

Seventh Edition

Product Design AND Development



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Product Design and Development

Seventh Edition

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PRODUCT DESIGN AND DEVELOPMENT, SEVENTH EDITION

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To the professionals who shared their experiences with us and to the product development teams we hope will benefit from those experiences.

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Preface

This book contains material developed for use in the interdisciplinary courses on product development that we teach. Participants in these courses include graduate students in engineering, industrial design students, and MBA students. While we aimed the book at interdisciplinary graduate-level audiences such as this, many faculty teaching graduate and undergraduate courses in engineering design have also found the material useful. *Product Design and Development* is also for practicing professionals. Indeed, we could not avoid writing for a professional audience, because most of our students are themselves professionals who have worked either in product development or in closely related functions.

This book blends the perspectives of marketing, design, and manufacturing into a single approach to product development. As a result, we provide students of all kinds with an appreciation for the realities of industrial practice and for the complex and essential roles played by the various members of product development teams. For industrial practitioners, in particular, we provide a set of product development methods that can be put into immediate practice on development projects.

A debate often heard in the academic community relates to whether design should be taught primarily by establishing a foundation of theory or by engaging students in loosely supervised practice. For the broader activity of product design and development, we reject both approaches when taken to their extremes. Theory without practice is ineffective because there are many nuances, exceptions, and subtleties to be learned in practical settings and because some necessary tasks simply lack sufficient theoretical underpinnings. Practice without guidance can too easily result in frustration and fails to exploit the knowledge that successful product development professionals and researchers have accumulated over time. Product development, in this respect, is like sailing: proficiency is gained through practice, but some theory of how sails work and some instruction in the mechanics (and even tricks) of operating the boat help tremendously.

We attempt to strike a balance between theory and practice through our emphasis on methods. The methods we present are typically step-by-step procedures for completing tasks, but rarely embody a clean and concise theory. In some cases, the methods are supported in part by a long tradition of research and practice, as in the chapter on product development economics. In other cases, the methods are a distillation of relatively recent and *ad hoc* techniques, as in the chapter on design for environment. In all cases, the methods provide a concrete approach to solving a product development problem. In our experience, product development is best learned by applying structured methods to ongoing project work in either industrial or academic settings. Therefore, we intend this book to be used as a guide to completing development tasks either in the context of a course project or in industrial practice.

An industrial example or case study illustrates every method in the book. We chose to use different products as the examples for each chapter rather than carrying the same example through the entire book. We provide this variety because we think it makes the

book more interesting and because we hope to illustrate that the methods can be applied to a wide range of products, from industrial equipment to consumer products.

We designed the book to be extremely modular—it consists of 19 independent chapters. Each chapter presents a development method for a specific portion of the product development process. The primary benefit of the modular approach is that each chapter can be used independently of the rest of the book. This way, faculty, students, and practitioners can easily access the material they find most useful.

This seventh edition of the book includes updated examples and data. We have also revised the book throughout with insights from recent research and innovations in practice.

We maintain a website to supplement the book. The site is intended to be a resource for instructors, students, and practitioners. We will keep the site current with additional references, examples, and links to available resources related to the product development topics in each chapter. Please make use of this information via www.pdd-resources.net.

The application of structured methods to product development also facilitates the study and improvement of development processes. We hope, in fact, that readers will use the ideas in this book as seeds for the creation of their own development methods, uniquely suited to their personalities, talents, and company environments. We encourage readers to share their experiences with us and to provide suggestions for improving this material. Please write to us with your ideas and comments at ulrich@wharton.upenn.edu, eppinger@mit.edu, and mcyang@mit.edu.

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Brief Contents

About the Authors	iv	10	Product Architecture	189
Preface	v	11	Industrial Design	213
Acknowledgments	vii	12	Design for Environment	237
1	Introduction	13	Design for Manufacturing and Supply Chain	261
2	Product Development Process and Organization	14	Prototyping	295
3	Opportunity Identification	15	Robust Design	317
4	Product Planning	16	Patents and Intellectual Property	337
5	Identifying Customer Needs	17	Service Design	359
6	Product Specifications	18	Product Development Economics	373
7	Concept Generation	19	Project Management	401
8	Concept Selection			
9	Concept Testing			
			Index	425

