The Pivotal Role of Launch Management

While R&D is the origin of much innovation and technical differentiation in product-driven organizations, how a product is launched often determines whether it succeeds or fails.

In increasingly competitive, fast-moving, and global markets, a new product or service generally gets just one opportunity to make an impact: at launch. A well-executed launch can enable a company to increase sales and win market share—as famously demonstrated by successive Apple iPhone launches. Conversely, a badly managed launch can cause even highly innovative or well-designed products to flop: Think Nokia's N-Gage or RIM's Playbook. Yet the launch process is often neglected by senior managers, particularly in R&D-driven technology markets.

Today, people are continually bombarded with advertising, marketing messages, and other promotional information. But attention spans are short, and patience is limited. At the same time, products are now often bundled with services, which makes them increasingly complex both for the end customer to understand and for sales teams to sell effectively. Potential buyers won't pursue, and perhaps won't even register, a product that they don't understand or can't evaluate.

A well-planned and well-executed launch management process will eliminate duplicated efforts and get new products to market faster and cheaper.

With only one chance to get it right, a launch must be seen as far more than just the final milestone in the product or service development process. Launch management should be an integral part of the entire product life cycle, overseen by a senior manager right from concept to several months after the actual market launch. By taking this approach, a company will maximize its chances of driving the successful adoption of a new product and delivering profits that exceed investors' expectations.

What's more, a well-planned and well-executed launch management process will eliminate duplicated efforts and get new products to market faster and cheaper.

Why, then, do we still see so many product launch failures?

Failure to Launch, Failure to Deliver

Most companies still view the launch of a new product as a one-time event that signals the end of the product development process. This focus on a single moment in time often leads to underestimating the importance of the days and weeks that precede and follow the launch, which are crucial periods for any new product or service requiring focused orchestration. This is especially true for global launches, where not only does the product have to be ready, but regional teams also need to be prepared to ensure effective local execution and adoption. Many companies fail to take full advantage of these windows before the market moves on and attention is drawn away by product or service launches by rivals. As a result, many launches fall short of expectations or, worse, turn out to be abject failures.

The difference between a successful launch and an unsuccessful one depends largely on the approach and attention to detail. Figure 1 on page 3 illustrates some of the challenges we often observe in product-driven organizations. For example, R&D frequently dictates the

timing and positioning of a launch, with marketing and sales specialists becoming involved too late in the process.

Launch success can also be undermined by a lack of accountability and clear responsibilities among the launch team. Companies sometimes neglect to prepare their sales teams sufficiently and typically focus solely on the technical attributes of the new product and service, rather than on where it fits into the broader marketplace and how it meets customers' needs or wants. Finally, ad hoc processes coupled with ill-conceived targets (assuming these exist in the first place) are likely to jeopardize the ultimate success of the new product or service.

With a product launch, there are many potential pitfalls to avoid. Common missteps, even among the top companies in the world, include the following:

1. **"What" is being launched is unclear.** A major issue in technology-driven environments is the tendency of the R&D department, rather than the marketing department, to drive the launch process. A situation of this sort often results in development being shaped by minor feature and customization requests instead of strategic market intelligence. R&D's inherent bias can ultimately lead to a narrow focus on the development of a specific product with significant design complexity, instead of a clearer solution tailored to the market's needs.

