

# S 2 I NEWS

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*S2I News* is a bi-monthly publication of Strategies 2 Innovate. As most of our readers are enjoying the summer period, we have combined the last two editions into this single edition. We hope these articles will help you develop a clear framework useful for guiding your organization's innovation and strategy.

This new series examines the Innovation Pentagon™ framework introduced in the last series discussing challenges organizations will face over the present decade in the area of innovation.

## Strategies 2 Innovate

We work with business leaders to make their organizations thrive. Our approach is based on our Innovation Pentagon™ model. Read about us and visit our **knowledge portal** at the web address below, or call us toll-free at 1-877-978-8242.

**Sign-on** for this newsletter using the sign-on button at our web-site home page. To request our capability brochure, send an email with "send-brochure" in the subject and full contact details in the text.

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## The Innovation Pentagon™ & Product Development: Pt2

**H**ere are 7 essential components of a well designed new product development process.

### 1. Implementing a Stage Gate Process

We discussed this last issue, but implementing a variant of the stage gate method does require a significant investment in related process steps such as:

### 2. The Deliverables and Criteria for Each Gate Review

At the end of each stage in the development process you will review the progress of each new idea. What you'll need is an explicit list of deliverables and templates for each project. These deliverables will differ (become more complex) for each successive stage in the process. The templates should capture all the data and characteristics needed to make a thorough evaluation of each project at the specific stage.

### 3. The Review Process and Evaluation Tools

You'll want to have a formal review process that will define the review steps, review participants and the review outputs. The review for each stage will be different as the requirements grow. In addition to the process, you'll need to develop the evaluation tools to review each project

and compare their merits. These tools will include evaluation score charts that individual reviewers will use to evaluate the individual projects (opportunities) as well as score charts for combining the reviewers scores for multiple projects and performing the ranking and prioritization. The result will be the stop-go-hold-rework decisions on a project by project basis.

### 4. Idea Generation Process

This sounds simple but in reality requires a significant degree of structure. Because new product development success is a numbers game (only so many actually succeed), it's important to have a continual supply of fresh product ideas. These can range from product improvements, extensions, derivatives or entirely new platforms. What is needed is a way to stimulate and generate these new ideas on a regular basis. Building such a system requires careful design.

### 5. Idea Capturing and Evaluation Process

You can only allocate so much effort to new development, so you'd better make sure you've chosen the most likely winners. To do this, you'll want to create a system for evaluating and ranking those ideas and deciding the small set that you are going to investigate further.

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**LARRY VAN DEN BERGHE, Ph.D.**

Larry van den Berghe is the Founder and Principal of Strategies 2 Innovate. He has 20 years international experience in the aerospace and information and communications technology industries in England, Australia, Singapore and Canada. He has been an active manager and contributor in R&D and new product development in electronics, VLSI and software. He holds two US patents, one UK patent and has a number of publications. He is a Chartered Engineer (UK) and a Fellow of the Institute of Electrical Engineers.

Larry is also an adjunct professor for the Management of Technology @Distance graduate program at the University of Waterloo and a past faculty member with the Technical University of British Columbia. He has developed courses in new product development, strategic management of innovation and technology, entrepreneurship and knowledge management. His recent research on core competencies examined the adoption of emerging technologies for product innovation within the Canadian information and communication technology industry.

He holds a Ph.D. in Management Sciences (Management of Technology) from the University of Waterloo, an M.Sc. in Microelectronics (with Distinction) from Middlesex University, London, U.K. and a B.Appl.Sc. in Applied Physics from Curtin University, Perth, Western Australia. Larry has served as Chairman, Board of Directors and is a Competent Toastmaster/Competent Leader with the Toastmasters International organization.

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### **6. Implement a Quality Function Deployment Process**

QFD is a structured and systematic process...“to improve (reduce) product development cycle time while improving quality and delivering the product at lower costs.”<sup>63</sup> It is used to translate the “voice of the customer” into the appropriate technical requirements and actions for each stage of the product or service development and production. It is particularly useful for the early stage of development on products (or subsystems) where customer requirements are fairly well understood.

### **7. Dedicated Concurrent Product Development Teams**

You’ll definitely want to form truly multi-functional (cross-functional) dedicated product teams to develop detailed product specification in engineering language. The team comprises all the skills needed to construct the value specification, general design, detailed engineering, purchasing, tooling production planning in one room for a short period of time.

Assume the philosophy that team members actually have much broader skills than they are asked to use. They can quickly develop additional narrow skills to address specific problems so that uneven workflow can be largely corrected within the team.

Co-locate the team and include the team leader from the appropriate product family, production planner, production/tool engineer and buyer. Work to achieve a target cost based on estimated market price.

In our Sept/Oct 2005 issue, we will look at select research and development activities.

See you then!

*Larry van den Berghe*

For more information and for references to the literature as identified by superscripts notations (e.g. <sup>1</sup>) please visit our innovation strategy knowledge portal [www.strategies2innovate.com](http://www.strategies2innovate.com) and follow the links to “Knowledge References.”

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