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Digital product management: Trends, experiences, and outcomes

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Bobby Stephens: Welcome, everybody, or welcome back to That Makes Cents, the podcast where we break down consumer industry trends into plain English. If you're like me, you've probably heard somebody along the way say, "Well, every company is a tech company." But with each passing day, that statement actually starts to ring a bit more true.

So regardless of industry, product type, geography, or service that you're providing, to stay competitive, today's companies have to develop and launch digital products for customers, partners, and employees alike.

Well, what are digital products? For the most part, they're apps and software tools that we are using every single day. But we'll get into that in a second, because

whatever the digital product, a great product manager makes all the difference from that first concept through development and engineering, and finally to the end user experience.

What are the things that help to differentiate great product management? Well, truly product and end user–centric thinking. It's the shift from outputs to outcomes, from milestones to user obsession. It may sound simple, but keeping the product in the center has really changed the way that we define our vision, develop our people, define our success, and deliver on goals.

What kind of impact will that have on your business? Well, our guests will get into that later. But here's a success story to start.

One of our clients, a fast casual food chain, redesigned their mobile app with a focus on in-store and online journeys and getting those in alignment. And it was able to grow their digital sales by over 135%. So clearly it pays off in more ways than one.

So back to our guests. Joining me today are a couple of pros to help me break down this topic, from where to start to the challenges this change in thinking might bring, all the way to how this impacts you and your friends as consumers. Please welcome Rick Lockton, SVP of eCommerce for Ashley Furniture, and Anthony Jardim, a principal here at Deloitte in the customer and marketing practice.

Thank you both for coming on the show. I'll turn it over to you to introduce yourselves to our listeners. Rick, why don't you go ahead and go first?

Rick Lockton: Hey, Bobby, thanks for having me. So I joined Ashley Furniture about six months back, and like many others who changed jobs in the middle of the pandemic, it was quite an experience. But I've got quite a bit of different responsibilities here at Ashley, but I'd say the area that I'm most passionate and excited about is really transforming our shopping experience.

And like you mentioned, I'm on the eCommerce team, so that means digitally transforming the shopping experience and trying to figure out how do we bring our stores, brick and mortar stores, and eCommerce shopping experience closer together. So prior to Ashley, I spent about 10 years at Walmart, and really got to participate in one of the biggest digital transformations going on in the industry. And I had lots of different roles over the years there, everything from designing new store formats to leverage digital, figuring out how to run merchandising businesses in an omnichannel way, and ultimately my last role was building a product team and redefining how we do technology development in the company and transform how merchants do their business.

Bobby: Awesome, welcome. Anthony, why don't you introduce yourself?

Anthony Jardim: Hey, Bobby, hey, Rick. Pleasure to be here. Anthony Jardim, I am a principal in Deloitte's customer marketing practice. I'm based out of Boston, Massachusetts, and my career has evolved like the customer has evolved. I started off with an eCommerce focus and shifted over to mobile app development, helping our clients find unique ways to interact with their customers and deliver different digital capabilities through mobile apps.

And lately I've been really passionate about building great products that deliver sustainable value to not only them but most importantly to the customer and end user.

I've been really helping out a lot of the world's biggest retailers solve really gnarly strategic problems that they have, and I'm really excited to share some of my learnings with both of you.

Bobby: I'm super glad to have both you guys here, I mean, I'm a retail guy, also an eCommerce guy, so this should be fun. I will stay out of your way, but I'll be intently listening all along the way for little pointers that I could use as well.

So let's get right into it. For the group of listeners who may not be familiar with this specific topic, Anthony, what the heck is product management? And in this context, what is a product?

Anthony: You really nailed it at the beginning, Bobby, when you were talking about product-centric thinking and the product revolution that we have witnessed over the past few years. We've definitely seen a large shift across industries as organizations transition towards a prioritization on customer experiences and those outcomes that you mentioned, to meet the ever-changing demands across consumers and markets.

So as you mentioned at the beginning, product-centric thinking has evolved the way we build in the digital world today. So I've often asked folks, "What are some characteristics of a good product?" And you can predict the responses. Things like easy to use, solves a problem, makes us money. And I'll point out to those folks that no one's ever said delivered on time or under budget.

