



HARMAN



FY15 Workshop Documentation

AKG

harman/kardon

Infinity

JBL

lexicon

mark
levinson

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Ideation Process Overview



Ideation



Evaluation



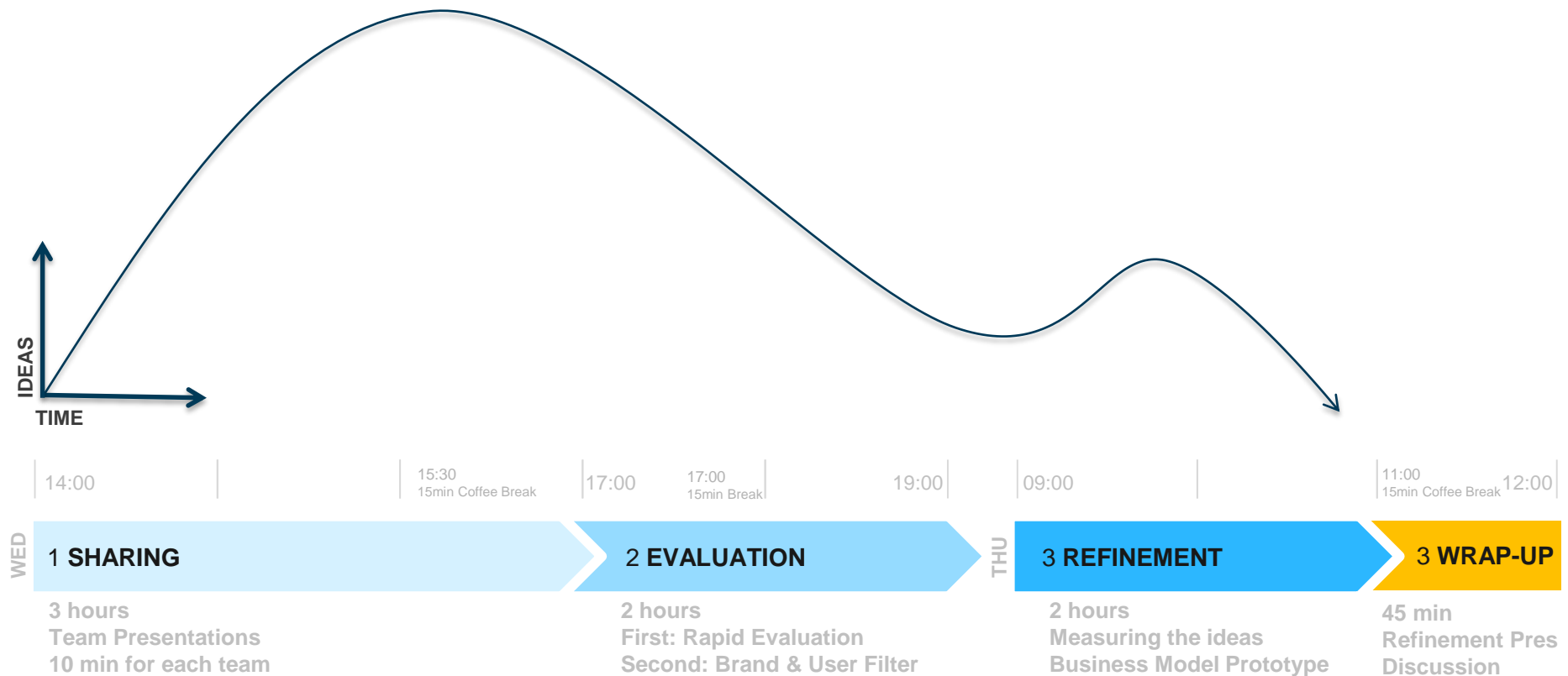
Refining



Prototyping

Ideation Workshop Agenda

HARMAN

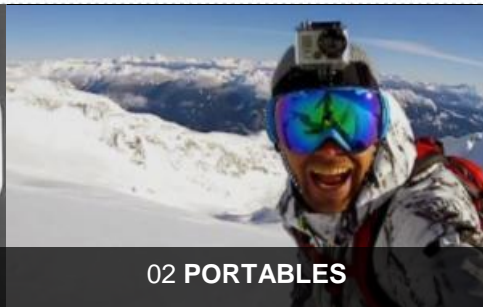


Pre-workshop preparation

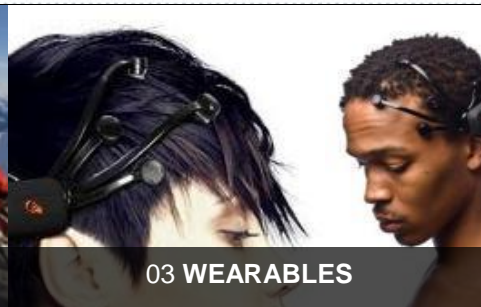
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01 HEADPHONES



