

# M5L15. First-Mover and Fast-Follower- Introduction

## Slide #1



**ATM**  
TEXAS A&M UNIVERSITY  
Engineering

First-Mover and  
Fast-Follower -  
Introduction

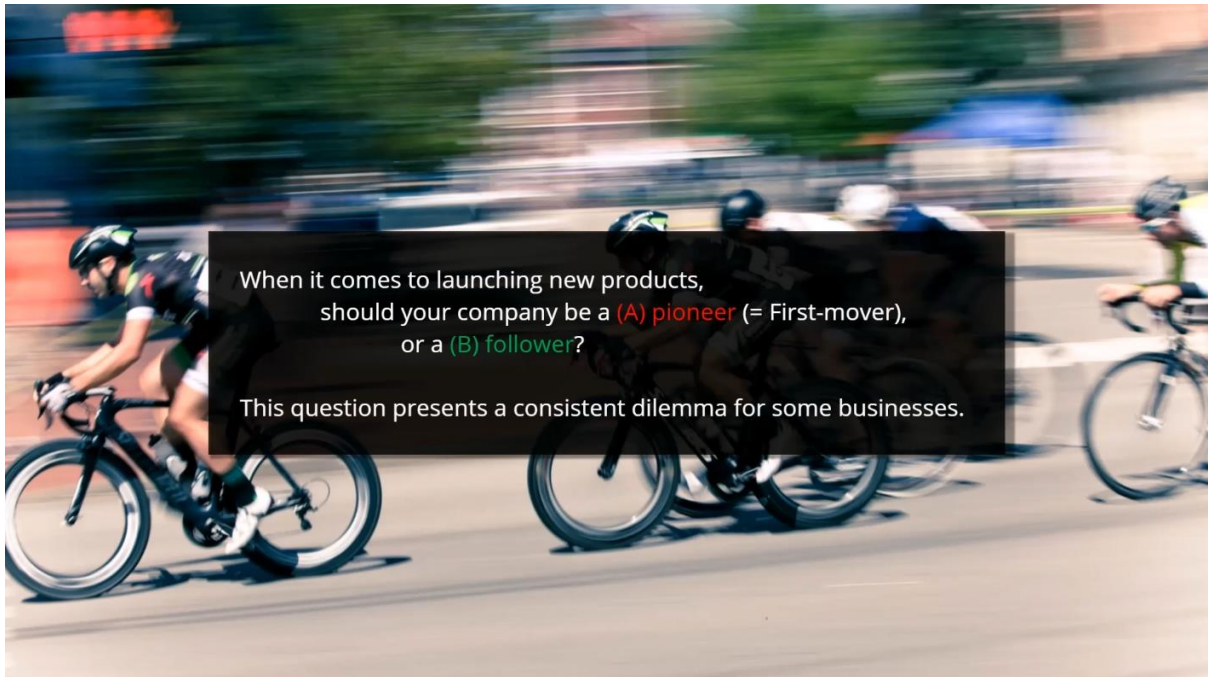
Dr. Xiaomin Yang

**TCMT 612** | Technical Management  
Decision Making

MASTERS OF ENGINEERING TECHNICAL MANAGEMENT

In this topic, we will discuss first-mover and fast-follower types of companies.

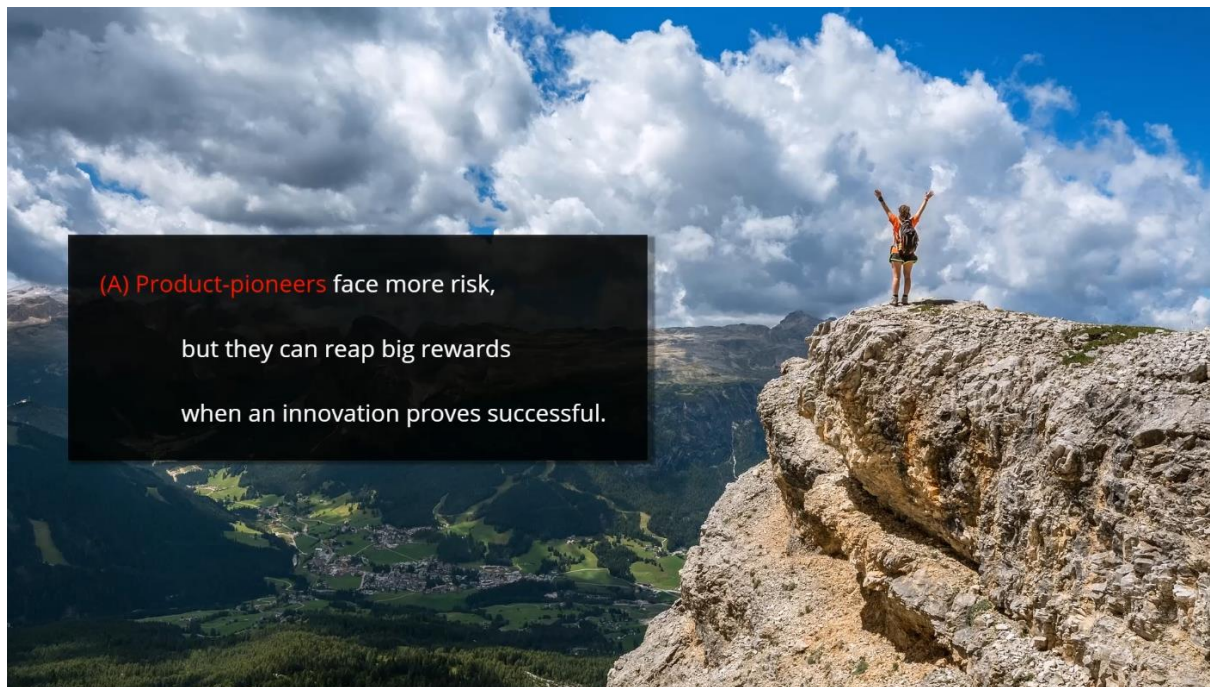
## Slide #2



When it comes to launching new products, should your company be a pioneer or a follower?

