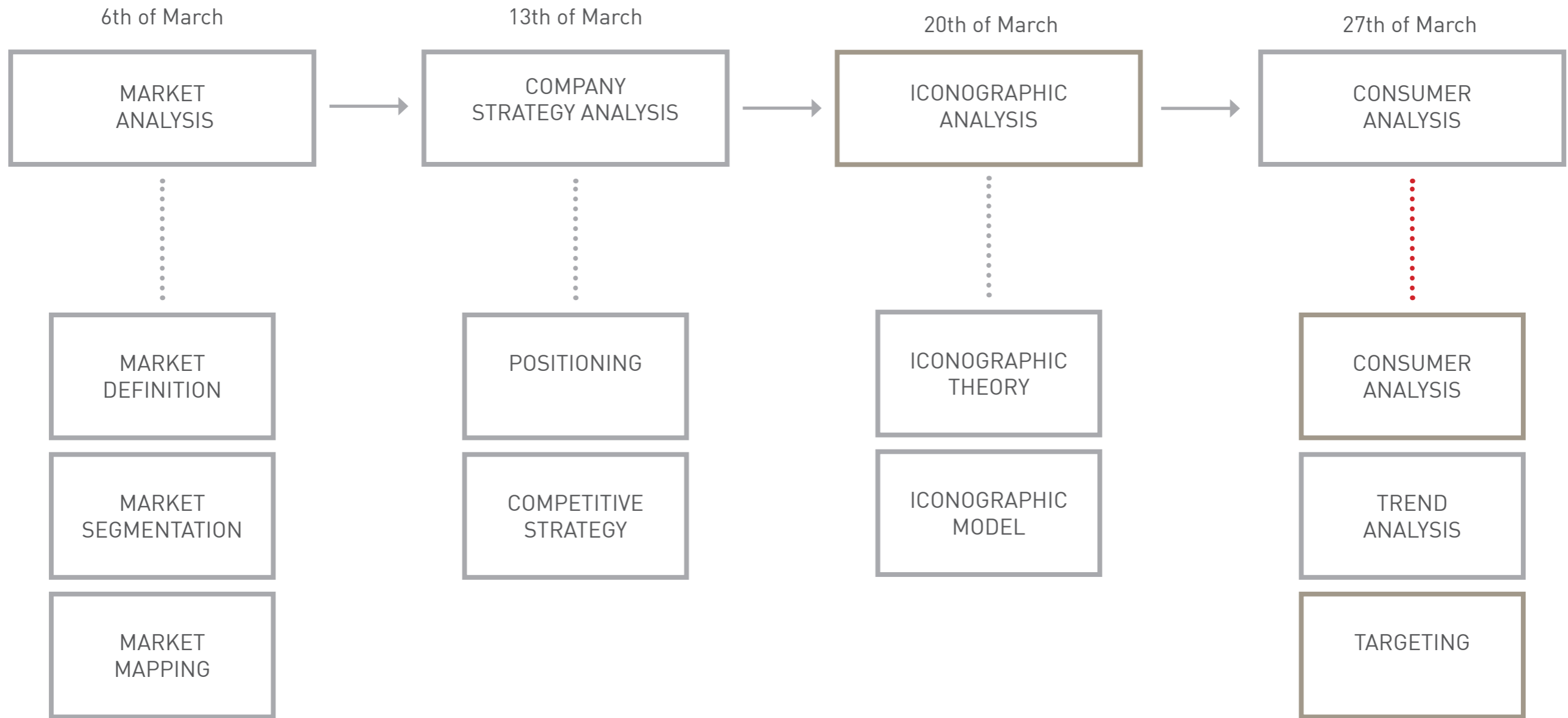


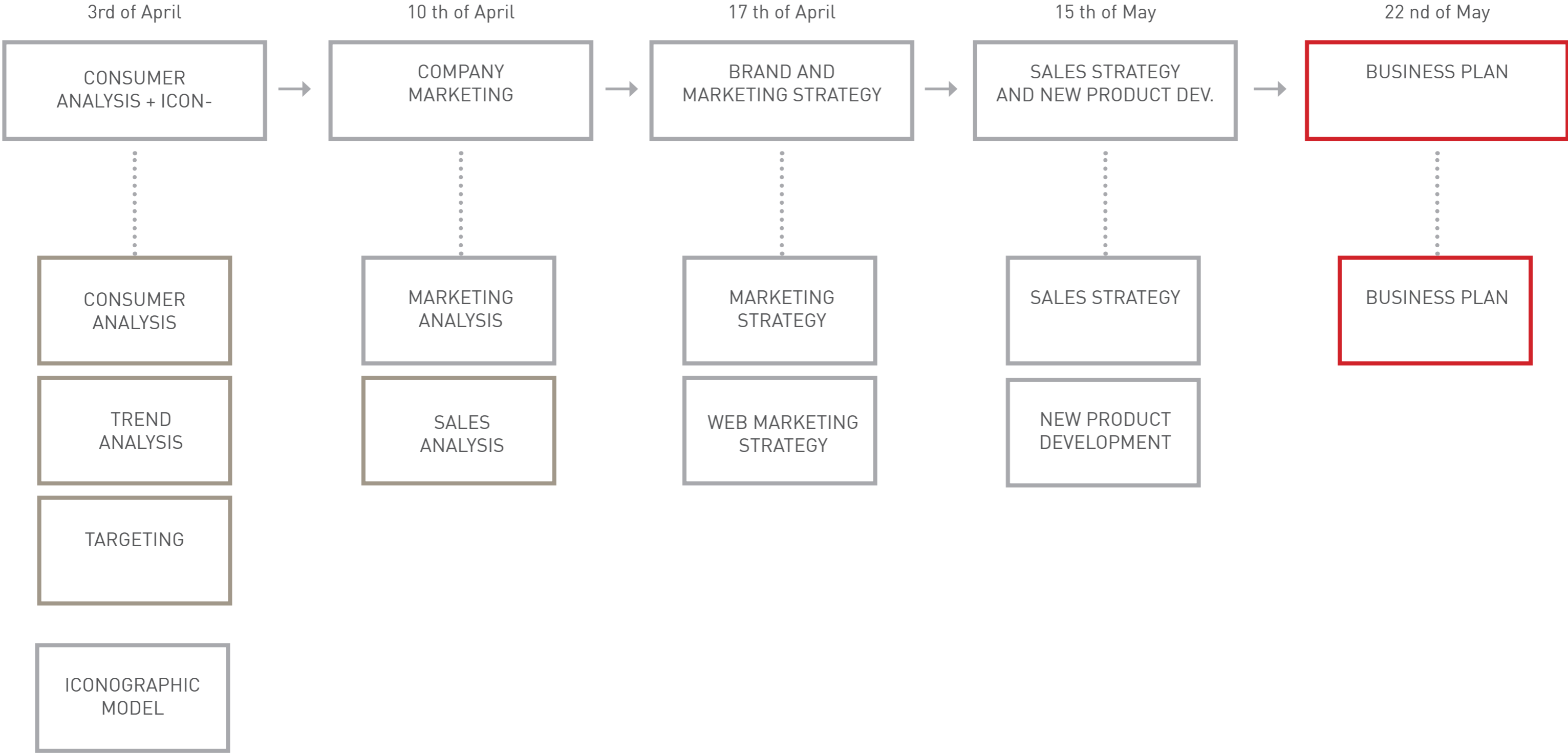
UNIVERSITA' CARLO CATTANEO - LIUC
DESIGN MANAGEMENT COURSE

Lesson 10
Business Plan

DESIGN MANAGEMENT



DESIGN MANAGEMENT



**CORSO DI LAUREA MAGISTRALE IN
ECONOMIA AZIENDALE E MANAGEMENT**

LESSON 10 - EXERCISE AND FINAL
PRESENTATION

**CORSO DI LAUREA MAGISTRALE IN
ECONOMIA AZIENDALE E MANAGEMENT**

LESSON 10 - EXERCISE AND FINAL PRESENTATION

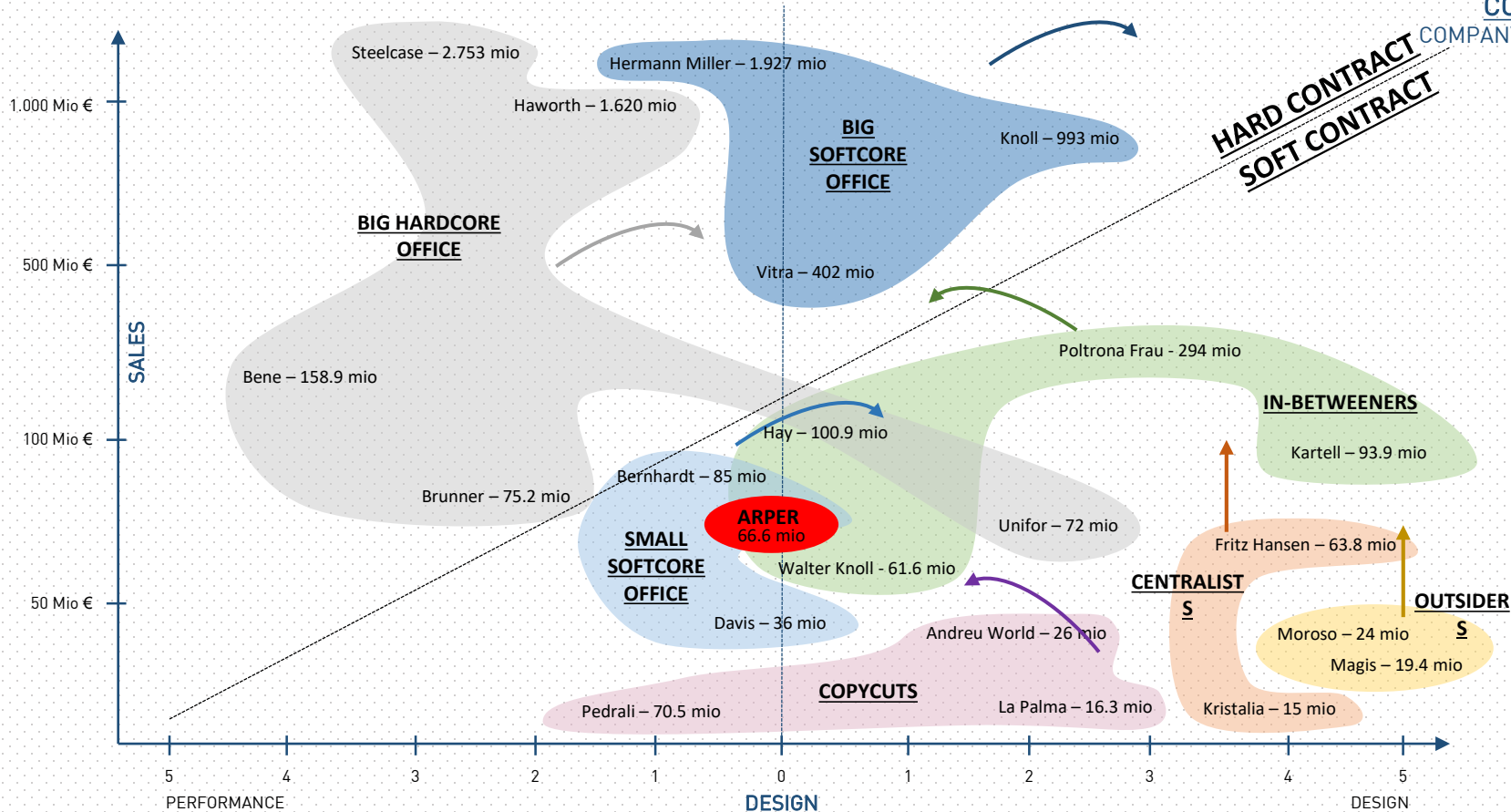
