

product

focus

What's the point of product management?

Well let me tell you a story.

Some of it you may recognize...

The early years

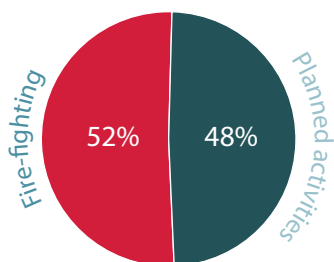
You've got a product management team that's been in place a few years. Most of them have come from other parts of the business and haven't experienced product management in other companies. They learned what to do 'on the job'. This seems to translate into doing whatever the senior person shouting loudest wants at any point in time. They end up working on detailed requirements, handling sales questions and managing lots of stakeholders.

A lot of them have a technical background. They aren't really clear on what they should be doing, so tend to gravitate to the technical and operational activities with which they are most familiar and where they feel they add most value. They have little focus on understanding the market, customers or competitors.

Other people aren't really sure what Product Management does. So, they simply assume that any product problems are the product manager's job to sort out.

And to add to the confusion there is a Product Marketing team which seem to do some product stuff but also get involved in marketing communications activities as well. Unfortunately, their messaging is often quite vague and poorly aligned to the product capabilities.

Product managers are really busy. They spend half their time 'putting out fires' and fixing issues. They've learned that sorting out customer issues and trouble-shooting product problems make them feel like heroes. And, it's much easier to deal with the constant stream of emails landing in their inbox than it is to think about the long-term direction of the product or get out of the office to talk to people about the market.



Over 50% of an average product manager's time is spent fire-fighting. Product Focus Survey 2019



Everybody wants product management to sort out their problems

A big problem is that it has been taking too long to deliver new products (and speed to market in your industry is important).

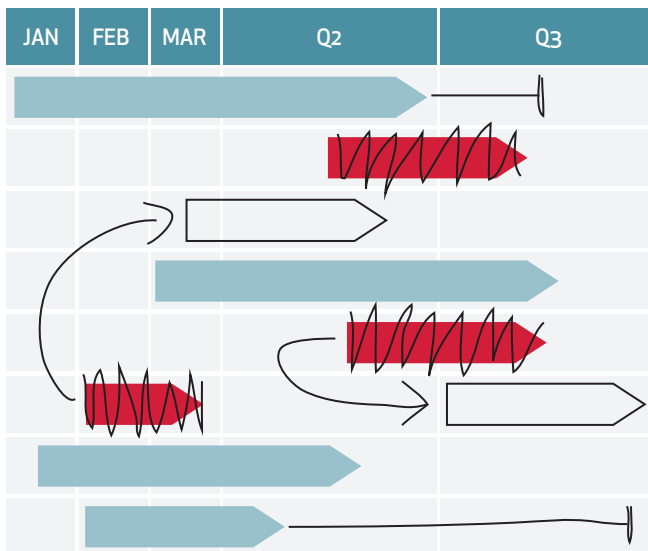
Two years ago, the Development Director asked your CEO if they would like the company to be more agile. Guess what - the CEO said yes! So, the Development Director introduced Agile and Scrum as a development approach. All the development team went on Scrum courses and product managers were told they needed to do the Scrum Product Owner role. This meant they needed to be on hand to answer any questions that the development team had. This now takes up a lot of their time.

Everybody is talking about MVPs (Minimum Viable Products) but it seems to mean different things to different people. Development think it means what's the minimum they can build before moving to another project. The CEO seems to think it is the minimum that the business needs to deliver before they can start spending money on other things. And many MVPs are launched and then left exposed in the market without any commitment to further development. Guess what - they don't do very well.

The early years

And what's really worrying is that you're spending time and money building new products that no one wants to buy. There seems to be no clear decision process on why you invest in some products and not others. Workstreams start and continue with no cross-portfolio prioritization or alignment to strategy.

