



# Transitioning the Product Management Organization: The Path to Product Excellence

Prickril Consulting

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## Executive Summary

We have encountered dozens of product leaders who are frustrated with their products' business performance in general and their organization's product management function specifically. These leaders often struggle to identify the root causes of the performance issues they perceive. Other leaders face the daunting task of establishing product management as a function and even product development as an organizational competency.

Based on years of experience as PMs, leaders, consultants, and trainers, we have developed a framework supported by a set of practices and tools that allow product leaders to think holistically about how to improve the effectiveness of their product managers and radically increase their portfolio's business performance.

This white paper explores a framework we developed that helps leaders and organization reason over their current state, define a preferable "to be" state and create a more effective product management function that continuously improves.

## The Product Leadership Challenge

In our experience, many product leaders are frustrated with the performance of their product organization. While they can easily identify the results they feel are lacking, like a poor sales pipeline, low revenue, or consistently late product releases, putting their finger on the root causes of unsatisfactory performance often proves more difficult.

*We contend that product organizations require a mature, healthy product management function to achieve sustained excellence.*

We define “product management maturity” as the ability of that function to consistently deliver expected business results. It is the difficulty in determining specifically what is wrong and even in framing the problem that led us to develop an approach to moving a product management organization from a perceived state of sub-optimization to a state in which it is performing at its best.

We’ve found that these are leaders’ biggest Product Leadership challenges:

- Cascading strategy that can drive decisions

In too many organizations, organizational and product strategy is implicit or poorly formed. Creating a strategy with sufficient detail to drive good decision-making throughout the organization is critical.

- Escaping “operational overload” to think and act strategically

Finding time to think and act strategically is infamously difficult yet absolutely critical to making ground-breaking changes.

- Driving alignment across disciplines

Hectic schedules and unaligned priorities can result in product-related functions like engineering, sales, and marketing operating with their own set of priorities. Achieving consistent, aligned execution is important but often elusive.

## What do product managers do?

Product management exists in many forms across geographies and industries. In this white paper, we adopt a tech-centric definition, holding product managers accountable for product success, including rallying the organization behind share goals and achieving product-market fit. We can think of product managers as requiring 3 key competencies to be effective, represented by the pillars in the graphic below.



Each pillar is decomposed into a set of related activities. All three of these competencies rely on a solid foundation of strategically engaging with all product stakeholders, both internal and external. Product promotion, for example, is often driven by marketing. Having a clear definition of what product management does and how they should do it is critical to driving collaboration resulting in product excellence.

Each organization must think deeply about the relative importance of these dimensions based on their desired business outcomes. Expecting PMs to define a great product when 60% of their time is spent generating sales collateral will generate frustration for PMs and their leadership. We often find misalignment between leaders and PMs regarding expectations of the relative importance of these dimensions. An important part of a Product Management Transition is defining the desired “to be” state relative to these dimensions and adapting performance objectives to encourage the right balance between them.

## The PM Transition Framework

Prickril Consulting’s Product Management Transition Framework defines a model that helps organizations identify key elements of product management maturity and a logical progression for moving from a product management function that doesn’t meet expectations to one that does. Depicted as a cycle, it defines a set of phases that are constantly iterated to deliver continuous improvement of the product management organization.

*Whether an organization needs to improve its product management function or establish it in the first place, we believe our framework provides critical guidance to the entire organization.*

Our Framework can be a powerful way to drive alignment on transition goals and helps organizations avoid common pitfalls.

