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The Pragmatic Marketer™

Volume 8 Issue 1 2010

Pragmatic Marketing's 10th Annual Product Management and Marketing Survey

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Re-Inventing Product Management with LOVE

Five Ways to Torpedo Your Product Management Career

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About Pragmatic Marketing®

Creator of the world's most popular product management and marketing seminars, Pragmatic Marketing has trained more than 60,000 technology product management and marketing professionals at 5,000 companies in 21 countries. As the thought-leader in the industry, the company produces blogs, webinars, podcasts, and publications read by more than 100,000 every year.

Pragmatic Marketing has been honored four times by Inc. magazine as one of the fastest growing private companies in America (2000, 2007, 2008, 2009), and in 2008 named a Comerica Bank Arizona Company to Watch.

Visit PragmaticMarketing.com to learn more.

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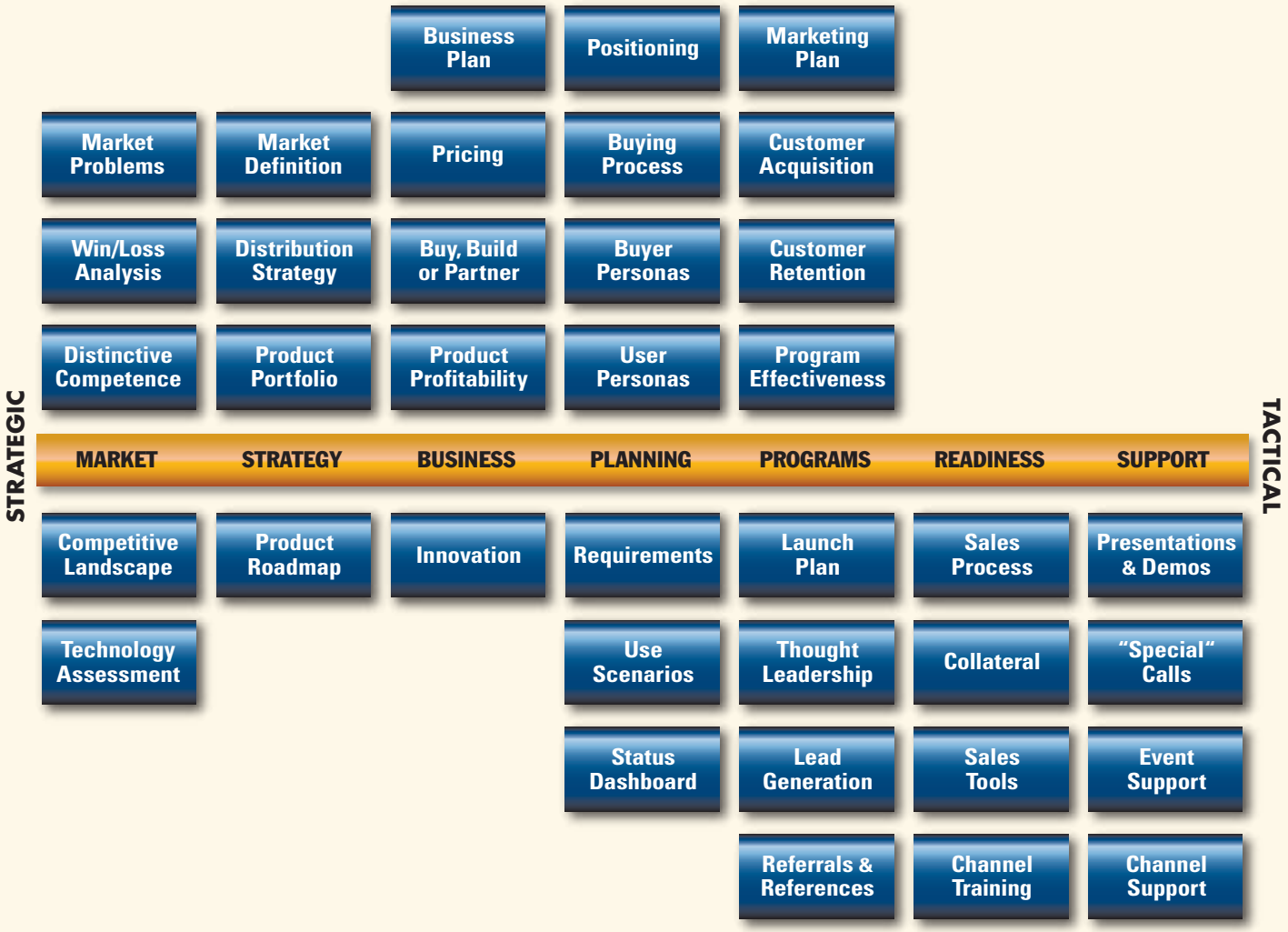
Are your product management and marketing teams overloaded with tactical activities, spending too much time supporting Development and Sales rather than focusing on strategic issues?

The Pragmatic Marketing Framework™



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Pragmatic Marketing's 10th Annual

Product Management and Marketing Survey

by Steve Johnson

Each year Pragmatic Marketing conducts a survey of product managers and marketing professionals. Our objective is to provide information about compensation as well as the most common responsibilities for those performing product management and marketing activities. Over 1,500 responded to the survey between October 29 through November 25, 2009 using Vovici's EFM Feedback survey tool.

Remember when making decisions, this report describes typical practices, not best practices. For best practice in product management and marketing, attend a Pragmatic Marketing seminar.

Organization

Profile of a product manager

- Average age is 37
- Responsible for 3 products and work in a department of 6 people
- 87% claim to be "somewhat" or "very" technical
- 32% are female, 68% are male
- 95% have completed college and 41% have completed a masters program

Reporting

The typical product manager reports to a director in the product management department.

Title

- 44% report to a director
- 31% report to a vice president
- 19% report to a manager
- 6% report to a CXO

Department

- 26% direct to CEO or COO
- 21% in Product Management
- 16% in Marketing
- 13% in Development or Engineering
- 8% in Sales
- 3% in Product Marketing

Product Management ratios within the company

How are product managers allocated relative to other departments?

For each product manager, we find:

- 0.7 Product marketing managers
- 0.7 Marketing Communications
- 6.1 Salespeople
- 2.3 Sales engineers (pre-sales support)
- 1.1 Development leads
- 6.5 Developers
- 0.9 Product architects and designers

Other ratios

- 3.7 developers per QA manager
- 2.5 salespeople per sales engineer

Impacts on productivity

- Product managers receive 50 e-mails a day and send 25.
- Product managers spend roughly two days a week in internal meetings (15 meetings/week). But 55% are going to 15 meetings or more each week, and 35% attend 20 or more meetings!
- Product managers typically work 50 hours per week.

