

Solution creation



Phase: Solution building

Idea devised by: <<name>>

Author(s) of this document: <<name>>

Lead competence: <<competence>>

Responsible manager: <<name>>

Distribution date: <<date>>

Version maintenance

Revision history			
Version nr.	Date	Changes	Author

Distribution		
Version nr.	Date	Name

Approval

Actors				
Title	Name	Function	Signature	Date

Approved by				
Title	Name	Function	Signature	Date

How to use this template?

When finalising this document, please omit this chapter

This document forms the basis for the decision moment in which the solution is discussed to determine whether it should be further developed or that it should be stopped.

This document provides a structure for the information needed in the 'decision to launch' gate. By filling this document, the insights gained during the development of the solution and the changes which might have occurred can be noted down. Also, The market might have changed during the development of the solution. The basis can be found in the previous phases, but a check must be made to see whether it is still valid.

When using this document:

There is a certain overlap with the solution definition document from the solution shaping phase. This document however, contains an updated market overview to see whether there are any changes on that area, new views concerning the solutions (which have come up during the development) and practical issues which have been countered in a different way than envisioned during the solution shaping phase. In short, things which went differently than described in the previous phase. Also, a validity check must be made to see if the market has changed. When there isn't any change in the market, these items can be filled out with a "no change occurred" or be omitted.

General remarks:

- *All of the text in blue are guidelines for the user of this template. After filling in the template the blue text should be erased.*
- *Where indicated whole paragraphs / sections may be deleted;*
- *When done make sure every chapter starts at a new page;*
- *Finally update the index by clicking with your right mousebutton on it and then select "whole table".*

Table of contents

EXECUTIVE SUMMARY.....	7
1 PHASE OBJECTIVES	8
1.1 SCOPE	8
1.2 FOLLOW UP ACTIVITIES.....	8
2 MARKET	9
2.1 MARKETS	9
2.1.1 <i>Issues, drivers and trends</i>	9
2.1.2 <i>Business needs</i>	9
2.1.3 <i>Market attractiveness</i>	9
2.2 BUSINESS THEMES	9
2.3 COMPETITORS	9
3 SOLUTION	10
3.1 SOLUTION DESCRIPTION	10
3.1.1 <i>Scope</i>	10
3.2 VALUE CREATION THROUGH USE OF THE SOLUTION	10
3.2.1 <i>Targeted customers</i>	10
3.2.2 <i>Unique selling points</i>	10
3.2.3 <i>External impact</i>	10
3.3 ROADMAP	10
4 TECHNICAL	11
4.1 DISSEMINATION OF THE SOLUTION	11
4.2 ARCHITECTURE.....	11
4.2.1 <i>Functional description</i>	11
4.2.2 <i>Technical description</i>	11
4.3 RESOURCES	11
4.4 THIRD PARTIES.....	11
4.4.1 <i>Partnership agreements</i>	11
4.4.2 <i>Supplier agreements</i>	12
4.5 PLANNING.....	12
5 GO TO MARKET.....	13
5.1 DESIGNATED MARKET(S)	13
5.1.1 <i>Market constraints</i>	13
5.2 DELIVERY MODEL & CONTRACT TYPES	13
5.3 CHANNEL.....	13
5.4 COMMUNICATION & SALES KIT OF THE SOLUTION.....	14
5.5 SOLUTION/ PRODUCT MANAGEMENT	14
5.6 WIN BUSINESS.....	14
6 FINANCIAL	16
6.1 INVESTMENT CASE	16
6.1.1 <i>Sales volumes and pricing</i>	16
6.1.2 <i>Revenues</i>	16
6.1.3 <i>Costs</i>	17
6.1.4 <i>Net Present Value (NPV)</i>	17
6.1.5 <i>Return on investment (ROI)</i>	17
6.1.5.1 <i>Best case scenario</i>	17

6.1.5.2	Worse case scenario	17
6.1.6	<i>Internal Rate of Return (IRR)</i>	18
6.1.7	<i>Payback period</i>	18
7	RISK	19
8	CONCLUSION AND RECOMMENDATIONS.....	20
9	DOCUMENT REFERENCES	21
9.1	BIBLIOGRAPHY	21
9.2	URLS.....	21
9.3	OTHER INFORMATION	21

Executive Summary

The executive summary is a synopsis which highlights the findings.

Summarising financial analysis

Item	Formula	Value
Expected investments		€ ...
Profit margin		... %
Sales price	$(100\% + \text{<profit margin>\%}) * \text{<Investments>}$	€ ...
Expected sales		... times
Expected total revenues	$\text{<expected sales> } * \text{ <sales price>}$	€ ...
Break even point	$(\text{<expected sales> } * \text{ <sales price>}) / \text{<Investments>}$	€ ... (equals ... number of sales)
Return on investment		... %
Payback period		... years
Sales pipeline		... number of bids

1 Phase objectives

What must be accomplished?

1.1 Scope

What will be done in this phase (and what not)?

