

Pragmatic Marketing's 10th Annual Product Management and Marketing Survey

by Steve Johnson

Each year Pragmatic Marketing conducts a survey of product managers and marketing professionals. Our objective is to provide information about compensation as well as the most common responsibilities for those performing product management and marketing activities. Over 1,500 responded to the survey between October 29 through November 25, 2009 using Vovici's EFM Feedback survey tool.

Remember when making decisions, this report describes typical practices, not best practices. For best practice in product management and marketing, attend a Pragmatic Marketing seminar.



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Organization

Profile of a product manager

- Average age is 37
- Responsible for 3 products and work in a department of 6 people
- 87% claim to be “somewhat” or “very” technical
- 32% are female, 68% are male
- 95% have completed college and 41% have completed a masters program

Reporting

The typical product manager reports to a director in the product management department.

Title

- 44% report to a director
- 31% report to a vice president
- 19% report to a manager
- 6% report to a CXO

Department

- 26% direct to CEO or COO
- 21% in Product Management
- 16% in Marketing
- 13% in Development or Engineering
- 8% in Sales
- 3% in Product Marketing

Product Management ratios within the company

How are product managers allocated relative to other departments?

For each product manager, we find:

- 0.7 Product marketing managers
- 0.7 Marketing Communications
- 6.1 Salespeople
- 2.3 Sales engineers (pre-sales support)
- 1.1 Development leads
- 6.5 Developers
- 0.9 Product architects and designers

Other ratios

- 3.7 developers per QA manager
- 2.5 salespeople per sales engineer

Impacts on productivity

- Product managers receive 50 e-mails a day and send 25.
- Product managers spend roughly two days a week in internal meetings (15 meetings/week). But 55% are going to 15 meetings or more each week, and 35% attend 20 or more meetings!
- Product managers typically work 50 hours per week.



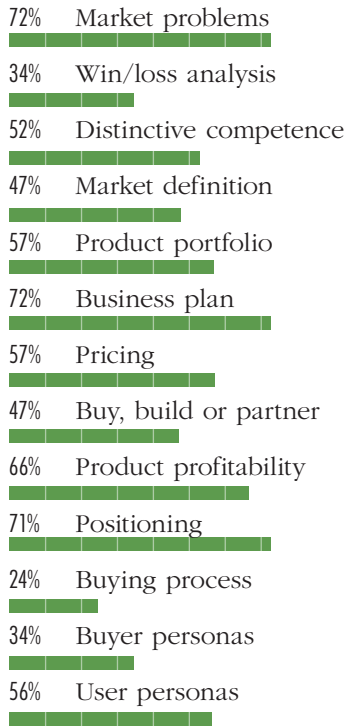
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Activities

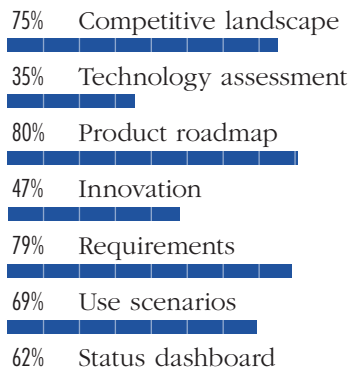
(based on the Pragmatic Marketing Framework)

