New Product Development and Lean Innovation: Cut Waste, Not Creativity

by Sean Klein

In both operations and manufacturing, the concept of “lean,” has earned its reputation as a powerful toolset that drives down cost and improves cycle-times. Lean manufacturing achieves this value through a focus on eliminating waste, standardizing processes, and creating value from an end customer standpoint. As companies strive to increase growth and profitability from their New Product Development (NPD) and innovation investments, some executives are looking to apply lean concepts in this area. But when it comes to the more creative and fuzzy practices of innovation, following lean practices without strategic direction from portfolio and pipeline management (P&PM) capabilities can have unintended consequences including: stifling ideation processes, focusing only on customer requests and not the next big innovation, over-standardization, and speeding up the wrong projects.

From our experience, lean NPD efforts without P&PM often prove ineffective because they:

- Are unable to effectively communicate the value proposition and need for efficiency improvements to the NPD audience
- Become too binary with metrics – occasionally canceling lower “value” but strategic projects
- Expend energy improving processes that aren’t the constraint or that don’t deliver results
- Distract from delivering large scale, high growth innovations simply because these are not “repeatable”

Combining P&PM processes with lean practices for NPD and innovation shows companies where to focus their efforts for maximum impact, and once established, creates processes that can be further improved. P&PM ensures that companies stay true to delivering results by providing visibility into what is most important. They can then apply tactical lean approaches to help get there.

To hear more on how P&PM capabilities can help your company focus lean efforts to strategically drive new ideas to market while cutting waste – not creativity, please join Kalypso’s Pamela Soin for her session during PIPELINE 2012. Register today at http://events.unisfair.com/rt/pipeline~2012?code=ka.

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Sean has a passion for technology and innovation and enjoys reading, hiking, kayaking, surfing, and playing golf.