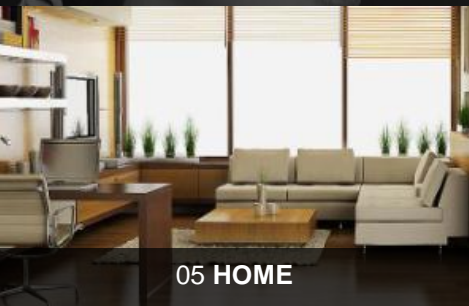
02 PORTABLES



03 WEARABLES



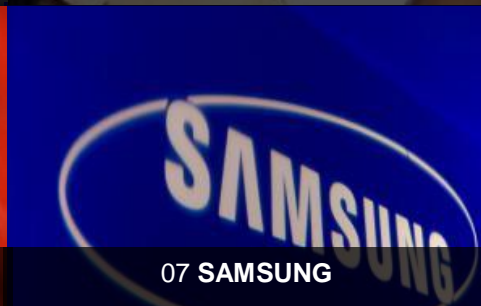
04 WELL BEING



05 HOME



06 EMERGING MKTS



07 SAMSUNG



08 CAR



09 MONETIZING APPS



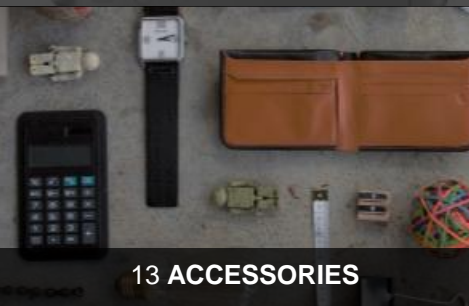
10 LOUDSPEAKER



11 CMF & SUSTAINABILITY



12 CROSS CATEGORY



13 ACCESSORIES



14 PARTNERSHIPS

14
TOPICS

140+
IDEAS

1. Idea Sharing Session



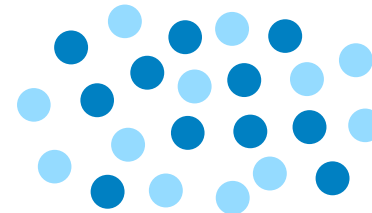
Participants

14 interdisciplinary groups (GPLM, SBU leader, Design)

Mechanism

10 min per group to share and pitch their ideas.

→ 140+ ideas were share with the entire audience



140+ ideas

2. Rapid Evaluation



Participants

GPLM, SBU leader, Design

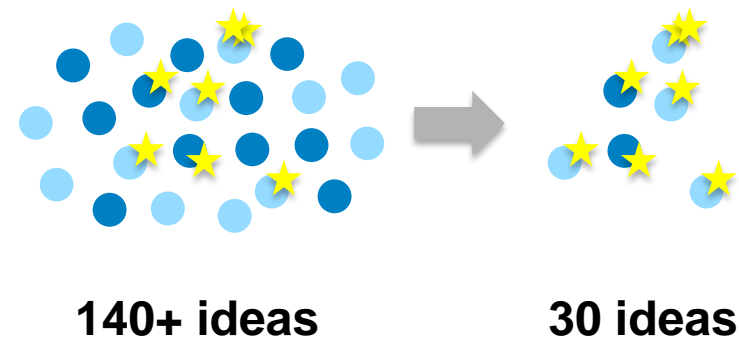
Mechanism

- Each workshop participant got votes.
- Ideas with the most votes were taken forward.

Criteria for votes:

- Will this idea change the competitive landscape?
- Will this idea change/improve the customer experience?

→ Top 30 ideas were taken forward.



3. Group Evaluation



Participants

- 4 groups of 5-7 people with different background

Mechanism

- Each group started with the top-voted 30 ideas of the previous session
- Ideas were collectively discussed and combined to 5 enriched ideas
- Idea clusters were assigned to the two brands HK + JBL

Criteria for refinement:

- Is the idea coherent with our brand promises?
- Is the idea meaningful to our user needs?

→ 5 ideas were taken forward per group.

→ Due to overlapping results, 8 final ideas were selected.



4. Business Model Prototyping



Participants

- 4 groups of 3-5 people

Mechanism

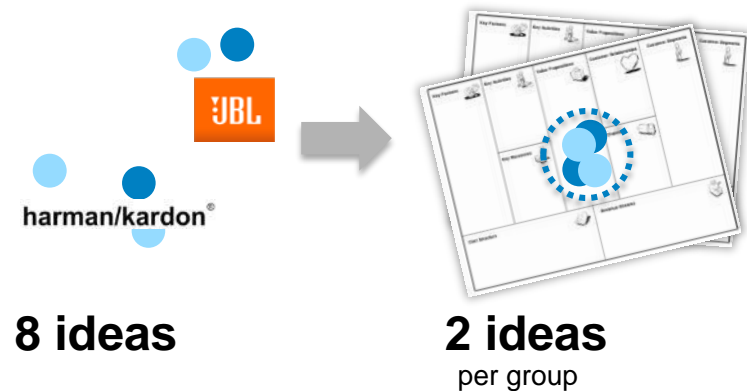
- 4 groups were created based on personal interest and passion for an idea
- Each group was tasked to evaluate and refine 2 ideas collectively
- Finally a basic business model had to be formulated and presented

Criteria for business model prototype:

- What is the value proposition? What customer segments? Partnerships?
- What channels? What is the cost structure? How to create revenue streams?

