

SPINE



A blueprint for product companies

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1 Preface

When companies reach a certain critical mass, it is often accompanied by organisational issues. The processes and roles that were naturally formed during the growth, no longer seem to be sufficient. Customers start to get aware of this. First by small inaccuracies in the service but later also by structural defects in the service and product offerings.

A loyal customer will accept this for a while, but also expects structural improvements. Failure to accomplish this will persuade customers to look for other, more reliable suppliers. The survival of the company is in jeopardy. Better late than never, it is time for change!

The processes and roles within a company must be in alignment with the organisational growth. This is a process that follows discrete steps. Processes must be divided into sub-processes and assigned to specific roles in order to successfully complete the organisational process chains.

Three-PM can help during this process in several ways. We have a design model for product companies, called **SPINE™**. It is a specification of interconnected processes and roles for product organisations and provides guidance in the design of Product Portfolio Management for growing as well as more mature organisations. This design model can be found in this booklet.

The model can be implemented in phases. In many cases the sub-process Product Management is an important first step where other components can be gradually added. **Three-PM** staff are subject matter experts and can help in various ways to initiate and support the change management process of the organisation.

Three PM offers the following services:

1. Identification of the problem areas in the organisation.

- a. Conduct a workshop with relevant managers within the organisation.
- b. Execute a quick scan or an audit.

This should make clear where the main bottlenecks are and which improvements are most important to implement first.

2. Definition of improvement activities.

Depending on the type and state of the organisation, one or more of the following should be executed:

- a. Design and lay down new business processes;
- b. Define required organisational roles as integral part of the processes;

- c. Assign roles to departments within the organisation;
- d. Assign roles to employees within the organisation;

Three-PM's knowledge and expertise is predominantly focussed on the interface between senior management and the operational organisation. Where necessary, senior managers and operational managers are supported by the experts of **Three-PM**.

Loosdrecht, The Netherlands, July 2011

2 Introduction

SPINE™ is **Three-PM's** Business Management System for product companies. It provides a set of best practice business processes that describes a framework for every activity that forms the backbone of any product business. The processes are generic in the sense that it could be used to start implementing comprehensive business processes in any type of industry and for any size of business.

The following definition for Product is being assumed in this document:

A product is a reusable system supplied to customers in standard form. It may be supplied without modification (a 'shrink-wrapped' product), or it may require customisation to meet a particular customer's requirements, but in each case the following characteristics are evident:

- *It has a well-defined core or set of modules, commonly maintainable across installations.*
- *A licence fee is payable by the customer.*
- *The customer generally expects the product to be fully supported and to receive periodic upgrades and new releases.*

A product comprises of software and may comprise of hardware. With products that are customised particular attention is paid to the definition of the core system, and strict configuration control is applied to enable common maintenance of all installations.

The **SPINE™** framework only focuses on the back bone processes of a product business and not the supporting processes such as Managing Staff, Distribution Channel Management, etc. (which doesn't mean that these processes are less important!). Furthermore, the processes that are described can be tailored to the size or nature of the Company. Generally, the description of processes, roles and deliverables in this document is quite extensive and tailored for larger product companies and projects. However, in some cases specific (e.g. security or safety related) processes will be needed, which requires tailoring and/or extension as well. Finally, the processes only describe **what** needs to be done, not **how** things are to be done, since the latter is very company specific.

The **SPINE™** framework can be used to:

- Implement a process framework.
- Perform a health check on the existing processes.
- Improve and/or extend the process framework.

The following generic Key Process Areas that form the backbone of any product business are described:

- Manage Portfolio, describing the way in which market requirements and technology requirements are captured, analysed, managed and translated into a strategic Product Portfolio.
- Secure Business, specifying the way in which potential business is identified, products are sold, bids are managed and contracts are gained.
- Manage Products, describing the management of product development, from inception through realisation and delivery to support.
- Manage Projects, covering all project management processes, from award of contract through to completion.
- Manage Suppliers, covering all supplier related activities, from the buying decision, through to qualifying, managing and assessing suppliers.

The Key Process Areas are activated as follows:

