



Mark A. Hart

Highlights from PDMA's 33rd International Conference in 2009

New ideas and trends emerge on NPD and commercial success

Mark A. Hart, NPDP, OpLaunch (mark.hart@oplaunch.com)

The 2009 conference explored multiple paths to future success in product development. Participants had an opportunity to explore fundamentals, best practices, new trends and techniques, and case studies. Plus, experts mixed with experienced practitioners and those just entering or starting to climb up in the profession.

PDMA's 33rd Annual International Conference convened in a world of constant sunshine at the Disneyland Hotel in Anaheim, Calif. The theme of the conference was "Gaining Traction for What's Ahead: Achieving Product Development Outcomes for Commercial Success."

Practitioners and professors interacted with experts, information seekers, and vendors from 23 countries. The conference provided multiple perspectives on product development and showcased both legacy and emerging ideas. Some came for inspiration. Others came to prepare for new responsibilities in product development. The event included:

- A Research Forum, Oct. 31–Nov. 1
- A Meeting of PDMA Chapter Presidents, Oct. 31
- A Global Leadership Forum (for PDMA Affiliate representatives) Oct. 31–Nov. 1
- Pre-conference workshops, Nov. 2
- The Main Conference, Nov. 2–4

“The conference provided multiple perspectives on product development and showcased both legacy and emerging ideas.”

The exhilarating main conference included keynote presentations, three tracks, roundtable sessions, exhibits, and a Technology Showcase. It opened Monday evening with the story of how one company transformed its culture.

A journey to a successful innovation process and culture

Ken James, Opening Keynote, Monday evening

At GlaxoSmithKline (GSK), an R&D turnaround began in 2006. At that time, GSK had old and famous brands but the aspiration was to "Double the sales from innovation." According to Ken James, Senior Vice President, Consumer Healthcare, his company's journey to a successful innovation process and culture included a four-point strategy:

- To change the culture, they embraced open innovation and provided incentives (such as special events, bonuses, and awards) for innovation.
- To leverage the science, they encouraged better communications between scientists and marketing experts. They increased communications with experts, shoppers, and consumers.
- To structure a sustainable, high-value pipeline, they combined customer insights and superior science to validate the product

concepts and claims before global launches.

- To improve cooperation between functional groups, they built hubs around their brands.

According to James, hubs have increased access to colleagues and improved access to decision makers. Instead of specialists in cubicles in different parts of the building, the hub model (co-located, cross-functional groups known internally as a kitchen table model) facilitates diverse interactions. Consumer healthcare sales have experienced steady and respectable growth since 2006. GSK's sales performance is better than the competition.

Formula for a great product

Guy Kawasaki, Keynote, Tuesday morning

Guy Kawasaki delivered his motivational presentation, "The Art of Innovation." Citing 10 familiar concepts, Kawasaki, a venture capitalist and former Apple evangelist, contributed what became the most quoted keynote address of the conference. Consistent with his endorsement of self-actualization, Kawasaki addressed the question of how to become an evangelist for your company or product. He stated, "If you need an evangelist, appoint yourself. If you have to ask for permission, your logic may be flawed."

To keep new product development teams on track, he advocated the creation of a mantra—two or three words that explain why your product exists. Such an inwardly focused *raison d'être* keeps the team focused.

He believes that the perspective of an innovator should not be to commercialize a product that is just better, faster, or cheaper by 10 percent. His formula for a great product is contained in the DICEE acronym.

- **Deep.** Products should contain a depth of functionality to serve the needs of novices and frequent users.
- **Intelligent.** Your product should make life easier for your customers.
- **Complete.** Provide holistic solutions that address the totality of the user experience.
- **Elegant.** Your product should provide hassle-free benefits.
- **Emotive.** An innovative product should generate strong emotions.

Kawasaki has observed that unexpected people may buy your product and use it in unexpected ways. He encouraged development teams to listen more to the people who have purchased your product than to those who have not purchased it because of a perceived shortcoming. He told a story from the early days of the Apple II. The presumption was that the computer would be purchased because of

spreadsheet-related functionality from Lotus. Instead, the growth was related to desktop publishing from Aldus PageMaker.

In closing, Kawasaki shared insights about obstructionists. In his experience, “Rich and famous doesn’t parse to smart.” Now, he is looking for innovators who will develop products and companies that will subsume the current market leaders.

