

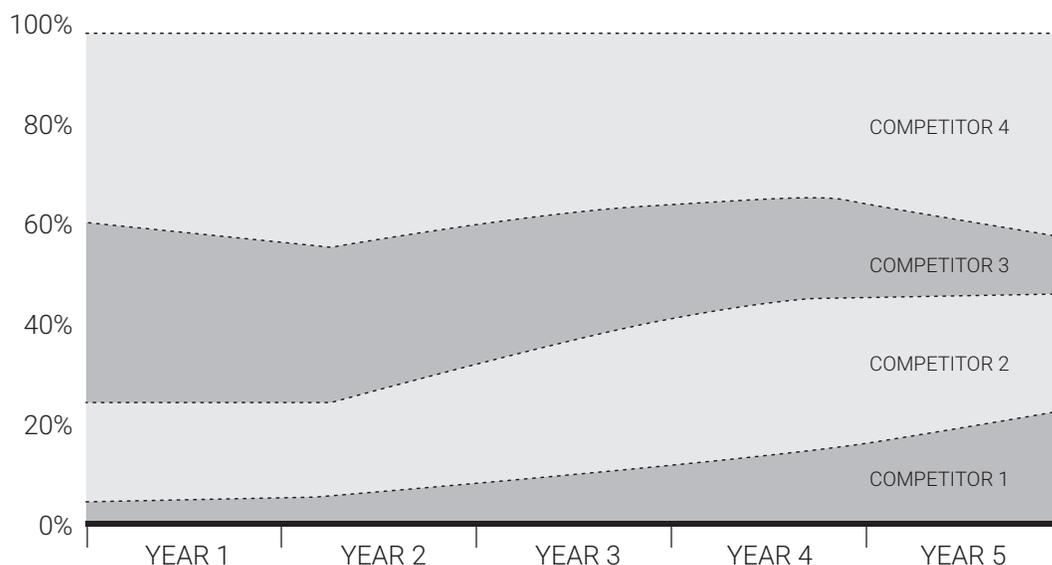
# Product Manager's Desk Reference (3e) Illustration Insights – Chapter 17 – Figures 17.1, 17.2

## Post-Launch Performance Management

Post-launch performance management refers to the time when a product is being actively marketed and sold. The team is living its plans and the product team is responsible for optimizing the financial and market performance of the product in the market, consistent with the strategies of the company. However, post-launch performance management isn't just a "state" of the product's life. Rather, what's learned from Customer & Market Insights, as well as the measurements from the performance of current products, dynamically informs the Product Strategy Formulation process. The diagram below portrays this intent.



One of the most important metrics is market share. The chart below is used in the book as a way to portray market share for a number of competitors.



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# Product Manager's Desk Reference (3e)

## Illustration Insights – Chapter 17 – Figures 17.3, 17.4

### Post-Launch Performance Management

Effective cross-functional product teams are better able to solve problems more collaboratively and to make more informed decisions. As indicated in Chapter 4, modern cross-functional product teams can also contribute greatly to the organization's performance, especially when focused on the tasks associated with the product's business.

A product team report card is simply a vehicle you and your team can use to collectively gauge the effectiveness of your team. What we want to be able to do is figure out who's doing what with whom and when, and how effectively those activities are contributing to the desired goals and strategies, presumably agreed upon by the team.

