

ENSEMBLE

Ensemble Consulting

NEW PRODUCT DEVELOPMENT  
CASE STUDY

—  
Higher quality, lower  
time-to-market  
—

—  
Let's  
Redefine  
What's  
Possible  
—

## OVERVIEW

# Higher quality, lower time-to-market

**The reputation of this once-successful manufacturer of consumer appliances had begun to suffer due to a string of related setbacks.**

RESULTS - PERCENTAGE

**25%↑****IN ANNUAL PRODUCT LAUNCHES**

FROM 100 TO 125

RESULTS - DOLLAR SAVINGS

**\$20m****IN ADDITIONAL REALISED PROFIT**

Product quality, product launch delays, high return costs and brand deterioration had all begun to take their toll on our client. After moving overseas, they experienced a growth in their return rate of more than a full percentage point, up to 5% of all sales. What's more, the company had just reached a nine-year low for launching new products in the marketplace.

The client's accounting metrics were incentivising short-term, silo-focused goals—which was at odds with their larger operational goal of delivering superior products to the customer in a timely manner. The troubled manufacturer engaged Ensemble to help them understand the causes of these problems and to aid in implementing remedies using a systems approach.

**The Ensemble Effect**

A team effort and a new strategy to maximise value helped to turn the manufacturer around. With Ensemble's insight, the team was able to re-align their goals and metrics across the value chain to significantly improve their time-to-market while dramatically reducing product returns.

The results? Among other successes, warranty claims were reduced by over 60%, and new product launches increased by 25%.

## Challenges

High cost of returns, 5% of sales returned

Decline in product quality

New development pipeline bottlenecks & product launch delays

Brand deterioration

## Results

Reduced claims to **2%** of sales

Reduced warranty claims by over **60%**

On-time delivery to meet seasonal launch window improved from below **60%** to over **90%**

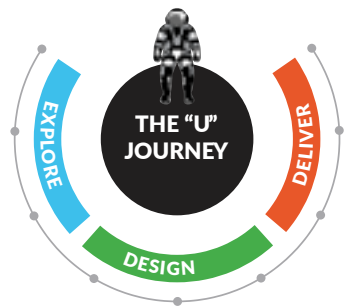
New product launches increased by **25%**

“People are now dedicated to trying to establish a system and culture of ‘quality on time’ and to convey this new way of thinking across the whole business.”

Design Director

NEW PRODUCT DEVELOPMENT

# Running the process



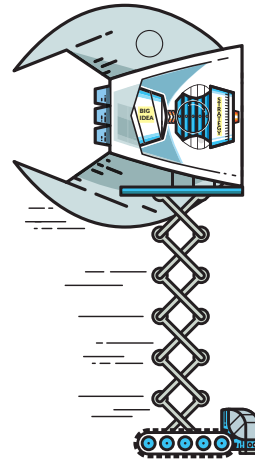
**EXPLORE:**  
**IDEATION**  
**GENERATIVE INTERVIEWS**  
**FOUNDATION WORKSHOP**



**DESIGN:**  
**LEARNING JOURNEYS**  
**RETREAT & REFLECT**  
**CRYSTALLISE INTENT**



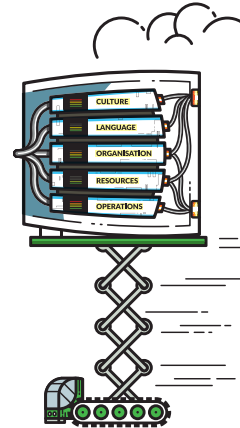
**DELIVER:**  
**PLAN THE WORK**  
**WORK THE PLAN**  
**WIN RESULTS**



## Explore

**Generative interviews** with key staff representing the entire value chain provided insights that the team could then analyse, along with key data, to determine the nature and scope of the manufacturer's issues and the bottom-line financial impact. The problem was now well documented, but root causes were not yet clear.

