



FIFTH ANNUAL REPORT

The Future of Product 2024

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The 2024 Future of Product Report

Welcome to Product School, where we're more than just a community; we're a powerhouse of innovation and leadership in the product world. It's been an amazing journey witnessing the growth of the product function. We're grateful to be part of that growth—from training Product Managers to now connecting with over a million students, hosting thousands of events, and reaching millions more through our podcast.

This isn't just about numbers; it's a testament to the passion and curiosity that drive us all towards understanding and excelling in product development.

We've had the privilege of collaborating with the industry's foremost innovators, many of whom started their journey with us. These leaders, spanning traditional sectors and burgeoning SaaS startups alike, from esteemed Fortune 100 enterprises to research partners renowned for their annual data releases, form the cornerstone of our mission. Their dedication to gaining valuable insights and practical guidance in product overall highlights our commitment to excellence.

That's why we launched the first “Future of Product Management Report” in 2019, combining insights from our community, with research from outside sources.



We're all about leading with confidence and making sure we're offering you the most reliable and actionable information.

But here's the thing—the world of product is constantly evolving, and so are we. Product roles and responsibilities are shifting, and the importance of product thinking has never been more critical.

As our teams have grown, they've taken on more strategic roles, diving deep into the potential of their products and thinking ahead about the market and user needs.

That's why our report has expanded beyond product management.

It's evolved into "The Future of Product Report," reflecting the dynamic nature of product teams today.

We welcome the inclusion of go-to-market, customer success and growth teams in our product community.

With new certifications in [Artificial Intelligence](#), [Product Leadership](#), and [Product Marketing Management](#), we're broadening the conversation to include everyone from the brand new Product Manager to the seasoned Chief Product Officer.

The Future of Product Report aims to guide executives through the current state of product teams and provide a glimpse into the future.

Last year's trends were a combination of a hit, a miss, and an **almost**.

TRENDS IN 2023:

#1 In times of economic uncertainty, the best products win

We've always believed that quality stands out, especially when times get tough. This trend has proven true, though it's clear now that even the best products need strong distribution channels to truly succeed. It's not just about being great; it's about getting seen.

#2 Product has earned a seat at the table - right up to the C-Suite

The rise of Chief Product Officers worldwide has been a testament to this trend's accuracy. Product isn't just part of the conversation; it's helping lead it. We're excited to dive deeper into this development in this year's report.

#3 Companies are scrambling to keep their Product Talent around

We nearly nailed this one, but the reality was even more challenging than anticipated. Companies are more desperate than ever to keep their best people amidst economic shifts. Last year, we might have oversimplified this trend. Looking back, we could have offered more nuanced advice on retaining talent and standing out in the job market.

Our biggest oversight, however, was underestimating the impact of Artificial Intelligence(AI) on product teams.

AI wasn't a new player, but its rapid ascent caught us by surprise.

Every good Product Manager understands the importance of prioritizing.



You should sympathize with us that we just couldn't include every topic we considered for this year's report.

When considering what should be included in the 2024 **Future of Product Report**, we ultimately chose topics that we believe could have the biggest:

1. Impact at any organization.
2. Spearheading or ignoring these areas could be the biggest decisions an organization makes this year.

We discussed how data is truly becoming the ultimate decision maker for organizations. We approached the idea of augmented reality and how that will affect the consumer experience. With the rise and use of AI, we see cyber security as a natural component that must be considered with additional scrutiny to ensure the safety of our consumers' information.

These are just **SOME** of the additional areas that we considered when evaluating the data, our colleagues and the market in choosing the 2024 trends that we wanted to highlight.

We preface our 2024 trends with the above so that you, the product leaders of the world, know that the three trends in no way account for all that is to come but we do hope they set the precedent for how your organization may be affected.



For 2024, Product School sees the following trends as impactful:

TREND
#1 Product teams are contributing to revenue growth, not just adding user value

TREND
#2 Product teams are sitting at the intersection of Tech & Business, not just under Tech

TREND
#3 Product teams are doing more with less people and more AI



TREND #1

Product teams are contributing to revenue growth, not just adding user value

Product teams are transitioning from solely building user-centric products to taking direct responsibility for generating revenue, especially in markets that become more saturated every year



TRENDS IN 2024: BUSINESS IMPACTS

Product teams are contributing to revenue growth, not just adding user value

In the rapidly evolving business environment, where over 4.4 million new businesses emerge each year in the United States, the role of product teams is shifting fundamentally.

Our customers have more vendor options to solve for their pain points and then are more knowledgeable than ever in what variables are important to them and their bottom line.

Therefore, product teams are no longer tasked with solely delivering user satisfaction; they now play a pivotal role in driving revenue growth.

The move towards integrating product strategy with business outcomes, particularly revenue, amplifies the strategic pivot towards Product-Led Growth (PLG) that so many organizations are making. PLG not only enriches existing offerings but also opens up new avenues for revenue through direct sales, upsells, renewals, and empowers sales and customer success teams with new opportunities.

Consider these compelling data points from OpenView

Partners that underscore how PLG can benefit an organization:



