Dover

Hiring Guide:

Product Managers

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Introduction

Building a cool product from the ground-up is rewarding, but does it mean anything if you can't get anyone to use it or buy it? Obviously not — which is why product managers are key to your success as a startup. These are typically some of your first hires when you begin to scale, and for good reason — **a well-defined and orchestrated product development process can make or break your time-to-market and your ability to be profitable.**

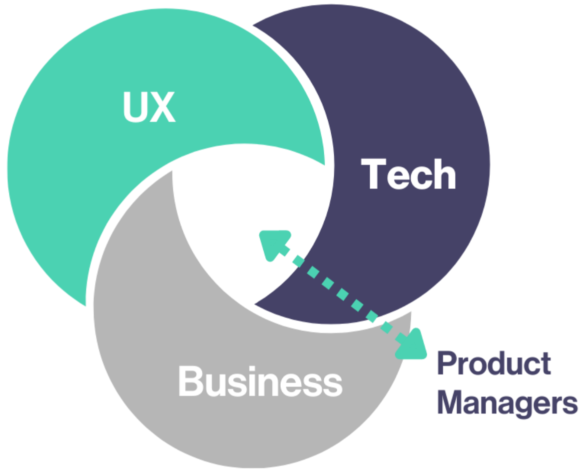
What is product management, and why do you need a product manager?

Product management brings your vision of the product to life. They're part marketer, part researcher, part designer, part project manager, and part people person.

A product manager is the person who:

- identifies the customer need and the larger business objectives that your product will fulfill,
- articulates what success looks like,
- and rallies a team to turn that vision into a reality.

Martin Eriksson designed a venn diagram to visually explain where a PM sits in an organization:



A good product manager must be experienced in at least one, passionate about all three, and conversant with practitioners in all.

So what does that entail?

- They partner with your engineering team to align on the roadmap, set deadlines, manage deliverables, and figure out what to prioritize
- They deeply understand your different buyer personas and user needs
- They monitor the market and perform competitive analyses
- Align teams around a project to ensure alignment in messaging, marketing, bugs, and launch

Essentially, they're there to manage time and set goals, while creating a shared brain across larger teams to empower independent decision-making.

Hiring your first PM

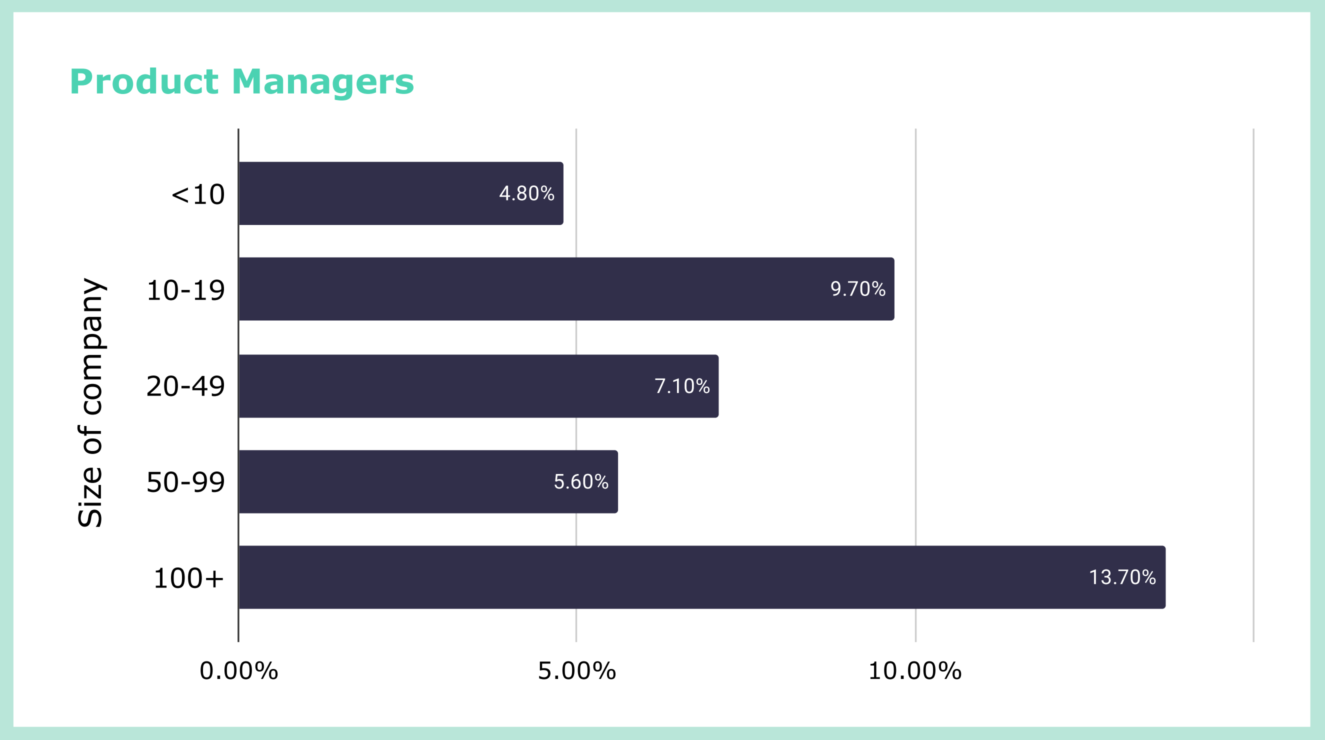
This table, pulled from Lenny's Newsletter (a popular Substack created by Lenny Rachitsky, an angel investor and former PM at Airbnb) finds that **the first PM is generally hired as the 15th - 100th employee, and 2 - 4 years after founding**. From our internal data, we find that the majority of companies hire a PM at the 10-19 employee mark, or the 100+ employee mark.

