THE STATE OF
PRODUCT MANAGEMENT
ANNUAL REPORT

2021

ProductPlan

What's inside

Introduction

Report Highlights

The Typical Product Manager
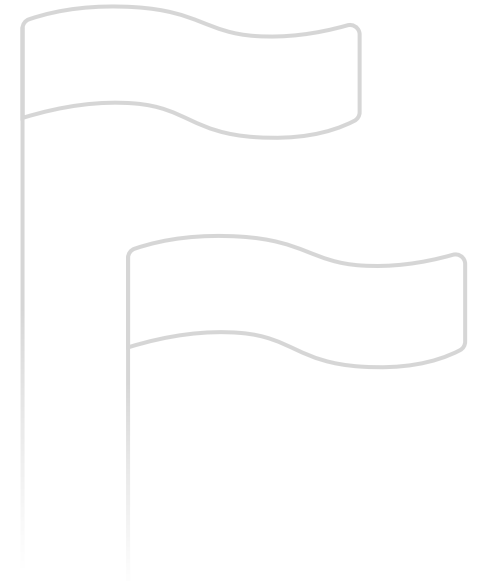
The Well-Being of Product Managers

Gender Diversity in Product Management

2021 Trends

Conclusion

Report Methodology
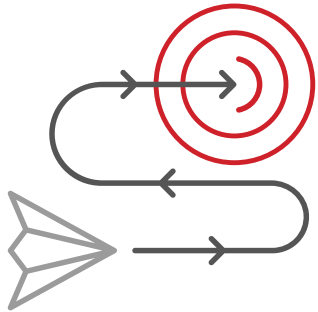
ProductPlan

Introduction

At ProductPlan, we sit on the front lines of helping product managers do what matters with our roadmap platform. Six years ago, we started publishing our annual report based on a survey of product managers worldwide. We strive to empower the product management community through data—and believe this report is one of the most important yet. Product management is a large and comprehensive industry. In this year's report, we primarily focused on the state of salary, product strategy, challenges, gender and racial diversity, and other trends in product management.

Our 2021 State of Product Management Annual Report is a collection of data designed to bring to life the trends driving product management. More than 2,200 product management professionals shared their insights, processes, and experiences with us.

We hope this report inspires meaningful conversations among the product management community and that product people have the actionable data they need to achieve their professional goals through 2021 and beyond.
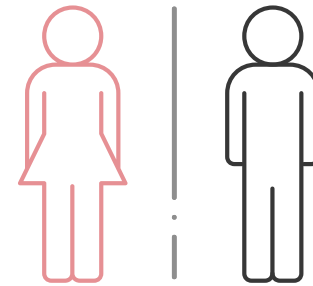
Jim Semick
Co-founder, ProductPlan
productplan.com

Report Highlights

2021 Trends

The **#1 challenge** product people experience is getting consensus on product direction.

Gender Discrepancies

- Women hold **36%** of senior product roles compared to **64%** by men.
- On average, men earn **7%** more than women in product.

Who Are You?

45% of product people have a Master's or Doctorate degree.
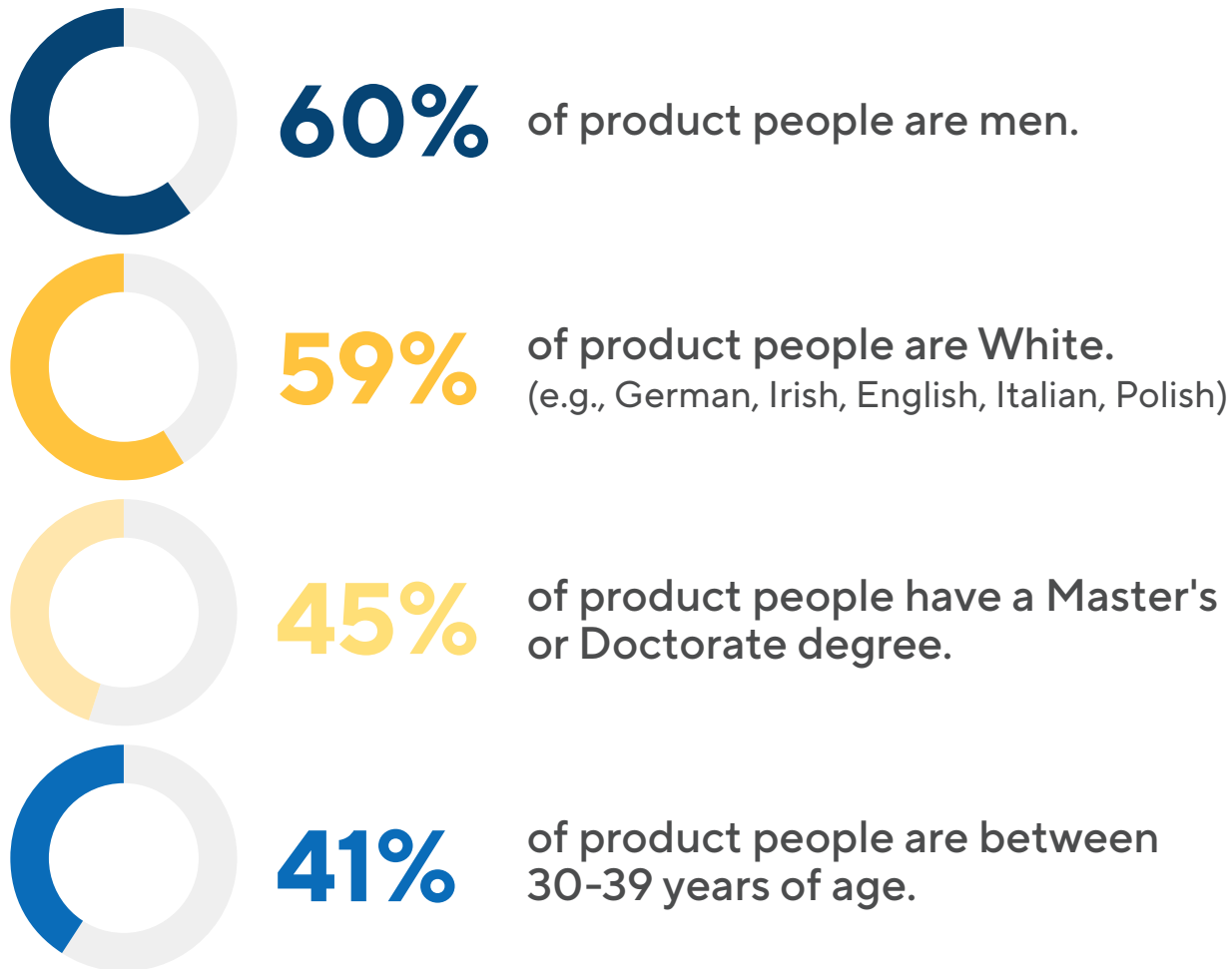
How Are You?

When communicating the product strategy, **56%** of product people feel unhappy or average about their current process.

1.

The Typical Product Manager

Demographics, salary, age, education, and industry

Key Insights:

60% of product people are men.

59% of product people are White.
(e.g., German, Irish, English, Italian, Polish)

45% of product people have a Master's or Doctorate degree.

41% of product people are between 30-39 years of age.

What category below includes your age?

41% 30-39

28% 40-49

18% 18-29

12% 50-59

3% 60 and older

ProductPlan
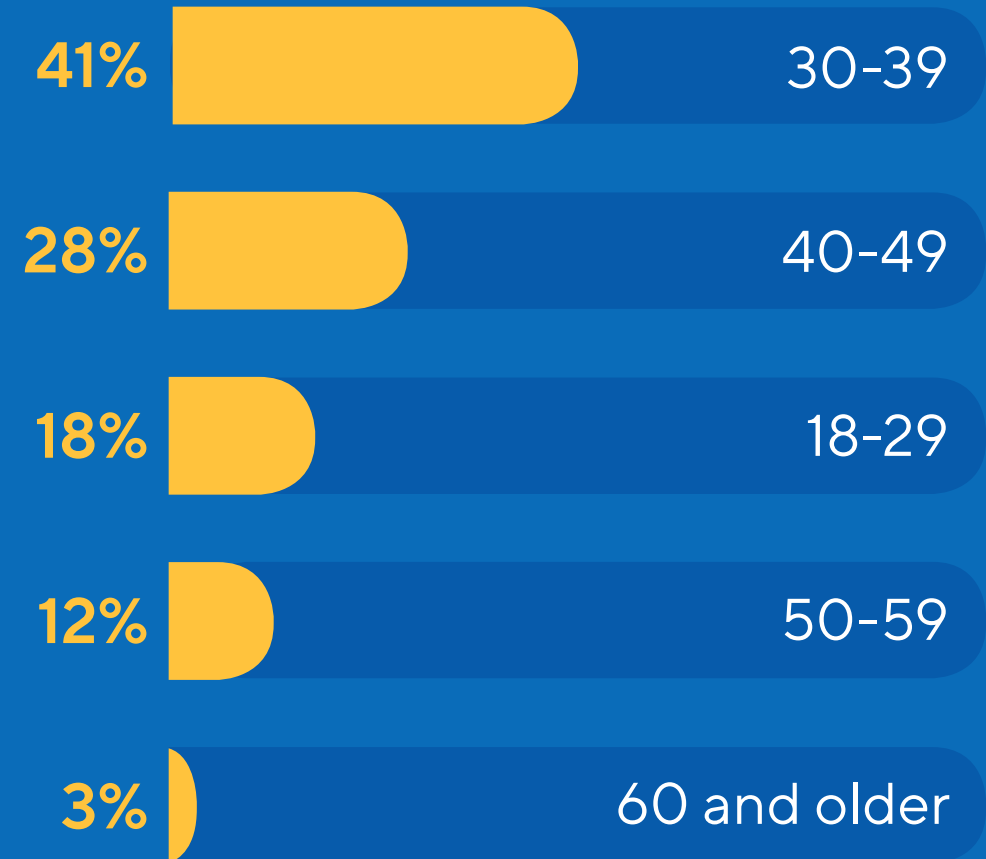
2021's Diversity Breakdown

Our report polls product managers worldwide, but the majority of respondents are from the United States.

Gender Diversity

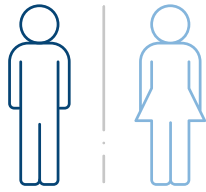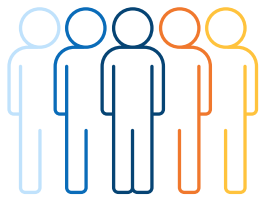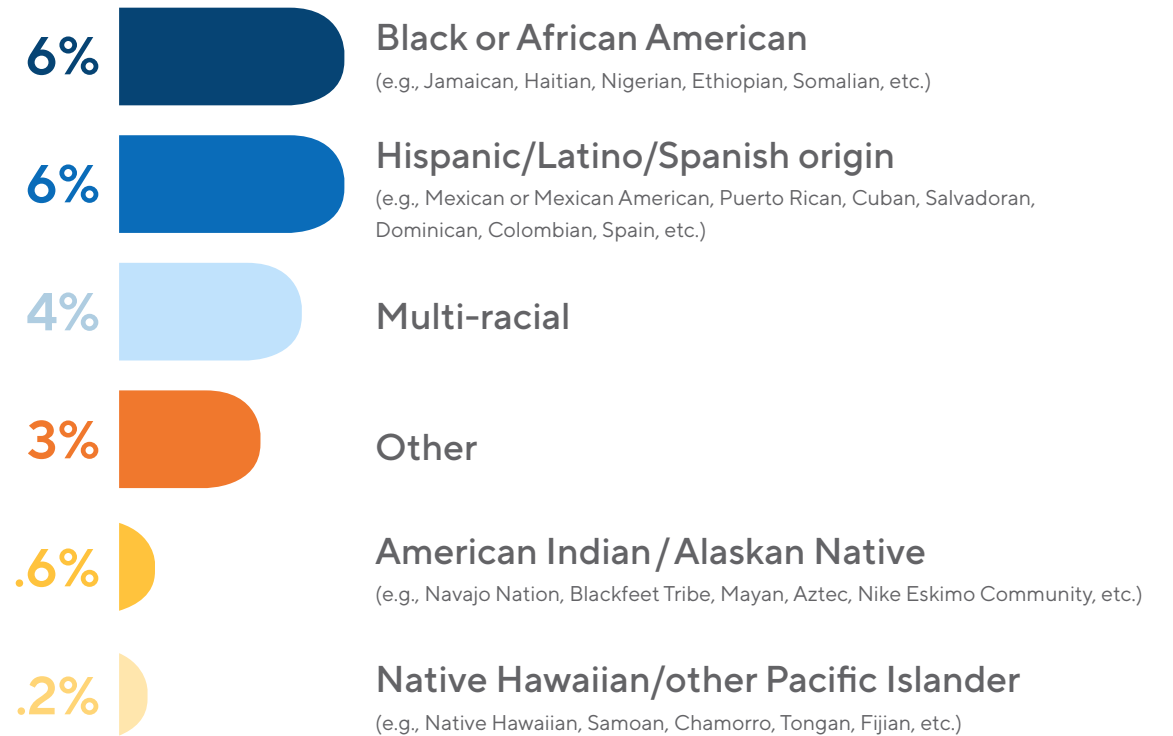Our 2,200+ survey respondents identified in the following ways: **60%** are men, **37%** are women, and **3%** either preferred not to disclose or identified as non-binary. As we dive deeper into the report, we'll emphasize the trends we see in gender and wage inequality.

Racial Diversity

Unfortunately, following the top two populations, the racial representation gap grows substantially.

We found that less than **20%** of all the following groups are represented in the product community.

6% Black or African American
(e.g., Jamaican, Haitian, Nigerian, Ethiopian, Somalian, etc.)

6% Hispanic/Latino/Spanish origin
(e.g., Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian, Spain, etc.)

4% Multi-racial

3% Other

.6% American Indian/Alaskan Native
(e.g., Navajo Nation, Blackfeet Tribe, Mayan, Aztec, Nike Eskimo Community, etc.)

.2% Native Hawaiian/other Pacific Islander
(e.g., Native Hawaiian, Samoan, Chamorro, Tongan, Fijian, etc.)

Of that, only **15%** of all senior leadership is held by someone who identifies in one of the above minority categories.

