

WHITEPAPER

The shift from project-based management to (digital) product-based management

December 2019

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Since the beginning of time, humanity has never ceased to evolve, nor stopped pushing the boundaries of capability, capacity and productivity. Although actual progress was painstakingly slow for centuries on end, it began accelerating incrementally this past century to finally reach the outstanding speed it has achieved today. The rate of progress is such that change has become the new constant; and with change, comes the need for adaptation. The story behind this white paper reflects just one of these particular adaptations, which, being at the heart of business management is unavoidably changing the core focus of companies striving to adapt to today's digital realities.

Before delving any further into the shift from project to product management; it's important to first understand the general terms that are implicated in this adaptation to understand the reasons behind it, its significance and its implications.

The Terminology

Project Management. Being the current “established system”, this should be a familiar term. The methodology of project management has been developed over decades as a backbone for how companies run their businesses: from product development to marketing launches to software implementations. Normally run by a project management office and/or project manager(s), who are responsible for the methodological organization, planning and implementation of work schedules using a determined set of tools. The criteria for success of project management rests on the completion of the project within desired project-dependent metrics such as timeline and budget; usually reported to a group of stakeholders

Digital Product. As its name implies, digital products are goods that exist only in digital format, or e-goods. The purpose of these goods, rather than act as possessions, is to add value to the consumer by enabling them to better perform/achieve an action or task.

Product Management. Contrary to stakeholder-centric project management; product management introduces a consumer-centric strategy. Product management focuses on the realities and needs of the market and the modern consumer whose demands have evolved. Unlike the determined methodologies of project management, product management requires the capability of cross-team organization; which has brought rise to product managers (to be differentiated from project managers). Product management is essentially the result of digital transformation (see next definition) and is what will drive businesses in the modern age – powering specific initiatives directed at specific customer problems.

Digital Transformation. A process of embracing new technologies (like machine learning, micro services, big data and IoT) and using them to change the nature of business processes, culture and customer experiences. It's not so much the existence of technologies as what they enable, and what this signifies to organizations. More than a concept, digital transformation actually determines how work will get done and transcends traditional roles like sales, marketing and customer service. If digital transformation could be defined by just one of its components, it might as well be digital product management.

