Required Texts


(WEB) Website containing cases and readings and some powerpoint slides downloadable from the internet at www.study.net

Additional Recommended Readings


COURSE OBJECTIVES

The purpose of this course is to help you better understand why new products/services, and the updating of older ones, are critical to firm growth and survival in a competitive marketplace and to learn how major firms successfully develop, market, and price their new products. The MBA is uniquely appropriate to involvement with new product design and development (NPDD), because of its inter-functional emphasis. Because products are so central to the existence of any business, new product development must necessarily involve many business functions and is **not simply one of the marketing activities of a firm**. This course emphasizes a systematic and proactive approach to product development whereby a firm actively searches for opportunities for profitable new products or the repositioning of existing ones and encourages their speedy development and introduction. We explore reasons for new products and market concerns when something new is introduced. We examine the nature of market responses to new products and discuss analytic tools to aid in understanding and managing strategic change. We examine about why new products succeed or fail and explore ways to improve their likelihood of success through organizing well and market research. Particular research techniques, such as conjoint analysis and perceptual mapping, are emphasized. In sum, we consider what is involved in developing promising new product ideas into marketable products. The basic steps of opportunity identification, design, testing, and commercialization will be outlined and workable procedures for their implementation discussed. The process of developing and refining the marketing mix prior to new product launch, with special emphasis on pricing decisions, will be emphasized in the latter part of the course. Numerous discussion questions, videos, and short cases afford opportunity to develop and test some of the skills and ideas presented by the course. In addition, a group project to develop and examine the commercial viability of a new product idea of the group’s choice will provide some ability to use the approaches and concepts discussed in class.

ADMINISTRATION

Because of the intensive nature of the course, class attendance and advance preparation for each class session (**i.e.**, reading, thinking about assignments, coming with questions or reactions, etc.) is essential. In lectures and discussion I shall try not to repeat what is in the text, but rather to examine topics that are not included or discussed rather briefly. Much effort will be made to focus on real issues of NPDD and **your questions and comments** are most welcome.

Your course grade will be based upon several factors:

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<th>Component</th>
<th>Percentage</th>
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<tr>
<td>Case Write-ups (2)</td>
<td>25%</td>
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<tr>
<td>Final Exam**</td>
<td>35%</td>
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<tr>
<td>New Product Development Project ‡</td>
<td>30%</td>
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<tr>
<td>Class Participation+</td>
<td>10%</td>
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<td><strong>TOTAL</strong></td>
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**Cases** relate to actual marketing problems faced by real world firms and provide you with an opportunity to analyze the situation and suggest and defend plausible recommendations for implementation. Some of the videos involve managerial decision issues. There are two longer cases dealing with aspects of the new product development process that are to be written and handed in. You are asked to read and think about all the cases and discussion questions and to participate in their class discussion. You are to submit written analysis and recommendations regarding issues that arise in new product development for the cases assigned in [Session # 5] and [Session # 18]. The two written cases are to be handed in on the dates of their class discussion. **No late papers will be accepted.** **ALL cases and class assignments (written or not) and videos may serve as the basis for questions on examinations.** It cannot be emphasized strongly enough
that significant learning comes from feedback and feedback arises out of a willingness to expose your viewpoints to the critical judgment of the class and the instructor. Please do not be reluctant to voice your opinion. Make mistakes, if you must, in class rather than in the real world.

** The Final Examination will consist of objective questions [e.g., true-false (with explanation), multiple choice], very short-answer and/or essay questions, and possibly short cases. This exam will cover the course material including chapter assignments and readings, lecture/discussion, cases and problems, videos, etc.. Preparation for the exam should involve (1) reading and studying all assigned material, (2) taking comprehensive class notes and reviewing them prior to the exam, and (3) devoting effort to the preparation and analysis of the cases. **

Hint: Pay attention to the topics emphasized on this syllabus as they represent my judgment of the important issues.

