

Product Manager's Desk Reference (3e) Abstract – Chapter 1

What is Product Management?

Executive Summary

- Product management is the “holistic business management of the product” from the time it is conceived as an idea to the time it is discontinued and withdrawn from the market.
- Product managers play a central role in product management. They are business managers. With the mindset of a general manager or CEO for the product's business, they lead a cross-functional team to achieve the product's strategic intent.
- Organizations can achieve greater levels of efficiency if everyone uses a common vocabulary when referring to practices, processes, and documents.

A product is anything that's sold. It can be either tangible, as in the case of physical goods, or intangible, as in the case of those associated with service benefits, such as with an insurance policy or credit card. A product line is a grouping of products geared toward similar markets or solving a particular type of customer problem. A product portfolio is the set of all products, product lines, or other groupings within a business unit or division. Related products and services are sometimes grouped into what are termed solutions, bundles, or systems. Product elements or modules can be tangible components of a product or intangible parts, such as features, terms, or conditions of use. A product platform represents the underlying foundations, technology frameworks, base architectures, and interfaces upon which products are built.

Product managers can be partly or wholly responsible for all or part of a product platform or architecture, a module or series of modules, a single product, a product line (a small product portfolio), or several product lines (a larger portfolio). Among the responsibilities of product managers are segmenting markets, identifying target customers, and garnering customer insights; assessing the industry and competition; formulating product strategies; leading cross-functional product teams; solving problems and making decisions across a product's life cycle; and using financial tools to prepare plans or budgets and analyze variances.

Product management is the business management of products, product lines, or portfolios, holistically, for maximum value creation, across their life cycles. The Product Management Life Cycle Model shows what's involved in the business management of a product. It covers product strategy formulation, product planning and prioritization, product development and introduction, and post-launch performance management.

What is a Product Manager?

The product manager is a business manager, appointed to think and behave in much the same way as a CEO or general manager might. Much has been debated about this definition. To be clear, product managers are not CEOs because they do not hold that kind of positional authority. However, consider the *mindset* of a CEO or a general manager.