

The State of Product Management Professional Development

... and where we go from here.

The past 20 years have been a seemingly golden era for product management professional development. Hundreds of thousands of professionals have participated in product management training. Product management is now on the curriculum at major business and computer science programs. If someone is looking for product management training, there are myriad options for in-person, on-line, and degree programs.

Even with the explosion in the number of professionals trained in product management and the available options for that training, traditional training has not produced a material impact in the practice's improvement and growth.

- Product management is clearly defined and understood in only 21% of organizations, according to the 2020 Product Management Festival Benchmark Report.
- Process, roles, and alignment in product management were identified as the biggest challenges by respondents in the 2019 SiriusDecisions Product Management Priorities Survey.
- In research from 280 Group, 47% of respondents identified process as the biggest challenge for product management in their company, and 51% said their product management process is not well-defined.

These issues with process, roles, understanding, and alignment show up in poor results, with CB Insights research identifying that 72% of all new products developed fail to meet their revenue targets.

If the product management profession needs to improve these results, product management professional development needs to evolve.

In this paper, we will:

- Explore research on professional development as a whole and the recommendations innovators in learning and development are making to improve professional development;
- Share findings from our research on the state of product management professional development, including benchmarks on current approaches, current skill gaps in product management, and insights into where product professionals access new ideas; and
- Based on research and experience, provide recommendations on how product management professional development should evolve to increase clarity in process, roles, and alignment, and through that, improve commercial results.

"Tell me, and I will forget. Show me, and I will remember. Involve me, and I will understand."

—Chinese Proverb

Research on Professional Development

To fully understand the current situation with product management professional development, we started by researching the current status of professional development as a practice. This research shows that it is not the product management profession that is struggling with professional development.

In "Where Companies Go Wrong with Learning and Development," published in the October 2, 2019, Harvard Business Review, author Steve Glaveski argues that the \$359 billion spend globally on training was not worth it. In the article, he shares some pretty eye-opening statistics about the sad state of professional development, including:

- 70% of employees report they don't have mastery of the skills needed to do their jobs;
- Only 12% of employees apply new skills learned in training programs to their jobs; and
- Only 25% of respondents to a McKinsey survey believe that training measurably improved performance.

Ineffective Training

The statistics on skills and training are astounding but not surprising. In conversations with product management educators, coaches, and leaders, we have seen a similar dismal results in the application of product management training.

Glaveski argues that "not only is the majority of training in today's companies ineffective, but the purpose, timing, and content of training is flawed."

In his book *The Case Against Education*, Bryan Caplan says that education "isn't so much about learning useful job skills, but about people showing off, or 'signaling.'" Glaveski states that employees often "signal through continuous professional education (CPE) credits so they can make a case for promotion." The insistence on certification for each course completion is another form of 'signaling.'

Learning Transfer Realities

Glaveski also identifies learning transfer as a significant challenge, as people quickly forget what they learn. He shares research from German psychologist Hermann Ebbinghaus that found that if new information isn't applied, people forget about 75% of it after just six days. To compound that, the Association of Training and Development (ATD) reports that 90% of trainers are not creating a learning transfer strategy.

Think about that. People forget about 75% of what they learn after just six days, yet 90% of trainers do not create strategies for learning transfer.

Unfortunately, most professional development programs and training companies overlook this reality, which leads to these poor results.

Recommendations to Improve Professional Development Results

Key recommendations to improve results from professional development:

- Focus on the core of what you need to learn;
- Give employees short lessons;
- Apply it to real-world situations immediately;
- Provide ongoing coaching support; and
- Activate peer learning.

In the third part of this paper, we will explore how we can apply this research, and these recommendations to improve product management professional development.

"The only way to win is to learn faster than anyone else."

—Eric Ries

Benchmarks in Product Management Professional Development

We completed a series of interviews and a survey of product leaders focused on the current state of product management professional development. The focus of this research was to understand the current practices for product management professional development, what product leaders value and where they plan to focus their efforts, and the skill gaps in their teams.

