Managing at the speed of change: Four imperatives for today’s GM
Gartner recently conducted a study of 21 general managers (GMs) — portfolio leaders in some of the largest and most successful technology and service provider firms across a range of markets.

Our analysis of the study — and the candid quotes shared by these leaders — offer valuable insights into the challenging role of today’s GM.

We label the GM role challenging because acting as your organization’s “change agent” means constantly overcoming internal resistance in order to respond to disruption.
Managing at the speed of change: Four imperatives for today’s GM

You know well what the GM role entails:

- Staying ahead of the market, and watching for important trends
- Getting diverse stakeholders on board and up to speed with what’s happening
- Driving the big changes, the big thinking, the big “future” picture
- And, of course, constantly chasing growth

The study enabled us to identify four vital issues necessary for GMs to tackle in order to succeed in their role. Addressing these “success imperatives” will help inform your strategies for propelling your organization toward growth and change.

“Disruption is neither a terrifying thing nor a good thing. It simply is a thing you need to adjust for.”
Success imperative 1:
Create a compelling, unifying vision for your portfolio to align stakeholders.

Many of the general managers we spoke with perceive that success is tied to aligning their present-focused corporate peers with a vision for what is needed to succeed in the future.

Because GMs often confront conflicting objectives, portfolio success requires them to exhibit superior communication skills and the ability to align stakeholders to a vision to gain commitment for changes in direction or strategy.

This emerged as the leading critical success factor in the GM role, and the most consistent finding of the study. Yet many GMs still have no coordinated product vision and storyline at the portfolio level.

When asked about a vision, some talked instead about internal processes to achieve the vision. Some reflected that it was difficult to articulate a vision or storyline at a portfolio or company level versus a single product level. And even when a vision exists, our work has shown how a deep inside-out focus in the product organization can alienate other stakeholders and create barriers to acceptance.

### Critical success factors for GMs

<table>
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<tr>
<th>Factor</th>
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<td>Communication/alignment to vision</td>
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<tr>
<td>Foresight/ideation</td>
<td>3</td>
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<tr>
<td>Team building</td>
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</tr>
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<td>Meeting internal metrics</td>
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<td>Meeting customer needs</td>
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n = 19
Source: Gartner
What you can do

**Develop a vision that is customer-focused.** Serving the customer is what all stakeholders have in common. Gartner models can assist you in defining a portfolio vision that directly supports cross-organizational, customer-focused goals.

**Create versions of the vision for different stakeholder groups** that focus on how the vision contributes to the fulfillment of their respective goals. To guide your communications, consider developing personas for key internal and supply chain stakeholders, as well as customers (buyers, influencers and users).

“One thing that keeps them aligning with the product portfolio is actually the customer, because the customer is the common thread across all those different stakeholders.”

“When it comes to a product portfolio ... the leadership team [is] driven by different types of things.”
Success imperative 2:
Make the case for investment in new (unproven) growth opportunities.

A majority of GMs told us they are pressured by leadership to overweight investments to core products versus emerging areas — the classic “innovator’s dilemma.” But prioritizing short-term revenue over longer-term bets isn’t the only culprit. What you measure also tells a story to your stakeholders. Most organizations use only traditional financial metrics to evaluate the success of their portfolio, and most GMs we interviewed felt the risk associated with this approach.

Using a broader set of leading indicators can highlight early shifts in demand. Yet, of the organizations we spoke with, only three are using Net Promoter Score (NPS) or customer satisfaction as a measure of portfolio success.

**Metrics**

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<td>Profit/margin/growth</td>
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<td>Number of customers</td>
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<td>Timelines</td>
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<td>NPS or customer satisfaction</td>
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<td>Number of bugs</td>
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<td>Customer penetration</td>
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<td>Quality</td>
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<tr>
<td>Long tail</td>
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</table>

n = 21
Source: Gartner
What you can do

**Measure what matters.** Counter short-term thinking and risk aversion by painting a more comprehensive and forward-looking picture of the health and priorities of your portfolio than what is provided by revenue/profitability measures alone.

**Embrace leading indicators,** in addition to traditional top-down financial metrics. For new-product business case development, focus on measures of customer acceptance and intent, such as NPS and tracking of requests for information. Consider working with product marketing to capture sentiment analysis for emerging product/service areas.

Using these types of measures will:

- Help build business cases for investments in emerging product areas and filling capability gaps
- Impact the ability to manage changes within your organization
- Be an important input for responses to disruption or competitive moves

“I think we’re at risk of being disrupted because of the short [term] perspective we have on investments.”

