

EXECUTIVE

THE ROI OF INVESTING IN PRODUCT MANAGEMENT

**A GUIDE TO JUSTIFY
THE COST OF TRAINING AND
COACHING YOUR TEAM**



**Product
Growth
Leaders**

Many company leaders question the need for product management training for product professionals. Perhaps these leaders haven't gotten the results they wanted from the training they've paid for in the past.

What is the return on investment of product management training?

There are really three questions hidden in this one:

1. What is the value **of product management**?
2. What is the value **of training** product managers?
3. What is the value of training **to the product managers**?

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WHAT IS THE VALUE OF PRODUCT MANAGEMENT?

What if we found ourselves building something that nobody wanted? In that case, what did it matter if we did it on time and on budget?” —Eric Ries, author of Lean Startup

The goal of product management is to turn good ideas into successful products systematically. No other role in the organization spans business planning, design, development, marketing, sales, services, support, and success.

Product managers find, evaluate, and drive product and feature opportunities by culling through hundreds of ideas and choosing those most impactful to product success. In product management, prioritization is a critical skill. To ensure product success, product managers identify friction. Friction for buyers as well as sellers; friction for customers as well as product support and success teams. Product management ensures that we’re building something that customers want to buy.

WHAT IS PRODUCT MANAGEMENT?

1. Planning the right features and products that result in value for both customers and your company
2. Empowering design and development to build what you've planned
3. Empowering sales and marketing teams to sell more of what you've built

Unfortunately, **79%** of organizations report that **roles in product management are not clearly defined or understood**. For many, product management is a design and development role only. Many product managers say that they have never spoken to a customer. Since they don't understand the market or its problems, they find it impossible to prioritize features and capabilities.

The key to successful product management is a deep understanding of markets and their problems, coupled with skills in planning and prioritizing for business value.



For more on being systematic about discovering, developing, and delivering products, download our free eBook: [*How to Achieve Product Success*](#).

TRANSFORMATION

HOW TO ACHIEVE PRODUCT SUCCESS

BEING SYSTEMATIC ABOUT DISCOVERING, DEVELOPING, AND DELIVERING PRODUCTS

...company around the ideal customer
...company to your company should implement the
...the product you're creating. This book should be
...the "How will this day be different?"

REPEATABLE PRODUCT PROCESS

...Quality Open Framework defines a product planning
...into business to market.



1. DISCOVER
2. DEVELOP
3. DELIVER
4. GROW

HOW TO ACHIEVE PRODUCT SUCCESS

So you've got an idea for a company or a product.

What does it mean to be market-driven? Do we need to be a product-led organization? How can we find success for our product?

Here are the three questions that keep leadership awake at night:

1. How do we sell more of what we've built?
2. How do we build what we've imagined?

connected. If you plan the right products and build what you've planned, you'll sell more of what you've built.

RESOURCES

Business Strategy

Here are a few resources you might enjoy:
Develop the product lifecycle for
your next market strategy book.

Product Development

Develop the product lifecycle for
your next market strategy book.

Product Marketing

Develop the product lifecycle for
your next market strategy book.

Product Sales

Develop the product lifecycle for
your next market strategy book.

DOWNLOAD EBOOK

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WHAT IS THE VALUE OF TRAINING AND COACHING PRODUCT MANAGERS?

“Through strong product leadership, we will prioritize the right opportunities; and through strong product management, they will be done right, and the entire organization will succeed together.” —

*Grant Hunter,
co-founder, Product Growth Leaders*

To justify the cost of training, demonstrate how the investment in training will result in a positive return on investment (ROI). Ultimately, the value of training is determined by improved product results.

Here are some of the ways that product managers improve product results.

- Ensuring that trusted market information is driving decisions
- Ensuring that leadership teams see and understand the business rationale for making tough decisions
- Ensuring that design teams have a focus on personas and their problems

- Ensuring that technical teams have a backlog of important problems to solve
- Ensuring that marketing teams understand how the product solves customer problems in ways competitors cannot or will not
- Ensuring that sales teams have powerful sales tools, including competitive insights
- Ensuring the product has features and capabilities valued by those who buy and use the product

Product management has a disproportionate impact on the business's success, with touch points in every part of the organization. Product managers ensure that we're building something customers want to buy and that internal teams have the information they need to be effective.

RANDOM ACTS

The highest costs are hard to measure. That's true for any metric: the more critical the metric, the harder it is to quantify.

What is the cost of sloppy work or wasted time?

A good product manager is like the conductor of an orchestra. They get everyone on the same page playing the same music in sync with one another. They pick music that will draw people into the concert. The conductor helps the orchestra make beautiful music together for an appreciative audience.

What value do you put on that?

Random acts of sales

What is the cost when salespeople build their own presentations and sales tools? Beyond their time, there's a concern about branding and staying on message and professionalism—or lack thereof. Surely you've seen sales presentations not created by a marketing team. Some were okay. Some were terrible. Few were brilliant.

