New Product Development

New Product Development

- New product development is the process of finding ideas for new goods and services and converting them into commercially successful products.
- In business and engineering, new product development (NPD) covers the complete process of bringing a new product to market
 - Shapes the company's future.
 - Replacement products must be created to maintain or build sales
 - Customers want new products, and competitors will do their best to supply them.

New Product Development

■ A company can add new products through acquisition or development:

• Acquisition:

- The company can buy other companies,
- It can acquire patents from other companies,
- It can buy a license or franchise from another company

Development:

- The company can develop new products in its own laboratories.
- It can contract with independent researchers.

Challenges in New-Product Development

■ The Innovation Imperative

- Highly innovative firms are able to identify and quickly seize new market opportunities.
- Companies that fail to develop new products leave their existing offerings vulnerable

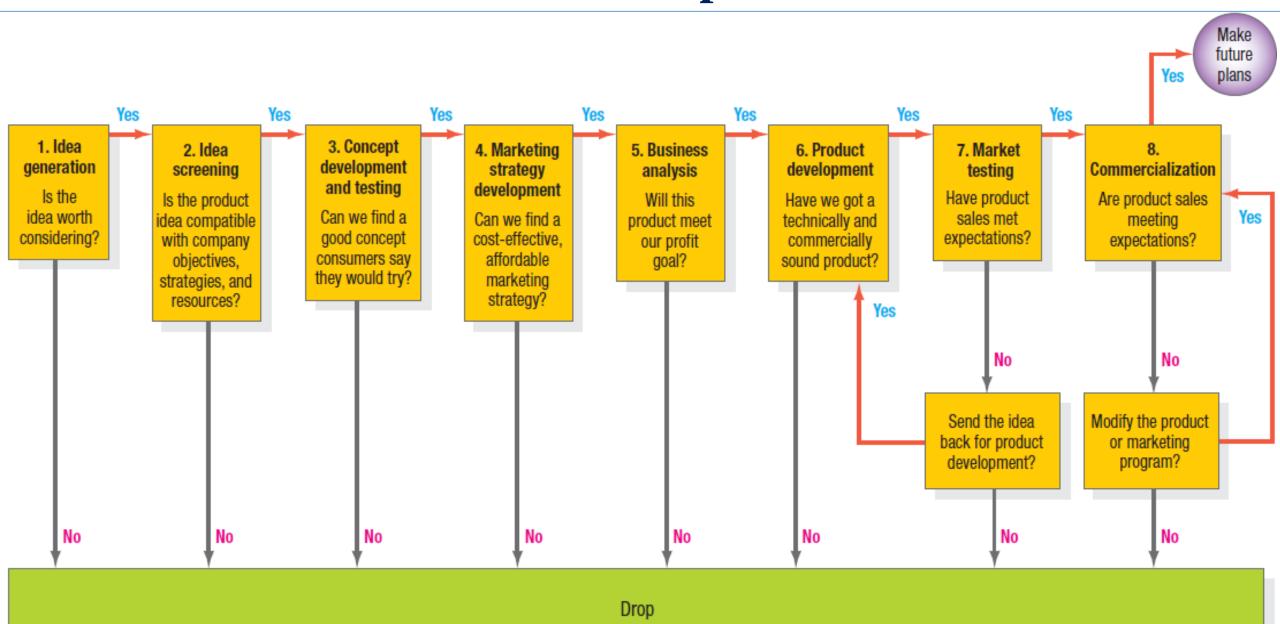
New-Product Success

Most established companies focus on incremental innovation, entering new markets
by tweaking products for new customers

New-Product Failure

 New products continue to fail at estimated rates as high as 50 percent or even 95 percent in the United States and 90 percent in Europe

New Product Development Process





market

















