



Product Development &
Management Association
Foundation

**Glossary and Explanation of Industry Categories for
The Product Development & Management Association (PDMA)
Comparative Practices Assessment Study (CPAS)**

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GLOSSARY

FOR PDMA Comparative Practices Assessment Survey (CPAS)

Alpha Testing: Pre-production product testing to find and eliminate the most obvious design defects or deficiencies, usually in a laboratory setting or in some part of the developing firm's regular operations, although in some cases it may be done in controlled settings with lead customers. (See also beta testing and gamma testing)

Beta Testing: An external test of pre-production products. The purpose is to test the product for all functions in a breadth of field situations to find those system faults that are more likely to show in actual use than in the firm's more controlled in-house tests before sale to the general market. (See also alpha testing and gamma testing)

Brainstorming: A group method of creative problem solving frequently used in product concept generation. There are many modifications in format, each variation with its own name. The basis of all of these methods uses a group of people to creatively generate a list of ideas related to a particular topic. As many ideas as possible are listed before any critical evaluation is performed. (See Chapters 12 and 13 in *The PDMA Handbook*)

Break-even Time: The time, starting from project initiation, when the commercialized product or service has recovered all expenditures.

Bubble Diagrams: A Portfolio Management Technique in which projects are plotted on a two or three-dimensional map in order to examine the balance of projects along multiple dimensions, such as risk, return, time to market, category of new product, etc. Also referred to as Portfolio Maps.

Business Analysis: An analysis of the business situation surrounding a proposed project. Usually includes financial forecasts in terms of discounted cash flows, net present values or internal rates of returns.

Business-to-Business: Transactions with non-consumer purchasers such as manufacturers, resellers (distributors, wholesalers, jobbers and retailers, for example) institutional, professional and governmental organizations where these buyers are purchasing for business use. If these buyers are intermediaries and the end user is a consumer, these sales are considered sales to the consumer market. Frequently referred to as "industrial" businesses in the past.

Business Unit/Strategic Business Unit: A unit or division of a Company that has a unique mission, identifiable competitors, and a defined market.

CAVE Technology: Cave Automatic Virtual Environment - A virtual environment applied to virtual prototyping in which back-projected walls and shuttle glasses provide the three dimensional environment.

Champion: A person who takes a passionate interest in seeing that a particular process or product is fully developed and marketed. This informal role varies from situations calling for little more than stimulating awareness of the opportunity to extreme cases where the champion tries to force a project past the strongly entrenched internal resistance of company policy or that of objecting parties. (See Chapter 5 in *The PDMA ToolBook*)

Checklists: A Portfolio Management Technique in which projects are evaluated on a set of Yes/No questions. For some companies a single "no" will kill the project. In other cases, the number of "yes" answers determines which projects are selected for the portfolio. Checklists are similar to scoring models in that the questions are similar, but with scoring models the criteria are rated, not just checked, which could lead to different results.

Collaborative Development: When two firms work together to develop and commercialize a specialized product. The smaller firm may contribute technical or creative expertise, while the larger firm may be more likely to contribute capital, marketing, and distribution capabilities. When two firms of more equal size collaborate, they may each bring some specialized technology capability to the table in developing some highly complex product or system requiring expertise in both technologies. Collaborative product development has several variations. In customer collaboration, a supplier reaches out and partners with a key or lead customer. In supplier collaboration, a company partners with the provider(s) of technologies, components, or services to create an integrated solution. In collaborative contract manufacturing, a company contracts with a manufacturing partner to produce the intended product. Collaborative development (also known as co-development) differs from simple outsourcing in its levels of depth of partnership in that the collaborative firms are linked in the process of delivering the final solution to the intended customer.

Co-location/Co-located teams: Physically locating project personnel in one area, enabling more rapid and frequent decision-making and communication among them.

Commercialization: The process of taking a new product from development to market. It generally includes production launch and ramp-up, marketing materials and program development, supply chain development, sales channel development, training development, training, and service and support development.

Competitor Analysis: Methods and activities for transforming disaggregated public competitor information into relevant and strategic knowledge about competitors' position, size, efforts and trends. The broad practice of finding the best available information on competitive trends occurring outside one's own company.

Computer-Aided Design (CAD): A technology that allows designers and engineers to use computers for their design work. Early programs enabled 2-dimensional (2-D) design. Current programs allow designers to work in 3-D (3 dimensions), and in either wire or solid models.

