



## THE STUDY OF PRODUCT TEAM PERFORMANCE 2019

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# FIVE NEW KEY PERFORMANCE INDICATORS

Actuation Consulting conducted the sixth global study\* of product teams with the goal of continuously improving our understanding of why some product teams excel while others struggle.

Since 2012\*, we have sought to expand our growing knowledge of the factors driving or influencing the best outcomes. We have identified statistically significant elements that consistently correlate with top performance. Not all factors carry the same weight, and our regression analysis of findings has enabled us to develop a weighted scale to help clients prioritize their activities more effectively.

The survey itself is unique in that since its inception eight years ago, it has received support from a constellation of leading industry associations and market players – groups that generally don't collaborate on such endeavors. **This year we are proud to have partnered with the Product Development and Management Association (PDMA) throughout the entire survey and white paper production process. Additionally, our sole sponsor, Planbox, generously underwrote our research.**

We designed the 2019 study to further explore the dynamics of high-performing product teams by pursuing three interconnected threads:

- The first thread lays the groundwork with demographic information, helping us understand

respondent profiles, spans of responsibility, sizes of companies, and market segments served.

- The second thread focuses on methodologies. We have tracked the rise and fall of product development methodologies and their perceived impact upon company profitability year after year. This year we continue to follow this important influence on team performance.
- In the third and final thread, we more deeply explore several key factors that distinguish high performing teams from all others.

We have continued with our tried and true approaches to distributing surveys and regression analysis and our survey distribution approach remained consistent. Email invitations were sent to our subscriber database, and our sponsors and promotional partners also invited their stakeholders to participate in the survey. Participants were given ample time to complete the survey, and after the survey closed, our statistician conducted regression analysis. This consistency enables longitudinal trending of key performance drivers. Additionally, we continue to use both team productivity and organizational financial outcomes as measures of performance in our regression analysis.

*\*The Study of Product Team Performance was not conducted in years 2017 and 2018.*



Many of the key findings in *The Study of Product Team Performance 2019* center around best practices found in many modern product development teams. This year's five indicators of high performance continue to build upon our findings from past surveys. Additionally, several new topics were explored this year including innovation management, story sizing, product team stability, a product manager's role in innovation, and innovation program outcomes.

Through statistical analysis of the responses to this year's survey, we have identified five factors that correlate with high performing teams that meet their company's financial objectives:

**1. Product teams that connect their day-to-day activities to their company's overarching business strategy are more likely to perform at a high level and achieve the company's financial objectives.** Our latest analysis shows that organizations that have a clear business strategy, which is linked to each product team's activities, outperform their counterparts in terms of financial success. Conversely, teams that lack awareness of their company's strategy, or where it is poorly communicated to the product teams, or where the strategy changes too frequently to be useful show a negative correlation: they are unlikely to see financial success or achieve a high level of performance.

**2. Product teams that are held accountable to customer satisfaction targets perform better than those held accountable to other metrics or no metric at all.** In short, we found that survey respondents who reported they closely monitor customer satisfaction were more likely to be on teams that were high performing.

**3. Companies with mature innovation processes are more likely to outperform their peers.** A mature innovation process is one that is aligned with the company strategy and/or focuses upon continuous

improvement of its innovation management programs. Organizations with this mindset and rigor are more likely to achieve higher levels of performance.

**4. Organizations in which product managers spend at least 30% of their time in the field are more likely to achieve higher team and financial performance.** The inverse also holds true. Product managers spending less than 30% of time in the field were correlated with suboptimal performance.

**5. When prioritizing requirements there is a strong correlation between using profitability as a criterion and higher levels of team and financial performance.** Teams that emphasize profitability over other requirements prioritization criteria are more likely to deliver high performance.

## HONORABLE MENTION

It is worth noting another interesting factor that surfaced during our statistical analysis. It turns out that product teams that create stories for their entire backlog were strongly correlated with higher levels of team performance. Conversely, teams that had only one or two stories in their backlog were negatively correlated with high performance. While team performance was impacted, there was not a correlation with financial performance. Food for thought.



## A CLOSER LOOK AT THE FIVE **NEW** FACTORS CONTRIBUTING TO PRODUCT TEAM SUCCESS IN 2019

With the addition of this year's indicators of high performance, *The Study of Product Team Performance* has now identified 31 statistically significant factors that successful product teams exhibit. Here is a closer look at the five factors we identified in 2019:

**FACTOR ONE: Product teams that connect their day-to-day activities to their company's overarching business strategy are more likely to perform at a high level and achieve the company's financial objectives.**

Consistent with prior years' findings, the importance of having a corporate strategy that the product team can link to and align with remains a statistically significant indicator of a product team's ability to achieve high performance. If the executive team has not constructed, communicated, or deployed the broader company strategy, the product team will have nothing to tether their product development activities to, and no way to determine which activities to pursue and – perhaps more importantly – not pursue. In fact, if we go back to 2012, the first year of our study, approximately 91% of respondents indicated that their daily activities were aligned with company business strategy. However, a closer look at how this alignment occurred revealed a heavy reliance on product roadmaps in the absence of product strategy.

In 2013's study we learned that 37% of organizations had a coherent business strategy they stuck to and effectively communicated. While more than half of organizations that year had a corporate strategy (54%), too many diminished its effectiveness by not effectively communicating it or by changing the strategy so frequently that the product teams perceived it to be of little use.

Without a clearly communicated corporate strategy, the product team is forced to focus upon tactical roadmap activities and deliverables. Over time, this can undermine the effectiveness of not only product managers and product owners, but also the entire product team. With no guiding corporate strategy, the team is unsure how the day-to-day tactical activities link back to the company's strategic direction. The resulting disconnect negatively impacts performance. Motivation plummets as team members struggle to perceive their contribution to the company and the company's contribution to the surrounding competitive marketplace.

**Unfortunately, over the course of the past seven years, the number of respondents indicating that their organization has a coherent business strategy that the product team can understand and act upon has actually decreased by 10 percentage points down to 27%!** This is particularly disturbing as the product team's ability to connect to and act upon the company's business strategy consistently shows correlation with higher levels of performance and financial achievement.

Finally, higher performing teams benefit from understanding corporate strategy, tethering tactical activities to the corporate strategy via well-defined multi-year product and technology strategies, and leveraging the connection between the day-to-day objectives and product, and between product and company goals. These actions set context and motivate higher performance. Product and development managers who lack knowledge of the corporate strategy have no grounding from which to develop useful multi-year product and technology strategies, nor tools to motivate their teams. This leads to an inherent market disadvantage, as better-aligned organizations capitalize upon clarity of purpose and action.

**FACTOR TWO: Product teams that are held accountable to customer satisfaction targets perform better than those held accountable to other metrics or no metric at all.**

Back in 2015, we asked a survey question to help us learn more about which metrics product teams were being held accountable for meeting. It was an interesting question and we couldn't find any hard data elsewhere. As it turned out, the single most significant response at the time was customer satisfaction (42.1%) followed by "our product team is not held accountable" (31.3%).

**Unsurprisingly, customer satisfaction has continued to gain momentum since 2015 and has now risen in importance to the level of being highly correlated with high performance at both the team and financial levels.**

Customer satisfaction has been on the radar of organizations for many years. However, though product teams have been the beneficiaries of customer satisfaction data, they had not yet crossed the line to where most organizations are using it as a product team performance metric.

In this year's research, not only has customer satisfaction crossed the line to the point where the majority of respondents indicate it is a metric they are being held accountable to (51.4%), but it also has become a key factor our statistical analysis points to relative to team and financial performance.

**It is also worth noting that the response "our product team is not held accountable" has dropped by approximately six percentage points (25.8%).** We see this as a good sign. Product teams should be held accountable for their performance.

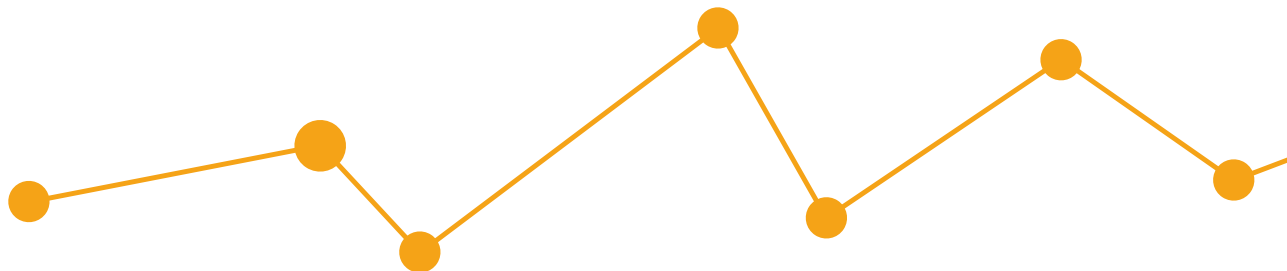
**FACTOR THREE: Companies that have mature innovation processes are more likely to outperform their peers.**

In this year's study, we asked respondents for the first time to share the details of their innovation processes. We asked about their level of innovation maturity, whether product managers were involved in their innovation processes, who was managing these programs, and what parties were included in these programs.

**The data shows that organizations with mature innovation processes are more likely to achieve high performance.** Mature is defined by two criteria. The first is that all innovation activity must be planned, tracked, and aligned with corporate strategy. The second requires an organization to continuously improve its innovation management program and systems based upon a built-in feedback loop. If either, or both criteria are in place, an organization is more likely to perform at a high level.

