# PRAGMATIC MARKETING®

A N N U A L

Product Management And Marketing Survey

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Every year, Pragmatic Marketing® conducts a comprehensive survey of product management and marketing professionals. Our objective is both to keep a finger on the pulse of this rapidly evolving area of technology companies and to provide a comprehensive look at the roles themselves, including compensation, reporting structures and responsibilities. Over 1800 people completed this year's survey, which ran from November 14 to December 20, 2011. We explore the results in this report.

Female
31%

Male
69%
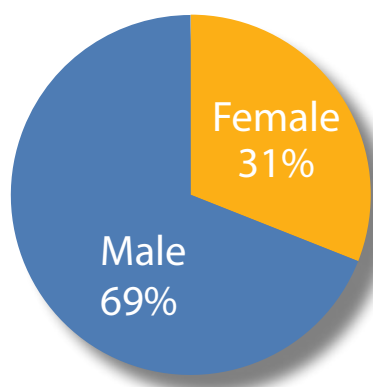
Profile of respondents

For this analysis, except where otherwise noted, respondents who indicated that their title most closely matched either Product Manager, Product Marketing Manager, Technical Product Manager, or Product Owner are combined into one profile.

• Average age is 39

• Responsible for 12 products

• 92% claim to be "somewhat" or "very" technical

• 31% are female, 69% are male

• 93% have completed college and 42% have completed a master's program

Reporting structure

The typical respondent reports to a Director or Vice President in the product management department.

Reporting to Title

• 14% report to a manager

• 41% report to a director

• 29% report to a vice president

• 11% report to a CXO

Reporting to Department

• 25% directly to CEO or COO

• 27% in Product Management

• 15% in Marketing

• 10% in Development or Engineering

• 4% in Sales

70% of respondents report to a VP or Director, and 52% work in their own department or directly for the President or CEO, as opposed to just 22% ten years ago. Product teams clearly have a seat at the executive table in most companies, and by virtue of the fact that it is being broken out as its own department, executive teams have learned to value and manage them separately from the rest of the organization.

Product team ratios within the company

When looking at staffing, it's often helpful to see how ratios of product team members compare from your company to the industry norm.

Within each product team we found the following ratios (per 1 Product Manager):

• 0.64 Product marketing managers

• 0.48 Product owners

• 0.56 Marketing communications

• 5.26 Salespeople

• 1.56 Sales engineers (pre-sales support)

• 1.57 Engineering leads

• 5.73 Engineers

• 0.95 Product architects

• 0.47 User interaction/user experience/human computing interface designers

Other ratios of interest

• 2.93 developers per QA manager

• 3.38 salespeople per sales engineer

The number of product owners to product managers illustrates the tactical pressure that many product managers are feeling today as their company asks them to perform both roles. Also, the number of architects and UI/UX/HCI team members may show why many product professionals are frustrated as they are called upon to assist with product design.

Years of experience

Over the past 20 years, product management and marketing have matured. They have gone from professions that require explanation to friends and family to ones that have "crossed the chasm," into the realm of the recognized. The bell curve in experience represents a mature workforce, with roughly equal new entrants to mature entrants.

Years of Experience in Product Management or Marketing

Years in current role

The product management and marketing workforce is highly mobile and finds their skills transferable from company to company. 58% of respondents indicated that they had been in their current role for less than two years, and the average tenure of a respondent is approximately 2 years, 11 months.
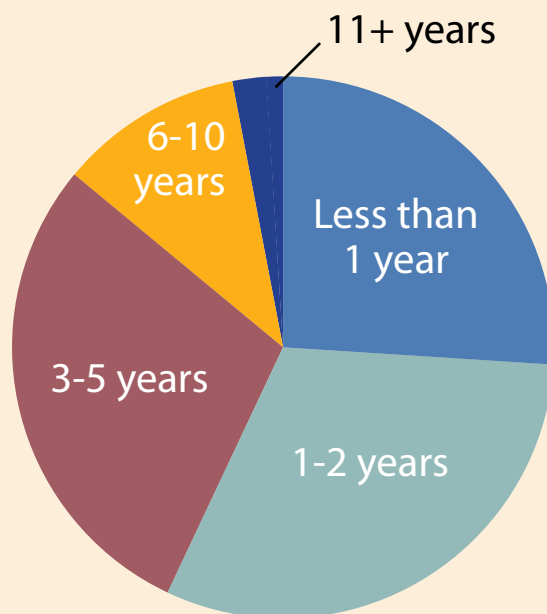
Activities