Exercise Part 1

In the following you find sets with different information on Arper (www.arper.com), the target company and major players of the contract furniture market. Read carefully and integrate information on Arper and direct competitors through web search.

Make sure you understand the positioning, the competitive strategy, the product strategy of Arper.

Note: all numbers and percentages are disguised.

COMPETITIVE ANALYSIS
DIRECT AND INDIRECT
COMPETITORS
 COMPANY POSITIONING
 POSITIONING



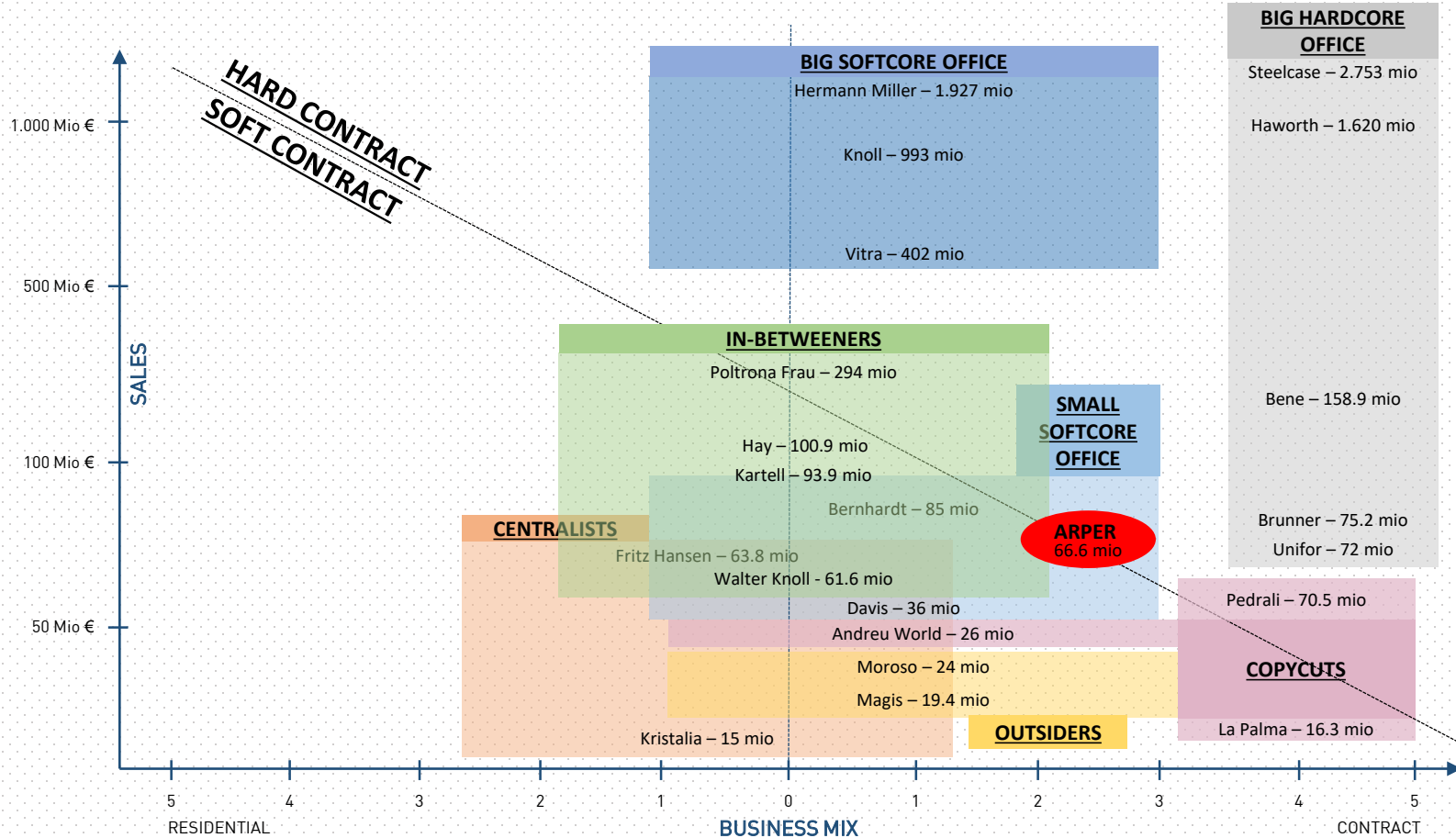
Performance and Design segment the MoR (Market of Reference) in **Hard** and **Soft**.
Hard Contract: 2 Clusters based on Performance Integration. Their trend is towards higher content of design.
Soft Contract: 5 Clusters based on Design Integration. Their trend is towards balancing performance, and design
Future Competitive Clash: Crossover Product Strategy

