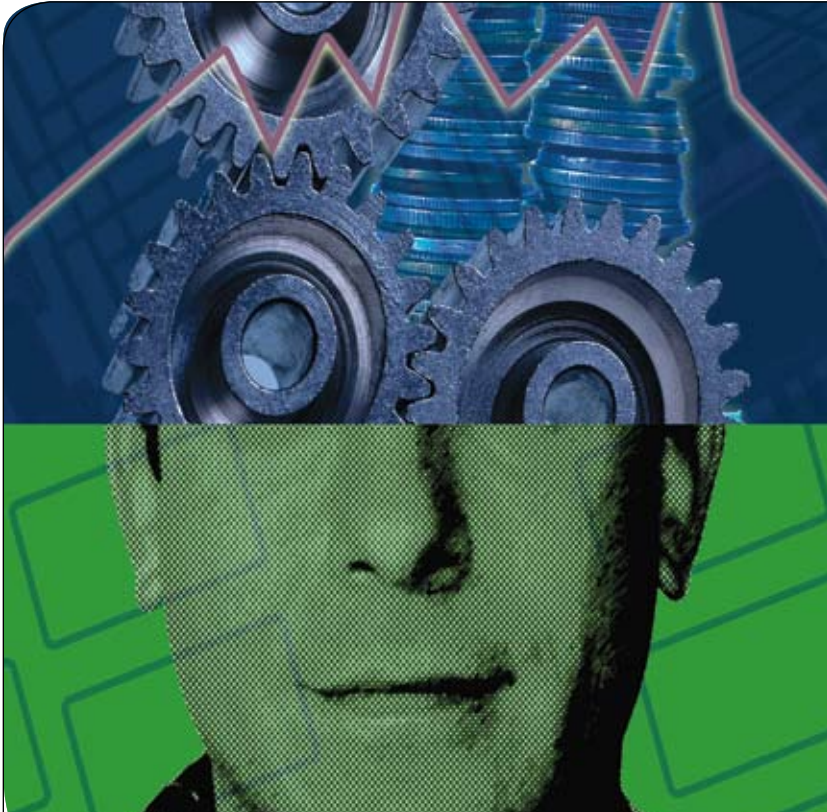


# Pragmatic Marketing's **2006** Annual Product Management and Marketing Survey

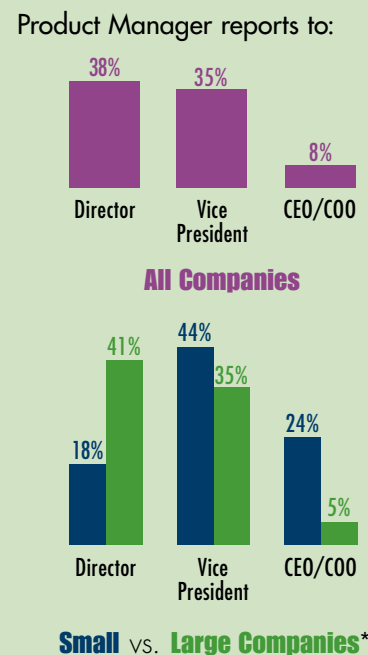
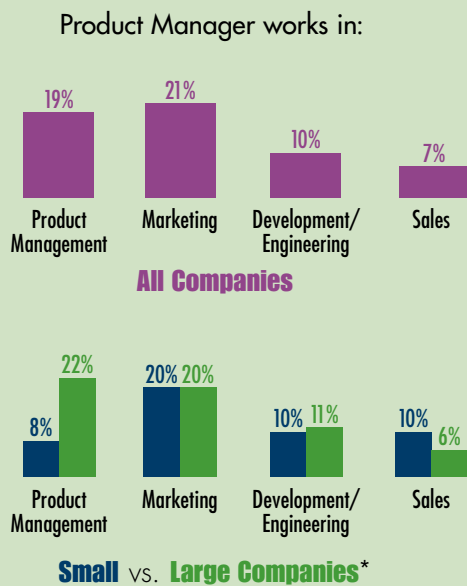


Each year, Pragmatic Marketing® conducts a survey of product managers and marketing professionals. Our objective is to provide information about compensation as well as the most common responsibilities for product managers and other marketing professionals. This year, 550 product management and marketing professionals responded to the survey conducted from October 22 through November 23, 2006 using WebSurveyor®.

