Self-Assessment – A Product Audit
Are You Happy with Your Product Results

When was the last time you really assessed your products and your organization's ability to create and deliver them to the marketplace?   If it's been a while (maybe never?), here are 12 quick questions and scoring criteria to help you determine how well you're doing and to identify potential areas of improvement.

The 12 questions in this self-assessment are organized into three broad categories:
1. Product Performance in the Market
2. Creating Products & Services
3. Delivering Your Product to Market

Each category has 4 questions with an associated qualitative scoring grid to help you choose the closest answer for your organization.   For example, the initial question is regarding meeting your revenue goals.   The question is assigned a 10 point scale from Poor to Strong and some sample scoring criteria at 4 distinct points.   Variations on the criteria can yield values between the set points.

Revenue Scoring			
Poor - 1 Point	**Weak - 4 Points**	**Good - 7 Points**	**Strong - 10 Points**
Revenue is significantly below plan and relatively small within the organization. Revenue growth lags the industry.	Revenue is below plan and is not a major contributor within the organization. Revenue growth is at least as fast as the market.	Revenue is at plan and a major contributor within the organization. Revenue growth is at least as fast as the market.	Revenue exceeds plan and is a significant contributor to the organization. Revenue growth exceeds the market.

Sample Scoring Criteria

To facilitate your assessment, a spreadsheet version is available as a download, and which you are free to modify according to your own specific criteria.   The ultimate goal is to provide a means for you to easily assess your organization, to create a conversation internally on areas needing attention, and to set a baseline for future measurements to check your progress. The assessment can be used on an individual product or across an entire product line.   It is not intended to be a rigorous analysis, but rather a 'gut feel' first step.   From there, any depth of investigation and quantification can occur.

Product Performance in the Market
The starting point for this self-assessment is with some standard measures of product success in most companies… revenue, market position, profitability and customer satisfaction.   The purpose for starting here is to ground your thought process about how well it's really doing in the market. The subsequent sections will address underlying processes that may be supporting this success or potentially detracting from better performance.   Listed below are the 4 questions included in this category and the general assessment drivers.

1. Is your product meeting revenue goals? The #1 question asked for any product is what is the revenue and how does that compare to plan.   In addition, are you a major source of revenue for the company and how are you growing relative to the overall market?

2. What is your product's relative market position? (aka Market Share) Are you a major player in the market or even on the map in the market's mind? Have you been successful in carving out a market niche in which you are a major player? Are you growing or losing share?

3. Is your product meeting profitability goals? This is often a difficult question to answer as the cost tracking and expense allocation systems within companies may not be available. Even if you don't have specific profitability measurements, you can still look at contribution margin or other more easily measurable parameters to determine your contribution to the bottom line. In addition, is it increasing or decreasing?

4. What is the level of your product's customer satisfaction? Like profitability, this is often missing from product dashboards. It also has many methods of measurement, each with its own pros and cons. While it is considered a lagging indicator, its trajectory can potentially predict future revenue and share growth. Do you measure customer satisfaction and changes in it? Do you measure customer churn?

Creating Products & Services

A fundamental objective in high-tech companies is the continuous creation of innovative solutions to market problems which compete effectively in the marketplace. This section looks at some major underlying processes that drive your ability to create and build successful solutions.

1. How effective are you at innovating new solutions? Are you identifying market gaps where inadequate solutions exist for potential customers? Do you provide innovative solutions that people are willing to pay for and that are differentiated from competition?

2. How well are strategic vision and long term planning aligned? Do you have long term corporate objectives and a process for aligning them to a product roadmap? Do you have a technology roadmap and resource commitments to realize the strategic objectives?

3. How effective are your product development processes? How well do you plan and predictably deliver your products? Does your requirements process effectively translate market needs into high value solutions? Are your product releases of high quality?

4. How well do you deliver outstanding customer experiences? Is user experience and usability a high priority? Do you deliver a complete and whole product to meet customer expectations? Do you deliver a total customer experience that addresses the entire customer lifecycle (purchase, payment, use, support, etc) across all major customer touch-points (web, phone, retail, etc)?

Delivering Product to the Market

Creating the product is only half the story. The next key steps are getting it into the market place, providing the necessary customer-facing operations and support functions, and tracking results to drive implementing course corrections.

1. How well do you prepare for an effective launch? Are all functional areas aligned and ready for the introduction of the new product or release? Do you have metrics in place for quickly assessing the results of your launch across all of the functions?

2. How effective are your marketing and sales planning and delivery? Do you develop a comprehensive marketing portfolio (value prop, positioning, pricing, promotions and

messaging)? Are your sales channels trained and effective? Are your marketing channels effective with measurable ROI?

