

The product management review

In the final installment of his series on product management, Donald McNaughton reaches the Product Management Review, which provides an update on the status of projects and doubles as step one of the monthly S&OP process

In the previous article in this series on product management, project management was defined as a methodical approach to planning and managing projects from start to finish. It also focused on process steps 6-10 of the 13-step product management process (Figure 1). Part four of this series discusses the monthly status update and product management review (step one of the sales and operations planning process), which encompasses the remaining process steps (11-13).

Keeping current with project status

Typically, projects are managed on a daily and weekly basis by the project manager and his or her

project team. Projects are also subject to an evaluation by the portfolio management committee (PMC) at a gate review, which occurs when a work stage has been completed. However, the duration between gate reviews varies, sometimes up to several months, depending on the type of project.

This situation highlights the need for a regular and routine monthly process that evaluates the status of projects and addresses issues affecting their status. The most effective way to address this is to establish a monthly product management review (PMR) as part of the sales and operations planning (S&OP) process.

Process steps 11-13 of the project management enabling process steps and roles define and describe the requirements for the preparation and execution of the monthly product management review.

Monthly project status update (process step 11)

Project Management	Process Step	Process Step Description
Enabling Processes & Roles	6	Project Team
	7	Project Plans
	8	Stage and Gate
	9	Project Team Leader
	10	Portfolio Management Committee (PMC)
	11	Monthly Project Status Update
	12	Product Coordinator
	13	Product Management Review (PMR)

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The project team leader, on a monthly basis, submits a project status update to the product coordinator. The project team leader completes the project status templates with input from the project team.

The project team identifies and develops the key milestones for their specific project and the date by which each milestone will be completed during their project planning activity. The PMC approves the milestones for each project.

In support of the key milestones each project has a stage and gate model. Each stage outlines the general tasks that each function is expected to perform and by when each general task is to be completed. However, it also must be realized that the duration of a task may span one

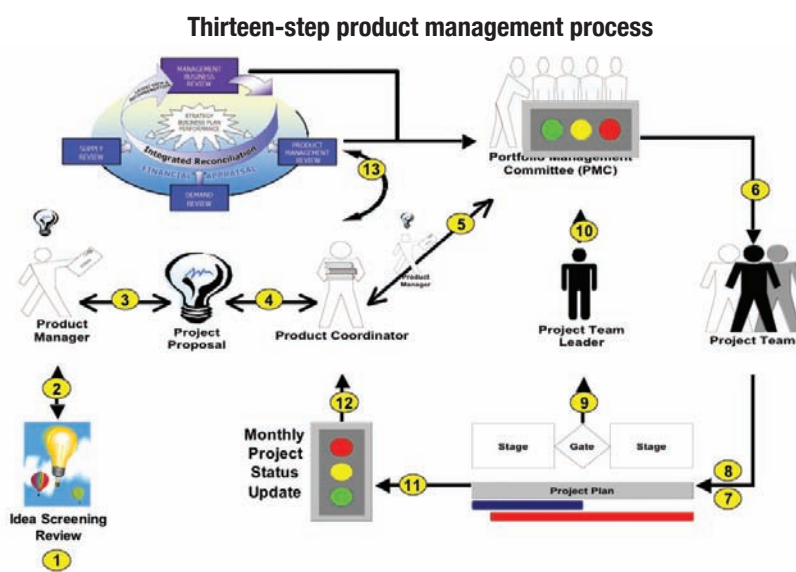


Figure 1

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or more stages.

In support of the general tasks outlined in the stage and gate model there is a detailed project plan. The project plan outlines the detailed tasks that each function is to complete in order to achieve the general tasks. Each task has a duration / due date, and an identified person who is assigned the responsibility for its completion.

The project team leader monitors the progress of the general and detailed tasks to ensure that they are completed on schedule to achieve the key milestone dates. He/she receives periodic progress reports from the project team members, and conducts project team meetings as frequently as is necessary to keep the project on-scope, on-budget and on-schedule.