Note: Sales data refer to 2014/2015 (see table) and are reported in Euro. Exchange rate USD/EUR = 0.9



COMPETITIVE ANALYSIS
DIRECT AND INDIRECT
COMPETITORS

COMPANY
 POSITIONING
 BUSINESS MIX

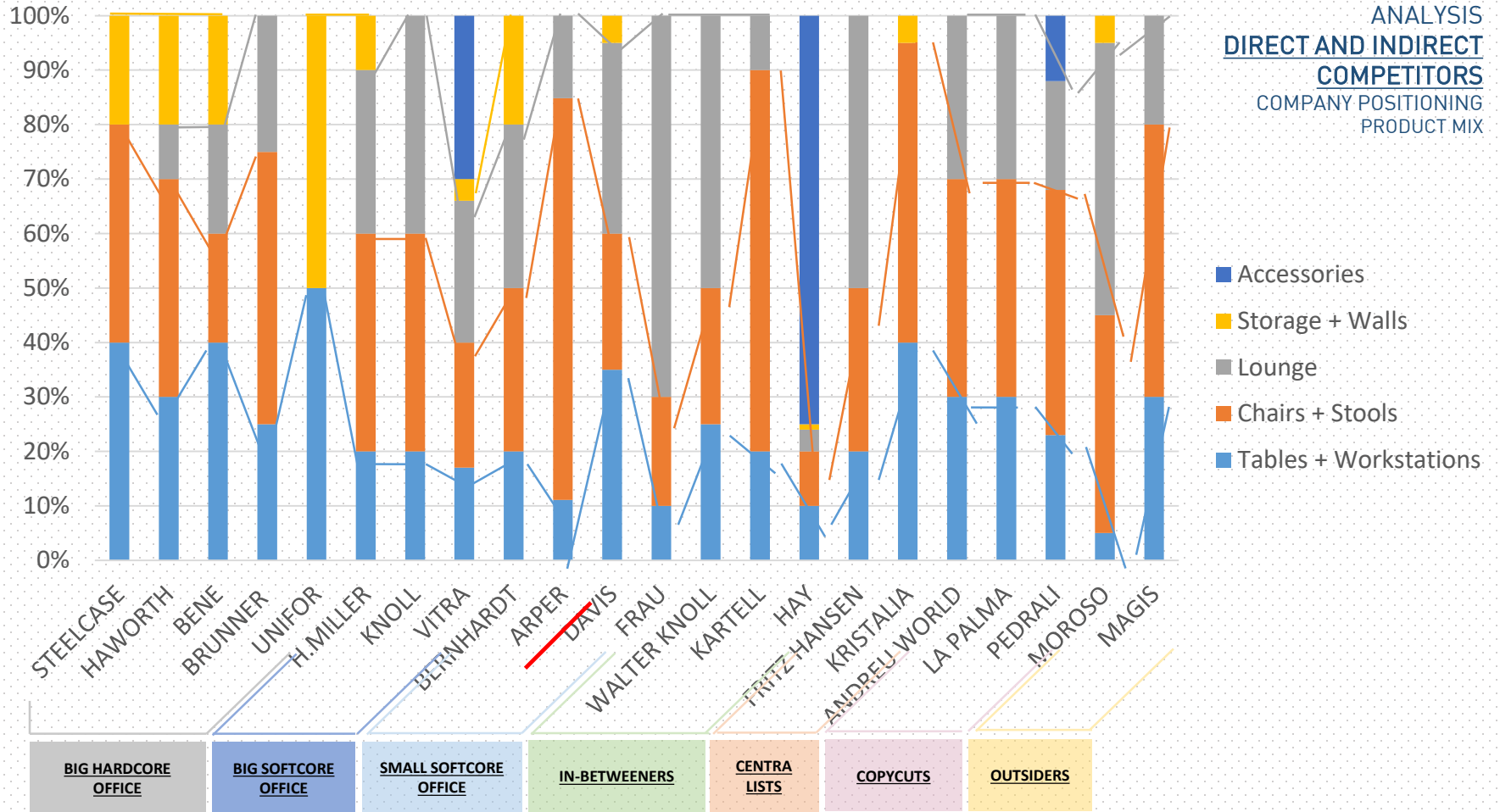


Residential business is marginal for **Hardcore, Softcore** and **Copycuts**,
 It is small for **Outsiders**, important for **In-Betweeners** and **Centralists**.

Note: Sales data refer to 2014/2015 and are reported in Euro. Exchange rate USD/EUR = 0.9



COMPETITIVE ANALYSIS
DIRECT AND INDIRECT COMPETITORS
 COMPANY POSITIONING
 PRODUCT MIX



Hardcore and Softcore are Chairs driven + Tables + Workstations,
In-Betweeners (but Kartell) and **Centralists** are Lounge driven,
Copycuts and Outsiders fully assorted.

