

Situation: A product manager proposed a new smart product that would incorporate software into a mature product category. The application of smart technology was new to the category and new to the business unit (BU).

Scenario 1: Exploratory PD (ExPD):



At the beginning of the project, a cross-functional team identified and evaluated the biggest project risks and uncertainties, and presented these findings to senior management.



The biggest uncertainty was caught by the VP of Engineering. In fact, it was a deal breaker. If they didn't get buy-in from another BU with resources to deliver on the technology, they would have to kill the project.



The VP checked with his counterpart in the other BU to determine interest and resource availability in co-developing the product.

Approximate time:

1 hour

plus a little kibitzing on the football game

Scenario 2: Phased and Gated Process

The cross-functional project team begins by evaluating commercial and technical feasibility. The team prepares and delivers project documentation for each gate: Discovery, Scoping and Business Case. The gatekeepers then spend time evaluating these documents.



Not until the Business Case phase does the project team and management start to determine project resources for the next phase, Develop. At that time, they discover that software resources from the other BU are critical, and unofficially ask for help.

Because the project has not been on the other BU's radar and it competes with the BU's own near-term projects, they get a lot of resistance. The project significantly stalls, and now they have to consider killing the project.

Approximate time:

6 mo – 1 yr

What happened? There are a lot of unwritten nuances with projects in product development, and the phased and gated process includes prescribed activities that don't always catch all these nuances. This is especially problematic for this project, because the unique smart technology resources are not addressed until the Business Case phase, and it is too late.

What happens if there is not buy-in from the other BU for smart technology resources?



In **scenario 1 (ExPD)**, you lost **1 hour** prior to any significant investment in the project.



In **scenario 2 (Phased and Gated)**, you lost **6 months to 1 year** with significant resource investment and lost opportunity cost.

Which scenario do you prefer?

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