Obviously, each company is different, but three factors seem to contribute to waiting longer to hire your first full-time PM:

- Founders with deep product sense (e.g. Shopify)
- Building a product that isn't primarily user-facing (e.g. Stripe)
- Long early beta period (e.g. Airtable)

Company	PM employee #	Years after founded
Lyft	13	5 years
Asana	13	2.5 years
ClassDojo	16	2.5 years
Uber	20	2 years
Slack	20	1.5 years
Twitter	24	2 years
Airbnb	36	3 years
Superhuman	35	4 years

Source: Lenny's Newsletter



Top job boards for Product Managers

- Product Hunt
- LinkedIn
- Indeed
- AngelList
- Mind the Product
- Product Manager HQ
- Venture Loop
- Crunchboard
- Product Hired
- Product Manager Crossing

Underrepresented groups:

- Elpha
- Advancing Women in Product
- Black Product Managers

Role hierarchy

1. Associate/Junior Product Manager

A junior Product Manager may be assigned to work on a small feature or minor area of a product's overall development, though they'll still receive leadership from a senior product manager.

2. Product Manager

A Product Manager will take more responsibility and enjoy greater independence in their day-to-day tasks. They'll lead product development teams' work and have a tighter grip on the specifics of proper prioritization.

3. Product Owner

A Product Owner takes responsibility for establishing, prioritizing, and overseeing the work performed by the team. They act as the client's voice and collaborate with stakeholders to keep them updated on progress (and share stakeholders' expectations/concerns with the development team). At some companies, Product Owners and Product Managers are interchangeable.

4. Senior Product Manager

A Senior Product Manager will look after a portfolio of products. Senior PMs are usually tasked with enhancing the value of existing products, too, maximizing the profitability of investments already out there on the market.

