



THE CRITICAL ROLE OF PRODUCT MANAGEMENT IN DRIVING SUCCESSFUL LARGE-SCALE DIGITAL TRANSFORMATIONS

Abstract

Increasing threat from competing firms and internal drivers such as cost reduction, improvement in Turn Around Time and risk reduction as driving firms to constantly transform their business processes and systems. An increase in complexity observed in large digital transformation programs is primarily driven by factors such as constantly evolving customer needs, need to build partnerships (API), demand for digitization by a growing millennial population. This article explores the crucial role played by Product Management function in the success of large digital transformation programs.

Introduction

A fast-paced technological landscape with constantly evolving customer expectations has induced firms to start embracing the overarching tenets of agility and responsiveness in their approach towards transformation initiatives. A pertinent addition to these considerations is the organization's unwavering focus on improvement in cost efficiency and reduction in turn around time.

Companies have strived to create governance structures and roles to best achieve the above objectives. One of the key roles is that of a Product Manager which we endeavor to delve deeper into in this paper.

A strong and efficient Product Management (PM) team can help streamline execution of large Transformation Programs. The impact of Product Management on such programs can be summarized as follows:

- Enables better alignment between Business Objectives, Customer Needs, Functional Capabilities and Technology
- Defines and maintains a roadmap that can maximize Return on Investment
- Keeps a track of Market and Technology trends and adapts roadmap accordingly
- Quick identification of sales opportunities and revenue contributions
- Reduced Risk of Product Failure by strengthening Product validation mechanisms
- Minimize implementation cost and risk by identifying right capabilities for prototyping based on complexity

Need for Product Management

Product based delivery is about ensuring that the **business value** is delivered to the **customers**. It is about building the **right product** and the **product right**.

The role of a **Product Manager** is central to Product based Delivery. The **Product Manager** defines the product vision, roadmap and identifies business requirements.



Components of Product Management



Within the broader organizational context, the primary impetus for Product Managers ought to be centered around Business Objectives and Customer Needs. A wide range of teams like Marketing, Sales, CRM, Market Research can provide the input for the Product Management team to conceptualize the vision of a product. They also understand the business priorities from these stakeholders and accordingly define the product roadmap. The Product Managers stay in constant touch with the business stakeholders during the development of the product in terms of organizing product demos and passing on the feedback from the business to the technology teams.

Product Based vs Project Based Delivery

Technology firms have traditionally embarked on a Project based delivery model where each transformation initiative is treated as a time-bound project with well defined timelines, resource allocation and delivery schedule agreed among the concerned stakeholders (Client, technology teams, Business Analysts, Architects etc). With enhanced focus on customer centricity and reduced time-to-market, firms are switching to the Product based delivery model where the key parameters are agility, responsiveness and customer acceptance rather than a strict adherence to linear processes. The key points of difference between these 2 models have been summarized below for reference:

 Project Based Delivery	 Product Based Delivery
Focus on project scope delivery	Focus on delivering business outcomes
Project delivery KPIs are measured and monitored	Business value KPIs are prioritized
Prioritization limited by project scope	Prioritization updated as scope changes
Focus on managing project timelines with defined start and end date	Focus on managing the entire product lifecycle
Temporary team is formed to deliver project and disbanded after delivery resulting in loss of knowledge	Persistent, autonomous cross functional teams
Delivery centric focus	Customer centric focus
Agile mindset but still tied to project scope	Truly Agile mindset + Product thinking to adapt to changing business needs
Business and IT silos may continue to exist	Business is fully onboarded and equally invested in the agile journey
Yearly project-based funding	Shorter funding cycles



