



Optimizing Product Development

New product development is often driven by guesswork, assumptions, or the loudest person in the room. As a result, many new products that make it to market don't deliver the sales, customer value, or business benefits expected. This paper shows how organizations can leverage established best-practices to make sound product investment decisions, use industry-proven evaluation criteria to identify product investments with the best potential value for their customers and business, and develop techniques to build products that meet market needs, achieve financial objectives, and advance business strategies.

Customer-Driven Approach

Whether you practice agile development or not, it's important to capture the voice of the customer when solidifying product release features. It's also important to continually optimize requirements and features to ensure the product stays relevant to your customers. Simply stated: Being customer-focused is development-methodology agnostic and ensures the right products are coming to market.

Even for those following a strict agile methodology, there's a tendency for customer input to diminish later in the development process. Additionally, it's often the engineers that are agile-focused, with agile product management divorced from the development process. Product teams need to ensure customer feedback is incorporated iteratively and continuously throughout the product lifecycle.

Maintain an Independent Customer Feedback Loop

To optimize product definition, the product group should maintain its own feedback loop with customers (separate from development). In general, this doesn't need to be as rigid as an agile development process, but periodic touch points with the customer should be scheduled. This would be analogous to end-of-sprint demos that developers organize.

Another option for product development groups is to use the Stage-Gate process. It offers a "benefit-driven" approach, where each stage includes artifacts, results, and stated benefits for all stakeholders. Valuable input from customers and all business owners is collected at every stage. These benefits drive customer value, which translates directly into business value and success.

Also, there's often a disconnect between developers and the product organization. Often, development is extremely agile-focused, while product management just wants their products developed in a timely and efficient manner. To help with this, plans influenced by customer feedback and touch points need to be shared with development. There should be direct traceability from sprint-tasks completed back to the product group's interactions with customers through what's called an ideation process, with supporting tools.

Prioritize Requirements and Iterate More Often

Ideally, you should move beyond large requirements lists and waterfall-based specifications documents. It's better to use feature lists, prioritized based on customer feedback. In order to develop the right product, it is best to avoid



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large project specifications that span multiple years, as requirements can get stale.

Instead, reframe the project into many smaller intervals that makes sense for the product. For example, a three-month requirements planning cycle for operating systems development may be too aggressive, while a two-year lifecycle for a mobile app may be way too long. In general, the product and development teams should keep things in similar perspective, while maintaining an iterative process with continuous collaboration and customer interaction.

The Portfolio of Products, Investments, and Resources

Product portfolio management (PPM) maintains a holistic view of the business that includes investments in terms of technology, human resources, business units, products by region, overall business strategy, and objectives. When planning a product release, maintaining a corporate vision and plan is important.

Agile or Waterfall: Reporting Is Critical

Regardless of your software development process, accountability and reporting are critical for ongoing success. You need to account for resources and corporate strategy in your release plans, and ensure the same level of reporting regardless of the development lifecycle.

Be mindful to maintain different status reports for different audiences. This includes executives, development groups, and other product groups as well. This will ensure tie-in with other products and product suites, and help sales teams with cross-functional selling opportunities. To maintain ongoing communication, you can include the customer in status reporting as well.

For effective collaboration, take advantage of agile end-of-sprint demos, focus groups, Stage-Gate process, or other collaborative practices. The goal should be to maintain an ideation process that tracks the act of requirements definition to feature release, including resource planning and portfolio management.

Product development organizations often see the benefit of using tools such as CA Clarity for their portfolio management reporting, especially at the executive level. This can help greatly, since reporting isn't well defined in agile, and agile teams may experience a level of ambiguity otherwise.

Remember the Financials and Other Benefits

Additionally, with an iterative process, overall investments, return on investment, and general financials can be lost. Tools such as CA Clarity help you maintain corporate governance, regardless of development process, where PPM, customer relationship management, and financials are included along with requirements gathering and reporting.

Marketing: Beyond Product Development

As your process becomes more iterative, more frequent releases require you to market your product more frequently. Beyond the need to create and update marketing and sales collateral more often, this affects your overall marketing strategy.

As a result, organizations are adopting a holistic view of iterative-driven marketing that often includes social media. For example, modern marketing strategies include viral campaigns that take advantage of videos and blogs created by both internal employees and outside writers.

An Investment in Product Success

Maintaining success in this fast-paced environment requires some new techniques. For instance, it helps to foster an iterative approach end-to-end, from executives through development, to marketing and sales. The creation of focus groups help you stay continuously plugged into customers, markets, and competition. Also, ensure that compliance, legal, and regulatory bodies, as well as your internal financial organization, are kept involved via internal audits and proper reporting. Investing in a product like CA Clarity can yield huge benefits across the board.

Conclusion: An Iterative, Customer-Driven Formula for Success

Whether you use an iterative process or a waterfall methodology, continuous customer collaboration and iteration are the first steps in optimizing product development. CA Clarity adds other critical features, such as well-defined levels of reporting and portfolio management. This includes an organization's waterfall, agile, and Stage-Gate projects for all stakeholders, with end-to-end traceability, and a well-defined ideation process view for future release planning.