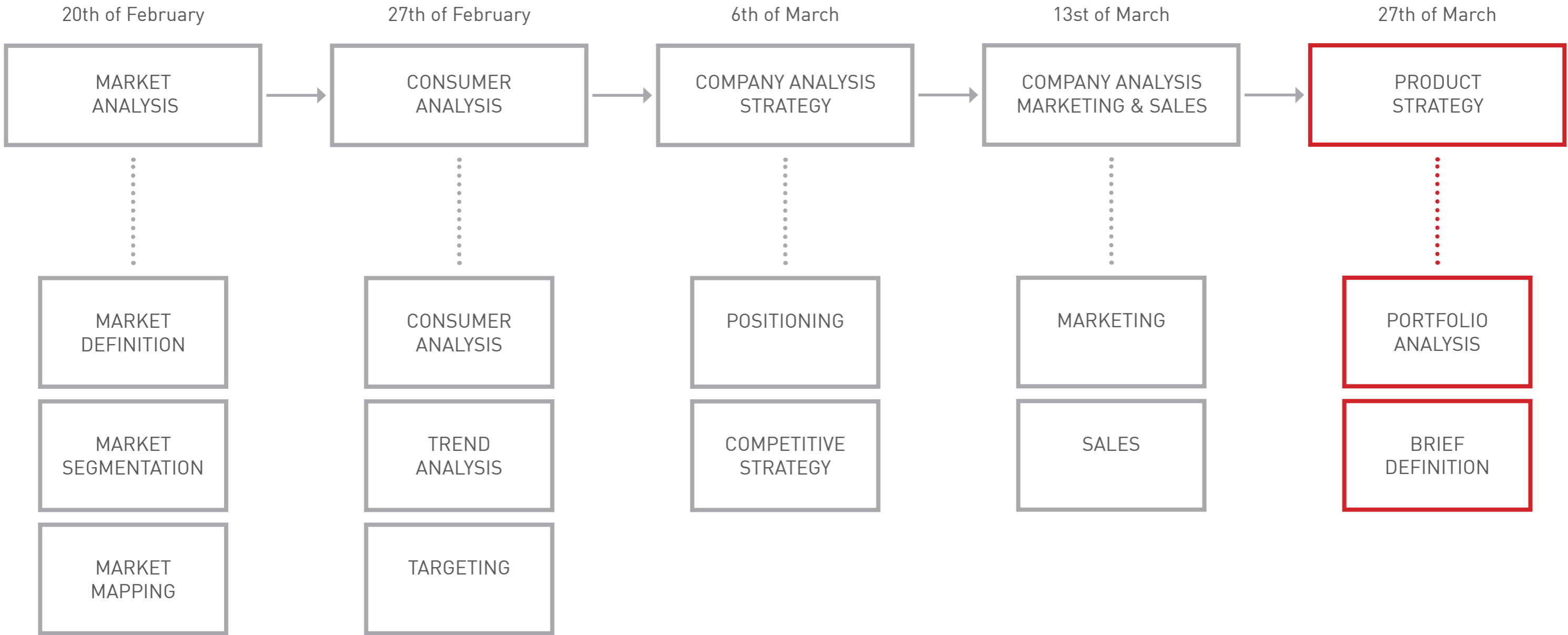


CORSO DI LAUREA MAGISTRALE IN
ECONOMIA AZIENDALE E MANAGEMENT

DESIGN MANAGEMENT

Lesson 5 - Part 1

DESIGN MANAGEMENT



READINGS

KOTLER
PRINCIPLES OF MARKETING



CHAPTER 8
p. 248-266

CHAPTER 9
p. 284-303

COOPER
WINNING AT NEW PRODUCTS



CHAPTER 1-2
p. 1-56

CHAPTER 4
p. 83-119

KEY MESSAGES

1. YOU DO NOT DESIGN PRODUCTS IN A VACUUM.
2. YOU DESIGN AROUND PEOPLE'S NEEDS.
3. MAKE SURE YOU UNDERSTAND COMPANY POSITIONING AND STRATEGY.
4. MAKE SURE YOU KNOW WHERE AND HOW TO SELL AND DISTRIBUTE YOUR PRODUCTS.
5. MAKE SURE YOU UNDERSTAND THE ROLE PLAYED BY YOUR PRODUCT IN THE COMPANY PORTFOLIO AND THAT IT IS SUPPORTED BY INVESTMENT.

