product

focus

White Paper

Product management as a leadership role

From firefighting to strategic leadership

(how to increase product management's value and influence)

Summary

How can you increase the value and influence of product management in your organisation?

It depends on how product management is done at the moment. This white paper can help if...

Your product team is too busy firefighting. Important things are dropped and there is no time to lead the product and do the more strategic work that will benefit the company and impress senior management.

Your product team is too technical and set in their ways. They gravitate to the delivery side of product management which is their background and where they feel comfortable but important commercial activities are just not happening. Or they see their job as making sure the developers are kept busy.

Your company is dominated by the sales team. A new opportunity comes along and the roadmap is reconfigured one more time to win the deal. Complexity, technical debt and operational challenges mount up.

If you recognize any of these issues this white paper will give you the ideas, arguments and tools to tackle things head on.

It's about making product management into a leadership role. It's about moving from firefighting to more strategic product activities. It's about having more influence and providing more value in your business.

That's good for your company and good for you.

Introduction

It can be difficult to find the time and head space to think about how you do product management and provide product leadership rather than just focusing on getting stuff done. So are you...

- the undervalued fire-fighters too busy to get-ahead
- the product team that's too technical and set in their ways
- the servants of the sales team
- the requirements writers whose job it is to keep the developers busy
- serving the business rather than driving the business

These are common challenges we see at our clients and this white paper aims to share some ideas and tools to help you address them. We'll do that by telling a story.

It starts with your current situation which weaves all these issues together. It then jumps ahead two years and explains how a new Head of Product Management successfully tackled them and as a result has been promoted to become the Chief Product Officer (CPO).

We don't expect you to be experiencing all these issues but if just a few resonate, you will get value from reading this white paper.

By the way, we've used the term product manager as the person who owns or leads a product within a business. We come across many different job titles e.g. Product Manager, Product Owner, Product Marketing Manager but what they actually do varies from company to company. In any product business there are a team of people involved in managing a product but we believe there should be one person taking the lead. We use the term product manager for this role, whatever their job title.

Business leaders or project managers?

A story – From firefighting to strategic leadership

Your current situation…

Learning on the job

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.

Everybody wants product management to sort out their problems

Too technical

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. Many have been in their role for a number of years and are stuck in their ways

Any problem is thrown at Product Management

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.
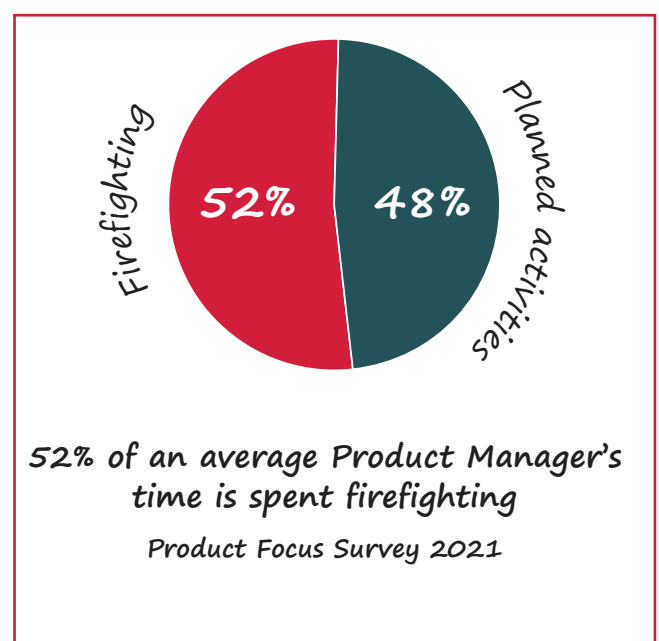
Vague Product Marketing

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.

Firefighting is the default mode

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 their product or get out of the office to talk to people about the market.

Firefighting 52% | **48% Planned activities**

52% of an average Product Manager's time is spent firefighting

Product Focus Survey 2021

Product Managers are also product Owners

A big problem is that it has been taking too long to deliver new products (and speed to market in your industry is important). And when they do arrive they often miss the mark.

All the Product Managers have been on courses to become certified Scrum Product Owners but that only seems to cover part of their job.

However they do spend lots of time in stand-ups and answering any questions that the development team have. It's a constant struggle to manage the backlog and write requirements so that the Development team are kept busy.

MVP means different things to different people

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.

Confused decision making

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.