We hope that in 2021 efforts to be more diverse and inclusive continue in the workplace and hiring product teams.
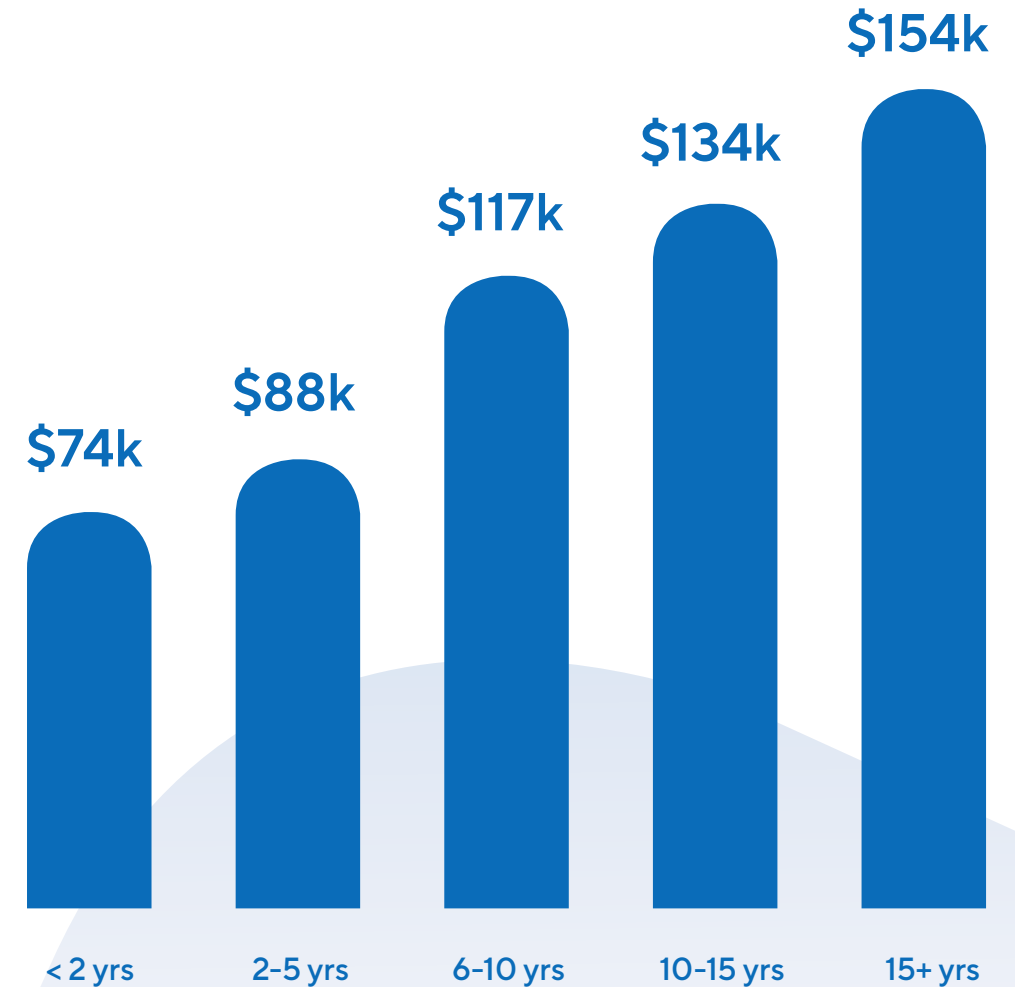
Money, Money, Money

Although links between salary and motivation are often debated, at some point or another, every product person has likely asked themself if they're being paid fairly for the value and work they bring to their team. Product managers tend to fare relatively well in the realm of compensation.

A picture is worth a thousand words. To the right is the average U.S. dollar salary income of product managers based on their years of experience (excluding bonuses).

Not surprisingly, we also found that bigger companies pay more. Additionally, companies in more expensive markets pay more, and more senior positions command a higher rate.[1]

In regards to a bonus, annually, **44%** of product managers receive an annual bonus of $3,000.[2] It's worth noting that most of our respondents are from the United States of America and the United States currently holds the highest average base pay for product managers.[3]

$74k $88k $117k $134k $154k

< 2 yrs 2-5 yrs 6-10 yrs 10-15 yrs 15+ yrs

Average salary by years of experience

[1] https://www.linkedin.com/salary/product-manager-salaries-in-united-states
[2] https://www.linkedin.com/salary/product-manager-salaries-in-united-states
[3] https://heap.io/wp-content/uploads/2020/01/Future_of_Product_Management_Report.pdf

Education

When it comes to a product manager's career, there's a looming question: to get an advanced degree or not to get an advanced degree (either a Master's or Doctorate).

In our survey, across the board, **45%** of product managers have a Master's or Doctorate degree.
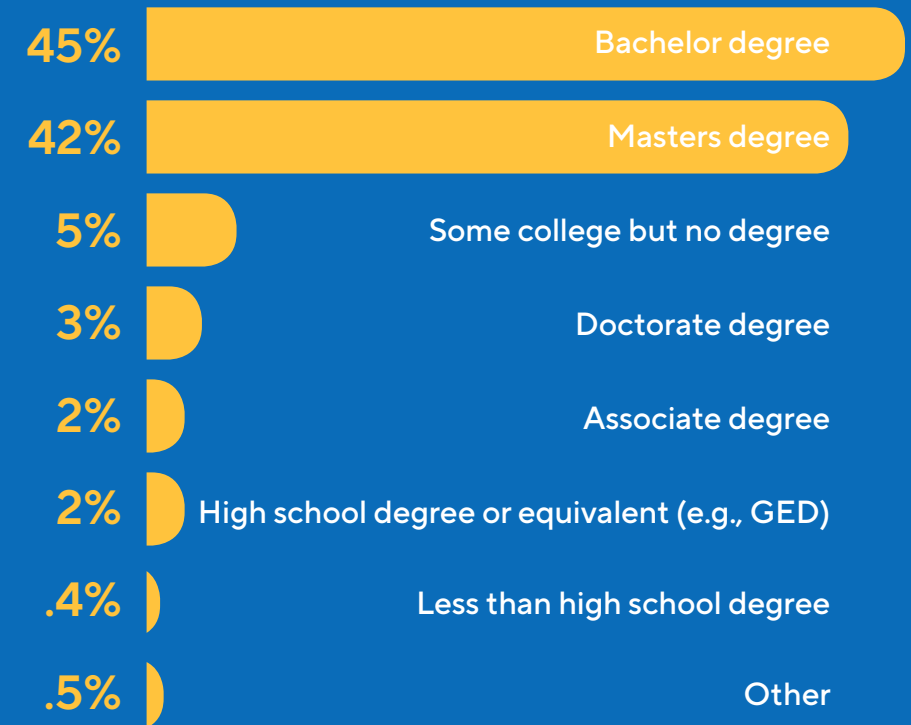
When reviewing senior product management job descriptions, you'll see that an advanced degree is usually preferred but rarely required. An advanced degree, like an MBA, is highly coveted because it can equip you with a wide range of skills and expertise that the product management role entails. As such, business-school students are setting their sights on tech companies product management roles.

It's reported that **7%** of all Harvard Business School graduates accept a job in product management.[4]

However, there is growing uncertainty around the impact that the pandemic is having on our futures. As such, product managers may be nervous about pursuing higher education. A survey released in March 2020 revealed that about one-third of more than 300 students admitted to top MBA programs were contemplating deferring their education.[5]

An MBA isn't an instant ticket to product management success. It's a combination of formal education and real-world experience. There's also the popular option for product managers to earn a product management certificate in addition to formal education.

What is the highest level of school you completed or highest degree you received?

- **45%** Bachelor degree
- **42%** Masters degree
- **5%** Some college but no degree
- **3%** Doctorate degree
- **2%** Associate degree
- **2%** High school degree or equivalent (e.g., GED)
- **.4%** Less than high school degree
- **.5%** Other

Nearly every 1 of 2 senior product leaders (48%) has an advanced degree.

[4] https://www.wsj.com/articles/coveted-job-title-for-m-b-a-s-product-manager-1456933303

[5] https://poetsandquants.com/2020/03/29/pq-survey-a-third-of-admits-may-defer-while-43-want-tuition-lowered-if-classes-are-online/
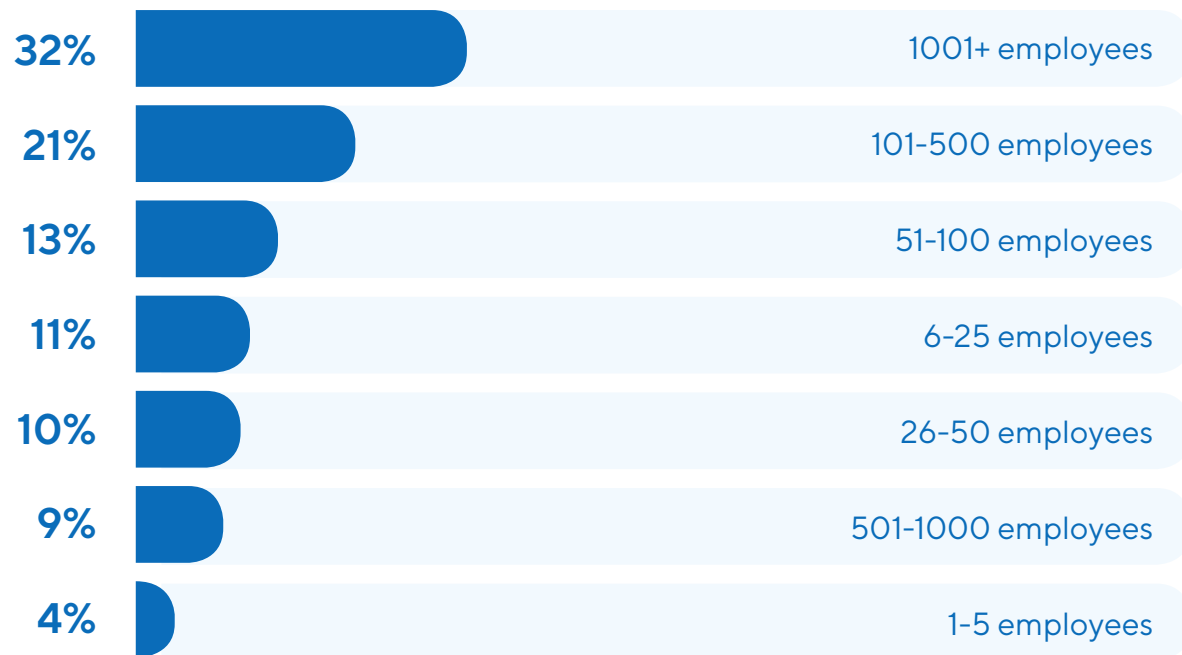
ProductPlan

Who Is Hiring?

So, what does all this data mean? According to LinkedIn, interest in product management has doubled in the United States in the past 5 years. What companies then are your best bet for getting a job in product management?
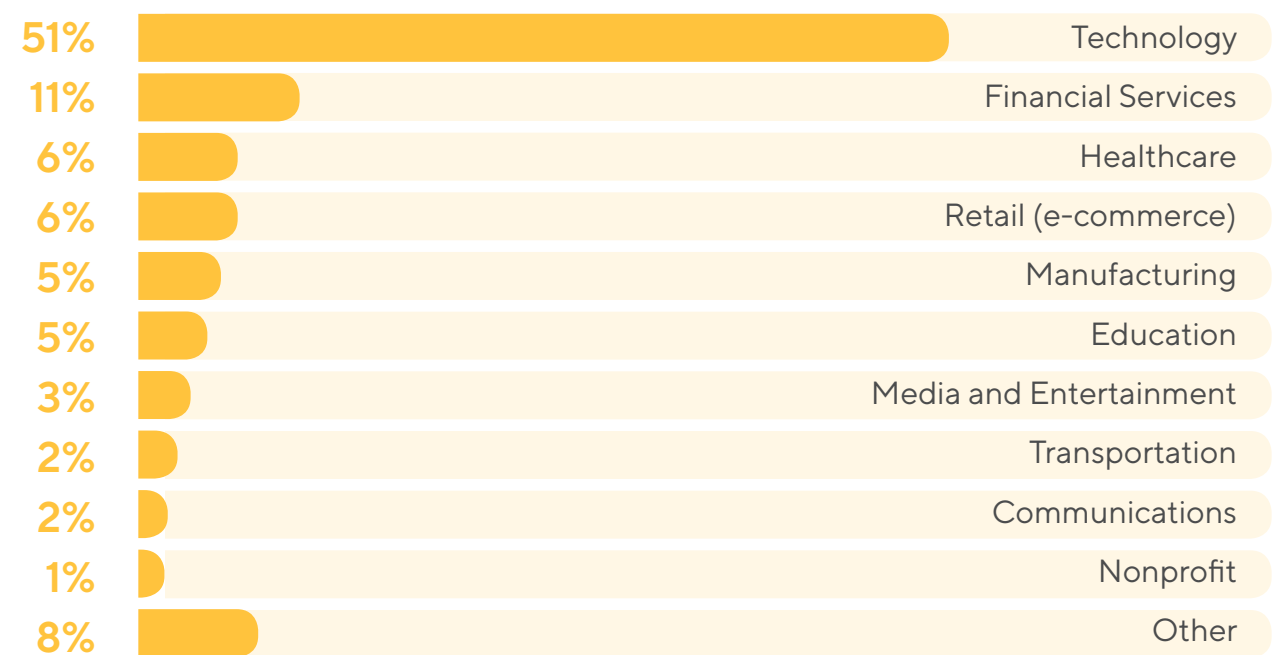
We found that product managers are primarily working in technology (**51%**). The majority (**32%**) of product people work at a 1001+ sized company, followed by **21%** at a 101-500 employee sized company.

Product managers at large companies (>500 employees) compared to small or mid-sized companies (<500 employees) have different and notable experiences. So, we'll break down the day in the life of a typical product manager at >500 employees company and <500 employees company, next.

What size company do you work for?

%	Category
32%	1001+ employees
21%	101-500 employees
13%	51-100 employees
11%	6-25 employees
10%	26-50 employees
9%	501-1000 employees
4%	1-5 employees

What industry do you work in?

%	Category
51%	Technology
11%	Financial Services
6%	Healthcare
6%	Retail (e-commerce)
5%	Manufacturing
5%	Education
3%	Media and Entertainment
2%	Transportation
2%	Communications
1%	Nonprofit
8%	Other

ProductPlan

Day in the Life of a Product Manager with 6-10 Years of Experience
>500 Employees

Average salary: **$120,000**

Gender: **62%** Male

Most popular career goal:
51% Be a product leader

Biggest challenge:
26% Getting consensus on product direction

Allocating budget in 2021:
31% Product stack tools
19% Training: events & resources

Happiness in role:
63% Are mostly happy or extremely happy at work

Like least:
34% Internal politics

Prefer remote work:
70% Work remote

Change in 2021:
31% Clearer purpose & company strategy
27% Higher salary

Preferred benefits:
37% Flexible working hours
30% Better health, dental, & vision insurance

Most important strategic activities:
27% Product development (priorities, sprint planning)
24% Managing the product roadmap

Communicating product strategy:
62% Feel neutral or unhappy

Success metrics:
33% Business-oriented metrics (customer acquisition cost, avg. revenue per user, etc.)

Preferred peer skills:
24% Prioritization skills / **19%** Communication skills

33% Product metrics (product usage, product adoption, etc.)

