Unblocking Digital Transformation:

How to Make the Shift from Project to Product Management

productboard

The speed at which businesses need to evolve their products and services to keep pace with changing customer expectations and technology has resulted in new, imperative ways of working. Each day, tried-and-true processes are deemed too slow and rigid, and the prioritization of pure execution over solving root problems a blocker of success. To remain competitive and maintain market positioning, businesses need to upgrade their tech capabilities and digitize both customer experiences and internal workforce applications. Simply put, in this case, traditional project management doesn't cut it.

While project management has been valued in the past for its tactical approach to efficiently shipping products – hitting specific deliverables and milestones within a set timeline, budget, and scope – its focus on output over outcome results in short-lived victories. Teams may celebrate launching exactly what was promised, for example, but because they've measured success by units of work delivered (often over a long time horizon) rather than learning to solve underlying customer problems, they end up quickly moving on to the next task without addressing or understanding changing market needs. In fact, it's common to see these launches fall short because by the time they're available, the market has moved on.

Product management, on the other hand, takes a strategic, agile approach to managing products throughout their lifecycle, from ideation to delivery to ongoing success. It aims to meet both the needs of customers and the business through iterative and frequent delivery, continuously incorporating learnings, and making smaller, calculated investments. This leads to improved outcomes throughout the entire product lifecycle, enabling fast responses to the market while directing the organization towards, as we at Productboard like to say, making what matters.

Transitioning from project to product management is a must for companies to remain competitive and relevant. Failing to make this shift is a key factor behind why 70% of digital transformation initiatives die on the vine. By prioritizing the delivery of valuable features and products and staying adaptable to evolving customer and market demands, companies can maintain a competitive edge, reach their business objectives, and foster continuous growth.

5 project to product challenges (and how to overcome them)

Moving from a tactical to a strategic approach is no easy feat. After all, these two philosophies are fundamentally at odds with one another: **projects are finite and product management never ends**.

Though it may seem daunting, and sometimes even impossible, there are ways to ease the digital transformation journey. To help you navigate this process with confidence, we've provided a breakdown of some of the most common challenges and their corresponding solutions. Let's get to it.

1. A change to culture and mindset

First and foremost, going from a project-based to a product-led approach requires a shift in culture and mindset. It's important to start the journey here because, not only is it foundational, but in the face of deeply ingrained project management structures and processes, it can often be the most challenging aspect.

The commitment of executives and senior leaders is absolutely key at this stage. As champions of change, leaders must understand and believe in the following:

- Delivering value to customers is an ongoing process

- The roadmap will prioritize outcomes and continuously evolve

- Success is measured by the product's ability to meet customer needs over time, not just in the short term

- Early indicators of success will look different from the norm

By moving forward with this mindset, leaders can help their teams ensure they continue to meet customer needs as behaviors and market trends change– **a task that never ends, never gets put on the backburner, and never ceases to be critical**.

Easing the rest of the business into an agile/iterative approach involves moving away from detailed project plans with pre-defined scope, timelines, and budget, and instead, creating outcome-based roadmaps in which initiative and scope evolve. It also requires embracing new practices such as continuous product discovery, which involves taking a customer-centric view rather than an internal stakeholder-focused approach to defining what to build.

The solution + resources

Notably, this shift involves moving away from a command and control approach.
We recommend starting small, with one team or initiative. Grab a partner in this change management journey who can provide guidance and support, as well as identify and address challenges as they arise.

- In this insightful webinar, Radhika Dutt, the author of Radical Product Thinking, uses a concrete example to demonstrate how an iteration-led approach can go wrong. She then presents a step-by-step approach to turning things around and creating successful products.

- Cprime said it best in this comprehensive guide on project to product: "Projects end. Products are continuous. Projects are linear. Products are circular. Projects are components. Products are systems."

- Joshua Childs, Director of Product Management, Email Solutions, Validity, joined us in a recent webinar to discuss his own change management process and provide tips for success. As a new employee in 2020, he was not only faced with the challenges associated with onboarding, but also the volatile nature of that year. Check out our summary of his advice.