If an organization has no established process, or has processes but they are not aligned across the enterprise, or possesses a rudimentary set of operating procedures and best practices, the company is unlikely to perform at a high level.

**While innovation is a hot topic and has been a focal point of the executive suite for years, only about 16% of organizations report that they have either of the two criteria that indicate high performance.** Approximately 84% of respondents indicate that their organizations have immature innovation processes in place. There appears to be significant room for improvement in an area of high business impact.



CONTINUED

**FACTOR FOUR: Organizations in which product managers spend at least 30% of their time in the field are more likely to achieve higher team and financial performance.**

We have been tracking the amount of time that product managers spend in the field since 2015. We strongly believe, and the analysis clearly shows, that product managers should spend 30% or more of their time in the field. Organizations need to enable product managers to spend time with clients and prospects, conduct market research, interact with tradeshow attendees, and otherwise gather insight from others in their field.

**Unfortunately, the data shows that only a pittance of product managers spend 30% or more of their time in the field: 12.5% in 2015, 11% in 2019.** There are multiple reasons for this situation.

Product managers are often swamped by requests that consume their time but don't necessarily help achieve their business objectives. They would benefit by thinking more strategically about how they spend their time, as it's their scarcest resource. Product managers do own up to having poor time management skills. They are aware of the demands on their time, but could use help prioritizing more effectively.

Companies are not absolved of blame either. Leadership may think of product management as the catch basin for organizational problems. To achieve 30% of a product manager's time in the field requires enlightened and far-sighted leadership. It is expensive to have your product managers in the field. However, it is more costly to the organization if product managers make poor decisions because they have lost sight of, and connection with, the market.

Companies need to reassess how they use their product managers, a scarce but important resource. Is it better to have a product manager's focus inside the organization, or on customers outside the building, and the markets they serve? If the latter, companies should consider putting support structures in place, such as internally focused product owners, and set clear performance objective expectations for product managers that align with externally focused goals.

**FACTOR FIVE: When prioritizing requirements there is a strong correlation between using profitability as a criterion and higher levels of team and financial performance.**

In this year's study we revisited a topic we examined once before – product requirements criteria. Research we conducted in 2014 revealed that “teams who consider development cost as a criterion for requirements prioritization are more likely to under-perform (i.e., negatively correlated).” Over half (54%) of 2014 survey respondents stated that they used development cost as a prioritization factor in determining which high level requirement, epic, or user story they pursued. Unfortunately, our data indicated that organizations doing so were likely to be poor performers.

It was our belief that product managers must consider development cost in calculating ROI and determining how to deliver the most bang for their customers' buck. *However, the study data was clear that neither high performance teams, nor teams in organizations meeting their financial goals, take development cost into consideration by the time the requirements are being prioritized.*

At the time in 2014, we only discovered this negative correlation. **But in this year's analysis, we found that organizations that prioritized profitability as a requirements criterion were more highly correlated to product and financial performance.** In fact, it was the only criterion that was positively correlated with higher performance.

It is worth noting that when ranking requirements criteria against each other, there is a pecking order that emerges. It turns out that profitability, technical considerations, customer satisfaction, revenue, and risk (in that order) show promise as prioritization criteria, while development cost ranks at the bottom.



## CONCLUSION

This year's research examined a variety of new topics as well as many we have tracked over time. New topics delved deeper into innovation processes. It is gratifying to see that product managers are being included in strategic innovation efforts from the inception of an idea even though most organizations have yet to fully realize the potential of their innovation processes. We are also heartened to see a clear correlation between product teams that focus on customer satisfaction and profitability, and product teams that report high performance in organizations that meet their financial goals.

As mentioned earlier, product managers and product owners should be mindful of how many stories they maintain in the backlog. It was clear from our research that less is not more. In fact, those with only one or two stories in the backlog were negatively correlated with high performance. While assembling longer backlogs that represent the entire product can be time consuming the data demonstrates the benefits of doing so.

Finally, a word about product development methodologies. We have been tracking their ebbs and flows since 2012. Over the past three years the adoption rates of various methodologies have remained somewhat constant. Waterfall methods remain in single digits (8.8%). The Agile/Scrum methodology has also held the line with little change at approximately 49%. The only method that showed growth was Blended methodologies, which increased by approximately six percentage points to 38.5%. For those interested in learning more about these ebbs and flows, please see the bar chart illustrating how adoption rates have fluctuated over the last eight years (see page 13).

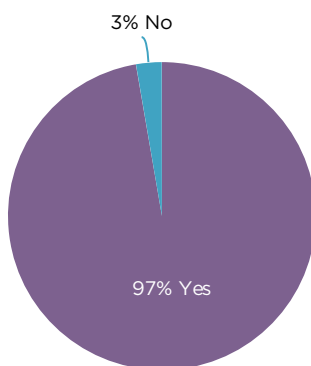


## SURVEY RESULTS

# RESPONDENT PROFILE

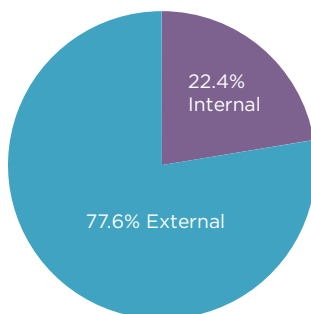


1. Do you play an active role creating or enhancing products or services within your organization?



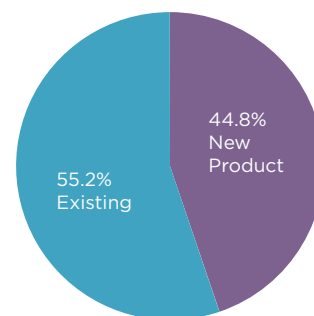
Ninety-seven percent (97.3%) of survey respondents indicate they are actively involved in creating or enhancing products or services in their organization. A mere three percent (2.7%) note that their work is focused on some other activity within their organization.

2. Is the product you primarily work on intended for internal or external customers?



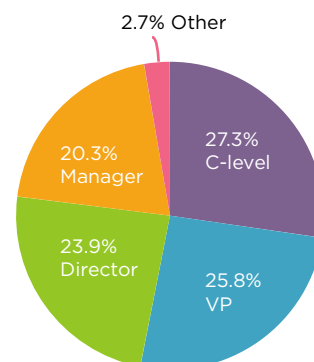
The vast majority (77.6%) of respondents are involved in work on products that will be used by customers outside the company, while 22.4% of respondents' work is intended for internal customers' use.

3. Is the product you primarily work on a new product or are you enhancing an existing product?



There is only about a 10% difference (10.4%) between the number of respondents who work on enhancing an existing product (55.2%) and those who primarily work on new products (44.8%).

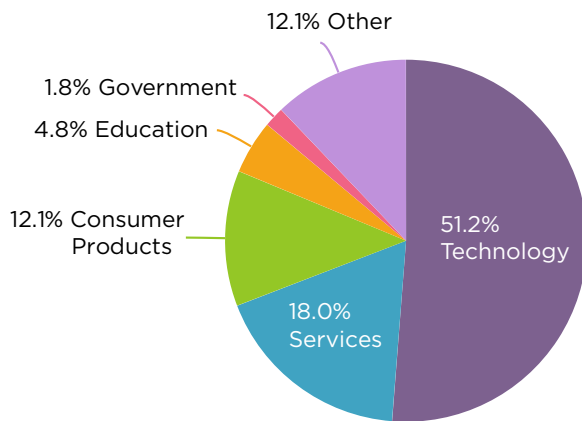
4. Which of the following titles do you directly report to?



Over a quarter (27.3%) of respondents report to a company officer (C-level executive). Another quarter (25.8%) report to a vice president, and almost as many (23.9%) report to a director. Managers oversee another 20.3% of respondents.

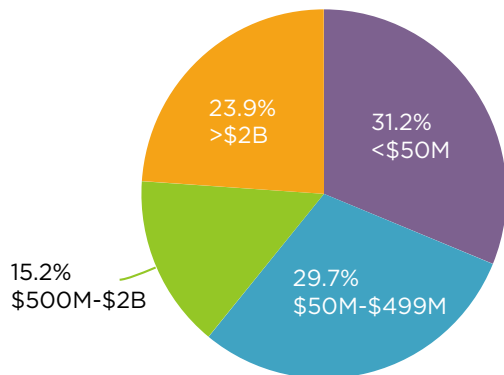


5. Which of the following best describes your organization's primary business focus?



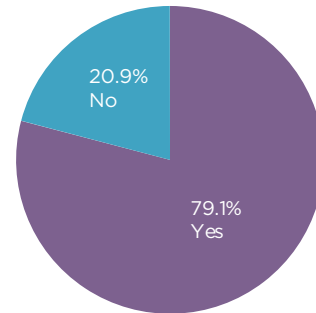
Over half (51.2%) of respondents work for technology companies. Services (18%), consumer products (12.1%), education (4.8%), and government (1.8%) are also listed as the primary business focus of responders' organizations.

