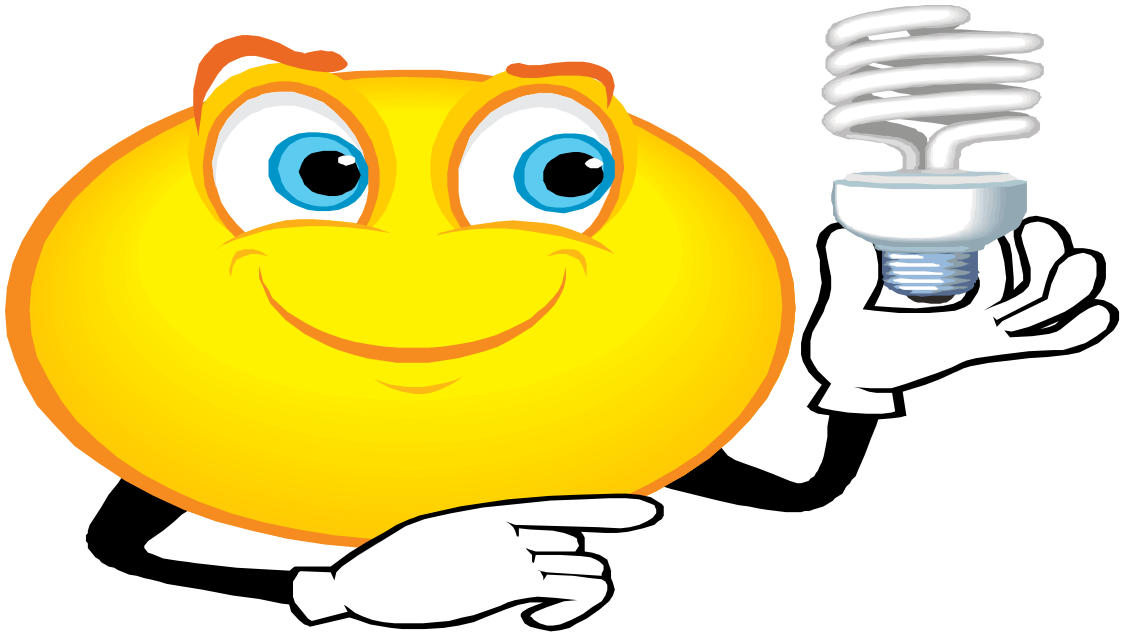
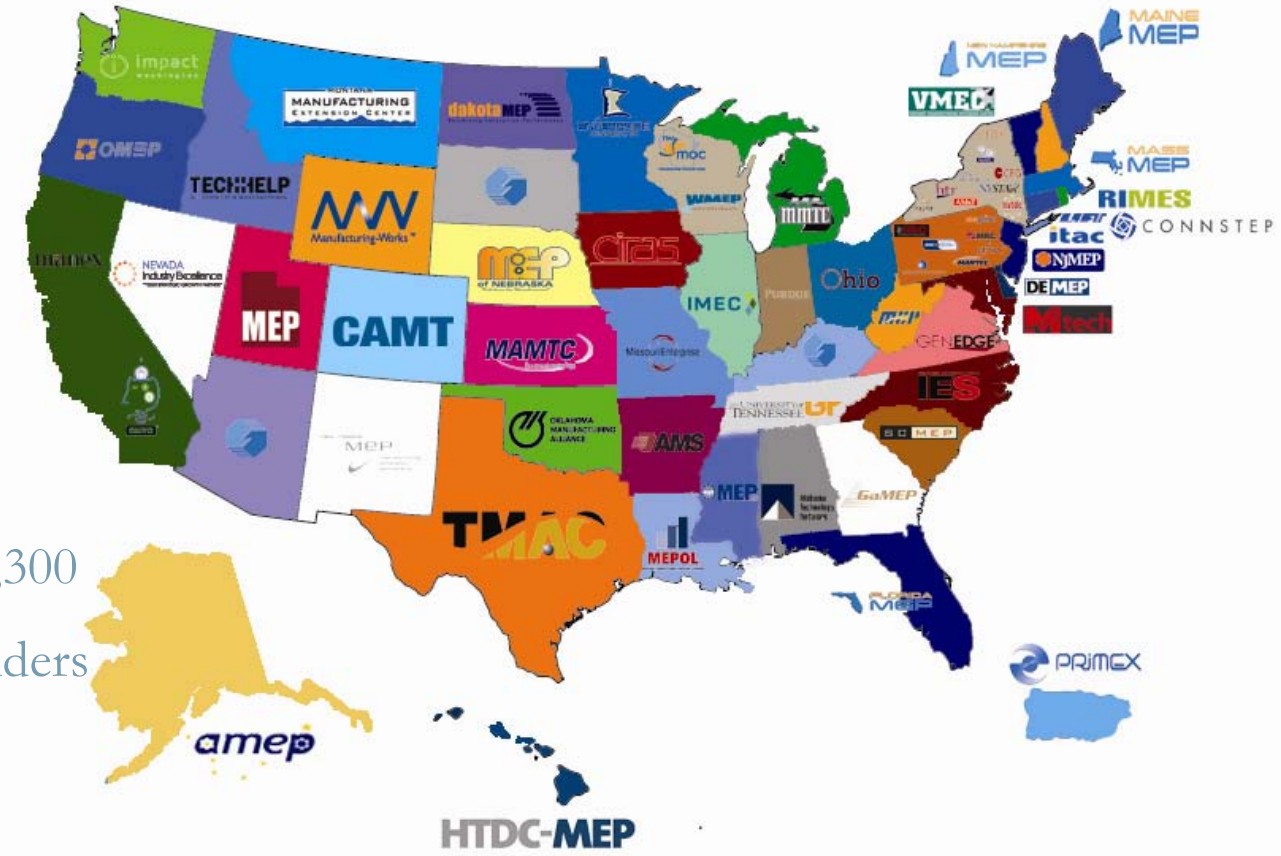
NEW PRODUCT INNOVATION



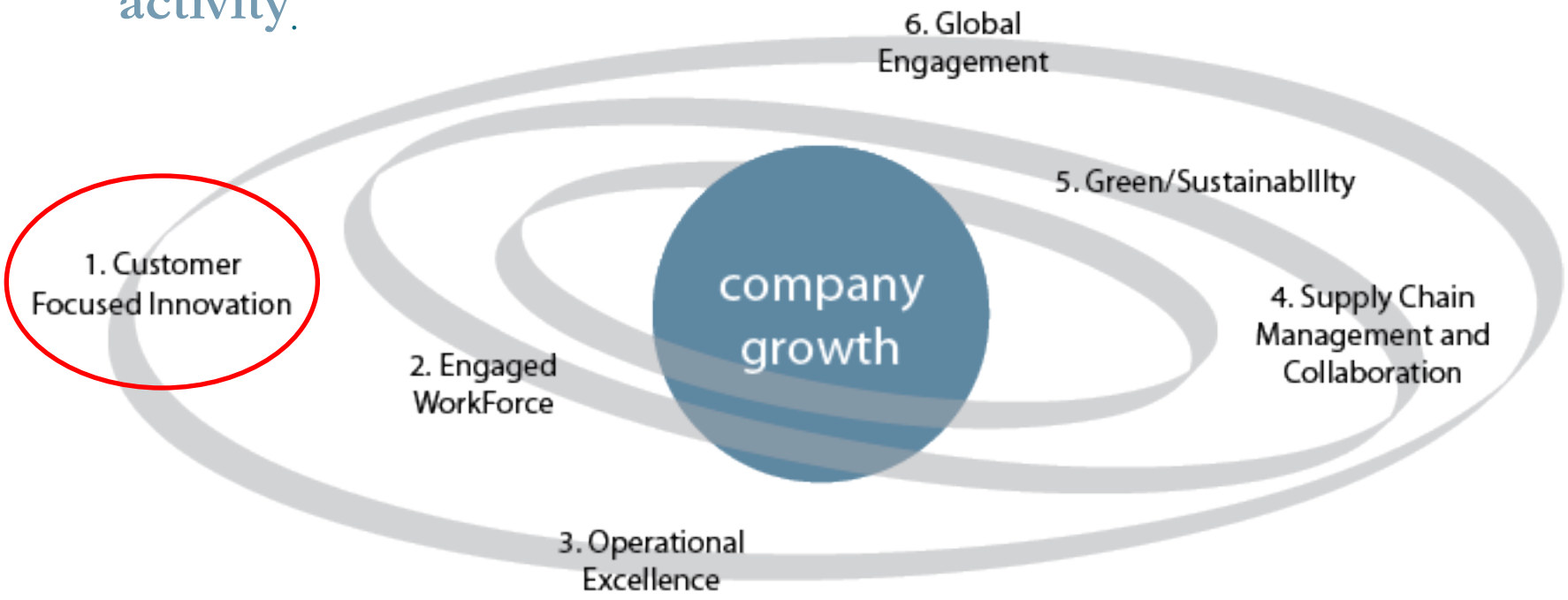
OMEP Organization

- Nationwide
- 60 MEP Centers
- 373 field locations
- Over 1,300 staff
- Contracting with over 2,300 third party service providers

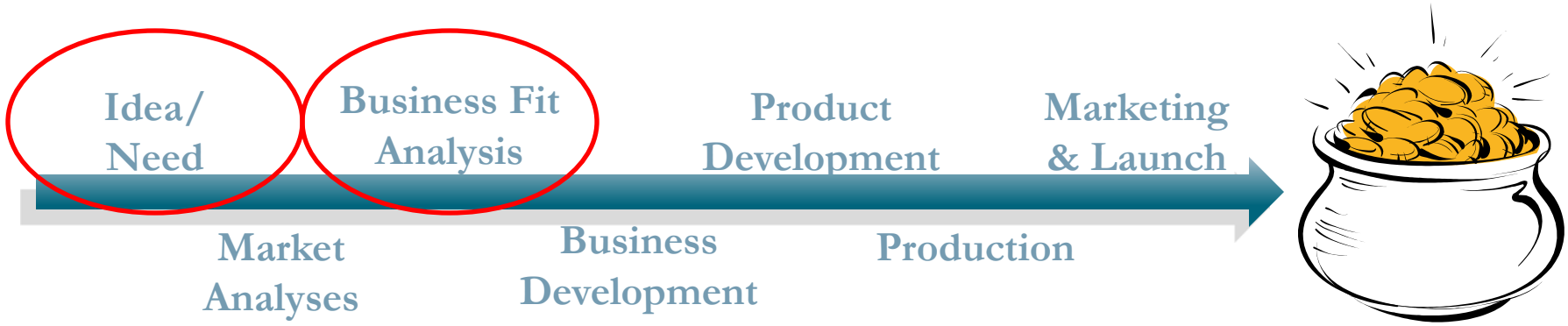


STRATEGIES THAT WILL GROW YOUR COMPANY

OMEP looks at all the elements of a company strategy at the same time while attempting to synchronize your activity.

