2014
# STATE OF PRODUCT MANAGEMENT AND MARKETING

PRAGMATIC MARKETING®

ABOUT THE SURVEY

The 14th Annual Product Management and Marketing Survey was conducted by **Pragmatic Marketing** between November 22nd and December 18th, 2013. The objective of this survey was to examine the experience, responsibilities and compensation of individuals responsible for product management and marketing activities in a wide range of technology companies. Over 1,800 individuals completed this year's survey.

PRAGMATIC MARKETING
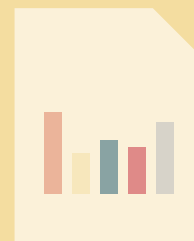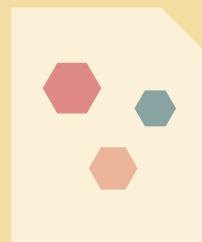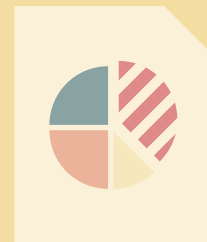
WHO ARE THEY?

WELL EDUCATED

44%
HAVE A MASTER'S DEGREE OR HIGHER

66% MALE

42%
35 TO 44 YEARS OLD

With an affinity for things technical...

92%
consider themselves somewhat or very technical

They are experienced in the *role* ...

10%	15%	20%	25%	15%	15%
<1	1-2	3-5	6-10	11-15	15+

Years in the Role
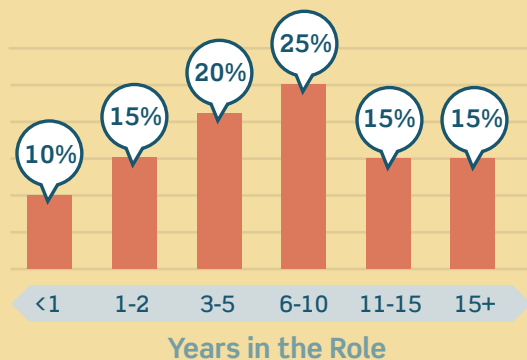
More than 20% also have experience as a product owner, project manager, business analyst or programmer.

... less so in the *position*

25%	31%	28%	12%	2%	2%
<1	1-2	3-5	6-10	11-15	15+

Years in the Position
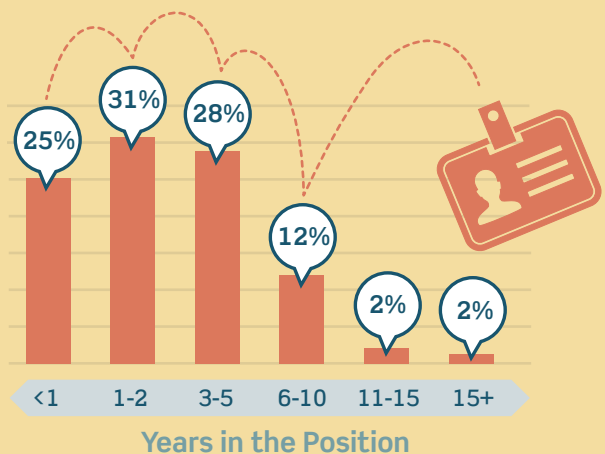
WHERE ARE THEY?

