

Agile in New Product Development Survey Findings

TCGen and Management Roundtable conducted a study in June 2016 to understand the current level of interest and implementation of Agile principles applied to product development beyond IT and software. The results indicate clear passion for the topic, yet limited implementation progress. This is true for traditional manufacturing/materials businesses as well as technology/medical devices sectors.

Key Highlights



Only 12% have implemented Agile outside IT

80% considering Agile

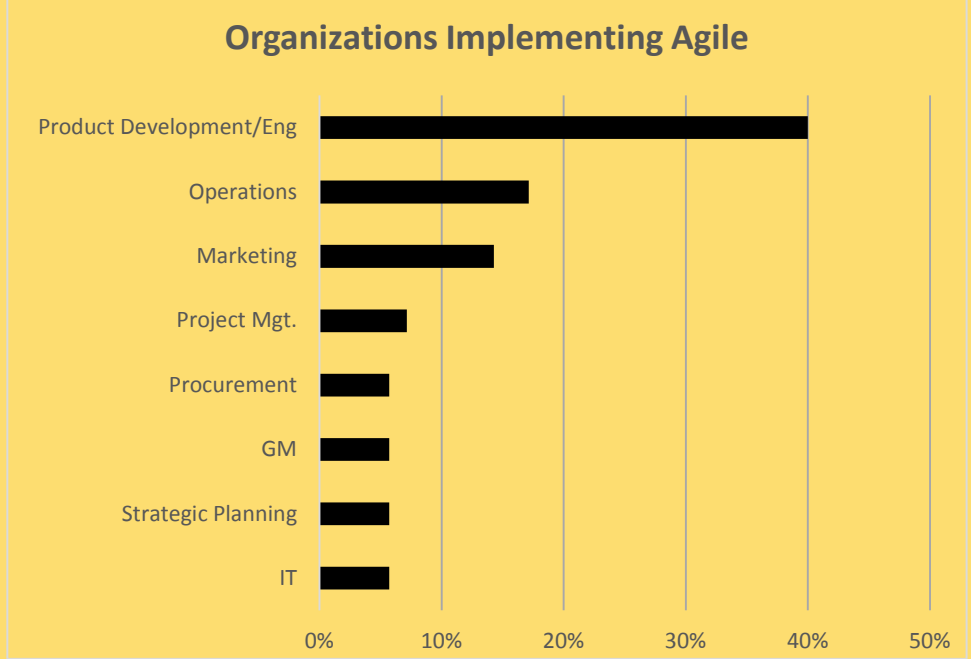
More than 70% see Agile as high priority

65 respondents across 7 industry groups

- ### Key Challenges and Interests
- Reducing time to market
 - Increasing customer experience/intimacy
 - Strategic (Agile enterprise, integrating sprints and waterfall, roles of managers)
 - Tactical (conducting sprints, team training)
 - Where do we start?

Who is Involved?

The functional area with the highest implementation priority was Product Development. This concentrated interest is not surprising for several reasons: Systems Engineering/Hardware Development is very similar to IT/Software development, often Systems Engineering needs to interface with Software development, and all functions (Systems, Hardware, and Software) frequently report to the same manager overseeing Product Development.

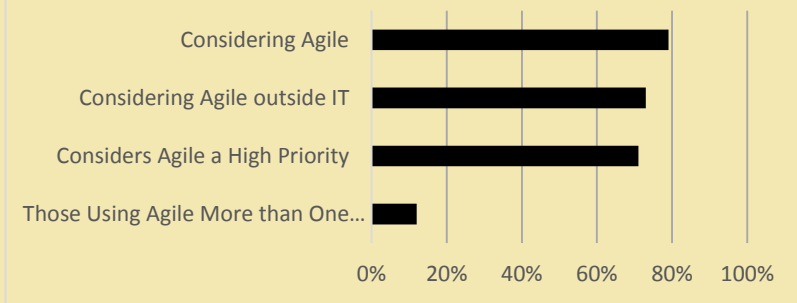


The Intent/Action Gap

Clearly, Agile is more than a buzzword, as nearly 75% consider it a high priority. **However, the gap between interest and implementation is significant, with only 12% having experience with Agile more than a year.** The question is why does this gap exist and how do companies close it?

We found several reasons that companies have not made the desired progress. First and foremost is what to attack first. Although the companies are clear on the challenge, they don't know if they should address the more strategic issues first, or start with the tactics of training a pilot team. Second, they don't know how software Agile translates to product development in general. Finally, they lack the proper skills to make the transition. This being a relatively new transformation, and deeply skilled resources are difficult to find.

