



# THE STUDY OF PRODUCT TEAM PERFORMANCE 2016

PRESENTED BY ACTUATION CONSULTING, LLC.



## Six New Key Performance Indicators

**Actuation Consulting conducted the fifth annual global study of product teams with the goal of continuously improving our understanding of why some product teams excel while others struggle.**

We also sought to expand our growing knowledge of the factors that drive or influence the best outcomes. Since 2012 we have consistently identified statistically significant elements that correlate with top performance. Not all factors carry the same weight, and our regression analysis of findings has enabled us to develop a weighted scale to help organizations prioritize their activities more effectively.

The survey itself is unique in that, since its inception in 2012, it has received support from a constellation of leading industry associations and market players – groups that generally don't collaborate on such endeavors.

We designed the 2016 study to further explore the dynamics of high-performing product teams by pursuing three interconnected threads. The first thread lays the groundwork with demographic information, helping us understand respondent profiles, spans of responsibility, sizes of companies, and market segments served.

The second thread focuses on the impact of user experience on team performance. The past two years' studies identified the increasing importance of user experience in the product development process. This year we continue to follow this important influence on team performance.

In the third and final thread, we more deeply explore several key factors that distinguish high performance teams from all others.

This year we continued with our tried and true approaches to distributing surveys and regression analysis. Our distribution approach remained the same: we sent direct mail invitations to our subscriber database, and our sponsors and promotional partners sent invitations for their stakeholders to participate in the survey. Participants were given ample time to complete the survey, and after the survey closed, our statistician conducted regression analysis. This consistency enables longitudinal trending of key performance drivers. Additionally, we continue to use both team productivity and organizational financial outcomes as measures of performance in our regression analysis.



## Through this statistical analysis, we have identified six new factors that contribute to the success of high performing teams:

### 1. High Performance Teams Have a “Definition of Done.”

Our latest analysis shows that organizations that allow team members themselves to create a clear definition of done tend to outperform their counterparts.

### 2. Respondents Unable to Associate a Product Development Methodology with Product Profitability Are Unlikely to Be on a High Performance Team.

In short, we found that survey respondents who were unable to understand the impact of product development methodologies on product profitability were more likely to be on teams that were not high performing.

### 3. Respondents Who Believe Using Agile/Scrum Leads to Higher Product Profitability Tend to Be in Higher Performing Organizations.

Survey respondents who advocate the use of the Agile/Scrum product development methodology and also believe that Agile/Scrum has a positive impact on product profitability are more likely to be in high performing organizations.

### 4. Teams that Consider Development Cost as a Criterion for Requirements Prioritization Are More Likely to Under-Perform (i.e., negatively correlated).

Organizations often consider a range of factors, some market-based and some internally derived, to enable the requirements prioritization process. However, organizations that emphasize the cost of development in their requirements prioritization underperform organizations that deemphasize it.

### 5. There Is a Strong Correlation between an Effectively Prioritized Backlog and High Product Team Performance.

Not surprisingly, teams that enjoy a clearly prioritized backlog are able to efficiently move from task to task, making them likely to deliver high performance. Conversely, a jumbled backlog is negatively correlated with both high performance and achieving financial results.

### 6. Product Teams that Believe their Effectiveness Would Be Improved by the Use of Tools and Automation Are More Likely to Be High Performance Teams in Companies that Achieve Their Financial Goals and Objectives.

Organizations that are able to meet their financial goals are successful, in part, due to the efficiency gained through the use of automation and tools by their product teams.

Many of the key findings in The Study of Product Team Performance 2016 center around the growing adoption of Agile and best practices found in many modern product development teams. This year’s six indicators of high performance continue to build upon the last several years’ exploration of the most popular product development methodologies. By retaining the methodology question, we are able to clearly understand the shift in methods product teams are using and the resulting outcomes.

Since we began asking a follow-on profitability question in 2013, teams have consistently identified Agile as the route to product profitability in numbers far greater than are actually using Agile. That trend continues in this year’s data.

Additionally, we have explored several new questions this year. New topics include: distributed teams, methods used to gather meaningful requirements, idea tracking (review and development), onboarding approaches, user experience tracking ratios, and product management roles.



## Survey Development

Actuation Consulting defined the themes and content and drafted the survey questions in collaboration with specially selected contributing authors. We then developed the web-based survey tool, collected and aggregated responses, and supplied high-level analysis of responses. These steps were followed by rigorous analysis by a professional statistician.

Professionals with the following titles were invited to complete the 2016 Product Team Performance survey:

- Brand manager
- Business analyst
- Development manager
- Engineer
- Product manager
- Product owner
- Program manager
- Project manager
- Test/QA
- User experience professional

In the invitation to participate, we assured all respondents that they and their responses would remain anonymous.

## Respondent Profile

Survey respondents include a combination of decision-makers and product team members who hold a central role in their organization's product development. Ninety-three percent of respondents indicated that they play an active role in creating or enhancing products or services within their organization.

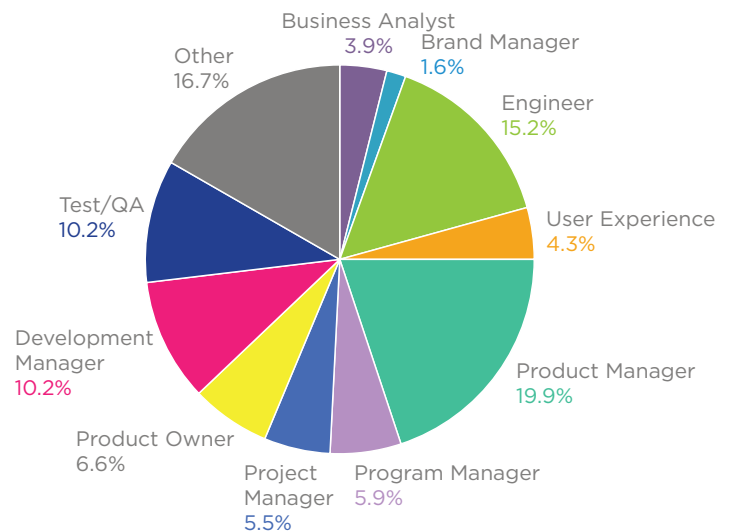
More than a quarter (26.5%) of survey respondents described their primary role as product manager (19.9%) or product owner (6.6%). Engineers made up a sixth (15.2%), test/QA professionals made up a tenth (10.2%), development managers made up a tenth (10.2%), and program managers and project managers together made up a tenth (12.1%) of respondents. Brand managers, user experience team members, and business analysts together comprised another tenth of respondents (9.8%) (Figure 1).



