

# MASTERING THE ROLE OF PRODUCT MANAGEMENT



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We're so glad you've downloaded this ebook! Let us quickly introduce ourselves before jumping in.

Productfolio creates amazing Product Management software, so your team can focus on creating amazing products. We're passionate about the craft of Product Management and have learned from interviewing hundreds of Product professionals, that every team is a little bit different, but most successful teams share a core set of patterns and principles.

We hope these insights are helpful and love to hear from you if you have feedback or questions about this content herein, or our platform ([hello@productfolio.com](mailto:hello@productfolio.com)).



Happy Product'ing!

Neal

**1.**

# **WHAT IS PRODUCT MANAGEMENT?**

# WHAT IS PRODUCT MANAGEMENT?

Product Management is an exciting and unique role that covers the entire lifecycle from ideation growth and eventual retirement of the product. The role of Product Management itself can vary significantly depending on your position within the Product organization – from a mostly tactical role focused on defining features, to working with executives and the board to construct the longer-term strategy. The role that you play has a lot to do with your seniority and the size of the team.

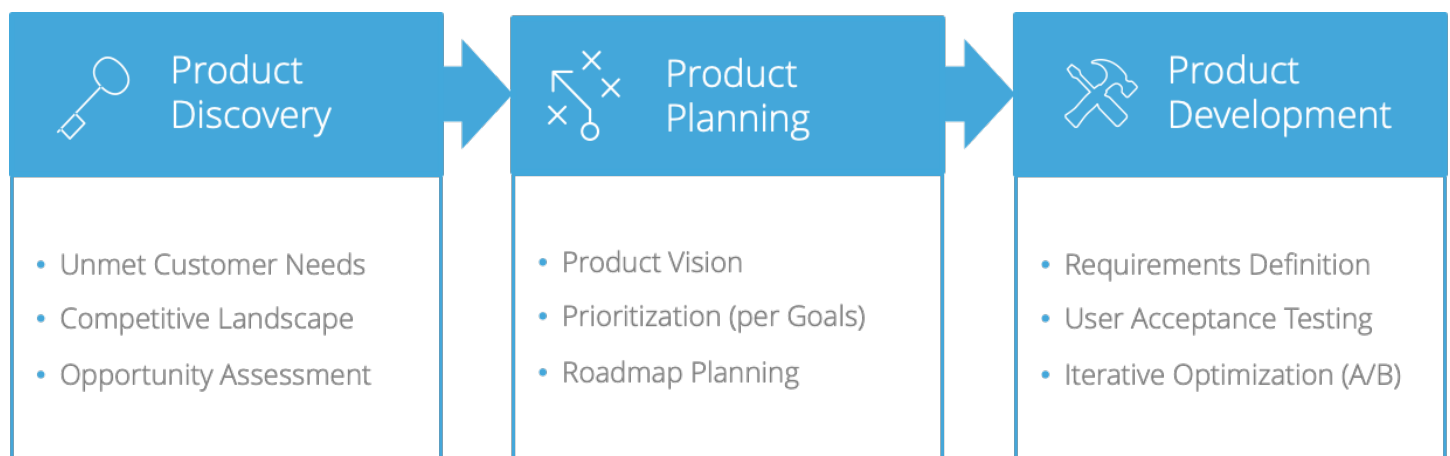
With this ebook, we'll cover the strategic and tactical aspects of the role, as well as the differences in the role from team to team, and why. Lastly, we'll discuss career paths for those interested in building a career in Product management.

## IN PRACTICE

Product Management is about making sure that we build the right product for the market. We start with a mission from business to build something for the benefit of customers that

will achieve business goals. We work to understand the customer and their needs, to ensure product-market fit. Understanding ‘why’ we’re building something allows us to determine ‘what’ to build for our team. In this way, Product Management is strategic – the Business strategy and our part in that has already been determined, but understanding the market and how we serve it with our *product*, is very much the domain of Product.

According to the 3 Pillars of Product, there are three main aspects to the role of Product Management: the first is Opportunity Discovery which is rooted in market research and understanding the ‘why’ behind what features we create.



