

Early Bird Discount:

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Value Innovation Portfolio Management:

ALIGNING R&D INVESTMENT AND STRATEGY WITH MARKET NEEDS

How to identify and leverage your portfolio “sweet spot”— the intersection of high customer value, high strategic value, and optimal investment intensity — for greater product success rates and overall ROI

September 17–18, 2007
Cambridge, MA



The Portfolio “Sweet Spot”

RECEIVE:

- 1. Strategies to boost innovation, growth, and profitability**
- 2. Implementation framework and step-by-step process to:**
 - gain key customer insights at the earliest stages
 - evaluate constraints, risks, core competencies, competitive advantage
 - determine investment intensity and resource choreography
 - integrate partnerships and key initiatives
 - ensure organizational alignment
- 3. Comparative best practices and case examples from industry leaders**

Led by two of the foremost authorities on new product development:



Sheila Mello

Managing Partner, Product Development Consulting, Inc. (PDC);
author of the best selling book *Customer-Centric Product Definition: The Key to Great Product Development* and co-author of *Value Innovation Portfolio Management: Achieving Double-Digit Growth Through Customer Value*



Wayne Mackey

Principal, Product Development Consulting, Inc. (PDC);
co-author of *Value Innovation Portfolio Management: Achieving Double-Digit Growth Through Customer Value*

This is a well-reasoned, thoughtful approach. It provides a useful way for executives who must make multiple product decisions to develop a framework that matches the portfolio to the strategy in an optimal way.

*BILL BRANAN, DIRECTOR OF STRATEGY,
MOTOROLA*

Register Today!

800 338 2223

www.ManagementRoundtable.com

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EVERY SENIOR MANAGER WHO HAS SAT THROUGH PRESENTATIONS by eager product managers touting hockey-stick growth curves for proposed products knows that financial projections like net present value alone may not provide a meaningful assessment of a product's potential market success. Yet, given no viable alternatives, most will either shoot from the hip or resign themselves to going by the numbers - even when such economic measures involve an uncomfortable amount of guesswork.

Leading companies know that there is a better and simpler way. The key to choosing products that contribute to sustainable profitability lies in changing the business focus of portfolio management from financial metrics to customer value. Paradoxically, by putting aside financial data and giving more weight to customer value data when making product portfolio decisions, companies will in fact improve financial performance. Customer value, defined as the customer's perception of how well a solution meets their needs, is the only proven course to drive profit. And, unlike many financial projections (and contrary to the beliefs of many), customer value is based on something real, which you can accurately measure to yield trustworthy results.

This intensive two-day seminar will tell you how to focus voice-of-the-customer (VOC) research to drive portfolio management and innovation decisions. You will learn how to develop and manage a Value Innovation Portfolio (VIP) to yield growth and success, including all aspects of a customer-centric portfolio selection and product family definition process. You will complete key VIP Management activities to develop a deep understanding and gain basic execution skills.

Most importantly, you'll learn how to dynamically balance your portfolio so your company can flourish in any market. By understanding what customers value beginning at the fuzzy front-end, you will be able to reduce the number of engineering dollars spent on projects that get cancelled or changed late in the game, after precious resources have already been spent.

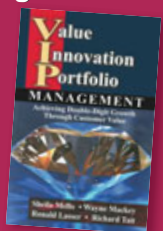
NOTE: Registration is strictly limited to 35 participants — reserve early to ensure your place!

WHO SHOULD ATTEND

This session is recommended for anyone responsible for planning and executing a firm's product portfolio strategy: senior and middle level managers from Product Development, R&D, Engineering, Marketing, Strategy, and Innovation. It is beneficial for cross-functional teams to attend together for joint planning and implementation guidance. (Group discount offered—see back cover.)

