

# Leading Product Management

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How to Create a High-Performance  
Product Management Organization

**STEVEN HAINES**

**SECOND EDITION TO**  
Managing Product Management



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**SEQUENT<sup>SM</sup>**

*A resource for product management executives  
from Sequent Learning Networks*

[www.sequentlearning.com](http://www.sequentlearning.com)

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# PREFACE

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When I wrote the first edition of this book (under the title *Managing Product Management*), my intent was to provide a resource for senior leaders to organize effectively around the purpose and function of product management. Over the years, as I delivered the workshop “Implementing and Managing Product Management” and conducted hundreds of corporate diagnostic assessments, I learned that standing up a product management group, or recalibrating an existing organization was fraught with challenges. In other words, managing product management is easier said than done.

Even if CEOs believed in the purpose and value of product management, their version of what it was—or could be—was highly variable. Further, their cross-functional leadership teams asserted their own ideas of what product management should provide and what product managers should do.

To my way of thinking, the enemies of productivity and profit are inconsistency or variability. Too many companies make money by accident or by sheer size, share, and stature. Despite their call for collaborative leadership, many leaders default to the functions in which they have worked instead of inspiring cross-functional agreement on goals, especially at the product level. Too many product managers do the work of others while functional agendas abound. This is unacceptable, and it’s time to address these conditions with a purposeful organizational development strategy that can stand the test of time.

Based on my research, about 30 percent of companies are doing a solid if not excellent job in leading product management. Their processes, methods, and culture are most enviable, and it’s from this pool of companies that I’ve extracted some of the best practices for product management. About 50 percent of companies continue to push and pull at the levers of success, and some do succeed over time, but reorganizations and executive churn result in mixed results. It’s

from these firms that I've learned what works and, more importantly, what doesn't. Another 20 percent of companies cannot move off the mark, remaining deal-driven, reactive, and functionally oriented, and are content with business-as-usual tactics that masquerade as strategies.

With this book I'm squarely aiming at executives, those who want to guide the successful evolution of a company and construct (or fortify) an infrastructure of product management that can stand the test of time. It's meant to help leaders ingrain a durable, repeatable, flexible, and scalable product management structure within their firms.

Note that this is not a book designed to teach product managers how to do their work. It's not a book that extols the virtue of one development process over another or provides a template on how to dream up the next innovation. It's also not a book about digital transformation or whatever a company needs to be doing to advance its business model. It's a book about business—the business of product management.

Challenges remain: Doing more with less. Competing for talent. Expanding into new markets. Leveraging people who work virtually. The key to overcoming these challenges is to diagnose product management configurations effectively, then take purposeful steps to allow for the fortification of this function. Why? Because we need to demonstrate that the function of product management and the work of product managers can more effectively steer an organization in more profound ways than any other function.

Ideally, product management should be the heart and soul of an organization instead of merely an adjunct. When it operates properly, this function can represent a unified source of competitive advantage and provide greater motivation to people who must work together, and in harmony, to produce competitive, innovative products. However, this is not without other concerns. You may find this undertaking problematic when you encounter resistance from people who lead other major functions, such as engineering and operations. However, you can at least make a start. Even if you take only one small step at a time, you'll find that there are rewards for doing so. And one step can lead to another because, as they say, "nothing succeeds like success."



# INTRODUCTION

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## **PRODUCT MANAGEMENT: THE ULTIMATE CORPORATE TRANSFORMATION**

In the business climate of the twenty-first century, companies must hone their operations to become more strategic, agile competitors. I firmly believe that the best approach to achieving this goal is through an optimized utilization of the function of product management. If you'd like to transform your company into a market leading powerhouse, a sharply defined, easily understood, and widely endorsed function of product management is required.

If you asked twenty people to define the term *product management*, you'd probably get twenty different answers. If you asked those same people what product managers are supposed to do, you'd probably get even a lot more answers. From my standpoint, this just won't do.

Let's start with a definition of product management: *Product management is the systemic, holistic business management of products*. As a note, a product is anything that's sold, whether it's tangible, intangible, or a combination of both. Let's refine this a little more by saying that *product management is the business management of products*. With this simple definition, in this book I will provide a complete holistic guide to the improvement of product management in your company.

## **IT'S TIME**

It's time for leaders to focus on the fortification of the “infrastructure” of product management—the function—and on the cultivation of the product management talent pool. Yes, it falls on senior executives to strengthen the function of product management.

I'm sure that most of you have developed powerful experiences as managers and leaders. To reinforce this, my research suggests that most corporate leaders have deep functional experience and less in product management. What this means is that cross-organizational cognizance (as in goings-on across the business) is not as strong as I think it should be. Why is this important? Because to coach and develop product managers, you have to possess the wherewithal to view the organization both vertically and horizontally. This perspective is vital if you're going to fortify the shape, structure, and function of product management.

Most of you have witnessed the effects of new strategies, leadership changes, organizational realignments, and other structural adjustments. Therefore, you know that many corporate changes and reorganizations are fraught with challenges and unfulfilled expectations. In such cases, the changes have impacts that include the following:

- *A domino effect that leads to more changes:* This compounds the challenges for employees (including product managers) as they struggle to clarify their roles and responsibilities to carry out their work.
- *A static effect that leaves day-to-day work activities largely unchanged, due to fewer available resources:* As a result, many product managers tend to see radically increased workloads.
- *A degradation of continuous learning, coupled with a lack of acknowledgment of past mistakes:* By not fully understanding and appreciating how an organization arrived at its present state, current executive leadership teams may repeat mistakes from which they could have learned.

In the face of all of this, I believe senior leaders can be a force for positive change by properly aligning and strengthening the function of product management in their organizations.

## **PRODUCT MANAGEMENT IS A VITAL FUNCTION**

Although the product management function is included on the organization chart in many companies, the roles and expectations

relegated to product managers tend to vary widely. From my experience in the field, I've found that companies often confuse the functions of product development, project management, and product management.

Organizational structures also vary. In some companies, product managers work directly in the business functions; in other organizations they work in geographic regions; in many firms, they report to a chief product officer (CPO). How you perceive product management is likely affected by the processes you're most familiar with or the business model of your company. In other words, your view of product management is generally shaped by what you know and what you've done. No matter how you view it, the important thing to keep in mind is that within the organization, *product management is a function, not a job title*.

When product management isn't properly organized, aligned, or scoped, you may encounter many challenges in the process of integrating the discipline of product management into an organization as a core capability. Therefore, organizational models need to be altered to best support the function of product management and the capabilities of product managers.

## **THIS IS A BOOK FOR SENIOR LEADERS AND MANAGERS**

I believe this book will be of particular interest to senior leaders and managers in every type of organization, regardless of size, structure, industry, or geography. The reason is that it presents and explains the most important best practices that impact the effectiveness of product management—including those that affect the successful creation and management of products and portfolios.