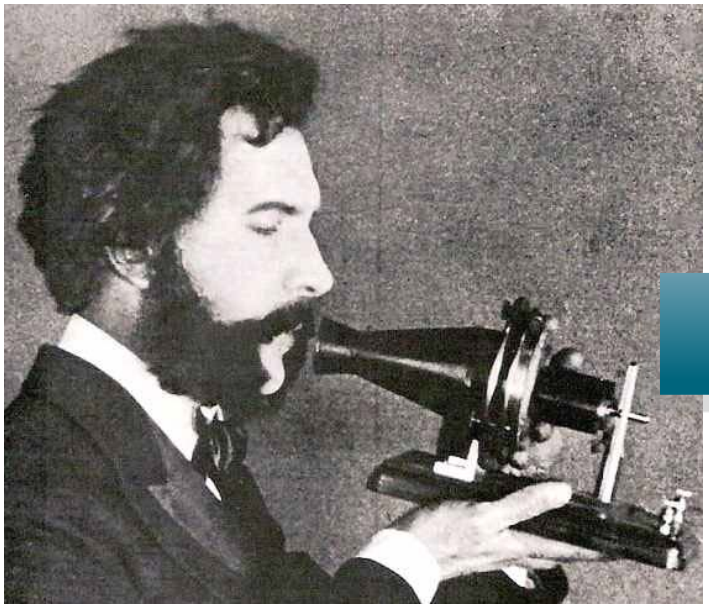


The path to new product innovation

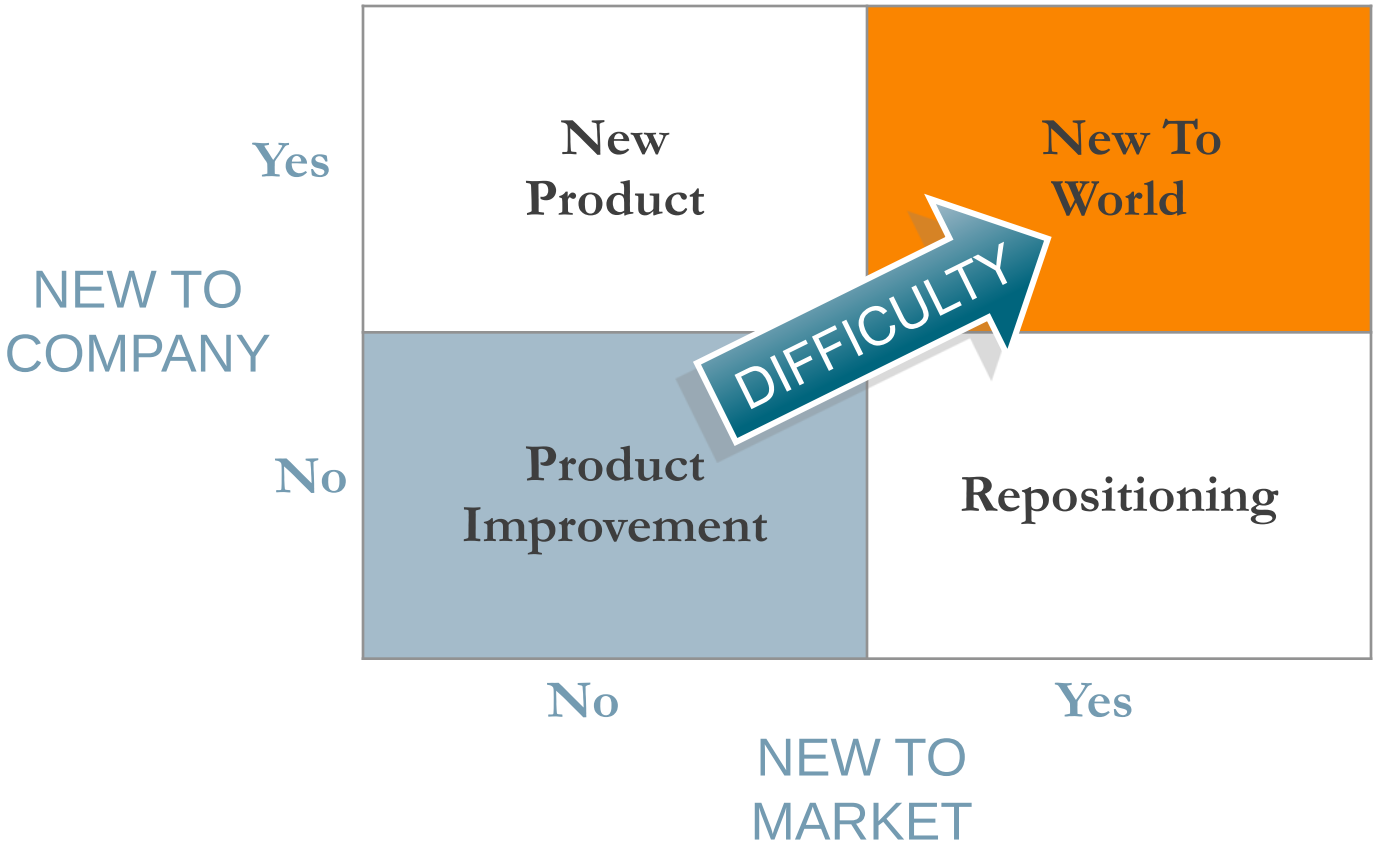


INNOVATION VS. INVENTION

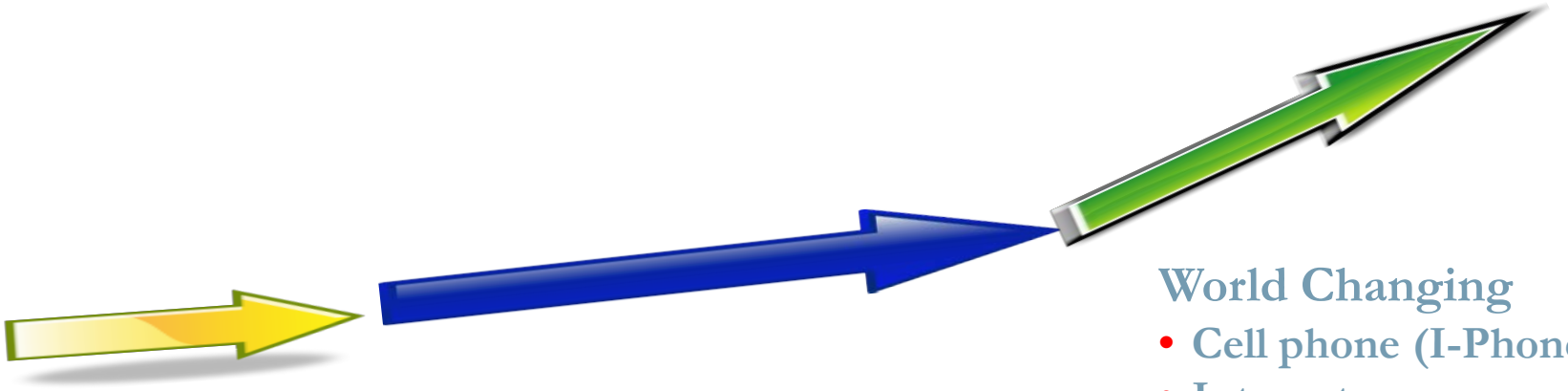
Innovation is the process of making an *invention* a usable (possibly commercial) reality.



WHAT IS CONSIDERED “NEW” PRODUCT?



