

4. Strategic Management

4.1 Essentials

- Activity on corporate (or organizational) level
- Iterative process to achieve consensus over and consistency between
 - company vision
 - company strategy
 - product strategies (or platform or family strategies)
 - shorter term implementation plans e.a.
- Objective:
 - Develop corporate (or unit) strategy
 - Reevaluate and maintain corporate strategy over time
 - Monitor its implementation over time

4. Strategic Management

4.1 Essentials

- C-level task
- SPM involved in different roles
 - Input
 - Participation
 - Use of outputs



4. Strategic Management: 4.1 Essentials

SPM Involvement

Area \ SPM involvement	Input	Participating	Use of output
Corporate Strategy (in total)	X	-	(P)
Market Analysis	(X)	(X)	X
Product Analysis	(X)	(X)	X
Portfolio Mgmt.	X	(X)	X
Innovation Mgmt.	X	(X)	X
Resource Mgmt.	X	(X)	X

X – typically yes, (X) – sometimes, (P) – partially, - - typically no

4. Strategic Management

4.2 Corporate Strategy

- vision, mission, values and goals
- corporate positioning
- business model and financial plan
- product portfolio and its evolution
- resource and competency evolution
- technology trends and innovation strategy
- market trends and competitive strategy
- policies and governance

Strategic Timeframe:
up to 5 years or more

4. Strategic Management: 4.2 Corporate Strategy

Corporate Planning Cycle

- Strategic Planning of Company Resources
 - Tied to business cycle (e.g. ABB 1x, IBM 2x per year)
 - Defines which resources (budget, people, infrastructure, etc.) will be dedicated to the company's operations.
 - Synchronization point between company's operations.
- Product manager represents her/his product
 - Marketing and sales planning, including forecasts
 - Budget and resource planning
- Managers stand in competition to each other
 - Common strategic company goals
 - Need for resources

4. Strategic Management

4.3 Portfolio Management

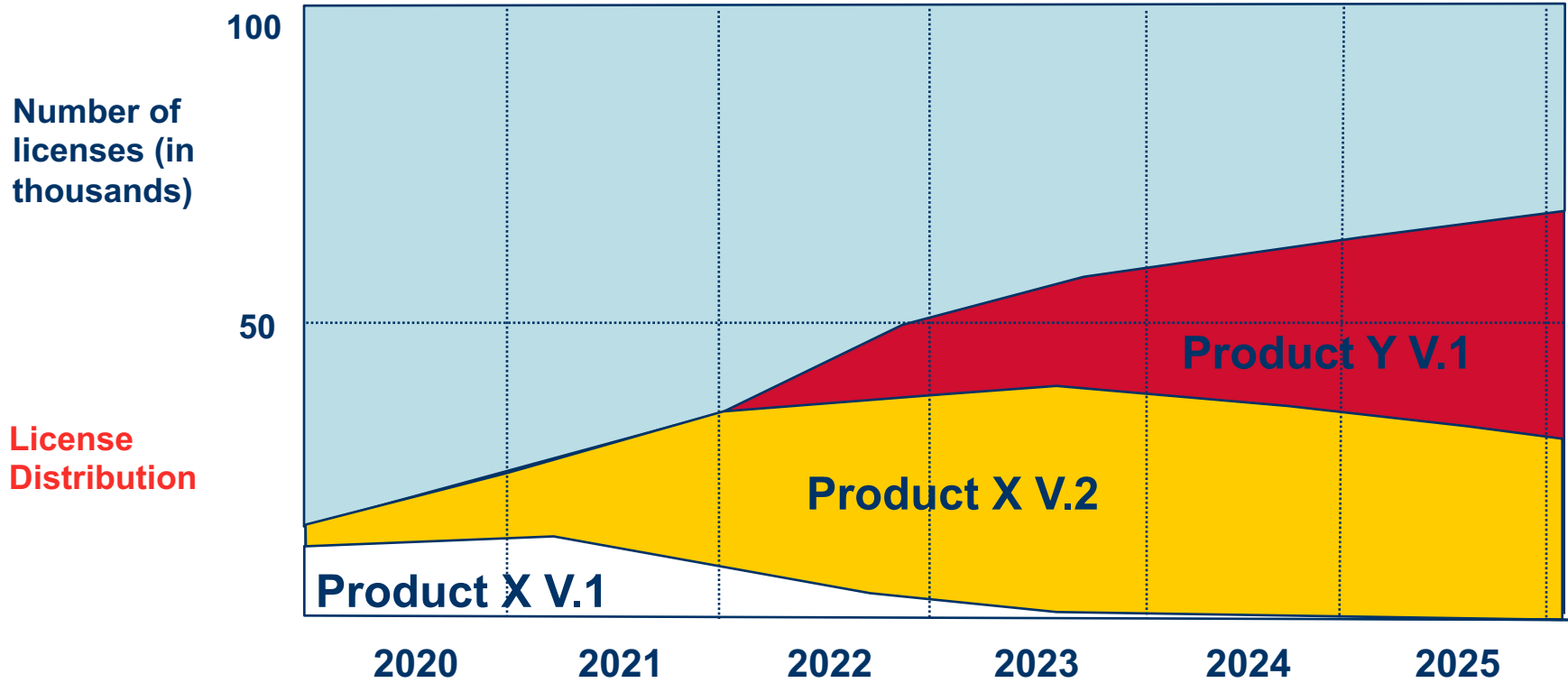
- Approach to define the investment strategy with regard to the products the company intends to offer in the strategic timeframe
- The management of the product portfolio is in the responsibility of the executive management of a software company (sometimes implemented with the help of a staff, e.g. for corporate strategy)
- The individual product manager represents his/her product
- Objectives of portfolio management:
 - Sustainable commercial success of the company
 - Optimal allocation of investments



Mills

4. Strategic Management

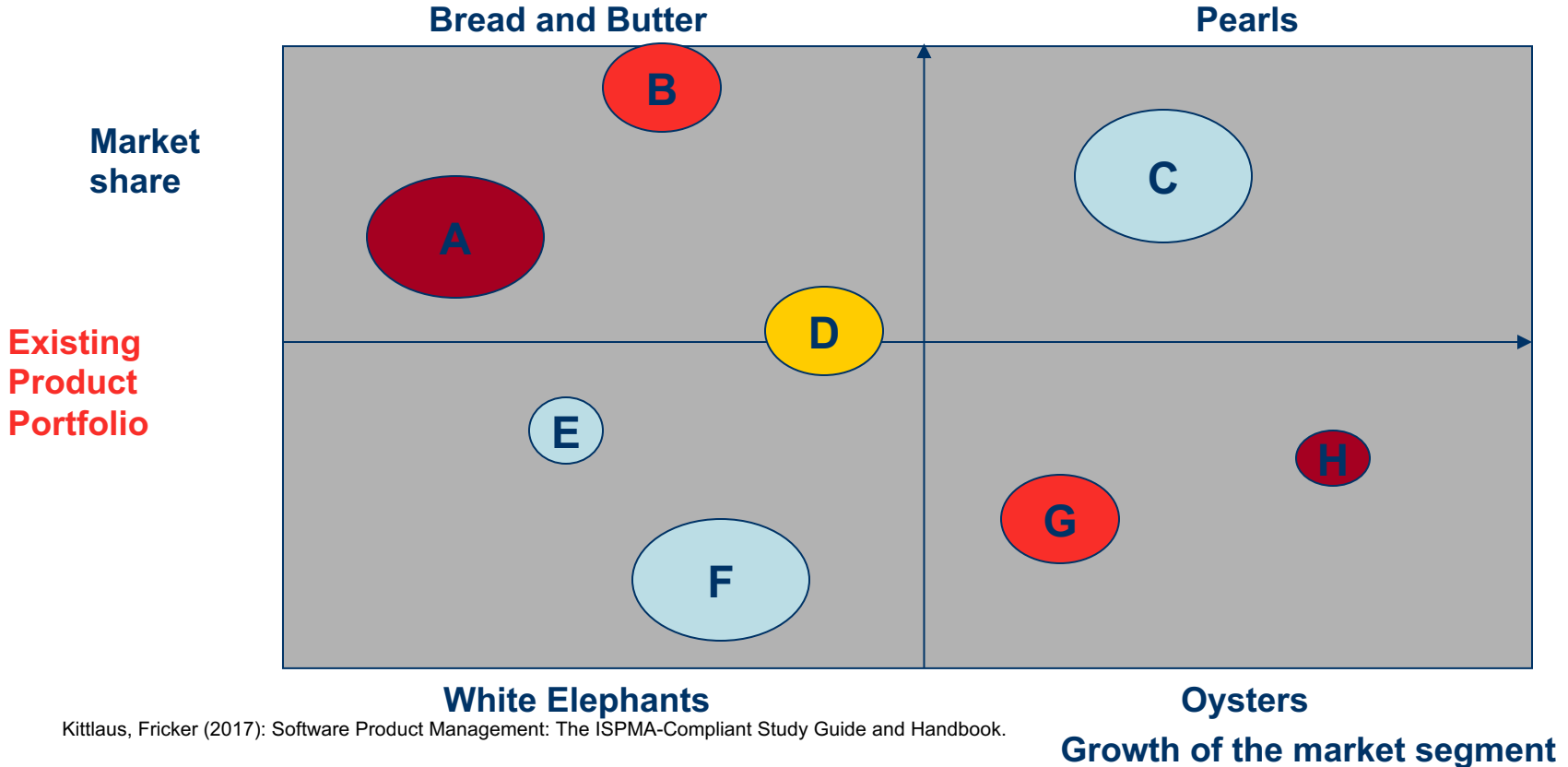
4.3 Portfolio Management



Kittlaus, Fricker (2017): Software Product Management: The ISPMA-Compliant Study Guide and Handbook.