Computer-Aided Engineering (CAE): Using computers in designing, analyzing and manufacturing a product or process. Sometimes refers more narrowly to using computers just at the engineering analysis stage.

Concept: A clearly written and possibly visual description of the new product idea that includes its primary features and consumer benefits, combined with a broad understanding of the technology needed.

Concept Engineering: A formal five phase process for Concept Development where "Customer Insight" is developed and this insight is translated into solutions. The phases include developing an understanding of the customers' environment, converting the understanding to customer requirements, operationally defining requirements for downstream development, generating concepts, and evaluating concepts. It is based on language processing of customer voices to drive requirements definition followed by concept design around those requirements.

Concept Tests: The process by which a concept statement is presented to consumers for their reactions. These reactions can either be used to permit the developer to estimate the sales value of the concept or to make changes to the concept to enhance its potential sales value. (See Chapters 14 and 15 in *The PDMA Handbook*)

Configuration Management: Managing a product's requirements and design documentation over time.

Conjoint Analysis: A quantitative market research technique that determines how consumers make trade-offs between a small number of different features or benefits.

Consumer Market: The purchasing of goods and services by individuals and for household use (rather than for use in business settings). Consumer purchases are generally made by individual decision-makers, either for themselves or others in the family.

Creativity Sessions: Professionally moderated sessions employing a variety of brainstorming and other techniques, used to generate new product ideas.

Critical Path (Scheduling): A project management technique, frequently incorporated into various software programs, which puts all important steps of a given new product project into a sequential network based on task interdependencies.

Cross-Functional Team: A team consisting of representatives from the various functions involved in product development, usually including members from all key functions required to deliver a successful product, typically including marketing, engineering, manufacturing/operations, finance, purchasing, customer support, and quality. The team is empowered by the departments to represent each function's perspective in the development process. (See Chapter 9 in *The PDMA Handbook* and Chapter 6 in *The PDMA ToolBook*)

Customer Needs Software: A technology tool used for customer needs analysis and market research that involves systematically gathering (often web-based) and analyzing customer or market product needs and requirements, performing preference analytics, and maintaining the needs and requirements in a readily accessible database format. This technology can be applied to ETO/DTO/BTO (engineer-to-order, design-to-order, and build-to-order) products.

Customer Observation: A market research technique that is contrasted with asking customers about their needs and wants. Here, researchers watch customers and often uncover needs that have not been expressed. (See Customer Site Visits)

Customer Site Visits: A qualitative market research technique for uncovering customer needs. The method involves going to a customer's work site, watching as a person performs functions associated with the customer needs your firm wants to solve, and then debriefing that person about what they did, why they did those things, the problems encountered as they were trying to perform the function, and what worked well. (See Chapter 11 of *The PDMA Handbook*)

Design for Manufacturability/Manufacturing (DFM): The systematic consideration of manufacturing issues in the design and development process, facilitating the fabrication of the product's components and their assembly into the overall product.

Development: The phase in the overall concept to market cycle where the new product or service is developed for the first time.

DFX: Design for "X" (Also called "Design for Excellence") - The extension of the concepts related to "Design for Manufacturing" to include the systematic design and consideration of issues related to areas such as product assembly, testing, reliability and maintainability.

Discounted Cash-Flow (DCF) Analysis: One method for providing an estimate of the current value of future incomes and expenses projected for a project. Future cash flows for a number of years are estimated for the project, and then discounted back to the present using forecast interest rates. (See also Net Present Value and Internal Rate of Return)

Discrete Choice Modeling: A quantitative market research tool used to model and predict customer buying decisions.

Ethnography: A descriptive, qualitative market research methodology for studying the customer in relation to his or her environment. Researchers spend time in the field observing customers and their environment to acquire a deep understanding of the lifestyles or cultures as a basis for better understanding their needs and problems. (See Customer Site Visits)

Expected Commercial Value: A financial measure used in Portfolio Management to compare project returns. It is different from NPV analysis in that it considers development projects as investments that are made at each stage, similar to buying an option. It is also called Options Pricing.

Failure Mode Effects Analysis (FMEA): A technique used at the development stage to determine the different ways in which a product may fail, and evaluating the consequences of each type of failure.

