



The Three Skills Product Managers Need to Succeed

As they rise in prominence, product managers will need new skills to take their seats at the leadership table.

Music lovers will likely know Spotify, a music streaming service that has become famous for curating tunes based on its users' preferences. Back in 2013, Spotify had a personalised news feed called Discover that gathered together artists, album reviews, new releases, recommendations and playlists in a tile display. But its software engineers noticed that users were spending more time browsing playlists and cherry picking their favourite tunes one at a time, rather than using Discover. In order to keep users streaming music, they knew they had to create a more engaging and value-adding product.

With help from a **product expert**, the engineers developed Discover Weekly. Combining the best of Discover with Spotify's browsing functionality, the personalised playlist became a formal Spotify product. The algorithmically-driven service identifies songs for its users based on their listening habits, including the musical attributes of what they already listen to, and serves up similar music. In the first 10 weeks, 1 billion tracks were streamed from Discover Weekly. Some users say Spotify knows them better than they know themselves.

Discover Weekly is one product that has made Spotify an exemplar of product personalisation, a competitive edge in the music streaming business that includes giants such as Google, Apple Music

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and Amazon. Spotify is now a mainstay of music streaming, with 20 million paying subscribers and 75 million active users.

Product leaders wanted

The case of Spotify also reflects the rise and increasing importance of the product manager in today's business environment. As organisations shift from linear producers of products to ecosystems, capable of incorporating big data analyses into all facets of product design and execution, product managers are taking on bigger roles.

Product managers of old used to be measured on execution and timely delivery of projects; in fact, there was little differentiation from project managers. Marketing and customer service functions would take a finished product off the line and out into the marketplace with their own marching orders from above. Nowadays, product managers need to link these functions together and orchestrate them to get even closer to the customer. It's not just about delivering a product at the end of the day, but also capturing customer loyalty.

As a result, product managers face new challenges that many are not prepared for. They have to lead, often without formal authority. They depend on very different groups of people with traditionally

different profiles—from developers to operations to sales and marketing—to ensure products deliver a great customer experience. They may have become savvy at a technical craft that has enabled them to develop their organisation’s suite of products and move up the ranks, but substantially more is expected of them.

Based on research and conversations with product managers across multiple industries, I have identified three urgent areas in which product managers need to develop in order to succeed, particularly as they continue to rise in importance and move into more senior leadership roles.

First, a common challenge for high-potential managers in general is that they assume the skills they honed to achieve their earlier successes can be carried into their new management roles. But these strengths can become weaknesses once they move into leadership positions. For example, they might be used to working alone most of the time and fail to delegate, overloading themselves with both technical and managerial work, often the case for product managers. In such cases, they fail to build effective teams or mentor others and continue to depend on a single advocate or mentor themselves. In a **study** of why executives derail when they reach management level, the most common factors that emerged across countries are 1) problems with interpersonal relationships; 2) failure to meet business objectives; 3) failure to build and lead a team; and 4) inability to change or adapt during a transition. They will, therefore, have to develop a new leadership persona while simultaneously managing their colleagues’ perceptions of their new selves.

Second, given that product managers lack formal authority, they need to develop leadership skills to influence others and lead regardless. McKinsey believes that product managers are increasingly “**mini-CEOs of the product**” who use a broad knowledge base to make decisions. That requires new skills in aligning diverse functions and groups so they can learn and ensure the highest quality output. For this, they will need to be savvy at developing networks. A **study** by Julie Battilana and Tiziana Casciaro on change initiatives in the United Kingdom’s National Health Service (NHS) found that the personal networks of change agents were critical to their success. Specifically these change agents were central in the organisation’s informal network, were effective at bridging disconnected groups and were close to those on the fence during change initiatives.

Third, to develop nimble navigational skills for their increased roles, product managers will have to be willing to negotiate with others when incentives are unclear or even at loggerheads. They will have to be

able to make trade-offs and walk tightropes between groups competing for budgets and resources. Of particular importance is communicating with—and navigating the relationship with—their board of directors. Furthermore, in the past, companies often measured themselves by business metrics. But they are increasingly paying attention to product metrics (usage, reach, growth), particularly in the early stages of a strategy. Product managers will therefore have to negotiate their way around company goals, determining which product goals are realistic, what support they need from the organisation and how they can support the broader business metrics.

Critical relationships

Given the speed and prominence of developments in technology that are affecting product management as a profession, we have recently partnered with **Product Management Festival**, a Swiss-based industry-led organisation dedicated to the development of product managers, to launch the **Product Management Executive Programme (PMEP)**. The programme will aim to provide insights and best practices on how to build critical stakeholder relationships and help product managers sharpen their negotiation skills, learn how to communicate with a board and understand how they impact group dynamics.

Product managers have their work cut out for them. By some accounts, product management is likely to become a new training ground for future tech CEOs. Both Marissa Mayer and Satya Nadella rose from product management to become CEOs of two of America’s biggest tech giants. However, the cheers for Nadella’s fresh leadership of Microsoft can only partially be attributed to his product experience. He is also an influential leader, able to rally teams around products to take them from development to launch and much further beyond. Now the best product managers need to be able to do the same.

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