



## Cost Categories Chart

COST CATEGORIES	RESPONSE TO MARKET DEMAND	TECHNICAL INNOVATION
Replace these numbers with those from your projects.		
Identifying Product	50,000	0
Developing Product	100,000	250,000
Advertising	30,000	500,000
Promoting	100,000	300,000
Selling	100,000	150,000
TOTAL		
<i>*All figures are relative and dependent upon market factors.</i>		

In order to properly assess the profit potential of each approach, one must determine the cost of identifying, developing, and selling a product that responds to market demand as well as the cost of advertising, promoting, and selling a product that has been created primarily by technical innovation. In some cases, the cost of developing a product to a specific set of criteria can be quite expensive. Development of the product may not be possible if the baseline criteria exceed the realm of possibilities. If the development costs exceed the levels to allow an acceptable margin, profitability from the product may not be possible. Sample cost categories of bringing products to a viable market position are outlined in the Table above. Fill in numbers for your projects to quantify your comparison.

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