AGSM MBA Programs 2016

DEVELOPMENT OF NEW PRODUCTS AND SERVICES

Session 1, 2016

Course Overview

AGSM @ UNSW Business School
COURSE OVERVIEW

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We welcome ideas to improve these course materials. Please email suggestions to coursematerials@agsm.edu.au.
## Course schedule

### Session 1, 2016

### Development of New Products and Services

<table>
<thead>
<tr>
<th>Week no</th>
<th>Week begins</th>
<th>Unit</th>
<th>Assessment due (% weighting)</th>
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<tr>
<td>1</td>
<td>8 February</td>
<td>1</td>
<td>Participation is assessed throughout the session (10%)</td>
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<td>2</td>
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<td>3</td>
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<td>6</td>
<td>14 March</td>
<td>6</td>
<td>Assignment 1 due on Wednesday 16 March by 9.30am Sydney time – reflective report (25%)</td>
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<td>7</td>
<td>21 March*</td>
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<td>28 March*</td>
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<td>9</td>
<td>4 April</td>
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<td>10</td>
<td>11 April</td>
<td>10</td>
<td>Assignment 2 due on Wednesday 13 April by 9.30am Sydney time – report (35%)</td>
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<td>11</td>
<td>18 April</td>
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<td>25 April*</td>
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<td>13</td>
<td>2 May</td>
<td></td>
<td>Peer-reviewed oral presentation due on Wednesday 4 May by 9.30am Sydney time – recorded audio-visual presentation (30%)</td>
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* 25 March is Good Friday
** 28 March is Easter Monday
*** 25 April is Anzac Day
Course information

Course-level aims and learning goals

This course is best undertaken towards the end of your studies in this degree program. The more you have studied and reflected on the range of management issues and concerns addressed in other courses, the more value you will derive from this critical study of how best to manage an organisation’s efforts in the area of new product and service development.

This course is designed to provide you with an awareness of the issues involved in new product and service development, and an understanding of selected processes, practices and protocols available for dealing with them.

In general, in this course we will refer to new product development (NPD) as a term that incorporates the development of:

- new tangible goods-based products; e.g. a new breakfast cereal, confectionery, vehicle, refrigerator, computer, aircraft
- new services-based products; e.g. a new investment fund, software application, insurances, medical procedures, home care services, expert advice, learning and development, security, protection of people and assets.

Successful NPD is increasingly viewed as an interdisciplinary (multi-functional or cross-functional) process. It requires inputs throughout the process, from the finance, production, operational, HR and engineering functions, as well as the more traditional involvement of marketing and R&D. As such, in this course you will be expected to draw on perspectives of a wide range of frames of reference.

The effectiveness and value that an organisation gains from its investments in NPD also depends heavily on the discipline and use of processes to generate NPD opportunities, screen them for their value and applicability to the organisation, and manage the stages of development to optimise success and return on NPD investment.

The course is primarily structured around a generic six-phase NPD process. Of course, a standard process doesn’t work uniformly well in all settings and the generic process that you will study will need to be adapted for particular industries, contexts and organisations.

If you have previously successfully completed Project Management, Principles of Marketing or Accounting: A User Perspective, these courses will assist in the later Units of this course.
Course learning outcomes

After you have completed this course you should be able to:

1. explain the relationship between new product (goods and service) development and organisational strategy
2. outline a best-practice approach to new product development from idea selection to post-launch monitoring and control
3. evaluate and improve an organisation’s new product development process
4. discuss the importance of sustainability, corporate social responsibility and ethics in new product development and management processes
5. explain the impact and importance of technology in the new product development process
6. develop recommendations to reduce lead times for new product development
7. recognise the organisational structures and management practices that contribute to successful new product development in different circumstances
8. outline the key principles of effective project management that are needed for new product development success
9. communicate and convey reasoned arguments effectively in written documents and online forums.

Structure

Unit 1, Introduction, examines various kinds of new products (goods and services) and how they differ. It describes the importance of new product development as a crucial outcome of innovation and creativity and how this generates value for national economies, industries, markets and organisations. It also places NPD in the strategic context of the organisation and considers how important the innovation and reinvention of business models, products and practices are to ongoing strategic success. The Unit also highlights the importance of ethics and sustainable management practices in NPD success.

