

# Individual Learning Report III: October 22, 2003

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New Product Management has given me many useful tools in helping my partner and I work productively toward bringing our company, Create, to fruition. More than that though, it has also helped me in my rudimentary group processes in Club positions and in other classes. In this Learning Report, I will evaluate my goals from Individual Learning Report I and II. Next, I will list specific techniques and talk about how I used them, what I learned from the processes, and what outcome was achieved through the techniques. Finally, I will describe some techniques that I plan on using over the next six months including some action steps and time deadlines. By the end of the paper, one should have a clearer understanding of the personal growth process I have undergone in Marketing 221.

## **Original Aspirations & Future Goals**

My progress from the start of the class until now has been characterized by drastic improvement. Originally, I had little clue as to what New Product Management entailed yet alone the techniques and processes that drive it forward. The first week of class had me confused and overwhelmed by the new language I had to learn. Foreign words like Conjoint Analysis and Multi-dimensional Scaling had me wondering if I should have taken some more upper level marketing classes before tackling this one. Step by step though, I came to understand the terms and then I began to apply the techniques.

My original plan had me focusing on Forecasting Demand, Role Playing, Decomposition of Judgment, Scenarios, and Segmentation. During the first three weeks, I dabbled with Scenarios, Forecasting Demand and Decomposition of Judgment. I concentrated on learning many of the concepts and researched the ones I did not understand online. I Segmented our potential market quite extensively during those first weeks. In some instances I used Role Playing, but the process felt irregular and jagged. Over the last three weeks, I have continued to forecast demand using non-directive interviewing. Further, I developed more elaborate contingency plans for our venture proposal as well as enhanced my writing skills through the second management report. Lastly, I worked on my presentation skills through the oral venture presentation.

## **Progress to Date—New Product Principles**

### *Action Steps*

- How I used it: Throughout the class I have used Action Steps to decide what to do next. For instance, after I read the definitions of all the techniques, I highlighted Devil's Advocate and Parallel Processing and promised myself that I would practice those two techniques at least once within the next week. In essence, I took control of my learning process by committing myself to the small steps of using two of the new techniques I just read about.
- What went well: I made a concerted effort to use Devil's Advocate and Parallel Processing during the naming process with my partner and it helped us come up with a creative and well-suited first team name—Storming Solutions.
- What went poorly: Nothing went poorly.
- Outcome: By taking Action Steps, I became more focused on the next steps to my learning and development process. Following the success of using those action steps, I have continued to plan out small action steps to facilitate the progress of our project. That can best be reflected in our timeline and CPM chart when we literally sat down and planned out every little thing that needed to be taken care of before the completion of our project (see Appendix 1 and 2).

- What I learned so far: Action steps are invaluable to giving you direction, especially when you have a complex plan to implement. Taking action steps when we made our timeline and during formal planning helped immensely to keep us on task, detail-orientated, and most of all--focused.

#### *Brainwriting*

- How I used it: We used Brainwriting for virtually every meeting where we wanted to come up with as many creative ideas as possible. This worked out especially well when we wanted to generate names for our group (see Appendix 3).
- What went well: During the second naming process<sup>1</sup>, my group generated 33 names (see Appendix 3).
- What went poorly: A lot of the names were very similar in idea to one another and three of the names that we came up with were essentially the same (see Appendix 3). The process then is not perfect since there is some overlap.
- Outcome: We successfully chose a name that matched our vision of a store that inspires students and artists to use our supplies in the making of masterful pieces of art. Like our name *Create* commands--we want our consumers to Create!
- What I learned so far: The best way to get many creative ideas and solutions to problems is through Brainwriting. After, you Brainwrite once, doing it again for the same task can lead to even better solutions. For our team, Brainwriting was often a 2-step process. We would generate product ideas independently through Brainwriting, read aloud those ideas, and then Brainwrite off of each others' ideas again before any evaluation of ideas took place. This led to many more ideas than expected and our decisions usually came off of the second list rather than the first.

#### *Contingency Planning*

- How I used it: Contingency plans were used in both the Velikovsky Case and in our Venture Proposal to the client. As an example I will focus on the Velikovsky Case. In the case, we thought about NPV, reputation, free publicity, the uniqueness of the book, and the educational value consumers could potentially receive from such a work. Once we weighed both sides of the situation and came to the conclusion that we wanted to publish the book, we considered possible problems with our decision. As the scientists threatened a boycott, we thought of contingency plans to curb resistance and limit downside risk of a boycott. We thought that if a boycott were to occur we could either make an open apology to the scientists or write a forward in the book stating their view. In both cases, we would acknowledge their position and hopefully get them to see that we are reasonable businessmen.
- What went well: We thought through the Velikovsky Case more thoroughly and identified problems with our decision. This led to a more in-depth analysis than would have occurred if we did not use contingency planning.
- What went poorly: In the Velikovsky Case and our Venture Proposal, I don't believe we concretely thought through all possible downsides. Our contingency plans could have been more thorough, especially in our Venture Proposal where we brushed past the negatives and remained more focused on success. This could have been due to our goal of persuading the Venture Capitalists that our product was viable and warranted more funding. Nonetheless, when we discussed the Velikovsky Case in class and everyone gave examples of their contingency plans, it became quite apparent that we could have come up with many more solutions such as a limited release.
- Outcome: We successfully thought through more situations and became more aware of the risks and steps we would need to take to support our decisions in our Venture Proposal and the Velikovsky Case.
- What I learned so far: Contingency planning is a great way to get decision makers to think through implications of their decisions, their possible affects, and ways to limit risks associated with their decisions. The best offense is after all, a great defense, and contingency planning is good defense for any idea. By our Final Group Paper, I hope to have demonstrated increased mastery of contingency planning.

