

Goldense Group, Inc.

Survey

Finds Product Development Managers Focused More On Execution Than Innovation

Part 3 of 5 – December 30, 2008

The GGI research was conducted between August 2007 and January 2008. Questionnaires were mailed to product development professionals in a wide range of fields, from North America, Europe and Asia. Responses were received from 209 companies from such industries as aerospace & defense, electronics, chemicals, software and medical products. The questionnaire contained 30 questions covering the following areas: demographic profile, innovation environment, innovation processes, innovation identity, innovation tools, and top corporate-level R&D metrics.

In the innovation identity portion of the survey, GGI examined the branding of product development processes and whether or not the term “innovation” has made its mark on process branding. First, the questionnaire explored whether the name, phrase, acronym or icon used to describe the product development process emphasized innovation or execution, or attempted to balance the two. The questionnaire then explored whether the product development process nomenclature contained the word “innovation” or a synonym such as “invention,” “creation,” “ideation” or some other term, and whether the nomenclature had changed since 2002 to include the word “innovation” or a synonym. The questionnaire also explored the degree to which the process was actively or passively promoted, both externally and internally, regardless of process nomenclature.

Has the much-touted concentration on innovation as a core capability affected the branding of product development processes? The GGI research found that for nearly one-half of respondents (47%) the branding used to identify the product development process emphasized execution more than innovation. Only eight percent of respondents reported that the nomenclature used to identify their product development process emphasizes innovation more than execution. About one-third (34%) has created a process brand that balances execution and innovation. The remaining respondents claimed that their process brand emphasized neither innovation nor execution.

The research also found that about three-quarters of all companies surveyed do not have the word “innovation” (or a synonym) in the name, icon, or identifying acronym for their product development process. Of the remaining one-quarter, half use the word “innovation” while the others use synonyms. One-half of respondents reported that their process branding has changed since 2002; of those who have changed the name of their process over the past six years, 38 percent added the word “innovation” or a synonym. This means that, since 2002, about one-fifth of respondents have changed the name of their process to emphasize “innovation” (or a synonym) in their product development process branding.

Regardless of the brand emphasis a given company employs, are firms promoting and/or advertising their product development process brand either internally or externally? And, if so, is this promotion active (for example through trade marking the process, including references to it in advertising, on company letterhead, in annual reports, or on the corporate website) or is this promotion perceived to be passive? The survey found that a mere 3.5 percent of respondents have trademarked their process while 16.5 percent claim to be either actively or passively promoting their process to the world outside of the company. One-third of all respondents say that the process is not promoted even internally.

Analyzing these data, Goldense Group Inc. President Brad Goldense outlines what he calls “the four legs of the stool” that support innovation or any emerging, broad initiative to improve product development: 1) financial investments, 2) the development of human resources (such as training in new skill sets and techniques), 3) the process-ware, and 4) branding and communication activities required to raise the profile of the initiative in question either internally or externally. Goldense's reading of the survey convinces him that most organizations are creating process-ware and slightly shifting the allocation of funds between R and D, but failing to invest in their people or in the branding and communication necessary to increase emphasis around innovation. He sees “no clear, embedded movement on the innovation front except for an increase in process-ware currently for the purposes of monitoring and control.”

Concludes Goldense: “Companies that are working all four 'legs of the stool' stand to create competitive advantage with respect to both open and organic innovation – but such companies tend to be few and far between. Management's [attention and investment] is still clearly on execution.”