Structuring PM Roles for Success
The Importance of the Organizational Environment

In a previous guest post at OnProductManagement, we interviewed executives about product management and asked whether product managers met executive's expectations. We got a resounding SOMETIMES.   Executives expected product managers to deliver against current business objectives but also acknowledged that the environment has a great deal to do with product manager success.   We'll explore this environmental issue in more depth, specifically what do execs and product managers need to be doing to make the role successful. This discussion applies equally to other "PM" roles, including project and program managers.

Every company is unique in its various lifecycles (company, market, and product) and the processes that have been put in place to manage product development.   Eventually, something gets out of whack as the processes have not adapted with changing company conditions.   Five of the more common product development issues that surface are:

1. Portfolio and project prioritization issues – Too many projects overwhelming the resources
2. Weak innovation funnel – Few good new ideas or difficulty in getting major initiatives started
3. Poor cross-functional execution – project releases not well-coordinated, resulting in firefighting, manual processes and fixes after the fact
4. Ad-hoc software release planning process – the definition of releases, feature prioritization, and requirements is subjective and inconsistent
5. Lots of customer "specials" – Development is regularly adding unique features or builds for new sales opportunities or major customer requests at the expense of planned projects

The end result is projects are late, products are incomplete, products don't meet market or company needs, and business objectives are not being realized.   Different companies have varying levels of some or all of these symptoms. You may also notice that many of the issues can be interrelated.   As long as these issues exist, then some or many executives will be unhappy with the folks who seemingly should be the ones fixing these issues – the PM roles - product, program and/or project managers.   Let's dig a little deeper into some potential root causes of the issues.

Functional Silos and Gaps
The typical technology organization consists of dedicated functional departments for creating and delivering the product or service: Development, Marketing, Sales, Operations (manufacturing, network, hosting), Customer Support, and Finance/Accounting.   When a company or division is relatively small, the executive staff plays a major role in day-to-day issues and provides a great deal of decision-making and cross-functional alignment.   In essence, the execs and founders are the PMs of the product.

As a company grows, each of the functions becomes naturally disconnected from others as they focus more on supporting customers and implement their specific processes to address the growth. In addition, the executive staff itself becomes less capable of being active in day-to-day

issues and is less involved with the rest of organization.   The gaps between functions become a communication void and the gap to the executive team creates a leadership void.   This is illustrated in Figure 1.
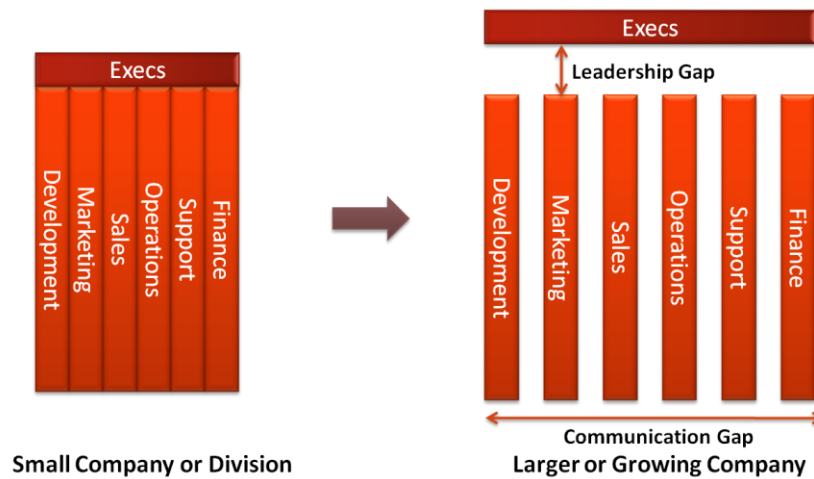

Figure 1 - Communication & Leadership Gaps

In order for the executives to scale the organization, they must start to develop cross-functional leaders at the next level in the org.   This is when the PM functions begin to appear to help provide the missing alignment and coordination.   The result is that these individuals are conceptually an extension of the executive team acting on their behalf to maintain information flow up and down, and to facilitate day-to-day decision-making across organizations to keep projects moving.   The ideal organizational structure would be another department as peer to the functional groups and which has an executive member whose role is cross functional.   Most often though, to simplify the reporting structure, the PM roles are buried inside the Development and/or Marketing teams as shown in Figure 2.
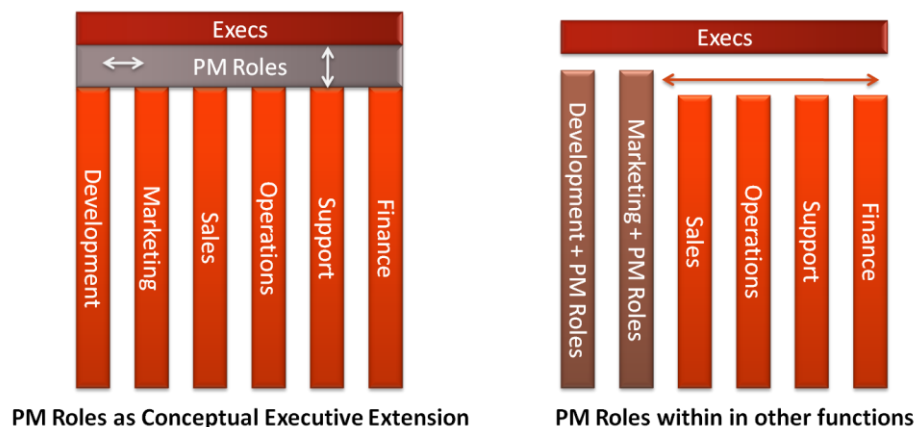

Figure 2 - PM Role Implementations

This is where challenge and potential conflict can arise between various groups. While the PM roles can function in this latter structure with appropriate role definition and alignment with the executive staff, the more typical scenario is the PM roles are more narrowly defined and limited.

For example, the PM roles residing within Development will likely be very focused on Development activities - notably requirements, release scheduling and internal tracking - and much less on coordinating the released product to the other organizations.   The PM roles residing within Marketing will likely tend to be focused on sales launch, marketing promotional activities or sales support at the expense of a well-defined and deployed product. These activities are driven by the missions of those functions and how they are measured for success.

If PM roles exist in both organizations and they work together effectively, then this can help in covering at least some of the gaps, but they are still individually focused on their function versus organizational success.   Very often, though, the PM groups don't even work with each other on a regular basis or possibly even have an adversarial power struggle.   There's also the issue of who's driving the boat from a strategic and forward-looking perspective.   This is also usually ill-defined and secondary to the roles.

Common Myths Regarding the PM Roles

There are a few beliefs that are held by the execs or the PMs themselves which cause the most friction towards an effective organization.

Myth #1 – Adding PMs is like any other position

Very often, the assumption when staffing a product, program or project manager is that it is similar to hiring a developer or marketing communications person.   These latter roles have fairly well-defined jobs that are also primarily contained within a limited cross-functional sphere. Individuals in these roles can come and go with little impact on the organizational structure and activities.

The PM roles are dramatically different.   The whole purpose of having them is to fill gaps in the organization that are limiting execution against business objectives.   There is no sure-fire prescription as to how this will be accomplished and requires individuals with a strong ability to identify the problem and solution and have the leadership skills to make something happen. There will also be an accompanying set of process changes that will result and impact others in the organization.   This will force organization change to have to occur.

Most PMs typically come from some other department, such as Development, Marketing, Customer Support, etc.   Don't assume that because they were good in their previous role that they will be good in a PM role.   They should have already demonstrated a natural ability to coordinate and organize others, otherwise they will likely be put into a role they are uncomfortable and ineffective in.

Of course, you can have a product manager who focuses exclusively on writing requirements, or a program/project manager who focus exclusively on project tracking and status. These people may be able to help with some tactical issues, but then your expectations of them as leaders in the organization driving business results should also be reset to a lower level.

Myth #2 – Good PMs will require minimal senior management involvement

A strange thing happens when a company decides to add or expand the roles of PMs to address the gaps that have developed in their organizations.   The senior execs assume that by simply adding the people or rewriting the job descriptions, they themselves are off the hook to do anything more. They reason, "Good people will get the job done."   This is probably the #1 reason for the low success rates of product managers in the eyes of executives.

While the addition of PM staff offloads the execs in a number of planning, coordination, tracking, and execution tasks, it emphasizes a new set of activities that the senior team must focus on to enable the PM roles to function on in their behalf.   These executive obligations include:

1. <u>Defining a clear and measurable set of business objectives, timeframes and priorities.</u>   This goes beyond simple revenue and profit goals for each quarter, but succinctly defines the tactics by which the business strategy is intended to be realized and the product and project deliverables targeted, when and why.   It is also mandatory to carve out what the organization is NOT going to focus on, so that people don't waste time on lower priority activities, customers, etc.   Without these priorities in place, the PMs will be constantly battling subjective opinions about what's needed in the organization and making little headway on what's really important.

2. <u>Aligned and communicated roles and responsibilities.</u>   The potential PM roles can be very broad and need a clear set of expectations agreed to between all parties.   This means that a "contract" needs to be agreed upon by the entire executive team, as the PMs will be tromping around in everyone's backyard, or it will be assumed that they will be tromping but aren't. This is an executive level responsibility to ensure the boundaries and scope of the PM activities are clearly laid out, they are empowered to orchestrate across boundaries and this is communicated across the organization.   Without it, the PMs are just going to step on somebody's toes and create conflict.   It is also quite common that if there is a conflict between two executives, then the conflict will be mirrored lower in the org between their functions. This conflict will nearly always get in the way of PM success if left misaligned for them to manage.

3. <u>Regular status checks, coaching and mentoring</u>.   The role of some senior execs will need to shift into a coaching and mentoring role.   This is especially important in the early days of the roles, where regular monitoring and course correction will likely be required and potentially adjustments in responsibilities and activities. In addition, if the overall goal is to increase the leadership capabilities of the PMs to enable the organization to scale, then helping them to develop leadership skills should be a primary task of their reporting exec.   This might be a major role shift for some executives, especially those with more autocratic styles, and require their own form of skill upgrades from training or coaching.   It is also highly valuable for the PM staff to develop relationships directly with execs in other functional areas. This helps to break down the silo effect of the PMs residing in a different department.

4. <u>Removing barriers</u>. It is normal that organizational change is going to be necessary and that there will be conflict and barriers that crop up between functions which have different missions and priorities.   Strong PMs will usually be able to resolve many of these issues, but there are some issues that will have to be escalated.   The execs need to be prepared to step in, if needed. If an exec is constantly having to step in, either the organization itself has too much inter-function conflict that needs to be addressed at the executive level, or the PM individuals do not have the full set of skills required to be successful and adjustments need to be made.

Ultimately, the executives may find themselves interacting regularly with the PM staff and this is one of the most positive results that can occur. This is, after all, what's needed to ensure successful alignment across the organization, and the PMs are the execution team for the executives.

Myth #3 – PMs have all of the responsibility and no authority

On the flip side the coin, the PMs themselves can have beliefs and behaviors that limit their effectiveness and acceptance by the organization. These need to be replaced by the following:

1. <u>Establish your credibility</u>. No org chart or job description will give the PMs authority to lead others in the organization. This will be earned by demonstrating the ability to work effectively with others, delivering on your commitments, and adding value in the voids. You have to develop credibility with a large number of stakeholders over time, with some possibly being absolutely critical for your success, notably Development and Sales. Sometimes you'll need executive help to overcome obstacles in the organization. Ask for help after you've exhausted all of your alternatives.

2. <u>Keep moving the ball</u>. Like in soccer, a ball at rest is not going to score. The job of the PM corps is getting projects started, keep them moving, and completing them. Break down large projects into Step 1, 2, 3... A common problem is you'll have too many balls in motion and none are going to make it to the goal. In this case, identify the priorities and issues in the way and develop a recommendation for senior staff, so the important ones get the attention they need. Push back on senior management if you don't have a clear set of actionable priorities to be able to determine what you should be driving.

3. <u>Don't wait to be told what to do</u>. Some PMs are unsure of what they should do and wait for execs to tell them. You can assume that if the execs knew what to do, it wouldn't be a problem to solve. They actually need you to jump into the pool and figure out the issues and come up with solutions. Very often, you can also just decide what actions to take and start doing them. Other times, you may actually need their approval and support once options are identified. There are no hard and fast rules. The most effective PMs figure out what needs to be done with some basic guidance and make it happen through collaboration and leadership skills.

The Challenge of Growing the PM Role

A special situation exists where the PM staff already exists in a limited way within the organization, and the executives decide it's time to expand the role as discussed here. The PMs are likely currently heavily involved in product requirements, sales support, product launch, or project management but the executives would like to see more strategy and drive from the PMs in solving bigger problems in the organization.

There are a few traps to have to watch out for in this scenario. First, does the staff have the skill set and general organizing personalities to be effective? Do they require structure and are uncomfortable with challenging the system? Can they effectively see a larger picture and the steps required to get there? The role they currently have in some way is probably suited to their personality, so attempting to make the role something else may very likely run into a wall. For many of the incumbents, you may have to find them a different role.

Second, and related, is does a role model exist. Is there a senior person or executive who understands what is needed and can model for the whole organization what it looks like. Without being able to show the behavior that is desired and the impact it can have, it may be very difficult for the organization as a whole to understand the benefits that will result.

Lastly, the current org has "memory" that will resist the change. The roles of the current PM staff have developed in relation to other roles in the company and changing the PM role and priorities will require augmenting other roles to compensate and complement. The organization will tend to return to its old way of doing business unless the executive team is proactively engaged and communicating the new responsibilities and expected results from the change. This is akin to making changes in the corporate culture.

Success Comes from a Collaborative Environment

The primary problem to solve in most organizations is communications channels have slowed or stopped between functions and to/from the executive team. The PM roles, with support from senior management, are primarily responsible for opening them back up. While portfolio plans, strategy docs, project plans, requirements docs, project tracking and status reports are all artifacts of this communication, it is fundamentally achieved by empowered individuals with the skills to create relevant conversations among the appropriate stakeholders. Talking to each other should be the primary method of communication.

When the expectations of executives are not being met by the PM staff, it's very likely because the execs themselves have not come together to agree on how the PMs should operate, at what level, across which activities and functions, and with what goals and measurements to achieve business results. The execs can benefit greatly by viewing the PM roles as partners in achieving their business results, and need to create the organizational environment for them to be successful. The PMs in return need to step up and make important results happen, while paying attention to and driving the little steps to get there. Collaboration between the two groups is the key.

About Product Arts

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