Instructor: Professor Farhad D. Rostamian
Office: Anderson complex, A-409
Office Hours: After each class, and by appointment
E-mail: farhad.rostamian@anderson.ucla.edu
Time: Tuesdays and Thursdays 9:00 AM to Noon
First class meets: Tuesdays, June 26
Final Exam: Tuesday August 7, 9:00 AM (room TBD)
Room: Anderson Complex, Gold Hall, Room B-301

Course Description:
New products are the lifeblood of any start-up company or any well-established corporation, and the cornerstone of any economy. Without creating a new product, there is no start-up company. Without expanding the product portfolio, any modern corporation can quickly succumb to competition (especially from a start-up company working in a garage and disrupting their industry) and lose significant market share, or even be totally disintermediated. This phenomenon has been intensified with the advancements in digital economy. The innovation process has been significantly accelerated as a result of the impact of digital economy across all industries and markets. Today’s entrepreneurs recognize the need to allocate all or significant amount of their human and capital resources in the creation of new products; however, not all such products that make it to the market are successful. And even a smaller percentage can stand the test of time and reach significant market share or achieve resilient popularity. Innovation is one of the key drivers of making new products. We will examine the process of innovation and new product development and discuss the related paradigms and success factors (through the case and class discussions).

This course is designed to help students deepen their understanding of innovations for conception, development, and management of new products. We will focus on several dimensions for a new product:

- Ideation – how to come up with a new idea
- Validation – how to validate the idea
- MVP – how to plan for making the validated idea come to life in the form an MVP – (minimum viable product)

In the course the student teams focus on developing an idea or a concept into a new product. For the most part, this team will act as product managers, and will identify, develop, and commercialize a new product according to the material presented in the class and the reading assignments. The course will seek to develop students’ critical thinking, decision-making skills, and creativity to develop and launch a successful new product through the team project.

Course Objectives:
After completing this course, students should have developed a deep understanding of:

1. Invention and innovation process
2. Good and Great products
3. Frameworks, segmentation, positioning, value proposition, chasm.
4. Entrepreneurship process (we will briefly cover agile start-up)
5. Business models, scaling and monetization
6. Digital innovation and disruption
7. Intellectual property and its protection
8. Coverage of ecosystems, product strategy, product platforms, product line extensions
   product (life cycle) management, agile development, and outsourcing
9. Selected topics on unicorns, valuations, sharing and on-demand economy, autonomous
   cars, hardware as platform, convergence, social media, AR-VR, enterprise software and
   cloud, drones, sensors and IoT.

**Texts and Course Materials:**

**Optional Texts:**

Value Proposition Design Alex Osterwalder, Yves Pigneur, Greg Bernarda, Alan Smith (2014).
John Wiley & Sons.

ISBN-10: 8126533676

**Mandatory Course Material:**
Course pack, listed below, included cases and articles from Harvard Business School as well as
many other sources. This is the mandatory list and primary course material. All students must obtain
these papers, cases and articles. The link to obtain most of the articles at Harvard Business School
site is: [https://hbsp.harvard.edu/import/543253](https://hbsp.harvard.edu/import/543253)

Please see next page for details.
For the first class session:

1. Read assigned articles listed in the weekly course plan for session 1.
2. Prepare to form groups for cases and team projects. We will have no more than 6 teams.
3. Write and print a 1-page sheet (no more than 1 page). Compare and discuss the differences between a good product and a great product. Use your experience as a consumer, as well as your perceptions and thoughts about good and great products. Make sure to provide plenty of examples and be prepared to discuss them in class.

Note: This assignment has to be handed-in, but it will not be graded and has no impact on your grade; the only purpose is to get you ready for the class discussion on this topic.
Description of Assignments:

**Participation: Class and team - 20% (15% and 5%)**
It is expected that each student comes to the class fully prepared to discuss the reading material and the case that are due on that day. You will be asked direct questions about the case and the assignments. Your class participation will count for 15% of the grade. This includes attending all the class sessions, but more importantly actively contributing to the discussion topics and ideas presented by the professor and your classmates. Your active participation in and contribution to the team projects will also be graded by your team mates, and that will count as 5% of your grade.

