

CoDev 2006



Scottsdale, AZ
Jan. 30–Feb. 1, 2006

The Fifth MRT/ PDMA
International Congress on
Co-Developing
Products with
Partners, Suppliers
& Customers

Co-Development for Business Growth: Open Innovation & Alternatives

Achieve product innovation, clear strategic value, and global expansion through alliances and external resources

KEYNOTES



Henry Chesbrough

Acclaimed author of *Open Innovation: The New Imperative for Creating and Profiting from Technology*,
on commercializing ideas outside your four walls



Cheryl Perkins

Senior Vice President and Chief Technical Officer, Kimberly Clark Corporation,
on partnering to accelerate innovation and growth

CASE STUDIES FROM LEADING PRACTITIONERS AT

Eli Lilly • Air Products & Chemicals • Motorola • OnStar • Texas Instruments • Los Alamos National Labs • Intel • Dow Corning • Cisco Systems • Kimberly Clark Corp. • Palm • Affymetrix • BP America, Inc. • more!



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Co-Development for Business Growth: Open Innovation & Alternatives

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“No company can rely entirely on its own ideas to advance its business anymore, and no company can restrict its innovations to a single path to market. Instead, a new paradigm of open innovation affords companies the opportunity to create and profit from their own ideas—as well as the ideas of others in today’s distributed knowledge environment.”

– Henry Chesbrough, author, *Open Innovation*

Background and Opportunity

As the pressure to innovate and grow intensifies, more and more firms are turning to external sources for product ideas, technologies, and capabilities.

Since 2001 when the Product Development & Management Association (PDMA) and Management Roundtable (MRT), two of the foremost leaders in this area, began studying co-development, the move from outsourcing non-core activities to strategic partnering on R&D has been huge. This shift has been most notably discussed in Henry Chesbrough’s landmark book, *Open Innovation*.

But with open innovation comes a whole new set of challenges—and rules. When does it make sense to form a partnership versus outsource or license? How do you scout, find and qualify the best ideas and technologies? What IP do you share? What do you protect? What are the long-term ramifications for your value chain position? Can you truly innovate within a partnership without losing your core?

To explore these questions and provide real-world case examples, PDMA and MRT’s Fifth International Congress on Co-Developing Products with Partners, Suppliers and Customers (**CoDev ‘06**) will focus on **Co-Development for Business Growth: Open Innovation & Alternatives**. The purpose is to provide an implementation roadmap for this new and critically important business model.

5 Key Deliverables

By participating in this extraordinary event, you will receive new strategies and solid implementation approaches to:

- 1) Generate measurable economic value from co-development and co-innovation
- 2) Commercialize knowledge and ideas outside your own business model
- 3) Create shared ownership and accountability in partnerships
- 4) Expand into new markets and tap new opportunities around the world
- 5) Achieve product breakthroughs with external partners

Overall you will come away ready to expand R&D capabilities and increase product revenues—across companies and borders, from enterprise to project level.



Summary of 28 Key Benefits

BY PARTICIPATING IN CODEV '06, YOU WILL LEARN:

- 1 Why, if your company does not use its ideas, it will risk losing them—and the people who thought of them—to outside organizations
- 2 Why your business model is more critical than the technologies you develop
- 3 Why and how to manage your IP to profit from others' use of it, rather than exclude rivals
- 4 How to generate economic value from innovation
- 5 How to move from a "closed" to "open" innovation model; examples from companies that have done it
- 6 How to commercialize knowledge and ideas outside your own business model
- 7 How to infuse insights and mega-trends to accelerate the innovation process
- 8 How companies with differing sizes, objectives, pressures and cultures can come together effectively
- 9 How to create shared ownership and accountability in partnerships
- 10 How to monitor, manage and ensure IP safety while working with Chinese partners—available patent types in China, the realities of enforcement, and the litigation process
- 11 How to choose trustable partners—particularly when working with different cultures and values
- 12 How to determine if it makes sense to go to China or other countries
- 13 Frameworks for working with suppliers; selecting who to be more strategic with
- 14 How partnering can strengthen key capabilities and create more value for your company (and customers)
- 15 How to leverage external resources and alliances for innovation
- 16 How to partner with or license from federal labs—what are the expectations of each party, what potential barriers might arise, and what potential solutions are available
- 17 Agreement negotiation: which areas are negotiable, which are not—and why
- 18 How to identify and exploit the "valley of death" technologies
- 19 When and how to have legal involved in your alliance work
- 20 About a framework for measuring both shorter-term, operational performance as well as long-term profitability of a co-innovation portfolio
- 21 How to select and implement the most appropriate metrics for different kinds of co-innovation partnerships
- 22 How to measure and track progress towards qualitative goals; metrics to monitor the health of an alliance
- 23 Different approaches to ROI for symmetrical vs. asymmetrical partnerships
- 24 Standards and systems to give executives real-time views into co-innovation progress
- 25 How to ensure that your co-development plans are aligned with your business strategy
- 26 Why manufacturing plans and strategies need to be considered in planning co-development relationships
- 27 How to get a diverse management team to agree on co-development strategy
- 28 About the Integrated Process and Technology Framework to map business collaboration patterns to the appropriate capabilities

Pre-Conference Workshops Monday, January 30

7:00 – 8:00 Registration / Continental Breakfast

MORNING SESSIONS — 8:00 - Noon

- A. Outsourcing R&D Activities in China –**
Jun Zhao, Co-founder & Principal, JJ Wellesley Group, LLC
- B. Beyond the Idea: Getting Open Innovation to Market Successfully –**
Mike Docherty, CEO, Venture2