Figure 1

Common pitfalls in launch management

Illustrative

Source: A.T. Kearney analysis
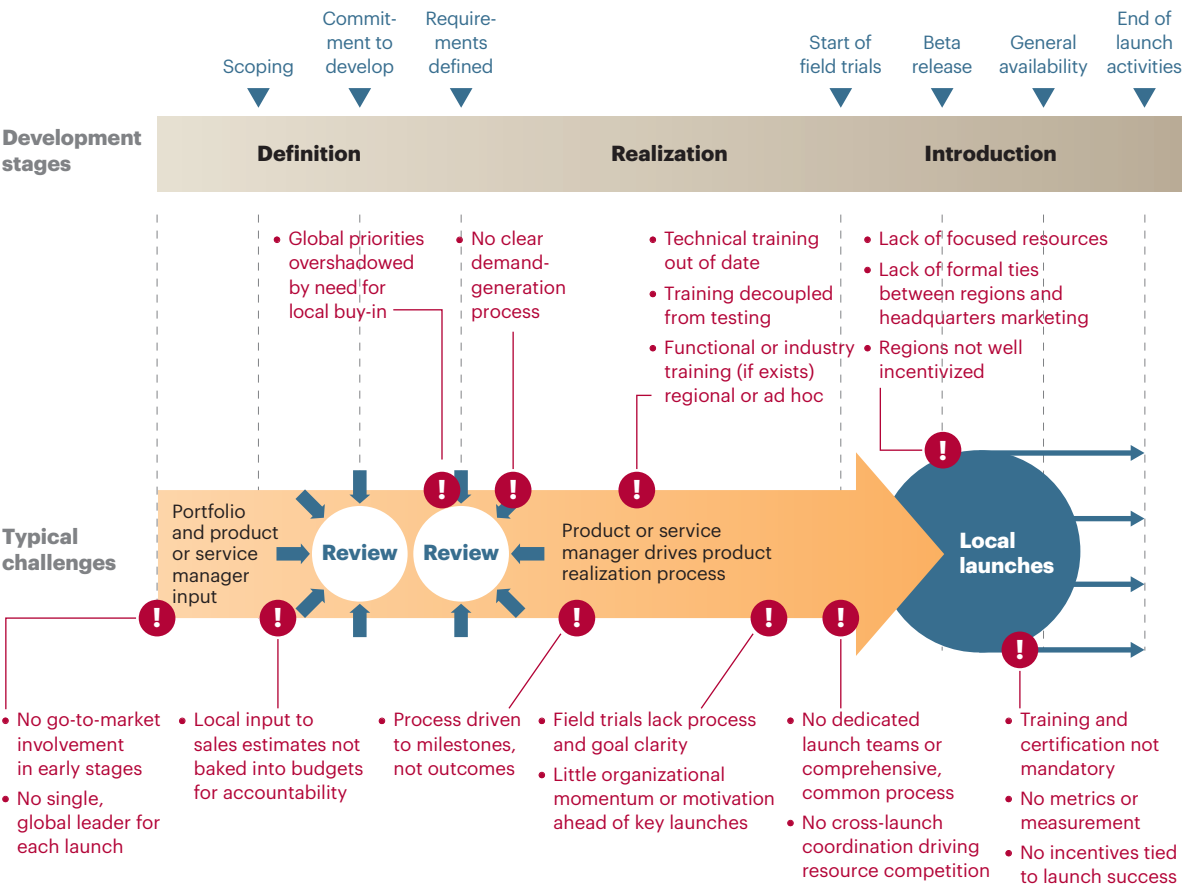
2. **"Who" owns the outcomes is ambiguous.** The success of a product or service launch can be undermined by shifting responsibilities throughout the process. In the absence of strong and transparent leadership, core functions such as sales, R&D, and customer services often don't work together effectively. Moreover, the lack of a formal governance structure and performance measurement system may mean that local or regional business units' incentives are divorced from launch success, leading to a risk of misaligned behaviors.

3. **"How" to execute varies.** A launch can be bedeviled by inconsistent processes—especially across regions—which often generate confusion and the inefficient use of time and resources. A lack of clarity on the purpose of critical activities may drive people to cut corners, increasing the levels of risk in the process.

4. **Empowerment to sell is absent.** Inadequate preparation of the global sales force, and of indirect channels where relevant, can be a major factor in launch failures. Focusing solely on the technical aspects of a product or service undervalues the need for a balance of industry and functional knowledge, such as softer "how to sell" skills, which many market-facing resources lack. It is all too easy to allow training to lapse or become dated. Keeping certifications current, especially in the fast-moving technology sector, poses significant challenges to organizations, but the cost of falling behind the market is far greater.