PRODUCT STRATEGY

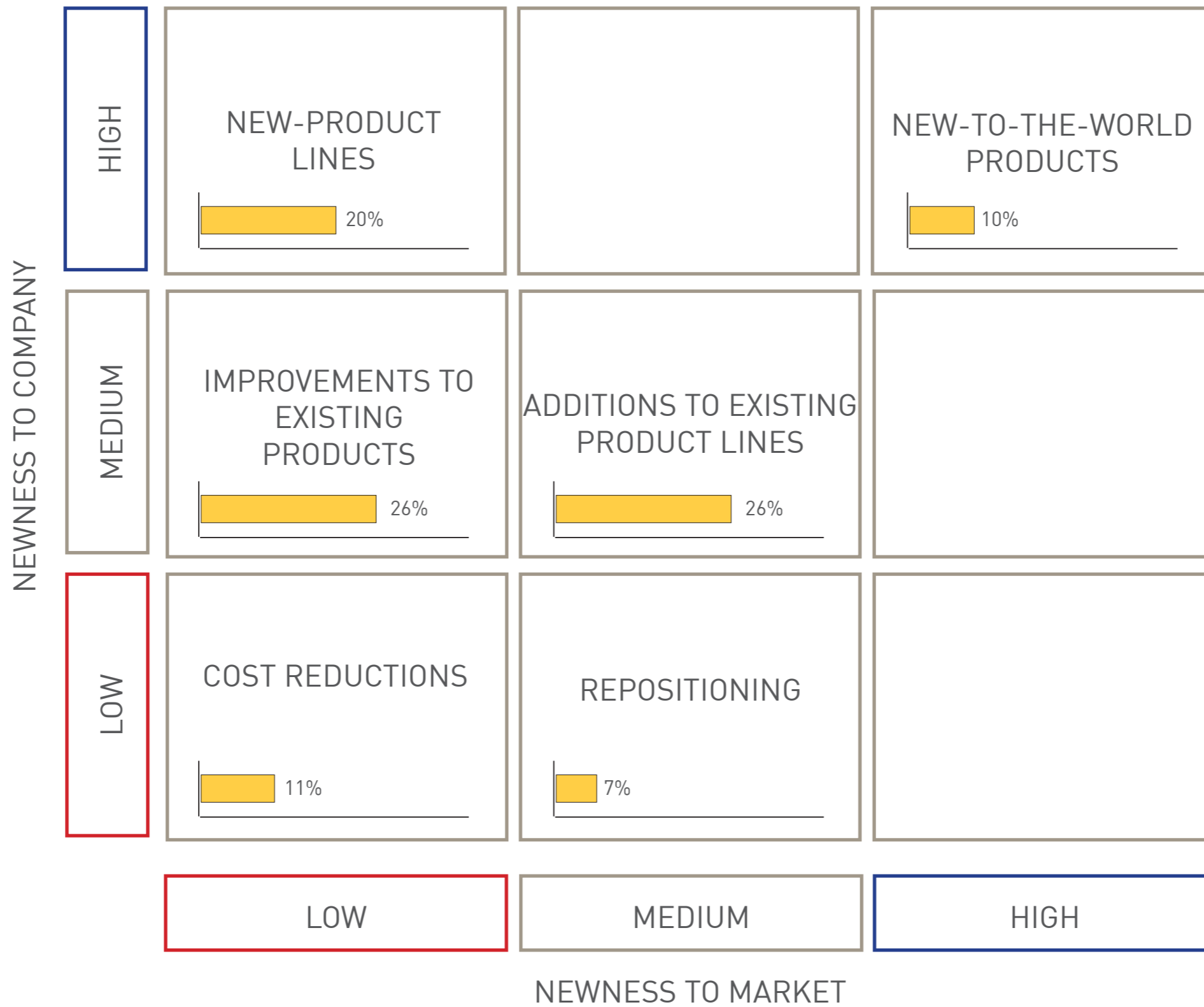
BREAKDOWN OF DEVELOPMENT PORTFOLIOS BY PROJECT TYPE - THEN AND NOW

% OF PROJECTS IN THE AVERAGE DEVELOPMENT PORTFOLIO

DEVELOPMENT PROJECT TYPE	1990s	2000s
New-to-world, new-to-market innovations	20,4%	11,5%
New-product lines to the company	38,8%	27,1%
Additions to existing product line in company	20,4%	24,7%
Improvements & modifications to existing company products	20,4%	36,7%
Total	100,0%	100,0%