CROSS-FUNCTIONAL PRODUCT TEAM & SUBFUNCTIONS

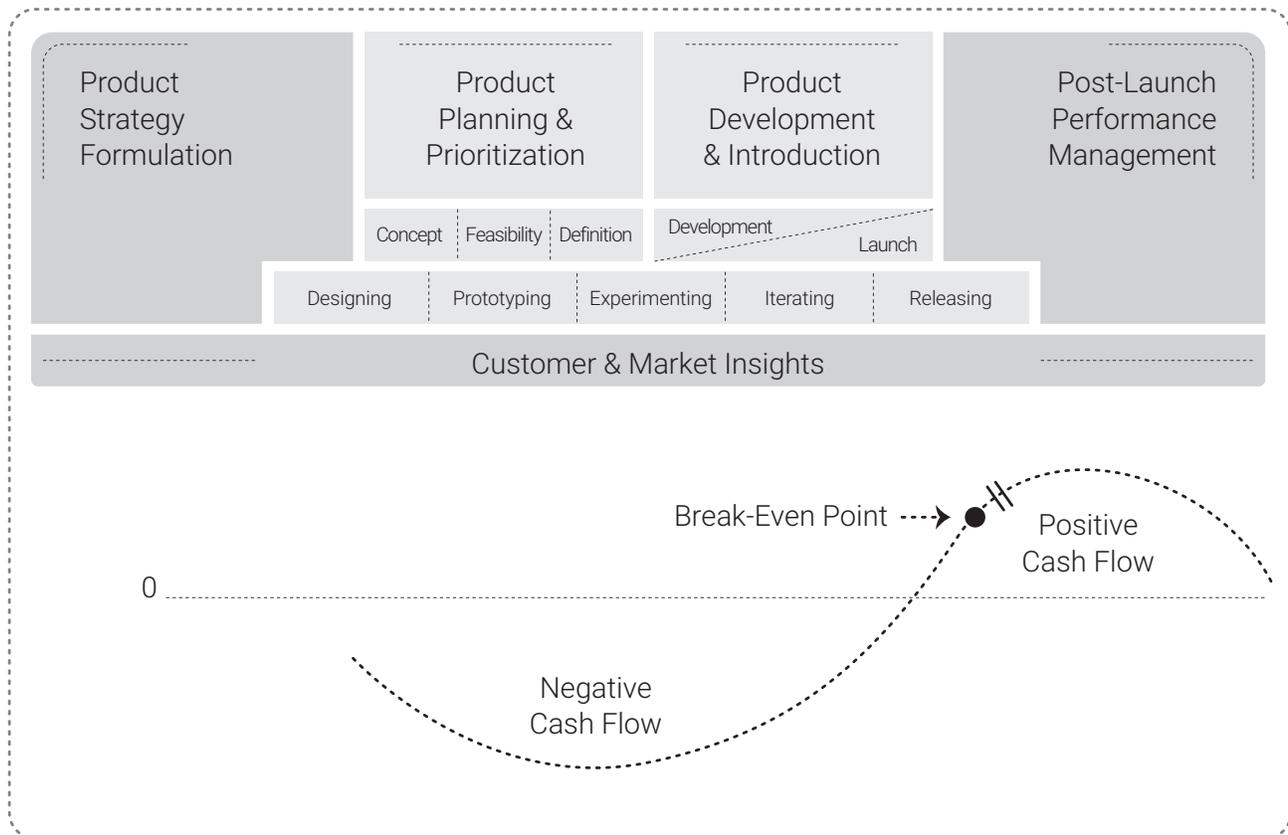


	What Works Well	What Needs Improvement	Action Plan
Sales			
Marketing			
Service			
Development			
Operations			
Finance			

# Product Manager's Desk Reference (3e) Illustration Insights – Chapter 17 – Figure 17.5

## Post-Launch Performance Management

A product life cycle curve can be represented by the product's revenue, gross margin, or cash flow across its entire life cycle. As shown in diagram below, the cash-flow curve suggests that during the Planning, Development, and Launch phases, the product is using up cash but not generating any. When a product is in the Growth phase, the cash flow is increasing at an increasing rate. It further depicts the fact that positive cash flow must "pay back" the initial investment, hence the "break-even point" notation on the curve. Mature products, on the other hand, have revenue that is either increasing at a decreasing rate or relatively flat. Finally, Decline phase products have sales decreasing at an increasing rate with eroding profits and vanishing market share. Each curve tells a story about the business of the product, and all of the data points collectively enable you to tell a more complete story.