The survey was sponsored by:



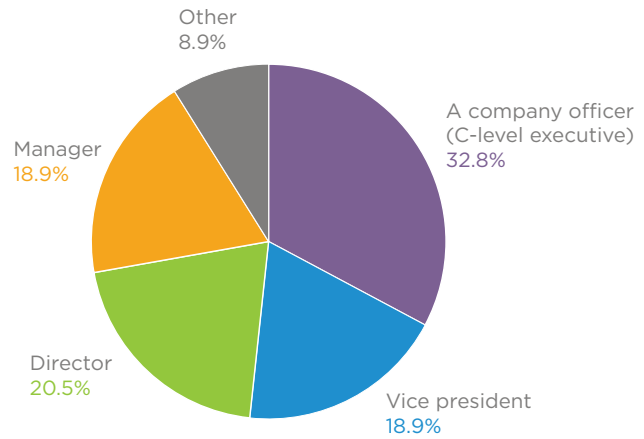
FIGURE 1: PRIMARY ROLE



Other includes Agile coaches, architects, business systems consultants, chief product officers, program directors, and other such titles.

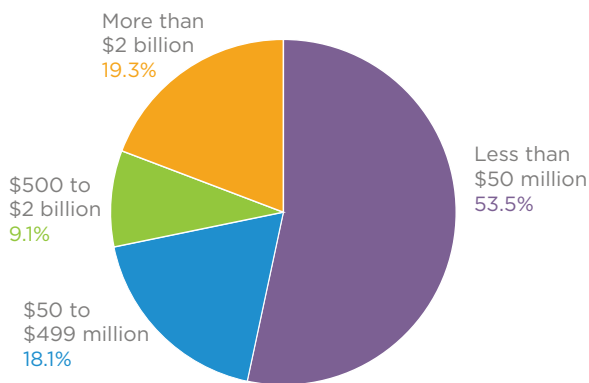
More than 70% (72.2%) of respondents to the 2016 survey report to a director, vice president, or company officer. Another 18.9% report to a manager (Figure 2).

**FIGURE 2: TITLES REPORTED TO**



*Other includes analysts, board members, branch chiefs, deputy directors, project leads, founders, consultants, and other such positions.*

**FIGURE 3: ORGANIZATION ANNUAL REVENUE**



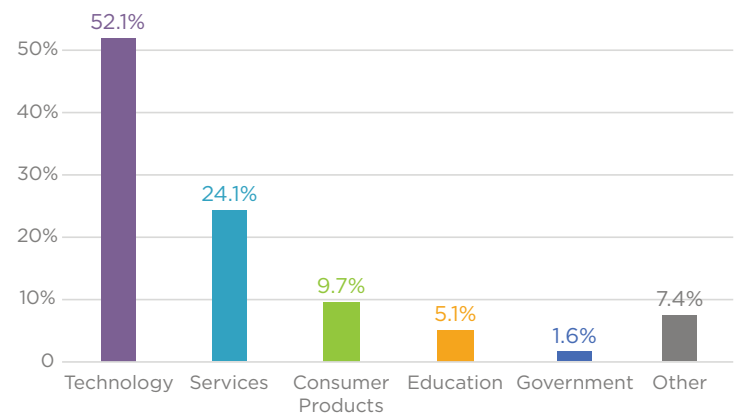
More than half of our respondents (53.5%) report working for organizations with annual revenues below \$50 million. Companies with revenues that fall into one of three groups employ the remaining respondents: 50 million to \$499 million (18.1%), \$500 million to \$2 billion (9.1%), and more than \$2 billion (19.3%) (Figure 3).

Lastly, more than half (52.1%) of our respondents report working for companies with technology as their primary focus. Other segments represented include services (24.1%), consumer products (9.7%), education (5.1%), and government (1.6%) (Figure 4).

93% of respondents play an active role in creating or enhancing products or services.



**FIGURE 4: PRIMARY FOCUS**



## Closer Look at the Six New Factors Contributing to Product Team Success in 2016

Since 2012, the Study of Product Team Performance has annually unearthed key factors that differentiate high-performance product teams from their less successful counterparts. With the addition of this year's indicators of high

performance, we have now identified twenty-six statistically significant contributors to the effectiveness of successful product teams. Here is a closer look at the six factors we identified this year:

### FACTOR ONE: High Performance Teams Have a “Definition of Done”



The first new indicator of high performance identified in the 2016 data reveals not only the worth to teams of having a definition of done, but also the value of having team members themselves create that definition.

Our question to this year's survey respondents was: Who, if anyone, defines done for their teams. Nearly 30% (29.4%) of respondents indicated that the product team as a whole collectively develops its definition of done. That response was followed by management (23.4%), the product manager (19.5%), the product owner (15.6%), “no one – we wing it” (7.4%), and engineering management (4.7%).

When we cross-correlated these results with teams that meet or exceed organizational expectations, the first result that stood out was a distinct negative correlation between winging it and team productivity – that is, teams that don't define “done” don't perform well.

Second, our data definitively shows that it matters who creates the done definition. Organizations in which team

members themselves create a clear definition of done are more likely to outperform their counterparts: product teams that have their product owner draft their definition of done perform most effectively closely followed by product teams that develop their definition of done collectively.

There was no effectiveness correlation to having a manager outside the team (whether “management”, the product manager, or engineering management) dictate a team's definition of done. We think the practice of establishing a definition of done within the team makes team members hold themselves accountable to their done definition and to each other, with any benefit of management's standardizing a definition outweighed by the demotivating effect of management handing it down as an edict.

Clearly, defining done matters. And when a member (the product owner) or all members of the team (collectively) do the defining, teams are likely to deliver at the highest levels of performance.

### FACTOR TWO: Respondents Unable to Associate a Product Development Methodology with Product Profitability are Unlikely to Be on a High Performance Team

Analysis of this year's data also illustrates that product team members who cannot project which product development methodology would make their products more profitable are more likely to be in organizations that perform poorly.

