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Gartner for High Tech

3 Lessons From High-Growth Companies to Build a Successful Product Strategy

Introduction

Product managers face increasing pressure to deliver differentiated products that can respond to dynamic markets and exploit new technologies. But they often work with inefficient product strategies that are not based on deep understanding of the market environment and their company's capabilities.

Creating the product strategy is the top job for most product managers, and building the product roadmap ranks among the top three tasks, according to the Gartner Second Annual Product Management Survey. Yet many product managers believe their product strategy is not strongly aligned with the business strategy.

This disconnect can result in changes of direction or strategies becoming unactionable. To focus product direction, align with company strategy and prioritize efficiently, product managers should avoid pitfalls by following three critical steps that high-growth organizations take to succeed.
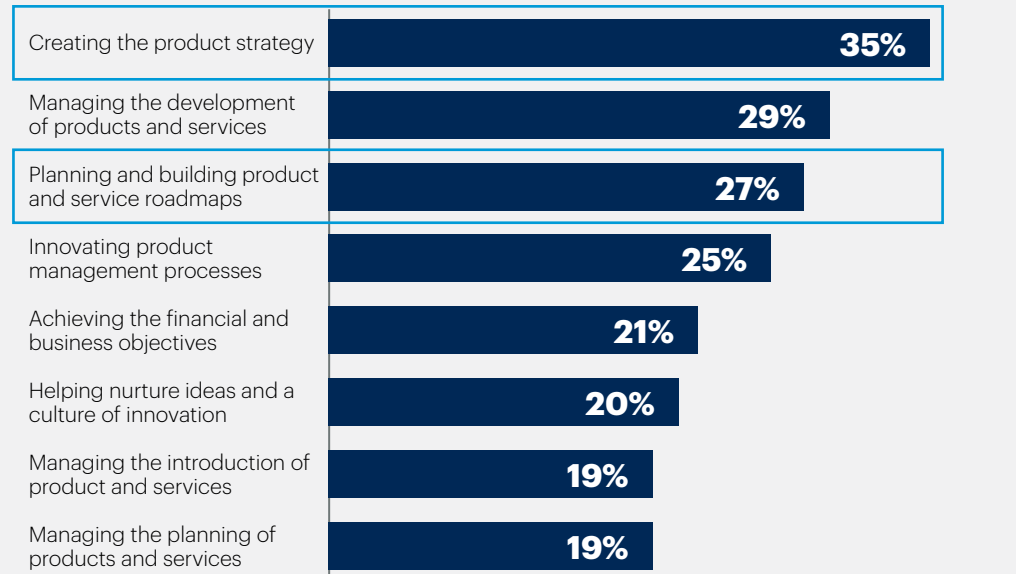
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Creating the Product Strategy Is a Product Manager's Most Important Job

Creating the product strategy	35%
Managing the development of products and services	29%
Planning and building product and service roadmaps	27%
Innovating product management processes	25%
Achieving the financial and business objectives	21%
Helping nurture ideas and a culture of innovation	20%
Managing the introduction of product and services	19%
Managing the planning of products and services	19%

n = 316
Source: Gartner

01

Common Pitfall

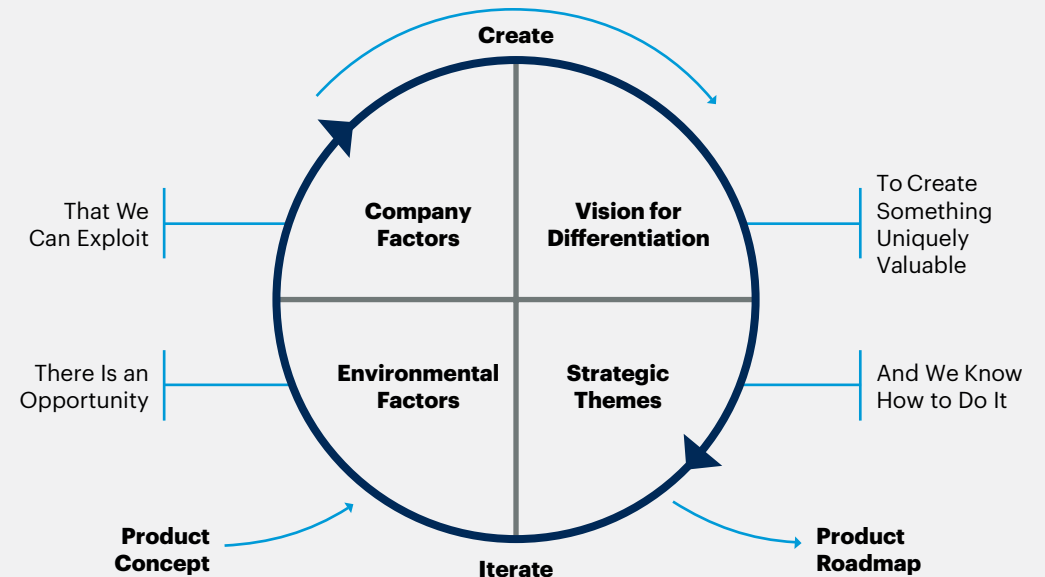## Insular product roadmap development

Product managers and engineering often do not take into account the product strategy while building product roadmaps, leading to misaligned roadmap expectations and objectives.

