

***Stages of Innovation***  
***Product Development Services***  
***Stage Gate Process***



## *SOI Services*

- Product Development
  - Discovery and Invention
  - Design & Feasibility
  - Prototype & Test
  - Launch
  - Product Lifecycle Management

SOI can undertake the entire product development process or can assist your team during any stage of the development process. We also provide product development management services to help you launch the right products at the right time.

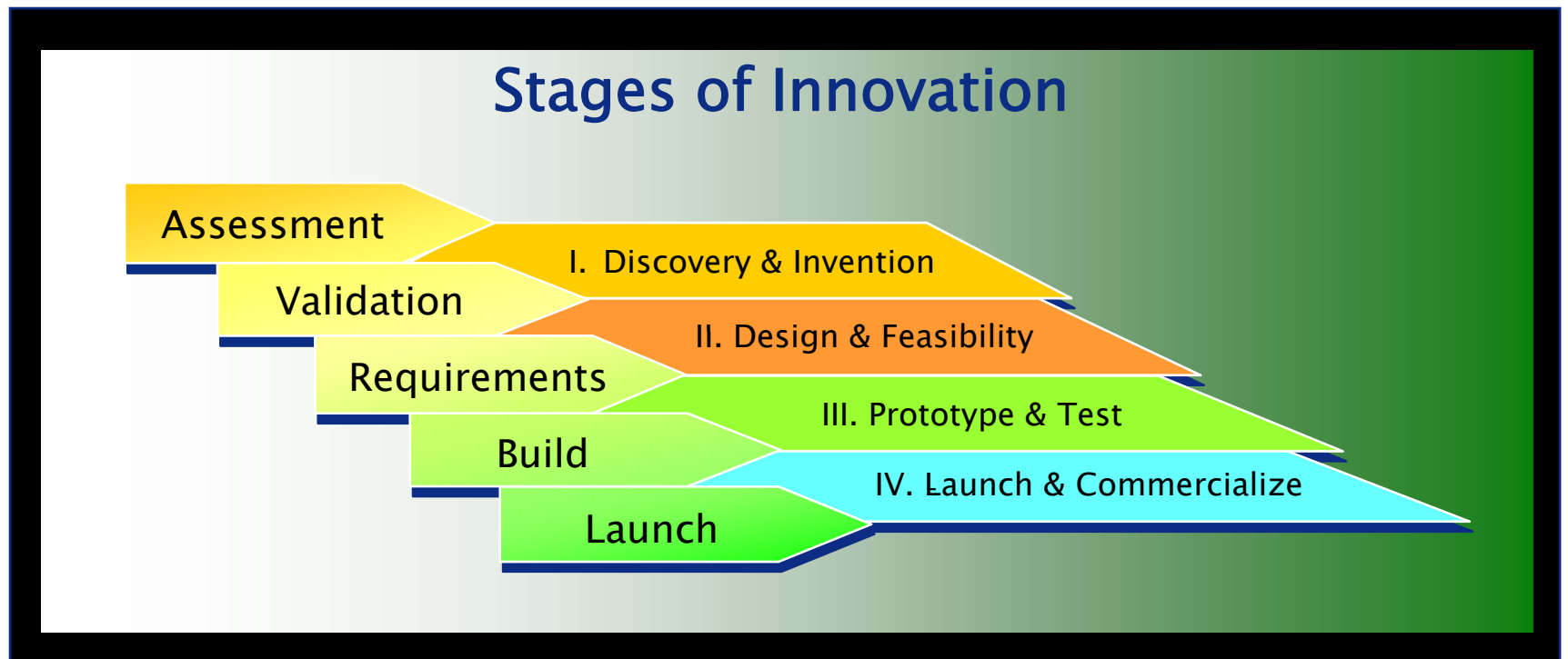
*SOI's proprietary product development tools provide a thorough review of the product at every stage*

- Market Feasibility
  - We identify a need or a problem in the marketplace that we believe you can provide a solution for. We navigate complex market structures in a way that PB can deliver a strong value proposition.
  
- Business Feasibility
  - Our financial analysis helps determines where PB will make money, how PB is going to make money, and what it will take to build and launch any product. We thoroughly identify the risks associated with the product and provide contingencies.
  
- Technology Feasibility
  - The GPS PD process builds on the principles of speed and quality to determine the WHAT, the HOW, and the HOW MUCH. We write the product specs for our development group to build.

