This is primarily a team project course in which you will learn why, when, and how to develop successful new products and services.

**Overview of the Course**

For students who have a keen interest in strategy and the development and introduction of new ideas, this course provides a comprehensive understanding of the principles of successful new products and services, processes for developing and bringing new ideas to market, and methods for evaluating and measuring the success of those ideas.

This course will benefit students who are interested in pursuing careers in marketing, product and service management, brand management, and entrepreneurial ventures. A reasonable familiarity with marketing strategy and marketing research will be beneficial as you will have the opportunity to apply and deepen these fundamentals.

The course is a combination of theory, case studies, and practical techniques all of which you will use in your team project – the primary course deliverable.

In your team projects, you will have the opportunity to bring a new product to market based on an underlying marketing strategy (i.e. attack, defend, create new market, etc.). The project is condensed into 10 weeks. While 10 weeks may seem like a short amount of time in which to bring a new product to market, it is actually very representative of today’s business environment. For example, Spanish fashion retailer, Zara, brings 10,000 new items to market every year with a time to market of less than four weeks. Of course, depending on the industry, product development cycles can vary dramatically.
In the lectures, we will cover the phases of the new product process – from insight to launch. You will also have the opportunity to learn techniques to use in the various stages including discovery, ideation, concept formation, and migration path development.

Following many of the lectures, we will discuss a case that illustrates how the principles might be applied in practice. And at times, we will be joined by industry practitioners who will help to enrich the learning experience.

**Required Material**

- Course Packet

**Supplemental Reading (not required, but suggested)**

You may find some of these additional readings useful references.


### Evaluation of Work

<table>
<thead>
<tr>
<th>Evaluation of Work</th>
<th>Weight</th>
<th>Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>• In-class Contributions</td>
<td>15%</td>
<td>Individual</td>
</tr>
<tr>
<td>• Case Write-ups (Pass/Fail)</td>
<td>15%</td>
<td>Individual</td>
</tr>
<tr>
<td>• Team Milestones (Pass/Fail)</td>
<td>10%</td>
<td>Group</td>
</tr>
<tr>
<td>• Team Project – Presentation</td>
<td>25%</td>
<td>Group</td>
</tr>
<tr>
<td>• Team Project - Written Report</td>
<td>35%</td>
<td>Group</td>
</tr>
</tbody>
</table>

Each of these is discussed below.

1. **What is the profile of an outstanding in-class contributor?**

The difference between in-class *participation* and in-class *contribution* is in the relevance and quality of your questions and comments. Participation involves showing up and speaking. Contribution involves reflection, analysis, and *synthesis* of the principles, cases, and applications discussed in the course. You will be assessed on your contributions.

Outstanding in-class contributors:

- arrive on-time and prepared
- take time to compose their thoughts, promote and defend their positions before presenting them to the class (note: the amount of time required for thought composition is, of course, highly variable, i.e. some outstanding contributors think very quickly on their feet, others need more time to formulate a position or question; the relative speed of your analysis is not as significant as the quality and relevance of comments and questions that result from your analysis)
- take in-class discussions in meaningful directions – as evidenced by their ability to surface “new insights” or dive deeper into an issue rather than echoing previous insights of their fellow classmates
- actively listen to fellow classmates’ questions and comments (e.g. they seek to answer questions posed by their classmates if prepared to do so)
- elevate the overall quality of the in-class experience through their passion for the material
- participate in active Q&A during the team presentations at the end of the quarter (see Team Project – Presentations below for more information)

You will have many opportunities to exercise your skill as an in-class contributor. The *primary*, but not exclusive, opportunity will be during case discussions.

If you are *not* well prepared, it is better to admit it and pass when I cold call on you, than to take a shallow position that distracts from those who have prepared a meaningful and thorough analysis of the issues.
During the case discussions, it is imperative to introduce your analysis. This may entail constructively challenging other opinions and analyses and putting your analysis into the appropriate context (e.g. given factors x, y, and z in the case and given a, b, c issues we’ve discussed in lecture, I would conclude the following…).