‡ Group or Individual Projects:

** Group.** The group project should provide a better grasp of the concepts taught in class by actually applying them to a topic of choice. It differs from the case studies in that the cases have a structured form with a clear starting point. In this project, however, there is no preset story. You will write it as you go along. The situation is simple: you are a group of 4-5 newly minted MBA’s who have decided to form your own company and market a new product that you will develop. Your task is now to: 1. Identify a promising new product/service opportunity. 2. Come up with at least one promising new product idea i.e., lay out the specs for this new product: What are its attributes, performance level, etc....? 3. Perform a preliminary market analysis: Make the case for who are the best market targets and why they should be interested? Who are the competitors and what can they do to you and how fast? What is the probable size of the market and growth rate? 4. Consider what market research is needed to reduce risk and uncertainty. 5. Develop a tentative launch strategy: price, promotional mix, distribution outlets, cost and sales forecast, etc. 6. Present your plan, at the end of the course, to “Shocker Venture Capital” for funding. In short, think of the project as an opportunity to apply course materials to a new product opportunity of your (group’s) choosing. Emphasis is on the topics dealt with during the "fuzzy front end" of the process. Treat the project report as an opportunity to demonstrate you know how to apply what you have learned. Talk to consumers and other stakeholders.

You will be required to make two presentations for this project: 1) a written presentation of a market opportunity you see (used to recruit other class members to your group) and 2) an 10-minute oral presentation at the end of the course of the specific new product your group has designed to meet this opportunity, the resources required, the time it will take to develop, and the tentative marketing plan for launch. A written project report is also required (due at the time of the Final Exam), but the oral presentation is used to elicit feedback from the class and me to help in preparation of the written report. A separate handout (on the study.net website) will provide a more detailed description of the project assignment. To foster an active and lively atmosphere in class, to stimulate your thinking, and to facilitate the learning process, you will work in teams of four to five students. Teams are preferably randomly assigned [my primary reason for this is that this is a much more realistic analog of the workplace than if you were to self-select your project groups]. Individuals adding this course after the first day of class will be assigned into one of the teams having the fewest number of students. If, due to students dropping the course, your group size falls to 3 students, you have the option of either 1) proceeding with a three-person team, or 2) requesting that I assign you into another existing group. Group membership will not change after the GSM add/drop deadline.

** Individual (small group) Alternatives** The alternative project’s purpose is to give you experience in critically examining new product design and development processes or the strategies followed by a specific company in greater detail. While this alternative is offered as an
individual effort, it can be done by a small group. The group size (up to three) should be commensurate with what is proposed. A written proposal is mandatory and 10-minute oral presentation of your findings at the end of the course is hoped for. Possibilities for such projects include:

a) **An examination and critique of all or some aspect of the NPDD process used by a Bay Area company.** You will be responsible for generating the contact and obtaining the information necessary to analyze/critique the particular new product development process. Your critique should be grounded in concepts introduced in the course.

b) **An examination and critique of new product development and strategy for a specific new product based upon secondary data and information obtained by you from published sources and (possibly) interviews with corporate personnel.** Your critique should be grounded in concepts introduced in the course.

c) **An examination and critique of some aspect of the new product planning or development process (e.g., brand equity, concept testing, pre-test market forecasting, demand forecasting, diffusion processes, idea generation, test marketing, product or advertising testing, Total Quality Management, etc.).** A thorough literature review and synthesis is expected along with your own critique of current practice.

d) **Development of a marketing plan for a new product [or as much of one as is feasible given time, cost, data availability, access to proprietary information, etc.]** It is anticipated that you will not be able to disclose information about a company’s actual product plans. The new product could be a idea of yours that you wish to investigate or one that you have read about in the media. The plan should illustrate use of course concepts.

**NOTE:** The project portion of the course will require a substantial investment in terms of time and effort. If you are working with a group, you will have the opportunity to evaluate the contributions of each member upon completion of the project. Based upon these evaluations, I will adjust (upwards or downwards) individual grades from that given the group project. Lack of active participation in the group project can have a very major negative impact on your course grade.

+ **Class participation** is graded to encourage you to prepare for class discussion of readings, end-of-chapter questions, and short cases, since no written assignments of these are contemplated.) Class attendance is not mandatory, but your class participation grade will be adversely affected when more than two sessions are missed. You should notify the instructor beforehand if you cannot attend a session and arrange with fellow students to learn what was covered.