So what exactly do product management and marketing professionals do? To answer this, we asked each respondent which of the activities on the **Pragmatic Marketing Framework™** they were responsible for.

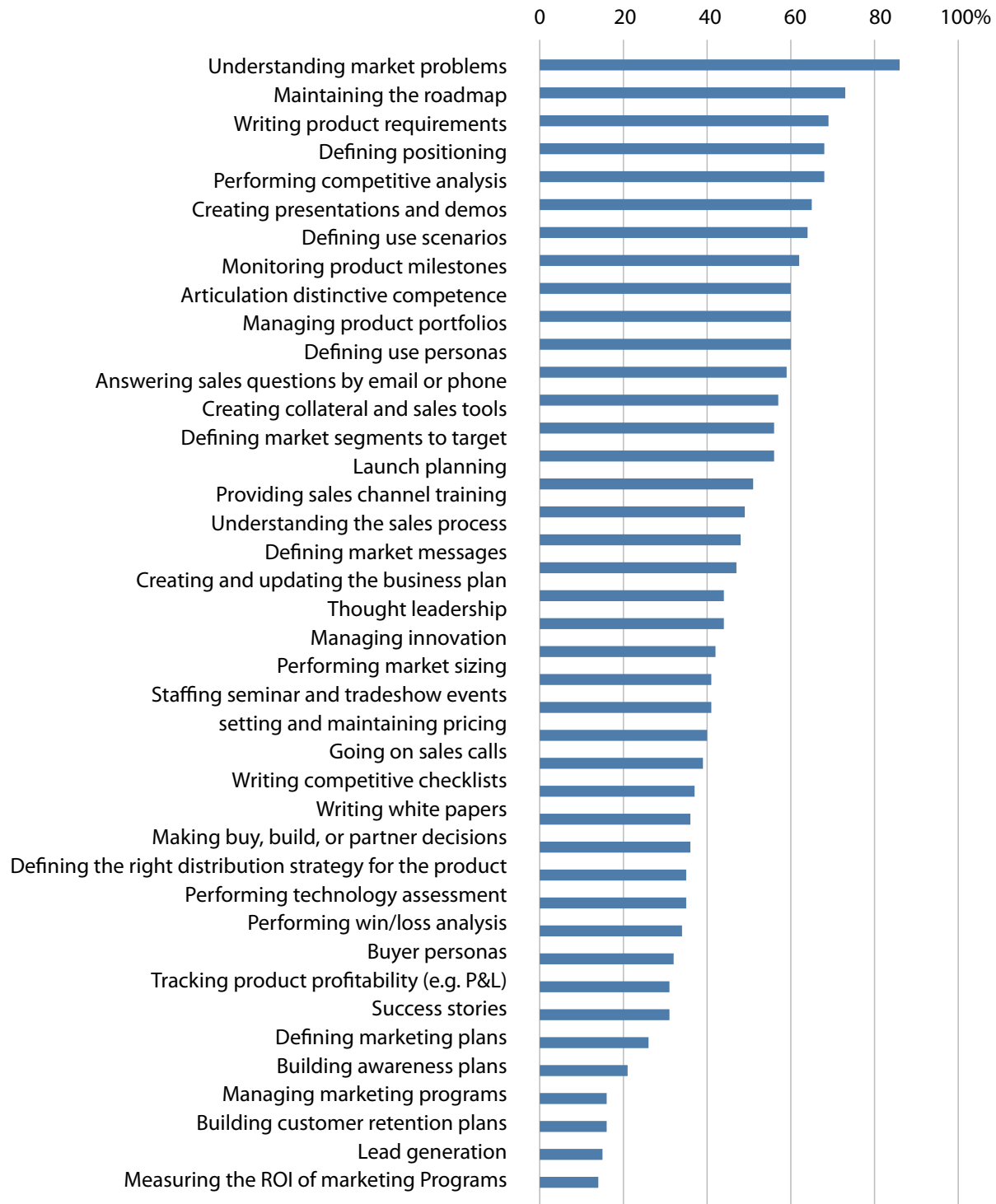| Activity	
	0 20 40 60 80 100%
Understanding market problems	
Maintaining the roadmap	
Writing product requirements	
Defining positioning	
Performing competitive analysis	
Creating presentations and demos	
Defining use scenarios	
Monitoring product milestones	
Articulation distinctive competence	
Managing product portfolios	
Defining use personas	
Answering sales questions by email or phone	
Creating collateral and sales tools	
Defining market segments to target	
Launch planning	
Providing sales channel training	
Understanding the sales process	
Defining market messages	
Creating and updating the business plan	
Thought leadership	
Managing innovation	
Performing market sizing	
Staffing seminar and tradeshow events	
setting and maintaining pricing	
Going on sales calls	
Writing competitive checklists	
Writing white papers	
Making buy, build, or partner decisions	
Defining the right distribution strategy for the product	
Performing technology assessment	
Performing win/loss analysis	
Buyer personas	
Tracking product profitability (e.g. P&L)	
Success stories	
Defining marketing plans	
Building awareness plans	
Managing marketing programs	
Building customer retention plans	
Lead generation	
Measuring the ROI of marketing Programs	

