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REMOVING THE CMO'S HANDCUFFS AND UNLEASHING THE POWER OF BRAND- ALIGNED PRODUCT DEVELOPMENT

BY

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It's the ultimate irony. CMOs are accountable for brand health, yet in too many companies, they do not have a real seat at the table on product development decisions.

Meanwhile, the fate of the brand's image and equity over time is largely determined by the new products, features and services in the product development pipeline. Where is the justice in this? (There is none.) More importantly, can it possibly be good for business? Not a chance. Just ask the former CMOs of Palm, Blockbuster, Kodak or those who have had to negotiate the product-related rough patches for Sony, Sears or BlackBerry.

Many companies manage their brands with great sophistication and also manage product development with great discipline. Why, then, are so many doing such a poor to mediocre job of managing the relationship between the two? Who is really responsible for ensuring that what the brand communicates and what it delivers are the same thing and that product reality powerfully reinforces

desired perceptions among customers and prospects every day?

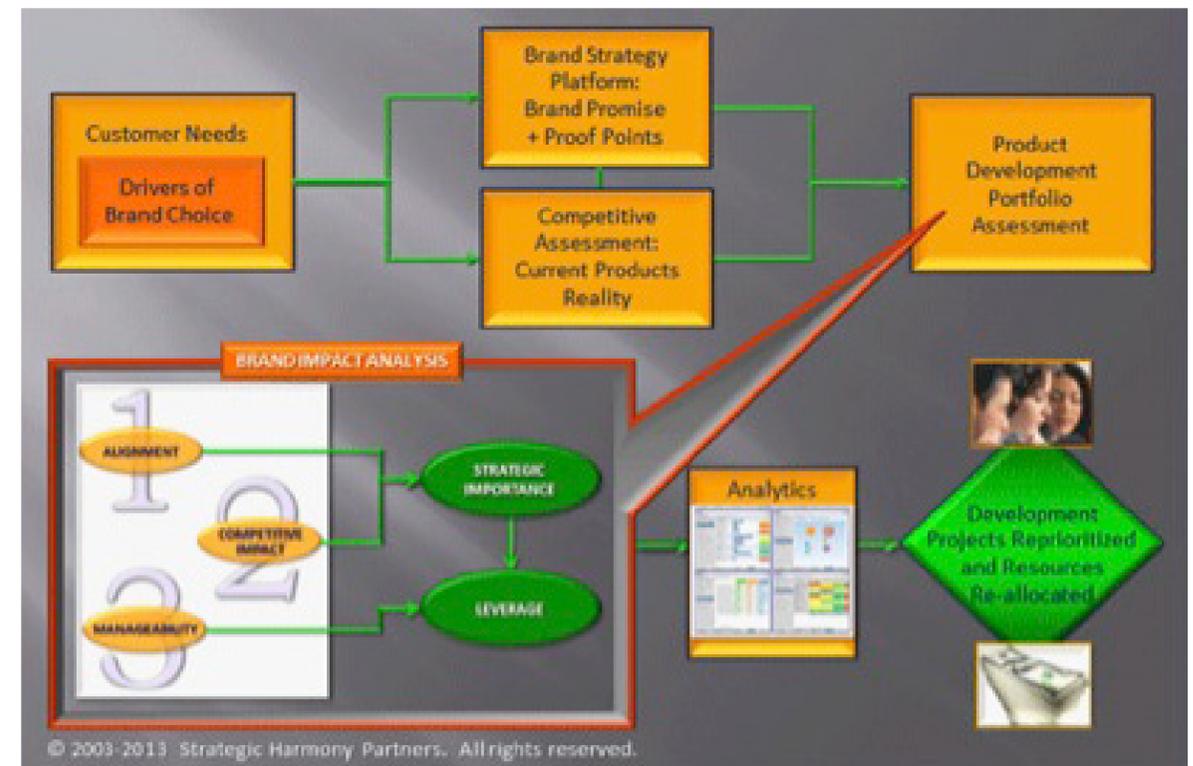
As the senior brand marketing executive in a Fortune 50 company with an extensive and complex product mix, I was perpetually hounded by product managers who thought their product should be featured in the next brand advertising campaign. But not once was I (or anyone in my organization) asked for input on prioritization of product development initiatives. It had long been understood before I ever arrived that this was not marketing's domain, even though we were the instigators and stewards of customer research on brand preference—the custodians of highly nuanced brand choice models, of capturing customers' rich qualitative definitions of each choice-driving attribute, and of monitoring ever-evolving shifts in customer needs and competitor strengths and weaknesses.