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<sup>1</sup> The first naming process was based on the idea of a consulting firm. The second naming process took place after we realized that a more in-demand product would be an art and craft store located in University City.

### *Core Benefit Proposition*

- How I used it: We used this analysis in finding a niche for our product. Through this we decided that Create's competitive advantage would be convenience in terms of location and having inventory available when students need it via our online ordering system that will guarantee students their supplies if they order it ahead of it.
- What went well: Through interviews with students, we found that their needs matched our Core Benefit Proposition. Therefore, we believe we have a product that will add-value.
- What went poorly: Nothing went poorly.
- Outcome: Expert interviews with professors and online surveys confirm that we do indeed have a unique selling position that many people would find helpful and valuable.
- What I learned so far: Core benefit propositions keep products targeted at consumer's needs. This is a vital part of any good marketing plan and as long as we remain focused on our competitive advantage and consumers' wants we will have a good chance of developing a profitable product.

### *Decomposition of Judgment*

- How I used it: Decomposition of Judgment was used in my Negotiations class in order for a house to be sold. In order for the house to be sold, there were three conflicts that had to be solved. First, a brokers' commission for the selling of the house had to be negotiated. Second, there was asbestos found in the house and the seller wanted the buyer to take care of the problem while the seller wanted the buyer to take care it. Third, the buyer wanted the chandeliers in the house to remain with the house, while the seller wanted to take the chandeliers with her to her new home. By breaking down the issues and conflicts that surrounded the overall price at which the house was to be sold into these three distinct categories, the final selling price became more easily negotiable as the decision making process became more streamlined. With Decomposition of Judgment we were able to pick apart each conflict, solve it separately, and then reassemble the problem into one final selling price.
- What went well: Through this process, everyone could better evaluate their positions. This helped to expedite the negotiations process. My group took 3.5 hours to negotiate a deal while many other groups took up to 7.5 hours to reach an agreement.
- What went poorly: People were sometimes reluctant to revisit one of the issues once they were resolved. For instance, we settled on 6% commission for each of the agents, but then when the seller's and the buyer's prices would not meet, they wanted to cut the buyer and seller commissions, but both agents were reluctant to take a cut, especially since they believed that that part of the negotiation process had earlier been resolved. In order to get a final agreement, we had to renegotiate a previously agreed upon point and this upset the two agents.
- Outcome: My group successfully arrived at an agreement in an efficient and structured manner.
- What I learned so far: By breaking down the negotiation process into smaller pieces, the procedure became more manageable. Everyone could see the picture more clearly and the process became more efficient. For complex problems, decomposition of judgment is really helpful in arriving at solutions.

### *Devil's Advocate*

- How I used it: This process was used many times during the development of our product, especially during the product idea phase. Initially, Sarah thought that a Water Delivery System would make a great project. But after I pushed her by asking her about the ease of getting water from Fresh Grocer, Brita Filter use, Hinkley Schmidt suppliers, and likely demand from poor, college students, we decided against this idea.
- What went well: It made us really think about the viability of our products and if we could stay competitive in a market already flooded with direct competitors and substitutes.
- What went poorly: Nothing went poorly. Sarah was open to suggestions.
- Outcome: Eventually we agreed to put the Penn Water Delivery idea to the side. Brainwriting and playing Devil's Advocate led us to ultimately settle on Create.
- What I learned so far: A great way to probe for more information and get at the root of problems is to play Devil's Advocate. While this process tends to be adversarial, it is invaluable in making sure an idea stands the test of criticism.

### *Market Research through Expert Interviews*

- How I used it: To forecast demand, segment the market, and get a better idea of the needs of our customers. The Expert Interviews with teachers and students gave us insight to market needs. Essentially, I conducted 12 expert interviews which on average lasted for 45 minutes. Interviews were open-ended and started with the following statement: “My partner and I are thinking of starting an Art and Craft Supply Store in University City to meet the needs of the Fine Art, Architecture, and Engineering students of Penn and Drexel. Please comment on the viability of such a company.” From that, students and professors addressed various issues of such a store such as location, operating hours and online ordering.
- What went well: By using Expert Interviews, one can get a better idea of what is acceptable in the eyes of people who know your market. These interviews lead to a more focused and concrete marketing plan, new suggestions and ideas. We were continually told that there is a great need for higher quality supplies, convenience, and competitive pricing.
- What went poorly: Although we got a lot of information from the people we interviewed, a lot of the information was ancillary and irrelevant to our specific project. One lady complained about the lack of good beads and silk flowers in art stores. While we could potentially try to also target that market, we thought that would be stretching our scope out too far.
- Outcome: Everything went very well and although once the professor did not show up, everyone was very helpful and informative about their needs and the market. In fact, after talking to the Fine Arts Department Chair, she sent our online survey to the whole undergraduate department, thus generating many more online survey results.
- What I learned so far: While Expert Interviews are a great way to gain focus and support for a marketing plan, they take a lot of time, energy, coordination, and they could end up giving you more irrelevant than relevant information. They can also lead to opposing views, which will cause more research to be needed.

#### *Formal Planning*

- How I used it: Formal Planning was our first step in ensuring we had a viable foundation to move forward with the project. First we set up overall company objectives through defining our Mission, Vision, and Values (see Appendix 4). Then we became more specific and outward looking by using Scenarios. Scenarios are written stories that describe the future. We did this in order to gain commitment for future courses of action. In these Scenarios, we projected our expectations for Create in years 1, 3, 5, and 10 (see Appendix 5). As a team, we brainstormed these goals.

