

{{project_name}}

PRODUCT POTENTIAL REPORT

Produced by Innovate Design for {{client_name}}, founder

Product summary based on your idea submission

Research team notes:

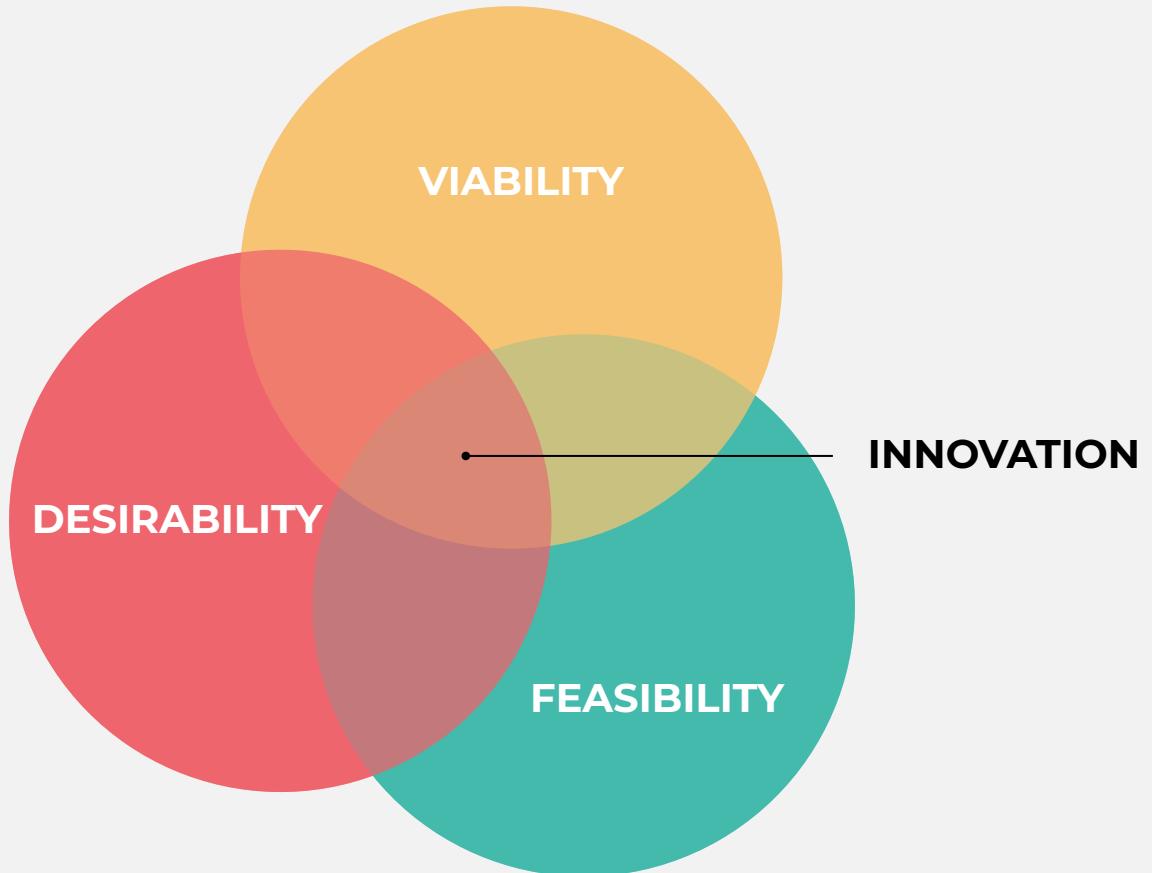
A summary explaining the basis of the product has been identified.

{{product_summary}}

Product Potential Report

Understand the commercial potential of your idea

PRODUCT POTENTIAL REPORT EXPLAINED



INTRODUCTION

Thank you for choosing Innovate Design to create your Product Potential Report. We have suggested this report because you are developing a product innovation and this report has been created to help you take an early look at its future potential.

The report can give valuable insights to all types of products whether physical, digital, or a new kind of service. When we refer to "product", we are talking about anything you can develop which creates value for customers that you can sell.