5. Lead Product Manager

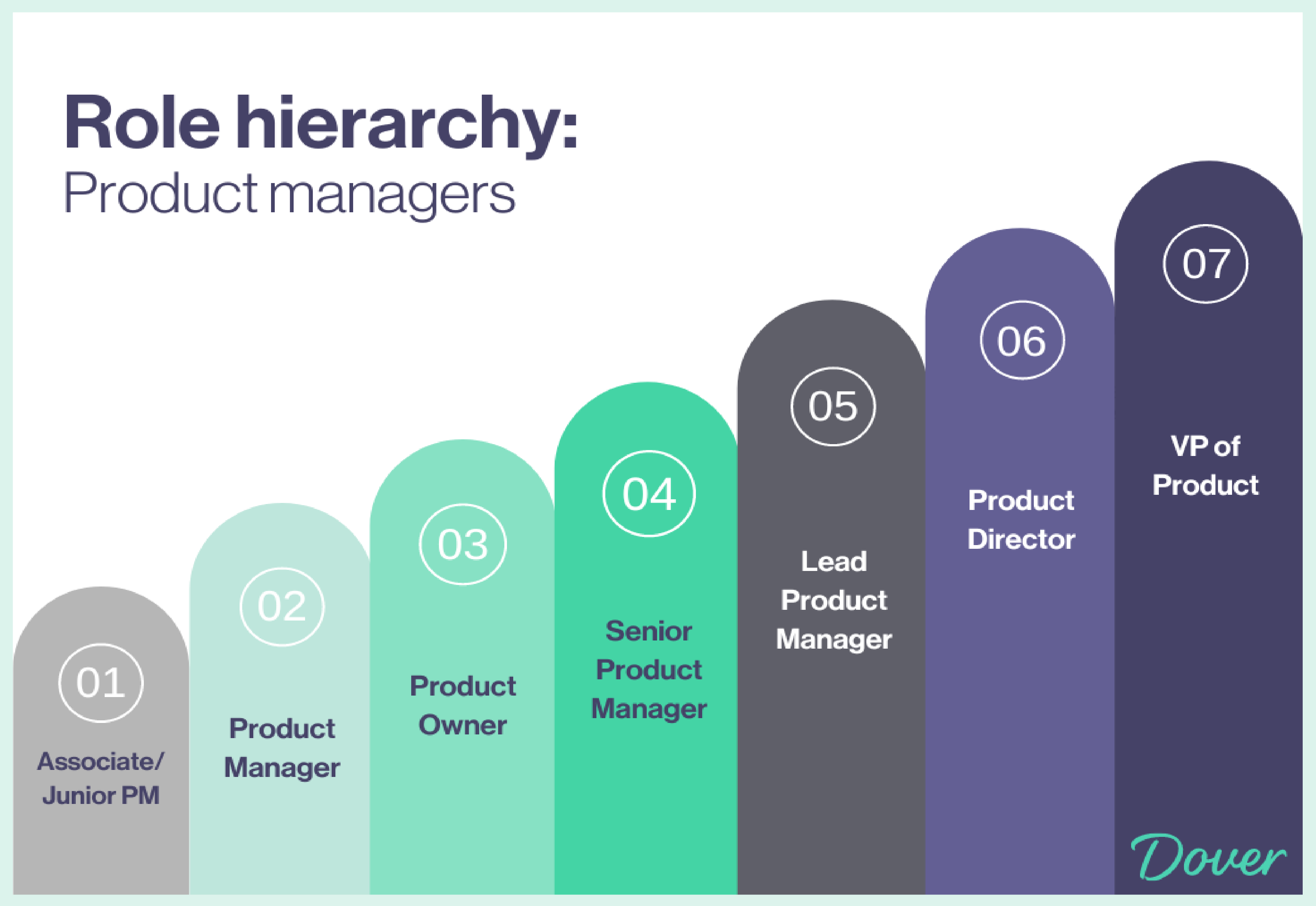
Product Leads are responsible for the creation of fresh products, working with members of the development team to push projects towards completion. They'll interact and liaise with employees across different departments such as marketing and research. Depending on the size of the company, this is also sometimes a role that is siphoned off to product marketing.

6. Product Director

Product Directors are less involved with the day-to-day tasks related to the development of products. Instead, they focus more on the overall strategy and leading product managers at lower levels.

7. VP of Product

The VP/Head of Product is a common fixture in bigger tech companies with a sizeable portfolio of products and several layers of management. In smaller businesses and startups, the Head of Product may have less experience but is still the most senior product-development expert. The Head of Product is similar to the Product Director role, with much of the work involving managing other Product Managers. They may also manage the team's overall budge.



Optimizing outreach

Focus on the you vs. the I or we.

The goal of an initial recruiting email is solely to get candidates on the phone. You'll have an opportunity to sell them on the company during the interview process. Leave your mission statement to 1-2 sentences and spend the rest of the message focusing on the role.

- How much impact will they have?
- How much autonomy and ownership do you offer?
- How big is your engineering/design team? Who will the be working with on a day-to-day basis?
- Do you have any out-of-the-box benefits?
- What are some projects they'll work on in the first six months?
- Who will they be working alongside?

"I like to think about the reward centers in the PM brain. In my experience, more than other disciplines, PMs tend to care most about impact and autonomy."

Todd Jackson,
VP of Product &
Design at Dropbox

Keep sentences short, simple and concise.

Emails are read on mobile — think of the scroll test; if they have to scroll more than twice, they're probably not reading the entire email. Get the important information in first.

Use flattery and personalization.

