

Success Factors in New Services Performance: A Research Agenda

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Nowadays developing and introducing new products is essential for a firm's survival. Since new services sometimes fail, managerial decisions about services development become critical. Though researchers have shown an increasing interest in the study of the development processes of new services, the literature on this topic is still scarce and usually based on the manufacturing sector. From this perspective, the present article focuses on the study of the processes that companies must go through in order to develop new services. Based on a profound literature review, this work establishes five main category factors that can determine the success of new services. The identification and description of the processes and activities required to obtain and develop each factor constitute the main contributions of this work both from a managerial and an academic perspective.

Keywords: New services development, success factors, category classification

Introduction

In a global market economy, developing and introducing new products is essential for a firm's survival. Since companies cannot depend only on their current product offerings to meet their objectives, this practice is one of the most important factors driving competitiveness (Froehle et al. 2000; Schilling and Hill, 1998; Odenboom and Abratt 2000). In particular, this practice can be considered a key issue in the services sector (Drew 1995) given the complex conditions in the business environment as well as the high consumer expectations regarding the variety, quality and quantification of services (Froehle et al. 2000).

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Despite the importance of new services, they sometimes fail, resulting in massive financial and strategic losses. Although some losses may be low (Davison et al. 1989) there are a great number of hidden costs that should be considered (Easingwood and Storey 1993; Oldenboom and Abratt 2000). In particular, risks related to services innovation are specifically relevant, not only because of their distinctive characteristics but also because their success depends on customers' reactions. From this perspective, managerial decisions about services development become critical as they require large inputs of capital and technology along with human and knowledge resources (De Brentani 1995a),

The marketing literature has been investigating this phenomenon for a long time and researchers have developed an increasing interest in the study of new services development (NSD) processes. Although several works have been carried out in order to determine which factors have the most impact on firm success, the literature on NSD is still scarce and usually based on the manufacturing sector (Oldenboom and Abratt 2000). Also, whereas initial works observed that goods manufacturers and services providers focused on similar development activities in order to create and improve performance, recent works have demonstrated how the NSD processes should not be exclusively based on goods manufacturing processes (e.g., Kelly and Storey 2000).

Therefore, the management of innovation should be different when considering new services. Services and products differ in their intrinsic characteristics, which influences some aspects of the NSD process. Also, development processes, organizational structure and life-time cycle are different for services (Griffin, 1997), making it necessary to develop different tasks and activities (Atuahene-Gima 1996a; Edgett 1994; John and Storey 1998; Martin and Home 1995).

This article focuses on the study of those processes that companies must observe in order to develop new services. Based on a profound literature review, this work establishes five main category factors that can determine new services success. The identification and description of the processes and activities required to obtain and develop each factor constitute the main contributions of this work both from a managerial and an academic perspective.

The paper is designed as follows. First, the success factors in new services development processes are identified and established. Second, the processes and activities involved in the operationalization of the factors are described based on a profound literature review. Finally, the conclusions, limitations and further research are outlined.

Factors of Success in New Services Development (Nsd) Processes

Recent studies have detected a number of traits that contribute to success in NSD activities. Although the number of factors mentioned is different depending on the work considered, all of them can be classified into different groups according to different criteria. In this work we present a classification containing five main groups, as can be seen in Table 1.

