

Front End Loading in new product development
“Front End Loading in decision making”
— Visualisation and Quantitative risk assessment —

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Forming a corporate vision

In a sense, planning actions in the concept and strategy of a corporate vision/goal can be the beginning of a management cycle when considered a corporate action process. The starting point of such a process can be rephrased as front-end loading, the so-called most upstream process. At this stage, it is the top of the pyramid (capstone) when the corporate activity is viewed as a hierarchical structure. As an organisation, it is essential to secure a basic agreement on corporate vision, goals and abbreviated actions between corporate leaders, at least at this stage. Still, the decisions made there are many that are very uncertain. For example, it isn't easy to see the market trends for many years ahead to be involved in the decision and the domestic and international ecological environment, society, economy, politics, and technological progress that influence them.

However, no matter how difficult it may be, the leaderships must have a common understanding of at least significant trends and total uncertainties, with as objective insight as possible. Furthermore, it should be necessary to systematize efforts and actions to form a shared understanding and consensus on its pursuit of vision and values and direction of motion based on that shared understanding. If development starts with little or no agreement, the company's actions and processes may fall into a state of drunkenness (Control less).

Front End Loading in decision making

Given these, the more you try to assert the need for front-end loading in new product development, the more the question is raised as a counterargument about the ability to make full and proper decisions under conditions of uncertainty. To put it simply, the counterargument is that if you can do that, there is no problem. However, I strongly think that rationality in business organisations is more about intending, contemplating, planning, calculating and designing its actions towards a goal than it is about being backed by perfect logic. Therefore, it is essential to establish a system that would create some rally that we consider appropriate to invest management resources toward our goals.

Indeed, decisions about corporate vision/goal setting and strategic action in "Front End Loading" can be determined by various factors, such as how people perceive, the impact of organizational structures and processes, and the political

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system of an organization. As these have been treated as an atypical decision, so for the concept of standardization may sound unsuitable. However, to make such decisions, it is generally essential to understand and evaluate technical information internally and externally, take account of inevitable environmental issues, gain insights into competitor trends, and understand the problems and characteristics of the company's value/supply chain. The ingenuity to ensure the thorough implementation of this practice must be an organisational necessity, no matter who is at the top level. In that sense, I think that systematization and standardization efforts should be undertaken as an organisation. The unique insights and knowledge of the top layer complement such mechanisms further, increasing the likelihood of better decisions being made by them.

Maximising the potential for the value creation you pursue to succeed as a business would become the "Front End Loading" decision. The focus is to examine two issues: One is that the value we seek is undoubtedly valued. And the other is that it could be successfully realised as a business or not. In other words, the concept of "Front End Loading" in decision-making is one of the significant ways to increase the value of a company. I also believe that the real value of a company is whether or not it can put this into practice.