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 and Development run the roadmap

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.

Really High value New Opportunity (RHiNO)

A RHiNO is when a salesperson in your B2B business comes along with a new customer deal, for something that you don't currently do. Once a RHiNO enters the picture, you're in danger of having your carefully researched roadmap plans trampled underfoot, as resources are quickly re-allocated to build whatever it is the RHiNO requires in order to win the deal. These are especially prevalent in organizations used to solution selling where it's about building one-off solutions based on a single customer's requirements rather than a scalable, repeatable product for a whole market.

JDI (Just Do It!)

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-focussed. The roadmap is as much owned by Development and Sales as it is by Product Management.
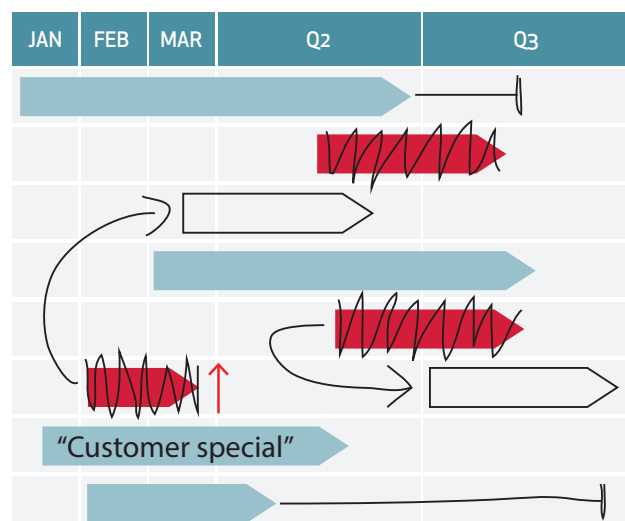
Roadmaps change all the time

Product Management is inconsistent

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.

It feels like product managers are used as the cement to fill in any gaps in the organisation. Much of the time product managers are working on things that they suspect should be done by other teams.

Product Management is not a good place to work

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.
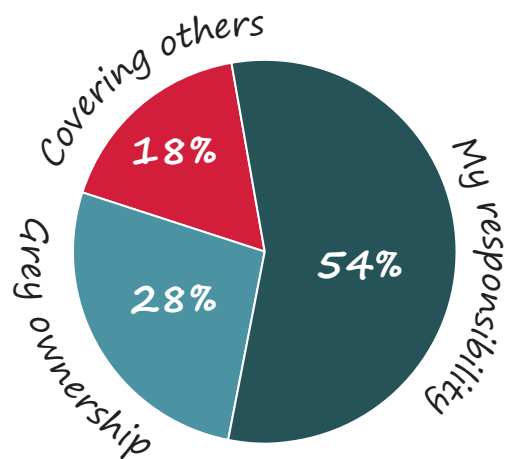
Activity ownership
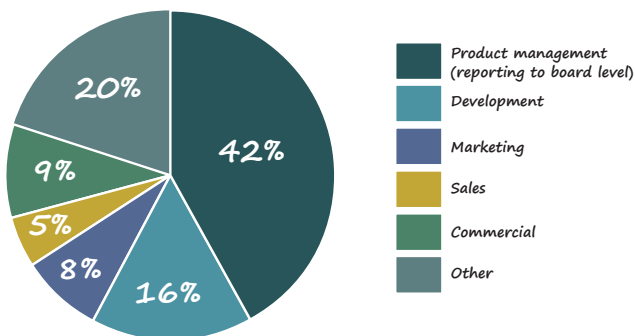Product Focus Industry Survey 2021

> *Responsibility for everything, ownership of nothing*

Now, lets fast forward >>

2 Years Later... things have improved

Senior-level buy-in to a new approach

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. They persuaded the CEO to move product management out of Development and create a separate independent department.

Where Product Management reports to
Product Focus Industry Survey 2021

Pie chart:
- Product management (reporting to board level): 42%
- Development: 16%
- Marketing: 8%
- Sales: 5%
- Commercial: 9%
- Other: 20%

Making decisions that are objective and best for the business

Mini-CEOs

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 with different skills all focused on the product. Pro-active and in control rather than reactive and always 'on the back foot.' Empowered to solve customer problems and drive their product forward.

A balanced view for their product

The Head of Product Management explained that a 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, customers and the business.

Experts on the market

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 also spend more time getting insights from other departments such as Marketing, Support and Sales and then sharing them across the business.

