

Product Development System Assessment

The way to an improved Product Development System

**There's no improvement without a benchmark.
There's no direction without a goal.**

The question isn't whether your Product Development System could be improved.

The question is, are you ready to commit to improving it?

IT'S A SYSTEM!

We believe Product Development is a system and that when truly analyzed, the Product Development System is fundamentally broken in most organizations.

People have learned to live with the under-performing, contentious environment that is characteristic of product development organizations. The truth is, you don't have to live with a chronically under-productive system.

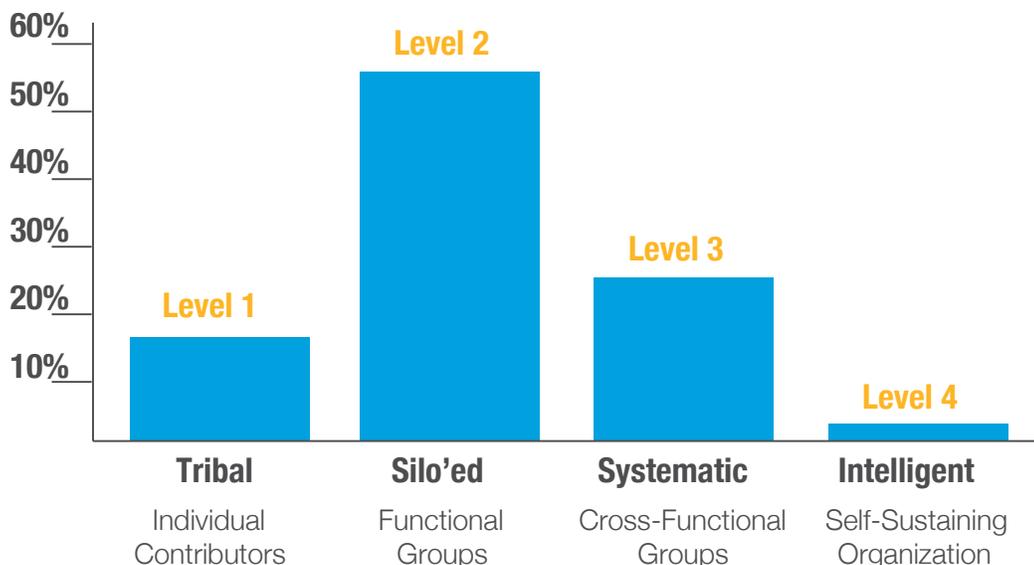
Our mission is to improve the way you design, manufacture, connect to, and service your products. We believe it starts with aligning your People, Process, Team and Technology.

FOUR LEVELS OF SYSTEM MATURITY

Most organizations are considered a level 2

Strive for level 3
(Systematic Organization)

Most organizations we investigate operate as a Silo'ed organization, or a Level 2 on the maturity scale. Like the majority of the country, your organization probably falls within this category - disparate functional groups operating individually with little understanding or interest in other departmental goals or initiatives.

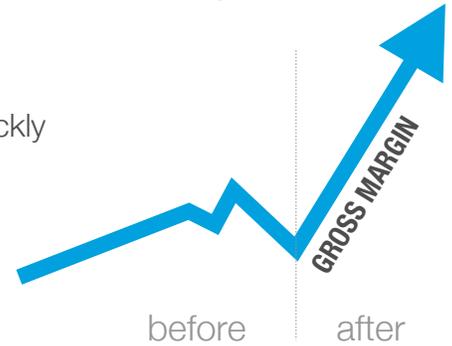


HOW CAN SYSTEMS THINKING EFFECT ME?

Customers that participate in assessments and commit to changing the way they develop products have uncovered dramatic opportunities to increase gross margin.

By adopting a Systems Thinking approach to developing your products, you are able to:

- Quote more business
- Respond to customers more quickly
- Expedite time to market
- Increase engineering capacity
- Reduce manufacturing rework



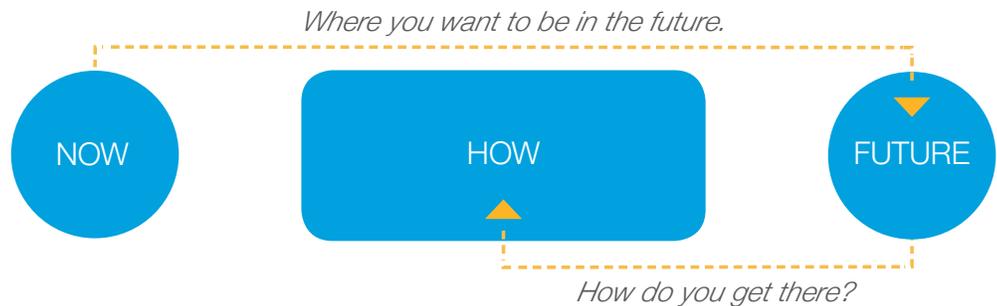
Do we have your attention yet? **Good.** Keep Reading. It's worth it!

LEARN FIRST

We believe that to get better, you must understand the source of the pain before proposing a remedy. This assessment helps your organization understand root cause problems.