→ 8 refined ideas were presented

→ 6 of them were recommended for further exploration



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140

Presented
ideas



30

Selected
ideas



8

Final ideas

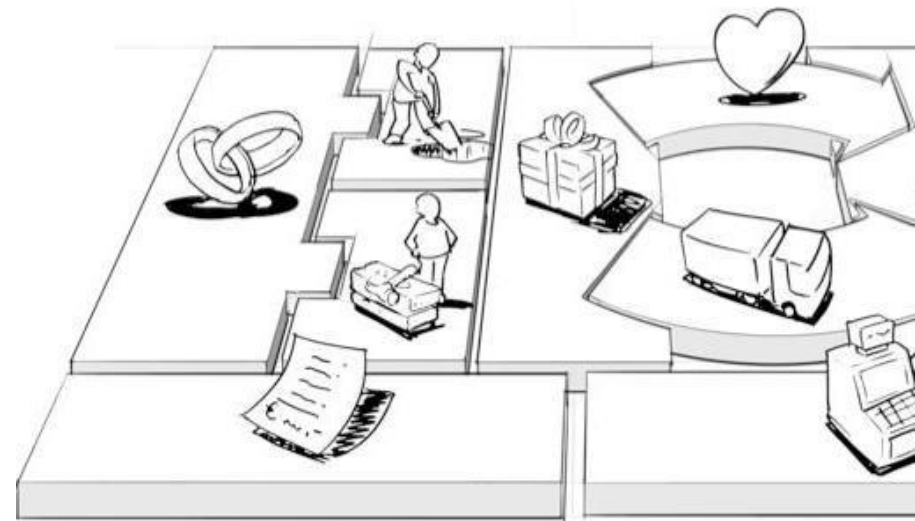


Appendix

A business model describes the rationale of how an organization creates, delivers and captures value.

The business model canvas is a tool that fosters discussions and helps to understand the bigger picture.

It is based on nine building blocks, covering the four main areas of business: customers, offer, infrastructure, and financial viability.



Key Activities

- Revenue streams?
- Customer relationships?
- Our distribution channels?
- What Key Activities do our Value Propositions require?

Value Proposition

- Which customer needs are we satisfying?
- What bundles of products and services are we offering to each Customer Segment?
- Which one of our customer's problems are we helping to solve?
- What value do we deliver to the customer?

Customer Relationship

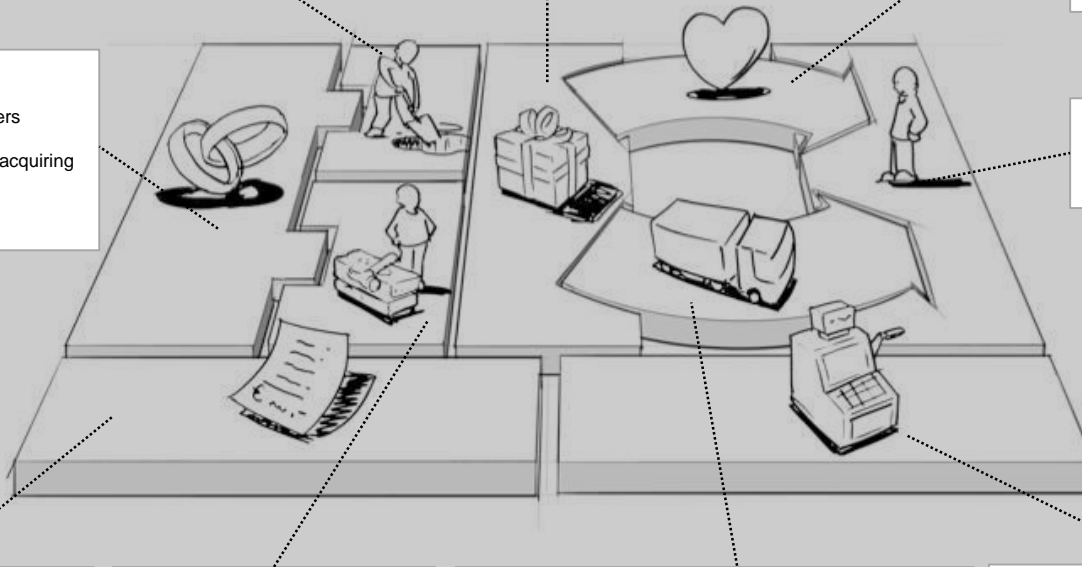
- How costly are they?
- How are they integrated with the rest of our business model?
- Which ones have we established?
- Segments expect us to establish and maintain with them?
- What type of relationship does each of our Customer

Key Partners

- Which key activities do partners perform?
- Which key resources are we acquiring from partners?
- Who are our key suppliers?
- Who are our key Partners?

