

Product Management Survey - 2009

Sponsored by the 280 Group and Quantum Whisper

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Introduction

The purpose of this survey was to learn about actual product management practices in the field and to provide product management practitioners (executives and product managers) and product management product and service providers with meaningful insight into today's high-tech product management environment. The report facilitates comparative bench marking with those of the broader market. The 2009 Product Management Survey is a joint initiative between the 280 Group and Quantum Whisper.

The survey was comprised of 20 questions and was distributed to select targets (i.e., product management groups) as well as the broader product management community online. The survey opened June 23rd and closed July 5th at midnight.

How to Use this Report

Regardless of your experience with product management, there is something in this report for you. If you are a new to product management, take a look at the time commitment, perceived benefits and tools that your peers are using.

If you are in mid-career, compare yourself and your organization against other product managers and companies. Learn what tools they are using and see whether you are achieving the same benefits as your more experienced colleagues.

If you are a product management guru, consultant, or product management software vendor, there is a lot of fodder in the survey to challenge your assumptions as well as several inflection points.



About the 280 Group:

The 280 Group helps companies define and deliver better products and run more compelling and effective product launches and marketing programs by providing [Consultants](#), [Contractors](#), [Training](#) and [Templates and Toolkits](#).

Whether you need a high-level consultant to plan your product strategy, a seasoned veteran to run an industry-changing product launch or a mid-level Product Manager contractor to write an MRD, the 280 Group can provide you with expert, professional talent to help you get the job done right. We can also help you and your employees improve your effectiveness on the job by providing proven best-practices training and professional templates.

Participation and Incentives

- Total Started Survey: 789
- Total Completed Survey: 675 (85.6%)
- 55% practice B2B, 10% B2C and 34% practice both
- Average revenue per participating company is 114 million. However, 45% of companies reported less than 50 million.

In return for participation, respondents were eligible to enter a prize draw. The survey sponsors combined to provide the following gifts.

- One 280 Group PM Office Pro (\$400 value)
- Three copies of the ebook version of Expert Product Management
- Four Amazon.com gift certificates (\$50/each)

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Key Findings

- Almost 90% of companies have a dedicated product manager
- 75% of product managers have 3 or more years experience
- 78% of product managers work weekends (average 6 hours)
- The average product manager is responsible for 3.3 products
- 47% identified Microsoft for technology preferences
- 33% of respondents indicated they will not offer software-as-a-service (SaaS)
- 40% of respondents either will or already provide SaaS
- 38% practice agile development (e.g., SCRUM)
- 4.5 is the number of average product releases per year
- Almost 40% of respondents suggested they don't need (want) product management software. Conversely, another 44% stated they would like to.
- Only 22% of those that use product management software "love it".
- Requirements and bug tracking are top of mind for product managers.
- Sales and marketing provide the most frequent product requirements although, customer visits are deemed the most influential on product management.
- Only 6% of respondents rate the quality of their "market evidence" as "excellent".
- Given the economic downturn, only 17% of firms are experiencing the same or better sales.



About Quantum Whisper:

- Do you struggle with market evidence and feature prioritization?
- Are you looking to increase customer collaboration and feedback to drive product development?
- Do you **really** know and understand what your customers' value most?
- What is your strategy to solicit, capture, and respond to product feedback?
- Are you market-driven? Do you want to be?

Quantum Whisper's [product management software](#) helps B2B software companies capture customer community feedback to increase product value, establish market leadership and drive profitability.

[Sign-up for FREE Trial](#)

Survey Questions and Responses

1.

Does your company have a dedicated full-time Product Manager?		
Answer Options	Response Percent	Response Count
Yes, we have one (1)	17.9%	141
Yes, we have two (2)	12.7%	100
Yes, we have three (3) or more	58.7%	463
If not, who assumes the role of product management?	10.8%	85
<i>answered question</i>		789

Overwhelmingly, almost 90% had at least one dedicated product manager. For those that did not have a dedicated product resource, the role was generally assumed by:

- Marketing Managers
- Executives (product, development, business development)
- Committee or group

2.

How long have you been a Product Manager? In other words, how much PM specific experience do you have?		
Answer Options	Response Percent	Response Count
1-2 years	15.3%	119
3-4 years	18.3%	142
5-6 years	13.4%	104
7-10 years	22.1%	172
11-15 years	11.3%	88
15+ years	10.3%	80
I am not a Product Manager but I am a ...	9.3%	72
<i>answered question</i>		777

The majority of product managers have considerable experience. Only 15% cited two or less years.

3.

On average, how many hours per week do you work? Please distinguish between weekday and weekend hours.										
Answer Options	0 hours	1-5 hrs	6-10 hrs	11-15 hrs	16-20 hrs	21-30 hrs	31-40 hrs	41-50 hrs	51-60 hrs	Response Count
Weekdays (M-F)	0%	1%	10%	6%	0%	1%	11%	51%	20%	771
Weekend (Sat & Sun)	20%	64%	12%	3%	0%	0%	0%	0%	0%	771
Any comments? Do you get paid (or recognized) for weekend work? Or, is it at your leisure because you love your job?										254
<i>answered question</i>										771

Product managers may be called many things --- but lazy is not one of them. 71% work more than 40 hours a week and 76% of product managers work weekends.

As for remuneration, very few get paid for extra hours or weekend work (after all, most are salaried employees). Of those that work extra hours, most cited they do it because it is necessary to complete the job. Others expressed passion for their careers and a commitment to company success. Also, with the wide spread adoption of smart phones, several felt obligated to respond to emails (usually from sales) regardless of the day of week or time. This was considered an interruption --- but sometimes necessary.

Most interesting comment:

“I work extra hours so I can eventually get promoted OUT of product management hell”

4.