AFTERNOON SESSIONS — 1:00 - 5:00

- C. Delivering on Open Innovation: Managing Multiple Sources, Aligning Processes –**
Kevin Schwartz, Principal, PRTM
- D. Technology Sourcing: Make/Buy and Find/Qualify Strategies –**
Laura A. Schoppe, President, Fuentek, LLC

5:00 – 6:30 Opening Reception and Exhibits

Day One Tuesday, January 31

7:00 - 8:00 Registration and Continental Breakfast

8:00 - 8:15 Opening Remarks

CO-DEVELOPMENT STRATEGIES FOR GROWTH

- 8:15 - 9:45 **Keynote: Co-Development and Open Innovation: Making the Shift from Closed to Open –**
Henry Chesbrough, **UC Berkeley** and author, *Open Innovation*
- 9:45 - 10:15 Refreshment Break/Exhibits
- 10:15 - 11:15 **Case Study: Gene Slowinski, Rutgers University and Unilever (invited)**
- 11:15 - 12:00 **Case Study: A Culture of Collaboration via Co-Creation – James D. Dishong, Eli Lilly**
- 12:00- 1:15 Luncheon: Industry Value-Chain Roundtables

GOING OUTSIDE FOR CAPABILITIES, MARKET ACCESS & COST

- 1:15 - 2:15 **Keynote: Growing the Business through Open Innovation – Cheryl Perkins, Kimberly Clark Corporation**
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| <p>Track A: SUPPLIER & PARTNER STRATEGIES</p> <p>2:15 - 3:00 Case Study: Transforming Supplier Relationships into Alliance Networks to Maximize Value –
Manlio Huacuja, OnStar</p> | <p>Track B: IMPLEMENTATION METHODS AND TOOLS</p> <p>2:15 - 3:00 Case Study: Planning Alliances to Support Business Strategy –
David Craford, Affymetrix, Inc.</p> |
|---|--|
- 3:00 - 3:30 Refreshment Break / Exhibits
- | | |
|---|---|
| <p>3:30 - 4:15 Case Study: Driving Collaboration into the Supply Base – Sri Gopinath, Motorola</p> | <p>3:30 - 4:15 Case Study: Co-Development with ODM Partners—Palm's Strategy, Execution and Infrastructure – Mitch Haynes, Palm</p> |
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| <p>4:15 - 5:00 Case Study: Strengthen Core Capabilities, Create More Value, and Drive Innovation Through NPD Partnerships – Peter Balyta, Texas Instruments</p> | <p>4:15 - 5:00 Case Study: Enabling Digital Collaboration in a Federated Enterprise – George W. Brown, Intel</p> |
|--|---|
- 5:00 - 5:30 **Special Presentation: Where the Solutions Lie: A Proactive Approach to Discovering Rich Sources of Innovation – Paul Stupay, NineSigma, Inc.**
- 5:30 - 7:00 Networking Reception/Exhibits





Day Two Wednesday, February 1

7:00 - 8:00 Breakfast Session

GOING OUTSIDE FOR NEW IDEAS & EMERGING TECHNOLOGIES

8:00 - 9:15 **Featured Presentation:** James H. Keller, Manager, University/Industry Knowledge Exchange, MIT (invited)

Track A: TECHNOLOGY & IP STRATEGIES

Track B: MODELS & METHODOLOGIES

9:15 - 10:00 **Case Study:** *Key Strategies for Building Successful Partnerships with Federal Labs* – J. Susan Sprake, **Los Alamos National Labs**

Case Study: *Big Game Hunting in the External Centers of Invention* – Ada C. Nielsen, **BP America, Inc.**

10:00 - 10:30 Refreshment Break / Exhibits

10:30 - 11:15 **Case Study:** *Key Steps for Protecting IP in China* – Dr. John C. Tao, **Air Products & Chemicals, Inc.**

Case Study: *Identifying the Right External Match for Innovation* – speaker TBA

11:15 - 12:00 **Case Study:** *You Know Your Co-Dev Is in Trouble When...* – Stephen E. Gosney, **Dow Corning Corporation**

12:00 - 1:15 Luncheon

ACHIEVING PAYBACK AND SUSTAINABLE ADVANTAGE

1:15 - 2:00 **Case Study:** *Calculating ROI for Open Innovation* – Simon Hayes, **Cisco Systems**

2:00 - 2:45 **Case Study:** *Measuring and Managing Alliance Health* – Amy Achter, **Kimberly Clark Corporation**

2:45 - 3:00 Closing Remarks and Conference Wrap-Up

Distinguished Faculty

Amy Achter

Director of Enterprise Insights & Corporate Intellectual Asset Management,
Kimberly Clark Corporation

Peter Balyta

Director of Co-Development & Alliances,
Texas Instruments

George W. Brown

Senior Program Manager, ISTG Research Group,
Intel

Henry Chesbrough

Author of *Open Innovation: The New Imperative for Creating and Profiting from Technology*, and Executive Director, Center for Open Innovation, IMIO,
Haas School of Business, UC Berkeley

David Craford

Vice President, Business Development,
Affymetrix, Inc.

James D. Dishong

Director, Global Brand Development,
Drug Delivery, **Eli Lilly**

Mike Docherty

CEO, **Venture2**

Sri Gopinath

Director, Sourcing Strategy & Operations,
Motorola Inc.

Stephen E. Gosney

Director of Innovation, Life Sciences Industry,
Dow Corning Corporation

Simon Hayes

Senior Director, Strategic Alliances,
Cisco Systems

Mitch Haynes

Director, Supply Chain Operations, **Palm**

Manlio Huacuja

Director, Strategic Alliances and Purchasing,
OnStar

Ada C. Nielsen

Manager, Commercial Development, PTA R&T,
BP America, Inc.

