GROWTH PROCESS TOOLKIT

New Product Launch

Accelerating Growth through Rigorous Planning, Principled Execution, and Continuous Monitoring
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INTRODUCTION

Growth through New Product Launch

More than 70 percent of executives in a recent survey cited innovation as one of the top three drivers of growth for their companies over the next 3 to 5 years. A majority of respondents in this same survey also said they see innovation as the most direct route to "accelerating the pace of change in today's business environment." In sum, these executives believe that breakthrough innovations reignite industries, reengage customers, and lead to long-term increases in sales.

These same executives might argue that without an effective process for producing commercial products, breakthrough innovation is meaningless. In that sense, innovation alone cannot drive a company's growth – but innovation, hand-in-glove with a rigorous development process, certainly can. (Click here to access a companion Growth Process Toolkit on New Product Development.)

As a further complication, it is unusual for a new product on its own – regardless of how innovative or breakthrough it may be – to deliver revenue for the company if the launch fails to (1) communicate the product’s promise, and (2) convert buzz into revenue. In that sense, a product's launch is perhaps most sensitive step in achieving growth through innovation and new product development. Customer behavior must be altered; sales reps must be trained; the new product must make a good first impression. If these objectives can be achieved, growth will likely follow.

The Risks of New Product Launch

At the core of new product launch lies a fundamental point of tension between how businesses and markets behave. Although companies rely on new products to increase share of customer wallet, erode competitors' market share, and boost revenue, markets are more likely than not to reject new offerings – or at the very least, accept them reluctantly. Indeed, studies show that on average between 40 and 90 percent of all new products fail, and those statistics have held constant over the past 25 years. To make matters worse, even the most innovative products – those that revolutionize or create new product categories – are also unsuccessful. According to one study, 47 percent of first movers have failed, meaning that approximately half the companies that pioneer new product categories later pull out of those businesses.

While the rewards may be great (consider the success of Toyota’s Prius, Apple’s iPhone, or W.L. Gore & Associates’ Gore Tex), the risks are also sizeable. A new product may be breakthrough; it may be better than its alternatives; it may function beautifully. Customers may still reject it, and companies may still incur a loss. We no longer operate in a world in which an innovative product and effective advertising can easily lure in customers. The paradigm is no longer, “If you build it, they will come”, but is rather, “When we build it, will they come?” The path to getting customers to answer “yes” to that question is fraught with numerous pitfalls, as outlined below.

Where New Product Launch Goes Wrong

Pitfall #1: Customers are Averse to Change

A recent study suggested that people demand two to four times more “compensation” (i.e., benefits) to give up a product in their possession than they were willing to pay to obtain the item in the first place. Furthermore, people irrationally overvalue goods in their possession over those not in their possession by a factor of three. It is perhaps for this reason that Intel’s Andy Grove once declared that to transform an industry rapidly, an innovation must offer benefits that are 10 times better than what existing alternatives can provide. Given the difficulty – or the rarity – of meeting such a bar, influencing customer behavior becomes all the more difficult, and all the more essential.

Pitfall #2: Expecting Too Much Too Soon

While customers may be resistant to change, companies suffer from the opposite bias: they believe too readily that customers will willingly embrace an improved alternative. Having dedicated significant resources to the development of a product, they are unable to see how it could fail. This bias leads them to expect too much from their products and customers too soon. Left unchecked, this bias also makes it nearly impossible for executives to anticipate customers’ buying power or patterns, and by extension, to predict new product sales with any degree of accuracy. A realistic timetable, with appropriate sales and marketing support at each stage of the launch process, is critical for success. An inability to take it slowly dooms many products before they’ve had a chance to succeed.

(Continued on the following page)
INTRODUCTION (CONTINUED)

Where New Product Launch Goes Wrong (Continued)

The following case example demonstrates how Segway developed a breakthrough product but failed to achieve commercial success on the scale it had originally anticipated:

**Case-in-Point: Why Is There a Segway in the Smithsonian, But Not Your Garage?**

**Breakthrough Product Launch Gone Wrong**

**Situation:** In December 2001, inventor Dean Kamen unveils the first Segway, a “super-scooter,” which he believes will revolutionize the transportation industry. Not only does the Segway offer a faster way than walking to get from Point A to Point B, but it also offers a solution to urban congestion, air pollution, and dependency on fossil fuel. Given the breakthrough nature of the innovation and its multiple environmental and economic benefits, Kamen confidently announces that by the end of 2002, his enterprise will produce 10,000 machines weekly. He even boasts to a reporter from *Time* that the Segway “will be to the car what the car was to the horse and buggy.”

