

# [International strategic marketing, syngenta case flashcard](https://assignbuster.com/international-strategic-marketing-syngenta-case-flashcard/)

This paper will analyze and discuss the role that R&D plays in the product development process for Syngenta by focusing on how Research and Development can show the way to the successful development of innovative, products, starting from their introduction stage until the supposed declining stage under the product cycle concept. With that  view in mind  this paper hopes to advice  Syngenta company as to manner of the possibility of extending the maturity stage with introduction of new innovations at certain suitable times and to suggest to the company the manner of comparing the relative success or lack of success of its mixture of product lines using appropriate portfolio analysis models. In addition this paper endeavors to apply theoretical constructs according to  Booz, Allen & Hamilton in the decay curve of new product ideas; according to the notion of the product life cycle and life cycle extension strategies, according to Rogers’ diffusion of innovations and according to portfolio analysis. What role does R & D play that would bring to the successful development of new, innovative, products, from Syngenta’s introduction stage up to  ultimate decline stage?  As commonly and accepted by many, R & D are believed to lead to successful development of new, innovative, products, from their introduction stage to their ultimate decline stage since the R & D departments are supposed to function in finding what the customer wants as result of changing needs and wants.

The case facts (Syngenta, 2007)  so provide that as society develops, the needed change in consumer demands comes to being  to reflect different needs. It is therefore not surprising that customer changes needs and wants and it is the business of entrepreneurs to satisfy that need and wants by providing a range of fresh, high quality products to said customers. The changing need and wants of consumers may also be caused by the increasing population which also brings increasing quantities of production.  Likewise it is expected to have a sustainable way to address these concerns. It is in this regard that farmers will react by applying more advanced technologies and solutions to balance environmental requirements with the necessity to produce food.

Syngenta’s business is to provide  research and development, thus the said function could be easily appreciated in bringing successful development of new product. The claim made by the company to be a leading global agricultural business that is committed to sustainable agriculture through innovative research and technology whose customers are in the primary sector may have to be given credence considering the name that Syngenta has made in the industry in giving innovative solutions and brands to growers and the food and feed chain by its proposals to customers regarding choice of chemistry, seeds and biotechnology productsSyngenta’s research is a systematic investigation to seek answers to agricultural problems, via the company employing scientists such as biologists and chemists to develop technologies which may eventually lead to new products.  As example, the company’s chemists do conduct investigation of thousands of different compounds to see the potentials for a new crop protection product.  As the identification of a suitable compound is made, one can expect that development will take place.   Development, as concept, involves turning or converting the research findings into a product. The company through its R&D asserts the capacity to develop new products and support existing products but admits its production involves a process which can take 9 years in for its product to reach the market.

Hence one could deduce the process could really involve a costly one.  From the accounting parlance, research and development cost are considered as expenses and could only amount to assets if the products is available for commercial production.  Hence it could be argued that the company can only achieve a return on its investment once new products reach the market, the company could only consider computing the cost benefit analysis of the product due for development as a regular part of its practice.  It is therefore expected that Syngenta will have to apply strategies to protect itself from the investment that it has made put into research and development applying for patent of its new product. It must be pointed out however that there is limit to this protection as to time. Thus, the company would be advantageous in concentrating on fully patentable products to ensure good payback and profit.

To appreciate the company’s R&D program, that same must be correlated with the company’s main goals for research and development which include providing the most effective products for farmers and growers that are also safe for human health and the environment; developing the best new plant varieties to gain higher yields and quality in a range of soils and weather conditions, and (3) maximizing crop productivity whilst maintaining and improving farmland biodiversity (Syngenta, 2007) . After a sound knowledge of the role of R&D, it is now logical to ask the  question:  Can maturity stage be extended by introducing new innovations at appropriate times?   If yes, how?  To  allow  innovations to extend maturity stage follows the same process as the Research & Development.  Product development personnel should know when that product should mature and well as the timing of introducing new innovations. Using also appropriate portfolio analysis models, one could ask: What may be suggested on how the company can compare the relative success or otherwise of its various product lines?  First, it is best to discuss the concept of business portfolio. Some author considers  as “ the collection of businesses and products that make up the company,” hence  “ the best business portfolio is one that fits the company’s strengths and helps exploit the most attractive opportunities.’ (Tutor2u, n.

d.). Using the same definition, a portfolio analysis must one that results to a combination of product and services that would be most beneficial to the company in meeting the corporate objectives. The is therefore need for the company to analyze its current business portfolio and make decision on which businesses should receive more or less investment, and subsequently develop growth strategies for adding new products and businesses to the portfolio. This will also include deciding when products and businesses should no longer be retained. One portfolio planning methods is the Boston Consulting Group Portfolio Matrix and the other is the McKinsey/General Electric Matrix.