Cheryl Perkins

Senior Vice President and Chief Technical Officer,
Kimberly Clark Corporation

Laura A. Schoppe

President, **Fuentek, LLC**

Kevin Schwartz

Principal, **PRTM**

Gene Slowinski

Director, Strategic Alliance Research,
Rutgers University

J. Susan Sprake

New Business Development Executive,
Technology Transfer Division,
Los Alamos National Labs

Paul Stupay

Vice President, Business Development,
NineSigma, Inc.

Dr. John C. Tao

Corporate Director, Technology Partnerships,
Air Products & Chemicals, Inc.

Jun Zhao

Co-Founder & Principal,
JJ Wellesley Group, LLC

Who Should Attend

This conference is a must-attend for anyone developing products and/or seeking innovation opportunities with outside partners and suppliers.

This program is ideal if you are a VP, Director, or Manager of Product Development, Business Development, Technology Development, R&D, Alliance Management, IP Counsel, Operations, Marketing, Strategic Planning, Sourcing or Supply Chain—from all industries—OEMs, ODMs, intermediaries and suppliers.

It is an excellent venue to bring others from your organization—and/or your partner(s), to jointly clarify objectives and expectations, build a more cohesive team and gain advice from experienced practitioners and leading experts.

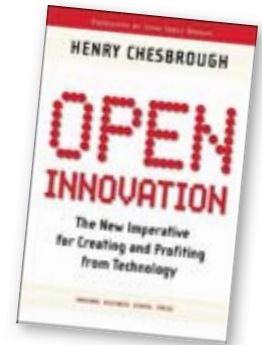
Keynote Presentations



Co-Development and Co-Innovation: Making the Shift from Closed to Open

Henry Chesbrough

Executive Director, Center for Open Innovation, IMIO,
Haas School of Business, UC Berkeley



all attendees receive a complimentary copy of Henry's landmark book!

No company can rely entirely on its own ideas to advance its business anymore, and no company can restrict its innovations to a single path to market. Instead, a new paradigm of open innovation affords companies the opportunity to create and profit from their own ideas—as well as the ideas of others in today's distributed knowledge environment.

To kick off the conference, Henry Chesbrough will examine the following key issues and business activities that support the shift toward going outside the company's walls for new ideas, products, marketing and technology:

- **Companies do not fully use other people's knowledge.** Companies must open their innovation process to leverage external pools of knowledge.
- **Companies do not fully use their own knowledge.** Although companies spend an enormous amount of money on R&D, most restrict the output of their work to their own businesses. Companies err by making too little use of others' ideas in their own businesses and by allowing too little use of their own ideas in others' businesses.
- **If you don't use your ideas, you may lose them.** The erosion factors that undermined Closed Innovation also undermine companies' tendencies to place ideas "on the shelf" until they can be used internally.
- **Technology has no inherent value; its value depends on its business model.** The same technology taken to market through two different business models can yield differing amounts of value. An inferior technology with a better business model will often trump a better technology commercialized through an inferior business model.
- **Venture capital changes the innovation process, even for large firms.** Companies should exploit VC's ability to fund multiple organizational experiments to commercialize technologies, and treat those experiments as early market explorations for future growth.
- **Managing IP cannot be left to legal experts.** In a world of abundant knowledge, companies should be active buyers and active sellers of intellectual property (IP). This requires an entirely different mindset towards managing IP: instead of managing your IP to exclude rivals, manage your IP to profit from others' use of it. Similarly, it is desirable to employ others' ideas to advance your own business model. This perspective implies that IP is too important to be delegated to one's legal staff.

KEY TAKE-AWAYS:

- Learn how to generate economic value from innovation
- Examples of companies who have shifted from "closed" to "open" innovation models
- Strategies and approaches to commercialize knowledge and ideas outside your own business model



Growing the Business through Open Innovation

Cheryl Perkins

Senior Vice President and Chief Technical Officer,
Kimberly Clark Corporation

Organizations need to develop or acquire certain capabilities in order to successfully innovate and deliver growth. Many organizations benefit from shifting their focus outside to define the right partnerships that create value for their customers, shoppers and users.

Cheryl Perkins will discuss opportunities to grow the business through insights and open innovation.

Insights and innovation are the link between a customer, shopper, and user need that exists in the market with the strategic creation and execution that takes place inside a company to meet that need. Infusing insights, mega-trends and partner capabilities can help accelerate the innovation process.

Learn more about the reasons Kimberly Clark Corporation leverages external partners to speed development: enhancing the power of established brands, accessing manufacturing expertise and available capacity, gaining access to unique health and hygiene technologies, creating new categories in untapped market spaces, and becoming a thought leader for key customers.

These partnerships cover many different types of alliances including supply agreements, licensing agreements and joint development agreements. Choosing the right partner and structuring an effective agreement is critical to winning in the marketplace.

KEY TAKE-AWAYS:

- Infusing insights and mega-trends to accelerate the innovation process
- Leveraging partnerships to speed development
- Choosing how and where work gets done

Industry Value Chain Roundtables

Meet others from your own industry and learn about trends and opportunities over lunch. Excellent opportunity to network informally and explore potential partnerships.

Choice of 4 In-depth Pre-Conference Workshops

Providing frameworks, models, metrics and tools to: (1) Outsource R&D activities in China; (2) Get "Open Innovation" to market successfully; (3) Deliver on Open Innovation when multiple sources are involved; and (4) Make, buy, find and qualify new technologies. (See pages 8-9.)