"We knew our product development process could improve – we just didn't know where to start."
Julie Ryan, VP of Marketing
Thermos

We call this learning event a **Product Development System Assessment**, or **PDSA** for short. After all, there is no improvement without a benchmark.



PRODUCT DEVELOPMENT SYSTEM ASSESSMENT (PDSA)

This EAC provided service evaluates the overall state of your product development system. It gives broad organizational visibility to the improvement initiative and establishes a Road Map to improve the operation of your Product Development System.

YOUR COMMITMENT

3 hours per person distributed over a 2 week period to minimize the impact on your operations

We generally engage 10+ people from across your Product Development organization and hierarchal structure. Each person will commit a total of 3 hours of time over a two week period. It is important to include members from different functional groups. These may include engineering, manufacturing, purchasing, marketing, etc.

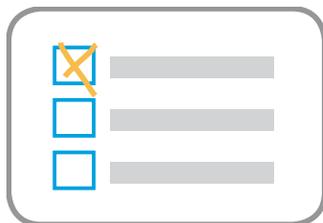


How it works.

PDSA FORMAT

Divided into 3 Parts

"EAC has opened our eyes. They challenged us to think differently about PD."
Mike Zacharias, President
Extreme Tool & Eng. Inc.



QUESTIONNAIRE

30 Minutes



INTERVIEW

1 Hour



RESULTS PRESENTATION

1.5 Hours

1. QUESTIONNAIRE

Submitted Individually
Aprox. 30 Minutes

The questionnaire takes roughly 30 minutes to complete and is to be submitted individually. Answers are kept confidential to ensure honest feedback.

One important purpose of the questionnaire is to tie the individual's day to day activities to your total business strategy. The questionnaire focuses on four business focuses:

- Strategy
- Initiatives
- Process
- Capabilities

2. INTERVIEW

Individual Face-to-Face
interview with EAC
Aprox. 1 Hour

Each person who filled out a questionnaire meets face-to-face with EAC team members. EAC uses the interviews to test the hypotheses they form while analyzing the questionnaire data. The meeting is a safe, closed door environment for individuals to openly talk about business challenges they encounter within their business function. Like the questionnaire, the conversations are kept confidential.

3. RESULTS PRESENTATION

All Participants Invited
Stakeholders Also Attend
Aprox. 1.5 Hours

In addition to the executive team and stake-holders most, if not all, of the participants are usually invited to attend the presentation. It builds trust within the organization and allows participants to recognize how their input influences the results. It is also the first time that many people in the room will fully understand the strategic direction of the organization as a whole.

“ *When people participate in the definition of change, it makes it more palatable.* **”**

- **Kevin Caskey**, Business Director of Branded Products, MGK

What you get.

DELIVERABLES

The Results Presentation includes:

- Strategy
- Current State
- Vision (Future State)
- Roadmap

STRATEGIC GOALS

Results compiled from questionnaire answers

Clearly identifies if the strategic goals of the organization are shared and understood by all.

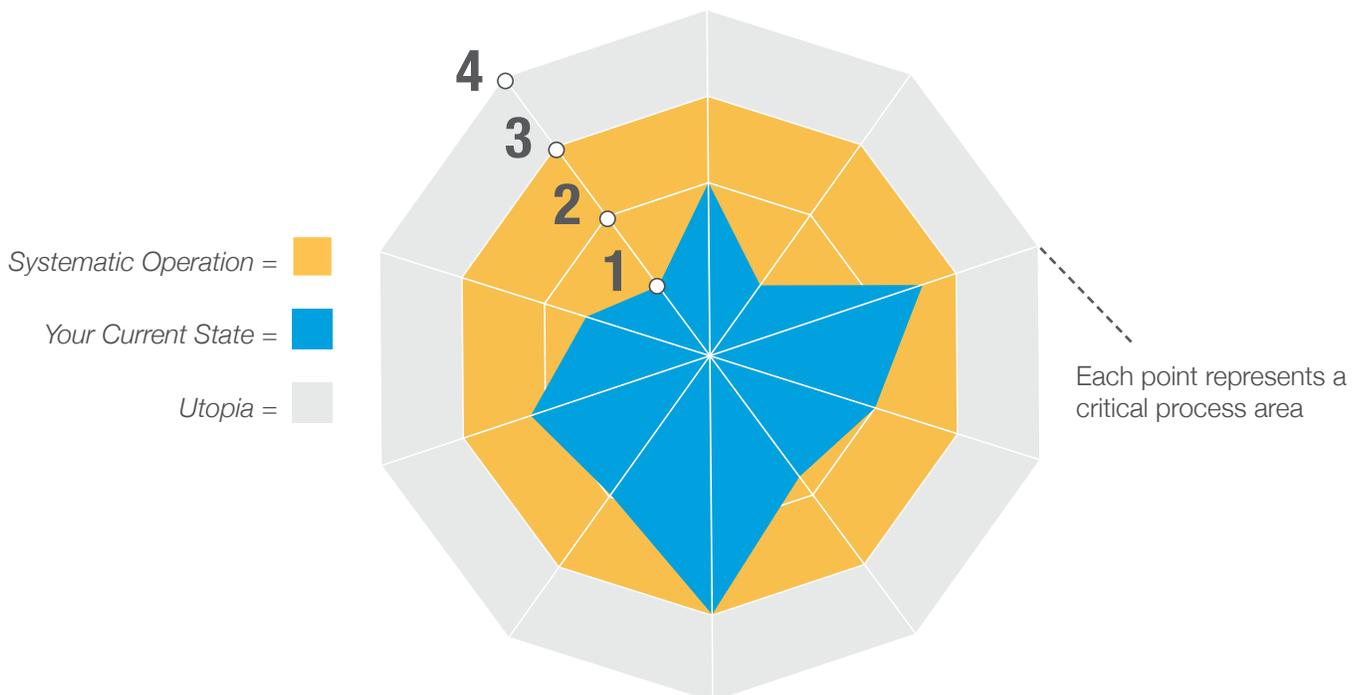
8.2	Grow Market Share
7.3	Grow Through Innovation
6.7	Grow and Profit from Brand Equity
6.5	Profit from Efficient Use of Asset Base
6.1	Grow Aftermarket
5.9	Profit from Product Cost Efficiencies

