

Can You Outsource Product Management?

By Alyssa Dver

It seems preposterous to outsource a strategic function like Product Management. The job requires a tremendous amount of intimate knowledge about the company, its customers, partners, and everyone's future plans. A product without a full time product manager is like a ship without a captain. All hands on deck don't quite cut it when someone needs to make ultimate decisions and ensure that everyone is rowing in the same direction. So the idea of outsourcing this job seems not only to be a bad idea, but it's probably close to impossible. Right?

In any job market, finding talented Product Managers (PMs) is tough. Product Managers don't come out of college with majors in product management or resumes that state it as an objective. If not expensively recruited from other companies where they are already successful, Product Managers are often taken from the internal ranks of engineering or pre-sales support. Whether sequestered because no one else wanted to do it or they simply have a knack with customers (i.e. "a personality"), Product Managers are often created by the organization that just can't find someone otherwise. No wonder there are so few qualified PMs.

So whether the organization has a PM (good or not) or you don't have anyone at the moment, the question is "Can you outsource some or all of the function to a third party?" The answer is "sort of". Similar to the increasing popularity of part-time CFOs, part-time PMs can provide a stop gap for organizations unable to fulfill the job requirements internally. It may be unwise for an outsider to speak on your company's behalf at an industry conference or in front of sales prospects, but other tasks should be considered. For example, gathering product requirements is sometimes best handled by an outsider. Be sure to use a consultant with experience close to or at least on the same technical level as your product. You want to minimize the consultant's educational curve for your product and associated lingo. An appropriate consultant can interview internal and external people to extract product requirements and then help prioritize the requirements by applying their expertise in asking the right questions. Don't hire a telemarketing company to do this as the essence of requirements development is asking "why", not "what". Experienced PMs know how to probe "why" with associated questions like: "How is that done otherwise today?", "What happens if that feature isn't added to the product?", and "What other ways can that function be done?" Experienced PMs also know when enough information has been gathered and more would only add to the cost and continued risk of missing a critical market window.

Other product management functions that can be outsourced include project management during development, beta, or pre-release sales and marketing preparation. It may be a little hard at first for an outside person to coordinate multiple internal parties but surprisingly, outside people have less to lose by reporting up to management actual project status. Competitive analysis and pricing are often outsourced given their bounded, objective nature. However, other things to consider outsourcing are:

- Conduct a release debriefing to understand what went well and not so well during a release so that the next one can be improved
- Win/loss reporting (usually sales doesn't do it or if they do, it is often very biased)
- Positioning & marketing message validation
- Web site review and alignment
- Sales tools development and review
- In-depth general qualitative quality checks with customers on the perceived effectiveness of the product and organization
- Planning and managing product launches
- Setting up and running a customer feedback council

All of these projects can be done by an outside product management consultant who calls into customers and prospects as a neutral third party expert. On a reasonable small scale, these projects can be done without spending enormous amounts of time and money.

Essentially, you can consider using an experienced, outside PM to talk to your market to help uncover or validate issues that your internal politics or lack of resources currently prevent.

Every product needs a strong Product Manager but finding one is much easier said than done. While you search for the ideal PM or perhaps need help to augment the PM you already have, consider using an outside PM consultant. It's not the ultimate permanent solution but it can definitely help keep the product moving in the right direction quickly and affordably. Even when you do find that perfect Product Manager to bring in full time, you probably don't want them bailing out months of backlog work. Keep your organization in shipshape condition by using a product management consultant to help you through potential rough waters while you search for the ultimate treasure of a talented fulltime product manager.



About the Author:

Alyssa Dver is a Senior consultant for the 280 Group and a product management and marketing expert.. She is the author of the global best seller, “Software Product Management Essentials” (www.swproductmanagement.com). Dver frequently writes for publications including BusinessWeek, Forbes, Entrepreneur Magazine on both technology and business topics. She is also the CEO of Wander Wear Inc. (www.wander-wear.com), a company focused on preventing kids from getting lost.

The 2007 4th Anniversary Printing of Software Product Management Essentials is now available. Books purchased through www.swproductmanagement.com will receive electronic access to all the templates FREE (a \$17.95 value).

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