

# Record number of new product development professionals attend PDMA 2003 International Conference in Boston

## Program focused on product life cycle generates excitement

by Phillip Clark, Principal, Business Planning for NPD ([phillip.npd@Comcast.net](mailto:phillip.npd@Comcast.net))

PDMA's 2003 Annual International Conference in Boston October 4 to 8 attracted over 700 participants who came to hear experts talk about new product development across the life cycle. It offered new product professionals a wide range of presentations, seminars, and member programs on this topic, under the formal title "The Business of Product Development: People, Process, & Technology Across the Lifecycle."

The main conference opened Sunday afternoon literally with a roar. Two Harley-Davidson (HD) keynote speakers rode out onto the stage on motorcycles amid smoke, colored lights, and music. This set the stage for the speakers—Dantar Oosterwal, Director, Product Development Office, and Tony Reese, Director of Engineering Planning, Product Development—to make a dramatic presentation on NPD at Harley-Davidson, stressing the idea that "Customers don't just buy a product—they buy an experience."

Dantar and Tony told the audience that three guiding principles helped them keep focused on the "product as experience" idea: keep close to the customer; product development is not just engineering, it is participation from a full-cross functional team; and technology and innovation are only important when they add to the customer experience. The company's success with this approach was seen in the extensive video and sound pieces taken from the company's 100<sup>th</sup> year anniversary tour, and was brought home with certainty when

the team reported on HD's financial successes during the Outstanding Corporate Innovator award later in the conference.

### Opening ceremonies

Before the Harley-Davidson presentation, Conference and Content Chair Chris Hawver, Chief Marketing Officer for Sopheon, opened the conference by introducing some of the key organizers such as Workshop Chair Christina Hepner Brodie, Principal with PRM; Research Forum Chair Gloria Barczak, Northeastern University; and PDMA's VP for conferences Hamsa Thota, Innovation Business Development. He also mentioned the names of numerous other volunteers, who invested a total of some 16,484 hours over 16 months organizing the conference. The dedication on the part of the planning committee and workshop chairs paid off for the people attending, judging from comments heard during the conference. The significant increase in attendance was particularly impressive at a time when many companies and individuals continue to have limited travel budgets. The conference attracted participants from 22 countries, including Denmark, Mexico, Japan, New Zealand, Germany, South Africa, and China.

During the opening ceremonies, winners of the Research Forum and *JPIM* competitions were announced. The departure of Abbie Griffin, the highly regarded *Journal of Product Innovation Management* editor was



Phillip Clark  
Business Planning for NPD

also announced. She is being succeeded by C. Anthony Di Benedetto of Temple University.

The Research Forum continued to be a key element of the PDMA program and is described in more detail on page 16. This year's winners for the PDMA International Research Conference Best Paper Award were Erwin Danneels (Worcester Polytechnic University) and Rajesh Sethi (Clarkson University) for their paper *Organizational Antecedents of New Product Creativity*.

The certification workshop, held at the same time as the Research Forum, had 27 participants preparing for the certification exam to be given at the end of the conference. This level of participation reflects a growing interest in the value of the PDMA's New Product Development Professional certification.

### Executive presentations

Three executive presentations followed the opening keynote address. These included a wide-ranging scope of ideas. Knight Kiplinger, publisher of *The Kiplinger Letter*, presented economic and new product development forecasts; "father" of Stage-Gate™, Robert Copper, reported on the latest research into NPD best practices; and National Security Agency executives Samuel Sanders Visner and Lee Karlowitz stretched our understanding of key elements of innovation. Some highlights:

#### Knight Kiplinger's optimism

Forecasting U.S. economic performance, Mr. Kiplinger predicted that corporate profits in 2004 will see double-digit growth rates from selling more, not just from cost-cutting. Much of U.S. economic success comes from the fact that the U.S. is the world leader in

### PDMA Workshops and Certification Exam Comments

Participants in PDMA workshops and the Certification Exam spoke enthusiastically about the value they had received. Participants came from such diverse companies as Eastman Kodak, Northeast Utilities Services Co., and Ameritrade. Of the six workshops scheduled for the conference this year, over half were repeats from previous conferences at the request of participants. The 100 percent increase in certification exam participants is clear testament to the value more and more firms and individuals are placing on the PDMP certification. Here are some comments:

*"They provided useful tools for identifying new products."*

Don Flynn, Product Development & Marketing Leader—Northeast Utilities Services Co.

*"This was an excellent course. It provided me with specific tools that I can use to address my problems."*

Matt DeVries, Director of Product Development—Ameritrade

*"They helped me jump from textbooks to more current knowledge."*

Graeme Doles, Senior Product Manager—IHS Energy

manufacturing products that did not even exist five years ago. Mr. Kiplinger further noted that in the future the U.S., more than any other country, will be the source of new products and services, while much of the manufacturing will be done elsewhere.