Table 1. Factors of Success in New Service Development

GENERAL FACTOR	NAME	SUB-FACTORS	RESEARCHERS CONSIDERING THE FACTOR
Organizational Culture	Market Orientation	Strong Consumer Orientation Strong Company-Consumer Relationship Competence, Knowledge and Orientation Marketing Intelligence Interfunctional Coordination Cross-Functional Teamwork	Atuahene-Gima (1995, 1996a,b); Bean and Radford (2001), Bendapudi and Leone (2003); Bowers (1 989); Cooper and De Brentani (1991); Cooper et al. (1994); Cooper and Edgett (1996); Cooper and Kleinschmidt (1995); De Brentani (1989, 1991, 1995a,b, 2001); De Brentani and Cooper (1992); Drew (1995); Easingwood and Storey (1993); Edgett (1994); Edgett and Parkinson (1994); Edvardsson et al. (1995); Hillebrand and Biemans (2004); Johne and Storey (1998), Kahn (1996, 2001); Langerak et al. (2004); Lilien et al. (2002); Martin (1996); Martin and Home (1995); Odelboom and Abratt (2000); Ottum and Moore, (1997); Santoro (2000); Storey and Easingwood (1996, 1998); Vazquez et al. (2001)
	Quality Approach	Quality Approach	Atuahene-Gima (1996a); Cooper and De Brentani (1991); Cooper and Edgett (1996); Cooper and Kleinschmidt (1995); De Brentani (1989, 1991, 1995a,b); De Brentani and Cooper (1992); Easingwood and Storey (1993); Edgett (1996); Edvardsson et al. (1995); Odelboom and Abratt (2000); Storey and Easingwood (1996; 1998)
	Top Manager Support	Top Manager Support	Atuahene-Gima (1995,1996a); Bowers (1989); Cooper and Edgett (1996); De Brentani (1991; 1995a,b; 2001); Drew (1995); Easingwood and Storey (1993), Edgett (1994); Edgett and Parkinson (1994); Edvardsson et al. (1995); Hillebrand and Biemans (2004); Johne and Storey (1998) Martin (1996); Martin and Home (1995); Odelboom and Abratt (2000); Storey and Easingwood (1996, 1998)
	Innovation Culture	Innovation Culture	Bean and Radford (2001); Buckler and Zien (1996) De Brentani (1995a, 2001); De Brentani and Ragot (1996); Drew (1995); Johne and Storey (1998); Storey and Kelly (2001); Storey and Easingwood (1996); Zien and Buckler (1997).

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GENERAL FACTOR	NAME	SUB-FACTORS	RESEARCHERS CONSIDERING THE FACTOR
Marketing Factors	Marketing Efficiency And Effectiveness	Marketing Support Marketing Efficiency and Effectiveness Execution Quality Of Marketing Activities Communication Strategy Effectiveness Intermediary Support Strong Company Reputation And Image Front-Line Personnel Strong Marketing Research Customer Participation	Atuahene-Gima (1995); Cooper and De Brentani, (1991); Cooper and Kleinschmidt (1995); Cooper et al. (1994); De Brentani and Ragot (1996) Easingwood and Storey (1991, 1993) Edgett and Parkinson (1994); Storey and Easingwood (1993, 1996, 1998)
Services Factors	Differentiation Advantage	Differentiation Advantage Product Superiority Technology Advantage	Atuahene-Gima (1995,1996a,b); Cooper and De Brentani (1991); Cooper et al. (1994); Cooper and Edgett (1996); Cooper and Kleinschmidt (1995); De Brentani (1989, 1991); De Brentani and Cooper (1992); De Brentani and Ragot (1996); Easingwood and Storey (1991, 1993); Oldemboom and Abratt, (2000) Storey and Easingwood (1993, 1996, 1998)
	Service/Company Synergy	Marketing Resources Fit Technology Resources Fit Human Resources Fit Financial Resources Fit Service Expertise	Atuahene-Gima (1996a); Cooper and De Brentani (1991); Cooper and Kleinschmidt (1995); De Brentani (1989, 1991; 1995a,B 2001); De Brentani and Cooper (1992); Edgett (1994); Edgett and Parkinson (1994); Storey and Easingwood (1993, 1996), Oldenboom and Abratt (2000)