In the crowded tech space, catching a talented candidate's eye often requires a personalized pitch. Crafting an email subject line or LinkedIn message that references one of their unique experiences or interests will get their attention much faster than a generic recruitment message.

If you can manage to establish a personal connection with a candidate, it can really pay off in the long run. **On Dover's platform, outreach that contains a personalized sentence results in 10 to 30% more interested responses** — even if those candidates have responded as not interested to another company's outreach. And even if the individual isn't looking to change careers at that exact moment, they're likely to keep you in mind once they are ready to consider new opportunities

Have a direct CTA .

Include specifics and action steps for the candidate. Writing: "Can you hop on a call within the next few days?" is much more specific and commital than "Are you free to chat sometime soon?"

Include relevant links.

- LinkedIn profile of the person sending the email
- The job posting for the role
- Your company website
- Any relevant press (if you haven't had a write-up yet, you can also consider writing a blog post about why you started your company as something to include in outreach)

Follow up 2-3 times.

Many people may not respond to your initial reach out, especially secondary connections. In fact, **our data shows that you double your response rate by sending 2-3 follow-ups at 3 day cadence**.

Your follow-ups should be shorter than your initial outreach. It's ok to reinforce a key point, but consider introducing a new concept to avoid being too repetitive. Ideas include additional press, or employee testimonials.

30%

increase in interested responses in outreach that includes details about the candidate's interests or past roles.

Let’s take a look at an example

Subject: Launch new products at BlueVine - fintech startup with $200M raised

Hi [redacted] ,

I'm a MIT grad/engineer running a boutique search firm for software and bio startups. Your nearly 6-year tenure and rise into management at [redacted] caught my attention. I thought you might want to learn more about BlueVine or connect for a broader discussion of the market & your career goals. Plus, it's always good connecting with fellow alumni! :)

(And BTW, if you want to keep working in the city, I could see [redacted] and [redacted] also being worth discussing/having on your radar.)

BlueVine has raised nearly $200M in venture funding and made over $1B in small business loans the past 5 years. Their engineering team is based in Tel Aviv, but we're looking for a hands-on eng manager to build out a new product group in Redwood City and develop our new generation of products.

This is an opportunity to have the impact and flexibility of an early-stage startup, backed by the resources of a high-growth business. BlueVine has made a big dent in the lending world but harbors much larger abitions. It would be great to tell you more.

Feel free to put time on my calendar for an intro call. If the timing isn't right, I'm happy to circle back later or grab a coffee. Would love to see if I can be of any help.
Warm regards!

Personalization and flattery.

High-level overview of company funding, investors and customers.

Focus on impact and scope of the role.

Direct CTA — including a calendar link can double response rates.

Designing an interview loop

At a high-level, you interview process for product managers should contain the following stages:

1. Initial sell conversation

Your first intro call is an opportunity to garner interest in the role, and your company with the hopes of moving the candidate into a traditional interview process. Read more in our Selling and Closing Guide.

2. Remote screen #1

The first remote screen tends to focus on the candidate's background, experiences, and any particular personality traits you're looking to evaluate. A first-round phone screen should quickly qualify the candidate for or eliminate them from further evaluation so that no one is wasting their time.

Additionally, they can help you:

- Check for potential dealbreakers early on (e.g. availability, relocation, proficiency in your tech stack, etc.)
- Ask for clarification on information in candidates' resumes or LinkedIn profiles
- Evaluate candidates' verbal communication skills (in some cases, test candidates for their ability to speak foreign languages)
- Get to know candidates
- For passive candidates, learn about their goals and desire to switch companies

Save more in-depth skills assessments for your second screening interview.

Download our phone screen scoring rubric templates to get started.

3. Remote screen #2

This second screen tends to focus on technical or practical skills.

Our key skills section will provide you with critical skills to assess during the interview loop, including examples of strong/weak responses.

This interview is important because it's the first time you're evaluating the baseline skills required to do the job. If this interview isn't properly designed, you will end up wasting everyone's time.

3. Take home assessments and work samples

Asking candidates to do part of the job helps you see and evaluate their work. The right homework assignment or exercise can even get candidates excited about the job. Homework, in particular, can also allow them to show off what they can do without the added pressure of being in an interview. However, don't overdo it. **Choose assessments that make sense to candidates (they should be able to understand why they're doing it and how it's relevant to the job) and try to confine their work to 2 to 3 hours at most.**

4. Onsite Interview

If candidates make it to the final stage of the process, you have enough conviction that they would be able to do the job. The point of an onsite is to assess culture fit and increase the likelihood that the candidate signs.