Characterizing innovation leaders

Jean-Philippe Deschamps, Keynote, Tuesday morning

Jean-Philippe Deschamps, author of the 2008 book *Innovation Leaders: How Senior Executives Stimulate, Steer, and Sustain Innovation* explored the “Strategy & Planning” and “People, Teams & Culture” areas of the PDMA Body of Knowledge. Deschamps, an Emeritus Professor of Technology and Innovation Management at the Harvard Business School, believes there should be innovation leaders within all levels of the company. He noted, “There is a difference between the innovation leaders and the innovators.” Innovation leaders can be technical champions, business champions, or executive champions

Deschamps characterized an executive champion as someone who “supports those that follow the dream.” This type of innovation leader is “a mix of emotion and realism.” Innovation leaders

have a talent for building and steering virtuoso teams and a knack for attracting and retaining innovators. In protection mode, they encourage, shield, and support.

He has observed that innovation leaders don’t just start projects. They

have a tacit knowledge of potential value creation and the courage to stop projects. They have an acceptance of risk and failure. They help innovators recover from failure and learn from mistakes.

Leaders define a sense of purpose, direction, and focus. Deschamps has found that “innovation leaders have a passion for their mission for innovation and an ardor for sharing their passion with their staff.” They build alignment and get commitments.

Change the culture, change the products

Letitia Webster, Keynote, Wednesday morning

According to Letitia Webster, Director of Corporate Sustainability at The North Face, the culture of the company changed when they transitioned from framing themselves as a supplier to an advocate of exploration. This change of perspective started a virtuous cycle of innovation.

Instead of an organization structure that reflected internal product categories, The North Face is centered on customer-related passions such as outdoor, performance, and action sports. This change has increased communications between diverse teams and it has led to innovative new products. This change supports employees that are characterized as gear heads and those that are entrepreneurs. It improves congruency between vision and programs.

To push the boundaries of how products are made, The North Face welcomes ideas about sustainability. Webster, quoting Peter Drucker, remarked, “Every single pressing social and global issue of our day is a business opportunity in disguise” when she transitioned to macro trends such as climate change. They strive to incorporate more recycled materials in new products. They design

“Kawasaki has observed that unexpected people may buy your product and use it in unexpected ways.”

Keynote Speakers



Jean-Philippe Deschamps shares insights on how senior executives stimulate, steer, and sustain innovation.



Guy Kawasaki delivers a motivation keynote address, which includes the advice “Let a hundred flowers blossom.”



David Merrill describes how Sift-ables empower people to interact with information and media in physical, natural ways. In this example, assembling a sequence of integers and mathematical operators solves the equation.

for deconstruction while offering products at price parity.

The North Face embraces the general objective of resource productivity specified in the Bluesign® standard for the textile production chain. This supports The North Face pledge “to advance the well-being of the planet, its citizens, and those who enjoy exploring it.”

Integrating a product with a user experience

Joe Inzerillo, Keynote, Wednesday

Joe Inzerillo, Senior VP Multimedia and Distribution, Major League Baseball, described how his group’s efforts bring new fans to the sport. During his presentation, “Driving the Probability

Royal DSM N.V. and Premiere Global Win 2009 Outstanding Corporate Innovator Awards

Two companies received PDMA's Outstanding Corporate Innovator (OCI) Awards as recognition of their ability to create and capture value through product and service innovation in new product development.

Royal DSM N.V. (www.dsm.com) received the OCI Award based on its strategic commitment to open innovation as a fundamental corporate strategy and source of competitive advantage, as well as its highly successful market-driven innovation organization, processes, and culture. Its tagline "Innovation is in our genes," reflects the organization's total commitment to innovation.

Rob van Leen, Chief Innovation Officer, accepted the award on behalf of DSM. In his presentation, "Strategic Commitment to open innovation at DSM," he quipped, "We sell powder in big bags. We are not savvy in commercialization and launch skills." DSM uses a Business Incubator within the Innovation Center to support open innovation. DSM uses venturing, licensing, acquisitions, and minority investments to speed development and time to market. Instead of a closed strategy of "Not Invented Here," they like to use the expression "Proudly Found Elsewhere"

In the past five years, Premiere Global (www.pgi.com) demonstrated success in driving growth by using new product innovation to fun-

damentally transform and rebrand the company. They have applied state of the art NPD processes and techniques in their pursuit of excellence to achieve success in a services market.

In his presentation, Peter J. Stewart, Group VP, Product Innovation and Management recalled that in 2003 PGI was "a company in crisis."