CHANGE MAGNATUDE of the INNOVATION

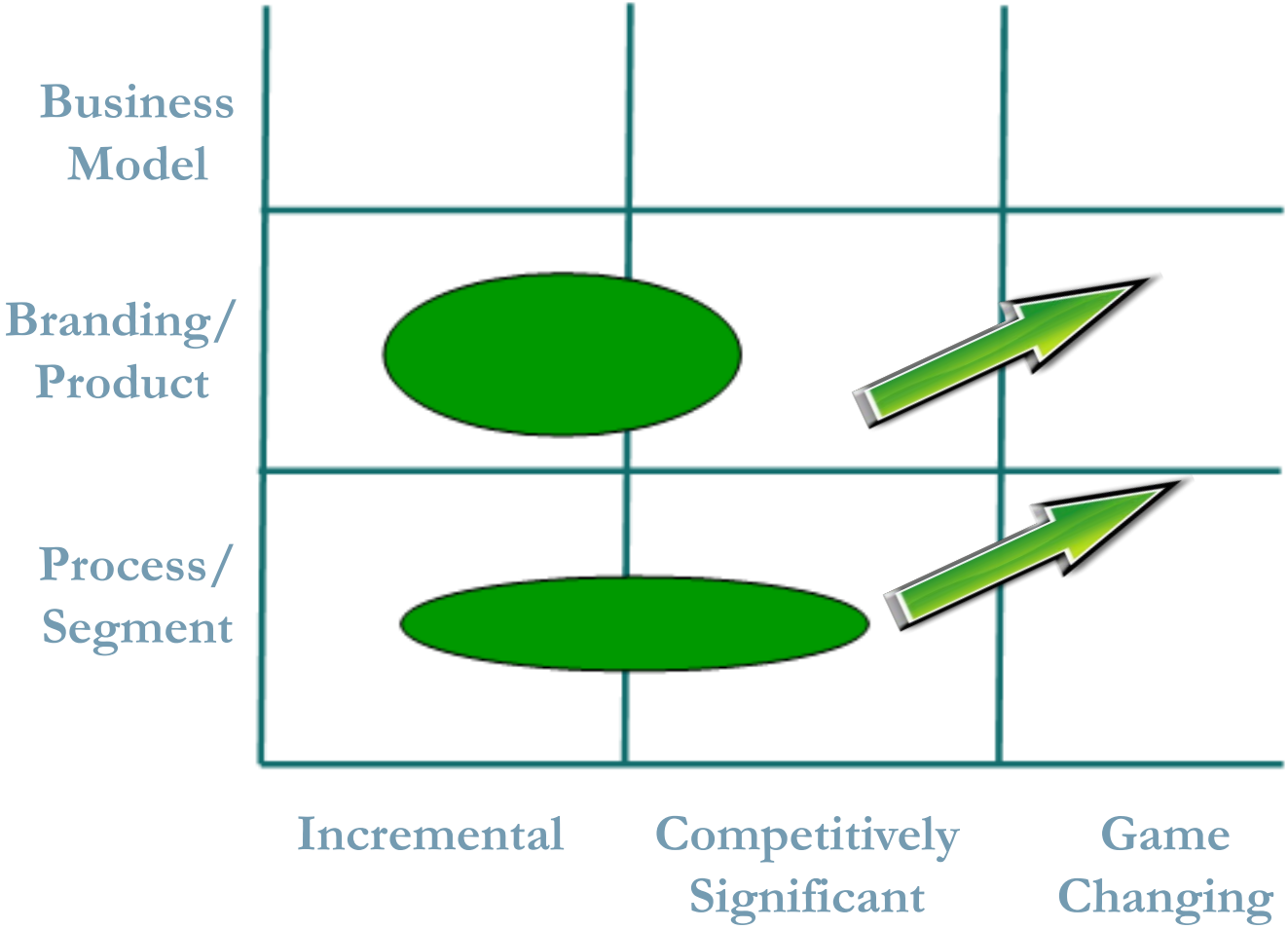


World Changing
- Cell phone (I-Phone)
- Internet
- Drones

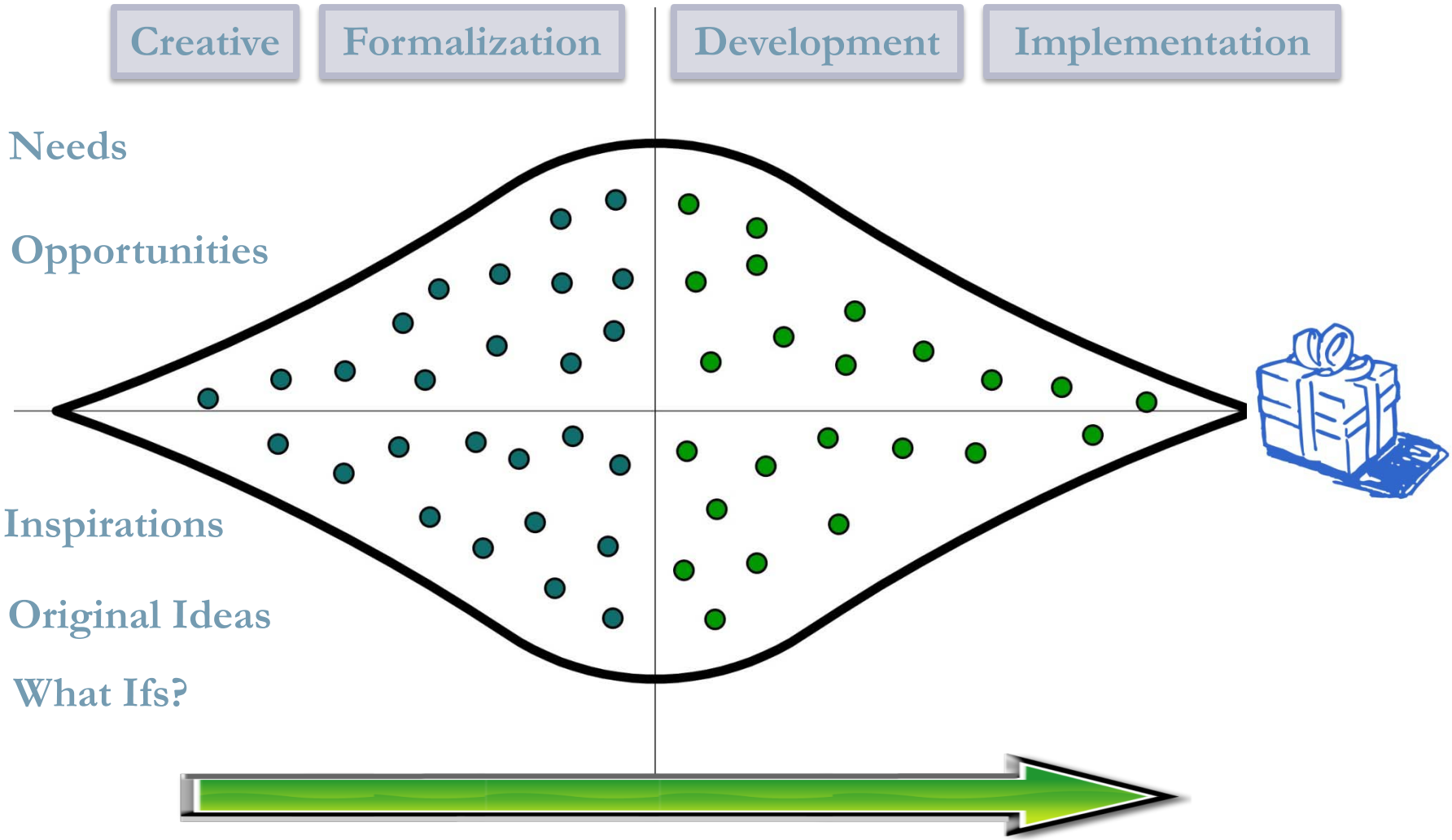
Industry Changing
- LED TVs vs. LCD TVs
- Mustang to Mustang Shelby GT
- Freeze drying vs. canned foods

Incremental Innovations
- Process Improvements
- New market segment adaptations
- Improved product performance

WHAT DOES YOUR COMPANY LOOK LIKE?



NEW PRODUCT DEVELOMENT PROCESS

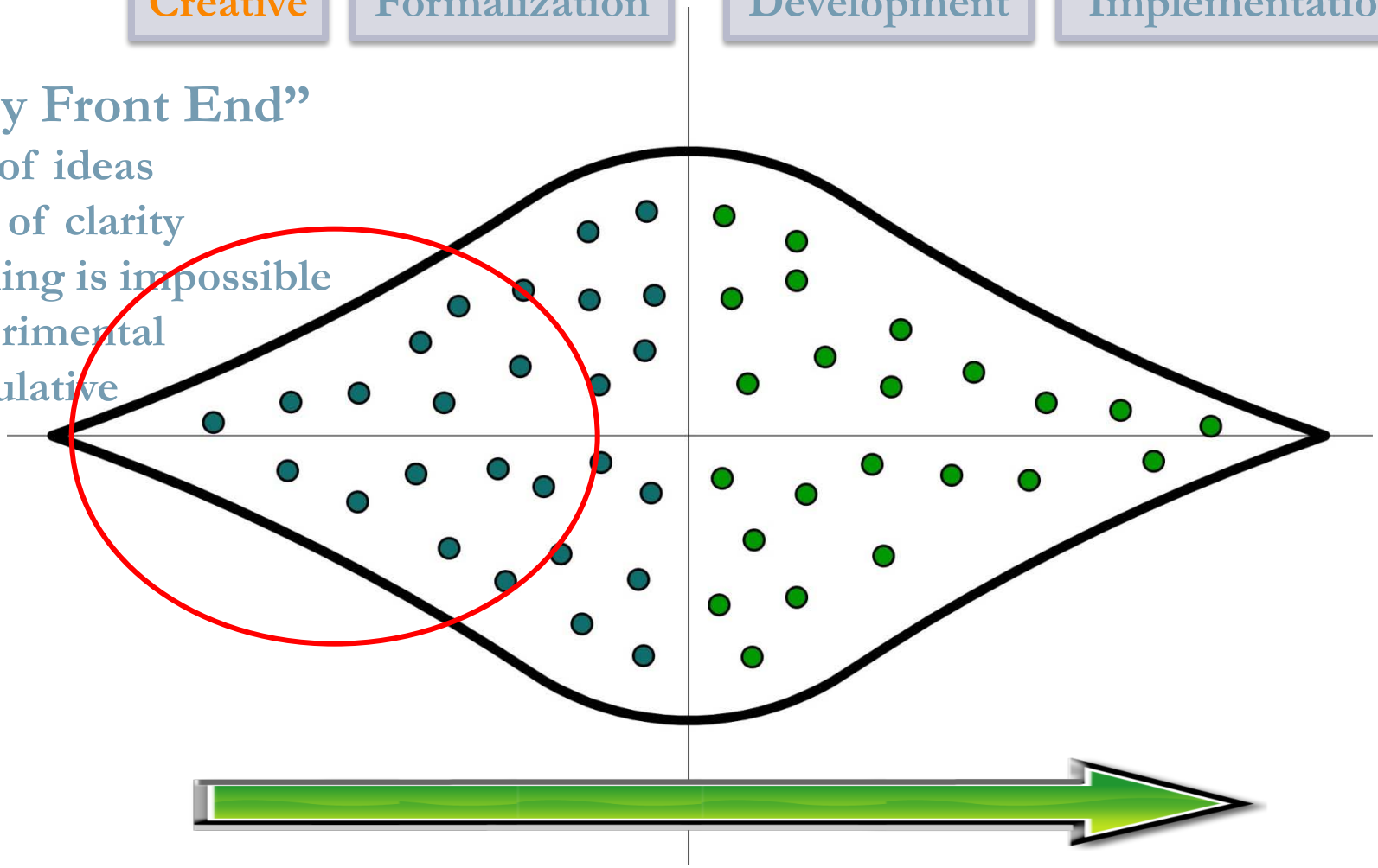


NEW PRODUCT DEVELOMENT PROCESS

Creative | Formalization | Development | Implementation

"Fuzzy Front End"

