

Module 3. Product Development Strategy

When you consider development and strategy within sport, the sport organization must look at the overall mission and objectives of the organization, the state of the organization, and the capacity to venture into the new product launch cycle. In this module, we will look at the strategies and objectives to be considered when going through the product and service management process, the different concepts related to new product development, the product management plan, and the different roles to be played and actors that will be involved for each organization in this process. By using the pre-planning process to understand the organization and its current state, we have established the foundation. We will use this foundation and the information we have gathered to formulate the strategies and objectives for the product and service management process of our organization. Now that we have the foundation, we can look at the different objectives that may be in place and the strategies to achieve those objectives of where we want to go and now to answer how we get there.

3.1.1 Objectives and Strategies

When developing a product and/or expanding on the current product portfolio, the sport organization needs to develop objectives and strategies that will help position themselves within a standard of excellence in the sport industry. The objectives during this stage of product and service management are answers to the question “What do you want to happen?” and the strategy planned is an answer to the question “How are we going to get there?”. As mentioned in the previous module, the organization’s executive and its senior management team will be the ones providing an answer to these questions with input and data supplied by multiple sources within the organization. Keep in mind that your sport organization will have several different objectives and strategies on how to get there, as well as specific objectives and broader objectives as well. For example, an organization may have the objective to increase the return on invested capital to 25%. Although this may be a financial objective, it could tie directly into your objective as the product manager and product marketer. In a way, this financial objective will directly relate to those roles, as most objectives are built on a pyramid effect that is related to the specific strategic plan. Below is an example of how a strategic plan objective in a sport organization can start from the top and trickle down into the product and service management process that it affects.



STRATEGY

We're all 'Creating the New' – because we believe that, through sport, we have the power to change lives

Everything we do is rooted in sport. The good news is that sport plays an increasingly important role in more and more people's lives, on and off the field of play, so we operate in a highly attractive industry. We push the boundaries of products, experiences and services to drive brand desire and capitalize on the growth opportunities in sport as well as in sports-inspired casual and activewear. However, the importance of sport goes far beyond that. Sport is central to every culture and society and is core to an individual's health and happiness. Therefore, we believe that, through sport, we have the power to change lives. And we work every day to inspire and enable people to harness the power of sport in their lives.

ON A CLEAR MISSION

We want to be the best sports company in the world. What does that mean? Well, to us 'best' means that we design, build and sell the best sports products in the world, with the best service and experience, and that we do so in a sustainable way. But 'best' is also what our consumers, athletes, teams, partners, media and shareholders say about us.

WITH A SOLID PLAN

'Creating the New' is not only the attitude that leads us into the future, it is also the name of our strategic business plan until the year 2020 to accomplish our mission. At the core of Creating the New stands our ambition to further drive top- and bottom-line growth by significantly increasing brand desirability. We therefore focus on our brands as they connect and engage with our consumers.

We know that, in order to be successful, we need to get closer to our consumers than ever before. To achieve that, our plan is based on three strategic choices: Speed, Cities and Open Source. For more information around these three choices, please scroll further down. But ultimately, Creating the New has its powerful foundation in our unique corporate culture. We have great talents in our organization who work with passion for sports and our brands. It is our people that

bring our strategy to life and make the difference in achieving our long-term goals.

OUR STRATEGIC CHOICES

Our business plan is built around three strategic choices that will enable us to focus even more on our consumers:

- Speed – How we deliver: Putting our consumers at the heart of everything we do and serving them in the best possible way means that we need to ensure that they always find fresh and desirable products where and when they want them. We will become the first true fast sports company.
- Cities – Where we deliver: Urbanization continues to be a global megatrend. Most of the global population lives in cities. Cities are shaping global trends and consumers' perception, perspectives and buying decisions. We have identified six key cities in which we want to over-proportionally grow share of mind, share of market and share of trend: London, Los Angeles, New York, Paris, Shanghai and Tokyo.
- Open Source – How we create: This is all about collaboration and innovation. About learning and sharing. We are opening the doors of our brands inviting athletes, consumers and partners to co-create the future of sport and sports culture with us.

CREATING THE NEW ACCELERATION PLAN

To foster our brand momentum and accelerate sales and earnings growth, we introduced a number of initiatives that we will focus on in addition to the three strategic choices and our corporate culture – Portfolio, North America, Digital and ONE adidas.