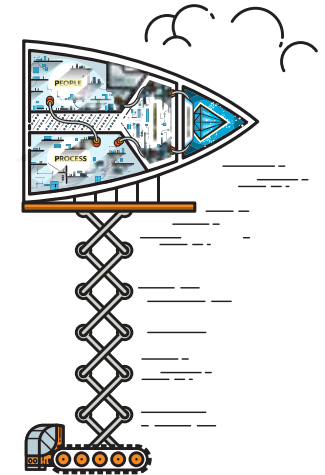
**The Foundation Workshop** reviewed the data and performed systems analysis to reveal causal relationships and trace problems back to their origins. The workshop revealed that the accounting methodology had incentivised various departments to produce products as quickly as possible, creating problems throughout the value chain. This resulted in a negative self-reinforcing feedback loop that threatened the brand.



## Design

The team then embarked on a **Learning Journey** to conceive of the best ways to bring new products to market quickly, without sacrificing quality. Heads of each department in the value chain, along with company executives, mapped out the entirety of the product development and delivery process. The teams engaged in productive conversations regarding actual processes, exposing hidden assumptions. Modelling was then conducted around process improvement.

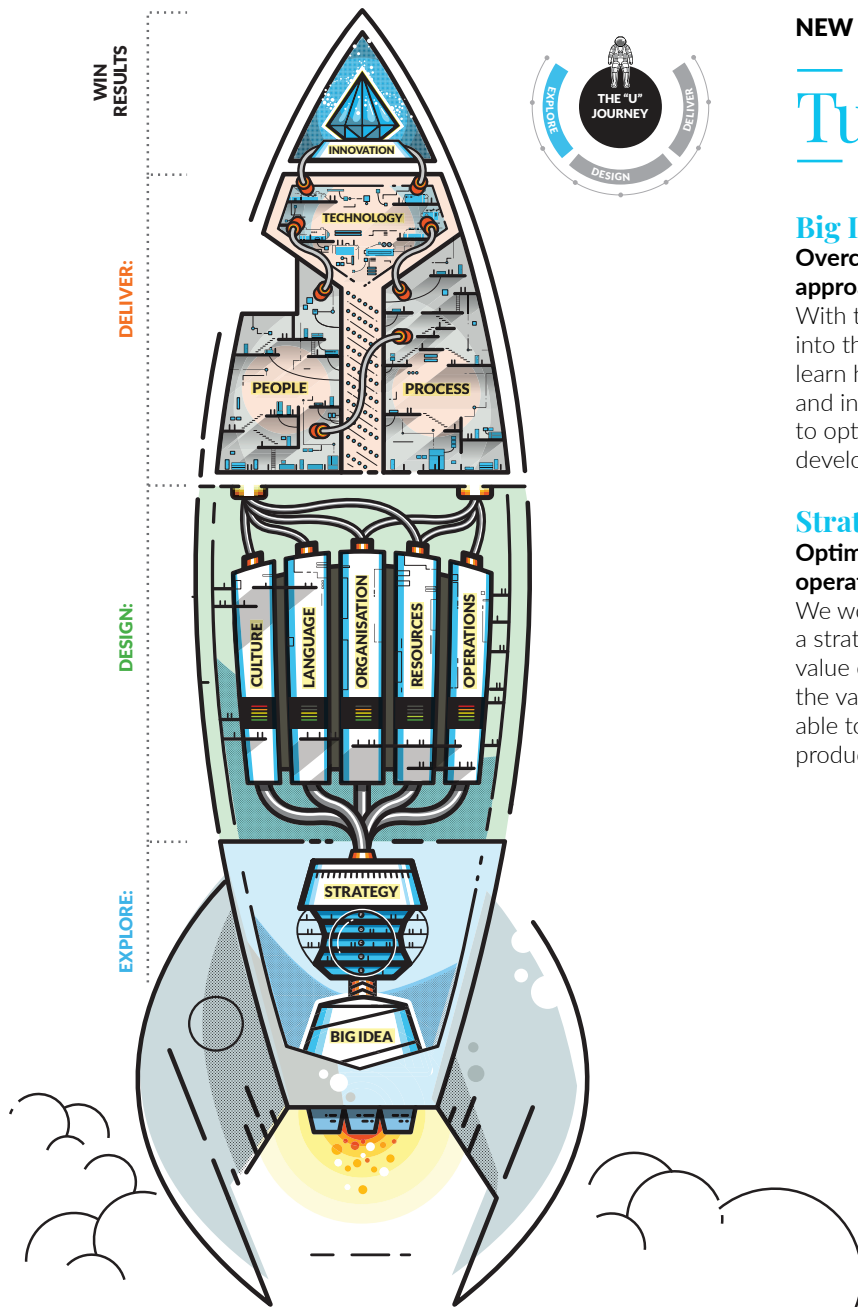
Having identified the technology department as the system constraint, the team needed to adjust its workflow to the rate at which Technology could cope. The process of slowing down to accommodate the department's constraint was expected to reduce chaotic logjams, and subsequently to have the paradoxical effect of actually increasing the flow of quality new products through the development pipeline.



