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**\* New Research on Product Development and Innovation Management \***  
**- Innovation Processes -**

by

Brad Goldense and Ervin Kule

In the August 4, 2008 issue of 2PLM we highlighted recent research on product development and innovation processes, tools and top corporate metrics by Goldense Group, Inc. In this issue we present the third in a series of six articles, which focuses on results in the area of "Innovation Processes". Next issue we will look at results on "Innovation Identity."

The survey investigated the Innovation Processes in corporations. Individual questions centered on the types of R&D companies engage in, making a distinction between early types of R&D processes like Basic Research or Applied Research or Advanced Development and later stage Product Development processes. The degree of documentation of all these processes was also investigated. Replies to GGI's 2008 Product Development Metrics Survey were received from 209 companies across a range of industries including industrial and medical products, aerospace, defense, electronics, chemicals, and pure software companies.

Some results were surprising. More companies are engaging in earlier stage development activities than has been historical practice. We spot-checked this personally with some folks in our network and they concurred that their companies are doing more things earlier, using processes tailored for these activities.

Early investigative activities like Basic Research, Applied Research and Advanced Development are more experimental and don't always bring direct return on investment. There are exceptions like capitalizing on IP, or selling the research and findings. Last stage Product Development processes on the other hand are more tangible and have more concrete returns on investment. Historically, most companies used no documented processes or had skeletal processes for these early activities. The research shows that there is an increase in the usage of documented processes and there are indications that the processes are becoming more refined. Three out of four respondent companies now have structured documented processes that address or span these early research and advanced activities.

With regard to last stage Product Development processes, it is not surprising that 98% of respondent companies report they have one or more documented processes. Analogous to the research findings for earlier stage activities, it seems too that the precision and finesse is also increasing. Fifty-five percent of companies report having two or more processes. Forty percent of companies report using a single process. Five percent of companies report they have no documented processes at the current time.

In summary, we believe that the Research and Development arena is changing its shape. Early stage activities are increasing. The documentation of all Innovation Processes is also increasing and it is accompanied by increased structure and finesse. Oversight is growing. Companies feel the need to have more research but they also want to have better control over the investments in research. It all makes sense. The world's quest for innovation is causing change in funding allocations. These changes are causing the need for improved oversight, which leads to more structure and refined documentation.

For more information about GGI's 2008 Product Development Metrics Survey, the research and the available report please go to GGI's website, <http://www.goldensegroupinc.com/>. To purchase reports with text and graphical analysis of the results, please go to [http://www.goldensegroupinc.com/cgi/catalog.cgi?display\\_p355](http://www.goldensegroupinc.com/cgi/catalog.cgi?display_p355).

Bradford L. Goldense is President and CEO, Goldense Group, Inc. Ervin A. Kule is Manager of Market Research, Goldense Group, Inc.

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GGI  
Goldense Group, Inc.

P.O. Box 350  
1346 South Street

Dedham, MA 02027  
Needham, MA 02492

Phone (781) 444-5400  
Fax (781) 444-5475