6. What is your company's annual revenue in U.S. dollars?



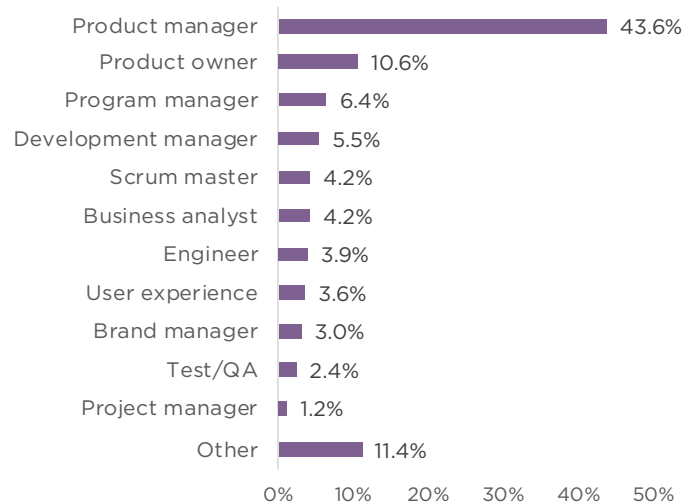
Annual company revenue of survey respondents' organizations is fairly evenly split among three segments: 23.9% have annual revenue exceeding \$2 billion, 29.7% report annual company revenue of \$50 million to \$499 million, and 31.2% report annual revenue under \$50 million. A fourth segment representing 15.2% percent of respondents indicate company revenues of \$500 million to \$2 billion.

7. Did your company achieve its financial goals and objectives in 2018?



Nearly 80% of respondents (79.1%) report that their organizations met their financial goals in 2018. The other 20% of respondents (20.9%) indicate that their companies were unable to reach their financial goals in 2018.

8. Which of the following titles best describes your primary role?

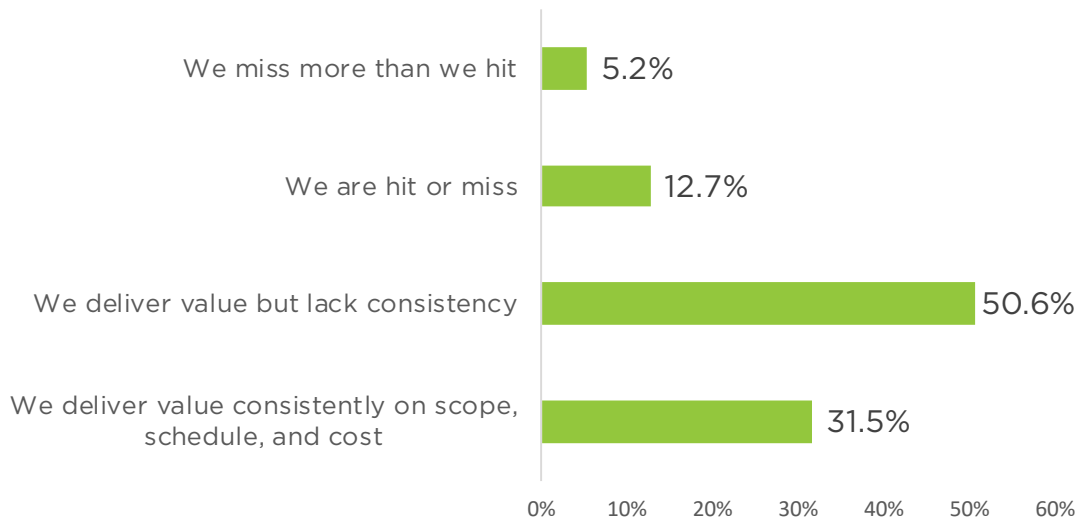


While survey respondents represent a wide range of titles, nearly half (44%) identify as product managers. The job classification with the second largest representation is product owner (11%). Program manager and development manager titles represent 6% of respondents; and 4% of respondents are titled scrum master, engineer, user experience, or business analyst. Remaining respondents serve as brand managers (3%), test/QAs (2%), or project managers (1%).

# TEAM PERFORMANCE



## 9. Which of the statements best describes your view of your core product team's performance against organizational expectations?



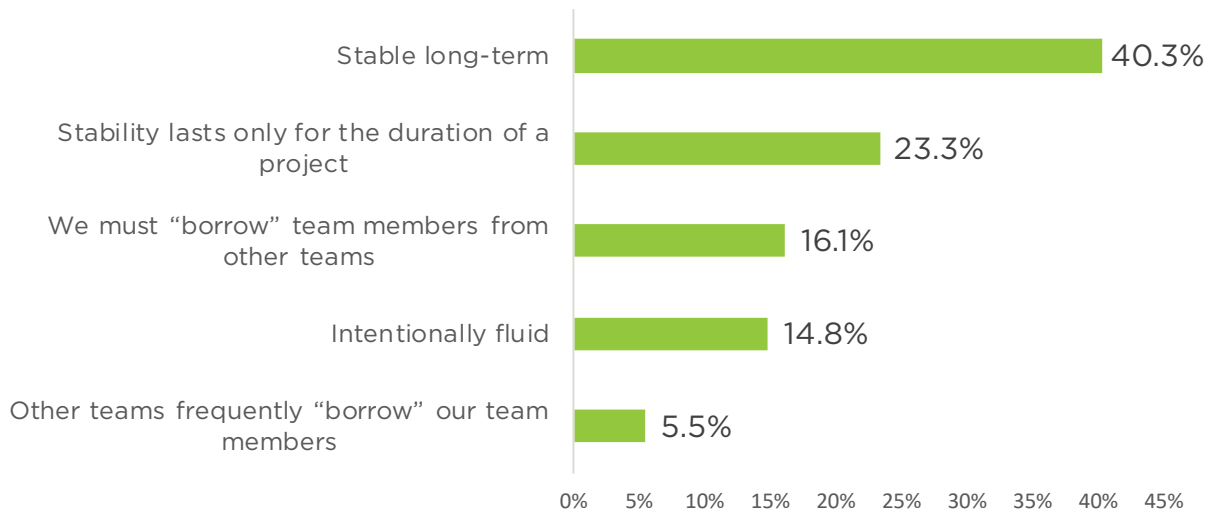
Over half of respondents (68.5%) indicate that their core product team lacks consistency, delivers on a hit or miss basis, or miss more than they hit, leaving considerable room for team improvement. Less than a third (31.5%) consistently deliver value, are within scope, and on schedule and budget.

## 10. How would you rate your product team's cross-functional collaboration, trust, and communication?



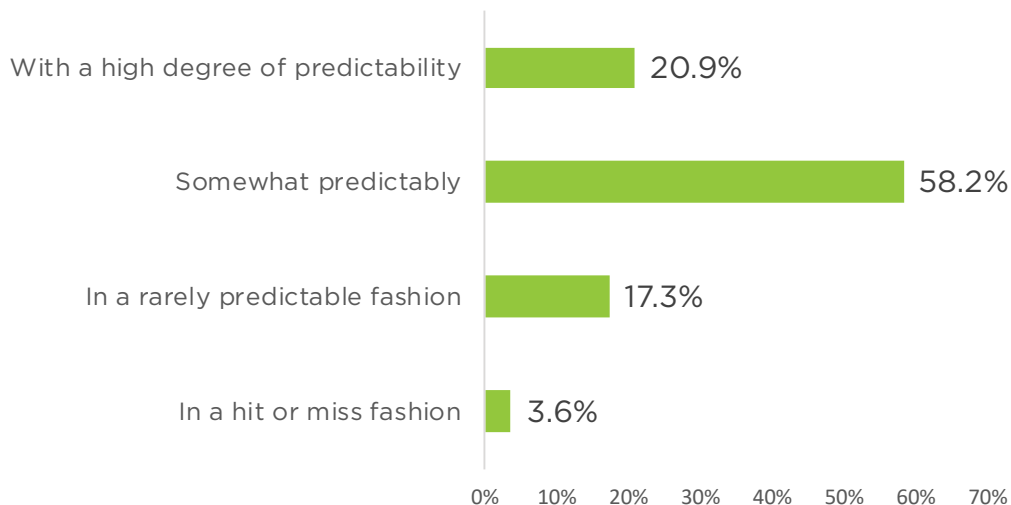
The encouraging news is that nearly three-fourths of respondents (70.9%) rate their product team's teamwork as seamless or strong with a few occasional glitches. The remaining 29.1% of respondents consider their teamwork and collaboration either subpar or non-existent.

11. Is your product team stable (e.g., fully dedicated resources: product manager, engineers, testers, etc.)?



Long-term product team stability is the norm for 40.3% of respondents. Others experience much shorter or more fluid stability. While the project is underway, stability is strong in 23.3% of respondents' companies, but fades at project completion. Nearly 15% (14.8%) of respondents indicate that their teams are intentionally kept fluid, and 21.6% of respondents said that their team must either borrow team members or lend them out during projects.

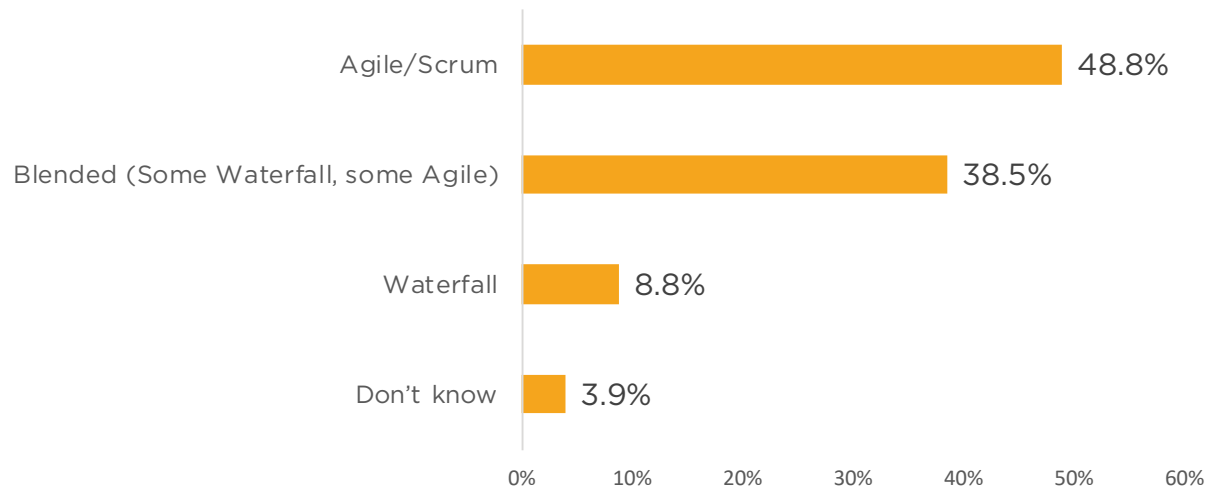
12. Does your product team complete work efforts?