How many products are you personally responsible for?		
Answer Options	Response Percent	Response Count
1	15.2%	116
2	19.9%	152
3	19.1%	146
4	9.8%	75
5 or more	36.0%	275
<i>answered question</i>		764

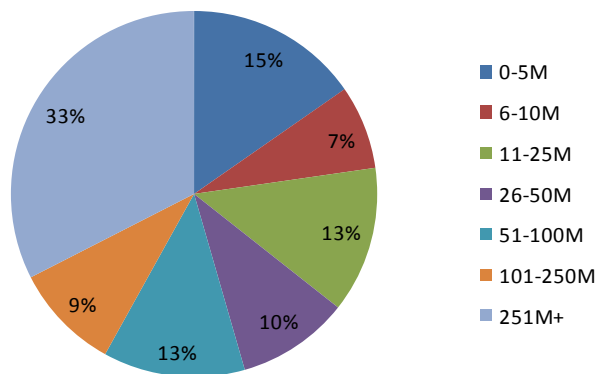
Approximately 85% of product managers are responsible for more than one product. Striking, is the notion that roughly 1/3 of product managers manage 5 or more products. Certainly this supports the essence of the responses to question #3 above. It also begs the questions: how well are these product managers performing? Is it sustainable? Both topics that merit further investigation in our next survey.

5.

Please approximate your company's annual revenue (M = Million).

Answer Options	Response Percent	Response Count
0-5M	15.3%	116
6-10M	7.4%	56
11-25M	12.9%	98
26-50M	9.9%	75
51-100M	12.5%	95
101-250M	9.4%	71
251M+	32.5%	246
<i>answered question</i>		757

Distribution of Annual Revenue (by participating company)



It appears the survey had reasonable distribution across large and small companies. Although it could be suggested that the data is somewhat skewed towards large (251 million plus) companies.

6.

Do you provide business to business (B2B) OR business to consumer (B2C) products or services?

Answer Options	Response Percent	Response Count
B2B	55.3%	418
B2C	10.4%	79
Both B2B & B2C	34.3%	259
<i>answered question</i>		756

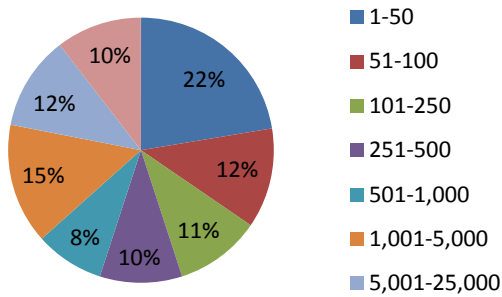
Interestingly, almost a third practice both B2B and B2C. The impact or unique challenges this presents to product managers was not addressed.

7.

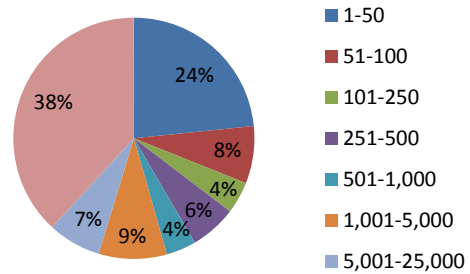
For each relevant model (B2B or B2C), approximate the number of customers you have. In other words, what is your install/customer base? (Note: If you have multiple products, please provide an average)

Answer Options	1-50	51-100	101-250	251-500	501-1,000	1,001-5,000	5,001-25,000	26,000 +	Response Count
Business to Business (B2B)	152	83	71	68	57	100	78	71	680
Business to Consumer (B2C)	82	27	15	22	14	32	25	134	351
<i>answered question</i>									742

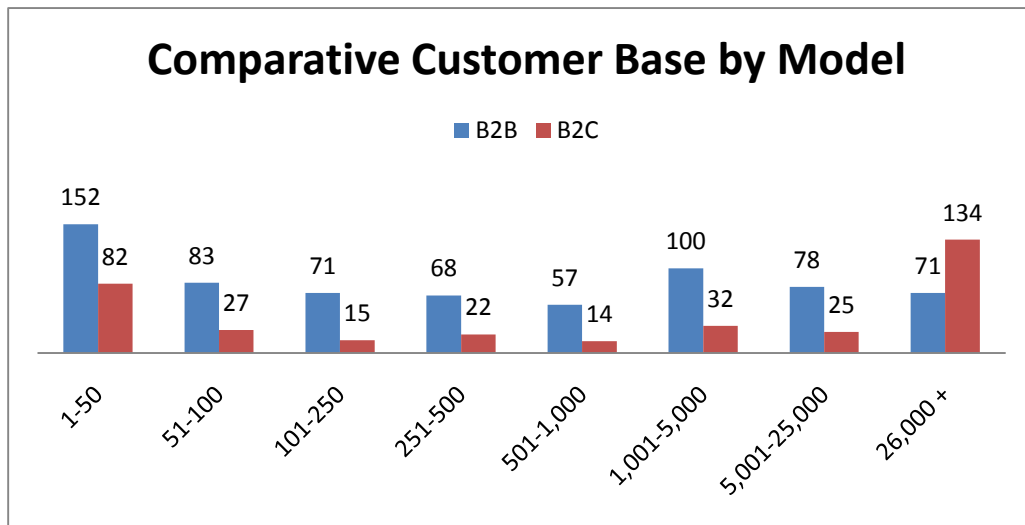
Average Customer Base B2B



Average Customer Base B2C



Comparative Customer Base by Model



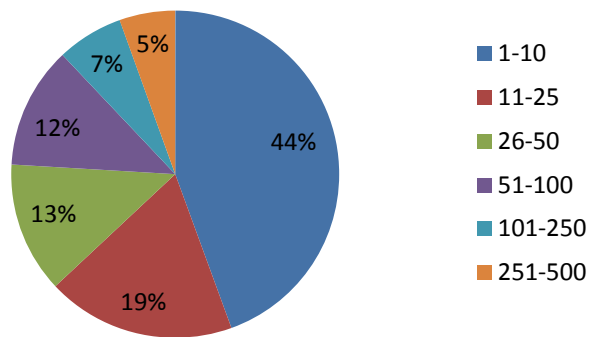
The average business to business (B2B) customer base at every level, except 26,000 plus, exceeds business to consumer (B2C) by almost 2:1 (at the low end) and 5:1 (at the high end). To be expected, B2C exceeds B2B at 26,000 plus.

