

Challenges in Product Management

Product management

Summary

Complex products and global integrations add additional challenges to a companies product information management process. In order to avoid delays and future issues, even small local projects to automate product information management need to think a bit globally and longer term.

This white paper provides the reader with an overview of the typical issues a company has to face when working to integrate and automate its product information, with the idea that understanding the problem is the first step in avoiding or solving it.

The problems discussed include:

- Data Synchronization and Update
- The “Minimum Common Data Structure” Issue
- Variation and Configuration
- Sales Process Integration
- Procurement Process Integration
- Globalization
- Standardization
- Operations
- Quality

Challenges in Product Management

Introduction

What Is Product Management?

If you work in procurement, sales or IT for a large or mid-sized company, it's likely that:

- You're struggling to coordinate your product information between catalogs, your web site, your intranet or your customers' e-procurement portals, or
- You're talking about implementing a product configurator or an improved online product catalog, or
- You're trying to maintain and synchronize product data internally between multiple divisions, systems, and processes, or
- Sales is looking to you to provide the infrastructure and support to integrate product information into a customer's e-procurement portal, or
- You're wondering how you can streamline your procurement process, or how to get vendors to provide better information for your e-procurement system.

It's not hard to see how these questions are related; each is a piece of the larger question of product information management.

Product information management is the process of controlling the quality and flow of product information from seller to buyer.

It's a part of every business in every industry, and it's become exponentially more complicated. Every sale requires a seller to provide product information - technical information, pricing information, product descriptions, graphics - and a buyer to use this information to make a choice. This information comes from multiple sources - engineering, marketing, sub-suppliers and product management and moves through multiple "channels" - print catalogs, web sites, procurement systems - to multiple buyers. As the number of each increases - sellers, channels, buyers - so do errors and costs.

Why Is Product Management So Challenging?

Product management is about managing the quality and flow of product information across internal borders within a company and between companies. Many people are responsible for a small portion of the overall product information management process, but traditionally few people, if anyone, are responsible for the entirety. Similar to the challenge of multiple blind men trying to describe an elephant by feel, each participant in the overall process understands his part in the process, but few see the complete challenge.

Understanding product information management requires stepping back and analyzing the whole process, from all points of view. Rather than looking at the work of a single department, or a single company, product information management looks across roles, across departments, and across company boundaries.

- Product managers coordinate specific ranges of products.
- Engineering teams maintain technical content and configuration logic.
- Marketing teams develop convincing descriptions and graphics.
- Portfolio managers build product portfolios appropriate to the market.
- Regional sales teams localize and translate content.
- Sales teams maintain a customer centric view, being responsible for a customer's pricing and contracts.
- Procurement managers integrate suppliers into their procurement process.
- Project managers and engineers search catalogs to find the solution to their current needs.

These, and many others, are all connected to of the same discipline - product information management. Most, however, see only the details and problems associated with their own role. Even when taking a step back and analyzing the problem across the divisions within their own company, most focus only on their own challenges as a seller or as a buyer.

Product information management integrates sellers and buyers and must adapt to the challenges faced by both.

Knowledge is Power

During the past years, through the e-business build out, both companies building automated sales or e-procurement processes and the software companies serving them focused on the end result – the website, the store, the “shopping basket” and the ordering process. In the end, the stores were completed, the processes rolled out, the budgets gone, and the product content – that which the buyers or sellers were trying to automate, was still missing.

This white paper does not solve the challenges surrounding product information management. There is no silver bullet, and no one system that does it all. Rather, This paper provides the reader with an overview of the typical issues a company has to face when working to integrate and automate its product information, with the idea that understanding the problem is the first step in avoiding or solving it.

This paper is also not meant to intimidate, showing a nightmare scenario in order to scare the readers into an overblown project or solution. Companies organizing their product information management processes should look around, see the full scope of the issue, and then pick a small area and just pragmatically begin.

Challenges in Product Information Management

An analysis of the core processes within product information management, however, when combined with the limitations of the current methods running within many companies, reveals a series of standard challenges that must be faced and overcome by any company wishing to improve its overall product information management efficiency.

- **Data Synchronization and Update:**
When product information is added or updated by the supplier at its source, how does this change reach all of the places where it is used? How can this be

accomplished with a minimal number of manual processes, batch processes, synchronizations, and errors?

- **The “Minimum Common Data Structure” Issue:** Information that is copied or synchronized between systems is inherently limited to the subset of information that is common among all systems sharing it. Hence, the overall process cannot add a new piece of information without adding it to all affected systems and interfaces. The product information management process must either manage enough information for the most complex product and process, or limit itself to only the simplest products and processes.
- **Variation and Configuration:** Most products in the B2B world require at least some level of configuration or selection from a number of variants. Even a low level of product customization - one with several attributes and a number of selectable values for each attribute, can result in millions of variants for the product. The product information management process must have a method for managing product variations and for selecting from among the variants.
- **Sales Process Integration:** Product information management does not stand alone as a discipline; rather it must integrate with Sales, Customer Relationship Management and Marketing. Typical integration points include marketing processes, printed catalogs, internal sales force information tools and CRM or ERP systems.
- **Procurement Process Integration:** The product information management process is complete only when the customer has the information he needs to make a purchasing decision. Since most large organizations are implementing e-procurement systems to manage their own buying processes, product information management must be integrated seamlessly with these systems.
- **Globalization:** For all but the simplest and most local businesses, product information management must address the increased layers of complexity created by regionalized sales organizations, multiple languages and character sets, regional product portfolios and pricing systems, multiple currencies and fluctuations, and local marketing and branding requirements.
- **Standardization:** must develop internal standards for product information management within the company and adhere to external standards for product

classification and for specification of technical attributes. Process flow has to be standardized within an organization and interfaced with external systems.

- **Operations:** Like any discipline within an organization, if product information management is going to run effectively, it requires additional processes be in place to ensure that the product information management processes are running correctly, that people are correctly trained and procedures are followed, and that integration points are tested and maintained.
- **Quality:** Garbage In - Garbage Out. To be accepted and effective, a company's product information management processes must provide predictably high quality information. This requires regular testing and quality assurance on both the data and the processes used to maintain it

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