Current Product Management Professional Development Practices

Our research's overwhelming takeaway is that there is little formality or alignment around product management professional development. This should not come as a surprise considering the known issues with process, alignment, and results already mentioned. Results from our survey include:

- Only 14% of product teams have a formal professional development program for product management.
- Only 36% said they get support with their Human Resources and Talent Development organizations.
- Budgets are severely constrained:
 - only 27% had a set budget (either for the entire product organization or for each resource),
 - 63% must request funds on a one-off basis for any professional development.
 - 59% of respondents said the average annual spend was less than \$1,000 per resource,
 - 27% spend between \$1,000 and \$2,500 per resource.

These results confirm that product management professional development is ad hoc. Given the growing importance of product management in many firms, there seems to be an imbalance between perceived importance of the role and the need for professional development.

If product management is to play a role in determining the right opportunities to pursue and enable the organization to successfully realize those opportunities, the current state of professional development is unacceptable and needs to change.

What is Valued and Where Efforts Will Be Focused

Historically, product management professional development efforts have been lecture-based formal training programs, with 63% of respondents reporting they have traditionally invested in lecture-based training.

The next two investment areas with the largest percentage of respondents were Hands-on Workshops and On-Demand Training at 27%.

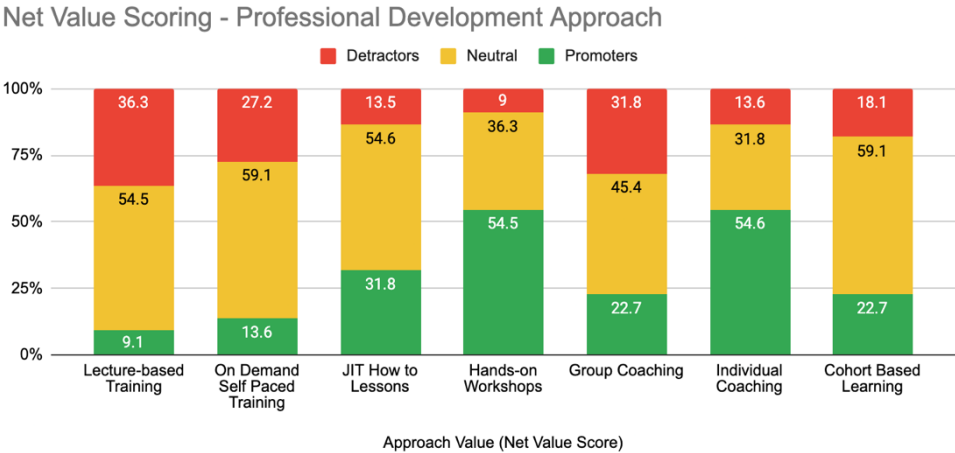
What gets interesting is where the respondents plan to invest moving forward:

- On-Demand training will be the biggest investment according to 50% of respondents;
- Just-in-Time "How to" Learning coming in second at 31%; and
- Hands-on workshops at 30%.

Lecture-based training has fallen out of favor, with only 13% of respondents saying they plan on investing in lecture-based training in the future.

As we shift the lens to each of these mediums' perceived value, we see some interesting things. These results use a 10-point scale, and we borrowed the Net Promoter Score (NPS) methodology to help us better understand preferences across the full-scale and not dilute the variance by just using averages. We will use the concept of a Net Value Score, which is calculated simply by the percentage of respondents who scored the value a 10 or 9 (Promoters), minus those who scored the value six or below (Detractors).

You can see the scores for each approach in this bar-chart:



As we look at the Net Value Scores for each Medium, Lecture-based Training has a score of -27. That isn't good but aligns with the shift the respondents plan to make in their investments. Only 9% of respondents rated the value from Lecture-based training as a 9 or 10, while 36% scored it a six or below.

While this may not look good for the future of lecture-based training, the reality is that sometimes lecture-based training, specifically in-person training is used as much as a team-building and motivational investment as it is a professional development investment.

The Net Value Score that really jumps out is the score for Hands-on Workshops. It has mild support for investment (historically and in the future) but has the highest Net Value Score at 45.5, with 54% of respondents scoring it a 9 or 10, and just 9% scoring it six or less. We have not followed up on this, but we assume that the difference in Investment and Net Value Score has a cost bias built in, as Hands-on Workshops traditionally cost a lot more than On-Demand Training.