8.

For B2B companies ONLY (B2C please skip this question). How many seats (users) do you average per customer? (If you offer concurrent licensing, approximate or use an

Answer Options	Response Percent	Response Count
1-10	38.8%	226
11-25	16.2%	94
26-50	11.3%	66
51-100	10.5%	61
101-250	5.7%	33
251-500	4.8%	28
501+	12.7%	74
<i>answered question</i>		582

Average Seats (Users) per Customer (B2B)



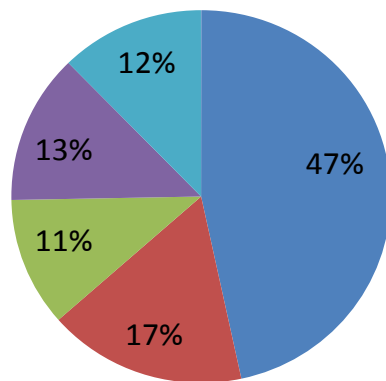
76% of B2B companies have an average customer of 50 or less users. Almost 40% average 10 or less users and approximately 10% average between 101 and 500 users per customer.

9.

What are your software development technology preferences?

Answer Options	Response Percent	Response Count
Microsoft (Windows, .Net, etc.)	46.6%	341
Open Source (Linux, PHP, etc.)	16.9%	124
IBM/Sun (Websphere, J2EE, etc.)	11.2%	82
Don't know	13.0%	95
Other (please specify)	12.3%	90
<i>answered question</i>		732

Software Technology Preferences



- Microsoft (Windows, .Net, etc.)
- Open Source (Linux, PHP, etc.)
- IBM/Sun (Websphere, J2EE, etc.)
- Don't know
- Other (please specify)

Microsoft technologies continue to dominate software development. Although, it should be noted that many "other" responses identified one of several open source technologies.

Popular "other" responses included:

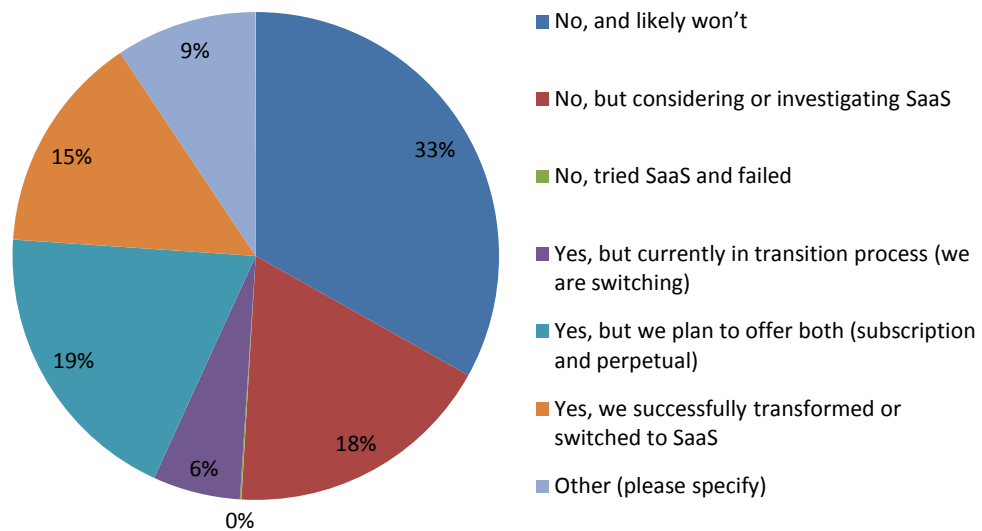
- Apple/Mac
- Mixed or hybrid approach
- Ruby on Rails

10.

Does your company offer "on-demand" or Software-as-a-Service (SaaS)?

Answer Options	Response Percent	Response Count
No, and likely won't	33.1%	240
No, but considering or investigating SaaS	17.8%	129
No, tried SaaS and failed	0.1%	1
Yes, but currently in transition process (we are switching)	5.8%	42
Yes, but we plan to offer both (subscription and perpetual)	19.2%	139
Yes, we successfully transformed or switched to SaaS	14.5%	105
Other (please specify)	9.4%	68
<i>answered question</i>		724

ISV SaaS Disposition

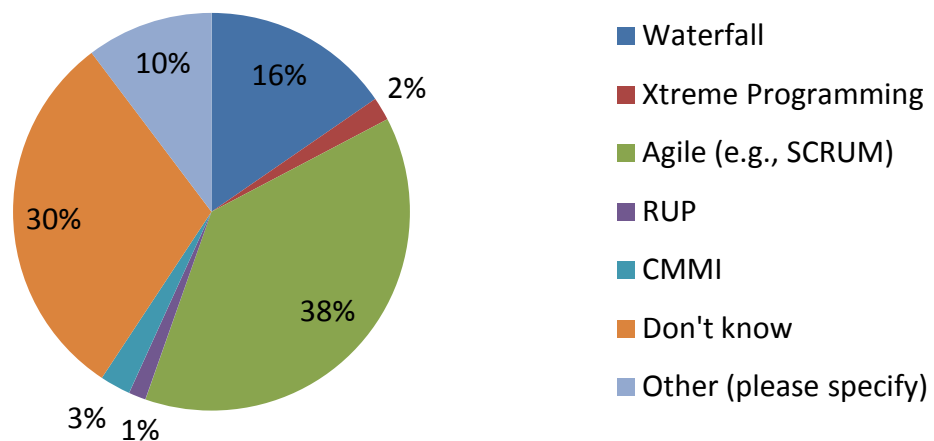


One third of ISVs have no interest in software-as-a-service while approximately 57% are either considering SaaS or have already adopted it. Only one company admitted to trying SaaS and failing.

