

2020 Product Excellence Report

Insights from 700+ product managers and
leaders on making products that matter

In partnership with
PRODUCT COLLECTIVE

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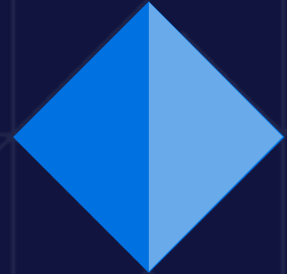
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Introduction

It's never been more critical to get the right products to market, faster.

Beyond product development techniques of the past that promote Agile delivery and minimum viable products, today's leading product teams place more emphasis on delivering the right features and products in the right way—without wasting effort on features users don't need.

We call this new approach Product Excellence. Companies who master the **three pillars of Product Excellence** are well on their way to building truly excellent products.

We surveyed 700+ product managers & leaders working to create products across a wide range of industries. We asked about their processes, challenges, and effectiveness, all to answer:

What does it take to achieve Product Excellence?

Insights

Strategy



Execution

A sneak preview of our more surprising findings

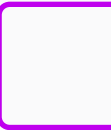
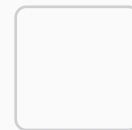
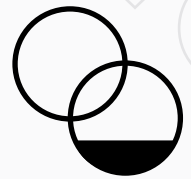
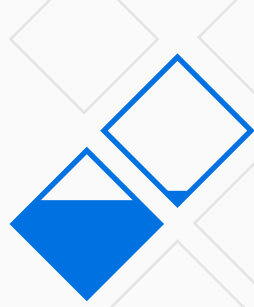
1 in 10 teams successfully capture feedback from all available sources. Even more surprisingly, **1 in 3** do not have any process whatsoever for capturing customer feedback

Only **14% of respondents** believe that there is clarity around product strategy and objectives beyond the product team

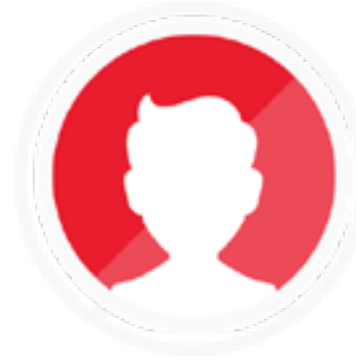
Half of product teams feel that their roadmaps reflect user needs or product strategy and the other half don't

Just **1 in 5 product teams** who don't perform rigorous product discovery and validation report that product innovation at their company is driving revenue

Product teams use an average of **3.4 tools** to manage product development

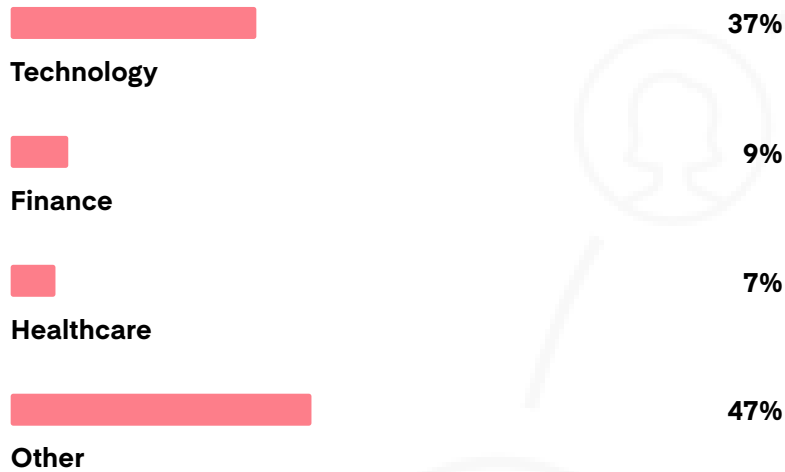


Who we surveyed

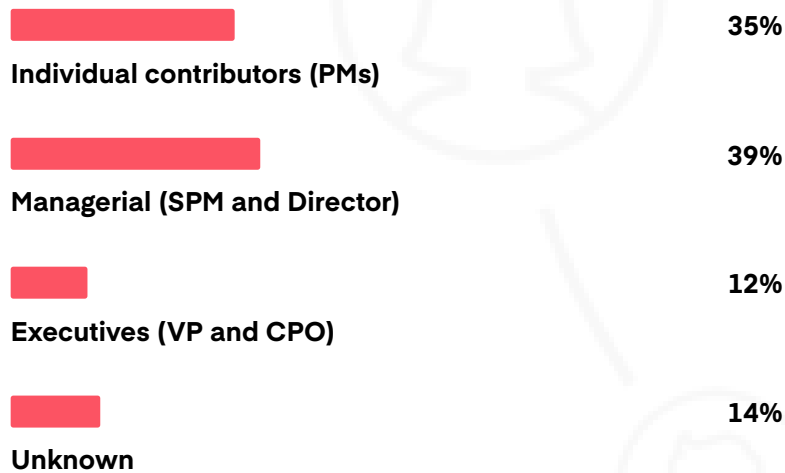


700+

Industry



Job Title



Company size



Years of Experience



KEY FINDING #1

The common challenges of product management

Product managers face a wide range of struggles, particularly around strategy and organizational alignment

