



The Future of Product Management

2023

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INTRODUCTION

The Future of Product Management Report

Today, every company is a software company — even if your organization is in brick & mortar retail. As [McKinsey](#) put it, software isn't just eating the world... software is the world.

With customer acquisition costs skyrocketing and marketing budgets being cut, more and more companies are looking to their product experience as a way to keep and gain customers.

The best products win.

The word is out that “Product-Led Growth” isn’t just giving someone a free trial. It’s more than a suite of tools. In fact, it’s an organizational mindset that centralizes growth in customer experience and makes this experience everyone’s responsibility.

Today, over one third of Fortune 100 companies have a Chief Product Officer, while **over 2,000 CPO jobs** are currently open on LinkedIn.

As Product becomes an organization-wide strategic priority, Product as well as L&D leaders are focused on aligning Product Talent with Product Adjacent roles like Product Marketing, Sales, and Customer Success.

Product has earned a seat at the table.

This is why we weren’t surprised to learn that only 3% of the **layoffs** at Amazon and 4% at Meta impacted Product Managers, and over 200,000 Product Management jobs remain open on **LinkedIn**, while Senior Product Manager is 2nd and Product Manager is 4th most popular **job title** for companies looking to hire right now.

Far from laying off Product Talent, companies are actively looking for ways to **keep their Product Managers around**. As the talent war heats up, employee retention is becoming a top priority.

Welcome to the future of Product Management.

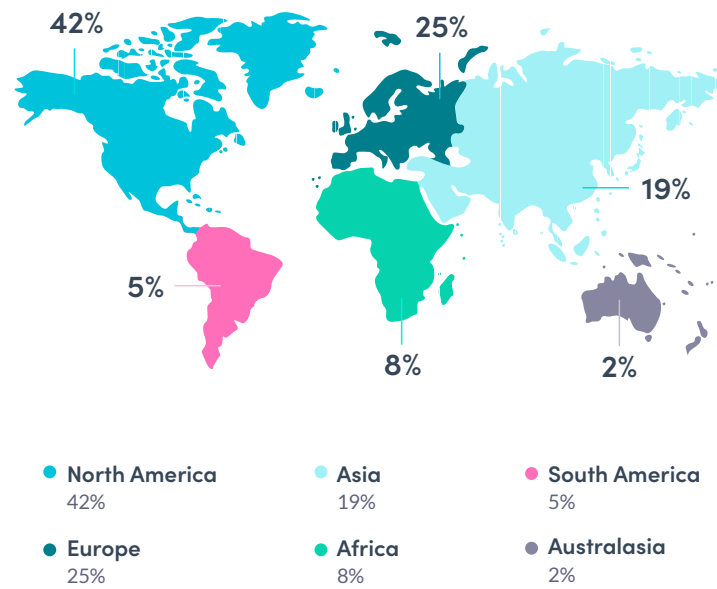
Over the past four years, we’ve written about the inexorable rise of the Product Management profession. Last year, the data showed how Product-Led Growth was accelerating the demand for Product Managers while mobilizing organizations to build sustainable teams, processes, and values to retain Product Talent.

This year, we examined Product Management in the face of economic uncertainty. How will Product organizations and teams adapt/be affected in light of current circumstances?

We surveyed over 7,000 Product Leaders to find the answers.

Our record breaking survey reached Product Professionals...

