

# Product Management 2010: Size, Organize, & Optimize

December 2009

**FEATURING...**

**INSIGHTFUL ANALYSIS:**

At the average firm, senior and mid-level product managers outnumber junior members 3 to 1.

and

**CANDID COMMENTARY:**

*"We had to let go of our Junior Product Managers. The decision was first about loyalty to more tenured people, but also because more seasoned people can cover more products."*

## Research Overview & Goals

The FUSE BenchMark Series is a next-generation research service focused on benchmarking and optimization of resources within different functional areas of an asset management firm. BenchMarks are support programs that combine market intelligence with a pre-defined methodology for self-assessment to produce a structured approach to decision-making. FUSE provides ongoing evaluations of the implementation process to help ensure that business objectives are realized. The baseline information for the Product Management report comes from a detailed survey and a series of interviews with Senior Executives in the product management function. FUSE *BenchMark Series: Product Management* will be released in December 2009.

### BENCHMARKING

Compare your firm to the industry and your most similar peers by firm size, product line, and business model

- Staffing & Compensation
- Productivity Measures
- Organizational Structure

### BEST PRACTICES

Learn what others have done to optimize productivity and profitability

- Product Development
- Product Rationalization
- Time Management

### CLIENT EMPOWERMENT

Implement incisive and actionable guidance to improve efficiency and effectiveness

- Gain Organizational Influence
- Enhance Cost-Effectiveness
- Align Resources with Firm Goals

# Key Data & Analysis Featured in the Report

- **Staffing**
  - Size of staff
  - Demographics of staff – experience, education, qualifications, designations, etc.
  - Career tracking for new staff and ongoing development of existing staff
- **Compensation**
  - Benchmarking
  - Structure
  - Metrics
- **Time Allocation**
  - Functional responsibilities
  - Responsibilities by role and seniority
- **Organizational Structure**
  - Product Management’s role in the organization
  - Resource allocation
  - Product Group organizational structure – product assignments, generalists, or hybrid
  - Relationships with other business areas (i.e., Sales, Investment Management, Marketing, IT, Compliance, etc.)
- **Changes & Plans through the Downturn & Recovery**
  - Changes over previous 12 months
  - Plans over next 18 months
- **Processes**
  - Product development – committees, financial analysis, competitive analysis, internal capability
  - Product messaging
  - Product rationalization

## **ON PRODUCT GROUP STRUCTURE:**

Two-thirds of firms continue to use asset class assignments, while one-third employ a hybrid or generalist model.

*"I think the asset class assignment approach works because there is synergy with investment management."*

*"We work as generalists. It becomes harder and harder to understand what's going on in an in-depth way as one covers more funds."*

## Some of the questions the research will answer include:

### ON THE ROLE OF PRODUCT MANAGEMENT:

13% of product leaders feel their groups should be more proactive in meeting the needs of their organizations, and less reactive to the demands of other units.

*"The gaps between sales and investment management can get so big that product management becomes like hostage negotiation."*

*How should I staff my product management organization?*

*What are the most meaningful activities of product management to impact business results?*

*How much time should I be spending with sales, asset management, marketing?*

*What is the most efficient way to launch funds, rationalize a product line, or integrate a fund lineup post-acquisition?*

*What efficiencies can I learn from my peers?*

*How do I increase the profile and influence of product management throughout the organization?*

*Where should product management sit within an organization?*

*How much time should my product management staff spend in the field with sales and asset management?*

*Should I organization my staff by asset class or should I move to a generalist model?*

*Where should I source new hires?*

**And many more.**

# Table of Contents

## CHAPTER ONE:

### **Defining the Product Function & Assessing the Product Landscape**

- Definition of Product Management
- Evolution of Product Management
- Gauging the Product Lifecycle
- Product Trends: Launches, Consolidation, Share Class Development, Mergers & Acquisitions

## CHAPTER TWO:

### **Insights into Organizational Design & Interrelationships**

- Role of Product in the Organization
- Current Organizational Structures
- Product Staffing Benchmarks
- Level & Control of Budget Resources
- Working Relationships with Other Groups

## CHAPTER THREE:

### **Structuring & Staffing for Success**

- Structuring Product Management Roles: Product Assignments vs. Generalist Model
- Creating Career Paths
- Finding the Right Blend of Education, Experience, and Credentials
- Benchmarking Compensation by Product Management Role

## CHAPTER FOUR:

### **Allocating Product Management Resources**

- Responsibilities of the Product Management Group
- Execution of Functions by Product Management Role
- Benchmarking Time Allocations by Product Management Role

## CHAPTER FIVE:

### **New Product Development Processes & Roles**

- Reviewing & Approving Product Ideas
- Preparing for Development & Launch
- Distinct Roles of Product Staff in the New Product Process
- Measuring Success

**CHAPTER SIX:**

**Monitoring & Rationalizing Existing Products**

- Product Monitoring & Reporting
- Navigating the Product Rationalization Process
- Commitment to Product Rationalization
- Challenges of Effective Product Change

**CHAPTER SEVEN:**

**Assessing Product Group Effectiveness after the Downturn**

- Responses to the Downturn & Recovery
- Functional Importance vs. Performance
- Overcoming Barriers to Success & Improving Effectiveness

**CHAPTER EIGHT:**

**Future of Product Management**

- Outlook over the Next Five Years
- Recommendations for Structure, Organization, & Compensation
- Recommendations for Time Management, Resource Allocation, & Leadership
- Recommendations for Product Development
- Recommendations for Product Monitoring
- Recommendations for Advancing the Profile of Product Management in the Organization

# Service & Pricing Levels

FUSE's mission is to deliver actionable, practical recommendations that are customized to each client's business situation. Our BenchMark series reports are far more than a "data dump" of statistics and general trends. The BenchMark series include ongoing support and periodic updates to help ensure that our research will have a useful shelf life of 2-3 times longer than competitor reports.

## Level 1 Offering (\$12,500)

- Full-length report with personalized, actionable findings based upon firm type
- Webinar presentation of report summary with follow-up Q&A

## Level 2 Offering (\$15,000)

- All of the components of Level 1 plus...
- Customized analysis of survey results versus peer participants and entire survey audience

## Order Form

Yes! Please send me *FUSE BenchMark Series: Product Management* (includes 2 hard copies, 1 electronic copy...for internal use only!). Please indicate which service level you would like to receive:

- Level 1: Core Offering for \$12,500
- Level 2: Core + Customized Recommendations for \$15,000

By signing below, I agree to pay the fees indicated above, and to the terms of use, which are that the report and its contents are for my company's internal use only. No research content is to be distributed outside of my company without the express written consent of FUSE Research Network, LLC.

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Signature

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Date

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# About FUSE Research Network, LLC

FUSE Research Network was launched with the view that research and consulting support for asset managers has failed to evolve with the changing needs of the client. The competitive environment of the future will demand that clients make important business decisions within shorter and shorter timeframes.

In order to support clients in this setting, FUSE will provide a dynamic research platform that covers our clients' current and future decision areas (strategic and tactical). Our goal is to become an invaluable business partner through the delivery of highly informed and forward-looking recommendations that are among the critical inputs our clients need to optimize results.

The foundation upon which FUSE is built is as follows:

- Ardent Client Advocacy
- Absolute Candor & Objectivity
- Decision Support Research
- Incisive & Actionable Guidance