Since I'm part realist and part idealist, I will explain my ideal vision of a vibrant organizational model for product management; then I will show you how, in practical ways, this model can be fortified when you enhance the capabilities of those who work within and around product management. Doing so helps to ensure that your firm's products and solutions portfolios will provide the desired competitive advantage.

## HOW THIS BOOK IS POSITIONED

There are a multitude of truly first-rate resources available to senior executives. These resources provide focused insight into singular topics, such as organizational design and development, business process improvement, business transformation, corporate maturity models, business excellence, and change management. Although each of these resources is excellent in its own right, no single resource provides a comprehensive discussion about the vital role product management can play in corporate transformation. This book is intended to fill that void.

Since the launch of my company, Sequent Learning Networks, and its sister company, the Business Acumen Institute, I have been in continuous collaboration with hundreds of companies and tens of thousands of people. This cast of thousands includes executives, managers, and individual contributors, most of whom work in product organizations.

Aside from giving me a position from which to conduct business, this situation has provided me with a genuine and unique learning laboratory in which a wide scope of ongoing practical research takes place. Through various corporate assessments and diagnostics performed, I have found common characteristics and challenges in product management implementations:

1. *Product management is deeply misunderstood, grossly marginalized, and vastly underutilized.* For example, some companies create independent deal-driven organizations in geographic regions. This structure does not provide fertile ground for product innovation. In these highly reactive environments, a regional executive may control the P&L, and product managers act as the fragile glue that keeps the organization moving to meet the needs of the business.
2. *Product management is treated like project management.* This is common in industries with mature product portfolios where individuals with the title “product manager” handle

inbound requests for enhancements and try tirelessly to get those in front of engineers who are willing to slot a few new items into their array of things to do.

3. *Product management becomes an extension of product development.* As the world of software has grown, agile or iterative product development techniques have called for product managers to be more tightly integrated with development. Mind you, the relationship between product managers and engineers must always be strong, but when the development method overshadows the business of the product, customers lose out, and the bottom line may suffer. *Speed cannot get ahead of business logic.* When I worked at Oracle, the product managers reported to development leaders; technology won, but customers often didn't.
4. *Incompatible cadences.* Associated with item 3, in many firms senior leaders expect rapid product releases. Iterative (e.g., agile) development causes functional "gears" to spin at different speeds. As a result, some products are released before they can be operationally absorbed or effectively sold. This can undermine portfolio performance.
5. *Product management is considered to be another organizational silo.* This model is best described as an impenetrable "City of Silos," where functional agendas trump rational holistic business decision-making. Furthermore, independent sanctions of diverse, incompatible goals typically result in ill-conceived activities and misdirected investments. This can lead to the creation of products that don't contribute to the firm's bottom line.

By learning to recognize these and other related issues, leaders across business functions can effectively discern the common denominators that impact the performance of the corporate product portfolio. Application of this knowledge to the product management organization will help the company become a more active competitor in chosen markets.

## AN ORGANIZATIONAL STRATEGY FOR PRODUCT MANAGEMENT

All strategic planning models require an assessment of the past and present, a vision for the future, goals to achieve the vision, and a measurable path into the future. And so it is for product management. *To implement, manage, and improve product management, it takes an organizational development strategy.* By association, it means that *the mission, vision, and goals for the function of product management should be driven by, agreed upon, and shared across the senior leadership team* (that's alignment). People across the company must know that this corporate structure represents a vital link between the market and the firm's products.

Later in the book, I'll ask you to consider the creation of a Product Management Manifesto, a charter, if you will, to allow you to describe the purpose and structure of product management in your company. Imagine being able to share this across the company—giving employees a way to see what product management brings to the table and how each person plays a role in the success of the company.

This can't be a one-and-done exercise. Just because you figure things out, appoint product managers to their jobs, and adjust some systems doesn't mean each one can step up, earn credibility, and influence others. While leaders overwhelmingly support this position, product managers' knowledge and experience vary. As I wrote in my book *The Product Manager's Desk Reference* (third edition), most product managers come from different backgrounds ("Everyone comes from someplace else").

While product managers are expected to lead, they don't all have a uniform foundation and the experiential wherewithal to carry out all that's expected. Add to this the fact that executives want product managers to innovate, create, and take risks (e.g., fail fast), while most work in low-risk, low-trust environments. Furthermore, they are asked to achieve deep customer knowledge without the budgets or authority to see and observe customers. Last, but not least, they are asked to formulate product strategies and roadmaps without the needed data and performance metrics. This just won't do if you believe that product management can be a path to competitive advantage.

## THE MAIN PLAYERS IN PRODUCT MANAGEMENT

In a typical organization, there are many different job titles and levels used within the product management function. Since this can be confusing, I will use *product manager* as a general term for those people who typically carry out all aspects of product management work.

While this simplification will be helpful in this book, most companies have job levels and rubrics for progression, even though it's not always clear to the product managers what they need to do to get promoted. In Chapter 6, I'll discuss the benefits of segmenting the product manager population and offer some guidelines to help you improve your talent strategy for product managers. Meantime I want to restate my position that product management does not refer to a job title; it refers to the business management of products.

## HOW THIS BOOK IS ORGANIZED

This book is written in a linear fashion and organized into eleven chapters that together can help you create or fortify a robust, successful product management organization. This allows me to present product management as a dynamic, interconnected, living system that reaches into every part of the organization. As you read the material, it is vital for you to keep in mind that *the function of product management is not necessarily a linear set of actions and workflows. Rather, it is a dynamic ecosystem that depends on the work of various people and many interconnected processes across the lives of many products and portfolios.*

The book also provides a variety of helpful tools, suggestions, and guidelines. Some are shown as lists, tables, or templates. For readers of my books, and alumni of the product management workshops of Sequent Learning Networks ([www.sequentlearning.com](http://www.sequentlearning.com)), there's an online resource you'll want to take advantage of. When you visit [www.sequentlearning.com/community](http://www.sequentlearning.com/community), you'll be afforded an opportunity to download templates, tools, and other resources. As you read through the material, and as you identify the areas that are unique to your own situation, you may feel that there is just too

much to do, or you may feel overwhelmed by the enormity of it all, especially if you're only one person in a large organization with a number of product management leaders (or managers of product managers).

To avoid these frustrations, keep in mind that the implementation or improvement of product management may require some iterations. As you try new things, you'll find out what works and what doesn't. This is a more agile, lean way to go about these organizational adjustments. Small steps and small victories add up in the end and help to contribute to a product management structure that can survive over the long term.

With this context, I'll summarize each of the chapters of the book:

*Chapter 1 – Forming a Context for Product Management.* There isn't a formal degree in product management, the way other functional specialties are taught. What executives think about product management is usually shaped from their experiences, which are many and varied. Therefore, it's important to get the basics down. This chapter provides a quick overview to make sure everyone's grounded with a common vocabulary. It also explains the vital role of both the function of product management, and the role of the product manager.

