

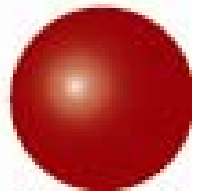
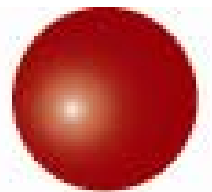
Session notes and take-aways

7th Annual Global Innovations in New Product Development & Market Strategy 2011

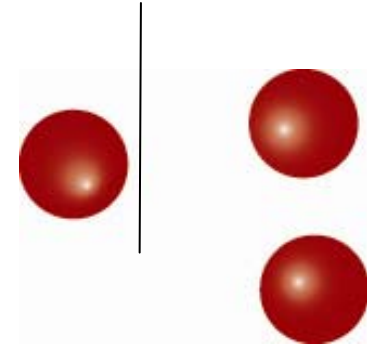
Session PC1. 

Setting Internal Product Development Expectations

Speaker/Facilitator: Timothy Grayson

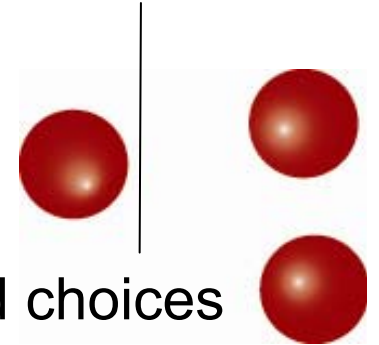


Expectations



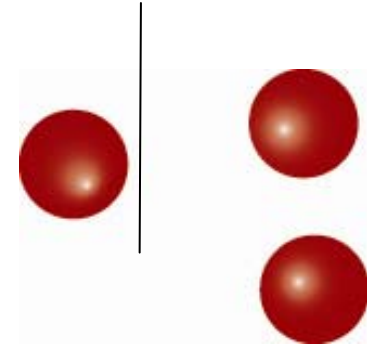
- Are dynamic, living things
- Are **not** “set it and forget it” one-time events
- Are a response to complex, ongoing inputs from many sources
- Exist differently in different minds independently
- Are set and reset jointly by innovator and “audience”
 - We may be the authors of our own misfortune by overselling initially
- Can become locked-in through by a process
- Interest us and are important because they affect:
 - Prediction and measurement of performance indicators
 - Balancing of competing demands based on value potential
 - Alignment and prioritization of resources

Challenges of misaligned expectations



- Constant rear-battle to correct and respond to flawed choices and decisions
- Enabling functions and other support organizations may not provide adequate and proper aid
- Funding and support for projects/within portfolios can end up misallocated
- Locked in expectations are unlikely to reflect evolving reality
 - You could efficiently drive to where you no longer need to go

Corrective options and measures

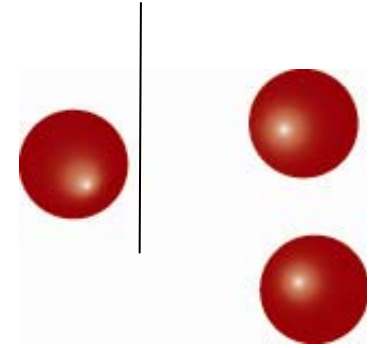


- COMMUNICATION... continual
 - To apprise everyone of evolving realities and (de)risks
 - To keep everyone aligned
 - To keep others on track to achieve desired goals
- Use ranges for setting numeric expectations (e.g., revenue, cost, volume)
 - A variation is a “must be” floor commitment and “could be” potential
- Engage those with the expectations (i.e., executives or stakeholders) to help set targets
- Delegate “Decision Rights” for the innovation leader to *own the plan and make the call*; then live with it

