THE ROUTE TO EFFECTIVE PRODUCT MANAGEMENT

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What is the best route to effective product management? Do you build a highway, or take the path through the minefield? Short-cuts to product management may lead to difficulties further on, says Catherine Michel, Chief Technical Officer at Tribold.

There has been a lot of discussion recently about the fastest route to the full product management capability that holds the promise of getting Customer Service Providers (CSPs) on a clear path of product profitability and innovation.

Some players in this market seem to be offering an incredible promise – a route to product management that is fast, effortless and trouble-free. Above all, the route is open right now, and guess what? It costs less too.

Certainly, if one were to examine the root causes of product management challenges in a CSP right now, they would be skeptical. Promises like these don't come much bigger, and experience and instinct would most certainly say that rarely, if ever, has any company ever achieved something substantial from nothing.

My knowledge of what product management actually involves would be tapping me on the shoulder too, and telling me to get real. Product management is not an issue that we just imagine to be complex. It is complex, and unfortunately short-cut options may well lead to more problems, not fewer.

The discussion that is taking place is valuable though, because it is helping to define the boundaries and content of what product management actually involves.

It is leading companies to re-examine what effective product management might be, what components are needed in an enterprise-worthy solution, and to ask questions about when and how it might be accomplished.

Exploring these issues from the Tribold point-of-view, we will see why the only practical basis for product management starts with knowing exactly what your product is and having the ability to control it at source. We will also explore why attempting to do otherwise just isn't going to work.

And the logical place to start the analysis is why CSPs need effective product management in the first place.

The need for effective product management - the broken road of promises

Every open question that arises with a CSP leads back to product management, no matter where you start. Questions like these:

- If you haven't defined your product, how can you measure customer satisfaction with it?

- If you haven't specified how that product gets to market, how can you manage your channels?

- If you haven't precisely defined the fulfilment process that allows it to happen, how will you deliver it?

Questions like these drive companies back to the fundamentals of product, and to the idea that the ability to centrally manage products and services is fundamental to the automated business model.

Because the current approach to product is fragmented and measured in different ways, every decision is fraught with complexity. The process of answering simple, straightforward questions about product is hedged with all kinds of imprecise information.

These problems mean that product innovation is slow, product development is difficult to unravel from multiple inter-dependencies, service delivery is interrupted, and profit is bled out of the organization. At a time when the introduction of new products should drive the company, it is a major problem.

Is there really a short-cut to product management effectiveness?

In practice, what many CSPs see as their first priorities are to get Product Lifecycle Management and Product Business Intelligence in place.

Any CSP investigating possibilities here will find that there are companies around who claim to be able to provide full PLM and PBI functions without looking at Product Data Management, and certainly without looking at an overall picture of Product Management as a whole.

They seem to be saying that they can provide these functions using data from other functional systems in order to build what looks like PLM and PBI functionality. They begin perhaps with billing, ERP or CRM systems and try to extrapolate their use outwards, to accomplish pseudo-product management goals.

Let's come back once again to the objective, however. If the goal is to achieve an **end-user driven business model**, then the place to start is with commonly agreed definitions of what the product actually is, and not to assume that something called the product exists, "because we bill it every month".

Part of the problem and a structural problem to implementation of Product Management as a whole is that CSPs currently think in terms of functional categories – PSTN, Broadband, Mobile, IP or what have you – when, in order to get to the goal, they really should be thinking about the end product
or 'solution' for the customer. Of course, that becomes doubly difficult when functions, processes and products are cemented into the existing network technology silos.

The idea of a short-cut, to organizations who don't feel they can address these structural issues, is very appealing indeed. But it is a siren-song, which may not immediately lure companies onto the rocks, but will most certainly sacrifice long-term effectiveness for a short-term fix.

What happens of course, when the short-cut solutions are overlaid on a rigid structure is that the cement sets harder. Functional responsibilities are welded into place, and the flexibility that might enable an organization to get to its destination – **a customer-driven, on-demand service environment** – is lost.

These short cut solutions are in reality offering little more than a 'ropes and string' method of tying things together (information sources, outputs, spreadsheets and incomplete finance data).

Is it a foundation for the future? At Tribold, our view is that it most definitely is not.

We say that only when there is a holistic approach to product management can these functions be built in any meaningful manner. Doing anything else is to build your management on a foundation of sand. It may look good for a while, but it will quickly underperform and ultimately collapse under the weight of assumptions and inaccuracies.

The road to recovery

Putting products at the heart of the business, with all the data that accompanies them, is the only way that CSPs can solve these real business issues now, and continue to solve those issues into the future. Only when the company is oriented around innovation and quality in product proposition terms, can everything else follow.