Responsibilities

Contrasting the titles
Product Manager and *Product Marketing Manager*

Titles are a mess in our industry. What one company calls a Product Manager, another calls a Product Marketing Manager. The following charts break down the various strategic, marketing, technical and sales activities respondents stated they were responsible for and compares the results by title.

As you can see, product roadmap and requirements are the responsibility for over 79% of those with a title of Product Manager but less than 30% of those with the title Product Marketing Manager. Conversely, defining market messages and developing launch plans are the responsibility of over 78% of Product Marketing Managers and just around 50% of Product Managers.

Overall, it seems that companies with both Product Manager and Product Marketing Manager titles tend to orient Product Managers to business and technical activities while Product Marketing Managers focus on go-to-market activities. However, it is interesting to note some definite areas of overlap—understanding market problems and defining positioning in particular—which may indicate critical aspects that require collaboration across titles.

Strategic Activities

0   20   40   60   80   100%

- Tracking product profitability (e.g. P&L)
- Making buy, build or partner decisions
- Setting and maintaining pricing
- Creating and updating the business plan
- Managing product portfolios
- Defining the right distribution strategy for the product
- Defining market segments to target
- Performing market sizing
- Articulating distinctive competence
- Performing win/loss analysis
- Understanding market problems

■ Product Managers   ■ Product Marketing Managers

Marketing Activities

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

Technical Activities

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

Sales Activities

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

■ Product Managers   ■ Product Marketing Managers

Juggling responsibilities

Product professionals spend their time in a variety of areas, but are they spending their time on the right items? While we were excited to see that nearly 25% of respondents were spending at least a day a week researching market needs, there is room for improvement. Nearly 40% of respondents spend less than one hour a week researching market needs and over 70% spend less than one hour per week visiting with their market without sales.

So where are they spending their time? They are undertaking the tactical activities that are required to support their products and internal audiences. 30% indicate that they spend at least one full day per week or more writing product requirements. Nearly 50% indicate that they spend at least a full day, and in many cases more, in meetings with their Engineering teams, such as daily stand-ups. Over 50% of respondents also indicated that they spend at least half a day per week on sales presentations or demos.