It's not an easy job

New PMs enter the field from marketing, engineering, design, and business—frequently without the formal training one typically associates with less “fuzzy” disciplines. Companies expect PMs to distill thousands of distinct customer complaints, feature requests, and data points into a small handful that will significantly impact customers and the organization. They determine where the product is strategically headed and why. **It's no surprise, then, that there is no single plague tormenting product managers.**



Smaller orgs worry about product vision and strategy



Enterprises focus on securing resources & buy-in

70%

of product managers listed 2-4 major obstacles vs. **24%** who only selected one

PM challenges

Defining goals and measuring success

Setting a clear product vision & strategy

Prioritizing the right products & features

Gathering and synthesizing the right product feedback

Defining effective team processes

Securing resources & support from leadership

Earning organization-wide buy-in for the roadmap

48%

47%

39%

33%

32%

32%

30%

KEY FINDING #2

The truth about customer-driven product management

Product teams genuinely believe they are customer-driven. Their feedback collection methods suggest otherwise

Teams think they're customer-driven...

...but in reality



52%

of teams report that their product and feature ideas are primarily inspired by customer feedback

1 in 10

teams successfully capture feedback from all available sources



53%

of teams report that everyone has a shared understanding of user needs



1 in 3

teams have no process whatsoever for capturing customer feedback

Why the disconnect?

There are a few reasons for the gap between how product managers perceive themselves as being customer-driven vs. how they actually go about collecting and processing feedback:

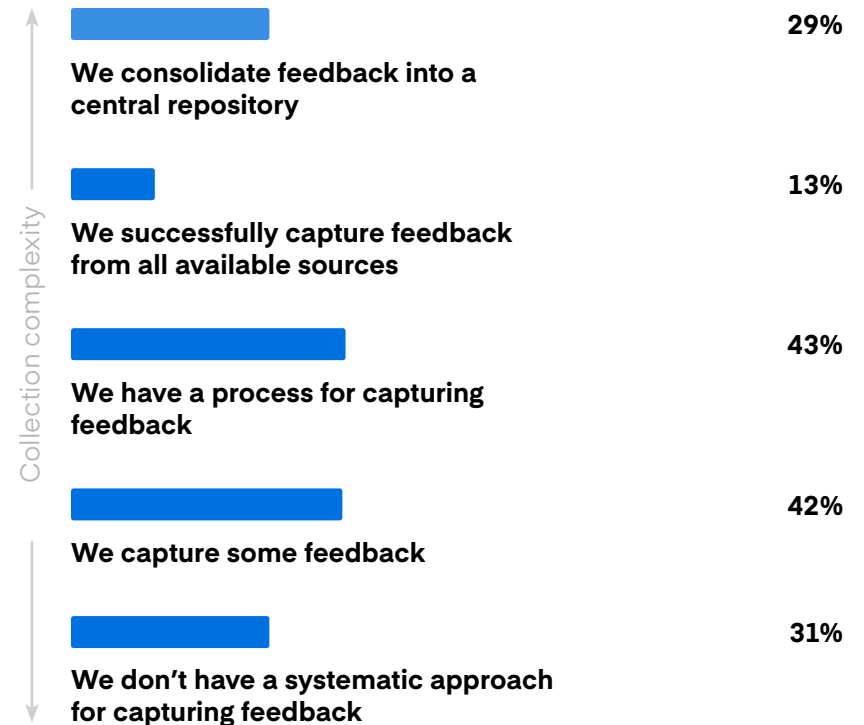
PMs are continuously bombarded by inputs from customer-facing teams like marketing, sales, customer success, and customers themselves via direct feedback channels set up by product teams. For the product teams lacking a systematic way of logging these feature requests, pain points, and other bits of user feedback, a lot of valuable information ends up slipping through the cracks.

Product managers may be a little overconfident. They have a sense that they can—in their heads—identify what they hear the most and which things seem to be critical for users, versus which things are merely “cool ideas.” But without a systematic approach to collecting customer feedback, validating the products or features that meet user needs is near-impossible.

43%

of teams have *some* process in place for capturing feedback

How teams capture user feedback



Our takeaway? It's clear that the intention to be customer-driven is there. After all, 43% of teams have at least some sort of process in place for capturing user feedback.

However, to reach Product Excellence, product teams should strive to establish formal feedback collection processes, leveraging the right tools to consolidate feedback and build a shared understanding of customer needs

KEY FINDING #3

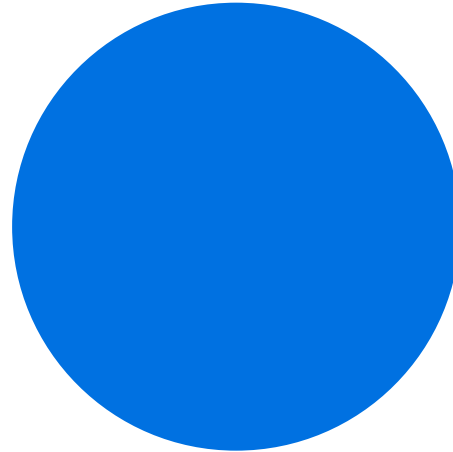
**Deeply
understanding
customer needs =
product success**

**Teams that effectively capture and validate
feedback are more confident that they
directly contribute to product success**

Better feedback collection means better validation of ideas & customer needs

1 in 5

teams who don't perform rigorous product discovery and validation report that **product innovation at their company is driving revenue**



66%

of teams who **successfully capture feedback from all available sources** validate their solution ideas and customer needs

29%

of teams **without a systematic approach to feedback collection** validate their solution ideas and customer needs

KEY FINDING #4

The state of product prioritization

Product strategy and objectives are only supporting actors in product prioritization when they should be playing a leading role

When prioritizing, product teams consider...

