



## NEW PRODUCTS MANAGEMENT

*Merle Crawford  
Anthony Di Benedetto  
11th Edition  
Irwin/McGraw-Hill, © 2014*

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### Chapter 01 THE STRATEGIC ELEMENTS OF PRODUCT DEVELOPMENT

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### INNOVATION? *(Watch a video)*



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### CHAPTER 01 OVERVIEW

- The Importance of New Products □
- What Is a New Product? □
- The Strategic Elements of Product Development □
- The Basic New Products Process □




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### WHY STUDY NEW PRODUCTS?

- It is big business – billions of dollars annually on technical development alone.
- The challenge of creating radical innovation (totally new product categories) → “the most important business issue of our time.” (*Gary Hamel – a business consultant*)
- Innovation: the top business challenges. (*Industrial Research Institute*)




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### BEST PRACTICES IN NEW PRODUCTS

**For every 100 ideas,**

- Fewer than 70 make it through initial screening
- Fewer than 50 pass concept evaluation and testing
- A little more than 30 make it through development
- About 30 make it through testing
- About 25 are commercialized
- 15 of these 25 (about 60%) are successful.
- Success rate is lower in consumer goods (51%) and as high as 65% in healthcare.

Source: Comparative Performance Assessment Study, PDMA, 2003.




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## WHAT IS A NEW PRODUCT?

Examples about new product in Vietnam market



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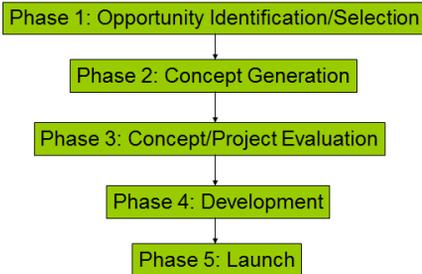
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## THE BASIC NEW PRODUCTS PROCESS



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## The New Products Process is All About Teams

- The new products team is a *cross-functional team* with personnel from marketing, R&D, engineering, manufacturing, production, design, and other areas.
- All members of the team make a contribution to the new products process and the success of the team depends on how well they interact
- Try to avoid narrow functional viewpoints and stereotypes.



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Chapter 01  
THE STRATEGIC ELEMENTS OF PRODUCT DEVELOPMENT

The End

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