- Portfolio: This is all about more focus and less complexity. We are constantly revisiting and sharpening the focus of our brand portfolio, fully concentrating on adidas and Reebok and on our core competencies in footwear and apparel. This will allow us to reduce complexity and pursue our consumer in a more targeted and consequent way.
- adidas North America: North America represents the biggest market in the sporting goods industry with a total share of approximately 40%. It is the single biggest growth opportunity for the adidas brand. That is why we have made North America a strategic priority and started to significantly increase our investments into our US business – people, infrastructure, marketing and point-of-sale – in order to be more relevant and always visible to the consumer.
- Digital: The digital transformation is fundamentally changing the way our consumers behave and the way we work. Technology has enabled us to build more direct relationships with our consumers.



With our relatively young workforce we are in the unique position to continuously improve our digital capabilities – not only to interact with the consumer, but also to become faster, better and more efficient in every part of the organization.

- ONE adidas: We continuously strive for operational excellence. ONE adidas encompasses a set of initiatives that will enable us to work smarter, more efficiently and in a more aligned way. Because we know that when we act as one global company instead of 20 smaller ones, we can only get better. (Adidas, n.d., <https://bit.ly/2DNcK8F>).

As you can see from the example above, Adidas has general organizational objectives which had good effects on every aspect of the organization, including the product and service management process. These organizational objectives often answer the questions of where we want to go and how we get there. Within the sphere of a product manager, as well as that of a product marketer, it is essential to realize what the strategies and objectives of each organizational mission are and to inform your staff about them. This is a two-part process in which you have to be involved and engaged as a senior sport executive to have a good understanding of where the company is going and the reasons why the company is heading that way. The second part of this has to do with being able to inform and educate your staff on these issues as that will directly impact the understanding they have of the processes being implemented as well as of the resources being allocated to specific projects. Being a product manager and/or product marketer involves more than just being able to manage the products and services that are being offered. Rather, it is about managing the people and processes around those products so as to maximize efficiency, increase morale, and have everyone truly buying into what the product and service is and how this benefits the organization as a whole.

3.1.2 New Product Development

When the strategy and objectives of your organization are considered, it is often assumed that you will only need to improve on the current products within your portfolio and that no new products will be brought into the market. Sometimes this is the case, but many times, it is the invention and introduction of new products what can drastically change the direction and position of organizations within the sport industry. While observing the different markets and products within the sport industry, one can see the drastic changes that can be made to one's product portfolio when the same standards of excellence and market placement displayed by successful organizations in the past are applied. Though these new product developments do not necessarily have to be completely new for the market in general, they can be new to your organization. When you consider your portfolio, you can assess the needs fulfilled in terms of what to introduce into the market and how to do that introduction. When a new product is brought to the table by an



organization, there are certain tools, techniques, and concepts that will provide you with a vision and clear roadmap of not only what you should bring to the market, but also of how you should launch it.

Appeal to the consumer – This idea might sound simple, but many times organizations become too complicated when they try to develop new products. When looking at the introduction of new products, the organization should always have the sport consumer in mind. This is especially important as the sport organization should be looking to leverage the consumer information accumulated by having entered into the sport consumer's mindset. As the sport consumers' needs and wants are fulfilled, and their passions are tapped into, a natural link is being developed to the product. Often, while engaged in the process of new product development, the sport organization has to strategically plan around the idea of resorting to what they already have, which is the sport consumer's attention, and maximizing the level of interest and passion that is connected to it. Frequently, it is not about creating a new passion or interest, but rather it is about using the existing passion to broaden the number of products and services you are offering.

Know your past – By doing the product portfolio review, as well as recognizing your company's strengths and weaknesses, you should have a solid idea of who you are as an organization and what your capacity is. A thorough understanding of your past successes and failures lets you know what has the possibility to succeed and what does not. This is not only true for the sport organization, but also for the sport executives themselves as they go through the product management process. When a new product is being developed, it is imperative for the sport executive to be able to know what they are capable of, what their team members are capable of, and what their organization is capable of.

Origin of ideas - As a sport organization, being lean with your staffing and organizational structure is usually a must. This is true because budgets need to be met and there is usually a great amount of capital being spent on departments other than research and development. Except for some big sport industry conglomerates such as Nike and Adidas, just to name a few, many smaller sport organizations do not have the capacity and/or time to have specific departments dedicated to researching and developing new ideas. This begs the question regarding the origin of your new product ideas. Having said that, the sport executive and their organization must use many different resources to come up with new ideas and products for themselves. A lot of times these ideas come from other competitors within the industry, from industries outside sport, or from personal experiences while engaged in sport. Some of the most successful products and/or services come from life experiences, and sometimes out of need. One of the fastest growing organizations within sport, the UFC (Ultimate Fighting Championship), was sold for the amount of "\$4 billion, [which] it stands to be the most expensive transaction for an organization in sports history" (Rovell & Okamoto, 2016, <https://goo.gl/FgqGeR>).