79%

Company goals

55%

Product objectives

Strategy

Objectives and strategy should play a more central role in prioritization

55%

Product strategy

57%

Qualitative data

84%

User needs & problems

37%

Customer segmentation

49%

Quantitative data

Overall

Product teams check most of the boxes when it comes to smart prioritization

Data

Most teams do not consider sophisticated prioritization dimensions

Why is prioritization hard?

Product roadmaps are rife with politics. PMs should ultimately own final calls on prioritization, but this is rarely the case, particularly in larger organizations. Requests like “build this, or else we’ll churn,” or “if only we had feature X, then we’d be able to close this customer” often come attached to large piles of dollar bills, forcing executives to acquiesce to the pressure.

Taken too far, this incessant drive to “get more stuff done” leads to priorities being driven less by a formal prioritization process or framework and more by the demands of noisy stakeholders and high-paying customers.

Overall

First, the good news: product teams are checking most of the boxes when it comes to smart prioritization. Over 84% of product teams consider user needs and problems when setting priorities, closely followed by company goals and qualitative data—all leveraged by over half of product teams.

Strategy

Interestingly, just over half of teams consider product objectives and product strategy when it comes to prioritization.

Given the product team’s central role in determining where the product is headed and why, half is very low—objectives and strategy should be a huge part of prioritization.

Data

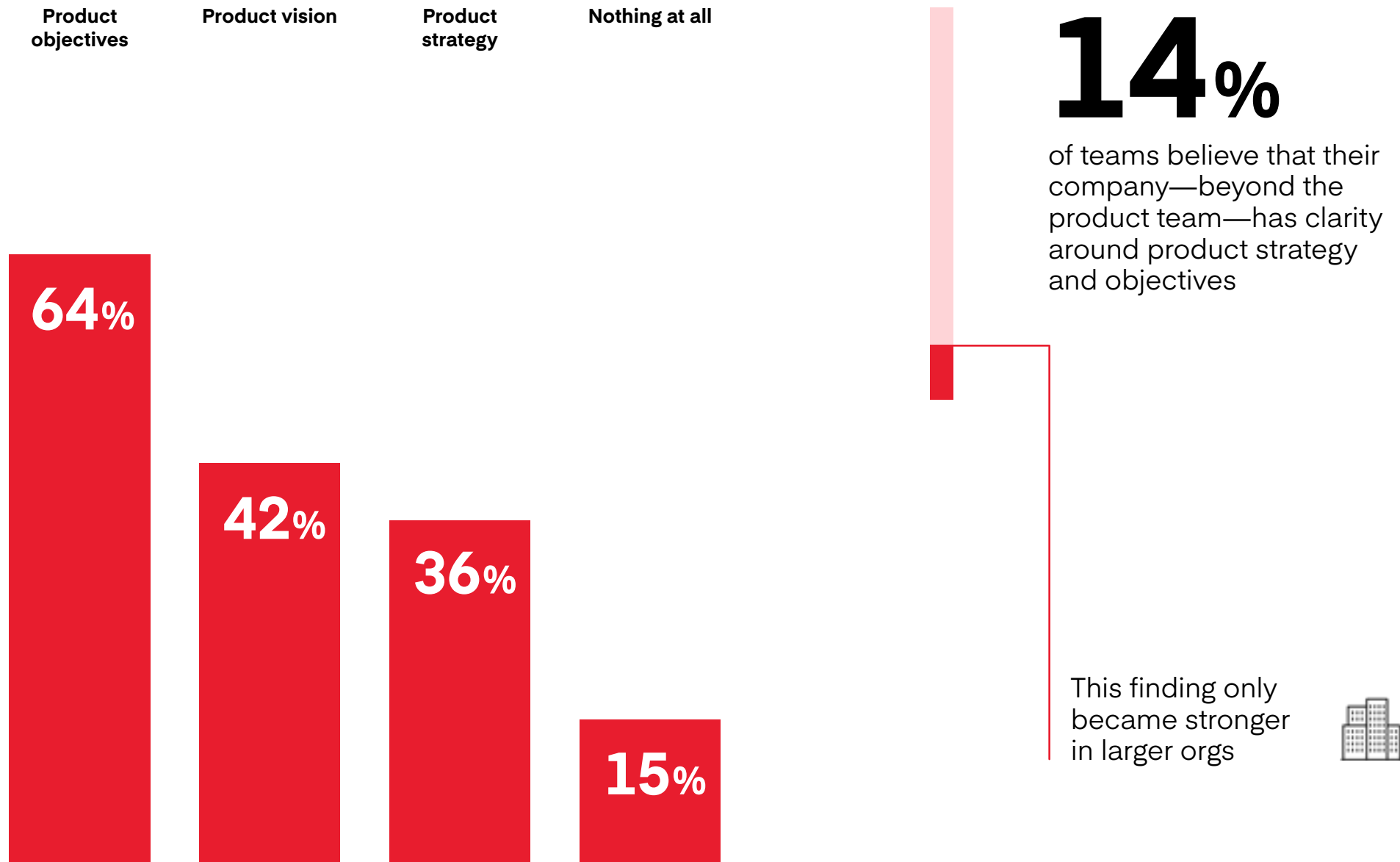
Most teams do not consider sophisticated dimensions such as quantitative data or segmentation when it comes to prioritization. Customer segmentation in particular—understanding not just what you’re building, but whom you’re building it for—**is utilized by only 37% of product teams.**

KEY FINDING #5

Rallying the team around product vision and strategy

**Across companies in every vertical,
there's a vast opportunity for more robust
advocacy around product vision & strategy**

Which can your team summarize off-the-cuff?