6 Key Deliverables

- 1 Framework and methodology to guide your portfolio planning with greater certainty of market success
- 2 Roadmaps, metrics and implementation tools
- 3 Proven organizational alignment and change management approaches
- 4 Benchmark your portfolio management maturity against best-in-class companies
- 5 Recommendations and advice from the instructors about your unique challenges
- 6 Comprehensive reference materials, including a complimentary autographed copy of *Value Innovation Portfolio Management*



AGENDA

Day 1 (Registration / continental breakfast: 8:00 – 8:30 am)

- 8:30 – 10:00 **VIPM Framework**
- Overview of the process
 - Exercise definition: provide corporate background of company that needs a portfolio to be defined
 - Define a corporate vision, mission, and strategy
 - Risk tolerance
 - Existing product roadmaps
 - Partnering potential
 - SWOT analysis
 - Define the relative size of the buckets
 - Evaluate the relative measures of each element
 - Craft the mission for the two day session

10:00 – 10:15 Refreshment Break

- 10:15 – 12:00 **Strategy and Overall Business Concept—The Intentional Portfolio**
- The role of innovation in the portfolio—The Relevant Portfolio
 - What are the buckets?
 - New to the world
 - New markets, same technology
 - New technology, same markets
 - Existing line extensions
 - Sustaining existing products
 - Infrastructure
 - Insurance / buffer

12:00 – 1:00 Lunch

- 1:00 – 5:00 **Understanding Customer Value—The Grounded Portfolio**
- Gather customer data and competitive data—qualitative and quantitative
 - Select markets to pursue
 - Understand what may prevent potential customers from achieving their goals
 - How to gather qualitative data
 - Ethnography
 - Open-ended interviews
 - Process the data you have collected

5:00 – 6:30 **Wine & Cheese Networking Reception**

Day 2 (Continental breakfast: 8:00 – 8:30 am)

- 8:30 – 10:15 **Accurate Customer Value—The Researched Portfolio**
- Obtain statistically significant results to prioritize customer value
 - Integrate competitive landscape
 - Trend analysis—what else happens that affects customer's value
 - Marry customer value with innovation—product, services, organization, distribution, sales
 - Develop concepts
 - How to take the ambiguity out of concepts

- 10:15 – 12:00 **Defining the Sweet Spot—The Optimized Portfolio**
- The three dimensions
 - Customer value
 - Strategic value—evaluate strategic constraints (buckets, risks, core competency, competitive advantage)—How is it measured?
 - Investment intensity—resource choreography (people, skills, alliances, budget)
 - Integrate concepts with required technologies, partnerships and initiatives into a portfolio
 - Concept value assessment: Buy resources to commit the portfolio of projects
 - Time alignment for trends (competitive, technology, government, environment)
 - Creation of roadmaps
 - Product and services; technology; infrastructure; strategic balancing using a radar chart

12:00 – 1:00 Lunch

- 1:00 – 3:30 **Aligning the Organization—The Supported Portfolio**
- Data transparency—availability of audit trail
 - Sharing the portfolio

- Aligning the Organization—The Supported Portfolio**
- Adapt the portfolio based on project performance
 - Adapt portfolio to out-of-cycle needs
 - Screening changes to match to portfolio strategy (buckets, balancing)

A Talent for Change—The Sustainable Portfolio

3:30 – 4:00 Adjourn

ABOUT THE COURSE LEADERS



Sheila Mello is the author of the best selling book *Customer-Centric Product Definition: The Key to Great Product Development* and co-author of *Value Innovation Portfolio Management: Achieving Double-Digit Growth Through Customer Value*. Sheila is the managing partner of Product Development Consulting, Inc. (PDC), and is a widely known, well-respected expert in the

field of product development. Her clients benefit from her many years of executive and hands-on experience in product development, software and hardware, engineering, marketing, quality, manufacturing, sales and service. Sheila has done extensive research in processes for defining customer requirements and is an expert in helping companies implement and institutionalize market-driven product definition programs and value based portfolio management processes.

Sheila has helped over 75 companies to speed time-to-profit and market acceptance, achieve greater product predictability and profitability, identify improvement opportunities, and build capabilities that directly impact bottom line results. Before joining PDC, Sheila held director and vice president positions at Bolt, Beranek & Newman, Wang Laboratories, Palladian Software and Distribution Management Systems, and was a principal consultant with Arthur D. Little, Inc.



Wayne Mackey has been a Principal with Product Development Consulting, Inc. since 1997. Prior to joining PDC, he worked in industry for 20 years in high tech, aerospace and automotive fields. He is a natural change agent and leader, having counseled Fortune 500 companies, major universities and government agencies in product development, supply chain management, and rapidly implementing enterprise-wide change. Mr. Mackey also has worked as a senior scientist, program manager, engineering manager and systems engineering manager.

