

### Correlation Matrix:

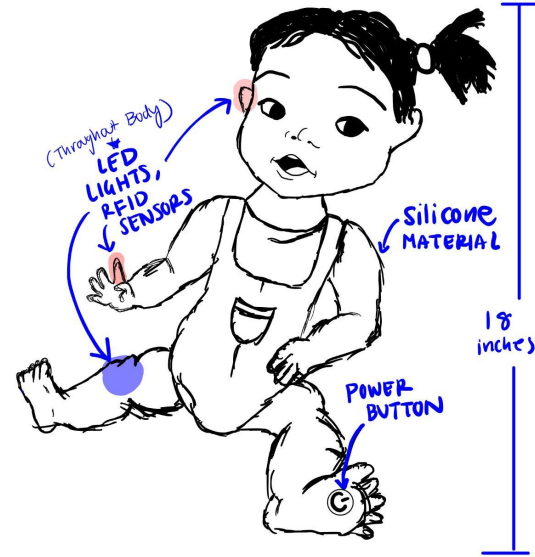
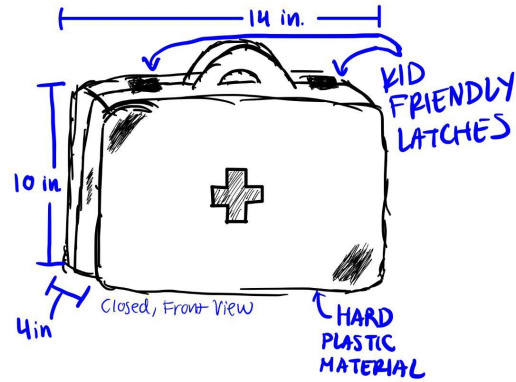
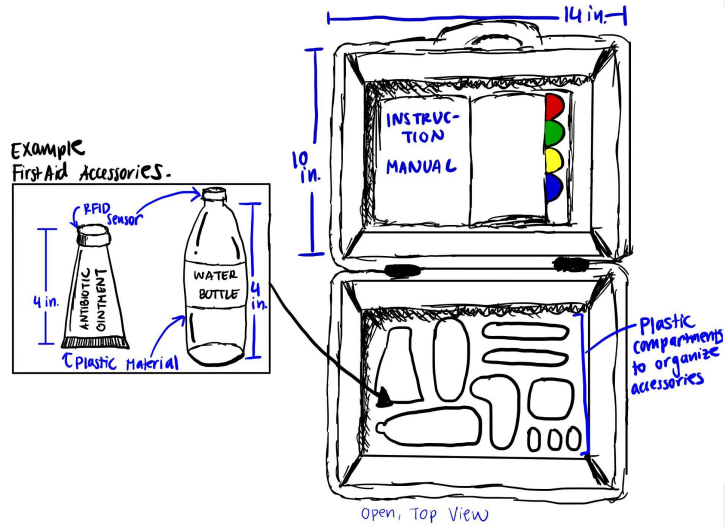
- Strong Positive
- Positive
- X Negative
- \* Strong Negative

