**Initial preliminary business case for PDP LLC**

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| Section | Description | |
| Market situation | * Dog toys are listed as one of the hottest trending products. * The dog toy market saw explosive growth in the first half of 2023. * The current market is valued at USD 8.1 billion. | |
| Opportunity | * Many dog toys are harmful. * Some dog toys are toxic, can lead to critical health issues, and are of extremely low quality. * Buyers want safe, durable, available, and cost-effective dog toy choices. * PDP LLC has an opportunity to enhance market share and revenue. | |
| Envisioned solution | * The overall goal of the PDP team is to build on the Product Concept Document and define and design a toy bundle that will outpace the competition, satisfy our broad customer base, and increase profitability. * Toy options include training toys, chew toys, squeaky toys, stuffed plush toys, and rope toys. Buyers can purchase individually or choose bundled options. * Secondary research reveals that buyers want numerous toy options. * Primary research with our buyer focus group validates this solution as viable. | |
| Objectives and assumptions | * Objectives:   + Plan the project.   + Develop all updated toy products and define bundling options.   + Perform market validation activities and launch preparation.   + Launch and deliver. * Assumptions:   + Market growth data is accurate.   + Development can be completed internally.   + Supplier and distribution channels can support product delivery.   + Sales and revenue projections are accurate. | |
| Costs | * Initial funding of USD 50,000 is needed to support initial planning and prototype development phases * Additional USD 300,000 is needed to support full-scale development and delivery * Resources required: product manager, marketing, operations, engineering, and design. | |
| Strategic alignment | | * The PDP vision is to increase market share by developing and delivering high-quality dog toys at a reasonable price. * The current strategy is to increase sales and provide high-quality dog toys that meet the needs of the market. |
| Timing | | * There is widespread dissatisfaction among buyers regarding the quality of current dog toys on the market. The dog toy market is expanding. * Now is the time to act before the competition takes action to address the current market problems. * First-mover advantage for PDP is a realistic goal. The need to invest is now. * Milestones:   + Plan phase: Begin 15th June and complete by 31st July   + Development: 1st Aug–15th Sep   + Qualify: 15th–30th Sep   + Launch: 1st Oct   + Deliver: 15th Oct   + Retire: To be determined |
| Cost-benefit analysis | | * Initial funding: USD 50,000 * First-year operational and production costs: USD 300,000 * Revenue projection   + Year 1: USD 450,000   + Year 2: USD 1,300,000 |
| Risk and mitigation strategies | | * Design and development delays   + Augment team and prioritize this product development project * Supply Chain Shortages   + Increase materials inventory to satisfy full-scale production needs * Delivery channel delays   + Focus on online delivery to reduce third-party intermediary dependencies * Poor sales   + Aggressively differentiate our product line using social media and alternative advertising sources |
| Initial investment and recommendation | | |  |  |  | | --- | --- | --- | |  | Revenue in USD | Costs in USD | | Initial investment |  | 50,000 | | Year 1 | 450,000 | 300,000 | | Year 2 | 1,300,000 |  | | IRR:582% |  |  | | NPV: USD 1.055M |  |  | |