Contents

About the Authors iv

Preface v

Acknowledgments vii

Chapter 1

Introduction 1

Characteristics of Successful Product Development 2

Who Designs and Develops Products? 3

Duration and Cost of Product Development 5

The Challenges of Product Development 6

Approach of This Book 6

Structured Methods 7

Industrial Examples 7

Organizational Realities 7

Roadmap of the Book 8

References and Bibliography 10

Exercises 10

Thought Question 10

Chapter 2

Product Development Process and Organization 11

The Product Development Process 12

Concept Development: The Front-End

Process 16

Adapting the Generic Product Development Process 18

Technology-Push Products 18

Platform Products 20

Process-Intensive Products 20

Customized Products 20

High-Risk Products 21

Quick-Build Products 21

Digital Products 21

Product-Service Systems 22

Complex Systems 22

Product Development Process Flows 22

The Tyco Product Development

Process 23

Product Development Organizations 24

Organizations Are Formed by Establishing Links among Individuals 24

Organizational Links May Be Aligned with Functions, Projects, or Both 26

Choosing an Organizational Structure 27

Distributed Product Development Teams 30

The Tyco Product Development

Organization 30

Summary 31

References and Bibliography 31

Exercises 33

Thought Questions 33

Chapter 3

Opportunity Identification 35

What Is an Opportunity? 36

Types of Opportunities 36

Tournament Structure of Opportunity

Identification 37

Effective Opportunity Tournaments 39

Opportunity Identification Process 41

Step 1: Establish a Charter 41

Step 2: Generate and Sense Many

Opportunities 42

Techniques for Generating Opportunities 42

Step 3: Screen Opportunities 48

Step 4: Develop Promising Opportunities 49

Step 5: Select Exceptional Opportunities 49

Step 6: Reflect on the Results and the

Process 51

Summary 52

References and Bibliography 52

Exercises 53

Thought Questions 53

Chapter 4**Product Planning 55**

- The Product Planning Process 57
 - Four Types of Product Development Projects* 58
 - The Process* 58
- Step 1: Identify Opportunities 59
- Step 2: Evaluate and Prioritize Projects 60
 - Competitive Strategy* 60
 - Market Segmentation* 61
 - Technological Trajectories* 61
 - Product Platform Planning* 63
 - Technology Roadmapping* 64
 - Evaluating Fundamentally New Product Opportunities* 65
 - Balancing the Portfolio* 65
- Step 3: Allocate Resources and Plan Timing 67
 - Resource Allocation* 68
 - Project Timing* 69
 - The Product Plan* 69
- Step 4: Complete Pre-Project Planning 69
 - Mission Statements* 70
 - Assumptions and Constraints* 71
 - Staffing and Other Pre-Project Planning Activities* 72
- Step 5: Reflect on the Results and the Process 72
- Summary 73
- References and Bibliography 73
- Exercises 75
- Thought Questions 75

Chapter 5**Identifying Customer Needs 77**

- The Importance of Latent Needs 79
- The Process of Identifying Customer Needs 79
- Step 1: Gather Raw Data from Customers 81
 - Choosing Customers* 82
 - The Art of Eliciting Customer Needs Data* 84
 - Documenting Interactions with Customers* 85
- Step 2: Interpret Raw Data in Terms of Customer Needs 87
- Step 3: Organize the Needs into a Hierarchy 88
- Step 4: Establish the Relative Importance of the Needs 90
- Step 5: Reflect on the Results and the Process 92

- Summary 92
- References and Bibliography 93
- Exercises 94
- Thought Questions 94

Chapter 6**Product Specifications 95**

- What Are Specifications? 96
- When Are Specifications Established? 97
- Establishing Target Specifications 98
 - Step 1: Prepare the List of Metrics* 99
 - Step 2: Collect Competitive Benchmarking Information* 103
 - Step 3: Set Ideal and Marginally Acceptable Target Values* 103
 - Step 4: Reflect on the Results and the Process* 107
- Setting the Final Specifications 107
 - Step 1: Develop Technical Models of the Product* 109
 - Step 2: Develop a Cost Model of the Product* 110
 - Step 3: Refine the Specifications, Making Trade-Offs Where Necessary* 112
 - Step 4: Flow Down the Specifications as Appropriate* 113
 - Step 5: Reflect on the Results and the Process* 115
- Summary 115
- References and Bibliography 116
- Exercises 117
- Thought Questions 117
- Appendix**
- Target Costing 118**

Chapter 7**Concept Generation 121**

- The Activity of Concept Generation 122
 - Structured Approaches Reduce the Likelihood of Costly Problems* 123
 - A Five-Step Method* 123
- Step 1: Clarify the Problem 124
 - Decompose a Complex Problem into Simpler Subproblems* 125
 - Focus Initial Efforts on the Critical Subproblems* 127

Step 2: Search Externally 128
 Interview Lead Users 128
 Consult Experts 129
 Search Patents 129
 Search Published Literature 130
 Benchmark-Related Products 131

Step 3: Search Internally 131
 Both Individual and Group Sessions Can Be Useful 132
 Hints for Generating Solution Concepts 133

Step 4: Explore Systematically 135
 Concept Classification Tree 136
 Concept Combination Table 138
 Managing the Exploration Process 141

Step 5: Reflect on the Solutions and the Process 143

Summary 144

References and Bibliography 145

Exercises 147

Thought Questions 147

Chapter 8

Concept Selection 149

Concept Selection Is an Integral Part of the Product Development Process 150

All Teams Use Some Method for Choosing a Concept 151

A Structured Method Offers Several Benefits 154

Overview of Methodology 155

Concept Screening 156
 Step 1: Prepare the Selection Matrix 156
 Step 2: Rate the Concepts 157
 Step 3: Rank the Concepts 158
 Step 4: Combine and Improve the Concepts 158
 Step 5: Select One or More Concepts 158
 Step 6: Reflect on the Results and the Process 159

Concept Scoring 160
 Step 1: Prepare the Selection Matrix 160
 Step 2: Rate the Concepts 161
 Step 3: Rank the Concepts 162
 Step 4: Combine and Improve the Concepts 162
 Step 5: Select One or More Concepts 162
 Step 6: Reflect on the Results and the Process 163

Caveats 163

Summary 165

References and Bibliography 165

Exercises 166

Thought Questions 167

Appendix A

Concept-Screening Matrix Example 168

Appendix B

Concept-Scoring Matrix Example 169

Chapter 9

Concept Testing 171

Step 1: Define the Purpose of the Concept Test 173

Step 2: Choose a Survey Population 173

Step 3: Choose a Survey Format 174

Step 4: Communicate the Concept 175
 Matching the Survey Format with the Means of Communicating the Concept 179
 Issues in Communicating the Concept 179