Managing expectations is change management

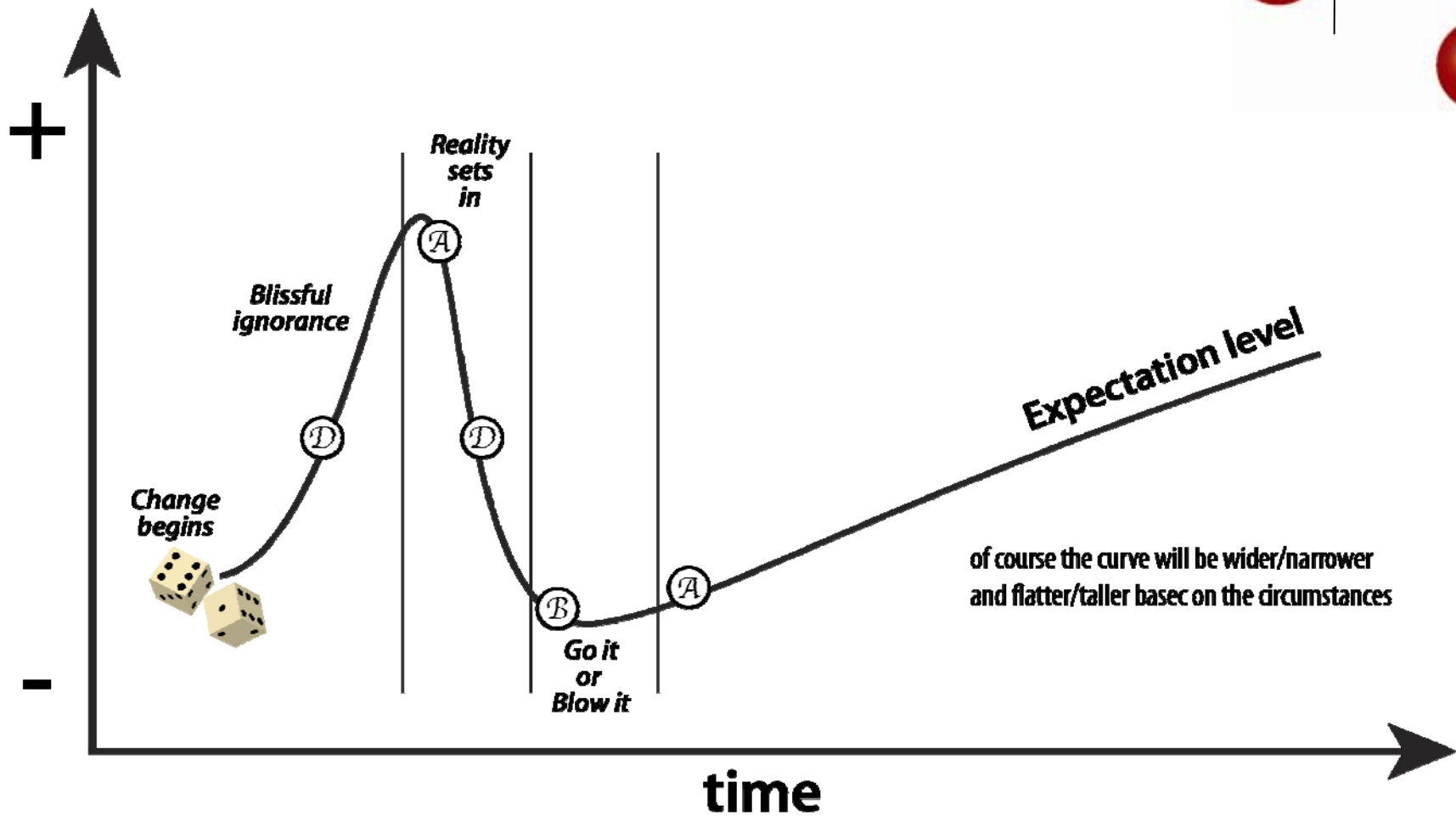
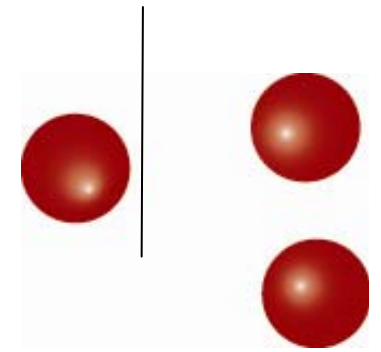
- The *invention* part of innovation is the obvious novelty
 - Often not reflected in business model innovation, etc.
- The fullness and value of *innovation* is in getting people to incorporate and use it
- An innovation displaces something known (and comfortable) even if that is “nothing”
- **So** every innovation not only brings something new, but brings something else to an end
- People RESIST change (brought on by innovation) and that has to be managed