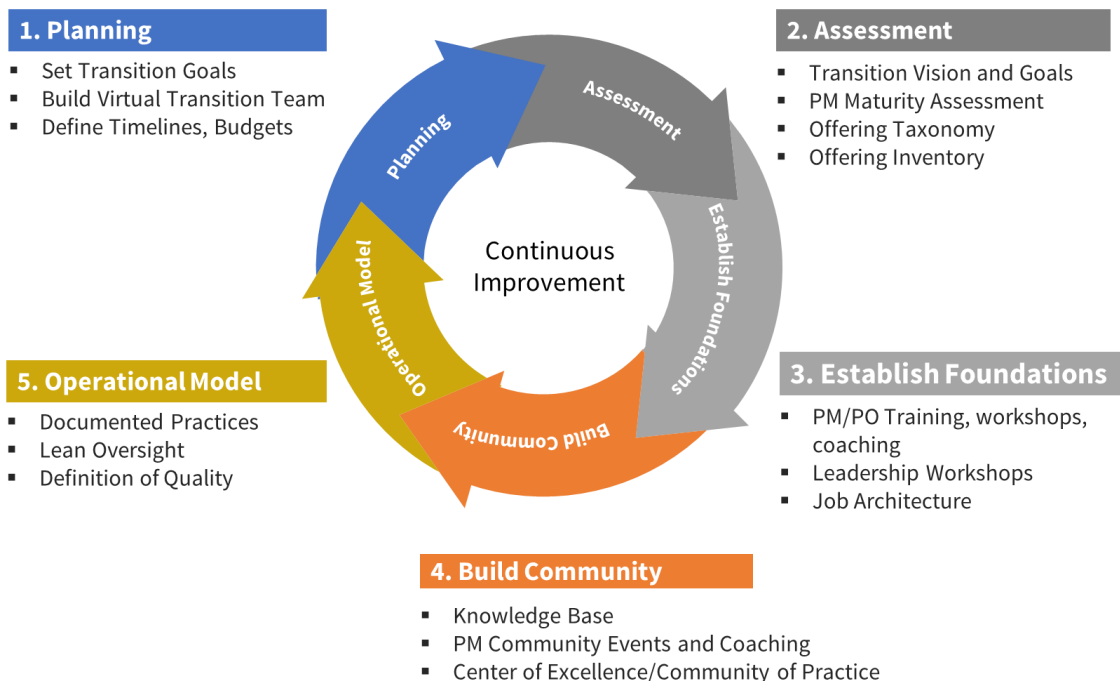


Figure 1: Product Management Transition Framework

The overriding goal of the framework is establishing a culture in the product organization that is continuously monitoring and improving its performance.

In the following sections, we will describe the goals of each phase and provide a summary of key activities. The model is intended to provide guidance as a reference model and can be customized for specific organizational needs related to company size, maturity of product development competency, product complexity, and other factors.

## Framework Phases

A phase is set of activities that contribute to the completion of a set of goals. For example, the primary goal of the Assessment phase is to capture the current state of the organization, its processes and the roles that execute them as a basis for prioritizing improvement efforts. Phases are described using a common structure that include goals, key activities and outcomes, and “exit guidance” providing conditions to consider before moving the focus of Transition efforts to the next phase’s goals. Activities in multiple phases can be in progress at the same time, but there tends to be a single “focus phase” at any given time.

### Planning Phase

As its name denotes, the Planning Phase involves defining Transition goals and the work required to achieve them. Planning should be lean, involving as little work as possible to determine what is in and out of scope for the transition. A transition team should be established representing key product disciplines and their accountabilities during the first phases of the transition. Product and executive leaders must be consulted and approve the plan as their support will be critical to the Transition’s success.

It is beneficial to capture key elements of the plan in a “Lean Plan” that helps drive alignment among the team and stakeholders and makes onboarding new transition contributors faster and more consistent.

#### The Lean Plan

The Lean Plan can be captured in a simple, living artifact that articulates:

- Transition Team
- Key Objectives
- Stakeholder Analysis
- Timeline and Milestones
- Required Resources
- Organizational Scope

Once the Lean Plan has been created, many organizations benefit from a kick-off meeting with Transition team members and leadership to align goals, timelines and define checkpoints. Consistent senior leadership is a key ingredient of a successful Transition.

## Assessment Phase

In the Assessment phase, data is collected that provides insight into the existing product development processes and roles. For organizations that are new to product development, the Assessment Phase captures current practice and defines a “to be” state that the Transition will help establish. Assessments can be simple and informal or highly structured, depending on current product maturity, organizational structure, the desired timeline, and other factors. Structured assessments involve capturing information through surveys and interviews to determine existing accountabilities and organizational strengths and weaknesses with respect to product development. Prickril Consulting has a battle-tested Assessment Framework that generates a “Maturity Score” on a dashboard that supports drilldown into detailed aspects of the organization’s structure, people, and processes.

