2013 STATE OF PRODUCT MANAGEMENT AND MARKETING

PRAGMATIC MARKETING®

ABOUT THE SURVEY

The 13th annual Product Management and Marketing Survey was conducted by Pragmatic Marketing between November 26 and December 21, 2012. 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 1500 individuals completed this survey.

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PROFILE OF RESPONDENTS

What do product managers and marketers look like?

40
YEARS OF AGE

Respondents ranged in age from 22 to 70.

MEN

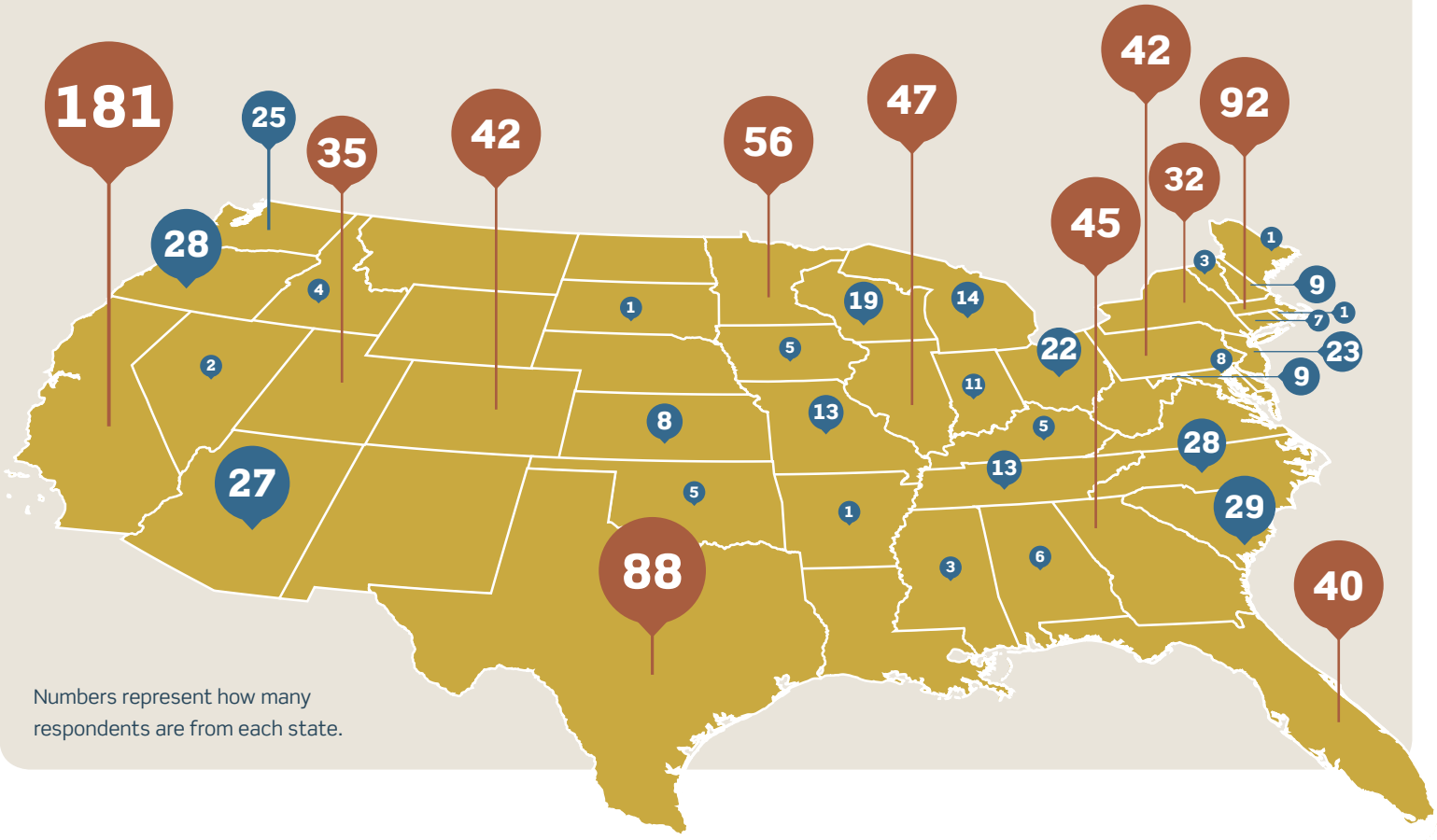
Two-thirds of all respondents were male.