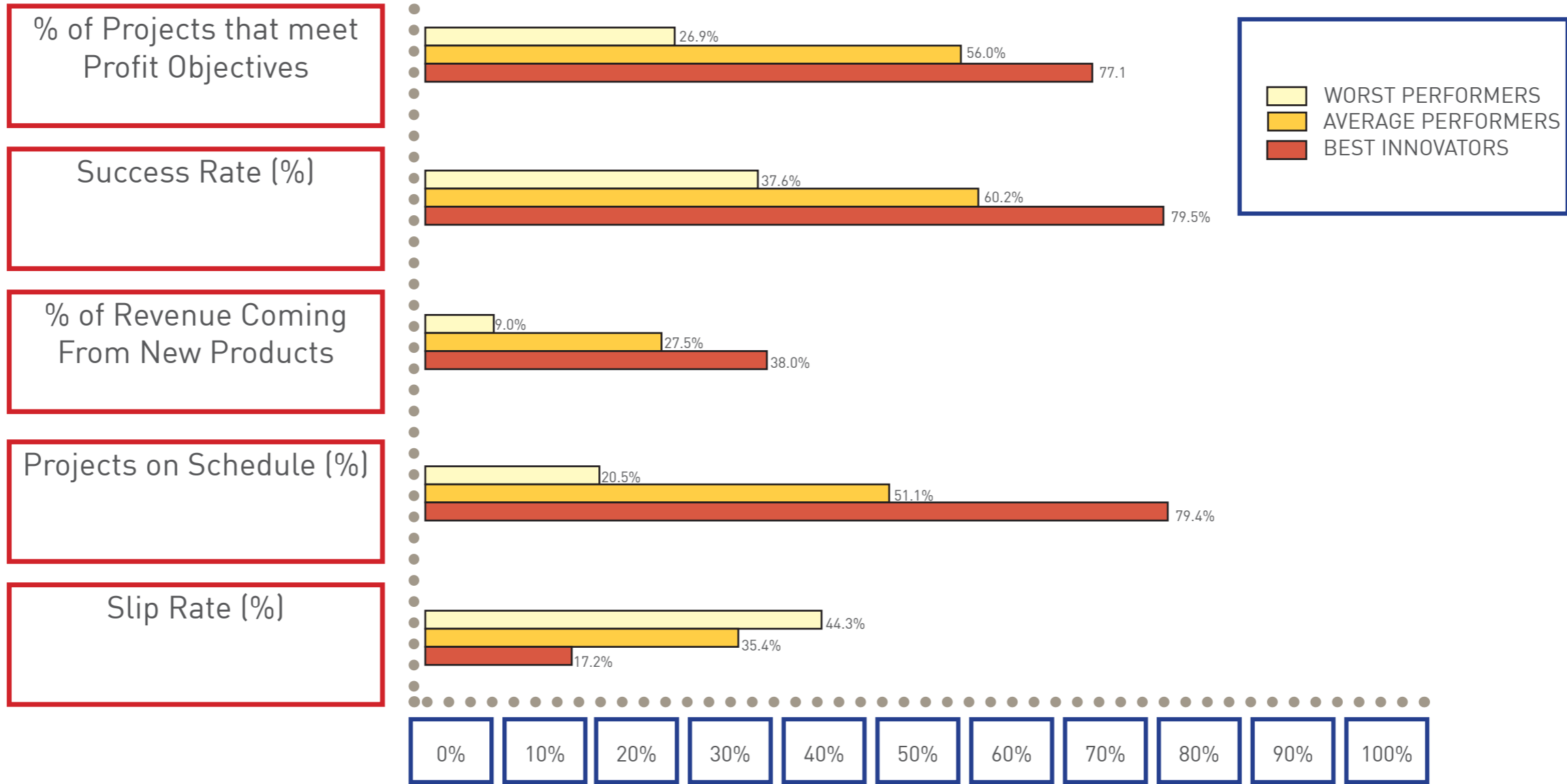
PRODUCT STRATEGY

TYPES OF NEW PRODUCTS ON TWO DIMENSIONS -
NEW TO THE COMPANY AND NEW TO THE MARKET



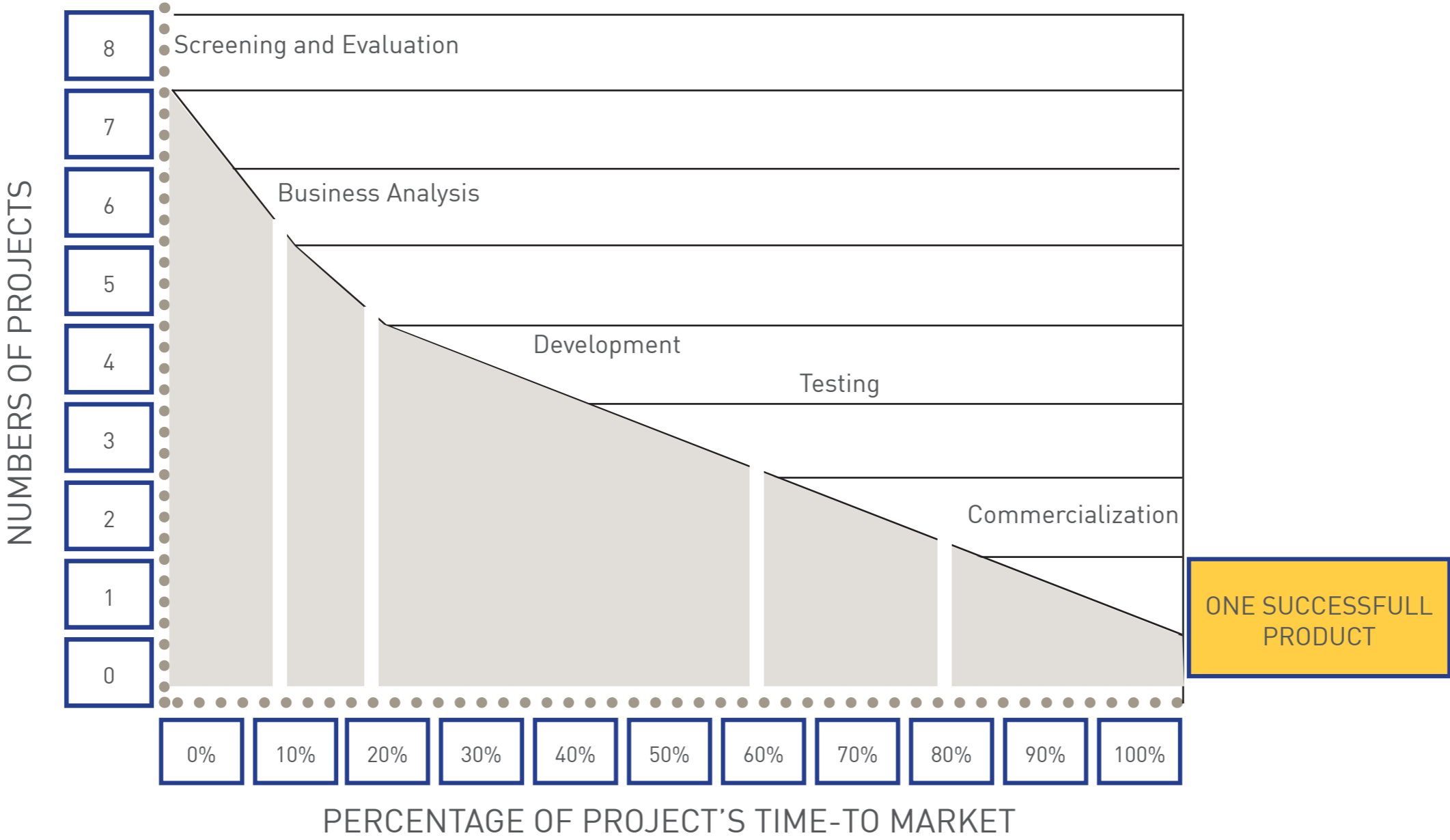
THE INNOVATION CHALLENGE

HOW THE BEST BUSINESSES PERFORM IN PRODUCT INNOVATION VERSUS THE REST



