

EMC PERSPECTIVE



Reader ROI

- A combination of external and internal forces makes product launches challenging and complex.
- Financial services firms can attack new product success from three approaches: transactional, foundational, and/or transformational.
- An investment in product launch success, no matter the approach, can deliver compelling benefits.

Achieving New Product Success within the Financial Services Industry

Overview

In the financial services industry, new product launches are all too often not successful.

Rapid market changes combined with the challenge of changing internal systems to support new offerings make launching new products risky. Because of the high number of failures, firms must screen product and service concepts to project market share penetration and guard against cannibalizing existing offerings. Yet, shorter product lifecycles are driving accelerated product launch processes and giving firms less time to prepare for launch. Financial services firms must maximize the return and minimize the risk of new product/service introductions.

Increasing new product success

The launch challenge can be approached from one of three perspectives:

- The firm may be concerned with launching a single product.
- The firm acknowledges the need for underlying processes to enable successful product launches.
- The firm wants to develop systems to support rapid, customizable launches.

The approach should be based on the firm's current ability to support new products and its commitment to building out new product capabilities going forward.

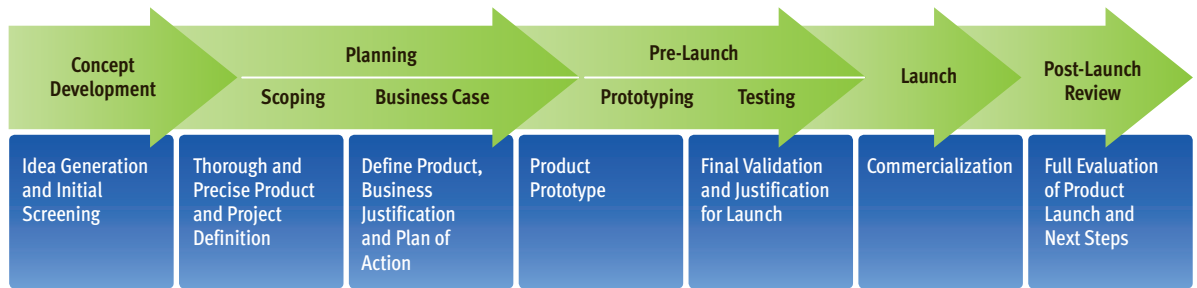
Single product launch opportunities

From the single product launch, or transactional perspective, the objective is to maximize the success and minimize the risks of one, specific new product launch. To achieve this, a financial services firm should focus on following a predefined process based on a product development lifecycle. Careful management of critical success factors over the course of the product development lifecycle will improve the success of the new product.

At every phase of the lifecycle, attention should be paid to achieving specific critical success factors:

- Concept Development and Strategy:
 - Create strong linkage between corporate strategy and new product development
 - Focus project selection decisions
 - Leverage core competencies
 - Provide needed physical and capital resources
 - Create a climate and culture for success
 - Define a product or service that demonstrates:
 - Value for money
 - Excellent quality relative to competition and substitutes
 - Superior ability to meet prospects' needs
 - Benefits which are easily perceived by prospects
- Product Planning:
 - Maintain precise, stable project and product definitions
 - Define clear success metrics
 - Develop strong business justification
 - Seek approval for plan of action

Product Development Lifecycle



- Pre-Launch:
 - Secure approved development plan
 - Test market using pilot or prototype
- Launch:
 - Determine and commit to trial vs. full commercialization
 - Coordinate people, process, and technology implementation
- Post-Launch:
 - Conduct full evaluation of product launch and next steps
 - Develop lifecycle plan

Enable product launch opportunities

The second approach, known as the foundational perspective, is focused on enabling multiple, simultaneous, product prototyping, testing, and launch.

Underlying capabilities include:

- Client-centric models
- Enhanced CRM functionality (e.g., campaign management)
- Enhanced process workflow tools
- Data marts or full-function web services
- Use of third-party collateral development and distribution

Product launch excellence opportunities

The final approach, known as the transformational perspective, optimizes organizational design and launch process to enable rapid, repeatable, and customizable product launches.

The organization is transformed to enable success:

- Clear and compelling value propositions are developed.
- High-performing teams of highly skilled, motivated functional experts are established.
- Customer focus and outstanding customer relationships are developed and maintained.
- Processes are improved to provide adequate resources and seamless alignment.
- Market insight and customer metrics are gathered and integrated into the processes.
- Business analytics and business intelligence feeds the processes.
- All success factors along the critical path are carefully managed.
- Global infrastructure is built out.

Conclusion

Opportunities for increasing new product success exist on multiple levels. Choosing the right approach for your business can yield significant benefits:

- Reduce time to market
- Attain business value
- Minimize risk of new product launch
- Use rapid, repeatable processes to gain competitive advantage

Each product launch may be unique, but all share common success factors that should be managed through a product development lifecycle with a focus on best practices.



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