The report focuses on three pillars of Innovation – desirability, viability and feasibility. This "Innovation Trinity" as it is known was developed by product strategist Ideo, and we believe successful innovations need all three. The aim is to help you create –

A **desirable** product, which could provide a **viable** business that is **feasible** to develop and produce. The Product Potential Report gives you tools to uncover potential challenges in your plan and easily adjust it in response. The report lays the foundations for these factors to be explored and verified in higher resolution during further development.

If you are happy with the results of the report, we hope that this is the first step on a path that allows us to help you to transform your idea into a product and a business.

INNOVATION TRINITY STRESS TESTS

DESIRABLE

Customer Segments

Customers are the heart of any product. So, it's natural that identifying your potential customers is the starting point for the report.

Early Adopters

If customers are the heart, then early adopters are those first heartbeats that bring a project to life. We take a look at who they might be.

Existing Alternatives

In this analysis, we research at least three competitor products to better understand the existing market.

What is the Problem?

We list the main problems that we feel your potential customers may be unable to address with existing solutions.

Unique Value Proposition (UVP)

A summary of the solutions your product offers which are not currently available.

VIABLE

Minimum Success Criteria

Your Minimum Success Criteria (MSC) is the revenue you hope to achieve in year three of your business.

Market Size

Relevant market information has been researched to learn more about the Total Addressable Market (TAM) and assess the viability of reaching the number of customers needed either locally or globally to achieve your MSC.

Product Cost Structure

In this analysis, we help you review the targets your product might need to hit for cost of goods, customer acquisition and other elements.

FEASIBLE

The Proposed Solution In 7 Words

We consider whether the proposed solution can be clearly described in 7 words or fewer.

Feasibility Summary

We talk you through how you can assess whether it is feasible to produce your innovation.

Traction Roadmap

Starting from the launch of your product, this allows us to consider how you can gauge whether it has traction in the market.

Development Roadmap

This roadmap is designed to provide you with a feasible development process to prepare your Innovation for launch.

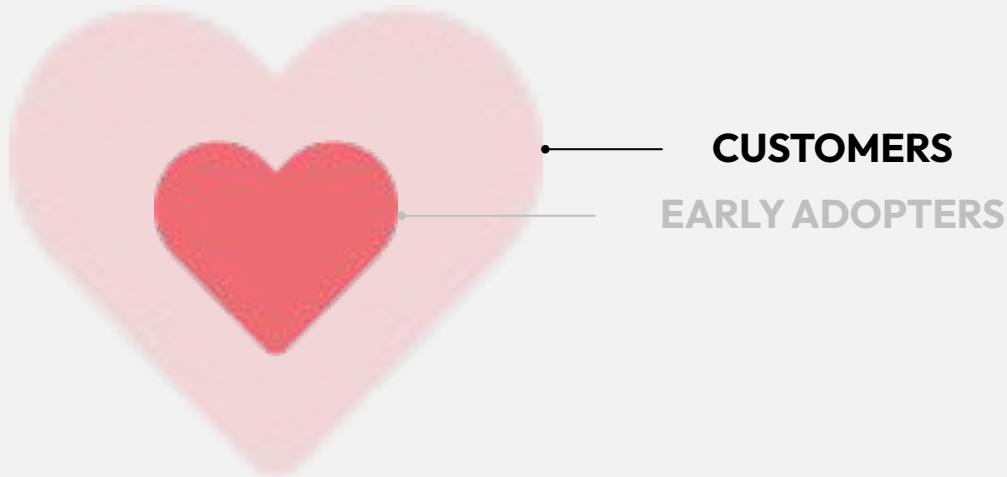
Desirability

Does the product create a strong enough desire to be bought by a group of customers?

