

 ProductPlan

The 2022 State of Product Management Report

Insights Into How Product Managers Influence
Their Organizations and Grow Their Products

Table of Contents

Introduction	03
Report Highlights	04
Building Alignment Through Influence and Communication	05
The Value of Product Team Autonomy	09
Bringing the Product to Market	13
The Rise of Product Ops	18
Customer Acquisition and Product Led Growth	22
Trends in 2022	27
Conclusion	29
Report Methodology	30

Introduction

For seven years, ProductPlan has asked product managers to tell us about their work. They've described, often candidly and in detail, their product planning processes. They've discussed their biggest challenges, shed light on how they create and communicate their product strategy, and even opened up about topics like salary, job satisfaction, and their hopes for the future.

This year, we asked over 2,000 product managers from around the world to tell us **how the job has evolved beyond roadmapping**. We know product managers are doing more than just product management. They're enabling their teams with product education. They're influencing how their products are communicated and sold. Product managers are even helping their organizations bring their products to market and acquire new customers.

Yes, product management has changed. This report is designed to capture and share insights into how. We hope the data found in this report can help create a better understanding of not only the work product managers do on a daily basis, but also the growing impact they make within their organizations.

Annie Dunham

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VP of Product, ProductPlan

Report Highlights

01 Product Managers Struggle to Prioritize Their Projects

The #1 challenge product managers experience is planning and prioritizing initiatives.

02 Product Managers Feel Average About Alignment

Product managers rate the quality of their alignment with the rest of the organization at 3.2 out of 5.

03 Product Team Autonomy is Essential to Success

Just over half of product people (55%) say their team is autonomous.

04 Product Ops is Growing, Especially in Large Companies

Approximately 1/3 of product people say their company has dedicated product operations roles.

05 Product Managers Have a Direct Impact on Customer Acquisition

40% of product people say that the product experience has the biggest impact on customer acquisition.

Building Alignment Through Influence and Communication

Product managers have been tasked with the impossible: they must influence their organization without much explicit authority to do so. Achieving the impossible requires building alignment through consistent communication with stakeholders. These teams rely on the product information to guide their decisions, inform their strategies, and overall harness a better understanding of

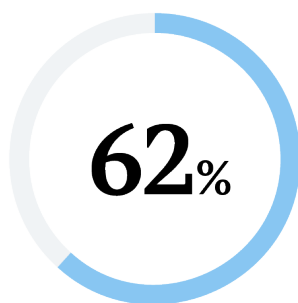
what their product can do and who it can help. Imagine a sales team that doesn't know what product features to highlight for which kinds of prospects. Consider a marketing team telling their brand's story while omitting elements of the product vision. A healthy organization is one where the product strategy informs everything.

Popular Methods for Communicating Product Information

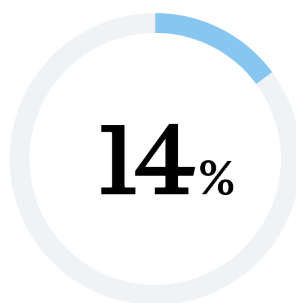
Communicating the product strategy can be deceptively difficult. It takes time. It requires an understanding of how your stakeholders like to consume information. There are many ways to do it, each with its own set of pros and cons.

When it comes to how product managers most commonly share product information with their peers, 62% say they **host meetings and present information live**. Answering questions in **1-on-1 conversations** came in as a distant second at 14%.

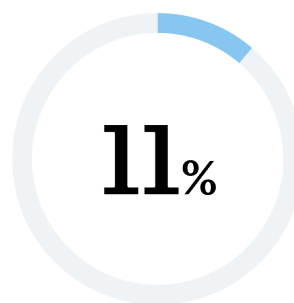
How do you most commonly share product information with internal stakeholders?



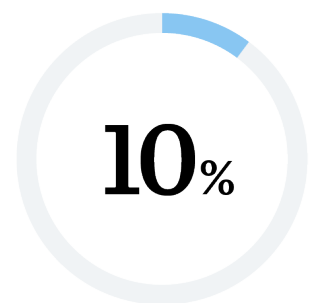
Host meetings and
present information live



Answer questions in
1-on-1 conversations



Refer them to the
roadmap

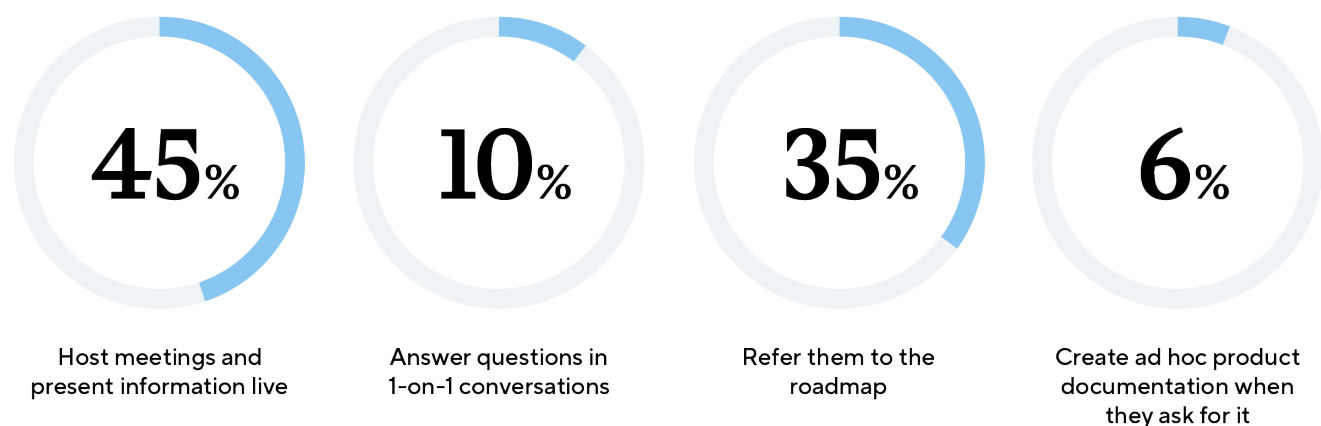


Create ad hoc product
documentation when
they ask for it

What about what product managers prefer to do? When we framed the question that way, 44% of product managers would still rather **host meetings and present information live**. But in close second was “**refer them to the roadmap**” at 35%, leapfrogging “answer questions in 1-on-1 conversations” by a considerable margin as the clear second choice.

This perhaps suggests that, while capturing the attention of their coworkers with a live presentation is still the preferred communication approach, there is a desire for product management to be more self-serve and require less handholding. When there isn't time or need for a meeting, product managers would rather have their roadmaps speak for them.

How would you prefer to share product information with internal stakeholders?



Interestingly, product managers tend to desire a more **self-serve approach** to product management as they gain years of experience. For example, product managers between **6 and 10 years of experience** are the most likely to prefer referring their internal stakeholders to the roadmap. Likewise, product managers between 11 and 15 years of experience are the least likely to prefer answering questions in 1-on-1 conversations.

In contrast, product managers with **less than 2 years of experience** spend more time answering questions in 1-on-1 conversations than any other experience level. They also

prefer to communicate this way more than their more-experienced colleagues.

This shouldn't be surprising. With greater experience comes greater responsibility. New product managers might be able to spend more of their time having 1-on-1 conversations, but that quickly becomes unrealistic as they take on more projects. Referring their stakeholders to the roadmap, or presenting information live to multiple stakeholders at the same time are a more efficient use of their time as they progress through their careers.

