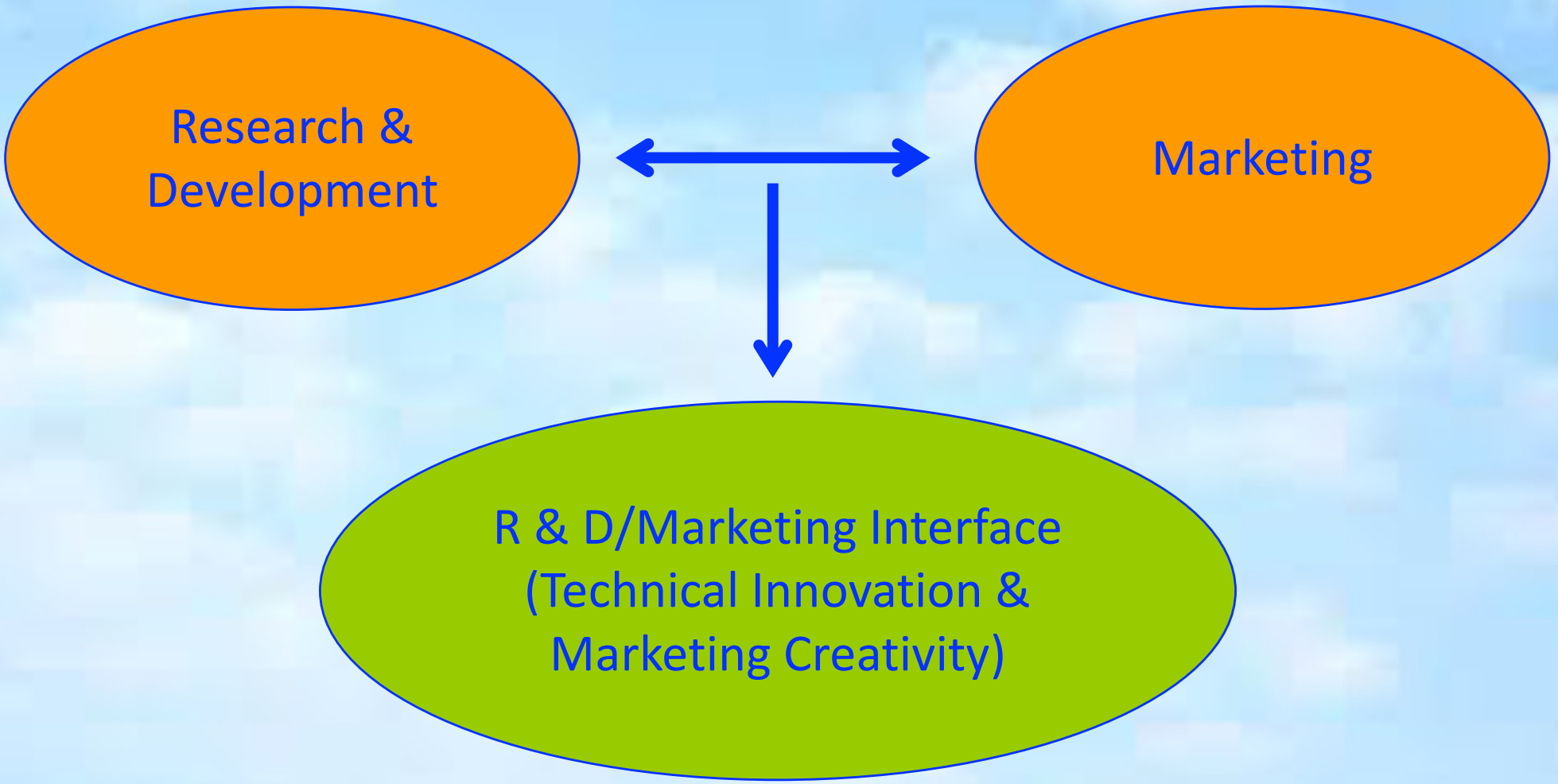
Optimising the R & D - Marketing Interface

John Knowlton
Cosmetic Solutions

CTFA Online Workshop
29 May 2025

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Who's involved in Innovation?



"Innovation Interface"

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The Common Picture?





The R & D Perception?

The Marketing Perception?