Step 5: Measure Customer Response 181

Step 6: Interpret the Results 181

Step 7: Reflect on the Results and the Process 184

Summary 185

References and Bibliography 185

Exercises 186

Thought Questions 186

Appendix

Estimating Market Sizes 187

Chapter 10

Product Architecture 189

What Is Product Architecture? 190
 Types of Modularity 192
 When Is the Product Architecture Defined? 193

Implications of the Architecture 193
 Product Change 193
 Product Variety 194
 Component Standardization 195
 Product Performance 195
 Manufacturability 196
 Product Development Management 196

Establishing the Architecture 197
 Step 1: Create a Schematic of the Product 197
 Step 2: Cluster the Elements of the Schematic 199
 Step 3: Create a Rough Geometric Layout 201
 Step 4: Identify the Fundamental and Incidental Interactions 202

Delayed Differentiation	203
Platform Planning	206
<i>Differentiation Plan</i>	206
<i>Commonality Plan</i>	206
<i>Managing the Trade-Off between Differentiation and Commonality</i>	207
Related System-Level Design Issues	208
<i>Defining Secondary Systems</i>	208
<i>Establishing the Architecture of the Chunks</i>	209
<i>Creating Detailed Interface Specifications</i>	209
Summary	210
References and Bibliography	210
Exercises	212
Thought Questions	212

Chapter 11

Industrial Design 213

What Is Industrial Design?	216
Assessing the Need for Industrial Design	217
<i>Expenditures for Industrial Design</i>	217
<i>How Important Is Industrial Design to a Product?</i>	218
<i>User Experience Needs</i>	219
<i>Aesthetic Needs</i>	219
The Impact of Industrial Design	220
<i>Is Industrial Design Worth the Investment?</i>	220
<i>How Does Industrial Design Establish a Corporate Identity?</i>	222
The Industrial Design Process	223
1. <i>Investigation of Customer Needs</i>	224
2. <i>Conceptualization</i>	224
3. <i>Preliminary Refinement</i>	225
4. <i>Further Refinement and Final Concept Selection</i>	225
5. <i>Control Drawings or Models</i>	226
6. <i>Coordination with Engineering, Manufacturing, and External Vendors</i>	227
Management of the Industrial Design Process	227
<i>Timing of Industrial Design Involvement</i>	229
Assessing the Quality of Industrial Design	229
1. <i>Usability</i>	230
2. <i>Emotional Appeal</i>	230
3. <i>Ability to Maintain and Repair the Product</i>	231
4. <i>Appropriate Use of Resources</i>	232
5. <i>Product Differentiation</i>	232

Summary	232
References and Bibliography	233
Exercises	234
Thought Questions	235

Chapter 12

Design for Environment 237

What Is Design for Environment?	239
<i>Two Life Cycles</i>	240
<i>Environmental Impacts</i>	241
<i>History of Design for Environment</i>	242
<i>Herman Miller's Journey toward Design for Environment</i>	242
The Design for Environment Process?	243
Step 1: Set the DFE Agenda: Drivers, Goals, and Team	244
<i>Identify the Internal and External Drivers of DFE</i>	244
<i>Set the DFE Goals</i>	245
<i>Set Up the DFE Team</i>	246
Step 2: Identify Potential Environmental Impacts	247
Step 3: Select DFE Guidelines	248
Step 4: Apply the DFE Guidelines to the Initial Product Design	250
Step 5: Assess the Environmental Impacts	251
<i>Compare the Environmental Impacts to DFE Goals</i>	252
Step 6: Refine the Product Design to Reduce or Eliminate the Environmental Impacts	252
Step 7: Reflect on the DFE Process and Results	253
Summary	255
References and Bibliography	255
Exercises	256
Thought Questions	257

Appendix

Design for Environment Guidelines 258

Chapter 13

Design for Manufacturing and Supply Chain 261

Design for Manufacturing and Supply Chain Defined	262
<i>DFM Requires a Cross-Functional Team</i>	262
<i>DFM Is Performed throughout the Development Process</i>	263
<i>Overview of the DFM Method</i>	263

Step 1: Consider the Strategic Sourcing Decisions 264

Step 2: Estimate the Manufacturing Costs 266

- Cost of Goods* 266
- Fixed Costs versus Variable Costs* 269
- The Bill of Materials* 269
- Estimating the Costs of Standard Components* 270
- Estimating the Costs of Custom Components* 271
- Estimating the Costs of Assembly* 272
- Estimating the Overhead Costs* 273

Step 3: Reduce the Costs of Components 274

- Understand the Process Constraints and Cost Drivers* 274
- Redesign Components to Eliminate Processing Steps* 275
- Choose the Appropriate Economic Scale for the Part Process* 275
- Standardize Components* 276
- Adhere to “Black Box” Component Procurement* 276

Step 4: Reduce the Costs of Assembly 277

- Integrate Parts* 277
- Maximize Ease of Assembly* 277
- Consider Customer Assembly* 278

Step 5: Reduce the Costs of Supporting Production 278

- Minimize Systemic Complexity* 279
- Error Proofing* 279

Step 6: Reduce the Costs of Logistics 280

Here are some guidelines for minimizing volume 280

Step 7: Consider the Impact of DFM Decisions on Other Factors 281

- The Impact of DFM on Development Time* 281
- The Impact of DFM on Development Cost* 281
- The Impact of DFM on Product Quality* 281
- The Impact of DFM on the Larger Enterprise* 282