The Ideal Way to Communicate

With product manager preferences divided between a self-service model and a more proactive approach, the ideal method is somewhere in-between. In their own words, this is how product managers would prefer to communicate their product strategy:

- “Regular cadence of **updates** with easy access to roadmap and supporting documentation”
- “Create and maintain a **product-specific intranet area** with documentation, updates, and links to needed resources like the support portal, feedback tool, analytics, roadmap, etc”
- “Have a written **strategy documentation** (that loosely represents the roadmap) with a forum for asking / answering questions”
- “**Real-time** roadmap and dashboards + more regular meetings”
- “A mix of **various tools** e.g. regular product release comms, LMS tool employees can access at any time from everywhere to get latest product updates + training content. depending on the product, in tool product experience with tips and training content. Brown Bag sessions, regular 1-2-1 conversations etc”

Communication is a Two-Way Street

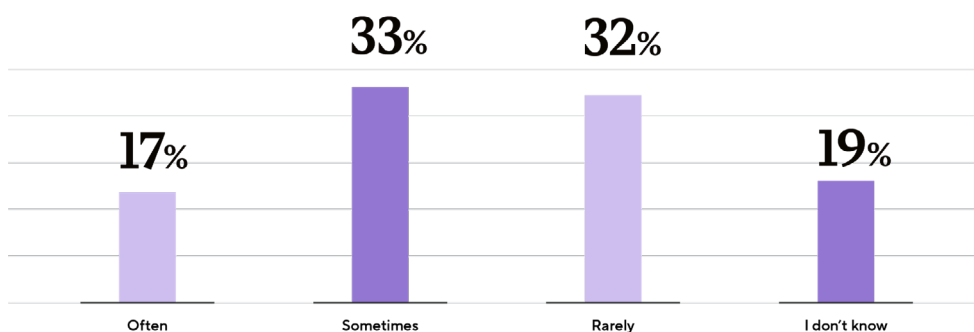
For product teams to effectively guide their organization, they need to not only communicate information regularly, but also trust that the information they provide will be consumed. At their best, roadmaps tell the organization where the product is going, how long it will take to get there, and the problems it hopes to solve along the way. Of course, roadmaps are only successful if they're actually read.

On this front, product managers don't feel too confident. We asked product managers how frequently their internal stakeholders read their roadmaps and found that a significant majority (64%) respond with either **sometimes**

or rarely. "Often" was the least popular response here, which could point to a lack of trust in stakeholders to keep themselves informed on product information. Or it could also simply be due to the fact that roadmaps don't need to be read every week - especially if they rarely change.

Product managers would like to treat their roadmap like a product. They'd like to understand how stakeholders engage with their roadmap so they can optimize for the best experience. Yet, a still significant portion of product managers (19%) has no idea how frequently their roadmaps are read.

How frequently do internal stakeholders read your roadmaps?



Building Alignment Through Effective Communication

So if building alignment relies on effective communication, how aligned do product managers feel with the rest of their organization? On a scale of 1 to 5, most (39%) gave an answer of 3 - or about average.

While it may not all be doom and gloom, clearly there's room for improvement. So much rests on building alignment through effective communication. Alignment

ensures your organization and all its various parts row in the same direction. Without it, development teams might build the wrong thing, sales people may tell conflicting product stories, and marketing teams could target the wrong kind of customer. Considering the fierce competition between products in today's world, can an organization afford average alignment amongst their teams?

The Value of Product Team Autonomy

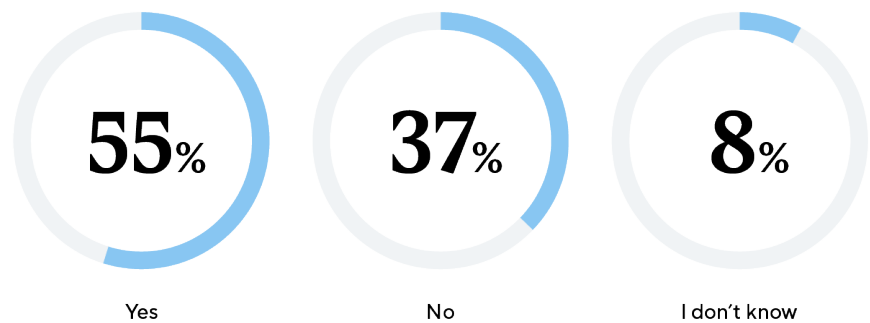
It's important that product teams have autonomy.

Autonomy empowers product teams to make their own decisions and move quickly. We also know autonomy motivates.

By a slim margin, most product managers (55%) feel

their team is **autonomous**. That still leaves a significant proportion of product managers that either don't feel they have autonomy (37%), or don't know (8%).

Do you feel like your product team is autonomous? Are they empowered to make their own decisions?

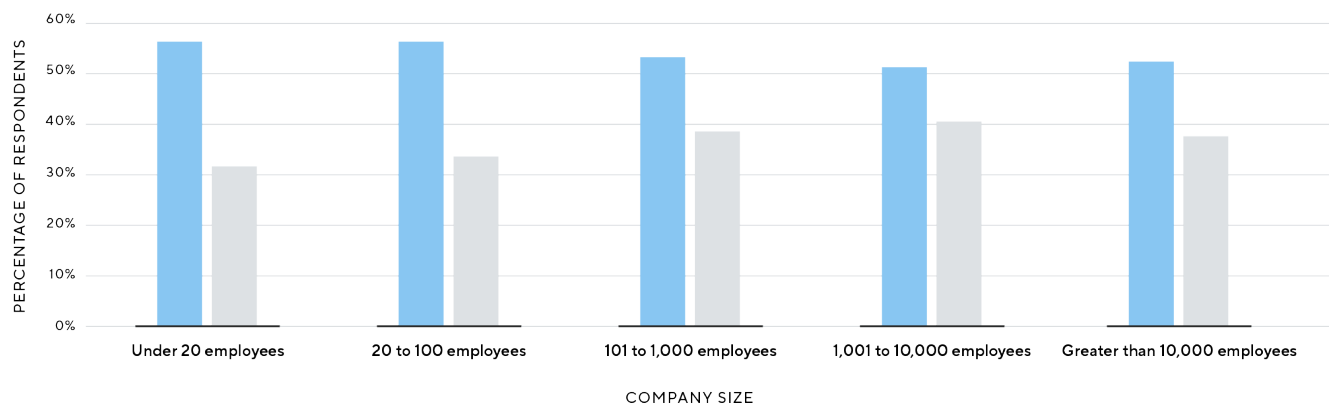


Does autonomy increase or decrease as companies grow?

The difference is small, but the trend is clear. Product teams at smaller companies on average feel they have **greater autonomy** than those at larger companies.

Do you feel like your product team is autonomous?

■ Yes ■ No



Alignment Breeds Autonomy

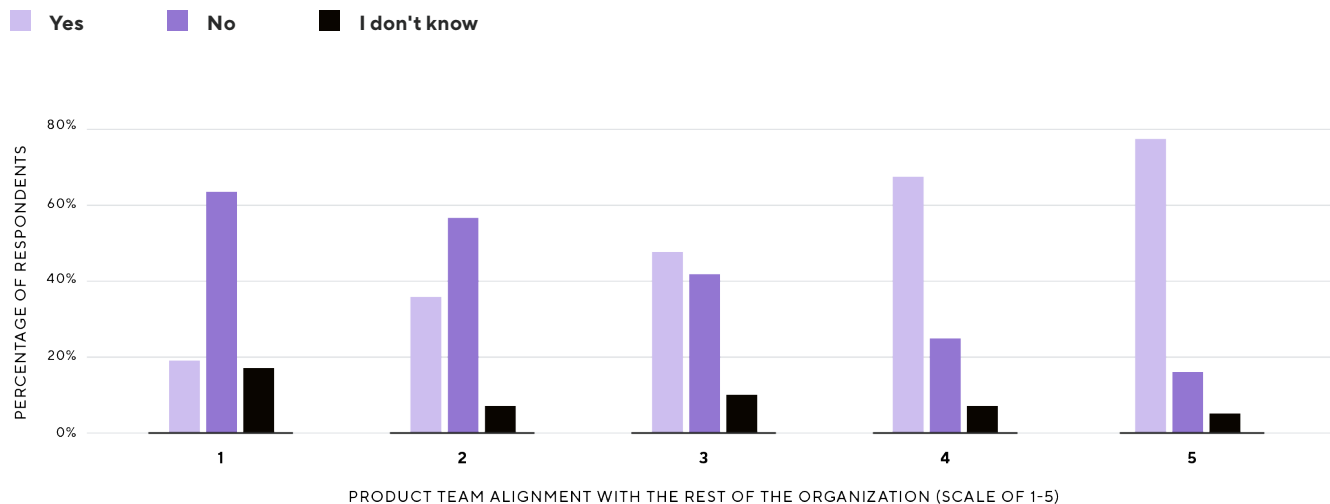
In the world of product management, the word “autonomy” might make people feel uncomfortable. After all, couldn’t an autonomous product team be another name for a siloed product team? Considering product management sits as the nexus of several departments, is autonomy perhaps counterproductive to the goals of driving alignment around a central product vision?

Not at all. In fact, it’s the exact opposite. The more aligned product teams feel with the rest of their organization, the

more likely they are to feel their team was autonomous. Unsurprisingly, those product managers who answered that they “didn’t know” how autonomous they were are also the most likely to feel a severe lack of alignment within their organization.

