



Product Strategy Template

*A guide to use with the 12-step
Product Strategy template tutorial*

Product Strategy Template

Business leaders have invested greatly in capabilities to bring about innovation and creativity. Yet, these pursuits won't see the light of day if you don't understand what's needed to formulate and carry out a strategy for your product's business. The cadence of disruption requires product managers to be creative, intuitive, and innovative. This has to mesh with the company's core capabilities and strategies so that future product business outcomes can contribute to the bottom line. In essence, the creation of a product strategy is intended to serve as a guide for an ongoing journey across the product life cycle, not a one-time event.

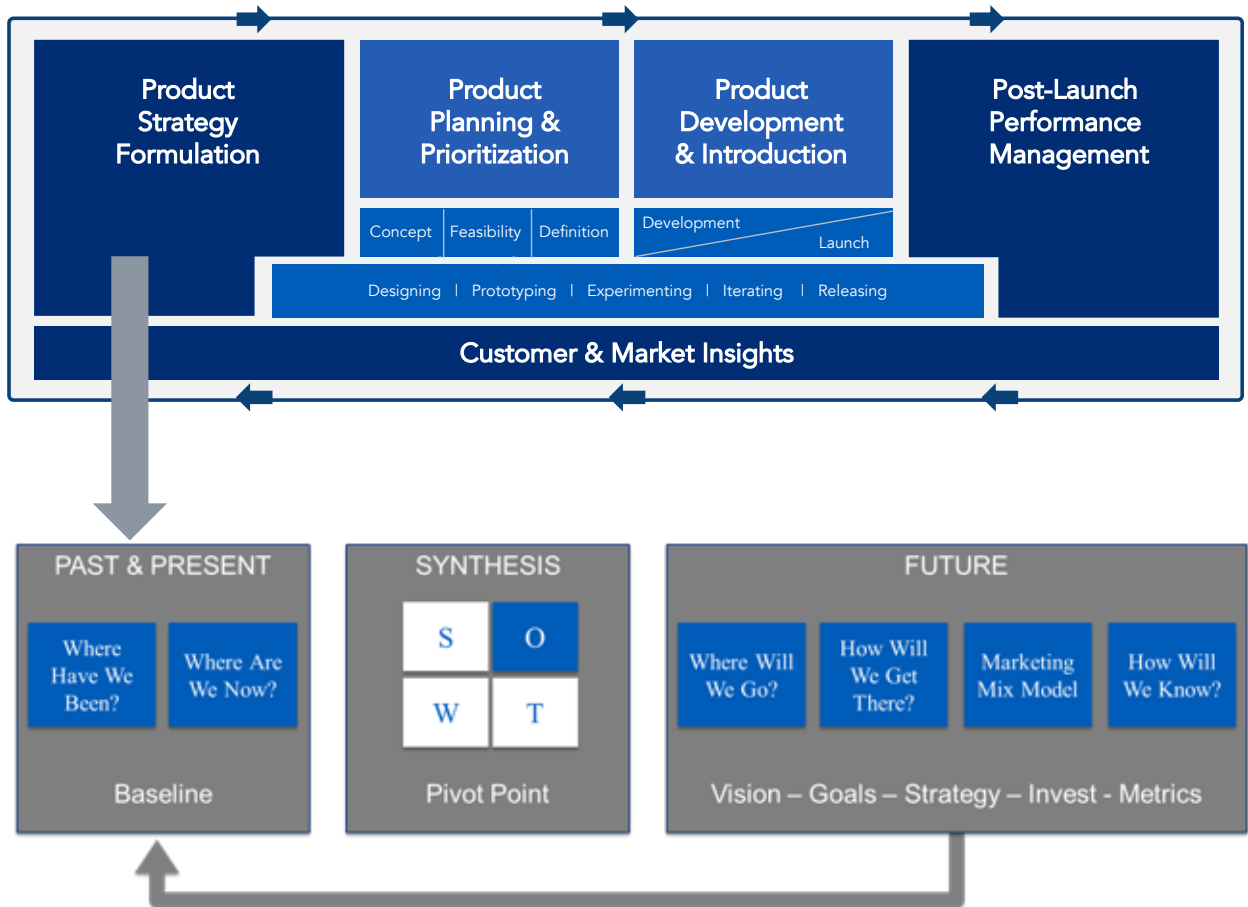
Even with the need to move quickly, every future product initiative has a fact-based starting point that serves as an anchor for the creation of explicit goals. Yet, in today's constantly changing world, even your starting point may shift as you test and learn. Overall, however, you cannot devise a realistic strategy and the associated roadmap for your product unless you know where you've been, where you are right now, and where you want to go. A strong strategy answers the questions, how do I know I'm on track to achieve my vision? and, how will I know when I get there? This is strategic planning in a nutshell.