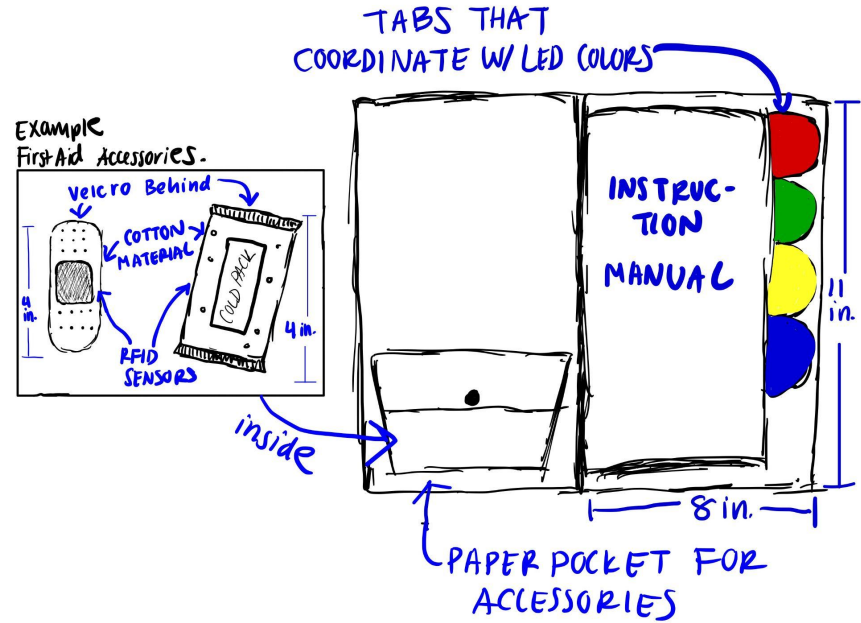
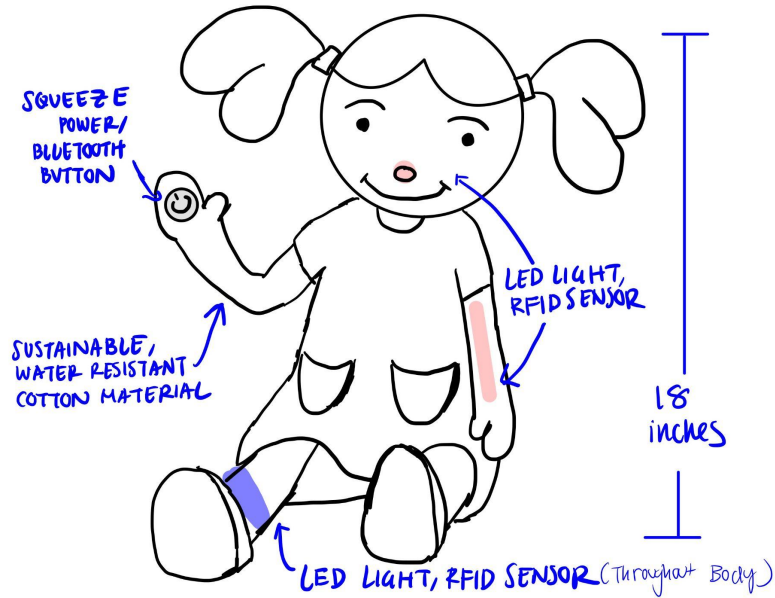
### Relationship Matrix:

- Strong = 9
- Medium = 3
- △ Small = 1

# House of Quality (Product Design 1)

# Prototype (Product Design 1)

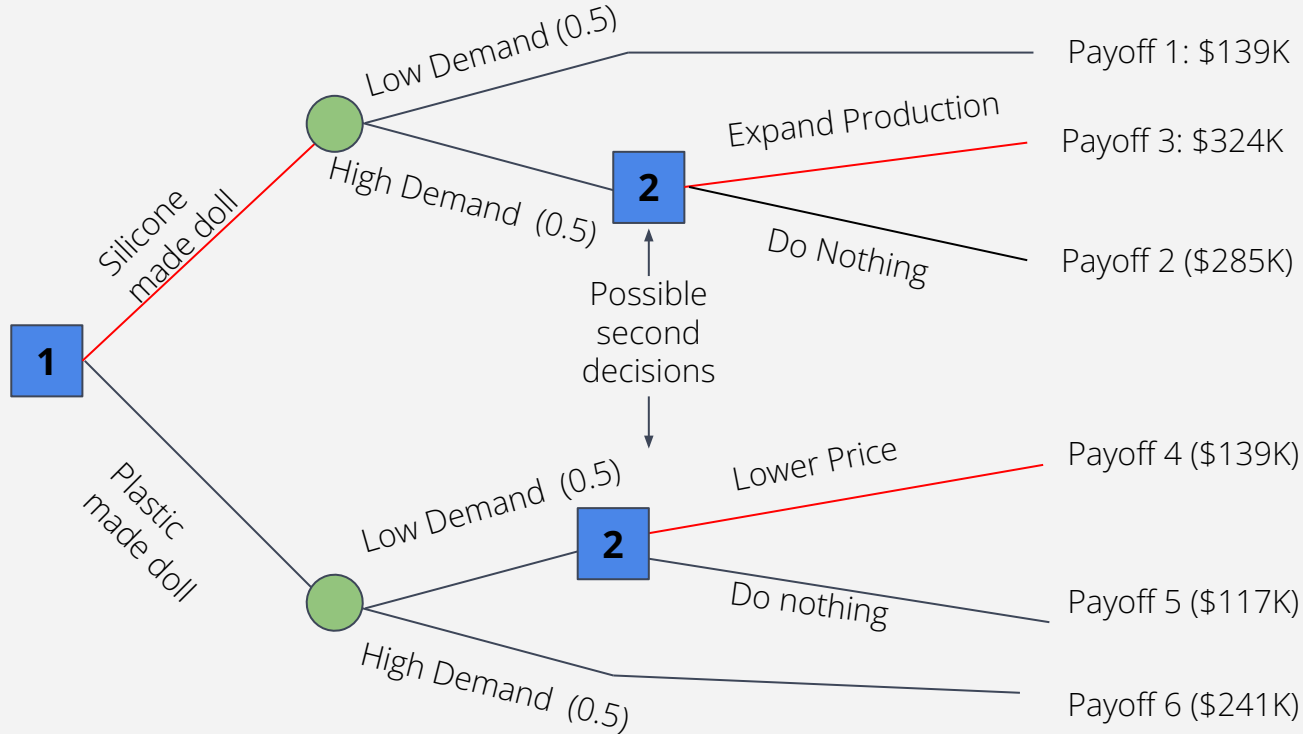


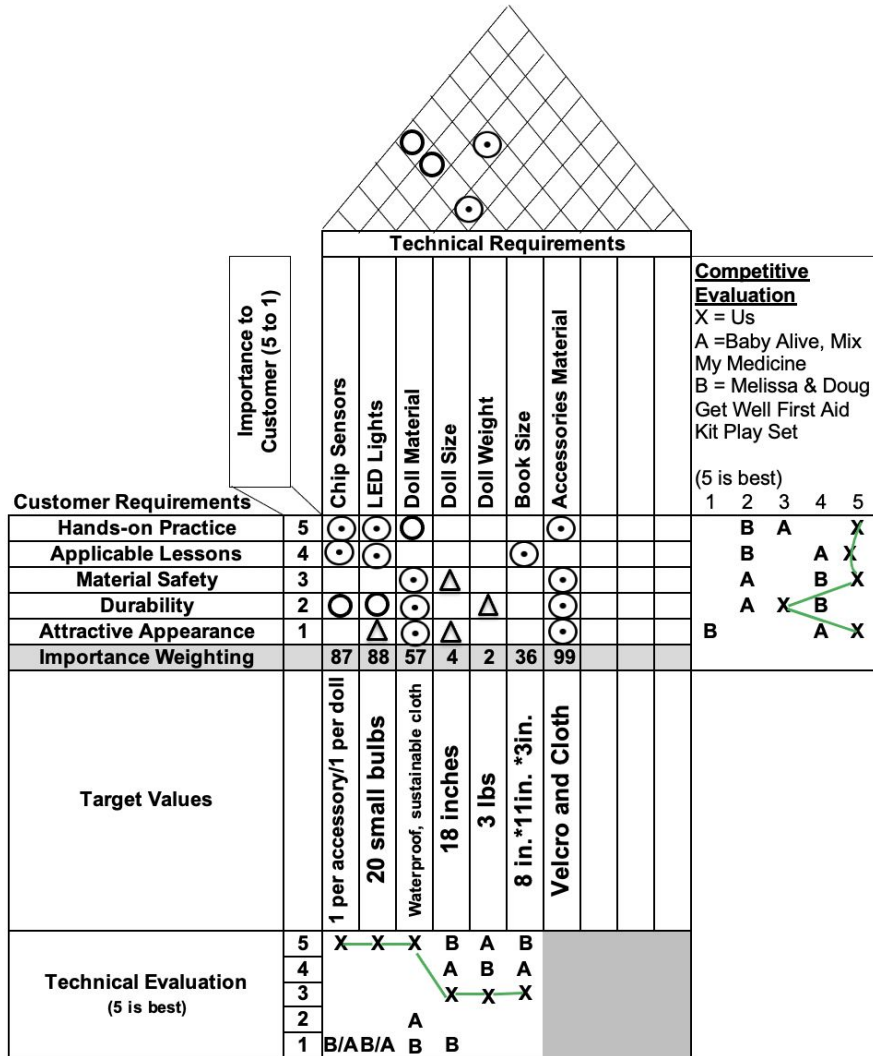


# Target Costing (Product Design 1)

Simple Profit (Loss) Analysis		Assumptions	Baseline	Notes
<b>Retail Price</b>			\$100.00	As determined by your team for your business
Segment Size			4,010,000	
Purchase Intent (PI)	15%			15% is a placeholder and would be discussed further in MK
Awareness	15%			15% is a placeholder and would be discussed further in MK
Distribution (ACV)	15%			15% is a placeholder and would be discussed further in MK
% of units lost to competition	0%			As determined by your team for your business
<b>Units Sold</b>			13,534	
Channel Margin per unit	45%		\$45.00	Assume industry standard at onset of project
<b>Manufacturer's Price per unit</b>			\$55.00	Net Sales Price to Team - Revenue
<b>COGS (Marginal Cost)</b>	40%		\$22.00	Based on Target Costing in OM (40% of <b>Manufacturers Price per unit</b> )
Cost of Raw Materials per unit	60%		\$13.20	60% of COGS
Direct Labor per unit	20%		\$4.40	20% of COGS