Customer Segments

- Who are our most important customers?
- For whom are we creating value?



Costs

- Which Key Activities are most expensive?
- Which Key Resources are most expensive?
- What are the most important costs inherent in our business model?

Key Resources

- Revenue Streams?
- Our Distribution Channels?
- Customer Relationships?
- What Key Resources do our Value Propositions require?

Channels

- How are we integrating them with customer routines?
- Which ones are most cost-efficient?
- How are our Channels integrated?
- Which ones work best?
- How are we reaching them now?

Revenue Flow

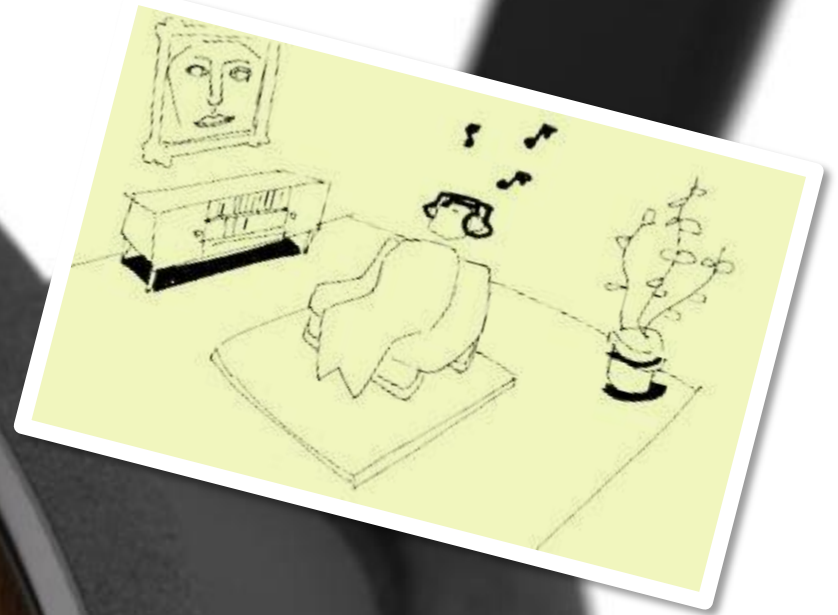
- How much does each Revenue Stream contribute to overall revenues?
- How would they prefer to pay?
- How are they currently paying?
- For what do they currently pay?
- For what value are our customers really willing to pay?

Translating ideas into viable business models.

Idea Description
Authentics Headphone.

User Benefit

Superior sound and materials which are chosen to accompany you for many years. It will be *your* headphone with scratches & „scars“ – maybe even more beautiful than when it was brand new...



1 / Authentics Headphones Acoustic Superiority

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The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

Key Partners

Key Partners

- Pono (High-res audio)

Key Activities

Key Resources

- Acoustic engineering expertise
- Technology expertise (amplification)
- Material expertise (cmf team)

Value Proposition

Value Proposition

- Lossless, warm sound
- Authentic materials
- Flagship in category
- Build-in headphone amp

Customer Relationships

Customer Segments

Customer Segments

- Audiophiles
- Aspirants

Cost Structure

Revenue Streams

2 / tangible cloud speaker

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Idea Description

Control online music like spotify tangibly.
Use physical tags for station/playlist
presets.

User Benefit

A tangible, haptic experience with a
modern and powerful networked
backbone.

2 / tangible cloud speaker

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The Business Model Canvas

Key Partners

Content:

- Login with Facebook
- Aha Radio (aggregator)
- Spotify through Aha

Telcos

- AT&T, Verizon, ...
- 3G enabler
- distribution

Router manufacturers

- Belkin, D-Link, ...
- Simplify wifi setup

Key Resources

- hardware engineering (wifi speaker)
- software expertise (Aha)

Cost Structure

- CM increase by subscription
- 50% CM

Value Proposition

- Easy setup
- As simple as FM radio
- Simple music playback
- Speaker learns as you listen
- Seamless transition between home and car
- Future proof
- No extra device needed
- Content aggregation through Aha

