



PRODUCT MANAGEMENT/PRODUCT DEVELOPMENT SALARY SURVEY

2016



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 2016 Product Management and Product Development 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.

SAMPLE SIZE

Over 1500 Product Professionals contributed to our specialist Salary Survey in 2016, the results of which have been combined with quantitative research from Product teams across Australia. The Executive Summary of this report is derived from client and applicant insight and information, combined with the specialist knowledge of Parity's Product Management recruitment team.

DIRECTOR'S PROFILE

For the past 13 years, Victoria has built her recruitment career specialising in the global Banking, Commerce and Financial markets. Beginning her professional career in London, Victoria spent five years honing her skills and building her extensive network, and was voted one of London's top four recruiters before relocating to Sydney in 2008.

Throughout Victoria's career she has always worked with the personal belief that an equal partnership between an applicant, client and recruitment consultant is the key to successful outcomes and client satisfaction, and in 2012 established Parity Consulting with this core belief in mind. Victoria has been relentless in her commitment to the professional development of her applicants and in advancing her clients' knowledge. Developing the Parity Plus value add series is a continuation of Parity's commitment to 'add to people'.

Victoria is passionate about recruitment, her business and the Product, Marketing and Communications industry. She has invested heavily in sourcing specialist industry recruiters to build a high achieving team who are driven by the same core values. With a BSc degree in Psychology and Business, her extensive experience and passion for the industry sees her partnering with some of Australia's leading organisations.

Victoria Butt | Director

✉ vbutt@parityconsulting.com.au
in [au.linkedin.com/in/victoriabutt](https://www.linkedin.com/in/victoriabutt)
☎ +61 2 8599 9026



KEY FINDINGS

- ➔ Salaries are vastly different across the industry for Product Professionals
- ➔ On average, Financial Services PM's are earning 20% more than their peers in other industries (with the exception of Software)
- ➔ 72% of Product Professionals received up to 5% increases on their base remuneration in FY2016
- ➔ There's been a remarkable change in Product Professionals titles over the last 2 years



Specific market wide salary information is critical to allow Product Professionals to make sound career decisions."



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
Product Specialist/ Product Owner	\$140k – \$180k	\$230k – \$260	*	\$140k – \$160k	*	*
Head of Product	\$180k – \$200k	\$200k – \$230k	\$200k – \$230k	\$180k – \$200k	*	*

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

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%
Product Specialist/ Product Owner	20 – 29%	20 – 29%	0 – 5%	Same	16 – 20%
Head of Product	20 – 29%	20 – 29%	CPI	Decrease of 19% or less	10 – 15%

POINTS OF INTEREST ON TITLES

Role titles have varied significantly in the last 2 years. We predict the reason for this change is due to an increase in responsibility for each role and splitting of functional duties. Furthermore, when there is not the budget for a payrise, title changes can be used to ensure Product Professionals feel valued within their organisation. Some variations on job titles include:

- Customer Proposition Lead
- Innovation Manager
- National Product Manager
- Product Marketing Director
- Product Leader
- Product Owner
- Technical Manager

FINDINGS WHICH SURPRISED US!

- 94% of Product Professionals received between 0-5% remuneration increase in FY2016
- Assistant Product Managers possess between 1 and 15 years of experience within the industry however average between 4-6 years in Product
- Over 90% of the Product Managers in Asset Management received the same bonus as last financial year
- Within the Insurance industry, we found up to a \$60,000 variance in remuneration levels for Product Managers
- 64% of Product Managers in software received less than 10% bonuses last year



Title changes can be used to encourage the professional to feel more valued."



1 PRODUCT ANALYST / PRODUCT ASSOCIATE

90% male
10% female



90% received CPI increases in FY2016



70% received their potential annual bonus



3yrs on average, Product Analysts/Product Associates have less than 3 years of experience in Product Management

60% earn between \$70,000 - \$85,000 base salaries

60% earn less than 10% in terms of bonus

40% of Product Analysts/Product Associates require at least 10-15% pay increase to move roles



70%

of Product Analysts/Product Associates achieve their bonus potential."



There is up to a \$50k

variance in base salaries for an Assistant Product Manager across different industries."

2 ASSISTANT PRODUCT MANAGER

50% male
50% female



80% received less than 10% annual bonus



60% received the same bonus as last year



50% of Assistant Product Managers have less than 3 years of experience in Product Management however average 8 years in the Industry

80% received less than 10% bonus

60% of Assistant Product Managers have up to 20% bonus potential

60% require more than 16% increase in remuneration to move roles



COMMENTARY

3 PRODUCT MANAGER

66% male
34% female



76% would change jobs for 10-20% more remuneration



69% received their potential annual bonus



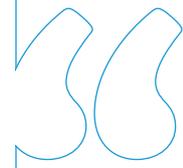
60% of Product Managers have more than 3 years of work experience in Product Management however 55% average more than 11 years in the industry

53% received less than 10% bonus last financial year (50% of this sample size was from Financial Services)

14% received an increase in their bonus last financial year while 10% received a decrease

43% received CPI increases last financial year and 30% received between CPI and 5% increases

76% of Product Managers require between 10-20% increase in remuneration to move roles



Product Managers can earn up to a **40%** bonus."

