

STLE: Formulas & Solutions LLC:  
Appreciative Innovation;  
Commercial Marketing Forum  
Tuesday May 17, 2022 - 5:00 pm



# **Appreciative Innovation®**

## **A Positive Approach to New Product Development**

**STLE Annual Meeting - May 17, 2022**

**E. Jon Schnellbacher**

Formulas & Solutions, LLC

Allen Park, Michigan

[ejon@formulas.solutions](mailto:ejon@formulas.solutions)

[\*\*www.appreciativeinnovation.org\*\*](http://www.appreciativeinnovation.org)



**Based on the North American Chemical Manufacturers  
Best Practices Study (NACM-BPS)**

# Best Practices: These is the key!



## Dimensions of NPD Best Practices – taken from the Delphi method panel

Strategy 18%	<b>Strategy</b> - identification, prioritization, selection, and resource support of preferred projects.
Research 16%	<b>Research</b> - techniques to sense, learn, and understand customers, competitors, and forces in the marketplace.
Commercialization 15%	<b>Commercialization</b> - marketing, launch, and post-launch management of new products that stimulate customer adoption and market diffusion.
Process 15%	<b>NPD Process</b> - the implementation of product development stages and gates for moving products from concept to launch
Project Climate 13%	<b>Project Climate</b> - the means and ways to establish product development intra-company integration at the individual and team levels.
Company Culture 13%	<b>Company Culture</b> - the company management value system, including customers and suppliers.
Metrics Performance 10%	<b>Metrics and Performance Measurement</b> - measurement, tracking, and reporting of product development program performance.

# How to achieve innovation success



North American Chemical Manufacturing Best Practices Study (Schnellbacher, 2016)

# Appreciative Innovation Principles

**The 12 Appreciative Innovation Principles summarize NPD best practices**

1. Each individual has value and adds by their unique contributions



2. There often may be more than one pathway to success

3. All stakeholders are encouraged to contribute without fear of rejection, failure, or reprisal

4. Positive questioning and building upon what works encourages shared aspirations and results

# Appreciative Innovation Principles

**The 12 Appreciative Innovation Principles summarize NPD best practices**

5. Including stakeholders early in the innovation process feedback and positive project direction
6. Projects should strategically consider a balance of projects, innovation level, and available resources
7. Use of project teams and champions promotes ownership and adoption
6. Providing the best possible product or service should be the shared vision of all stakeholders



# Appreciative Innovation Principles

**The 12 Appreciative Innovation Principles summarize NPD best practices**

9. Innovation projects should be strategically aligned with organizational mission, goals, and vision
10. The culture, climate, and spirituality of the organization is inspired by leadership's innovation involvement
11. Appropriate performance metrics need to be matched with clearly defined projects in order to encourage innovation success
12. Innovation success improves the future of the whole organization and all the stakeholders

# How to Use Appreciative Innovation



Introducing  
NPD Best  
Practices  
Survey  
Instrument



Self-assess  
to improve  
without  
disclosure of  
proprietary  
processes



Identify and  
balance  
weaker  
areas of  
NPD-BP  
dimensions  
using  
metrics



Strengthen  
performance  
and  
introduce  
new  
pathways to  
improve  
NPD success

# How to use the NACM Survey Tool:

## 1. Take the NACM-BPS survey of 30 Best Practice questions

*Note - Example below is directly from Barczak & Kahn (2012). Business Horizons*

7 Dimensions of New Product Development					
<b>Company Culture</b> - the company management value system driving those means and ways that underlie and establish product development thinking and product development collaboration with external partners, including customers and suppliers. Weight = 13 questions. Answers from: Strong No (1), Weak No (2), neutral (3), Weak Yes (4) to Strong Yes (5).	<b>strong No</b>	<b>weak No</b>	<b>partially true</b>	<b>weak Yes</b>	<b>strong Yes</b>
1. Does the company culture facilitate the NPD effort?	1	2	★	4	5
2. Is NPD a senior management priority?	1	2	3	★4	5
3. Does top management provide the necessary resources to support NPD activities?	1	2	★	4	5
4. Can NPD ideas come from outside the company?	1	★	3	4	5
5. Does the company actively work with customers to identify new product opportunities?	1	2	3	4	★
6. Does the company actively work with customers to develop new products?	1	2	3	★4	5
7. Does the company:develop products with customers?	1	2	★	4	5
8. Does senior management encourage knowledge sharing across different SBUs?	1	★	3	4	5
9. Does the company culture embrace the concept of open innovation?	★	2	3	4	5
10. Does senior management encourage risk-taking?	1	2	★	4	5



