# 8 ways to manage contract designers

Preston G. Smith, Management Consultant, New Product Dynamics

You gain many benefits by engaging a contractor to develop your product for you. However, to absorb the most from this opportunity, you will have to form an active, on-going alliance with your development partner. Here are eight suggestions for working with your design vendor.

**1** **Make sure your product development partner truly understands your customer.** Many manufacturers unwittingly create voice-of-the-customer (VOC) disconnects by placing marketing professionals between their customers and those actually designing the product. A development contractor can add one more level of filtering if, for example, you attempt to distill the VOC into the development contract. Your development partner should listen to you very carefully as you describe the product "requirements," but then *they* must go discover the user environment for themselves. Enable this.

**2** **Ensure that the final product fits your values.** The danger of following the suggestion above is that the resulting product will not fit your marketing strategy or the values of your company. Before he starts developing, invite your development partner in, review your strategic plans with him, and show him what you like and dislike about your existing products. In short, show him who you are. Then keep in touch with him throughout development to make sure he understood.

**3** **Take advantage of your partner's outside viewpoint.** Clearly, the risk in going too far in molding your partner to your values is that you are usually paying him for a fresh view of the situation. Although you will have to make sure the resulting product moves your company in a direction you desire, also be open to variations in that direction that may seem a bit wild at the moment. Here again, this will require on-going dialog.

**4** **Establish points of contact at multiple levels.** Avoid having a single point of contact in each organization who distributes messages as they arrive. Keep engineers in direct contact with engineers, executives in direct contact with executives, etc. This will require some extra work to ensure that everyone in each organization is synchronized with the rest of that organization, but the improvement in communication quality will more than offset the additional coordination involved.

**5** **Stay involved in the decisions.** Product development occurs through a sequence of decisions built on earlier decisions. Waiting for a formal phase review to see what your development partner is doing puts you—and him—in the awkward position of either redoing some misdirected work or accepting it in the interest of moving on. Find ways to get real-time feedback, and invest in maintaining it.

**6** **Maintain a consistent pace.** One frustration of product development contractors is that their clients keep turning the project on and off as factors change in the client organization. While this is understandable, it causes inefficiencies in the contractor's organization. Information and good ideas get lost, and they waste time getting back into a deferred project. Worse, the design team may change when it restarts the project, which ultimately hurts you.

> Although you can **engage** a development partner to **bolster** your resources or add a new creative dimension, if the product fails **you are responsible**—not the development partner. This is another good reason to keep in constant touch with your partners.

**7** **Remember that you retain final responsibility.** Although you can engage a development partner to bolster your resources, gain skills that you lack internally, or add a new creative dimension, if the resulting product fails, it is you, not the development partner, who is responsible for it—another good reason to keep in touch.

**8** **Plan to learn from your development partner.** Manufacturers usually engage development contractors because they lack something essential to developing the product internally: creativity, strong integration or coordination skills, or speed to market. Most product development partners are quite willing to expose you to their methodologies as they develop your product, so that you gain not only the new product, but some effective, agile techniques as well. But, you must ask for this second "deliverable," and you must be willing to expend the effort to assimilate it.