PRODUCT MANAGEMENT
AND
MARKETING SURVEY

PRAGMATIC Marketing®

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THE 16TH ANNUAL

PRODUCT MANAGEMENT AND MARKETING SURVEY

MORE THAN 2,500 INDIVIDUALS ANSWERED OUR CALL FOR HELP IN DEFINING THE CHALLENGES, OPPORTUNITIES AND, OF COURSE, COMPENSATION OF TODAY'S PRODUCT TEAMS. AND WHILE THEY MAY NOT BE ABLE TO JUMP OVER BUILDINGS IN A SINGLE BOUND OR STOP SPEEDING TRAINS, ALL OF THE ACTIVITIES AND PRESSURES THEY JUGGLE IN BRINGING THEIR PRODUCTS TO MARKET MAKE THEM SUPERHEROES TO US.

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THEIR NOT-SO-SECRET IDENTITIES

WHILE THEY DON'T WALK AROUND WITH A BIG "S" EMBLAZONED ON THEIR SHIRTS, THERE ARE SOME CHARACTERISTICS THAT CAN HELP YOU SPOT A PRODUCT SUPERHERO IN YOUR MIDST.

39% 35 to 44 years old

63% male

92% somewhat or very technical

YEARS OF EXPERIENCE
HOW LONG THEY'VE BEEN WEARING A CAPE

<1	1-2	3-5	6-10	11-15	15+
5%	14%	26%	24%	14%	17%

Years

YEARS IN CURRENT ROLE
HOW LONG THEY'VE BEEN WEARING THIS CAPE

<1	1-2	3-5	6-10	11-15	15+
23%	32%	31%	10%	2%	2%

Years

OUR HEROS DON'T WIN ON BRAWN ALONE ...

CERTIFIED

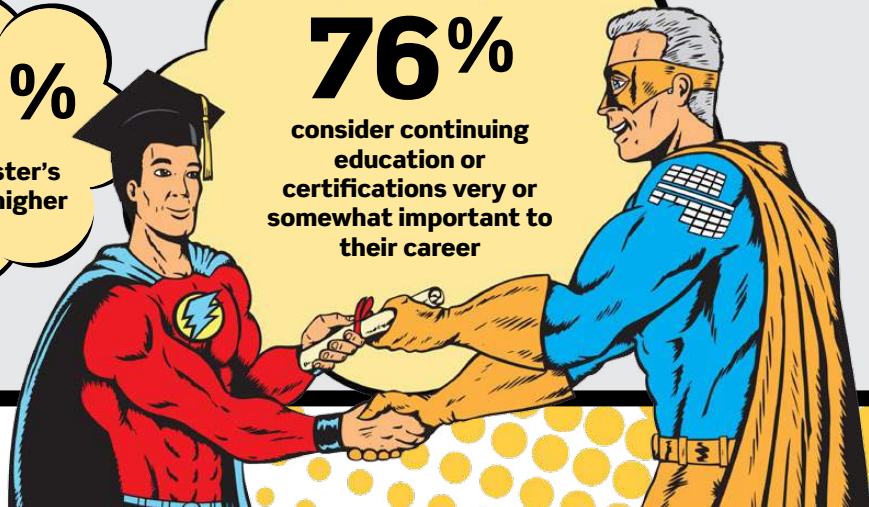**71%** hold at least one professional certification in addition to their degree
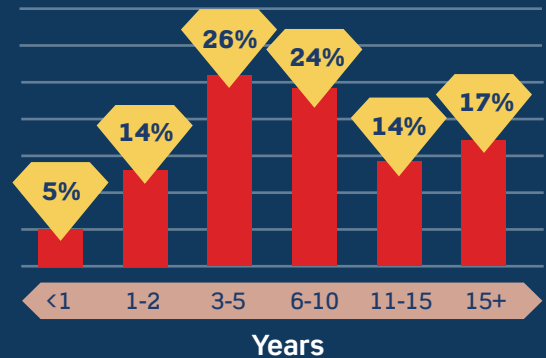
42% hold a master's degree or higher

76% consider continuing education or certifications very or somewhat important to their career
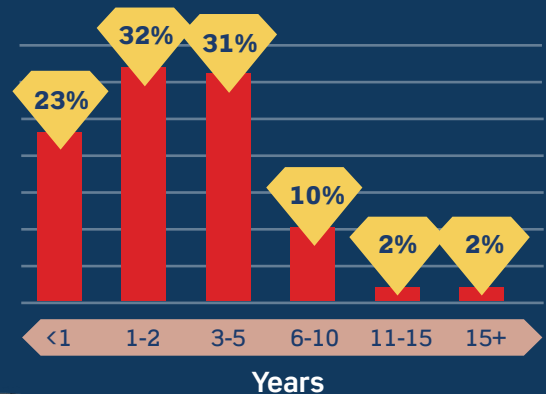
OUR SUPERHEROES GO BY A VARIETY OF NAMES. IN FACT, MORE THAN 562 DISTINCT TITLES WERE REPORTED BY THE GROUP.

PERHAPS THE TITLES REFLECT THE VARIETY OF PATHS RESPONDENTS TOOK TO THEIR CURRENT PRODUCT ROLE. HERE ARE SOME OTHER ROLES OUR SUPERHEROES HAVE HELD ALONG THE WAY.

Total Number of People in Department

<5

6-10

11-25

26-50

50<

ROLE WIT

35%
Product Owner

21%
Sales

17%
Outside Consultant

18%
Marketing Communications

34%
Technical/ Development

18%
Trainer/ Educator

Individual Contributer
65%
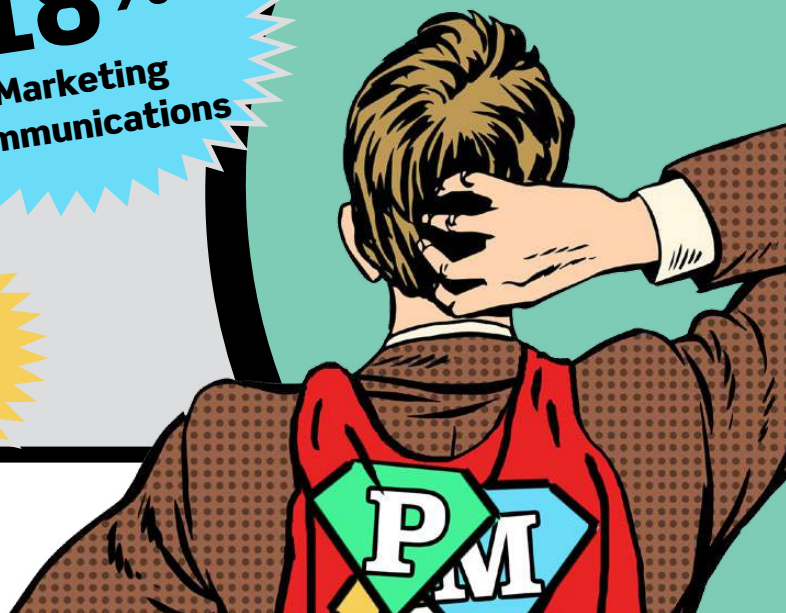
26%

29%

25%

11%

9%

Where Department Reports to

Product Management	34%
President/CEO/Managing Director	23%
Marketing	13%
Development/Engineering	10%
Product Marketing	4%
Sales	3%
Support	1%
Services or Training	1%
Other	11%

OUR HEROES DON'T WORK ALONE; IT TAKES A TEAM TO BUILD AND MARKET TRULY GREAT PRODUCTS.

