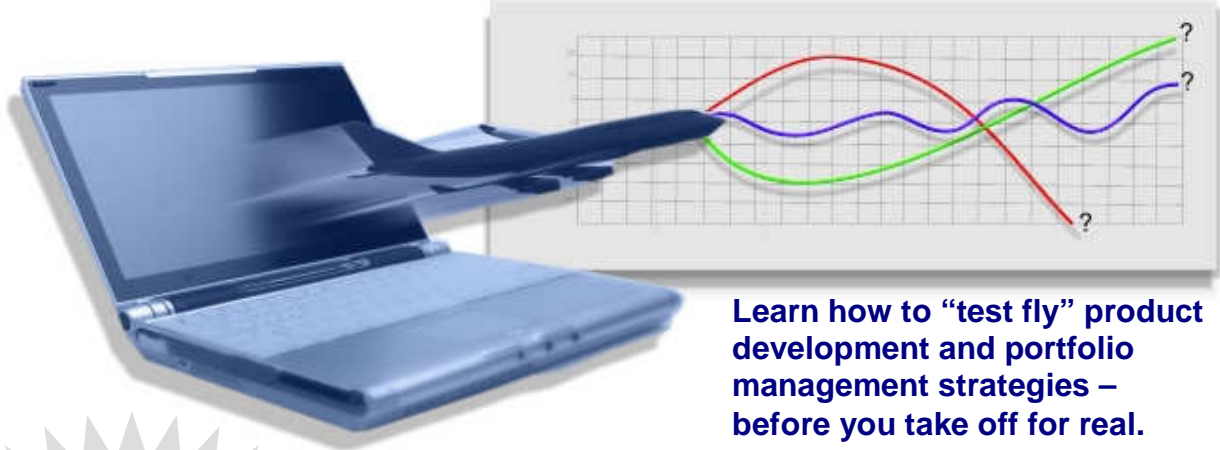


Tues 15th – Wed 16th
September 2009
Leeds, UK

A 2-day discovery programme with
an optional 3rd day
to build a product flight simulator

Fly the product life cycle with management flight simulators



Learn how to “test fly” product
development and portfolio
management strategies –
before you take off for real.

Special offer
iThink simulation
bundle and 2-day
workshop

Make product strategy visible...

...with a universal yet simple visual ‘language’ to describe product strategy across the organisation and through the product life cycle.

Make product strategy valuable...

...by developing product and portfolio strategies that create financial value – and see how, when and where value is created or destroyed.

Make product strategy shared...

...by engaging managers right across the organisation in developing product and portfolio strategies.

Learn to fly the product life cycle...

...by using powerful management flight simulators to test all your product and portfolio strategies before implementation - and without risk.

“By simulating our product portfolio we were able to understand and communicate the interdependent effects of alternative R&D, licensing and marketing opportunities, leading to a fundamental overhaul of our development strategy”

Strategy Director:
Major European
Pharmaceutical
Company



This programme is for executive managers, strategy managers, planners and analysts in all industries and public services where product and portfolio management is critical to success.

The programme covers essential principles of product life cycle and portfolio management, introducing ideas and tools that will help you to develop - and test before implementation – strategies that you can be confident in.

A Cognitus Discovery Programme with *iThink* simulation software from isee systems inc

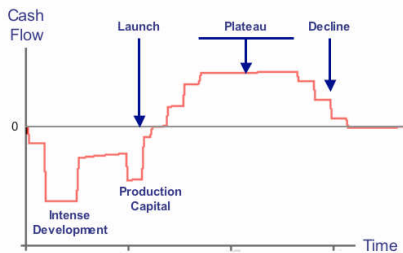
Programme Overview

From product life cycle management to portfolio strategy management

The course will introduce principles of product life cycle management, progressing through single and multiple product issues to portfolio management strategy. The primary teaching medium is business simulation. No prior knowledge of simulation is required. Some business experience and basic financial knowledge is assumed.

The Classic Product Life Cycle

All products, no matter how successful, eventually die. The classic product life cycle is shown below as net cash flow through time.



Cash flow is negative until after the product is launched; the three key market phases then are – growth, plateau and decline. A successful product creates ‘value’, measured over its whole life.

Product Life Cycle Management: PLCM Basics

Life cycle management involves integrating management actions to maximize value to the company as a whole, over the whole product life cycle. R&D, operations, sales/marketing and finance must all be coordinated during every stage of the life cycle.