## Deliver

Our Innovation Workshop realistically assessed hard-launch portfolios while taking an in-depth look at the process of new product development. With the addition of new tools, such as dashboards, data and planned meetings, the company culture began to take a more sustainable trajectory.

The output and insights from the Innovation Workshop were used to finalise measurements, structure, roles and accountabilities. Standard operating procedures were put into place, and supporting technology applications were integrated to embed these improvements. Overall, the changes increased the effectiveness and efficiency of the product development process while providing enhanced visibility.



## NEW PRODUCT DEVELOPMENT

## Tuning the engine

### Big Idea

**Overcome quality & delivery issues with a systems approach to manage product development.**

With the help of Ensemble, the firm gained insight into the capacity of its value chain and was able to learn how best to balance its flow of products, services and information. We used evidence-based knowledge to optimise their new systems approach to product development, leaving the silos behind.

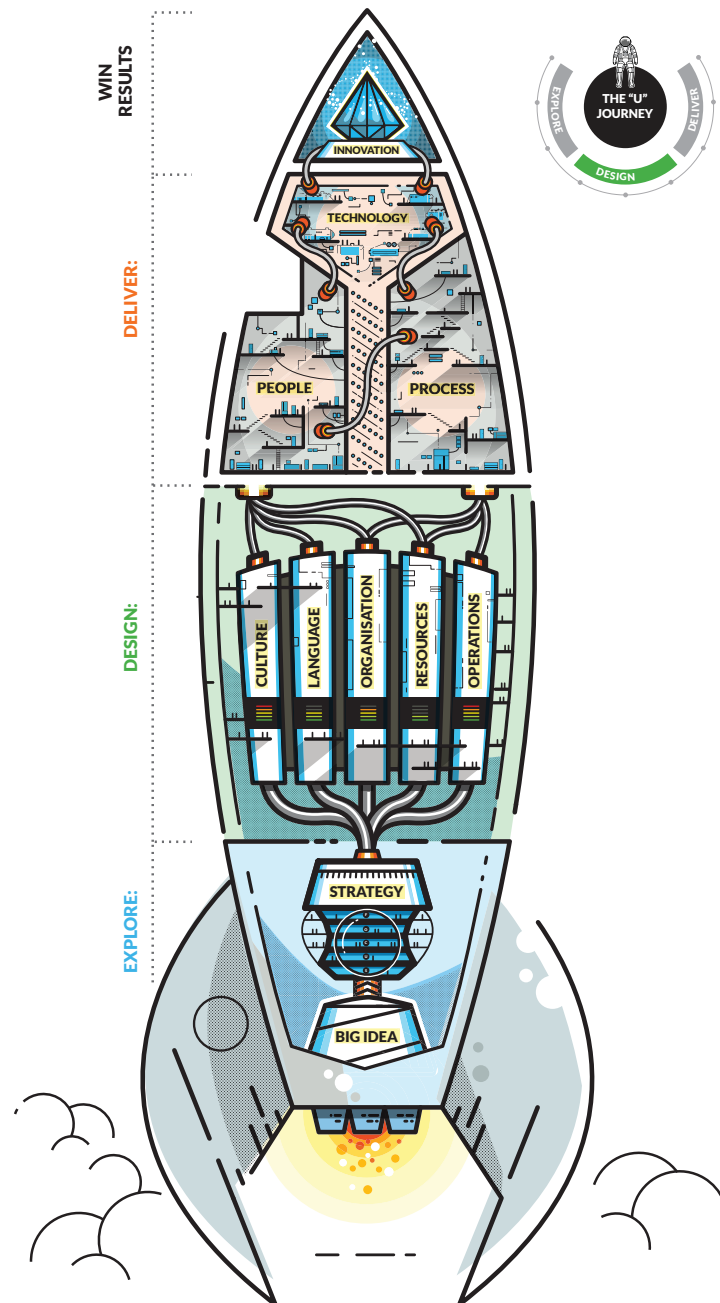
### Strategy

**Optimise value chain by aligning capability at each operating node with market opportunity.**

We worked hand-in-hand with the client to develop a strategy that would optimise the consumer product value chain. By aligning capability at each node in the value network with market opportunity, we were able to translate real opportunity into a strategy that produced real results.

“The Ensemble system compels management to consider priorities and provides clear evidence of bottlenecks.”

Managing Director



## NEW PRODUCT DEVELOPMENT

# Aligned by Design

### Culture

**Shift focus from silos to the entire system, where value is only delivered when product is sold.**

Our client's culture shifted from departmentally focused silos to an appreciation of the system as a whole and each department's interconnected role, from initial concept to market delivery. This was reinforced by a company-wide agreement that value is only delivered when the product is sold to the customer.

### Language

**Realign metrics to account for interconnected operations, including tasks, people and load.**

The client realised the metrics of their accounting language had inadvertently created an imbalance in the new product pipeline workflow, resulting in bottlenecks. Demystifying the language of accounting helped people understand its effects on operations, including individual tasks, capacity, and load.

### Organisation

**Establish new accountability framework to identify chokepoints and issues for adaptive responses.**

A new collaborative framework improved the quality of meetings, enhanced communications and refined company organisation to quickly identify choke points and potential issues, allowing for adaptive responses to become opportunities to optimise the value chain. This was achieved without sacrificing the principle of single-point accountability.

### Resources

**Standardise resource types and implement a system to articulate capacity.**

The team standardised its definitions of resource types to facilitate a company-wide understanding of capacity. What's more, we implemented a system to articulate capacity supply, organised by skill type in defined buckets of time, and to indicate supply availability by location.