MOH per unit	20%		\$4.40	20% of COGS
<b>COGS (Marginal Cost)</b>			\$22.00	Used for sensitivity analysis
<b>Remainder for all overhead costs</b>			\$33.00	
G&A per unit	20%		\$11.00	20% of Manufacturer's Price per unit is a placeholder
Sales and Marketing per unit	25%		\$13.75	25% of Manufacturer's Price per unit is a placeholder
<b>Marginal Profit per unit</b>	15%		\$8.25	15% of Manufactuer's Price per unit is a placeholder and will be discussed further in FE
Sales Revenue			\$744,370	Product of Units sold * Manufacturer's Price per unit
Marginal Profit			\$111,656	Product of Units sold * Marignal Profit per unit
<b>Marginal Profit as %</b>			15.00%	Marginal Profit / Sales Revenue
Fixed Overhead Costs not covered elsewhere			\$10,000	As defined by your business model
Net Profit			\$101,656	Marginal Profit less Fixed Overhead Costs not covered elsewhere
<b>Net Profit as % of sales</b>			13.66%	Net Profit / Sales Revenue

# Decision Tree





### Correlation Matrix:

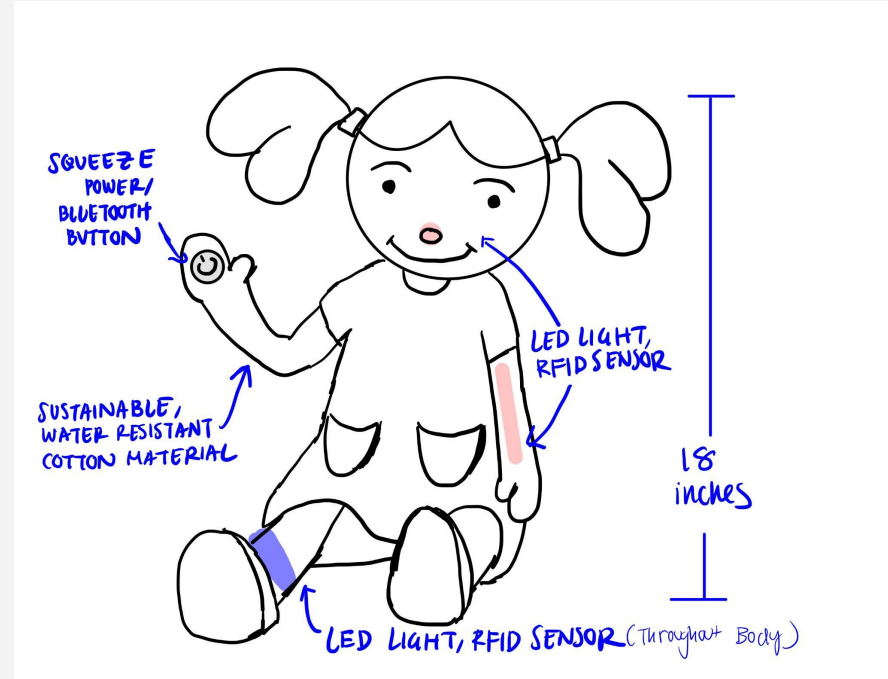
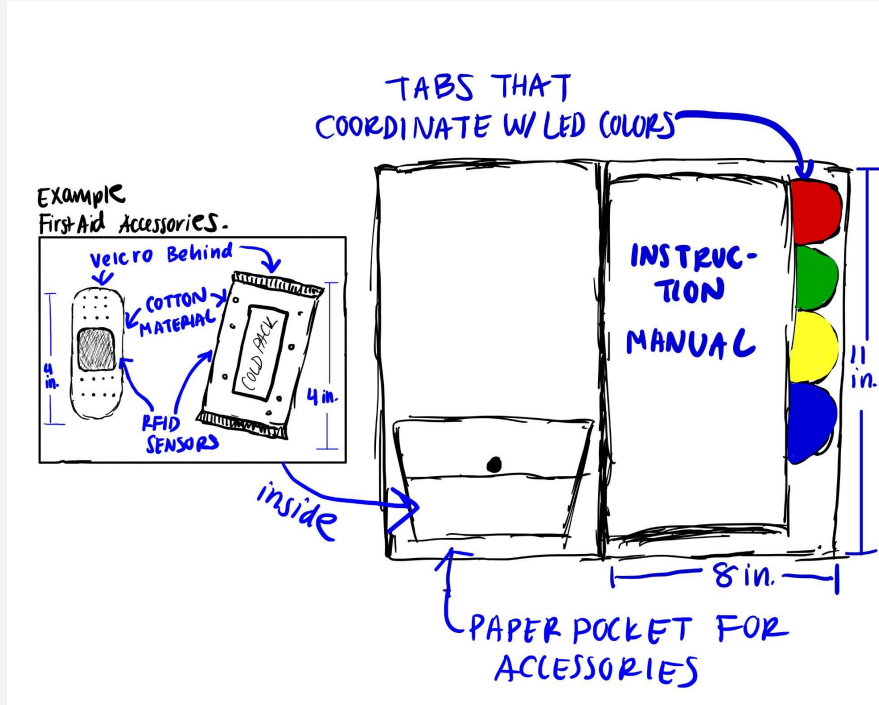
- Strong Positive
- Positive
- X Negative
- \* Strong Negative