4 SENIOR PRODUCT MANAGER

60% male
40% female



6% received less than 10% annual bonus



51% received the same bonus as last year



72% of SPMs have more than 7 years of experience in Product Management however 77% have more than 11 years in the Industry

51% received the same bonus as last year while 30% received a decrease in their bonus

47% received CPI increases last financial year

10% of SPMs require at least 31% increase in remuneration to move roles



70% of SPM require at least 20% increase in remuneration to consider moving to a new role."



COMMENTARY

5 PRODUCT SPECIALIST / PRODUCT OWNER

57% male
43% female



79% of survey statistics came from Financial Services



71% received the same bonus as last year



53% of Product Owners/Product Specialists have spent more than 7 years in Product Management however 73% have more than 11 years in the industry

53% achieved more than a 20% bonus

93% require more than 10% increase in remuneration to move roles



Up to a \$100,000 variance in remuneration for a Product Specialist/Product Owner across the Industry."

6 HEAD OF PRODUCT

50% male
50% female



100% of survey statistics came from Financial Services



91% received the same or decrease in bonus



55% Heads of Product have more than 11 years in Product Management however 89% average more than 16 years in the industry

67% earned a base salary of between \$180,000 - \$200,000

78% achieved less than 5% increase on their base salary last financial year

78% require more than 10% increase in remuneration to move roles



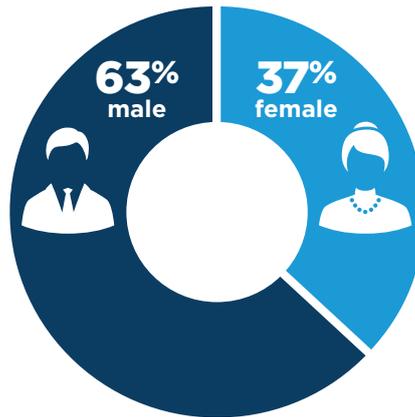
91% of Head of Products received same or decrease in bonuses last financial year."



GENDER

Product Management teams across different sectors in Australia continue to be male dominated. 66% of our statistical data was received from the male Product community and we believe this is a fair representation of the male/female ratio within the Product Profession.

Positive statistics came from the Head of Product level where there were an equal number of male and female contributors.



Product Management teams across different sectors in Australia continue to be male dominated."

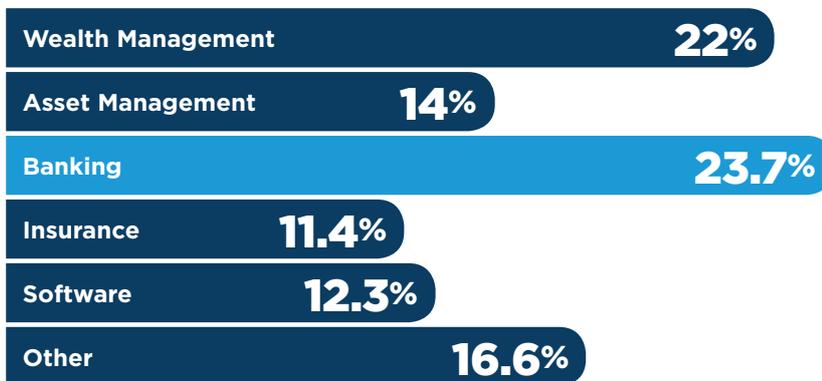
INDUSTRY SECTORS

Over 70% of our statistical data was received from the Financial Services Industry where we have specifically surveyed the Wealth Management, Asset Management, Insurance and Banking sectors.

Salaries were relatively similar within the Financial Services sectors however in

industries such as Automotive, Publishing, Health Solutions and Energy, the salaries varied dramatically.

Telecommunications and Software industries were the highest paid industries next to Financial Services, and Automotive was the lowest.



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



Telecommunications and Software industries were the highest paid industries next to Financial Services, and automotive was the lowest."



