

Project Management Innovations

A Quarterly Publication of the Project Management Institute's
New Product Development Specific Interest Group



Jump on in, the Water's Fine!

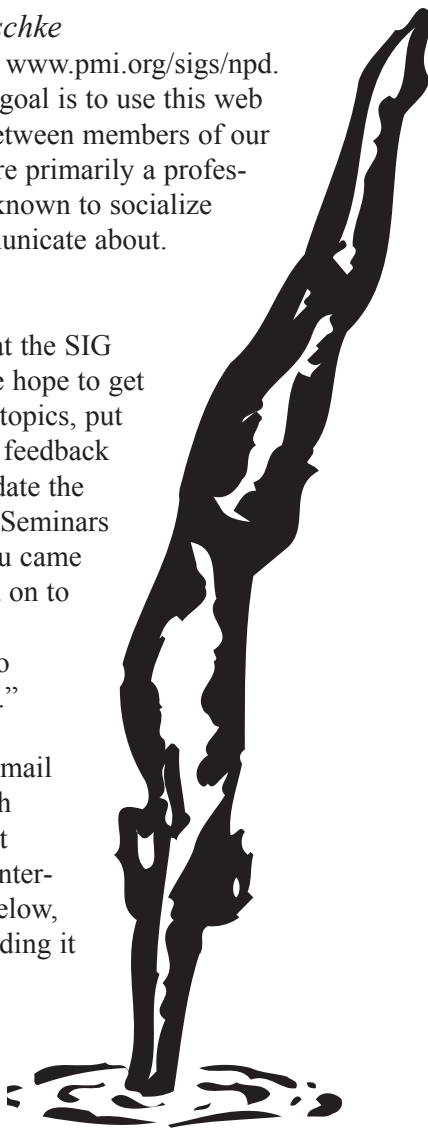
From the 1999 NPD SIG Chair, Curt Raschke

The NPD SIG has enhanced its web page; www.pmi.org/sigs/npd. We hope you will come back often. Our goal is to use this web page as a tool for ongoing communication between members of our "virtual" organization. However, since we are primarily a professional organization (although we have been known to socialize when possible), we need something to communicate about. That's where you come in.

On the following page is a list of projects that the SIG Officer Board is organizing for next year. We hope to get small teams of members to investigate these topics, put their recommendations on our web page, get feedback and discussion from the membership and update the results. If you were able to come to the PMI Seminars and Symposium in Philadelphia, we hope you came by our booth at the SIG reception and signed on to work on one of the projects. If you couldn't attend, we hope you will use this web page to identify a project of interest and "jump on in."

If you want to know more about a project, e-mail one of your officers. We will put you in touch with the project leader to find out more about what is going on. Likewise, if you have an interest that isn't covered in one of the projects below, let us know about it and we can see about adding it to the list.

Even if you don't want to test the waters right now, keep on checking out this web page. We will keep you updated on the progress, and, who knows, you might want to "jump on in" later.



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NPD SIG Possible Projects

- NPD project/program management best practices
- NPD common vocabulary or glossary of terms
- NPD book reviews
- Topical chat groups
- Membership directory updates/enhancements
- NPD SIG web page enhancements
- Membership data base analysis/upgrades
- Member survey/identification of member needs
- NPD SIG governance (bylaws)

Common Language - Project Management Is NOT the Same as the Product Development Process

By Greg Githens, PMP
Catalyst Management Consulting

In last the issue of *Project Management Innovations*, I discussed the semantics of *phases* versus *stages*. In NPD environments, stages are business-decision oriented. In the project management profession, phases are based on the technical deliverables. Stages are NOT the same things as gates.

In this issue I want to extend the discussion of structuring the development pipeline to an even more fundamental issue. Project management is “the application of knowledge, skills, tools, and techniques to a project.” It is NOT the process of developing a project! Project management is an *enabler* of product development.

New product development is commonly thought of as an organizational process concerned with formulating ideas and product concepts and getting them into the hands of customers. It encompasses all functions, in particular research and development, product engineering, manufacturing, and marketing.

For many organizations, the development process moves through a series of stages. Each stage could be considered a subproject, and a project lifecycle of phases can be applied to each stage. Inside of each phase are the five repeating process groups of initiating, planning, executing, controlling, and closing as described in Chapter 3 of the *PMBOK Guide*.

Most of the companies better at NPD understand this distinction. They have an NPD process owner, and often a separate owner of the Project Management toolbox (since project management is applicable across all areas of the organization).

Many people who are confused about this vital distinction. Clearly more education is needed.