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“Conflict Drivers” at the Innovation Interface

- Location of R & D and Marketing groups at different geographical sites
- Differing rates of remuneration, recognition and reward
- Differing group stability profiles
- Non-uniform awareness of business objectives
- Poor communication channels
- Poor understanding of the opposite area of expertise

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Critical Activities Managed at the Innovation Interface

- Brand management
- Concept development
- New product development
- Market research
- Setting product specifications
- Consumer issues

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Critical Activities – Brand Management

- Clearly assignable as a Marketing function (performance, market share, competitive activity, image, growth, advertising spend, etc.)
- Consider the involvement of R & D member(s) in the brand management team
- R & D input invaluable for brand growth in the context of innovation and competitive activity
- Enhances R & D group's understanding of brand profile – frequently gives rise to "proactive R & D"

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Critical Activities – Concept Development

- Ownership may reside in the Marketing or R & D domain, depending upon the business type and company culture
- "Marketing-down" versus "R & D-up"
- Utilise marketing and R & D personnel in strategic concept development exercises
- Concept generation requires marketing vision, technical creativity and innovative foresight from both functions, for maximum success

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Critical Activities – New Product Development (NPD)

- The activity most critically impacted by the quality of the R & D/Marketing interface
- Poor management of the NPD process results in loss of financial resource and extended lead-times, leading to missed launch dates and high levels of internal frustration and potential conflict (cynicism)
- NPD failure frequently caused by poor/imprecise communication, resulting in misunderstanding and inadvertent change of project direction

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Critical Activities – Market Research

- Allied to the Marketing function - qualitative or quantitative?
- R & D and Marketing input is essential in selecting correct research methodology
- Degree of involvement depends on research methodology - R & D bias (quantitative) versus marketing bias (qualitative) versus
- Requires synergistic input from marketing, technical and market research groups for optimum data access

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Critical Activities – Setting Product Specifications

- Product specifications are essential for defining critical product parameters - implicitly generated by Marketing and R & D functions
- How should "out of specification" issues be handled?
- Deviation procedures must acknowledge respective areas of expertise
- Co-participation encourages high levels of mutual respect between R & D and Marketing functions

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Critical Activities – Consumer Issues

- Consumer concern and awareness of environmental, safety and ethical issues is growing rapidly
- The organisation's response procedure is critical - Marketing personnel are in the "front line"!
- Issues must be dealt with by both R & D and Marketing functions – co-operation and procedural awareness is of paramount importance
- "Nominated person" (board member?) and "task force" strategy is frequently the most successful

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The Role-Play of R & D and Marketing in the New Product Development Process

Who does what and why?

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The Phases of New Product Development

- Marketing (product development) brief
- Project scheduling and definition of overall launch objectives
- Evaluation of product prototypes
- Decision to launch

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The Marketing (Product Development) Brief

- The foundation document and prime communication medium for optimised NPD
- Form will vary widely by organisation but information must be precise and unambiguously presented
- Lack of forethought and strategic focus necessitates modification - results in lead-time erosion, frustration and perhaps even cynicism
- Joint authorship eliminates the majority of problems that can occur

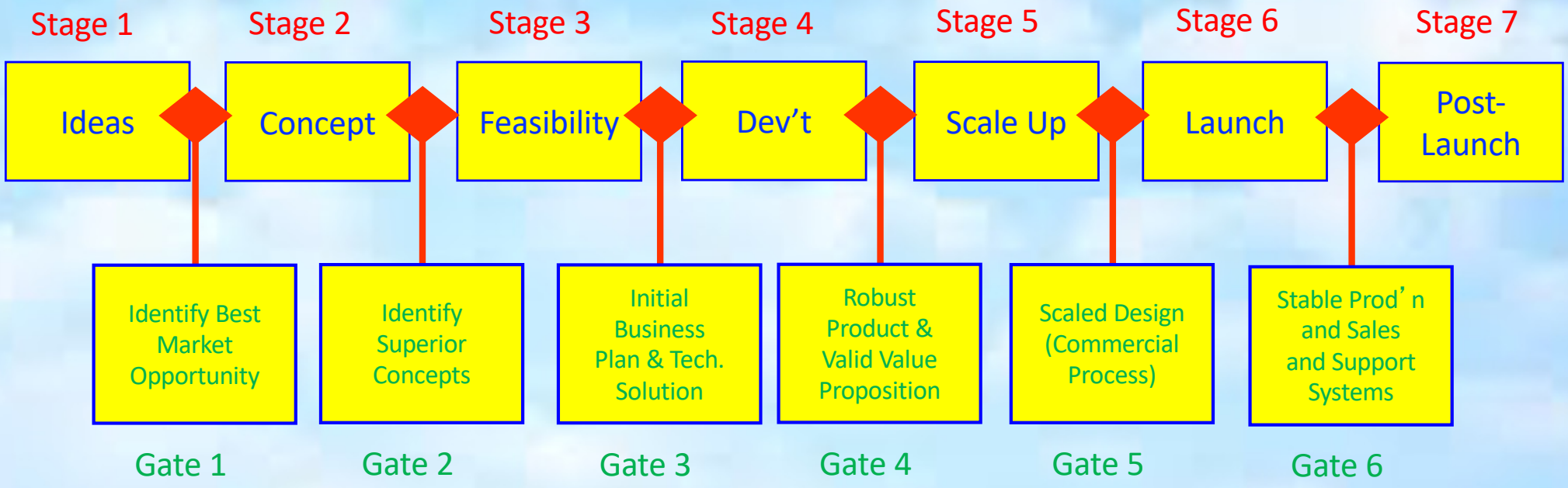
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Project Scheduling & Launch Objectives