*Chapter 2 – Reinventing the Wheel for the Last Time.* If you're tired of endless reorganizations, you'll want to consider what's contained in this chapter. Executives must have the wherewithal to consider patterns of success and failure for the reorganizations that have taken place. These lessons learned can and should influence ideas about what future organizational adjustments might entail so that the company can effortlessly strategize, design, develop, launch, and manage products.

*Chapter 3 – Getting Everyone Into Product Management.* Regardless of functional specialty, each person across the enterprise contributes to the success of the firm's products. To encourage this thought process, leaders must build a collective clarity of purpose for product management that is infused across the entire organization. When



the purpose of product management is understood by all, people are more likely to operate, cooperate, and interoperate more effectively.

*Chapter 4 – Designing an Organizational Strategy for Product Management.* Any business strategy requires an assessment of past actions, present conditions, a vision for the future, goals to achieve the vision, and measurements to determine success. This comprehensive chapter provides a detailed assessment similar to that used by Sequent Learning to evaluate corporate business practices that enable product management, as well as a competency assessment to identify learning and organizational development gaps.

*Chapter 5 – Aligning Roles and Responsibilities and Optimizing Product Management Processes.* There are many processes within the ecosystem of the organization, beyond the product development process, that must operate and interoperate for the company to be successful. Further, product teams that have clearly defined goals and strategies tend to be more productive and efficient. This chapter provides a unique, never-before exposed *product management process classification framework* that can contribute to a more complete understanding of workflows, roles, and responsibilities.

*Chapter 6 – Formulating Strategies in Managing The Product Manager Talent Pool.* How a company hires and places product managers and how it enables them to excel as strategy-minded business managers can have a major impact on whether that company merely survives or flourishes. This chapter introduces you to a product manager staffing process to help you develop and nurture your product manager talent by leveraging assessments, crafting solid job descriptions, and utilizing effective interviewing techniques.

*Chapter 7 – Cultivating and Shaping Product Managers.* While it's important to craft employment strategies, it's doubly important to cultivate the product managers on staff so they can efficiently carry out their work. In this chapter, techniques are shared to segment the population, create targeted experiential development programs, and

establish realistic progression paths. A *product manager scorecard* is introduced as a tool for all leaders to utilize.

*Chapter 8 – Building a Community of Practice for Product Management.* Because transformation is on everyone’s mind, there’s no better way to spread the word and maintain momentum than through the use of a community of practice. The community of practice for product management is based on a universal human motivation: to join together and solve problems through social learning and sharing. This chapter will lay the groundwork for an important element of a successful product management organization.

*Chapter 9 – Sponsoring Cross-Functional Product Teams.* Cross-functional teams are the norm, regardless of company design or business model. There is probably no other corporate structure that is as efficient at getting work done. Modeled after cross-functional senior executive leadership teams who are accountable for corporate business results, cross-functional product teams are accountable for the business and financial contributions of a product or product line. This chapter speaks to the design of the cross-functional product team as an engine that can support and propel the structure of product management.

*Chapter 10 – Sustaining Product Management (Forming a Product Management Governance Board).* Some may tense-up when hearing the term governance. It shouldn’t evoke feelings of rigidity or inflexibility. In fact, senior executives can bring about greater levels of success in their companies if they consider product management as a dynamic ecosystem that integrates horizontally and vertically across the enterprise—and that it’s their job to keep this motor running! This chapter explains the importance of using a flexible, attainable “product management organizational ecosystem” model to supervise, guide, and continuously improve the function of product management in any company.

*Chapter 11 – Managing the Product Portfolio.* Simply stated, an optimal portfolio of products contributes to the best bottom line for any

company. Without a well-defined, well-staffed, data-driven, effectively governed product management organization, this cannot be achieved. In the final analysis, product management is a means to an end. In this chapter, I'll explain why the proper management of your product portfolio is so critical and I'll show you some techniques to bring this about.

## **MY PERSONAL VISION: PRODUCT MANAGEMENT MATTERS**

My aspirations for this book are quite ambitious. I want to inspire senior leaders to care more deeply about the optimal utilization of product management: the ultimate corporate transformation. I want to impel executives to nurture and develop this vital structure as part of a strategic corporate framework that is robust, durable, and sustainable.

When I prepared for the first edition of this book more than ten years ago, I had surveyed and interviewed 124 senior leaders of product organizations. Since then I've conducted more than a hundred corporate assessments and close to a thousand interviews of both product managers, directors, and executives. I also interviewed people who worked in development, sales, marketing, supply chain, and operations to view product management from different vantage points.

After a while I noticed patterns that I feel require attention. I hope you'll be able to use these three contextual markers as you consider what you ultimately want to have happen in your company:

1. Most leaders treat corporate symptoms (e.g., eroding market share or diminished product quality) as problems when in fact root cause analysis reveals that there were force reductions of domain experts in marketing, budget cuts in operations, and investments in unproven development methods where the "shiny object" syndrome won out over solid business logic.
2. Business cases for product investments suffer from a rush to fill in the blanks and make the spreadsheet work out

instead of the grass-roots research that is needed. While I'm sure you are familiar with these and other issues, from my standpoint it's time to shift gears to a logical approach to a long-lasting product management structure

3. Product roadmaps are being used as substitutes for a cogent, well-thought out product strategy. This shortcut to the future is filled with potholes and the practice of strategy formulation must be refortified in order to bring about greater levels of corporate success.

There's one more area I want to alert you to. Along with notion that product managers need be cultivated as a talent pool, so do the emerging leaders and managers of other business functions. It is my fervent belief that those people need to be trained to appreciate their contributions to the company's strategy. To do so, their business acumen needs to be brought to a higher level. Therefore, I wrote a book (*The Business Acumen Handbook*) and started a company to help those people, too. It's called the Business Acumen Institute ([www.business-acumen.com](http://www.business-acumen.com)). I hope that you'll consider this dimension as you calibrate your company's organizational journey.

Overall, what I hope is to propel product management to having a recognized seat at the table. This in turn will allow product management to lead in a way that makes recognized contributions to the firm in the form of a robust portfolio of products that provide sustained profits in the long term.

Let's get started.

# 1

CHAPTER

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## FORMING A CONTEXT FOR PRODUCT MANAGEMENT

### Executive Summary

- All executives must understand the fundamentals of product management.
- Product managers, first and foremost, should operate with a “business ownership” mindset.
- A hierarchy of products, product lines, portfolios, and solutions should reflect the strategic intent of the company.