**Absenteeism:**
It is expected that each student will attend the entire 13 class sessions without any absenteeism. If you are going to be delayed or absent please inform me beforehand.

**Cases - 25%**
We will have 3 cases which will be completed as group assignments. Each group will need to do a case write up (answering specific questions provided for each case). Your response should demonstrate your understanding of the concepts taught in the class, particularly those related to product innovations, new products strategy and development.

Each of these cases will be discussed in class on the due date. Each member of the group will receive the same grade on the case write up.

**Team Project: 25% (presentation)**
The critical deliverable for the course is the development of a comprehensive plan for a new product. All aspects of product development are to be discussed, including market research, product definition, customer validation, product design trade-offs, alpha customers, MVP, product packaging, and launch. A discussion of product strategy, the ecosystem, competitive threats, necessary partnerships and alliances for success should also be included. The team will implement the concepts and processes learned in the class in the design and development plan for the new product. It is best that you first create a paper (which will not be graded) that aids you to bring to light all the issues, and then use that to create your presentation. A template for this paper will be provided.

It is necessary that the teams start to work on this project as soon as possible. The team members should select the subject of their project and report that to me in the 2nd session and finalized before the 3rd session. During the quarter I will conduct two team by team reviews of the project and how it is progressing.

**Exam – 30%**
There will be one exam (Tuesday August 7, 9:00 AM). This will be a closed book exam with questions requiring short answers, numerical analysis, as well as essay type questions.

**Learning Teams:**
During the first class session, you will divide yourselves into learning teams consisting of 7 to 8 classmates (no more than 6 teams). You will be completing all assigned cases and group project with your team. Since you will be working very closely with your team members, make sure you are in a team that is compatible with your needs. Consider the following when you are choosing your team:
1) Attitude is everything !!! (for your teammates and for me)
2) Logistics such as home locations and schedules.
3) Expectations and ambitions.
4) It is often helpful to have a variety of expertise and disciplines. So please mix it up! Choose people with different skills as your teammates, even if you don’t know them !!!
5) Each team must elect a team leader. In addition to managing the team, the leader’s role is to communicate with me and the TA and is responsible for turning in all the deliverables.
6) Each team member must take full responsibility for the effective management of the team’s efforts. Occasionally, disagreements arise between team members and complicate the process. There will also be disagreements in terms of the work load and fair contribution of each team member. Keep in mind these learning teams do not differ much from project teams in the work place. This is a unique opportunity to learn how teams function, how team members interact, and to learn to amicably work out differences. Also remember that each team member will get to grade the performance, contribution and attitude of the other team members (5% of the participation grade). So you need to participate in the team projects in a consistent and disciplined manner and with the right attitude.
7) It is possible that your team might face issues affecting performance and functioning. In that case the team leader must let me know ASAP so that I can help resolve the issue(s).

Expectsations of Written Work:
Cases are due at the start of class. All papers must be typed in 12 point font, double-spaced using standard one inch margins and stapled in the upper corner. If your written work falls short of these guidelines, you will be penalized. Please do not put in presentation binders. All papers are graded for content in meeting the defined objectives as well as clarity of communication (proficient use of English grammar and punctuation is expected). All reference resources must be properly cited.

Grading:
The grades will be weighted as follows:

<table>
<thead>
<tr>
<th>Assignment / Task</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam</td>
<td>30%</td>
</tr>
<tr>
<td>Class Participation</td>
<td>15%</td>
</tr>
<tr>
<td>Team Participation</td>
<td>5%</td>
</tr>
<tr>
<td>Cases</td>
<td>25%</td>
</tr>
<tr>
<td>Project Final Presentation</td>
<td>25%</td>
</tr>
</tbody>
</table>

Instructor’s Expectations:
- Attend all sessions
- Come to class fully prepared to discuss all assigned material. This is the most critical component of learning in this course.
- Contribute to the class discussion in a way that enhances the learning process.
• Conduct yourself in class as you would in a business situation (i.e., be courteous, offer constructive debate on issues and build on other's comments and points of views). Your thoughtful and active participation in the educational process is what makes your participation grade.
• Share responsibility for the quality of the experience.
• There will be times that I will ask you to use your computers in the class to prepare for an exercise, or research some material, or make a presentation (typically with your group). So make sure you have your laptops with you at all times.

