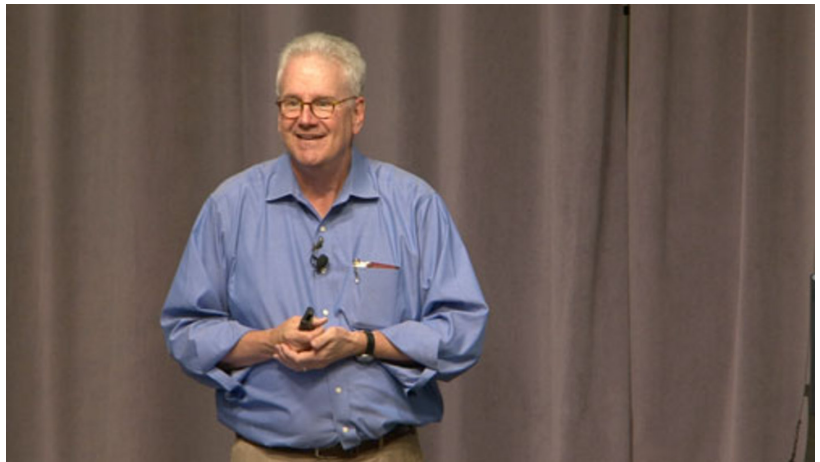


URL: <https://stvp.stanford.edu/clips/product-managers-can-make-real-impact>

Author and Venture Partner Geoffrey Moore believes it is "a great privilege" to work in a high technology company as a product manager, because product managers have their hands on the tiller that can change the direction of a company's fate. In this clip, Moore identifies ways product managers can actively advance innovation and performance within their teams.



Transcript

Now I want you to go back because, you know what, I left this auditorium and next Monday I took on an assignment and by and large, a high tech company and I'm a product manager or product line manager.. I am now -- what is amazing about tech by the way, is that product managers -- the unit of wealth creation in tech all of my life has been the product.. Now increasing the service as a sort of invisible product.. The product and product management is largely conducted by people in the first 10 years of employment.. So all of a sudden, relatively early in a career, unlike most profession, most other industries, you actually have your hand on the tiller that changes that fate of your company.. So it's an amazing privilege to work in a high tech company because the amount of power you get short -- particularly if you can get into this role of product marketing and product management.. So that's the role you have now.. That's the role I'm going to give you for the rest of this conversation.. And your job now is you have a really cool product but you're living in a company that makes it's living through a very old and boring set of products.. But they make money..

So this is your challenge, OK? So to understand the lever you have, you have some resources and the question is where are you going to spend them and what are you going to get for them.. So think about having an innovation budget.. Not much but some.. Well, you could spend it on differentiation and that means I'm going to spend it on some kind of innovation R&D and I'm going to create something unlike anybody -- anything that anybody else has and that's going to cost the customer to go, wow, I want this offer.. I don't want those other offers.. We'll talk about that a bit more in a second.. The second way you could spend your budget is hold on, everybody else in our category now has this new feature and we don't.. And people by the way, are noticing it.. So if we don't do some back filling of this feature set, we're going to -- and no matter how different we are over here, they're going to go, yeah, yes, it's an amazing car, they have no wheels on it though.. You know what I mean? You kind of need wheels, don't you? So that will be that part..

Now you've got you're budget is getting pulled in two different directions and you've got a third idea which is, you know, if I could figure out a way to do some productivity things, maybe I can get some more money to spend on red and blue.. And so basically, those are the three things you can -- the three levers -- the kinds of initiatives that you can go.. I'm going to -- charter differentiation thread, neutralization thread or a productivity thread.. And I'm going to kind of walk you through -- there's a lesson at that end of this which is an amazingly -- it seems like it's such an obvious lesson.. It is almost universally not follow -- the principle you're going to follow.. Which just to give you a head's up on it is these three things are not mutually compatible with each other.. And whenever you charter a single team in a single project stream to do two or more, you're screwing up.. And I would say that 99% of all the project streams I see are combinations of those three things which is a fairly high ratio for screwing up.. But let me kind of walk you through, that's the place where this is going to end.. So differentiate, why do you do that? To separate from your competitive set..

Pretty obvious and pretty exciting and by the way, every engineer in the world wakes up thinking that's what I do for a living.. I'm the smartest person on the planet and I will be able to demonstrate it.. Neutralize, catch up with the competition, nobody likes to do this.. Nobody likes to do this.. But they get -- but it's part of being an adult.. So you say, OK, I'm an adult, I guess I have to make my best, I have to do a few things, OK.. And then optimize, again, even works for engineers, like what? But the point is there's a big return on this if I can increase -- for you as the product manager, product line manager, if you can get this done because there is a bunch of places where you have resources reporting to you doing stupid stuff.. Too much stupid stuff and if you could actually get that initiative going, you could free up more budget to do the top two...