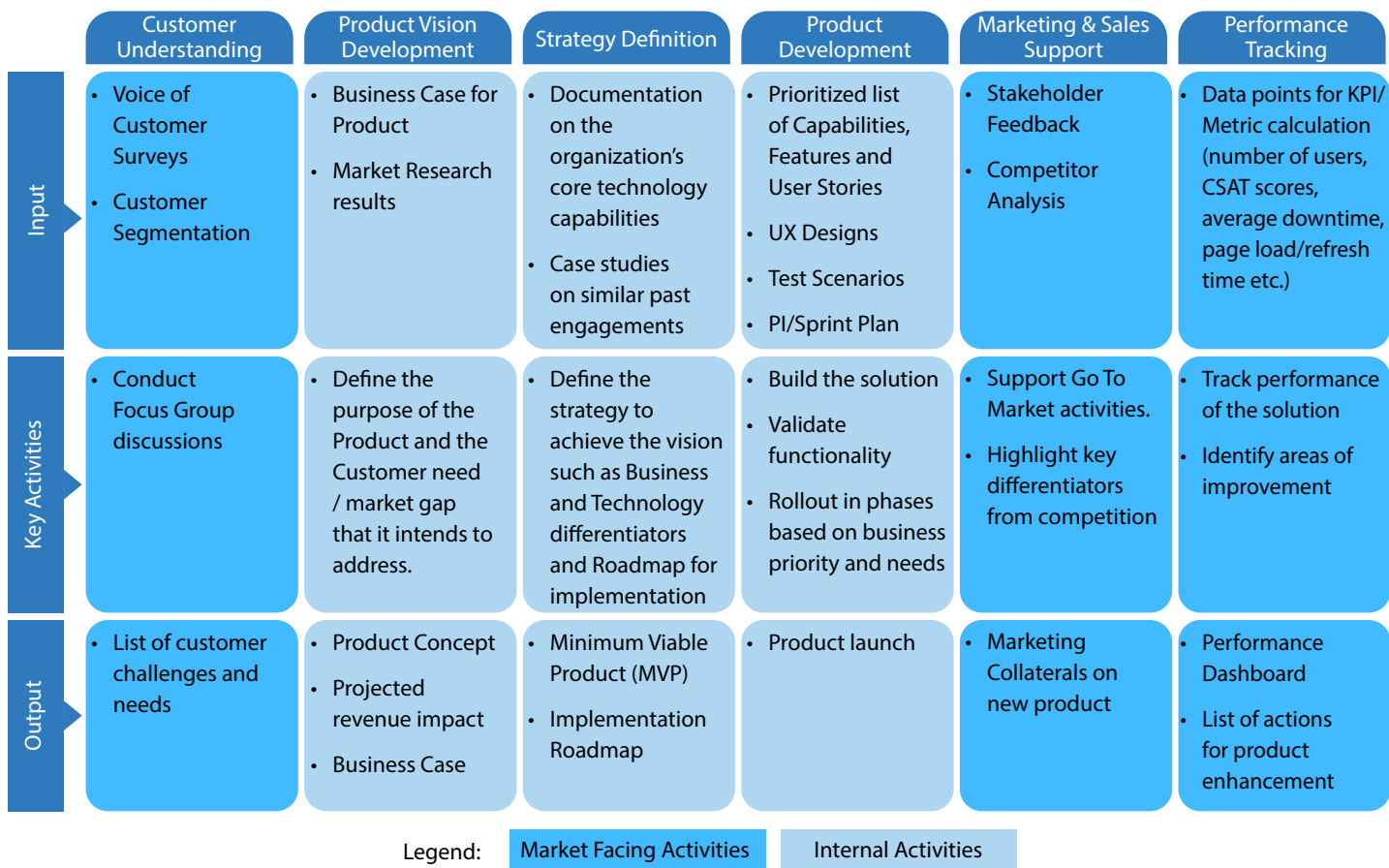
Product Manager vs Product Owner

While keeping the boundaries porous between organizational functions and ensuring close collaboration is pivotal for the success of large digital transformation programs, the wide gamut of responsibilities entrusted with the Product function necessitates certain boundaries between its sub-functions. The two most prominent roles accepted within the industry are Product Manager and Product Owner and it is imperative that we delineate a certain degree of demarcation for the subtle differences between them. The table below enlists the key criteria the role of a PM and PO differs on. It needs to be noted that the classification is in no way set in stone and should only be treated as one of the many approaches to help both PMs and POs focus more on certain aspects within the Product function.

