

Cialis Lifecycle Management: Lilly's BPH Dilemma

TheCaseSolutions.com

What is product life-cycle management?

PLM is the process of managing the entire life-cycle of a product from inception, through engineering design and manufacture, to service and disposal of manufactured products.

Example:
To illustrate the different stages of the product life cycle more clearly, here is the example of switching manual inkjet and the various stages of each model:

- Introduction: 3D Pin
- Growth: Many dies, DM
- Maturity: 2D
- Decline: Video cassette

New Product Development

Introduction

The first of the four product life cycle stages is the Introduction Stage.

Any business that is launching a new product needs to agree on the PLM strategy and the key PLM objectives.

There is the key that opening up all phases of the stage will generate financial success.

Any investment in research and new product development has to be weighed against the lifecycle for the new product, and which investment phase is related to the objectives of the new product the goal of the marketing PLM stage.

Challenges of the Introduction Stage:

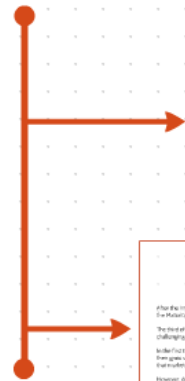
- High investment
- High risk
- Uncertain market

Benefits of the Introduction Stage:

- Establish a market
- Gain a competitive edge

Definition:

The first stage of the product life cycle is the introduction stage. It is the period of time when a new product is first made available to consumers. It is the period of time when a new product is first made available to consumers.



Growth

The second stage in the product life cycle is the Growth Stage. It is the period of time when a new product is first made available to consumers.

Any business that is launching a new product needs to agree on the PLM strategy and the key PLM objectives.

There is the key that opening up all phases of the stage will generate financial success.

Any investment in research and new product development has to be weighed against the lifecycle for the new product, and which investment phase is related to the objectives of the new product the goal of the marketing PLM stage.

Challenges of the Growth Stage:

- Increasing competition
- Differentiation
- Different Market Approach

Benefits of the Growth Stage:

- Create Consumer Awareness
- Increase Sales

Maturity

After the introduction and growth stages, a product passes into the Maturity Stage.

The third of the product life cycle stages is the Maturity Stage. It is the period of time when a new product is first made available to consumers.

Any business that is launching a new product needs to agree on the PLM strategy and the key PLM objectives.

There is the key that opening up all phases of the stage will generate financial success.

Any investment in research and new product development has to be weighed against the lifecycle for the new product, and which investment phase is related to the objectives of the new product the goal of the marketing PLM stage.

Challenges of the Maturity Stage:

- Sales decline
- Decreasing Profit Margins
- Product Differentiation

Benefits of the Maturity Stage:

- Increased Market Share
- Through Differentiation



Volkswagen AG

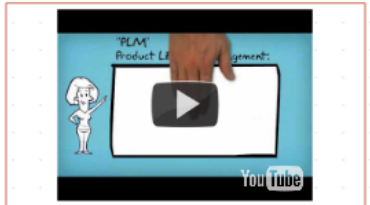
- Volkswagen AG = leading manufacturer of cars
- Largest car maker in Europe
- Today's example: PLC of the "Beetle"

Volkswagen AG

- Development & Introduction Phase (approx. 1938 - 1946)
- Growth Stage (approx. 1950 - 1965)
 - 1 million cars per year
 - Monthly Sales (approx. 1950 - 1970)
 - 1 million cars per month
 - 1.8 million cars per month (1970)
 - Decline Stage (approx. 1975 - 1995)
 - 30,000 cars per month
- Normally = PLC ends and product "vanishes" from the market
- BUT = Volkswagen created a new design for the Beetle to pick up the PLC

Volkswagen AG

- \$560 million investment
- Current news:
 - Shorten PLC by 2 years
 - Gain more market share
 - Meet U.S. needs of quicker design changes



Gatorade

- Gatorade was introduced in the summer of 1965 by a team of physicians from University of Florida School of Medicine after a request by head coach, Ray Graves.
- Kansas City Chiefs were the first NFL team to use Gatorade during the season of 1969.
- Became the official sports drink of the NFL in 1983
- It is currently the official sports drink of the MLB, NASCAR, NBA, NFL, NHL, WNBA, and MLS.

