

## THE STUDY OF PRODUCT TEAM PERFORMANCE **PANDEMIC EDITION**

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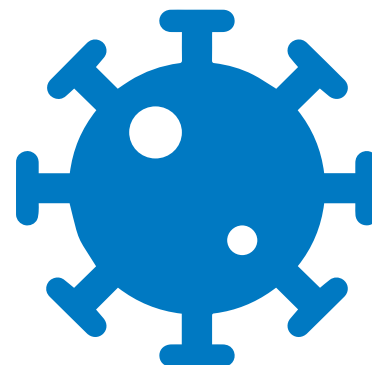


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# “Crisis is the great revealer.”

Simon Sinek, author of *The Infinite Game*



Since 2012, our global studies have expanded our knowledge of the common factors driving high-performance teams, explaining why some product teams excel while others struggle.

Our seventh study of product teams focuses on understanding the impact of the COVID-19 pandemic on product development activities worldwide. As health experts warn that this pandemic will not be the last we face, we altered this year's focus to center on how organizations and product teams were adapting, or not adapting, to the challenges posed by the pandemic. We are sharing our learnings to help organizations and individuals observe how their high-performance peers have coped with the present, and to help prepare for any difficulties ahead.

Since its inception nine years ago, this survey tool and resulting research have received support from a constellation of leading industry associations and market players – groups that don't generally collaborate on such endeavors. **This year we are proud to have partnered with the Product Development and Management Association (PDMA) throughout the entire survey and white paper production process. Additionally, our sole sponsor, Planbox, generously underwrote our research.**

We have continued our tried-and-true approaches to survey distribution, inviting all Actuation Consulting's subscribers and our co-authors', sponsors', and promotional partners' stakeholders to complete the survey in the last quarter of 2020.

As we drilled into the responses from participants detailing how they, and their organizations, are dealing with the impact of COVID-19, several themes rose to the surface.

## Remote First Mindset

Most respondents perceive the shift to a remote environment as a trend beginning before the pandemic. However, the virus's global spread triggered a massive acceleration to stay-at-home work models as organizations had to pivot to address COVID-19 and its implications quickly.

Survey respondents are not only embracing working from home, but they believe that their organizations should be designed with a “remote first” operating structure. While it is likely that hybrid work models, mixing both off- and on-site work, will become the post-pandemic norm, employees realize that continued investments in the remote working model and increased digitalization are necessary and desirable.

As one respondent put it, “*We were rigidly against remote work before the pandemic but have seen that remote work can work well. The lesson here is to try things (such as remote, technology, and collaboration trends) in small doses perpetually to see what changes might work for the business before a pandemic forces change to happen under duress.*”

It is also important to point out that workplace migration to remote work has not been spread equally throughout the economy. According to the Bureau of Labor Statistics, while all businesses have been impacted, remote work gains have been primarily concentrated in educational services and finance. Approximately 60% of academic service providers and 58% of financial companies had at least some employees working from home during the pandemic. Service companies in the food, retail, and construction industries were among the lowest adopters, as this work is difficult to perform remotely.<sup>1</sup>

The shift to a remote-first mindset comes with challenges. Employees cite issues with internet connectivity, process documentation, employee onboarding, feelings of alienation, and a lack of empathy from executives and managers as considerable challenges needing to be addressed.

Many respondents faced personal loss during the pandemic. One survey respondent writes, *“I lost my mother during the pandemic, and neither myself nor my organization was prepared to pivot when I needed to take significant time off. It has taken me a full six months to get close to my pre-grief performance. As the pandemic drags on and we lose more loved ones, this has the potential to be a big problem.”*

As organizations manage through the pandemic and transition to a hybrid work model, they need to keep the personal toll the pandemic is taking on employees’ health and well-being in mind.

### The Impact on Strategy

Respondent organizations with a clear view of their strategy found it easier to pivot and make necessary changes to their business model and operating practices. Overall, survey respondents were surprisingly upbeat, and many viewed the changes taking place as opportunities on which they could capitalize. As one person put it, *“Extraordinary situations are extraordinary opportunities!”*

Many respondents indicated that their organizations have had to reprioritize their investments, true up their strategy and emphasize virtual products and passive income streams (e.g., subscription services) that do not require human sales to deliver revenue. Employees are also warier of what may be coming down the road as many believe that COVID-19 will not be the only pandemic they encounter during their careers – this leads to the next topic, planning.

### Increased Desire for Effective Planning

As one individual phrased it, *“Disaster recovery planning is not just for IT systems!”* It is virtually impossible to plan for black swan events, but many health experts and even Bill Gates have been warning for years about a global pandemic threat. Many respondents believe their organizations failed to plan for disaster sufficiently before the pandemic and would welcome more planning (e.g., business continuity plans, increased contingency and scenario planning, special teams development) in advance of the next crisis.

### Finally, Flexibility

Respondents cite a flexible culture as key to weathering this pandemic. *“What was not possible before the pandemic is now possible; what was easy is now difficult.”* The pandemic’s impact is undeniable, and this respondent’s quote describes how the pandemic scrambled the status quo. Employees migrated en masse to working at home. Customer meetings, presentations, and trade shows all went virtual. Supply chains lost their links.

To survive in this challenging environment, survey respondents cite the need for a “flexible, agile and entrepreneurial mindset.” They also indicate that their organizations needed to take a closer look at what activities should cease. As one employee said, *“Everything plus more is not a strategy, nor is it sustainable.”*

### Conclusion

COVID-19 has resulted in unimaginable harm to individuals and businesses. It is difficult to fathom the loss of life and livelihood caused by this deadly virus. But despite the pandemic, survey respondents remain surprisingly upbeat about the opportunities that might be down the road. New markets, remote working models, and additional products and services are all possibilities.

