Innovating Through a Crisis: The Urgent Need for Digital Product Creation

by Steve Riordan and Will Yester

Stay calm, stay safe, and focus where it counts.

The current global situation is fluid and changes rapidly. We should all be focused on taking the most effective and reasonable actions today – for our families, our communities and our businesses.

Like every industry, RFA faces unique challenges and changing market conditions, yet for the most part, we still rely on old methods and traditional processes to discover, create, make and sell products. Throw in the urgency and volatility introduced by a global crisis, and it shines a bright light on the inability of traditional processes to help companies respond and survive.

As the RFA industry eventually moves back to business as usual, we will have the opportunity to accelerate the pre-existing trend toward a fundamentally different model for product development. While it may be tempting for senior product leaders to sideline or postpone such efforts during and after a crisis, it is more important than ever to give them a higher priority.

Challenges with the Traditional RFA Product Development Model

The traditional product development model opens companies up to risk while limiting agility and innovation.

Challenges include:

- Long, analog product development cycles, with most decisions made by humans
- Asia (and specifically China) based vendors and factories
- Large production runs, shipped by container over the water
- Orders built to forecasts – often months and years ahead of the time of consumption
- Relentless focus on continuous reduction of landed costs at the point of ownership
- Mass produced, non-customized products
- Opaque visibility throughout the supply chain
- Significant relative cost to assemble products
- Only a very limited lens on sustainability and social responsibility

Product leaders have long recognized the need to move away from this model for good, internal business reasons. However, the need for change has become more urgent due to the rising labor and related costs in China, increased tariffs and duties emerging from recent trade wars and most recently the unrest in Hong Kong.

Of course, the need for change becomes even more obvious and urgent as a result of the current crisis.

Now What?

It’s time for product leaders to dramatically accelerate their transformations to a new state model for developing products.

This new state is called Digital Product Creation (DPC), and it’s characterized by:
Digital product development cycles, enabled via 3D and advanced analytics / artificial intelligence (AI) tools, in dramatically shorter time frames
- Agile sourcing on-shore, near-shore and off-shore based on differentiated product development tracks
- Smaller production runs, manufactured closer to the point of consumption
- AI-informed and consumer tested forecasts and associated order quantities
- ROI focused on the quantitative and qualitative costs from inception to end of product life, including profit, people and planet dimensions
- Transparent, smart-connected products and supply chains
- Improved manufacturing automation
- Mass customized and personalized products

Preparing for What’s Next

To properly accelerate a transformation to this new state model, senior product leaders must sponsor and fund proper DPC transformation programs.

These programs must do three things well:

The Why

Leaders must establish the objectives and justification for a DPC program. They need to develop a vision, strategy, business case and roadmap for the program, which is clear, specific to their company and convincing to internal investors. It must define success (for example: “80% of the styles in 80% of the categories for 80% of the use cases within five years.”) Finally, it must inspire and inform the stakeholders who must embrace and contribute to the transformation.

The What

Leaders must establish the scope and sequence of the program, starting with selecting the use cases which will be included (e.g. 3D digital design, virtual line review). In addition, leaders must select the categories of technology to be included in the program, which may include 3D design, virtualization, machine learning, IoT and countless emerging technology categories.

Finally, they need to identify the foundational enabling activities that are critical for the program to scale, such as defining visual standards and material libraries, growing digital asset management capabilities, leveraging PLM product information, and establishing future state processes and educational (not just training) programs.

The How

Leaders must put in place a strong program structure and tracks with clear project sponsors. These sponsors must function as part of a broader governing steering committee with set cadences for interaction, issues resolution and decision making.

In addition, the program needs strong project management, dedicated project team resources and significant amount of time from subject matter experts from business and IT functions. The program needs a value realization track to regularly measure and adjust progress against the quantitative and qualitative expectations set forth in the original business case.

Finally, the program needs dedicated tracks and activities for change leadership, designed to guide both internal and external stakeholders to the new model.

To generate near-term results and to be able to adapt to new information and learnings throughout the program, it must be executed leveraging agile concepts and methods.

Stay calm, stay safe, and focus where it counts.

During and after a global crisis, realities and paradigms seem to shift from moment to moment, leaving us asking “Now what?” While instinct may tell us to stop or to wait, each passing day is a day lost toward moving to a new model and delivering real value. Change is no longer a choice. Now is the time to focus on building the resiliency to weather this storm and be more fully prepared for the next one.
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