You can read more about running an onsite interview process in this guide, but at a high level, we suggest choosing 3-4 focus areas from your hiring rubric that you care the most about for a product manager. Hiring managers should assign which question set will be covered by the interviewer during each portion.

Next: Skills and Assessments

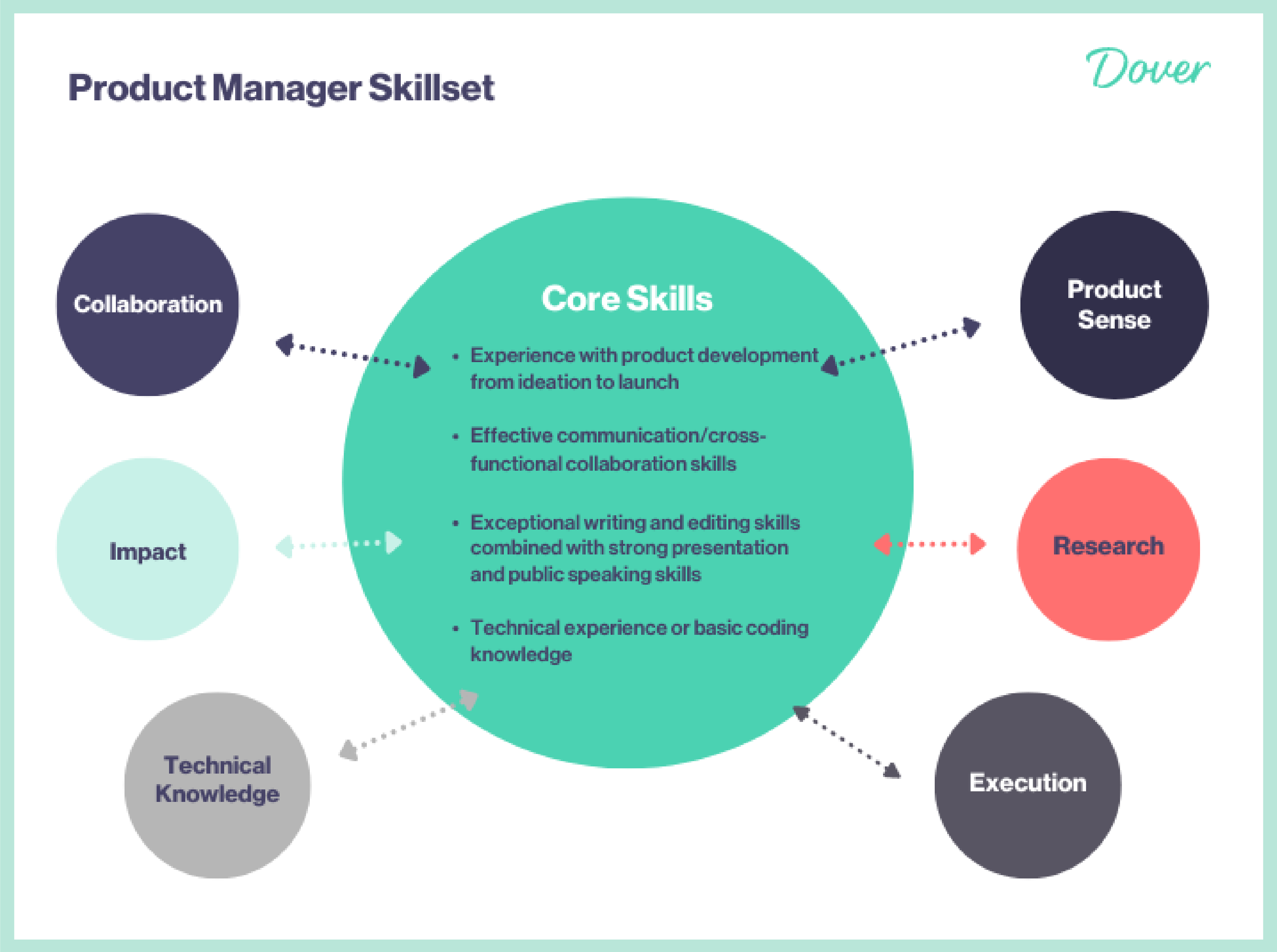
Skills and requirements

While product managers typically have engineering or product marketing backgrounds, there are a few soft skills that will require more than one interview to suss out.

