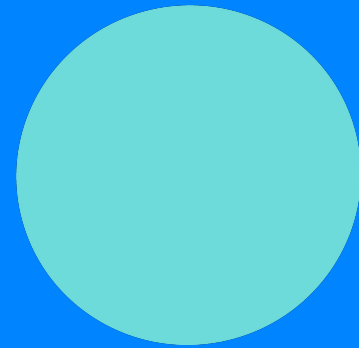
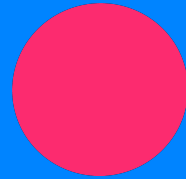


State of Product Management Report 2023



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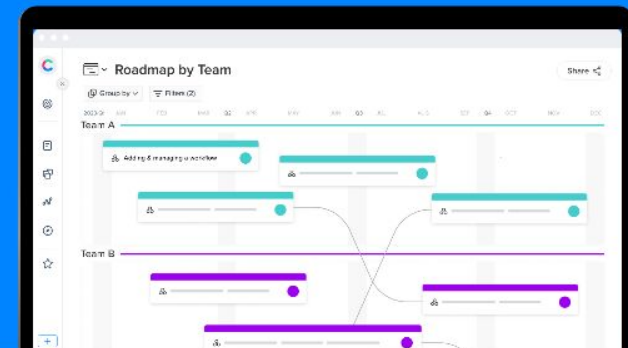
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Who We Surveyed

To get greater insight into the reality of today's product teams, we commissioned a survey of 500 Product Managers from the US, Canada, UK, Germany, France, and Italy. They all work in companies with between 1k to 10k+ employees, and span team leader – C-suite roles.

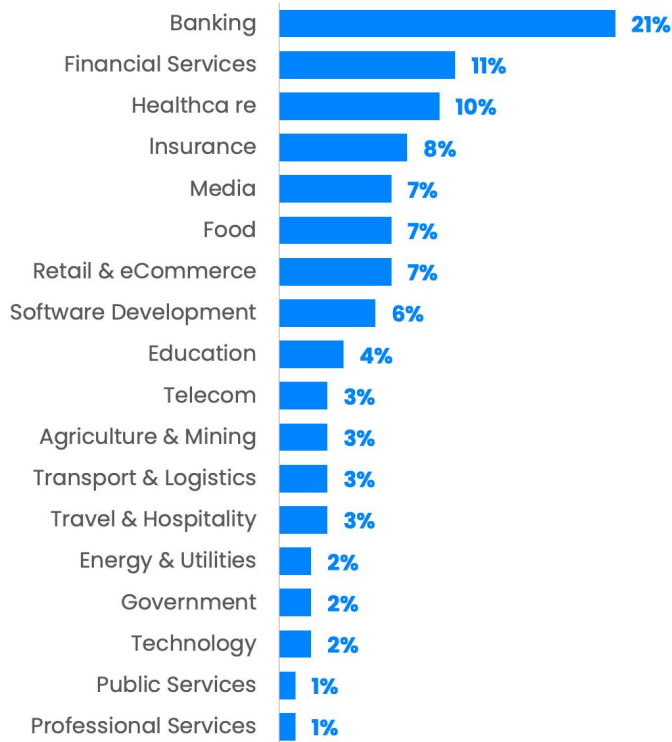


Figure 1: Industry

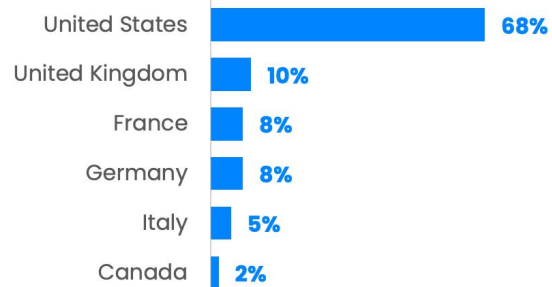


Figure 2: Country

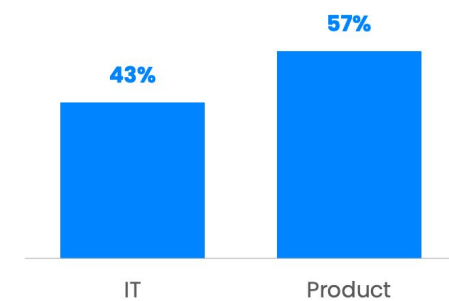


Figure 3: Department

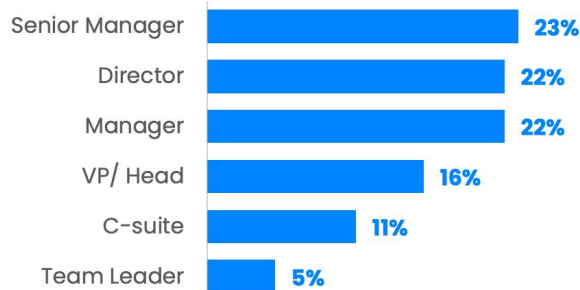


Figure 4: Job Seniority

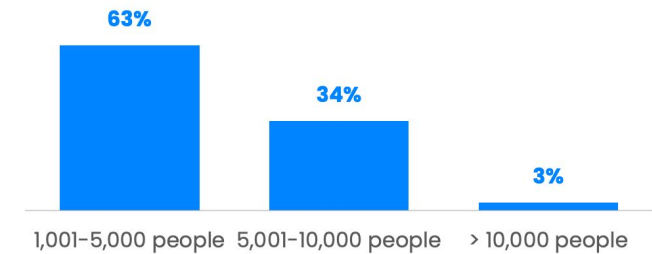


Figure 5: Company Size (Employees)

Introduction

The role of a Product Manager today is more comprehensive and complex than ever before. Product Managers by nature have a cross-functional position within the company that sits across many stakeholders, and that involves a far broader skill set than goes into the practical building of a product. They need to engage in many tasks as part of their day-to-day work, including capacity planning, prioritization, feedback collection, roadmapping, and more.

