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Product and Services Strategy for Tech CEOs Primer for 2024

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Initiatives: Product and Services Strategy for Tech CEOs

Product and services strategy identifies market opportunities and positions solutions for successful adoption. Tech CEOs' product and services roadmaps must guide development priorities, pricing and packaging, and launch planning.

Scope

This initiative helps tech CEOs create evidence-based product and services strategies that support critical, growth-oriented go-to-market (GTM) decisions.

Topics in this initiative include:

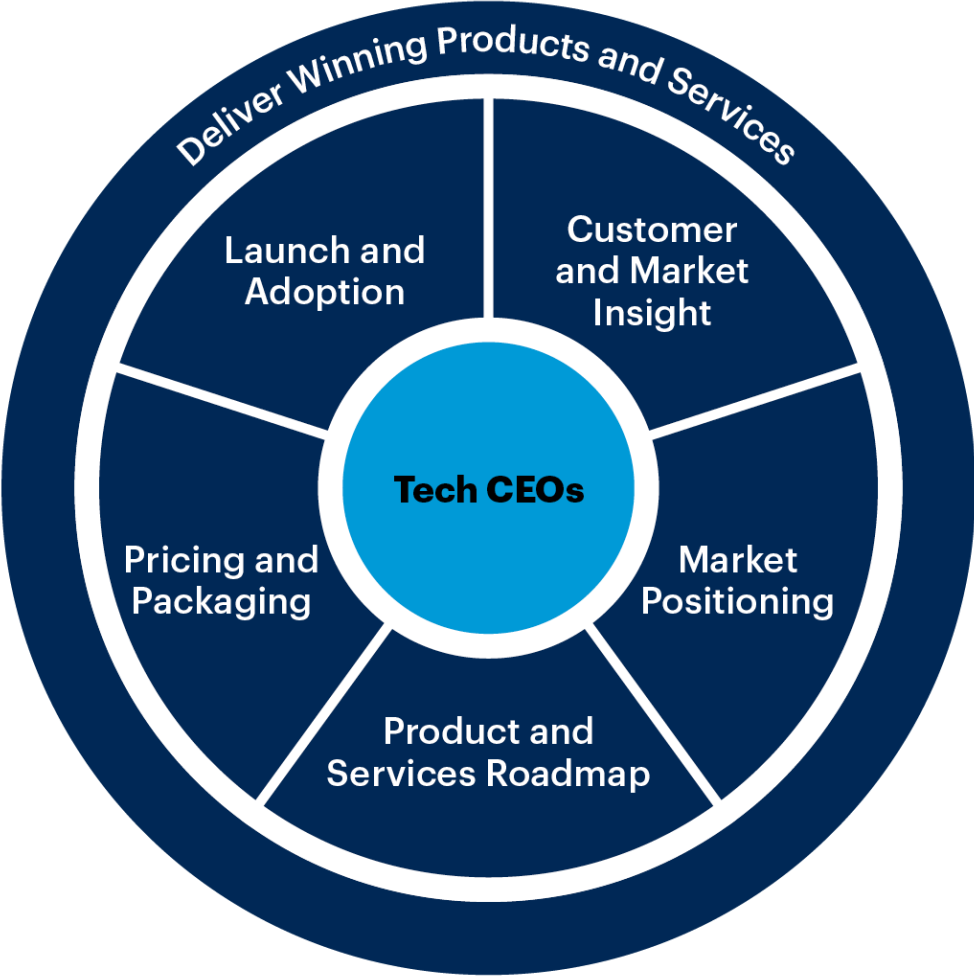
- **Customer and Market Insight:** Assess customer needs, market dynamics and the competitive environment.
- **Market Positioning:** Translate market insights and buyer priorities into target segments and ICPs.
- **Product and Services Roadmap:** Guide solution development roadmaps, processes, priorities and collaborative execution.
- **Pricing and Packaging:** Create flexible and predictable pricing and packaging for growth.
- **Launch and Adoption:** Assess readiness for continuous launches that improve adoption.