Interestingly, On-Demand Training had a negative Net Value Score at -13.1, with only 13% rating it a 9 or a 10. Coming in at #2 in Net Value Score is Individual Coaching with a score of 41, and at #3 On-Demand Just-in-Time "How to" Learning with a score of 18.3.

The Top 3 in Net Value Score were also the Top 3 in average score, with the only change being Individual Coaching coming in #1 at 8.4 and Hands-on Workshops coming in #2 at 8.2, followed by On-Demand Just-in-Time "How to" Learning at 7.8.

Skill Gaps in Product Management

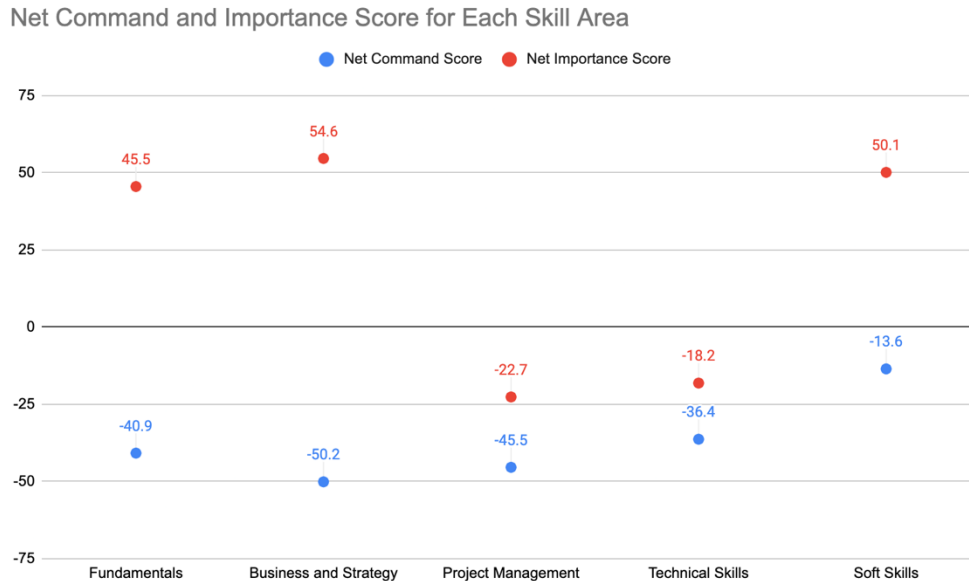
Next, our research focused on understanding the current command of specific skills in product management teams and the importance of each of these skills.

For this, we again use the modified NPS approach to measure a Net Command Score and a Net Importance Score across five areas:

- Product Management Fundamentals;
- Business and Strategy;
- Project Management;
- Technical Skills; and
- Soft Skills.

Amazingly, each of these five areas had negative Net Command Scores, while only two areas had negative results in importance (and they were areas we would hope for negative values in Project Management and Technical Skills). The issues with process, roles, and alignment seem to be justified.

You can see the Net Command and Importance Score for each skill area in this chart:



To dig in a little further, we calculated Gap Scores for each area (Net Importance Score – Net Command Score). The higher the score, the larger the gap between Importance and Command.

There is a considerable distance between the two lowest gaps, not surprisingly Technical Skills (18.2) and Project Management (22.8), and the three highest.

The largest gap is in Business and Strategy at 104.8. The Net Importance Score for Business and Strategy of 54.6 is the highest, and the Net Command Score of -50.2 is the lowest. Product management professional development is seriously lacking in Business and Strategy.

The second-largest gap is in Product Management Fundamentals at 86.4, with a Net Importance Score of 45.5 and a Net Command Score of -40.9. This score is surprising due to the supposed golden era of product management professional development we previously mentioned.

The third-largest gap is in Soft Skills at 63.7, with a Net Importance Score of 50.1 (the second highest after Business and Strategy), and a Net Command Score of -13.6 (actually the highest of all Net Command Scores).

Either the current investment in those myriads of product management professional development options is not enough, or those product management professional development efforts are not delivering long-term value. We think that the answer is BOTH.