Reliability for completing work efforts appears to be a problem of varying degrees of seriousness for the majority of respondents' organizations. Only 20.9% credit the product team with a high degree of predictability. Another 20.9% feel it is hit or miss whether their product team will complete their work or they come through only rarely. Over half of respondents (58.2%) credit their product team with some degree of predictability.

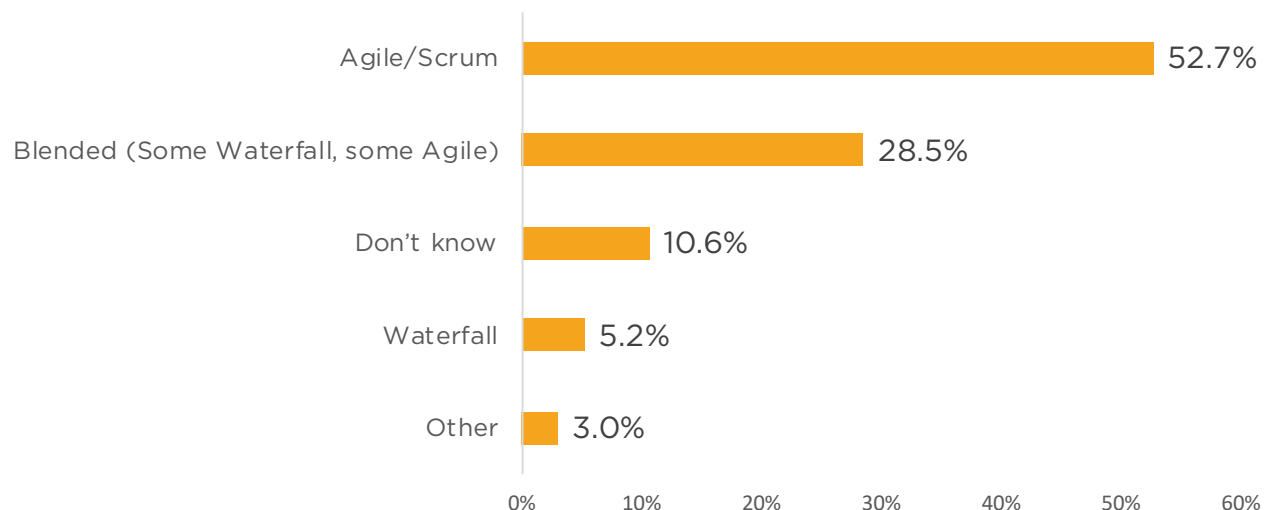


13. Which of the following methodologies best describes the way your organization develops products?



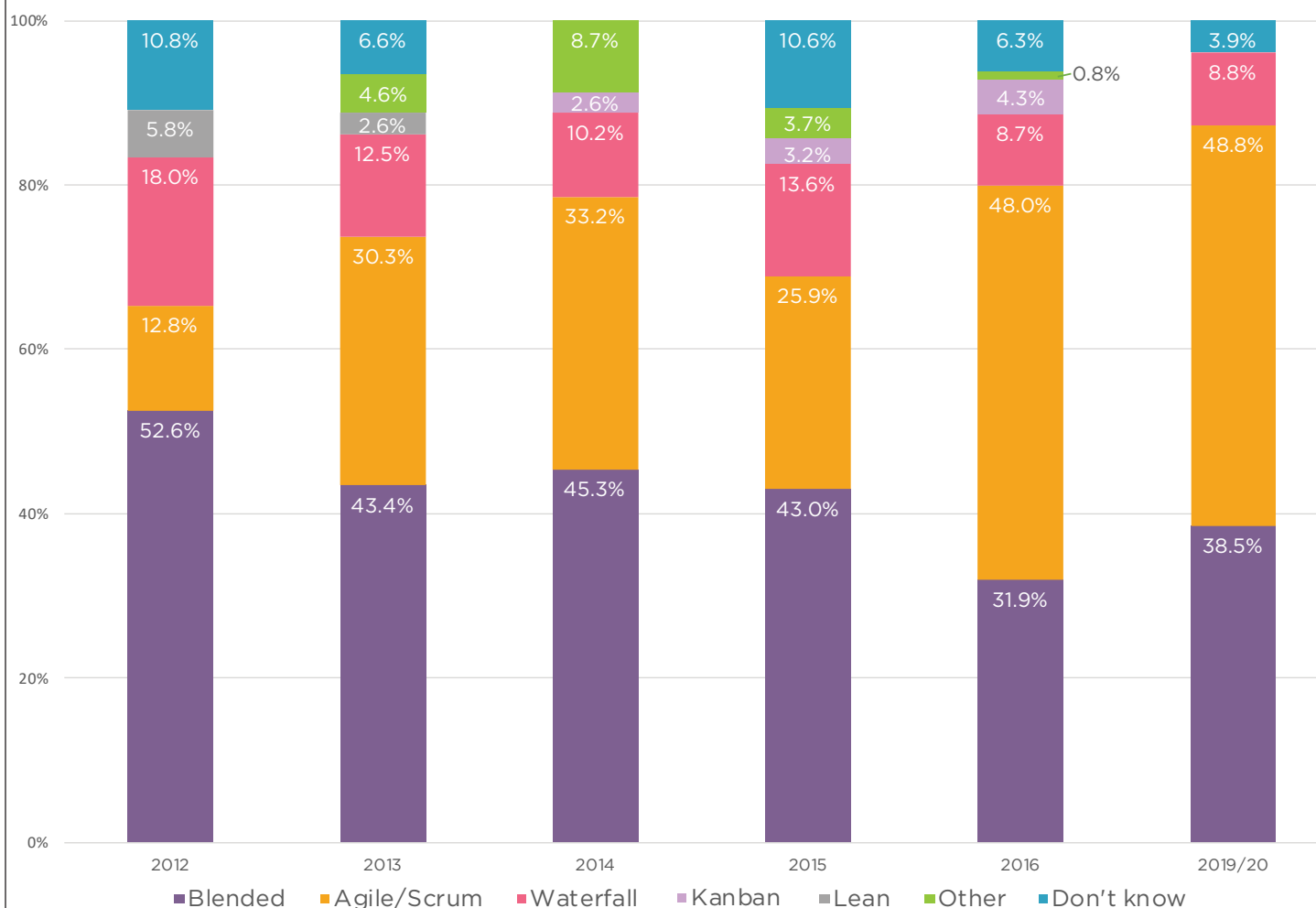
Nearly half (48.8%) of respondents work in companies that use Agile/Scrum exclusively in product development. When you add in those who indicate that their organizations use a blend of Waterfall and Agile methodology (38.5%), you can clearly see that Agile/Scrum is a part of 87.3%, or the vast majority, of product development in respondents' companies. Under 10% (8.8%) continue to rely on Waterfall methodology exclusively.

14. Which of the following methodologies do you associate with increasing your product's profitability?



Over half (52.7%) of respondents credit Agile/Scrum with increasing their product's profitability. Another near 30% (28.5%) attribute their product's profitability to a combination, or blended use, of Agile and Waterfall methodologies. Only a mere 5.2% hold Waterfall alone responsible for their product's profitability. A tenth of respondents (10.6%) are unsure which methodology is associated with their product's profitability.

# The Ebb and Flow of Product Development Methodology Adoption



Over the past eight years, Agile/Scrum has gained in popularity, moving from the third most used methodology to become the dominant product development approach used today. In fact, since 2016, the adoption rate for Agile/Scrum has remained amazingly consistent with almost half of respondents reporting its use. Conversely, Waterfall usage has declined over time, with less than 9% of respondents reporting its use in both 2016 and 2019. Blended methods incorporating some Agile/Scrum and Waterfall have also shown a slow decline. This decrease is likely to continue, though the Blended approach will likely remain the second most popular product development method for the foreseeable future.

