Product Management:
A Comprehensive Approach

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Are you stuck in the weeds of product management, looking to get a fresh perspective on the big picture?

Do you find that it's increasingly challenging to know how you can better hit the mark with your customers while meeting business objectives and building products as efficiently and effectively as possible? The following is a methodology that's proven to lead to smoother execution and greater product management success.

To understand the scope, it is important to understand the definition of product. A product can be a consumer good, method, idea, information, object, service, or piece of software. The traits of a product are:

- It has value, though not necessarily financial value, that can be realized by a customer
- It is the end result of a process and serves a need or want of a market
- It can include a set of tangible and/or intangible attributes (benefits, features, functions, uses)

Products are the representation of an exchange of value between companies and customers. When defining a product, it's also important to understand that products are sometimes part of a product portfolio, like a beverage line (see Figure 1). Within the product portfolio are product families, like soft drinks. Within the product families are product lines, such as Cola. And within product lines are products, like Diet Cola, that have product features, such as carbonation and artificial sweetener.

To understand product management, we'll look at the organizational capabilities that are needed to determine everything from the direction of a product portfolio to the requirements of the product features.

VALUE IDENTIFICATION

Why consider a new product management methodology? If an enterprise is experiencing pain because of problems in the product management organization, that pain can be alleviated. While there is not a single product management fix that will eliminate all pain points in a company, understanding where your organization feels pain — where those problems are affecting people and outcomes — enables you to target those problem areas and resolve them efficiently and effectively.

Organizational pain is felt when a gap, or poor execution, exists in either the activities that create a product strategy or the activities that are required to execute on a product strategy. You can determine which of these activities to target by analyzing the symptoms of the pain.

If the pain is felt as a result of where the organization is headed, or why the organization is headed there, the origin of the problem will be found in a gap amid the activities that go into creating the **Product Strategy**. If this is the case, you will hear concerns such as:

- We're losing customers faster than we gain new ones
- A multi-million dollar product just launched and it is unrelated to our business strategy
- We haven't launched a new product in years
- We acquired a company and don't know which products to keep and which to discontinue
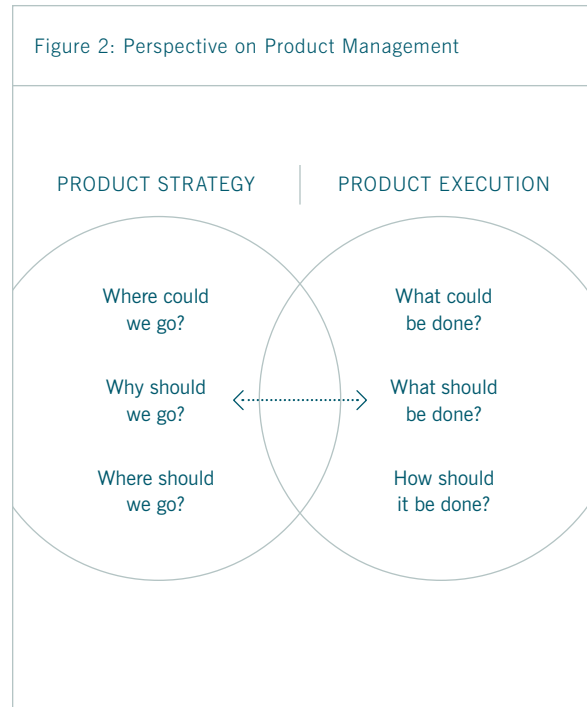
If the pain is felt as a result of what the organization is doing to get where it's going, or how the organization is getting there, the origin of the problem will be found in a gap amid the activities that go into **Product Execution**. If this is the case, concerns will sound like this:

- We spend the same amount of time on projects that don't get launched as those that do get launched
- Business teams constantly change priorities and debate which projects to deliver first
- The projects in development regularly double or triple in scope, schedule, or budget
- It takes forever to get a product to launch

Figure 1: A View of Product Hierarchy

	Consumer Packaged Goods Example	Services Example
PRODUCT PORTFOLIO	Beverage Line	Information Management
PRODUCT FAMILY	Soft Drinks	Document Management
PRODUCT LINE	Cola	Digital Document Management
PRODUCT	Diet Cola	Cloud Imaging and Storage
PRODUCT FEATURE	Carbonation, Artificial Sweetener	Storage Capacity, Access Control

Figure 2: Perspective on Product Management

PRODUCT STRATEGY | PRODUCT EXECUTION

Where could we go?

