MKTG 465: Introduction of New Products and Services

TENTATIVE Syllabus, Winter 2010, **version 6.0, 11/02/09**
section 76, S 1:30-4:30 p.m., Weiboldt Hall, first meeting 1/09/2010

Course Catalogue Description: New Products and Services, is designed to answer the manager's question: "What do I need to know and do as a marketer in order to develop a successful new product?" It will provide you with a firm understanding of the exact steps you need to follow in order to bring a new product successfully from an idea to a product that is ready to launch. The course covers fundamental marketing principles that are as valuable in developing and marketing the newest microchip as for the latest chili-flavored tortilla potato chip. The course is case-based and example driven. Illustrations and discussions will encompass consumer packaged goods, high tech and consumer electronics, biotechnology, agribusiness, entertainment, B2B, international, and many other industries -in contexts that range from garage startups to Fortune 100 companies. The course content will help those pursuing careers in brand management, marketing, project management, marketing research, new product & service consulting, venture capital, and entrepreneurial ventures. **The emphasis on specific techniques and application settings varies somewhat by instructor. Students are encouraged to request a copy of the course syllabus from the instructor prior to registering.** Prerequisite: MKTG-430

Blackboard Web pages: registered students only. TBD

Instructors: **James G. Conley**, Kellogg Faculty, Center for Research in Tech. & Innovation
McCormick School, Faculty Fellow IDEA
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Office hours: Saturdays, Weiboldt Hall, 11:00 a.m. to 1:00 p.m., or by appointment.

Pedagogy:
The content of this course will be presented through a variety of teaching formats. These include lecture, case studies, student presentations and guest speakers (2 planned at present, others opportunistically selected), etc. Guest speakers formally slotted to appear include Tom Stat of IDEO, Paul Earle, President of River West and Trilium Brands, and Jeff Bellairs, Director of External Innovation at General Mills.

Course Materials:
The majority of course reading materials can be found in the case pack available in the downtown Abbott Hall bookstore. These materials come from both the academic research press, trade and professional publications and from the instructors research/case collection. Note that the order of materials in the case pack does not correspond with the assignment/reading order. All slides and or powerpoint materials used in this course are made available to the students via the online Blackboard courseinfo web site at the URL given above.

Cases covered in this course are selected to address product development issues in firms from a breadth of industries/ including those listed below. A number were developed by Kellogg students and faculty directly for this type of course.

IDEO: New Services	Decision to launch new design and strategic services
General Mills Yoplait Case A	Market testing and launch analysis for new custard style yogurt
Ryobi Outdoor Product Case:	Platform innovations in a mature business (lawn and garden) KSM
Launch of the BMW Z3:	Advertising challenges in the launch of a new niche automobile
AstraZeneca, Prilosec&Nexium	Marketing Challenges of 2nd generation drug launch, generic and OTC options

There are no *required* textbooks for this course. However the following books provide considerable, deeper insight into the materials prepared and presented in lecture and may also serve as excellent references going forward.

- *The Art of Innovation,* by Tom Kelley, Interesting read that describes how the most successful product design firm in history (IDEO) plan, executes and otherwise manages its internal innovation processes. Fascinating insight on how to manage VERY creative people.

- *Setting the PACE in Product Development* by Michael E. McGrath, Published by Butterworth-Heinemann, 1996. A nice overview of product innovation processes from a traditional point of view. Frameworks and planning tools/procedures are discussed at length.

Other Recommended/Worthwhile reads from the New Product Development literature.

- *New Products Management* by Crawford and DiBenedetto, Published by McGraw Hill 2006. A good introductory text to the with a focus on Marketing issues. The text is used widely in both UG and Grad courses on the subject of New Product Management Available on line hardback for about $105 new. FYI, Used copies are available at a 90% discount via Amazon

- *The Experience Economy: Work is Theatre and Every Business a Stage* by Pine and Gilmore, An excellent book with a fresh look at the next higher level on the value curve. Valuable reading for those looking to a career in Brand Management. Available online for about $20 used.