The monthly project status reports that are prepared by the project team leader with input from the project team include the following four documents:

1. Key milestone status report

In this report, the project team leader evaluates the status of the general and detailed project tasks and with input from the project team updates the status of the key milestones (Figure 2). The color-codes represent:

- Red: A milestone date has changed.
- Yellow: A milestone date has not changed but there are issues to resolve to ensure that the date is achieved. If no action is taken there is a potential that the milestone date will have to change and become red.
- Green: A milestone date has not changed and there are no issues to resolve.
- Blue: A milestone that has been completed prior to the S&OP cycle.

2. Summary project status report

The overall project status is determined by the lowest level status of the key project milestones in the key milestones status report. In our example there are 12 key milestones (Figure 2) with the following status:

- 3 milestones are coded blue (completed milestones)
- 2 milestones are coded red
- 4 milestones are coded yellow
- 3 milestones are coded green

Therefore, the summary project status (Figure 3) is coded red.

3. Rough cut capacity planning (RCCP)

Project management, it must be recognized, is not just about developing valid plans. It also is about ensuring

project team to evaluate the impact on the bottleneck resources as they plan and re-plan their projects.

4. Rolling 24-month volume, revenue and margin data with supporting assumptions

Each project must have a supporting volume (Figure 5), and revenue and margin (Figure 6) plan with supporting assumptions. There is often reluctance on the part of product managers to provide this information.

Last approved date (LA date) and latest best estimate date (LBE date)

Project #	Key Project Milestones	LA Date	LBE Date	Status	Comments	Corrective Actions
P-001	1 Project Definition	12-07	12-07	B		
	2 IP Review	02-08	02-08	B		
	3 Prototype Development	06-08	06-08	B		
	4 Preliminary Design Review	07-08	08-08	R		
	5 Manufacturing Strategy	08-08	09-08	R		
	6 MARCOM Strategy	09-08	09-08	Y		
	7 Product Launch Package	11-08	11-08	Y		
	8 Critical Design Review	02-09	02-09	Y		
	9 Supply Chain Assessment	03-09	03-09	Y		
	10 Pricing Strategy	04-09	04-09	G		
	11 High Volume Capable	05-09	05-09	G		
	12 Launch Executed	06-09	06-09	G		

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Figure 2

that the plans are achievable with the available resources.

The best tool for this is rough cut capacity planning, which takes the general and detailed tasks contained

They are often fearful that they will be held accountable for delivering the numbers provided in the plans even though some projects may be in an early stage of their development.

Original launch date (OL Date), last approved date (LA Date), latest best estimate date (LBE Date) and next gate review date (NGR Date)

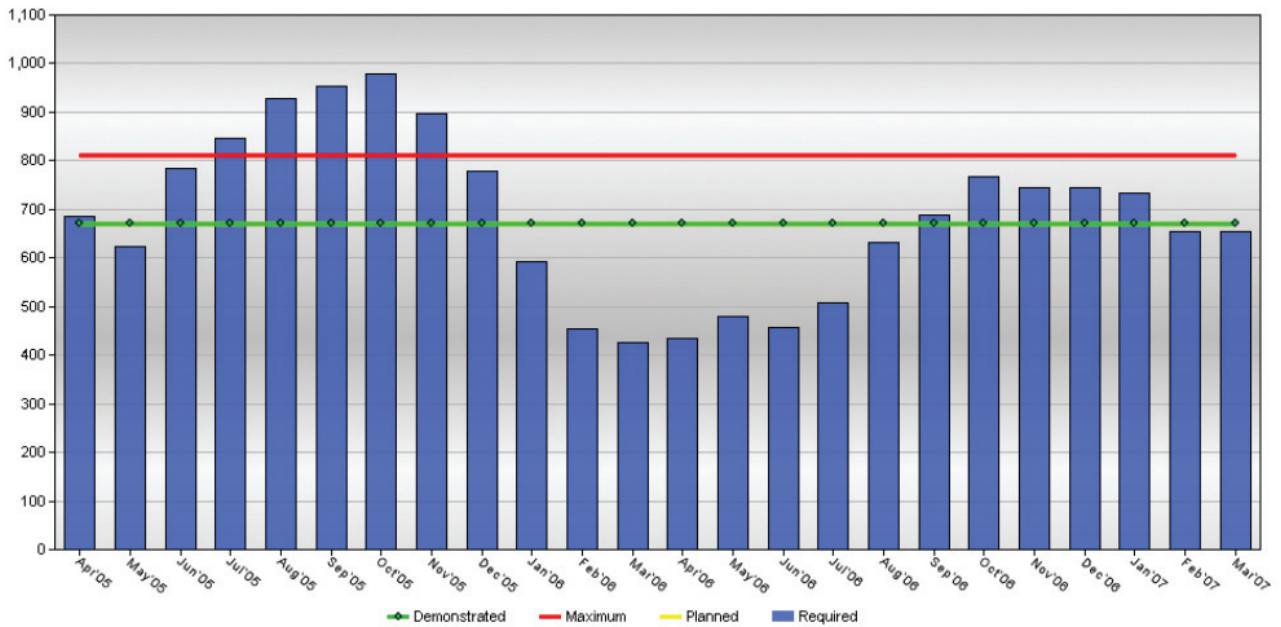
Project #	Project Description	OL Date	LA Date	LBE Date	Status	Comments	Stage	NGR Date
P-001	Project 001	02-09	06-09	06-09	R	Preliminary Design Review and Manufacturing Strategy milestones moved out a month due to project scope adjustment.	Stage 2	09-08