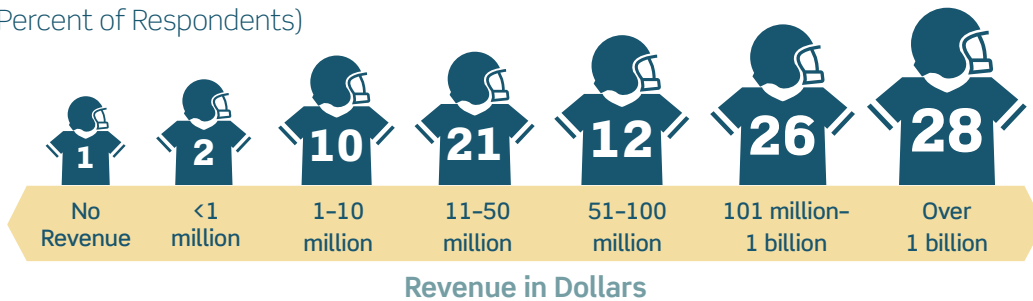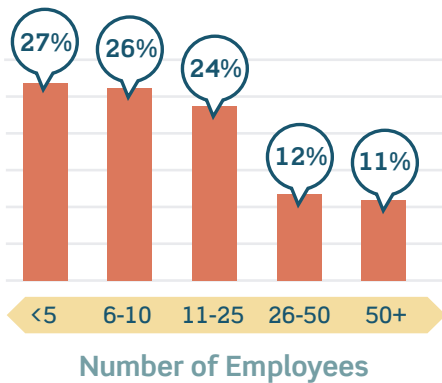Everywhere you'd want to be. And perhaps some you wouldn't. Respondents worked at companies of all shapes and sizes and in locales around the world.

Big players, little players and new players

(Percent of Respondents)

1	2	10	21	12	26	28
No Revenue	<1 million	1–10 million	11–50 million	51–100 million	101 million–1 billion	Over 1 billion

Revenue in Dollars

How big is the department?

27%	26%	24%	12%	11%
<5	6-10	11-25	26-50	50+

Number of Employees

Who does the department report to?

Product Management	32%
President/CEO/Managing Director	22%
Marketing	16%
Development or Engineering	11%
Other	11%
Product Marketing	4%
Sales	2%
Services or Training	1%
Support	.5%
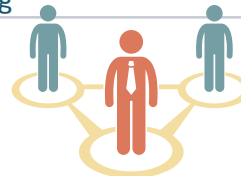
DEVELOP ALL PRODUCT TYPES

The full spectrum of technology solutions were represented, from online games to medical device equipment to financial platforms.

Hardware
28%

Software
84%

Services
73%

Respondents chose all that applied.

How does the department compare?

For every **1 product manager** at a company there are:

13 Sales People

7 Engineers/Developers

1 Engineering/Development Manager

.9 Project Managers
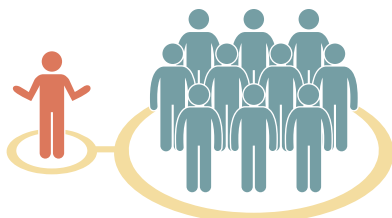
.6 Architects or Designers

2.5 Sales Engineers

2 Quality Assurance Engineers

1 Business/System Analysts

.5 Product Marketing Manager

.4 UX Designers

.5 Marketing Communications

.3 Product Owners

LOCALES AROUND THE WORLD

Responses to this year's survey came from all around the globe:

84%
12%
2%
.4%
.2%
.2%
2%
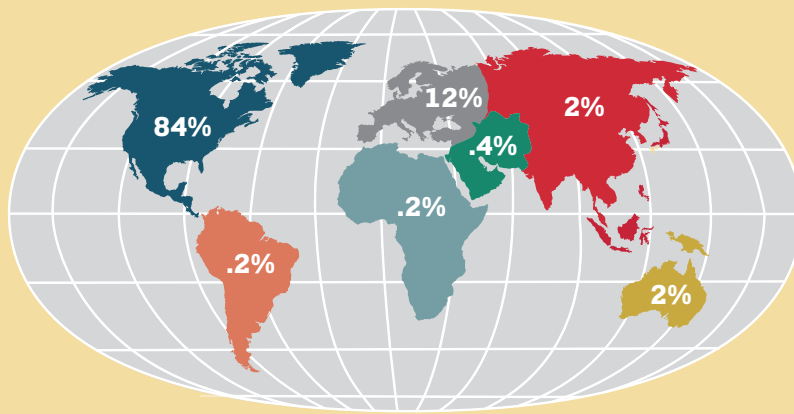
North America
Austrailia + Oceania
Europe
Asia
South America
Africa
Middle East