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<th>Course Policy on Academic Integrity</th>
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<td>I expect students to not engage in any form of academic dishonesty in this course. Be assured that I will be very strict with anyone found guilty of such dishonesty including, but not limited to, receiving a failing grade in the course. Academic dishonesty includes aiding or receiving unauthorized assistance of any form (including the internet), plagiarism (using some or all of another’s work without acknowledgment of the source), failure to report a known or suspected violation, submission of work prepared for another course without the specific prior authorization of the instructors in both courses, and falsification of results of a study or research. If I become aware of any academic dishonesty in this course, my policy will be to notify the affected student(s) and immediately refer the issue to appropriate authorities for a hearing. The bottom line is that academic dishonesty is unfair to other students, lowers standards within the Graduate School of Management, and will not be tolerated in this course.</td>
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# SYLLABUS

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<tr>
<th>Session</th>
<th>Topics</th>
<th>Assignment</th>
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<tr>
<td><strong>W 1/4 1.</strong></td>
<td><strong>Overview of the Course</strong>&lt;br&gt;The Context of NPDD&lt;br&gt;What is the “Product” Being Developed?&lt;br&gt;Concept of a Product-market&lt;br&gt;Adaptive Nature of Product-Markets&lt;br&gt;What is &quot;New&quot; about a &quot;New Product?&quot;</td>
<td>(CD) Chs.1, pp. 2-21; <strong>12,</strong> pp. 256-260&lt;br&gt;(WEB) Description of Course Project&lt;br&gt;<strong>Video 1:</strong> New Product Showcase (AK2)&lt;br&gt;see also: <a href="http://www.newproductworks.com">www.newproductworks.com</a></td>
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<td><strong>M 1/9 2.</strong></td>
<td><strong>Cross-Functional Integration for NPDD</strong>&lt;br&gt;Product Innovation Strategies&lt;br&gt;Proactive and Reactive Strategies&lt;br&gt;Strategic Fit with Firm and Market&lt;br&gt;<strong>Why New Products Succeed/Fail?</strong>&lt;br&gt;<strong>Case Discussion</strong> [NO write-up due]&lt;br&gt;<strong>Organize Class into Project Teams</strong></td>
<td>(WEB) <strong>Case 1:</strong> Commodity Chemical Co.</td>
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<td><strong>W 1/11 3.</strong></td>
<td><strong>A Stylized NPDD Process</strong>&lt;br&gt;Managing Risk&lt;br&gt;Balancing Speed, Quality, Cost, &amp; Value&lt;br&gt;Speed to Market and Functional Interfaces&lt;br&gt;Triple Streams: Technical, Mktg, Evaluation&lt;br&gt;Global Considerations&lt;br&gt;<strong>The Stage-gate Process and Checkpoints</strong></td>
<td>(CD) Chs. 2; <strong>8,</strong> pp. 162-175&lt;br&gt;<strong>Video 2:</strong> Breathe Right (BW8)&lt;br&gt;(WEB) <strong>Suggestions for Analyzing Cases;</strong>&lt;br&gt;<strong>The Case Brief</strong></td>
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<td><strong>M 1/16</strong></td>
<td><strong>University Holiday – Martin Luther King, Jr. ’s Birthday</strong>&lt;br&gt;<strong>Project Teams meet to plan progress</strong></td>
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<td><strong>W 1/18 4.</strong></td>
<td><strong>Organizational Factors in NPDD</strong>&lt;br&gt;Top Management's Role&lt;br&gt;Multi-Functional Teams&lt;br&gt;Product Champions&lt;br&gt;Problems with Multifunctional Teams&lt;br&gt;<strong>Group Project Proposal Due</strong></td>
<td>(CD) Ch 14&lt;br&gt;<strong>Video 3:</strong> &quot;In Search of Excellence&quot; (3M)</td>
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<td><strong>M 1/23 5.</strong></td>
<td><strong>Case Discussion</strong> [write-up due]&lt;br&gt;<strong>WEB</strong> <strong>Case 2:</strong> The Segway Human Transporter&lt;br&gt;These questions are to guide your thinking about the case.</td>
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DEKA did not follow the NPDD process discussed in this course. They went from **Single idea -> Development -> Commercialization** and built a plant capable of producing 40,000 Segways a month (2002). Close to $100 million dollars was invested in developing the Segway.