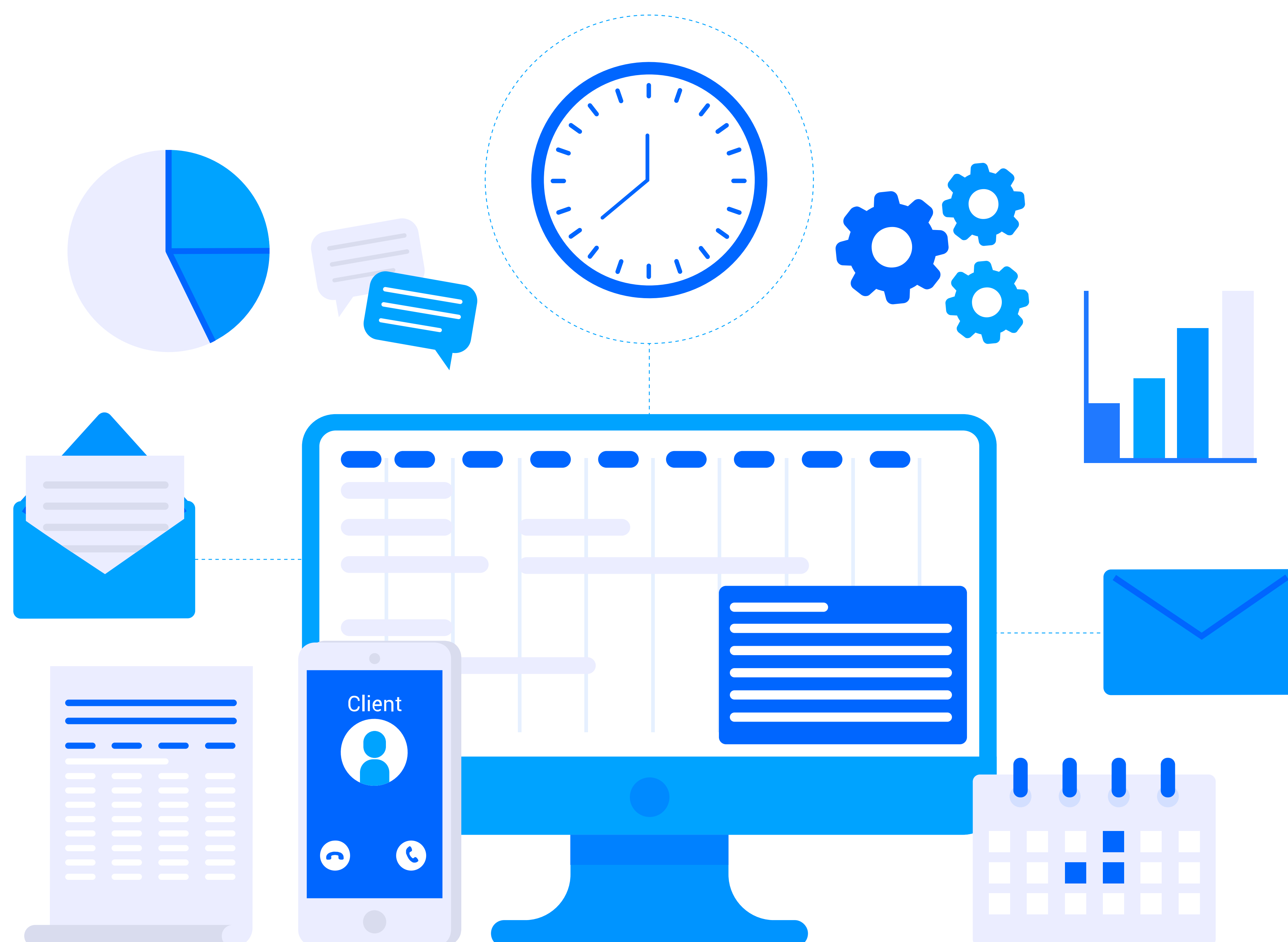
The Significance

Digital transformation requires that companies switch from a project-focused to a product-focused model in order to remain relevant and successful. This is especially true for larger enterprises; but concerns all organizations that are selling “digital products” (basically every company today). The key here is the customer. Knowing who they are, how their needs are changing in the digital economy and understanding what needs to be offered to them now. Digitalization has turned the customer into the direct consumer. So, it’s only normal that an upheaval in strategy and focus is needed for organizations to stay successful.

The Implications

Organizations tend to start their transformation when they realise conventional methods of project management are no longer suitable for the uncertainties of the new product-based model. This is where agile methods are adopted as well as a mindset to treat results as products - being that these are what will be of concern to the customer and determine actual success. It is the way of the future, so the faster companies come to terms with it, the more chance they will have of staying relevant in the future.

The shift, however, will not result from a simple implementation of rules but a revolution of thought and practice; a change in general strategy to put ‘digital’ first. Wanting it is not sufficient; the process is complex, and steps and measures must be taken to achieve it. It will take time and face its share of challenges.



- 1 First, to begin a successful digital transformation project, you need to identify the ‘problem’. Understand who your customer is and more so, what value you are offering them – within the current changing industry that is.
- 2 Once you have identified the problem, it follows that you must figure out how to solve it. Today’s constant data overload you may find yourself complaining about at times will come in handy to you at this point. There is no shortage of data – especially when it comes to identifying and segmenting your customer – you just need to discover which data you require to solve your problem and how to get it. At this point, basing your initiative on some KPIs will help keep you stay focused – whether it is that you are keen to increase sales, customer loyalty, or promote a product cross-sell... Knowing what your long-run objective is will help keep your initiatives on track.
- 3 Implementing these initiatives will require an organizational shift. As digitalization is cross-functional by nature, different organizational functions, from IT to marketing, will need to be brought together. This will imply changes in business structure, leadership and actors (see next section).
- 4 Be prepared to fail at first. With that in mind, make sure you fail soon and in a contained manner (minimising damage and time loss). Restraining initiatives to a small scale at first will allow you to: one, implement faster and learn quickly from your mistakes; two, achieve success on specific cases within the organization and base yourself on these to implement your strategy across the whole organization.
- 5 Lastly, you’ll need to measure results. Unlike the metrics determining a project’s success, conversion rates and direct customer feedback are now your key indicators. Customer-focused metrics need to be implemented to determine the success of a digital product.