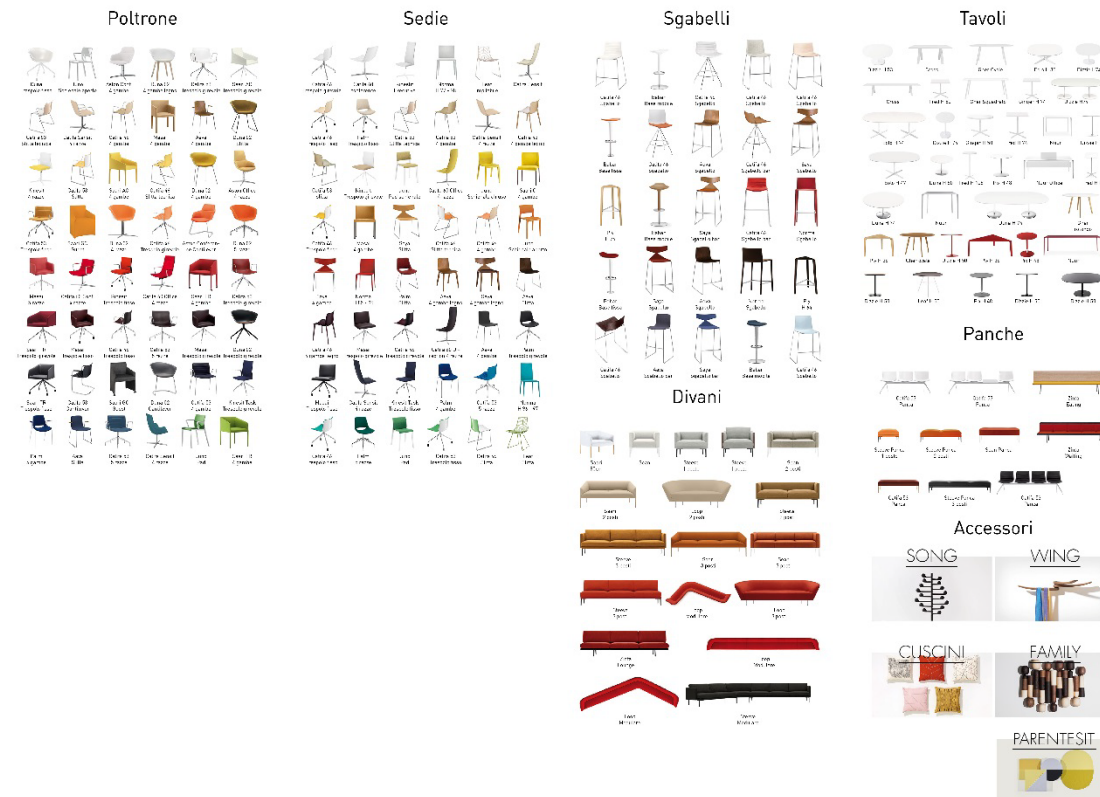


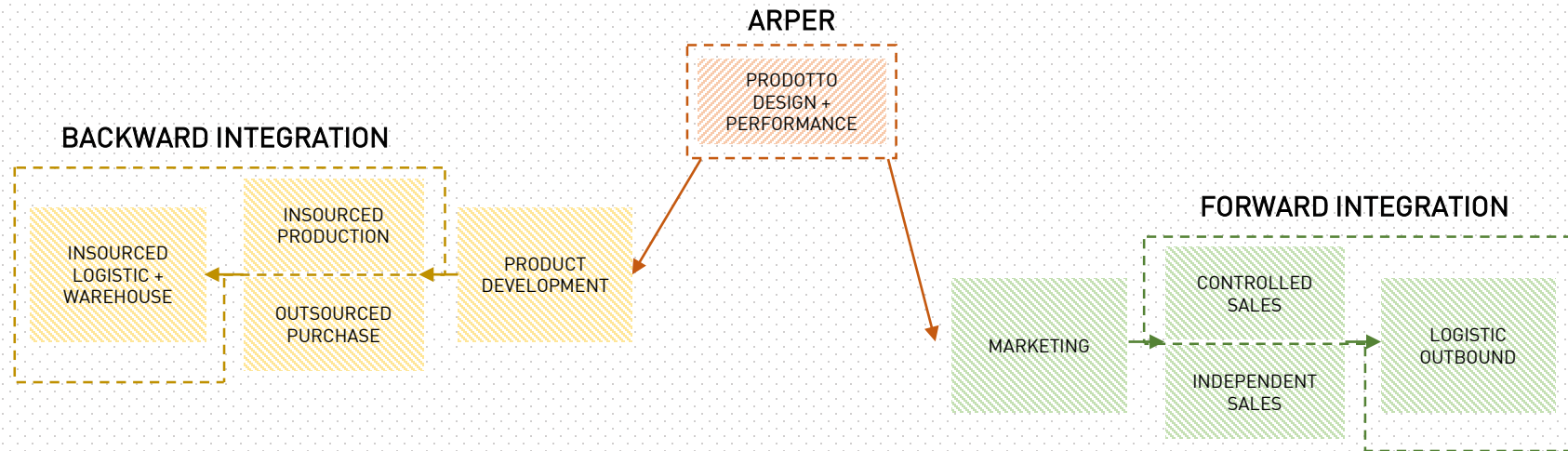
ARPER - Company Overview

Product Class					
	TOTAL	A	B	C	D
Numerical	Product lines: 68 Product lines 100%	Chairs + Stools: 22 32%	Tables + Workstations: 20 29.5%	Lounge: 20 29.5%	Accessories: 6 9%
ABC Product Analysis	Top 10 Products equal to 60.8%				
No. of Designers	7 Designers				
Main Designer	Lievore Altherr Molina				

COMPETITIVE ANALYSIS DIRECT COMPETITORS PORTFOLIO ARPER

Product Strategy	
Product Roots	Chairs
Product Strategy	lightness, product consistency, clear design code





**CORSO DI LAUREA MAGISTRALE IN
ECONOMIA AZIENDALE E MANAGEMENT**

**LESSON 10 - EXERCISE AND FINAL
PRESENTATION**

Exercise Part 2

In the following you find sets with different information on Arper (www.arper.com),
the target company.

Analyze the numbers, calculate missing information and interpret the numbers.
Based on past set of data and on your understanding,
recreate the Arper past product strategy.