**Action:** Kamen begins by targeting the Segway to transportation-focused businesses, such as FedEx and the US Postal Service. In spite of early interest, no large corporate accounts materialize during the first few months of 2002. In response, Kamen changes course, targeting consumers rather than business. However, at 80 pounds and with a $4,950 price point, the Segway is too heavy and pricey to gain a foothold with most consumers. Moreover, to adopt the Segway, businesses and consumers alike must engage in a behavioral trade-off: where once they drove or walked, they are now expected to scoot. This adjustment, combined with a weak battery, is too steep a trade-off for customers to accept.

**Result:** Ultimately, company executives and transportation industry analysts were far more optimistic about the Segway than they should have been. Although Kamen had projected that between 50,000 and 100,000 Segways would be produced in 2002, the company sold only 6,000 in the 18 months following launch. To date, the product survived as a niche offering, but has failed to live up to early expectations, in spite of its multiple benefits. In hindsight, Kamen remarked, “I wouldn’t have predicted the mountain would be so big, and that there would be so many hills to cross to get to the top.”

**Key Takeaway:** Kamen and his team expected customers to see the same value in the Segway that they saw. Instead of anticipating difficult sells, they were shocked when sales didn’t materialize. Don’t let belief in a new product’s virtues cloud your judgment. Never forget that customers assess innovations (even those that are breakthrough or revolutionary) in terms of what they gain and lose relative to their existing alternatives. Failure to consider and account for this bias when launching a product may doom you from the start.

**Pitfall #3: Going To Market Before You’re Ready**

Once a company has a good – perhaps even breakthrough – idea, the impulse can be to commercialize the idea as quickly as possible. However, if the product’s functionality, distribution, or marketing have not been finalized, then rushing the launch may jeopardize the product’s success. Ultimately, by moving to launch too quickly, it becomes nearly impossible to gain alignment or execute effectively.

The case example on the following page demonstrates how Apple rushed the launch of the Newton in the 1990s, with mixed results:
INTRODUCTION (CONTINUED)

Case-in-Point: Whatever Happened to the Newton?
Launch in Haste, Repent at Leisure

Situation: After igniting the personal computer revolution in the 1970s and 1980s, Apple seeks to continue its growth trajectory in the 1990s by launching a new product, termed the Newton. Prototype Newton devices include phones, video walkie-talkies, a tablet-like slate, and a mini-PDA device similar to the future Palm Pilot. Ultimately, the Newton project is intended to deliver a new tablet-based computer that will leap-frog over the existing Mac user interface, fundamentally altering the dynamics of the computer market.

Action: Then-Apple CEO John Sculley is so enthusiastic about the Newton that he introduces it at a consumer electronics show while the product is still in development. Resulting demand and interest pressure Apple to rush Newton into the market ahead of schedule. Between 1992 and 1998, Apple releases multiple iterations on the Newton, each one improving on the one before it, but none deliver on the company’s high sales expectations. While many factors can explain why the Newton failed to take hold, one reason is that its price point, marketing, and target customer group never fully aligned – a disconnect that could have been addressed through more rigorous development and launch planning.

Result: Although Apple’s innovation essentially created the PDA market, the Newton never dominated it as intended. Other competitors, such as the Palm Pilot, entered the market with improved functionality and a more consumer-friendly price point, rendering the more expensive and complex Newton irrelevant. As Apple struggled with these new entrants (and a variety of unrelated organizational challenges), the company decides to spin Newton off as a subsidiary, and later dismantles it altogether.

Key Takeaway: A rush to launch may offer short-term advantages but jeopardize a product’s long-term potential. Had Apple not pre-announced the Newton before it was ready, and had it not rushed Newton into the market, it may have arrived at a price, design, and positioning that would have resonated better with customers and set the product up for market dominance. As it is, Newton’s premature launch revolutionized a product category, but with minimal benefit to Apple.

The Solution
As the missteps by Segway and Apple demonstrate, successful product launch is dependent upon timing, planning, and realistic expectations. This delicate balancing act requires precision in marketing, sales, and distribution. Smart companies know how to strike this balance repeatedly – that is, they can replicate a precisely executed launch each time they introduce a new product. They follow a specific process for positioning products, training the sales force, working with channel partners, and communicating with customers. Each step is executed with long-term growth – i.e., the desired end result – in mind. Importantly, these companies also know how to brace for slow adoption. They can predict without bias what the speed of adoption will be and manage their resources over that projected timeframe accordingly.

