

PRAGMATIC MARKETING'S
2007 ANNUAL

Product Management and Marketing Survey

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

Over 900 product management and marketing professionals responded to the survey, which was conducted during the period of October 29 through November 28, 2007 using Vovici's EFM Feedback.

Note: When making decisions, remember this report is describing **typical** practices, not **best** practices. To learn best practices in product management and marketing, attend a Pragmatic Marketing seminar.

All comparisons are in US Dollars.

COMPENSATION

Average US product management compensation is \$100,259 salary plus \$14,799 annual bonus.

84% of product managers get a bonus based on:

- 62% company profit
- 44% quarterly objectives (MBOs)
- 32% product revenue



Compensation by state

Adjusted for relative cost of living (COLA) using Q2, 2007 data from the *Missouri Economic Research and Information Center*. States with less than three responses were excluded.



Regional impact on compensation

	Maximum Salary	Average Salary	Minimum Salary	Maximum Bonus	Average Bonus	Minimum Bonus
Europe	\$170,000	\$100,629	\$35,000	\$65,000	\$16,483	\$0
Canada	183,000	95,635	53,000	40,000	11,014	0
USA*	240,000	100,259	30,000	215,000	14,799	0
Midwest	200,000	88,484	30,000	125,000	13,843	1,000
Northeast	240,000	103,533	40,000	70,000	14,500	1,000
Pacific	200,000	109,569	59,000	215,000	16,161	0
South	160,000	96,110	47,000	60,000	15,333	0
Southwest	145,000	102,162	50,000	40,000	13,500	0
West	143,000	93,879	60,000	108,000	14,714	1,000

Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI); Northeast (CT, DE, MA, ME, NH, NJ, NY, PA, RI, VT);

Pacific (AK, CA, HI, OR, WA); 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)

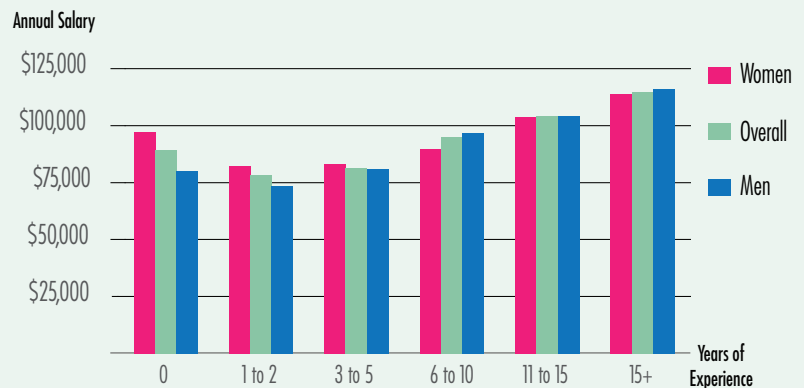
State	Average	COLA Average
Illinois	\$124,231	\$127,547
Texas	113,108	126,378
Georgia	113,458	123,998
North Carolina	114,900	120,440
Missouri	108,000	119,867
Arizona	127,000	119,586
Virginia	112,231	112,681
Average		107,834
Utah	105,667	106,626
Michigan	105,286	106,242
Median		105,000
Colorado	106,692	104,396
South Carolina	94,667	101,032
Florida	105,364	101,020
New Hampshire	115,750	100,390
Massachusetts	125,065	99,813
Washington	104,714	99,538
Minnesota	99,538	98,748
Wisconsin	94,154	98,077
Ohio	90,600	96,281
Connecticut	121,250	96,154
Nebraska	86,500	95,580
California	128,767	93,513
Tennessee	82,400	92,273
Maine	99,000	90,742
New York	119,875	89,326
Maryland	111,125	88,829
Oregon	96,875	88,229
New Jersey	109,500	85,614
Alabama	77,333	84,058
Pennsylvania	85,250	83,252
South Dakota	57,333	62,184

Gender bias in compensation

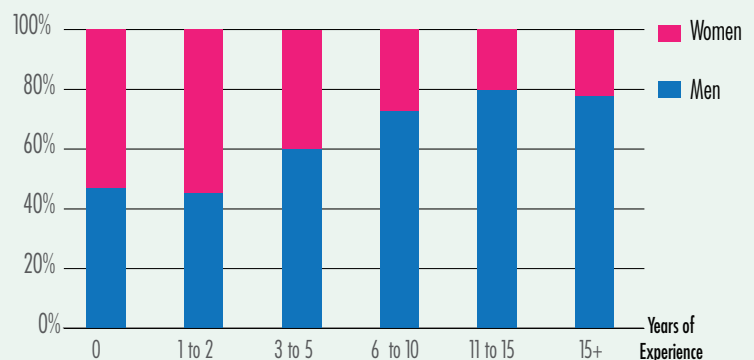
Conventional wisdom is that men earn more than women for the same job.

