

Case Study: **Companywide Product Development Program**

Summary: Breaking a logjam

This is an example of streamlining a company's product development program.

In consumer products, you must innovate continuously

Newpoint was a dominant player in consumer-level surge protection and uninterruptible power supplies. Newpoint sold their products to most of the major consumer electronics retailers, and the buyers at the retailers told Newpoint that they should expand their product offering into other areas. *This was not just friendly advice.*

Big retailers prefer to buy a broad range of products from a few good vendors, rather than buy narrow selections of products from a lot of small suppliers. The message from the buyers was, "You're a good vendor, but if you want to keep selling to us, you have to start offering a broader range of products."

**Message from the customer:
Innovate or lose the account**

Newpoint was great at making steady improvements to their line of surge protection equipment, but they struggled in vain to develop breakout products in new categories. There was a logjam in product development and they weren't able to break it. The CEO of the company asked Clint if he could help break the logjam.

Clint began by interviewing key people in every department of the company. These interviews identified two shortcomings in the product development process that appeared to be the cause of the logjam.

(1) The company lacked a good process for generating new product ideas. This is very important; you can't develop new products if you don't have new ideas. And the more product ideas you have to choose from, the better your chances of finding a winning product from the pool of ideas.

(2) The company's process for vetting and approving new product proposals made it almost impossible for a new product idea to be approved. Vetoes were easy; approvals were difficult to get.

After identifying these problems, Clint met with Newpoint's CEO, outlining the problems he had found and recommending changes to Newpoint's product development process to correct the problems. The CEO agreed to the changes and asked to Clint to implement them.

**Three hundred
new product ideas
in two weeks**

The first phase of implementation was a new process for generating product ideas. There are a lot of ways to generate new product ideas; Newpoint needed a method that was simple, straightforward and fast – active solicitation of ideas from every employee of the company. The dearth of new ideas was overcome swiftly. Within two weeks, the company had a pool of almost three hundred ideas for new products. That's an idea pool deep enough to swim in, and is exceptional for a small company.

The second phase of implementation was a new process for vetting and approving product ideas. This phase took a bit longer. To overcome the veto bias that had dominated the old process, Clint introduced a modified Delphi technique for reviewing and evaluating new product proposals. A Delphi process takes longer than the usual committee review procedure, but it is a very effective consensus building technique in which no individual has veto power.

To make a long story short, eight weeks after the start of the project, the company had a list of five hot product categories to develop, with about twenty runners-up waiting in queue. The 250+ other ideas were not forgotten – there was a procedure to make sure that product ideas with potential did not get swept under the rug. And new product ideas continued to flow in at a steady pace.

The final phase of implementation was to actually develop the products. Clint worked with the CEO to hire a VP of Product Development. The VP was brought on board, was tutored in the new product development processes, and was then given the reins and told to run. At the next Consumer Electronics Show in Las Vegas (less than eight months later) the company had two new product categories to show to buyers, and two more product categories under development that they could start pre-selling.

This case study is an example of how a stagnant product development program can be revitalized. If your product development program feels like it's stagnating, please call or email Clint to see if he can help you.

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