Everyone knows those aren't product things, those are project things. So all the things that make a product good are the things that happen after the product ships. They're the things that are the results of customers seeing, trying, and using your product. It's really up to them to tell you how to solve a problem that is unique to them, and that's not really easy.

So, it's only after enough of them buy and use your product and service that you'll make lots of money from that. Those are

the outcomes, so I'm not saying you don't need to deliver something predictably and at high quality. But that's the beginning of your process, not the end.

Rick: I'll chime in, Anthony, and reiterate some of your points. I'm a pretty simple guy. To me a product is just a solution to a problem. And product management is really just a blend of art and science that we use to understand that problem and optimize a solution for it.

And I tell my teams almost every day, "Look, guys, product management is a team sport." We spend a lot of time talking about the product manager role, but it's really no different than a football team, and I'm working out of Tampa right now, and so I get to hear a lot about Tom Brady, one of the best quarterbacks of all time. But, Tom's not a one-man show, and without a great team of linemen, wide receivers, running backs, he wouldn't get much results, and product management is no different to me.

Bobby: Well, with the Tom Brady mention out of the way, as a Colts fan, that's tough, and I know Anthony's a Patriots guy, so I feel like I might be outnumbered here.

So I'll move on past that one, but Anthony, why is digital product management so important? I love that callout that it's a team sport, but what are some other things that it brings to the table that helps us shift away from project management to product management?

Anthony: It's really the discipline of building those technology products with a focus on why the product is being built, what the product should do, where the product is launched, if it's web, if it's mobile, and how it should be built, tested, and launched.

I look at it as high-impact product management is really driven by increasingly complex digital landscapes that span multiple channels—web, mobile, in-person, and virtual experiences—and the high expectations that the consumers have when it comes to both functional and user experience across those different touchpoints.

Rick: So most of my experience has been in retail, and when people step back and think about retail, most people think the products that a retailer sells is what's on the shelf. What's the customer going to walk home with? But to me, the real problem that a retailer is solving is helping a customer find an item they want at a price they think is competitive, and it's hopefully in stock when they're looking for it, and they can check out easily.

And all of those problems can be streamlined leveraging technology or digital tools to provide a customer a killer shopping experience. And sometimes it's in a way that a user sees and interacts with, like a mobile app or a website, but sometimes it's something that just happens behind the scenes and they didn't even know it was going on, but it makes their shopping experience better.

Bobby: I love that and, Rick, I'd love to build on that a little bit, sort of in practice, and see if you could describe one or two of those things that you've done in the commerce space, either since your time at Ashley or before that. What was the change that was needed, and what were the things that happened both behind the scenes with your teams and the technology, but also the customer side?

Rick: I'll give you a good example of a customer problem that I was given when I started. Actually, maybe I wouldn't even call it a customer problem, it was an outcome that leadership wanted. So, especially during COVID when a lot of brick-and-mortar stores were closed or heavily limited in the shopping experience, buying online and picking up in store really took off for a lot of retailers. And we were one of the retailers that didn't have this offering, so I was told, "Everyone else has this. It's driving a crazy amount of business in most retailers. We've gotta have it. Go figure out how to get it done."

And one of the things I started with was trying to understand the customer problem and where can we add value, reduce friction, improve the customer experience, something that would make shoppers want to shop at Ashley versus another furniture company. And this problem was super interesting because we sell really big and heavy pieces of furniture. We ship them, in most cases, free to somebody's doorstep, so they don't actually have to come into the store to get it.

Most of our stores are just showrooms, so we don't even have a back room holding inventory. And so, if you look at like, what's the value we can even give to the customer, I was really struggling to figure it out, because if you buy a sofa, most people can't fit that in their SUV or sedan that they drove to the store. We don't have the inventory sitting there, so I can't get it to you faster by going to the store. It's free to deliver it, so it's not like you're saving money by picking it up.

So, it was one of those where we had to step back and say, "What's the actual problem we're trying to solve?" And then, "How can I use technology to make it better?"

And I'll tell you, one of the things that we learned early on, especially in a COVID-driven environment, everybody's working at home right now, either redesigning their home office space, designing their family rooms because they're spending more time at home, and so furniture is really hard to get.

