

# PDMA 2003 ANNUAL REVIEW

## A Year of Transition

### Progress on Many Fronts

In 2003, the Product Development & Management Association (PDMA) moved forward on virtually every front—from expansion of our annual International Conference to improved administration and growth in the number of local PDMA chapters. We also were able to put the organization on a much sounder administrative and financial footing, develop a number of exciting new products like the Body of Knowledge, and complete a comprehensive strategic plan for the future. Here are some of the details of these achievements:

#### PDMA 2003 in Boston attracts high turnout

More than 690 people attended the PDMA 2003 International Conference in Boston from October 22<sup>nd</sup> to 26<sup>th</sup>. The theme of the conference—"The Business of Product Development: People, Process & Technology Across the Lifecycle"—fully engaged the interest of attendees. It expanded PDMA's mandate beyond new product development to encompass the entire product cycle including reinvigorating or even sunsetting brands and products.

Excitement was visible throughout the conference. Attendance was up 26 percent over 2002 levels—a major achievement at a time when other conferences around the country were showing declines. A number of people took advantage of the pre-conference workshops or the Research Conference held the Saturday before.

The main conference began with a keynote speech from two top executives—Tony Reese and Dantar Oosterwal—from Harley-Davidson, a PDMA 2003 OCI co-winner, on October 24

### Letter from the PDMA President '03

Dear PDMA Members:

For the Product Development & Management Association (PDMA), 2003 was a year of transition. During the year, PDMA took a number of major steps forward to strengthen and expand its role as "thought leader" in product development and management across the life cycle.

We broadened the benefits of membership for our more than 2,000 members in the U.S. and abroad; expanded our product offerings, including development of the Body of Knowledge; strengthened our administrative structure; and completed development of a new Strategic Plan.

The primary aim of this Strategic Plan is to set priorities over the long term and make sure that our actions are aligned with those priorities. It is easy to get lost in short-term daily operational decisions. The process forced us to do the research to create a Strategic Framework and set priorities for 2004. See pages 19 and 20 for further details.

During the year, PDMA benefited from an upturn in the economy. That improvement, plus our own stronger marketing efforts and reorganization, led to greater attendance at our conferences and broader use of our member benefits, from certification to our website and publications such as *The Journal of Product Innovation Management (JPIM)* and *Visions*.

We lay out many details of these achievements in this 2003 Annual Review—



Bob Gill  
PDMA President 2003

the first member report we have ever produced. I want to thank all the officers, staff and members of PDMA who made such progress possible in 2003, and urge you to join with me and our current PDMA President Chris Miller in 2004 to implement our strategic priorities and keep PDMA moving forward.

Indeed, the global economy has changed radically within the last five years. PDMA wants to sustain its role as the "thought leader" in the field of product development and management. Working with all our members, we are determined to do this in 2004 and beyond.

Bob Gill  
PDMA President 2003  
Newton, Mass.  
June 1, 2004

PDMA Chapters and Affiliates: 2004



PDMA 2003 OCI Winners—Dow Chemical and Harley-Davidson



Starting from left: For OCI '03 co-winner Dow Chemical—Romeo Kreinberg and Kurt Swogger. For PDMA—Norm Wolfe, VP-Sec./Treas., Stan Jankowski, chair, OCI Selection, and Bob Gill, President '03. For OCI '03 co-winner Harley-Davidson—Tony Reese and Dantar Oosterwal.

(see photo on page 17), followed by a number of executive presentations from experts such as NPDP guru Bob Cooper, noted publisher Knight Kiplinger, and Bradford Goldense. President and CEO of Goldense Group. Attendees could select from among three tracks of special sessions and then break up the intensity of each day by visiting the exhibit hall. Over 20 exhibitors offered consulting services and products in the product development and management field. As an additional benefit, *Visions* ran a special eight-page pull-out section in its January issue.

In a survey by the organizers, over 88 percent of attendees answered positively to the question, "Would you recommend this conference to a colleague?"

### Co-sponsored conferences grow in popularity

In 2003 PDMA co-sponsored six regional conferences in the U.S. on topics ranging from the Front End to Portfolio Management. The Front End Conference in Boston drew a particularly large group of speakers and attendees, and seems on its way to becoming a "must-attend" annual event. These co-sponsored conferences were organized and managed by PDMA in conjunction with the International Institute for Research (IIR) in New York.