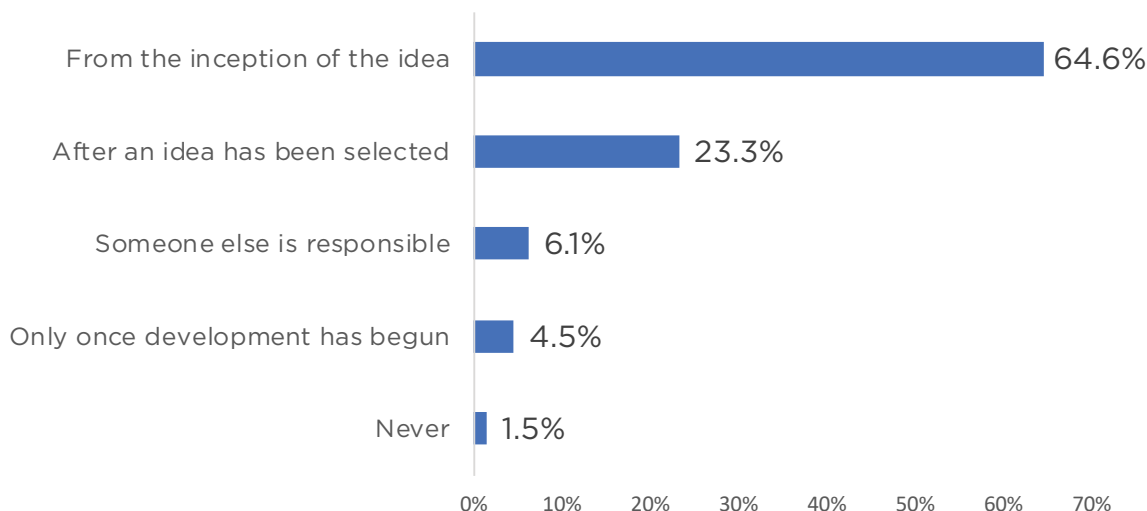
For those who have not seen our prior research, it is important to mention we stopped tracking Lean back in 2014 and began tracking Kanban, as the term Lean had created some confusion. We chose to drop Kanban this year. The Study of Product Team Performance was not conducted in years 2017 and 2018 so no data is available for that time.

# SURVEY RESULTS

## INNOVATION



### 15. When does product management get involved in your company's innovation efforts?



Over half of respondents (64.6%) indicate that product management is involved in the innovation process from the start. Nearly a fourth (23.3%) of respondents report that product management gets involved with innovation only after an idea has been chosen. When development of the product is underway is when product management gets involved in 4.5% of respondents' companies. Product management never gets involved with innovation in a small number (7.6%) of respondents' companies, many indicating that this is because it is someone else's responsibility to engage in innovation efforts in their organizations.

### 16. How would you define your current level of innovation maturity?

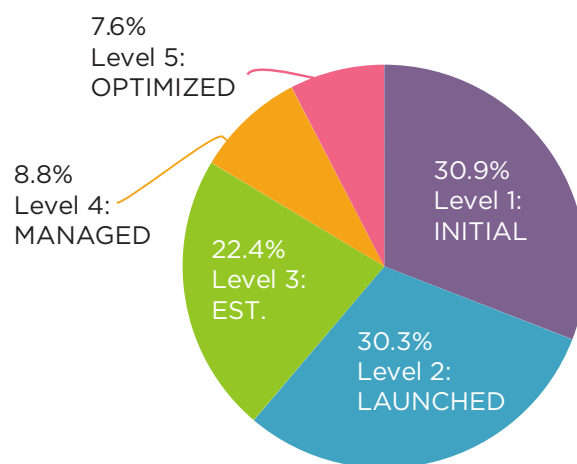
**Level 1 – Initial:** No established process – depends on the heroics of a few

**Level 2 – Launched:** Departmental systems are in place – each line of business has its own systems and approach to innovation management

**Level 3 – Established:** Standard operating procedures and a set of best practices have been established for enterprise innovation management

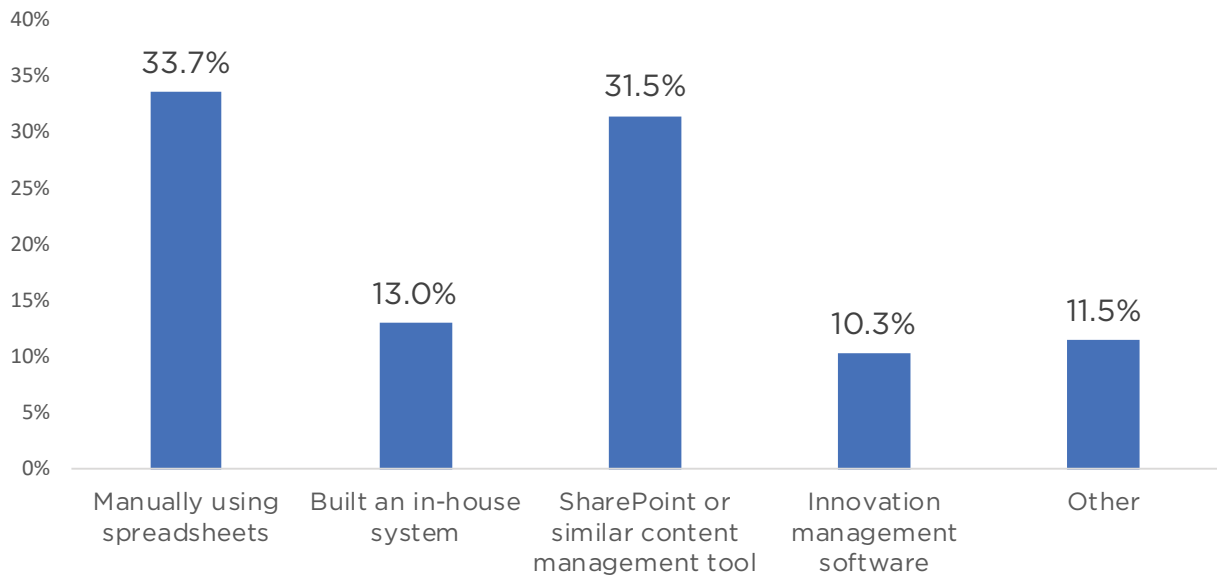
**Level 4 – Managed:** All innovation activity is planned, tracked, and aligned with strategy

**Level 5 – Optimized:** Continuous improvement of innovation management program and system based on built-in feedback loop



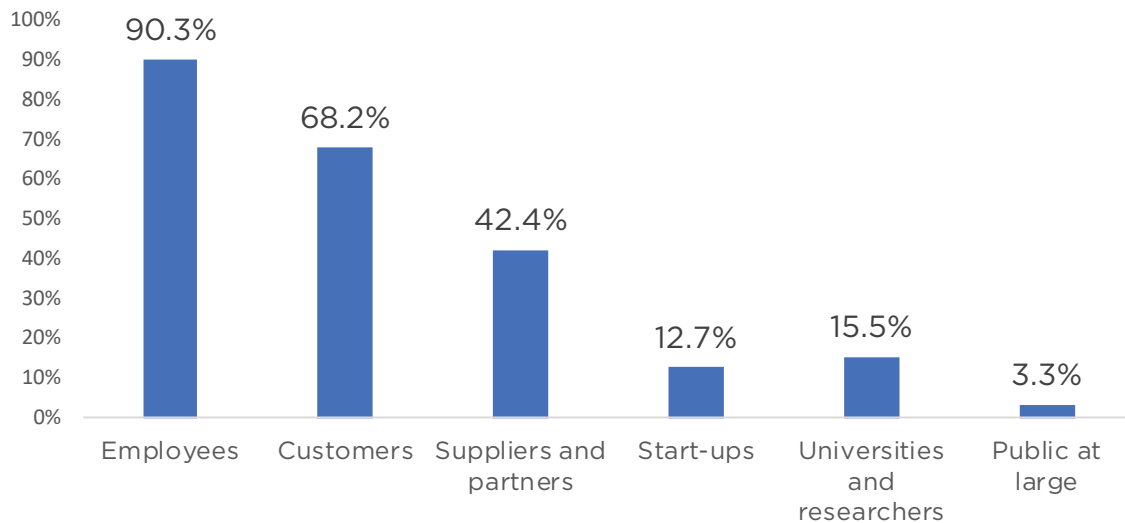
Only 7.6% of respondents report their organizations have achieved top-level innovation maturity with a fully optimized innovation process and just 8.8% indicate their organizations do an effective job of managing, planning, and tracking innovation to ensure it is aligned with the organization's strategies. Another almost quarter of respondents (22.4%) say there are standard operating procedures and best practices in place. Disappointingly, more than half of survey respondents (61.2%) indicated their companies lack an established process for managing innovation that aligns with organizational objectives, which indicates a great opportunity for improvement in this area.

### 17. How are you currently managing your innovation program?



According to respondents, there isn't an overwhelmingly popular method for managing an innovation program. The highest percentage of respondents report the use of a manual spreadsheet (33.7%). Nearly as many frequently use (31.5%) SharePoint and similar content management tools. The remaining responses are fairly evenly divided between company-built in-house systems (13.0%), innovation management software (10.3%), and Other (11.5%).