Unit 2, The innovation and NPD process. In this Unit, we examine the relationship between NPD and organisational growth. We consider the strategic importance of new product development at different points in an industry’s lifecycle, rates of innovation and technology adoption, innovation as a technological competence and the role of open innovation. The Unit also provides an overview of a generic NPD process and discusses why it is important to have such a process in place.
Unit 3, Phase 1: Organisational strategy and NPD. In this Unit, we look in more depth at how new products and services are related to organisation-wide and strategic business unit (SBU) strategic management. This need to consider ‘What strategic role do we allocate to new product development?’ constitutes Phase 1 of an effective NPD process. We discuss the concept of disruptive innovation and how new product development can revolutionise an industry, how an NPD plan relates to organisational strategy, and we consider technology and other resourcing requirements to ensure effective NPD results, as well as issues related to NPD portfolio management.

Unit 4, Phase 2: Idea generation. Here, we start by understanding the basic principles of how creativity works, the science associated with creativity and the best-practice methodologies that stimulate and capture creative insights from key stakeholders. Processes such as Design Thinking, Open Innovation, crowdsourcing and effective Research & Development (R&D) Management are canvassed. We examine analytical techniques and other approaches to stimulating and identifying NPD ideas and opportunities. This idea generation process constitutes the first part of Phase 2 of our model NPD process.

Unit 5, Phase 2: Setting priorities for development. In this Unit, we continue our look at Phase 2 of the NPD process. We focus on how we can examine the ideas that have been generated for possible new products (goods and services) and set priorities for development. We look at Stage Gates and other decision-making models of screening and ranking ideas – reducing the number of ideas that progress from one stage to the next for further investment. We also consider what organisational processes can best support this phase of an effective NPD process.

Unit 6, Phase 3: Concept definition. In this phase, the NPD opportunities move from an initial ‘idea’ to a more detailed ‘concept’. As the concept is developed, the product development team and senior management pass through ‘decision gates’ where they ask themselves whether the development is worth pursuing further. This phase typically results in a product development proposal and the product may undergo some preliminary testing.

Unit 7, Phase 4: Product development and feasibility assessment. This phase concerns evaluating the feasibility of the new product in much greater depth. The business case for further investment is made based on testing the product in the market, the distribution channels and in the organisation’s production and operational environment. Activities may include the development of prototypes or bench samples and some product-use testing may occur. However, these activities are not indicated for all new products and services. At this stage an ‘advanced development proposal’ is typically produced.
Unit 8, Phase 5: *Preparation for launch*. This phase relies on developing and effectively implementing plans to introduce (launch) the product into the market. As well as developing the detailed plans for marketing and supporting the product to maximise its acceptance in the market and channels, some additional market testing may be required, often involving technology enabled research and testing tools to maximise the potential for success. This phase concludes with implementation of the launch strategy as the product enters the marketplace.

Unit 9, Phase 6: *Post-launch monitoring*. As soon as the new product or service is launched, the iterative strategy review and refinement processes begin. In this Unit we examine typical launch problems and how contingency plans can be deployed. We look at how demand can be forecast and influenced. The Unit will canvass the use of technology to support product management, devices and techniques for forecasting and tracking products in the market. It is also important at this point in the process to capture the knowledge and learning gained so far.

Unit 10 *Organising the NPD effort*. Having looked at the overall NPD process, we now examine how organisations can be structured to facilitate and empower NPD project success. We discuss the importance of teamwork and project management skills.

Unit 11, *Reducing lead times*. The speed with which NPD processes function is often a critical strategic issue. This Unit looks at how we can evaluate how well the NPD process is functioning, and how both speed to market and efficiency might be improved.