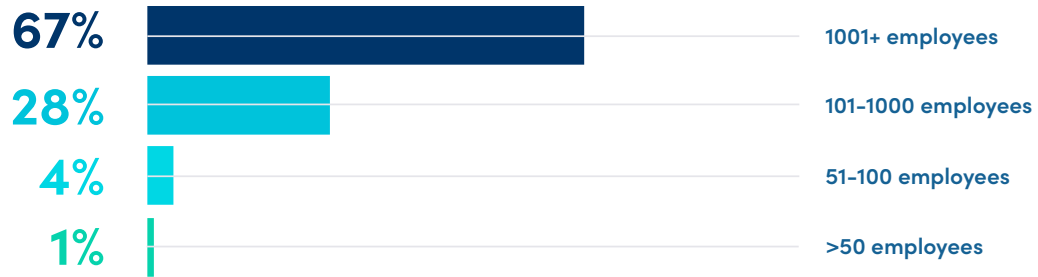
From every continent



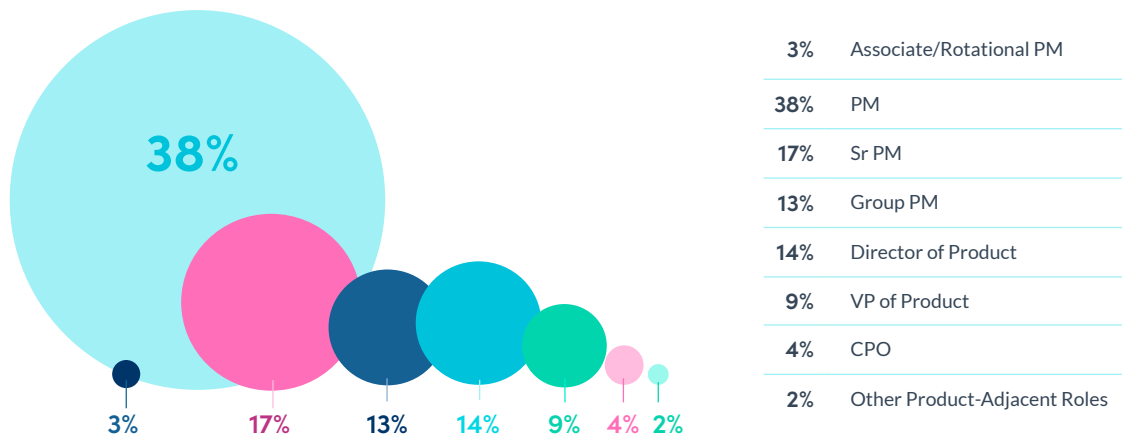
Across multiple industries



From companies of all sizes



In all Product roles



You're about to learn how economic uncertainty is driving Product Management forward. Here are the insights we reveal in the 2023 Future of Product Management Report:

- Trend #1** In times of economic uncertainty, the best products win
- Trend #2** Product has earned a seat at the table – right up to the C-Suite
- Trend #3** Companies are scrambling to keep their Product Talent around

TREND #1

In times of economic uncertainty, the best products win

With customer acquisition costs skyrocketing, companies are finding creative ways to acquire and retain customers.

You cannot fake an excellent customer experience.

Leading with Product is about over delivering, and the customer will know when their needs have truly been served. If you are delivering a world-class customer experience, this will result in:

- **Customer Retention:** Netflix lost over one million subscribers in 2022. This is a Product issue. When users are getting true value, they stick around.
- **Customer Expansion:** When you deliver a world class customer experience, you can leverage existing users as an inbound distribution channel to bring net new customers.

Companies that can zero-in on the voice of the customer and deliver a world-class customer experience will drive consumers and clients to stick around even when they are counting pennies.

Product-Led Growth is here. And it's here for everyone—not just your Product team!

All companies can become Product-Led by making user experience an organization-wide priority. A subset of companies—mostly but not exclusively tech companies—can go even further by making Product their primary growth engine.

Last year, we looked at how the topic of Product-Led Growth went mainstream. Organizations have had their 'Aha' moment, waking up to the value of adopting a Product Mindset and becoming Product-Led.

With the current economic crunch driving up the cost of customer acquisition via traditional means, Product-Led Growth has become more critical than ever to companies, particularly in tech, where this is a viable go-to-market approach. If you can get your customer to buy, upgrade or recommend your product without any interaction with sales, that's more revenue on your bottom line.

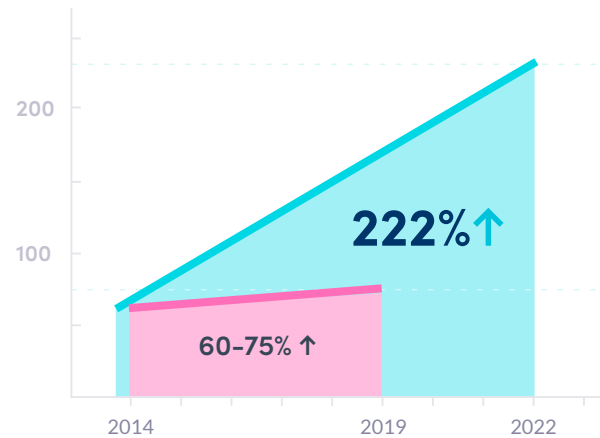
Sales-Led companies can also use Product-Led Growth to level up

Exclusively deploying Product-Led Growth (PLG) is not for everyone, and many companies continue to find sales-led strategies offer a dependable way of generating revenue, but this doesn't mean that sales-led companies don't also embrace a Product-Led focus.

