

by airfocus

An abstract graphic featuring a blue background with various geometric shapes. At the top right, a white circle with a blue checkmark is positioned above a white rectangular bar that is tilted upwards. To the left of this, a blue square is partially visible. Below the square, a diamond-shaped icon with a blue smiley face is shown. The central text is contained within a white rectangular box. At the bottom, a large blue sphere is partially visible, resting on a white rectangular base. The overall design is clean and modern, using a color palette of blue, white, and light gray.

# **Product First:** A New Era of Product Management

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## Introduction

# The critical role of structured product management

Across a wide range of industries, companies have realized that product-based innovation is now the critical driver of business growth. Leading market analysts have documented the trend for product-centricity too:

**“By 2022, firms using product-centric delivery will experience twice the average rate of success in recovery and renewal from the economic downturn”**  
- Gartner®<sup>1</sup>

Product-centric business models are not a race to develop new functions or features for their own sake. Rather, they are concerned with a closer mapping of product development to the

strategic and commercial aims of the business.

The software industry is facing a rise in product-led business growth models and entire vertical markets, from financial services to consumer packaged goods, respond to digital disruption with new product-based convenience including self-service apps for customers. This means that success will be determined by the business outcomes those products deliver.

This, in turn, has direct implications for the priorities and processes adopted by product teams, and the way that they engage with and report back to the business. Increasingly it is leading to demand for modular, structured product management capabilities which drive efficient, data-based decision-making, planning and prioritization.



## 34%

of product managers believe that the organizations moving towards a **product-centric model of business** will shape the future of product management

## The rising profile of product teams

The great news for product leaders, managers and owners is that their teams' efforts are gaining new status and recognition within the organization. Their ideas, their interpretation of customer feedback, and their ability to prioritize which features make the next release, now

has a direct bearing on sales performance, on customer retention and on profitability. After years of feeling side-lined by services and value-added solutions, product teams are now central to business strategy.

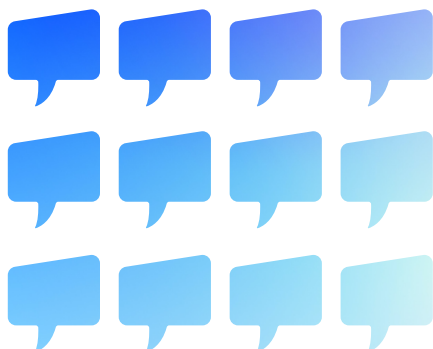


38%

of product managers believe the role of product management will be **more valued** in organizations

All of this means that product managers need greater control and visibility over their decisions and activities than ever before. With feedback flowing from all sides – from sales, marketing, customer experience/support teams, as well as from senior management/investors – product teams and developers have a lot of stakeholders to consider and to try to sa-

tisfy. They must be able to weigh up conflicting requests, justify their choices, and report on their achievements in the context of business aims and forecasts in a way that stands up to business scrutiny.



On Average

12

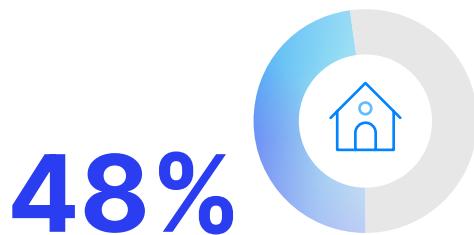
**stakeholders** are involved in providing product feedback

# The Covid effect: driving digital appetite, dispersing creative teams

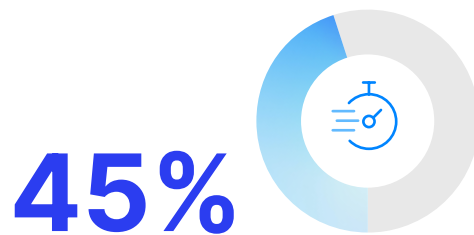
Unsurprisingly, the Covid-19 pandemic has played a part in all of this. On the one hand it has deepened the demand for digital 'products' in place of more drawn-out customer journeys, whether banking, shopping or ordering food/drinks. On the other, it has placed a new strain on commercial product teams who have found

themselves dispersed and collaborating remotely with colleagues and stakeholders from across the business. As the pressure on their work has increased, their ability to maintain productivity and lines of communication has been compromised.

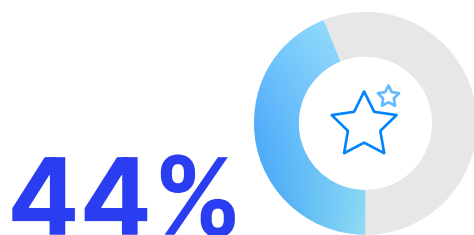
## How has the Covid-19 pandemic has affected your role in product management?



