

Sample Project Proposal for New Product Development to Commercialization

[back to projects](#)

Overview

MTN Consulting Associates is able to provide a full range of services to support the development and launch of the proposed product. In order to ensure a successful product introduction, a range of activity is recommended, including Market Research, Business Plan, Product Development, and Product Launch. For each area, an estimated time requirement is provided, as well as key activities and/or questions that need to be answered.

Project Outline

A. Market Research

Having defined the concept, a survey of the potential market must be taken before developing the product. Market research will help refine the concept, quantify the market potential, and identify important sellable features for the product. Questions to be answered are:

- Are products of similar concept currently on the market?
- Who is supplying similar products?
- How and to whom are products being promoted, distributed, sold, and used?
- What is the potential size of the market?
- What is the expected market share for a new product?
- Who is the target customer?
- What will be the expectation of the customer in terms of efficacy, ease of use, mode of use, benefits?
- What is the expected price range?

B. Business Plan Development

Based on the market information, a business case will be developed. Key components of the plan will be:

- Determination of startup costs, and product costs, selling price.
- Defined and targeted market segments with volume expectations.
- A number of scenarios considering various sales volumes and revenues.
- Growth projections.
- Competitive advantage and anticipated competition.

C. Product Development

The objective for this phase of the project is to produce a meaningful series of data that will define and support the required features and benefits of the new product formulation. Product development will be conducted primarily in partnership with existing component suppliers who will typically have significant technical data for each component in hand. This portion of the project requires detail oriented management to ensure that defined product characteristics and performance targets are met in a timely manner. A range of product characteristics will be addressed.

D. Product Launch/Marketing

In addition to the technical objectives of the project, there are also significant marketing challenges that will be addressed. These include:

1. Incorporating the features and benefits into a product literature.
2. Coordination of test marketing and initial customer use.
3. Introduction of the product to target markets via networking, meetings, tradeshow, print ads in trade journals, etc.
4. Developing relationships within target markets.

Work Plan

To accomplish the steps outlined above, the work plan is detailed below.

1. Identify existing entities in the market (or in similar markets) and review their product offering. This will provide insight into how the new product will compliment existing product offerings.
2. Identify existing users of similar products, and survey these users for their impression of the concept of the new product, expected demand, value (pricing), required features, etc. A questionnaire will be developed for this purpose. Market data of this nature is essential for defining the product characteristics, and the marketing plan.
3. Identify component suppliers, and discuss with them the concept, potential features and benefits, technical and regulatory requirements, cost estimates of the new product. Move forward with formal product development based on best option/partner.
4. Develop the business case based on projected revenues, costs, growth projections, market size, target segments, etc.
5. Identify and obtain commitment from key potential customers for testing and test marketing the new product
6. Develop marketing plan, to include promotions, promotional literature, product information, etc.

7. Test market the product. Modify and refine the product offering as required for the final marketing launch.
8. Negotiate agreements for sale with targeted customers

Project Cost

Professional fees to coordinate and complete all steps of this comprehensive market research and product development project are estimated at

Notes:

- Project cost estimate does not include GST, incidental expenses, or external test costs.
- Fees are based on a daily rate.
- Any incidental expenses over \$xx would be discussed for approval in advance.
- Any significant changes in the project cost, will be discussed with the client as soon as possible.

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[back to projects](#)