

Market Requirements Document

Purpose

The purpose of this tool is to help you document the market opportunity for a new product or an update to an existing product. This document will help you understand the needs of the marketplace; consider features or product requirements that will meet those needs, and help you prioritize those market-driven requirements.

How to Use this Template

Complete the following sections with your product management and engineering team. You can reference data from Market Research you have conducted to increase your credibility.

Title Page

[Insert Company Name or Logo]

Market Requirements – (insert product name)

[Insert Date]

Completed By: Product Marketing Manager

Completed For: Product Management Director

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1. Executive Summary

Provide a brief description or vision for this new product. Identify the top 5 requirements that will be implemented as features. Document the key market segments and potential market size. Summarize key milestones for the development and marketing effort. Communicate any major risks and key success factors up front.

2. Market Opportunity

**2.1 Market Segments**

Describe the market segments that this product is designed for. Will there be different versions of the product based on the size of organization? Will there be localized versions of the product is it is going to be distributed in different geographies?

**2.2 Market Sizing**

Estimate the size of market for this product and back up assumptions with market research data, reports, or other information you have that indicates you have done your homework.

**2.3 Competitive Offerings**

Provide a brief synopsis of the current players in the market and identify how they are differentiated. Use our [Competitive Analysis Tool](http://www.demandmetric.com/content/practical-tools/competitive-analysis-tool) if you need some assistance here.

**2.4 Risks & Key Success Factors**

Be honest about any risks that you think this project is facing. Are there any specific variables that need to be watched closely? What are the key success factors or most important things that need to happen to ensure this product launch goes smoothly?

3. Market Requirements

**3.1 User Personas, Problems and Goals**

In this section, consider the three primary ‘personas’ your product will the assessed by: the end-user, economic buyer, and technical evaluator. Create a fictional biography for each persona that is realistic and represents an archetype of a real customer. Next, consider the problems they are facing and what their goals are. This approach provides flexibility when it comes to developing a solution for their problem and helping them achieve their goal.

**3.1.1 Persona 1 – End User**

*Sample Biography: Paula is a 24-year-old marketing manager at a small software company. She is responsible for day-to-day marketing activities and reports to VP Marketing. She has a marketing degree from a local college and would like to complete her MBA in the next few years. In the monthly management meetings she participates in she is required to report on marketing projects and their status.*

*Sample Problem: Recently, Paula has been asked to provide a high-level snapshot of the marketing activities for the upcoming year in the next management meeting. She has heard of a ‘marketing calendar’ before but has never created one. She knows her presentation must be compelling and interesting but doesn’t know where to start.*

*Sample Goal: Paula would like to create a calendar that is easy to update, provides a color-coded mechanism for identifying marketing channels and has a summary report function built in so she can view all activities of a certain type.*

**3.1.2 Persona 2 – Economic Buyer**

*Sample Biography: Sheila is a CFO and approves all expenses that are over $500 for the company. She has her MBA in Finance and knows the value of her time. Coming from a large enterprise into a smaller software firm has given her the discipline to measure ROI and Payback for all investments and she requires a formal business case for all proposed investments. She is a fair decision-maker but refuses to waste company money.*

*Sample Problem: Sheila team is constantly asking her for help creating document templates, spreadsheets, and other work tools since she is the best in Excel. While she likes to be helpful, she knows that 5 hours of her time is worth well over $500 to the company. Recently, her marketing manager Paula came to her looking to buy a subscription to DemandMetric.com to download a nice-looking marketing calendar template. Sheila must decide if it is more cost-effective to purchase a pre-formatted template or design and build a tool from scratch.*

*Sample Goal: Sheila would like to empower her staff to be more independent and work with the same skills that her MBA colleague have. If she could find a resource that provided training materials, tools, templates, and other resources she could help her staff grow and save herself a lot of time with training.*

**3.1.3 User Persona 3 – Technical Evaluator**

*Sample Biography: Rick is an I/T Director who came up from the programming ranks. He has experience with desktop management, security, and networking. Typically, the business decides on some strategy and he is left to figure out how to implement it.*

*Sample Problem: Rick was approached by his CFO Sheila who asked him how long it would take and how much would it cost to build a ‘simple’ little program for doing a marketing calendar for the marketing manager. Rick knows that there are plenty of solutions out there for this and already has a huge list of projects to work on. He responds to Sheila and tells her that he can do the job but it will take 1 week of his time and he won’t get to it for a few weeks. He hopes that Sheila doesn’t think he is not responsive but he knows that this little project is insignificant compared to the data migration he is doing.*

