

NEW PRODUCT DEVELOPMENT



***vs. GROWTH
INNOVATION***

*The One Formula for the
Evolution of R&D Management*

Formula One for Innovation Success

Innovation is at the heart of Formula One racing. The engine, the car, the engineers and mechanics, the driver, the pit crew, the sponsors. It takes a full team to achieve success. Every single role within a F1 team has responsibilities, but ensuring that the entire team is functioning as a body is paramount. Now, we're inviting you to join us as we apply this same "formula" to new product development by looking at NPD through the lens of growth innovation.

Growth innovation is an innovation management philosophy that sets growth as the single most important innovation outcome and manages every step of the innovation process accordingly. Like an efficient F1 team, this mindset brings the entire innovation team and functions together for ultimate visibility whose road leads to growth and success.

Your organization's formula for the future. New Product Development (NPD), is well-established in research and development. You likely have systems in place for generating and validating ideas, turning ideas into new products, and bringing those products to market. Perhaps you've even refined and optimized those systems to the point where they're running as smoothly as you can imagine.

But when it comes to strategically optimizing the innovation portfolio, **even the best NPD program has inherent blind spots.**

This is why innovative manufacturers have begun adopting a new mindset when it comes to optimizing the innovation pipeline. It's an innovation management philosophy that expands upon NPD to drive value across the entire new product portfolio: **growth innovation.**

About Accolade

Accolade® is an innovation management software solution from [Sopheon](#), a [Wellspring](#) company. For more than 20 years, innovation professionals have used Accolade's data visualization, analytics, roadmapping, and collaboration capabilities to reduce time to market, optimize portfolio value, improve efficiencies, and increase new product success rates.

In summer 2024, Wellspring commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study to examine the potential ROI enterprises can realize by using Accolade in a growth innovation context. In addition to finding a potential ROI of 321%, the study found that the typical enterprise customer can introduce **one successful net new core product in the first five years of using Accolade.**

To see how Accolade can help your organization increase new product revenue and facilitate growth innovation,



Why NPD *alone* isn't enough

The methodology for developing new products is well understood, and most companies have established processes in place. NPD builds a pipeline with the individual product in mind. Each project has its own milestones, budget, and deadline. The lane is laid out before you, and the next step is always clear.

However, just as uncertainty around team strategy during a high-stakes Formula 1 race can create confusion and magnify on-track problems, the clarity that NPD brings to the innovation pipeline can also highlight unsolved adjacent innovation management problems.

The fundamental issue driving organizations to think beyond NPD for the innovation pipeline is that when an organization is managing a portfolio of initiatives, all those NPD lanes begin to overlap; like running multiple F1 cars on the same track. Projects often find themselves in competition with one another—sometimes without even knowing it, like two teammates unknowingly battling for the same corner.

The cascade of problems with NPD alone

A 2024 Forrester Consulting Total Economic Impact™ [\(TEI\) study](#) found that enterprise organizations (who have established NPD programs) cited several cascading problems that NPD wasn't solving, but growth innovation practices and tools helped them overcome.

Lack of portfolio visibility

Innovation management orchestrates development across the entire portfolio of new products. Without a clear view of that portfolio, allocating resources becomes extremely difficult. People requesting resources don't know where their requests fall in the stack, support teams and suppliers don't know how to prioritize work orders, and business leaders can't see how approving Project B's budget affects Project A's launch date.

***Feel like you're
driving in the
fog?***

Lack of prioritization

With a lack of portfolio visibility comes an inability to strategically prioritize activities. In the study, interviewees cited the problem of every project being treated as a high priority. This has a clogging effect on the innovation pipeline: when every individual project is treated as high-priority, nothing is. NPD throughput goes down, and production becomes unmoored from overarching business objectives.

Lack of predictable results

Innovation is unpredictable enough as it is, but the blockage caused by lack of prioritization further randomizes the outcomes of the NPD process. Every project is trying to jam itself through the pipeline with equal levels of urgency, and so there's no telling when a new product will actually make it out next—or which product it will be. Deadlines and launch dates become aspirational, increasing time to market and decreasing portfolio NPV.