Is product management different in a small company compared to a large one? This year, in several categories, we provide comparison information. For the purposes of this report, \$50 million annual revenue is used as the break between small and large companies.

## Organization

The average product manager reports to a director in either the Product Management department or in Marketing.



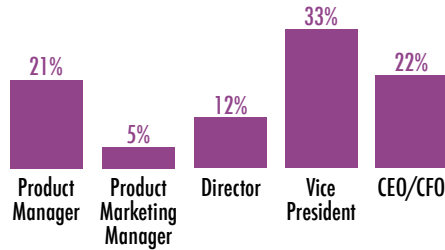
\*Small vs. Large Companies graphs only include responses that reported company revenue.

### Profile of a Product Manager

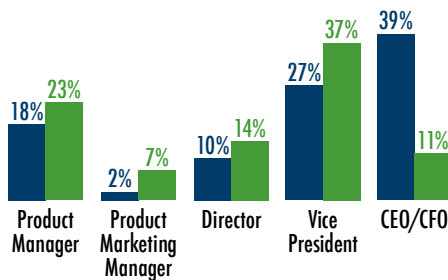
The average product manager is 36 years old with 88% claiming to be "somewhat" or "very" technical. 91% have completed college and 39% have completed a masters program. 29% are female and 71% are male.

The typical product manager has responsibility for three products but not always for the profit & loss or the go-to-market strategy of those products.

Percentage of those responsible for product profit & loss

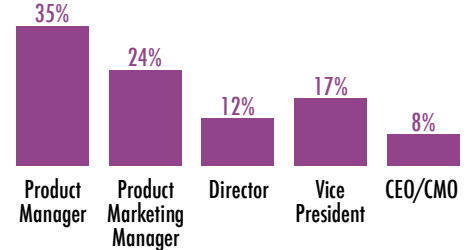


All Companies

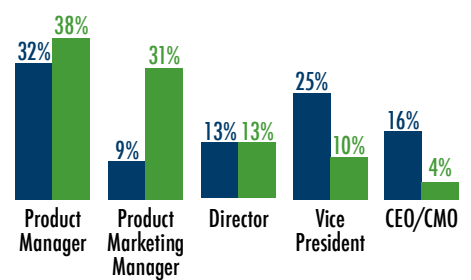


Small vs. Large Companies\*

Percentage of those responsible for the product's go-to-market strategy



All Companies



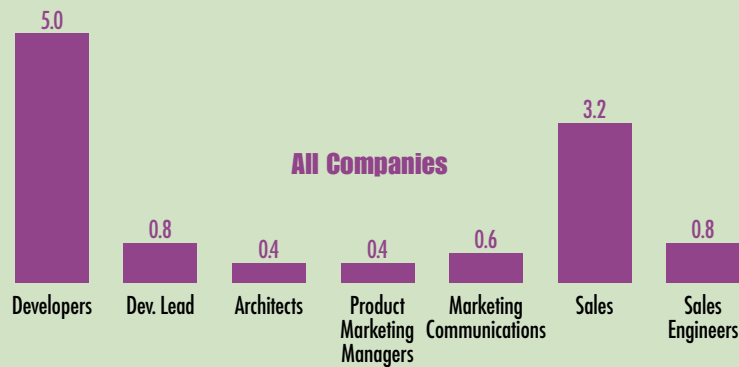
Small vs. Large Companies\*

How are product managers allocated relative to other departments?

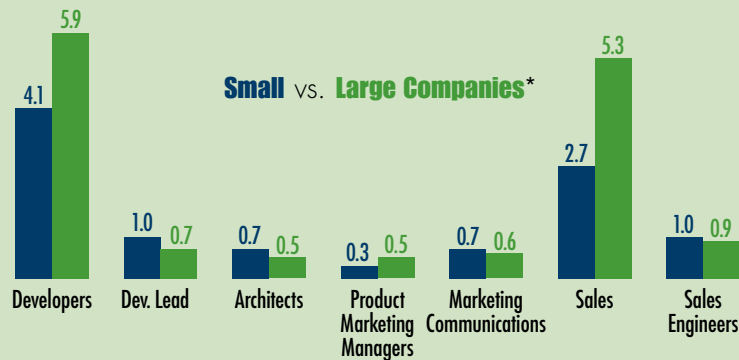
For each product manager:

Other ratios include an average of 0.3 QA people per developer and 4.0 sales people per Sales Engineer.