Throughout all these stages, the underlying need is to be able to tell the right product story and align everyone together to curate a shared goal. This shared vision is an amalgamation of the feedback of the customers, the goals of the organization, the vision of the executives, and the resources of the product team. Without a well-defined product process that brings all these factors together, it's an uphill battle.

At Craft.io, we know that Product Managers are superheroes, balancing multiple tasks and goals, working across numerous organizational functions, and continually aligning requirements to ensure everyone is on the same page and the product story is effectively communicated. Therefore, we wanted to understand the most urgent challenges for today's PMs, what factors influence product team success, and how teams use technology and process to meet their goals.

The results uncover a maturing function within the organization, where Product Ops is now essential, a well-defined process is recognized to be critical, and the ability to tell the right product story is everything.

Key Findings

- 1** Having a well-defined product process is the top success factor of product teams, **yet less than 1/3 of product teams have a well-functioning process.**
- 2** Teams continue to struggle with the basics of roadmapping, **and the larger the org, the more acute their issues.**
- 3** Product teams' top challenges are capacity planning and prioritization, **with core issues around managing stakeholders and communication.**
- 4** Feedback collection is still an unsolved problem, **with 27% of teams saying their feedback collection process is non-existent**
- 5** Product is evolving, and becoming a vital part of company success, **as shown by the growth of Product Ops, investment in technology, and adoption of Product-Led Growth**

Key finding #1

Having a well-defined product process is the top success factor of product teams, yet less than 1/3 of product teams have a well-functioning process

We asked respondents to name one key factor of successful product teams. The top answers were a well-defined product process (26%), a good understanding of customer needs (22%), and a clear prioritization method (22%). Despite a well-defined and well followed product process being essential for success, just 31% of teams can say that they have this established and followed in their organization.

Key success factors for product teams

Top of the list of success factors for product teams is a well-defined product process, followed by a good understanding of customer needs, and a clear prioritization method.

Note that top product talent only comes in at 7% on the list of success factors. If the machine is well oiled, the product will be a good one, even if you don't have top-tier talent pulling the levers.

What about Agile?

An insightful reminder for the industry is that agile development practices are at the bottom of the key factors for success.

Agile only helps you run faster, but if your product process isn't well-defined, you don't understand customer needs, and you aren't prioritizing well – speed is just helping you run faster into a wall.

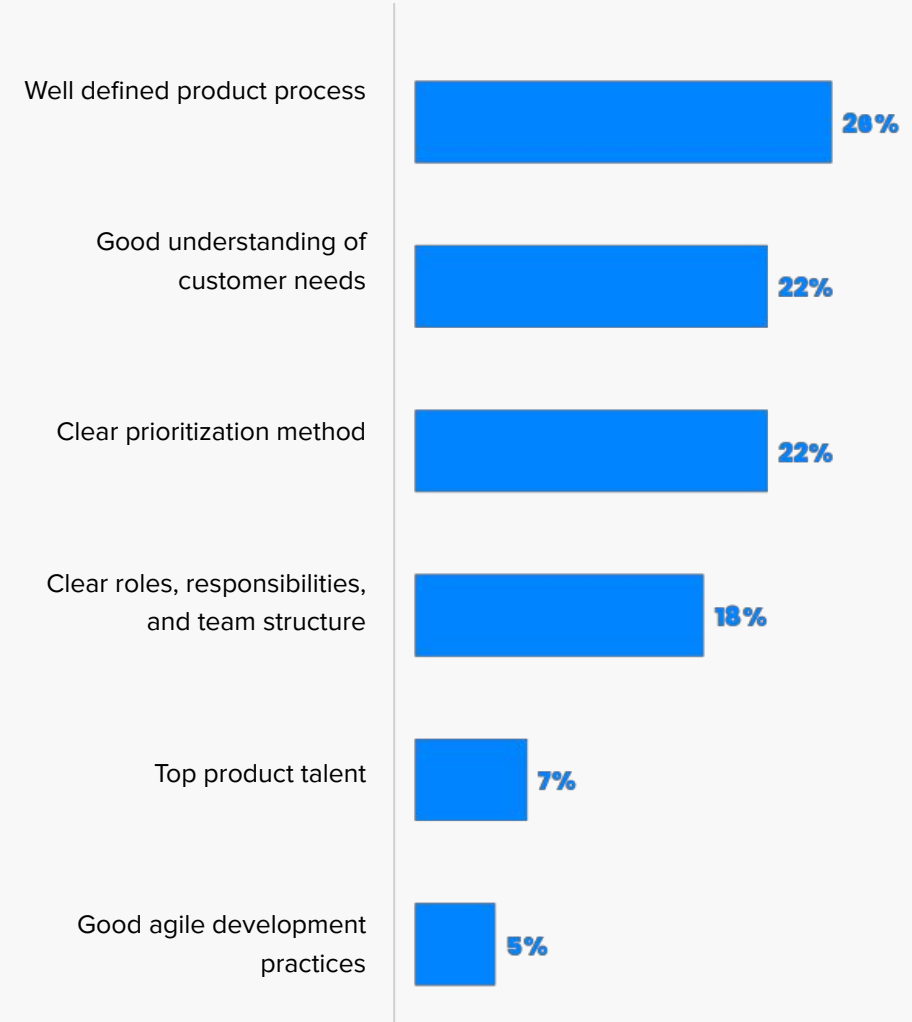


Figure 6: The Key Factor for Successful Product Teams

Existence of a formalized, well-defined, and well followed Product process.

