

# Perspectives on Winners and Losers in New Product Development



# What is TechHelp?

As Idaho's Manufacturing Extension Center, TechHelp has served Idaho manufacturers since 1996.

A partnership of Idaho's three state universities, the center provides professional and technical assistance, training and information to strengthen the competitiveness of manufacturers throughout Idaho

# TechHelp Partners

## Federal

- National Institute of Standards and Technology (NIST)
- Economic Development Administration (EDA)

## State

- Idaho Department of Commerce and Labor

## Universities

- Boise State University
- Idaho State University
- University of Idaho

## Other MEP Centers

# TechHelp Core Services

## Manufacturing Specialists

- Technical and Business Process Consulting
- New Product Development
- Organizational Development
- Food Services
- Government Contracting

University and National Expertise

Independent Impact Surveys

# TechHelp NPD Services

## Prototyping – New Product Development Lab

- FDM, SLA Rapid Prototyping
- RTV
- Paint, Assembly, Test, etc.

## Design

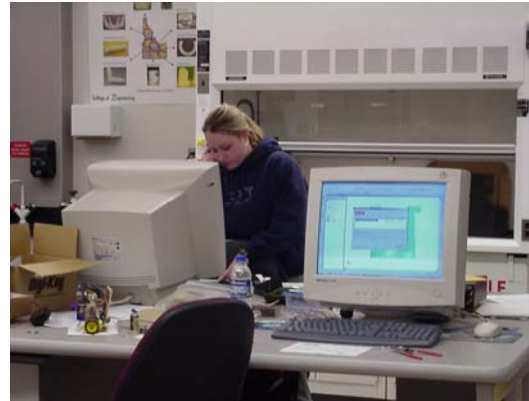
- Mechanical Design
- Analysis
- Drawings

