

## INSIDER'S PERSPECTIVE

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### **PRODUCT SUMMIT**

Accelerate time-to-market, improve products,  
and reduce Cost Of Goods Sold (COGS)

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## Introduction

Picture a scenario where your company is increasingly challenged by competitors, facing shifting market needs, experiencing delays in product launches, and contending with escalating costs. The relentless pressure to innovate, outpace competition, and trim expenses weighs heavily on every decision. Yet, amidst these challenges, the solutions may reside within the very core of your organization – within the visionary executives, seasoned subject matter experts, and hands-on operational teams.

However, these invaluable resources often find themselves siloed within multiple departments, obscured by hierarchical structures, and entangled in the demands of day-to-day operations. In such a scenario, the risk looms large that brilliant ideas may dwindle away, never reaching the ears of decision-makers. Product Summits prove to be a pragmatic approach to break through these barriers and to confront challenges head-on, end-to-end, and with tangible results as our cross-sectoral industry experience shows.

## What are Product Summits?

Product Summits are structured events during which top management, operational key stakeholders, and subject matter experts from various departments gather around the products in one location and over a designated period, the convention week. This concentrated and cross-functional setting allows participants to focus solely on holistic problem-solving across the entire value chain and immediate decision-making away from their day-to-day responsibilities. Typical participants include executives, hardware engineers, software developers, manufacturers, purchasers, marketers, and suppliers.

### POTENTIAL GAINS

**37%**

savings in annual  
cost of goods sold (COGS)

## What to expect from Product Summits?

Product Summits hold the capability to unleash the full innovation and decision power of your company, ultimately leading to better products and increased competitiveness in the market. For instance, a semiconductor OEM identified potential 37% savings in annual cost of goods sold (COGS) for a focal product. This outcome stemmed from over 100 ideas generated by 120 cross-functional stakeholders. In another case within the aerospace industry, a Product Summit uncovered an 8% weight reduction potential for two selected aircraft models. Furthermore, a mechatronic machinery manufacturer identified a 20% decrease in time-to-market for their products.

While Product Summits enable executives to make educated and organization-backed decisions, the cross-functional and heads-on format fosters a sense of empowerment and achievement throughout the organization. Comments such as "We accomplished more in 1 week than in the past 2 years" reflect the sentiment among participants, or as an engineering department lead put it: "Finally we are being heard".



**-20%**

decrease in time-to-market for their products for a mechatronic machinery manufacturer

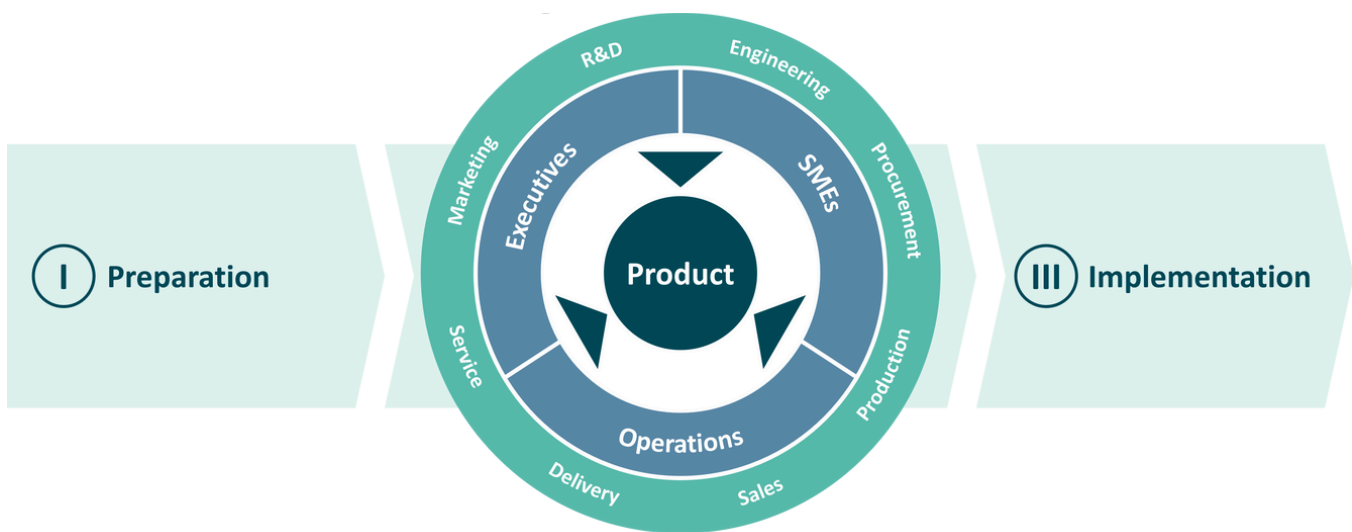
## When to Conduct Product Summits?

