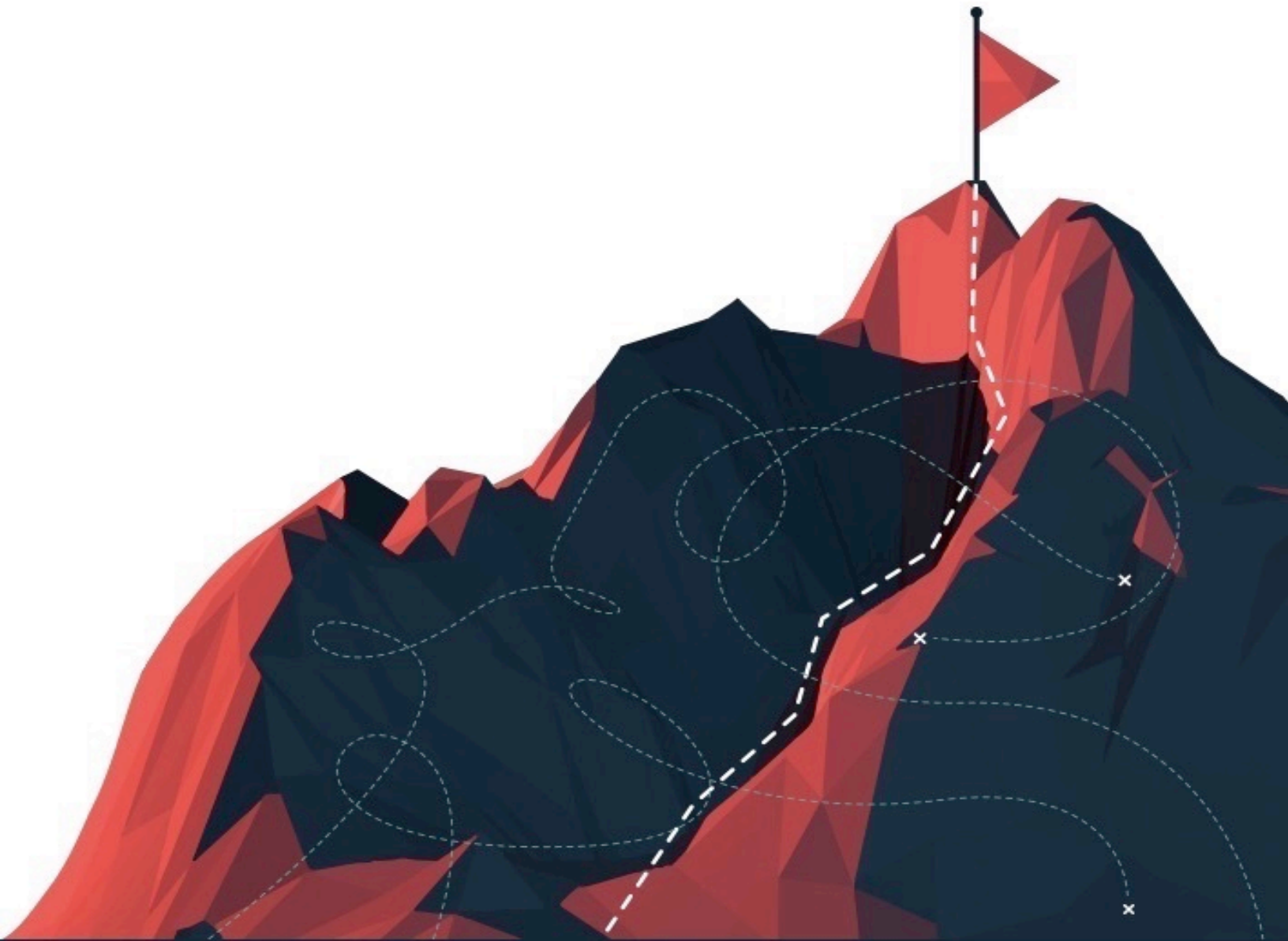# Product Management

How to increase the chances of success of your digital product

JOAQUIM TORRES

Product Management

How to increase the chances of success of your digital product.

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Product manager or product owner?

Product manager or product owner? Which term should we use? Are they different roles? Are they complementary? Is there overlapping? Is it better to have two distinct individuals, one for each role? Or is it better to combine two roles in one single person?

Definitions

First of all, let's see some other concepts.

"The **Product Owner** is responsible for maximizing the value of the product and the work of the Development Team." says the Scrum Guide[1], and then it continues: "The Product Owner is one person, not a committee. The Product Owner may represent the desires of a committee in the Product Backlog, but those wanting to change a Product Backlog items priority must address the Product Owner."