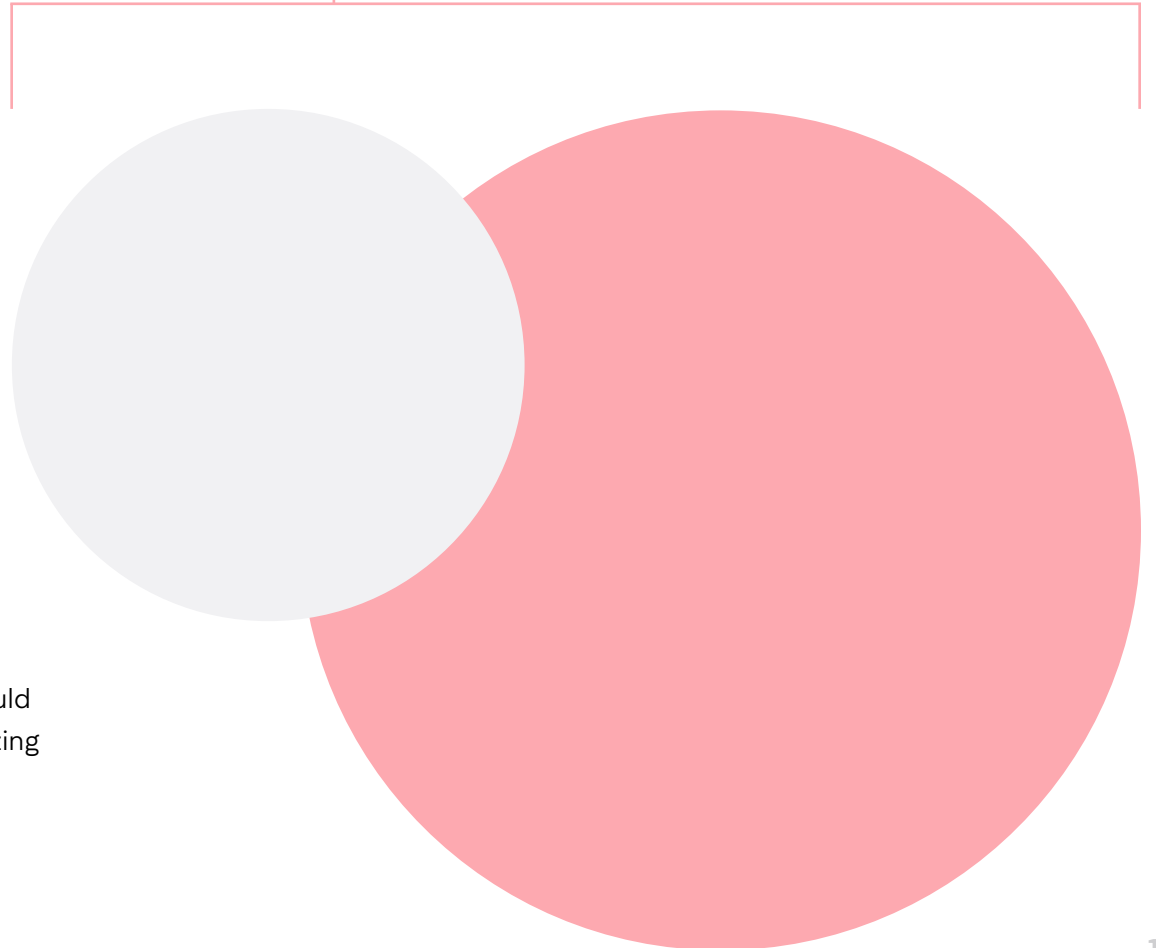
A cautionary tale for product leaders: your team may not be as aligned as you think

Our data shows senior product leaders think their subordinates know vision and strategy, but those in the product management trenches are less sure—the difference in confidence is nearly 25% between the two seniority levels.

Across companies in every vertical, there's a vast opportunity for more robust advocacy around product vision and strategy. Building more substantial alignment has a very tangible impact on people's ability to do their jobs better, enabling colleagues across the organization to contribute to overarching goals in the best way they know how. In many cases, it directly impacts monetary success.

Product leaders, take note: your teams (and yourselves) should be spending less time in the weeds and more time evangelizing product vision and strategy.