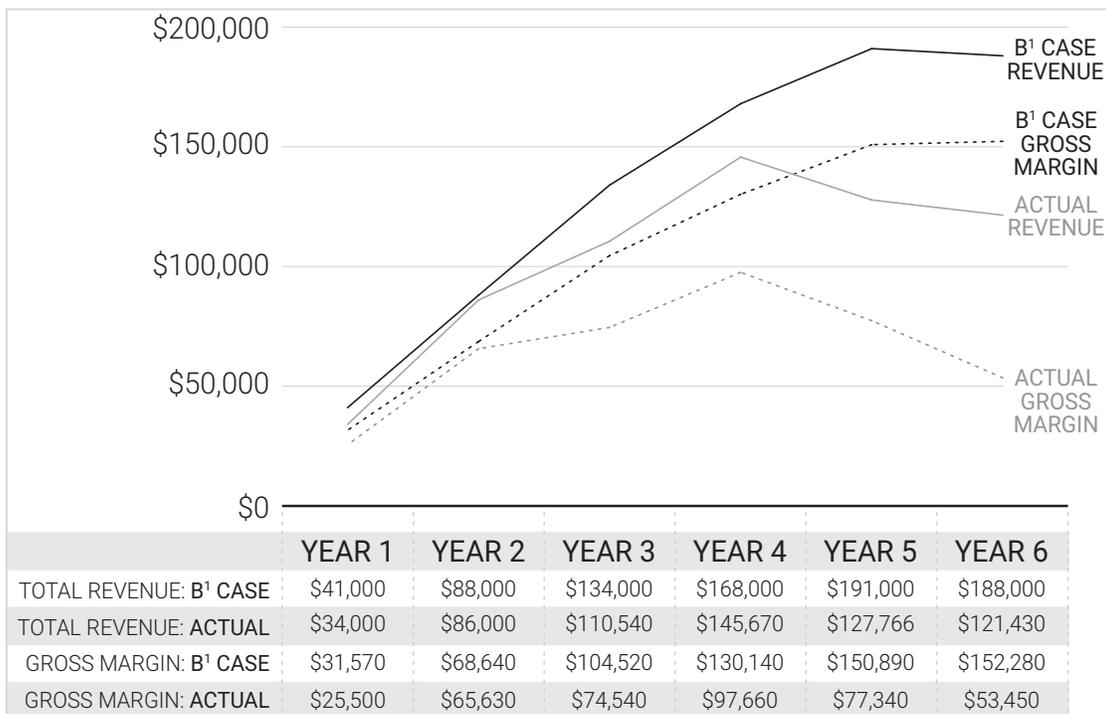


# Product Manager's Desk Reference (3e)

## Illustration Insights – Chapter 17 – Figures 17.6, 17.7

### Post-Launch Performance Management

Life cycle curves that portray revenue and gross margin can provide a useful indication of the path traveled. However, a point of reference may be beneficial. For product managers and their teams, if the actual performance of a product can be compared to what was anticipated in the product's business case, a more robust analysis may be undertaken. Note the two diagrams shown here: the simple curve, and the curves compared to the business case.



# Product Manager's Desk Reference (3e)

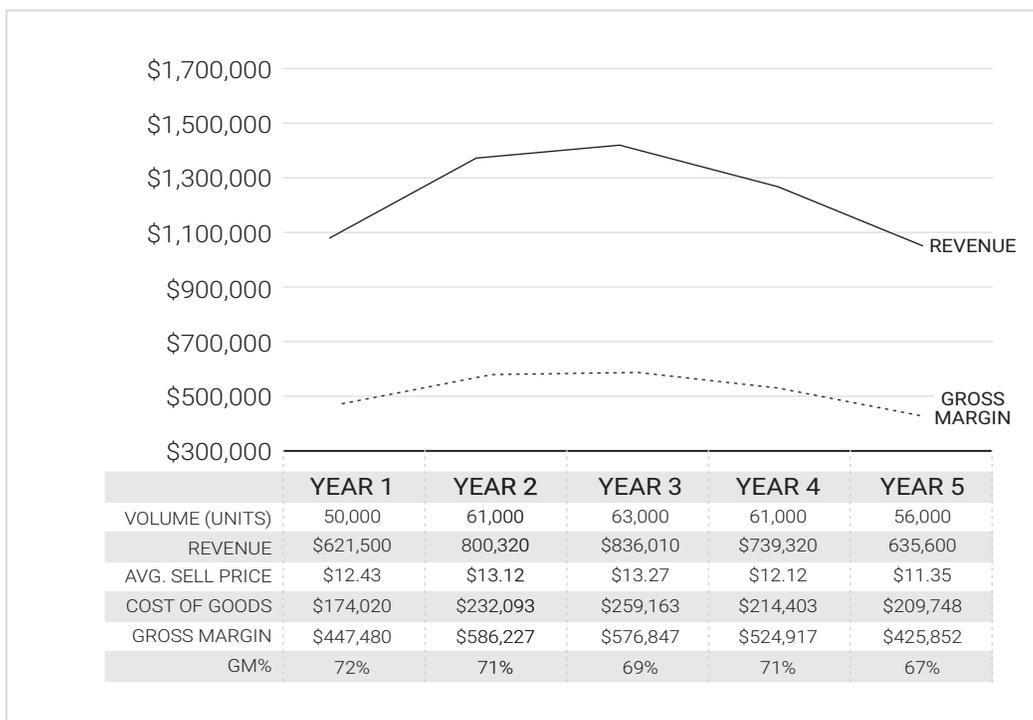
## Illustration Insights – Chapter 17 – Figures 17.8, 17.9

