

Project Management Innovations

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



NPD SIG Goes ‘Virtual!’

By Greg Stine, Vice Chair Membership

During the past several months, many PMI components have gotten ‘e-savvy,’ thanks to a new Internet service called **eGroups**; www.egroups.com. This free service provides a forum in which members can interact more easily than in the past. eGroups joins the utility of a traditional list server (i.e. one email address to reach all members) with the added features of threaded discussion groups, real time chat, group polling, document distribution, and group calendar of events.

In the coming weeks, you will be receiving an email inviting you to join the NPD SIG’s eGroup. You can join simply by following the directions included in the email you receive. If your email address has changed since you last renewed your membership, please let me know so that I can update our list; Greg.Stine@concert.com.

What’s in it for me?

You are probably thinking, “Sounds great! But what does it mean to me, Joe Member of NPD SIG, on a practical level?”

We, your SIG leadership team, ask ourselves on a regular basis, “What is the value of membership in the NPD SIG?” In the past, we have responded by providing a quarterly newsletter, distributing an annual membership directory, and providing a venue for networking with other members at the annual PMI Seminars & Symposium.

Continued on page 7

Quit Being A NPD Firefighter

PMI 2000 NPD Track offers you the insights and tools to extinguish the blaze! The NPD SIG’s Houston NPD Track is the best yet.



September 2000 Volume 5, Issue 3

In this issue:

NPD SIG Goes Virtual.....	1
Letter from the Chair	2
Five Years Ago in the NPD SIG	2
Putting KANO in New Product Requirements	3
Wisdom of Teams Book Review	4
NPD PM Center of Excellence	5
NPD SIG at Connections 2000.....	5
Creating a Climate for Creativity and Innovation	6
Common Language	6
2000 Board.....	8

Letter from the Chair

By Ken Delcol, NPD SIG Chair

The NPD SIG has been active in the following areas:

- **Selection and development of the PMI 2000 Symposium papers.** Please make sure to mark your calendar to attend this year's Symposium and take in the excellent papers from the NPD SIG.
- **Incorporation of the SIG as a non-profit organization.** This is a PMI requirement being placed on the SIG. The NPD SIG will incorporate in the state of Pennsylvania. The state of Pennsylvania was chosen to ensure continuing support of PMI since the organization is already incorporated in Pennsylvania and is familiar with the state's legal system. This work also includes establishing the SIG as a non-profit organization with respect to federal taxes.
- **Establish advertising in *Project Management Innovations*.**
- **Established a policy on the use of the NPD SIG's email list.** This was necessary to ensure the privacy of members as the SIG starts to use an email list server.
- **The NPD SIG directory project is nearing completion.** A draft version has been produced and we are looking to complete the final editing in the early summer.
- **The NPD SIG has an enhanced Web site presence** (see the article, "NPD SIG Goes Virtual," in this issue). The server of choice is egroups.com. A number of other SIGs are using this server and we can make use of their learning. The site costs the SIG nothing since the providers make their money through advertising. The site provides the SIG with the ability to do group mailing, provide discussion groups, linkages to other sites and surveys. The SIG is looking for volunteers to help establish and maintain the site. If you are interested please contact me at delcolkd@sciex.com.

- **The Best Practices Team will soon request members to provide input to the team.**
- **Our Web site has expanded to include more information.** The technical limitations of this site, which is being provided by PMI, have quickly been discovered (i.e. chat rooms and restricted areas are not possible without going to another service provider). This site will be maintained during the transition to egroups.com. Once our egroups.com site is established, the amount of information on the Web site will be reduced and members will be asked to go the egroups.com site.

As you can see, we are working to create a sense of community for NPD SIG members. Many people got involved five years ago (see article below) and they have continued to build their own personal network.

Our membership covers the world and we were looking for ways to add additional value to our membership. Hence *PM Innovations*, membership directory, and a track at the annual symposium. Our goal is to create an environment that will allow people with similar problems to communicate with each other and to help establish smaller NPD SIG groups in geographic areas. If you have any suggestions that could further develop our sense of community please contact me at delcolkd@sciex.com.