Unit 12, *Some critical NPD management issues: managing liability, ethical and social responsibility and technology ‘best practices’ in NPD*. In this Unit, we examine challenges such as public-policy issues, product liability and environmental issues in NPD. We consider the importance of sustainability, social responsibility and ethics as key influences in effective NPD practices and processes, and how to engage with stakeholders in ways that ensure sustainable outcomes. We also look at the increasingly critical and central role that technology plays in successful and effective strategic use of NPD and the emerging understanding of what ‘best practices’ in the use of technology to enable effective NPD looks like.
Program quality assurance

A number of international standards are embedded in the program to ensure the courses you study are high quality. At present this includes specific design to meet AACSB accreditation standards (through measurement of students’ program-level learning outcomes), and the United Nations Principles for Responsible Management Education (UNPRME). EQUIS accreditation is also held by UNSW Business School.

Program-level learning goals and outcomes assessed for AACSB accreditation

The Course Learning Outcomes are what you should be able to do by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Course Learning Outcomes will also help you to achieve at least some of the overall Program Learning Goals that are set for all postgraduate coursework students in AGSM programs.

However, course-level learning outcomes are not sufficient to fully describe a student’s skills as they complete the qualification, and so we add an additional set of Program Learning Goals. These specify what we want you to have achieved by the time you successfully complete your degree. As an example, for the Teamwork learning goal we specify: ‘Our graduates will be effective team participants’.

You demonstrate that you have met these Program Learning Goals by achieving specific Program Learning Outcomes that are directly related to each goal. These indicate what you are able to do by the end of your degree. In the case of the Teamwork goal, the related outcome includes: ‘participate collaboratively and responsibly in teams’. Note that the ability to meet these program-level learning goals and outcomes will be measured in each capstone course for your degree program.

The Program Learning Goals (and related outcomes) used across the three MBAX streams of Change, Social Impact and Technology are as follows.

1. Knowledge:
   Our graduates will have current disciplinary or interdisciplinary knowledge applicable in local and global contexts.
   Learning outcome: Students should be able to identify and apply current knowledge of disciplinary or interdisciplinary theory and professional practice to business in local and global environments.

2. Critical thinking and problem-solving:
   Our graduates will have critical thinking and problem-solving skills applicable to business and management practice or issues.
   Learning outcome: Students should be able to identify, research and analyse complex issues and problems in business and/or management, and propose appropriate and well-justified solutions.
3. **Communication:**
   Our graduates will be effective communicators in professional contexts.
   Learning outcome for 3a – Written Communication: Students should be able to produce written documents that communicate complex disciplinary ideas and information effectively for the intended audience and purpose.
   Learning outcome for 3b – Oral Communication: Students should be able to produce oral presentations that communicate complex disciplinary ideas and information effectively for the intended audience and purpose.

4. **Teamwork:**
   Our graduates will be effective team participants.
   Learning outcome: Students should be able to participate collaboratively and responsibly in teams, and to reflect on their own teamwork, and on the team’s processes and ability to achieve outcomes.

5. **Ethical, social and environmental responsibility:**
   Our graduates will be aware of ethical, social, cultural and environmental implications of business issues and practice.
   Learning outcome for 5a – Ethical, social and environmental responsibility: Students should be able to identify and assess ethical, environmental and/or sustainability considerations in business decision-making and practice.
   Learning outcome for 5b – Social and cultural awareness: Students should be able to consider social and cultural implications of business.

6. **Leadership:**
   Our graduates will have an understanding of effective leadership.
   Learning outcome: Students should be able to reflect upon their own personal leadership style and on the leadership needs of business and of teams.

**Associated standards committees and accreditation agencies**

**AACSB:** [http://www.aacsb.edu](http://www.aacsb.edu)
Association to Advance Collegiate Schools of Business

**EQUIS:** [https://www.efmd.org/accreditation-main/equis](https://www.efmd.org/accreditation-main/equis)
European Quality Improvement System

**UNPRME:** [http://www.unprme.org](http://www.unprme.org)
UN Principles of Responsible Management Education
Resources

Learning resources

You have four major resources to help you learn:

1. The course materials, comprising the weekly study units with readings, references, insights and commentary. You will do much of your learning outside the classroom by working through the course materials, and by completing the exercises as they arise.

2. Your online or face-to-face classes with your facilitator. The facilitator’s job is to guide your learning by conducting class discussion, answering questions that might arise after you have done the week’s work, providing insights from his or her practical experience and understanding of theory, providing you with feedback on your assignments, and directing discussions and debates that will occur between you and your co-participants in the classroom.

