

The Career Path in New Product Development

Over the past 20 years, the field of new product development (NPD) has grown exponentially—both geographically and in terms of corporate structure. Just two decades ago, it appeared to be a middle-management function at most corporations, and no one had ever heard the title “Chief Innovation Officer.” The field was centered in North America and Western Europe, and “innovation” was not a household word.

Today, many facets of the field have changed. Interest in innovation as an engine of growth has spread around the globe. PDMA’s own network of global affiliates has grown from one (the U.K.) in 2005 to 17 as of this year. And an innovation study by Accenture (based on research by the Economist Intelligence Unit) found that innovation has reached the C-Suite—with 19 percent of the major corporations polled already having an official Chief Innovation Officer, and another 10 percent of companies saying the function now reports to another executive in the C-Suite.¹

But this growth has not translated into the emergence of a standard NPD structure or a standard set of titles. As one of our writers, Steve Treibel, points out, “NPD organization structure varies greatly....There is no ‘right’ structure.”² Apparently the situation was very similar 20 years ago, when Laurence P.

Feldman reported on the results of a PDMA survey in *Journal of Product Innovation Management* on “the new product professional.”³ He found “a total of 90 different titles for present positions” and “the names of the departments in which respondents worked currently were characterized by extreme diversity.”

Despite this continuing complexity, and a lack of new research on NPD organizational structure, *Visions* has forged ahead to create a Special Section on NPD Job Trends today—filled entirely with original material—to update our readers about what’s happening in the field, how it is growing, and how they might succeed in it. We believe the timing is right for this—due to the maturing of the field and the fact that at many companies growth of the NPD function and its staffing were held back due to the economic downturn of 2008-2009. We hope this Special Section can assist our readers in their career advancement in this changing environment. ■

April Klimley
Visions Editor-in-Chief
July 11, 2010



Endnotes: (1) Innovation report from Accenture (2008) (www.accenture.com) (2) Treibel, p. 20, this issue of *Visions*. (3) Laurence P. Feldman, “A Profile of the New Product Professional,” *Journal of Product Innovation Management (JPIM)*, Vol. 8, No. 4 (Dec., 1991) pp. 252-266.



Kathy Morrissey

New Study

Personal contacts remain more valuable than ever in job searches—despite Web 2.0 tools

Kathy Morrissey, Partner, Strategy2Market, Inc., and NPD Recruiting (kmorrissey@npdrecruiting.com)

In today’s fast-moving Internet world, it’s hard to determine the best way to stay in touch with professional peers—or search for a new position. To find out how NPD professionals are faring in the post-recession environment and what tools they’re using to search for new positions, PDMA teamed up with NPD Recruiting to do an online survey of NPD job trends in May 2010.

Although Web 2.0 has provided new tools for employers and candidates, traditional approaches such as maintaining a solid network, keeping up visibility in the field, and establishing personal connections were all found to be key in a successful job search, according to a survey conducted in May by PDMA and NPD Recruiting. It was found that Web 2.0 hasn’t so much changed the job seeker’s main strategies as it has created efficiencies and allowed the professional to extend the reach of his or her network.

Respondents reported the most successful job search tactics included contacting former colleagues for leads, pursuing new skills and certifications to enhance their resume, and contacting

the manager of the appropriate department in a company they would like to work for.

Hiring managers reported the most successful tactics for finding candidates included hiring a retained search firm, tapping into their network, and soliciting recommendations from current employees.

Our study was undertaken to determine how NPD professionals are faring as the economy moves out of recession—and then share those experiences. NPD Recruiting and PDMA co-sponsored this survey with the objective of looking into the current state of employment and job hunting for NPD professionals. We emphasized job search tactics to determine prevalence and effectiveness within

the NPD community, thus providing some future guidance to job seekers. This article contains some of the results of the survey, which is expected to be conducted annually.

We announced the survey through social media and the PDMA and Strategy2Market websites between March 3 and May 20, 2010. NPD practitioners were invited to participate through email, blog, Twitter, and website announcements. As an incentive to participate, we offered to share results with those who filled out the survey. This solicitation approach favors professionals who are active online or in new product development-related social media, and the focus of the survey may be most attractive to those NPD professionals looking for a new job.