Alignment breeds autonomy. When product managers understand the goals and challenges of their fellow coworkers, they’re able to use that information to guide their own decisions and move quickly.

Do you feel like your product team is autonomous? Are they empowered to make their own decisions?



Autonomy Eases the Chaos of Conflicting Priorities

In an ideal world, priorities would rarely shift. Solving problems takes time and focus. A team forced to shift priorities rapidly will be vulnerable to inefficient work and morale loss.

On average, most product managers say they shift development priorities on either a **quarterly or monthly basis**. However, there are teams that struggle more than others. It is more common for product managers to shift priorities on a weekly basis than on a yearly basis, for instance.

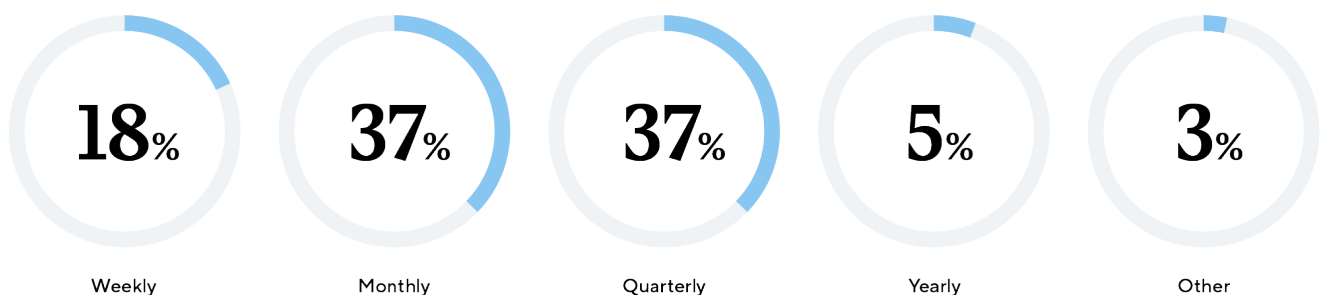
How frequently product managers shift development priorities could be an indicator of their **product management methodology**. Yearly is indicative of the more traditional waterfall approach where development moves to the next phase only when the previous phase is completed.

Development priorities shifting more frequently could be an indicator of the more iterative Agile approach where development is divided into sprints.

That said, what impact does autonomy have on development priorities? Product managers who feel their team didn't have autonomy are also the most likely to shift their priorities on a **weekly basis**.

A lack of autonomy suggests a product team that answers to many. It also suggests a product team that's forced into reactive work rather than proactive work. It's no surprise then that these teams are more likely to endure the chaos of a constantly shifting plan.

How often do you shift development priorities?



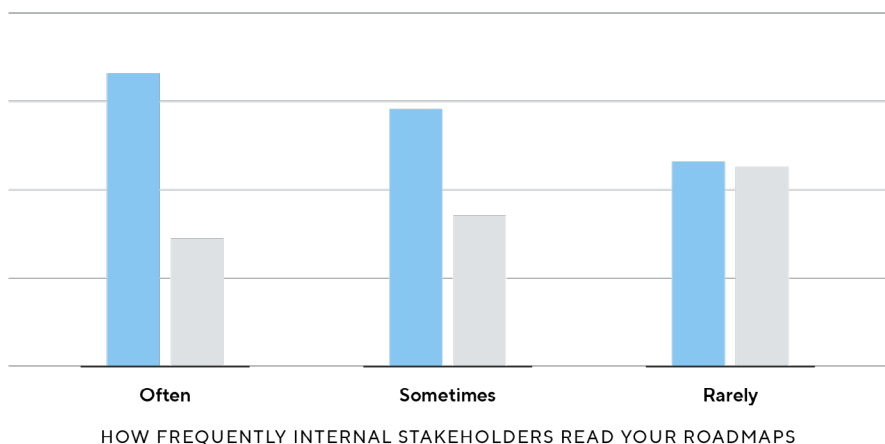
Autonomy Encourages Stakeholder Engagement

Product team autonomy plays a role in stakeholder engagement. Autonomous product teams are much more likely to report that their stakeholders read their roadmaps **“often”**. Similarly, product teams without autonomy are most likely to say that their stakeholders read their roadmaps **“rarely”**.

Autonomous product teams are healthy product teams. They have ownership over their strategic plan. Stakeholders are therefore more likely to trust that the information found on the roadmap is reliable, which encourages them to engage with the roadmap more often.

Based on how frequently internal stakeholders read your roadmaps, do you feel like your product team is autonomous?

■ Yes ■ No



Bringing the Product to Market

We know product managers decide what to build next and work across departments to develop it. But what happens after the product is built? What role does product management play in bringing their products to market?

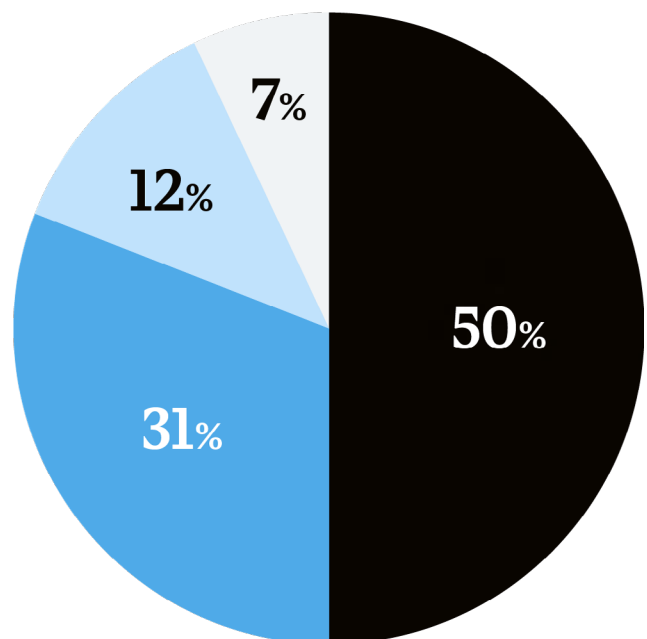
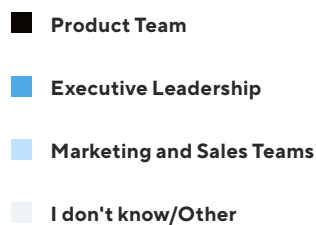
Go-to-market is a complex process that involves a myriad of different departments, tactics, and resources. A good measure for how much influence a product team has over go-to-market is whether or not they determine when a product is launched.

This is in part because a product launch doesn't just represent the product team's commitment to having

the product ready for customer adoption. That date also represents a commitment from the marketing team to have promotional materials ready to go. It's a commitment from the sales team to have sales talk tracks prepared. A successful product launch involves more than just the product team.

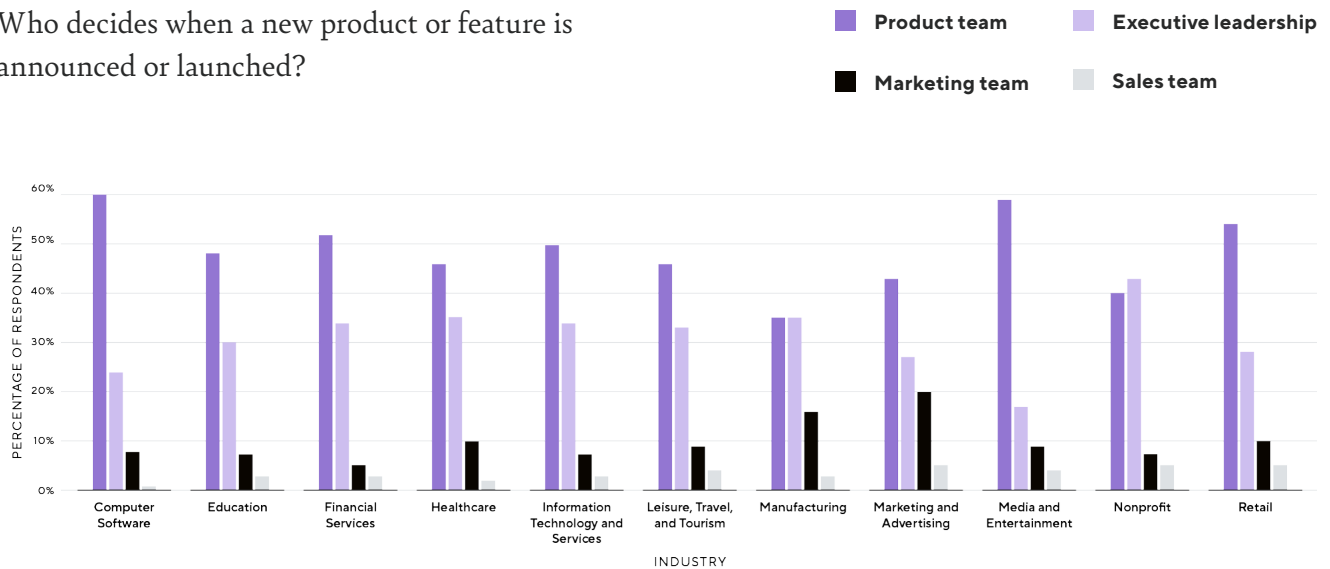
So who makes the final decision? Just about half of product managers (50%) report that the **product team** decides when a product or feature is announced or launched. The second most popular answer was **executive leadership** at 31%.