Parameter	Product Manager	Product Owner
Sphere of interaction	Business SMEs, Heads of Client's Business Units	Delivery teams (RTEs, QAs, Architects)
Deliverable Ownership	Strategic Roadmap, Capabilities, Features	User Stories
Agile ceremonies	Feature Grooming/Refinement	User Story grooming
Prioritization	Items on strategic roadmap	User Stories within the backlog
Testing	User Acceptance Testing	System Integration Testing

Product Management Lifecycle

As mentioned earlier, Product Management is inherently a two-pronged approach to identify the right product to meet the customer needs and ensure that the product is built in the right way by leveraging the organization's technological capabilities. This approach culminates in two focus areas for Product Managers which are external facing and internal facing, respectively. The below figure demonstrates these aspects with clearly defined inputs, activities, and output for each.





Internal Activities



Product Vision Development

Product Vision is the result of a judicious amalgamation of four dynamic factors which funnel down into a well-articulated objective:

- a) What functionalities does the customer expect from the product?
- b) What features do we want to provide in the product to best meet customer expectations?
- c) What revenue impact would a successful product launch have for our own organization?



Strategy Definition

The “What” part of Product Delivery is covered under the vision. So, the next logical step is the “How” part of it. This is where defining the strategy comes into the picture. A Product Strategy is the crystallization of the vision into a set of actionable milestones for implementation of the desired product



Product Development

This phase deals with the actual build and delivery of the product. Milestones from the implementation roadmap are broken down into quantifiable artefacts like capabilities, features, process flows, UX Designs/wireframes, test strategy etc

Customer Understanding

This phase is driven by primary and secondary research to derive insights into the customers’ needs and challenges. Techniques like Voice of Customer (VoC) surveys and focus group discussions are some of the commonly used techniques during this exercise.



Market Facing Activities

Performance Tracking

Post launch, it is crucial to measure the level of market acceptance and customer satisfaction for the product. This ensures a continuous feedback loop for the Product Management team to help them work on feature enhancements.