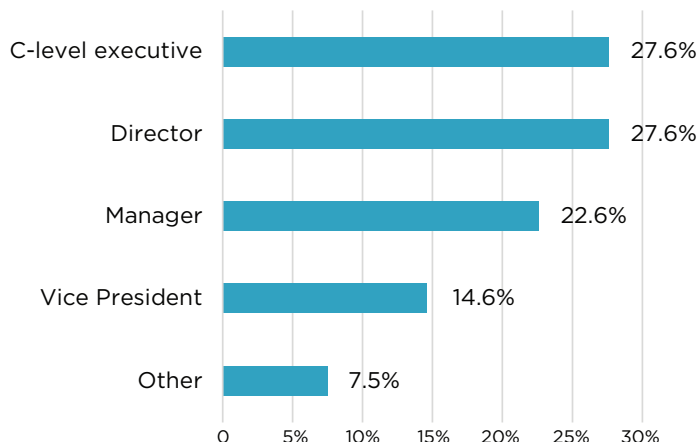
From our vantage point as industry consultants, we hope that this research helped capture any lessons learned from this pandemic so employees and organizations can better prepare and adapt to challenges that lie ahead.

<sup>1</sup> WSJ, Jan. 2/3, 2021 by Stephanie Stamm

# SURVEY RESPONDENT PROFILE

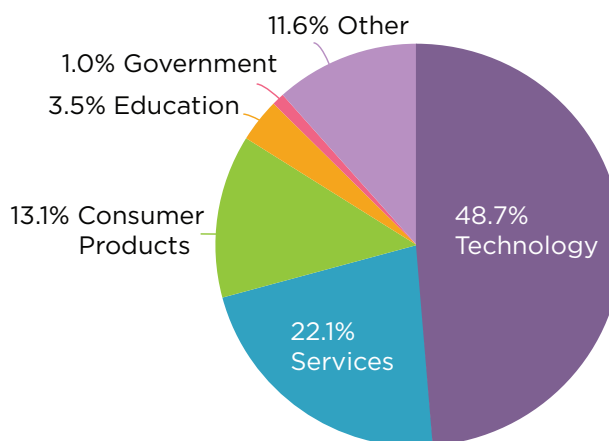
The majority of survey respondents (96.5%) indicated they play an active role in product/service creation or enhancement within their organization.

The same percentage of respondents (27.6%) said they reported to a C-level executive as said they reported to a director.



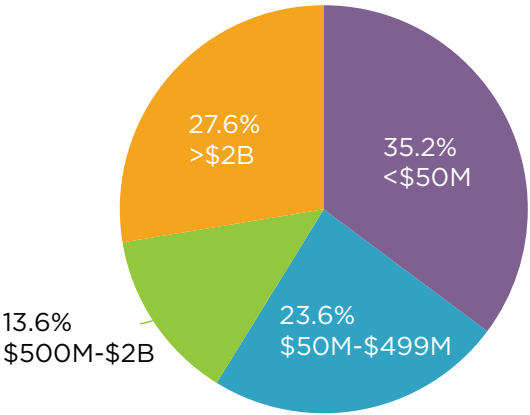
Another 22.6% answered that they reported to a manager, and 14.6% said they reported to a vice president. The remaining respondents (7.5%) wrote in alternative answers, stating they reported to engineers, product managers, or solution architects. A few indicated they were self-employed and didn't "report" to anyone.

Nearly half of survey respondents (48.7%) worked in technology (comprised of hardware and software), and 22.1% said the primary focus of their business was services.



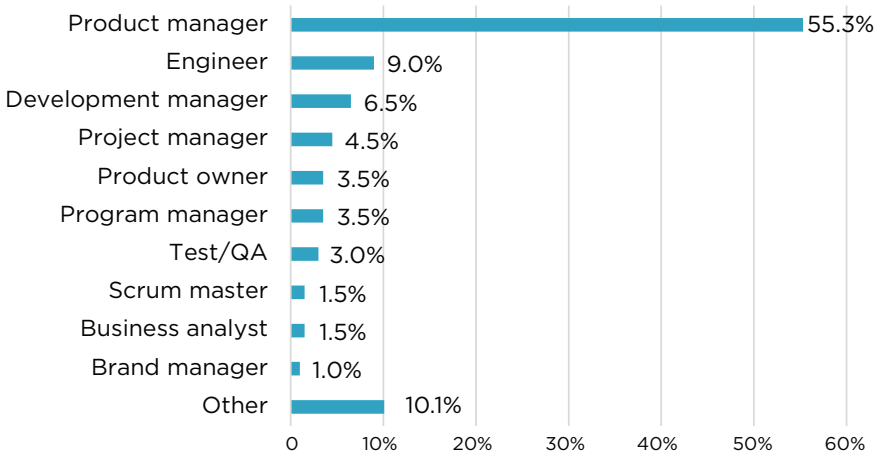
Consumer products (13.1%), education (3.5%), and government (1%) made up 17.6% of responses. 11.6% indicated their organization's focus was not listed.

The annual company revenue of survey respondents' organizations is split relatively evenly among three segments: 27.6% report their organizations have annual revenues exceeding \$2B, 23.6% report revenues between \$50M and \$499M, and 35.2% said their yearly revenue is less than \$50M.



A fourth segment representing 13.6% percent of respondents indicate company revenues of \$500M to \$2B.

Product managers comprised more than half of survey respondents (55.3%), followed by engineers (9.0%), and development managers (6.5%).