Day in the Life of a Product Manager with 6-10 Years of Experience
<500 Employees

Average salary: $96,000   **Gender: 62%** Male

Most popular career goal:
49% Be a product leader

Allocating budget in 2021:
30% Product stack tools
21% Hiring

Like least:
23% Lack of resources

Want to change in 2021:
34% Clearer purpose & company strategy

Most important strategic activities:
27% Product development (priorities, sprint planning)
24% Managing the product roadmap

Preferred peer skills:
21% Communication skills / **20%** Prioritization skills

Biggest challenge:
26% Getting consensus on product direction
21% Setting roadmap priorities without customer feedback or market feedback

Happiness in role:
65% Are mostly happy or extremely happy at work

Prefer to work remotely:
67% Work remote

Preferred benefits:
49% Flexible working hours
22% Better health, dental, & vision insurance

Communicating product strategy:
61% Feel neutral or unhappy

Success metrics:
31% Business-oriented metrics (customer acquisition cost, avg. revenue per user, etc.)
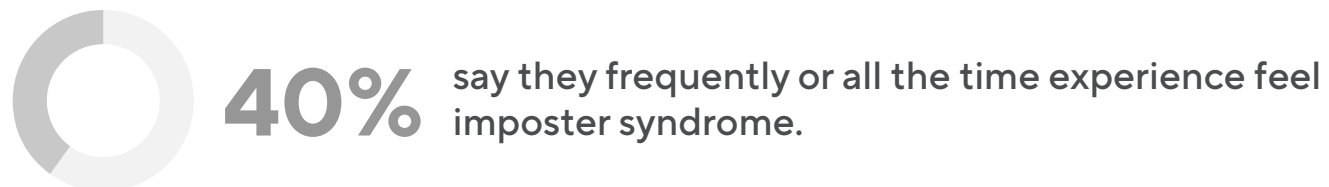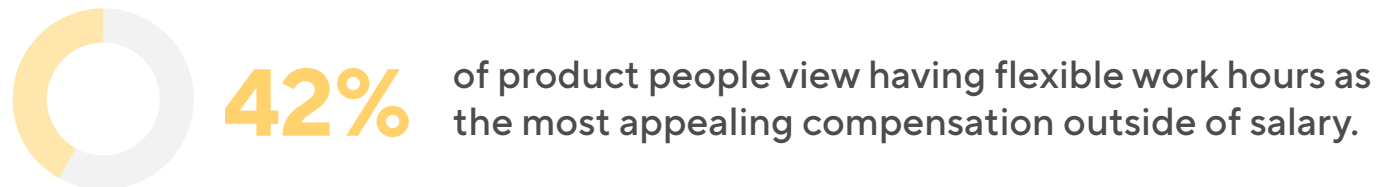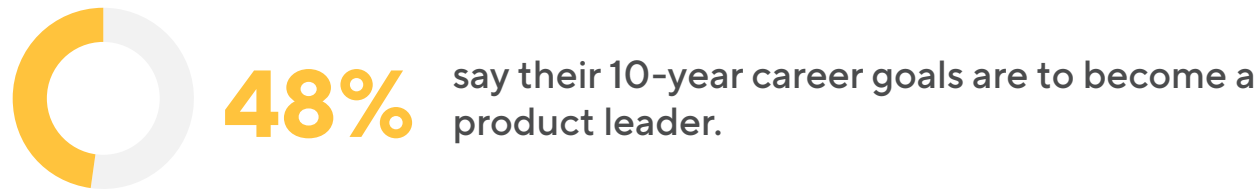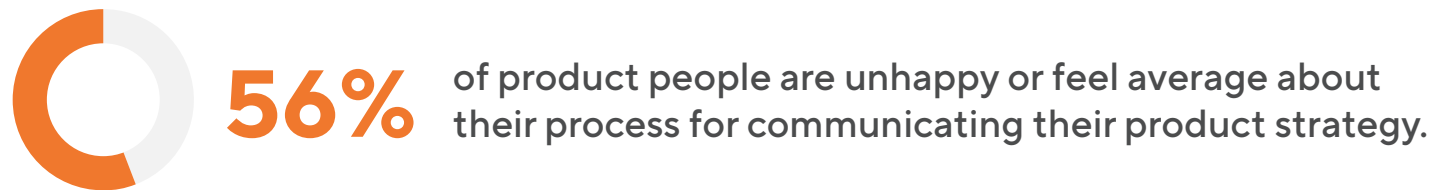**31%** Product metrics (product usage, product adoption, etc.)

ProductPlan

11
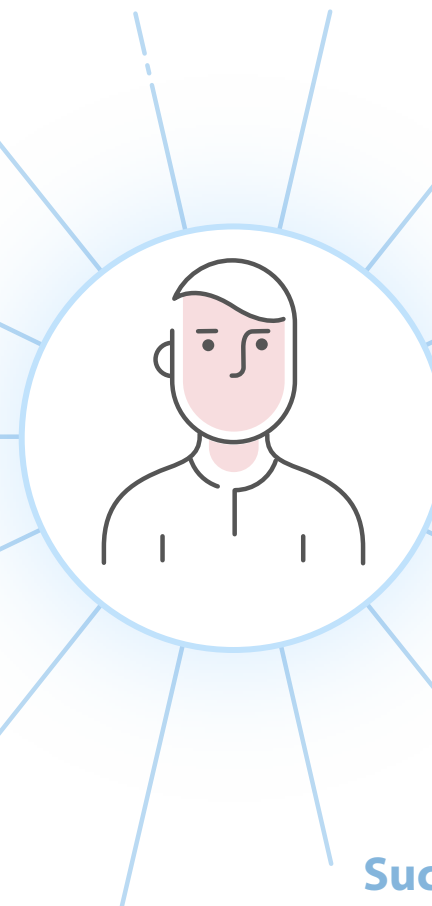
The Well-Being of Product Managers

Benefits, Happiness, Dislikes, Skills, and Goals

Key Insights:

56% of product people are unhappy or feel average about their process for communicating their product strategy.

48% say their 10-year career goals are to become a product leader.

42% of product people view having flexible work hours as the most appealing compensation outside of salary.

40% say they frequently or all the time experience feel imposter syndrome.

If forced to choose, would you rather work remotely 100% of the time or come into the office every day?

67% Work remote

33% Come into the office

The #1 skill product teams say their peers lack the most are prioritization skills.

#1

The #1 part of their job that product managers like the least is dealing with internal politics, *especially* at large organizations.
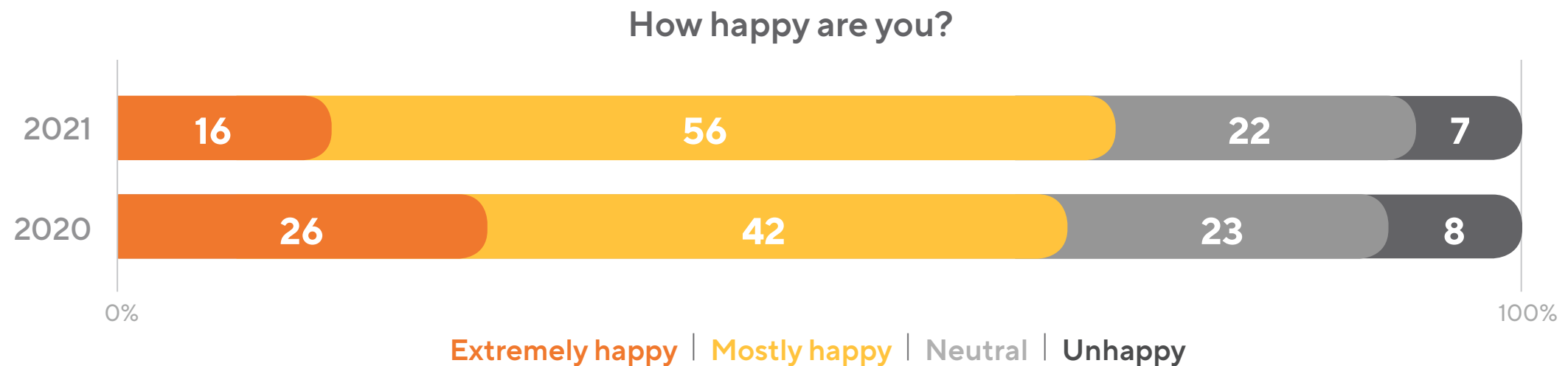
ProductPlan

Happy Product Managers, Happy Product

First, the good news. In a study conducted by Glassdoor, the product manager role is the 4th best job in the United States for 2020 based on a few factors. These factors include earning potential, overall job satisfaction rating, and the number of job openings. We've been following product managers' job satisfaction for a couple of years now. Even during the global pandemic of 2020, we are happy to report that satisfaction is still quite high.

Product managers tend to cite the meaningful work around setting the tone for a product, understanding the customer's pain points, leading a team, high salary, and clear career progression as reasons for their happiness.

72% are mostly happy or extremely happy in their current role.

We also discovered that the overall happiest product people are those with more than 15 of years experience.

How happy are you?

	Extremely happy	Mostly happy	Neutral	Unhappy
2021	16	56	22	7
2020	26	42	23	8

0%   100%

Extremely happy | **Mostly happy** | Neutral | **Unhappy**

The Ideal Benefits

Remote Work

Just last year, **70%** of product managers stated that they preferred to come into the office.[6] Then we experienced a global pandemic of historic proportions, and the professional world was forever changed.

One of the many impacts of the pandemic includes the huge jump in the desirability and willingness to work remotely and the growth of remote companies in the United States by **2.8x**.[7]

When we asked, "If forced to choose, would you rather work remotely 100% of the time or come into an office every day 100% of the time?" **67%** chose to work remotely—across all company sizes. Those who especially said they prefer remote work were our respondents in older demographics.

We believe that the workforce will continue this trend once the pandemic ends and possibly evolve into a hybrid model.
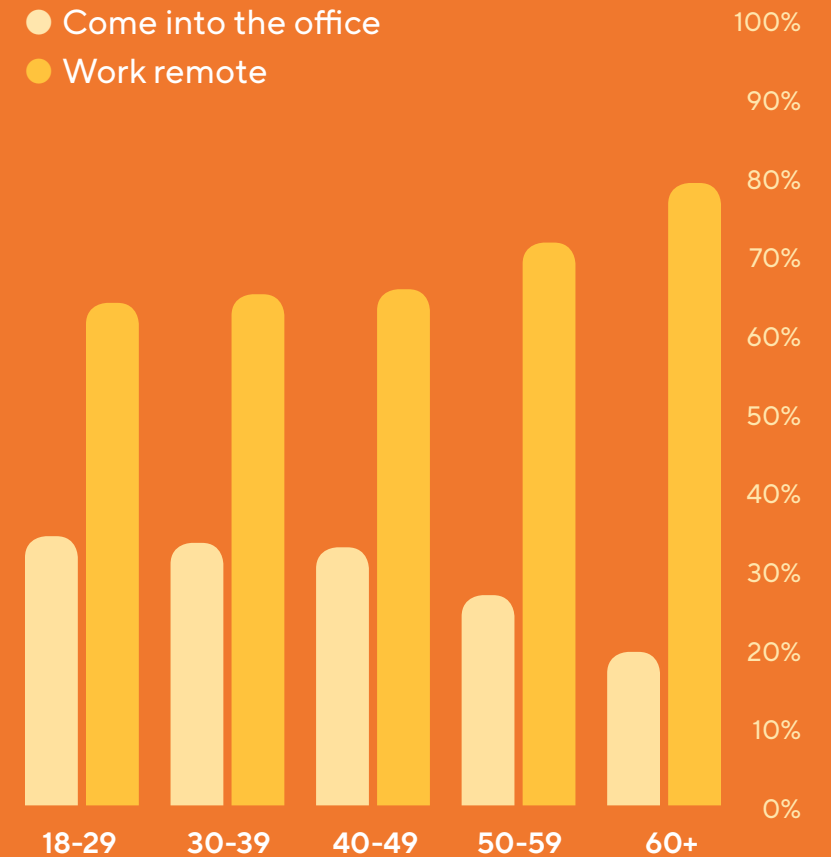
Compensation Benefits

Part of the growing appeal of remote work is it supports of flexible work hours. By allowing more flexibility in both when and where their employees work, an organization can attract and and retain product people on their teams.

Workplace preferences by age

● Come into the office
● Work remote

1 in 4 product managers
say the number one compensation benefit most appealing to them is flexible work hours.

[6] https://heap.io/wp-content/uploads/2020/01/Future_of_Product_Management_Report.pdf

[7] https://business.linkedin.com/talent-solutions/blog/trends-and-research/2020/global-data-shows-surge-in-remote-work

ProductPlan

Future Product Leaders

Great product leadership can be learned, and great product leadership is intentional. It's the result of the perfect balance of collaboration, service, strategic focus, and great communication.

It's heartening to see that becoming a product leader was the number one ten-year goal of our survey. Almost half not only aspire to continue in product, but eventually see themselves leading the products of the future.

What are your 10-year career goals?

48% **27%** **17%** **7%** **2%**
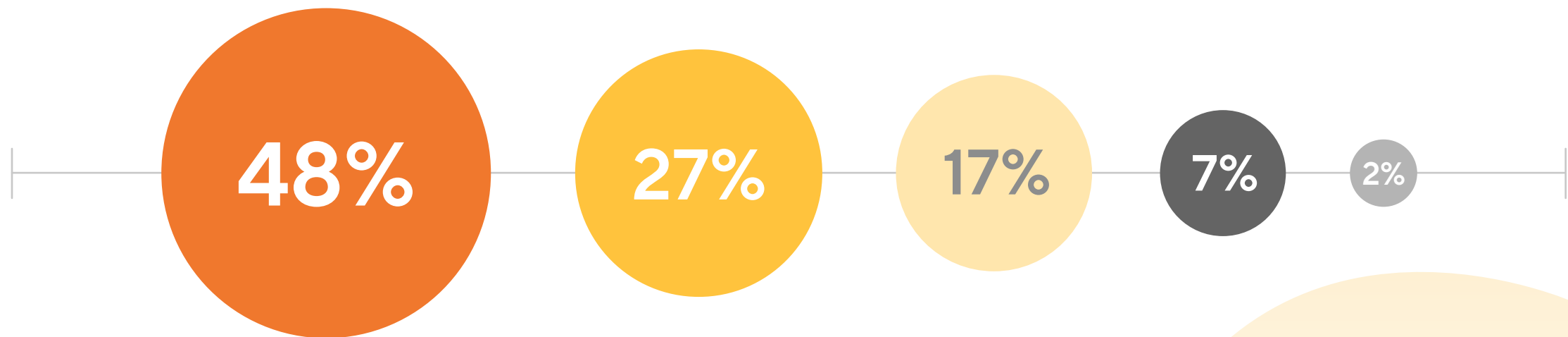
● Be a product leader ● Start my own company ● Be an individual contributor building great things

● Leave product and go a different route ● Get a higher education degree

ProductPlan

Imposter Syndrome

Comparatively, we found a disheartening trend.

Only **8%** of the 2,200+ responses reported that they have never felt imposter syndrome. Imposter syndrome is a psychological term referring to a behavior pattern where people doubt their accomplishments and have a persistent, often internalized fear of being exposed as a fraud.

Moreover, **40%** of product people say they frequently or all the time experience imposter syndrome. That means one in four of your product team members is continually doubting themselves. Additionally, product managers with 2-5 years of experience tend to feel it the most frequently (**46%, all the time**).

