

Venture Justification Report

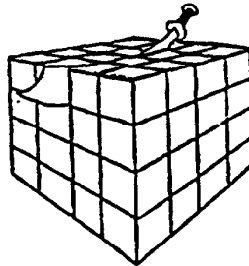
VENTURE NO: 636
IDEA: THE HI-FI FAG
CHAMPION: RPF

1. **THE OPPORTUNITY**
To capture downshifters to the low tar segment and possibly menthol smokers while providing a unique taste booster USP. Product via known product/pack technology.
2. **THE PRODUCT**
A hi-fi 'dimensioned' flavour product using coolants to boost flavour, performance trigeminally - allows lower tar with maintained sensory performance - the 'Dolby' process analogy. Brand names: 'Dimension', 'Hi-Fi'.
3. **RAW MATERIALS/COMPONENTS**
Conventional KS, preferably low delivery with relatively conventional added flavour coalesced with coolant.
4. **THE PROCESS OF MANUFACTURE**
Conventional in all aspects (coolant applied together with flavour).
5. **THE MARKET SERVED**
Delivery downshifters across whole market looking for lower delivery with maintained taste satisfaction and novel sensory sensation without menthol.
6. **SALES EXPECTED**
Year 1 = 80 = £1280K
Year 2 = 180 = £2880K = £8960M T.O. in 3 yrs
Year 3 = 300 = £4800K
7. **COSTS OF VENTURE**
R&D = £50K Launch £350K (£600K all up)
P&T = £100K One off (coolants) £100K
8. **LIKELY CONTRIBUTION**
10 on 16 suggests £3.4M contribution in 3 yrs and 6 month payback.
9. **THE UNKNOWNNS**
 1. Coolant toxicology.
 2. Coolant licensing.
 3. Sensory outcome and consumer preference.
10. **DEVELOPMENT NEEDED (TO ANSWER UNKNOWNNS)**
 1. AGP review.
 2. Negotiations with: Wilkinson Sword?
 3. Market research.

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VENTURE NO: 636 (CONTINUED)

11. CONCLUSIONS (SUBJECT TO ANSWERING UNKNOWNNS)
 1. Innovative product performance with enhanced preference for low delivery products.
 2. Likely to attract downshiffters and health concerned.
 3. Integrative via basic technology.

12. RECOMMENDATIONS OF SCIMITAR TEAM
Worthy of investigation.

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