

# 6 Secrets of a Winning Product Launch

**Launch Clinic LLC**

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### Introduction

A product launch is a critical time for an early stage company. The success of the next Product Launch could determine if your company survives. What are the keys to a successful launch? How can they be applied to your business?

If you live in the technology world you have probably seen big companies conducting big launches. These are companies with large budgets and tons of resources. As a startup you don't have that luxury and need to get as much out of your budget and resources as possible.

I want you to take away two things from reading this paper. First, that you can confidently plan and execute a winning launch. Two, with an understanding of the 6 Secrets of a Winning Product Launch you can do it without blowing your budget.

**A Product Launch is a process that has a lifecycle.**

Thinking of a Product Launch as a process may change your entire perspective about launching products. Many people think of a Product Launch as an event, something that happens with a big bang. There may very well be a Launch Event as *part* of a Launch Process, but it may be just one of the things that are part of a winning launch.

**The purpose of a Product Launch is to build sales momentum.**

So why take the time to plan and execute a Product Launch? It's to build sales momentum. Sales momentum will enable your company to grow and prosper. You will be able to add more customers, expand your influence, hire more people and grow even more momentum.

### How the 6 Secrets were "Discovered"

A small team of former product marketing managers met to discuss the good, the bad and the ugly of launching products. One by one the products they had launched were written on a whiteboard. Then for each launch the good characteristics as well as "the learning" characteristics were written down. Finally the good characteristics were clustered to see if there were any commonalities. The result was six recurring themes now captured as The 6 Secrets of a Winning Product Launch.

### 6 Secrets to a Winning Product Launch

A winning product launch delivers sales momentum for your company. It's one of the few opportunities to go from incremental to exponential sales. So why do so few companies get it right? It's not because they're lucky. It's because they understand the 6 secrets of a winning product launch:

- ▶ Matching Product Capabilities to Market Needs
- ▶ Power Positioning
- ▶ Setting Clear Launch Goals
- ▶ The Power of Leverage
- ▶ Priming the Pump
- ▶ Timing the Launch to Maximize Sales

The remainder of this paper takes a look at each of the 6 Secrets in more detail.

### Match Product Capabilities to Market Needs

A winning Product Launch starts with matching the capabilities of your product (or service) to the needs of your target market. This is often domain of a product manager. However, even if you don't have a product manager position in the organization someone needs to fill the role of a product manager. If you are delivering a new product or service into the market you would be well served by getting out and talking to the potential buyers that your product will address. Chances are you will learn something new and possibly so enlightening that it could be the turning point in your business.

**You have to know that your product is solving a real problem that buyers are willing to pay you to solve. You can't just believe there is a problem that needs to be solved.**

A winning Product Launch can't happen if the market wants one thing and you are delivering another. Products are often born out of an individual's frustration. They experience a particular business problem that is acute to them personally. So they embark on developing a solution that addresses their particular business problem. They rationalize that since *they* are experiencing the problem then it must be true that *everyone* that performs that same job function must be having the same problem. And, ultimately they would want to buy the solution. The entrepreneur doesn't feel compelled to conduct market research because, after all, they've lived it and understand it better than anyone else.

An example of this is a situation I personally experienced that resulted in disaster. The company and product will remain anonymous but I will summarize the situation. A growing, vibrant software company ("Company Z") had the opportunity to acquire a software product ("Widget") from a very large, global financial services firm.

The global financial services company that developed Widget was using it on almost every PC in the company (tens of thousands of users). As part of the deal, the person who was the inspiration behind the design and development of Widget would come on board to help with continued development and support. At the time this was occurring, more and more companies were becoming increasingly interested in web-based applications and abandoning traditional client/server applications. The product was amazing, but it was only proven in one company, albeit a very large and well known one. Some people in Company Z recommended a cautious

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approach to Widget and suggested a survey of the market to validate a need in the market. It never happened.

Company Z had other product lines that were generating in excess of \$50M in revenue per year that were systematically sold off to underwrite the additional development that the visionary felt was needed, and to provide working capital to sustain the company until sales of Widget took off. The first year's sales were less than \$500K and had no hope of trending in the right direction. Company Z never recovered and is a mere shadow of its former self. The companies that bought the profitable product lines from Company Z are thriving.

What happened? How was it that a product that was used by one of the biggest global financial services companies on the planet was not a success in the market? Maybe because it uniquely addressed the way things were done at the global financial service company. It was an internally developed, corporate solution and maybe it didn't have general market viability. A little leg work would have figured that out, and probably saved the company.

### Power Positioning

Positioning is the set of things you do to place your product clearly in the minds of your buyers. If your positioning is not clear, your buyers will be confused and your potential partners will be confused.