A Launch Management Blueprint

Adopting six key principles will help drive effective launch management, control risk throughout the process, and increase the likelihood of success:

- Develop a clear definition of launch success, focusing on critical end-to-end drivers.
- Empower a single, headquarters-based, global launch leader.
- Assign a cross-functional team to support the global launch leader.
- Establish and follow a single, comprehensive launch process.
- Mobilize and enable the market-facing resources.
- Build accountability into the organizational systems and culture.

Clearly defining success

When considering how to determine the success of a product or service launch, align the business around a comprehensive definition that is clearly linked to the company's overarching objectives. Design the definition of success to drive action and accountability across all contributing functions, making it apply to all launches, major and minor ones alike, and having it reflect the end-to-end process, from launch strategy through planning, execution, and monitoring (see sidebar: Defining Launch Success on page 5).

Empowering a global launch leader

To lead the end-to-end launch process, appoint an executive with sufficient authority to deliver on the promise, and accountability for ensuring its fulfillment. An essential participant in the process, the leader takes complete responsibility from the initial approval right through to 90 to 120 days after the launch, depending on the sales cycle. Marketing specialists generally have the appropriate portfolio-wide perspective to carry out this role. For major launches, this leader will be a fully dedicated resource, working on nothing else.

Defining Launch Success

The very first question that should be explored when defining a new, or revamping an existing, launch process is: "How do we define launch success?" Without a clear definition of the ultimate goal, it is nearly impossible to adequately manage the process, mitigate risk, or judge the outcome. Sales data—units sold, revenues—provide a valid and important perspective but cannot possibly paint the full picture. Sales data is backward-looking. It neither allows for the proactive management of efficient launch processes nor supports the launch team to meet sales targets and change course when, where, or if necessary.

In helping clients to build a best-practice launch management capability, A.T. Kearney has developed a comprehensive launch success framework. This framework has been shown to meet the needs of all stakeholders and provide a comprehensive view of whether a launch is likely to be (or has been) successful. Perhaps most importantly, this framework for success helps link launches to a company's primary objectives of raising revenues and increasing margins. This is the money play—through application of this success framework, everyone is reminded of the ultimate goal. This framework contains seven dimensions (see figure):

1. **Resource allocation:** clear allocation of resources and budget to the launch at the time of approval to develop the new product or solution

2. **Marketing enablement:** planning, executing, and communicating (internally and externally) the full marketing collateral portfolio

3. **Channel enablement:** timely development and release of all channel content (direct and indirect), including training and certification materials

4. **Commercial readiness:** validation of the product, services, and solution development and readiness of the end-to-end supply chain

5. **Demand generation:** successfully driving activities to meet committed targets and pipeline through campaign execution

6. **Customer engagement:** driving the entire field-testing and beta process to capture positive references

7. **Market uptake:** successful deployment and lead conversion in the field

This framework, coupled with a comprehensive launch toolkit that embeds defined metrics and a consistent, global launch process and protocol, has enabled multiple clients in the high-tech, software, and telecommunications sectors to dramatically improve their launch management capabilities.

Figure
Launch success factors

Source: A.T. Kearney analysis

Appointing a global launch leader (whether it is a permanent role or a temporary assignment for a single launch) as soon as the launch concept is approved, the budget allocated, and development resources mobilized ensures that the development life cycle is market-driven with a "single throat to choke." Ultimately responsible for the overall success of the launch, the global launch leader is the prime owner of the metrics and budget, measuring and reporting performance throughout the process. He or she also serves as the key interface for all participating functions and regions.

Building a cross-functional team

The global launch leader needs to be supported by a cross-functional team for the full duration of the launch process (see sidebar: A Serial Launch Engine). Carefully design the team to ensure there are no overlapping or redundant responsibilities, appointing individuals responsible for the development and the deployment of the product or service in their local markets. At best-in-class companies, it's not unusual to involve people from a half dozen or more departments. Include as key members of the team the product or service manager with responsibility for development and testing and the portfolio or segment manager who forges the links with the wider portfolio and the messaging around the solution being deployed.