Women: **\$94,851** Men: **\$100,587**

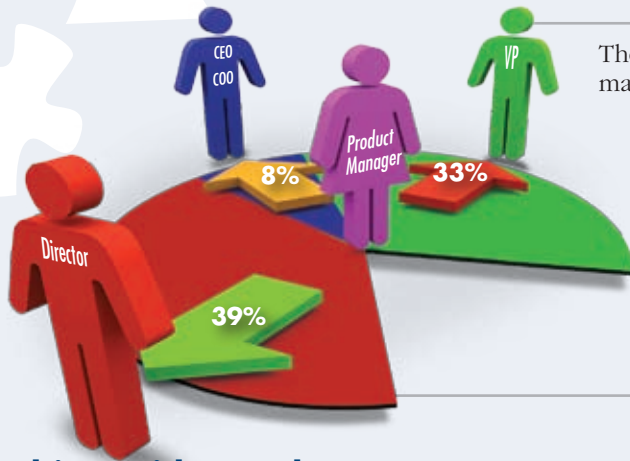
However, the data suggest that males and females earn approximately the same amount when they have the same level of experience. The overall numbers for women skew lower because the percentage of women is higher in the lower-experience levels.



Years of Experience



ORGANIZATION



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

- 39% report to a director
- 33% to VP
- 8% report directly to the CEO or COO
- 36% are in a product management department
- 21% are in the marketing department
- 12% are in Development or Engineering
- 6% are in a sales department

Working with Development

The majority of product managers research market needs, write requirements, and monitor development projects.

- 89% monitor development projects
- 85% write requirements (the "what" document)
- 70% research market needs
- 53% prepare business case
- 51% write specifications (the "how" document)
- 18% perform win/loss analysis

Working with Marketing Communications and Sales

Product managers also spend time providing technical content for marketing and sales.

- 47% train sales people
- 44% go on sales calls
- 43% write promotional copy
- 36% approve promotional materials
- 14% work with press and analysts



Product Management ratios within the company

How are product managers allocated relative to other departments?

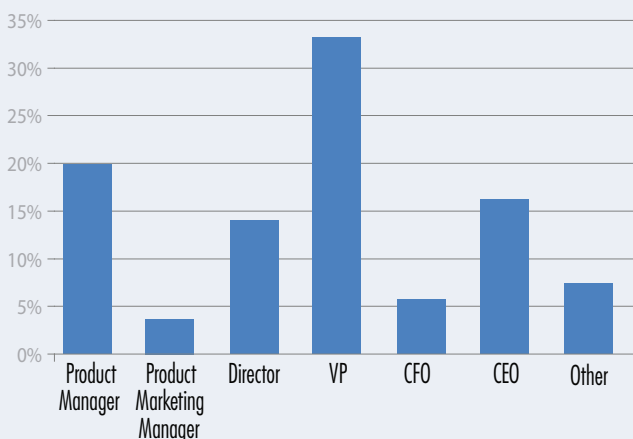
For each product manager, we find:

- 0.7 Product marketing managers (up from 0.4 in 2006)
- 0.7 Marketing communications
- 6.9 Sales people (up from 3.2 in 2006)
- 2.3 Sales engineers (pre-sales support) (huge leap from 0.8 in 2006)
- 0.9 Development leads
- 12.2 Developers
- 0.7 Product architects and designers (a huge jump from 0.4 in 2006)

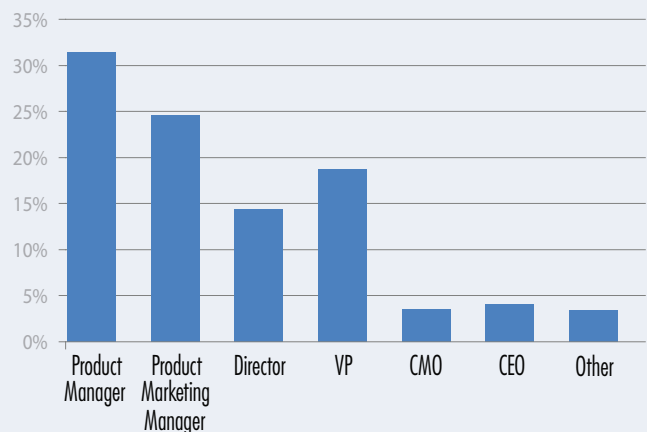
Other ratios

- 3.4 developers per QA manager (versus 5:1 in 2006)
- 2.9 sales people per SE (improved from 4:1 in 2006)