“We want to have a solid business case before we commit investments, and maybe we’re a bit too restrictive. I think it would be good to be able to invest in some more-risky things ...”
Success imperative 3: Drive product planning at market speed.

Every GM we interviewed is managing for the impact of disruptive innovation on his or her existing business. Reviewing portfolio investment plans and roadmaps has gone from yearly to half-yearly and, in some cases, monthly, depending on their market’s rate of change.

The struggle is bringing portfolio management into alignment with a business strategy that is not keeping up with rapidly evolving market conditions. Risks arise where product managers do not have a strong background in business strategy, and where corporate strategy is too far removed from the customer perspective.

This can have severe consequences. Markets shifting between a company’s planning cycles — invalidating assumptions and the plan itself — can result in a serious downturn in top-line revenue. The average “stalled” company loses 75% of its value.

GMs perceive rightly that a more iterative and agile — or adaptive — approach is necessary to prevent them from being blindsided by nimbler players.

“The agility, the ability to let go and embrace a disruption quickly ... is going to be the biggest factor of whoever is driving a new product.”

“That’s the nature of [the] technology business. Things move really quickly, so in a way, it’s not possible to stick to your strategy 100%, because sometimes market conditions change.”
What you can do

Revisit your planning cycles and establish goals to achieve continuous improvement and iteration of portfolio strategy as well as individual products — feeding back changes required by the market to the corporate strategy.

“The cycle time is getting really small ... you need to bring something to the market quickly, see the reaction ... if it doesn’t deliver, you need to change it and bring something else very quickly.”

Move away from traditional, annual calendar-based planning approaches to methods such as agile, issue-based or trigger-based approaches.

Establish a feedback mechanism from the product strategy into the corporate strategy to adjust for relevant changes in forces and conditions.
Success imperative 4: Build a responsive organization that embraces constant change.

If a GM’s main challenge is trying to get organizational alignment for investing in change in a fast-moving market environment, then it’s not surprising that the GMs we interviewed report **more issues coming from internal company constraints than external market conditions**.

In addition, corporate strategy lagging both product strategy and the market is putting added pressure on the GM to drive transformation when other parts of the company are a beat behind.

**What’s keeping GMs from responding as fast as they want to?**

- Identifying and acquiring the required resources and skills
- Getting commitment from across the organization
- Getting alignment across different regional or divisional silos
- Feeling limited in their approaches to product management

Addressing these constraints boils down to the GM’s ability to influence across the business and within the product organization. In other words, success will depend on how adept he or she is at creating a new product team culture, as well as how disparate cultures mesh and evolve across functional, divisional and corporate silos.

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**Challenges are predominantly capability-related**

- **35%** External
- **62%** Internal
- **3%** Both

n = 21

Source: Gartner
What you can do

Assess the scope of cultural change required in your product organization.

Define the desired culture that will support execution of your business and product strategy.

Identify the primary inhibitors to shaping product team culture.

Establish and enable behavioral consistency during key decision moments.

“Making the workforce think like a product company is a challenge.”

“To really maximize, product management has to be a bit more market-facing in engagement with end users and partners.”
In summary:
Impactful portfolio management is now a point of differentiation between technology and service providers.

Knowing what needs to be done is the first step. Each of the four success imperatives is interlinked and supports the next. But it all starts with clearly articulating the vision.

Your role is to sell your more traditional and resistant organization on a future you can see rapidly approaching. Our role is helping you get there.
“In my view, the product manager is the heart and soul of the entire solution or product that you’re building.”

“I’m building for three years from now. I want to deliver something that jumps over what our competitors are doing, and takes us from a following position to a leading position ... then I become the disruptor, because ultimately someone will do that.”

Turn the page for more on how to succeed as a change agent.
Additional client research

The General Manager Survey 2019: 4 Imperatives for Success
gartner.com/document/3905066

What Buyers Think About Your Product Story
gartner.com/en/documents/3905713

Validate Disruptive Business Moves Using Positioning
gartner.com/document/3897377

Shape Product Team Culture for Competitive Advantage
gartner.com/document/3899797

General Manager Insights: Internal Metrics for Product Leadership
gartner.com/en/documents/3906480

General Manager Insights: Product Leadership Data and Measurement Potential
gartner.com/en/documents/3906286

General Managers in Transition: Accelerating the Time to Impact
gartner.com/en/documents/3905589
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