If you fear that your raised hand is being overlooked, please see me early in the quarter so that I can correct this error on my part.

Class contribution is 15% of your grade. Your class contribution score starts at 0 and can increase or decrease (yes, it can be negative). Positive contributions increase your score. Frequent absences from class, poor preparation, and detrimental participation decrease your score.

Proper classroom etiquette is expected and includes: 1) arrive on time and prepared, 2) make no sidebar comments to your neighbors, 3) treat your teams work seriously, and 4) when challenging a comment of your fellow classmates, attack the position, not the person.

Violations are rude and disruptive to the class, but are not an Honor Code violation.

2. How do I execute a Case Write-up?

A detailed description the case write-ups will be posted on the course web site. In this document, you will find questions to assist you with preparing each case. You may discuss your analysis of the case with anyone in the class, but the write-ups should be done individually. The write-up is due 24 hours before class and must be submitted via the electronic drop box (Blackboard).

The cases are graded pass/fail. If you submit a write-up on-time you pass, otherwise you fail that assignment. There no exceptions to this. If you submit all case assignments on-time, you receive 15% towards your course grade. For each assignment that you fail to submit, there is a 5% reduction in your course grade. In the event that your final course grade is on the borderline (e.g. A vs. B), I will use the content of your write-ups as a tie-breaker.

3. What is the intended purpose and suggested format for Team Project Milestones?

Before each class, a “micro-deliverable” will be due for each team’s project. Milestones are designed to:

- give your team the opportunity to apply principles “in real time”
- keep your team on course with other teams as you progress through the quarter
- provide a self-governing mechanism to manage underperformers (aka “free riders”)
- help your team focus on making decisions in the appropriate “order” (e.g. identifying the unmet need in the market before creating a product to meet that need)
- provide a mechanism for “gut checks” with me (e.g. “are we on track, off track, no where near the station, etc.?”)
A description of each milestone will be posted to the course web site. Team milestones are due 24 hours before class and must be submitted via the electronic drop box (Blackboard). Milestones are graded pass/fail. If you submit a milestone on-time, you pass; otherwise you fail that assignment. There are no exceptions to this. If you submit all milestone assignments on-time, you (and each member of your team) receive 10% towards your course grade. For each assignment that you fail to submit, there is a 5% reduction in your course grade.

4. **What are Team Project Presentations and how are they evaluated?**

The last two class periods are reserved for team presentations. Half of the teams will present in the second-to-last class, the other half will present in the last class. You will present your project in one class and evaluate the projects of your classmates in the class in which you are not presenting (acting as “Executive Management”).

As Executive Management, you will be asked to complete an assessment of each team’s presentation. This is considered part of your in-class contribution as well as taken into account when I evaluate each team’s presentation. Students who are not in attendance for presentations will receive a 5% deduction in their course grade.

Team project presentations will be evaluated based on a number of factors which will be available on the course web site. Among the factors evaluated: strategic fit between the unmet need, underlying brand equity (if relevant) and your product or service, uniqueness of the idea, creativity employed, ability to engage and maintain audience interest, feasibility, and others.

5. **What is the Team Project Report?**

The course project is 70% of your course grade. You should plan to work on the project for the entire quarter – this is not a project that you can start at the last minute.

The lectures and case discussion each week should mirror your progress on the project. Your project should be progressing at the same pace. If you keep up with your milestone assignments, you will remain on track.

You should feel free to contact me at any time during the quarter to discuss your project. You can send me documents for comments via email, call me, or schedule a meeting in-person. It is critical that you seek out feedback on the scale, scope and direction of your project.