*“If everyone is thinking alike, then somebody isn’t thinking.”*

—GEORGE S. PATTON

As I started updating this book, I wasn't sure whether to provide a quick review of the ABCs of product management or just refer readers to my other books, namely, *The Product Manager's Desk Reference* (third edition) and *The Product Manager's Survival Guide* (second edition), both of which have solid introductions to product management. After consulting with a number of my "client friends," it was suggested that I provide an abridged version of both the introductory chapter of the *Desk Reference* as well as "What Is Product Management?" With this in mind, if you have already read those chapters, you can skip this one and go on to the next. If not, let me introduce you to product management by providing you with the source of my inspiration, as well as the basic building blocks.

## **THE SOURCE OF MY INSPIRATION: MY CAREER AS A WORK IN PROGRESS**

(From *The Product Manager's Desk Reference*, Third Edition)

Someone once said that if you don't know where you're going, you'll probably end up somewhere else. Product manager was nowhere on my list of career ideas. As a solid business generalist with strong leanings toward finance, operations, and marketing—an undergraduate degree in management science, a minor in organizational behavior, and an MBA in corporate finance. I had a number of jobs, including a management trainee in a plumbing supply company, a cost analyst for a defense firm, a financial analyst for a medical products company, and a budget manager for an intimate apparel company.

None of these jobs, though interesting, made my list of jobs I'd like to have as my life's work. I didn't have a strategic direction; I didn't have a career coach; I didn't have a clue. Eventually, I went to work at AT&T in a business operations role in the data center where I created a "for-profit nonprofit" within the company's IT organization. This innovative approach to the application of commercial business practices for an internal operation got the attention of some senior leaders who offered me a "double-jump" promotion for my results. At that point, my department's executive director asked me what kind of job I wanted to do next. After more than a decade of work experience, there's nothing like finally hearing the question, "What do you

want to do when you grow up?” I gave something of a vague answer, explaining that one day I wanted to be a general manager of a mid-sized company. Her concise, immediate response shocked me: “Oh. You want to be a product manager.” In spite of my skittishness, she insisted it was the right thing to do, so I enrolled in a weeklong product management workshop, and that was that: I was hooked. Product management really did turn out to be everything I ever wanted.

I had a number of product management jobs, always delivered, and got promoted a number of times. As I look back, I realize the relevance of the trade-craft tradition. That is, I would have benefited from a good coach and varied experiences before I “got it” and became productive as a product manager. Over the years I took a lot of hits. However, it was obvious that, while the school of hard knocks hadn’t necessarily been kind to me, at least it had been talkative, and I had somehow managed to take a pretty good set of notes.

## **Separating the Best from the Rest**

Later on, while still working at AT&T, I was assigned to a product management excellence task force. It was chartered to learn about the practices, processes, and methods associated with the production of successful products of other large, global, complex companies. Via practical, anthropological research, we investigated how different companies in different industries carried out market research, strategic planning, product development, and introduction; how they managed existing products; and how they managed portfolios of products. We also learned about the required attributes and behaviors needed to cultivate product management talent.

With AT&T on our badges, we had a well-respected corporate reputation that opened doors. Thirty-six companies of estimable global stature were benchmarked over a five-year period. We visited and interviewed various members of these companies. In that time, we learned what companies did to create and manage successful products, product lines, and portfolios. In a nutshell, we learned cause and effect, well-done practices that led to positive outcomes. While this served as a foundation for the diagnostic programs I currently conduct from my firm Sequent Learning Networks, the fact

patterns discerned continue to have tremendous merit in today's world. As we learned, and as I continue to learn, these best (or better) practices include the following (distilled from *The Product Manager's Desk Reference*, third edition, pages 37–39):

1. Product and market success in these companies is linked to a keen—almost obsessive—focus on chosen segments and customer targets.
2. Management clearly communicates its overarching strategic intent up and down and across the organization. This contributes to a reduction in organizational ambiguity and, most important, better alignment of product portfolio and product line investment decisions.
3. These companies consistently use standardized product platforms. Organizations that use platforming as a part of their strategies benefit from improved economies of scale from reuse of common architectures, technologies, and even components.
4. Regular rationalization of product portfolios contributes toward more efficient allocation of investments to the most appropriate, strategically important product lines.
5. Organization around products, not projects, uses empowered, cross-functional product teams to run “mini-businesses” inside of these larger enterprises. When these teams are in place longer, they tend to perform better and achieve better results than teams that are more transient.
6. The best of the best assign primary product or product line profit-and-loss accountability to the product teams, with appropriate reward systems that focus on product and business outcomes, not functional performance.
7. Funding for unplanned product opportunities is not made from annual budget money, but from a separate funding pool, and is vetted using an agreed-upon screening process with funding and business justifications made using business cases.
8. Success is linked to strong product team leaders and team members who respect one another. They have clear roles



and responsibilities underscored by the consistent use of a common business language for processes and documents. Furthermore, these companies hold these product teams accountable for the achievement of business results using a small, manageable number of business metrics controllable by the team, not by individual functions.

9. In terms of enabling customer and market focus, these organizations have a formal, centralized industry and competitive intelligence function with data made available to product managers and their teams. These firms also generously fund customer research and continuously update their segmentation models. These companies use anthropological and ethnographic (live contacts with customers) techniques to understand what customers do and why, in order to create robust solutions.
10. Chartered, involved executive leadership teams form governance councils or equivalent groups to guide the processes, methods, and tools used by product managers. They also have formal programs to recruit, select, and progress product managers. Lastly, the role of the chief product officer or CPO has become, in many firms, a key player in the C-Suite.

With these practices in mind, I'll now do a quick overview of product management essentials.

## PRODUCT MANAGEMENT ESSENTIALS

Product management is the pivot point of any successful business. As I indicated in the preface and introduction, the role of product management as a functional discipline in a company is often poorly understood, and its associated practices are inconsistently applied. Before offering a remedy for this situation, I will first explain precisely what I mean by product management. First, I will break down each of these words, *product* and *management*, and analyze their meaning. Then I will define product management from a holistic perspective.

You will master the “how” much more quickly when you comprehend the overall context of the discipline of product management. Just like an assembly–disassembly demonstration that apprentice mechanics are shown before learning to repair an engine, this section offers a rapid, break-down-and-reassemble orientation to product management. Three questions must be answered to completely define product management:

1. What is a product?
2. What is management?
3. What is product management?

## What Is a Product?

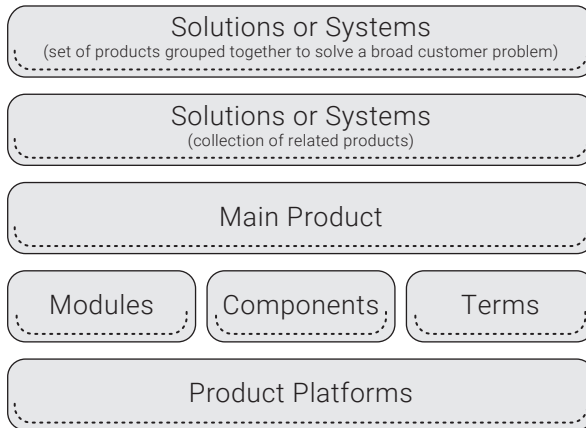
A product is anything that’s sold. Products are bundles of attributes that help a customer or user do something. A product “functions” or “works” in some way, enabled through features, technologies, and so on. A product can be either tangible, as in the case of physical goods, or intangible, as in the case of services. A product can also be software that drives an application (as in a mobile device, or something that helps a large enterprise)—or any combination. These definitions are a good start, but there is much more to the story. Within a business context, a product is not always a single, stand-alone item; instead, within most companies, there is a taxonomy of products and services.

