



The Product Manager's Guidebook

PRACTICAL RESOURCES FOR ACHIEVING
YOUR TOP 10 RESPONSIBILITIES



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Preface: Executive Leaders Who Rely on Product Managers Find Unique Advantages

Executive leaders who learn to rely on **product managers** find unique advantages such as more time and capacity to focus on strategic efforts instead of day-to-day operations. Even still, the product management function is often one of the most misunderstood and underutilized roles. Case and point, there are over 60,000 searches each month from people trying to understand the role of a product manager.

Clarifying Executive Leader and Product Manager Roles

Executive leaders are the ones responsible for establishing the vision and direction for an organization, guiding decision-makers toward desired objectives. Product managers, on the other hand, lead from the middle¹, driving daily decisions that transform the executive's vision into action. **Not only does the product manager understand how to make things happen, but in managing products they promote efficiency and effectiveness by helping to form what the end results ought to be and knowing how to work with people to achieve results.**

Executives sometimes underutilize product managers because they either haven't had good experience with the role or they haven't had a competent person to rely on. So, how can executives do better? They can delegate and empower their product manager with the responsibility and authority² to make decisions related to a product. If they feel trusted, their confidence will increase. With increased confidence, their skills will improve and the quality of their work goes up. The executive should expect transparency and provide general direction to increase clarity. In doing so, the executive feels free, even liberated, to ponder the broader direction of the organization.

¹ <http://productmanagementmyths.quora.com/Myth-PMs-are-the-CEO-of-the-product>

² <http://uthscsa.edu/gme/documents/FromDelegatingtoEmpowering.pdf>

At some point, there comes a (somewhat intimidating) realization that the product manager is more influential or critical in the product development process than the CEO – a positive indication of trust and empowerment. The CEO can then uniquely lead, guide, and direct generally instead of being focused solely on execution and delivery.

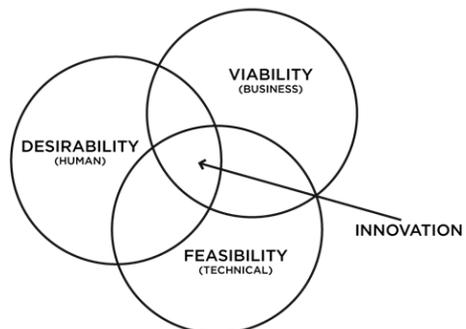
What is Product Management?

Most will claim that a product manager is responsible for all stages of the product lifecycle³. Unfortunately, all too often a product manager launches a product without a plan to maintain it over time.

The lack of continuous lifecycle management comes as a result of limited attention or discipline, organizational churn, lack of training, employee burnout or any combination of these things. Regardless, product managers are responsible to create and execute against a roadmap that lives well beyond a product’s release so that others continuously know what lies ahead.

Product managers ensure business, user, and technology needs are met. They communicate regularly and transparently with stakeholders. They understand the user. Then, they clearly and consistently represent business and design requirements to engineers in preparation for the development process.

IDEO describes this approach using the lenses of desirability, feasibility, and viability⁴. The unique product development opportunity (or



Three lenses leading to product innovation

³ https://en.wikipedia.org/wiki/Product_management

⁴ http://www.ideo.com/images/uploads/hcd_toolkit/HCD_INTRO_PDF_WEB_opt.pdf

innovation) exists where the three lenses overlap. Successful product managers will have enough experience, reason, and intuition to recognize innovative opportunities when they present themselves.

In short, product managers are leaders, advisors, and counselors in the process of defining the strategic direction of a product while ensuring business, user, and technology needs are realized. Product managers lead a team (through trust and open communication) to achieve desired outcomes. Of course, there are a number of skills and tools that can increase a product manager's success. Some of these skills include:

- Ability to solve problems
- Ability to communicate with a team
- Ability to deal with ambiguity

Questions Every Executive Should Ask about Product Management

If you are wondering how you and your product managers measure up, consider asking the following questions.

- What can I do to further empower my product managers?
- Do I provide general direction or do I direct day-to-day details?
- Does my product manager almost always agree with me?
- How often does ROI drive decisions to create or retire products?
- When was the last time my product manager raised an innovative idea to your attention?
- Does my product manager alert you to risks that may arise?
- Do my product manager and I understand how the product will benefit your organization in the next 3 years?
- Do my product manager and I understand how the product will benefit your users in the next 3 years?
- Do I perceive technology “wagging” the strategy “dog”?
- How frequently do my product manager and I interface with team members to ensure the best ideas are heard?
- Is my product manager too busy?
- Where can communication be improved?

Unique Advantages of Product Management

The influence of a product manager can be felt deeply in the day-to-day operations of an organization, even beyond that of an executive's influence. Absent of product management's leadership, technology will lead strategy, design will not be user-centered, and product launch will be boiled down to a leap of faith. Without the unique position of the product management function operating across and collaborating with so many functions (marketing, technology, design, etc.), an organization's mission and objectives would be near impossible to achieve. However, with a product manager, these functions can be addressed in a way that the executive leader is relieved to dedicate more time and energy to determining the organization's future.

Introduction: Product Manager Top 10 Responsibilities and Training Opportunities

What Do Product Managers Do?

Most product managers feel a tremendous weight from the number of **responsibilities** resting on their shoulders. Each month, there are over 60,000 searches from people trying to learn how to be a better product manager. Some better their product management career by leaning on a CPM (Certified Product Manager) certification and other formal training, while others look to mentors and self-study resources. Either way, a person can quickly become overwhelmed by the sheer volume and variety of expectations placed on product management.

Nevertheless, a product manager's likelihood of success comes down to 10 responsibilities. This list of responsibilities is especially attuned to technical product managers.