Focus Groups: A qualitative market research technique where 8 to 12 market participants are gathered in one room for a discussion under the leadership of a trained moderator. Discussion focuses on a consumer problem, product, or potential solution to a problem. The results of these discussions are not projectable to the general market.

Formally Planned Activities: Techniques are that used in a deliberate and intended manner. In the survey, these techniques are used to generate ideas and include brainstorming sessions, competitor analysis, trend analysis, and customer observation (See specific definitions for each of these techniques)

Fuzzy Front End: The messy “getting started” period of product development, when the product concept is still very fuzzy. Preceding the more formal product development process, it generally consists of three tasks: strategic planning, concept generation, and, especially, pre-technical evaluation. These activities are often chaotic, unpredictable, and unstructured. In comparison, the subsequent new product development process is typically structured, predictable, and formal, with prescribed sets of activities, questions to be answered, and decisions to be made.

Gamma Testing: A product use test in which the developers measure the extent to which the item meets the needs of the target customers, solves the problems(s) targeted during development, and leaves the customer satisfied. (See also alpha testing and beta testing)

Gantt Chart: A horizontal bar chart used in project scheduling and management that shows the start date, end date and duration of tasks within the project.

Gate: The point at which a management decision is made to allow the product development project to proceed to the next stage, to recycle back into the current stage to better complete some of the tasks, or to terminate. The number of gates varies by company.

Groupware: Software designed to facilitate group efforts such as communication, workflow coordination, and collaborative problem solving. The term generally refers to technologies relying on modern computer networks (external or internal) and the Internet.

Idea/Concept Generation (Ideation): All of those activities and processes that lead to creating broad sets of solutions to consumer problems. These techniques may be used in the early stages of product development to generate initial product concepts, in the intermediate stages for overcoming implementation issues, in the later stages for planning launch and in the post-mortem stage to better understand success and failure in the marketplace. (See Chapters 12 and 13 in *The PDMA Handbook*)

Idea Screening: The first decision to go ahead with the project, and the initial commitment of resources (people and money).

Incremental Innovation: An innovation that improves the conveyance of a currently delivered benefit, but produces neither a behavior change nor a change in consumption. In this survey, incremental innovations include incremental improvements, repositionings and cost reductions of products currently produced by your organization.

Information Acceleration: A concept testing method employing virtual reality. In it, a virtual buying environment is created that simulates the information available (product, societal, political, and technological) in a real purchase situation at some time several years or more into the future.

Innovation: A new idea, method, or device. The act of creating a new product or process. The act includes invention as well as the work required to bring an idea or concept into final form.

Innovation Strategy: The firm's positioning for developing new technologies and products. One categorization divides firms into Prospectors (those who lead in technology, product and market development, and commercialization, even though an individual product may not lead to profits), Analyzers (fast followers, or imitators, who let the prospectors lead, but have a product development process organized to imitate and commercialize quickly any new product a Prospector has put on the market), Defenders (those who stake out a product turf and protect it by whatever means, not necessarily through developing new products), and Reactors (those who have no coherent innovation strategy).

Integrated Project Portfolio Planning: The joint planning of product development project portfolios between two collaborative partners to ensure consistency of milestones and due dates and the proper application of resources across the two organizations

Interlocking Concurrent Development: Use of an integrated cross company team that carries out the separate activities of the product development process at the same time rather than sequentially

Interlocking Teams: Multiple component teams linked through an integrating team

Internal Rate of Return (IRR): The discount rate at which the present value of the future cash flows of an investment equals the cost of the investment. The discount rate with a net present value of 0.

Knowledge Management: Managing and disseminating knowledge throughout the organization.

Launch: The process by which a new product is introduced into the market for initial sale. (See Chapters 25 and 26 of *The PDMA Handbook*)

Lead User Analysis: Analyzing those users for whom finding a solution to one of their consumer needs is so important that they have modified a current product or invented a new product to solve the need themselves because they have not found a supplier who can solve it for them. When these consumers' needs are portents of needs that the center of the market will have in the future, their solutions are new product opportunities.

Market Research: Information about the firm's customers, competitors, or markets. Information may be from secondary sources (already published and publicly available) or primary sources (from customers themselves). Market research may be qualitative in nature, or quantitative. (See entries for these two types of market research)

More Innovative Projects: A group of new product development projects that are not as new as radical innovations, but include new product lines and additions to existing product lines which are new to your organization, and major revisions and next generation advances of products which are currently product by your organization.