While we cannot say exactly why this is the case, it suggests that lack of exposure to modern methodologies – whether because teams have been locked into Waterfall and have not yet tried Agile, or because they're basically in chaos and don't have any coherent methodology – may be to blame.

On the other hand, there's a lot of “bad Agile” out there – methodology that is Agile in name only, not in practice or in spirit – that could lead teams to believe that nothing will help.

Regardless, this is a remarkable result, that just being able to identify the connection between how team members do their work and product profitability is congruent with team performance and organizational financial results!

## **FACTOR THREE: Respondents Who Believe Using Agile/Scrum Leads to Higher Product Profitability Tend to Be in Organizations that Meet or Exceed their Financial Goals**

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Of those respondents who did identify a methodology they believe would make their product more profitable, our analysis shows that those who believe that using Agile/Scrum leads to improved product profitability are, in fact, generally in organizations that meet or exceed their financial goals.

This result is not surprising when you consider that Agile/Scrum not only draws on many if not most best practices from the history of computing, but also assembles them to deliver synergies that newbies often find eye opening and even startling. The practices, and even more so the synergies, are “best practices” because they deliver higher productivity, better quality, and products more likely to delight customers

– every one of which leads to positive financial results.

Interestingly, over 52% of survey respondents indicated that Agile/Scrum leads to improved product profitability, even though only 48% of organizations say they actually use Agile/Scrum. The finding that more respondents connect Agile/Scrum with product profitability than actually use it, is consistent with results we have seen in previous years.

Since 43% of teams say they are high performing, the correlations would suggest that those teams using or at least believing in Agile/Scrum make up the majority of those teams that are high performing.

## **FACTOR FOUR: Teams that Consider Development Cost as a Criterion for Requirements Prioritization Are More Likely to Under-Perform (i.e., negatively correlated)**

Over half (54%) of survey respondents stated that they use development cost as a prioritization factor in determining which high level requirement, epic, or user story they pursue. Unfortunately, our data indicates that organizations doing so are likely to be poor performers.

It is our belief that product managers must consider development cost in calculating ROI and determining how to deliver the most bang for the buck to customers. However, the study data is clear that neither high performance teams, nor teams in organizations meeting their financial goals, take development cost into consideration by the time requirements are being prioritized.

When the backlog is effectively prioritized, there was no such negative correlation, nor a standout positive correlation, with

any of the other requirements-prioritization criteria we asked about: revenue, profitability, customer importance, internal stakeholder influence, risk, or technical considerations (e.g., architecture, stability, scalability).

It is incumbent upon product managers and owners to do substantial, effective work breakdown to ensure that high cost work is divided into small enough chunks that development cost is never an excuse for not delivering the highest customer value. Whether the work breakdown be by stories (Agile), minimum marketable features (MMFs), minimum viable products (MVPs), or experiments (lean-startup); dividing up the work, and thus the cost of the work, enables teams to deliver the highest value in the shortest time.

## **FACTOR FIVE: There Is a Strong Correlation between an Effectively Prioritized Backlog and High Product Team Performance**

A substantial 43.5% of respondents indicate that their team prioritizes the backlog effectively. When we submitted this question to regression analysis, the correlation was clear: product teams that effectively prepare and prioritize their backlog of work are more likely to perform at a high level.

Conversely, 37.9% of respondents indicate that their backlog

is a jumble. Our regression analysis shows that product teams that describe their backlog as a jumble are negatively correlated to high performance – that is, they are unlikely to perform well.

The importance of effective backlog grooming cannot be overstated. Not only does an effectively groomed backlog

ensure that teams are always applying themselves to work that customers will value most highly, but it also serves to motivate developers.

In fact, just by working on the top backlog item developers know they will positively impact customers more than they would by doing anything else. That motivational factor cannot be overstated either.

## **FACTOR SIX: Product Teams that Believe Their Effectiveness Would Be Improved by the Use of Tools and Automation Are Likely to Be High Performance Teams in Companies that Achieve Their Financial Goals and Objectives**

It is worth noting that just over 50% of survey respondents are members of technology development teams. This finding is particularly meaningful to technology development organizations.

The sixth indicator of high performance is the desire for improved tools and increased automation. Organizations that have implemented effective team processes often seek out ways to further improve efficiency.

This result points to the rapid uptake of DevOps and the Extreme Programming (XP) practices that underpin it, particularly: test automation of every kind starting from the practice of test driven development; refactoring (and tools that automate refactoring); and continuous integration, continuous delivery, and continuous deployment (and the automated build tools and application release tools that

support these practices).

The up-swell of enthusiasm for test-and-build automation has driven strong tool development and rapid tool advancement, with check-ins kicking off build scripts that not only compile binaries, but also generate documentation, tests, and statistics; kick off test automation; and generate and deploy distribution media, website pages, and program logic to servers.

Additionally, on the operations side, tooling like continuous configuration automation enables automated rollout of both physical and virtual infrastructure. With the result that teams with effective team processes find themselves incessantly looking with longing for the latest – and the latest is rapidly evolving.

## **CONCLUSION**

This year's study clearly dove a bit deeper into the product development mechanics that high performing organizations embrace. Our regression analysis shows strong correlations with high performance when organizations effectively prioritize the backlog, have a clear definition of done created within the team, and don't over-emphasize development cost when prioritizing requirements.

Respondents' perceptions of product development methodologies also showed up in our data. Over 90% of our survey respondents are actively involved in the product development process and those who lack an understanding of the method in use clearly are part of organizations that underperform. Additionally, those who believe using Agile/

Scrum leads to high product profitability are more likely to be in organizations that perform well financially. Knowledge clearly makes a difference.

Finally, the most highly productive teams believe their effectiveness would increase through the use of better tools and automation. Here, again, knowledge makes a difference, and teams that have implemented effective team processes are looking to expand their uptake of DevOps and Extreme Programming (XP) practices with the latest automated refactoring, test, build, and infrastructure-deployment tools.







## Question 1 – Did your company achieve its financial goals and objectives in 2015?

Survey Answer	Percentage
Yes	73.2%
No	26.8%

Nearly three-fourths of survey respondents (73.2%) indicated that their company achieved its financial goals in 2015. Slightly more than one-fourth of respondents (26.8%) revealed that their organizations did not meet financial objectives last year. Unmet financial goals is an excellent reason to take a closer look at a company’s processes and practices with an eye toward making changes to improve results in 2017 and beyond.

