

Management for Professionals

Gabriel Steinhardt

# The Product Manager's Toolkit<sup>®</sup>

Methodologies, Processes, and Tasks  
in Technology Product Management

*Second Edition*

 Springer

# **Management for Professionals**

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# Foreword

This book will help students of product management, product management practitioners, product management organizations, and corporations understand the value of product management and the distinct roles and responsibilities in product management. It will aid in the efforts to clarify role definitions, identify responsibilities, define processes and deliverables, and improve the ability to communicate with stakeholders.

For over seven years I have assisted Gabriel Steinhardt in his development of the product management body of knowledge, specifically the *Blackblot Product Manager's Toolkit*<sup>®</sup> (PMTK) product management methodology. I have met few people as dedicated to defining and standardizing the product management profession as Gabriel Steinhardt, who has made it his professional goal. The primary purpose of the *Blackblot PMTK Methodology*<sup>™</sup> is to help companies and their product management teams become more successful in their product delivery efforts. With the release of this book edition, it is hoped that product management will further mature and be viewed as a structured and well-defined critical business function.

Product management is a discipline responsible for product planning (articulating the market problem) and product marketing (generating awareness, differentiation, and demand). Companies have come to appreciate the organizational value of other well-defined professional disciplines such as project management, quality management, and business analysis as well as the results achieved by the orderly implementation of these disciplines. Accordingly, standardized product management done consistently well can greatly increase the probability of product success and profitability.

Product management practitioners frequently perform a broad spectrum of roles with varying responsibilities and skill sets and communicate with both internal and external stakeholders such as sales, marketing communications, engineering, customer support, customers, partners, and suppliers. Identifying the various roles and responsibilities in the product management domain is imperative to understanding what needs to be accomplished in order to deliver a successful product. Product management is not a role performed in the interest of one or more product lines; it is

a distributed set of roles and related responsibilities covering definitive aspects of the product delivery process.

Defining roles and responsibilities in product management is only a very preliminary step. One also needs to understand how to do what needs to be done—creating deliverables that can be successfully used in the delivery of a product. In addition, a repeatable process that creates successful products needs to be documented, followed, audited, and improved upon. The *Blackblot PMTK Methodology*<sup>™</sup> concepts and models in this book are intended to help facilitate the implementation of that process.

Product management in the technology industry has always experienced varied interpretation as to its character and internal structure. Often product management is performed informally or in a non-standardized form and organized differently in each company—commonly located in the marketing department or sometimes in the engineering department. In addition, although the product management profession has existed for many years, there has not been a product management best practice or standard that has been globally adopted.

This book provides the *Blackblot PMTK Methodology*<sup>™</sup> as a holistic solution to all these concerns.

Daniel Stadler

# Acknowledgments

I have been developing the *Blackblot Product Manager's Toolkit*<sup>®</sup> (PMTK) product management methodology for over twenty years. Without the help and support of some very special people, my work and this book would have never become a reality.

Daniel Stadler, a product management expert and technology business advisor, has been providing me with insight, suggestions, critical review, commentary, advice, guidance, and support for several years during the development of the *Blackblot PMTK Methodology*<sup>™</sup> and Blackblot's product management training and certification programs. A special note of gratitude is extended to him for his invaluable contribution.

My sincere thanks go to all my business partners, fellow instructors, and students worldwide whose feedback and creativity has challenged me. They have candidly shared their thoughts and I have gained much from each of them. I am grateful for their continued support.

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# About the Author

**Gabriel Steinhardt** is Blackblot’s founder and CEO and a recognized international technology product management expert, author, lecturer, and developer of practical tools and methodologies that increase product managers’ productivity.

A marketing and information systems MBA with over two decades of experience in product management with technology products, Gabriel has assumed diverse leadership roles with major corporations and start-ups in marketing, product management, and technical undertakings.

Gabriel is the developer of the *Blackblot Product Manager’s Toolkit*<sup>®</sup> (PMTK) product management methodology, a globally adopted best practice.

# Chapter 1

## Introduction

*Product Management* is an occupational domain which holds two professional disciplines: *Product Planning* and *Product Marketing*. This is because product functionality is built for the user via product planning and the product's value is presented to the buyer via product marketing. A somewhat expanded interpretation would be to view product management as an occupational domain that is based on general management techniques which are focused on product planning and product marketing topics.

A *Technology Company* is a business entity that either develops technology that is incorporated in a product or is used in the assembly or manufacturing of a product, or manufactures a product that contains technology and that same product relies on that technology to perform its core function. Many technology companies erroneously view product management as a collective term which describes the broad sum of diverse product-related activities, excluding sales and product development activities, which are performed in the interest of delivering a particular product to market. With such a broad, vague, and misleading definition it is possible to fit most anything (even product testing) into the realm of product management.

This commonly used vague definition of product management misleads and allows many people to place their own personal interpretation on the role of product management, and that accounts for the multitude of diverse definitions in the technology industry.

Every company is different and interprets product management differently—meaning that the product management discipline is not standardized as much as it could be across the technology industry. Further complicating the situation is that in each company there are individual stakeholders who often view and interpret product management very differently from each other.