Net Present Value (NPV): Method to evaluate comparable investments in very dissimilar projects by discounting the current and projected future cash inflows and outflows back to the present value based on the discount rate, or cost of capital, of the firm.

New Product: A term of many opinions and practices, but most generally defined as a product (either a good or service) new to the firm marketing it. Excludes products that are only changed in promotion.

New Product Committee: A group within the Company that responsible for managing new products.

New Product Development (NPD): The overall process of strategy, organization, concept generation, product and marketing plan creation and evaluation, and commercialization of a new product. Also frequently referred to just as "product development."

New Product Development Process (NPD Process): A disciplined and defined set of tasks and steps that describe the normal means by which a company repetitively converts embryonic ideas into salable products or services. (See Chapters 6 and 7 of *The PDMA Handbook*)

New-to-the-World Product: A good or service that has never before been available to either consumers or producers. The automobile was new-to-the-world when it was introduced, as were microwave ovens and pet rocks.

Options Pricing: A financial measure used in Portfolio Management to compare project returns. It is different from NPV analysis in that it considers development projects as investments that are made at each stage, similar to buying an option. The calculation of the Options value of an investment is also called Expected Commercial Value (ECV).

Parallel Development: A New Product Development Team Support Method in which two teams are working separately on the same project.

Payback Period: The time, usually in years, from some point in the development process until the commercialized product or service has recovered its costs of development and marketing. While some firms take the point of full-scale market introduction of a new product as the starting point, others begin the clock at the start of development expense.

Performance Modeling & Simulation: Computer-based modeling and simulation analysis of the likely performance of a new product design. The analysis can be static dealing with the likely physical parameters of a single unit of production as well as stochastic dealing with the likely performance of a population of product subject to statistical variations in its manufacturing and use.

PERT (Program Evaluation and Review Technique): An event-oriented network analysis technique used to estimate project duration when there is a high degree of uncertainty in estimates of duration times for individual activities.

Portfolio: Commonly referred to as a set of projects or products that a company is investing in and making strategic trade-offs against. (See also project portfolio and product portfolio)

Portfolio Management: A business process by which a business unit decides on the mix of active projects, staffing and dollar budget allocated to each project currently being undertaken. (See Chapter 13 of *The PDMA ToolBook*)

Portfolio Maps: Portfolio Management Technique in which projects are plotted on a two or three-dimensional map in order to examine the balance of projects along multiple dimensions, including risk, return, time to market, category of new product, etc. Also referred to as Bubble Diagrams.

Pre-test Markets: Testing that is done prior to full market testing. The specific technique most commonly used during this phase is Simulated Test Marketing.

Process Owner: The executive manager responsible for the strategic results of the NPD process. This includes process throughput, quality of output, and participation within the organization. (See Section 3 of *The PDMA ToolBook* for 4 tools that process owners might find useful, and see Chapter 29 of *The PDMA Handbook*)

Product: Term used to describe all goods, services, and knowledge sold. Products are bundles of attributes (features, functions, benefits, and uses) and can be either tangible, as in the case of manufactured goods, or intangible, as in the case of those associated with service benefits, or can be a combination of the two.

Product Data Management: A Technology Management Tool that supports product structure development, document management, engineering change management, product data publishing, service parts planning, and configuration management.

Product Development: The overall process of strategy, organization, concept generation, product and marketing plan creation and evaluation, and commercialization of a new product. (See Chapters 19 – 22 of *The PDMA HandBook*)

Product Development & Management Association (PDMA): A not-for-profit professional organization whose purpose is to seek out, develop, organize and disseminate leading edge information on the theory and practice of product development and product development processes. The PDMA uses local, national, and international meetings and conferences, educational workshops, a quarterly newsletter (*Visions*), a bi-monthly scholarly journal (*Journal of Product Innovation Management*), research proposal and dissertation proposal competitions, *The PDMA HandBook of New Product Development*, and *The PDMA ToolBook for New Product Development* to achieve its purposes. The association also manages the certification process for New Product Development Professionals (www.pdma.org).

Product Development Process: A disciplined and defined set of tasks, steps, and phases that describe the normal means by which a company repetitively converts embryonic ideas into salable products or services. (See Chapters 6 and 7 of *The PDMA HandBook*)

Product Development Team: A multifunctional group of individuals chartered to plan and execute a new product development project.