11.

What is your preferred software development methodology?		
Answer Options	Response Percent	Response Count
Waterfall	15.4%	111
Xtreme Programming	1.9%	14
Agile (e.g., SCRUM)	38.1%	275
RUP	1.4%	10
CMMI	2.5%	18
Don't know	30.4%	219
Other (please specify)	10.3%	74
<i>answered question</i>		721

Development Methodology



Agile and its related methodologies account for almost 40% of respondents. Waterfall is a distant second at 15%. The most striking response is “don’t know” at 30%. This relatively high response may suggest a greater than ideal distance between product management and development teams.

The essence of the most common “other” response suggested a hybrid approach. Locations, teams, complexity and size of project were cited as influencing factors.

Most interesting comments:

“No official development methodology - most tried”

and

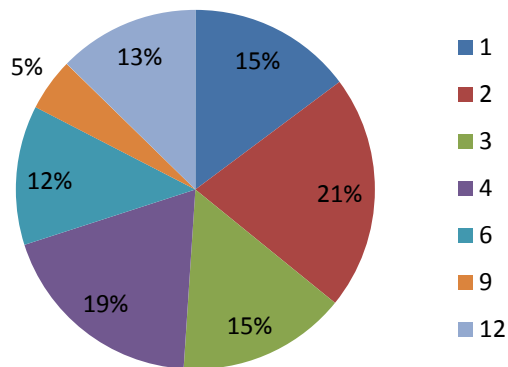
“An iterative, agilish waterfall method”

12.

How many product RELEASES do you have per YEAR? (If you have multiple products, please provide the average)

Answer Options	1/YR	2/YR	3/YR	4/YR	6/YR	9/YR	12/YR	Response Count
Indicate number of releases (major, minor, patch, etc.)	106	151	109	136	90	34	91	715
	<i>answered question</i>							715

Average Releases per Year



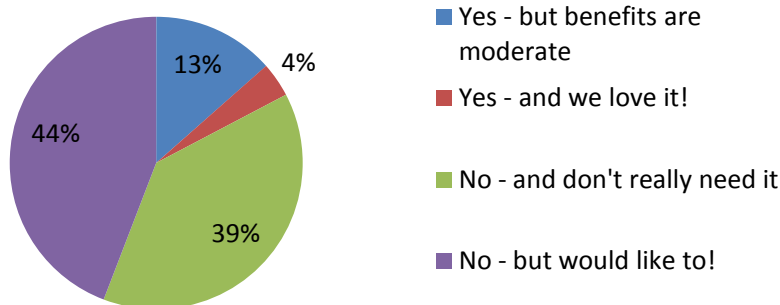
The frequency of software releases can have a profound impact on product management. Most notably, on overhead associated to the planning and release cycles. Of our respondents, slightly less than half (49%) release at least every quarter and of those, 60% release 6 or more times per year.

13.

Have you (or your company) purchased, or subscribe to, product management software?

Answer Options	Response Percent	Response Count
Yes - but benefits are moderate	13.5%	96
Yes - and we love it!	3.8%	27
No - and don't really need it	38.6%	275
No - but would like to!	44.2%	315
<i>answered question</i>		713

Product Management Software Adoption



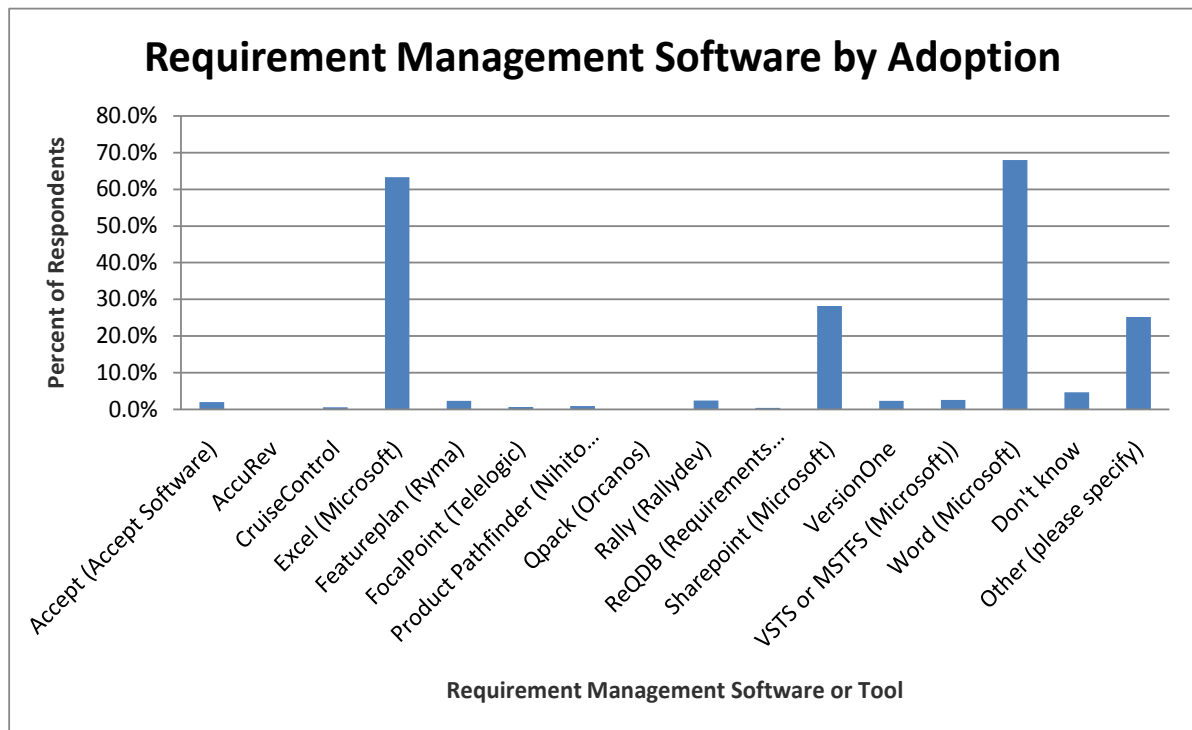
Interesting take-aways include:

- 83% of respondents have NOT purchased product management software. Of the 17% or so that have, only 22% are very pleased with their purchase (i.e., love it). Widespread adoption and success appears to elude product management software vendors.
- Of those that have not acquired product management software, 53% would “like to” and almost 47% suggested they “don’t need it”. Consumer sentiment is jarringly almost split.
- What is the future of product management software? Does the above suggest a very early market? Or does it challenge the basic value proposition? Why haven’t more companies succeeded? Does this information influence your position? For or against?

14.

Where (i.e., in what software) do you capture/document market requirements? (Select all that apply)

Answer Options	Response Percent	Response Count
Accept (Accept Software)	2.0%	14
AccuRev	0.1%	1
CruiseControl	0.6%	4
Excel (Microsoft)	63.3%	445
Featureplan (Ryma)	2.3%	16
FocalPoint (Telelogic)	0.7%	5
Product Pathfinder (Nihito Technologies)	0.9%	6
Qpack (Orcanos)	0.1%	1
Rally (Rallydev)	2.4%	17
ReQDB (Requirements Management)	0.4%	3
Sharepoint (Microsoft)	28.2%	198
VersionOne	2.3%	16
VSTS or MSTFS (Microsoft)	2.6%	18
Word (Microsoft)	68.0%	478
Don't know	4.7%	33
Other (please specify)	25.2%	177
<i>answered question</i>		703



Overwhelmingly, Microsoft technologies (specifically the Office suite) are the most commonly used tools to document requirements.

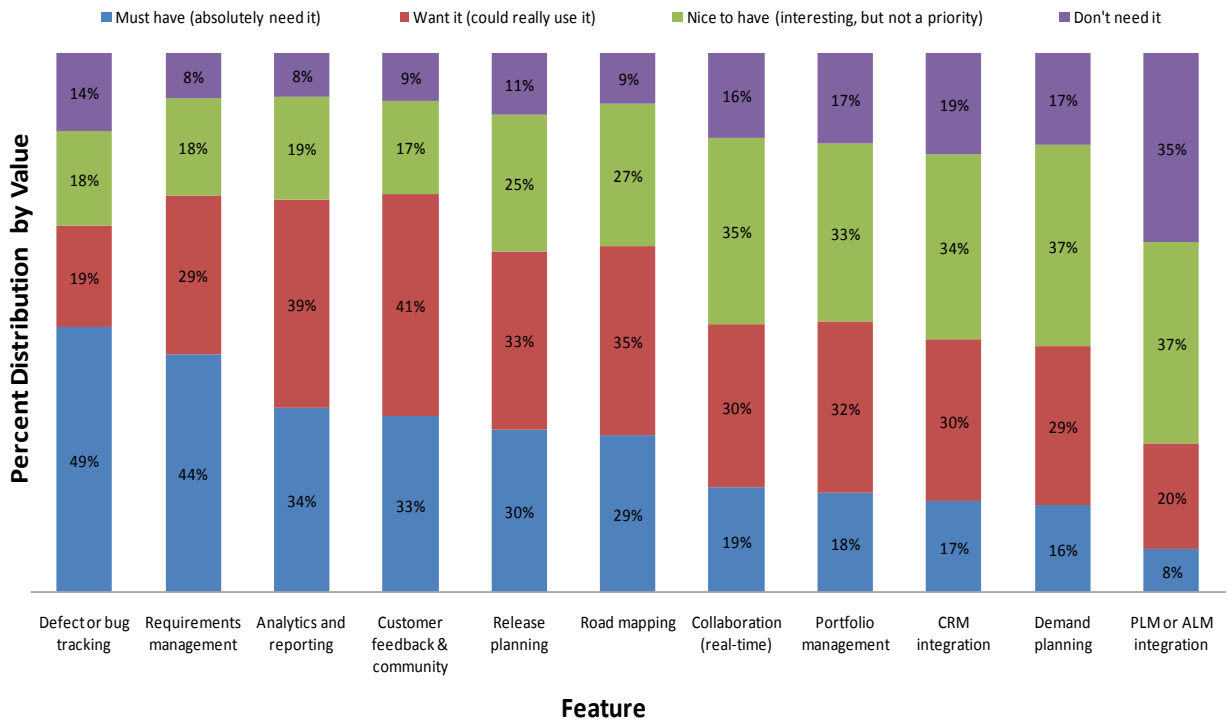
The two most common "other" responses were Jira and "Wikis" (various technologies).

15.

If you had (or have) commercial software, for each feature below, indicate your disposition in terms of importance and usefulness.