Expectations changes are predictable



- At a micro-level of an individual or a project, change management is consistent with the psychology of the Kübler-Ross grieving process
 - Denial, Anger, Bargaining, Depression, Acceptance
- At the macro-level of a technology or industry, change and expectations tend to follow a psycho-social curve like the Gartner Hype-Cycle™
- Recognizing, adapting, and aligning to the stage of the cycle is critical for successful management of the situation

Expectations Evolution curve/Hype Cycle™



Kubler-Ross overlay: **D**enial, **A**nger, **D**epression, **B**argaining (note reversal), **A**cceptance

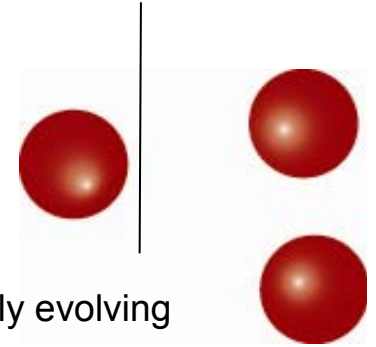
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Predictable at all levels



Expectation	None	Too high	Too low	Recalibrated	Persistently adjusted
Macro: Technology “Hype-cycle”	<i>Technology trigger</i>	<i>Peak of inflated expectations</i>	<i>Trough of disillusionment</i>	<i>Slope of enlightenment</i>	<i>Plateau of productivity</i>
Micro: DADBA stage		<i>Denial</i>	<i>Anger, Depression</i>	<i>Bargaining</i>	<i>Acceptance</i>
Stage	Idea	Vision Business case	Project meets inevitable (unforeseen) obstacles	New information course corrects vision and business case	Deployed and moulded to market realities
Why	Unknown	Uncertainty Possibly oversold (or overbought) to “beat” competing resource demands	Some assumptions prove wrong New, competing resource demands weight others’ assessments External impacts	Vision adjusted to new potential and resold with greater certainty Certainty outweighs competitions’ uncertainty	As innovation is deployed to market, focus shifts from innovation to more sure planning refinements

So what?



- Innovation as change management focuses on the changes: working with dynamically evolving expectations.

ACTION: Determine whether your perception of reality is fair and reasonable, or are you projecting misexpectations? Soberly consider whether stakeholder expectations (uniquely and collectively) are aligned to that reality. Correct if necessary.

- Predictability of expectations directional likelihood (up; down) lets you anticipate it. The consistent general shape to expectations evolution lets you adjust (to) the shape of the innovation specifically

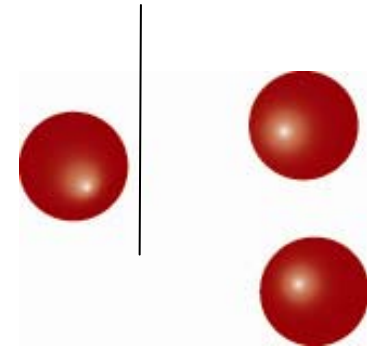
ACTION: Chronicle how, when, and why (project) expectations evolved. Plot the changing expectation(s) on the Expectations Evolution curve.

- Educating about the likely expectations evolution for a project will support the right level of performance prediction accuracy (“play it like a par 5”).

ACTION: Assess information/events that will move project expectations along the curve (either way); determine indicators of that movement, and communicate it early to all stakeholders. Repeat regularly.

- Expectations that reflect reality at the time will drive better balancing of demands

ACTION: Use knowledge of the position and movement along the curve (including velocity based on information/events—e.g., proof of concept, etc.) to de/accelerate resourcing to align and prioritize within Corporate plans.



Thank you for your participation and contribution.

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