

Contents

Product Management: Positioning, Core Competencies and Organizational Integration		1
1	A Brief Introduction to Product Management	2
2	Not a Clear-Cut Matter: How Functional and Product Management Differ from Each Other	3
2.1	The Functional Manager	3
2.2	The Product Manager	5
2.3	Potential for Conflict Between Product and Functional Management	6
2.4	Definition of product management	6
3	Setting Boundaries: How Product Managers Manage Interfaces and Delegate Tasks	7
3.1	Clarification of Interfaces	9
3.2	Reasons for Delegating Tasks	12
4	A Fundamental Decision: The Positioning of the Product Manager in the Company	22
4.1	Positioning Possibilities for Product Management	22
4.2	Operational and Strategic Product Management	25
5	A Diverse Spectrum: Job Description and Job Profile of the Product Manager	26
5.1	Job Description of a Product Manager	26
5.2	Other Tasks of a Product manager	30
5.3	Interface Definition in Product Management	33
5.4	Requirements Profile of Product Managers	36
5.5	Product Orientation and Market Orientation	38
6	Open on Many Sides: The Process Levels in Product Management	41
6.1	The Dispositive Level	41
6.1.1	Market Growth/Market Share Portfolio	42
6.1.2	Market Attractiveness/Competitive Position Portfolio	46

6.2	The Strategic Level.	54
6.2.1	Product Planning	54
6.2.2	The Agreement on Goals	60
6.2.3	Strategic Conflicts	62
6.3	The Operational Level	63
7	A Complex Project: How to Introduce Product Management in the Company	66
7.1	Advantages and Disadvantages of Product Management	67
7.2	Success Factors for Implementation and Introduction	68
7.3	Recruitment of Product Managers	71
8	A Major Challenge: The Organizational Integration of Product Management	74
8.1	Organization in Strategic Product Management.	75
8.2	Organization in Operational Product Management	79
8.2.1	Assignment to Marketing/Sales Functions	79
8.2.2	Assignment to Technical Functions	80
8.3	Special Forms of Organization in Product Management	83
9	Often Neglected: The Definition of Strategic Responsibility in the Company	85
9.1	Basic Forms of Organization	85
9.1.1	The Function-Oriented Organization	86
9.1.2	The Product-Oriented Organization	86
9.1.3	The Market-Oriented Organization	87
9.1.4	The Regionally Oriented Organization	89
9.2	Definition of Strategic Responsibility	90
9.2.1	Alternatives to Strategic Responsibility	92
9.2.2	Criteria for Determining Strategic Responsibility	98
10	Product Versus System? The Way to System Product Management	103
10.1	From Marketing Management to System Product Management	103
10.2	Basic Principles of System Product Management	108
11	What Will the Future Bring? Current Trends and Developments in Product Management.	114
11.1	The Product Manager as a Profit Center.	114
11.2	The Use of Product Management Teams	117
11.3	Centralization of Competences in Product Management	119
11.4	Service Orientation in Product Management	123
12	The Implementation: Checklist for the Identification of Optimization Potentials	124

Product Marketing: Structures, Success Factors and Practical Tools	127
1 Setting the Stage: How Product Managers Structure Complex Markets . . .	127
1.1 Market Segmentation	128
1.1.1 Market segmentation Criteria	128
1.1.2 Market Segmentation Strategies	132
1.2 Product Segmentation	138
1.2.1 Product Hierarchies	138
1.2.2 Revenue and Contribution Margin Analysis (ABC Analysis)	140
1.3 Product Market Matrix	144
1.3.1 Product Market Coverage Strategies	146
1.3.2 Product Market Growth Strategies	150
1.4 Function Technology Matrix	153
2 Relevant for Success: The Most Important Control Variables for Product Marketing	155
2.1 Product and Brand Awareness	158
2.2 Product Brand and Brand Image	159
2.2.1 Number of Relevant Alternatives	159
2.2.2 Building a Product/Brand Image	161
2.2.3 Market Segmentation and Product/Brand Image	164
2.3 Performance Advantage and Product Benefit	167
2.3.1 Price or Performance Orientation	167
2.3.2 Product Benefit Analysis	171
2.3.3 Quality Function Deployment (QFD)	179
2.3.4 Practical Applications	181
2.4 Price as a Decision Criterion	185
2.4.1 The Price-Performance Ratio	186
2.4.2 The Cost-Benefit Ratio	192
2.4.3 Target Costing and Target Pricing	193
2.5 Relationship Management	195
2.6 Customer Satisfaction	197
3 Clarity Through Numbers: How the Product Manager Determines Relevant Key Figures	202
3.1 Compilation of Market and Sales Figures	203
3.1.1 Calculation of Market Figures	203
3.1.2 Calculation of Sales Figures	206
3.1.3 Product Planning and Strategic Priorities	210
3.2 Structure of the Contribution Margin Calculation	213
3.2.1 Return on Sales (ROS) Method	214
3.2.2 Return on Investment (ROI) Method	214
3.2.3 Break-Even Point (BEP) Method	215