*Sample Goal: Rick would like to keep an eye on the applications that the staff are using but not be required to build every little mini-application that they need in Excel. Ideally, he could be brought into the evaluation process to determine if there would be any technical conflicts or security issues for adopting a new piece of minor desktop software.*

**3.2 Potential Requirements**

Requirements are used to summarize the problems and provide a potential solution. For new products, the requirement will discuss business problems that the potential customer is facing; for existing products the requirement may instead focus on fixing an issue the customer is having while using the product. Keep requirements short and sweet and non-technical. One or two paragraphs will usually suffice. Well-written requirements can be characterized as: necessary, short, unbiased (don’t dictate how to solve), feasible, consistent, clear, and complete (as in standalone).

The IEEE defines four types of requirements:

1. **Functional** – these are capabilities required for the persona to complete their goal as specified in the use case.
2. **Performance** – these can include things like speed, reliability, etc.
3. **Constraints** – these are items that limit the design
4. **Interface** – in the software world, these relate to user interaction with computers

Following is a sample list of requirements for a Marketing Calendar template. You can use this framework to input your own product requirements.

| Requirements | Description | Persona | Type | Source |
| --- | --- | --- | --- | --- |
| **Color-Coding** | **Excel document that allows user to easily organize and communicate on marketing activities with color-coding by activity.** | **End User** | **Functional** | **Customer Request** |
| **Simple Design** | **Must be simple and easy to use for users with limited Excel experience.** | **Technical Evaluator** | **Constraint** | **Call with Prospect** |
| **Reports** | **Would be great if all activities could be ‘sliced and diced’ based on date, owner, and activities to create simple reports.** | **Economic Buyer** | **Functional** | **Email from Prospect** |
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**3.3 Use Cases**

Use cases are used to explain to the product engineers why a goal or requirement is needed. You need to illustrate the problems for users and how a potential solution might work. You can provide contact information for a few customers or prospects that are experiencing the problem so that the engineer can contact them directly to learn more about their needs. Be sure to include how the customer is currently dealing with the issue and how they would like to handle it with an upcoming version of your product.

**3.3.1 Use Case #1 – Converting from Lists in MS Word to a Database in Excel**

*Sample Use Case: The marketing manager currently is operating from a Microsoft Word document with hundreds of marketing activities, dates, and notes. It is really hard for her to quickly identify who is responsible for what, and provide a report on what is happening in marketing this month. An Excel based document that separated each month of the year into its own tab, with a summary report that could be filtered, and a color-coding mechanism for distinguishing between types of activities would make her life easier.*

**3.4 Specifications**

The engineering group determines the specifications, which are essentially their plan of attack for how to solve the problem that the requirements present. Key considerations here include difficulty level, feasibility, and estimated effort to complete. Here is a sample:

| Specs | Description | Difficulty | Feasibility | Effort |
| --- | --- | --- | --- | --- |
| **Color-Coding** | **We will make it easy for end users to color code each activity with paint icon function in Excel and provide clear instructions.** | **Easy** | **Highly Feasible** | **30 Minutes** |
| **Simple Design** | **All functions will be basic in nature and not require any advanced knowledge of Excel.** | **Medium** | **Highly Feasible** | **2 Hours** |
| **Reports** | **A summary tab will be available for user to filter all activities by date, type, and owner.** | **Easy** | **Feasible** | **2 hours** |
| **Format** | **Will create in Microsoft Excel** | **Easy** | **Highly Feasible** | **1 Hour** |

**3.5 Prioritized List of Requirements**

Use our [Product Requirements Priority Tool](http://www.demandmetric.com/content/practical-tools/product-feature-priority-tool) to prioritize the requirements from all user groups and then enter your list of prioritized requirements here.

| Requirements | Priority |
| --- | --- |
| 1. Top Ranked Requirement | High |
| 2. Second Highest Ranked Requirement | High |
| 3. Third Highest Ranked Requirement | Med |
| 4. Nice to Have Requirement #1 | Low |
| 5. Nice to Have Requirement #2 | Low |
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**3.6 Out of Scope Requirements**

This section is used to document features that are out of scope for this particular product development cycle. Use this information to consider other new product options, and to clearly communicate what will be delivered and what will not.

**Following are the out-of-scope product requirements:**

1. Out of Scope Requirement #1
2. Out of Scope Requirement #2
3. Out of Scope Requirement #3