4. Strategic Management

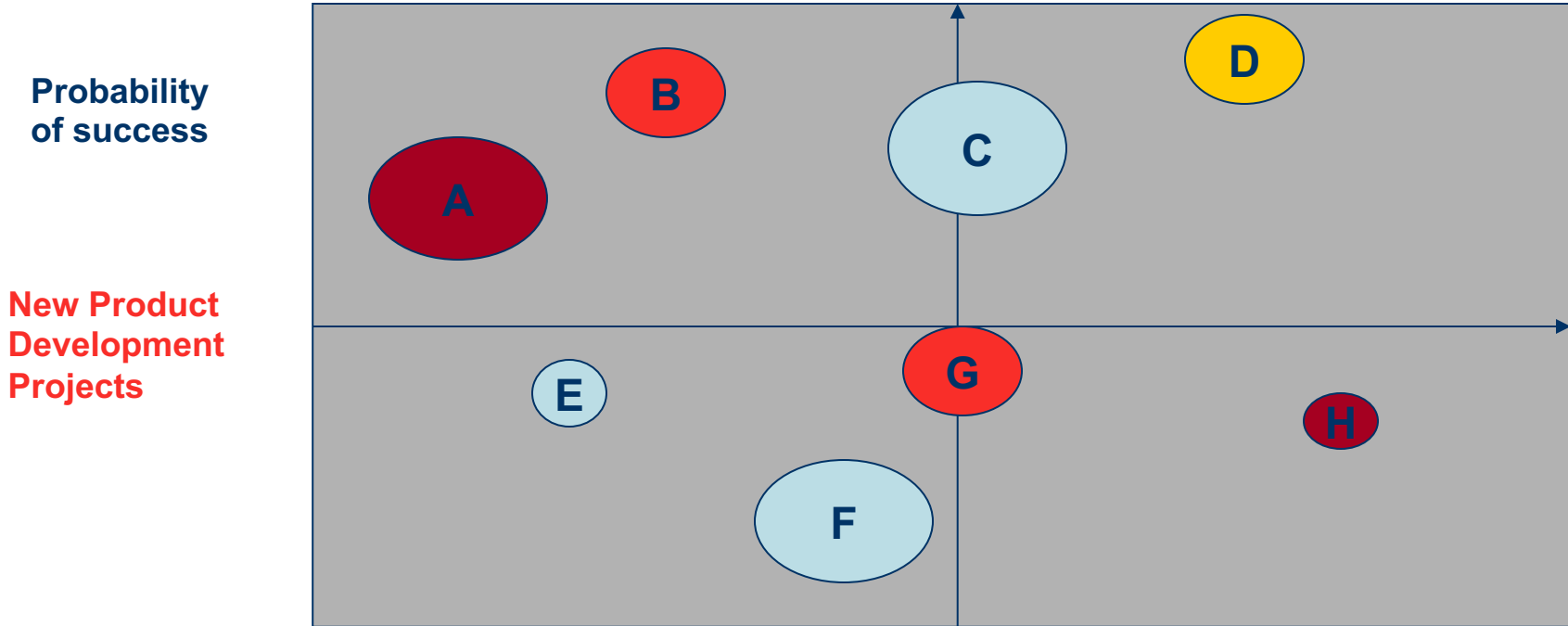
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4. Strategic Management

4.3 Portfolio Management



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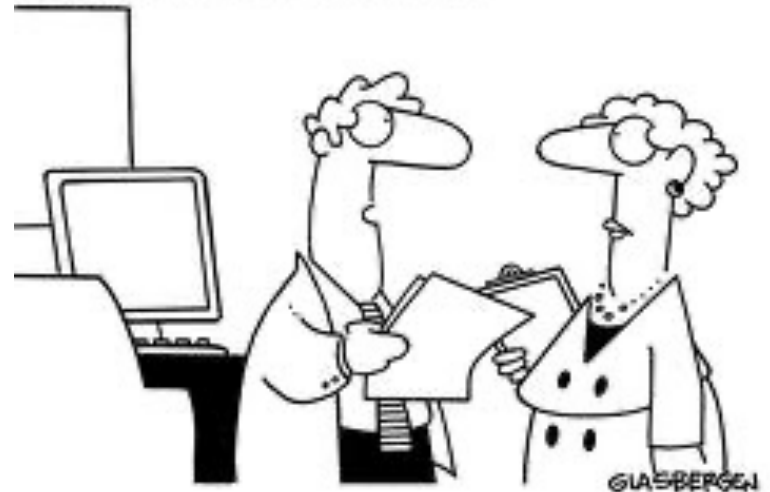
Expected profit

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4.4 Innovation Management

Definitions:

- Invention:
1st occurrence of an idea for a new product or process
- Innovation:
1st attempt to carry the idea out in practice

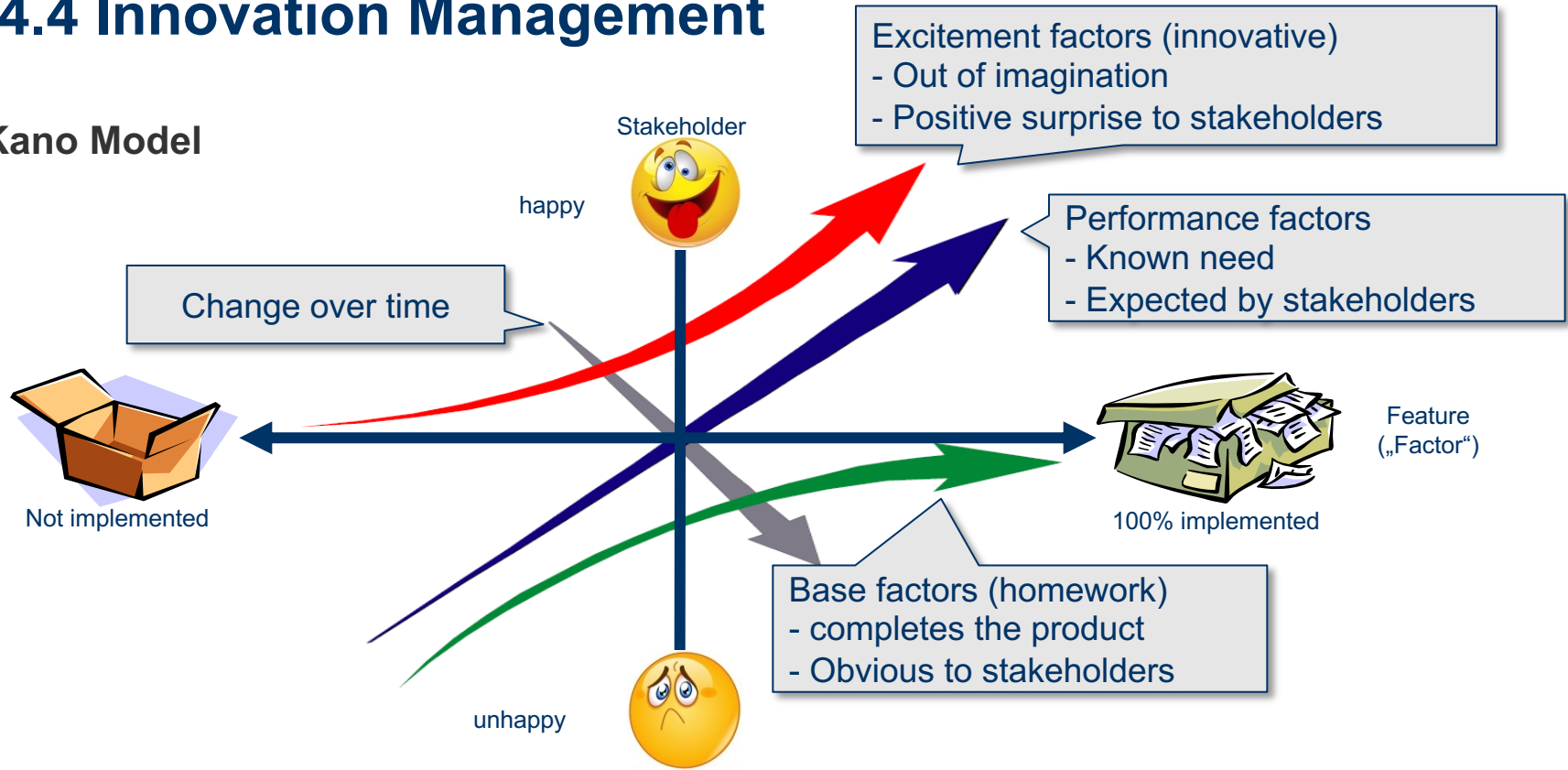


"My team has created a very innovative solution, but we're still looking for a problem to go with it."

4. Strategic Management

4.4 Innovation Management

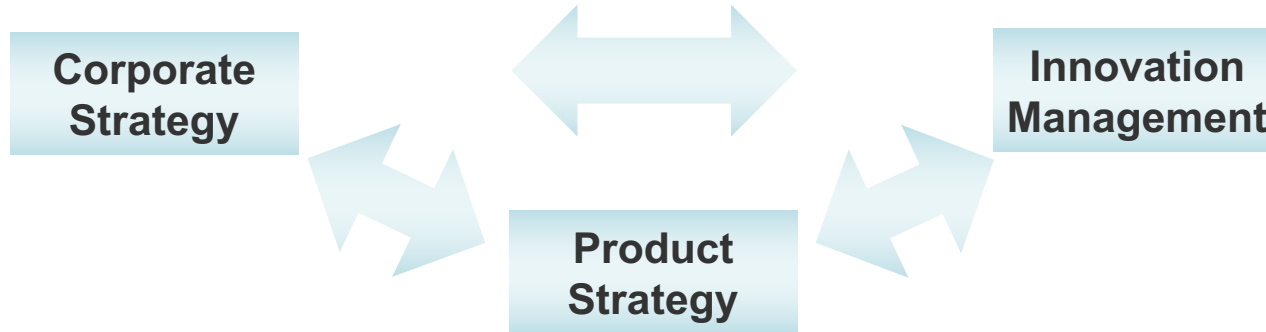
Kano Model



Kano (1984): "Attractive Quality and Must-Be Quality", Journal of Japanese Society for Quality Control 4:39-48.

4. Strategic Management

4.4 Innovation Management



- Innovations need to be addressed in corporate strategy and product strategies
- Corporate strategy can set directions for innovation management
 - Resource allocation
- Product manager needs to ensure that product benefits from innovations

4. Strategic Management

4.5 Resource Management

- Continuous alignment of resources (in particular human) with the corporate strategy
 - Skills
 - Numbers
 - Age distribution
 - Locations
- SPM needs to ensure that the resource requirements that result from the product strategy and plan are fulfilled



4. Strategic Management

4.6 Compliance Management

Compliance:

the act of obeying an order, rule, or request

- Legal: relevant **legal** or **regulatory** requirements
- Non-legal: relevant external or internal standards and guidelines, e.g. in the areas of **sustainability or ethics**



The Sustainability Awareness Framework



<https://ethicalexplorer.org>

4. Strategic Management

4.6 Compliance Management

Compliance Management:

- Management of the decision process
 - what is relevant
 - what do we want to comply with
- Governance
- Participation and influencing

4. Strategic Management

4.7 Market Analysis

- Focus: Status and forecast for
 - Market characteristics and size
 - Technology
 - Competition
- Input from Market Research
 - Internal team
 - IDC
 - Gartner
 - Forrester Research
 - ISVWorld
 - Niche specialists



4. Strategic Management: 4.7 Market Analysis

ISVWorld

- Largest global software industry database, covering about 120K software companies from over 75 countries
- Automated data collection and – classification processes (semi-) public information from 100- 500 sources per ISV
- Data is searchable on many criteria, for example:
 - Application type, Industry, Technology
 - Size, Location (Sales/HQ)
 - SAAS/Cloud and other “ Ecosystems”
- Includes market statistics and financial benchmarks