Product Life Cycle: The four stages that a new product is thought to go through from birth to death: introduction, growth, maturity, and decline. Controversy surrounds whether products go through this cycle in any predictable way.

Product Line: A group of products marketed by an organization to one general market. The products have some characteristics, customers, and uses in common and may also share technologies, distribution channels, prices, services, and other elements of the marketing mix.

Product Portfolio: The set of products and product lines the firm has placed in the market. (See Chapter 13 of *The PDMA ToolBook*)

Product Portfolio Management Software: A tool used for Technology Management that rationally assesses what resources to allocate to product development projects against the risk/return expectations of each. The software includes New Product Development & Introduction Intelligence, Program Management, Project Management, and Reporting.

Project Champion: A person who takes a passionate interest in a particular new product development project. This informal role varies from situations calling for little more than stimulating awareness of the opportunity to extreme cases where the champion tries to force a project past the strongly entrenched internal resistance of company policy or that of objecting parties. (See Chapter 5 in *The PDMA ToolBook*)

Project Leader: The person responsible for managing an individual new product development project through to completion. He or she is responsible for ensuring that milestones and deliverables are achieved and that resources are utilized effectively. See also Team Leader. (See Sections 1 and 2 of *The PDMA ToolBook* for 8 product development tools for project leaders)

Project Management Tools: Tools used to aid the project management time and budget planning including Critical Path analysis, PERT, and GANTT. (See definitions for Critical Path, PERT, and GANTT)

Project Office: An organizational structure used in which Project Management is treated as a separate function.

Project Strategy: The goals and objectives for an individual product development project. It includes how that project fits into the firm's product portfolio, who the target market is, and what problems the product will solve for those customers. (See Chapter 10 in *The PDMA Handbook*)

Project Team: A multifunctional group of individuals chartered to plan and execute a new product development project.

Quality Function Deployment (QFD): A structured method employing matrix analysis for linking what the market requires to how it will be accomplished in the development effort. This method is most frequently used during the stage of development when a multifunctional team agrees on how customer needs relate to product specifications and the features that deliver those needs. By explicitly linking these aspects of product design, QFD minimizes the possibility of omitting important design characteristics or interactions across design characteristics. QFD is also an important mechanism in promoting multifunctional teamwork. Developed and introduced by Japanese auto manufacturers, QFD is widely used in the automotive industry.

Radical Innovation: A New-to-the World product, generally containing new technologies that significantly changing behaviors and consumption patterns in the marketplace.

Rank Ordering Projects: A portfolio management technique that ranks projects on several criteria simultaneously, such as profitability, strategic importance, time to market, etc. It is not as complex or time consuming as scoring models, which include a score for each criterion, not just a rank.

Rapid Prototyping: Any of a variety of processes that avoid tooling time in producing prototypes or prototype parts and therefore allow (generally non-functioning) prototypes to be produced within hours or days rather than weeks. These prototypes are frequently used to test quickly the product product's technical feasibility or consumer interest.

Remote Collaborative Design: A Technology Management Tool and set of associated processes in which designers (at different locations and/or firms) remotely perform design activities. Tools and processes include product design tools, product data management, process engineering analysis, product visualization, and CAD-to-CAD integration.

Repositionings: To change the position of the product in the minds of customers, either on failure of the original positioning or to react to changes in the marketplace. Most frequently accomplished through changing the marketing mix rather than redeveloping the product.

Requirements Analysis Software: A Technology Management Tool to manage the process of gathering customer needs, organizing and maintaining them in an easy-to-use database.

ROI: Return on Investment - A standard measure of project profitability, this is the discounted profit over the life of the project expressed as a percentage of initial investment.

Scoring Models: A Portfolio Management Technique in which projects are rated on a set of criteria. These rating are then summed to provide the project score used to compare projects. Scoring Models are similar to Checklists in that the questions are similar, but with checked lists the criteria are given a simple yes/no, which could lead to different results.

Self-Directed Teams: New Product teams who understand clearly the work of the team and are able to use internal leadership and synergistic skill building to achieve team goals

Senior Management: That level of executive or operational management above the product development team that has approval authority or controls resources important to the development effort.

Services: Products, such as an airline flight or insurance policy, which are intangible or at least substantially so. If totally intangible, they are exchanged directly from producer to user, cannot be transported or stored and are instantly perishable. Service delivery usually involves customer

participation in some important way. Services cannot be sold in the sense of ownership transfer, and they have no title of ownership.