### PDMA adds two new chapters

Two new chapters were formed in 2003, bringing the total of PDMA chapters to 21 in the U.S., plus one foreign affiliate, U.K.-Ireland. The new chapters include Northeast Ohio (Cleveland) under the leadership of Dave Lupyán and Baltimore under the leadership of Mike Abbot. These regional chapters and the U.K.-Ireland affiliate form the heart of PDMA. It is here, locally, where many NPDP professionals first become involved. They assemble at local meetings, listen to prominent

speakers and form a local community of professionals engaged in product development and management.

### Dow and Harley-Davidson—PDMA's 2003 OCI winners

Since 1987, PDMA has presented an Outstanding Corporate Innovator (OCI) Award each year to one or two companies that demonstrate sustained excellence in the development and profitable commercialization of new products and services. *Fast Co.* magazine was the sponsor of the OCI award in 2003. The co-winners were: Harley-Davidson Motor

award are sustained success in launching new products over a five-year time frame; significant company growth from new product success; a defined new product development process that can be described to others; distinctive innovative characteristics; and other intangibles.

### NPDP Certification program expands

PDMA's Product Development Management Professional Certification (NPDP) program also continued to evolve in 2003. It is now in its fourth year of operation. To date, over 535 people have earned this certification. In 2003, 78 professionals achieved this distinction. A survey conducted in 2003 revealed that over two-thirds of respondents feel certification helps them gain an enhanced professional image and aids in the search for new jobs. Service providers found that certification enhanced their credibility and reputation with clients.

The value of the knowledge contained in the certification program is demonstrated by the fact that as of the end of the year four companies had used PDMA's certification program for internal training—Cingular Wireless, Atlanta, Ga.; Integrated Development Enterprise, Inc. (IDE®), Concord, Mass.; Abbott Laboratories, Abbott Park, Ill.; and PRIM, Boston, Mass.. PDMA is now developing a marketing program to promote its certification focused

around the theme: "In a competitive marketplace, NPDP Certification will allow professionals to 'Gain the Edge.'" Be on the lookout for messages from this campaign in 2004.

### Body of Knowledge created

In 2003, a special committee worked hard to create the PDMA Body of Knowledge (PDMA-BOK)—a comprehensive compilation of information that will be available in 2004 on

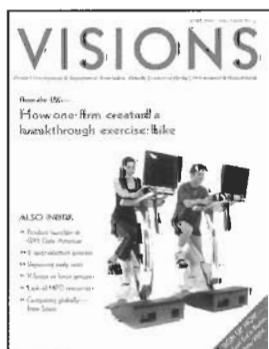
## PDMA 2003—Major Achievements

- Record attendance at 2003 International Conference
- Growth in number of co-sponsored conferences
- Expansion of U.S. chapters from 19 to 21
- Certifications for NPDP increase 17 percent
- Announcement of Body of Knowledge
- Website traffic grows by 60 percent
- JPIM wins fourth Emerald award
- *Visions Magazine* wins 2003 ACE award
- Best practice research initiated by PDMA Foundation

Company, which won for its dynamic product development process that identifies and sustains the balance points in the company's planning, people, processes, and technology; and the Polyolefins and Elastomers Business Group of The Dow Chemical Company, which won primarily on its ability to quickly launch a series of commercially successful products using Dow's proprietary INSITE<sup>®</sup> Technology.

The basic criteria for receiving PDMA's OCI

*Visions Magazine*



*Visions magazine* won a 2003 ACE Award from the New York Chapter of the International Association of Business Communicators (IABC).

*PDMA Presidents, Past and Present*



PDMA Presidents gather at the PDMA 2003 International Conference in Boston, October 24-26, 2003 including, from left: Bob Gill (2003), George Castellion (1991), Paul O'Connor (1992-93), and Chris Miller (2004).

JPIM



JPIM won its fourth Emerald Award and acquired a new publisher, Blackwell Publishing.

the Internet that organizes, distills, and provides ready access to the continuously evolving core knowledge needed and used by product development and management professionals and their organizations.

The PDMA Body of Knowledge concept evolved out of the certification program to define the knowledge NPD professionals need. However, as it evolved, it has moved to a whole new level with the development in 2003 of a web architecture. Members attending the annual meeting at the International Conference were given a sneak preview of the new web-based PDMA Body of Knowledge. The PDMA-BOK will make it much easier for those new to the field to acquire knowledge—and help experts fill in the gaps in their knowledge or find new information quickly and efficiently.

### *Pdma.org* website draws record traffic

Traffic on the PDMA website—[www.pdma.org](http://www.pdma.org)—increased 60 percent in 2003 over 2002, to an average of over 50,000 hits per month. This jump proved that executives are becoming more interested in the expertise that PDMA offers. The most accessed page was the glossary page, followed by articles from *Visions* magazine; information about the international conference; the “About PDMA” pages; the job bank with over 30 positions listed; and finally PDMA’s prestigious academic journal, the *Journal of Product Innovation Management (JPIM)*.

