

## **ROI of R&D: How to accurately measure and improve financial returns from new product development**

Date: **October 11, 2005**  
Location: CCE Conference Center  
University of Minnesota  
1890 Buford Avenue  
St. Paul, MN  
Investment: \$495 per person, **\$395 before Oct 4**  
Registration: 763-494-9096 #3, Fax 763-201-7053  
<http://www.improveproducts.com/workshop.seminars.php>

### **Learning Objectives:**

1. Learn how to map R&D inputs, processes, outputs and link them to business and customer outcomes.
  2. Learn portfolio selection methods to help you select the right projects upfront.
  3. Learn in-process metrics to use as leading indicators of success.
  4. Obtain tools and skills to translate strategy into behavioral change and improved business results.
- Improve your financial returns from R&D!**

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- 8:00 a.m. **Registration**
- 8:30 a.m. **Course Structure and Personal Objectives**
- 8:45 a.m. **Fundamentals of Measurement/Strategy**  
-Problem/Opportunity in New Product Development  
-Strategy drives measurement  
-Components of productivity (Time, Cost, Quality)  
-Fundamentals of productivity measurement
- 10:00 a.m. **Setting up a Measurement System**  
-Customer requirements  
-Process mapping  
-Do's and Don'ts for choosing metrics
- 11:00 a.m. **Tracking and Measuring Productivity in New Product Development**  
-Early stage qualitative subjective metrics  
-Mid and late stage quantitative objective metrics  
-Department-level metrics  
-Return on Investment (ROI), -Internal Rate of Return (IRR)  
-Other examples (New Sales Ratio, Cost Savings Ratio, Productivity Index, Timeliness Index)
- 12:00 p.m. **Lunch**
- 1:00 p.m. **R&D Project Selection**  
-Drivers for applying a portfolio management approach  
-Methods of portfolio management  
-Selection criteria used in models
- 2:00 p.m. **Communication and Linkage of Strategy and Measurement**  
-Real world examples (Stages of a measurement journey)  
-Theory of balanced scorecards  
-Setting up a scorecard & mapping strategy (InsightVision)  
-Pitfalls and problems with measurement systems
- 4:00 p.m. **Wrap Up**  
-Key takeaways  
-Implementation plan

**Forty-six percent** of new product development money is spent on products that fail. Choosing and advancing the wrong projects is a major root cause.

Only 23% of companies do process mapping and link inputs to meaningful outcomes. These companies have a **5% higher Return on Equity (ROE)**.

A comprehensive manual, key references and a CD with financial analysis tools will be provided.