At first glance, the state of a well-defined product process looks strong. 50% of respondents said they do have a formalized product process in their company, and 47% said they don't, although they plan to introduce one in the next year. Just 3% said they don't have one and don't have plans to implement one.

However, of those who do have a formalized product process, only 62% say it's well defined and well followed. 37% say it's well defined, but not yet well followed across the organization.

That leaves just 31% with a well-defined and well-followed product process, the #1 success factor for product teams.

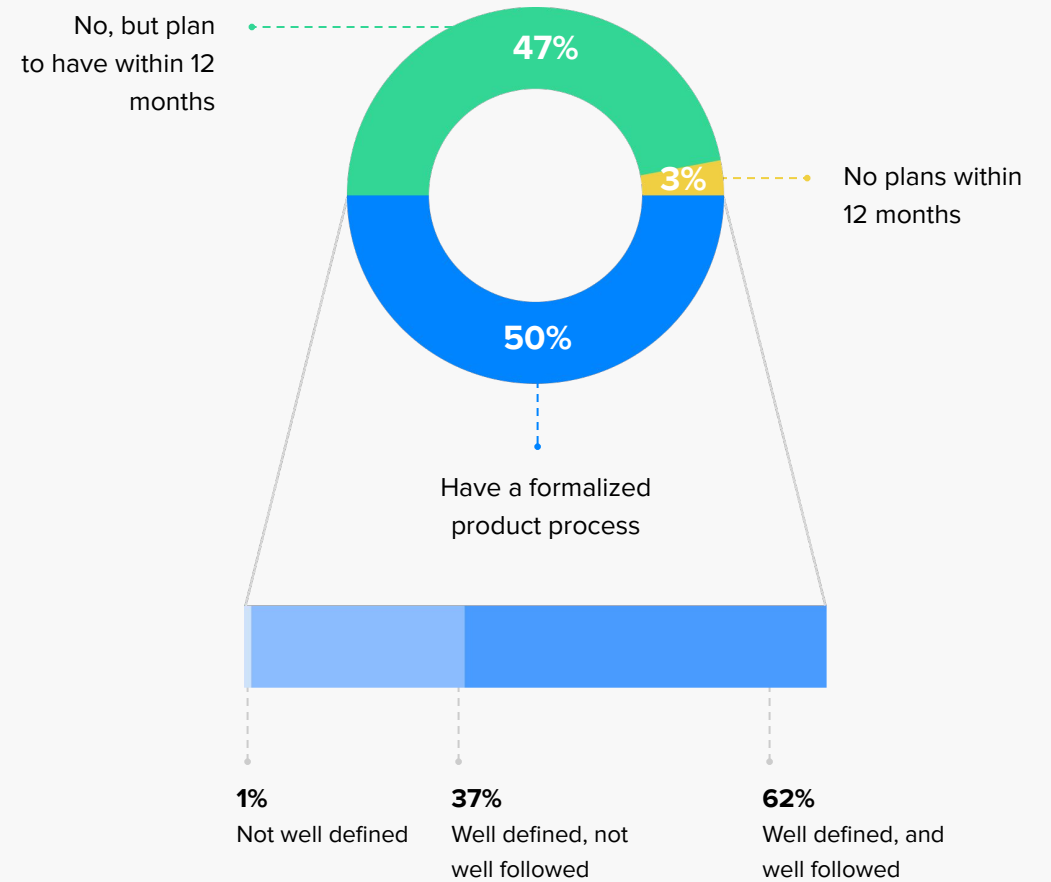




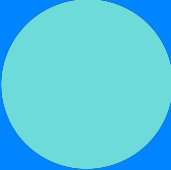
Figure 7: Availability of a Formalized Product Process, and How Well Is It Defined and Followed



Key finding #2

Teams continue to struggle with the basics of roadmapping

Despite 62% of teams saying they use roadmapping technology “all the time”, there are still considerable challenges to be addressed. From the data, we can see that the larger the organization, the more they experience challenges, including visualization, integrations, and outdated information.



Getting granular on roadmapping challenges

The top challenge in roadmapping is that it's difficult to agree on the visualization of the roadmap (36%), closely followed by it being a very time-consuming process.

Other problems include outdated roadmap data, and the inability to connect the information easily to developer tools such as Jira.