Complimentary Book

All attendees receive a complimentary copy of Henry Chesbrough's highly acclaimed book, *Open Innovation: The New Imperative for Creating and Profiting from New Technology*.



Reference Binder

Complete binder with case examples, handouts and data to serve as a permanent reference. Special follow-up package sent electronically to all participants with conference summary, downloadable files, and extra notes.

Early-Bird Discount

RESERVE BY NOVEMBER 30 and receive a \$200 discount off the conference fee.

100% Satisfaction Guaranteed!

No-risk, no-obligation.

Group Discounts

Since strategic alignment and linked processes are critical to co-development success, it is recommended that you attend with others, including external partners. Groups of 3 or more may deduct \$100 per person. Groups of 5 to 10 may deduct 15% from the total, groups of 11 or more may deduct 20%.



Pre-Conference Workshops

MORNING WORKSHOPS / 8:00-NOON

WORKSHOP A

Outsourcing R&D Activities to China

Jun Zhao, *Co-Founder and Principal,*
JJ Wellesley Group, LLC

China does not present viable outsourcing opportunities to all U.S. industries. Besides business and economic reasons, U.S. companies (particularly those in sensitive industries) must consider legal and other constraining factors. However, for some industries such as software development and life sciences, the benefits of conducting R&D activities in China go far beyond cost savings. This workshop will provide you with practical guidelines, case examples and key success factors for engaging in co-development efforts in China.

By attending this session, you will gain:

- A systematic understanding of the R&D/co-development opportunities in China
- A strategic assessment of the benefits of conducting R&D in China
- Knowledge of the different approaches a U.S. company can follow to form a co-development arrangement in China
- An awareness of the many challenges that U.S. companies face in managing R&D activities in China
- An outlook of the potential China has (along with a few other developing nations) to become a leading R&D powerhouse in the future



JUN ZHAO is a founder and a principal of JJ Wellesley Group, LLC, a business advisory firm, specializing in assisting US companies to do business in China. Jun holds an MBA from Yale University; a BSBA, magna cum laude, from the University of Denver; and a BA from the Beijing Institute of International Politics. Jun has nearly 20 years of business experience and he has held leadership positions in several leading companies and consultancies in both China and the US. Jun has a significant amount of experience in several industries, including hi-tech, manufacturing, professional services, and financial services and insurance industries.

WORKSHOP B

Beyond the Idea: Getting Open Innovation to Market Successfully

Michael Docherty, *CEO,*
Venture2

Open innovation is about much more than just finding new opportunities. This workshop focuses on selecting, structuring and managing within an 'open innovation' business model to ensure that your efforts result in successful innovation in the market and new sources of growth for your company.

Key Take-Aways:

- A decision model for selecting the most promising initiatives for development
- Structuring successful alliances and co-development initiatives
- A framework for assessing and managing risk/reward sharing
- Leveraging brand licensing as a tool for exploring new markets/categories
- Structuring and executing exit plans
- Five key pitfalls to avoid in implementing open innovation initiatives



MICHAEL DOCHERTY brings a senior practitioner's perspective of 24 years in general management, marketing and new product development. Most recently he was a VP/GM for Sunbeam Products, Inc., where his innovation efforts played a key role in the successful turnaround of the company. Prior to Sunbeam, Mike held leadership positions in marketing and planning for GE, Ford and Rohm & Haas. Mike is currently CEO of Venture2, Inc. an innovation consulting and new venture management company that helps established companies take a more entrepreneurial approach to innovation. V2 identifies important unmet consumer needs and connects them with external innovations, launching them via an entrepreneurial new ventures business model. Mike holds an MBA from Northwestern University's Kellogg School of Management and a BSME degree from Drexel University.



AFTERNOON WORKSHOPS / 1:00–5:00

WORKSHOP C

Delivering on Open Innovation: Managing Multiple Sources, Aligning Processes

Kevin Schwartz, *Principal*,
PRTM

Delivering on the goal of Open Innovation can take many paths, and companies have experimented with a wide range of options ranging from globally distributed “internal” R&D centers to outsourced design to Internet-based “innovation forums,” to name a few.

However, as practitioners have realized, there is no “one-size-fits-all” approach to choosing among these options or to successfully managing their ongoing implementation. In this interactive workshop, participants will work with the instructor and each other to learn:

- What the advantages (and disadvantages) are of the various sources of Open Innovation
- How to select among these various “innovation sourcing” options to support a company’s corporate strategy
- Key success factors for managing different innovation sources
- How to align or adjust internal processes to support each type of relationship or innovation source



KEVIN SCHWARTZ is a principal consultant in the product development practice of PRTM, a leader in helping companies to implement best practices in both product development and operations management. As both a consultant and a product development practitioner, he has over 15 years of experience in bringing new technologies and innovations to market. Kevin brings a hands-on perspective to this workshop from PRTM’s work at both the strategic and operational levels with companies in a wide range of industries, including life sciences, high technology, consumer products, and services. Kevin holds engineering degrees from Cornell University and the University of Pennsylvania and an MBA from the Haas School of Business at UC Berkeley.

WORKSHOP D

Technology Sourcing: Make/Buy and Find/Qualify Strategies

Laura A. Schoppe, *President*,
Fuentek, LLC

Investment decisions for R&D projects are not made lightly. However, if they are made before the company conducts necessary research, they are not made strategically. A key question that should always be posed before making R&D funding decisions is: Does a technology/capability exist that could jump-start or substantially reduce the required R&D?

Considering make-vs-buy opportunities prevents unnecessary “starting from scratch” and can solve specific needs for the product at a reduced cost. If a possible technology solution exists (a “buy” decision), companies need an effective strategy to bring the solution in-house, a process to identify/qualify possible emerging technology solutions and the ability to negotiate a win-win agreement.