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Analysis

Figure 1: Product and Services Strategy for Tech CEOs Overview

Product and Services Strategy for Tech CEOs



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In the 2023 Gartner Tech CEO Survey, more than half of the respondents experienced product-driven pivots, which resulted in 74% changing their product strategy. ¹ Our research also shows that product management leaders in “growth” organizations are more confident in solving the challenge of understanding customer needs (49%) versus those in “no growth” organizations (38%). ² These findings suggest that successful product and services strategies present a tech CEO’s clear understanding of current market dynamics and what target customers need. These strategies must be substantiated with the best available market and customer evidence to give tech CEOs and their teams high confidence in making product GTM decisions.

Effective product and services strategies:

- Use internal and external data to serve as a predictor of differentiation and product success.
- Translate market insights and buyer needs into addressable target segments, compelling value propositions and competitive advantage.
- Bring the voice of the field to product execution by guiding development processes, requirements and priorities.
- Codify stakeholder collaboration to align product teams with GTM business teams and activities.
- Support difficult everyday decisions such as investment prioritization.
- Set up continuous launch effectiveness to improve user adoption through clear launch goals.

The major 2024 trends and themes addressed in this initiative include:

- Generative-AI-supported market research, competitive intelligence and product development
- Product-led growth (PLG)
- Value-based pricing (VBP)
- Voice of the customer (VoC)
- Solution packaging
- The role of services and customer success in product adoption

Topics

Compromising on product and services strategy can lead to significant business challenges for tech CEOs. Internally, a lack of clear direction can cause teams to have excessive ad hoc debate on low-priority, low-business-impact product investments. Additionally, a lack of clear product differentiation can lead to poor launches that impact reputations and budgets, or cause false starts that can have long-term effects on revenue targets. This initiative provides insights needed for planning and making critical product and services GTM decisions, along with top practices for communication and execution.

Our research in this area addresses the following topics:

Customer and Market Insight

Tech CEOs ranked “customer-led” as their top change driver (46%), and 82% of those saw an improvement in their business because of it. Other top drivers included “new market provides higher growth” (44%) and “competition is changing the value proposition in the market” (48%). ¹ These findings clearly indicate the importance of assessing customer needs, market dynamics and the competitive environment.

Questions Your Peers Are Asking

- How do we uncover customer pains and needs not met by existing solutions?
- What market-specific evidence should substantiate market opportunities and our investments?
- How do we gain a clear understanding of the competitive landscape?

Recommended Content

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- Tech CEOs Can Use GenAI to Fast Track Competitive Intelligence
- Strengthen Competitive Intelligence With Win/Loss Analysis for Tech CEOs
- Tech CEO Imperatives: GenAI and HCM Product and Service Strategies
- 3 Steps to Maximize Use of Gartner Hype Cycles for Tech CEOs
- Use Customer Journey Maps to Elevate Product and Services Adoption for Tech CEOs

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- How to use Gartner Hype Cycles to identify top technology trends, buyer feature needs and market opportunities
- How to use “proxies” for noncovered market segments to do market sizing
- How to identify the best low-cost VoC tools and services (e.g., for feature request management, interviews or surveys)
- How to augment and validate market experience with specific competitive intelligence data and communicate it to teams
- How to use generative AI to improve market research and competitive intelligence

Market Positioning

Thirty-eight percent of tech CEOs pivot due to “buyers not [being] able to realize the benefits of the product/service’s intended value proposition,” requiring changes to their segmentation (34%), positioning (57%) and buying team personas (29%). This change is positive, as 91% of tech CEOs said their business improved as a result. ¹ Market positioning efforts are foundational elements of product and services strategy and roadmaps, as well as a multitude of GTM activities focusing on messaging, demand generation and sales effectiveness.

Questions Your Peers Are Asking

- How do we identify target market segments and ICPs?
- How do we design solutions with differentiated value propositions for target markets and ICPs?
- How can we use product/service positioning as a foundation for how we go to market?