All strategies for a product must answer three vital questions:

1. How has the product performed thus far? (**Situational Analysis**)
2. What is its envisioned market position? (**Synthesis**)
3. What can be done to achieve that vision? (**Future**)

Product Strategy Template

The *Product Management Life Cycle Model* provides the context, and the product strategy formulation process is your guideline.



DYNAMIC STRATEGY FOR THE PRODUCT MANAGER

Successful products owe their stellar achievements to *dynamic strategy*. The product managers of these high fliers are always aware of the dynamism of market or business events. They are constantly alert for and responsive to the continuous change in the oncoming, constantly morphing stream of actions, reactions, opportunities, and capabilities. Such dynamic strategic thinking helps product managers to process and accommodate higher levels of risk and uncertainty. Their astute attention to *fact patterns* may alert them to opportunities that may not be as apparent if they are not as vigilant.

The potency of such a full-spectrum strategy has a much deeper impact on advantage and position than any traditional operational strategy, no matter how extensive. What does all this mean? Your strategic plans for your product are all about future position. *Dynamic strategies evolve the future vision over time by addressing marketplace changes.*

Product Strategy Template

The product strategy formulation process may feel complex. However, with practice, you and your product team can harness its power to take your product's business into the future. Its construction requires a significant amount data collection, analysis, and thoughtful insight. This dynamic process can help you and the team master the mindset needed to gain competitive advantage. To start simply, these four steps set the stage:

1

Establish a “baseline” for the business of the product

This gives you a focal point that allows you to compare where you've been to where you are so you can determine where you want to go. To set the baseline, you should have the most relevant financial, market, and business data available.



2

Synthesize baseline data and identify opportunities

The vision is the driving force for the product or portfolio. You must be sure you know where you intend to focus your efforts to accomplish this and the reasons 'why' you chose that focal point. n existing product. You may just need to refine 'where you want to go.'



3

Identify goals and strategic initiatives and options

With a list of opportunities, create a few important goals. Opportunities can then be compared to goals to determine which ones have the best business and market traction. Screened or filtered opportunities translate into more realistic “initiatives” that can be further shaped.



4

Create a marketing mix model and an investment plan

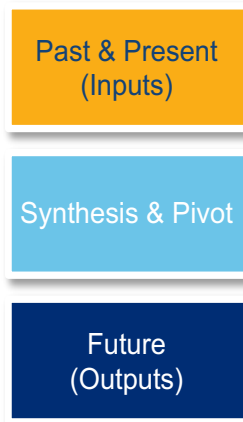
Any initiative can be further shaped when you link product oriented investments to the needed elements of price, promotion, and channel. Your team must create an investment plan with appropriate metrics – that can ultimately be presented to your leadership.

Product Strategy Template

The following 12 steps represent actual slides in a strategy presentation deck. On the pages that follow, each section will be expanded so you can create your own product strategy presentation. This step-wise approach to strategy formulation can vastly improve the focus of your team.



Key:



Product Strategy Template – Product Snapshot

A Product Snapshot captures information about the past and present situation with the product. This includes functionality, features, and other attributes planned for and delivered over time.