That being said, at a high-level, these are the general requirements that you'll want to scan a resume for and ask about when assessing applications and conducting preliminary phone screens:

Core requirements

- Experience with product development from ideation to launch
- Effective communication/cross-functional collaboration skills
- Exceptional writing and editing skills combined with strong presentation and public speaking skills
- Technical experience or basic coding knowledge, especially if they come from an non-traditional background for PMs (like consulting).



Key skills

The following “soft” skills are essential to a product manager’s success. You’ll want to ask them in the second remote screen, as well as throughout the onsite and final interview process. We’ve provided examples of strong and weak answers as well, so you can align everyone in your interview loop.

Collaboration

A product manager will have to function as a mediator between customers, and different departments (namely engineering). Not only will they need to be good at delegating, they’ll also need to effectively compromise and argue for various improvements in the product with various stakeholders.

Pro tip: *Product designers have ascended to become the “third leg of the stool” alongside PMs and engineers. One way to evaluate design sensibility and product instincts is to include product designers in the interview loop.*

Example question: “Tell me about a time you disagreed with an engineer on your team and how you resolved it.”

- **Weak answer**: Defensiveness, or placing blame on others, the problem resulted in gridlock or deprioritization rather than compromise and solution.
- **Strong answer**: They have humility and self-awareness. They’re able to diagnose where and why they needed to compromise, and how they did so. If they end their response by saying what they learned from the situation and how they applied these lessons going forward, they’re definitely someone you’re going to want on your team.

What aspect of product management do you find the least interesting?

- **Weak answer:** If they admit they dislike admin work or the logistical process of product management, they might not be the team player you need at a smaller startup. If your product team is more developed, this can be a less important signal to prioritize.
- **Strong answer:** A good PM will understand that they have to lead from the back — those that feel administrative or logistical tasks are beneath them (in other words they think hierarchially instead of laterally), they will likely not be a team player.

Execution

It's not enough to have a PM with a vision — you need someone who is capable of execution, defining deadlines and goals, as well as success metrics. Execution entails other important qualities like time-management, effective communication, and excellent people management skills.

Pick a project you're proud of that took 3-9 months. Walk me through it from beginning to end. I'll ask questions along the way.

- **Weak answer**: They discuss broad strokes, or their overview is rambling, and difficult to follow.
- **Strong answer**: They're able to describe the product in a simple and clear way, discuss the roadblocks and hurdles along the development process (including how they solved them), as well as articulate the user need, their problem statement, and the ripple effects for future features or other buyers.

Research

Product management relies heavily on customer research to determine how you'll plan the roadmap and pivot (if needed). Having a product manager who has an innate curiosity and willingness to go to every length to make a decision is critical to their success, and your company's.

Tell me about a time you did user research on a product/feature and that research had a big impact on the product.

- **Strong answer**: Describe a highly iterated process, where they didn't stop at a "good enough" solution/answer, but dug into different channels, took risks, and consulted outside customers for testing, feedback, guidance and insights.
- **Weak answer**: Can't describe tangible impact, or described a non-iterative or less thorough example of research and experimentation.

Product sense

To put it simply, great product managers should love products. Especially as an early-stage company, product knowledge and interest is key in getting over the tough hurdles of finding product-market fit, iterating on product features, and getting different departments on board with roadmap prioritization.

How would you improve feature X in our product? Tell me about a great product you've encountered recently. Why do you like it?

- **Strong answer**: Clearly passionate about the industry, company or project. Look for specific ideas and plans for what they'd want to do and how they want to make things better. In particular, keep your eyes peeled for long-term thinking, whether it's about your company or others.
- **Weak answer**: No creative ideas, clearly didn't do their homework, or gives obvious/broad answers.

It can be difficult to judge product sense in an interview, but one way you can assess this at the end of a call is to see if any of the following are true (taken from Ken Horton's viral essay How to Hire a Product Manager):

- **Shows creativity and imagination.** If they describe a future version of a product or feature that is creative (even if it's not necessarily plausible right now), this signals that they're willing to take risks and innovate on outdated ideas.
- **Independently echoed some of your own concerns about your product** . At least some of these should be obvious to an intelligent outsider with strong product instincts. Look for that moment in the interview where you nod, and say "yeah, I know — that's been driving us crazy too."
- **Taught you something new about your product.** It could be an obvious improvement that your team has never considered, a new idea for positioning against a competitor, or a problem they encountered that needs to be addressed. If you learn something from a candidate, it tells you two things: (1) they're not afraid to speak critically, and (2) they're smart and intuitive. Two things you definitely want in a PM.