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GENERAL FACTOR	NAME	SUB-FACTORS	RESEARCHERS CONSIDERING THE FACTOR
Market Factors	Market Potential	Market Potential Attractiveness Market Growth Attractive Company Position	Atuahene-Gima (1996a); De Brentani (1991; 1995a,b 2001); De Brentani and Cooper (1992); De Brentani and Droge (1985); De Brentani and Ragot (1996); Edgett (1994); Edgett and Parkinson (1994); Hart et al., (2003); Storey and Easingwood (1996)
	Service/Market Fit	Service/Market Fit	Cooper and De Brentani (1991); Cooper and Kleinschmidt (1995)
Organizational Process	Development Process	Formal, Complex and Proficiency Development Process Proficiency of Predevelopment Activities Speed in the Development and Launch Proficiency Launch Process Quality of Service Delivery.	Atuahene-Gima (1995, 1996a); Bowers (1989); Cooper and De Brentani (1991); Cooper and Edgett (1996); Cooper and Kleinschmidt (1995); Cooper et al. (1994); De Brentani (1989, 1991; 1995a,B, 2001); Drew (1995); Edgett (1994, 1996); Edgett and Parkinson (1994); Griffin (1997), John and Storey (1998); Storey and Easingwood (1996, 1998); Storey and Kelly (2001)
	Performance Measurement System	Performance Measurement System	Brignall and Ballantine (1996); De Brentani (1989); Kaplan and Norton (1996 a, b, 2001); Hart et al. (2003); Neely et al. (1997, 2000) Oldenboom and Abratt (2000); Pawar and Driva (1999).

Organizational Culture

The first factor that can be mentioned is organizational culture. Nobody disputes the importance of this factor in an organization since it contains its principles, philosophy, guidelines, strategies, activities, cognitive processes and behavioural system. This factor consists of the four different elements that are described in the following passage.

The first element included within this factor is *market orientation*. Usually referred to as one of the most important aspects in NSD processes, market orientation is influenced by: (1) the degree of newness to the company and customers; (2) the intensity of market competition and industry hostility, and (3) the stage of the product life cycle (Athuane-Gima 1995). The concept of market orientation is frequently used to describe those organizational behaviours and activities that are evidence for the adoption of the marketing concept philosophy (Jaworski and Kohli 1994). Regarding this organizational culture, consumer orientation, competition

orientation and inter-functional coordination are considered fundamental guidelines (Narver and Slater 1990; Slater and Narver 1995). Also, when developing better products and services oriented to the new consumers' needs, the company must create, maintain and disseminate a market intelligence information system (Athuane-Gima 1996b).

The second element included within organizational culture is the *quality approach*. Services quality has become a strategic issue for organizations since it rules not only the development and design of new services but also the strategies and activities that must be performed in order to create them. Quality is related to profitability, being regarded as a way of gaining market share, improving productivity, enhancing sales and creating barriers to new entries. Under this approach the main company objective is to offer consumers superior value as well as a better services experience (de Brentani 1991). However, as it can sometimes be an ambitious objective in the services sector, some authors suggest a variety of aspects that contribute to a reduction of risk: top management support, quality policies, programs on the strategic side (Forker et al. 1996), customer-service personal contact intensity and service customization (Athuane-Gima 1996a).

Top *management support* can be considered another relevant element within organizational culture. This aspect involves both a long-term and a regular management perspective, along with commitment and support throughout the development processes (Athuane-Gima 1996a). Different management categories can support the NSD processes (Martin and Home 1995). In any case, the top managers should be in command of those processes, or else they should be replaced by another management team that ensures that the ideas are carefully evaluated (Oldemboon and Abratt 2000). Certainly, teams are more effective when they have a concurring goal orientation, exhibit great integration and communication among all the members and are strongly led and driven (Edgett 1994.; Kahn 1996; 2001; Pinto et al. 1993). This aspect is especially important indeed, considering the particular characteristic of services (intangibility, variability and perishability) and requires a great capacity of planning and control over all new services development processes (Athuane-Gima 1996a; Khan 1996; Oldelboom and Abratt 2000).

The last element to be mentioned within organizational culture is the existence of a *strong innovation culture*. Related to market orientation (Kholi and Jaworski 1990) innovation culture is a key element in the company's survival, and involves a continuous search for sources of creating new value in a way virtually imprinted on their "corporate DNA" (Buckler and Zien 1996). This factor can be defined as the set of activities ranging from the expectations of introducing and maintaining a new product on the market, to the activities required to offer customers value and provide firms with benefits (Buckler and Zien 1996).

