



# Product Vs Project Company



# Decision Making

**Project Organizations:** Focus on delivering **predefined work**; **decisions already made**

**Product Organizations:** Empowered teams with responsibility for goals; **focus on outcomes and continuous learning**

# What is a Product?

**Definition:** A product is a good or service designed to meet customers' needs or desires.

## Key Features:

- Customer Value: Offers usefulness and desirability.
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- Innovation: New designs, advanced features.
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- Lifecycle: Development, launch, growth, maturity, and decline.
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- Target Market: Intended for specific users or markets.

## Examples:

- Physical: Smartphones, cars.
- Digital: Apps, software.
- Services: Consulting, subscriptions.

# What is a Project?

**Definition:** A project is a temporary endeavor undertaken to create a unique product, service, or result.

## Key Features:

- Temporary: Defined beginning and end.
- Unique Outcome: Produces something new or different.
- Defined Scope: Specific goals and objectives.
- Resources: Requires allocation of time, budget, and personnel.

## Examples:

- Construction: Building a bridge or skyscraper.
- IT: Developing a new software application.
- Event Planning: Organizing a conference or festival.



# Team Focus

**Project Organizations:** Teams are formed to tackle specific projects; knowledge often lost after project completion

**Product Organizations:** Teams are assigned to products, fostering long-term commitment and ownership; continuous evolution of the product



# Team Structure

**Project Organizations:** Teams organized by work type (development, QA, design); waterfall methodology

**Product Organizations:** Multidisciplinary teams with no hierarchies; **business goals-oriented; agile methodology**



# Planning and Roadmap

**Project Organizations:** Use Gantt charts to measure delivery; fixed plans; focus on output

**Product Organizations:** Create problem-focused roadmaps; flexible and adaptive plans; focus on outcomes and user value



# Customer focus

Product-based organizations place a stronger emphasis on understanding customer needs and delivering continuous value. Iterative development cycles allow for quicker adjustments based on customer feedback.





# Innovation and Agility

Product organizations are more agile and innovative, with the flexibility to adapt to market changes and technological advancements. This agility often leads to a competitive advantage in rapidly changing industries.



# Outcome Measurement

In product organizations, **success is measured by outcomes and the value delivered to customers**, rather than just project completion.

Metrics and KPIs are aligned with business goals and customer satisfaction.



# Long term Vision

Product-based organizations tend to have a **longer-term vision, focusing on sustainable growth** and continuous improvement.

This approach fosters a culture of ownership and accountability among team members.

# Project Vs Product Company

Aspect	Project Organizations	Product Organizations
Team Formation	Formed for specific projects; knowledge often lost after project completion	Assigned to products; long-term commitment and ownership
Decision Making	Deliver predefined work; decisions already made	Empowered teams; focus on outcomes and continuous learning
Team Structure	Organized by work type (development, QA, design); waterfall methodology	Multidisciplinary teams; business goals-oriented; agile methodology
Planning	Use Gantt charts; fixed plans; focus on output	Create problem-focused roadmaps; flexible and adaptive plans; focus on outcomes and user value
Customer Focus	Limited to project scope	Strong emphasis on customer needs; continuous value delivery
Innovation	Less flexible, slower innovation	Agile, adaptive to market changes and technology advancements
Outcome Measurement	Success measured by project completion	Success measured by outcomes and customer value
Vision	Short-term, project-based	Long-term, sustainable growth and continuous improvement



# Challenges of Transition

Project-based organizations often face challenges in transitioning to product-based organizations due to cultural and structural differences.

Resistance to change and the need for new skills and mindsets can be significant hurdles.