Originally, we did not think about roll-out markets, but as we wrote out our best case scenario, we realized that franchise expansion would be ideal. Scenarios helped us see that future rollouts were possible if profits were sizable. More than that though, we realized we needed to think about our local competition and how best to combat them. By creating Scenarios, we became more focused and cognizant of various issues and strategies like how to best differentiate ourselves against rivals. One way we thought of to differentiate ourselves is by having outstanding customer service, ancillary services like open studios, a café, art classes, online ordering systems, and modern decorum. While Scenarios helped us to generate these alternative design strategies to the normal art and craft store, we also needed to evaluate if the strategies were economically and practically viable.

Next steps we took in the concept design process were to evaluate through our online survey and expert interviews alternative ideas like:

1. modern decorum versus bare bone stores
2. café in store or no café in store
3. online ordering system or no online ordering system
4. provide a special service for teachers and students to order supplies and guarantee them for classes or not provide such a service

The last step to formal planning is monitoring of results. As part of our initial plan, Create made a Mastery Chart (see Appendix 6) and Timeline in order to facilitate supervision of progress.

- What went well: Formal Planning has given Create clear objectives, goals, and evaluation and monitoring processes. This has helped guide us through our New Product development.
- What went poorly: Developing a formal plan took a lot of time and while it has helped keep us on task, it was very tasking.

- Outcome: The final outcome is yet to be determined, but thus far we have group principles and a specific plan to execute, both of which will hopefully ensure that we are efficient and committed to Create.
- What I learned so far: Formal planning take a lot of forward thinking and time. It forces you to foresee the future and really think about your product, goals, the potential outcomes, and alternatives.

#### *Market Research through Surveys*

- How I used it: To forecast demand and segment the market.
- What went well: The survey is a good guide for market clarity, finding out customer needs, priorities, and basically whether or not they intend to purchase supplies from our store. Included in the survey is information that helped us determine cost analysis, demand, supplies wanted, and design layout (see Appendix 7).
- What went poorly: Some students suggested a bias toward one of the questions on the survey. Accordingly, it was revised.
- Outcome: To be determined. Forecasting is still ongoing.
- What I learned so far: Surveys are a great way to gather statistical support for your marketing concept or to test your marketing concept. Unlike non-directive interviewing, however, the information you can get from surveys is limited to what you ask them. In non-directive interviewing one can gather innovative ideas by letting the interviewee talk uninhibitedly. The result is unexpected new insights. Therefore, I prefer the non-directive interviewing technique.

#### *Role Playing*

- How I used it: I have used Role Playing on numerous occasions including for the M-Car Case, in preparation for the first Venture Proposal Write-Up and in preparation for a negotiation as an Opera Manager with a Diva's agent in my Negotiations Class. In this example, I will focus on the first Venture Proposal Write-Up. After writing around 2 pages of the Proposal, I emailed Professor Armstrong to get feedback on what was already written. He promptly emailed back, giving my group more direction and focusing us more in terms of organization, layout and content. My partner and I then role played with me as a venture team and her as a group of wealthy investors listening to my hypothetical opening of an art and craft store in University City.
- What went well: Such role playing led us to further organize our content and outline on the Smart Board exactly what sections should be included in our first Venture Proposal Write-Up. This gave our paper the framework for our content.
- What went poorly: We should have also Role Played after we finished the first Venture Proposal to ensure that what we wrote could stand the test of criticism. If we had taken on roles again and probed ourselves with questions, we probably would have found places for improvement and thus enhanced our paper. Outcome: Role Playing led us to plan out the exact content of our paper into four sections. The first section was our Executive Summary. Essentially, we gave a summary of who Create is, our target segment, preliminary demand figures, recommendations, and an optimistic vision for the future of our company. In the second section, we further explained the mission, vision, and values of Create. The third section outlined our progress to date with billing by hours spent. The last section was geared toward future steps and contingency planning. All in all, role playing helped us frame our paper, but further role playing could have led us to develop a more concrete and all-encompassing first Venture Proposal.
- What I learned so far: Role Playing is a great way to get immediate reaction to ideas and find missing holes in logic and thoughts. Like Devil's Advocate it probes further into ideas and forces full comprehension of facts. Unlike Devil's Advocate, however, Role Playing is less confrontational. It is the softer approach to picking apart thoughts.

#### *Stakeholder Analysis*

- How I used it: Stakeholder analysis was used to see if our concept adds value. In the write-up of the Venture Proposal we found out that Create adds value by fulfilling an unrecognized market need. Despite negative concerns competing businesses losing market share from our entrance into the market, overall Create has a positive impact on stakeholders. For instance, we have a positive impact for students, professors, the local universities, local artists, and the community (see Appendix 8)

- What went well: Stakeholder analysis helped us in identifying the concerns of our stakeholders, namely our competitors, students, professors, the local universities, local artists, and the community. We were able to get a better idea of their perspectives through this analysis.
- What went poorly: Nothing really. We now know that we can be helpful to stakeholders. At the same time, we must be aware of competitor's retaliations once we enter the market.
- Outcome: From this analysis, we developed a pricing policy that mimics that of our competitors to reduce their concern of us trying to undercut them in the market. Also, the analysis helped us to develop our competitive advantage and address the concerns of the stakeholders.
- What I learned so far: Stakeholder analysis is very useful in helping people see the effects of their new product and the interests that they have. In order for a new product to be successful the makers of the new product should be aware of the stakeholders and all their concerns.