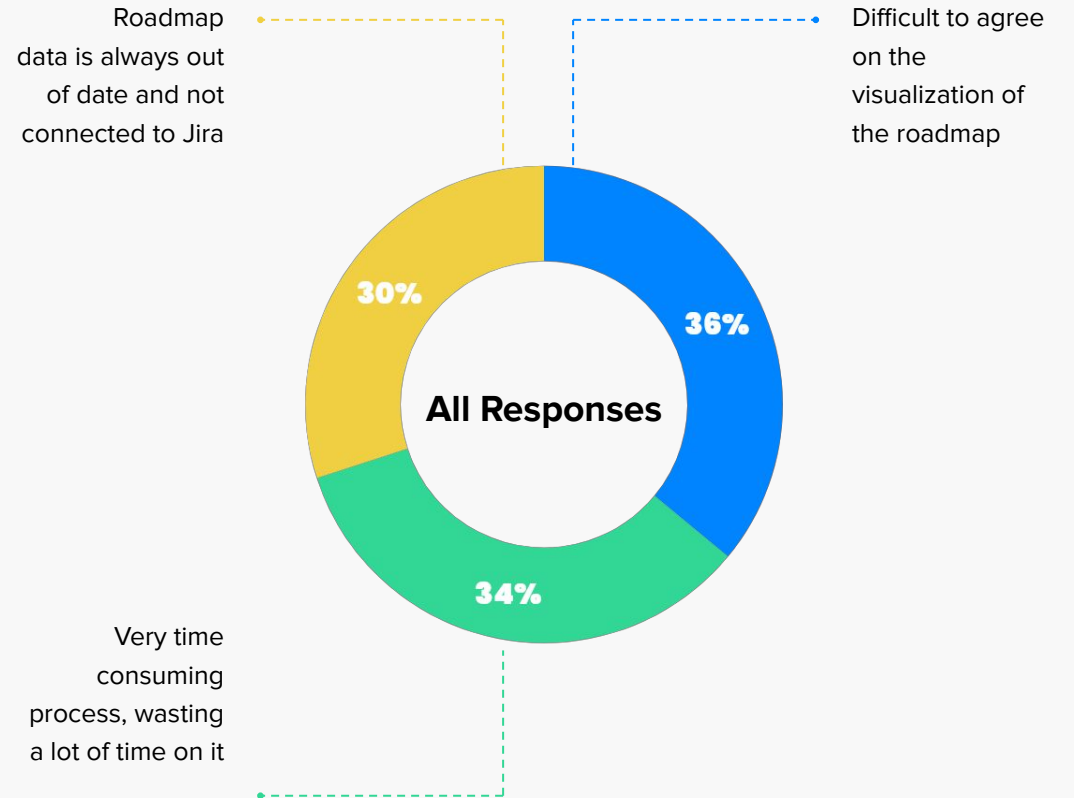


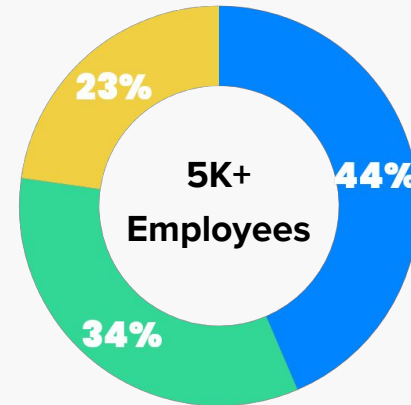
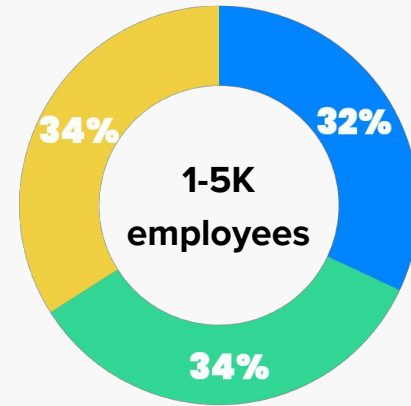
Figure 8: Top Challenge in Roadmapping

Percentages do not add up to 100% due to rounding up of numbers

Roadmapping challenges by company size

When further investigating this challenge by company size, we see that visualization is a much bigger challenge for large companies of 5,000+ employees (44%) than it is for companies of 1,000-5,000 employees (32%).

Visualization is a huge topic in the industry. If you can't visualize the roadmap, it makes it much harder for product teams to tell the right product story, which is the essence of product management, as important as building the product itself. Regardless of the quality of your underlying work – it needs to look good, too.



- Difficult to agree on the visualization of the roadmap
- Very time consuming process, wasting a lot of time on it
- Roadmap data is always out of date and not connected to Jira

Figure 9: Top Challenge in Roadmapping, Small vs. Large Companies



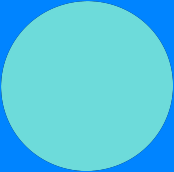
Percentages do not add up to 100% due to rounding up of numbers



Key finding #3

Product teams' top challenges are capacity planning and prioritization

97% of respondents reported facing challenges in their role as Product Manager, with many of these challenges significant in nature. There are a lot of hurdles in getting product management done right, highlighting the role of Product Managers as superheroes of the business! The top challenges stand out clearly as capacity planning (41%), and prioritization (41%).



Top challenges for Product Managers

Product Managers are struggling with a number of challenges. Top of the list is capacity planning and prioritization at 41%, followed by the simple act of “getting things done”, at 37%.

The product process is also a significant challenge, as we can see by how high up it appears on the list of challenges, in fourth place.

It's also interesting to see that internal politics is not such a large challenge for today's companies, perhaps because of the modern remote working landscape where face-to-face interactions have reduced over the past few years.

