

PRODUCT MANAGEMENT/PRODUCT DEVELOPMENT SALARY SURVEY

2017



PARITY
CONSULTING

📍 Level 2, 37 Bligh Street Sydney 2000
☎ +61 2 8068 2016
✉ info@parityconsulting.com.au
🌐 www.parityconsulting.com.au





INTRODUCTION

As part of our Parity *Plus* offering, we are delighted to present the results of the 2017 Product Management Salary Survey. We believe specific, market wide information is critical to allow Product professionals to make sound career decisions and for organisations to provide independent and accurate market data to their Business Units and Executives.

‘Product Management’ is a highly specialised discipline and salaries in this area can be distorted when other Salary Surveys group this function into broader areas such as Sales or Marketing. Being a relatively new discipline in Australia and sometimes misunderstood, Parity’s specialised consultants are in a position to be able to share industry and market insights to inform professionals and organisations.

OUR SALARY SURVEY

Parity Consulting’s 2017 specialised industry Salary Survey provides information that the larger Salary Surveys cannot uncover. Due to the specialised nature of what we do, Parity have the industry knowledge and desire to provide information on salary levels, bonuses and the real motivation behind changing roles for Product professionals.

The survey provides insights for Managers, Executives and HR professionals, including:

- Base salary remuneration by market sector and functional title;
- Bonus information by market sector and functional title;
- Average salary increases for FY2016 – FY2017;
- Motivations behind role/organisation changes; and
- Name your Price! (“Name your price” refers to the percentage increase in the participant’s salary that it would take for them to move roles).

NEW THIS YEAR!

Motivations for leaving

Information regarding an applicant’s motivation for leaving a role/organisation can be quite hard to come by, however it is crucial to an organisation’s ability to retain top talent. Hence we have added this information to our 2017 survey, and

in turn validated many of our beliefs, whilst flagging some additional motivations.

Bonus lag times

Paying bonuses several weeks after being announced is often seen as a way to retain staff, however we wanted to understand what the average length of time was between bonus announcement and the bonus being paid.

WHO ARE WE?

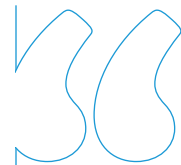
Victoria Butt is the Founder and Managing Director of Parity Consulting and leads a high achieving team who share the belief that recruitment of quality professionals needs to be multidimensional, and that sharing knowledge, educating and consulting with Parity’s applicants and clients is essential.

Corporate members of the RCSA, partnering with industry leaders, and voted by BRW as one of Australia’s Top 100 Fastest Starters in 2015, the team at Parity Consulting strive for excellence and continual growth.

GET IN CONTACT

Victoria Butt | Managing Director

- ✉ vbutt@parityconsulting.com.au
- in au.linkedin.com/in/victoriabutt
- ☎ +61 402 418 326



In 2017, our research has found that remuneration is one of the top 3 motivations to move roles, so it's critical that we encourage organisations to pay their top talent in line with market rate"

Victoria Butt
Managing Director,
Parity Consulting



SURVEY RESULTS

PRODUCT SALARIES (BASE REMUNERATION)

	Wealth Management	Asset/Funds Management	Insurance	Banking	Software/IT	Other
Product Associate/Analyst	\$70k – \$85k	\$85k – \$100k	\$85k – \$100k	\$85k – \$100k	\$85k – \$100k	*
Assistant Product Manager	\$85k – \$100k	\$85k – \$100k	\$100k – \$120k	\$85k – \$100k	\$85k – \$100k	\$85k – \$100k
Product Manager/ Product Development Manager	\$110k – \$130k	\$120k – \$140k	\$120k – \$140k	\$110k – \$130k	\$120k – \$140k	\$120k – \$140k
Product Owner	\$140k – \$160k	\$160k – \$180k	*	\$180k – \$210k	\$110k – \$120k	*
Senior Product Manager	\$150k – \$170k	\$160k – \$180k	\$160k – \$180k	\$150k – \$170k	\$140k – \$160k	\$160k – \$180k
Head of Product	\$200k Plus	\$200k Plus	\$220k – \$240k	\$200k – \$220k	\$160k – \$190k	*

* Insignificant amount of data to report on.