SUMMARY

EXECUTIVE SUMMARY

- 98% of Product Professionals named their price to move roles, however it's not one of the top motivations. In reality, money does tend to be a driving factor when deciding to move roles however, it's not one of the top motivations. The top 5 motivators include:
 1. Cultural alignment
 2. Relationship with management
 3. Nature of the role
 4. Company direction and values alignment
 5. Career opportunities
- The largest variance on remuneration across all Industries came from the Product Owner/Product Specialist role. These titles are relatively new to Financial Services however have been used in the Digital and Software industries for many years
- Actual bonuses for Product Manager level roles average at 10% or less
- More senior individuals in Product Management require more money before considering a move compared to less senior Product Professionals
- The majority of Product Professionals receive between CPI-5% increase in remuneration year on year if they do not move roles internally
- Bonuses have remained stable over the last 2 years and most Product Professionals achieve between 50-100% of their bonus potential
- Bonuses are more prevalent in Financial Services than outside Financial Services
- The Insurance Industry is currently paying more for Product Professionals than the Asset, Wealth or Banking Industries within Financial Services
- Software Product Managers are achieving a comparable, if not higher salary than Financial Services Product Managers. This is due to their technical skills and business acumen

- Compared to our 2013 Salary Survey, Product salaries have not altered in the last 3 years. However, the overall sense is that Professionals are doing more than in 2013. Doing more with less resources is common to Product and is seen throughout the country across many different roles and industries. Within Product, this new climate encourages fast paced working conditions, competitive hiring selections and increased innovation. Product Professionals with a more diverse skillset who are able to take on multiple functions are often paid a premium
- The emergence of new job titles within Financial Services demonstrates that Product roles have more breadth

2013 EXECUTIVE SUMMARY IN COMPARISON

There is a huge gap between salary ranges for Product Managers from industry sector to industry sector. For example, Digital/E-Commerce and Retail sector Product Managers were paid significantly less than the equivalent position within Financial Services, whilst Engineering and Mining base salaries and packages were very high.

In terms of why people are paid what, in Financial Services it seems that the more technical the Product is, the higher the salaries and bonuses are.

In comparison to 2009, salaries have not, as a general rule, risen or fallen; however there are still some small pockets of very highly paid Product positions which fall outside the normal range. Over 80% of the individuals we surveyed received a bonus as part of their remuneration package.

Possibly one of the most important and forward trend findings is the emergence of the 'Product Specialist' role, which tends to occupy a 'hybrid' function within an organisation, taking on elements of areas such as traditional Marketing and Product distribution. This may be down to budgeting constraints, or could be the evolution of what 'Product' means to an organisation. It has mainly been seen within the Insurance and Investment sectors to date, however Parity predicts this trend to become more prevalent across other industry sectors as time goes on.



For me, it's never just about price, it's always about career progression opportunities and cultural fit."

Senior Product Manager | NSW



SUMMARY

RECOMMENDATIONS

STAFF RETENTION IF BUDGET IS NOT AVAILABLE

- Diversify your skillset. Learning new skills and being introduced to a new function is one of the most successful ways to retain staff/stay engaged
- Find a Mentor/become 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/responsibility change
- Investigate talent programs/Learning and Development opportunities for courses internally and externally
- Suggest the option to buy annual leave
- Suggest a flexible working environment/ part time option to the product role

30

Potential intangible benefits would be a greater determiner than \$\$\$."

Senior Product Manager | NSW

FY2017 SALARY AND BONUS PREDICTIONS

- Salaries for FY2017 will remain consistent compared to FY2016 for the Product Management Industry
- Due to Global Financial Market challenges, we anticipate a decrease in bonuses being paid for FY2016
- Customer Centric Product Managers who drive commercial outcomes will continue to receive a premium
- There will be an increase in NPD and innovation
- The Product Management function will continue to evolve and will look different next year. Back office/Operational Product Managers will become less attractive to future employers
- Securing a payrise of more than 10% will be challenging



ABOUT US

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.

PARITY PLUS

Parity Plus is a value-add initiative designed by Parity Consulting to contribute to our clients and applicants skills development and industry knowledge. We regularly partner with industry leaders and specialists to provide opportunities to engage with and learn from market leaders at the cutting edge of industry transformation. This series is a complimentary service for our clients and loyal applicants who are also dedicated to investing in their own Professional development and that of their teams.

This series is the first of its kind facilitated by an Australian based recruitment company specialising in Product, Marketing and Communications. The initiatives of Parity Plus include:

- Technical Product Management training led by Brainmates – Hosted in March and October
- Technical Marketing Training – Hosted in April and November
- Annual Marketing Seminar – Most recent topic in 2015 *“Building Powerful Brands From the inside Out”*

- Annual Product Seminar – 6th Annual Product Seminar *“The Psychology Behind Purchasing Decisions”*
- Leading the Product Conference 2016 – *“Be a Part of Something Bigger”* 25th October 2016
- Human Resources Roundtable – Most recent topic in 2015 *“Closing The Gender Pay Gap”*
- Career Elevation Strategy Day – 4 sessions covering networking skills, interview techniques and career planning with qualified career coaches – 24th August 2016

As the market continues to change pace and the ability to take the time to think strategically about your career path is becoming a rarity, Parity are committed to growing this series and providing more opportunities for clients and applicants to engage.

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