- Launch objective is defined to meet a strategic plan or capitalise on a "window of opportunity"
- Launch objectives (both R & D and Marketing) must be realistically achievable!
- Project "milestones" should be jointly defined by R & D and Marketing functions - risk management
- Progress should be monitored by appropriate project management tools (Gantt Chart/CPA)

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Project Scheduling – Classic NPD Stage Gate Management Framework

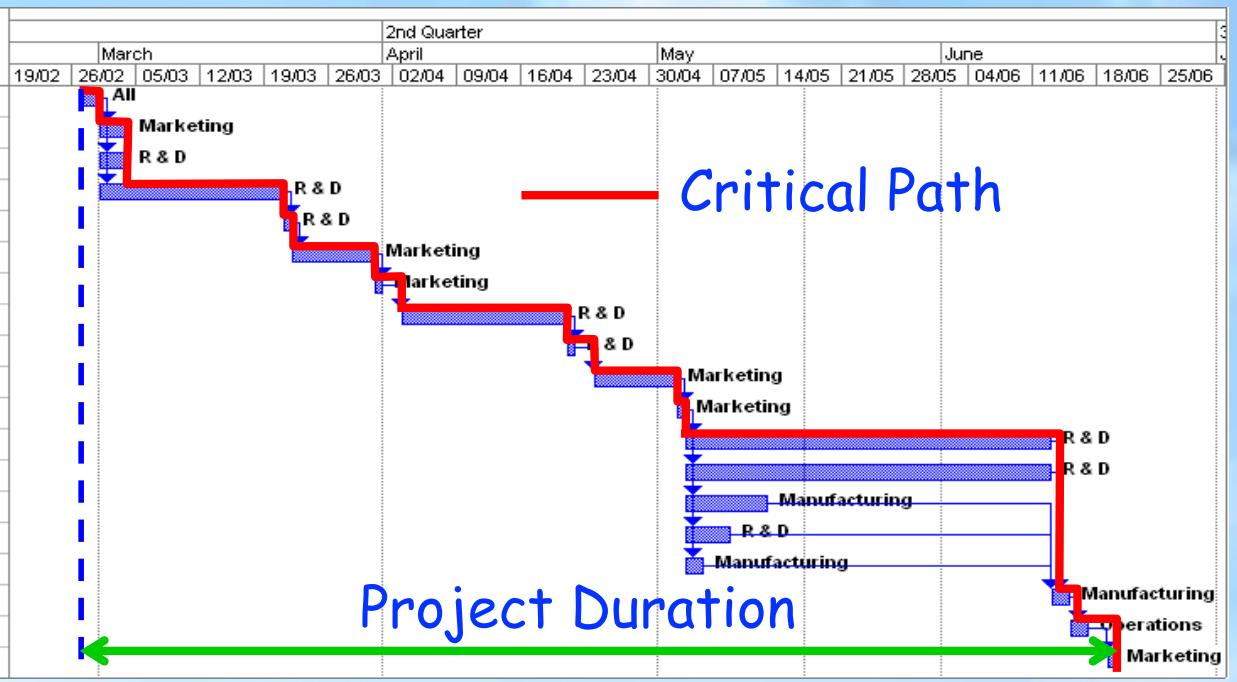


- 7 Project Stages/6 Gates
- Robust, high-quality products
- Satisfy customer needs

