The Module 3 SLP requires that you enter the same pricing data into the simulation as you did in SLP2. In SLP3 however, you will face new entrants into the industry (new competition).

**Assignment**

Go to the “Settings” page, and change the following:

1) Entry for New Competitors – *On*

2) Be sure to SAVE your change!

Now, input the SLP3 decisions:

1) Decision 1: For Years 2008-2012

a) Pricing – *Manual*

b) Module Price - *$0.13*

c) Revenue to Process Improvement – *5%*

d) Years to Advance – *5 years*

2) Decision 2: For Years 2013-2017

a) Pricing – *Manual*

b) Module Price - *$0.11*

c) Revenue to Process Improvement – *5%*

d) Years to Advance – *5 years*

3) Decision 3: For Years 2018-2022

a) Pricing – *Manual*

b) Module Price - *$0.09*

c) Revenue to Process Improvement – *5%*

d) Years to Advance – *5 years*

4) Decision 4: For Years 2023-2025

a) Pricing – *Manual*

b) Module Price - *$0.08*

c) Revenue to Process Improvement – *5%*

d) Years to Advance – *To end*

Leave the process improvement percentage at 5%. Note that you will now need to monitor the market share and financial performance of *new entrants* entering the Solar Power industry (see the “Settings” page for definition of this concept).

Run the simulation once, keeping track of your pricing decisions and the outcome of each decision made (note market share of new entrants, profitability, etc).

**Keys to the Assignment**

*The key aspects of this assignment that should be covered and taken into account in preparing your 5-6 page paper include:*

1. Include discussion and analysis of key metrics at the end of each decision point (e.g., among other data, be sure to include total market share, revenue, cumulative profit, consumer net price, modular price, unit cost, etc.).
2. For each decision point, be sure to include comparative tables that include what you believe to be the most important data. Using Excel, provide a comparative analysis of key data to demonstrate the differences between SLP2 and SLP3 results. It is your responsibility to determine which data (and which comparisons) are most salient.
3. Explain the significance of new entrants into the PV industry. What is the impact that new competitors have on your company’s market share? Cumulative profitability? Cost to the consumer?
4. Make recommendations. What would you have done differently as it relates to pricing, process improvement, or other?

<http://forio.com/simulation/solar-test/index.htm#page=market_research>