An integrated process

Part one of a four-part series on product management by Donald McNaughton focuses on the importance of an integrated product management process and its role in driving improved business performance

Portfolio Management	Process Step	Process Step Description
Enabling Processes & Roles	1	Idea Screening
	2	Product Manager
	3	Project Proposal
	4	Product Coordinator
	5 + 10	Portfolio Management Committee (PMC)

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)

Resource Management	Process Step	Process Step Description
Enabling Processes & Roles	1 -13	Resource Management takes place throughout the process.

Table 1

Product management is a role within a business that has the responsibility for managing the portfolio of products that the business offers. If a business does not effectively manage the products it offers, it runs the risk of customers choosing competitive products or alternative solutions to their needs which will, in turn, drive pricing pressures resulting in lower profit margins.

Having an effective product management process in place helps significantly to ensure that a business has the products to acquire and retain customers in a profitable way. The product management process, as defined in the integrated business management model (see figure 1), provides a systematic approach to selecting and managing products to be phased-in and phased-out of the product portfolio guided by the strategic intent and profit objectives of the business.

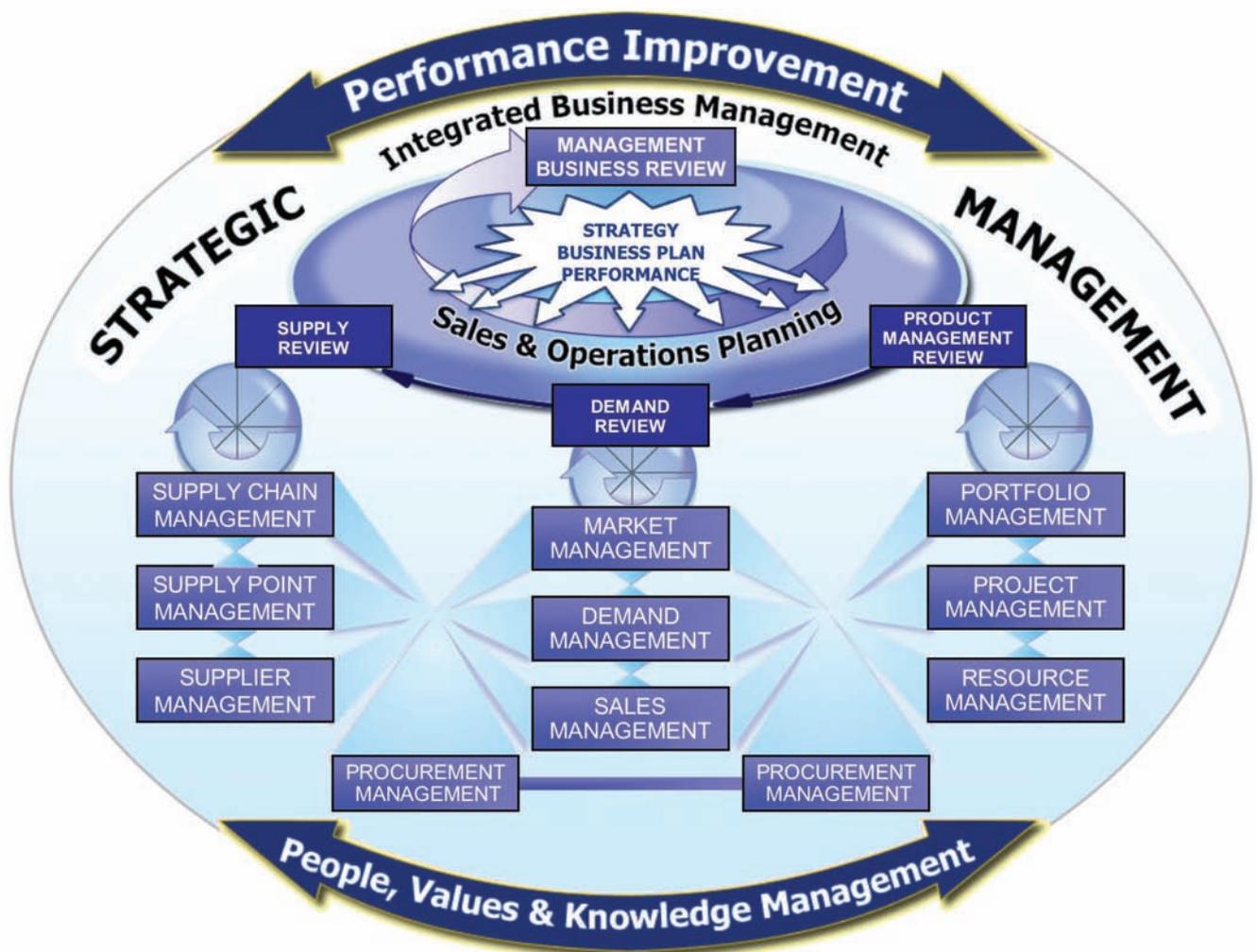The product management process is but one of the essential

