



Identifying new product development best practice

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Abstract New product development (NPD) practitioners are keen to benchmark NPD practices because identifying any practice that is able to more efficiently and/or effectively deliver a new product could represent the difference between success and failure. A common purpose is therefore to identify NPD best practices with the expectation that companies will manifest and sustain these to augment their NPD efforts. To help in identifying such practices, we present a framework developed from prior benchmarking studies, a Delphi methodology with leading experts, and a survey involving over 300 NPD practitioners. The uniqueness of the framework lies in its ability to distinguish NPD practice across seven dimensions: Strategy, Research, Commercialization, Process, Project Climate, Company Culture, and Metrics/Performance Measurement. The framework is also unique in that across each dimension, poor NPD practices are listed as a starting point from which to improve, alongside best practices to which companies should aspire. To further assist in continuous improvement, an audit tool is derived from the framework, suggesting investigative questions that practitioners can ask to evaluate their company's NPD efforts. We conclude with general observations about NPD practice as the continued search for NPD best practice endures.

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1. Identifying NPD best practice

There is a way to do it better—Find it.

~Thomas Edison (1847-1931)

Bringing new products to market is crucial in today's competitive business environment as market leadership, healthy market share, and sustained growth are all enabled through the process of developing

and launching successful new products and services. New product development (NPD) practitioners are therefore keen to benchmark NPD practices because identifying a practice—whether a technique, method, process, or activity—that is able to more efficiently and/or effectively deliver a new product could spell the difference between success and failure in terms of vitality for both the product and company. With organizations such as the American Productivity Quality Center (APQC) and the Product Development & Management Association (PDMA) focused on NPD, major benchmarking initiatives on NPD best practice have endured (Adams-Bigelow, 2005;

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Barczak, Griffin, & Kahn, 2009; Cooper, Edgett, & Kleinschmidt, 2002, 2004a, 2004b, 2004c). Additionally, the PDMA has established NPD certification standards.

While these studies and standards designate practices that distinguish high performing NPD companies, two questions persist. One, is there a general consensus as to what constitutes an NPD best practice? This question addresses whether there is a general set of best practices or whether best practices are context- or industry-specific. Two, are NPD practitioners knowledgeable about the status of NPD research and what it says as far as what constitutes an NPD best practice? This question examines whether benchmarking results are properly disseminated to the NPD practitioner community. That is, are benchmarking results translating into actual NPD practice?

The framework presented herein delineates NPD best practice across seven dimensions and furnishes specific context and scope for best practice activity. While most NPD studies emphasize the identification of best practice, our framework lists both poor and best practices. Identifying poor practices can serve as a starting point for improving NPD practice. Best practices can then serve as aspirations to which NPD practice should ascribe. After discussing the framework, we provide guidelines and a list of questions which aid in conducting an audit of one's own company NPD efforts.

2. The multidimensional nature of NPD practice

Like many business processes, new product development has various facets and has been delineated across multiple dimensions into which numerous characteristics can be classified. While the number and labeling of these dimensions is dependent on the benchmarking study, a common purpose has been to identify best practices with the expectation that companies will manifest and sustain these (Adams-Bigelow, 2005; Barczak et al., 2009; Cooper et al., 2002, 2004a, 2004b, 2004c). The framework offered here builds on these best practice studies and PDMA certification standards, and portrays NPD practice across seven dimensions. The seven dimensions of NPD are:

1. *Strategy*: the defining and planning of a vision and focus for research and development (R&D), technology management, and product development efforts at the SBU, division, product line, and/or individual project levels; includes the identification, prioritization, selection, and resource support of preferred projects.
2. *Research*: the application of methodologies and techniques to sense, study, and understand customers, competitors, and macro-environmental forces in the marketplace (e.g., focus groups, electronic surveys, ethnographic study); research portrays the company's capability to gather and use information to drive innovation through NPD projects.
3. *Commercialization*: those activities related to the marketing, launch, and post-launch management of new products that stimulate customer adoption and market diffusion.
4. *Process*: the implementation of product development stages and gates for moving products from concept to launch, coupled with those activities and systems that facilitate knowledge management across projects and the overall company.
5. *Project Climate*: the means and ways that underlie and establish product development intra-company integration at the individual and team levels, including the leading, motivating, managing, and structuring of individual and team human resources.
6. *Company Culture*: the company management value system driving those means and ways that underlie and establish product development thinking and product development collaboration with external partners, including customers and suppliers.
7. *Metrics and Performance Measurement*: the measurement, tracking, and reporting of product development project and product development program performance.

Two points about these dimensions are worth highlighting. First, these dimensions were validated through a Delphi methodology with 20 leading academicians and thought leaders in the NPD discipline, in addition to the canvassing of 317 NPD practitioners from the United States, the United Kingdom, and Ireland, who reflected a median of 10 years' NPD experience (Kahn, Barczak, Ledwith, Nicholas, & Perks, in press). Second, although these seven dimensions are all relevant to NPD practice, our survey of practitioners asked the respondents to divide 100% of perceived importance across the seven dimensions; they are listed here in order of importance assigned. Figure 1 portrays pictorially the resulting percentages for each dimension.

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