

Annual Product Management Roles & Salary Survey

By Steve Johnson **2003**

Each year Pragmatic Marketing® conducts a survey of product managers, marketing managers, and other marketing professionals.

Our objective is to provide Pragmatic Marketing clients with industry information about compensation as well as the most common responsibilities for product managers and other marketing professionals. The survey was mailed to 5,000 marketing professionals with 560 responses. The survey was conducted during the period of November 25-30, 2003, using WebSurveyor.

Profile of a product manager

- The average product manager is 36 years old
- 84% claim to be “somewhat” or “very” technical
- 94% have completed college, 56% have some MBA classes
- 47% have completed a masters program
- 30% are female, 70% are male
- The typical product manager has responsibility for three products

Organization

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

- 43% report to a director
- 33% report to a VP
- 27% report directly to the CEO
- 23% are in the Marketing department
- 15% are in Development or Engineering
- 10% are in the Product Management department
- 10% are in a Sales department

Impacts on productivity

- Product managers receive 65 emails a day and send about 33.
- Product managers spend roughly two days a week in internal meetings (14 meetings/week).
- But 30% are going to 15 meetings or more each week and 25% attend 19 or more meetings!

Working with requirements

The majority of product managers are researching market needs, writing requirements, and monitoring development projects.

- 72% researching market needs
- 55% preparing business case
- 24% performing win/loss analysis
- 85% monitoring development projects
- 79% writing requirements
- 50% writing specifications

Working with Marcom and Sales

Product managers also spend time providing technical content for Marcom and Sales.

- 49% writing promotional copy
- 38% proofing promotional communications
- 38% talking to press and analysts
- 53% training sales people
- 35% going on sales calls



Compensation

Average product management compensation is \$91,650 (US) salary plus \$11,363 (US) annual bonus (as in 2002, 78% of product managers get a bonus).

Bonuses are based on:

- 57% company profit
- 30% product revenue
- 42% quarterly objectives (MBOs)

Almost 40% say the bonus does not motivate at all and only 10% say the bonus motivates a lot.

What should the company know about the role of product management?

- PM role is more strategic than tactical.
- I don't have time to do all that I can contribute strategically.
- We tend to be understaffed.
- Product Management is not sales support.
- I need to visit the market to be a good product manager.

Product management ratios within the company

How are product managers allocated relative to other departments? For each product manager, we find:

- 2.7 products
- 0.7 product lines
- 1.0 services
- 13.3 developers
- 1.7 Development leads
- 1.7 sales engineers/pre-sales support
- 5.0 Sales people

For companies with both product managers and product marketing managers, the average is 3.82 product managers and 2.63 product marketing managers for 13.84 products.

Product management technology environment

Product managers use a fairly standard computing setup, usually a laptop running Microsoft® Office XP, with these operating system characteristics:

- Windows® 2000 Professional (50%) or Windows® XP (25%)
- Internet Explorer 6.x (94%)
- 1024 x 768 screen resolution (65%) or better
- 16-bit color or better (98%); 32-bit color (50%)
- Java™ with cookies enabled (95%)
- Plugins installed:
 - Shockwave Flash (95%)
 - Adobe® Acrobat® [PDF] (70%)
 - RealPlayer (50%)
 - QuickTime (20%)

Compensation for 2002

Results from last year's survey showed a product manager's average salary was \$88,496 plus \$8,092 annual bonus.

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Regional impact on compensation

Compensation (in US\$)	Female			Male			Overall		
	Salary	Bonus	Total	Salary	Bonus	Total	Salary	Bonus	Total
Midatlantic	\$85,154	\$10,900	\$96,054	\$92,278	\$10,286	\$102,563	\$89,290	\$10,542	\$99,832
Midwest	75,941	6,818	82,759	82,404	11,649	94,053	80,688	10,542	91,229
Northeast	87,600	15,625	103,225	99,070	12,194	111,264	94,853	13,250	108,103
Pacific Northwest	86,667	4,000	90,667	87,563	7,333	94,896	87,421	6,857	94,278
South	83,100	12,000	95,100	89,647	11,174	100,821	88,159	11,367	99,526
Southwest	93,250	9,200	102,450	83,333	11,250	94,583	86,783	10,647	97,430
West Coast	90,452	6,421	96,873	106,571	14,537	121,108	101,255	11,967	113,222
US Average	\$86,252	\$9,914	\$96,167	\$94,097	\$11,943	\$106,040	\$91,650	\$11,363	\$103,013
Canada (in US\$)	77,556	3,500	81,056	74,750	12,500	87,250	75,432	11,115	86,548
Canada (in CN\$)	102,916	4,645	107,561	99,193	16,588	115,781	100,099	14,750	114,849