Product managers have explained that they are particularly vulnerable to feeling imposter syndrome because they feel the need to be the expert and often need to make decisions with imperfect information. The nature of the profession is nebulous, leading many to doubt themselves.

Have you ever experienced imposter syndrome as a product professional?

Never
8%

All the time
13%

Occasionally
36%

16%
Rarely

27%
Frequently
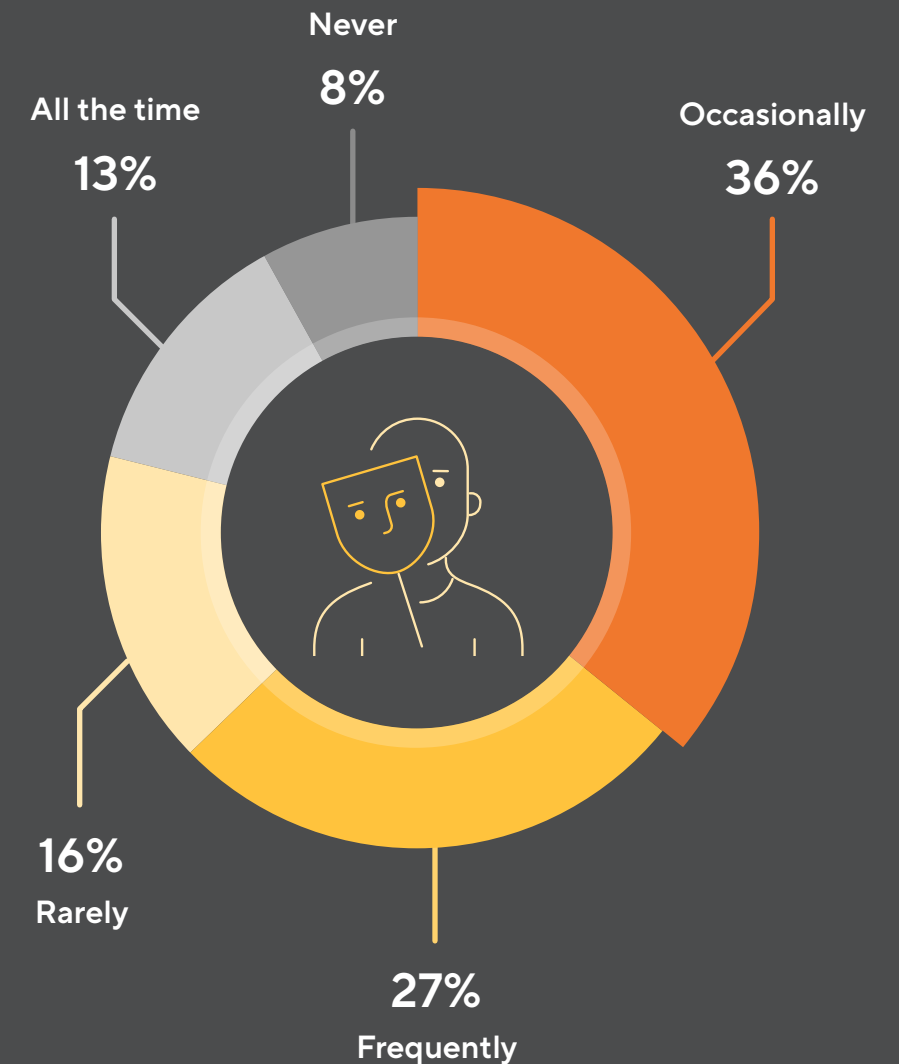
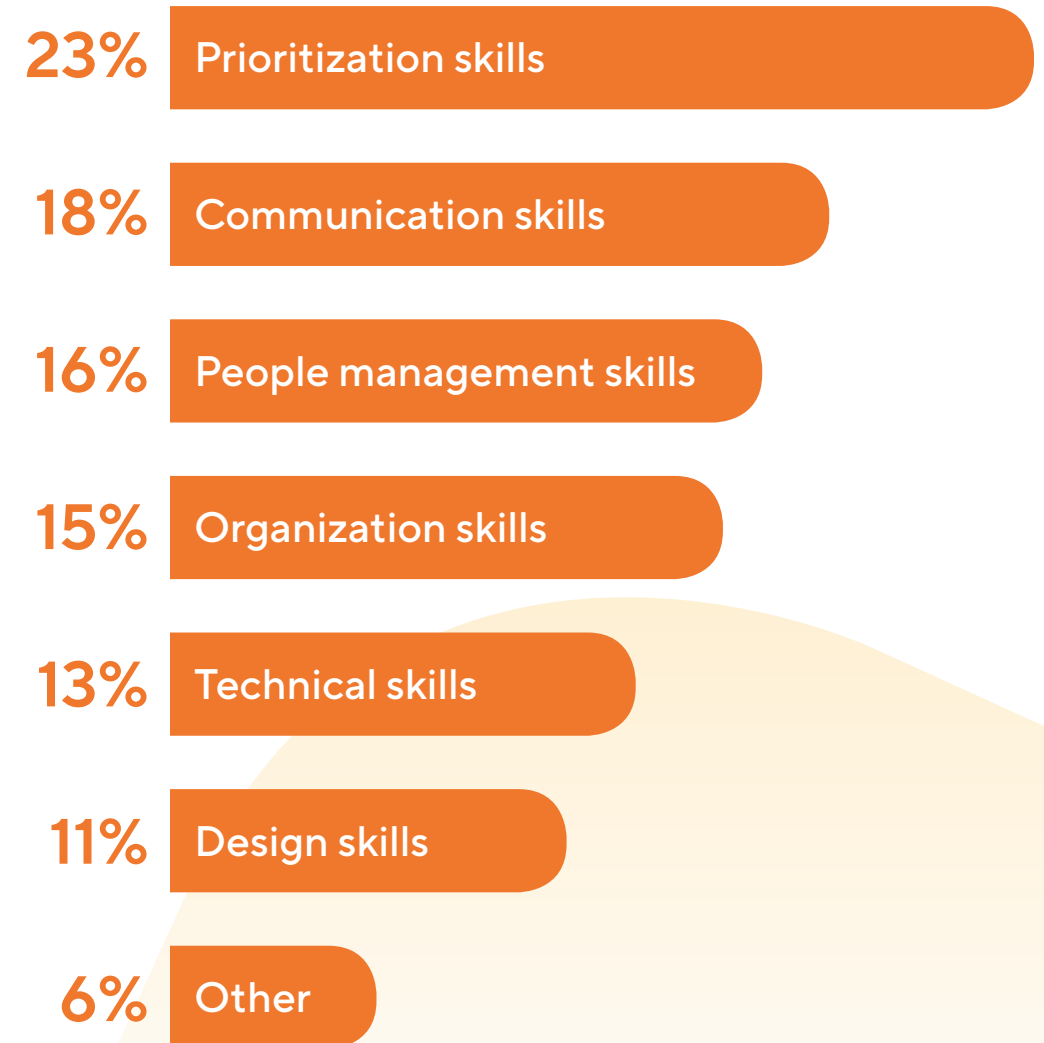# The Skills and Strategic Activities of a Product Manager

Product Manager Skills

Product managers are expected to have a diverse set of skills that are considered soft and hard skills. Year after year, in this report, we've asked what are the most important skill in product management is on a day-to-day basis? Communication skills always take the cake.

This year we approached the question a little differently and asked, "What skill do your product peers lack most?" While communication pulled in the second-highest amount of votes. This time, **the number one skill their peers lack is prioritization skills.**

Knowing how to prioritize, objectively and ruthlessly, and how to respectfully turn down requests that could upset your product's strategic priorities are extremely valuable skills. Prioritization skills are in the grey area between hard and soft skills.

What skill do your product peers at your organization lack most?

23% Prioritization skills

18% Communication skills

16% People management skills

15% Organization skills

13% Technical skills

11% Design skills

6% Other

Strategic Activities

97% of senior leaders say being strategic is the most important thing for their organization's success, yet **96%** of them say they don't have the time for strategic thinking.[8]

Product managers have a uniquely strategic role that brings together a synthesis of exploration, analysis, and development. Not many jobs allow for this kind of professional variance or fusion. That being said, it's all too easy to lose track of strategic direction when stand-ups, customer interviews, presentations, and many other demands crowd the calendar, vying for precious time.

The top strategic activities of the last two years are below.

1. **Product development (priorities, spring planning)**
2. **Managing the product roadmap**
3. **Getting consensus on product direction**

Top strategic activities

	Product development	Managing the product roadmap	Getting consensus	Customer feedback	Understanding market	Setting pricing	Other
2021	73	67	54	46	30	8	
2020	73	63	54	48	28	8	6

0% — 100%

● Product development ● Managing the product roadmap ● Getting consensus and buy-in on product direction
● Customer feedback, market validation, etc. ● Understanding market size, segments, and target market
● Setting and maintaining pricing ● Other

> "
> From speaking to people around the technology industry, it sounds like many product managers and product leaders have faced the same challenge: we are asked to think strategically, but in practice, we are responsible mostly for administrative tasks. So, how does a product manager take ownership of more than just backlog management?
>
> How can you take responsibility for the vision and shape the future of your product when you don't control strategy at the corporate level? [9]
> "

– Radhika Dutt, co-author of Radical Product

ProductPlan

[8] https://hbr.org/2018/06/if-strategy-is-so-important-why-dont-we-make-time-for-it

[9] https://medium.com/radical-product/becoming-a-strategic-product-manager-f138b6a9b097
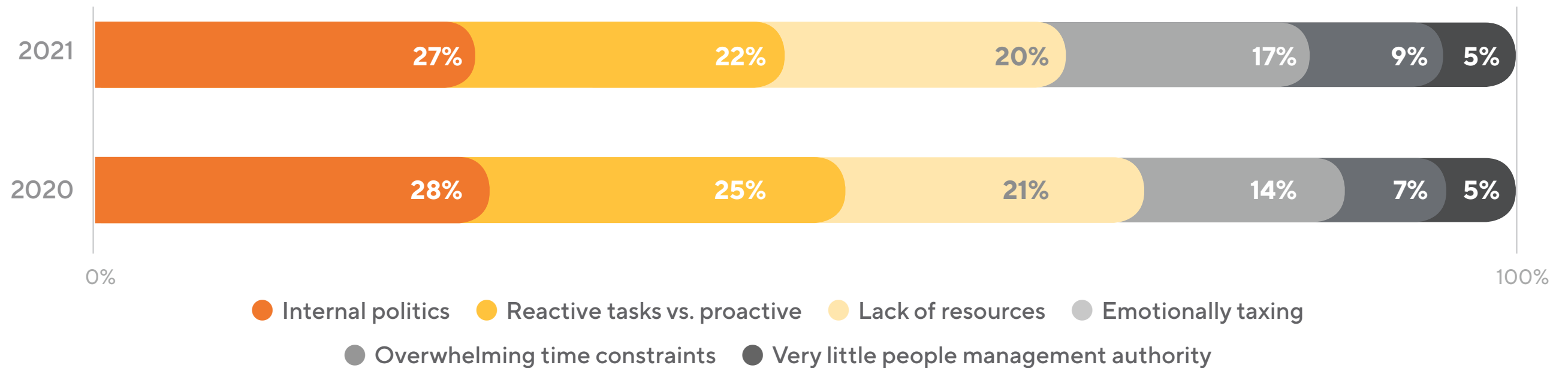
Internal Politics

Even product managers who like (if not love)aspects of the job can have some legitimate gripes about their work environment, company culture, and co-workers.

No single aspect of the job was disliked most by the majority of respondents. However, internal politics (**27%**), having to work on reactive tasks versus proactive strategy (**22%**), and a lack of resources (**20%**) were the most common responses.

Let's take a closer look at the top three.

What do you like least about product management?

	Internal politics	Reactive tasks vs. proactive	Lack of resources	Emotionally taxing	Overwhelming time constraints	Very little people management authority
2021	27%	22%	20%	17%	9%	5%
2020	28%	25%	21%	14%	7%	5%

● Internal politics   ● Reactive tasks vs. proactive   ● Lack of resources   ● Emotionally taxing

● Overwhelming time constraints   ● Very little people management authority

ProductPlan

Internal politics

Internal politics can be an acute pain point for product managers due to the role's cross-functional nature (**27%**). Product management must work with various stakeholders and get them to align on things regularly. It can put product managers at the center of many political spats, power grabs, and ideological disagreements. Product managers often need to facilitate resolutions that make decisions and set the product strategy so that implementation can move forward. We also found that internal politics is especially a challenge in larger organizations.

Reactive strategy

The second most common gripe from product managers was: dealing with reactive tasks instead of developing and executing a proactive approach (**22%**). Product managers report that they spend **52%** of their time on unplanned fire-fighting activities.[10]

Beyond intruding on your productivity, reactive tasks can sidetrack the entire product development organization. It might be chasing a fleeting opportunity that wasn't part of the core vision but has suddenly, urgently presented itself. It could be custom development for a customer with little benefit for anyone else. Even addressing "emergency technical debt" can derail momentum thanks to a vendor changing an API or an app store adjusting their submission requirements.

Lack of resources

The product manager's job involves a lot more than gathering product insight, tracking the backlog, and reviewing the product roadmap. While there are many tools out there to support the work, lacking the proper resources is still a considerable challenge (**20%**). Resources and tools can help product managers increase their efficiency, become better collaborators, and make sure nothing falls through the cracks. Product managers shouldn't be shy about asking for a tools budget: user tracking and analysis, session replay and heatmaps, flowcharting tools, product roadmap software, and many more. We'll review 2021 budgets further in this report.

