

Role of Product Management by Steve Johnson

Product Management often plays a support role: supporting the channel with demos and product information, supporting developers with user requirements and project scheduling, and supporting marcom with screen shots and technical copywriting. Is this the correct role for Product Management?

Product Management was created in the 40s at Procter & Gamble for managing the business of a specific product. Through the years, product managers (and brand managers) have served as “president of the product” in consumer goods companies. Then along came technology.

Technology companies often start with a single developer and a single product. As the product becomes popular, they add sales people. The sales people need sales tools such as brochures and demo disks, so we hire marcom people. And all three groups complain that they need additional technical support. Then someone remembers the title of “product manager.”

In many technology companies, Product Management is a support role. And yet, we struggle to create successful new products; we struggle to direct the sales channel to successful deals; we struggle to create sales tools that successfully speak to the buyer.

Referencing the consumer goods model though, we realize that this is the tail wagging the dog. In consumer products, Product Management knows more about the prospective customer than anyone in the company, and more than the prospect knows himself or herself. The problem with the high-tech approach is that a support function is all about talking to the market, but who is listening to the market?

Developers know technology. Sales people know about the deals they’re working. Marcom knows how to communicate. All need market information from Product Management.

What is preventing the rest of the market from purchasing? If your market share is 30% of the segment, what’s preventing the 70% from buying?

- Maybe the 70% doesn’t know about us. Instead of new features, we need only attend new shows, or direct mail to a new list. Wouldn’t you like to know this?
- Maybe the 70% is slightly different and needs one new feature to make it fit. Wouldn’t you like to know this?

- Maybe the 70% is very different and needs substantial changes to the product. We may have to add double-byte character set support to move into Asia, or incorporate a major new technical capability. Wouldn’t you like to know this?
- And maybe the 70% will never buy. Perhaps we have misdefined the market as “everyone with money” or “everyone with a computer” yet the 30% that have already purchased the product represents market saturation. Wouldn’t you like to know this?

Wouldn’t you like to know about the market before putting out another release of the product? The solution: product management should be the expert on the market and the market problems.

This is the correct role of Product Management. Be in the market, observe customer problems that our company can solve, and then tell the Development organization about the problem.

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Steve joined Pragmatic Marketing in 1996 after 18 years in software and hardware. Steve’s background includes technical, sales and marketing management positions at software companies. His market-driven orientation allowed him to rise rapidly through the ranks from product manager, where he launched 22 product offerings, to vice president.