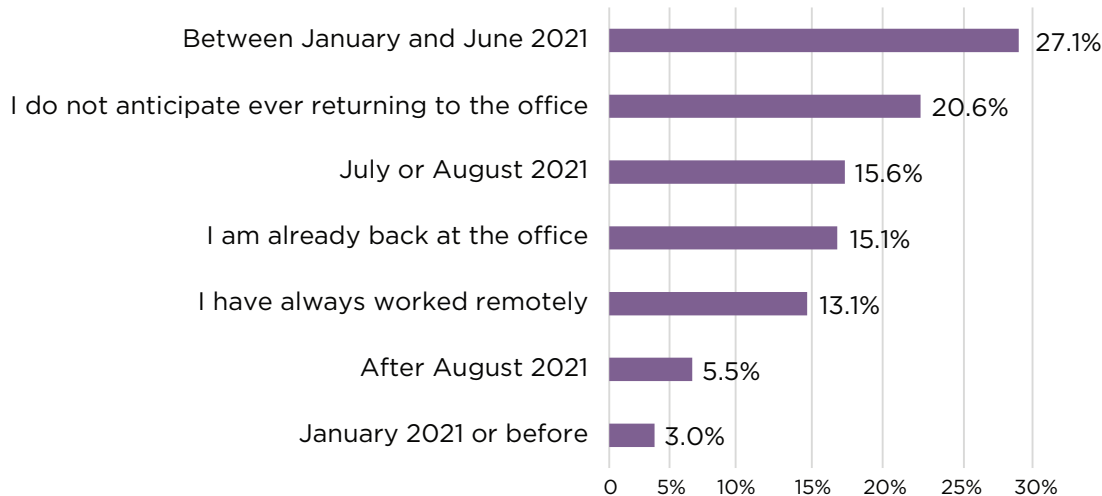


Program managers, project managers, product owners, and quality assurance professionals made up anywhere from 3 to 5% of respondents, with percentages of 4.5, 3.5, 3.5, and 3.0, respectively.



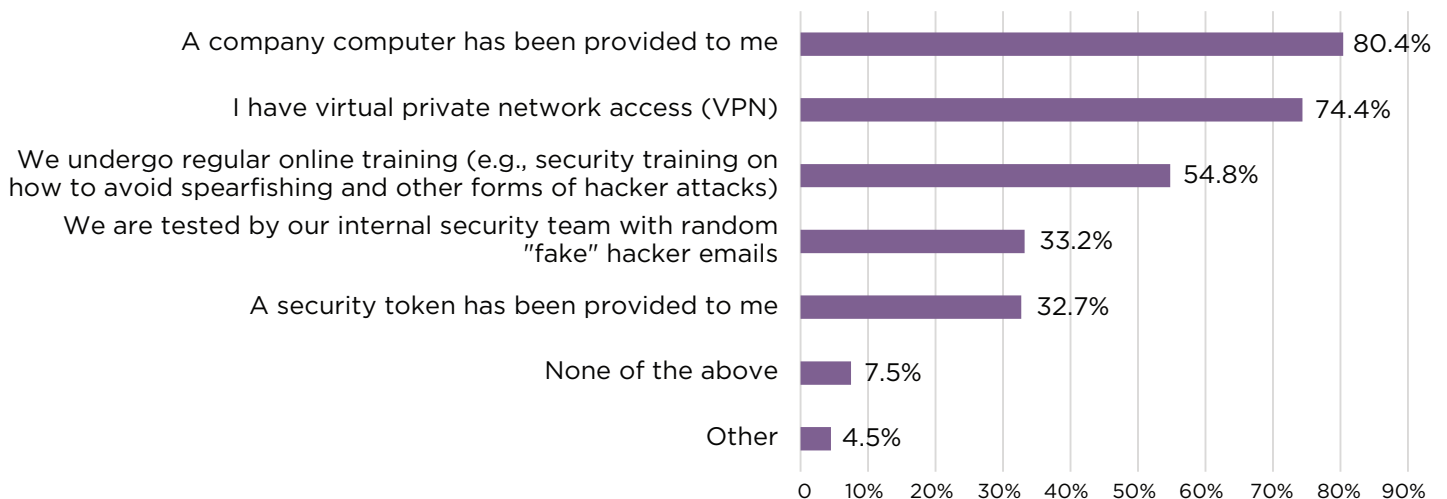


### 1. When have you been told to return to the office?



The shift to working remotely had already begun before the pandemic; 13% of respondents said they had always worked from home. A surprising number of respondents reported that they did not anticipate ever returning to the office (21%). When this survey was taken during the last quarter of 2020, 30% of respondents thought they would be back in the office before June 2021, another 16% thought they would be commuting by August 2021, and 6% thought it would be Fall (after August 2021) before they made the transition back. Fifteen percent of respondents reported they had already returned to the office.

### 2. What steps has your organization taken to ensure/enhance data security while you work from home?



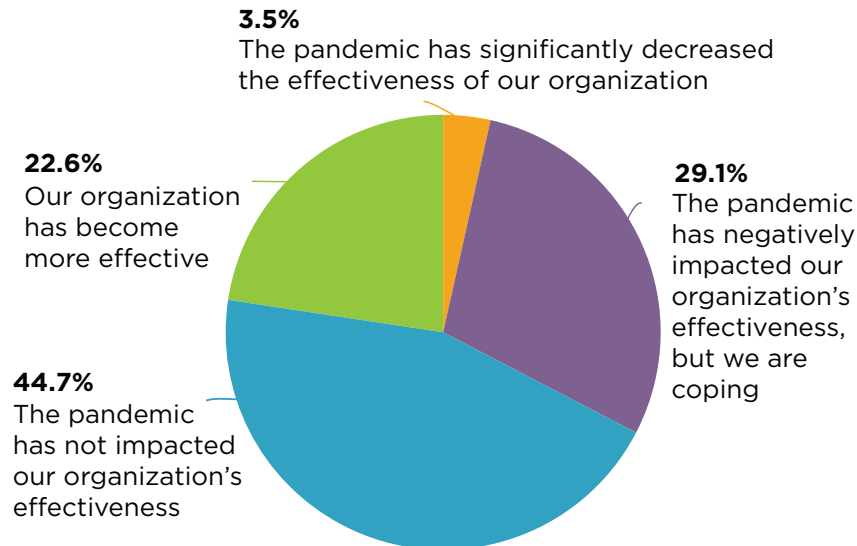
(Check all that apply.)