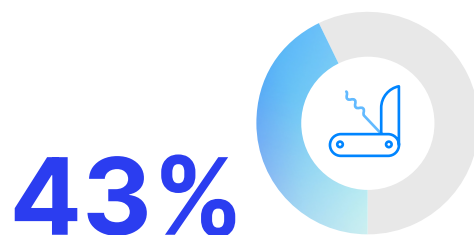
**agree** that it is **harder to collaborate** with other stakeholders when working mostly from home.



**agree** that the market is ever-changing and they need to **react faster**



**agree** that there is more pressure to launch **new features** quicker



**agree** that they need to use dedicated product management **tools**

This juxtaposition of conflicting demands has driven new interest in product management tools, a relatively new category of project or business process management software.

Against this backdrop, in September 2021 airfocus commissioned an independent survey among 300 product managers/owners/di-

rectors, to understand the evolving needs of product management teams and how they are focusing their search for solutions. Half of the respondents came from UK companies, and half from US organizations. The findings are discussed below.

## Key Finding #1

# Product managers have been underserved up to now

While all kinds of project managers are well catered for with elaborate software systems, along with many other process and service managers in an organization, product teams have largely been left to fend for themselves with ad-hoc tools and ways of working they have crafted over the years. While all kinds of project managers are well catered for with elaborate software systems, along with many other process and service managers in an organization, product teams have largely been left to fend for themselves with ad-hoc tools and ways of working they have crafted over the years.

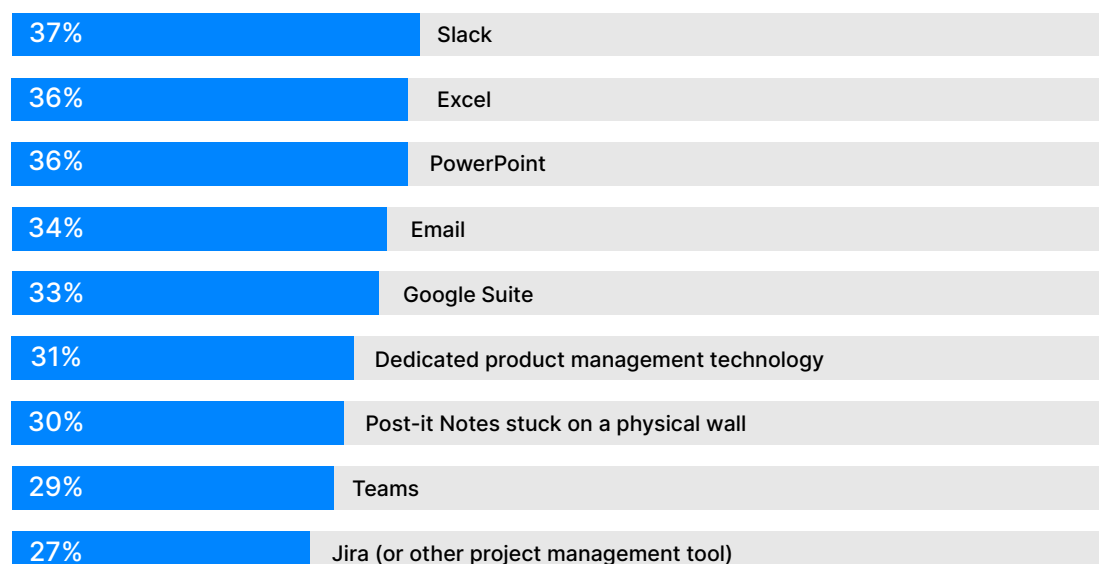
In the survey, almost as many product owners/managers/directors were found to rely on a system of **Post-It notes on the wall (30%)** as had access to dedicated **product management technology (31%)**.

