

PRAGMATIC MARKETING



15TH ANNUAL PRODUCT MANAGEMENT
AND MARKETING SURVEY

PRAGMATIC
MARKETING





ABOUT THE SURVEY

The 15th Annual Product Management and Marketing Survey was conducted by Pragmatic Marketing between November 19 and December 19, 2014 and was completed by more than 1,300 product management and marketing professionals. In this report, we dig into the state of today's product teams—the experiences they bring to the position, the items they are asked to tackle and the salaries they earn for doing so.

THE ROSTER

WHO MADE THE CUT?

44%

HAVE A
MASTER'S DEGREE
OR HIGHER

93%

SOMEWHAT
OR VERY
TECHNICAL

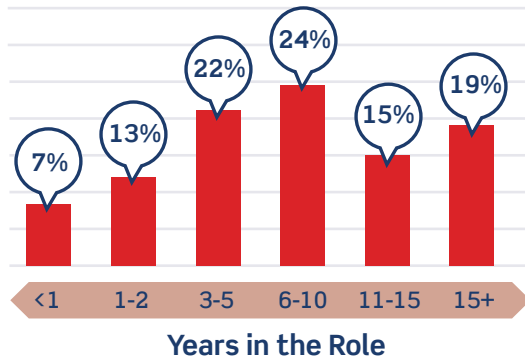
37%

35 TO 44
YEARS OLD

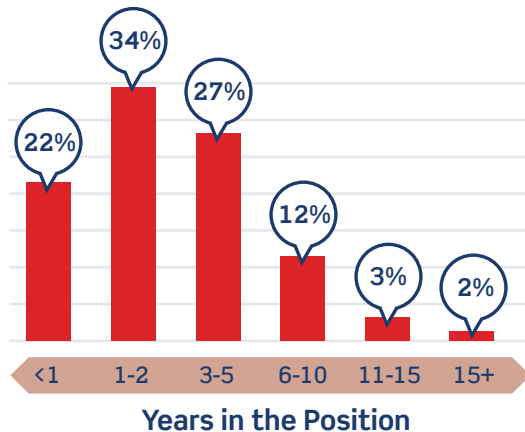
61%

MALE

THEY ARE VETERANS OF THE POSITION ...



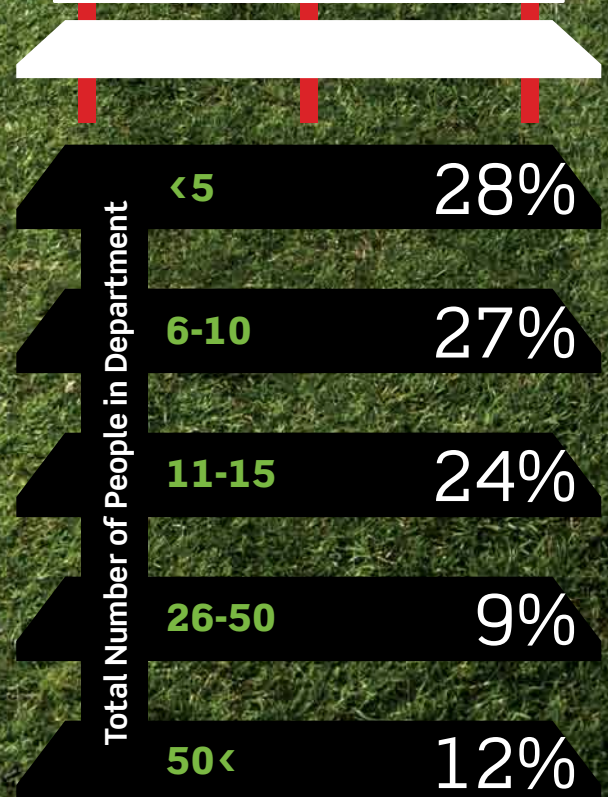
... BUT FAIRLY NEW TO THE TEAM



VERSATILE PLAYERS

More than 20% of respondents have also held the position of product owner, project manager, business analyst or programmer.

HOW DEEP IS THE BENCH?