Resolution

Use a simple but comprehensive framework to align the roadmap with product strategy

Create product roadmaps in alignment with the product strategy and reflect changing dynamics, taking into consideration the market landscape and identifying aspects that give the product a competitive advantage.

Gartner Product Strategy Wheel Framework

- Create
- Company Factors
- Vision for Differentiation
- That We Can Exploit
- To Create Something Uniquely Valuable
- Environmental Factors
- Strategic Themes
- There Is an Opportunity
- And We Know How to Do It
- Product Concept
- Iterate
- Product Roadmap

Source: Gartner

01

Take Action

Use a simple but comprehensive framework to align the roadmap with product strategy

Product managers can ensure that their product strategy is useful and not overly complicated by using a standardized creation process. Typically, this involves considering four factors:

01   **Environmental factors:** These include market factors, key competitive landscape insights and technology opportunities.

02   **Company factors:** These factors try to establish which competencies — such as technical skills or industry partnerships — would help to make the product successful.

03   **Vision for differentiation:** This is about the product vision the company aspires to and differentiation as a key attribute that needs to be built into the product strategy at the start.

04   **Strategic themes:** These considerations are about how the company will achieve its vision. For example, consider the aspects the product must excel in to achieve the vision.

02

Common Pitfall

# Excessive feature cramming during product planning

Product managers are overwhelmed with an array of feature requests from current and potential customers. This makes it difficult to prioritize roadmap items, resulting in unnecessary features, misunderstood capabilities and poor customer experiences.

Resolution

Create a compelling product roadmap aligned with the strategy

The roadmap is critical in establishing awareness of and trust in the product strategy. Keep your roadmap flexible enough to adapt quickly to changing markets and emerging technologies.

Gartner Product Roadmap Creation and Communication Model

Source: Gartner
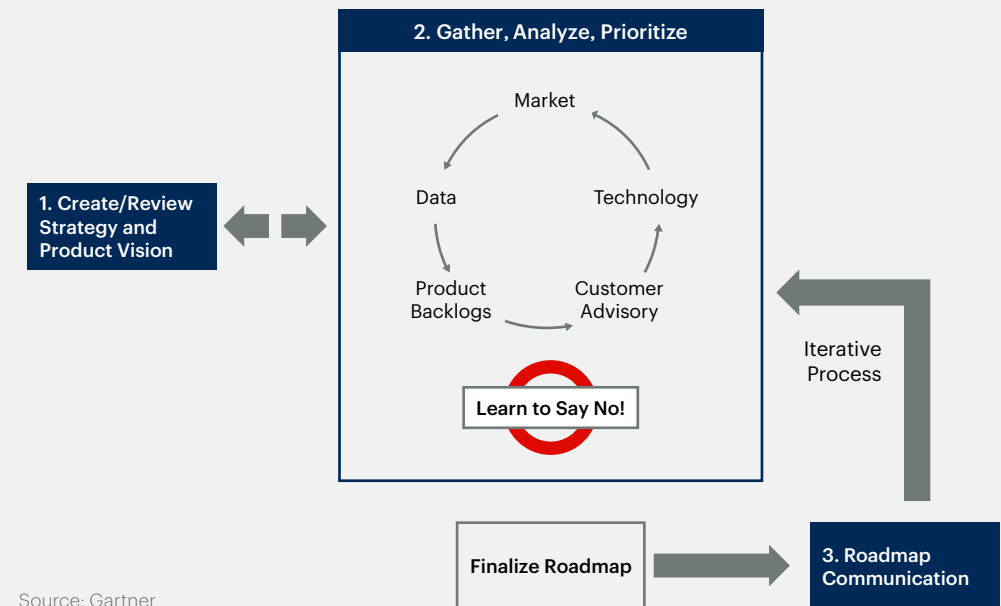
02

Take Action
Create a compelling product roadmap aligned with the strategy

Develop a roadmap that codifies the product vision and strategy. An iterative process is ideal for roadmap creation. Key steps include:

01 Gather, analyze and prioritize key critical inputs related to discrete market trends, customer needs and technology opportunities.

02 Shortlist product features based on four attributes: customer desirability, competitive differentiation, execution feasibility and financial viability.

03 Identify customer problems and derive features and capabilities that solve them.

04 Set up a model that can test hypotheses quickly and inform prioritization by defining a minimum viable product.

05 Drive engagement and alignment for the roadmap across functional groups.

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# Create a better product roadmap with Gartner Product Decisions

Product managers can be overwhelmed by requirements from customers and internal stakeholders, making it difficult to make informed decisions.

Gartner Product Decisions, designed exclusively for product managers, enables them to discover new capabilities or customer segments, prioritize based on importance and satisfaction, and refine priorities and execute.