The technologies used predominantly by product teams were:

- Slack
- Excel
- PowerPoint
- Email
- Google Suite

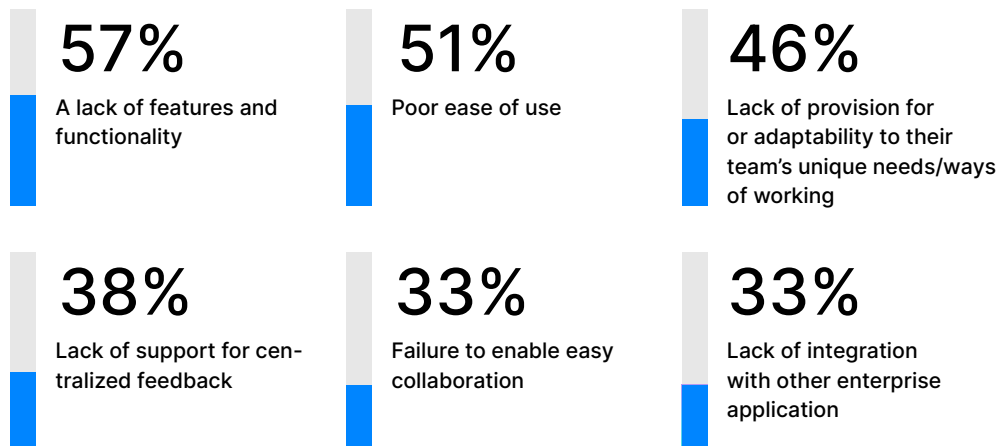
Although companies have coped well enough with their stitched-together solutions, the disruption to normal working conditions during the pandemic, along with the growing need to tie product strategy and development priorities more tightly to business outcomes, have put a strain on this set-up.

## Technologies used the most for product management in the organizations



Even where product teams have had access to 'product management'-specific technology solutions to organize their work, these have often been found to be inadequate – particularly under recent operating conditions.

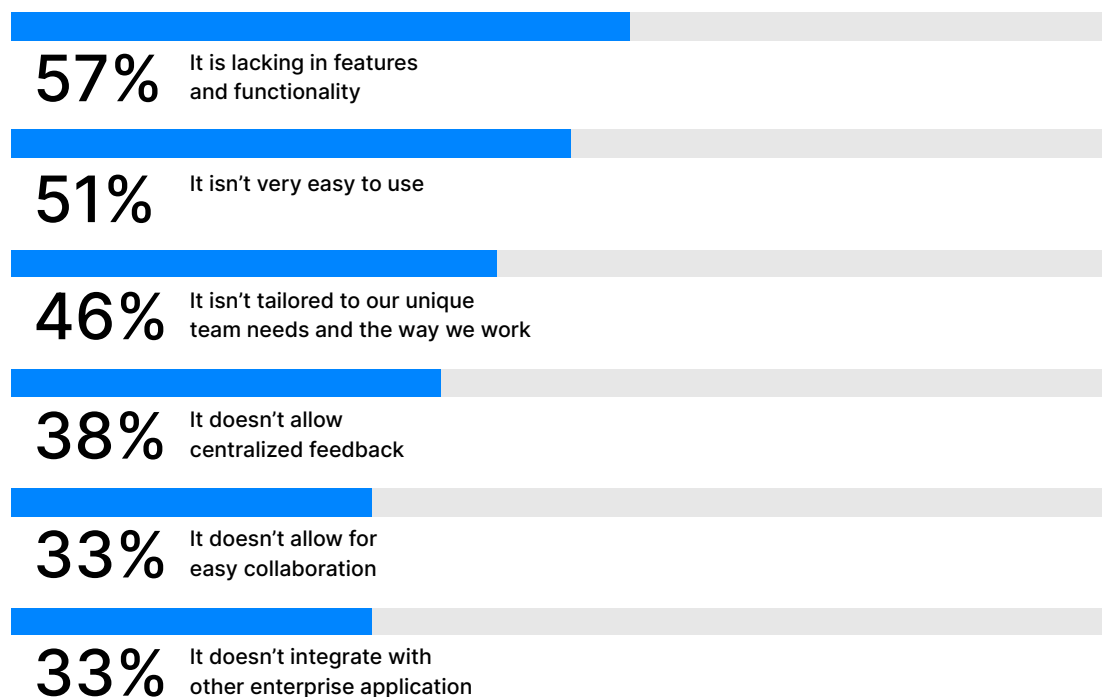
In the survey, respondents called out common sources of frustration with existing capabilities. Most commonly these included:



As the strategic profile of product teams rises and the role becomes more central to the organization, product owners/managers/directors

are finding that these gaps in capability have a direct impact on their ability to deliver for the business.

## Which frustrates you about a product management platform?



## Key Finding #2

# Product managers' challenges are broadening & deepening

In the research, the six most prominent challenges faced by product managers today were identified as:



Since the start of the Covid-19 pandemic, these challenges have only grown. The world is more digital than it was even two years ago, and many companies have shifted, or are in the process of shifting to product-centric models. This has meant product management has become more complex.