Why should we go?

Where should we go?

What could be done?

What should be done?

How should it be done?

Understanding these two realms, product strategy and product execution, is the beginning to understanding product management. To better understand these realms, let's delve into the specific capabilities that make up each of them.

A COMPREHENSIVE APPROACH

A good product management methodology follows a comprehensive approach in order to define and deliver products that hit the mark with customers and efficiently meet business objectives (see Figure 2).

To know that you're hitting the mark with your customers while meeting business objectives requires exploring the capabilities that lead to a product strategy. Product strategy capabilities help a product management organization brainstorm where it could go, then ultimately determine where a product management organization should go by defining why it should go there. These strategic capabilities contribute to the first three phases of the product management framework, including: Gain Insight, Set Direction, and Plan (see Figure 3).

To know that you are building products as efficiently and effectively as possible, you must explore the capabilities that make up product execution. These capabilities help an organization explore what could be done, what should be done, and how it should be done to meet the goals of a product strategy. These capabilities are more tactical in nature

and contribute to the last three phases of the product management framework, including: Plan, Do (Deliver), and Operate (see Figure 3).
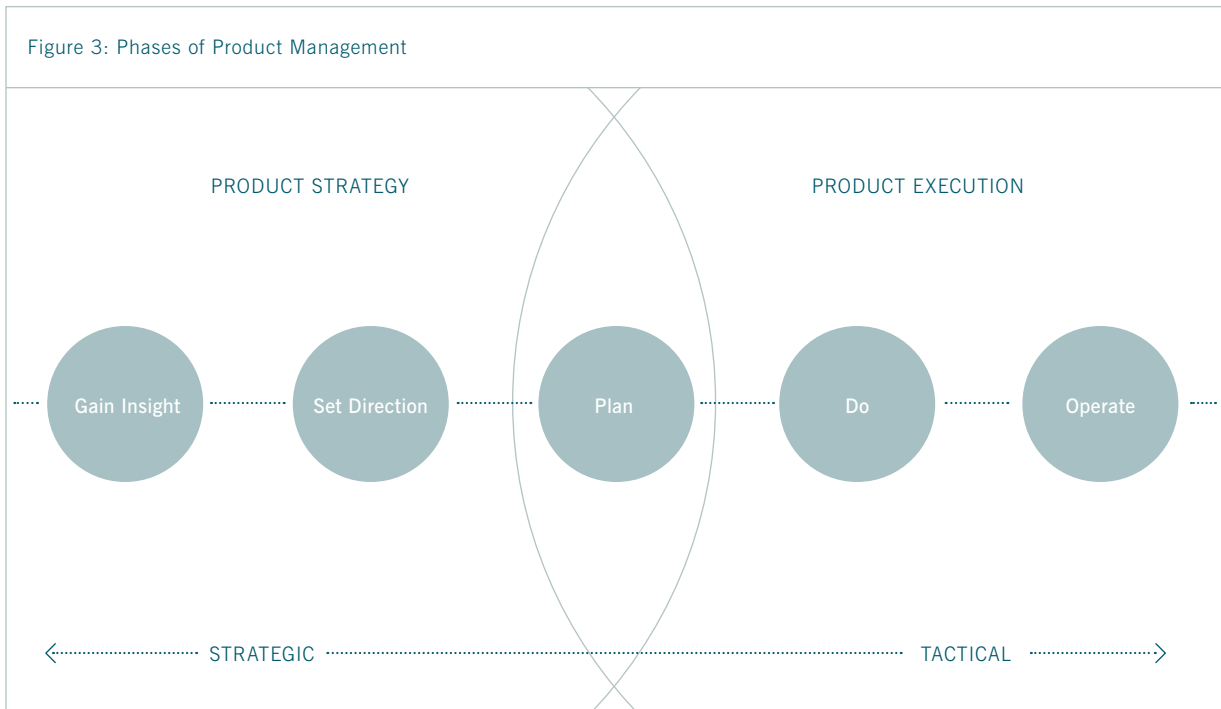
PRODUCT STRATEGY

Product strategy capabilities exist in three of the five product management phases: Gain Insight, Set Direction, and Plan. After listing the capabilities of each phase, we will use the product management organization of an electronics manufacturer to provide an example for each phase (collectively shown in Figure 3).