Customer Relationships

Customer Segments

- Mainly US and EMEA
- Less tech savvy
- Simplicity seekers

Channels

Channels

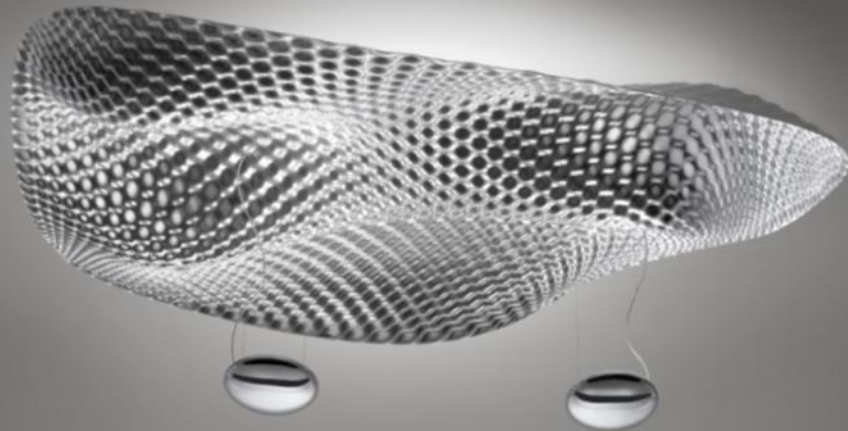
- Telcos
- Streaming service provider
- Traditional CE

Revenue Streams

- One-off
- Annual subscription (Telcos, Spotify)

3 / Sound Cloud: Ceiling speakers

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SOUND CLOUD

harman/kardon

Idea Description

Integrated surround sound system with ceiling lamp at your home. User can also enjoy sound with mood lamp controlled by cloud connectivity



User Benefit

- Harmonize with your home environment.
- Perfect sound experience with multiple sensory.
- Overhead speakers for the most realistic effects you've ever heard

3 / Sound Cloud: Ceiling speakers

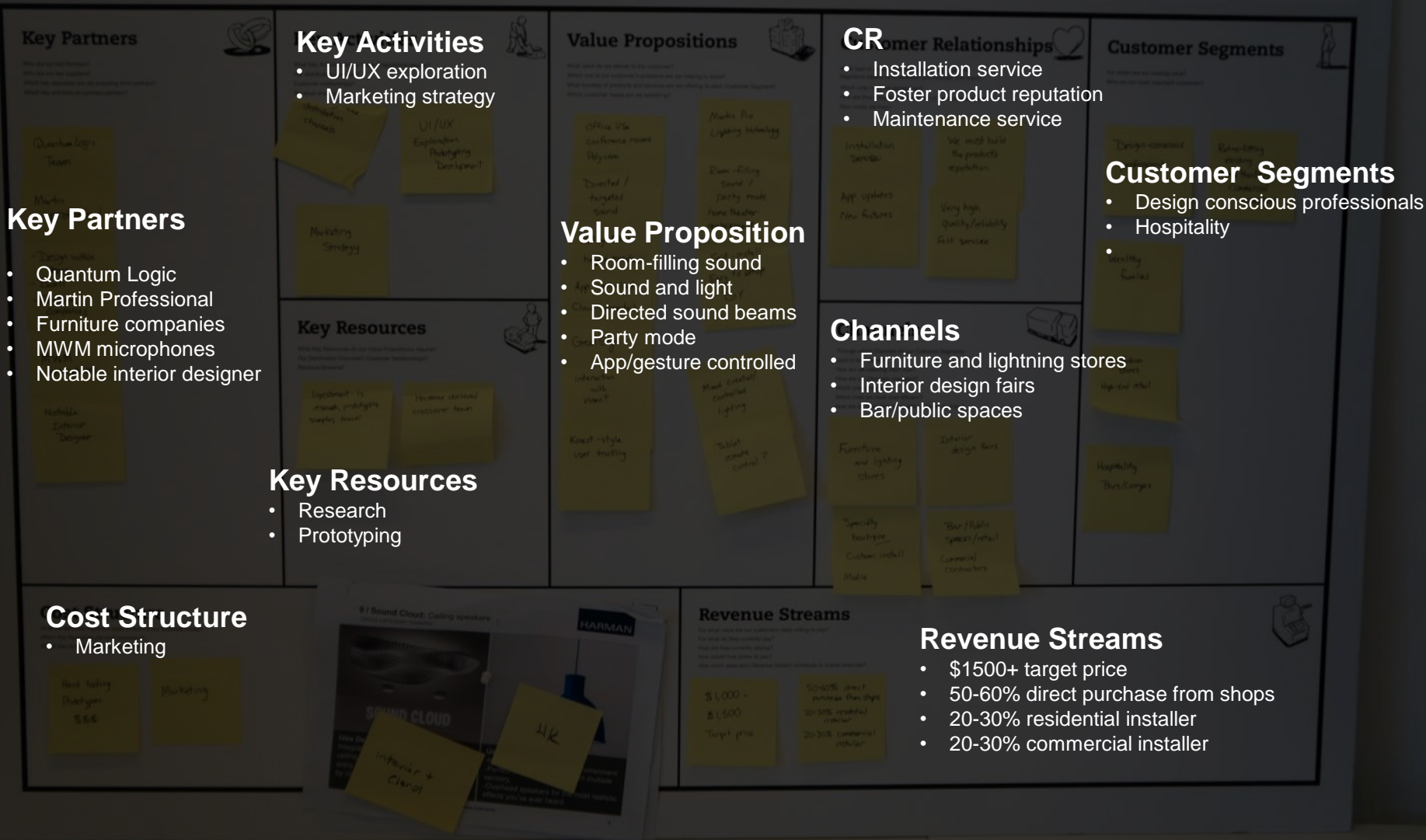
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The Business Model Canvas