And so, when you've got backlogs of months where somebody's gonna order some furniture and won't get it, people really care about how quickly they can get a product. And so we stepped back and broke it into phases and said, "Let's first focus on allowing customers to find the items they're looking for and prioritize if they want it now or if they're willing to wait a little while." And just adding that functionality to the site is going to drive tremendous value in the shopping experience.

Bobby: Love that. Anthony, what about you? Do you have an example there or something that maybe would seem small to the end user, but you know how much orchestration it took of teams behind the scenes to bring that simple solution to life in a way that was meaningful?

Anthony: Yeah, this is one of my favorite examples. Over the past year, we've been helping a big retailer reimagine their customers' digital experience. In the past they provided their customers with a confusing and sometimes frustrating experience, and what I mean by that is they literally had a too-disjointed digital experience. They had one for online grocery, they had another for general merchandise, and you can imagine the frustration from a customer's perspective when you're going to this same retailer and sometimes purchasing both grocery or general merchandise products, and you have to download two different types of apps.

So we've helped them think through or refocus their North Star to be more centered on saving the customer time and money. And our goals have really centered across three main areas. One is choice. We want an intuitive and frictionless experience that gives options across the what, the when, and the how that we talked about in terms of how we defined product management earlier.

We wanted simplicity. Make decisions easy, relevant, and simple for the end user. And we wanted access, we wanted the ability to increase access to all of our clients' value propositions easily.

From a customer perspective, it might not look like a big deal, but in the back end there were so many teams that had to be coordinated and structured in different ways. So it was a giant effort and one of the client's most strategic initiatives that they embarked on.

Bobby: Love it. I work in the pizza business a lot, and as simple as giving an estimate of the delivery time for when your pizza's going to get there, when you've got a hungry family. It's really important to get that right and be accurate, and there's a lot of moving parts behind the scenes around the data that's flowing in—how busy the kitchen is, how many ingredients we have, and all of that takes sort of a product approach to delivering just that estimate into the digital product at all times, and so I can only imagine something as big as the two examples you guys were mentioning and what that does.

So let's play on that for a second because it is a team sport. So how are companies really structuring teams to be more product centered? A chief product officer, head of product was something common maybe in the software industry or in Silicon Valley, but now as it spreads out into the broader consumer industry, I'd love to hear maybe, Anthony, you start. Why do you think companies are headed into that direction?

Anthony: So this is really fascinating. There's definitely a desire to ship product out to customers and end users faster. Look at this past year we just went through and how quickly trends shifted, and how companies needed to react. And those that were nimble and agile and were able to ship product out faster based on what their customers were asking for were those that were winning. So, to answer your question, there's really no cookie-cutter approach. It depends on each company's stance or where they're at from a maturity standpoint when it comes to product management. Do they have product management in place today, they just don't have enough of it? Or are they just starting from scratch?

So from product PODs, Amazon pioneered the idea of the two-pizza team. I don't know if you guys heard about this, but you should be able to feed the entire product POD, which is engineers, project managers, with just two pizzas. Marty Cagan, who is also a well-known writer of product management philosophy, his book *Inspired* was really popular throughout COVID, pretty much agrees with this kind of theory.

So you typically want maybe around six to 10 developers for each product manager. More engineers and your PM, your product manager, is going be overloaded and/or the engineering team underutilized. They're not going to be able to write requirements fast enough, you're going to have too few developers, and you're likely going to miss the opportunity to move faster.

And then, the question is product teams. From what I've read and in terms of what I've seen, too, the best practice is about on average around four product managers per POD, per team, and any more, you're going

to start reducing overall consistency and quality. From what I've seen with clients, this seems about right.

Rick: Yeah, I completely agree with Anthony on this one. In some regards there's no right path, and if you look at where we're at from an industry perspective, separate out the originally technology-driven companies who are selling a product to a customer that's a digital product. They operate in a different way.

And then you leave the rest of us, who are companies that require technology or digital experiences to deliver our business model, but it's not the product that we sell to customers. And for those groups, I think there's this interesting trend going on where, everybody, all these companies know that digital is super critical.

In a lot of cases, they're frustrated with the speed to migrate in that direction and go faster and more nimble, some of the things Anthony was talking about. And they feel like designating a very senior level person with the role of being the chief product officer is super important.

But I think I've learned in my experience, it's less about establishing a person with that role and that title as it is of having some senior leader or group of senior leaders who are willing to both make investments in changing how the team operates, because it is a big investment, and it's tough, and it's going to take some stick-to-itiveness to get it to work.