A **B** **C**

Australia, **B**otswana, **C**hina, Denmark ... This year's survey had respondents from over 44 countries.

From Sea to Shining Sea

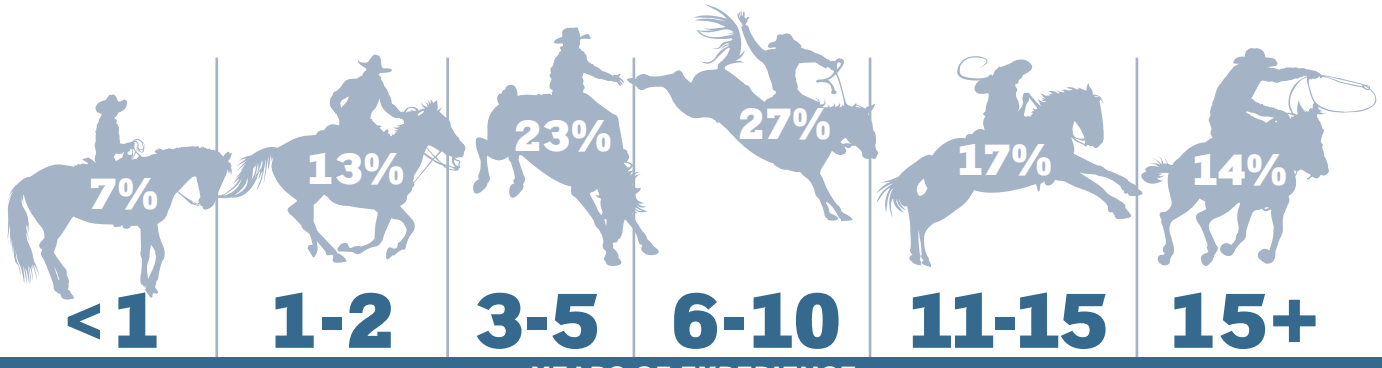
70% of respondents work in the United States, representing 42 different states and the District of Columbia.



Numbers represent how many respondents are from each state.

Not Their First Rodeo

30% of respondents had more than 10 years of experience in product management or marketing.



They Get Around

58% have been in their current role for less than 2 years. This number was even higher among people without direct reports.

Signs of Intelligent Life

While their paths to a career in product management vary greatly—they've been everything from salespeople to architects to consultants—what remained consistent is the high level of skill and intelligence they bring to their current role.

BOOK SMARTS

92% have a bachelor's degree.

43% have a master's degree.

TECHNOLOGY CHOPS

93% consider themselves somewhat or very technical.

THE 'IT' FACTOR

Respondents were asked to select from a list of 34 attributes those that represented their top strengths. It's these types of soft skills that can turn a worker bee into a rock star, an employee into a manager.

Always Learning - Has a strong desire to pick up new skills and improve existing skills. **76%**

High Integrity - Is an honest and trusted individual inside of the organization. **73%**

Pragmatist - Concerned with facts and data, takes practical considerations into account when making decisions. **65%**

Curious - Needs to understand "why" things occur. Always driving to the core of the issue and trying to understand how choices are made and how people are motivated. **64%**

Very Broad; Selectively Deep - A master generalist, can talk to engineers, users, executives, finance, marketing, sales, and other groups without tripping, but can also go very deep on short notice when needed in selected areas. **61%**