This question presents a consistent dilemma for some businesses.

### Slide #3



(A) Product-pioneers face more risk,  
but they can reap big rewards  
when an innovation proves successful.

Product-pioneers face more risk, but they can reap big rewards when an innovation proves successful.

**Slide #4**

## Examples of First-Mover Companies

Some examples of first mover companies are:

**Slide #5**

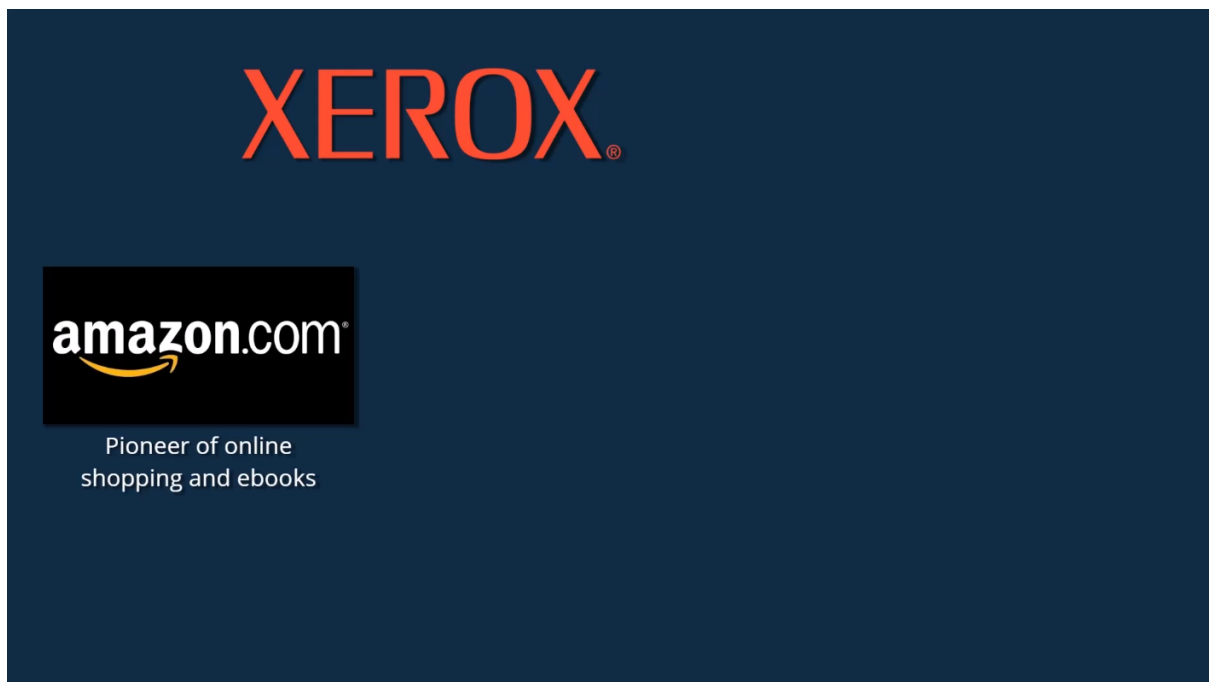
The image shows a dark blue rectangular area. In the top left corner of this area, the word "XEROX" is written in a large, bold, orange-red sans-serif font. To the right of the "XEROX" text, in a smaller white sans-serif font, are two lines of text: "Pioneer of photocopying industry. Made" on the first line and "significant profit from photocopying business" on the second line. A small registered trademark symbol (®) is located at the bottom right of the "XEROX" text.

**XEROX**®  
Pioneer of photocopying industry. Made  
significant profit from photocopying business

First, Xerox, which is the pioneer of photocopy industry.

The company made a significant profit from the photocopying business.

**Slide #6**



The second example is Amazon.com, which is the pioneer of online shopping service and ebooks.

**Slide #7**



eBay is also the pioneer of online auction.

**Slide #8**



Apple is built as a first-mover of product design and integration of software and hardware to deliver differentiated products.



## Slide #9



Fast-followers, on the other hand, are assured more reliable returns.

Fast-followers closely follow the pace of product-pioneers and therefore have the opportunity to avoid the mistakes that product-pioneers made.

***Slide #10***

Examples of Fast-Follower Companies

Here are some examples of fast-follower companies:

## Slide #11



First, Samsung, especially the consumer electronics division of Samsung. Samsung closely monitors what the product pioneers in the U.S. are doing.

For example, what Apple is doing with iPhone, with different types of electronic products and come up with their own version of those devices.

Another example is Google search engine. Google followed the pace of Yahoo.com and came up with a superior search engine to get the market share from Yahoo.

The third example is Microsoft Xbox. The company follows the pace of Nintendo and Sony to develop its own version of the game console and use the company's distribution channel to compete with those Japanese video game makers.

Dell Computer is also a fast follower, especially in the early time of Dell. Dell Computer followed the pace of IBM to deliver a high quality product to specific customers in the market.