Please remember to take time out from your busy lives and get out and enjoy the rest of the summer. I know I will. (For those of you in the Southern Hemisphere, spring is close by!)

Five Years Ago in the NPD SIG



The New Orleans PMI Symposium (October 1995) marked the first "official" technical track meeting of the NPD SIG. Activities commenced with a panel discussion organized by Bob Youker on the topic of *Designing the New Product Development Process*. Panelists included: Hans Thamhain (Bentley College), Richard Ramsey (Texas Instruments), Alan Hellowell (Kodak), and Greg Githens (Catalyst). After the panel discussion, there was an organization meeting where Bob Youker, Greg Githens, Mike McCauley, Jim Carpenter, Elizabeth Krueger, Carol Wright, Maria Crockett, Kim Johnson, and Chuck Hahn would provide volunteer support to the NPD SIG.

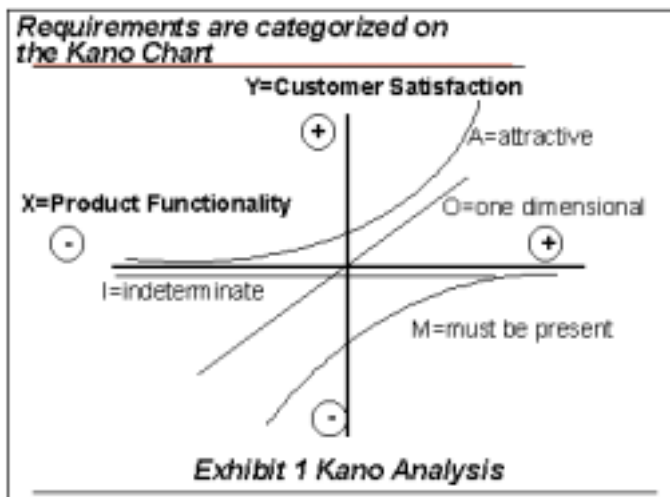
The work which was started in 1995, has culminated in most of the benefits that NPD SIG members now enjoy: an annual track at the PMI Seminars & Symposium, *Project Management Innovations*, a Web page, networking, and technical information exchange.

Putting KANO in Your New Products Requirements

By John C. Goodpasture, PMP

Is Noriaki Kano of Tokyo Rika University a familiar name to you? Perhaps not, but if you are a NPD project manager with a myriad of requirements, and decisions to make about their importance and impact, Professor Kano's methods may be of some help. Haven't we all faced the dilemma of too many requirements, and simultaneously, not enough "push-to-the-market" capabilities? Mix this with "pull-from-the-market" needs and wants and latent requirements which are not understood in time to be incorporated into the product design. If you face this dilemma, Kano analysis is no magic bullet, but it is a tool that can help. Latent (hidden) requirements may be discovered or made more obvious. Requirements that are "ah-ha's!" today, but may be taken for granted tomorrow, can be identified and prioritized. And, if your resources are limited as those in most projects are, Kano analysis can help set priorities about investment decisions and timelines for incorporating requirements into the baseline.

Exhibit 1 below illustrates the Kano Chart. This chart is used to categorize requirements. The X-axis represents product functionality or feature richness. To the right is increasing functionality; to the left, decreasing, absent, or dysfunctionality. The Y-axis represents customer satisfaction. Satisfaction increases above the X-axis, it's neutral in the middle where X and Y cross, and decreases (growing dissatisfaction) below the X-axis. These axes form four quadrants. For instance, the upper left represents customer satisfaction in spite of poor or missing functionality. The upper right is the area of "customer delight," but to the lower right and left, the customer is dissatisfied. Perhaps functionality is missing or disappointing. Running through the center is a line representing indeterminate priority or disinterest.