## Question 2 – Which of these statements best describes your view of your core product team’s performance against organizational expectations?

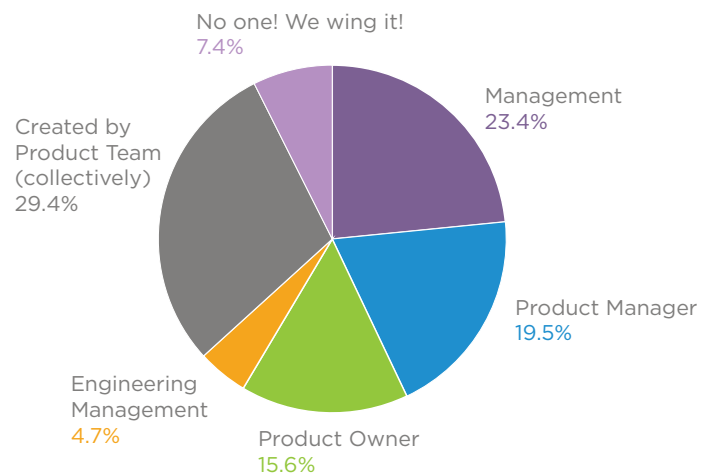
Survey Answer	Percentage
We deliver value consistently on scope, schedule, and cost	43.0%
We deliver value, but lack consistency	40.6%
We are hit or miss	11.7%
We miss more than we hit	4.7%

While 43% of respondents indicated that their product team consistently succeeds in meeting company expectations, 57% of respondents see product teams as experiencing some difficulty consistently meeting organizational expectations. There is definitely opportunity for growth on these teams, especially among those teams that miss the mark more often than they reach it (4.7%).

## Question 3 – Who defines your product team’s definition of “done” that you apply against every feature or story? (Choose one.)

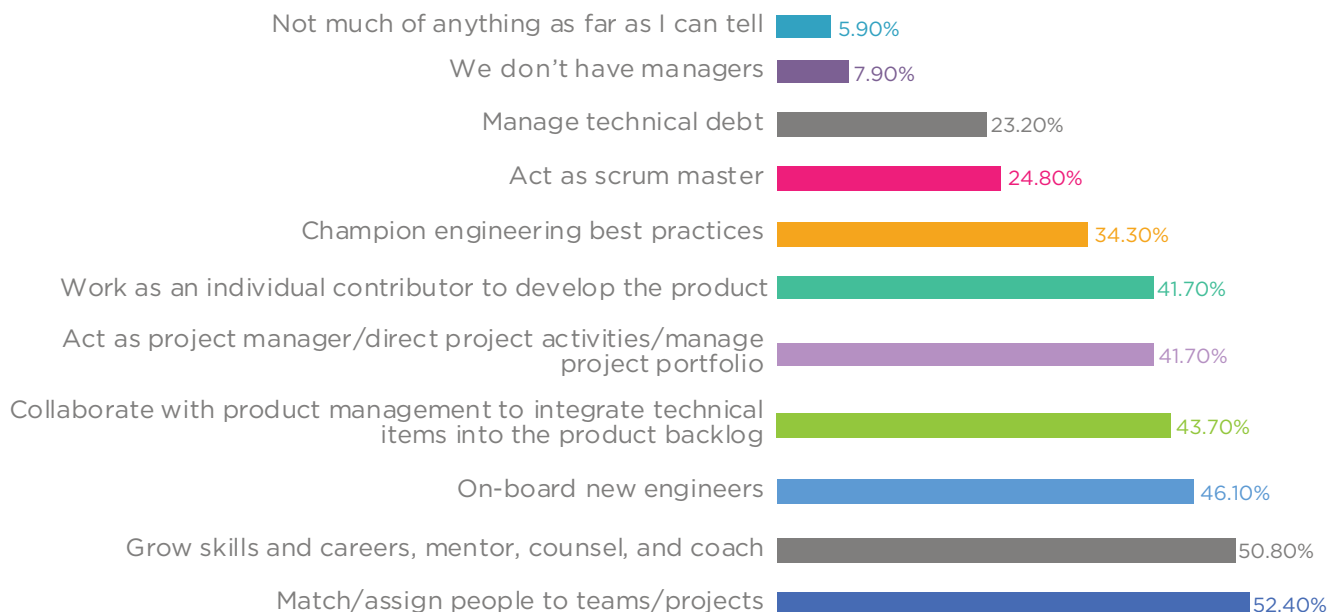
Having a clear definition of “done” is a basic element of a successful product management process. Yet, only 29.4% of respondents indicated that a collective decision by the product team established this important definition. It is disturbing that 7.4% of respondents say their product teams have not defined “done” and their companies have not designated anyone to define it. (Figure 5).

**FIGURE 5: DEFINITION OF “DONE”**



**Question 4 – Which of the following activities do first level engineering managers in your organization undertake beyond day-to-day management of the team? (Choose up to five.)**

**FIGURE 6: FIRST LEVEL ENGINEERING MANAGER ACTIVITIES**



The obvious takeaway from the answers to this question is that in most organizations surveyed first level engineering managers' duties extend well beyond day-to-day team management. The exceptions to this conclusion are the 7.9% of respondents who indicated their teams have no managers and the 5.9% of respondents who indicated that their first level engineering managers aren't doing much of anything beyond day-to-day management (Figure 6).