PGI had become a fast follower rather than an innovator. They had closed platforms. They had disjointed NPD processes. Now they embrace Customer Experience 2.0. Open platforms enable rapid prototyping. They are Agile. Their new product development process embraces an entrepreneurial culture. They embrace just-enough-process and just-enough documentation.

Corning, a 2008 recipient of an OCI award, hosted a dinner celebration. Corning's representative for the evening was Bruce Kirk, Director of Corporate Innovation Effective-

ness. Kirk recalled that the preparation for the rigorous review process had an unexpected benefit. As they prepared for the visit from the OCI committee's representatives, they introspectively examined their process and approach to access their progress over the last five or six years.



OCI Awards dinner celebration. Left to right: Rob van Leen of DSM, Stan Jankowski of N.O.V.A. Consulting, Peter J. Stewart of PGI, Bruce Kirk of Corning, and Sally E. Kay of Strategic Product Development. Jankowski and Kay co-chaired the OCI Awards committee.

of Success: Lessons Learned from MLB Advanced Media," he quickly dispatched technical and business issues such as compelling HD video and content distribution partners to share valuable insights on how decisions were made. His advice included:

- Constantly innovate. Introduce a lot of new features. If customers feel that they are getting improvements, they will forgive a small glitch.
- Embrace Agile principles. At MLB there is a product release every week. This facilitates course corrections. Managers must be more technical to integrate with the development sprints.
- Innovate with a purpose. Know why you are doing things. For example, don't implement a social media tool like Twitter just because you want it.
- Minimize wasted resources. Consider integrating the capabilities of other tools. For example, integrating Twitter had the benefit of pulling in existing conversations. By integrating this already present capability, development tasks were minimized and the team was available to implement other new features.
- Focus on operations as much as development. Ensure that your systems receive the proper attention so that the user experience is not jeopardized.
- Listen to your customers. Monitor the blogs. Let some customers preview your beta versions. Learn from the feedback.
- Ensure that your development team is having fun and your customers will too!

- Provide the appropriate user experience to your constituents. Create personas for both the fans who love statistics and those who want to have a beer and enjoy the game.

Tangible interfaces and sensor networks

David Merrill, Siftables

David Merrill presented Siftables in the "The Capabilities of Intelligent Devices: A New Paradigm for Human Computer Interaction" presentation. Siftables is "a distributed gestural user interface that couples interaction affordances of tangible user interfaces (TUIs) with some functional capabilities of a sensor network." These devices form sensor networks using motion/tilt sensing and wireless communication capabilities. Novel interactions such as pouring are possible.

In addition to his presentation in the main hall, Merrill participated in the Technology Showcase in the exhibit hall.

David Merrill and Jeevan Kalanithi created Siftables at the MIT Media Lab.

More opportunities to interact

The three tracks provided additional opportunities for networking and personalized learning.

Track 1—NPD DNA sessions addressed topics such as unlocking the potential of your team, metrics, collaboration, business decisions, global perspectives, and flexibility in the workplace.

Track 2—Turbo Charging for Commercial Success focused on

topics such as sustainability, overcoming obstacles, competitive advantage, and diversity. *Track 3—The Next Generation* included discussion on analytics, leveraging external resources, trends in funding, evolving brands, and open innovation.

The “The Future of Consumer Research and Innovation in a Fast-Paced Global Market” presentation by Nir Bar-Lev, Head of Analysis Products, EMEA at Google, and Brad White, COO at (r)evolution provided anecdotes about Google’s approach to product development:

- Think big.
- Speed matters. Find ways to get results faster.
- Focus on the user.
- Don’t worry about monetization, learn what it takes to make a great product.
- Launch early and often. Make full use of analytics to gain insights from actual transactions.

The guru roundtables attracted people who wanted dialog. They were designed to allow 10 to 12 people to discuss topics that included TRIZ, emerging NPD models, NPD trends, the impacts of process and culture, and the role of marketing.

The Technology Showcase was designed to create an on-site marketplace for new and exciting ideas. It provided opportunities to interact with entrepreneurs such as Lydia Carson, CEO of Balm Innovations. Carson explained that her involvement

with Omnibalm® started with an entry in a business plan competition. She interacted with Bill Gurley, Ph.D., at the University of Arkansas, the inventor of a tea tree oil product 20 years earlier. She explored potential new uses for

the product. She progressed to investigating perceptions about the packaging and messaging. Now she is focused on marketing and pricing issues.