At first glance, Kano shows what we all know intuitively; some requirements lead to increasing satisfaction with increasing functionality or feature. This idea is represented on the chart as a straight line from the lower left to the upper right. Perhaps a familiar example will show the principle. Consider the horsepower race in automobiles, or more recently, the computer CPU "megahertz" race. An under-powered, sluggish product starts out in the lower left; the more sluggish, the more dissatisfied. The line extends to the far upper right. In this area are the muscle cars with big iron under the hood or the fastest CPU chips. These requirements are "one dimensional," "O," and have the feature that "more is better." As long as there is demand, "O" requirements require constant investment. Improvement is almost mandatory to maintain or expand market share. "O" requirements are usually a "must" for funding. They require a "set-aside" in the overall product development budget to continue innovation and competitiveness.

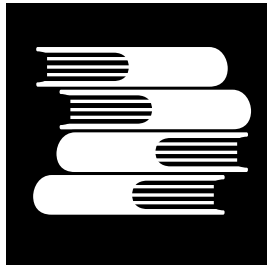
Now look at other cases. Along the X-axis lie the requirements that generate no customer interest, whether present or not. These are usually labeled "indeterminate," or "I." "I" requirements are not necessarily unimportant. They are just not significant to the customer. Often, internal requirements fall into the "I" category. Continuing with the computer example, external packaging of the desktop computer used to be an "I" for many consumers. Packaging was pretty standard and did not offer much in the way of product discrimination. But Apple has certainly changed that with the iMAC, promoting the Packaging "I" into the "A" category. This is no small achievement. It is more common for the "A's" to decay over time into "I's." But if an "I" is truly an "I," then should the project include "I's" with risk, and should limited resources be allocated to "I's"?

The two more interesting cases are the "must exist," or "M," and the "attractive/ah-hah!" or "A" requirements. "M" requirements start out along the far right X-axis, but curve dramatically downward in the lower-left quadrant. The practical view of the "M" requirement is that if present, the customer is not likely to notice, but if absent the customer will be highly dissatisfied. To put it another way, "M" requirements are the "me-too's" which do not discriminate well, but if missing are highly detrimental to product acceptance. Continuing with the computer example, look at the floppy disk drive. Is it an "M," almost unnoticed until missing, or is it an "I?" Like the "I" requirements, "M" requirements must be constantly re-evaluated for their risks, their resource impact, and for obsolescence, or latent obsolescence.

Continued on page 7

Book Review:
The Wisdom of Teams
By Katzenbach and Smith

The Wisdom of Teams,
Harper Business, 1994.
(\$15 ISBN 0-88730-676-4)



Reviewed by Robert Youker

In this book, two McKinsey and Company consultants take a different tack on team building. It is an excellent book, highly recommended for all project management professionals. It is especially important for project managers interested in leadership.

In this book, the authors make a clear distinction between a work group (a collection of individuals) and a team. They define a team as, “a small number of people with complementary skills who are committed to a common purpose, **performance goals**, and working approach for which they hold themselves **mutually accountable**.” The authors emphasize the twin concepts of performance goals and mutual accountability as making a team different from a work group. They define a work group as individuals doing separate work, which will be collected into a final product. Each member of a team is committed to a joint final product. Whether you need a work group or a team depends on the nature of the task. I suspect that, in the project management field, some project groups are teams and some are work groups. The authors say that the **demanding performance challenge** is an essential element in the success of a team.

When the project requires a team approach, the key question for project managers is, “How can we change a work group into a team?” A major point the authors make is that the culture and systems of most organizations favor the formation of a work group versus a team! Also, our society is biased toward individualism rather than true teamwork. However, if we want to observe the value real teamwork, we need only look to sports teams for examples. Just look at how exceptional in basketball that Larry Bird and Bill Bradley were as team players! No matter what top management says about the value of teamwork, the individuals on the team will operate on the basis of the reward and punishment structure of the organization, which is usually biased toward individualism. The book states that a team needs the right mix of skills in three areas:

1. Technical or functional expertise;
2. Problem solving and decision-making skills;
3. Interpersonal skills.

All three skill sets are required to work effectively as a team, but different members can have different skills.