Continuous Coordination. Even a single product organization – for example a specialized software company – must continuously refresh its product to meet changing customer demands. Each major upgrade is essentially a new product launch and requires coordination between all management functions.

Measurement. PLCM requires a global approach using both short and long-term measures of performance. Each organization will adopt its own measures of lifetime performance – NPV value is common (although not without conceptual difficulties). Appropriate choice of a range of life cycle metrics, engaging all company management functions, is critical to value creation.

You will learn how management decisions interact over time to create or destroy value; to understand strengths and limits of NPV as a key product objective; to create appropriate ‘whole business’ metrics and scorecards to improve PLCM dynamics.

Multiple PLCM Dynamics: Avoid Planning Traps

Multi-product companies have a much more complex task - to manage the life cycles of a range of products, using limited central resources. Clearly, some overall control is necessary.

But sometimes the very process of management ‘control’ itself – e.g. annual planning and capital budgeting – may cause unexpected and unwelcome fluctuations in performance.



Product lifecycles – amplified across whole markets - are the underlying, hidden drivers of “boom and bust” performance fluctuations - now all too familiar in many industries (e.g. pharmaceuticals, electronics, real estate, banking).

Managers, strategists and planners also often make things far worse by misunderstanding the fundamental ‘physics’ of product cycles, over-reacting to minor fluctuations and – in particular – by demanding unrealistic short-term growth targets that are incompatible with long-term business fundamentals.

Performance cycles are in fact predictable by simulation – although exact timings may not be. Simulations are an extremely powerful means for all businesses to test their business expansion and product development strategies – in advance and without risk.

You will learn how simulations can help to identify potentially problematic management plans and help to build multi-product strategies that match growth with long-term value creation.

Portfolio Management: Mastering the Complexity

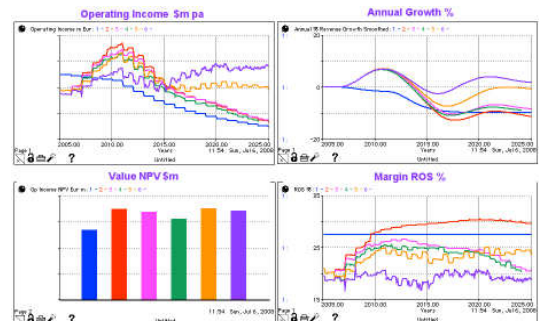
Portfolio management is a structured strategy approach to build value and avoid the traps of uncoordinated product management.

A *portfolio* is an organized collection of products, often grouped by categories. The head organization makes the global investment and divestment decisions, based on the relative attractiveness and risk of products (and/or) categories. Product and portfolio managers must then make development decisions to drive and to meet the long-term global strategy.

Portfolio managers must consider options available (e.g.) to develop a product (or a category) internally, to acquire/divest a product, to in/out-license, or to partner with other companies.

Marketing and product managers operate within portfolio strategy to (e.g.) build brands and grow sales. *R&D managers* adopt rigorous productivity strategies; *operations managers* seek continuous process improvement; *HR managers* seek to create an organizational culture of creativity and transparency.

All these strategies are interconnected - and must be coordinated within a **structured decision framework based on value.**



These graphs are derived from a real-life portfolio study of a major pharmaceutical company - and illustrate how different performance metrics such as growth, margin and value (NPV) can be balanced within global portfolio strategy.

You will learn to define portfolios by appropriate product groups; to use simulations to design and manage portfolios effectively and to coordinate management actions across product life cycles.

Programme Structure and Timetable

Workshop programme: Day 1 and Day 2

"A breakthrough in strategic life cycle planning. For the first time ever we have a 'big picture' of the entire field over the remainder of its life cycle. We can explore many capital and operational options without risk; and we can focus hard on the options we need to examine in more depth"

BP Exploration: Field Planning Manager

"A revelation. We have struggled to build a high-level picture of our business that our development, operations and marketing staff could agree on. Now we have not only a picture – but a living development tool as well."

CFO: International Consumer Electronics Company

Optional 3rd day:

In the September 2009 public programme this day is replaced by a separate "Systems Thinking and Business Modelling" Workshop.

Day 1: Introduction to product life cycle management (PLCM)

9 a.m. Greetings and Introductions

Morning: Product life cycle dynamics

The classic product life cycle – three real examples - concept of life cycle management – differences and similarities in the three cases – ideas of *resources* as key drivers of the life cycle.

Resource structures and stock/flow language – introduction to feedback – resources and feedback in the product life cycle – recurring dynamic structures in the product life cycle.

