Gartner Research

Product/Service Organization and Leadership Primer for 2024

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Product/Service Organization and Leadership Primer for 2024

> Product and service organization, and leadership underpin successful product management. Without efficient product team structures, empowered teams, the right tools and modern product management approaches, activities throughout the product life cycle remain uphill challenges.

Scope

This initiative helps innovate product/service management practices, build efficient teams and modern skills, drive cross-department collaboration, and select the right product management toolsets.

Topics in this initiative include:

- **Build and Develop Teams:** Develop and manage talent, skills and specialist roles while building diverse and empowered teams.

- **Implement Effective Tools:** Pick and manage the best tools to optimize product management performance, efficiency and outcomes.

- **Innovate Practices and Approaches**: Improve approaches, processes and metrics to ensure effectiveness across the whole product life cycle.

- **Collaborate to Drive Outcomes:** Build effective stakeholder engagement, collaboration and cross-functional teams throughout the organization.

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Analysis

Product/Service Organization and Leadership

Product/Service Organization and Leadership

- Collaborate to Drive Outcomes
- Build and Develop Teams
- Innovate Practices and Approaches
- Implement Effective Tools
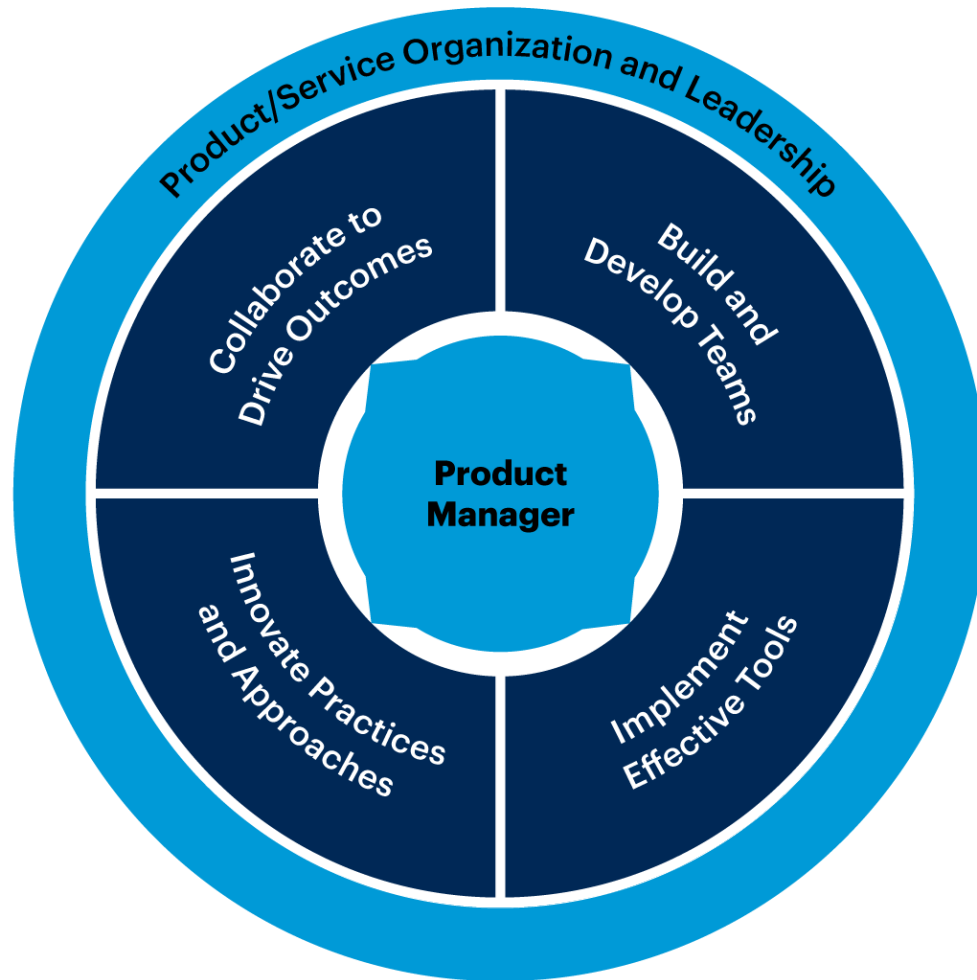
Product Manager

Source: Gartner
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Gartner's 2023 Product Management Branded Survey indicates that in growth organizations, the product management team is highly involved in contributing to the overall business strategy. [1] Product management roles and approaches are becoming less tactical and generalist. Rather, product or offering managers are more involved in the overall business strategy and more strategically involved in all steps of planning, developing, introducing and owning products and services throughout their entire life cycle.

Increasing strategic involvement, plus involvement in cross-function activities, calls for new and ever more scalable product management approaches to help achieve the optimal balance between internal and external activities focus. This is an opportunity to revisit product team structures and identify ways to drive more effective internal stakeholder engagement and collaboration. In addition, define and orchestrate specialist roles and teams to deliver customer value, plus adapt efficiently to the impacts of ongoing customer and market disruptions. Meanwhile, as the product team strategic function evolves, the need for leadership and business skills increases. However, our 2022 Product Management Team Development and Skills Survey says product managers (PMs) and their teams struggle to take the time from day-to-day efforts to invest in increasing skills and knowledge. [2] Product or offering managers failing to develop those modern skills and competencies will lack focus in strategic areas. Ongoing and future market needs will move toward more customer-centric, data-driven and outcome-oriented metrics.

For product or offering managers to truly build a world-class process, they must adopt the right tooling that can accelerate their delivery of more value, at a faster rate, to both the business and the customer. Tooling should support and adapt to a specific type of product management process, and not the other way around. Starting with a deep analysis and understanding of process requirements is critical to approaching the prioritization and selection of tools.

Topics

Product organization and leadership are the cornerstones of effective product management. Product organization and leadership insights will help product or offering managers effectively grow and redefine their role, as well as the product management team's effectiveness to keep their business and strategy competitive.

Our research in this area addresses the following topics:

Build and Develop Teams

In growth organizations, the role of product or offering management continues to evolve from a tactical to a strategic role, influencing both business and product strategy. Product or offering managers must balance internal and external priorities. Consequently, reorganizing product teams around necessary specialty roles will prove critical. PMs must build and refocus teams' capabilities to support the emergence of role specializations, and reassess team structures and reporting lines.

Questions Your Peers Are Asking

- What skills and capabilities should I focus on to respond to the evolution of the role and role specializations?

- How can I continuously improve skills and talent management to optimize performance and culture along different evolving team structures?

- What are the leading practices and trends in building and developing teams for product or service organization and leadership that I should adopt?

Recommended Content

⚷ Some recommended content may not be available as part of your current Gartner subscription.

- Critical Steps for Product Managers: Build and Develop Teams

- Bridge the Gender Divide in Perceptions of Equity to Enhance Organizational Agility

- Future-Proof Your Product Management Skills

- Are Product Managers Focusing Sufficiently on Developing Team Skills?

- 2022 Chief Product Officer Survey: Role Responsibilities and Challenges

Planned Research

- Top practices around evolving team structures and the role of the chief product officer (CPO)

- Insights on modern skill sets for the evolving PM role and product team role specializations

Implement Effective Tools

Product or offering managers are frequently required to use tools originally procured for software engineering teams that are not designed specifically for product management. The market for dedicated product management tools is relatively new and highly fragmented. It is therefore filled with a wide variety of tools with varying focus and maturity levels, making it difficult to know which tools to adopt and when to best adopt them. From strategic planning to roadmaps, customer feedback to in-product analytics, discovery to validation, there are a plethora of tools now available to support product managers. Trends toward data-informed product decisions will require new tools to manage advanced product analytics. In parallel, the shift toward customer value centricity requires the right product analytics tools that can reduce time to customer value, also through automation of tasks.

Questions Your Peers Are Asking

- What new or existing tools can help to continuously optimize the product management processes and capabilities in the organization?

- How are tools for product and customer data analytics evolving and how can they be effectively leveraged in order to drive continuous insights?

- What are the leading practices and trends in implementing effective tools for product or service organization and leadership?

Recommended Content

☞ Some recommended content may not be available as part of your current Gartner subscription.