of sales are influenced by word of mouth



of engagement is boosted by gamification



of revenue comes from in-app purchases



higher conversion rates are achieved with self-service models



more likely to be purchased are products with positive reviews



of customers prefer self-service support



increase in the likelihood of additional purchases is seen with loyalty programs



is the rate of preference for self-service demos



repeat purchases can result from introducing complementary products

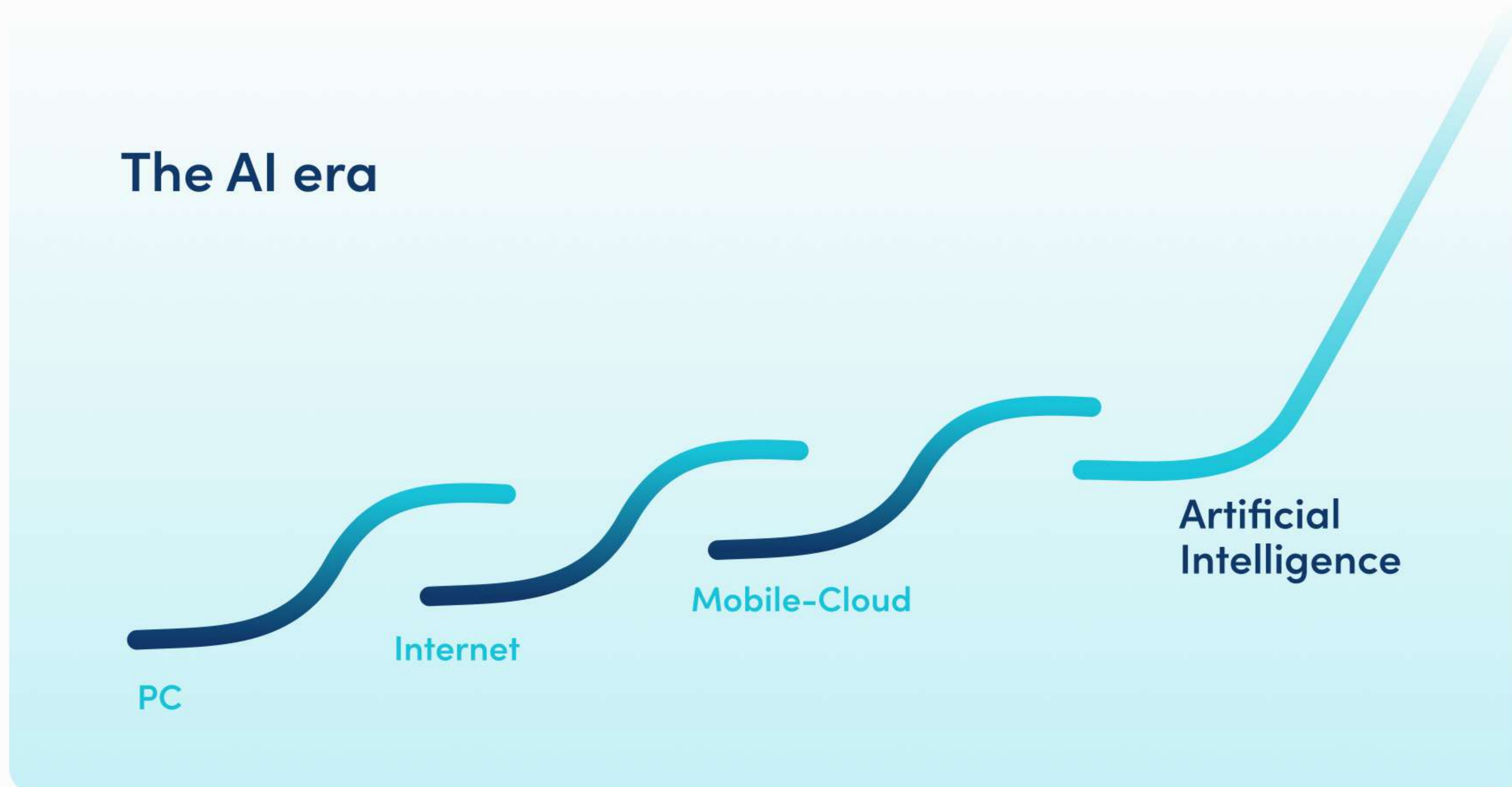
As consumer behaviors evolve and the market becomes more saturated, the shift from a purely user-centric focus to a revenue-generating mindset is not only strategic but necessary.

For C-suite leaders, this means leveraging data, analytics, and consumer insights to guide your teams, ensuring that product development is not just about meeting needs but actively driving business growth.

In summary, embracing PLG and aligning product strategies with business outcomes is essential in today's competitive landscape. It's an approach that demands innovation, efficiency, and a deep understanding of customer preferences.

As we navigate these challenges together, the goal is clear: **to transform product development into a key driver of revenue, ensuring long-term success and sustainability.**

The shift towards product teams driving revenue is inevitable;



with AI, this transformation can be accelerated, becoming more impactful and efficient.

Integrating Artificial Intelligence (AI) into the workflows of product teams unlocks significant potential, streamlining operations, automating repetitive tasks, and facilitating swift, data-driven decisions that directly contribute to revenue growth.

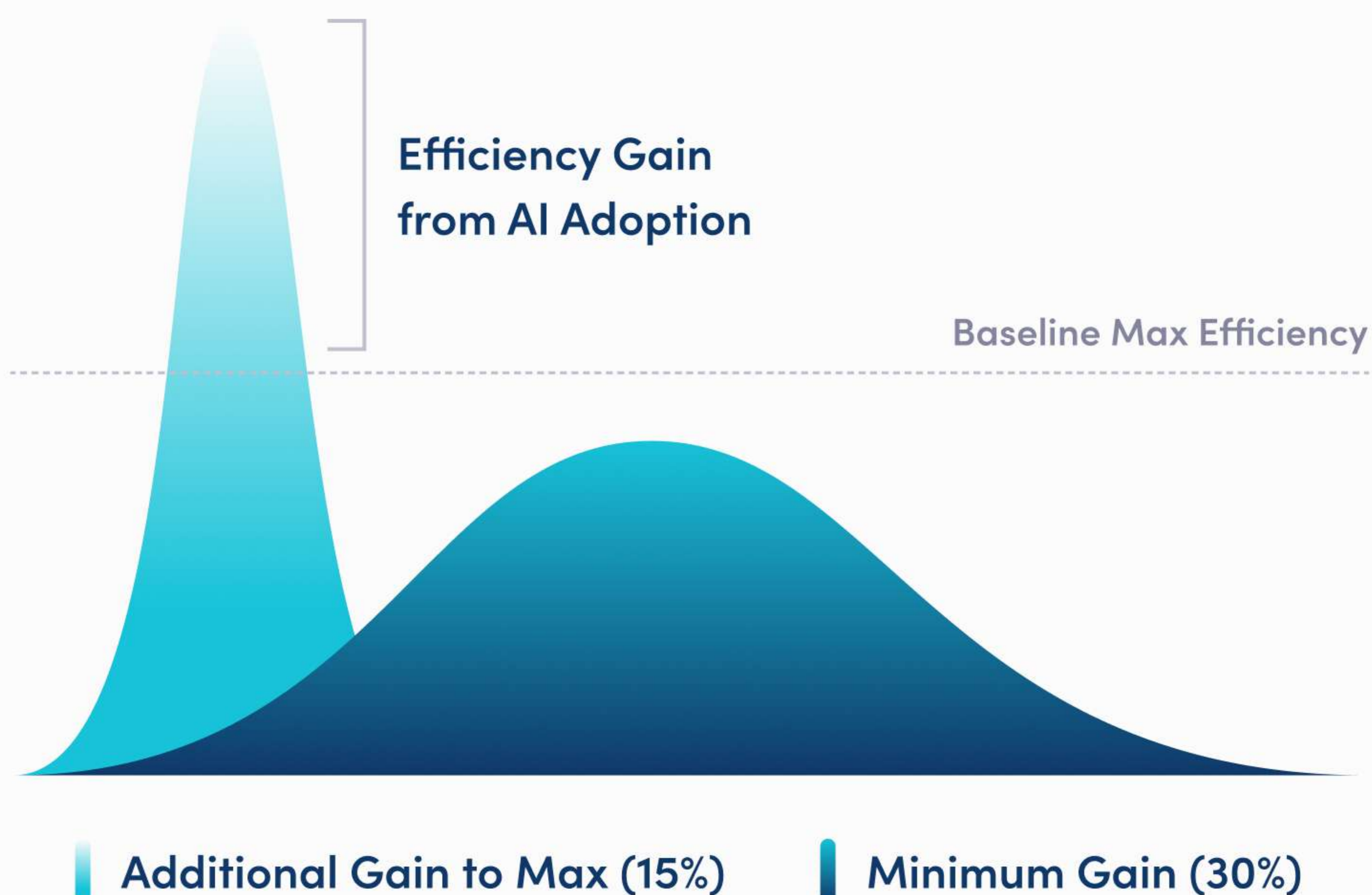
This technology enables teams to efficiently allocate roadmaps, manage projects, conduct customer surveys, and more, saving time, reducing costs, and optimizing resource use.