Activities

(based on the Pragmatic Marketing Framework)

Percent of respondents indicating they conduct the activity

Strategic Activities

- 72% Market problems
- 34% Win/loss analysis
- 52% Distinctive competence
- 47% Market definition
- 57% Product portfolio
- 72% Business plan
- 57% Pricing
- 47% Buy, build or partner
- 66% Product profitability
- 71% Positioning
- 24% Buying process
- 34% Buyer personas
- 56% User personas

Technical Activities

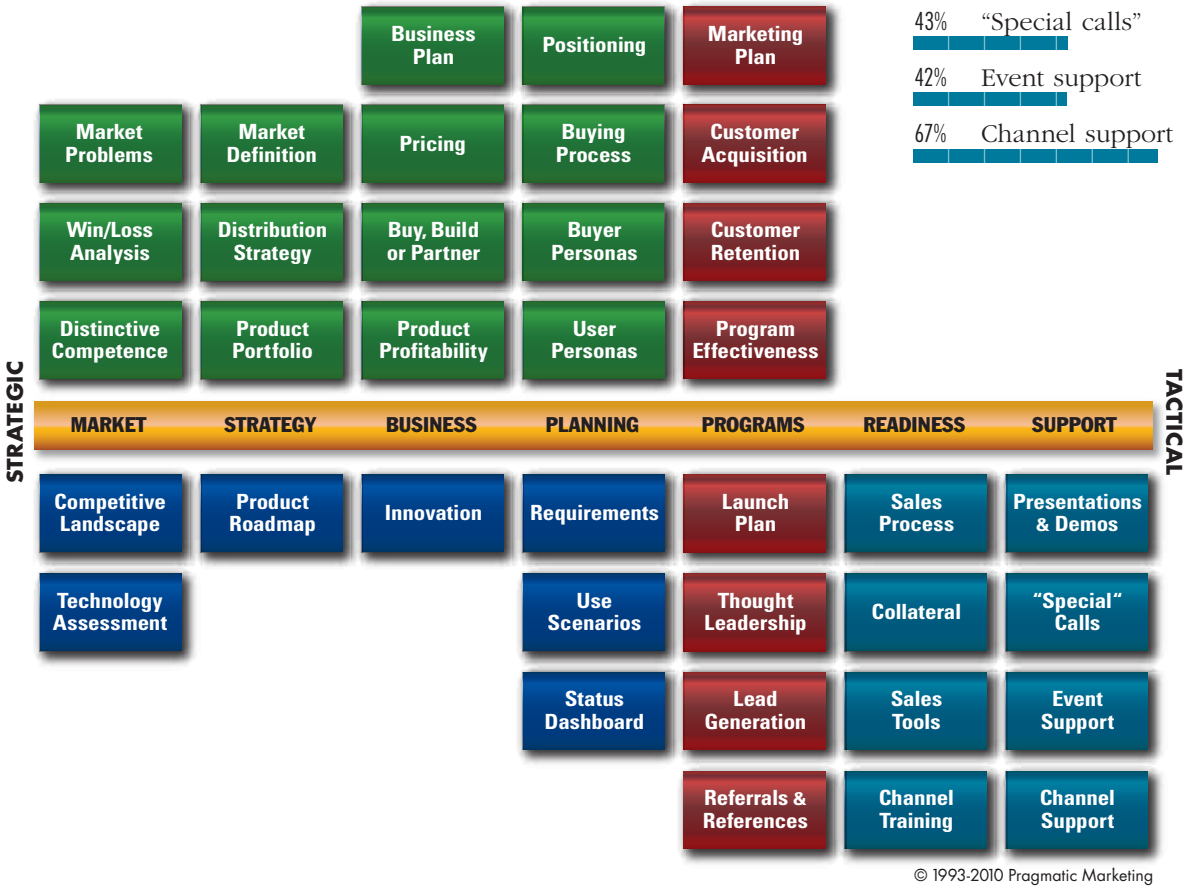
- 75% Competitive landscape
- 35% Technology assessment
- 80% Product roadmap
- 47% Innovation
- 79% Requirements
- 69% Use scenarios
- 62% Status dashboard

Marketing Activities

- 33% Marketing plan
- 21% Customer acquisition
- 20% Customer retention
- 63% Launch plan
- 31% Thought leadership
- 15% Lead generation
- 36% Referrals & references

Sales Activities

- 24% Sales process
- 60% Collateral
- 60% Sales tools
- 60% Channel training
- 69% Presentations & demos
- 43% "Special calls"
- 42% Event support
- 67% Channel support



