

What is the difference between innovation and product management?

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Are you a member of the product management team or innovation group? Are you a product manager, or an innovation controller? What is the difference between innovation and product management? I think the problem resides in the definition of these two concepts; product management and innovation.

So let's grab the Oxford Dictionary and take a look. It tells us that innovation is "The action of innovating; introducing a new product into the market; a product newly brought on to the market. To change (a thing) into something new; to alter to make new; to make changes in something established."

I think everyone would have a problem with this definition. I guess it's kind of exciting. This is one of the words whose meaning is changing very rapidly in terms of language anyway. Less than seven years ago, the general public would have accepted this definition. Today, the current meaning of the word is harder to get to. Wikipedia, does a good job recognizing that this definition is on the move.

For product people, besides being new, or changing, we add a value component to the definition. The current definition might look more like: "The action of introducing a new product, feature, or offering that delivers value to the market and its stakeholders."

Now, what's product management? According to [The Product Manager's Field](#) , by Linda Gorchels, "Product Management is the entrepreneurial management of a piece of business (product, product -line, service, Brand, segment, etc.) as a 'virtual' company, with a goal of long-term customer satisfaction and competitive advantage." In Steven Haines' book, [Desk Reference](#) , he defines product management as "business management at the product, product line, or product portfolio level."

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I find that a more working definition of product management to be "the action taken to increase an organization's competitive advantage through product initiatives." I find that focusing on the individual product manager or the individual tasks of the product manager misses a great deal of product management.

In his book, [Competitive Advantage](#) , Michael Porter explains the concept in detail. For our purposes, competitive advantage can be summarized by its two components of differentiation and cost-position. Differentiation is increased by delivering more value to your customer's value chain than your competitors do, not by being different. An improved cost-position is created by being able to do things more efficiently and effectively than your competitors can.

Notice that the first component of competitive advantage is about bringing value to the market. The second component of Competitive Advantage is about bringing value to your stakeholders. This is our definition of product innovation. The innovation process is; Market Sensing, Problem Solving, Opportunity Definition, Feature Definition, Roadmap Definition, Requirement Definition, and Launch Definition. These are also known as the Seven Pillars. Product Management is the application of the Seven Pillars to Products.

So when it comes to product initiatives, the activities of product management and product innovation are the same activities.

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