

2004 Annual Product Management SALARY SURVEY

By Steve Johnson

Each year Pragmatic Marketing conducts a survey of product managers, marketing managers, and other marketing professionals. Our objective is to provide readers with industry information about compensation as well as the most common responsibilities for product managers and other marketing professionals.

500 product management and marketing professionals responded to the survey. The survey was conducted during the period of November 8-18, 2004, using WebSurveyor.

Profile of a product manager

- The average product manager is 36 years old
- 85% claim to be "somewhat" or "very" technical
- 90% have completed college, 49% have some MBA classes
- 38% have completed a masters program
- 25% are female, 75% are male
- The typical product manager has responsibility for three products

Organization

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

- 45% report to a director
- 32% report to a VP
- 23% report directly to the CEO
- 25% are in the marketing department
- 17% are in the product management department
- 13% are in Development or Engineering
- 8% are in a sales department

Impacts on productivity

- Product managers receive 60 emails a day and send about 28.
- Product managers spend roughly two days a week in internal meetings (14 meetings/week).
- But 48% are going to 15 meetings or more each week, and 29% attend 19 or more meetings!

Working with requirements

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

- 70% researching market needs
- 58% preparing business case
- 23% performing win/loss analysis
- 81% monitoring development projects
- 83% writing requirements
- 53% writing specifications

Working with Marketing Communications and Sales

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

- 48% writing promotional copy
- 40% approving promotional materials
- 18% working with press and analysts
- 56% training sales people
- 45% going on sales calls

Compensation

Average US product management compensation is \$90,545 salary plus \$11,810 annual bonus (78% of product managers get a bonus)

Our bonuses are based on:

- 60% company profit
- 30% product revenue
- 38% quarterly objectives (MBOs)

Almost 35% say the bonus does not motivate at all and only 9% say the bonus motivates a lot.

Compensation for 2003

Results from last year's survey showed a product manager's average salary was \$91,650 plus \$11,363 annual bonus.

Product management ratios within the company

How are product managers allocated relative to other departments?

For each product manager, we find:

- 3.0 products
- 6.5 developers
- 0.9 Development leads
- 0.9 product architects
- 4.7 sales people
- 1.9 sales engineers (SE)/pre-sales support (2.5 sales people per SE)

Product management technology environment

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

- Windows® XP (64%) or Windows® 2000 Professional (26%)
- Internet Explorer (93%) [Note: Mozilla Firefox represented 7.5% in 4Q04]
- 1024 x 768 screen resolution or better (85%)
- Java™ with cookies enabled (96%)
- Plug-ins installed:
 - Shockwave Flash (98%)
 - Java plug-in (83%)
 - Adobe® Acrobat® [PDF] (78%)

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Regional impact on compensation

Female

US Region ⁽¹⁾	Salary	Bonus	Total
Northeast	\$88,533	\$17,556	\$106,089
Midwest	78,000	10,909	88,909
South	82,800	9,538	92,338
Southwest	90,667	17,000	107,667
West	92,286	6,857	99,143
Pacific	85,900	8,846	94,746
Avg. US Regions	\$84,790	\$10,891	\$95,681
Canada ⁽²⁾⁽³⁾	\$55,833	\$5,500	\$61,333

Male

US Region ⁽¹⁾	Salary	Bonus	Total
Northeast	\$95,354	\$13,125	\$108,479
Midwest	85,484	9,739	95,223
South	89,150	9,529	98,679
Southwest	91,091	18,438	109,528
West	86,250	12,400	98,650
Pacific	101,288	12,300	113,588
Avg. US Regions	\$92,665	\$12,139	\$104,805
Canada ⁽²⁾⁽³⁾	\$72,833	\$8,850	\$81,683

Overall

US Region ⁽¹⁾	Salary	Bonus	Total
Northeast	\$93,730	\$14,098	\$107,828
Midwest	82,936	10,118	93,054
South	87,033	9,532	96,565
Southwest	91,040	18,278	109,318
West	87,472	10,857	98,329
Pacific	97,014	11,453	108,467
Avg. US Regions	\$90,545	\$11,810	\$102,355
Canada ⁽²⁾⁽³⁾	\$70,000	\$8,292	\$78,292

(1) Northeast (CT, DE, MA, ME, NH, NJ, NY, PA, RI, VT); Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI); South (AL, FL, GA, KY, MD, MS, NC, SC, TN, VA, WV); Southwest (AR, LA, OK, TX); West (AZ, CO, ID, MT, NM, NV, UT, WY); Pacific (Alaska, CA, Hawaii, OR, WA)

(2) Canadian amounts requested in US dollars.

(3) Note: Only 17% of Canadian product managers are women.