Weekly and session by session course plan is on the next page.
**Weekly Course Plan: (per session)**

<table>
<thead>
<tr>
<th>Session Summary</th>
<th>Readings</th>
<th>Assignment Due</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>wk 1</strong></td>
<td>Innovation Process: past, present, future</td>
<td>Market Segmentation, Targeting, Positioning Developing New Products and Services, Marketer’s role</td>
</tr>
<tr>
<td></td>
<td>Marketing Strategy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Few Marketing Frameworks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Good Vs. Great Forming teams</td>
<td></td>
</tr>
<tr>
<td><strong>wk 2</strong></td>
<td>Recognizing Technology Opportunities and Developing Products</td>
<td>Customer Validation for Entrepreneurs Why the Lean start-up Changed Everything?</td>
</tr>
<tr>
<td></td>
<td>Lean Start-up</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer Validation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Presentation by research librarian</td>
<td></td>
</tr>
<tr>
<td><strong>wk 3</strong></td>
<td>Developing a technology-based business concept</td>
<td>Conjoint Analysis The Surprising Power of Online Experiments The 4 Types of Innovation and the Problems They Solve</td>
</tr>
<tr>
<td></td>
<td>Ecosystems</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conjoint Analysis</td>
<td></td>
</tr>
<tr>
<td><strong>wk 4</strong></td>
<td>High-Tech products and platform development</td>
<td>Products to Platform</td>
</tr>
<tr>
<td></td>
<td>Software-as-a-service</td>
<td>Sensor-Based Entrepreneurship: A Framework for Developing New Products and Services</td>
</tr>
<tr>
<td></td>
<td>Hardware as Platform</td>
<td>Why Business Models Matter</td>
</tr>
<tr>
<td></td>
<td>Business Models</td>
<td>Blitzscaling</td>
</tr>
<tr>
<td></td>
<td>Scaling and Monetization Challenges</td>
<td></td>
</tr>
<tr>
<td><strong>wk 5</strong></td>
<td>Concepts of Intellectual Property</td>
<td>Breakeven Analysis In Pursuit of Product Modularity: Impediments and Stimulants Social Media</td>
</tr>
<tr>
<td></td>
<td>Breakeven Analysis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Media</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Convergence</td>
<td></td>
</tr>
<tr>
<td><strong>wk 6</strong></td>
<td>Product Life Cycle Management</td>
<td>Review of Selected New Products Kickstarter Campaigns</td>
</tr>
<tr>
<td></td>
<td>Review of Selected New Products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kickstarter Campaigns</td>
<td></td>
</tr>
<tr>
<td><strong>wk 7</strong></td>
<td>Final Project Presentation</td>
<td></td>
</tr>
</tbody>
</table>
**Questions for Sweetwater case – Due session 3**

1. What is this case about? Describe the key attributes of the case and the problem at hand (1-2 pages)
2. Using your own perspective, what are the most important user needs in the water purifier market? Talk to or research wilderness enthusiasts.
3. How can you structure the user’s needs data to assist Sandy Platter in creating his product concept?
4. How do competitors’ products meet these needs?
5. What characterizes an outstanding concept for a water purification device for backpackers and outdoor enthusiasts?

**Questions for Trinisoft case – Due session 5**

1. What is this case about? Describe the key attributes of the case and the problem at hand (1-2 pages). Make sure to over items such as: Offshore service providers and clarity of scope when developing a product using Agile.
2. Since Trinisoft tends to charge by the hour, why would the company want to accelerate app development for its clients? Aren't there some incentives to let clients add numerous new features to their app?
3. What recommendations would you make to Nicolson to improve customer service at Trinisoft?
4. Thomas considered some additional business models for Trinisoft. Is it the right time to add new business models? If so, which model(s) would you recommend?

**Questions for Shippo case – Due session 7**

1. Does Shippo founding team represent founder-market fit?
2. How do you interpret the volume figures in case Exhibit 7 and churn numbers in case Exhibit 8 and 9? Does the app strategy appear to be working?
3. What should Behrens Wu do? Should she continue to focus on the app, pivot to the API, or try to do both?
4. How would you configure the sales and product organization and focus areas appropriately?