All Companies



Small vs. Large Companies\*



\*Small vs. Large Companies graphs only include responses that reported company revenue.

### Impacts on productivity

Product managers receive 50 e-mails a day and send about 25. They spend two days a week in internal meetings (14 meetings/week), but 50% of respondents go to at least 15 meetings each week, with 27% attending 20 or more!

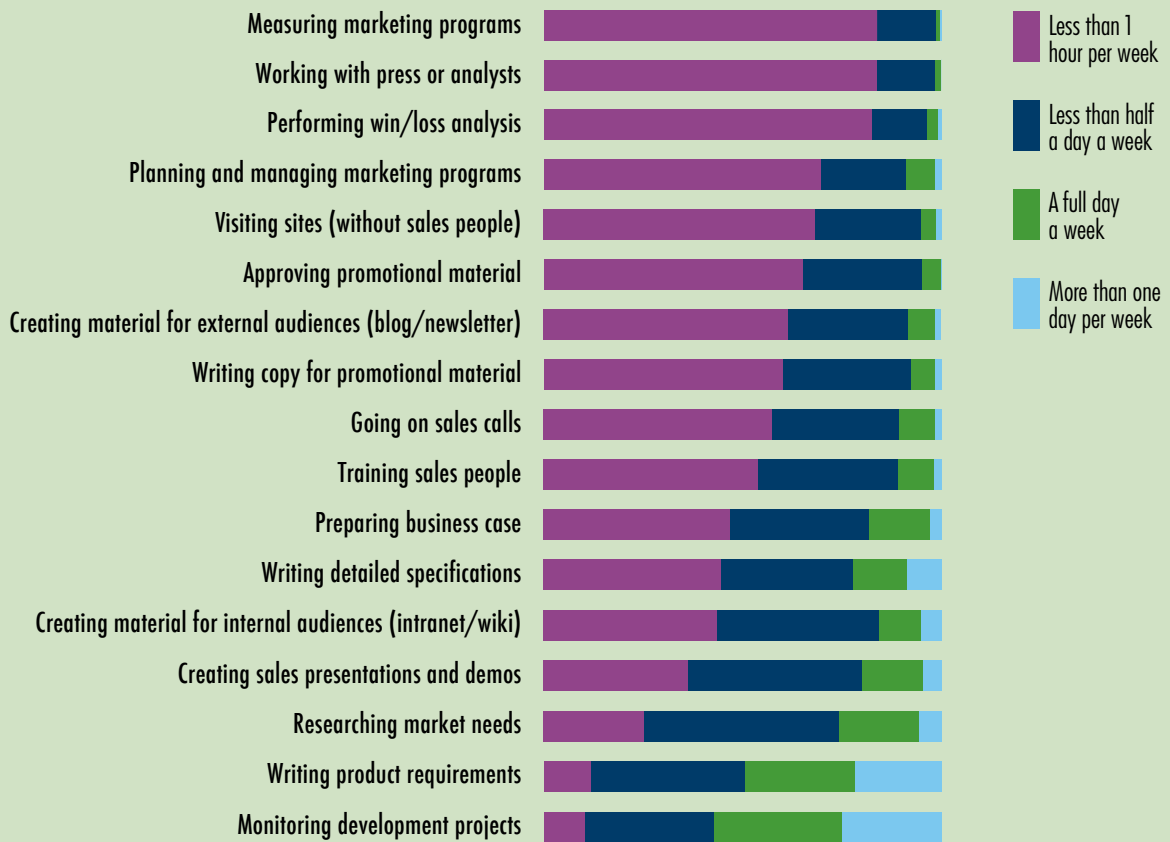
With the increased use of blogging and wiki's for sharing knowledge, we added new questions this year to determine how much time product managers spend writing original material for others.

About 39% of product managers write for external audiences by using blogs or newsletters with 9% of them spending 8 hours or more a week. This compares to 52% of product marketing managers who spend some of their time writing material with 25% of them spending 8 hours or more.