Results 282

Summary 283

References and Bibliography 284

Exercises 284

Thought Questions 285

Appendix A

Materials Costs 286

Appendix B

Component Manufacturing Costs 287

Appendix C

Assembly Costs 293

Appendix D

Cost Structures 294

Chapter 14

Prototyping 295

Understanding Prototypes 297

- Types of Prototypes* 297
- What Are Prototypes Used For?* 300

Principles of Prototyping 303

- Analytical Prototypes Are Generally More Flexible Than Physical Prototypes* 303
- Physical Prototypes Are Required to Detect Unanticipated Phenomena* 303
- A Prototype May Reduce the Risk of Costly Iterations* 304
- A Prototype May Expedite Other Development Steps* 306
- A Prototype May Restructure Task Dependencies* 307

Prototyping Technologies 307

- CAD Modeling and Analysis* 307
- 3D Printing* 308

Planning for Prototypes 309

- Step 1: Define the Purpose of the Prototype* 309
- Step 2: Establish the Level of Approximation of the Prototype* 310
- Step 3: Outline an Experimental Plan* 310
- Step 4: Create a Schedule for Procurement, Construction, and Testing* 310
- Planning Milestone Prototypes* 311

Summary 312

References and Bibliography 313

Exercises 314

Thought Questions 315

Chapter 15

Robust Design 317

What Is Robust Design? 318

- Design of Experiments* 320
- The Robust Design Process* 321

Step 1: Identify Control Factors, Noise Factors, and Performance Metrics	321
Step 2: Formulate an Objective Function	322
Step 3: Develop the Experimental Plan	323
<i>Experimental Designs</i>	323
<i>Testing Noise Factors</i>	325
Step 4: Run the Experiment	327
Step 5: Conduct the Analysis	327
<i>Computing the Objective Function</i>	327
<i>Computing Factor Effects by Analysis of Means</i>	328
Step 6: Select and Confirm Factor Setpoints	329
Step 7: Reflect and Repeat	329
Caveats	330
Summary	330
References and Bibliography	331
Exercises	332
Thought Questions	332
Appendix	
Orthogonal Arrays	333

Chapter 16

Patents and Intellectual Property 337

What Is Intellectual Property?	338
<i>Overview of Patents</i>	339
<i>Utility Patents</i>	340
<i>Preparing a Disclosure</i>	340
Step 1: Formulate a Strategy and Plan	342
<i>Timing of Patent Applications</i>	342
<i>Type of Application</i>	343
<i>Scope of Application</i>	344
Step 2: Study Prior Inventions	344
Step 3: Outline Claims	345
Step 4: Write the Description of the Invention	346
<i>Figures</i>	347
<i>Writing the Detailed Description</i>	347
<i>Defensive Disclosure</i>	348
Step 5: Refine Claims	349
<i>Writing the Claims</i>	349
<i>Guidelines for Crafting Claims</i>	352
Step 6: Pursue Application	352
Step 7: Reflect on the Results and the Process	354
Summary	354
References and Bibliography	355
Exercises	355
Thought Questions	355

Appendix A

Trademarks 356

Appendix B

Advice to Individual Inventors 356

Chapter 17

Service Design 359

Product-Service Systems	360
In What Ways Are Services and Products Different?	361
The Service Design Process	362
<i>The Service Concept</i>	362
<i>Concept Development at Zipcar</i>	364
<i>The Service Process Flow Diagram</i>	365
<i>Subsequent Refinement</i>	366
Downstream Development Activities in Services	366
<i>Prototyping a Service</i>	367
<i>Growing Services</i>	368
<i>Continuous Improvement</i>	368
Summary	369
References and Bibliography	370
Exercises	370
Thought Questions	371

Chapter 18

Product Development Economics 373

Elements of Economic Analysis	374
<i>Quantitative Analysis</i>	374
<i>Qualitative Analysis</i>	375
<i>When Should Economic Analysis Be Performed?</i>	375
<i>Economic Analysis Process</i>	376
Step 1: Build a Base-Case Financial Model	376
<i>Estimate the Timing and Magnitude of Future Cash Inflows and Outflows</i>	376
<i>Compute the Net Present Value of the Cash Flows</i>	378
<i>Other Cash Flows</i>	379
<i>Supporting Go/No-Go and Major Investment Decisions</i>	380
Step 2: Perform Sensitivity Analysis	381
<i>Development Cost Example</i>	381
<i>Development Time Example</i>	383
<i>Understanding Uncertainties</i>	384

Step 3: Use Sensitivity Analysis to Understand Trade-Offs 384

Potential Interactions 386

Trade-Off Rules 387

Limitations of Quantitative Analysis 388

Step 4: Consider the Influence of Qualitative Factors 389

Projects Interact with the Firm, the Market, and the

Macro Environment 389

Carrying Out Qualitative Analysis 391

Summary 392

References and Bibliography 393

Exercises 394

Thought Questions 394

Appendix A

Time Value of Money and the Net Present Value

Technique 395

Appendix B

Modeling Uncertain Cash Flows Using Net

Present Value Analysis 397

Chapter 19

Project Management 401

Understanding and Representing Tasks 402

Sequential, Parallel, and Coupled Tasks 402

The Design Structure Matrix 404

Gantt Charts 405

PERT Charts 406

The Critical Path 406

Baseline Project Planning 407

The Contract Book 407

Project Task List 407

Team Staffing and Organization 409

Project Schedule 410

Project Budget 411

Project Risk Plan 411

Modifying the Baseline Plan 412

Accelerating Projects 413

Project Execution 415

Coordination Mechanisms 416

Assessing Project Status 419

Corrective Actions 419

Postmortem Project Evaluation 420

Summary 422

References and Bibliography 422

Exercises 424

Thought Questions 424

Index 425

Introduction



Clockwise from top left: Courtesy of Belle-V LLC; Courtesy of AvaTech; ©Oleksiy Maksymenko Photography/Alamy; ©Oleksiy Maksymenko Photography/Alamy; ©Robert Clayton/Alamy.