## Manufacturing

- Referrals, Introductions
- Liaison

## NPD Process

- Stage-Gate



# NPD Clients Through 2005 - 76

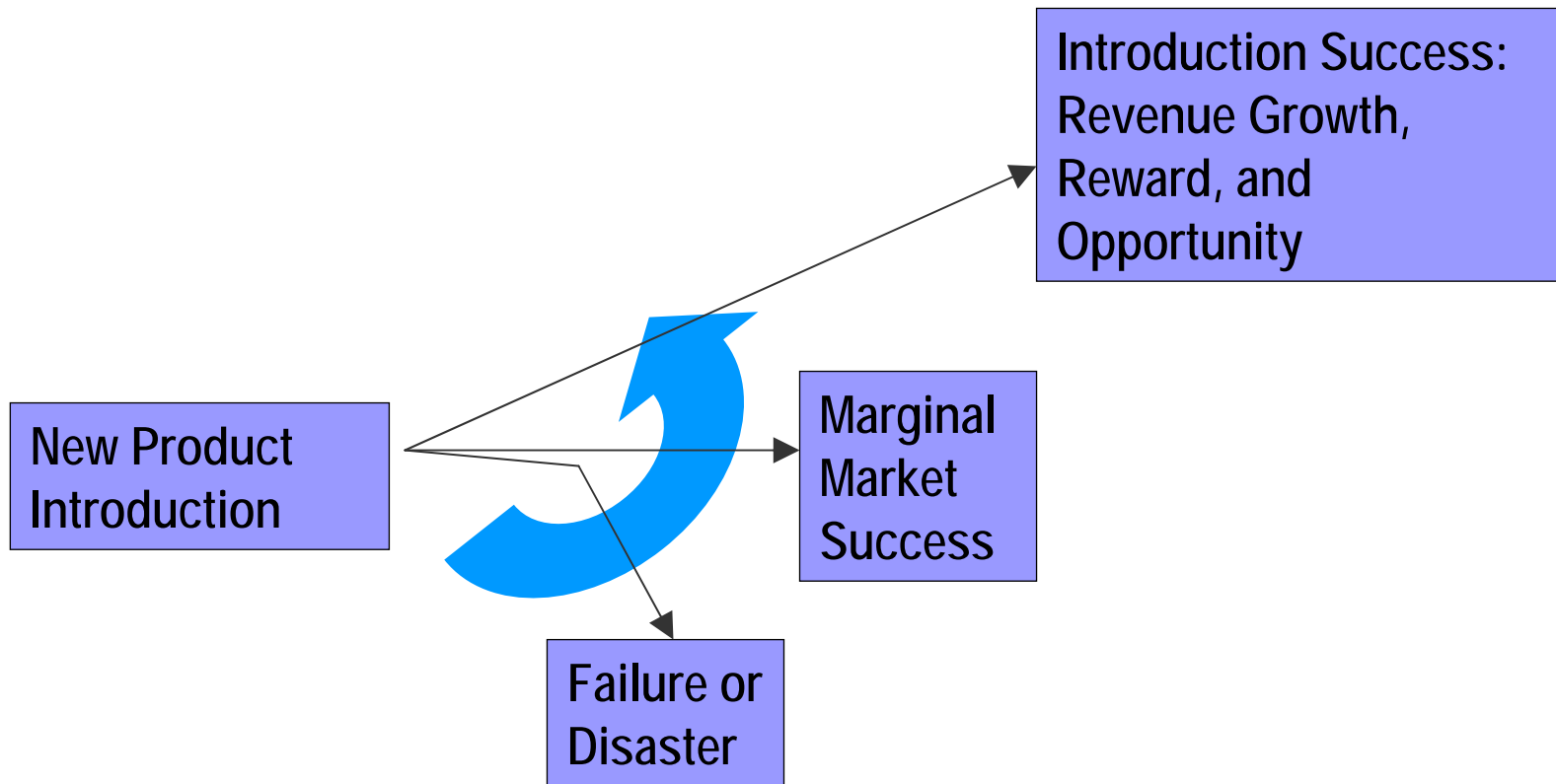
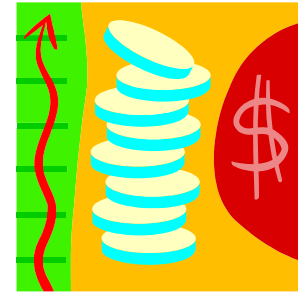
55 Brake Company  
AceCo Precision Manufacturing  
Advanced Design Engineering  
Incorporated  
All About Lollipops  
Allnix  
Anderson Foundry Inc  
Art Space LLC  
Beacon Light Products Inc  
Breathing Mobile Washer  
Bully Dog Technologies  
Candico  
Computrol Inc.  
Coyote Design & Manufacturing  
D8 Inc  
DashSmart Inc  
Dynamic Mosaic Inc.  
Eberlestock Co  
Express Farms  
Freedom Mechanical  
FSPR Inc  
Gear 52  
Gem State Foam  
Greenway Seed Co

Harpers Inc  
Hillco Inc.  
Houscent  
HP  
IO Dupont  
Jess Link International  
J4 Ltd.  
JPL Enterprises  
Kellogg Plastics  
Kind Toys Inc  
Kodiak Northwest  
KwikPole Inc  
Light Minder LLC  
Lucky Bums Inc  
Maredy Candy Company  
Microbial-Vac Sytems Inc  
Micron Systems Integration  
MixerMaid  
Mother Goose Tools  
Mountain Mecca  
New Age Technology Inc  
Origin Design  
OxGen  
Panel Caps  
Phony Pony

Preco Inc.  
Pro-Team Inc  
Quest Aircraft  
Quik Tech Solutions  
Quintex Corporation  
Rekluse Motor Sports  
Rocky Mountain Hardware  
Saint Alphonsus Regional Medical  
Center  
Sand Hollow Hardware  
Sapidyne Instruments Inc  
Ski 52  
Smoke Guard Corp  
Sota Concepts  
Spikes Golf Supplies  
Spudnik Equipment Co  
Tactical Design Labs  
TenXsys Inc  
ThinAir Inc  
Trus Joist  
U Dig It  
Uberstix  
Unitas Corp  
Unmanned Systems Inc  
vArc Systems Inc  
Vendingdata Corp  
Whtsnxt

# New Product Objectives

Increase the probability that your NPD efforts will be successful



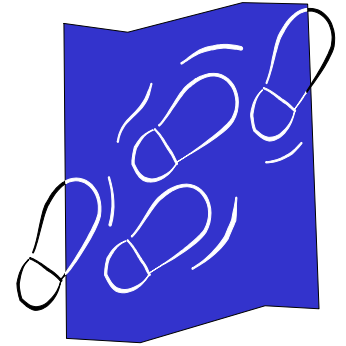
# Data on New Product Introductions is Dismal

- For most firms, over 40% of R&D dollars are going toward projects that will fail or will be late.
- One-third<sup>1</sup> of all projects never finish.
- 15%<sup>1</sup> of all projects were on-time and on-budget.
- Two-thirds of company owners or CEOs are not happy with new product introductions.



