

KPI ENCYCLOPEDIA

A Comprehensive Collection of KPI Definitions for

PRODUCT DEVELOPMENT

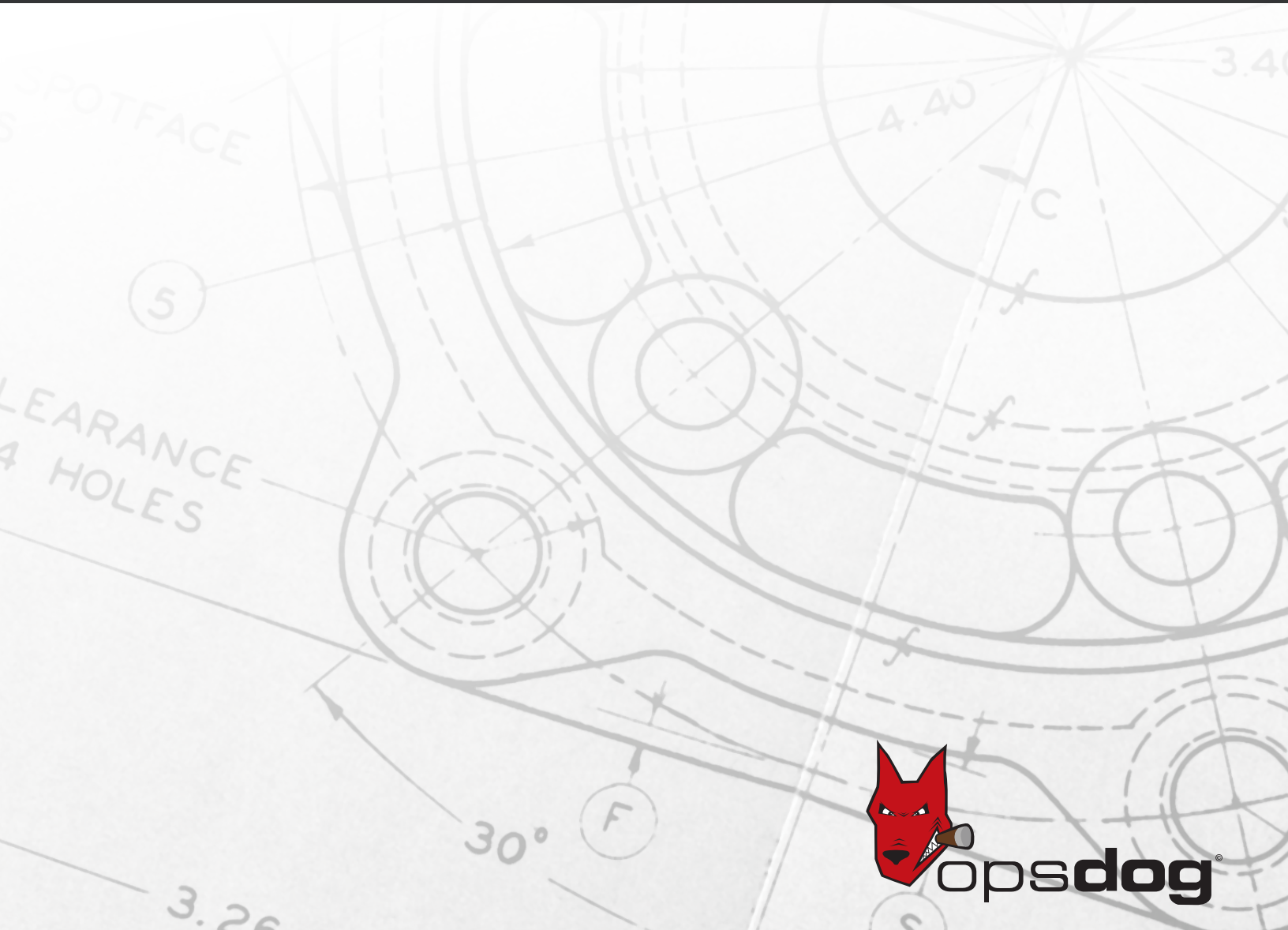


Table of Contents

Product Development KPI Encyclopedia

Product Development Metric Definitions

Product Development	2
Engineering & Design	5
Idea Generation	7
Product Management	9
Product Packaging	12
Product Quality & Safety	14
Product Testing	16
Research & Development	18

This content may not be copied, distributed, republished, uploaded, posted or transmitted in any way without the prior written consent of OpsDog, Inc.