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Project Scheduling – Gantt Chart (CPA)

ID	Task Name	Duration	Predecessors	Resource Names
1	Concept Refinement	2 days		All
2	Marketing Brief	3 days	1	Marketing
3	Literature Search	3 days	1	R & D
4	Bench Development (1)	14 days	1	R & D
5	Prototype Submissions (1)	1 day	4	R & D
6	Prototype Evaluation	7 days	5	Marketing
7	Evaluation Feedback	1 day	6	Marketing
8	Bench Development (2)	14 days	7	R & D
9	Submission of Final Prototypes	1 day	8	R & D
10	Evaluation of Final Prototpypes	7 days	9	Marketing
11	Go/No Go Decision	1 day	10	Marketing
12	Stability Testing	28 days	11	R & D
13	Microbial Challenge Testing	28 days	11	R & D
14	Process Development	7 days	11	Manufacturing
15	Safety Evaluation	3 days	11	R & D
16	Plant Trials	2 days	11	Manufacturing
17	Production	2 days	16,12,13,14,	Manufacturing
18	Distribution	2 days	17	Operations
19	Launch	1 day	18	Marketing



Company:	Cosmetic Answers cc
Current Date:	03/04/2025
Title:	Cosmetic Product Development Exercise
Project Start:	19/03/2025
Project Finish:	25/06/2025

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Evaluation of Product Prototypes

- Product performance evaluation is an integral part of the new product development process
- Consider "self-assessment" methods using R & D and Marketing personnel - the "expert panel" concept
- Facility offers rapid and cost-effective product evaluation, in advance of an expensive full-scale consumer test
- Requires sound R & D - Marketing liaison for an effective and objective evaluation process

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Decision to Launch

- The decision on whether to launch a new product, lies primarily with the Marketing function
- However, the R & D function must be the arbiter of product suitability, safety and technical performance
- Therefore, a teamwork approach on a "go/no go" decision to launch is critical in the final decision

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Developing and sustaining good relationships between Marketing and R & D Functions

Part 1

“The importance of a creative work environment at the Innovation Interface”

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Does every individual have creative ability?

- Everybody can be creative in one way or another
- Creativity is an individual attribute but can be influenced by many external factors
- Have you ever wondered why somebody becomes more “creative” when they change jobs?
- Creative ability is significantly affected by the environment in which we work

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The Creative Work Environment