Legend: I do not spend time on this | < hour per week | < half a day | A full day | > a day
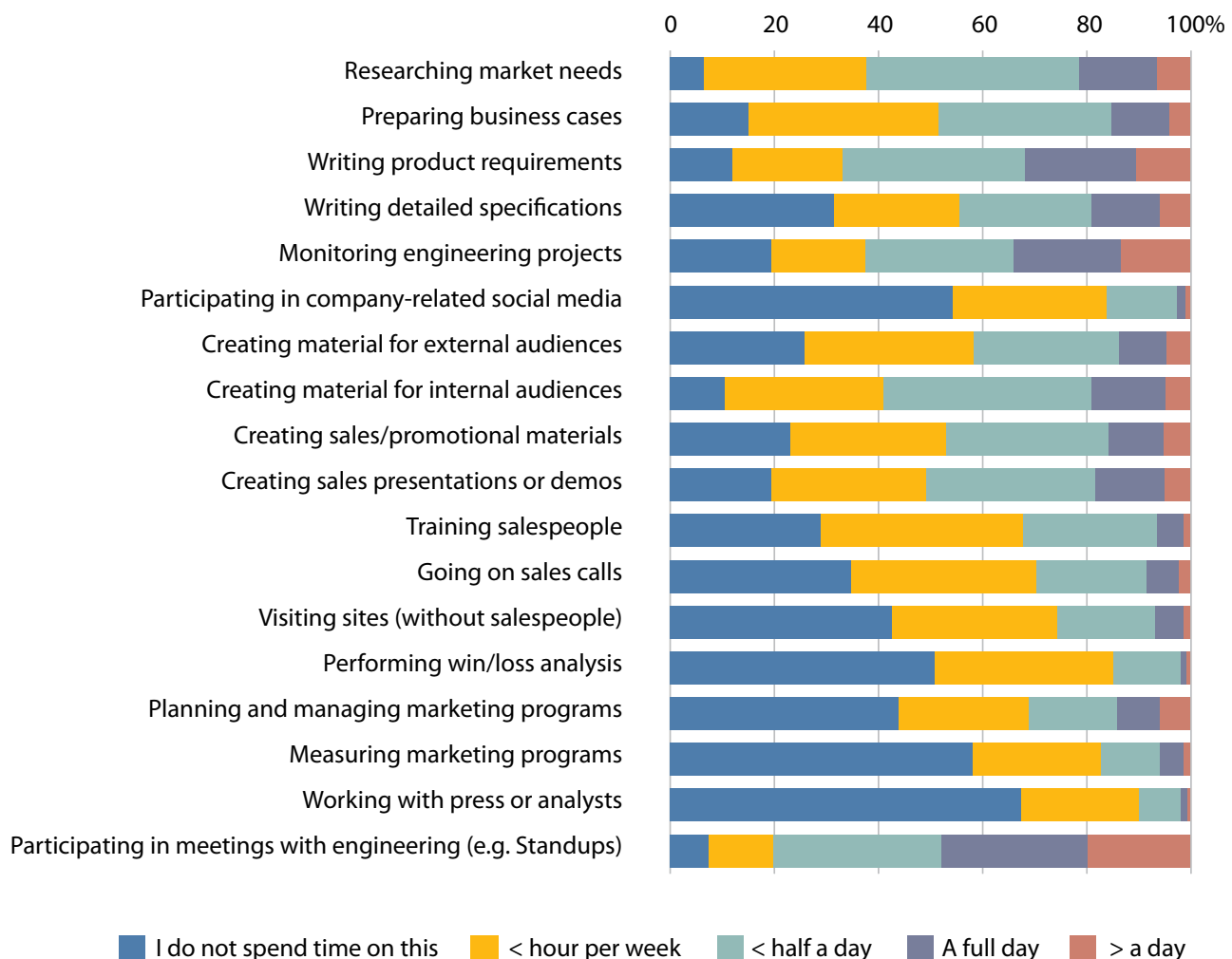
The softer side of product teams

As shown on the previous page, product managers and marketers are very active in listening to the market and in performing the various strategic and tactical tasks that traditionally make up their roles. But the traditional "hard" skills of product management and marketing are only one part of the equation. The other part is using soft skills, such as interpersonal relationships and influence, to achieve the goals that the product and business require. Product managers and marketers often hear about how their job is "all of the responsibility with none of the authority," so for the first time, in this year's survey, we examined how product professionals perceive their strengths and weaknesses on the softer side of product leadership.

