

Stage gate 2.0 (my thanks for the reactions to the previous news letter, stage gate 1.0)

The classical funnel model, stage gate 1.0, contains a number of pitfalls. Here some hints and tricks to avoid these. *Home work for those who own a television:* watch an episode of “The Voice Of..”, and pay attention to the role of the jury. Consider which stakeholders in your own company could fulfil such a new juror role: instead of judging and creating a funnel, coaching and contributing to the project success.



Pitfall 1 **Developments take longer than expected.**

“The gates are difficult to plan, the contents of the gates surprise us and we are often forced to make an iteration in the project.”

Solution **Assign a project manager to the project team**, who steers the team, as well as the commercial and technical developments, manages the stakeholders and organises the gate meetings. Streamline the gate meetings: use checklists for what to address during a gate meeting, and agree with the project team to send out to the stakeholders, a week prior to the gate meeting, all the material including the gate presentation. This way all come to the meeting well informed. Agree on the deliverables for the next gate at the end of the gate meeting.

Pitfall 2 **No innovations are created.**

“we have strict filters during the gate meetings, so there is always a reason why a project is rejected, the only products launched are line extensions.”

Solution: **Change the format and the jury system.** Only decide in gate 1 whether a project is continued and if so, allocate a budget and a team. This team brings the product to launch as quickly as possible (less time means you can spend less money). This is known as ‘**lean development**’, where each development project has a project manager, with a multi disciplinary team, preferably dedicated and in 1 place, a tight schedule (any deviation is due to the content, not the organisation) and as a principal 1 (one) stakeholder, high in the hierarchy of the organisation. This stakeholder facilitates the team. After launch market success determines if the product can stay on the market or not.

Pitfall 3. **We miss out on opportunities:**

“our smaller competitor, who does not employ a stage gate model, brings out new things and we don’t”.

Solution: **Don’t pay attention to ‘false positives’, prevent ‘false negatives’ instead.** In many companies ‘false positives’ (promising concepts that fail in a late stage) get a lot of negative attention. Whereas ‘false negatives’ (concepts that were rejected early but would have been successful) cause much more damage: turnover and profit are lost, which is usually about much higher figures than cost of development. How to prevent false negatives? See solution 2.

Pitfall 4. **“After stage 1 (pre-development), the projects go in the wrong direction, even though we paid a lot of attention to the hand-over from pre-development to development.”**

Solution: **The best hand-over between pre-development and development is no hand-over.** Not only the project manager and the core team remain the same, but also the principal continues to be attached to the project. This requires not only an integral project manager (who manages the project from seed to industrialisation) but also an integral principal (who is client from seed to industrialisation).

I shall be glad to hear of more pitfalls ☺.

This is the fourth newsletter of innovationtools. This newsletter with hints and tips on product development is sent about once every six weeks to those interested. Earlier issues can be found on www.innovationtools.nl. If you know someone who might like to read this newsletter, please forward it to them. Thanks very much for doing so. Comment, subscribe or unsubscribe via maurits@innovationtools.nl.

Contact me at innovationtools if you are in need of an experienced project manager for product innovations, especially if your project is in its front end or needs a concept breakthrough.

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