Percent of respondents indicating they conduct the activity

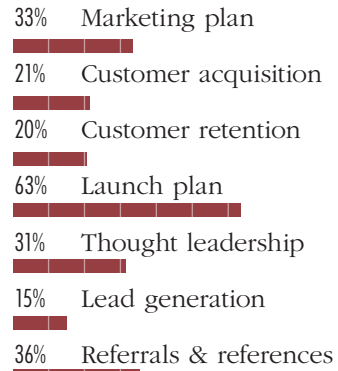
Strategic Activities



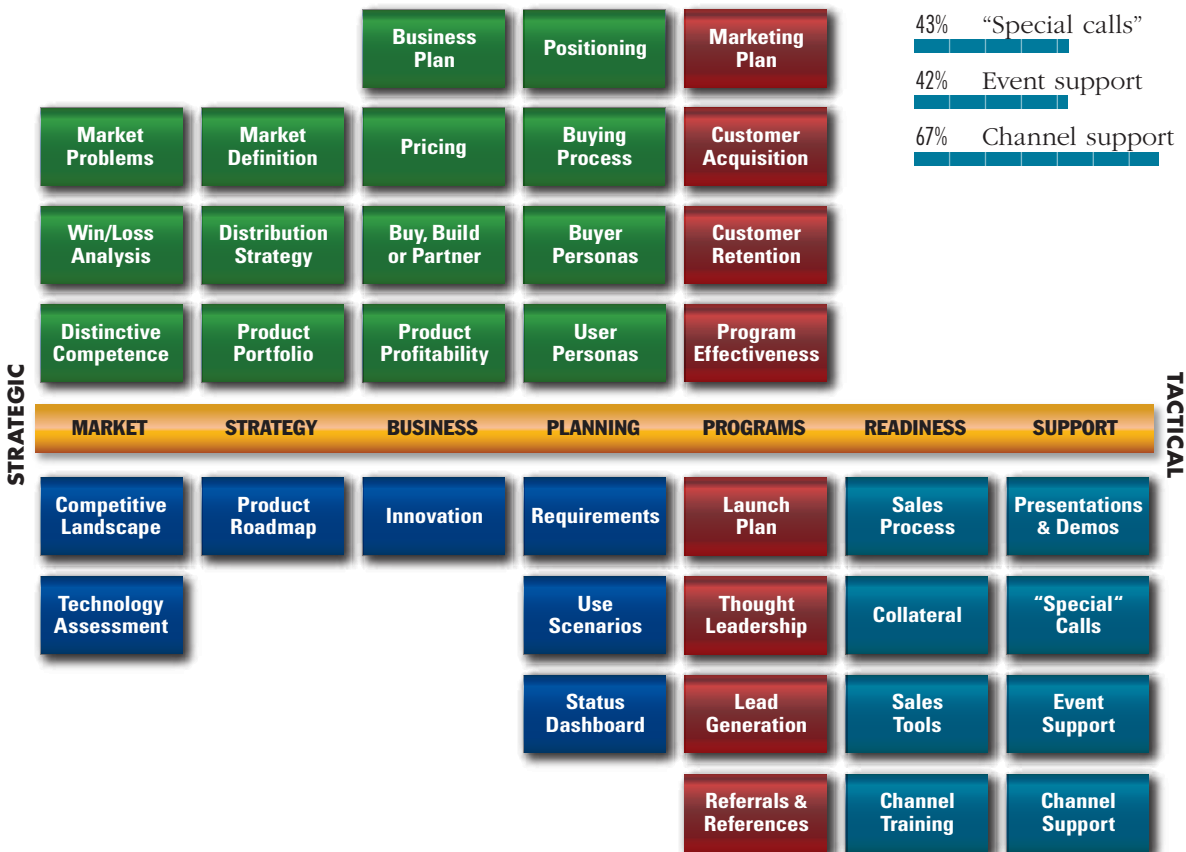
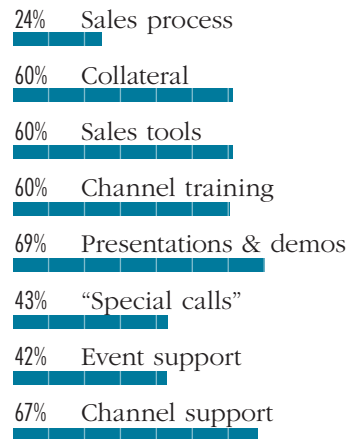
Technical Activities