When you factor in the ever-evolving customer expectations around products and the brands that provide them, along with increased competition for product-based companies, there

is greater pressure on product managers. This means that teams need to be more efficient to meet growing expectations. As a result, it is no surprise that we found so many challenges for product managers.



## What are your greatest challenges as a product manager?



### Key Finding #3

## Covid has magnified many issues

Almost half of respondents (**48%**) noted that it had become harder to collaborate with other stakeholders since people began working primarily from home due to Covid-19.

Yet, business hasn't stopped. Rather, many markets have changed, becoming unrecognizable. This has increased the pressure on product teams to respond more swiftly. This was cited as a **key challenge by 45%** of product managers overall – **rising to 60%** among those working in consumer electronics.

In particular, product teams report the need to shorten the time to market with new capabilities and features (**mentioned by 44%**). In the B2B software industry, pressure to be more efficient at delivering more features more quickly

is the single biggest issue product managers face.

Unsurprisingly given the pandemic, product managers working in pharma were especially concerned about meeting customers' soaring demands. These respondents also signalled the need to be more data-driven in their decision-making, rather than relying on 'gut feel'. This priority was shared by product managers in Fast-Moving Consumer Goods (FMCG).

Open responses offered in the survey revealed that managing and mitigating rising costs – both now and in future – was a further factor prompting the need for process tightening.

## Key Finding #4

# Preparing for an uncertain future: the need for 'structured product management'

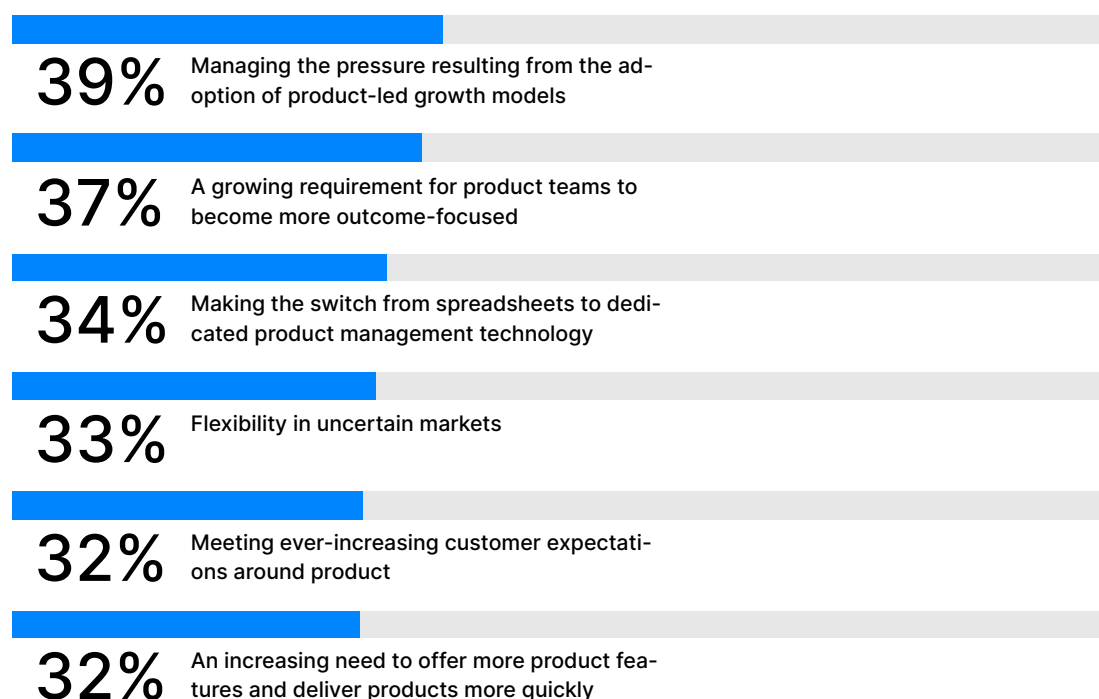
For a large proportion of all product managers (**43% across the board**), dedicated product management tools are the answer to most of the challenges cited in the survey – a situation that will be magnified going forward. Looking ahead, product managers anticipated three intensifying challenges for their teams over the next 12 months.

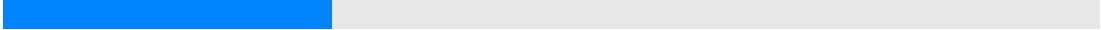
The number one concern was responding to the pressure for companies to adopt product-led growth strategies – cited by almost **four in**

**10 (39%)** of product managers/owners/directors. This concern was particularly pronounced among technology and FMCG companies.