Responsible for Product Profit & Loss



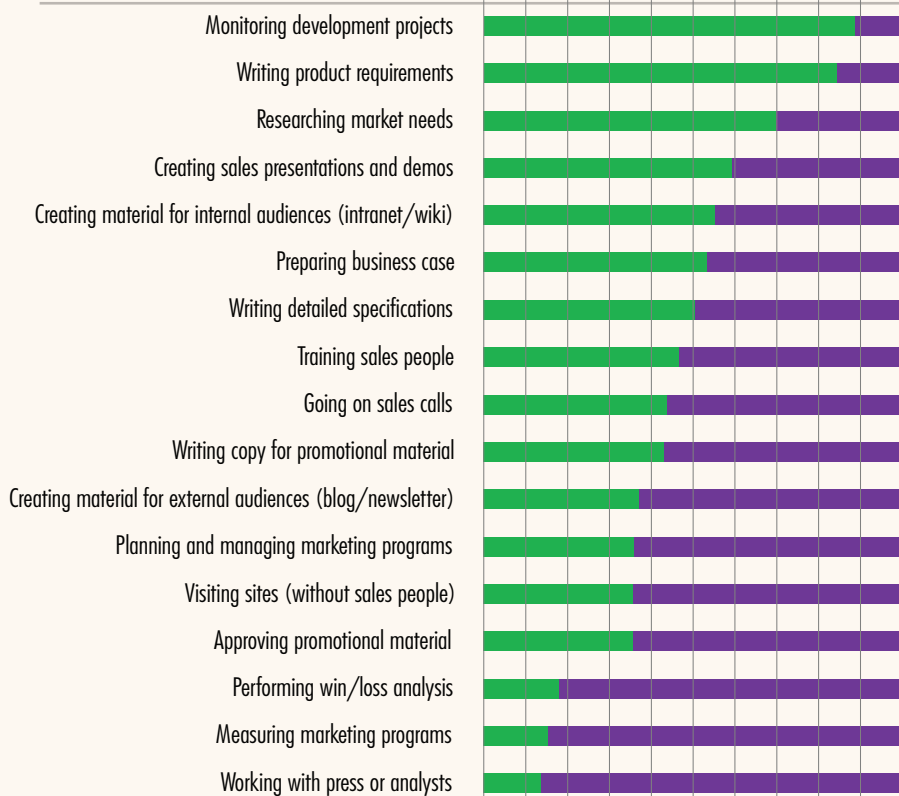
Responsible for Go-to-Market Strategies



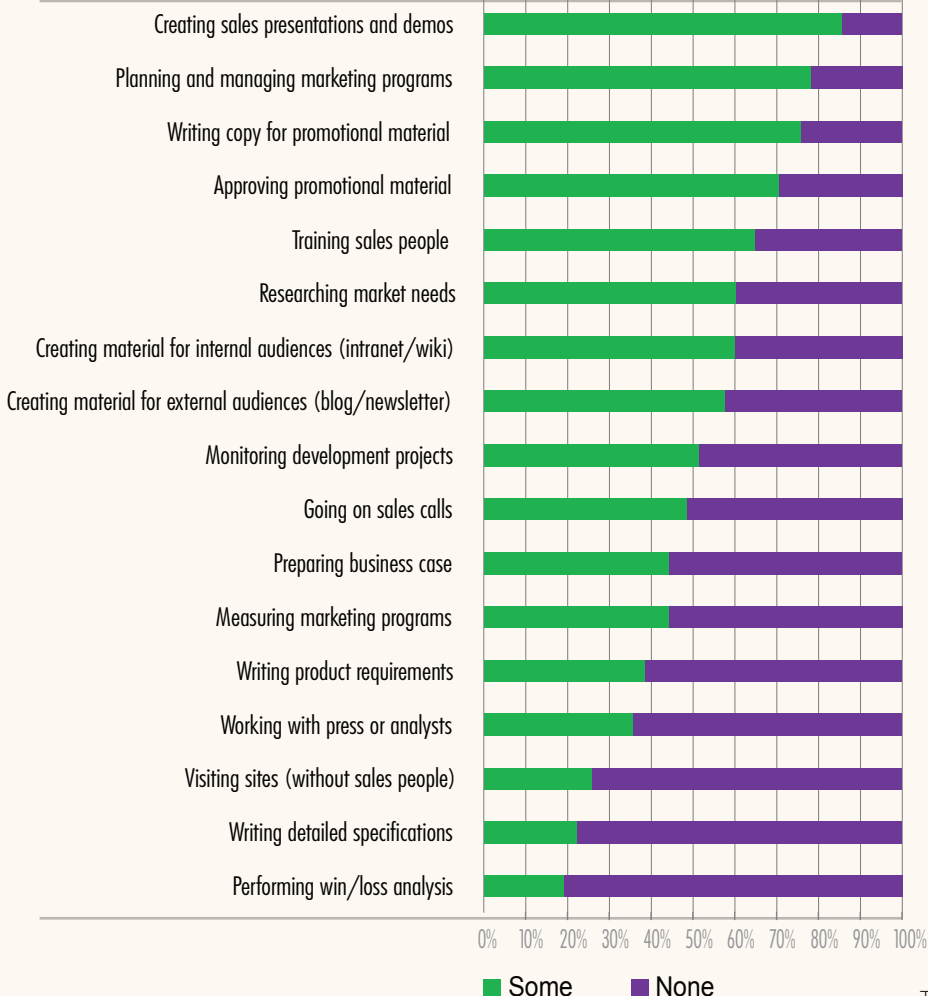
ACTIVITIES

Product Management

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%



Product Marketing



Details of product management and product marketing activity

Where do product management and marketing professionals spend their time? Over 80% of product managers are monitoring development projects and writing market requirements. In addition, most product managers are involved with researching market needs and creating sales presentations and demos.