Other Industries Include but not exclusive to: Energy, Medical devices, Automotive, Construction and Media. **Variations on the above job titles** Include: Associate Product Consultant, Delivery Lead, National Manager - Product, Senior Product Development Manager, Innovation Manager, Product and Communications Manager, Product Marketing Manager.

PRODUCT BONUSSES (PERCENTAGE DERIVED FROM BASE REMUNERATION)

	Potential Annual Bonus	Actual Annual Bonus	Increase in Base from FY2016 – 17	Average amount of Product Experience	Average Age	Name Your Price?
Product Associate/Analyst	<10%	<10%	CPI	0 – 3 years	25 – 29 years	21 – 30%
Assistant Product Manager	<10%	<10%	CPI – 5%	0 – 3 years	25 – 34 years	16 – 20%
Product Manager/ Product Development Manager	10 – 19%	<10%	CPI – 5%	4 – 10 years	30 – 44 years	16 – 20%
Product Owner	20 – 29%	20 – 29%	CPI – 5%	11 – 15 years	35 – 44 years	16 – 20%
Senior Product Manager	30 – 39%	20 – 29%	6 – 10%	11 – 15 years	35 – 44 years	16 – 20%
Head of Product	40 – 69%	30 – 39%	CPI – 10%	11 – 15 years	35 – 44 years	16 – 20%

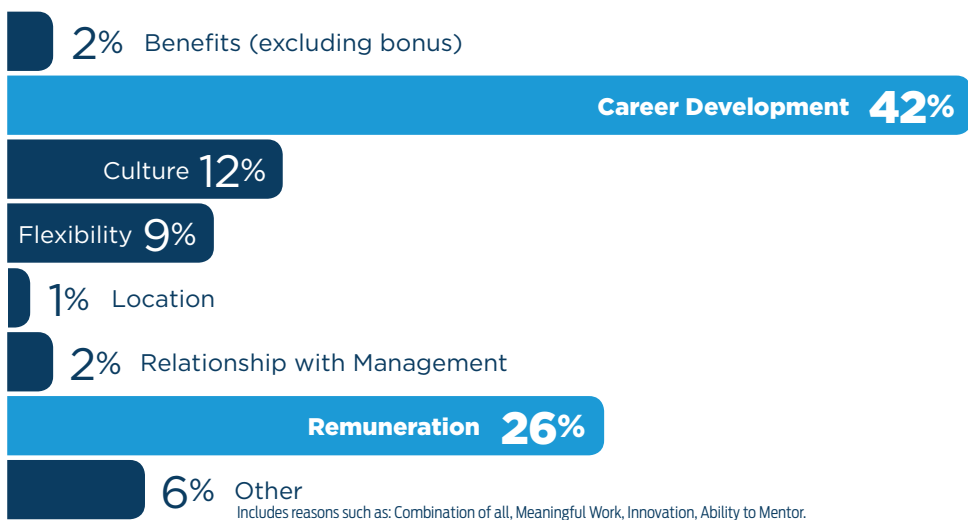
CPI The Consumer Price Index is a measure of changes, over time, in retail prices of a constant basket of goods and services representative of consumption expenditure by resident households in Australian metropolitan areas. **Name your price** Refers to the percentage increase in the participant's salary that it would take for them to move roles.



TIME BETWEEN BONUSES BEING ANNOUNCED AND BEING PAID



MOTIVATIONS TO LEAVE

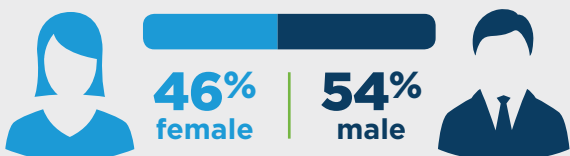


FINDINGS WHICH SURPRISED US!

