

Why Transforming Innovation for Enterprise Excellence?

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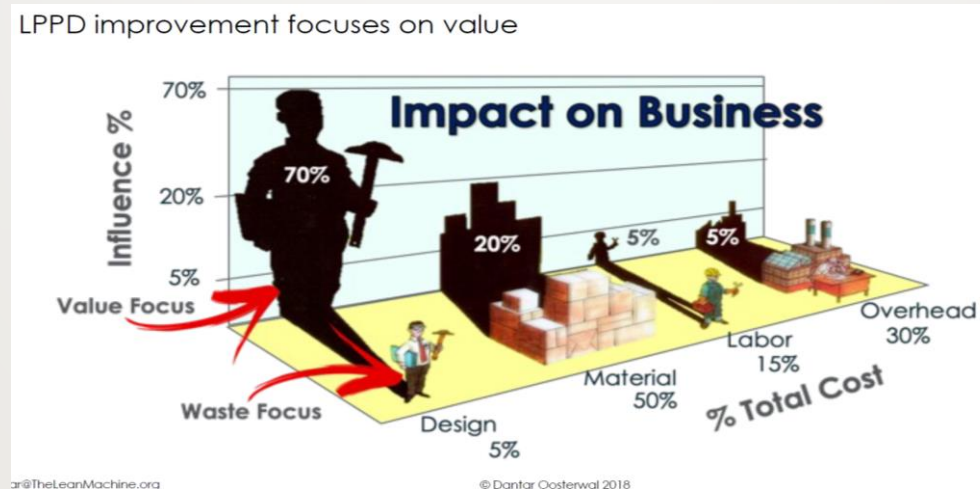
Agenda

- Enterprise Excellence
- Transforming Innovation
- LPPD Community Build

Enterprise Excellence

Current State of Many Organizations:

- Keen focus on cost savings, with less and less opportunities
 - Many have reached a point where continuing to focus on cost savings will reduce the potential of the organization to grow
 - 95% of the cost savings comes from materials/labor/overhead



Enterprise Excellence

Current State of Many Organizations:

1. Keen focus on cost savings, with less and less opportunities
 - Continued focus on cost savings will reduce the potential for organizational growth
 - 95% of the cost savings comes from materials/labor/overhead
 - How is the 70% potential contribution from the development organization being leveraged?
 - What is the strategic plan for growth – maintaining competitive edge in the market, driving sales/market share/revenue??

Related Pitfalls

- Cost saving Development
 - Budget gets cut mid-year – research studies/experiments/work stops, teams idle
 - Project portfolio is reprioritized and projects stop, along with the loss of knowledge generated to date
 - Key resources are given the option to retire – there is a lack of documentation and the intellectual capital walks out the door
 - Reorganization forces reprioritization of work and resources, causing confusion, chaos, frustration and disillusion

Enterprise Excellence

Current State of Many Organizations:

2. Focus on development, but lack of understanding of how to manage the complexity of development and resulting issues
 - The development systems aren't managed well, causing extensive firefighting, delays, budget and resourcing issues
 - A lack of confidence in the ability of teams to perform, drives a *Command and Control* culture
 - Extensive team disillusionment, burnout, and attrition
 - Development inefficiency, lack of effectiveness and predictability, drives the inability to deliver business results

Related Pitfalls...

- Portfolio projects are constantly reprioritized
 - Project scope/schedules/resources are shifted around
 - Projects are relieved of critical resources, but expectations don't change
 - Unpredictable project performance and inability to deliver to business forecast
- On program development drives rework
 - Overcommit to development requirements on commercial programs
 - Design requirements not clearly defined/understood, what is known/not known unclear
 - Design feasibility requirements compromised to deliver timeline
 - Program is late and/or over budget/capacity or can't deliver at all
 - Development teams feel powerless, frustrated and under high pressure to deliver

Enterprise Excellence

Current State of Many Organizations:

3. Acknowledgement of the complexity of development, recognition of the opportunities within the development organization, but still struggle
 - Lack of full understanding of customer need, and inability to create new innovation ideas
 - Product launch does not deliver expected lift in market
 - Projects not meeting objectives, over budget, late and unable to drive projected business performance
 - Sales/Market Share targets are not met, business revenue targets missed
 - Constant battle to keep the teams motivated and deliver results and sustain performance

Related Pitfalls...

- Consumer requirements unclear
 - Inability to design product for target consumer value
 - Business needs are prioritized over customer needs
 - Manufacturing unable to produce product to spec
- Culture struggles with in-effective leadership and empowered teams
 - Scope of decision making is unclear at every level
 - Leaders require constant updates and impart their influence on decisions
 - Teams struggle with chronic issues
 - Leaders are not aware of where the issues are and where teams need help
 - There are too many meetings and a lack of visibility to and the status of the work

Many Aspects of the Conference will Provide insight into how LPPD Addresses These Challenges!

Workshops:

- Review of Conventional Development and How LPPD Addresses the Pitfalls Workshop – reviews the conventional development model and resulting pitfalls/as well as the LPPD principles and how they address these pitfalls
- Two additional workshops on Set Based Design/and Transforming to Set Based Design and Learning Plan Development/Knowledge Management through the Wright Brothers Story will provide deeper insights into key aspects of LPPD Principles

Presentations:

- Our host, AO Smith, will provide presentations, a tour and discussion opportunities to dive deeply into the evolving AO Smith LPPD story
- Practitioners from multiple organizations – Scania, Boeing, AUFERO, and Rapiscan will walk through stories of their adoption of LPPD – covering both the successes and challenges

Why *Transforming Innovation*?

It's the How... How do we adopt LPPD Principles??

- There is so much to understand, to name a few...
 - Why is this transformation so important, how will it strategically improve our business? What are we supposed to believe in and gain momentum around? Everyone from executives to researchers need to connect with the why and be able to understand and embrace it
 - How do we effectively transform the end to end processes and systems through understanding LPPD Principles, best practices and key enablers?
 - What are the strongest and most effective leadership behaviors and practices to create the healthiest most enabling culture for successful innovation?
 - What is the best change management strategy for our organization? Are we ready for it? How do we sustain it??

Why *Transforming Innovation*?

What will the conference provide?

- Presentations by highly experienced leaders who will lead us through the many aspects of Transformation! Including:
Gustaf Höstbo from Harper, **Niel Rolph** from AO Smith, **Matt Zayko** from GE Healthcare, **Suzette Johnson** from Northrup Grumman - Space, **Steve Zielinski** from Future Cardia, and **Tony Wilcox** from Milwaukee Tool
- Extensive Opportunities for Discussion
- A full day workshop on the last day, on *Transforming Your Enterprise* will be presented by LPPDE Board Members, Peter Palmér and Larry Navarre, with the purpose of providing a path forward as you head back to your office

Building Community

- The conference is designed to provide extensive opportunities for networking and sharing across our diverse group of attendees:
 - Opportunity at the opening to allow attendees to discuss and define the pitfalls
 - Each day will close with learning circles, where groups will breakout and reflect on the day and share back key learnings to the whole group
 - There will be a networking dinner/reception to provide an opportunity for everyone to network and further build relationships
 - There will be opportunities to network and share during extended breaks and lunches, and many of us will be at the same hotel, enabling informal networking opportunities
- The LPPD Community is small, there is an opportunity to grow and nurture it. We hope the networking focus will engage you and enable continued connections over the long term

We invite you to join us!!