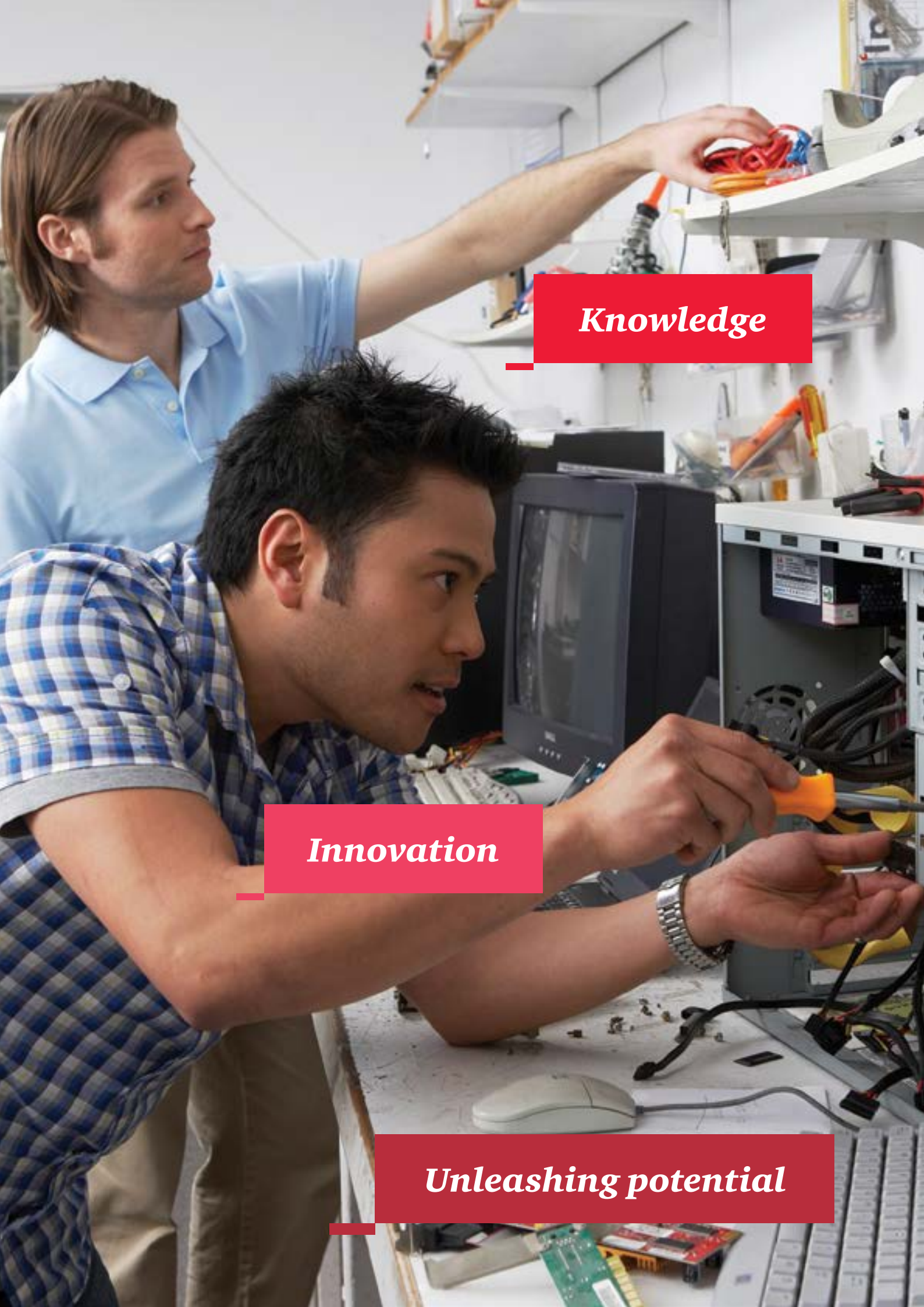


Unleashing your growth potential

Product Innovation and Development

*Delivering growth
and profitability
through innovative
products and services*





Knowledge

Innovation

Unleashing potential

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Why change?

