

Ten Steps to Better Product Management

Michael Lester, Telelogic

1.0

August 2007

Table of Contents

Introduction	1
The Role of Product Manager	1
Better Product Management	2
Step 1: Learn to Say “No”	2
Step 2: Stop Firefighting and Start Fire Prevention	3
Step 3: Commit to Customer Visits	3
Step 4: Learn Why You Lost	3
Step 5: If You Don’t Decide What to Say, Someone <i>Will</i> Say It For You	4
Step 6: Never Forget Your Market	4
Step 7: Communicate Early, Often, and Effectively	4
Step 8: Be an Effective Influencer	5
Step 9: Be Accountable for Your Product	5
Step 10: Link Everything to Money	6
Conclusion	6
About Telelogic	7

Introduction

The role of Product Management in product companies is becoming a critical element in the success of an organization. Product managers typically act as the CEO of a product and are responsible for the strategic and tactical activities that help bring a product to market, position it in the market, and decide when to retire the product.

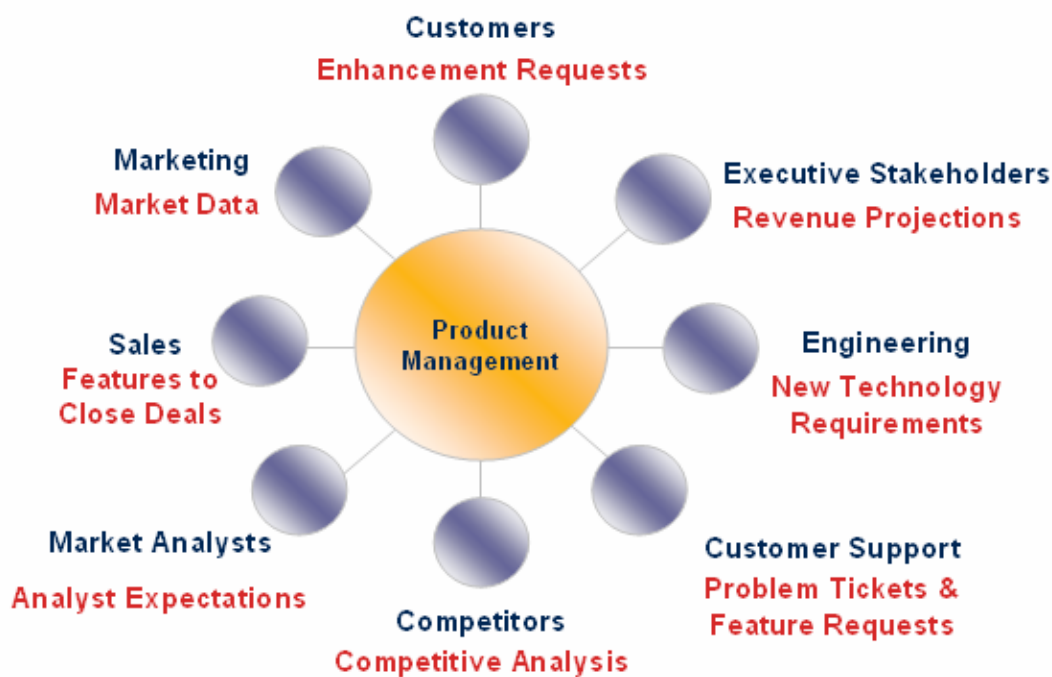
Product development cultures tend to be categorized in one of four ways: market-driven, customer-driven, sales-driven, or engineering driven. The type of culture that exists in your company is going to affect many of the things you do as a product manager and how much real influence you have on the product's direction. Understanding this culture and how to manage it can be one of the most important things you can do as a product manager.

Whether you are a product manager in a small software company or in a consumer electronics manufacturer, these ten steps are applicable and will help you become a more successful product manager.

The Role of Product Manager

The role of product manager is one that is poorly understood, and when it is even recognized, different organizations have different interpretations of the responsibilities covered by Product Management. Sales perceives product managers as sales support; marketing looks at them as enhancement request reviewers; engineering often ignores them because product managers want them to build products for the market, not necessarily those that are fun; and executives often look at the role as glorified project management. The reason for most of this is the lack of strategic thinking in Product Management and spending too much time in the weeds with the technical capabilities of the product.

Product managers act as the center of the organization in theory, rarely in practice. Strong product managers bring information together from all of the different stakeholders, synthesize it, and then share it back in a form that is digestible for each organization. That is not an easy job. While doing that, they have to make sure the product is actually a success. No pressure!



The steps outlined here could be expanded to 101 steps to better product management, and this is not meant to be the end-all-be-all of product management guides. It is a collection of key steps that product managers can take, regardless of the type of product, type of organization, or product management maturity.