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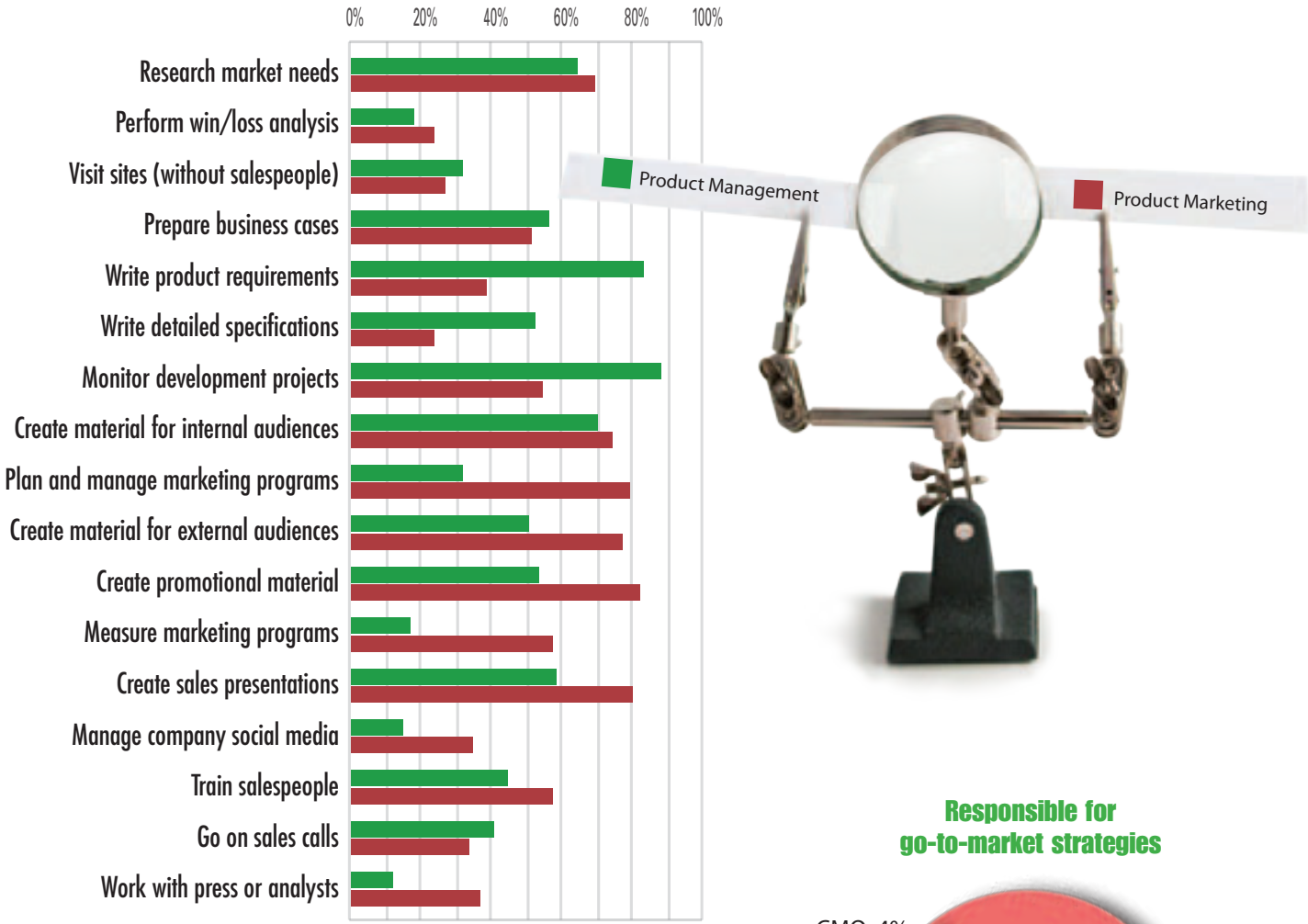
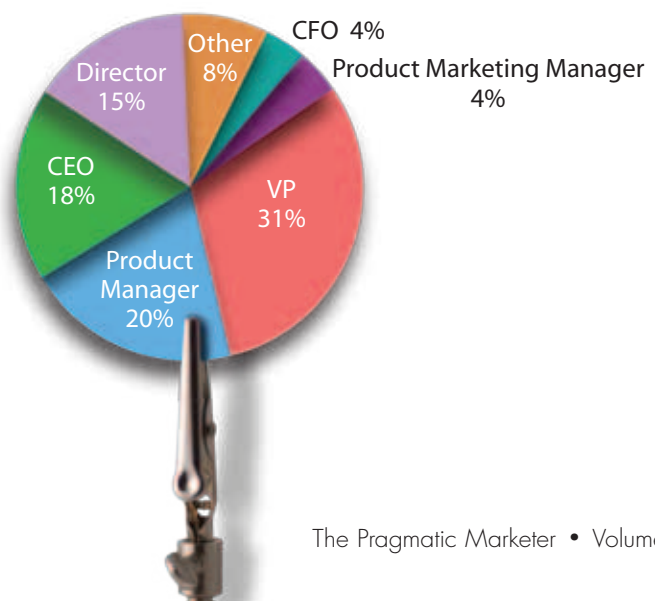
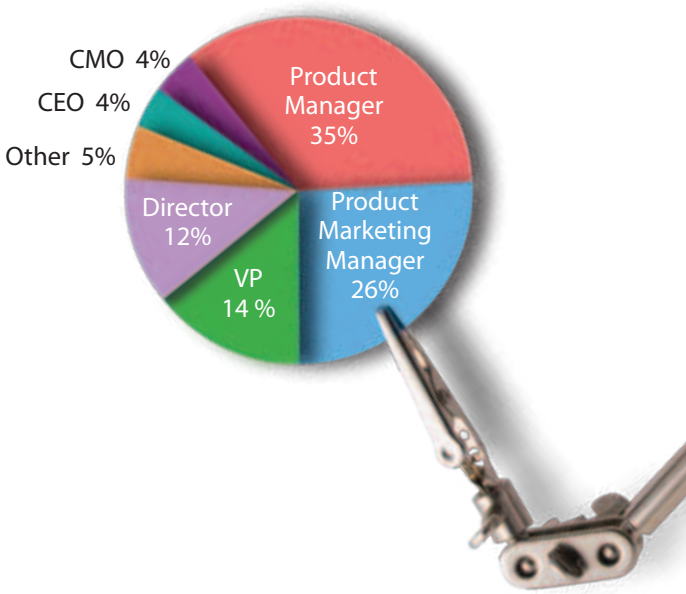
Comparison of roles Percentage of respondents indicating they conduct these activities.



Responsible for product profit & loss

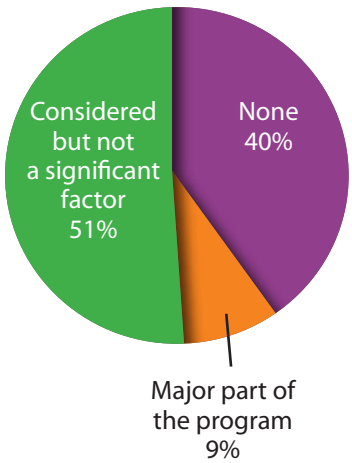


Responsible for go-to-market strategies



We asked, **"How much influence is social media on your go-to-market activities?"**

Influence of social media on go-to-market activities



We recognize it should be more of an influence, no approval to do

Social media is becoming a larger part of what we do but currently is in the planning stages

Crowdsourcing is used significantly for tactical product input from customers

Not used, not allowed by company policy

Not incredibly relevant for B2B

Use of social media tools such as blogs is under consideration but not used at present

We are ramping up in the area, but currently it is more on the corporate communications side of the house

SM is growing strongly and will be major tactic in 2010

We want to do more, but have yet to resource this area and have a cohesive strategy to leverage social media

No formal process to integrate to product plan

We are still looking into it, too large of a company to adopt without a corporate brand message

Conservative industry, slowly moving to social media

Our customers do use it to review products or offerings in Business to Business

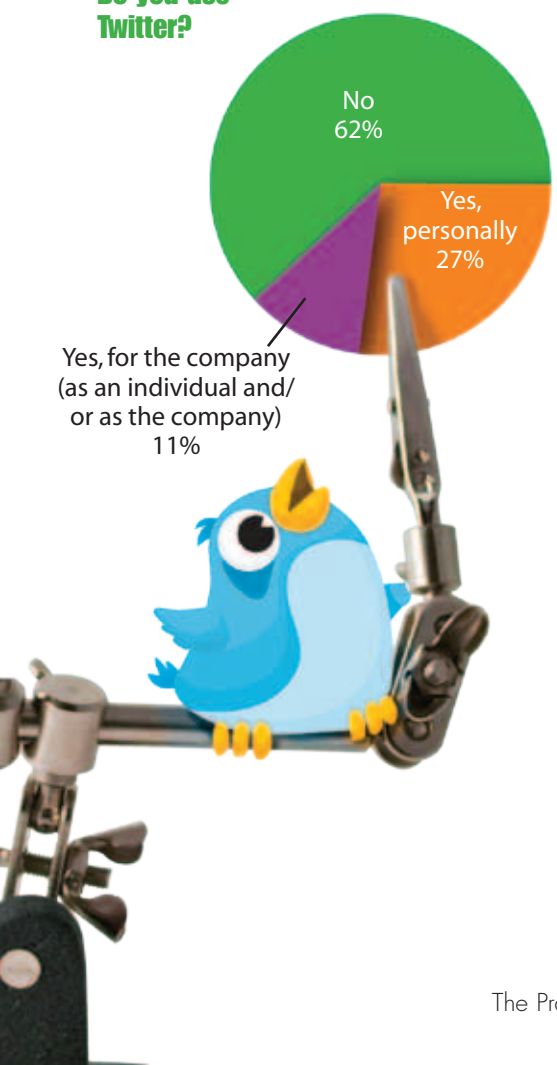
Oh I wish, too big of a company and everything is reviewed by legal

Becoming more critical

Our customers do not use social media channels (as a rule)

Increasing as our SM base grows

Do you use Twitter?



Use of Twitter

Still trying to figure out its value in a B2B world

The Valley is again pulling the wool over the world's eyes. We've learned nothing from the late 90's!