Having a strong sales team matters. Combining that motion with a bottom-up PLG methodology is huge. This helps your sales team qualify prospects and book meetings with people who already have a high level of buy-in because they are already using your product.

It's the best of both worlds.

Customer Acquisition Costs



Customer Acquisition Costs were up 60-75% between 2014 and 2019 ([Clearbit](#) and [ProfitWell](#)) before Covid-19 sent costs skyrocketing.

Comparing 2013 to 2022, we see CAC up 222% ([Business Wire](#)).

What Does the Future Hold?

Being **Product-Led** is for everybody, even if you have a **Sales-Led** go-to-market. In today's world, all companies are customer experience companies, meaning that Product will always have a seat at the table. **PLG**-focused companies will continue to expand the Product role all the way up to CPO, while sales-led companies will also increasingly embrace Product-related roles such as Product Marketing.

TREND #2

Product has earned a seat at the table — right up to the C-Suite

Product is at the intersection of everything.
Leveraging a Product Mindset drives alignment and
increases efficiency across entire organizations.



Once upon a time, back when Product Managers reported to a CMO, it was said that Product was at the intersection of business, design, and engineering. Those days are over.

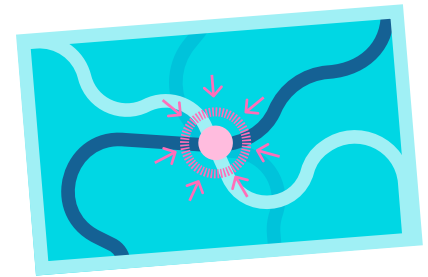
Today, Product is at the intersection of everything

Design. Marketing. Sales. Customer Success Revenue Optimization. And so much more.

Product Managers no longer report to a CMO. Over one third of Fortune 100 Companies now have a Chief Product Officer. That represents a 41% growth rate over the past three years — the trend is only accelerating and we predict the majority of Fortune 100 companies will have a CPO in the near future.

The Product team is not JUST Product Managers. In order to support deeper relationships with other teams, Product-focused roles are expanding to include Product Marketing, Customer Success, and more. Why?

Everything comes down to the customer.



Customer centricity is the North Star that will bring different teams together.

Customer-centricity will see organizations through this current period of economic uncertainty. Even companies that are successful with a Sales-Led approach are embracing a Product Mindset to drive cohesion across the organization and better meet customer needs.

As the Product team expands to include roles such as Product Marketing, Product teams and sales teams are breaking down silos, working hand-in-hand to distribute a Product-Mindset across the organization.

The resulting team cohesion allows organizations to maximize efficiency, better meet customer needs, and grow their competitive advantage, regardless of whether your primary customer-acquisition methodology is Product-Led or Sales-Led.



A Product Mindset fosters efficiency

A Product Mindset means putting the user experience first, no matter what department you're in. It means that growth is everyone's responsibility.

Team alignment results from everyone looking towards the same goals. When companies are accountable to disparate and often contradictory metrics, inefficiencies abound.

A Product Mindset resolves this by situating growth within the customer experience, and making this experience everyone's priority.

From Business Analytics to Product Marketing, from Sales to Finance, Engineering and beyond, everyone is laser-focused on the customer.

This results in the breaking down of silos, dissolves duplicate effort, and goes a long way toward driving revenue growth by delivering a world-class Product experience.

But there is a warning to companies as the Product Talent war heats up: **A successful Product team is not possible if your Product talent is leaving.**

Why?

- Replacing a Product Manager costs as much **\$263,200** in recruiting and onboarding costs
- Losing team members is disruptive to organizational cohesion and can cause a breakdown in trust and loss of domain knowledge.

