



Top Tips for New Product Development

This month we take a quick look at New Product Development (NPD), which is integral to the innovation and sustainable growth of any business, and particularly the most successful market leaders.

The number of successful 'New Product Development' projects that reach successful commercialisation is extremely limited. Stevens and Burley (1997) have suggested that only 0.03% of inventions ever become economically profitable (and this doesn't even mean commercial success, but simply getting a greater return and has been invested).

So with such a challenge for businesses and economies as a whole, it's worth getting some advice on best practice. Here are a few tips to get you started though:

Establish a NPD process

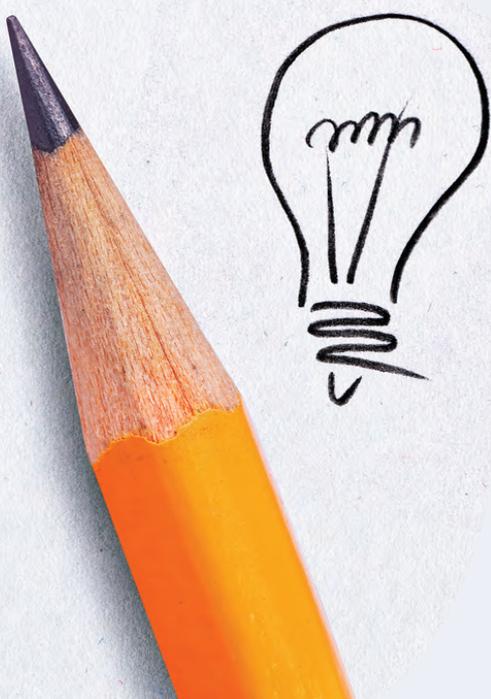
This is particularly important for organisations with more than one idea to commercialise. An NPD process will comprise of a number of activity stages and review gates aimed towards ensuring that as expenditure on a NPD projects grows, that uncertainty and risk are managed and reduced. Stage activities will include business planning, marketing, prototyping and technology development, whilst gates will involve senior stakeholders and managers in order to assess specific criteria before sanctioning further activity and investment. The process will also enable the prioritisation of projects, directing resources at those most likely to succeed, putting others on hold or stopping them all together. Check our website for details on how we can help you implement a bespoke process.

Establish strong senior management support for NPD

Establish support through the NPD process rather than for individual projects. This will stop vested interests pushing projects through, but at the same time supporting the most successful projects that may face internal and external barriers to commercialisation. Make sure that senior management's vision for NPD is well publicised and understood. Check out our website for details of our 'Leadership for Innovation' workshops.

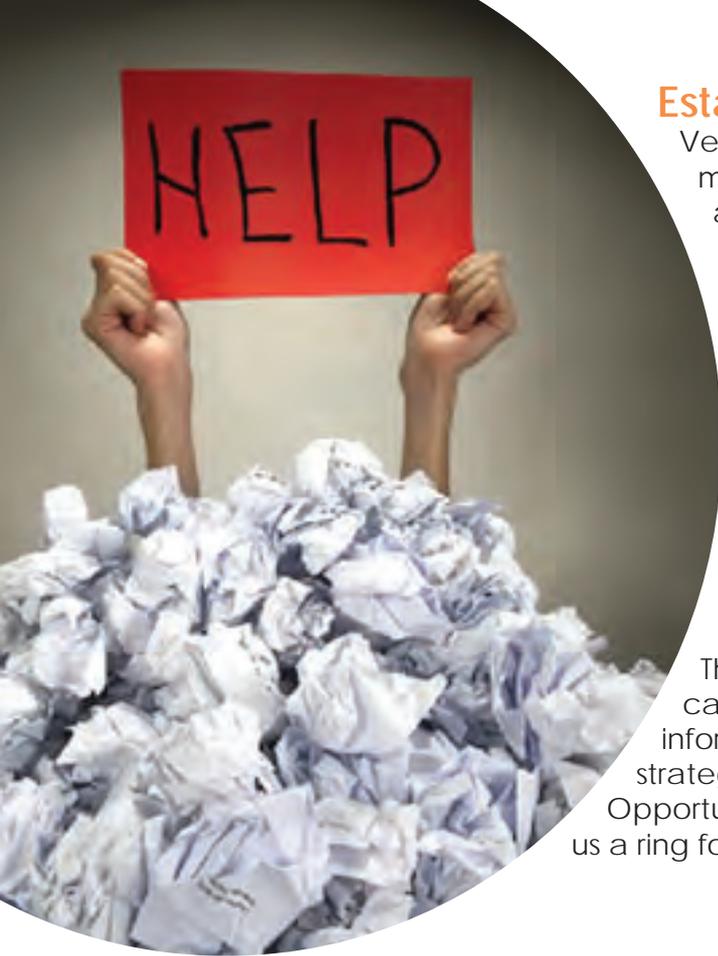
Use multi-disciplinary teams

Use multi-disciplinary teams to develop new products as this will ensure a broader input and critique, support innovation and further creativity within the development process, build relationships and further new product ideas, and reduce the tendency of technical or managerial pushing through ideas for the wrong reasons. Objectivity is vital, and will support senior management in evaluating and prioritising those projects with the best chance of success.



Think outside the box

Think outside the box for NPD ideas or commercialisation routes for existing products into new markets. For example, a fighter jet doesn't have a commercial market, but some of the materials it's built from may have a commercial application in completely different markets. Many of the businesses we work with have clear expertise and strong products in one market, supply chain etc. that could easily be commercialised into new markets with very little effort, investment or risk.



Establish if the product will work

Very often people with new ideas say "there's a massive market and we can get 0.01% of it" when they've only asked their relatives and next door neighbours' advice. Ensure that the NPD process seeks to identify early in the development of new products what it is that is appealing about them.

Are there existing products and what's different about the new one? Is there a proven market demand for the product, and if not can you undertake primary research to find out what customers and end users think about the idea. If this is an entirely new idea, what impact will it have, how will this affect demand across the product life-cycle?

There are funds for 'proof of market' activities so that you can get help from marketing professionals. Use this information to perform a SWOT analysis and develop strategies: Strengths + Weaknesses = Defend, Strengths + Opportunities = Grow, Threats + Weaknesses = Improve etc. Give us a ring for advice on marketing, strategy or funding.

If you're a small or micro business then definitely get some help

This will greatly improve your chances of successful commercialisation. Funding is available from the Technology Strategy Board in the form of SMART grants, which will provide funding up to £250k for 'proof of market', 'proof of concept', or other commercialisation activities. This would enable you to not only fund your own activities and expense but also employ expertise as required.

There are plenty of other resources available such as free support and incubation facilities from Research Institutes and Universities, as well as further networking opportunities. Further support could also be available from Business Angels and Venture Capitalists who offer investment and expertise in return for equity, and this can be a very worthwhile route if you're prepared to share. There may be other organisations willing to collaborate with you and share in the risk and reward. For advice on this give us a call with no obligation.

Do you need help with NPD?
Get in touch on 0151 347 2900
or email us at info@ctechinnovation.com