Answer Options	Must have (absolutely need it)	Want it (could really use it)	Nice to have (interesting, but not a priority)	Don't need it	Response Count
Requirements management	294	195	121	55	665
Demand planning	106	194	246	112	658
Release planning	200	219	168	75	662
Road mapping	195	236	179	62	672
Analytics and reporting	226	254	126	53	659
Defect or bug tracking	326	125	117	96	664
Customer feedback & community	216	274	115	58	663
Portfolio management	121	210	218	111	660
Collaboration (real-time)	126	198	227	102	653
CRM integration	110	198	225	123	656
PLM or ALM integration	50	123	236	221	630
<i>answered question</i>					686

Product Management Software: Feature Value



Top 5 "Must have"

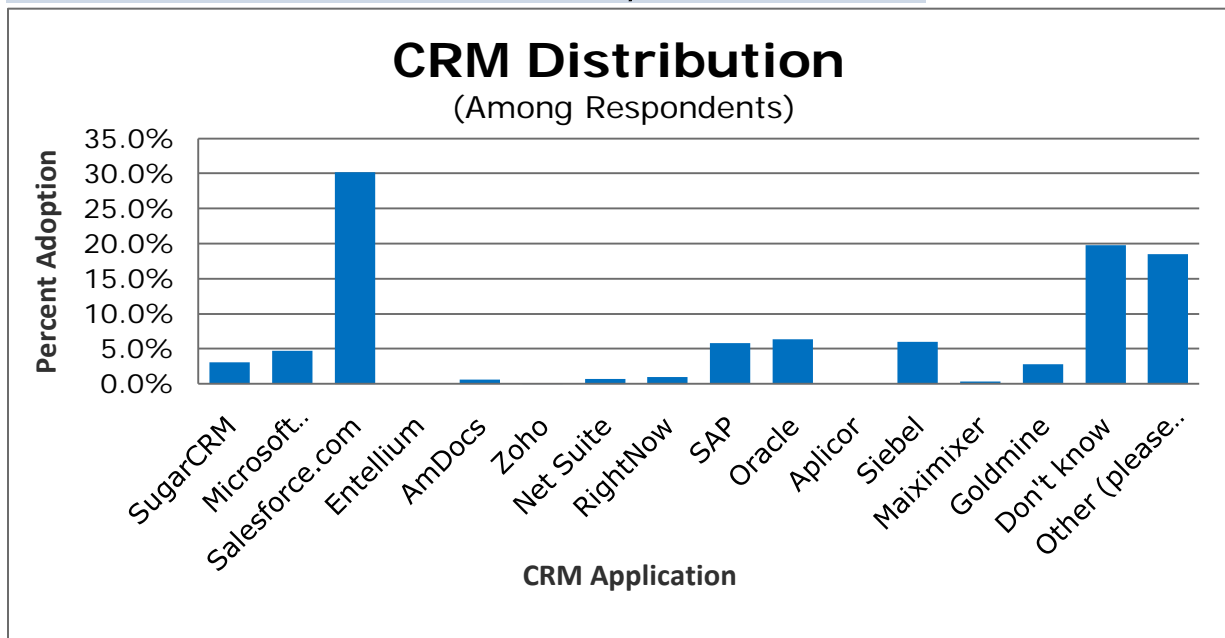
1. Defect or bug tracking
2. Requirement management
3. Analytics and reporting
4. Customer feedback and community
5. Release planning

Top 5 "Don't need it"

1. PLM or ALM integration
2. CRM integration
3. Portfolio management & demand planning (tied)
4. Collaboration

16.

What is your current CRM software/platform?		
Answer Options	Response Percent	Response Count
SugarCRM	3.1%	21
Microsoft Dynamics CRM	4.7%	32
Salesforce.com	30.2%	207
Entellium	0.0%	0
AmDocs	0.6%	4
Zoho	0.1%	1
Net Suite	0.7%	5
RightNow	1.0%	7
SAP	5.8%	40
Oracle	6.4%	44
Aplicor	0.0%	0
Siebel	6.0%	41
Maiximixer	0.3%	2
Goldmine	2.8%	19
Don't know	19.8%	136
Other (please specify)	18.5%	127
<i>answered question</i>		686



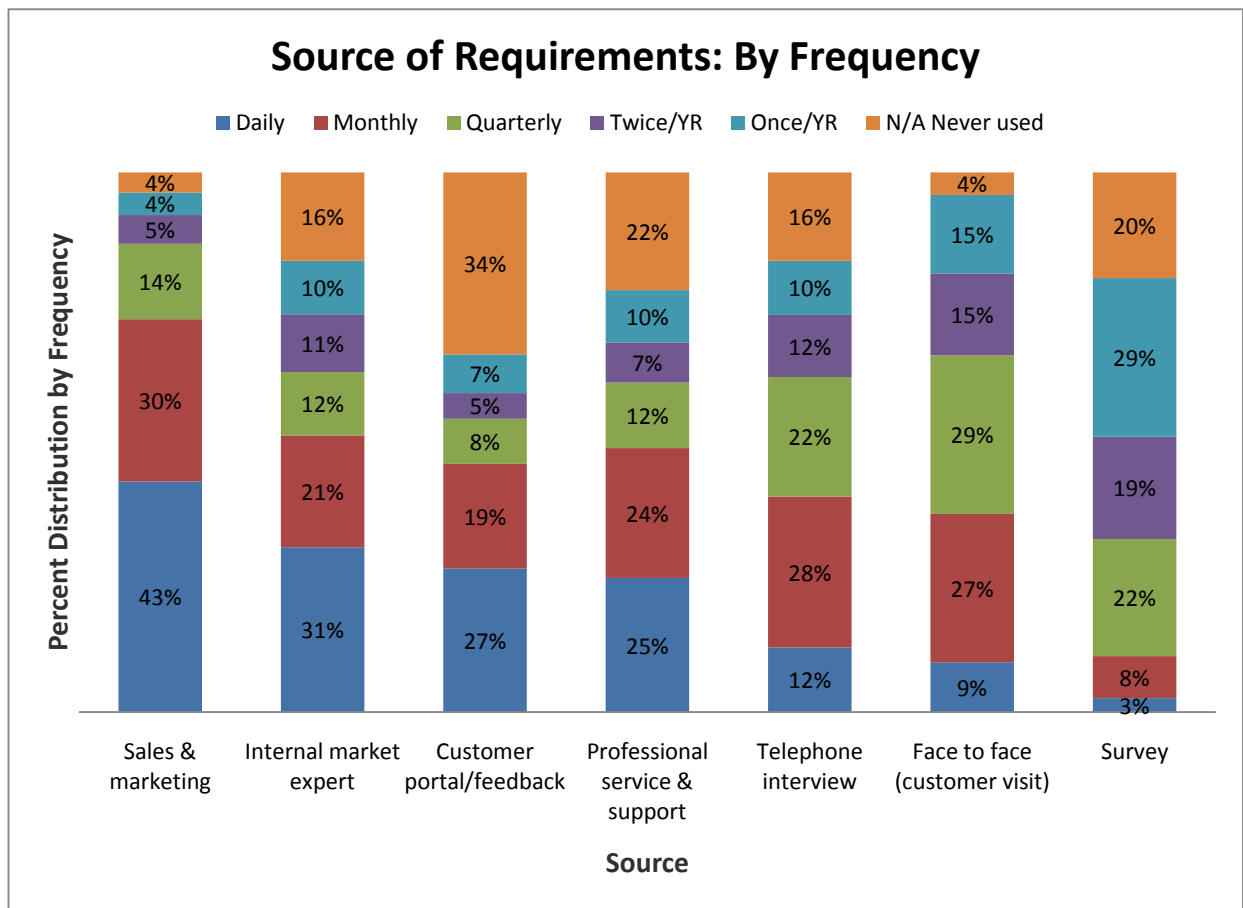
No surprise that Salesforce.com is the most popular CRM among respondents. What is interesting however, is the commanding lead they have in a very fragmented market. The number of "don't know" responses is also intriguingly high.

