New Product Development

A reliable stream of new products or services is essential for the vitality of any organization. To assure a *reliable* stream, you'll need a robust New Product Development (NPD) *process.* "But wait," you say, "new products are, by definition, *different*. They don't lend themselves to the constraints of a process." So yes, the process must encourage innovation and differentness, but experience has shown that without a solid NPD process, you have three major problems:

❖ Development times are way too slow.

❖ You'll have too much chaos in your engineering group. Inventing new products is, by its very nature, chaotic and unpredictable. That's a *good* thing. But too much chaos is damaging.

❖ You get caught at the end of the cycle with a fatal problem that you could have caught earlier with a good checklist. You have to start over.

Four aspects of a typical NPD Process, from 50,000 feet:

Phases

Each phase has a different *objective* and a different *feeling tone*. An example of a simple NPD process with three major phases:

Phase Exit Criteria

These are written lists of the completion requirements for each phase. For example, to exit the Investigation Phase you might require

❖ A project schedule with a Gantt Chart

❖ A specification sheet approved by the Marketing Department

❖ A target price for the new offering

❖ A working prototype, also called proof of concept, that passes certain critical tests

❖ ...there might be a dozen or two more items like these.

The beauty of these criteria is that they provide marching orders for your development team. Absent exit criteria, experience shows a lot of wandering around!

Project Management (PM)

An absolute must for NPD. Classical "Waterfall" PM works great for most hardware and service situations, and Agile PM (sometimes called Scrum) for purely software situations.

Oversight

For example, a quarterly top-level meeting to review progress on all your NPD projects, shift resources around as needed, and evaluate new ideas that might turn into NPD projects.

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