The Product First® Roadmap

A New Tool to Identify and Realize Value Through Product Development

Many manufacturers are struggling to link strategy with operations, and as a result, great plans often remain just that—plans—and not great products. Yet a few standout companies find a way to cross this divide and create robust and regular pipelines of successful products. By studying the traits of these winners, PTC® has created the Product First Roadmap—a unique tool to help manufacturers find and unlock the value within product development.

46%

An estimated 46% of the resources that companies devote to the conception, development and launch of new products go to ventures that don't succeed - they fail in the marketplace or never even make it to market.*

What is Product First?

Product First is a philosophy built on the idea that great products make great companies. After all, it's the product that defines a manufacturing company in the eyes of the customer. It's the product that creates enthusiasm and loyalty in the marketplace.
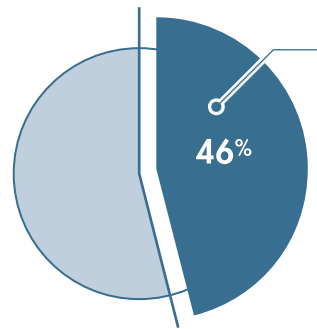
Product First places product at the center of business strategy, creating an adaptable framework for leveraging other business imperatives, such as building customer relationships, optimizing the supply chain, and efficiently allocating resources. When the mission of building and sustaining great products is at the core of everything a company does, significant value will be created.

But creating that value is challenging. Some estimates indicate that nearly half of product development resources are spent on products that fail.* For those manufacturers who are committed to putting product first, PTC has created a tool to help them lay their plans and plot a course. That tool is the Product First Roadmap.

Why a Roadmap?

The Product First Roadmap is designed to make the philosophy of Product First actionable: it's one thing to say that a company should place products at the center of everything it does, but it's another to actually make that vision a reality.

The Product First Roadmap is a flexible tool and does not prescribe just a single course of action. Instead, it's designed to help customers create their own plan for getting to Product First.

Where Did the Product First Roadmap Come From?

Using the language of our manufacturing customers, we built a comprehensive framework that links engineers—our traditional customer base—to senior executives. Likewise, the Product First Roadmap demonstrates to senior executives that their corporate strategy can be directly influenced by improvements that are made in product development. By identifying and highlighting the concerns felt at multiple levels within our customers' organizations, we are able to speak directly, not only to our software users, but also to the senior managers who drive broad product development initiatives.

Nearly twenty years in the product development business enabled us to develop a comprehensive list of customer initiatives. From that base, we then launched an exhaustive review of external product development resources, including product development thought leaders in both academia (Harvard and MIT) and business, interviews with over 900 manufacturing companies, reviews of published media articles, and more.

The results were used to organize the Product First Roadmap around core customer needs so that it would resonate quickly. The Product First Roadmap now aggregates a variety of different issues and conveys them back to customers with a simplicity and clarity that did not previously exist in the industry.

If you're finding that your great product ideas are dying on the vine, then maybe it's time to look at the Product First Roadmap, and discover the most direct way to realizing value in product development.

The Product First Framework

The fundamental premise of the Product First Roadmap is that value (e.g., total enterprise value, equity plus debt, market capitalization, stock price, etc.) is driven by earnings, which are most directly influenced by growth and profitability.

To understand how product development can influence both growth and profitability, PTC articulated the following framework which is comprised of four primary components:

- **Strategy** – Product development strategy capitalizes on opportunities to enhance business value by driving growth and/or profitability.

- **Initiatives** – Business initiatives are the 'actions' required to achieve your strategy, and they often necessitate a change in people, process, and/or technology.

- **Operations** – Your business initiatives will, no doubt, impact specific operations within your product development process, such as digital model definition, digital product data management, project management and execution, and change management.

- **Capabilities** – Lastly, a company must implement the necessary capabilities to provide a solid foundation for the entire framework. Capabilities include: capturing all forms of product-related intellectual property in digital formats, establishing a single source of product data, and conducting virtual design reviews.
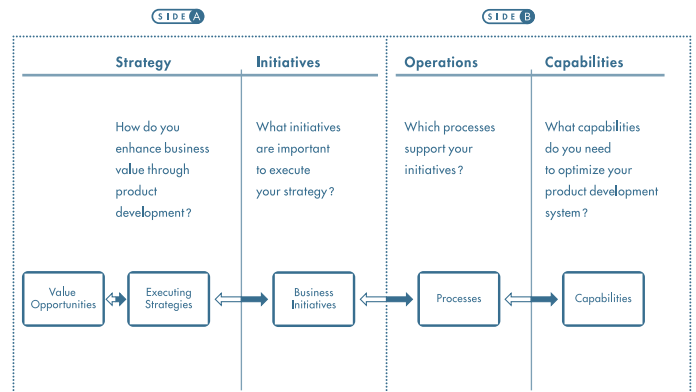
What's Next?

If you're finding that many of your great product ideas are dying on the vine, then maybe it's time to look at the Product First Roadmap, and discover the most direct way to realizing value in your product development organization. The Roadmap is particularly effective if you are:

- Considering a Product Lifecycle Management (PLM) initiative;

- Trying to figure out whether PLM is right for your company;

- Wondering just what PLM is; or

- Trying to build a return-on-investment business case for PLM

No matter what your ultimate goal, the Product First Roadmap can be your guide. We invite you to schedule a complimentary consultation with a Product First Roadmap expert at: 1-888-782-3776(North America) or **www.ptc.com/go/roadmap1.**

*R. Cooper, Doing it Right Winning with New Products, Ivey Business Journal July/August, 2000

SIDE A		SIDE B	
Strategy	**Initiatives**	**Operations**	**Capabilities**
How do you enhance business value through product development?	What initiatives are important to execute your strategy?	Which processes support your initiatives?	What capabilities do you need to optimize your product development system?
Value Opportunities ↔ Executing Strategies	Business Initiatives	Processes	Capabilities

Using this framework, the Product First Roadmap links strategy to operations.

"Seldom do software companies step back and look at the real business issues facing their customers. PTC has done that here. The Product First Roadmap could easily be the basis for a graduate-level college course in product development strategy. PTC is presenting concepts which are valid and useful even if you aren't a PTC customer."

- Evan Yares, Cyon Research