Call for Papers – PMI 2000 NPD Track



The NPD SIG encourages you to submit your abstract to PMI for the NPD Track at PMI 2000 in Houston (11-13 September 2000). The NPD SIG is soliciting people to submit high quality abstracts and will then work with them to make sure that all the deadlines and guidelines are met. Once the abstracts are selected, the Technical Track paper selection team will work with the authors to help make sure that the abstracts are turned into high quality papers. Please see the PMI web site for more information on submitting. Note that the due date is 3 December 1999 (5PM EST). This is a much earlier due date than in previous years. There are a number of new rules in place, so review the site carefully.

Working on Database Glitches

The NPD SIG leadership is aware of some issues related to the database and is working hard to correct them. If you know of someone who is having a problem, please have him or her contact the Vice Chair of Membership. In the meantime, your patience is appreciated.

NPD Enhances Web Page

The new NPD web site is now up and running on the PMI server at www.pmi.org/sigs/npd. This is your web site and you are welcome to add content, suggest improvements, and use the web site as a resource. The webmaster is Alex Walton at awalton@nbn.com.

Creativity and Innovation: How Does Your Organization Measure Up?

By Dick Bahn, Chair Minnesota
NPD SIG

On September 16th the Minnesota NPD SIG kicked off the first of a nine-part series on Creativity and Innovation. The Minnesota NPD SIG millennial program is based on the nine dimensions of the Situational Outlook Questionnaire (SOQ), a tool that measures an organization's climate for creativity and innovation. A different SOQ dimension will be the topic for discussion at each of our monthly meetings through May. At each meeting we will address the following three areas:

1. Definition and background of the dimension and research statistics.
2. Conversation around what's working/not working in our organizations.
3. Action plans from past clients and how to address a specific dimension with the workplace.

The September meeting was facilitated by Dave Labno, Midwest Innovative Solution Partners, and focused on the first SOQ dimension of Creativity & Innovation -- Challenge & Involvement. This dimension measures the degree to which people are involved in daily operations, long-term goals, and visions. In organizations with high levels of Challenge & Involvement people are intrinsically motivated to contribute to the success of the organization.

Businesses don't innovate; people do. If the right climate does not exist to foster and implement new ideas, organizations can become stagnant and eventually unprofitable.

Dave led the group through a quick brainstorming session on what fosters challenge and involvement and what turns it off. It was amazing how similar the group members' experiences have been. At the end of the meeting we focused on identifying areas of the discussion that we could each take back to our organizations.

What Works

Recognition
Flexibility
Brainstorming
To be asked
Crisis/deadlines
Profit opportunity
Good listeners
Pep talk from coach
Sharing information
Seeing the big picture
Permission/invitation
Information ahead of time
Check your guns at the door

What Doesn't Work

Overallocation of time
Logistics
Ridiculing of ideas
Nit pick ideas too early
Structure
Inconsistency
Competition among individuals
No buy-in to the process
False values by management
Preconceptions about ideas
Upper management participation
Poor meeting facilitation
Lack of airtime for everyone

Call For Articles and Technical/Editorial Advisors

The PM field and NPD application area are rich with information and are fast moving. *Project Management Innovations* is soliciting *well-written* articles. Articles should be from 300 to 1,000 words, written for the practitioner, and free of commercial content. Our readership is over 1,000 copies, so this is an excellent chance for exposure. This is your space to network, share information, brag, complain, or whatever. Please contribute! "How to" and practitioner articles are always appreciated. Here are suggested topics of interest to NPD practitioners.

- *Letters to the Editor*
- *Risk in NPD Projects*
- *How PM fits into the NPD Process*
- *Creativity Tips*
- *Managing Technical People*
- *NPD Project Management*
- *Metrics*
- *Benchmarking Strategies and Data*
- *The "Fuzzy Front End of Projects"*
- *Tips for Estimating*
- *Comics and Humor*
- *Software Tools*
- *How the Project Manager Creates and Copes with Disruptive Technology*

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Send your contributions to Greg_Githens@compuserve.com. We are still seeking volunteers to join the *Project Management Innovations* team as editors, reviewers, advisors, gadflies, and columnists. This is a low-time-commitment way to support the profession.

Building Buy-in and Commitment on Your Project

By James T. McCutcheon,
jtm@4-growth.com

A need commonly expressed today is that of getting commitment from people. With so much on our plates, it's easy for team members to miss hand-offs or to get sidetracked by other priorities. Of course, the result is that you face the risk of your project being delayed from the day it begins. Once time is lost, it almost never is regained. This can lead to a great deal of frustration on everyone's part. Motivating people and keeping them motivated is a continuous part of project management. Today we know that the "people side" of project issues plays a large role in determining project success.

