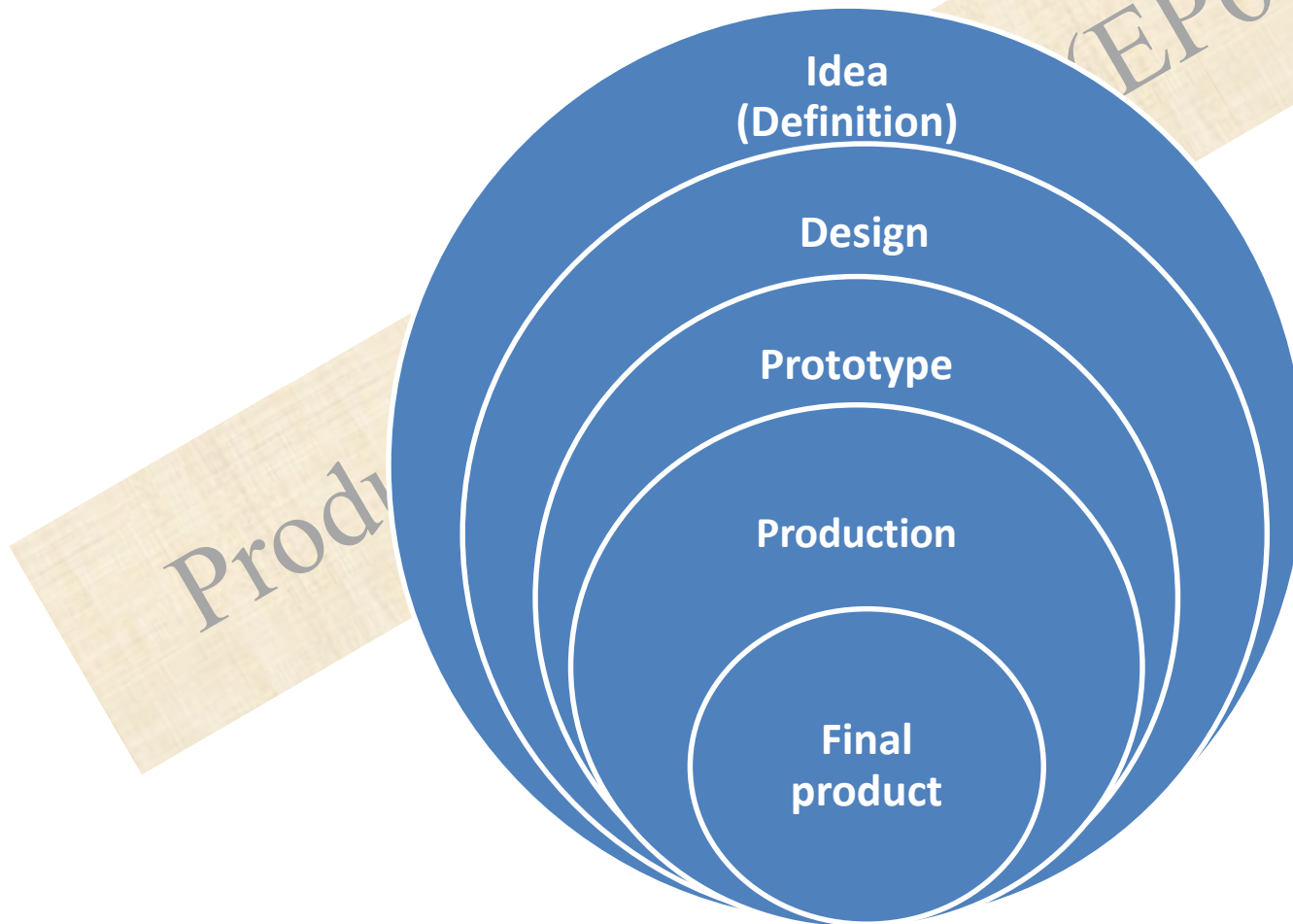


# CONVERSION OF IDEAS TO PRODUCT REALIZATION

- **Phases of product realization**

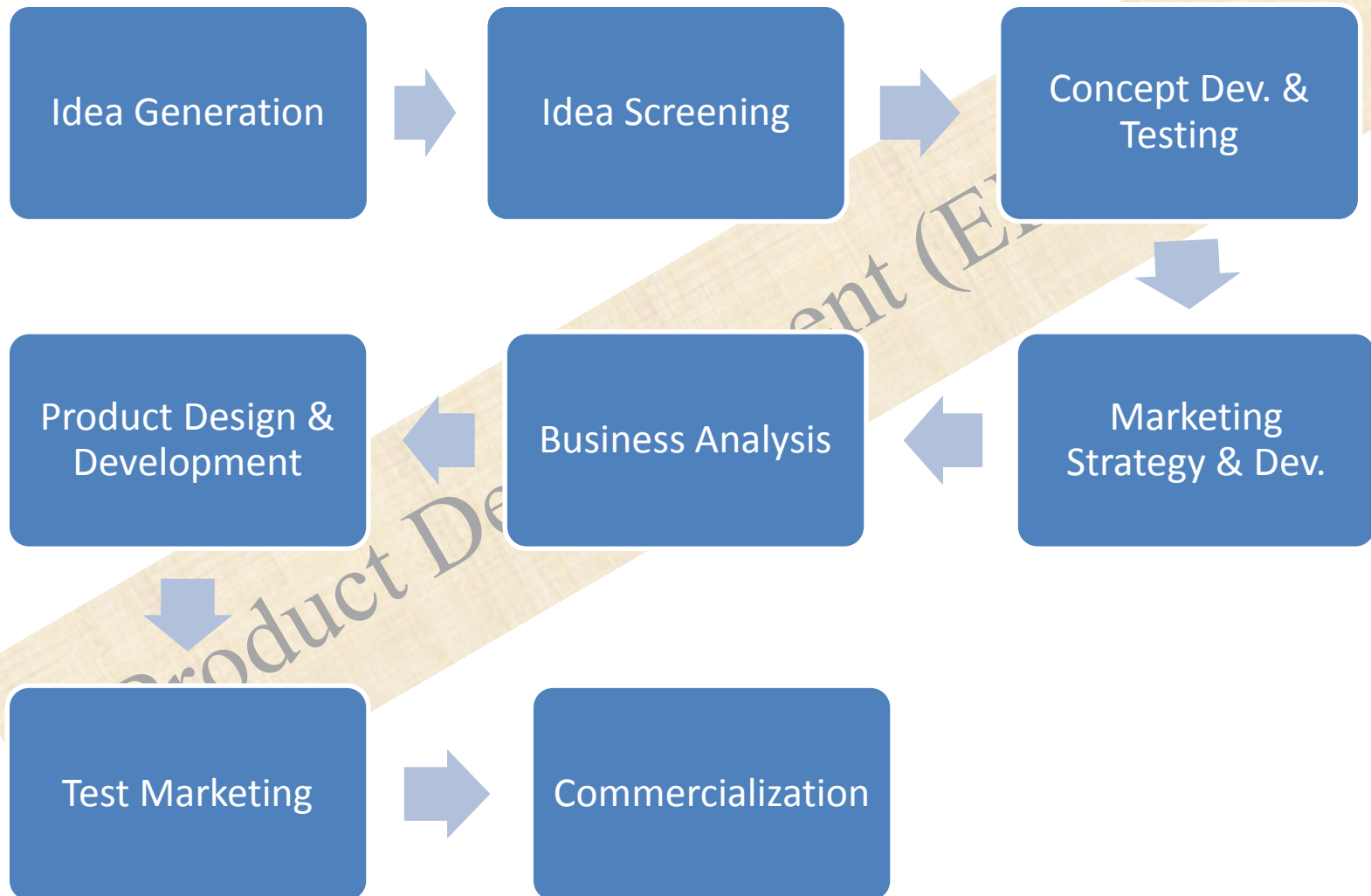


# SOME CRAZY IDEAS

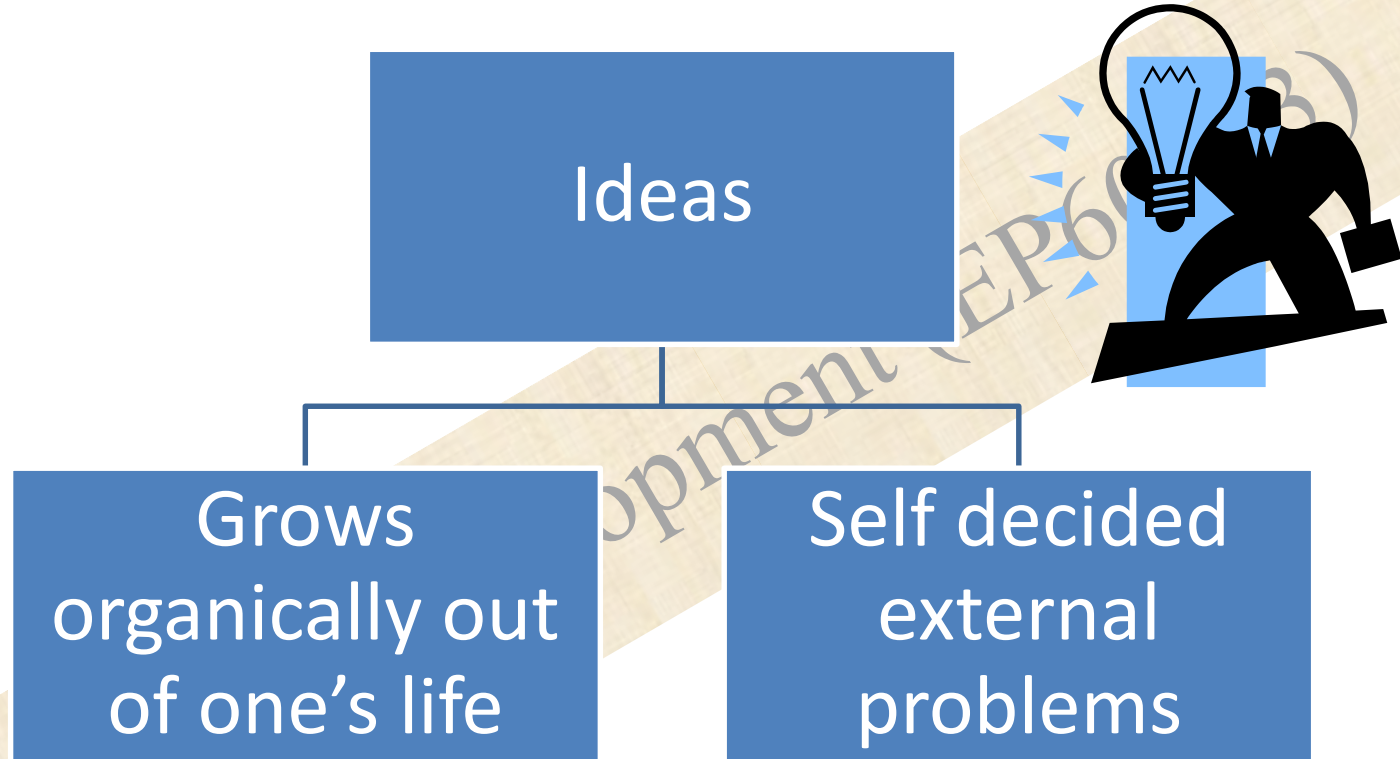


- Come out with a new search engine – highly competitive
- Replace the current system of e-mail with a to do list - challenging
- Ongoing medical diagnosis of individual through out his life span – technically difficult
- Replace all institutes of higher learning – against the popular wisdom
- Implant catalyst globally to purify air – Government subsidies required
- *The list can continue*

# Steps for New Product Development



# IDEAS OF PRODUCTS



**If one finds something broken that one can fix for a lot of people one has found a gold mine. As with an actual gold mine, one still has to work hard to get the gold out of it. But at least one knows where the seam is, and that's the hard part.**

# IDEA GENERATION:

## the "fuzzy front end" of the New Product Development process

### *The Five Front-End Elements:*

1. Opportunity Identification
2. Opportunity Analysis
3. Idea Genesis
4. Idea Selection
5. Concept and Technology Development

Fuzzy Front End generally consists of three tasks: *strategic planning*, *concept generation*, and especially, *pre-technical evaluation*. These activities are often chaotic, unpredictable, and unstructured.