Canada
11%
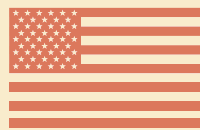
United States of America
72%

United Kingdom of Great Britain and Northern Ireland
4%

UNITED STATES OF AMERICA

43 different states (+ the District of Columbia)

1
39
38
5
1
65
3
4
3
11
41
98
3
18
15
53
13
33
16
35
199
6
47
9
33
10
51
40
5
11
13
12
5
5
21
31
1
15
10
2
144
6
51
36
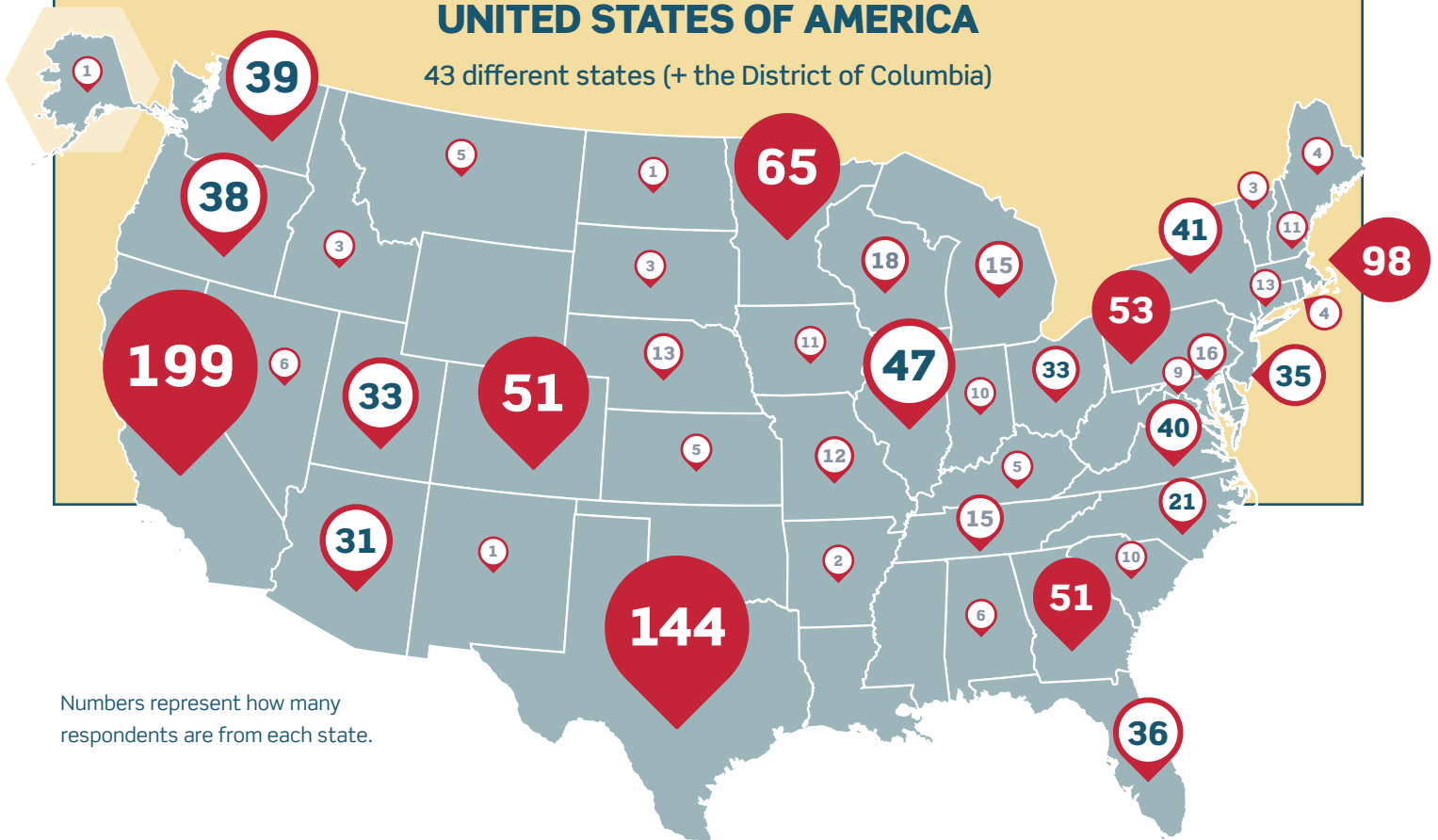
Numbers represent how many respondents are from each state.