"Other" CRM applications mentioned included Pivotal, Clarity, Sales Logix, ACT!, in-house and mixed.

17.

For each of the following techniques used to capture market problems/requirements, how often (FREQUENTLY) are they utilized (i.e., as a source of information)?

Answer Options	N/A Never	Once/YR	Twice/YR	Quarterly	Monthly	Daily	Rating Average	Response Count
Telephone interview	108	66	76	146	184	79	1.00	659
Face to face (customer visit)	28	98	102	198	185	62	1.00	673
Survey	130	195	126	144	52	17	1.00	664
Internal market expert	109	66	71	78	138	203	1.00	665
Sales & marketing	25	28	36	94	202	287	1.00	672
Professional service & support	144	64	49	80	159	164	1.00	660
Customer portal/suggestion box/feedback	218	46	31	54	125	172	1.00	646
Other (please specify)								26
<i>answered question</i>								682



The data suggests that sales and marketing is the most frequent source of product requests followed by an internal expert. Also interesting, is the notion that customer portal/feedback is used sparingly (34% of respondents do not use it at all). Note, the above data should be considered in conjunction with question #18 that measures "influence" by source.

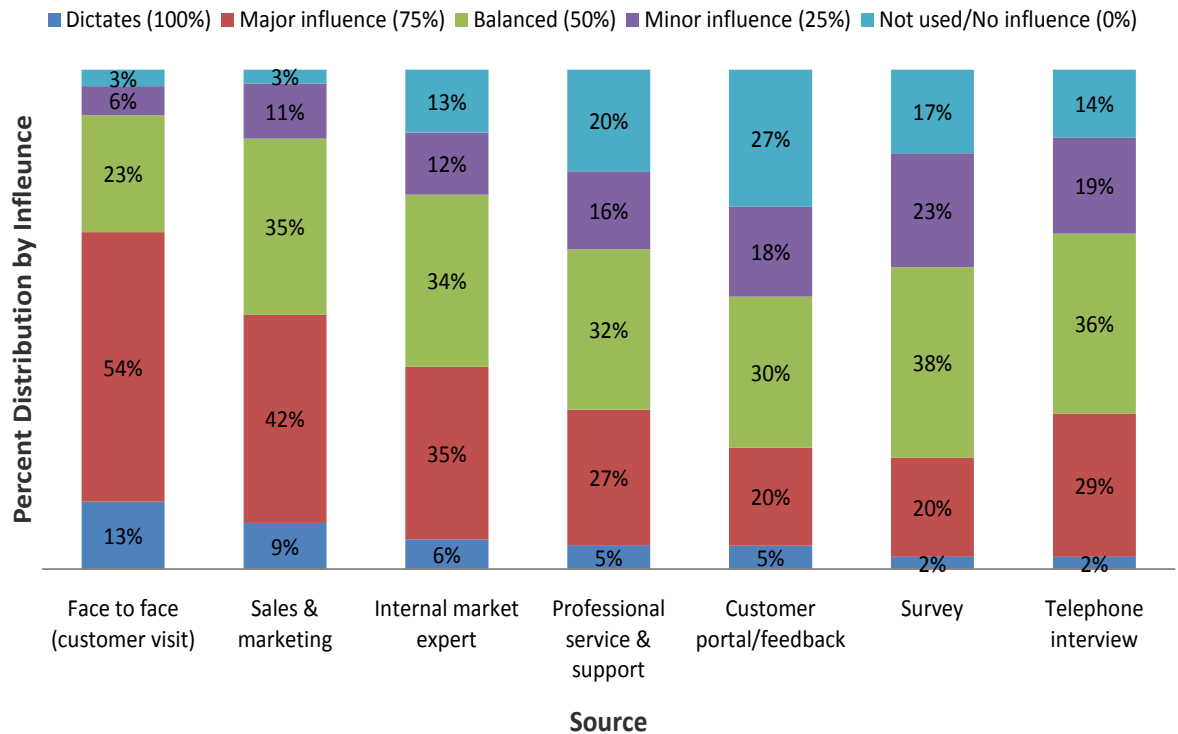
18.

For each source used to capture market problems/requirements, identify the level of INFLUENCE on product management.