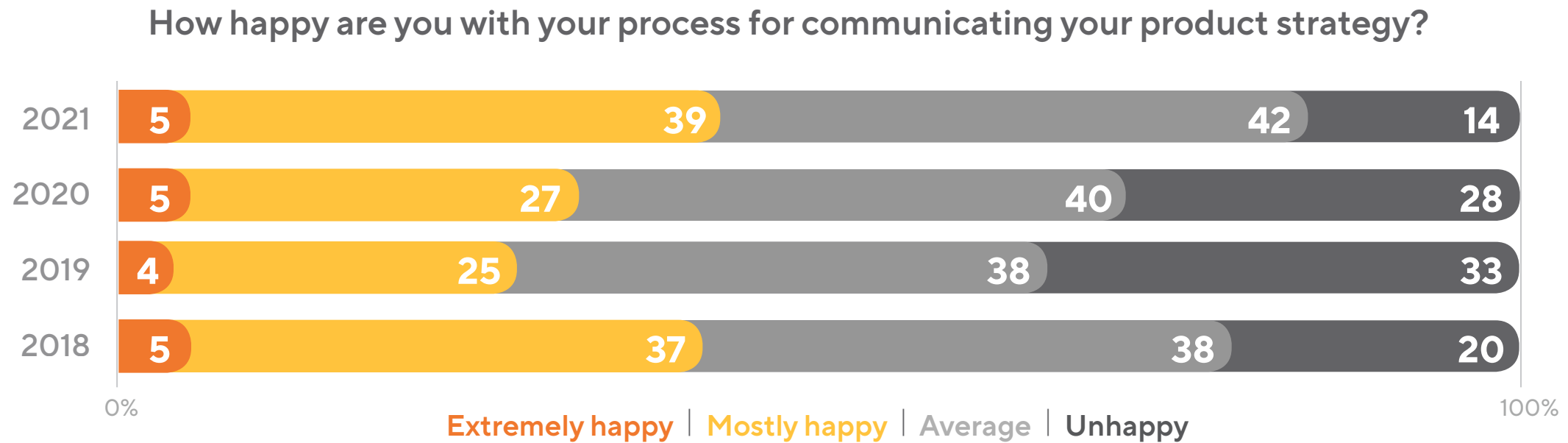# What do you like least about product management?
(By company size)
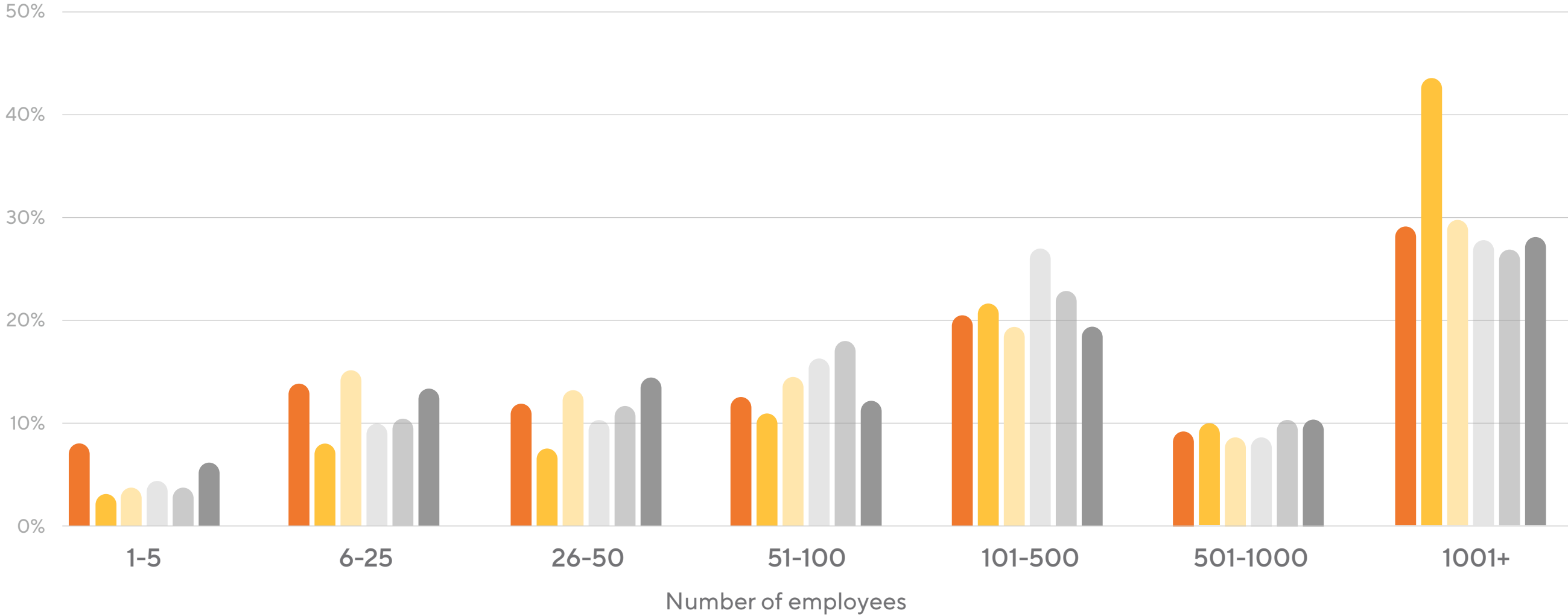
Legend:
- ● Emotionally taxing (stress, imposter syndrome, and burnout)
- ● Internal politics
- ● Lack of resources
- ● Overwhelming time constraints
- ● Reactive tasks vs. proactive
- ● Very little people management authority

X-axis (Number of employees): 1-5, 6-25, 26-50, 51-100, 101-500, 501-1000, 1001+

Communication Is Everything

From the skills to the struggle, communication is at the core of it all. That's because product managers are responsible for communicating their strategy to the team. To be happy and effective in the role, they need to communicate well and across many different formats (e.g., in person, on-screen, via email, etc.).

For the past four years, we've asked how happy product people are with their process for communicating their product strategy, and the results year over year aren't good. This year, more than half (**56%**) say they are unhappy or feel average about their process.

How happy are you with your process for communicating your product strategy?

Year	Extremely happy	Mostly happy	Average	Unhappy
2021	5	39	42	14
2020	5	27	40	28
2019	4	25	38	33
2018	5	37	38	20

0%   100%

Extremely happy | **Mostly happy** | Average | **Unhappy**

As a product manager, one of your key jobs is to be an evangelist for the product. In our experience, satisfaction in how one communicates strategy often depends on the roadmapping tool they use. A high-level visual presentation is a powerful way to help get buy-in on the strategy for two reasons. First, when the product manager can articulate a compelling vision for the product, they're more likely to earn executive approval and move forward. Second, communicating a compelling product vision makes it more likely that others will play a role in the product's success.

Gender Diversity in Product Management

Title, Happiness, Imposter Syndrome, and 10-Year Goals

Key Insights:

65% Men hold 65% of senior roles.

42% At 2-5 years in product management, 42% of men and women equally feel imposter syndrome all the time.

7% Men on average earn 7% more than women.

The civil unrest around the country, primarily emerging out of protests against systemic racism, made diversity and inclusion top-of-mind for many product leaders. This includes teams that already prioritized building diverse teams in the years leading up to 2020. Moreover, it's even been proven that diverse teams produce better results—inclusion helps us perform better.[11]

With that in mind, the data we've been discussing in this State of Product Management report looks different when it's under the lens of men's experiences versus women's.

ProductPlan

Gender Identity in Product Management

Men in the tech industry outnumber women, and in technical roles especially. In product management, we found that men outnumber women almost **2:1**. This section will review how men's and women's careers play out in product, how their well-being is holding up, and the differences in their career goals.

37%
Female

60%
Male

3%
Other

● Men
● Women
● Other
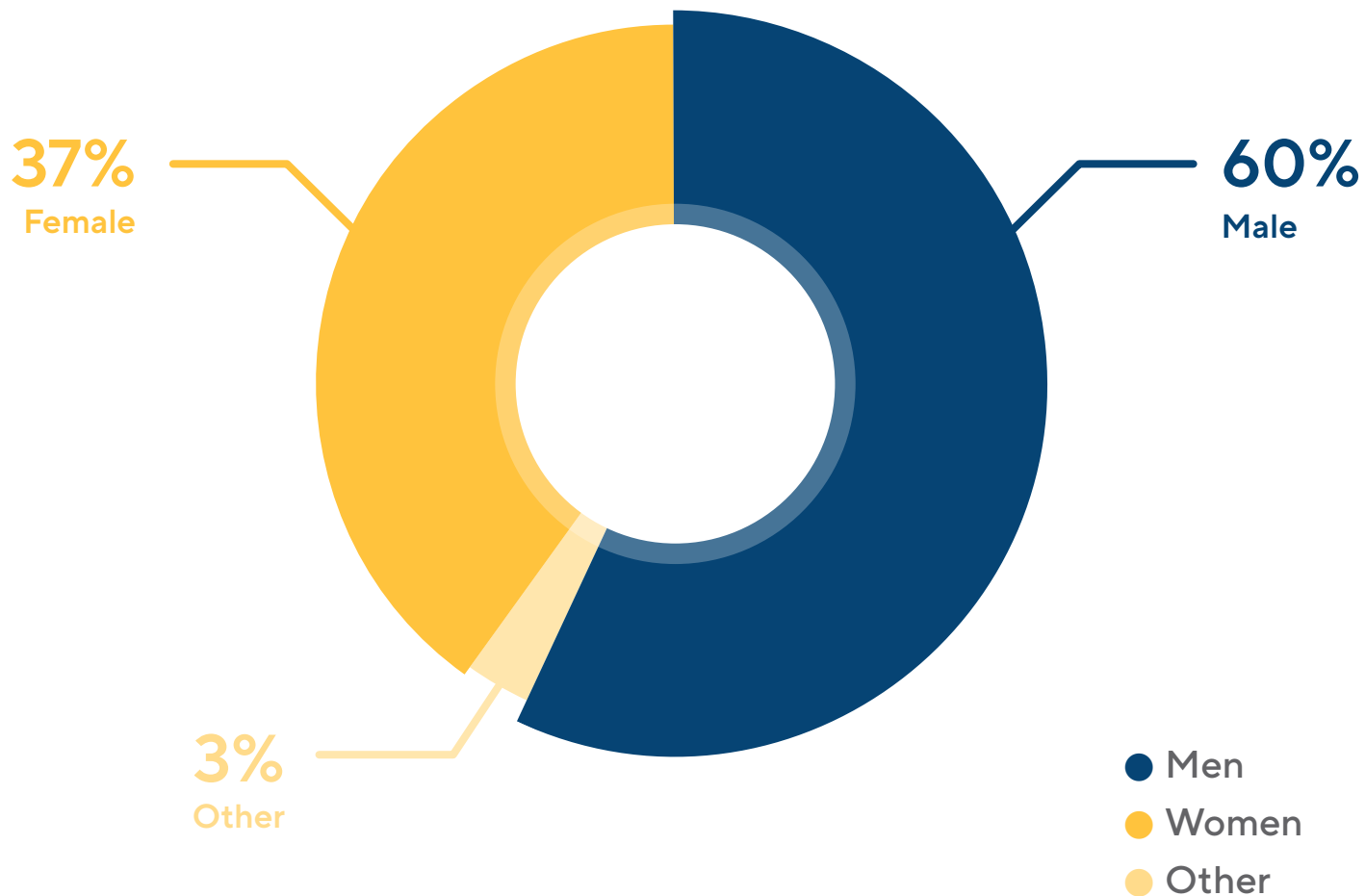
> In the early to mid-2000s, Product Management at tech companies had almost the same number of men and women. The solution they came up with was to filter down to technical PMs, [with] the requirement that they have a degree in computer science—or in a related field like electrical engineering. In 2005, women only earned about one in five CS degrees in the US, and that trend continues to this day.
>
> I believe that the new technical requirement changed the pool of potential PMs to one which was heavily male dominated and thus unintentionally led to the industry moving away from gender balanced teams.[12]

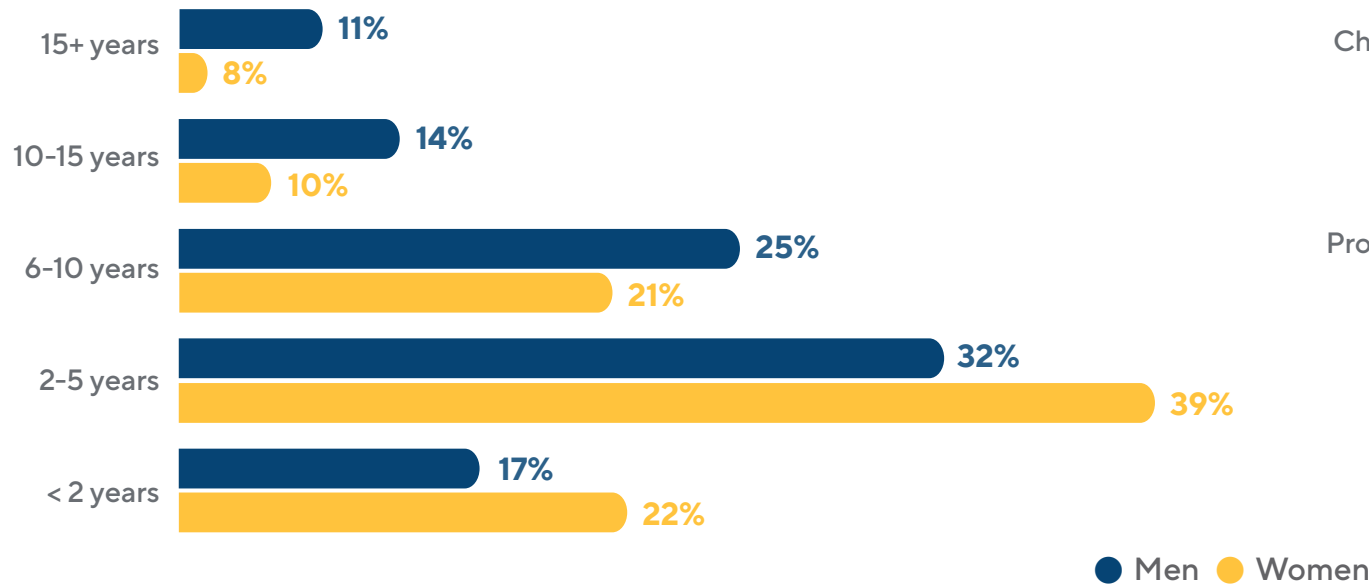**- Deborah Liu,** VP of Product at Facebook

Product Leadership Experiences

The impact of the years with less women in product, plus their higher churn in the role, is finding its way into senior leadership. We found **36%** of senior product roles are held by women compared to **64%** held by men.
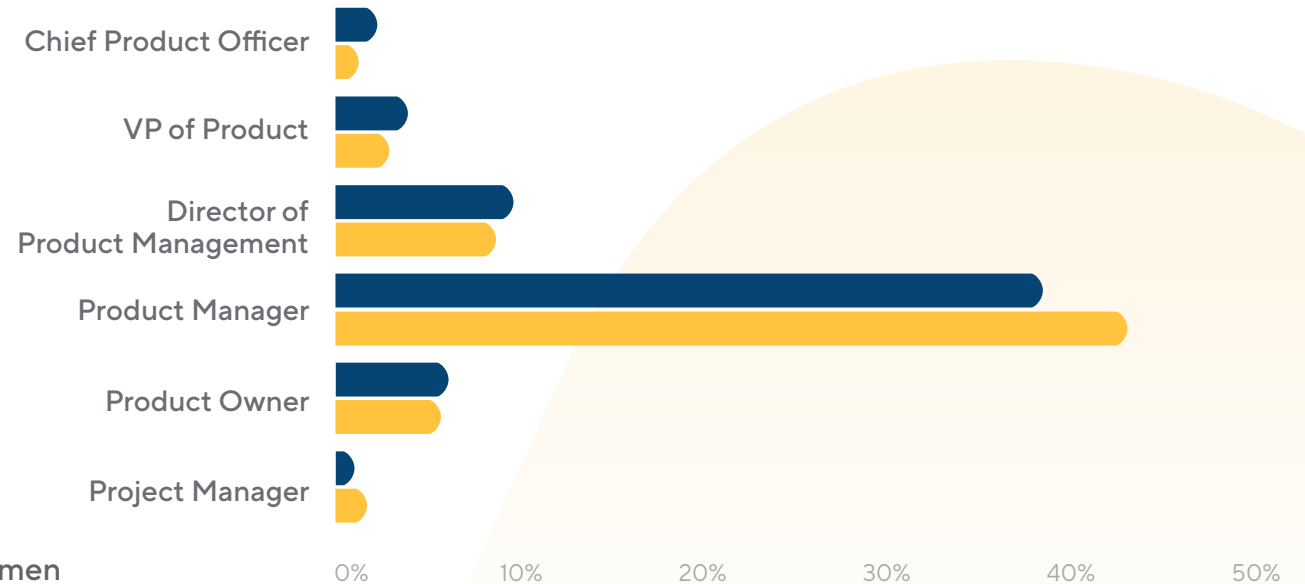
On top of this, churn in tech is much higher for women. According to a 2008 Harvard Business School study, **41%** of women leave a decade after starting in tech, compared to **17%** of men.[13] In the graph below, after 2-5 years of experience, there is a higher percentage of men in product management throughout. But, in the first few years, it's a career much more popularly held by women.

