



Powerful Product Lines Strategies

A Framework for Deconstructing and Improving Product Lines Strategies

This whitepaper shares a framework for product line strategies. It sets the stage for learning the in's and out's of improving and reinvigorating product lines.

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Business strategy is interesting. To many managers, business strategy seems monolithic. In reality, it wraps around many functional strategies.

Supply chain management has a strategy. Sales has a strategy. Manufacturing has a strategy. Plus, companies can stress strategies for areas like brand management, engineering, information technology, and human resources. Each functional strategy has its own goals and approaches. In good execution, each will link to the others and align with business strategy goals and objectives.

Product strategy is always important within the linkage. Products connect businesses to customers and enable revenue. This is crucial to all for-profit businesses. It is hard to think of a good business strategy without contribution from at least one product or offering.

Sadly, many managers do not understand product strategy. Most recognize it as positioning products in specific market segments. Perceptions toward price and performance are key. Smart product managers can do much using this view. Price can relate to perceived value in different ways. And, performance can take on many attributes with different dimensions. Product strategy, however, is more.

The most common error is thinking product strategy is singular in nature. It is not. For existing businesses, product related strategy is about a line of products. It is plural, not singular. In large companies it often about multiple product lines. Except for unique conditions, a company that sticks to just one product offering will not be around for long.

A second error is the notion product strategies need simply to be set up and left alone. Some managers think

changes after creating a strategy are only firefighting tasks. However, product line strategies need to be dynamic, not static. Continual change and advancement should be deliberate. Not all work is reactive. Deliberate change needs to embed within it. Product line strategy pulls together thinking toward different topics. It involves technology advancement, market segmentation approaches, and project execution.

Product line strategy also affects how well an organization develops and manages products. Managers know the results of product management depend on strategy. However, many miss how strategy affects work. The challenge arises in prioritizing work. What is important and what is not gets lost in a poor strategy. How well people conduct tasks can be stellar. But the tasks may not be the best for a product line. The major problem is when poor work effectiveness mounts, it further degrades strategy. Poor strategies induce a downward spiral.

Tackling Product Line Strategies

Organizations face notable challenges in how they create and carry out product line strategy. Often, managers deeply involved with products will declare product line strategy not to be their job. They think others with more business savvy should lay out strategy. Their job, they argue, is to solve problems and deliver projects, not create the strategy. Presumably, it is also to put out fires. Such thinking and behaviors can find a warm embrace in many cultures.

Granted, business strategy decisions within most companies should fall to a few leaders. However, in companies with existing product lines, more than a few individuals should contribute to creating and vetting strategies. Business leaders tend not to know the details and nuances of product lines. Nor are they available to tackle challenges in carrying out strategies.

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Forming and carrying out product line strategies demands continual work. And, those who carry out tasks within strategy should be involved in its creation and refinement.

Much thinking goes into creating good product line strategies. Teams need to form insights about customers, markets, technologies and competition. Contributors also need to cast their thinking to the future while addressing uncertainties and recognizing gaps of the unknown. Plus, these thoughts and insights must merge to create a clear picture of opportunities and challenges. This is complex stuff.

Breaking down product line strategy into easily understood parts and seeing how these parts fit together is valuable. It can guide managers in understanding what is important and what is not. It reveals a strategy's strengths and weaknesses. It also brings clarity to how product lines gain more from certain actions.

More importantly, though, is the gain realized when contributors break down strategy into commonly understood parts. Their collective thinking is more intense and results more powerful. The key is sharing a common strategy framework.

The PLSR Framework

Creating a framework demands breadth of understanding and depth of experience related to product development and management. I am fortunate to have both. Plus, I have had many years fleshing out the framework and testing its power. I call it The PLSR Framework. The acronym stands for "Product Line Strategy and Roadmap."

The PLSR Framework is a model for all product line strategies. It is a tool. It is not a scientific principle presenting a best strategy for a product line. The framework helps reduce strategies to their basic parts. This then enables managers to analyze and interpret strategies.

Strategies taken apart using the PLSR framework will reveal both weaknesses and opportunities. For mature product lines, deconstructing the strategy may suggest major improvements or radical rebuilds.

Product line strategy changes, their improvements, and their rebuilds matter as much as the analysis. Gains accrue only when change take place. Yet teams may find themselves unable to make needed changes. The framework addresses this by reflecting strategy moves

and roadmap recasts. It also helps evaluate an organization's agility and the influence those seeking strategy reform have to induce change.