Tentative Session Schedule:

Course session #	Session Sec. 76 Date	Content First Five weeks
1	1/09	Introductions, Syllabus, Schedule, Deliverables, Expectations Why a course on New Products/Services? Marketing perspective…
1	1/09	Innovation & MKTG in context of New Product Development (NPD)
2	1/16	Project Management and a Process for NPD *Core Teams, Structured Methodologies, Phase Gates, Development Tools, The PACE Process and the role of Marketing*
2	1/16	Case Discussion: *Introducing New Services at IDEO*. **Group Assignment #1**
3	1/23	Guest Speaker, Design and Business Innovation, Tom Stat, IDEO
3	1/23	Product concept and prototype evaluation in New Product Development.
4	1/30	Case Discussion *Yoplait Yogurt A* and challenges in CPG NPD to expand a category, **Group assignment #2**. Advertising options and challenges for new product development.
4	1/30	Concepting and testing issues for CPG (includes discussion of BASES),
5	2/06	Case Discussion: Launch of the BMW Z3 Roadster, **group assignment #3,** + Challenges of new drug development and launch in the markets for pharmaceutical products. Product Development and Marketing issues for CPG
5	2/06	Sandwich Pricing, NPD in the Pharmaceutical Industry

Course Session #	Session Sec. 76 Date	Content Second Five weeks
6	2/13	Midterm Case Discussion: Astrazeneca, Prilosec & Nexium, individual assignment
6	2/13	Midterm Case Debriefing cont.
7	2/20	Open Innovation and General Mills' Worldwide Innovation Network (WIN) Guest Speaker: Jeff Bellairs, Director of External Innovation at General Mills
7	2/20	Current Issues in New Product Development: What Makes a Successful Launch? Global Product Development, The Wisdom of Being a Fast Follower?
8	2/27	Emerging Models for open innovation based product development, brands and the River West approach Guest Speaker: Paul Earle River
8	2/27	Current Issues in New Product Development: Intellectual Property for Brand Managers
9	3/6	In-Class Presentations on Student Projects I
9	3/6	In-Class Presentations on Student Projects II
10	3/13(?)	In-Class Presentations on Student Projects III (if needed) The Future of New Product/Offering Development
10	3/13(?)	Class participation self and study group team performance evaluations KSM Course Evaluations

Study Groups

You are required to form study groups of students (group size dependent on class size, generally 4/group, maybe more determined at first class session) and notify me and the TECH major assistant (abhisekh.adhikari@kellogg.northwestern.edu) of your grouping by end of session 1 or as soon as possible thereafter by e-mail but no later than noon Monday of week #1. Those registrants unassigned at that time will be randomly assigned at the discretion of the instructor. Teams should discuss and work on cases and under take the final projects. You are requested to stay in the same study group all quarter. Instructor appreciates that some consolidation may be necessary due to dropping and adding. Group pages will be formed for your team on the Blackboard site to facilitate collaboration on course deliverables amongst TMP and full time students.

In selecting your group membership, you are encouraged to be diverse to realize a creative and productive learning experience. Note that all students will be given an opportunity to assess their fellow study group members performance in the final week of the course. Instructor reserves the right to use this information to inform final grades.

TENTATIVE Assignment/Reading Schedule*: Note subject to change*

There are several reading and case assignments as per below. Assignment instructions are or will be posted to the couseinfo blackboard site. Reading/assignment listed for each session should be completed before beginning of next session. All are available online or in the case pack. Note that case assignment #1 - #3 are group assignments with deliverables. Assignment #4 is the midterm exam with a deliverable that should be completed individually.

Session #1:

Read *Connect and Develop* .. HBR March 2006 article about P&G's new model for Innovation

Read *Twelve Different Ways for Companies to Innovate*, Spring 2006 SMR article available on Blackboard site.

Read *Phase Zero: Introducing New Services at IDEO (A)*, Group assignment due in blackboard digital drop box 12 hours before beginning of Session #2, 4/7 at 6:00 a.m.

Recommended Reads in case pack and or available online:
The Innovators Dilemma as a problem of Organizational Competence

Session #2:

Recommended Reads in case pack and or available online:
Design of Robust New Products… Marketing Meets Design case pack
Innovate Faster by Melding Design and Strategy, HBR Sept. 2007

Session #3:

Read *Yoplait A&B Case*, Group assignment due in blackboard digital drop box 12 hours before beginning of Session #4, 4/21 at 0600 a.m.

Read *Innovation Killers: How Financial Tools Destroy Your Capacity to Do New Things,* HBR June 2008

Recommended Reads:

The WalMart You Don't Know (article)
Sandwiched and in a Pickle (article)
Different Roles of Product Appearance in Consumer Choice
Ryobi Outdoor Products KSM MMM *Case*

Session #4: Read *BMW Launch of the Z3* case, Group assignment due in blackboard digital drop box 12 hours before beginning of Session #5, 4/28 at 0600 a.m.