In this regard, it is worth mentioning that during the past decades some researchers have identified a strong relationship between some orientations and philosophies that have emerged in firms. In particular, we refer to the relationship between market orientation, innovation orientation, quality orientation and learning orientation (Baker and Sinkula 1999 a,b). It is not difficult to understand the relationship between market orientation,

quality orientation and innovation orientation if we consider that market orientation is the prevalent one. Hence, the mission of the firm is to offer customers the highest degree of satisfaction possible. It also sets out the way to achieve innovative products as well as quality products. As to the relationship between market orientation and learning orientation, it is worth mentioning some works such as those by Kolhi and Jaworski (1990) or Slater and Narver (1994b, 1995) which go deeper into the study of organizational learning in the context of market orientation, highlighting that the advantages of this approach are basically that it involves a continuous search for information on customers and competitors (and even stakeholders) as well as on the use of this information to create a market intelligence (organisational intelligence), disseminate it throughout the firm and use it to respond to the markets where the company is involved and create more value. The previous premise implies considering that a market-oriented company tends to develop a structured and formalized process of organizational learning within firms.

Companies with a strong innovation culture commonly share a set of characteristics, qualities and behaviours. In fact, some researchers argue that it is possible to affirm that there are seven key principles that define this kind of entrepreneurship culture (Zien and Bucker 1997). Nevertheless, in spite of the fact that these principles are the same for all companies, each company's *Implementation formula* is particular and specific. Thus, each company customizes the principles for its own corporate culture by systematically implementing a set of practices throughout the whole organization.

Innovation culture is greatly influenced by top managers since the implementation of an innovation culture requires strong manager support and a high involvement by senior managers as well as cross-functional teams with excellent internal communications (de Brentani 2001). Therefore, top managers must create optimal innovative ideas because their vision and their unique approach are fundamental in order to solve customer problems and in turn, to enhance the overall reputation of the organization. Furthermore, innovation culture is very important in the development of radical innovations (de Brentani, 2001). Radical innovations involve pioneering, risk-taking and developing entirely new competences, which defines the new services function. From this point of view, top managers should thus encourage entrepreneurship, rewarding creativeness and risk-taking on the part of services personnel.

Marketing Factors

The second group of factors includes marketing factors. Marketing factors involve the marketing strategy employed, people's knowledge, distribution channel support and the operations management system (Storey and Easingwood 1998). Other works also incorporate into this classification the firm's marketing capability, front-line personnel, market analysis resources and ability to communicate with clients (de Brentani and Ragot 1996).

Easingwood and Storey (1991) suggest that communication strategy and intermediary support should be considered the most important aspects of the marketing strategy. On the one hand, this type of communication has

a great impact on the success of the services, not only because it lets consumers participate in the development processes but also because the company can communicate the benefits of the services through these processes (de Brentani and Ragot 1996). This factor can also be considered essential as it can create a special image for new services, thus influencing the company's reputation (Easingwood and Storey 1991; Storey and Easingwood 1996, 1998, 1999). On the other hand, the intermediary support also has a great impact on the success of services. Companies can use intermediary networks as vehicles to exert direct or indirect control over the service creation and delivery system (Easingwood and Storey 1991).

Service Factors

The third group of factors considered refers to the service factors, which include the service advantage and service-company synergy as essential elements.

On the one hand, the marketing literature supports the idea that the service advantage is one of the most successful factors in the NSD process. The product advantage refers to the differential benefits that customers get from the commercial entity as the outcome of the innovation process (Athuane-Gima 1995). Products that deliver a superior *service outcome* are competitive products, offer unique customer benefits, provide faster, more efficient and more reliable services, have a higher quality image, offer better value and are usually more successful. Though some experts have argued that this kind of opportunity is not easy to achieve for service products, other researchers have not supported this idea (de Brentani and Cooper 1992).