Will use more in 2010 for products

No tweets but do use search

Twitter as a marketing tool has very interesting potential

Only experimenting at present

It makes my eyes bleed

I follow (I don't personally tweet)

In a professional capacity, avoiding personal comments/updates

A nuisance perpetuated by the self-absorbed

Hate it but feel I need to know it

I am scared to use Twitter on behalf of the company

Contribute corp tweets to corp account

We asked, "How has your job changed?"

Organizational challenges

We lost P&L responsibility at the product level and are well on the way to being a sales support function.

Program management was dissolved by the previous management making product management take on program management. Lots of folks in areas they are not comfortable and don't really have enough time to devote to in order to do the job good service.

My original manager (VP) retired making a peer of mine a manager... big mistake!

Hectic is the new normal—role has expanded beyond product management with no end in sight. Lots of product managers who call themselves PMs have no clue what they are doing.

I am spending far less time on sales calls (which is good) but also far less time out of the office (which is not good). We are "protecting" our product managers from giving sales demos but also making them spend far too much time on internal project meetings.

I started doing win/loss analysis after Pragmatic Marketing seminar. WOW!, worth its weight in gold. I also say "product managers need to publish" and "product manager's work must apply to all customers, not just one." With the economic downturn, I'm doing more individual consultation with customers and more support work due to less headcount.

Less focus on "strategic," more on "tactical"

Changed to "all-hands-on-deck," doing more non-PM work (filling the gaps between the scarce engineering staff).

Way too much babysitting of developers that are incapable of hitting deadlines without it!

It is increasingly field-facing. We now spend considerable time supporting sales calls with roadmap presentations and product details/explanation, etc.

Finally releasing our largest most complicated product attempted to date. Lots of janitorial work is being done to clean up the mess the best I can.

Some good news...

After my boss attended the Pragmatic Marketing seminar, she understood the role of product management. Now we spend a lot more time with customers and on overall strategy.

Fairly significantly. Product management has evolved from something like a cousin to engineering management into real product management (as defined by Pragmatic Marketing). It was a long process to bring it about.

Job is becoming more clearly defined. Not there yet, but getting close.

After a year-long void at the Executive level in Marketing, we brought in an experienced Sr. VP of Marketing & Product Management. Having someone at the executive level who understands software product management has been enormously helpful.

I am working with an amazing director who has let me really try getting out of the office to visit customers and prospects. He's pleased with the results so far. Nothing like success to win people over!

More strategic—YEAH!

I have gone from Product Manager in TITLE to Product Manager in actual role performance.

Social media and the ability to take in information from many sources has increased significantly—which lets me spend less time looking for information and having information appear on my doorstep more easily. In addition, the perspective of technical product ownership/management has increased so that there's a name for the job I was doing all along.

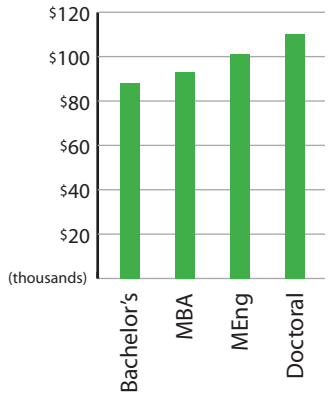
Since Pragmatic Marketing certification, I've been trying to incorporate more of the tools into my presentations to the leadership team. This seems to be encouraging them to see the Product as genuinely strategic because they're seeing things from us that they've never seen before. Unfortunately, the opportunity immediately in front of them tends to trump all the best will in the world.

Compensation

Average US product management compensation is **$96,580** salary plus **$12,960** annual bonus. 77% of product managers get a bonus (multiple responses were permitted). Bonuses are based on:

- 66% company profit
- 26% product revenue
- 36% quarterly objectives (MBOs)
- 27% say bonus does not motivate at all and 14% say bonus motivates a lot.

Average salary



Geographic impact on compensation (US $)

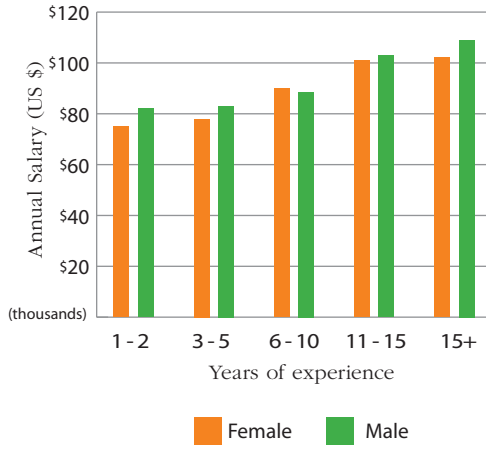
Int'l Region	Average Salary	Average Bonus	Minimum Salary	Maximum Salary	Maximum Bonus
Australia	$ 94,308	$ 11,714	$ 44,000	$ 150,000	$ 20,000
Canada	89,588	11,290	50,000	150,000	40,000
Europe	87,743	10,616	24,000	170,000	45,000
USA	98,005	12,369	14,000	210,000	50,000

US regional impact on compensation

US Region	Average Salary	Average Bonus	Minimum Salary	Maximum Salary	Maximum Bonus
Midwest	$ 89,490	$ 11,566	$ 38,000	$ 150,000	$ 37,000
Northeast	102,823	13,351	14,000	210,000	50,000
Pacific	107,860	12,263	41,000	170,000	45,000
Southeast	91,652	11,424	44,000	145,000	40,000
South	98,609	13,194	51,000	150,000	45,000
West	91,662	12,821	21,000	145,000	50,000
Average	**98,017**	**12,360**	**14,000**	**210,000**	**50,000**

Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI)
Northeast (CT, DE, MA, ME, NH, NJ, NY, PA, RI, VT)
Pacific (AK, CA, HI, OR, WA)
Southeast (AL, FL, GA, KY, MD, MS, NC, SC, TN, VA, WV)
South (AR, LA, OK, TX)
West (AZ, CO, ID, MT, NM, NV, UT, WY)

Gender comparison in compensation vs. experience



If you could say one thing to your company president without fear of reprisal, what would you say?

We received about 800 responses to this survey question. Highlights are:

It's all about communicating strategy

Give the company some vision besides make some money.

It's better to do a few things right than a million things half-baked.

Not the best with having realistic expectations and setting and sticking to strategic direction. Tends to change directions with the expectations of the most recent customer he's spoken to.

Why aren't we attempting more of a land-grab in these uncertain times? Belt tightening is stifling us from going after new opportunities.

You cannot maintain a wartime economy indefinitely. Not every product release of every product can qualify as an emergency. Better planning and communication of that plan will make the company more profitable and stable.

Don't lose touch with what our customers are like. They are not as cutting edge as you are and they are risk averse.

Go work in one of our retail stores for a day.

Just because something sounds like a good idea to you, it doesn't mean it's anything our customers have any interest in.

Let product management do their job! Just because your kid saw something last week don't shift the roadmap!

Stop thinking you know everything and that our customers don't know what they want. Listen to our customers more!

Great sales leadership, not a clue what to do with Marketing.

He is knowledgeable about our customers and is focused on producing products they need to get their jobs done. But he is more frequently getting pressured by the finance department to save costs at the expense of customer satisfaction.