Marketing Activities

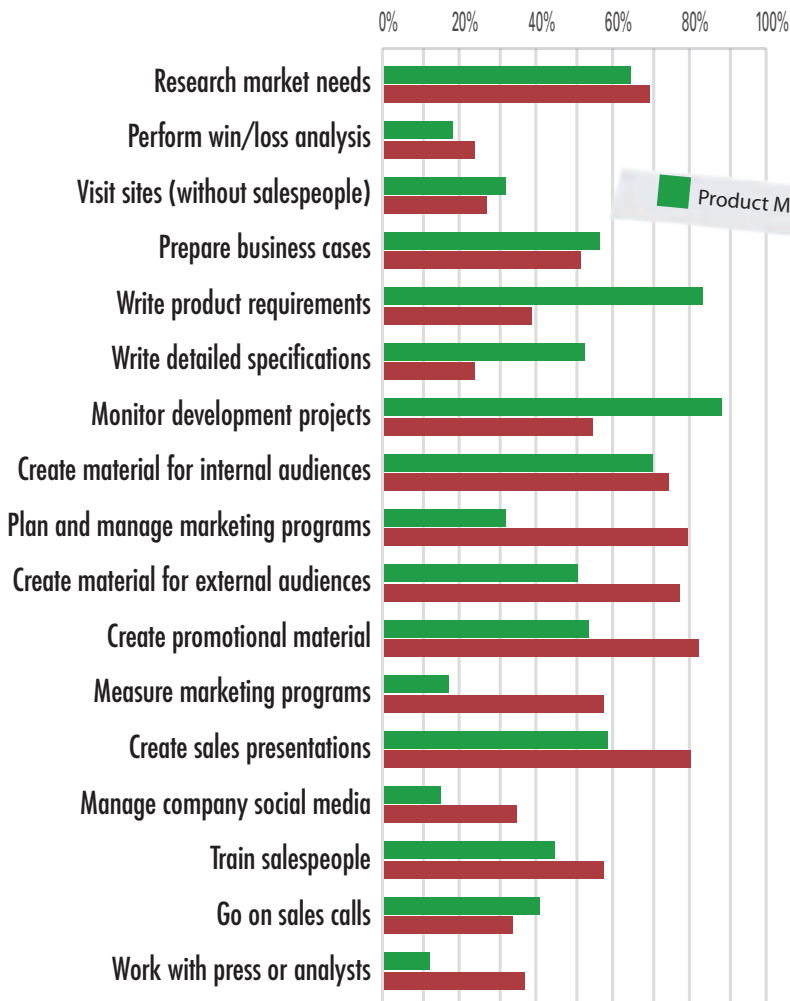


Sales Activities

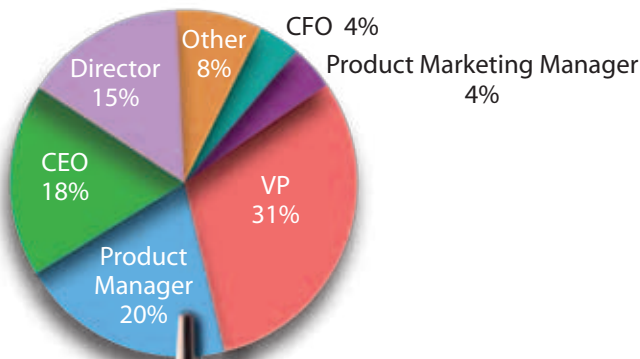


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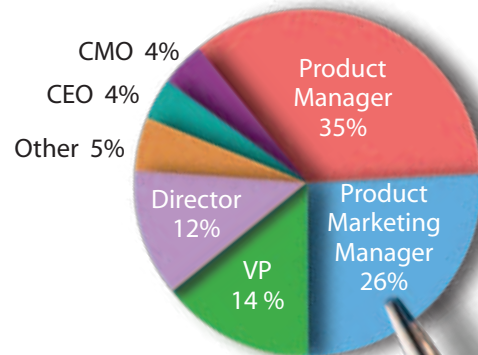
Comparison of roles Percentage of respondents indicating they conduct these activities.