Recommended Content

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- Use the TCO of Your Solution to Drive Product Strategy and Differentiation
- Differentiation Is Driven by More Than Just Product for Tech CEOs

- 4 Value Dimensions That Managed Service Tech CEOs Should Use to Focus on the Right Market Segments
- Tech CEOs of B2B2C Solutions Must Position Consumer Value to Win Deals
- Respond to AI Trends by Shaping Your Value Proposition, Target Market Segments and Product Strategy

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- How to use Gartner research to define emerging buyer personas
- How to position an offering that does not fit into a standard market category
- How to pressure-test a value proposition, especially when it's not driven entirely by technology features
- How to differentiate based on "whole product" (e.g., PLG, pricing model), beyond features and capabilities
- How to define positioning for a service and when to create multiple positioning statements for target segments

Product and Services Roadmap

Customers prefer to review a vendor's product roadmap prior to the initial purchase decision, and a vendor's consistent delivery on the roadmap is important to customer retention. Roadmaps are essential as a tool in communicating the product strategy to internal teams and customers. Tech CEOs must use roadmaps to guide solution development definitions, priorities, processes and execution. Our insights combine best practices with expertise in select markets and technologies to highlight areas where provider roadmaps can be optimized and differentiated.

Questions Your Peers Are Asking

- How do we create a compelling product/service strategy?
- How do we collaboratively prioritize, validate and share our product/service roadmap?
- What processes and tools can optimize execution of our development roadmap?

Recommended Content

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- 3 Roadmap Prioritization Frameworks for Tech CEOs
- Tech CEO Self-Assessment: Product-Market Fit
- A Guide for Tech CEOs to Manage Expectations When Communicating Product Roadmaps
- Use Customer Advisory Boards to Validate Product and Services Strategy for Tech CEOs
- IT Services Tech CEOs Must Improve How They Manage and Monetize Assets

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- Top trends impacting product roadmap creation, use and pivots
- Top metrics guiding product strategy, product team effectiveness and product health
- How to find the best balance between product customization and product standardization for effective product scaling
- How to decide between build, buy or partner to ensure product strategy execution
- How to evolve the product team organization to speed up innovation and development

Pricing and Packaging

Sixty percent of tech CEOs adjusted their product/service offerings after their most recent pivot, of which 53% changed their pricing and packaging. ¹ However, only 22% of product management leaders surveyed stated they have “confidence in solving the challenge of pricing and packaging.” ² Tech CEOs need more validation of their pricing and packaging choices against revenue impact, and should look to adopt more value-based pricing models and solution packaging.

Questions Your Peers Are Asking

- How do we determine the optimal pricing and packaging strategy?
- How do we launch pricing and packaging to support product/service growth?
- What are the emerging trends in pricing and packaging?

Recommended Content

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- Ignition Guide to Creating a Value-Based Pricing Model as a Tech CEO
- 2 Pricing Trends That Enable Tech CEOs to Target Complex Use Cases
- How to Package and Price Your Generative-AI-Enhanced Product
- How Tech CEOs Should Use the Gartner Hype Cycle to Guide Pricing
- Tech CEOs Must Prepare to Scale With New Software Product Packaging

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- How to create a value-based pricing model
- How to debug a pricing model
- What items to incorporate into a long-term managed services contract to increase annual recurring revenue (ARR) and customer lifetime value (CLTV)
- How pricing models can allow customers to experiment and encourage increased use
- How to leverage pricing model trends for generative AI solutions

Launch and Adoption

Product management leaders rated “prioritize investments to drive adoption and usage” in the top third of most critical challenges to solve. Yet, only 27% of product leaders from growth organizations are confident in their team’s capabilities to manage product launches. The good news is that out of a dozen trends, 52% of product leaders have stated that PLG has had a large impact on their teams. ² Tech CEOs must assess their company’s readiness to support various types of launches (e.g., major, minor, MVPs) and launch strategies such as PLG that improve adoption among early adopters, users and buyers.

Questions Your Peers Are Asking

- How do we plan for and assess readiness for continuous product/service launches?
- What assets or value-added services can improve implementation/adoption?
- How can we leverage PLG trends to improve user and buyer adoption?

Recommended Content

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- The One-Page Product Launch Plan for Tech CEOs
- Case Study: Make Churn Metrics More Insightful and Actionable
- 3 Critical Steps for Tech CEOs to Optimize Free Offer Conversion Rates
- PLG Actions and Attributes That Set Apart Providers Outperforming the Competition
- Quick Answer: How Tech CEOs Should Set the Right Product Launch Success Metrics

Planned Research

- Good examples of a year-long launch cadence for different size/stage companies
- How to document/communicate launch strategy and test readiness
- How to increase product usage among early adopters
- How to benefit from PLG when you have a complex product
- How to find the right method to improve enterprise end-user adoption

