

Navigating the Fuzzy Front End of Product Development

“The new product schedule has slipped even further”
“Cost overruns are eating into our projected margins”
“Sales are far below forecast”
“Customers aren’t willing to pay for the new features of our latest product”

No manager wants to react to and plan around these discouraging reports. What can be done to avoid the situation in the future? The root cause of these business shortcomings can often be traced back to the earliest stages of the project, sometimes called the “fuzzy front end”.



Studies show 70% of product life cycle costs are determined during the crucial product definition phase and that new products, not brand extensions, have the biggest impact on a company’s bottom line. For Oregon companies and companies elsewhere, the fuzzy front end is the phase of greatest leverage and unfortunately, of greatest neglect.

Paying the Price for Shortchanging the Fuzzy Front End

Companies which try to ignore, skimp on, or otherwise underestimate the necessity to navigate the fuzzy front end will pay a high price. In many cases, the resulting product doesn’t offer what the customer values. Or the resulting product may be perfectly viable in the market but is a poor business decision because it is not aligned with the company’s strategy or strengths. A weak or partial definition is much more susceptible to engineering changes causing schedule slippages and additional development expense.

Perhaps the greatest price paid is by the team itself. Few things are more demoralizing than the time and energy wasted as individuals or teams thrash around trying to determine what to do or how to do it. The very nature of the fuzzy front end makes teams vulnerable to an unproductive “group Brownian motion”.

What Makes the Fuzzy Front End Fuzzy?

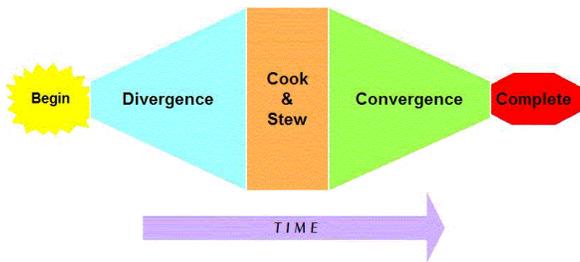
The fuzzy front end is defined by uncertainty. Predicting the future state and priorities of the market, customer needs and technology adds so many degrees of freedom that it rapidly becomes overwhelming. Many definitional teams suffer from a poor objective statement and an ill-defined process. Just think about the different direction teams would take if they were tasked with the following directives: what features should the next version of our current product include or what products or services would our customers value?

A multi-functional team representing all relevant disciplines will be in the best position to make a superior planning decision. The challenge is to harness the creativity and multiple perspectives of contributors while meeting the business constraints of time and resources. Organizational dynamics and participatory decision-making are key to directing the intellectual energy and capacity of the team. This means that leadership becomes a critical ingredient of the fuzzy front end.

Leveraging the Fuzzy Front End

So how can a team meet the challenges of uncertainty, lack of process, multiple perspectives, and business constraints? The bad news is there is no “one-size-fits-all solution”. The good news is there is a growing body of knowledge that can be selected and adapted dictated by the company, team, skills, and circumstances.

One specific example is the Divergence-Convergence framework that guides the team through phases, which include research and creativity (divergence), synthesis and innovation



(cook & stew), and finally scoping and decision making (convergence).

The Divergence-Convergence process coalesces the many considerations, facts, and goals into a well-structured and positively directed program of action.

The processes and tools take into account factors which help constrain and therefore simplify the decision making process. For example, the company’s strategy, defined markets, and core competencies should act as boundaries during the process aiding both in the divergent creative phase and in the convergent decision phase.

Benefits of Effectively Navigating the Fuzzy Front End

Four significant benefits resulting from an effective definitional process are:

- Maximize the potential for creativity and innovation
- Decide on the highest potential product within a defined time
- Ensure new products are aligned with corporate strategy, strengths and opportunities
- Buy-in and commitment from the project team

About Synergy Professional Services

Synergy (www.spspro.com) increases the success rates of client projects through consulting and training. Synergy is proud to partner with Innovation Frameworks, experts in creative innovation. Synergy offers a complete range of training and consulting to help you navigate the fuzzy front end.