Responsible for product profit & loss



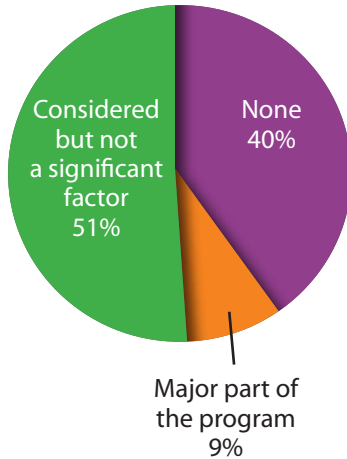
Responsible for go-to-market strategies



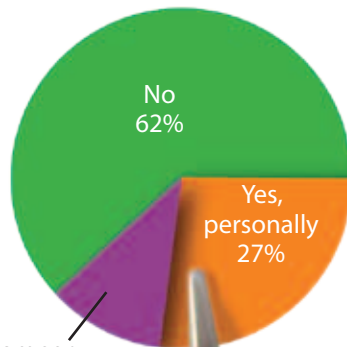
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We asked, "How much influence is social media on your go-to-market activities?"

Influence of social media on go-to-market activities



Do you use Twitter?



We recognize it should be more of an influence, no approval to do

Social media is becoming a larger part of what we do but currently is in the planning stages

Crowdsourcing is used significantly for tactical product input from customers

Not used, not allowed by company policy

Not incredibly relevant for B2B

Use of social media tools such as blogs is under consideration but not used at present

We are ramping up in the area, but currently it is more on the corporate communications side of the house

SM is growing strongly and will be major tactic in 2010

We want to do more, but have yet to resource this area and have a cohesive strategy to leverage social media

No formal process to integrate to product plan

We are still looking into it, too large of a company to adopt without a corporate brand message

Conservative industry, slowly moving to social media

Our customers do use it to review products or offerings in Business to Business

Oh I wish, too big of a company and everything is reviewed by legal

Becoming more critical

Our customers do not use social media channels (as a rule)

Increasing as our SM base grows

Yes, for the company (as an individual and/or as the company)
11%



Use of Twitter

Still trying to figure out its value in a B2B world

The Valley is again pulling the wool over the world's eyes. We've learned nothing from the late 90's!

Will use more in 2010 for products

No tweets but do use search

Twitter as a marketing tool has very interesting potential

Only experimenting at present

It makes my eyes bleed

I follow (I don't personally tweet)

In a professional capacity, avoiding personal comments/updates

A nuisance perpetuated by the self-absorbed

Hate it but feel I need to know it

I am scared to use Twitter on behalf of the company

Contribute corp tweets to corp account



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We asked, **“How has your job changed?”**

Organizational challenges

We lost P&L responsibility at the product level and are well on the way to being a sales support function.

Program management was dissolved by the previous management making product management take on program management. Lots of folks in areas they are not comfortable and don't really have enough time to devote to in order to do the job good service.

My original manager (VP) retired making a peer of mine a manager... big mistake!

Hectic is the new normal—role has expanded beyond product management with no end in sight. Lots of product managers who call themselves PMs have no clue what they are doing.

I am spending far less time on sales calls (which is good) but also far less time out of the office (which is not good). We are “protecting” our product managers from giving sales demos but also making them spend far too much time on internal project meetings.

I started doing win/loss analysis after Pragmatic Marketing seminar. WOW!, worth its weight in gold. I also say “product managers need to publish” and “product manager's work must apply to all customers, not just one.” With the economic downturn, I'm doing more individual consultation with customers and more support work due to less headcount.

Less focus on “strategic,” more on “tactical”

Changed to “all-hands-on-deck,” doing more non-PM work (filling the gaps between the scarce engineering staff).

Way too much babysitting of developers that are incapable of hitting deadlines without it!

It is increasingly field-facing. We now spend considerable time supporting sales calls with roadmap presentations and product details/explanation, etc.

Finally releasing our largest most complicated product attempted to date. Lots of janitorial work is being done to clean up the mess the best I can.

Some good news...

After my boss attended the Pragmatic Marketing seminar, she understood the role of product management. Now we spend a lot more time with customers and on overall strategy.

