Lessons Learned at Aberdeen Summit on Leadership in Product Development

by Amy Kenly

I spent part of last week at Aberdeen’s first executive summit on Leadership in Product Development. The theme for the event was Innovation Strategies for a Jobless Recovery. Although the attendance was a bit low, the speakers and content presented were phenomenal. Here are some of the key things I learned from the event.

The Reality of the “Job-Challenged” Recovery

We learned that calling the recovery “jobless” might be a bit overstated. A lot of US jobs have been lost, and probably aren’t coming back. But lots of others actually moved – not to China or Mexico – but within the US. Findings from the Aberdeen Business Review show that on average, manufacturers are projecting revenue growth of 7.9% in 2010, which means they are planning to develop and launch new, innovative products. The problem is that the same companies are only projecting a 1.1% increase in staffing. So we’re not actually talking “jobless”, it’s more like “job-challenged.”

Score Cards Alone Don’t Work for Portfolio Management

The summit featured executive speakers from lots of different industries, including pharmaceuticals, semiconductor, high tech, financial services, general manufacturing, apparel and even the DoD. Interestingly, many of them agreed on several key points. One that resonated with me is the use of scorecards to analyze and predict the success of new product innovations in the pipeline. While several of the presenters had tried using scoring models to predict success, they all agreed that these efforts ultimately failed. The uncertainty of the economy was just too great. Turns out Bill Poston is right, computer models cannot adequately account for heart and character. Read Bill’s Viewpoint on this at - http://kalypso.com/viewpoints/resource/bowl-championship-series-rankings-new-product-development-scoring-syst/.

Social Product Innovation is Real

There was a lot of buzz about the use of social tools and technologies to improve product innovation and development processes. Using Who Wants to Be a Millionaire as an example, we learned that while experts are right 64% of the time, a group is right 93% of the time. The executive from the Nielsen Company talked about an internal social platform they use to collect and manage innovation ideas from their internal teams. Suggestion boxes didn’t work, because they died under their own weight with no process in place for the thousands of submitted ideas. Brainstorming exercises didn’t work because there was no easy way to filter, catalog and tag ideas to track them and keep them moving. Nielsen deployed a worldwide collaboration and innovation platform that is a great example of a company using social technologies to enable product innovation. You can see more examples of this in the list of finalists for the Spike Awards at www.spikeawards.com (and vote for your favorites!)

I think the reality of the bumpy recovery, combined with tricky end-of-month and end-of-quarter timing resulted in the lower than expected attendance at this event. But overall, the mood was positive and the ideas were flowing. I think my fellow attendees would probably agree that the value of the discussions and networking opportunities was there. Even as the economy improves, product innovation and development challenges will always exist, underscoring the importance of a summit like this moving forward. Looking forward to next year.

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