Customer segment

Research team notes:

Add notes



CUSTOMER SEGMENT

- {{customer_1}}
- {{customer_2}}
- {{customer_3}}



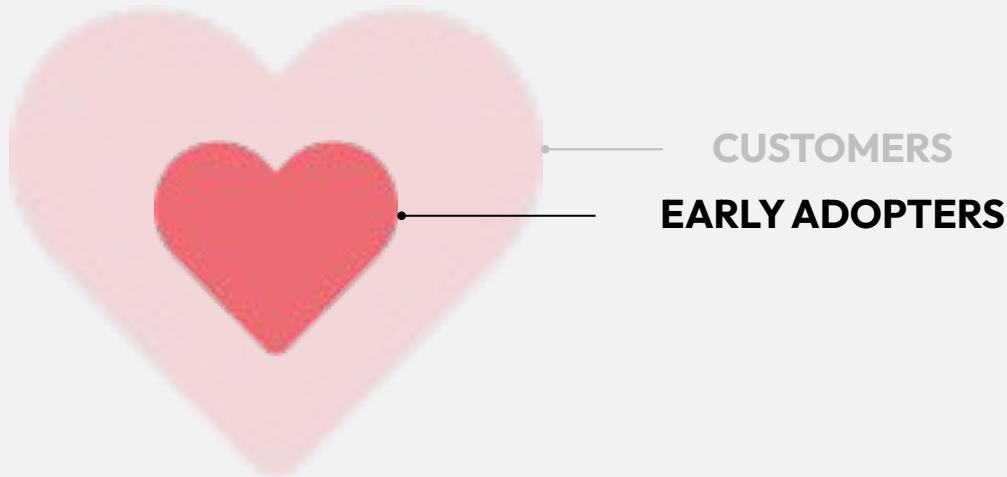
Customer segments explained

Here we list the general customer groups who might buy the product. These are usually large groups e.g. coffee drinkers. This is also known as your Total Addressable Market (TAM).

Early adopters

Research team notes:

Add notes



EARLY ADOPTERS

- {{early_adopter_1}}
- {{early_adopter_2}}
- {{early_adopter_3}}



Early adopters explained

Early adopters are the people who might be most likely to buy the product when marketed to. We recommend you orient your product to these people initially.

We try to identify these people by thinking about the so-called “switching triggers” which cause them to look for a better solution.

Existing alternatives

Research team notes:

Add sidenote.

{{alt_img_1}}

{{alt_product_name_1}}

BRAND

{{alt_brand_1}}

PRICE

£{{alt_price_1}}

HOW IT DOES THE JOB

- {{alt_doesjob1_1}}
- {{alt_doesjob1_2}}
- {{alt_doesjob1_3}}

PROBLEMS

- {{alt_prob1_1}}
- {{alt_prob1_2}}
- {{alt_prob1_3}}

[{{alt_url_1}}](#)

Existing alternatives

Research team notes:

Add sidenote.

{{alt_img_2}}

{{alt_product_name_2}}

BRAND

{{alt_brand_2}}

PRICE

£{{alt_price_2}}

HOW IT DOES THE JOB

- {{alt_doesjob2_1}}
- {{alt_doesjob2_2}}
- {{alt_doesjob2_3}}

PROBLEMS

- {{alt_prob2_1}}
- {{alt_prob2_2}}
- {{alt_prob2_3}}

{{alt_url_2}}

Existing alternatives

Research team notes:

Add sidenote.

{{{alt_img_3}}}

{{{alt_product_name_3}}}

BRAND

{{{alt_brand_3}}}

PRICE

£{{{alt_price_3}}}

HOW IT DOES THE JOB

- {{{alt_doesjob3_1}}}
- {{{alt_doesjob3_2}}}
- {{{alt_doesjob3_3}}}

PROBLEMS

- {{{alt_prob3_1}}}
- {{{alt_prob3_2}}}
- {{{alt_prob3_3}}}

{{{alt_url_3}}}

Problems

Research team notes:

Problems have been considered.

- {{prob_summary_1}}
- {{prob_summary_2}}
- {{prob_summary_3}}



Problems explained

We look at the specific problems that we feel the existing alternatives identified don't solve.



Unique value proposition

Research team notes:

A UVP has been considered.

{{uvp}}



Unique Value Proposition (UVP)

UVP describes the features your product could include to solve problems better than the existing alternatives. Your UVPs could be used to promote brand awareness, maintain customer relationships, and increase sales.

Viability

Can you create a viable business from your innovation?

Minimum success criteria

Research team notes:

Minimum Success Criteria has been reviewed.

This is an opportunity for you to review whether the MSC listed here is a suitable goal for your product business.

Minimum Success Criteria:

£1,000,000 ARR.