This workshop will not only discuss why and how to conduct the “pre-R&D” research to answer the make/buy questions but will also present the principles, tools, and activities associated with strategy development and implementation if the decision is “buy.” By attending this workshop, attendees will learn:

- To understand what technologies are already available before investing in internal R&D
- How to—and who should—conduct the research to identify and qualify external technology solutions
- How to create partnerships that result in successful transfer of technology solutions



LAURA A. SCHOPPE has 11 years of experience in IP management, during which time she established an impressive track record of success in moving technologies into new markets. Before starting Fuentek, Ms. Schoppe managed Research Triangle Institute’s commercial IP and technology management activities for clients that included American Standard Companies, Lockheed Martin, NASA, Rohm & Haas, and Xerox. She has experience in all aspects of IP management, particularly leading license negotiation activities to transition innovations to new products. She also has developed and delivered technology commercialization training programs and successfully managed several marketing materials development projects. In addition, Ms. Schoppe has 12 years of experience leading research.

Case Studies

Co-Development Strategies for Growth

A Culture of Collaboration via Co-Creation

James D. Dishong, *Director, Global Brand Development, Drug Delivery, Eli Lilly*

It is widely acknowledged that “collaborative development” is becoming THE model of how work will get done in the future. But how do companies with differing sizes, objectives, pressures and cultures come together to work in an effective and efficient manner? One approach to consider is to focus on creating a unique culture for the collaboration team via “co-creation.” This talk focuses on real world examples of how two (or more) companies can consciously create an environment of shared ownership and accountability to significantly enhance performance. Grounded in a blend of theory and pragmatic (and painful!) lessons learned from numerous collaborations, the session will provide you with ideas that can be quickly implemented to either get a new effort off to a strong start or positively influence the future performance of a struggling effort.

Going Outside for Capabilities, Market Access, and Cost

Track A: Supplier & Partner Strategies

Transforming Supplier Relationships into Alliance Networks to Maximize Value

Manlio Huacuja, *Director, Strategic Alliances and Purchasing, OnStar*

A new way of thinking about your suppliers is to enhance the level of engagement with those that are key in your supply chain because of technology dependency, amount of dollars awarded or inability to switch vendors. By turning those suppliers into strategic alliance relationships you will ensure your company the least costly, least risky investment, and often the fastest to market options.

Mr. Huacuja will examine the design and development of OnStar’s current alliance model including their process for identifying alliance needs, defining alliance types and new alliance partners as well as best practices and lessons learned in transitioning key supplier relationships into strategic alliances.

Key Take-Aways:

- Advantages of a strategic alliance approach with suppliers
- Critical steps for turning supplier relationships into strategic alliances to decrease costs, risks, and time to market
- Do’s and don’ts
- Real examples of how OnStar made its transformation

Driving Collaboration into the Supply Base

Sri Gopinath, *Director, Sourcing Strategy & Operations, Motorola Inc.–Mobile Devices*

Global companies now live in a networked economy. In the long term, no single company can either create or dominate all products and services it provides to its end markets. Collaborative development provides an excellent mechanism to maximize strategic leverage and create the most compelling products and services. Migrating from a traditional manufacturer-supplier model to a strategic partnership requires a carefully executed relationship management strategy. Sri will be sharing valuable real-world insights from Motorola on implementing a successful relationship management program:

- How partners are selected
- How mutual value creation opportunities are identified
- What structured governance processes are implemented
- What measures of success are used to monitor the health of the relationship

Strengthen Core Capabilities, Create More Value, and Drive Innovation through NPD Partnerships

Peter Balyta, *Director of Co-Development & Alliances, Texas Instruments*

The E&PS division of Texas Instruments has been able to leverage its core competencies and maximize R&D throughput by utilizing the capabilities of development partners to help deliver on its business priorities. In this case study, Mr. Balyta will discuss how TI transformed an alliance that was once left for dead and turned it into their best performing alliance - eventually forming the foundation of their annual marketing campaign and an important engine for innovation. The key factors for success hinged on alliance management and co-development training for both companies involved.

By attending this session, attendees will learn how effective partnering can strengthen their key capabilities and create more value for their respective companies (and customers) than they could achieve on their own. Mr. Balyta will also discuss how Texas Instruments leverages external resources and alliances for innovation.

Track B: Implementation Methods & Tools

Planning Alliances to Support Business Strategy—Lessons from the Front Line

David Craford, *Vice President, Business Development, Affymetrix, Inc.*

Affymetrix is the premier technology and equipment provider for genomics analysis and has consciously built a network of partnerships to deliver on its aggressive growth strategy. In this talk, Dave will discuss Affymetrix's approach to defining (and getting alignment on) a co-development strategy and the real-life considerations that need to be addressed. He will cover topics such as:

- How do you ensure your co-dev plans are aligned with your business strategy?
- Why do manufacturing plans and strategies need to be considered in planning co-dev relationships?
- What changes when dealing with different types of products (e.g., instrumentation vs. chemicals vs. software)?
- When and why does it make sense to go overseas (e.g., China)?
- How do you get a diverse management team to agree on a co-dev strategy?

Co-Development with ODM Partners—Palm's Strategy, Execution and Infrastructure

Mitch Haynes, *Director, Supply Chain Operations, Palm*

Over the past few years Palm has experienced tremendous success bringing to the marketplace mobile devices with the latest technologies. Co-development of these products with ODM partners has enabled Palm to compress time to market and control costs while managing unpredictable growth. Palm has also managed to meet the divergent needs of each of their core businesses—mobile devices and smart phones—with different ODM partner relationships.