- In this article, Forbes makes an excellent argument for how leadership needs to understand the tools at their disposal to successfully enter a digital transformation.

Aggreko knows first hand what it's like to reap the benefits of a culture and mindset shift:

aggreko

"By transforming our product organization and establishing new product processes with the help of Productboard and Productboard's Professional Services, we provide stakeholders across 9 regions with visibility into our roadmap and a keen understanding of our product decisions."

— Stephan Doherty
Head of Product, Load Banks
& Electrical Distribution, Aggreko

Read the full case study here

2. Skill gaps

Project managers excel at overseeing the execution of a pre-defined project within a set timeframe. In contrast, product managers have a more comprehensive set of responsibilities, including:

◆ <u>Full ownership of the product</u> (product design, development, and continuous improvement)

◆ Strategic planning

◆ Market and customer research

◆ Roadmapping and prioritizing what to build next

Naturally, this means the skills required for these two jobs are entirely different, the latter including strategic thinking, customer understanding, data-driven decision-making, roadmap creation, and proficiency in product development methodologies. It's a tall order, and just because someone has excelled in project management does not mean they're ready to take on product management.

A common example is IT project managers or business analysts being repurposed as product managers to support digital transformation initiatives. Though this shift acknowledges the limitations of traditional project management, problems can arise if the IT project manager or business analyst lacks the necessary product management expertise (which is often the case).

Another common challenge arises when product management responsibilities are given to someone simply because they have industry expertise. Take healthcare, for example: a person who is an expert in vaccines may become the product manager of a digital tool designed to manage a vaccine rollout. Their vaccine knowledge is paramount, but is lost without the product management skills needed to leverage it.

In any case, it's critical to allow newly minted modern product managers the time to educate themselves on the essential skills and competencies required to succeed in their role, and make sure they're supported with purpose-built tools.

The solution + resources

The onboarding process for new product managers – whether new or simply refreshing their knowledge in a more modern environment – should prioritize education to help them thrive in their role and drive the success of the product. There are many courses, certifications, and product coaches who can equip them with the required skills. Here are a few resources to get started:

- The Ultimate Guide to Product Management: In this comprehensive guide to product management, we cover the core skills and responsibilities of the role, product management tools employed by modern product managers, Productboard's methodology for building better products, and more.

- The Product Makers Community: Having a circle of individuals who share similar interests and experiences is invaluable. Product Makers is a community of over 8,800 members that continues to grow, making it an excellent resource for both new and seasoned product managers alike. It serves as a hub where individuals can exchange ideas, share best practices, and seek advice from others in the field.

3. Organizational silos

When different parts of the product org and cross-functional stakeholders operate in isolation, as is often the case, they can't know each other's priorities, or fully understand the impact their decisions have on other teams and the overall product. Communication breaks down, dependencies are missed, and important feedback and insight doesn't make its way back to stakeholders. This lack of visibility and alignment is a major bust, resulting in a variety of inefficiencies, duplicated efforts, conflicting priorities, and missed opportunities for innovation and collaboration.

Unfortunately, misalignment in a matrixed product org has a tendency to then ripple out throughout the rest of the business. For example, the marketing team may try to promote a feature that the product team has no plans to develop, or the development team may be building a solution that won't effectively address the customer problem.

Without breaking down barriers between teams, and integrating tools that enforce transparency and collaboration, the domino effect of siloed work can not only diminish morale across the organization, but also lead to products that fail to meet customer needs or provide business value, ultimately impacting the company's bottom line.

The solution + resources

To avoid falling into the siloed work trap, product orgs should develop shared, outcome-based roadmaps that serve as a central communication and coordination tool. This way, they can create a shared language across IT and the rest of the business, minimizing misalignment.

It's important to note that this only succeeds when teams prioritize aligned collaboration and communication over individual goals and metrics. This will help steer the entire business toward sharing knowledge, expertise, and opinions– the fuel needed for igniting meaningful collaboration. This, in turn, results in discovering solutions that meet the long term needs of customers rather than constantly answering to one-off requests.