THIN DEPARTMENT

Department Head
26%

7%	43%	33%	9%	8%
0	1-3	4-6	7-9	10+

Number of Direct Reports

Executive 9%

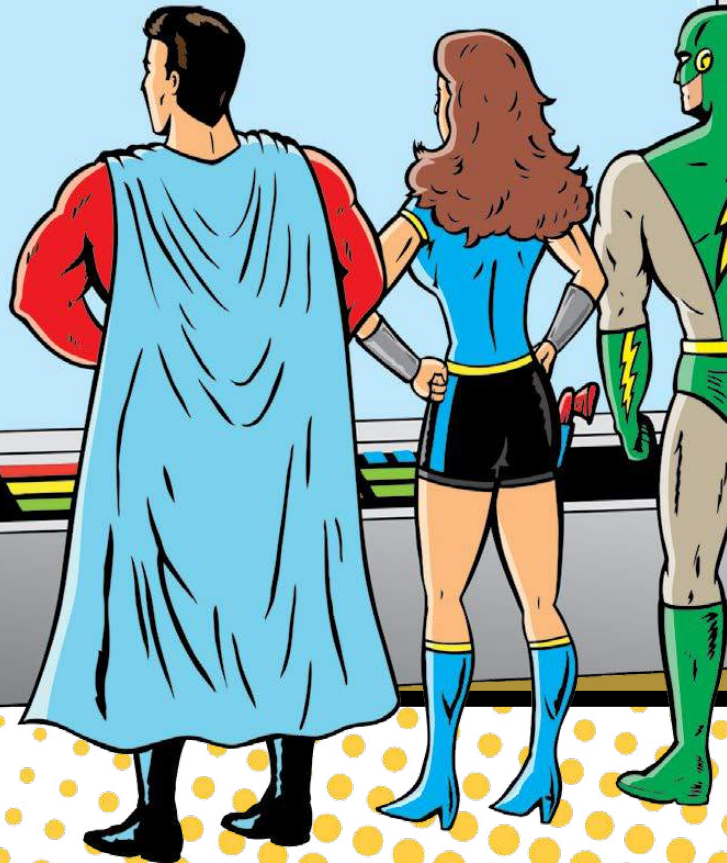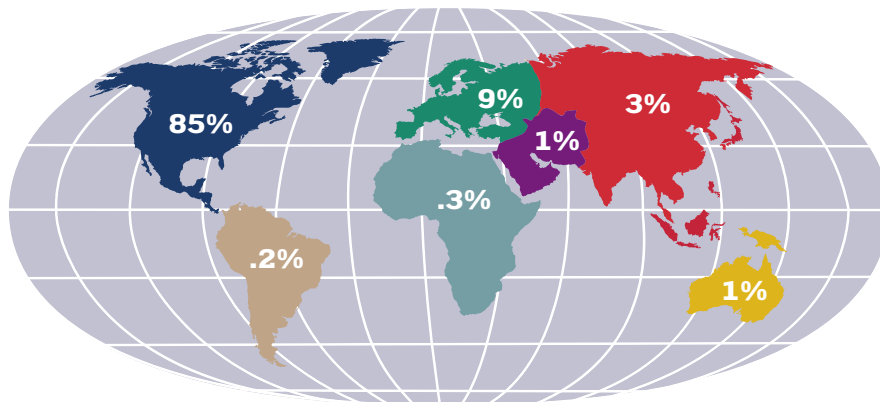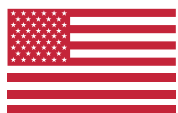| 11%	23%	31%	12%	23%
0	1-3	4-6	7-9	10+

Number of Direct Reports

FROM GOTHAM TO METROPOLIS AND ALL POINTS IN BETWEEN

INDIVIDUALS FROM 57 DIFFERENT COUNTRIES RESPONDED TO THIS YEAR'S SURVEY.

85%
9%
3%
1%
.3%
.2%
1%

- **North America**
- **Europe**
- **Asia**
- **Oceania**
- **South America**
- **Africa**
- **Middle East**

