

*** New Research on Product Development and Innovation Management ***
- Innovation Identity -

by

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In the August 11, 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 fourth in a series of six articles, which focuses on results in the area of "Innovation Identity." Next issue we will look at results on "Innovation Tools."

The survey investigated the Innovation Identity in corporations. Individual questions centered on the message communicated by the nomenclature of the name of the company Product Development process, given the spectrum of the innovation-like or execution-like words that could be chosen. The extent to which the process name is branded, either internally or externally to the company and/or is a registered trademark or servicemark, was also researched. Finally the degree to which the name of the process changed during the past four years of industry emphasis on innovation was explored. 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.

Companies often give a purposeful identity to their product development process. The use of a name an icon or an acronym usually serves as a reminder to reinforcing values to company personnel in similar ways like branding works in the marketing of product. Our focus was to contrast Innovation identities versus Execution identities in the nomenclature of the processes of PD, or to find a balance of the two.

Surprisingly we found that Execution gets much more emphasis, 81% of responses, versus Innovation. Companies are clearly giving a message that communicates action, rather than how this action should be implemented. Most companies choose to bring this message out through the use of a name that is a phrase or an acronym, as opposed to a graphic icon. Only 15% use an image as the choice for the nomenclature of their PD processes.

Across the population of respondent companies, the words Invention, Innovation, Creation, Ideation and synonyms for these terms, it was found that 29% of companies make use of these words or synonyms.

There does appear to be a trend forming for more use of innovation-like adjectives in the nomenclature of PD. Half of the companies responding have made changes in their PD names since 2002. Of those who have made changes, 38% tend to "hint" at more innovation in the choice of their new identity for PD. Even with this trend, Execution is the clear and overwhelming message.

These findings were reinforced by another finding. Only a third of companies require some type of formal innovation activity during PD. The vast majority of all formal PD activities are execution-related.

Finally, very few companies recognize the power of promoting/marketing or formally branding their PD process(es) externally. Only 16.5% make efforts in these areas.

In summary, the message that emanates from the nomenclature of corporate Product Development processes is one of action and execution. Innovation-oriented nomenclature is on the rise, but not enough to shift the balance away from execution. Formal innovation techniques and tools are not required in most PD processes. The branding of PD processes and the external marketing of them is minimal.

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.

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