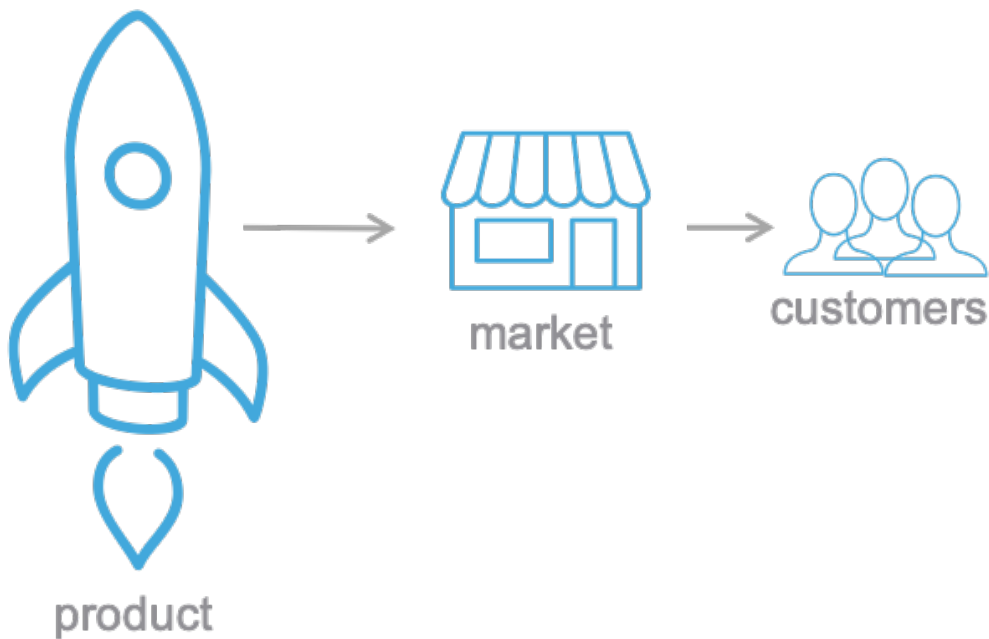
After identifying opportunities that we may want to address with our product, the next step is Product Planning. In planning, we’ll coalesce the best opportunities and align them

to our strategic goals. We'll sequence activities out on a roadmap, to provide internal guidance on how we'll align resources and when we hope to achieve desired outcomes. Finally, when that is in place, we can begin working on the development of those features with our team.

Product's role here, is to clearly articulate the need, criteria of an acceptable solution and to work with the team to create the solution (not dictate it to them). Once a feature is designed and developed, we verify if it satisfies the need and test it with customers and through performance data, to ensure it is successful – leading the team through iterations and pivots as needed, to ensure each new feature is a success.

## **WHAT IS A PRODUCT?**

It is difficult to really say much more about Product Management without first defining what a product *is* – we're managing something after all, but what is that thing, and where do we draw the line between a product versus a service or an operational program?



Simply put, a Product is a generalized solution to a common need or desire, that can be taken to market and sold. A product brings economies of scale to bare for its customers, making this generalized solution, much more affordable than a custom solution or service would have been. Implicit in that definition is the need to take something to market.

We're solving a problem at scale for thousands or perhaps millions of people. How do we know we're building the right solution for most of them? Or, that they value our solution more than a competitor?