United States of America
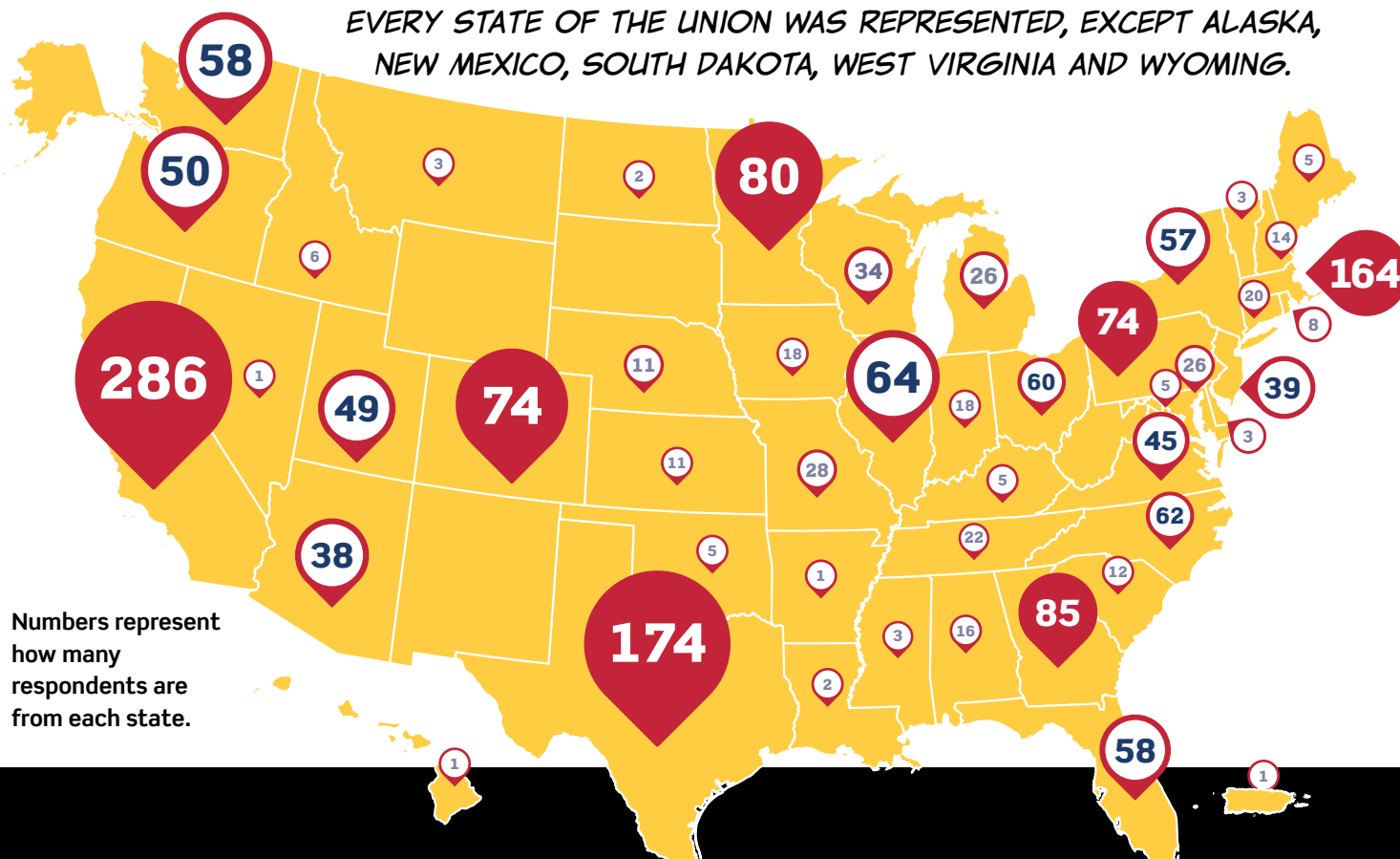
76%

Canada

10%

United Kingdom of Great Britain and Northern Ireland

3%

EVERY STATE OF THE UNION WAS REPRESENTED, EXCEPT ALASKA, NEW MEXICO, SOUTH DAKOTA, WEST VIRGINIA AND WYOMING.

58
50
3
2
80
6
34
26
5
57
3
14
164
286
1
11
18
20
8
49
74
64
60
26
74
39
18
5
45
3
11
28
5
62
38
5
22
12
58
1
174
16
85
3
2
1
1

Numbers represent how many respondents are from each state.

AGENTS OF ?

SO WHAT KIND OF COMPANIES DO OUR HEROES WORK FOR? TURNS OUT, COMPANIES OF ALL SHAPES AND SIZES.

POW

POINTS OF WISDOM

THE AVERAGE NUMBER OF PRODUCTS SUPPORTED WAS 10, BUT 66% OF RESPONDENTS WORK WITH 5 OR FEWER PRODUCTS.

PRODUCTS OFFERED
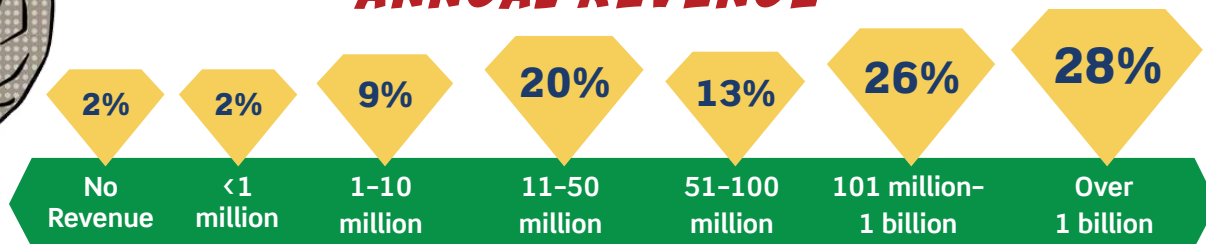(Respondents checked all that applied)

Software 80%

Hosted or Cloud 54%

Hardware 27%

Professional Services 53%

Markets Served

B2B	78%
B2C	10%
B2B and B2C	12%

ANNUAL REVENUE

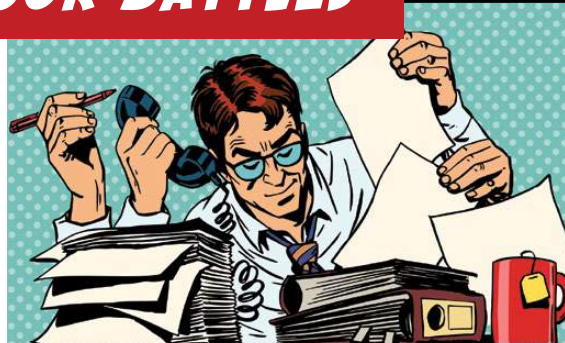| No Revenue	<1 million	1–10 million	11–50 million	51–100 million	101 million–1 billion	Over 1 billion
2%	2%	9%	20%	13%	26%	28%

Company Revenue in Dollars

MAJOR BATTLES

THEY MAY NOT BE RUNNING INTO BURNING BUILDINGS TO SAVE PEOPLE, BUT THEY SURE ARE FIGHTING A LOT OF FIRES.

WHERE DO THEY SPEND THEIR TIME?

Deciding what should go in products	41%
Creating and executing go-to-market strategies for products	23%
Each about equally	36%

Time spent on activities:

28% STRATEGIC VS. **72% TACTICAL**

62% say this represents more time on strategic activities than during the previous year.