Below is an example of how the process for creating new ideas began at the UFC, and of how ideas for sport and sport organizations can come from the most unlikely of places and/or situations.

Rorion Gracie and the day he created the UFC

Royce Gracie shocked the world at the first edition of the Ultimate Fighting Championship on Nov. 12, 1993.

UFC's history, however, started over two decades before.

The Gracie family had established a respectful history in Brazil with Helio, Carlos and Carlson fights. It was time to expand their knowledge to another market, and Rorion Gracie decided to move to the United States.

As he already expected, it wasn't that easy.

"I came to the U.S. for the first time in 1969 and but [*sic*] I got robbed, they took my flight tickets and money, so I had to stay here for a year," Rorion Gracie told MMAFighting.com. "It was an interesting experience that made me more mature, and I made some good friendships here. I had to sleep in the streets, my bed was a pile of newspapers, but that experience made me grow a lot."

Rorion Gracie eventually returned to Brazil and graduated from law school, but he couldn't forget his plans to spread jiu-jitsu in the United States.

"When I got back to America, I put a jiu-jitsu mat in my garage and asked everybody to take a class with me, and everybody liked it," he said. "I spent 10 years teaching jiu-jitsu in my garage. Most of my students said their karate, boxing or muay thai teachers said they were wasting time with jiu-jitsu, and I always invited the teachers to come train with me inside my garage. I beat them all, and some of them became my students in the end.

"It all happened over and over again, a hundred times in ten years, but I realized I had to leave my garage if I wanted to introduce jiu-jitsu to the world, and I knew I would need the TV to do it. That's when I had the idea to create a tournament where every martial art would fight to see which one is the best, and that's where a skinny Royce Gracie started all this."



The Gracie family had done those type of challenges in Brazil decades before, and it worked perfectly to make them famous -- and feared -- all over the country. Even the president of Brazil took jiu-jitsu classes and watched Helio Gracie's fights live, but Rorion had to come up with something spectacular.

John Milius, writer and director of dozens of movies and TV series, was one of Rorion Gracie's students at that time, and he helped him create the famous Octagon.

"The TV guys loved the idea," he said. "It was unbelievably crazy, but they loved it. I used to teach John Milius and we started wondering how we could create a ring where the fighters couldn't escape. I've seen a lot of fighters escape through the ropes when they're getting beat. We came up with the idea to build a tank full of sharks or alligators around the ring, or maybe an electric fence. We considered everything, but in the end we came up with the idea of an octagon."

Helio Gracie, Rorion's father, approved the project.

"Helio loved the idea," he said. "I was alone in the U.S., working hard to build Gracie jiu-jitsu. I found out that we could do a fight with no gloves or rules in Colorado, so it all worked out. Everybody loved the idea and my dream became true."

The major issue inside the family at that time was "why Royce Gracie?" He was one of the most inexperienced fighters in the clan and clearly not the best option to put into an openweight "Vale Tudo" tournament.

"Why not?", Rorion Gracie replies.

"Everybody told me to pick Rickson Gracie," he said. "He would be a huge success, he would obviously beat all of them, but the reason why I picked Royce is because he's a tiny, skinny guy, and that would prove that jiu-jitsu is a better martial art no matter who you're fighting. If Rickson goes there and wins, big deal! He's huge. It would be like a tank running over everybody. The idea was showing that even a small guy could beat a bigger opponent using jiu-jitsu."

Only 2,800 fans went to the McNichols Sports Arena in Denver, Colorado, to watch UFC 1, but can still be considered a success.



"We made some money, yes," Gracie said. "We expected to sell 40,000 pay-per-views with that first edition and sold 85,000. After that, we sold 120,000. It grew fast. By the second or third pay-per-view, Forbes called the UFC the most successful franchise in pay-per-view history."

It was great, better than he expected. So, why did he sell his share of the company and leave? Blame Royce Gracie vs. [Dan Severn](#).