### New publisher for *JPIM*—Blackwell Publishing

For the fourth year in a row, the *Journal of Product Innovation Management (JPIM)* won the prestigious Emerald Golden Page Award which is presented to the few outstanding management periodicals that consistently deliver excellent articles.

Starting in 2003, Blackwell Publishing took over the job of publishing *JPIM*, the leading academic journal devoted to the latest research, theory, and practice in new product and service development. Outgoing editor

PDMA 2004 Priorities	
Objective	Specific activity in 2004 and beyond
Increase member value	<ul style="list-style-type: none"> <li>• Introduce on-line Certification testing</li> <li>• Support publication of the PDMA Foundation CPAS Study</li> <li>• Expand number of targeted conferences</li> </ul>
Grow “communities of interest”	<ul style="list-style-type: none"> <li>• Increase number of U.S. chapters and chapter participation</li> <li>• Pursue international expansion</li> <li>• Strengthen links to academic community</li> </ul>
Expand PDMA Body of Knowledge (BOK)	<ul style="list-style-type: none"> <li>• Complete structure of BOK</li> <li>• Provide online access through PDMA website</li> </ul>
Improve financial stability	<ul style="list-style-type: none"> <li>• Continue to increase reserves</li> </ul>
Achieve operational excellence	<ul style="list-style-type: none"> <li>• Restructure headquarters operations</li> <li>• Improve service level to members</li> </ul>
Grow volunteer base	<ul style="list-style-type: none"> <li>• Create effective recruitment process</li> <li>• Enhance volunteer experience</li> <li>• Provide greater volunteer recognition</li> </ul>

Abbie Griffin oversaw this changeover, which was significant for many reasons. With Blackwell, PDMA now has a much improved business model for publishing the journal, as well as a fully electronic process for all aspects of publishing—from manuscript submission to galley proofs. Full content of back issues of the *Journal* is now available to PDMA members electronically. At the end of the year, Anthony Di Benedetto, Ph.D., Professor of Marketing at Temple Fox School of Business and Management, was appointed editor starting in 2004 to follow Abbie, ending her successful term of six years at the helm.

### *Visions* Magazine wins 2003 ACE Award

*Visions* magazine, PDMA’s quarterly members’ publication devoted to practical knowledge in the field of product development, achieved new heights in 2003 with an award for “most improved” publication from

the New York Chapter of the International Association of Business Communicators (IABC). *Visions* received this award for its transformation from a member newsletter to a respected industry magazine under the leadership of Editor-in-Chief April Klimley.

### PDMA hires full-time operations director

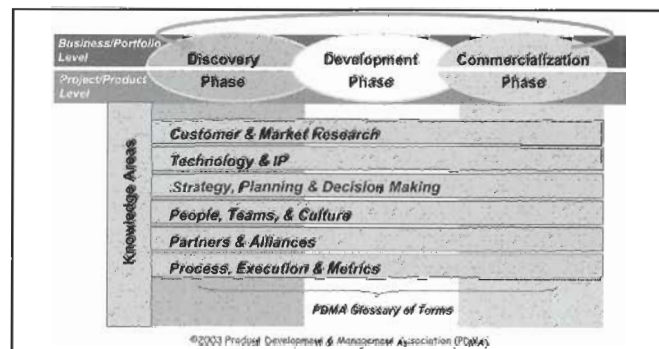
Several significant changes were made in the structure of PDMA in 2003. PDMA hired its first full-time Director of Operations, Lynn Becker, in order to improve service, efficiency and overall administration of the association. The Director of Operations oversees the overall operations through an Association Management firm and with the assistance of a dedicated Association Services Director and Services Coordinator for PDMA. Some additional functions are outsourced and others remain under the aegis of the association headquarters firm.

PDMA NPDP Certification at Abbott Labs



Eleven Abbott Labs employees were certified through PDMA’s NPDP Certification in 2003 with the assistance of Jerry Groen, now a Senior Program Manager at Hospira.

PDMA Creates the Body of Knowledge



PDMA created a Body of Knowledge (PDMA-BOK) comprised of the Association’s total body of knowledge within the field of product development and management. It will be easily accessible through PDMA’s website ([pdma.org](http://pdma.org)).

In 2003, PDMA held its first official annual meeting at the Boston International Conference. PDMA President Bob Gill ran the meeting, and asked several board members and committee heads to give reports on various topics of interest. Over 80 people attended to hear the presentations.

