



Product Life Cycles and S-Curves

by
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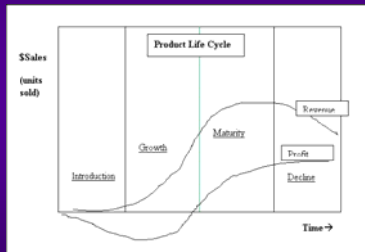
Product Life Cycles and Technologies

What's a product? Technology?

T.V.	BW Tube, Color Tube, LCD
Memory	Magnetic core, RAM, Flash
Stereo	Tape, Cassette, MP3
Camera	SLR, CCD

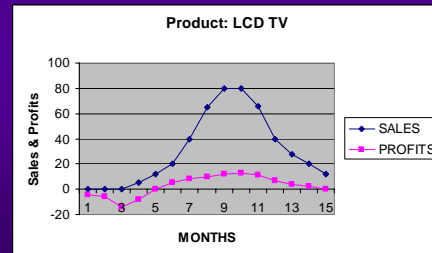


The Product Life Cycle



Product Life Cycle

SALES	0	0	0	5	12	20	40	65	80	80	66	40	28	20	12
Profit	-4	-6	-14	-8	0	5	8	10	12	13	11	7	4	2	0



Try this:

Make a few "transparency" copies of your Sales/Profit curve and overlap them (same as taking the rows from your spreadsheet, time shifting them and adding them up) - so that you have continually increases sales and profits!



When to introduce next product?

Not too early (don't eat your young)
Not too late (don't get eaten by competition)

Introduce new products such that cumulative revenue lines keep increasing, i.e. plow profits into new R&D





Technology Development

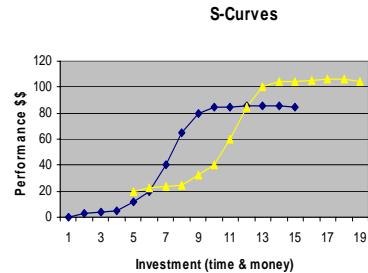
Quantum leaps in performance:

E.g. the jump from tubes to transistors
from transistors to chips

E.g. from core memory to chips



Technology S-curves



Law of Diminishing Returns

When incremental increases in input
result in diminishing increases in
output.

Then you know its time to ride a new
horse.



How to keep up with new tech?

- Professional associations
- Industry Associations
- Conferences
- Competition
- R&D Labs - university collaboration



My own story...

Why I sold my company when I did....



(Which one's Mike?)



Thanks for your attention!

Please read:

www.sfu.ca/~mvolker/biz/pushpull.htm