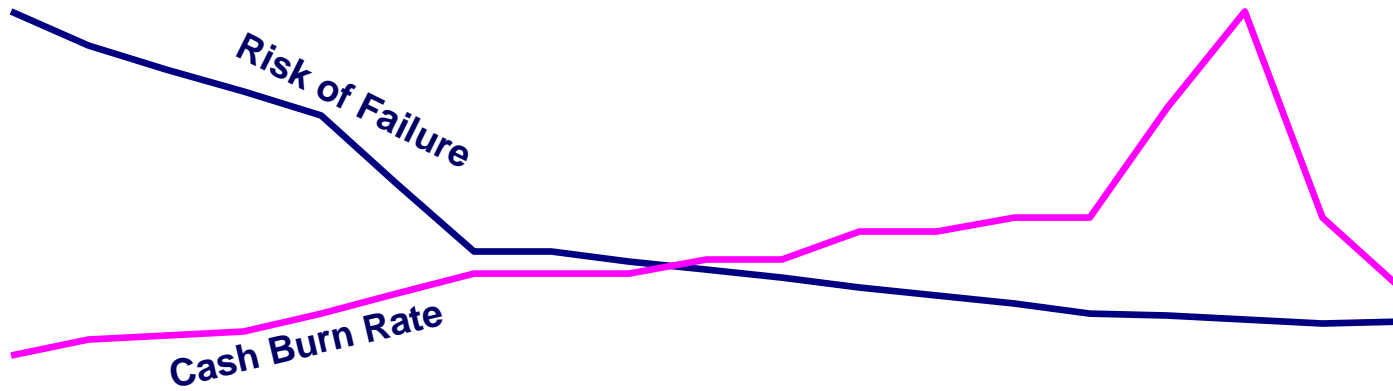
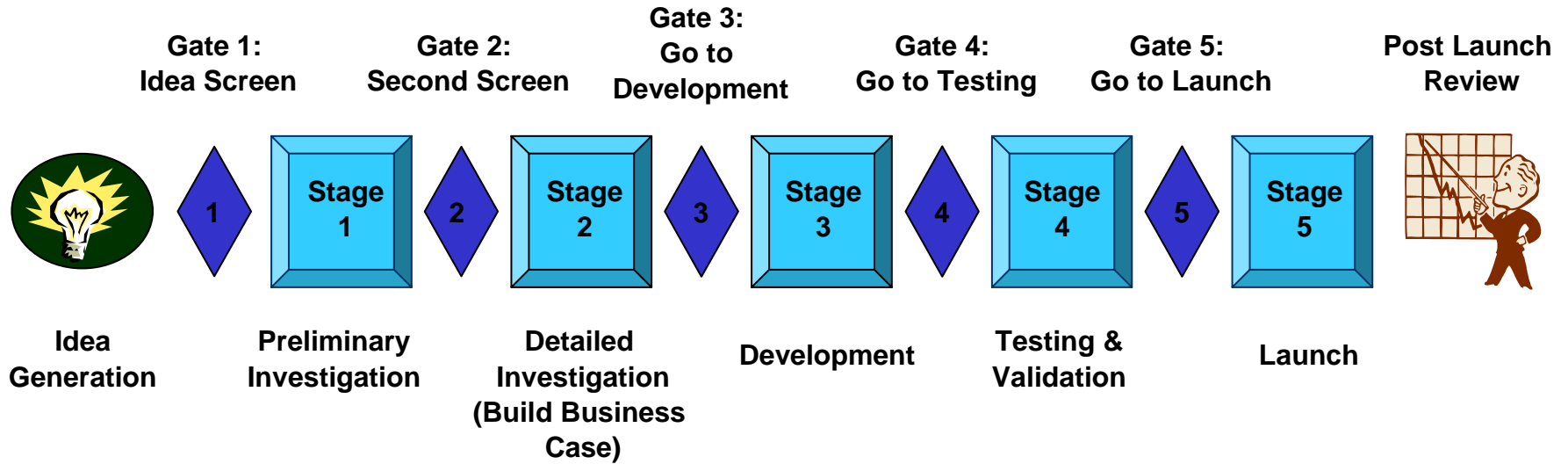
<sup>1</sup>Standish Group: 360 product development companies