Teams that have a clear product vision, strategy, and objectives are 55% more likely to believe that product innovation drives revenue at their companies than teams who don't have the same level of clarity



KEY FINDING #6

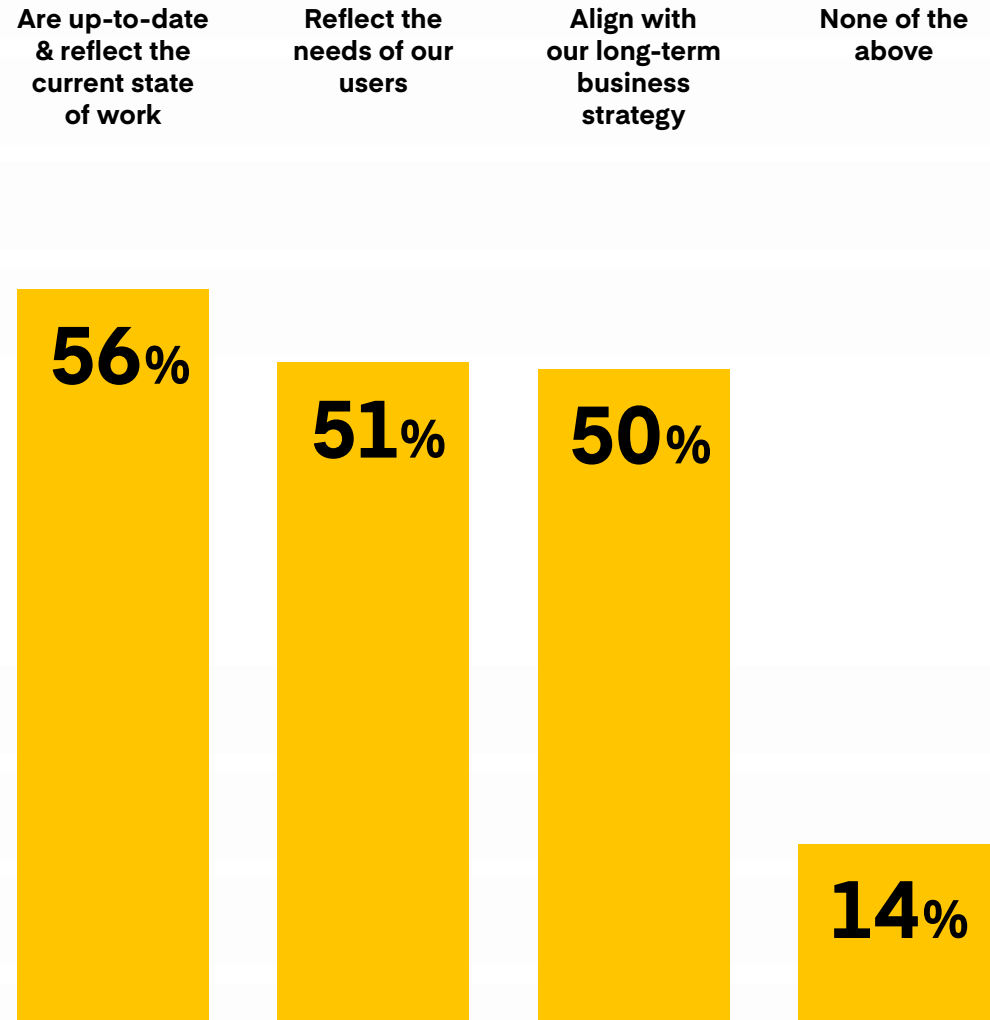
Is it *really* on the roadmap?

Product teams believe they're building what users need, yet half aren't confident that their roadmaps reflect those need

Half of all product teams don't feel their roadmaps reflect user needs or strategy. Close to half don't believe their roadmap is up-to-date or reflects the current state of their work

For PMs whose primary job is championing user needs and building universal alignment across the organization, this comes as a huge surprise, and it points out an interesting discrepancy: product teams believe that they're building what users need—but at the same time, they don't think their roadmap reflects those same needs.

I am confident that products and features on our roadmap:



Why the disconnect?

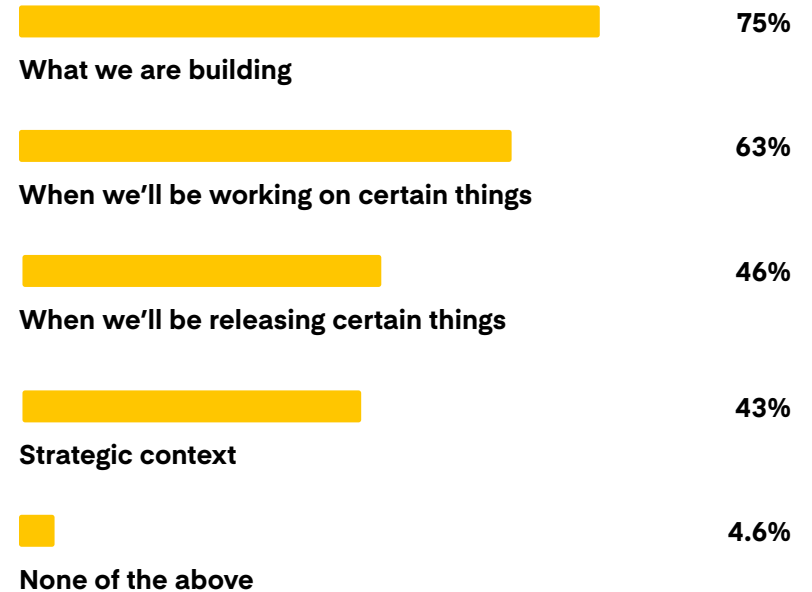
Our survey shows that teams mostly use their roadmap to demonstrate what they're building and when they'll be working on certain features. Yet only 44% of teams are confident their roadmap reflects the strategic context behind what they're building—the "why."