# How to use the NACM Survey Tool:

## 2. Report the results of BP Maturity Index as % out of 100% in each of the seven dimensions

For companies to self-audit and assess their NPD best practices maturity level, they need total the points from each question and determine the sum out of 150 potential points. The higher the score represents a higher NPD best practices maturity level. Additionally, using the breakdown of questions found in the appendix G, a score can be determined for each of the seven dimensions. Table 5.4 displays the number of questions for each dimension, the highest potential score for each dimension, and a factor which can be multiplied by a score for a dimension in order to determine the maturity level for each dimension reported as a percentage.

Table 5.4 *Number of Survey Instrument Questions for Each Dimension*

7D-NPD Dimension	# of Survey Questions	Factor
Strategy	7	2.9
Research	4	5.0
Commercialization	4	5.0
Process	5	4.0
Climate	3	6.7
Culture	5	5.0
Metrics	2	10.0

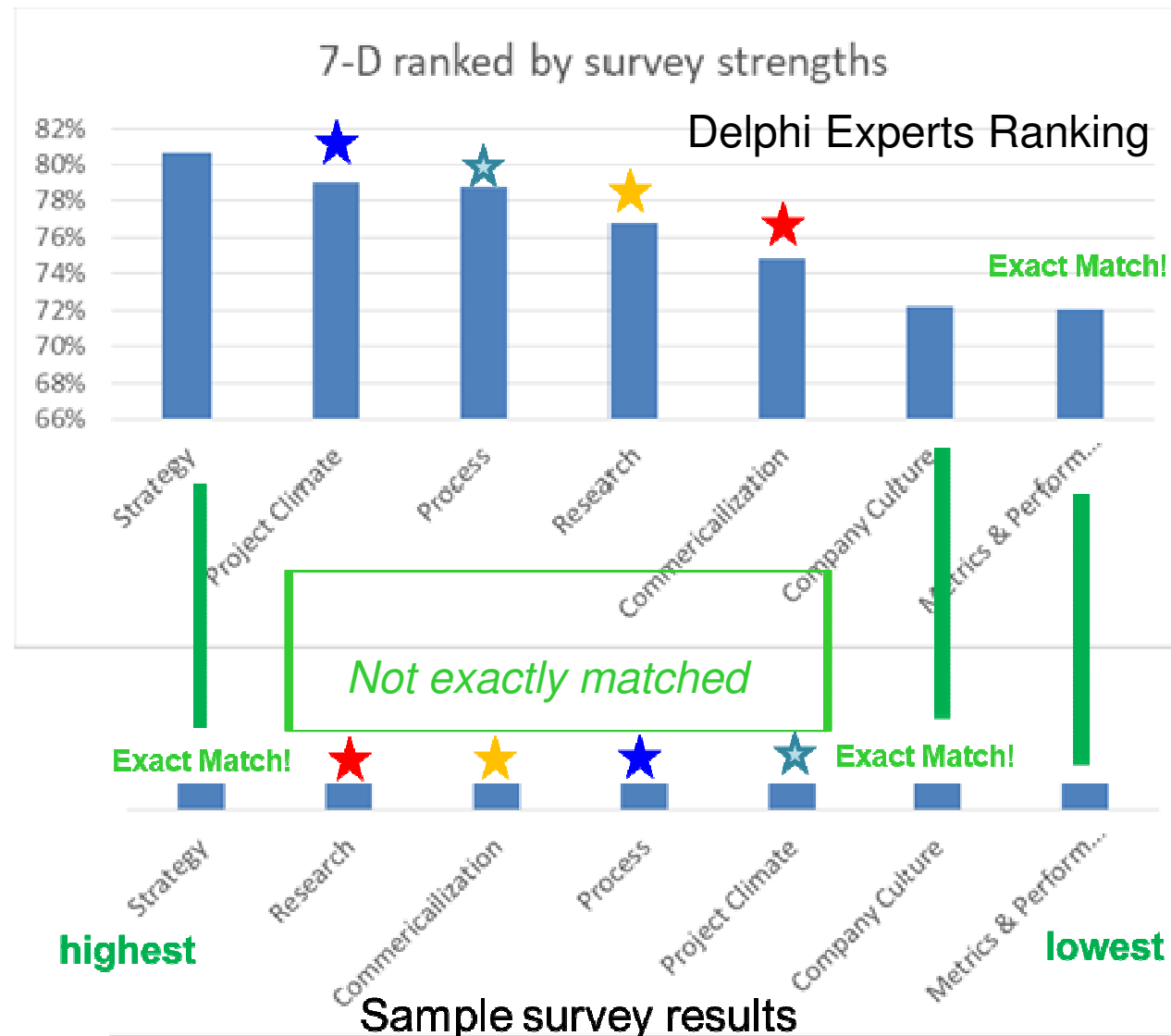
# How to use the NACM Survey Tool:

3. Rank the scores from highest to lowest to determine strengths

NACM-BPS Survey - Average Scores		
Seven Dimensions of NPD-BP		%
Strategy	highest	81%
Project Climate		79%
Process		79%
Research		77%
Commericalization		75%
Company Culture		72%
Metrics & Perform Measures	lowest	72%

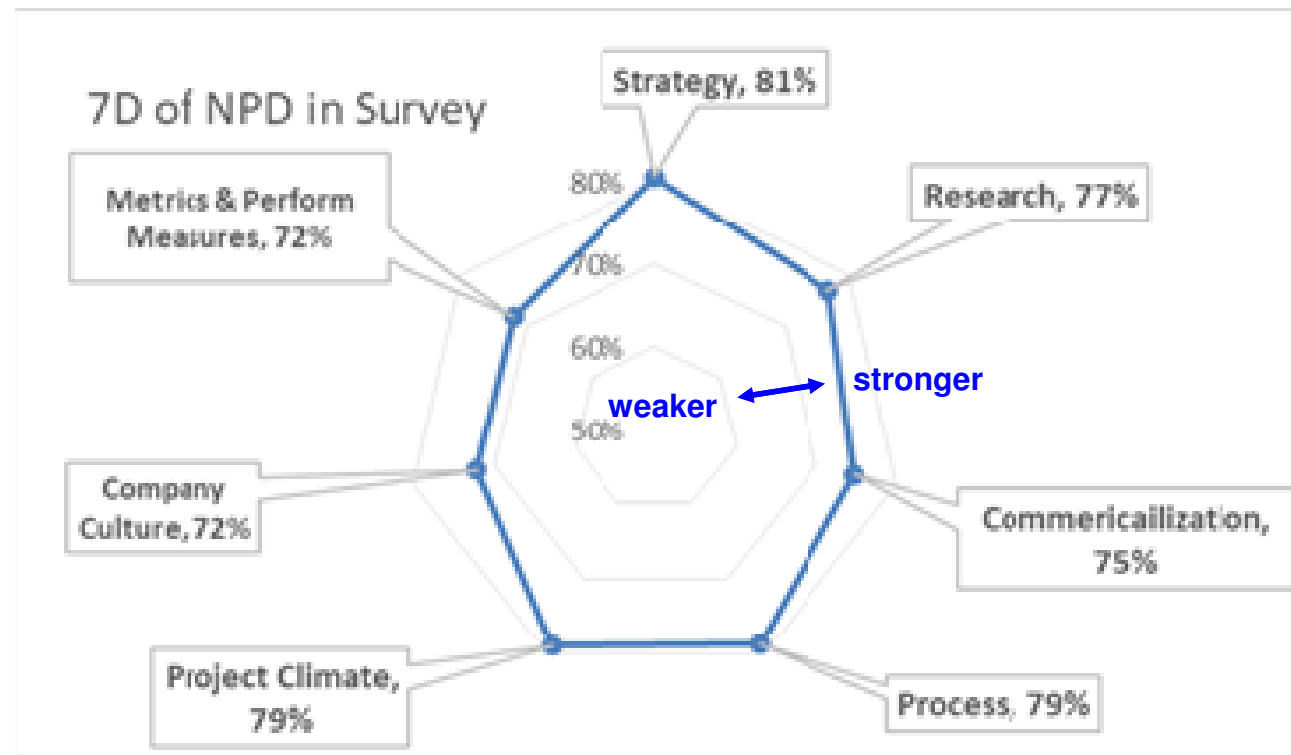
# How to use the NACM Survey Tool:

4. Compare your strengths with the scores Delphi experts suggest as important?



A spider graph using Microsoft Excel with normalize (all equal after multiplying by factor in previous step) will show the ratio of strengths such that nearer the center are **weaker** opportunities for improvement

## 5. Identify BPS target dimensions or opportunities for improvement



All seven dimensions are fairly equal  
(scale is important here)

6. Compare examples for best/worst practices in your target dimension with company practices.

7. Consider revising and/or implementing to best practices for the target dimension in company.

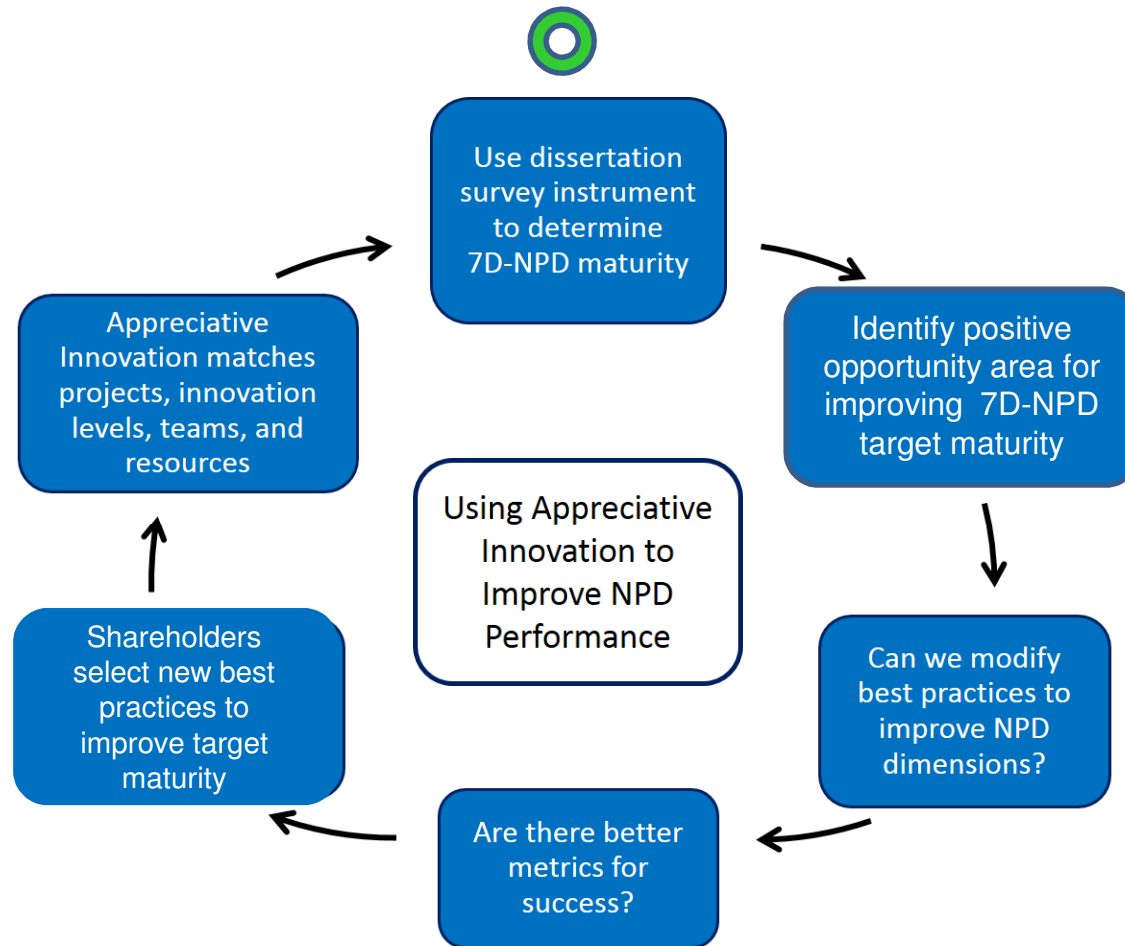
- **Strategy Examples of Poor Practices:**

