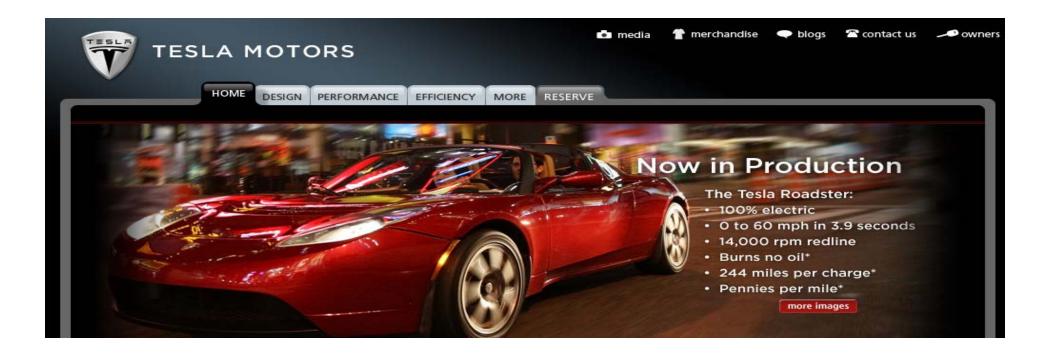
Satisfying Real Market Needs

Objectives

- 1. Why would customers need my product?
- 2. What is the best way to assess customer needs?
- 3. What features (size, weight, durability, etc.)?
- 4. Why does my product fit customer needs better than those of current and future competitors?
- 5. What price should I charge?

Is it economically feasible to produce your anticipated product or service?

- Beware overdesigning the product to the point that the price is beyond your customer
- Keep production costs manageable and volume appropriately high
- High development + low demand = unprofitable opportunity



- · Reservations for the Tesla Roadster are open to all U.S. residents
- 2009MY Roadster base price: \$109,000 (see 2009 spec sheet for more details)
- Availability approximately 12 months
- \$5000 refundable reservation fee starts the process and locks in price*
- Additional \$55,000 to lock in a production slot and delivery timeframe.
- · Exterior/interior choices, options and balance due 3 months prior to production of your Roadster
- Submit your questions here, or call 650-413-6300.



IT'S MORE CAR THAN ELECTRIC.



LEASE THE 2011 CHEVROLET VOLT FOR AS LOW AS \$350°/MONTH FOR 36 MONTHS. \$2,500 DUE AT LEASE SIGNING, INCLUDES SECURITY DEPOSIT. TAX, TITLE, LICENSE, AND DEALER FEES EXTRA.

OR PURCHASE FOR AS LOW AS \$33,500 NET3, PRICE AFTER TAX SAVINGS, NET PRICE SHOWN INCLUDES THE FULL \$2,500 TAX CREDIT, \$41,000 MSRP*WITH FEDERAL TAX SAVINGS FROM \$0 UP TO \$7,500.



Arriving at the end of 2010. Preproduction model shown/described. Actual production model will vary.

Find out what makes Volt different, smarter and better.

Pricing & Features +
Exterior/Interior Colors +

Proving Ground (11) > Technology (16) > Performance/Efficiency (7) → Connectivity (6) →

Benefits of Electricity (9) → Design (2) →













@6

eLXD

starting at \$12,495.00

Be honest with yourself about competing products and how your product compares

- If trying to convince yourself that your solution is better than the competitors, this may lead to over-optimism.
- When one is overoptimistic, they tend not to see things realistically.
- Instead, engage in a fair evaluation of the strengths & weaknesses of your solution to the customers' current & future needs.

Use your relationships to explore new venture opportunities

- Use your social networks to gather information about competitors and their products
- Talk to friends, family, potential customers, competitors, and others in the field for feedback

Understanding the marketing and selling processes

- To be successful at entrepreneurship, you also have to understand how to market and sell new products and services.
 - The best marketed products often outsell the best products (if not marketed well)
- Focus on two very important concepts:
 - Understanding the process of personal selling
 - Understanding the pricing of new products & services

Success and profits depend on pricing right

- Costs include designing, producing, distributing, marketing, and supporting the new product
- Know the fixed costs, the variable costs, and the hidden costs of producing selling your product/service to the market.
 - Examine competitors' financials (particularly if they are a public traded company) to help scope your own financial forecasts and goals

Beware of under-pricing your product

- You must estimate the volume of your sales to determine if you price is high enough to cover costs when fixed costs are large.
- When you introduce a new product you should be mindful of the price of competing products.
- If offering a comparable levels of features, price your product just under the price of competitors.

Summary

- 1. Why would customers need my product?
- 2. What is the best way to assess customer needs?
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- 5. What price should I charge?