For companies to be recurrently successful, rather than just lucky, a consistent understanding of product management must be present in the company and all aspects of product management must be fully addressed and managed efficiently. However, the contributing factors to both failure and success can be extremely complex to analyze. One can attempt to investigate why certain companies and

products have failed, only to quickly realize that the cause is multifaceted and that many factors need to be considered.

Product management is comprised of activities that profoundly impact a product's chances of success. For example, providing incorrect market requirements, erroneous pricing, or an inaccurate profiling of the target market can all be detrimental and critical. If just one of these aspects of product management is amiss, then the product's chances of success are greatly diminished. Therefore, in order to succeed a company must execute all fundamental tasks and follow all key processes in product management. Even though there is still a chance of failure, the probability of success is increased if a company implements and consistently follows a complete product management methodology.

Companies with formal and well-defined product management practices are companies which realize that product management is a core strategic function to the organization. These companies also realize that there is great importance in making sure that product management processes are sound, properly staffed, and implemented.

Some products are successful because of uncontrolled external factors, timing, or merely good fortune. Not all successful products have had great product management behind them, but it is reasonable that many product failures have had poor or no guidance from product management. Companies will be more successful for each dollar they invest in product development if they improve in the area of product management. The obvious conclusion is that combining a definitive product management methodology with disciplined technology development practices is the key to commercial success in the technology world.

The product management profession and the related body of knowledge have reached a greater level of maturity and acceptance in the technology industry. However, across the technology industry, drastically different duties and responsibilities are attributed to product management professionals. Diverse interpretations regarding the role of product management practitioners have only confused and stifled the ability to develop clear and consistent product management methodologies.

This book provides a consistent and holistic managerial approach to product management and is based on Blackblot's applicable work models and practical methodology that covers all aspects of product management.

This book describes key components and concepts of the *Blackblot Product Manager's Toolkit*<sup>®</sup> (PMTK) product management methodology and offers companies and product management professionals a practical primer for implementing an efficient product management practice in order to increase the practitioner's workplace productivity and improve a product's chances of commercial success.

**Part I**  
**Product Management Concepts**

# Chapter 2

## Definition of Product Management

### Defining the Product Management Domain and the Foundations of the *Blackblot PMTK Methodology*<sup>TM</sup>

#### 2.1 Introduction

The *Blackblot Product Manager's Toolkit*<sup>®</sup> (PMTK) is a comprehensive set of models and professional templates which constitute a complete product management methodology that illustrates notable best practices and processes to help create successful market-driven products.

At the very core of the *Blackblot PMTK Methodology*<sup>TM</sup> are two foundation rules which govern the entire methodology.

This chapter defines product management and presents the logic and rationales of how the two *Blackblot PMTK Methodology*<sup>TM</sup> foundation rules are derived.

#### 2.2 User and Buyer

At the heart of the product management domain are the user and the buyer entities whose motivations can be illustrated with the following example.

A sand bucket and shovel is a child's toy. Before buying this product, the child's parents check the sand bucket and shovel for safety, price, and reliability. More than likely the parents' main interest in the sand bucket and shovel is the effect that the product will have on the child.

The parents buy the sand bucket and shovel and give them to the child who plays with them at the beach. The child will use the sand bucket and shovel to move sand, dig a hole, carry water, and more. The child's interest in the sand bucket and shovel is all about what they can do with this product.

From this example it is apparent that the parents are the *Buyer* entity of the product. The buyer is focused on the product's value which is derived from the benefits that the product provides in exchange for money. From this example it is also apparent that the child is the *User* entity of the product. The user is focused on

the product's functionality. The user's only concern is what they can do with the product.

### 2.3 Core Disciplines

The user is focused on the product's functionality. Companies build product functionality for the users through an activity called *Product Planning*. Product planning is based on having the *Customer Advocacy* skill, which means knowing the customers well so that the company can build the required product functionality for the users.

The buyer is focused on the product's value. Companies provide buyers with information about the product's value through an activity called *Product Marketing*. Product marketing is based on having the *Business Value* skill, which means knowing the product's business value well so that the company can inform potential buyers about the product's value.

*Product Planning* is defined as the ongoing process of identifying and articulating market requirements that define a product's feature set. Product functionality for the users is built by means of product planning processes.

*Product Marketing* is defined as outbound activities that are aimed at generating product awareness, differentiation, and demand. The product's value is presented to the buyers by means of product marketing activities.

### 2.4 Concept of Product Management

Every product simultaneously offers functionality for the user and positive or negative value for the buyer. Because the product's functionality and value are created together and depend on each other, the product planning and product marketing disciplines that build the product's functionality and tell about its value are also tightly connected. Together, the product planning and product marketing disciplines are called *Product Management*.

More elaborately, because the product's implications, functionality, and value are mutually dependent, the product planning and product marketing disciplines that represent the mechanisms for building product functionality and articulating its value, are inextricably linked. The union between product planning and product marketing activities is collectively referred to as *Product Management*.

The succinct definition of *Product Management* is an occupational domain which contains two professional disciplines: *Product Planning* and *Product Marketing*. The slightly expanded definition is that product management is an occupational domain that is based on general management techniques (a collection of activities in the areas of decision-making, employee motivation, and process application that