"We had two hours to air the event in pay-per-view, and we had fights with no time limit or weight divisions, just two guys going in there to brawl and finish the opponent to win," he said. "That was the idea when I created the UFC. But when Royce fought Dan Severn at UFC 4, the whole event lasted two hours and three minutes. The pay-per-view went off and nobody saw the end of the main event. We had to send them tapes of the fights, return their money... It was crazy."

"At UFC 5, my partners Art Davie and Bob Meyrowitz said we had to change the rules because of TV, so I realized that the TV had changed the philosophy of my tournament. I wanted real fights on TV. My partners wanted a TV show with fights. They were the pockets of the UFC at that time, and I disagreed with them, so I left. I sold my share of the company and left, and I don't regret it. I wasn't there to make money. I just wanted to show jiu-jitsu to the world."

They lost tons of money with UFC 4 pay-per-view fiasco, but it turned out to be a great promotion for the brand after all.

"On the other hand, it was the biggest publicity we could get," [he] said. "We made ten times more money with the publicity. People went crazy about that fight, everybody wanted to see it but they couldn't. Some people called me on the next day saying 'Rorion, you're a genius. Everybody wanted to see the fight and you turned that off.' They thought I did that on purpose."

Rorion Gracie hasn't attended a UFC event since 1995, when [Ken Shamrock](#) fought Royce Gracie to a draw after 36 minutes at UFC 5. He doesn't like to watch fights anymore, but he will make an exception on Nov. 16.

"I don't watch the UFC anymore, but [Dana White](#) called me to go there on Nov. 16 and I'm going," he said. "I said 'of course, man, I want to congratulate you'. The fact that I don't watch it doesn't mean it's not good. They have a lot of great fighters there. But my dream is



complete. When they started training jiu-jitsu, my mission was accomplished.

"It's the fastest growing spectacle in the world today. Dana White built a great entertaining program, but it just doesn't have the same educational value that it had before. We had a competition between martial arts, and now we have a competition between athletes. Everybody learned jiu-jitsu as I planned when I came to America. Today, my goal is to help people change their lives with the Gracie Diet." (Cruz, 2013, <https://goo.gl/iXCH8d>).

As shown by this example, when you consider sport products or services, you are not always referring to tangible products or services. As mentioned in the previous readings, the idea of experiences or life-changing events are aspects that the sport consumer responds to. The development of these ideas is essential to fulfill and serve the sport consumer's wants and needs in the context of their passion. As sport executives, it is upon us to create these ideas from all possible sources. It is by drawing from all aspects of life, and by developing these new ideas, that the best ideas can be created.

Two ways in which you can make your staff, and yourself, adopt a different mindset to start thinking outside the box is by having brainstorming sessions and innovation retreats. It is always advisable to hold these brainstorming sessions in locations away from the workplace so as to enrich the experience of thinking outside the box. By giving your staff and yourself the freedom to become a creative tool for new ideas, you change everybody's mind focus regarding what is possible instead of having the focus on what everyday office activities should be. These engagement activities are two good examples within businesses of how great ideas are created. Whichever direction is chosen to have innovation from within, it is important to realize that everyone within your sport organization has an idea for something new or improved that can be brought to the table.

Organizational Mission – In addition to coming up with these new ideas, the sport executive has to become aware of and recognize where these ideas fit into the organizational mission and the industry of that particular organization. As mentioned previously, the idea itself can be great, but if it is not in alignment with the organizational mission and long-term objectives, then it is not applicable to that particular organization. This does not mean that the idea has no life and should be shelved forever. In fact, many of the spinoffs from organizations, leagues, and concepts within sport have come from ideas that did not fit with the current organization at the time. So, this is something that should be considered by the sport executive and senior level management while they engage in the idea generation process.



Launching the idea – As we consider new ideas and the way in which products move from the idea phase into the launch phase, we will be focusing on production management and the launch process. Before launching an idea, a sport organization should do its due diligence in many different areas of expertise within its own organization, the industry, and the market in general. A lot of these pre-launch concepts are covered in the pre-planning phase of the product management process. Once the pre-planning phases are finished and the product is given the green light by the senior level management team, the product marketer and product manager spheres must work together to devise the most efficient and profitable ways to launch the product. This often depends on certain market conditions and product objectives laid out in the product management plan. These details will include those of product promotion, sales, and other options that are being considered. The launch of physical products will often be determined by the physical operations and capacity required to properly produce the products. With intangible items, on the other hand, it will depend on the season of the sport organization, as well as on the different market conditions affecting the organization at the time. Once a general concept and overview of all these different characteristics is obtained, a decision is made regarding the launch based on the executives input that considers how to maximize its effectiveness.