- Critical Steps for Product Managers: Implement Effective Tools

- Drive Growth With Emerging Use Cases in Product Analytics

- Market Guide for Competitive and Market Intelligence Tools for Technology and Service Providers

- Quick Answer: Should We Invest in a Competitive and Market Intelligence Tool?

Planned Research

- Top practices in selection and assessment of key product manager tooling areas

- Insights into product analytics tools, evolution of customer experience (CX) tools, and AI-driven and automation tools

Innovate Practices and Approaches

The most successful product organizations practice continuous innovation in product management approaches across the entire product life cycle. As product management evolves, the importance of customer-related key performance indicators (KPIs) increases. Beyond product features and performance, the ability of the product or offering manager to add measurable client-centric outcomes into product requirements will prove critical. Product organizations must move toward new customer-centric, outcome-driven metrics that span the whole product life cycle, and define new levels of product success measurability.

Questions Your Peers Are Asking

- How can I effectively establish outcome-based, data-informed and customer-focused approaches, processes and metrics?

- How can I evolve the product and service organization as it becomes more strategic for the business and roles to specializations?

- What are the leading practices and trends in innovating practices and approaches for product or service organization and leadership that I can implement?

Recommended Content

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- Critical Steps for Product Managers: Innovate Practices and Approaches

- 3 Ways to Allow Product Managers to Do What They Do Best

- Worry Less About Time to Market, More About Time to Value

- Key Lessons Startups Can Teach Enterprise Product Managers

- Quick Answer: What Is a Business Outcome and an Outcome-Based Business Model?

Planned Research

- Annual Product Management Survey, 2024: Explore critical peers' priorities, activities and role responsibility evolution

- Top practices to shift to a data-informed mindset in product decisions and lead with customer-centric approaches

- Benchmarking tool for the product manager: How your performance metrics compare with those of peer product managers

- Insights into findings from the evolution of the Product Management Score tool

Collaborate to Drive Outcomes

Effective internal collaboration and communication are leading indicators of the success of a product team. Working with other teams (such as engineering, development, marketing, sales, customer experience [CX] and user experience [UX]) requires clear communications. The goal is to build alignment and commitment, starting with product leaders clearly defining product-related responsibilities between product teams and key cross-organization stakeholders. This is particularly relevant in collaborations with product marketing, where both roles actively support and contribute to develop content and collateral, and product or offering managers can increasingly add on customer insights to support better customer value communications. As their strategic role evolves, product or offering managers will increasingly excel at communicating with and engaging the C-level executives they report to.

Questions Your Peers Are Asking

- How can I more effectively build collaborations and alignment with the C-level function and stakeholders in marketing, sales, engineering, CX and their own teams?

- How should I define clear product-related responsibilities between product teams and key stakeholders in the organization?

- What are the leading practices and trends in collaborating to drive outcomes for product or service organization and leadership that I can implement?

Recommended Content

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- Critical Steps for Product Managers: Collaborate to Drive Outcomes

- Aligning Product Responsibilities — Don't Forget the Organization's Culture

- Plan and Manage to Prevent Conflict Between Direct and Indirect Sales

- Channels Case Study: Win Deals With Market and Competitive Insights Using a Shared Services Team (NTT Ltd.)

- Your Product Organization Is Undermining API Success

Planned Research

- Top practices to improve collaborations with C-level roles

- Top practices to optimize responsibilities and working practices with product marketing and its teams

- How to collaborate best with CX leaders and their teams

Suggested First Steps

- High Tech Product Management Score

- Project to Product Is an Essential Transformation for Product Managers

- Product Management Must Take Back the Role of Product Owner

- Create a Product Operations Role to Improve the Strategic Focus of Product Managers

- 3 Ways Product Management Leaders Can Improve Performance of Their Teams

Essential Reading

- Forget What You Know; It's Time to Think Differently About Product Management Skills

- Leadership Vision for 2024: Product Managers

- A Peer Comparison of Product Management Maturity

- A Peer Comparison of Product Management Priorities

- A Peer Comparison of Product Management Improvement Areas

- (Re-)Defining Product Management for the Modern Tech Compan y

Tools and Toolkits

- High Tech Product Management Benchmark

- Product Management Job Description Library for Technology and Service Providers