On the other hand, service-company synergy constitutes a strong predictor of success. This construct is related to the degree to which the resources required to develop market innovations fit the firm skills. In other words, this factor involves the firm's ability to benefit from its existing delivery systems, human resources, sales, market research system and managerial skills (Athuane-Gima 1995, Oldelboom and Abratt 2000). This fit can be the result of several elements: financial resources, marketing expertise, marketing resources, delivery systems, technology systems, product assortment, management expertise, market research expertise, and so forth (Storey and Easingwood 1996). More specifically, the literature recognizes two main types of service-company synergy: first, the innovation-market synergy, and second, the innovation-technology synergy (Athuane-Gima 1996a). Whereas innovation-marketing synergy indicates whether the new service can take advantage of the current marketing skills and resources (e.g. sales force, distribution, advertising, promotion, market research and customer service/delivery), innovation-technology synergy suggests whether the new service can make use of the current technological skills and resources (e.g. production and engineering).

Market Factors

The next group of factors incorporates the market factors. This main group includes two basic aspects: the market potential and the service-market synergy.

Basically, the market potential is defined by the level of the market's growth and size (de Brentani and Ragot 1996), the company market position, the level of customer loyalty and the satisfaction with existing brands, the degree of familiarity with the product class and the lack of competition in the marketplace (Cooper et al. 1994, Storey and Easingwood 1996). As another determinant of the service's success, this factor is used in most strategy models to allocate resources to new and existing businesses or products (Cooper and Kleinschmidt 1995). Nevertheless, authors such as de Brentani and Cooper (1992) consider its effects outside of the success formula when this factor is taken along with other factors in the services sector. One reason this occurs is that large and growing markets may not be as important to services as they are to physical products since development costs are often lower and fewer clients are needed to ensure success. Another reason argued by these and other authors is that service firms have learnt to cope with intensive market competition given the relative ease with which new services are imitated by competitors (Athuane-Gima 1996a, Cooper and de Brentani 1991).

Another factor included in this group is the service-market fit. This factor defines the degree to which the new service meets the customer's needs, wants and requirements (de Brentani and Cooper 1992). Services with a high service-market fit satisfied and identified customer needs clearly, responded to important changes in customer needs or wants and were consistent with customers' value and operating systems (Cooper and de Brentani 1991). A strong market orientation is a fundamental factor that helps achieve a service-market fit. A good knowledge of the customer and the development of a customer orientation make it easy to develop a strong company-customer relationship. In this type of relationship new services can be adapted to customer needs and wants more precisely.

Organizational Processes

The last group, called organizational factors, involves all the processes that are implemented for the correct development of a new service success. Basically, this group includes the new service development process and the creation of a performance measurement system.

The model developed by Cooper (1994) is of great interest. Called a stage-gate system, the model is both a conceptual and operational model for moving a new product from the idea stage through to market launch and beyond. It is a blueprint for managing the new product process to improve effectiveness and efficiency (Cooper 1994b, 1996). In this model the innovation process is broken up into predetermined stages or work stations.

The same authors support the idea that Cooper's model can be adapted for services (Cooper and de Brentani 1991; Cooper and Edgett 1996; Edgett 1994; Edgett and Parkinson 1994). Thus, the model for explaining the NSD process can be defined as a stage-gate system.

Each step consisting of prescribed, multifunctional and parallel activities (Cooper and Kleinschmidt 1995) is undertaken by people from different functional areas, working together within the team and guided under a single manager (Cooper 1996). In order to manage risk via a stage-gate scheme, between each stage there is a quality control checkpoint or

gate. These are the points where the path forward for the next play or gate of the process is decided along with resource commitments. Gate meetings are usually staffed by senior managers from different functions, who own the resources required for the next stage by the teamwork. Each gate is characterized by a set of deliverables or inputs, a set of exit criteria, and an output (Cooper and Kleinschmidt 1993). Inputs are the deliverables to a gate review, i.e. what the team delivers to the meeting. They are the results of the actions of the previous stage and are based on a standard menu of deliverables at each stage. The criteria are questions on which the project is judged in order to make the go/kill and prioritisation decision and include qualitative and quantitative criteria. Finally, outputs are the results for the gate review, the decision at the gate, typically a go/kill/hold/recycle decision, and the approval of an action plan for the next stage (Cooper 1996).

