

Take Home Templates: Step 1: Features, Attributes and Design (FAD) Analysis

Your Name & Person Number

Class Time

Date

Product or service description: What will it do and what is the function of the product or service?

Who are their major competitors?

What product features is the company using to differentiate its product from the competition?

Enter feature's 1 name

Enter feature's 2 name

Enter feature's 3 name

How does their product compare to other similar products on these dimension?

Very Low

Low

Average

High

Very High

NA

Price

Quality & reliability

Ease-of-Use

Performance
(faster, smaller, bigger)

Attractiveness of design

The market size is currently

Very large

Moderately large

Small

The market is growing

Extremely fast

Moderately fast

Very slowly

The products in this market are constantly changing

Very much so

Moderately changing

They change very slowly

Is the product customer or technology driven?

Customers want this product

New emerging technologies drive demand

Demand is customer and technology driven

Step 2: Organizational and Industry Analysis Template

Describe their business model including what products or services are produced?

Describe their target customers and the size of the market?

List and describe their current competitors and their potential competitors?

Management skills and expertise

- Needs work
- Satisfactory
- Outstanding

Employee skills and expertise

- Needs work
- Satisfactory
- Outstanding

Funds availability

- Needs work
- Satisfactory
- Outstanding

Status of marketing/branding

- Need work
- Satisfactory
- Outstanding

Status of supply chain

- Needs work
- Satisfactory
- Outstanding

Status of R&D

- Needs work
- Satisfactory
- Outstanding

How far along is product development?

Idea stage.
Have a drawing of product
Have an early prototype
Have a working prototype
Ready to Launch
Launched in last 6 months.
Launched over a year ago
Launched over 5 years ago

Is the business scalable?

Very scalable
Moderately scalable
Not easily scaled

What Investment strategy would you recommend?

Grow investment in current business
Maintain same level of investment
Pivot existing business to a new core business
Abandon investment

Strengths, Weaknesses, Opportunities and Threats

What are the company's ***internal strengths*** (products, R&D, supply chain, brand, pricing, core competencies, resources, infrastructure, scalability and interfaces)?

What are the company's ***internal weaknesses*** (products, R&D, supply chain, brand, pricing, core competencies, resources, infrastructure, scalability and interfaces)?

What are the ***external opportunities*** (growth, market share, product lines, Blue Ocean, complementary products, lock-in, brand, or first mover advantage)?

What are the ***external threats*** (substitutes, emerging technologies, new entrants, economic climate, government regulations, and social/culture issues)?

Step 3: Business Plan Overview Template

What is or should be their mantra and what is the meaning behind the product (3-10 words on why the company should exist)?

What is the overall mission of the business (1-3 sentences on what your company does or will do and your target customers)?

How do they make money in terms of product differentiation or being the low cost producer and what complementary products and services do they offer in order to generate recurring revenues?

What should be their goals & objectives over the next 3 months to year (2-6 phrases on precise performance intentions)?

What tactics should they use over the next 3 months to a year to reach their objectives and mission (4-10 phrases)?

MGO 607 – Spring 2017

Take Home Exam

Handpresso (A) Case

Name: Jay Bakshi

UB ID: 50206954

Date: 04 – 02 – 2017

Course Time: 08:00 AM

I Jay Bakshi did not receive any content assistance (except editing assistance). I did not collaborate or discuss content (except editing assistance) nor did I use answers developed by someone else to answer the questions in this exam.

Case Analysis

Handpresso is the smallest, portable and hand-held espresso machine. Despite its small size, it is efficient and gives the same quality of espresso coffee that the consumers have come to expect from comparable bigger and stationary espresso machines. Nielsen Innovation, who are also the brains behind the revolutionary Wi-Flow vacuum cleaners and Reelight – Battery-Free Bicycle Lights, has conceptualized this innovation. The inspiration for the product innovation comes from the founder of Nielsen Innovation, Henrik Jul Nielsen, who on one of his trips came up with the idea for innovating a simple yet brilliant espresso machine that is also portable. An espresso lover, irrespective of the geographical location of a person, desires and surely deserves a refreshing cup of beloved coffee. This was not possible before the innovation of Handpresso, and espresso lovers had to be restricted to kitchen and/or coffee houses to get them enjoy it. The restriction was clear to Henrik, a travel enthusiast and self-confessed espresso aficionado. Nielsen Innovation under his direction and vision developed the first Handpresso Wild (Handpresso Pump) in 2 years from just an idea to launching it as the Show in Milan in January 2008. The slogan 'Espresso Anywhere' matches the company ethos.

The company however now face a very daunting question, license Handpresso to existing manufacturers, like their other products or create a business of their own as a subsidiary company from Nielsen Innovation. This being the contention point in focus here. Based on the case study and information within it, I have two recommendations to suggest to Nielsen Innovation improve their situation to ride a high on the flight of their innovative new product.



