into my office and get going.

“Oh, let’s hire a market researcher. Just signed the rec at HR.
The head of HR will drop in to see you to get your guidance on the job description.
Oh, and while I was at HR, **I signed off on another pay raise for you. Retroactive.”**

Tools to Convince Management of Your Investment in the Voice of the Customer

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bpma

Boston
Product
Management
Association



These tools work. You have the tools. Go forth.

Thank you very much.

We have a very special guest with us tonight,
a warm human being of impeccable integrity,
an engineer and businessman of national repute,
whom it is a pleasure to call a friend.

As an actor, he starred in the World Premier Performance of the stage play,
"Neat Technology," in the leading role of Percy Spencer, inventor of the microwave oven.

On the big screen, The History Channel selected him to host every program
of this Fall's new series, "Inventions That Changed the World,"
and to initiate their season by also narrating the first episode,
devoted to the magnetron and Percy's microwave oven.

Star of stage and screen, **Percy Spencer's Grandson, Rod Spencer!**

Let's also welcome **Dick Morley**, internationally recognized at the Father of factory automation,
inventor of the Programmable Logic Controller (PLC) and of the Anti-lock Braking System (ABS).

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---- dig deeper ----

"The Board of Directors; Vital Partner for a VoC Culture"

<http://marketingvp.com/download/boardvoctranscript.pdf>

"Who Is Going To Buy The Darn Thing?"

<http://marketingvp.com/download/whois.pdf>

"The Board's Fiduciary Responsibility to Market Research"

<http://marketingvp.com/download/board.pdf>

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