Respondents feel very confident about their ability to empathize and understand what is going on in other parts of their organizations, and highly confident about their ability to speak out and tell the truth about what is happening in the business to their executive teams, with about 90% rating these areas as strengths. On the other hand, product managers and marketers are still somewhat uneasy about their ability to effectively challenge and negotiate with their executive team—45% rated this area as a weakness. This unease can come from a variety of factors: lack of experience, company culture, or not having enough or effective market data to drive a conversation with executives. This represents a large opportunity for improvement in product teams, especially as product management and marketing enters the executive ranks—where negotiation is a prerequisite for success.

How has your job changed over the last two years?

Resourcing

Continuously getting more projects with less and less resources.

More has been piled on. The harder you work the more work you get...

More to do, no more resources. More short term shifts in strategy—turn left, right, around.

We continue to slice the role of the Product Manager so thin that it becomes less impactful.

More structure, bigger team, more focus on strategic goals.

If anything the role has become stretched tighter with the current economic conditions. We are expected to be involved and contributing across all aspects of the product, from marketing to development to project management to post-sales support management. Meaning less time is spent really focused on the core role.

Agile

Agile development methodologies have had a dramatic impact on how products are planned and how development projects are run.

More difficult, as I now play two roles. Product Owner with changing technology driving product decisions and Product Manager with portfolio decision-making based on unknown changing technology and customer adoption.

More focus on Agile product management, becoming product owner, more day to day involvement in product development, more formal schedule of releases (fixed date) and activities to support release.

Program Management responsibilities are creeping into my space. Product Owner in a scrum team is starting to move out from Engineering into Strategy groups.

Good News

I moved up to a Senior VP role and have had the luxury of being able to grow my team to better support the responsibilities we shoulder.

I am a trusted resource now.

More market focused.

Becoming more strategic.

We have made a significant effort to transition from a sales culture to a product culture.

Promotion with wider scope of responsibility and more visibility with upper management.

Compensation

(all amounts are in US dollars)

The average compensation is $98,068 plus a $13,501 annual bonus. Bonuses are based on:

- 88% company profit
- 38% product revenue
- 62% quarterly objectives

(multiple responses were permitted)

By country

	Base	Bonus
Australia	$110,250	$14,556
Canada	$94,906	$10,649
France	$87,923	$12,111
Germany	$87,267	$8,992
India	$65,625	$8,750
United Kingdom	$92,321	$14,510
United States	$100,496	$14,538

By US region

	Base	Bonus
Midwest	$93,727	$12,479
Northeast	$103,275	$17,409
Pacific	$110,546	$14,725
South	$93,676	$12,335
Southwest	$103,670	$18,478
West	$97,319	$11,877

By Canadian province

	Base	Bonus
Alberta	$91,571	$6,400
British Columbia	$93,087	$9,559
Ontario	$97,739	$11,970
Quebec	$85,929	$7,222

Provinces not listed did not receive enough responses to accurately and anonymously report on compensation information.
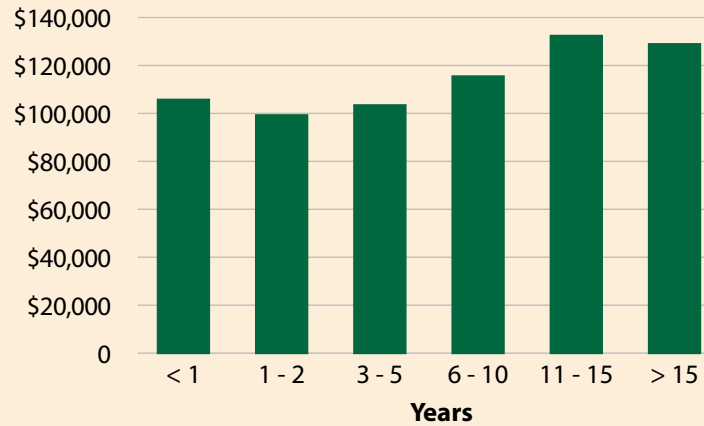
By title

