

Launch Pad/Chapter Report

Experts at NorCal Conference provide advice On how to ensure successful launch

by Mark A. Hart, Visions Launch Editor, President, OpLaunch (mark_hart@oplaunch.com)

Too many new products fail and, in some instances, the launch contributes to this failure. For this reason, the PDMA chapter in Northern California (NorCal) held a Product Launch Conference on 3 November 2004 with a wide range of expert advice on how companies can create a successful new product launch. Visions Launch Editor Mark Hart provides readers with highlights from that conference.

The annual conference, held by PDMA's Northern California Chapter (NorCal), entitled "Product Launch: Setting the Stage of Success," centered on how to structure a successful launch strategy and plan for a new product. According to Chapter President Patrina Mack, Managing Director of Vision & Execution, a Silicon Valley-based marketing consulting firm, this theme was selected because, "Silicon Valley Product Management professionals indicated a need for managers to learn how to better build and execute a launch plan. They felt that strategy and development often come together, but launches are often disastrous and not very well orchestrated."

Keynote speaker Elon Musk, Founder and CEO of SpaceX, a company that is developing launch vehicles (rockets) to access space, stated that his company's goal was "to be the Southwest Airlines of space" by moving faster than other companies in this sector and by comprehensively reducing cost structures. The company's targets are to "reduce the cost and increase the reliability of access to space by a factor of ten." Proof of the team's confidence is the absence of a traditional beta test of the product. The first launch, planned for early 2005, will carry a \$30 million satellite into space.

Responding to customers

Musk is a cofounder and former CEO of PayPal, a company acquired by eBay that enables individuals and businesses to send and receive payments online. Originally, the company planned to create a suite of financial services, but soon began to focus on electronic payments.



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What Is Viral Marketing?

Viral Marketing is network-enhanced word-of-mouth. The term was originally coined by the venture firm Draper, Fisher, Jurvetson. The rapid spread of Hotmail starting in 1997 is credited to principles, such as "the implied endorsement of a friend."

www.dfi.com/files/viralmarketing.html

Musk recalled that the engineering and product groups knew that "to win in the consumer space," they had to create "the best possible product." To promote their

product at launch using viral marketing concepts, the team did the following:

- Made sign ups easy. The development team scrutinized every character in the sign up process for value. They asked customers to provide information only when it was needed.
- Provided financial incentives, such as a sign up bonus to early customers until a critical mass of users was established.

To emphasize that 'one size does not fit all' when orchestrating a successful product launch, guest speaker Michael K. Tanner, Managing Director of Adexta Inc., a consulting services company for growth-stage businesses, began his presentation "A Situational Model for Launching Products and Services" by stating, "We learn from



Attendees at the "Product Launch: Setting the stage of Success" Conference at the Oracle Convention Center, 3 November 2004.



Keynote speaker Elon Musk of SpaceX and NorCal Chapter President Patrina Mack of Vision & Execution.



Panelists Eric Krock, Brett Murray, Jonathan C. Miller, Charlie Tritschler, and Neil Kjeldsen (left to right) provided product launch anecdotes and advice.



Steven Blank (left) outlined a customer development process that is parallel to the Product Development process. Guest speaker Michael K. Tanner (right) of Adexta Inc. presented, "A Situational Model for Launching Products and Services."

experience, but we can't clone processes from our old jobs because business models are different and they change."

Tanner listed strategy framework properties that should differentiate early market products and hyper growth products. For example, the pricing model of the former should be value-based while the pricing model for the later should be competition-based. Tanner suggested that phrases like "consensual hallucination" be used to describe company managers who adopt the incorrect strategies because of a past success that existed under different circumstances.

Paying homage to author John Gray, Tanner extended the popular metaphor to "products are from Mars and services are from Venus." By mapping products and services onto the technology adoption curve, Tanner showed that services can morph from *creating the product* in an early market to *service is the product* in a mature market. To avoid strategy mistakes in a growth stage market, Tanner advised product organizations to work rigorously to streamline their product lines, while service

organizations migrate their focus toward newer technologies. To avoid strategy mistakes in a mature market, Tanner concurs with Clayton Christensen et al. that product organizations should transition to marketing-led organizations instead of pushing product performance and feature sets.

Steven Blank, the author of *The Four Steps to the Epiphany: The Road Map for Successful Startups* and an entrepreneur who has done eight startups in 25 years, confidently described how to "increase the effectiveness of managing and launching new products" by focusing on customers and markets starting at the concept or business plan stage of Product Development. He listed three types of markets (existing, re-segmented, and new) and explained how to make customer development a parallel process to product development.

Theresa Marcroft, principal of Market Savvy, moderated a panel of industry veterans who shared anecdotes about product launch successes and failures. Panelists Eric Krock, Director of Product Management at Kontiki Inc.; Brett Murray, Senior Marcom

manager at Apple; Jonathan C. Miller, founder and CEO of ProductSoft; Charlie Tritschler, V.P. of Worldwide Product Marketing at PalmSource; and Neil Kjeldsen, director of Schwab.com at Charles Schwab & Corporation, shared product launch failure anecdotes that included "my product spontaneously combusted" and "we had to change the company name because of a trademark issue." Perhaps, the holistic prescription for success could have been summarized as "have everything ready at launch because the marketplace is not forgiving."

The 3 November event attracted more than 100 attendees to the Oracle Convention Center, about 30 percent of whom were PDMA members. For the second consecutive year, Oracle was the conference's premier sponsor and host. Chris Miller, the 2004 PDMA President, provided the conference's closing remarks. He stressed PDMA's role as a thought leader in Product Development. 

Mark A. Hart is a certified New Product Development professional and the President of OpLaunch.

PDMA's Northern California Chapter (NorCal) Experiences Growth and Expansion

PDMA's Northern California Chapter, which runs from San Francisco to Santa Cruz has doubled in attendance over the past three years, according to Chapter President Patrina Mack. Monthly events featuring local industry leaders speaking on such topics as "Defining and Managing Requirements for Successful Product Development," "Offshoring—What It Is and How It Impacts Product Development Teams," and "Becoming a Design Factory: The Blueprint for Competitive Advantage through Lean Product Development," draw Product Development and Management professionals of all levels from a variety of companies and industries across the Bay Area.

In addition to monthly meetings where individuals share Product Development knowledge and experience, the NorCal chapter organizes a yearly one-day conference to provide in-depth knowledge on a specific topic. The chapter also holds NPD Certification sessions, encouraging members to learn and grow in their field. Over the past year the chapter has held two certification sessions. NorCal's chapter web site is www.NorCalPDMA.org. If you want to join, volunteer, or participate, please e-mail membership@norcalpdma.org.

—Patrina Mack, *NorCal President and Managing Director of Vision & Execution*, patrina@visionandexecution.com

Additional Speakers at NorCal Launch Conference

Eric Krock, Director of Product Management at Kontiki Inc., "Surviving Enterprise Evaluations: You Launched It, Now You Gotta Sell It!"

Ted Finch, President of Chanimal, "Tsunami Product Launches: How to Rip Your Product into the Market and Ride the Wave."

Gretchen L Schieber, Associate Director, Corporate Planning at Affymetrix, "The Product's Launched. Now What? Introducing and Managing Technically Complex Products."

Konstantin Guericke, Co-founder and V.P., Marketing of LinkedIn, "The Shoestring Launch."

Jonathan Oomrigar, V.P., High Tech Industry at Oracle, "Successful Launch and Beyond."