# Five Tips for Managing Demands on Your Product and Delivery Organizations

By Scott Gardner and Ray Reboulet

*Five best practices for managing the pipeline demands that are most common to all organizations regardless of their operating model.*

Businesses are more reliant than ever on technology to drive their products and services. Meanwhile, those products and services are becoming increasingly complex. Companies in highly competitive markets, such as technology or hospitality, know they must quickly identify, vet, and pursue viable opportunities. Think hotels responding to the post-pandemic surge in travel while struggling with a tight labor market. In this environment, however, goals can only be achieved successfully when there's a strong, cooperative relationship between Product Management and the rest of the organization.

In a typical company, potential product ideas usually pour in from both customers and internal stakeholders, such as sales, account management, and senior leadership. And while too many ideas is a good problem to have, this dynamic of "unlimited want" can inevitably overflow the constraints of even the most robust delivery team. It often leaves the product organization under tremendous pressure to develop and deploy new solutions, and stakeholders can feel forsaken over the perceived inability to do so.

Operating models abound to address the role of Product Management within the organization—each with its pros and cons—but the goal of this article is not to evaluate them. Rather, we will discuss five best practices for managing the pipeline demands that are most common to all organizations regardless of their operating model.

By employing these strategies, businesses can better manage their funnel by focusing on the most promising opportunities, developing the right solutions, and avoiding overwhelming the organization's finite, critical resources.

## 1. Lead From the Front

Product Management is typically attached to the delivery organization and, in its least effective manifestation, is a reactionary department that responds to internal requests. Individual stakeholder groups might even prefer this arrangement, as they can make autonomous and unilateral decisions with the expectation they will be carried out. However, this can rob the organization of the opportunity to benefit from the Product Management body of knowledge to validate before committing resources. In addition, this approach can quickly devolve into a pattern of accepting and delivering (or attempting to deliver) near-term, unprioritized, short-order solutions.

In its most effective form, Product Management is on the front lines and directly interacts with stakeholders and users. It starts with strong stakeholder engagement and an understanding of key stakeholders. The easiest way to identify key stakeholders is to create a simple map that outlines the area of focus, the stakeholder type, and their interactions.

Use the following questions to help generate that matrix:

**Stakeholder questions:**

1. What groups do we serve? Ex: customers, sales, account management, etc.
2. Outside of product requests, what other activities are required of these groups to deliver successfully?
3. Who has decision rights within those groups?
4. Who can act as the group's primary point of contact to help coordinate work across that stakeholder group?
5. Are there individuals within that group who can provide input during workshops, testing, feedback sessions, and other activities that may need broader participation?

The purpose of the interaction between Product and stakeholders is to understand the challenges facing each functional area, including processes that require workarounds because they no longer meet requirements or a heavily siloed organization that makes interdepartmental interaction difficult. It also ensures that the needs of both the customer and the business are understood from the outset. This allows the business value of resolving a need to be calculated before solutioning ever starts. Skimping on or dismissing the development of this critical product-stakeholder relationship will negatively impact every downstream step in the process.

## 2. Know Your Capacity

Before an organization knows what solution it can deliver, it must have a realistic view of how much can actually be delivered. The engineering organization is a valuable partner in the exercise to determine an organization's development capacity. While agile practices espouse any number of methods to measure and determine team velocity of delivery, this is only part of the process.

What other steps must be completed to fully execute new products or services? How much upfront design will be required? Does training need to be developed? Do marketing materials and campaigns need to be created? Is there a pilot or user-testing phase that must be executed? Every step of the delivery process that could potentially be in the critical path of delivery should be considered.

Even with this expanded view of delivery, however, a subtle trap many executives fall into is neglecting to consider their business's capacity to change. The organization that attempts to take on too much at once — whether it's related to technology or operations — will inevitably reach its limit to absorb the changes. The ability of stakeholders and end users to adapt to changes inherent in the process of designing and deploying new products and services across the organization will be exceeded, leaving them wondering what is the process du jour to be followed to complete everyday tasks.

An example that illustrates this danger is an organization that attempts to launch multiple products simultaneously. By doing so, they create downstream pressure on sales and support teams, who must adapt to process changes while also trying to perform their regular duties. At the end of the day, stakeholders and product leaders must remember that the launch of new products and services — whether physical or digital — involves considerations far beyond simple delivery.

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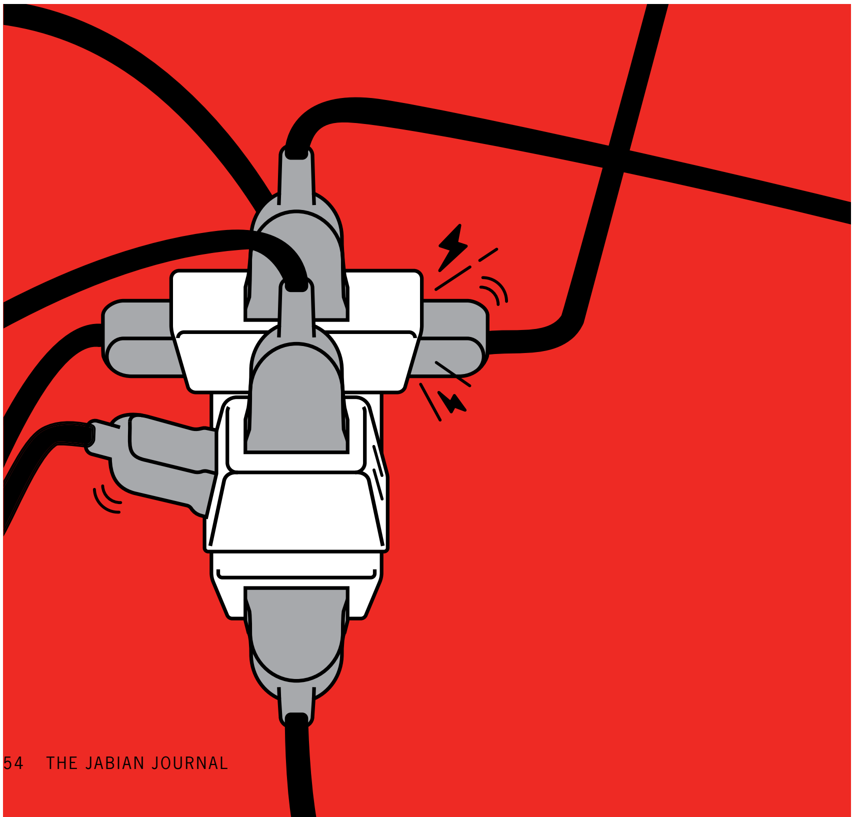