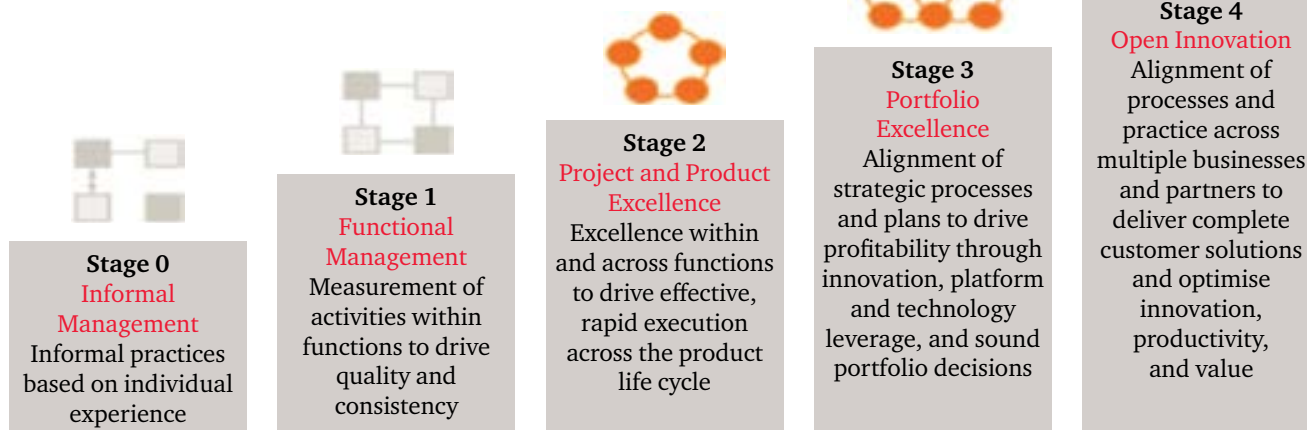
#1

CEOs ranked innovation as the #1 approach for growth. Increasing competitive pressures and a need to deliver growth mean that CEOs recognise the need to bring new products and services to market quickly and efficiently

Double performance

Leaders vs. Others

Leaders typically deliver substantially better Revenue Growth and Productivity than underperforming peers, as quantified by PwC's global innovation benchmark



			Leaders	
Revenue Growth	16%	19%	19%	32%
P.B.T. Growth	8%	8%	23%	54%
Time to Market	1.0	0.5	0.3	-
Productivity	1.0	1.2	1.4	2.0

(Based on PwC's Global Product Innovation Benchmark)

Further indications the market agrees: numerous surveys have identified growth and innovation as one of the top two C-suite concerns:

PwC CEO Survey 2011

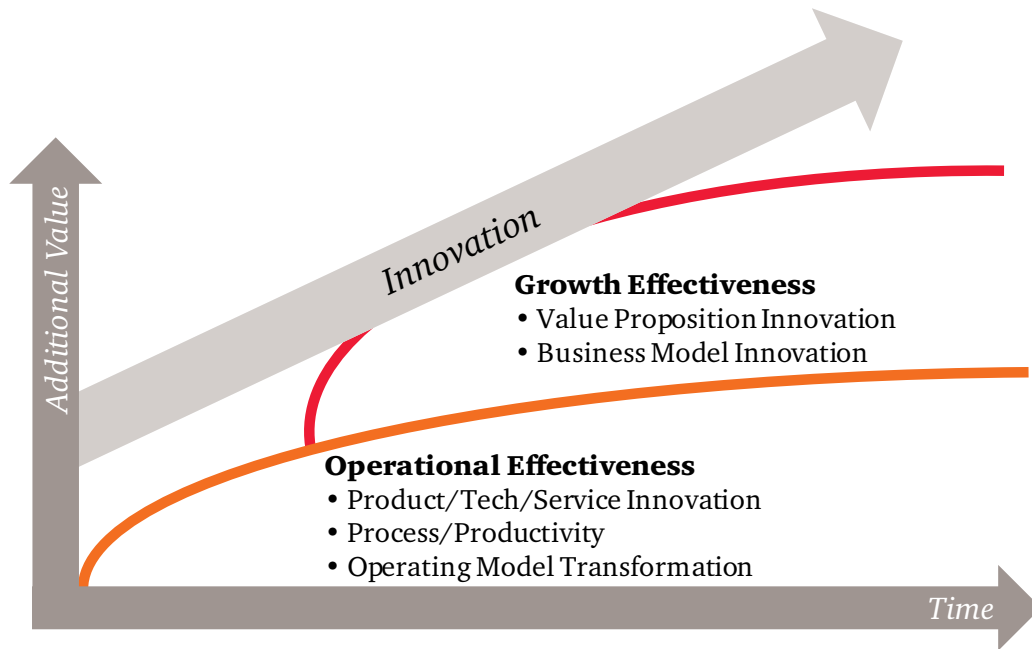
The proportion of CEOs relying on innovation (new products/services) to drive growth has doubled in five years

PwC caught in the Crossfire Global Executive Survey 2010

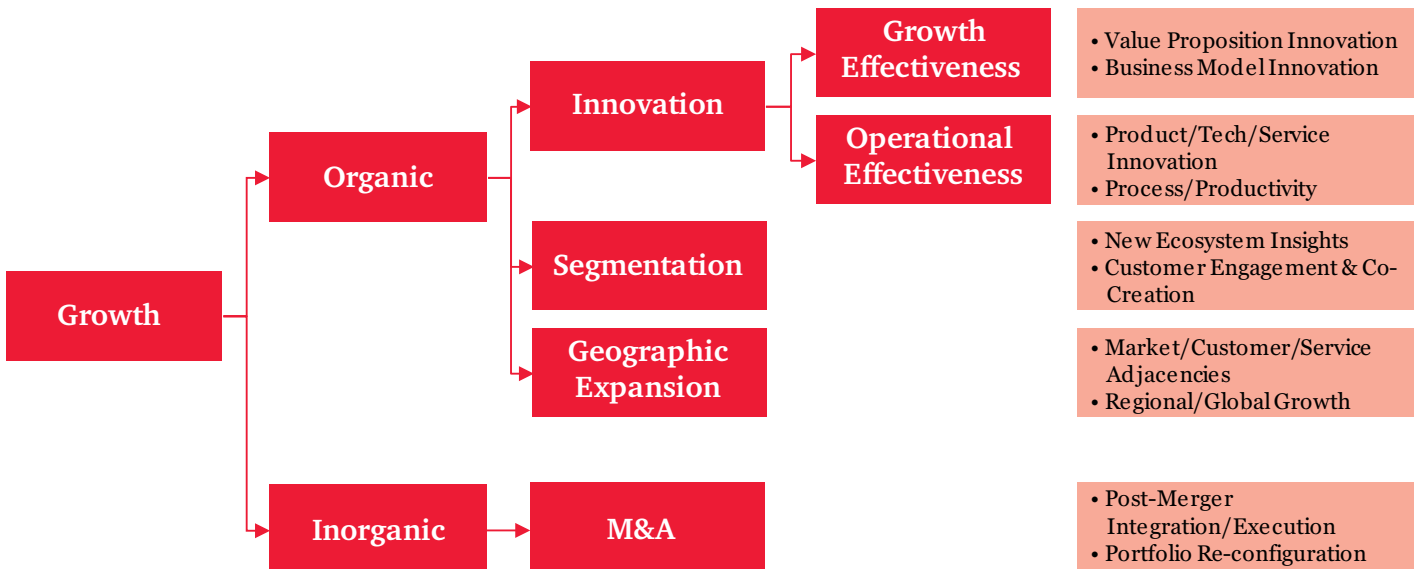
100 percent of all the executives surveyed cite growth as the goal for innovation

Point of view

Innovation-driven organisations can achieve sustainable value creation and profitable growth. This can be driven through both ‘back office’ operational innovations and ‘front office’ growth effectiveness capabilities



Growth can be delivered by a range of practices and capabilities. Successful companies are constantly evaluating opportunities across the spectrum.



“Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It’s not about money. It’s about the people you have, how you’re led, and how much you get it.”

Steve Jobs

PwC Solutions

PwC's Product Innovation and Development capability has 6 key client offerings, which work together to cover your entire product and service growth engine.



What the industry says about our capability

“Because of PACE[®], we are resourcing our high profile projects better than we have in the past and getting them out earlier.”

*“The firm and its Product and Service Innovation practice are among the most results oriented of consultancies and build strong ROI business cases into its offering.”**

“PACE[®] forced segments of the organisation that might not otherwise interact to work as partners.”

*PwC’s proprietary Product And Cycle-time Excellence[®] (PACE[®]) framework is “the single most robust blueprint for successful product development and commercialisation in the marketplace”**

PwC framework – PACE® (Product And Cycle-Time Excellence)

Target Product Innovation Operating Model - PACE®

PwC's PACE® is a comprehensive framework designed to assist with adoption of the leading-practices organisations need to compete and achieve optimal performance. PwC has helped over 1400 organisations assess their capability, identify their deficient practices, and implement changes to drive step change improvements and tangible outputs.

Functional Excellence

- Organisation and Skills
- Functional Procedures, Standards, and Tools
- Performance Measurement

Project Excellence

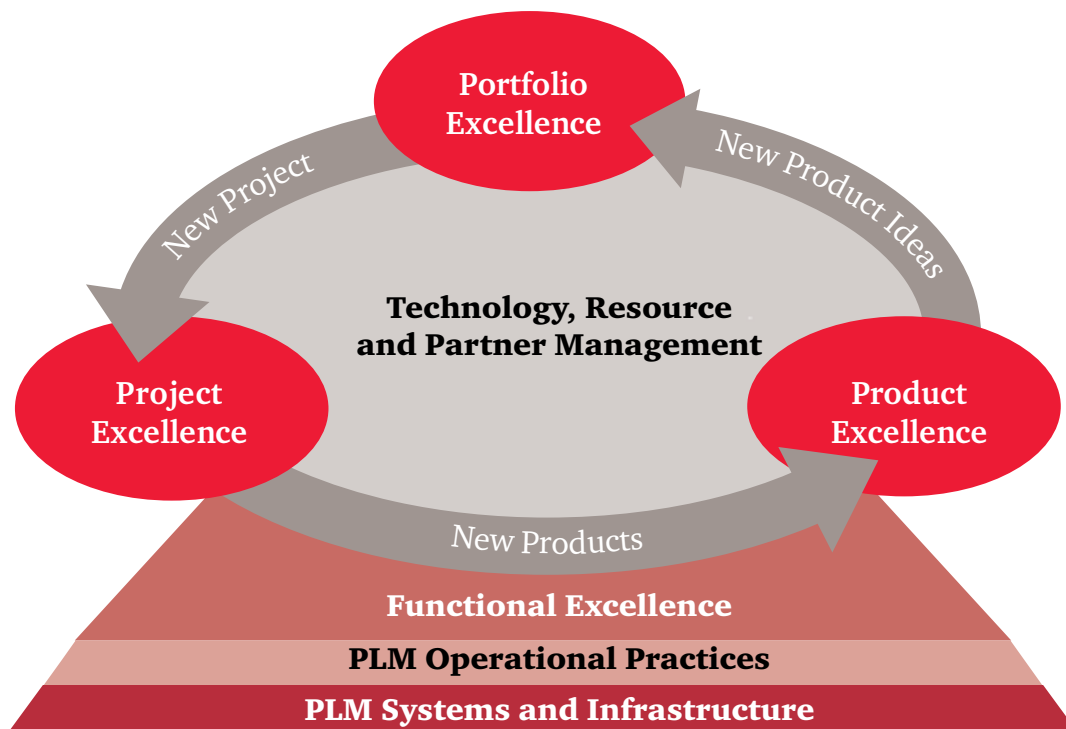
- Voice of the Customer
- Project Governance
- Cross-Functional Core Teams
- Structured Development Process
- Decision-Making Process

