New product development in a coffee company:

Source: Designed by Fatimah Aly

a) The process consists of three phases: product development, product launch and product support. This all requires product management. The process begins when a decision to launch a new product in the coffee shop is made by the product manager. The product development employees and the product manager first create an idea. Thereafter, they create a plan for it, which includes creating a cost plan using Excel, creating a business model using BPMN and determining a schedule plan.

b) After a plan has been created, the market potential has to be detected and rated, which comprises analyzing the market, collecting information and conducting a questionnaire. The collected information is then evaluated. Based on the requirements and the information collected, the product characteristics and ingredients are determined and selected. A design for the new product also has to be created. The product is then developed.

c) Next, the product manager makes adjustments, for example adjust logistic, service, manufacturing to the new product.

d) Furthermore, the coffee shop employees have to be qualified to offer the new product to the customers, which may require employee training. Moreover, the price is set by the manager.

e) Thereafter, the product is launched using marketing tools to attract customers. For example, by displaying advertisements, offering free samples or using other marketing tools.

f) After the product is launched and customers have tried it, the product is assessed by gathering feedback and observing the product sales, which might not be positive.

g) In addition a product control is carried out, which includes checking the achievement of plans and of the project itself. This also includes determining goals that are relevant for product launching, as well as key figures that show whether and how the goals are achieved and measurements are carried out so a target-actual comparison can be made based on the key figures and goals. The product controller uses key figures system to determine them, and uses Excel to carry out regular target-actual comparisons.

h) Consequently, based on the received information, the product manager plans improvements for the product, and then implements them by for instance carrying out product differentiation or adjusting prices to customers' needs. The product is then relaunched and the process ends.

Create an idea — Development & research
Product development employees
Product manager

Create a Plan — Businessplan-Software
Product development employees
Product manager

A decision for a new product was made

Create a cost plan — Excel
Product development employees
Product manager

Create a business model — ADONIS
Product development employees
Product manager

Determine a period plan — Businessplan-Software
Product development employees
Product manager

Plan created

Detect & rate market potential — Development & research
Product development employees
Product manager

Anlyze the markt
Product development employees
Product manager

Collect information
Product development employees
Product manager

Conduct questionnaire
Product development employees
Product manager

Markt potential dedected & rated

Evaluate the information — Development & research
Product development employees
Product manager

Determine product characteristics — Development & research
Product development employees
Product manager

Select ingredients — Development & research
Product development employees
Product manager

Create a design — Development & research
Product development employees
Product manager

Product develped

Adjust logistic
Product manager

Make adjustments
Product manager

Adjust service
Product manager

Adjust manufacturing
Product manager

Ajustments done

Qualify employees
Product manager

Set price
Product manager

Make Advertisements
Marketing employees
Product manager

Launch product on the market
Product manager

Use marketing tool — Marketing tools
Marketing employees
Product manager

Offer free samples
Marketing employees
Product manager

Use other tools
Marketing employees
Product manager

Marketing completed

Observe product
Employees
Product manager

Take feedback
Employees

Observe sales
Employees
Product manager

Product controlling
Carry out product controlling
Product controller

Check achievment of plans
Product controller

Check achievement of project
Product controller

Determine goals
Product controller
Product manager

Key figures system
Determine key figures
Product controller

Excel
Carry out regular target-actual comparisons
Product controller

Plan product improvements
Product manager

Implement improvements
Product manager

Carry out product differentiation
Product manager

Adjust price
Product manager

Relaunch the product
Product manager

Product relaunched