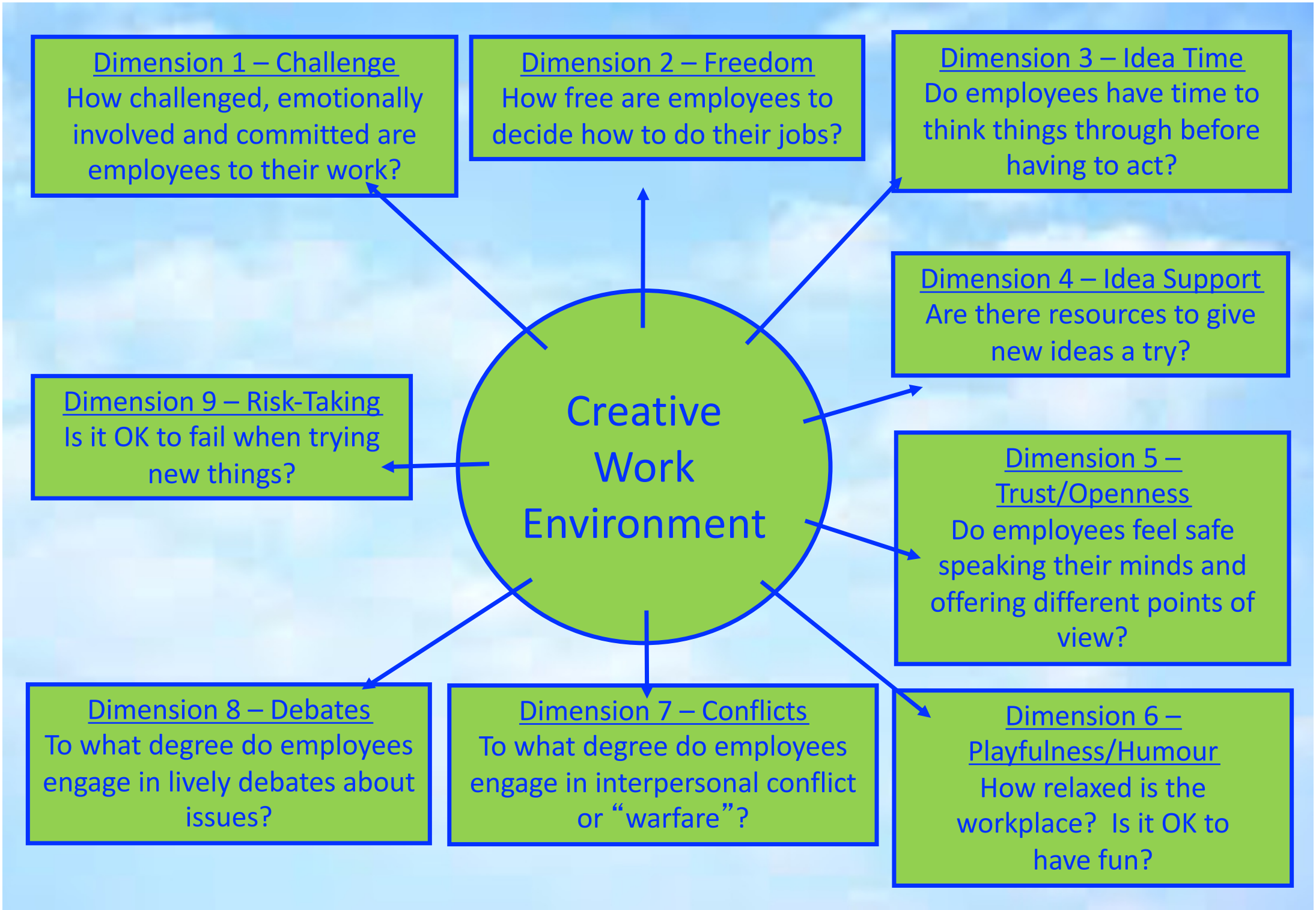
- Employees are significantly more creative in a creative work environment
- In many organisations, the work environment is ignored when trying to improve creativity
- Managers and leaders typically make the mistake of focusing on personnel, rather than the environment that they work in, when trying to improve creativity
- There is a direct correlation between a creative work environment and business success