Senior Management get frustrated with the slow progress and so new 'strategic' initiatives come along with alarming regularity. JDI (Just Do It) is the mantra. Everything is turned upside down once again. Progress grinds to a halt while roadmaps are re-planned and resources are re-focused.



Roadmaps change all the time

The last product that was launched was a flop – it hasn't been selling. What went wrong? Who is to blame? How can you make sure it doesn't happen again?

Sales have the ear of the CEO. When there's a major opportunity it usually means that the product roadmap is changed to 'clinch the deal' or to 'secure the market'. Roadmaps seem to change an awful lot which probably contributes to how long it takes to get things done.

The trouble is that the short-term focus on sales and revenue has meant creating multiple product versions that are becoming increasingly costly to support. Profitability is falling and technical debt is mounting. What's been sold isn't always clear and the numerous bespoke elements increase complexity. Things take longer. You're selling a series of projects rather than a product.

The roadmap is as much owned by Development and Sales as it is by Product Management

And what product managers do varies across different parts of the business which makes it confusing for everybody. Every time a new business case is done, or a launch is planned, it feels like you're 'starting from scratch' and not learning from past mistakes. The roadmap is as much owned by Development and Sales as it is by Product Management.

The truth is that product managers aren't valued by the rest of the business. They lack influence. They don't have the power to say 'no' and make it stick. They don't even have the data to know how their products are doing. Sales and Development 'call the shots'. In fact, many product managers are demoralized and want to go back to their old roles or leave the company.

Now let me fast forward 2 years...

2 years later

Things have dramatically improved.

A new Head of Product Management joined the company and made a lot of changes. They started by evangelizing what product management should be about and got the buy-in from Senior Management.

Then they got product managers excited about what their role could be. More strategic and in charge (like a mini-CEO). Leading a virtual team of people from different areas of the business all focused on the product. Pro-active and in control rather than reactive and always 'on the back foot'. A profession rather than a job.

**Pro-active and in control,
a profession rather than a job**

The Head of Product Management explained that the key thing they wanted was for product managers to have a wide and balanced view of their product. That meant really understanding all the different sides - technical, commercial, operational and the market dynamics. So, whilst there would be colleagues who knew more about the details, they would be the experts with the 'high-level' view. They would be counted upon to make or recommend decisions that were objective, fair and in the best interest of the product and the business.

The Head of Product Management went on to say that a key part of the product management job was to be an expert on their market. So, product managers now dedicate time to gathering insights about market trends, customers and competitors, and thinking about what that means for their product.

They now have an objective to meet new customers or prospects each month. That's not as part of a sales negotiation or when being dragged in front of a customer to apologize for a problem. It's to set up an opportunity for an open and honest discussion about the problems customers face and the jobs they want the product to do for them. They also spend more time getting insights from other departments such as Marketing, Support

and Sales and then sharing them across the business. The whole company now seems much better at sharing insights rather than facts being stuck in individuals' heads.

Finally, they explained that product managers needed to own their roadmap and product strategy. This was the bridge between what was going on now and what the company wanted over the next couple of years. Product managers were the link between the short-term focus of Sales and the long-term ambitions of Senior Management - with one foot in the present and one in the future. And now lots of things have changed for the better.

You're launching products that customers want. The talk and planning is for the Optimal Product (the version that optimizes profit) not just the Minimum Viable Product.



Making decisions that are fair, objective and best for the business

The internal conversations have changed from talking only about a product and its features, to talking more about propositions and the benefits they bring to customers. Instead of only having data sheets, you're now producing propositions for each market segment and buyer persona. This has meant really understanding what customers value, what pain the product fixes and why customers should buy your product rather than a competitor's.

2 years later

Unsurprisingly, this has really increased the product managers' credibility in the company. They can now defend their recommendations in discussions with Sales, Development and Senior Management as they have the confidence, facts and insights to back up their views.

The Head of Product Management also introduced portfolio management into the company so the business is much clearer on what they're doing and why. Cross-product priority calls are taken based on product lifecycle stage and opportunity. It's made it tougher to get approval to spend the company's money and the result is that you're doing less but are more confident in the success of what you do - and speed to market has improved.