*SOI's systematic and methodological process achieves the highest degree of results*

stages of **innovation**

The Core Process begins with assessment areas of opportunities for your company. We then validate and refute internal, external and market assumptions. The process continues to feed the innovation stages with verifiable data, customer feedback and market analysis and avoids product development pitfalls arising from information gaps





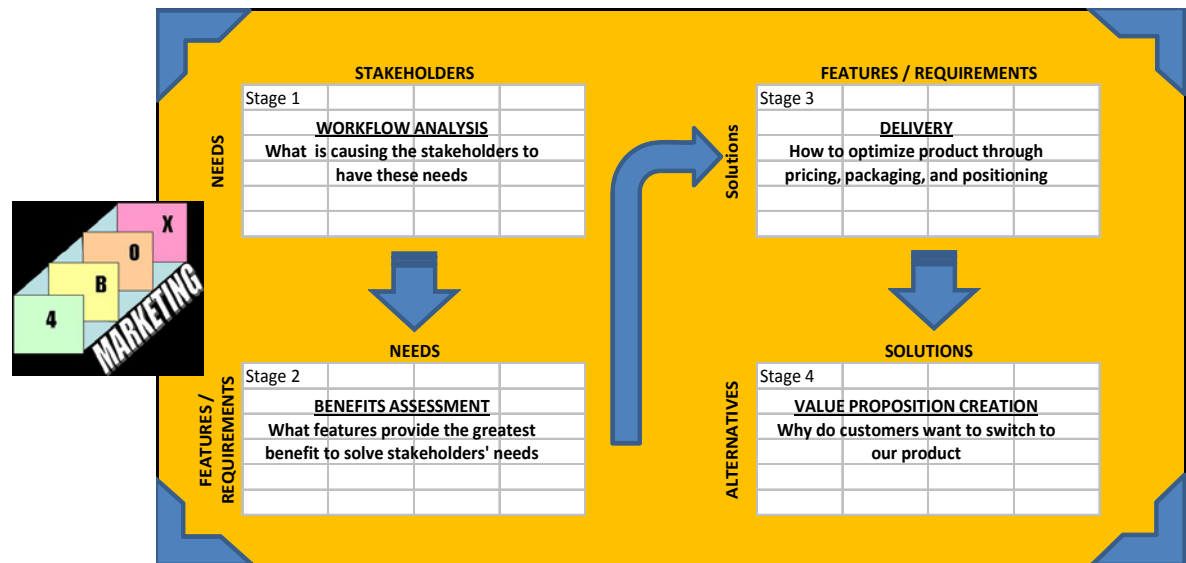
## Discovery & Invention

stages of innovation

We seek to create value for new and existing markets, capture value from customers and keep that value for the long-term.

After reviewing and assessing the industry we look for appropriate areas of opportunity that meet corporate objectives. Through a thorough assessment of the needs and the competitive structure of the market we provide a value proposition, value delivery system, and effective business model. Our unique optimization methodology provides immediate results.

- Several discovery and research methodologies are used in the discovery and invention phase
  - Customer Methods
    - Ethnography/VOC
    - Voice of the Customer
    - IDI's
    - Focus Groups
    - Interactive Quantitative Research
    - User Data Analysis (for existing products)
  - Market/Opportunity Discovery Methods
    - Market Analysis
    - Financial Analysis
    - Competitive Analysis





## Evaluating concepts for viability

stages of **innovation**

- A set of 8 dimensions are used to determine the attractiveness and prioritization of products & services