THE INNOVATION CHALLENGE

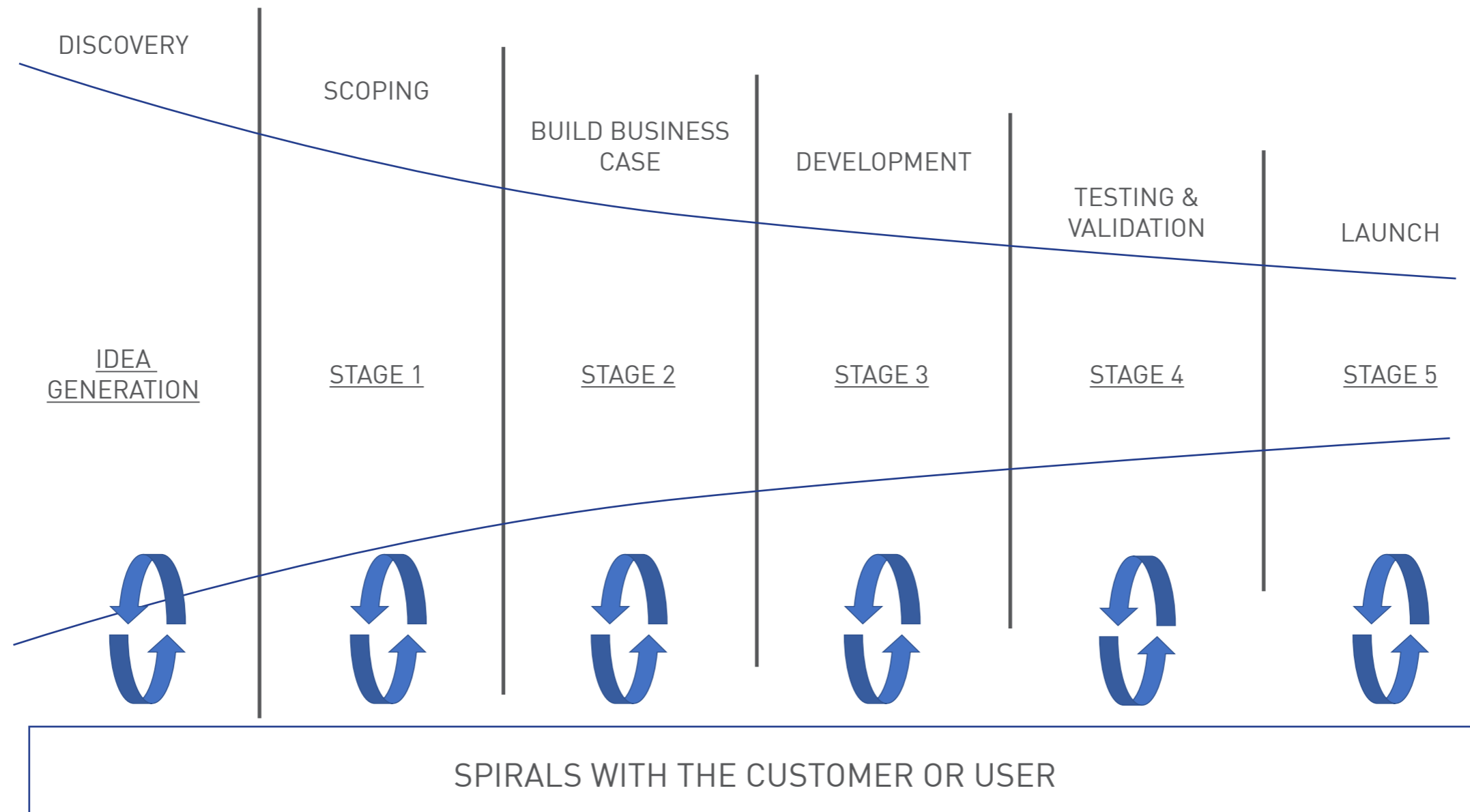
THE ATTRITION RATE OF NEW-PRODUCT PROJECTS



Source: WINNING AT NEW PRODUCTS by Cooper, Robert G., p. 19, Fig. 1.5 The attrition rate of New-Product Projects