To begin creating a product strategy, an organization must gain insight from a number of sources. The capabilities required to **Gain Insight** are those of:

- Industry Analysis
- Market Trends
- Market Analysis
- Customer Needs
- Customer Segmentation
- Internal Assessment
- Business Objectives
- Gap Analysis

These capabilities will allow the product management organization to identify market trends and customer needs. Completing these activities allows the product management organization to explore where they could go.

PRODUCT STRATEGY   PRODUCT EXECUTION

Gain Insight   **Set Direction**   **Plan**   **Do**   **Operate**

STRATEGIC   TACTICAL

In the case of an electronics manufacturer, the product management organization might learn things like this when gaining insight: electronic devices continue to become more portable, tablets are the fastest growing device, and the highest value customer segment is upgrading devices on a more regular basis and needs additional portable device options.

To begin determining where the product management organization should go, it is important to have access to the enterprise's business objectives and internal capabilities. This knowledge will be used to help **Set Direction**. The capabilities required to set direction are those of:

- Capability Definition
- Budget Definition
- Product Goals

These capabilities will allow the product management organization to define what they have versus what they need so that they can determine what their goals should be.

In the case of the electronics manufacturer, the product management organization would discover during this phase that their existing product lines and organization infrastructure are stable, so the product management budget can focus on new product development versus maintaining existing products. They would also discover that they have the technology to build tablets. This discovery, along with those from the Gain Insight phase, positions this product

management organization to begin defining how they should capitalize on this knowledge.

HOW TO TURN STRATEGIC INPUT INTO EXECUTABLE OUTPUT

The third phase of the product management framework, **Plan**, is unique, because there are both product strategy capabilities and product execution capabilities that contribute to it. This is where the results of the product strategy become tangible and begin to turn into a deliverable roadmap. The capabilities needed to do this are:

- Capability Pyramid
- Customer Input
- Key Assessment Criteria
- Research
- Process Management
- Concept Assessment
- Roadmap

These capabilities allow the product management organization to explore *what could be* done to meet the goals of the product strategy and define *what should be* done to do this.

In the case of the electronics manufacturer, during this phase, the product management organization would create their roadmap and learn that creating additional tablet options is a top priority for the

Figure 4: Example — An Electronics Manufacturer Using A Product Management Methodology

Gain Insight → **Set Direction** → **Plan** → **Do** → **Operate**

Industry/Market Analysis:
Electronic devices continue to become more portable, and tablets are the fastest growing device.

Customer Needs:
Our highest value customer segment is upgrading devices on a more regular basis and needs additional portable device options.

Capability Definition:
Our existing product lines and organization infrastructure are stable, and we have the technology to build tablets.

Road Map:
We need to create additional tablet options next year.

Concept Assessment:
To align with our product strategy, we need to explore tablet options ... initial screening against our strategy says that touch-model is best-fit for further exploration.

Pilot/Focus Group and Investment Analysis:
We put our touch-tablet in front of a focus group, and it did well ... also the ROI is higher than most other models being researched.

Construction and Quality Verification:
The new model is built and quality tested.

Monitor/Report:
We have launched the new model in the market and are gathering feedback as we speak!

upcoming year. They would then explore tablet models, screening them against the product strategy, and discover that the best-fit model (to build) is the touch-tablet. This discovery allows the product organization to determine how to meet the goals of the product strategy and positions them to deliver products that will hit the mark with their customers while meeting business objectives at the same time.

PRODUCT EXECUTION

The last two phases of the product management framework are Do (Deliver) and Operate. These phases are critical to building products as efficiently and effectively as possible. At the time that a product organization begins the **Do** phase, they know what should be built. The capabilities to deliver effectively and efficiently include:

- Pilot/Focus Group
- Design/Validation
- Business Analysis
- Prototype
- Investment Analysis
- Construction
- Development Prioritization
- Quality Verification