What Does the Future Hold?

Product Managers provide opportunities for growth, adaptation, and efficiency... And **Product Managers** are aware of their value, with most Product Managers we surveyed expecting a pay raise of around 20%. This is beyond the reach of most companies right now, which is one of the reasons why employers need to look beyond compensation to incentivise their top **Product Talent** to stick around. We asked the 7,000 **Product Leaders** we surveyed what Product Talent is really looking for in the job market. Let's explore:



TREND #3

Companies are scrambling to keep their Product Talent around

The importance of Product is driving a talent war. Compensation isn't the answer. Here's what Product Managers really want:

As we've learned above, replacing a Product Manager has a huge cost. It's extremely expensive to replace Product Talent, and when a Product Manager leaves, they hurt team cohesion and take valuable domain knowledge with them out the door.

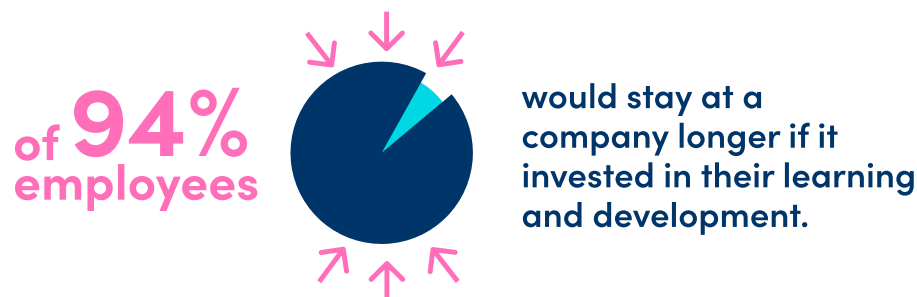
[LinkedIn](#) reports that 93% of companies are concerned about talent retention. Compensation is no longer a primary driver of retention nor a decision to move to another company. So what is?

Our research showed that Product Managers were broadly motivated by three key factors which they considered when weighing up new opportunities and when deciding whether or not to stay in their current role:

- **Professional Development:** Do your PMs have confidence that they will be part of a high performing team and build great products at your company?
- **Employee Experience:** Does your company support hybrid/remote work, work-life-balance, and manage work capacity?
- **Company Purpose:** Does your company offer mission-driven work with interesting problems for your top Product minds to solve?

Professional Development

Product Managers want to learn and build the best products they can. [94% of employees](#) say they would stay at a company longer if it invested in their learning and development.



Companies are also focused on the importance of training, with LinkedIn's 2023 Workplace [Learning Report](#) listing Management as the #1 skill companies need more of this year, while only 8% of L&D leaders expect their budgets to decrease in 2023, and 41% expect to have a higher budget in the year to come.

Yet, despite this clear signal from the talent pool and the wider market, companies are still falling behind in providing Professional Development opportunities to their Product Teams.

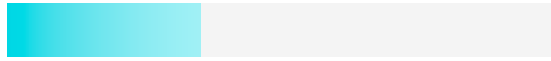
65% of companies still do not regularly assess PM's level of experience, maturity, and expertise, while only 35% have an onboarding program for new PMs. This means that pathways to Professional Development are often murky at best or non-existent at worst. If Product People don't have the chance to do the best work of their career in your company, they will look elsewhere.

65%



of companies DO NOT regularly assess PM's level of experience, maturity, and expertise.

Only 35%



of companies have onboarding programs for new PMs.

93% of companies are concerned about employee retention.
[Source](#)

Only 8% of L&D leaders expect their budgets to decrease in 2023
[LinkedIn](#)

Company training **drives efficiency through standardization, aligns teams on best practices and frameworks, and signals to Product Talent** that your company cares about the growth of its employees.

In order for your team members to benefit from training, they need to have the time and focus to give to it. Driving efficiency can free up time, giving your team members the opportunity to grow and contribute on a more strategic level.