When launching a product, it is always important to keep in mind all the options available to you as a senior sport executive. Being able to utilize all the resources available, and to leverage any already existing business partnership, will be key in maximizing the product's growth and potential. Although, even with a successful launch, a substandard product cannot withstand the test of time. This is the reason to have established the proper product selection procedure in the product management phase. However, when you have an exceptional product and a successful launch, it can be catapulted into next level performance. This can be found in examples everywhere within the sport industry, but often it is in the apparel industry that these launches are the most noticeable. Launches in this industry have become such important events because of the media buzz and hype that is created around the introduction of a new item of clothing or sportswear into the market. When they consider how to benefit the most from this hype and buzz, the best of the sport organizations capitalize and display that they are thinking outside of the box. The following example shows how the sport apparel giant PUMA chose to partner with celebrities and utilize their social media influence to re-launch some of its new products.



Leaders of the new school: How Puma is making its basketball comeback in the NBA

After 20 years in the basketball wilderness, Puma is has [sic] made a splash in the NBA and they're not doing it quietly.

The disruption began around the 2018 NBA draft, which saw Puma sign five of the top 16 draft picks, including Deandre Ayton of the Phoenix Suns (No. 1), the Sacramento Kings' Marvin Bagley III (No. 2), Kevin Knox of the New York Knicks (No. 9), the Denver' Nuggets' Michael Porter Jr. (No. 14) and Philadelphia 76ers Zhaire Smith (No. 16).

The draft splash marked the first time Puma had signed a player entering the NBA draft since Vince Carter in 1998, giving the brand a youthful, fun energy and a fresh start in the game.

They moved quickly, securing the services of established names in Golden State's DeMarcus Cousins, Boston's Terry Rozier, San Antonio's Rudy Gay, Toronto's Danny Green and WNBA All-Star Skylar Diggins-Smith, with the brand becoming an official marketing partner of the NBA in February 2019.

Capturing a core group of stars gave Puma the young, fresh platform it wanted, kicking off a series of unconventional, marketing campaigns in order to set themselves apart from the industry standard.

Their revival came at the right time, with the NBA removing all restrictions on footwear, leaving players free to wear whatever colourways they want, including custom designs.

"The biggest thing for me was just the creativity behind it," Cousins told Nice Kicks in an interview last year.

"It was a more genuine and authentic feel for me, and I like to pride myself on that same thing. Just that alone took it to the next level for me. The creativity is just through the roof. They do things differently. It's not your regular shoe company.

"They like to do things wild and different. I'm kind of similar in those same aspects. We had a lot of things in common, and I just felt like we could come together, collab on a lot of different things and help grow the hoop business with Puma."



Central to the revival has been rapper/billionaire/mogul Jay Z who was appointed Creative Director of Puma Basketball, creating a link between the brand and his sports agency Roc Nation Sports which reps Gay, Green, Smith and Diggins-Smith.

But it wasn't just clients Jay-Z was bringing, the rapper is using his influence, creativity and marketing acumen to help cultivate the brand and the culture around it...not to mention the Puma jet, frequently used by their endorsers as well as serving to help pitch sneaker free agents.

[The late rapper] Nipsey Hussle headlined the brand's foray into music and culture alongside pop stars Rihanna and The Weeknd and rappers Meek Mill and Big Sean, giving the brand a holistic grip around basketball and the culture that surrounds it.

After a year sidelined with an Achilles injury, DeMarcus Cousins made his debut for the Golden State Warriors in January 2019 against the Clippers in Los Angeles, Hussle's hometown, rocking a pair of Puma Clyde Court PEs, emblazoned with Hussle's mantra "The Marathon Continues."

From established NBA stars, to rookies and entertainment figures, Puma has collected a roster of talent that rivals its competitors, continuing to push the boundaries with deals with ESPN personality and former NBA player Jalen Rose, current Dallas Mavericks assistant coach and cultural icon God Shammgod as well as celebrity NBA trainer Chris Brickley.

"I've always loved Puma," Rose told HoopsHype in April 2019. "It takes me back to when I was young, back to when Puma was the brand. They were my favorite brand, and that's not me being phony. As somebody who wears a size 15, I had a couple spots where I could always get my Pumas, but my spots started to dry up. Before you know it, I was like, 'I need to find a way to get some more suede Pumas!' Then, I joined Roc Nation Sports, which has a partnership with Puma.