Designed for

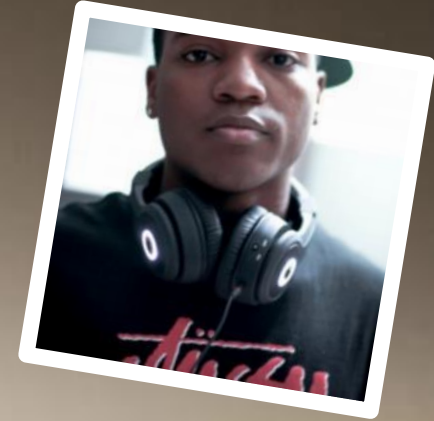
Designed by

Designed for



1 / Head-o-flip: Music is meant to be shared

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Idea Description

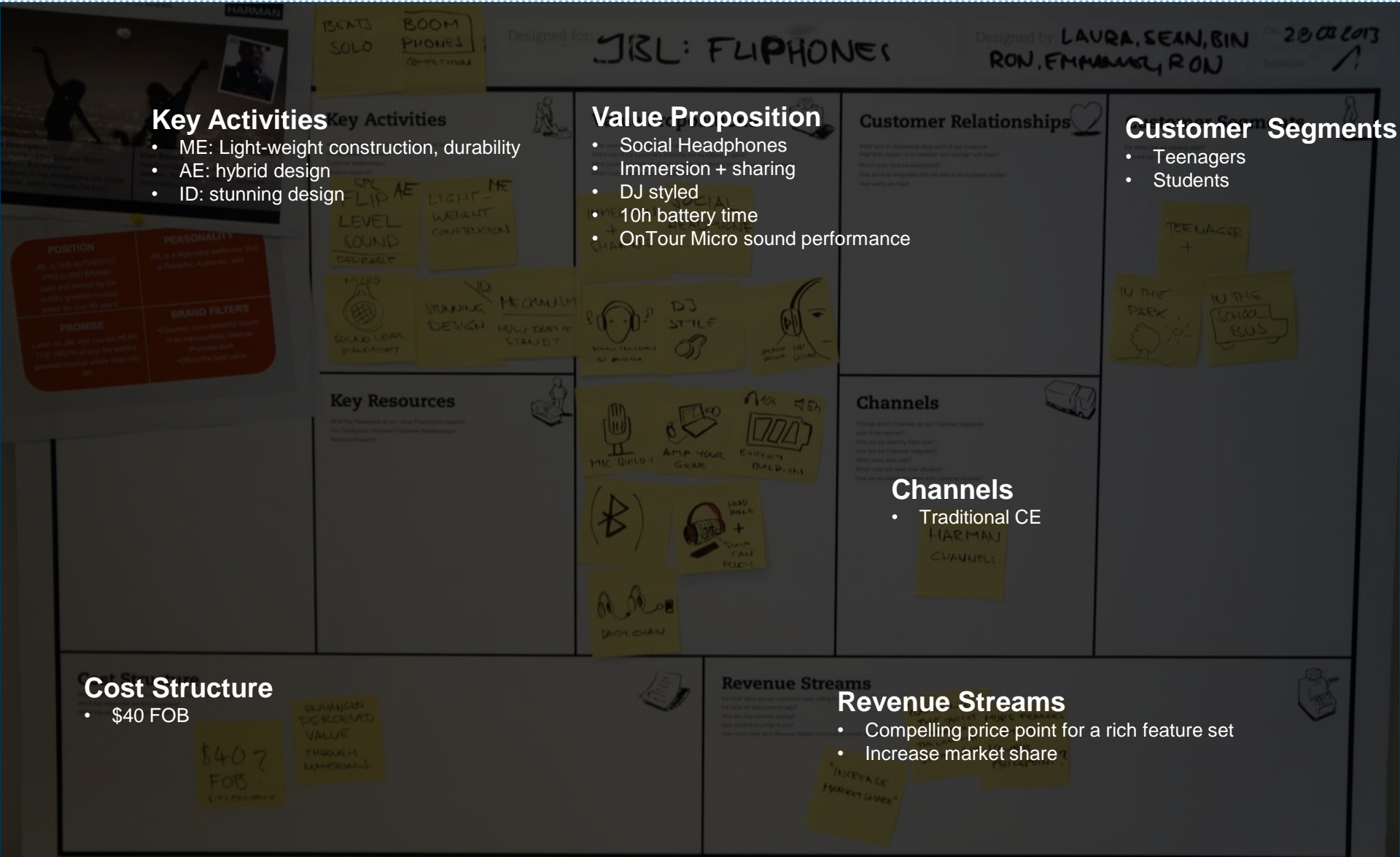
Headphone - Mini-Speaker Hybrid

Reference: Boomphones

4 Speakers in one Headphone (2x inside
2x outside, switch between the two)

User Benefit

Headphones that can transform into a speaker. Seamless transition between personal/social.