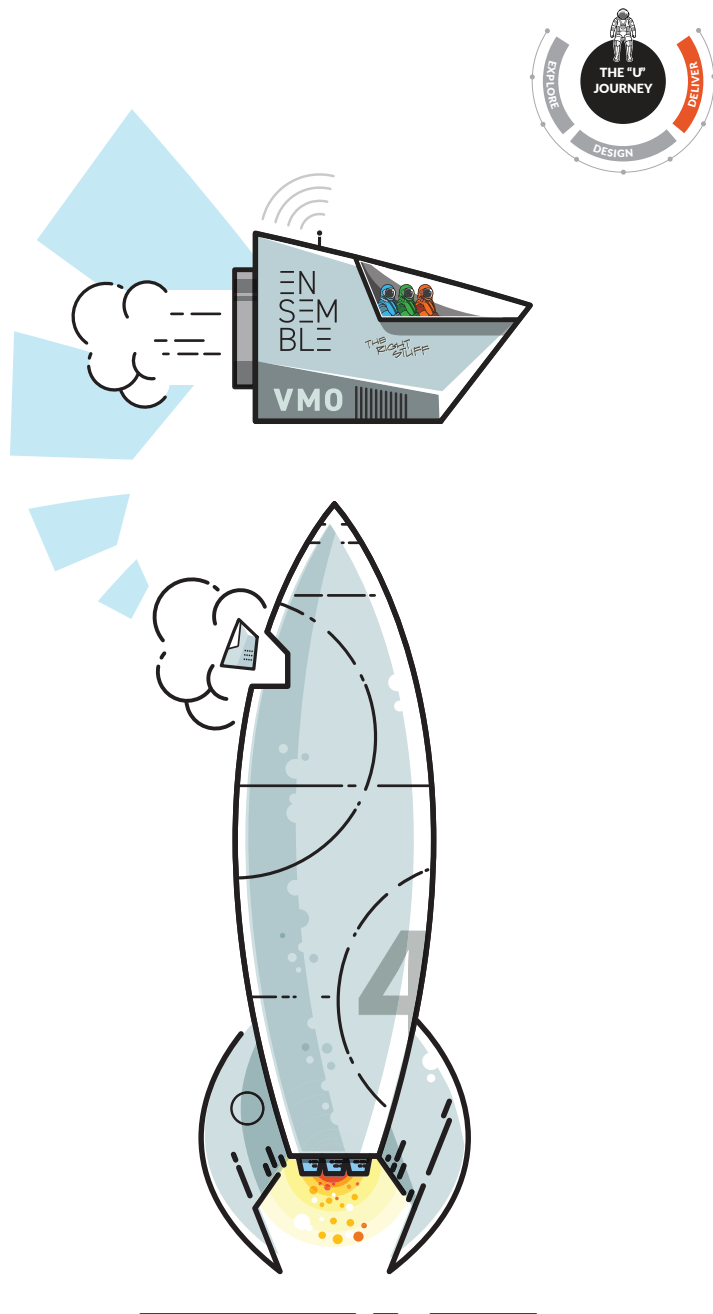
### Operations

**Define, prioritise, level and accelerate work to address resource bottlenecks.**

A new collaborative framework improved the quality of meetings, enhanced communications and refined company organisation to quickly identify choke points and potential issues—so that adaptive responses became opportunities to optimise the value chain. The team was able to achieve this without sacrificing single-point accountability.

“Regular meetings with designers and engineers now have an appropriate rhythm and structure.”

Managing Director



## NEW PRODUCT DEVELOPMENT

# Sustaining value

**It's about time: Balancing capabilities & work. Time is a valuable commodity. Ensemble helped their client discover how best to use engineers' time, how to shorten the time it took to get a product from concept to sales and how to avoid wasting time on a low-quality product.**

To ensure that the client was able to derive lasting benefits from the collaboration, Ensemble facilitated the creation of a Centre of Excellence, now called the Value Management Office (VMO), charged with creating, sustaining and continuously improving the expert system of management. At its core, the purpose of the VMO was to deliver the best possible outcomes for the company as a whole—not for each department in isolation. In addition, all work was now carried out in accordance with a new set of planning and scheduling standards that supported a disciplined approach to planning and execution management.

Over time, all members of the team came to understand how this enterprise approach to managing work—properly instrumented at every stage in the development of new product—delivered better product quality, increased customer satisfaction and a boosted brand reputation. For the business, the institutionalisation of change in a VMO led to sustained growth in revenue.

This arose from more frequent product launches, more reliable delivery into the planned seasonal launch windows and increased confidence on the part of retailers that they would not need to deal with irate customers returning faulty goods.