WHAT KEEPS THEM UP AT NIGHT?

In this year's survey, we explored what type of problems product teams were facing around the globe. *Percentages are respondents who stated that they experienced these problems "always" or "frequently."*

35% Miss launch dates

31% Our marketing team does not deliver an adequate supply of qualified leads

28% Delivered features aren't being used by customers

47% Have requests from salespeople to customize sales tools on an account-by-account basis

27% Must commit to adding features to a product in order to close a deal

24% Salespeople consciously avoid selling certain products in our portfolio

24% Have product launches that do not meet the expectations of management
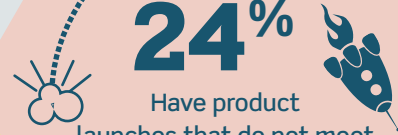
24% Sales pipeline is below forecast

29% Drop important features from each new release

39% Have difficulty adding innovative features because our customers demand we support old features

FAST STAT

Hard vs. Soft

In hardware companies, the percent who missed launch dates climbed to 47%, while the percents for dropped and unused features were cut in half.

WHAT FILLS THEIR DAY?

Strategic vs. Tactical Focus

Respondents spent more time focused on fires than on the future. But there is good news: 63% were able to spend more time on strategic activities this year than in the previous one.

How they actually are spending their time ↓

STRATEGIC ACTIVITIES 29%

TACTICAL ACTIVITIES 71%

How they THINK they should be spending their time ↓

STRATEGIC ACTIVITIES 57%

TACTICAL ACTIVITIES 43%

Cross-Functional Support

Respondents spent their days supporting a variety of functional areas. Here's how their time broke down ↓

Development 31%

Sales 19%

Existing Customers 15%

Marketing 16%

Executives 12%

Other 7%

FAST STAT

42% also spend time managing direct reports

KEY RESPONSIBILITIES

What respondents spent the majority of their time on varied. And it was this focus that determined the key tasks and activities with which they were charged.

Deciding what should go in products
45%

Creating and executing go-to-market strategies for products
19%

Each about equally
36%

ACTIVITIES

Where do you spend the majority of your time?

■ Deciding what should go in products
■ Creating and executing go-to-market strategies for products
■ Each about equally

► BUSINESS

0 20 40 60 80 100%

Understanding market problems

Performing win/loss analysis

Articulating distinctive competence

Performing market sizing

Defining market segments to target

Defining product distribution strategy

Managing product portfolios

0 20 40 60 80 100%

Creating and updating the business plan

Setting and maintaining pricing

Making buy, build or partner decisions

Tracking product profitability

Defining positioning

Understanding the sales process

KEY RESPONSIBILITIES

- ■ Deciding what should go in products
- ■ Creating and executing go-to-market strategies for products
- ■ Each about equally

► GO-TO-MARKET

0   20   40   60   80   100%

- Defining marketing plans
- Managing marketing programs
- Measuring the ROI of marketing programs
- Defining market messages
- Building awareness plans
- Building customer acquisition plans
- Building customer retention plans
- Launch planning
- Buyer personas
- Success stories
- Thought leadership
- Lead generation

► TECHNICAL

0   20   40   60   80   100%

- Performing technology assessment
- Performing competitive analysis
- Maintaining the roadmap
- Managing innovation
- Writing product requirements
- Defining user personas
- Defining use scenarios
- Monitoring product milestones

► SALES READINESS

0   20   40   60   80   100%

- Providing sales channel training
- Creating collateral and sales tools
- Writing white papers
- Providing competitive intelligence
- Creating presentations and demos
- Going on sales calls
- Staffing seminar and trade show events
- Answering sales questions by email or phone

And they do all of this in support of an average of 7 products.