A product may be part of another product or product line, packaged with a group of products, or offered as a solution or system to meet broad sets of customer needs. Products and product lines are usually part of a larger product portfolio—in a single firm, a business unit, or a division of a larger company. Alternatively, products can be broken down into product components, modules, or terms (as in a credit card or insurance policy). Products may be built upon product platforms or product architectures. To visualize this taxonomy, consider the model shown in Figure 1.1.

Consider this taxonomy as an input to the assessment of your firm’s business model or even its staffing strategy for product managers. Also, from a corporate point of view, this could be a good model for the leadership team to direct or allocate resources to various product lines, technologies, and platforms.

**FIGURE 1.1**

The Product Taxonomy



## What Is Management?

The word *management* derives from Latin *manu agere*, “to lead by the hand.” In most books about management, definitions generally include the usual cycle of business elements:

- Setting goals
- Directing human and financial resources
- Assessing outcomes
- Reassessing and/or resetting goals

In product management the main player is the product manager. However, considering the multifaceted definition I shared in the Introduction, it is not safe to assume a one-to-one relationship between product and product manager. While that model may hold true in some organizations, a product manager can be responsible for all or part of a product platform or architecture, a module or series of modules, a single product, a product line (a small product portfolio), or several product lines (a larger portfolio), as depicted in the taxonomy model above. With this, how can we clearly define the role of a product manager?

## The Role of the Product Manager

The product manager is a business manager, appointed to think and behave in much the same way as a CEO or general manager might. Much has been debated about this definition. To be clear, product managers are not CEOs because they do not hold that kind of positional authority. Now, what should product managers do?

It is an accepted principle that product managers bear responsibility for everything under their purview (e.g., the range of operation, authority, control, or concern). This is an awesome level of responsibility and assumes the product manager has a number of distinct competencies. Although these competencies cannot be perfectly honed to a specific number of abilities and expectations, there are some practices (things product managers need to do) that, when done well, will not only get their jobs done properly but also earn credibility and enhance their stature—and contribute greatly to the success of their companies. The following is a simple list. While it does not cover every aspect of the product manager's job description, it should be enough to give you the basic idea:

1. Segmenting markets, identifying target customers, and garnering customer insights
2. Assessing the industry and competition
3. Formulating product strategies
4. Integrating and synchronizing the work of others across the organization and across the product life cycle
5. Influencing others
6. Leading cross-functional product teams
7. Solving problems and making decisions
8. Using financial tools to assemble product budgets, analyze variances, and take corrective action

To put this all into perspective, we need a model to represent the life of a product to pinpoint what product managers do and offer a context from which to organize effectively for product management.

## A Reference Model for Product Management

The key points shown above cover the general breadth of responsibility for any product manager. However, not all product managers do all of the same things at the same time. First, a person's skills and experiences will shape their perspectives and even the credibility earned with peers and other leaders. Second, as with any practitioner, it takes practice—a lot of practice—to achieve excellence. I often say, “You can't make an appointment with experience,” so product managers and their managers have to be alert to what's expected and be able to throttle the right action at the right time. With this in mind, I want to explain why the Product Management Life Cycle Model is so important, and how you can use it to create a blueprint for managing product management.

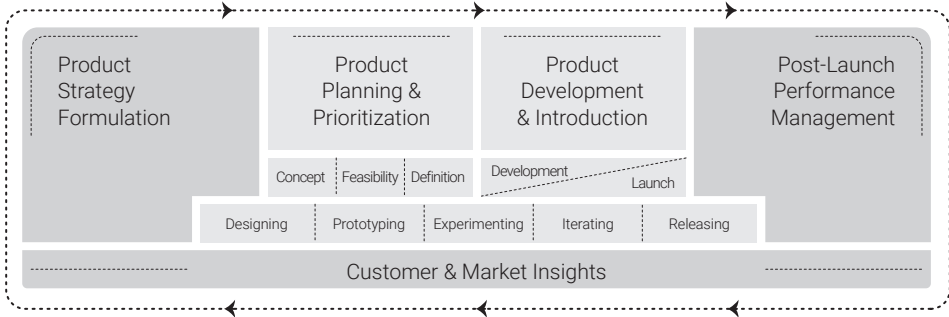
The Product Management Life Cycle Model (Figure 1.2) is a representation of a product's business from beginning to end. It provides a holistic view of what's involved in the business management of a product. Out of necessity, the model is a linear, progressive, and static depiction of something that is actually three-dimensional, recursive, and dynamic, but for most purposes, it's a useful approximation. I say this because many people refer to a “product management process” as if it's one set of things to do. It's not. Instead, think of it as a meta-level grouping of processes and subprocesses, as represented by broad areas of work. These include

1. Customer and Market Insights
2. Product Strategy Formulation
3. Product Planning and Prioritization
4. Product Development and Introduction
5. Post-Launch Performance Management

The Product Management Life Cycle Model represents a way to think about all the moving parts of a product's business and reveals the overarching instrumentation needed to assess customers and markets, formulate strategies, shape and prioritize product investments, develop and release products, and manage them once they're in the market. In Chapter 3 I'll share further insights on the model and how it can act as a focal point for everyone in the organization.

**FIGURE 1.2**

The Product Management Life Cycle Model



## What Is Product Management?

Neil Hosler McElroy was a junior executive at Procter & Gamble in 1931 when he wrote a memo that set the foundation for the role of the product manager. (He served as president of P&G from 1948 to 1957.) While he used the term *brand men* at the time (that title would certainly not be appropriate in our modern age), he was prescient in his belief that these people should be able to do the following:

- “. . . Study the territory personally at first hand—both dealers and consumers—in order to find out the trouble.”
- “. . . Develop a plan that can be applied to this local sore spot . . . not simply to work out the plan but also to be sure that the amount of money proposed can be expected to produce results at a reasonable cost per case. . . .”
- “Prepare sales helps and all other necessary material for carrying out the plan. . . .”
- “Keep whatever records are necessary, . . . to determine whether the plan has produced the expected results. . . .”
- “Experiment with and recommend wrapper revisions.”