Not unexpected, the top three responses to this question included the provision of a customer computer (80.4%), virtual private network access (74.4%), and regular online training with an emphasis on security (54.8%). Two-thirds of respondents indicated their companies took additional steps, supplying security tokens (32.7%), and performing periodic testing using fake hacker and phishing emails (33.2%).

**“I don’t believe we’ll return to the way we were because we found that there are some things that actually work really well virtually.”**

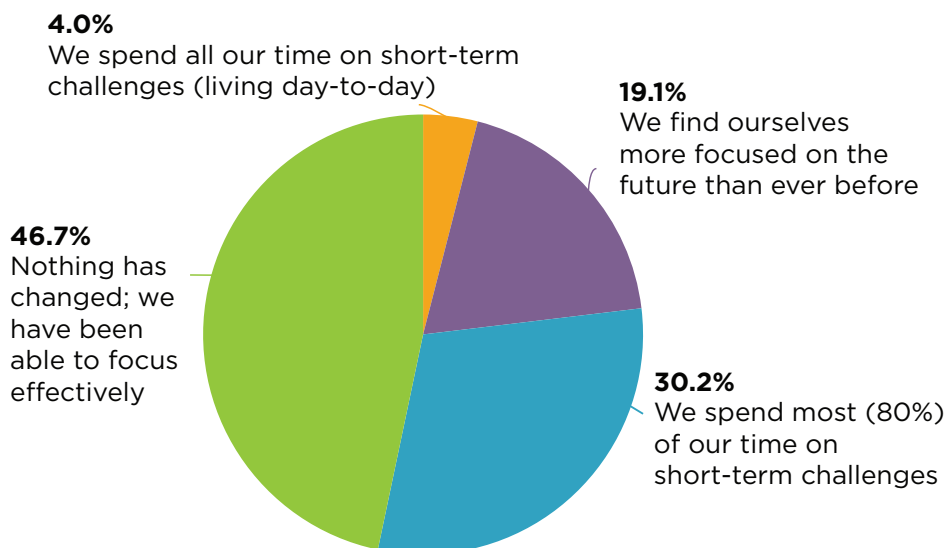
*Tim Cook, CEO, Apple*

### 3. How has the pandemic impacted your organization’s effectiveness?



It was encouraging to see that nearly two-thirds of respondents reported that their organization’s effectiveness was not affected at all (45%), or despite being negatively affected, was coping successfully with the challenges (29%). Surprisingly, 23% indicated that their organizations had become more effective, and only 4% believed that the pandemic had significantly decreased their organizations’ effectiveness.

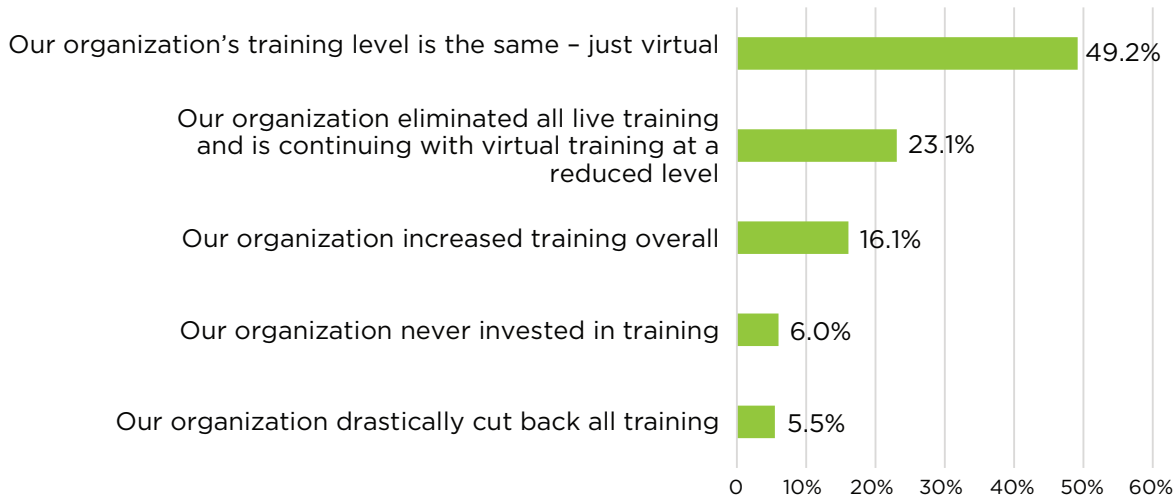
### 4. Is your organization having difficulty getting stakeholders to focus on the future during the pandemic?



The large number of respondents who indicated that their ability to focus on the future was unchanged (46.7%), or who could think even more long-term (19.1%), supports the positivity shown in the previous answer. But 34% of respondents did admit that their focus had become more short-term.