EXHIBIT 1-1

Examples of engineered, discrete, physical products (clockwise from top left): Belle-V Ice Cream Scoop, AvaTech Avalanche Probe, iRobot Roomba Vacuum Cleaner, Tesla Model S Automobile, Boeing 787 Aircraft.

The economic success of most firms depends on their ability to identify the needs of customers and to quickly create products that meet these needs and can be produced at low cost. Achieving these goals is not solely a marketing problem, nor is it solely a design problem or a manufacturing problem; it is a product development problem involving all of these functions. This book provides a collection of methods intended to enhance the abilities of cross-functional teams to work together to develop products.

A *product* is something sold by an enterprise to its customers. *Product development* is the set of activities beginning with the perception of a market opportunity and ending in the production, sale, and delivery of a product. Although much of the material in this book is useful in the development of any product, we explicitly focus on products that are engineered, discrete, and physical. Exhibit 1-1 displays several examples of products from this category. Because we focus on engineered products, the book applies better to the development of power tools and computer peripherals than to magazines or sweaters. Our focus on discrete goods makes the book less applicable to the development of products such as gasoline, nylon, and paper. Because of the focus on physical products, we do not emphasize the specific issues involved in developing services or software. Even with these restrictions, the methods presented apply well to a broad range of products, including, for example, consumer electronics, sports equipment, scientific instruments, machine tools, and medical devices.

The goal of this book is to present in a clear and detailed way a set of product development methods aimed at bringing together the marketing, design, and manufacturing functions of the enterprise. In this introductory chapter, we describe some aspects of the industrial practice of product development and provide a roadmap of the book.

Characteristics of Successful Product Development

From the perspective of the investors in a for-profit enterprise, successful product development results in products that can be produced and sold profitably, yet profitability is often difficult to assess quickly and directly. Five more specific dimensions, all of which ultimately relate to profit, are commonly used to assess the performance of a product development effort:

- **Product quality:** How good is the product resulting from the development effort? Does it satisfy customer needs? Is it robust and reliable? Product quality is ultimately reflected in market share and the price that customers are willing to pay.
- **Product cost:** What is the manufacturing cost of the product? This cost includes spending on capital equipment and tooling as well as the incremental cost of producing each unit of the product. Product cost determines how much profit accrues to the firm for a particular sales volume and a particular sales price.
- **Development time:** How quickly did the team complete the product development effort? Development time determines how responsive the firm can be to competitive forces and to technological developments, as well as how quickly the firm receives the economic returns from the team's efforts.
- **Development cost:** How much did the firm have to spend to develop the product? Development cost is usually a significant fraction of the investment required to achieve the profits.

- **Development capability:** Are the team and the firm better able to develop future products as a result of their experience with a product development project? Development capability is an asset the firm can use to develop products more effectively and economically in the future.

High performance, along these five dimensions, should ultimately lead to economic success; however, other performance criteria are also important. These criteria arise from interests of other stakeholders in the enterprise, including the members of the development team, other employees, and the community in which the product is manufactured. Members of the development team may be interested in creating an inherently exciting product. Members of the community in which the product is manufactured may be concerned about the degree to which the product creates jobs. Both production workers and users of the product hold the development team accountable to high safety standards, whether or not these standards can be justified on the strict basis of profitability. Other individuals, who may have no direct connection to the firm or the product, may demand that the product make ecologically sound use of resources and create minimal dangerous waste products.

Who Designs and Develops Products?

Product development is an interdisciplinary activity requiring contributions from nearly all the functions of a firm; however, three functions are almost always central to a product development project:

- **Marketing:** The marketing function mediates the interactions between the firm and its customers. Marketing often facilitates the identification of product opportunities, the definition of market segments, and the identification of customer needs. Marketing also typically arranges for communication between the firm and its customers, sets target prices, and oversees the launch and promotion of the product.
- **Design:** The design function plays the lead role in defining the physical form of the product to best meet customer needs. In this context, the design function includes engineering design (mechanical, electrical, software, etc.) and industrial design (aesthetics, ergonomics, user interfaces).
- **Manufacturing:** The manufacturing function is primarily responsible for designing, operating, and/or coordinating the production system in order to produce the product. Broadly defined, the manufacturing function also often includes purchasing, distribution, and installation. This collection of activities is sometimes called the *supply chain*.

Different individuals within these functions often have specific disciplinary training in areas such as market research, mechanical engineering, electrical engineering, materials science, or manufacturing operations. Several other functions, including finance and sales, are frequently involved on a part-time basis in the development of a new product. Beyond these broad functional categories, the specific composition of a development team depends on the particular characteristics of the product.