Product Excellence

- Idea Management
- Product Governance
- Product-Line Teams
- Product-Line Planning
- Lifecycle Management Process

Portfolio Excellence

- Opportunity Exploration
- Portfolio Governance
- Market Attack Teams
- Market and Technology Strategy
- Portfolio Management Process



Innovation Execution – PACE® Framework

Product Lifecycle Management

- Product Definition
- Product Design
- Part Selection and Sourcing
- Process Authoring
- Product Assurance
- Product Release
- Product Performance

Partner Management

- Strategy
- Partner Management
- Execution Capabilities

Technology

- Technology Strategy and Planning
- Technology Development
- Technology Transfer

Resource

- Resource Planning and Balancing
- Resource Demand
- Resource Supply
- IT enablement

Product And Cycle-time Excellence® (PACE®) is a registered trademark of PwC LLP

Why PwC?

300 Product Innovation and Development consultants globally

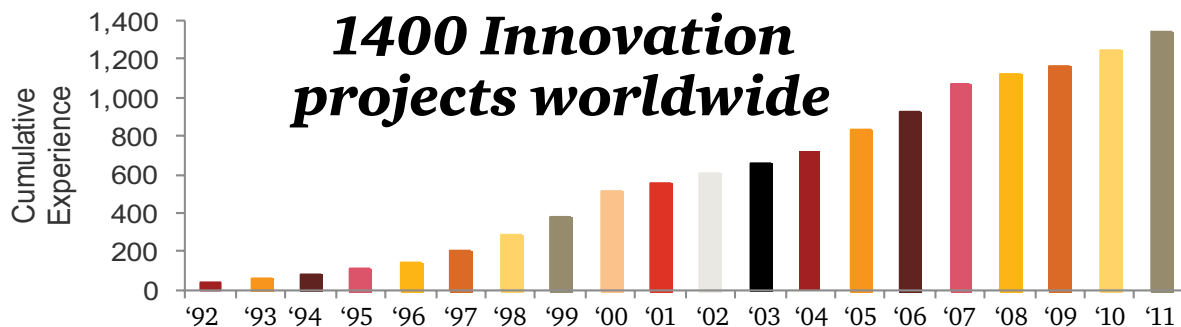
We serve the boards, executive teams and private equity owners for many of the largest and highest growth product and service based companies in the world

Our results are delivered by hands-on teams with deep expertise in: Benchmarking, Performance Improvement/Recovery, Transformation and Business Results Delivery

... And PwC is Recognized as a Product and Service Innovation Leader by Kennedy Information...

- # 1 – R&D Methodological Strength and PI&D Consulting Approach
- # 1 (tied) – Innovation Solutions Across All Consulting Areas
- # 1 – Product and Service Launch Operations

... with unparalleled experience



Track record

Large industrial Company – Improving quality and reducing time to market to beat competition Functional and Project Excellence

Client Issue

Company was increasingly being threatened in traditional and emerging markets with engineering and product quality not at required levels, and project cycle-times often more than double than those of competitors. The key issues included lack of standardised engineering processes, methods and tools, weak programme and project governance, low performing project teams and line organisations, informal development process missing to align key functional areas and activities, such as system engineering, new product introduction, supply chain and supplier ramp-up.

