

# Product concept definition essay sample

[Technology](#), [Development](#)



As discussed in Chapter 2, new ideas for new products and services are generated in many different ways in and outside the modern company in the market. Today a more open and collaborative process of accessing innovative ideas and problem solutions is available to companies on the Web in the form of wiki platforms. A wiki is a collaborative Website that can be directly edited by anyone with access to it. This virtual market for new product ideas that is generated by a wiki is called an ideagora, from the Greek word “ agora” (marketplace). An ideagora is a global marketplace on the Web where insights and experiences are shared, debated, and refined. Companies get access to a global pool of talent through this system and can access particular partners or suppliers for specific new product initiatives.

Because there are major issues of intellectual property in this open-ended, ideation process, many companies do not want to share their inside ideas on new products and services, and do not trust unknown, “ global” partners to act in their corporate interests. But the process is gaining ground simply because it taps into a wide variety of new product concepts effectively and inexpensively.

Entering the Concept Definition Process  
Wherever a new product idea is generated in this ideation process, the product concept phase begins when an idea or new product innovation is documented and initially reviewed by management. If management commits to supporting the definition and evaluation of the concept for possible funding, as part of the project portfolios, it enters the product concept phase.

After a new product concept has been selected from the portfolio for implementation, it is entered by management into the product concept phase and put through a scheduled concept development phase. This is the first test of the new idea as a product concept. The purpose of this phase is to flesh out the product concept so a decision can be made whether or not to proceed to design and development. This decision is made in the project review session at the end of this phase, and the whole phase activity is focused on gathering “actionable” information for a go or no-go decision in project review.

Controlling Premature Product Lock-in Before we discuss the concept definition phase it is important to focus on what is actually managed in this phase. In addition to the normal controls on time (schedule), cost and resource, and quality issues, the major challenge to project management is to avoid locking into a product design before options and impacts are explored. The purpose of this phase is not to pin down the exact specifications and design for a product, but rather to explore its performance requirements and business promise. Management must work hard, especially in technical and engineering processes, to keep options open and to offset the tendency of engineers and technical staff to lock in on a design too early. When product design begins before a thorough review of customer needs and requirements and alternative solutions is completed, product development often fails in the end.

The way project management avoids this premature lock-in is to frame this phase in terms of options and alternatives, e. g., solutions. Project outcomes

should be seen here as performance outcomes, e. g., to meet a customer's need for a mobile communication system, not to design and produce a specific mobile radio product. Product concept is defined in terms of picturing a customer need and exploring alternative solutions.

Schedule Template  
Concept definition is an uncertain process, but it is important to start with a generic new product concept model as the basis for planning and scheduling. In project management terms, this is called a process work breakdown structure—a process model that controls the work and assures all the steps in good product concept definition are followed. The process template for a typical new (consumer) product development project might look similar to Table 4-1.

Note that several tasks are going on concurrently, and as the product functional specification is set, another set of tasks proceeds in parallel. The secret to faster, cheaper, and better new products is the management and scheduling of product development as a dynamic, interactive process.

The estimates of task durations are made by the project manager using past project experience plus the insights of those who will do the work. The focus in this phase is starting dates, not task durations. This means, for instance, that the project value assessment (ID 3 in Table 4-1) is estimated to take five days based on past experience, but the task manager is expected to get it done as soon as possible. Durations are not seen as the authorized window for the work; they are seen as outside estimates.

Setup for Project Review: Go or No-Go Decision  
The concept phase is important because these front-end activities of analysis and evaluation help

to prepare for the go or no-go decision at the end of this phase in project review. Project setup increases the chance that if the product does not have potential, the company can stop the process of development in time to save valuable resources. At this stage, it is key that good data and insight are provided about the product or service under consideration.

The way management commits to the project at this point depends on company policy and procedures, but it is recommended that top management sign off on the scope document and perhaps other outputs of this phase, and that they participate in the concept phase project review to determine whether the product moves on to development. Although members of the new product team should not make this decision, they should be party to it.

The concept phase is also important as a preparatory step for making the financial, technical, marketing, and business arguments in project review for the product. It helps build the case that is made by the project team and sponsor at project review. It is important to remember that project review is designed to review and pass on the product. An advocacy process is developed here with the sponsor making the case in project review, and management authorizing advancement-or raising substantive issues that must be addressed before the product goes any farther. Some companies use a scoring system to make the decision, but in the end it is always a judgement call.

Project Review: Go or No-go Time  
Preparing for project review is as a significant step in concept definition as in each phase. Project review in the

new product development process serves as the critical milestone for go and no-go decisions, referred to in some circles as the “ stage-gate” decision, a term coined by Robert Cooper (author of *Winning at New Products*, Basic Books, Third Edition, 2001). It also serves as the window for advocacy, debate, and analysis of new product concepts-the time for sponsorship to “ show up.” In part, the project reviews after each phase of the process can be looked at as a social and team building event as well as decision time, not just an analytic, data-driven exercise. The social and organizational benefits of this project review process come from the opportunity for advocacy and presentation, for discussion and commitment among company and project management. This is the time for critical reviews of schedules, budgets, quality, and feasibility, and also for strategic alignment of the product regarding where the company intends to go.

In this first phase project review, go and no-go decisions are based on the concept definition, project value analysis, and financial performance projections. They are also based on the intuitive and instinctive responses of the project sponsors.

Agendas are established for the project review, accomplished through email or Web conferencing as well as physical project review meetings that bring the key parties together.

The window for advocacy is the test of commitment and sponsorship; this is the point at which a product becomes an orphan or a family member-when management sponsorship either shows up to advocate or withdraws support for lack of rationale.

Project review is the term applied to the review of the outcomes of each project phase when deciding the next steps for the product concept. The essential question is whether the product should enter the next phase, e. g., that it has been justified in terms of projected costs and benefits.

It is also important to note that in the real world, new products don't proceed cleanly through concepts and phases as described in textbooks on new product development. It is a messy process, filled with unanticipated roadblocks and irrationalities. The concept actually shifts among concept, development, testing, and marketing as it moves toward distribution, or is terminated.

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