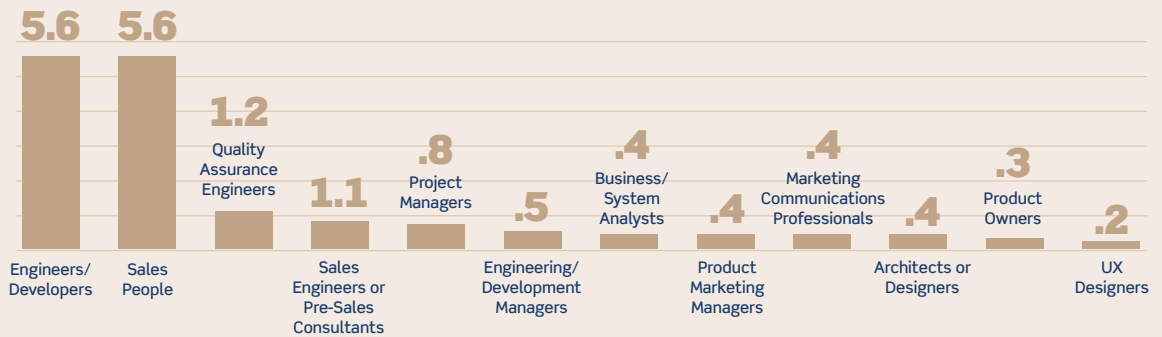


THE ROSTER

WHO MAKES UP THE REST OF THE ROSTER?

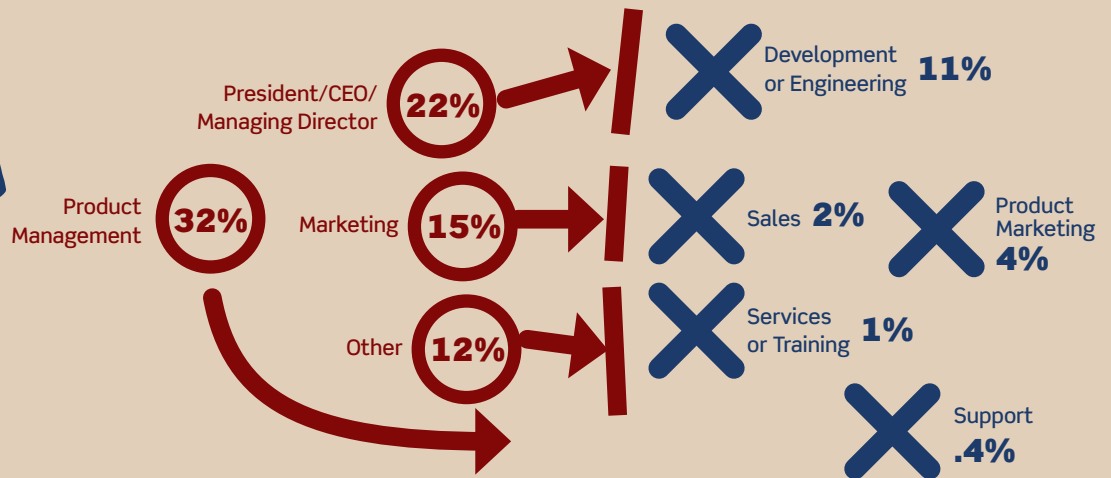


For every **1 product manager** at a company there are:



Who is calling the plays?

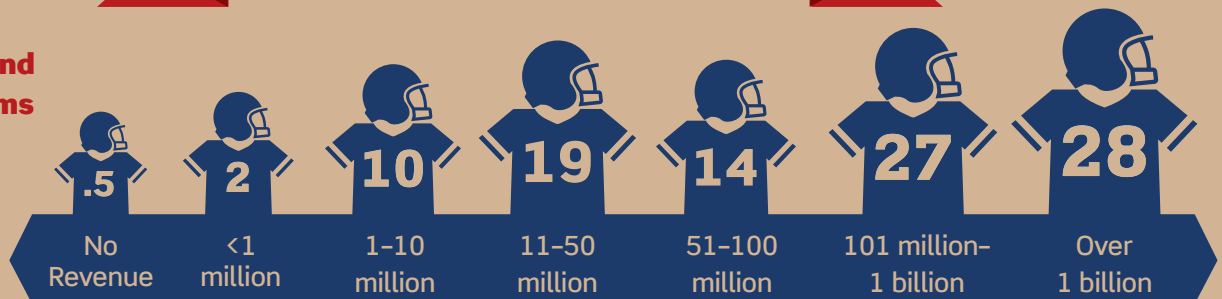
Respondents reported up through a variety of different departments.