Rarely are products developed by a single individual. The collection of individuals developing a product forms the *project team*. This team usually has a single team leader, who could be drawn from any of the functions of the firm. The team can be thought of as

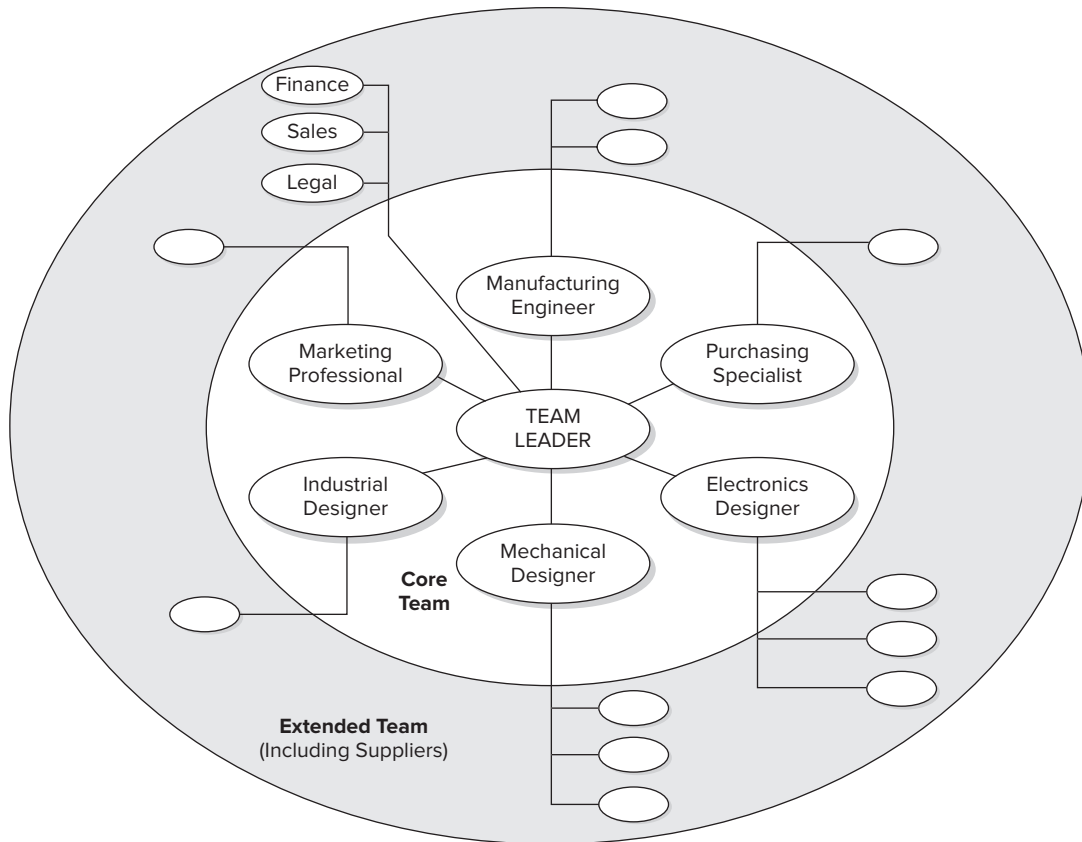


EXHIBIT 1-2 The composition of a product development team for an electromechanical product of modest complexity.

consisting of a *core team* and an *extended team*. In order to work together effectively, the core team usually remains small enough to meet in a conference room, while the extended team may consist of dozens, hundreds, or even thousands of other members. (Even though the term *team* is inappropriate for a group of thousands, the word is often used in this context to emphasize that the group must work toward a common goal.) In most cases, a team within the firm will be supported by individuals or teams at partner companies, suppliers, and consulting firms. Sometimes, as is the case for the development of a new airplane, the number of external team members may be even greater than that of the team within the company whose name will appear on the final product. The composition of a team for the development of an electromechanical product of modest complexity is shown in Exhibit 1-2.

Throughout this book we assume that the team is situated within a firm. In fact, a for-profit manufacturing company is the most common institutional setting for product development, but other settings are possible. Product development teams sometimes work within consulting firms, universities, government agencies, and nonprofit organizations.

	Belle-V Ice Cream Scoop	AvaTech Avalanche Probe	iRobot Roomba Vacuum Cleaner	Tesla Model S Automobile	Boeing 787 Aircraft
Annual production volume	10,000 units/year	1,000 units/year	2,000,000 units/year	50,000 units/year	120 units/year
Sales lifetime	10 years	3 years	2 years	5 years	40 years
Sales price	\$40	\$2,250	\$500	\$80,000	\$250 million
Number of unique parts (part numbers)	2 parts	175 parts	1,000 parts	10,000 parts	130,000 parts
Development time	1 year	2 years	2 years	4 years	7 years
Internal development team (peak size)	4 people	6 people	100 people	1,000 people	7,000 people
External development team (peak size)	2 people	12 people	100 people	1,000 people	10,000 people
Development cost	\$100,000	\$1 million	\$50 million	\$500 million	\$15 billion
Production investment	\$20,000	\$250,000	\$10 million	\$500 million	\$15 billion

EXHIBIT 1-3 Attributes of five products and their associated development efforts. All figures are approximate, based on publicly available information, estimates, and company sources.

Duration and Cost of Product Development

Most people without experience in product development are astounded by how much time and money are required to develop a new product. The reality is that very few products can be developed in less than 1 year, many require 3 to 5 years, and some take as long as 10 years. Exhibit 1-1 shows five engineered, discrete products. Exhibit 1-3 is a table showing the approximate scale of the associated product development efforts along with some distinguishing characteristics of the products.

The cost of product development is roughly proportional to the number of people on the project team and to the duration of the project. In addition to expenses for development effort, a firm will almost always have to make some investment in the tooling and equipment required for production. This expense is often as large as the rest of the product development budget; however, it is sometimes useful to think of these expenditures as part of the *fixed costs* of production. For reference purposes, this production investment is listed in Exhibit 1-3 along with the development expenditures.