**Question 5 – Select the top three things you believe would improve the effectiveness of your product team. (Choose three.)**

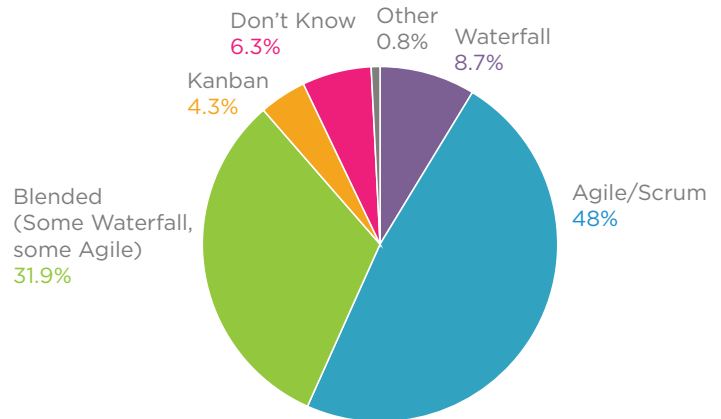
Survey Answer	Percentage
A change in product development methodology	29.9%
Increased executive sponsorship	24.8%
Highly skilled engineering staff	40.2%
Additional testing/QA staff	29.1%
Additional user experience staff	33.5%
Additional project managers or scrum masters	11.0%
Additional product managers or owners	18.5%
Improved cross-department communication	45.3%
Provide training	34.6%
Tools or automation	32.4%

Two potential solutions stood out among survey respondents' answers as having the potential to improve the product team's effectiveness. These were: improve cross-department communication (45.3%) and bring on highly skilled engineering staff (40.2%). Also called out: provide training (34.6%); bring on additional user experience staff (33.5%), embrace more tools and automation (32.4%), change product development methodology (29.9%), and bring in additional testing/QA staff (29.1%).

## Question 6 – Which of the following methodologies best describes the way your organization develops products?

Organizations relying on the Agile/Scrum methodology for product development continued to rise dramatically, a trendline we have seen since 2012. Nearly half (48.0%) of organizations now rely on it. A Blended approach combining some Waterfall and some Agile practices came in a distant second, according to our respondents, at 31.9%, clearly falling off from previous years results. But falling off even faster is Waterfall, at 8.7%, which fewer and fewer organizations rely on, 25% below two years ago's result, 36% below last year's result. Kanban, at 4.3%, continues to rise in use, but remains small overall. It is interesting that 6.3% of respondents were not sure what methodology was being used in their organization (Figure 7).

FIGURE 7: PRODUCT DEVELOPMENT METHODOLOGIES



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## Question 7 – Which of the following methodologies do you associate with increasing your product's profitability?

Survey Answer	Percentage
Agile/Scrum	52.1%
Blended (Some Waterfall, some Agile)	22.4%
Don't know	15.7%
Waterfall	3.5%
Other	3.5%
Kanban	2.8%

More than half of survey respondents (52.1%) named Agile/Scrum as the methodology most often associated with increasing their product's profitability. Blended (some Waterfall, some Agile) was a distance second most frequently given answer with 22.4% of responses. While Waterfall (3.5%) and Kanban (2.8%) barely garnered any responses, it was interesting to note that a significant 15.7% of respondents are unclear which methodology is associated with growing their product's productivity.

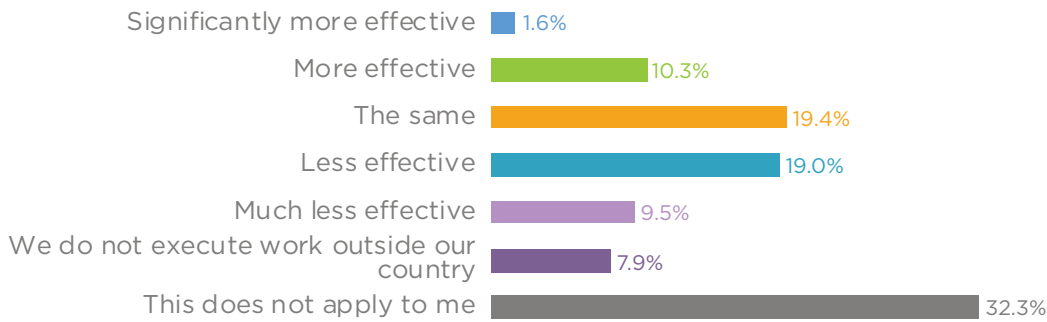
## Question 8 – Which of the following product management professionals does your organization utilize? (Check one.)

Survey Answer	Percentage
Product managers	40.6%
Both product managers and product owners	32.3%
Product owners	16.1%
Neither	11.0%

Slightly more than 40% of respondents indicated that their organization uses product managers in their product development process and nearly a third of respondents (32.3%) described their organizations as utilizing both product managers and product owners. A smaller percentage of respondents (16.1%) answered that their organizations' only product management professionals are product owners. Sadly, 11% of respondents replied that their organizations use neither product managers nor product owners in their process.

**Question 9 – If you are located in North America, Japan, or Australia and are using distributed teams beyond your country’s borders, how effective are they compared to a local development team, excluding personnel costs and a higher oversight and communications burden?**

**FIGURE 8: LOCAL VS. DISTRIBUTED TEAM EFFECTIVENESS**



While 40.2% of survey respondents indicated they did not use distributed teams outside their own country or that this question did not apply to them, almost 60% of respondents report that their companies do work through distributed teams outside their country. Of these, 11.9% responded that the distributed teams were more effective (10.3%) or significantly more effective (1.6%) than the domestic development team. Nearly 20% (19.4%) responded that the teams outside the country perform as well as in-country teams and nearly 30% of respondents rated the out-of-country teams less effective (19.0%) or much less effective (9.5%) than in-country teams (Figure 8).

**Question 10 – What method of product requirements research does your organization primarily use to gather meaningful requirements? (Check one.)**

Survey Answer	Percentage
Internal idea generation	22.5%
Voice of the customer (VOC)	21.3%
Workflow analysis (examining a customer’s workflow to identify improvement opportunities)	5.2%
Focusing on what customers are trying to achieve in order to improve your product or drive innovation	13.4%
<b>A combination of VOC and workflow analysis</b>	<b>28.1%</b>
I don’t know	5.9%
Other	3.6%

According to our survey respondents, slightly more than a fourth of their companies (28.1%) rely on a combination of voice-of-the-customer and workflow analysis as their approach to product requirements research. Between this group and those exclusively using voice-of-the-customer, almost half (49.4%) use VOC. Closely behind at 22.5%, internal idea generation is also well represented among our respondents’ companies.