### Product Management Organizational Maturity Dashboard

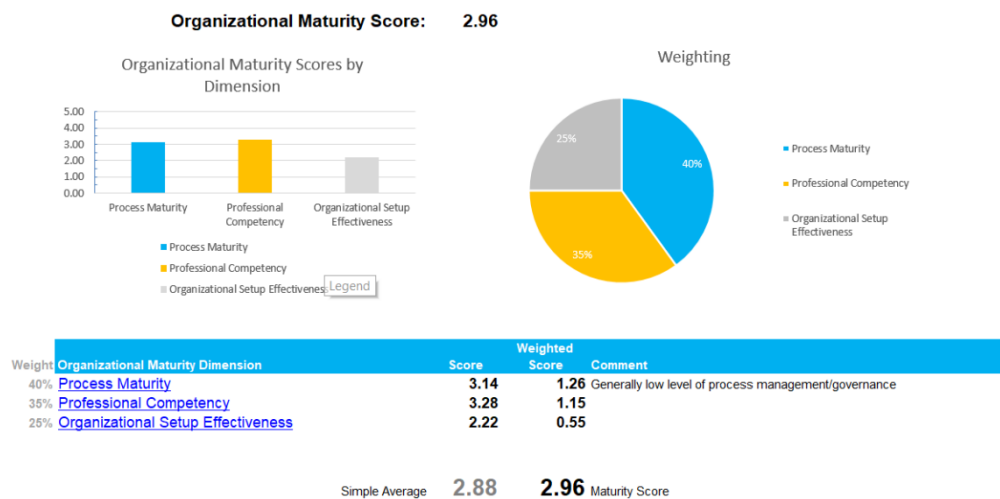


Figure 2: Maturity Dashboard

An important part of the assessment is analyzing organizational setup, ensuring that leadership understands the criticality of product management and is ready to support that function’s success. For the Transition to be successful, leadership must acknowledge the transformative potential of



technology and adopt an operational model that supports product innovation. Appropriate “separation of concerns” within a framework of shared goals is critical to Transition success. We have found that a poorly designed organization can diminish the impact of a great strategy and competent professionals.

The Assessment Phase provides a good opportunity to establish an “offering taxonomy” defining the types of offerings the organization takes or is planning to take to market. For example, each product the organization takes to market will have a product manager or team of product managers responsible for defining its success and driving the organization to achieve it. Organizations may develop products, services, or combinations of these two called “solutions”. The offering taxonomy will help align the efforts of other functions like product management, sales, and marketing.

Type	Definition	Example
Customer Asset	A good developed for a customer	Custom billing system, bespoke service scheduling system
Product	Designed for and delivered to a market (entities with interest and means to buy offering)	Microsoft Office, SAP ERP, Minecraft, Google Maps, vehicle navigation data
Service	Facilitating outcomes for a customer	Consulting, operations, paper shredding, providing electricity
Solution	A set of products, services and other solutions assembled to solve a defined set of problems	SAP ERP implementation (software + services)

*Figure 3: Offering Taxonomy*

Once the offering taxonomy has been adopted, an “offering inventory” can capture important attributes like primary accountability and lifecycle stage for each offering. Assigning an offering type to existing or planned offerings also helps the organization define the skills that are required to build sustainable business around them. For example, the skills required to deliver a software product to market are not the same as those required to establish a service offering like training or consulting. The offering inventory

becomes the “system of record” for all the offerings the organization is investing in and provides the foundation for important processes like portfolio management.

## Establish Foundations Phase

Once the Assessment Phase has generated a critical mass of insights, activities must be undertaken which lay the foundations for improved product execution. Weaknesses identified during the Assessment Phase are addressed by activities such as upskilling product disciplines, defining the engagement model between disciplines, and optimizing key processes to ensure consistent execution that supports business goals. If a lack of theoretical knowledge is discovered, product managers may take training that creates a common conceptual basis followed by workshops that generate key offering artifacts such as a product strategy, product roadmaps and release plans. At the end of the Establish Foundations phase, all key professionals contributing to product success should be upskilled to meet a set of well-defined, common expectations.