You will have an opportunity to solicit informal feedback from the class during the strategic storytelling phase of the course when a representative from your team will be given 29 seconds to pitch your opportunity to the class (one of the milestone assignments). You will also be required to submit a one-page synopsis of your concept. I will grade this preliminary synopsis and return it to you and your team; however, this grade will not be recorded. The purpose of this synopsis is to provide you with feedback on the quality of your logic, gaps in research, unsatisfied or unidentified assumptions, further work need to be done, etc. When grading your final written projects, I will be looking for how well your team handled incorporating feedback into your final presentation.
6. Grading

Your course grade is a weighted average of in-class contribution, case write-ups, team project milestones, team presentation, and the team report. No assignments will be accepted past due. As most all Kellogg students are very attentive to deadlines, I don’t expect this to be an issue. If you face extraordinary or extenuating circumstances and will not be able to meet a deadline, you must contact me well in advance to discuss the situation. Re-grade requests must be submitted within 48 hours from when the assignment is returned. Along with the graded assignment, you must attach a letter explaining why you are requesting a re-grade. While I will consider the specific concerns raised in your letter, I will re-grade the entire assignment. Please remember that small changes in your grade on a single assignment typically do not affect your overall course grade.

7. Honor Code

The Kellogg Honor Code is applicable in this class. The complete text of the Honor Code is available on the Honor Code web site.

http://www.kellogg.northwestern.edu/stu_aff/policies/honorcode.htm

Honor Code issues seldom arise because of Kellogg’s culture. However, in the event that there is an issue, violations will be reported and the appropriate disciplinary actions will apply according to The Honor Code.

General ethics and honor code concerns may apply to the specific components of this course as follows:

- **IP Issues and NDAs:** Your team project may include intellectual property issues, for example, if you choose to do a project on a product you may one day launch, or for a company for which you may one day work. You are responsible for discussing these issues with your teammates, classmates, and professor. It is strongly recommended that you have a signed non-disclosure agreement for sensitive issues before you begin working together on your project. You will also need to present your project to the professor and to the class. If you project is “Top Secret” it may not be suitable as a class project.

- **Doing Individual Work:** You may discuss cases with other students in the class but the final case write-up must be done individually. You may not use materials containing case analyses from other sources. This includes, but is not limited to, material from current and former Kellogg students. Similarly, students may not use materials distributed by faculty to previous classes (e.g. a case summary handed out to last year’s class).

- **Working in Groups:** I expect you to have a full understanding of any written material you, or somebody else on behalf of you, submit(s) with your name on it. You must come to this understanding in collaboration with your group and you must be completely familiar with the material and be able to answer questions about the assignment (e.g. course project). Substantial contribution by each group member is expected. The act of signing the assignment signifies that you have substantially participated in the preparation of the assignment. Manage “team crises” within your group first, before bringing issues to me (e.g. if you have a free rider problem on your team, attempt to remedy it within the group. Self-govern).
The discussion in this syllabus of the Honor Code, while intended to be as comprehensive as possible, may not cover all applications of the Honor Code. If you believe something is unclear or omitted, please do not hesitate to bring this to my attention.

8. Laptops

Laptops are not allowed to be used during class unless otherwise stated.
## 9. Course Outline

