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Success in the marketplace

Effective product management strategies can lead to innovation and profits

HOW do we build products that people want to buy? Should these be products that fulfil a need or solve a pain point? For example, take Dropbox, which helps the average user to overcome the technical challenge of synchronising files across devices, sharing them with friends, or backing them up to the cloud.

Or should products be revolutionary (say, the next iPhone or iPad, or the upcoming iWallet which is Apple's virtual equivalent of a credit card swipe on an iDevice GUI) — their need not yet identified?

Solution-focused vs customer-focused

When you think of innovation in business, there is no better example than Apple, which has built the world's most valuable company by developing game-changing products and simplifying solutions.

Founder Steve Jobs himself famously said that "people don't know what they want until you show it to them". In fact, Jobs truly believed that "you've got to start with the customer experience and work back toward the technology — not the other way around".

As product designers and developers, Apple innovators are also heavy users of their own products. It is by getting a huge amount of customer feedback through unconventional means that Apple has found a way to consistently build the right products, which are based on customer needs.

Changing face of product management

Unlike other professions with established methodologies, the key challenge for product management practitioners is the lack of formalised approaches or established work tools.

This is exacerbated by a complex array of tasks and processes that the typical product manager has to handle, including managing relationships with sales, marketing, product development, and executive management teams within the organisation.

There is also very little awareness about product management as a strategic role. Not surprisingly, the role is easily misunderstood, undervalued and incorrectly implemented at many companies.

Product management entails two different and yet overlapping disciplines: product planning and product marketing. While product planning focuses on functionality and users' needs, product marketing addresses the values that drive buying behaviours.

Take the example of a simple product such as the beach pail and shovel set. The child is the user and the child's parent is the buyer. The child's interest in this product is to move sand, dig a hole, carry water, build a sand castle, and so on.

In other words, the child is primarily interested in the product's functionality, or what he can do or accomplish with the product. On the other hand, the parent who is the buyer is primarily concerned with the product's value, such as safety, price, suitability, reliability, durability, etc.

Using a market-driven approach, products are built to solve a market problem, that is, a market situation where there are customers with unmet needs.

Customers are usually entities that are made up of buyers and users. For example, the buyer of technology infrastructure equipment such as servers and network routers is the

company's Chief Information Officer (CIO), while the users are the system administrator and the network administrator.

Companies build product functionality for the users (in the examples of the child and the system and network administrators) through product planning, and market product value to the buyers (parent/CIO) through product marketing.

Separate key roles

Although not impossible, it is usually difficult to excel in both disciplines without losing professional focus. To attain occupational focus that helps build professional expertise, two key roles should be clearly defined and ideally assigned to separate individuals: Product planner and product marketer.

The product planner is deemed as the product and market expert, and hence is expected to be good at identifying and articulating market requirements — also known as business or user needs.

The product marketer, on the other hand, is focused on becoming the marketing expert, building competency in using tools and techniques to generate awareness, differentiation and demand for the product in the target market.

It is the collaborative nature of these two disciplines that leads companies to achieve marketplace success. With professional



Apple has found a way to consistently build the right products, which are based on customer needs. PHOTO: AFP

training and certification programmes, companies are starting to realise the true potential of product management, taking advantage of market-driven product management for business success.

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