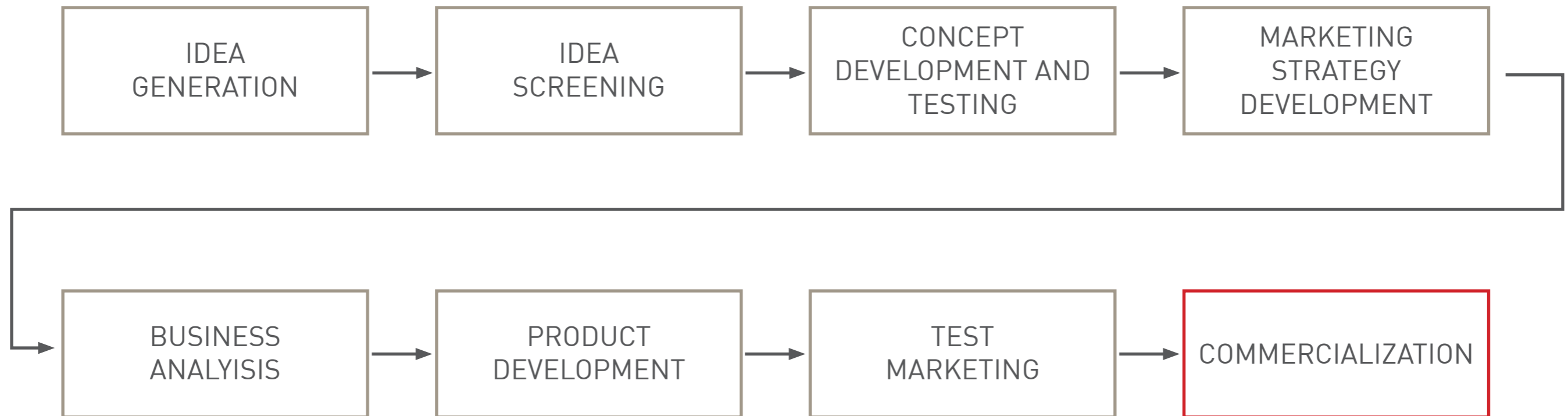
PRODUCT STRATEGY

THE FIVE STAGES IN THE TYPICAL IDEA-TO-LAUNCH STAGE-GATE SYSTEM



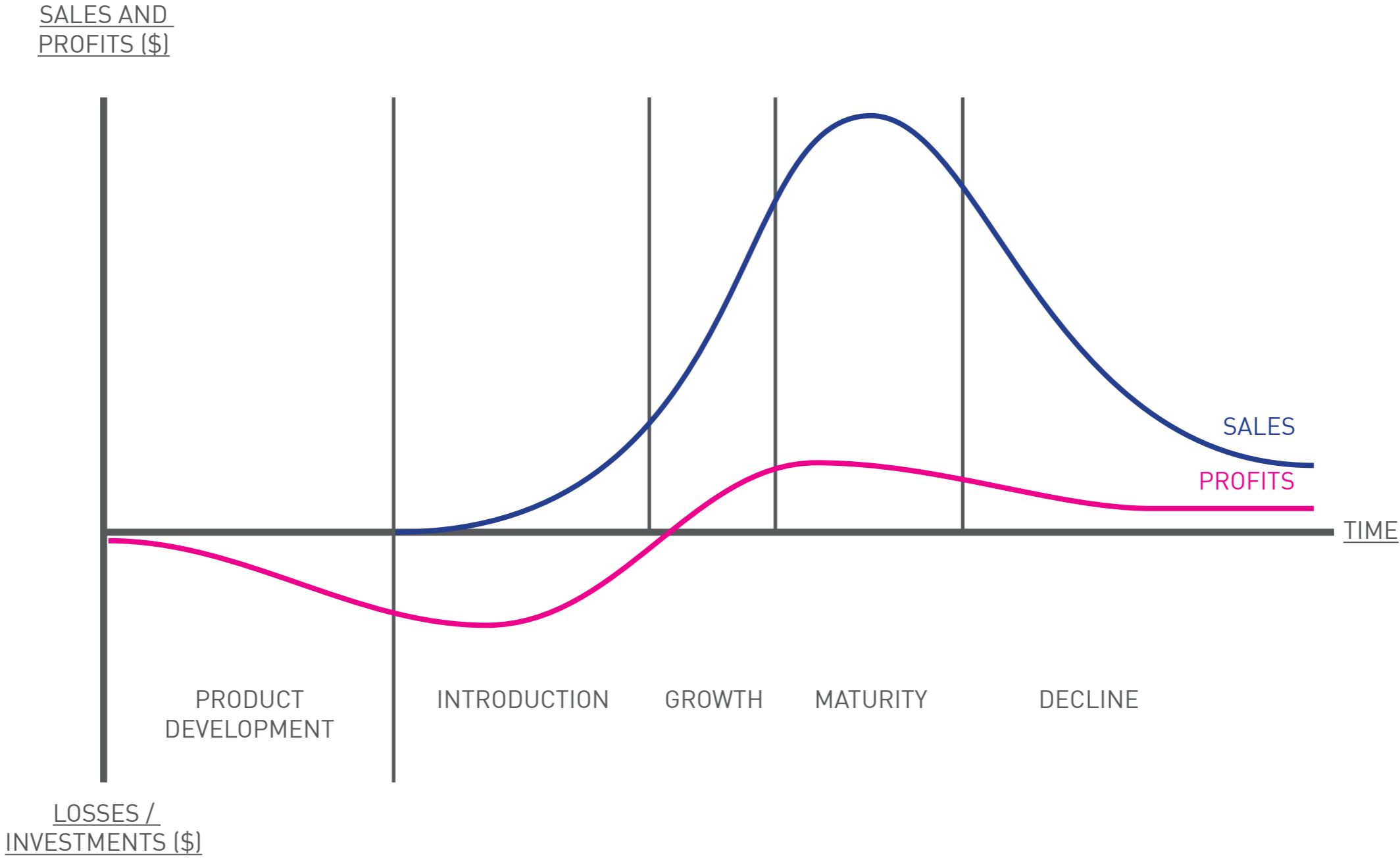
PRODUCT STRATEGY