One hundred thirty-one people responded. This group included a broad spectrum of job functions: 24 percent were product managers, 14 percent were project managers, 9 percent were engineers, 9 percent were in marketing, and 8 percent worked in R&D (see Exhibit 1: Job functions of respondents).

Before looking at specific job tactic results, we'd like to compare the job status of our respondents with the national unemployment picture at the time. Keep in mind that the U.S. was coming out of a severe recession—the worst since the Depression. In April 2010, the national unemployment rate for management, professional, and related occupations was 4.5 percent as reported by the Bureau of Labor Statistics.¹ However, our respondents reported a much higher unemployment rate: 40 percent said they were currently unemployed or doing temporary contract/consulting work. In addition, 21 percent said they were employed but actively looking for a new position. Twenty percent reported being employed but monitoring the situation in anticipation of making a move. Only 17 percent said they had a job and were not looking for a new position (see Exhibit 2: Employment status of respondents).

The Bureau of Labor Statistics also reported in April 2010² that of those unemployed, 46 percent have been unemployed for 27 weeks (6 months) or more. In our sample, 77 percent of those unemployed reported being unemployed for 27 weeks or more. The dramatically higher unemployment rates in our sample suggest NPD professionals are experiencing higher unemployment rates than the national average—or that we have a disproportionately high representation of unemployed professionals in our sample.

Either way, because the focus of the survey is on the respondent's experience with the current job market, this sample bias is acceptable. Seventy-eight percent of respondents have conducted a job search in the last 12 months, giving us some current and relevant information in terms of looking at what "tools" they are using and which are considered most effective by them. Now let's turn to the survey results.

One question on everyone's mind is whether job opportunities are becoming increasingly available. Respondents reported that job opportunities may be increasing now (slightly more than 50 percent agree with this statement and 34 percent were unsure).

What percentage of job seekers found a new job and how long did it take? Only 31 percent of those conducting a job search in the last 12 months reported success. Of those, 54 percent reported it took more than 6 months to obtain a new job. And making the success bittersweet, 55 percent of those accepting a new job were not satisfied with the compensation package.

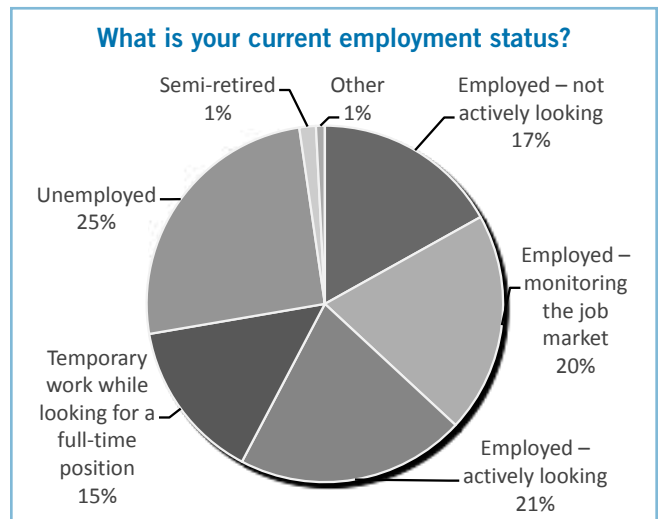
A question of particular concern to unemployed job seekers is whether prospective employers consider being currently unemployed a negative factor in the hiring decision. At NPD Recruiting, we have had a few employers tell us that they do not want

Exhibit 1: Job functions of respondents



SOURCE: 2010 New Product Development Professionals Survey

Exhibit 2: Employment status of respondents



SOURCE: 2010 New Product Development Professionals Survey

to interview anyone currently unemployed. Their belief is that poor performers are laid off, especially in the first few rounds of corporate downsizing. We would expect that the steep staffing cuts experienced during this economic downturn would mitigate this concern, but our respondents were equally divided on this issue, thus shedding no light on the question.

Job search tactics

We asked job seekers to evaluate various job search tactics based on their own experience. Respondents were asked to rate 22 tactics frequently recommended to job seekers in articles, books, websites, and other sources that offer advice on job searches. The tactics are rated on page 12 in Exhibit 3: Top 10 tactics used by job seekers.