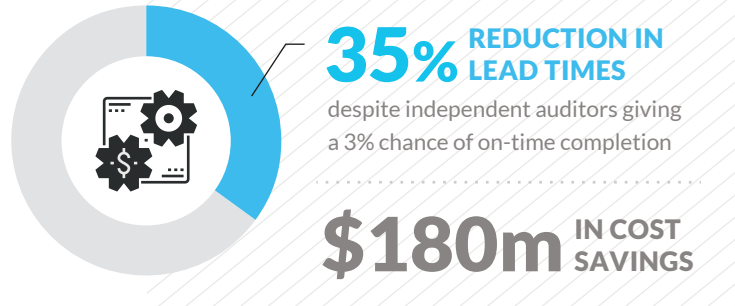
Over time, the team became highly skilled in using the expert system of management and far more agile in their response to changes in the market, developing the capability to tune the deployment of their resources to the actual demands of the market. As a result, they avoided unnecessary operating expenses, and money tied up in dead inventory was kept to a minimum.

“Previously, we were servants of silo timelines, but everyone now appreciates and has the means to improve overall on-time quality.”

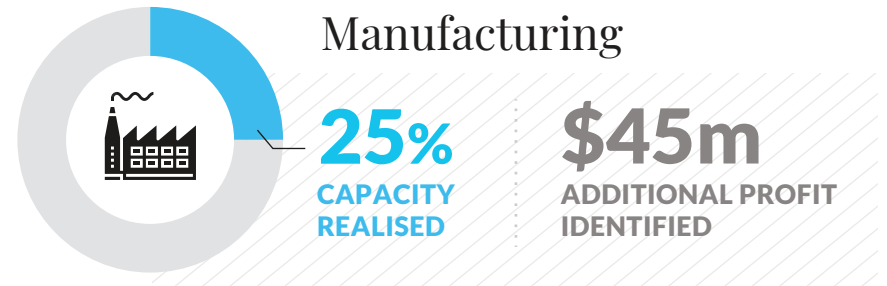
Managing Director

# Our Results: Percentage and Dollar values

## Business Management Systems



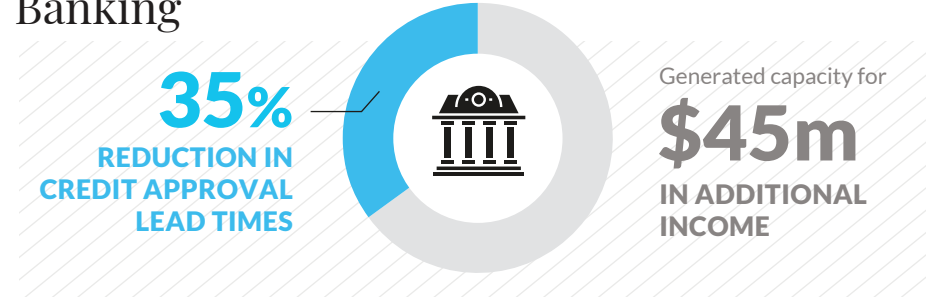
## Manufacturing



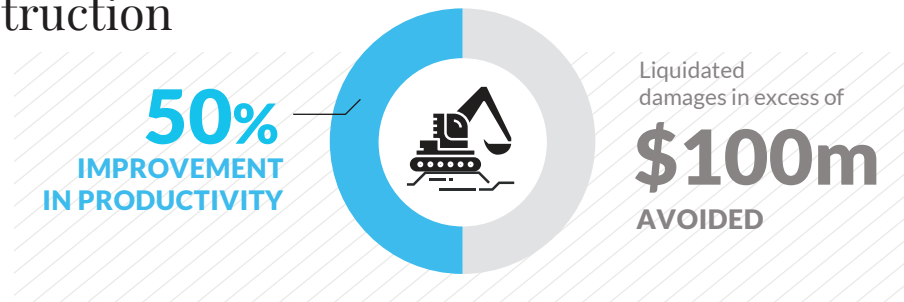
## New Product Development



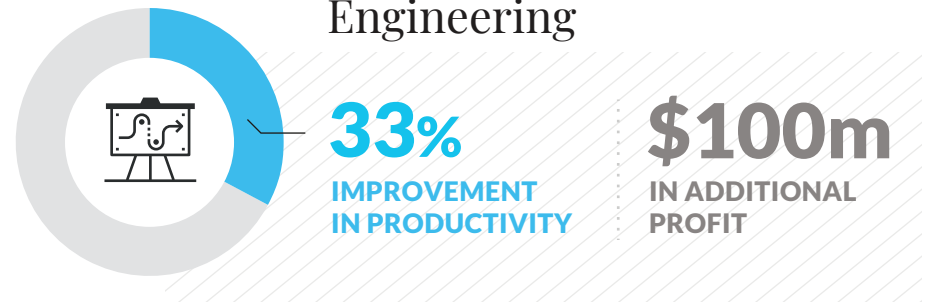
## Banking



## Construction



## Engineering





# So, why Ensemble?

We help organisations create more value for more people—in less time, every time.

## Focussed

Our singular focus on 'innovations in productivity' has far-reaching effects. Our management systems can bring you more value than product innovation. Yet when you develop new products, better ways of working will bring those to market faster, too.

## Tailored

As a specialist consultancy, we are nimble, hungry and dedicated to personal relationships. More Savile Row than off the peg, our approach isn't for everyone. But those leaders who get us enjoy both the process and its remarkable fruits.

## Tested

Our uniquely experienced team knows what it takes to deliver real value in productivity, performance and profit. We've been doing this for blue-chip companies in Australia for over 15 years, with a proven track record in delivering outcomes faster, with greater reliability and agility — at lower cost.

## Empowering

By helping to build a 'learning organization', we transfer our capabilities, giving you even greater results that are sustainable well beyond our initial engagement. From initial project engagement to our own Academy, we really do want to seed new ways of seeing the world of work.