- unclear NPD goals
- a variety of NPD projects are supported with little to no regard for mix appropriateness
- no prioritization of NPD projects
- no process for undertaking portfolio management
- NPD projects may or may not be aligned with company's mission/strategic goal
- pet projects are prevalent

- **Strategy Examples of Best Practices**

- clearly defined in company-visible NPD goals
- the company views NPD as a long-term strategy
- mission and strategic plan help define strategic arenas for new opportunities
- NPD goals are clearly aligned with company mission and strategic plan
- NPD projects and programs are reviewed on a regular basis
- there is keen consideration for balancing the number of projects and available resources

# Appreciative Innovation® Cycle of Improvement



Note - Appreciative Innovation® is a registered trademark for Formulas & Solutions, LLC [www.appreciativeinnovation.org](http://www.appreciativeinnovation.org).

# Have a destination or goal in mind

*That which you do not wish for will always be beyond your reach!*



One day Alice came to a fork in the road & saw a Cheshire cat in a tree.

“Which road do I take?” she asked.

“Where do you want to go?” was his response.

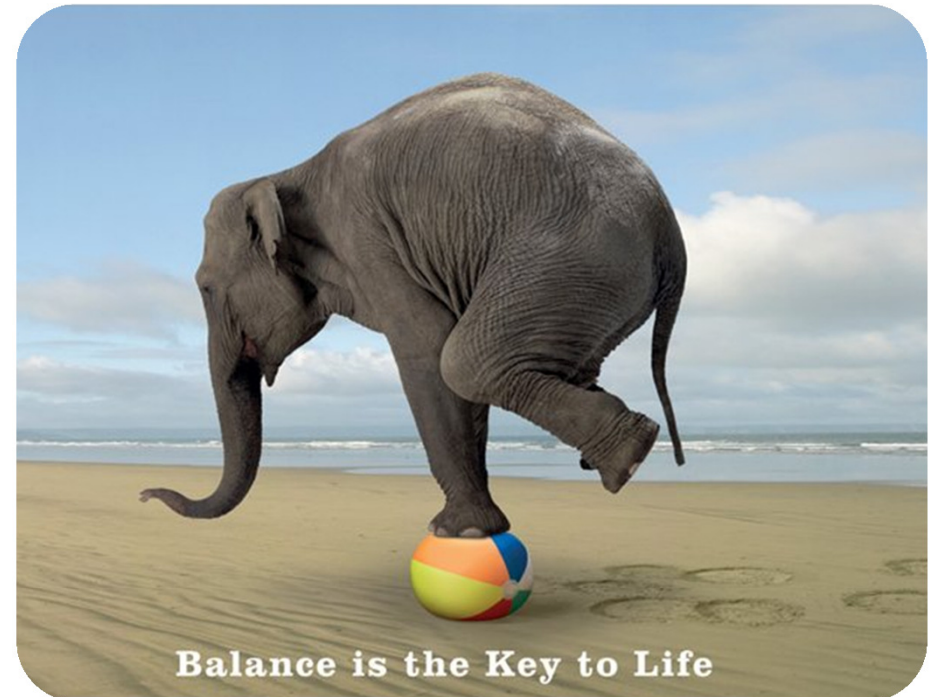
“I don't know”, Alice answered.

“Then”, said the cat, “it really doesn't matter.”



# Summary

- There is a better way to innovate
- Know your goals
- Review your mistakes
- Focus on your strengths
- Use your talents
- Use benchmarks
- Schedule project reviews
- Have a project champion



Balance is the Key to Life

Balance is the Key to Life



# Conclusion & Questions

- Formulas & Solutions provides consulting for business innovation solutions and more

**Give us your problems!**

Email me at:

[ejon@formulas.solutions](mailto:ejon@formulas.solutions)

More information available at:

[AppreciativeInnovation.org](http://AppreciativeInnovation.org)



Any questions?

# Thank You for attending

[ejon@formulas.solutions](mailto:ejon@formulas.solutions)

**[Appreciativeinnovation.org](http://Appreciativeinnovation.org)**





## Formulas & Solutions