# Some Critical Missed Steps



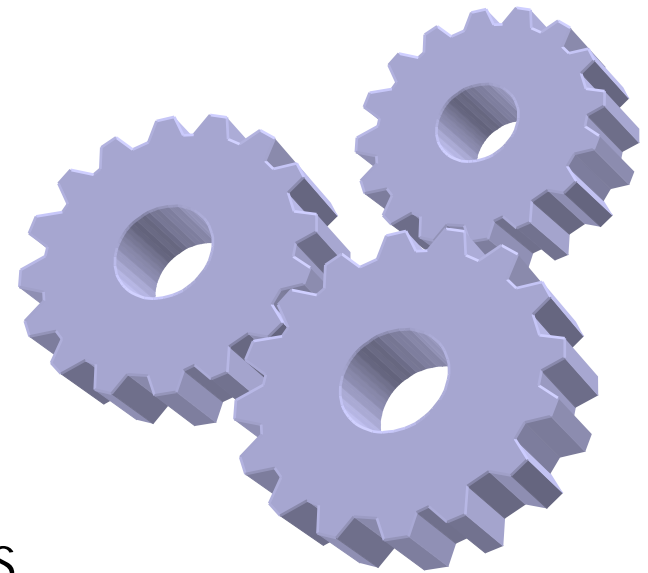
1. No distribution channel put in place
2. Manufacturing process not ready for the product
3. Market needs not fully understood and consequently not met
4. Competition was too strong
  - Beat you to the market and you didn't notice
  - Pushed you out of the distribution
  - Beat you up with a "me too" product
5. Marketing effort not strong enough: advertising, sales, publicity
6. Ran out of money