### 3. Kill Bad Ideas Early

"Fail" may be a four-letter word, but failure isn't always a bad thing. Failure can help lead to success — which leads to growth and value — by teaching an organization what doesn't work with small exploratory bets with minimum exposure or investment. One can think of this like a company acting as its own venture capital firm. An investment firm builds a portfolio of companies (or opportunities, in this case) based on starting with small investments and then increasing them over time as those investments show additional promise. Investments that aren't showing a path to returns do not get additional investment.

Failure becomes toxic, however, when the organization continues to spend time, energy, and resources on an endeavor that will never succeed. Every organization should learn to recognize when an initiative will not yield the desired results and either quickly pivot or kill it. By doing so, the organization will reduce demand on the Product organization and free up precious delivery resources, which can then be refocused on initiatives with a higher potential for success.

One strategy is to approach every project as a series of escalating bets. Each bet divides work into incremental steps that both limit exposure and offer the opportunity to reevaluate direction at each stage. For example, only the most overconfident gambler goes all in from the start without waiting to see what other cards hit the table and how other players react. The smart player starts with small, exploratory bets and assesses their chances after each round of betting. If the table looks good, they increase their bets. If the odds are not in their favor, they keep bets small to learn more or fold altogether. Businesses can approach delivery in a similar, methodical way. Here are four key ways to do this:

1. Interview stakeholders and users to understand the problem, potential solutions, and value.
2. Prototype solutions with lightweight tools that can be reviewed with stakeholders.
3. Build only the most necessary components of a solution to validate the hypothetical value.
4. Pilot solutions with limited user bases.

Each employed subdivision of work should offer an opportunity to decide whether the work invested to date promises to deliver value and warrants additional investment. If the requisite return is not being achieved, a mature organization will have the conversation to either adjust the plan or kill the project entirely.

## 4. Respond to New Demand

Even when a business is crystal clear on delivery priorities and has decided to continue investing in a subset of initiatives, the market landscape will inevitably change. New opportunities and challenges will present themselves. As such, the business must have an open, honest, and continual conversation in which they address the following three questions:

1. Is the new opportunity or challenge worth undertaking?
2. Does the business have the capacity to take it on?
3. Does the opportunity or challenge represent more value than other remaining work in progress?

The best possible outcome is that the project remains worth doing and the organization has the capacity to pursue it. However, this happy path is rarely the case, as capacity is almost always pushed to the limit.

The likelier scenario is that the initiative is deemed worthwhile, but the required capacity does not exist. And the worst possible decision an executive can make in this case is to insist the work continue, further straining existing capacity. Inevitably, most, if not all, of the work done by the operative team will suffer on every level — duration, quality, and cost.

A better alternative is to compare the value of work in progress versus that of the new opportunity and decide on a proper course of action. Perhaps the business can park the existing work — or modify the scope to accelerate completion — to pursue the new opportunity. Perhaps the new opportunity has less estimated value than the current project and should be left for future consideration. There are a variety of paths the organization may choose to balance the promised value of both current and future opportunities.

## 5. Divide and Conquer

Even with the most cooperative stakeholders and best intentions, the temptation to take on more work than capacity allows can be irresistible. As such, it is advisable to implement safeguards to protect capacity.

One long-time practice is to insert formal checks between phases that enforce evaluations before initiatives can proceed. Another strategy is to limit delivery teams' exposure to ad hoc work orders by building firewalls, such as instituting and enforcing procedures for changes or enhancement requests. This is particularly useful when a delivery team is responsible for both new development and maintenance of existing solutions. In this situation, maintenance requests that deliver only incremental value often drown out the ability to deliver on new, high-value/high-growth opportunities.

To prevent this from happening, divide your delivery team into two: one portion that is focused on maintenance and support requests and the other on new opportunities. By protecting the team responsible for new work, you limit exposure to the unending demands of support. Likewise, the maintenance team can enforce capacity constraints to focus on solving a single problem at a time. Delivery leaders might also consider adopting Kanban-style workflows, in which the team takes on a fixed number of requests at any one time and only takes on a new request when a prior request is complete.

## Conclusion

Every business is unique and faces different challenges, but one rule is always true: The organization with a healthier product-stakeholder relationship has better odds of achieving desired results. Stakeholders must understand the product process and the demand placed upon them. And it is equally important that product leaders be fully transparent with stakeholders to help the organization arrive at the right product decisions.

A business that finds itself with too many opportunities in its funnel, investment scattered across multiple initiatives, missed target dates, and failed results with launched products and services would be wise to carefully examine its demand and capacity for product. Is it setting the stage for success or failure? A review of the product intake process may very well reveal an unrealistic demand that is causing breakdowns downstream. And if so, using one or more of the best practices outlined here could be the key to turning things around. ⚡

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