Finally, flexibility is built in to promote acceleration of projects. In order to speed products to market, stages can overlap each other; long lead time activities can be brought forward from one stage to an earlier one, projects can be propelled into the next stage, even though the previous stage has not been totally completed; and stages can be left out and combined (Cooper and Kleinschmidt 1995).

The NSD process contains the following steps: (1) Business and new service strategy development, (2) Idea generation; (3) Concept development; (4) Business analysis; (5) Design of delivery process and system; and (6) Full preparation and market launch. Apart from this general model, the sector where the company competes also determines the way the new service is developed, and the importance given to every stage. Actually, many authors support the idea that there are stages which are more important than others, or otherwise, that some stages should be developed more carefully and proficiently if the company wants to achieve a new service success. Among them, we can cite: proficiency in predevelopment activities (Atuahene-Gima 1996a,b; Cooper and Kleinschmidt 1995); quality of execution of marketing activities (Storey and Easingwood 1996); sharp and early service definition (Cooper 1994b; Cooper and Kleinschmidt 1995); and launch effectiveness (Edgett 1994; Edgett and Parkinson 1994; Odelboom and Abratt 2000).

On the other hand, another set of tasks in NSD are the gates. As we have previously seen, gates are the entrance to each stage, in other words, a checkpoint for a go or kill decision. A deep revision allows us recognize eight essential gates:

- (1) Evaluation after idea generation
- (2) Evaluation after concept development
- (3) Evaluation after business analysis
- (4) Evaluation after process and system development
(functional testing)
- (5) Evaluation after service market testing
- (6) Evaluation after final launch preparation
- (7) Evaluation after service launches (short term)
- (8) Evaluation after service launches (long term)

Nowadays the literature recognizes that any type of measurement and control system can be considered as a process in itself, but there has been little interest in the measurement system necessary to manage this process (Pawar and Driva 1999). Existing tools focus on the strategic level with a minimal involvement of designer and developer tools. Furthermore, there is little evidence of work that examines performance in a design and development context. Nevertheless, today's managers recognize the impact that measurement and control systems have on performance (Kaplan and Norton 1996 a,b, 2001). Thus, it is logical to consider that an effective measurement and control system must be an integral part of the new service development process. As a performance measurement system its objective would be to measure the way that a firm's objectives are being achieved during different stages of a new creation process in order to control NSD results and enhance its success and performance.

Operationalization of Processes and Activities Factors

The factors described above guarantee the success both of the innovation process and the new service market launching. However, firms do not usually have those factors and must guarantee their presence by developing certain activities or particular processes.

Table 2 shows the activities and processes that firms must develop in order to guarantee any or all of the mentioned factors.

Conclusions and Future Research Lines

An increasing interest in the study of innovation processes has emerged during the past decades. However, the literature concerning the services' sector is relatively scarce and based on knowledge from the manufacturing sector. Although it has been shown that the experience obtained from the development of new products is necessary, it is still not enough to identify the factors influencing the success of a new service. For this reason several researchers have suggested that research should be done on services innovation processes, which must consider not only the experience of new product development but also the distinctive characteristics of services.

The literature review gives evidence for the existence of a variety of different impactful factors in the success of new services. Although these factors may vary depending on the study, it is possible to identify clear relationships among them. In general, five categories of factors influencing the success of new services can be identified. However, since the presence of these factors is not guaranteed in organizations, there are different activities and processes that can guarantee it.