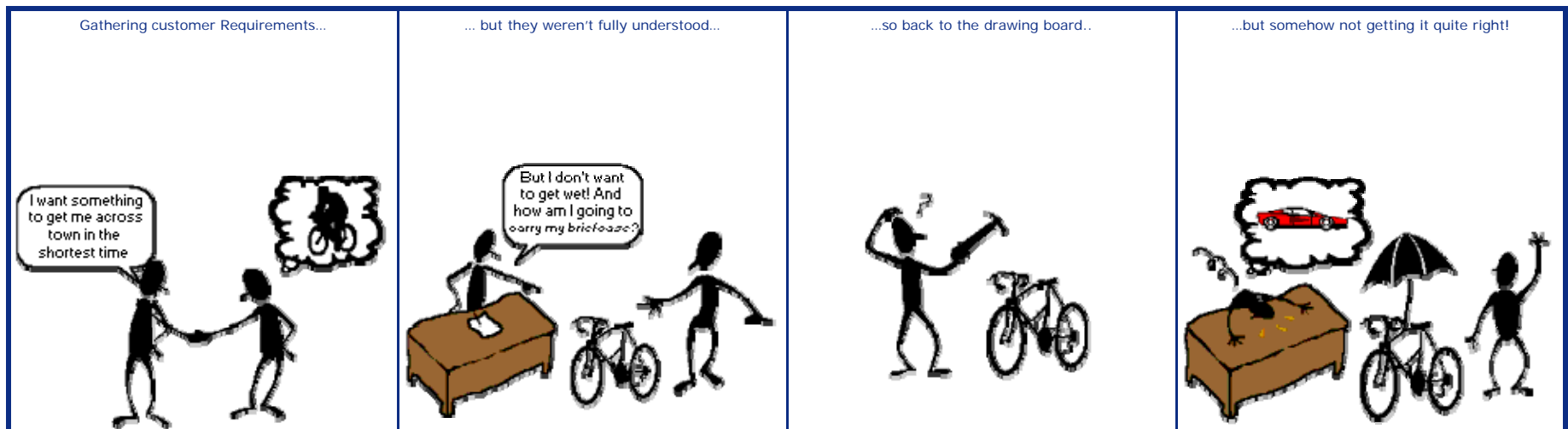
Size of market opportunity	➡	How large is the opportunity?
Growth of market	➡	Is the market growing or contracting?
Strength of customer relationships	➡	Can we leverage existing relationships with our customers?
Value creation	➡	How do we create a competitive advantage?
Degree of government involvement	➡	To what extent is the market regulated?
Degree of competitive density	➡	What is the structure of the market and who are the leaders?
Value delivery	➡	What barriers of entry exist?
Window of opportunity duration	➡	How long of a window do we have?



