MKTG 465: Introduction of New Products and Services

TENTATIVE Syllabus, Spring 2007, version 4.0, 1/31/07
section 81, M 6:30-9:30 p.m., Jacobs Center Room G44, first meeting 3/26/07

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

Courseinfo Web pages: registered students only.
http://www.courses.northwestern.edu/webapps/portal/frameset.jsp?tab=courses&url=/bin/common/course.pl?course_id=_147743_1

Instructor: James G. Conley, Kellogg MEDS, TIM Program, Center for Research in Tech. & Innovation McCormick School, Faculty Fellow IDEA
Phone: 847-491-4814 Fax: 847-467-5505, Email: j-conleya@northwestern.edu

Office hours: Mondays 3:00 to 4:00 p.m., or by appointment. Jacobs Center room 5249

SpringQ 2007 Schedule: A class time scheduling nuance is superimposed on this section of MKTG465 because of the NU Spring quarter observation of the Memorial Day Holiday on May 29th, 2006. Because of the holiday observation, the week # 10 class slot is cancelled and re-scheduled to Friday May 11, 6:30 to 9:30 in the same class room. Our overall course schedule is adjusted to reflect this scheduling.

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 John Funk of Evergreen IP and Alan Reed of Dairy Management Inc.

Course Materials The majority of course case reading materials can be found in the case pack available in the 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.
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.

- General Mills Yoplait Case A: Market testing and launch analysis for new custard style
- Ryobi Outdoor Product Case: Platform innovations in a mature business (lawn and garden) KSM
- Team New Zealand Cases: Time Critical development challenge of Americas cup yacht racing
- Terry’s Novelty Chocolates: Re-design and Market launch of an indulgence CPG
- Launch of the BMW Z3: Advertising challenges at the launch of a new niche automobile
- Astrazeneca and Prilosec: 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 first three listed books are available in the Evanston bookstore. Please let me know if the bookstore runs out of any of these resources.

- 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.

- 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.

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

- Invention by Design by Henry Petroski, Published by Harvard University Press, 1996. This is an excellent book examining how innovation occurs and is captured in new products. Commercial innovation of both simple (paper clips) and complex (airplanes, FAX and networks, skyscrapers.. pre 9/11/01 World Trade Center design discussion is very interesting) products is described. Available on line paperback for about $20.


- Design Rules, by Baldwin and Clark. An interesting, in depth review of the multiple ways that Modular Design influences the growth and expansion of an industry. Using the example of the computer industry, these authors carefully demonstrate how modular design has sparked rapid growth and enhanced diffusion of innovations. On line for about $50.
**Session Schedule:** Note that for 2006, content/speakers will be similar but scheduling will change

<table>
<thead>
<tr>
<th>Course session #</th>
<th>Session Sec. 81 Date</th>
<th>Content First Five weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3/26</td>
<td>Introductions, Syllabus, Schedule, Deliverables, Expectations Why a course on New Products/Services? Marketing perspective…</td>
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<tr>
<td>1</td>
<td>3/26</td>
<td>Innovation &amp; MKTG in context of New Product Development (NPD)</td>
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<tr>
<td>2</td>
<td>4/2</td>
<td>Case Discussion: Yoplait Yogurt A and challenges in CPG NPD to expand a category, group assignment</td>
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<tr>
<td>3</td>
<td>4/09</td>
<td>Guest Speakers, NPD and Marketing Innovation in Dairy by Alan Reed and Tia Raines</td>
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<tr>
<td>3</td>
<td>4/09</td>
<td>Marketing and Design Prototyping in NPD, Gap Analysis, Fulfillment models etc.</td>
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<tr>
<td>4</td>
<td>4/16</td>
<td>Case Discussion: Team New Zealand Case Series, group assignment</td>
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<tr>
<td>4</td>
<td>4/16</td>
<td>Case Discussions: Terry's Chocolates NPD and launch advertising methods in NPD</td>
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<tr>
<td>5</td>
<td>4/23</td>
<td>Case Discussions: Launch of the BMW Z3 Roadster, group assignment</td>
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<tr>
<td>5</td>
<td>4/23</td>
<td>Challenges of new drug development and launch in the markets for pharmaceutical products.</td>
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<tr>
<td>Course Session #</td>
<td>Session Sec. 81 Date</td>
<td>Content Second Five weeks</td>
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<td>6</td>
<td>4/30</td>
<td>Midterm Case Discussion: Astrazeneca, Prilosec &amp; Nexium, individual assignment</td>
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<td>6</td>
<td>4/30</td>
<td>Forecasting challenges in NPD and Yoplait Yogurt B case Discussion</td>
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<tr>
<td>7</td>
<td>5/7</td>
<td>Guest Speaker: John Funk of Evergreen IP A formal process for external NPI that sells into the CPG industry</td>
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<td>7</td>
<td>5/7</td>
<td>Work in Study Groups on Final Projects</td>
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<tr>
<td>8</td>
<td>5/11</td>
<td>NPD and IP for Brand Managers</td>
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<td>8</td>
<td>5/11</td>
<td>Discussion of informal case studies, e.g. Dreyer’s Slow Churned and Brand Jacking</td>
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<tr>
<td>9</td>
<td>5/14</td>
<td>In Class Presentations on Student Projects I</td>
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<td>9</td>
<td>5/14</td>
<td>In-Class Presentations on Student Projects II</td>
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<td>10</td>
<td>5/21</td>
<td>In-Class Presentations on Student Projects (if needed) The Future of New Product/Offering Development</td>
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<td>10</td>
<td>5/21</td>
<td>Class participation self and study group team performance evaluations KSM Course Evaluations</td>
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Study Groups

You are required to form study groups of students (group size dependent on class size) and notify me of your grouping by end of session 1 or as soon as possible thereafter by e-mail. Teams should discuss and work on cases (both those with individual and group deliverables) and under take the final projects. Please fix and stay in the same study group all quarter. Group pages will be formed for your team on the Blackboard courseinfo site to facilitate collaboration.