<table>
<thead>
<tr>
<th>Date</th>
<th>Class Content</th>
<th>Pre-class Assignment</th>
<th>Deliverables Due</th>
</tr>
</thead>
</table>
| 1    | **Course Overview, Team Assignments & Objectives**  
The Role of New Products & Services in Organization Strategy  
Chapter 2: The New Products Process  
Chapter 3: Strategic Planning for New Products  
Chapter 14: Development Team Management |                                                                                       | n/a                                                                              |
| 2    | **Why Great Ideas Fail**  
Principles of Failed Products  
Chapter 17: Strategic Launch Planning (pp. 377-390)  
Course Packet Readings  
Prepare Failed Product Defense |                                                                                       | In-class Team Presentations of Failed Product Defense  
MILESTONE 1: Team Project Preferred  
Industries & Target Customers                                                                 |
| 3    | **Discovery I**  
Identifying Unmet Customer Needs & Challenging Convention  
Chapter 4: Preparation and Alternatives  
Course Packet Readings |                                                                                       | n/a                                                                              |
| 4    | **Introducing New Services; CASE, Grameen Bank & Grameen Bank-Village Phone**  
Chapter 5: Problem-based Ideation  
Read Grameen Bank excerpts |                                                                                       | Case Write-up                                                                    |
| 5    | **Discovery II**  
Applying Competencies, Leveraging Brand Equities, and Exploiting Discontinuities  
Chapter 6: Analytical Attribute Approaches: Perceptual Mapping  
Chapter 7: Analytical Attribute Approaches: Trade-off and Qualitative Techniques  
Chapter 17: Strategic Launch Planning (pp. 398-403) |                                                                                       | MILESTONE 2: Discovery I Assignment                                                |
| 6    | **CASE, Xigris** |                                                                                       | Case Write-up  
MILESTONE 3: Discovery II Assignment                                                                 |
| 7    | **Innovation Lab:** In-class Ideation Session (from Insight to Concept)  
Course Packet Readings; Bring Discovery Findings |                                                                                       | n/a                                                                              |
| 8    | **The Art of Innovation:** Guest Speaker, IDEO  
Course Packet Readings |                                                                                       | n/a                                                                              |
| 9    | **Strategic Storytelling & Positioning New Products:**  
Creating New Product Value Propositions and Migration Paths; CASE(s), XFL v. AFL  
Chapter 17: Strategic Launch Planning (pp. 390-392)  
Course Packet Readings |                                                                                       | Case Write-up (XFL v. AFL)                                                             |
<table>
<thead>
<tr>
<th></th>
<th><strong>CASE, Sony AIBO: The World's First Entertainment Robot</strong></th>
<th>Prepare Sony AIBO Case</th>
<th>Case Write-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td><strong>Creating a New Product Learning Agenda &amp; Success Metrics:</strong> Experimentation, Testing, and Validation</td>
<td>Chapter 9, 16, 19</td>
<td>n/a</td>
</tr>
<tr>
<td>12</td>
<td><strong>Action Lab:</strong> In-class Planning Session (Concept Planning and Creating Learning Agendas)</td>
<td>Bring Storyboard</td>
<td>MILESTONE 4: Team New Product Storyboard</td>
</tr>
<tr>
<td>13</td>
<td><strong>Pricing New Products:</strong> Underestimating, Overestimating and Valuing New Ideas</td>
<td>Course Packet Readings</td>
<td>MILESTONE 5: Learning Agenda</td>
</tr>
<tr>
<td>14</td>
<td><strong>CASE, Medi-cult: Pricing a Radical Innovation</strong></td>
<td>Prepare Medi-cult Case</td>
<td>Case Write-up</td>
</tr>
<tr>
<td>15</td>
<td><strong>Launching New Products:</strong> Marketing Communications for New Products (Seeding Markets); <strong>CASE, Xbox</strong></td>
<td>Chapter 18, 21</td>
<td>Case Write-up</td>
</tr>
<tr>
<td>16</td>
<td><strong>New Products B2B: CASE, KONE Monospace Launch in Germany</strong></td>
<td>Prepare KONE Case</td>
<td>Case Write-up</td>
</tr>
<tr>
<td>17</td>
<td><strong>New Products B2B: Billions and Billions Served:</strong> Guest Speaker, Golden State Foods / McDonald’s</td>
<td>Course Packet Readings</td>
<td>n/a</td>
</tr>
<tr>
<td>18</td>
<td><strong>Navigating the Organization Politics of New Products</strong></td>
<td>Course Packet Readings</td>
<td>n/a</td>
</tr>
<tr>
<td>19</td>
<td><strong>Team Presentations:</strong> Group A Presents / Group B Evaluates</td>
<td>n/a</td>
<td>Group Presentations</td>
</tr>
<tr>
<td>20</td>
<td><strong>Team Presentations:</strong> Group B Presents / Group A Evaluates</td>
<td>n/a</td>
<td>Group Presentations</td>
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</tbody>
</table>
10. **Course Packet Readings**

The following readings and cases can be found in your course packet.