Fairly significantly. Product management has evolved from something like a cousin to engineering management into real product management (as defined by Pragmatic Marketing). It was a long process to bring it about.

Job is becoming more clearly defined. Not there yet, but getting close.

After a year-long void at the Executive level in Marketing, we brought in an experienced Sr. VP of Marketing & Product Management. Having someone at the executive level who understands software product management has been enormously helpful.

I am working with an amazing director who has let me really try getting out of the office to visit customers and prospects. He's pleased with the results so far. Nothing like success to win people over!

More strategic—YEAH!

I have gone from Product Manager in TITLE to Product Manager in actual role performance.

Social media and the ability to take in information from many sources has increased significantly—which lets me spend less time looking for information and having information appear on my doorstep more easily. In addition, the perspective of technical product ownership/management has increased so that there's a name for the job I was doing all along.

Since Pragmatic Marketing certification, I've been trying to incorporate more of the tools into my presentations to the leadership team. This seems to be encouraging them to see the Product as genuinely strategic because they're seeing things from us that they've never seen before. Unfortunately, the opportunity immediately in front of them tends to trump all the best will in the world.



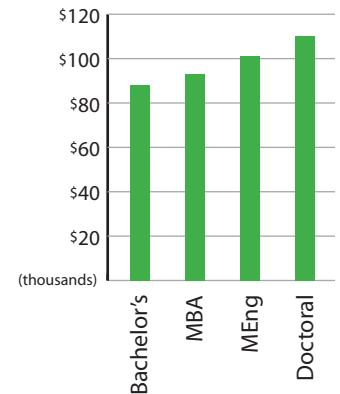
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Compensation

Average US product management compensation is **\$96,580** salary plus **\$12,960** annual bonus. 77% of product managers get a bonus (multiple responses were permitted). Bonuses are based on:

- 66% company profit
- 26% product revenue
- 36% quarterly objectives (MBOs)
- 27% say bonus does not motivate at all and 14% say bonus motivates a lot.

Average salary



Geographic impact on compensation (US \$)

Int'l Region	Average Salary	Average Bonus	Minimum Salary	Maximum Salary	Maximum Bonus
Australia	\$ 94,308	\$ 11,714	\$ 44,000	\$ 150,000	\$ 20,000
Canada	89,588	11,290	50,000	150,000	40,000
Europe	87,743	10,616	24,000	170,000	45,000
USA	98,005	12,369	14,000	210,000	50,000

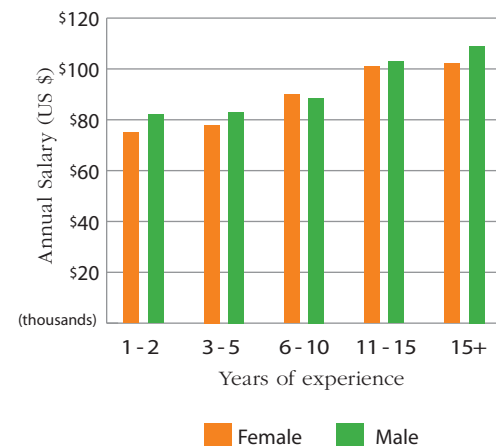
US regional impact on compensation

US Region	Average Salary	Average Bonus	Minimum Salary	Maximum Salary	Maximum Bonus
Midwest	\$ 89,490	\$ 11,566	\$ 38,000	\$ 150,000	\$ 37,000
Northeast	102,823	13,351	14,000	210,000	50,000
Pacific	107,860	12,263	41,000	170,000	45,000
Southeast	91,652	11,424	44,000	145,000	40,000
South	98,609	13,194	51,000	150,000	45,000
West	91,662	12,821	21,000	145,000	50,000
Average	98,017	12,360	14,000	210,000	50,000

Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI)
 Northeast (CT, DE, MA, ME, NH, NJ, NY, PA, RI, VT)
 Pacific (AK, CA, HI, OR, WA)
 Southeast (AL, FL, GA, KY, MD, MS, NC, SC, TN, VA, WV)
 South (AR, LA, OK, TX)
 West (AZ, CO, ID, MT, NM, NV, UT, WY)



Gender comparison in compensation vs. experience



If you could say one thing to your company president without fear of reprisal, what would you say?