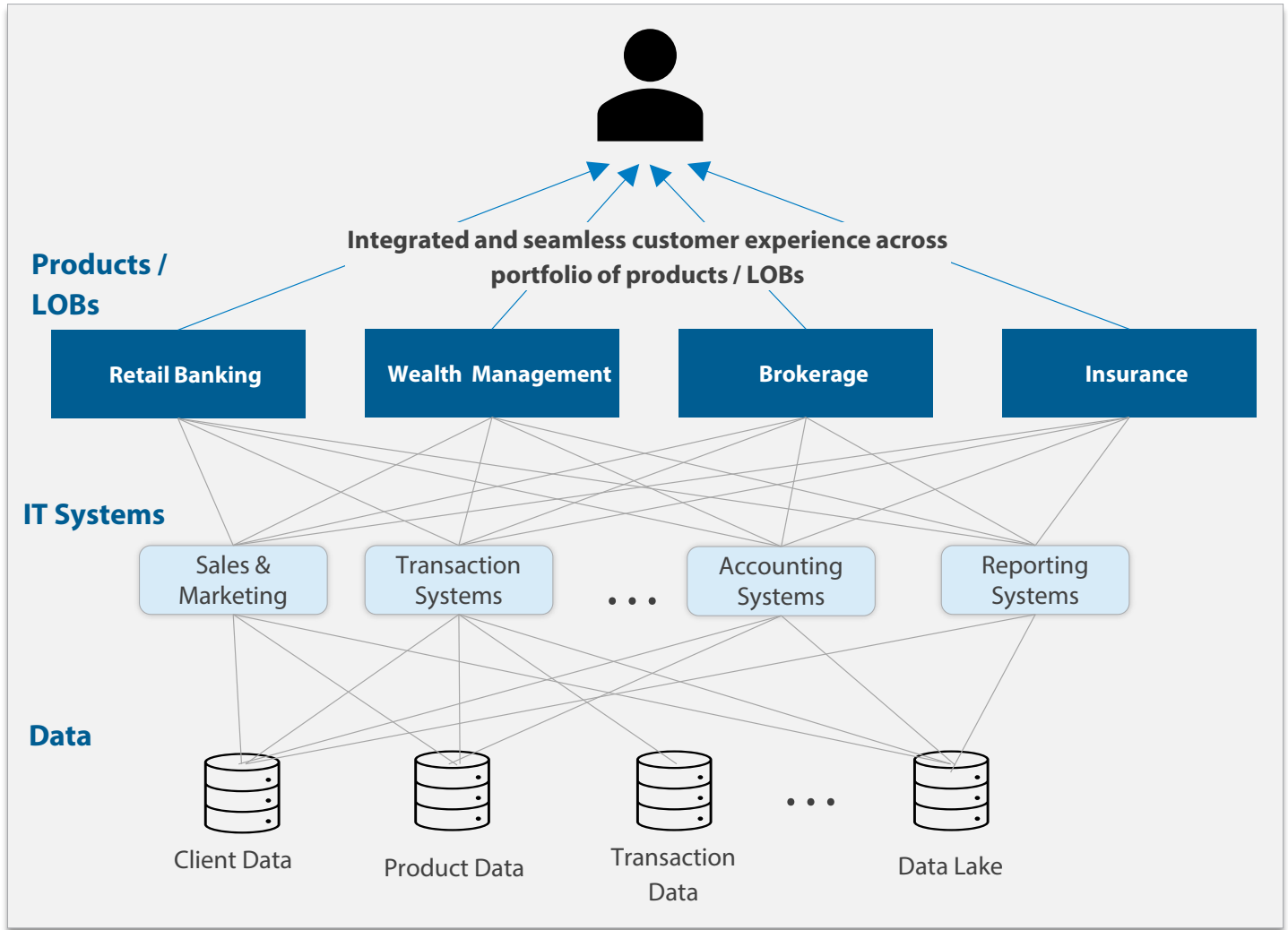
Marketing and Sales Support

Supporting the sales and marketing team in creating sales collateral, defining Go to Market strategies and highlighting differentiated capabilities of the product that can be positioned to clients.

Product Portfolio Management

Product Management is one of the pivotal functions within the organizational framework for transformation. One aspect which is often overlooked is that Product Management is not a monolith and there can be multiple product teams within a transformation initiative. It is imperative that there is an adequate amount of synergy and collaboration between these teams to achieve a consistent objective. Here is where the concept of Product Portfolio comes into the picture.

An example of the hierarchical structure for managing product portfolio in a financial services firm is as shown below:



A Product Portfolio Manager is required to:



Learnings and Best Practices

From our organization's extensive experience in executing large transformation programs, below are some best practices from a Product Management perspective.

The Product Strategy Roadmap should be subject to continuous refinement through a robust feedback loop in order to reflect the reality on the ground such as changing business priorities, development capacity constraints, technical blockers, and cross team dependencies

Product Management teams should be structured at a user journey level to cover end-to-end user journeys instead of being organized in terms of IT systems

Capabilities and features defined by the Product Management teams should be groomed and approved by Product Owners at least 2 Product Increments (PIs) before they are considered for development

Product Managers within a product portfolio will have to collaborate extensively to resolve dependencies and ensure consistent user experience

Conclusion

A structured, analytical and data driven approach is the bedrock of a robust Product Management framework and this makes it an irresistible choice for organizations aiming for an outcome driven and cost-effective digital transformation initiative. This approach, however, is not without its share of challenges. Technological challenges (outdated legacy systems, data migration constraints etc.), legal and regulatory considerations (handling of PII information, data retention and archival guidelines etc.) and market dynamics (changing customer preferences, time to market, disruptive technologies etc.) are potential factors to be considered while defining a Product Strategy. The ultimate goal of this framework, however, remains unchanged. It will always strive for delivering maximum value to business stakeholders by staying ahead of competition.



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Sreekanth Venkatramani has 2 decades of Consulting experience in the Financial Services domain

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