Afternoon: Product life cycle case study – "Alpha Electronics"

Introduction – Alpha's problem – resource structure of Alpha's product life cycle – simulation of dynamics of the life cycle – strategy options and trade offs.

Group Exercise – "What product life cycle strategies might Alpha use to increase growth?" "Are aggressive growth strategies compatible with business sustainability?"

Debrief of Alpha exercise. Simulation of alternative strategies. Trade-offs and conflicts between alternative strategies. Measurement – growth or value?

Open discussion. Key learning points.

4.45 – 5.00 p.m. Review learning points from Day 1. Close.

Day 2: Multiple product life cycles and portfolio management

9 a.m. Quick revisit of day 1 – product life cycle structure and dynamic behaviour.

Morning: Case study in pharmaceuticals – "VetPharma"

Introduction – Vetpharma's problem/dilemma – structure of the pharmaceutical product life cycle – simulation of the product life cycle – the concept of *value* in the life cycle – the product portfolio concept - the three key portfolio strategy options available to Vetpharma.

Group Exercise – "What long-term product development strategies should Vetpharma pursue?" "Why? How will you justify your strategies?"

Debrief of Vetpharma exercise. *The structural dilemma impacting Vetpharma's future. Simulation of potential product and portfolio development options. Open discussion. Key learning points.*

Afternoon: Bringing it all together – product and portfolio management

Product life cycles – principles of structure and dynamic behaviour

The concept of life cycle *value* – and relationships between growth, ROI and value

Product and portfolio management – needs for alignment

Group Exercise - review of key course learning points – debrief in open session.

Wrap up – what next? Where do you go from here?

4.45 – 5.00 p.m. Review and Close Workshop. Wrap up and Recap of Key Learning Points. [\[Takeaway - Course Handouts and Access to Course Simulations\]](#)

Day 3: Hands on - Product life cycle simulation with *iThink*

Morning: Build a simple product life cycle simulation under instruction

"Alpha" and "VetPharma": similarities and differences – key structural elements of both. The *iThink* toolset - create simple resource structures in *iThink* and simulate – relate structures to dynamic behaviour – create simple feedback structures – understand basic *iThink* principles and functionality.

Afternoon: Extend simulation and build a simple user interface

Build a multiple resource simulation from scratch. Test model with data. Add a user interface. Questions and Answers.

4.45 – 5.00 p.m. Wrap up – what next? Where do you go from here? Close.

About Cognitus Discovery Programmes



Cognitus' programmes have been delivered in different forms to thousands of delegates in many companies. All our courses are continually revised to meet current interests and technical advances, drawn from our own experiences.

You will learn from practitioners who have been 'at the front line' in delivering these subjects with some of the world's leading organisations.

Each workshop may be easily adapted and delivered to address specific interests of particular organisations. Call Cognitus for details.

Fly the product life cycle is just one of a range of Cognitus Discovery Programmes that explore strategic issues from different management areas and perspectives. See the Cognitus website www.cognitus.co.uk for details.



How to book your place...

Course fee

2 days: £700 + VAT, to include lunches and refreshments.
All fees are payable in advance, on confirmation of booking.

Venue and accommodation

The Institute of Directors (IOD), Albion Place, Leeds.

Overnight accommodation is available at or near the venue, and can be booked on your behalf by Cognitus.

Leeds is well-connected to London and the rest of Europe by road, rail and air networks (Leeds/Bradford airport).



Payment is accepted by debit/credit card, cheque, direct bank transfer or by purchase order.

Phone Jill Chinnery: +44(0)845 8900 499
or email: info@cognitus.co.uk
or visit the website: www.cognitus.co.uk to register and book online

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Order an *iThink*[®] business bundle* (worth £1,326) with your 2-day delegate place for a total fee of £1,699 + VAT.

The *iThink*[®] business bundle

provides a complementary set of resources for initiating a strategy simulation or business re-engineering effort within your organisation. Includes:

iThink 9.1 Professional License

An Introduction to Systems Thinking with iThink Process Improvement Manual
CD with *iThink* and business examples

An Introduction to Systems Thinking with iThink sets the stage, by describing the language of Systems Thinking and applying it to the dynamic modelling process.

The *Process Improvement Manual* builds on the basic foundation of *An Introduction to Systems Thinking* and provides guidelines for process improvement activities using *iThink* software.

Included with the *Process Improvement Manual* is a CD full of models that illustrate the discussion in the book. These models can serve as a starting point for your own modelling efforts.

