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Leading Through Disruption:

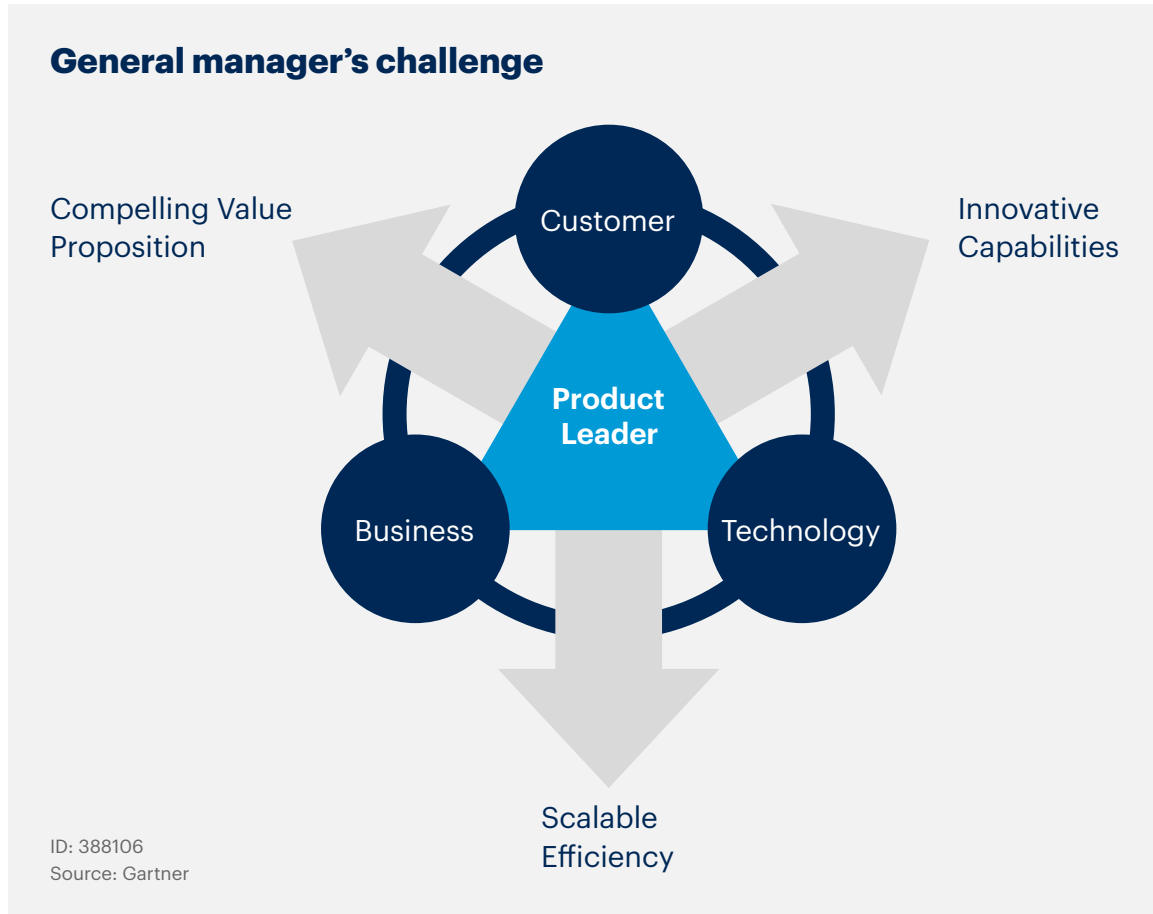
The General Manager's
Value in a Crisis

Gartner works with leading general managers in the high-tech industry.

We conducted a survey of more than 200 general managers regarding their priorities, effectiveness and future plans. The study was completed before the onset of the COVID-19 global health pandemic and related crisis.

We have combined the survey results with our research in leading through a crisis to define the value of a general manager in a crisis.

The general manager's role brings together the competing forces of customers, markets, business and technology.



A crisis disrupts growth plans

In normal times, general managers concentrate on driving growth predominantly from selling existing products and services. The global health crisis disrupts those plans.