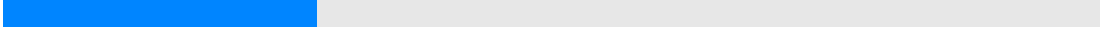
The growing requirement for product teams to become more outcome-focused was similarly present, cited by **37%** as a looming challenge. And **over a third (34%)** recognized the need to make the switch from spreadsheets to dedicated product management technology, if they hadn't already done so.

## Top challenges facing the Product Management sector over the next 12 months

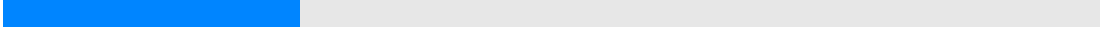




**30%** Delivering effective product management with teams working remotely



**29%** The post-pandemic rise of digital offerings and product proliferation




**27%** Moving from gut feeling decision-making to data-informed

## Key Finding #5

# The role of product management technology

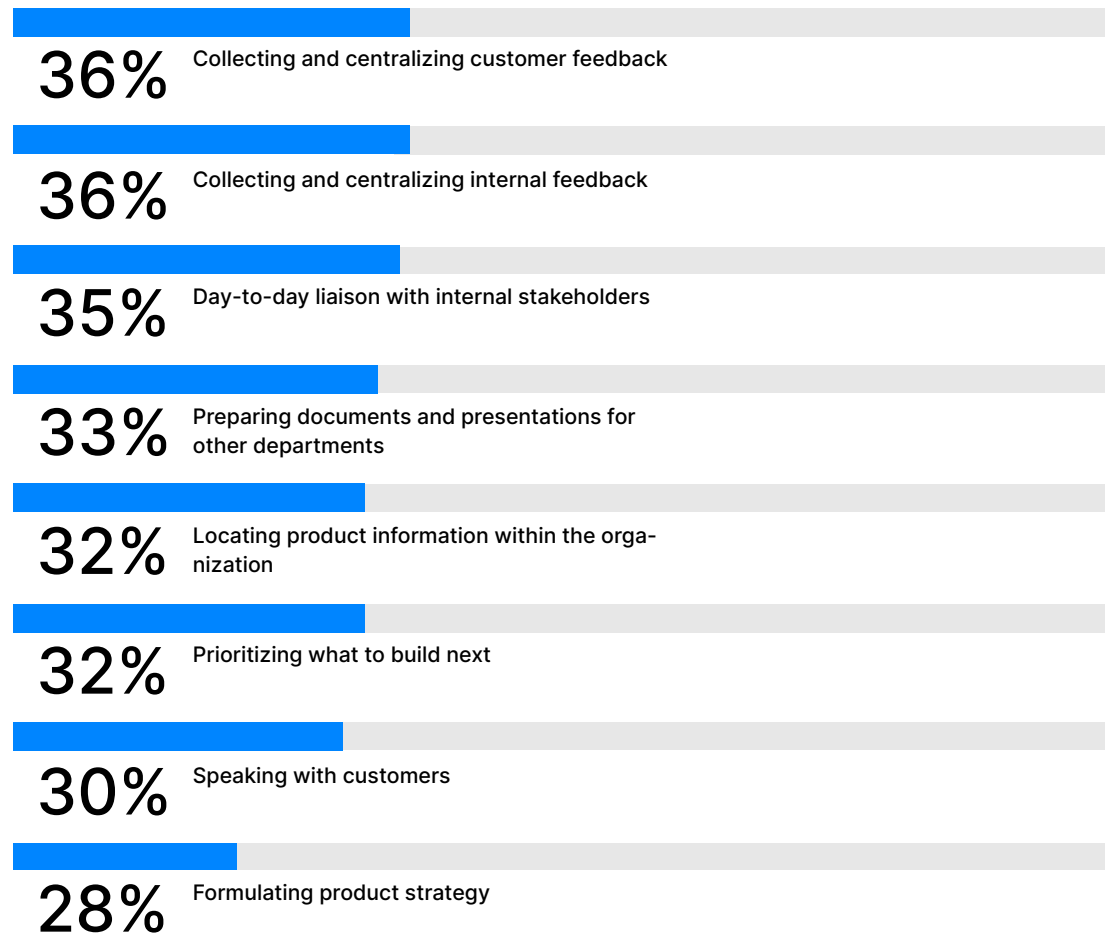
To understand more about what is occupying product managers' time and where they are experiencing particular points of pain, the survey looked more closely at the breakdown of a typical day for those in the role.