- Salaries have stayed the same or increased by up to 10% from our results published in 2016
- The Software/IT Industry Product Manager salary level varies from \$85,000 - \$140,000, whereas all other industries were found to be more consistent
- The role title "Product Owner" is still not widely used in the Financial Services Industry. Within the Software/IT Industry, Product Owner is often more junior than a Product Manager
- Over 80% of Heads of Product were aged between 35 and 44 years of age
- 56% of Product professionals received their annual bonus 6 weeks after it was announced
- 5% of Product Associates/Product Analysts have direct reports

COMMENTARY

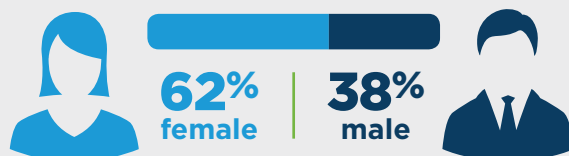
PRODUCT ASSOCIATE / ANALYST



2 main reasons for leaving were Career Progression (54%) and Remuneration (46%)

5% of Product Associates/Analysts have direct reports

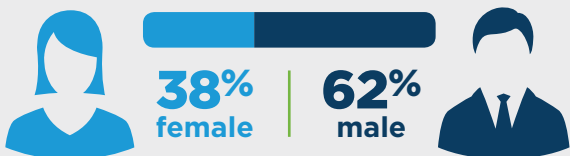
ASSISTANT PRODUCT MANAGER



2 main reasons for leaving were Career Development (40%) and Remuneration (25%)

31y.o. Average age of an Assistant Product Manager

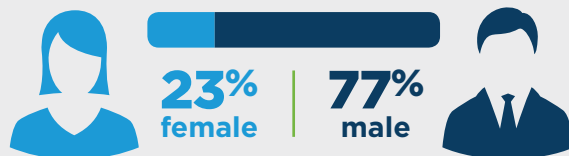
PRODUCT MANAGER / PRODUCT DEVELOPMENT MANAGER



3 main reasons for leaving were Career Development (43%), Remuneration (25%) and Culture (13%)

15% of Product Managers have direct reports (3 on average)

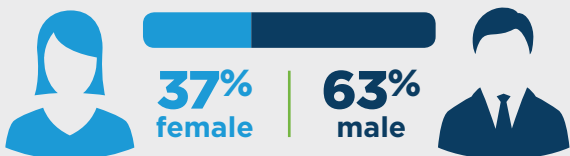
PRODUCT OWNER



2 main reasons for leaving were Career Development (53%) and Flexibility (26%)

13% of Product Owners have direct reports

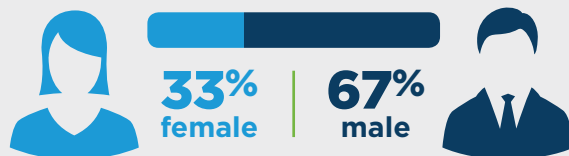
SENIOR PRODUCT MANAGER



3 main reasons for leaving were Career Development (33%), Remuneration (21%) and Flexibility (15%)

63% of Senior Product Managers have direct reports (3 on average)

HEAD OF PRODUCT



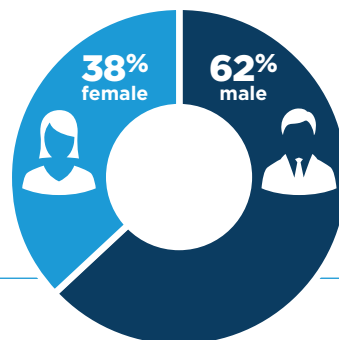
2 main reasons for leaving were Career Development (41%) and Remuneration (33%)

92% of Heads of Product have direct reports (7 on average)