Who decides when a new product or feature is announced or launched?



The **sales team** was the least likely team to decide the launch of a new product, even in long-standing sectors like financial services and healthcare where business units tend to have a great deal of influence over engineering. You can find a full breakdown by industry below.

Who decides when a new product or feature is announced or launched?

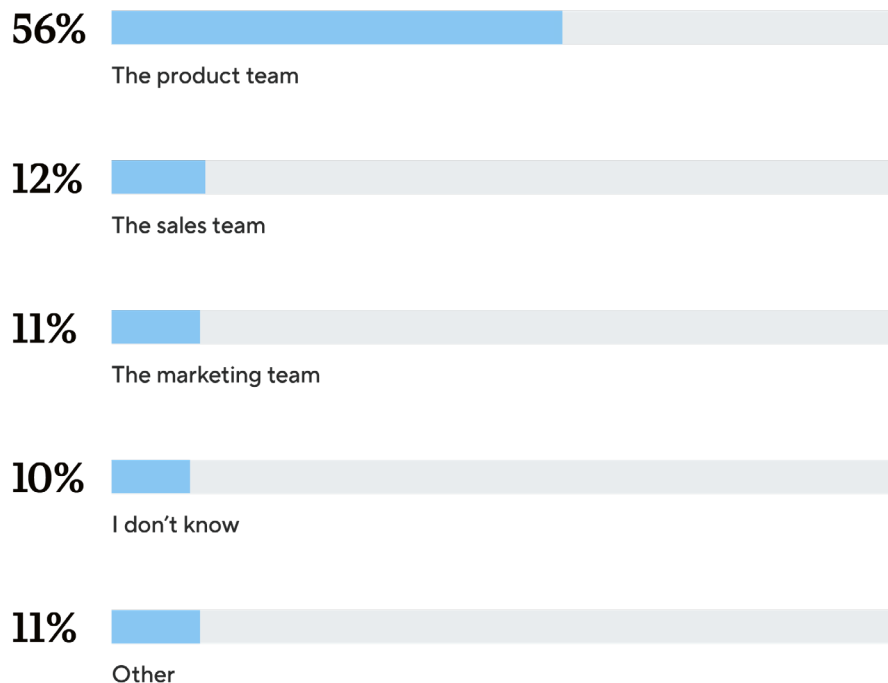


Product Education and Training

The greatest product in the world is worthless if your customer-facing teams don't know how to communicate its value. That's why many companies have dedicated resources to product enablement to help their marketing, sales, and customer support better understand their product's capabilities and its target customers.

Product teams are by far the most likely team to train the rest of the organization on new products and features.

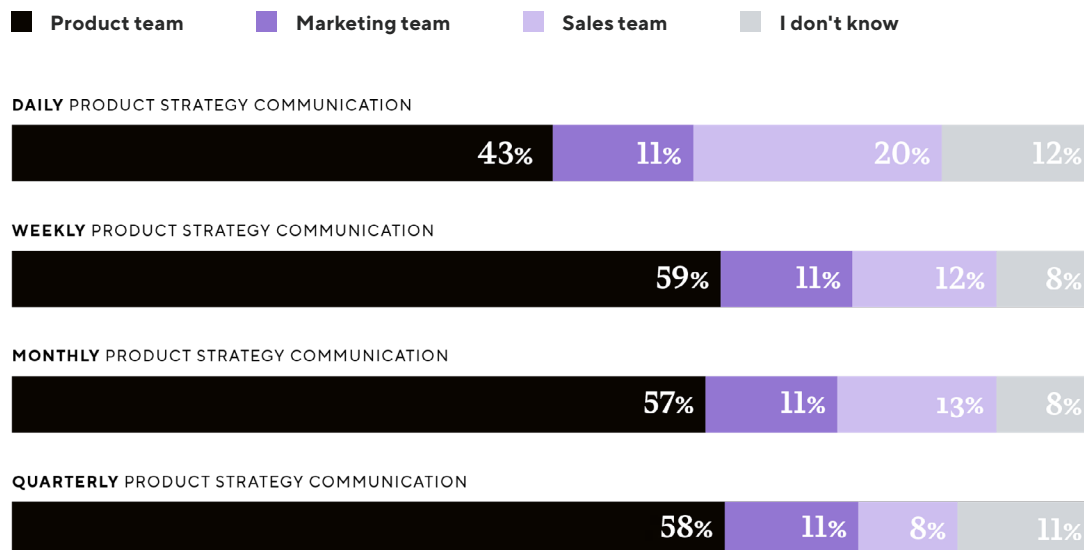
Who is responsible for training your customer-facing teams on new products and features?



The frequency at which product teams communicated their product strategy affected their answer here. For example, teams that communicated their product strategy on a **daily basis** are more likely to say the **sales team** is responsible for product training than product teams communicating less frequently.

Autonomy also plays a role in product training. Autonomous product teams are more likely to conduct training themselves compared to product teams that lack autonomy. This suggests that, when given the option, product teams will decide to do the training themselves. Product teams, as the owners of the product, are a natural fit to teach the rest of the company about how the product works.

Who is responsible for training your customer-facing teams on new products and features?

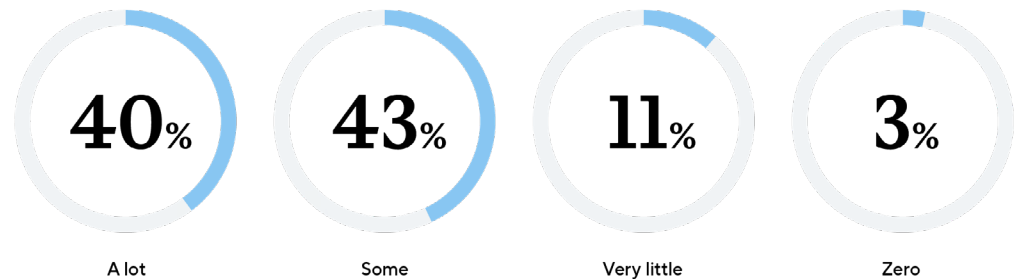


Product Messaging

When it comes to how the product is messaged, product teams continue to exert their influence. We asked product managers how much influence they have over product messaging, to which an overwhelming majority said either **some or a lot** (83%).

Product teams having a say in how their product is messaged is a strong indicator of alignment between the product and marketing teams. It's also encouraging to see so few product managers (2%) answer they have zero influence.

How much influence do you have over product messaging?