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 are encouraged to spend time on 'discovery' activities - to investigate the key assumptions, risks and options that will affect the success of their product.

Owning the roadmap and product strategy

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.

Lean Product Lifecycle
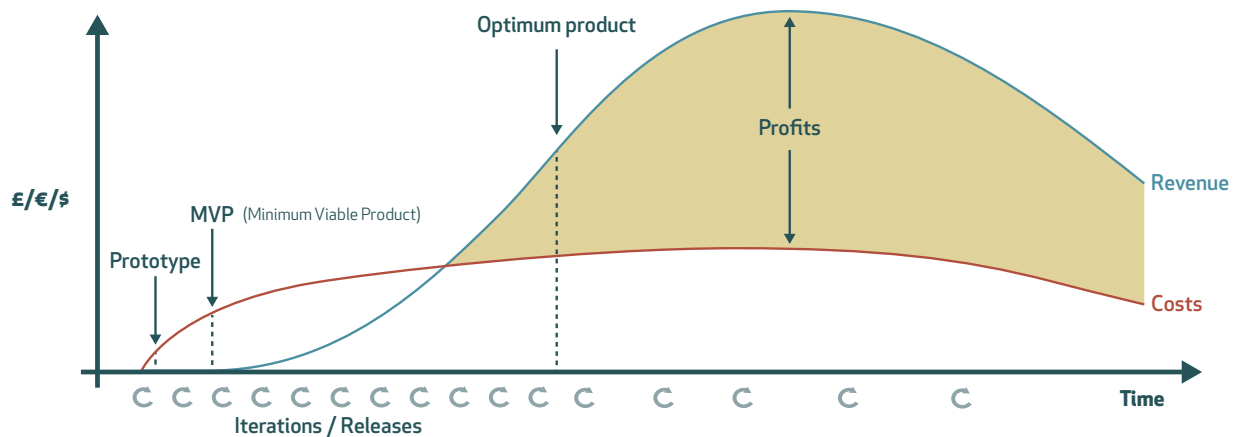
- An MVP (Minimum Viable Product) comes from the Lean development approach for software products.
- It means getting a product with limited functionality into the market quickly. The product has to be valuable to customers so they will buy it. This allows you to get feedback and develop further versions until you get to the Optimum product.
- The Optimum product is your view of the product (at the time you present your business case) that will deliver the best outcome for your organization after a roadmap of releases has been delivered. It's likely that your view of what is optimum will change over time.

The optimum product not just the MVP

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

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.

Product Management has more credibility

Product Managers 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.

They are starting to be seen as leaders in the business - innovating and developing their product in support of the company goals. They have a product vision and strategy - a story to tell that buys them influence and credibility.

Portfolio Management

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.

Championing 'build once, sell many times'

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.

More consistency and community

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.

Product Management Lifecycle

Innovation | **Analysis** | **Development** | **Go-to-market** | **In-life** | **End-of-life**

Generate and collate ideas	Validate market need	Hone requirements	Validate fit for market (trial)	Launch	Sell
Prioritise	Justify investment	Design solution and deliver	Finalise proposition		Track performance
Create initial proposition	Write requirements	Demonstrate requirements met	Prepare for launch		Fix issues

Investigate further? — Start Development? — Build more? — Product and business ready to launch? — Develop next version?

Track what's happening in the market

Product Ops team created

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.

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.

Product Managers are confident to say 'no'

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.

Separate Product Managers and Product Owners

But it wasn't easy. There was a fight with Development. Most Product Managers are no longer Product Owners. There are now Product Owners who do the detailed requirements and who 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 lots of product management time. Their focus is no longer on shipping code but on ensuring that what has been developed delivers value to the business..

Roles are much clearer

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.
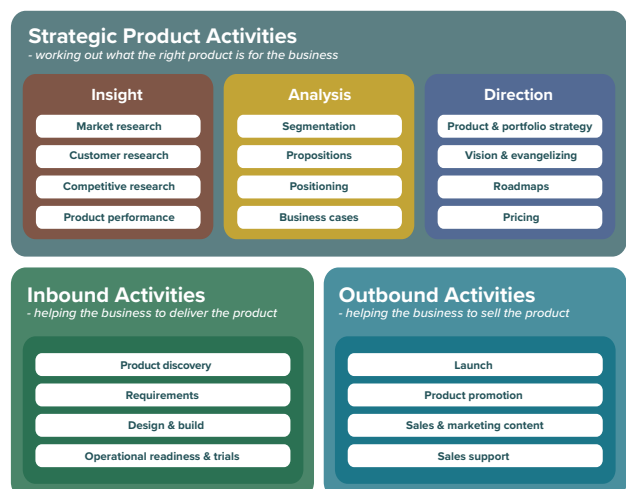
Product Activities Framework – a checklist for who does what

# Business cases become business plans

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.