Suggested First Steps

- Best Practices for Tech CEOs to Create a Product Strategy
- High Tech CEO Benchmarks
- High Tech CEO Score

Essential Reading

- Ignition Guide to Establishing Competitive Intelligence as a Tech CEO
- Ignition Guide to Conducting Customer Segmentation as a Tech CEO
- Ignition Guide to Developing a Positioning Statement as a Tech CEO
- Ignition Guide to Creating a Value-Based Pricing Model as a Tech CEO
- Ignition Guide to Creating Your First Product Launch Plan as a Tech CEO

Tools and Toolkits

- Tech CEO Self-Assessment: Product-Market Fit
- Tech CEO Self-Assessment: Problem-Solution Fit
- Tech CEO Self-Assessment: Product Launch Readiness
- Product Leader Self-Assessment: Fit for Product-Led Growth

Evidence

¹ The 2023 Gartner Tech CEO Survey was conducted to understand the steps taken by tech leaders to deliver growth while being dynamic and resilient; the growth pivots they use to optimize growth; and the ongoing course corrections they make to their products/services to address the external and internal changes required to continue a growth trajectory.

The survey was conducted online by an external partner from July through September 2022. In total, 222 respondents were interviewed in their native language across Brazil (n = 29), Canada (n = 20), India (n = 33), the U.K. (n = 49) and the U.S. (n = 91) in technology and service provider organizations. To enable the comparison and contrasting of key trends, quotas were established on key organizational and respondent characteristics. Qualifying organizations operated in technology industries (cloud services [IaaS, PaaS], software [including SaaS], devices and computer infrastructure, and technology and business services), and telecom industries (carriers and communications equipment) with anticipated enterprisewide annual revenue of less than \$250 million for 2022. Qualified participants had the title of founder/owner/co-owner of the organization, CEO/MD, chief operating officer, chief human resources officer, SVP/EVP/head of HR, or VP and director of HR. *Disclaimer: Results of this study do not represent global findings or the market as a whole, but are a simple average of results for the targeted countries, industries and company size segments covered in this survey.*

² **The 2023 Gartner Product Management Branded Survey** was conducted to understand the needs, challenges and key initiatives of people in product management roles from June through August 2023. In total, 283 respondents were interviewed across the U.S. (n = 83), Canada (n = 35), the U.K. (n = 31), Germany (n = 28), China (n = 27), France (n = 25), India (n = 23), Australia (n = 18) and Hong Kong (n = 14). Small base sizes of fewer than 30 respondents should be interpreted with caution. To enable key trends to be compared and contrasted, we established quotas on key organizational and respondent characteristics. Qualifying organizations operate in high-tech industries (cloud services; software; communications equipment; carriers; devices and computer infrastructure; technology and business services; and semiconductors) with anticipated enterprisewide annual revenue for 2023 of more than \$50 million or equivalent. Qualified participants have the title of director or equivalent and above with product development/engineering or product management as their primary job function/department. (Growth = Positive revenue growth for the 2021-22 fiscal year; No growth = Flat or declining revenue growth for the 2021-22 fiscal year.)

Document Revision History

Product and Services Strategy for Tech CEOs Primer for 2023 - 22 June 2023

Product Strategy and Launch for Tech CEOs Primer for 2022 - 4 February 2022

Product Strategy and Launch for Tech CEOs Primer for 2021 - 4 January 2021

Product Strategy and Launch for Tech CEOs Primer for 2020 - 2 January 2020

Product Strategy and Launch for Tech CEOs Primer for 2019 - 2 January 2019

Related Priorities

Initiative Name	Description
Scalable Business Operations for Tech CEOs	To achieve scalable business operations, tech CEOs must focus on practices and strategies that help them effectively attract and retain talent, manage operations, predict finances, and measure KPIs.
Corporate Development and Growth Strategy for Tech	This initiative provides best practices and strategies to improve lead and demand generation, run effective programs to increase direct and indirect sales, and grow customer relationships.
Corp. Development & Growth Strategy for Tech CEOs	This initiative covers corporate development and expansion actions technology providers must pursue in planning and executing strategies for growth. beyond their current products and customer segments.
Emerg. Tech & Trends Impact on Products & Services	Use this initiative to discover, strategically assess, monetize and integrate emerging technologies and trends (ETTs) in products and solutions.

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