- To offer some ideas on how to identify silos and drive alignment across product and other departments, we chatted with a number of experienced CPOs, including Georgie Smallwood, CPO of TIER Mobility; Varun Parmar, CPO at Mira and Laura Marino, CPO at TrueAccord in our Product Excellence Summit.

- Check out this webinar from Interna on how to make product and engineering work better together. It covers common culture classes as well as tools for overcoming them.

- Productboard helps you to build engaging and strategic, shareable roadmaps in minutes with customizable roadmap templates. Not everyone will be familiar with your roadmap view, so we also offer a filtering function to show the right context for each audience.

Check out an example of what happens when you break down barriers from our customer, CompuGroup Medical:

"It was essential that our strategy could be digitized in every way, that we would have immediate information with one push of a button — so that there would be no need to ask several people inside the organization what we're doing with customers."

— Stefan Zorn
Chief Product Architect,
CompuGroup Medical

Read the full case study

4. A lack of product empowerment

Product teams are responsible for defining and guiding the creation of the portfolio of offerings that define a company, but often aren't given the responsibilities or the autonomy to carry out this role.

This is frequently due to leadership's waterfall approach to product management: a clearly defined sequence of execution with project phases that do not advance until a phase receives final approval. Reluctance to change or modify this process, and to ultimately relinquish control over decision-making (typically for risk aversion), is understandable, but can be problematic as it limits the PM's ability to influence and be effective.

In this environment, **product** managers are treated as **project** managers or product owners who simply oversee the backlog, running sprints for engineers when they should be using that time to discover what customers need. (In parallel, executives are often making product decisions based on their gut, or other inputs that don't include the product manager's insight and expertise.) True product management involves a more holistic view of the product, requiring the ability to research and make strategic decisions about the product's direction, define the product vision, and rally stakeholders around it.

Product's truest job is finding the right products to build next.

By treating product managers as anything but that, organizations miss out on the full potential of the role. This approach can result in making the wrong product investments, reduced innovation, and poor communication across departments. When this perception spreads throughout an organization, it can lead to further issues, such as a lack of investment in supportive product tooling, a necessary component of digital transformation, leaving product managers constrained by existing workflows. This, in turn, can cause frustration and burnout among team members, and ultimately hinder the success of the product and the company.

The solution + resources

With a clear strategy from leadership in hand, product managers need to be given both authority and autonomy: higher-ups must have trust in their product managers' decision-making abilities, goal-setting skills, and team management capabilities. One way to establish this is through the implementation of supportive technology that fosters transparency and collaboration. This window gives leaders much needed visibility into progress, how decisions are made, how product investments roll up into strategic objectives, and holds product managers accountable to results. This formula of visibility, strategic alignment, and accountability can work to create a virtuous cycle of trust building.

◆ In this research report, EPAM surfaces how leaders may unknowingly hinder their organization's digital transformation strategy, why it's a problem, and what steps can be taken to overcome it.

◆ This McKinsey piece has spot-on sentiment: "In the tech world, the ascendancy and importance of product managers are well established. But few non tech companies give them commensurate responsibilities or influence. That's a big mistake."

◆ New Haircut takes a different approach in this article about redefining the value of product: first you must prove it, then evangelize it.

5. No holistic view of product vision or strategy

True product managers rely on a well-defined product vision and roadmap that addresses the needs of a specific market. However, creating such a vision requires taking into account numerous inputs, including feedback from prospects, customers, churned users, colleagues, and executives, as well as third-party partners, industry analysts, and investors. In environments full of disconnected teams and processes, these inputs – if they've been collected at all – live across various tools, making them impossible to leverage for decision making and prioritization.

Worse yet, the feature concepts that stem from limited insights have typically been documented in ways that are geared towards engineering execution (spreadsheets or static tools). This leaves no ability to prioritize the development of features that align with actual user needs and strategy.

While churning out features quickly can be beneficial, it's pointless if they're not the right ones.

The solution + resources

A <u>modern product management system</u> that enables everyone in the organization to provide insights and track the product's progress is advantageous for all stakeholders. It serves as a centralized repository of information that provides a single source of truth regarding the product's direction and status.

- <u>See here</u> how Productboard easily captures feedback from every corner – Zendesk support tickets to Gong call recordings to Slack messages, and many more – allowing you to capture, curate, and route feedback with a centralized system.