Perhaps it's because many product organizations fail to use their roadmap properly—to communicate the context behind what's on them, guide release planning and delivery schedules, and collaborate with stakeholders from outside the immediate product team.

70%

of teams actively seek input from cross-functional teams, customers, and prospects when building their roadmap

How roadmaps contribute to understanding



While it's heartening to see so many companies create roadmaps collaboratively, it's clear that teams still have a ways to go when it comes to achieving Product Excellence. As product leaders, it's your responsibility to step in and make sure the roadmap aligns with overall company goals and user needs, and reflects the current state of work.

KEY FINDING #7

Outcomes, outputs, and why it matters

Half of product teams align around problems to solve. Half align around features to build

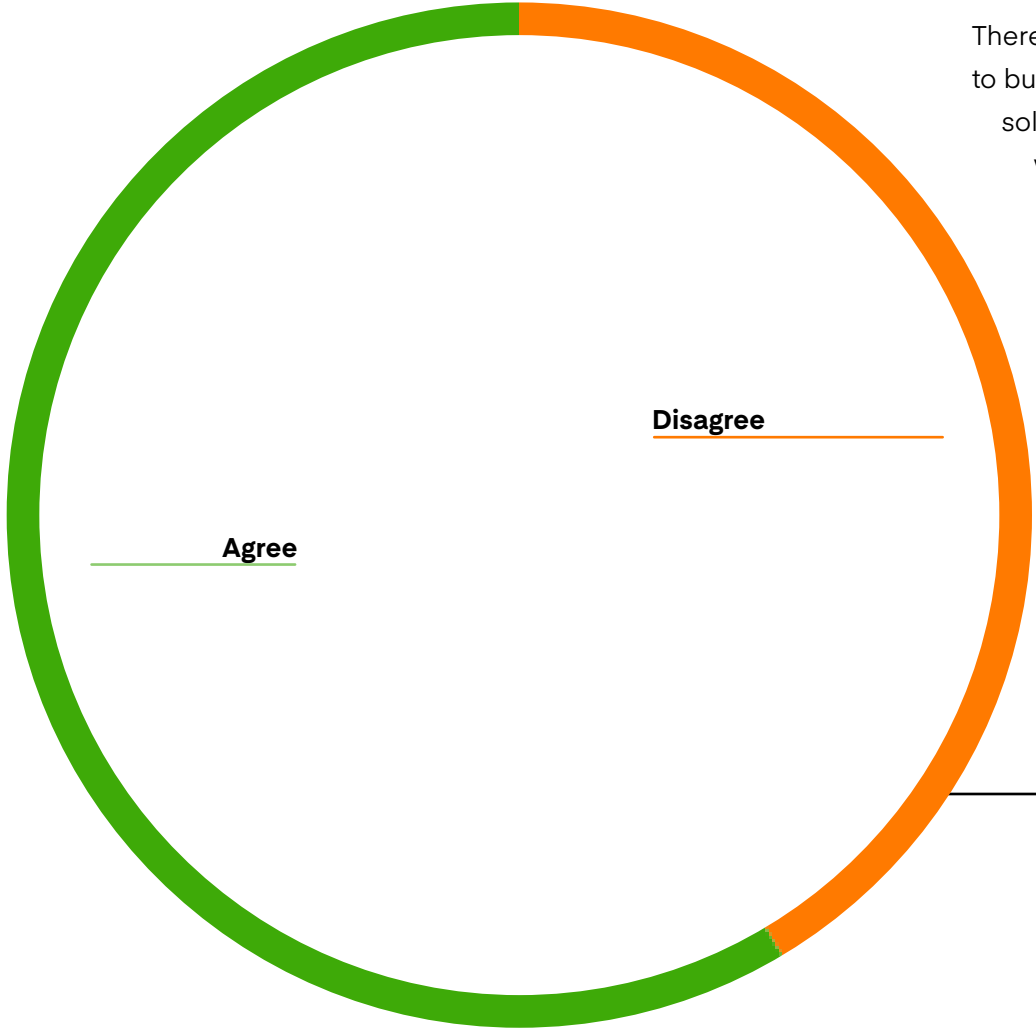
Teams who say they feel aligned around problems over features

At Productboard, we evangelize an approach that emphasizes outcomes over outputs.

Features to build are outputs. They are the specific changes your team is making to your product or service in hopes that things will improve for your customers and your business. Outcomes bring about a change in human behavior that drive business results, and are achieved by solving real customer problems with your product.

There are many benefits to prioritizing problems to solve over features to build. Focusing on problems allows your team to consider alternative solutions that may reach your objectives faster and easier, sometimes with no feature work at all. Focusing on the “why” instead of the “what” also communicates more clearly where you are headed, and what success looks like.

Product leaders, take note: teams are more invested when they are purpose-driven rather than simply building things as they come. Instead of simply releasing features, re-orient your teams around problem-solving and continuous iteration.



