

# Managing Products to Deliver Solutions

25 Best Practices for B2B Product Management



by John Mansour

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B2B PRODUCT MANAGEMENT TRAINING

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# Definitions

**B2B** is defined as businesses that sell products and services to other businesses. The businesses buying those products and services may serve other businesses (B2B2B) and/or consumers (B2B2C). The best practices in this book support both.

The term “**product**” refers to physical products, software, professional services, and services delivered through a technology platform regardless of distribution channels, business models or deployment methods.

“**Product Management**” refers to the following roles and/or functions:

- Product Managers
- Product Portfolio Managers
- Product Owners
- Business Analysts (product specific)
- Product Marketing Managers
- Industry/Solution Marketing
- Market/Product/Portfolio Strategy

“**Customer**” is defined as your existing customer organizations as well as organizations that are not yet your customers but considered “target customers.”

# Foreword

## What Makes B2B Product Management So Unique?

*Business Solutions Are the End Game – Products Are The Means to the End!*  
Managing products in a B2B organization is markedly different than in a B2C organization for the simple reason that businesses value multi-product solutions more than best-of-breed products. While it's true that in theory, you would use the same principles to identify and meet market needs universally across audiences, the approach is radically different when you're managing products to deliver "high-value business solutions" versus "building great products."

## The Consumer-Product (B2C) Roots of Product Management

The profession of product management was born from principles established in consumer-product brand management, where everything revolves around the success of each product. Fast-forward to today, where product management is a well-established profession globally, and the philosophy of "creating successful products" lives on. As you're about to learn, this will only get you so far in a B2B environment.

It's not that "building great products" isn't a worthy goal. The trouble is, that goal places far too much emphasis on the needs of individual users. **And that's the precise point where B2B practices diverge from legacy B2C product management practices.**

## Three Things That Make B2B Product Management Unique

1. **A Wider Lens is Required to Uncover the Needs of a Business**

When you step into a product management role in a B2B organization, the focus is primarily on the needs of users, regardless of what the job description says. In B2B though, the most critical needs aren't the needs of your users. They're the

needs of senior managers and executives responsible for defining strategic initiatives, growth and profitability goals. Ultimately, product solutions have to target user activities that have the biggest impact on those goals.

Identify the biggest obstacles standing in the way of those higher-level goals, and... the products/services required to create the solutions will be intuitively obvious;

- o those solutions will have significantly greater value to the market than any single product;
- o your marketing value propositions will be crystal clear to everyone; and
- o your sales teams will improve their credibility and their win rate.

## 2. **Businesses Value Solutions More Than Products**

In B2B, your customers value integrated, multi-product solutions more than best-of-breed products. Why? It's simple – those solutions have a much greater impact on the strategic goals of their organizations as compared to the value of a single product.

Consider the definition of a business solution from your customer's perspective. They would define it as a goal followed by an initiative required to support that goal.

Let's say your organization targets paint retailers. The paint retailer would describe a solution as follows: *“Create a more unique in-store experience to differentiate from big-box retailers (the goal) by reinventing the way customers buy paint (an initiative required to support that goal).”*

Solutions of that magnitude rarely, if ever, consist of a single product. But understanding the business solution from the customer's perspective translates directly into the goal of your product solution and makes it easy to identify the products in

your portfolio that most effectively deliver the highest value solution. Great products are the result of creating those solutions.

### 3. **Product Management is More Than Just Product Managers**

If your product management team consists only of product managers, each working in a silo to create great products, then you're essentially building best-of-breed products for customers that value integrated solutions.

In B2B, there has to be another role (additional headcount rarely required) that “complements” product managers and improves their effectiveness. That role has no day-to-day product responsibilities and owns the upstream activities required to uncover customer goals and needs at the senior manager and executive levels. For the sake of simplicity, let's call this role a “*problem-finder*.”

Product managers (*problem-solvers*), in typical fashion, determine the customer activities, processes and workflows that have the biggest impact on those higher level business needs. Then, they go about identifying user-specific needs to determine which products are relevant and how to best utilize them to deliver the highest value solutions possible. Often, new products will be required to complement existing products to create the solution.

In B2B, products have to be managed first and foremost, with the intent of creating solutions that have far more value than any single product. Continuous improvement of existing products is a big part of that equation. When that's not the case, competing silos, constantly changing priorities, false starts, stops and shifts in direction become the norm. As long as this is the status quo, growth, profitability and differentiation become more and more challenging.

Enjoy reading these 25 best practices for B2B product management. When high-value solutions are the goal, successful products are the result!



## **5. Five Questions That Keep Product, Marketing and Sales In Step With the Market (and Each Other)**

In the midst of constant chaos, it's easy to lose market focus. Product is going in one (or many) directions, marketing is saying something completely different, and sales is selling to anyone who has money.

Answer the following five questions to keep your product direction, marketing messages and sales focus on the straight and narrow. Answers should be short, to the point and highly visible throughout your organization.

- 1. Which market segments are most conducive to meeting our revenue and profitability goals in the short and longer term?**  
Don't answer the question for each product. Answer it for your entire portfolio, i.e., your company. Remember, what you are ultimately looking for are groups of organizations with similar needs that align best with the strengths of your company.
- 2. What are the biggest “market challenges” we can help those organizations overcome?**  
Think like the CEO of your customers and answer the question from that perspective. Competition, government regulations, investor pressures, shifting workforce demographics and other similar dynamics are the types of challenges that usually bubble up to the surface.
- 3. What departments and business functions of the customer organization are most impacted by the dynamics of their market, and why?**  
Draw a high-level org chart of your customers and highlight the departments in these companies most impacted by those market dynamics. Then highlight the departments you can best support (another portfolio, not product, answer). Your hot spots are the departments where there's overlap.

4. **Which activities or processes in those departments, if changed, would help these organizations remove the biggest obstacles to their goals?**

Keep the answers simple: Take an order, process a payment, discharge a patient, etc.

5. **What is the real mission of our product portfolio?**

As we talked about in Best Practice 1, this is a simple phrase reflecting something that's highly valued by your customers and supported by your core strengths.

- “To help our customers get more subscribers at a higher average subscription fee.”
- “To help our customers further differentiate from big-box retailers by reinventing the way their customers buy paint.”
- “To help our farm customers achieve higher yields with lower input costs.”

In B2B, **your** (portfolio) **mission** is to help your customers achieve **their goals**, from the top of the organization down to the activities in the trenches. The more visible their top-to-bottom goals, the easier your product priorities, marketing messages and sales goals become.