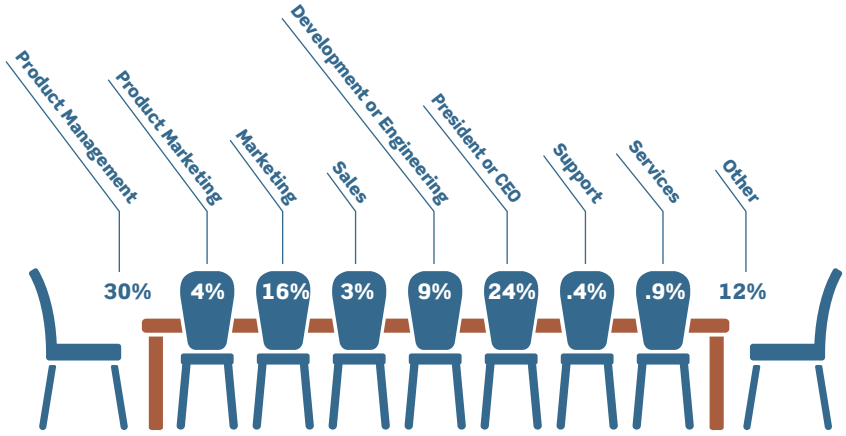
Their Natural Habitats

Lean Machines

41% of respondents managed direct reports, but less than half of those manage more than 4 people. Additionally, 57% of all respondents worked in departments of 10 or less. **These are small teams with responsibility for very large and very critical outputs.**

Seat at the Table

Where product management and marketing departments report varies a great deal from company to company, and often division to division. Over the years, however, we have seen a growing trend of these areas reporting up through their own departments or directly to the CEO—both of which give them a strong voice in executive discussions.



P³: Peer-to-Peer Proportions

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

- **7** Engineers/ Developers
- **6** Sales People
- **2** Quality Assurance
- **1** Project Managers
- **1.4** Sales Engineers
- **.9** Business Analysts
- **.8** Product-level Architect
- **.7** UX Designers
- **.6** Product Owners
- **1** Engineering/ Development Manager
- **.6** Marketing Communications
- **.6** Product Marketers

These Numbers Represent Some Very Positive Trends in the Industry

1:1
Product Manager to Development Manager

Ten years ago this number was roughly 1:2. More product managers means a better ability to support the entire process and more time for strategic activities.

.7:1
UX Designer to Development Manager/ Product Manager

Let's be honest. At most companies, this position didn't even exist 10 years ago. We've now got experts, not amateurs, creating user interfaces that match the market's needs and expectations.

1:4
Sales Engineer to Sales People

We're always pleased when we see an increase in the number of sales engineers. They play a critical role in the sales process and where they don't exist there is often a vacuum which product managers and marketers must fill.

RESPONSIBILITIES

What do they do all day?

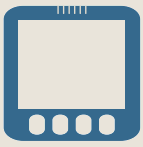
Generally, when you get someone's business card you can tell what they do by the title under their name. That's not so true in product management and marketing. There were **256 unique titles** among the respondents. So instead of going by their titles to determine what it was they focused on, we asked them where they spend the majority of their time.

41%	**Deciding what products to put on the shelf**
22%	**Making products fly off the shelf**
26%	**Each about equally**
11%	**Not really focused on either**

Most respondents managed or worked on 3 products. These 'products' included hardware, software and services.

Software
82%

Services
72%



Hardware
31%

How well are they performing?

For the first time, we asked respondents to rate 37 key product management and marketing activities by how important each activity is in their company and how good they are at it. We then tabulated the data.

The good news: For many of the activities there is a small gap between importance and performance.

The bad news: The biggest gaps are on the most important activities.