### Post-Launch Performance Management

Money is the language of business. Financial and other business and market-based measurements give you the best read on product performance. This is the reason that financial management is one of the most important practices for effective product management. Without financial data and associated analyses, there is no way to assess how well the product is performing against established plans. Having a good *product performance scorecard* (see diagram below) provides information about the product's financial situation, including revenue, costs, and gross margin.

Original Business Case	Current Full-Year Plan	Y-T-D Plan	Y-T-D Actual	Y-T-D Variance		Month Plan	Month Actual	Month Variance
					Units			
					Average Price per Unit			
					Total Revenue			
					Cost of Goods			
					Gross Margin			
					Gross Margin %			

Simple financial reports that are generated from the template above only provide a snapshot; they don't tell the entire story. The team's perspective will be enhanced if it examines financial information over a period of time. Why? Because patterns and associations between financial data and other performance indicators need to be evaluated to create true portraits of the product's business performance.



Product Manager's Desk Reference (3e)  
Illustration Insights – Chapter 17 – Figures 17.10, 17.11

Post-Launch Performance Management

Product business performance assessments are built on solid financials. However, it's also important to examine other trends. Product managers and their teams need to examine market segment trends to determine if some segments have become less attractive, and some, more so. Alternatively, it's important to re-examine customers, namely: the products they purchase or use, the value or benefit they perceive, the prices paid, and the overall experience. The following templates from the book can contribute to the collection of the right data, in order to secure the best vantage point to assess segments and customers for current products.

Market Segment Trends	Segment 1	Segment 2	Segment 3
Size (Potential Revenue)			
Current Market Share %			
Growth Rates (high/med/low)			
Attractiveness (high/med/low)			
Competitive Position			
Future Priority			

Customer Preferences Over Time	Year Before	Last Year	Current Year
Customers (users, influencers, decision makers)			
Products purchased/frequency			
Value or benefit to the customer			
How customers make buying decisions			
How the product is used/frequency of usage			
Customer satisfaction ratings			
Customer retention rates			

Product Manager's Desk Reference (3e)  
Illustration Insights – Chapter 17 – Figure 17.12

Post-Launch Performance Management

As with market segments, competitive activity needs to be tracked and recorded to effectively inform future strategic options. Product managers and their teams should pay close attention to an evolving field of competitors, market share for each, the strengths and weaknesses of each, and an assessment of strategic implications. The diagram shown below can be used as a template to help organize the data for strategic assessment and possible action.

	Your Company	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Market Share	___ %	___ %	___ %	___ %	___ %
Share Trend	↑	→	↓	→	↑
Revenue	\$ ___	\$ ___	\$ ___	\$ ___	\$ ___
Recent Moves	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>
Overall Strengths	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>
Overall Weaknesses	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>
Implications	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>	<ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> </ul>

Product Manager's Desk Reference (3e)  
Illustration Insights – Chapter 17 – Figure 17.13

Post-Launch Performance Management

Another vital method to evaluate the product's current situation is the marketing mix. It represents the combination of investments in the product, its pricing (value creation) schemes, promotional programs (value communication), and paths to the end customer via the most efficient channels of sales and distribution (value delivery). Recall my discussion on the marketing mix in Chapter 10. As the product moves through the market, various combinations of marketing mix options are devised, put into place, and tracked. The questions, "What did we do?" and "How well did we do it?" should be constantly asked by the product team so that new strategic actions can be considered. A table shown below is provided as example so that the product team can assess each marketing mix item, how they relate to each other, and how those investments impact the business.