Economic Potential of Generative AI

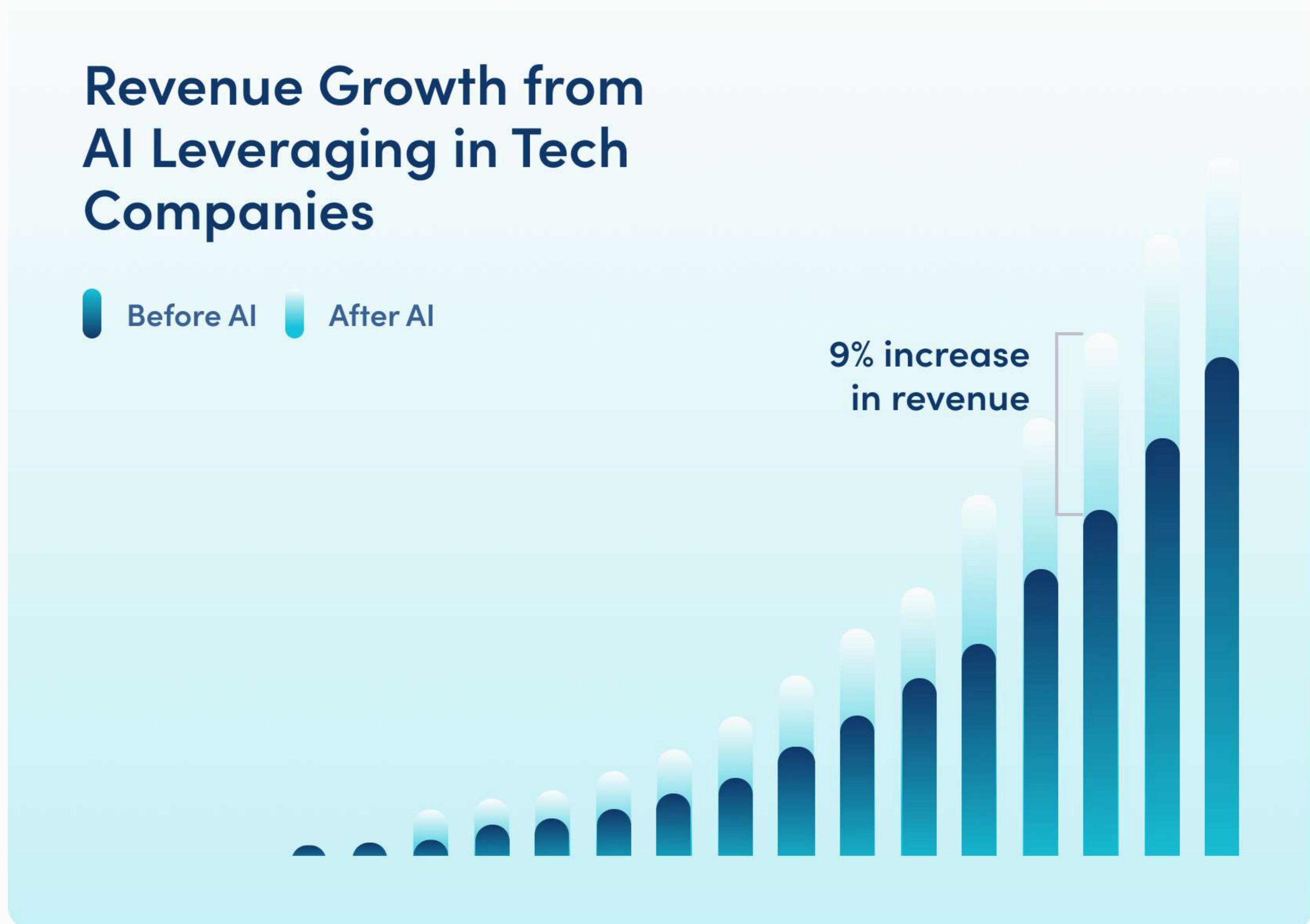
According to McKinsey's report the adoption of AI in customer operations and other areas can enhance team efficiency by an impressive 30-45%. This surge in productivity allows product teams to concentrate on strategic tasks like market analysis, product innovation, and customer engagement strategies—core activities that fuel revenue growth.

AI's capacity for real-time processing and analysis of vast datasets empowers teams to identify trends, predict customer needs, and make faster, more accurate decisions.

This accelerates the product development cycle and ensures that offerings are well-aligned with



State of AI in 2023



McKinsey's report highlights that tech companies leveraging AI have seen up to a 9% increase in revenue. This growth stems from AI's ability to unlock new insights, refine product offerings, and enhance customer experiences. For example, AI-powered personalization can significantly increase engagement rates, customer satisfaction, and conversion rates.