PRODUCT SNAPSHOT

- What is it? What does it do?
- How has it been used and by whom?
- What are the key features and benefits?
- What other elements of the product's business contribute to the company?
- Problems? quality?
- Roadmap retrospective

Slide 1

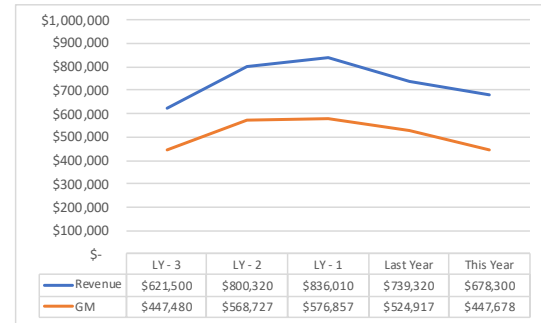
Use the "retrospective roadmap" in the table below as a way to characterize the product's past business. We recommend that you adapt it for your product and your company.

	Past	Present	Contributions to the business and relevant outcomes (What did we learn?)
Functionality			
Features / UX			
Performance			
Platforms & Technology			

Product Strategy Template – Business & Financial

The Business and Financial Snapshot captures information about the past and present situation with the product’s business and financial contributions. Use graphics to portray revenue, profit, and market share.

	LY - 3	LY - 2	LY - 1	Last Year	This Year
Volume	50,000	61,000	63,000	61,000	57,000
Revenue	\$ 621,500	\$ 800,320	\$ 836,010	\$ 739,320	\$ 678,300
ASP	\$ 12.43	\$ 13.12	\$ 13.27	\$ 12.12	\$ 11.90
COGS	\$ 174,020	\$ 232,093	\$ 259,163	\$ 214,403	\$ 230,622
GM	\$ 447,480	\$ 568,227	\$ 576,847	\$ 524,917	\$ 447,678
GM%	72%	71%	69%	71%	66%



BUSINESS & FINANCIAL SNAPSHOT

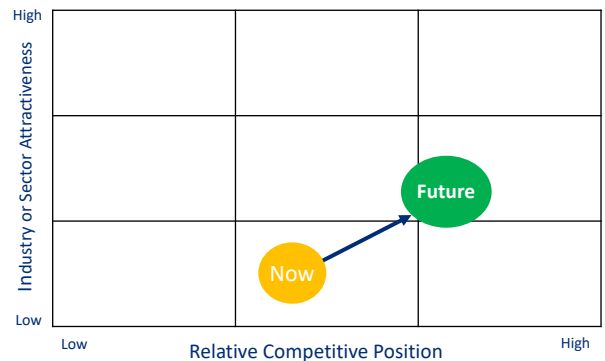
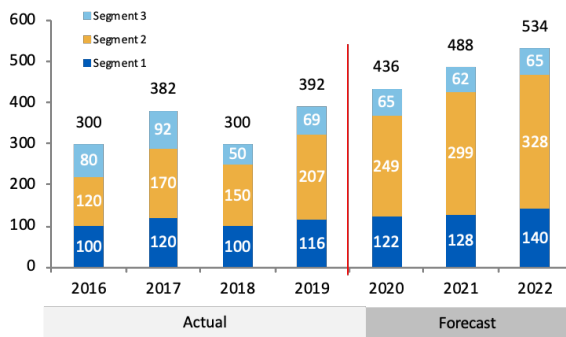
- Operations
- Service & Support
- People (talent)
- Processes
- Resources deployed
- Volumes, prices
- Revenue, profit
- Market share

Slide 2

Product Strategy Template – Market Segments/Customers

All customers go through a selection process when deciding to buy any product. Some make impulse decisions, and some go through complex buying decision processes with many influencers and users. Your job in this phase of the strategy formulation process is to highlight and characterize your key market segments and customer types, and to understand how their needs and characteristics may have evolved to the current point and why that evolution took place. Again, refer to Chapter 8 of The Product Manager’s Desk Reference (2nd ed) for the techniques to gather this data.

Also, use graphics to portray segment trends and to characterize customer preferences – both in the past – and what you might expect for the future.



CUSTOMERS & SEGMENTS.

- Geographic, demographic
- Preferences, growth rates, trends
- General needs of customers in those segments, how served, and what they value
- What segments remain attractive and why?
- Where might you want to play in the future?

Slide 3

Product Strategy Template – Industry & Competition

Your competitors across the industry landscape affect your product as day-to-day business activities are carried out. That is one of the components of your baseline analysis. Industry or sector level analysis examines items like political, regulatory, economic, social, or technology trends. These should be articulated. Also, use charts like the one shown here to characterize competitor company actions. Another tool is a matrix that examines competitor firms and competitor products, and how they compare with one another.