Better reporting

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.'
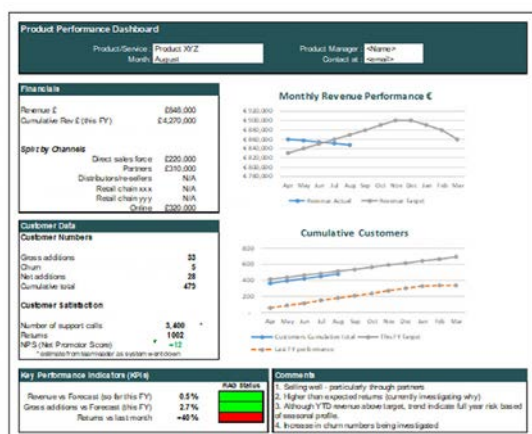
Example Product Dashboard

Strategic insights passed up to senior management

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.

A career path and training programme

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 Managers care about their product profitability

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 year and reviewed quarterly. At last everyone feels they have a grasp on how products are doing.
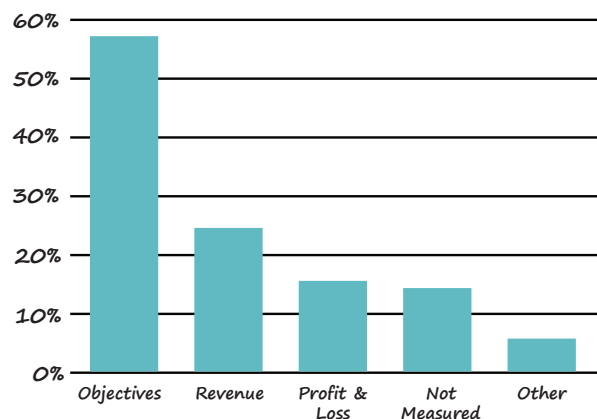
How Product Managers are measured
Product Focus Industry Survey 2021

Product Managers are respected as leaders

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. They are seen as leaders in the business driving it forward.

Promotion to CPO

The CEO can really see the value that product management is bringing to the business. They can see that in product management's central position the Head of Product Management has a strong grasp of many different sides of the business.

To keep the Head of Product Management within the business the CEO has promoted them to Chief Product Officer (CPO) and promised them a seat on the board. Who knows, the CEO thinks ... they may take over from me someday!

Tools to help

Use our Product Activities Framework to agree who owns what

A great tool to help think through product manager responsibilities is our Product Activities Framework. You can use it to help work out who's doing what. The framework is divided into three key areas – strategic product activities which are about working out the right product for the business. Inbound activities which are about helping the business to develop and support the product. Finally, there are outbound activities which are helping the business to market and sell the product. These are broken down into 20 detailed product activities.

Key point

You need to agree whether product management will be purely tactical i.e. problem solving or also take on a more valuable strategic role (like a mini-CEO). Use the Product Activities Framework to decide which activities product management will own.

Usually own this

Own unless a dedicated team does the activity

Own the high level - detail often designated elsewhere

Usually support other teams working on these

Product Activities Framework

Strategic Product Activities
working out what the right product is for the business

Getting Insight	Analysis	Giving Direction
Market research	Segmentation	Product & portfolio strategy
Customer research	Propositions	Vision & Evangelizing
Competitive research	Positioning	Roadmaps
Product performance	Business cases	Pricing

