MARKET INTELLIGENCE

Market-Driven Product Management

How do we build products that people want to buy?

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, 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 (the next iPhone or iPad, or the upcoming iWallet which is Apple's virtual equivalent of a credit card swipe on an iDevice GUI) with their needs not yet identified? What are the critical success factors in consistently building the right products? This is the key question that is often grappled by product managers.

Changing face of product management

Unlike other professions with established methodologies, the key challenge for product managers is the lack of formalised approaches or established work tools. This is exacerbated by a complex array of tasks and processes that the product manager has to handle, including managing cross-organisational relationships. 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 bucket 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, etc. The child is primarily interested in the product's functionality, or what he/she 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.

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 expected to be good at identifying and articulating market requirements, a.k.a. 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 training and certification programmes, companies are starting to realise the true potential of product management and take advantage of market-driven product management for business success. E

Lee Boon Kee
Lecturer
Institute of Systems Science, NUS

ISS partners Blackblot to deliver technology product management training, certification, tools and consulting services in Singapore. Visit www.iss.nus.edu.sg for more information.