This revealed that the five tasks currently occupying the most time are:

- 
- Collecting and consolidating/centralizing customer feedback
  - Day-to-day liaison with internal stakeholders (on average, project managers in the survey said they work with 12 stakeholders who provide them with product feedback, rising to 16-20 stakeholders in over a fifth of cases.)
  - Collecting and consolidating/centralizing internal feedback
  - Preparing documents and presentations for other departments
  - Locating product information within the organization

In stark contrast, **fewer than three in 10 (28% of respondents)** said that formulating product strategy was the task to which they devoted the majority of their time. With so many different stakeholders providing input to next product releases, the current allocation of time and headspace leaves scant scope for assessing how all of this feedback should be mapped to business targets, and prioritized in that context.

## What duties do you spend the most time on in your product management role currently?



# What do today's product managers want?

So what, specifically, are the gaps in product managers' roadmapping and process planning/management capabilities?

In our research, product managers/owners/directors listed the following target benefits that they needed/expected from dedicated product management technology, to help them deliver what the business now demands of them:

- Improved ability to innovate
- Greater visibility for the team
- Easier communication and alignment with stakeholders
- A holistic view of the product strategy

The criticality of the ability to **innovate** was a standout finding of the research: that is, the value placed on this by product managers and the direct bearing of a structured way of organizing incoming information, processes and tasks on a company's ability to innovate effectively.

## The greatest perceived benefit of a dedicated PM platform to the business: making it easier for the company to be more innovative

Part of the requirement around innovation is linked to the ability to prioritize product development requests. With so many stakeholders providing input, and the renewed mandate to link product development with business outcomes, product teams must be able to reliably and impartially assess which feedback - which requests for innovation - should be channelled into next releases, to ensure these deliver maximum value or 'bang for buck'. A quarter

(24%) of respondents said a main benefit of a product management tool or platform should be to help their team decide what to build next to meet market demand, while almost the same percentage again (22%) said that such a platform should help them to bring products to market more rapidly.

More strategically, product management platforms offer a chance for teams to reorganize their time, so that rather than devote so much of their effort collating feedback, they are able to think at a higher level about how product plans tie in with commercial goals. A platform that brings everything together in one place, and provides a clear line of sight across all input activity, would help product managers and their teams think more strategically. That is, it would clear the way for them to consider where next releases/ the next focus for innovation should aim, and why - and, in turn, how plans and resources should be prioritized.

## The Three Greatest Perceived Benefits for Technology Companies

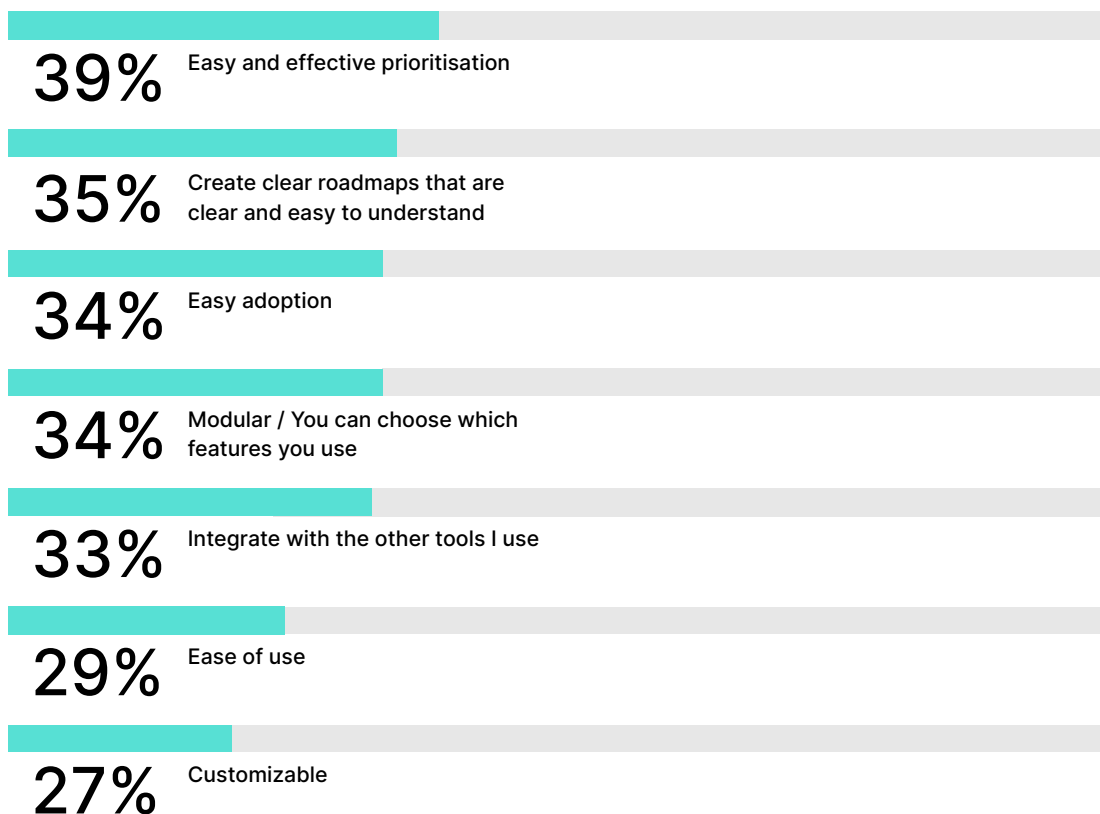
- 1 **Streamlining** our team workflows and product execution
- 2 Making it easier for the company to be **more innovative**
- 3 Giving me more **visibility** to the team