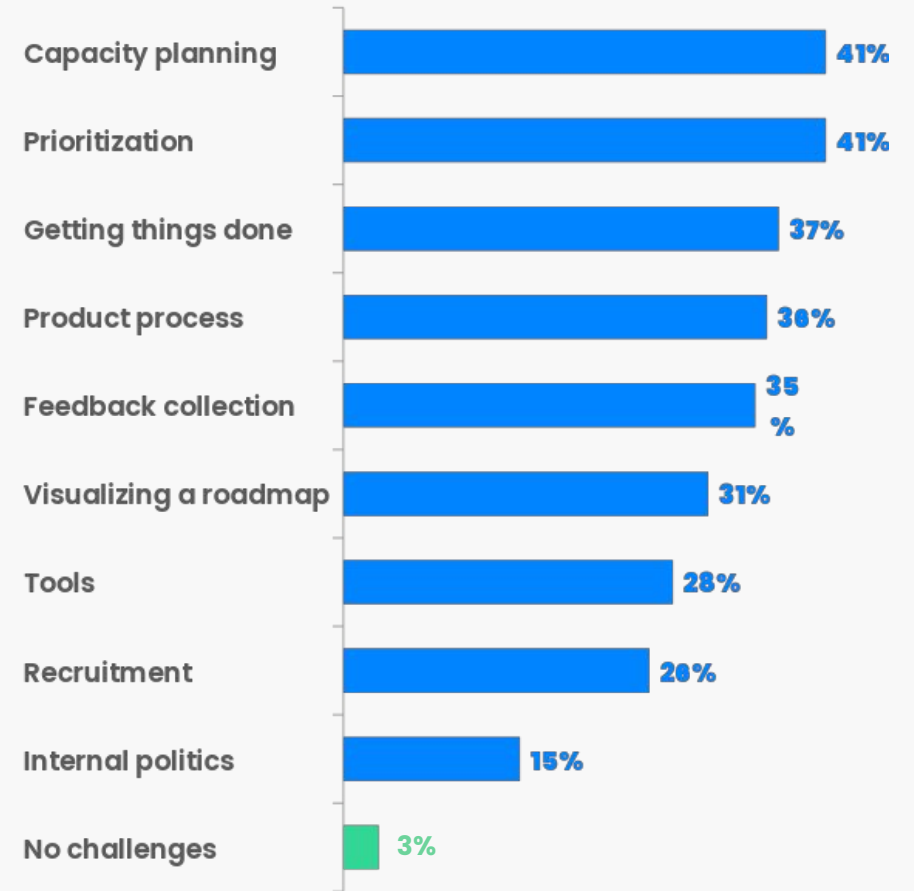


Figure 10: Top Challenges in Product Manager Role

Question allowed more than one answer and as a result, percentages will add up to more than 100%

A deep dive into the challenges of capacity planning

When looking at capacity planning, the top challenge is managing the process across different stakeholders (41%), followed by collecting effort estimates from dev teams (36%).

If you put these two together, you can see the huge amount of effort that's going into aligning stakeholders when planning the next quarter, taking time from what product teams can achieve in the moment. The system is broken in a lot of product organizations, and product teams are feeling the pain.

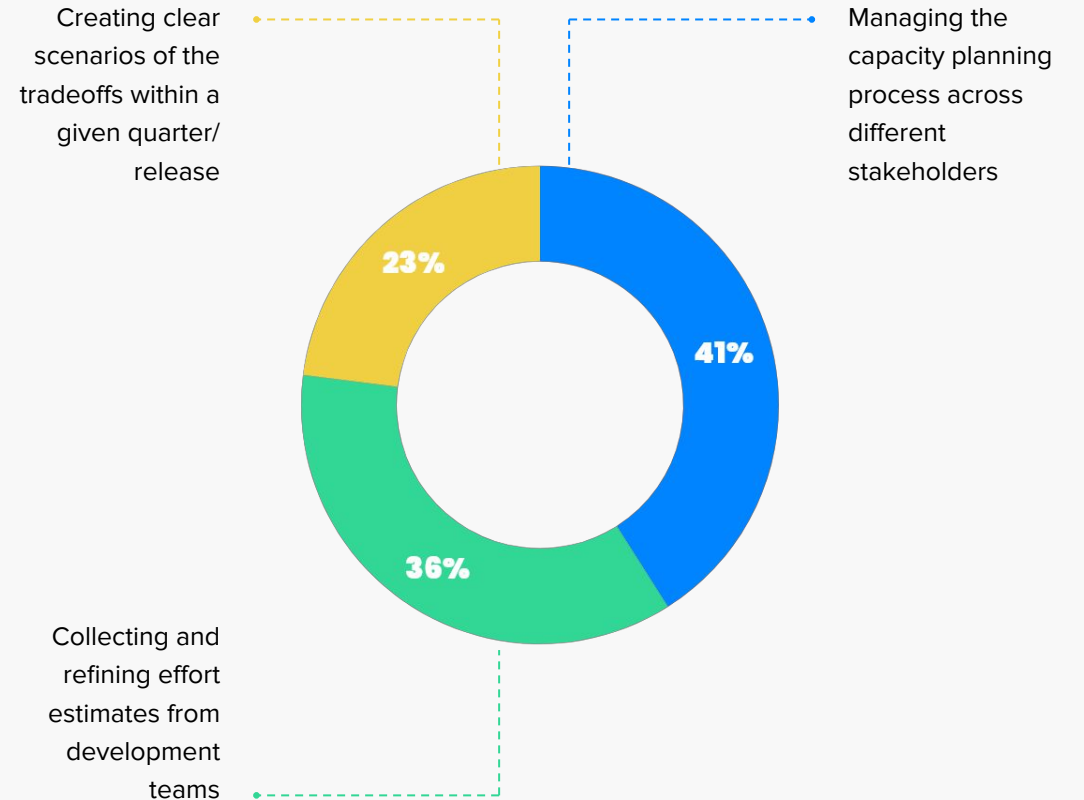


Figure 11: Top Challenge in Capacity Planning

Understanding the pain points of prioritization

For respondents who indicated prioritization as their top challenge, the main issue is the disagreement over prioritization method. Everyone comes up with their own idea (35%), and product teams struggle to find common ground.

This is a joint top challenge with collecting the right data on which to base prioritization decisions (35%), which could solve the third greatest challenge - deferring to the highest paid or the loudest person in the room (30%).