Developing a single, comprehensive process

Make sure the launch is governed by a single, comprehensive process. To manage complexity and ensure alignment across different regions, underpin this process with a protocol that captures all the necessary tasks, right down to the lowest level across all global functions. The protocol will document clear roles, responsibilities, and milestones and be directly linked to core success metrics. It will also be "launch-agnostic," that is, be applicable for all products or services being launched, while accounting for the various nuances that may exist for different launch types (for example, major versus minor). Successful launch management is as much science as art.

Some leading companies also establish clear links in their overall portfolio strategy and process between product launches and product phase-outs (especially given that end-of-life is often tied to a launch of a newer product or product version). This approach creates comprehensive, interlinked road maps to facilitate planning and focus.

A Serial Launch Engine

One of the world's leading software companies has become expert in launching new products successfully. It has established a process-driven approach and a dedicated launch team, whose members are reassigned from their day-to-day roles for the duration of the launch process. The chief marketing officer has ultimate responsibility, while the launch is orchestrated by a "crown leader," typically someone transferred from a marketing position to take on full end-to-end ownership and accountability. With complete budget authority and control, the crown leader is supported by a team of four to 10 dedicated people from various functions, depending on the size and scope of a particular launch.

The company establishes what it calls a "cookbook"-style launch process, which is framed by a formal comprehensive checklist of 300+ activities, deadlines, and responsibilities covering the period from concept to launch plus 120 days. Four months after the launch, all responsibility returns to the marketing team, and the launch team disbands.

Importantly, the entire process is designed for collaboration. "We want to ensure the marketing and engineering teams responsible for the new product remain in sync throughout the process," explains a company executive. "We also want everyone involved to reap the promised rewards— in monetary incentives—following a successful launch."

Effectively enabling the sales function

Every launch needs to involve sales teams that are well-prepared and ready to sell the new product or service. Ensure training is comprehensive, up to date, and defined and tracked centrally, but also tailored to individual and regional needs. Develop and align sales content to the unique needs of every launch, making sure it includes strategic, tactical, technical, and channel content generated by multiple stakeholders (including the customers themselves). Store all launch-related content in a centrally managed library, coordinated by the launch management team.

In the fast-moving technology sector, **ongoing sales staff recertification is a high-return investment.**

Some best-practice launch practitioners employ a SWAT team approach during initial-stage deployments (using a team of focused specialists from the areas of product development, sales, and service) to ensure better customer engagement and references, early issue resolution, and improved sales enablement.

Another useful technique is to draft an aspirational launch press release as soon as the scoping work is finished to enable the organization to grasp early on exactly what the company is offering to the marketplace.