Figure 1

business processes included in the integrated business management model that drives improved business performance. The other integrated processes are: strategic management; demand management; supply management; sales and operations planning; performance management; and knowledge management.

As defined in the integrated business model, the product management process has three core processes: portfolio management,

project management, and resource management. Each of these core processes, in turn, has enabling processes and roles associated with them (see table 1).

Effective resource management is all about balancing the work that needs to be completed, the time available to get the work done, and the resources available to perform the work.

Unfortunately, most businesses do not have the required resources to support every product opportunity that

exists within their chosen markets. Therefore, it is important for the business to focus its resources on those product opportunities that will best support its customers' needs in a profitable way.

Once you have the work, time, and resources balanced you cannot change one of these elements without changing at least one of the other two. Therefore, should you add more work you will either have to allow more time for the work to be performed, or add more resources, or consider a
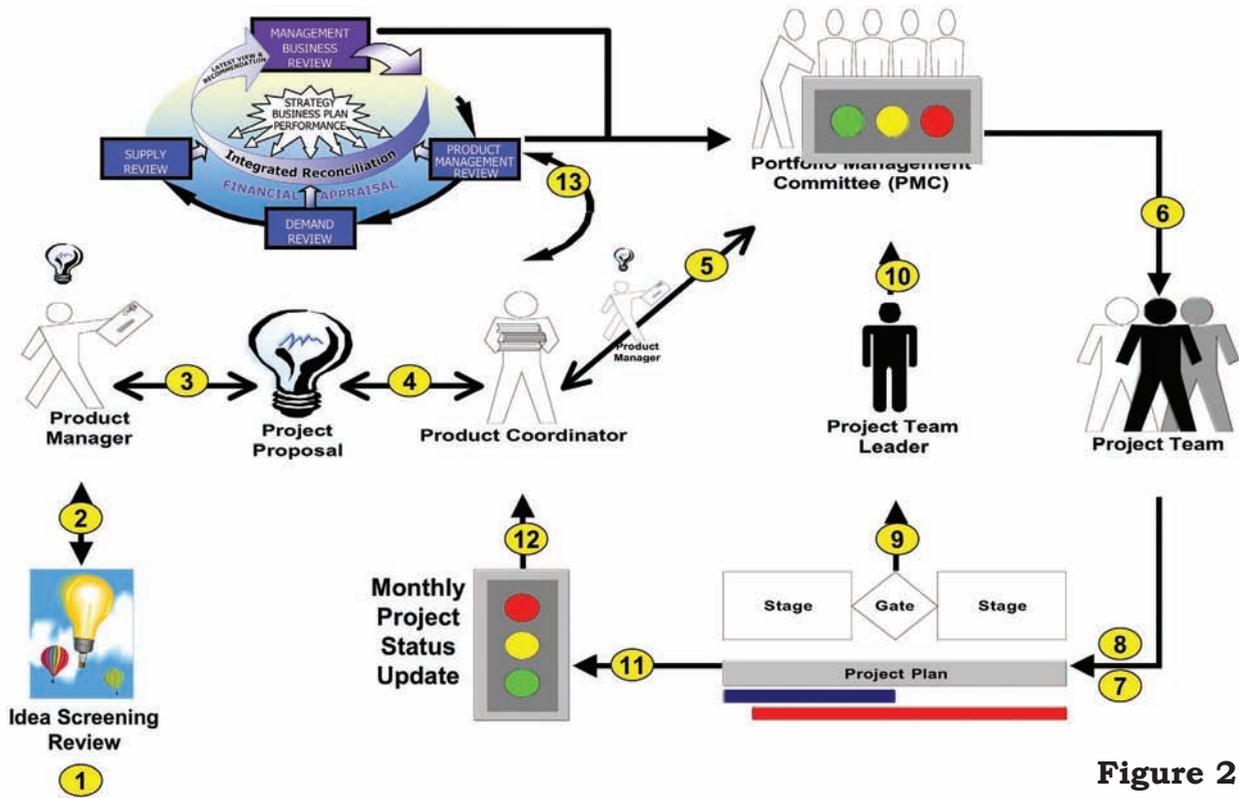
Figure 2

combination of the two.