In both methods, the preliminary  thing to do is to identify the various Strategic Business Units (SBUs) in a company portfolio.  Said SBU varies on its organization.  One can consider an SBU to constitute a division, a product line or an individual brand, hence an SBU provide independent planning from other units and this therefore assumes that each SBU to have a separate mission and objective. On this basis Syngenta may now be advised to classify its existing products in terms of their individual mission or objectives for planning.

This will be followed by SBU evaluation in terms of their bottom-line effects on profitability and other criteria, Sygenta is now able to compare its products and put them in matrix for comparison. As an example, the application of using market attractiveness and competitive strength as criteria under the McKinsey/GE Matrix method to the UK retailing market has listed factors that may affect market attractiveness of a product and the list include  market size,  market growth,  market profitability,  pricing trends , competitive intensity/rivalry,  overall risk of returns in the industry,  opportunity to differentiate products and services,  segmentation,  distribution structure (e. g. retail, direct, wholesale  (Tutor2 , n. d.

) .  The company, by way of adoptions may now further it classification of its products by using market size, market growth, market profitability, pricing trends, and the rest of the factors in the said that may affect market attractiveness of its product and in this sense, the company can compare the relative success or otherwise of its various product lines. Syngenta at point should now answer this question: Is there way of applying theoretical constructs as put forward by Booz, Allen ; Hamilton in the decay curve of new product ideas for Syngentia?  In response, it may be stated that  the original research of Booz, Allen and Hamilton,  found that it took 58 new product ideas to produce one potentially successful product, but even during the ‘ commercialization’ stage there was still a 50/50 chance that the product would not be successful (Durham Associates Group Limited, n. d.).   Using this experience, the company would really have to undergo a difficult process in its R; D efforts to innovate.

It was also found by Booz, Allen and Hamilton that it is hard to produce a completely new successful product. Thus, it would really be difficult for  Syngenta to come up with new products every now and then and it is better to improve existing ones. This paper wants to know how to apply theoretical constructs on the notion of the product life cycle and life cycle extension strategies for Syngenta. Product-life extension as a strategy, could make very large reductions in materials and energy use needed to satisfy growing consumer needs.  Productivity estimates could bring up  the productivity per unit of resource used more than nine times.

In this connection,  improved resource productivity is convertible to increased profitability and competitiveness. As the reality of lesser chances of success for more new products under Booz, Allen ; Hamilton “ theory on the decay curve of new product ideas” as against the benefits of product life cycle and life cycle extension strategies as discussed, the company should  apply the latter the principles in its research and development activities (Indigo Development, 2005). At this point, the company may want to know the application of theoretical constructs on Rogers’ diffusion of innovations.  Under the theory there is claim that a tipping point makes it easy to spread change (Orr , 2003).

Thus it could be stated that diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system with the most striking feature of diffusion theory that the innovation-decision depends heavily on the innovation-decisions of the other members of the system, reaching a spread that follows an S-shaped curve (Leader Values, 2007). The decision to innovate under the theory, just like the other requires a careful cost-benefit analysis where the major obstacle is uncertainty and adoption of innovation (Orr, 2003). It can be concluded that Syngenta’s research and development activities play an important role in the company’s the new product development process.  Given the focus on how R; D leads the company to the successful development of new, innovative, products, from their introduction stage to their ultimate decline stage, the company could be guided by its objectives.

Suggestions were made on manner and reasons why the company need to extend the maturity stage by introducing new innovations at appropriate times. A finding was also made using  Booz, Allen ; Hamilton’s theory of decay-curve of new product ideas that advocates improving on new products as way of introducing innovations than creating purely new products. But the most important is in making all these strategies (Byars, 1991; Cooper, L., 2000; Porter, 1980) for Syngenta must be the accomplishment of its company objectives (Smith, 1996; Haedrich, 1993) by applying portfolio analysis principles.