We placed tactics in the top 10 if respondents rated them "somewhat successful" or "very successful." Perhaps surprisingly, many of the top 10 tactics turned out to be the traditional, proactive methods that job seekers have been using for years. Rated No. 1

was “contacting former colleagues for leads” (63 percent of those trying this tactic rated it successful). Closely following at No. 2 was “pursuing new skills and certifications to enhance resume” (61 percent rated it successful).³ Given the rapid pace of change in today’s workplace, it’s no surprise that keeping skills fresh and acquiring new experiences is going to open more doors to opportunities. Another traditional tactic is the third most successful, “contacting the manager of the appropriate department in a firm you would like to work for” (55 percent rated it successful). Although this is not a tactic for the shy, 72 percent reported having tried this tactic.

In fourth place we have the ubiquitous “free job postings on the Internet (including Indeed, Monster, LinkedIn).” Fifty-two percent rated it successful, and 97 percent have given it a try. The success rate is somewhat surprising given the many complaints we hear from job seekers about applications made to free online postings disappearing into a black hole, never to be acknowledged.

Other successful tactics a job seeker can try include contacting friends and family for leads, applying to job postings on corporate websites, attending meetings of networking organizations (such as Gray Hair Management), and attending professional association networking events (say, PDMA, PMI). About 48 percent rated these tactics successful.

What about hiring a career coach?

Although only 34 percent of respondents have tried the tactic “hire professional career help/coach/mentor,” 47 percent rated this tactic as successful—leading us to believe that other job seekers may want to try it. For those unfamiliar with this service, a career coach will help clients determine their life/career goals and how to achieve them. The coach does not find a job for the client but rather guides and empowers the client to attain success. Often the coach can provide feedback on negative impressions, help the client prepare a compelling resume, and prepare the client for the crucial phone and in-person interviews.

The last of the top 10 tactics is “contacting recruiters.” Although

91 percent of job seekers have tried this approach, only 41 percent rated it successful. This is not surprising in the current environment where the supply of qualified professionals looking for jobs exceeds the number of jobs available. Employers, as represented by recruiters, thus have the power in the relationship and will be quite selective in their choice of candidates to interview and ultimately hire.

Asked for additional suggestions, the one of the most frequently mentioned was using LinkedIn to build a network. LinkedIn simplifies searching for people based on specific criteria and makes it easy to maintain contact with people in your network. Job seekers can look for employees in a particular company, the modern-day equivalent of contacting the manager of the appropriate department in a targeted company. Job seekers can also easily issue questions, updates, and requests to their network, the modern-day equivalent of contacting friends, relatives, and professional colleagues for job leads.