"The **Product Owner** represents the *stakeholders* and the voice of the customer," says the Wikipedia[2]. "He is accountable for ensuring that the team delivers value to the business. The product owner writes (or has the team write) customer-centric items (typically user stories), ranks and prioritizes them, and adds them to the product backlog."

By the definitions displayed, it is clear the product owner's focus on:

- Managing backlog priorities based on inputs from stakeholders and clients; and
- Maximizing the deliveries from the development team.

On the other hand, in the chapter [ref-label what-is-product-management], I've defined digital product management as:

> The function responsible **for all aspects of a software product**, during **all lifecycle of the product**, from its conception to the end of its life.
>
> It is the function responsible for connecting the **company's strategy** and the **problems and needs of clients** using the software product, which must help, at the same time, (1) the company to accomplish its strategic goals, and (2) solve the problems and needs of clients.

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[1]The Scrum Guide http://www.scrumguides.org/docs/scrumguide/v1/scrum-guide-us.pdf
[2]Product owner, according to Wikipedia http://en.wikipedia.org/wiki/Scrum_(software_development)#Product_Owner

In other words, **product managers** need to know very well their business and what are the goals they intend to reach with it, as well as who is going to use the software and what are the goals their users intend to reach by doing so. Based on it, the product managers define how their software is going to be.

On the one hand, the definitions of **product owner** are strongly focused on the process, meaning they prioritize the backlog and maximize the production of the development team; while the definition of **product management** is strongly focused on results, meaning they prioritize the software goals for its business and for its users.

The definitions of **product owner** focus on the process, as all agile methodologies focus on the software development process. The Agile Manifesto itself (http://agilemanifesto.org/) states that "We are discovering better ways to build software". Notice that the concern is about discovering better ways of building it, and not discovering ways of building better software. Is a subtle but important difference from the grammar's point of view.

While "discovering better ways of building software" is focused on the process of developing software, when we talk about "discovering ways of building better software" we immediately focus on the results of software development: the software! That's why my definition of **product management** focuses on the software and the goals of its business and its users, while the definitions of **product owner** focus on how to improve the software development process.

So are they different roles?

Short answer is **no**. Although they have a distinct focus, it is valid to say that they are two sides of the same coin. You cannot have one without the other. In other words, we can't focus on improving the process of software development without thinking of improving the software that is being built; the same way that is not possible to think of improving it without investing on improving the process of software development.

I've interviewed dozens of IT directors, and asked them how they design their software development organization. The results: there are **product owners** who are a part of the software development team, and responsible for managing the backlog and detailing the items of this backlog; and there are the **product managers** who are not part of the development team, they are responsible for the software business view and provide to the team great epics which will be detailed by a **product owner**.

Founded in 1998, Locaweb[3] is a pioneer and leader in IT hosting services in Brazil. I worked there from 2006 through 2016 and I'll use some examples from my time there. The company currently has over 250,000 clients and partners with more than 14,000 developers. Locaweb products are designed for everyone, from the common user to major corporations. Some of Locaweb products are website hosting, domain registration, hosting reseller, e-mail services and e-mail marketing, e-commerce and infrastructure for audio and video streaming, cloud computing, dedicated servers and specialized IT outsourcing services.

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[3]http://www.locaweb.com.br

At Locaweb, we chose for using the terms **product manager** and **product owner** as synonyms because, as said earlier, for us they are two sides of the same coin. You can't prioritize the backlog and maximize the deliveries of the development team if you don't have a profound knowledge on the goals of the business and the users of the software. In addition, in order to build the software that meets both the goals of the business and of the users, you must prioritize the backlog and optimize the development process.

One side of the coin is the development team's "what" and the other side is the "how". One doesn't exist without the other.

So, if you're in a company where the product manager and the product owner roles are divided in two distinct people, you must keep on reading. The next session explores your situation.

What to do if your company has product managers and product owners?