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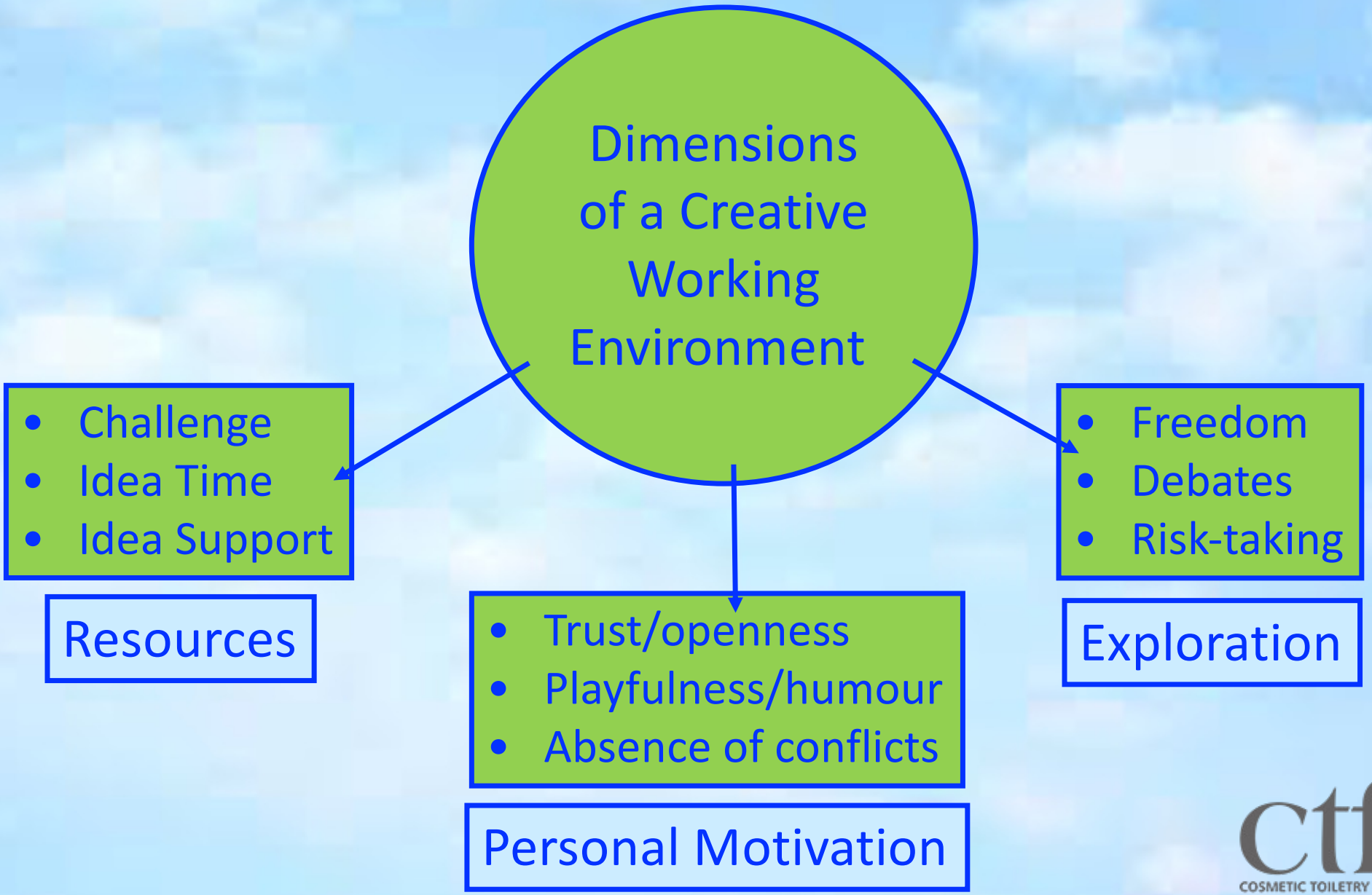
The Nine Dimensions of a Creative Work Environment

(based upon the theories of Goran Ekvall)

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Creative Work Environment
Dimension 1 – Challenge
How challenged, emotionally involved and committed are employees to their work?
Dimension 2 – Freedom
How free are employees to decide how to do their jobs?
Dimension 3 – Idea Time
Do employees have time to think things through before having to act?
Dimension 4 – Idea Support
Are there resources to give new ideas a try?
Dimension 5 – Trust/Openness
Do employees feel safe speaking their minds and offering different points of view?
Dimension 6 – Playfulness/Humour
How relaxed is the workplace? Is it OK to have fun?
Dimension 7 – Conflicts
To what degree do employees engage in interpersonal conflict or "warfare"?
Dimension 8 – Debates
To what degree do employees engage in lively debates about issues?
Dimension 9 – Risk-Taking
Is it OK to fail when trying new things?

Grouping the Nine Dimensions



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Typical Characteristics of Organisational Work Environments

- "Challenge" and "Freedom" often satisfactory
- "Playfulness/humour", "Absence of Conflicts" and "Debates" frequently in need of development
- "Idea Time", "Idea Support", "Trust/openness" and "Risk-Taking" most in need of attention

Why is this?

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Organisational Trends

- Many organisations experiencing restricted budgets and fewer people suffer "downsizing" in which:
  - ✓ "Challenge" and "Freedom" not affected
  - ✓ "Idea Time" and "Idea Support" significantly affected
- Reduction in headcount changes psychological attitude of employees:
  - ✓ "Trust/openness" and "Risk-taking" deficient (the "head above the parapet" idiom)

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So, how does your company organisation measure up?

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Environmental Rating Questionnaire

Answer the following questions truthfully about your own company organisation, scoring each question on a scale of “1” (a “little”) to “5” (a “lot”)

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Environmental Rating Questions

1. To what degree are employees deeply committed to their jobs?
2. To what degree are employees allowed to decide how to perform their jobs?
3. To what degree do employees take the time to think of alternate ways of accomplishing difficult tasks, before taking action?
4. To what degree are there resources to allow employees to give new ideas a try?
5. To what degree are employees informal and open with each other?