	Market Share	Share Trend	Revenue	Recent Moves	Overall Strengths	Overall Weaknesses	Implications
Your Company	___ %		\$___	• _____ • _____	• _____ • _____	• _____ • _____	• _____ • _____
Competitor 1	___ %		\$___	• _____ • _____	• _____ • _____	• _____ • _____	• _____ • _____
Competitor 2	___ %		\$___	• _____ • _____	• _____ • _____	• _____ • _____	• _____ • _____
Competitor 3	___ %		\$___	• _____ • _____	• _____ • _____	• _____ • _____	• _____ • _____
Competitor 4	___ %		\$___	• _____ • _____	• _____ • _____	• _____ • _____	• _____ • _____

	Your Co	Comp 1	Comp 2
Competitor	S1 S2	S1 S2	S1 S2
	W1 W2	W1 W2	W1 W2
Competitor's Products	S1 S1	S1 S1	S1 S1
	W1 W2	W1 W2	W1 W2

INDUSTRY & COMPETITION

- Verticals/sectors on which you focus
- How you deliver value vs. others
- Trends (e.g., electrification, AI)
- Competitor companies
- Competitive products

Slide 4

Product Strategy Template – Synthesis and Pivot to the Future

After you've completed the data collection project, you will need to synthesize all of the data and analyze it. To do this, you use a SWOT analysis, specifically for the product or product line (as opposed to an organization level SWOT). Refer again to Chapter 10 in the Product Manager's Desk Reference to learn more about why the product level SWOT is most important. It is vital to make sure that information you populate in each quadrant can be substantiated. For this part of the template, your job is to create a list of as many opportunities as possible. Think of capitalizing on a strength, overcoming a weakness, or defending against a threat.

STRENGTHS				OPPORTUNITIES			
	WHAT	WHY	DATA		WHAT		
COMPANY				PRODUCT			
PRODUCT							
WEAKNESSES				THREATS			
	WHAT	WHY	DATA		WHAT	WHY	DATA
COMPANY				COMPANY			
PRODUCT				PRODUCT			

Slide 5

Once you're done with your list, take a few moments and write up a one paragraph narrative that describes your insights and ideas about your product's past and what aspects of the product's business might help the company in the future.

Narrative

Product Strategy Template – Vision

Your product vision statement is a vital aspect of the product strategy. It takes your baseline data and synthesis and provides a clear focus on the future. It asks you to articulate where you envision the product’s business in the near-term, mid-term, and long term. Clear vision to the future then, contributes to your ability to prioritize, especially when competing initiatives come to light. Vision should encompass the impact you expect your product to have on chosen customers, markets, and your company. Lastly, your vision statement should be aligned with the vision of your company; you need to follow the path forward as communicated by your leadership.

PRODUCT VISION STATEMENT

Slide 6

Product Strategy Template – Strategic Goals

When you're able to articulate a vision or some desired future state for your product's business, you're ready to formulate some clear goals. Goals provide you with the wherewithal to figure out which of your opportunities have the best chance of being successful initiatives. Identify a broad goal that you and your team believe you can reach in 2 years. An example might be: "Achieve product revenue of \$50 million by a specific date in 2 years." Or, establish some closer-in goals that have a high probability of being achieved with measurable outcomes. An example here might be: "Achieve product revenue of \$2 million in specified market segment or geographic area at the end of 12 months. Goals involve financial, market, or other future actions.

STRATEGIC GOALS

- Based on your vision
- Identify 3-5 goals to help you achieve your vision
- Re-assess the vision if this is problematic
- Use SMART model

Slide 7

Product Strategy Template – Strategic Initiatives

Your vision and goals set the stage for you to evaluate which opportunities “move forward” to initiatives. Goals represent the “what” you want to do; Initiatives represent the “how” those goals will be achieved. It’s now time to filter your opportunities against your goals – this will leave you with the most important initiative(s). Using a decision matrix, shown below, here’s how it works. First, decide on your goals, and list them across the top. Then, decide how, and whether each opportunity fits against the goal. The 2nd decision matrix shows this example.