The speakers will address co-development with these ODM partners at three levels—strategy, execution and infrastructure—and cover both engineering and operational perspectives. Some of the topics the speakers will cover include the rationale behind partner selection decisions, design of co-development activities, and organization design to support co-development. The speakers will also highlight processes and plans that have worked.

Enabling Digital Collaboration in a Federated Enterprise

George W. Brown, *Senior Program Manager, ISTG Research Group, Intel*

This presentation will introduce methods and a set of principles and guidelines for consistently and accurately enabling digital collaboration within a product development process utilizing a SOA implementation. The approach is based on a two-tiered framework, Integrated Process and Technology Framework, in which business semantics are first defined through application of a value chain reference model, VCOR (Value Chain Operations Reference model), and then a conceptual architecture, FERA (Federated Enterprise Reference Architecture), facilitates mapping business collaboration patterns to the appropriate capabilities within a SOA infrastructure.

The transformation of the models of collaborative process patterns to the SOA runtime environment is accomplished through an information model that is part of a proposed SOA standard, ebSOA. The FERA-based ebSOA specifications will be introduced to describe how they provide full enterprise-level SOA support from both a functional as well as implementational point of view. The presentation utilizes a use case, Product Development for Supply Chain, to illustrate how the fully defined ebSOA collaboration semantics resolve the problem of semantic integration.

Special Plenary Presentation

Tuesday, 5:00 – 5:30pm

Where the Solutions Lie: A Proactive Approach to Discovering Rich Sources of Innovation

Paul Stupay, *Vice President, Business Development, NineSigma, Inc.*

Is there a way to cause unobvious solutions to rise to the surface? Uncovering hidden sources of innovation is an awesome feat and often achieved by focusing on the basics. From the U.S. to Uzbekistan, NineSigma has discovered the best and brightest on behalf of its clients. Mr. Stupay will provide several profiles of innovators solving real business problems in response to the needs of Fortune 500 companies. In addition, Mr. Stupay will share NineSigma's perspective on how to select the best set of innovation projects to increase your chances for success.



Case Studies

Going Outside for New Ideas and Emerging Technologies

Track A: Technology & IP Strategies

Key Strategies for Building Successful Partnerships with Federal Laboratories

J. Susan Sprake, *New Business Development Executive, Technology Transfer Division, Los Alamos National Labs*

Federal Laboratories have a rich history of transferring internally developed technology to the marketplace for the benefit of the United States and the world at large. Ms. Sprake will discuss her experiences assisting the development of partnerships between industry and federal labs, enabling these partnerships to reap commercial reward and identifying avenues to enhance federal labs commercial interactions with industry. Specifically, she will provide insights into what is involved when partnering with or licensing from federal labs—what are the expectations of each party, what potential barriers might arise, and what potential solutions are available.

Key Take-Aways:

- Agreement negotiation: Which areas are negotiable, which are not, and why?
- The value of leveraging federal R&D
- How to identify and exploit the “valley of death” technologies

Protecting IP in China

Dr. John C. Tao, *Corporate Director, Technology Partnerships, Air Products & Chemicals, Inc.*

Building a successful partnership in China requires a diligent approach to intellectual property management and protection. Without careful consideration of how to ensure the safety of your IP, today’s partners can become tomorrow’s fierce competitors. What legal, strategic and operational actions can be taken to curtail IP theft?

Dr. Tao will address what precautions Air Products & Chemicals takes to monitor, manage and ensure its IP safety while working with Chinese partners. Dr. Tao will provide you with the latest information on available patent types in China, the Chinese patent litigation process, the Chinese court system and the realities of patent enforcement in China (today and in the foreseeable future). Learn how to select ethical, reputable business partners, effectively monitor these relationships and keep your trade secrets from being stolen.

Track B: Models & Methodologies

Big Game Hunting in the External Centers of Invention

Ada C. Nielsen, *Manager, Commercial Development, PTA R&T, BP America, Inc.*

With developments occurring around the world in many centers of scientific invention, how does one suit up for snagging the prime game if you work in a for-profit environment? Given the reduction in many companies in the R&D/R&T budget, it appears that acquiring new technologies and discoveries from not-for-profits is a way to prime the new product pipeline.

During the presentation we will discuss the high-class problem of what appears to be too many choices from organizations with both very broad and very granular areas of interest and endeavors. How does one maximize the chance of success in a resource efficient way?

Key Take-Aways:

- Lessons learned
- Checklists for: preparation (including patent portfolio overviews); onsite interaction; follow-up (getting to an understanding and an agreement); and launching the relationship

Plenary Session

You Know Your Co-Dev Is in Trouble When... — A Practitioner’s Light-Hearted View of Things to Avoid in Co-Development

Stephen E. Gosney, *Director of Innovation, Life Sciences Industry, Dow Corning Corporation*

This presentation is a light-hearted, common sense review of “red flags” that show up in the co-development process with some suggestions on how to handle them. It is based on this practitioner’s personal experience from years of co-development work across numerous industries and companies. The presentation will mainly focus on alliance management issues, measurement/valuation concerns and ensuring results/success. The audience will also have a chance to provide some of their own examples of: “You know your co-dev is in trouble when...”

Some key insights and/or learnings will include:

- How to have a multi-cultural perspective to co-dev if not available in your own company
- When and how to have legal involved in your alliance work
- What types of measures and milestones help ensure success
- How to keep your organization linked in and supporting your activities

Achieving Payback and Sustainable Advantage

Calculating ROI for Open Innovation

Simon Hayes, Senior Director, Strategic Alliances,
Cisco Systems

Open innovation can only be fully successful if it's based on solid business decisions resulting from solid business intelligence. How do you put in place the trust, transparency and common standards needed to track progress, make resource allocation and investment decisions and measure success when two or more parties are involved? Mr. Hayes will share Cisco's framework for measuring both shorter-term, operational performance as well as long-term profitability of its co-innovation portfolio.