Inbound Activities
helping the business to deliver the product

Product discovery
Requirements
Design & build
Operational readiness & trials

Outbound Activities
helping the business to sell the product

Launch
Product promotion
Sales & marketing content
Sales support

See reference 1 : Product Activities Framework Infographic

Tools to help

Use our Maturity Model to help create a roadmap to improve product management

We developed the Product Management Maturity Model based on our experiences of working with many different technology companies over the years. As well as giving you an overview of what to expect and what you should put in place as your team grows, the model helps you to move the discussion on from talking about symptoms (like late deliveries or poor product revenues), to look at what the root causes might be.
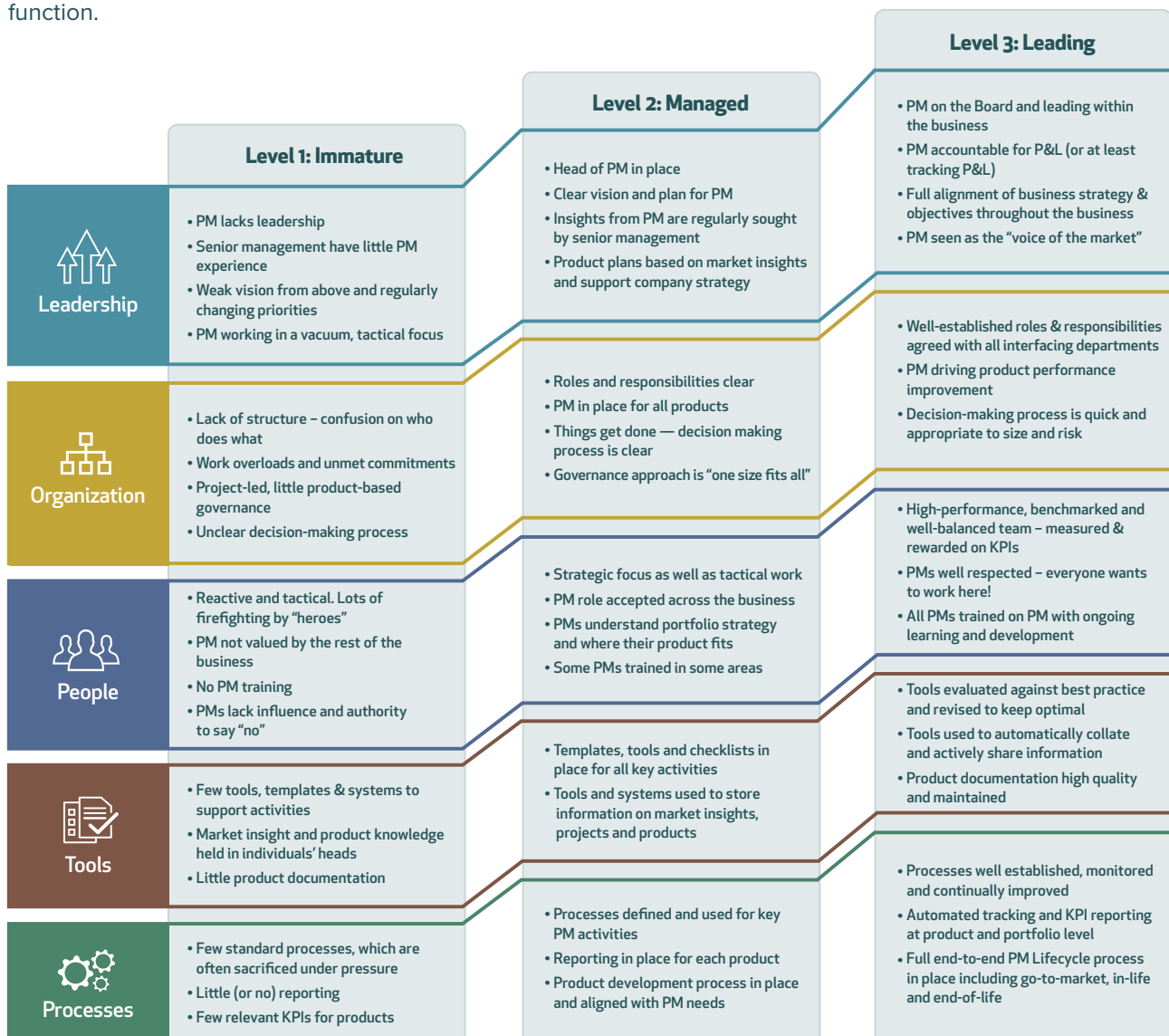
The 3 columns represent the different levels of an Immature, Managed or Leading product management function.

Key point

Understand how mature product management is in your business and what "good" looks like for you. Create a plan of how to improve things - a roadmap for product management.

The 5 rows represent the 5 areas we believe are critical for success. On our infographic, each area has a checklist of questions to understand more about how you're doing.