Dr. Robert Cooper shared results from a major study, "Best Practices in Product Innovation—What Distinguishes Top Performers," describing success factors in new product development programs. According to that study, released by the American Productivity and Quality Center (APQC), the best performers in new product development report getting 42 percent of profits from new products, with 77 percent of projects meeting profit objectives. The best NPD performers invest in "new to the world" products at twice the rate of worst performers (15.9 percent versus 7.4 percent of projects by category), and 72 percent of best performers have teams on projects from beginning to end versus 23 percent for worst performers.

**National Security Agency view**

Samuel Sanders Visner and Lee Karlowitz

noted that along with "People, Process, & Technology," the National Security Agency (NSA) believes organization and doctrine are the key factors in successful innovation. Their experience innovating at the National Security Agency showed that technology is the lowest cost, easiest way to change innovation capabilities, with process/technology, people, and doctrine being increasingly more difficult and costly.

**People track**

Beebe Nelson, People Track Chair and Principal at Working Forums, LLC, gathered a fascinating group of speakers for the People Track. As several of the executive presentation speakers pointed out, people are the lynchpin in NPD efforts. The right people, with the right skills and attitudes, in the right roles, can wring success out of confusion and inefficiency. But, as the first speaker in the People Track said about managing a cultural shift to more innovation, "There has been nothing in my life more difficult than this effort." The track speakers then proceeded to share their experiences and knowledge about how to effectively develop the skills and cul-

ture that produce world-class innovation and new product development programs.

**Process track**

Process is the embodiment of best practices and knowledge of new product development programs. The Process Track, chaired by Bradford Goldense of Goldense Group, Inc., gave this year's selection of experts the opportunity to share with conference attendees their knowledge of how to apply best practices in new product development. Leslie Skarra, President of Merlin Development, observed that "The world changes the moment a new product is released." Based on their own experience, the technology track speakers explained how to deal with these market changes effectively and rapidly.

**Technology track**

Appropriately, Michael Menke, Strategy and Technology Process Consultant at Hewlett-Packard chaired the Technology Track. Tom Massung, of Procter & Gamble, reported that according to Certes Group "being late to market by six months reduces the

**PDMA's 2003 OCI Award**

**Two Very Different NPD Approaches Win—  
Harley-Davidson and Dow's Polyolefins & Elastomers Business Group**

Two companies received PDMA's Outstanding Corporate Innovator (OCI) Award for 2003—Harley-Davidson Motor Company and the Polyolefins and Elastomers Business Group of The Dow Chemical Company. Since 1987, PDMA's annual Outstanding Corporate Innovator (OCI) Award has recognized those companies demonstrating sustained excellence in the development and profitable commercialization of new products and services.

"These are companies that go beyond the basics to establish a new product development culture to achieve spectacular success based on revenue growth," said Alan Webber, Founding Editor of *Fast Company* and sponsor of this year's award. In a surprising twist, the supposedly staid old-line company that many believe Dow to be came across as a real maverick in disparaging the importance of fixed procedures in developing new products. Kurt Swogger, VP Polyolefins and Elastomers R&D, and Romeo Kreinberg, business group president, accepted the award for Dow. According to Swogger, "The right work process, used by the right people, focused on results, is more important than any set of tools."

Conversely, the speakers from Harley-Davidson—Dantar Oosterwal, Director,

Product Development office, and Tony Reese, Director of Engineering Planning—told the audience that consistency of approach is required for success in developing new products, and that technology must follow process.

They added that with the right combination of process and creativity, "You can do anything, but you can't do everything." For more on the OCI Award and the 2003 winners, see related stories on pages 14 and 15.



PDMA officers present trophies to executives from Dow and Harley-Davidson, winners of PDMA's Outstanding Corporate Innovator (OCI) award for 2003. From left to right: Romeo Kreinberg, group vice president, and Kurt Swogger of Dow Chemical; Norm Wolfe, PDMA VP-Secretary/Treasurer; Stan Jankowski, chair of the OCI Selection Committee; Bob Gil, PDMA President 2002; Tony Reese and Dantar Oosterwal of Harley-Davidson.

five-year profits of a product by as much as 33 percent” for consumer products companies. New technologies such as visualization and collaboration tools can help reduce project time and extend “product” into other design areas. They do this by supporting multi-functional, end-to-end, internal, and external work process integration.