- 4 Thinking Strategically: The Use of Strategic Analysis Tools by the Product Manager 217
 - 4.1 The SWOT Analysis 217
 - 4.2 Creation of an Influence Matrix 225
- 5 Gaining Market Share: How Effective Product Strategies Are Developed . . 227
 - 5.1 Setting the Product Market Goals 227
 - 5.2 Basic strategies in Product Marketing 228
 - 5.2.1 Overview of the Strategy Elements 230
 - 5.2.2 Strategy Development Using the Strategic Toolbox 231
 - 5.3 Marketing Mix Strategies 232
 - 5.3.1 Pricing Strategies 234
 - 5.3.2 Distribution Strategies 236
 - 5.3.3 Assortment Strategies 238
 - 5.3.4 Other Marketing Mix Strategies 238
 - 5.4 Evaluation of the Strategy Alternatives. 240
- 6 The Result: Content and Structure of a Product-Related Business Plan 242
- 7 The Implementation: Checklist for the Identification of Optimization Potentials 244

Process-Oriented Product Management: Work Processes, Process-Oriented Marketing and Innovation Management 247

- 1 Creating Clarity: How Product Managers Make Their Work Process-Oriented 247
 - 1.1 Temporary Work Processes 248
 - 1.2 Permanent Work Processes 250
- 2 Always on the Ball: The Development of Measures for the Design of the Product Life Cycle 253
 - 2.1 The Life Cycle Model 253
 - 2.2 Product Versus Market Life Cycle 256
 - 2.3 Age Structure Analysis of Products 258
 - 2.4 Marketing Mix in the Product Life Cycle 261
- 3 The Supreme Discipline: Active Purchase Process Management by the Product Manager 265
 - 3.1 The Customer Buying Process 265
 - 3.2 Analysis of the Purchase Process 269
 - 3.3 Determining the Marketing Mix Specific to the Purchasing Process . . 274
- 4 On Course for Growth: Developing Innovative Products and Successfully Launching Them on the Market 277
 - 4.1 The Innovation Process 277
 - 4.2 Situation Analysis/Problem Identification 280
 - 4.3 Idea Collection/Generation 281
 - 4.4 Systematic Idea Acquisition/Storage 282

4.5	Idea Evaluation/Selection and Decision	284
4.6	Market Launch Concept and Plan	286
5	Maintaining an Overview: Using Roadmaps as an Important Communication and Control Tool	289
5.1	Purpose of a Product Roadmap	289
5.2	Roadmap Contents	289
5.3	Roadmap Types	291
5.3.1	Product Roadmap	292
5.3.2	Technology Roadmap	293
5.3.3	Market/Strategy Roadmap	293
5.3.4	Development Roadmap	294
5.3.5	Vision/Mission Roadmap	294
5.4	Target Groups for Roadmaps (Internal/External Roadmaps)	295
5.5	Legally Binding Nature of Roadmaps	295
5.6	Hybrid Roadmaps	296
6	Agile Product Management: Product Development and Further Application Possibilities	296
6.1	Reasons for the Use of Scrum	298
6.2	The Basic Idea of Scrum	298
6.3	Participants in the Scrum Process	298
6.4	Main Elements in the Scrum Process	300
6.5	The Scrum Process	303
6.6	Tasks of the Product Owner in the Scrum Process	304
7	The Implementation: Checklist for the Identification of Optimisation Potentials	305
	Further Reading	307
	Index	309