Level 3: Leading

Level 2: Managed

Level 1: Immature

Leadership
- PM lacks leadership
- Senior management have little PM experience
- Weak vision from above and regularly changing priorities
- PM working in a vacuum, tactical focus

Level 2: Managed
- Head of PM in place
- Clear vision and plan for PM
- Insights from PM are regularly sought by senior management
- Product plans based on market insights and support company strategy

Level 3: Leading
- PM on the Board and leading within the business
- PM accountable for P&L (or at least tracking P&L)
- Full alignment of business strategy & objectives throughout the business
- PM seen as the "voice of the market"

Organization
- Lack of structure – confusion on who does what
- Work overloads and unmet commitments
- Project-led, little product-based governance
- Unclear decision-making process

- Roles and responsibilities clear
- PM in place for all products
- Things get done — decision making process is clear
- Governance approach is "one size fits all"

- Well-established roles & responsibilities agreed with all interfacing departments
- PM driving product performance improvement
- Decision-making process is quick and appropriate to size and risk

People
- Reactive and tactical. Lots of firefighting by "heroes"
- PM not valued by the rest of the business
- No PM training
- PMs lack influence and authority to say "no"

- Strategic focus as well as tactical work
- PM role accepted across the business
- PMs understand portfolio strategy and where their product fits
- Some PMs trained in some areas

- High-performance, benchmarked and well-balanced team – measured & rewarded on KPIs
- PMs well respected – everyone wants to work here!
- All PMs trained on PM with ongoing learning and development

Tools
- Few tools, templates & systems to support activities
- Market insight and product knowledge held in individuals' heads
- Little product documentation

- Templates, tools and checklists in place for all key activities
- Tools and systems used to store information on market insights, projects and products

- Tools evaluated against best practice and revised to keep optimal
- Tools used to automatically collate and actively share information
- Product documentation high quality and maintained

Processes
- Few standard processes, which are often sacrificed under pressure
- Little (or no) reporting
- Few relevant KPIs for products

- Processes defined and used for key PM activities
- Reporting in place for each product
- Product development process in place and aligned with PM needs

- Processes well established, monitored and continually improved
- Automated tracking and KPI reporting at product and portfolio level
- Full end-to-end PM Lifecycle process in place including go-to-market, in-life and end-of-life

See reference 2 : Product Management Maturity Model Infographic

Tools to help

Use our Product Management Dashboard to discuss product management issues
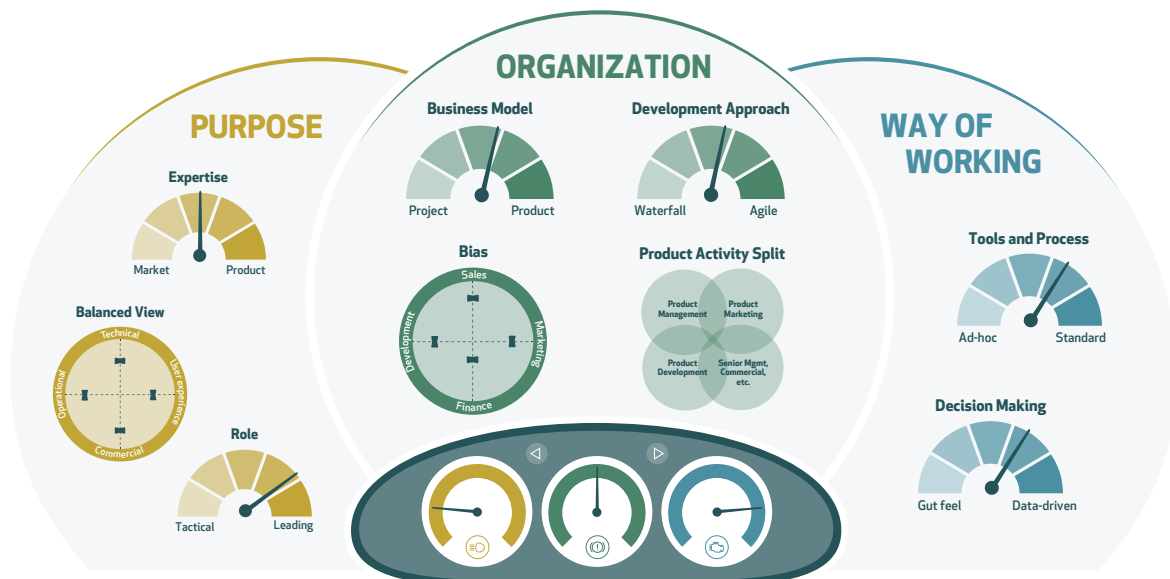
Our Product Management Dashboard gives you a simple view of some of the key product management challenges that you may face in your business. It is based on our experiences of working with many different technology companies and understanding what was having the biggest impacting on their product management. Each dial represents a critical issue. We use it in our Product Management Reviews to get clients thinking about their own performance.