Shared Risk and Reward Contract Structures: A structure used in collaborative development that allows each party to lower their potential liability as well as potential profits by working together to share both the uncertainty and well as the potential upside of the project.

Simultaneous/Concurrent Engineering: A systematic approach to the integrated, concurrent design of products and their related processes, including manufacture and support. This approach from the outset is intended to cause developers to consider all elements of the product life cycle from conception through disposal, including quality, cost, schedule, and user requirements.

Six Sigma Analysis: Analysis of the effect of variation within processes and designs. Six Sigma is a level of process performance that produces only 3.4 defects for every one million operations.

Stage: One group of concurrently accomplished tasks, with specified outcomes and deliverables, of the overall product development process.

STM: Simulated Test Markets - A form of quantitative market research and pre-test marketing in which consumers are exposed to new products and to their claims in a staged advertising and purchase situation. Output of the test is an early forecast of expected sales or market share, based on mathematical forecasting models, management assumptions, and input of specific measurements from the simulation.

Strategic Buckets: A portfolio management technique that places funds into different categories, called buckets, and projects are allocated within each category. This process helps to assure that the portfolio mirrors the desired strategic emphasis.

Strategy: The organization's vision, mission, and values. One subset of the firm's overall strategy is its New Product Strategy, which is the strategy for all of the new product initiatives.

Sub-contract Sourcing Agreements: The establishment of supply agreements and contracts between a major manufacturer and its major suppliers. These agreements can encompass supply cost and delivery terms as well as shared responsibilities for design activities and intellectual property rights.

Success: A product that meet's its goals and performance expectations. Product development success has four dimensions. At the project level, there are three dimensions: financial, customer-based, and product technical performance. The fourth dimension is new product contribution to overall firm success. (See Chapters 1, 31, and 32 of *The PDMA HandBook*).

Team-building Exercises: Activities that help a team work well together to achieve a common goal.

Team Co-location: Physically locating project personnel in one area, enabling more rapid and frequent decision-making and communication among them

Technology Licensing: A technique used in new product development projects that involves buying/selling the rights to use or provide to someone else (suppliers and/or partners) technology used in your products or processes

Test and Validation: Product use, field, market and regulatory testing with customers

Test Markets: The launching of a new product into one or more limited geographic regions in a very controlled manner, and measuring consumer response to the product and its launch. When multiple geographies are used in the test, different advertising or pricing policies may be tested and the results compared.

Tradeoff Analysis: A quantitative market research technique in which consumers, by comparing product attributes, indicate their preference for particular attributes without being directly questioned about preferences.

Trend Analysis: Identifying and analyzing future trends to uncover potential market opportunities for your company.

Value Analysis/Value Engineering (VA/VE): A technique for analyzing systems and designs. Its purpose is to help develop a design that satisfies users by providing the needed user requirements in sufficient quality at an optimum (minimum) cost.

Virtual Design: Technology that enables a designer to “enter” and navigate a computer-generated 3-D environment. Users can change their viewpoint and interact with the objects in the scene in a way that simulates real-world experiences.

Virtual Reality: Technology that enables a user to “enter” and navigate a computer-generated 3-D environment. Users can change their viewpoint and interact with the objects in the scene in a way that simulates real-world experiences.

Voice of the Customer (VOC): A process for eliciting needs from consumers that uses structured in-depth interviews to lead interviewees through a series of situations in which they have experienced and found solutions to the set of problems being investigated. Needs are obtained through indirect questioning by coming to understand how the consumers found ways to meet their needs, and, more important, why they chose the particular solutions they found. (See Chapter 11 of *The PDMA ToolBook*)

Web-Based Sourcing Management: A Technology Management web-based tool for systematically reviewing, selecting and purchasing custom or standard parts to keep cost down and quality up, including strategic sourcing, component and supplier management, and change management.

Acknowledgment: Many of these terms came from the “The PDMA Glossary for New Product Development” (available at www.pdma.org). Some of the definitions for terms in the PDMA glossary have been adapted from the glossary in *New Products Management*, by C. Merle Crawford and C. Anthony Di Benedetto. Terms, phrases, and definitions generously have been contributed to this list by the PDMA Board of Directors, the editors and authors of *The PDMA ToolBook for New Product Development* (John Wiley & Sons, 2002), the editors and authors of *The PDMA Handbook of New Product Development* (John Wiley & Sons, 1996) and several other individuals knowledgeable in the science, skills and art of new product development. We thank all of these volunteer contributors for their continuing support.

