



## **SBR Systems Product Development Case**

## Introduction

In a recent meeting with your consulting firm, James Fife, director of research and development at SBR Systems Inc., issued you a short-term project development contract that may result in a long-term partnership if you can deliver results. Though you are a well-established think tank, doing business with SBR Systems Inc. is always a bit hairy. Steve Jobs was known for firing senior managers in the elevator because he suddenly decided their job was redundant. James Fife has done so because he didn't like someone's tie. But despite his hot temper, Fife is a perceptive manager. He previously hired you to develop a new low-maintenance sprinkler system for large commercial use. The sprinkler system project was a success and, satisfied with your firm's previous work with SBR Systems Inc., Fife has since asked your consulting firm to come and consult on a new HVAC (Heating, Ventilation and Air-Conditioning) project.

## Your Team

Your consulting firm is a well-established think-tank specializing in **product development** and **market-release strategy**. Your team is made up of four multidisciplinary professionals specializing primarily in business and engineering. Recently, your firm has become a major service provider for SBR Systems Inc., helping them to stay on the cutting edge of new systems technology.

## The Client

SBR Systems Inc. is a medium-sized domestic and commercial HVAC systems manufacturer and wholesaler headquartered in Montréal, Québec. They provide sales, installation and servicing for all their products. The company is in its 22nd year of operation and has 400 employees across Québec. Their recent gains in market share in Montréal and the surrounding regions in Québec have enabled the company to undergo major growth in operations. James Fife, the company's director of research and development, believes this increase is due to the company's dedication to having the most cost-effective and innovative systems to offer their clients.

## The Project

In January of this year, SPR Systems Inc. solicited your firm's proposal for a new domestic HVAC system. Over the next few weeks, your firm developed a new innovative solution that was enthusiastically accepted by Fife and his management team. But the work has only begun. The project launches this summer, leaving you a short **three-month timeline** to develop a comprehensive execution plan, including design, logistics, and strategy.

In that time, the engineers must produce:

- A visual representation for the system
- Full design specifications
- A bill of materials
- A production plan for an outsourced manufacturer

The rest of the team is in charge of:

- Setting-up the production partnership
- Planning distribution
- Developing a marketing strategy for the product

In addition, your team must develop an extensive financial plan to make the product profitable over the next three years. The maximum budget for the project life is **one million dollars**. However, Fife also stipulated that he would like the project to be as fiscally efficient as possible, And to put it mildly, this is a man you want on your side. The management team also explained that, because their manufacturing facility is currently at its maximum capacity, they require the product's production to be outsourced. The better you can meet these conditions, the more likely you are to retain Fife's business.