### Relationship Matrix:

- Strong = 9
- Medium = 3
- △ Small = 1

# House of Quality (Product Design 2)

# Prototype (Product Design 2)



# Target Costing (Product Design 2)

Simple Profit (Loss) Analysis		Assumptions	Baseline	Notes
<b>Retail Price</b>			\$75.00	As determined by your team for your business
Segment Size			4,010,000	
Purchase Intent (PI)	15%			15% is a placeholder and would be discussed further in MK
Awareness	15%			15% is a placeholder and would be discussed further in MK
Distribution (ACV)	15%			15% is a placeholder and would be discussed further in MK
% of units lost to competition	0%			As determined by your team for your business
<b>Units Sold</b>			13,534	
Channel Margin per unit	45%		\$33.75	Assume industry standard at onset of project
<b>Manufacturer's Price per unit</b>			\$41.25	Net Sales Price to Team - Revenue
<b>COGS (Marginal Cost)</b>	40%		\$16.50	Based on Target Costing in OM (40% of <b>Manufacturers Price per unit</b> )
Cost of Raw Materials per unit	60%		\$9.90	60% of COGS
Direct Labor per unit	20%		\$3.30	20% of COGS
MOH per unit	20%		\$3.30	20% of COGS
<b>COGS (Marginal Cost)</b>			\$16.50	Used for sensitivity analysis
<b>Remainder for all overhead costs</b>			\$24.75	
G&A per unit	20%		\$8.25	20% of Manufacturer's Price per unit is a placeholder
Sales and Marketing per unit	25%		\$10.31	25% of Manufacturer's Price per unit is a placeholder
<b>Marginal Profit per unit</b>	15%		\$6.19	15% of Manufactuer's Price per unit is a placeholder and will be discussed further in FE
Sales Revenue			\$558,278	Product of Units sold * Manufacturer's Price per unit
Marginal Profit			\$83,775	Product of Units sold * Marginal Profit per unit
<b>Marginal Profit as %</b>			15.01%	Marginal Profit / Sales Revenue
Fixed Overhead Costs not covered elsewhere			\$10,000	As defined by your business model
Net Profit			\$73,775	Marginal Profit less Fixed Overhead Costs not covered elsewhere
<b>Net Profit as % of sales</b>			13.21%	Net Profit / Sales Revenue

# Decision Tree

