

Product Launch Business Plan

Attached is a proposed format for a product launch business plan. It starts with a one page Executive Summary that should highlight key points favoring its pursuit. The material following should address the main elements of the plan. These, once again, are those that are key to success, not everything. The plan should be informative, give the reader confidence that the plan is well thought out and executable, while at the same time being as brief as possible. A good business plan does not need to be 30+ pages, nor can it be done in 3 pages with all its elements. A good balance is somewhere in between dependent upon the use of graphics, charts and financial detail.

I would recommend that business capture plans not be included in the submittal for approval. However, attaching them thereafter to keep the product launch business plan a living document is a good idea. The plan should then become the product plan, that is periodically reviewed and updated to assure you have a solid plan of attack and you are following your plan.

While I have no complete example using Smiths Aerospace, time permitting, I will see if I can create one, perhaps taking some poetic license, in the not too distant future. In the mean-time, it you need to develop a product launch business plan, get started and I will work with you to put it together.

Executive Summary

Market need, how product supports overall business strategy, market opportunity, key elements of product launch – marketing, technology and manufacturing strategy, target customers / programs, competitive position, financials – sales, income or gross margin, investment, NPV, IRR.

Product Description

What it is, where/how is it applied, how does it meet a market need, benefits it provides the user. Definition of the product and/or system, related services and support and its evolution into future products and/or systems. Pictures/Diagrams as appropriate.

Market Opportunity

Definition of initial and future applications, market segments, target platforms and customers. Designation of primary and secondary focus, and other potential opportunities. Description of any needed market research/analysis such as requirements for follow-on products, additional applications/market segments, competitive intelligence.

Strategic Rationale

How does product support overall business strategy? What is the basis for launching this and subsequent products? What are the key business and market thrusts and risks it addresses?

Competition, Product Comparison

Benchmarking of competing product/service offerings on key attributes, Marketing and Sales strategies of direct competitors and in-house suppliers. Definition of needed positioning, response by Smiths. What is unique, where do we have a sustainable competitive advantage? Investigation into emergence and timing of new products/systems/services by competing organizations.

Marketing/Sales Strategy

Product/Service/Technology roadmap and evolution. Definition of pricing, promotion and sales efforts (Product Group / CFO) and approaches to different market segments and customer groupings to build awareness, achieve initial introduction and then a long-term differential competitive position. Delineation of

teaming agreements or alliances necessary to execute strategy and action plan to accomplish these. Identification of risks and mitigation strategy. Marketing investment.

Engineering Strategy

Technology and product development approach – how will it be accomplished, where, what are the key technologies and skills required? Will teaming or alliances be needed? How will the technology be migrated into next generation or allied products in the product family? What technology is coming from reuse? Needed investments in design, development, integration, test and certification equipment. Investigation of patents held by competing organizations. What will be the strategy in terms of patents for the products or elements of them? Delineation of current status/development activity. Definition of R&D Plan, Budget, Key Deliverables. Identification of technical risks and mitigation strategy. Engineering investment.

Manufacturing Strategy

Prototype to full-scale production, in-house vs. outsourced – location(s), at what level. Key processes that provide market advantage. Procurement of critical components from suppliers, alliance partners. Strategy to achieve target price levels required to meet sales projections. Identification of manufacturing risks and mitigation plan. Capital equipment requirements as necessary.

Aftermarket Strategy

Definition of end-of or through-life opportunities and approaches in conjunction with Customer Services. Potential for retrofits/upgrades and linkage to next generation products and technology re product/service/technology roadmap. Investment requirements.

Business Strategy

Organizational requirements, changes to accomplish product launch and follow-on products. Pursuit of needed talent, development of specific skills, formation of teaming arrangements, alliances, change in organizational structure, new processes, approaches.

Financials

Financial model – DCF, and appropriate support information, tables, graphs.

Appendices

Market information, industry articles, competitive products. Capture plans for specific opportunities.