Lack of a direction for improvement

Because the innovation pipeline is subjected to so many contingencies, the organization struggles to establish a baseline for measuring success and impact. Business leaders don't have insights as to which projects were truly the right investments and project managers don't know for sure which learnings to preserve.

Furthermore, without a baseline to measure against, this cascade of problems becomes more and more acceptable. It's frustrating, but it's allowed to persist, because it's how it's always been.

Lack Of Visibility

Lack Of Prioritization

Unpredicable Outcomes

**Lack Of Insights
For Improvement**

NPD isn't the problem; it's just not the full solution

These problems aren't caused by NPD methodologies at all. Organizations with pristine NPD policies are still vulnerable to this cascade. Solving these issues requires thinking wider, expanding our approach to the pipeline to include the entire portfolio. Simultaneously, we need to shift the way we think of the portfolio to account for every individual pipeline.

Growth innovation is the perfect partner to NPD. While NPD is essential for creating new products, it is not the entire solution; it needs to be paired with growth innovation to address the complexities of managing an entire portfolio.

NPD

+

***GROWTH
INNOVATION***

=

***A WINNING
COMBINATION***

Growth innovation is that combined philosophy
of product development and portfolio management.



From NPD to Growth Innovation

NPD methodology brought structure and direction to the process of creating something new. Growth innovation builds upon that, bringing structure and direction to an organization's entire innovation process.

Growth innovation does this by making one metric the central KPI across the entire portfolio: top-line revenue from new products.

Key differences between NPD and Growth Innovation

Growth innovation doesn't necessarily replace NPD; rather, it brings traditionally operational NPD principles to the strategic level, and extends traditionally strategic clarity to NPD processes. Growth innovation accomplishes this through two major shifts in mindset: a broadening of perspective and a sharpening of focus.

Broader perspective: Considering the whole portfolio

Traditional NPD considers a new product's pathway and progress from ideation to launch, beginning to end. Growth innovation expands upon this, taking into account every new product idea as well as how their pathways and progresses interact with one another.

With a growth innovation mindset, new product development isn't just about launching new products in the right way. Rather, it's about launching **the right new products** in the right way **in the right order**.

Sharper focus: Prioritizing for new product revenue

Traditional NPD methodology treats bringing a specific new product to market as the end goal. Growth innovation takes this focus a step further, focusing on the value those new products provide to the organization.

This doesn't dismantle NPD processes or discourage project completion. In fact, the Forrester study found that organizations who use growth innovation methods and tools actually bring more projects to completion than they did before. Prioritizing projects that generate revenue gives organizations more money to reinvest in innovation, which results in projects getting more properly resourced, which results in more new products being developed. No more product ideas parked in the paddock.

From New Product Development to Growth Innovation

Key shifts

	Under NPD	Under Growth Innovation
MINDSET	Launching products the right way	Launching the right products, the right way, in the right order
PRIORITY	Project completion	New product revenue
PERSPECTIVE	Project timeline	Entire product / innovation portfolio
PERFORMANCE REPORTING	Independent KPIs per project	Interdependent KPIs for all projects

Growth innovation inverts the cascade and strengthens NPD

By developing a culture of growth innovation, you can turn the cascade of problems in traditional NPD around. The right processes and tools empower you to produce new, successful products more efficiently and effectively than you ever could before.

Portfolio-wide data visibility

Because growth innovation is focused on driving new revenue from the entire portfolio, practitioners create a source of truth that gathers data on every project in one place. This includes data on revenue projections, spending, project management, contingencies, approvals, key roles, responsibilities, sales, and more.

This allows business leaders to compare the actual portfolio to the organization's overall strategic objectives and give informed direction and approvals. Support teams can see which projects are coming down the pike. Project owners can account for bottlenecks in the NPD process ahead of time, and plan activities accordingly.