Note: all numbers and percentages are disguised.

1. Calculate the missing information

2. Interpret the numbers

Category	Sum of 2013		Sum of 2014		Sum of 2015		CAGR 2013-2015
	MIO €	In %	MIO €	In %	MIO €	In %	In %
Accessories		3%		3%		4%	
Seating		50%		46%		42%	
Tables		27%		30%		32%	
Upholstery		20%		21%		22%	
TOTAL	115.000.000	100%	122.000.000	100%	129.500.000	100%	

1. Calculate the missing information

2. Interpret the numbers

	2013	2014	2015
Evergreens Total			
% of total Portfolio	59%	54%	49%
Salesbuilder Total			
% of total Portfolio	22%	27%	30%
Icons Total			
% of total Portfolio	15%	15%	16%
Low Rotation Total			
% of total Portfolio	4%	4%	5%
Total	115.000.000	122.000.000	129.500.000
% of total Portfolio	100%	100%	100%

Key:

Evergreen: Products above 5 Mio € yearly Sales with consistent growth for 5 years.

Salesbuilder: Products 2.5-5 Mio € yearly Sales with consistent growth for 3 years.

Icon: Products 1.0-2.5 Mio € yearly Sales.

Low Rotation: Products below 1.0 Mio € yearly Sales.

1. Calculate the missing information

2. Interpret the numbers

2015								
	EVERGREENS		SALESBUILDER		ICONS		TOTAL	
	Sales	% on Total Portfolio	Sales	% on Total Portfolio	Sales	% on Total Portfolio	Sales	% on Total Portfolio
Total		49%		30%		16%		95%
Category	Sales	% on Evergreen Portfolio	Sales	% on Salesbuilder Portfolio	Sales	% on Icons Portfolio	Sales	% on Total Portfolio
Seating		80%		60%		50%		
Tables		10%		35%		36%		
Upholstery		8%		4%		10%		
Accessories		2%		1%		4%		
Mature		67%		70%		50%		
Growing		18%		27%		45%		
Declining		15%		3%		5%		

PRODUCT ANALYSIS
PRODUCT STRATIFICATION

1. Calculate the missing data

2. Interpret the numbers

		Newness	Extension	Baseline	TOTALE
2013	Sales				115.000.000
	%	10%	7%	83%	100%
2014	Sales				122.000.000
	%	14%	9%	77%	100%
2015	Sales				129.500.000
	%	15%	10%	75%	100%

Key:

Baseline = existing products.

Extension = new products based on baseline.

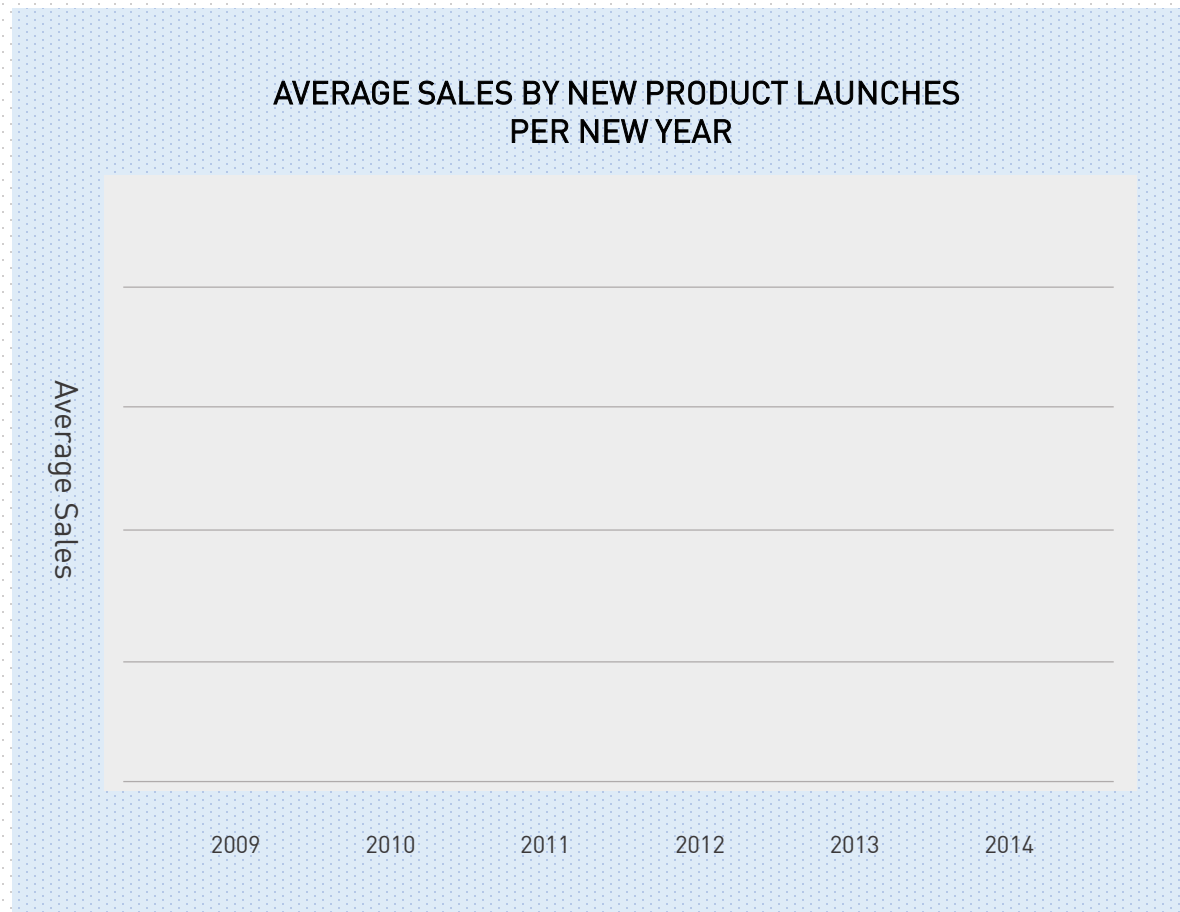
Newness = new products.