Better Product Management

Regardless of your experience as a product manager or your organization's approach to Product Management, these simple steps will help you be a better product manager.

Step 1: Learn to Say "No"

Given the fact that you most likely do not have all the resources in the world, either human or financial, and time is still continuing its march into the future, you are going to find it difficult to pack every imaginable product feature into an upcoming release. If that is not the case, then you can probably skip step 1, but everyone else needs to learn to say "no."

But the fear is, what if I say "no" about the wrong thing? As a product manager, it is difficult to have all of the answers. You need to have a set of key objectives for a product and any release of the product, and you need to align features and capabilities to those objectives. Anything that does not align is a target for a "no" response. Going a step further, prioritize the features and requirements for all of your products, and that should help you understand which items you will have to push back on. Going a step further

than that, you can use group prioritization exercises with internal and external product stakeholders, so you can validate that you are not becoming too inwardly focused.

Step 2: Stop Firefighting and Start Fire Prevention

As a product manager it is very easy to be very reactive. Everyone in the organization is asking you for something, and you can quickly become overwhelmed with handling all of the requests and fall back into the mode of responding to the most urgent items. While this is a great way to kill time, it is a poor way to direct a product.

As a product manager, it is your responsibility to direct the future of the product. From a reactive position, that is very difficult to do. Give those that are often asking your for status or information about product releases a Web page or a dashboard where they can get their answers without interrupting your more strategic work. Begin to change the tide of things by prioritizing all requests for your time and include requests that you have for your own time. Include time for assessing the needs of your market, speaking with customers, prospects, sales people, and others outside of the context of one of their requests so you can begin to answer questions that are important to you.

Step 3: Commit to Customer Visits

With all the work that product managers have directed towards them, it is very easy to stay “heads-down” on all of the work in the office and not get out and talk to real people. Start by committing to have a conference call with a customer just to discuss how they use the product and what they do not use, and fit customer visits within your travel budget. The time spent with these customers, and even those that are not customers, can help you get a reality check for future roadmap decisions.

Customer visits can be used to solicit input on future products, clarification or elaboration of use cases in verticals, validate positioning statements, and should always provide something for the customer. This enables the customer to feel that it is a two-way dialogue in order to build a rapport that leads to more spontaneous and valuable sharing of information.

Step 4: Learn Why You Lost

Winning feels good, but you rarely learn as much from a win as you do from a loss. Take the time to contact the prospect in each significant opportunity where you did not win. Make sure the sales team does not feel like you are doing it to cause them any problems and make sure the lost prospect knows you are doing it to make yourselves better, not to try to re-engage them in the sales process.

Use this opportunity to learn about how and why they engaged with your company, what they thought of each point of contact – in person, electronically, or with advertising or marketing campaigns. This is your chance to get an honest critique of your work and how it is being received. It can be frustrating to find out you lost because of a little

problem early in the sales cycle that affected an opinion, but it is better to find it out than let them be repeated in other future deals.

Sometimes, a deal that is lost will come back around based on this single call. When the initial deal falls apart, the prospect may come back to you because of the trust you built by your call to ask how you could do better for other prospects.

Step 5: If You Don't Decide What to Say, Someone Will Say It For You

Have you ever had to recover from a statement made by someone else about your product roadmap that was untrue?. Often, those that need the information but cannot get access to it will say something because they feel it is necessary. Make sure you clearly and repeatedly share your product's positioning, direction, and key benefits. The more you state these things, the more people will begin to absorb them. Decide on a product position and stick with it, making sure everyone understands the position, so that there is no ambiguity or room for someone to make their own interpretation about your product.

Even more common an occurrence is to be sitting in a product planning or product steering meeting and have other more emotional or opinionated voices expressing their desires for the product's future. You can sit there and accept what they are saying, or you can make emotional statements about your desires for the product, or you can decide prior to the meeting to develop a set of facts about the product direction you know would bring the most value to the company.

Step 6: Never Forget Your Market

Your market is the reason your product exists. If you do not meet the needs of the market, someone else will, and then you will be looking for something else to fill your time. Do everything you can to stay in touch with your market. Read the same publications as those in your market. Attend the same conferences. Become part of your market and you will begin to understand how to think like your market.

Another key to understanding your market is to look at parallel markets that have followed similar paths or transitions to get ideas on what the future of your market may look like. Customer visits, along with interviews of prospects, about the needs and pains impacting them will often give you insights into the current and future states of your market. Remember, it is only your market today, and you need to keep your eyes open for markets that are developing and could become targets for the future.

Step 7: Communicate Early, Often, and Effectively

As a product manager, you have information that everyone wants to know and your instinct is to keep much of it close for fear of losing control of the information. While this is the case for many things like detailed product roadmaps, there is usually some format of the information that can be shared.