Decline

The last of the product life cycle stages is the Decline Stage. It is the period of time when a new product is first made available to consumers.

Any business that is launching a new product needs to agree on the PLM strategy and the key PLM objectives.

There is the key that opening up all phases of the stage will generate financial success.

Any investment in research and new product development has to be weighed against the lifecycle for the new product, and which investment phase is related to the objectives of the new product the goal of the marketing PLM stage.

Challenges of the Decline Stage:

- Product Saturation
- Falling Sales and Profits
- Product Differentiation

Benefits of the Decline Stage:

- Change Product Offerings
- Differentiation

Lilly's BPH Dilemma

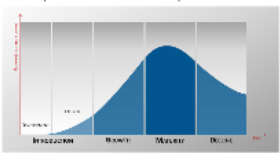
CaseSolutions.com

What is product life-cycle management?

PLM is the process of managing the entire life-cycle of a product from inception, through engineering design and manufacture, to service and disposal of manufactured products.

Example:
To illustrate the different stages of the product life cycle more clearly, here is the example of watching recorded television and the various stages of each method.

- Introduction: 3D TVs
- Growth: Blu-ray discs/DVR
- Maturity: DVD
- Decline: Video cassette



Volkswagen AG

- Volkswagen AG = leading manufacturer of cars
- Largest car maker in Europe
- Today's example: PLC of the "Beetle"

Volkswagen AG

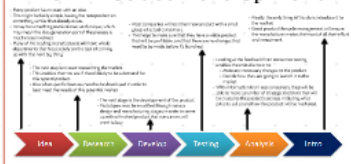
- Development to Introduction Phase (approx. 1938 – 1946)
- Growth Stage (approx. 1950 – 1965)
 - 1 million cars per year
- Maturity Stage (approx. 1966 – 1977)
 - 1 million cars per month
 - 1.3 million cars per month (1971)
- Decline Stage (approx. 1977 – 1995)
 - 30,000 cars per month
- Normally = PLC ends and product "vanishes" from the market
- BUT = Volkswagen created a new design for the Beetle to prolong the PLC

Volkswagen AG

- \$560 million investment
- Current news:
 - Shorten PLC by 2 years
 - Gain more market share
 - Meet U.S. needs of quicker design changes



New Product Development



Gatorade

- Gatorade was introduced in the summer of 1965 by a team of physicians from University of Florida School of Medicine after a request by head coach, Ray Graves.
- Kansas City Chiefs were the first NFL team to use Gatorade during the season of 1969.
- Became the official sports drink of the NFL in 1983
- It is currently the official sports drink of the MLB, NASCAR, NBA, NFL, NHL, WNBA, and MLS.



Introduction

The first of the four product life cycle stages is the Introduction Stage.

Any business that is launching a new product needs to appreciate that this initial stage could require significant investment.

This belief is that spending a lot of money at this stage will guarantee the product's success.

Any brand new to market as an unproven development has to be supported in order to build sales from the start. product, and an effort on marketing plan will need to be developed in order to drive the new product to the target group of customers.

- Challenges of the Introduction Stage**
- Similar to research
 - Low sales
- Benefits of the Introduction Stage**
- High sales

Growth

The Growth stage is the second of stages in the product life cycle, and for many manufacturers this is the key stage for establishing a product's position in the market, increasing sales, and increasing profit margins.

This is a period of the product life cycle where consumer demand is high and the product is becoming well established in the market. It is a period of rapid growth.

How can a product move from the introduction stage to the Growth stage, and how can it be made more competitive for future market success?

- Challenges of the Growth Stage**
- Increasing competition
 - Lower prices
 - Different Market Approaches
- Benefits of the Growth Stage**
- Extra sales
 - Greater Consumer Awareness
 - Increase in Profits

Maturity

After the Introduction and Growth stages, a product passes into the Maturity stage.