Answer Options	Not used/No influence (0%)	Minor influence (25%)	Balanced (50%)	Major influence (75%)	Dictates (100%)	Rating Average	Response Count
Telephone interview	89	125	235	187	16	1.00	652
Face to face (customer visit)	22	39	156	360	90	1.00	667
Survey	109	148	248	129	16	1.00	650
Internal market expert	83	82	227	228	39	1.00	659
Sales & marketing	18	73	232	274	61	1.00	658
Professional service & support	132	101	208	176	31	1.00	648
Customer portal/suggestion box/feedback engine	175	115	193	125	30	1.00	638
Other (please specify)							15
<i>answered question</i>							675

□

Source of Requirements: By Influence



Top 3 sources of influence on product management are:

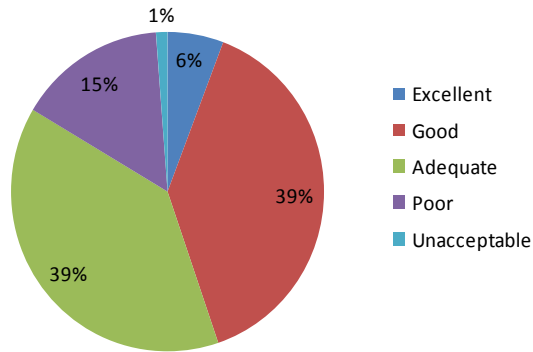
1. Face-to-face customer visits
2. Sales and marketing
3. Internal market expert

19.

Rate your "market evidence" as it pertains to market problems, requirements, etc. for your target market/customer.

Answer Options	Excellent	Good	Adequate	Poor	Unacceptable	Response Count
Our market evidence is...	39	263	262	103	8	675
						17
<i>answered question</i>						675

Market Evidence: Quality



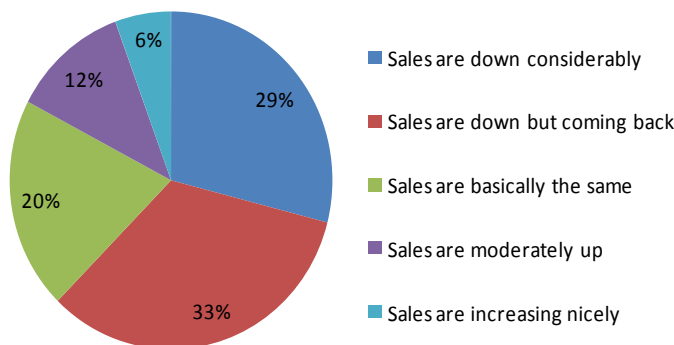
84% of respondents believe their market evidence is satisfactory or better.

20.

How is the economic down turn impacting your business?

Answer Options	Response Percent	Response Count
Sales are down considerably	29.0%	196
Sales are down but coming back	33.3%	225
Sales are basically the same	20.3%	137
Sales are moderately up	11.7%	79
Sales are increasing nicely	5.6%	38
Comments?		39
<i>answered question</i>		675

Economy: Impact on Sales



70% of respondents have either a neutral or positive outlook. The data suggests the economic abyss is behind us. This bodes well for an economic recovery (we hope).

Product Management Survey 2010

Below are popular topics that were suggested and will be considered for next year.

- Licensing approaches (subscription, perpetual etc.)
- Pricing (unit, seats, users, site, consumption etc.)
- Communication tactics (with customers and between departments)
- Software vs. product vs. services (impact on product management)
- Software-as-a-service (SaaS) product management
- Survey length
- Features per product
- Web 2.0 technologies and how they are (or can be) used by product managers
- Time allocation (R&D, existing products, customers, research etc.)
- Product management specific training (benefits etc.)
- Quality of life (work balance)

In the coming months we encourage feedback and discussion around the survey. We will follow the "online" discussion and continue to solicit ideas for future surveys. Suggestions can be forwarded by [contacting us](#) directly.

Survey Comments

"Answers reflect my organization, not how I'd prefer to work"

"What does this survey give a survey taker? This is only for your marketing purposes. Don't waste my time"

"Can't wait to see the results!"

"Please explain acronyms"

"The answer I gave is deliberately incorrect - I cannot offer any forward-looking statement regarding our business, even if I am supposed to be "anonymous", which we all know I am not, really"

"Nice survey"

"In startup mode with little budget, there is a big push to just get something done. Management often states that there is not time to do a "fancy" market analysis. They incorrectly assume that the effort is academic"

"Some of my answers may seem strange, in some cases there was no N/A option"

"Customers are difficult to get information from because they only think about what their specific issue is"

"The survey was longer than two minutes..."

"Very good survey - thank you"

Closing Thoughts

The 2009 edition of the Product Management Survey was a collaborative effort between the 280 Group and Quantum Whisper --- two companies with deep roots in product management. Our objective was to learn more about the actual practices, tools and techniques used by everyday product managers. Our intention was that the results, when internalized and discussed openly, would help advance not only your product management practices but those of the greater community as well.

From the outset, we knew it would not be possible to address all of your questions or our curiosities in a single survey. The diversity of the industry and the breath of topics is simply too big to cover in their entirety.

Having said that, we are grateful for the enthusiasm and interest the survey has received. We are especially pleased with the survey feedback. While most expressed gratitude, others suggested new topics, questions and methodologies to improve the survey. It is for this reason that we expect the survey to not only be an annual exercise, but improved with every new edition. While it is not realistic to please everyone all the time, as product management practitioners, we understand compromise and balance all too well.

If you have specific questions, comments or follow-up items you would like to discuss in greater detail, please feel free to contact us directly.

Finally, I would like to express a sincere thank you to all those that participated. Your contribution made this survey a great success. As for the thousands of others that will ultimately consume the data --- we hope you will find the survey useful and remember to participate next time.

Sincerely,

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