Key Take-Aways:

- The most appropriate metrics for different kinds of co-innovation partnerships
- Measuring and tracking progress towards qualitative goals
- Different approaches to ROI for symmetrical vs. asymmetrical partnerships
- Standards and systems to give executives real-time views into co-innovation progress

Measuring and Managing Alliance Health

Amy Achter, Director of Enterprise Insights & Corporate Intellectual Asset Management, **Kimberly Clark Corporation**

Once you have entered in to a partnership or alliance, it's easy to become singularly focused on delivering the project or program objectives. However, equally important to the business deliverables is the relationship formed between the partners and the way in which the companies work together to deliver results. By establishing a model for collaboration up-front, and determining what is important to each of the participants, the stage is set for a successful partnership down the road.

In this session, Amy Achter will discuss:

- How to establish both soft and hard alliance criteria up-front
- When and how to measure alliance health
- What to do if you need to correct your course
- How to know when it's time to part ways

What Past Participants Say About CoDev

"It was an excellent opportunity to share thoughts on co-development issues, collectively. The sessions were very informative." **K. Ganesh Shenoy**, Senior Manager, Larsen & Toubro, Ltd.

"Great exchange of ideas and experiences. I found many ideas from outside my industry that I can apply to our Alliance goals." **Christine Carberry**, Vice President, Program and Alliance Management, Biogen Idec

"As usual the conference materials and speakers were excellent in improving my understanding and appreciation of CoDev. The seminar was very well organized," **Tom Mirarchi**, Senior Manager, Boston Scientific

"Fantastic conference from an organization that addresses the needs and issues of the product development community." **Ranga Raj**, Celstream Technologies PVT LTD

"The CoDev conference brought me together with dozens of companies who partner to leverage their core competencies... an invaluable resource to learn and grow." **David Steindl**, Senior Project Design Engineer, The Boeing Company

"PDMA and MRT set a great example of how to co-develop a project. Program and speakers were well orchestrated to provide a very informative conference." **Jay Burris**, Product Manager, Halliburton Energy Services

"This conference has provided an excellent forum to learn the developing dynamics of co-development in industry. It blends fundamentals and case studies in a strategic way to really provide insight into how co-development is best implemented." **T. Laney**, Research Associate, Eastman Kodak



The Truth About Co-Development, Alliances and Innovation

The difficult truth about developing products with others is that too often partnerships fail. However, partnerships that flourish can lead to breakthrough products, market leadership, and unprecedented growth opportunities.

How do you know which way your own efforts are going? Can you re-direct partnerships that are headed for trouble?

At CoDev '06 you will learn from the world's foremost experts and industry practitioners. The following diagnostic quiz is drawn from insights to be shared by speakers.* It will help you assess whether you are on the right track and will provide you with specific learning goals at the conference.

Self-Diagnostic: Co-Development and Co-Innovation—Success or Failure?

Please answer the following questions true or false. Scoring is below.

1. Our company invests heavily in R&D and retains ownership of intellectual property T F
2. We make sure our legal experts fully manage our IP (intellectual property) T F
3. We have based our partnership on technology access. We assume our strategic direction will succeed with customers once we are ready for market T F
4. We are partnering with a company that is highly innovative but with fewer resources than us T F
5. Our co-development team members are also responsible for other projects T F
6. Our primary measurement for success is increased sales T F
7. Our deal is in the hands of business development and legal—our NPD team focuses on the product T F
8. Our alliance is viewed as another project in the portfolio and competes for internal resources as such T F
9. We have similar decision-making processes as our partner and have established links . . . T F
10. Our alliance strategy is clearly tied to overall business strategy—our partners' strategies are similarly aligned T F
11. We have clear criteria to decide whether to partner, build or buy T F
12. We have a dedicated alliance manager who is responsible for partner relationships T F

SCORING: For questions 1-8, give yourself 1 point for each TRUE, 2 points for each FALSE.
For questions 9-12, give yourself 1 point for every FALSE, and 2 for each TRUE.

Score of 20-24: Excellent chances of co-development and co-innovation success.
Score of 16-19: Chances of success are 50/50 with definite areas for improvement.
Score of 12-15: Chances of failure are high, your alliance approach needs work.

**Success and failure practices are drawn from talks by CoDev '06 speakers Henry Chesbrough, Gene Slowinski, and Stephen Gosney (Dow Chemical), as well as Knowledge Roundtable's "Guide to Leading Practices: Co-Development and Alliances" (www.knowledge-roundtable.com).*



Program Information

About the Management Roundtable (MRT)



The Management Roundtable is the leading knowledge and networking resource for product developers. Practitioner-oriented and unbiased, our focus is on providing actionable information about new innovations, processes, tools, and technologies that enable faster time to market, increased profitability, and overall competitive advantage.

Founded in 1980, Management Roundtable publishes newsletters, hosts a variety of specialized conferences, workshops, and audio-sessions and conducts onsite training. Its premium web-based service, Knowledge Roundtable, was launched in 2004 to advance product development, innovation and collaboration. This service offers continuous, unlimited access to competitive insights and facilitates introductions among industry practitioners for benchmarking and partnering.

www.managementroundtable.com www.knowledge-roundtable.com

About the Product Development & Management Association (PDMA)



Founded in 1976, the Product Development & Management Association is the only non-profit organization dedicated to advancing the art and science of product development. PDMA's mission is to improve the effectiveness of people engaged in all

aspects of developing and managing new products—both new manufactured goods and new services. This mission includes facilitating the generation of new information and making it available worldwide. With more than 2,500 members in 32 countries, PDMA offers members and the product development community leading-edge thinking, state-of-the-art research, and the very latest information on key trends, processes, tools, and best practices.

