

ABC Corporation Suppressor Marketing Plan

updated 10/13/98

Table of Contents

I.	Executive Summary	2
II.	The Challenge.....	2
III.	Situation Analysis.....	2
a.	Company Analysis	2
b.	Customer Analysis	2
c.	Competitor Analysis.....	3
d.	Collaborators.....	5
e.	Climate.....	5
f.	SWOT Analysis.....	5
IV.	Market Segmentation	5
V.	Alternative Marketing Strategies.....	6
a.	Direct Sales.....	6
b.	Distributor Sales	6
c.	Sell product rights.....	7
d.	License product	7
e.	Seek investor(s).....	7
VI.	Selected Marketing Strategy	7
a.	Product.....	7
b.	Price	8
c.	Distribution (Place).....	9
d.	Promotion	10
VII.	Short & Long-Term Projections.....	11
VIII.	Conclusion.....	11
	Exhibits.....	11
	Appendix.....	12
	<i>Production Notes</i>	12
	<i>Competitors</i>	12
	<i>Potential Customers</i>	13

Legend:

Blue – to be provided later in planning process

Red – Priority for attention

Purple – Immediate priority

I. Executive Summary

- A high-level summary of the marketing plan.

II. The Challenge

- Brief description of product to be marketed and associated goals, such as sales figures and strategic goals.

- a. Introduce a new design in DC surge suppressors featuring significant advantages over existing suppressors with its ability to survive an indefinite number of spikes without product failure, and its ability to not de-energize loads with spikes of less than 250 volts.

III. Situation Analysis

a. Company Analysis

i. Goals

1. Define

- a. Provide support for Fred, Pat and Pete
- b. Limit ABC Corporation to three people
 - i. Farm out most labor
- c. Cash Flow
 - i. Short term (6 months) vs. Long term (5 years)
 - ii. Minimum; expected; preferred; success

ii. Focus

1. Environmentally protected monitors and computers
2. Suppressors (proposed)

iii. Culture

1. Small, family operated, no outside investors

iv. Strengths

1. Electronics design expertise
2. Business experience

v. Weaknesses

1. Financing

vi. Market share

1. None currently

b. Customer Analysis

i. Defined need:

1. Reliability, dependability, and mission critical applications
2. Want “ultimate” security even when #1 not required

ii. Types

1. Marine

- a. Number
- b. Type
 - i. Larger boats only? (20+ ft?)
 - 1. Emphasis on
- c. Value drivers
 - i. Safety – Maintain electronics for guidance
 - ii. Dependability – Do not want to lose systems away from port
 - iii. Monetary - Protect expensive electronics from damage
- d. Decision process
 - i. Search for improved protection after damage experience
 - ii. Word of mouth
 - iii. Negative - No news is good news for suppressor installation
- e. Concentration of customer base for particular products
- 2. Trucking?
 - a. Trucks use cheap version?
- 3. Recreational Vehicle
- 4. Industrial?
 - a. Digital Control
 - b. Process Control
- 5. Data communications
 - a. Use gas discharge tubes on either end of line at \$1.50 each
- 6. Electric Trains
 - a. Primarily Europe
 - b. 110 vDC from brushes on wires
 - c. Transfers from end of one conductor to next results in 385 vDC surge
 - d. 36 vDC suppressor currently withstands 126 vDC, ABC withstands 250 vDC
 - e. Transient guideline defined in EN 50155 (ICE 571)
- 7. Others?
- c. Competitor Analysis
 - i. MOV
 - 1. Market position
 - a. Inexpensive
 - b. Adequate quality (perceived)
 - 2. Strengths
 - a. Less expensive (\$100-\$190?)
 - b. Perceived to be adequate protection
 - 3. Weaknesses
 - a. MOV can fail after one event
 - b. MOV shuts down load after event
 - 4. Market shares
 - 5. **Manufacturers** (not necessarily MOV type?)(see appendix also)
 - a. Northern Technologies
 - i. Northern Technologies is a leading global supplier of power quality solutions. Spanning the telecommunication/wireless, medical, government/security and cable/broadcast markets, Northern Technologies manufactures a full line of surge