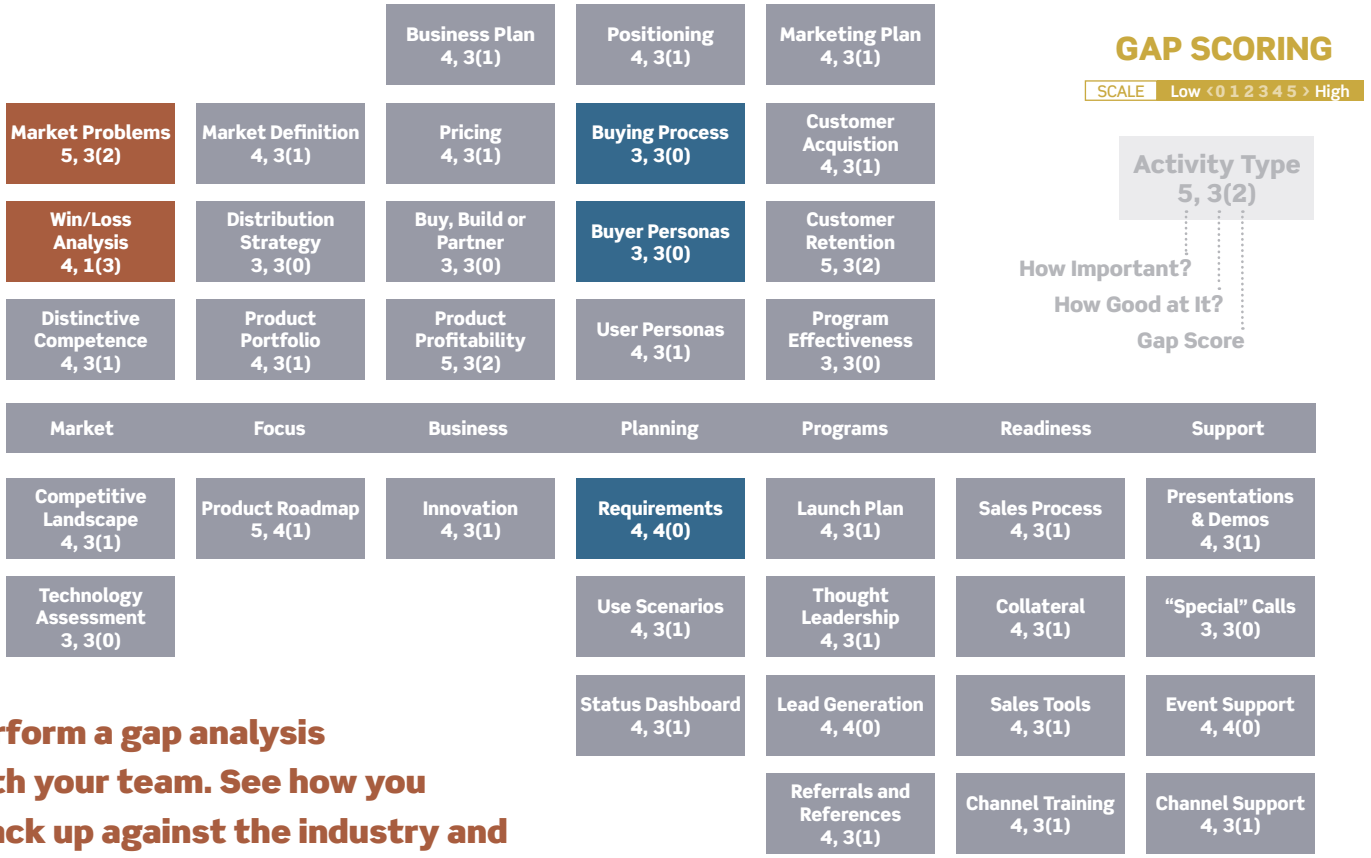
BIGGEST GAPS

MARKET PROBLEMS —Discover problems in the market by interviewing customers, recent evaluators, and untapped, potential customers. Validate urgent problems to show their pervasiveness in the market.

WIN/LOSS ANALYSIS—Understand why recent evaluators of the product did or did not buy and what steps they took in the buying process.

PRODUCT PROFITABILITY—Monitor and analyze key performance indicators to determine how well the product is performing in the market, how it impacts the company operations, and ultimately, how it contributes to profit.

CUSTOMER RETENTION—Define the specific plans and budgets for ensuring customer loyalty as well as selling products and services to existing customers.



Perform a gap analysis with your team. See how you stack up against the industry and where to prioritize your efforts.

UNDERSTANDING YOUR MARKET and the problems they face is critical to building or marketing a successful product. The information you derive from market visits and win/loss calls are what you need to drive all of the activities, artifacts and communications that happen downstream—from roadmaps to marketing plans to launch plans. Therefore, until we lower the gap on the two cornerstone activities—**Market Problems** and **Win/Loss Analysis**—we will not be able to effectively shrink the gap on the key artifacts and activities that follow.

But wait. What about **Buying Process, Buyer Personas** and **Requirements?** How are these able to have such a small gap if companies are not gathering all the market facts and insights?

To find that answer, we looked at the detailed follow up questions for these particular activities. These answers illustrated a gap between the best practices for these activities and how they are being performed today.

BUYING PROCESS & PERSONAS

When asked how they documented the buying process, 82% of respondents said they used sales team input and 69% said they went on personal experience. Only 40% said they used win/loss interviews.

That means they were more than twice as likely to listen to their coworkers as to the market, and their **personas were more likely to be based on their own experiences than that of their customers.**

Additionally, only 36% mapped this buying process to their sales process.