1. What was missed by ignoring the “NP strategy,” “idea generation,” “screening,” “business analysis,” & “test marketing” stages of the NPDD process?
2. How does your answer explain the lack of commercial success for the Segway? [“a technology that would revolutionize transportation of people in cities without adding to pollution”]
3. What aspects of its environment most affect the Segway: Customers, Competition, Political-legal, Cultural?
II. OPPORTUNITY IDENTIFICATION AND EVALUATION

W 1/25  6. Opportunity Identification and the (CD) Chs. 3; 9, pp. 197-200
M 1/30  7. Fuzzy Front End (WEB) Understanding User Needs (HBS 695-051)
Which customers are relevant? (WEB) W. Chan Kim and Renee Mauborgne, “Blue
Understanding customer purpose/usage Ocean Strategy,” Harvard Business Review,
The Kano Method (October 2004), pp. 1-9 [Reprint R0410D]
Needs statements Video 4: Rollerblade (BW2)
Organizing and Evaluating Needs
The Product Innovation Charter
Product Concepts and Products
The Concept Statement

INDIVIDUAL ASSIGNMENT: Choose a product that annoys you, and interview someone about what they
like and dislike about this product. These interviews can be done very informally in 5-10 minutes. Record what
your interviewees say and interpret the data in terms of customer needs as described in the reading,
Understanding User Needs. Pay particular attention to the guidelines provided in discussing the Kano method.
Identify needs developers of this product missed. Why do you think these needs were not met?

W 2/1  8. Idea Generation (CD) Chs. 4, pp. 78-98; 5;
Preparation Appendices A - C, pp. 495-516
Internal and External Sources (WEB) Case 3: SweetWater (HBS: #695-026)
Focus Groups
Lead Users

Idea Generation Exercise Case Discussion [NO write-up due]

INDIVIDUAL ASSIGNMENT: The SweetWater case allows us to understand how the "voice of the customer"
must be chased back to clearly stated needs that vividly incorporate user/customer experiences with the product,
and will provide a structured way of thinking about stratifying their needs. A tool that designers use to
internalize their understanding of customer and user needs is to create characters that represent different
customers and stakeholders. In thinking about the Sweetwater case, you may find it useful to create a character
for use in designing a water filter. If you use this role playing approach, you should describe that person in
some detail. Your description should bring the person alive. Do this quickly and have fun with it. Once you
have developed a character, create a scenario for that person in which they might be called upon to use a water
filter. The scenario should be quite specific. Come to class prepared to describe your character, present your
scenario, and discuss what needs you discovered. How would you use the tools presented in the “Understanding
User Needs” reading (Session 7) to translate the Sweetwater customer needs into product specifications? How
will you prioritize the needs? How will you make trade-offs among them?

M 2/6  9. Market Research for NPDD (CD) Chs. 6; 7; 9, pp. 200-207
Intro. to Perceptual Mapping and
Conjoint Analysis

Preliminary and Full Screens 211-222; 11
Concept Testing
Scoring Models

Sales and Cost Forecasting
The ATAR Model
Diffusion Models
Why Forecasting is Difficult?

Business Analysis
Importance of Analogies to Forecasting
Estimating Risk and Return

III. THE TECHNICAL DEVELOPMENT PROCESS

Technical Development
Customer-Driven Design (Q.F.D.)
Importance of Design
The Design Process
Designing for Manufacture and Assembly

(CD) Chs. 12; 13, pp. 276-298
(CD) Gillette MACH3, pp. 301-302
Video5: The Deep Dive [Nightline]

(WEB) Dorothy Leonard and Jeffrey F. Rayport,
“Spark Innovation Through Empathic Design,”
pp. 103-113 (Reprint 97606)

M 2/20 NO CLASS University Holiday (President’s Day)

IV. DEVELOPING AND TESTING THE MARKETING MIX

W 2/22 13. Preliminary Design of the Marketing Mix
Selecting Brand Name; Reputation
Packaging and Positioning
Compatibility and Warranty
The New Product Marketing Plan
Marshalling Internal Support for Plan
Intellectual Property, Product Liability

(CD) Chs. 16, pp. 356-387; 20; Appendix D,
pp. 517-522

W 3/1 15. Influencing Reference Prices
Economic Value Analysis
Price as a Quality Signal
Pricing Decisions for New Products
Bundling versus Separate Prices
Skimming versus Penetration Strategies
Experience Effects on Cost

(CD) Ch. 17, pp. 404-408
(WEB) Thomas Nagle and Reed Holden,
“Profitable Pricing: Guidelines for Management,”
Global Management 1992, pp. 151-156