Contributing to an intranet or wiki for internal audiences is also prevalent with 56% of product managers writing some material with 16% of them spending 8 hours or more in a typical week. 61% of product marketing managers contribute with 24% spending 8 hours or more.



Summary of Product Management Activity 0 20% 40% 60% 80% 100%





### Working with Development

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

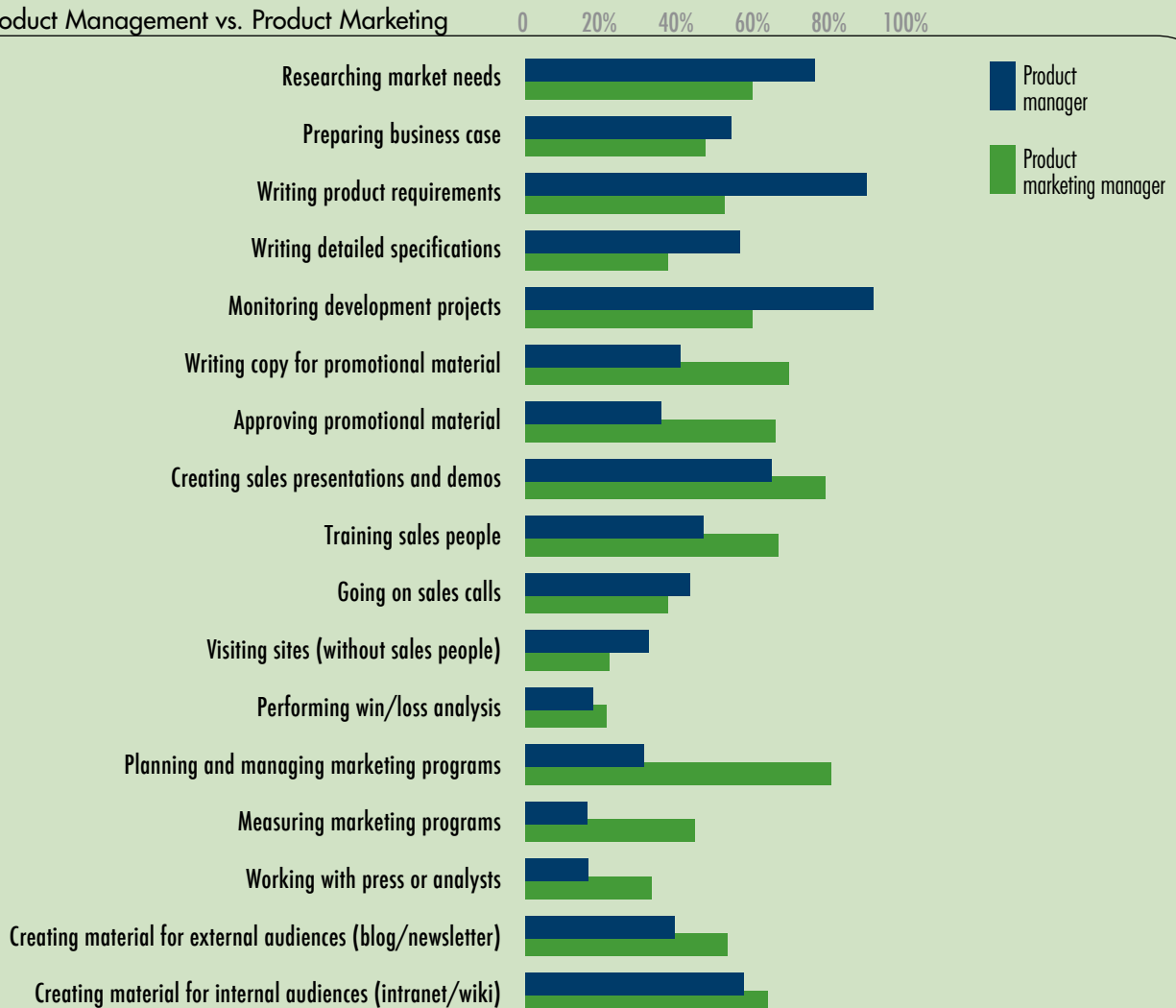
- 71% researching market needs
- 51% preparing business case
- 18% performing win/loss analysis
- 82% monitoring development projects
- 80% writing requirements (the “what” document)
- 54% writing specifications (the “how” document)