REQUIREMENTS

Good news, the majority of those who ranked themselves as highly successful at building requirements included market problems (89%) and personas (68%) in their requirements. Unfortunately, they were also likely to include specifications (75%) and wireframes (49%). In other words, they were **telling development how they should do their job, rather than telling them who they were building for.**

COMPENSATION

What are they earning?

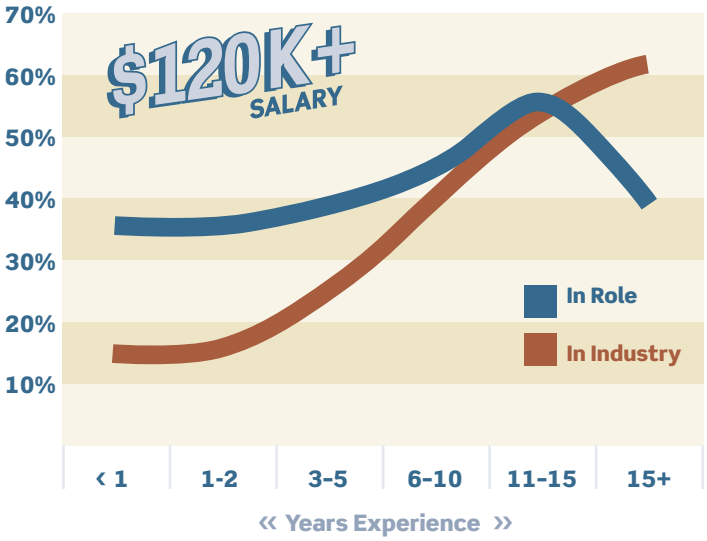
The average respondent earned **$100,000-$120,000 a year with an annual bonus of just shy of $10,000.**

So how do you earn above average compensation? Here are the four biggest contributing factors to whether or not you'll be pulling in over $120,000 this year.

YEARS' EXPERIENCE

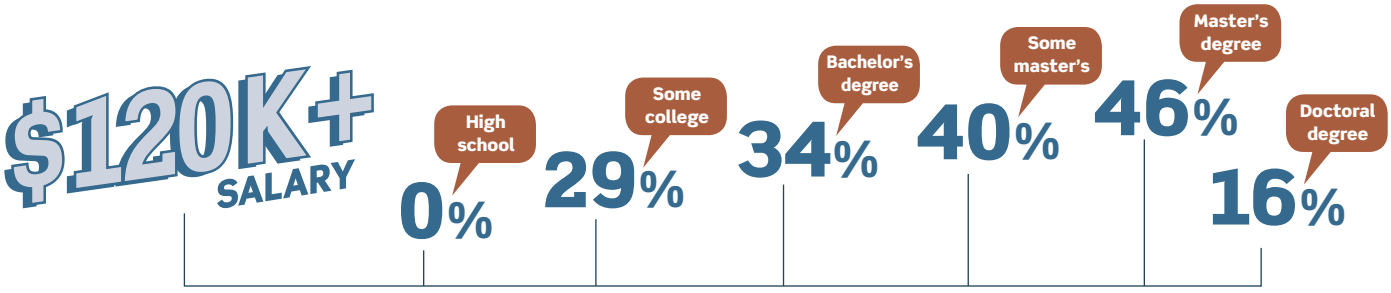
Wish you made more? Hang in there, there is a direct correlation between the number of years you've been in product management and marketing and your salary.

You might have to switch jobs to get it, however, as the correlation between salary and years in the current position wasn't as strong.



EDUCATION

Turns out your degree is worth more than the piece of paper it's printed on. Those with a master's are 25% more likely to earn over $120,000.



DIRECT REPORTS

Respondents who managed one or more direct reports were 4x as likely to earn over $120,000 in salary, and more than 3x as likely to have an annual bonus of $20,000 or more.