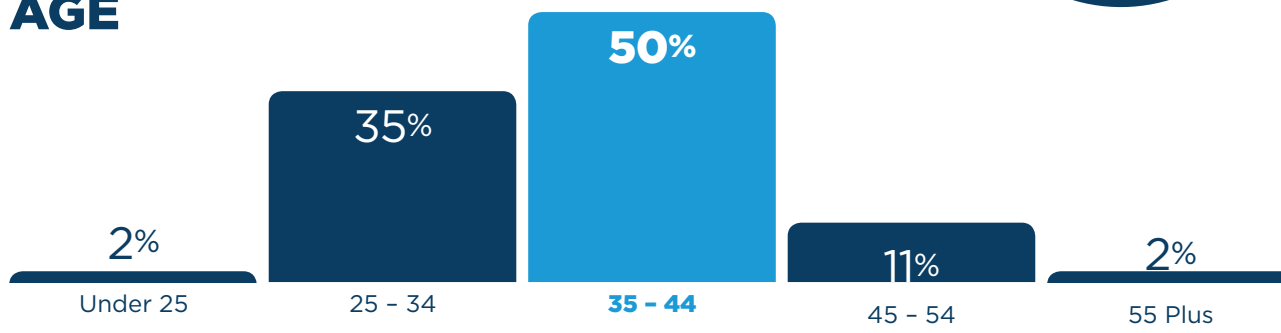


GENDER

Product Management teams across Australia continue to be male dominated. These gender statistics are similar to our 2016 results (63% Male and 37% Female). Up until Assistant Product Manager level, the gender balance is equally weighted, however at the Product Manager level, it starts weighting more towards Males.

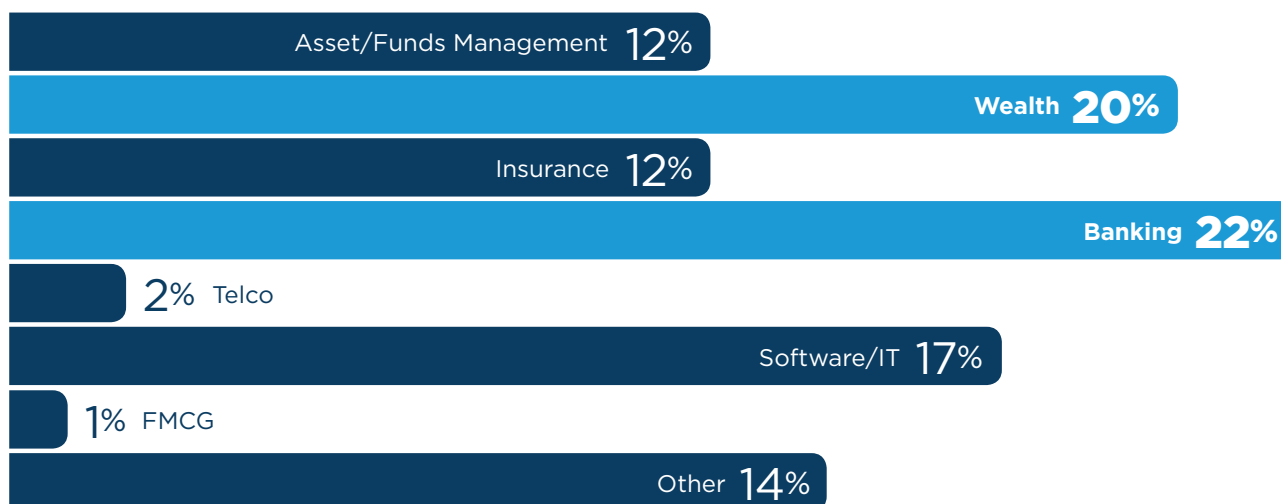


AGE



INDUSTRY SECTORS

Over 65% of our statistical data was received from the Financial Services Industry, where we have specifically surveyed the Wealth Management, Asset/Funds Management, Insurance and Banking Sectors. In addition, a significant proportion of our data came from Energy, Medical Devices, Automotive, Construction and Media (defined as other). Similar to our 2016 survey, the salaries for Product professionals between these sectors is the most varied.



Other Industries Include but not exclusive to: Automotive, Telecommunications, Publishing, Professional Services, Energy, Hardware and Health Solutions.