- suppression products for AC, RF, T1, telco and dataline systems.
- ii. Phone: (509) 927-0401, Toll Free (US & Canada): (800) 727-9119, Fax: (509) 927-0435
- iii. DCB Series - DC Power Protection for Critical Equipment
 1. http://www.northern-tech.com/TVSS_Products/dcb.htm
 2. Bipolar silicon avalanche diode technology provides fast, non-degrading protection. Metal oxide varistors provide a second stage of power protection.
 3. DCB-24 = 24vdc, DCB-48 = 48vdc, DCB-48(G) = 48vdc (grounding)
 4. Direct factory sales
 - a. catalog
 5. Pricing (quoted to Fred quoted direct to OEM)
 - a. DCB-24S
 - i. 1-24 each = \$130
 - ii. 25-99 = \$100
 - iii. 100-250 = \$80
 - iv. 250+ = contract
- b. MCG Surge Protection
 - i. MCG is intensely dedicated to one area – the design, development, and manufacture of highly reliable surge protection devices. Products you can depend on when it counts.
 - ii. MCG Surge Protection • 12 Burt Drive • Deer Park, NY 11729 • Toll Free: 1-800-851-1508 General Sales: sales@mcgsurge.com • Technical Support: support@mcgsurge.com
 - iii. Direct current equipment level surge protectors are designed to protect up to 15A of continuous DC load current. The MCG-12A-MCG-130A installs at or within equipment such as DC servo mechanisms, fire alarm monitoring systems, security system controls, telecom and datacom systems, etc. to provide compact, heavy duty surge suppression.
 1. <http://www.mcgsurge.com/products/dc/index.htm>
 - iv. MCG-12A through MCG-130A (12vDC, 24v, 32v, 48v, 130v)
 1. LVC Series?
 - v. Sold through sales reps in most of USA, reps & distributors in international markets, factory for areas w/o rep.
 - vi. Pricing (quoted directly to Fred)
 1. MCG-24A
 - a. 5 pcs = \$90 each
- c. Brick Wall
- d. STO-P
- e. YachtGard
- f. ETA
- g. Amalgen
- h. Advance Surge Suppressor
- i. Littlefuse(?)

- j. Busmann – TVS
- k. Charles Industries
- l. Carling Technologies
- m. Comm-Omni
- n. Citel
- o. Transtector
- p. Others...

d. Collaborators

- i. Subsidiaries, joint ventures, distributors, etc.
 - 1. Distributors (Possibly dictated by industry)
 - 2. Reps? (Possibly dictated by industry)

e. Climate

- Macro-environmental PEST analysis:

- i. Political and legal environment
 - 1. Protection from competitor copies of circuit design
 - a. Patent (?)
 - b. Condensing ICs and circuit components (?)
 - c. Others?
- ii. Economic environment
 - 1. Flat
- iii. Social and cultural environment
- iv. Technological environment
 - 1. Suppressors are not used extensively beyond AC computer apps
 - 2. Little development in suppressors beyond MOV type (?)

f. SWOT Analysis

- A SWOT analysis of the business environment can be performed by organizing the environmental factors as follows:

- i. The firm's internal attributes can be classed as *strengths* and *weaknesses*.
- ii. The external environment presents *opportunities* and *threats*.