	Base	Bonus
Product Manager	$100,205	$14,413
Product Marketing Manager	$98,943	$14,366
Product Owner	$109,970	$16,585
Technical Product Manager	$98,611	$11,467

Compensation

(all amounts are in US dollars)

By experience

Years	Compensation
< 1	$106,000
1 - 2	$99,000
3 - 5	$104,000
6 - 10	$116,000
11 - 15	$133,000
> 15	$129,000

By education

Education	Compensation
Bachelor's degree	$110,000
Some Master's (degree not completed)	$116,000
Master's degree	$124,000
Doctoral degree	$152,000

By technical ability

Technical ability	Compensation
Non-technical	$113,000
Somewhat technical	$128,000
Very technical	$130,000
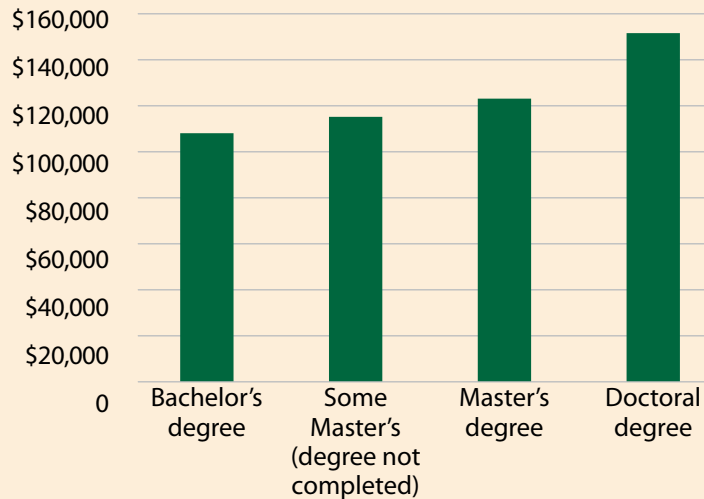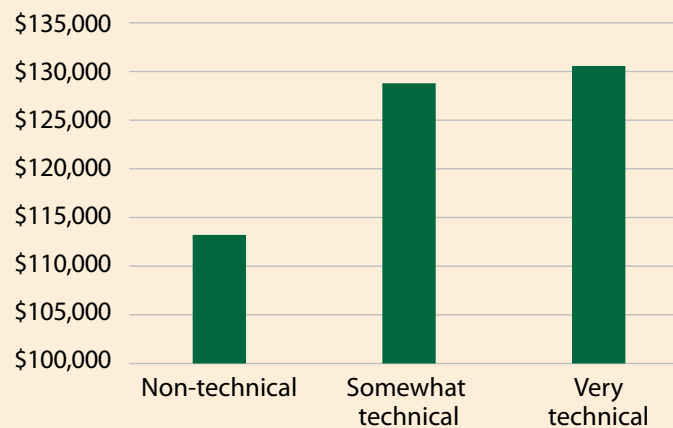
Benefits

In the 2012 survey, we examined for the first time the benefits package that product professionals receive. As you can see below, product management and marketing professionals enjoy a wide range of benefits, some very standard, such as health and life insurance, and some very rare, such as onsite medical and dependent care.

Other benefits respondents indicated included: mobile phone reimbursement, company paid dry cleaning, free monthly massages, profit sharing, pensions and weekly fresh fruit delivery.