	GOAL 1 Market Share	GOAL 2 Better Experience
Opportunity 1		
Opportunity 2		
Opportunity 3		
Opportunity 4		
Opportunity 5		

	GOAL 1 Market Share	GOAL 2 Better Experience
Opportunity 1	Y	N
Opportunity 2	N	Y
Opportunity 3	N	N
Opportunity 4	N	N
Opportunity 5	Y	Y

STRATEGIC INITIATIVES

- Filtered against goals
- Identify the top one or two items that have the best chance of success
- Socialize to ensure “digestion”

Slide 8

Product Strategy Template – Marketing Mix

The Marketing Mix represents the complete set of “things to do” to be able to translate initiatives into actions. It’s made up of four elements: product, price, promotion, and place; the well-known practice used by businesses around the world. This is important because the product by itself cannot help a company achieve its own goals unless it delivers value (what’s priced), can have that value communicated to an intended customer (promotion), and available to the customer through the channel most favored by that customer (place). The matrix below shows how each aspect of the mix model can work together, based on your intended strategic market position (leading, neutral, or lagging) against the competition.

	Current Position (Leading/Lagging/Parity)	Future Position (Leading/Lagging/Parity)	Initiatives
Product (Tangible, Intangible)			<ul style="list-style-type: none"> • Features • Technology • Design/UX
Pricing/Rates/Fees			<ul style="list-style-type: none"> • Premium • Subscription
Promotion, Advertising, and Customer Education			<ul style="list-style-type: none"> • Content • Events
Place/Sales/Channel			<ul style="list-style-type: none"> • Operational imp. • Sales training

MARKETING MIX

	Current Position (Leading/Lagging/Parity)	Future Position (Leading/Lagging/Parity)	Initiatives
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Place/Sales/Channel			<ul style="list-style-type: none"> • Operational imp. • Sales training

Slide 9

Product Strategy Template – Product Roadmap

The main idea for a product roadmap is to link your vision and attainable goals with a host of other aspects of a product’s business. These other items could be related to platforms, designs, technologies, international requirements, performance, capacity, and so on. The most important thing to understand is that *the roadmap is not the strategy; it is a method to portray, visualize, and integrate the elements that encompass the evolution of a product or a complete solution.*

The roadmap is a useful tool to:

1. Link market movements and strategic goals to the products, platforms, and technologies required to execute on the strategy
2. Represent the functional and non-functional requirements to the technical community and other concerned stakeholders
3. Align cross-functional team members so they can deploy the resources needed to support the product’s business

INVESTMENT / ACTION	YEAR 1	YEAR 2	YEAR 3
Functionality			
Features / Design / UX			
Performance/Capacity			
Platform/Technology			
Safety, Regulatory, etc.			
Other			

PRODUCT ROADMAP

INVESTMENT / ACTION	YEAR 1	YEAR 2	YEAR 3
Functionality			
Features / Design / UX			
Performance/Capacity			
Platform/Technology			
Safety, Regulatory, etc.			
Other			

Slide 10

Product Strategy Template – Investments and Metrics

In the end, you need to lay out what's required to implement the strategy, and how it will return results to the company. The final two slides reveal the forecasts, financials, and other required resources, as well as a clear articulation of the metrics that will be used to track performance against what's envisioned.

INVESTMENTS

- Development
- Operations
- Marketing
- Facilities
- Systems

Slide 11

PERFORMANCE AND METRICS

- Revenue
- Volume
- Market share
- Transactions
- UX / engagement

Slide 12

Product Strategy Template – Presenting to Leadership

Every product manager must demonstrate their ability to articulate a future for their product’s business, and convince others that you’re the person to lead the way. Your job is to prepare extensively through your study of customers, markets, finance, and business. You must be able to synthesize your ideas and insights into a cogent view of the future, and a path to success.

Prepare for the leadership presentation:

- Ensure that your goals, initiatives, and execution plan are realistic
- Demonstrate that you know how you’re going to bring value to the company
- Equip yourself with an arsenal of facts, data, and insights
- Tell a great story





For more information or further guidance, contact Sequent Learning Networks at contact@sequentlearning.com or 212.647.9100.