Years later, I now see that I was partially to blame for this divide. I was not insisting that product development teams use this research, explaining why, or going the extra mile to make it easily understandable and continuously available to non-marketing managers. I didn't fully realize then that since marketing knew things about customers that product development teams didn't know—but should—I had the primary responsibility to cultivate a cross-functionally shared view of customer

mindsets, week in and week out. We were diligent in using this research for brand positioning and messaging, and we congratulated ourselves for unprecedented advertising results for the company. But meanwhile, copious product requirement documents—largely prepared within a closed loop between engineers and product managers—contained attributes as evaluation criteria that were too often different from those that were driving brand messaging. As with so many other large companies, product development and innovation priorities seemed to be based as much on pet projects and internal politics as on the customer's voice and competitive imperatives.

This disconnect between brand strategy and product strategy is one of the least-noticed inhibitors of brand strength, value creation and resource allocation efficiency. Yet establishing that link (or repairing a broken one) doesn't have to be onerous. It requires a flow of customer input shared across organizations and bringing together the expertise of key team members from product development, product management, marketing, market insights and competitive intelligence, sales and sustainability. All of these groups must be involved to achieve cross-functional consensus in scoring product development initiatives on dimensions such as alignment with drivers of brand choice, competitive impact, manageability (resource requirements and risks in commercializing

ALIGN YOUR BRAND AND PRODUCT STRATEGY FOR MAXIMUM IMPACT



each product, feature or service), and sustainable business practices (given the growing influence of sustainability perceptions on brand image). If brand promise, messaging, and products and services are all aligned on the same choice-driving attributes that have been properly defined and prioritized in brand research, products and the brand are far more likely to be truly aligned. Fortunately, there are also enterprise software applications emerging that integrate such metrics and provide extensive decision support, rich analytics and a virtual collaborative environment to harness cross-functional input on product decisions at great speed.

Brand-aligned product development has the additional advantage of excavating more value from your recent and ongoing investments in market research. When applied more aggressively beyond marketing decisions to product and innovation decisions, it fosters a culture of brand stewardship in which everyone in the company who touches products at any point in their lifecycles—from ideation and development to delivery and retirement—can see that they have a hand on the brand's steering wheel. As a bonus, you will also likely find it easier to raise money to fund brand research as the number of obvious internal benefactors multiplies.

What Can a CMO Do About the Brand-Product Alignment Gap?

1. If you haven't already, let your CEO and/or business unit GMs know that you and your organization have a very significant contribution to make to product development portfolio optimization. Let them know that you must have his or her full support and insistence on you having a seat at the product strategy table. Let them know that if you're to be accountable for brand health, you must be empowered to help ensure that the millions (or billions) that your company or division spends on product development each year provide the greatest possible tailwind for what the brand aspires to be.

2. Inspire confidence among your internal peers that you're doing everything possible with customer research and brand science to ensure that you have a deeper understanding of the drivers of brand choice across key market segments than your competitors do. Be aggressive and enthusiastic in sharing that input across functional boundaries in an easily digestible form, but with enough detail that product development teams—in conjunction with their user experience and human factor research—know what to develop.

3. Make sure the metrics are in place to measure and monitor your brand's competitive weaknesses. This should be done in ways that tell you when it's up to

marketing to fix them, when it's up to product development, or when it's up to both.

4. Finally, build the strongest possible personal relationships with your senior colleagues in product development and product management. It's up to you to take that lead as they often don't know how much they need you long before a new or refreshed product is almost ready for sale.

BIO

Steven Cristol is the founder and Managing Partner of Strategic Harmony Partners. He is a former CMO and has advised some of the world's most innovative companies on brand and product strategy. He holds a patent for the first decision model and process for optimizing product development portfolios to build brand equity, integrating metrics on customer impact, competitive impact, resource efficiency and sustainability. His marketing books for Free Press and McGraw-Hill have been published in 11 languages. Comments are welcome at cristol@strat-harmony.com.