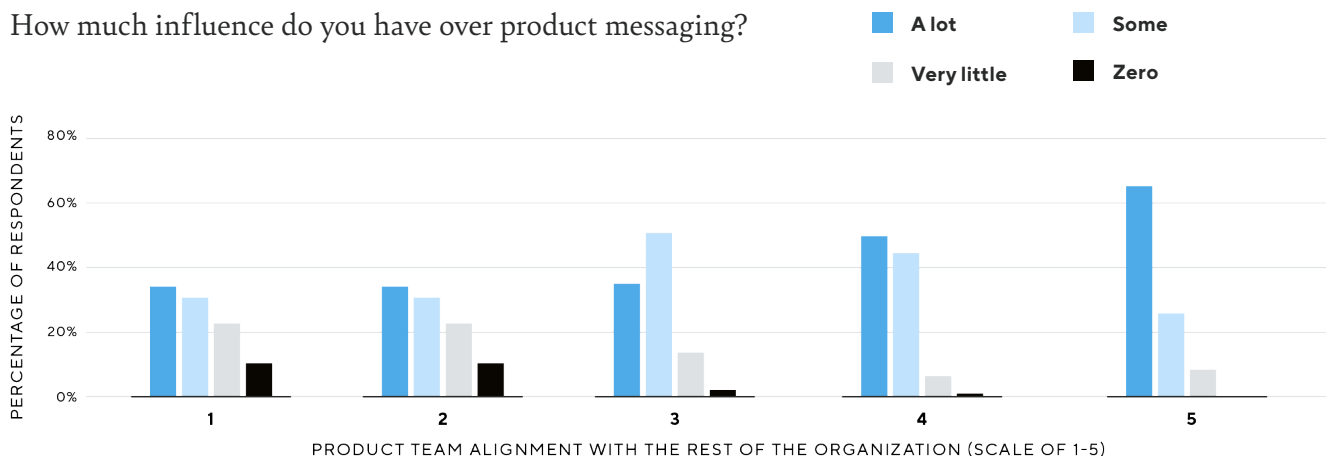


The data bears this out too. While only 40% of product managers said they have “a lot” of influence over product messaging, that percentage increases to 63% when we only look at product managers who felt **strongly aligned** with the rest of their organization. In contrast, product teams that felt weakly aligned with the rest of their

organization were the most likely to report they have very little or zero influence over product messaging.

Just as alignment breeds autonomy, it also empowers product teams to exert influence over how their products are brought to market.

How much influence do you have over product messaging?



The Rise of Product Ops

Similar to ops roles in the fields of sales and marketing, product ops is a discipline laser-focused on increasing efficiencies, harnessing analytics for better decision-making, and improving communication between product and the rest of the organization.

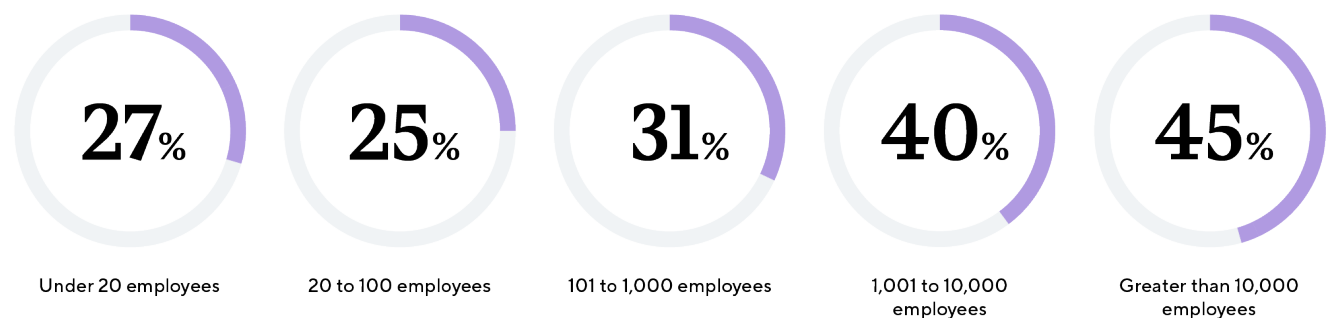
So how common is product ops? About one third (32%) of product managers said there was some form of a dedicated **product ops role** at their company.



We know product operations often becomes necessary as companies scale and product organizations mature, so it's unsurprising to find that product operations is more common in larger companies than smaller ones. Product operations exists in about one-third of companies overall.

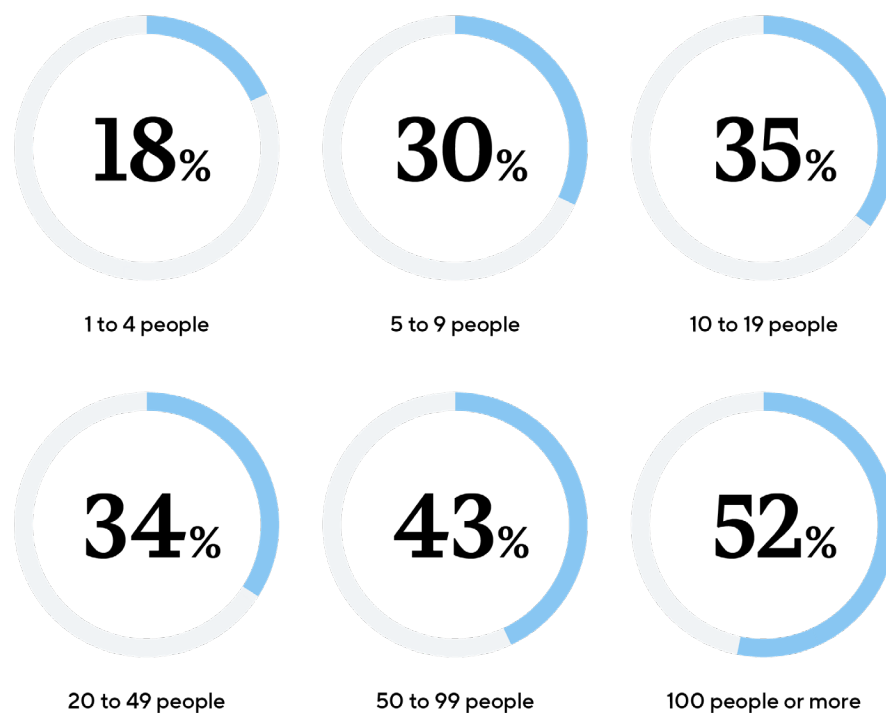
That percentage rises to 40% in companies that have between **1,000 and 10,000 employees**. However, large enterprise companies are the clear leaders here. Nearly half (45%) of companies with **over 10,000 employees** have some form of dedicated product ops.

Companies with a product ops person or team, segmented by company size



Similarly, product ops is more common in larger product teams. Over 50% of product teams **larger than 100 people** have some form of dedicated product operations role. In contrast, only 18% of product teams **under 5 people** have a dedicated product ops role.

Companies with a product ops person or team,
segmented by product team size



The Role of Product Operations

What product operations people do can vary wildly depending on the product, the company, and industry. They are in many ways the Swiss-army knife within a product organization, supporting the team with process improvements, product analytics support, best practices, and experimentation.

The two most common product ops responsibilities are “improving communication between the product team and stakeholders” and “increasing the efficiency of the product team.” However, it isn’t uncommon for respondents to report their product operations people

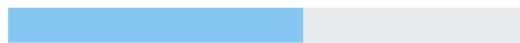
perform multiple responsibilities, and in some cases, every responsibility listed here.

Case in point, one respondent replied that their product ops team is responsible for a staggering list of activities, including “benchmarking, value selling, product positioning, technical support to customers, market intelligence, and application development.”

While product managers are working on product development and managing their roadmaps, product operations is quite literally doing everything else.

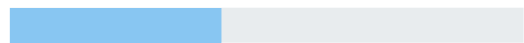
What is your product ops person/team responsible for?

58%



Improving communication between the product team and stakeholders

42%



Owning and managing the product development tech stack

56%



Increasing the efficiency of the product team

42%



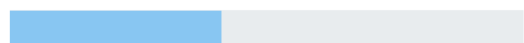
Owning and managing product analytics

43%



Enabling internal teams with product education

42%



Creating customer feedback loops

The Value of Product Operations

The impact product operations has within their organizations can be seen throughout the data included in this report. We took a look at product operation's impact on issues surrounding alignment, autonomy, and accountability.

The results are conclusive. Product teams with a dedicated product ops team feel more **aligned** with their organizations, experience greater **autonomy** in their decision-making, and better trust their peers to **read the roadmaps** they provide for them.

50%

of companies with a product ops person or team feel "very" to "extremely" **aligned with their organizations**

58%

of companies with a product ops person or team experience greater **autonomy in their decision-making**

25%

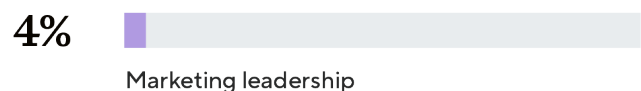
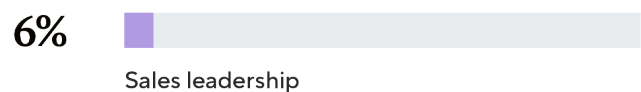
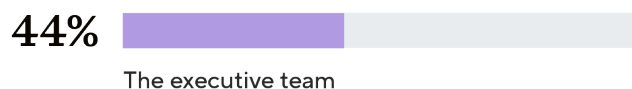
of companies with a product ops person or team have internal stakeholders **read their roadmaps** "often".