If women don't get a strong start in product, and leave tech at higher rates, how will we get back to gender parity again? How can we help women reach their full potential for the long-term?

Years of experience of men and women in product

Years	Men	Women
15+ years	11%	8%
10-15 years	14%	10%
6-10 years	25%	21%
2-5 years	32%	39%
< 2 years	17%	22%

Job title comparison of men and women in product

Chief Product Officer
VP of Product
Director of Product Management
Product Manager
Product Owner
Project Manager

● Men ● Women
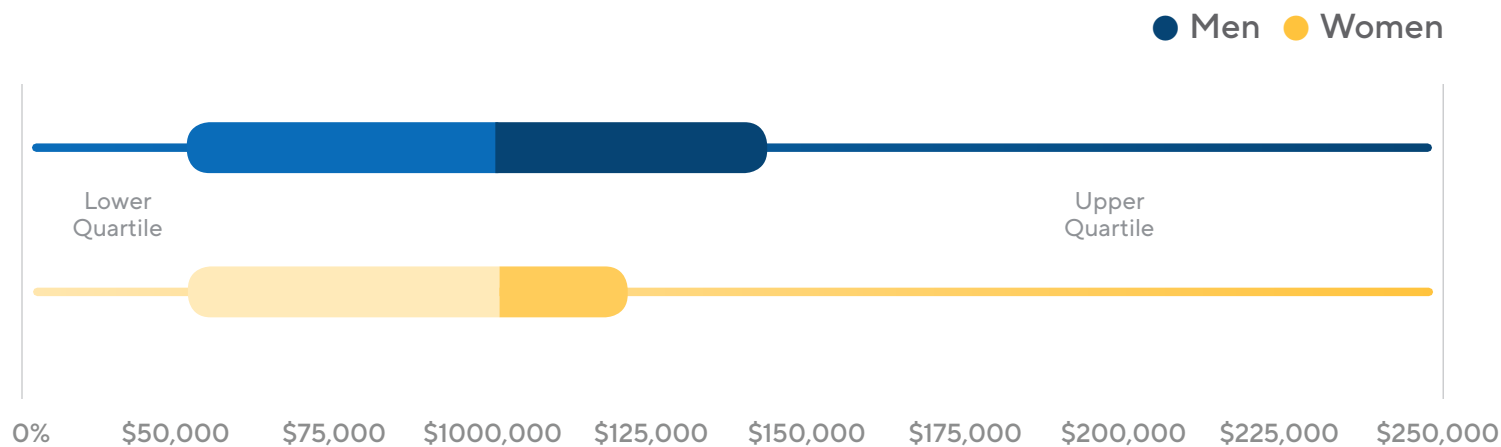
0%   10%   20%   30%   40%   50%

Salary

Although salary discrepancies between men and women tend to vary by the number of years of experience, overall, men make **7%** more than women. While there is certainly work to do, women in product management (and technology in general) have made large strides in recent years to reduce this gap.

Men, on average, earn more at almost every stage of their career than their women counterparts.

- 7% more for 0-2 years
- 2% more 3-5 years.
- 3% more 6-10 years
- 9% less 11-15
- less than 1% more than 15 years

● Men ● Women

Lower Quartile

Upper Quartile

| 0% | $50,000 | $75,000 | $1000,000 | $125,000 | $150,000 | $175,000 | $200,000 | $225,000 | $250,000 |

Comparing median salary per years of experience

Over 15 yrs
$155,000
$153,000

10-15 yrs
$131,000
$144,000

6-10 years
$117,000
$113,000

2-5 yrs
$89,000
$87,000

>2 yrs
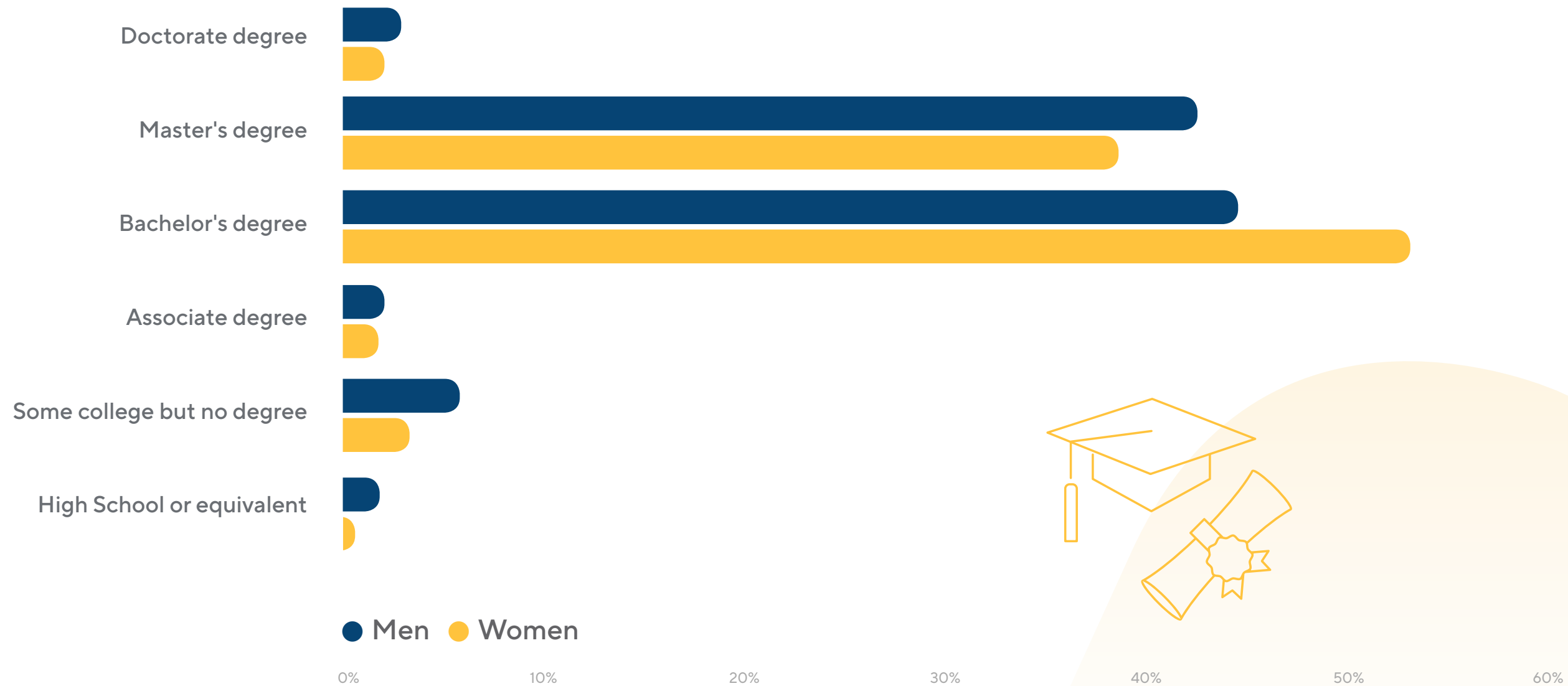$76,000
$71,000

● Men
● Women

ProductPlan

Additionally, often having an advanced degree allows you to request a higher salary. We see below that men in product tend to have more advanced degrees than women as well.

Higher education in product management

	Men	Women
Doctorate degree		
Master's degree		
Bachelor's degree		
Associate degree		
Some college but no degree		
High School or equivalent		

● Men ● Women

0%   10%   20%   30%   40%   50%   60%

Imposter Syndrome and Work Happiness

Women in product are **14%** more likely to frequently or always feel imposter syndrome in their careers than men. For the lucky few that only rarely or never feel it, **19%** were women, and **26%** were men. Additionally, women are more likely to feel average or unhappy about their work compared to men.

Men and women's experience with imposter syndrome
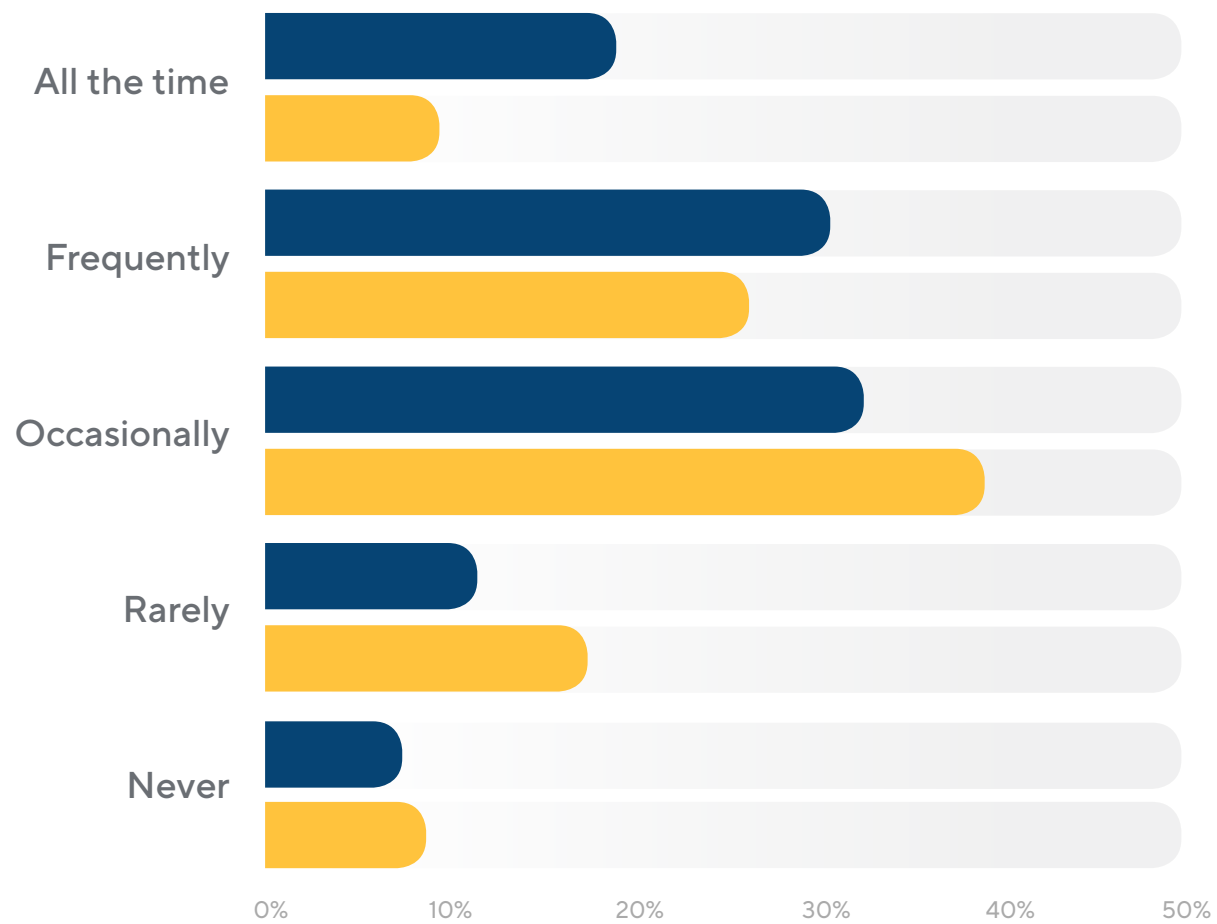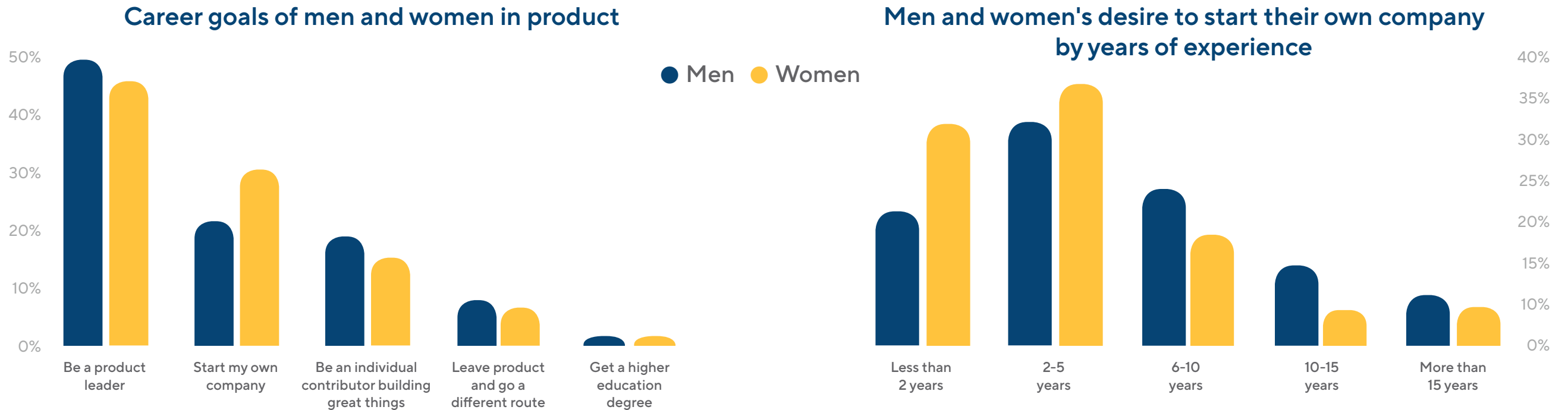
Men and women's happiness in product
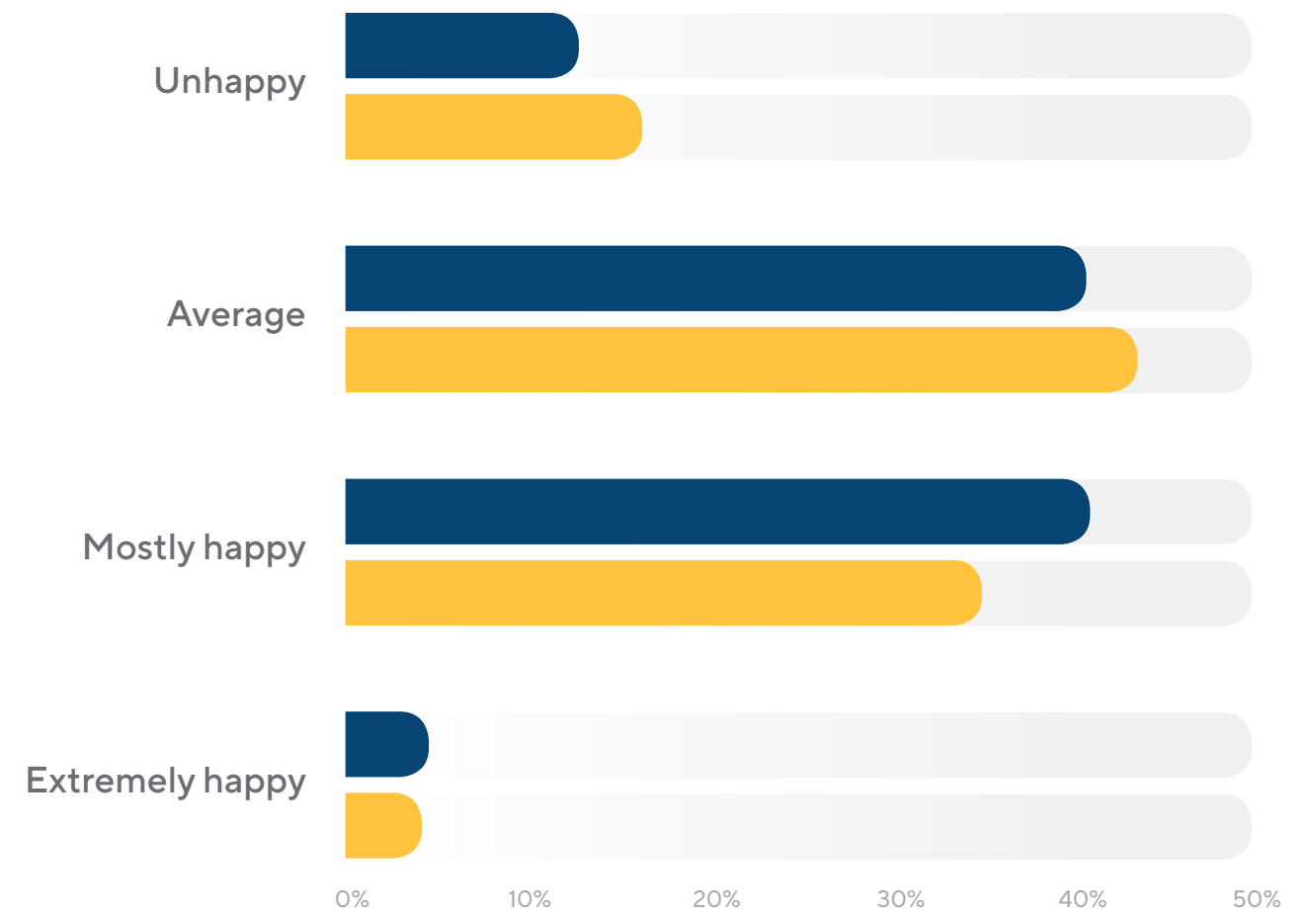
● Men ● Women