4. Strategic Management: 4.7 Market Analysis

Gartner Group Magic Quadrant

Gartner
Magic Quadrant for
Unified Communications
as a Service



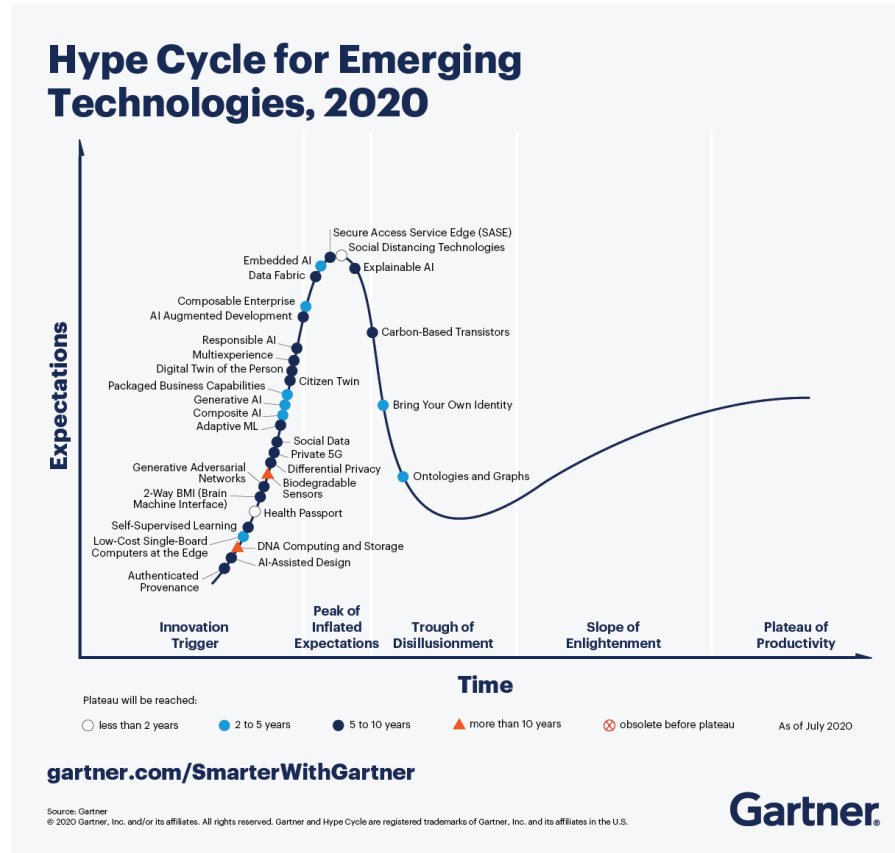
4. Strategic Management: 4.7 Market Analysis

Gartner Hype Cycle



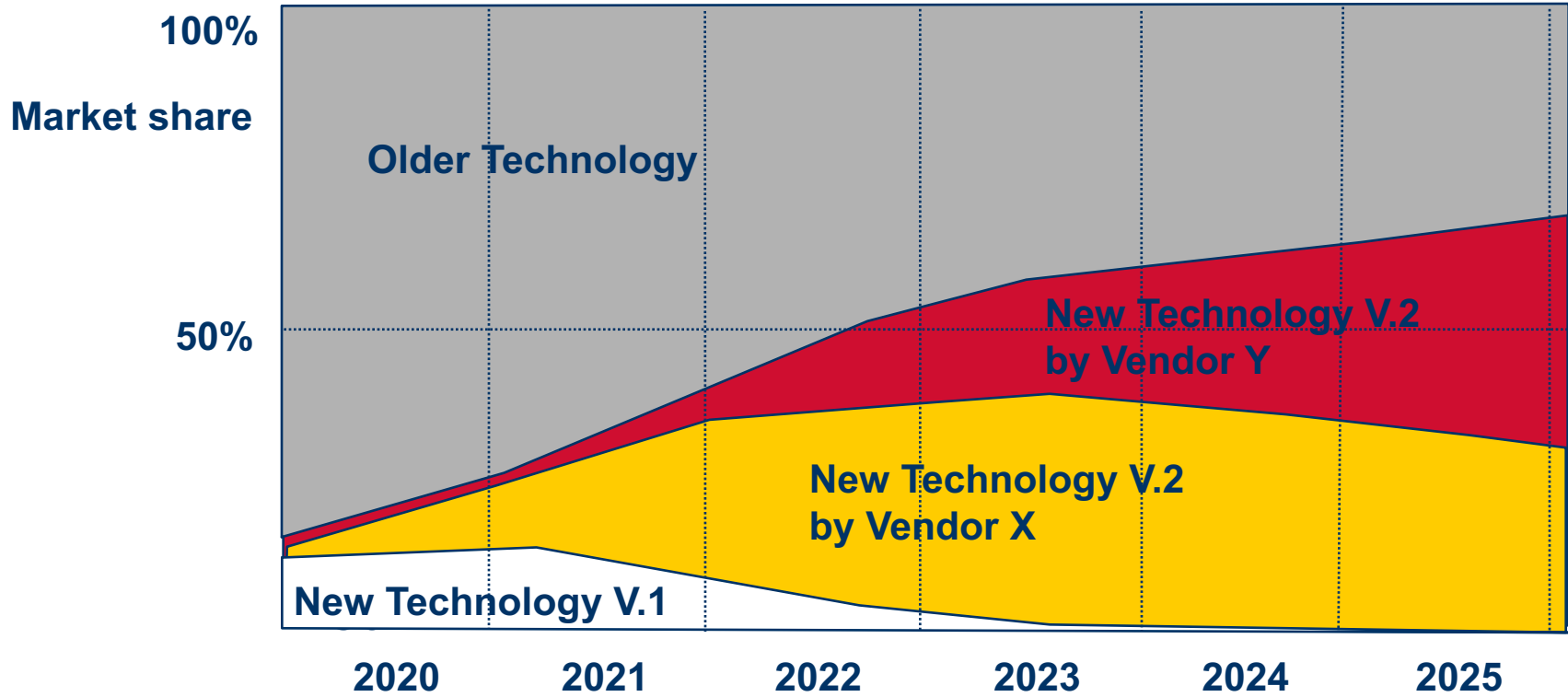
4. Strategic Management: 4.7 Market Analysis

Example: Emerging Technologies



4. Strategic Management: 4.7 Market Analysis

Penetration of Technology Generations



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4. Strategic Management

4.8 Product Analysis

- Focus: Status, history and forecast for
 - Product business performance (→ 2.9)
- Sometimes corporate standards
- Input from
 - Finance
 - Controlling
 - Marketing
 - Sales



Agenda

4. Strategic Management

5. Orchestration of Functional Areas

5.1 Development

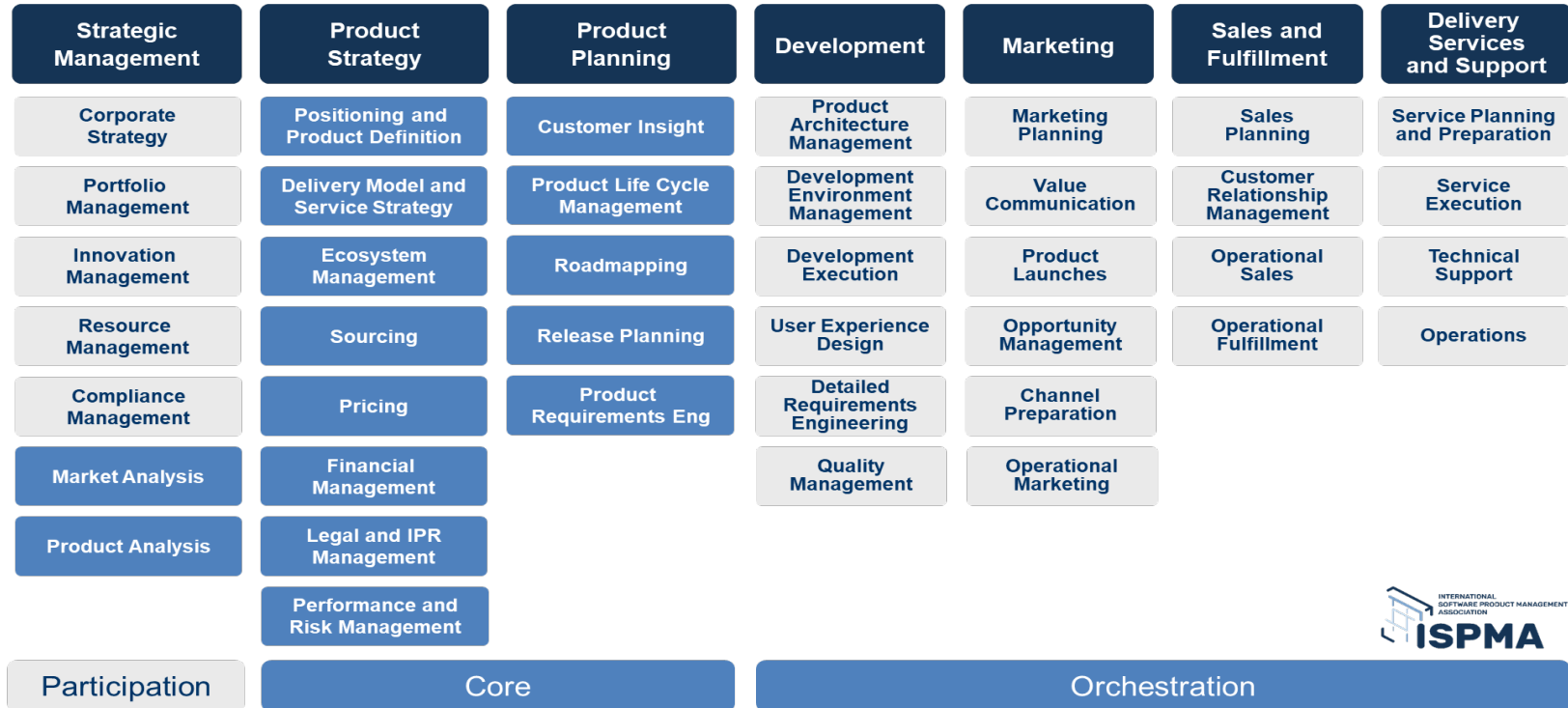
5.2 Marketing

5.3 Sales and Distribution

5.4 Service and Support

5. Orchestration of Functional Areas

ISPMA SPM Framework (V.2.0, 2021)



Activity under SPM responsibility **Activity** under other function's responsibility