POW

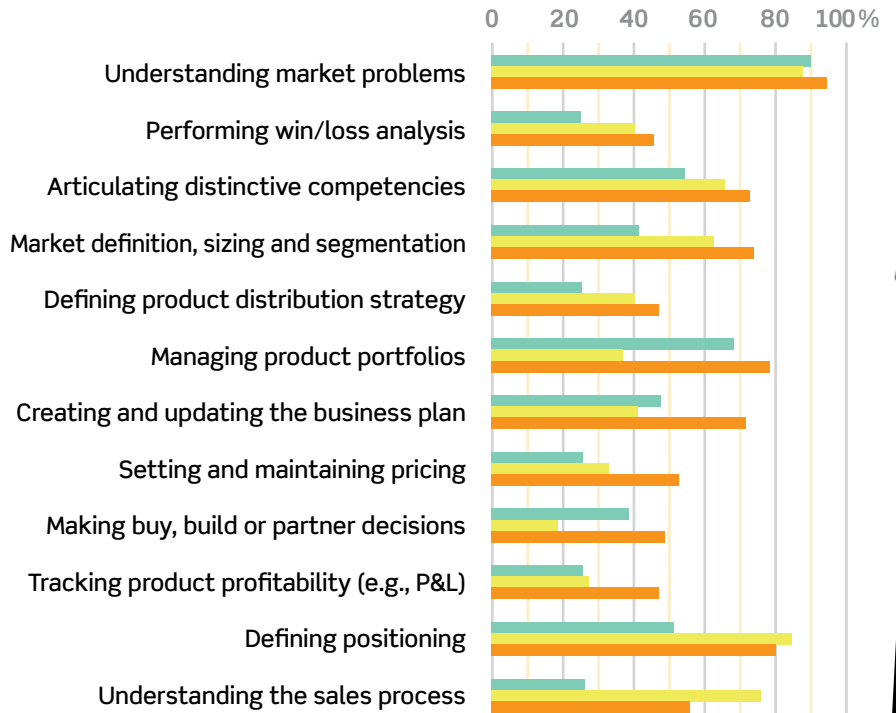## POINTS OF WISDOM

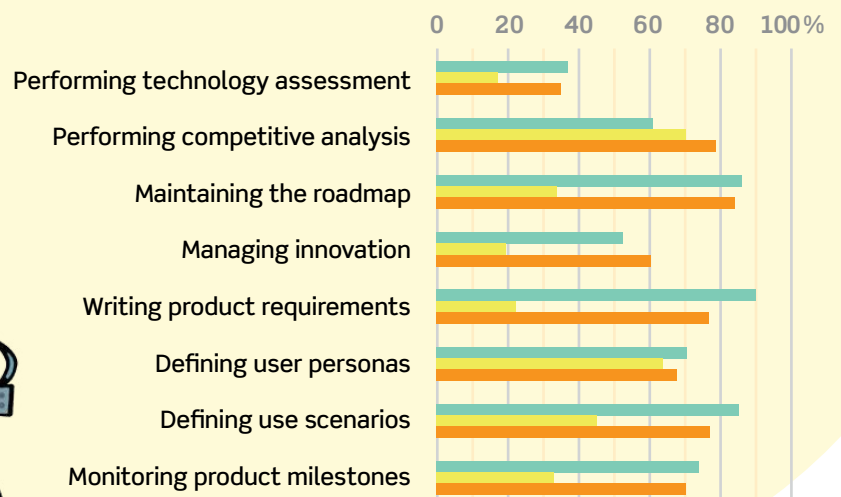FIGHTING FOR MARKET-DRIVEN PRODUCTS IS NOT FOR THE FAINT OF HEART. OUR RESPONDENTS AVERAGE 48-HOUR WORK WEEKS.

BUSINESS ACTIVITIES

0   20   40   60   80   100%

- Understanding market problems
- Performing win/loss analysis
- Articulating distinctive competencies
- Market definition, sizing and segmentation
- Defining product distribution strategy
- Managing product portfolios
- Creating and updating the business plan
- Setting and maintaining pricing
- Making buy, build or partner decisions
- Tracking product profitability (e.g., P&L)
- Defining positioning
- Understanding the sales process

TECHNICAL ACTIVITIES

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

SPONSIBLE FOR?

GO-TO-MARKET ACTIVITIES

0   20   40   60   80   100%

- Defining marketing plans
- Measuring the ROI of marketing programs
- Understanding the customer's buying process
- Building customer acquisition plans
- Building customer retention plans
- Launch planning
- Buyer personas
- Success stories
- Thought leadership
- Lead generation
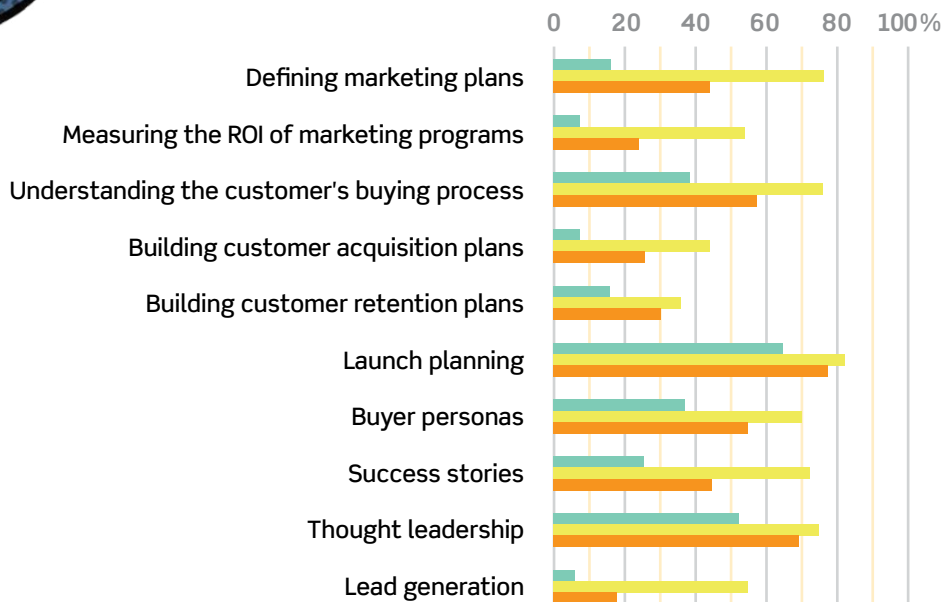
SALES READINESS ACTIVITIES

0   20   40   60   80   100%

- Providing sales channel training
- Creating customer-facing sales collateral
- Creating internal sales tools
- Creating presentations and demos
- Going on sales calls
- Staffing seminar and trade show events
- Answering sales questions by email or phone
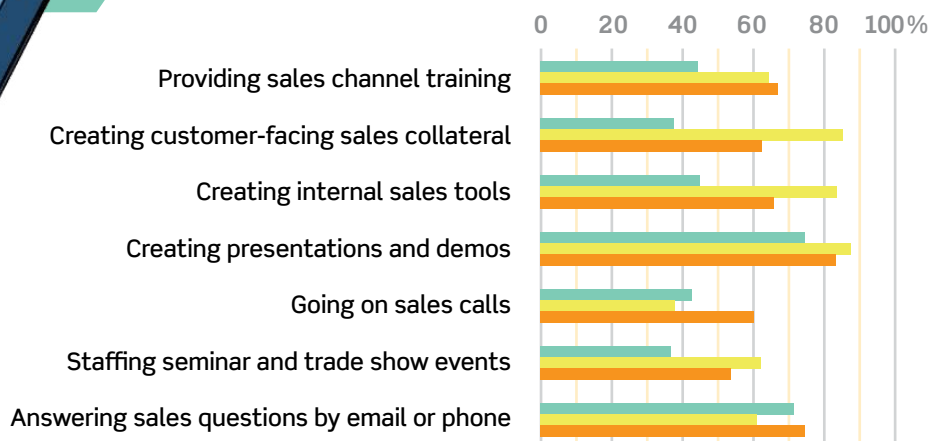
WHERE THEY SPEND THE MAJORITY OF THEIR TIME

- **Deciding what should go in products**
- **Creating and executing go-to-market strategies for products**
- **Each of the above about equally**

SUPERPOWERS

INVISIBILITY MIGHT BE GREAT IF YOU'RE HIDING FROM VILLAINS TO PROTECT THE CITY, BUT IT'S NOT WHAT YOU WANT IN YOUR CAREER. ONE OF OUR INSTRUCTORS, PAUL YOUNG, TALKS ABOUT SEVEN "X-FACTOR TRAITS" THAT SEPARATE THE GOOD FROM THE GREAT, THE WORKER BEES FROM THE SUPERHEROES ON PRODUCT TEAMS. IN THIS YEAR'S SURVEY, WE ASKED RESPONDENTS TO LOOK DEEP INSIDE THEMSELVES AND ASSESS THEIR SKILLS IN THESE AREAS AND HOW THAT MIGHT INFLUENCE THEIR CAREER PATH.

HOW STRONG ARE YOUR SUPERPOWERS?