THE NEW-PRODUCT DEVELOPMENT PROCESS



PRODUCT STRATEGY

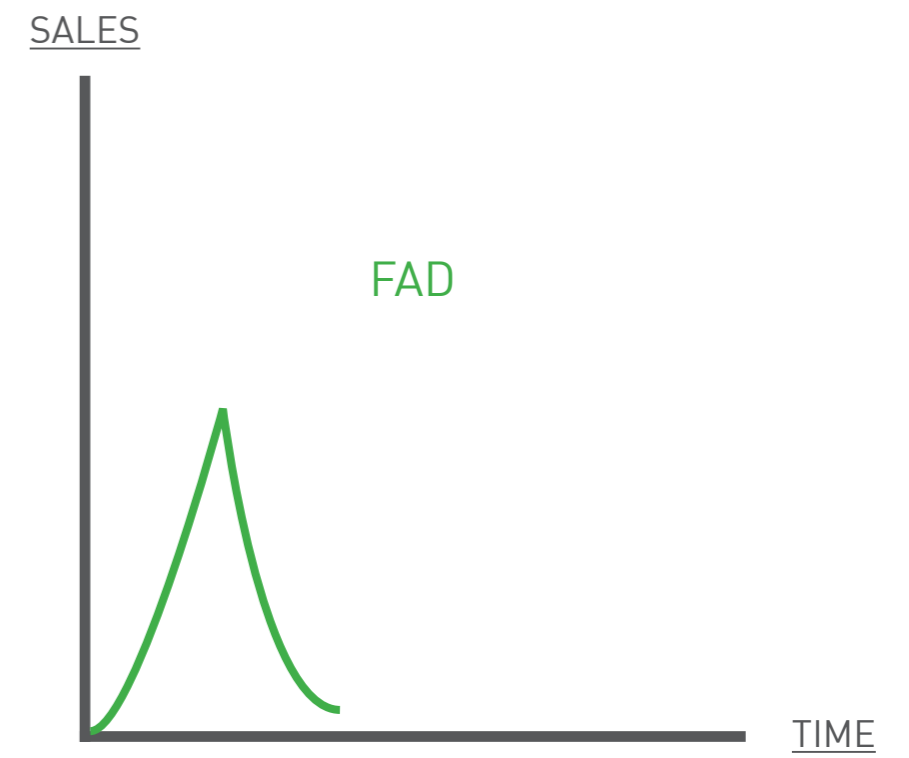
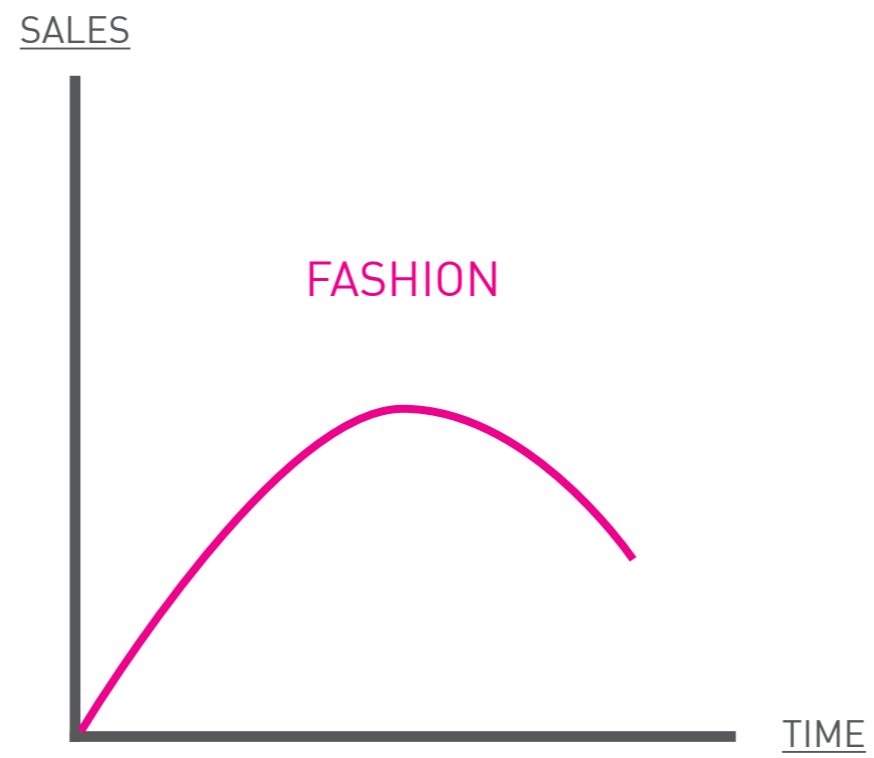
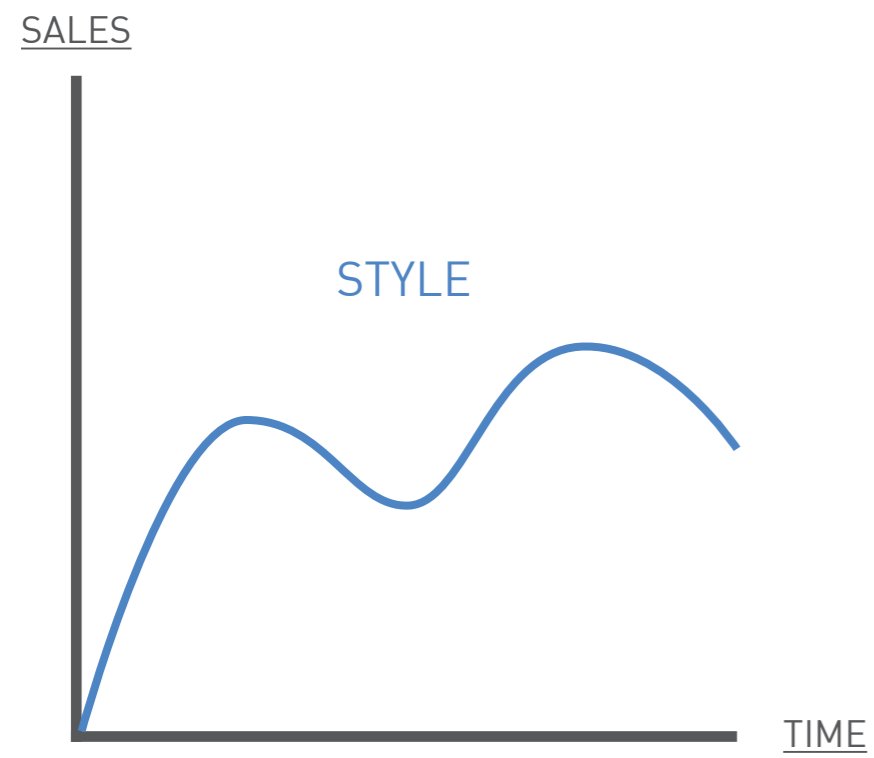
PRODUCT'S LIFE