THE TEAMS THEY PLAY FOR

Big Market, Small Market and Expansion Teams

Percent of Respondents



Company Revenue in Dollars

Offering All Product Types

Respondents chose all that applied.



Software

79%



Hardware

26%



Hosted or Cloud Services

53%



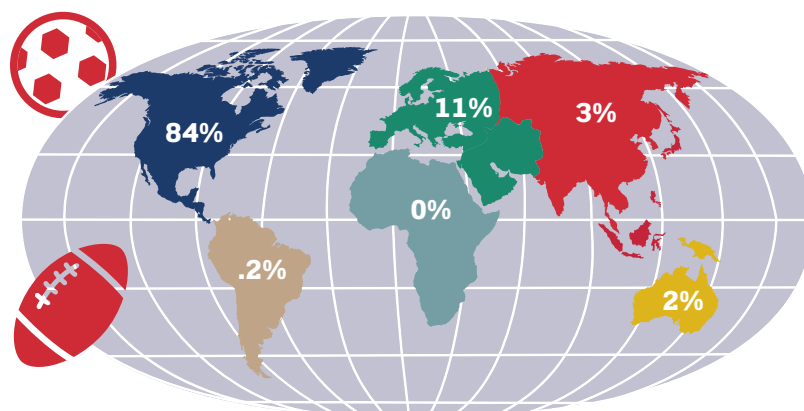
Professional Services

53%



HOME FIELD

With respondents from 40 different countries, all kinds of “football” fans were represented in this year’s survey.



- NORTH AMERICA
- EUROPE
- ASIA
- OCEANIA
- SOUTH AMERICA
- AFRICA

CANADA



12%

UNITED STATES OF AMERICA



72%

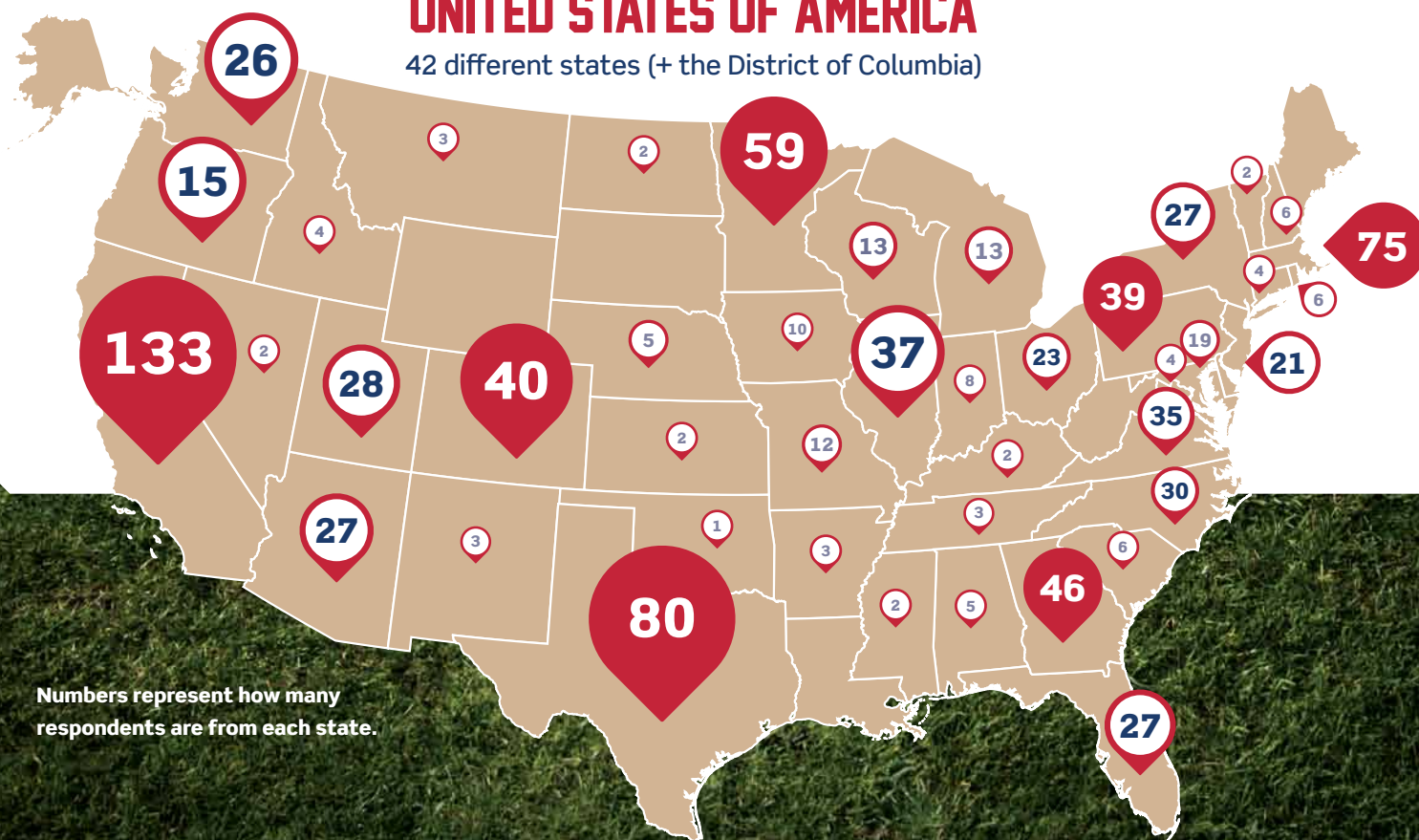
UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND



5%

UNITED STATES OF AMERICA

42 different states (+ the District of Columbia)



Numbers represent how many respondents are from each state.

CLOCK MANAGEMENT

The Coin Flip

Respondents universally stated that they *should* spend about half their time on strategic items and half on tactical items. Unfortunately, in reality, it was a different story.

STRATEGIC
ACTIVITIES

28%

HOW THEY
ACTUALLY
SPENT
THEIR TIME

TACTICAL
ACTIVITIES

72%

The Position

What activities made up those strategic and tactical initiatives depended on how they defined their primary focus.

40%

Deciding what
should go in
products

38%

Each about
equally

22%

Creating and
executing
go-to-market
strategies for
products

No matter which side of the ball they're on, respondents spent:

29 HOURS
A MONTH

MANAGING EMAIL

39 HOURS
A MONTH

IN MEETINGS

43%
ALSO SPENT TIME
MANAGING DIRECT
REPORTS

Most Valuable Player

Supporting teammates in other departments was a critical part of the role for all respondents. Which department they were MVP for varied by their primary focus.



Deciding what should go **on** the shelf



Getting products to fly **off** the shelf



Each about **equally**



MVP

PERCENT OF TIME SUPPORTING EACH FUNCTIONAL AREA



45%

11%

27%

DEVELOPMENT



12%

29%

20%

SALES



10%

36%

16%

MARKETING



15%

9%

14%

EXISTING CUSTOMERS



10%

11%

13%

EXECUTIVES



7%

5%

9%

OTHER

BY THE NUMBERS

Those focused on what to put on the shelf support 7 products on average. Those focused on making products fly off the shelf, or both aspects equally, support 12.