#### *Second Solution*

- How I used it: During the write-up of our second Venture Proposal, we used Second Solution to effectively come up with more options to give our venture capitalists to choose from. Effectively what occurred is we started out with our \$200,000 recommendation and thought what if they can't afford this. Well then we can just ask for further research itself and that will only cost \$25,000. That way they will be more comfortable with going ahead with the project if our research proves promising and then commit more money later on to the actual opening of the store. After that, we thought if they could not even commit to that much money we could reduce their initial cash outlay even more if they did not want to do the roll-out market research upfront. In this way, we combined foot in the door with second and even third solution to produce more options that the venture capitalists may feel more comfortable funding.
- What went well: Everything went well. It was a great way for us to get more ideas and convince the venture capitalists that we are objective and offering them all possible options.
- What went poorly: The risk with this second solution is that the venture capitalists will probably not go with our original \$200,000 request, but rather commit to the lower cost options as they are less risky for them.
- Outcome: To be determined.
- What I learned so far: Second solution is a great way to generate more ideas and cover your bases, so that if something does not go right with your first solution, at least you have a back up plan to fall back on. In our case, second solution was helpful in giving us credibility. By objectively giving them options that could potentially lead to less money for our product, we tried to convey our professionalism and hence build trust.

#### *New Product Criteria*

- How I used it: Throughout our project my partner and I developed a new product checklist to monitor our progress and rate ourselves against to see if we were doing a good job (see Appendix 9).
- What went well: The checklist was a great way for us to view our progress, keep us on task, and help us be aware of other things we needed to do in order to have a successful product. This comprehensive list served us well in making sure we had all our bases covered. It reminded us to do revenues and costs for our second venture proposal, which we did not do for our first proposal.
- What went poorly: Nothing really. It went very well and as the semester progressed we made additions to the list. Some parts of the checklist, however, were not applicable to our product.
- Outcome: It helped us check that we included as much of the criteria for a successful product in our venture proposal as possible. In the end, it was a great way to ensure we were doing things correctly.
- What I learned so far: Checklists in general are great tools for ensuring you are on task. More than that though, they guide your decision process and monitor your progress, two invaluable consequences when working on a complicated project that needs detailed thinking to complete successfully.

#### *Competitive Analysis*

- How I used it: To evaluate our competitors and see how Create could develop our competitive advantage. On September 27<sup>th</sup> from 11:00 am-4:30pm we visited three of our direct competitors—Pearl, Utrecht, and Taw's. At each store, we took notes regarding their setup, product lines, and general comments from their set ups. This time was also used to gauge hidden

- costs of shopping at these stores. We discovered cab fare one way to the farthest location (Pearl at 4<sup>th</sup> and South Street) was nine dollars with a travel time of twenty to twenty five minutes. If a student chose to save money and walk, the travel time was one hour and fifteen minutes.
- What went well: Everything went extremely well. We learnt that there are four direct competitors in the Philadelphia region. They are Utrecht, Pearl, Taw's, and STOA. Utrecht, Pearl and Taw's all cater to the general art and craft store population in Philadelphia. Their target markets include architecture firms, professional artists, local artists, and students. STOA is the one exception to our direct competitors, focusing specifically on Penn Architecture Graduate students. Since the majority of our direct competitors, namely Utrecht, Pearl, and Taw's target everyone in the art market, we recommend that Create focuses primarily on the students of Penn and Drexel. By giving them more attention and catering to their specific needs, Create can further segment the market and focus on our small target niche.
  - What went poorly: Nothing went poorly.
  - Outcome: We saw that our four direct competitors have an array of floor plans, organization styles, and variety of products sold. Based on first-hand analysis of the sites, we came to the conclusion that a highly organized store with exceptional customer service and a wide range of art supplies catered specifically to the needs of Drexel and Penn students would be most advantageous to our store.
  - What I learned so far: Doing a competitive analysis is very important in discovering how to create a competitive advantage and differentiating yourself from your competitors. It helps you make decisions in how to position yourself with your target market and is a great place to start when testing out your concept idea. After all, you can learn a lot from the mistakes and best practices of those who have come before you.

#### *Financial Analysis*

- How I used it: I used this in the Velikovsky Case and most especially in our Venture Proposal to determine the financial viability of our store. First, I called the Admissions Offices of Penn and Drexel. This was to determine our target market population. Next, I researched Real Estate rental prices per square footage in University City. This was used to determine rental costs. I also gauged consumer demand through online surveys and expert interviews. This market research helped us approximate the amount of times consumers would visit the store and how much they would spend per visit. I also used my knowledge from Real Estate Finance and past Finance classes to determine other expenses like administrative costs, insurance costs, utility costs, salaries and fringe benefits, taxes, and credit card fees in order to create Income Statements, Balance Sheets, Cash Flow Statements, and Return on Investment for 5 years into the future (Appendix 10).
- What went well: This process made us really think through our expenses and revenues so that we had a frame to present to the venture capitalists for our funding needs.
- What went poorly: I had to use a lot of assumptions in order to create the projected earnings. But this is expected since all Pro Formas, I learned from my Real Estate Finance class, are imprecise. However, we should still do them as a basis to see what the future may look like.
- Outcome: The financial analysis helped us break down our costs for the Venture Proposal and gives us credibility because we did the numbers.
- What I learned so far: Financial analysis is a complicated and time-consuming task, but is vital in order to see possible future net income and prove the viability of a new project. After all, in the end even if you have a great idea you still will not survive if you are not profitable. Financial analysis lets you know if you will be profitable or not and is therefore indispensable when asking for funding for a new project.

### **The Learning Process: Now and into the Future**

As you can see, my progress thus far in the course has improved. The techniques and skills I have developed in Marketing 221 have even extended beyond this project into my other classes like Negotiations. These processes have facilitated more productive teams and work in my extracurricular

activities as well. In charge of a committee devoted to getting internships in Asia, I have insisted that we use such techniques like Parallel Processing to ensure creative idea generation and open communication.

