

Roundtable Take-A-Ways

The last Roundtable of 1996, held in December, continued the Alliance's recent focus on the "Front End" process. This Roundtable was the third in a series of Alliance events that attempted to de-mystify the early stages of product or process development. Presenters: Dr. Thaddeus Gora, from ARDEC, offered a case study of an in-process innovation: The Electric Gun. Hoechst Celanese's Dr. Greg Nelson described the formal worldwide pre-development process that the firm follows starting with idea generation activities. The final presentation by CPC's Lucy Fleming provided an overview of the new product development process for consumer foods products. Here are some key learnings based on the presentations and following discussions.

Concept Generation

An effective front end process should accommodate and, in fact, pro-actively search for new ideas from multiple sources - both internal and external to the organization. Where do the ideas come from? - market drivers, competitive intelligence, market trends, consultants, SBUs, customer needs, partnerships, literature, universities, government labs, trade journals, trade shows, etc.

To assure that the process can accommodate large numbers of new concepts, clear definitions are required of an idea, concept, product and/or process. Clear understanding of where the emphasis should be helps employees to generate ideas that are compatible with strategy and core competencies, i.e. new technology/new markets or new markets/old technologies, etc.

Evaluation

One of the main causes of product failure is poor "up-front" assessment. Some reasons for poor assessment include: insufficient evaluation, ill-defined criteria, failure to anticipate competitive response, ego over sound judgment, motives wrong or misunderstood.

The evaluation stage must have a clear set of criteria across strategic, technical, market, and financial outcomes. Preliminary assessments of a new idea should be considered around the appropriate strategic framework for the business in question. Assessments include: business definition, product definition, portfolio assessment, market/technical trends, and internal strengths and weaknesses.

When new "unproven" technologies are involved, front end processes must be flexible in order to handle the unknowns. New technologies violate conventional ways of thinking. The risks are greater and many of the supporting technologies may also be immature. New technologies need intensive sponsorship while credibility of the idea develops.

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OUTCOMES

It is important to apply a set of measures to help evaluate: a) the outcomes of the process; and b) the process itself. Measures discussed include: how many ideas are in the process, number of ideas being screened, number/mix of sources being used for new ideas, how many ideas in the pipeline at each defined stage, projected pipeline revenues, cycle time (may want to insure that the front end stages are given enough time).

Much can be learned about an organization's product development effectiveness by capturing/documenting critical events occurring throughout each development. World-Wide Project management databases, used to capture critical success factors, best practices, and organizational barriers, are one effective method to enhance learning across an organization. These databases should include information from postmortems, live projects, "killed" projects, etc.

Development teams must be required to conduct a formal post-mortem at the end of the project. This evaluative process cannot be a static exercise, but a dynamic one that provides feedback to the relevant functions for continuous improvement. A process specifying how this information is communicated and eventually incorporated into the organization should be designed.

For more information about this and future Alliance Roundtables, contact Dr. Lemuel A. Tarshis at 610-277-4805 or ltarshis@aol.com.

**Don't forget to put on your calendar
our next Roundtable on May 7th!**

**Topic: Using post-mortems to improve
your product development process.**