

8.4 Growth Rates:

If you are planning a new product, you may want to consider the following growth projections:

Chart 10: Growth Rates of Software Markets 1988-1993

CATEGORY	GROWTH RATE	(1,000's)
Productivity	61%	125,000
-Word Processing	9%	26,000
-Graphics paint	17%	10,000
E-mail	37%	3,600
Forms Tools	37%	3,800
Desktop Publishing	29%	9,000
Integrated Prod. Tools	21%	10,400
Spreadsheets	8.2%	18,790
Accounting	11.7%	7,500
Systems		
Network Servers	10.5%	688
Expert Systems	28.5%	598
Communications	10.4%	20,000
Utilities	8.4%	22,444
Entertainment	7.1%	53,500
Technical Scientific	10.9%	5,800

*Note: Macintosh sales grew twice as fast as MS-DOS sales, but MS-DOS sales were five times Mac volume, to account for 76% of domestic sales.

8.5 Have a Strategy and Stick to It:

Many firms, flushed with initial success, start to deal with every opportunity that comes in the door. They use all their people resources to do such things as mail replies to the 2000 leads generated by an unexpected press review of the product. After three months they have made no sales and they have used all the resources they had planned to use to call VARs. A cash flow crunch develops and the company is in trouble. Other examples include placing lots of expensive ads, etc.

Plan a complete strategy based on a competitive analysis and stick to the strategy and plan and only deviate when it appears certain that previous analysis was faulty.