We received about 800 responses to this survey question. Highlights are:



It's all about communicating strategy

Give the company some vision besides make some money.

It's better to do a few things right than a million things half-baked.

Not the best with having realistic expectations and setting and sticking to strategic direction. Tends to change directions with the expectations of the most recent customer he's spoken to.

Why aren't we attempting more of a land-grab in these uncertain times? Belt tightening is stifling us from going after new opportunities.

You cannot maintain a wartime economy indefinitely. Not every product release of every product can qualify as an emergency. Better planning and communication of that plan will make the company more profitable and stable.

Don't lose touch with what our customers are like. They are not as cutting edge as you are and they are risk averse.

Go work in one of our retail stores for a day.

Just because something sounds like a good idea to you, it doesn't mean it's anything our customers have any interest in.

Let product management do their job! Just because your kid saw something last week don't shift the roadmap!

Stop thinking you know everything and that our customers don't know what they want. Listen to our customers more!

Great sales leadership, not a clue what to do with Marketing.

He is knowledgeable about our customers and is focused on producing products they need to get their jobs done. But he is more frequently getting pressured by the finance department to save costs at the expense of customer satisfaction.

Fix the staffing issues

Get me more developers! I have products to build.

I wish you would understand what my role is and quit assigning my job duties to other people.

I understand the laser focus on delivering positive financial results to shareholders. However, resources have been cut so severely, resulting in a culture of frustrated overworked employees. I expect a mass migration once the job market opens up.

Stop complaining about how we are too slow to launch new products and innovate and spend a week in my job to see why the "outsource everything" product development environment you have implemented causes the challenge you are so quick to point out yourself!

There is no more blood to squeeze from this turnip. Start focusing on how we can provide more value to our customers with the meager resources we have.

Treat your employees with more respect. Especially when laying them off.

Please allow your executive staff to do their jobs. You are way too involved in the details. Get over your Steve Jobs envy.



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Fix the Sales issues

Don't overvalue your sales director for what the vision of the product should be.

Give us the control we need to execute our roadmap rather than constantly change direction due to some unsubstantiated item that comes out of a sales engagement or a random revelation.

Please don't sell what we don't have and don't have resources to scope, develop and deliver.

Stop changing the sales model every year.

Stop chasing shiny objects and approve products with proven revenue streams.

Your sales force is not equipped to sell our solutions and you have no clue how to develop software.

Some positive news

Advocates change which is a nice change.

He has a very clear understanding of product management's purpose within the organization.

He is a very smart and capable individual.

He is great! He has mixture of strong sales skills and an in-depth understanding of technology.

He is new to the job. It would be nice to know what he is doing.

He puts employees first with the belief that happy employees serve customers better.

He understands how to hire and motivate people.

It's my company and I can say anything to the CEO.

Keep up the good work—We have been growing at a 20%/year rate for the past 4 years.

Remarkably consistent in terms of following a market strategy.

She is great.

Steers the ship well. Good business focus.

Thank you for fostering such a positive environment in which to work. Your dedication to business success and your employees shows through each of those that report to you.

Thank you for truly understanding and valuing product management!!

You're doing a great job! (he's new since September 1st).

And finally...

Don't get drunk in front of customers and prospects.

Please come to work more often. We want to see you and your passion for this space.

He started today!