As a counterpoint to the Newton example, Apple’s iPod launch is one of the most successful product introductions of the 2000s and highlights an effective launch process in action. Not only did Apple wait to launch until it had a fully developed and positioned product, it also focused intensely on creating the appropriate distribution network and sales support structure that could maintain the product’s momentum post-launch (lessons learned from its failed launch of the Newton). Added to this was a highly targeted communications campaign and continuous product improvement efforts. The results speak for themselves: after launching in 2002, iPod comprised 40 percent of Apple’s total revenues for 2006. By 2007, Apple had sold more than 100 million iPods., and its stock price had increased more than seven-fold since 2001.xi

While such breakthrough innovations and blockbuster launches are rare, the core of Apple’s success is transferable and scalable. The more closely you follow a process for planning, executing, and monitoring a product’s introduction to the market, the greater your odds of success.

(Continued on the following page)
INTRODUCTION (CONTINUED)

How Should You Approach New Product Launch?

Frost & Sullivan structures the new product launch process around the phases listed below.

THE THREE PHASES OF NEW PRODUCT LAUNCH

<table>
<thead>
<tr>
<th>PHASE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAUNCH PLANNING</td>
<td>Determination of appropriate product positioning, volume forecasting,</td>
</tr>
<tr>
<td></td>
<td>distribution channels, and budget allocation</td>
</tr>
<tr>
<td>LAUNCH EXECUTION</td>
<td>Introduction of product to market with awareness- and demand-</td>
</tr>
<tr>
<td></td>
<td>generating campaigns; sales force and (as applicable) channel partner</td>
</tr>
<tr>
<td></td>
<td>training</td>
</tr>
<tr>
<td>LAUNCH MONITORING</td>
<td>Evaluation of product, sales rep, and channel partner performance;</td>
</tr>
<tr>
<td></td>
<td>product feedback collection from customers and sales teams</td>
</tr>
</tbody>
</table>

As noted previously, this toolkit focuses exclusively on achieving growth through successful commercialization of a product. A companion Growth Process Toolkit for New Product Development provides resources on pre-launch activity, such as building an innovation culture at your company and screening for the most promising product concepts.

One of the most critical aspects of new product launch is the capability and range of distribution partners: their reach will determine which customers have an opportunity to purchase your product. For this reason, we provide a wealth of resources on selecting and developing successful channel partner relationships in the separate Growth Process Toolkit for Distribution Channel Optimization.
HOW TO USE THIS TOOLKIT

The Growth Process Toolkit for New Product Launch

What it is: This toolkit will help you structure your new product launch strategy around specific activities for planning, executing, and monitoring the product’s introduction. It will show you how to set a product up for commercial success by supporting all elements of a launch, from product positioning to channel partner engagement.

On a more technical level, this Growth Process Toolkit presents Frost & Sullivan’s best thinking and work on new product launch in a step-by-step implementation format. This resource gives Growth Team Membership (GTM) members proven processes, tools, and templates to help them successfully manage the risks and pitfalls encountered in this key growth process.

How it will help you: This toolkit will help you and your team cost-effectively execute new product launch. As noted previously, we recognize that growth through new products is predicated on a robust development process – a topic explored in a companion growth process toolkit. This toolkit continues the thread by teaching how a fully vetted, market-ready idea can be introduced with efficiency and a high success rate.

How to use it: This book is divided into three sections: Launch Planning, Launch Execution, and Launch Monitoring. Within each section, we have outlined a variety of steps that you should complete. For each of those steps, you are provided with the tools, templates, scorecards, or checklists that you need to complete that activity to a Frost & Sullivan standard. You can read this toolkit cover-to-cover, or you can reference the clickable table of contents to access specific sections.

Be on the lookout for helpful reminders throughout this toolkit. We will alert you at key stages when you should involve certain stakeholders, or when it might be a good idea to use additional GTM (or other) resources to aid your implementation.

We encourage you to bookmark this toolkit, save particularly helpful tools to your desktop, and share it with your colleagues. We also encourage you to contact your Account Executive if at any point in your research you require assistance.