Read*: A More Rational Approach to New Product Development*, HBR March 2008

Session #5:

Read pre-print book *Chapter 5: Capturing Value,* a note on sandwich pricing, in case pack
Read *Astrazeneca, Prilosec & Nexium* KSM Case, individual assignment write-ups due in digital drop box at 0600 am on 5/6/08, day of session #6.

Session #6: Read: *Using Brand Identity to Reinforce Market Value*
Read: *Intellectual Property, Innovation and New Product Development* WIPO Magazine, August 2005

Recommended Reads:
KSM Technical Note: IP Ground Rules
Core 77 Article: TradeMarks, not patents, the real competitive advantage of the Apple iPod.

S**ession #7:** Read: *Open Innovation,*
Read: *The New Practice of Global Product Development,* MIT/Sloan Mgmt Review, Summer 2006

Session #8: Read: *Using Brand Identity to reinforce Market Value*, Innovation Journal Article
Intellectual Property, the Ground Rules, Kellogg Technical Note
Brand identity and iPod Design, Core77 online Magazine

Recommended Reads:
Why Some New Products are More Successful than Others, JMR 2006
Intellectual Property, Innovation and NPD WIPO Magazine, 08/20

Final Assignment: Class participation self assessment and peer group evaluation form due in digital drop box by 6:00 p.m. on 6/6/08.

Midterm Examination:

The midterm for this course will be a straight forward exam/case analysis covering materials discussed in class and addressed in the assigned readings. The midterm case will be an individual assignment.

Final Project:

This assignment is to be executed and delivered with the members of your study group.

Objectives:

The final project offers an opportunity for student groups to exercise and or integrate the learnings of the course into an in-depth analysis of state-of-the art NPD management (marketing included) processes within a specific firm or industry (healthcare, pharmaceuticals, power generation, automotive, retail, consumer durables, etc.) or technology application domain (perfumes, chemical sweeteners etc.). The manuscript can take the form or either a white paper or a case study. Examples of past deliverables are available on the courseinfo web site and will be discussed during the first day of class.

Deadlines & Deliverables:

- Deliverables include a 12-20 minute powerpoint presentation (length dependent on class size) to be offered to the class by your group members during the Ninth and Tenth sessions of the course. All student groups are expected to have a powerpoint presentation addressing their project completed and submitted to the digital dropbox by 9:00 a.m. on the day of our 9th session. A limited number of groups will likely be called on that day but, in fairness, all must be prepared to present.
- Final project manuscript deliverables are due in both hard copy as well as in digital form in the digital dropbox on the Blackboard site by 9:30 a.m. hours on 03/10/2010. If I am not available, manuscripts may be left with Rahi Gurung in the room just across from my Evanston office (5249 Jacobs Center) during regular business hours.

Grading of Final Projects:

Your grade will be determined based on the quality of your presentation and written report. A high quality written deliverable is characterized as follows:

- Sound structure, based on a relevant conceptual framework.
- Comprehensive coverage of the relevant issues.
- Consistency and depth of analysis; specific rather than vague.
- Informative and thought provoking exhibits (figures, graphics and tables). In short, the exhibits should tell the story of your paper.
- Good balance between description, analysis and recommendations. When you draw on other sources, it is important that you not merely 'cut and paste' them into your text, but carefully integrate the underlying reasoning into your analysis.
- Clearly written, exhaustively referenced so that each citation can be found quickly (this is very important), and well organized.
- All prepared in MSWord Format and delivered to the digital drop box as per the syllabus date.

A high quality presentation (sessions 9,10, Schedule to TBD) will be clear, informative and balanced in the allocation of time to content. Your objective is to brief your classmates efficiently on your findings. All presentations should be prepared in powerpoint format. Examples of past final project deliverables are included in the case pack, (AstraZeneca and Prilosec, Ryobi Outdoor Products case studies) and available online at the Blackboard site

Classroom Etiquette and Class Participation

All students are expected to fully comply with the *Kellogg Code of Classroom Etiquette* (http://www.kellogg.nwu.edu/stu_aff/honor/etiquette.htm)

Please leave your name plate up for the entire duration of each class and keep the same seat for the duration of the quarter. While I will do my best to learn your names quickly, not having a name plate will impact your class participation grade.

While you are welcome to use your computers for note taking and other class specific tasks. **Web surfing, e-mailing and IM'ing are expressly prohibited**. Further, the GMA has encouraged all faculty to increase cold calling and we will do so in this course.

You are expected to attend all classes. ***Attendance is mandatory for the midterm case discussion, for guest speakers and for the in-class final project presentations.*** If you have to miss class for any reason, you must notify both me by e-mail before the scheduled start of the session. An un-excused absence will result in a reduction in class participation grade.