"The first thing I said was, 'Please put me in contact with Puma to see if a partnership is something we can make happen.' I told them, 'It's not about the money, I'll wear them for free!' I made it clear that I'm a fan of what they do and as long as they have my size, I'm good! Obviously, I didn't have to go to that extreme, but the partnership



wasn't forced. There are people who get offered endorsements and, depending on how much they'll get paid, they'll wear stuff even if they don't love it. I actually love Puma. It's a natural fit. I'm just excited I get pairs in my size again."

Prior to their 2018 re-launch, Puma enjoyed a rich history in basketball, boasting a roster that included Isiah Thomas, Vince Carter, Nate "Tiny" Archibald, Alex English, Ralph Sampson, Manute Bol, Cedric Ceballos, AC Green and the original legend, New York Knicks Hall of Fame point guard Walt "Clyde" Frazier.

Tracing back to their roots, Puma launched the Clyde Court Disrupt in October 2018, the first signature shoe of the new era, followed by the Uproar Charlotte ahead of 2019 NBA All-Star Weekend.

The colourful knit sneaker remixed their first signature shoe, the Puma Clyde, originally made for Frazier in 1973. At the time, Frazier was Puma's only signature athlete, but also the first player to get his own shoe.

"For me, it was a big ego trip," Frazier said in 2015, "because I was the only guy in any sport that had a shoe named after him."

In May 2019, Puma went back into the archives re-releasing the Ralph Sampson OG Puma sneaker, continuing to tap into the nostalgia that still surrounds the brand. Sampson became the face of Puma basketball in the 1980s after he was selected with the first overall pick by the Houston Rockets in 1983.

With the NBA draft coming up on June 20, expect Puma to add to their already stacked roster as they continue to grow their legacy and develop the faces of the brand.

The only questions is: Who's next? (Kidane, 2019, <https://bit.ly/2MCXZv4>).

When launching the different products within your product portfolio, it is always good to be cognizant of your brand and the brand management process. Often the sport consumer will associate your brand and the value of your products with the buzz around the product release and their demand immediately after the launch. A new product launch development process and the product management process in general are essential for every sport organization, especially in today's fast paced and constantly-changing marketplace. As part of this launching process, the sport



organization must have the proper sales and distribution channels ready to execute in a precise and clean manner the *Place* and *Process* parts of the 7Ps of marketing (Product, Prices, Promotion, Place, Packaging, People, Process, and Physical Evidence) (Booms & Bitner, 1981). Having a successful launch does not only mean having the ability to create this media buzz, but also being able to capitalize on it in the most profitable manner.

Evaluation of the product – Having the new product launch plan and the product management plan in place will be key to the product's performance. How will you know, however, how successful has it been and what measures will you use to judge this? The answer to this is in the financial management of the product and the utilization of the KPIs (Key Performance Indicators) mentioned in the previous reading. It is absolutely essential for the products success to have a standard set of KPIs. This is done to be able to effectively analyze and evaluate each product. It is important to keep in mind that this process is imperative for every product in the product portfolio, but especially for the new products. The reason for this is that those products are the ones which have the largest amount of unknown aspects because of the lack of historical internal data. Being able to evaluate and adjust new products in ways which are beneficial to the sport organization will be an asset for the most successful organizations within sport. The lack of being able to adapt also will often result in the downfall of those which are not as successful. In order to do this, you must have a solid sense of all the aspects of the product, the market it is in, and the organization's capacity.

Using these concepts in the development of all the new products, as well as the many tools and techniques available in the product management plan, will lead to a great success for your sport organization in its product and service management process. Truly understanding everything that goes into the product management plan, and everything that is involved in it, will be a process that every sport executive has to learn for themselves and educate others on throughout their career. Now, we will focus on an overall view of the product management plan and its components.

3.1.3 The Product Management Plan

When you have these objectives and strategies in place for your organization, a specific product management plan must be devised to achieve them. Before the product management plan is executed, the senior sport executive and their team must conduct proper research and set up suitable channels to achieve this plan. The product plan should be extensive in many different aspects and should answer all of the questions in relation to the precise and detailed roadmap outlined to achieve true success for the product. The written product plan should include the following:



- Executive Summary – A one-page document summarizing the product plan in general with key points to be considered by the top executives and stakeholders within the organization. These should include how the product and/or product line ties into the company mission as well as the product's overall objectives.
- Historical Data of the Product's Performance – Data should include past performance of the current product and a summary of why the performance may have had any variables. If the product is a new product, this section can include benchmarking from existing products within the market and sales forecasting.
- Product Objectives – This section should include the product's long-term objectives and/or the product line that fits within the corporate strategic plan. This is intended to provide a more detailed explanation of the broad objectives in the executive summary.
- An Analysis of the Product's Opportunities and Challenges. This section is similar to a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, but it will be used to address any concerns and foreseen problems related to the product and/or service to be offered. When listing these products and services, the solutions to address the problems related to them should be mentioned as well.
- Compiled and Analytical Breakdown of Sales Forecasting. This a data driven segment of the product plan that includes all the forecast sales figures produced and analyzed in the pre-planning research phase, as well as the different forecasting methods used.
- Profit and Loss Projections. This section is sometimes combined with the sales forecasting section of the product plan. It should, however, go into detail regarding exactly how efficient and profitable the product will be. The financial KPIs that will be used to address the product may also be put in this space.
- Marketing Objectives. List the product's marketing objectives and how these will tie into the overall objective of the product as well as that of the organization's marketing mission.
- Comprehensive Marketing Plan:
 - Product Position Statement. This statement will mention the position of the product within the market and the aspects that make it marketable to the sport consumer. This statement will be part of the marketing mix used in the marketing plan.
 - Target Markets. This section, which is a result of the segmentation process, will delve into the specific markets being targeted for the product. Market segmentation will be based on geographic, demographic, psychographic, and behavioral factors. Within this section, there will often be a list of the primary market as well as the secondary markets of the product and/or service.



- Product Strategy. This section of the marketing plan is essential for your product and can contain many different objectives and strategies depending on the complexity of the product and/or product line included in the product management plan. This will include such items as product description, improvements and tweaks made to the products, and the strategy for each individual product, along with the reasoning for each of these concepts in relation to product strategy.
- Pricing Strategy. This section will include pricing for the individual product(s) and also the pricing strategy for the product(s) and/or product line. It is essential to include the data by means of tables and/or graphs to demonstrate the capacity of this pricing strategy to the organization's executives.
- Promotional Strategy. This will include all the areas of promotion of the product and will be managed by the product marketer sphere of the organization. It should be detailed and comprehensive including all traditional media, new media, as well as any promotional events scheduled for the product. Besides the advertising benefits of new media, there should be a cost table associated with each individual outlet that can include multiple different partners both on the national and local level, as well as those partners who will be utilized in trade scenarios by leveraging already existing assets within the marketing portfolio.
- External Sales Strategy. This section of the marketing plan will include the distribution channel through which the sales channels of the product or service are executed, as well as the different levels of engagement of each staff member on the external side of the organization. It is best practice to have a detailed report of already established sales forecasts for each distribution channel as well as goals and objectives for each selling department if it is applicable to the product. If any sort of bonus or compensation program is involved in the product, it is customary to mention it in this section as well as in the section related to the item's goods and services costs. Having a detailed breakdown of all the sales and distribution channels involved, and the preset targets for each one, is a good way to utilize proper sales KPIs related to the product and service's performance across multiple channels. This is also used to evaluate how those channels are performing at different points of the product life cycle.
- Operational/Staff Requirements. This section would include any operational staff requirements that could be used and/or needed, as well as any additional requirements to the already existing capacities in place. If a product or service is going to require an additional amount of resources to be brought in, and/or any services being contracted out, it is best practice to have them in the product management and marketing plan. These resources can include using outside salespeople, developing



contracts, and/or any training that would be involved in the production management and marketing process.

- Competitive Analysis and Research. This section should be included in the marketing plan and should already be compiled as a result of the pre-planning process. Although the data for the existing product will be included in the historical performance, this section can be included as an extra resource for the executive management to reference when discussing different market conditions that exist, and are prevalent at the time, for the product.
 - Timeline. This section should provide a comprehensive overview of all the marketing and promotional activities related to the product and/or service. Although some of these items will be part of the bigger product management timeline and roadmap, a detailed marketing and promotional timeline should be included in this section.
- Overall Product Management Timeline and Roadmap. This section of the product management plan will include essential deadlines/target dates pertaining to the product and/or product line. It is essential to have this timeline encompassing all departments and spheres (product manager, product marketer, and senior management) to ensure everyone is on the same page and aware of key dates.
 - Staff Roles and Responsibilities. Depending on the size of your organization, this section may be needed to have a breakdown of the individuals assigned to a specific project together with their roles and responsibilities. Some product management plans will have this in a table to show each staff member their role/responsibility, and the deadline when they should meet certain outputs. This can be especially helpful if a large amount of the workforce works remotely and/or is not in constant communication with certain department executives. Although this can be regarded as too large a document to undertake and include in the product management plan, it is sometimes necessary, and it can become a product managers' reference guide regarding who they need to contact during the project's process.
 - Notes (if needed).
 - Precise Strategy Plans for Multiple Products (if dealing with product line and/or multiple products).