The Actors

Digital transformation, as established so far, implies an organizational revolution; so, it would seem natural to look towards upper management to lead the change whether it be the CEO, CTO, CMO or other C-suite type position. However, because of the cross-functional nature of digitalization, none of these could effectively lead through marketing, finance, IT and operations single-handedly. Furthermore, one such leader would also implicate that many crucial decisions were being taken by a position that isn’t incentivized to improve customer experience – sort of missing the point altogether.

And, so, just as project management has its project managers; this is where the product manager comes in. But the similarities end there. Not one but multiple product managers are required: technically as many as there are customer issues. Ideally, every product manager should drive one specific initiative based on solving one customer problem; so, there may indeed be many depending on the organization. And this is maybe where the “shift from project-focused to product-based and customer-focused” becomes more concrete.

Product managers should possess some key qualities. First, and quite expectedly, they should possess a good understanding of customers – being as customer satisfaction is the key to future success. Secondly, and just as expectedly, they should also have a solid combination of technology and business know-how – something generally separated into IT and business functions where there is little to no cross-understanding. Lastly, interpersonal skills are crucial to operate cross-functionally, liaising across multiple departments. These product managers, or leaders, of the digital transformation need to create a flexible and interconnected environment; because, ensuring human adoption is at least as important and often harder than technical implementation.

Conclusion

Digital transformation is a strategic priority and likely a question of survival in the not so distant future. And, the wheels are already turning. As enterprises realize the necessity of a shift in strategy, they are beginning to adopt, or at least planning to adopt, a product-centric application delivery model. According to Gartner, in 2018, 40% of the companies surveyed used a product-centric model for 40% of their work; they predict this figure will rise to 80% by 2022.

Moving to a product-centric management is a necessity in the digital economy but it does also come with some complementary motivation factors:

- speed to market;
- innovation and new revenue sources as by-products of multiple, fast and diverse failures;
- increased customer loyalty thanks to a transparently innovative business;
- attracting top recruits with an agile and digitally forward environment that empowers its members.

Things are moving fast, and look set to stay that way. So, enterprises need to make sure they act accordingly and keep up, or risk missing the digital train, and losing their business altogether.

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Genius Project is designed for highly collaborative multi-project environments in the enterprise space. The system boasts innovative functions such as, a social collaboration platform, email and calendar integration, configurable and role-based workflows, as well as, calendar synchronization.

Genius Project is highly adaptable and flexible. The system's powerful features include precise analysis tools for defining key performance indicators, metrics, and risk factors that provide an accurate overview, as well as, soft booking capabilities that enable precise capacity planning and resource utilization. Progress and degree of project development can also be measured using key performance indicators (KPI).

Genius Project is compatible with industrial processes standards, such as, ISO-9001 or ISO / TS 16949, as well as, the related Advanced Product Quality Planning (APQP). For new product development projects in particular, stage gate and ad hoc reporting are available to plan projects with phases and stages. There's also the possibility of using a balanced scorecard to configure views based on individual needs. A separate Gantt chart rounds off the range of functions.

At Genius Project, special attention is paid to user friendliness and acceptance. This is particularly evident in the attractive interface and in new modules, such as the Social Collaboration Platform Genius Live!, which allows posting on a pinboard, among other things. Genius Project is designed to adapt to the individual requirements of companies and offers the possibility to be integrated into the existing system landscape, dependent on the platform or platform-independent.

Genius Project is available as an on-premise or cloud solution. For more information, visit www.geniusproject.com

