

# Market Driven Product Development

By Max R. Davis

Product innovation and development is the soul of an enterprise's success; the fluidity with which this business process is performed ultimately determines profit margin, share of market, and long-term business success. Product innovation includes new product development delivery cycle time and time to market, both of which are key differentiators in determining a company's competitive advantage.

Trying economic times, like those faced today, pose undue risks to new and current product innovation processes; the margin for error becomes even smaller than it is during the best of times. While some companies pull back from product innovation during downswings in the economy, it is the winning companies that have a long-term vision and product development process in place that allows product innovation to continue unabated regardless of the economic environment. A good product development process assists management in sorting through options and assessing risk. The resulting products or offerings are commercially viable with strong consumer or user appeal. They support the company's business plan and present manageable risks to the ongoing business, while simultaneously possessing strong upside potential. A product in our terminology can also be a service offering as well. The development processes may have unique aspects vs. a physical product, but the same result expectations and process rigor apply.

## The Boulder Group's Market Driven Product Development Solution

Our unique approach ensures that The Boulder Group clients have visibility into their product innovation and development process. Through applying our life-cycle methodology, The Boulder Group empowers clients to build an infrastructure chartered to listen, respond, and anticipate the ever-changing preferences of the market. Our product innovation methodology teaches sales,

marketing, applications, field service, customer service, engineering, and other support groups how to ask strategic questions about customer trends and listen objectively to the customer's answers.

## What is Market Driven Product Development?

A Market Driven Product Development Process is a fact- and metric-based methodology designed to clarify and define not only the front-end but also integrate the product readiness and launch processes. Unlike other methodologies, The Boulder Group's customer-centric approach provides a road map that not only bridges the enormous gap between theory and practice but also begins at the logical starting point: the customer. Using this approach to understand the voice of the customer, you probe the customer's beliefs, desires, and environment and use the results to answer the key product development questions:

- What are the meaningful customer/market requirements for a new or enhanced product?
- Which customer requirement will the product development effort target to create competitive differentiation in the market?
- What tradeoffs can be made and how will these affect the product?
- Which product features represent value for customers and which exceed customer expectations?
- What are critical customer and market timing requirements?
- What is the competitive landscape?
- How much will it cost to build this product; what is the value to the market place?

The Boulder Group's Market Driven Product Development Process identifies customers' value-based needs and turns those needs (expressed as customer requirements) into successful products. It provides an integrated set of processes, productivity tools, and organizational strategies that can lead to generating successful momentum throughout all phases of the development lifecycle, including:

- Generating unambiguous customer requirements facilitated by metrics
- Laying a solid foundation of high-quality insights, ideas, and pipelines

- Commercializing those innovations into viable businesses
- Removing complexities, waste, and delays
- Clearly defining the product as well as development front end process steps
- Integrating a structured methodology to seamlessly manage the product development front end through to the launch and production processes
- Implementing a methodology for building consensus and buy-in from team members
- Defining process by which to develop innovative solutions
- A systematic approach to assigning priorities
- A product development process that everyone in the company can use
- Executing consistently over time
- Assisting in identifying where to invest development dollars

At The Boulder Group, we provide you with a product development and delivery solution focused on improving these foundational processes:

- The Customer-centric Front End process provides a road map that not only bridges the enormous gap between theory and practice but also begins at the logical starting point, the customer.
- The Portfolio Management process ensures that the innovation team selects products for development that align with corporate strategy. In addition, the Phase Review process ensures that the company stays on course and responds appropriately to changes in market conditions.
- The Project Management process minimizes product development time, enabling earlier market entry and longer product life cycles.
- The Resource Management process optimizes resource allocation, maximizing utilization and productivity, freeing up capacity to develop additional new products which results in increased revenue and profit.

## How The Boulder Group Can Help

The Boulder Group partners have more than 40 years of consulting experience in assessing and developing process improvement methods systematically implemented across our clients' businesses.

## Breakthrough Performance

How you approach product development can determine whether you create money-making products that delight customers or products that provide no value to customers and contribute nothing to (or actually hurt) profitability. Whether you end up with a winner or a dud depends on how successfully you address the critical factors from product definition through placing the product in customer's hands. You'll not only develop a deep understanding of your customer's beliefs, desires, and environment, you'll apply the data you gather to answer the trickiest product development questions, reduce development times, manage critical resources, and produce products that satisfy the market and customers' needs.

Applying The Boulder Group's Market Driven Product Development Process helps you avoid unnecessarily changing product requirements (often known as *creeping elegance* or *feature creep*). We place the data collection, processing and analysis work in the hands of a cross-functional team to improve the clarity of requirements and enhance the credibility of solutions. The process also creates a validated framework that invites buy-in by key participants in the product development process.

## The Boulder Group

Our product development process transforms a company's process, allowing for all products to be thoroughly analyzed and enabling associated processes to be simultaneously launched with optimal customer satisfaction.

Clients using this market driven approach have reported:

- Significantly lower levels of misdirected effort
- Fewer product specification changes
- Higher degrees of design problem resolutions
- A deeper understanding of customer requirements
- 40 percent decrease in time-to-market compared to others not employing this market-oriented approach

The Boulder Group will help your company align a new product's strategic intent, coordinate and execute functional handoffs, and track transparent and measurable processes to ensure that product launches are successful and worry-free.



## Product Development

Implementing the The Boulder Group's product development solution helps companies create the right innovative foundation, convert ideas into viable business opportunities, and consistently execute.

The Boulder Group will:

- **Standardize the innovation and development process end to end**
- **Define processes**, by utilizing state-of-the-art collaboration, portfolio optimization, metric **dashboards, and project portfolio management tools**
- **Streamline your development process**, providing you with visibility into the pipeline. You will be able to manage scarce resources and systemize project management more effectively, identifying potential resource bottlenecks before they occur
- **Build your development platform**, engaging the entire organization in the process and building skills that support innovation
- **Enable real-time training and mentoring**, innovation learning, and the ability to connect experts to each other whether they are internal or external to the organization
- Expand innovation through the entire enterprise by utilizing social networking and other **advanced technologies** such as crowd sourcing and project portfolio management

Max R. Davis is a Senior Partner with The Boulder Group

The Boulder Group is a national consulting firm that is committed to providing enduring solutions that deliver long term financial value to our commercial and governmental clients.

To learn more about how we can help your organization meet their goals, contact us or visit our website