PRACTICAL TIPS FOR CREATING AND MANAGING NEW IT PRODUCTS

This cheat sheet offers advice for product managers of new IT solutions at startups and enterprises.

Responsibilities of a Product Manager

Determine *what* to build, not *how* to build it.

Envision the future pertaining to product domain.

Align product roadmap to business strategy.

Define specifications for solution capabilities.

Prioritize feature requirements, defect correction, technical debt work and other development efforts.

Help drive product adoption by communicating with customers, partners, peers and internal colleagues.

Participate in the handling of issue escalations.

Sometimes take on revenue or P&L responsibilities.

Defining Product Capabilities

Understand gaps in the existing products within the domain and how customers address them today.

Understand your firm's strengths and weaknesses.

Research the strengths and weaknesses of your current and potential competitors.

Define the smallest set of requirements for the initial (or next) release (minimum viable product).

When defining product requirements, balance long-term strategic needs with short-term tactical ones.

Understand your solutions key benefits and unique value proposition.

Strategic Market Segmentation

Market segmentation often accounts for geography, customer size or industry verticals.

Devise a way of grouping customers based on the similarities and differences of their needs.

Also account for the similarities in your capabilities, such as channel reach or support abilities.

Determine which market segments you're targeting.

Understand similarities and differences between the segments in terms of needs and business dynamics.

Consider how you'll reach prospective customers in each market segment.

Engagement with the Sales Team

Understand the nature and size of the sales force aligned with your product.

Explore the applicability and nature of a reseller channel or OEM partnerships for product growth.

Understand sales incentives pertaining to your product and, if applicable, attempt to adjust them.

Look for misalignments, such as recurring SaaS product pricing vs. traditional quarterly sales goals.

Assess what other products are "competing" for the sales team's attention, if applicable.

Determine the nature of support you can offer the sales team to train or otherwise support their efforts.

Gather sales' negative and positive feedback regarding the product.

Understand which market segments and use-cases have gained the most traction in the product's sales.

The Pricing Model

Understand the value that customers in various segments place on your product.

Determine your initial costs (software, hardware, personnel, etc.) related to deploying the product.

Compute your ongoing costs related to maintaining the product and supporting its users.

Decide whether you will charge customers recurring or one-time (plus maintenance) fees for the product.

Understand the nature of customers' budgets, including any CapEx vs. OpEx preferences.

Define the approach to offering volume pricing discounts, if applicable.

Define the model for compensating the sales team, including resellers, if applicable.

Establish the pricing schedule, setting the priced based on perceived value.

Account for the minimum desired profit margin.

Product Delivery and Operations

Understand the intricacies of deploying the solution.

Determine the effort required to operate, maintain and support the product on an ongoing basis.

Determine for the technical steps, personnel, tools, support requirements and the associated costs.

Document the expectations and channels of communication between you and the customer.

Establish the necessary vendor relationship for product delivery, if necessary.

Clarify which party in the relationship has which responsibilities for monitoring, upgrades, etc.

Allocate the necessary support, R&D, QA, security and other staff to maintain and evolve the product.

Obtain the appropriate audits and certifications.

Product Management at Startups

Ability and need to iterate faster to get feedback.

Willingness and need to take higher risks.

Lower bureaucratic burden and red tape.

Much harder to reach customers.

Often fewer resources to deliver on the roadmap.

Fluid designation of responsibilities

Product Management at Large Firms

An established sales organization, which provides access to customers.

Potentially-conflicting priorities and incentives with groups and individuals within the organization.

Rigid organizational structure and bureaucracy.

Potentially-easier access to funding for sophisticated projects and complex products.

Possibly-easier access to the needed expertise.

Well-defined career development roadmap.