Expert | **Intermediate**

Truth to Power
Being able to raise uncomfortable issues to leadership
36%

Synthesis
Beyond gathering data, the ability to synthesize it down to a call to action
48%

Pitch Artist
The ability to stand up to peers, managers and executives and sell them your ideas and conclusions
27% | 52%

Executive Debater
Being a strong advocate for what is right in the market and challenging executive teams when necessary
23% | 49%

Consensus Builder
Aligning the organization to solve a problem together
32% | 49%

Empathetic
The ability to understand what others are going through, both inside and outside the company
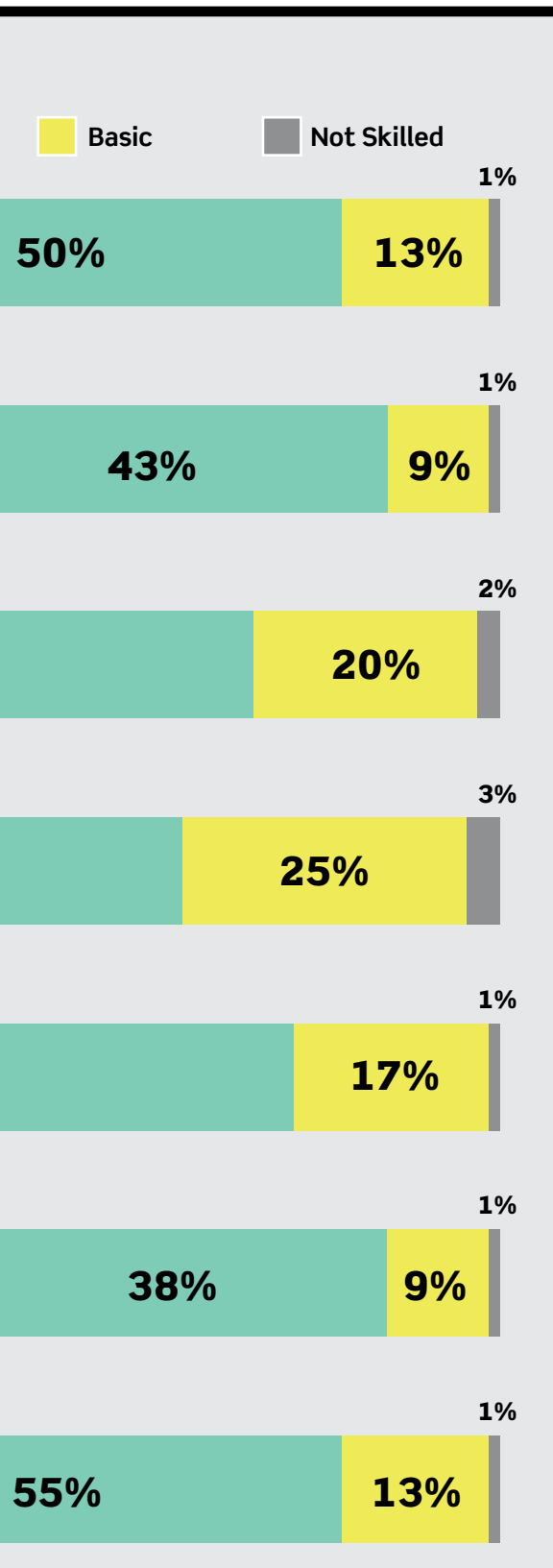52%

Inspire Others
The ability to inspire others to action
31%

Basic **Not Skilled**

1%
50% **13%**

1%
43% **9%**

2%
20%

3%
25%

1%
17%

1%
38% **9%**

1%
55% **13%**

WHAT YOU SAID WAS MOST...

...IMPORTANT TO YOUR CAREER GROWTH

1. INSPIRES OTHERS
2. SYNTHESIS
3. CONSENSUS BUILDER
4. TRUTH TO POWER
5. PITCH ARTIST
6. EXECUTIVE DEBATER
7. EMPATHETIC

...REWARDED BY YOUR COMPANY

1. PITCH ARTIST
2. INSPIRES OTHERS
3. EXECUTIVE DEBATER
4. SYNTHESIS
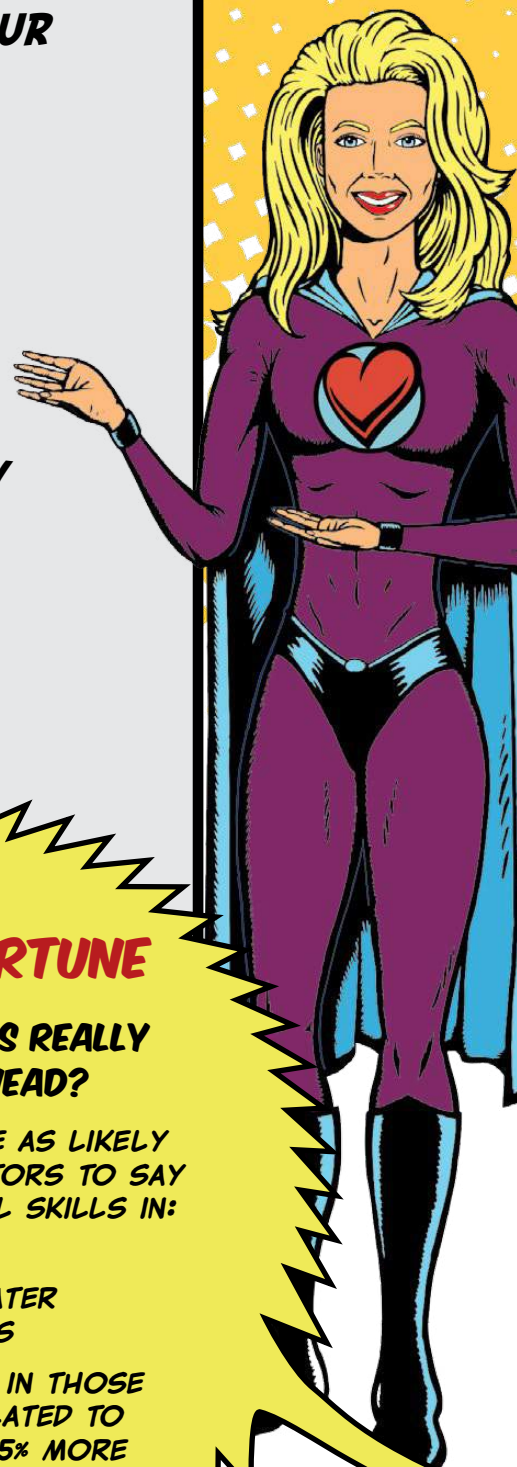5. CONSENSUS BUILDER
6. TRUTH TO POWER
7. EMPATHETIC