Impact

Measuring impact in previous roles is your best signal when determining the success of a PM hire. We define some things to look out for below, but generally it's important that they're able to express what they've built in the past, and how that product or feature was successful in its target market on a qualitative and quantitative basis.

What's the most important or impactful product you shipped? What made it so important or impactful? Would it have been as impactful without you, and why?

- **Strong answer**: Articulates tangible impact, including metrics, historical data, increases in product adoption, or revenue generation streams.

Bonus points if they allude to/give credit to the teammates they worked with to get the project accomplished. If a PM is using a ton of "I" or "me" statements, they might not be the best collaborator, or are poor at giving credit where credit is due.

- **Weak answer**: If they only talk about qualitative impact, or don't have a good example of product innovation, leadership, or ownership. This could signal that they're not good at working autonomously.

Technical knowledge

PMs with technical backgrounds will have more success conveying product requirements to engineers and relaying complicated details to non-technical colleagues and customers.

How would you define X to a non-technical person? or How would you describe X product to a five-year-old?

- **Strong answer**: They're able to express the features in a clear and concise way. Bonus points if they articulate what they would improve, or the ripple effects across the market/competitive landscape.
- **Weak answer**: Confusing, cursory or super technical answers, which could signal and inability to speak well to different groups with varying technical experience.

Take-home assessments

The goal of a take-home or onsite project for a PM is to get a sense of how they approach a new problem. You aren't looking at how close they get to the right answer — instead, you are looking at how they break down the problem, how they structure their solution, and how they communicate it to you. Often the discussion afterward is even more valuable than the prompt itself.

Two types of assessments

An ideal assessment for a PM is one where you ask the candidate to:

1. Evaluate an existing product
2. Design a new feature for a product

A few tips as you outline the process to the hiring team involved:

- **Ask candidates to evaluate an actual part of your product**. Not only will this give you clear insight into their product sense, it'll also help you see how passionate they are about your product/industry.
- Depending on how your company is set up (remote, hybrid, or in-person) **you'll want to have the candidate present their assignment to a panel of folks from across the organization** who will assess them on the following criteria:
  - **Ability to identify users, pain points and future buyers.**
  - **Clear communication of goals and longterm vision**, including a definition of success metrics.
  - **Prioritization of roadmaps**. Can they provide a clear roadmap for the next 3-6 months?
  - **GTM strategy**. Do they outline what markets they will first enter? Will everyone get access to our product from day one or will access be limited? How do they plan to expand to additional regions?
  - **Feedback**. PMs have to be able to handle a constant flow of hard questions. How do they deal with Q&A on the spot?

Compensation and equity

Salary

Compensation for product managers is similar to that of engineers — especially if they have coding experience. We recommend downloading our compensation guide or checking out this blog post if your startup is new to benchmarking/ researching and setting salary bands.

First, you'll want to sign up for a compensation benchmarking tool (we recommend Pave), but there are plenty of free calculators that can give you a general sense of salary data in different locations, industries, and company sizes. Regardless of which option you choose, you'll always want to cross-reference more than one tool to ensure you're making an informed decision.

At a high level, the current range for product managers in 2022 is $120-$180K dependent on experience, location, technical skills/coding knowledge, and the amount of scope they'll have within the engineering/product team.