Fix the staffing issues

Get me more developers! I have products to build.

I wish you would understand what my role is and quit assigning my job duties to other people.

I understand the laser focus on delivering positive financial results to shareholders. However, resources have been cut so severely, resulting in a culture of frustrated overworked employees. I expect a mass migration once the job market opens up.

Stop complaining about how we are too slow to launch new products and innovate and spend a week in my job to see why the "outsource everything" product development environment you have implemented causes the challenge you are so quick to point out yourself!

There is no more blood to squeeze from this turnip. Start focusing on how we can provide more value to our customers with the meager resources we have.

Treat your employees with more respect. Especially when laying them off.

Please allow your executive staff to do their jobs. You are way too involved in the details. Get over your Steve Jobs envy.

→

10th Annual Product Management and Marketing Survey

Fix the Sales issues

Don't overvalue your sales director for what the vision of the product should be.

Give us the control we need to execute our roadmap rather than constantly change direction due to some unsubstantiated item that comes out of a sales engagement or a random revelation.

Please don't sell what we don't have and don't have resources to scope, develop and deliver.

Stop changing the sales model every year.

Stop chasing shiny objects and approve products with proven revenue streams.

Your sales force is not equipped to sell our solutions and you have no clue how to develop software.

Some positive news

Advocates change which is a nice change.

He has a very clear understanding of product management's purpose within the organization.

He is a very smart and capable individual.

He is great! He has mixture of strong sales skills and an in-depth understanding of technology.

He is new to the job. It would be nice to know what he is doing.

He puts employees first with the belief that happy employees serve customers better.

He understands how to hire and motivate people.

It's my company and I can say anything to the CEO.

Keep up the good work—We have been growing at a 20%/year rate for the past 4 years.

Remarkably consistent in terms of following a market strategy.

She is great.

Steers the ship well. Good business focus.

Thank you for fostering such a positive environment in which to work. Your dedication to business success and your employees shows through each of those that report to you.

Thank you for truly understanding and valuing product management!!

You're doing a great job! (he's new since September 1st).

And finally...

Don't get drunk in front of customers and prospects.

Please come to work more often. We want to see you and your passion for this space.

He started today!

TPM

Steve Johnson is a recognized thought-leader on the strategic role of product management and marketing. Broadly published and a frequent keynote speaker, Steve has been a Pragmatic Marketing instructor for more than 10 years and has personally trained thousands of product managers and hundreds of company senior executive teams on strategies for creating products people want to buy. Steve is author of the Product Marketing blog. Contact Steve at sjohnson@pragmaticmarketing.com

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Re-Inventing Product Management with LOVE

By Bruce La Fetra

The critical role of the product manager is in the process of changing significantly, and both companies and product managers need to adapt. While product management is among the most critical roles in any company, it's a role whose importance is under-heralded in most organizations. The extent and nature of the changes to the role mean that those that fail to re-invent themselves—or don't try—are likely to find themselves displaced.

Change or die

Two major forces are driving the need for change in product management. First, the nature of the competitive landscape is changing with the emergence over the past 15 years of low-cost, off-shore manufacturing that quickly clones successful products. Merely manufacturing a quality product that people want has become a profit-challenged commodity business. Earning the types of profits investors expect from American technology firms now requires rapid and continuous innovation and a move toward difficult-to-copy solutions rather than products. Apple's success with the iPod and iTunes represents near perfect execution. Often a solution may span companies or involve active partnering with users. Crowdsourcing and mash-ups are examples.

The key to success is being open to new forms of value. Some of the new forms of value may be unfamiliar: consumer products companies offering their "products" as components to third-parties building unique solutions or even entirely new products. Turning one's customers loose is an excellent way to drive lots of innovation. iRobot allowed its Roomba robot vacuum cleaner to become an open platform resulting in a nearly limitless variety of upgrades and modifications available from third-parties. Many of the resulting devices are not even vacuums.

With so many more inputs, the role of the product manager is becoming less about coming up with great ideas and more about enabling, gathering, and coordinating inputs as a sort of "traffic manager" or hub.

The second force is the manner in which companies interact with their customers. Gone are the days when companies could broadcast a controlled message to consumers. Two-way media such as blogs, user reviews, and social media mean consumers can talk back—and to each other—without the company having any say in the matter. Don't fool yourself into thinking focus groups or even direct customer meetings create a truly bi-directional relationship of the type that is needed going forward. These transactional type activities are controlled and shaped by the company. Non-transactional interactions occur between peers. The need for interactions rather than transactions changes the methods employed by the product manager (the "how") every bit as much as the need to accelerate innovation and introduce solutions (the "what").

To date, nearly all attention has focused on the "what," although the "how" is no less a challenge. Since customer interaction is growing in importance, a big part of the "how" is the manner in which your company interacts with consumers. This is a huge and visible change for the marketing function. To non-product managers, the change is less visible for product management, but no less important for success.

Technology makes it easier than ever for product managers to listen in or interact directly with customers, adding new tools to the product manager's kit such as crowdsourcing and co-creation. Technology is an enabler, but doesn't tell the product manager when and how to engage customers, or to understand how customers vary in their relationship needs.

We need a new model

To deal with the changes in how customers interact with companies, a new model for customer relationships is needed. Product management (and marketing) needs to lead the way in understanding how to engage and leverage customer relationships in the age of two-way media.

Most organizations—probably yours, too—define customer relationships in terms of a linear path that allows deterministic modeling, such as the buying funnel process: awareness, consideration, and purchase. The buying funnel is predicated on your company controlling the message, but this no longer works in an environment dominated by two-way and unstructured communications.

The key in the new environment is interacting with consumers rather than transacting with them. Product managers and marketers currently lack a model for understanding how to interact with consumers as the company-customer relationship evolves through different stages. (Newsflash: not all consumers are the same.) This represents a huge change for marketing managers as they must stop trying to bribe and manipulate people to get consumers to do what they want. This is transactional behavior that doesn't encourage your company—or the consumer—to seek new forms of value.

Product managers have a lot at stake as well. More than marketers (perhaps), product managers understand that customer relationships evolve. However, most lack any sort of model to understand this evolution and use it to their benefit. Even fewer use—or even recognize the enormous power of—a model that is shared across all parts of your company.

Why the world needs LOVE

The Lifetime Opportunity Value Equation (LOVE model)[1] departs from the buying funnel by viewing consumer relationships as an evolving set of bi-directional interactions. These relationships grow from an introductory stage where neither party knows much about the other all the way to co-creation. In a co-creative relationship, you and your customers share a common vision and align interests. The benefits of co-creation are huge, and reach into every corner of your company and are reflected in both top line revenue and bottom line costs. Deeply engaged customers buy from your company not merely because they like the product or service, but because they genuinely want your business to be successful.

[1] The LOVE model is built on concepts originally developed by Harry Max at Rubicon Consulting. Harry also came up with the LOVE model name.

The LOVE model explained

The LOVE model can be applied to any online relationship, not just to customer acquisition and purchase. Likewise, the benefits of the LOVE model extend far beyond social media and marketing campaigns, making it of particular value to product managers seeking to drive change throughout their organizations. The LOVE model drives long-term value in areas as diverse as customer support, product development, and thought leadership.