By automating mundane tasks and providing actionable insights, AI enables product teams to excel in creating innovative products that meet market needs, exceed customer expectations and contribute to business outcomes.

Suggested Actions

Capitalize on AI's potential for fueling product-led revenue growth by evaluating AI products that align with your team's needs.

In selecting the right AI solutions, consider criteria such as:



Integration Capability

Choose tools that seamlessly integrate with your existing workflows and systems, minimizing disruption and ensuring smooth adoption.



Scalability

Opt for solutions that can grow with your business, accommodating increased demand and complexity as your product and customer base expand.



User Experience

Focus on tools with intuitive interfaces and straightforward functionalities, ensuring your team can leverage them without extensive training.



Specificity to Needs

Select AI technologies tailored to address your unique challenges, whether in development, customer service, or sales, to ensure they directly contribute to efficiency and revenue growth.



Cost-effectiveness

Evaluate the cost relative to the value and ROI the tool promises. Aim for solutions that offer significant efficiency gains or revenue potential without prohibitive expenses.



Support and Development

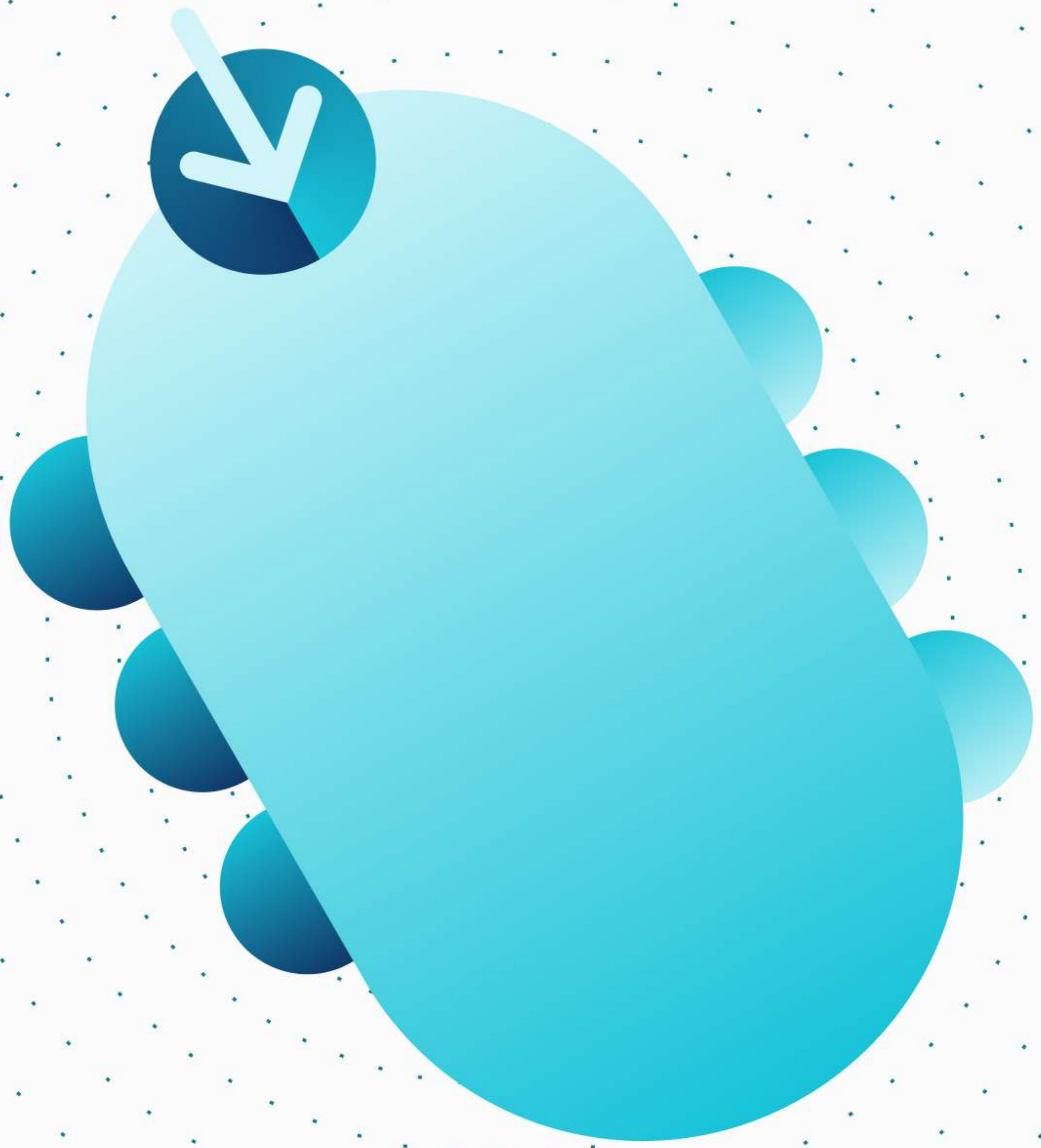
Consider the vendor's reputation for customer support and their commitment to continuously update and improve their AI offerings.



**Remember that
AI Products are only
as good as their
programming and
the human element
that is managing its
output.**

As product teams evolve to shoulder a dual mandate—delighting users and driving revenue—the strategic integration of AI stands to be the game-changer.

By embracing AI, teams can supercharge their efforts, unlocking unprecedented revenue growth and positioning themselves as indispensable collaborators for business success.



TREND #2

Product teams are sitting at the intersection of Tech & Business, not just under Tech

As responsibilities widen, product team roles will evolve, signaling both opportunities and challenges in organizational structures.

TRENDS IN 2024: PRODUCT LEADERSHIP

Product teams are sitting at the intersection of Tech & Business, not just under Tech

Product teams have evolved from sitting solely under the Information Technology branch of the org tree structure.

The shift in organizational structures and the emergence of new, specialized roles, is confirmation that the product team are sitting under tech, business, and even marketing branches in order to be the most effective for their organizations.

In 2023, we observed a clear shift with roles like Growth Product Managers and Artificial Intelligence Product Managers entering into product teams for their specialized contributions to customer engagement, revenue growth, and technological innovation.

We're seeing traditional roles such as Agile Coach and Scrum Masters be redefined, moving towards greater alignment with business strategy.

Product Marketing Managers continue to work to find their place between product teams and front of house departments like marketing and sales.

