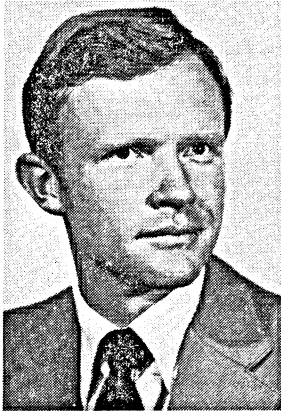


DO YOUR PRODUCT MANAGERS MANAGE PRODUCTS OR ARE THEY GLORIFIED MARKETING CLERKS?



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In hierdie artikel bring die skrywers die rol van die produkbestuurder in Suid-Afrika in verband met die begrip van produkbestuur soos dit ontwikkel is oor die afgelope 50 jaar. 'n Ontleding van 35 produkbestuurders in verskeie areas het getoon dat sekere produkbestuurders die teoretiese beskrywing goed pas, terwyl 'n groot persentasie daarvan afwyk. In sommige belangrike areas soos byvoorbeeld koördinasie tussen departemente, voorraadbeheer, verspreidingsbeleid, operasionele navorsing, koste en kostebeheer, opstel van spesifikasies en so meer, was hulle betrokkeheid in voorafgaande aktiwiteite minder as wat verwag is.

When Proctor and Gamble appointed McElroy (who later became president of the company) as product manager for Camay soap in 1927 there was a specific reason for the establishment of this new management position. The management of the company could see no reason why Camay soap showed such bad sales performance. They thought it was a good product. McElroy was appointed to *investigate* why the product did not perform well and to *initiate action* to overcome the problem. He was therefore appointed as a problem solver.

Generally speaking, problem solving forms a large and important part of the activity of every manager, but this was problem solving with a difference. The difference involved the constraints of this problem solving. The limits of his "task area" were the same as the activity sphere involving Camay soap. In other words each party that was involved in some way with the product was included in the "task area" of this product manager. This area therefore stretched right across the boundaries of the functional departments in the company. In fact, the product management system was an early form of matrix organisation. But in addition to what happened to the product inside the firm, a large section of this task area was outside —

the market place and its influence on product performance.

THE MODERN PRODUCT MANAGER

There are two different viewpoints from which the role of the product manager in the modern manufacturing company has been described.

Authors such as Dominquez (1971) and Kotler (1972) described him as a Marketing Executive. The product manager is considered to be a person, employed as a member of the marketing department. He makes contact with various persons and groups of people inside and outside the company to influence them to give optimum attention to his product. The buyer must ensure that the raw material is always on time for the manufacturing process to start, the planning department must put his product first on the production schedule, the production manager and the quality controller must make sure the product is of the best quality, the cost accountant must have a favourable attitude towards his product when overheads and indirect costs are allocated and so we can go on until the product is sold and the money has been collected.

From the field of study in the behavioural sciences, the

product manager is viewed from a slightly different angle. Thompson (1967) studied the interdependence between departments of the firm and described the role of the coordinator as a liaison role. Lawrence and Lorsch (1967) studied the degree of integration and differentiation in the firm as related to uncertainty in the environment of the firm and also related to market dynamism. They found that the number of integrators increased with market dynamism and that in order to achieve decisionmaking with the perspective of the general manager at lower levels of management, integrators carrying labels such as: Product Manager, Project Manager, Brand Manager or Materials Manager were introduced.

It is important to note that from this point of view the coordinator is not necessarily bound to the marketing department. For the coordinator it is important to have an unbiased outlook otherwise he is not able to provide general management perspective to decision-making.