# Winners: Managing Risk Using a Lifecycle Process

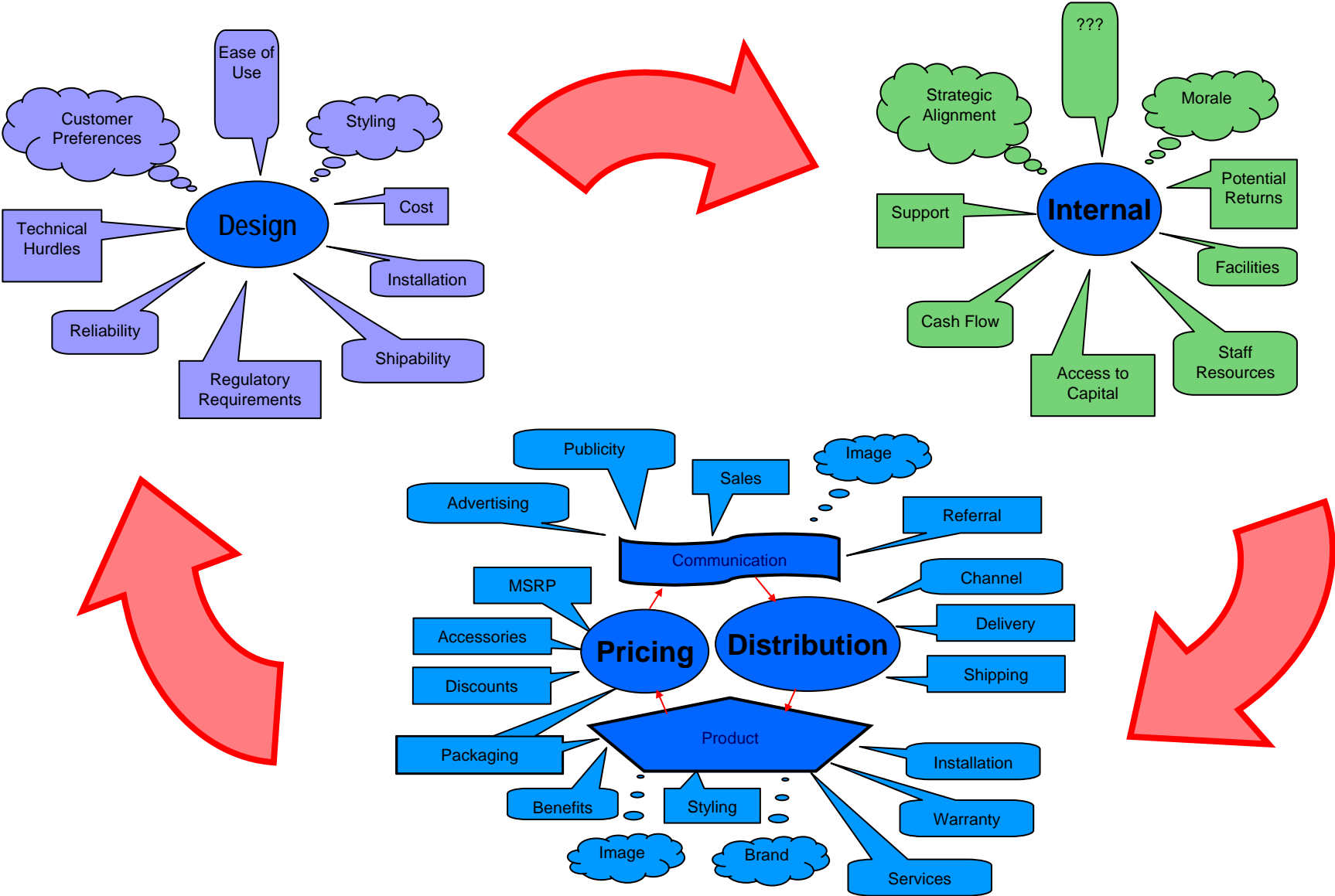


# Winners: Risk Reduction

- Keep your company resources effectively working on projects that will have payback.
- Cancel ill-conceived projects before wasted effort occurs.
- Introduce when you say you will.
- Ensure customers will be there to buy the product.
- Understand and manage resource needs of new projects.



# Managing Risk: An Interactive Solution



# Winners: Market Analysis

- **What role do new products play in your company strategic objectives?**
  - Are your target Markets identified?
  - Increase sales to current customer?
  - Attract new customers in current markets?
  - Enter new markets?
- **How attractive is the product to the target market?**
  - Customers' wants and needs
  - Customer reaction to product concepts
- **What is the potential of the target market?**
  - Size, growth, trends
  - Important segment
- **What is the competitive situation?**
  - Strength and weakness of current offerings in the market
  - Relative strengths and weaknesses of the company
  - Expected response to new product entry



# Winners: Market Planning

What is the product definition?

- Benefits offered
- Relative advantage, product requirements, etc.

What will be the pricing position?

- Pricing objectives
- Costs, margins, etc.

What will be the distribution approach?

How will the sales force carry out the launch?

What is the marketing communications approach?

- Advertising, trades shows, sales support materials, publicity

What customer services and support will be required?

Have you made an estimate of budget and manpower requirements?

What is the expected launch date?



# Design Project Clients Through 2005 – 55 -

55 Brake Company  
All About Lollipops  
Anderson Foundry Inc  
Beacon Light Products Inc  
Breathing Mobile Washer  
Candico  
Computrol Inc  
Coyote Design & Manufacturing  
D8 Inc  
DashSmart Inc  
Dynamic Mosaic Inc.  
Eberlestock Co  
Freedom Mechanical  
FSPR Inc  
Gear 52  
Gem State Foam  
Greenway Seed Co

Harpers Inc  
Hillco Inc.  
Houscent  
IO Dupont  
J4 Ltd  
JPL Enterprises  
Kellogg Plastics  
Kind Toys Inc  
Kodiak Northwest  
KwikPole Inc  
Light Minder LLC  
Lucky Bums Inc  
Mareddy Candy Company  
MixerMaid  
Mother Goose Tools  
Mountain Mecca  
Origin Design  
OxGen  
Panel Caps  
Phony Pony