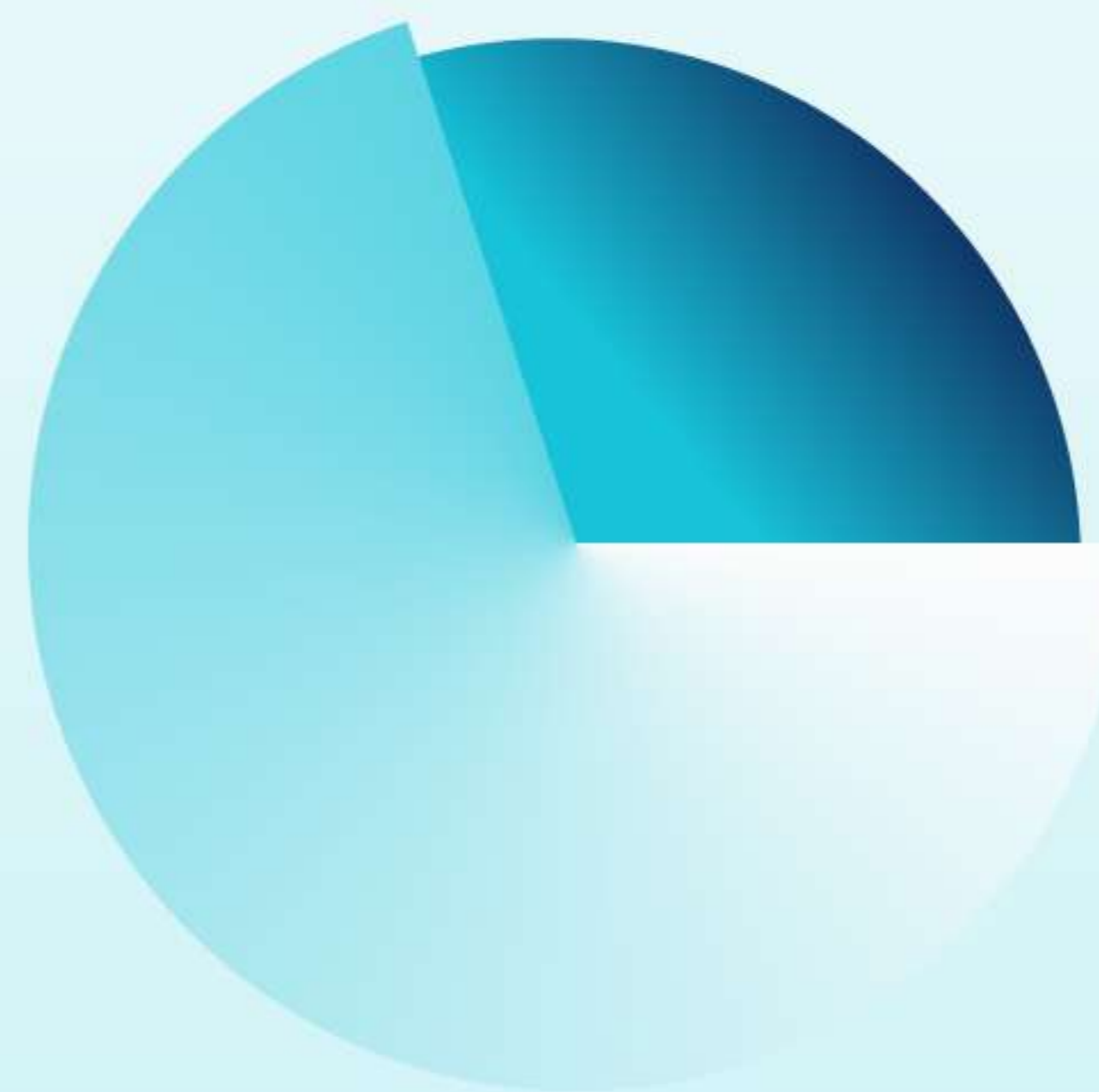
This new landscape requires product teams to integrate more closely with business operations, highlighting the necessity for well-defined roles to ensure effective collaboration.

The emergence of Chief Product Officers(CPOs) in executive teams continues to mark a crucial shift in today's product team structure.

70%
Have a CPO



30%
Do NOT have a CPO



Companies like Oracle, Salesforce, and even those in non-tech sectors such as Walmart and ExxonMobil, have embraced the CPO role, leading the way in innovation and market leadership.

Seven of the top ten Fortune 100 organizations of 2023 now have a Chief Product Officer role. With this uplevel entering the scene, the career ladder for product teams gets taller, giving product a seat at the true decision-making table.

Overlooking this evolution could leave organizations trailing as the role of CPO becomes integral across industries, not just in tech.

This position is key for strategic decision-making, product advocacy, and driving revenue, reflecting the broader trend of evolving 'Chief' level roles to meet modern challenges.

These role shifts signify a departure from viewing product teams as solely an IT function, underscoring their key role in driving business strategy, innovation, and market responsiveness. It calls for a strategic reimagining of roles and collaboration methods within organizations to adapt to this integrated approach.