Top 10 Product Manager Responsibilities

1. **Adopt a common product development process**
2. **Communicate continuously and transparently**
3. **Define success and measure performance over time**
4. **Identify and prioritize product requirements**
5. **Determine product pricing strategy**
6. **Establish a marketing plan**
7. **Maintain the product lifecycle**
8. **Encourage continuous testing**
9. **Lead teams and build trust**
10. **Stay attuned to industry trends**

Product Managers Lead Teams

With all product managers are expected to do, sometimes it is helpful to identify what they do not do. They lead people; they do not manage them. Successful organizational structures purposely separate HR tasks

from product management and development tasks to ensure career development occurs and to maintain proper workload balance, It's simply not reasonable to expect a single person to manage a product while ensuring each team member's professional needs are met.

It goes without saying that separating HR from product development means having to influence without authority⁵. Since team members do not report to the product manager, their allegiance may wax and wane. Consequently, the product manager must lead through trust and open communication (in all directions) to achieve the desired results.

Product Management Certification and Training Opportunities

Most managers seek some sort of certification. Six of the most recognized certifications, courses, and training options are listed below. Each offers a distinctive curriculum, so explore which program best suits your needs.

- Standardized CPM certification exam by Association of International Product Marketing and Management (AIPMM)⁶ for \$395
- Classes in building, launching, and pricing products at Pragmatic Marketing⁷ for under \$1,200 each
- Self-study training including AIPMM certification with 280Group⁸ for \$1,300
- 10-week immersive course at General Assembly⁹ for \$3,300
- Five-day certification at UC Berkeley¹⁰ for \$7,300
- MBA in product management at Wisconsin School of Business¹¹

⁵ <http://coachingforleaders.com/influence-without-authority/>

⁶ <http://www.aipmm.com/html/certification/comparison.php>

⁷ <http://pragmaticmarketing.com/courses>

⁸ <http://go.280group.com/certified-product-manager-self-study?gclid=CPzT0KvR28cCFQiQaQodM7wPVw>

⁹ <https://generalassemb.ly/education/product-management-immersive>

¹⁰ <http://executive.berkeley.edu/programs/product-management>

¹¹ <https://bus.wisc.edu/mba/brand-product-management>

- Internal certifications (ask your HR unit if any training courses have been adapted to your unique organization)

Product Management Blogs, Forums, and More

- Technical PM blog¹²
- Manager forums¹³
- Senior PM case studies¹⁴
- AIPMM webinars¹⁵
- Talks podcast¹⁶
- People on Twitter¹⁷

Product Management 101 Articles

- *The Pros and Cons of Product Management*, by Forbes
- *A Career in Product Management*, by The Wall Street Journal
- *Six Myths of Product Development*, by Harvard Business Review
- *5 Ways You Can Make an Engineer's Job Easier*, by Medium.com

The best way to improve your product management career is by focusing on these key responsibilities and learning from others who perform them well. Seek out mentors and communities of practice that exemplify each key area. Although classes, certifications, and books will help, don't lead out with these costly and time-consuming resources.

Some, especially those new in the role without formal training, wonder where to begin. Simply start by connecting with others who are successful in the role, those who are well respected, and those whom you can learn from. Be cautious not to burden them or waste their time.

¹² <http://techproductmanagement.com/>

¹³ <https://www.quora.com/Product-Management>

¹⁴ <http://www.svpg.com/assets/Files/productmanager.pdf>

¹⁵ http://aipmm.com/aipmm_webinars/

¹⁶ <https://itunes.apple.com/us/podcast/global-product-management/id464701967?ign-mpt=uo%3D4>

¹⁷ <http://www.cindyalvarez.com/learning/product-managers-on-twitter>

Rather, ask questions that demonstrate knowledge and interest in the real issues (the 10 responsibilities listed previously), and you will become one of the best in your field.

Responsibility 1: Adopt a Common Product Development Process

Product Development Process Advantages

In May of 2015, the 280 Group conducted a study to determine the biggest challenges facing product managers. **Of 900 respondents, half said their teams do not use a consistent product development process.** And 45% said product management skill levels vary greatly. **These findings have huge implications, because organizations that do not use common processes face far more problems and challenges than those that do.** Skill level consistency and overall effectiveness increase when a consistent process is used across teams. Product managers are much more likely to be viewed as leaders when a consistent process across teams is used.

It was New York Times best-selling author and Harvard Business School faculty member John P. Kotter who said, “When you create differences you need to be prepared to manage differences and managing differences takes energy.” The 280 Group survey shows that companies with teams using different processes experience more challenges. The biggest challenge is that product managers are tactical, not strategic. So, the question is whether or not organizations want to spend their energy addressing challenges or adopting a common product development strategy.

Product Development Process Flowchart

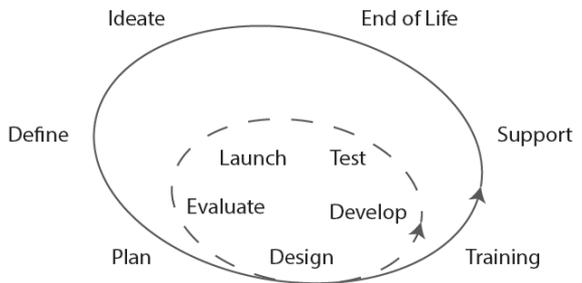
So, what does an effective common product development process look like? Management and development strategies and tactics used by product managers have evolved considerably throughout the digital

age, varying considerably across organizations. Yet, since April of 2012, an unexpected organization, The Church of Jesus Christ of Latter-day Saints, has used a common product development process across more than 80 digital products ranging from websites like LDS.org (19 million average monthly visits), to mobile apps like Gospel Library App (3 million active monthly users), to documentaries like Meet the Mormons (cracked the box office Top 10¹⁸).

It is not uncommon for organizations like the LDS Church to adopt a custom product development process (more than 35% of organizations do so, and most incorporate some aspects of Agile development). Their process of product development is cyclical and identifies the key outputs expected from each phase. The process is end-to-end, including ideate, define, plan, create, launch, and maintain. **At each phase, there is a clear leader to maximize accountability and boost skill level consistency.** Participants counsel together along the way as partners between sponsoring (or marketing) and service (or IT production) arms to reduce conflict and potential duplication.

Adopting a Common Process

It has taken the LDS Church several years to adopt a common product development strategy. Yet, they continue to see dramatic benefits in the form of: cost savings, reduced duplication, increased skill level (among product managers and team members alike), reduced time to



LDS Church Product Development Process

¹⁸ <http://www.mormonnewsroom.org/article/church-gives-meet-the-mormons-proceeds-to-the-american-red-cross>

launch, and higher-quality production—all while requiring fewer heroics. They are still striving to improve the working relationship between product management and production and engineering teams (a common sentiment¹⁹ shared among product managers).

By far, the most cited²⁰ problem product managers report is with internal processes. Yet, the steps to develop a product from cradle to grave need not be complex. In fact, the simpler the better because a number of individuals will have to be trained before the process can actually become “common” and take hold across the institution.

Instituting a common process across a large organization takes time and energy, but not nearly as much as the energy required managing differences. Adopt a common product development process and your organization will experience far fewer challenges than those who do not.

¹⁹ <https://pragmatic-marketing-469ad240.s3.amazonaws.com/pdf/2015AnnualSurvey.pdf>

²⁰ <http://info.alpha-ux.co/product-management-insights-2015>

Responsibility 2: Communicate Continuously and Transparently

Why Communication Is Important in Product Management

The importance of **communication** in business cannot be overstated.

The role of a product manager is uniquely designed to bring the right people together to achieve a common purpose. One of the most important factors in bringing teams together is establishing continuous and transparent communication. Like the hub of a wagon wheel is where the spokes meet, product managers are the hub of team communication.



Product managers are the hub of team communication.

Methods of Continuous and Transparent Communication

Knowing why communication is important matters, but knowing how is essential. The good news is that other product managers have painfully learned the following five proven methods of communicating with their product development teams and other business leaders. **These methods are surprisingly simple but their effects should not to be underestimated.**

1. **Documented product requirements.** This is typically done in a product specifications document or product plan. Dwight D. Eisenhower said, “plans are nothing; planning is everything. His point is that the activity of planning is what makes all the difference, not the actual plan itself. This product plan template Product plan templates (example²¹) can be a helpful place to start.
2. **Regular status reports.** An executive status report is typically updated weekly and emailed to stakeholders and team members to

²¹ <http://mypma.org/templates>

demonstrate progress. To increase accountability, both parties receive the report. Some of the more successful product managers, such as Justin Krebs, manager of LDS Church Clerk and Leader Resources, go one step further by sharing their weekly status report across units to peers managing tangentially related efforts. Status report templates (example²²) can be a helpful place to start.

3. **Current product roadmap.** The roadmap shows user stories that are currently underway or planned for future development. It is not a visual map of past progress. Some of the most effective roadmaps are created in PowerPoint or Excel because these tools are simple and accessible (even if they aren't the prettiest). Product plan templates (example²³) can be a helpful place to start communicating a product's future.
4. **Attending iteration planning meetings.** Iteration planning meetings with both production and engineering resources are typically held every two to four weeks. The meeting consists of current vision and direction from the product manager, current development tasks underway, and a quality assurance review of tasks completed since the previous meeting. Making this meeting series a priority will ensure a better working relationship between product management and the development team (one thing product managers commonly wish they could improve²⁴).
5. **Ongoing one-on-one meetings.** These meetings are held either ad hoc or are scheduled as needed so that key players know and expect their voice will be heard. One-on-one's are a time for focused attention, candid feedback (be prepared to listen), and relationship building.

²² <http://mypma.org/templates>

²³ <http://mypma.org/templates>

²⁴ <https://pragmatic-marketing-469ad240.s3.amazonaws.com/pdf/2015AnnualSurvey.pdf>

Principles of Transparent Communication

William G. Dyer, developer of the world's first 360-degree feedback instrument and author of *Team Building*, said, "Frustration occurs as a result of a violation of expectations." So, the more product managers can make their expectations and communications explicit, the less they (and others around them) are likely to experience frustration. One tool that can help is the Herrmann Brain Dominance Instrument (HBDI)²⁵. In just moments, this instrument (tested for more than 4 decades) explains how the mind works, how thinking styles can be expanded, and how to better communicate with others.

Another way to improve communication is to ask yourself, "What do I owe my superiors, my peers, and my product team?" anytime a key decision is reached. Communicating transparently means communicating in all directions. Not every audience needs to know the same thing, but they all likely need some sort of update. This question will reduce any surprises, keep you honest, and increase accountability.

Indicators of Transparent Communication

Some of the most respected product managers adopt a personal policy of "no surprises and no lies." Not only does this keep them honest and open, but it sets the expectation with others to reciprocate the same behavior. Adopting this kind of personal policy is one way to self-assess the quality of your communications.

Other indicators that communication is continuous and transparent include: increased stakeholder trust, free flow of ideas from team members, noticing opportunities for synergy across domains, reduced confusion about product purpose, and more consistent deliverables. Because a product manager plays a key role in coordinating and facilitating, their ability to communicate continuously and transparently directly impacts product outcomes. After all, "effective communication is essential to effective motivation."²⁶

²⁵ <http://www.herrmannsolutions.com/assessment-tools-and-solutions/>

²⁶ <https://rsc.byu.edu/archived/voice-my-servants/how-communicate-effectively>

Responsibility 3: Define Success and Measure Performance Over Time

The Benefits of Product Success Criteria and Performance Measures

Product managers are responsible for **defining success criteria and measuring performance over time**. Success criteria are the documented standards by which stakeholders will judge a product. Defining success at the beginning of product development is important because it forms the basis for future decision-making. Measuring performance is important because it indicates the extent to which success is being realized.

Clearly defined success criteria are a tool product managers can use to know when to say “yes” or “no” to new product requirements. They are also useful in tracking progress toward the end goals.