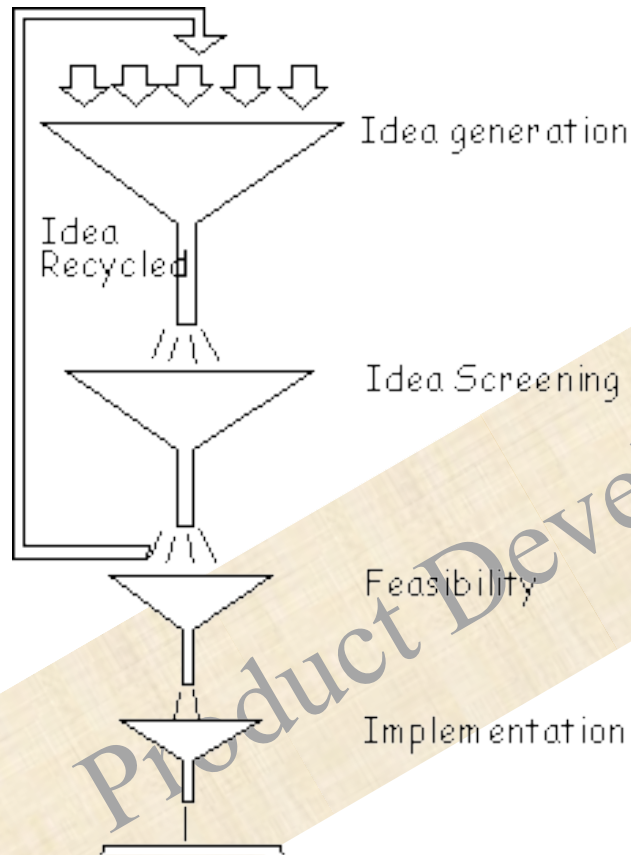
- Ideas for new products can be obtained from basic research using a SWOT analysis (Strengths, Weaknesses, Opportunities & Threats).
- **But where do organisations get their ideas?**  
**Sources include:**
  1. market and consumer trends
  2. company's R&D department
  3. competitors
  4. focus groups
  5. employees
  6. salespeople
  7. corporate spies (suppliers)
  8. trade shows
  9. ethnographic discovery methods (searching for user patterns and habits)

# Selecting Ideas

- Lots of ideas are being generated about the new product. Out of these ideas many ideas are being implemented. The ideas use to generate in many forms and their generating places are also various. Many reasons are responsible for generation of an idea.
- Idea Generation or Brainstorming of new product, service, or store concepts - idea generation techniques can begin when you have done your OPPORTUNITY ANALYSIS to support your ideas in the **Idea Screening Phase** (shown in the next development step).



# Idea Screening



**Series of funnels**

## ***Need***

- To retain the potential ideas & eliminate the ideas which could be failures.
- The aim in successive screenings is to build up the necessary information for the decisions to be made in a quantitative, objective way.



# Purpose of Idea Screening

- To spot & drop poor ideas as early as possible to stop good money chase bad money
- To evaluate whether a potential idea fits well with the organization's mission, objectives, strategies, core competencies & resources

## Errors in Idea Screening

- **Drop – error:** Dismissal of an otherwise good idea. Too many drop errors mean the organization is Conservative
- **Go – error:** A company fails to catch a poor idea before it moves into development stage

# Factors for Idea Screening

## Marketing factors:

Potential market size

Compatibility of market image with company's product lines

Relationship to competing products

Compatibility with existing or specified market channels

Access to suitable physical distribution systems

Fits into an acceptable pricing structure

Relationship to promotional methods and resources

Marketing resources needed to produce success

# Factors for Idea Screening (Contd)

## Development factors:

Knowledge needed for development

Available knowledge and skills

Available time and human resources

Development funds needed and available

Compatibility with existing strengths

Development difficulties and risks of failure

# Factors for Idea Screening (Contd)

## **Production factors:**

Compatibility with existing product lines

Availability of processing equipment

Availability of raw materials and ingredients

Availability of technical skills to produce the product

Availability of production time

Agreement with any legal requirements

Cost and availability of new resources required

# Factors for Idea Screening (Contd)

## Financial factors:

Compatibility of development costs with financial resources

Capital investment resources needed and available

Finance needed and available for market launch and ongoing product support

Profits or returns on investment required



# Questionnaire for Idea Screening

- What compelling evidence do you have which clearly demonstrates that you are the sole inventor of the subject new product idea?
- Which Unmet needs is the product going to satisfy?
- Why should a customer buy this product and not that of competition (if it exists)?
- Which product features will satisfy these unmet needs? How?
- Are there any barriers to entry for the new product, i.e. utility or design patents; trademarks, etc., etc.? If not, how easy it might be for someone to reverse engineer and copy the new product?

# Questionnaire for Idea Screening

- What product claims will be made? Can these claims be substantiated through scientific and other compelling evidence?
- Are design criteria established for the product?
- How long should the product be expected to last?
- Does the new product have sales potential in the targeted market? If so, provide numbers, etc.
- Who are the best potential buyers and representatives for the new product?
- Are there any potential licensing or joint venture partners in this market?



# Questionnaire for Idea Screening

- What level of funding do you need? Do you have a business / marketing plan which could justify how these funds would be allocated?
- Why would a potential investor be willing to fund your new product efforts? What should he /she expect in return?
- What are your underlined assumptions concerning the viability of this business?
- What are your "What if" scenario concerning your projected estimates for market size, penetration potential, profit margin, etc.?