

NPD in the Outstanding Organization

A client recently gave me a copy of "The Outstanding Organization" by Karen Miller [ISBN 978-0-07-178237-0]. In it, Ms. Miller suggests that the root of a company's performance issues is chaos and that chaos can be minimized by addressing four factors within an organization; Clarity, Focus, Discipline and Engagement. Now, this is neither a synopsis nor a book review; I will simply suggest that you read it for yourself. However, as I read it, I could not help but reflect upon how it relates to the process of new product development.

Most people with any experience in new product development would agree that, while there may be a certain degree of chaos inherent in the process, in far too many cases there's far too much of it. Let's examine how a robust NPD process impacts the four factors delineated in the book.

Clarity. How much of your time do you spend in a typical day trying to clarify information that is unclear or incomplete? How many times have you finished a task only to learn that what the boss really wanted was not what she asked for? Lack of clarity wastes time and effort and is a major cause of frustration. An effective NPD program must start with corporate and NPD strategies that clearly define what the company is about and what kinds of products are within its target arenas. The company must assure that the process clearly defines the company's project selection criteria. That is, what information the executives require and what it takes to get approval. Before design is begun, specifications must be clear, complete and based on customer input, not supposition. Finally, roles and responsibilities of all parties must be clearly defined and universally understood.

Focus. W. A. Mozart, one of the most prolific composers of all time, said, "The shorter way to do many things is to do only one thing at a time." While few of us would take his message literally, it's clear that jumping from project to project results in an incredible waste of time as the mental transition is made and frustration as each project inches along. Far too many companies have portfolios with many more projects that can be handled effectively. A process that effectively weeds out the good projects to focus resources on the truly great ones yields results far superior to the norm.

Discipline. Some say discipline discourages innovation. Admittedly, arbitrary "red tape" is discouraging. Appropriate discipline, however, actually makes innovation more effective by directing it towards products that will be commercially successful. A disciplined system is essential for discovering the user needs that will make new products unique and successful. A well-designed process provides the efficiency needed to get the innovation done quickly and without wasted effort. A structured method for presenting information to management takes much of the work out of preparing presentations and facilitates management's decisions, further reducing frustrations for all parties. All in all, discipline that is appropriate and proportional to the risk involved will greatly improve the efficacy and efficiency of new product development.

Engagement. Fully engaged people are much more effective than those who are working only for a pay check. Ms. Miller contends that engagement of associates is greatly influenced by what she calls the "3 C's"; Connection, Control and Creativity. An effective NPD process relies on clear and widely-communicated corporate strategies. Working in such an environment, associates feel a strong connection to the strategies and to the company's success. A good NPD process gives a high degree of autonomy and control to the project teams, applying corrective stimulus only when needed. Finally, the knowledge that one has helped create an innovative new product is a powerful motivator and a reward in and of itself.

If you want to develop outstanding products, you must have, or be willing to implement, an outstanding process within an outstanding organization. Key elements are clarity of vision, unwavering focus on the few truly great opportunities, appropriate discipline and sincere engagement.

About J. H. Welsch Consulting, L.L.C.

Jack Welsch has had over 4 decades of experience in engineering and new product development at all levels and has been awarded over 35 U.S. patents. He has been directly involved with the phased and gated development process since 1979 and has spent much of his time and energy in the continuous improvement of the process. While most of his career has been spent in manufacturing companies, he has taught the business aspects of product development as an adjunct instructor, at both Lehigh and Wilkes Universities. In addition to his roles as Principal of J. H. Welsch Consulting, L.L.C., he is Chairman of Wilkes' Industrial Advisory Board.

J. H. Welsch Consulting, L.L.C. is dedicated to helping firms improve their new product development process. Learn more at www.jhwelsch.com/npd.