- Lots of ideas
- Lack of clarity
- Nothing is impossible
- Experimental
- Speculative

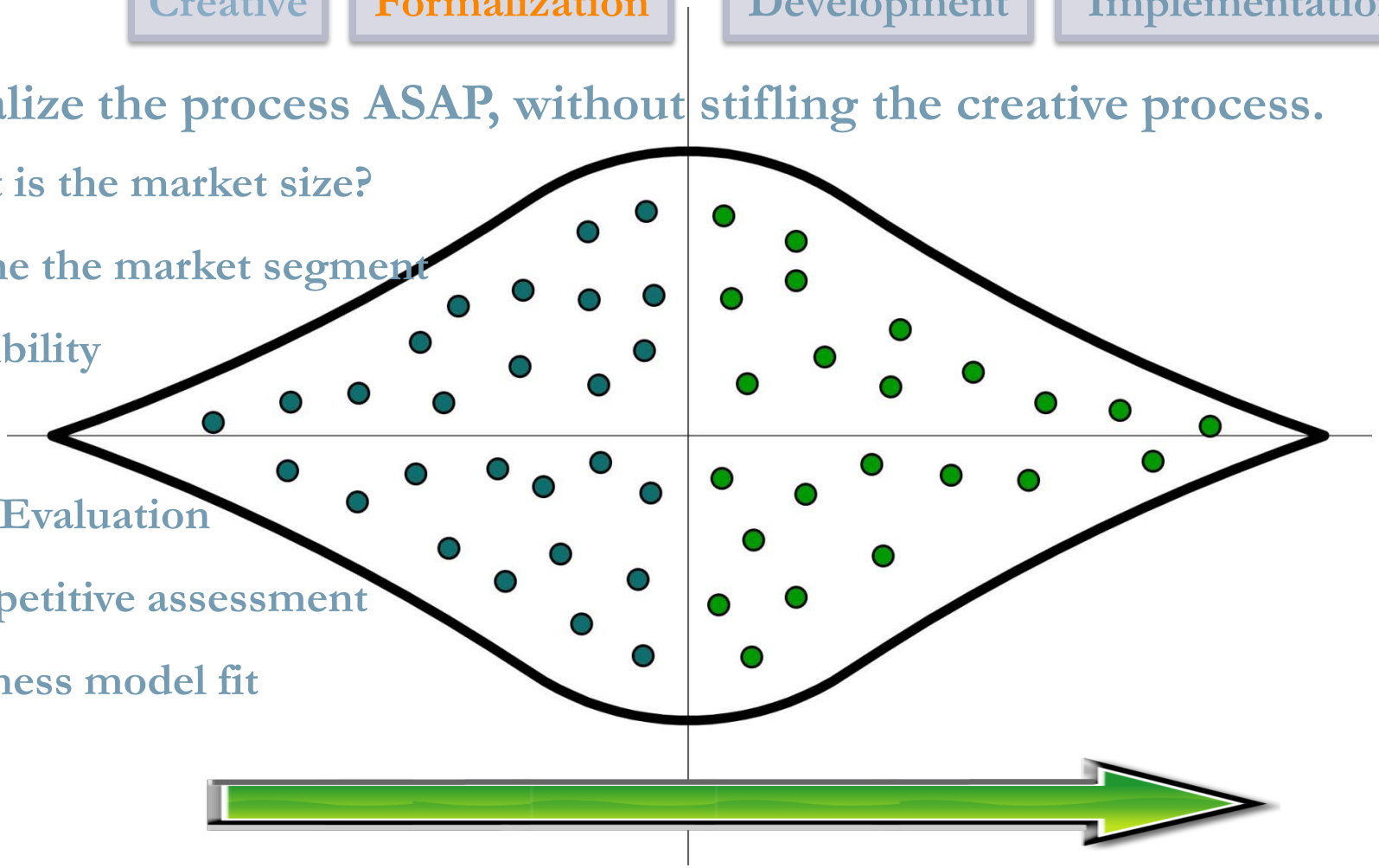


FORMAIZE THE PROCESS SOON

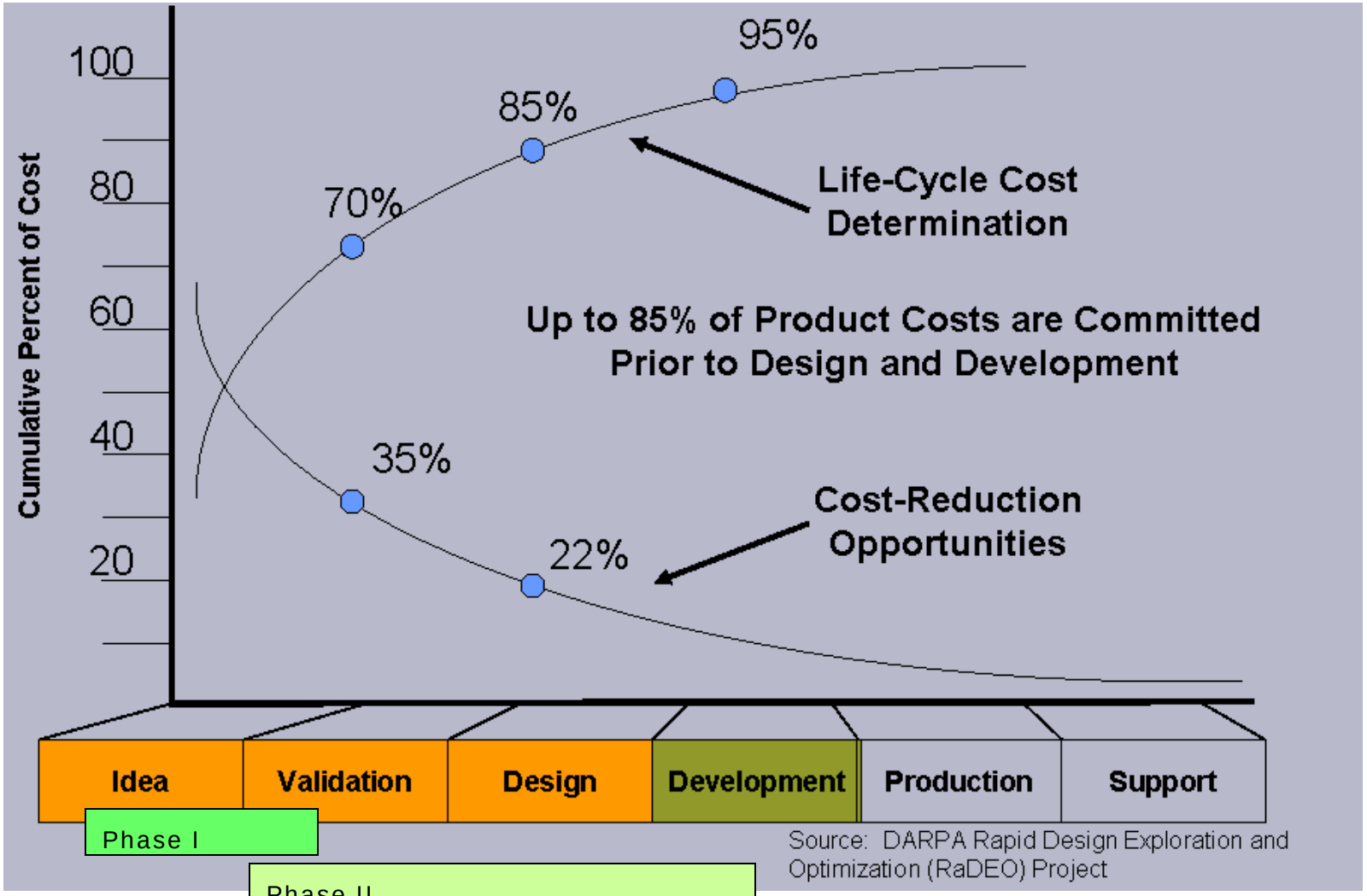
Creative | **Formalization** | Development | Implementation

Formalize the process ASAP, without stifling the creative process.

