INPUT®

PROPOSAL
TO
IDENTIFY AND ANALYZE
HIGH POTENTIAL
FUTURE PRODUCTS

for

CANDLE CORPORATION

June 4, 1986

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INPUT RESPONSE

- Qualifications
  - Company Profiles
  - Experience
- Statement of Work, Schedule and Cost Breakdown
  - Objectives
  - Scope
  - Methodology
  - Staffing
  - Deliverables and Schedule
  - Professional Fees
- Summary

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QUALIFICATIONS

- Company Profile
  - Eleven Years Old
  - International
  - Focused
- Experience
  - Performed Similar Work for 8 Years
  - Clients
    - o IBM
    - o Anacomp
    - o MSA
    - o BCS
    - o TRW
    - o Litton
    - o GTE
    - o Others
  - Methodology
  - Deliveries
- Candle Will Be Pleased With Results

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OBJECTIVES

- Identify High Potential Products/Product Areas
- Market Description of Product Areas
- Understand How Product Area Fits CANDLE
- Determine Potential Successful Entry Strategies
- Determine Product Area(s) CANDLE Should Avoid
- Additional Objectives
  - Understand the Problem to Be Solved
  - Identify a Product That Solves a Problem Users Do Not Know They Have It Yet
  - Understand How the Buyer Will Justify the Purchase

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SCOPE

- Lateral Extension
- Vertical Extension
- New Markets
- Strategic Scenarios
  - Management Perceptions
  - Client Perceptions
  - INPUT Analysis
- Product Area Scenarios
  - Market Size and Growth
  - Competition
  - Sales/Distribution
  - Launch/Entry
  - Support
  - Pricing
  - Make/Buy
  - Test

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METHODOLOGY

- Interview CANDLE Management and Staff
- Analyze Against INPUT Experience
- INPUT to Phase II

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METHODOLOGY
PHASE II

- Interview CANDLE Clients
- Analyze Against INPUT Experience
- Consolidate With Phase II
- Select Top Ten Product Areas
- Discuss Areas CANDLE Should Avoid

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METHODOLOGY
PHASE III

- Interview Prospective Clients
- Two Product Area Concepts
- Detail Interview/Probes
- Develop Detailed Scenarios
- Present Findings

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METHODOLOGY
PHASE IV

- Select One or More of Top Ten
- Repeat Phase III
- Present Findings

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STAFFING

- Peter Cunningham
- Michael Dishman
- Graham Kemp
- Tim Tyler
- Bonnie Digrius
- Bruce Hadburg
- Frank Wirsh

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DELIVERABLES

- Specification, Questionnaires, Support Material
- 13-15 in Depth, Face-to-Face Interviews
- 70 Telephone Interviews
- Three Periodic Review Meetings
- Two Presentations of Findings Including Presentation of Two Detailed Scenarios
- Hard Copy of Presentation Material
- INPUT Recommendations

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SCHEDULE

ACTIVITY	WEEK
Review Detailed Project Specification and Phase I Questionnaire	1
Conduct Internal Interview Program	2 - 3
Review Findings of Phase I and Approve Phase II Questionnaire. Candle Will Provide Customer Lists for Interview Program	4
Conduct Client Interview Program	4 - 6
Presentation of Findings Including Ten High Potential Product Recommendations	8
Review Phase II Questionnaire and Modify for Phase III Audience	8
Conduct Perspective Client Interview Programs on First Two Products	8 - 1 0
Presentation of Findings and Detailed Recommendations Including, as Appropriate, Product Launch Recommendations	1 2

- Phase IV Activities and Related Schedule Will Be Developed as Appropos

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PROFESSIONAL FEES

- Phase I, II, and III
  - $37,500 to $27,500 thru phase II
- Phase IV
  - $7,000 to $10,000
- Special Research Program for CANDLE
  - $25,000
- Expenses
  - Actual and Reasonable

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SUMMARY

- Qualified to Support CANDLE
- Understand End User Research
- Understand Strategic Analysis
- Desire to Work With CANDLE

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