Last year the question was, **“How will we make our number?”** The answer was straightforward: by executing your plans.

This year the question is, **“How do we successfully navigate the crisis?”** The answer is equally straightforward: by pivoting the organization forward into recovery (see Page 5).

Pivot forward

Technology companies are unique. The customer-, engineering- and sales-oriented aspects of their culture require them to move forward to shape their future, rather than standing still and taking their cues from others.

Gartner knows of no significant technology company that has shrunk its way to sustained market success. Therefore, we offer the Pivot Forward framework as a way for technology leaders to guide the company through the crisis (see Page 6).

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General manager 2020 priorities: Pre-crisis

Rank	Agenda item	Agenda item	Top 3 priority*	Confidence**
1	Grow revenue — from existing products/services	51%	77%	73%
2	Grow revenue — from new products/services	35%	71%	55%
3	Incorporate analytics/intelligence and ML into products	31%	73%	74%
4	Delivering a compelling customer experience	29%	79%	64%
5	Breaking down silos within the company	18%	64%	49%
6	Innovating product features and functions	18%	72%	78%
7	Building sales professional capability	14%	43%	57%
8	Attracting and retaining the product development team	14%	66%	43%
9	Faster go-to-market	14%	64%	50%
10	Incorporate cloud delivery models	14%	62%	75%

* Percent of people who chose that agenda item as one of their top 3 priorities

** Confidence in executing that agenda item, limited only those selected as one of the top 3 priorities

n = 201, Total respondents, initiatives selected as a top three priority by at least 10% respondents displayed

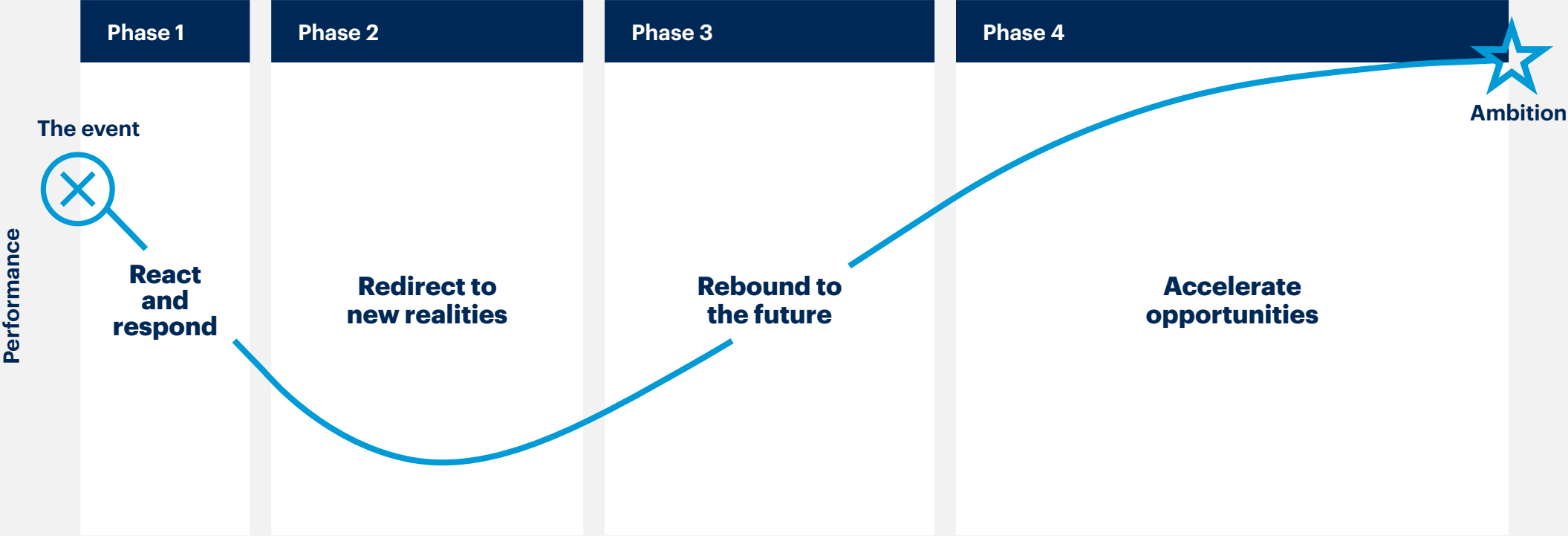
Q1: Please select the top 3 priority items for 2020 from within the selected initiatives?