Marketing Mix & Marketing Performance	Prior Year	Y-T-D Plan	Y-T-D Actual	Y-T-D Variance or Variance %	Revised Goal
Pricing actions and discounts	No actions	Promotional discounts of up to 10% to encourage 5% increase in unit volumes	Promotional discounts averaging 12% encouraged 10% increase in unit volumes	Higher discount percentages improved profits revealing a higher degree of elasticity than thought	Use selective discounting for the first six months of next year
Promotional campaign expenditures		\$67,500 in a trade show and email campaign	\$67,500 in a trade show and email campaign	n/a	No additional promotional expenditures
Channel performance data	31% indirect 45% direct 24% web	28% indirect 42% direct 30% web	29% indirect 35% direct 36% web	3.6% indirect 6.7% direct 20.0% web	28% indirect 28% direct 44% web
Campaign return on investment	21%	23%	23%	n/a	24%
Market share	37%	42%	40%	(4.8%)	41%
Unique web visits (monthly average)	32,000	47,000	36,000	11,000	41,000

Product Manager's Desk Reference (3e)  
Illustration Insights – Chapter 17 – Figure 17.14

Post-Launch Performance Management

To extend the analysis of the product's current business, there are a host of operational activities that are undertaken. While these may not be evident on a daily basis, these measurements are important. The diagram shown below offers a glimpse into how this data might be organized for assessment and action.

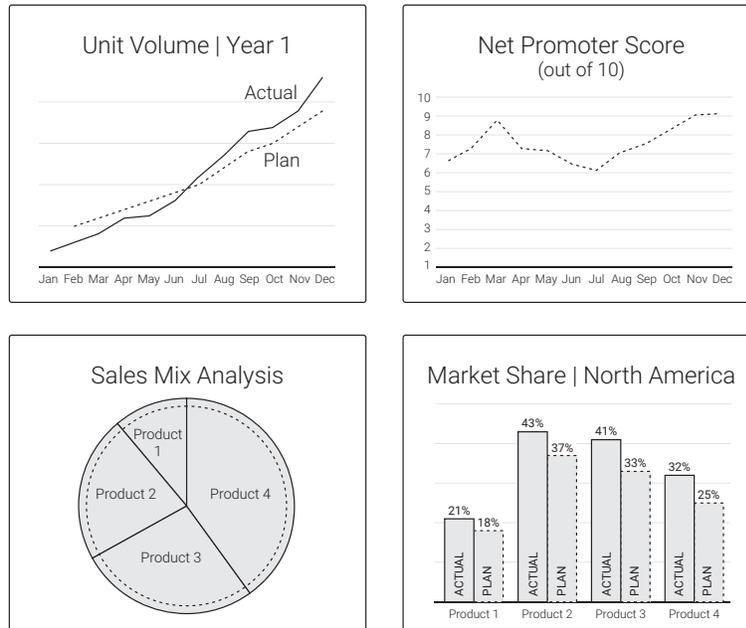
Operational Measurements	Prior Year	Y-T-D Plan	Y-T-D Actual	Y-T-D Variance or Variance %	Revised Goal
Order-Processing Time	7 days	6 days	6 days	n/a	5 days
On-Time Shipments	95%	96%	94%	(2.1%)	96%
Repair & Return Data	1 in 500	1 in 550	1 in 500	(50)	1 in 600
Inventory Turnover	6 times	6 times	4.5 times	1.5 times	6 times
Customer Trouble Reports	730/month	620/month	790/month	(170/month)	600/month
Customer Satisfaction	91%	94%	88%	(6.4%)	93%
Plant Utilization	77%	81%	81%	n/a	83%

# Product Manager's Desk Reference (3e)

## Illustration Insights – Chapter 17 – Figures 17.15, 17.16

### Post-Launch Performance Management

The assembling of measurements and performance indicators provides important insights. However, the product team can benefit from a consolidated dashboard. This can provide the best vantage points from which to view the product's business. The dashboard image below offers some ideas.



As data and measurements continue to be harmonized, the team is ready to produce a product health report. A sample is offered below. These can be part of a "

	Metric	Plan	Actual	Variance	Reason/Root Cause
Product Financial	Revenue				
	Unit Volumes				
	COGS				
	Gross Margin				
Other KPIs	Market Share %				
	Customer Sat.				
	Complaints				
Pricing	Average Sell Price				
Promotion	Advertising Spend				
Channel	Channel Margins				