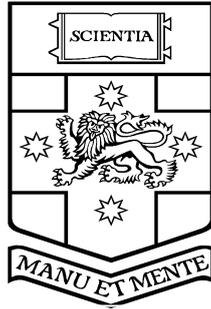


THE UNIVERSITY OF  
NEW SOUTH WALES



FACULTY OF  
COMMERCE AND ECONOMICS

**School of Marketing**

**MARK3091**  
**New Product and New Service Development**

**Lecturer: Mr Richard Connell**

**Session 1, 2003**

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**Consultation:** 30 minutes prior to/after lecture or by appointment.

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## **I Course Overview**

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This course is designed to provide you with an awareness of the issues involved in new product and new service development and a basic understanding of selected processes and tools available for dealing with these issues.

The course is intended to serve students who anticipate careers or participation in product management/product planning or who expect to be involved in the development of new products (goods and services). New product development is increasingly viewed as a complex interdisciplinary process requiring inputs throughout from the finance, production and engineering functions of the business as well as marketing and R&D. As such it could have relevance to students focusing on non-marketing disciplines.

Given the complexity of the new product and service creation process, extensive integrative thinking is called for in this course. Accordingly, it is positioned as an advanced level course.

## **II Objective**

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This course incorporates both strategic and tactical dimensions of new product and service development, and attempts to demonstrate a variety of concepts and modes of thinking about innovation and product development. In more concrete terms, it is expected that by the end of the semester you will be able to:

1. Recognise the increasing importance of new product and service creation;
2. Have a workable knowledge of a "best practice" approach to product creation from concept selection through to post-launch monitoring;
3. Have exposure to a similar approach used by service industries and, more generally, a feeling of how well service companies perform in new service development (NSD) compared to manufacturing firms. Most product development principles and practices are equally relevant to service development. An optional lecture on services may be incorporated into the schedule.
4. Recognise the organisation and management practices that are most likely to result in successful new product creation processes.
5. Be conversant with the current terminology that is used by managers who are active in new product development work.

## **III Materials**

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Hard copies of overhead transparencies used during lectures are available from Unicopy. These will, in effect, serve as a textbook. Not all overheads in the "study

kit” will be used during the lectures. Some provide additional detail to support those used in lectures.

Reading from the required text – Product Juggernauts, Jean Philippe Deschamps and Ran Nayak, Harvard Business School Press, 1995 will directly support some of the early lectures.

Three readings are, in addition to providing broad content for the specific lectures, recommended for students interested in new service development (Part VI; The Development of New Services), from New Product Development, A Reader, Susan Hart, Dryden Press, 1996.

Students should note that there is not a one-to-one correspondence between lecture topics and topics in the text. (Students who rely more heavily on a textbook than lectures or students who anticipate missing lectures should not take this course.)

### ***Additional Reading***

For those who want to delve more deeply into various aspects of innovation and product development, the following are recommended.

Kim B. Clark and Steven Wheelwright, *Managing New Product and Process Development*. A good all-round text.

Glen Urban and John Hauser, *Design and Marketing of New Products*, Prentice Hall. Second Edition, 1993. An excellent description of market science approaches to developing totally new products.

## **III Materials**

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Robert Cooper, *Winning at New Products*, Second Edition Addison-Wesley, 1993. Focuses on processes for managing development that we discuss but in more depth on some topics.

Karl Ulrich and Steven Eppinger, *Product Design and Development*, McGraw-Hill, 1995. A good introduction to the actual development of prototypes and final new products written from the point-of-view of industrial design. Useful to gain insight on terms and processes that are unfamiliar to non-engineers.

Thomas Hughes, *American Genesis\**, Viking Press, 1989. A business historian traces the evolution of the practice of invention in workshops and industrial research laboratories, and examines the values of technology and its impact on business, politics, architecture and art. Food for thought.

Ranganath Nayak and John Kettringham, *Breakthroughs\**, Mercury Press, Second Edition, 1993. A series of case histories of new product innovations which were true

breakthroughs in terms of establishing new product categories and adding to the growth and development of the companies who developed them.

