Easy to Start, Hard to Run: Operational Guidance for Startups and Private Companies | Volume 7

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FULLTIME (BUT OFTEN DELAYED) SEATS AT THE TABLE

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Quick Summary: Critical functions are often ignored with severe consequences encountered later.

Abstract:

There are several roles that are essential but are mistakenly put off or ignored, often until it is too late. The most common reasons are the focus on short-term revenue and the related issue of limited funds to support other areas. Delaying some of these roles and leaving empty seats at the Inside Table may be necessary. However, those decisions need to be made consciously and carefully, weighing the consequences of not making room at the Table.

This article could be summarized by the old British saying: "Don't be penny wise and pound foolish." Many smaller companies do not invest in apparently "staff" functions, rationalizing that they can be added later once substantial revenue and profitability are reached. Unfortunately, substantial revenue and profitability are often not reached precisely because they have not invested in those "staff" functions! Those individuals need a seat at the Inside Table very early in order to ensure that there is room and funding for others! Below are four of the most important and commonly delayed functions that need seats.

Internal Development Manager: The previous article, "Outsourcing – Force Multiplication," discussed the use of outside product development organizations. Further, it described the outcome of the use of these outsourced teams as binary: successful or failure. The outcome has little to do with the development team. Instead, the outcome is based on the involvement and effectiveness of the inside development coordinator. The common trap is to think that product requirements can be verbally described or written and then "thrown over the wall" to the outsourcing team. The reality is that developers make small, incremental decisions every day, often every hour! Near constant feedback and sharing those decisions is critical. Relying on Agile development or multiple small releases will help in this situation, but only if the inside development manager is constantly immersed in the underlying product details. Re-works, patches, and do-overs, seldom solve the fundamental issues caused by the lack of pro-active, early and often involvement. Articles in Chapter 6.02, "Development," and especially article 6.02024, "PM Always Occurs," discuss this issue in more detail. Coordination by the CEO or business development, marketing, or sales personnel is not effective. Despite their best intentions and occasional involvement, they generally do not have the skills to adequately coordinate the development activities.

<u>Product Manager</u>: The most important seat at the Inside Table is probably left vacant for far too long. Arguably, that position is more important to the success of the company than any other position –

including the CEO! It is the Product Manager position. Every company, but especially new companies, are faced with many choices regarding what features and functions to include in their offering, what markets to pursue, what partners to work with, how to address competitive threats, and a host of other alternative paths they could pursue. The quote by David Allen: "You can do anything, but not everything." sums up the challenge faced by every company. The article, 3.040302, "The Could Versus Should Trap," describes the issue that an effective Product Manager addresses. According to that article, [The Product Manager is] the objective arbitrator when [the Could versus Should issue] arises. Their criteria are simple: they need to objectively determine what is in the business's best interest to meet the identified company goals now while consciously not unduly eliminating options in the future. The key part of this criterion is "now." As has been pointed out in other articles in this series, and is the First Principle of this entire series, staying in business must be the most important consideration a company can make. Most new companies do not fill the PM position. Instead, they rely on the CEO and the heads of development and sales to make the Could versus Should decisions. Unfortunately, each group has biases that often result in false starts, a lack of focus, changing priorities, and almost invariably, running out of money or patience of their investors. If they are doing their job correctly, a PM is probably the most resented person in the organization because of their "We could but shouldn't" stand on the newest and greatest opportunity that seems to appear almost daily.

System Quality Assurance Manager: Many companies fill the System Quality Assurance function with a lower-level tester who diligently follows test scripts and other documents to validate the product's functionality and quality ("defect-free") capabilities either developed internally or through outsourced developers. In most instances, their job is thankless. Quite often, they are viewed as obstructionists that keep the product from being released. Their job is often implicitly described as being "cops" or scribes, responsible for reporting issues only. They are clearly not empowered. As an example, the person responsible for system quality assurance may report to the development manager, whose primary focus is to release a product or upgrade on time. Knowing their boss's goal is to release the product, the SQA person may not feel empowered enough to delay acceptance due to defects or lack of support capabilities. The solution is to elevate this position; providing them a seat at the Table with the authority that goes with being a key member of the senior staff responsible for the company's long-term success. This person's role could be expanded to become the overall company Quality Manager as described in the "Part-Time Employees, Fulltime Experts" article in this section.

<u>Customer Service Manager</u>: Customer Service Managers commonly suffer the same fate as the System Quality Assurance Manager – they are given responsibility but not authority. They rarely have a seat at the Inside Table. Often, they are the proverbial "Voice crying in the wilderness," with their direct customer feedback ignored until a boiling point is reached. They are the first to know (or sense) when "Principle Four: Continuously Delight Each Customer" is in jeopardy. Providing them with a seat at the Inside Table can provide them with a venue in which others can become quickly aware of the situation.

Following all the advice regarding seats at the Inside Table may seem impractical. To be realistic, an entrepreneur or small company, strapped for funds and unsure that their solution is even viable, may quickly discount these recommendations as too idealistic and impracticable. The counter-argument is

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