**Class 1: The Role of New Products & Services in Organization Strategy**

*Readings from text*

**Class 2: Why Great Ideas Fail**

Look First to Failure

Knowing a Winning Business Idea When You See One

Can You Spot a Sure Winner? (Strategy & Innovation Newsletter)

Hits & Misses (Business 2.0)

Fake Grass Is Always Greener, Cheaper, but Its Harder Too (Wall Street Journal)

*Readings from text*

**Class 3: Discovering Unmet Customer Needs & Challenging Conventional Wisdom**

Turn Customer Input into Innovation

Customers as Innovators: A New Way to Create Value

Why Developers Don’t Understand Why Customers Don’t Buy

Game Theory/Cranium (Strategy & Innovation Newsletter)

The Future of Medicine: Telesurgery Takes Off

Putting a Happy Face on Classical Music

Artificial Brazilian Beach is Hot, Hot, Hot

All The World Is a Stage: Cirque du Soleil

Collaborative Divorce

*Readings from text*
**Class 4: Problem-based Ideation & Grameen Case Discussion**

The Origins of Grameen Bank

Grameen Bank at a Glance

Bringing Cellular Phone Service to Rural Areas: Grameen Telecom and village pay phones in Bangladesh

Grameen Bank-Village Phone Wins Global Competition for Contribution of Technology to Development (Development Gateway Press Release)

2004 Petersburg Prize Acceptance Speech by Muhammad Yunus, Grameen Bank, Bangladesh

*Readings from text

**Class 5: Analytical Approaches to Opportunity Identification & Development: Using Competencies, Brand Equities, and Discontinuities**

Thinking Like a Futurist: 15 Questions to Stretch Your Mind

Innovating Around Obstacles: Lessons from the Developing World

A Snappy Accessory Makes a Comeback: Buggy Driving Takes Off

How to Build a Better Light Bulb: Use the Original

The Challenges We Face

*Readings from text

**Class 6: CASE, Xigris**

**CASE: Xigris**

**Class 7: Innovation Lab**

Creativity Under the Gun

Fast-Forward to Innovation

The Weird Rules of Creativity
Class 8: The Art of Innovation (GUEST SPEAKER: IDEO)

IDEO Product Development
Playing Around with Brainstorming
The Power of Design (BusinessWeek)

Class 9: Strategic Storytelling & Positioning New Products

CASE: The Arena Football League
AFL 101: Fan Bill of Rights
CASE: Introducing…the XFL!
Scion xB is Popularity, Utility Squared
Not Your Father’s…Whatever
*Readings from text

Class 10: Sony AIBO Case Discussion

CASE, Sony AIBO: The World’s First Entertainment Robot

Class 11: Creating a New Product Learning Agenda & Success Metrics

*Readings from text

Class 12: In-class Action Lab

*No readings

Class 13: Pricing New Products

Pricing New Products (McKinsey Quarterly)
Coca-Cola's New Vending Machine (A): Pricing to Capture Value or Not?

Class 14: Medi-cult Case Discussion

CASE, Medi-cult

Class 15: Launching New Products & Xbox Case Discussion

CASE, Xbox Launch in Korea
*Readings from text
**Class 16: New Products in a Business-to-Business Environment**

CASE, KONE Monospace Launch in Germany


Golden State Foods: An Industry Leader in Innovation, Food Processing, and Distribution

Golden State Foods develops innovative condiment dispensing system

McDonald’s: The Journey to Health

McDonald’s Salads Lure Women (USA Today)

McDonald’s Unveils Fresh New Salads Advertising Campaign

**Class 18: Navigating the Organization Politics of New Product Development & Creating a Continuous Innovation Culture**

The Failure Tolerant Leader

Inspiring Innovation

Getting Pumped Up: Spalding

**Darwin and the Demon: Innovating Within Established Enterprises**

Creativity is Not Enough

How to Kill a Team’s Creativity

**Class 19: Team Presentations**

No readings / Team Presentations

**Class 20: Team Presentations**

No readings / Team Presentations