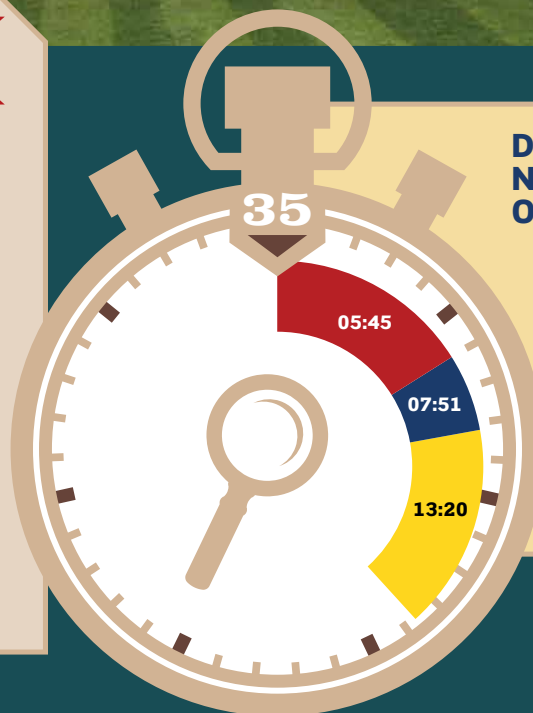
CLOCK MANAGEMENT

BROKEN TIME OUT

GAME CLOCK

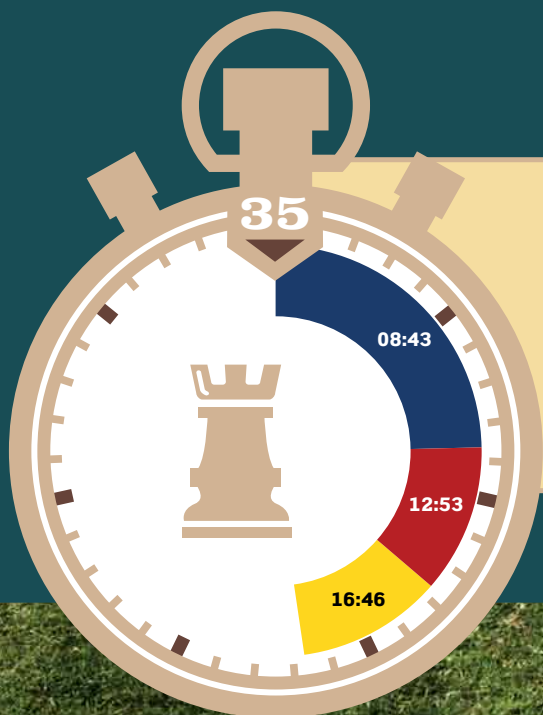
Each clock represents average total hours spent per month by all respondents.

- Deciding what should go **on** the shelf
- Getting products to fly **off** the shelf
- Each about **equally**



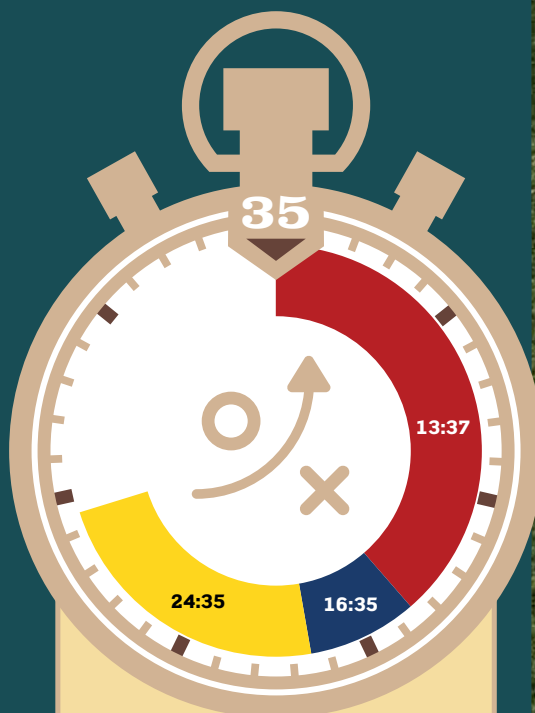
DISCOVERING NEW MARKET OPPORTUNITIES

Across the board, respondents spent more than twice as much time interviewing current customers as interviewing potentials and conducting win/loss combined.



STRATEGIC BUSINESS PLANNING

Respondents spent almost equal time analyzing potential initiatives as measuring current ones.



CREATING PRODUCT STRATEGIES FOR YOUR ORGANIZATION

All respondents spent more time on roadmap activities than they did on analyzing market segments.

IT ISN'T WHETHER YOU WIN OR LOSE ...