Product managers will experience an epiphany as they realize how to engage customers at each phase of an evolving relationship. By understanding more about how to interact with customers, you can tailor your interactions to be more productive. Because the interactions are vibrantly bi-directional, your company and consumers grow in alignment as the relationship grows deeper.

While a company's relationship with individual consumers falls into a specific phase, the company can be at different relationship phases with different consumers, so a company is not limited to a single relationship phase. The descriptions below include companies that do a particularly good job at understanding specific types of relationships. The phase names are both descriptive and instructive.

Romance

Romance
Getting introduced

You can't build a relationship with someone you don't know, so the initial phase of the consumer–company relationship is Romance. Romance is about introductions and learning and trying things. People don't want to think about big commitments when they're still trying to decide if they even want to get to know you better.

There are serious pitfalls in skipping the romance phase and moving too quickly from social to transactional interactions. Once the parties to a relationship define it in terms of an exchange it is very difficult to redefine it as something broader. A properly developed romance defines the long term relationship as something other than primarily a monetary exchange or a transaction. By contrast, too many companies today insist on a kiss at the beginning of the first date.

Twitter and other social networking applications are good at letting people explore and set their own pace of discovery and use.

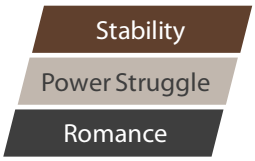
Power Struggle
Romance

Power Struggle
Maintaining interest

Where Romance is about generating interest and opening the door to exciting possibilities, the second phase, Power Struggle, is about spending time together and getting to know each other. In the world of commerce, this is about working to maintain the consumer's attention. The power struggle isn't adversarial, but is a mutual effort to learn how both parties in the relationship are going to fit together. After all, there needs to be balance if a relationship is going to last for the long term.

If you don't provide an engaging experience that fulfills the consumer's need for credible information, you will struggle to keep them from clicking somewhere else. You lose the consumer's attention and, with it, your ability to drive the relationship narrative.

Dell's IdeaStorm allows Dell "to gauge which ideas are most important and most relevant" by engaging the public in online discussion. Users are able to *add* articles, *promote* them, *demote* them and *comment* on them. By giving users the power to drive what is discussed, Dell maintains engagement while accomplishing its own goals of understanding what people care about and want to see.



Stability
Finding balance

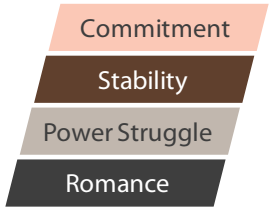
At the point where no major mis-match of status between the parties exists, a relationship enters the third phase, Stability. A stable relationship is one where you provide a reasonable value proposition for filling latent consumer needs. You have stability when both of the following are true:

1. The consumer is willing to go through the process of sorting through the criteria for making a decision, and

2. You are willing to transparently make available the information needed to satisfy the consumer's criteria.

Amazon.com is a company that understands this extremely well. The Amazon site is a virtual cornucopia of information on all manner of consumer products. Not only are there user reviews, but the reviews gain additional credibility because users can comment on the reviewers. Amazon provides an enormous quantity and variety of information with the implicit expectation that, if and when the consumer makes a purchase decision, Amazon is most likely to be the purchase vehicle.

Amazon benefits from a stable relationship because consumers have little reason to leave the Amazon site to gather additional information. Both parties feel their needs are being met in a balanced way. As a consumer, you are always free to leave the Amazon site, but why would you?

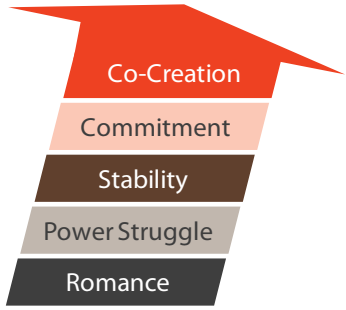


Commitment
Discovering shared outcomes

Commitment comes when the relationship advances from stability to a shared outcome. While loyalty in a predominantly one-way, transactional exchange is fragile, commitment in a stable, bi-directional relationship is far more robust and makes consumers more likely to stay in the relationship through the ups and downs the market inevitably deals.

There are lots of ways to show commitment. Preferred customer programs are one form of commitment, although many such programs are based on a transactional *quid pro quo* rather than true commitment.

McAfee formed a strong bond of commitment with the hundreds of "McAfee Maniacs" that handle much of McAfee's technical support via the Web. Some post thousands of responses in McAfee forums—as of this writing the top contributor has made more than 31,000 posts. Except for some modest peer recognition, the Maniacs are uncompensated, and yet the shared outcome of helping people navigate McAfee's software motivates some amazing commitment.



Co-Creation
Co-owning a vision

The final and ultimate phase is Co-Creation. At this level the relationship is about co-creating value and co-ownership of a common vision rather than merely sharing in the outcome. With this type of relationship, the consumer is no longer merely making a purchase, but is supporting a preferred business. The benefits of co-creation are huge, and reach into every corner of a business and are reflected in both top line revenue and bottom line costs.

As mentioned on page 17, iRobot, makers of the Roomba robot vacuum cleaner, support an entire ecosystem of customers and partners. Many have hacked Roombas to add capabilities or create entirely new devices, in effect, turning the Roomba into a platform. By listening to its customers and recognizing them as trusted partners, iRobot is able to embrace a class of user that exceeds what we typically think of as a customer. As a result, the Roomba has become more than just a vacuum and its users are much more valuable to iRobot than merely customers on the other end of a monetary exchange.