In the case of the electronics manufacturer, these capabilities result in the confirmation to build the touch-tablet models because they did well in both pilot markets and focus groups. The phase gate in the Product Development Lifecycle that accounts for the investment analysis is also conducted here, and the electronics manufacturer finds that the ROI is higher than most other models being researched, so they proceed with building and testing the touch-tablet model. They are now positioned to launch their new product!
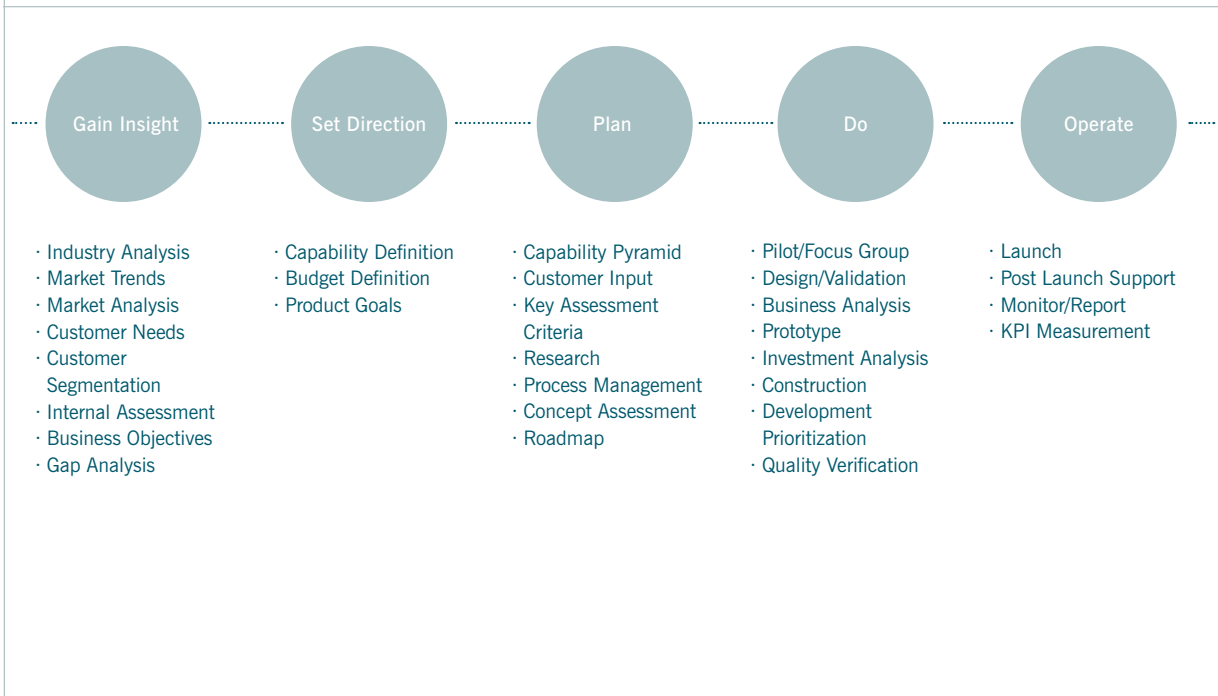
The **Operate** phase is the last phase in the product management framework. The capabilities here lead to results that are incorporated back throughout the framework. The capabilities needed to operate are:

- Launch
- Post-Launch Support
- Monitor/Report
- KPI Measurement

These capabilities allow us to put the product in the marketplace, measure success and prioritize what comes next.

In the case of the electronics manufacturer, the product management organization provided post-launch support for the tablets and measured adoption to determine the success of the product and to help prioritize future enhancements being considered for the product.

Figure 5: Product Management Methodology

Gain Insight → Set Direction → Plan → Do → Operate

Gain Insight
· Industry Analysis
· Market Trends
· Market Analysis
· Customer Needs
· Customer
  Segmentation
· Internal Assessment
· Business Objectives
· Gap Analysis

Set Direction
· Capability Definition
· Budget Definition
· Product Goals

Plan
· Capability Pyramid
· Customer Input
· Key Assessment
  Criteria
· Research
· Process Management
· Concept Assessment
· Roadmap

Do
· Pilot/Focus Group
· Design/Validation
· Business Analysis
· Prototype
· Investment Analysis
· Construction
· Development
  Prioritization
· Quality Verification

Operate
· Launch
· Post Launch Support
· Monitor/Report
· KPI Measurement

At some point in the future, the electronics manufacturer may determine that it is time to sunset this product. This realization would occur during the product strategy phases where usage reports from the Operate phase show that the market and customers are moving away from tablet technology and on to a new type of technology that the organization needs to build.

SUMMARY

The phases of this product management methodology encompass the entire product management spectrum, including strategic and tactical capabilities, as well as those that bring the two ends of the spectrum together (see Figure 5). This holistic approach to product management minimizes the pain that is felt when gaps exist along the product management spectrum.

It is important to note that not every organization needs to establish a high level of maturity in each of these capabilities in order to successfully go to market with new products. However, you can begin to assess your organization's maturity by considering which of these capabilities are in existence, need enhancement, or are missing.

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