To generate a large list of companies to target, I asked my 6 members to take 5 minutes to parallel process as many companies they could think of where they would like to get internships at in China. They each generated approximately 30 names, so that we quickly came up with 180 names, which was fantastic. However, once we took out names that overlapped there were about only 120 names left. This process still proved very effective though in building up a large list in a short amount of time.

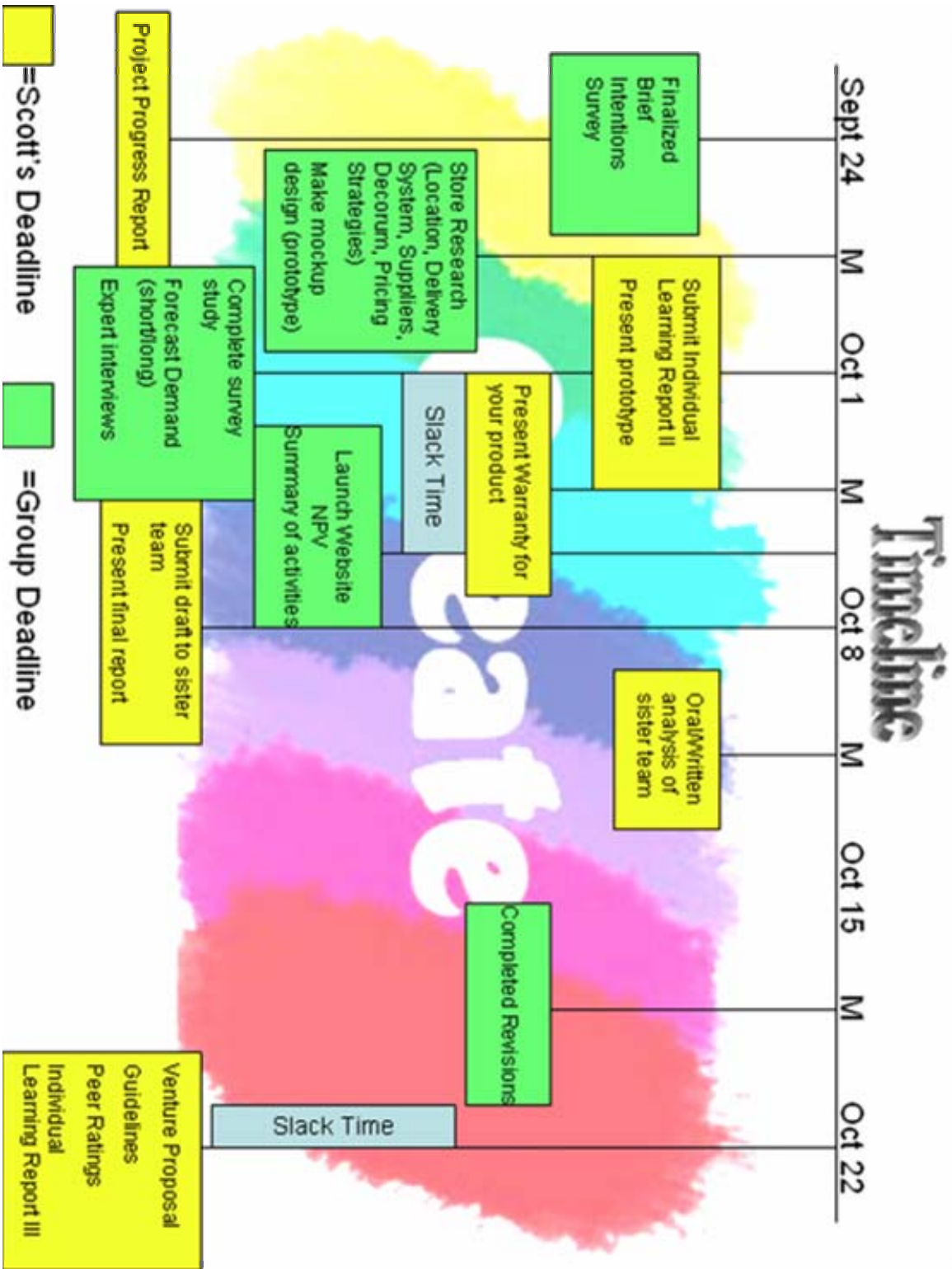
In the future, I plan on using this technique in all my clubs like Sorority and Wharton Asian Exchange (WAX) to generate lots of ideas. Each week I meet with my committee from WAX. As we seek to get more company names, I will insist that we continue to use parallel processing for better results. For sorority, I am a member of the New Membership Education Committee and at the next meeting I will suggest using parallel processing in order to generate more activity ideas for the new members to partake in. Hopefully, it will go well. If it does, I will suggest using parallel processing for the Publicity Committee and Athletic Committees of Panhellenic as we generate ideas for events to promote athletics or Greek Life in general.

Another technique I plan on using within the next six months is timelines. Being a huge procrastinator, I found that by using a timeline for this project, it really helped me plan ahead of time and finish certain assignments well before they were due, which ultimately helped me remain more calm and less stressed. I have a consumer behavior project due in December, a pricing policy project due in December, a human resource management project due in December and other finance cases due along the way—for each of them, I plan on making a timeline. For the consumer behavior project, I will finish the timeline within the next two days, and after that I will work on the pricing policy timeline. Each two days, I will finish writing a timeline for each of my projects, so that by November 4<sup>th</sup> I will have a timeline for all my classes.

