Deloitte.

Double Vision
Product Development

A truly efficient product development and engineering process requires both strategic and operational vision. Yet achieving both today is extraordinarily difficult. Product development organizations are under constant pressure to generate more big ideas with the potential to be the next big market-makers, and to do so while accelerating time to market, increasing profitability, reducing costs, and navigating an ever-changing landscape of compliance regulations.

Successful product development and engineering requires coordinated business processes, effective design collaboration infrastructures, uniform standards, cost management competency, and the ability to quickly translate evolving customer needs and new innovations into product features. Absent these capabilities, large problems such as product failures, increased product costs, and late launches are more likely to reduce the return on research and development investments.

Product development organizations find it challenging to balance increased demand to develop the next significant market-making product while reducing costs and shortening time to market.

> Achieving both strategic and operational vision in product development and engineering today is extraordinarily difficult — but it can be done.

How we can help

Deloitte helps product development organizations combine process and organizational improvements with the implementation of modern product life cycle management (PLM) systems in alignment with strategic and operational objectives. Our practitioners bring significant experience to engagements, having worked with complex organizations across a wide range of industries to deliver transformational projects that drive business value. This knowledge is also captured in industry-specific process models based on years of hands-on experience in an attempt to accelerate implementation efforts.

While new processes and technology will streamline requirements and protocols, we know that analytical excellence alone is unlikely to shift people's behavior or underlying causes for disparity. We use genuine collaboration and empowerment throughout our projects in an effort to unlock real value for our clients. Leveraging the broad resources of Deloitte, we provide end-to-end services globally, including strategy development, process design and implementation, organizational change and redesign, and technology implementation. We use a variety of proprietary tools, including:

- *A Product Development Diagnostic* that identifies and sizes the value of improvement opportunities so a realistic business case for funding can be created and a foundation for sustained value can be set.
- *A Product Development Capability Maturity Model* that helps assess current-state capabilities against world-class capabilities to support the creation of an executable transformation road map.
- *Enterprise Value Maps* for linking product development improvement opportunities to shareholder value early in the engagement to facilitate priorities and decision making.
- *Lean Value Stream Analysis* that can significantly reduce the complexity of the product development process and increase engineering efficiency.
- *Design for Value Model* that helps companies design, develop, and manufacture products that provide desired functionality at minimum total cost.
- *Rapid Implementation Solutions* with stress test scenarios that can significantly reduce the time to value of implementing process and technology improvements.

Potential bottom-line benefits

Our services have helped clients:
- Reduce engineering and product costs
- Decrease time to realize value
- Improve engineering efficiency and effectiveness
- Manage regulatory compliance
- Address talent and global organizational needs

Learn more

Continually improving the organization's strategic and operational vision is imperative for effective product development today. To learn more about how Deloitte can help, visit www.deloitte.com/us/Scproductdevelopment.

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Ways to get more value now

- **Don't boil the ocean.** Focus on attractive market segments, industries, and technologies; then target unmet circumstances in specific areas that make sense within the overall corporate strategy. Align the business strategy and innovation portfolio so innovation sustains rather than disrupts the business.

- **Offer targeted choices — not more choices.** Reducing product line complexity requires an effective balance between revenue and cost across product development, marketing, distribution, and aftermarket service. Periodic planning cycles focused on this balance can lead to a product mix that delivers both profits and customer satisfaction.

- **Use product development to help unite the organization.** Give the R&D, quality, supply chain and service functions a seat at the table and drive transformation jointly by focusing on creating value for the business and demonstrating quick hit and long term results.

- **Make product development lean and flexible.** By minimizing the number of steps and building in flexibility to accommodate varying project size and priorities, the new streamlined product development process is more likely to be embraced by the organization.

- **Don't forget the data — and keep it simple.** Product data is manageable when a single bill-of-material, standard authoring platform, single source of product record, and standardized, lean change processes are used across the product life cycle. So product development and enterprise data management are parallel challenges.

- **Bring the people along.** Because product development initiatives can be transformational, securing leadership buy-in and user adoption is imperative — so don't gloss over training and change management.

The big idea
Global markets and heightened competition compel many organizations to add overly complex product development capabilities. Focus efforts on the strategy, vision, processes, and tools required to make those capabilities work efficiently.