10-Year Career Goals

Earlier in the report, we found that **48%** of product people say their 10-year career goals are to become a product leader. We were curious about how the goals might differentiate between men and women. Both see product leadership in their future, with a higher percentage of women looking at product leadership for more years of their careers. After a while, men's goals shift toward starting their own company—the second most voted category.

Notice in the graph below, women start more eager than men to start their own company in their career. Then, midway through their career, that goal drops substantially for women. While we need to further investigate the causes, factors such as societal bias, family needs, investment bias, and other biases could be factors in this trend.

Career goals of men and women in product

Men and women's desire to start their own company by years of experience

● Men ● Women

We'd also like to note there are groups, like Women in Product, who are actively discussing advocating for equal representation—if you'd like to stay more involved and support other women's careers in product.

4.

Trends in 2021

Budgets, Metrics, and Hopes for the New Year

Key Insights:

64% of product teams say their primary success metrics are business or product metrics.

50% of product teams said their budgets are primarily being invested in growing their product stack tools and hiring.

#1 The #1 wish of product teams is to have a clearer purpose and company strategy in 2021.

The year 2020 shifted the world in fundamental ways. It changed the way we work, learn, play, travel, and socialize. It catapulted some industries into dominance (video conferencing, food delivery) while decimating others (hospitality, tourism). In fact, 2020 brought us so many shocks and surprises that it made identifying top trends in product management more intriguing than ever.

"

Throughout 2020, many product teams found themselves playing defense. They had to react to major disruptions to their businesses, their markets, and their employees' personal lives. As we head into 2021, I'm confident these teams will become increasingly proactive. They'll be examining objectives against new realities and updating their product plans to ensure they can continue to deliver outstanding products that solve real market problems in a post-pandemic world.
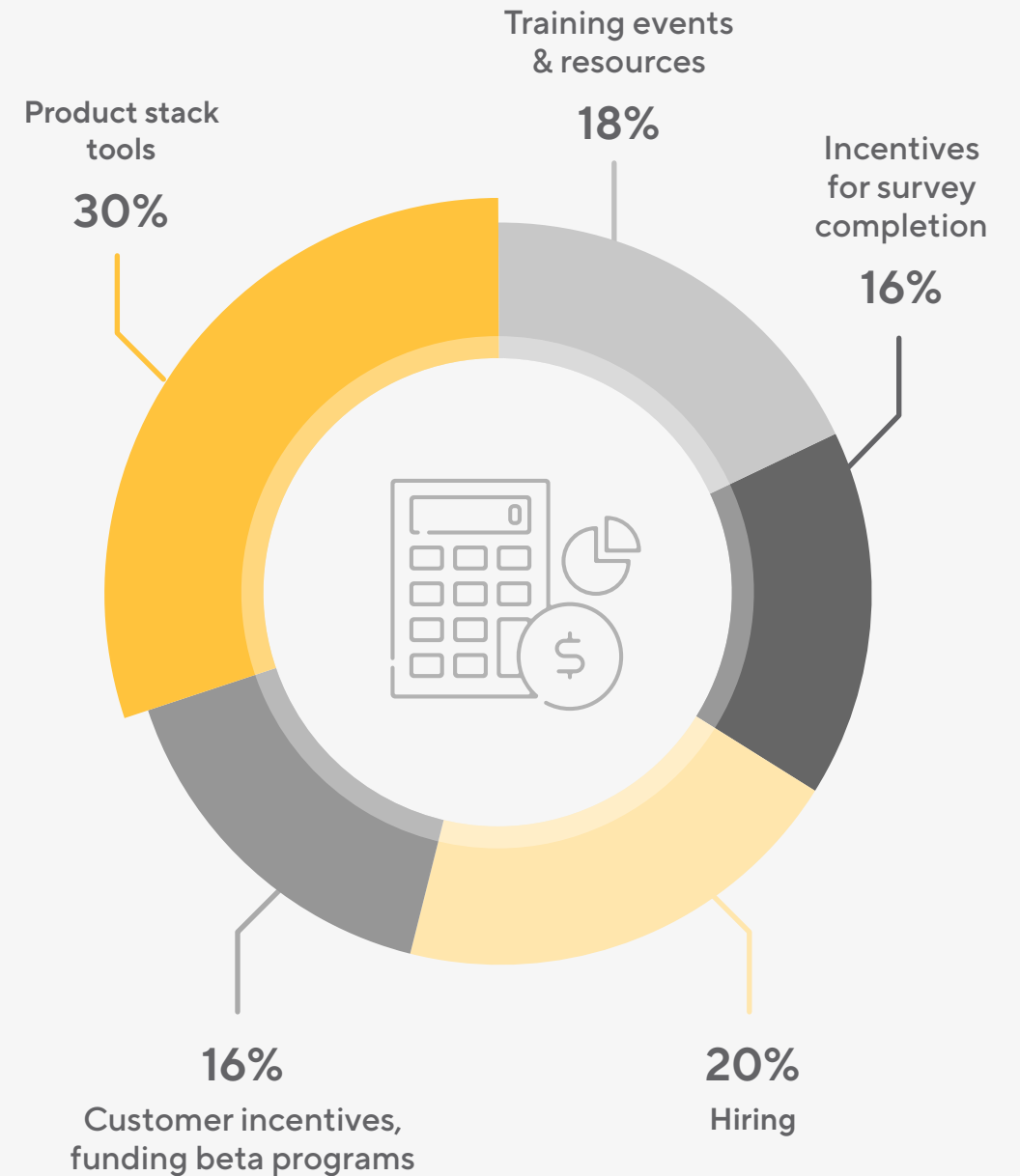
"

- Jim Semick, Co-Founder, ProductPlan

ProductPlan

2021 Budgets

As the world invests more time and energy remotely, product managers are becoming more dependent on their product stack to keep them up-to-date, connected, and aligned with their team as they bring their products to market. Growing the product stack was voted the number one resource product teams are allocating their budget toward in 2021. Your product stack can include product analytic tools, roadmap software, customer survey tools, prototyping apps, and many more.

The next was hiring, which with the pace at which the product role is being recognized and growing, is exciting.

Product management budgets in 2021

Product stack tools
30%

Training events & resources
18%

Incentives for survey completion
16%

16%
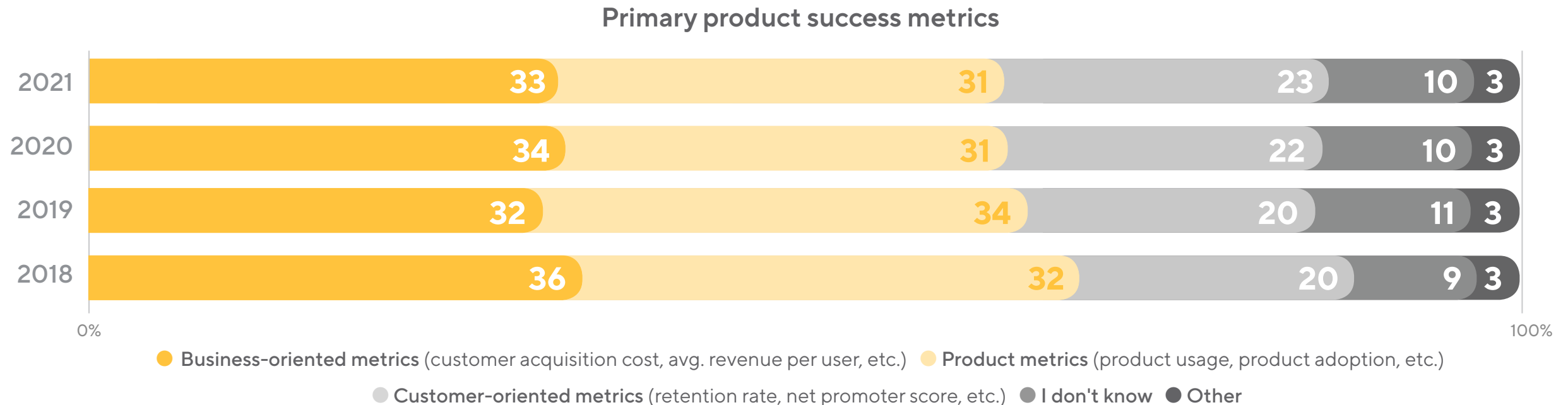Customer incentives, funding beta programs

20%
Hiring

Metrics

Any good goal is measurable. Organizations with properly defined objectives will establish metrics and KPIs to track their progress and momentum. A glance at metrics can communicate if things are getting better, worse, or unchanging, far more efficiently and consistently than other, more subjective methods. For product managers, KPIs also provide an easy filter for feature prioritization. If it isn't expected to impact a KPI, then it shouldn't be prioritized over something else that will.

For the last two years, business-oriented metrics (**33%**) have been the primary product success metric. These business-oriented metrics could include: cost to acquire a new customer, customer lifetime value, monthly recurring revenue generated by your product, the average revenue per user, conversion (e.g., the percentage who convert from free-trial users to customers)

Close behind was product metrics (**31%**). These are quantifiable data points that a business tracks and analyzes to gauge product strategy success— including product usage and adoption.

Primary product success metrics

	Business-oriented metrics	Product metrics	Customer-oriented metrics	I don't know	Other
2021	33	31	23	10	3
2020	34	31	22	10	3
2019	32	34	20	11	3
2018	36	32	20	9	3

0% — 100%

● **Business-oriented metrics** (customer acquisition cost, avg. revenue per user, etc.) ● **Product metrics** (product usage, product adoption, etc.)
● **Customer-oriented metrics** (retention rate, net promoter score, etc.) ● **I don't know** ● **Other**
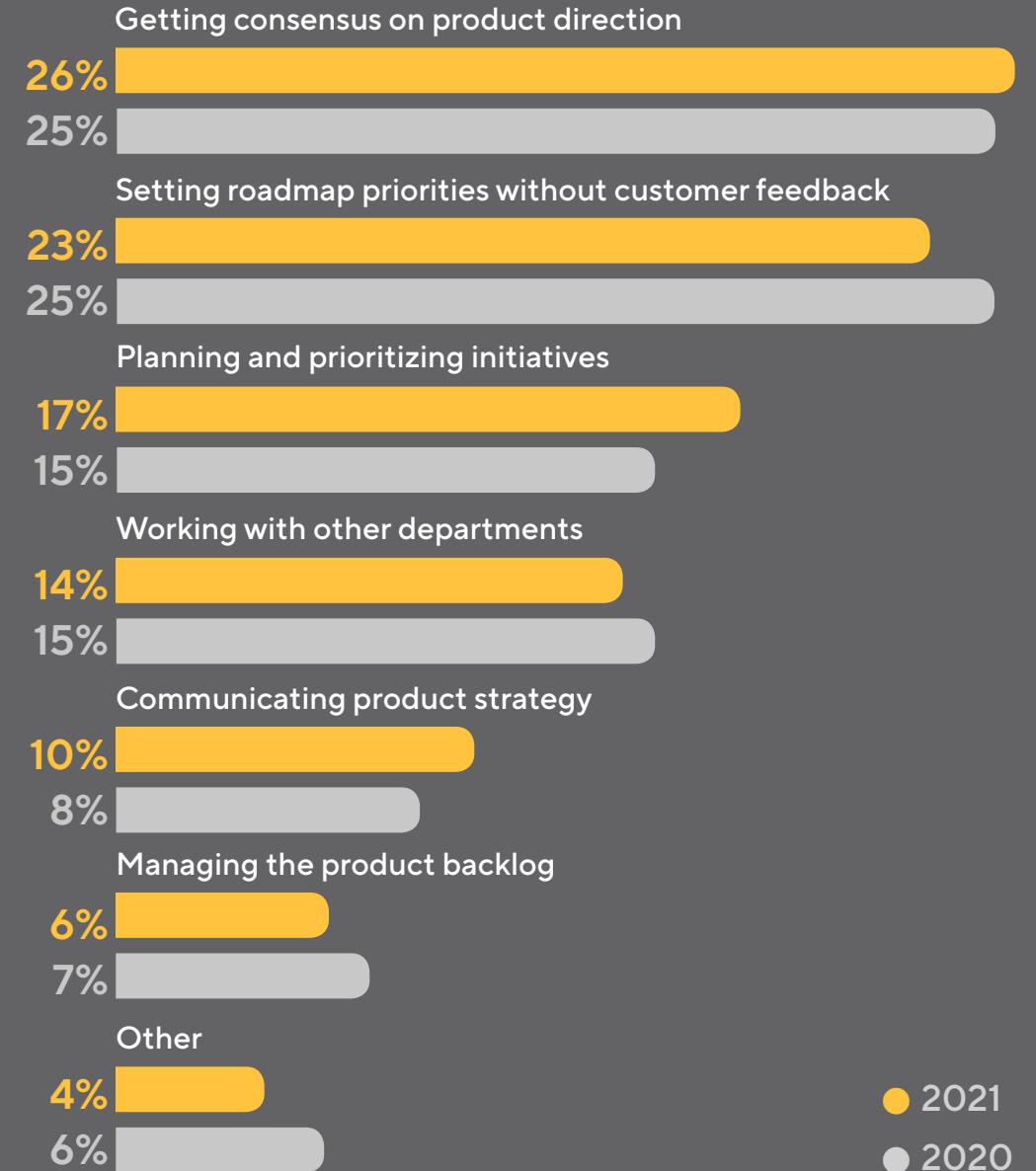
ProductPlan

The Challenges of Product Management

For many product managers, their cross-functional teams are big and involve many stakeholders across the company. Creating a shared strategic vision among all these people can be difficult, which explains why our report found that product managers' biggest challenge is getting consensus on product direction.