Product teams are split between aligning around problems to solve versus features to build

KEY FINDING #8

Collaboration is product management

**Teams meet regularly to share updates, but
not to measure the success or failure of
new products and features**

Regular meetings don't mean regular assessment

As you'd expect, most product teams—more than two-thirds, to be exact—meet regularly to share updates and create alignment. Yet many teams struggle to achieve a unified way of evaluating what they've delivered. Only 1 in 10 have a process for assessing the success or failure of newly-launched products and features.

Without that closed-loop feedback—and without an overarching strategy to guide their work—teams inevitably shift from working with purpose to becoming feature factories. They focus purely on delivery and creating a lot of “stuff” without taking the time to measure whether that “stuff” created real value.

Our recommendation? Use these meetings to measure success, not just progress. Set ambitious targets associated with actionable metrics—and give your teams the space they need to do what they do best.



6 in 10

teams meet regularly to
share updates and create
alignment



1 in 10

teams have a process for
assessing the success or
failure of newly-launched
products and features

KEY FINDING #9

The rise of dedicated product management tools

Product teams stitch together multiple tools, but a growing number are adopting product management tools to get the job done

The problem?

For many PMs, the tooling needed to set product strategy and understand their users are still not part of their toolbox. But that is slowly changing. 40% of product teams have started using dedicated product management tools—many of the other tools product teams report using are either too open-ended to capture and categorize feedback accurately, or overlook customer pain points and strategic decisions in favor of workflows and execution.

This finding isn't to say teams should consider abandoning the toolset they already have in place. It's possible to have the best of both worlds. A dedicated product management system works alongside existing tools, acting as a filtering layer before leveraging integrations to funnel tasks into existing development tools. Instead of product development versus product management, both tools and teams can work together to deliver products that people use and love.

Product teams feel they have the tools they need to



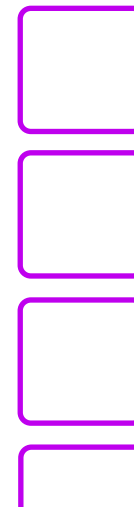
80%

of product teams stitch together multiple tools



40%

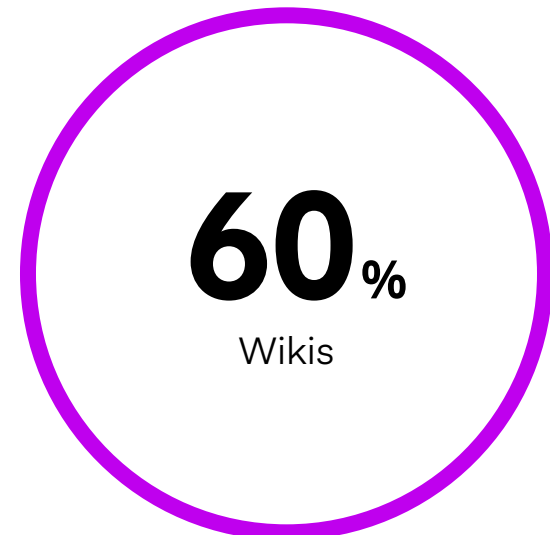
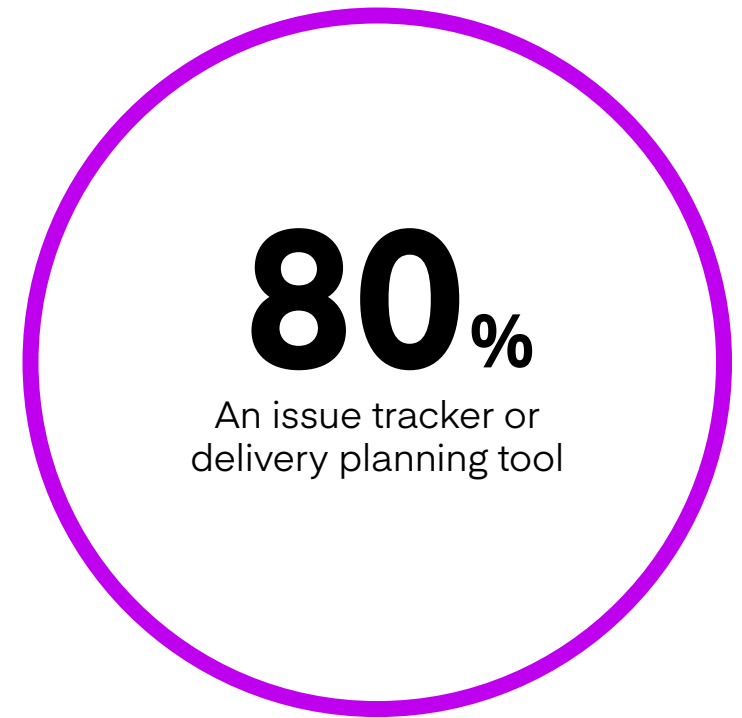
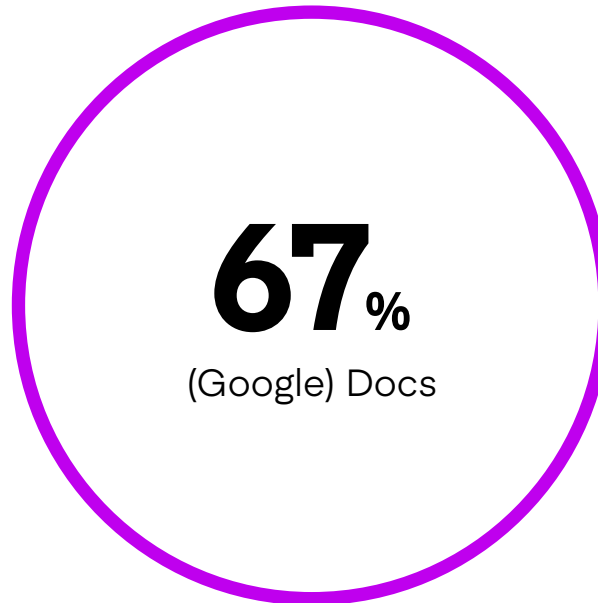
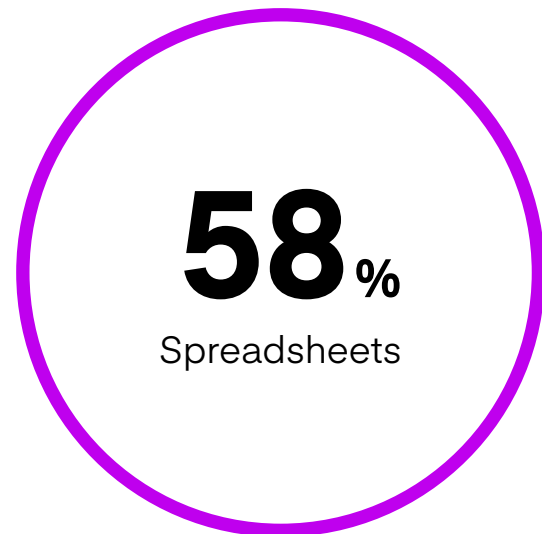
of product teams report using a dedicated product management tool