Gartner Product Decisions offers:

- Over one million live data points from your customers and prospects, including Gartner Peer Insights and buyer inquiries

- The power of more than 20 proprietary algorithms to extract, prioritize and analyze potential product features and capabilities

- Insights from dozens of Gartner analysts to ensure solutions are accurate and actionable

→ **Learn More About Gartner Product Decisions**
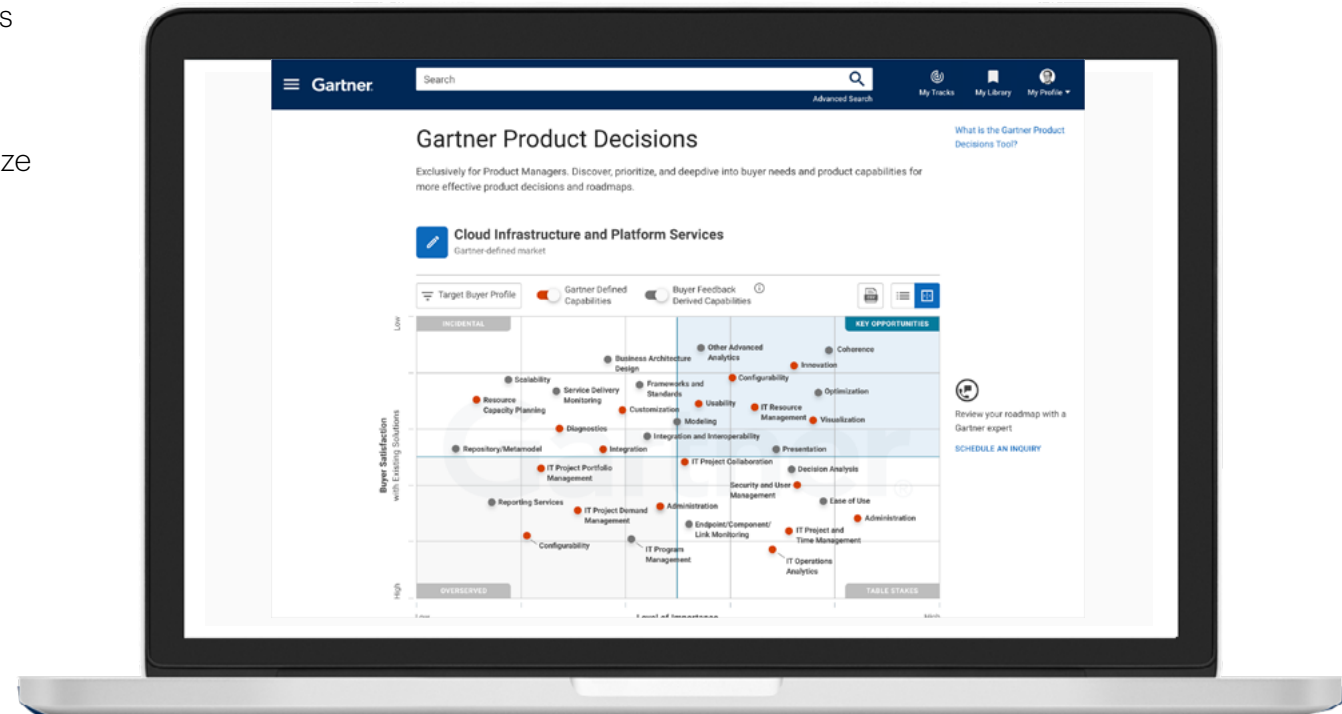
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Common Pitfall

Complex roadmap communication

Product managers often poorly communicate the product strategy and roadmaps to external stakeholders and internal teams, which results in misaligned expectations.

Resolution

Build a communication plan tailored to specific stakeholders

Establish alignment and engagement on the product strategy and roadmap by developing and executing a communication plan that involves audience-specific roadmap views.

Stakeholders	Requirement
C-Suite/Executives	Product strategy, direction and details of when major features and functionality will be available
Directors/Managers	Product strategy, directions and details of when major features and functionality will be available; highlight changes to previously communicated dates, if applicable
Sales and Marketing	Product strategy, directions and details of when major features and functionality will be available; highlight changes to previously communicated dates, if applicable
Engineering	Short- and medium-term requirements: What they need to be working on to achieve the desired delivery dates Longer-term requirements: Product strategy, direction and ability to make technical architecture decisions/investments to reduce the need for major rework
Product Management	Need a combination of strategic direction and granular engineering-level details
Customers	Product strategy, direction and details of when major features will be available, as well as details specific to a customer's requirements

Source: Gartner

03

Take Action

Build a communication plan tailored to specific stakeholders

Communication of the roadmap is the final phase and is fundamental to product strategy success. To avoid miscommunication, describe the roadmap in the language of the different stakeholders or audiences. For example, align overly technical language — usually used in R&D and engineering teams — with more business-goal-oriented language for key business partners.

Product managers should:

01 Avoid miscommunication and stakeholders' misalignment to the roadmap by creating audience-specific roadmap views in the roadmap communication plan

02 Organize regular meetings with specific stakeholders inviting feedback, and indicate what is being delivered, prioritized and deprioritized

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Get started on your winning product strategy today.

Learn more about Gartner Product Decisions

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