3. How well do you deliver operational and support systems for your product?   Are operations and support systems (ordering, fulfillment, installation, integration, operations, support, repair, returns, feedback) in place and available through all customer-facing channels?   Do you have performance metrics in place?   How well are these systems aligned to product success?

4. How well do you monitor results and course correct?   Do you have key leading indicators identified, such as response rates, trials in progress and conversions, returns, operational performance, lost prospects and product-specific usage measurements? Do you have metrics defined and market results available in a timely manner?   Do you have a process for correcting deviations from plan in a timely manner?

Analyzing Your Results

The downloadable spreadsheet provides a simple mechanism for assigning your scores and presenting the results in a graphical format.   This allows you to easily see your strengths and weaknesses, the averages for each section and the overall score, as shown in Figure 1.
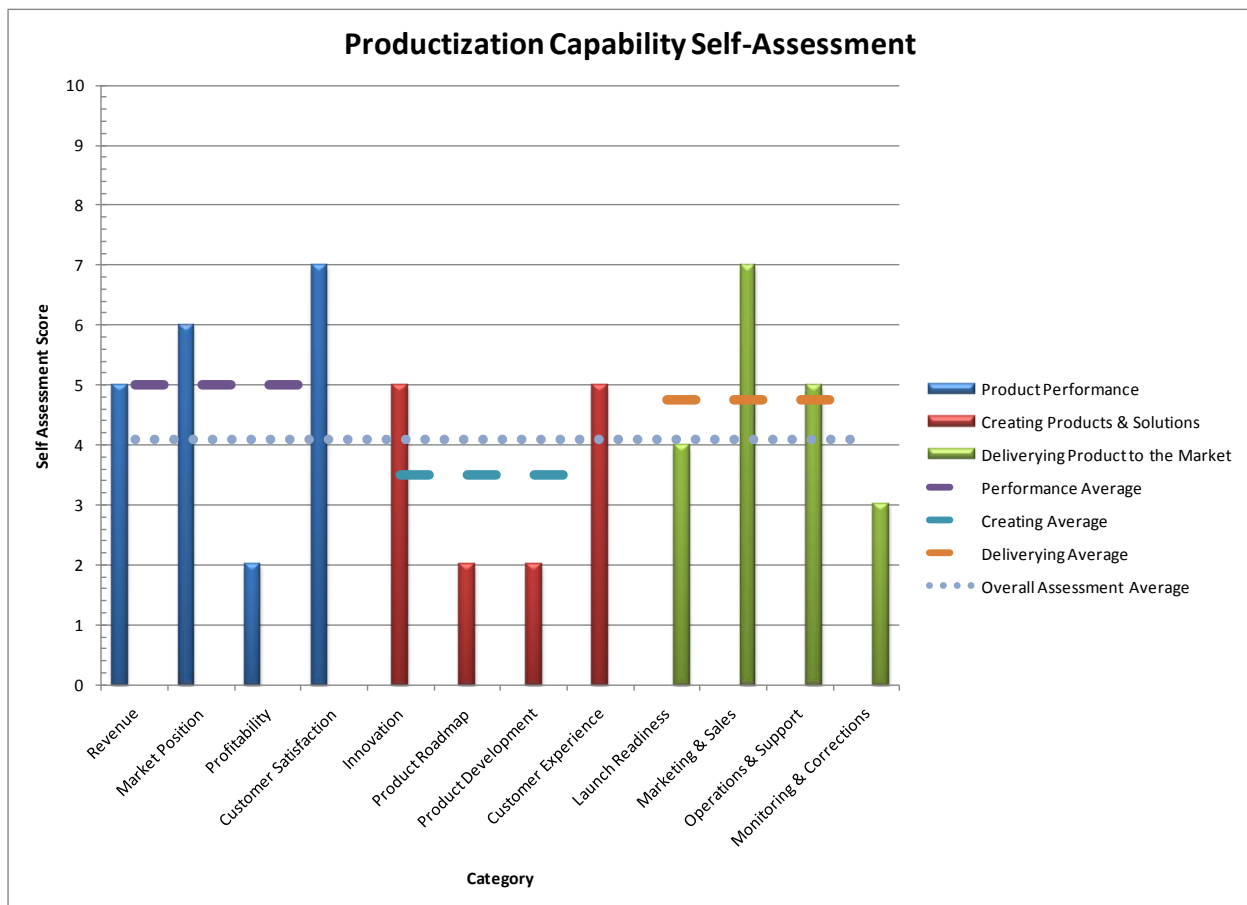

Figure 1 - Sample Results of Assessment

For each of the categories, the spreadsheet also contains some potential high level causes that can be contributing to lower ratings. This provides potential starting points for developing an action plan towards improvements. A portion of potential causes is illustrated below.