# PRODUCT MARKET FIT

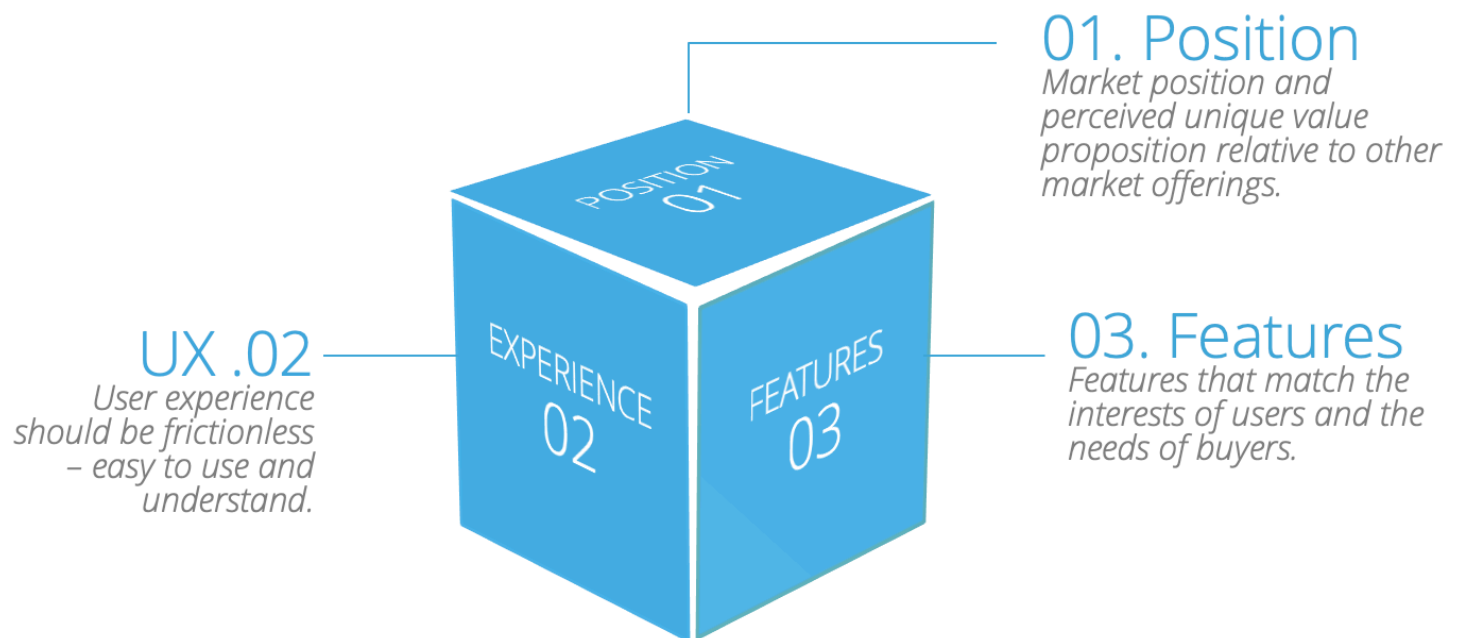
Product Management is not principally responsible for *delivery* – we are responsible for ensuring that the product we deliver is *successful*. We measure success in terms of business KPIs, not delivery dates.

That's not to say we shouldn't care about delivery since this can also affect the outcome – but it is important to put it into perspective of what we're really trying to achieve; on-time delivery of a product that doesn't resonate with your customers will still not lead to the business outcomes desired.

From this perspective, the single most impactful thing we can do is to understand our market and ensure we're building the *right* product for them. This is referred to as “product-Market Fit”, which means, ensuring that our product fits the needs of the market.

To achieve market fit, we really need to be thinking about how our product is positioned, how it is experienced/perceived, and the key features that differentiate from our competition.

To this end, our attention should really be focused on how the product meets the market, not how it is produced or how the internal workings operate.