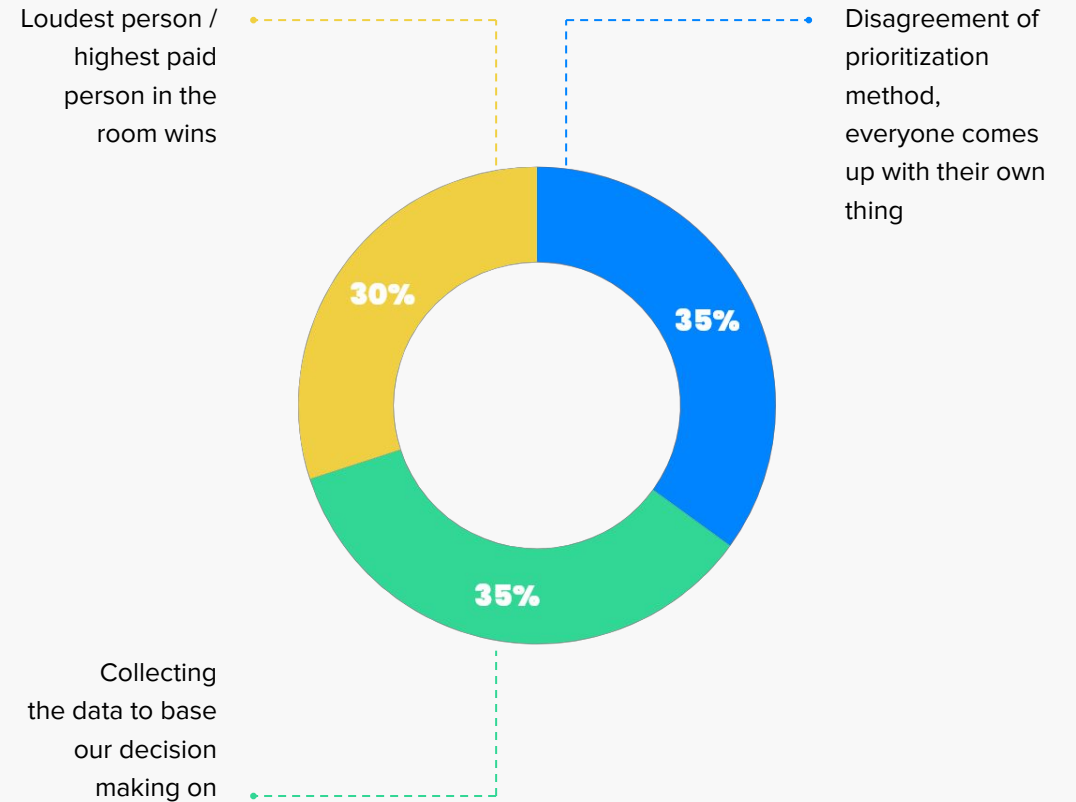


Figure 12: Top Challenge in Prioritization

Product teams recognize that capacity planning and prioritization are sub-par

While product teams seem relatively comfortable about their product strategy abilities, when they evaluated their prioritization and capacity planning abilities, the numbers show their lack of confidence.

68% believe their strategy work is above average, compared to under 50% for both prioritization and capacity planning.

We can see a common theme across the remaining areas too, where respondents believe they are majority average or below, and have room for improvement.

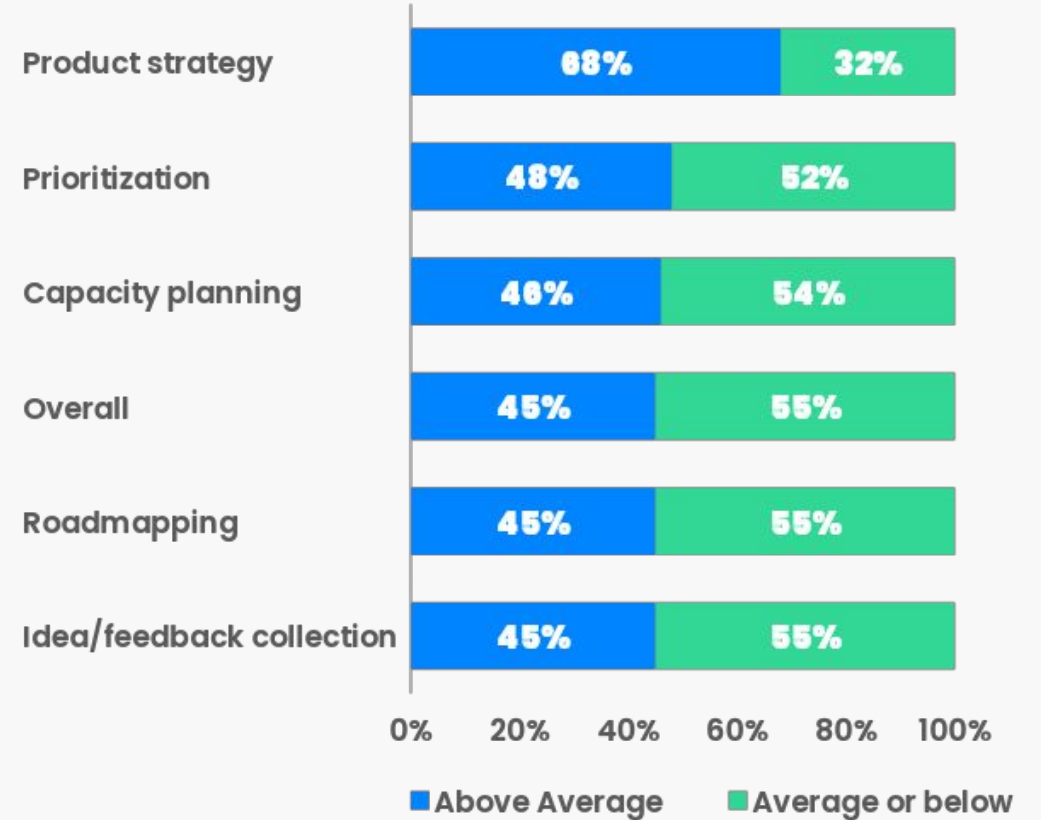


Figure 13: Product Team Evaluation

Question allowed more than one answer and as a result, percentages will add up to more than 100%

Key finding #4

Feedback collection is still an unsolved problem, with teams calling out multiple serious challenges

The challenges of feedback collection are numerous, with the top issue respondents asserting feedback collection is “all over the place”. Altogether, despite feedback collection growing in importance as a core competency of product, 35% of respondents stated it is a top challenge, 27% have no feedback collection process at all, 31% call out the friction between product and the users providing the feedback, and 42% say that feedback is hard to digest as it comes from different sources.