Having this comprehensive plan constitutes an essential part of your product and service management process within the sport industry. As with the marketing plan of sport products, it is imperative that a lot of the groundwork and behind the scenes work is done in the preparation of the product management plan. By having this foundation of information, research, data and analysis, and applying it to the strengths of your organization, you will be able to succeed in the product and service management process. The organizations which are successful within the sport industry maintain excellence throughout these processes, all the while



maintaining some flexibility within their framework so as to be able to adapt to the ever-changing market conditions. That being said, as a senior sport executive you must hold yourself and your team to the same standards. Having the flexibility to adapt to the available resources you currently have as well as being able to maximize these resources will be key in your success as a leader within your organization and within the sport industry as a whole.

3.1.4 Product Team Management

Managing the Product Management Team

As each sport organization is different in its size, capacity, and ability to form a whole product management team, we will focus on concepts on how to properly manage your product management team that can be applied whether you are the manager of a large or a small group. When focusing on team management, we will deal with the concepts of actors, roles, commitments, and accountability.

Actors. Focusing on the actors within your organization has to do with hiring the most talented and qualified people you can. Although budgetary restraints and limitations may sometimes not allow you to hire, train, and lead everyone you would like, it is always essential to make sure the actors within your team are on board with the organizational mission as well as with each individual product and service. By tapping into the specific passions of these individual actors within your organization, you will be able to lead them to produce at a level that will be excellent in nature. Another part of your leadership role will be focused on educating these actors as to what the organizational and product management missions are. It is important for the actors within your organization to understand the concepts and reasons behind the goals the organization is trying to achieve. This is key to ensure they are fully engaged in the process and feel like they are actually playing a part in the construction and creation of these products. This is key to making them feel like they are invested, rather than them feeling like just employees doing a job for a paycheck.

Roles. Once you have the right actors in place for your product management team, your leadership skills should be revealed by making sure every actor is in the right role to maximize the performance and excellence of the process. Hiring the best talent and having them in the wrong roles is a mistake which usually takes place within some organizations because of operationally and politically influenced factors. It is the job of the senior sport executive, and that of the leadership in the organization, to give themselves the best chance of succeeding in the competitive industry of sport. Having the right actors in the right roles plays a key part in performance optimization.



Commitments. Once the roles have been established within the product management team, it will be essential to secure the commitment from each actor within their role as that will lead to the product and service management process. Obtaining these commitments and having everyone on board provides a clear direction for the organization, as well as for those who are within the organization. Many times, there are obstacles and inefficiencies within product and services management. This is often because of a lack of communication and understanding of the nature of the different roles and the responsibilities in relation to the tasks within the process. Having these commitments laid out and established in an official manner is effective for both the leadership and everyone involved in the process. As mentioned before, sometimes these commitments are provided as part of the product management plan that is presented to those within the executive leadership level. This is done to establish an extra level of recognition and responsibility for those within the product management team. This not only provides the team with a sense of ownership of tasks, but it also leads them to have a true sense of definition within the organizational structure process.

Accountability. Once these commitments are made and put into practice in an official manner, they will be worth something if those who made them are held accountable for them. By holding others and yourself accountable, you will be establishing a standard of complete dedication to the process and not necessarily to one individual within the process. The reason why this approach is sometimes adopted is because there may be organizational changes and/or shifts during which some individuals become displaced. When these organizational shifts take place, it is easier for each individual to be accountable to the process as a whole. As always, this process has to do with the organizational mission, which should be based on satisfying the customer's needs, within the product management process. Also, within this process of accountability, there is a staff performance and development evaluation process. This evaluation process will help assess the performance of certain individuals, units, and departments within the organization. Referring back to the senior management realm responsibilities, this could provide excellent insight into why some parts of the product and service management process worked while some others did not. This information can lead to a conversation regarding asset and resource management when the product management cycle is discussed as a whole.

With these four concepts of staff and organizational leadership applied to product and service management within your sport organization, you will be able to improve efficiency, maximize profitability, and in turn, build a brand of excellence across the entire sport industry.



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