Random acts of marketing

When product management empowers marketing teams with personas and their problems, with clear positioning that differentiates from competitive offerings—what a difference! Instead of technobabble and featuritis, great marketing tools speak to the buyer... in their voice... about their issues.

Random acts of development

And here's the big one: what if you're simply building the wrong product? A large financial institution's VP of product management said they had spent the last few years adopting agile and DevOps.



We now know how to build the product right. And we've come to realize that we're building the wrong products.

*VP of Product Management
large financial institution*

He said, “We now know how to build the product right. And we’ve come to realize that we’re building the wrong products. Adopting product management principles is our newest endeavor.”

One team with \$1MM in salaries built the wrong thing. That’s \$1,000,000 gone. Poof!

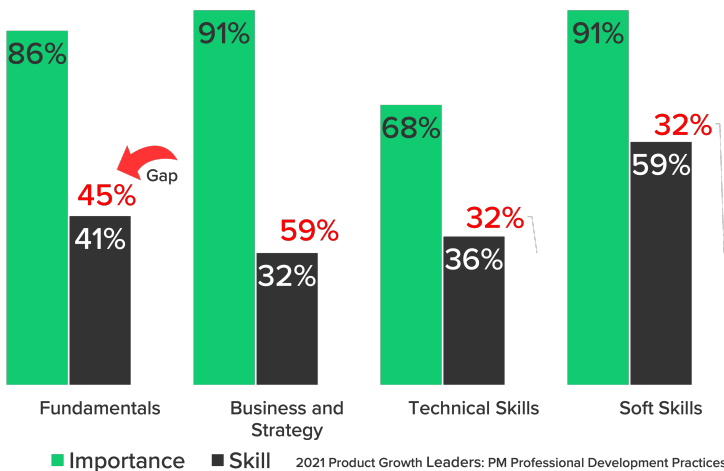
MEASURING THE ROI

Product managers come into a company with wildly varying levels of expertise. Each has learned different tools and methods. They have attended different schools and read different books.

Your product team needs a common language, standard methods, and clarity on the scope of their roles.

A 2021 survey revealed significant gaps between importance and skills. Four critical areas had negative gaps: fundamental skills, business and strategy, technical skills, and soft skills.

Product Management Skills Gap



In particular, the report revealed two disturbing gaps: **86% of product leaders rate “product management fundamentals” as important** but rated their team's command at only 41% (a **gap of 45%**). **Business and strategy skills were rated important to 91%** of product leaders, but they rated their team's command in this area as only 32% (a **gap of 59%**).



Make a list of the activities expected of your product team. Identify the gaps between the importance of each activity and your team's performance. Then set up a professional development plan to close the gaps.

Both employees and employers value skills training because it helps teams do more and do it better.

Optimize Your Process

Survey data reveals that **process is the company's most significant challenge for managing products in 47%** of organizations.

It seems most organizations budget for methodology training for development and sales professionals; unfortunately, fewer do for product and marketing professionals.

Consider the impact of a common playbook of standard tools and methods. And a clear definition of roles and responsibilities. With a playbook, existing employees know what they're supposed to do and how to do it, and onboarding gets new product managers up to speed and more productive quickly.

With almost half of product organizations reporting a significant challenge in their processes, imagine the increase in productivity when teams standardize on a single method. With clarity of process among all product teams, business deliverables will be consistent from one product manager to another; technical deliverables and planning methods will be consistent. **No chaos. No confusion.**

Training for product professionals should result in clarity of roles and a standard product playbook.

The opportunity cost of wasted time

What are the benefits of your team being more productive?

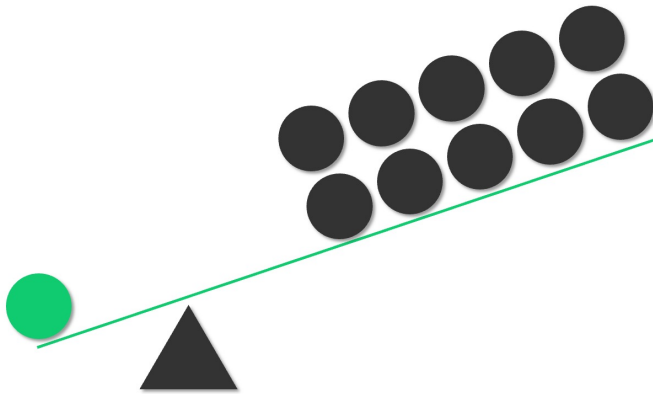
As of 2025, a typical product manager in the US makes between \$110,000 to \$140,000 annually. A Technical Product Manager earns \$133,722, while a Product Marketing Manager averages \$114,053 per year. Let's round that off to \$120,000 or \$60 per hour as the average compensation for product professionals.

What if your team members could reduce their wasted time by one hour per week due to a learning program?

One hour per week of improved productivity translates to 50 additional hours each year—an ROI of \$3,000 for each employee making \$120,000 annually.

$$(\$120,000 \text{ yearly} = \$60 \text{ hour} * 50 \text{ hours} = \$3,000)$$

For a team of ten, that's \$30,000 in increased productivity each year. Now imagine your team members can save two or more hours due to clarity of process and clear roles.