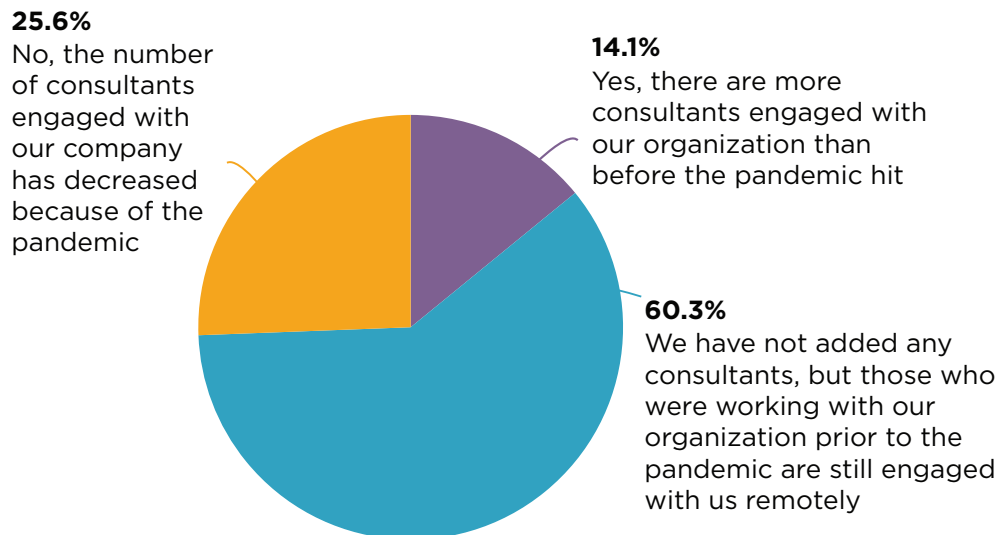


### 5. Has your organization cut back or expanded virtual training during the pandemic?



According to respondents, “going virtual” – addressed most training needs. Nearly half said that their training level did not change; training was just delivered online (49.2%), while others indicated that though live training had ended, virtual training had picked up some of the slack (23.1%). Just over 16% of respondents saw an increase in training. Another 11.5% said their organization had drastically cut back all training (5.5%) or had never invested in training in the first place (6.0%).

### 6. Does your organization continue to rely upon outside consultants during the pandemic?



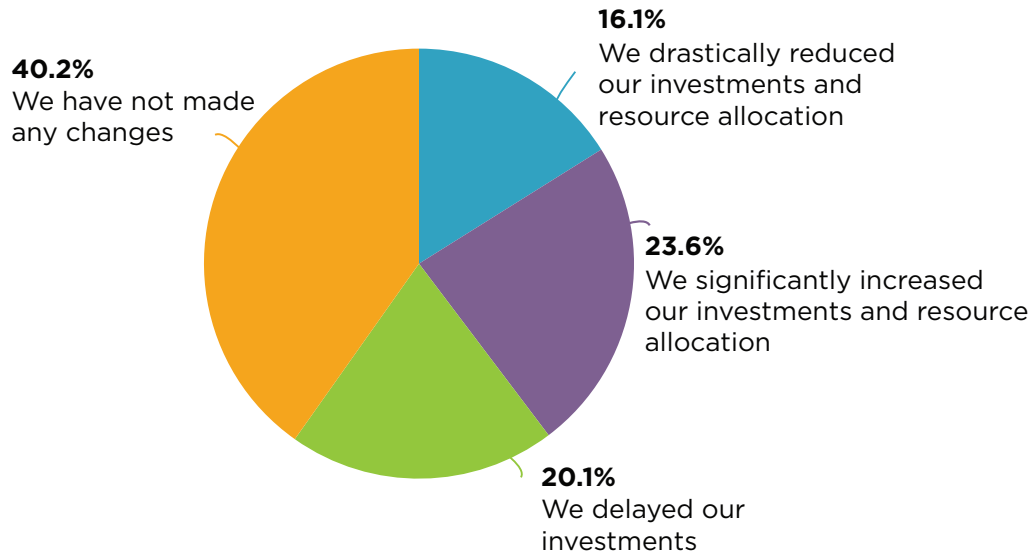
A large percentage of respondents indicated that their organizations were still employing consultants at the same level as before the pandemic, albeit remotely (60.3%), and 14.1% reported they were utilizing consultants even more than before. Just over a quarter of respondents reported a reduction in the number of consultants engaged with their company (25.6%).



**“I think there are negatives to working from home ... We’ve seen productivity drop in certain jobs and alienation going up in certain things. So we want to get back to work in a safe way.”**

*James Dimon, CEO, JP Morgan Chase & Co.*

## 7. How has COVID-19 impacted your organization’s innovation investments?



The pandemic’s influence on innovation was felt by 36.2% of respondents who reported delayed or reduced investments in innovation efforts. But according to 40.2% of respondents, their companies continued to innovate during the pandemic, and nearly a quarter report an increase in innovation investment and resource allocation (23.6%).

## 8. How have innovation program outcomes, and the mandate to achieve them, changed since the global pandemic began? (Score each option from 1 through 5, where 1 = has been dramatically deemphasized and 5 = has been dramatically emphasized)

	1	2	3	4	5
Gain/maintain competitive advantage	2.5%	3.5%	33.2%	42.2%	18.6%
Continuous improvement	2.5%	5.0%	35.7%	43.2%	13.6%
Identify new market trends and technologies	3.5%	9.0%	31.7%	36.7%	19.1%
Identify risks and devise a mitigation strategy	3.0%	8.0%	34.7%	33.2%	21.1%
Better monetize existing products and services	2.0%	5.5%	36.2%	29.1%	27.1%
Business model transformation/new product or service development	4.5%	7.5%	26.6%	37.7%	23.6%
Improve employee engagement	6.0%	9.0%	32.2%	36.7%	16.1%
Improve health, safety, and compliance	5.6%	4.0%	31.8%	32.3%	26.3%

Scored the lowest – as 1 or 2 – by the highest number of respondents were improving employee engagement (15.0%) and identifying new market trends and technologies (12.5%). The outcomes that received the highest percentage of either 4 or 5 ratings were gaining/maintaining a competitive advantage (60.8%) and business model transformation/new product or service development (61.3%). Better monetizing existing products and services received the most 3 scores (36.2%). The remaining three innovation program outcomes – continuous improvement, risk identification/mitigation strategy development, and improving health, safety, and compliance ranked somewhat in the middle, with a moderate amount of respondents rating them all across the board.