The challenges product teams face with feedback collection

The biggest problem with feedback collection is that it is “all over the place”, making it hard to digest as it comes in from different sources (42%). This is followed by 31% who say that the way they manage feedback creates friction between the product org and the users.

It’s striking to see that in 27% of cases there is no feedback collection process in the company at all, which means PMs do not receive any feedback on their work. Perhaps the challenges were so great that they simply gave up.

The goal of any company should be to ensure that all product teams collect and utilize feedback while improving the structure and communication of feedback collection as a critical component of the product organization.

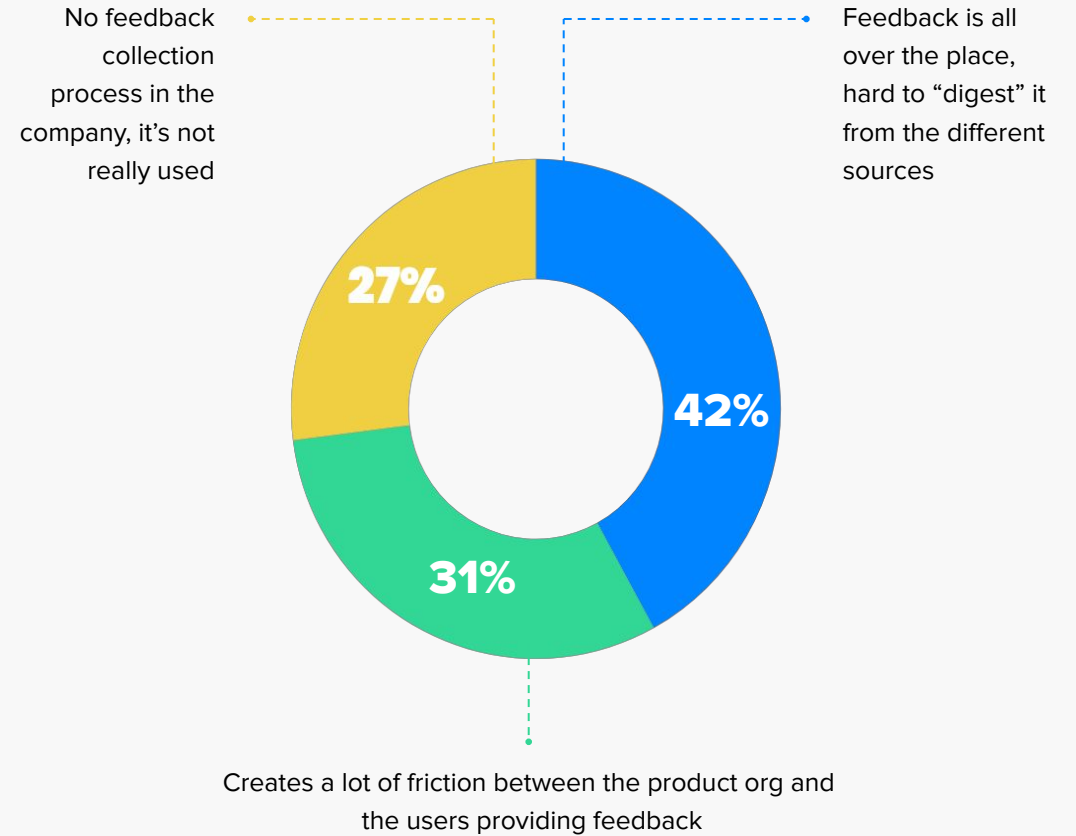


Figure 14: Top Challenge in Feedback Collection

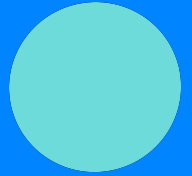
Percentages do not add up to 100% due to rounding up of numbers



Key finding #5

Product is evolving and becoming a vital part of company success

The product organization is growing in importance and evolving as a critical part of the whole business. We can see this in three key areas, the evolution of Product Operations as a function, the investment in tools and technologies to support product initiatives, and the adoption of Product-Led Growth as a model to drive business growth.



Product Operations growth as a function in the organization

Product Operations is a relatively new function in the business, and yet it has grown heavily in importance – becoming table stakes for today’s product teams. This is a clear acknowledgement of how immense the role of the product team is, and how much complexity they have to juggle.

98% of respondents already have or plan to have a designated employee in a Product Ops role within the next year. This validates the fact that it has become a vital role in the organization.



Figure 15: Designated Employee in Product Ops in the Organization

The usage of product management tools

We asked survey respondents how often they use their product management tools for different activities

The first insight to recognize is that product teams need their tools! Technology is widely used across all activities.

Roadmapping is the most frequent activity for which product management tools are used (62%). Some might think that roadmapping only needs to be checked in on once or twice per quarter, but in reality, product teams recognize that roadmapping requires a tool that helps to tell a continuous product story.

Other heavily used product management tools are development progress tracking (56%), and product portfolio management (52%).