Key point

Help stimulate discussions about product management and communicate what's going wrong, and what could be improved.

Some companies have a one, slide Product Management Charter to explain the purpose of product management. It helps evangelise what product management is about to the rest of the business and guides product manager's actions. We've included an example below.

See reference 3 : Product Management Dashboard Infographic

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Product Management Charter

1. Product Managers focus on the needs of the market (the customer problems) and are dedicated to bringing great products to customers that support the company strategy

2. The buck stops with Product Managers - they take responsibility for the hundreds of decisions needed to bring products to market

3. Product Managers learn what they need to know regarding their product, customers, market, technology, competition and sales channels

4. Product Managers have a strong vision for their product and ensure the company's time and money are well spent

5. Product Managers lead activities, developing strong relationships across the business to ensure the success of their product

6. Product Managers don't settle for mediocrity and will be tenacious in pursuing the best possible outcome

7. Product Managers evangelise Product Management inside and outside the business

Tools to help

Use our Product Manager Personas to help product managers understand where to focus

One thing that can hold product managers back is their own perception of how they should behave. We think you have to act like leader to be seen as a leader.

There may also be some product managers who are happy taking a back seat. Maybe they don't want to take on a leadership role or aren't capable of doing it.

Product manager personas help you think about the behaviour of product people in the business. What's needed at any point in time will depend on the nature of their role, product lifecycle stage and business context.

Which are the ones that will help make product people into leaders – for example the master facilitator, expert collaborator, expert compromiser, voice of the market or product advocate?
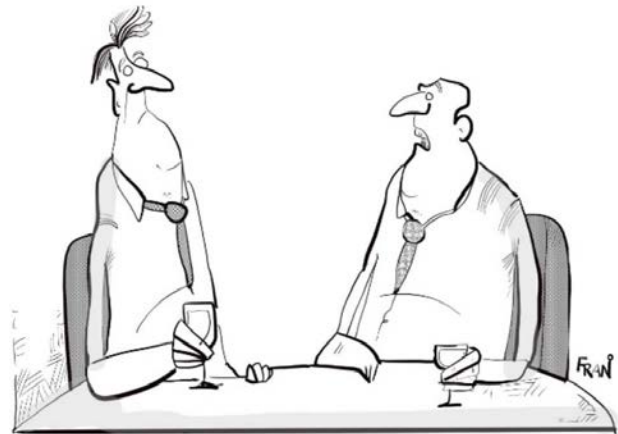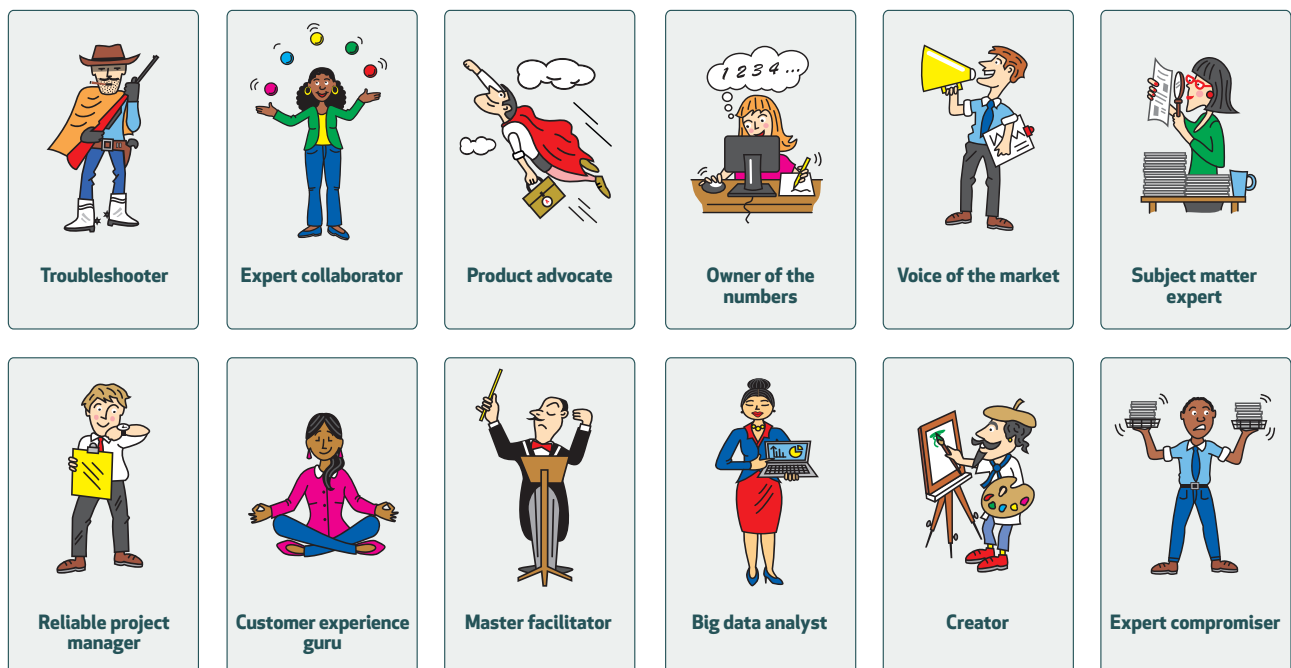