The third of the product life cycle stages can be quite a challenging time for manufacturers.

In the last stages of a product's life cycle, manufacturers try to extend the product's life cycle as long as possible.

However, during the Maturity stage, the primary focus for most companies will be maintaining their market share in the face of a number of different challenges.

- Challenges of the Maturity Stage**
- Sales will start to fall
 - Decreasing Market Share
 - Profit Starts to Decrease
- Benefits of the Maturity Stage**
- Continued Sales and Profits
 - Increased Market Share
 - Through Differentiation

Decline

The last of the product life cycle stages is the Decline stage, which is the stage where sales are falling and the product is becoming obsolete.

When you look at the classic product life cycle curve, the Decline stage is very clearly demarcated by the fall in both sales and profits.

Despite the obvious challenges of this decline, there may still be opportunities for manufacturers to continue making a profit from their product.

- Challenges of the Decline Stage**
- Falling Sales and Profits
 - Product Withdrawal
- Benefits of the Decline Stage**
- Create Products
 - Create Markets

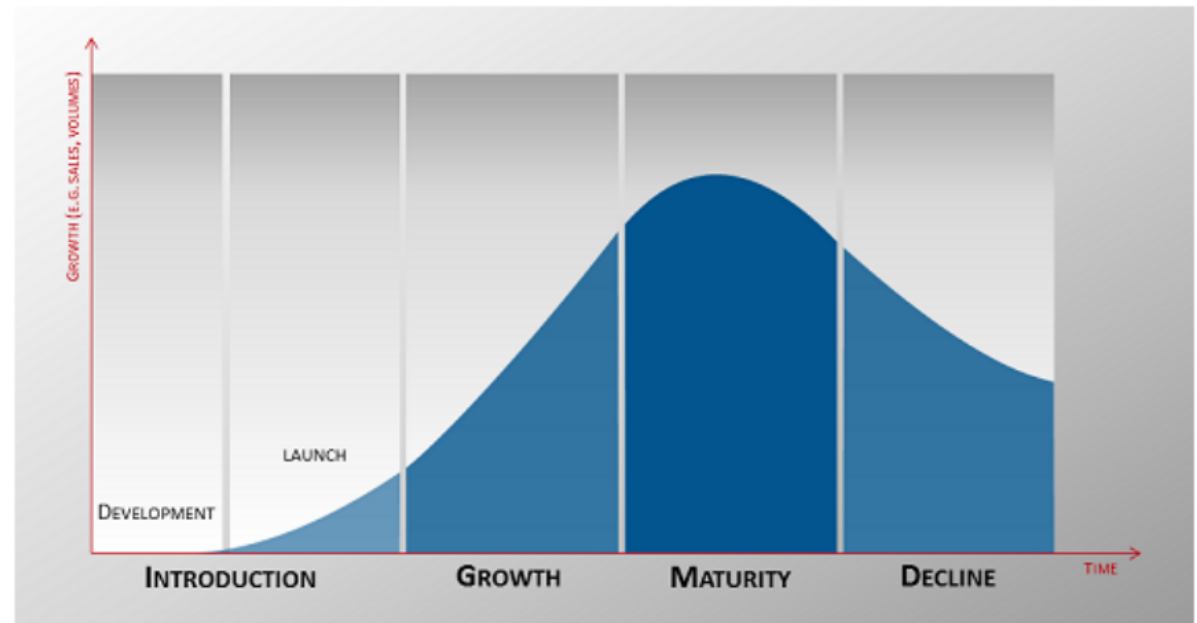
What is product life-cycle management?

PLM is the process of managing the entire life-cycle of a product from inception, through engineering design and manufacture, to service and disposal of manufactured products.

Example:

To illustrate the different stages of the product life cycle more clearly. Here is the example of watching recorded television and the various stages of each method:

- **Introduction:** 3D TVs
- **Growth:** Blu-ray discs/DVR
- **Maturity:** DVD
- **Decline:** Video cassette



through engineering design and
and disposal of manufactured products.