ISPMA reference architecture v 2

5. Orchestration of Functional Areas

SPM Interfaces

SPM Interface Definition with other areas / units

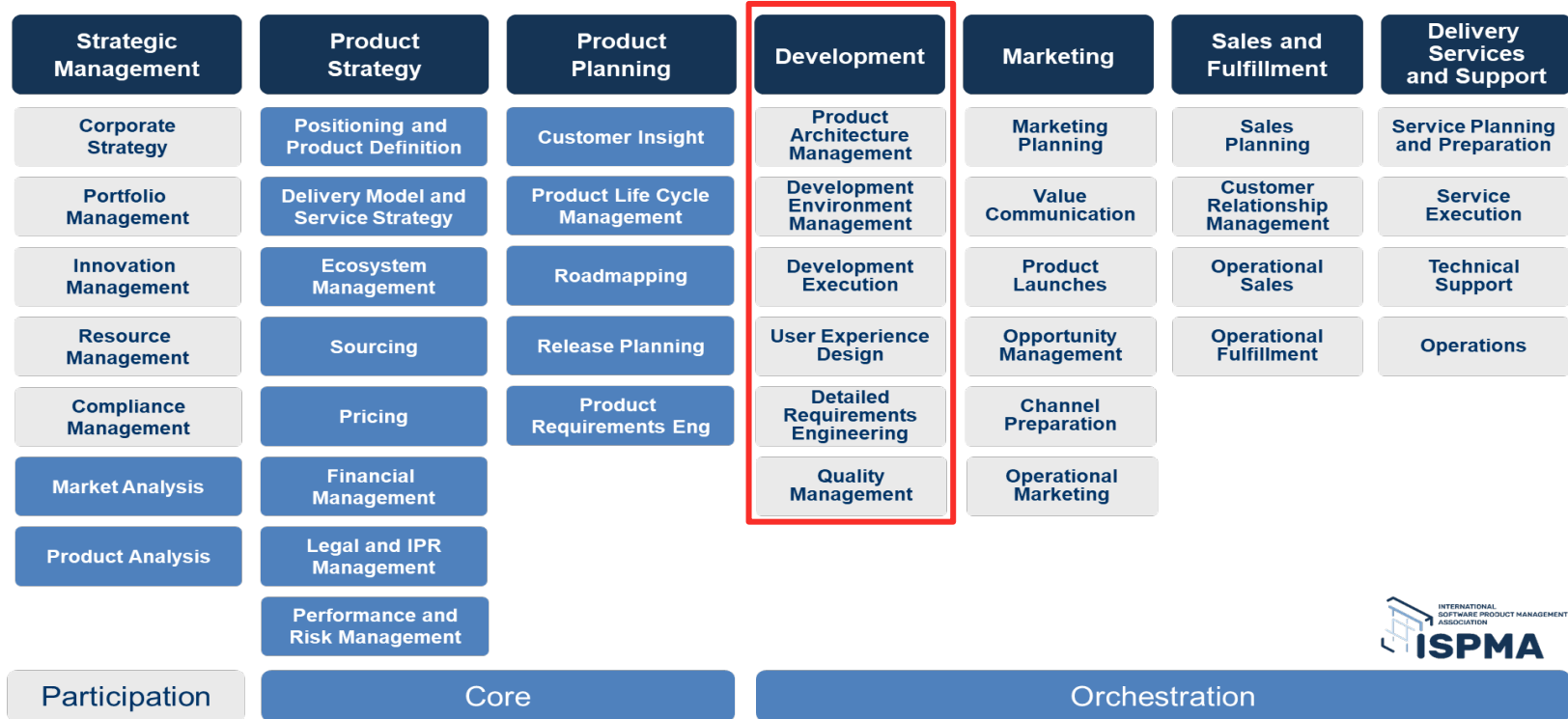
Dimension	Description
Roles	What are roles and reporting relationships?
Activities	What work is done by whom?
Artifacts	What artifacts are exchanged between SPM and R&D during a software development project?



FreeDigitalPhotos.net

5. Orchestration of Functional Areas

5.1 Development



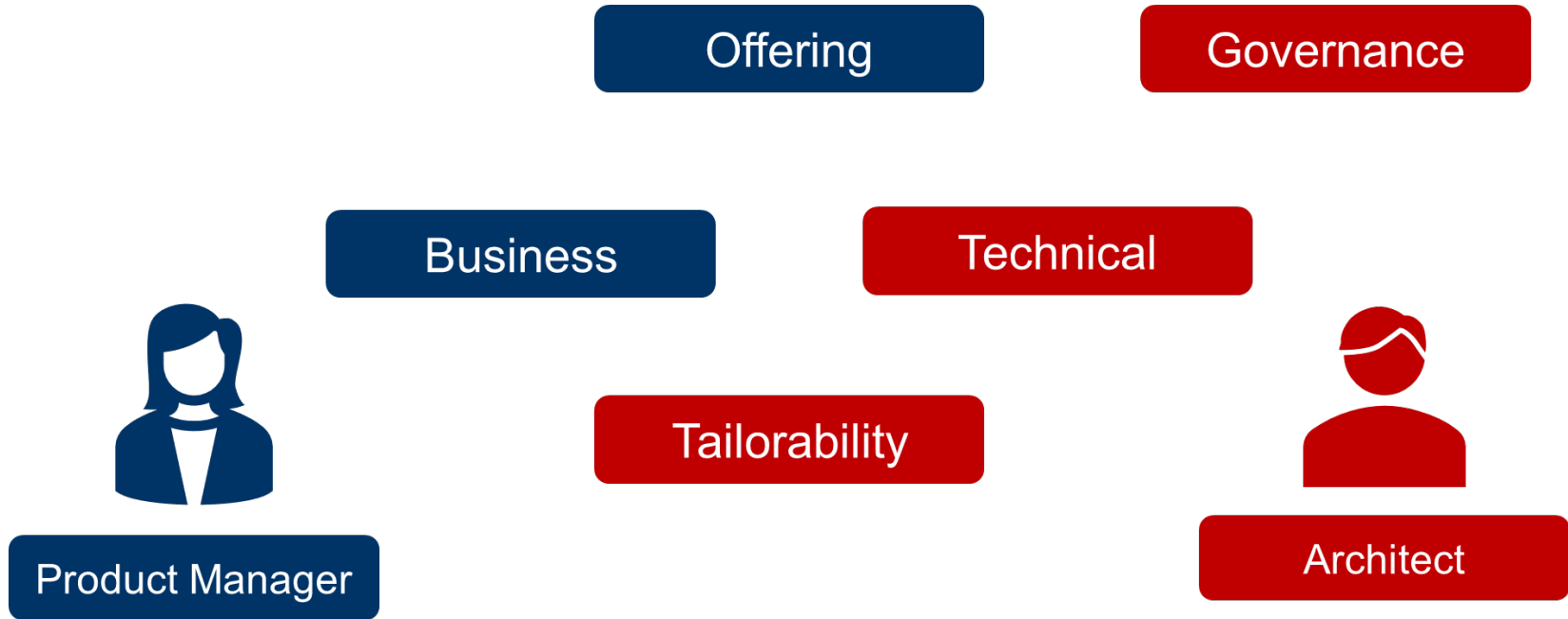
Activity under SPM responsibility **Activity** under other function's responsibility

ISPA reference architecture v 2

5. Orchestration of Functional Areas

5.1 Development: Product Architecture Management

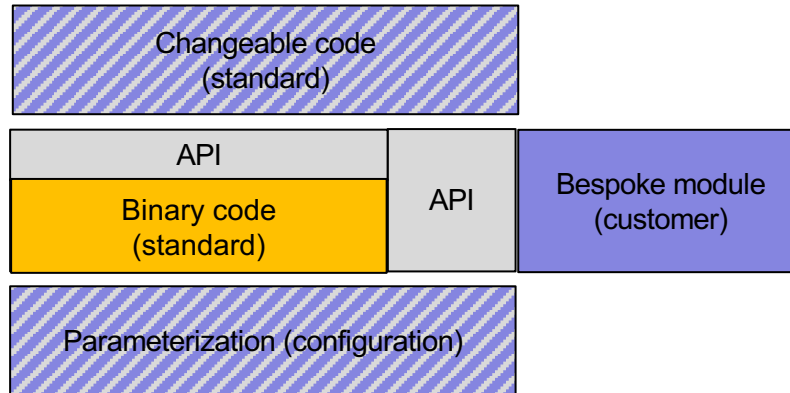
Architecture Dimensions



5. Orchestration of Functional Areas

5.1 Development: Product Architecture Management

- **Product Architecture Management**
 - done by specialized technical architects
 - significant impact on a software product with regard to evolution and flexibility
 - enabler for competitive edge and market differentiation, e.g. defining technology



5. Orchestration of Functional Areas

5.1 Development: Product Architecture Management

Architecture dimension	SPM	Architect
Offering architecture	Lead – define separately priced components of the product (suite, platform) offering, and tailorability options.	Ensure technical feasibility including access management, support for licensing and pricing approach, etc.
Business architecture (only for application software)	Lead – define domain-specific architecture, i.e. a logical data model, process model, business object model, etc.	Ensure that technical architecture supports the implementation and change management of the business architecture.

5. Orchestration of Functional Areas

5.1 Development: Product Architecture Management

Architecture dimension	SPM	Architect
Technical architecture	Define the relevant strategy elements such as the delivery model, pricing approach, release approach, quality scope, and IT stack requirements.	Lead – define the technical architecture in line with the business architecture and strategic and technical requirements, e.g. IT stack, programming languages, etc.
Tailorability architecture	Define the tailorability strategy as part of the delivery model in line with the ecosystem strategy and sales and marketing strategies.	Lead – Define the tailorability architecture as part of the technical architecture in line with the tailorability strategy.

5. Orchestration of Functional Areas

5.1 Development: Product Architecture

Architecture dimension	SPM	Architect
Governance	Ensure that development activities remain consistent with the planned offering, business architecture and compliance goals.	Lead – ensure that development teams implement in line with the defined technical architecture, and that the technical architecture is only changed based on a well defined and controlled process.

5. Orchestration of Functional Areas

5.1 Development

- **Development Execution**
 - In projects or continuous
 - Software development (from technical specification to source code and documentation)
 - UX design and implementation
 - Documentation (internal like specifications or technical manuals)
 - Execute release plan
 - Participate in release planning and roadmapping
 - Participate in launch activities and partner communication
- **Detailed Requirements Engineering**
 - Part of development execution responsibility
 - Synchronization and tracking with product requirements
 - Process similar to product requirements engineering
 - Contents more detailed and technical

5. Orchestration of Functional Areas

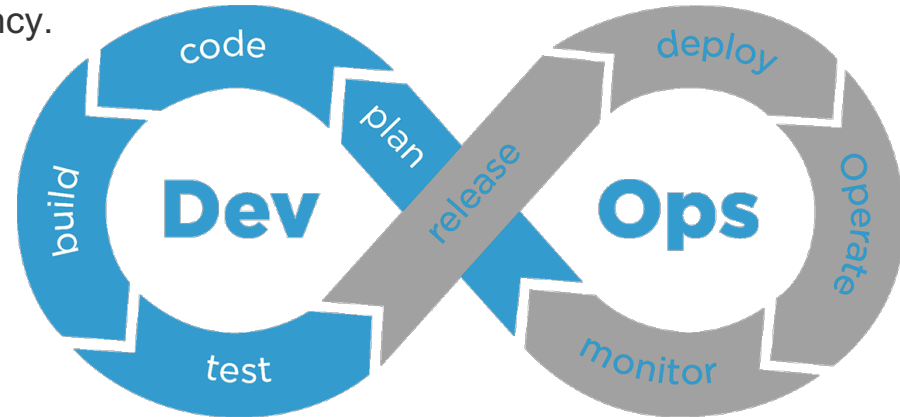
5.1 Development

- **Development Environment Management**
 - Development processes and tools, configuration management
 - IT infrastructure
 - Knowledge management for product-specific engineering knowledge over product lifecycle
 - **Estimations of efforts, timing and complexity**
 - Resource and skills management
 - Development sourcing
 - Participate in innovation management and technology aspects of market analysis

5. Orchestration of Functional Areas

5.1 Development

- **DevOps**
 - development methodology for tighter cooperation between Development and Operations to achieve
 - better quality of software products,
 - shorter time to market, and
 - improvements in operational efficiency.
 - collaborative culture



5. Orchestration of Functional Areas

5.1 Development: UX Design

What is UX?