The Growth Process Toolkit’s Organization and Layout

For ease of navigation, the majority of activities and tools featured in this toolkit adhere to the following template:
Phase 1: Launch Planning

<table>
<thead>
<tr>
<th>Step</th>
<th>Product Positioning Analysis</th>
<th>Volume Projection Analysis</th>
<th>Distribution Analysis</th>
<th>Budget Analysis</th>
</tr>
</thead>
</table>

**STEP THREE: DISTRIBUTION ANALYSIS**

**Tool #1: Distribution Channel Planning Checklist**

**Overview**

**What is it?**
A list of questions to help you assess the efficiency of your current distribution network and identify opportunities to improve efficiency and customer reach.

**Why should you use it?**
Ultimately, the success or failure of your product launch will depend up on whether your product is reaching its target customers. The distribution network is therefore a critical component of your go-to-market strategy, and any effective launch plan will identify opportunities to strengthen this component prior to launch.

**Distribution Channel Planning Checklist**

**Product: __________**

1. What is our margin with our current distributors?
2. Can our current channel partners support our desired geographic reach?
3. How many different channels will it take our product to reach our target customer?
   a. What are our projected margins based off this arrangement?
   b. Are there ways to streamline the distribution for greater profit?
4. How can we ensure maximum cost-savings from our relationships with channel partners?
5. What about the current market environment will determine success in that market?
   a. What role do channel partners play in that environment?
6. What sorts of communication platforms do we have in place to ensure an open line with all our channel partners?
   a. How effective are these communication platforms?
   b. Would further investment result in a more successful product launch?
7. What kind of alignment do we see between our new product, our growth objectives, and our distribution strategy? Where are there areas of misalignment that we should address, and which channel options therefore make the most sense?
8. How can we identify new channel partners that could help us more effectively execute our go-to-market strategy?
9. How can we better engage and monitor channel partners throughout the new product launch? How do we maintain our desired quality standards?
10. What is the average deal size we attain with our distributors and what are the standard contract terms that define our distributor relationships? Will these expectations apply for our new product launch, or should we prepare for changes?
11. How do our competitors currently go to market? Is there advantage or disadvantage to mirroring their distribution strategies?

**The following questions will apply if you are entering a new geography:**

12. Do we know what the current market players and models are within any new geography we may be entering?
13. Are we aware of any regulatory conditions that could affect our distribution strategy within this new geography?
14. What is the geopolitical situation within this new geography? What are the implications for our distribution strategy?
15. Do we have the most effective channel presence in the new geographies we are entering?
16. Should we have multiple channels serving a geography or market segment?
Phase 1: Launch Planning

<table>
<thead>
<tr>
<th>Step</th>
<th>Product Positioning Analysis</th>
<th>Volume Projection Analysis</th>
<th>Distribution Analysis</th>
<th>Budget Analysis</th>
</tr>
</thead>
</table>

**STEP THREE: DISTRIBUTION ANALYSIS**

**Tool #2: Channel Partner Selection Scorecard**

**Overview**

**What is it?**
A weighted scorecard that will help you: (1) articulate and prioritize compatibility requirements for any channel partner you are considering involving in your product launch, and (2) evaluate each channel partner according to those criteria.

**Why should you use it?**
It will help you determine (1) which channel partner criteria are most critical to your product launch efforts and (2) which channel partners meet the standards you have set. Highest-scoring partners can then receive top priority in your product launch efforts, and you will be able to avoid over-relying on low-scoring partners.

<table>
<thead>
<tr>
<th>Channel Partner Evaluation Scorecard (Sample)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Channel Partner:</strong> New Product:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Criteria</th>
<th>Weight</th>
<th>Yes</th>
<th>No</th>
<th>Unknown</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has offices in each of the major cities in which we plan to launch [New Product]</td>
<td>10</td>
<td>X</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Covers at least 65% of the top 3 regions within [Country]</td>
<td>10</td>
<td>X</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Has a reputation for customer service excellence</td>
<td>10</td>
<td></td>
<td>X</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Currently services at least 30% of addressable market</td>
<td>5</td>
<td>X</td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Does not expect partnership exclusivity</td>
<td>10</td>
<td></td>
<td>X</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Pricing structure will generate required profit margin</td>
<td>8</td>
<td>X</td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Employs inside and outside sales reps dedicated to [New Product]</td>
<td>6</td>
<td>X</td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Willing to submit to training and certification on [New Product]</td>
<td>6</td>
<td></td>
<td>X</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Willing to promote [New Product] at tradeshows and other industry events</td>
<td>4</td>
<td></td>
<td>X</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Committed to generating and sharing leads for [New Product]</td>
<td>6</td>
<td></td>
<td>X</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>We are a &quot;flagship&quot; partner for [Channel Partner]</td>
<td>3</td>
<td></td>
<td>X</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Sells a range of complimentary products that dovetail with [New Product]</td>
<td>7</td>
<td>X</td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Will honor corporate warranty claims for [New Product]</td>
<td>5</td>
<td></td>
<td>X</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Will offer repair, service, or aftermarket technical support for [New Product]</td>
<td>10</td>
<td></td>
<td>X</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

Total 100

Note: These scores and weightings are for demonstration purposes only.