Actively and explicitly managing product information not only achieves the key goal of an **end-user driven business model**, but it also helps accomplish the business and marketing goal that every CSP is talking about as the key to market success **– customer-driven, on-demand service delivery.**

The key discipline which will enable further profit and future success is product management.

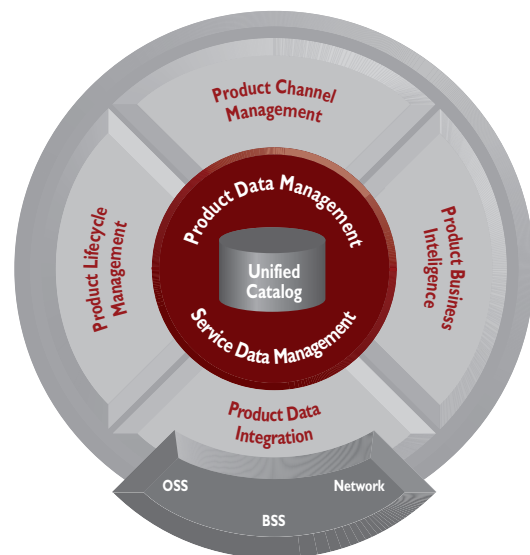### The solution needed – building the superhighway

Figure 1. CSP Effective Product Management

The route to achieving real product management sanity requires five primary components, each individually delivering core value along the way. Implementing these components is like building a five-lane superhighway. The destination – innovation and profitability – is no longer in question. It is how you get there and use it in the end that counts.

> *"the place to start is with commonly agreed definitions of what the product actually is"*
>
> *Catherine Michel, CTO Tribold*

- **Product data management (PDM)**

Normalizing product data is the first step on the road. It is absolutely the fundamental component of a profit strategy that centers around clear definition of the proposition. Centralizing data into a unified catalog is the key to ensuring that CSPs' product response to customer demand is effective and accurate.

- **Product data integration (PDI)**

Once the product set is normalized, then – and only then – is real control possible. When comprehensive and consistent product data information is available, then it can feed into all the other systems and operational processes that rely upon it throughout the organization.

- **Product lifecycle management (PLM)**

Clearly defining the product is also the first requirement for effective and automated lifecycle management. Specify a new product. Model its performance profile. Understand and execute the product introduction process. Manage how and when products are to be retired or withdrawn. Do all this at the same time as managing customer satisfaction.

- **Product business intelligence (PBI)**

Follow the road further and now measurement is no longer something that is practiced differently in every system. Instead it is properly managed on a like-for-like basis. It is current, comprehensive and true. Suddenly, product managers can see and understand what is really going on with their products, within the business and its markets.

- **Product channel management (PCM)**

Product channel management is the furthest and most streamlined stage along the road to effective product management. It involves the CSP incorporating the full supplier / consumer eco-system into their product development and management process. It allows third party providers to participate up front in the development process. It allows customers at the other end to do what they want, how they want. They can buy on-line, or in the shop of their choice. They can see and understand how using a different channel will affect the price or the service they receive. They can control their own destiny and consume in a way that is profitable for the CSP and highly satisfying for them.

Getting these components in place requires concentration and commitment. It is not - at least in our view - a trivial undertaking, and it is easy to get side-tracked. So when commercial organizations begin talking about easier options, we might be tempted to listen, but we should certainly be skeptical as we do.

And none of this is to say that you cannot achieve benefits along the way. On the contrary, the logical blueprint for building out these capabilities is all about achieving short term gains that are strategically sustainable in the long term.

Why is a catalog so important?

Every part of the company has a piece of the product view. Consider, therefore, these questions about product:

- What's in it?

- How is it to be sold?

- What price is it?

- Are there special offers associated with it?

- How do we deliver it?

- What provisioning is required to make it happen?

- How do we bill it?

- Can our workforce make it happen?

- Can our external relationships deliver?

- Is it profitable?

- What promotional budget is available?

Answering questions like these takes you back to product management every time. Unfortunately too, they cut across the functional responsibilities that are inherent in most CSP organizations.

That makes it absolutely imperative that everyone with a view on the future of product - how it is specified, built, billed and operated, amended, re-launched or withdrawn – has access to the same data sources, organized consistently, and compared or analyzed on a like-for-like basis.

Those who are offering to build lower-specification, short-cut approaches to something which might look a little like real product management put up the defense that something is better than nothing.

And it is then that we see finally the real value of what they are offering. A short-cut, yes, but only to a short-term solution, and with some unfortunate side-effects too.

No. If it is product management that you are seeking, and your ultimate goal is a **customer-driven, on-demand service delivery environment**, then you really have no choice. Seek out the real power of product management, build your highway, build it in manageable chunks and open the lanes as they become available. And use each capability along the way to maintain innovation and responsiveness in a profitable future.

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