\* *Secondary priority: Light reading likely to be enjoyed by enthusiasts.*

#### **IV Requirements**

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You will be evaluated on the basis of three inputs:

<b>Input</b>	<b>Description</b>	<b>% of Final Grade</b>
Mid-term examination	<ul style="list-style-type: none"><li>• A series of short answer questions and brief essays to be undertaken/written in a lecture session</li></ul>	30%
Course project	<ul style="list-style-type: none"><li>• Generation or selection of an idea or preparation of a business plan for a new product (see below)</li></ul>	20%
Class contribution	<ul style="list-style-type: none"><li>• General contributions to the wisdom, understanding and knowledge of the course material</li></ul>	10%*
Final examination	<ul style="list-style-type: none"><li>• As per the mid-term examination</li><li>• Location to be identified</li></ul>	40%

The purpose of the course projects is to provide students with the opportunity to use selected analytical tools and approaches described in lectures in a "live" situation. Students will be asked to form themselves in teams of three to four participants and to:

- Generate one or more ideas using an analytical tool which will be assigned.
- Set priorities for a fictitious development program by screening and ranking a set of ideas using techniques presented in lectures related to idea generation, or
- Develop a business plan starting from the concept stage.

\* If class size is too large to track individual contributions, two "class questions" mini-tests (5 marks each) will be administered instead.

Each of the above will require the team to prepare a 20-30 minute presentation which will be delivered during a lecture session. Teams will receive immediate feedback about strengths and weaknesses of projects. Marks/grades will be provided after last course lecture.

While only 10% of the course mark will be based on class contribution, the lecture sessions will be as interactive as size permits. All students should be prepared to contribute to all sessions.

Exam and class question papers will not be returned to students. "Ideal" answers, however will be discussed during lectures.

Students must pass the final exam to pass the course.

Suggestions for preparing presentations and answering exam questions, evaluation criteria and samples, appear in the appendices.

## V Tentative Schedule

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Classroom topics/activities are tentatively scheduled as follows:

Lecture		Project Milestones or (Optional Topics)	Week
Major Topic	Sub-Topic		
Course Overview	Objectives	(Why - NPD - a consultant's view)	1
Creating Context	Evaluations	(What is the product creation process - a consultant's view)	
	Projects		
	New Product Definition		
	Importance of New Products		
Creating Context (Continued)	Strategies	Team Formation	2
	Processes	Discussion of Samples	
	Improvement Areas		
PCP Phase 1: Strategy	Inputs	Team Confirmation	3
	Development Plans		
PCP Phase 2: Idea Management	Overview		4
	Sources of Ideas and Analytical Approaches		
PCP Phase 2: Idea Management	Product Dimensions	Teams 1, 2	5
	Analysis (Special approach)		
PCP Phase 2: Idea Management	Idea Management	Teams 3, 4	6

<b>Lecture</b>		<b>Project Milestones or (Optional Topics)</b>	<b>Week</b>
<b>Major Topic</b>	<b>Sub-Topic</b>		
PCP Phase 3A: Concept Definition	Overview Idea Proposal Development Proposal	Presentation Teams 5, 6	7
PCP Phase 3B: Feasibility Assessment	Overview Advanced Development Proposal		
PCP Phase 4: Project Preparation	Internal/External Suppliers Business Plan	Presentation Teams 7, 8 (Sales Presentation - Cereal)	8
PCP Phase 5: Project Realisation/Launch	Market Introduction Plan Test Marketing	Presentation Teams 9, 10	9
PCP Phase 6: Post Launch Monitoring	Lessons Learned from Pre-Test Marketing (Mid-term discussion)	Presentation Teams 11, 12	10
<b>MID-TERM EXAM</b>			11

<b>Lecture</b>		<b>Project Milestones or (Optional Topics)</b>	<b>Week</b>
<b>Major Topic</b>	<b>Sub-Topic</b>		
Project Management	Milestones Gantt Charts Mid-term Feedback	Presentation Teams 13, 14	12
Organisation	Options Characteristics	Presentation Teams 15, 16	13

Leadtime Reduction	Understanding the Issue Developing a Framework	Presentation Teams 17, 18	14
End of Course Review*	Questions and Answers		

\* And/or new services development (other options)

## **VI Contact Instructions**

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In the event that you need to contact me outside of lecture hours, please note the following:

- You should allow AT LEAST 2 to 3 days between the time you leave a message and when you would like a response to it.
- When sending a message you should state:
  - Date and Time
  - Your full name
  - The nature of your enquiry  
Ideally, question or message in sufficient detail so that I may respond to it with a message back to you by fax or answer phone message without having to speak to you directly.
  - How/where and when I get a response to you by fax or phone message.
- The best way to contact me is to leave a message on my voice mail: 9385-2643.
- You may also send faxes to 9356-2437 (number likely to change during session)
- As a fall back, you may leave a written message pinned to my office door, Room 250, 2nd floor, Goodsell Building or send a fax to me at the school:  
9663-1985 (allow more response time, say 4-5 days).
- Do not use my e-mail address or postal mail if you require a response within the normal (minimum) 2-3 day time frame.
- I'm available for consultation one-half hour before and after lectures in the lecture theatre or by appointment.