Customer Acquisition and Product Led Growth

Customer acquisition is changing. What was once a process led by sales and marketing teams has evolved to mirror shifts in how people buy products. People have grown skeptical of sales-speak. Their digital environments are oversaturated with advertising. In deciding what they want to buy, people would rather self-educate than talk to a sales person. They would rather try a free trial than watch an advertisement.

This has all led to the rise of the product-led movement, an approach to growth that positions the product at the center of everything a business does. So far throughout this report, we've seen clear signs that product teams are doing more than just developing a product. They're also concerned with enabling their customer-facing teams, guiding product messaging, and piloting feature launches. In short, product teams are helping their companies acquire new customers.

Who sets the product strategy? In other words, who has the biggest influence on what gets placed on the roadmap?



Influence Over the Product Roadmap

As many companies move towards a product-led approach to business, more and more decision-making power lies within the product organization. Indeed, much of what the business prioritizes next is informed by the work product does, be it from understanding customer needs to identifying technological limitations.

This change is reflected in who most influences the roadmap. Here we see **product leadership** sharing the majority of the influence with **executive leadership** at about 44% apiece. Product influence over their own roadmaps increases as companies grow larger. Product leadership is most likely to have the greatest influence over the roadmap in companies that are larger than 10,000 employees. In contrast, executive leadership influence over the roadmap decreases as companies grow larger. Executives have an outsized influence over the roadmap in companies with under 20 employees.

Who influences the roadmap the most also affects how often the roadmap is read. For instance, roadmaps that are most influenced by either the product team or marketing team are most likely to be read **“often”**. In contrast, roadmaps most influenced by either executive leadership or sales leadership are most likely to be read **“rarely”**.

Who sets the product strategy?

What size of company do you work for?



UNDER 20 EMPLOYEES



20 TO 100 EMPLOYEES



101 TO 1,000 EMPLOYEES



1,001 TO 10,000 EMPLOYEES



GREATER THAN 10,000 EMPLOYEES

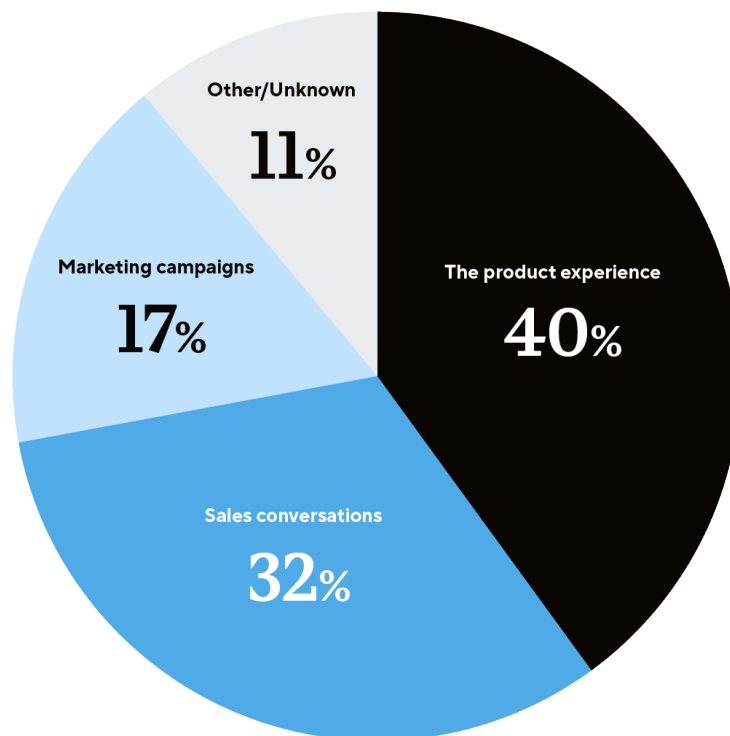


How Product-Led Companies Acquire Customers

A lot goes into acquiring a new customer. Sales conversations. Marketing campaigns. Free trials and the in-app experience. We asked product managers what they felt made the biggest impact on customer acquisition. The **product experience** was the most popular response (40%), with **sales conversations** a close second at 32%.

Is this simply a matter of product tooting its own horn? Maybe, but it also represents a shift in how products - especially in industries like computer software - are sold. Gone are the days of the sales call. Now, many product-led companies aspire to build a product that will sell itself.

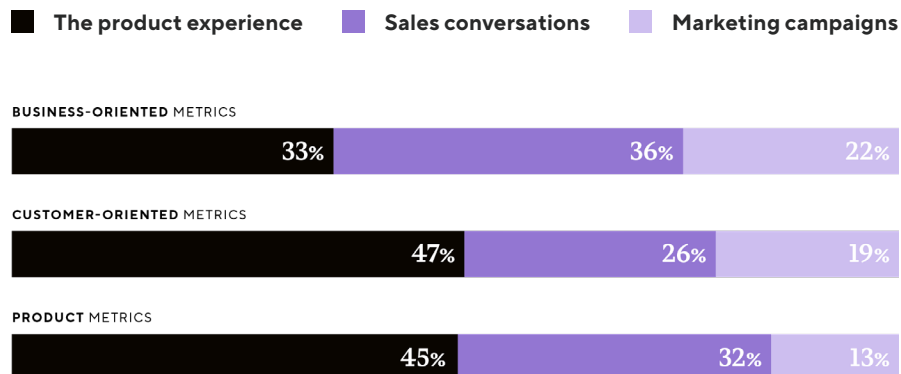
Which of these has the biggest impact on customer acquisition?



Measuring the Success of Product-Led Growth

The metrics product teams rely on to gauge the success of their products offer a glimpse into their company's acquisition tactics. For example, prioritizing product metrics like feature usage and adoption rate might suggest the company is focusing on optimizing their user experience. Customer-oriented metrics like retention rate and net promoter score (NPS) might instead suggest a company focused on building an outstanding customer support engine.

What has the biggest impact on customer acquisition?
What are your team's primary product success metrics?

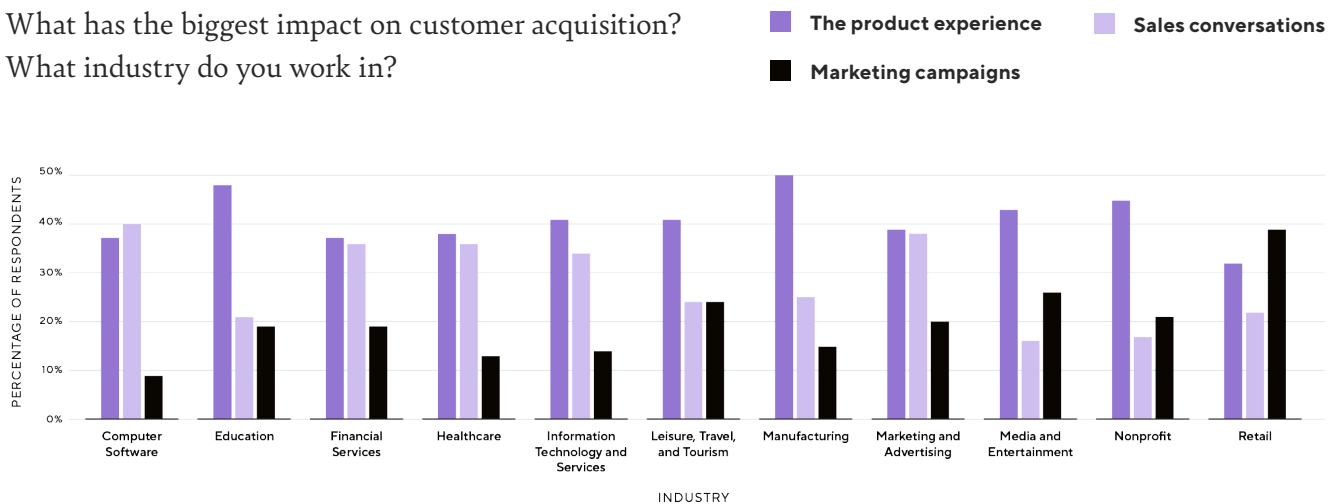


Product managers who use either **product metrics** or **customer-oriented metrics** as their primary success metrics are the most likely to say the product experience had the biggest impact on customer acquisition.

For product managers who rely on **business-oriented metrics** (customer acquisition cost, avg revenue per user), sales conversations edged out the product experience as having the biggest impact on customer acquisition.