The good news from this chart is that over 50% of product managers are building business cases. The business case is the evidence of the product manager's role as a business leader in the company.

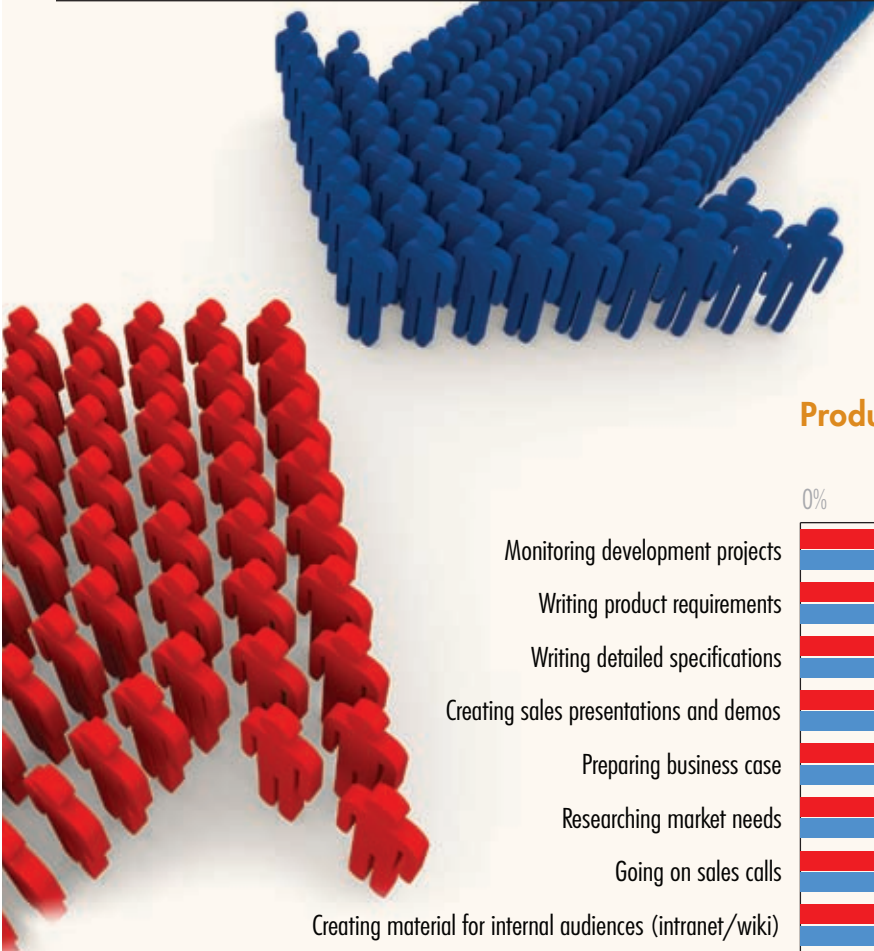
Sadly, fewer than 20% of product managers are doing win/loss analysis, which is such a critical input to product planning!

Compared to product managers, product marketers should have an emphasis on "outbound" activities. It is interesting, however, that 50% of product marketers also spend time monitoring development activities, indicating that the product management and product marketing roles are not consistently defined by inbound vs. outbound activities.