(Directions listed on the following page)
## Phase 1: Launch Planning

<table>
<thead>
<tr>
<th>Step</th>
<th>Product Positioning Analysis</th>
<th>Volume Projection Analysis</th>
<th>Distribution Analysis</th>
<th>Budget Analysis</th>
</tr>
</thead>
</table>

**STEP THREE: DISTRIBUTION ANALYSIS**

**Tool #2: Channel Partner Selection Scorecard (Continued)**

**Directions**

1. List all criteria that would characterize a best-fit channel partner to support your new product launch. This should be an interactive exercise and help enforce consensus on intentions articulated in the Goal Statement.

2. Weight these criteria on a scale of 1 to 10, assigning point values that total 100. The higher the score, the greater the weighting.

3. Check "yes", "no", or "unknown" for each attribute.

4. In the scoring column, assign the number of weighted points for a "yes" response and 0 points for a "no" or "unknown" response (e.g., if a criterion is worth 5 points and the partner meets the criterion, you would check the "yes" box and then place a 5 in the "score" column).

5. Final score equals the total value of "yes" responses.

6. Anything you score as "unknown" should be revisited – by the time you are finished filling out this scorecard for each channel partner under consideration, you should have no "unknowns" left.

7. You will need to determine a minimum percentage of accountability for a channel partner to still meet your criteria (e.g., anything scoring less than 75% - 75 out of 100 total possible points – does not qualify for further exploration). For any score that comes in under this amount, you should either remove that channel partner from consideration or conduct additional due diligence to complete an unknown area (since an "unknown" can become a "yes", thereby improving a total score).

8. Compare facets and scores of channel partners under consideration.

**Reminder!** This scorecard serves dual purposes. In addition to assessing channel partners’ potential, it can also serve as a due diligence checklist, highlighting any unknown variables for further research. As a result, you may want to revisit this tool as you build and refine your distribution channel strategy (both for new product launch and in more general terms).
### Phase 3: Launch Monitoring

<table>
<thead>
<tr>
<th>Step</th>
<th>Internal Evaluation</th>
<th>External Evaluation</th>
</tr>
</thead>
</table>

#### STEP ONE: Internal Evaluation

**Tool #1: Sales and Marketing Performance Dashboard**

**Overview**

**What is it?**
A performance dashboard template to help you measure your organization’s sales and marketing performance following product launch.

**Why should you use it?**
It will help you track your product’s traction in the marketplace and communicate results to the executive team. You may want to use this template in conjunction with the Performance Dashboard Template featured in the Growth Process Toolkit for New Product Development.

#### A. Sales Performance: Key Metrics (Sample)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Performance</th>
<th>Trend</th>
<th>Action Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth/total sales year-over-year</td>
<td>18% growth in first year</td>
<td>20% growth in first year</td>
<td>Increasing</td>
<td>Isolate drivers of high performance</td>
</tr>
<tr>
<td>[New product] sales as percentage of total sales</td>
<td>5% of total sales</td>
<td>3% of total sales</td>
<td>Tracking to hit goal</td>
<td>Continue with plan</td>
</tr>
<tr>
<td>Average margin</td>
<td>7%</td>
<td>8%</td>
<td>Above expectations</td>
<td>Continue incentive program</td>
</tr>
<tr>
<td>Market share</td>
<td>15%</td>
<td>12%</td>
<td>Trending upwards</td>
<td>Continue with plan</td>
</tr>
<tr>
<td>Shortage/excess of product inventory</td>
<td>Zero variance</td>
<td>$150K USD inventory excess</td>
<td>Over-forecasting: need to adjust</td>
<td>Invest in new forecasting software</td>
</tr>
<tr>
<td># sales reps dedicated to selling [new product]</td>
<td>8</td>
<td>8</td>
<td>On target</td>
<td>Continue with plan</td>
</tr>
<tr>
<td># sales reps certified to sell [new product]</td>
<td>8</td>
<td>6</td>
<td>Tracking to target</td>
<td>Continue with plan</td>
</tr>
<tr>
<td>Average length of sales cycle</td>
<td>3 months</td>
<td>4 months</td>
<td>Sales taking too long</td>
<td>Isolate/analyze deal barriers</td>
</tr>
<tr>
<td>Average deal size</td>
<td>$40K USD</td>
<td>$45K USD</td>
<td>Above expectations</td>
<td>Continue incentive program</td>
</tr>
<tr>
<td>Win rate</td>
<td>20%</td>
<td>12%</td>
<td>Below expectations</td>
<td>Conduct win-loss analysis</td>
</tr>
</tbody>
</table>