Our approach

Reviewed and improved key engineering capabilities, processes and practices and the overall product development approach, covering project governance, development process, project management and cross-functional teams and operating model. Initiated and implemented a comprehensive transformation project to radically change and improve the Engineering and Product Development in the company

- Improved Functional Excellence to allow the engineering organisation to drive quality, consistency and enhanced capabilities into the engineering function.
- Implemented effective cross-functional Project Excellence across the key development units.

Benefits delivered

Increased Product Development productivity by more than 30% and reduced Time To Market by close to 50%

- Secured earlier revenue and increased cash-flow through reduced Time To Market.
- Improved productivity by doing more projects with the same resources.
- Achieved significant first mover advantage in key strategic projects.
- Reduced waste and rework due to higher engineering standards and 'doing it right first time.'

Manufacturer of telecoms network equipment – Product development throughput Project Excellence

Client Issue

The client had won several multi-billion dollar contracts and had committed to a roadmap of product releases that were falling behind schedule. The client needed rapid improvements to get their next release out on time and to improve their overall development process.

Our approach

We implemented our Critical Project recovery approach, taking an active role in ensuring no more slippage, and the delivery of working equipment as soon as possible. We eliminated bottlenecks in the development process and rebalanced the organisation. We implemented a robust end to end project management approach to ensure consistent responsibility of all products and a metrics structure to manage the performance/throughput of the organisation.

Benefits delivered

The total value from implementing product development improvements added up to € 43 million recurring savings:

- Doubled development throughput
- Critical project was released on time to the delight of the end customers
- Immeasurable positive impact on future revenues from increase in market confidence

Track record

Internet communications company – SW as a service provider and private equity Product Excellence

Client Issue

Our client, a private equity company, had recently bought a brand name communications software company that had been stalling under its previous owner. The goal was to increase revenues from \$100m+ to \$350m+ then sell the company for a 3x mark up. Our role was to significantly increase the productivity of the large software organisation suffering from multiple products, poorly defined architectures, silo'd ways of working, lack of key competencies and low morale.

Our approach

We implemented large scale enterprise Agile development methods across the organisation. We defined new Product Manager roles, and restructured the Product Management, Engineering management and Quality functions. We organised system development activities forming independent product teams. We implemented continuous integration and testing

Benefits delivered

The increase in output was so significant that the client re-established market leadership and was bought for \$8bn against a cost of \$1.5bn

Pharmaceutical manufacturer – IT and development strategy Portfolio Excellence

Client Issue

Client struggled with weak governance, controls and working practices for – (a) translating business strategy into process and systems improvement projects, (b) business and IT leaders to prioritise investments based on business needs, (c) getting alignment across process areas on how to make investment decisions. Proliferation of decentralized, and at times redundant, investments was creating an unmanageable model.

Our approach

PwC adapted its PACE® methodology to create a structured process and governance model for managing the portfolio of business improvement investments across Clinical Development. The team also facilitated the decision-making teams to rationalise the portfolio by aligning projects to business improvement strategies and goals.

Benefits delivered

- Aligned business improvement investments and priorities with business strategy and goals
- Improved portfolio planning, analysis, and decision-making
- Improved value of business improvement investments:
 - 30% greater ROI by better planning and greater achievement of forecasted statement of benefits
 - 20% reduced investment by cancelling lower value projects
 - 25% improved throughput by aligning on priorities, tighter collaboration, and clarifying governance roles/responsibilities

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PwC Sweden is the market leader within auditing, accounting, tax and advisory services, with 3,800 staff members and 130 offices spread across the country. Using our experience and unique business knowledge, we enhance value for our 66,000 clients, who are comprised of global companies, major Swedish companies and organizations, smaller and medium-sized companies, primarily local, and the public sector.

PwC Sweden is a separate and independent legal entity. We are the Swedish member firm of the PwC global network. Close to 180,000 people in 158 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice.