

## Delivering the Market Leading Product

### Optimum Consumer Products

It is surprising, but the current "best" practices in the consumer product world cannot be used to optimize a product for maximum consumer likeability.

The initial development and product definition activities, the final product definition, and the market testing often cross several functional silos in the organization - they are not integrated because there has been no reason to do so.

One of the major limitations in achieving products optimized to the consumer's preference is that by the time the consumer sees the product for evaluation, the development process has narrowed the product definition to a very narrow set of parameters. Also the classic techniques attempt to collect consumer preference in terms of a set of attributes rather than the actual content of the formulation and process settings.

Although it is interesting to understand how "salty" a consumer may like a particular product, there is no direct rigorous connection between the perception of saltiness and the actual content in the product. It is well known that other flavorings can significantly modify the perception of saltiness. This strong interaction defeats the classic tools, but is the foundation for consumer preference modeling in OCP.

Optimum Consumer Product (OCP) integrates the product development and consumer preference optimization into a single process. The challenge isn't the technology, but rather the difficulty in the organizational integration of the R&D and Marketing functional silos.

Velocity Pointe's management technology deals both with the management structure, and the state-of-the-art R&D methodology. Optimum Consumer Products (OCP) marries all phases of the development with real time direct consumer feedback. We develop a statistically rigorous mapping between the actual settings in the manufacturing line and consumer preference.

We use a simple testing protocol which is compatible with most point-of-sale environments. Get information: from the consumers WHO are interested in buying the kind of product you are developing, and get it WHEN they are already making their buying decision. In short find out the optimum manufacturing settings to please the people who are most likely to buy the product.

The food industry only achieves one success out of every five tries. When a new product rollout including R&D, packaging design, manufacturing line changes, and marketing and supply chain development are added together, the total cost of a single failure can be many of millions of dollars.

*McCormick had been working for over 3 years on a snack chip flavoring. In six weeks with OCP a new formulation was developed which was preferred over the original by 87%:13% -in other word when the old and new versions were compared in a pair test, 87% of the time the new flavor was preferred.*

Optimum Consumer Products (OCP) can significantly improve the odds of success. If even one possible "failed" product were instead successful, by definition the total magnitude of the failure's cost moves from the expense column to the income side of the equation - the increase in profitability can be 10x or more.

### Key Features

- Our method directly couples the end consumers' preference to the knobs and dials on your production line.
- Integrate the development and the market testing activities into a single process. Gone are the days of having R&D toss the new product over the wall and expect manufacturing and sales to make it successful.
- Developers get real-time feedback from the consumer which helps to significantly refine the product in its early stages.
- Directly measure the cost of high consumer preference - know how much substituting for the expensive ingredient will lower consumer approval.
- Eliminate the "magic" in consumer products. Obtain statistically rigorous connection between the formulation/process and the consumer preference for the "best" end result.

This unique tool is best brought on-board by the senior executive who owns the separate functional groups. We can teach you how to use this management technology to significantly improve your odds of winning.



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**Speed to Profit™ Management Technologies**

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