Here are three tested techniques you can use to get your project started on a high performance track and keep it going that way.

1. Identify the cost of delay per day and communicate it broadly.

People need to know they are working on a project that is important for their company; then they will motivate themselves. Identify the business value of your project and regard it as the **cost of delay per day**. Very often, the same numbers that were used to justify your project (example: a pro-forma P&L) can be used to get started. Identify the cost of delay with the entire team so it is not just your number. The dollar value you end up with needs to have credibility and a broad base of support. The numbers need to come from the person on your team closest to them, usually in Marketing or Accounting. Your project team needs to be able to all agree, "It's at least this much," otherwise you will not get very far with this approach.

Keep your work-up and summary of the cost of delay simple, limit it to one page, and use bullet points so anyone can understand it easily. You do not need a big number to accomplish your objective, so be as conservative as you need to be to get everyone's agreement. Start with the estimated annual dollar value of your project about 3 years after on-time delivery. (We never catch up; a business starting late usually stays late.) Use 250 working days per year to get to the cost of delay (on the critical path) per day. Do not be surprised when the number your team comes up with is several or even tens of thousands of dollars per day. Once you have agreement among your team on the cost of delay per day, you can communicate it and make an

objective case for getting what you need to stay on schedule. It may be timely decisions or resources (people), or anything else connected with the critical path. Most decision makers don't have signature authority to match the number you'll be using. Keep this number in front of people (meeting minutes, etc.) so that it's difficult to forget.

2. Tap into individual and team motivation through coauthorship.

Project teams are made up of intelligent adults who expect to be treated as such. They want their opinions as such and contributions to be valued, and they very much want to manage their own affairs . . . if someone would just let them do that. There is an enormous reservoir of energy and intelligence ready to be put to use for the project leader who is tuned into the power of coauthorship. It is so powerful a technique that it can help overcome a wide variety of "people problems" on a project when used effectively. However, effective application requires you as project leader to take a step early in the project that is usually counterintuitive. The ability to loosen your grip when you are trying to "get a grip" can take a fair amount of confidence and courage the first time you try it. Consider that each team member will not write something (and put their name on something) they are not in agreement with. Savvy project leaders know this and use it to engage participants on the project team and quickly move into dialogue on the issues at hand. One project leader even uses purposeful logic errors on their plan (not big ones), explaining, "The trick is to get someone else to take their pencil out of their pocket." Coauthorship in the planning process changes it significantly.

A model of the project, tasks and dependencies, can be made quickly (in less than a day) by the entire team, perhaps saving months in the process. A common quote from these sessions is: "Now I see where I fit." Of course the initial plan will first show that the project will take too long, but the savvy project leader enters it into their software anyway and then shows it to the team, whose members immediately engage in improving it. They are task-focused and work iteratively on the critical path. You can help them along. They engage in sharing risks together, and in gaining an appreciation for each others needs and the needs of the entire project through this process. Their buy-in is maintained through and by the planning process, eliminating almost all of the time and energy needed to sell their own plan (to themselves).

Continued on page 5

Building Buy-in *continued*

The level of buy-in, ownership, and commitment from this is hard to equal and surely is not for sale. Co-authorship as a conscious technique can be applied throughout a project's life cycle to integrate the operational (task) side and interpersonal (people, team) side of project management, reducing a project's duration while helping drive the team maintenance process. The dollar value of this can be huge

3. Integrate team maintenance with project management for high value returns.

What is often called the “soft side” of project management is not soft at all. Teams need more reinforcement than most project leaders think. Without it, they wither and just go away, and your project (and you) will suffer. Teams also need to be genuine in the sense that what you do needs to fit the situation you are in and not appear as contrived. Teams are fragile, built on interdependencies and trust. Teams work and think in the short-term, even though you are keenly aware of longer-term flow of work on your project. You as the project leader need to have multiple radar screens, for the short term and for the long term, for both the trees and the forest. It all needs to fit together.

Team maintenance is made much easier just by scheduling regular project meetings far out into the future so they are on everyone's calendar and scheduling conflicts are avoided. Teams appreciate brief meetings that stick to the key issues and action items (who, what, by when), taking discussions off line. Try using the question “How many days until you are done?” to update task progress rather than “How's it going?” or “Are you on schedule?” This forces a person to think, and you already know the answers you will get to the other questions. Discuss decision making at your next project meeting. What are the individual, team, and project leader decisions? Team agility is possible when everyone is aware of what everyone else is doing so everyone knows where they fit and how well they are doing together. Celebrate the wins together. Every milestone gives you an opportunity to do that. It doesn't need to be expensive . . . maybe a pizza lunch where someone from management says a few words.

