

Timing for Launching a New Product to Maximize Overall Profit

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Abstract

The rapid changes in technology, market competition, globalization, and product differentiation requirements, are causing industries in product life cycle management (PLM) to become more meticulous in their efforts. High-tech industries such as information technology, semiconductors, optoelectronics and aerospace industries are sensitive to product life cycle management, especially in stage transition and timing control. PLM will directly affect the corporate performance, profit acquisition and the achievement of business goals and ultimately affect the survival and development. In this study, we look at when to launch a new product to replace the old one, at the optimal time to maximize the overall profit, and the development of several quantitative models to provide the product life cycle sensitive industries. Based on the proposed models, two illustrative examples together with six tables of outcome under all possible parameters are applied to verify the feasibility of this study of practical applications.

Keyword : Keywords: Product life cycle management, Hi-tech industries, Stage transition