- Once that feedback is collected in a central space, a Productboard enables PMs to organize user needs and opportunities into a <u>flexible product hierarchy</u> — not development work items. This is the gold that goes into a roadmap, which can then be easily shared so all stakeholders have a grasp on the product vision, strategy, and timeline.

Conclusion

Transitioning from project management to product management is a challenging but rewarding journey. In fact, Bain evaluated more than 60 factors and found that "strong product management is perhaps the single most important ingredient in achieving software development goals. And it leads to better performance in the market."

Our customers and our own study in partnership with Forrester tell this same story in data. See below how advanced product management practices, like the ones discussed in this guide, drive better business outcomes:
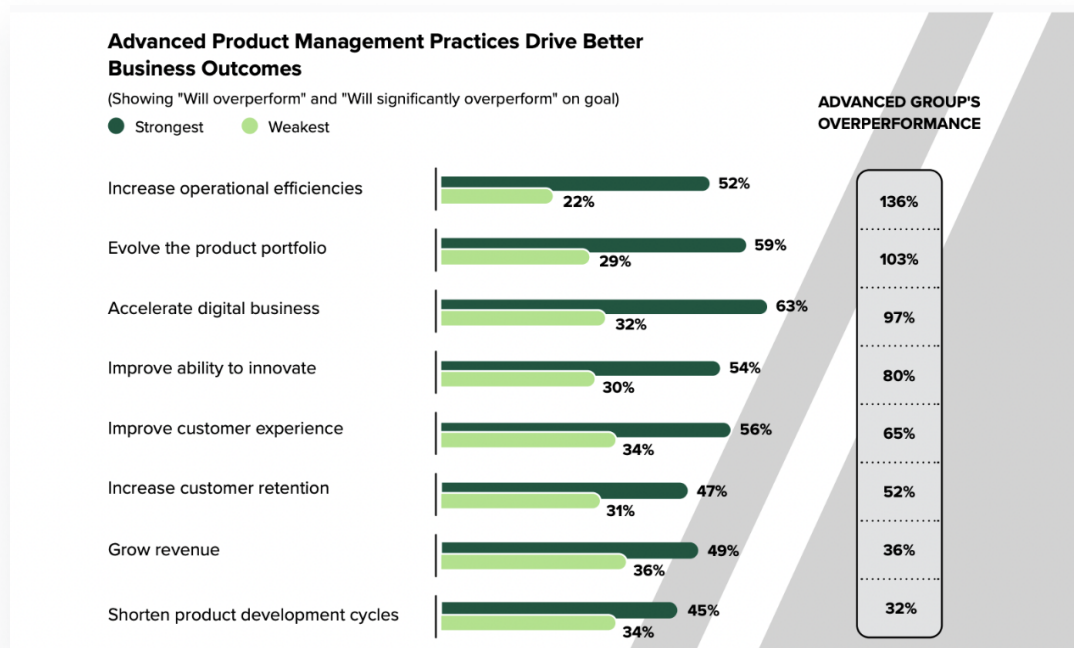
By encouraging a shift towards a product-focused mindset, investing in the right tools and the development of product management capabilities, senior leadership can foster a culture of innovation and customer-centricity, which is sorely needed to succeed in your digital transformation ambitions.

This includes providing product managers with the resources, training, and support they need to succeed in their role, as well as promoting cross-functional collaboration and communication across the organization. With the right emphasis on robust product management practices, a business can ensure that the organization can quickly and effectively develop products that meet the ongoing needs of the target market, while driving the success of the business and navigating changing markets.

About Productboard

Productboard is the customer-centric product management platform that helps teams get the right products to market faster. Over 6,000 companies, including Microsoft, 1-800-Contacts, and UiPath, use Productboard to understand what users need, prioritize what to build next, and rally everyone around their roadmap. With offices in San Francisco, Prague, and Vancouver, Productboard is backed by leading investors like Tiger Global Management, Index Ventures, Kleiner Perkins, Sequoia Capital, and Bessemer Venture Partners.

Learn more at productboard.com