Clear prioritization for every step of the NPD process

With an improved level of visibility, every project can be assigned a level of priority based on how it supports the company's strategic objectives and portfolio targets. This empowers project owners and support teams to triage activities based on how each step contributes to new product revenue. Higher-NPV projects carry greater urgency, taking priority in NPD bottlenecks—and in a culture of growth innovation, all stakeholders agree that this is how it should be.

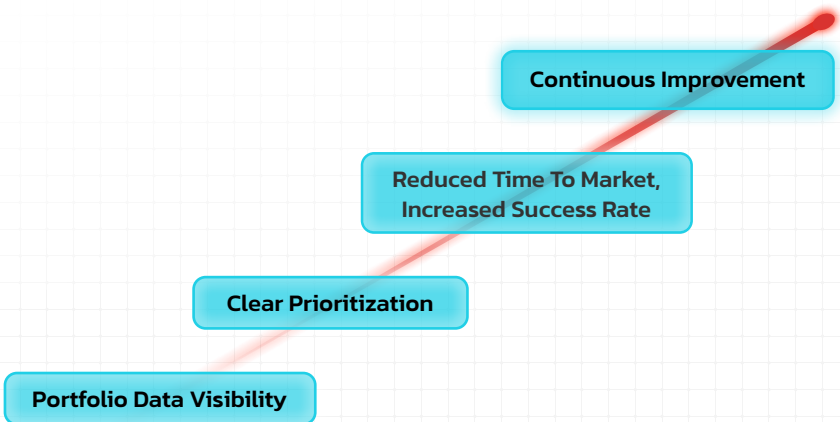
Reliable timelines and predictable outcomes

In a growth innovation environment, projects are greenlit in the context of all the other moving pieces, so launch dates can be set with more confidence. New products are shipped on time, which means sales and marketing teams can create go-to-market campaigns that more closely align with the development schedule. Time to market goes down and revenue goes up—and the argument for further investing in innovation projects becomes more compelling with every new launch.

Performance analytics and continuous improvement

As the innovation pipeline flows more smoothly, growth innovators can analyze performance and establish baselines. This empowers every innovation stakeholder within the organization to make even better decisions:

- Business leaders can set even smarter strategic objectives and more accurate projections based on past portfolio performance.
- Line of business owners can create more promising new product ideas and greenlight them for development based on past product performance.
- Project managers can test and improve processes by comparing new method performance to the status quo.
- Support teams can give more accurate time estimates and plan ahead for key projects based on historical data.





How to start the Growth Innovation conversation

The shift we've described can enable you to produce more new products with greater success, but in order to realize its full potential, your organization needs to create a culture of growth innovation. This won't happen overnight.

However, there are steps you can take to open the conversation.

1. Talk with your colleagues about breakdowns in the innovation pipeline

If the problem cascade described in this primer resonates with you, odds are you're not alone. Talk with your colleagues about where the NPD process breaks down. Gather their perspectives and discuss how these problems could be turned around with a shift to growth innovation (you can share this primer as a conversation starter, if you like!).

2. Frame upward discussion around potential new revenue

When discussing the idea of growth innovation with executives, lead with its potential to accelerate new revenue. Appeals for tools and practices that improve data visibility, prioritization, and process efficiency will get a good deal more attention when they're part of a case for improving cash flow (referencing the [Forrester Consulting study](#) can help, too).

3. Get a demo of Accolade

The benefits of growth innovation described in this primer were all realized by innovation professionals who use Accolade, an innovation management system designed to unite the disciplines of strategic portfolio management and new product development by helping practitioners bring new products to market more efficiently and effectively. Accolade's data visibility and collaboration tools have helped global enterprises speed up the transition to growth innovation, reduce time to market, and improve new product success rates — [Let us show you how we'll turbocharge your success.](#)



The ONE Formula for Growth Innovation...

Sopheon's Accolade product is your F1 engine. The applications are the tools for the team to work together as one body... To build the assets, train the driver, get the sponsors and optimize everything to exceed and win. F1 teams set up the car and driver for speed and optimization, they don't set out NOT to crash.

***Transform Your Organization
and get into a
Growth Innovation Mindset***