In a nutshell, McElroy wanted to improve the oversight of Procter & Gamble’s ever-expanding consumer products business. The concept of product management and its myriad interpretations

has permeated the core of product and service companies around the world. It has long been a challenge for businesses to unify the disparate activities performed by people in different business functions under the umbrella of product management. So what is product management? To reinforce what I offered in the Introduction, and based on the answers to the first two key questions, product management is the business management of products, product lines, or portfolios, holistically, for maximum value creation, across their life cycles. Managing products is akin to managing small businesses within bigger businesses. Sometimes an organization has one product; sometimes it has several.

Product management is, at its core, a model for a business organization. There's no better way of looking at this than through the lenses of the Product Management Life Cycle Model that I described earlier. In essence, product management alters the genetics of the organization up and down as well as across business functions. Firms that employ this model focus on the identification of customer needs, segment trends, and other market movements. This market-first, outside-in viewpoint will increase the likelihood of producing better business results and optimizing the value of the product portfolio. Implicit in this view is the fact that the business benefits when products are treated like investments in a portfolio of businesses (products), allowing for a more granular approach to strategic product planning. With this approach, the products become the building blocks of the organization

All aspects involved in the life of a product, as depicted by the Product Management Life Cycle Model, do not have clean edges. Some areas within the model blend into others; all are connected. Best practices, such as those associated with customer and market insights, are active across the entire life cycle. Tools and techniques morph as well, and even best-in-class documents (e.g., business cases, product strategies, and roadmaps) tied to a particular point in time have elements that touch everything, from beginning to end, so that they become living, breathing documents.

In fact, product management creates a business that's alive and vibrant. Product management is really the interconnected living system of business. While the Product Management Life Cycle Model

does help establish a clear line of sight, creating fantastic products is not a linear or easy process. Any real business and market environment is dynamic, with many important aspects active at the same time. Decisions made now affect future elements of the life cycle; a seemingly small change in any given moment can make a world of difference later. Learning along the way that changes what's undertaken at any point in time can be echoed across the entire life cycle. There are times when certain actions or pieces become more important, times when other parts are dynamic, and even times when one or more elements of the product environment must absolutely be static and stable. The product manager simultaneously manages each of these pieces separately yet also manages all of these pieces together, holistically, in harmony. And that is the ultimate definition of product management.

## **SUMMARY**

The strategy for the development of a product management structure in a company isn't a one-and-done initiative. Businesses today compete on a global scale, and competitive forces are relentless. Wherever your company is situated on the product management transformational scale, there's always work to be done.

When product management is properly chartered, aligned, and scoped, people won't have to work with the same intensity to achieve the same goals. Therefore, product management must be established in organizations as a core capability, and organizational models must be altered to support the function of product management and to utilize the capabilities of product managers effectively.



# 2

CHAPTER

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## REINVENTING THE WHEEL FOR THE LAST TIME

### EXECUTIVE SUMMARY

- A universal approach to the function of product management can serve as a powerful organizational model.
- An assessment of the impact of prior transformational efforts offers vital clues that help effective product management take root in an organization.
- Every organizational adjustment must take into account the impact on the firm's ability to plan, develop, launch, and manage products and product lines.

*If your actions inspire others to dream more, learn more, do more, and become more, you are a leader.*

—ANDREW JACKSON, SEVENTH PRESIDENT  
OF THE UNITED STATES

Earlier in my career, working in product management for some major corporations, it seemed as if there was a new “reorg” every six months. I could always count on a new boss every year, and once I had three bosses in two years. Each one came from other functions; few had on-the-ground experience as product managers. With their history and experiences, and a push from their own new bosses, they espoused new methods and ideas. With each reorganization new leadership teams arrived who talked about past teams and promised things would be different under their watch.

We product managers found it hard to get our minds around the changes because what senior leaders presented to us had no relevance to the work that we were actually doing. While their new strategies cascaded and evolved, we still had to wrestle with the day-to-day tactical and specific product-related issues. There was a huge disconnect. To our teams, it seemed as if the senior leaders worked in one place, while the rest of us worked elsewhere; the leaders were not concerned with our challenges.

In time some aspects of the organization would begin to morph. However, there was little resemblance between the resulting structures laid out by one senior leadership team and the next. I believe one reason for this problem was that they couldn’t adequately describe their desired vision. Further, they failed to anticipate, with enough detail or clarity, how the changes would impact the function of product management and the role of the product managers. The result? Product managers and the managers of the product managers could not effectively adapt behaviors and actions to achieve the hoped-for results. There was one more point of note: I realized that the gears at the top were spinning much faster than the gears at the bottom, so it was hard to reconcile interests associated with each change.

I began to suspect that most of the leaders couldn’t imagine how and where each piece of the organizational puzzle was supposed to fit into the whole picture. To me, this situation was comparable to doing a jigsaw puzzle when the disparate pieces can’t be properly arranged because there’s no illustration on the box to show the finished puzzle.

When I wrote the first edition of this book, I leveraged my corporate experience and referred to the benchmarking work done in my prior role. However, over the past decade, I've worked with many more companies and have expanded my perspectives and insights. I continue to see issues associated with dysfunctional change in companies, just as many other consultants and academics do. Yet none of the business studies I've seen have addressed issues associated specifically with product management. Without a universal approach to the function and purpose of product management, companies will continue to reorganize and miss important opportunities for product innovation and company efficiency. It's time to try a different approach to company structure that includes the appraisal of prior organizational adjustments, especially where product management was involved. This can help you figure out what might work better as your company evolves.

## **APPRAISING PRIOR TRANSFORMATIVE EFFORTS**

If we are going to work out how to reinvent the wheel for the last time, the first thing to do is appraise some of the past reorganizations (or transformations). Think of it this way: when you want to craft a strategy (e.g., an organizational strategy), you should have a good picture of, first, where you were and, second, how you got to where you are. As I explain the details of my appraisals, I will note some significant factors for you to consider. As you will see, these observations will contribute greatly to the areas of work I lay out as the book unfolds.

The appraisal process starts by asking four basic questions. It's not rocket science, and I'm not trying to oversimplify their importance. I have personally encountered so many of these situations in my research and in my work with clients that I believe it's a good idea to resurface these fundamentals. As you read the questions and the brief anecdotes, you may find that you identify with some of them. In turn, your ability to ask and answer these questions may prove to be of help as you think about options for organizational design and change. First, I'll list the questions, then I'll expound on each one.

1. What prompted the reorganization in the first place, and what was the vision for the new organizational structure as it related to product management?
2. How did the envisioned transformation affect product managers?
3. How much time was allowed for the transformation to take place?
4. What measurements and milestones were established for the initiative, and what evidence was sought to validate that those objectives were being met?