But also they're going to enable the team to do what they need to do and operate in an agile, product-minded way. And so I'll give you an example. In my company, I'm not necessarily the chief product officer, but when I walked in, here were some of the problems that we were facing as a business and we needed to try and solve through technology better.

There was great frustration between the business teams and the tech teams. The business team constantly felt that we weren't going fast enough, that nobody was thinking about how to drive their business

and, from a digital standpoint, improve the customer experience. It felt like there was lacking accountability. We had all these different teams sort of participating in the process to create a digital experience, but nobody really knew who was holding the baton.

It was kind of like when you watch these relay races in the Olympics. There was somebody doing a bucket of work and they'd hand off to the next person, and they'd do some work and hand off to the next person, but nobody was really working together. Everything was kind of two weeks away from launch, but then two weeks would go by and it wouldn't launch.

And so, just in general, a lot of the teams were somewhat disenfranchised and frustrated. And so I did a few very simple things that really drove a lot of clarity, improved the trajectory of the teams, and started to build some confidence with the business. And just to give you an example, we were really good at committing to too many projects.

So senior leadership had all these ideas, we were pleasers, and we'd say, "Yep, we can do that." And then in order to deliver it, we didn't take anything off the list, we just kept adding to the list. So we weren't working on the five most important things, we were working on 20. And so there was no real clarity of what was important, and so things would just get prioritized based on what sounded fun or was closest to being done.

And so the easiest way to do that was just to cut off the top of the funnel. And so when we didn't have new projects coming in, it allowed the team to actually focus, get some projects out the bottom of the funnel, and then start to actually have some time to focus on the real problems that mattered.

The next problem was really related to having too many bosses or changing direction. A development team would have two or three different people providing them priorities for the sprint, which was just confusing and they didn't know who to take direction from. So, to Anthony's point,

we established some cross-functional PODs and said, "You guys are a team, and we're only gonna take direction from one person. Every two weeks we're gonna line on what we're gonna work on for the next two weeks, and it's not gonna change in the middle of the sprint. You're not gonna have somebody coming in telling you they're more important than somebody else."

And then the last thing that we really did was kind of change the definition of success. So success used to be, "I checked the box and I'm moving on to the next thing." And we just ended up putting a lot of capabilities and functionality out on the site that weren't being used by customers.

Or they were being used but they were not done in an optimal way, and we should have been learning and iterating from them, but there was nobody left to work on it because they were on to the next project. So, some of these very simple ways of working changes drove more benefit than establishing a senior leader in the company. And obviously, now that those are more baked into the way of working, we can start focusing on phase two and the tougher things to solve.

But all this stuff, to Anthony's point, you've got to take it a step at a time. It's really hard, and you can't boil the ocean all at once.

Anthony: Yeah, absolutely. What I love about that, Rick, is that you really focused on the real problems up front. And if you were to ask me, "What are some of the things to watch out for from a product management standpoint?" There's a couple things that come to mind.

So without those quality benchmarks in place that you just talked about in your example, the product development process can create unrealistic future expectations for a brand and a business. Just because maybe a prototype works as intended does not mean that it can provide an expected value.

There must be a consistent performance in meeting the customer value expectations and accurate benchmarks that you talked about. What are those success factors that

must be set to make it really happen? And then the other one is expect pushback. Change doesn't happen overnight. Metrics are the most important component in this product revolution that we're seeing.

Measure success according to business goals, not IT service-level agreements. Don't settle for tracking mandated up time, measure metrics like deployments per year, or call center volumes, any stats that determine product value. Business leaders don't really know or care about specs or servers and software-defined networks, they care about those small wins. So we have to focus on those things.

Rick: Yeah, and that, I have found, is one of the hardest things to do at companies. Senior-level businesspeople got there by being able to come up with the playbook and telling their teams what to do because they've solved these problems before and they know the right solution.

And this whole shift to having a digital mindset is really all about knowing this industry is changing faster than any of us have ever experienced before, and we're not going to get there by having one person who's got all the right ideas. So instead, if you can break it into chunks and get something out there and start learning from it, watching the metrics that matter, then you can start really focusing on finding the right solution and getting our business partners oriented and learning how to work with a product team. And instead of defining what they want, defining the outcome they're looking for is just a really hard thing to do.