Quintex Corporation  
Rekluse Motor Sports  
Rocky Mountain Hardware  
Saint Alphonsus Regional  
Medical Center  
Ski 52  
Spikes Golf Supplies  
Spudnik Equipment Co  
Tactical Design Labs  
TenXsys Inc  
ThinAir Inc  
Trus Joist  
U Dig It  
Uberstix  
Unitas Corp  
Vendingdata Corp  
Whtsnxt

# Design Clients – In Production Through 2005 – 38 -

55 Brake Company  
All About Lollipops  
Anderson Foundry Inc  
Beacon Light Products Inc  
Breathing Mobile Washer  
Candico  
Computrol Inc.  
Coyote Design & Manufacturing  
DashSmart Inc  
Eberlestock Co  
Freedom Mechanical  
Greenway Seed Co

Harpers Inc  
IO Dupont  
JPL Enterprises  
Kind Toys Inc  
Kodiak Northwest  
KwikPole Inc  
Light Minder LLC  
Maredy Candy Company  
MixerMaid  
Origin Design  
OX-GEN  
Panel Caps  
Phony Pony

Quintex Corporation  
Rekluse Motor Sports  
Saint Alphonsus Regional  
Medical Center  
Spudnik Equipment Co  
Tactical Design Labs  
TenXsys Inc  
Trus Joist  
U Dig It  
Uberstix  
Unitas Corp  
Vendingdata Corp  
Whstnxt

# Design Clients – Products on Market 2005 –22-

55 Brake Company  
Beacon Light Products Inc  
Breathing Mobile Washer  
Computrol Inc.  
Freedom Mechanical  
Greenway Seed Co

Harpers Inc  
JPL Enterprises  
Kind Toys Inc  
KwikPole Inc  
Light Minder LLC  
Maredy Candy Company  
MixerMaid  
Panel Caps

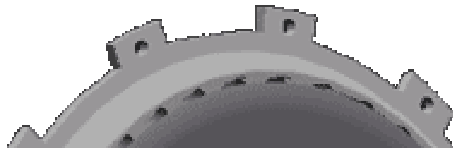
Rekluse Motor Sports  
Spudnik Equipment Co  
Tactical Design Labs  
TenXsys Inc  
Unitas Corp  
Vendingdata Corp  
OX-GEN  
Uberstix

...and who are the *winners*?

# Our Design Clients – Successful Example

- Knowledge of Market Needs
- Manufacturing Resources
- Product Function/ Technical Expertise

Rekluse Motor Sports



6061 billet aluminum


REKLUSE



**02: Z-START**

## > REINVENTING THE CLUTCH

**What is the Z-Start Auto Clutch?**  
The Z-Start is a retrofit automatic clutch that you can literally install in minutes by replacing the stock pressure plate. It works using centrifugal force to automatically and smoothly engage the clutch.

**Now With External Adjustment!**  **Find Out More**

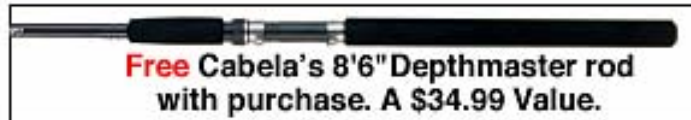
# Our Design Clients – Successful Example

Computrol Inc.

- Distribution Channel
- Brand Recognition
- Customer Base
- Low Development /Product Costs