**Question 1.** *What prompted the reorganization in the first place, and what was the vision for the new organizational structure as it related to product management?*

A few years ago, I worked with a division of a major media firm that published textbooks for the primary and secondary public education sectors. I was called in because they were reorganizing the company. In our meetings I asked the senior leaders, “What prompted this reorganization?” They said their leaders were getting too many complaints from people on the curriculum teams of many school districts and state education departments. Apparently a lot of salespeople were bombarding these curriculum planners with their sales pitches. The administrators were suffering cutbacks, and they didn’t have the time or energy to deal with so many salespeople.

The CEO and his team decided to restructure the firm and organize it into product groups. Since they believed their imperative was to be more focused on their products, they created an organizational structure with product lines based on the various academic subjects (Math, English, etc.). The CEO appointed a leader to be the executive vice president (EVP) of products, and four VPs of product management were appointed as the heads of each subject (product) area. The EVP of product management was to serve as the portfolio leader for the product line areas.

At another senior leadership meeting, I talked frankly about the phases of transformation and the work required. The leader of one

operational area asked, “How long should this transformation take?” My answer was, “Plan on spending two or three years to achieve the vision, and plan on some midcourse corrections along the way.” I added as a warning that it could take longer.

As the project got under way, my team and I interviewed many people in the product organization. After our data analysis, we held another meeting with the company’s leadership. Our proposal was that we select a pilot group of higher potential product managers and run them through a basic product management workshop. This step would serve as a point of discovery because we believed it would show these pilot participants the scope of the work for which they would ultimately be responsible. We recommended a go-slow approach because there was a lot of work needed to define the extent and reach of the required changes. We also wanted to develop a more detailed plan that would take into account staffing, processes, methods, tools, and other infrastructure to align before proceeding. A few years after this organizational transformation, I had an occasion to follow up with the same EVP of product management. She told me that once the leaders really began understanding how the company operated, they learned just how sales-driven the company was. This helped them to implement product management more purposefully. Oh, and the transformation did take two to three years.

What you can take away from this story is this: even if you know the theoretical constructs for the organizational change, there are always unexpected problems and experiences that arise during the time of change. The good thing is that these events can help you realign expectations and reset your vision for future adjustments in the product management function. Some of the other lessons learned are outlined below (a few of these items are referred to in other sections of the book):

1. Throughout any corporate transition, you must retain a clear vision of how product management will be embedded into the organization’s structure. As you encounter unanticipated challenges, you can stay focused on the achievement of your agreed-upon goals, or even adjust as conditions warrant.

2. The corporate culture is an important construct that must be considered as you bring shape to or reshape the product organization.
3. Roles and responsibilities must be clearly spelled out in order to minimize confusion. To this end, functional leaders need to understand and buy into their roles instead of clinging to the “life rafts” of their current or past professional paradigms. (Later in the book, I’ll introduce you to a classification framework to help you achieve greater levels of role clarity.)

**Question 2.** *How did the envisioned transformation affect product managers?*

A divisional president of one of my client firms lamented about how his company, typically number 2 or 3 in the company’s chosen markets, had been losing market share. The company’s plan of action, based on the prior year’s reorganization, had diverted centralized control of many of its business units to sales and marketing functions in international geographies. The rationale was that when sales and marketing people were closer to the local markets, they would influence the creation of localized, higher value solutions. In turn, that would improve customer relationships, deliver better products, and reverse the erosion in market share overall.

In this firm, it was important that there be significant experience in the industry and with the technology in order to support the products. The product line managers (PLMs), without doubt, were experts in their respective domains. Their level of business acumen needed some improvement, but I firmly believed this was possible. (As a side note, this was one of my motivations to start my company Business Acumen Institute – [www.business-acumen.com](http://www.business-acumen.com).)

However, there were some issues with the reorganization. As explained to me, the people in the local geographies did not possess a sufficient level of expertise (though they believed they did). As a result, they were feeding back product requirements that were not validated, often unclear, or, in some cases, not at all feasible.

Further, no one was scrutinizing all of the requests across those markets to rationalize the requirements. The pipeline of requests overwhelmed the PLMs, and they were overwhelmed. To make matters worse, product development resources were cut due to other factors.

The PLMs were being squeezed from all sides. First, there was the increased flow of unsubstantiated demand; second, there were limited development resources; third, senior leaders were pushing the PLMs to take more decisive roles in leading these dysfunctional constituencies—not just at corporate headquarters but in the geographic regions as well. But the money for travel was seriously limited. Also, sales and marketing leaders who worked in the geographies advised the PLMs that they could no longer reach out to customers directly. Instead, the beleaguered home team was supposed to depend on the available local resources in order to gain context and achieve insights. It's not surprising that the PLMs felt totally disempowered and just succumbed to the structure.

I discovered an additional factor that created a lot more problems. When the PLMs (understandably) weren't able to deliver on regional requests, people in the regions created their own solutions by reaching out to local vendors—who, in some instances, were actually competitors. Moreover, many leaders in the regions were hiring local product managers. Since each region held its own P&L and was solely accountable for results, these regional leaders had virtual *carte blanche*. Thus, they could do whatever they wanted, without regard for global product portfolio decisions or the impact on the entire company. As if that weren't enough, the senior leaders did not have a formal product portfolio council that actively rationalized market insights from around the world and other data in order to efficiently direct product portfolio investments.

After I interviewed about three dozen PLMs and some of the senior leaders, it became clear to me that the envisioned transformation wasn't properly elucidated to all major stakeholders. Maybe the senior leaders *believed* their organizational strategy was clearly explained, but the actual communications did not lay out enough details to ensure that the changes were easily understood by the PLMs and the other key stakeholders.

We traced back to the root causes of these misconceptions. What I learned was that the leaders who embarked on this plan did not fully realize the complexities of their own organization. They failed to consider all the interconnected systemic interfaces and all the cross-organizational effects that could have been more carefully taken into account.

Here are some of the key points I took away from this experience:

1. Any reorganization that impacts planning, execution, and management of products must be completely understood by all major constituencies in the firm in order for positive, realistic outcomes to be achieved.
2. Close connections between product managers and customers are nonnegotiable. This is especially important when a high degree of domain expertise is needed.
3. Methods need to be instituted that rationalize market and product requirements across disparate inputs. Whether sales and marketing types are in local markets or in a centralized (geographic) location, the myriad inbound requests call for a robust product portfolio process to effectively allocate funds across product lines and to aid in decision-making.

**Question 3.** *How much time was allowed for the transformation to take place?*

Many leaders seem to expect that the metamorphosis will take place within a couple of quarters. Without equivocation, I can safely say that if you believe this is all the time you can allow for the effort, or if you think a longer term vision is not possible or effective, then it may be wise to consider other options. To focus on the issue of the time needed for successful change, let me share a story with you about a company that did a spectacular job with its product management transformation. (Yes, there can be bright spots.) Several years ago, I began to work with a European-based multinational firm in the business services sector. We carried out a number of interviews and assessments and provided recommendations for a multiphase series



of changes to the structure of product management. These changes included adjusting staffing models and process changes.