#### B. Marketing Performance: Key Metrics (Sample)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
<th>Performance</th>
<th>Trend</th>
<th>Corrective Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of customer complaints</td>
<td>0</td>
<td>7</td>
<td>Above acceptable rate</td>
<td>Isolate causes of dissatisfaction</td>
</tr>
<tr>
<td>Customer attrition</td>
<td>0</td>
<td>10%</td>
<td>Above acceptable rate</td>
<td>Design retention incentive program</td>
</tr>
<tr>
<td>Number of repeat buyers (i.e., retention rate)</td>
<td>100%</td>
<td>20%</td>
<td>Below target</td>
<td>Track number over next quarter</td>
</tr>
<tr>
<td>Number of product inquiries fielded</td>
<td>1000</td>
<td>1500</td>
<td>Above target</td>
<td>Continue with awareness campaign</td>
</tr>
<tr>
<td>Number of qualified leads</td>
<td>80</td>
<td>70</td>
<td>Tracking to target</td>
<td>Continue with plan</td>
</tr>
<tr>
<td>Aided/unaided [new product] awareness</td>
<td>100% customers surveyed recall product</td>
<td>50% of customers surveyed recall product</td>
<td>Below expectations</td>
<td>Reprioritize Market Research pipeline</td>
</tr>
<tr>
<td>Budget allocated versus Budget spent</td>
<td>$1M USD to launch</td>
<td>$1.2M USD to launch</td>
<td>Above target</td>
<td>Tighten budget for next quarter</td>
</tr>
</tbody>
</table>
### Phase 3: Launch Monitoring

<table>
<thead>
<tr>
<th>Step</th>
<th>Internal Evaluation</th>
<th>External Evaluation</th>
</tr>
</thead>
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**Step Two: External Evaluation (Continued)**

**Tool #2: Market Response Assessment Worksheet**

**Overview**

*What is it?*
A list of considerations to guide your evaluation of your market or industry’s response, post-launch.

*Why should you use it?*
You need to gain a comprehensive understanding for how the marketplace has reacted to your new product’s introduction: whether the response has been favorable, whether competitors have rushed to replicate your product, etc. These insights will help you determine where you need to make adjustments in your go-to-market strategy and which improvements would most differentiate your product in the eyes of your customers.

**Market Response Assessment Worksheet**

**Product:**

1) How long has [new product] been in the market?
2) Is the product experiencing the growth that we predicted it would at this stage of its life cycle?
   a. If not, is its underperformance due to controllable or uncontrollable factors?
   b. What steps should we take to influence controllable factors?
3) Have any of our competitors managed to replicate or create a substitute for our product at a lower price point?
4) How many new companies have entered the category since [new product]’s launch?
5) How many companies have exited the category since [new product]’s launch?
6) Overall, how would we assess the health/strength of the market today as compared to when we first went to market?
7) How might we adjust marketing and sales support materials to better set this product up for success?
8) How engaged are our channel partners? What can we do to instill greater product or brand preference in them?
9) Based on sales and customer feedback, what changes do we need to make to our product’s positioning, price point, or communications?
10) How have customers assessed post-sales follow-up? Do we need to make adjustments to our service function if we are to retain customers or gain repeat buyers?
11) What can we do to make our supply chain run more efficiently?
12) Is our product reaching customers consistently across geographies? Where do we see bottlenecks?
   a. What can we do to resolve them?
13) Based off observed demand, do we need to make any adjustments to our long-term expectations for [new product]’s performance and contribution to our corporate growth objectives?
14) How can we better monitor and influence information shared on [new product] through customer networks, user groups, influential blogs, publications (such as *Consumer Reports* or *Wired*), or CNET?

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Ongoing accumulation and assessment of “expert” reviews is a particularly integral to your efforts to monitor your product post-launch.
END NOTES


6 Ibid., page 7.

7 Ibid., page 5.