## Design & Feasibility

stages of innovation

- Successful products start with requirements management

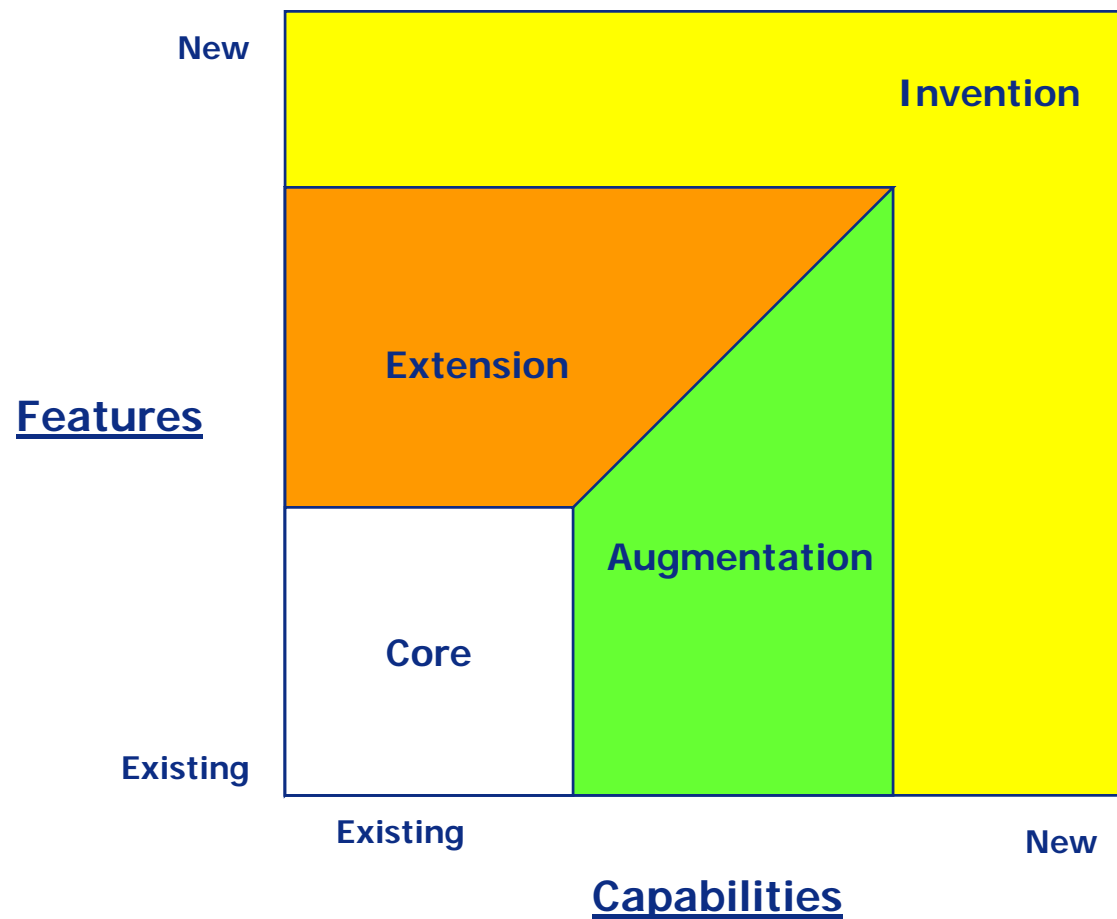




## Identifying Functional Gap Analysis

stages of **innovation**

- Much of what we do is to help you determine the quickest way to achieve your objectives.



- Add capabilities that are needed in the right place
- Prioritize the investment necessary to bring products to market
- Develop short-term, interim-term and long-term products



## *A four-staged process built on the principles of speed and quality*

stages of **innovation**

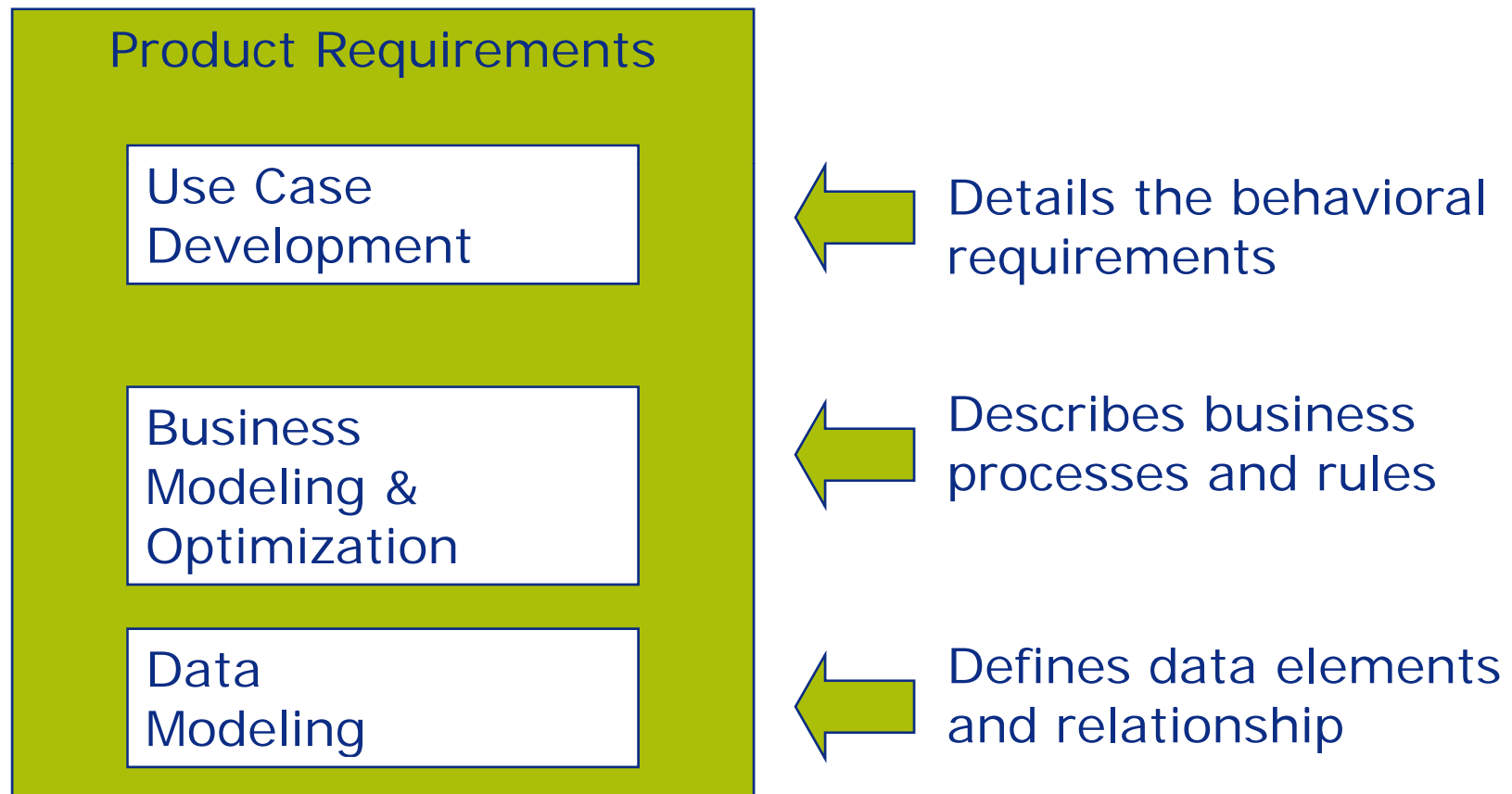
- Requirements Analysis defines the WHAT
  - The goal is to document all function/feature, performance and user interfacing requirements of the solution that meets the customers needs
  