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Environmental Rating Questions

6. To what degree is the working environment good natured, relaxed and enjoyable?
7. To what degree is there emotional or interpersonal harmony in the working environment (i.e. lack of tension)?
8. To what degree is there lively debate about problems and issues in the organisation?
9. To what degree do employees feel free to take action, when the outcome may not meet expectations?

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How did your organisation score?

Rating Score	Environmental Creativity Rating
35 - 45	Excellent environment for creativity
25 - 34	Good environment for creativity
15 - 24	Fair environment for creativity
14 or less	Poor environment for creativity

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Work Environment Characteristics

"Innovative" Environment	"Stagnated" Environment
Committed employees highly motivated	Little commitment in the workplace
Personal freedom in doing the job	Close and conspicuous supervision
More time spent in idea generation	Less time spent in idea generation
New ideas favourably received	New ideas ignored or discouraged
Open and trusting relationships	Cynical relationships and little trust
Relaxed and enjoyable workplace	Unhappy and fateful workplace
Few personal conflicts	High degree of interpersonal tension
Much discussion/debate about new ideas	Little discussion/debate about new ideas
More likely to take risks (new procedures)	Risk-averse culture
Exciting and dynamic workplace	Frustrating and boring workplace

Improving the creative working environment

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Improving the Creative Work Environment

Climate Dimension	"Hard" Issues	"Soft" Issues
Challenge	—	Involve staff members in defining the challenge
Idea Time		Ask what ideas were considered but rejected in favour of the one proposed
Idea Support		Encourage new ideas and ensure they are well received
Playfulness & Humour	—	Create an expectation that work can be fun
Trust/Openness	—	Lead by example – admit mistakes when they are made
Debates	—	Stimulate debate to facilitate optimal solution
Absence of Conflicts	—	Encourage and build team spirit
Risk-taking	—	Cultivate an expectation that "mistakes" may occur

Developing and sustaining good relationships between Marketing and R & D Functions

Part 2

“Management Tools to Make it Happen”

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TEAM Building – Cynicism or Synergy?

Cynicism?

- **T** ake
- **E** xception
- **A** nd
- **M** ove!

Synergy?

- **T** ransfer (knowledge)
- **E** xpand (capability)
- **A** ssociate (with colleagues)
- **M** anage (relationships)

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Management Tools – The Marketing Brief

- Communication is critical - a mutually agreed written format with comprehensive details of product requirements and specification is essential
- Marketing objectives, performance criteria, packaging, target costs and projected launch date should be included in addition to R & D requirements
- Brief provides point of reference for all personnel involved in the product development exercise
- Written format encourages greater consideration of product requirements in advance of issue

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Management Tools – Technology Awareness Sessions

- Conceptually a R & D information resource for the Marketing function
- Run an off-site R & D "workshop" for Marketing personnel - format should be relaxed and unpretentious for maximum effectiveness
- Discussion and feedback should be encouraged - develops teamwork and interpersonal relationships
- Frequency of once/twice per annum enhances communication at the Innovation interface

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Management Tools – Technical-Marketing Reviews

- Designed to enhance the joint understanding of short- and medium-term business objectives
- Should involve all members of R & D and Marketing functions - provides a forum for review, discussion and prioritisation of overall business plans
- Avoid focus on one area of the business - encourage contribution from all attendees
- Frequency of once/twice per annum enhances communication at the Innovation interface

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Management Tools – Project Review Meetings

- Designed to address specific product development areas - strongly linked to project scheduling
- Should only involve personnel directly involved with projects under discussion - encourages "ownership", commitment and catalyses teamwork
- May be chaired by either R & D or Marketing personnel
- Should be held frequently - once per month is expedient

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Management Tools – Brand Plan Presentations

- May be regarded as the antithesis of Technology Awareness Sessions - a similar forum is required
- Main objective is to enhance R & D function's understanding of short-, medium- and long-term brand strategy
- Addresses issues such as brand positioning, brand performance and future growth opportunities
- Frequency of once/twice per annum enhances communication at the Innovation interface

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The Ideal R & D – Marketing (Innovation) Interface?

- Minimisation of functional disharmony
- Rewarding working environment for both functions
- A high level of motivation and commitment
- Good interdepartmental communications
- Focused synergy in meeting agreed business objectives
- Managerial and interpersonal harmony

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Optimising the R & D - Marketing Interface



R & D ⟷ Marketing

It can be done!

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