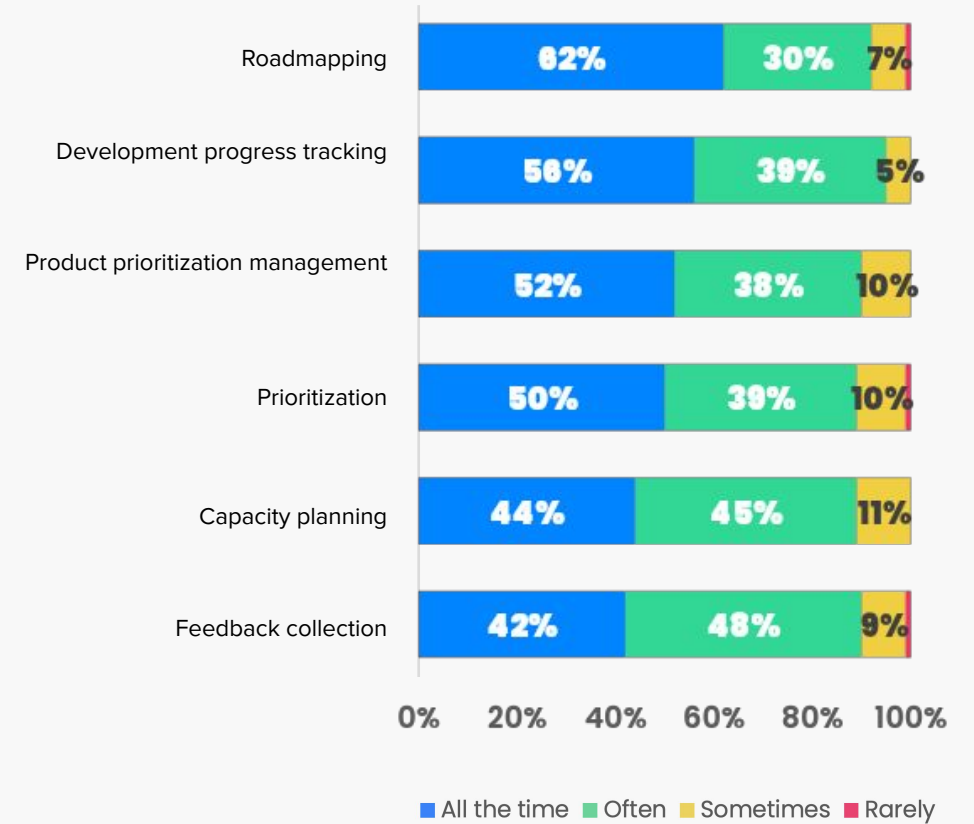


Figure 16: Product Management Tools Usage by Frequency

Question allowed more than one answer and as a result, percentages will add up to more than 100%

The growth and importance of PLG as a strategy

84% of respondents say that Product-Led Growth (PLG) is important for the success of product.

PLG has been growing in importance over the past few years and has now become a household term in product management.

This is the era of the end user, and their experience is becoming increasingly important over time.

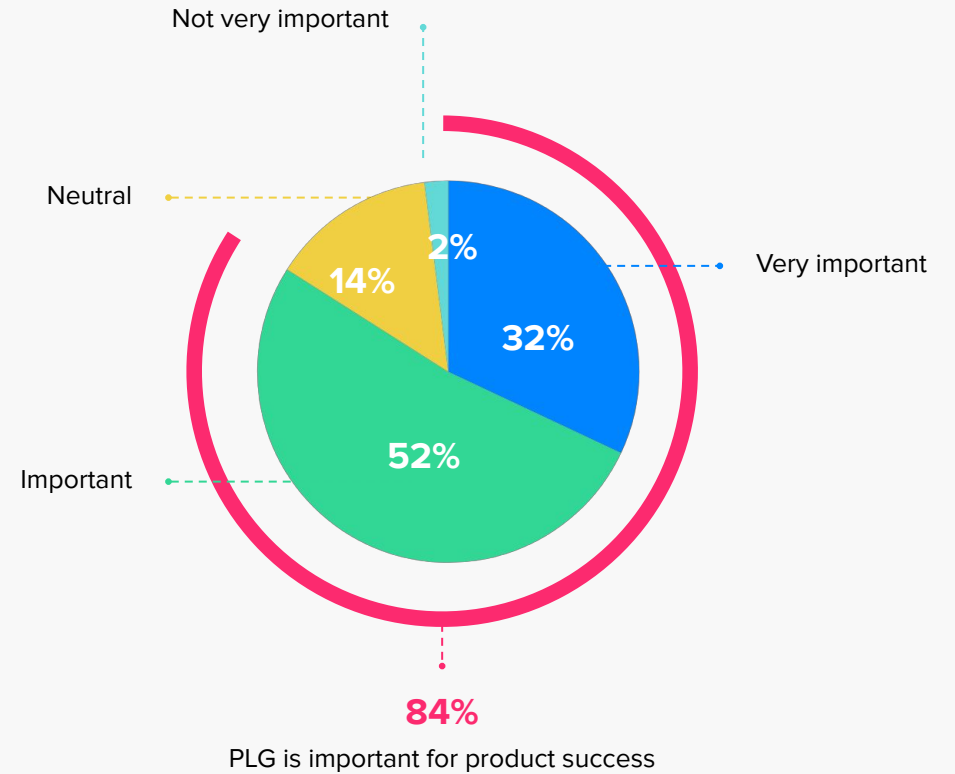


Figure 17: PLG Relevant for Product Success

About Craft.io

Founded in 2015, Craft.io is an award-winning product management platform enterprises trust to build great digital products with confidence. Thousands of product professionals from companies such as Kimberly-Clark, Marks & Spencer, SAP, Cisco, and Fannie Mae, use Craft.io to manage the entire product management life cycle, make smart product decisions, align their teams, and tell a compelling product story.

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