

# Developing a Product Migration Strategy

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By  
Denzil J. Doyle

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- The only reason why any new company gets formed is because some existing company was not paying attention to its product migration strategy.
- Or was simply not interested in growing.
- R&D roadmaps don't cut it.

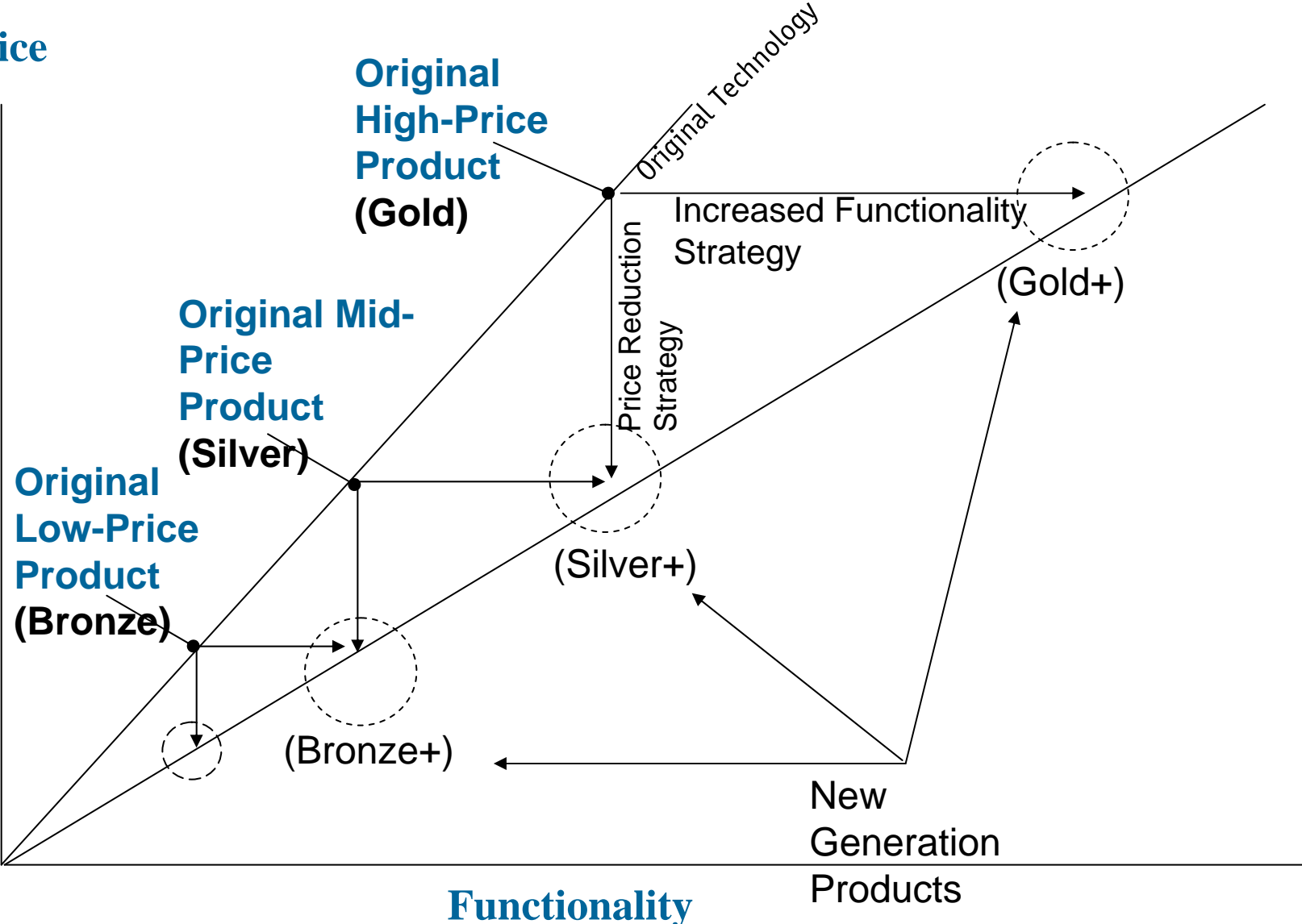
- A Product is a deliverable that is specified by the supplier.
- A service is a deliverable that is specified by the buyer.
- A process can be used to improve products and services - usually results in a new product or service.

- Many Canadian SMEs have difficulty in making the transition from a service oriented company (usually a consulting service) to a product oriented company.
- They use different accounting systems – or should do.
- It's about Gross Margins and *not* People Utilization.

- When you do come up with your dream product (your killer app), put it in the middle of a price/functionality page.
- People buy for benefits, but in the world of high-tech, functionality usually translates directly into benefits.
- And technology dictates the functionality.

# Price / Functionality Chart

Price



Functionality

- The cost is the cost of solving the problem.
- It is easy to assume that your major competitive products are low cost/low functionality – seldom the case.
- Competitors must fall above the line.
- The low cost/low technology product can get you across the chasm easier.
- You migrate all products to the new technology curve when the workhorse product begins to lose steam – a tough decision.

- Your product migration chart should be the centerfold of your strategic plan.
- You should have one for each market or business unit.
- If you don't want to pursue a new opportunity then at least get a piece of the action in the startup that does – the Newbridge affiliate model.
- Thank You.