- What is the market size?
- Define the market segment
- Feasibility
- Risk Evaluation
- Competitive assessment
- Business model fit

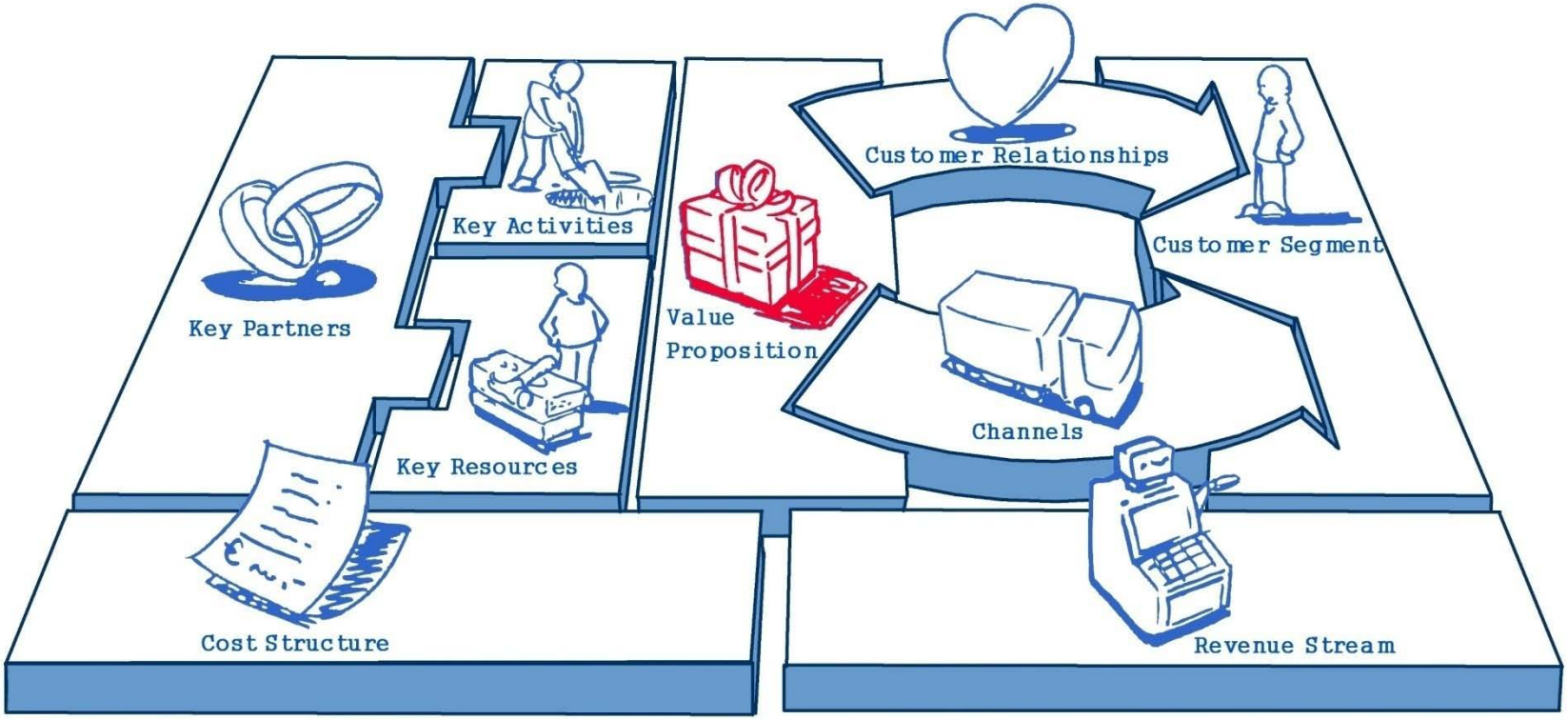


NEW PRODUCT DEVELOMENT COST

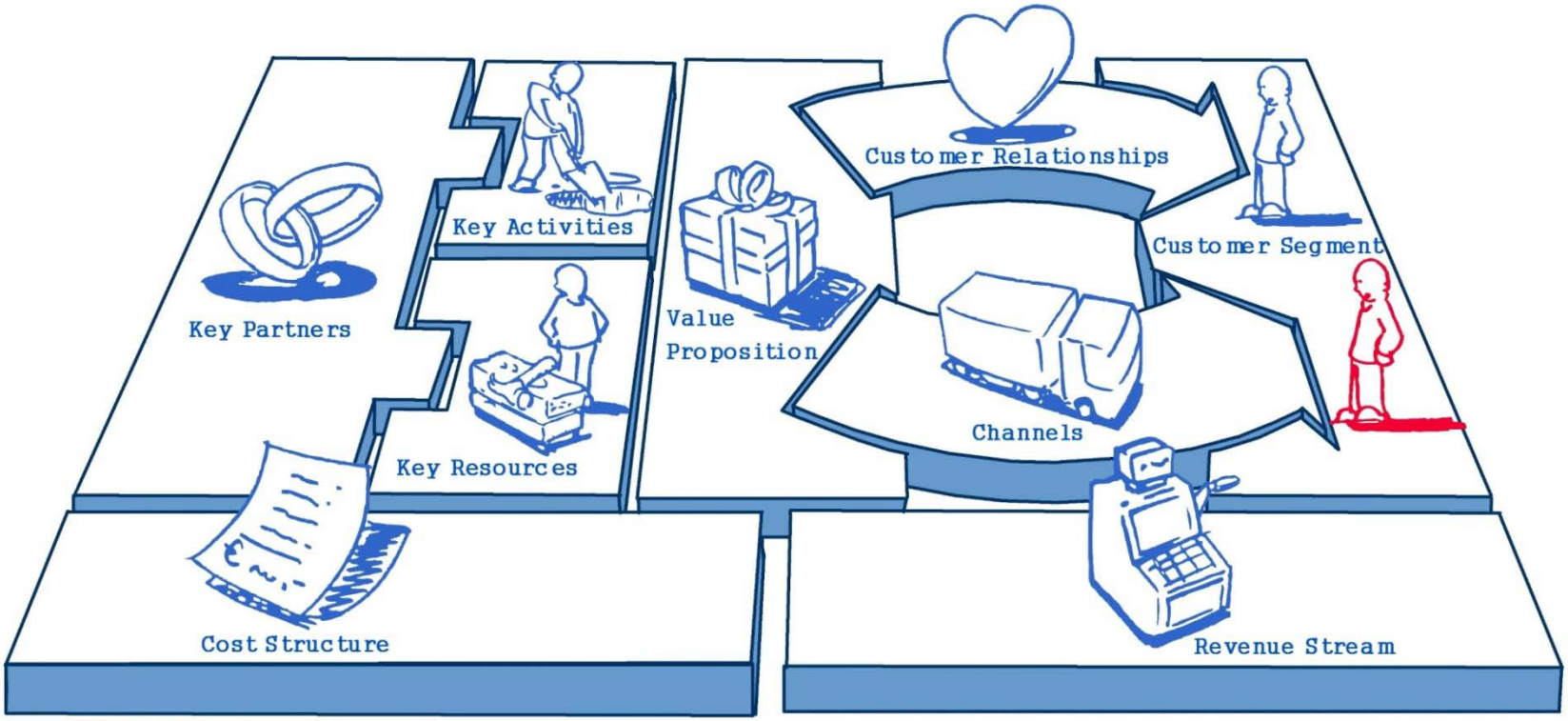


BUSINESS MODEL FIT

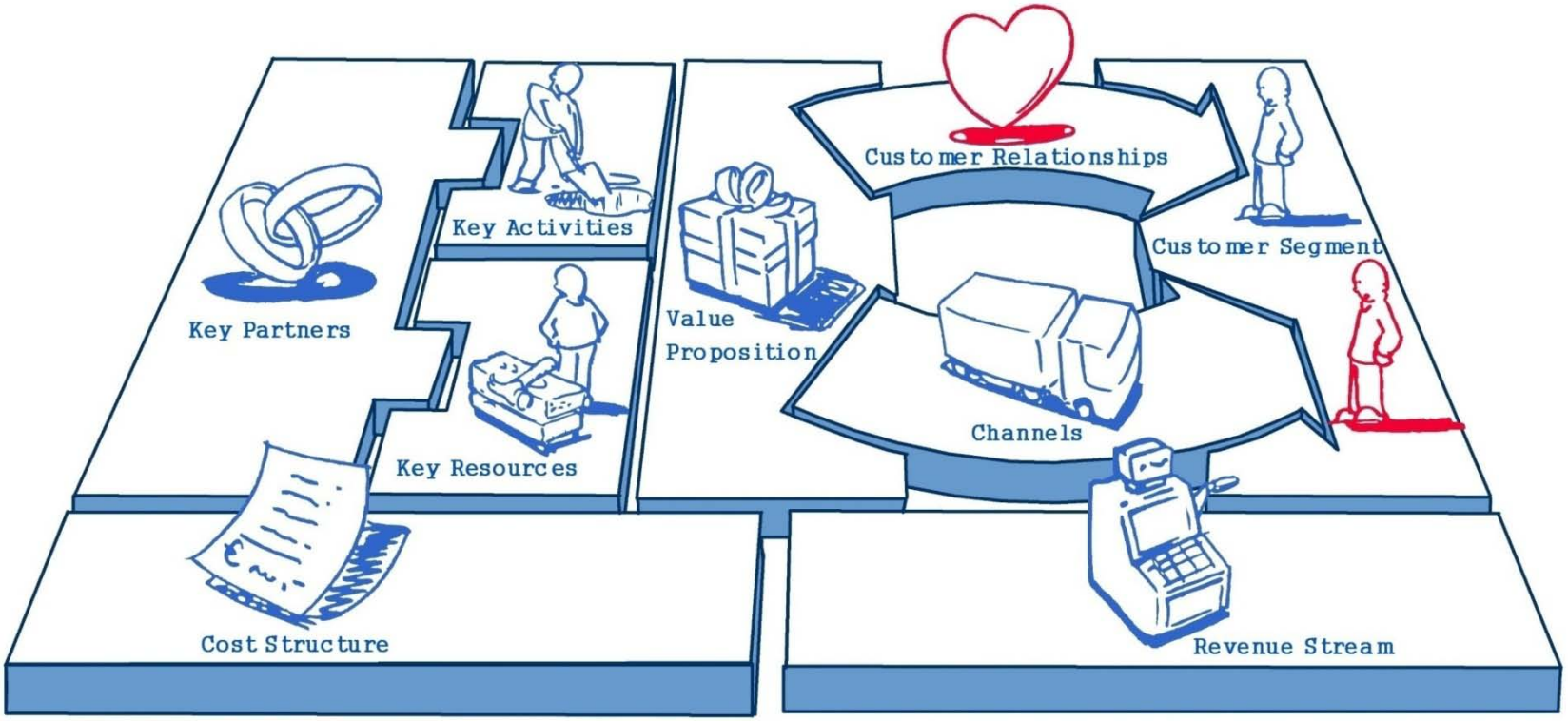
How well does the new product offering fit the current business model?