My new job involves leadership, what do you think I should do?

Key point

Discuss what behaviours product managers need to adopt and exhibit to be successful leaders in your business.

Troubleshooter	**Expert collaborator**	**Product advocate**	**Owner of the numbers**	**Voice of the market**	**Subject matter expert**
Reliable project manager	**Customer experience guru**	**Master facilitator**	**Big data analyst**	**Creator**	**Expert compromiser**

See reference 4 : Product Management Personas Infographic

Conclusion

What's the point of 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 have the insights and grasp of what's going on to make them. Product Management brings this timely, balanced and objective focus.

From firefighting to leadership
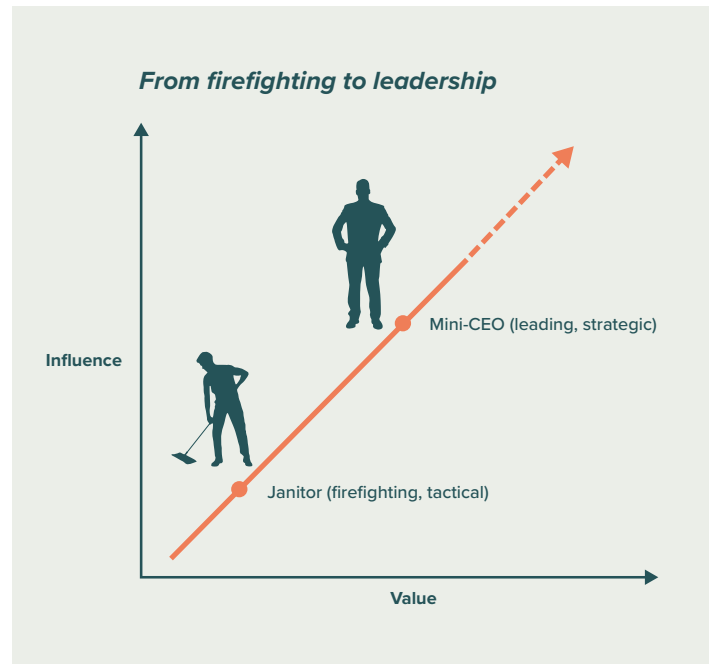
At its best product management is a leadership role

We know that product managers can have the most influence and provide the most value to the business when they are in a leadership role. We liken them to a mini-CEO, running their product like it's their own business in the wider organization. However, many product managers find themselves in more of a janitor role – sweeping up the mess of product issues and continually firefighting.

Bringing the business strategy to life

The senior management team is running the overall business – setting direction and creating the strategy. Empowered Product Managers lead within the business by innovating and developing their product to support the company strategy. Useful insights about products and markets flow upwards and senior management can track what's happening within their business through the product management team.

More profit and less waste

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. You will have empowered Product Managers that drive the business forward and bring the business strategy to life. And strong product management gives you economies of scale which leads to more profit and less waste.

We believe that product managers in a leadership role deliver more value to their business. That's good for Product Managers and good for the company.

References

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About Product Focus

Product Focus are global thought leaders in product management and European leaders in product management/marketing training and consultancy for technology-based products.