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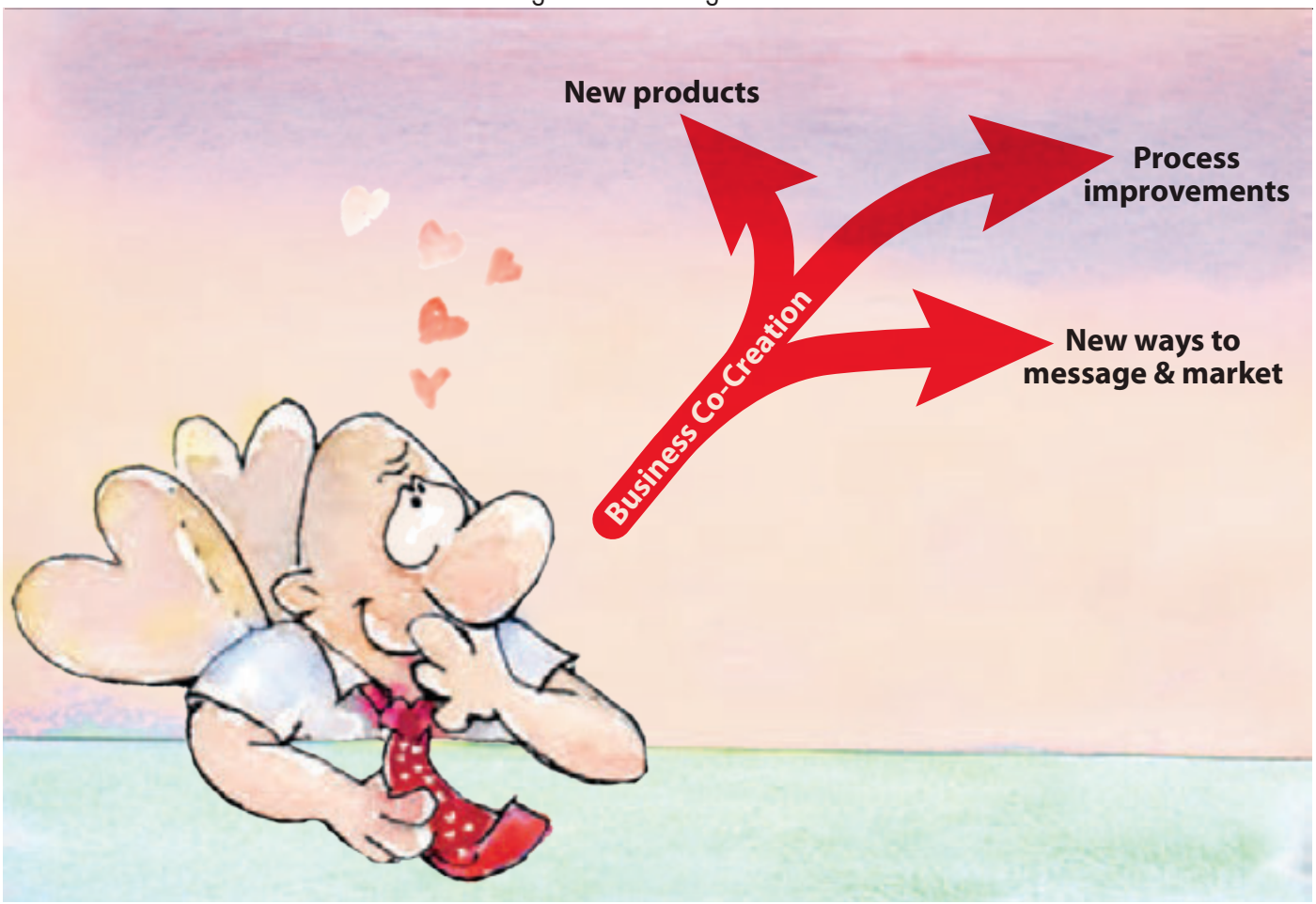
The LOVE model drives long-term value in areas as diverse as customer support, product development, and thought leadership.



LOVE for the entire company

Each of the five phases—Romance, Power Struggle, Stability, Commitment, and Co-Creation—represents a different flavor of relationship and a different way of thinking for product managers. Some consumers will want to align their interests with your company's because it makes their lives easier, such as frequent customers who want the sales process to run smoother. The motivation of other consumers may be less direct—perhaps visionary customers who see a better way or an interesting combination of products or services. The Co-Creation process manifests itself in four distinct types of value:

1. **New products and services** are the most visible way you can engage with and learn from your customers. A genuine dialog with the consumer always makes the development process better, but in many cases it also makes it simpler as feature sets can be better validated and it is easier to identify components that add little value.

2. **Process improvements** are an area where many consumers have strong feelings, but few companies bother to ask. Still far fewer take the view that consumers should be empowered to help design the processes. The key is interests that are aligned in a deep and holistic way.

3. **New ways to message and market** become apparent as soon as you start engaging with consumers in a genuine dialog. They'll help you sell their bosses and they teach you how to market more effectively to their neighbors. If your new product name is an undesirable slang term in a foreign language, they'll tell you rather than letting you blast it to the world.

4. **Business co-creation** is the Holy Grail of relationship. It happens when your customers are emotionally invested in the success of your business. They make referrals to friends, family, and colleagues because it creates intrinsic joy for them. Having a customer who wants you to be successful is much more powerful than a customer you've bought with a loyalty program. It is important to remember that co-creators may exist in forms and places that are invisible to companies. You need to support these advocates, even when you don't know exactly who they are.

To a limited degree, the LOVE model can be implemented by a single discipline within a company, but as the above examples point out, the real value is in infusing its effects throughout the organization. The LOVE model thus provides product managers (and marketing) a vehicle for offering leadership to the entire company.

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How LOVE changes product management

The LOVE model gives product managers a relevant and actionable framework for generating valuable interaction with consumers. These bi-directional interactions provide a source of product, process, and business improvement and innovation that enables your company to co-create new forms of value with customers.

Both forces discussed in this article require significant changes in product management. First, the need for greater innovation and new types of solutions means that product managers are less makers and more organizers. The second force—the need to find a more workable model of consumer—company relationships, pushes product managers to interact with consumers in a truly bi-directional manner where consumers are peers rather than objects to the company.

With changes to both the "what" and the "how," the C-suite needs to re-think what they expect from product management. Instead of being product champions, product managers need to be customer or market champions with a broad view of how their company's expertise and technology can contribute to customer solutions. They need to understand ecosystems rather than just product applications. They need to enable customers to help co-create all aspects of their business (not just the products) as this is how they will create sustainable differentiation. This will likely lead to changes in how the product management function is organized and managed.

For the first time, companies have a holistic model to guide them in developing more valuable and actionable relationships with customers across all parts of the company. Embracing the LOVE model embarks an organization on a journey of discovery which leads to quantifiable results, long-term value, and enhanced competitiveness.

TPM

Bruce La Fetra is a Business Strategist for Rubicon Consulting, Inc. With insights gained from more than 20 years experience in product management, marketing, and strategy consulting, he guides clients in market definition and visioning work to define their mission and growth strategies. He writes and speaks on business models, consumer experience, and pricing & licensing. Prior to consulting, Bruce held product management, business development, and product & service marketing roles for leading software, hardware, and financial services companies. Contact Bruce with thoughts on the LOVE model at bruce@rubiconconsulting.com

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By Greg Council

If you're just starting a career in product management, take comfort in the fact that not only is the role and value of product management getting more notice, but there is also a decent amount of information regarding the mechanics and strategies of product management available to product managers. Techniques and tools, such as those offered by Pragmatic Marketing and others, provide product managers methods for focusing attention on tasks that really matter.

Just as important is the attitude of collaboration and camaraderie you take into your new role. Even though the product manager role is at the center of many activities involved with identifying opportunities and bringing solutions to market, a lot of other folks take part in getting market-driven products to market. Unfortunately, many product managers take the "manager" in "product manager" a little too far and try to command and control every aspect of the process.

With technology-based solutions it really does "take a village" to raise a successful product. Failing to recognize that can lead to disaster.

In my many years as a product manager, I've observed five common pitfalls (or torpedoes) that can make or break a product manager's career.

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TORPEDO 1

Ignore the ideas of others

You're the product manager. No one knows the market and customers like you do. Right? You spend all of your waking hours talking with customers, surveying stakeholders, conducting market analysis, reading all the tech rags. It's exhaustive never-ending work. So it's only natural that any ideas for enhancing the product or identifying new business opportunities are going to come from you, right?

Should you ignore that suggestion from your customer who says that adding a few new features to the existing product would really be well received across the customer base? Or how about the idea from the regional account manager who suggests slimming down the product to tackle a new market? Ignore 'em? Focus on the plans you've identified? The roadmap is yours, right?