Much of the learning in this course comes from class discussion. Your classroom participation grade will be based on attendance, preparation, familiarity with the reading materials, and the quality of your contribution. Some of the key characteristics of **valuable contributions** are as follows:

- Relevance: Are your comments timely and linked to the comments of others?
- Advancement: Do your comments take the discussion farther or deeper than previous comments?
- Fact-based: Have you used specific data from the case, from readings, or from personal experience to support the assertions that you are making?
- Logic: Is your reasoning consistent and logical? Do you use concepts from readings &lectures correctly?
- Originality: Do your comments merely restate the facts or do they provide new insights?

Generally, an important indicator of participation is your contribution to the creation of a positive learning environment. For example, correcting me when I make a mistake or asking what appear to be "dumb questions" about what is being covered both *do* help.

To increase opportunities for effective participation, I will cold call students either to open the class or during the course of a discussion. If you feel that you are preparing well but that I am not calling on you often enough, please let me and the TA know so that we can adjust.

Feedback on your Performance in this Course

I am very willing to help each student group develop and polish the course deliverables. I welcome the opportunity to comment and edit drafts of student work, provided that I am given ample time. Teams or individual students can arrange meetings with me, schedule permitting. This is especially encouraged w.r.t. the final project. I will make time during the seventh week of the quarter to help each student group advance final deliverables.

Grading

Grade Component	Individual / Group	Weight
Class Participation	Individual	20 %
Case Write-ups/Assignments	Individual/Study Group	20 %
Midterm Case Write-up	Individual	20 %
White Paper/Project: Presentation & Paper	Study Group	40 %

Peer evaluation forms posted to the web will be used to assess individual contributions to group projects. ***It is required that all individual students fill out a peer evaluation form***. More details on this during class #1.

Kellogg Honor Code

All students are expected to abide by the *Kellogg Honor Code* in undertaking and completing deliverables for the assignments in this course. See Below URL for link to the Kellogg Honor Code:

http://www.kellogg.nwu.edu/stu_aff/honor/hcode12.htm

Acknowledgements

Some of the ideas for this course have come from many past students (see the case study researchers) and other individuals, including Mohan Sawhney, Sunil Chopra, Holger Ernst, Lakshman Krishnamurthi and others. The author acknowledges all contributions and appreciates solicited/unsolicited suggestions for improvement.

MRKT 465: Introduction of New Products and Services

Sections 876 w/ Professor James G. Conley, Winter Quarter 2010
e-mail:j-conleya@kellogg.northwestern.edu

Meeting Time/Location: Section 76: Saturday 13:30-16:30, Room TBD Weiboldt Hall

Note that syllabus for this course will be a living syllabus (i.e. schedule may change a bit), posted to the above website.

CASE PACK/READER CONTENTS:

1.	Course Syllabus version 6.0	
2.	Connect and Develop at P&G	Trade Article 2006
3.	Phase Zero: Introducing New Services at IDEO	Case Study
4.	Why some New Products are More successful than others	JMR article 2001
5.	Twelve Different Ways for Companies to Innovate	SMR article
6.	Moving Technologies from Lab to Market	Trade Article 2002
7.	The Innovators Dilemma as a Problem of Organizational Competence	JPIM article 2006
8.	General Mills Yoplait Yogurt Case (A)	Teaching Case Study
9.	Innovation Killers	Trade Article 2008
10.	The WalMart you do not know	Fast Company Magazine
11.	Sandwiched in a Pickle	Chicago Tribune Article
12.	Ryobi Outdoor Products	Kellogg Case Study
13.	Design of Robust New Product… Marketing meets Design	JPIM article 2005
14.	Different roles of Product Appearance in Consumer Choice	JPIM article 2005
15.	Launching the BMW Z3 Roadster	Teaching Case Study
16.	A More Rational Approach to New Product Development	Trade Article March 2008
17.	Capturing Value (Chapter 5) Note on Sandwich Pricing	Kellogg Internal Note
18.	Astrazeneca, Prilosec and Nexium: Launch of 2nd generation drug	Kellogg Case Study
19.	Using Brand Identity to reinforce Market Value	Innovation Journal Article
20.	Intellectual Property, Innovation and New Product Development	WIPO Magazine, 08/20
21.	Technical Note: Intellectual Property, the Ground Rules	Kellogg Technical Note
22.	Core77 article on Brand identity and iPod Design	Core77 online Magazine
23.	Open Innovation	HBR Article
24.	The New Practice of Global Product Development, Summer 2006	SMR Article