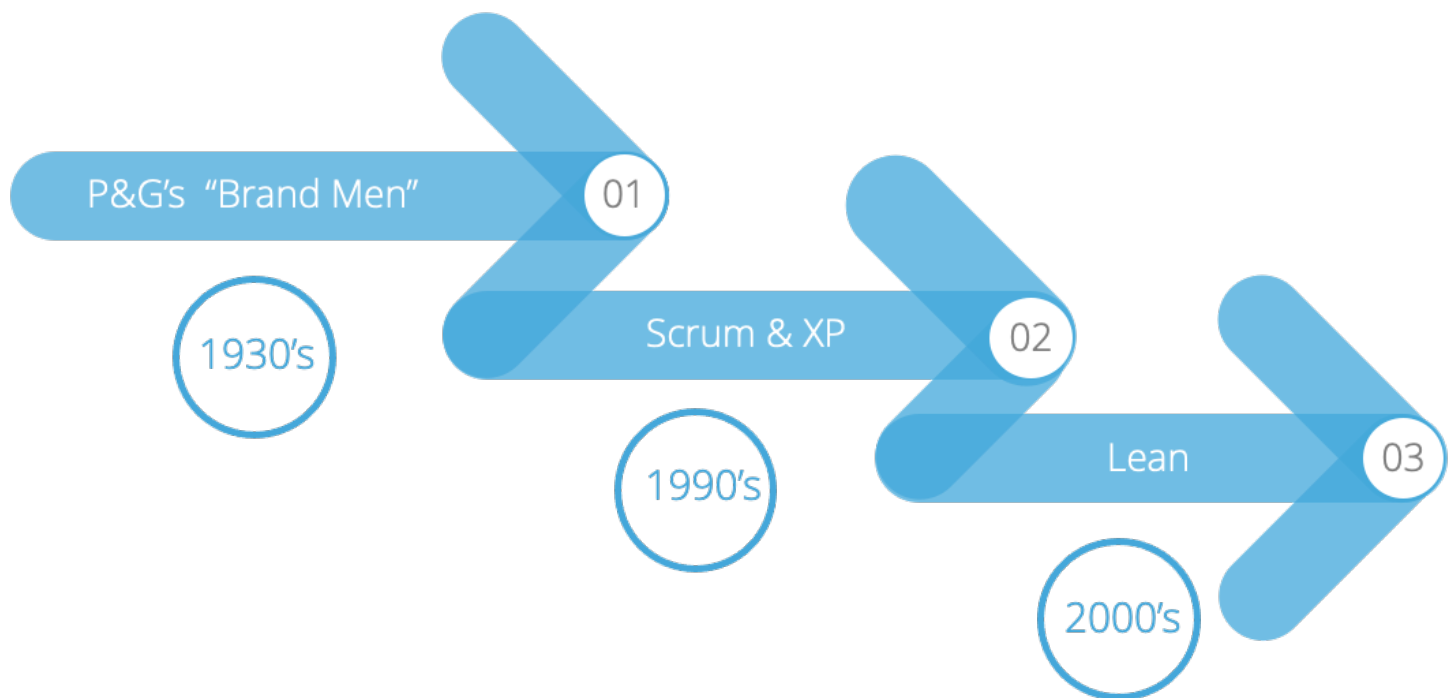


**2.**

**THE HISTORY OF  
PRODUCT MANAGEMENT**

# THE HISTORY OF PRODUCT MANAGEMENT

To really understand the role of Product Management, it is important to consider its history and origin. Most people in tech product development know the Scrum Product Owner role, but that is just one aspect of the role.



Product Management began in the consumer packaged goods (CPG) space, at Proctor & Gamble in the 1930s. The “product men” were an extension of the Brand Marketing team and each one owned a single product deeply and from end-to-end.

The Product Manager would own every aspect of their product, from working with the manufacturer to create the product and the design agency to create the packaging – and into the field-level research that informed decisions they'd bring back to the manufacturer and design agency to inform refinements.

That field research the lifeblood that allowed the original Product Managers to understand the market and represent informed decisions back to their partners. Put another way, their core responsibility was Product-Market fit.

That was Product Management in a nutshell, until the 1990s when the early Agile frameworks such as Scrum and XP in the Silicon Valley began to emerge. It was in this context that Scrum introduced a role called the Product Owner who would work with the Scrum development team on the development of their software.

The Product Owner was the Engineering team's perspective on Product Management, and what they needed from the Product organization – detailed requirements, acceptance criteria, and user acceptance testing. It is inherently product development focused however and does not describe all of the research and

planning that is part of the broader and historical Product Manager role.

As Agile has grown in popularity, the Product Owner role has become more ubiquitous and become a de facto definition of Product Management for a lot of junior Product Managers and their technical teams who are concerned primarily with development activities. That's not the whole story, however. In the 2000s, another major shift brought Product Management into the current era with Lean methodology.

Whereas Agile is about iterative development in order to get product out more quickly, Lean is about doing product discovery in a similar iterative way, ensuring that we're constantly learning and factoring those learnings back into what we're developing.

Lean borrows principals from Toyota's Just In Time (JIT) manufacturing and brings those concepts into the modern era. In practice, this means talking with customers and reviewing analytics data constantly to learn what we can and making iterative improvements along the way. This holds true with the original mission of Product – to ensure success of the product.

Product Management has come a long way since the 1930s but the fundamental principles are still the same – our goal is to understand customers and our market, in order to ensure we build the right product so that we achieve business goals, by creating maximum value for our customers.

All of the complexities about how we write requirements and represent those back to our product development teams are just the means to this end.