Product Development

Product Development

Product Development

Engineering & Design

Idea Generation

Product Management

Product Packaging

Product Quality & Safety

Product Testing

Research & Development

Companies typically see product development as the first stage of generating and commercializing a new product or service within the overall strategic process of life cycle management. Product development is also used to maintain an existing product or grow current market shares. Modern product development involves research, testing, positioning, differentiation and several other facets.



Product Development

KPI Encyclopedia

Cost

- **Total Expense per Product Development Employee** – The total expense incurred by the company over a certain period of time divided by the total number of Product Development employees.
- **Total Expense: Product Development** – The total expense incurred by the Product Development function (across all products) over a certain period of time.
- **Total Expense: Product Development Life Cycle** – The total Product Development-related expense incurred during a single product's life cycle, from ideation to post-launch.
- **Unit Cost: Product Launch** – The total cost of bringing new products to market (including the expense incurred throughout all stages of product development) divided by the total number of products launched over the same period of time.
- **Product Development Expense as a Percentage of Revenue** – The total Product Development expense divided by the total revenue generated by the company over the same time period, as a percentage.

Organizational

- **Activity Checklist: Product Development** – A yes/no metric indicating whether the following functions are carried out within the Product Development Department: needs and wants exploration, idea generation, concept development, business analysis, screening, prototype development, market testing, plant scale-up, commercialization/launch and post-launch checkup.
- **Employees per Product Development Team** – The total number of Product Development employees working for the company divided by the number of active Product Development teams.
- **Management Levels: Product Development** – The total number of management levels, or layers, in the Product Development Department, from the head of Product Development to the lowest level Product Development manager.
- **Organizational Structure: Product Development** – A yes/no metric indicating whether the Product Development function is centralized (all employees in a single location) or decentralized.
- **Span of Control: Product Development** – The average number of Product Development employees reporting to each Product Development manager.

Organizational (Cont.)

- **Total Employees: Product Development** – The total number of Product Development employees working for the company at a certain point in time.

Productivity

- **Products Developed per Product Development Employee** – The total number of new products developed (including both products that were and were not brought to market) over a certain period of time divided by the total number of Product Development employees.

Quality

- **Average Number of Product Development Milestones** – The average number of milestones, or stage gates, that are formally established to measure the progress of new product development projects
- **Frequency of Product Development Reporting** – The total number of times during the product development life cycle that Product Development team members provide formal reports to management over a certain period of time.
- **New Product Development Milestone Attainment** – The number of milestones during the product development process that are met by the pre-determined date divided by the total number of established milestones for a particular product development process, as a percentage.
- **New Product Kill Rate** – The total number of new products that are killed, or prevented from being further developed, prior to launch (i.e., at any phase of the product development life cycle) divided by the total number of products undergoing development over the same period of time, as a percentage.
- **Number of Pre-Launch Product Tests Required** – The total number of formal screenings, or tests, a product must pass before manufacturing scale-up and market launch can begin.
- **Number of Product Development Teams** – The total number of new Product Development teams working for the company at a certain point in time.
- **Percentage of New Products Launched on Schedule** – The total number of new products that are launched by the scheduled launch date divided by the total number of new products launched over the same period of time, as a percentage.



Product Development (Cont.)

KPI Encyclopedia

Quality (Cont.)

- **Percentage of New Products On Budget** – The total number of new products that adhere to their allotted product development budget divided by the total number of new products developed over the same period of time, as a percentage.
- **Percentage of Products Developed With Partner Firms** – The total number of new products developed in conjunction with other firms (i.e., 'partners') divided by the total number of new products developed over the same period of time, as a percentage.
- **Percentage of Products Selected for Launch** – The total number of new products chosen for launch divided by the total number of new products being developed over the same period of time, as a percentage.
- **Product Breakeven Time** – The number of months required to recover the full investment of developing a new product through profits generated by sales or licensing.
- **Product Development Budget Adherence** – The total number of new products under development that exceed allotted budgets divided by the total number of new products developed over the same period of time, as a percentage.

© 2012 OpsDog, Inc. All rights reserved. OpsDog is a registered trademark of OpsDog, Inc.

**To download the full document,
add this product to your shopping cart
and complete the purchase process.**