FAST STAT

How long does this all take?

Respondents worked an average of 49 hours a week (18 of those in meetings).

WHAT'S IN THEIR WALLETS?

The average respondent earned **$100,000-$120,000** a year with an annual bonus (based on company revenue and/or and personal quarterly objectives) equal to just over **$10,000**.
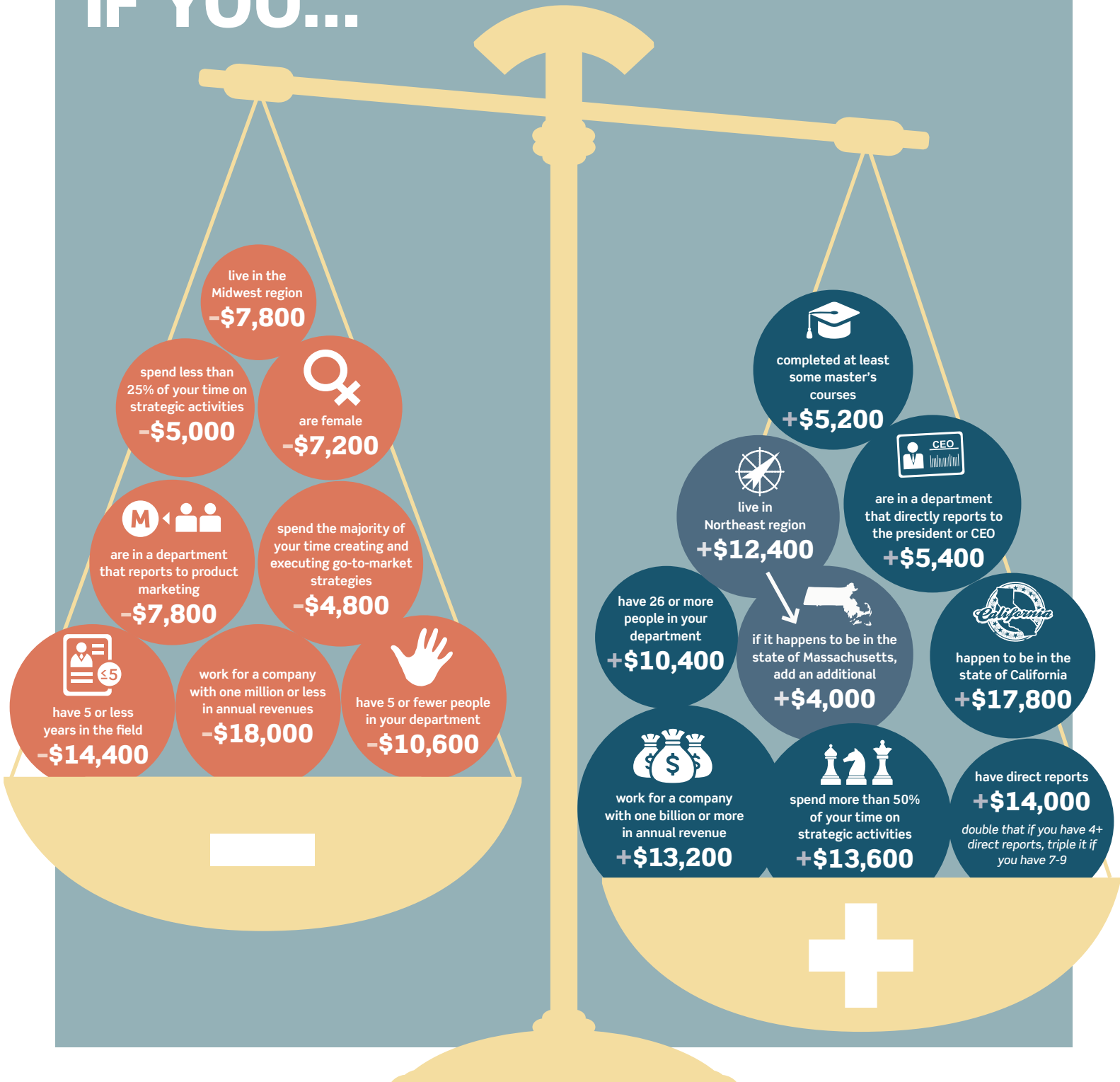
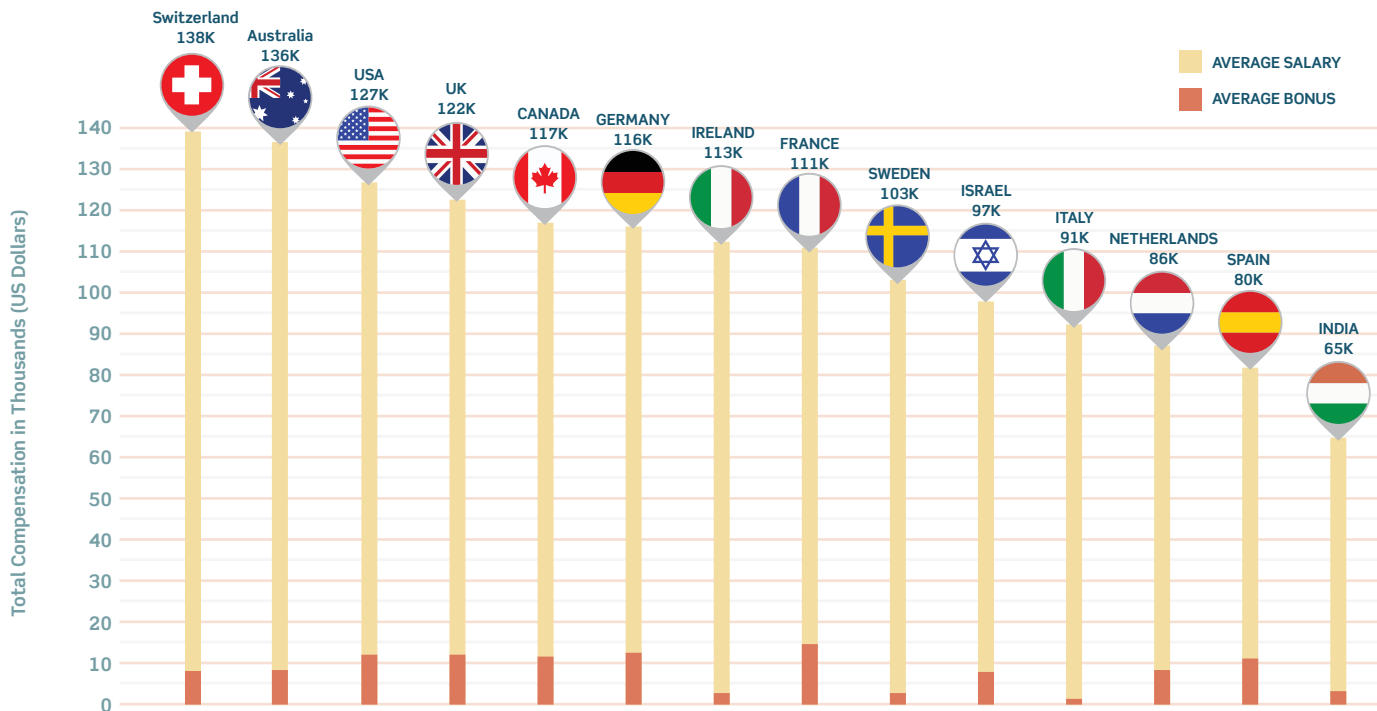**So what determines whether you make more or less than the average?**