Industry Categories (p. 15, Section VI, q8)

Automobiles & Components: Includes Auto Parts & Supplies, Tires & Rubber, Automobile Manufactures, and Motorcycle Manufactures

Banks: Only includes Banks

Capital Goods – Aerospace & Defense: Only includes Aerospace & Defense

Capital Goods – Electrical Equipment: Includes Electrical Components & Equipment, and Heavy Electrical Equipment

Capital Goods – Other: Includes Building Products, Construction & Engineering, Industrial Conglomerates, Construction & Farm Machinery & Heavy Trucks, Industrial Machinery, and Trading Companies & Distributors

Consumer Durables & Apparel: Includes Consumer Electronics, Home Furnishings, Homebuilding, Household Appliances, Housewares & Specialties, Leisure Products, Photographic Products, Apparel, Accessories and Luxury Goods, Footwear, and Textiles

Diversified Financials: Includes Consumer Finance, Diversified Financial Services, and Multi-Sector Holdings

Energy: Includes Oil & Gas Drilling, Oil & Gas Equipment & Services, Integrated Oil & Gas, Oil & Gas Exploration & Production, and Oil & Gas Refining, Marketing & Transportation

Food, Beverage & Tobacco: Includes Brewers, Distillers & Vintners, Soft Drinks, Agricultural Products, Meat Poultry & Fish, Packaged Foods & Meats, and Tobacco

Food & Drug Retailing: Includes Drug Retail, Food Distributors, and Food Retail

Health Care Equipment & Services: Includes Health Care Equipment, Health Care Supplies, Health Care Distributors & Services, Health Care Facilities, and Managed Health Care

Hotels, Restaurants & Leisure: Includes Casinos & Gaming, Hotels, Resorts & Cruise Lines, Leisure Facilities, and Restaurants

Household & Personal Products: Includes Household Products and Personal Products

Industrial Services & Supplies: Includes Commercial Printing, Data Processing Services, Diversified Commercial Services, Employment Services, Environmental Services, and Office Services & Supplies

Insurance: Includes Insurance Brokers, Life & Health Insurance, Multi-Line Insurance, Property & Casualty Insurance, and Reinsurance

Materials - Chemicals: Includes Commodity Chemicals, Diversified Chemicals, Fertilizers & Agricultural Chemicals, Industrial Gases, and Specialty Chemicals

Materials – Construction Materials: Only Includes Construction Materials

Materials – Containers & Packaging: Includes Metal & Glass Containers, and Paper Packaging

Materials – Metals & Mining: Includes Aluminum, Diversified Metals & Mining, Gold, Precious Metals & Minerals, and Steel

Materials - Paper & Forest Products: Includes Forest Products and Paper Products

Media Publishing & Broadcasting: Includes Advertising, Broadcasting & Cable TV, Movies & Entertainment, and Publishing

Not-for-Profit: Entities classified as 501s

Pharmaceuticals & Biotechnology: Includes Biotechnology and Pharmaceuticals

Real Estate: Includes Real Estate Investment Trusts and Real Estate Management & Development

Retailing (Other than Food & Drug): Includes Distributors, Catalog Retail, Internet Retail, Department Stores, General Merchandise Stores, Apparel Retail, Computer & Electronics Retail, Home Improvement Retail, and Specialty Stores

Software & Services: Includes Internet Software & Services, IT Consulting & Services, Application Software, and Systems Software

Technology Hardware & Equipment: Includes Networking Equipment, Telecommunications Equipment, Computer Hardware, Computer Storage & Peripherals, Electronic Equipment & Instruments, Office Electronics, Semiconductor Equipment, and Semiconductors

Telecommunication Services: Includes Integrated Telecommunication Services, Alternative Carriers, and Wireless Telecommunication Services

Transportation: Includes Air Freight & Logistics, Airlines, Marine, Railroads, Trucking, Airport Services, Highways & Railtracks, and Marine Ports & Services

Utilities: Includes Electric Utilities, Gas Utilities, Multi-Utilities and Unregulated Power, and Water Utilities