

What Do Product Managers Do?

An Overview of Product Management Roles

Introduction

What do your product managers do? Are you aware of all the things they could be doing?

This paper gives a brief overview of the typical activities that product managers get involved in and some potential issues that can crop up. The goal is to provide awareness of the possibilities to product leaders and product managers for assessment of your situation and opportunities.

Product Management – The Challenges

There's a little secret about the Product Management title within the technology industries. Product Management has a *different set of job responsibilities and focus in nearly every company*. Even within a single company these activities will vary over time, sometimes radically. The reason for this is the role that Product Management can assume is quite broad. Different company needs and cultures mold the job responsibilities.

On the bright side, this means that a Product Management team can do a lot of positive things for a company and can be used in different ways depending on the needs of the organization. On the down side, it also means there can be a huge misalignment of expectations causing confusion, conflict and even dysfunction in the organization. Additionally, the broad skill set may be difficult to staff.

In a startup company, Product Management is not a common position until the product is ready to go to market, or possibly even significantly beyond that. The responsibilities of product champion will usually be assumed by one or more of the founders. If the founders are truly market-focused, this can actually be a good thing as they drive the product to its first releases and learn for themselves the needs and results. Over time, if the company has some success in acquiring customers, the founders will be pulled in many directions, and a formal role of product manager will likely be required to start filling the gaps that occur in keeping the product pieces together.

Once staffed, the product managers will have very specific deliverables while also being facilitators for moving things along between functional groups. In this respect, Product Management is the orchestrator of product activities to make sure the product ball keeps moving towards the goal. Product Management helps to fill gaps and voids in an organization to ensure the product's success. This gap filling role can be highly leveraged if staffed and coordinated effectively, or it can be source of constant friction if roles are not clear or the gaps are too large.

The Product Management role is further confused by other titles. Another similar role is that of *Product Marketing*. Usually in larger companies, both Product Management and *Product Marketing* can exist, one to create the product and the other help sell it, respectively. In smaller companies, Product Management is often performing both sets of activities (with varying degrees of success).

Additionally, in some software companies, notably Microsoft and its offshoots, Product Management is mostly Product Marketing, and *Program Management* is performing many of the requirements activities usually done by Product Management in addition to driving the development team. This puts a lot on the *Program Manager's* plate and the tendency is to become more internally focused and tactical than market focused and strategic. To help offset this, there are sometimes *Product Planners* on the team who can be either marketing or technically-oriented and look at the market and product issues in a strategic way. (Are you confused yet?)

At the end of the day, title is less important than a clear definition of responsibilities, filling critical gaps, and alignment within the company around those responsibilities and activities.

The Continuum of Product Management Activities

The primary purpose of Product Management, at a high level, is to provide a focal point for a product's success. The activities the product managers will focus on are often a function of the life cycle of the product and vary over time. The major activities are *Product Planning*, *Product Launch*, and *Ongoing Product Sustaining*. These are aligned with the corresponding stages of the classic Product Life Cycle.

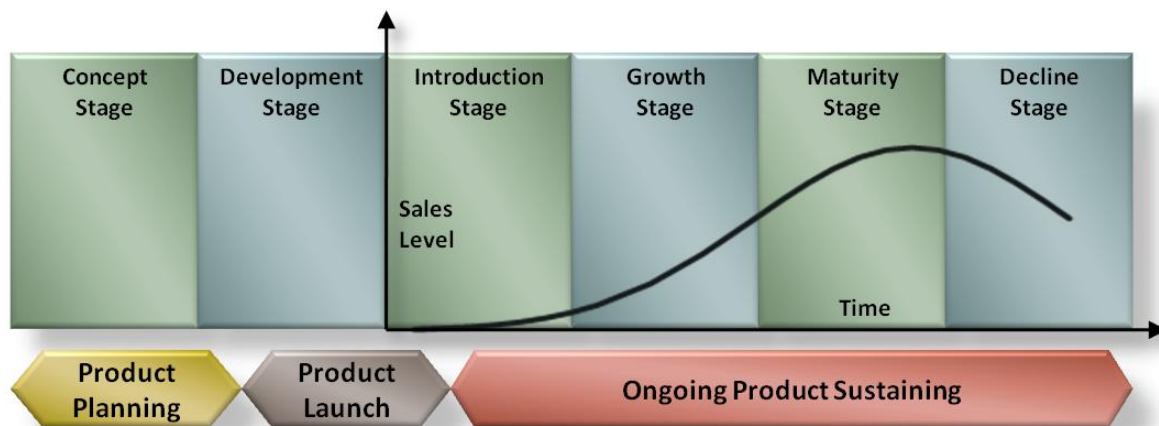


Figure 1 – Product Management activities mapped to the Product Life Cycle

The following discusses each of these activities in more detail.

Product Planning

The purpose of the Product Planning phase is to create the right product for the market and the company. It starts with defining a high level concept of the product and business opportunity and through increasingly detailed iterations on requirements and solutions, securing the product approval for the Development stage. (Figure 2)

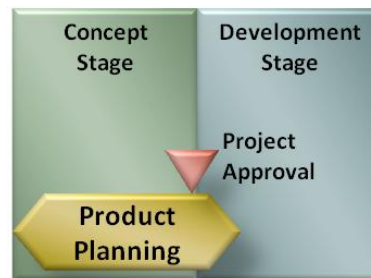


Figure 2 – Product Planning phase - driving from Concept to Development stages

Product Planning activities and deliverables can include customer visits, market research, product proposals, market and product requirements, business cases, competitive research and positioning, and overall product plans. According to Pragmatic Marketing's 2006 Survey of over 500 product managers¹, 70-80% of product managers are researching market needs, writing product requirements and monitoring development activities. In addition, 50% are preparing business cases. The primary goal of these activities is to drive the engineering/development investments for a new product or ongoing updates.

The main customers of Product Management during this phase are the business sponsors (customers and/or senior management) and the Development organization. Product Management defines what is needed in the market through the WHY, the WHO, and the WHAT. The WHY is the business problem or opportunity, the WHO is the target market, users and buyers and the WHAT are the product features and requirements. Product Management also aligns other key stakeholders and influencers in the prioritization process and to derive the whole product requirements.

During this planning phase, the popular mantra applied to the Product Management activities is "Voice of the Customer" (though, unfortunately, it often is not). Product managers should obtain early customer and stakeholder validation of the concept, requirements and priorities during this planning phase. This can save a lot of headaches later and strengthens their case when negotiating priorities internally. On the other hand, this does not ensure market success, so balancing this activity is important.

In some companies, the product manager is also required to go the next level of detail into functional requirements (also called product requirements or functional specs), UI mockups, and even rapid prototypes to begin to define HOW the needs will be satisfied without going into implementation details. Pragmatic Marketing's survey indicated 54% of product managers are engaged in this level of detail for requirements. *This is an important distinction to highlight.*

¹ 2006 Annual Product Management Survey, Pragmatic Marketing, www.pragmaticmarketing.com

If the product is highly technical, is new to the marketplace or has a high degree of user interaction involved, it can be more effective for the product managers to begin shaping the product through detailed requirements and UI mockups before handing it completely over to Development. It is even more efficient if Development is involved in reviewing this work before the handover. Note that this level of detail for Product Management comes at a cost. This is a time-consuming process and will be competing against other potential priorities. It also requires the product manager to be more technical and/or have User Interface skills or specialized support available. The trade-off is requirements depth versus other planning or coordination activities. The gaps always exist, so the challenge comes in how to best fill them in a specific organization with available resources.

After the requirements are complete, the product manager then usually hands them off to a program manager, project manager or development manager within the development organization. From here, a full-fledged plan detailing the HOW (solution and design) and WHEN (schedule, resources, and cost) begins with multiple iterations of analysis, architecture, estimating and schedule/cost rollups to achieve the project objectives and constraints. The product manager supports this phase with changes or details to requirements, reprioritization, reviews of technical specs and plans, and overall negotiation of the deliverables with Development and other stakeholders. The desired outcome is to get approval for the plan and begin actual development. The best results are achieved when the product manager and development lead have a good working relationship and can function effectively as a team.

A variation of this process exists in the software world through the development methodologies of Agile/SCRUM. Here, the high level concept and business case gets management approval. Then the product requirements and development stages evolve in iterative mini-cycles for customer feedback and validation (for example, monthly) until a full set of functionality is available to ship.

In this scenario, the product manager is defining the product requirements on a less formal basis (no requirements documents) but continuously throughout the development phase as the feature set evolves. This methodology is generally more date or budget-driven than feature-driven, as a potentially shippable product is available at the end of each iteration. This method also significantly reduces the need for a Beta test, as the product is essentially in a continuous Beta mode until shipped.

While the product is being designed and built, the product manager supports Development through monitoring and responding to development issues as required. Ideally he/she also begins early product use and testing to ensure the requirements are being appropriately addressed. Product Management also begins to work with other functions, such as Marketing, Sales, Customer Support, Documentation, etc, within the company to facilitate their planning efforts for Product Launch.

Key product manager skills required in this phase are business acumen, strategy, analysis, creativity, financial, organization, collaboration, communication (written, verbal and presentation), negotiations, and project leadership. Technical and UI skills may also be highly desirable.

