

Gartner®

New Capabilities for Digital Product Management



What product management leaders should know

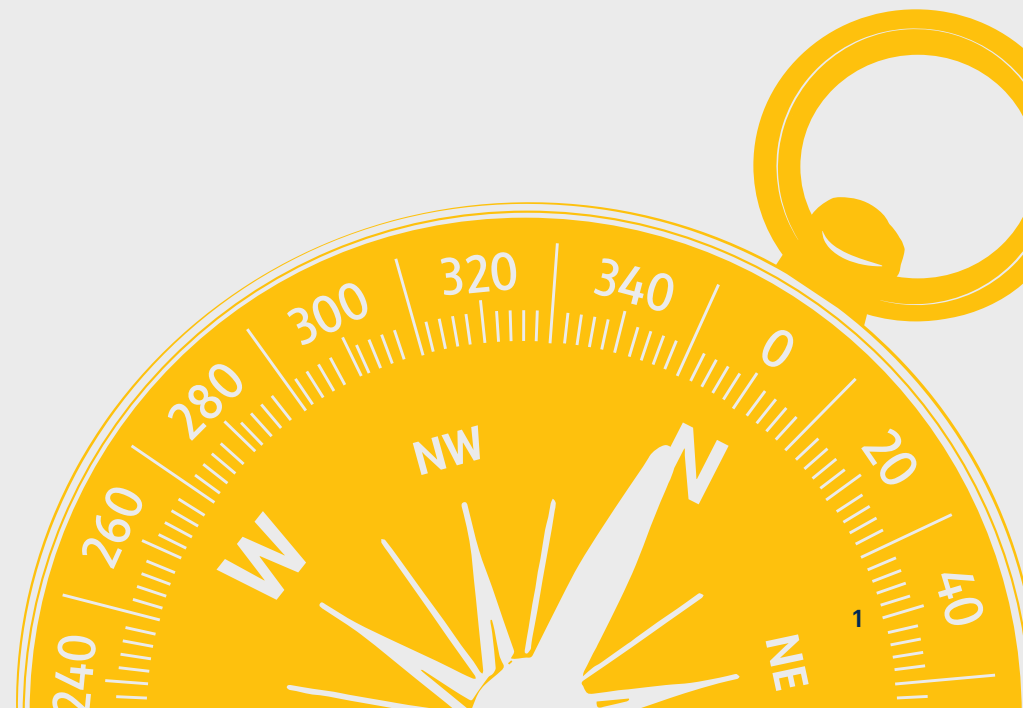
In the past few years, economic conditions provided a solid foundation for growth for technology and service providers. As we move forward, however, uncertainty abounds. The need for growth is still critical, but will require more targeted strategies to ensure the right approach is undertaken and executed.

Large technology companies can accelerate growth with more agile product management. Product teams need to respond effectively to customer experience insights, shifting pricing and delivery models, and new drivers of digital transformation across their customer base.



Rishi Sood

Practice Vice President
Gartner Research & Advisory



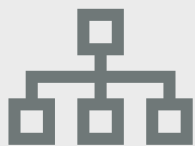
Digital means managing products and services in new ways

A well-planned and executed product launch remains crucial to the success of a tech product, but digital technologies have brought new challenges for product managers and their teams.

As customers undertake digital business transformations, such as enabling new Internet of Things (IoT) technologies and leveraging analytics at the core of the business, product managers must extend the scope of their planning and development capabilities to assist enterprises in achieving their digital business outcomes.

Digital products and services may include “as-a-service” delivery models, customer experience as an integral development feature and new business models. More often than not, the design of these complex technology solutions will require new skills and processes as compared to single hardware or software products or services.

These digital business transformations require product managers to plan, develop, introduce, and manage products and services in new ways. They will need to work across multiple development approaches with a growing array of partners, and with greater emphasis on tools to help improve end-to-end product management processes.



35%

By 2023, 35% of product management teams will have implemented digital product management.

Source: Gartner



57%

57% of product managers view decision making based on data analytics as critical to product manager success.

Source: Gartner

Stuck in old structures and models

Most product managers come from engineering or application development backgrounds with an expertise in the technology. In markets where features and functions of products remain a crucial decision point for buyers, these skills are crucial to the development of products. But markets have changed.

Customers have become more demanding of products and services. Market understanding, customer satisfaction and competitive environment terms, pricing models, clear proof of value and strong business outcomes, and improved product life cycle management efforts require product managers to bring a greater range of skills to the role.

Product managers leveraging customer feedback, surveys and research data must now complement their insights with enhanced data-driven and informed processes including product analytics. Delivery of products and services as transactional events must now be complemented with as-a-service options, potentially changing interactions, business and support models with customers. The impact of digital technologies requires a digital product manager with a much wider set of skills and priorities.



33%

of product managers view “identifying disruptive technologies” as one of their top product management challenges.

Source: Gartner



11%

Only 11% of organizations claim to have had no product failures in the past 12 months.

Source: Gartner



Invest in five critical product management capabilities

To minimize the risk and failure of products and services, product managers need to invest in five capabilities — the “5Ds” — as integral to digital product management:

- 1 Data-driven.** Prioritize all product management phases to be informed by data-driven insights, accessed through digital sources.
- 2 Design** products and services with greater attention and focus on customer experience and optimizing all business moments and digital touchpoints.
- 3 Differentiate** products and services not only through features and functions, but by exploiting all digital-technology-based opportunities, such as business models and partnerships.

- 4 Disruption.** Build into existing product management approaches the management of the risks and impact of technical and business disruptions.
- 5 Deliver** such products and services through innovative digital channels, and leverage new service and support models to improve product and service preference and advocacy.

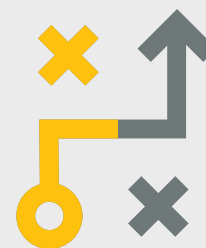
Building on these capabilities, product managers will be well-equipped to perform the product planning, development, delivery, and evolution activities needed for the success and growth of digital products and services.



58%

of product managers view “building customer experience into product development” as critical for product management leadership success.

Source: Gartner



53%

of product managers view “planning for products with competitive differentiation” as critical for product planning success.

Source: Gartner

The Gartner Expert View



“Leading technology service providers have to transform the priorities and capabilities of their product management teams to help clients meet the challenges of digital transformations. Adopting the Gartner 5D product management capabilities approach has proven to bring the right mindset and culture to product management teams, which need to be agile in developing products and services in a way that minimizes product risks and failures.”

Emil Berthelsen

VP Analyst

Moving From Insight to Action

Gartner for Product Teams: Drive growth through innovation

Gartner helps product leaders and their teams make better, faster product development and management decisions by addressing five key areas:

- Product planning
- Product development
- Product introduction
- Product life cycle management
- Product leadership

Learn more

[View Gartner's Product Management Framework](#)

Learn how Gartner can help you plan and execute on your key initiatives with confidence.

Are you interested in learning more about the services and support that Gartner offers tech product management leaders to ensure they can deliver against their most critical priorities?

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