FAME AND FORTUNE

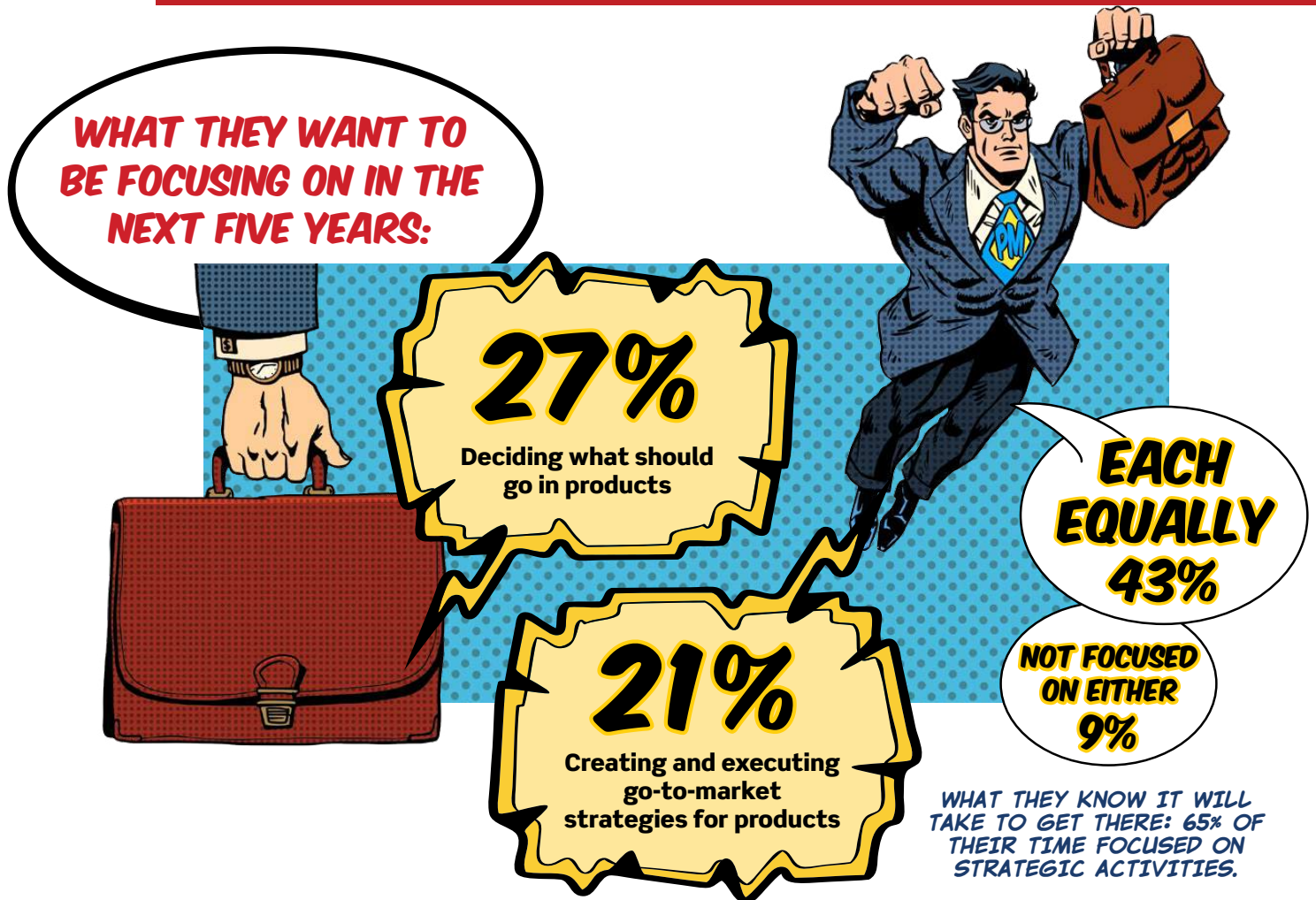### SO WHICH X-FACTORS REALLY HELP YOU GET AHEAD?

EXECUTIVES WERE TWICE AS LIKELY AS INDIVIDUAL CONTRIBUTORS TO SAY THEY HAVE EXPERT-LEVEL SKILLS IN:

- PITCH ARTIST
- EXECUTIVE DEBATER
- INSPIRE OTHERS

EXPERT-LEVEL SKILLS IN THOSE AREAS ALSO CORRELATED TO HIGHER EARNINGS: 25% MORE ON AVERAGE.

WHAT THEY WANT TO BE FOCUSING ON IN THE NEXT FIVE YEARS:

27%
Deciding what should go in products

21%
Creating and executing go-to-market strategies for products

EACH EQUALLY 43%

NOT FOCUSED ON EITHER 9%

WHAT THEY KNOW IT WILL TAKE TO GET THERE: 65% OF THEIR TIME FOCUSED ON STRATEGIC ACTIVITIES.

WE ASKED RESPONDENTS WHAT THEY THINK THE FUTURE OF PRODUCT MANAGEMENT LOOKS LIKE.

- We'll have agile organizations, not agile development shops, as companies incorporate agile practices during the strategy, discovery and design phases.

- Cycle times to bring product to market will continue to accelerate. I also see an increased ability to provide customers with a more customized product experience.

- Product management and marketing will be responsible for driving the sales and profitability of product lines.

- More strategic, emphasizing market expertise over product expertise.

- More involvement in mergers and acquisitions, both as part of the validation and integration processes.

- Relying more on data to drive decision-making and prove ROI.

- Less about single products, more about interoperability between products (ours and others).

- More involvement in the strategic direction of products and businesses.

- Be more segmented: it's a lot of responsibility for one person and requires many skills.

- Understanding and interpreting data will become even more critical. Quick recognition—and action to accommodate shifts—will separate the winners from losers, much more than the actual technology.

- The role will become more specialized (rather than the generalists they tend to be today) and be required to work within more cross-functional, decentralized, semi-autonomous teams.

- The definition of product management will broaden. The number of product managers will increase and become more specialized in certain areas, such as product design manager, strategic product manager, product research manager, etc.

- Will move from product-centric to solution-centric and more results-oriented.

- It will be more about innovation and introducing revolutionary change than about incrementally managing current customer expectations.

- It will be even more important to balance fast-paced decision-making with plan execution.

- More focus on solving problems in the marketplace for Millennials, and less focus on the tried-and-true products that we have relied on to generate cash. We will need to invest more of our profits in developing new products.

- More agile. Fewer business plans and more user stories.

- Product management will be represented in C-level executives; chief product officers will become more prevalent.

> **PRODUCT MANAGEMENT WILL BE REPRESENTED IN C-LEVEL EXECUTIVES**

- The product management role will extend into other industries as software and technology become more ingrained in traditional, industrialized industries.

- Being data-driven will become even more important. At the same time, people will start acknowledging that data can only provide so much insight into how to take your product further.

- More marketing-focused, driven by profitability and usability.

- Product management, client expectations and user experience will be intertwined.

- Understanding customer and market problems will become more important, especially with new problems coming out of a "hyper-connected world."

- To suit the dynamic market, product management will become more agile and function at a faster pace.

WHERE THEY SEE THEMSELVES IN THE NEXT FIVE YEARS

Working in the same department and similar role at the existing company

10%

Working in the same department but in a higher-level role at the existing company