## Qualities & features sought

Across all respondents, the main qualities product managers look for when choosing a product management platform include:

- Support for easy and effective prioritization
- Create clear roadmaps that are clear and easy to understand
- Easy adoption by users
- Modular / flexibility to choose the features used
- Seamless and easy integration with other commonly-used tools (including Slack and everyday office applications).

### Which of the following would you rate most highly when selecting a dedicated product management solution



Overall, simplicity emerged as a particular priority for respondents. This makes sense given that product managers are very busy and pragmatic people, who are looking to technology to lighten their load and make their work more focused. Modularity was an important factor, but especially so for product managers

in the technology sector. The ability to choose which features are used was the single most important factor for 40% of all technology PMs.

## Technology: Which of the following would you rate most highly when selecting a dedicated product management solution

1

**Modular** / You can choose which features you use

2

Easy and effective **prioritization**

3

Create **clear roadmaps** that are clear and easy to understand

4

Easy **adoption**

## The importance of modularity

Product management varies enormously from company to company, and product to product. No two product teams have exactly the same requirements, so why pay for tools you won't use?

The **airfocus** platform is cloud-based, flexible, and fully modular, so teams can put together the tools that work for their specific requirements. This helps teams stay focused on the developments that deliver the most value.



## Actionable customer insights

Challenges around understanding and meeting customers' continuously evolving and growing expectations was another critical challenge faced by today's organizations and their product managers. This challenge was articulated in a range of different ways, featuring prominently across the research base as an important theme.

It's easy to see why. Added to the imperative to make innovation count commercially, product managers spend an inordinate amount of time consolidating, making sense of, and deciding what to do about customer feedback.



# 32%

of product managers perceive:  
**meeting ever-increasing customer expectations around product**  
to be the greatest challenge facing the product management sector

In our research, collecting and centralizing customer feedback was found to occupy the biggest proportion of product managers' time, cited by more than a third (36%) of respon-

dents, while two-thirds (65%) noted that there were typically at least 11 stakeholders involved in the process of gathering product feedback.



Understanding exactly  
what our customers want is the

# 3rd

**greatest challenge** as a  
product manager



All of these factors are driving up the demand for more structured product management, with a single, centralized viewpoint. A quarter (24%) specifically expected a good product management platform to enable greater customer centricity, while a third (32%) said the ability to gather feedback in a centralized place was the

key benefit they would look for in a solution. Looked at from a different angle, a lack of centralized feedback was a top source of frustration where companies had already invested in some form of structured product management application.

**Product managers believe that:**



The increasing importance of user-friendly design **(35%)**



solving customers' problems with digital solutions **(33%)**

will most shape the future of product management.

## US product managers are particularly attuned to high-level strategic goals

Most of the trends observed in the findings are similar on both sides of the Atlantic, with a few notable exceptions.

Generally, US product teams are more tightly connected to strategic business goals and outcomes, and want to distance themselves from spreadsheets. In the UK, product managers

emphasize the need for greater flexibility and the ability to ship faster.

Believing as leading analysts do, that product-led growth will be key to individual business recovery, many companies are now looking for sustainable ways to safeguard and sharpen their product delivery.