It is important to remember that people often share more information if they feel that secrets are not being kept from them. Rather than keeping all of the information close, develop a way to share information that can be disclosed on a regular basis. Host product team meetings where every organization meets and information about product releases, scoping, competition, and engineering activities are shared. You will find that some people will opt not to come to these meetings, which is fine, as long as you keep the information flow open.

The same thought goes for key customers. Develop a process for sharing and validating information with them, and they will begin to share honest feedback with you regarding your product, other products, the competition, and the way they envision your product's future.

By creating a channel for two-way communication with all stakeholders, you have a chance to access information that would be much more difficult to obtain, and others begin to look at you as the source of product information, which is exactly the position you want.

Step 8: Be an Effective Influencer

Part of being a product manager is about influencing others. In most cases, a product manager does not directly manage any resources, control the development or R&D budget, or even control the scope of product releases. You need to be able to effectively influence the decision-making groups to follow your lead when it comes to product decisions.

In order to do this, you must build credibility by demonstrating your competence in the areas for which you are responsible. If someone wants to know why a certain product feature is important, explain the market needs, the personas involved, or the financial value to the company and the customer. When you have these kinds of facts behind your decisions, you can influence others that are acting on opinion or emotion because they do not have real facts to back their position.

In addition to impact decisions made about the product, your ability to influence others impacts how readily they adopt and share the positioning and messages you have developed for your target markets. If your sales team believes you have an understanding of the market, and you have developed sufficient credibility, they will quickly pick up new messages and campaigns because they know you will hit the mark.

Step 9: Be Accountable for Your Product

When your product is a success, you want a pat on the back, so you should also step up when a mistake is made. As a product manager acting as the CEO for your product, you need to be accountable to your internal and external stakeholders. By claiming responsibility for your mistakes along with your successes, you build integrity. While integrity is a difficult chip to cash in, it goes a long way when you need to tell someone that you are removing a feature from the release of product and putting it in a later release. If stake-

holders trust you, then they do not get as upset when they recognize that you are not doing this to intentionally jeopardize their use of your products.

Step 10: Link Everything to Money

Money is ultimately at the root of every business decision – whether it saves money or makes money. When you can relate product features, scope changes, release dates, and new products to money, everyone starts to pay attention. Passing this advice on to close customers opens the lines of communication—it helps customers explain to you the cost savings they would see or the new users that would purchase the product if a new capability was added. Having this information directly from your market minimizes the guesswork associated with building business cases. If you can get this information directly from the market, it is hard to argue with the value of a particular feature when it comes to that inevitable scope planning meeting with all the product’s stakeholders. When they can see features associated with revenue or cost savings, the decisions become more obvious.

Conclusion

Product Management is one of the most critical elements of a successful product development process. Following these ten steps will help any product manager elevate Product Management from being a reactive, tactical position to a strategic product leadership position. In addition to these steps, training courses and mentoring can help product managers become more successful.

As Product Management incorporates more strategic thinking, product management tools that can automate many of the tactical activities (e.g., requirements collection, reporting, and release planning) increase the ability to share information across the organization.

About Telelogic

Telelogic® is a leading global provider of solutions for automating and supporting best practices across the enterprise—from the powerful modeling of business processes and enterprise architectures to the requirements-driven development of advanced systems and software. Telelogic's solutions enable organizations to align products, systems, and software development lifecycles with business objectives and customer needs to dramatically improve quality and predictability, while significantly reducing time-to-market and overall costs.

To better enable our customers' drive towards an automated lifecycle process, Telelogic supports an open architecture and the use of standardized languages. As an industry leader and technology visionary, Telelogic is actively involved in shaping the future of enterprise architecture, application lifecycle management, and customer needs management by participating in industry organizations such as INCOSE, OMG, The Open Group, Eclipse, ETSI, ITU-T, the TeleManagement Forum and AUTOSAR.

Headquartered in Malmö, Sweden, with U.S. headquarters in Irvine, California, Telelogic has operations in 20 countries worldwide. Customers include Airbus, Alcatel, BAE SYSTEMS, BMW, Boeing, DaimlerChrysler, Deutsche Bank, Ericsson, General Electric, General Motors, Lockheed Martin, Motorola, NEC, Philips, Samsung, Siemens, Sprint, Thales and Vodafone.

For more information, please visit: www.telelogic.com.

Global Headquarters

P.O. Box 4128, SE-203 12
Malmö, Sweden
P: + 46 40 650 00 00
F: + 46 40 650 65 55

Americas Headquarters

9401 Jeronimo Road
Irvine, CA 92618 USA
P: + 1 949 830 8022
F: + 1 949 830 8023

Offices across Europe, America, Asia and Australia.
Distributors worldwide.

info@telelogic.com
www.telelogic.com