

## NEW PRODUCT INTRODUCTION CHECKLIST

Prof. Bernard Kahn

### A. THE MARKET OPPORTUNITY

December 2004

1. Is there new or current need for the new product/service?
2. How big is the total market?
  - a. What types of consumer or industries will buy the product/service?
  - b. How many potential customers are there? How is this group broken down by industry, price class, geographically, etc.?
  - c. How big is the market in dollars and units?
3. Is the market growing or declining? Stable or temporary?
4. How much of the market can we sell?
5. Is the amount we can sell enough to offer attractive volume?
6. Is our product/service the best of its kind for the market?
7. What is the attitude of consumers toward our product/service?
8. Does the new product/service compliment/conflict with existing product/service lines?

### B. COMPETITION

1. Is the field overcrowded?
2. What are the current competitive products/services, prices, and marketing policies?
3. Are competitive marketing methods deteriorating or improving?
4. Can our products/services compete successfully with products/services already on the market?
5. Can present competitive product/services be improved?  
Can a competitor bring out a seriously competitive item quickly?  
Is it likely that other manufacturers will enter the field with a product/service similar to ours?
6. Does our product/service have features that will meet and overcome current or anticipated competition?

### C. PRODUCTION (for products)

1. Is the product properly designed from a production and cost viewpoint?
2. Can the necessary new plant be integrated with existing manufacturing facilities?  
What new production machinery will be required?  
How much plant space will be required?
3. Can we manufacture the product efficiently?  
Does the product fit in sufficiently with our established line for an advantageous manufacturing cost basis to be assured?
4. Does the product fit our seasonal production pattern?
5. Should we make and distribute all the product or just manufacture part and assemble other parts purchased outside?
6. Are all materials required available in sufficient quantity?
7. Do we have the capacity to produce the product/service?

### D. PATENTABLE FEATURES (for products)

1. Are there any patentable features?
2. Is the trademark protected?

3. Do royalties limit the market for the product?

E. DISTRIBUTION (for products)

1. Does the product fit our regular distribution pattern and organization?
2. Can the product be sold through our regular channel of distribution?
3. Can our present sales force handle the new product without neglecting sales of our regular products? If not, what modifications are necessary?
4. Can we effectively train our present sales force to sell the new product?
5. How will the sales force be compensated?
6. What opinion will jobbers and dealers hold of the product?
7. What alternate sales channels are available--direct and indirect?
8. How much advertising and promotion will be required to introduce the product?

DISTRIBUTION/DELIVERY (for services)

1. Is the service easily available and well executed?
2. Does the service make use of existing skills and resources?  
What new personnel are required?  
How will they be compensated?
3. Can we perform the service efficiently? Do we have a competitive advantage in offering this service?
4. How much training will we have to provide?
5. Do we have the capacity to deliver?

F. FINANCE (for products/services)

1. What is the estimated manufacturing cost?
2. What is the estimated sales and advertising expense?
3. How much capital will be required?
4. How much inventory will it be necessary to maintain?
5. Can we produce a quality item/service at a price consumers are willing to pay?
6. Can we bundle this product/service with existing products/services?
7. Will traditional discounts apply?
8. How long will it take the product/service to reach a break-even point?
9. What is the long-term profit outlook for the product/service?

Conceptually, the process is the same for both goods and services. A service is one type of offering, a good (in the traditional sense) is another that parties exchange. As such, to be wanted, a service must meet a need, must be perceived as having value, and must produce satisfaction. Operationally, testing may differ because a service is intangible and cannot be stored.