The annual planning cycle now includes product management. And there is a strong link between the company strategy and the portfolio and product plans. You've even started to withdraw some products which is freeing up resources and preventing some major future problems.

The Head of Product Management has also said it's down to product managers to champion the 'build once, sell many times' product-approach. And the business is becoming more efficient as product managers are always pushing to do things in a repeatable, reusable way.

A Product Catalogue (an internal website) has been created for Sales where all the information they need is presented in a consistent way. Product managers know they have to keep their own product's details up to date. Sales know that the information they need is always current, so spend less time asking questions of product management.

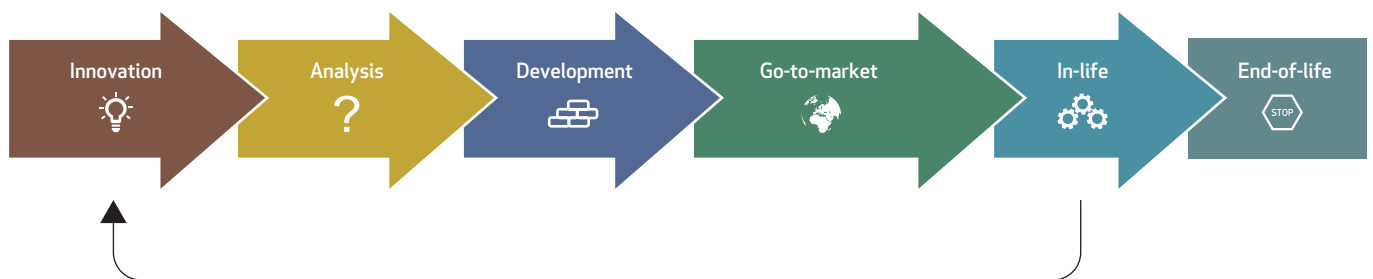
There is now a team that runs the product management lifecycle process and owns standard tools such as the business case, launch checklist and win/loss analysis template. Each time a tool is used, the team must give feedback - so the tools are constantly improved and adapted as the business changes.

Another benefit has been that the language everyone uses across the business to talk about products is more consistent. This reduces confusion and helps collaboration. The company seems less 'siloed', less 'them and us' and more about solving challenges together.

It now feels like there is a product management community. There is sharing of best practice and regular product team meetings. 'Lessons learned' and 'war stories' are shared between the products managers which prevents mistakes from being repeated.

When people from other departments come with 'product problems', product managers are more confident to 'push back' and get the issue resolved by the appropriate team. They understand their role is to get the problem sorted but not necessarily by doing it themselves. Their focus is more on managing the product, rather than being involved in the day-to-day activities needed to deliver and sell it.

But it wasn't easy. There was a fight with Development. Most Product Managers are no longer Product Owners. They now have proxies (e.g. Business Analysts) who do the detailed requirements and business analysis work and take high-level direction from product management. Although the Product Owners work in Development they have a 'dotted line' through to the product manager. This has freed up loads of product management time.