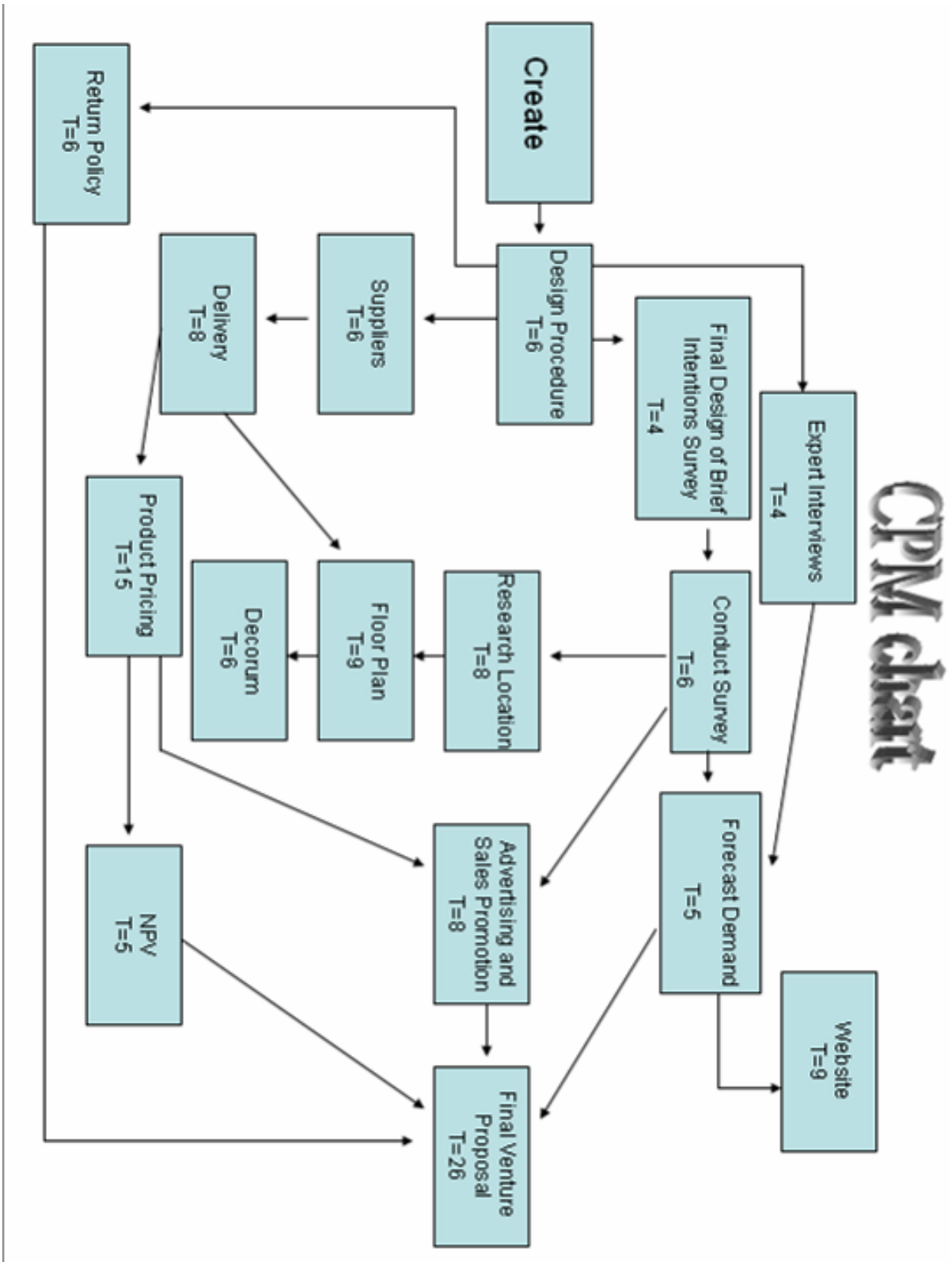
The last technique I will try to implement within the next six months is setting objectives. Playing competitive sports all my life, I have found that setting objectives is really useful in helping to achieve results. As a part of the Penn Club Water Polo Team I know that in order for me to have a great season, I will need to plan ahead and set specific objectives. My official season starts in January, but we will be attending Pre-Season Tournaments in October, November, and December. Therefore, now is the perfect time to experiment with different offensive and defensive techniques. By November 15<sup>th</sup> I will set specific objectives I want to reach during each month of the season like learning how to turn someone on offense. For the months of November and December, I already know that I will want to build endurance through weight lifting and swimming. To me, that means going to the gym two times a week to do additional swimming or weight lifting on top of the current practice schedule.

The learning process throughout this class has been invigorating. While I did not get a chance to fully master all the techniques introduced during the class, I still feel that I have learned a tremendous amount. In addition to the techniques I developed throughout the course, I have also gained more organization and confidence in my work. Further, I believe that there are many applications to the processes and techniques I used that go beyond the classroom. I am confident that I will revisit these techniques in my daily life be it from college activities to my future career. This is one of the largest projects I have ever done and I enjoyed doing it despite the many hours involved. I give credit to the learning process and techniques that were taught in making the project more efficient and easier to manage than I thought it would be. I am looking forward to continuing the application of these techniques and using them as a way to differentiate myself from other students and workers and as a way to contribute positively to my groups.

Appendix 1- Timeline



Appendix 2- CPM chart



### *Appendix 3—Name List*

- Monet
- Rembrandt
- Air
- Wind
- Water
- Fire
- Knotch
- Build
- Louvre
- Easel
- Canvas
- Blank Pallet
- Greenery
- Angles
- Lines
- Craft
- Picasso
- Philly
- Crossing Boundaries
- Onyx
- Create
- Artco
- Craftco
- The Glue Spot
- Builders
- Trendy
- Left Side
- Canvas
- All that Glitters...and more
- JS crafts
- Artsy Corner
- Onyx Craft Store
- CB stores (short for Crossing Boundaries or Craft and Book)

\*Canvas, Onyx, and Crossing Boundaries came up twice during the name generation stage.