The Challenges of Product Development

Developing great products is hard. Few companies are highly successful more than half the time. These odds present a significant challenge for a product development team. Some of the characteristics that make product development challenging are:

- **Trade-offs:** An airplane can be made lighter, but this action will probably increase manufacturing cost. One of the most difficult aspects of product development is recognizing, understanding, and managing such trade-offs in a way that maximizes the success of the product.
- **Dynamics:** Technologies improve, customer preferences evolve, competitors introduce new products, and the macroeconomic environment shifts. Decision making in an environment of constant change is a formidable task.
- **Details:** The choice between using screws or snap-fits on the enclosure of a computer can have economic implications of millions of dollars. Developing a product of even modest complexity may require thousands of such decisions.
- **Time pressure:** Any one of these difficulties would be easily manageable by itself given plenty of time, but product development decisions must usually be made quickly and without complete information.
- **Economics:** Developing, producing, and marketing a new product requires a large investment. To earn a reasonable return on this investment, the resulting product must be both appealing to customers and relatively inexpensive to produce.

For many people, product development is interesting precisely because it is challenging. For others, several intrinsic attributes also contribute to its appeal:

- **Creation:** The product development process begins with an idea and ends with the production of a physical artifact. When viewed both in its entirety and at the level of individual activities, the product development process is intensely creative.
- **Satisfaction of societal and individual needs:** All products are aimed at satisfying needs of some kind. Individuals interested in developing new products can almost always find institutional settings in which they can develop products satisfying what they consider to be important needs.
- **Team diversity:** Successful development requires many different skills and talents. As a result, development teams involve people with a wide range of different training, experience, perspectives, and personalities.
- **Team spirit:** Product development teams are often highly motivated, cooperative groups. The team members may be colocated so they can focus their collective energy on creating the product. This situation can result in lasting camaraderie among team members.

Approach of This Book

We focus on product development activities that benefit from the participation of all the core functions of the firm. For our purposes, we define the core functions as marketing, design, and manufacturing. We expect that team members have competence in one or more

specific disciplines such as mechanical engineering, electrical engineering, industrial design, market research, or manufacturing operations. For this reason, we do not discuss, for example, how to perform a stress analysis or to create a conjoint survey. These are disciplinary skills we expect someone on the development team to possess. The integrative methods in this book are intended to facilitate problem solving and decision making among people with different disciplinary perspectives.

Structured Methods

The book consists of methods for completing development activities. The methods are structured, which means we generally provide a step-by-step approach and often provide templates for the key information systems used by the team. We believe structured methods are valuable for three reasons: First, they make the decision process explicit, allowing everyone on the team to understand the decision rationale and reducing the possibility of moving forward with unsupported decisions. Second, by acting as “checklists” of the key steps in a development activity they ensure that important issues are not forgotten. Third, structured methods are largely self-documenting; in the process of executing the method, the team creates a record of the decision-making process for future reference and for educating newcomers.

Although the methods are structured, they are not intended to be applied blindly. The methods are a starting point for continuous improvement. Teams should adapt and modify the approaches to meet their own needs and to reflect the unique character of their institutional environment.

Industrial Examples

Each remaining chapter is built around an example drawn from industrial practice. The major examples include the following: a wireless security system, a laser-based cat toy, a digital copier, a thermostat, a mountain bike suspension fork, a power nailer, a dose-metering syringe, an electric scooter, a computer printer, a mobile telephone, office seating products, an automobile engine, a mobile robot, a seat belt system, a coffee-cup insulator, a coffee maker, and a microfilm cartridge. In most cases we use as examples the simplest products we have access to that illustrate the important aspects of the methods. When a syringe illustrates an idea as well as a jet engine, we use the syringe. However, every method in this book has been used successfully in industrial practice by hundreds of people on both large and small projects.

Although built around examples, the chapters are not intended to be historically accurate case studies. We use the examples as a way to illustrate development methods, and in doing so we recast some historical details in a way that improves the presentation of the material. We also disguise much of the quantitative information in the examples, especially financial data.

Organizational Realities

We deliberately chose to present the methods with the assumption that the development team operates in an organizational environment conducive to success. In reality, some organizations exhibit characteristics that lead to dysfunctional product development teams. These characteristics include:

- **Lack of empowerment of the team:** General managers or functional managers may engage in continual intervention in the details of a development project without a full understanding of the basis for the team’s decisions.

- **Functional allegiances transcending project goals:** Representatives of marketing, design, or manufacturing may influence decisions in order to increase the political standing of themselves or their functions without regard for the overall success of the product.
- **Inadequate resources:** A team may be unable to complete development tasks effectively because of a lack of staff, a mismatch of skills, or a lack of money, equipment, or tools.
- **Lack of cross-functional representation on the project team:** Key development decisions may be made without involvement of marketing, design, manufacturing, or other critical functions.

While most organizations exhibit one or more of these characteristics to some degree, the significant presence of these problems can be so stifling that sound development methods are rendered ineffective. While recognizing the importance of basic organizational issues, we assume, for clarity of explanation, that the development team operates in an environment in which the most restrictive organizational barriers have been removed.

Roadmap of the Book

We divide the product development process into six phases, as shown in Exhibit 1-4. (These phases are described in more detail in Chapter 2, Product Development Process and Organization.) This book describes the concept development phase in its entirety and the remaining phases less completely, because we do not provide methods for the more focused development activities that occur later in the process. Each of the remaining chapters in this book can be read, understood, and applied independently.