You can see the raw results from our survey at:

<https://docs.google.com/spreadsheets/d/1Qvo2QQN7nhinAE691mvW5E6K-UT2mhAPBKvdNs7kiWY/edit?usp=sharing>

"Profit is not a cause. It is the result—the result of the performance of the business in marketing, innovation, and productivity."

—Peter Drucker

Evolving Professional Development for Product Management

So, where do we go from here?

How do we improve the results from product management professional development?

How do we improve the results from product management teams?

How do we evolve professional development for product management?

We see two key areas that need to change materially, an increase in the importance of strategic investment in the product management function and shifting the focus of product management professional development to a more applied approach.

Increased Importance of Strategic Investment in the Product Management Function

In the McKinsey article "Product Managers for the Digital World," the authors define product management as "the glue that binds the many functions that touch a product—engineering, design, customer success, sales, marketing, finance, legal, and more. They not only own the decisions about what gets built but also influence every aspect of how it gets built and launched."

If a function is so critical to a product's success that it "owns decisions about what gets built" and "influences every aspect of how it gets built and launched," we are not sure the term glue is strong enough.

As a critical leverage point, we see product management, a fulcrum that plays an essential role in the organization.

Product management provides a focus for the efforts of each of the functions in the organization.

Product management enables them to deliver success individually and collectively by providing the context each function needs to be successful.

For a role that is so strategically important for an organization's success, the lack of formal professional development programs and investment in professional development in product management is unacceptable.

This investment is vital to improve the results from product management and elevate the understanding of the role and process of product management across the organization.

It is time to invest as much in the upstream (product management) as companies already invest in the midstream (agile training and coaching for development and human-centered design for design) and downstream (sales training and coaching, sales kick-offs, sales operations, and more).

Product management participates in sales and agile training. All the functions that are influenced by product management should have a basic understanding of product management's role and process.

This understanding will significantly increase the percentage of companies where product management's role is clearly defined and understood and address the process issues, as product management process by definition works across all of the functions.

Product management professional development needs to shift from ad hoc to defined programs, and the spending on professional development needs to increase. Recommendations for how much a company should spend on professional development range from 1% to 5% of salary. For a strategic and vital role to the business as product management, 3% of salary should be a starting point.

The return on that investment? Improved understanding across the organization in the role of product management. Improved results from functions across the organization due to better product management. Improved outcomes from the organization from focusing and executing on the right opportunities. Improved product managers' retention as they see investment in them and a formal program for their development.

The increased investment in product management professional development should be obvious, based on the compound effect on the entire organization.

Shifting to Applied Professional Development for Product Management

With Increased investment in product management, professional development will be great, but it will not get the desired return on investment without a significant evolution in product management professional development,

This evolution needs to heed the advice of professional development experts.

- Shift the focus from lectures to real-world application;
- Provide ongoing support through coaching and engagement with peers; and
- Include access to on-demand learning, both to provide a refresh and to enable just-in-time help.

We will take it as a given that applied professional development will focus on the right skills, which, based on our research, are Business and Strategy, Product Management Fundamentals, and Soft Skills.

With that said, here are some of our core recommendations for the evolution of product management professional development.

Flip the Classroom

The majority of product management training today, regardless of if it is live or on-demand, is lecture-based. Most incorporate some case study or exercise, the better ones enabling you to apply the concept to your products, markets, and organizations, but the reality is at best, the training is 80% lecture and 20% application, if not 90/10.

Product management professional development needs to flip this. It needs to understand the realities of learning transfer and create strategies for learning transfer. Product management professional development needs to understand the reality of andragogy, adult learning.

Malcolm Knowles, in his theory of andragogy, made four assumptions about the design of learning:

- Adults need to know why they need to learn something;
- Adults need to learn experientially;
- Adults approach learning a problem-solving; and
- Adults learn best when the topic is of immediate value.

We need to shift from lecturers to facilitators and coaches. We need to focus on applying relevant concepts immediately. A common phrase among enlightened coaches is to be the “Guide on the side instead of the sage on the stage.”

The “flip the classroom” concept shifts the teaching from the classroom to the pre-work (through readings and on-demand learning) and shifts the application of the concepts (the homework) to the classroom. This approach enables more engagement and better learning. Let's do the same for product management professional development.

