

Decisions

Yes

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Product Development - Making the Go, No Go Decision

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You've developed a new product. Your friends and family love it and tell you that they're sure it will sell well. You've done some research and learned about the life-cycle of products like yours, as well as the trends and key drivers that determine if your product really might sell well. You've determined the requirements for starting a new business to market your product and how to integrate this new enterprise into your present operation.

But you just can't seem to take the "plunge" and launch this new enterprise. When making the "go, no go" decision for starting a new enterprise, answering several clarifying

questions can help you decide if you're really ready for the task ahead, or if more research and planning are necessary.

There are several basic requirements for evaluating the potential success of your business. You must be able to answer "Yes" to at least one of these questions for your efforts to be successful.

1. Does the product/service/business focus on a presently underserved need?
2. Does the product/service/business serve an existing market in which demand exceeds supply?

3. Can the product/service/business successfully compete with an existing enterprise because you have an “advantageous situation”— better price, location, etc.

Before starting your new venture, you should research and develop a decision framework and a business plan which will help you identify strengths, weaknesses, opportunities and threats to your success. Here are several actions you should include in your decision-making framework.

1. Rate the project based on what’s important to you and your family.
2. Do enough research and planning to give yourself a clear picture of the pros & pitfalls.
3. If you answer “Yes” to any one of the following questions, consider it a “Red Flag” in your planning and proceed with caution.

- a. Are there any issues (restrictions, monopolies, shortages) that make one or more of the inputs or services required for production unavailable?

- b. Do you need an excessive amount of capital such as machinery or property?

- c. Is adequate financing hard to find?

- d. Are there potential detrimental environmental effects like.....?

- e. Are there factors that prevent effective marketing, such as?

Regardless of the outcome of your planning and research, accept your decision. And remember that the decision not to go forward can be a good decision too.

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