- “addresses every aspect of the users’ interactions with a software product or component with the purpose of shaping the user's behaviors, attitudes, and emotions about that product or component, i.e. UX design affects the user’s quality of experience (QoE) in terms of delight or annoyance about the product.”
- A subset of customer experience, which considers customer interaction throughout the ownership lifecycle (from the time a potential customer becomes aware of a product through, purchase, use etc.)



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5. Orchestration of Functional Areas

5.1 Development: UX Design

UX Design Workflow

- **Requirements** developed in collaboration with software product manager
- User research results in documented **personas** created or refined
- **Mood boards** created to guide designs
- **Wire frames** created showing workflows with key screens
- Plan **usability tests** and execute them, sharing feedback and results with team
- **Prototypes** created for user testing (for new designs or significant changes)
- Detailed (“pixel perfect”) **graphic designs** delivered to development

5. Orchestration of Functional Areas

5.1 Development: UX Design

Wireframes



5. Orchestration of Functional Areas

5.1 Development: UX Design

Style Guide

WHO'S APP Styleguide











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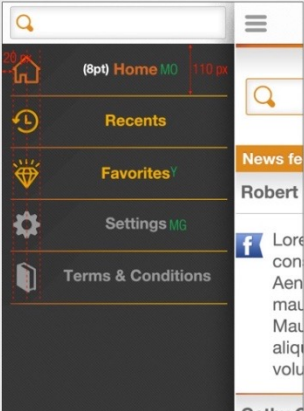
regular : Lorem ipsum dolor

bold : **Home**


Colors

 SAP Gold Hex #F0AB00	 SAP Light Gray Hex #CCCCCC	 Bright Blue Hex #008FCC	 Bright Orange Hex #DEBA2E
 SAP Medium Gray Hex #999999	 Medium Blue Hex #226CA9	 Medium Orange Hex #D4652D	
 SAP Dark Gray Hex #666666	 Deep Blue Hex #2B3F7B	 Deep Orange Hex #B34A2A	

Menu view



Start view



5. Orchestration of Functional Areas

5.1 Development: UX Design

UX Positioning + History

- Born of realization **that development skills and UI design skills are distinct**
- UX professionals are accountable for the UX, but **SPM remains accountable for the entire product**
- UX often reports to a **dedicated UX organization**, not product management or development
- UX can often be a **“shared resource”**, providing designs for multiple product teams

5. Orchestration of Functional Areas

5.1 Development : UX + SPM

UX	SPM
Accountable for user experience (“surface”) incl. UX Governance	Accountable for entire product
Designs user interface	Designs entire product
Defines and maintains personas	Contributes to persona definition and uses them in user stories
Both	
Coordinate to ensure UX concepts and designs are ready for development	

Best job ad ever.



5. Orchestration of Functional Areas

5.1 Development: SPM-UX Challenges

Dimension	Description
Accountability	SPMs and UX designers are accountable for functional aspects of the product. Who wins when there's a disagreement about UI behavior?
Timing	Development needs UI designs to begin working on specified features, putting pressure on SPMs to provide details earlier than for non-UI features.
Prioritizing UX Work	How to address UX issues with limited development resources. Which adds more customer value, extensions to existing features or addressing "broken" workflows and confusing field layout?

5. Orchestration of Functional Areas

5.1 Development : SPM's Focus Areas

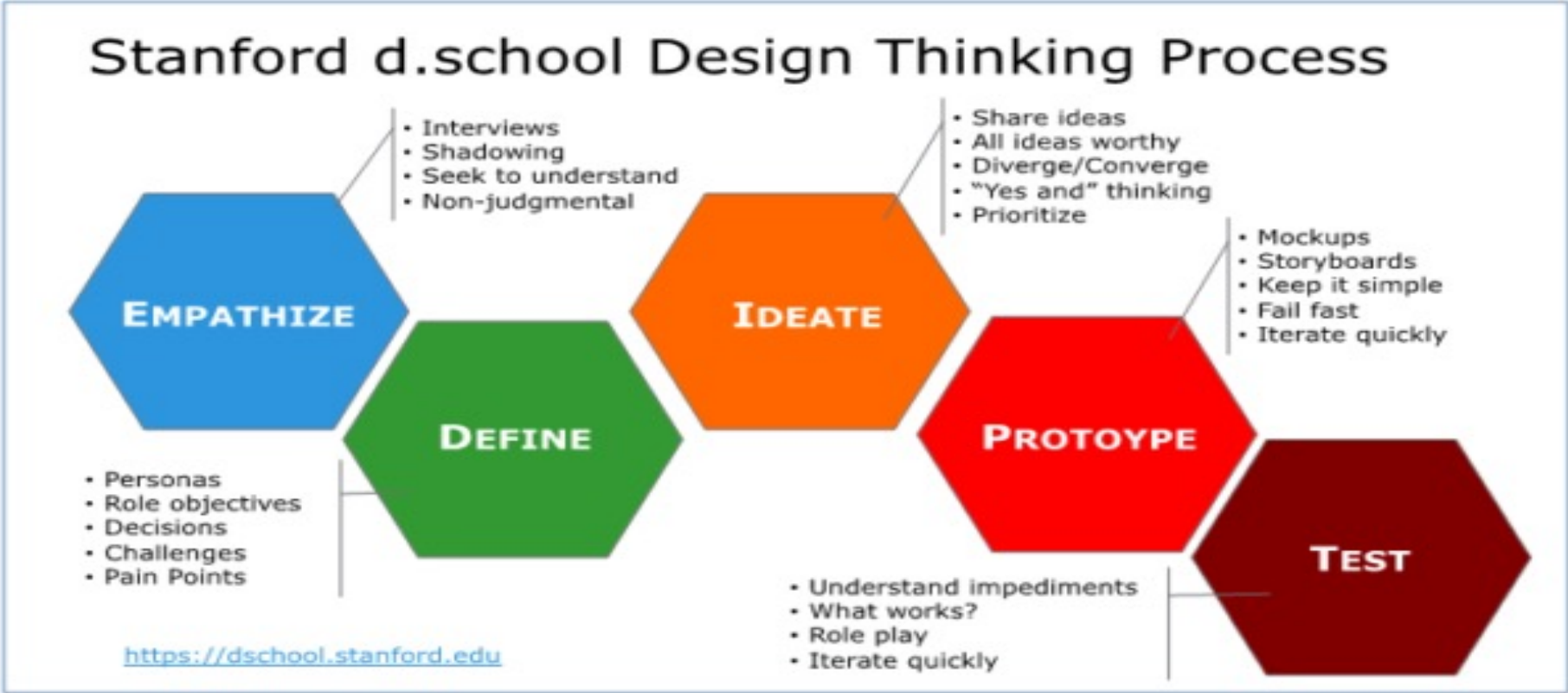
▪ **Short-term**

- Acceptance of results based on tests
- Release scope and dates, project planning
- Execution of plans
- Synchronization and tracking of detailed vs. product requirements
- Estimates

▪ **Mid- to long-term**

- Resource, knowledge and skills management
- Architecture
- **Measurements**
 - Productivity
 - Quality
 - Fluctuation
 - Cost

Design Thinking



Design Thinking

THE 4 PRINCIPLES OF DESIGN THINKING



1. THE HUMAN RULE

All design activity is social in nature



2. THE AMBIGUITY RULE

Ambiguity is inevitable — experiment at the limits of your knowledge!



3. ALL DESIGN IS REDESIGN

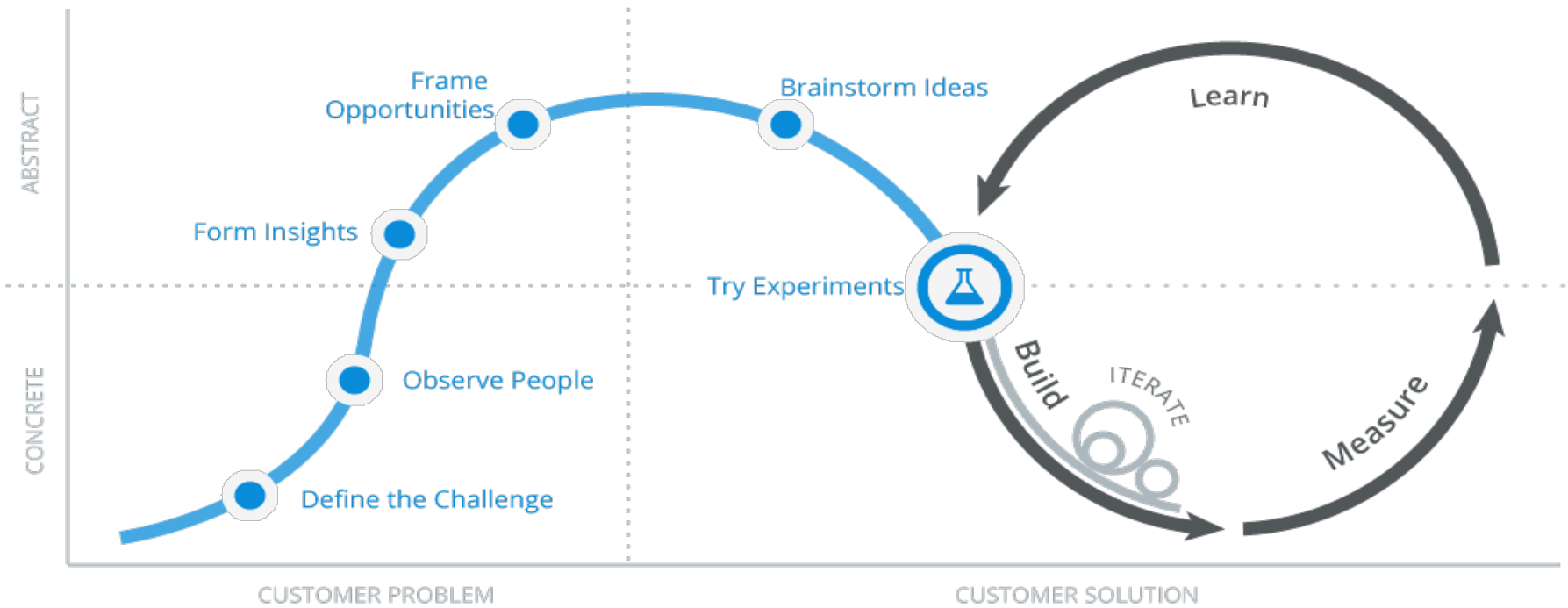
While technology and social circumstances may change, basic human needs remain unchanged.