**PDMA's first annual meeting**

The smell of freshly popped popcorn outside the meeting room helped attract enthusiastic PDMA members to PDMA's first annual business meeting. Bob Gill, PDMA President, gave a concise overview of PDMA's 2003 activities. He described PDMA's mission as being to improve the effectiveness of people engaged in developing and managing new products by facilitating the generation of new information, helping convert this information into knowledge, and making this new knowledge broadly available. This mission is clearly being accomplished in the activities Bob described.

Education, the mainstay of the mission, is carried out by the annual conference, the research forum, and the publications supported by PDMA such as the *Journal of Product Innovation Management* and *Visions* magazine. Introducing April Klimley, *Visions* editor-in-chief, Bob noted that *Visions* recently received the IABC 2003 ACE award for “most improved” publication in its class. PDMA's four-year-old professional certification program has seen a recent explosion of interest, and has produced over 525 certified professionals. Networking at the national and chapter events and the job bank available to members at the association web site support knowledge sharing and professional growth opportunities for members. The Outstanding Corporate Innovator (OCI) Award and the Crawford Fellowship provide recognition for success in the area of innovation and new product development. Looking to the future, one of the most exciting ideas presented at the business meeting was PDMA's newest project, the PDMA Body of Knowledge (BOK). Mark Deck gave a short presentation on the BOK. An article by Mark describing the project and those involved can be found on pages 28 and 29.

**Top of the Hub reception**

PDMA's traditional evening reception was held at the Top of the Hub, in Boston's Prudential Tower. At 50 floors above street level, the view of Fenway Park, the Charles River at sunset, and even Bunker Hill over in Charlestown was riveting and added a special savor to the generous number of food stations serving a variety of oysters, pizza, ballpark hotdogs and hoagies, and the final favorite, the desert station. The only problem appeared to be the lack of a free hand when friends from previous conferences and those eager to network at this one had to greet each other with food in one hand and a drink in the other.

industry. Value to members is shown in the record level of conference attendance at a time when other conferences show declines. The significant growth in attendance and vendor participation in this conference reflected PDMA's rising influence as a thought leader in new product development management.

As PDMA's research and teaching expands beyond traditional limits to include linkages to supply chain and full life cycle management, he said, the organization gains influence with new audiences. Moving into the future, PDMA will play the vital role of setting de facto standards for NPD concepts, leading to better communication and faster adoption of new ideas. PDMA's NPDP certification program and the PDMA Body of Knowledge are major steps in accomplishing this goal. He predicted that membership in PDMA and participation in activities such as the annual international conference will become a prime factor in individuals' ability to improve NPD performance at their respective firms.

**Closing keynote**

Peter Senge, author of *The Fifth Discipline* and *The*

*Dance of Change*, was the closing keynote speaker. He presented his ideas on how to integrate the lessons learned at the conference into attendees' operations at home. His ideas on sustaining momentum in learning organizations held the audience's rapt attention to the end.

**Chicago next year**

If you feel you missed out on a great conference this year, you are right. But don't despair. Much of the team that planned this year's conference, including the conference chair Chris Hawver, will be working on next year's conference, scheduled for October 23-27 in Chicago. The conference theme will be “Product & Innovation Management Across the Lifecycle.” Mark your calendar now to join your fellow professionals for another great experience in developing your NPD skills and knowledge. 📌

*Phillip Clark is Principal at Business Planning for NPD.*

**Search for Nominations for 2004 OCI Award**

PDMA will issue a call for nominations for PDMA's 2004 Outstanding Corporate Innovator (OCI) Award in early February. Please start thinking now of the companies you either work for or know that are exceptionally successful at commercializing new products, and which therefore may be candidates. Check the PDMA website, pdma.org, for directions on how to submit nominations. In order to win the award, a company must—

- Demonstrate exceptional success in launching multiple new products over a sustained timeframe.
- Show that it has had significant and documented growth and financial results from new products.
- Have defined new product development practices in place which can be described to others.
- Possess distinctive, innovative characteristics, novel process elements, and intangibles in its new product development process.

**Exhibit Hall and sponsorships**

There was a high level of energy in the Exhibit Hall where more than 28 vendors made their expertise and product knowledge available. The excitement in the hall reflected the growing importance of PDMA's annual International Conference for corporations interested in improving new product development performance. Vendors participated not only by showing their products at the Expo, but also by sponsoring special events and meals. These events, sponsored by firms like EDS, IDE, Oracle, Sopheon, Rand, and SAP, offered great networking opportunities. *Fast Company* was the official Outstanding Corporate Innovator Award sponsor this year.

**Interview with Bob Gill**

In an interview, PDMA President 2003 Bob Gill of Intermatrix-PDP commented that the 2003 annual conference demonstrated that PDMA is moving to a new level in providing value to its members, as well as to the new product development