The first group of factors relates to the *firm's organizational culture* and includes all the principles, approaches and orientations that guide the organizational philosophy, strategy and activities. In other words, the cognitive process, the internal function and the organization's market behaviour. The second group includes the *marketing factors* and refers to the organization's marketing skills including, among others, the development of a new services marketing strategy, the knowledge of the

Table 2. Processes and Activities Required to Guarantee the Presence of the Factors in the Organization

GENERAL FACTOR	NAME	OPERATIONALIZATION OF SUCCESS FACTORS	ACTIVITIES FOR THE DEVELOPMENT OF THE FACTOR
Organizational Culture	Market Orientation	Organizational behaviours and activities that manifest the adoption of the marketing concept philosophy Usually these consist of three activities: Market intelligence generation Market intelligence dissemination Organizational response to the information	Development and use of the company human resources for learning customer needs and preferences. Deep analysis of the market and the forces operating in it Coordination, elaboration and communication among different areas in the company. Cross-function team. Coordination between management and front-line employees during the development process.
	Quality Approach	All activities developed by the firm to improve quality of the new product through enhancement of its tangible and intangible aspects	High level of quality in the use of technology, functions and service delivery Service quality evidence Strong brand image Products have supporting tangible elements Quality of delivery
	Top Manager Support	Top manager knowledge, confidence in and support of any activity developed by the company	Right organizational structure Connection and balance between marketing and technological activities High level of knowledge about the potential benefits and what the new service offers to the company Top manager high level of qualifications, knowledge, confidence and enthusiasm. Regular management contact and encouragement as well as commitment of funds to the varied stages of development.
	Innovation Culture	Extent to which the firm has an innovative corporate culture that offers the development of a spectrum of activities that generate new customer value in the form of service and satisfactory return of the enterprise.	Knowledge and anticipation of the customer needs and preferences, and competitive behaviour of the competition Sustain faith and treasure identity as an innovative company Experience in all functions, especially in the front end. Structure "really real" relationships between marketing and technical people. Generate customer intimacy Engage the whole organization Never forget the individual Tell and embody powerful and purposeful stories.

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GENERAL FACTOR	NAME	OPERATIONALIZATION OF SUCCESS FACTORS	ACTIVITIES FOR THE DEVELOPMENT OF THE FACTOR
Organizational Process	Development Process	<p>Development of stage-gate process for moving a new service project through the various steps from idea to launch.</p> <p>It breaks the innovation process into a predetermined set of steps, each consisting of prescribed, multifunctional and parallel activities. The entrance to each stage is a decision gate, a checkpoint for a go or kills decision. It is a multifunctional and parallel activity developed by people from different functional areas within the firm. Some of these steps need to be developed in a proficient way. Speed in the development and launch process is important for success. But the efficiency of the process is necessary at all times.</p>	<p>Definition: a formal, complex and efficient development process.</p> <p>Importance of the first steps developed during the process.</p> <p>Defining the criteria to go or kill a project.</p> <p>Information about the temporal preference of the consumers.</p> <p>Direct overall consumer participation</p> <p>Information about activities of the competition</p> <p>Use of information technology and market research</p> <p>Direct overall customer participation</p>
	Performance Measurement System	<p>Development of a complex and multidimensional process of measurement that ensures the performance of the new service development process.</p> <p>Performance means the achievement of overall goals and objectives</p>	<p>Define and design the gauges used in the measurement system.</p> <p>Financial criteria</p> <p>Competitive criteria</p> <p>Market criteria</p> <p>Company criteria</p> <p>Service criteria</p> <p>Legal criteria</p>
Marketing Factors	Marketing Efficiency And Effectiveness	<p>Strong company knowledge and support for all marketing activities developed during the new service development process.</p> <p>Development of a communication and distribution strategy that makes the product knowledge and acquisition easy and could generate a positive service image.</p>	<p>Knowledge in marketing strategy development</p> <p>High support in the communication and distribution strategies.</p> <p>Good knowledg of the service and its value</p> <p>Right definition of the company and service positioning</p> <p>Good and correct knowledge and understanding of the consumer and the competition</p> <p>Sufficient resources devoted to marketing activities.</p>
Services Factors	Differentiation Advantage	<p>Offer a differentiated service that delivers unique benefits and superior value to the consumer.</p> <p>Unique attributes and characteristics for the consumer</p> <p>Superior to competing service in terms of meeting customer needs.</p> <p>Excellent relative service quality</p> <p>Superior price/performance characteristics for customer as compared to the products of the competitor</p> <p>Highly visible benefits</p> <p>Unique attributes and characteristics for the customer</p> <p>High quality image</p>	<p>Information about customer needs, wants, preferences, likes and dislikes</p> <p>Information about the company and the weaknesses and strengths of the competition</p> <p>Information about company assumptions on its winning services, process and system design</p> <p>A superior delivery system.</p> <p>Positive company image</p> <p>Strong market investigation</p> <p>Innovative technology system</p>