Recommendation 1: Launch the product on their own, in calculated phases capturing market in segments.

Nielson Innovation have already given a try to collaborate with Nespresso and Sara Lee (Senseo) previously. However, the product idea were rejected from the onset, with neither taking any cognizance of the ingenious by showing an interest in owning or even license Handpresso. This prompted Nielson Innovation to proceed on their own and make the product a reality. With the best understanding of the product, specs and reach already imbibed in the team at Nielson Innovation. This gives the company an edge to be highly relatable and excited about the product. This excitement and energy is required to make the product also a success amongst the consumers and customers, because they take pride in the product and are critical about the end – quality of espresso coffee need to be perfect.



Launching the product firstly in pilot phases in high-appreciation market with a few beta-rounds of ownership sponsored by giving the machine to friends and advisors and keep on polishing the product to the most optimum sophistication standards in

parallel. With market launch, they will generate highly valued data and customer reviews, which lends better understanding of the economic viability of scale of production and resolve any kinks in design.

An exclusivity is automatically generated by selective market and limited pieces launch, the hype factor can be cashed upon too. For e.g. the smartphone companies are doing these days, launch their phones on an invitation basis, bringing the hype of exclusivity and a general sense of appreciation for the product if a customer can buy. With such an arrangement, the company will be

better at predicting the production size and avoid any untoward loss incurred towards excess inventory due to misconceived notions of demand. So limited production disadvantages can be salvaged largely.

The product can then enter into advanced iteration phase with money rolling in and helping sponsor the further development and innovation caveats being covered. This is a long-term goal of maturing the product design to be at the peak. This automatically lends the product its legitimacy, spread the word for brand and showcase its strength to all further possible consumers and customers.



Financially, this mean no sharing of the profits that are being made on the product selling and the revenue can be streamlined into further product development and return of investments. In time, with a good marketing and acceptance of the product, further versioning of the machines will be a great way to diversify the product line-up and easily integrate complementary products to give a recurring and additional sales channel. Further adding to the earning potential of the idea. The execution plan however, has to be considerate on multiple factors pertaining to the local responses as received from the initial phase launches.

Recommendation 2: Invest in marketing of the product using all possible channels to make the product a de-facto standard for espresso machine especially the portable segment.

The previous 2 products when licensed to the other manufacturers, who were major players, inherently meaning they had a lot of product experience and customer feedback readily available. Yet, they failed to understand the design concepts and innovation in itself about the products

licensed by Nielsen Innovation. This lack of understanding of product further trickled down to not getting enough marketing and advertising about the winning qualities and most valuable attributed of the products in the open market where consumers can be very choosy about the products and services they pay for. Taking a cue from that, the above recommendation 1 of launching the Handpresso product on their own – this time around they should also invest a decent and well-calculated resources in marketing the product well. Marketing is very crucial to make the consumers and customers know-it-all about a new product. Moreover, this hand-help, portable yet excellent espresso machine needs all the positive highlighting and advertising it can get. A product reached epic proportions of success in market, only when made popular by the people who use it. In addition, not just to stop at that. These users must keep returning to the brand for more and better solutions. In a way, the consumers and customers related a particular quality of level and standards of product with the brand. Therefore, essentially marketing is also about pushing the brand value higher and higher and mobilize the power of people recommending the product to one and everyone around them. Through this circle of influence, the next wave of customers and consumers can be targeted. With successive launches in selective markets, we also generate finances to explore newer markets. However, one point remains in stark contrast. Not all markets that chosen will return an expected or even decent return on the investments made. This can be due a multitude of reasons. From geographical variation to social and cultural aspects. Not all place and markets are fond of consuming coffee and espresso at that specific as a means of refreshments. There are million other options in direct competition to the coffee culture, further compounding to the build up against the sales of Handpresso. Nevertheless, with a careful marketing campaign, opinions and even consumer preferences can be altered and eventually even work out in favor of Nielson Innovation. An example of this kind of effort in marketing can be shown by, Starbucks. Wherein, newer and newer markets are added successfully, even though economic tardiness and declining café cultures are prevalent in them.

Summary: With the above case study analysis, I summarize that Handpresso is an amazing proposition. An innovation so simple and elegant it just works. In addition, with the design being robust the product holds the promise of maturing and staying in retail viability for a good amount of years. That means, the implementing the above recommendations will go to direct the growth rate of Nielsen Innovation in making a success story out of this innovative product. For it has been said by Einstein, the great scientist and thinker – “I am thankful to all those who said NO. Because of them, I did it myself.” On the same lines, Nielsen Innovation should proceed on taking calculated risks and launch the product on their own, giving them the edge of “First mover advantage” and passion.