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 courseinfo 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 General Mills Inc.: Yoplait Custard Style Yogurt Case (A), Group assignment due in blackboard digital drop box 12 hours before beginning of Session #2, 4/3 at 0630 a.m.

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

Read Why Some New Products are More Successful than Others, JMR 2006

Recommended Reads in case pack and online:
Food Companies and Flavorings
Moving Technologies from Lab to Market
The Innovators Dilemma as a problem of Organizational Competence

Session #2: Read the Ryobi Outdoor Products KSM MMM Case and be prepared to discuss
Recommended Reads:
Design of Robust New Products… Marketing Meets Design

Session #3: Read Team New Zealand A Case, Group assignment due in blackboard digital drop box 12 hours before beginning of Session #4, 4/17 at 0630 a.m.

Read the Terry’s Group Novelty Chocolates Case and be prepared to discuss in class
Recommended Reads:
Different Roles of Product Appearance in Consumer Choice
Visualizing the Self and New Product Evaluations

Session #4: Read BMW Launch of the Z3 case, Group assignment due in blackboard digital drop box 12 hours before beginning of Session #5, 4/24 at 0630 a.m.
Session #5:  Read Astrazeneca, Prilosec & Nexium KSM Case, individual assignment write-ups due in digital drop box at 0630 on 5/1/05. Read pre-print book Chapter 5: Capturing Value, a note on sandwich pricing, in case pack

Session #6: No readings required for this session. Work on your final product case with your group members. Recommended Reads: Exploratory Investigation of New Products Forecasting practices Pre-market forecasting of Really New Products

Session #7: Read: Using Brand Identity to Reinforce Market Value Recommended Reads: KSM Technical Note: IP Ground Rules

Session #9: Recommended Reads: Dialogue/Rejoinders on establishing an NPD best practices framework

Final Assignment: Class participation self assessment and peer group evaluation form due in digital drop box by 6:30 p.m. on 6/4/06.

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 in depth 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 0600 hours on 5/14. 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 courseinfo page by 6/5/06 by 6:30 p.m. 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 (session #9) 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 as per a template to be distributed. Examples of past final project deliverables are included in the case pack, (AstraZeneca and Prilosec, Ryobi Outdoor Products) 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. Not having a name plate will impact 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 and the TA 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 the readings or 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 polish final deliverables.

Grading

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<thead>
<tr>
<th>Grade Component</th>
<th>Individual / Group</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Class Participation</td>
<td>Individual</td>
<td>20 %</td>
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<tr>
<td>Case Write-ups/Assignments</td>
<td>Individual/Study Group</td>
<td>20 %</td>
</tr>
<tr>
<td>Midterm Case Write-up</td>
<td>Individual</td>
<td>20 %</td>
</tr>
<tr>
<td>White Paper/Project: Presentation &amp; Paper</td>
<td>Study Group</td>
<td>40 %</td>
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</tbody>
</table>
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, Mark Jeffery, Sunil Chopra, Holger Ernst, Rob Wolcott and others. The author acknowledges all contributions and appreciates solicited/unsolicited suggestions for improvement.
MRKT 465: Introduction of New Products and Services

Sections 81w/ Professor James G. Conley, Spring Quarter 2007
e-mail:j-conleya@kellogg.northwestern.edu

Meeting Time/Location: Section 81: Mondays 18:30-21:30, Room G44 Jacobs Center

Courseinfo URL’s:
Section 81:
http://www.courses.northwestern.edu/webapps/portal/frameset.jsp?tab=courses&url=/bin/common/course.pl?course_id=_147743_1

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 CONTENTS:

1. Connect and Develop at P&G
2. Why some New Products are More successful than others
3. Food Companies and Flavorings
4. Moving Technologies from Lab to Market
5. The Innovators Dilemma as a Problem of Organizational Competence
6. General Mills Yoplait Yogurt Case (A)
7. Ryobi Outdoor Products
8. Design of Robust New Product… Marketing meets Design
9. Terry’s Group Novelty Chocolates
10. Different roles of Product Appearance in Consumer Choice
11. Visualizing the Self… and New Product Evaluations
12. Exploratory Investigation of new product Forecasting practices
13. Premarket forecasting of Really New Products
14. Launching the BMW Z3 Roadster
15. Team New Zealand (A)
16. Marketing Strategy
17. Note on Sandwich Pricing
18. Astrazeneca, Prilosec and Nexium: Launch of 2nd generation drug
19. Technical Note: Intellectual Property, the Ground Rules
20. Using Brand Identity to reinforce Market Value
21. Dialogue/Rejoinders on establishing an NPD best practices framework

Trade Article 2006
JMR article 2001
NYTimes 2005 article
Trade Article 2002
JPIM article 2006
Teaching Case Study
Kellogg Case Study
JPIM article 2005
JPIM article 2005
JPIM article 2004
JPIM article 2002
JOM article 1996
Teaching Case Study
Case Study
Technical Note
Internal Technical Note
Kellogg Case Study
Kellogg Technical Note
Innovation Journal Article
JPIM articles 2006