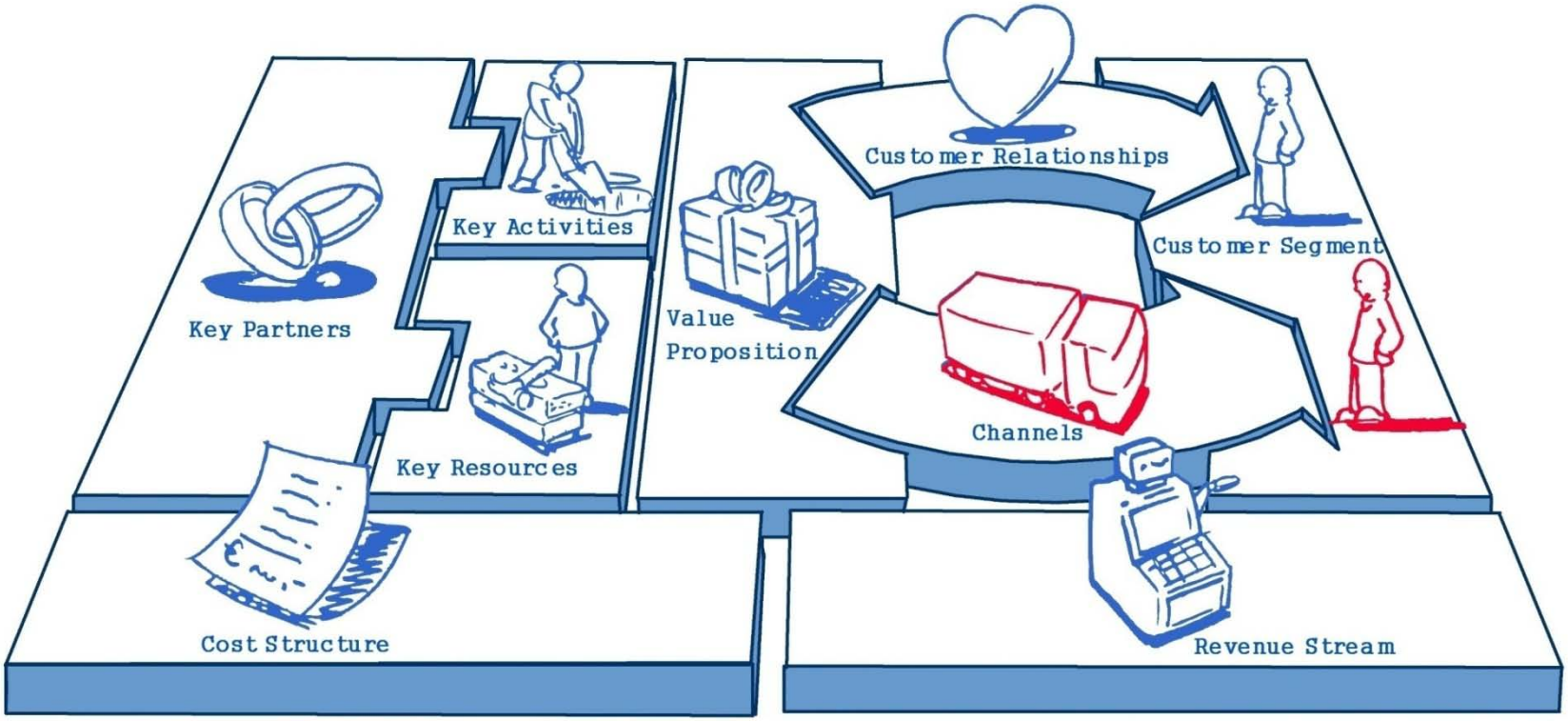
How different is the target market segment?



How do I have to work with my new customers?

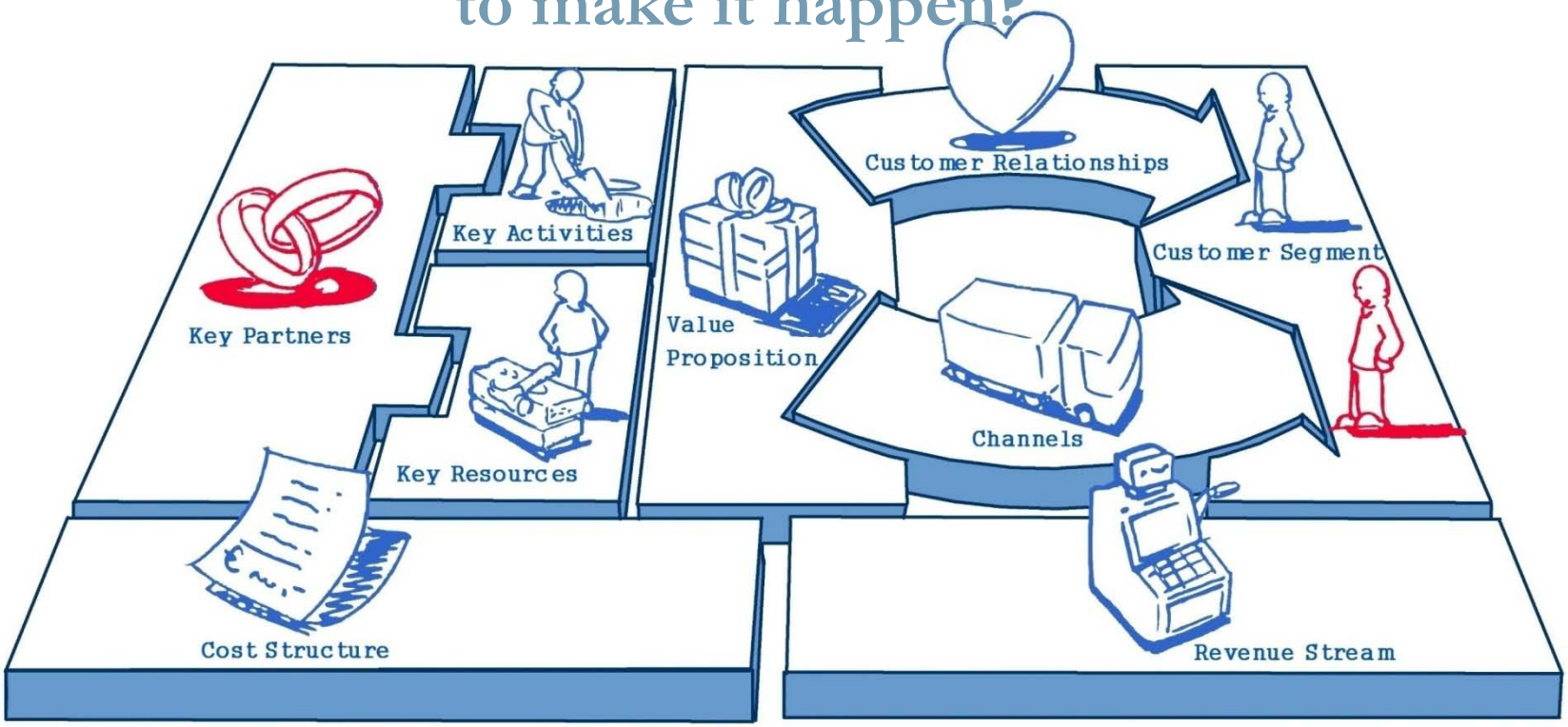


Are new channels of distribution required?



