

# LIFE CYCLE INFLUENCE ON THE POLICY OF PRODUCT DEVELOPMENT

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Having in minds expected changes of placement on the market, producers should take care about future plans, updating existent products and introducing complete new products. This means that every company has to continually accommodate its production program according to the market requirements. No matter how much the company developed its product, it should know that concurrent companies do the same. Producers should never be satisfied with achieved results; they always have to insist to do some job better and faster, especially if they want to stay a leader on the market. If the company is not a leader on the market, it must also develop present product solution or even complete new product, before any mention about new product on the market. On the contrary, it will be too late for them. This is certainly hard, but only hard efforts will be rewarded. Modern product is the most powerful "weapon" of every producer.

The primary objective of all producers is to have a long product life cycle, so that they could receive back all investments in product development and obtain certain profit. However, during time every product technically gets old, i.e. sooner or later it's being pressed out of the market by the newer product, or its manufacturing is being stopped because the product does not bring profit any more. Product lives on the market as so long as it is capable to reach defined objectives and motives of purchasers and sellers. Product "dies" when it can not accomplish completely these objectives. "Entropy law" is especially signified here; it says that everything that exists has natural predisposition to perish. This means that during time every product is necessarily being outdated and displaced.

Product policy is integral part of business and development policy. Proper product policy defines offering of those products that market is looking for, i.e. the products which can completely satisfy all customers and users of product needs. Optimal production program represents products combination that ensures efficient company transactions for a long period of time.

When defining resources that will be invested in new products development, it should take in consideration that development investment amount must be adjusted with an objective that should be achieved in future.

Product life cycle, indisputable, presents important characteristics of every product, which determines decision about further treatment of product. This paper gives the review of basic concepts of product life cycle, so that it can be concluded that life cycle of every product should be defined in detail. Also, product life cycle should be monitored, and not only technical life, but also economical, ecological and fashion, because they certainly have significant, sometimes even crucial, influence on making final decision about product treatment.