

APEX INSTITUTE OF TECHNOLOGY

DEPARTMENT OF COMPUTER SCIENCE & ENGINEERING

Agile Practices (22CSH-292)

Faculty: Mamta Sharma(E15565)



TOPIC2.1: Product Development

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Learning Outcome of this lecture

Unit	Name	Outcome
I	Understanding common Agile Practices in DevOps	<ul style="list-style-type: none">• Introduction to Product Management, Product Design and Requirement gathering, Product Design Challenges, UX Design, Product Development Methodologies,
CO 1 Apply the Agile Methodology and comparing various other software development models with agile		



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overview

- Responsible of product manager (PM).
- Differences between product and general marketing management.
- Marketing organization:
 - Product-focused organizations.
 - Market-focused organizations.
 - Functionally-focused organizations.
- Critical skills of PM.
- Changes in marketing organizations.

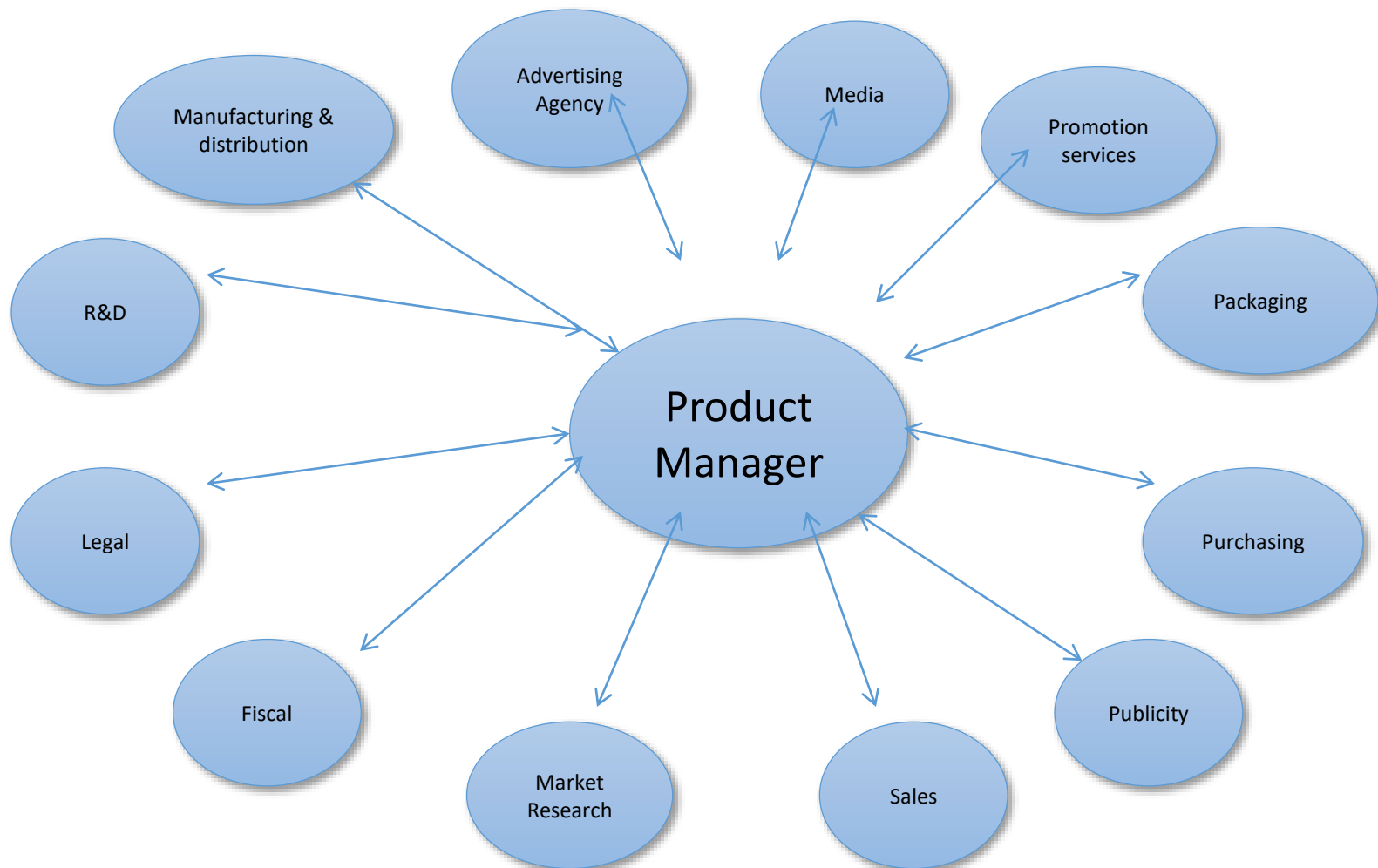


Product manager

- The planning activities related to the management of product(s) or product line.
 - Analyzing the market & turning this information into marketing objectives & strategies for the product.
- Obtaining organizational support for the marketing plan.
 - Involve coordinating with other areas of the firm.
 - Involve in internal marketing of the product – obtain assistance & support of more senior managers in the firm.
- Analyzing potential partner relationship for the product.



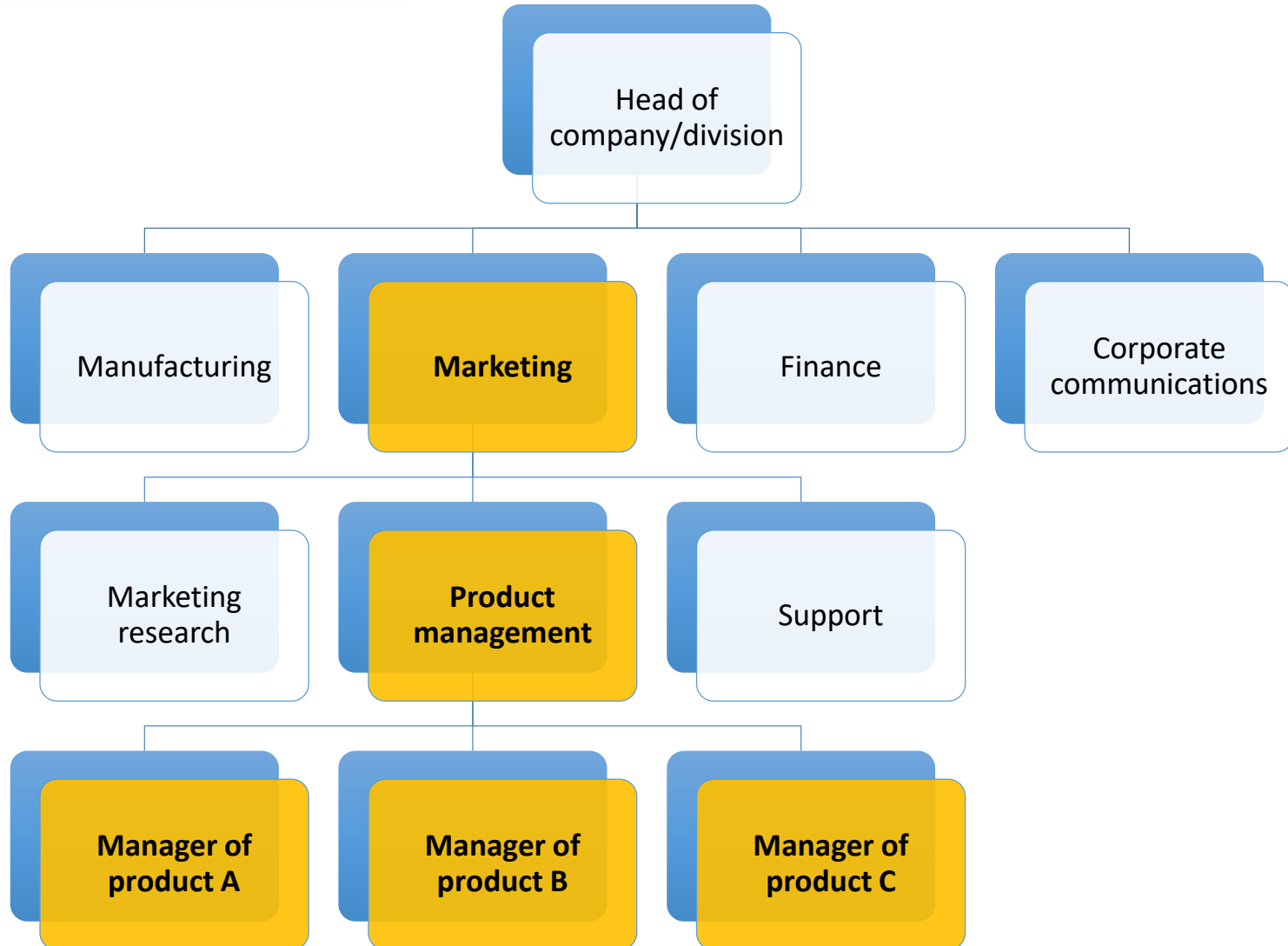
A Product manager's potential interactions



Product vs general marketing management

	Product Management	General Marketing Mgmt
Scope of responsibility	Narrow: Single product or product line	Broad: Portfolio of products
Nature of decision making	Mainly tactical	Mainly strategic
Time horizon	Short-run(annual or shorter)	Long-run

Marketing organization product-focused organizations



PRODUCT-FOCUSED ORGANIZATIONS

- Used where different products use the same channel distribution.
- Product Manager acts as a “mini-CEO” by taking responsibility for the overall health of the brand.
- A well-defined hierarchy within the product management system will developed. (refer to the hierarchy structure)
- Key roles are assigned to assistant and associate product managers
 - Assistant PM - market & share forecasting, budgeting, coordinating with production, executing promotion, packaging, etc.
 - Associate PM – more freedom to develop brand extension.

General foods corporation: desserts division organizational chart



Source: Adapted from John A. Quelch and Paul W. Farris (1985), "General Foods Corporation: The Product Management System," Harvard Business School case #9-586-057, p. 27. Copyright © 1985 by the President and Fellows of Harvard College. Reprinted by Permission.

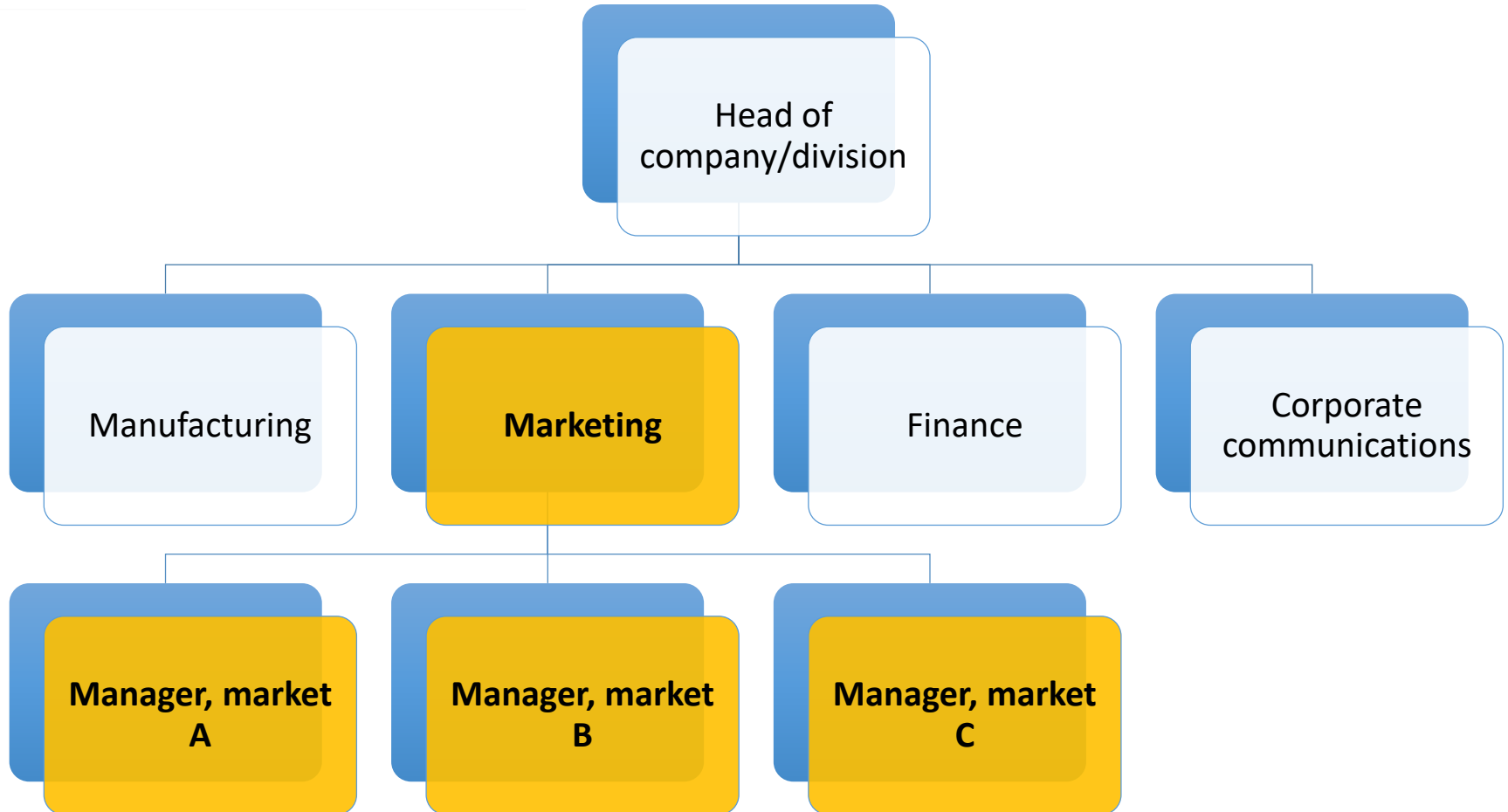
PRODUCT-FOCUSED ORGANIZATIONS

Lead to the “death of the product manager system” and widespread burnout among them.

This **burnout** are:

- focus on short term - stifles innovation
- an explosion of marketing data leading into information overloads,
- corporate downsizing; and
- more responsibility and pressure with less autonomy.

Marketing organization market-focused organizations



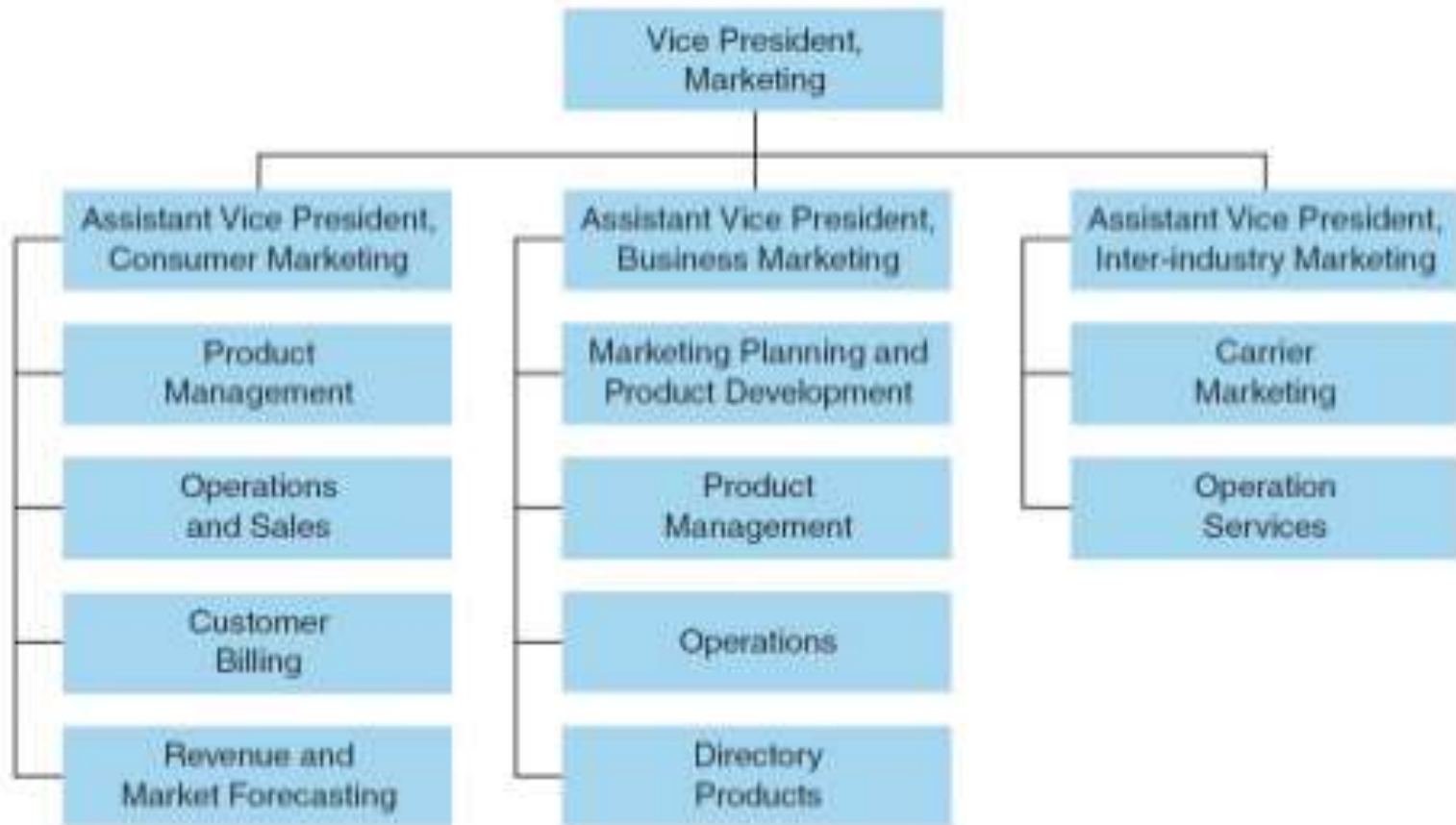
MARKET-FOCUSED ORGANIZATIONS

- Defines marketing authority by market segment(s).
- Useful when there are differences in buyer behavior – different marketing strategies and tactics are used.
- Example – banks define their segment into corporate vs consumer business (customer size).

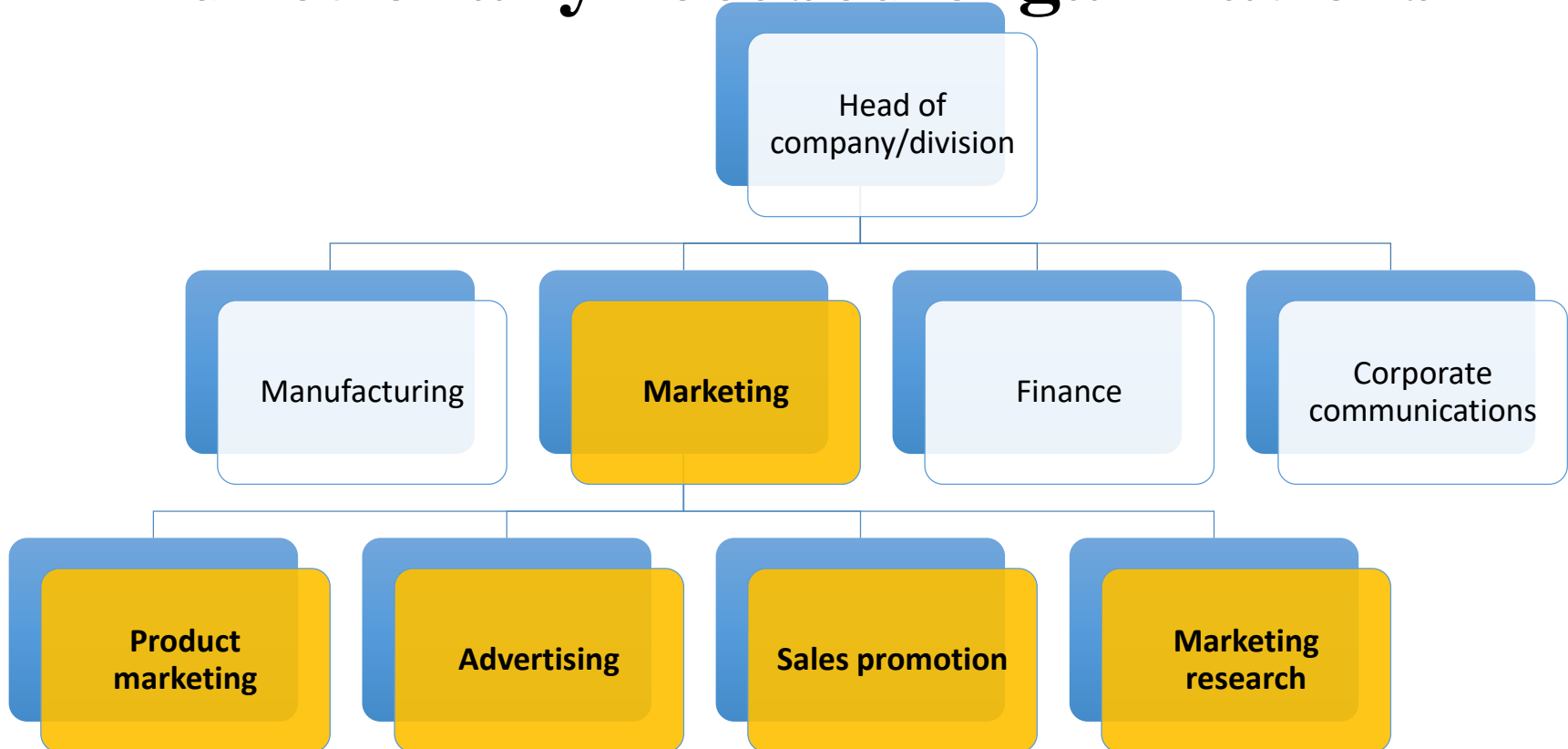
MARKET-FOCUSED ORGANIZATIONS

- Advantages:
 - Focus on customer – modification/elimination of a product.
 - Resource & knowledge sharing – easier to get the PM to pull together.
 - Work well for ‘system’ or bundle sale – different segment with different strategy or tactic.
- Disadvantages:
 - Potential conflict within the product management structure – different internal system to serve different segments.
 - Less sharing of resources across division.

REGIONAL BELL OPERATING COMPANY



Marketing organization functionally-focused organizations

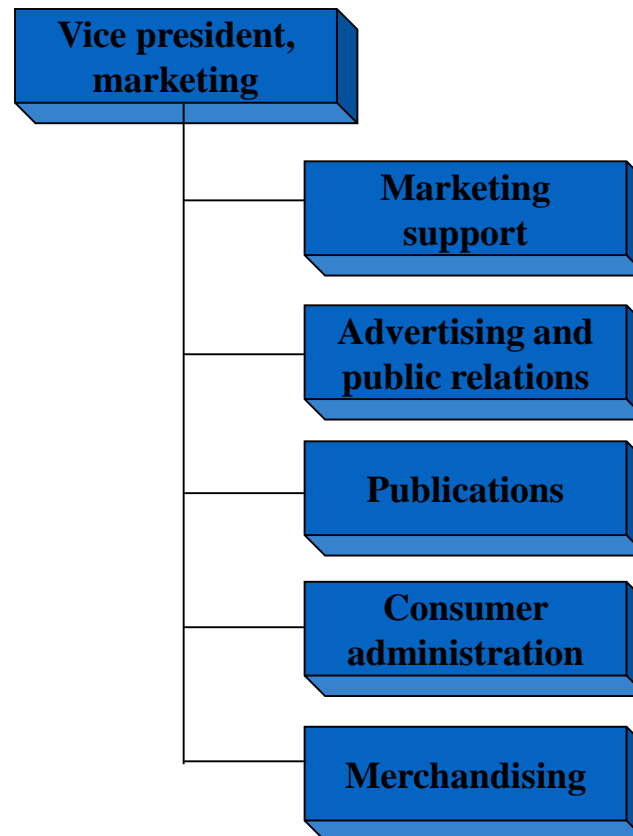


FUNCTIONALLY-FOCUSED ORGANIZATIONS

- Align the company by marketing functions.
- No single person is responsible for the day-to-day health of a product.
- CEO and VP make marketing strategy decisions.
- Strategies are implemented through discussion and coordination among the functional areas.
- Works well when the company is producing only two products.

- Advantages:
 - Administrative simple – the groups are designed to be parallel to normal marketing activities.
 - Specialization.
 - Well-coordinated.
- Disadvantages:
 - Who is ultimately responsible for the product?
 - Substantial time in solving problems.
 - Focused only on functional development.

Marketing Organization: Toy Manufacturer



Critical skills of product management

- Negotiation
 - Product manager must be persuasive & able to influence the management.
- Teamwork
 - Product manager must synthesize information from a variety departments.
- Communication skills
 - Product manager communicates the product/brand to internal & external parties.
- Analytical ability
 - Product manager needs to analyze & interpret all the figures such as sales targets, share vs competition, e.g.

Changes affecting product management

- **The web**

- New channel distribution, communication medium, & creating a community around a brand.
- customer acquisition and retention.
- part of the brand building and will affect many facets of the product manager's job.

- **The data explosion**

- Increase the use of IT - effective marketing today requires sophisticated information management.
- For consumer goods better time for market shares, sales and distribution. (Eg: **Scanner**).
- **Laptop computer** guide transmission of competitor information.
- Use of “**data mining**’ **software** and **traffic data**.

Changes affecting product management

- **The increased emphasis on brands**
 - Brand is the greatest assets of a company.
 - Focus on brand equity.
- **Changes in the balance of market power**
 - Involvement in IT partners between manufacturers and sellers both has equal access to sales and market share data.
 - The balance power in distribution channels has shifted from the manufacturer to retailer.
 - Consumers & retailers hold bigger marker power.

Changes affecting product management

- **Increased importance of customer retention programs**
 - Company focus on the lifetime-value-of-a-customer concept.
 - Customer services and satisfaction programs, advertising and promotion programs.
- **Increased global competition**
 - Not appropriate organization structure .
 - Obtain experience & knowledge about how a variety of cultures conduct business.
 - Forming trade blocks (Eg: European Union, South America, economy free – trade zone).

Coming class – customer analysis

- What we need to know about customers?
 - Who buys & uses the product?
 - What customers buy & how they use it?
 - Where customers buy?
 - When customers buy?
 - How customers choose?
 - Why they prefer a product?
 - How they respond to marketing program(s)?
 - Will they buy it (again)?
- Segmentation.
 - Desirable criteria for segments.
 - Methods for market segmentations.



- **Main Text:**

- Lehmann, D. R. & Winer, R. S. (2005). *Product management*. (4thed.). New York: McGraw-Hill.
- Keller, K. L. (2012). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*. (4th ed.). Prentice Hall.



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THANK YOU