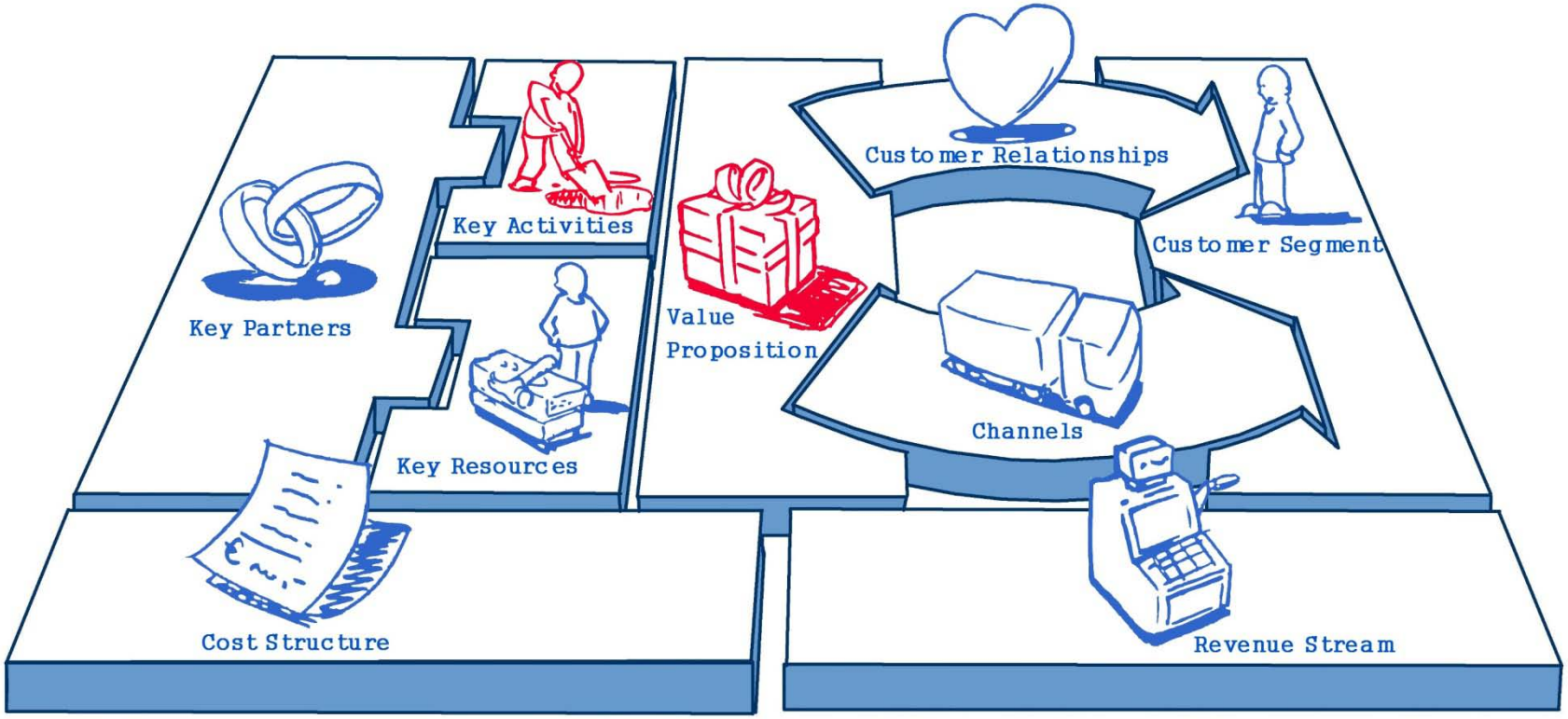
BUSINESS MODEL FIT

Who do I have to work with to make it happen?

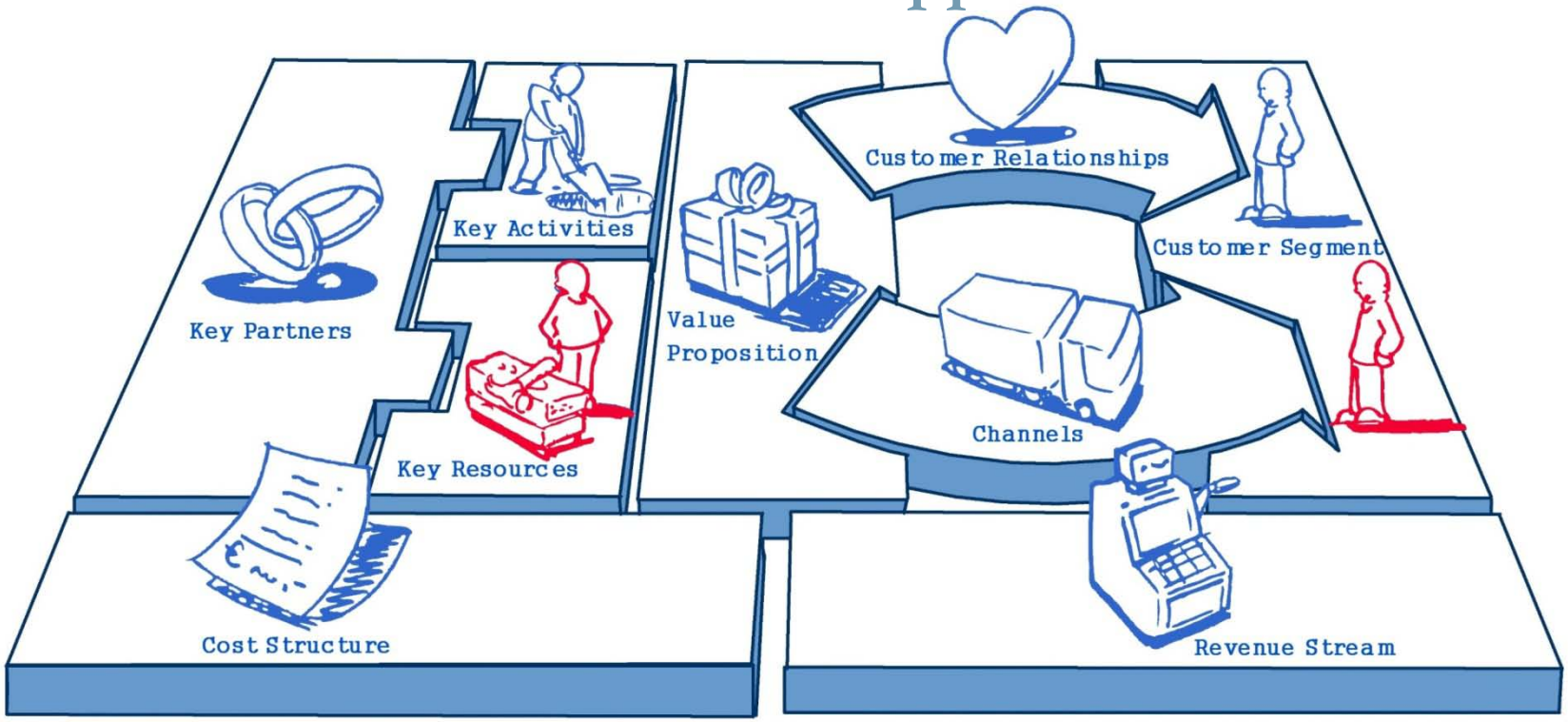


BUSINESS MODEL FIT

Does it fit with your existing, core business model?

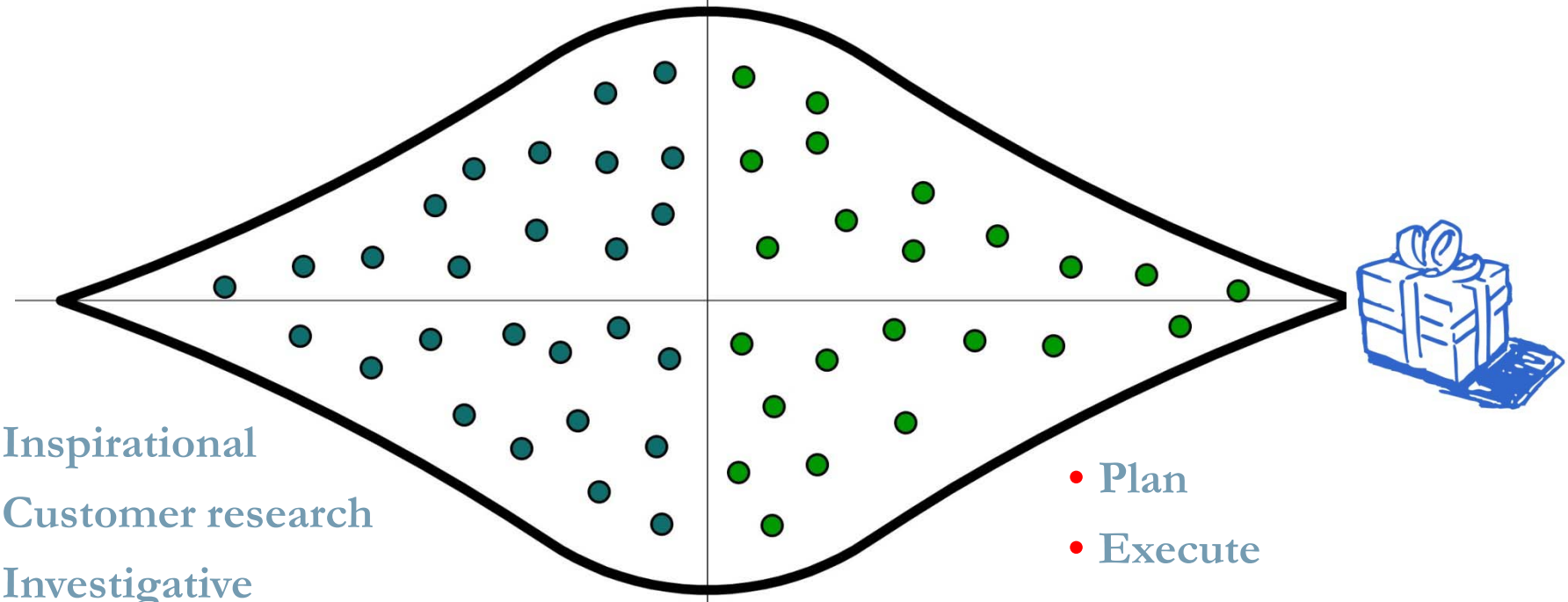


What internal resources do I need to make it happen?



WHAT MAKES A GREAT INNOVATION TEAM?