This list will vary depending on the company and questionnaire responses.

PROCESS MATURITY

Identifies maturity level of your process areas

The process maturity analysis maps the perceived performance of your critical processes. Of the 22 process areas we investigate, we analyze 10 that contribute to your strategic goals.



More of what you get.

ROAD MAP

YOU own this Road Map
No obligation to EAC



There are a million problems worth solving, the key is to focus on ones that have strategic impact and produce the most valuable result.

Your Road Map is a proposed course of action over a period of time. It breaks up initiatives into digestible chunks to ensure that you reach your goal of getting to your desired future state. It is a map that you own, and is unique to your business.

There is no obligation to engage EAC for any of the suggested deliverables on your Road Map, although, we'd sure appreciate the opportunity to win your business and become your trusted advisor along the way.

FINANCIAL IMPACT



The financial impact of implementing your unique Road Map can be astronomical. Customers that commit to changing the way they develop products have uncovered dramatic opportunities to increase gross margin.

Potential Financial impact
of a company with annual
revenue of \$50,000,000

	Min.	Max.
Direct Cost Benefits	\$500,000	\$1,500,000
Productivity Benefits	\$600,000	\$1,800,000
Proposed additional Profit	\$2,500,000	\$4,200,000

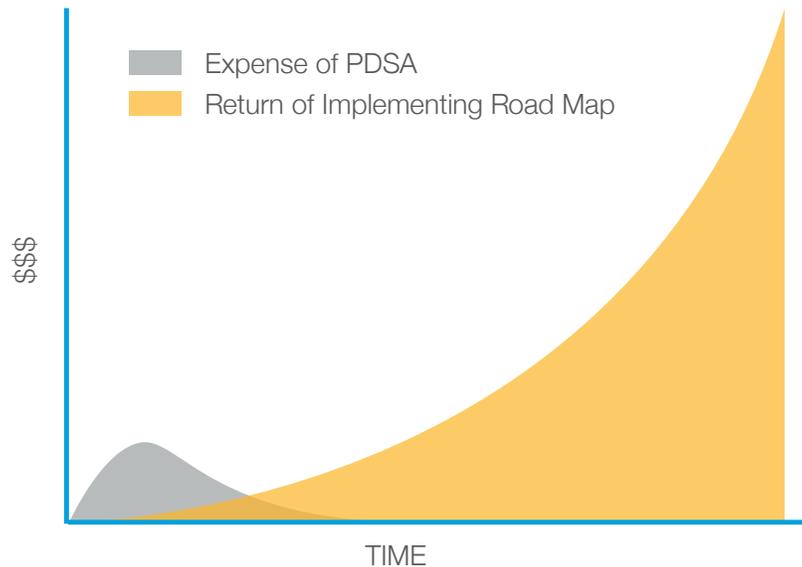
So, you now believe in Systems thinking. Let's talk about **cost vs value.**

COST
\$10,000

The cost of EAC's Product Development System Assessment (PDSA) is typically \$10,000.* *It can vary depending on the size and scope of your organization and needs. Travel and lodging billed separately in accordance with EAC's T&L policy.

EAC has completed more than 100 assessments in companies of all sizes. Most organizations quickly justify the cost when compared to the proposed financial impact of implementing the Road Map.

"The Assessment process provided real value to our company"
Brian Paulin, President
Engine Power, Inc.



OUR GUARANTEE
Not Satisfied? **Don't Pay.**

At the end of the PDSA engagement, if you don't feel the value you've received surpasses the cost, pay only what you feel is appropriate. Guaranteed.

It works! And we can prove it!

Systems Thinking really does work – across industries and across geographies! You just need to commit to improve. These are just a few of our customers that have adopted Systems Thinking and share our belief in a better way to develop products.





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