

Days went by and Blount hadn't heard a thing. Finally, a young woman arrived in his office whom Blount learned was a bright MBA graduate with responsibility for the 1-800 product. Again, Blount recalls the conversation:

Blount: 'I want to talk about the 1-800 service.'

Staff: 'Yes, sir.'

Blount: 'There are some issues that have arisen on the product management side, specifically maintenance of the product, fixing some problems with it and how it is billed.'

Staff: 'I know the type of things you are talking about, sir, because we studied product management in school, but, strictly speaking, my job was to launch the product. I have no way of knowing how it performs once it has been launched.'

Blount was shocked, but his anxiety level continued to rise when he discovered this wasn't an isolated problem. Product management as Blount knew it in a competitive environment was non-existent. There was no overall coordinating role to monitor the performance and profitability of products and modify them as required. He moved immediately to demonstrate the importance Telstra would have to place on products to compete effectively:

I'd often seen approaches that would try to solve world hunger but they didn't get any traction because they operate at such a high level. I decided to pick one product and understand everything about it.

Blount asked his 1-800 'product manager' to put together a team to analyse all aspects of the product and provide a snapshot of what an ideal product should look like. Blount then arranged a two-day retreat for his senior managers to take them through

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- provisioning;
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PRODUCT MANAGEMENT — IF THEY WON'T BUY IT, DON'T BUILD IT

the product management case study. Fifteen stations were set up around the conference site staffed by junior managers. Each member of the senior team rotated through the stations dealing with all the aspects of basic product management:

- how the product was designed;
- time-to-market;
- provisioning;
- training/selling;
- how it was working in the field;
- the fault rate; and
- the billing 'system'.

→ The picture that emerged made it crystal clear that performance was sub-standard. Costs were too high. Time-to-market was too long — at least 18 months from conception to launch. There was no accountability for the profit and loss of a product, so the company didn't track its performance once it was in the marketplace. And on a broader level, the number of new product innovations was tiny — only around two dozen a year.

The exercise worked brilliantly. The Telstra senior team realised the power of proper product management and the light-year leap it would take to get Telstra up to scratch. Blount's gut told him that to fully redress this problem and lift product management up in the eyes of the organisation as a whole, he would need to appoint a Group Managing Director for Product Management. The logistics of doing so immediately proved too difficult to orchestrate at that early stage, so Blount agreed to have a product manager in each business unit who would report to each of the GMDs. With the massive change being undertaken and the resulting competing interests, Blount was not satisfied with how things were progressing. The will was there to take on the product difficulties, but successful execution failed to