**3.**

**PRODUCT**

**COMPETENCIES**

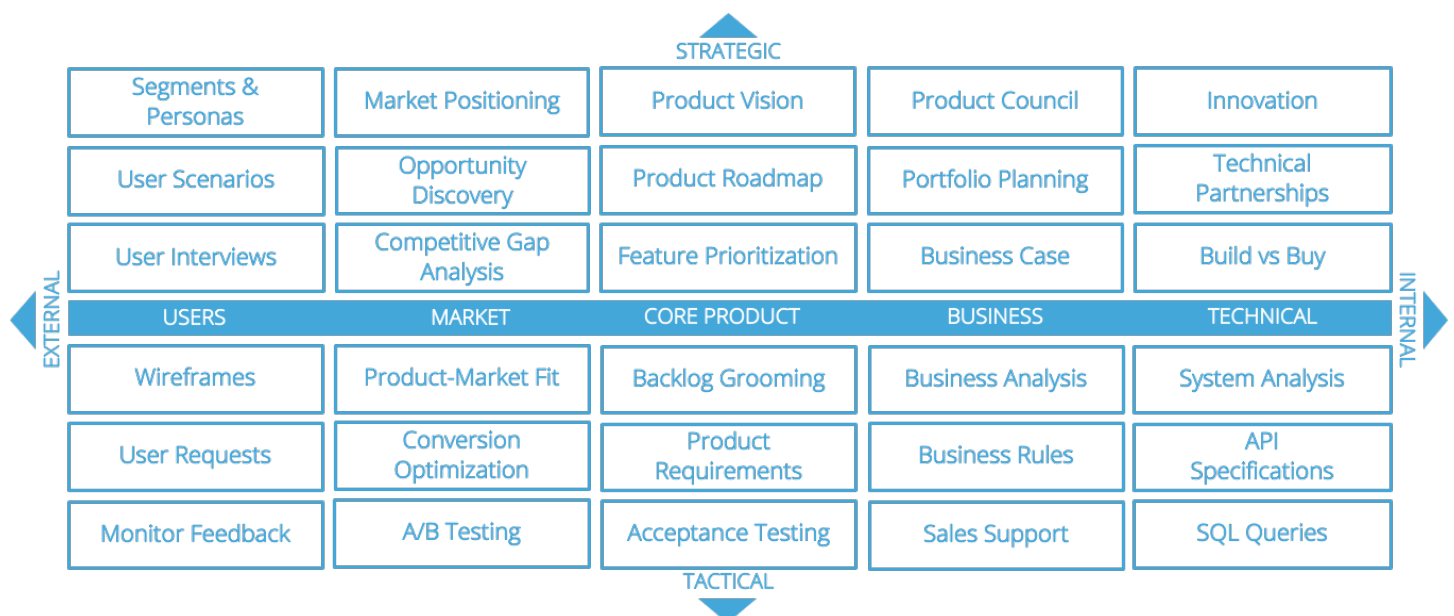


# PRODUCT COMPETENCIES

Since Product Management is ultimately responsible for the success of the product, we often end up acting as the gap-filler for the team and filling in where there is a gap on the team.

This combined with nuances about the nature of the business, size of the team, and seniority within that team can cause a given Product Management role to be very different from others, almost like a snowflake.

It is important to realize the reasons for this, however, and to clarify what the core intentions and responsibilities of Product Manager are – which should hold true across all companies and roles.



The Product Management Competencies framework from Neal Cabage lists skills commonly associated with Product – strategic activities are at the top and more tactical skills toward the bottom.

On the left are external market-facing skills and on the right are internal business analysis types of skills.

All of these are important, but depending on your seniority within the team, you may bias up or down on this list, and depending on the nature of your product (or your focus area on the product), you may bias more to the left or the right.

*“Product Management really is the fusion between technology, what engineers do - and the business side.”*

**Marissa Mayer, Yahoo! Former CEO (and former Product Mgr)**

# PUTTING IT ALL TOGETHER

Product Management is a strategic role that assists business in achieving their goals, by serving the needs and desires of customers. Product Management creates value through generalized solutions to common problems – by understanding the needs of those customers and the competitive market landscape, Product Managers can better determine the right product to build.

The Product Manager works both in a strategic space to answer the “what & why” but also in a tactical space, working directly with product development teams to create feature solutions and iterate those solutions to ensure success.

It is important to keep the greater perspective and to ensure the strategic Product work is not replaced with the urgent day-to-day needs on the ground – keeping that balance is key to successful Product Management.

**4.**

**PRODUCT TEAM**

**ANATOMY**

# ANATOMY OF A PRODUCT TEAM

When you're in a startup, the needs of a Product org are relatively contained and you might have a single Product Manager or 'Head of Product' doing it all, from talking to customers and strategy, to writing the user stories and user acceptance testing. As the organization grows, there are more and more people sharing the responsibilities of Product Management.

The first step of stratification is to divide in to 2 layers – the “heads up” product leadership role that focuses on opportunity discovery, planning, and alignment, and the “heads down” tactical role of feature definition and working directly with the product development team.