IF YOU...

live in the Midwest region
–$7,800

spend less than 25% of your time on strategic activities
–$5,000

are female
–$7,200

are in a department that reports to product marketing
–$7,800

spend the majority of your time creating and executing go-to-market strategies
–$4,800

have 5 or less years in the field
–$14,400

work for a company with one million or less in annual revenues
–$18,000

have 5 or fewer people in your department
–$10,600

completed at least some master's courses
+$5,200

live in Northeast region
+$12,400

are in a department that directly reports to the president or CEO
+$5,400

have 26 or more people in your department
+$10,400

if it happens to be in the state of Massachusetts, add an additional
+$4,000

happen to be in the state of California
+$17,800

work for a company with one billion or more in annual revenue
+$13,200

spend more than 50% of your time on strategic activities
+$13,600

have direct reports
+$14,000
double that if you have 4+ direct reports, triple it if you have 7-9
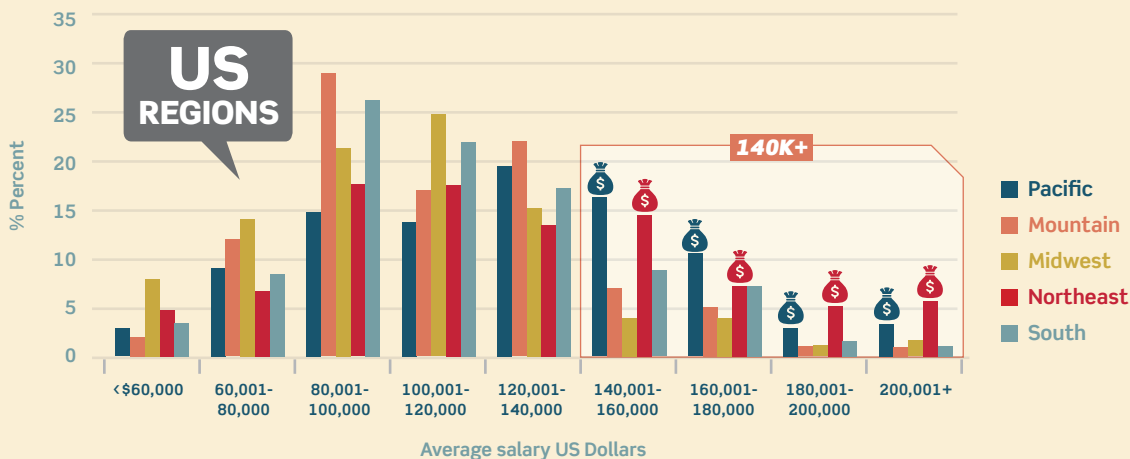
LOCATION, LOCATION, LOCATION

Whoever said location matters was right. Check out average salaries and bonuses in the countries with the most respondents.

AVERAGE SALARY
AVERAGE BONUS

Total Compensation in Thousands (US Dollars)

Switzerland 138K
Australia 136K
USA 127K
UK 122K
CANADA 117K
GERMANY 116K
IRELAND 113K
FRANCE 111K
SWEDEN 103K
ISRAEL 97K
ITALY 91K
NETHERLANDS 86K
SPAIN 80K
INDIA 65K

Of course, compensation *within a country* varies as well.