3. Your co-participants. Your colleagues in the classroom are an invaluable potential source of learning for you. Their work and life, and their willingness to question and argue with the course materials, the facilitator and your views, represent a great learning opportunity. They bring much valuable insight to the learning experience.

4. In addition to course-based resources, please also refer to the AGSM Learning Guide (available in Moodle) for tutorials and guides that will help you learn more about effective study practices and techniques.

Course materials

The course materials comprise this Course Overview, the Assessment Details and 12 Units. Each Unit has a number of associated readings.

Readings

Specific readings are prescribed throughout the Units and are available via active hyperlinks or URLs. Please note that you may be required to enter your UNSW zID and zPass in order to access these hyperlinked readings.

If you experience any problems in accessing the readings, please try the following:

- Search directly for the article on the UNSW Library home page (https://library.unsw.edu.au/) by placing the name of the article in the Search box.

- Search directly for the book excerpt on the UNSW Library home page (https://library.unsw.edu.au/) by placing your course code into the Search box. When you do this all the course readings that are excerpts from books will appear.
Recommended reading

Books (either the listed edition, or a more recent edition)


Journals

*International Journal of Innovation Management*

*Research Technology Management*

*The Journal of Product Innovation Management*

*MIT Sloan Management Review*

Other resources

**BusinessThink** is UNSW’s free, online business publication. It is a platform for business research, analysis and opinion. If you would like to subscribe to BusinessThink, and receive the free monthly e-newsletter with the latest in research, opinion and business then go to [http://www.businessthink.unsw.edu.au](http://www.businessthink.unsw.edu.au).
eLearning
To access Moodle, go to: https://moodle.telt.unsw.edu.au/login/index.php
Login with your student zID (username) and zPass (password).

Moodle eLearning support
Should you have any difficulties accessing your course online, please contact the eLearning support below:
For login issues:

UNSW IT Service Centre
Hours: Monday to Friday: 8am – 8pm
Saturday and Sunday: 11am – 2pm
Email: ITServiceCentre@unsw.edu.au
Phone: Internal: x51333
External: 02 9385 1333
International: +61 2 9385 1333
For help with technical issues and problems:

External TELT Support
Hours: Monday to Friday: 7.30am – 9.30pm
Saturdays and Sundays: 8.30am – 4.30pm
Email: externaltelesupport@unsw.edu.au
Phone: Internal: x53331
External: 02 9385 3331
International: +61 2 9385 3331

Administrative and eLearning support
If you have administrative queries, they should be addressed to:
Student Experience
AGSM MBA Programs
UNSW Business School
SYDNEY NSW 2052
Phone: +61 2 9931 9400
Email: studentexperience@agsm.edu.au
Additional student resources and support

The University and the UNSW Business School provide a wide range of support services for students, including:

- **Business School Education Development Unit (EDU)**
  [https://www.business.unsw.edu.au/students/resources/learning-support](https://www.business.unsw.edu.au/students/resources/learning-support)
  The EDU provides academic writing, study skills and maths support specifically for Business students. Services include workshops, online resources, and individual consultations.
  EDU Office: Level 1, Room 1033, Quadrangle Building.
  Phone: +61 2 9385 5584; Email: edu@unsw.edu.au

- **UNSW Learning Centre**
  [http://www.lc.unsw.edu.au](http://www.lc.unsw.edu.au)
  Provides academic skills support services, including workshops and resources, for all UNSW students. See website for details.

- **Library training and search support services**
  [http://info.library.unsw.edu.au/web/services/services.html](http://info.library.unsw.edu.au/web/services/services.html)

- **UNSW Counselling and Psychological Services**
  Provides support and services, including free, confidential counselling, if you need help with your personal life, getting your academic life back on track or just want to know how to stay safe.
  Office: Level 2, East Wing, Quadrangle Building;
  Phone: +61 2 9385 5418.