SALARY	NON-MANAGERS	MANAGERS
$0 - $80,000	25%	10%
$80,001 - $100,000	23%	16%
$100,001 - $120,000	25%	19%
$120,001 - $140,000	16%	17%
$140,001 - $160,000	7%	18%
$160,001 - $180,000	3%	9%
$180,001 - $200,000	0%	6%
$200,001 +	0%	5%

BONUS	NON-MANAGERS	MANAGERS
No Bonus	22%	16%
$1,000 - $5,000	16%	9%
$5,001 - $10,000	22%	12%
$10,001 - $15,000	17%	13%
$15,001 - $20,000	12%	12%
$20,001 - $25,000	6%	10%
$25,001 - $30,000	2%	8%
$30,001 - $35,000	1%	4%
$35,001 - $40,000	1%	4%
$40,001 +	2%	13%

LOCATION, LOCATION, LOCATION

WORLD

	Average Salary	Average Bonus Range
Australia	$145,000	$11,875 - $16,875
Canada	$102,300	$8,600 - $13,600
France	$100,900	$14,090 - $19,090
Germany	$96,000	$4,510 - $9,510
India	$54,000	$3,300 - $8,300
Switzerland	$122,000	$8,020 - $13,020
UK	$106,100	$6,940 - $11,940
US	$117,000	$11,380 - $16,380

US

	Average Salary	Average Bonus Range
Midwest	$107,000	$9,790 - $14,790
Northeast	$121,900	$13,250 - $18,250
Southeast	$106,700	$9,740 - $14,740
Southwest	$115,100	$12,360 - $17,360
West	$120,100	$11,370 - $16,370

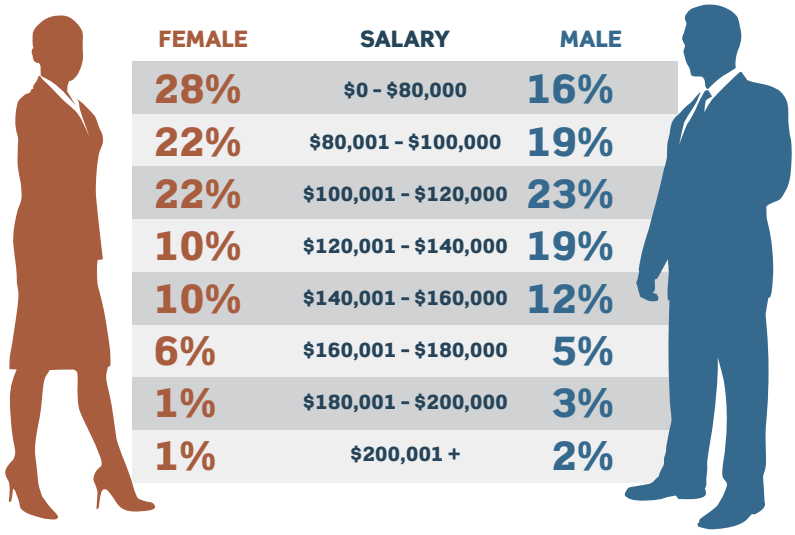
CANADA

	Average Salary	Average Bonus Range
Alberta	$122,000	$15,000 - $20,000
British Columbia	$105,400	$10,450 - $15,450
Ontario	$100,500	$8,140 - $13,140
Quebec	$97,600	$6,550 - $11,550
Saskatchewan	$90,000	$5,000 - $10,000

Other Contributing Factors.

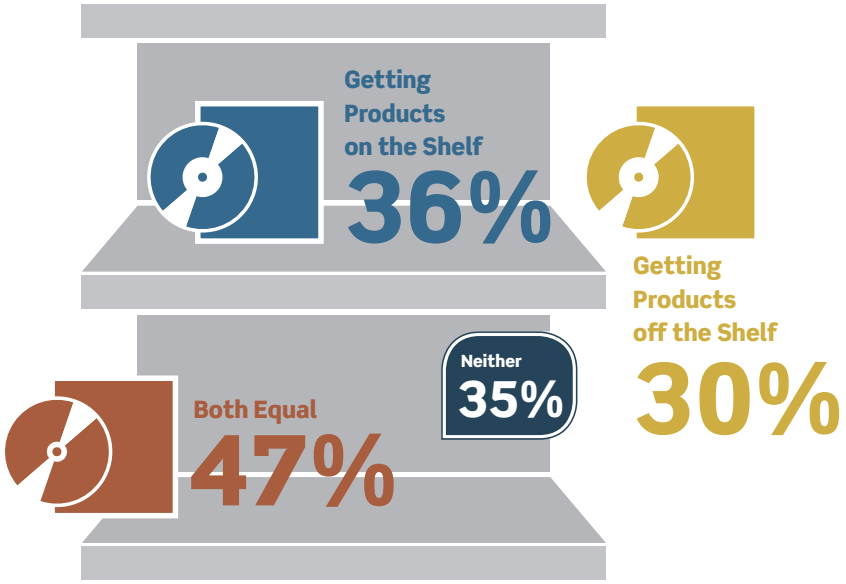
Some salary influencers are harder to control, but there was a correlation between salary and gender, area of focus and reporting structure.