Potential Issues in Product Planning Activities

The following is a brief list of issues that can occur during this phase with regard to Product Management activities:

- Fluffy requirements (Not enough detail or too blue sky for Development to act)
- Lack of positioning (Matching competition feature for feature, no meaningful differentiation)
- Requirements overkill (Too much time invested in requirements, diminishing returns)
- Requirements ignored (Lack of Development confidence that requirements or priorities are real)
- Requirements missed (Missing key users/buyers/influencers or operations/support needs)
- If we build it, they will come (No customer input/validation, Inside-out thinking)
- Too customer-driven (Incremental innovation, lack of roadmap to satisfy company vision)
- Business case? (No or minimal business case, uncertainty in value provided/how to monetize)
- Analysis Paralysis (Spinning on requirements/schedule/costs/ROI, development never starts)

Product Launch

The purpose of the Product Launch phase is to introduce the product to the market. The major customers of Product Management during this phase are Marketing and Sales, though a primary task for the Product Management group is often to ensure all groups are ready for the launch. There may even be a gate review with senior management for launch approval. (Figure 3)

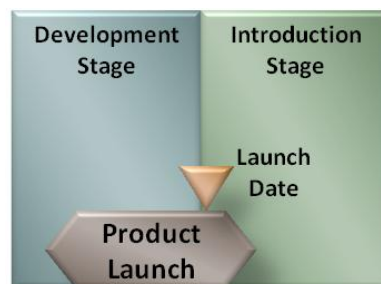


Figure 3 – Product Management – driving from Development to Marketing and Sales Launch

The Product Launch activities can include collateral and whitepaper development, press releases, analyst briefings, trade shows, product presentations and demos, pricing, promotions, sales tools and sales training. Pragmatic Marketing identifies that 40-50% of product managers are engaged in writing and approving collateral and promotional materials and training sales people. Sales visits to key customers in extended road trips may be on tap for many product managers. Product documentation may also be a major deliverable from Product Management during this time, or Development can be responsible.

The Marketing organization may primarily drive these launch activities or the product manager drives with support of Marketing Communications. If there is a separate Product Marketing organization, most of these tasks will be its responsibility with support from Product Management. The launch period can continue for Product Management for a few weeks or

months after the launch date in support of ongoing launch activities or for finishing up the list of deliverables above.

Another possible major deliverable prior to launch can be the Beta test. Not all companies do Betas and they can have any number of goals (both good and bad), including testing the reception of target users to the product, performing a dry run of the company's readiness for launch, and even to find defects that cannot be found in normal testing. The Beta can easily consume a product manager and other members of the development team and support staff for an extended period of time. Because of this, the purpose and goals of the Beta test need to be identified early so as to focus on only those tasks that will produce value and so there is sufficient time allocated to incorporate the feedback into the product.

Key product manager skills required in this phase are marketing, creativity, organization, collaboration, communication (written, verbal, and presentation), and project leadership. If pricing is a required task, then also include business acumen, strategy, financial and negotiations.

Potential Issues in Product Launch Activities

The following is a brief list of issues that can occur during this phase with regard to Product Management activities:

- Fuzzy messaging (Lack of solid communications plan/value prop/positioning)
- Pricing follies (A dozen cooks involved or no formal pricing plan/left to Sales)
- Sales un-readiness (Lack of Sales presentations, tools, training)
- Documentation? (Product documentation an afterthought, not staffed)
- Operational un-readiness (Lack of coordination with support, service, ordering, reporting...)
- Death by trade show (Date more important than readiness, rushed product/demo, few leads)
- Death by Beta (Beta consumed everyone, feedback useless or no plan for fixes)

Ongoing Product Sustaining

The purpose of Ongoing Product Sustaining is to continue to drive or support the product as it progresses through its lifecycle. There are typically two primary sets of activities for Product Management: 1) support Marketing and Sales, and 2) support ongoing product planning and launches of updates. (Figure 4) These can both be significant activities for product managers.