It's all about how you play the game. In football, coaches and players spend hours reviewing the game tape of every win and every loss. Product teams need to take a page from that playbook. On average **respondents spent only 2 hours a month on win/loss. Just 31% of respondents said that performing win/loss analysis was their responsibility.**

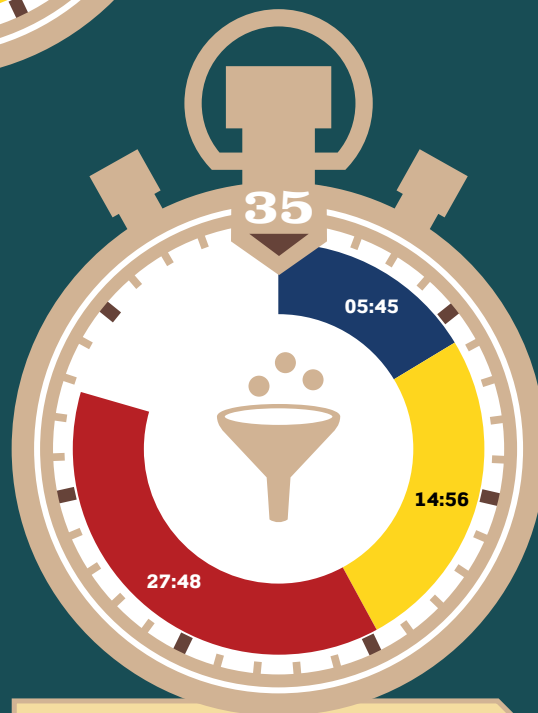
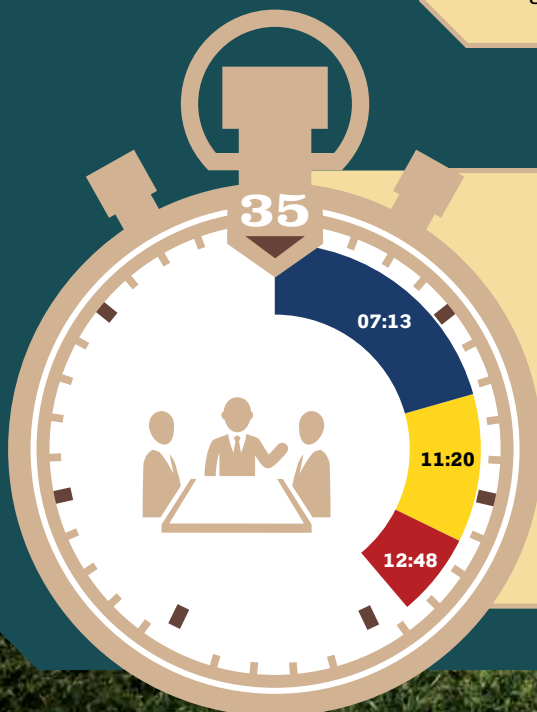
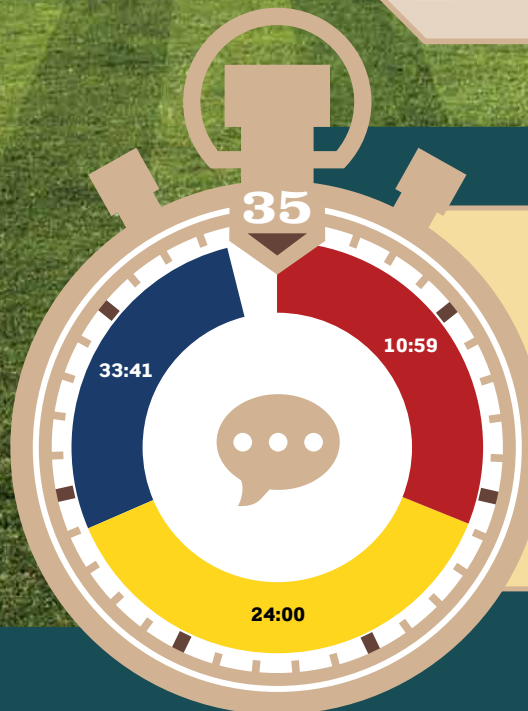
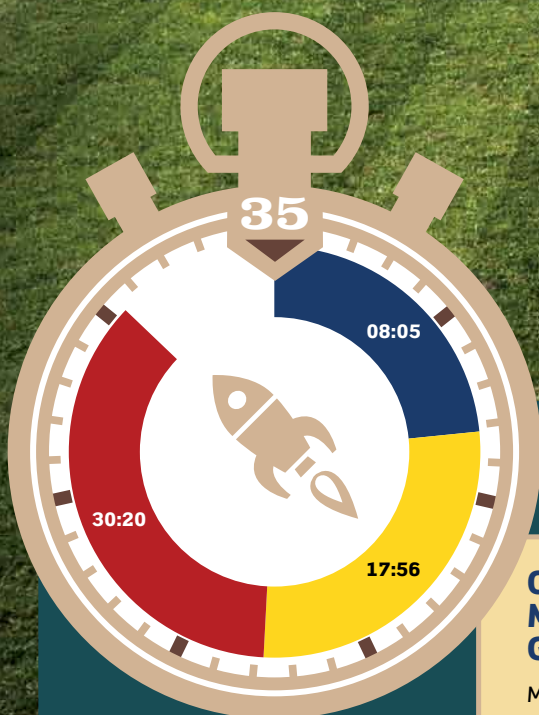
Win/loss is one of the key ways we learn about our market and ourselves—don't let such an important activity get relegated to the sidelines.