- Chapter 2, Product Development Process and Organization, presents a generic product development process and shows how variants of this process are used in different industrial situations. The chapter also discusses the way individuals are organized into groups in order to undertake product development projects.
- Chapter 3, Opportunity Identification, describes a process for creating, identifying, and screening ideas for new products.
- Chapter 4, Product Planning, presents a method for deciding which products to develop. The output of this method is a mission statement for a particular project.
- Chapters 5 through 9, Identifying Customer Needs, Product Specifications, Concept Generation, Concept Selection, and Concept Testing, present the key activities of the concept development phase. These methods guide a team from a mission statement through a selected product concept.
- Chapter 10, Product Architecture, discusses the implications of product architecture on product change, product variety, component standardization, product performance, manufacturing cost, and project management; it then presents a method for establishing the architecture of a product.
- Chapter 11, Industrial Design, discusses the role of the industrial designer and how human interaction issues, including aesthetics and ergonomics, are treated in product development.
- Chapter 12, Design for Environment, considers the environmental impacts associated with products and presents a method for reducing these impacts through better design decisions.
- Chapter 13, Design for Manufacturing and Supply Chain, discusses techniques used to reduce manufacturing cost. These techniques are primarily applied during the system-level and detail-design phases of the process.

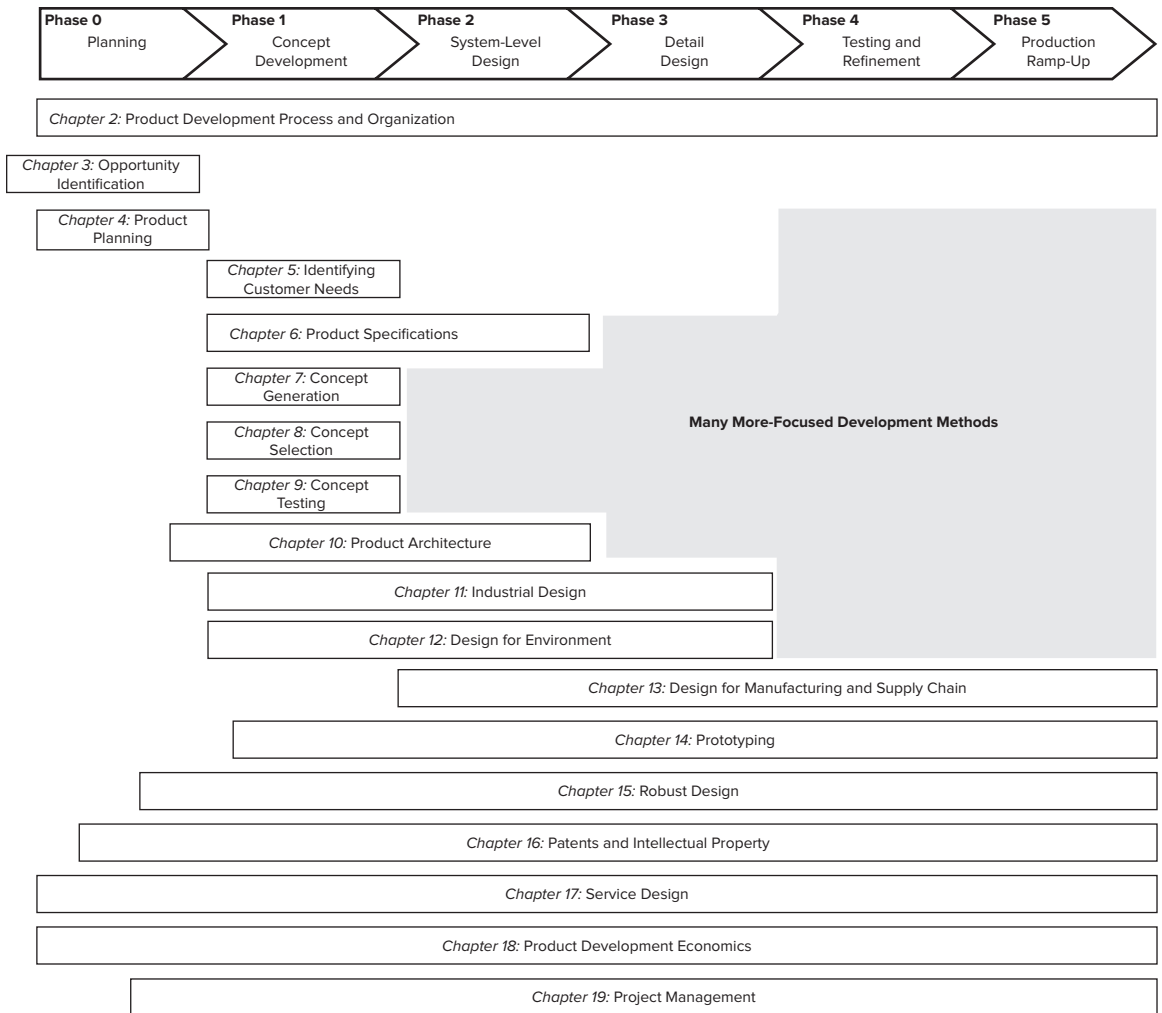


EXHIBIT 1-4 The product development process. The diagram shows where each of the integrative methods presented in the remaining chapters is most applicable.

- Chapter 14, Prototyping, presents a method to ensure that prototyping efforts, which occur throughout the process, are applied effectively.
- Chapter 15, Robust Design, explains methods for choosing values of design variables to ensure reliable and consistent performance.
- Chapter 16, Patents and Intellectual Property, presents an approach to creating a patent application and discusses the role of intellectual property in product development.
- Chapter 17, Service Design, shows how the methods in this book can be applied to the development of intangible products, and introduces a method for representing those products, the service process flow diagram.