Employee Experience

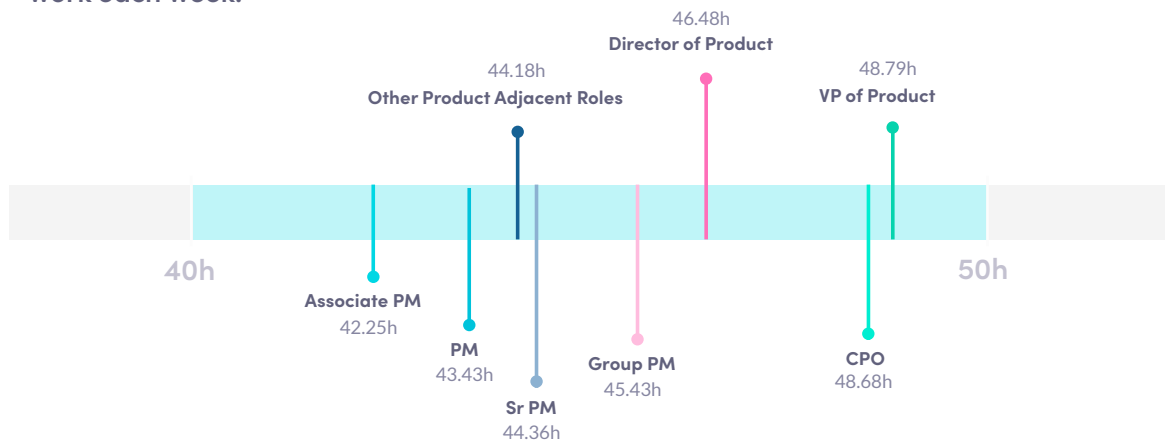
2020 fundamentally changed employees' expectations around remote work. Today, 62% of employees in the United States now expect that some form of remote work will always be available to them ([Intuition](#)). Product Managers work hard—an average of 43.5 hours per week at the PM level, rising to 49 hours per week at the VP level—but they don't want to give up their personal and family lives to their jobs.

Companies with a positive and supportive culture that promotes fulfilling team work and offers remote work and flexible vacation policies are the most appealing to Product People.

Working over-capacity is a key concern among Product Professionals. Companies can solve this issue through training that drives efficiencies, fosters alignment and facilitates working smarter through best practices and frameworks.

Training can also result in better team bonding which creates a cooperative culture that breeds resilience in the face of challenges such as economic uncertainty.

Product Professionals are all working over capacity. Here's the breakdown of the average number of hours they work each week.



Company Purpose

Product Managers remain motivated by impact. They are energized by solving meaningful problems, and at their happiest when they can align their personal values with the company mission.

By communicating the real-world value of their work and quantifying the positive impact, companies can better retain and motivate Product talent. Not every product aims to solve world hunger. And that's OK. Even if your product is highly technical and its social impact hard to immediately quantify, you can motivate your Product teams by giving them space to explore innovations and think creatively.

“You can motivate your Product teams by giving them space to explore innovations and think creatively.”

Team training can help employees at all levels feel a sense of connection with the company mission. Leaders can use this as an opportunity to embrace ideas they may not otherwise have considered and amplify diverse voices. Give your Product Managers a sense of ownership of the final result, and they will reward you for it.



What Does the Future Hold?

Over 45% of companies with Product Managers do not provide Product-specific training. This means there's an opportunity for companies to get an edge in the talent war by giving their Product Managers the professional development support they crave. With Product Managers working over capacity, companies will need to lean into fostering alignment with other Product-adjacent roles to increase efficiency and give Product talent the space to grow and innovate.

Key Takeaways

Product Leaders

Embrace your strategic potential

The current economic situation is proving that the best Products win. And to create the best Products, you need to foster the best Product teams. Looking to the future, consider the role that PLG may play in your company's customer acquisition strategy. To attract and retain top talent, ensure that you're providing Professional Development opportunities within your organization and seizing opportunities to drive alignment across Product and Product-Adjacent teams.

L&D Representatives

Train to retain

As being Product-Led becomes a key way for companies to drive growth, cut costs, and break down silos, retaining Product talent is more critical than ever. In order to stand out, you need to help your top talent feel like your company is a place where they can succeed. You can do this by supporting Product Leaders in their efforts to carve out capacity to learn and grow by driving alignment between Product and Product Adjacent teams. The best way to ensure people have the skills to grow, both laterally and upwards, is through team training.

Resources & Further Reading