TPM

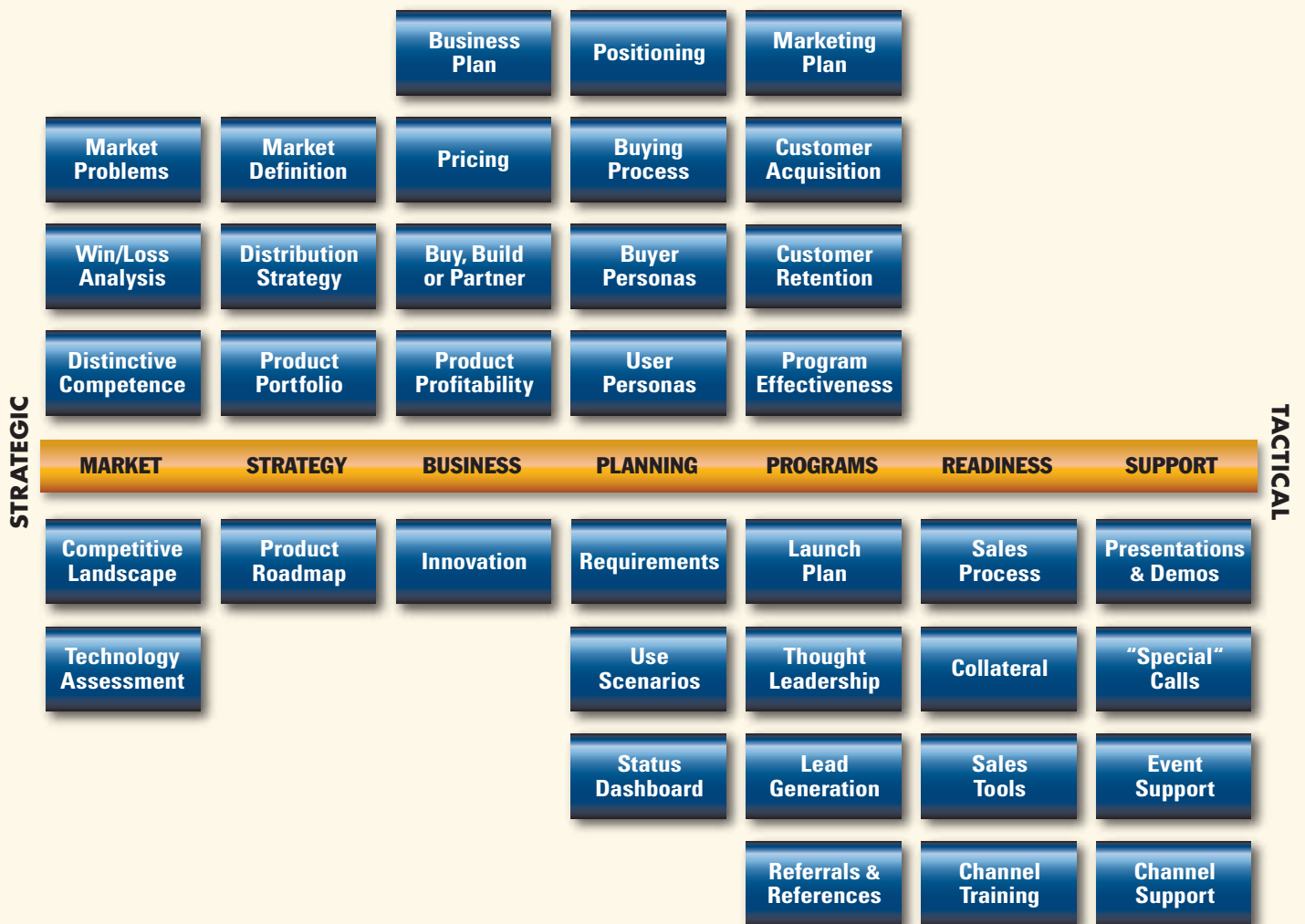


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Visit
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Are your product management and marketing teams overloaded with tactical activities, spending too much time supporting Development and Sales rather than focusing on strategic issues?

The Pragmatic Marketing Framework™



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Strategies for product management when Development goes agile.

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Principles of the *Pragmatic Marketing Framework*, the industry standard for managing and marketing technology products.

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In addition to the extensive published schedule, training can be conducted onsite at your office, saving travel time and costs for attendees, and allowing a much more focused discussion on internal, critical issues.

Pragmatic Marketing's seminars have been attended by more than 60,000 product management and marketing professionals.