Q2: Please indicate how confident you are in your ability to execute the top three initiatives.

Q3: How soon do you have to take action for the top 3 initiatives to ensure the success of your product organization's commitments?

Source: 2020 Gartner First Annual Product Leaders Survey

Pivot forward: A framework for recovery



Source: Gartner

The disruptive crisis accelerates and changes the future

General managers face a changing environment that requires them to “bounce forward” rather than bouncing back. The requirement to bounce forward becomes an imperative as the crisis changes customer and market expectations, priorities, values and needs.

This disruptive crisis has changed many of the fundamentals, and accelerated many long-term trends, including:

- Accelerating the move to cloud-based solutions
- Shifting the pace of digital transformation
- Increasing the importance of supply chain capabilities and capacity
- Raising the value of insight, agility and resilience

General managers must respond to these changes

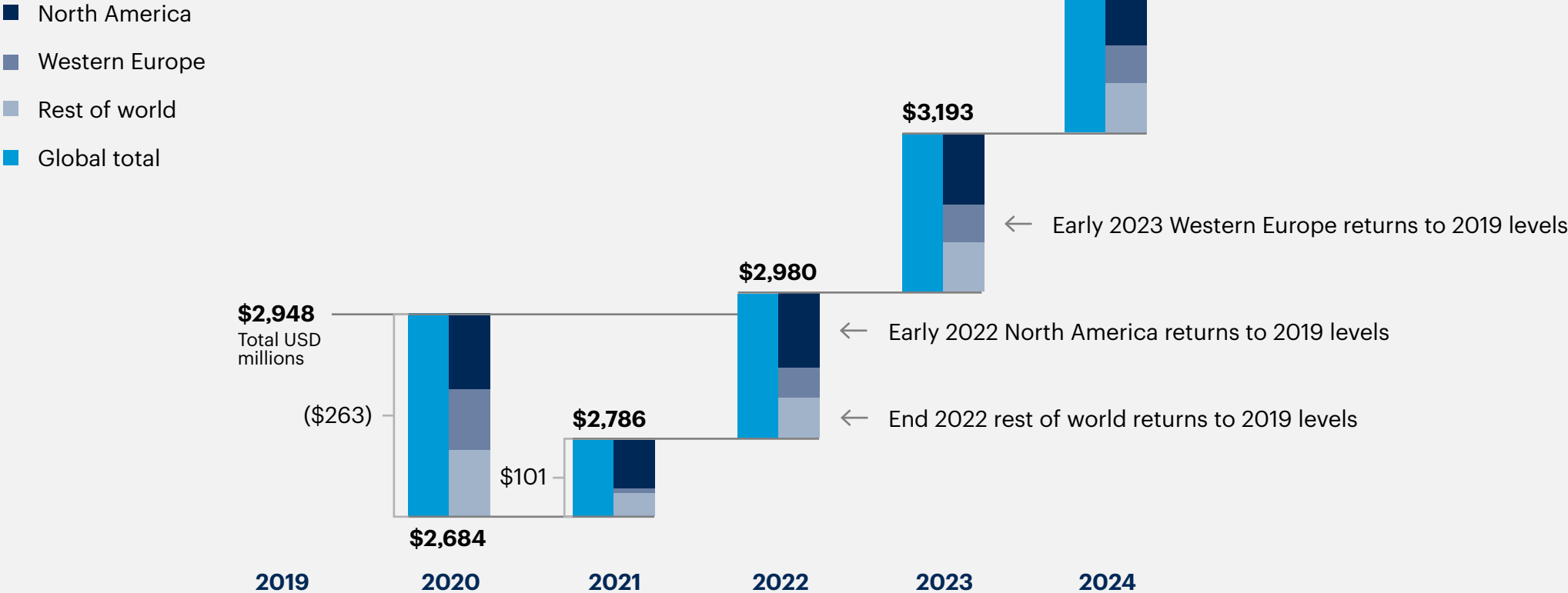
While change is constant, significant change requires rethinking plans and approaches. According to Gartner, global IT spending is expected to fall 7.2% in 2020 and not recover globally until 2022 or later (see Page 8).