In contrast to conventional approaches like design-to-X or ad-hoc problem-solving workshops, which are effective in specific contexts, Product Summits excel when stakes are high, multiple departments need to be involved, time is running out, and top-management decisions are required. As a best practice, market leaders of various industries integrate Product Summits into their standard product lifecycle to swiftly adapt to ever-evolving market demands, surpass competition, and capitalize on improvements during the product's growth and maturity stages.

## How to Execute Product Summits?

While thorough planning and preparation of the Summit week is crucial to maximize the number and quality of ideas decided upon during the Convention Week, subsequent prioritization and consistent implementation are necessary to ensure tangible impact. Hence, effective Product Summits typically involve three key phases. The first phase focuses on preparing for the Summit Week by aligning top management, getting the entire organization on board, forming cross-functional teams, setting up the infrastructure, providing physical materials, and generating initial ideas. In the second phase, the Summit Week itself, cross-functional teams meet every day in person at the venue to jointly generate, quantify, and present their ideas, which are then daily discussed and selected by top management, including C-level executives. In the final phase, selected ideas are prioritized, bundled, and integrated into the organization's standard processes or dedicated programs to ensure implementation.

### ALL ABOUT PRODUCT IMPROVEMENTS



#### I Preparation

- Align executives and bring organization on board
- Build cross-functional teams and start ideation
- Provide physical products and materials

#### II Summit week

- Meet daily and in person for one entire week
- Teams: generate, quantify, and present ideas
- Executives: appreciate, challenge, and decide ideas for implementation

#### III Implementation

- Prioritize and bundle ideas
- Integrate selected ideas into standard processes
- Ramp-up, run, and track implementation

# CASE EXAMPLE

- **Company:** globally operating company in the high-tech machinery sector, market leader with one-digit Bn\$ turnover and several 10k employees
- **Situation:** a system with high customer demand and top-notch characteristics but price way above market
- **Our client's challenge:** CEO asked us to significantly reduce product cost in a short amount of time across the entire value chain to meet market expectations

## THE SETUP



**Company hierarchy:** all from C-level to executive managers and SMEs from each relevant function/ department



**Functions/Departments:** Sales and Marketing, Product Management, R&D, Hardware/ Software Engineering, Supply Chain incl. Procurement and Manufacturing, QA/ Testing, Customer Support and Service, Finance and selected key suppliers



**Participants:** ~100 from different countries/ locations

- Core team: 10 WPs across the main system modules with 10 team members each...
- extended by ~40 people for complementary expertise, data/ information, organization, and logistics
- with management support from decision board including 10 representatives from C-level and executive management



**Convention venue:** ~4 ha hall



**Materials in focus/ displayed on site:**

- 2 entire system versions, 14 single modules, 40 key assembly groups, 70 key parts and tools
- multiple technical drawings, 3D CAD models, hydraulic and wiring diagrams, specs



**Duration:** 4 months in total with...

- 3 months of preparation
- 5 full convention days incl. ice-breaking warm-ups, working sessions, break-outs with demonstration/ live shows, and 2 hours of decision board each day
- 1 month consolidation and implementation planning followed by 2-12 months of implementation depending on the type of idea

## KEY RESULTS

167

cost reduction ideas documented and quantified in idea database

103

ideas chosen and prioritized for implementation

\$27m

annual savings identified based on prioritized ideas versus \$2m invested effort

1

implementation program up and running



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## About CYLAD

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