

Winning at Product Innovation

Tips for Accelerating Innovation Cycles and Improving Product Success Rates

June 2004

Dear Product Professional,

It is a rare company indeed that is satisfied with its ability to bring high quality, innovative products to the market on time.



Our clients' drive to "win at innovation" provides the inspiration for this newsletter. In it you will find tips and descriptions of best practices for developing products that consistently outperform the competition.

We hope you profit from this publication. Our inspiration for writing this free publication is fueled by new subscribers.

Could we ask you to forward this to one person you know who may benefit through subscribing?

Joseph Kormos, Principal, Product-MASTERS

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A Key to Improved Product Innovation Performance

AN INTEGRATED INNOVATION GAME PLAN

We've talked before in this space about building an integrated product system. The key is aligning varied elements of your product innovation strategies, principles, processes, and practices into a comprehensive system that is congruent with your business strategy.

For those looking to improve their Product Innovation system the following seven



Integrated Innovation Game Plan

layer model provides a good template.

Layer 1: Your Corporate Mission – In addition to the actual mission statement this includes your corporate values, corporate philosophy, markets served, basic business design (how you make money) and your growth strategy.

Layer 2: Product Vision – This layer describes your innovation charter & mission; innovation goals & competitive target; product boundaries (applications served/not served); key competitive assumptions; key technology assumptions; market/lifecycle assumptions & distribution assumptions.

Layer 3: Product Strategy – This layer includes your product revenue gap; signature product traits; projected R&D investment; emphasis on standard/variant /custom; focus on first vs. follower; technology strategy; price position; portfolio management targets

Layer 4: Product Plan - Cadence/release rhythm; product roadmap; product architecture; 3 year project List.

Layer 5: Product Development Strategy – Product development guiding principles & philosophy; budget profiles: New vs. current; project size targets/profiles; performance targets; alliances/outsourcing strategy; skill profile; bins/project types; target strategic competencies/ "jewels"

Layer 6: Innovation Framework – This layer includes the elements of your business that allow you to effectively execute your product plan and product development strategy. It includes your Phase-Gate Process; organizational structure; best practices; specific skills; tools/ methods; cross functional team methods; operational competencies

Layer 7: Improvement Strategy – The final layer consists of the elements of your strategy associated with improving your product innovation performance. Included are your big picture improvement goal; secondary performance/ predictive metrics; current competency gaps; improvement initiatives; improvement budget; change philosophy, communication mechanisms throughout the organization.

Define and Implement an NPD Metrics Control System in Less Time

PRODUCT INNOVATION METRICS COLLABORATIVE



Are you tired of improvement initiatives with unclear targets or results? A feeling that, compared to your brethren in manufacturing, sales and even marketing, your NPD effort lacks clear performance measures? Gathering metrics data that doesn't lead to action?

Experienced product development organizations have learned that it is virtually impossible to sustain an improvement program without a consistent core set of metrics. Unfortunately, due to the remnants of past failed attempts, the difficulty of collecting data and the lengthy time for baseline building, few companies have been successful at sustaining an effective Metrics Control System.

The Product Innovation Metrics Collaborative is attempting to change all that.

For manufacturing companies who find it challenging to maintain urgency for PD process improvement, the Product Innovation Metrics Collaborative is a select consortium of complementary, non-competitive companies that builds consensus on

how to use metrics to focus attention on critical PD waste and bottlenecks and improvement opportunities.

Unlike attending a conference or engaging a consultant, the Collaborative accelerates commitment to improvement through peer comparison and structured experience sharing among member companies.