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Figure 3

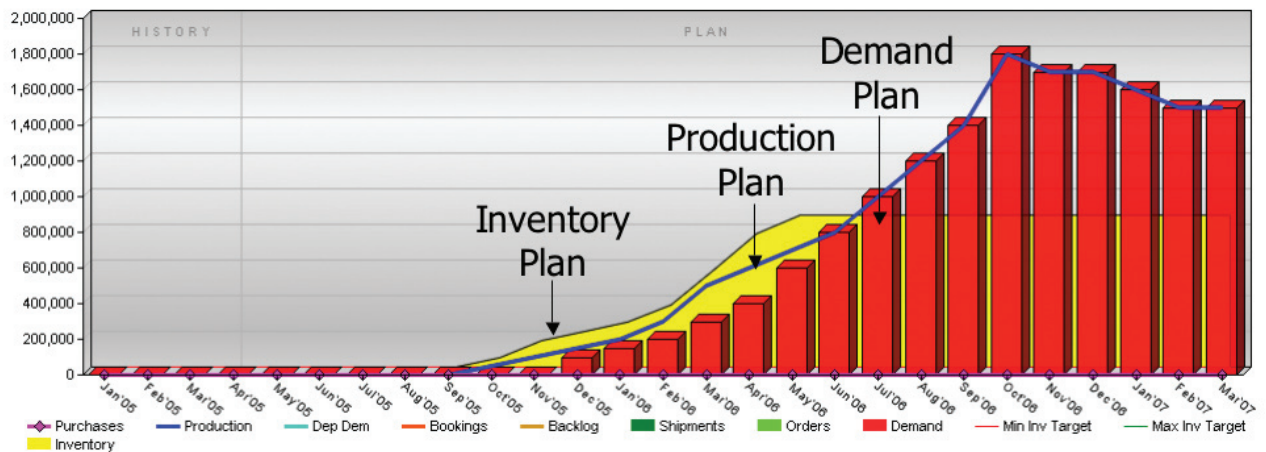
in the project plan and applies their load against bottleneck resources (Figure 4). Developing an RCCP model allows the project manager and the

What must be realized and understood by all involved in the business planning and review is that the goal is to provide a rolling 24-



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Figure 4



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Figure 5

month view of the business that is as accurate as possible.

Product coordinator (process step 12)