Defining a consistent human resources approach to product management can also be an important outcome of the Establish Foundations phase and is often missing in organizations of all sizes. A set of uniform job descriptions, a job hierarchy defining salary ranges and professional progression paths help establish product management as a mature discipline and motivate product managers to grow their careers within the organization. Some organizations also define a “competency model” for product management, making clear what levels of competency are expected by individuals in various job grades. This competency model can in turn inform professional development and performance goals.



Finally, organizational leadership needs to be engaged so that they are able to support the upcoming changes in organizational roles and processes. Their support will be required for the required investment in upskilling their

PMs and should be aligned with the new set of expectations for this and other functions.

## Build Community Phase

The primary goal of the Build Community phase is to engrain the roles and practices identified in the Establish Foundations phase to ensure sharing of knowledge and practice. In the case of product management, key processes or practices should be documented sufficiently to avoid inefficiency and duplication of effort. Template artifacts and examples can be generated to support the desired level of organizational consistency. A common



repository for organization knowledge and practice is established and roles defined to ensure their continuous evolution. A solid community based on the previous work in the assessment can help avoid reversion to previous, sub-optimized practices. Regular events may be established which allow product managers to share their experiences and learnings for the benefit of product managers throughout the organization. For example, a provider of high-assurance

communication systems in central Europe established bi-monthly “PM Breakfasts”, providing PMs an opportunity to share their successes and challenges.

Some companies begin establishing a product management “center of excellence” during this phase. Whether with dedicated staff or via roles that rotate among PMs and product leaders in the organization, this entity is responsible for working with the company’s product community to identify and address impediments to product excellence. Complimentary “communities of practice” can also be formed to address topics like product discovery or go-to-market.

The size of the organization being transformed has an impact on the need for dedicated support for continuous improvement. In large organizations, especially those that are geographically distributed, empowering someone or a small team to drive growth and consistency in product management practice can be a wise investment.

## Operational Model Phase

Once a strong community is growing and incorporating mature practices into product managers' daily efforts, an operational model must be defined that ensures consistent, high-performance execution supported by people with accountability for governing and improving organizational product practices. In this phase, lean governance can be established to ensure that product requirements, roadmaps and other artifacts are consistent and delivered at the desired level of quality. Common points of intersection between product disciplines should be captured, creating a shared set of expectations and supporting collaborative planning. A solid operating model is the key to high-performance execution and establishing a culture of continuous improvement.