Establishing accountability

Accountability and adequate resources are essential to a successful launch. Every global launch leader should own the overall launch budget, be expected to deliver the proposed targets, and possess the necessary tools to do so. Bake projections and commitments into budgets (global and regional), establish all launch team targets and milestones in the launch protocol, and measure and report every essential step along the path to launch. This is not just to manage risk, but also to encourage the desired behaviors across the cross-functional launch team—behaviors that will be reinforced by meaningful incentives.
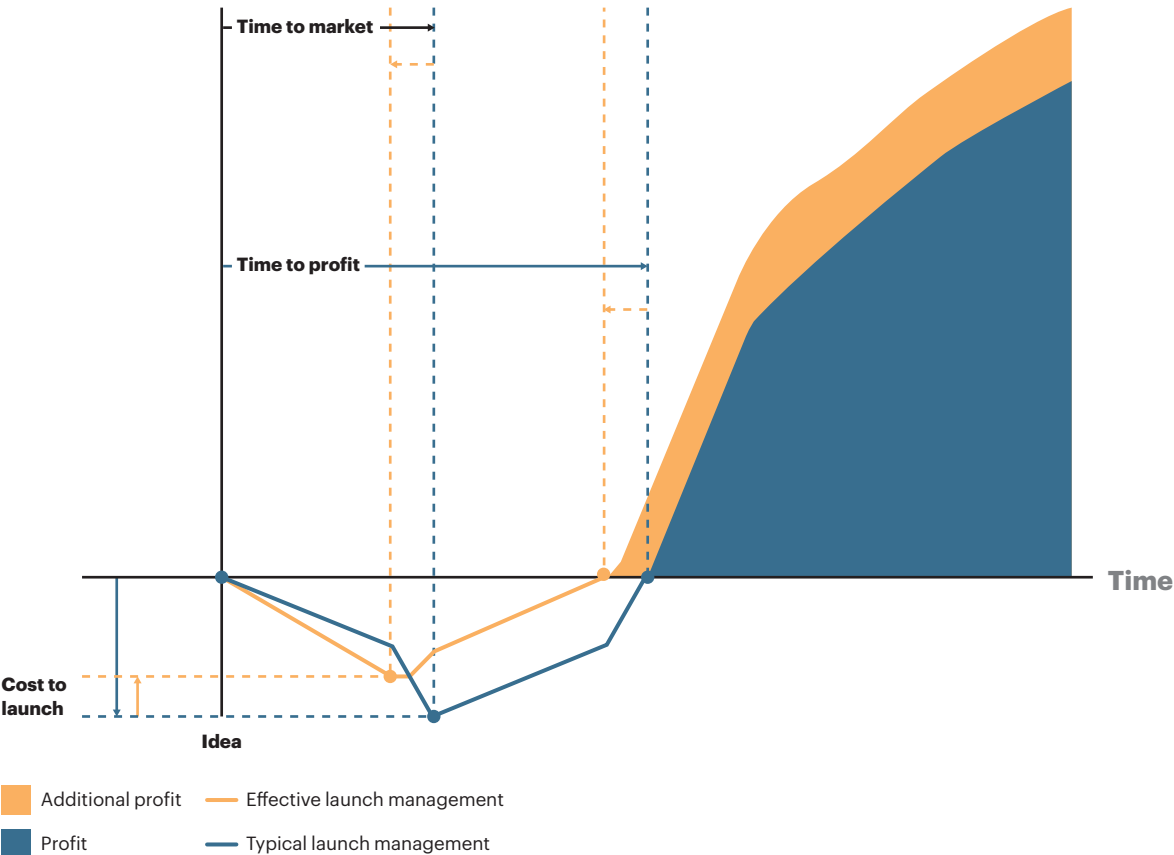
Better Launches, Better Profits

A well-designed, well-orchestrated process will result in lower costs to launch, faster time-to-market, and increased adoption and impact (see figure 2 on page 8).

Increased efficiency

Adopting standardized global processes with clear responsibilities will ensure consistent execution that is aligned with strategic priorities and success drivers. A global approach will also eliminate any potential local or regional redundancies and avoid continually reinventing the wheel. Moreover, consolidating tasks into well-defined, focused roles frees up the time of employees, who may have been multitasking across numerous launch-related functions.

Figure 2
Benefits of effective launch management

Cost and profit

- Time to market
- Time to profit
- Cost to launch
- Idea

Time

Legend:
- Additional profit
- Effective launch management
- Profit
- Typical launch management

Source: A.T. Kearney analysis

Faster time-to-market

With clear and focused responsibilities, specialists on the launch team become more effective in completing key launch tasks. With each successive launch, team members' experience and proficiency improves, which—minus the distractions of other responsibilities—speeds overall time-to-market and, therefore, time-to-profit. Moreover, a well-prepared and well-trained sales staff is able to begin selling a new product or service from the moment it is launched.

Greater impact

A well-designed launch process means selling a new product or service sooner, when customers' interest and attention are at their height. Further, a well-prepared sales staff can capture and understand market feedback, deliver messages, and share best practices with colleagues.

Together, these factors enable companies to capitalize on their launches to increase sales, market share, and profits—benefits that can often extend well into subsequent years.

Recipe for a Working Launch

In fast-moving and highly competitive markets, launch management has become a crucial business process that should be run by dedicated experts. As many leading technology firms from Apple and Microsoft to Samsung and HTC have demonstrated, a well-planned, well-executed launch is crucial to both capturing and retaining mind share and market share on the global stage. Excellence in launch management, a key driver for achieving core business objectives and sustained profitability, now has to be a high priority for any product-driven organization.

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