The multiplier effect: Development

Perhaps a more critical aspect is the multiplier effect of one product manager working with a team of 7 to 9 developers. One of the most common failure scenarios for development teams is waiting for work from the product manager or product owner. One hour of lost productivity per developer on a team of ten developers translates to a productivity cost of \$30,000 per year.

Increasing the productivity for one programmer at a \$100,000 salary by one hour each week = \$2500 per year. Increasing productivity for ten programmers is \$25,000 per year.

$(\$100,000 \text{ yearly} = \$50 \text{ hour} * 50 \text{ hours} = \$2,500)$

The multiplier effect: Sales

According to research, salespeople spend 31% of their time searching for or creating sales content—that's 12 hours each week or 600 hours annually. Consider the impact of market-focused product managers and product marketing managers on the productivity of your salespeople. Clear positioning of

the value of products. Clarity on markets and buyers results in reduced time wasted on unqualified buyers. Sales tools that resonate with buyers. And products that people want to buy.

If you could reduce time wasted for each salesperson, how would that impact your top-line revenue?

According to Indeed, a salesperson has a base salary of \$65,530, not counting commissions. To simplify the math, let's use \$60,000 as the base, which is \$30 an hour.

$$(\$60,000 \text{ yearly} = \$30 \text{ hour} * 600 \text{ hours} = \$18,000)$$

Saving \$18K a year in sales productivity seems rather far fetched but what is the opportunity cost of them working on marketing materials instead of closing deals?

If you could increase their productivity even a little, wouldn't revenues increase?

When you build the business case for training the Product team, factor in the multiplier effect of increased productivity in other departments.

Examples	Salary	Optimized Hours	Hourly Cost	Savings
Product Manager	\$120,000	50	\$60	\$3,000
Developer	\$100,000	50	\$50	\$2,500
Sales	\$60,000	600	\$30	\$18,000

Training costs

Training is one technique to ensure your team is working on the right things and doing them right.

A common rule is to allocate 3% of an employee's salary for training and professional development. That translates to \$3600 for an annual training allocation for product managers making \$120,000 a year.

Of course, the cost of training varies by topic and delivery method. On-demand video courses are convenient and inexpensive, but most fail to deliver the impact of instructor-led programs.

In the US, instructor-led product professional training typically costs between \$75 and \$150 per hour. For example, each day of training is generally between \$900 to \$1200 per person; a three-day course is \$2700 to \$3600 per person.

How much could you save in increased productivity across the organization?

To learn more about why traditional training fails and how to improve your product management training results, download our free eBook: [*Why Traditional Training Fails?*](#)



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WHAT IS THE VALUE OF TRAINING TO PRODUCT MANAGERS?

"The only thing worse than training employees and losing them is not training them and keeping them."

— Zig Ziglar, American author, salesman, and motivational speaker

Nowadays, it is so hard to find qualified people that retaining employees has become critical. Many heads of products are offering training as a key part of their plan to keep the best people.

According to The Wall Street Journal, employee turnover costs companies 50% of the employee's annual salary. (Some studies use a figure of up to 150%.)

A Louis Harris and Associates poll reported that **41% of employees plan to leave employers who offer no training** within the year versus 12% for those who offer training. 70% of US employees say they're at least somewhat likely to leave their current company and accept an offer with a new company known for investing in employee learning and development.

Train ‘em or lose ‘em

Product management benefits a product company with market insights, prioritized problems to solve, and product information that drives marketing and sales programs. Good product management helps product businesses scale. You need clarity of problems to solve, processes to employ, and roles and responsibilities to ensure all teams are focused on customer outcomes. Outcomes that result in increased sales and satisfied customers.

Have you factored these costs into your ROI for training and investing in your product team?

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THE ROI OF PRODUCT MANAGEMENT TRAINING

1. What is the value of product management?
2. What is the value of training product managers?
3. What is the value of training to the product managers?

Join our free on-demand video program, [*The ROI of Product Management Training*](#), where Steve Johnson, CEO of Product Growth Leaders, walks through these three questions.



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Product Growth
Leaders



Steve Johnson
Founder

Schedule a free coaching call to discuss your situation.

ABOUT PRODUCT GROWTH LEADERS

Our belief in the importance of application in learning is so strong that we incorporate these concepts in all of our professional development programs. Each program combines lessons with coaching, theory supported by application.

Guided by Steve Johnson, an industry pioneer with decades of experience training and coaching product professionals, our courseware addresses the most common areas of chaos and confusion in product management including product strategy, business planning, and prioritization as well as standardizing roles and processes.

Using the modern **Quartz Open Framework™**, participants learn how all the parts fit together into a coherent whole.

Product Growth Leaders offers product management training and coaching via a broad set of delivery methods. Our goal is to help you create a high-performing, world-class product definition and delivery team.

More about Product Growth Leaders:

<https://www.productgrowthleaders.com/approach>



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