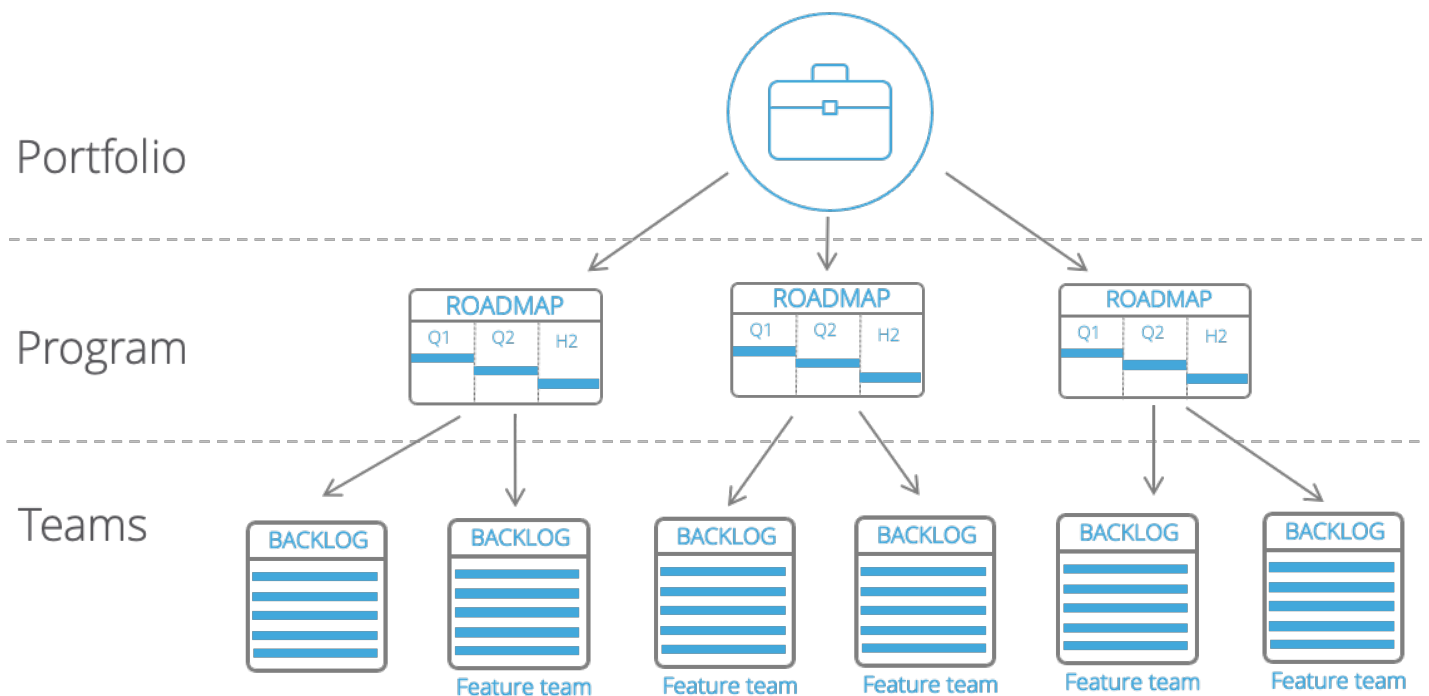
This structure could support as many as 4-5 Product Managers reporting to a Head of Product. If the team is fortunate enough to grow beyond that, a 3-tier model is a common configuration.

The Head of Product takes a more formal upper management title such as VP or Chief Product Officer (CPO) and becomes the primary executive representative with upper management.

Their focus shifts upward to organizational alignment, seeking funding, building the team, and portfolio level planning and allocation with the executive product council.

A second layer to the team is introduced for planning the actual product strategy and roadmap at the program level, that is often represented by one or more Directors of Product.

The individual contributor Product Managers continue to assume the more tactical Product Owner responsibilities with the product development teams.