Presenting the overarching strategy and rationale for key product decisions is a highly efficient way to convey this information and build consensus on product direction. Many product strategies will shift as the pandemic takes its toll on many vertical markets. It's more important than ever to have and communicate a clear strategic vision. We expect these findings to continue in future surveys.

What is your biggest product management challenge?

Getting consensus on product direction
- 26%
- 25%

Setting roadmap priorities without customer feedback
- 23%
- 25%

Planning and prioritizing initiatives
- 17%
- 15%

Working with other departments
- 14%
- 15%

Communicating product strategy
- 10%
- 8%

Managing the product backlog
- 6%
- 7%

Other
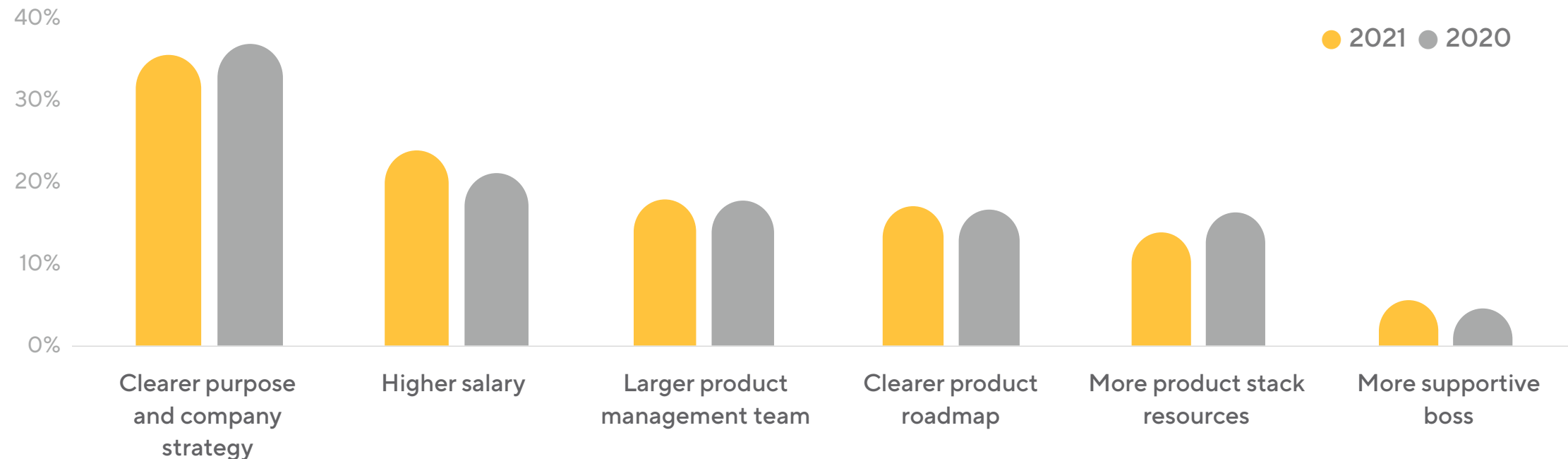- 4%
- 6%

● 2021
● 2020

ProductPlan

Hopes for the New Year

Despite general happiness with their jobs, many product managers are still looking to make improvements. There are some key things they want to change in 2021. Behind the scenes, nearly 800 product professionals indicated that product strategy remains undefined or changes too frequently to serve as an anchor for prioritization and planning. The number one wish product managers hope will change in their role in the new year is to have a clearer purpose and company strategy. This need supersedes even obtaining a higher salary and a larger product management team.

To succeed, product managers need a clear, well-defined vision for the product and goals to aim for. Without these in place, it's hard to know if they're doing the right thing. Whether it's a North Star metric, an unwavering mission, or reliable stakeholder alignment regarding key objectives, product managers must know what they're shooting at to have a chance at hitting it and be able to set realistic expectations.

What do you wish to change in your role?

Legend: ● 2021 ● 2020

Categories (x-axis): Clearer purpose and company strategy, Higher salary, Larger product management team, Clearer product roadmap, More product stack resources, More supportive boss
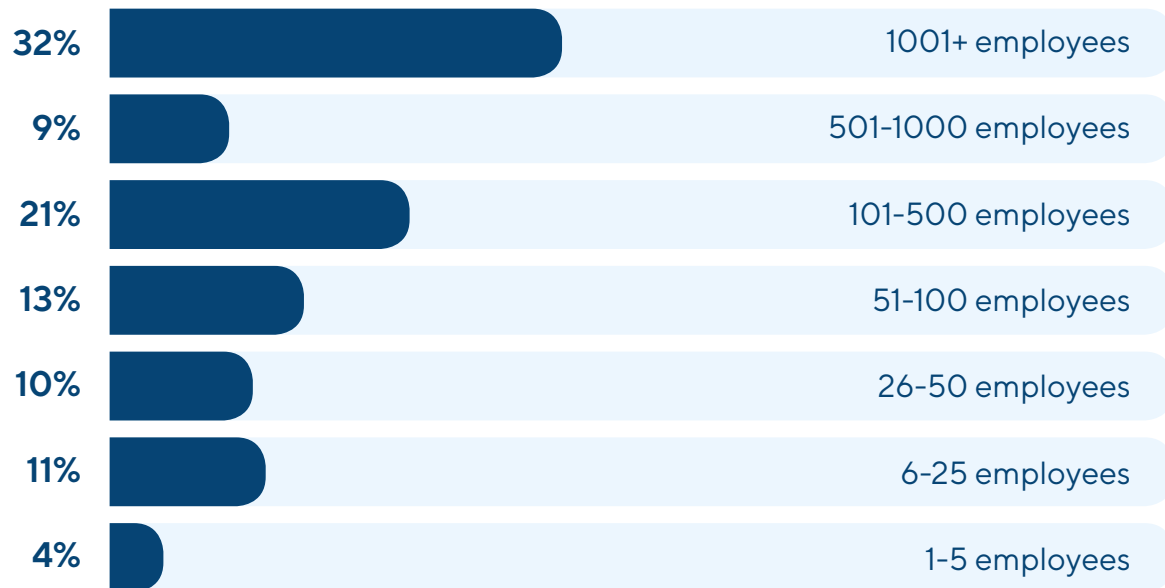
ProductPlan

Conclusion

Thank you to all who participated in this report!

We also want to thank you for creating and building the products that are solving the challenges we all experienced this past year.

There is so much more in product culture that we didn't touch and hope to unpack in future reports.
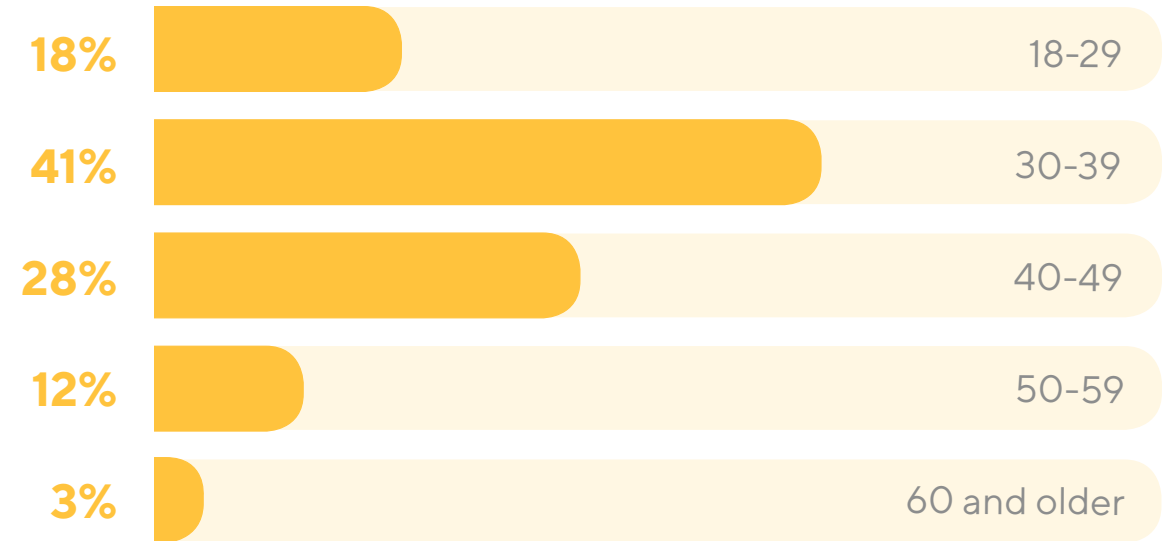
ProductPlan

Report Methodology

The 2021 State of Product Management survey ran through the end of October into early November 2020. It was sent out to ProductPlan's newsletter subscribers and shared across social media and other product management communities. We received more than 2,200 responses.
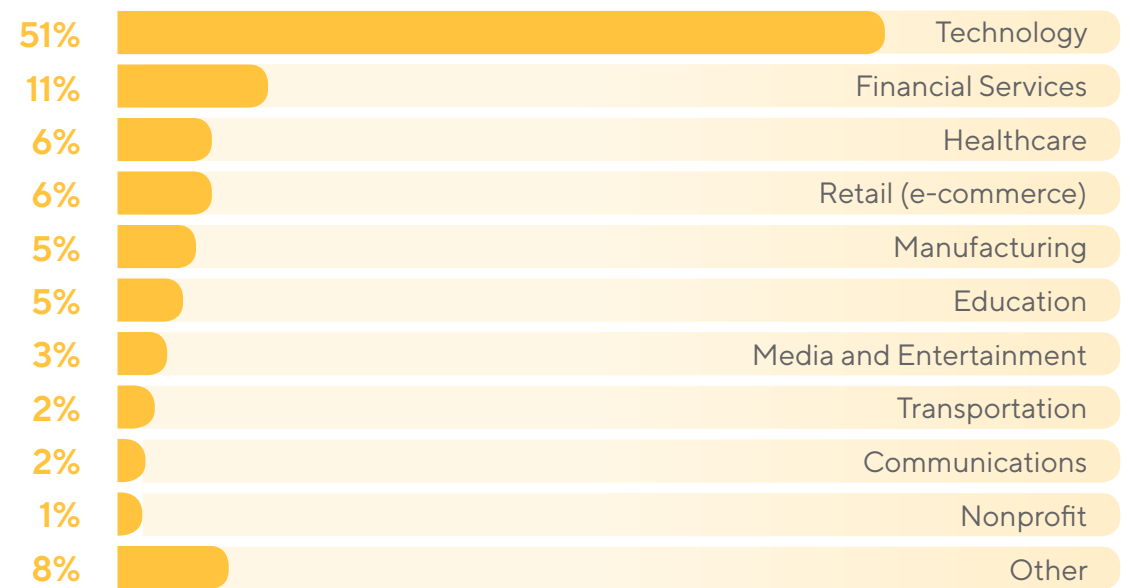
What category below includes your age?

%	Age
18%	18-29
41%	30-39
28%	40-49
12%	50-59
3%	60 and older

What size company do you work for?

%	Company size
32%	1001+ employees
9%	501-1000 employees
21%	101-500 employees
13%	51-100 employees
10%	26-50 employees
11%	6-25 employees
4%	1-5 employees

What industry do you work in?

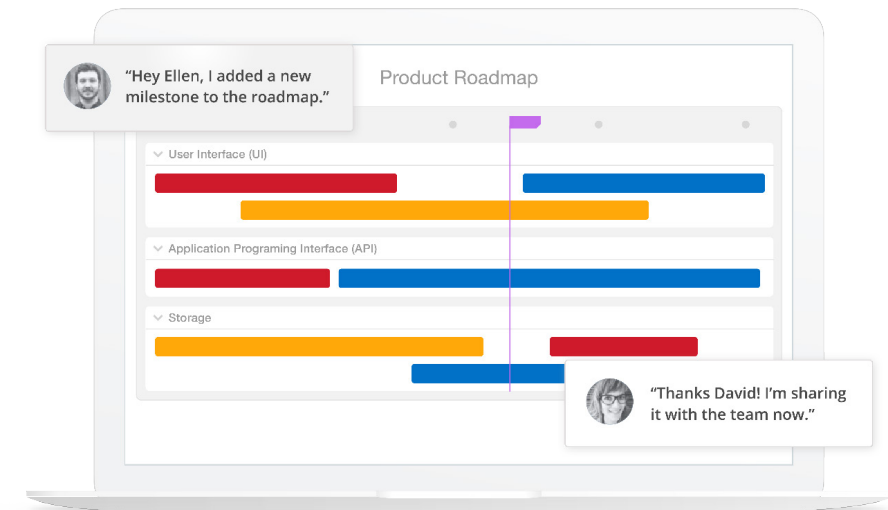| %	Industry
51%	Technology
11%	Financial Services
6%	Healthcare
6%	Retail (e-commerce)
5%	Manufacturing
5%	Education
3%	Media and Entertainment
2%	Transportation
2%	Communications
1%	Nonprofit
8%	Other

About ProductPlan

ProductPlan makes it easy for teams of all sizes to build beautiful roadmaps. Thousands of product managers worldwide–including teams from Nike, Microsoft, and Spotify–trust ProductPlan to help them visualize and share their strategies across their entire organization. With our intuitive features, product managers spend less time building roadmaps and more time shipping products.

Start Your Free Trial

ProductPlan