I know some companies that operate with this role division between two distinct individuals and that, by reading this book, you're now thinking you have staff to spare. :-O
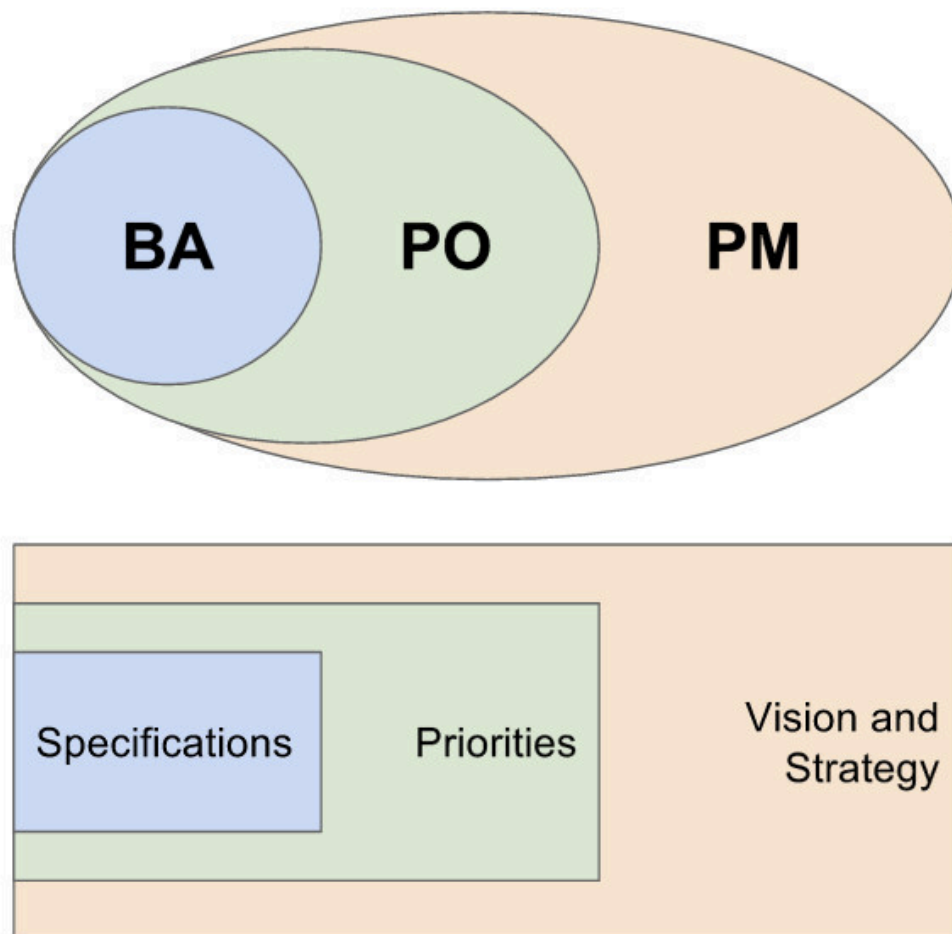
Please don't. Very likely, some other role is missing in your software product development team. My recommendation in such cases:

- **Don't go radical**: don't go on firing people thinking that there are overlapping roles. It is necessary a more careful look because other roles might be missing in your organization.
- **Product marketing**: probably there's a lack of people taking care of the product marketing, someone who has complimentary goals but different from the product manager. In the chapter about *Product Marketing*, I'll write about the difference between product manager and product marketing manager.
- **Analyze what is being done today**: it is probable that your product manager, sometimes called business manager, is doing more stuff than a product marketing manager. In this case, it is interesting that this person starts to work as an actual product marketer and leave the product manager activities for the product owner eventually. This one, thus, can take care of the product management.
- **Use a new product to experiment the new role division**: another way to experiment this new role division and responsibilities is to use them only in a new product. When you start to develop a new product, experiment this new role division and see how it goes. If it works, you can unroll it to other existent products.

Now that we understand a little bit more about what is a software product manager, let's see which are the main characteristics of this role.

BA, PO and PM

In August 2016 I took over the management of product management at ContaAzul, and when I arrived I came across a structure with business analysts (BAs) and product managers (PMs), a new scenario for me. I spent some time talking to people to understand roles and responsibilities of each function and the motivations for the creation of such structure. After these conversations, it became clear to me the difference of roles and responsibilities of each of the functions, which I try to translate into the image below.

BA, PO and PM

This image shows some important aspects:

- POs do what BAs do (specification) plus the prioritization of what needs to be done. And PMs, in addition to prioritization and specification, are responsible for the development, communication, and execution of product vision and strategy. There is an increase in scope and responsibility as you move from BA to PO to PM.

- Although PM is responsible for developing, communicating and executing product vision and strategy, it is also responsible for prioritization and specification. It may make sense for some companies to have BAs and PMs, or POs and PMs, or even BAs, POs and PMs. However, there cannot be companies without someone as PM, developing, communicating and executing the vision and strategy of the product.
- If in a company, in addition to the PMs, there are people in the role of BA and / or PO functions, it is possible to place the PMs as managers of the BAs and / or POs. However, this creates an extra burden for the PM who, in addition to managing the product, will have to worry about managing people.
- My preference is for not having this separation of roles and having only PMs. If there are BAs and / or POs in a certain organization, my recommendation is for treating those roles as intermediate career steps that will evolve to reach the PM level, with increased scope and responsibility. The rationale for my preference is that by leaving the roles separate, the PM may make little or no specification and / or prioritization, delegating those responsibilities to BAs and / or POs. By doing so, the PM will lose important input to developing the vision and strategy of her product.

I believe that with this image I was able to clarify the differences and similarities of the functions of BAs, POs and PMs.