6 / CTRL: One to rule them all

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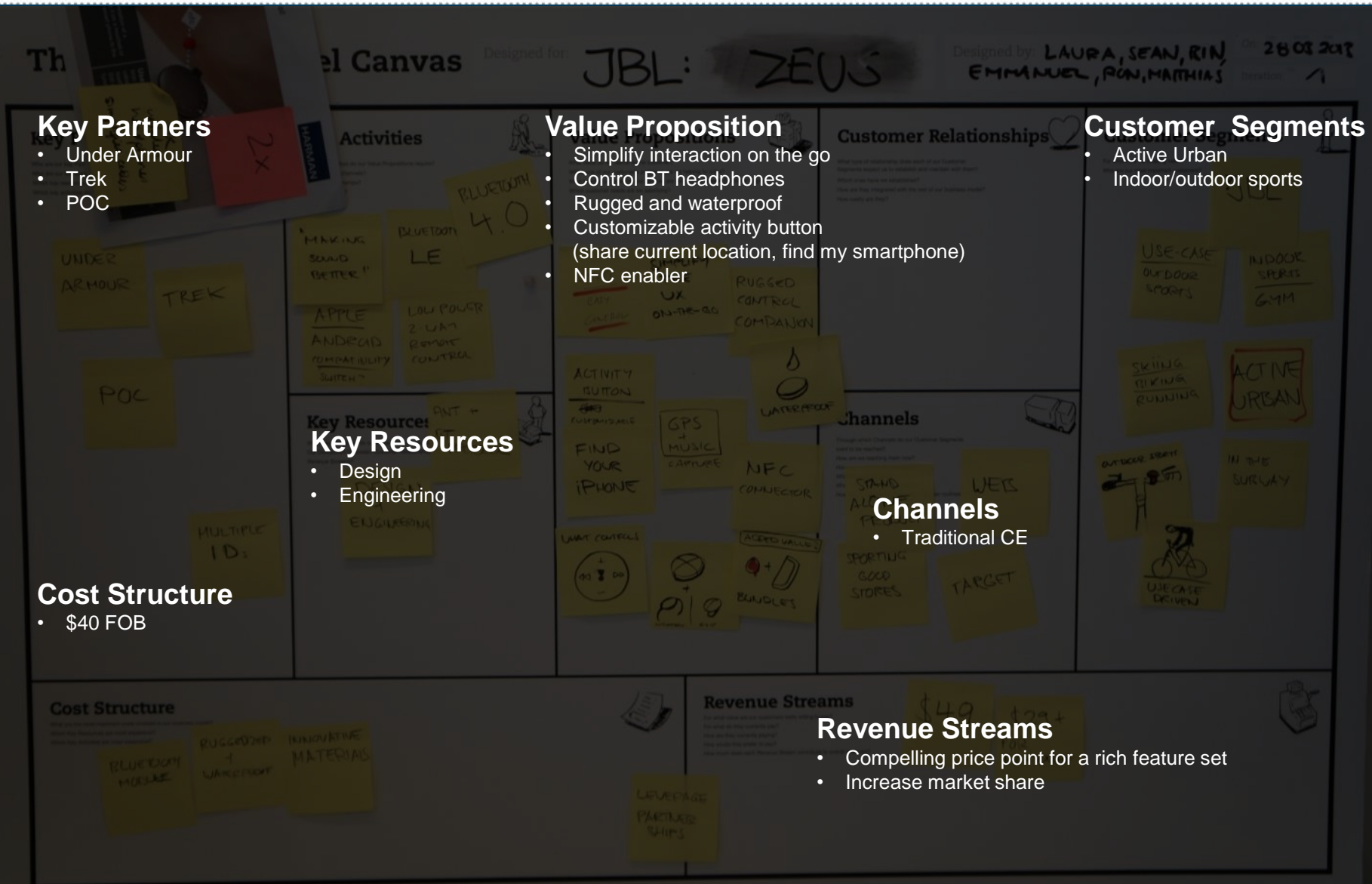
Idea Description

The CTRL represents a new interpretation of a physical remote control. Just bump it on a headset or a speaker to stream music from a smart phone to the respective device.