Wayne Mackey's expertise is grounded in over twenty years of hands-on leadership of large engineering, manufacturing, and procurement organizations. His management consulting is focused on product / service development, and he is especially effective in collaborative design, metrics, portfolio management and business strategy implementation. He is co-author of the best selling book *Value Innovation Portfolio Management: Achieving Double-Digit Growth Through Customer Value*, and co-author of the upcoming *PDMA Toolbook for Product Development 3*.

Mr. Mackey is an internationally acknowledged expert in metrics and has been a keynote speaker on achieving rapid organizational change, partnering and applying the voice of the customer to product development.

[This is] a revolutionary way of going about new product portfolio management... picking the best projects to work on... those that will be most valued by the customer

JOHN LYNCH,
DIRECTOR OF R&D,
MILLIPORE

14 Key Benefits

In two comprehensive days you will receive a clear set of guidelines to:

- 1 Match your portfolio to your strategic direction, both short and long term
- 2 Match resource commitments to portfolio objectives
- 3 Adapt your portfolio based on marketplace needs
- 4 Master fundamentals for gathering the voice of the customer
- 5 Make sure data from a maximum number of markets is included
- 6 Obtain fact-based customer data with minimum effort
- 7 Minimize data uncertainty
- 8 Create guidelines for determining customer requirements
- 9 Use customer data to drive innovation solutions
- 10 Select the appropriate level of investment intensity
- 11 Institutionalize the portfolio process
- 12 Gain organizational buy-in and alignment
- 13 Reduce the number of engineering dollars spent on projects that get cancelled or changed late in the game
- 14 Create a balanced portfolio with a steady flow of product successes

ABOUT MANAGEMENT ROUNDTABLE



The Management Roundtable (MRT) is the foremost knowledge and networking resource for industry practitioners involved in product, service, technology, and business development. Practitioner-oriented and unbiased, MRT's

focus is on strategies and processes that enable speed, innovation, profitability, and overall competitive advantage. Through its highly regarded conferences and publications, MRT has helped companies achieve their objectives since 1980. Its membership offering, the Management Roundtable FastTrack, (<http://fasttrack.roundtable.com>) offers direct, year-round access to leading-practice insights via teleconference and online reports.

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4 WAYS TO REGISTER:

- CALL:** 1-800-338-2223 or 781-891-8080
(weekdays, 9:00 am – 5:30 pm EST)
- FAX TO:** 781-398-1889
- INTERNET:** info@roundtable.com or
www.ManagementRoundtable.com
- MAIL TO:** Portfolio Management
c/o Management Roundtable
92 Crescent Street, Waltham, MA 02453

Please accept the following registration(s):

(Please use photocopies for additional people)

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Code: Web Download

DATES: The workshop will be held September 17-18, 2007. Registration and continental breakfast begin at 8:00 a.m. on Monday, September 17; session begins at 8:30 a.m. and concludes at 4:00 p.m. on Tuesday, September 18, 2007.

LOCATION & HOTEL ACCOMMODATIONS: The workshop will be held at the Royal Sonesta Hotel. Please call 1-617-806-4200 by August 17 for room reservations, and mention that you will be attending Management Roundtable's *Portfolio Management* workshop to receive preferred rates.

WORKSHOP FEE: \$1995/person; \$1795/person before July 31. Fee includes program materials, lunches, continental breakfasts, networking reception and refreshment breaks.

GROUP DISCOUNTS: Groups of 3 or more may deduct \$100 per person.

NO-RISK GUARANTEE: Your satisfaction is 100% guaranteed—money-back or credit. If you're not satisfied with the quality of this program, let us know in writing and we'll refund your entire registration fee.

CANCELLATIONS/SUBSTITUTIONS: You may send a substitute attendee in your place at any time with no penalty (please inform us in advance if possible). Cancellations made within 5 business days of the event are subject to a \$200 administration fee OR the full fee can be credited towards a future purchase. No-shows are liable for the full fee.

CONFERENCE ATTIRE: Business casual.