Work on tying these three elements together for high-performance results. If this is new to you, expect that it will take some time for it to feel comfortable. But, like most things, the more you do them, the better you get. Enjoy the rewards on your projects.

The Minimally Competent PMP

PMI HQ is performing a “Role Delineation Survey” of selected people who hold the PMP certification, asking them the question, what are the tasks of a minimally competent project manager. If you are part of this project, please complete the survey instrument and return it. *Project Management Innovations* will also report on this study after it is completed.

Stirring the Pot - Controversial Topics

✓ **Critical Chain: Breakthrough or Hype?** There has been several letters and articles on critical chain appearing in *PMNetwork* and elsewhere. Is it fundamentally a new breakthrough, or just a new set of terms for previously well-described concepts? What is your opinion?

✓ **Does Fast Cycle Time Really Mean Do More with Less?** There is a good argument that many companies talk about fast cycle time in NPD when they really mean they want to launch more products? Where's the proof that cycle time is related to competitive superiority over the long term? What do you think?

✓ **Do Best Practices Weaken Organizations?** What is a best practice anyway? Is it just a lazy way to copy from supposedly excellent firms rather than address the root causes of poor performance in your organization? (Speaking of excellence, many of the firms touted in *“In Search of Excellence”* are no longer in business.) Like beauty, are best practices in the eye of the beholder? Is it just consultant-speak?

✓ Speaking of laziness, **why are organizations wasting so much time on software tools?** Many firms are still hung up in functional silos, communicate weakly, and have poor project requirements. Artificial intelligence is not built into the software tools, so **why are they automating mediocrity?**

Quote for Today

“The greatest thing in this world is not so much where we are, but in which direction we are moving.”

Oliver Wendell Holmes

Book Review

The Dance of Change: The Challenges to Sustaining Momentum in Learning Organizations

Peter Senge, Art Kleiner, Charlotte Roberts, Richard Ross, George Roth, Bryan Smith

New York: Doubleday Currency, 1999,
596 + ix pages \$35.00

*By Greg Githens, PMP
Catalyst Management Consulting*

The two words that best summarize *The Dance of Change* are *practical* and *profound*. It is a practical book because it details useful techniques for overcoming common obstacles to improve new product development (NPD) process and implementation. It is profound because it reveals the sources of complex organizational dysfunctions and suggests pathways for creating effective organizational culture.

The authors identify 10 obstacles to achieving profound change in organizations, with names like **“They're not walking the talk!”** and **“We keep reinventing the wheel.”** Although the book is targeted at a general management audience, it provides numerous NPD examples. I am using the index of a book quite a bit. When looking for NPD, I found much more material in the book than the three entries in the index. Here is a list of additional pages on NPD: 98, 150, 161, 173, 185, 283, 330, 344, 369, 370, 394, 395, 414, 432, 468.

Here is an example that almost any NPD team can relate to. An NPD team was working excessively long hours. Team members determined the core problems were the constant interruption by meetings, schedule checks, and management reviews. The team restructured its day into “quiet time” and “interactive time.” They achieved “astounding” results as the team launched their product on time and with better quality. This example illustrates a technique for overcoming the barrier of **“We don't have time for this stuff.”**

In another example, Cellular One creatively leveraged limited resources and built a network in a short amount of time by tying their expansion to a competitor's expanding capacity. This example of “management Aikido” is a creative approach to overcome the barrier of **“We don't know what we're doing and we have no help!”**

Visteon (the former Ford Motor components business) provides a good case study in the use of learning disciplines to improve product launches. Instead of the usual training, Visteon held a series of meetings involving all levels of the organization. Almost immediately companies saw positive results on their new launches. Visteon overcame the barrier of **“This stuff is not relevant”** by helping people define relevance in terms of their day-to-day jobs.

Change efforts run into measurement problems: early results do not meet expectations, or traditional metrics do not calibrate to a pilot group's efforts. The authors call this barrier **“This stuff isn't working!”** *Dance of Change* describes an NPD-improvement effort at United Technologies that backfired due to a poor set of metrics and rewards. The firm's objective was to reduce cycle time, but the reward system encouraged deliberative behaviors that slowed development (in this case: “make no mistakes and protect your turf”). By developing a more holistic vision and linking it to appropriate rewards, they were able to increase collaboration and decrease cycle time from 40 days to 5 days. Another success story described a NPD project team that launched a year ahead of schedule. The key to success was developing a norm where engineers talked candidly about problems that they did not know how to solve and documented them early. This openness created a mechanism such that many people could contribute towards better and quicker solutions.

Dance of Change concisely and productively explores some of the core challenges of influencing and changing culture (which the authors define as shared learning, not just desired behavior). A story from Harley Davidson suggests that culture probably cannot be changed, only evolved. Harley Davidsons individual, informal, and heroic operating culture stems from its origins as individual “rebel artists.” An undesired side effect was that the culture kept the system in perpetual havoc, diminishing the capability to develop more products reliably. Learning how to maintain the good parts of a culture while overcoming its downsides is an essential management challenge. For Harley Davidson, some of the answer might be in a library of systems diagrams for NPD launches that it created with Massachusetts Institute of Technology (MIT) to understand the strengths and limitations of its culture. The intent is to assure the diffusion of good ideas and to avoid **“We keep reinventing the wheel.”**

Continued on page 7

The Dance of Change *continued*

Lasting, deeply held change in the thinking and values that create an organizations culture is squarely a target of *The Dance of Change*. The excellent results that we all hope for from new systems, strategies, and structures require a profound change in individuals and organizations. Key to the successful implementation of learning organizations is revealing and understanding the assumptions that are held in the organization. *Dance of Change* provides a frank and brutal assessment of the current infatuation with “knowledge management,” which they describe as the use of information technology to leverage talents and capabilities across the organization. Unless we examine such embedded conditions as the designed isolation of teams and the lack of vigorous internal learning communities, investment in IT tools is likely wasted.

If a pilot group obtains good results, won't the organization beat a path to the pilot projects door? While the “better mousetrap” theory is logical, experience shows that great ideas often are not diffused into organizations. This book explains the fallacy of the better mousetrap: the world will not beat a path to the innovator's door when there is cultural drag. Ultimately change takes place on a personal level, individual by individual. The authors prescribe a hierarchy of needs. First, emphasize personal results (individuals agree to a learning program “because it matters”), then the network (“because my colleagues take it seriously”), and then finally because of business results (“because it works”). Improved performance does not originate from fiat, coercion, or reorganization but is done in a personal way.

The Dance of Change is an insightful and resourceful book that rewards with numerous insights. You do not need to read the book cover to cover. Just pick one of the many references to NPD and dive in.

Position Wanted

Position wanted: Eastern Pennsylvania or New Jersey New Product Introduction Program Manager or Business Operations Mgr. 10 years project experience for a Fortune 50 company, BS, MBA, & PMP. I have managed international, quality, ISO 9000, SAP, Customer Service and E-commerce projects, as well as new product introduction in the IC industry. Bob Mease can be reached at: Rmeasejan@aol.com or 610-746-3875.

NPD SIG Member Publishes Book

Wiley has just published a new book, by Milton D. (“Mickey”) Rosenau, Jr., CMC, FIMC, entitled *Successful Product Development: Speeding from Opportunity to Profit*. This hands-on guide leads you step-by-step through the product development process. It goes beyond shortening time-to-market to stress how to shorten the time-to-profit, which should be your key goal for any new product development project.

Chapters include The New Product Development Process, The Fuzzy Front End (FFE) Interval, The Stages & Gates (S&G) Interval, After Launch: The Pre-Profit Sales (PPS) and Continuing Sales (CS) Intervals. Implementation, and Continuous Improvement Reviews.

We will provide a book review in the next issue of *Project Management Innovations*. The ISBN number is 0-471-31532-X, and it can be ordered from Wiley at 800-225-5945.

Certification as a New Product Development Professional

The Product Development and Management Association now has a certification program directed at new product development professionals. This might be a nice follow on to earning the PMP. See their site: www.pdma.org.



Information/Networking Wanted

Marsha Kessler has been recently named as the Manager of the Center of Excellence for Project Management for Polaroid Corp. She would like to speak with others who have centralized NPD project management. She is interested in comparing notes on organizational structures, changing the culture, critical factors for success, and mistakes to avoid. Marsha can be reached at 781-386-0355 or kesslem@polaroid.com

(Editors Note: We hope to persuade Marsha to share her findings in a future edition of Project Management Innovations.)

Advertising Space Available

We plan to offer advertising next year to help cover the growing expenses of publishing *Project Management Innovations*, and to serve membership by letting them know of products and services available. If you are interested, please contact the editor.

Project Management Innovations
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PMI New Product Development Specific
Interest Group

Project Management Innovations is published as a membership benefit, by and for the members of PMI's NPD SIG. The purpose of this publication is to facilitate networking and information exchange.

NPD SIG 1999 Board of Directors

Here are your SIG officers for 1999 and their contact information. As your representatives, they need and welcome your insight. They are a great starting point for networking in the NPD SIG.

Chair:

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NPD SIG Administrator:

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