While demand will return, general managers must incorporate new resource, market and technology developments into their revised and future product plans. The level of social, economic, business and technology change is transforming the general manager's role and responsibilities.

Bouncing forward to achieve your future ambition



Globally, IT spending may not recover until 2022



Source: Gartner Market Databook, April 2020 Update, 1 May 2020 – ID G00717985

The general manager's role has never been more important

General managers carry different titles but they all have a central role: Lead in the generation of revenue through product and portfolio decisions (see Page 16). This includes:

- Establishing strong role responsibilities and accountabilities as a member of the executive team
- Resolving responsibilities for revenue assignment, customer experience and service delivery between themselves and other executives
- Concentrating on building organizational connections between product management and the rest of the organization
- Building stronger product management teams and team skills as a leadership priority

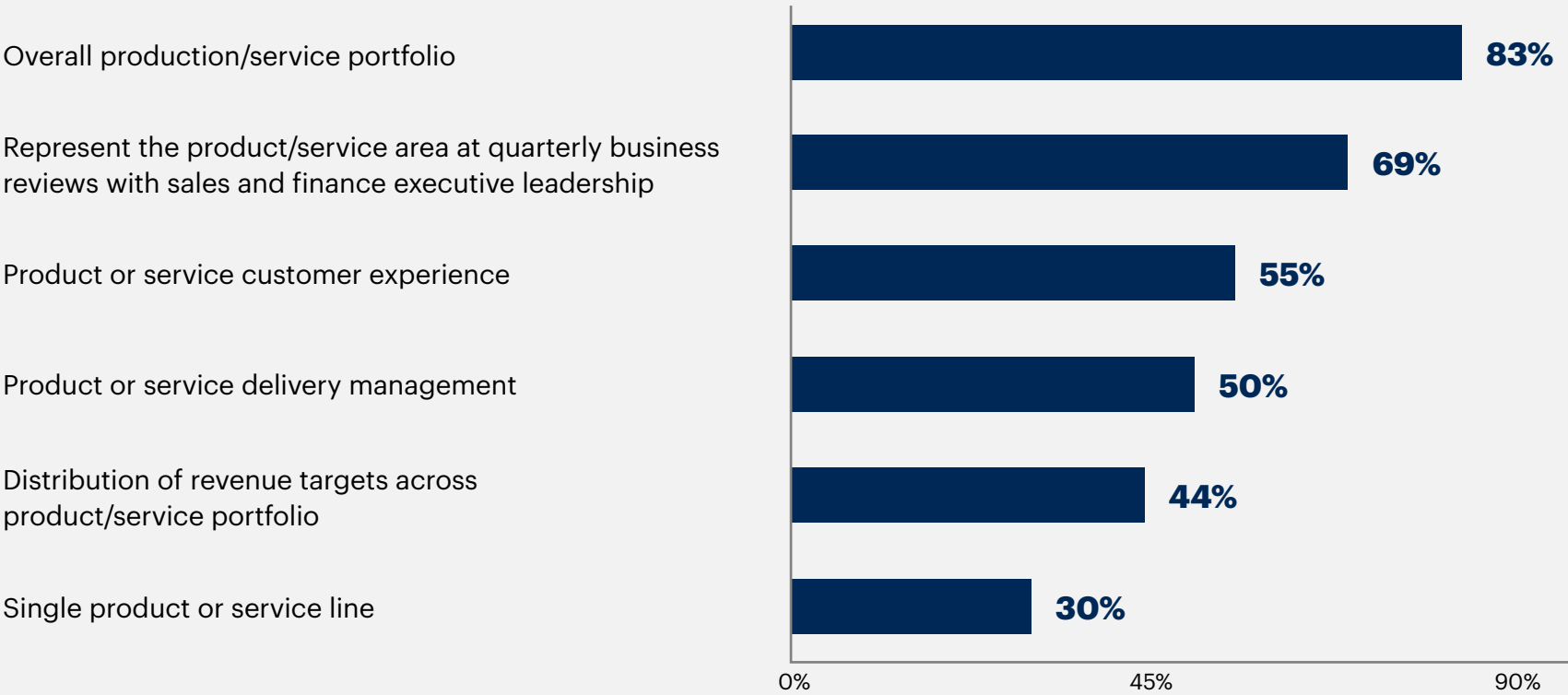
Everything matters to a general manager

General managers carry a broad set of responsibilities (see Page 10). This reflects the complexity and reality of their role across growth, product, technology and organizational dimensions.

General manager effectiveness matters, particularly in a crisis.

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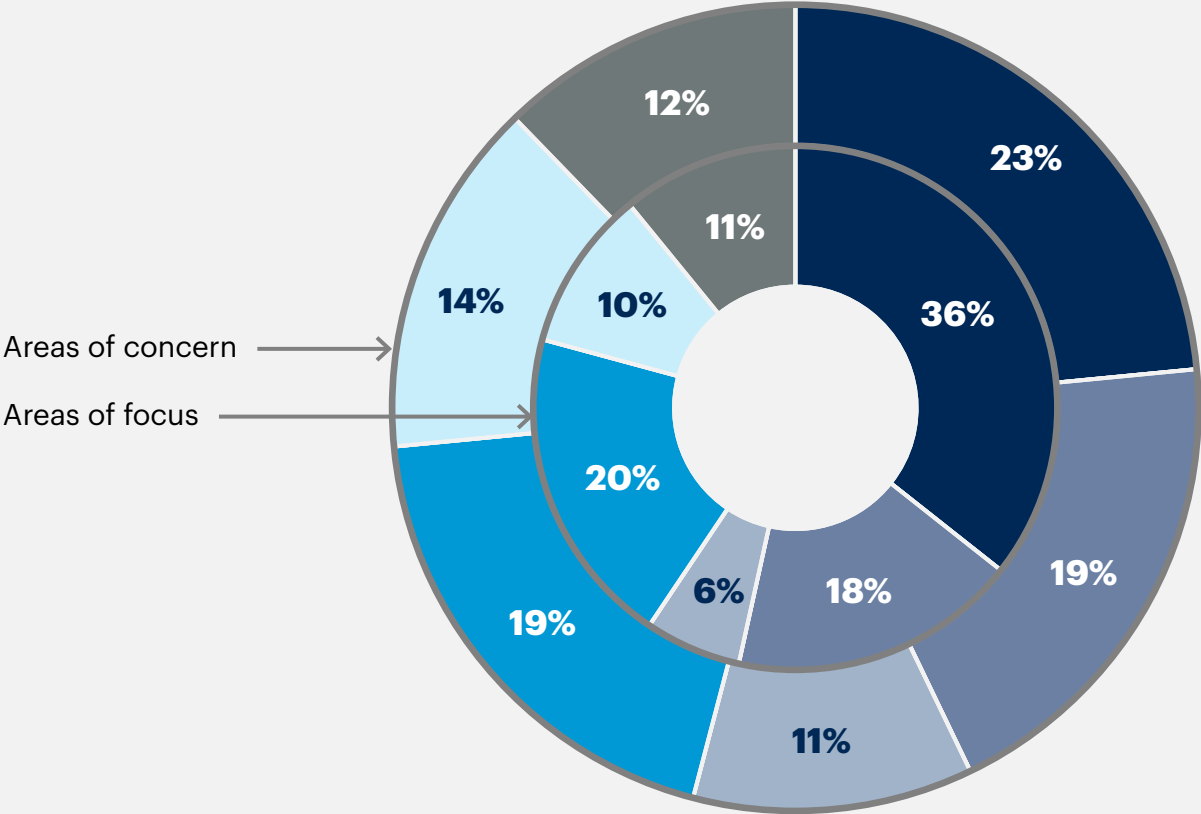
Overall general manager responsibilities



n = 201, total respondents
Q: For which of the following do you have direct responsibility? Multiple responses allowed.
Source: 2020 Gartner First Annual Product Leaders Survey
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The general manager's areas of concern and focus for 2020