34%

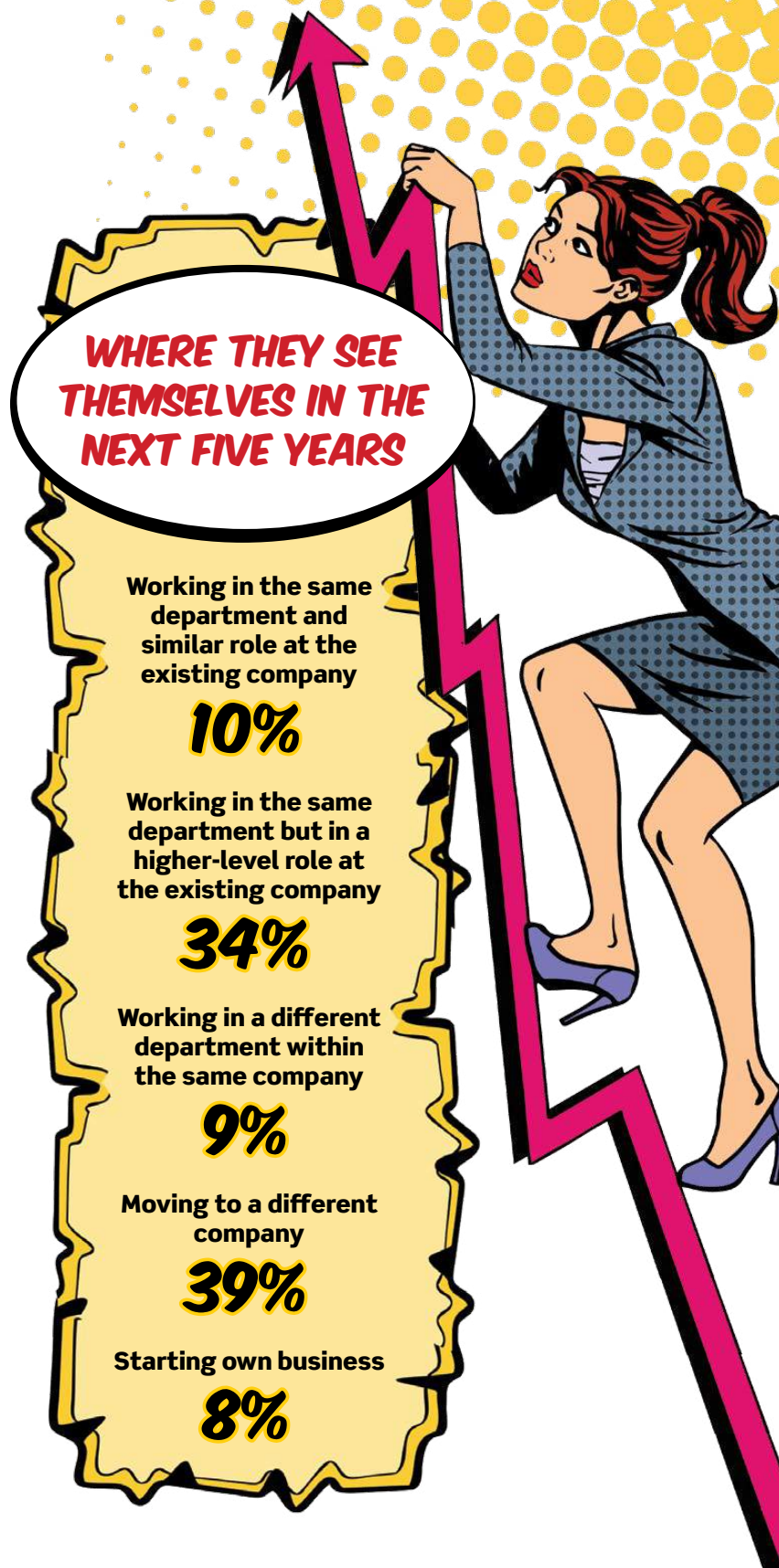**Working in a different department within the same company**
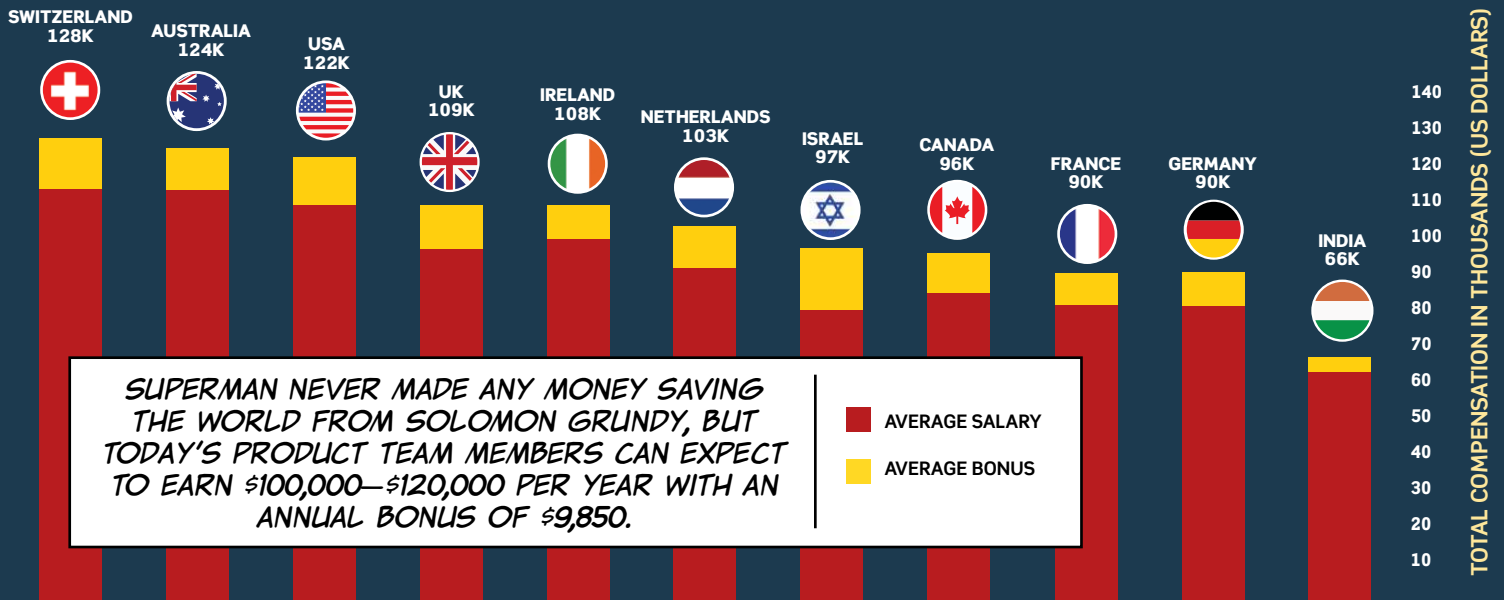
9%

Moving to a different company

39%

Starting own business

8%

SUPER-SIZED SALARIES?

BREAKDOWN OF AVERAGE SALARY AND BONUS BY COUNTRY

SWITZERLAND 128K
AUSTRALIA 124K
USA 122K
UK 109K
IRELAND 108K
NETHERLANDS 103K
ISRAEL 97K
CANADA 96K
FRANCE 90K
GERMANY 90K
INDIA 66K

TOTAL COMPENSATION IN THOUSANDS (US DOLLARS)

140
130
120
110
100
90
80
70
60
50
40
30
20
10

SUPERMAN NEVER MADE ANY MONEY SAVING THE WORLD FROM SOLOMON GRUNDY, BUT TODAY'S PRODUCT TEAM MEMBERS CAN EXPECT TO EARN $100,000–$120,000 PER YEAR WITH AN ANNUAL BONUS OF $9,850.

■ AVERAGE SALARY
■ AVERAGE BONUS

HOW SATISFIED ARE YOU WITH YOUR CURRENT COMPENSATION?