This is based on a net profit of £100,000 and profitability of 10%



Minimum Success Criteria (MSC) explained

What is your financial goal? Your MSC is the minimum Annual Recurring Revenue (ARR) you could earn in year 3 of trading which you feel would make the business worthwhile. You can adjust this figure to suit your needs.

Market size

Research team notes:

Total Addressable Market has been considered.

{}{mkt_data}}

{}{mkt_source_url}}



Market size explained

We identify a potential Total Addressable Market (TAM) for your product to help assess whether there may be enough customers to meet the MSC of your product locally or globally.

Target revenue per customer

Example recommended retail price (RRP) for your main product

{{ex_rrp}}

+

Example add on value

{{ex_add_value}}

=

Example Target Revenue per Customer

{{ex_tgt_rev}}

Example product sales in year 3

{{ex_yr3_units}}

Research team notes:

Target revenue per customer has been established.

Examples of add-on value could include:

- {{ex_av_item}}



Target Revenue per Customer explained

What will each customer be worth on average? You can increase your revenue per customer by selling add-ons like complimentary products, accessories, and replaceable parts.

Viability estimate

MINIMUM SUCCESS CRITERIA	CUSTOMERS IN YEAR 3	YEAR 3 CONVERSIONS	YEAR 3 REFERRALS	YEAR 3 IMPRESSIONS
Net profit £100,000 <small>Profit target you want to achieve in year 3</small>	Revenue per customer £99 <small>Product revenue plus any accessories, supporting products and replaceable parts</small>	Acquisition 10% <small>Leads that click our ad (10% of customers)</small>	Referrals 10% <small>10% uplift from customers received via word of mouth</small>	Total conversion rate 1% <small>Required conversion rate from lead to revenue</small>
÷ Profitability 10% <small>What percentage of your revenue is your net profit</small>	Required customers in year 3 10,101 <small>How many customers required to reach Minimum Success Criteria (MSC)</small>	Activation 30% <small>People staying on our site for 1 minute (30% of Acquisition)</small>		Required impressions per year 1,020,304 <small>Number of ads we need to place to acquire the required customers per year</small>
= Annual Recurring Revenue (ARR) £1,000,000 <small>Minimum Success Criteria (MSC) is the target for your 3rd year of trading</small>		Revenue 30% <small>People paying for the product (30% of Activation)</small>	1% <small>New customers acquired</small>	Consider your market <small>Is the Total Addressable Market 1,020,304 greater than</small>

Research team notes:

This viability model provides a simplified view of how your business can reach a sustainable revenue target by Year 3. It assumes a direct-to-consumer sales funnel and uses standard benchmarks for digital acquisition and conversion rates. The key question is whether your Total Addressable Market (TAM) is large enough to support the required volume of impressions and conversions.

Feasibility

Is it feasible to produce your innovation?