#### *Appendix 4—Mission, Vision, Values*

**Vision:** Create will become the premiere provider of craft and art supplies through its modern professional atmosphere, outstanding customer service, and online stock ordering system.

**Mission:** To provide quality craft and art supplies required in architecture, engineering and art classes at a reasonable price in a convenient location to the academic community.

**Values:** As a retail store centered on fulfilling customer demand, Create values the customer the most. To this end, we will always remain focused on changing consumer needs and listen to our customers to modify the store to best serve their needs. We will maintain reasonable prices; have in-stock high quality products; foster creativity through our modern decorum, café and work studio; ensure a professional, knowledgeable and friendly staff; and contribute to the community in a positive way by promoting long-lasting customer relations.

## *Appendix 5—Scenarios*

Create is the preeminent art and craft store in University City. In just one year time, we have already formulated the keys to success through outstanding customer service, in-depth market research, our online-ordering system, modern ambience, trendy café, open work studio, and our credo: to always listen to the changing needs of our customer. While we initially took a loss from fixed costs incurred during the first year, we have bounced back in great form, breaking even in year two, and showing sizable profits in year three.

After the success of year one, we rolled out stores in major cities including New York, Chicago, and Los Angeles still focusing our core business near accredited universities. These stores have followed a similar pattern of loss in the first year. Our experience and synergies across the United States, however, has led these up and coming stores to break even by the beginning of the second year and gain profits by the end of their second fiscal year. Year 5 saw a slight drop in net income from a downward economy and increasing competition from rival craft stores. In face of this competition, we decided as a franchise not to engage in a price war. Rather, we refocused ourselves on the customer and now offer free passes to city art museums like the Art Institute of Chicago and the Philadelphia Art Museum if a customer purchases more than \$50 worth of art supplies during one visit. This partnership with these city museums continues to be a success.

Currently as we stand in year 2013, 10 years from our original company concept, Create has grown into a must-stop store in the United States. We have built up brand loyalty and a reputation as a quality, trendy art and craft store. We no longer just cater to students in the Universities. People from all over the States come in for our art classes taught in the work studio. We are planning to open our sale of franchising rights to individuals expanding our market beyond the pre-selected cities.

## *Appendix 6-Mastery Chart*

## *Appendix 7—Surveys*

The proposed craft store is designed to fulfill the need of many students for art and craft supplies near the Penn/Drexel community. Currently, there are two craft stores in the Philadelphia region, but they are not located conveniently near the student body of Drexel or Penn. Therefore, Create is attempting to solve this convenience problem.

There are four key aspects of Create craft stores for clientele:

- 1) *A specially designed organizational system:* Create would cater to students' and teachers' needs by devising a system which would essentially allow teachers to order in advance supplies students are required to use for class projects. In this way, students will know exactly what they need and Create will always have on inventory the needed crafts to meet student demand. The positives of such a system are two-fold: Create will reduce stocking costs and save money while servicing the academic community by ensuring needed supplies are available.
- 2) *Excellent Service:* At Create we pride ourselves on Customer Service, hiring and training our employees on the various supplies and techniques of arts and crafts. By having a knowledgeable and competent staff we hope to minimize confusion and time spent in making buy decisions, so that consumers walk away happy and confident with their purchases.
- 3) *Return Policy:* Create will implement a full-refund return policy only if product has not been used and a receipt accompanies the return.
- 4) *Modern Decorum:* With stone flooring, steel beams, and large glass panes, we at Create don't only want you to come in and purchase the supplies to make your masterpiece, we want to inspire you with our modern ambience to *Create!*







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Are there any additional services that you would like to see offered at Create? Classes, craft events, etc.

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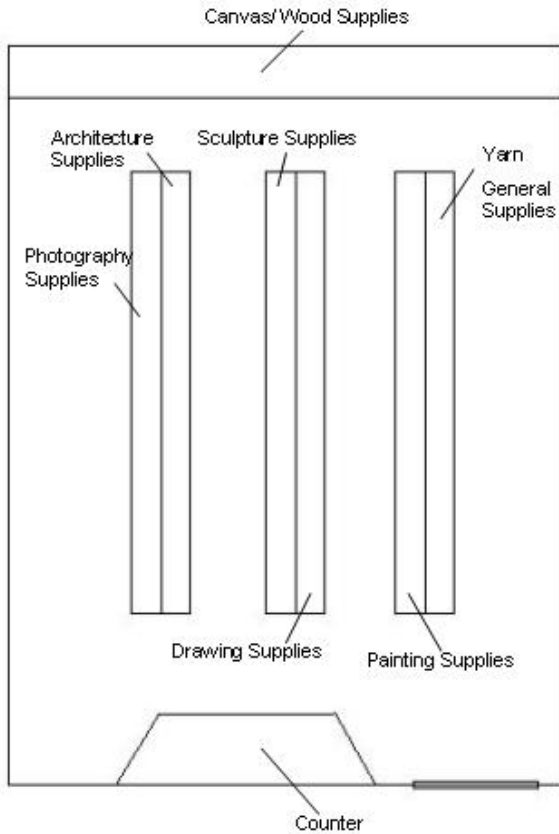
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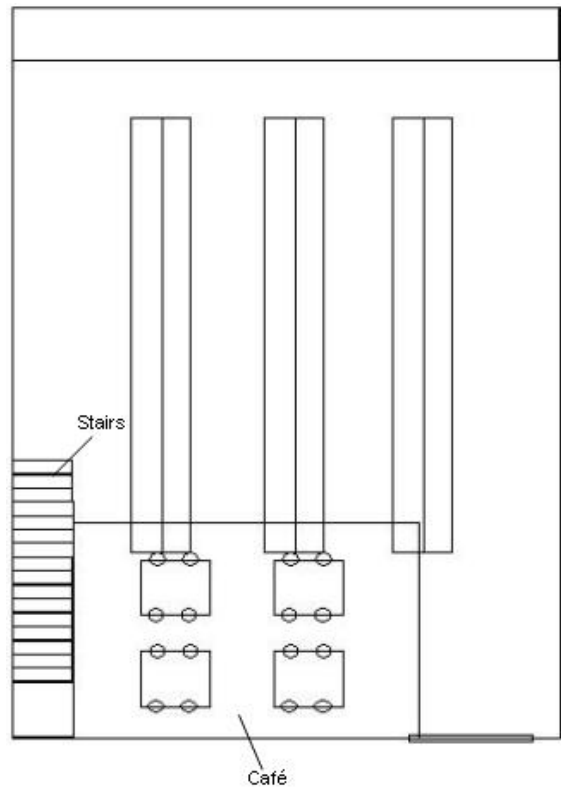
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Please look at the floor plans below. Please write in any recommendations to the design:



Ground floor



Overhead view of lofted area

Major: \_\_\_\_\_

School: \_\_\_\_\_

***Appendix 8—Stakeholder Analysis***

Stakeholder	Stakeholder Interest(s) in the Project	Assesment of Impact	Potential Strategies for Obtaining Support or Reducing Obstacles
Pearl	risk at reduced market share	-	leave general artist and professional market to them focusing on artist market
Utrecht	risk at reduced market share	-	leave general artist and professional market to them focusing on artist market
Taws	risk at reduced market share	-	leave general artist and professional market to them focusing on artist market
Students	easy access to supplies; additional opportunity for price comparison;	+	incentize them to come to the store through loss leaders, and ability to pick up supplies by sending in class supply list
Professors	supplies are conveniently accessible; input in inventory	+	make them partners in the business to foster good university relations
University	increases image of area as a student town within a city, versus harsh city	+	work with university as partners
Community	developing retail market in University City;	+	offer free classes to reduce any possible risk of feeling threatened by new store
Artists	Artists not based in center city, may now find supplies at more convenient location	+	advertise them and attract them with loss leaders and products not carried in competitors' stores
Jewelers	needs another venue for beads and specialty needs	-	possibly provide online services regarding this, but not part of primary market

*Appendix 9—New Product Checklist*  
Successful New Products

Appropriate Distribution Channels	3
Effective Timing	9
Funding and Support	5
After Sales Service	10
Market Research	8
Identifiable Image	10
Educate Target Market About Product (if necessary)	7
Quality Packaging	8
Contingency Plan	10
Quality Product	10
Unfulfilled Market Need	10
Experience Management Team	7
Ease of Use	10
Ease of Production	n/a
Good Design	8
Priced Properly	7
Advertising/Publicity	8
Targeted Correctly	10
Well-Defined Objectives	8
Costs<Revenues	10
Demand for Product	8
Branding	7
Product Superior to What is Already Available	6
Good Planning	8
Assess Market Potential and Proper Forecasting	8
Synergy with Firm's Capabilities	7
Recognition of technical opportunity	n/a
Market Need Recognition	10
Proficient R&D Management	n/a
Well-Executed Venture Decisions	n/a
Ample Development Resources	5
Technical Entrepreneur	6
Goal Directed	8
Stepwise Process with Research and Evaluation	7
Close Collaboration between User and Innovator	9
Technical Champion	4
Strong Internal Communication	10
Highly Developed Screening and Testing Process	5
Careful Product Positioning	7
Early Screening	6
Improved Project Evaluation	6
Differentiate Product	8
Understand User's Needs	9
Market and Publicize Effectively	8

Develop Product Efficiently	n/a
Effectively use outside Technology	7
Have Responsible Sr. Managers	9
Good Company-Product Fit	7
Utilize Technical Know-how of Company	6
Familiarity with Product's Markets and Technologies	5
Marketing Proficiency	5
High Degree of Customer Contact	6
Early Market Need Recognition	8
Top Management Initiation	7
Superior Data Collection and Analysis	9
Planned Approaches to Venture Mgmt	9
Have Unique Superior Product w/ Real Advantage	7
Have Strong Mrkt Knowledge/Inputs	7
Understand Mrkt Research and Mrkt Tasks Well	7
Early Market Introduction	7
Create, make, market fctns: Coordinated & Interfaced	7
Conducive Market Environment for Product	7
Build on Existing Firm Capabilities	7
<i>Well-defined Protocol or Project Strategy</i>	9
	<i>Target Market</i>
	9
	<i>Customer's Needs, Wants, &amp; Preferences</i>
	9
	<i>Product Concept: Benefits and Position</i>
	9
	<i>Product Attributes and Features</i>
	9
	<i>Product Specifications and Requirements</i>
	8
<i>Proficiency of Predevelopment Activities of NP Process</i>	8
	<i>Initial Screening</i>
	9
	<i>Prelim Technical &amp; Mrkt Assessments</i>
	8
	<i>Marketing Research</i>
	8
	<i>Business/Financial Analysis</i>
	8
<i>Proficiency of Market Related Activities of NP Process</i>	6
<i>Proficiency of Technological Activities of NP Process</i>	n/a
<i>Product Advantage/Superiority</i>	7
	<i>Unique Benefit for Customers</i>
	9
	<i>Product Quality</i>
	6
	<i>Reduced Customers' Costs</i>
	3
	<i>Product Innovativeness</i>
	6
	<i>Product Superiority from Customers' VP</i>
	6
	<i>Solution to Customer's Problem</i>
	8
<i>Market Synergy</i>	7
<i>Market Potential</i>	8