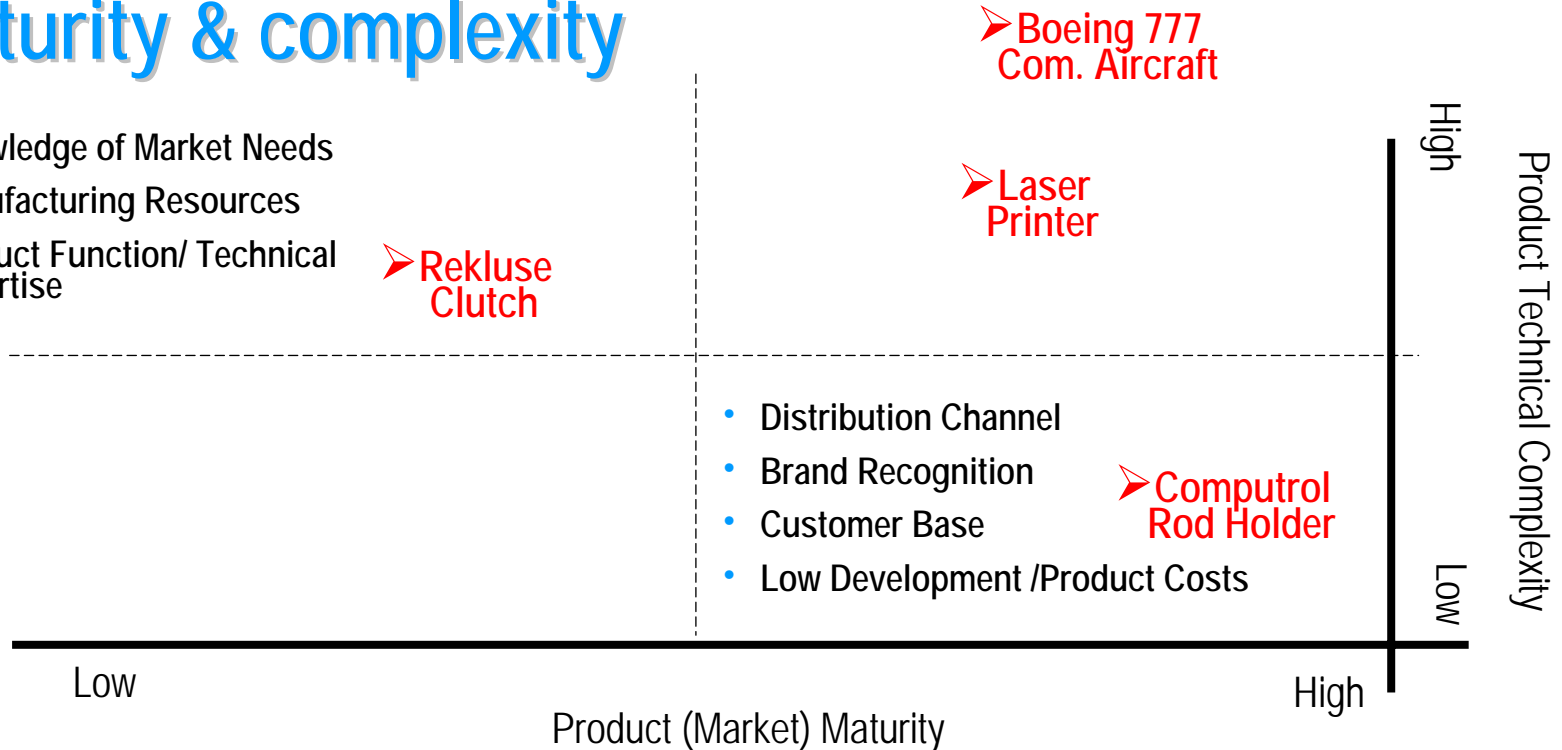


Cannon remains the leader in controlled-depth fishing by breaking new ground. Research shows that fish are attracted to a positive field of ions in the water. Now Cannon makes this technology available to everyone by equipping select electric downriggers with Adjustable Positive Ion Control.



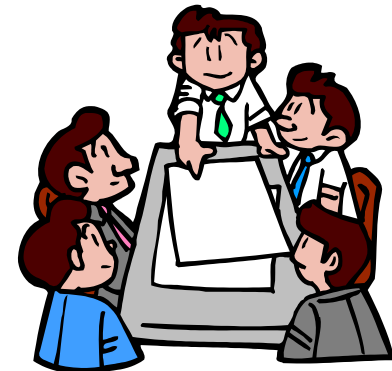
# Winners: Strategy & strengths vs. product maturity & complexity

- Knowledge of Market Needs
- Manufacturing Resources
- Product Function/ Technical Expertise



## Strategic Fit

- Mission – nature of company
- Drivers – company resources, strengths
- Goals and objectives – outcome measures
- Guidelines and constraints





For additional information, visit TechHelp at [www.techhelp.org](http://www.techhelp.org) or call 877-426-3797