1. Calculate the missing data

2. Draw the graph of the Average Sales

3. Interpret the numbers and the graph

SALES OF PRODUCTS LAUNCHED				
Year	No of Products	Sales 2009-2015	Average Sales per new launch	Average Sales per year
2009	4	18.000		
2010	1	5.000		
2011	1	7.500		
2012	2	12.000		
2013	4	19.550		
2014	7	28.060		
2015	8	32.375		
7				

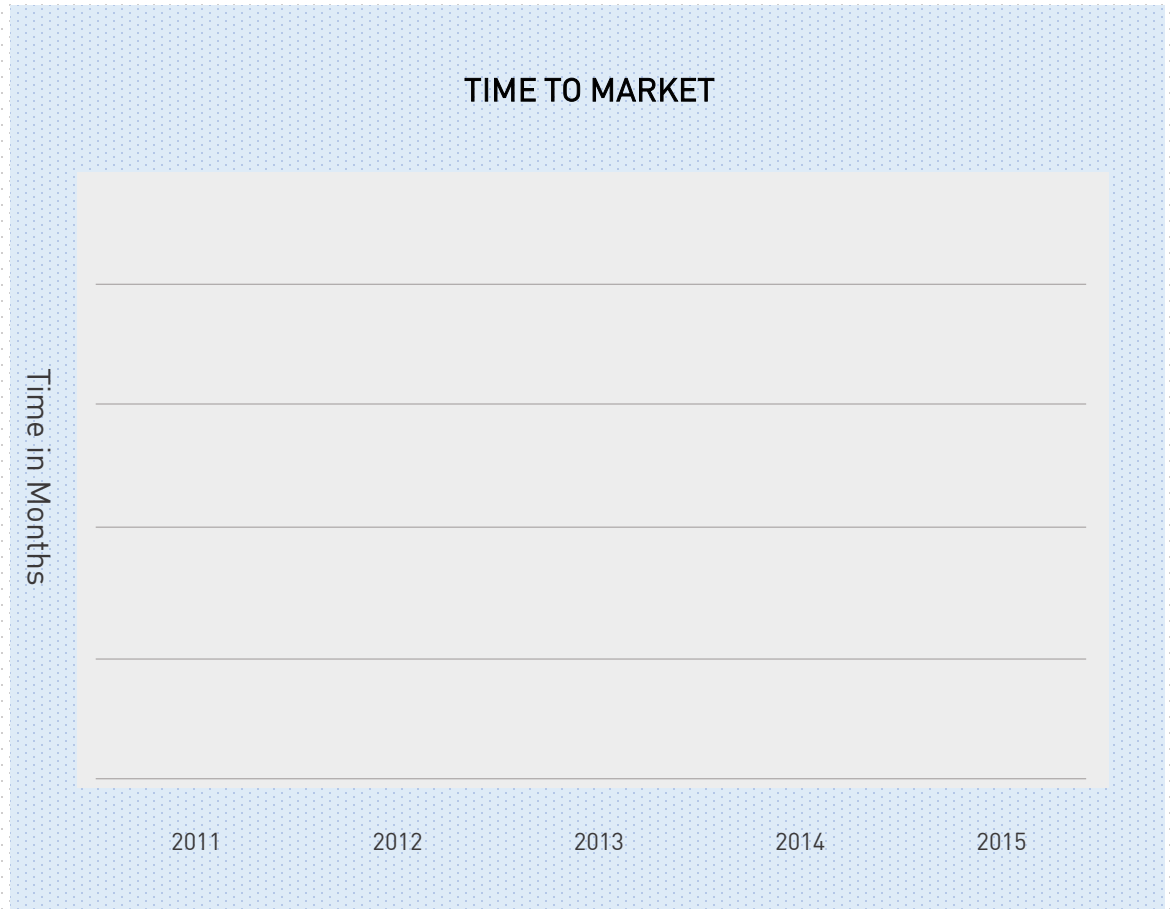


1. Calculate the Average Time to Market 2011-2015

2. Draw the graph of the Time to Market per year

3. Interpret the numbers and the graph

- Average Time to Market in 2011: 32 Months
- Average Time to Market in 2012: 31.5 Months
- Average Time to Market in 2013: 30 Months
- Average Time to Market in 2014: 29 Months
- Average Time to Market in 2015: 35.5 Months



PRODUCT ANALYSIS
MARKETING INVESTMENTS

1. Calculate the missing information

2. Interpret the numbers

	2012	%	2013	%	2014	%	2015	%
Product Development		58%		55%		59%		58%
Research & Development		42%		45%		41%		42%
TOTAL R&D	2.475.000	100%	2.720.000	100%	2.950.000	100%	3.250.000	100%
Consumer/Customer B2B		23%		20%		10%		13%
Trade Marketing		54%		56%		61%		60%
Sales Support		23%		24%		29%		27%
TOTAL MARKETING	7.300.000	100%	8.650.000	100%	9.500.000	100%	10.300.000	100%

**CORSO DI LAUREA MAGISTRALE IN
ECONOMIA AZIENDALE E MANAGEMENT**

**LESSON 10 - EXERCISE AND FINAL
PRESENTATION**

Exercise Part 3

Formulate Arper Product Strategy for the Business Plan 2017-2020, specify your Strategy in terms of Product Mix, Product Portfolio, Product Stratification, Product Innovation (be specific on Product Class, Time to Market, Brief Definition), Marketing Investments.