US REGIONS

% Percent

140K+

Pacific
Mountain
Midwest
Northeast
South

Average salary US Dollars

<$60,000
60,001-80,000
80,001-100,000
100,001-120,000
120,001-140,000
140,001-160,000
160,001-180,000
180,001-200,000
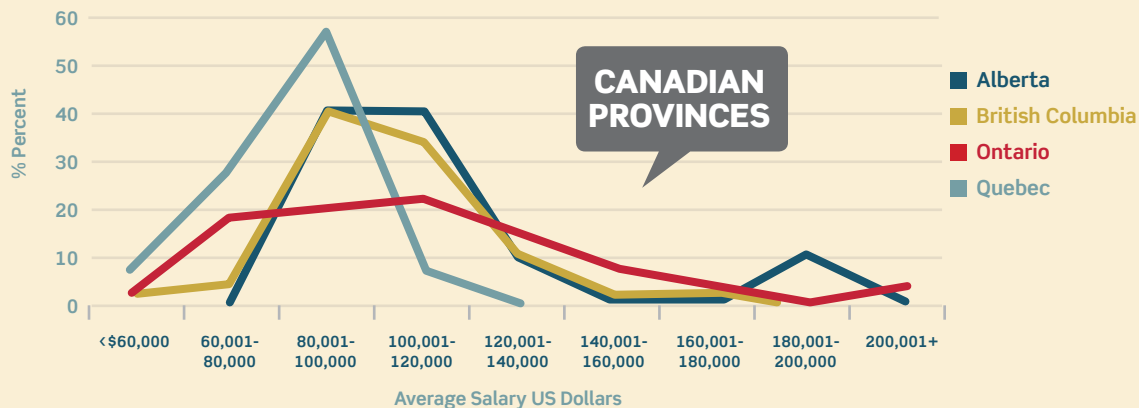200,001+

FAST STAT

Coasting all the way to the bank

Respondents from the Pacific and Northeast regions not only had the highest salaries, but over a third of them received annual bonuses of $15,000.+

FAST STAT

East Coast bias in Canada?

Respondents in Ontario or Quebec were two times as likely to get an annual bonus as their fellow Canadians.

CANADIAN PROVINCES

% Percent

Alberta
British Columbia
Ontario
Quebec

Average Salary US Dollars

<$60,000
60,001-80,000
80,001-100,000
100,001-120,000
120,001-140,000
140,001-160,000
160,001-180,000
180,001-200,000
200,001+

WHAT WOULD THEY CHANGE?

We asked respondents: If you could change anything about your company, what would it be?

Here's are just a few of the answers:

Greater focus on long-term strategy, rather than focus on short-term sales.

Define roles and responsibilities more globally, so everyone is aware of their major responsibilities and everyone else's.

Stop executive one-off commitments to customers.

Eliminate the artificial pressure to develop every response, make every decision and complete every task within a few hours of it being identified/assigned. The crisis of the immediate definitely rules, leading to very shallow, reactive thinking that is constantly having to be changed and redirected, destroying morale, quality of life and efficiency.

Stop investing in solutions and technology that do not, and likely will not, generate revenue or happy customers any time soon—even if a lot of money has already gone there. Instead, invest in where there is stable revenue and potential.

> **Spend more time focused on figuring out the problems, rather than just suggesting potential solutions for problems that don't always exist.**

> **Make decisions based on business case not politics.**

More focus on defining a specific strategy and then sticking with it.

Better collaboration between leadership and those responsible for launching and managing the products.

Micromanagement from the executive level.

I would like the company to focus more on strategic cross-product solutions targeted to current and new customers and less on the individual business silos and their revenue.

Get rid of the old boys' club. This small group of individuals stifle innovation, hold others back from advancing and believe the way of yesteryear is the be-all and end-all. They just don't understand change is good and is happening all around them.

Spend more time out of the office to create outside-in thinking, to determine market problems & build personas to create meaningful products.

Let me run my business. If I'm really accountable, then let me make decisions on my own.

Survey results describe typical practices. To learn about best practices in product management and marketing, register for a Pragmatic Marketing course near you.

ABOUT PRAGMATIC MARKETING

Pragmatic Marketing, Inc. was founded in 1993 and has become the authority on product management and marketing. The company's courses, taught by instructors with real-world experience in leading successful high-tech teams, are based on a proven framework for creating market-driven products people want to buy. To find out how you or your company can join the growing international community of more than 100,000 product management and marketing professionals trained by Pragmatic Marketing, visit **www.pragmaticmarketing.com.**

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