



# PDMA / NPDP and First Data

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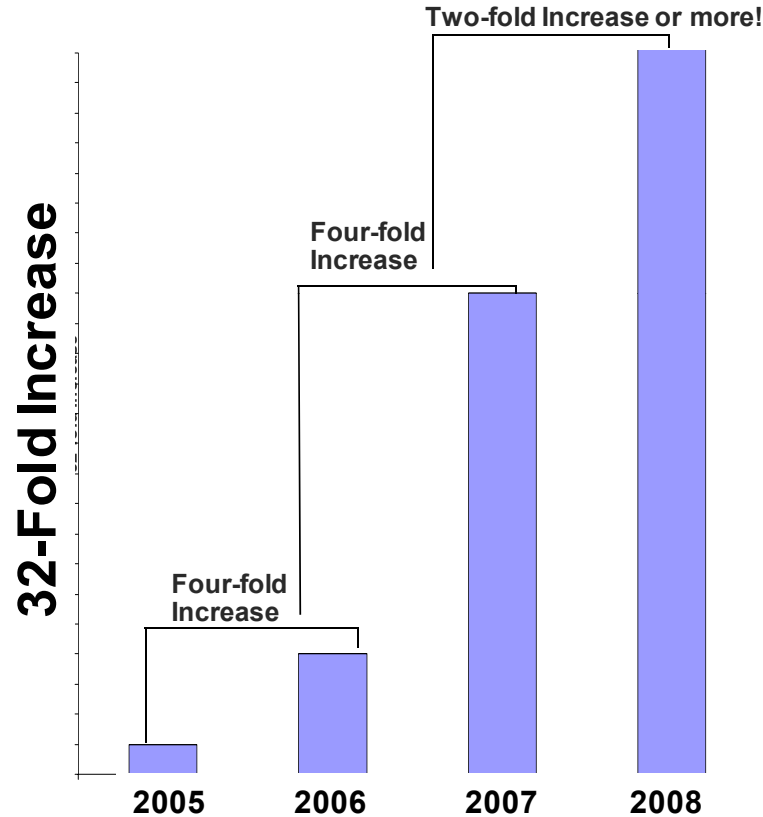
## Rocky Mountains PDMA Chapter



# First Data Mission

**End of 2005:** Commitment to “Revenue from Innovation”

**The Task...**



**The Solution...**

✓ Superior, Differentiated Products = Competitive Advantage = Revenue Growth

# The Challenge & The Plan

**The Challenge:** Prior to 2006, no processes for product development

- ▶ Many small “science projects”
- ▶ Multiple competing product teams and priorities
- ▶ Little “Product” skill in organization



**The Plan:** Adopt formal “New Product Development” process

- ▶ Organized, regular gate reviews
- ▶ Framework for strategic decision making and ‘scorecarding’
- ▶ Leverage professional industry association:  
Product Development Management Association (PDMA)
- ▶ Train Product team to improve skill set and embrace NPD processes and best practices



# First Data NPD Process

## 3 Phases, 6 Stages

Phase I Planning & Funding			Phase II Development & Testing			Phase III Launch & Operationalize				
Stage	Activity	Consider	Stage	Activity	Consider	Stage	Activity	Consider		
Ideation	<ul style="list-style-type: none"> <li>Generate ideas</li> </ul>	<ul style="list-style-type: none"> <li>Strategic fit</li> <li>Competitive fit</li> <li>Customer fit</li> </ul>	Development & Testing	<b>Development</b> <ul style="list-style-type: none"> <li>Finalize business requirements</li> <li>Development oversight, issue resolution &amp; escalation</li> <li>Code &amp; internal testing</li> <li>Launch planning</li> </ul> <b>Pre-Test</b> <ul style="list-style-type: none"> <li>Test planning</li> <li>Test success measures</li> <li>Launch planning</li> </ul> <b>Post-Test</b> <ul style="list-style-type: none"> <li>Integrate test learnings into product and into launch plans</li> <li>Launch planning</li> </ul>	<b>Pre-Test</b> <ul style="list-style-type: none"> <li>Product readiness</li> <li>Support readiness</li> </ul> <b>Post-Test</b> <ul style="list-style-type: none"> <li>Test results vs success measures</li> <li>Validity of financial case</li> <li>Launch readiness</li> </ul>	Pre-Launch	<ul style="list-style-type: none"> <li>Launch finalization</li> <li>Produce launch support materials</li> <li>Launch execution</li> </ul>	<ul style="list-style-type: none"> <li>Confirm all aspects of launch readiness</li> </ul>		
	SVP & Product Group Lead decide whether to pursue						Gate 3a; NPD Team (go/no go for launch)			
Scoping	<ul style="list-style-type: none"> <li>Define the idea</li> <li>Quantify the idea</li> <li>Internal research</li> <li>Preliminary business plan</li> </ul>	<ul style="list-style-type: none"> <li>Market opportunity</li> <li>Revenue opportunity</li> </ul>				Post-Launch	<ul style="list-style-type: none"> <li>Product performance tracking</li> <li>Mainstream Operations</li> </ul>	<ul style="list-style-type: none"> <li>Learning</li> <li>Best practices</li> </ul>	Gate 3b; NPD Team	
	Gate 1a; NPD Team									
Business Case	<ul style="list-style-type: none"> <li>Full financial case</li> <li>Full business plan</li> <li>External research</li> <li>Product requirements</li> </ul>	<ul style="list-style-type: none"> <li>Risk vs Reward</li> <li>Salability</li> <li>Ability to execute</li> </ul>				Gate 2a (pre-external test checkpoint); NPD Team				
	Gate 1b; NPD Team					Gate 2b (post-test analysis / pre-launch readiness); NPD Team				

# First Data NPDP Training Program

- ▶ Structured, self-study and group review program
  - Individual study
  - Three 'virtual' group review sessions (with summary presentations prepared by group members)
  - Capstone workshop (brings the entire body of knowledge together)
- ▶ Similar to RMPdma Certification Study Program
- ▶ Program started with Product Management and Development team
- ▶ Expanded to other functional teams that work with Product team
  - Marketing, Finance, Strategy, Legal, and even Sales participated
- ▶ Over 80 NPDP certifications at First Data
  - The highest number of any company!

