Interactive Session: Improving Phase Gate with Objective Target Appraisal

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Portfolio & Phase Gate Processes for New Product Development

- Focus on activities
- Phase end review
- Explicit oversight
- Local scope

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Objective Target Appraisal®

Sponsor

Specifies the **Objective** and has authority for implementing success / failure conditions

Appraisal

An acceptance criteria by sponsor who has authority to accept it, reject it, or request for rework; applied to an intermediate Target and Objective

Target

Intermediate deliverable on the converging path toward the Objective

Objective

Desired result or final deliverable or outcome
Objective Target Appraisal® Example

Objective and Sponsor Appraisal Criteria

Converging Target

Converging Target

Converging Target

Converging Target

Converging Target

Converging Target

Objective or Outcome

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Benefits

- Focus on deliverables
  - Convergence to completion
- Objective appraisal
  - *A priori*, predictive, & result metrics
- Minimizes bureaucracy
  - Report/action due to audit
- Local to enterprise scope
  - Monitors projects of all sizes
Four Classes of Software Vendors Address PPM/NPD

- **Business and Systems SW**
  - IBM
  - Microsoft
  - SAP
  - Oracle

- **PPM/NPD Specialty**
  - Accept Software
  - Centric Software
  - Enrich Consulting
  - Sopheon

- **PLM**
  - DS/MatrixOne
  - PTC
  - Siemens PLM

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Current PPM SW: Delivers on **Reporting** rather than **NPD Performance**

### PPM for NPD

**Report Card 2007**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Grade</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Visibility</td>
<td>A</td>
<td>Early adopters report this as an immediate benefit</td>
</tr>
<tr>
<td>Reporting</td>
<td>A</td>
<td>Reporting project status and assignments proves effective</td>
</tr>
<tr>
<td>Resource Mgmt.</td>
<td>B</td>
<td>Improving, users have process issues, software functions missing</td>
</tr>
<tr>
<td>Decision Support</td>
<td>B</td>
<td>Adoption increasing but uneven; Some users report early benefits</td>
</tr>
<tr>
<td>Schedule/Budget Prediction/Planning</td>
<td>C</td>
<td>Adoption immature; culture/process issues hamper progress</td>
</tr>
</tbody>
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Path Forward for PPM SW: Demands Attribute Horizon Focus on Performance

### PPM for NPD

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<td>Reporting</td>
<td>?</td>
<td>Project status based on meeting objectives, not executing activities?</td>
</tr>
<tr>
<td>Resource Mgmt.</td>
<td>?</td>
<td>Comprehensive alignment of skills and teamwork to the challenge?</td>
</tr>
<tr>
<td>Decision Support</td>
<td>?</td>
<td>Superior visibility to end product objectives for interim decisions?</td>
</tr>
<tr>
<td>Schedule/Budget Prediction/Planning</td>
<td>?</td>
<td>Visibility to accountable managers; no compromise on deadlines</td>
</tr>
</tbody>
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PPM for New Product Development
Emerging Landscape

Mainstream PPM
- Project Management
- Portfolio Management
- Idea Management

Enables OTA
- Working Prototype Access
- Requirements Management
- Systems Engineering

- Process Modeling
- Reporting
- Specifications Management
- Collaboration Infrastructure
- Analytics
- Access to Legacy Content
- Social networking

Formative
- Evolving
- Mature

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Do We Really Need OTA?

- **Point:**
  - OTA is necessary given the challenges of Phase-Gate

- **Counterpoint:**
  - We do not need yet another acronym-labeled vision
  - Phase-gate works just fine employed appropriately, although many deploy incorrectly
  - Focus on doing Phase-Gate correctly rather than introducing something new to add confusion
Does Software to Manage NPD Really Matter?

- **Point:**
  - Software accelerates improvement of product development processes
  - Captures steps and complex requirements that might otherwise be missed

- **Counterpoint:**
  - The ability of bright open-minded people working well together is the critical factor in successful product development and improvement
  - Multi-million dollar investments in PPM software do not necessarily help and can even undermine the effective performance of teams
Team Empowerment vs. Top-down Management Direction: Which Makes PPM/NPD Happen?

**Point:**
- Developers are bright, mature professionals who can overcome obstacles and achieve significant accomplishments if management got out of their way
- Developers are responsible to perform, report, and deliver the desired results – they know what to do

**Counterpoint:**
- Management must have oversight, resolve problems, set budgets, and be accountable for all within their domain
- Management is the PPM/NPD performance driver setting effectiveness and efficiency standards & goals
- Management is responsible for the productivity of all resources through assignment, guidance, and evaluation