- Tool: Product Management RACI Matrix

Acronym Key and Glossary Terms

AI	artificial intelligence
CPO	chief product officer
CX	customer experience
KPI	key performance indicator
PM	product manager
UX	user experience

Evidence

[1] **2023 Gartner Product Management Branded Survey.** This survey was conducted to understand the needs, challenges and key initiatives of people in product management roles from June 2023 through August 2023. In total, 283 respondents were interviewed across the U.S. (n = 83), Canada (n = 35), the U.K. (n = 31), Germany (n = 28), China (n = 27), France (n = 25), India (n = 23), Australia (n = 18) and Hong Kong (n = 14). Small base sizes of fewer than 30 respondents should be interpreted with caution. To enable key trends to be compared and contrasted, we established quotas on key organizational and respondent characteristics. Qualifying organizations operate in high-tech industries (cloud services; software; communications equipment; carriers; devices and computer infrastructure; technology and business services; and semiconductors) with anticipated enterprisewide annual revenue for 2023 of more than $50 million (or equivalent). Qualified participants have the title of director (or equivalent) and above with product development/engineering or product management as their primary job function/department.

Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

This initiative, as well as the associated initiatives of product/service discovery and validation, product/service design and creation, product/service introduction and delivery, and product/service evolution and management, has been developed leveraging multiple Gartner information and insight sources, including:

- A dedicated survey of PMs to identify critical initiatives, priorities and challenges

- Published and researched insights around general product management, as well as in specific technology areas

- Engagements with hardware, software and service technology vendors and end users

- Discussions between Gartner analysts on related product management topics

[2] **Gartner Product Management Team Development and Skills Survey.** This survey was conducted to discover how and where product teams are focusing their individual and team development efforts, and how those teams are distributing roles and responsibilities. This survey was conducted from February 2022 through March 2022. In total, 230 respondents were interviewed in their native languages across Australia (n = 5) , Canada (n = 19) , China (n = 35) , France (n = 10) , Germany (n = 14) , Hong Kong (n = 9) , India (n = 8) , the U.K. (n = 42) and the U.S. (n = 88) . To enable the comparison and contrasting of key trends, we established quotas on key organizational and respondent characteristics. Qualifying organizations must operate in high-tech industries (cloud services, software, communications equipment, carriers, devices and computer infrastructure, technology and business services, and semiconductors) , with anticipated enterprisewide revenue for 2021 of more than $50 million or equivalent. Qualified participants must have the director title (or its equivalent) and above.

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Document Revision History

Product/Service Organization and Leadership Primer for 2023 - 2 February 2023

Product Leadership Primer for 2022 - 4 February 2022

Product Leadership Primer for 2021 - 4 January 2021

Product Leadership Primer for 2020 - 16 January 2020

Product Leadership Primer for 2019 - 2 January 2019

Product Leadership Primer for 2019 - 2 January 2019

Product Leadership Primer for 2018 - 23 May 2018

Related Priorities

Initiative Name	Description
Product/Service Discovery and Validation	This initiative can help develop product and service offering plans and strategies based on best practices and insights for assessing customers' needs, market trends and competitive positions.
Product/Service Design and Creation	This initiative provides insights and best practices to improve the effectiveness of the relationship between product, design and engineering, and maximize customer value through collaboration.
Product/Service Introduction and Delivery	Introduction and delivery focuses on making products and services available to customers. Continuous delivery models, product-led growth and buyer behaviors impact product introduction and delivery.
Product/Service Evolution and Management	The product/service evolution and management initiative helps clients understand those activities that are essential to maintaining and growing a product after it has been launched into a market.

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Actionable, objective insight

Position your organization for success. Explore these additional complimentary resources and tools for tech product management leaders:

eBook
3 Lessons From High-Growth Companies to Build a Successful Product Strategy

Find out how to avoid common product strategy pitfalls.

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Report
Top Trends for Tech Providers for 2024

Explore the top trends product leaders must evaluate across all business dimensions.

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eBook
Leadership Vision for Technology Product Managers

Learn the top three strategic priorities for tech product managers.

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Tool
Gartner Product Decisions

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