M 3/6 16. Product Use Testing
Lab and In-Home Tests
Alpha Testing
Managing Beta Test Sites
Market Testing
Test Markets and Pre-Test Markets
Test Market Issues
Alternatives to Test Market
The Logic of Pre-test Marketing

(CD) Chs. 15, 18; 11, pp. 233-234
V. COMMERCIALIZATION

W 3/8 17. Launch Management (CD) Chs. 17; 19; 20, pp. 469-473
   Gaining Awareness
   Obtaining Stocking/Availability
   Importance of Trial and Repeat

Post-launch Control
   Trigger Points and Contingencies
   Tracking the Launch


These questions are to guide your thinking about the case.

1. What changes are occurring in the toothbrush category at the time of the case?
2. How is the toothbrush market best segmented? What benefits are consumers seeking in these segments?
3. What are the growth prospects in these segments? Assess the relative attractiveness of each?
4. What is your assessment of Colgate Palmolive’s competitive position?
5. What is the goal of a new player like P&G in this market? Specifically, what segment/segments is P&G interested in? How does this affect Colgate?
6. What segment(s) should Colgate target for its new precision product? (niche vs. mainstream implications?)
7. What marketing problems are created by a super-premium price for the Precision toothbrush?
8. What is the profitability of each of these targeting options? Go through the calculations. [The targeting decision is also tied to the positioning options for Colgate. So when you assess the targeting decision make sure you also understand the implications for positioning. Justify a specific positioning for Colgate.]
9. Assuming Colgate does not introduce the toothbrush as a mainstream product, what if a competitor enters the market with a new and improved product, possibly like the Precision (e.g., what are the implications for the three existing Colgate tooth-brush product lines)?
10. In light of your positioning decision, defend a plan for the launch of the Precision toothbrush. Be explicit with respect to your recommendations regarding price, branding, and message strategy.

   Group Project Presentations

TBD 20. FINAL EXAMINATION
   Group Project Write-up Due

END OF COURSE
Instructions for Use of Study.net

1. To use Study.Net, you must have access to the Internet with a browser from Microsoft (IE version 4.0 or newer) or Netscape (Communicator version 4.0 or newer). If you are using an older version of either browser, you will need to upgrade your browser. A link to do this is provided on the Study.Net home page. The minimum acceptable Internet connection speed is 33 kbps. Because many material files include a large number of graphical images, faster Internet connections are preferred. Study.Net is found on the Internet at: [www.study.net](http://www.study.net)

2. If this is your first time using Study.Net you must first register as a student. To do this, click on the Student Registration button located on the left hand side of the Study.Net home page; then follow the instructions. When prompted for a school, please select your school. If your school is not listed, there are no courses distributed by Study.Net at your school.

3. After registering as a student user, you may immediately purchase your course materials, or do so at any later time. During the purchase process, you will be required to pay for your course materials with a credit card.

4. To purchase materials immediately after registration, click on the appropriate button when prompted and follow the instructions.

5. During the purchase process you may be asked for a course password. If used, this is a password that you can obtain from your instructor or program administrator. After entering the course password, follow the instructions to complete your material purchase and immediately view the course materials.

6. To view selected course materials, you may need to download certain software applications. These "readers" are listed during the purchase process. If you already have these software readers, there is no need to download them again. Most students already have the applications needed.

7. To access a course at any time, login with your selected login name or e-mail address (e-mail addresses are used for students who registered after August 8, 2001). Click on the My Courses button; highlight your selected course name; then click on the View button to view that particular course. To access your course materials, click on the Materials link on the left hand side of the course page.

8. To purchase materials for a new course at any time after registration, just log in and click on the New Courses button located on the left hand side of My Home. Follow the instructions to purchase materials for that course. After enrollment, to access any of your courses - login, click on the My Course button, then highlight your course name and click on the View button.
During the material purchase process, you may have the option to purchase a TEXTPAK™ for that course. This is a printed version of your course materials, delivered directly to you via US Priority Mail.