Anthony: Oh, 100%. So I've got a fun question for both of you that is usually a popular question for product managers in interviews, so I love to have some fun with this. What is your favorite well-designed product and why? And I'll share with you mine.

Bobby: Turning the tables here. Trying to take my job. I like it. This is a real product approach to things. We've got a team here. So it's something I use almost every day, or at least during the pandemic and is actually my Peloton, not the screen on the actual treadmill or the bike, but in the mobile app.

It's easy to find the workout quickly. How they've segmented the workouts are in plain English, things that somebody who's not a professional trainer would have to look up. Like, yoga, running, outdoor. It's things that, "Okay, I can get what I'm doing here."

And then the ability to filter and sort classes by how long they'll take, how hard they are, who's the instructor, just makes it really easy to pick your quick little workout for the day that you wanna do. And takes the friction out of starting a workout, which frankly is, in my opinion, that's what you are solving for.

Rick: Good one. I'll give a shoutout to my friends at eBay. So, somehow eBay knows that I am a bargain shopper and a pretty frugal guy in general, and I spend way too much time researching before I buy an item. And one of the features that eBay launched not too long ago was any time you add an item to your watchlist, it provides the seller the ability to throw you a custom offer.

So if I'm looking at a rain jacket and it's on sale for a hundred bucks on eBay, now I get these pings every now and then like, "Hey, seller knew you were looking at this item. Would you like it even more if we took 10% off?" And so it feels customizable, it tells me it's a ticking time bomb, that they might have thrown that offer to another customer, so I better act fast. And I'll tell you, their sales have definitely gone up as a result of my shopping now. So it's a love/hate for me, I guess.

Anthony: So for me, one of my favorite software products is called Popular Times, which is a feature on Google Maps and search that shows you how long you can expect to wait on a given day at places like restaurants, airports, gyms, hospitals, stores, in real time. So you can filter it by a particular day of the week, Monday through Sunday, or by time, to see how busy a particular location is.

So compared to other similar products, competitor products provide hours of operation for certain locations, as well as reviews and what people have to say about

the location, but there's really no simple interface to answer the question, "What is the best time to go to a specific location or avoid long waits?"

So when I think about Popular Times, why I like it, it really comes down to three questions. How useful is it? How innovative is it? And is it a product that's easy to use and understand? And in terms of utility, it saves people time and it's super convenient because it helps better plan when and where to go.

Bobby: All right. Well, we've successfully showed our cards in terms of what we think good design products are. We also clearly showed some of our interests from faking it as a workout person to finding bargain shopping on the internet. So let's close it out. How will all of these evolutions and improvements on the product creation and product management process and front actually impact the consumer, the end user, in a positive way in the next three to five years? What are some great benefits that you see coming out of this, if we take our optimistic lens?

Rick: I guess, in this world, I would hope the answer would be it just makes people smile more often. I mean, many of us—

Bobby: I like that.

Rick: —can think of an experience where a company or somebody solved a problem and we said in our heads, "Why didn't I think of that?" Like it was so obvious, intuitive, easy to use, you didn't even have to think about it. I hope that as this practice gets better and we have more people getting into this kind of work, that more and more experiences lead to that sense of satisfaction, where people are just saying, "Gosh, that was obvious. I can't believe I've been doing this my whole life when it could have been so much better."

Anthony: I love that, and I hope, Bobby, that this is going to be a moment in time for us where companies start taking an outside-in approach, putting the needs of the end user and the customer at the center of the product development cycle. So to Rick's point, putting a smile on their face, but also eliminating that amount of time that they are really frustrated with a particular experience with a company's product or feature.

Bobby: I love it. And frankly, going forward, if someone could solve the nightly debate that I have with my family around what to have for dinner, and then the one I have with my wife after the kids go to bed on what

to stream, I would love to put those up for consideration into the universe, as well. So gentlemen, thank you again for joining today's episode. Listeners, if you would like to learn more about either of our guests, Rick Lockton or Anthony Jardim, you can easily find each of them on LinkedIn. And if you'd like to dive a little deeper into Deloitte's perspective on product management, just go ahead and search for the Pillars of Product Management and other related research on deloittedigital. com. That's all for today, and see you all on the next episode of That Makes Cents.

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