**A confused buyer does not buy.**

Power Positioning is a communication process that makes the benefits and capabilities of your product so crystal clear to your buyers (and partners) that they get it without tremendous effort on your part. They see, they understand, they buy.

Power Positioning is developed from a clear understanding of Market Needs and how your product's Capabilities Match those Needs, and it focuses on benefits rather than features. It also forms the foundation for all communication to your target market.

Messaging is the language you will develop to communicate the Power Positioning of your product. It includes message pillars – the simple phrases that reinforce the value your product delivers to your customers.

### Set Clear Launch Goals and Objectives

You won't have a chance at a winning Product Launch if you don't establish clear goals and objectives. The goals and objectives help frame the purpose of your Product Launch and help guide you in evaluating launch tactics. Goals are your biggies and objectives are discrete and measurable. Your Objectives should be meaningful, clearly understood by everyone in the organization, measurable and support your Goals. Distill your Goals and Objectives to a manageable set.

An example of a goal is to become the market leader in nano-widgets. An example of an objective is to sell 500,000 widgets in the first 180 days of the Launch Event.

Once you've established the goals and objectives of your launch you need to consider how they will be measured. Do you have the tools and procedures in place to capture the measurement?

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If your objective is to get 100,000 downloads in the first 30 days after the Launch Event, will you have the mechanism in place to capture the download count? If not, now is the time to establish the tools and procedures in place or to re-evaluate your launch goals.

**Simpler Goals and Objectives produce more focused efforts and better results.**

Reporting on the results of your Product Launch should be a natural outcome of establishing Goals and Objectives. With the Objectives in place, metrics are defined that support the Objectives and then a meaningful Launch Status Report can be developed. The level of reporting detail is up to you but should be sufficient to demonstrate your understanding of the process and to capture what is working and what is not working.

### The Power of Leverage

Knowing the Power of Leverage will maximize your launch results. Leverage is defined as “the use of a small investment to gain a very high return”. Using this definition helps guide launch planners in evaluating the launch tactics that can most effectively achieve the launch goals and objectives. Even a small company with a limited budget can get great results through the Power of Leverage.

Using the Power of Leverage you can get the word out faster, build your customer base faster and generate more revenue faster.

Consider for a moment the employees, friends, family, customers, partners, investors, press, and associations that you can reach out to - the people that can influence the success of your Product Launch. One person talking to two, will talk to four, will talk to eight and eight to sixteen. Give them something to talk about.

Winning launches happen because the launching company has assembled an armada to help with the launch. The armada is bigger than the launching company and enables the word to get out quickly and allows for greater leverage at an incredible marketing bargain. Your armada could consist of the people in your company, your partners, industry analysts, thought leaders and press to name just a few. Think big. Who would you include in your armada?

### Priming the Pump

One of the biggest secrets to a winning launch is Priming the Pump. Priming the Pump collectively defines the activities that are conducted to build excitement and create demand for your product *before* it is generally available to buyers. You can prime the pump no matter how large or small your company or the size of your budget. Start with:

- ▶ **Involving customer support** – these guys are on the front lines. Take advantage of it.
- ▶ **Sales team** – the sooner the better. Brief them early and give them the information they need to prime the pump in their territories.
- ▶ **Channel partners** – include them early so they can educate their customers
- ▶ **Executives** – they can be your biggest evangelists
- ▶ **Industry Analysts** – brief them, get their feedback and keep them up-to-date on developments

Tying in an element of secrecy can certainly help with your Priming the Pump efforts. By giving a select few customers and partners an insight to what is coming, you give them currency. They will use that currency to help feed the frenzy and get more buyers excited.

### Time the Launch Event to Maximize Sales

Timing is everything and sometimes timing a launch can mean all the difference in the world. This can be especially true if you launch your products on a global scale. My lesson was learned when attempting the launch of a software product in Europe in July (hint: a July and August launch in Europe is a waste of time and resources – everyone's on holiday).

The timing of your launch event may be predetermined by a key industry trade show or other major event. Whatever the case, as you go through your launch planning process, identify the times and locations that afford maximum leverage.

If your product isn't ready at the time of your Launch Event, it can take a lot of courage to pull the plug. If you don't pull the plug you risk a situation that could be much worse. Early customers may say your product stinks and post nasty messages in blogs and forums. Your competitors will be all over it. Conversely, waiting too long and your market segment may lose interest.

The perfect storm is to have your product ready, your partners screaming at you to ship, your buyers foaming at the mouth in anticipation, and the media wanting all they can get. It's a good day.

### About the Author

David Daniels is the president of Launch Clinic and has launched more than 30 products for small to mid-size technology companies. Launch Clinic provides training, services and coaching to help technology companies accelerate sales momentum through winning product launches. David can be reached at [david.daniels@launchclinic.com](mailto:david.daniels@launchclinic.com).