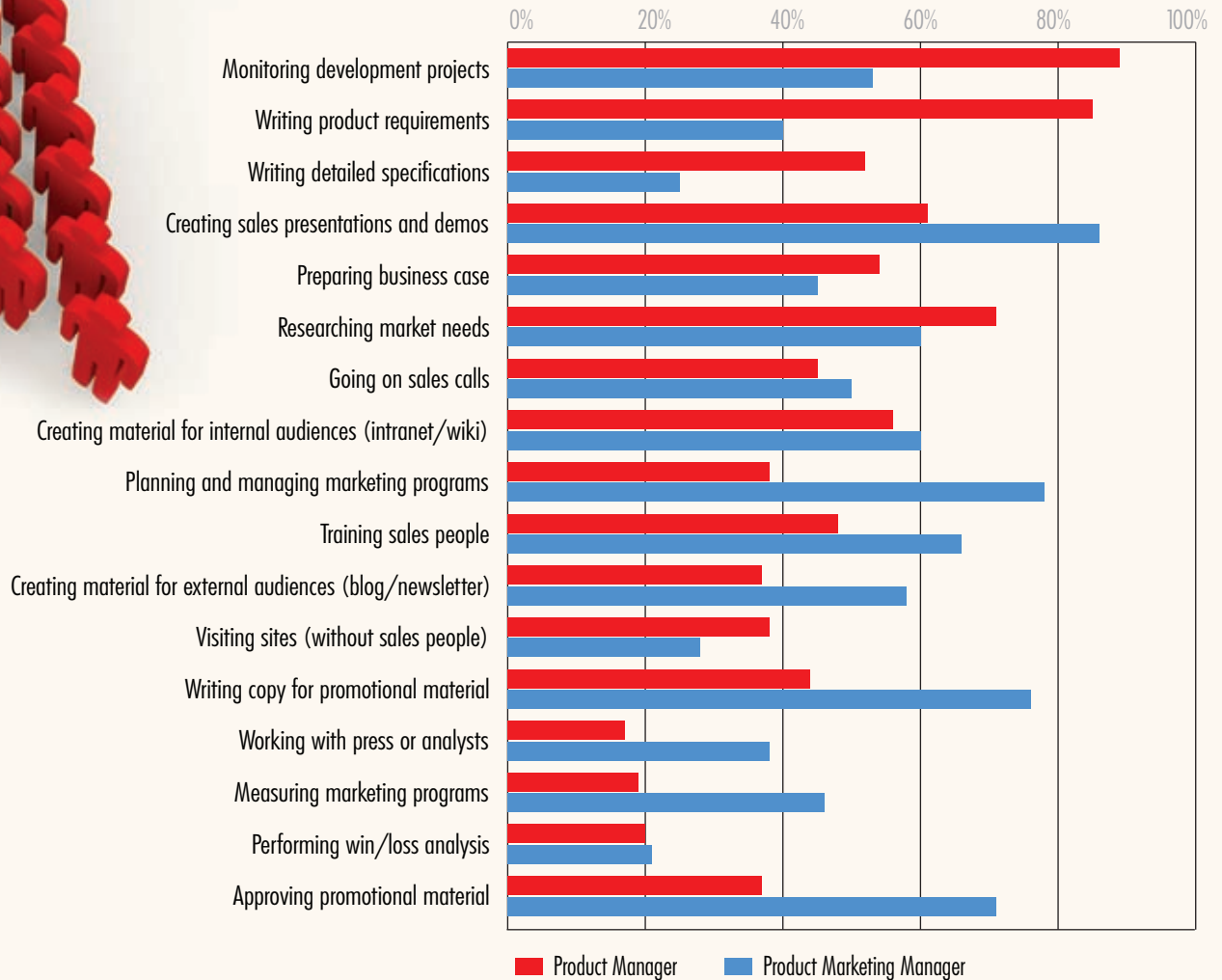
Impacts on productivity

- Product managers receive 50 e-mails a day and send about 25.
- Product managers spend approximately two days a week in internal meetings (15 meetings per week). But 55% go to 15 or more meetings each week, and 35% attend 20 or more meetings!





Product Management vs. Product Marketing



TPM

To see the latest analysis, visit www.pragmaticmarketing.com/survey



Steve Johnson is an expert in technology product management. He works for Pragmatic Marketing as an instructor for the top-rated seminars Practical Product Management, Requirements That Work and Pragmatic Roadmapping. Steve is a frequent presenter at technology marketing forums throughout the United States and Europe, author of many articles on technology product management, and the writer of the ProductMarketing.com blog. Contact Steve at sjohnson@pragmaticmarketing.com