

RE: Investor's Dilemma

Having concluded our investigation into the optimal outcome for bringing this product to market we have come across the following findings.

- The optimal strategy in product deployment would be to move forwards without accepting an Angel Investor, our initial directive should be to perform feasibility tests on the product before moving directly to R&D upon the success of those tests. Our findings indicate a greater expected return on investment by launching our product without contracting outside market analysis due to our confidence in our internal projections on the product's success on the markets.
- Should we opt to utilize the offer made by the outside market analysis group, we should only launch our product if their results come back showing a positive review of the product, as launching the product after receiving a negative review would put us at an extremely high risk of our product failing upon release.
- Were we to engage in this market analysis research before moving into the R&D phase, we would again only proceed if the analysis came back positive, as a negative review would still put us at a high risk of market failure. Should we receive a positive market analysis review, we would begin our feasibility testing, moving into R&D once feasibility has been proven, or halting our efforts if it is not.
- Deciding to go with the Angel Investor would not be optimal, but would create an excessively large potential gap in earnings. Were we to engage with an investor, our strategy would be to pursue the offer for an outside market analysis review before launch, only after conducting our internal feasibility tests.
- Should these feasibility tests come back successful, we would contract the outside review for market analysis. Afterwards, we would pursue our launch by moving into the R&D phase, contingent upon a successful review by the outside market analysis group, instead of progressing directly to R&D.
- The potential loss in revenue due to the repayment of our loan on a successful product launch makes the potential gains from the market analysis outweigh the risk of failure were we to pass over their offer for review. The loan will be paid back regardless should our product come to fruition, so incurring the extra cost of this analysis would be worth it for the added security to our initial investment.

Our internal analytics team shows a high probability of success for our product and a reasonably safe investment in pursuing the launch of it without undergoing market analysis via an outside company. We advise moving forwards with our initiative to begin product testing and development at the earliest possible date.

For further review and confirmation of these findings, please see the attached decision tree and supporting outputs. Should you have any further questions, please reach out to our analytics team.