	Potential Driver	Creating Products & Solutions			
		Innovation & Solutions	Strategic Vision & Roadmap	Product Development Process	Customer Experience
Strategy & Leadership	**VISION** - Strong statement of organizational vision, mission and objectives, including incentives	✓	✓	✓	✓
	ALIGNMENT - Strong alignment & communication between functional departments, e.g. minimization of silos			✓	✓
	PRIORITIZATION - Commitment to project prioritization and resources; focus on most important items		✓	✓	✓
	LEADERSHIP - Strong executive participation & leadership	✓	✓	✓	✓
	IMPROVEMENT - Strong commitment to organizational learning & continuous improvement			✓	
Market Focus	**MARKET INVOLVEMENT** - Direct engagement in the market to identify underserved customers and their problems	✓	✓	✓	✓
	TECHNOLOGY - Strong technology awareness & application	✓	✓	✓	
	VALUE - Strong product value proposition directed at a clearly defined and reachable target market			✓	✓
	COMPETITION - Strong competitive differentiation & positioning			✓	
	BUSINESS MODEL - Effective business model & pricing				

Figure 2 - Example Potential Drivers for each Category

Next Steps

Okay, so you've read this paper and looked at the assessment. Maybe you've even done a quick scoring yourself and seen obvious issues and potential causes that you think need to be worked on. What's next? We suggest an iterative 4 step process to being making improvements, as follows:

Step #1 – Execute the self-assessment – This can be done in a number of ways. You can focus on a few specific pieces of it that you already know are issues and use the assessment to solidify alignment and deeper understanding of the issue. You can implement the full assessment across a broad set of stakeholders and see how much agreement you have internally. You can even take the assessment to some of your key customers and get their feedback. If you're a lone product manager trying to improve your results, start working with your manager and incrementally add allies to build your case. The goal is to get a reading to identify general levels of performance so you can move quickly to improved results where needed. Don't get paralyzed in Step #1. Get some results as a learning exercise.

Step #2 – Prioritize the results – Prioritization consists of 2 pieces: identifying the biggest bangs for the organization and then the effort/costs to achieve them. You may have big issues but if the effort is also high, you may want to bite of something easier to chew as a starting place. At this point, you don't have a lot of data, so these value-versus-cost assessments are very high level. OR, maybe the first project is to go collect data on what it would take to make the gains and possible phases to achieve. Minimize the effort/data required to make decisions, make them, and commit resources to move the program forward. The clock is ticking and the market is not standing still.

Step #3 – Create the project plan – This doesn't have to be a project in itself.   Outline the objectives and put some measurable targets in place, both for the project and the especially the category gain you want to make.   Assign who leads the effort. Create a list of high level deliverables, an estimated timeline and major milestones.   Assign the team. If the investment is high and you need a full business case to justify it, then this will be a larger effort.   Usually, you can make some pretty significant gains in a short period of time just through some process changes and without a major investment.   However, at some point, you may need to add infrastructure and do some major cross-functional work.   Try for some quick wins before jumping into the deep end of the pool.

Step #4 – Implement the improvement – This IS the project.   Maybe it's just an internal process change affecting a single group.   Maybe it's a major event deploying infrastructure changes and affecting many functions.   Sometimes it's a project you can implement in short order and get a quick win.   Other times it will take months.   Whichever you choose to implement, execute on it and assess the results, then go back to Step #1 for the next project in the priority list.   It's iterative because the market changes, your products change, your company changes and you need to be constantly evolving.   It is as important as your product itself and needs its own roadmap and prioritization in your project portfolio.

How We Can Help
Product Arts can also assist with your project or even lead your efforts.   We can provide the point of view of an objective 3rd party to help overcome internal biases and politics.   We can conduct the self-assessment for you across major stakeholders and roll up the results.   We can help prioritize and plan the projects.   We can also work alongside your internal champions in project managing the implementations, including bringing in specific expert resources to help flush out specific solutions.

Summary
The self-assessment presented here attempts to capture a broad spectrum of measurements and activities that reflects your organization's ability to create and delivery successful product to the marketplace.   It is not intended to be a rigorous and in-depth analysis of your organization.   Rather, it captures a snapshot to get the ball rolling towards quick identification and improvements. The spreadsheet provided enables a quick and easy way to conduct the assessment, and can be customized to your specific organization.

About Product Arts
Product Arts specializes in Product Management consulting and training.   Our consulting consists of product strategy, market performance improvements and processes for creating and delivering products.   Our training includes public and private custom training for product management and associated staff.   For more information, go to www.product-arts.com or email info@product-arts.com.