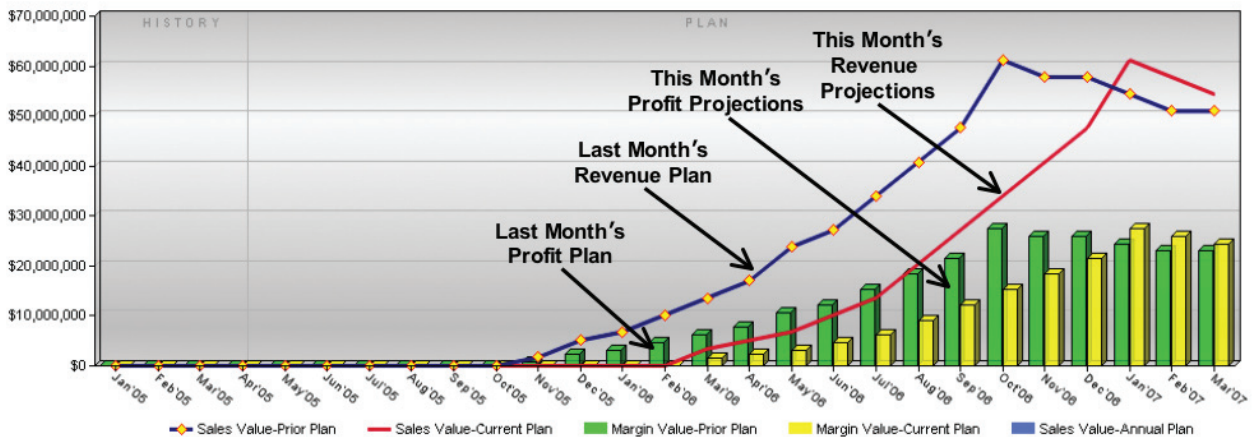
The project team leaders complete the monthly project status reports for each of their projects with input from the project teams and submit them to the product coordinator. He/she consolidates the

inputs from all of the project team leaders in preparation for the product management review (PMR).

The product coordinator also evaluates the inputs received from all of the project team leaders. With the primary focus on any item coded yellow or red, the product coordinator

must assure that the required supporting information for these items is included. The product coordinator then prepares the presentation for the PMR, briefs the PMR owner, and attends the PMR.

Product management review (process step 13)



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Figure 6

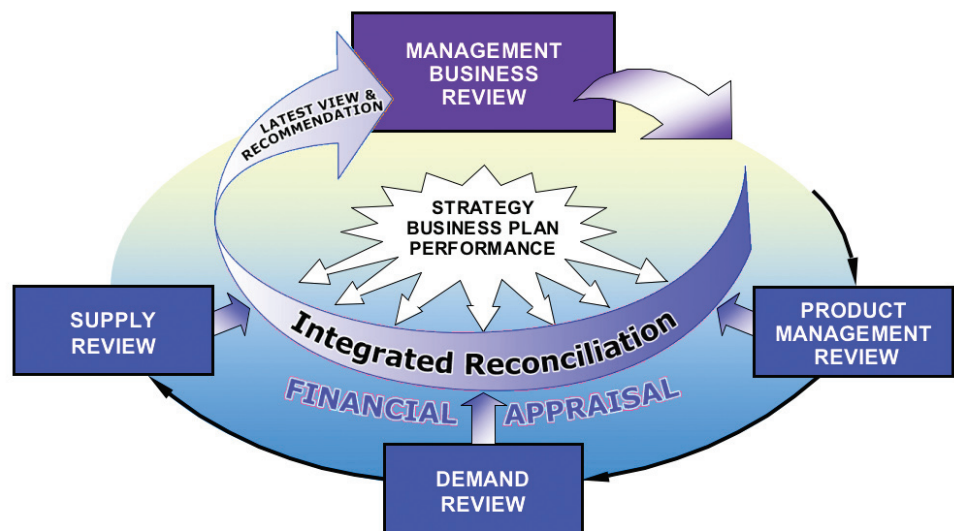
The product management review (PMR) is the first step of the monthly S&OP process (Figure 7). Its objective is to reach consensus on the status of projects and address the issues that affect their status. The goal is to keep projects on-scope, on-budget and on-schedule.

A typical agenda for the PMR includes:

- Review of open action items and decisions required
- Review of key performance indicators (KPIs)
- Review of the proposed product plans, which include:

- (i) Summary project status report and key milestone status report
- (ii) Rough cut capacity planning (RCCP), bottleneck resources, and
- (iii) Rolling 24-month volume, revenue and margin data with supporting assumptions

- Issues to communicate to the demand, supply & finance organization



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Figure 7

- Review decisions made and the action items previously assigned
- Review critique.

Conducted effectively, the PMR will result in the development and implementation of valid and achievable launch plans containing supporting assumptions that are based on the approved business strategy.

Conclusion

This product management four-part

series has highlighted the 13-step product management process that provides a systematic approach to selecting and managing products to be phased-in and phased-out of the product portfolio, which is guided by the strategic intent and profit objectives of the business. Effectively executing this process will help to ensure that a business has the products to acquire and retain customers in a profitable way. ■