CLOCK MANAGEMENT

BROKEN TIME OUT

- Deciding what should go **on** the shelf
- Getting products to fly **off** the shelf
- Each about **equally**

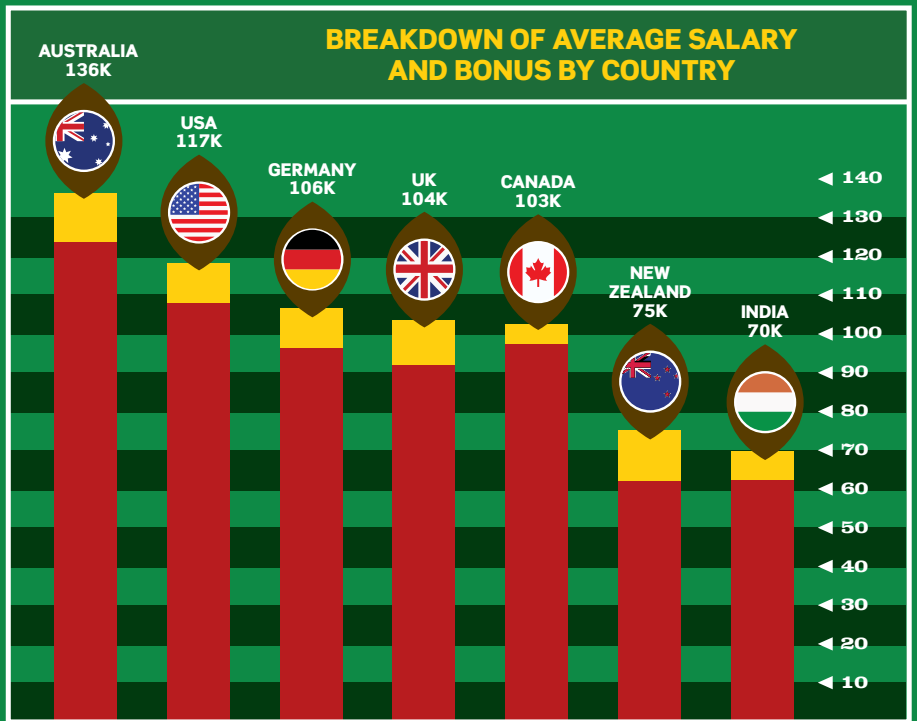


SALARY CAP

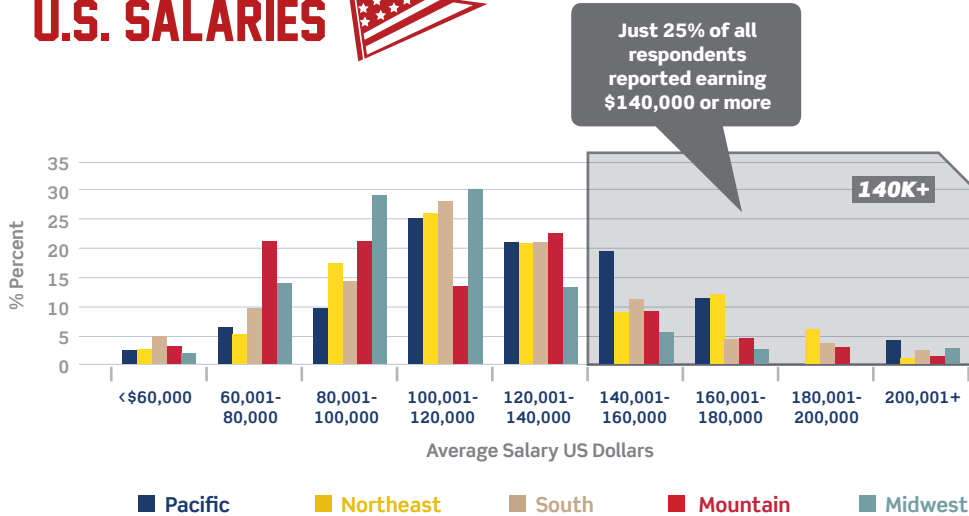


The average respondent earned between \$100,000 and \$120,000 per year with an annual bonus (based on company revenue and/or personal quarterly objectives) equal to just over \$10,000.

■ AVERAGE SALARY
■ AVERAGE BONUS

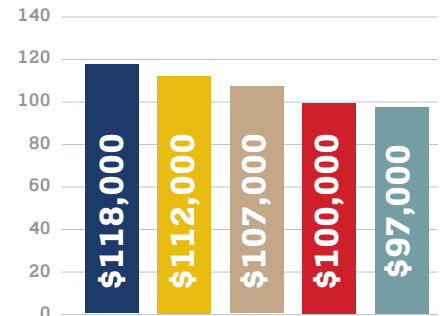


U.S. SALARIES



AVERAGE REGIONAL US SALARIES

(US Dollars in Thousands)



CANADIAN SALARIES



U.S. SIGNING BONUSES

More people received a bonus in the Pacific region than anywhere else. But, the highest average bonus paid was in the South.



CANADIAN SIGNING BONUSES

51% of all Canadians reported receiving a bonus. The average amount: \$6,000.



SALARY CAP

WHO IS EARNING THE LEAGUE MAXIMUM?

What factors determine whether someone made more or less than the average salary?



-9K

No direct reports



-24K

Less than 2 years experience in the industry



-9K

Department reports to sales



-8K

Company revenue is less than \$10M

???

-8K

No college degree



-7K
Female



-7K

5 or fewer people in department

<50>



+17K

11+ years' experience in industry



+28K

7+ direct reports



+12K

Live in Massachusetts



+14K

Live in California



+8K

26+ people in the department



+5K

Company's revenue is \$1M+



+4K

Male



+4K

Master's or doctorate



+3K

Reports to president or managing partner

WHAT DID NOT AFFECT THEIR SALARY

- ✓ Number of years in current role
- ✓ Whether they focused on hardware, software or services

For the most part, the same factors that affected salary affected bonus. The exceptions: who their department reports to and their primary area of focus.

TIME IS MONEY

How respondents spent their time directly affected how much they earned.