4. THE TANGIBILITY RULE

Prototypes help to make ideas tangible, enabling designers to communicate them effectively.

Putting it all together

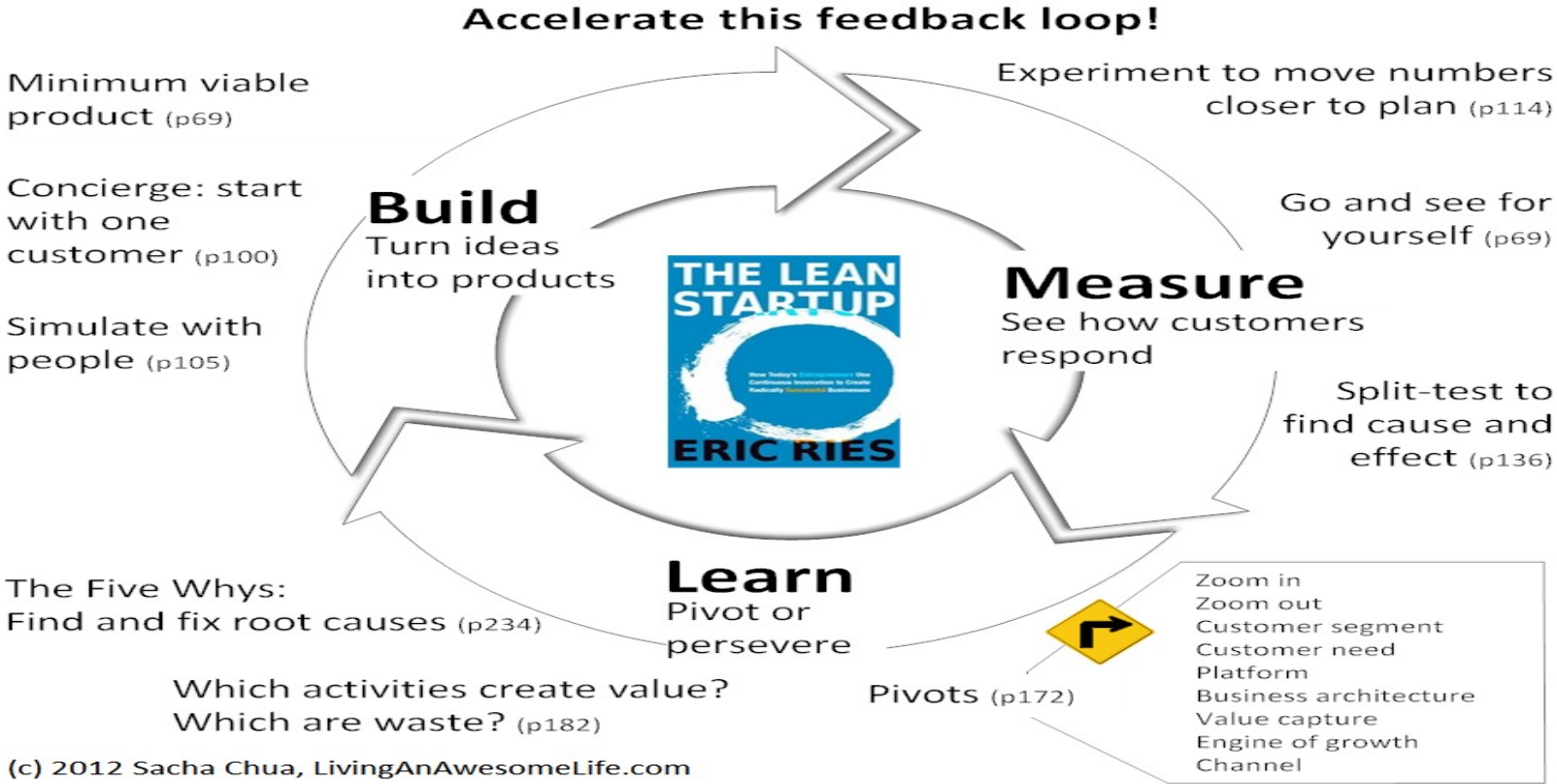


DESIGN THINKING

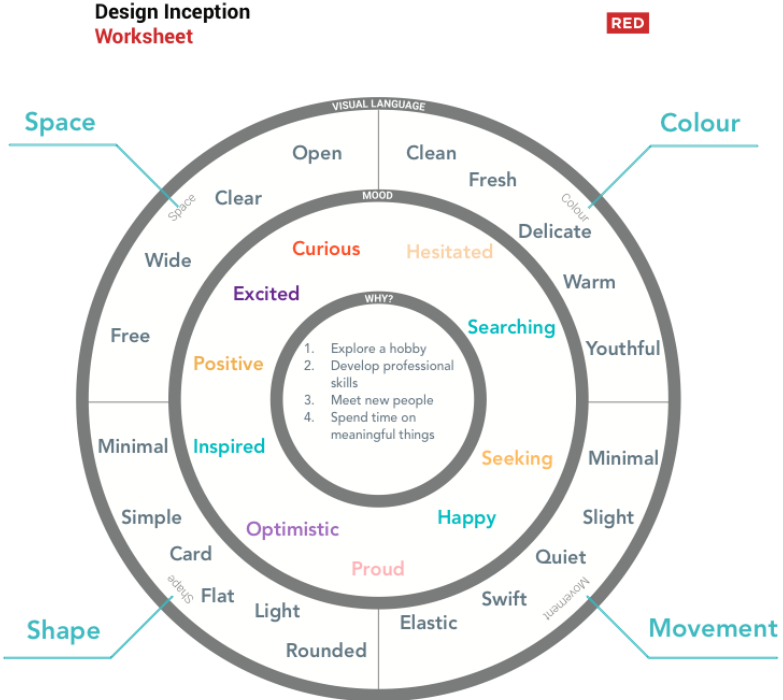
LEAN STARTUP

AGILE

Lean Startup

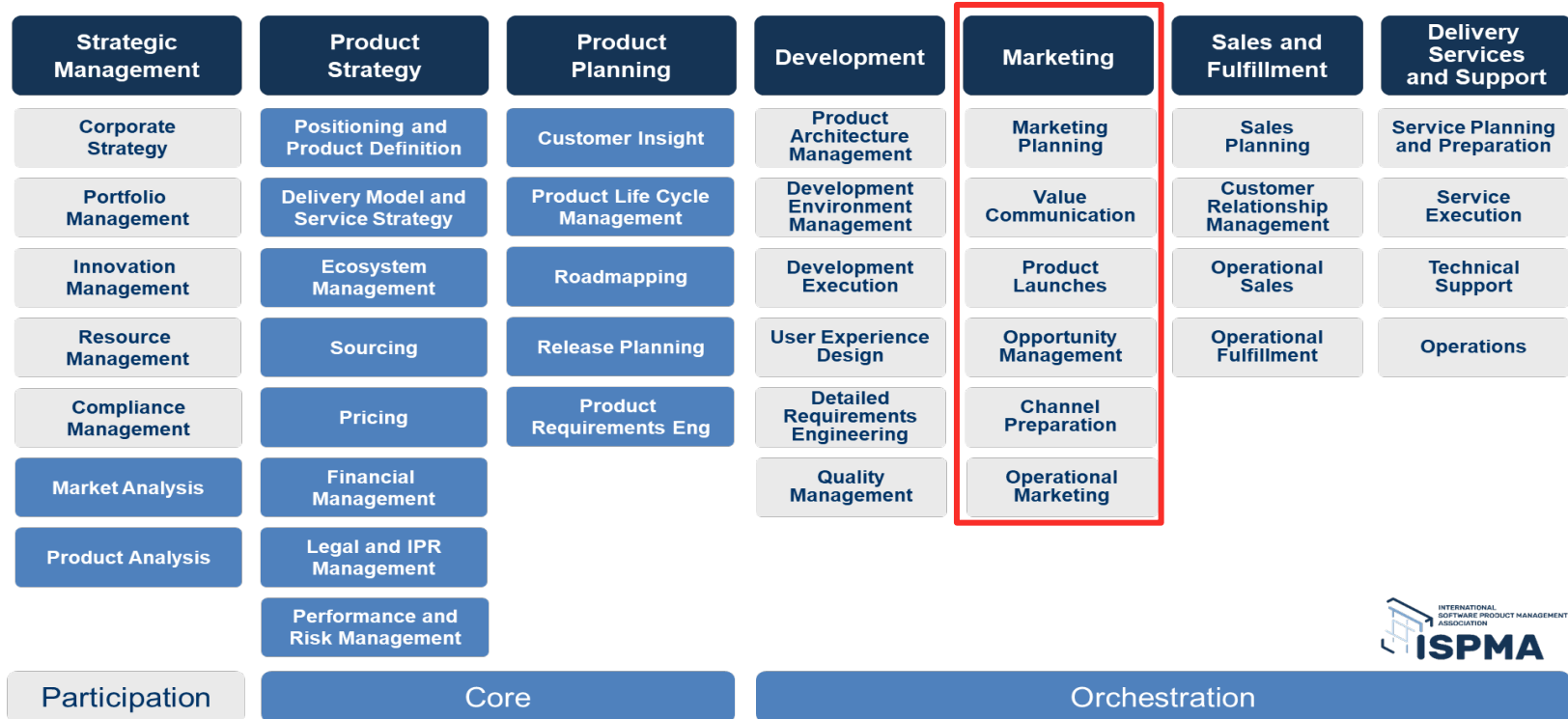


UX design for mobile apps



5. Orchestration of Functional Areas

5.2 Marketing



Activity under SPM responsibility **Activity** under other function's responsibility



ISPM reference architecture v 2

5. Orchestration of Functional Areas

5.2 Marketing

- responsible for all aspects in preparation and support of the product sales
 - creation of product awareness
 - communication of the positioning of the product in the market
 - Orchestration of all activities that serve to create attention from existing and potential future customers
 - trade press
 - market research agencies
 - events
 - online and print channels
 - channel optimization: selection, implementation and management of channels
- manage brand