Be consistent and be realistic.

PRODUCT ANALYSIS
PRODUCT PORTFOLIO

	2015		2016		2017		2018		2019	
	SALE in €	In %	SALE in €	In %	SALE in €	In %	SALE in €	In %	SALE in €	In %
TOTALE										
Seating										
Upholstery										
Tables										
Accessory										
New Product Class ?										

PRODUCT ANALYSIS
PRODUCT PORTFOLIO

	2015		2016		2017		2018		2019	
	SALE in €	In %	SALE in €	In %	SALE in €	In %	SALE in €	In %	SALE in €	In %
TOTALE										
Evergreen										
Salesbuilder										
Icon										

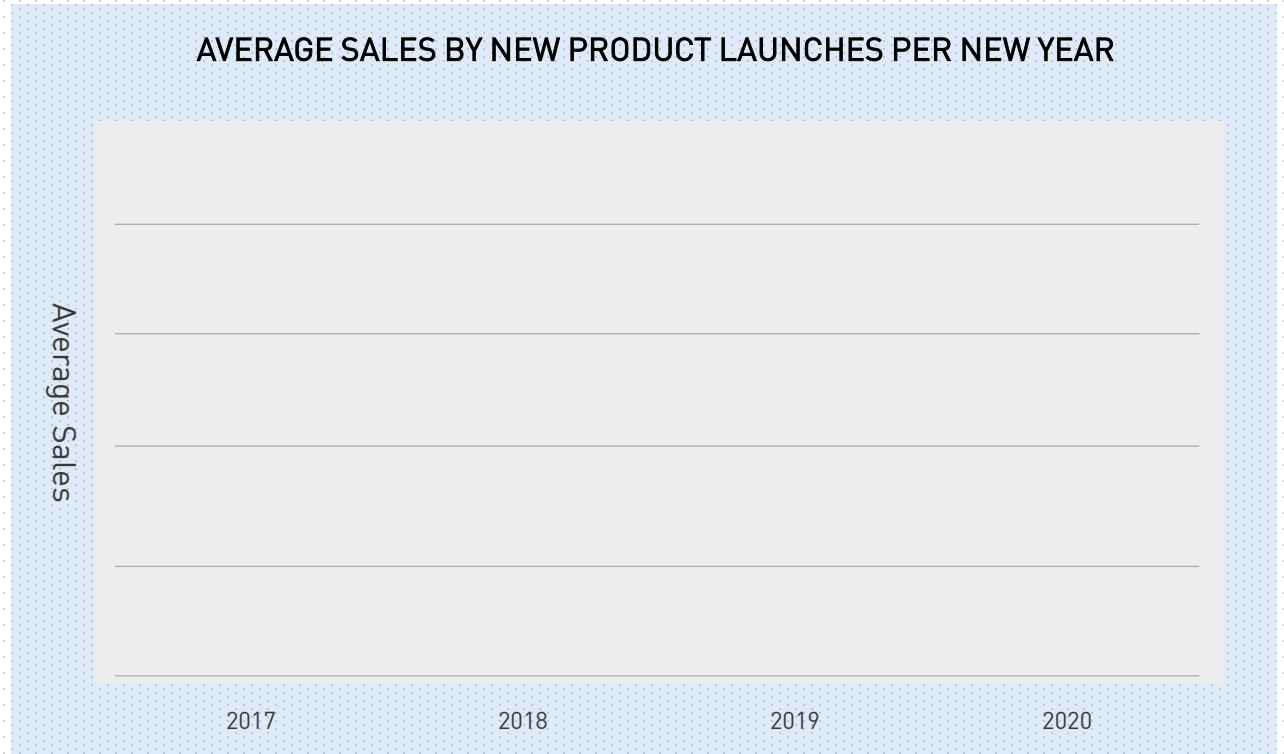
PRODUCT ANALYSIS
PRODUCT PORTFOLIO

	2015		2016		2017		2018		2019	
	SALE in €	In %	SALE in €	In %	SALE in €	In %	SALE in €	In %	SALE in €	In %
TOTALE										
Baseline										
Extension										
Newness										

PRODUCT ANALYSIS
PRODUCT PORTFOLIO

		2015	2015 in %	2017	2017 in %	2019	2019 in %	2020	2020 in %
Generale	TOTALE								
	Newness								
	Extension								
	Baseline								
Seating	TOTALE								
	Newness								
	Extension								
	Baseline								
Upholstery	TOTALE								
	Newness								
	Extension								
	Baseline								
Tables	TOTALE								
	Newness								
	Extension								
	Baseline								
Accessory	TOTALE								
	Newness								
	Extension								
	Baseline								
New Product Class?	TOTALE								
	Newness								
	Extension								
	Baseline								

SALES OF NEW PRODUCTS LAUNCHED				
Year	No of Products	Sales 2017-2020	Average Sales per new launch	Average Sales per year
2017				
2018				
2019				
2020				
4				



PRODUCT ANALYSIS
MARKETING INVESTMENTS

	2017	%	2018	%	2019	%	2020	%
Product Development								
Research & Development								
TOTAL R&D								
Consumer/Customer B2B								
Trade Marketing								
Sales Support								
TOTAL MARKETING								