- Design Analysis describes the HOW
  - Design essentially transforms the requirement into a blueprint that outlines data structures, architecture, procedural detail and interface characterization that can be created to deliver the desired customer experience
  
- Feasibility Analysis determines the HOW MUCH
  - The aim of a feasibility study is to see whether it is possible to develop the solution at a reasonable cost
  
- Optimization Analysis determines WHAT IT'S WORTH
  - The goal of optimization is to establish the optimum feature set based on economic value and customer preferences



## Developing Product Requirements

stages of innovation

- Our approach to translating customer needs into product requirements





## Evaluating concepts for feasibility

s t a g e s o f i n n o v a t i o n

Perception



How much pain associated with what they do today? Is there a need for the product or service

Competitive Density



Are there any 800lb gorillas lurking?

Brand Image



Can your company deliver a credible solution in this space?

Innovation



Does the technology exist to develop the solution?

Experimentation



Does the solution rely on proven technology?

Business Model



Are they willing to pay for it?

ROI

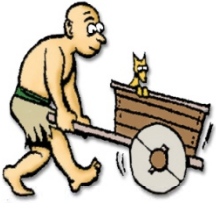


Does the product or service support corporate hurdles?

Cost of Entry

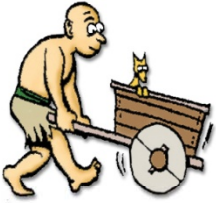


How do we enter the market?



## Prototype & Testing

- 3 Main Types of Prototypes
  - Proof-of-Concept
    - Does the concept have traction?
  - Functional Design
    - Includes most/all specifications of the final product
      - Design, functionality, look & feel
  - Production
    - The first of an actual product
- Prototyping Methods used for testing with target customers
  - Physical Devices
  - Graphic Designs (product design, packaging, marketing collateral, etc.)
  - Storyboards
  - Hand drawn screens
  - Animated screens
  - Brochures and Commercials
  - Programs
  - Web Sites
  - Performances, movies



## *Evaluating Prototypes for Launch Developing a Market-Centric P&L*

s t a g e s o f i n n o v a t i o n

### **Can we find customers to buy it, that want it?**

- What is the method of acquisition?
- What is the cost of customer acquisition?
- How satisfied were the pilot customers with the product/service?

### **[minus] Can we build it?**

- Can it commercialized
- Can it be commercialized profitably

### **[equals] Can we make money?**

- How realistic were the original business assumptions and business model?
- How have the original business assumptions and business model changed?

### **[multiply percentage] Can we grow our business every year?**

- Can we grow customers?
- Can we grow revenues and profit?

### **[Risk Rating] Are our assumptions at risk?**

- Have we identified the risks and developed contingency plans?
- Do we have a plan for next generation products?
- Do we have a competitive response plan?
- Do we know how we are going to manage the risk in our portfolio?



## *Commercialization & Launch*

s t a g e s o f **i n n o v a t i o n**

- SOI can work on the whole process or support the efforts throughout the development process.
  
- Some of the commercialization & launch services we provide include:
  - Marketing Planning & Services
  - Product Planning & Strategy
  - Operations Planning & Production
  - Metrics, Reporting & Accounting
  - Outsourced Selling



## *Repositioning & Redevelopment*

s t a g e s o f i n n o v a t i o n

### REPOSITIONING

- Relation to a feeling, a need or a desire
- Consistency with the perception of the product or service
- Differentiate
  - Credibility
  - Durability
  - Unique Benefit
  - Meaningful Benefit

### REDEVELOPMENT

- Appropriate to how consumers perceive the brand
  - Product Attribute Component
  - Emotional Attachment
  - Expertise Component