5. Orchestration of Functional Areas

5.2 Marketing

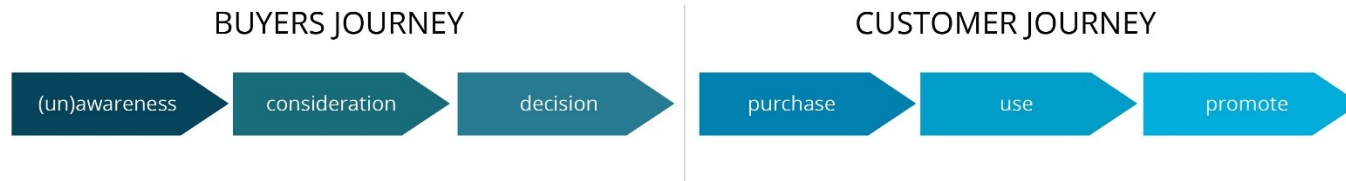
- **Marketing Planning**
 - **Yearly marketing plan** (often cross-product, all marketing activities and budgets)
 - Ensure synchronization with Sales Plan and Corporate and Product Strategies
 - Ensure that marketing messages and approaches meet the specific requirements of the selected target markets
 - Participate in pricing and forecasting
- **Channel Preparation**
 - **Ensure that channels are prepared** for new product, version or release
 - Provide materials, web site, customer reference stories etc.
 - Provide targetted information for existing customers

5. Orchestration of Functional Areas

5.2 Marketing

- **Value Communication**

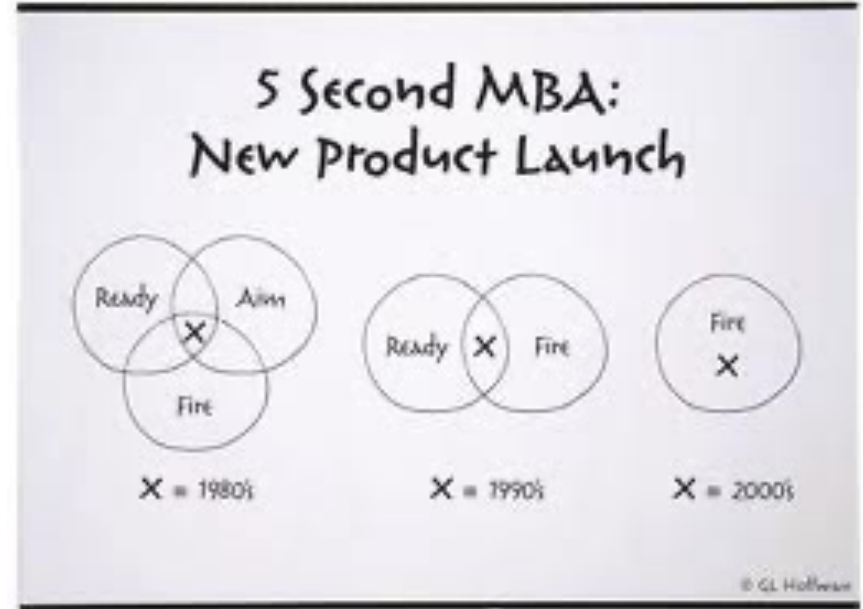
- the process of connecting defined customer values with identified target markets for the product, i.e. communicating the positioning
- value messaging:
 - Needs relevant communication and engagement tools
 - formats, content, and channels adapted to the customer's buyer journey



5. Orchestration of Functional Areas

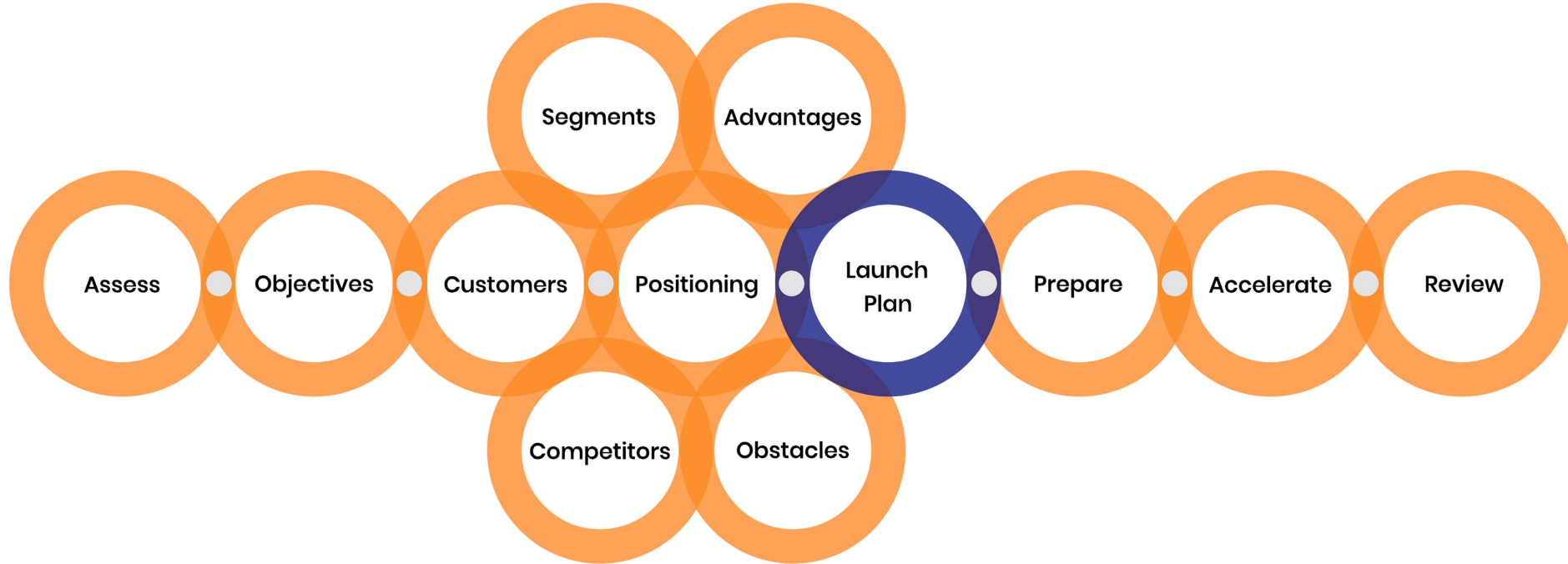
5.2 Marketing

- **Product Launch**
 - Introduce new product, version or release to the market
 - Create attention (press, market research, customers e.a.)
 - Orchestrate all activities
 - Get help from SPM, Development, Sales, Executives, Partners
 - Provide materials, web site, customer reference stories etc.
 - Provide targetted information for existing customers



5. Orchestration of Functional Areas

5.2 Marketing: Product Launch Framework



5. Orchestration of Functional Areas

5.2 Marketing

- **Opportunity Management**
 - Identify new business opportunities through customer analysis
 - Continuous pursuit of identified business opportunities
 - Manage the implementation (with Sales)
- **Operational Marketing**
 - [Execute the Marketing Plan](#)
 - Track the relevant measurements
 - Take corrective actions (with Sales and SPM)

5. Orchestration of Functional Areas

5.2 Marketing: SPM's Focus

- **Short-term**

- Positioning of product in marketing plan
- Plan execution
- Product launch
- Channel and partner management
- Selective participation in marketing events

- **Mid- to long-term**

- Brand marketing vs. product marketing

- **Measurements**

- Number of new opportunities
- Satisfaction of participants in a marketing event
- Number of total and positive references in the media
- Association of a sales deal with a marketing activity
- Number of new customer contacts
- Sales measurements

5. Orchestration of Functional Areas

5.2 Marketing: Challenges

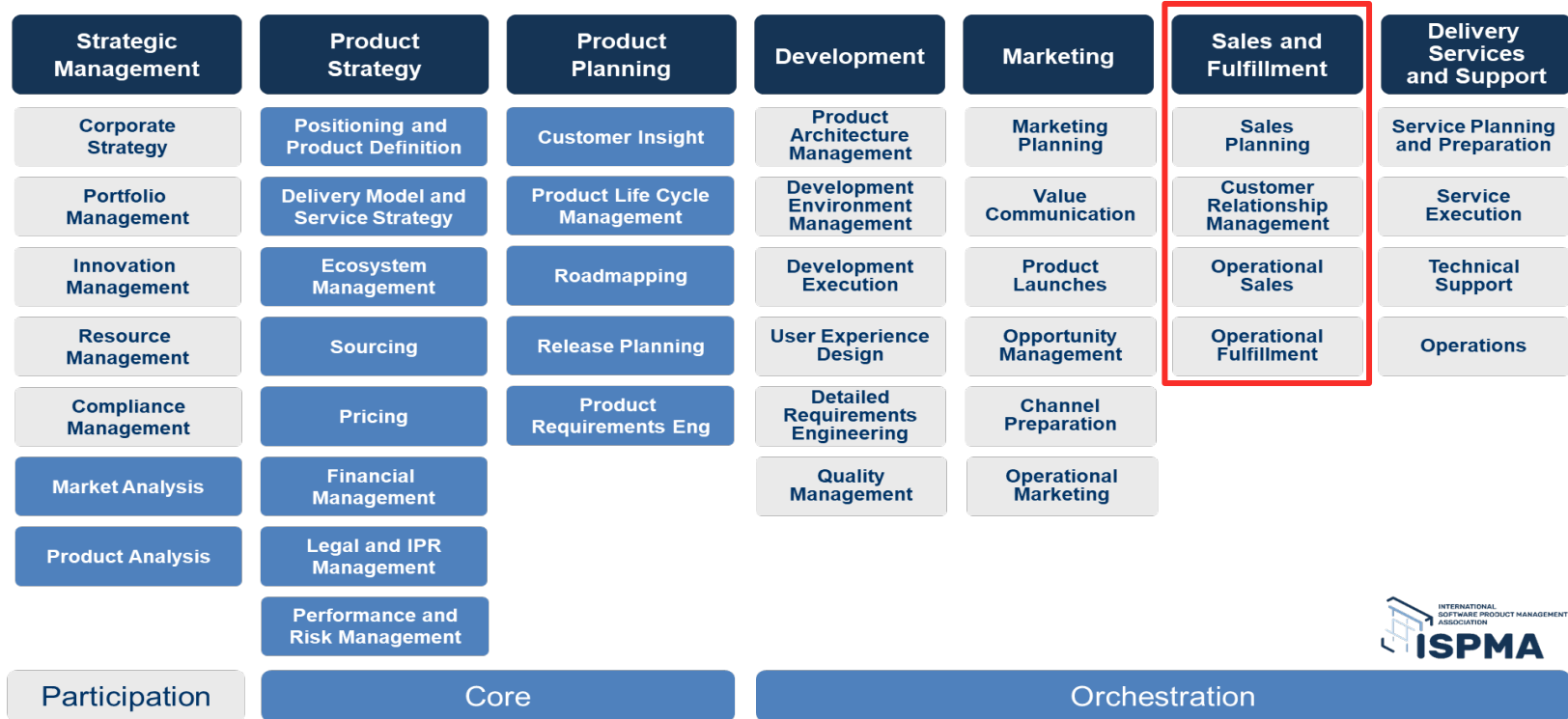
For international marketing

- Know and understand the country specifics
- Target your marketing messages in a country-specific way
- If you go into a country for the first time get help:
 - Partner
 - Consultant



5. Orchestration of Functional Areas

5.3 Sales and Fulfillment



Activity under SPM responsibility **Activity** under other function's responsibility