Overall, the results seem to indicate that most organizations were operating in survival mode. They focused their innovation efforts on transforming their existing business models and product service lines to be more profitable or developing new product and service offerings to meet emerging demands. The end goal of both was the same, to remain competitive in a profoundly challenging marketplace.



## 9. How do you intend to future proof your organization against future pandemics or other black swan events?

Respondents were instructed to write their responses to this survey question. Below is a summary of the main takeaways from all comments.

- Develop more alternative workspaces, including multiple distributed office hubs and work-from-home options
- Continue/increase investment in work processes, technology, employee training, and tools that promote improved remote collaboration across the company
- Diversify the company product and service portfolio to increase digital/online options for product/solution delivery, operation, and support
- Transition to more online training and events for customers and employees
- Do more contingency planning and refine operating models to mitigate risk, support continued revenue, and sustain long-term growth during black swan events
- Increase redundancy of supply lines and optimize resource allocation
- Improve communication to employees and suppliers
- Ensure efficient coverage of any service or personnel gaps through increased cross-training and a focus on more skill-diverse hires
- Exhibit more empathy for employees, encouraging work/family balance, and promoting mental health

## 10. How has the pandemic impacted your product team's trust, communication, and collaboration?

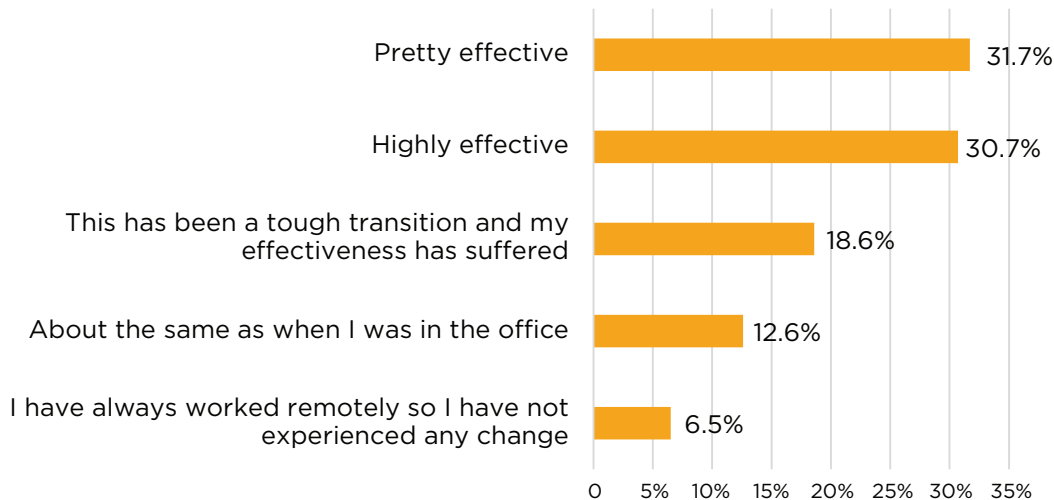


According to two-thirds of survey respondents, their product team's trust, communication, and collaboration have not suffered due to the pandemic, with 33.2% reporting no change and another 33.7% asserting they have grown closer. The remaining third of respondents reports experiencing a decline (33.1%).

**“That unplanned kind of interaction that contributes so much to how we build relationships with people and how we build culture, those things are what’s missing.”**

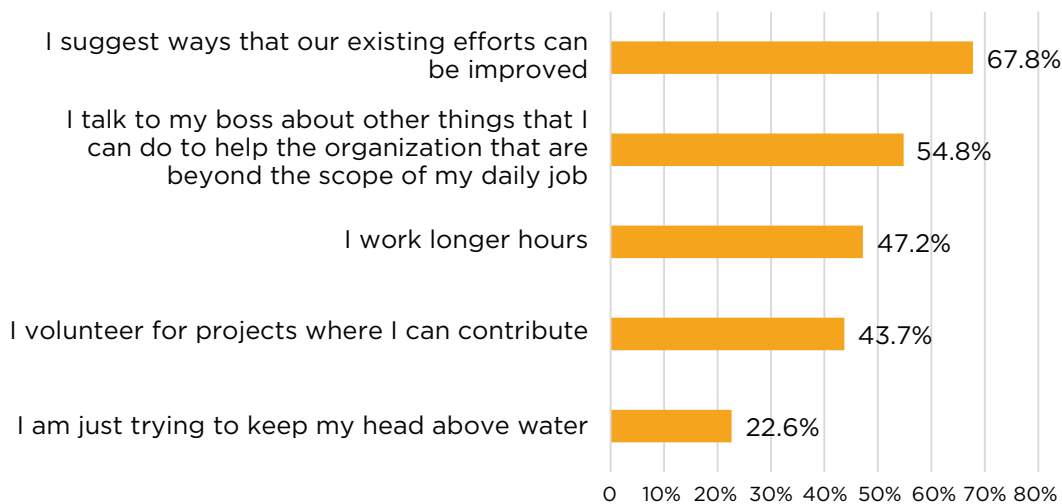
*Andi Owen, CEO, Herman Miller, Inc.*

### 11. How effective are you at managing your time while working remotely?



The majority of respondents describe themselves as being pretty effective to highly effective working remotely during the pandemic (62.4%). An additional 12.6% state their effectiveness has not changed from when they worked in the office. Since 6.5% of respondents already worked remotely, they report experiencing no change in their time management skills. Only 18.6% think that their effectiveness has suffered.

