PROJECT PROPOSAL- MEN’S SHAMPOO

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 Our company, Beauty Solutions (Pvt) Ltd., has seen phenomenal growth in the last three years. We were able to radically increase our revenue along with market share. However, such a situation also asks for better strategies in the future in order to continue such a growth rate. Product development is one of the most important strategies which could be used at this stage and this proposal tries to present an opportunity present in the market, which can be exploited by developing a new product.

 So far, we have manufactured and advertised our fashion and beauty products as universal for men and women. One of such products includes our range of shampoos. According to the latest survey, 63% of our shampoo consumers were female. This may imply that we are not looking after the needs of male consumers. As many other brands have recently launched dedicated shampoo brand for men, it may also be an opportunity to launch such a product in order to attract more male consumers.

 In this project proposal, it has been logically assumed that male consumers need a separate brand to which they can trust and feel comfortable with. At the same time, it has also been assumed that our R&D department is well-equipped with resources and expertise to develop such a new brand. Since our company name alone has proven enough for the success of various new products recently, it can also be assumed that a new dedicated brand can earn consumer loyalty as well.

The scope of this project can be managed according to the final strategy and choice of executives. However, it has been proposed to launch such a product in one city for experiment purposes. The product can then be launched nationwide after few weeks or months, depending upon the success rate.

 On successful completion of Research and Development for this product, it will be able to provide various hair solutions to men. The shampoo will primarily be based upon our currently most popular shampoo but it will have some additional ingredients to specifically deal with hair problems faced my men.

 At present, we have adequate resources to effectively deal with such a project. First of all, we have state of the art Research lab and expert researchers to develop such a product. It will also be easy as no radical improvements are required; instead few extra ingredients can do the trick. Secondly, few of the currently operating plants can be run on reserved capacity. Hence, no extra production facility will be required in the initial phases. New production facility or plant can be bought on the increase in the demand of our new product. Again this should not be a problem for the organization since we had radical positive cash flow in the last five years. Shareholders would also be inclined to allow any such product development since it can have huge potential upsides.

 It has been estimated that such a product can be launched within the next six months. Paperwork, strategic meetings, a detailed budget/cost forecast and approval can take up to three weeks. Product can then be developed in laboratory in approximately three months. Next phase will be for branding and logo designing along with few other technicalities. This phase is expected to be completed in one month. Lastly, there be manufacturing of shampoo bottles and the shampoo itself. Any currently operating plant can be used for this purpose. One month will be required at maximum to complete the manufacturing process for the limited launch (one major city of the country). Hence, the whole work can be completed in approximately five to six months’ time period.

 Our current similar shampoo bottles are sold at $2.50/bottle. However, it has been estimated that goof branding and advertisement can allow can us to sell men’s shampoo at $3/bottle. This is because of the fact that such a shampoo brand would have dedicated solutions for men.

 It is true that product development can be a big decision for any organization due to various kinds of associated risks. However, such the proposed product (men’s shampoo brand) is expected to have minimal risks in terms of money and time spent. Due to the reasons discussed above, no new plant is required. At the same time, R&D can develop such product within a time period of few months, which is many times less than our other products. If done properly, the project can result in profit of $450,000 in one year. However, worst case scenario can result in the loss of $55,000.

 Lastly, there could be various benefits along with obvious monetary benefit. This project will increase our overall range of offered products. At the same time, it will help us to win the trust and confidence of male consumers, which may also have positive effects on other products as well. Overall, it can be seen that this project has huge upside potential with minimal risk factors associated with it.