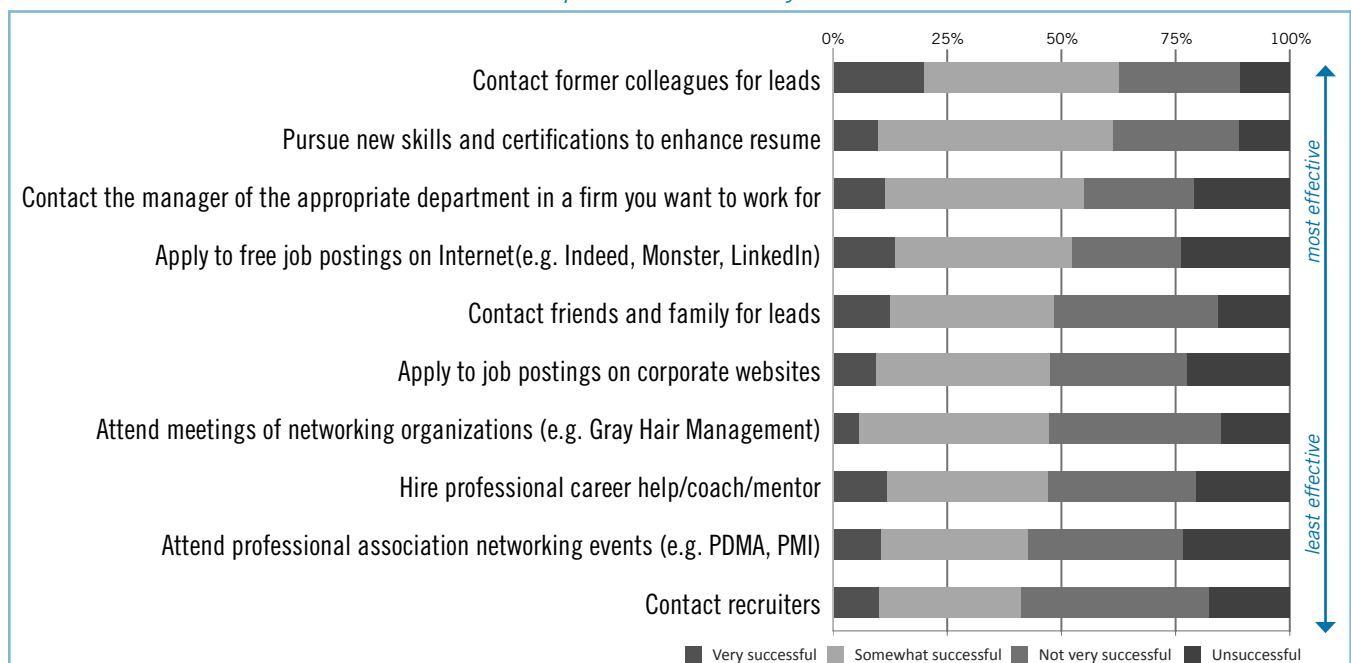
The tactics with the lowest success ratings include many of the newer technologies and more passive approaches. Posting resumes in resume banks maintained by universities, professional associations, and commercial resume banks like The Ladders were rated poorly. Resume banks require the recruiter or employer to actively seek out candidates hidden away in databases. Given that this is an employer’s market, there are much easier ways to recruit.

Attending job fairs and using resume distribution services also rated poorly.

Job search obstacles

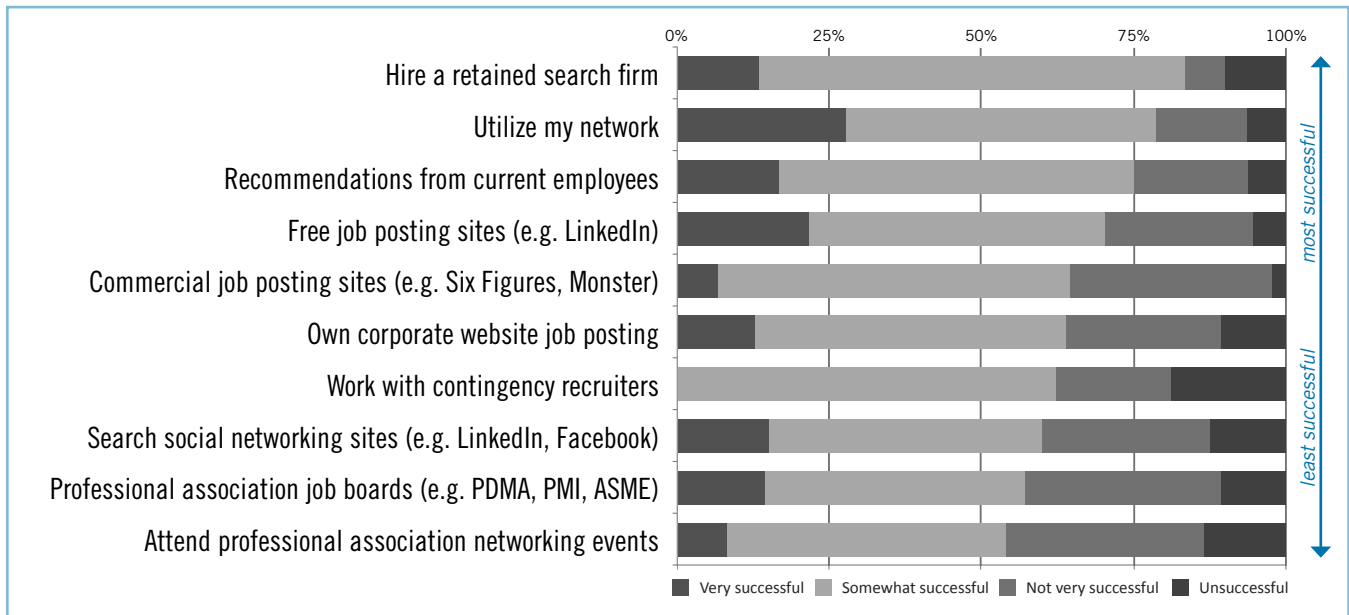
We asked job seekers to identify the obstacles they encounter in their job search. This was an open-ended question, so we did not offer ideas. The most frequently mentioned obstacles were of the general theme that employers have the power in the search relationship due to the small number of jobs relative to the large number of unemployed candidates: fierce competition for open positions, compensation offered is too low for the position, employers will not pay for relocation and greatly prefer local candidates. Employers have the luxury of being selective. Respondents noted, as have we,