The authors’ main point is the importance of the team’s commitment to its common purpose and goals. In order for the performance goals to set the correct tone and aspiration for the team, the goals must be specific and must grow out of the team’s statement of purpose. Finally, to become a team there must be agreement on a common approach. This agreement defines how the team will work together to accomplish their purpose, and incorporates the concept of mutual accountability. (A work group made up of individuals does not have this concept of mutual accountability).

In growing from a work group of individuals to an integrated team, most groups follow a similar performance curve and evolve in the following stages:

1. **Working group** - A collection of individuals doing their own work, in support of individual goals.
2. **Pseudo-team** - There is a need for integrated performance, but the team is not acting on this need.
3. **Potential team** - There is a recognized need for joint performance and the team is trying to improve.
4. **Real team** - There is a common purpose, shared goals, agreed upon approach, and mutual accountability.
5. **High performance team** - Team members are committed to each other's personal growth.

There is a risk in attempting but not achieving a real team process.

The authors list the five characteristics that define teams as follows:

1. A set of themes that convey meaning about the basic purpose and identity of the team.
2. Enthusiasm and high energy level.
3. Event driven histories (galvanizing events or stories that propel performance).
4. Personal commitment.
5. Performance results (outstanding results).

There is a variety of common approaches for building team performance, and moving the team up the curve from a working group to a high performance team.

1. Establish urgency and direction.
2. Select team members based on skills, not personalities.
3. Pay particular attention to first meetings and actions.
4. Set up clear rules of behavior.
5. Set and seize upon a few immediate performance-oriented tasks and goals.
6. Challenge the group regularly with fresh facts and information.
7. Spend lots of time together.
8. Exploit the power of positive feedback, recognition, and reward.

Chapter seven deals with the role of the team leader, an important area for Project Managers. The requirements for leadership of a team are much different than that required for leading a group of individuals in a work group. "Team leaders act to clarify purpose and goals, build commitment and self confidence, strengthen the team's collective skills and approach, remove externally imposed obstacles, and create opportunities for others." For project managers there is a critical balance between doing things yourself and letting others do them. There is also a balance between directing and coordinating team behavior. The following are the roles of the team leader:

1. Keep the purpose, goals and approach relevant and meaningful.
2. Build commitment and confidence.
3. Strengthen the mix and level of skills.
4. Manage relationships with outsiders, including removing obstacles.
5. Create opportunities for others.
6. Do real work.

The authors also present chapters on overcoming obstacles and the role of top management. The paperback version ends with a very useful guide entitled, *The Teams Question and Answer Guide*. This was prepared after the hardback publication, and is based on questions the authors received from readers of the first edition. The guide contains 24 pages of useful questions and answers. The book also contains the stories of a number of teams to illustrate the points made in the text and to describe the field research, which lead to the book. The title, *The Wisdom of Teams*, reflects the authors' view that each team develops a wisdom of its own.

NPD PM Center of Excellence

By Marsha Kessler, Manager,
Center of Excellence for Project Management

The NPD SIG sponsored online learning group on Centers of Excellence for Project Management has begun!

Centers of Excellence (CEO's) are becoming more common and offer an exciting possibility for organizations working to deploy project management across organizations. What are they and how do they work? Can greater success be achieved through them and if so how? At Polaroid, we have found our CoE has enabled us to apply a more consistent project management approach across programs, learn from our experiences and apply the knowledge back in quickly. Whether you have a CoE or are interested in the topic, please bring your insight, experience and questions and join us on-line at <http://www.projectconnections.com/community/coe/index.html>.