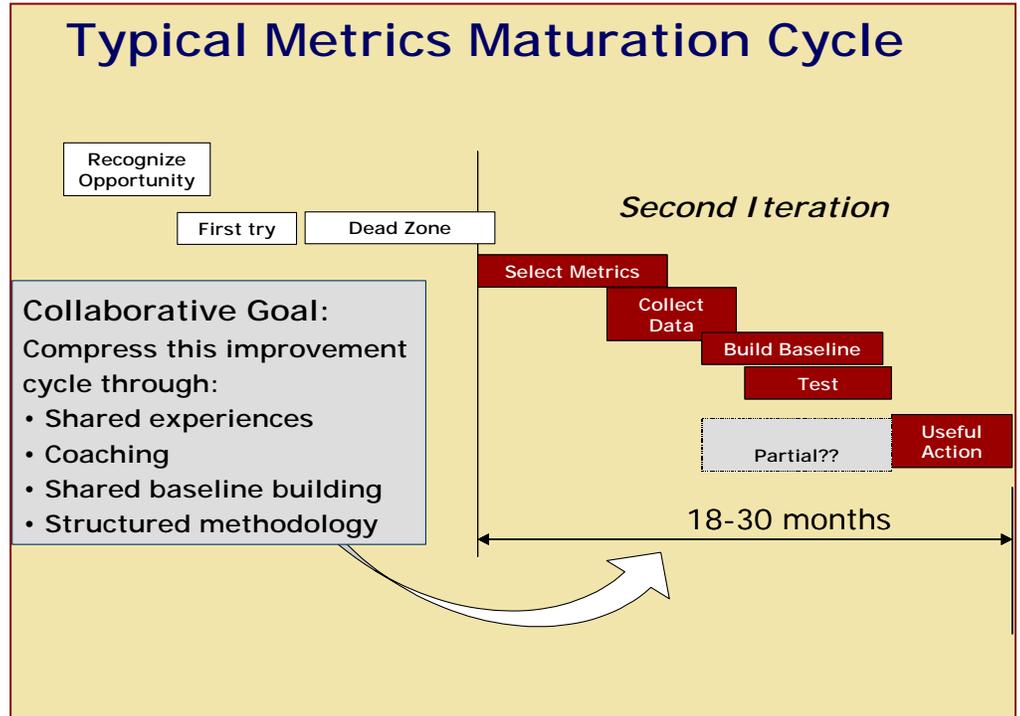
If you are a product development process manager at a large, hardware products company and...

1. have an active, mature foundation for managing new product development and innovation...

2. ...and, despite previous attempts, are not satisfied with your progress in using metrics to foster creativity, focus attention, and call the organization to action,

3. ...and value collaborating with other complementary companies who are credible peers in a structured environment to accelerate progress in defining a Product Development Metrics Scorecard...

...why not consider participating in the 5-6 similar companies in the Metrics Collaborative. For more information (description and PowerPoint presentation) [click here](#) or call 513-683-1911.



Quote of the Month...

PRODUCT INNOVATION MATURITY MODEL

Harnessing the business opportunity available from exceptional product innovation is not easy. Everybody has a different opinion on where to focus.

Quote of the Month
"We do not deal much in fact when we are contemplating ourselves." -- Mark Twain

Limited by "internal only" perspectives, innovation improvement teams have a hard time knowing what they don't know. They operate from behind a lens of unrealized biases and a partial

view. As a result they often fail to discern the systemic organizational behavioral patterns that drive weak innovation performance.

That's why at Product-MASTERS we use the Integrated Product Development Maturity Model to evaluate the strategic importance and current strength of an enterprise in over 20 key technical, customer centered and business focused product development competencies.

Based on extensive benchmarking and consulting, the Maturity Model provides a framework for:

- Comparison to others.
- Identification of weaknesses and bottlenecks.
- Strategic planning of improvement initiatives.

MATURITY STAGES

The heart of the model are the five stages of maturity for each competency.