In the Track 3 presentation, “Innovating the Customer Experience: A New Paradigm for Creating Market-Winning New Products,” attendees had the opportunity to learn more about the Green Works® story that appeared in the March 2009 issue of *Visions* (<http://www.visions-digital.com/visions/200903/?pg=10>). David Pilosof, R&D Director, The Clorox Company, examined the components that would produce a successful, natural product. The Green Works team found that they needed to offer more than fully biodegradable, non-toxic products in 100 percent recyclable plastic bottles. Because there was a public perception that green cleaning products may not perform as well as traditional products. He concluded, “When products have no negative effect on the environment, customers expect no compromise in product performance, no extra cost, and no additional complexity.”

Best of *Visions* award

Claire-Juliette Beale’s article, “How Online Communities Are Changing the NPD Landscape—An Introduction to the Value of This New Tool” won the Best of *Visions* 2008 award.

(See <http://www.visions-digital.com/visions/200812/?pg=14>)

Greg Githens was recognized for his contribution of 30 articles to *Visions*.

Raya Irfan Sabir, who is associated with Wuhan University, was recognized for his series of articles on innovation in industry in China, including astute reporting on domestic car manufacturing.

Skills building, pre-conference workshops

The pre-conference NPD basics workshop was lead by Robin Karol and Beebe Nelson, the co-authors of the book *New Product Development for Dummies*. PDMA Foundation leaders presented The Comparative Performance Assessment Study (CPAS). In cooperation with the Industrial Designers Society of America (ISDA), the “Finding the Collective Brilliance Through Product Design and Integration” workshop promoted the importance of design thinking. Other workshops explored NPDP Certification, Resource Planning, Lean Product Development, Strategy/Planning, and People/Teams/Culture topics

Research Forum

The Research Forum provided an environment for a discourse on innovation research. The Research Forum, co-chaired by professors Nukhet Harmancioglu of Koc University and Gerard J. Tellis of the University of Southern California, included sessions on:

- Designing Concepts From Online Chatter and Other Environments
- Serial and Breakthrough Innovations and Teams
- New Frontiers in Methods for Innovation
- NPD Process and Success
- Networks and Acquisitions
- Origin, Creativity, and Design
- Learning, Integration, and Management of the Market Side of Innovation
- Innovation in High-Velocity Products
- Innovations Through Alliances
- New Service Innovation

In addition, the Doctoral Dissertation Competition recognized “Essays on the Impact of New Product Introductions on Market Dynamics” by Vijay Hariharan from State University of New York at Buffalo as the overall award winner.

“More to Form Than Meets the Eye? The Impact of Form and Functional Design on Evaluations of New Products” by Sangwon Lee, from the University of Central Florida received honorable mention. “Antecedents and Outcomes of New Platform Product Design” by Ellen Thomas of Temple University and “The Incumbent’s Exploration Performance” by Heidi Bertels of the Stevens Institute of Technology were recognized as finalists.



Claire-Juliette Beale and the Best of *Visions* 2008 award for her article “How Online Communities Are Changing the NPD Landscape.”

“Every single pressing social and global issue of our day is a business opportunity in disguise.”

Inspirations and perspectives

Two of the most cited benefits for attending the 2009 International Conference were the “exposure to new, diverse ideas” and “networking opportunities.” As both a presenter and attendee, Bar-Lev summarized his experience by stating, “This conference provided a fresh look and a wide perspective on product management as a profession. I attended the conference because it is important to engage with partners, customers, and competitors.”

Networking at the 2009 conference went beyond scouting career opportunities and reconnecting with colleagues. The environment facilitated making connections across disciplines.

Financial specialists interacted with marketing experts. Business administrators exchanged ideas with business designers. Critical thinkers with analytical skills encountered those who favor abductive reasoning.

Attending the conference helped product providers gauge the impact of their contributions. Bar-Lev added, “Attending this type of conference has been a great opportunity to hear and to understand new perspectives of Google’s products. It reminds me of the magnitude of our impact as a company. Events like these inspire our development teams to make sure that we provide the best products to our diverse audience.” ■

PDMA’s 1st Global Leadership Forum Sparkles with Energy and Ideas — Affiliate Representatives Share Information and Discuss Opportunities

What do a French executive, a New Zealand professor, a Mexican market intelligence manager, and a Korean consultant hold in common? They each lead one of PDMA’s 16 affiliates in their own countries.

Twelve of these NPD experts and affiliate members—including some of the presidents—met together for the first time at PDMA’s first Global Leadership Forum (GLF) held November 1–2, 2009, in Anaheim, Calif. The two-day Forum preceded PDMA’s Annual International Conference and included presentations from PDMA officers, country (or region) reports from the affiliate representatives, and heated discussions about how to structure each affiliate and move ahead—keeping them connected to PDMA and each other.