Agile Implementation Intent



78%

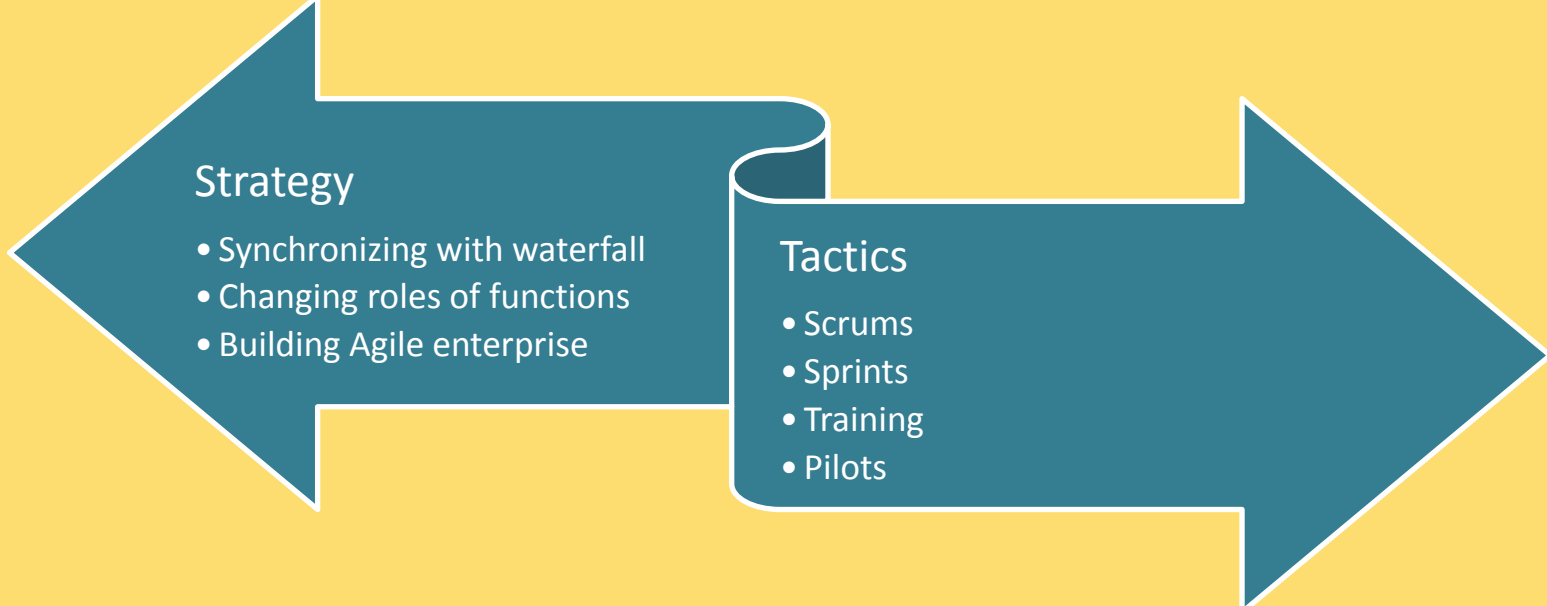
Have less than one year experience with agile. Answering 'what does Agile Implementation really mean, and how do we get it going?' will help close the large gap between desire and action.

Strategy vs. Tactics

There were two very different approaches expressed by the study participants – tactical and strategic. One subset saw implementation as primary tactical – involving scrums and sprints – and the mechanics of training product developers on how to break projects into sprints. The second subset sought more strategic change -- how you create an Agile Enterprise, how you synchronize Agile with Waterfall and what are the changing roles of Product Managers, Project Managers, and other core team members?

While tactical aspects (e.g. scrum training) are relatively easy to implement, strategic benefits and organizational reach are not yet realized. Therein lies the gap – and the opportunity. Most thought leaders believe that starting with a pilot team and building on successes is the best way to start.

Approaches to Agile Implementation



Action Steps

Organizations recognize the need to change their development processes to be faster and more responsive to customers and are looking to borrow methods from Agile software development, but have not made much progress yet. While approaches are still evolving, you can take these actions now to build capability and gain competitive advantage:

1. **Pick your spots.** The most successful leaders select components of Agility and implement a few, wisely.
2. **Start small and scale.** The most successful implementations almost always start with a pilot, focused on a single program and scale after success.
3. **Be flexible.** Not all practices (scrums, sprints, burn-downs, retrospectives, etc.) have the same impact on your goals so customize your approach. One size DOES NOT fit all.

Attend our upcoming webinar **Agile Product Development – Driving Speed, Delighting Customers**

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