

Accelerating Product Time to Market

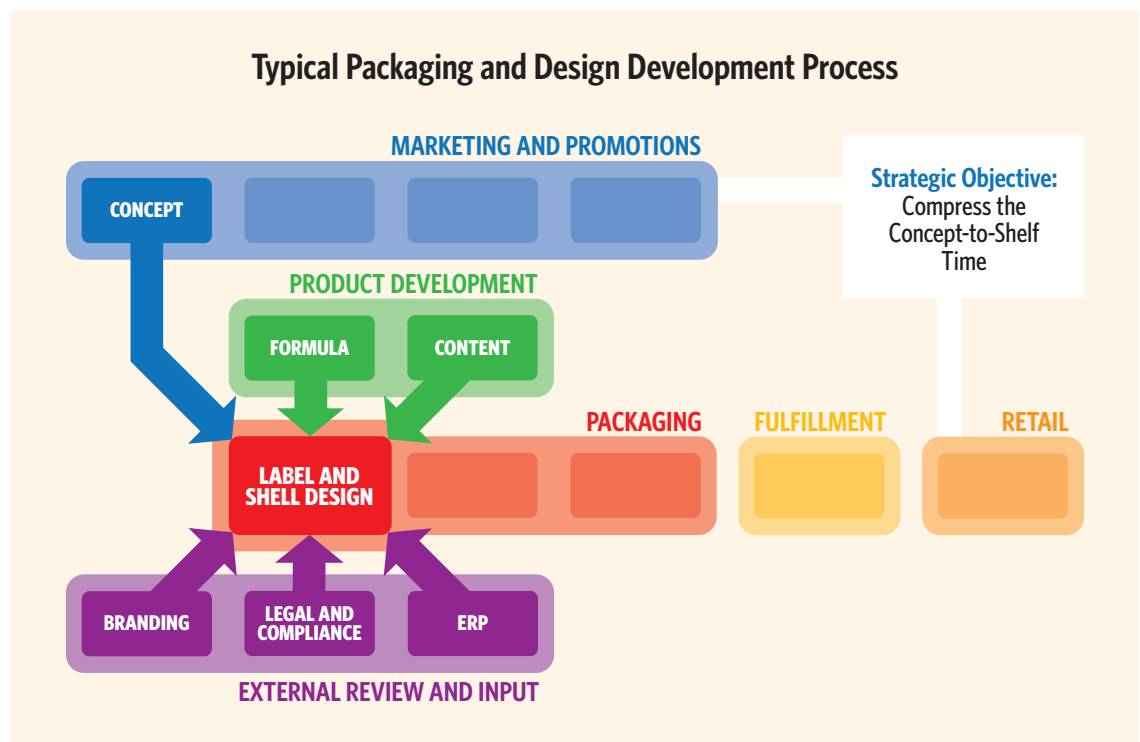
Executive Summary

For consumer goods product companies, accelerating the time to market for new products is a strategic imperative. Often, the packaging design and development process appears to be a bottleneck for achieving this objective. In reality, the challenge exists in the numerous activities that provide label content and information—including marketing promotions, product specifications, artwork, ingredients labeling, compliance, bar-coding and branding—which all come together during package design and development. Typically, these upstream processes fall outside the control of the packaging function. By redefining the ways in which these functions interact with packaging, consumer goods product companies can reduce time to market of a product, accelerate revenue realization and reduce product and package development costs.

Challenges in Accelerating Product Time to Market

Compressing the amount of time between when a marketing campaign is defined and when the product reaches store shelves is a key strategic objective. The business benefits are clear: accelerating the time to market in a repeatable and reliable way allows companies to realize revenues faster, increase market share and enhance brand image. As consumer goods product companies look for ways to compress product development time, they find the packaging, design and product specification processes to be a challenge. Specifically, the package labeling and artwork process is often seen as a major bottleneck for making significant improvements in the speed of product development and distribution.