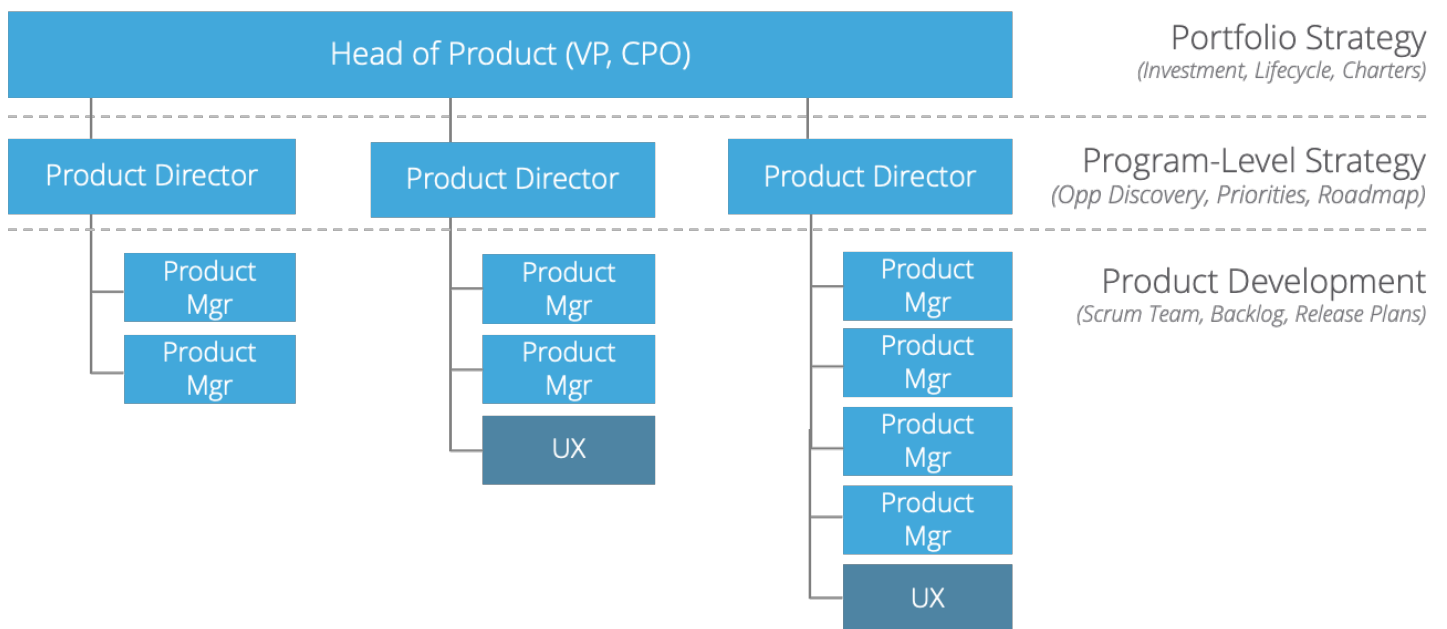


# TYPICAL TEAM CONFIGURATION

Functional departments are typically organized as a pyramid, with a head of that group at the top. Product Directors or VPs report to the Head of Product, each with a specific mission or focus area to develop a strategy for, and the contributing Product Managers report into the Product Directors, supporting those strategic missions.

User Experience (UX) is often a part of the Product organization, though the reporting hierarchy can vary – a mini UX team can exist within Product and report directly into the Head of Product, or UX can be decentralized, with a UX contributor reporting into each of the Product Directors with that need.

The latter is generally the preferred pattern, in order to align resources to the missions of those teams. At the largest organizations, UX may have an entirely separate reporting line, parallel to the Product org.





**5.**

**PRODUCT LEVELS &  
THE CAREER LADDER**

# ROLE-BY-ROLE COMPARISON

With organizational structures established, let's discuss the most common titles within a Product organization and what each of these is responsible for.

It is worth noting that very few organizations have all of these titles, and some of them overlap with one another. We'll discuss these nuances as we go through each of them below:

	Head of Product (VP or CPO)	Director of Product	Group Product Manager	Product Managers (jr, sr, principal)	Associate Product Mgr
Role	Sr team leader	Product strategy leader	Manage individual contributors	Individual Contributor, Scrum Product Owner	Support with analysis and research
Key Activities	Product portfolio, Build/grow team, Org alignment	Define strategic vision and plan; lead small team to achieve	Support & coach Product Managers, drive roadmap execution	Scrum Product Owner, write requirements	Support team Business analysis, Define requirements
Planning	Product portfolio, Team charters (3-5 yr horizon)	Product roadmap (6-18 mos)	Cross-team release planning (3-6 mos)	Product backlog, Sprint planning (current quarter)	N/A
Experience	10+ yrs	7+ yrs	7+ yrs	3+ yrs	0-2 yrs

# HEAD OF PRODUCT (CHIEF PRODUCT OFFICE OR VP, PRODUCT)

The Head of Product is the top of the Product organizational pyramid. Responsibilities can vary significantly depending on the size and scale of the organization. In a smaller startup, this person wears many hats and is as tactical as they are strategic. When someone holds the title of “Head of Product” at a startup, it is typically equal to a Director of Product at a larger organization.

At a larger organization, the head of Product is typically either VP of Product or maybe even Chief Product Officer (CPO), where Product is elevated to the executive level. This role is the ‘chief diplomat’ and advocate of the Product Management team, advocating for the team, seeking support for Product priorities and attaining resources to pursue those priorities.