### What do you perceive to be the greatest challenges facing the product management sector over the next 12 months?

Managing the pressure resulting from the adoption of product-led growth models



## Conclusion

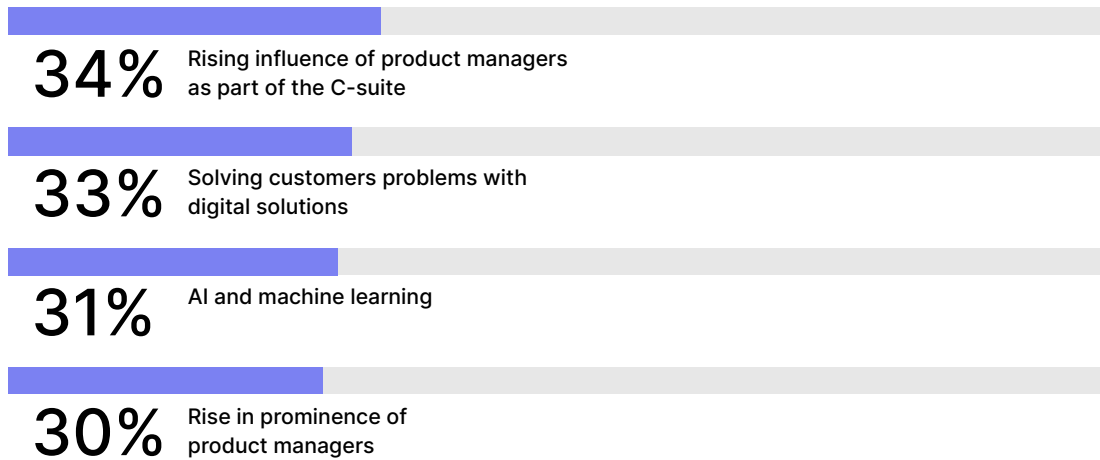
# Product managers' reinforced remit requires a robust foundation

The message coming through loud and clear from the market, and through our research, is that the role of the product manager has never been more strategically important to companies, nor more directly linked to their outcomes and business growth. In our findings, respondents felt the 'rising influence of product managers as part of the C-suite' especially strongly, and perceived their organizations moving towards a 'product-centric' model of business.

Across the research base as a whole, a few key trends are emerging. First, the role of product management is growing in value in organizations. As a consequence, product managers indicate a growing need for easy-to-use tools to improve collaboration, and to make it possible to manage products effectively. Linked to this, there is a growing belief that ineffective product management will give rise to poor products.

## Which of the following do you believe will most shape the future of product management?





Certainly, as product teams emerge from basements, back rooms or windowless labs and command more of the spotlight, in more of a central, strategic and visible role within the business, there is a need for product management to take on more of the professional trappings of other functions.

A more formal platform and structure for product management will support greater real-time visibility of activity (enabling up-to-the-minute reporting and decision justification, for presentation to senior management and other stakeholders). It should also promote more productive and seamless collaboration, including more balanced representation through independent, data-informed decisions (over choices made on the basis of gut feel/personality/who shouts the loudest).

Yet companies must be discerning about the solutions they deploy to formalize their product management. A cloud-based platform, which supports modular feature choice (allowing

teams to mould their solution to meet their own particular needs and preferences), emerges as a particular priority for product managers. In the research, the ability to pick and choose functionality is important for all sectors, in particular the technology industry.

Further sought-after criteria include the ability to readily integrate with and support existing tools product teams use for everyday exchanges. Ease of use, meanwhile, is critical for rapid adoption – something that will be paramount as companies hone their product innovation to maximize its business impact.

## About the research

The research was conducted by OnePoll with 300 product managers/owners/directors, split evenly between the UK and the US, between September 16-23, 2021. The research base focused on six main industries: consumer electronics; technology; food/beverages; fast-moving consumer goods/retail; pharma; and apparel. OnePoll is a member of ESOMAR and employs members of the Market Research Society.

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## About airfocus

Founded in 2018, airfocus offers a modern and modular product management platform that helps teams manage and communicate their strategy, prioritize their work, build roadmaps and connect feedback to solve the right problems. Designed with flexibility in mind, airfocus allows you to quickly customize the platform to fit your needs without disrupting the way your team works.

Thousands of companies worldwide, including Shopify, IBM, The Washington Post, and more, now use the cloud-based software to make more informed product decisions and build lean roadmaps to easily align teams with company goals. airfocus is backed by pan-European VCs Nauta Capital and XAnge. The company is headquartered in Hamburg with employees distributed across the world. Learn more at [airfocus.com](https://airfocus.com) and [start your 14-day trial now](#).