Oh, if only that were the case! You would always maintain control and be the star. But you don't control everything, especially not where good ideas come from. And that's ok. Being a good product manager is like being the shepherd of good ideas. In fact, in order to really build momentum and a shared sense of ownership, all ideas coming from others should be recognized. Even the bad ideas because you will find good ideas hidden amongst the bad, so don't discount the ideas of others. It's your job to help guide ideas of all sorts into more rigorous analysis and present cases for the ones that stand the best chance of improving your product.

Focus on how to be the best receptor for good ideas. Develop a good mechanism for others to present ideas, identify the best customer implementations that could yield new use cases, and let others know you're there to listen rather than the sole arbiter of what goes into the product. And lastly, make sure people get the recognition they deserve.

TORPEDO 2

Hoard all the good information

You are in possession of the latest results of the customer usability study. And the data is excellent. So, it's better to add it to your data arsenal, and wait to use it at the appropriate moment in support of your agenda, right? Oh yeah that feels right.

Product managers are always in the know when it comes to valuable product information like customer use cases, customer preferences, competitors, and industry trends. Knowledge is power, so why shouldn't you have more control over who gets it? Won't that make you even more appreciated when you actually *do* divulge the information?

The answer, in one word, is "no." It's quite the opposite. Information begs to be openly shared. Stakeholders who are more knowledgeable about customers, competitors, and the industry are easier to work with and likely to more strongly support the roadmap. Sharing this information with those stakeholders turns them into allies. And they are much more likely to turn to you for expertise, which makes you more influential.

When you choose to withhold information and dole it out at your discretion, you run the risk of being relegated to a minor player in strategy-making events within your company. If few folks know how much you actually know, or people believe your knowledge is very focused (which, after all, *must* be the reason why you only rarely share this information, right?) then your real and perceived value diminishes.

So instead of being territorial, focus on how to more efficiently get all of that great knowledge disseminated. The more you get other people stating facts and figures and recalling information you originally shared, the more influential you become. It's a lot more powerful to have other people speaking for you. And go one better: get others involved in your data gathering and analysis.

Internal product management blogs, regular information sharing/brainstorming sessions, and more frequent "channel alignment" sessions enhance your value within the organization and help you become more efficient with moving important projects forward.

TORPEDO 3

Snub the sales force in your product launch

You've got your product plans lined up, development is underway, and now you're working on the go-to-market activities—creating or updating data sheets, solution guides, target customer profiles, and selection criteria. The "sales toolkit." You're the product expert. You know the market, target users, attributes of the product that help it sell, the competitive differentiators. You've got it all down pat. Now you just need to create the documents and deliver them to the folks who represent the product. Easy, right?

When you observe a sales engagement and you find that the sales representative has a poor grasp of the customer's real needs and how to articulate the value propositions you've worked so hard to define, do you just shrug it off with a "we need better sales people" attitude?

I've learned that to ensure your product is a success in the marketplace, you must *appeal* to the group who represents it to the customer, whether a direct sales force or through channel sales. By appeal, I mean not only does the solution clearly stand on its own but it also has to have suitable positioning and clear messaging. All together, these create a compelling solution for your sales force to take to the market. And like it or not, you have to ensure the things used to represent your solution are a right fit with the sales force.

So take the time to test sales tools and market positioning with selected sales representatives or channel partners. Listen to what Sales has to say regarding what works and what doesn't. Observe sales calls and attend sales training sessions so you will spot disconnects between what you're trying to convey and what's actually received. These activities pay off when it's time to unleash your go-to-market plan.

Phrases like **"works as designed"** or **"work around"** should be red flags indicating an area for improvement with your product.

TORPEDO 4

Neglect support calls

Product managers deal with enhancements; new features, modules, new capabilities that open-up new markets. We don't deal with issues involving technical support, right? So who cares about technical support calls when you're busy charting the future of the product?

If only it were that simple. Now it's probably true that product managers don't need to be too involved where true defects are concerned. But what constitutes a "true defect"?

Phrases like "works as designed" or "work around" should be red flags indicating an area for improvement with your product. These often-uttered phrases are an indication of misalignment between the solution and the customer's expectations. Sometimes the inquiry doesn't make sense for the solution in question. But sometimes the inquiry reveals a true gap in the solution.

What about those general technical assistance calls? Admittedly support analysts conduct a fair amount of training via the phone. There could also be just as many "neglected cries for help," where a savvy product manager would see that the product may be overly complex or not intuitive enough for the target user.

Remember, the role of the product manager is not to focus solely on functional enhancements such as new features but to ensure the product has the proper alignment with your target market's user expectations and needs. A good way to understand those needs and expectations is to listen to questions that come through technical support. Periodically review questions from key accounts. Take time to educate the support staff on "red flag" customer questions that might indicate a possibility to improve the product, getting them involved with the actual planning process. These efforts reveal hidden opportunities to really make your product more usable, more useful, and ultimately more competitive.

→

TORPEDO 5

Drink your own Kool-aid

You've been given control over a great product and it does a fantastic job of contributing to the success of your company. Customers don't complain too loudly; actually they don't interact with anyone at your company all that much. You have a three-year roadmap and releases go out like clockwork.

So by all means, you don't worry about going through the normal evaluations and business analysis of enhancements. You know best and determine what makes the cut and what doesn't. You don't worry about changing the strategy of in-flight projects if the business climate changes. It's far more important to be consistent and let the executive team know that you're someone that sticks to his guns; once you get that roadmap defined, it's golden. Right?

Hold on there. The only way to really contribute to your company's success is to do what you're supposed to do: analyze the market, validate the options, and prove the results. While you're undoubtedly expected to be the chief proponent of your product, you can't be afraid to identify potential problems with "market fitness," highlight changes in the business climate that could affect success in the marketplace, or even potentially identify the need to plan for your product's demise.

We'd all like to believe that there will always be a market need for our product and it will always continue to be competitive, just given the right mix of enhancements and market positioning. And sometimes it *does* work out that way, but not often. When we're talking about products and solutions delivered to a dynamic user market that has various sub-segments and changing needs, you have to plan for being unsuccessful, too. Especially when your company's P&L and many stakeholders are involved.

So while you're indeed a talented and knowledgeable person (otherwise you wouldn't be the product manager!), you (and your product) are not infallible and you can't hope to always be successful. Instead, augment your superhuman skills of prescient thinking and tea leaf reading with good thorough analysis, planning, and constant measuring and validation.

The only way to really contribute to your company's success is to do what you're supposed to do: **analyze the market**, **validate the options**, and **prove the results**.

And if something that once sounded great, doesn't feel like the right thing to do now, present the analysis, state your case, and move on. Ultimately you get respect for good results, not just results. I've received as many kudos for decisions to scuttle a project or change product direction as I have for keeping with and delivering the original plan. In product management, it's as much about what you *don't* do as what you end up working on that determines success.

TPM

Greg Council's personal agenda has always been to be a great product manager. In the last 14 years, Greg's honed his expertise within the product management domain to identify unmet (and often unarticulated) needs in order to deliver truly valuable, unique, and useful solutions. He's managed both large and small direct and virtual teams to improve existing products and bring new offerings to market. Contact Greg at greg@councilnet.com

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