Mgt 241: Guidelines for Group Projects

Overview

The purpose of the project is to give each team experience in developing and designing a new product. After identifying a promising opportunity, each group should develop one or more ideas into a product or service worthy of a new business venture. The idea may consist of either a new product/service or a new way of marketing an existing product or service. The product or service may be industrial, consumer, high-technology, or business-to-business. The group should create a concept for a new product or service which can serve as the basis for a new entrepreneurial business. Then analyze the societal and task environments and identify the entrepreneurial venture’s competitive advantage. A business model should be developed and evidence provided that it will lead to a profitable venture. Given there are constraints on the project team of both limited time and money, the team should go as far as it reasonably can to accomplish these objectives. It should choose a project in the first instance that will permit it to learn an much about NPDD as it can. Remember, I am not asking you to do something unusually difficult or impossible, only what is reasonable within the time and resource constraints you have. The important thing is to get experience in thinking about what needs to be accomplished and what the better ways are of accomplishing those goals. Your objective is to learn and to communicate through your written and oral reports what you have learned about NPDD.

The basic situation is straightforward: You are a group of 4-5 newly minted MBA’s who have decided to form your own company and market a new product that you will develop. Your task is now to:

1. Come up with a promising opportunity and interesting new product idea.
2. Lay out the specs for this new product: What are its attributes, performance level, etc.?
3. Perform a market analysis: Who are the competitors? What are the strengths and weaknesses of existing products? What are competitors capable of doing if you enter the market? What is the size of the market? How fast does it appear to be growing? Are there legal or environmental considerations that are relevant? Etc.
4. Develop a launch strategy: price, promotional mix, distribution outlets, sales forecast, etc.
5. Present your plan to the Board of Directors of Shocker Venture Capital for funding.

A. Opportunity Identification

To identify an opportunity, consider choosing a product that annoys you, and interview others about what they like and dislike about this product. These interviews can be done very informally in 10-15 minutes. Record what your interviewees say and interpret the data in terms of customer needs as described in the reading, Understanding User Needs (Session #5). [Pay particular attention to the guidelines provided in discussing the Kano method.] Identify needs developers of this product missed, including needs of stakeholders other than potential customers. Recognize customer segments may have different needs. Why do you think these needs were not met? Prepare and include in your final paper a brief summary of what you learned about the interview process as well as substantive information about the new product opportunity.

B. New Product Concept

Generate and develop a concept for a new innovative product or service following processes described in the text and lectures (i.e., generate a large number of possible new product ideas and screen them). Show
how your concept is different from currently available products/services. Demonstrate by reference to buyer needs and to evidence regarding the costs of making and marketing it that it is capable of earning a profit. Perform some concept tests with potential customers. Creativity will be rewarded. You should avoid proposing a product or service concept already available elsewhere, a slight variation of a currently available product, or a concept with little profit potential. Try to stay away from proposing just another variant of the local trendy restaurant/singles bar, small retail shop, or some sort of pyramid marketing scheme.

C. Environmental Assessment

Analyze the environment in terms of the new product concept you proposed. First, describe current and likely future trends in the societal/general environment (socio-cultural, technological, economic, political-legal, and international elements). Second, analyze the task environment (industry) in which your new product concept will be part. Examine each of Michael Porter's five forces, especially current and potential (new entrants) competitors and their past marketing actions. Third, describe your concept's potential competitive advantage in terms of developing a distinctive competency.

Example: THE URBAN BARBEQUE

The need: Having lived in multi-unit apartment complexes within major urban areas for the last 4 years, I have been deprived of one of the great loves of my life - grilling food over an open flame. The modern apartment unit usually lacks outdoor space suitable for use of a conventional barbecue. A few buildings do have common areas for this purpose, but this raises concerns about whether other residents will respect property left in common areas. Barbecued meals require little or no preparation, and have a unique flavor derived from the use of an open flame and/or coals.

Competition: Conventional coal or gas grills would be the benchmark product, but none are available that fit the need of the apartment dweller. Stovetop grills may be installed in ovens, but require the sacrifice of 2 burners. Stovetops also are difficult to clean and maintain, and lack the full flavor of open-flame grilling.

Target Market: Urban population living in multi-dwelling structures. The product could possibly be introduced with a "yuppie" target, focusing on young, high income individuals and sold through luxury channels such as "The Sharper Image".