What happens when we segment the data by industry? You can find a full breakdown in the chart included. The **product experience** has a bigger impact in industries like manufacturing and education. **Sales conversations** have a bigger impact in industries like computer software, marketing and advertising, and financial services. **Marketing campaigns** have a bigger impact in industries like retail, media and entertainment, and leisure, travel, and tourism.

What has the biggest impact on customer acquisition?
What industry do you work in?



Trends in 2022

The Challenges of Product Management

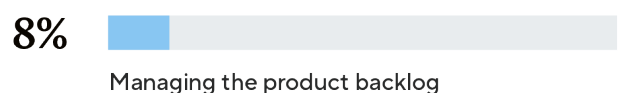
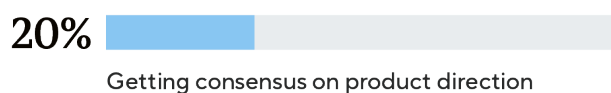
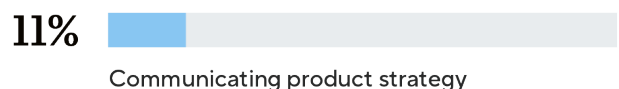
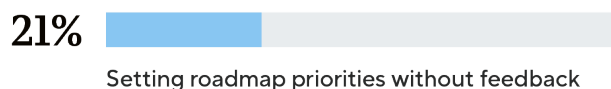
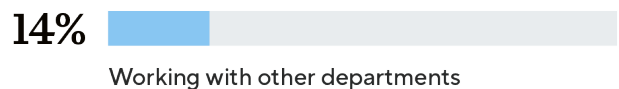
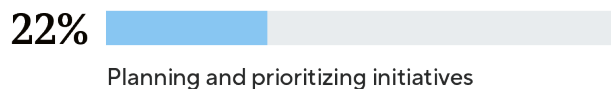
Every year, we check in with product managers and see what their biggest challenges are. Last year, when many companies and employees were just beginning to adjust to remote work during a pandemic, product managers let us know that getting consensus on product direction proved most difficult.

This year, while **getting consensus** still was a top 3 challenge, **planning and prioritizing initiatives** took the top spot for the first time in three years. A few things could be at work here. First, companies are reloading.

They've adjusted to the new normal. They're hiring again. After a strange year, product teams are reaffirming their ambitions. Consequently, there are more priorities to juggle than ever before.

Secondly, as this report showcases, product teams are becoming more involved in other parts of the business like customer acquisition and go-to-market. With an increased set of responsibilities and expectations, it may be difficult for many product teams to prioritize accordingly.

What's your biggest product management challenge?



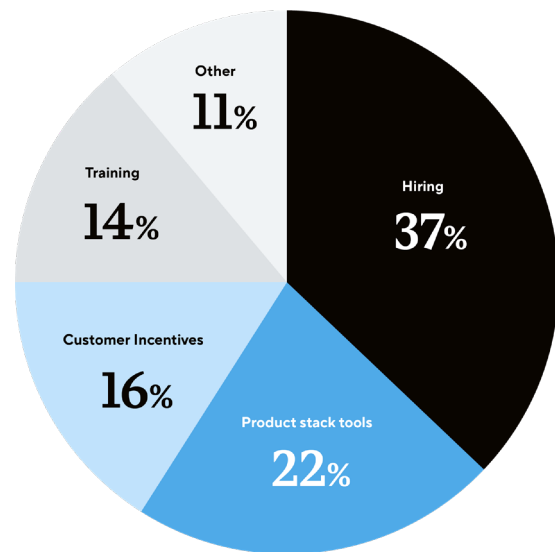
2022 Budgets

With more on their plate than ever before, where are product teams allocating most of their budgets for 2022? As it turns out, product teams are looking to find help.

Last year, only 20% of product managers said hiring was the number one resource they were allocating their budget towards. We know 2020 was a year that saw many companies have to pause hiring in the wake of a global pandemic and restricted budgets.

This year, **hiring** is by far the number one resource teams are allocating their budget towards. It's an encouraging sign that suggests that, at least in some ways, the business world is getting back on its feet.

Where are you allocating most of your budget for 2022?

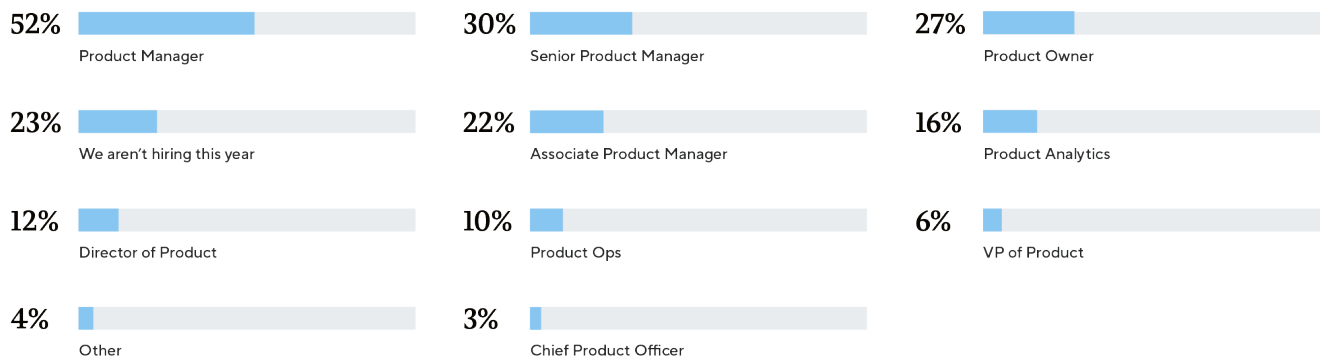


Hiring

With hiring being the number one thing product teams are allocating their budget towards, what positions are they most looking to fill? Unsurprisingly, **Product Manager** is the most commonly sought after position followed by

Senior Product Manager. Even though hiring was the number one budgetary priority, we still found that nearly one fourth of respondents (23%) said their company wouldn't be hiring this year.

What product management roles is your company hiring for this year?



Conclusion

For years, businesses have embraced a top-down approach to product development. Executive leadership would set the priorities and product teams would tackle them. Because tasks were delegated by upper management, collaboration between teams proved difficult. Siloes were common.

That's changing. Even before a global pandemic forced many businesses to relinquish some control over the work lives of their employees, product teams were beginning to find a stronger voice within their organizations. Product managers are customer-obsessed by nature, and business leaders realized the value of having customer obsession permeate across teams and guide their business strategy. The product-led movement had begun.

In 2019, Gartner reported that 85% of organizations surveyed had adopted or intend to adopt a product-centric delivery model. The data in this report offers a window into how that digital transformation is going. This report demonstrates that the degree to which product teams are aligned with their organizations and empowered to make their own decisions has a direct impact on their ability to successfully bring products to market. In an age of heightened competition and frequent disruption, it's more important than ever for product teams to exert influence over their organizations.

We want to thank everyone who participated in this report. We hope the insights gathered this year will help companies around the world embrace digital transformation powered by product teams.