ISPM reference architecture v 2

5. Orchestration of Functional Areas

5.3 Sales and Fulfillment

- **Customer Relationship Management**
 - Maintain relationships
 - **Systematic customer communication**
 - Knowledge management
 - Customer requirements management
- **Sales Planning**
 - **Yearly sales plan** (often cross-product)
 - Contains all sales target values and incentives
 - Ensure synchronization with Marketing Plan and Corporate Strategy
 - Participate in pricing, forecasting and business cases

5. Orchestration of Functional Areas

5.3 Sales and Fulfillment

- **Operational Sales**
 - Maintain relationships
 - Implement the plan, i.e. sell
 - Make offers
 - Negotiate contracts (B2B)
 - Manage offers and contracts
 - Be the voice of the customer inside the company
 - Participate in and give input to marketing activities

5. Orchestration of Functional Areas

5.3 Sales and Fulfillment

- **Operational Fulfillment**
 - Ensure smooth order and distribution processes
 - Ensure sufficient supply (for physical distribution)
 - Ensure stable and easy online order and distribution
 - Ensure smooth and correct billing/payment
 - in some companies this responsibility is with central fulfillment units

5. Orchestration of Functional Areas

5.3 Sales and Fulfillment : SPM's Focus Areas

- **Short-term**
 - Positioning of product in sales plan
 - Plan execution
 - Product-specific commitments to customers
 - Handling of customer requirements (short-term sales vs. longer-term product perspective)
 - Deviations from standard terms and conditions
 - Deviations from minimum price levels or price structure
 - Product-specific commitments regarding measurements
 - Selective participation in pre-sales meetings



5. Orchestration of Functional Areas

5.3 Sales and Fulfillment : SPM's Focus Areas

- **Mid- to long-term**
 - Skills of sales reps
 - In bigger companies: sales reps dedicated to product family vs. cross-product
 - Alignment of sales measurements with SPM's responsibilities (product vs. product group focus)
- **Measurements**
 - Revenue (new, total)
 - Market share in revenue (new, total)
 - Number of licenses (new, total)
 - Market share in number of licenses (new, total)



5. Orchestration of Functional Areas

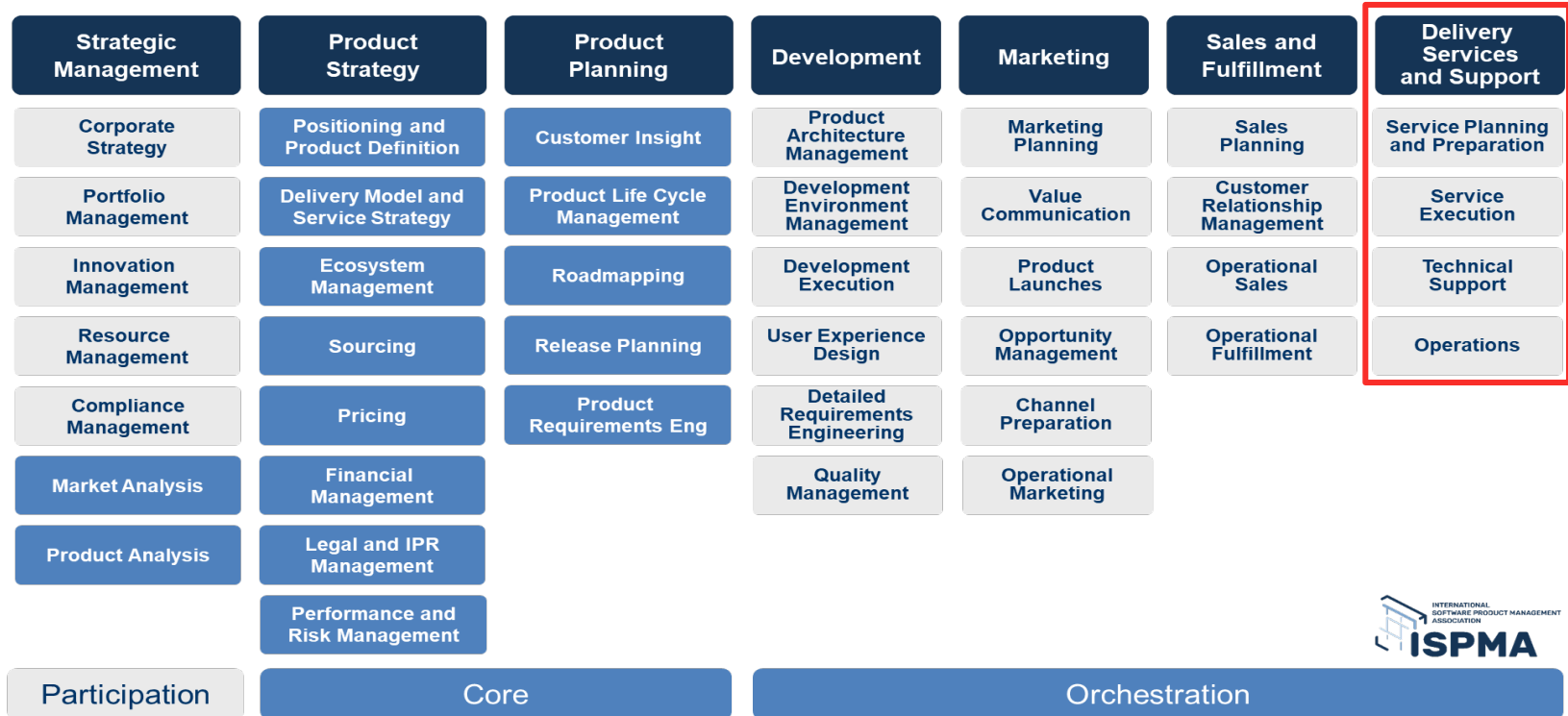
5.3 Sales and Fulfillment : Challenges

For international sales

- Know and understand the country specifics
- Focus your Sales organization in a country-specific way
- If you go into a country for the first time get help:
 - Partner
 - Consultant

5. Orchestration of Functional Areas

5.4 Delivery Services and Support



Activity under SPM responsibility **Activity** under other function's responsibility



ISPA reference architecture v 2

5. Orchestration of Functional Areas

5.4 Delivery Services and Support

- **Delivery services: Product-related professional services to enable the customer to become productive with the product (or a new version/release of the product)**
 - Education
 - Installation and tailoring
- **Different from consulting services**
 - Typically not product-related
 - Therefore outside of SPM scope
 - Sometimes (mis-)used for presales

5. Orchestration of Functional Areas

5.4 Delivery Services and Support

- **Support: Product-related professional services to help existing customers on a continuous basis**
 - **Technical Support (maintenance)**
 - **User support** (user help desk, includes non-technical problems, requires separate service contract)
 - **Education**
 - **Operations**
- Most usually covered by maintenance or SaaS contracts

5. Orchestration of Functional Areas

5.4 Delivery Services and Support

Technical Support

- Level 1: Help Desk
- Level 2: Technical Maintenance
- Level 3: Change Team (typically in or with Development)
- Categorize in defects, requirements, non-technical problems
- Maintain customer defect database

5. Orchestration of Functional Areas

5.4 Delivery Services and Support

Operations

- Relevant for SaaS and managed service offerings
- „what is needed to run the software for clients and fulfill SLAs“
- In house or outsourced
- Part of DevOps

5. Orchestration of Functional Areas

5.4 Delivery Services and Support

- **Service Planning**
 - **Yearly service plan** (often cross-product)
 - Contains all target values and incentives
 - Ensure synchronization with product strategies and plans and the marketing plan
- **Service Preparation**
 - Develop corresponding marketing material (with Marketing)
 - Develop corresponding technical basis
 - Set up and ensure timely education of service specialists
 - Forecasting of demand, resource management

5. Orchestration of Functional Areas

5.4 Delivery Services and Support

- **Service Execution**
 - Manage and execute services according to plan
 - Track the relevant measurements
 - Take corrective actions when needed
 - Maintain customer relationship (with Sales)

5. Orchestration of Functional Areas

5.4 Delivery Services and Support

- **External Documentation**
 - printed and/or online manuals
 - help functions
 - step-by-step instructions
 - for end users, ecosystem players, service partners etc.
 - Cooperation required between
 - UX design
 - software development
 - technical support
 - Marketing
- to be orchestrated by the SPM

5. Orchestration of Functional Areas

5.4 Delivery Services and Support : SPM's Focus Areas

▪ Short-term

- Consider and manage product-related services, support and documentation as part of the offering
- SLAs
- Forecasting
- Service execution
- Skills of service specialists
- Frequent analysis of incoming service calls

▪ Mid- to long-term

- Resource management (avoid bottlenecks that impact product sales and customer satisfaction)
- **Measurements**
 - Service revenue
 - Customer satisfaction

6. Wrap Up

SPM Audit

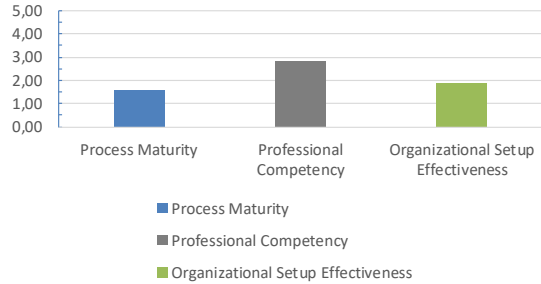


<ul style="list-style-type: none"> • Common understanding • Objectives and Priorities • Planning 	onsite
<ul style="list-style-type: none"> • Process descriptions • Role descriptions • Artefacts (documents) 	offsite
<ul style="list-style-type: none"> • SPMs • Relevant Line Managers 	onsite
<ul style="list-style-type: none"> • Analysis of inputs • Preparation of results 	offsite
<ul style="list-style-type: none"> • Presentation of results • Discussion of results and next steps 	onsite
<ul style="list-style-type: none"> • Plan • Roll out • Implement 	Out of scope

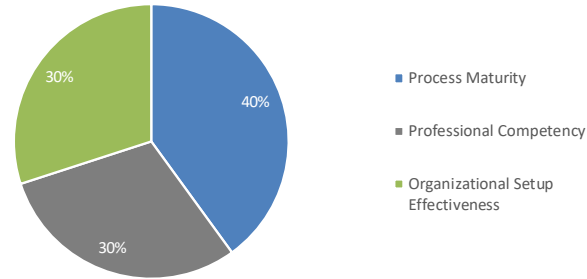
Organizational Maturity Dashboard

Organizational Maturity Score: 2,03

Organizational Maturity Scores by Dimension



Weighting



Weight	Organizational Maturity Dimension	Score	Weighted Score	Comment
40%	Process Maturity	1,58	0,63	Generally low level of process management/governance
30%	Professional Competency	2,80	0,84	
30%	Organizational Setup Effectiveness	1,87	0,56	
	Simple Average	2,08	2,03	Maturity Score

Results from previous audits:
 2,5 – 3,0 Average
 3,6 Best

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