SUMMARY

EXECUTIVE SUMMARY

- Salaries across Wealth Management and Asset/Funds Management have increased over the last year. The main reason for this is regulatory change and therefore the need for qualified and knowledgeable talent has increased
- Whilst there are no new emerging 'Product' titles, there is a distinct move towards Product Strategy rather than Product Operations
- Innovation and Customer Centricity are no longer desirable skills in a Product Manager, but essential
- The top 3 reasons why Product professionals may choose to move on from their current role/organisation are:
 1. Career Development
 2. Remuneration
 3. Culture
- Career development and remuneration were consistently the top 2 motivations to leave a role/organisation in each role title. Interestingly, the senior Product professionals spoke of flexibility, culture and relationship with management, compared to the majority of junior professionals who just spoke of career development and remuneration
- The largest variance in remuneration within Product Management came from the industries outside of Financial Services and Software/IT
- The majority of Product professionals receive between CPI - 5% increases in remuneration year on year if they do not move roles internally or externally. This was the same in 2016
- Bonuses have remained stable over the last 3 years and most Product professionals achieved between 50 - 100% of their bonus potential in FY2016
- The average age of a Head of Product is 35 - 44 years and 90% of these senior leaders come with over 13 years of experience in Product Management
- The gender balance in Product Management is still heavily weighted towards Male professionals, however at a Product Analyst and Assistant Product Manager level, the gender balance is even
- These findings disproved our predictions that bonuses were being paid far in advance to retain staff and found that on average, bonuses were being paid within 6 weeks of announcement

FY2018 SALARY AND BONUS PREDICTIONS

- Salaries for FY2018 will likely increase compared to FY2017 for the Product Management industry. There has not been a significant increase in Product salaries for the past 5 years, however given many professionals have up-skilled/diversified their skill sets in this time, as well as taken on more workload than ever before, we anticipate salaries will need to increase to attract and retain high calibre talent
- Due to the amount of regulatory changes in Financial Services, we anticipate an increase in bonuses being paid for FY2017. These may come in the form of retention bonuses or be based on an individual's/organisation's performance
- There will be an increasing surplus of Senior Product Managers/Heads of Product without roles as the number of these roles has been reducing since FY2015
- Customer Centric Product Managers will continue to secure roles ahead of others
- There is a distinct move to merge business Product Managers and IT Product Managers. Those who have both skills will attract a premium
- Product and organisation disruption has meant that there is an increasing need for digital Product Managers/Product Owners
- Experienced Product Analyst/Assistant Product Managers are in the highest demand due to the fact they are becoming more highly skilled and they are a less expensive resource than Product Managers/Product Owners



SUMMARY CONTINUED

RECOMMENDATIONS

STAFF RETENTION IF BUDGET IS NOT AVAILABLE

For Employees

- Find a mentor. Whether it is investing in someone else's future or partnering with a senior staff member to help grow your own, it is important to surround yourself with individuals you can learn from
- Understand and increase your circle of influence. Invest in the diversity of your internal and external network. This is often most effective when it's organic and long term focussed
- Propose a role title change to reflect a more diverse role
- Investigate talent programs/Learning and Development opportunities internally and externally

For Organisations

- Diversify your team's skillset. Introducing new skills and functions is one of the most successful ways to retain staff
- Quarterly Rest and Relaxation days
- Give your employees the option to buy annual leave
- Allow flexible working/part time options
- Encourage staff to take their birthday off without impacting their annual leave
- Invest in your employee's career and investigate and use your Learning and Development budget on key team members
- Invest time into your employees to find out how and what motivates them. Often investing time into employees supersedes financial investment
- Implement a recognition and award program
- Quarterly events such as a cultural lunch day: 'Bring in a dish from your heritage country', and get to taste the delights from around the world

PROVEN WAYS TO HIRE SUCCESSFULLY IN FY2018

- **Set a written assessment or presentation giving the Product professional an opportunity to showcase their style of work and how they would approach a task. Note that if the assessment is onsite, it will allow the professional to ask questions and interact with the organisation in more of a natural environment than an interview**
- **Psychometric Assessments were used to hire more than 60% of Product professionals in FY2016 and they will continue to be important in making hiring decisions. In addition, there is a growing requirement for Emotional Intelligence testing as opposed to Aptitude testing**
- **Establish what appetite the interviewee has for Product Innovation versus Product Operations**