In addition, PDMA is the source for NPDP certification, an internationally recognized qualification of product development achievement and knowledge, which has now been awarded to over 500 professionals worldwide. For details, visit www.pdma.org/certification.

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NineSigma helps companies enhance internal resources and capabilities by tapping a global network of innovators for new solutions, technologies, products and services. www.ninesigma.com

Bronze Sponsor:



www.bit7.com

A Great Place to Meet Your Market!

The optimal conference experience includes learning about available products and services and how to leverage them for success in co-development relationships. PDMA/MRT's International Congress attracts attendance by leading players across industries, across functions. As a solutions provider, take advantage of this opportunity to demonstrate your expertise and come face-to-face with decision makers in a low pressured environment. There is no better way to reach so many potential customers so quickly and find out first hand about what's going on in the marketplace.

For more information on how to position your firm as a sponsor or exhibitor, contact Kathy Stewart at 781-891-8080, x224, or kathy@roundtable.com.

Dates

CoDev 2006 will be held January 30 – February 1, 2006. Registration and continental breakfast begin at 7:00am. Sessions begin at 8:00am on Tuesday, January 30, 2006 and conclude at 3:00pm on Wednesday, February 1. Pre-conference workshops offered Monday, January 30, from 8:00–12:00 and 1:00–5:00; registration and breakfast begin at 7:00am.

Venue and Hotel Accommodations

The conference will be held at the Millennium Resort Scottsdale McCormick Ranch. Please call **1-866-866-8086** directly for room reservations; a limited block of rooms are offered at \$189/person—mention the Co-Development Conference to receive the special rate (please reserve early to ensure availability).

Program Fees

Note that CoDev alumni, MRT alumni/subscribers and PDMA members receive the Member rate - \$200 less per person than the non-member rate. Fees include materials binder, breakfast, lunch, breaks, networking receptions, follow-on materials.

	By 11/30/05		After 11/30/05	
	Member*	Non-Member	Member*	Non-Member
2-day Conference	\$1495	\$1695	\$1695	\$1895
Conference + 1 Workshop	\$1995	\$2195	\$2195	\$2395
Conf + 2 workshops	\$2495	\$2695	\$2695	\$2895
1 Half-day Workshop	\$695	\$695	\$695	\$695
2 Half-day Workshops	\$1390	\$1390	\$1390	\$1390

*MEMBER DISCOUNTS: Members include PDMA members, MRT conference alumni, subscribers to Knowledge Roundtable and other supporting organization members.

Early-Bird Discount

Reserve by November 30 to SAVE \$200!

Team Discounts

Groups of 3-4 may deduct \$100 per person. Groups of 5-10 may deduct 15%, groups of 11 or more may deduct 20%. For further group arrangements, contact Tracey Kimball at 781-891-8080, ext 214.

No-Risk Guarantee

Your satisfaction is 100% guaranteed — money-back or credit. If you're not satisfied with the quality of this program, let us know in writing and we'll refund your registration fee.

Conference Attire

Business casual.

Cancellations / Substitutions:

You may send a substitute attendee in your place at any time with no penalty (please inform us in advance, if possible). Cancellations made within 5 business days are subject to a \$200 cancellation fee or the full fee can be credited towards a future purchase. *No-shows are liable for the full fee.*

SPECIAL NOTE

If you have a disability that may affect your participation, please call us regarding your needs at least two weeks before the conference.

CoDev 2006



Co-Development for Business Growth: Open Innovation & Alternatives

Scottsdale, AZ • January 30 – February 1, 2006

FOUR WAYS TO REGISTER:

Call: 1-800-338-2223 or 781-891-8080
(weekdays, 9:00am–5:30pm EST)

Fax to: 781-398-1889

Internet: www.CoDevPD.org

Mail to: CoDev 2006
c/o Management Roundtable
92 Crescent Street, Waltham MA 02453

Please accept the following registration(s):

(Please use photocopies for additional people)

Please check the event(s) you plan to attend.
See page 15 for pricing.

- Pre-Conference Workshops** (Jan. 30, 2006)
 - A.** *Outsourcing R&D Activities in China* (HALF-DAY AM)
 - B.** *Beyond the Idea: Getting Open Innovation to Market Successfully* (HALF-DAY AM)
 - C.** *Delivering on Open Innovation: Managing Multiple Sources, Aligning Processes* (HALF-DAY PM)
 - D.** *Technology Sourcing: Make/Buy and Find/Qualify Strategies* (HALF-DAY PM)
- Conference** (Jan. 30 – Feb. 1, 2006)

Total fee \$ _____

Payment Information

- Check enclosed, payable in US funds to *Management Roundtable*
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- I cannot attend; please send me _____ conference handbooks with case studies, data, all handouts and more, at \$595 each. (to be shipped within 3 weeks after the event).

- Please send me information about sponsorship/exhibitor opportunities.

Registration Code: Web Download

**Reserve by November 30
and Save \$200!**

See page 15

Key Deliverables

- Generate measurable economic value from co-development and co-innovation
- Commercialize knowledge and ideas outside your own business model
- Create shared ownership and accountability in partnerships
- Expand into new markets and tap new opportunities around the world
- Achieve product breakthroughs with external partners

CoDev 2006

c/o Management Roundtable
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