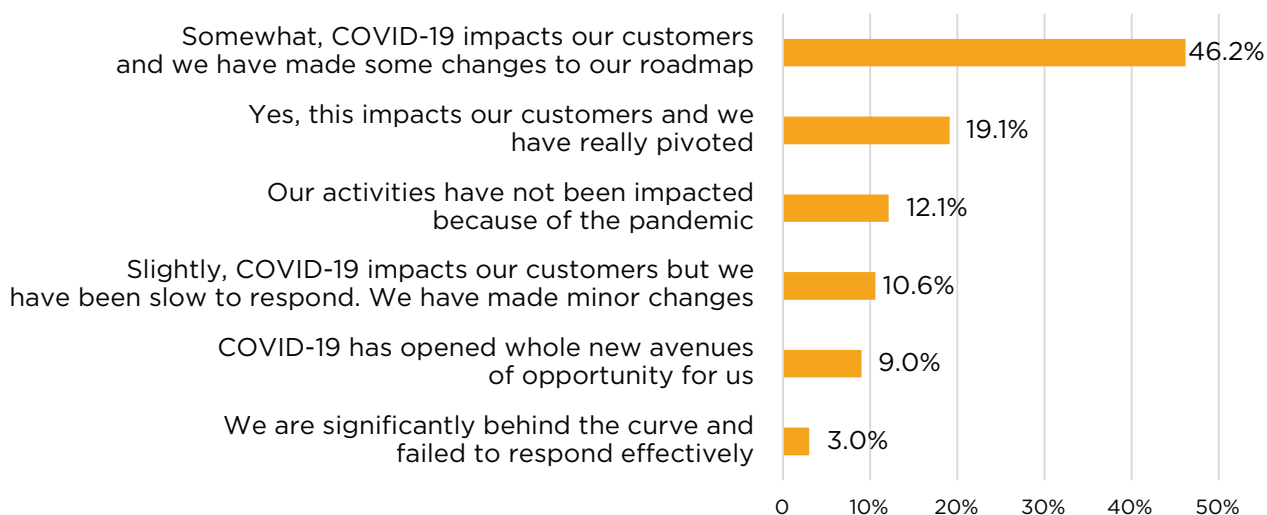
### 12. While working remotely, how do you demonstrate your value and keep in the flow? (Check all that apply.)



Over 75% of respondents reported heightened commitment to their jobs, either working longer hours (47.2%), volunteering for different projects (43.7%), suggesting needed improvements (67.8%), or initiating conversations with their superiors about how they can help (54.8%). Just 22.6% said they were struggling with adapting to the challenges posed by the pandemic.

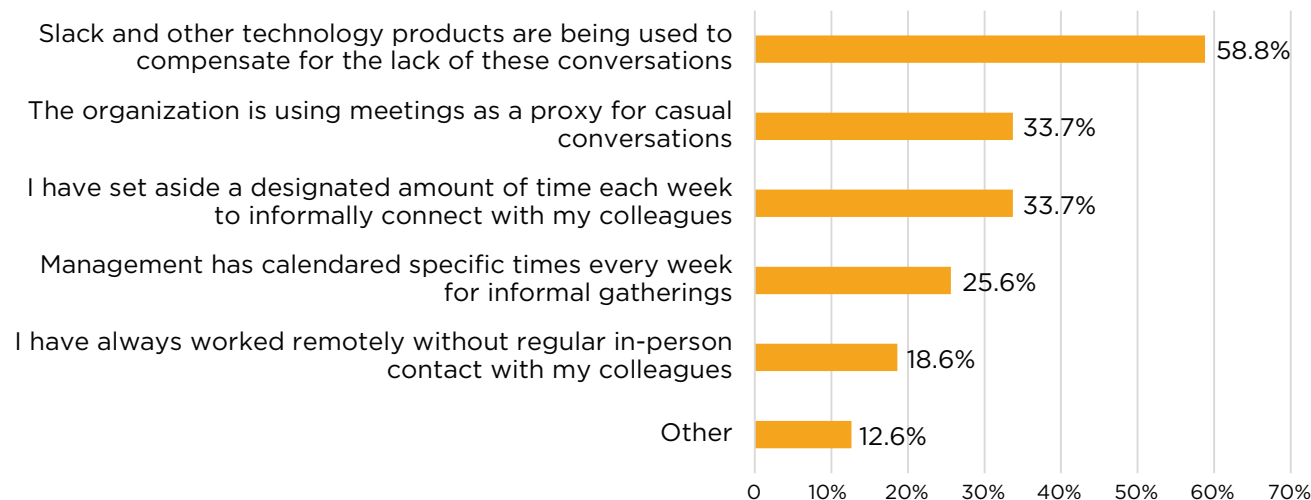
**13. What part of the overall product development process has suffered the most during the pandemic?**

Hands down, respondents agree that upfront customer engagement has suffered the most during the pandemic (40.2%). Product roadmap development is next on the list, according to 11.1% of respondents, followed by engineering activities (10.6%), requirements prioritization (8.5%), product strategy development (7.5%), and product launch activities (7.5%). Product portfolio management and quality assurance suffered the least. This ranking would make sense as the first activity, customer engagement, would have been severely impacted by work and travel restrictions that prevented face-to-face communication, onsite support, and outside sales. These restrictions would have also affected the other product development activities, though they also most likely suffered from the volatility and uncertainty in the marketplace.