Annie Dunham

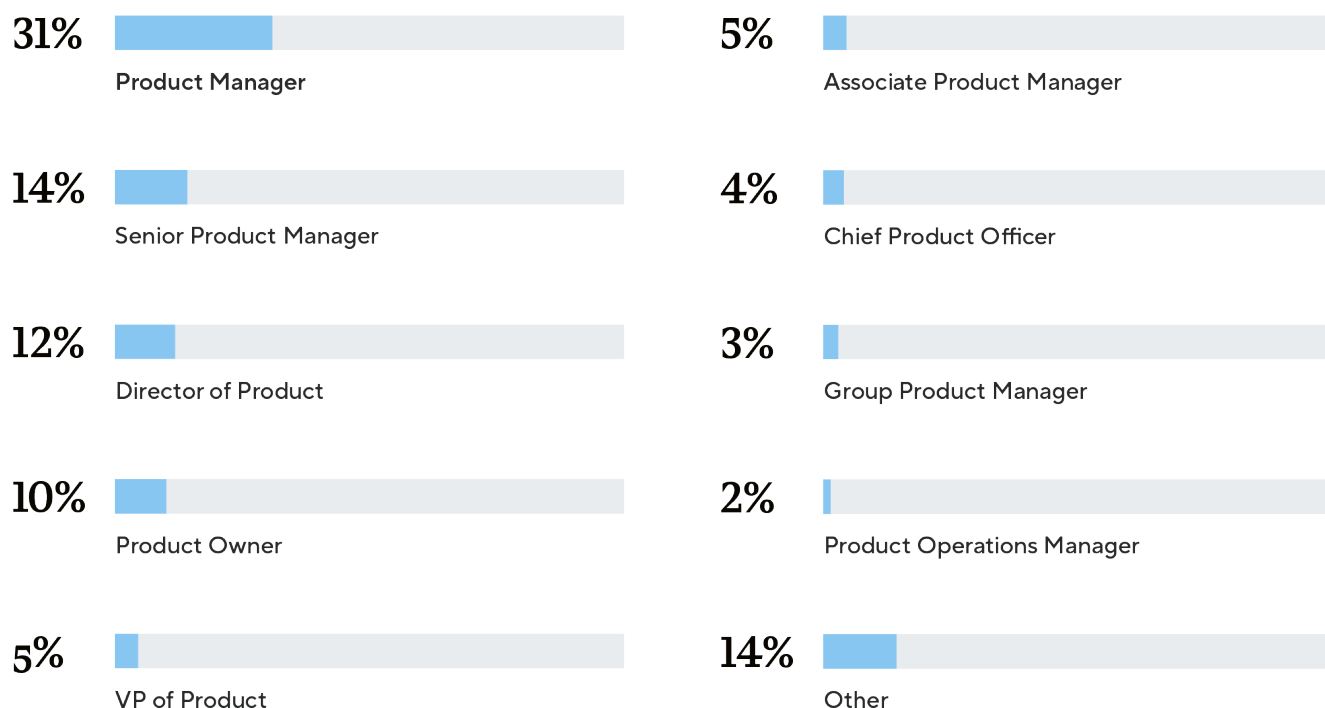
Annie Dunham

VP of Product, ProductPlan

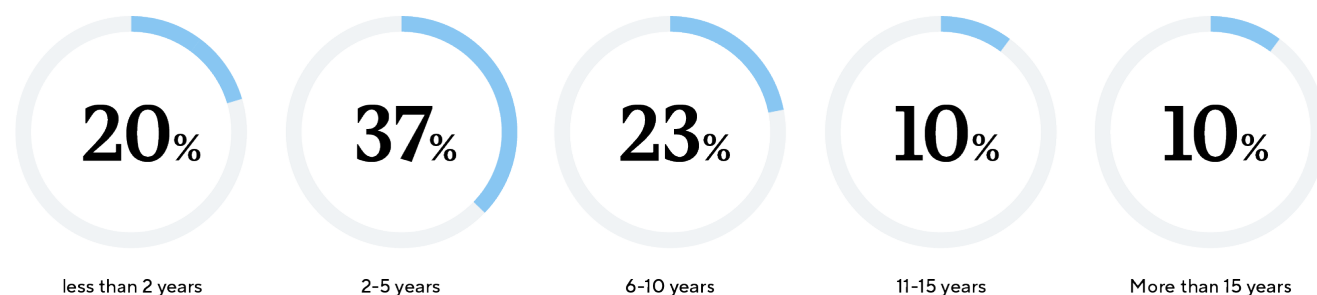
Report Methodology

The 2022 State of Product Management survey ran through the month of October 2021. It was sent out to ProductPlan's newsletter subscribers and shared via email and other product management communities. We received more than 2,000 responses.

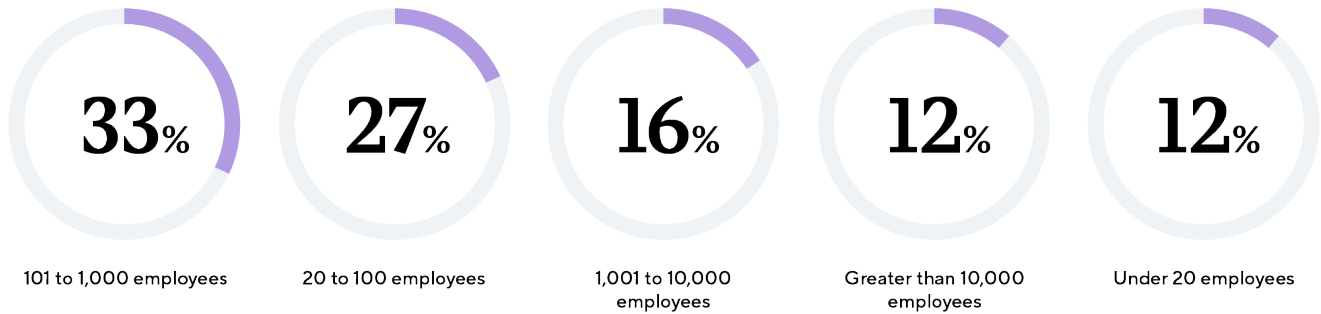
What is your job title?



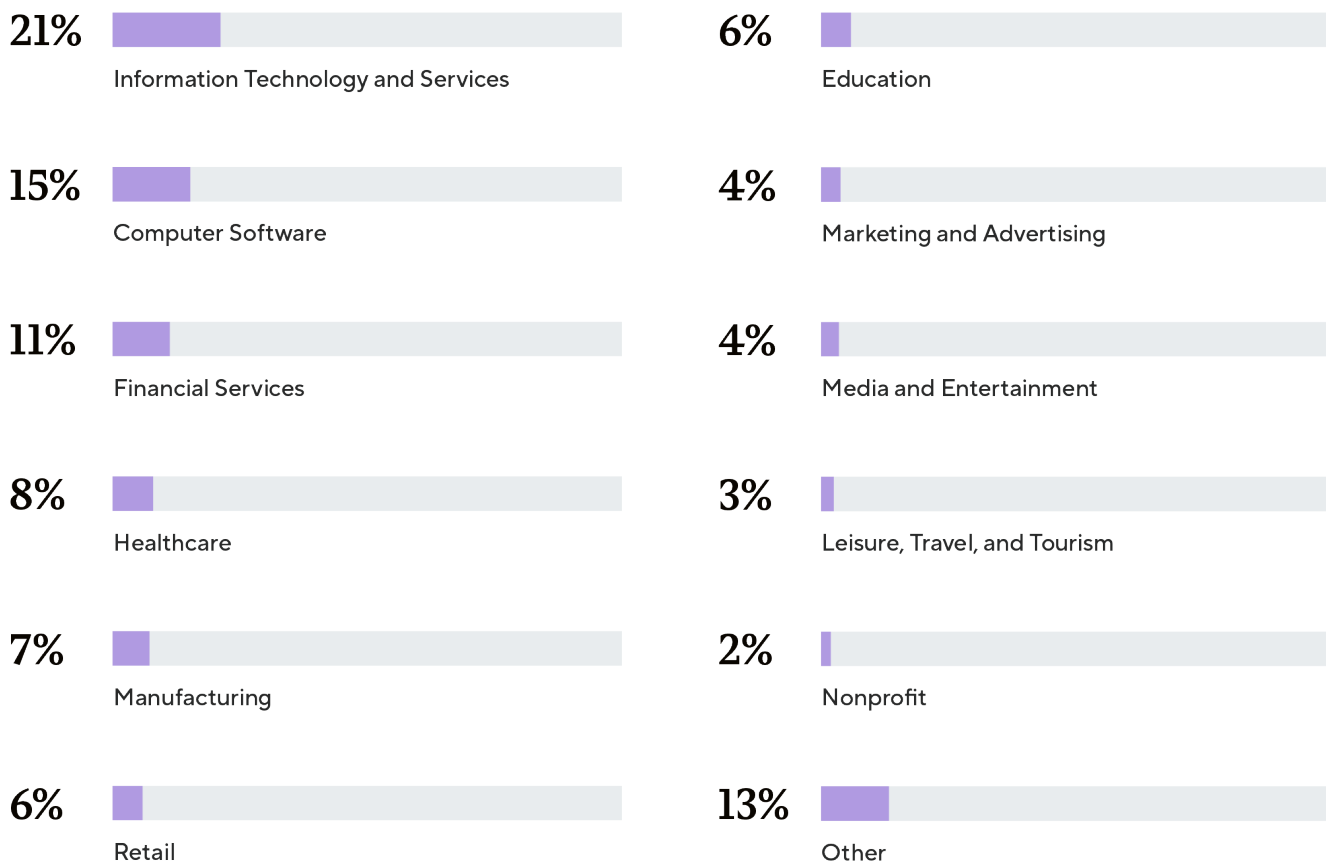
How many years have you been involved in product management?



What size company do you work for?



What industry do you work in?





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