1.2 Follow up activities

What will be done in the following phase

2 Market

Validate if there are any changes in this chapter and if so, please note what the changes are and what triggered them. If nothing has changed please note it and refer to the solution definition document

2.1 Markets

2.1.1 Issues, drivers and trends

What issues, drivers and trend are found in the market(s)

2.1.2 Business needs

What business needs are found in the market(s)

2.1.3 Market attractiveness

What is the market attractiveness

2.2 Business Themes

What business themes are playing in the market(s)

2.3 Competitors

What competitors are there for the solution

3 Solution

Validate if there are any changes in this area and if so, please note what the changes are and what triggered them. If nothing has changed please note it and refer to the solution definition document

3.1 Solution description

3.1.1 Scope

What is the scope of the Solution

3.2 Value creation through use of the solution

3.2.1 Targeted customers

To whom is this Solution for interest. How are customers identified

3.2.2 Unique selling points

Please state the UPS of the Solution

3.2.3 External impact

What impact does this Solution has on the market

3.3 Roadmap

Please give a roadmap for the Solution

4 Technical

4.1 Dissemination of the solution

Please give an account of the different components out of which this solution consists after the actual development has taken place. Are there any differences?

4.2 Architecture

4.2.1 Functional description

In case of solution components to be developed, please provide a functional description of these components and provide the relevant requirements and specifications behind it.

4.2.2 Technical description

In case of solution components to be developed, please provide a technical description of these components and provide the relevant requirements, specifications and interfaces behind it. The architecture should fit the long term technical strategy plan.

4.3 Resources

Please provide an overview of required efforts/ contributions/ competences/ persons/ etc which are noted in the project plan. Can the required resources be found (or trained) internally or is there need to look for a partner or multiple partners? Mention whether the skills are available within LogicaCMG. If not, can the required skills easily be acquired (via training, buying, partnering)?

4.4 Third Parties

If applicable...

Do we need any external parties (customers / suppliers / etc.) in delivering the solution? If so, for each external supplier, please provide an overview of “who supplies” and “what do they supply”, during the various phases of the solution development life cycle.

Also provide the current status of our relationship with the external parties and the expected or needed development of this relationship during the various phases of the solution development life cycle.

Finally, also provide the name of the (intended) LogicaCMG alliance manager for this external supplier.

4.4.1 Partnership agreements

In case of cooperation with partners in delivering the solution, please specify the strategy regarding the division of the (intellectual) property rights, patents and contracts regarding the end product and its components.

4.4.2 Supplier agreements

In case of cooperation with external suppliers in delivering components, please specify the strategy regarding the division of the (intellectual) property rights, patents and contracts, regarding the end product and its components.

4.5 Planning

Please provide the planning as made in the project plan in as much detail as possible. It serves as the blueprint roll out script for the subsequent phases.

5 Go To Market

This chapter focuses on the road towards successful sales and delivery (internal and external implementation, exploitation) of the solution.

5.1 Designated market(s)

Which markets are targeted for this solution? Why is that (or those) market(s) chosen? Is there a possibility to use this solution in other markets in time?

5.1.1 Market constraints

Identify any issues that may affect the LogicaCMG's ability to market the solution on the designated market(s), such as supplier dependencies, restrictions in market or geographical areas.

5.2 Delivery model & Contract types

After successful development of the solution (components), this section focuses on the actual delivery (internal and external implementation, exploitation, maintenance & support). This section provides (additional) recommendations for these phases.

Please provide an overview of the future delivery organisation (i.e. internal and external implementation, exploitation, maintenance & support, etc.) and specify which parties are to be involved during which stages of the delivery process and what their contributions will be.

Also, provide any relevant recommendations regarding the future delivery organisation and the necessary (additional) phases / steps / activities / etc. to include on the path towards successful delivery of the solution (i.e. internal and external implementation, exploitation, maintenance & support, etc.). Again, consider all matters that affect business performance of the current delivery organisation, such as:

- *necessary (additional) changes in current organisation or staffing levels*
- *current or expected (additional) (key) staffing requirements and/or problems (if any)*
- *current or expected other (additional) resource requirements (hard-, software, accommodation, etc) and/or problems (if any)*
- *necessary (additional) changes to procedures (release management)*
- *necessity of specific (additional) knowledge that is crucial to the delivery of this solution*

Finally, provide (an estimate of) the expected time (including any lead time) to fully implement the solution, both LogicaCMG internally, and at (a) customer site(s).

When relevant and possible, please provide the timetable for the above mentioned additional (anticipatory) phases / steps / activities / deliverables.

5.3 Channel

Please provide the channel (own sales force or joint sales with partner) through which the solution will be sold and the necessity of specific (additional) training for sales to deliver this solution.