Example traction roadmap

YEAR 1 CUSTOMERS

{{cust_yr1}}

YEAR 2 CUSTOMERS

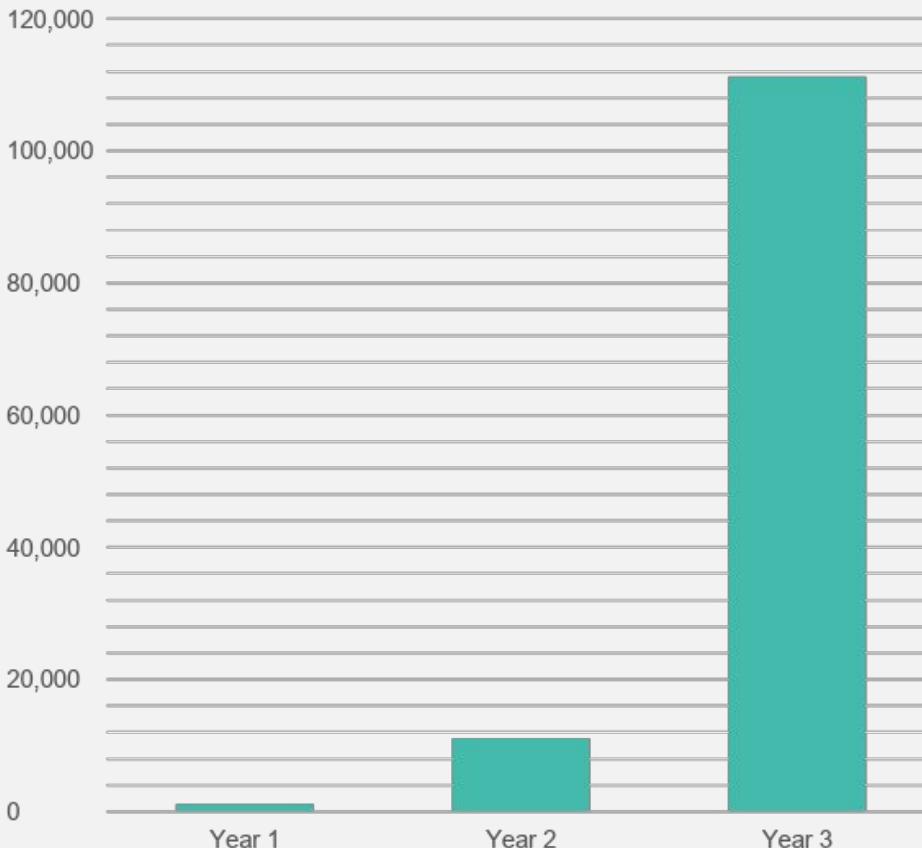
{{cust_yr2}}

YEAR 3 CUSTOMERS

{{cust_yr3}}

TOTAL OVER 3 YEARS

{{tot_cust}}



Based on nominal values including a 10x growth multiplier suggested in the playbook Running Lean.
You can adjust these numbers in the provided spreadsheet.

Research team notes:

An example traction roadmap has been considered.

Example net profit targets

YEAR 1 TARGET

£1,000

YEAR 2 TARGET

£10,000

YEAR 3 TARGET

£100,000

**TOTAL OVER 3 YEARS
£111,000**



Based on nominal values. You can adjust these numbers in the provided spreadsheet.

Research team notes:

These calculations use highly speculative data and are not financial advice.

Your one page Innovate Business Plan

An Innovation Business Plan is a one-page business plan which succinctly helps you describe every aspect of the plan to commercialise the product.

Lean business plan

PROBLEM {{lbp_problems}}	SOLUTION {{lbp_sol}}	UNIQUE VALUE PROPOSITION {{lbp_uvp}}	UNFAIR ADVANTAGE Intellectual Property – Seeking legal protection. Customer Connection – Fostering personal engagement with customers. First-mover advantage – Being the first to offer a dedicated solution.	CUSTOMER SEGMENTS Target Customers {{lbp_cust}}
Existing solutions {{lbp_exst_sol}}		HIGH-LEVEL CONCEPT {{lbp_hlc}}		Early adopters {{lbp_ea}}
	KEY METRICS {{lbp_keymet}}		CHANNELS {{lbp_chan}}	
COST STRUCTURE {{lbp_cost_struc}}				REVENUE STREAMS {{lbp_rev_stream}}
Target retail price: {{lbp_rrp}}				Preferred route: {{lbp_pref_route}}

Appendix

Product potential report context

This report is speculative and provides a very general overview of the potential of your product. For a product such as this, how the product is developed and marketed will hugely affect the outcome. Therefore, these numbers should not be relied on for any financial or other decisions.

This document is representative of the research team's considered opinion but is not the final or definitive answers to these questions or issues, which can be yours alone as 'expert in the field'. Therefore, you must consider all content as a launchpad but not tactical, legal or commercial advice.

Should a business based around this product be of interest to you, further development will be required to prepare the product for sale. This may incur significant additional costs which have not been estimated in this report.

References and further reading

The Product Potential Report format has been developed by the team at Innovate Design. It includes methodologies and playbooks which have been developed by cutting-edge innovators in the industry. You can learn more about the concepts we have been inspired by in the books below.

Running Lean (3rd Edition) by Ash Maurya

Lean Startup by Eric Ries

The Art of Innovation by Tom Kelley (Ideo)

Business Model Generation by Alexander Osterwalder and Yves Pigneur (Strategyzer)

Value Proposition Design by Alexander Osterwalder and the team at Strategyzer