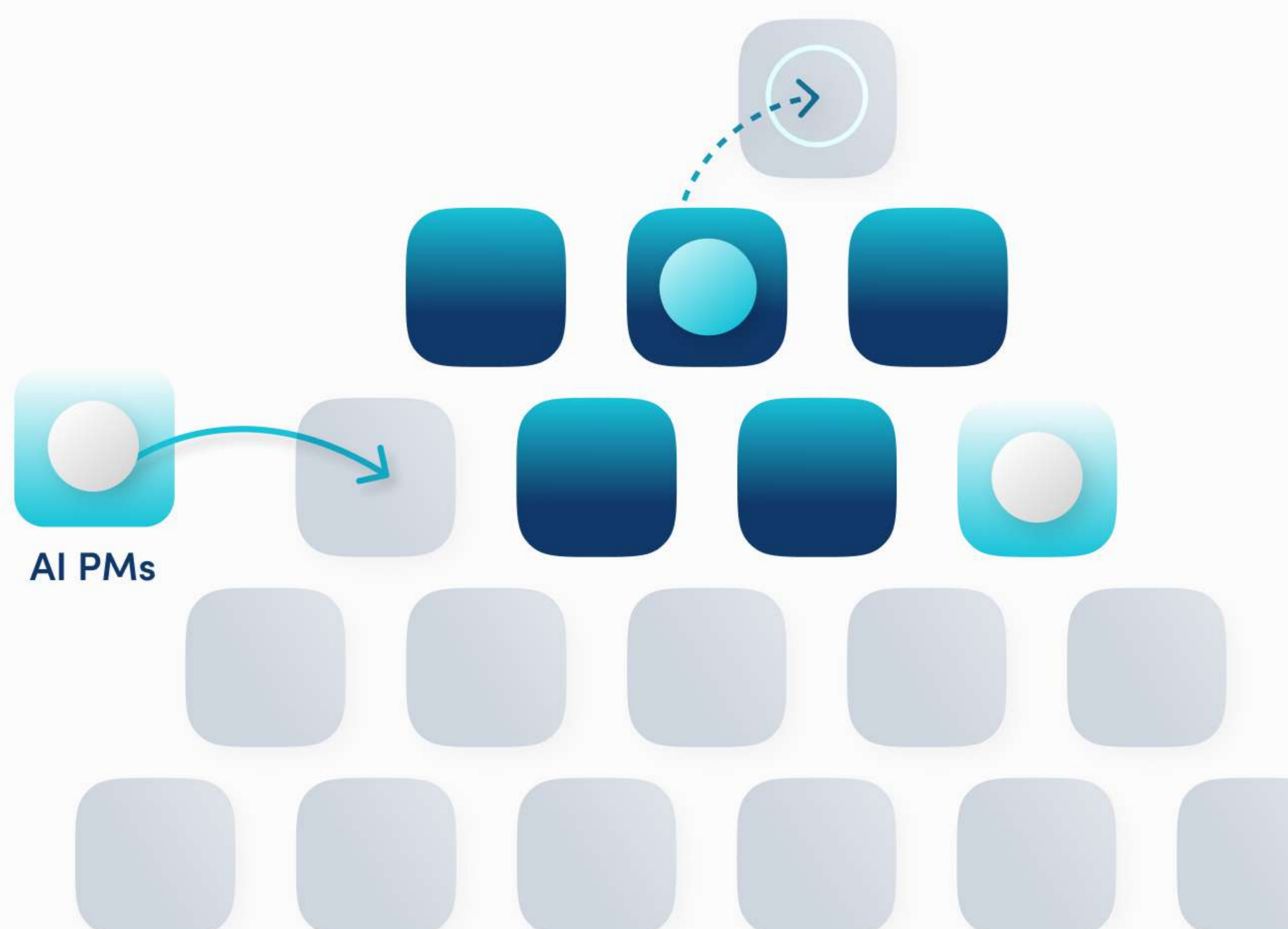
AI presents a transformative opportunity to streamline product team structures by automating redundant tasks and optimizing workflows,

This reduces the necessity for certain roles and decreases the number of individuals needed to fulfill them.

The deployment of AI within product teams can lead to the elimination of roles focused on tasks that AI can handle more efficiently, such as data analysis, customer support inquiries, and even some aspects of product development and testing. This not only enhances efficiency but also allows organizations to reallocate human resources to more strategic, creative, and impactful areas that AI cannot replicate, such as strategic decision-making, innovation, and complex problem-solving.

AI's capability to provide insights and foresights through advanced data analytics and machine learning models can empower product teams to make informed decisions more swiftly, aligning product development more closely with business objectives and market needs. This accelerates the product development cycle and improves market responsiveness, giving companies a competitive edge.

If teams integrate AI into their organizations, it will not merely reduce headcount or automate tasks; it could transform teams into more agile, efficient, and strategic units that can drive business growth more effectively.



Here's How You Do it



Establish a competency model early that prepares your organization and ensures clarity before transitions begin.

As product teams increasingly straddle the line between IT and business functions, adopting AI and evolving roles can introduce confusion around task responsibilities and necessary skills.

To mitigate this, organizations should proactively establish a competency model. This model, ideally set in place by early 2024, will delineate essential skills and behaviors for each role, aligning with both current objectives and future industry demands.

The development of this model should involve key stakeholders to ensure it reflects the organization's needs accurately and is integrated seamlessly with HR processes for recruitment and evaluations.

A clear, adaptable framework will help maintain organizational clarity amidst transitions, such as digital transformation, and prepare teams for potential changes like restructuring or market shifts.

This strategy not only enhances team readiness for the evolving business landscape but also solidifies the foundation for navigating the complexities of modern product management effectively.

Here's How **We** Do it

Product Environment

MINDSET/PROCESS

- ◆ Adoption of Product Development lifecycle
- ◆ Adoption of strategic alignment rituals
- ◆ Goal measuring, including OKRs and KPIs

TEAM TOPOLOGY

- ◆ Clarity of roles and responsibilities
- ◆ Transforming legacy mindsets/behaviors
- ◆ Team structure

PRODUCT COMPETENCIES

- ◆ Complete Learning Journeys and associated coaching programs that accelerate product competencies

Product Management Core Skills

PRODUCT VISION & STRATEGY

- ◆ Vision
- ◆ Product strategy
- ◆ Roadmap
- ◆ Market trends

CUSTOMER INSIGHT & DISCOVERY

- ◆ Data fluency/product metrics
- ◆ Qualitative & quantitative analyses
- ◆ Generating insights Identifying & evaluating opportunities
- ◆ Customer discovery
- ◆ Design Thinking