IV. Market Segmentation

- Present a description of the market segmentation as follows:

a. Segment 1 - Marine

- i. Description
 - 1. Marine
 - a. Recreation
 - i. 18-30 ft
 - ii. 30-100 ft
 - 1. Boat Mfgs (see appendix)
 - 2. Marine electronics mnfgrs
 - iii. 100+ ft
 - b. Commercial
 - c. Navy(?)
- ii. Percent of sales
- iii. What they want

1. No electronic repair or replacement charges
2. Electronics available continuously throughout voyage
 - a. During storms
3. Do they know they are not getting these features without a suppressor?
4. Do they expect this protection inherent in the electronics?
- iv. How they use product
 1. Hard wired from batteries to protect onboard electronics
- v. Support requirements
- vi. **How to reach them**
 1. **Distributors**
 - a. **Type**
 - i. Marine
 - ii. Electronic
 - b. **Arrange Interviews**
 1. Oregon
 2. BC
 3. Florida
 2. **Magazines**
 - a. **Subscribe to majors**
 - i. Buy majors at Barnes & Noble
 - ii. Subscribe via internet
 - b. **Titles**
 - i. Multihull - multihullsmag.com
 - ii. Yachting
 3. **Retail**
 - a. **Stores**
 - i. Interview Portland outlets
 - b. **Online**
 4. **Direct**
 - a. **Retail**
 - i. Online
 - b. **OEMs**
- vii. Price sensitivity
 1. Current competitor MOV types around \$100- \$130 (?)

b. Segment 2...

V. **Alternative Marketing Strategies**

- a. **Direct Sales**
 - i. **Retail**
 1. Phone
 2. Online (?)
 - ii. **OEM**
 1. Packaged
 2. Custom
- b. **Distributor Sales**
 - i. **Retail**
 1. Catalog

- 2. Stores
 - 3. Online
 - ii. OEM
- c. Sell product rights
 - i. Safety valve
 - 1. If large competitor copies product
- d. License product
 - i. Safety valve
 - 1. If large competitor copies product
- e. Seek investor(s)
 - i. If cashflow cannot cover marketing or production investment needs
 - 1. If product release needs to be rushed
 - 2. If potential customer base cannot be reached
- f. *List and discuss the alternatives that were considered before arriving at the recommended strategy. Alternatives might include discontinuing a product, re-branding, positioning as a premium or value product, etc.*

VI. Selected Marketing Strategy

- Discuss why the strategy was selected.

- a. Marine sales (20'-150") (ranked by priority)
 - i. Direct to OEM
 - 1. Marine electronics
 - 2. Boat manufacturers
 - ii. Retail through Distributors
- b. Product
 - The product decisions should consider the product's advantages and how they will be leveraged. Product decisions should include:
 - i. Brand name
 - ii. Positioning
 - 1. Quality
 - a. High
 - i. Durable construction
 - ii. Electronically well protected
 - 1. Power for circuit enters 900 vDc devices to supply 30ma @5 vDC, and 30ma @12 vDC for fan, at any input up to 900 vDC for protection from spikes.
 - 2. Uses two arrestors
 - a. 250 vDC & 300 vDC
 - i. 250 volt model may last up to 1000 cycles before failing. Only then is 300 volt unit performing(?)
 - 3. Demonstration
 - a. With 20 vDC input and output, 200 vDC spike occurs. Output peaks at 24 vDC.
 - iii. Scope of product line
 - 1. 10 & 20 amp suppressors (?)

- a. Same board (programmable)
 - 2. Future
 - a. 50 & 200 amp (?)
 - b. Less expensive model with fewer features
 - iv. Features
 - 1. Factory programmable
 - a. 3 voltages
 - b. 2 current ratings (?)
 - 2. LED feedback
 - a. Red = over voltage, Red = under voltage, Yellow = surge event, Red = over-temperature, Red = over-current, Green = OK
 - 3. Remote on/off switch
 - 4. Optional heat sink (required for 50 amp)
 - v. Warranty
 - 1. Lifetime?
 - 2. 100% QC tested
 - 3. Life test – 10,000 cycles @250v pulse without failure
 - a. Gas Discharge tube – rated life = 500 cycles @ 10 microsecond, 1000 amp pulses
 - vi. Service program
 - 1. Define procedures
 - vii. Packaging
 - 1. Embedded in heat sink in package (retail)
 - a. Package
 - i. Box or bag
 - 1. Labeling {?}
 - a. Using zip lock bag initially
 - ii. Product labeling
 - 1. Model ✓
 - 2. Company ✓
 - a. contact info
 - 3. Dating (?)
 - 4. Serial Number - YES
 - 5. Wiring (?)
 - a. 2x Red = Input, 2x Black = Grd, 2x Blue = Output, 2x Remote On/Off
 - iii. Insert describing: Fred
 - 1. Installation
 - 2. Operation
 - 3. Troubleshooting
 - 4. Warranty
 - 5. Service
 - 2. Circuit board only (OEM & custom)
- c. Price
 - Discuss pricing strategy, expected volume, and decisions for the following pricing variables:
 - i. Cost