Finding Projects

Since the project will require a reasonable amount of time and effort, it is important that you find a new product or service problem in which you are personally very interested. A reasonable approach is to recognize we are all capable of identifying market needs and thus generating ideas for new products, in part by noticing the deficiencies in the products we use in everyday life. To prove to yourself that you can identify market needs, generate a list of at least 20 "bugs." [Designers at the product design firm IDEO use a "bug list" to record their observations of products and situations where products failed to meet the actual conditions of use. This list should include any observation or annoyance that comes to your mind. Note that initially you are looking for a list of "bugs" (e.g., my vegetable peeler is not comfortable) rather than a list of product solutions (e.g., a vegetable peeler with a soft handle). In other words, at the moment you don't have to invent a solution to a problem you see - just state the problem. Determine a potential market need that could be based upon a specific "bug" or set of "bugs." A brief (2-3 minute) presentation with handout should be made to the class during Session #3, February 11. After these presentations, each class member will be invited to express their degree of interest in every new product project (not just your own). The instructor will use this information to suggest
Your one-page handout accompanying your presentation should include:

- A brief, descriptive project title. **Remember, a product idea is not an opportunity.**
- Your name, phone number, e-mail, and school/department affiliation (if not College of Business)
- A verbal and visual demonstration of the product opportunity you have described in your proposal. You may use a picture or sketch to support your idea. Given that the audience will be able to read your written proposal at their leisure (after class), you might spend your time explaining the richness of the market opportunity or demonstrating existing competitive products.
- Any special skills or assets you have (marketing expertise, marketing research skills, access to a multimedia computer, prototype development expertise, access to subjects for research purposes). You might mention any special skills or assets you need from others in developing this market opportunity.

**Example:** Market Opportunity - long checkout lines in grocery stores  
Photograph: woman standing in line, looking very bored or impatient

Please do not present product ideas at this point. The focus in this phase of the course is on the market opportunity and not on solution concepts.

**Submitting Preferences**

**By noon on Friday, February 14, you should decide your project preferences.** I will provide a form for this purpose. List at least four projects (in addition to your own) on which you would be willing to work (you can indicate order of preference). If you would like to work with a particular group of classmates, please submit their names as well. Submit your preferences to the instructor in class or via email (ashocker@sfsu.edu). I will announce tentative groups in class, **Tuesday, February 18.** We will then finalize.

**Project Scope and Composition of Your Final Group Report**

The steps in completing your group project process should desirably include, where practical:

1. Development of a Product Innovation Charter  
2. Generating an idea for a new product or service.  
3. Refining the concept into a prototype or detailed sketch.  
4. Environmental analysis (e.g. competition [strengths/weaknesses, actions], economic, and customer trends).  
5. Researching market potential and selecting desirable target market[s] (and the order of their desirability as objectives for different product versions).  
6. Appropriate supporting market research (but remember: this is not a marketing research project!).  
7. Developing a marketing plan, including: launch dates, brand name and positioning, advertising and promotional strategy, distribution policy, and other relevant marketing variables.  
8. Projection of sales, costs, profits, and ROI over the length of time needed to make the project viable.  
9. **A discussion of the most important lessons learned about the NPDD process and working in teams.**

In written reports, take care to reference all sources, including journals, magazine articles, books, company reports, and other secondary data sources such as internet sites. You have until the fourth class session (January 18, 2006) to finalize a topic and formulate your research purpose and objectives. **IT IS STRONGLY URGED THAT YOU CONSULT WITH ME REGARDING THE FEASIBILITY OF YOUR PROJECT.**

**Oral and Written Reports**

To keep project groups on track, adhere to the timetable in the Syllabus. Project deliverables (prototype, justification for the product, preliminary budget for development, preliminary marketing or launch plan, what you learned about NPDD from participation in this project, etc.) should be summarized in a presentation to the class at the New Product Trade Show scheduled for Session #10 on March 15. **Copies of your powerpoints should be made available to the class to aid in following your presentation and in making notes.** Your
final report should run about 20 double-spaced pages, excluding exhibits and is due by the last day of class [i.e., at the final exam or earlier]. The written report will contribute to 25% of your course grade, while the oral presentation will contribute 5%. Please turn in your presentation materials (e.g., Powerpoint slides for the oral report) with two copies of your written project report as these will also be considered when grading the oral presentation. One copy of your project report will be marked with my comments and returned to you [please include a self addressed, stamped envelope] while the other will be retained for my files.