	0	20	40	60	80	100%
Health insurance						
Life insurance						
Retirement plan (e.g. 401(k))						
Ongoing professional development						
Flexible spending account (e.g. 125 plan)						
Disability / workers compensation insurance						
Flexible work schedule						
Tuition reimbursement						
Employee stock purchase program						
Stock options						
Health club membership/discount/onsite						
Discounted company products						
Extended maternity/paternity leave						
Onsite meals						
Company vehicle/reimbursed						
Relocation reimbursement						
Sabbaticals						
Onsite doctor/nurse						
Onsite dependent care						

If you could say one thing to your company president without fear of reprisal, it would be…

When you make a difficult decision, explain it.

There is too much emphasis on short-term financial goals rather than long term stability.

I can pretty much say anything without fear of reprisal.

You need to push harder to invest in strategic projects that don't have current year payback.

Continue to believe and empower your people.

Consider a disaster contingency plan for a global economic meltdown.

Good Job, but let's be more aggressive.

We need to stop chasing shiny objects and focus on moving toward the long term vision.

We should focus on our core competencies.

I'd give him a big hug (he hates that).

Stop changing priorities!

Stop building the plane while flying. Take the time to really vet the requirements and do due diligence. It saves a lot of rework in the end. And for the love of God stop micromanaging!

Keep up the good work.

Product management is not there to simply feed engineering.

Let's base decisions on data and not your gut feel...

Nothing, the company's president believes the key to our business success is product management so I generally get the resources required.

Focus. And stay focused.

You say that you believe in a strong product management department to best answer market needs and lead our products in the right direction. Now, convince your direct reports in other departments that it is important too.

Keep moving in the same direction. Great focus on product.

Your opinion, although interesting, is irrelevant...

Many organizations are asking more and more of their product teams today. They ask them to be market experts, product and technology experts, and to support sales, marketing, and engineering when required. In these quotes, we can see that product managers and marketers also have needs from the organization —for the support, clarity of vision, and leadership required to make product teams effective.

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

About Paul Young

As a certified Pragmatic Marketing instructor, Paul Young travels the world teaching technology companies how to build market-driven products that people want to buy. He brings to this role more than a decade of experience in hardware, software, and services product management and marketing.

Prior to joining Pragmatic Marketing, Paul launched and managed dozens of products, started his own business, and successfully implemented the Pragmatic Marketing Framework at several companies. This gives him a unique ability to relate to product management teams and executives that are transforming their business.

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About Pragmatic Marketing

Pragmatic Marketing's training is based on the fundamental belief that a company's products need to be grounded in a strategy that is driven by the market. We combine this core principle with a team of instructors who have real-world experience leading high tech product teams, to deliver training seminars that are informative, entertaining, and impactful. To find out how you or your company can join the growing international community of more than 75,000 product management and marketing professionals trained by Pragmatic Marketing, visit *www.pragmaticmarketing.com.*

PRAGMATIC MARKETING®

PRAGMATIC MARKETING®

Pragmatic Marketing's courses cover everything companies need to be successfully market-driven, from understanding market problems and personas, to creating effective requirements and go-to-market strategies. So whether you are responsible for determining what should be on the 'shelf', or how to make it fly off the shelf, we have a course (or two or three) for you.

To register for a
course near you, visit
PragmaticMarketing.com

Scan for current calendar of
Pragmatic Marketing courses

Product Management

Practical Product Management
Discover a common foundation, proven methodology and actionable toolset that will enable you to build products people want to buy.

Requirements that Work
Develop solutions more efficiently and effectively through solid product plans and market-focused prioritization.

Living in an Agile World
Work effectively and strategically as a product manager with agile development teams.

Pragmatic Roadmapping
Prioritize and build product roadmaps that articulate clear product plans, strategy and vision for multiple audiences.

Go-To-Market

Effective Product Marketing
Design, execute and measure high impact go-to-market plans for your products.

Product Launch Essentials
Plan and execute successful product launches with confidence based on our proven processes and tools.

Leadership

Executive Briefing
Understand the impact of being market-driven on your bottom line and the strategic role that product management and marketing play in this effort.

Action Planning Workshop
Jumpstart your implementation of the Pragmatic Marketing Framework with an instructor facilitated workshop to identify and prioritize action items.