Whether it is an applied workshop with pre-work or a weekly program with integrated learning and applied coaching, product management professional development needs to flip the classroom to deliver better results.

Real-Time Help

One of the significant issues with all professional development is low retention of the learning due to learning transfer issues. When a product manager faces an infrequent task or deliverable, they often do not remember how to do it.

Hopefully, the improved results from more applied learning will help, but the reality is that there will always be things that training does not cover in fundamentals training. Whether it is a retention issue or the concept was not in training, there needs to be a real-time solution to help product managers.

This help could come in the form of short, bite-sized instructional videos on how to do those common and uncommon tasks, access to coaches or thought leaders to provide real-time coaching and advice, or through a peer network that helps each other in real-time.

Ongoing Support

Learning and professional development do not stop when you finish a class or a workshop. Training is a good start but professional development is a journey. It is an ongoing process, and professional development programs for product management need to consider this.

- Create an internal coaching and mentoring program where more senior product managers support junior resources;

- Engage an external coach to work with individuals or teams on areas they need improvement; and
- Provide access to true peer communities and networks to enable the development of professional networks and communities of support.

Access to Insight and New Ideas

product management and strategy are still evolving and growing practices. Every year, people find new and better ways to engage with customers, learn, prioritize, plan, launch, market, do all of the things product managers do and enable.

Therefore, professional development cannot stop when a course or workshop happens, or worse yet, when that course or workshop was written.

Part of a professional development program for product management needs to be providing access to insights and new ideas.

This access can come from research-based approaches to common and best practices. It can come from attending events and webinar series where thought leaders are sharing these ideas. It can come from peer network participation where true peers share their ideas and approaches and learn from each other.

The critical thing is, product management training and workshops only provide the baseline. A starting point, an organization's processes, and an individual's skills need to grow and evolve continually. This growth and evolution need to be a core part of a product management professional development program.

Key Recommendations

Are you ready to evolve professional development for product management in your organization?

The first thing to do is commit to making a strategic investment in the product management function, above and beyond salaries and ad hoc professional development.

Go to your CEO or leadership team to make a case for an increased budget. If they understand good product management's strategic value, this should not be too hard.

The second thing to do is to develop a product management professional development program for your business.

Define how you are going to provide a baseline of learning and coaching for your team.

Define development paths based on specialization areas like product strategy, product marketing, and technical product management.

Provide an ongoing cadence of learning and coaching opportunities for your team to make professional development an ongoing process.

Engage with stakeholders from across the organization to help them better understand product management and have them as resources to mentor and coach your team in all aspects of the business.

To help you do this successfully, you also may need to identify external partners to help you in the development, execution, and ongoing support of your professional development program. As you do this, here is a list of key questions you should be asking your potential partners to understand how well they get applied professional development.

Product Management Professional Development Vetting Questions

What should you ask your training and coaching vendors to ensure you're getting the professional development you need for your team?

- What percentage of your program is lecture versus applied? Ideally, you would want the program to focus more on applying and transferring the learnings than the lectures.
- Do you offer coaching programs or workshops that integrate with your teaching? Ongoing coaching and workshops that focus on applying the concepts to real-world markets, products, and organizations improve learning results and provide immediate value to your business.
- Does it engage non-product stakeholders in a program? If so, what is the additional cost? Improving the organization's understanding of product management is critical to enabling product management and its success. Providing access to these stakeholders is vital for this success. It should not be a tool used to raise the price of a program.
- Do you provide access to ongoing coaching or advisory sessions? Professional development needs to be an ongoing process. A partner needs to be able to support you on an ongoing basis.
- What are your peer community offerings? Building a network of trusted peers is important, inside and outside your organization. While large peer communities, private or on social platforms like Facebook or LinkedIn are great, the ability to participate in more focused and personal true peer groups through regularly scheduled, facilitated meetings has proven to be an excellent tool for professional and leadership development across all industries and functions.

There is an excellent opportunity to improve product management professional development and, in turn, improve the results of your business.

There is an excellent opportunity to help your product team grow and develop into organization leaders.

Now is the time to evolve your companies' approach to product management professional development.