A combination of the theory written (See Fulmer and Brunner, 1968; Arnes, 1971; Clewett and Stasch, 1975; Baker and McIvish, 1976) actually gives an excellent picture of the product manager:

1. He is the person who makes a detailed study of the market performance of the product. He studies the demand of the market to find new opportunities for development and he plans the product strategy of the company for his portfolio. This means a strong marketing orientation.
2. The information he obtains makes him the ideal person to communicate facts of importance to product development personnel, production personnel and quality control staff. He is the man who can decide whether a product is over-engineered and because one of his responsibilities is gross profit he will be inclined to find that fine balance between product quality and cost. He must also communicate priorities to the planning department and ensure through discussion that the best balance between customer service and "order-change" cost is achieved. He therefore has to ensure cooperation between different departments inside the firm. This means a strong coordination task.

Obviously this is a very broad description of the functions of the product manager but the essence is that he is responsible for oiling all the gears in the organisation that need to turn to produce the products in his portfolio at optimum profitability. Much has been written about the product management concept being outdated, but as long as there is specialisation in the firm, coordination is essential.

Other arguments about what the product manager should and should not do have also been on the foreground. We can for instance take the question of how

far the product manager should be involved in advertising — a matter which receives much attention and publicity. The answer becomes very obvious if we measure the product manager against his purpose in life. If advertising becomes a problem affecting the market performance of the product, the product manager must pay attention to the problem. One area of attention must however never absorb so much of his time that the other areas are neglected. He cannot start specialising in advertising, he must remain a professional generalist. His task is to overcome the disadvantages of differentiation caused by specialisation.

THE PRODUCT MANAGER IN REAL LIFE

An analysis was done in which 35 South African product managers* were asked about their involvement in different activity areas of product management. One can summarise the trends found as follows:

- (1) Product Managers are generally speaking responsible for the gross profit of their products, and their performance is also judged largely by this factor.
But they perceived their involvement in specifications, tolerances and cost control to be very low.
- (2) An important responsibility area in the theoretical description was the effective coordination of all parties that are concerned with the manufacture, sale and supply of the product.
But in practice it was found that involvement in coordination was largely limited to the relations of different departments with the marketing department as central unit. This means that the product manager intended to pass instructions from marketing to other departments rather than add general management perspective to decision making.
- (3) Product managers are generally highly involved in marketing activities such as forecasting, planning, research, segmentation and analysis.
But they indicated low involvement in the activities necessary to get the product to the customer in the best way such as: inventory turnover analysis, economics of inventory, operations research, systems development and transport.
- (4) Product managers generally showed low involvement in any activity that required statistical analysis, calculus or accounting procedures.
- (5) Another interesting trend that was found was that product managers only gave product training to sales and marketing staff and not to production staff who are responsible for the manufacture of a product that is acceptable to the customer.

From these trends it is apparent that our product managers are only partially managing products. It was stated that originally the product manager was

* The sample consisted of 15 industrial product managers, 15 consumer brand managers and five industrial product managers also involved in Governmental work.

appointed to *investigate* a problem and then *initiate action* to improve the market performance of the product.

How can a problem be investigated without factual statistical analysis?

How can action be initiated without a deep involvement in coordination of *all* parties involved?

How can one take good care of gross profit without finding the right balance between quality needed and cost?

HOW CAN THE SITUATION BE IMPROVED?

Fortunately the study also indicated some important positive trends, namely that product managers who had received training and education in general management were much more involved in coordination than the average product manager. They were also more aware of analysis techniques. Product managers who had had only sales and marketing training tended to emphasise the business side whilst neglecting the problems of manufacture.

The opposite was found from respondents with a technical background. It was therefore clear that attitudinal changes can be achieved through training. Unfortunately no specialised training courses in product management are available in South Africa, but courses in general management seem to be a good second choice.

The problem cannot be solved by the product manager alone. The scope of activity of any employee is largely determined by his managers and by the organisation structure. It may be time that top management asks itself whether product managers are there to manage

products or whether they should be assistants to the marketing manager. It is specifically important to place the product manager correctly in the organisation. The different departments in the firm all compete for resources. Can the unbiased product manager really have general management perspective if he is a member of the marketing group, or will he be inclined to push the interests of the marketing department? The trend analysis showed that the few product managers who were directly responsible to the managing director had a more balanced coordination involvement than those in marketing.

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