- Grow revenue
- Apply advanced technology
- Accelerate product development
- Improve products and services
- Improve sales and go-to-market
- Improve people and organization



n = varies; excludes "don't know/can't share"
Q: Which initiatives are part of your agenda for 2020?
Q: Select the top three priority items for 2020 from within the selected initiatives
Source: 2020 Gartner First Annual Product Leaders Survey
Note: Percentages may not add up to 100% because of rounding.
ID: 464250_C

The general manager's effectiveness has never been more important

Gartner surveyed more than 200 technology general managers regarding nine factors to understand their effectiveness. We developed effectiveness quartiles based on these questions, and general managers broke out into four groups.

Top performers were 19% of the group. Second quartile, 36%, third 33%, and the bottom quartile were 12% of responses.

Effectiveness matters to a general manager

The more effective the general manager, the more ambitious and diverse the company's growth plans. Similar patterns exist in other areas such as priorities, execution confidence and ability to innovate. The more effective, the more value created.

Effective general managers build team and organizational connections to gain the alignment, authority and funding for success. This creates the environment that gets the most from their people.

Less effective general managers did not invest in these connections; instead, they relied on fewer people with fewer skills to build great products. A less sustainable approach, particularly in a crisis.

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The crisis changes the nature of competition and technology

General managers know that the world does not stand still, but few anticipate how fast things can change. The nature of competition is changing (see Page 14). Among the four critical forces shaping the future, general managers recognize competing on outcomes as shaping future competition.

An outcome is a tangible change in business results or performance.

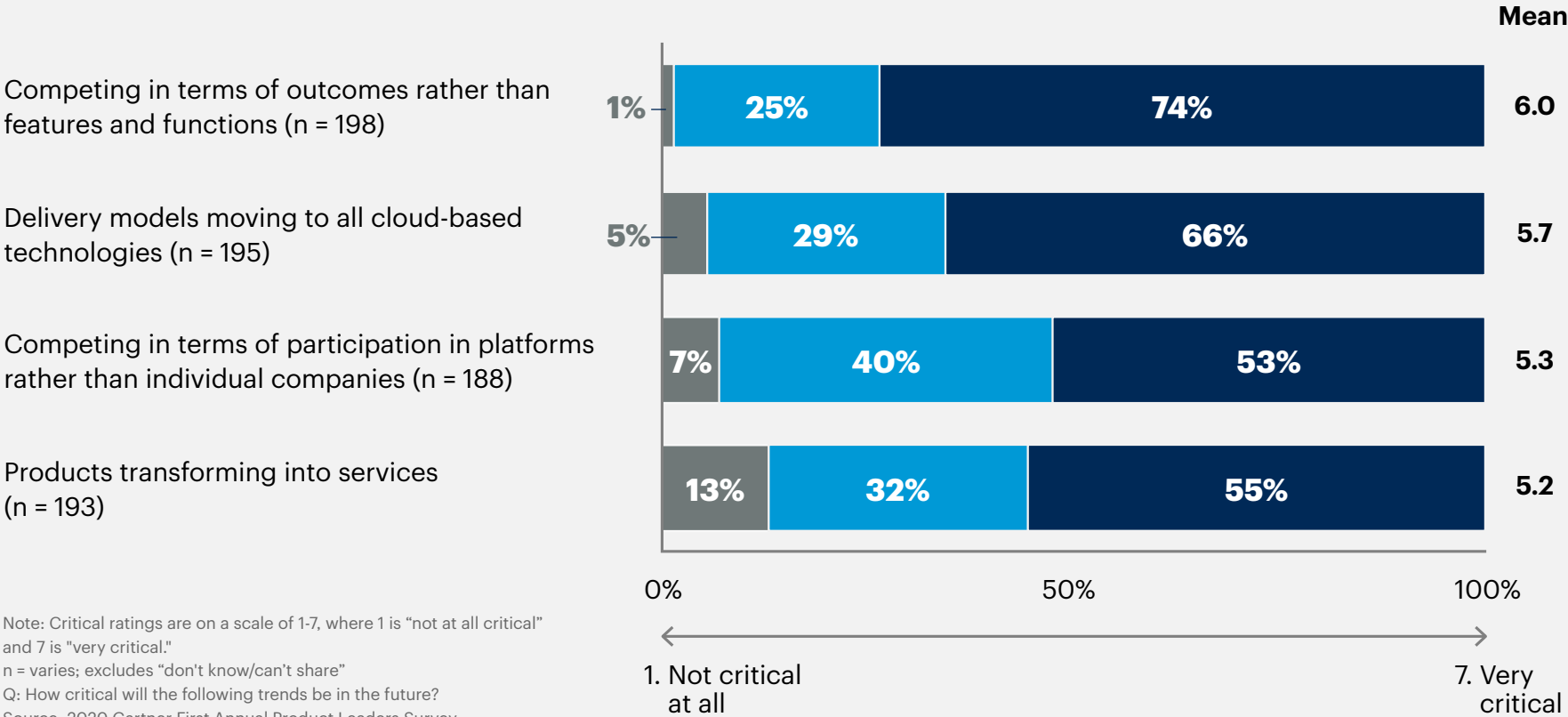
Competing on outcomes means positioning the company and its products relative to the customer's challenges, rather than comparing your features and functions against others. The crisis is accelerating this trend, as the importance of business buyers and clear returns on cash and investment dominate future demand.