User Benefit

With the advent of cordless Bluetooth headsets, cable controls vanished. Interacting with the headset itself is cumbersome as it's not in the field of vision. Still users want to conveniently control the basic functions without having to use their smart phones.

6 / CTRL: One to rule them all



4 / All season / All situation

PORTABLES

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Idea Description

A portable speaker that can survive any kind of environment. It is total waterproof and rugged, and it is small enough to carry it anywhere.



User Benefit

Take music with you everywhere – fishing, hiking, snowboarding, skating, climbing. It is the ultimate entertainment system for your active lifestyle.



Key Partners

- Trek
- Adidas
- Nike
- Red Bull
- Kinetic Energy Technology
- Garmin/Strava
- Go Pro

Key Activities

- Material Specialists
- PR
- Technology Specialists

Value Proposition

- get music everywhere
- For a better social music experience
- Plays all weekend
- all conditions gear
- enhanced sport experience
- ruggedized
- washable
- water and shock-proof
- Small and Light weight

Customer Relationships

LONG-TERM ADVENTURE MUSIC FOR ALL EXPERIENCES

VIRAL / TELL YOUR FRIENDS / USER ENGAGED

EXPANSIVITY UPGRADES

Customer Segments

- Extreme Sports
- Outdoorsy people
- Travelers
- Students
- Gyms

Key Resources

Key Resources

- Material Specialists
- PR
- Technology Specialists

Channels

- Accessories
- Health/Wellness
- Travel retail
- Sporting goods

Cost Structure

- \$40 FOB

Revenue Streams

Revenue Streams

- Compelling price point for a rich feature set
- Increase market share

1 / Gadget Cradle/Speaker: Smart disconnection.

WELL BEING

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Idea Description

Takes advantage of the user behavior of placing smart phone close to bed but automatically activates the desired functions(alarm clock, emergency calls, etc) and protects from radiation.

User Benefit

Helps the user to relax/sleep by letting them take the active choice of disconnecting themselves, protects the user from radiation and stressful notifications in the middle of the night.

The Business Model Canvas

Designed for:

Designed by:

Key Partners

Philips

Home

Sony

Bose

Key Activities

- Material Specialists
- PR
- Technology Specialists

CMF

UI/UX

Key Resources

Key Resources

- Material Specialists
- PR
- Technology Specialists

Female-targeted design

Value Proposition

- The perfect bedroom speaker
- A bed for your room
- FM radio?
- Wireless charging
- Lighting/ambience
- Protection from radiation
- Set alarm in app
- Alarm setting transferred to speaker

Touchless alarm clock function from phone to clock
Sleeping/DND?
Set alarm with the app
Ambient functionality
Lighting configuration

Wireless charging
Lighting/ambience
Blue tooth
Harman Kardon Ecosystem

Customer Relationships

- App updates
- Intuitive experience

App updates

Simple, easy, intuitive experience

Channels

- Hospitality
- Traditional CE retail
- Spa/Wellness
- Mobile phone
- Furniture stores

Hospitality

Traditional CE retail

Spa/Wellness

Furniture/Wellness home furnishings

Online Configuration website

Customer Segments

- Design and quality conscious professionals

Design and quality conscious professionals

Cost Structure

- Standard NPI costs...

Standard NPI costs

Revenue Streams

Revenue Streams

- \$149 -199
- 75% traditional channels
- 25% new channels

\$149-199 Target price

Price point pay \$149

Price point pay \$199

7/ All in one theater system

Profitability Home

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Idea Description

portable sound system with integrated projector.

User Benefit

Convenient in use and easy to transport home theater system for young generation which never sit at one place.

The Business Model Canvas

Designed for:

Designed by:

Key Partners

- Projector Manufacturers
- Embedded Audio?

Key Activities

- Material Specialists
- PR
- Technology Specialists

Value Proposition

- Wireless video stream
- Value in portability
- Bag'able
- Video focused

Customer Relationships

- App updates
- Intuitive experience

Customer Segments

- College students

Key Resources

- Outside of our resources

Channels

- Hospitality
- Traditional CE retail
- Spa/Wellness
- Mobile phone
- Furniture stores

Revenue Streams

- Royalties
- NRE

Cost Structure

PRICE POINT
350
400

ZERO
ZERO
ZERO
RESOURCES
for our
SBO...
outside
of our
competitors

VALUE
IN
PORTABILITY

WIRELESS
VIDEO
STREAM
BAGGABLE

1st VIDEO
2nd AUDIO

Video Not
Focused TV-
computer

We are
always
2nd

people
cancel
if it's
not

SPORTS
BONES YOU
WICK TO
TV

Primary
Screen
College
graduates

Secondary
Screen
• Second
year

HARMAN

WHERE SOUND MATTERS

AKG

harman/kardon

 **Infinity**

JBL

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mark
levinson