Creative | Formalization | Development | Implementation



- Inspirational
- Customer research
- Investigative
- Out of the box thinking
- Research
- Conceptual
- Strategic

- Solution minded
- Experimental
- Pre-technical evaluation
- Find new connections
- Problem solver

- Plan
- Execute
- Technical solutions
- Problem solver
- Detailed

EFFECTIVE INNOVATION TEAMS

- Cross-functional team members
- Early integration of team members
- Everyone has a voice
- Flexible duties
- Total immurement
- Team engaged in all activities

- Primary team members
- Supportive team members
- Outside support personnel

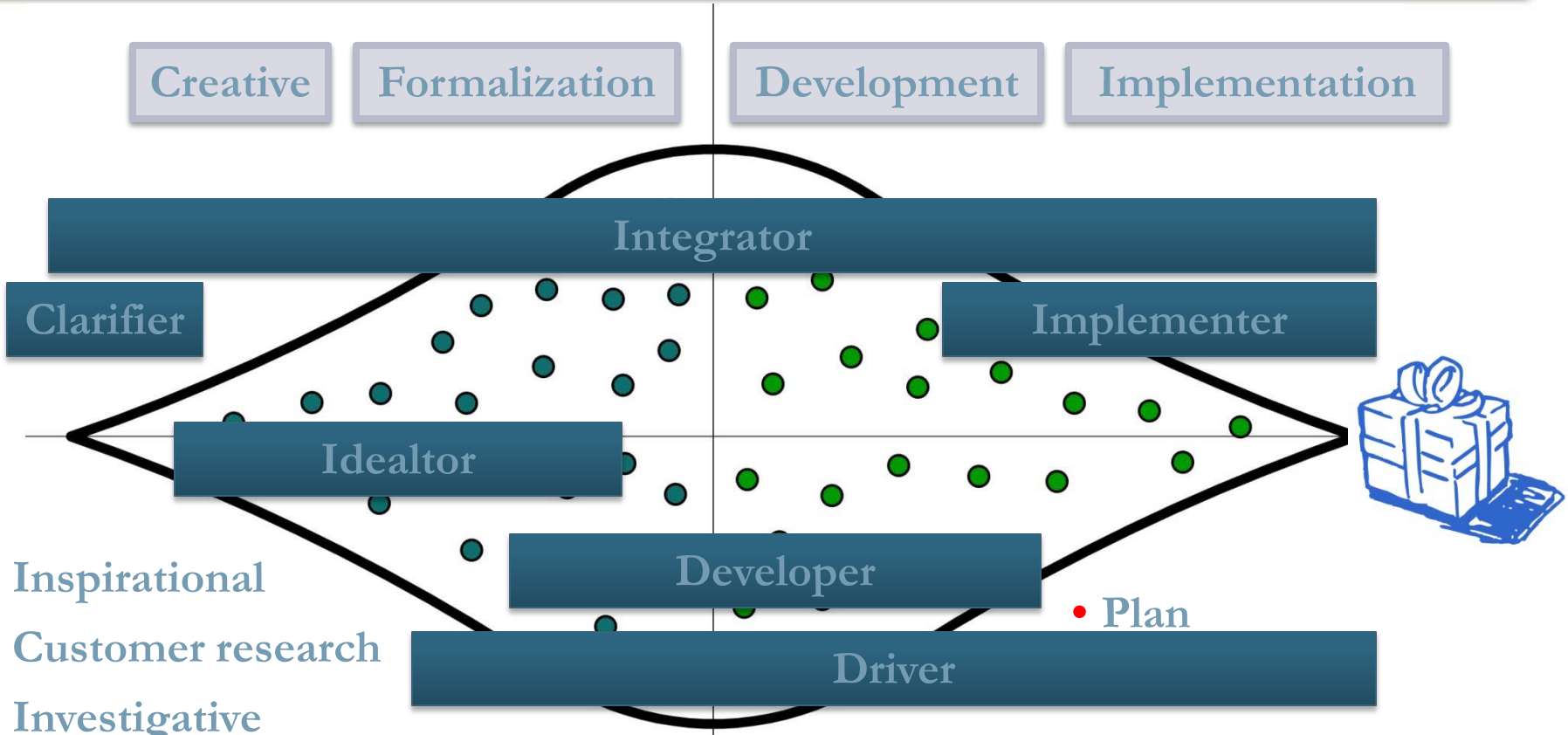
- Broader, more balanced solutions
- Shorter product development cycles
- Less costs to implement
- Easier to manufacture

WHAT TYPE OF TEAM MEMBERS?

People possess preferences for different mental operations, which psychologists call cognitive styles.

- **Ideator** – fresh new ways of looking at solutions
- **Clarifier** – wants to state the problem clearly
- **Integrator** – brings it all together and keeps it moving
- **Implementer** – gets it done
- **Developer** – breaks it down and analyzes
- **Driver** - Likes to see the finished result

WHAT MAKES A GREAT INNOVATION TEAM?



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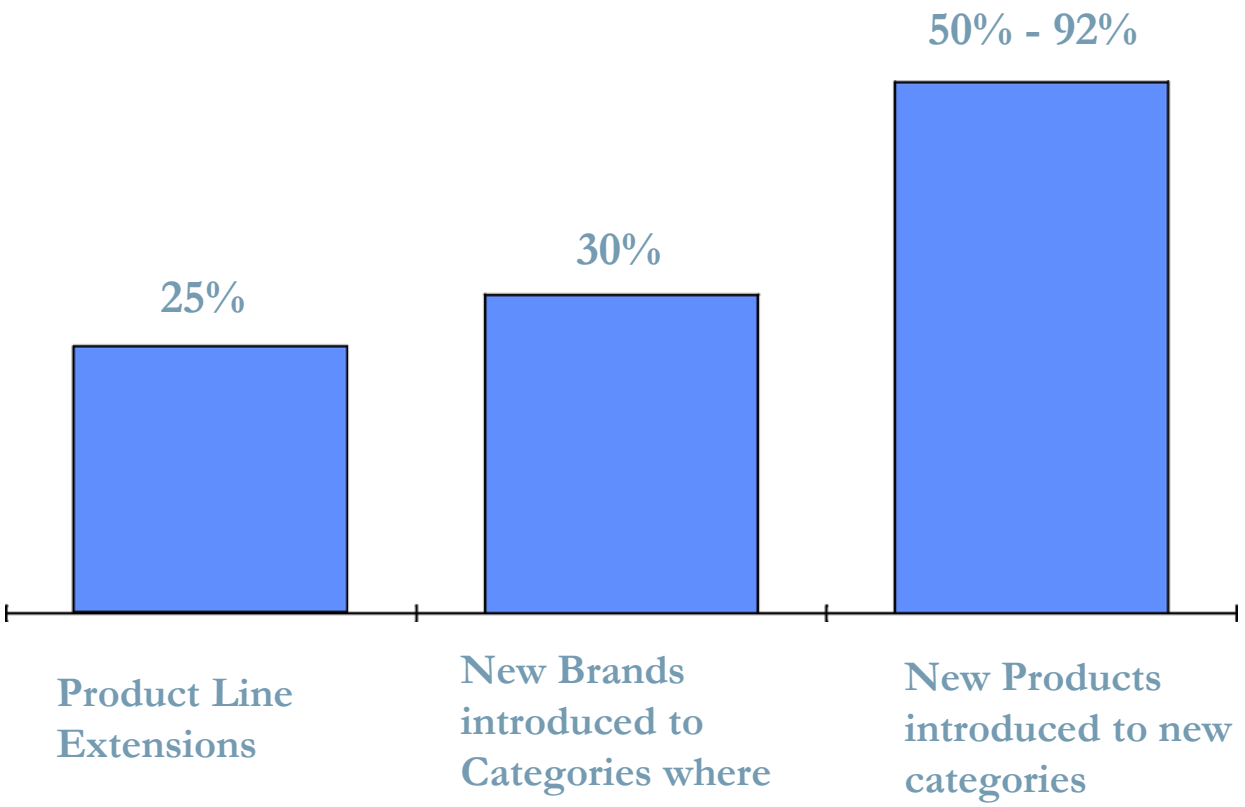
WHAT HAS BEEN OUR SUCCESS AT NPI?

Failure of New Products by Product Types



Source: Hopkins & Bailey

WHY DO NEW PRODUCTS FAIL?

1) **Me-too, ho-hum or trivial new products**
   (no compelling value propositions)

2) **No front-end homework** (lack of due diligence, assumptions vs. facts)
   Poor market study, lack of technical assessment, no initial financial analysis

3) **A lack of customer or user input and insights**
   Poor "voice-of-customer" input & too little, too late customer product validation

4) **Unstable product spec or product creep**
   Someone moves the "goal post", New information keeps changing the specs (see No.2 above)

5) **Non-functional project development teams**
   Lack of true cross-functional project teams, dysfunctional teams"

6) **Too many projects in the pipeline – lack of focus**
   Spaghetti project teams – long & thin (Project and product quality tends to suffer)

7) **Lack of competencies, skills and knowledge**
   New product does not fit the existing business model, internal experience is lacking.

New Product Innovation - How does it fit?

Idea/ Need

Business Fit Analysis

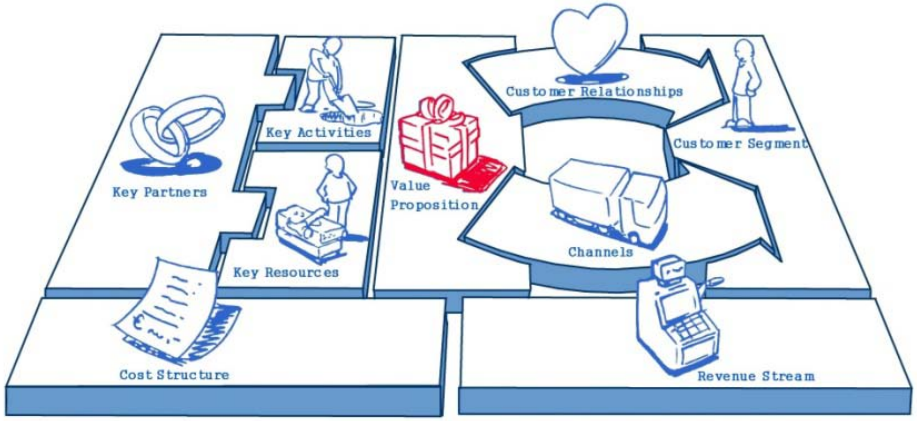
Product Development

Marketing & Launch

Market Analyses

Business Development

Production



QUESTIONS/COMMENTS?

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INTRODUCTION

designPORT

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