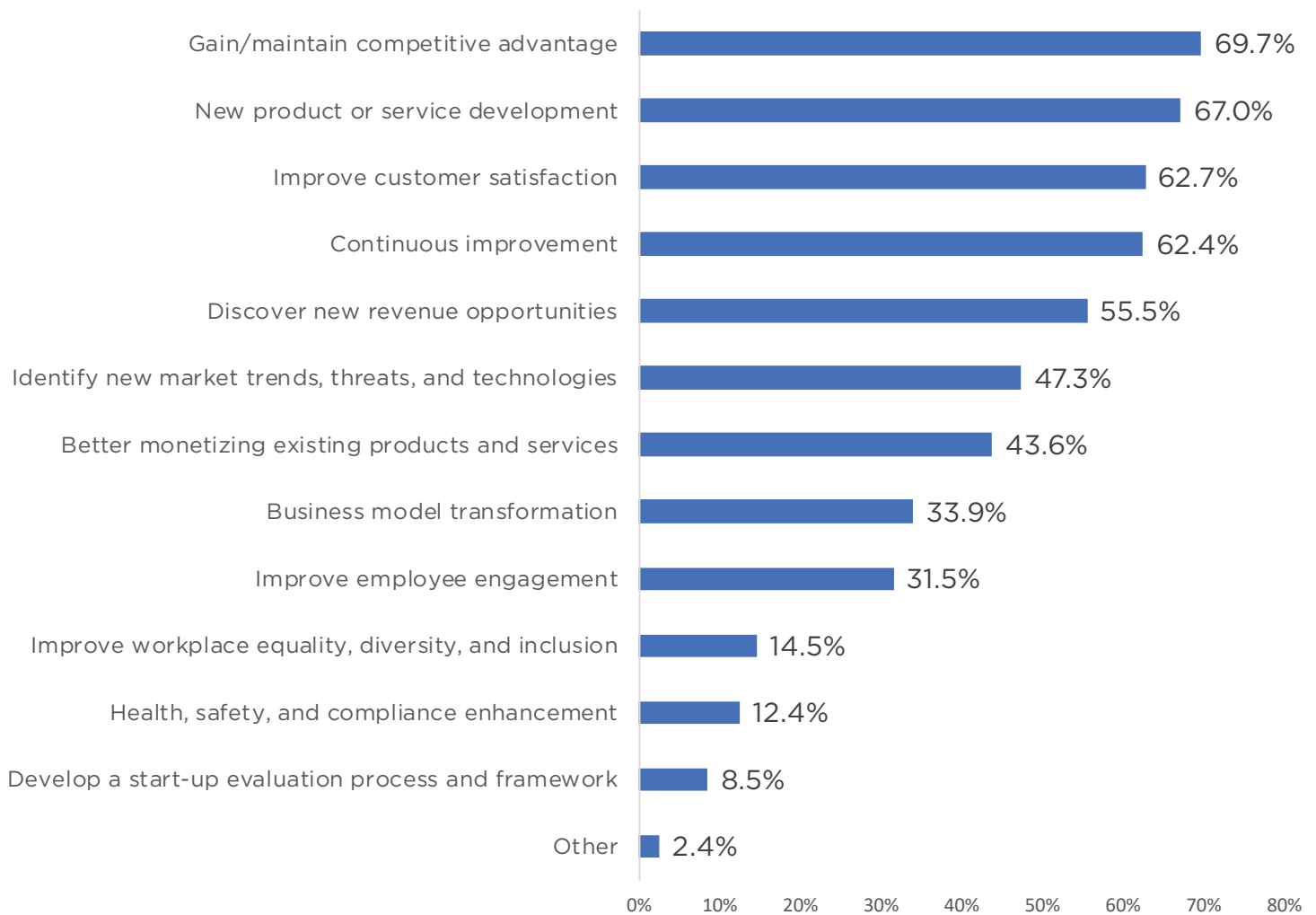
### 18. Who is involved in your innovation planning and activities? (Check all that apply.)



An overwhelming majority of respondents (90.3%) indicate that employees are involved in innovation planning and activities. Well over half (68.2%) of respondents report that customers are engaged in this process and nearly half (42.4%) say that suppliers and partners get involved. A significant number (15.5%) consult with universities and researchers in their innovation process and 12.7% indicate that they include start-ups. A scant 3.3% involve the public in their organization's innovation.



19. What are the Innovation Program outcomes you are seeking and have the mandate to achieve?  
(Check all that apply.)



More than 60% of respondents agree on four objectives of their organizations' innovation programs: gaining and maintaining competitive advantage (69.7%), new product or service development (67.0%), improving customer satisfaction (62.7%), and pursuing continuous improvement (62.4%). Slightly more than half (55.5%) indicate their organizations are seeking new revenue opportunities, and nearly as many (47.3%) seek to identify new market trends, threats, and technologies. Just under that amount (43.6%) are aiming to better monetize existing products and services. The next highest percentages of responses were internally focused on business model transformation (33.9%) and improving workplace engagement (31.5%). Improving workplace equality, diversity, and inclusion (14.5%); enhancing health, safety, and compliance (12.4%); and developing a start-up evaluation process and framework (8.5%) appears to be last in priority.



## SURVEY RESULTS

# PRODUCT TEAM PERFORMANCE FACTORS

20. Do you feel your organization has a coherent business strategy that the product team understands and can act upon?



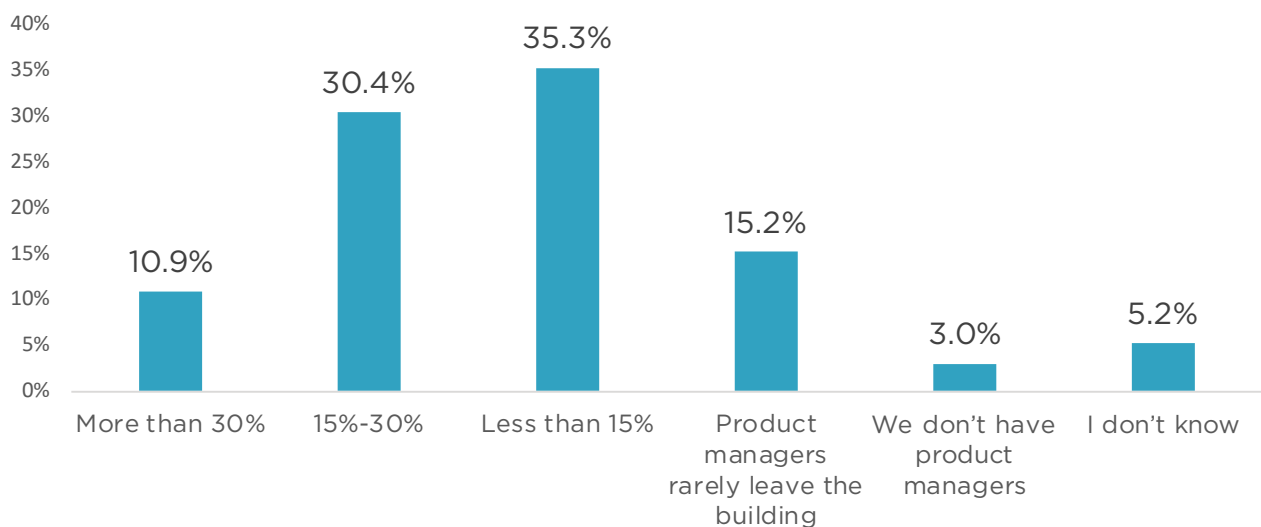
Just slightly more than a fourth of respondents (27%) indicate that their organizations have strong, well-aligned business strategies. More than half of respondents (65.4%) report that their organizations either have a business strategy that is not well communicated (43.7%) or their organizations have a strategy that changes so frequently it is not useful (21.8%). Finally, a small percentage reveal that they are not aware of an existing business strategy (4.5%) or they believe their organization does not have a business strategy (3.0%).

21. What metrics is your product team held accountable to? (Check all that apply.)



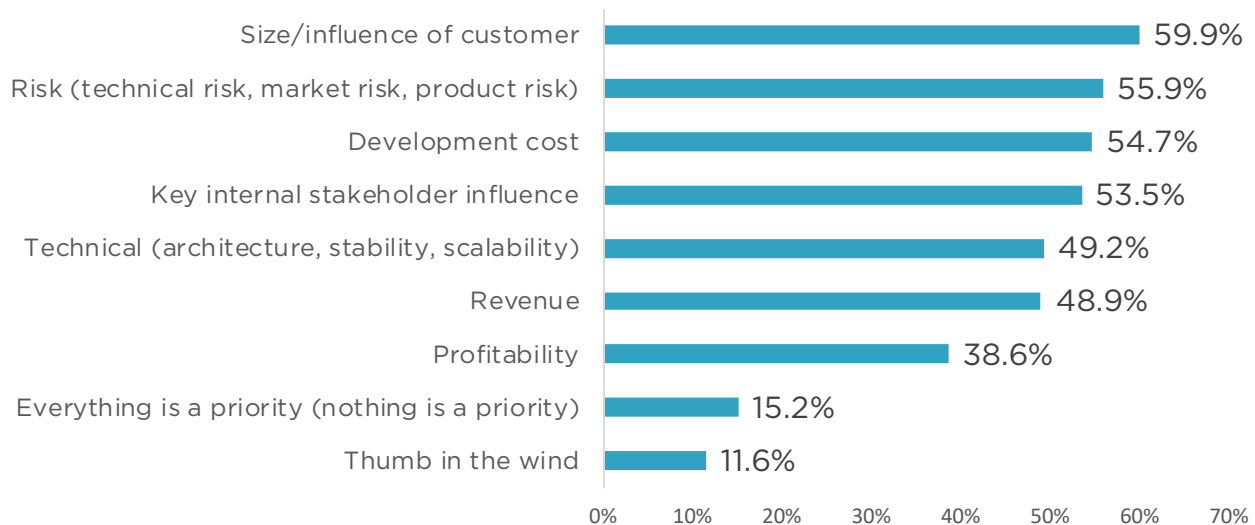
According to survey respondents, nearly half of their product teams (48.3%) are held to a quality standard. Slightly more (51.4%) are evaluated against customer satisfaction. About a third of respondents (35.3%) report that they are held to velocity or throughput metrics and nearly as many (33.7%) are held to a profitability standard or topline revenue evaluation (32.2%). A fourth of respondents (25.8%) put forth that their product teams are not held accountable, but do have objectives to support. Fewer (19.5%) focus on a market share metric. A scant 4.3% of respondents did not know against which metrics their product team is measured.

22. How much time do product managers spend in the field (talking to customers, conducting marketing research, attending tradeshow, etc.) in your organization?