# SURVEY RESULTS

## Question 11 – How do you track, review, and develop ideas from your employees, customers, and suppliers? (Check one.)

Survey Answer	Percentage
We have no formal processes and systems in place to track, develop, and manage ideas – it's mainly done through emails, spreadsheets, and occasional brainstorming sessions	48.2%
We use our CRM tool to store and manage ideas from our employees and customers	14.2%
We have developed our own in-house solution using a portal and document management system	15.4%
We use an off-the-shelf, cloud-based (or on premise) idea management system	18.6%
Other	3.6%

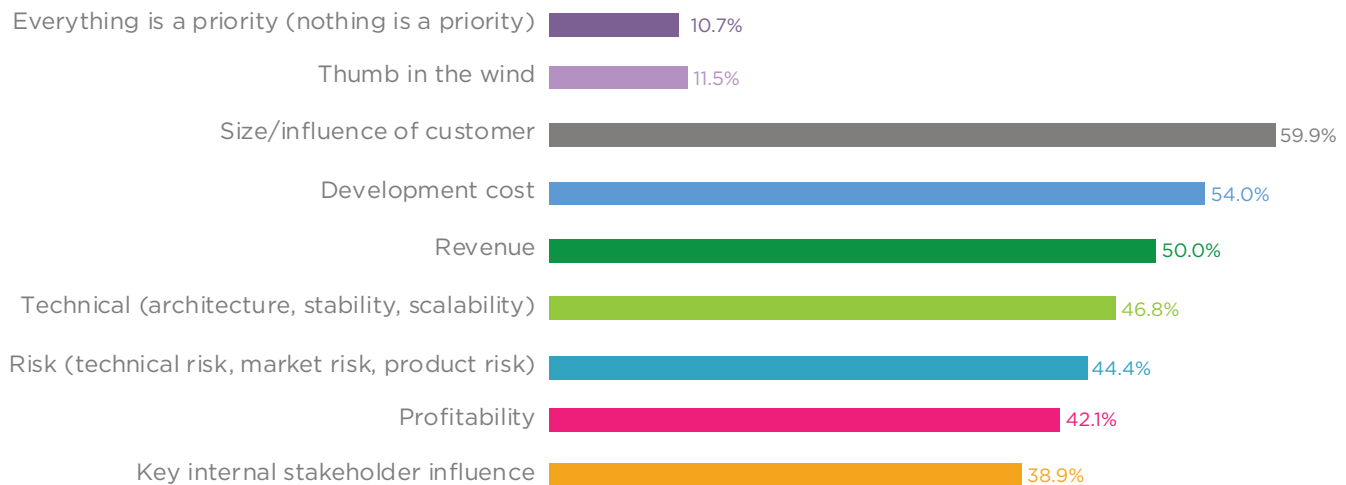
Nearly half of all respondents (48.2%) indicated that their organizations have no formal system or process for tracking, developing, and managing ideas. Other responses were more equally distributed including use of a CRM tool (14.2%), reliance on an in-house solution (15.4%), and use of an off-the-shelf cloud or premises-based system (18.6%).

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## Question 12 – What criteria do you use to prioritize requirements? (Check all that apply.)

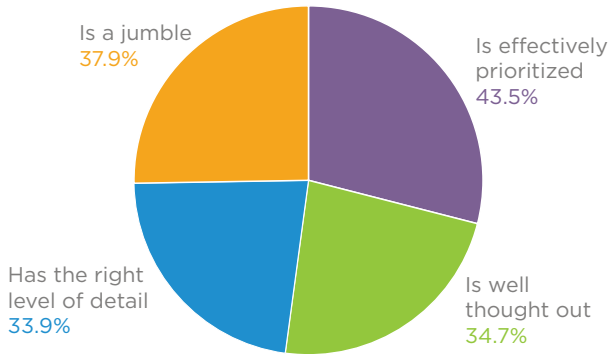
Nearly 60% of respondents indicated that the size/influence of a customer is a primary way their organizations prioritize requirements. Respondents also highly rated development cost (54.0%), revenue (50%), technical criteria (46.8%), risk (44.4%), profitability (42.1%), and key internal stakeholder influence (38.9%) as important in determining priorities. It is somehow reassuring that thumb in the wind and treating everything as a priority were ranked considerably lower as criteria for prioritizing requirements, earning just 11.5% and 10.7% of responses respectively (Figure 9).

**FIGURE 9: CRITERIA TO PRIORITIZE REQUIREMENTS**



### Question 13 – My team’s product backlog: (Check all that apply.)

FIGURE 10: PRODUCT BACKLOG



While more than 40% of respondents (43.5%) indicate that their team’s product backlog is effectively prioritized, nearly another 40% (37.9%) of respondents consider their product backlog to be in a state of disarray, which could certainly cause the team to be less productive than it might be. More than a third of respondents also characterized the handling of their team’s product backlog as well thought out (34.7%) and having the right level of detail (33.9%) (Figure 10).

### Question 14 – Which product development requirement format makes it easier to on-board new product team members? (Check one.)

Survey Answer	Percentage
Traditional requirements (Product requirements document or market requirements document)	19.4%
An ordered backlog of epics and user stories	31.6%
<b>A hybrid model blending both</b>	<b>35.2%</b>
None of the above	13.8%

Selected by more than a third of survey respondents (35.2%), many consider a hybrid approach that blends both user stories and a product document or a market requirements document as the most effective way to on-board new product team members. Seen as nearly equally as effective as the hybrid approach is an ordered backlog of epics and user stories alone, which garnered 31.6% of responses. Traditional requirements used alone was seen as less effective by the majority of respondents and received only 19.4% of responses. Finally, a smaller segment of our respondents (13.8%) did not consider any of the three options as a means to streamline the onboarding of new product team members.

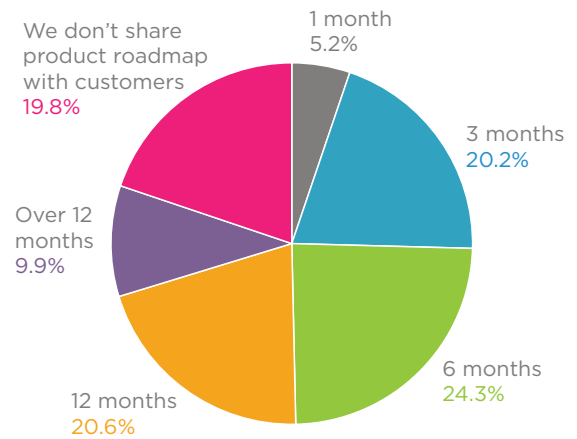
More than a third of survey respondents consider a hybrid approach that blends both user stories and a product or market requirements document to be the most effective way to on-board new product team members.