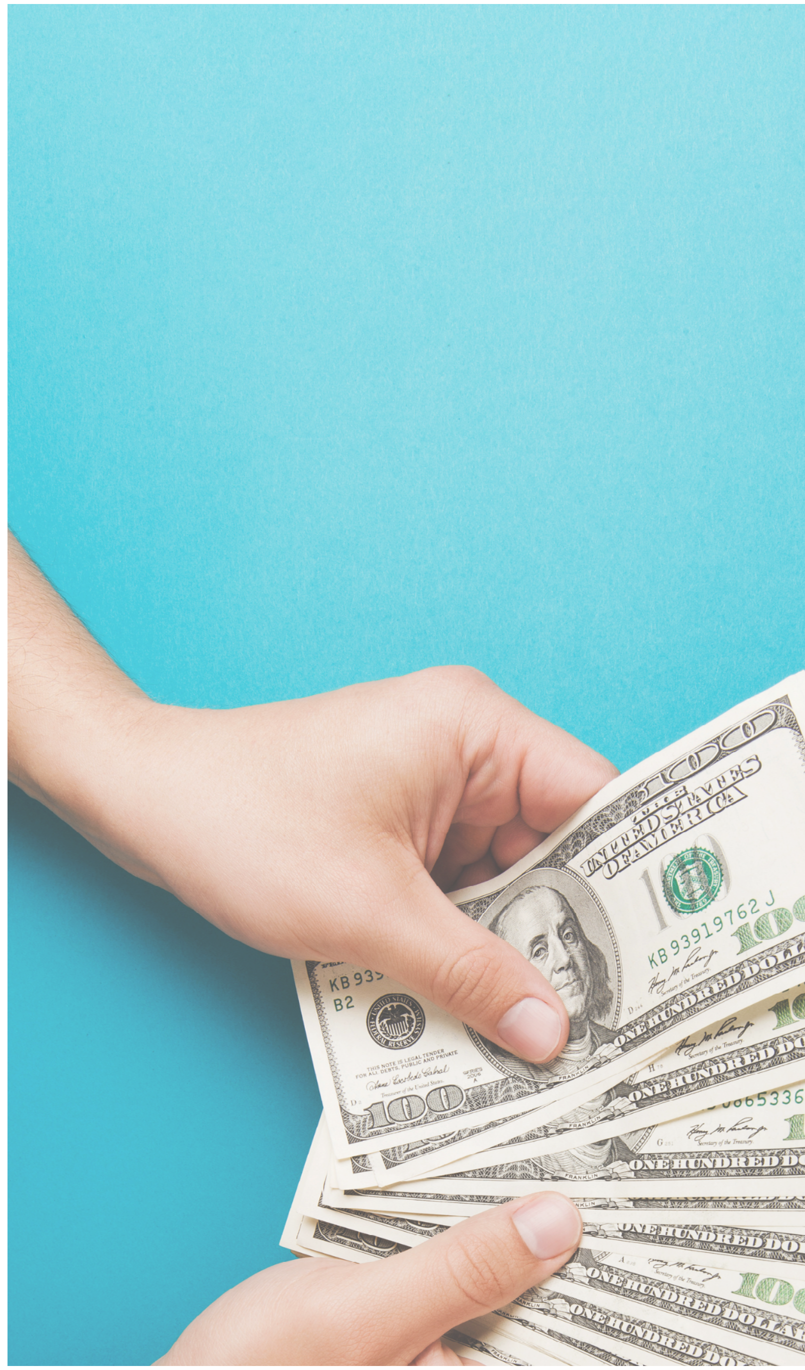
Free benchmarking tools:

- Elpha
- Topstartups.io
- AngelList
- Glassdoor

Equity

Equity for startup employees is a trickier subject to tackle than compensation. It's dependent on a number of factors, including your funding, size of company and which hire number they are (i.e. the earlier the higher, the greater their risk and the higher their equity should be.)

As a general rule, you should keep you startup and equity bands within the same percentile — for example, **if you're targeting 75th percentile for equity, and the salary for that role $155K, that would equate to 1.36% ownership in company** (for a company that has raised from $3 to $10 million). A great resource on equity compensation is the Holloway Guide to Equity Compensation. Programs like Pave or OptionImpact provide equity benchmarking alongside salary bands.



Next: More resources

Other resources

- The Power of Product Thinking: Julie Zhuo, VP of Product Design for the Facebook app wrote a blog about what qualities shape successful product thinkers
- Lenny's Newsletter: popular substack that tackles reader questions about product, growth, people management from a former PM at Airbnb
- Ultimate Startup Hiring Guide: our comprehensive guide to all things startup hiring
- How to Hire a Product Manager: Ken Norton's popular blog that defined the PM role

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Dover is an end-to-end recruiting solution that helps high-growth teams achieve their hiring goals through automation and operational excellency.

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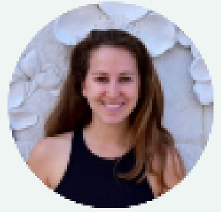
> **“Working with Dover has meant we get support on all fronts,** and from every angle of recruiting including sourcing, optimal channel usage, and interview best practices.”



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Head of People Operations
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