The PDMA Board is made up of 23 members. This includes the Executive Committee, which is comprised of 12 officers, plus the *JPIM* Editor and Director of Operations.

The presidency of PDMA rotates annually. The Association also has a Presidents' Office made up of the three presidents—the immediate past, present, and president-elect—plus the Treasurer and Director/Operations to guarantee program consistency and manage the organization's strategic direction.

## Strategic Plan process completed

In early 2003, the PDMA Board embarked on a strategic plan process. The aim was to identify how to keep PDMA in the forefront of product development and management—thus maintaining its position as the primary "thought leader" in this field.

First, the needs of various stakeholders in PDMA and the field as a whole were examined. From that, PDMA developed seven strategic priorities, shown in the Strategic Framework chart on this page. Priorities for 2004 are shown in the box on page 19.

Throughout the entire process, the board kept one overall objective in mind—to set longer-term strategic priorities for PDMA.

PDMA's Strategic Framework  
For Strategic and Operational Excellence



Now that the planning is over, it's all about execution. PDMA will work hard to ensure that the strategic priorities remain consistent with overall objectives throughout the coming years.

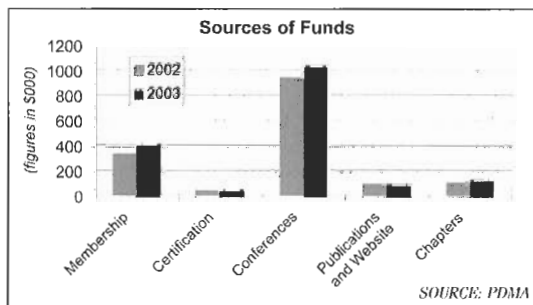
## PDMA 2003 Financials: A Solid Footing

PDMA placed itself on a more solid footing in 2003—due to improved administration, a rebounding economy, and an exceptionally successful International Conference. Overall revenues increased from 2002 to 2003, and the largest contributors to the revenue stream continued to be Conferences and Membership.

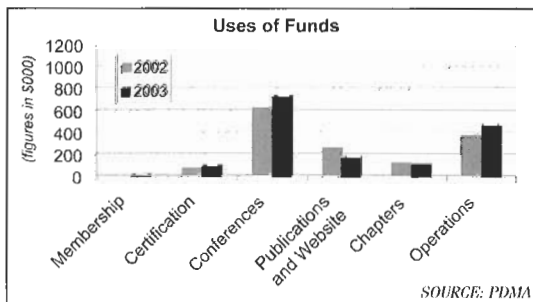
Conferences and Operations were the two largest users of funds in 2003, while the cost of publications and the PDMA website declined. PDMA was able to reduce these publication and web site costs by shifting some of these activities to centralized administration. The Association also hired a full-time Director of Operations and began to hold more frequent Board of Directors meetings. These changes contributed to increased efficiency, better systems and improved governance.

The Association was also able to lower expenses and increase the quality of service in publications, due to the shift to Blackwell Publishing for the *Journal of Product Innovation Management (JPIM)*. PDMA increased its reserves by \$109,000 to a total of \$385,272 by year-end 2003. Best practices for professional associations like PDMA require that the Association maintain a reserve to meet unforeseen problems and funding emergencies. ⬆

PDMA Sources of Funds: 2002 vs. 2003



PDMA Uses of Funds: 2002 vs. 2003



## PDMA Board of Directors

### Executive Committee

President.....	Chris Miller
President-Elect.....	Bob Breatin
Past President.....	Bob Gill
V.P. Academic Affairs.....	Peter Koen
V.P. Association Development.....	Bob Johnston
V.P. Chapter Development.....	Rich Notargiacomo
V.P. Marketing.....	Al Eidson
V.P. Conferences.....	Hansa Thota
V.P. New Services.....	Susan Penta
V.P. Publications.....	W. Martin Watson
V.P. Certification.....	Jerry Groen
Secretary/Treasurer.....	Norman Wolfe
<i>JPIM</i> Editor.....	Tony Di Benedetto
Director of Operations.....	Lynn Becker

### Directors

Doug Boike
K.T. Connor
Tom Felsenfeld
Erik Jan Hultink
Tom Husted
Tina Kampman
Gerry Katz
Gina O'Connor
Stephen Somermeyer

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### Member Services and Publications

Association Services Director.....	Melissa Baldwin
Association Services Coordinator.....	Henry Van Nostrand
Database Manager.....	Bob Fogle
Visions Editor-in-Chief.....	April Klimley
PDMA Webmaster.....	David Olson