# Why Certification is Important

- ▶ Certification ensures that all of our Product Managers have the same base level of knowledge with respect to best practices and practical application
- ▶ Certification allows us all to “speak the same language”
- ▶ Certification allows for the implementation of a structured NPD process that increases the rate of product development
- ▶ Certification allows us to track and reward those who have successfully completed a standard product management curriculum
- ▶ Certification provides a sense of accomplishment and a chance for recognition
- ▶ Certification allows individuals to show credentials of skill set

# Program Challenges

## 1. Getting Started



- Small pilot groups validate the approach
- Senior Management participated early on

## 2. Generating Engagement



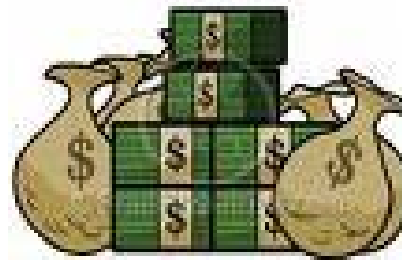
- Provide motivation to participate (carrot and/or stick)

## 3. Generating Enthusiasm



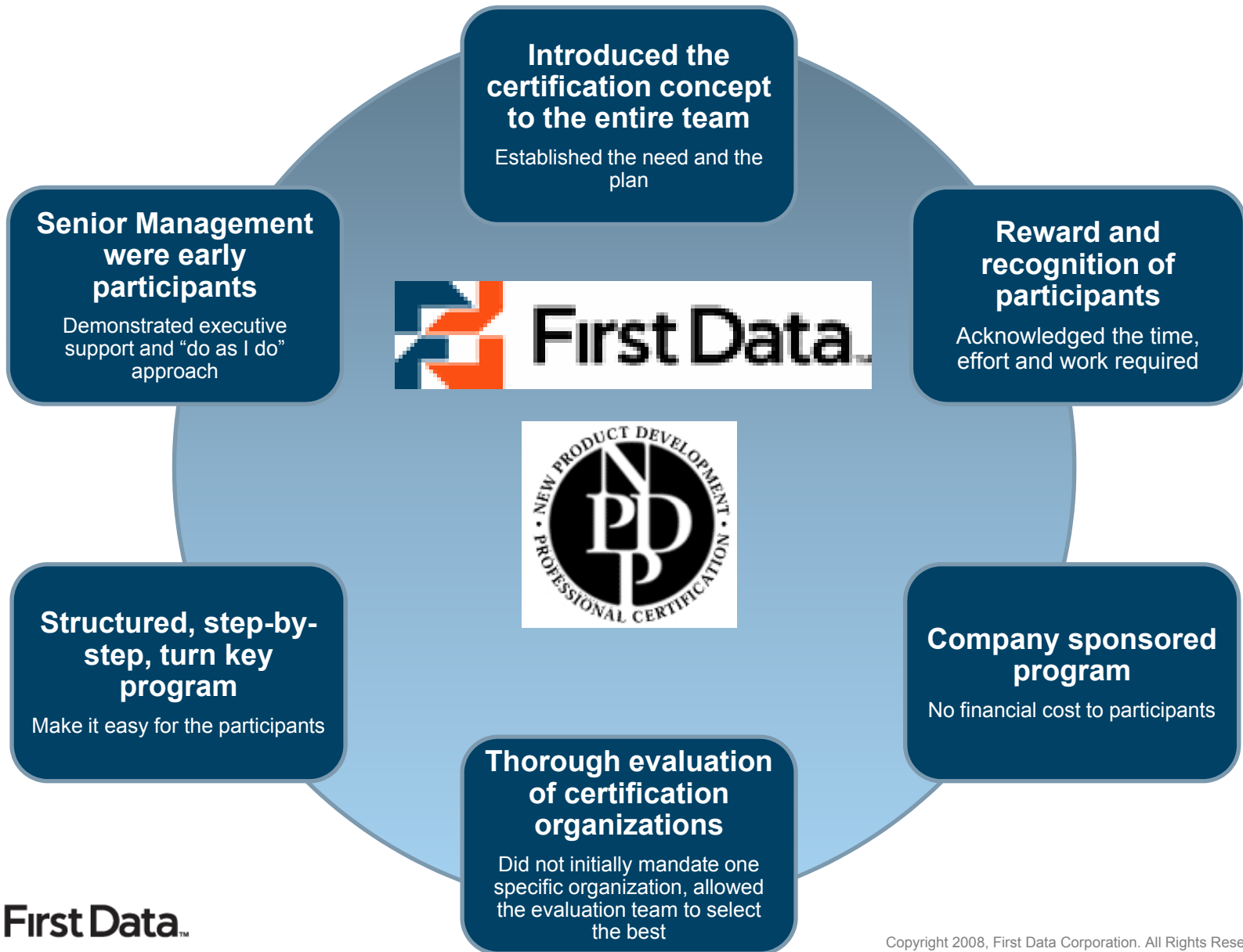
- Publicly highlight achievements (individual and group)

## 4. Generating Revenue



- 12X increase in revenue from new products
- 15X increase in number of US patent filings

# Keys To Success



# Q&A



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