NPD SIG Meeting ANNOUNCEMENT

The NPD SIG's annual meeting will occur during the PMI '2000 Symposium at Houston. The details of the meeting are as follows:

Date: Monday, 11 September 2000
Time: 6:30-8:30 p.m.
Location: Convention Center
Room Assignment: 305 C & D

Topics covered during the meeting include:

- A review of the NPD SIG's 2000 accomplishments
- Elections of officers to the board
- New business
- Networking

Plan to attend the business meeting while in Houston and help influence the direction of the NPD SIG.

Creating a Climate for Creativity and Innovation

By Kim Johnson, Vice Chair Communications

The Minnesota Chapter NPD SIG continued its dialogue (see back issues of *PM Innovations*; www.pmi.org/NPDSIG) around the Situational Outlook Questionnaire (SOQ) assessment tool for the climate for creativity and innovation within an organization. The dimension of the SOQ that was highlighted was **Conflicts** - *The presence of personal and emotional tensions (in contrast to idea tensions in the debates dimension) in the organization.*

When the level of conflict is high, groups and single individuals dislike and may even hate each other. The climate can be characterized by “interpersonal warfare.” Plots, traps, power and territory struggles are usual elements in the life of the organization. Personal differences yield gossip and slander. When the level of conflict is not high, people behave in a more mature manner; they have psychological insight and control of their impulses. People accept and deal effectively with diversity. A good question to ask to get dialogue going on this topic is, “To what degree do people refrain from engaging in interpersonal conflict or ‘warfare’?” Listed below are the usual breakout of “What’s Working” and “What’s Not Working.”

What’s Working

- Open and trusting forums/networks
- A common language around how to conduct yourself in meetings
- Setting the rules & guidelines within meetings (there appears to be a discomfort around setting ground rules per se)
- Agreeing on common goals
- Self-discipline without getting emotional
- Cross-functional communication
- Using humor
- Establishing concrete team rules
- A certain amount of conflict gets things headed in the right direction (sense of urgency?)
- Allowing people to voice
- Allowing people to solidify their feelings
- Utilizing a “Parking Lot” as a tool addressing conflict head on!

What's Not Working

- Taking too much time to resolve issues
- Silo mentality (business works too fast!)
- Finger pointing
- Hoarding information
- Enabling negative behavior; being TOO gentle
- Sometimes logic does not work
- “I’m taking my football and going home” mentality

Common Language: *Project Charter and Product Platform*

By Greg Githens, PMP

Over the past several issues, I have been writing about semantical issues that underlie the application of project management to new product development. As professionals, we need to consistently use terms that are appropriate and generally accepted. In this column, I want to address two words that I've recently seen NPD teams struggle with.

Project Charter - A project charter, as defined in the *PMBOK® Guide*, is simply a document that authorizes the start of work on a project. The project charter initiates the assignment of a project manager, the recruitment of a team, and the start of project planning. It should not exceed one page in length. Many people mistakenly used it as a scope statement or a project plan.

Product Platform and Technology Platform - Product platforms are also known as product families. Technology platforms refer to the underlying technical architecture of the product. If you recall from my past columns, there are three elements to a product concept: *benefits experienced by customers, functionality, and the features and form.* A technology platform is a component of a product platform.

- Having private personal agendas
- Not voicing expectations
- Misunderstanding of roles
- Not clarifying/revisiting assumptions
- Surprise Attacks - Bringing new information to surprise people and get them off guard
- Ever changing goals and action items
- Bringing humor & playfulness into the team/work group (squirt guns)
- Setting aside time rules to discuss items
- Establishing ground rules for teams and meetings
- Defining roles
- Having the Project Manager facilitate discussion
- Directly addressing conflicts thoroughly and often
- Establishing a conflict resolution process
- Having people propose the process they would like to follow
- Defining team values
- Clarifying and repeating actions and decisions
- Project managers, assuming the role of the team’s HR manager
- Taking time to build relationships with employees/team members
- Investing money in team training - TOP LINE ROI
- Establishing a common motivation system (Rewards)
- Establishing common consequences

Virtual NPD SIG *continued*

While many may see this as enough of a return on their investment (and it's certainly enough to keep all the officers busy!), we still have been looking for additional means to return value. Now, thanks to the wonderful world the Web is creating for us, it is now technologically feasible to offer more. Better yet, it is no longer cost prohibitive to do so!

By going 'virtual,' several service improvements will be realized:

On-line Information Updates

You will be able to access the latest version of the membership directory, check out the latest newsletter, and read the most recently posted articles.

Self-Service

You will now have a direct way to update your membership information with the SIG. This has been a critical issue for the SIG in the past, resulting in 'lost' or undelivered newsletters and inaccurate entries in the membership directory. Members will be able to go to eGroups and update their information 'on the fly,' rather than trying to reach an officer, pass on the information, and hope that the changes get made.

Involvement Without all the Hassles

You will be able get involved in the SIG without having to commit a lot of time and resources. You could do this through posting to a threaded discussion or by participating in a scheduled chat or whatever. The opportunities are endless.

Participate in Polls

Would you like to voice your opinion on an emerging trends in industry? Anonymous polling will provide valuable feedback to the membership on a wide variety of topics. This will be a regularly updated feature of our eGroups site.

I could go on and on. Remember, "you get out of it what you put into it." Visit both the NPD SIG's Web site, www.pmi.org/NPDSIG or egroups.com discussion facility.

KANO *continued*

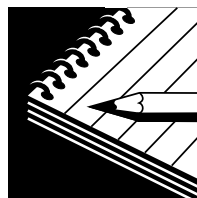
The "A" requirements are almost the mirror image of the "M" requirements. "A" requirements start high-up in the upper right quadrant and curve down to the X-axis in the upper left quadrant. These are the "ah-hahs!" or attractive discriminators, but often they are latent, (not missed if not present) [upper left quadrant]. Very often, they are the features that customers did not know they needed until they saw them. As such, the "A's" originate in the "fuzzy front-end" of product development. Whereas the "I's" and "M's" are often legacy requirements from prior product versions, by and large the "A's" are new-to-the-market. As such, their "staying power" is less proven, their potential to discriminate the product is much greater, particularly with early adopters, but they have a tendency to "decay" toward "M" or "I" once they become mainstream. Perhaps the read/write CD, the so-called CD-RW, is a good example of a latent requirement which has become visible, represents the discriminating buying decision in many cases, but may decay to an "M" as it becomes standard equipment. Obviously, "A" requirements, like the CD-RW, demand creative energy, risk-acceptance, and discretionary investment.

Coupled with other requirements evaluation techniques, Kano analysis adds an important tool to the project practitioner's toolbox.

Acknowledgement is given to: Shiba, Graham, and Walden, *A New American TQM, Four Practical Revolutions in Management*, Productivity Press, 1993, pp 221-230

John Goodpasture of Square Peg Consulting specializes in customized application and delivery of project management techniques, business process analysis and characterization, and training of project practitioners. John can be reached at 770 650 6405 or by email at jgoodpas@hotmail.com.

Reporters Needed for PMI 2000 Symposium



As in the past, we will review the symposium for the benefit of those who cannot attend. Invest a few minutes for a short article on the conference: What did you like? Why? Send all contributions to the editor.

Advertising Space Available

We plan to offer advertising in the 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.

2000 Rate List (per issue):

Business Card: \$50

Quarter Page: \$85

Half Page: \$170

Full Page: \$340

How are We Doing?

Send a note to the editor. Does this publication provide value to you? What do you like or dislike? How can we better serve your needs? Send email to sjbell@netacc.net.

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 facilitate networking and information exchange.

NPD SIG 2000 Board of Directors

Here are your NPD SIG officers for 2000 and their email addresses. As your representatives, they need and welcome your insight. They are a great way to start networking in the NPD SIG.

NPD SIG Officers

Chair: Kenneth Delcol, PMP
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