Example of User-Centered Success Criteria

So, how do product managers define success? They begin by identifying the audience’s pain, problem, or “jobs to be done” (as described in a short video²⁷ by Clayton Christensen). Then, they measure the extent to which their product addresses that pain, problem, or “jobs to be done.”

For example, The Church of Jesus Christ of Latter-day Saints recently broadcast their twice-a-year general conference on their flagship website, [lds.org](https://www.lds.org). Instead of linking



Live stream is embedded directly on [lds.org](https://www.lds.org) homepage

to a stream deep within the broadcast section of their site (like they had in several previous years), they embedded a live feed directly on the

²⁷ <https://www.youtube.com/watch?v=f84LymEs67Y>

homepage—an experience similar to Apple’s press conferences. This change occurred as a result of clearly defined success criteria: specifically, providing quick and easy access for viewers. If the success criteria were based on traffic volume to the previous broadcast section, the change might not have been made and the user experience would not have improved.

Author Gerry McGovern helps product managers define success criteria (for websites) by asking the following three questions.

- 1. Are you an organization that is genuinely customer centric and likes to serve? If you are, then your website will be focused on allowing your customers to complete their tasks as quickly and easily as possible. Even if your organization is complex, your website will be simple.*
- 2. Are you an organization that thrives on control and hierarchy? Then your website will be all tell and sell. It will be all about telling customers what you want them to hear, about selling them what you want to sell them. It will be about messaging, communications, PR, and marketing.*
- 3. Is your organization overflowing with vanity and ego? Then your website will be fully of glossy images of attractive actors pretending to be happy customers. It will be full of meaningless jargon, and you will constantly be telling your customers how much you care about them.*

In the general conference example, key performance metrics were still captured, just not at the viewer’s expense. In fact, product manager, Rob Jex, has made significant strides to establish common metrics to monitor live event performance. To achieve common performance indicators, Rob has had to break his big idea into chunks, seek consensus, figure out the logistical how-to’s, and accept some short-term redundancy. Now that he is two years into achieving common measures, a cross-functional team meets monthly to compare event performance. They discuss lessons learned and explore improvements that could be made (improvements to lighting, relevant b-roll, effective ways of distributing streamed media through third parties, and more).

The benefits to establishing common performance measures, in this case, have led to greater collaboration and innovation.

Example of Performance Measurement

Pearson's law states, "When performance is measured, performance is improved. When performance is measured and reported back, the rate of improvement accelerates."

So, how does a product manager measure performance? One practical tip is to read Douglas Hubbard's book titled "How to Measure Anything." Another tremendous resource published by Google is "Measure What Matters Most."²⁸ When Rob Jex began coordinating live event publishing performance metrics, his biggest challenge was just trying to keep it simple. He found they could literally measure anything, but they didn't need to. Once they defined the core metrics needed, they had enough information to start looking at the "why's" and "what's" of what was happening during events.

In summary, success is defined by the way it helps people. **It is about identifying the audience's pain, problem, or "jobs to be done," and then measuring results over time.** In doing so, your product offering will be much more relevant in people's daily lives. When questions arise about why your product exists, the answer will be clear in terms of purpose, impact, and performance over time.

²⁸ <https://storage.googleapis.com/think/docs/measure-what-matters-most-articles.pdf>

Responsibility 4: Identify and Prioritize Product Requirements

Prioritizing Product Requirements

Product managers are responsible to **prioritize user needs, business requirements, and technology constraints**. They research to thoroughly understand the user. They communicate with stakeholders regularly to understand business requirements. Then, they represent user needs and design requirements to the development team (designers, engineers, producers, quality assurance, and so on) as clearly and consistently as possible.

Some describe this three-pronged approach to product development through the lenses of desirability, feasibility, and viability. Unique or innovative product ideas are identified where the three lenses overlap.

- Desirability: Will this fill the need?
- Feasibility: Is technology available?
- Viability: Does it align with business goals?

Case Study in Prioritization

When beginning the fourth revision of MormonNewsroom.org, product managers Lyman Kirkland and Todd Goulding needed to prioritize a seemingly endless list of user needs and business requirements. It was planned that the fourth revision of the site would include a back-end publishing solution so that news could be published around the world.

Rather than jumping into design mode, they first identified the strategy. That strategy included establishing three key priorities. Time has shown that setting these three priorities at the beginning has paid significant dividends. If a feature didn't meet one of the main priorities, it didn't get developed.

Mormon Newsroom's **three priorities** included:

- So easy, publishers could quickly be trained
- So flexible, multiple content formats could be used
- So reliable and fast, news could be published at a moment's notice from anywhere in the world

It wasn't always easy making development decisions, but Lyman and Todd found that if they came back to the three main priorities a viable resolution could be reached. The 76 teams around the world using Mormon Newsroom's common publishing platform now realize the fruits of the prioritization efforts.

Practical Tools for Setting Priorities

When the list of user needs seems endless, business requirements change daily, and engineering says it can't be done; there are some **practical tools that can help with prioritization**. These drama-reducing tools include:

- Returning to the original strategy and realigning to key priorities, says Mormon Newsroom²⁹
- Identifying where user, business, and technology requirements overlap, says IDEO³⁰
- Realizing that there are more opportunities than there are resources, says Michael Porter
- Categorizing requirements by MoSCoW: Must have, Should have, Could have, and Would like but won't get, says Agile Sherpa³¹
- Inserting a line in the requirements list, putting what will get done above the line and what will not get done below the line, says Quora³²

²⁹ <http://www.mormonnewsroom.org/>

³⁰ http://www.ideo.com/images/uploads/hcd_toolkit/HCD_INTRO_PDF_WEB_opt.pdf

³¹ http://www.agilesherpa.org/agile_coach/release/prioritizing/

Responsibility 5: Maintain the Product Lifecycle

Product Lifecycle Management (PLM)

With more than half (56%) of product managers in their position for less than two years³³ and the average (51%) duration to launch of a product being 6 to 18 months,³⁴ it's no wonder that **maintaining the product lifecycle is a challenge most organizations face.**

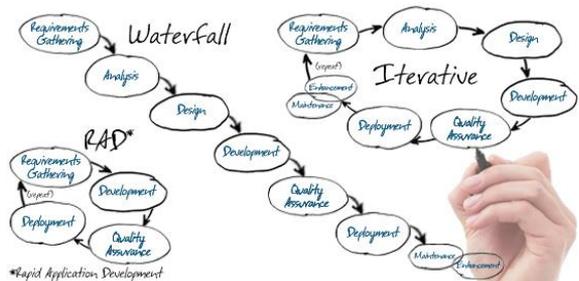
The lack of continuous lifecycle management comes as a result of limited attention or discipline, organizational churn, lack of training, employee burnout, too many products to manage, lack of executive discipline, or any combination of these things. Regardless, product managers are responsible to create and execute against a roadmap that lives well beyond a product's release so that others know what is in store for the future.

Product Development Process

Jeff Isom has been managing LDS.org for The Church of Jesus Christ of Latter-day Saints for just over two years. Prior to his work on LDS.org, the

site experienced a massive overhaul about

every three years. When he was hired, stakeholders suggested he begin managing the site through "evolution not revolution." Instead of



3 Types of Product Development Methodologies

³² <https://www.quora.com/How-do-you-prioritize-features-for-a-Minimum-Viable-Product-MVP>

³³ <http://pragmaticmarketing.com/resources/annual-survey>

³⁴ http://blog.alpha-ux.co/hs-fs/hub/429921/file-2362671958-pdf/Content/PM_Insights_of_2015.pdf

planning major revisions, he developed a mode of constantly learning and iterating. Surprisingly, he says, “We usually don’t end up where I thought we would, but it ends up being the right place because we’re **learning and applying as we go.**”

Instead of planning a single major release, product managers might take a phased or iterative approach, thereby avoiding the “launch and leave” mentality. All too often products are released without any sort of plan to keep them fresh and relevant in the minds of users. Adapting and modifying the roadmap to meet challenging circumstances in product management is a best practice.

Product Roadmap: A Communication Tool for PLM

Moving to an iterative or evolutionary product development process (especially in organizations where waterfall or major releases have been the trend) requires product managers to set clear expectations. One way this can be achieved is by periodically discussing the product’s three-year roadmap with stakeholders and the development team. As a byproduct, engineers will be less anxious about the future and will be able to stay focused on current development. Similarly, stakeholders will see how their vision plays out over time and will be able to engage only when needed, trusting that they are in good hands. This implies that business objectives are woven into the roadmap and that the product has greater chances of meeting its original goal.

Commonly Ignored Product Lifecycle Stages

The majority of product managers (56%) indicate that there is too much focus on development and quality assurance while other stages of the product lifecycle are ignored. Then what are the other stages needing attention?

For various reasons, commonly ignored product lifecycle stages include:

- Product definition
- Market research

- Content strategy
- Production and distribution
- Cost and pricing feasibility study
- Enhancement roadmap
- Marketing activities
- Translation and localization
- Training and support
- Security and risk management
- Privacy and intellectual property review
- End-of-life plan

It is common for engineers to complete an ethics course as part of their curriculum vitae. In IT ethics courses, professors teach the unwritten rules of coding (for example, not copying someone's code, hacking bounds, etc.). If product managers were required to complete an ethics course, one of the principles might include the tenets of lifecycle management.

Leaving a product after launch without plans for the future is detrimental to the organization, the customer, and fellow product managers. Adverse impacts will affect users, development teams, stakeholders, organizations, and the inheriting product manager. **Being disciplined (at both product management and executive levels) to plan for the future, measure ROI (or value) and not leap to the latest and greatest "shiny object" will help the organization achieve its long-term vision and objectives.**

Responsibility 6: Determine Product Pricing Strategy

Steps to Private and Public Sector Pricing

For a product manager, setting and maintaining a **pricing strategy** can consume a great deal of time and effort for both private and public sectors. With the industry recognizing over 20 types of pricing strategies³⁵, it can be difficult for a product manager to know where to start. **Without over-engineering it, following three steps will help product managers determine their pricing strategy.**

Step 1

Gather data. The product pricing strategy is part of the overall product strategy. Its effects extend beyond the cost of the product and imply value. The more product managers know about their customers, the more likely they will be able to understand perceived value and maximize profitability. Assuming similar products are on the market, existing data is already available. Review competitor pricing. Identify profit margins. Determine which customers are likely to generate the most profit. Form a small pricing team that can help collect, process, and discuss data. Engage with the team regularly to learn from mistakes and avoid a “set it and forget it” pricing model.

Example of a Pricing Strategy

While working at Tektronix, product manager David Monk found an innovative way of working with pricing teams. The printing market was very competitive, and conditions caused them to constantly rethink their pricing strategies. So their pricing team regularly held a “dumb ideas contest.” One of the dumb ideas was to give free black ink for life with the purchase of a printer. The reason this seemed like such a dumb idea was because black ink had the highest profit margin. Surprisingly, free black ink for life resulted in selling historic amounts of printers,

³⁵ https://en.wikipedia.org/wiki/Pricing_strategies

which caused colored ink sales to increase, more than compensating for the lost profit from black ink revenue. From this example, we learn that pricing can be a way to change markets. Netflix similarly emerged as a result of reducing both out-of-pocket expense and time to watch a movie.

Step 2

Focus on value. Don't make the mistake of focusing on volume of sales or profitability alone. Instead, focus on consumer value. Consumers make purchasing decisions based on "worth-what-paid-for." This is a principle taught by organizational design consultant Paul Gustavson. It means consumers find a product worth the price they paid. For example, people are willing to pay \$600 to \$900 for an iPhone because they feel the value is greater than or equal to the price they paid; they also feel the value is greater than competing Android options.

Companies like AT&T use this value metric to indicate customer satisfaction. With nonprofits, organizations compete for the consumer's time, attention, and identity, but not money.

By way of example, the makers of FamilySearch (a nonprofit family history organization who aim to be the largest collection of genealogic and historical records in the world) were quick to focus on creating value. In a recent study, they learned how overwhelmed consumers were by family history. Consumers wanted family history research to be easier and to take less time. So, FamilySearch is reducing the time necessary to experience success by providing bite-sized engagements anyone could do. Some of these less-time consuming engagements include writing a story, uploading photos, reading about one ancestor, and more. If a product is seen as valuable, it will "sell" or "be used." Measuring value can be tough,³⁶ but is certainly possible and very worthwhile.

³⁶ <https://www.thoughtworks.com/insights/blog/how-measure-value>

Step 3

Form three options. Once product managers know their audience and understand costs, the next step is to form three viable pricing models—one conservative, one aggressive, and one in between. Applying a Goldilocks approach to pricing will give executives options to consider (instead of relying primarily on intuition). As they consider each option, support inherently increases.

The following 5 rules can be used to develop successful pricing models:

- Price needs to be higher than the cost
- Consumer value needs to be higher than the price
- Price is driven by supply and demand (consumer benefit)
- The business needs to be clear on its pricing goals
- Pricing is a strategic activity not short term offers

It's important to note that each pricing model should be tested against sales scenarios. Product pricing is best determined when the strategy includes stakeholder support, an understanding of consumers, and a focus on consumer value. Developing the pricing strategy is a continuous effort that is tuned and tweaked as costs and economic factors change. **When product managers recognize that pricing is an indication of consumer value in the form of time, energy, and identity or money spent a successful pricing (“worth what paid for”) model can be achieved in either private or public sectors.**

Responsibility 7: Establish a Marketing Plan

The Basic Functions of Product Marketing

One key element of a successful product launch is **implementing a marketing plan**. At its core, marketing is about inviting people to engage. Marketing addresses at least three key functions.

First, the product will become “top-of-mind.” That is, when the audience has a need, they immediately think of your product. It’s a common myth that “if you build it they will come.” **Second, the product offering will be emotionally associated with the consumer’s core values**³⁷. A product that rubs against the audience’s core values will likely create considerable tension and then fail. **Third, the call-to-action is clear.** Effective product managers make sure the audience is motivated to act and clearly understands what to do next. In essence, these are the three basic functions of product marketing. **Marketing activities occurs throughout the lifecycle (not just a launch).**

A good marketing plan will help product managers answer key questions about their product, act as a reference document to help product managers execute their marketing strategy, and develop a structured approach to creating services and products that satisfy customer needs. A good marketing plan template will also set realistic and measurable objectives, include budgets and action plans, and allocate responsibilities.

Creating a Marketing Plan

When writing a marketing plan product managers need to be clear about their marketing objectives and how they’re going to achieve them. Devin Shelley, recent general manager of communication and outreach for New York Presbyterian (one of the nations largest not-for-profit organizations) has developed a marketing plan template³⁸ refined

³⁷ <https://hbr.org/2015/11/the-new-science-of-customer-emotions>

³⁸ <http://mypma.org/templates>

across industries including: A&E, Mars, Maybelline,³⁹ Pfizer, Novartis and Volvo.

A marketing plan consists of the following 7 elements.

It is recommended that product managers begin by spending 30-60 minutes documenting

what they already know in preparation for deeper discussions with a marketing manager or marketing team.



Pricing element of Maybelline's marketing plan.

1. Background Analysis

Give some background about the business. Detail the opportunities and challenges that the business has experienced. This helps product managers define the business's capabilities and identify opportunities within the market. It will also play a key role meeting customer needs.

2. Marketing Objectives

Be specific. Marketing objectives may be financial, with a goal to increase sales, or marketing focused to build a brand, and increase awareness of a product.

Begin defining marketing objectives by following the 'SMART' acronym:

- Specific: clearly outlines objectives
- Measurable: indicate the measures of success
- Achievable: determine whether or not the objectives are attainable
- Realistic: identify what resources are needed
- Timely: define the time-frame for meeting objectives

3. Marketing Strategy and Mix

An effective strategy will help product managers to define the overall direction. It will also detail how to bring products and services to market in ways that will satisfy customers. The elements that make up the

³⁹ <http://www.slideshare.net/lampinkcrystal/maybelline>

marketing strategy are often referred to as the marketing mix. The mix will include the 7P's of marketing - product (or service), pricing, position, promotion, people, process and physical environment.

4. Actions Plans and Budgets

Strategies and marketing goals are theoretical objectives. It's the product managers' action plans and budgets that will bring them to life. Action plans and budgets are key tools for implementation. To ensure success, plans should be detailed, definitive and reviewed regularly.

5. Organizational Implications

Organizational implications are often overlooked when product managers tackle a marketing plan. For example, if the goal is to increase the customer base by 15% (and therefore your staff by 10%), how will office space be affected? Will some tasks be outsourced? It's important to consider potential organizational decisions in the marketing plan.

6. Evaluation and Monitoring Plan

To ensure ongoing improvement products should be tested and measured against marketing objectives. Formal methods of evaluation and monitoring will help product understand effectiveness and ROI.

7. Summary

The marketing plan summary should summarize each of the key components - as a quick reference tool that product managers or business leaders can refer to at any time to keep track of goals.

Product Marketing Activities

Product marketing keeps offerings **relevant, audiences engaged, and reach extending**. Product marketing can be done in a number of ways using any combination of the following tools. Once product managers have documented what they know, they select a marketing manager or team to complete the plan and **implement it throughout the product lifecycle**

- **Customer Relationship Management (CRM)**
 - Microsoft Dynamics
 - Salesforce (including ExactTarget)
 - NVivo
 - LadderUX
- **User Research**
 - Qualtrics
- **Statistical Analysis**
 - SPS

- Stata
- **Biometrics**
 - Tobii
- **Information Architecture**
 - Optimal Workshop
 - Axure
 - Sketch
- **Web Analytics**
 - Adobe Analytics
- Adobe Test & Target
- ClickTale
- Loop11
- Observe Point
- Optimal Workshop
- **Social Analytics**
 - Adobe Social
 - IMBE Social
 - TINTup
- **Mobile Analytics**
 - Localytics
- Short Stack
- **SEO Analytics**
 - BuzzSumo
 - Majestic SEO
 - Scrapebox
 - Screaming Frog
 - SEOMoz Pro
 - SEMRush
 - SEOStats

Working in tandem, product managers will rely on marketers to implement the plan in addition to performing necessary exercises, such as SWOT analyses, segmentation, market readings, price forecasting, etc. People make entire careers of marketing; it would be futile for product managers to take on the marketing function to themselves.

Additional Resources

Essential marketing resources for product managers include:

- **Creating a Marketing Plan**,⁴⁰ by Harvard Business Review (\$8.95)
- **Marketing Essentials**,⁴¹ by Harvard ManageMentor (\$39.95)
- **The Successful Marketing Plan**,⁴² by Roman G. Hiebing Jr. (\$25.50)

Three effective marketing plan templates include:

- Complete Marketing Plan **Template**⁴³
- Cross-Channel Marketing **Worksheet**⁴⁴
- Marketing Strategy **Template**⁴⁵

⁴⁰ <https://hbr.org/product/creating-a-marketing-plan-an-overview/2564BC-PDF-ENG>

⁴¹ <https://hbr.org/product/marketing-essentials-harvard-managementor-online-m/6789Z-HTM-ENG>

⁴² <http://www.amazon.com/The-Successful-Marketing-Plan-Oriented/dp/0071745572>

⁴³ <http://mypma.org/templates>

⁴⁴ <http://pages2.marketo.com/Create-Your-Cross-Channel-Digital-Advertising-Plan-eMarketer2-Nov2015.html>

⁴⁵ http://www.davidmeermanscott.com/documents/Marketing_Strategy_Template.pdf

Responsibility 8: Encourage Continuous Testing

Benefits of Continuous Testing

Product managers use **continuous testing to deliver quality products at an accelerated rate while improving user experience**. The notion of continuous testing is rooted in agile development methodologies. It suggests that testing should occur throughout the product lifecycle instead of waiting until very late stages. This will reduce development churn and increase user acceptance.

Three Simple Steps to Getting Started

Continuous testing is a principle that can quickly become overly complex. To keep things simple, product managers might consider incorporating the following three practices.

First, foster a culture of ongoing data-driven decision-making (instead of making landmark decisions based exclusively on personal preference or intuition). One way product managers can achieve such a culture is by requiring the product development team to continuously seek user feedback.

Wise product managers will take the time to actually know what users want instead of assuming they know what users want. User testing methods include:

- Collecting and reviewing **user-generated feedback**⁴⁶ (using form submission fields)
- Intercepting users currently on-site with **true intent studies**⁴⁷ (using Qualtrics or Loop11)
- Identifying new opportunities with **focus groups**⁴⁸ (using a facilitator or eye tracking software like tobii)
- Organizing key themes with **affinity diagrams**⁴⁹

⁴⁶ <https://www.lds.org/tools/feedback>

⁴⁷ <http://www.loop11.com/how-to-run-an-effective-true-intent-study/>

⁴⁸ [https://assessment.trinity.duke.edu/documents/How to Conduct a Focus Group.pdf](https://assessment.trinity.duke.edu/documents/How_to_Conduct_a_Focus_Group.pdf)

- Evaluating findability of content with **tree testing**⁵⁰
- Determining market performance with the **net promoter score**⁵¹
- Measuring promotional strategies through **multivariate**⁵² or **A/B testing**⁵³ (using Optimizely)

Second, encourage quality assurance to lead out during iteration planning meetings. When quality assurance leads iteration planning meetings they demonstrate to product managers whether or not a user story is complete. The quality assurance portion of iteration planning meetings keeps developers accountable for their work. This means that the quality assurance engineers also require a bit of air cover from business leaders and earned trust from their peers.

Third, support organizational efforts to adopt enterprise tools. Third-party tools like Qualtrics, Loop11, and Optimizely can be instrumental to a product manager's success. Because these types of services are most cost-effective at an enterprise level (rather than as one-off requests), product managers can collaborate together to encourage their use in ways that help the entire organization succeed.

Tom Kelley, the general manager of IDEO, encourages employees to “fail often so you can succeed sooner.” **Failure can be a scary feeling, but if it occurs at the right time, disasters can be avoided. Continuous testing is a method of identifying failures (or opportunities) early on so that quality products can be delivered faster and better.** Continuously seeking user feedback, empowering quality assurance, and supporting enterprise-level solutions can accelerate product development while ensuring a quality user experience.

⁴⁹ <http://www.discover6sigma.org/post/2009/02/affinity-diagram/>

⁵⁰ <https://www.optimalworkshop.com/treejack.htm>

⁵¹ <https://www.netpromoter.com/know/>

⁵² <https://www.optimizely.com/resources/multivariate-test-vs-ab-test/>

⁵³ <https://www.optimizely.com/ab-testing>

Responsibility 9: Lead Teams and Build Trust

The Importance of Building Trust

“What wonders we can accomplish when others have faith in us! No leader can long succeed in any society without the confidence of the people,” said Gordon B. Hinckley. Product managers are no exception to this rule. In fact, much of their success is based on their **ability to build trust—trust that motivates team members in real, lasting ways, oftentimes without authority.**

A lack of trust comes at great cost. Consider, for a moment, airport security. Before 9/11, airlines themselves paid for and carried out passenger and baggage security screening. A patron could arrive 30 minutes before departure with their family to see them off at the gate. Today, the annual TSA budget exceeds \$7 billion and patrons must arrive at least 90 minutes early to ensure timely passage. When trust is absent, costs increase and speed decreases. This is an important principle when product success is based on profitability and time to launch.



Lack of trust increases costs and decreases speed

How to Build Trust

Trust is not an ethereal concept. It is practical, pragmatic, and tangible. Businessman Warren Buffett said, “Trust is like the air we breathe. When it’s present, nobody really notices. But when it’s absent, everybody notices.”

Trust is so tangible that in his book, “The Speed of Trust,” Stephen M. R. Covey identifies 13 practical and pragmatic behaviors required to build trust.⁵⁴ These behaviors include:

1. **Talking Straight.** Be honest, call things what they are.
2. **Demonstrating Respect.** Be sincere and show you care.
3. **Creating Transparency.** Be open and authentic.
4. **Righting Wrongs.** Make things right when you’re wrong.
5. **Showing Loyalty.** Give credit to others.
6. **Delivering Results.** Establish a track record of results.
7. **Getting Better.** Continuously improve.
8. **Confronting Reality.** Take issues head-on; acknowledge the unsaid.
9. **Clarifying Expectations.** Disclose and reveal expectations.
10. **Practicing Accountability.** Take responsibility for the good and bad.
11. **Listening First.** Listen before you speak.
12. **Keeping Commitments.** Say what you are going to do, then do it.
13. **Extending Trust.** Don’t withhold trust because there is risk involved.

Product managers can avoid growing mistrust by being more transparent (status reports, roadmaps, and one-on-ones), remaining open to others’ thoughts and opinions, wisely choosing which battles to fight, staying attuned to industry trends, sharing helpful information, and fearlessly supporting team members—especially when they make mistakes. The opportunity for product managers to build trust with stakeholders, team members, and peers is great. In trusting others, product managers will ease their many responsibilities, and better products will emerge.

⁵⁴ <https://www.youtube.com/watch?v=CciecbzzH-g>

Responsibility 10: Stay Attuned to Industry Trends

Industry Trends Inform Decision Making

Product managers who stay **attuned to industry trends** stay competent and relevant in their field. Those who keep their finger on the pulse of various industries are able to recognize new opportunities from a higher level than that from which they currently operate. They also become trusted sources to help others.

Product development teams expect product managers to make a wide variety of decisions. Knowing which choice is best can sometimes be difficult because of all the factors that affect the decision. **However, it is through continuously acquiring new information that product managers are able to base good decisions on a triad of research, reasoning, and intuition.**

Learning about Industry Trends in a Pinch

Product managers say they should spend about half their time on strategic items and half on tactical items. In reality, 28% of their time is spent on strategic items, such as learning about emergent technologies. Still, how product managers spend their time directly affects how much they earn. For example, those who spend more time on strategic vs. tactical activities earn an additional \$7,000 per year.⁵⁵ Those who spend more time discovering new opportunities (approximately 9 hours per month) report earning an additional \$11,250 per year.

The following practical tools can help product managers quickly and easily stay in tune with market trends to begin identifying new opportunities.

Communities of Practice

In his book *Cultivating Communities of Practice: A Guide to Managing*

⁵⁵ <https://pragmatic-marketing-469ad240.s3.amazonaws.com/pdf/2015AnnualSurvey.pdf>

Knowledge, William M. Snyder suggests that communities of practice—groups of individual formed around common interests and expertise—provide lasting competitive advantages. Such advantages include generating new business opportunities, solving problems, transferring best practices, developing professional skills, and recruiting top talent. Communities of practice help product managers come aware of relevant topics and trends they might not otherwise learn about. Most communities meet together monthly or quarterly; some are virtual such as this Facebook group.⁵⁶ A surprising number of community-led product management groups can be found on Meetup.com.

Subscription Services

News aggregators like Feedly help product managers compile news from nearly any website, forum, or blog. Feedly curates content so that product managers can quickly scan through headlines and read more without having to visit and navigate the long list of websites they've bookmarked over time. Feeds can even be shared with team members and peers. One website worth adding to Feedly is GerryMcGovern.com. His organization has developed a set of tools and methods to help large organizations identify and optimize online user experiences.

Other industry subscriptions include newsletters from organizations such as:

- Pew Research Center:⁵⁷ a nonpartisan fact tank that informs the public about the issues, attitudes, and trends shaping America and the world
- eMarketer:⁵⁸ a trusted information source on digital marketing, media, and commerce, which offers insights essential to being effective in a digital world
- Deloitte Industry Outlooks:⁵⁹ challenges, trends, and strategies that may shape businesses during the current year for consumer

⁵⁶ <https://www.facebook.com/technicalproductmanager>

⁵⁷ <http://www.pewresearch.org/follow-us/>

⁵⁸ <http://www.emarketer.com/>

⁵⁹ <http://www2.deloitte.com/us/en/pages/outlooks/industry-outlooks.html>

products, federal government, financial services, health care, media and entertainment, and more

- McKinsey YouTube Channel:⁶⁰ a series of current webinars on global marketing and sales⁶¹ and more

Annual Technology Trend Reports

A series of reputable technology trend reports have been produced for the past several years. Product managers can fully understand the future of technology by studying the following three reports:

- *Internet Trends*⁶² by Kleiner Perkins Caufield and Byers (aka Mary Meeker)
- *Global Media Intelligence Report*⁶³ by eMarketer
- *ICT Facts and Figures*⁶⁴ by the International Telecommunication Union

Attending conferences, interviewing or surveying users, and rubbing elbows or having lunch with other influencers inside and outside the organization are other surefire ways to learn of emergent trends.

With the expansive amount of information published online everyday, staying alert to new opportunities and trends can seem daunting. Nonetheless, **dedicating a small amount of time each week to exploring new trends and interests helps product managers identify new opportunities and improve existing products** – not to mention increase take-home pay.

⁶⁰ <https://www.youtube.com/user/mckinsey>

⁶¹ <https://www.youtube.com/user/McKinseyCMSOforum/featured>

⁶² <http://www.kpcb.com/internet-trends>

⁶³ https://www.emarketer.com/public_media/docs/GMI-2015-ExecutiveSummary.pdf

⁶⁴ <http://www.itu.int/en/ITU-D/Statistics/Pages/facts/default.aspx>