### Working with Marketing Communications and Sales

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

- 44% writing promotional copy
- 41% approving promotional materials
- 9% working with press and analysts
- 49% training sales people
- 42% going on sales calls

Product Management vs. Product Marketing



## Compensation

After reaching a plateau in 2004 and 2005, product management salaries appear to be on the rise again with a 7% increase in total compensation over 2005. The average US product management compensation in 2006 is \$93,682 salary plus \$14,875 annual bonus (79% of product managers get a bonus).

### Regional impact on compensation

US Region <sup>1</sup>	Female			Male		
	Salary	Bonus	Total	Salary	Bonus	Total
Midwest	78,583	11,857	90,440	85,140	13,361	98,501
Northeast	95,862	19,263	115,125	103,872	17,974	121,846
Pacific	90,536	11,250	101,786	103,855	18,816	122,671
South	77,227	9,462	86,689	91,511	12,472	103,983
Southwest	76,778	11,500	88,278	98,381	17,222	115,603
West	88,167	10,750	98,917	97,519	12,000	109,519
Overall	\$ 84,841	\$ 12,630	\$ 97,471	\$ 94,663	\$ 16,819	\$ 111,482
<b>International <sup>2</sup></b>						
Canada	73,133	9,455	82,588	83,800	10,636	94,436
Europe	90,250	10,000	100,250	103,313	18,714	122,027

### By job title (salary/bonus):

Product manager:  
\$90,000/\$10,000

Product marketing manager:  
\$93,000/\$13,000

Technical product manager:  
\$85,000/\$10,000

Director:  
\$120,000/\$23,000

Executive:  
\$153,000/\$45,000

### Bonuses are based on:

55% company profit

32% product revenue

45% quarterly objectives (MBOs)

Over 25% say the bonus does not motivate at all and only 16% say the bonus motivates a lot.

### Averages, Maximums and Minimums

US Region <sup>1</sup>	Average			Maximum			Minimum		
	Salary	Bonus	Total	Salary	Bonus	Total	Salary	Min Bonus	Total
Midwest	83,643	13,045	96,688	150,000	78,000	228,000	25,000	2,000	27,000
Northeast	100,649	18,288	118,937	157,000	100,000	257,000	55,000	3,000	58,000
Pacific	99,361	16,207	115,568	159,000	155,000	314,000	43,000	-	43,000
South	86,957	11,673	98,630	160,000	50,000	210,000	36,000	-	36,000
Southwest	92,000	15,960	107,960	130,000	47,000	177,000	50,000	2,000	52,000
West	95,818	11,773	107,591	133,000	30,000	163,000	64,000	2,000	66,000
Overall	\$ 93,682	\$ 14,875	\$ 108,557	\$ 160,000	\$ 155,000	\$ 315,000	\$ 25,000	-	\$ 25,000
<b>International <sup>2</sup></b>									
Canada	81,525	11,000	92,525	155,000	40,000	195,000	46,000	1,000	47,000
Europe	100,700	18,133	118,833	200,000	47,000	247,000	50,000	-	50,000

1) Midwest (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI) 67 respondents  
 Northeast (CT, DE, MA, ME, NH, NJ, NY, PA, RI, VT) 99 respondents  
 Pacific (AK, CA, HI, OR, WA) 102 respondents  
 South (AL, FL, GA, KY, MD, MS, NC, SC, TN, VA, WV) 85 respondents  
 Southwest (AR, LA, OK, TX) 40 respondents  
 West (AZ, CO, ID, MT, NM, NV, UT, WY) 42 respondents

2) Canada 73 respondents  
 Europe 25 respondents

International amounts requested in US\$. We did not get adequate responses from other regions of the world to report statistically valid data.



Steve Johnson is an expert in technology product management. He works for Pragmatic Marketing® as an instructor for the top-rated courses Practical Product Management® and Requirements That Work™ as well as onsite courses. Contact Steve at [sjohnson@PragmaticMarketing.com](mailto:sjohnson@PragmaticMarketing.com)