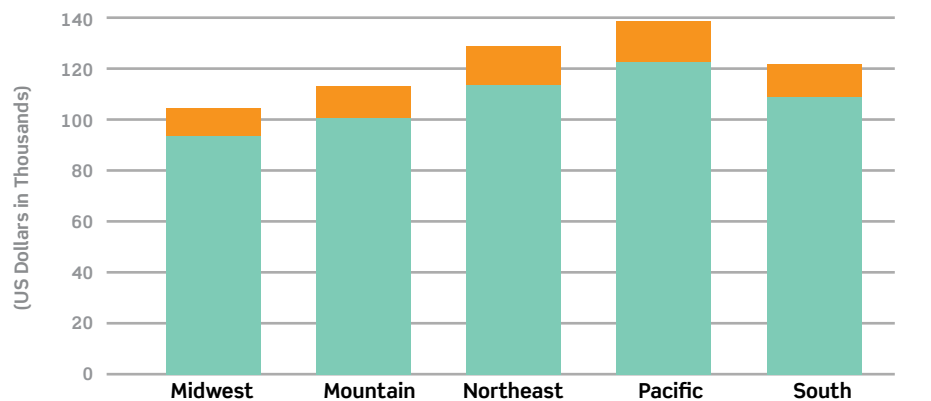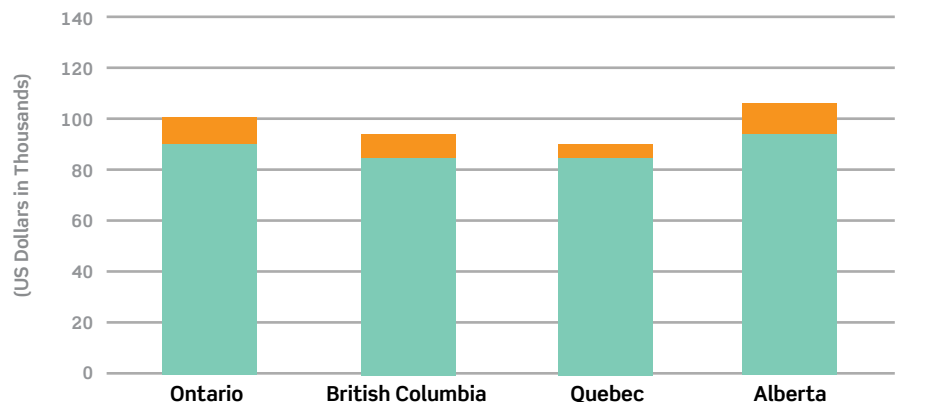|	
Very Satisfied	9%
Satisfied	55%
Dissatisfied	30%
Very Dissatisfied	6%

POINTS OF WISDOM

82% OF RESPONDENTS REPORTED RECEIVING A BONUS; MOST COMMONLY BASED ON COMPANY REVENUE OR PROFIT (88%) AND PERSONAL OBJECTIVES (59%).

POW

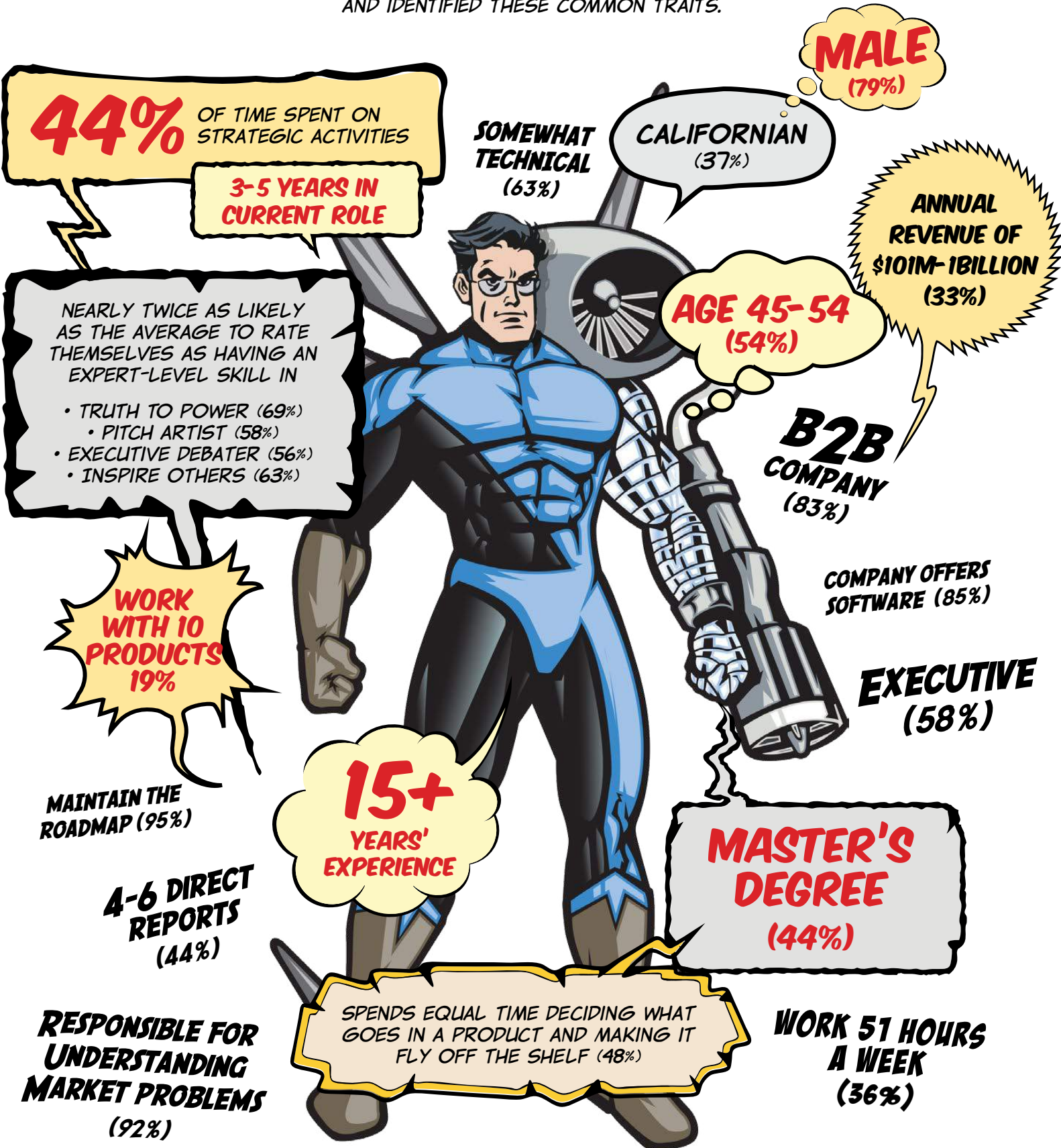## REGIONAL

U.S. SALARIES

(US Dollars in Thousands)

140
120
100
80
60
40
20
0

Midwest · Mountain · Northeast · Pacific · South

■ Salary ■ Bonus

CANADIAN SALARIES

(US Dollars in Thousands)

140
120
100
80
60
40
20
0

Ontario · British Columbia · Quebec · Alberta

ABOUT PRAGMATIC MARKETING

PRAGMATIC MARKETING 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:

PRAGMATICMARKETING.COM

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