SUMMARY CONTINUED

FY2016 RESULTS FOR COMPARISON

FY2016 PRODUCT SALARIES (BASE REMUNERATION)

	Wealth Management	Asset Management	Insurance	Banking	Software	Other
Product Analyst/ Product Associate	\$70k – \$85k	\$70k – \$85k	\$85k – \$100k	\$70k – \$85k	\$100k – \$120k	< \$70k Automotive
Assistant Product Manager	\$85k – \$100k	\$70k – \$85k	\$100k – \$120k	\$70k – \$85k	*	*
Product Manager	\$100k – \$120k	\$100k – \$120k	\$120k – \$140k	\$100k – \$120k	\$85k – \$120k	\$120k – \$140k
Senior Product Manager	\$140k – \$160k	\$140k – \$180k	\$140k – \$180k	\$120k – \$160k	\$140k – \$180k	\$120k – \$160k
Head of Product	\$180k – \$200k	\$200k – \$230k	\$200k – \$230k	\$180k – \$200k	*	*

Other Industries Include but not exclusive to: Automotive, Telecommunications, Publishing, Professional Services, Energy, Hardware and Health Solutions. * Insignificant amount of data to report on.

FY2016 PRODUCT BONUSES (PERCENTAGE DERIVED FROM BASE REMUNERATION)

	Potential Annual Bonus	Actual Annual Bonus	Increase in Base	Increase/Decrease in Bonus	Name your price?
Product Analyst/ Product Associate	0 – 20%	<10%	CPI	Same	10 – 20%
Assistant Product Manager	10 – 20%	<10%	CPI – 5%	Same	10 – 20%
Product Manager	10 – 20%	10 – 20%	CPI – 5%	Same	16 – 20%
Senior Product Manager	20 – 29%	10 – 20%	CPI – 5%	Same	10 – 15%
Head of Product	20 – 29%	20 – 29%	CPI	Decrease of 19% or less	10 – 15%

CPI The Consumer Price Index is a measure of changes, over time, in retail prices of a constant basket of goods and services representative of consumption expenditure by resident households in Australian metropolitan areas. **Name your price** Refers to the percentage increase in the participant's salary that it would take for them to move roles.



ABOUT US

HOW WE DO IT?

Over 1,500 Product professionals contributed to our specialist Salary Survey in 2017, the results of which have been combined with qualitative research from Product teams across Australia.

The Executive Summary of this report is derived from client and applicant insights and information, combined with the specialist knowledge of Parity's Product Management recruitment team.

DISCLAIMER

Our Salary Survey is part of our Parity *Plus* initiative and whilst every care is taken in the collection and compilation of data, the guide is interpretive and indicative, not conclusive.

Therefore information should be used as a guideline only and should not be reproduced in total or in part without written consent from Parity Consulting.

THANK YOU

We would like to thank all participants, clients, applicants and strategic partners who have participated and contributed to our Product Management Salary Survey.

We would also welcome the opportunity to hear from our community on new areas of interest and feedback as to how we may be able to improve this survey in 2018.



PARITY CONSULTING

Consultants at Parity are not just 'recruiters,' we are dedicated to guiding applicants through their Product, Marketing and Communications career journey. Our role is to train, mentor and support both applicants and clients through this process and deliver a successful outcome for all.

Parity [noun]
The state or condition of being equal

The principle of parity, of equality, is at the core of how our consultants work. At Parity, we believe that our applicants, clients and recruitment consultants are equal partners in the process of hiring quality staff and we ensure a high level of

individualised service to both our clients and applicants throughout our engagements.

In 2015, Parity was voted in the Top 100 Fastest Starters in Australia by Business Review Weekly. We are consistently used as the recruiter of choice in Product, Marketing and Communications and we are proud that our achievements have also been recognised by the business community.

For more information about Parity Consulting, please call us on +61 2 8068 2016 or speak to your dedicated Parity Consultant.

🔗 www.parityconsulting.com.au/parity/meet-our-team/