Despite many organizational changes in the intervening years, the company's leadership team stayed true to the product management organizational development program. This firm first established a product management council of executives who focused on the governing model, established the core competencies needed, revised job descriptions, and adjusted job levels. They then catalyzed and improved cross-functional and cross-organizational communication through the use of team-based key performance indicators. This increased transparency, enhanced product quality, and improved launch performance.

What's interesting about this case is that there were a variety of pivots during this transformation. During this transition, the company experienced an economic downturn and a subsequent period of slow growth. It also had some leadership changes. While these changes could disrupt any transformative activity, senior leaders stayed (mostly) with agreed-upon plans of action.

I will be talking about some of these items throughout this book, but for now there is an important takeaway from this story: this transformation took over five years to achieve.

This company was successful in its transformational endeavor because of several factors:

1. Each step along the way had relevant, achievable, and realistic goals.
2. All objectives were clearly stated and effectively shared across the organization. Thus, everyone could digest the changes as communicated by the leadership team, and each person involved could see the benefits of the evolving structure.
3. While problems emerged, especially with roles and responsibilities, there was intense participation by HR and talent management to ensure that staffing was adjusted as required to ensure that the best skilled people were in product manager roles. It wasn't perfect by any means, but it was more effective than anything they had been accustomed to.

**Question 4.** *What measurements and milestones were established for the initiative, and what evidence was sought to validate that those objectives were being met?*

Change initiatives involving product management are too often allotted too little time than would actually be required to have the desired impact. What's more, many of these initiatives fail to include accurate milestones and thresholds to properly evaluate various aspects of such initiatives. This was exemplified when I worked with a large software company.

At an all-hands meeting, the CEO set forth a one-year plan for a product management transformation. The main objectives were to alter the way in which product managers evaluated opportunities, especially as those related to new products for new markets, stimulate innovative thought, and come up with a portfolio of market-defining products. The company sought to make substantive changes so that it could achieve CMMI level 3 maturity within the subsequent three years. In case you're not familiar with the abbreviation CMMI, it stands for Capability Maturity Model Integration, a process improvement methodology created by the Software Engineering Institute at Carnegie Mellon University. A CMMI maturity level of 3 is achieved when specific processes are carried out with a high degree of predictable consistency and the outputs help the firm achieve positive results.

What was particularly problematic was that the firm's 150 product managers were unaware of how the CMMI work program factored into their own jobs. The undefined linkage between the grand plan, the timing, and the actual work involved made most product managers feel a lack of confidence in their senior leaders.

Another problem, unrelated to timing, was that, because of the composition of the product portfolio, the company's reorganization planning was unrealistic. The majority of the product lines were mature; therefore, the role envisioned for the product managers was inconsistent with the needs of the business of those mature products. Moreover, provisions had not been made for the work involved to identify new opportunities. Based on my experience with this firm

and many others that had broad plans for a product management transformation, here is what I learned:

1. The introduction of a maturity model such as CMMI or any reference model in an organization may overwhelm people if they do not understand how such a model can impact their jobs.
2. A metric such as percentage of revenue from new products in new markets was not established, so a bridge from “now” to the future was not made evident to the product managers.
3. Any company that contemplates a restructuring should take into account the composition of the product portfolio and the associated staffing model. Further, if leaders expect the same product managers presently responsible for mature products to also be responsible for new products and new product revenue, the desired results may not materialize. Any change should call for a thorough organizational evaluation to ensure that the company’s organizational structure can be directly associated with its strategic intent.

## **MOVING FROM APPRAISAL TO ACTION**

I have shared some relevant anecdotes to illustrate the reasons this appraisal process is so important. Having read these accounts, many of you may think, These stories merely point out commonsense business ideals. Besides, most companies probably do these things as a matter of course. However, based on my experience with product management assessments and diagnostics, I believe it’s always productive to revisit the foundations that will effectively guide organizational evolution.

From these four questions and illustrative anecdotes, I’ve distilled some important information for you to consider while you are laying the foundation for a more durable and long-lasting product management organization. These suggestions will also help set the stage for what I will discuss in other parts of the book.

1. Like any winning game plan, the organizational strategy for product management requires a clear vision with a solid rationale. Further, this should enable the communication of both intent, and support, so that people in (and around) product management understand what's on the intended organizational road map. In Chapter 4, I'll discuss the creation of a Product Management Manifesto.
2. Communication cannot be one way. Leaders need to establish the kind of communication that will allow product people to ask for help. The expectations from pure delegation don't always materialize, and senior leaders should be prepared to coach as needed.
3. Product people and others want to know how their jobs are going to be affected. They also want to know that they will be equipped to carry out their jobs, and that they aren't just having more work piled onto their current responsibilities.
4. Resources and funding to conduct market research must be part of the formula. All too often budgets for travel to visit customers is cut. To build the right level of advocacy for customers, product managers should be spending 20 to 40 percent of their time garnering customer and market insights.
5. The initiative should be based on a reasonable, achievable, and managed timeline so that realistic thresholds can be set and met. It is also important to document exactly what is to happen, with whom, and when. Passing any decision milestone without adequate assessment and analysis can lead to flaws in the organizational road map.
6. Set in place some type of governance structure to guide the activities and effects of organizational decisions. Because the tenor of transformation changes over time, and because leaders come and go, the governance structure should ensure that changes made can be sustained—to avoid reinventing the wheel.
7. Pay close attention to clarity around roles and responsibilities. As changes are implemented, people who work across functions may need some help to stay focused on what's in their area of responsibility.

## SUMMARY

Improving the effectiveness of any organization remains a high priority for senior leaders. Many firms do a great job by elevating product management with exemplary support. Executives are impressed when the product portfolio thrives and the strategic market posture of the company is enhanced. A well thought out product management structure has been shown to also drive the optimization of supporting business systems and company workflows.

On the other side of the coin, many companies don't realize the benefit of product management when they're deal driven or overly reactive, even if they're making respectable profits. Why is this the case? The reason lies in the fact that there is no standardized plan or accommodation to situate product management as a leading business function.

Based on my research, product management is rarely at the top of the list for firms in how they reorganize or adjust their priorities from time to time. This happens despite the fact that product management is the crucial mechanism through which products are conceived, developed, launched, and managed.

Product management shouldn't be thought of as one or more linear workflows. Rather, it's a critical function that is composed of many functional participants, acting together as a unified whole. When leaders choose to view product management in this way, they'll be able to better integrate it into their organization's structure, design, and evolution. In turn, product managers and others who work together on behalf of the product lines for which they're responsible will deliver bottom line results that blow away the competition.