

Exercise 4

Part I: Business Case Instructions

Section	Description
Market Situation	<ul style="list-style-type: none"> Define the market situation Provide supporting information
Opportunity	<ul style="list-style-type: none"> Summarize the market opportunity Describe how the company can benefit
Envisioned Solution	<ul style="list-style-type: none"> Describe the envisioned product solution Summarize how the team arrived at the solution Describe why this solution is better than alternatives
Objectives and Assumptions	<ul style="list-style-type: none"> Describe the market objectives that are being pursued Define the business assumptions
Costs	<ul style="list-style-type: none"> Define product solution costs List required resources
Strategic Alignment	<ul style="list-style-type: none"> Illustrate how this product solution aligns with organizational needs Summarize how the product concept aligns with organizational goals
Timing	<ul style="list-style-type: none"> Describe project timing Map timing to the market need Recommend an investment strategy
Cost Benefit Analysis	<ul style="list-style-type: none"> Provide a financial analysis—Illustrate costs vs. benefits Define what happens if the company does not proceed
Risk	<ul style="list-style-type: none"> Identify major risks Document contingency responses/mitigations
Initial Investment and Recommendation	<ul style="list-style-type: none"> Define the initial investment requirements Define long-term investment requirements

Part II: Business Case Blank Template

Section	Description
Market Situation	<ul style="list-style-type: none"> The global air purifier market is growing rapidly, projected to reach USD 13.4 billion by 2030. Increasing consumer concerns about air quality and health drive demand, especially for safer, more efficient HEPA filters.
Opportunity	<ul style="list-style-type: none"> There is a gap in the market for HEPA air purifiers that remove VOCs, viruses, and odors without producing harmful ozone, while also being low maintenance and affordable. PP LLC can capture market share, increase revenue by 25%, expand its market by 10%, and reduce product returns by 50%.
Envisioned Solution	<ul style="list-style-type: none"> Develop a new HEPA purifier line addressing customer pain points: dual HEPA filtration, air freshening, odor elimination, ozone-free, easy maintenance, extended filter life, and reduced noise. Solution validated through market research and internal team evaluation.
Objectives and Assumptions	<ul style="list-style-type: none"> Objectives: <ul style="list-style-type: none"> Launch 3 models targeting key consumer concerns. Achieve 25% revenue growth within one year post-launch. Increase customer satisfaction scores by 20%. Assumptions: <ul style="list-style-type: none"> Demand for improved air purifiers remains strong. No major disruptions in the supply chain. Competitor response will not immediately replicate all features.
Costs	<ul style="list-style-type: none"> Initial prototype development: \$80,000 Conceive and Plan phase team resources: \$30,000 Additional marketing and distribution costs estimated at \$50,000 Resources Needed: Product Manager, Marketing Lead, Engineering, Design, Operations, Project Management.
Strategic Alignment	<ul style="list-style-type: none"> The new product line aligns with PP LLC's vision of expanding market share by offering innovative air filtration solutions that address real customer needs, strengthening brand positioning.
Timing	<ul style="list-style-type: none"> Start design work in January. Development in March–May. Beta testing in June. Launch before the summer hazardous air season (July). Investment Urgency: Immediate action required to gain first-mover advantage.
Cost Benefit Analysis	<ul style="list-style-type: none"> Investment:

	<ul style="list-style-type: none"> ○ Initial \$80,000 (prototypes) ○ Additional \$30,000 (early phase support) ● Expected Revenue: <ul style="list-style-type: none"> ○ \$200,000 annually for two years ● IRR: >200% ● NPV: Positive
Risk	<ul style="list-style-type: none"> ● If not pursued: <ul style="list-style-type: none"> ○ Loss of market opportunity ○ Risk of competitive displacement ○ Engineering or development delays ○ Supply chain disruptions ○ Cost overruns ○ Increased competitive pressures ● Mitigation: <ul style="list-style-type: none"> ○ Assign experienced project managers ○ Increase supplier base ○ Build buffer in cost and timeline estimations
Initial Investment and Recommendation	<ul style="list-style-type: none"> ● Initial funding required: \$110,000 (including prototypes and team support) ● Long-term investment: Additional marketing spend estimated at \$50,000. ● Recommendation: Approve and move forward to development phase.