PRTM and Infosys survey finds growing interest but decreasing satisfaction in Collaborative Development

- Over 80 percent claim dissatisfaction with Collaborative Development efforts to date

FREMONT, Calif., March 4, 2003 — Attendees at a recent seminar for senior executives, “Collaborative Product Development: Making the Partnership Work,” indicated through a survey conducted during the event that they see enormous potential in collaborating with strategic partners. The seminar, led by Dr. Christopher Meyer of the California Institute of Technology’s Industrial Relation Center and sponsored by PRTM and Infosys Technologies Ltd. (Nasdaq: INFY), addressed the fundamentals of collaborative development, from strategies for partner selection to maintaining effective relationships, as well as best practices and methods for success.

Dr. Meyer, a recognized leader in designing performance management systems that emphasize creativity balanced with managerial control and author of “Fast Cycle Time: How to Align Purpose, Strategy and Structure for Speed,” presented the risks and realities of partnerships. Seminar attendees were industry leaders seeking ways to form partnerships to co-develop core products, extend development resources and improve time-to-market. Designed to examine architectural elements behind profitable partnering, the seminar offered case examples for establishing and executing such partnerships, as well as a panel discussion with leading industry executives who have effectively implemented collaborative product development.

“The group discussion illuminated real-world examples of the value collaborative development delivers for companies like TIBCO, and introduced participants to best practices for rapid and successful implementation of collaborative development,” said panel member Jayesh Shah of TIBCO Software Inc.

“While businesses have recognized that strategic partnerships can provide a viable alternative to the traditional vertically integrated organization, they are not by any means easy or foolproof,” said Ed Yu, director of PRTM and a presenter at the seminar. “Delivering on partnerships as an organizational competency is still relatively new, and the complexities involved can often cause the best laid plans to under-perform.”

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Responses to the survey showed a significant planned increase in companies’ reliance on strategic development partnerships. Among the other findings:

- **One-half of respondents anticipate that more than 40 percent of development projects in 2004 will involve a strategic partner.**
- **Despite clear indications of the growing importance of cross-company collaboration, companies are generally not satisfied with the performance of collaborations to date.** More than 80 percent indicated that they are either “not satisfied” or “unsatisfied” with overall co-development efforts.
- **In categorizing the level of impact of ten common co-development issues, the top concern was a poor foundation for collaboration, defined in the survey as “weak strategic linkage, misaligned expectations and inadequate trust.”** Ineffective executive leadership and program management problems also ranked as major issues.
- **Only eight percent of respondents have an explicit co-development strategy that considers business needs, core competencies and value-add in delivering solutions, and just 13 percent of companies have a culture that supports deep collaboration.** These results indicate that most companies seem to have a long road ahead in creating a strategy and culture enabling them to reap the benefits of co-development.

- **Aligned development processes and well-integrated, cross-company project teams are seen as particularly important practices.** However, the fact that only one-half of companies in the survey appear to have any level of formal implementation of these two key practices, and that for other important practices the degree of deployment is even lower, suggests that best practices are not yet firmly established. Spotty deployment of practices believed to be important seems to provide some explanation for the dissatisfaction many have with co-development performance.
- **While only nine percent of companies are fully satisfied with their current set of information technology (IT) tools, implementation of advanced tools is picking up and will likely accelerate dramatically in the next five years.** Further, those that are satisfied with their IT tools are much more likely to have already invested in one or more advanced solutions, such as collaborative design software.

"Clearly, the survey results show that interest in co-development is increasing," said Basab Pradhan, senior vice president and head of worldwide sales for Infosys. "Companies realize that the benefits of leveraging the extended value chain as they deliver solutions to customers are compelling, but in order to be successful, new strategies, practices and IT systems are required."

To promote such success, attendees were provided with the answers to some critical questions, such as how to select the appropriate product development model; how to integrate internal and external teams and maintain control over projects; and what kinds of changes can be expected within the organization in order to make collaboration work. In addition, they were able to come away with the ten most important steps necessary for successful co-development. (Complete results of the survey may be accessed at http://www.infosys.com/media/PRTM-InfosysCo-DevSurveyv2.pdf.)

About PRTM

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