EXECUTION & DELIVERY

- ◆ PRDs
- ◆ Go to market strategy

FUNCTIONAL & TECHNICAL KNOWLEDGE

- ◆ A/B testing
- ◆ Scientific method Budget and portfolio management

Product Management Leadership Skills

PROBLEM-SOLVING

- ◆ Orders work to prioritize growth of company
- ◆ Leads through ambiguity

COMMUNICATIONS & INFLUENCE

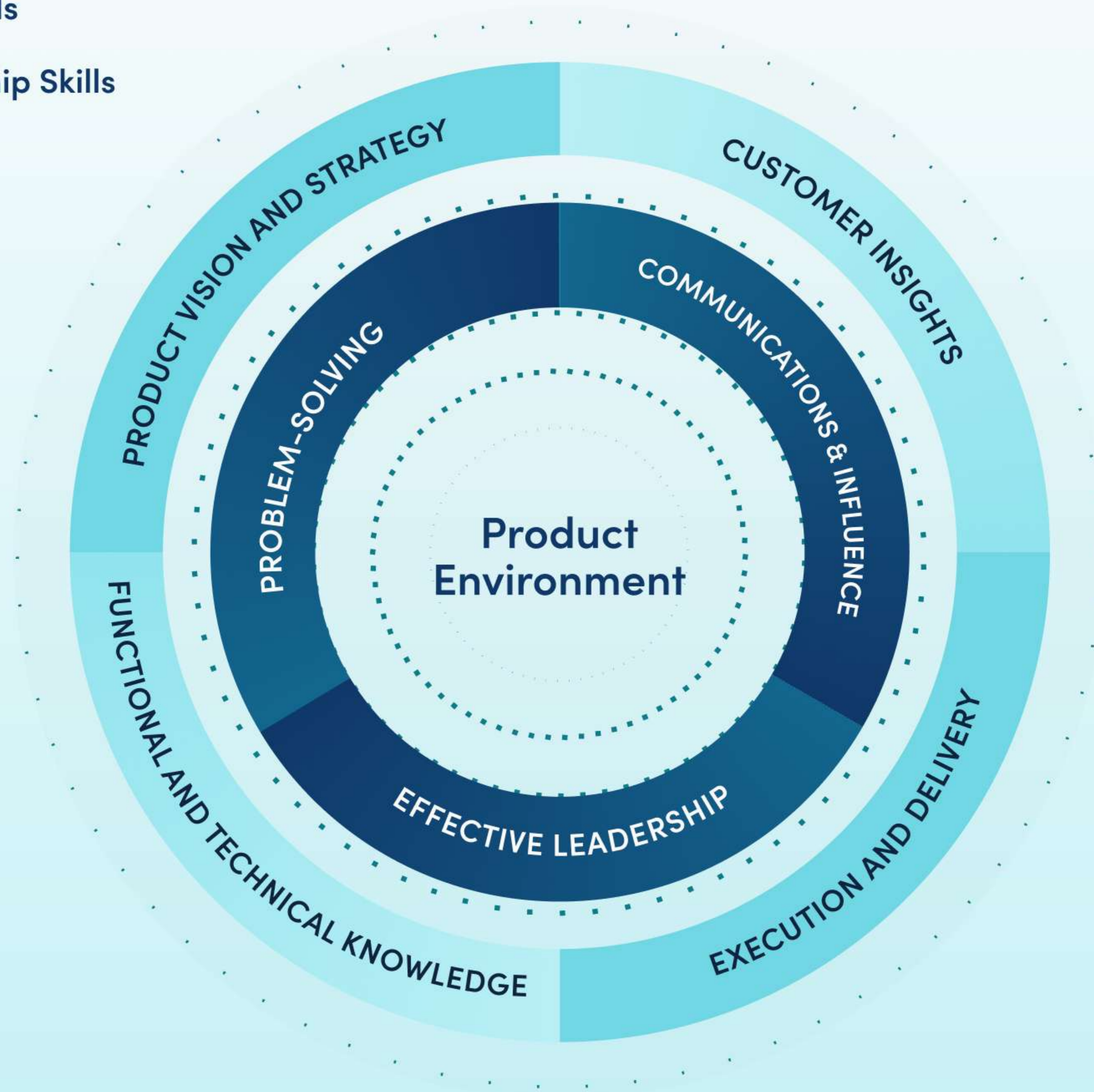
- ◆ Influences without authority
- ◆ Evangelist of Product Vision, Value and Roadmap

EFFECTIVE LEADERSHIP

- ◆ Coaches and Develops Facilitates the development of cross-functional, autonomous teams
- ◆ Creates empowered teams

Our Framework

- Core Skills
- Leadership Skills



Product Environment

- ◆ Mindset/Process
- ◆ Team Topology
- ◆ Product Competencies

Product Management Core Skills

- ◆ Product Vision and Strategy
- ◆ Customer Insight and Discovery
- ◆ Execution and Delivery
- ◆ Functional and Technical Knowledge

Product Management Leadership Skills

- ◆ Product Vision and Strategy
- ◆ Customer Insight and Discovery
- ◆ Execution and Delivery



TREND #3

Product teams are doing more with less people and more AI

Enhancing efficiency and output while navigating the current economic and technological landscape will be imperative.





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Generative AI Productivity Effect By industry, \$ billion