“While it was clear that these leaders face many different cultural challenges in different regions, they also discovered that they had many things in common,” noted Christina Hepner Brodie (cbrodie@prtm.com), PDMA’s VP-International Affiliates, who organized and led the forum. “The leaders agreed that they experience similar organizational dynamics and challenges, and that many of these are similar to what the PDMA chapter leaders face in the U.S. So they welcomed an opportunity to discuss these issues together and come up with some creative solutions.”

PDMA Affiliate Attendees

PDMA Australia—Alex Crossley

PDMA Central America—Veronica Medina Orellana

CPIM PDMA (CHINA)—Joyce Zhu

PDMA E.V.—Peter Harland
(Austria, Germany Liechtenstein & Switzerland)

PDMA France—Anne-Christine Ayed

PDMA India—Kannan Venkataraman

PDMA Israel—Osnat Niv-Assa

PDMA Korea—Chang K. Cho

PDMA Mexico—Oscar Acuna

PDMA New Zealand—Allan Anderson

PDMA SE—Paolo Zanenga (Southern Europe)

PDMA Singapore—Desai Narashimhalu



PDMA affiliates representatives stop for a minute to pose with PDMA HQ staff and Christina Hepner Brodie, PDMA VP International Affiliates (far left) during PDMA’s 1st Global Leadership Forum.

Abbie Griffin Receives PDMA's Crawford Award



Thomas P. Hustad presents the Crawford Fellow of Product Innovation award to Abbie Griffin.

Abbie Griffin, the Royal L. Garff Presidential Chair in Marketing at the David Eccles School of Business at the University of Utah became the fourth recipient of Crawford Fellow of Product Innovation award.

This award is named in recognition of PDMA's founding president, C. Merle Crawford from The University of Michigan. It was created on August 16, 1991, by unanimous vote of PDMA's Board of Directors. The award is given to individuals who make "superior and unique contributions to advance the state of professionalism in the field of new products management through direct contributions of knowledge, service, practice, and stature in the field." Crawford was the first recipient of this highly selective honor in 1991. Thomas P. Hustad and Robert G Cooper followed in 1993 and 1998.

Hustad presented this award during the academic forums and again at a main session of PDMA's 33rd Annual International Conference. The award consists of an engraved plaque accompanied by an art glass sculpture in the form of a Möbius Loop. The loop represents the creative spirit of innovation by portraying a unique shape created from a twisted strand where the inside surface becomes the outside surface, seemingly challenging conventional constraints without end.

Griffin attended her first PDMA meeting in 1989, shortly after completing her doctoral studies at MIT. Hustad appointed her to the editorial board of *The Journal of Product Innovation Management* in 1990. She also became a reviewer for the PDMA conference that year. Her first formal duties with PDMA's Board were as VP Research (1992 and 1993), Treasurer (1994-98) and Director (1994 and 1998-2003). In addition, she volunteered to be the principal researcher for PDMA's 2nd comprehensive best practices survey, building

on work by Al Page. She published her first article in JPIM in 1993, followed by more than one article per year from that point until the present time where she was either sole author or co-author. Hustad asked her to be the co-editor for a special issue of JPIM on the subject of Really New Products, which was published in 1998. Hustad arranged that this issue be co-sponsored by the Marketing Science Institute. That led to her becoming JPIM's editor for six years (1998-2003). She is also the co-editor of PDMA Handbooks and Toolbooks and many other publications that contribute to advances in our professional practices. She has led several PDMA task forces, chaired our Research Forum, developed a PDMA research policy, championed our doctoral dissertation awards program and contributed in many other significant capacities in each of the past of 21 years of being an active member of PDMA.

Beyond those specifics, Griffin has notable influence on the professional practices in product innovation. If you think about metrics for measuring performance or how to define new product success or failure, if you listen to the voice of the customer, if you employ Quality Function Deployment approaches, if you worry about how to sustain innovation performance over time, if you work to reduce cycle time, if you strive to adopt best practices, plan to create effective approaches to product launch, if you try improve the relationship between marketing and R&D and if you endeavor to understand the drivers of product success, then you have been touched by Griffin's original work.

— Tom Hustad (hustad@indiana.edu) 

A video from the presentation is available at:
<http://www.youtube.com/watch?v=BKIh5ppBAKk>