

## **How to incorporate product management into your project management programs <sup>1</sup>**

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IT project management has long been a staple in the software industry. It's based on helping leaders reach success and enabling enterprises to see their critical initiatives through to completion.

Gather resources, craft the project plan, confirm the budget, and check off completed items as work progresses. Then celebrate with the team if the project was completed without exceeding allocated resources.

That's the idea anyway. People who work in IT will also testify that project management does not always run smoothly. IT projects still come in over budget, under-resourced, and not consistently delivering the value initially promised. Sometimes they are not even finished.

With the changing needs of today's market, a project management approach on its own simply won't cut it. People need to move away from a focus on completing tasks, progress meetings, and hitting deliverables, and move more to the following of behaviors and measuring success based on outcomes. This requires product management to be part of the mix.

### **Living in a product-centric world**

Product management usage has increased enormously over the past few years. This is due in no small part to the fact that we live in such a product-centric world. Customers expect brilliance and innovation in their products – whether digital or physical, B2B or B2C – and are prepared to go elsewhere if those product expectations are not met.

This has given way to a shift towards defined product propositions that are mapped closely to the evolving priorities of customers. There is a keen focus now on product-led growth where product development teams assume more of a strategic, high-profile role in their organizations. The success of this has led to the application of product management strategies and approaches to internal IT project management.

Making the necessary organizational changes is hard and takes time. However, there are some actionable steps enterprises can take to utilize product management alongside their IT project management, including:

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## **Choose the right products**

This can be less easy with multiple internal products. Choosing external products is easier because time and energy have been spent creating them. But when selecting an internal product, try and focus on business capabilities as well, which then opens up the opportunity to include multiple products.

Gartner® has explained this as 'the business-owned portfolio of capabilities in the enterprise that enable the business to deliver on its value proposition and succeed in its goals or mission.' To accomplish this, it's important for the business product managers, owners, and teams responsible for business value streams and empowered for decision making to achieve defined business outcomes across their entire product portfolio.

Once the various business capabilities are understood, define which products are impacted and which improvements must be made to achieve specific objectives. For example, increasing sales effectiveness, human resource responsiveness, collecting payments faster, etc., and define measurable improvements that can be actualized and linked to business benefits.

## **Embrace Agile**

Scrum or Kanban? Maybe Large Scale Scrum (LeSS)? Or how about Disciplined Agile (DA)? Moving away from a Waterfall approach and selecting an Agile framework that works for the team (Scrum can work for smaller organizations, while LeSS is for larger teams) can be hugely beneficial.

One benefit of adopting an Agile approach is that the products you focus on will have dedicated and permanent teams. Their sole focus will be on working on iterating the product towards improvement with actual feedback while mapping the work performed to the business's goals.

This applies to value streams, which can be a set of products and capabilities across products. For example, a platform capability that allows billing across different products. These stable teams will make it their mission to reach goals until the product's end of life.

## **Align product goals to department goals**

As Agile teams work on products, or business capabilities (as products), even before they get started, they help outline the benefits that business users will receive as a result. This will help garner support from other stakeholders and enable the team to see value as goals are reached.

## **Fund initiatives based on outputs, not milestones**

As your team embraces a product management approach to managing internal products or business capabilities, gradually veer away from the project management approach of funding initiatives based on defined milestones in the project plan.

Start initially by selecting influential business partners to boost the visibility of product pilots and then use early successes to gradually reset perceptions of product funding. Thereafter, funds can be allocated based on the expected (and achieved) business outputs.

Most enterprises have multiple IT projects ongoing at any time, and these are often pivotal to the long-term success and growth of the organization. Project management still has a role to play in delivering successful projects, but incorporating product management into the mix can be highly beneficial.

Doing so signifies a change in approach, looking more at business outcomes and aligning IT investment to reflect those outcomes. Product management is becoming an integral discipline for many enterprises, so utilizing it sooner rather than later should be a priority.

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## About the Author



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