

Title:

High Tech Product Management

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Summary:

Product Management--what does this mean in a High Tech company? What is the function, and where does it belong? I've held permanent positions in a number of high tech concerns, as with PJM Consulting I have worked with many more in a consulting capacity. Product Management is all over the map in High Tech. Most often it resides in the marketing department. Sometimes, it's in the engineering/product development department.

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Product Management--what does this mean in a High Tech company? What is the function, and where does it belong? I've held permanent positions in a number of high tech concerns, as with PJM Consulting I have worked with many more in a consulting capacity.

Product Management is all over the map in High Tech. Most often it resides in the marketing department. Sometimes, it's in the engineering/product development department. Occasionally you will see it as it's own function. And again, what does the term mean in a High Tech company? Sometimes it is used interchangeably with the term "Product Marketing". In this case, it means responsibility from cradle to grave of the product planning and marketing functions for a particular product or product line. In other words, working with the developers to define the product (product planning), as well as driving the other "3Ps" for the product--setting pricing, distribution strategy and promotional strategy.

In larger companies you will often find this function separated into two distinct jobs: Product Management as the Product Planning portion, and Product Marketing as the function that manages the product once it is released into the market--driving pricing, promotion and distribution. In this case both functions may still reside in the marketing department, or the Product Planning portion is

sometimes in the engineering department.

The last variance on this theme that is sometimes seen is that the Product Management resides in the engineering department, but it only vaguely resembles the traditional definition of the term. In this case it is "Product Planning", but the job and skill set more closely fit the definition of an engineering project manager, with very little weight put on exploring the market to match marketplace needs with engineering capabilities.

In High Tech, the Product Management function is most typically a "matrix" position: lots of responsibility for a product's success, with very little actual authority to ensure that success. Normally a Product Manager's success will be decided based upon his/her ability to convince other stakeholders in the organization that the path laid out is the best thing for the company (and the individual stakeholders as well!) People skills are therefore as important as having a technical grasp of the job in a Product Manager's ultimate success.

In consumer markets, the Product Manager typically holds much more direct power --often much like a mini-GM for his product line. Often product development will even work for him. The term Brand Manager is often used in consumer businesses instead of Product Manager. (In a big High Tech company, a Brand Manager will fulfill more of a Marcom role).

So what's the best way to structure the Product Management role in your business? Well there really isn't one best way. It depends upon your business, culture and personnel. But I do have my biases. I believe strongly that most high tech businesses would benefit by structuring the Product Management function to be strong. There is much to gain by putting a strong, experienced Marketer with a strong technical background in a Product Manager role where they are graded and compensated by the results of the P&L of their product line. I wouldn't go so far as to suggest that Product Development should report to the Product Manager in a High Tech company, but I would give them discretionary budgetary authority on at least a portion of the marketing budget for the product line. I would also make sure they have management backing to deal with the developers from at least an equal position of strength. This lack of product management strength is a huge problem in many High Tech companies, particularly those founded by product developers.

The Product Manager's mentality should be that of a "mini-CEO" with his product line analogous to the overall company for a real CEO. Too often in technology companies the Product Management/Marketing functions do not have the ability to stand up to Engineering. This leads to a culture of building what suits someone's fancy, not building what the market will buy--a very dangerous thing

in the long term. A strong Product Management function will lead to an advocate for that product line whose sole business "purpose in life" is for his product to succeed. This outlook ensures that the big picture will always been looked out for, eliminating the potential for a product line's performance to be reduced by turf wars-- or sub-optimal tactical moves due to poor inter-department communication. The Product Manager is there to rationalize and orchestrate to ensure the product line has the best chance of success.

That's my take--what's yours?