

Product Management Process

Role of product marketing

According to S. Wheelright and K. Clark, product marketing in a business addresses five important strategic questions:

- What products will be offered (i.e., the breadth and depth of the product line)?
- Who will be the target customers (i.e., the boundaries of the market segments to be served)?
- How will the products reach those (i.e., the distribution channel)?
- How much the products should be priced at?
- How to introduce the products (i.e., the way to promote the products)?

The aspects of Product marketing are:

- Product positioning and outbound messaging
- Promoting the product externally with press, customers, and partners
- Bringing new products to market
- Monitoring the competition

Product marketing frequently differs from product management in high-tech companies. Whereas the product manager is required to take a product's requirements from the sales and marketing personnel and create a product requirements document (PRD), which will be used by the engineering team to build the product, the product marketing manager can be engaged in the task of creating a marketing requirements document (MRD), which is used as source for the product management to develop the PRD.

In other companies the product manager creates both the MRDs and the PRDs, while the product marketing manager does outbound tasks like giving product demonstrations in trade

shows, creating marketing collateral like hot-sheets, beat-sheets, cheat sheets, data sheets, and white papers. This requires the product marketing manager to be skilled not only in competitor analysis, market research, and technical writing, but also in more business oriented activities like conducting ROI and NPV analyses on technology investments, strategizing how the decision criteria of the prospects or customers can be changed so that they buy the company's product vis-à-vis the competitor's product, etc.

In smaller high-tech firms or start-ups, product marketing and product management functions can be blurred, and both tasks may be borne by one individual. However, as the company grows someone needs to focus on creating good requirements documents for the engineering team, whereas someone else needs to focus on how to analyse the market, influence the "analysts", press, etc. When such clear demarcation becomes visible, the former falls under the domain of product management and the latter comes under product marketing. In Silicon Valley, in particular, product marketing professionals have considerable domain experience in a particular market or technology or both. Some Silicon Valley firms have titles such as Product Marketing Engineer, who tend to be promoted to managers in due course. The trend that is emerging in Silicon Valley is for companies to hire a team of a product marketing manager with a technical marketing manager. The Technical Marketing role is becoming more valuable as companies become more competitive and seek to reduce costs and time to market.

The need for a Product Management System

Product Management is *"messenger of the market,"* delivering market and product information to the departments that need facts to make decisions.

- Product Management is needed if one wants low-risk, repeatable, market-driven products and services
- Product Management makes it vastly easier to identify market problems

- Product Management identifies a market problem, quantifies the opportunity to make sure it's big enough to generate profit, and then articulates the problem to the rest of the company
- Product Management supports the sales effort by defining a sales process supported by the requisite sales tools so that the customer can choose the right products and options
- Product Management communicates the market opportunity to the executive team with business rationale for pursuing the opportunity including financial forecasts and risk assessment.
- Product Management communicates the problem to Research & Development department in the form of market requirements
- Product Management communicates to Marketing Communications department using positioning documents, one for each type of buyer

Product Manager's Management System – Scope, Responsibility and Authority

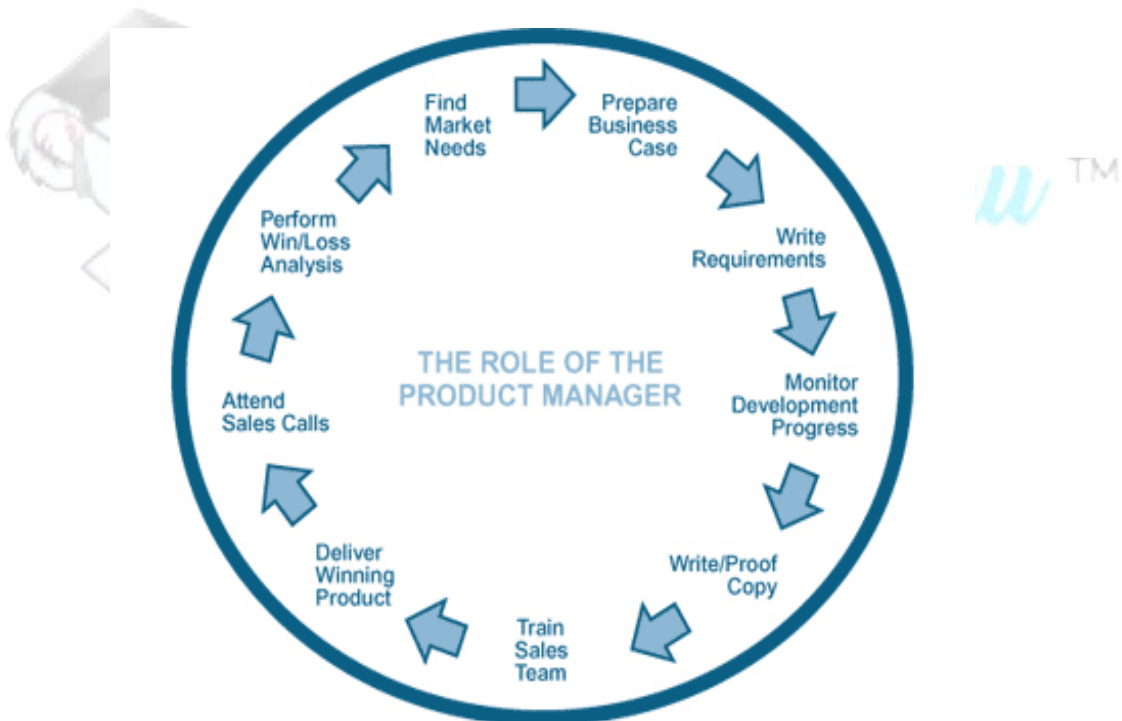
Product Manager is one whose primary responsibility is a product or a closely related product line. Two broad responsibilities of a Product Manager are:

- Product Manager is responsible for the planning activities related to the product or product line
- Product Manager must get the organization to support the marketing programs recommended in the plan.

Traits

- Guiding a team that is charged with a product line contribution as a business unit
- Increasing the profitability of existing products to developing new products for the company

- Building products from existing ideas, and helping to develop new ideas based on own industry experience and contact with customers and prospects
- Possession of a unique blend of business and technical finesse with a big-picture vision, and the drive to make that vision a reality
- Must enjoy spending time in the market to understand their problems, and find innovative solutions for the broader market
- Communicating to all areas of the company
- Working with the engineering counterpart to define product release requirements
- Working with marketing communications to define the go-to-market strategy, helping them understand the product positioning, key benefits, and target customer
- Serving as the internal and external evangelist for the final product offering
- Working occasionally with the sales channel and key customers



Difference between Product Manager and Marketing Manager

Heads	Product Manager	Marketing Manager
Scope of responsibility	<i>Narrow:</i> Single product or product line	<i>Broad:</i> Portfolio of products
Nature of decision making	Mainly Tactical	Mainly strategic
Time horizon	Short Run, often annual or shorter	Long Run

The description of different types of product managers is given below:

1. Product Line Manager

Traits

- Has a business-orientation and is responsible for the development and implementation of the product plan for a specific product family
- Maintains close relationship with the customer/prospect for awareness of customer needs and perspectives
- Identification of appropriate markets and development of effective marketing strategies and tactics
- Being involved through all stages of a product family's lifecycle

Duties

- Seeking new market opportunities within the company's distinctive competence
- Initiating market research and sizing markets
- Documenting market problems (both existing customers and future customers)
- Analysing product performance and sales success
- Documenting product profitability and operational metrics
- Creating and maintaining the business case

- Product pricing
- Determining buy/build/partner decisions
- Serving as the solution expert when dealing with thought leaders, analysts, and press
- Positioning the product for all markets and all buyers
- Documenting the ideal sales process
- Providing high-level market and cross-product requirements
- Maintaining the product family roadmap
- Approving final marketing and go-to-market plans

2. Technical Product Manager

Traits

- Responsible for defining market requirements and packaging the features into product releases
- Involving close interaction with development leads, product architects, and key customers
- Strong technical background
- Gathering requirements from prospects, evaluators and customers, writing marketing requirements documents, and monitoring the implementation of a product project

Duties

- Technology Assessment
- Competitive Analysis
- Win/Loss Analysis
- Monitoring industry innovations
- Defining user personas for individual products
- Product Contract with development teams
- Writing business requirements

- Monitoring the implementation of the product projects

3. Product Marketing Manager

Traits

- Provides product line support for program strategy, sales readiness and channel support
- Requires close interaction with marketing communications and sales management
- Strong communication skills

Duties

- Converting technical positioning into key market messages and launching the products into market
- Defining buyer personas and determining market messages
- Maintaining product launch plans
- Identifying best opportunities for lead generation
- Creating standard presentations and demo scripts
- Documenting competitive threats and related industry news
- Facilitating direct sales and channel training
- Supporting trade shows and other company-sponsored events
- Limited onsite channel support and phone assistance

Advantages of Product Management System

- Locus of responsibility is clear as one person is responsible for the success or failure of a product or product line.
- Product managers training and experience are invaluable.

- The organization knows whom to turn to for any information about any product.

Disadvantages of Product Management System

- The focus might be narrowed to one product and hence the manager fails to have a holistic view of customer needs.
- A very centralized structure
- Product managers are too myopic as they have profit targets for the short term.

