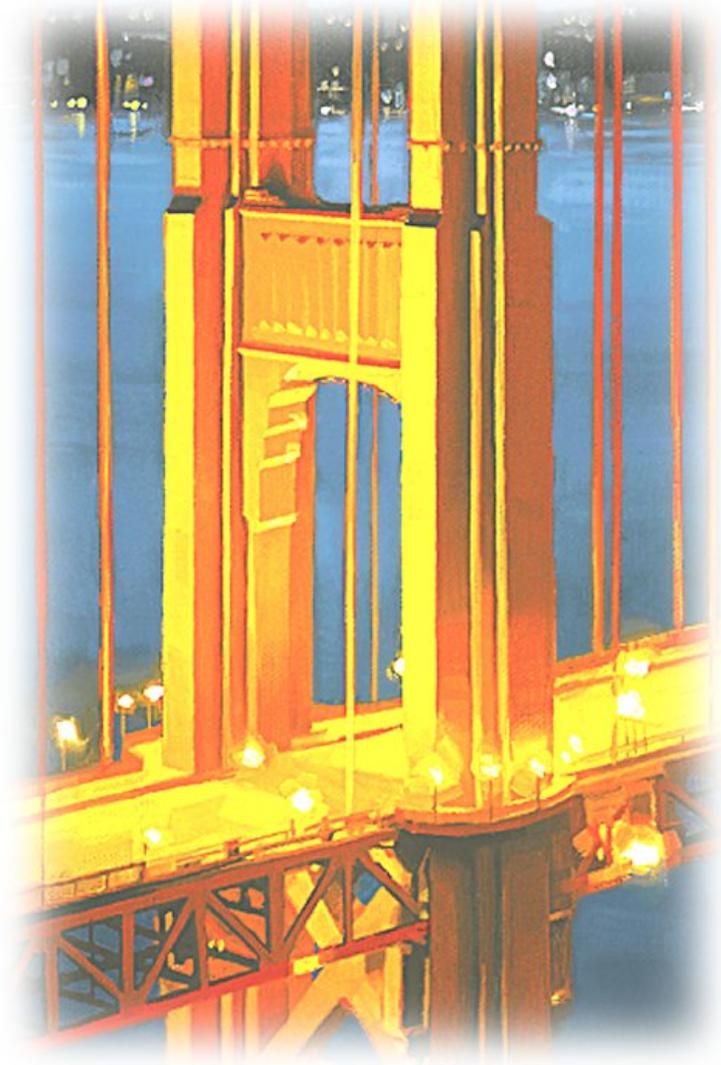

IDEABRIDGE



The IdeaBridge White Paper Series:
Case Study:
Improving Product Management



CASE STUDY: IMPROVING PRODUCT MANAGEMENT

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Summary

This large manufacturing company employed a myriad of different product managers to drive sales through various channels. However, the Product Managers were so burdened with operational requirements and hamstrung with paperwork that they could not effectively perform their jobs.

Conclusion

Eliminate the myriad of unproductive operational burdens placed upon Product Managers in order to provide them with the time needed to truly manage their products and grow their business.

Related Themes

- Reducing the Company's number of products
- Create a methodology to develop, market, sell, manage and ultimately eliminate products.
- Product Managers to be held directly accountable for the results of their marketing and advertising initiatives.

Current Situation

There are 57 Product Managers throughout the company, and 19 additional positions which fall under different job titles and cost centers, yet their function is clearly that of a Product Manager.

Ideally, the major functions of a Product Manager should include:

- managing the product's profitability
- product maintenance, enhancements and development
- vendor management
- systems/operations liaison
- sales support
- marketing activities/pricing
- growth in the absolute dollar of product sales and usage

However, the current role of many Product Managers can be characterized as:

- constantly putting out fires (i.e. resolution of systems and operational problems);
- responding to customers that have been transferred from your Customer Service Center;
- dealing with complaints regarding the company's failing website as an alternative channel;
- handling operational, sales staff and customer service issues;
- struggling to bring enhanced and newly developed products to market in a timely fashion. (The most frequently encountered road blocks tend to occur in your support departments)

The role and job description of a Product Manager can vary widely, depending upon the area of the company where the product resides and the stage of the product in its lifecycle. Your company lacks a consistent job description for Product Managers; most are seeking clarification of their roles and responsibilities. Without specific role clarification, the Product Managers tend to drift into solving Operational and Servicing problems, rather than the role of building their product's usage, distribution, sales and profitability.



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Product Managers often lack sufficient financial information to make adequate business decisions. Financial and cost data, usage rates and marketing feedback are often not available in a timely fashion. Product Managers consistently experience delays in getting adequate turnaround for routine shipping assistance or minor systems modifications. Further, accounting and marketing approvals are a major bottleneck in making product enhancements, new product launches or pursuing product retirements.

Numerous well-intentioned Committees are killing your Product Manager's effectiveness, sapping them of time and energy to devote to more productive activities. Further, your collaborative, collegial style of 'decisions-by-consensus' are causing unnecessary delays which are having a detrimental impact customer service levels, shipping, product availability and product promotion and new feature enhancements.

While the Product Managers are competing with one another from their respective silos, there is a lack of a unified focus on the customer. Featuring the "Product of the Month" in the divisional offices severely limits the PM's ability to maintain a consistent message throughout the year. Therefore, regional sales staffs are inundated with Product Managers vying for their attention and pushing their particular product. Oftentimes, when the sales efforts fail to produce desired results, Product Managers will rush into ill-conceived marketing initiatives in an attempt to expedite results. The rush to make things happen quickly can preclude some Product Managers from acting on the prudent and well-researched advice of your Market Planning Group, or of developing a compelling business case and focused product strategy.

Proposed Redesign Description

The Product Manger's role should be redefined across your entire company with a clear job description and specific expectations to build the sales, profitability and utilization of their products. Eliminating operational and servicing tasks will allow the Product Managers to accommodate the management of additional products, resulting in a net reduction of the number of Company-wide Product Managers.

The approval process should be streamlined by moving away from committees and consensus building and by putting more responsibility for decisions onto the Line of Business Managers.

The operational, systems, accounting and shipping constraints should be removed from the primary role of the Product Manager. One idea is to expand the use of the Product Associate position. The Product Associate would handle the operational and routine functions of the product management process, allowing Product Managers to work more effectively and to focus on their P&L responsibilities.

Some of the Specific Ideas That We Are Recommending include:

- Consistent Job Descriptions for all Product Managers.
- Eliminate Operational and servicing aspects of the PM's job.
- Consolidate the PM's under the overall umbrella of Marketing.
- Consolidate the number of PMs and cluster similar products under PMs.
- Increase the number of products under the management of each PM.
- Clarify the role, function and job responsibilities of the Product Manager function.
- Develop an expedited approval process to streamline and simplify the required review of product enhancements and new product introductions.



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- Develop a standard training platform for all Product Managers.
- Develop incentive programs that reward Product Managers for building their product's marketshare, usage, sales and profitability.
- Develop a New Product Research, Development and Launch Team to evaluate and prioritize all product ideas and expedite product enhancements and launches.
- Eliminate marketing and advertising of older products that have proven to be unprofitable or that are being phased-out.