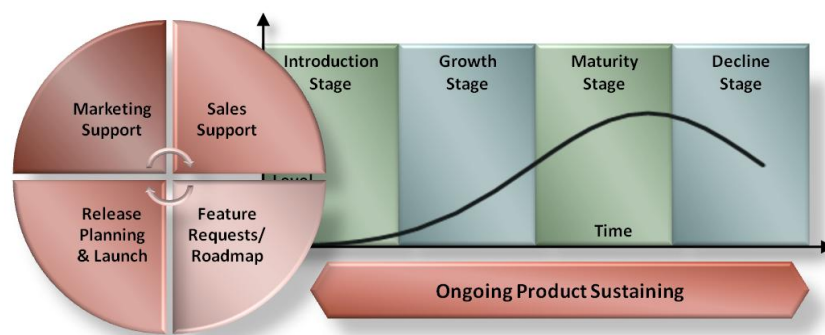


Figure 4 - Ongoing product sustaining activities

The Marketing and Sales activities can include visiting customers and going on sales calls, updating documentation and marketing materials, creating or updating sales tools, responding to RFPs, providing backup customer and sales support, going to trade shows, competitive write-ups, analyzing customer data, performing customer surveys, planning and measuring marketing programs and interacting with channel partners.

For ongoing product planning and launches, the primary activities identified above for a new product will be repeated, but on a smaller scale. These include market research, managing feature requests, writing requirements, analyzing competitive products, managing the product roadmap, and launching the release(s). If the product is software, these cycles can be repeated as often as every 3-6 months.

Except for new product specialists, this phase of activities is where most product managers live. This is also usually the most difficult phase to keep in balance because there are a series of different activities and multiple balls in the air at any given time. Daily brush fires and tactical issues can consume the product manager, and more strategic and longer term activities get pushed off the plate.

It is this overload situation that can cause issues and problems with Product Management as expectations are likely not being met with someone in the company. It could be that Development is not getting their next set of requirements, or Sales is not getting adequate support or key customers are not getting product issues resolved.

This is the time to reassess the purpose of Product Management in the company and prioritize the activities that will bring the most value, both strategically and tactically. This will lead to an assessment of the available skill set to address the most important needs, both in Product Management and other functions. It may be time for additional training, or to begin specializing between product managers, or to add additional permanent or temporary staff in Product Management or in the other functions.

This should not be considered a negative event. It is natural to assume that organizations are fluid and Product Management provides a team that can be dynamically focused as required with additional company resources added for filling the remaining gaps.

Potential Issues in Ongoing Product Sustaining Activities

The following is a brief list of issues that can occur during this phase with regard to Product Management activities:

- Product Manager on-call (Sales or customer support becomes the top priority)
- Requirements hell (Buried, again, in the requirements process for the next release)
- Roadmap hell (Ad-hoc planning process, changes frequently, not real)
- Innovation-less (No market-leading new features, too focused on competitor features/bug fixes)
- RFP hell (Major time sink, driving every RFP response, no templates, no Sales ownership)
- Customer data-less (Lack of data or analysis for tracking purchase rates/usage/satisfaction)
- Feature request overload (No method for tracking, assessing and prioritizing from customers)
- General overload (Too many activities for the available staff, no prioritization of activities)

Other Potential Activities

Depending on the company and the products, there are two additional activities that Product Management can get involved in. The first is Business Development in helping Sales to secure the first customers for a new product or in a new market, or in working with technology or channel partners to fill out the product offering. These activities can span from minimal support in providing product expertise all the way to driving the negotiations and contracts. This can also become a major time investment for Product Management.

The second role is Project Management. In the absence of formal project managers, the coordination of other groups and activities likely falls on the product manager. Some amount of project management capability is a core skill required for most product managers. Unfortunately, this project management proficiency can become the primary role of Product Management while other activities are deemphasized or completely removed. In this scenario, strong product managers will become frustrated and eventually leave the company.

Summary

The scope of potential Product Management activities is wide and encompasses *Product Planning*, *Product Launch* and *Ongoing Product Sustaining*. The position is often an overall orchestrator of the product activities in addition to being a gap-filler between functional organizations and to the customer. The focus of activities varies with the product life cycle and also the specific needs of the company.

Problems can occur when the responsibilities of the Product Management organization are not clearly articulated within the organization, it is not properly staffed with appropriate skill sets, and when the demands are too high for available resources.

Company's can adopt the philosophy of a dynamic resource pool within Product Management and focus them on the most important, value-adding activities to fulfill the company's product goals. This may require ongoing training, addition of new product managers or other resources in the company, or augmenting Product Management skills with temporary resources.

Companies are not static and neither is Product Management. Once the role and responsibilities are established, it should be clearly communicated and aligned to other key functions in the company to eliminate confusion and get everyone on the same page.

About Product Arts

Product Arts specializes in Product Management methodologies and processes and provides consulting services to companies with product strategy, planning, launch, or ongoing sustaining needs. Services offered include assistance with specific Product Management deliverables or an overall organizational and process assessment and correction. Specialized Product Management training and coaching is also available. Technology focus includes mobile services, software, and embedded systems. Don Vendetti is the founder and principal of **Product Arts**.

For more information, see www.product-arts.com or send email to info@product-arts.com.