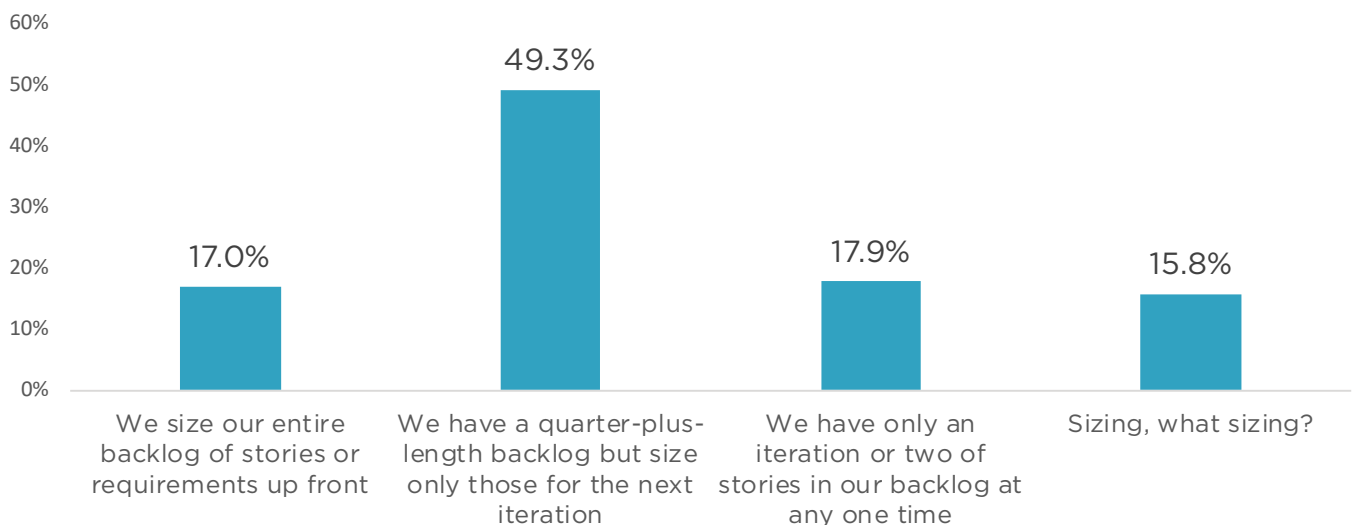
Only about a tenth of product managers (10.9%) are in the field more than 30% of the time. Another 30.4% spend between 15 and 30% of their time in the field according to survey responses. More than a third of respondents (35.3%) report that their managers spend less than 15% of their time in the field and another 15.2% indicate that their product managers rarely leave the building at all. Together, these last two numbers reveal that over half of respondents (50.5%) hold that their managers spend little to no time in the field. Another small group of respondents (5.2%) is unsure how much time their product managers spend away from the building in the field with customers, conducting market research, or attending tradeshow.

### 23. What criteria do you use to prioritize requirements? (Check all that apply.)



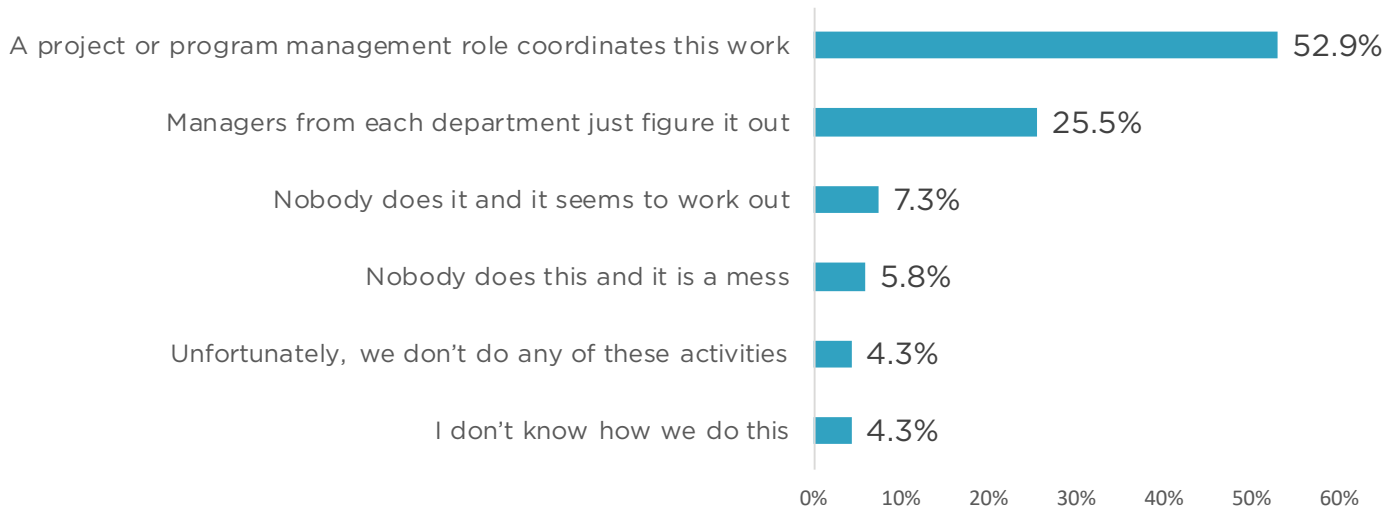
Every possible answer to this question received responses in the double digits with the highest responding answer being size/influence of customer (59.9%). Other priority requirements marked by over 50% of survey respondents include risk (technical risk, market risk, product risk) (55.9%), development cost (54.7%), and key internal stakeholder influence (53.5%). Nearly 50% of responders hold revenue (48.9%) and technical (architecture, stability, scalability) (49.2%) as key priorities. Close to 40% of respondents (38.6%) flag profitability as a key priority requirement. About a fourth of respondents (26.8%) indicate that thumb in the wind (11.6%) or everything is a priority (15.2%) are their organization's approach to prioritizing requirements.

### 24. Do individual contributors size all the stories or requirements in the backlog or just those that have been selected for the next iteration?



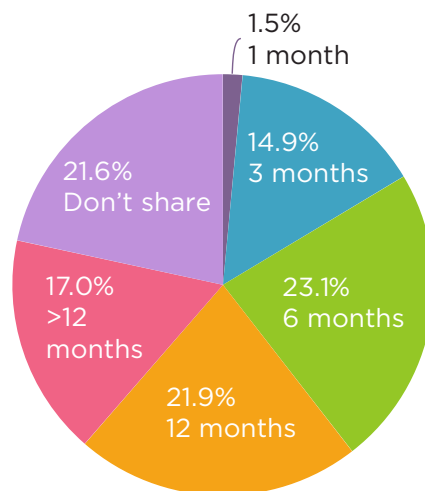
Nearly half (49.3%) of respondents indicate that their organizations have a quarter-plus-length backlog, but size only those for the next iteration. Just 17% size their entire backlog of stories or requirements upfront. The remaining responses indicate they have an only an iteration or two in their backlog at any one time (17.9%), or that they don't perform sizing at all (15.8%).

25. Who manages cross-departmental launch readiness of your product to your customers? Launch readiness typically consists of activities such as contract updates; training of vendors, partners, and support teams; development of marketing programs and complementary service offerings; supply chain readiness; and price book updates.



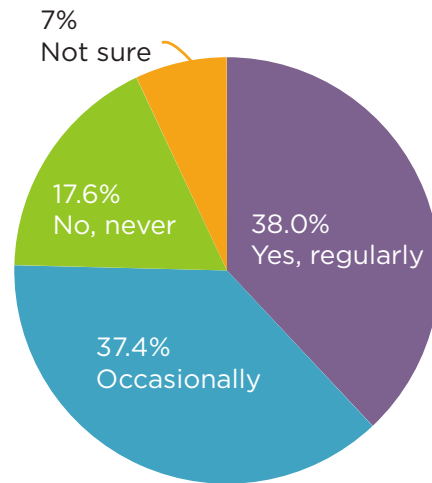
Over half of respondents (52.9%) indicate that a project or program manager handles this role. A fourth of respondents (25.5%) report that managers in each department just seem to work it out. Another near fourth of responses (22.7%) are split between “nobody does it and it seems to work out” (7.3%), “nobody does it and it is a mess” (5.8%), “I don’t know how we do this” (4.3%), and unfortunately, “we don’t do any of these activities” (4.3%).

26. Organizations typically share a tactical product roadmap with customers and customer-facing employees – how far into the future does your tactical product roadmap illustrate future development activities when shared with customers?



Nearly one-fourth of respondents (21.6%) note that their organizations do not share their product roadmap with customers at any time. Only 17% share the roadmap with customers more than a year out. Respondents are fairly evenly divided between those whose companies share the product roadmap six months out (23.1%) and those that reveal it 12 months out (21.9%). Just 14.9% share the roadmap three months out and a scant 1.5% make the product roadmap available to customers a month out.

27. Does your product team participate in product or product line portfolio reviews with members of executive leadership?