5.4 Communication & sales kit of the solution

Please provide an overview of the marketing/communication plan. It entails:

1. An overview of the concept /idea of the solution,
2. The target groups
3. The message to the market and specific to the target groups (can be different per group)
4. Define the sales/communication material (saleskit)

Complete the (indicative) table and fill it with as much detail as possible. It serves as the blueprint roll out script for the marketing and sales phase. The column "Element" may be extended with all activities /elements needed for the successful future marketing & sales of the solution..

Element	Contributor(s)	Start date	End date	Remarks
Full description of Concept				
Brochure				
White paper				
Reference sheet(s)				
1-3 slides presentation set				
10 second elevator pitch				
60 second elevator pitch				
Overview of references				
Demo (optional)				
Web page (optional)				
Advertising				
Publications / Articles				
Internal road show (opportunities to speak)				
Conferences / Seminars (opportunities to speak)				
Interview opportunities				
...				

5.5 Solution/ product management

When a solution is developed, it needs to be released in the regular organisation. Please define who will be responsible for the solution during it's lifecycle.

5.6 Win Business

Please mention at least one (account manager, who's) client has shown interest in this solution or who will be approached to validate (future investment in the development of) this solution. These account managers should be asked to check the market perception of (LogicaCMG for) this solution?

What is the status of the sales force concerning the finding of clients where the solution can be implemented? When there is more than one client for a phase, please create a new line so that both clients might be entered. The pipeline status can be taken from OMP.

In the event that there aren't any clients found, please note what has been done and why there aren't any bids.

Stage		Win probability	Client name	Account/ sales manager
P10 Suspect	Unqualified Lead	0%		
P20 Prospect	Qualified Lead	1%		
P30 Information	Await	1%		
	Prepare	1%		
	Submitted	10%		
P40 Proposal	Await	10%		
	Prepare	10%		
	Submitted	20%		
P50 Decision	Longlist (>3)	20%		
	Shortlist (2/3)	40%		
	Top Shortlist (#1)	60%		
P60 Closing	Verbal Commitment	80%		
	Letter of Intent	90%		
	T&C Negotiations	90%		
	Order Received	100%		
P70 Closed	Won: Order Logged	100%		
	Lost to Competition	0%		
	No Sale: LogicaCMG Stop	0%		
	No Sale: Client Stop	0%		
	Replaced: New Entry	0%		

6 Financial

This chapter provides the investment case and financial analysis regarding the solution and its bespoke components, including a financial that shows revenues, costs, profit and cash flow for the complete lifecycle.

It is recommended that the plan shows quarterly figures for at least the first two years so that it can be used readily as the basis for quarterly product reports.

6.1 Investment case

6.1.1 Sales volumes and pricing

Please give an overview of the expected sales quantity for the first 3 years and what the bid price will be.

*1000 euro	2006	2007	2008	...
Sales quantity				
Expected sales price				

6.1.2 Revenues

Licence fees: *product licence fees obtained from external clients, including direct sales, sales via projects and sales via external (i.e. non-LogicaCMG) agents and distributors.*

Maintenance revenue: *revenue (including P&L) obtained from product maintenance contracts.*
Commissions: *Software House Agreements (SHA) payments.*

Project revenue: *revenue (including P&L) obtained from clients for services associated with the solution. This includes fees for delivering, installing, configuring and tailoring the product, and any fees for ancillary services or consultancy related to the product (i.e. training). It also includes M&E revenue.*

6.1.3 Costs

Please give an overview of the expected cost for multiple items (add or subtract items when needed) as calculated in the underlying QMS (make sure its consistent with the resources noted in the paragraph recourses in chapter 3).

6.1.4 Net Present Value (NPV)

Please give the calculated NPV

6.1.5 Return on investment (ROI)

Please give the calculated ROI for both best as worst case scenario

6.1.5.1 Best case scenario

*1000 euro	2006	2007	2008	...
Revenue				
Investment				
Sales costs				
Marge				

6.1.5.2 Worse case scenario

*1000 euro	2006	2007	2008	...
Revenue				
Investment				
Sales costs				
Marge				

6.1.6 Internal Rate of Return (IRR)

Please give the calculated IRR

2006	2007	2008	...

6.1.7 Payback period

Please give the calculated payback period

2006	2007	2008	...	Total

.

7 Risk

This chapter defines possible risks for the solution. These risks can take place on different aspects of the solution development.

List and explain the assumptions made for the solution (economic and market trends, competitors' actions, new products, and so on). Be sure to explain what you took for granted as you began your development:

- *Project risk;*
- *Maintenance & Support risk;*
- *Exploitation risk (continuity, security, loss of customers);*
- *Future fitness of (concept behind) solution;*
- *Financial;*
- *Etc.*

8 Conclusion and recommendations

Please give a recommendation based on the findings of the phase whether or not the development must be continued.

9 Document references

Here relevant information can be placed which can be used for further reading.

9.1 Bibliography

- *[XYZ] <"Name">, [version], [date], <Author>*

9.2 URLs

Which URLs are interesting for information on this area/proposition

9.3 Other information

Where do we have additional information available (i.e. on a drive)?