1. Total
 - a. Expenses
 - i. Total ~ \$90-\$100 per unit
 - ii. Circuit board
 1. \$70-\$80 estimated cost
 - a. \$40-\$50 in quantity
 - i. Board stuffing (Lytek) = \$23.18 ea for 20 pcs
 - ii. Stencil on board (Milano) = \$43.90 ea for 20 pcs
 - iii. Packaging
 1. \$20 for testing, packaging and shipment
 - iv. Assembly
 - v. Warehousing
 - vi. Handling
 - vii. Other variable costs
 - viii. Fixed costs
 - ii. List price
 1. \$300 each?
 2. Minneapolis Honeywell buys earlier, limited model = \$150 each (cost = \$35)
 - iii. Discounts
 1. User
 - a. Quantity (mixed)
 - i. 0-10 = list
 - ii. 10-24 = 5%
 - iii. 25-50 = 10%
 - iv. 50+ = 15%
 2. OEM
 - a. Quantity (mixed)
 - i. 0-9 = 5%
 - ii. 10-24 = 10%
 - iii. 25-99 = 15%
 - iv. 100+ = 20%
 3. Distributor
 - a. Quantity (mixed)
 - i. 0-4 = 10%
 - ii. 5-9 = 15%
 - iii. 10-24 = 20%
 - iv. 25-99 = 25%
 - v. 100+ = 30%
 - iv. Bundling
 1. Complete power conditioning
 2. Circuit breaker panel
 - v. Payment terms and financing options
 1. Net 30 FOB Salem, OR
- d. Distribution (Place)
 - i. Distribution channels (such as direct, retail, distributors & intermediates)
 1. Distributor

- ii. Motivating the channel - for example, distributor margins
 - 1. Distributor discounts (see above)
 - 2. Promotional “kickoff” rewards (?)
 - iii. Criteria for evaluating distributors
 - iv. Locations
 - v. Logistics, including transportation, warehousing, and order fulfillment
 - 1. Lytek - Salem
- e. Promotion
- i. Product line positioning
 - 1. Image
 - a. Product line name
 - b. Bylines
 - c. Description
 - d. Visuals – Collect all available at ABC for George
 - i. Logo
 - ii. Product photos
 - 1. Sizes
 - 2. Formats
 - iii. Colors
 - iv. Fonts
 - v. Advertising illustrations & graphics
 - 2. Competitive comparisons
 - ii. Advertising

(including how much and which media)

 - 1. Types
 - a. Magazines
 - i. News Releases
 - 1. Free
 - ii. Educational articles about suppressors
 - 1. New technology
 - a. Emphasizing Advantages
 - 2. Using suppressors properly
 - a. Emphasizing MOV drawbacks
 - b. Send to boating associations
 - iii. Paid advertising spots
 - 1. When budget allows
 - iv. Types
 - 1. Marine (Boating, Yachting)
 - 2. Electronics
 - 3. Recreational Vehicle
 - b. In House
 - i. Catalog
 - ii. Sales brochures/flyers
 - c. Reseller
 - i. Catalog
 - ii. Sales brochures/flyers
 - d. Web