Exhibit 3: Top 10 Tactics Used by Job Seekers



SOURCE: 2010 New Product Development Professionals Survey

Exhibit 4: Top 10 Tactics Used by Companies in Candidate Searches



SOURCE: 2010 New Product Development Professionals Survey

that employers are requiring very specific industry and functional experience. Many want proof that the candidate has successfully performed in the position before, meaning the employer is not interested in providing the candidate a growth opportunity but, rather, wants to minimize any learning curve associated with a new hire.

Even though we are definitely in an employer's market, respondents reported that companies are moving slowly through the hiring process—often canceling the position or putting it on hold while in the midst of interviewing candidates. Respondents also reported frustration with the difficulty of the job search, the lack of feedback, and the problem of self-motivation.

The tactics companies employ for hiring

We also asked respondents who have made the hiring decisions for NPD professionals to rate 18 candidate search tactics based on their own experience. The best ways are shown in Exhibit 4 from most successful to least: Top 10 tactics used by companies in candidate searches. Notice that many of these tactics rely on the candidate being visible, as opposed to relying on the candidate to find and apply for an open position. We were interested to note that for every tactic that companies use most and believe are most successful, at least 50 percent of our respondents had given it a try.

Overall, companies reported that the most successful tactic is hiring a retained search firm, which was rated successful by 83 percent. In a retained search the employer contracts exclusively with a recruiting firm for a substantial fee to find the best candidates for the position. Employers usually reserve this tactic for high-level positions or positions that are difficult to fill.

The next two most successful tactics were tapping into the hiring manager's network (79 percent rated it successful) and receiving recommendations from current employees (75 percent rated it successful). Next comes advertising the opening widely and using the free and paid job posting sites (success rates of 64 to 70 percent). We find this tactic is a mixed blessing, since it inundates the employer with resume submissions, but the number that are a good match is usually low and reviewing the submissions is time consuming.

Sometimes companies utilize "contingency" recruiters as a way of casting a wider net and avoiding some of the work of screening resume submissions. Contingency recruiters are only paid if they complete the search; retained recruiters are compensated no matter what the result.

Other tactics that companies (meaning, hiring executives) reported yielded success 50 percent of the time or more were "searching social networking sites (LinkedIn and Facebook, for example)," "accessing contacts through professional association job boards (PDMA, PMI, ASME)," and "attending professional association networking events."

Conclusions

In answer to the earlier question, "How are NPD professionals faring in this economy?" we discovered that unemployed NPD professionals are experiencing a difficult and frustrating job search. We cannot say whether it is worse than the average unemployed job seeker in the U.S.—or the result of a shrinking number of jobs in this category—but we have learned about the common obstacles as well as what works and what doesn't. We hope that this will be helpful to PDMA members searching for new jobs—or considering changing jobs—and others in the field of NPD as well.

Additional results from this survey will be published in a complete report available through PDMA and NPD Recruiting. The survey will be repeated annually allowing for analysis of employment trends experienced by NPD professionals. **V**

Endnotes:

1. Economic News Release Table A-13. *Employed and unemployed persons by occupation, not seasonally adjusted* May 7, 2010
2. Economic News Release Table A-12. *Unemployed persons by duration of unemployment, seasonally adjusted* May 7, 2010
3. See the links below for an article on the value of professional development reprinted from the NPD Recruiting blog
<http://npdrecruiting.com/exchange/2010/03/career-advice-from-louis-pasteur1/>
<http://npdrecruiting.com/exchange/2010/03/career-advice-from-louis-pasteur2/>