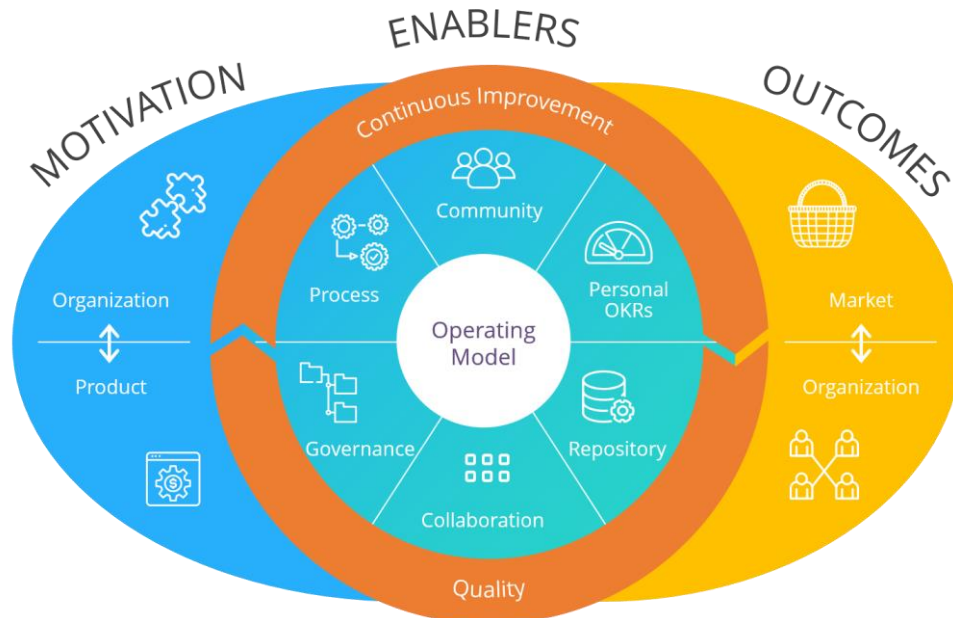


Figure 4: Operational Model

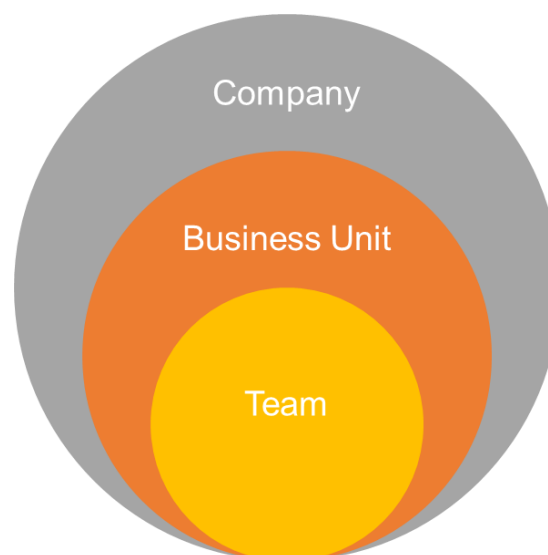
Without defining these key aspects of the operation model (motivation, enablers, and outcomes) product management excellence will not achieve a level of consistency and the organization will drift back to suboptimal execution. In large organizations, product leadership has a critical role in ensuring the operational model is defined, understood, and becomes the basis for driving operational excellence.

## Continuous Improvement

The primary goal of a PM Transformation is to establish a product culture focused on continuously improving effectiveness. Continuous improvement reflects the adoption of a culture that values constantly prioritizing its work and seeking to improve its most important processes. When supported by a strong community and a solid operational model, continuously evolving organization performance becomes a strategic differentiator and a competitive advantage. Although a lofty goal, establishing a culture of continuous improvement is possible and can be achieved incrementally, avoiding the “fatigue” that plagues radical, one-size-fits-all approaches.

## Transition Scope

A Transition may be undertaken for a group or team of PMs, a business unit or for the entire enterprise. Some organizations choose to pilot the approach with a subset of the company so the subsequent, broader Transitions can benefit from what is learned and the deliverables that are produced. Regardless of the scope, the transition must include all the disciplines that contribute to product success, from engineering to sales and support. While the primary goal is to develop a mature product management function, overall impact will be limited if other disciplines do not have a common set of expectations regarding the role of PM in the organization and key points of intersection between them and product management.



*Figure 5: Transition Scope*

## A Helping Hand

Prickril Consulting is uniquely positioned to provide support to organizations through the entire Transition cycle based on our experience with Transitions and our collection of battle-tested frameworks and assets. From helping to create a detailed plan and using our Assessment Framework to capturing product management maturity to supporting professional development needs to upskilling product managers and related functions, we can maximize your organization's investment in transforming. Successively, less involvement on our part is needed as the organization becomes self-sustaining and capable of continuous improvement, avoiding reliance on "externals".

For the Assessment Phase, we offer an "Assessment Framework" including a maturity model, a Transition Dashboard and a host of tools and practices that ensure that this phase is highly productive and effective. Product managers and their line management can complete assessments of PMs that identify individual skill and competency gaps based on adopted practices and accountabilities.

During the Establish Foundation phase, Prickril Consulting can offer mature courses, workshops (both in-person, live online and on-demand) and coaching that radically accelerates progression toward continuous improvement. Our PM professional development platform provides one-stop-shopping for a holistic approach to improving individual and organizational effectiveness that, if desired, can be managed remotely.

Are you ready to take action to improve the maturity of your product management function? Are you ready to establish a product management function that can hit the ground running and maintain its pace continuously? We would be happy to talk about how we can help make the Transition smooth and cost-effective. You can contact us via our site, Prickril Consulting or via email at [greg@prickril.com](mailto:greg@prickril.com).