Figure 2 visually displays thirteen-step product management process flow showing the enabling processes and roles outlined in Table 1.

The individual steps include:

1. Idea screening review:

The idea screening review enables an initial evaluation of the conceptual ideas submitted to the business. The ideas having potential merit are then distributed to the appropriate product managers for further evaluation.

2. Product manager:

The product manager manages the portfolio of products offered by the business. Part of the product manager's responsibility is to evaluate the new ideas as they relate to the business goals, strategies and current product portfolio.

3. Project proposal:

Once the product manager decides that a proposed idea addresses a need in the current product portfolio, they will join with the ideas sponsor to complete a project proposal form. This form contains the information necessary for the Gate 1 review by the portfolio management committee.

4. Product coordinator:

The product coordinator serves as the coordination point for the selection and management of projects. The product manager sends the project proposal form to the product coordinator who reviews it for accuracy and completeness and then schedules a Gate 1 review with the portfolio management committee.

5. Portfolio management committee (PMC):

The PMC is a cross-functional decision-making committee that assesses the merits of projects based on predetermined criteria. It then prioritizes new and existing projects based on the business goals, strategies, product portfolio, and available resources. Only the PMC can add or subtract a product from the product portfolio.

6. Project team:

When the portfolio management committee grants "approval" and decides that the project should proceed to the next stage of work, the committee appoints a project team leader and a project team.

7. and 8. Project plan, and stage and gate:

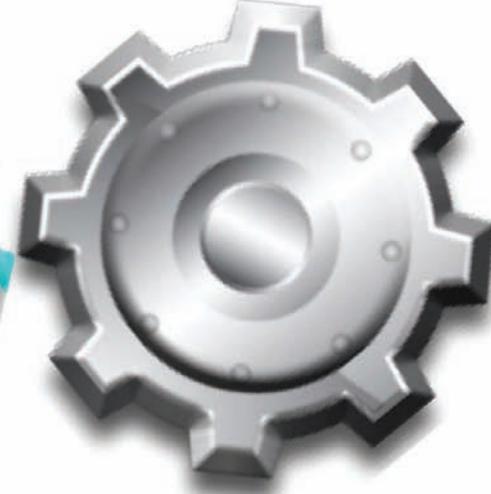The project team leader schedules a project team kickoff meeting where

Work Time Resources

the team members are fully informed of the scope of the project. The project team begins by reviewing the project plan and stage and gate templates that will be used for the project. They next refine the templates based on the specifics of the project. The objective is to have in place detailed plans for the work associated with the first several stages of the project.

With a plan in place, the team begins to execute the work associated with stage 1 of the project. Meanwhile, the project team leader manages the project and convenes project team meetings as required.

9. Project team leader:

Once the stage 1 work has been completed, and before work can begin on stage 2, the project team leader provides an update to the portfolio management committee.

10. Portfolio management committee

> "Effective resource management is all about balancing the work that needs to be completed, the time available to get the work done, and the resources available to perform the work"

(PMC):

At the gate review, the project team leader presents the results of the work completed in Stage 1 of the project. Based on this information the committee decides whether the project should go to the next stage, be put on hold at the current stage, be recycled for more work on the current stage, or be killed (no further work to be done on the project).

This gate review process is repeated after each stage of work.

11. Monthly project status update:

Each project team leader provides a project status update to the product coordinator on a monthly basis.

12. Product coordinator:

The product coordinator consolidates all of the project status updates into a presentation for the product management review step of the sales and operations planning (S&OP) process.

13. Product management review (PMR):

The product management review is conducted on a monthly basis as part of the sales and operations planning process. The objective of this review is to reach consensus on the status of the projects and address the issues that affect their status. The goal is to keep the projects on-scope, on-schedule, and on-budget.

The next article in this series will explain the portfolio management core process of product management.∎

Donald McNaughton, an Oliver Wight principal, is a consultant and educator providing guidance on the design and implementation of effective business processes, including sales and operations planning and product management.