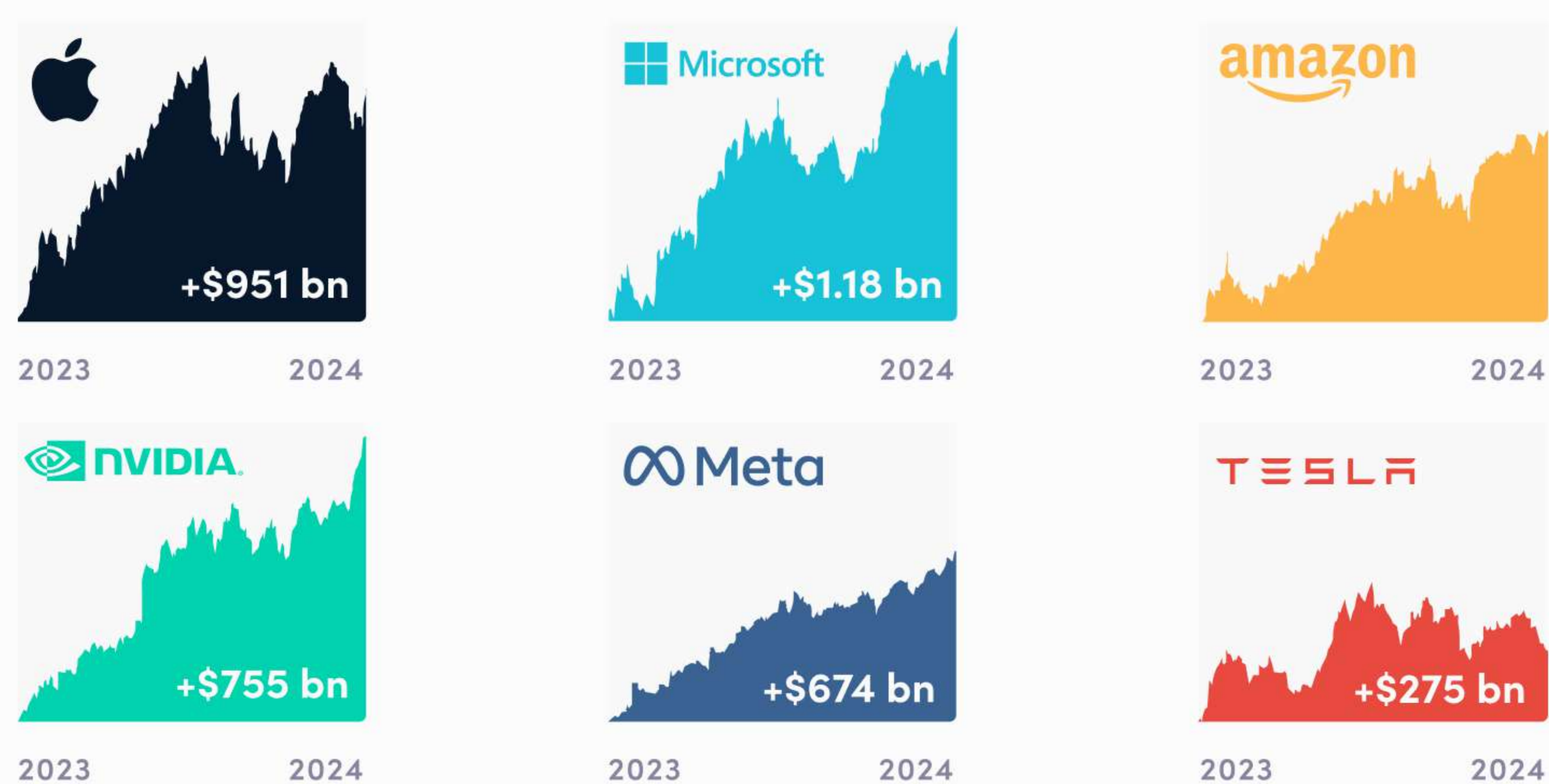
Source: McKinsey Analysis

In the era of lean teams and heavy workloads,
**AI stands as a beacon of
efficiency and empowerment.**

By automating routine tasks such as scheduling and document drafting, AI allows product teams to allocate their focus towards more strategic endeavors like product development and enhancing customer engagement.

This shift not only streamlines operational processes but also democratizes capabilities that were once exclusive to specialists. As a result, teams become more productive and autonomous, capable of achieving their objectives with greater precision and speed.

It's also the best time in history for many big tech companies growth



However, to harness AI's full potential, targeted training becomes even more critical, ensuring that teams can effectively integrate AI tools into their workflow.

1. AI may relieve the pressure on lean teams but it will also increase the demand for and importance of ongoing training.
2. AI and the people that use it will set the new standard for operational efficiency and team empowerment in today's fast-based business environment.

True upskilling CAN'T be done in thirty minutes.

Proper training requires customized coaching designed to impact organizational growth. Especially with AI being a crucial element in society, training needs to be tailored to specific organizational goals and competencies.

Customized Solutions



Of employees prefer personalized and relevant training that directly correlates to their work.

- A customized approach incorporates your organization's tools and assets, making the training content immediately applicable to your teams.
- Ensure that your training begins with a comprehensive understanding of your organization's specific needs and goals.
- By tailoring the training to align with your business objectives and competency skills list, you ensure that your teams receive targeted guidance that directly addresses your unique challenges.

Collaborative Learning



Increase in attention to the learning task is observed with collaborative learning.

- This allows for a more concentrated exploration of critical topics, enhancing your team's expertise in those areas.
- Discuss coaching sessions that feel like a workshop where collaborative learning happens organically.
- By engaging teams in shared discussions and problem-solving, we encourage knowledge transfer and mutual support.

Expert-Led Training



Of organizations are concerned about employee retention.

- Expert-led training ensures that your teams receive valuable insights and guidance, promoting a deeper understanding of the subject matter.
- Vet the instructors that are offered to your team to ensure they are Product leaders with extensive industry experience.

Flexible Delivery



Increase in attention to the learning task is observed with collaborative learning.

- Whether it's in-person or online training options, provide flexibility to accommodate your organization's scheduling and logistical needs.
- This adaptability ensures that your teams can access training in the format that suits them best.
- By engaging teams in shared discussions and problem-solving, we encourage knowledge transfer and mutual support.



**Strategic investment
in training, particularly
surrounding AI skills,
not only retains top talent but also
prepares teams for future
technological advancements.**

Making ongoing education a cornerstone of
organizational growth and competitiveness.

KEY TAKEAWAYS

What This Means For You...

TREND

#1

Product teams are contributing to revenue growth, not just adding user value

What it Means:

Product teams are evolving from focusing solely on user satisfaction to also driving revenue, adopting Product-Led Growth (PLG) strategies due to market saturation, aiming to gain a competitive edge and sustain growth amidst intensifying competition.

AI Acceleration:

AI can boost this evolution by automating tasks, providing data-driven insights, and enhancing customer engagement, directly contributing to revenue growth.

Suggested Action:

Organizations should adopt AI solutions that align with their specific needs, focusing on factors like ease of integration, scalability, and cost-effectiveness, while also upskilling teams to maximize AI's potential for innovation and efficiency.

TREND

#2

Product teams are sitting at the intersection of Tech & Business, not just under Tech

What it Means:

With the emergence of specialized roles like Growth Product Managers and Chief Product Officers (CPOs), and the decline of roles that have traditionally been cornerstones on product teams, we can truly stand on that product teams are no longer solely impactful to IT teams but are strategic necessities across the organization.

AI Acceleration:

AI automation streamlines operations, allowing teams to focus on innovation and growth areas while enhancing decision-making with advanced analytics.

Suggested Action:

Establish a clear competency model aligning skills with organizational goals and involving stakeholders for effective implementation, enabling teams to adapt to the changing landscape and leverage AI for strategic growth.

TREND

#3

Product teams are doing more with less people and more AI

What it Means:

Layoffs and economic uncertainties highlight the need to retain talent and invest in upskilling for future competitiveness.

AI Acceleration:

AI automation streamlines tasks, allowing teams to focus on strategic goals, but requires targeted training for effective integration.

Suggested Action:

Invest in customized training, particularly in AI skills, tailored to organizational needs. Utilize collaborative learning and expert-led training for effective skill development and flexibility.

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