Packaging requires input from multiple stakeholders across the organization. When not properly coordinated, managing these inputs is a burden that can delay the time to market of a product.



A Holistic View

The responsibility for managing packaging design and development activities—including campaign planning, product specifications, artwork, ingredients labeling, governmental compliance, bar-coding and branding—typically falls outside the control of the packaging function. Identifying and addressing the opportunity for compressing product time to market requires a well-coordinated effort that includes all of these functions.

The Optimized Product and Packaging Development Process

As with any complex business challenge, there isn't a "one size fits all" solution to a company's product and packaging development process. But Kodak has found four benchmark characteristics in companies that have reduced cycle time in product development and packaging:

Companies that have best-in-class practices for their product and packaging development process have a substantial advantage in the marketplace. Their ability to respond quickly can enable the company to lower its investment costs and gain market share faster by accelerating the time to market of its product and maintaining its most valuable asset—its brand.

- By decreasing the development time needed before launching a product, companies are able to decrease their investment costs and realize revenue faster.
- Companies that have faster time to market are able to grow their share of that market. Whether they are a market leader or striving to become one, a shorter launch time will lead to increased market opportunities.
- A company's ability to tailor the content on its packaging to local markets while maintaining the value of its brand is a competitive weapon for increasing market share.

Streamlined, well-defined workflows.

Companies that are achieving best practice performance in product and packaging development have established standard workflows that eliminate excessive handoffs and minimize wait time and waste between work steps. These organizations define customized workflows to handle exception and escalation processing, as well as the rules for when customized versus standard processes should be deployed for a given project.

Automated routing, escalation, and status reporting.

With the availability of new technology and workflow management tools, companies can better control the speed and tracking of a project as it moves through the system. But the availability of enablement tools is not enough; careful consideration must go into the rules governing load balancing, approval processes and information needed for effective management.

Effective traceability and transparent auditability.

Effective supervision and risk management goes beyond tracking the status of the packaging process. An optimized product and packaging development process supports and enables all stakeholders involved in the package review and approval process, including internal resources (e.g., legal) as well as external entities (e.g., a regulatory body).

Streamlined, accessible asset management capabilities.

An optimized product and packaging development process allows companies to repurpose content for multiple projects and media. It enables version control so that the "latest and greatest" version of an image is consistently used on new projects. Also, asset management capabilities simplify the management and verification of rights for digital images.

Business Results Achieved by Optimizing the Packaging Supply Chain

In working through the challenges of the product and packaging development process across multiple industries, Kodak has worked with companies to put these capabilities into practice and achieve significant business impact.

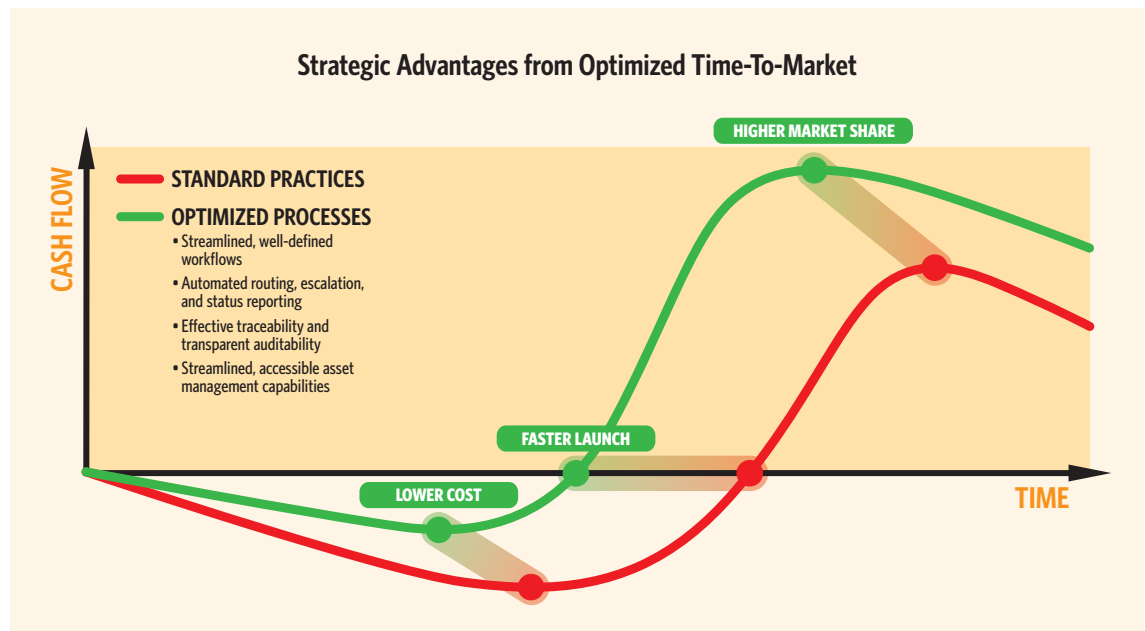
For example, we have helped companies reduce product time to market by 25% to 50% by streamlining and coordinating the various activities that go into package design. The drivers of product time to market improvements include:

- Fewer cycles required for package design review and approval
- Real-time visibility into project status, which helps detect and correct package errors early in the development process
- Reduced project wait time through workflow automation, load balancing and task escalation
- Increased package throughput by enabling parallel, collaborative workflows

Reducing the product time to market has a significant positive impact on revenue realization. When fully exploited by the marketing team, the faster time to market may also increase product market share revenues and margins. Companies that optimize their product and packaging development tend to realize these business benefits as well:

- Fewer missed product launch dates attributed to package readiness
- A lower risk of regulatory citations, and even lawsuits, due to packaging errors
- Reduced package development costs through streamlined and automated processes

With optimized processes, pre-launch development costs can be lower, time to launch can be faster and market share gains can occur faster and be maximized. Accelerating this learning curve requires an experienced partner.



Charting a Roadmap for Change

In Kodak's experience, once stakeholders recognize and understand the strategic, "big picture" issues, the journey to optimizing the product and packaging development process can begin. The first order of business is to develop a roadmap that includes a plan for managing the risks associated with change.

A senior-level steering committee must be convened to develop and execute the roadmap. The committee's ownership ensures that issues encountered along the path are resolved and that communications flow smoothly to convey project status and reemphasize the benefits of change.

Kodak builds a stage and gate process into its roadmaps to mitigate risk. At each phase of the plan execution, project value is validated and the completeness of deliverables is reported to all stakeholders. This ensures awareness of the action's risks and value before investments or changes occur. This also presents an opportunity to dismiss the project or redirect it, if needed, before additional cash is expended.

The plan should be developed within the stage and gate context. The work to be performed in phases between each milestone should not overstretch the capabilities of the organization. Instead, work must be organized in increments that the organization can reasonably expect to absorb. The plan should also develop contingencies based on probable outcomes to guard against surprises.

This approach enables the new product and packaging development process to emerge in an accelerated, yet controlled, manner. The organization can validate value, prove the model works and easily scale to project completion with minimal disruption to current operations. Early trial successes can be celebrated to help maintain momentum.

To obtain the skill set required to drive back-office transformation, a consumer goods product company may consider engaging an experienced business partner. Such a partner will guide development of benefits quantification and convey key learnings to the team. Leveraging the partner's expertise will enable the company to accelerate transformation while minimizing costs. The most desirable partners are those that act in the capacity of a trusted advisor, become a part of the team and help drive the success of the transformation from beginning to end.



Summary

Accelerating the speed of bringing new products to market is a top objective for executives of consumer goods product companies. Although packaging may appear to be a bottleneck for achieving this objective, solving the problem requires rethinking the way in which various activities converge during package design and development. By redefining how these upstream functions interact with packaging, consumer goods product companies can reduce product time to market, accelerate revenue realization, and reduce product and package development costs.

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