

PHASE NAME	MEANING	EXAMPLE
Product development	Here the product is created and at the end of the phase a prototype is ready.	The task is typically solved in one or more projects, called product development projects. The bottom half of the figure shows the life cycle and phases of such a project.
Introduction	Where the product is introduced to users. The number of products increases.	<p>If this is a question of a product that is to be sold, this phase involves building up a market for it and includes establishing the product's brand with accompanying quality level and price level. Distribution channels must be built up and there must be a product promotion. These tasks can be solved in one or more projects.</p> <p>If, for instance, this involves a new IT system in an organization, the introduction will comprise training users, disseminating information, including users' manuals, etc., and building up a maintenance system that includes selecting super users. These tasks can be solved in one or more projects, such as an implementation project</p>
Establishment	Where use is increased. The product is now established on the market and there is more pressure on distribution. Money is made on the product.	<p>Additional services or several different models of the product may be offered, and the supporting organization will be strengthened.</p> <p>In the example of the IT system, the time will have come to establish user groups, come up with new, improved versions of the system, and to spread the system to the departments that were not originally included.</p>
Maturity	Where sales begin to top and sales do not increase further.	The competitors put in an appearance. During this phase, promotion and distribution are heightened while the price may be reduced. The important thing is to sell the product – earn money – while there is still life in it. Perhaps new functions will be added to the product which – for a time – differentiate it from what competitors have to offer.
Decline	Where sales fall. The product is 'over the hill'.	New, more modern products have come on the market, or changes in consumers' buying habits mean that the product no longer sells so well.
Decommissioning	Where distribution and promotion are stopped. Profit stops.	<p>Depending on the type of product, spare parts and service will still be available for a time. Where cars are concerned, for instance, this period could last for several decades.</p> <p>For the sake of the environment, it is becoming more and more common for the company that has produced and sold the product to take responsibility for proper scraping that minimizes environmental damage.</p>

FIGURE 1.15
The phases in the product's lifecycle.