GENERAL FACTOR	NAME	OPERATIONALIZATION OF SUCCESS FACTORS	ACTIVITIES FOR THE DEVELOPMENT OF THE FACTOR
Service Factors	Service/ Company Synergy	The degree of fit between the needs of the project and the resources, skills and experiences of the company	Innovation fits with the company's existing service delivery system Innovation fits with the firm's expertise and human resource capabilities Innovation fits with existing management skills and preferences Innovation fits with company's sales and promotional capabilities and resources Innovation fits with firm's financial resources Innovation fits with firm's technological resources Innovation fits with the marketing research capabilities and resources The expertise of the personnel that produce and deliver the service
Market Factors	Market Potential	The market capacity for growth and stability to offer the new service success.	Services obtain a high market growth rate Services obtain large value market in pounds A strong understanding of customer wants and needs A strong consumer need for the product
	Service/ Market Fit	The degree to which the service is capable of satisfying the needs and wants of the consumer	Satisfy clearly identified customer needs Respond to important changes in customer needs and wants Service solves important consumer problems New service consistent with existing customer value and operating systems.

agents implied in the innovation processes directly or indirectly, the marketing channel support and the development of a managerial operations system. The third group of factors identified incorporates the *services factors* and refers to the superiority and differentiation of the new service in the market and the fit between the new service and the firm's resources and abilities. Finally, the *market factors* include the market potential and the market fit of the new service.

Certainly, several empirical findings have shown the importance of the factors mentioned above. Along with these factors, the development processes also influence the success of the new service. Furthermore, from the new services literature review it is possible to identify a new group of factors, the *organizational factors*, which refer to the development of processes oriented to creating and guaranteeing the correct development of new services. In particular, this latter group of factors is related to the set of tasks that are performed during the creation and launching of a new service, as well as to the evaluation process which develops in parallel to the previous process.

In spite of the differences between products and services, several researchers suggest the use of products development models for the study of new services development. From this premise, the Cooper model makes it possible to define the new services development process as a stage gate system. This model can be briefly defined as follows. On the one hand, a set of multifunctional and parallel activities are performed at every stage of the process. These activities are developed by personnel of different functional areas that work in a joint team under the supervision of a team manager.

On the other hand, there are also activities performed called gates, which are located at the beginning of each stage and make possible to decide whether to continue to the new stage or not. In these control gates, the process quality is analysed by functional managers who have the required resources to develop the new stage process.

Nowadays, the strategic management literature recognizes that every control system developed by the firm can be considered as a process in itself. Until now, however, there has been scarce interest in these required control systems for the development of new products and services. Although there are many more tools focused on the strategic results analysis, there are few works which have investigated the design and development processes of new services.

Managers today recognize the impact of measurement and control systems on performance. Thus, there is general concern that an effective measurement and control system must be part of the new services development process. This stage gate system must be understood as an evaluation of new services processes performed in parallel to the new services development. The main objective of a results measurement system is to measure the way the company's objectives are achieved during the stages of the creation process, in order to control the new services development process and increase success and performance.

This interesting issue opens a new and promising research line. During the last few years several control systems have been developed to measure the performance of processes. However, all these systems have been heavily criticized and even dismissed as they were unable to measure all the many dimensions in a successful development process. To respond to this problem, it is necessary to evaluate some of the proposed systems and analyse their adequacy and ability to integrate into a stage-gate model.

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