They typically report to the President of the company and work with the President and other executives on the overall product portfolio strategy, determining high-level allocation of resources and initiatives that the Product team will pursue.

# DIRECTOR OF PRODUCT MANAGER

Depending on the size of the organization and importance of Product Management within the company, a Director of Product might report into a Head of Product (VP or CPO), or Product is of lower importance within the organization, the Director could be the highest-level Product leader in the organization, typically reporting into a divisional business leader in those cases.

Regardless of reporting lines, the Director of Product is a product leader role, responsible for product strategy, roadmap planning, and leadership of a smaller Product team that aligns to the mission that Product Director is charged with.

A Product Director does not always manage other Product Managers however. In fact, it is common in recent years to see more Product Directors positioned as Principal Product Managers who have Director-level compensation, decision authority, and lead larger product initiatives, but not necessarily with their own team.

That aspect of the Product Director's role is considerably variable. What is constant however, is that they're typically the role setting the strategy and plan for the product.

## **GROUP PRODUCT MANAGER (GPM)**

The GPM is typically only seen on larger Product teams, where the individual contributor Product Managers are out-number Product Directors (typically greater than a 5:1 ratio) and so an additional layer is added to efficiently conduct the efforts of those teams.

It is a transitional leadership role in that it is often partly hands-on and partly managerial. It is not uncommon to see the GPM writing stories for a team while also asking their team to contribute stories to the same initiative.

A Group Product Manager is responsible for supporting 2-4 Product Managers as a manager, and keeping that team focused on efficient execution of the roadmap that is owned at the Director level. The GPM may have input on strategic planning, but is principally charged with executing it, not defining it.

# PRINCIPAL PRODUCT MANAGER (+LEAD)

The Principal Product Manager (aka Lead Product Manager) is a rare role reserved for the strongest and more experienced individual contributor Product Managers.

It is the top of the food chain for Product Managers who do not wish to go into people management. They're often tasked with the largest and most important initiatives because they are highly trusted in their abilities.

Compensation for Principal Product Managers can be as high as a Director though they do not have the same people management responsibilities or authority. Because their seniority is comparable, compensation is often comparable to the director-level as well.

# PRODUCT MANAGER (+SENIOR)

The Product Manager is the core of the Product team. They are individual contributors who are focused on product development – writing requirements and acceptance criteria, performing user acceptance testing (UAT), and setting priorities for their teams on a sprint-by-sprint basis.

When practicing Agile/Scrum product development, the Product Manager will often play the Scrum Product Owner role for their product development team/squad. It is not uncommon for a Product Manager to embed with this team and sit co-located with them, to reduce barriers and improve communication.

A Sr Product Manager has many of the same responsibilities as the Product Manager, but more experience and thus greater title and compensation.

A Sr Product Manager is expected to be able to carry more significant and more complex projects/initiatives than their more junior counterparts.

# ASSOCIATE PRODUCT MANAGER

An Associate Product Manager (APM) is typically someone directly out of school, who is joining the Product Team in a supportive role, but without any of the decision authority of a full-fledged Product Manager.

The APM is similar to a Business Analyst role insofar as they perform analysis and make recommendations but they ultimately defer to someone else in the Product org to make decisions.

Still, this can be a great way for someone to observe the process first-hand and learn the craft of Product Mgmt, while also creating value to the team in the process.



# PRODUCT CAREER LADDER

If you're planning a career in Product, consider all of those titles and where they fit into your career path. There are two tracks in Product – individual contributor (IC), and leadership.

Most careers in Product start as an Individual Contributor role, where the PM will spend a few years in various roles of increasing responsibility before having to decide if they want to make the leap to leadership or not.



If the goal is to make the leap to leadership, that typically happens around the time of being Senior or Lead Product Manager, into a Group Product Manager role (also sometimes called Manager of Product Management).

Not everyone wants to go into management and leadership however, in which case they may stay on the IC track, with the goal of becoming a Principal Product Manager.

**6.**

# **SUMMARY**

# CONCLUSION

Product Management is a dynamic and fulfilling role that works with a cross-functional team in business, design, and engineering. The role can vary significantly but fundamentally is about determining the product and features to build, aligning that to meet the needs of your organization, and providing a clear path forward for the team.

# PRODUCT MANAGEMENT SOFTWARE

Whether you're a new Product Manager learning the role or a team leader, seeking to standardize planning for your team, Product Management software can streamline the process of planning and align your efforts with best practices, so your team can focus more time on building great products.

Check out how [Productfolio](#) can enable your team and elevate the craft of Product in your organization.



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