Between the Gates, Vol. 5: Market Launch Planning & Execution

Practical tips for new product development

by Noel Sobelman

Gated development processes have been around for over 25 years now and I rarely come across a company these days that does not have some form of a phase, stage, or toll gate process in place. A gate review process, when well implemented, allows leadership to evaluate projects from a business perspective at critical junctures, leaving day-to-day project execution to accountable project teams. So why are so many of these same companies falling short of their innovation goals?

Kalypso conducted a study of 30 companies across multiple industries and found that, while all claimed to have a gate review process in place, few went very far beyond a list of phase objectives and deliverables. Their project teams lacked sufficient guidance and tools needed to plan, monitor, and successfully execute product development projects. They were missing the “how”. In other words, guidance on what happens “between the gates”.

This viewpoint is the fifth in a series that explores key steps in the product development process. The focus is on market launch planning and execution with practical tips for project teams.

Market Launch Planning and Execution

For many in the marketing function, planning is a four-letter word. “Fire, ready, aim” is the common mantra for the left-brained creative types who would rather walk a bed of nails than sit through a project schedule review. Here’s what leading companies are doing to overcome this traditional culture clash, ensuring tight launch coordination and improved in-market success.

The primary purpose of market launch planning and execution is to prepare a product launch plan that produces a successful market introduction and to carry out that plan. The plan should address market communications and promotion, channel strategy, pricing, and sales support, among other awareness and demand generation activities.

Market Launch Planning

A successful product launch requires extremely tight coordination between marketing-driven tasks and other, interdependent steps in the new product development (NPD) process, including supply chain development, customer support process development, and production ramp-up. For example, supply chain and manufacturing ramp are highly dependent on user documentation, packaging artwork, and product announcement timing. A delay or missed handoff between any one of these steps can lead to late stage “fire-fighting” and missed launch windows that will impact the success of the market introduction.

Market launch planning begins by identifying key product benefits and marketing messages. Those messages should be tested with channel partners, key industry influencers, and lead customers before being refined. At the same time, strategies are developed for product pricing, communications and promotions, distribution, and sales support. Plans to carry out those strategies are then formulated and communicated to the full marketing communications team and broader project team.

Examples of market launch plan elements and their cross-functional dependencies include:

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<tr>
<th>Market Launch Planning</th>
<th>Downstream Dependencies</th>
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<td>Identify pricing objectives and anticipated pricing changes for each distribution channel or customer tier</td>
<td>Downstream dependency: Project business case, sales collateral development</td>
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Once the market launch plan has been pulled together, it must be reconciled against resource and budget constraints before execution activities begin.

<table>
<thead>
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<th>Market Launch Execution</th>
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<td>Identify distribution channels with forecasted sales volumes for each</td>
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| Packaging, data sheet, and press release claims need to be updated to accurately reflect product performance characteristics (which may not be confirmed until final product qualification). Sales, channel, and customer support training sessions need to be scheduled and conducted with up-to-date marketing collateral and sales documentation. You get the idea—lots of interdependent, tasks with task owners spread across multiple disciplines.
Leading companies make use of early product demonstrations in front of friendly lead customers or industry influencers to gain testimonials that can used in marketing collateral to boost demand. Once all the input from these sources, beta testing, and the latest market data is collected, the team can make any last-minute changes to key messages, finalize pricing, and fine tune the forecast and production schedule.

One common mistake many companies make when launching a new product is to begin project wrap-up activity just after the first revenue-producing product is shipped. Leading companies keep the core project team engaged through volume production. This is when agreed-upon, stable manufacturing criteria are achieved and early channel and customer feedback is incorporated in the form of product and customer support enhancements. This approach also keeps the focus on in-market results. After all, success is ultimately defined by results, not by shipping the first product.

Planning and executing a market launch is a multi-faceted undertaking that requires tight coordination across all functions involved in development. In the planning phase, marketing team members must work with the full cross-functional project team to understand critical task dependencies and hand off points. With strong upfront planning, there will be fewer late stage surprises and market introductions will have a better chance for success.

More Reading:

Between the Gates, Vol. 1: Opportunity Proposal Development
Between the Gates, Vol. 2: Product Requirements
Between the Gates, Vol. 3: High Level Design
Between the Gates, Vol. 4: Beta Test Basics
Between the Gates, Vol. 5: Market Launch Planning & Execution
Between the Gates, Vol. 6: Resource Management

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For the past 25 years Noel has worked extensively in the areas of innovation strategy, product development, portfolio management, product commercialization, and the software systems that enable innovation. His industry background includes experience with high technology, life sciences, consumer packaged goods, industrial, and renewable energy companies. He is a frequent speaker, researcher, and writer on innovation effectiveness, disruptive innovation, and time-to-market reduction.