## True

Simplifying complexity is what makes us tick. We combine an engineer's curiosity with a business owner's obsession with results. We value the courage and particular quality of mind that enables a person to over the fear of difficulty or danger and remain true to their convictions.

# Our innovations in productivity give ambitious executives three ‘value levers’

1. **Deliver your promised business case** – in full, on time, every time;
2. **Mindfully manage resources** to reduce your ‘cash burn’;
3. **Free up your people sooner** to tackle the next big idea.

The logo for BHP, consisting of the letters 'BHP' in a bold, black, sans-serif font.The logo for South32, featuring a stylized 'S' and '32' made of horizontal bars, with the text 'SOUTH32' below it.The logo for Vulcan, featuring a large, stylized checkmark symbol followed by the word 'VULCAN' in a bold, black, sans-serif font.The logo for Woolworths, featuring a stylized 'W' symbol above the word 'Woolworths' in a black, sans-serif font.The logo for CCA, featuring the letters 'CCA' in a stylized, black, serif font with a wave-like element, and the text 'COCA-COLA AMATIL' below it.The logo for Jetstar, featuring the word 'Jetstar' in a bold, black, sans-serif font followed by a five-pointed star.The logo for Qantas, featuring a stylized kangaroo silhouette in flight within a black triangle, with the word 'QANTAS' below it.The logo for Commonwealth Bank, featuring a stylized diamond shape above the text 'CommonwealthBank' in a black, sans-serif font.The logo for Bombardier, consisting of the word 'BOMBARDIER' in a bold, black, sans-serif font.The logo for Thiess, consisting of the word 'THIESS' in a bold, black, sans-serif font.The logo for Coles, consisting of the word 'coles' in a bold, black, sans-serif font.The logo for OneSteel, consisting of the word 'onesteel' in a bold, black, sans-serif font.

WE'VE BEEN GIVING TIER-ONE AUSTRALASIAN COMPANIES THIS LEVERAGE FOR OVER 15 YEARS.

“

Even if I was allowed to mention dollar value numbers, this is still the first thing I would always write:

**These outcomes are so valuable they literally print their own money.”**

VP Projects



Are you an ambitious executive looking to apply the Theory of Constraints and other innovations in productivity to your organisation?  
**Get in touch**

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