3.4

the number of tools teams use to manage product development

The tools used by product managers



CONCLUSION

Key takeaways

Leading your organization towards Product Excellence is more critical than ever. The technology market's pace continues to accelerate, customer expectations are higher every day, and product leaders and managers play an increasingly strategic role.

Based on the results of our survey, here are the top areas where we believe product managers and leaders must focus their efforts to progress further along the path to Product Excellence

Develop formal processes for gathering and synthesizing product feedback

Without a systematic approach to collecting customer feedback, validating that products or features meet user needs is near-impossible. Dedicate time upfront to establish formal feedback collection processes so that everyone—not just the product team—can access user insights. [How to gather and leverage deep user insights](#)

Build strategic alignment before diving into tasks and objectives

Product leaders consistently overestimate their teams' shared understanding of product vision and strategy. Building stronger alignment has a very tangible impact on people's ability to do their jobs better, unlocking critical thinking and innovation potential across the organization. Work within your teams to evangelize product strategy so every member of the organization understands product strategy and can best play their part.

Align your team behind problems to solve rather than features to build

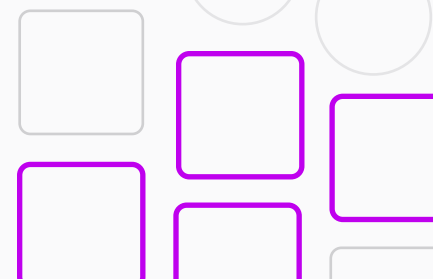
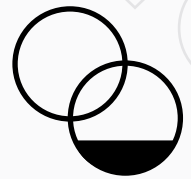
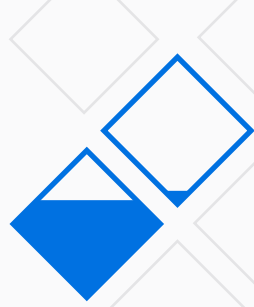
Without a unified way of evaluating their work's success, teams can't break the cycle of building features over solving problems. Teams are more invested in the outcome when they align around problems to solve—and they build better products. Set ambitious targets associated with actionable metrics—and give your teams the space they need to do what they do best.

Leverage your product roadmap to communicate strategy, not just tactics

Half of all product teams don't feel their roadmap reflects user needs or long-term business strategy. Instead of continuing to use your product roadmap merely as a tactical planning tool, encourage your team to use their roadmap to its fullest potential, working with stakeholders to share context better so that everybody knows where the product is headed and why.

Consider upgrading to a dedicated product management platform

As product needs become ever more complex and teams collect ever more data, the days of stitching together multiple tools to manage product development are fading. Dedicated product management tools are still only used by only 40% of product teams—if your team is part of the other 60%, consider making plans to add a product development platform to your workflow. Your team will thank you.



About Productboard

Productboard is a customer-driven product management system that empowers teams to get the right products to market, faster. It provides a complete solution for product teams to understand user needs, prioritize what to build next, align everyone on the roadmap, and engage with their customers. Productboard is easy to use, enables company-wide collaboration, and integrates into existing workflows.

Learn more at productboard.com

PRODUCT COLLECTIVE

About Product Collective

Product Collective is a community serving 30,000+ technology product management professionals. Through its various resources, products and events, Product Collective aims to help product people answer the question, "Am I doing this right?"

Members of Product Collective have access to a host of resources, including a weekly newsletter, a semi-monthly live video Q&A chat series, and an active Slack community.

For more information, visit ProductCollective.com