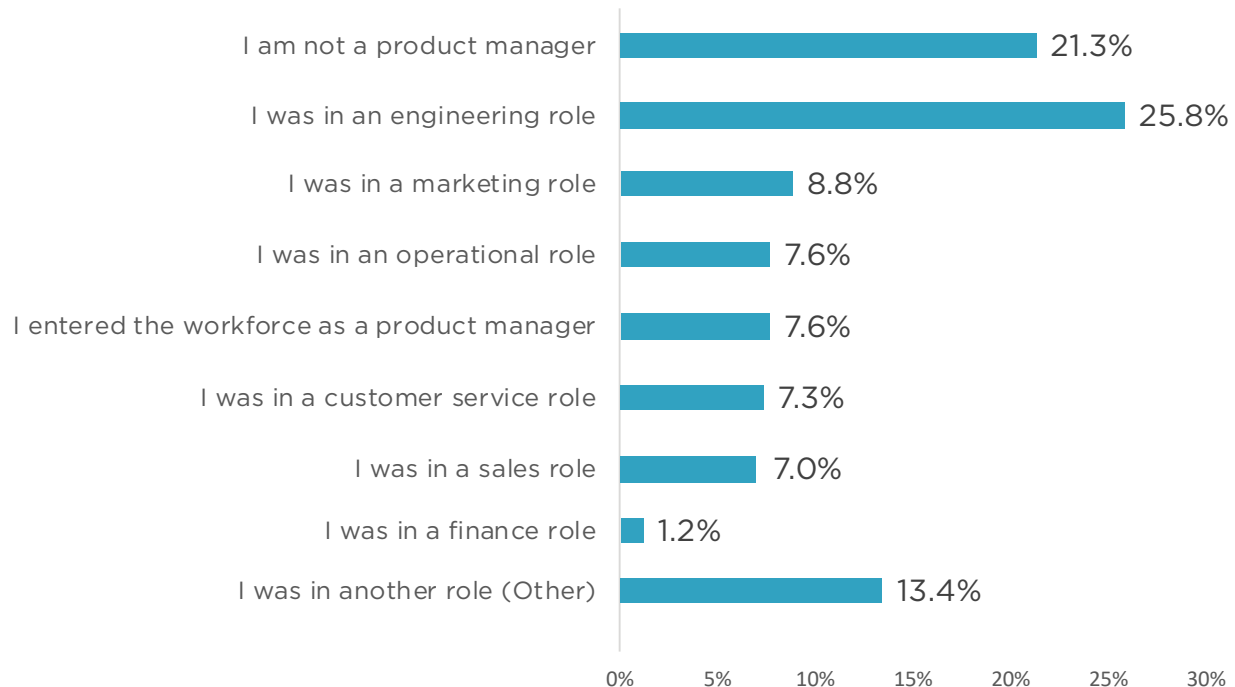
Approximately three-fourths of respondents indicate that their team is regularly a part of the product or product line portfolio reviews (38.0%) or that their team occasionally conducts product or product line reviews (37.4%). Slightly over 17% (17.6%) of respondents note they are not part of product or product line reviews and 7% of respondents are not sure if this was a part of the product team's activities.

28. How much time do you spend on activities that help you achieve your business objectives versus firefighting?



Over half (55.8%) of survey respondents note that they do not spend enough time on achieving business objectives. A little over one-third (35.6%) of respondents spend the majority of their time working toward business objectives. Finally, nearly 10% say they spend no time working toward achieving business objectives (4.3%) or they don't even know what their business objectives are (4.3%).

## 29. What role did you have prior to becoming a product manager?



Of the respondents who self-identified as product managers, the largest group, representing a fourth of all responses (25.8%), report that they were in an engineering role prior to entering product management. Answers were fairly evenly split between having a former role in sales (7.0%), marketing (8.8%), customer service (7.3%), and operations (7.6%). A small number (7.6%) note that they came into the workforce as a product manager. A scant number (1.2%) entered product management after having a role in finance. Finally, 13.4% entered product management from another role not represented by the categories offered.

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# MEET THE STUDY AUTHORS



## **Lead Author: Greg Geracie, CEO, Actuation Consulting**

Greg Geracie is a globally recognized thought leader in the field of product management and the CEO of Actuation Consulting, the leading global provider of product management consulting, training, and advisory services. Our clients include many of the world's most well-known organizations such as The American Hospital Association, Clear Edge Filtration, eMoney Advisor, FLSmidth, Johnson & Johnson, Lebara, PointClickCare, Rotary International, Tactio Health Group, and other organizations. Actuation Consulting also provides popular training courses for product managers and product teams and publishes *The Study of Product Team Performance™*.

Greg is also the author of the global best seller *Take Charge Product Management* and led the development of *The Guide to the Product Management and Marketing Body of Knowledge* as editor-in-chief with MIT professor Steven Eppinger. Greg has also taught product management at DePaul University's College of Computing and Digital Media.

He is a regular contributor to a wide variety of industry publications and a former board member of the Business Architecture Guild. As a Guild member, Greg actively contributed to the BIZBOK Guide. Greg has also been asked to contribute his product management expertise to a growing list of other professional bodies of knowledge, including the Institute of Electrical and Electronics Engineers (IEEE) first ITBOK and the latest BABOK Guide. Learn more about Greg and Actuation Consulting at [ActuationConsulting.com](http://ActuationConsulting.com).

## Contributing Authors

### **Ron Lichty, Principal, Ron Lichty Consulting**

Ron Lichty advises and consults with companies on how to make their software development “hum.” To untangle the knots in companies’ software development processes, he often takes on the role of acting or interim Vice President of Engineering. He also frequently trains and coaches teams and managers as well as executive teams in Agile, a development approach at which he is expert. Ron is the co-author of the acclaimed Addison-Wesley book, *Managing the Unmanageable: Rules, Tools, and Insights for Managing Software People and Teams*. You can learn more about Ron at [ronlichty.com](http://ronlichty.com).

### **Matt Jackson, President, OpsVantage**

Matt specializes in high-risk projects as well as operational and project turnarounds for software companies. During his 20 years in practice, Matt has served clients such as Microsoft, Corbis, Casey Family Program, Thompson Healthcare, Precor, Vertafore and Amazon. In addition to his consulting work, he has written for Fawcett Technical publications and served as an expert reviewer of the Project Management section of *The Guide to the Product Management and Marketing Body of Knowledge*. You can learn more about Matt at [ops-vantage.com](http://ops-vantage.com).

### **Steve Starke, Partner, Actuation Consulting**

Steven Starke is a recognized expert in the field of project management in product development and is highly regarded as the author of *S.T.O.P.: The Project Management Survival Plan*. Steve has over 20 years’ experience leading product, program, and project management organizations with a proven track record. He has worked with organizations of all sizes – from small startups to multi-billion-dollar corporations. His industry experience spans consumer products, medical devices, global IT infrastructure, healthcare analytics and revenue cycle management, and software development.

# ABOUT ACTUATION CONSULTING



1211 South Prairie Avenue  
Suite 1701  
Chicago, IL 60605  
Toll-free 800.935.9662 | 312.775.2373  
Greg@ActuationConsulting.com

Actuation Consulting is the leading global provider of product management consulting, training, and advisory services. Our clients include many of the world's most well-known organizations such as The American Hospital Association, Clear Edge Filtration, eMoney Advisor, FLSmith, Johnson & Johnson, Lebara, PointClickCare, Rotary International, Tactio Health Group, and many other organizations.

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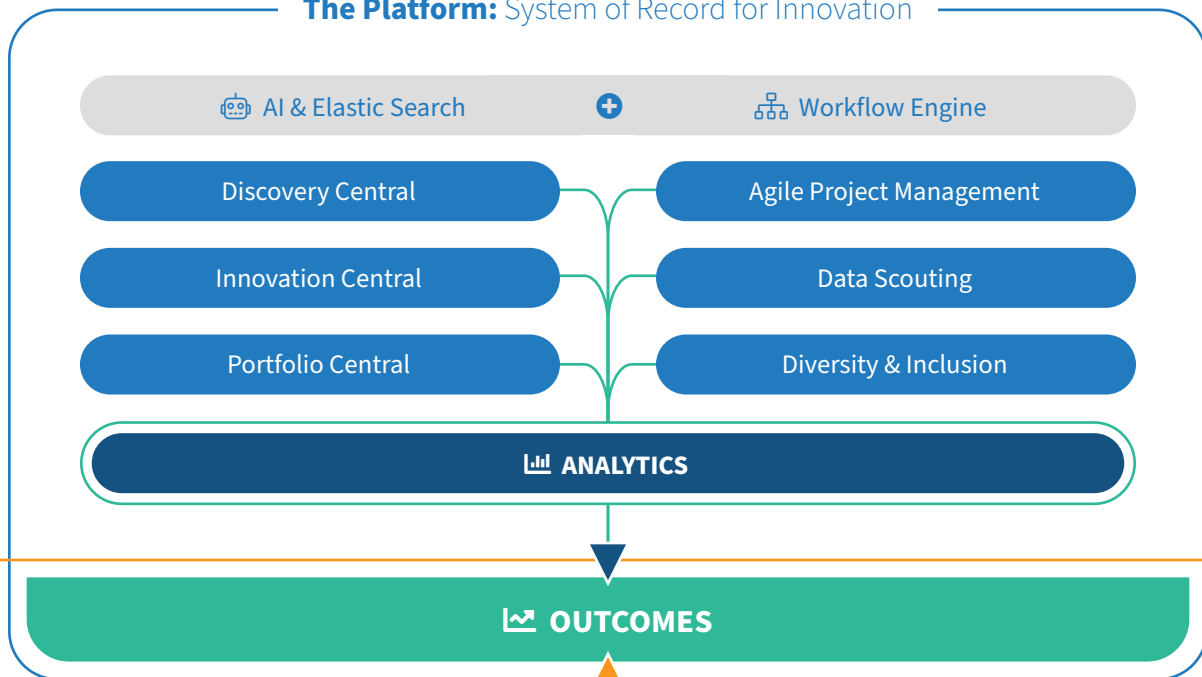
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