- **Student Equity & Disabilities Unit**
  [http://www.studentequity.unsw.edu.au](http://www.studentequity.unsw.edu.au)
  Provides advice regarding equity and diversity issues, and support for students who have a disability or disadvantage that interferes with their learning.
  Office: Ground Floor, John Goodsell Building;
  Phone: +61 2 9385 4734; Email: seadu@unsw.edu.au
Continual course improvement

Our courses are revised each time they run, with updated course overviews and assessment tasks. All courses are reviewed and revised every three years and significant course updates are carried out in line with industry developments.

The AGSM surveys students via the UNSW CATEI system each time a course is offered. The data collected provides anonymous feedback from students on the quality of course content and materials, class facilitation, student support services and the program in general. This student feedback is taken into account in all course revisions.

Student evaluations from the last presentation of the course

The course was last run in Semester 1 2015 and the student feedback was strongly positive. However, it highlighted the following suggested improvements:

- more detail on the role and contribution of technology in the new product development process and in ‘best practice’ NPD strategies.

Coordinator’s response

Based on this feedback, the following key changes have been made:

- Unit 12 has been extensively rewritten to incorporate technology ‘best practices’ in NPD
- additional and specific technology illustrations and mini-cases will also be offered as a part of each class’s facilitation.
Course staff

Course coordinator

Each course has a Course Coordinator who is responsible for the academic leadership and overall academic integrity of the course. The Course Coordinator selects content and sets assessment tasks, and takes responsibility for specific academic and administrative issues related to the course when it is being offered. Course Coordinators oversee Class Facilitators and ensure that the ongoing standard of facilitation in the course is consistent with the quality requirements of the program.

The Course Coordinator is:

Craig Tapper

BA MCom UNSW, MBA UTS
Email: craig.tapper@unsw.edu.au

Craig (SFFinsia, FAICD, CPM) is an Associate Professor MBA Programs and Executive Education and a Fellow of the Australian Graduate School of Management. He is also the Executive Director of Tapper Consulting Pty Limited, and has consulted to major companies and government departments for more than 25 years. Prior to consulting, Craig spent more than 20 years in middle and senior management positions in major industrial, retail and public-sector organisations. This included appointments at senior level in Australia and the UK. He also has more than 15 years’ experience on company boards.

Craig began his academic teaching career in 1991 and as a part of that, Craig has been an adjunct faculty member of UNSW Business School since 1996, becoming an Associate Professor and Fellow from 2016. As well as leading and facilitating for the Australian Graduate School of Management (AGSM) across the MBT, MBAX and MBA programs in Australia and Hong Kong, he has lectured in a range of postgraduate programs in the areas of strategy, marketing and management at the Australian National University, RMIT, the University of Sydney, and the University of Technology Sydney. Craig is a Visiting Professor on the International Management Program of IESEG, Lille, one of France’s leading business schools. He has also authored and facilitated at postgraduate level for the Financial Services Institute of Australasia and has consulted to some of Australia’s largest companies and government departments, as well as for global firms in Australia, Malaysia, Singapore, Japan, Dubai and Thailand.
Class facilitator

The role of your Class Facilitator is to support the learning process by encouraging interaction amongst participants, providing direction in understanding the course content, assessing participant progress through the course and providing feedback on work submitted. Class Facilitators comprise academics and industry practitioners with relevant backgrounds.

You will be notified of your Class Facilitator’s name and contact details in your class confirmation email sent by AGSM Student Experience. Details will also be available in the gallery section of your online class for face-to-face and distance classes.

Course authors

This course was written by the Course Coordinator, Craig Tapper.

Acknowledgements

Richard Connell BSc, MBA (NYU), IMP, PhD (UNSW)

Richard wrote earlier versions of this course and taught new product and service development at UNSW’s School of Marketing for 10 years before moving to the School of Business at UNSW Canberra. Prior to entering academia, Richard spent 20 years in the management consulting industry, working in the Middle East, Europe and the Asia-Pacific region.

We acknowledge the valuable contribution by Garrett Upstill BSc (Hons), MSc, BA (Melbourne) and MSc (Econ) (London), who acted as the academic reviewer in the development of this course. Garret currently teaches technology management and strategic management in the master’s course in the School of Business at UNSW Canberra.