The PLSR framework is simple. It is three core pillars surrounded by the rationale for why they fit together. Each pillar and its parts matter a great deal.

- The first pillar is the Strategy-Essence. It includes platform leverage, chain-link synergy, and line positioning.
- The second pillar is the Execution Roadmap. It reveals key products, development projects and front-end projects. And, it adds platforms, market segments and technologies. Each item then relates to a timeline advancement of the whole.
- The third is the breakdown of organizational change to drive the line's advancement. Such change includes people and reporting relationships surrounding the product line and its management. Plus, it addresses other functions that in some way contribute to the strategy execution.
- Rational optimization pulls everything together. It examines and builds on how the three pillars work together to amplify the whole. It seeks the ideal roadmap for execution. It seeks organizational change that is best to help the strategy. It also details why the strategy will be successful in delivering customer satisfaction, beating competition, and improving cash flow.

Action

Taking apart, a product line and rebuilding it with a stronger strategy is smart business. For some, this becomes obvious too late. Customer needs and wants will change. Competitors will advance. And supporting technologies will matured. It is easy to muster support for action when pain is peaking. Doing this before problems arise, however, takes strong leadership.

My call to action is for organizations, not just individual managers, to learn the PLSR framework. Do not wait for maturity pains to increase. It is a continual task. Every product line team needs to actively improve their product line strategy.

Recognizing a product line strategy's constituent parts is a major step. To gain notable value from the framework, though, product line teams need some expertise in its application. Just as belt certification, helps drive value from lean methods, so too should managers learn the

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framework. And, because the framework reveals important decisions, top managers should understand it and recognize the constituent parts.

Learning the framework, its parts and its application is very valuable. Doing it by simply reading a blog or an email is implausible. There are several worthy venues to pursue. For example, consider Adept Group's:

Workshops **Case Histories** **Webinars**
Whitepaper **Blogs & Articles** **Videos**

<http://adept-plm.com/resource-library/>

Perhaps the best learning experience is applying the framework with a product line team. Principles become clear when teams explore their product lines.



About The Author



Paul O'Connor is the Founder and President of The Adept Group. He is also Past-President of the Product Development and Management Association, an international group of professionals dedicated to improving product innovation management. He is a contributing author to the Journal of Product Innovation Management, the first and second editions of

The PDMA Handbook of Product Development and The PDMA Toolbook of Product Development. Paul is also a past contributing editor to R&D Magazine. His SpiralUp™ Capability Transformation model for product development portfolio management is widely recognized and used around the world.

Mr. O'Connor teaches Master Courses on NPD Portfolio Management, Product Line Strategizing and Roadmapping, NPD Risk Assessment and New Product Forecasting, and Implementing the Full Architecture of New Product Development. Paul has worked with clients around the world on improving their product development performance. Over his more than 30 years of consulting in product development and innovation management, he has guided the efforts of numerous companies.

Paul has worked in many industries. These include consumer packaged goods, food, chemicals and materials, heavy equipment, automotive, healthcare, solar energy, pharmaceuticals, building products, insurance, banking, high-tech instrumentation, software, and hardware. Paul has also worked with major software and service firms in helping to guide their product planning directed at the global technology management and new product development market.

Mr. O'Connor is Managing Director and principal shareholder of The Adept Group Limited, Inc. He received a Master of Business Administration from Babson College and a Bachelor of Engineering degree from Stevens Institute of Technology. He is also a Certified New Product Development Professional (NPDP) and contributed to shaping the first tests for receiving such professional certification.

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- The Value Proposition For Implementing Product Line Strategizing and Roadmapping
- The Science and Art of Deconstructing Product Line Strategies and Crafting Powerful Roadmaps
- How Competitive Strategies Can Kill Your Product Line
- You Can't Get There From Here: Cultural Momentum and Product Line Strategies
- Critical Mental Models For Understanding Product Line Strategies
- Good Roadmap, Bad Strategy: The Problem with Myopic Operational Excellence (aka Lean).
- The Thought Worlds and Mindfulness: Strategy Lenses into Product Line Strategies and their Roadmaps
- Stop Innovating Products, Start Innovating Product Lines
- Strategy Moves and Roadmap Recasts: The Dynamics of Product Lines
- Roadmapping ToolKit™ is a set of document templates and prepopulated roadmaps for building stronger strategies and sharper roadmaps.

