



Cytec Specialty Chemicals Focuses on Increased New Product Revenues and Profits with Accolade[®] System

Company Overview

Headquartered in Brussels, Belgium, Cytec Specialty Chemicals (CSC) is a \$2.4 billion division of Cytec Industries Inc. The division is one of the world's leading producers of environmentally-friendly coating resins, additives, adhesives and mining chemicals. CSC's products enhance the performance of a variety of surfaces and serve as the foundation for complex chemical compounds used in the automotive, paper, mining, industrial, and pharmaceutical industries.

The Business Challenge

Cytec Specialty Chemicals was formed in 2005 when two of Cytec's largest business units were merged into a single organization. The new entity's objectives included increasing both revenues and profits generated from new products, lending support to their publicly-stated goals of growing top-line revenues by 5-7% and achieving double-digit earnings growth. Prior to being merged, both of the former divisions had implemented Stage-Gate[®], the widely used product-development methodology. CSC recognized that, in order to reach its financial goals, it would need to define a common and integrated set of innovation processes. This would make it easier for teams to execute on the delivery of projects, and for executives to identify and fund the most promising new products in the pipeline.

The Solution

CSC moved quickly to modify and standardize its Stage-Gate implementation, which was also based around strong project management principles. The revised processes, which included new product development, idea management and technology development, were to be rolled out to more than

500 users in marketing, R&D, and technical services and development (TS&D) in eight locations worldwide. CSC hoped that the combined teams could then introduce more truly innovative products and develop more powerful technology platforms that could be used throughout the larger organization.

As part of its deployment plan, CSC evaluated process automation and portfolio management software. Because it was recognized how important it was that the new processes and tool be adopted by all parties that made up the new organization, the tool selection criteria included making sure that the system would be flexible, obvious-to-use, eliminate redundancy and quickly implemented. It was also important that the tool could reinforce best-practices and enable continuous improvement of their Stage-Gate processes across the entire global organization.

CSC selected Sopheon's Accolade as its innovation process management system. Among the reasons for CSC's choice was Accolade's capacity to provide a central repository for tracking and sharing critical project information; its detailed charting and reporting functions; and its alignment with Stage-Gate best practices.

“Accolade is truly supporting the efforts and processes that will help us achieve our objective of getting greater returns on our investments in product innovation.”

***– Shane Fleming
President,
Cytec Specialty Chemicals***

The Results

CSC successfully completed its global deployment of Stage-Gate and Accolade in six months, on budget and on time. Since the implementation, the organization has experienced a broad range of process improvements. For example, Accolade's "smart templates" automatically populate status reports and gate deliverables with real-time project information, which can then be shared in advance of gate meetings. When the sessions convene, "go / no go" decisions are made in approximately 15 minutes per project.

The use of Accolade has also helped CSC achieve high adoption rates organization-wide for its innovation process. Satisfaction with the Accolade system was reflected in a survey conducted among CSC employees. Users overwhelmingly agreed that Accolade "helps them do their job" and that "they would recommend it to others." As one user told the implementation team, "I want to tell you how thrilled I am with the Accolade application. It's a wonderful tool. And the Accolade portfolio wizard is great – I'm able to create exactly the reports I need."

Because Accolade makes the innovation process completely transparent to both CSC's project teams and its executives, R&D resources are now focused on only those projects that have a clear alignment with the company's strategic objectives. The ability to quickly eliminate low-value projects and concentrate on those that matter most continues to be of significant benefit to CSC. As an example, mid-2007, more than 300 active projects were in the funnel. In the first 6 months of 2007, more than 50 projects have been stopped in an early stage either because the opportunity wasn't sufficiently aligned, or because it became clear the expected value wasn't going to be delivered.

Wim Vanderpoorten, Cytec Specialty Chemicals' innovation process director, confirms this, saying, "Accolade supports the Cytec innovation process we call CIMS. The process enables us to more effectively operate in cross-functional teams. The solution allows us to incorporate input from regulatory affairs, product stewardship, marketing, and operations – not just R&D. Now we can readily determine if a project is in trouble or quickly identify 'showstoppers' – such as IP issues, unjustified technical risks, or unworkable pricing/cost models – earlier in the process. Accolade helps us ensure that we make our highest-value projects our first priority."

In summary, Accolade is helping Cytec Specialty Chemicals:

- Focus its resources on the projects with the greatest revenue potential;
- Enable cross-functional project teams to systematically and more efficiently participate in the development process; and
- Deliver the right projects to market – faster.

Shane Fleming, President of Cytec Specialty Chemicals, concludes, "Our Cytec Innovation Management System, which is the Stage-Gate process supported by Accolade, was one of the first successful integration projects after our merger. One of CSC's main priorities is to deliver greater value to our customers by creating more innovative products. We're very pleased with the results; Accolade is truly supporting the efforts and processes that will help us achieve our objective of getting greater returns on our investments in product innovation."



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