Chapter 14:
THE PRODUCT COUNCIL

Timely And Definitive Product Decisions

Even in small companies, getting decisions made is often time consuming and frustrating. Every product company needs a mechanism to get the key stakeholders and decision makers together to make timely and informed product decisions.

My favorite way to ensure this is to establish a product council.

In general, I really am not a fan of committees or even most meetings. But I have found product councils to be very valuable, and their use can speed up the overall product development process considerably. This is because key product decision makers are all available with the express purpose of making those decisions the product organization needs to get products to market.

The challenge is to do this in a way that provides the visibility and oversight that management needs and is responsible for, without the micromanaging (and disempowerment) that comes with company executives trying to design products.

Many companies have some variations of this, but I credit the origin of the concept as described here to Maynard Webb, the former COO of eBay. I've worked with several companies since then to refine and streamline the specific responsibilities.

Purpose

The purpose of the product council is to set the strategic product direction, allocate product resources and investments, and provide a level of oversight of the company's product efforts. This group is not trying to set the company's business strategy, but rather—given the business strategy—come up with a product strategy that will meet the needs of the business. The decisions this group makes will directly impact the success of the business.

Membership

The Product Council is typically comprised of the cross-functional set of managers responsible for product development. Every company has its own considerations, but an example might be:

- CEO, COO or Division GM
- VP/Director of Product Management
- VP/Director of User Experience Design
- VP/Director of Marketing
- VP/Director of Engineering
- VP/Director of Site Operations
- VP/Director of Customer Service

As with any such group, the effectiveness of the meetings will largely be a function of the meeting skills of the leader. The leader needs to be good at staying on task, framing issues, and driving to decisions. Usually, the leader of the product council is either the head of product or—for smaller companies—the head of the company.

Make sure you have representation from the key areas, but try to keep the group at 10 or less. If more people want to be members (they will) make sure they each know who is there to represent their views. For example, the VP Sales might use the VP Marketing, and the head of QA might use the VP Engineering.

Specific Responsibilities

This is not a group that designs or builds products. This group should oversee the flow of products through the product development process, and make the key decisions required.

For each product effort, there are four major milestones for product council review and decision making:

Milestone 1: Review proposed product strategies and product roadmaps, and initiate opportunity assessments for specific product releases. That is, select the product opportunities to be investigated.

Milestone 2: Review opportunity assessments and recommendations, and issue go/no-go decisions to begin discovering a solution.

Milestone 3: Review product prototypes, user testing results and detailed cost estimates, and issue go/no-go decision to begin engineering.

Milestone 4: Review final product, QA status, launch plans, and community impact assessments, and issue go/no-go decision to launch.

Additional Notes

- For small organizations, one product council typically covers all products. For large companies, the product council typically aligns with the business unit.
- There is no need to review minor updates or fixes in this process—there should be an expedited process for the minor changes needed to run the business (which are typically more content related).
- These are not product design sessions—if there are issues with the product then the team should work on them and return to the product council when they have been addressed.

- While you will often have a very preliminary sense of estimated cost at Milestone 2, no one should take that estimate very seriously as the solution has not yet been outlined—anything beyond "small, medium or large" effort is not fair to engineering. However, the estimate of time and cost at Milestone 3 should be detailed, and something the full product team is prepared to commit to.
- You will need to decide if this group will also address issues of policy (such as product end-of-life policy, privacy policies, etc.) Often, this group does discuss such issues, but these topics can become long unstructured discussions if not managed. Make sure policy discussions don't delay product oversight responsibilities.
- The frequency of meetings depends on the number of product efforts going on. You may only need to meet for one hour a month, or you may need to meet two hours a week.
- It can be useful for the product council to review the business performance of the products that have launched. The product council may request a presentation on the business results of the product launch, typically 3-6 months post-launch. This sort of accountability will help the council better understand which investments and decisions they made were good ones, and why.
- Ideally, the product manager should present his product to the product council. His manager should help him prepare for this presentation, to ensure that he has done his homework and the recommendations are sound. The smart product manager will have individually briefed the members of the product council prior to his presentation to learn of any issues and resolve them, so he's not caught by surprise.

If you find your product organization taking too long to make decisions, consider instituting a product council. Hopefully you'll

find that this one meeting eliminates countless others and makes the decision process informed, transparent and timely.

When Do We Estimate Project Costs?

Even though we've been estimating project costs since the very beginning of software development, it's remarkable to me how much confusion remains. I believe the root cause of this confusion is that management needs cost information very early in the process, yet engineering doesn't have the information it needs for a reasonably accurate estimate until much later in the process (because there's virtually no good information yet on the solution required). The result is either premature estimates that prove wildly inaccurate, or surprises because people had different assumptions all along and—when the accurate estimate eventually does come in—management experiences a severe case of sticker shock.

Here's the process that I advocate—while it is intertwined with the product development process I support, it can also be applied in most situations.

Recall that I strongly encourage all product efforts to start with a 10-question opportunity assessment (see the chapter *Opportunity Assessments*). This assessment is what the management team uses to decide whether there is a problem worth trying to solve. There's no solution yet, just a problem and an opportunity. But, for most teams, there's a clear need at this stage for a very preliminary estimate of project scope. Of course, since there's no solution spelled out at this stage, it's going to be very much a SWAG (a "scientific wild-assed guess") which is why I recommend that the estimates at this stage be limited to "Small," "Medium," or "Large." It's usually fairly clear at this granularity what the cost will be, although there will still be occasional surprises.

If the opportunity looks good relative to the estimated cost, management will likely allow the project to proceed to defining the solution. It is at this stage that the product solution is spelled out in detail, ideally with a high-fidelity prototype that you validate against real target users with prototype testing.

Throughout the process of coming up with the solution, the product manager and interaction designer should include a member of engineering to evaluate the various options and estimate costs for the different alternatives. This information is then considered

by the product manager and designer and the product is adjusted as needed. But at the end of the spec process, there should be a very detailed and high-confidence estimate based on a detailed description of the product proposed to be built.

At this stage, the management team has a detailed product spec, and a corresponding high-confidence cost estimate, and they should be able to make a final decision on whether to proceed to build this product or not. It may be that the solution turned out to be more complex and expensive than they thought, or they might not like the actual solution, but if they do proceed the entire product team knows the cost and the product they'll get for that investment.

To summarize, I'm suggesting a preliminary estimate at opportunity assessment time, followed by a detailed estimate that accompanies the final product spec.