## Question 15 – Organizations typically share a tactical product roadmap with customers and customer-facing employees. How far into the future does your tactical product roadmap illustrate future development activities when shared with customers? (Check one.)

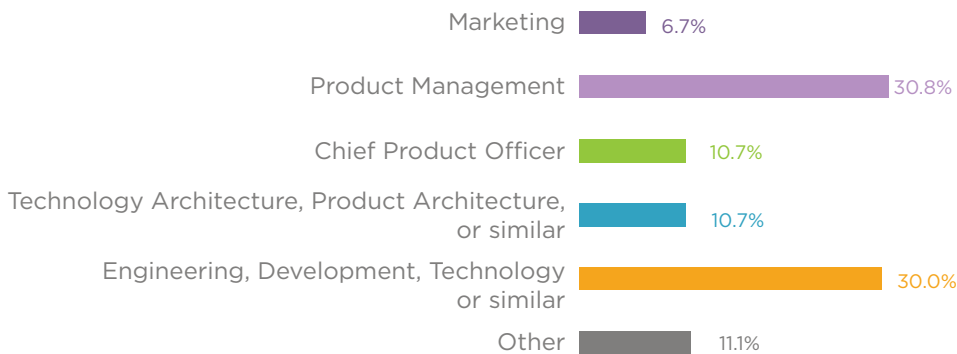
When it comes to communicating with customers and customer-facing employees about what’s ahead for a product, organizations are quite varied in how far out they are willing to share information. The greatest percentage of respondents (24.3%) indicated that their companies were willing to share information six months out. Closely following that are 12 months out with 20.6% of responses and three months out that was selected by 20.2% of respondents. The fewest number of survey respondents (5.2%) indicated that their companies shared the tactical product roadmap only a month out, while the second lowest performing answer (9.9%) was from respondents who noted that their organizations shared the product roadmap more than 12 months into the future. Nearly 20% of respondents said that their organizations do not share their product roadmap with customers – at all. (Figure 11).

FIGURE 11: PRODUCT ROADMAP



## Question 16 – User experience is becoming increasingly important to the design and development of successful products. Where does user experience report in your organization? (Check one.)

FIGURE 12: PLACE THAT USER EXPERIENCE REPORTS

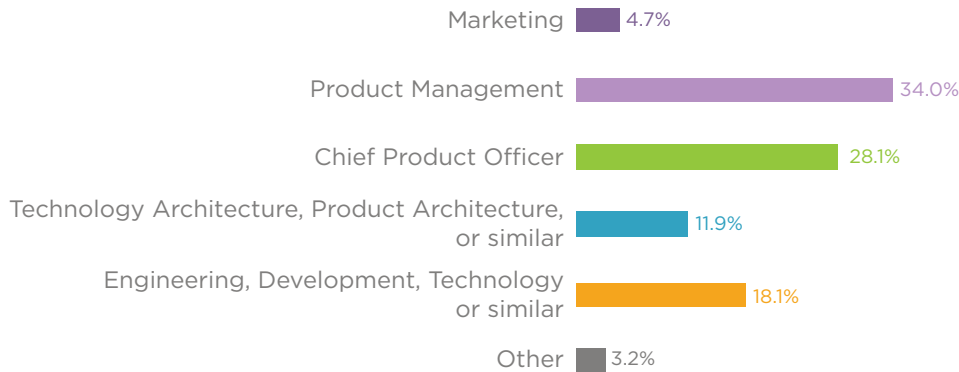


Two survey answers garnered the highest percentage of responses to this question. Almost equal in number – each almost a third of respondents - they reveal that most user experience teams report either to Product Management (30.8%) or to Engineering, Development, Technology, or a similar segment of their companies (30.0%). Technology Architecture, Product Architecture, or similar areas and the Chief Product Officer each received a much smaller 10.7% of responses. Only 6.7% of respondents named Marketing as the department to which the user experience team reports (Figure 12).



## Question 17 – Where do you think is the most effective place for the user experience team to report? (Check one.)

FIGURE 13: MOST EFFECTIVE PLACE FOR USER EXPERIENCE TO REPORT



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The previous question dealt with the reality: where does user experience report. This question gave respondents an opportunity to say where they think user experience should report in order to be most effective. Slightly more than a third (34.0%) of respondents indicated that they consider Product Management the preferred department to receive user experience reports (but only a few percentage points higher than the reality, according to the respondents' answers in Question 16). Nearly as many (28.1%) consider the Chief Product Manager as the ideal person to interface with user experience – almost triple reality. Only 18.1% would have user experience report to Engineering, Development, or Technology, compared to the 30% that actually do manage these reports (Figure 13).

## Question 18 – How many individuals are in your core user experience design organization? (Check one.)

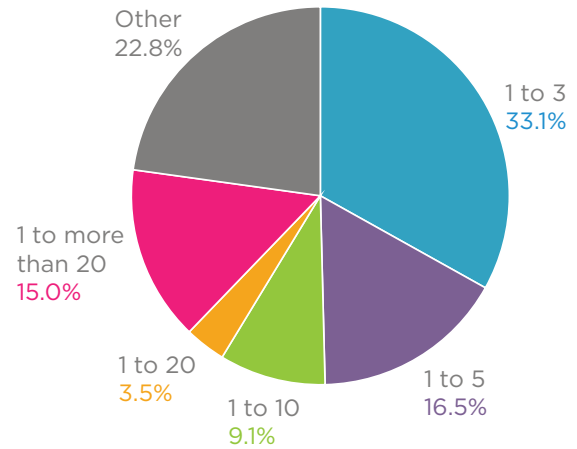
Survey Answer	Percentage
We don't have user experience professionals	23.3%
1	18.6%
2 to 3	25.7%
4 to 5	13.0%
6 or more	19.4%

Respondents' answers to this question were fairly evenly divided. Interestingly, 23.3% of respondents indicate they have no user experience professionals within their organizations. The respondents' highest response (25.7%) went to user experience design teams with two to three members. 19.4% of respondents said they have six or more user experience team members. 18.6% said they have just one user experience professional. Finally, the least selected survey response, four to five members, garnered about half the responses received by the highest responding answer – 13.0% as compared to 25.7%.