**14. Has your product team or organization's product roadmap been revised because of the pandemic?**

Only 12.1% of respondents assert that the pandemic has not impacted their organization's product roadmap. An additional 9% report that the pandemic has actually resulted in new opportunities. Three-quarters of respondents acknowledge that the pandemic has at least somewhat altered their roadmaps (75.9%), with an additional 3% lamenting that they failed to pivot effectively.

**15. Informal conversations at the office have dried up. How have you overcome the lack of access to casual conversations?**



Thanks to technology, more than half of respondents (58.8%) say they have maintained their connections with colleagues, despite working remotely. Approximately a third of respondents (33.7%) designate a specific amount of time each week to catch up with their co-workers and use meetings as a proxy for casual conversations. A little more than a quarter of respondents work for organizations that have informal gatherings of employees on the weekly calendar (25.6%).



## Thoughtful Tips for Working During the Pandemic

The pandemic has required significant shifts in how we work. Restricted access to resources, including coworkers, has forced us to adopt new technologies, develop new policies, and accept new work realities as part of our everyday work lives. Special thanks to Nicholas DiLisi, Chief Technology Officer at eMoney Advisor, for providing these tips about what is important to remember when working in our current and post-pandemic work environments.

- Fewer interruptions from “drive-by” work chats can make work seem more focused, but sometimes interruptions are needed for mental health – so remember to take breaks.
- Change your default meeting duration from 1 hour to 45 minutes. People tend to schedule meetings without breaks in between, which can be mentally exhausting.
- Zoom fatigue is real, but lighter things like Zoom backgrounds can liven things up.
- For employees with families, remote work can be both a joy and a problem. Be patient.
- Consider recording meetings for those who were unable to attend so they can view the recording later and catch up.
- Establishing or maintaining trust is very important. A lack of trust in working relationships can prove problematic when working remotely.
- Create time for water cooler conversations – it’s ok if they are not always about work.
- Don’t forget to thank people. Send thoughtful gifts to employees during the year as a way to say thanks, acknowledge the difficulties the pandemic presented, and communicate the company’s appreciation of employee efforts.

## Meet the 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. Greg is the author of the global bestseller *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 has also taught product management at DePaul University's College of Computing and Digital Media.

As a former board member of the Business Architecture Guild, Greg actively collaborated on the BIZBOK Guide, and has since lent 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. Greg regularly contributes to a wide variety of industry publications and maintains a popular blog on [ActuationConsulting.com](http://ActuationConsulting.com).

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# ABOUT ACTUATION CONSULTING



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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.

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



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Creating Value Through Collaboration  
Designing an Effective Product Management Process  
Effective Product Roadmap Development  
Managing Software People and Teams  
Metrics-Driven Product Management  
Optimizing User Experience Within the Product Organization  
Prioritizing Requirements  
Product Strategy Development

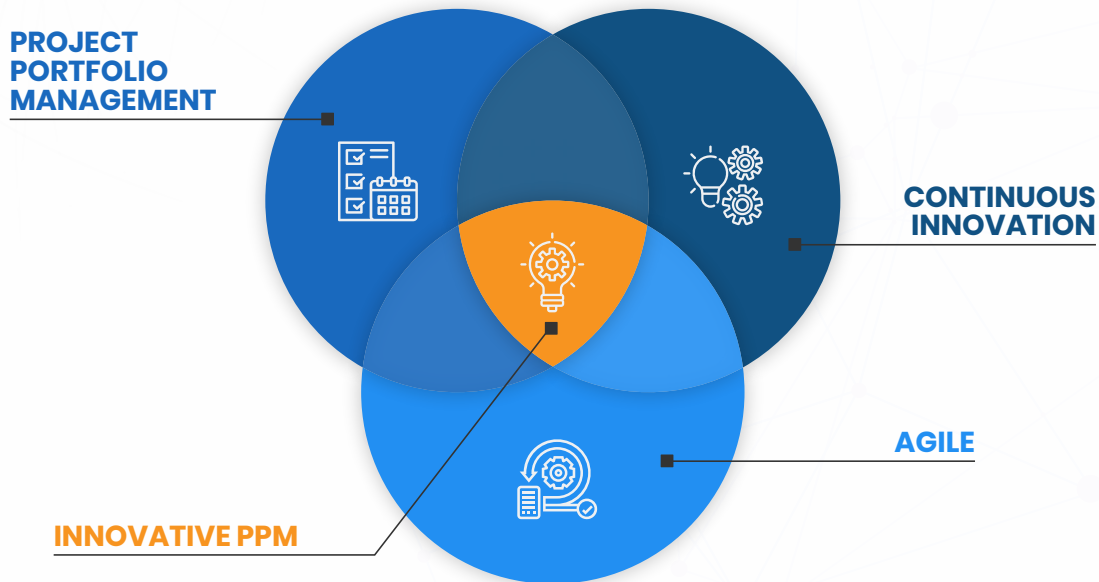
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*Take Charge Product Management Toolkit*  
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Multi-Year Product Strategy  
Clarifying Roles and Handoffs  
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Project Management Essentials

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*Take Charge Product Management (2nd Edition)* by Greg Geracie  
*The Guide to the Product Management and Marketing Body of Knowledge* by Greg Geracie and Steven Eppinger  
*Managing the Unmanageable: Rules, Tools, and Insights for Managing Software People and Teams* by Ron Lichty and Mickey Mantle

# The **Innovative** PPM Capability



## The Nature of Work Has Changed...

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