



## THE TIMES 100

### BUSINESS CASE STUDIES

## Research and development - Portakabin

New products often come from ideas. These are either new ideas or ideas for extension strategies for existing products or services. *Portakabin* provides its customers with modular buildings. These are buildings which are manufactured in one place and then transported to another to provide unique solutions to the accommodation needs of its customers. Examples include additional buildings for schools and hospitals. *Portakabin* has developed a range of new products called Essential Business Solutions (EBS). The purpose of EBS was to develop products that more closely meet the needs of its customers.

**Generating ideas through research** - In order to develop new ideas for products and services *Portakabin* undertook some **primary market research**. This consisted of direct feedback from its customers. Customers required more than just a building shell, they also wanted a range of services that complemented their existing buildings and produced ready to go working environments, with items such as furniture, climate control, heating, security, access ramps as well as all of the electrics and cabling already included. To do this EBS helped to create a range of provisions including:

- “ *Aircare* to provide environmentally-friendly internal climate control with low running costs
- “ *Access* for those organisations requiring ramps and steps
- “ *Datakom* such as cabling and networks that can be plugged into
- “ *Protecta* such as fire and security systems
- “ *Interiors* with furniture and space planning services
- “ *Optional* extras to provide the finishing touches including floors and blinds.

**Analysis and development** - The new product development strategy was driven by:

- “ primary market research . receiving direct feedback from existing customers on what additional services they wanted to have
- “ concept development and secondary market research . generating new ideas using commercial and marketing input on what services prospective customers might like to have and then testing these concepts with customers and prioritising the launch of the most-liked concepts. The aim of this total product approach is to offer all clients every service they can associate with hiring a new building and hence generate extra turnover and profit.



**Testing and launch** - All of the elements of the *Portakabin* products were sourced from high quality suppliers. They were then tested within *Portakabin* buildings. Testing enables materials and products to be evaluated for their worth and performance. Testing involved the following three stages.

- a) Developing **prototypes**.
- b) Assessing the overall customer proposition. Elements of EBS that proved to be popular with customers were developed and made better. For example the furniture was initially very functional and basic. Customer research revealed the need for

higher quality furniture and a space planning service.

- c) Assessing the overall satisfaction to the total product solution through customer satisfaction interviews.

The launch is usually considered to be the most important day for any new product. To support the launch a number of promotional materials were developed. This helped to get the key messages across. A number of methods were used to communicate with potential customers including brochures, direct e-mail, direct mail and appropriate material for the web.



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### Questions

1. List the stages involved in developing the new EBS products.

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2. Describe how Portakabin gets its ideas for new products.

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3. Explain why new product development is important for businesses like Portakabin.

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4. Using the case study for guidance, analyse the importance of customer feedback during research and development.

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### Task

Working in a small team, go through the research and development stages for the creation of a new chocolate bar:

- Generate ideas . carry out small-scale research with other groups to find what they want
- Develop your ideas
- If possible, make a prototype of the packaging
- Explain how you would test the product
- Consider the promotion that could be carried out to support the launch of the new product

### What have you learned?

Create a summary circle of the main learning points from the session on Research and Development:

- Identify the number of key learning points from the session
- Divide a large circle into the same number of segments as the number of learning points
- Add a point to each of the segments
- Use colour and icons to help you remember