## Question 19 – What is the ratio of UX FTEs to product management FTEs in your organization? (Check one.)

The highest percentage response (33.1%) from our survey participants went to the ratio of one user experience fulltime employee (UX FTE) for every three product management fulltime employees (FTE) – a high percentage of UX folks, indeed. One UX FTE to every five product management FTEs earned 16.5% of responses. Even combining together one UX FTE to more than 20 product management FTEs (15.0%), one UX FTE to 10 product management FTEs (9.1%), and one UX FTE to 20 product management FTEs (3.5%) (27.6% in aggregate), organizations rich in UX FTEs (33.1%) were greater. However you compare, organizations with higher percentages of UX FTEs outnumber those with fewer.

FIGURE 14: PRODUCT ROADMAP



## Meet the Study Authors



### Lead Author: Greg Geracie, President, Actuation Consulting

Greg Geracie is a globally recognized thought leader in the field of product management and the President of Actuation Consulting, the leading global provider of product management consulting, training, and advisory services. Our clients include many of the world's most well-known organizations such as The American Hospital Association, Clear Edge Filtration, eMoney Advisor, FLSmidth, Johnson & Johnson, Lebara, PointClickCare, Tactio Health Group, and other organizations. Actuation Consulting provides popular training courses for product managers and product teams and publishes *The Study of Product Team Performance* annually.

Greg is also the author of the global best seller *Take Charge Product Management* and led the development of *The Guide to the Product Management and Marketing Body of Knowledge* as editor-in-chief with MIT professor Steven Eppinger. Greg is an adjunct professor at DePaul University's College of Computing and Digital Media where he teaches graduate and undergraduate courses on high-tech and digital product management.

He is a regular contributor to a wide variety of industry publications and a former board member of the Business Architecture Guild. As a Guild member, Greg actively contributed to the BIZBOK Guide. Greg has also been asked to contribute his product management expertise to a growing list of other professional bodies of knowledge, including the Institute of Electrical and Electronics Engineers (IEEE) first ITBOK and the latest BABOK Guide.

Learn more about Greg and Actuation Consulting at [ActuationConsulting.com](http://ActuationConsulting.com).

### Contributing Authors

#### Ron Lichty, Principal, Ron Lichty Consulting

Ron Lichty advises and consults with companies on how to make their software development “hum.” To untangle the knots in companies’ software development processes, he often takes on the role of acting or interim Vice President of Engineering. He also frequently trains and coaches teams and managers in Agile, a development methodology in which he is an expert. Ron is the co-author of the acclaimed Addison-Wesley book, *Managing the Unmanageable: Rules, Tools, and Insights for Managing Software, People and Teams*. You can learn more about Ron at [ronlichty.com](http://ronlichty.com).

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Matt specializes in high-risk projects as well as operational and project turnarounds for software companies. During his 15 years in practice, Matt has served clients such as Microsoft, Corbis, Casey Family Program, Thompson Healthcare, Precor, Vertafore and Amazon. In addition to his consulting work, he has written for Fawcett Technical publications and served as an expert reviewer of the Project Management section of *The Guide to the Product Management and Marketing Body of Knowledge*. You can learn more about Matt at [ops-vantage.com](http://ops-vantage.com).

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#### Steve Starke, Partner, Actuation Consulting

Steven Starke is a recognized expert in the field of project management and is highly regarded as the author of *S.T.O.P.: The Project Management Survival Plan*. Steve has over 15 years’ experience leading product, program, and project management organizations with a proven track record. He has worked with organizations of all sizes – from small startups to multi-billion dollar corporations. His industry experience spans consumer products, medical devices, global IT infrastructure, healthcare analytics, and software development.



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## ABOUT ACTUATION CONSULTING

Actuation Consulting is the leading global provider of product management consulting, training, and advisory services. Our clients include many of the world's most well-known organizations such as The American Hospital Association, Clear Edge Filtration, eMoney Advisor, FLSmidth, Johnson & Johnson, Lebara, PointClickCare, Tactio Health Group, and other organizations.

## CONSULTING SERVICES

- **Professional Assessment Services** - As a product management consulting and training organization we conduct continuous market research to discover the factors that differentiate high performance product teams from the rest of the pack. Our data-driven approach to product management allows us to accurately assess your product management function and your product team's performance.

We offer a full range of product management and product team assessments. Let us help you identify your product management team's strengths and developmental opportunities and lay the baseline for continuous improvement.

- **Product Management Advisory Services** - Some product management challenges do not require full onsite support. Our seasoned consultants are experienced at collaborating with executives and team members remotely. Let us share our knowledge of industry best practices to augment your team and improve results.

We offer a full range of product management advisory services ranging from coaching and mentoring to advice on how to overcome a particular business challenge.

- **Onsite Product Management Consulting** - Today's product management challenges are as urgent as they have ever been. Many organizations struggle to optimize their product management team's performance and implement processes and best practices that will drive sustainable results. Our product management consultants can help you overcome these challenges and improve your product management team's performance so you achieve better business results.

We offer a full suite of product management services ranging from interim product management leadership to consultation on a particular business challenge.

## TRAINING COURSES AND WORKSHOPS

- [Take Charge Product Management for Product Managers](#) – Specifically designed for product management professionals, this training course focuses on improving your effectiveness as a product manager. Our expert instructors explain critical components of product management, define and clarify the role of a product manager, provide tools and techniques that are proven to increase product managers’ performance, and help them effectively engage with their product team counterparts. The class includes a comprehensive workbook, graduation certificate, and our best-selling Take Charge Product Management Toolkit®. This toolkit ensures that you can easily implement what you’ve learned when you return to your organization.

Corporate clients frequently choose this course because it clarifies the role of a product manager, helps create a common lexicon, and provides a framework for organizing the entire product management team.

- [Software and Digital Media Product Management](#) – We developed this course specifically to address the unique challenges faced by software and digital media product management professionals. The class clarifies the role of a product manager, helps create a common lexicon, and provides a framework for organizing the entire product management team in a high-tech environment.

This class includes a comprehensive workbook, graduation certificate, and our best-selling Take Charge Product Management Toolkit®. The toolkit is an invaluable resource that will help you implement key course concepts when you return to your organization.

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 Effective Product Roadmap  
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 Multi-Year Product Strategy  
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*Take Charge Product  
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 Greg Geracie  
  
*The Guide to the Product  
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 Geracie and Steven Eppinger  
  
*Managing the Unmanageable:  
 Rules, Tools, and Insights for  
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