Software as a service — the future product technology

Acceleration of demand for cloud-based solutions, digital transformation and automation leads to new product delivery vehicles. Software as a service (SaaS) is seen by general managers as the product technology they expect to grow the fastest, be the most profitable and create the most disruption.

Critical forces shaping the future

Very critical (6-7) Critical (3-5) Not at all critical (1-2)



Note: Critical ratings are on a scale of 1-7, where 1 is "not at all critical" and 7 is "very critical."
n = varies; excludes "don't know/can't share"
Q: How critical will the following trends be in the future?
Source: 2020 Gartner First Annual Product Leaders Survey
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In summary

General managers lead at the crossroads of customers, business and technology. Their role is essential in company success. In “normal times,” success rests in executing product and go-to-market plans. In a “disruptive crisis,” those plans are moot, and general managers need to lead for the future. This starts by recognizing the following broad realities:


- **We were** concentrating on executing prior plans and selling existing products to existing customers.
- **We are now** focusing on leading through the crisis and getting the company in the best possible position for the recovery.
- **We will be** creating new combinations of products, technologies and business models to accelerate opportunities beyond current limitation.

General managers looking to lead through the crisis must embrace the following challenges:

- Integrating growth plans and priorities to create an adaptable end-to-end view of revenue generation
- Strengthening connections between product and the wider organization, including with sales, to create sustainable effectiveness and performance
- Orienting plans and investments to the market in recovery rather than attempting to recoup past plans
- Leading the organization forward based on new realities and priorities based on deeper market and technology insight

The changing general manager role

	We were	We are	We will be
Role	Executing product plans aligned with pre-crisis revenue expectations	Leading through crisis where revenue guidance is unreliable	Expanding revenue and customer opportunities
Priorities	Growing by selling what we have to customers we know	Growing through creating products in demand for the recovery	Growing beyond current limitations through innovation and engagement
Capabilities	Relying on people and their skills working alongside the rest of the organization	Gaining deep customer and market intelligence to lead from within an established role in the organization	Generating and connecting customer needs in an expanding market with new technologies and commercial structures
Technology	Managing a paced transition to cloud-based products and services	Accelerating support for an investment in cloud-based solutions	Transitioning to SaaS-first information intensive products and services
Future	Planned evolution of products to the cloud and SaaS models	Generating as much revenue as is feasible today while reprioritizing investments for the recovery	Blend product and service values to expand markets and customer relationships



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