- i. Web site
 - 1. Order form?
 - iii. Public relations & sales
 - 1. Sales calls
 - a. Boat manufacturers
 - b. Marine instrumentation mnfg
 - c. Panel builders
 - 2. Trade shows
 - a. Booth
 - b. Demo
 - 3. Distributor
 - a. Training
 - i. Handout
 - ii. Online
 - iii. CD
 - b. Sales calls
 - iv. Promotional programs
 - 1. "Send us your old suppressor"
 - 2. Sales demo kit
 - 3. Video demonstration
 - v. Budget; determine break-even point for any additional spending
 - vi. Projected results of the promotional programs

VII. Short & Long-Term Projections

- The selected strategy's immediate effects, expected long-term results, and any special actions required to achieve them. This section may include forecasts of revenues and expenses as well as the results of a break-even analysis.

VIII. Conclusion

- a. Summarize all of the above.

Exhibits

- Calculations of market size, commissions, profit margins, break-even analyses, etc.

Appendix

Production Notes

1. One week cycle
2. 100% QC tested
3. Runs
 - 22 initially, then 1000 per order(?)
4. Initial order from Minneapolis Honeywell

Competitors

1. Northern Technologies

Northern Technologies is a leading global supplier of power quality solutions. Spanning the telecommunication/wireless, medical, government/security and cable/broadcast markets, Northern Technologies manufactures a full line of surge suppression products for AC, RF, T1, telco and dataline systems.

DC Power Protection for Critical Equipment



DC powered equipment is susceptible to transient event that may pass from the AC, Telco, or Coax services to the equipment directly, or through other equipment. Harmful transients found in all power services can cause costly damage and downtime of vital DC powered equipment.

In response to this problem, Northern Technologies, Inc. has created the DCB series for state-of-the-art surge protection to fit various application needs. The DCB series is available in 24 or 48 VDC configurations, and mounts to an equipment chassis. It's compact size make the DCB easy to install, even in the tightest spaces.

Features & Benefits

- Bipolar Silicon Avalanche Diode technology provides fast, non-degrading protection
- Metal Oxide Varistors provide a "second stage" of power protection
- Ideal protection for radios, channel banks, rectifiers, inverters, converters and various other DC powered equipment
- Compact module designed to fit in tight spaces where DC power protection is needed

2. MCG Surge Protection

MCG is intensely dedicated to one area – the design, development, and manufacture of highly reliable surge protection devices. Products you can depend on when it counts.

Direct current equipment level surge protectors are designed to protect up to 15A of continuous DC load current. The MCG-12A-MCG-130A installs at or within equipment such as DC servo mechanisms, fire alarm monitoring systems, security system controls, telecom and datacom systems, etc. to provide compact, heavy duty surge suppression.

The units clamp excess transient over voltages in less than 5 nanoseconds and automatically reset -- ready for the next transient. A green LED verifies that protection is present. The DC protector's low-profile enclosure (4.95" X 2.85" X 1.25") uses industrial-grade high-impact plastic and installs quickly via solder less screw terminals.



Typical suppression at 50A using an 8/20 waveform ranges from 34V to 200V. Clamp voltages at 1mA peak is 18V 150V. Surge energy absorption (in joules, 10/1000us) exceeds 455j. MCOV: 125% rated voltage.

Model	Rated Voltage	Clamp Voltage	Joules	Typical Suppression	Data Sheet	Installation
MCG-12A	12VDC	18V	66 j	34V	PDF	PDF
MCG-24A	24VDC	33V	138 j	53V	PDF	PDF
MCG-32A	32VDC	47V	198 j	84V	PDF	PDF
MCG-48A	48VDC	68V	278 j	106V	PDF	PDF
MCG-130A	130VDC	150V	455 j	200V	PDF	PDF

Pricing:

1 - \$130 100-250 = \$80

Potential Customers

Boat Manufacturers

- Viking

Marine Electronics Manufacturers

- Maptech GPS