Product Management Lifecycle - standard processes, templates and checklists

2 years later

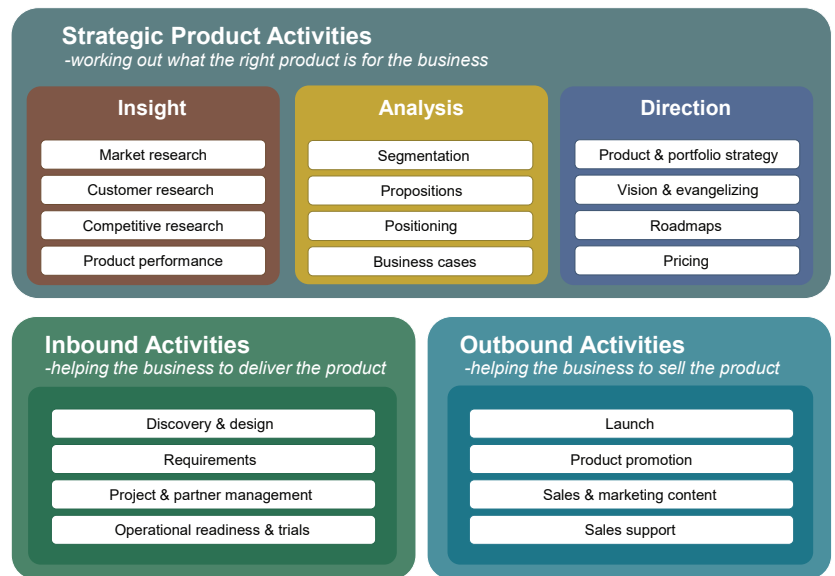
Roles are much clearer. Now everyone understands which activities Product Management and other roles such as Product Marketing own. Other teams know what to expect and what they are expected to provide. There are still some escalations but it feels different – you're not lurching from crisis to crisis. And, because there is a consistent approach and role definition across the company, product managers can swap between teams more easily.

For new products, the business case isn't done once and then forgotten. It becomes the product plan. It's regularly updated and used to track the progress of the product in-life. Of course, things never go exactly to plan but now people are learning to be more realistic in their forecasts.

In fact, every product is now managed and has a product plan that is reviewed at least once a year. Reviews are not viewed with fear but are seen as opportunities to learn and make products even more successful.

Product reporting started with the team creating what they could with whatever data they could find. Now, after a concerted effort, there is more detailed product reporting in place for all products. An admin team produce monthly product dashboards and product managers comment on them. They spend time investigating issues and opportunities for improvement rather than wasting their time struggling to find the data they need. Trends are spotted, issues and opportunities prioritized - all based on facts rather than 'gut feel'.

Some product managers own the P&L (Profit and Loss) for their product but all know if their product is profitable and how their product is doing. Each product has a small number of KPIs (Key Performance Indicators) that are agreed at the beginning of the



Product Activities Framework – a checklist for who does what

year and reviewed quarterly. At last everyone feels they have a grasp on how products are doing.

Senior Management now get regular briefings from Product Management on product progress and how the market is evolving. This expert, balanced and objective view really helps them with strategic decision making.

There is now a career path and training programme within Product Management. Junior product managers join and over time can progress to become senior product or portfolio managers with a more strategic role and more responsibility. A few left because they weren't comfortable with the new approach. But, people in the business are keen to move into Product Management. Now it's the place that everyone wants to work.

Product Management have much more respect from the business. They feel empowered to say 'no'. They feel ownership of their products and it shows in their attitude and their success.

The CEO can really see the value that product management is bringing to the business. There is talk of the Head of Product Management being promoted to Director or VP of Product Management and given a seat on the board.

What value does product management really bring to my organization?

You may have no product managers at all, an ad-hoc or inexperienced product management team or, as we've described, an example of world class product management.

In every business, there are a constant series of decisions to be made. Do we do this or that? What might happen in the future and how do we prepare for it? How do we make happier customers?

The same is true at a product level.

You can think of each product as a little business. Each must support the overall company strategy and deliver measurable value to the business. There are lots of decisions, trade-offs and plans that need to be made day-to-day and someone needs to be in a position to make them. Product Management brings this focus.

If you do have a world class product management team, then you can expect to see products launched that customers want to buy. You can also expect a faster more effective process for delivering products and getting them to market. And strong product management give you economies of scale through standardized products and approaches. This helps you grow as a business and leads to more profit and less waste.

As a senior executive you're running the overall business – setting direction and creating the strategy. World class product management makes your life easier. Useful insights about products and markets flow upwards and you can direct what happens within the business through the product management team.

Product Management brings your business strategy to life.



If you'd like to discuss product management training or a review of your product function - please contact us at info@productfocus.com

Helping you and your
business
deliver world class
product management

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