Majority of their time as MVP for executives

+\$13,000



More time determining how to make products fly off the shelf

+\$9,500



More time on strategic activities than tactical

+\$7,000



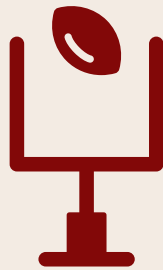
More time discovering new opportunities: interviewing customers (5+ hours per month), win/loss analysis (2+ hours per month) and interviewing potentials (2+ hours per month)

+\$11,250

We asked respondents: if they could change one thing to make their company better, what would it be?

- Focus more on the problems we are trying to solve and not the solutions
- Break down departmental silos
- More resources to deal with day-to-day tactical activities so we could focus more on strategic planning and analysis of metrics
- Clear strategic priorities that can guide portfolio management and investments
- Gather evidence on market sizing from real conversations with customers and prospects
- Have a clear and defined strategy
- Better definition of corporate vision and strategy to allow alignment of product roadmap
- Fewer meetings

FOCUS, FOCUS, FOCUS




- Spend more time on the front end ensuring that development understands the context of the requirements, the market problems and end user use cases



HELP EVERY SINGLE PERSON UNDERSTAND THE VALUE OF SAYING 'NO'

- Greater focus on product strategy and planning
- Better definition of roles and responsibilities
- Focus on customers' problems and the value for them
- Develop a user-centered design culture
- Better working relationship and process between product management and development/engineering
- Get company focused on needs of customers rather than internal issues
- Become more outside-in rather than inside-out driven
- Have everyone go through Pragmatic Marketing training together

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

 pragmaticmarketing.com/buy

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.