Gender



FEMALE	SALARY	MALE
28%	$0 - $80,000	16%
22%	$80,001 - $100,000	19%
22%	$100,001 - $120,000	23%
10%	$120,001 - $140,000	19%
10%	$140,001 - $160,000	12%
6%	$160,001 - $180,000	5%
1%	$180,001 - $200,000	3%
1%	$200,001 +	2%

Area of Focus $120K+ SALARY



Reporting Structure

$120K+ SALARY

$20K+ BONUS

DIRECTLY TO THE PRESIDENT	MARKETING	SALES
32%	22%	19%

PRODUCT MANAGEMENT	DEVELOPMENT OR ENGINEERING	PRODUCT MARKETING
17%	13%	8%

WHAT'S ON THEIR MIND?

We asked respondents: If you could say one thing to your company president without fear of reprisal, what would it be?

Here's what is on their minds in their own words.

Don't be afraid to try new things, to seek out market problems that we can solve.

Plan for 3-5 years, not 6-12 months.

Realize that the new shiny object isn't going to make up for years of technical debt and magically grow a flat business.

Be more strategic and market focused, as opposed to being opportunity focused.

Trust your product managers.

Get out of the details and focus on the big picture.

Keep it up! The company interests are interesting.

We try to do too much and are surprised when we fail to do everything well.

We need to get our corporate strategy determined ASAP and then walk the talk.

We spend way too much time making incremental changes at the request of customers and way too little time on true vision planning. Do not just be a president of Sales.

Thank you for making the tough decisions so everyone knows where this company is going and what we stand for.

Before we spend $10M and two years doing something, we should probably see if there's any evidence the market wants it.

Have the discipline to say no to shiny objects, we're at risk of dying by one-thousand cuts.

Make that #@!%? decision already!

Great job in being market driven!

Focus. Focus. Focus.

Share the big picture more, so employees can think beyond their immediate tasks—we have too many people operating in silos.

Where did the innovation go?

Trust me and provide me with resources and I will give you a profit.

Invest in R&D and Support! Just because you have a sales force that can sell it, doesn't mean that the company has the means to deliver the product and maintain a happy customer.

His vision is inspiring, but sometimes exhausting.

Have the discipline to say no to shiny objects, we're at risk of dying by one-thousand cuts.

Keep doing what you're doing.

You're on the right track!

Our company wastes too much time in meetings and getting hung up in processes.

"Willing" features into being always has a cost, whether it's opportunity cost or employee burn out.

Base our decisions on customer needs, not the 'next cool thing'.

We need better alignment across business units.

Share more of your vision and energy with the company more often—it is extremely helpful.

You look at opportunities; I look at the entire market.

Stop trying to do everything.

Stop making decisions in a vacuum. The next deal is not a strategy.

The CEO is me. Get better organized. Use the tools and tips from Pragmatic Marketing to build a more solid plan.

Some decisions could be better if VPs hear the market instead of hearing each other.

We need to listen to the market more, we need to learn to say "no" more (to internal customers), we need to recapture the team spirit.

We need to reward innovation and get rid of the layers and bureaucracy.

Hold people accountable.

Get out of the way while Product drives the bus!

Profit isn't everything. People matter.

I need some sleep.

I'd be saying it to myself ... After taking this survey, I realize there are a BIG bunch of things that we're not doing that we should be doing.

For the love of Pete! Focus!

Quit making decisions based on the stock price.

Thank you for our new VP of Product who actually understands product management.

I think product management is more specific than a general dumping ground for any process that isn't working.

Nothing. We've been able to bring an outside-in focus to the entire management team and get them all on board with being selective about what's "strategic."

Focus!

Your job is to sell; my job is to create the product you're selling.

You look at opportunities; I look at the entire market.

He is doing an amazing job.

... you underestimate me.

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 technology 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 85,000 product management and marketing professionals trained by Pragmatic Marketing, visit **www.pragmaticmarketing.com.**

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