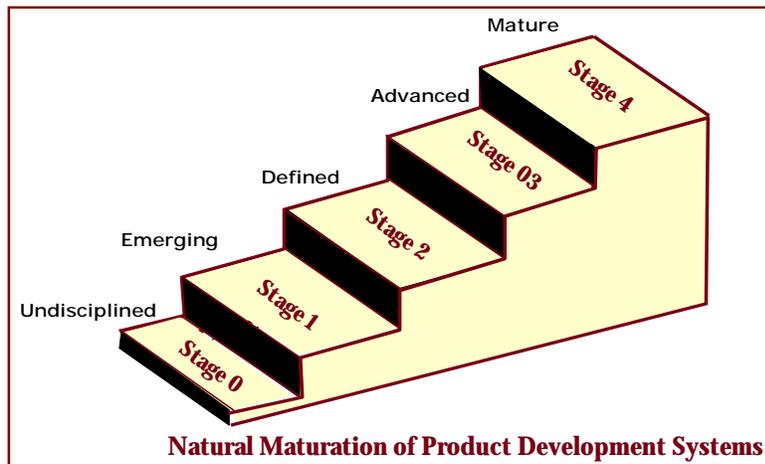
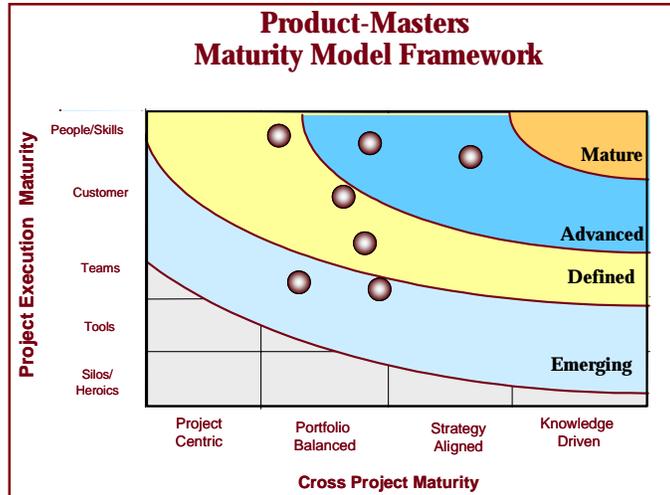
Stage 0: Undisciplined

Attitudes and behaviors found in companies which have done little or nothing to improve their product development system. Business as usual. Typified by: Fighting fires; survival; reactive; freelance; silos; heroes. The existence of many symptoms of basic pain. These companies are *unconsciously incompetent* in the competency area.

Stage 1: Emerging

Attitudes and behaviors found in companies which are becoming aware of the need to improve their approach to developing products. These behaviors acknowledge clear pain about the effectiveness of their product development methods and indicate an effort to define improvements. Awareness is building. These companies can be described as *consciously incompetent* in the competency area.

Stage 2: Defined



Attitudes and behaviors found in companies which demonstrate that clear concrete actions have been taken to make updates and improvements to their product development methods. There is a definite presence of improvement activities and some degree of order clearly exists. This maturity level exhibits a reasonably thorough approach but still leaves plenty to do. Relatively mature behaviors exist, but like the adolescent, the organization struggles to understand where, when and how to apply the new found principles. These companies are consciously semi-competent in the competency area.

Stage 3: Advanced

Attitudes and behaviors found in companies which have made significant, sustained, broad progress in a particular category in terms of improvement of product development methods. Numerous good behaviors plus effort on advanced issues. Situational fluency has developed which allows the organization to more easily make good choices about when and how to apply various practices. These companies can be described as *consciously competent* in the competency area.

Stage 4: Mature

Practices and attitudes found in companies which have an exemplary capability in a particular product development category/competency. The improvements found in the defined and advanced levels have become institutionalized and there is evidence of effectively dealing with the really tough issues associated with the category/competency. World class results and practices are evident. Because many strong effective attitudes have been 'baked in' to the organization's behavior pattern, these companies are, in some senses, *unconsciously competent*. Companies in the mature state are knowingly confident of their abilities in this area and, while they aren't perfect, they seem to know exactly what they need to do next to continually improve.

For more info on the Product-MASTERS Integrated Product Development Maturity Model follow this link.

Links

WWW.PRODUCT-MASTERS.COM

Improving Product Innovation Performance

- ▶ [Innovation Services and Workshops](#)
- ▶ [Innovation White Papers and Newsletter Articles](#)
- ▶ [Our Vision & Value Proposition](#)
- ▶ [The Product Innovation Maturity Model](#)
- ▶ [Innovation Metrics Collaborative](#)

Winning at New Product Innovation Newsletter

Monthly tips for accelerating innovation cycles and improving product success rates.

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