Source: PRINCIPLES OF MARKETING by Kotler, Philip, p. 296, Fig. 9.2 Sales and Profits over the Product's Life from Inception to Decline

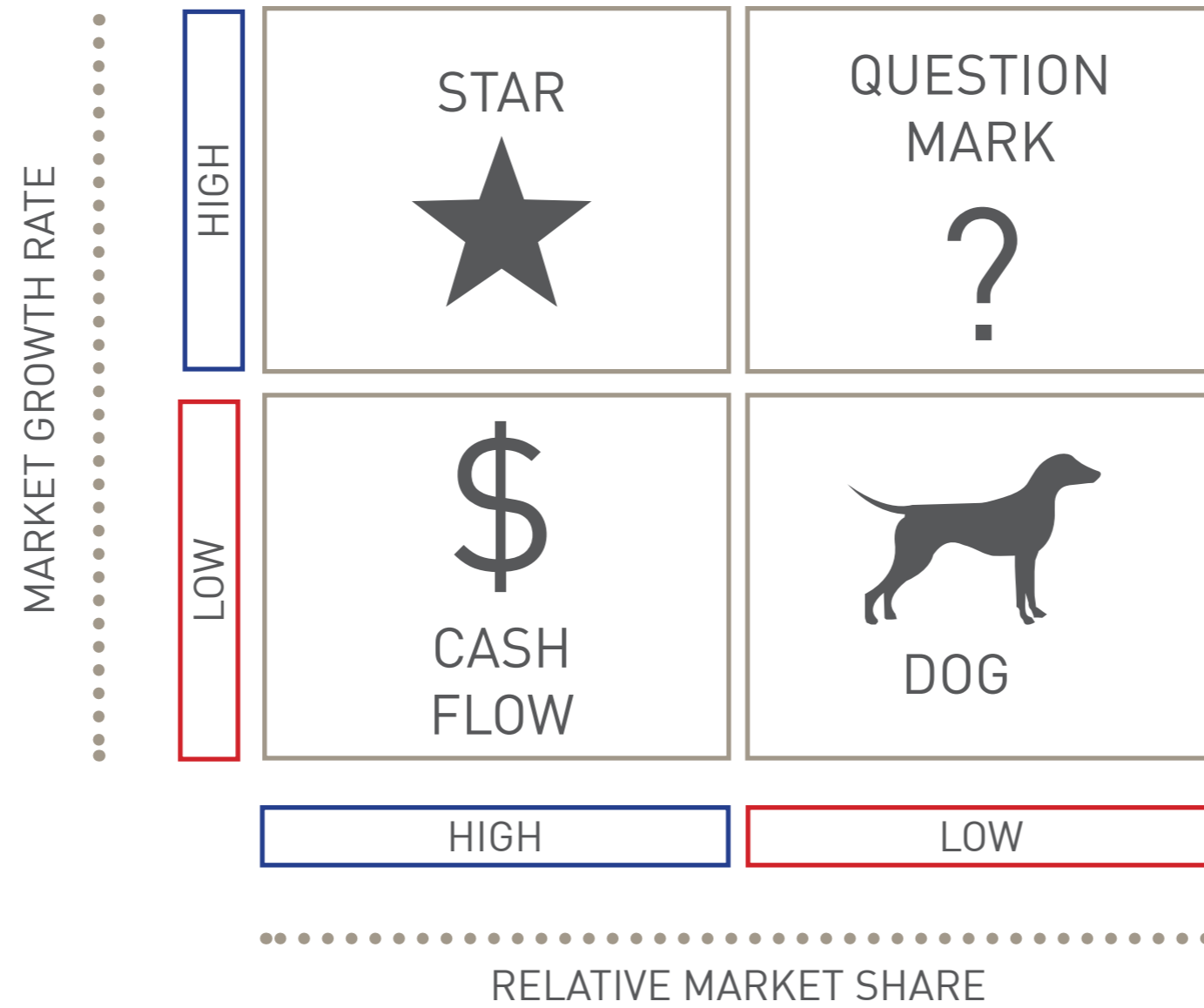
PRODUCT STRATEGY

STYLES, FASHIONS, AND FADS



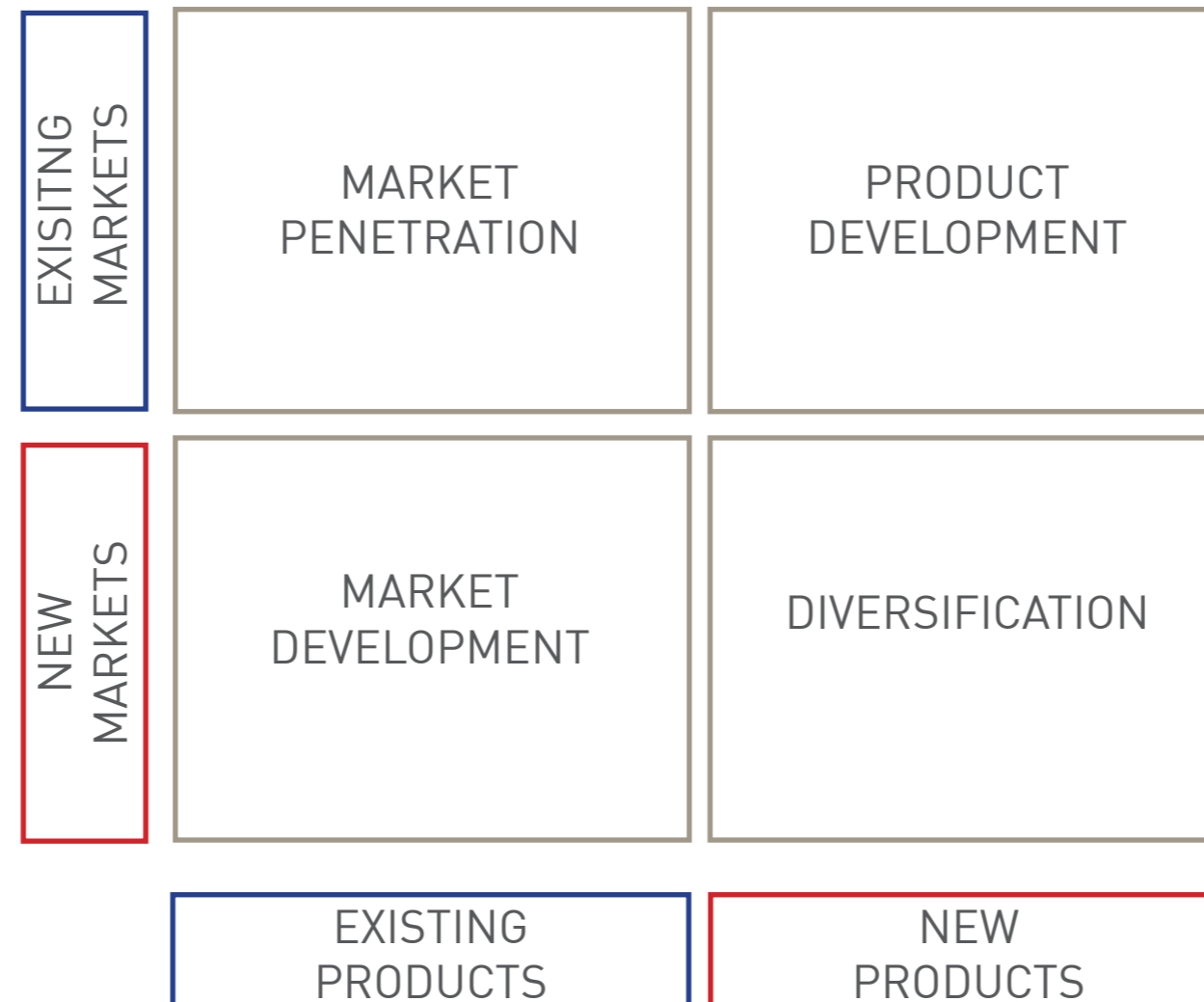
PRODUCT STRATEGY

BCG GROWTH SHARE MATRIX



PRODUCT STRATEGY

PRODUCT/MARKET EXPANSION GRID



CORSO DI LAUREA MAGISTRALE IN
ECONOMIA AZIENDALE E MANAGEMENT

DESIGN MANAGEMENT

Lesson 5 - Part 2

PRODUCT STRATEGY

IN-CLASS CASE AND FINAL EXERCISE

SEE POWERPOINT FILE
