

## **NORTH AMERICAN MARKET SIZE**

- CLOSET UNITS – 11,000,000
- SALES POTENTIAL - \$2 BILLION

***LARGE NEW MARKET  
FOR JOHNS-MANVILLE***

# FEATURES/BENEFITS

## SECTIONAL DESIGN

- ONE DESIGN HANDLES ALL SIZES
- SPEED OF INSTALLATION
- REDUCES LABOR COSTS
- ACCELERATES CONSTRUCTION SCHEDULE
- REDUCES NEED FOR SKILL TRADES

## **FEATURES/BENEFITS**

### **FACTORY FINISHED**

- **BETTER AESTHETICS**
- **ELIMINATES PAINTING**
- **CLEANS EASILY**
- **LIVEABLE DESIGN INCORPORATES ORGANIZERS**
- **ELIMINATES CRACKING OF INTERIOR FINISH**
- **NO MOISTURE CONTRIBUTION DURING CONSTRUCTION**

## **FEATURES/BENEFITS**

### **CUSTOM DESIGN**

- DIFFERENTIATED PRODUCT
- ORGANIZER CHANGES
- FAMILY OF PRODUCTS

***A VALUE ADDED PRODUCT***

## **COMPETITORS AND MARKET SHARE**

### COMPETITION

- NO DIRECT
- CONVENTIONAL CONSTRUCTION

### MARKET TRENDS:

- FACTORY BUILT
  - WINDOWS
  - BATHTUBS
  - KITCHEN CABINETS
  - PRE-HUNG DOORS
  - TRUSSES

***NO EXISTING COMPETITION  
MARKET MOVING TO FACTORY BUILT***

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## SELLING PRICE / COST

SELLING PRICE *	<u>HART</u>		<u>CONVENTIONAL</u>
MATERIAL PRICE	\$175	<	\$100
INSTALLED PRICE	\$275		\$275

COST:

GROSS EARNINGS TARGET 50%

FOR A 5' CLOSET

***PREMIUM PRODUCT  
PRICED COMPETITIVELY***

## TARGETS

- DATE OF ENTRY: REGIONAL MARKETING PROGRAM  
CALIFORNIA – 2<sup>ND</sup> HALF, 1991
- SHARE GOAL: 10% MARKET SHARE IN 5 YEARS:

***JM CAN CAPTURE MARKET SHARE!***

## **TARGET SALES AND GROSS EARNINGS**

- SALES (5<sup>TH</sup> YEAR) - \$200 MM
- GROSS EARNINGS - 50%

***MAJOR SALES OPPORTUNITY***  
***AT ATTRACTIVE GROSS EARNINGS***



## **INVESTMENT**

- ASSUMING VACUUM FORMING
- PROJECT FEASIBILITY BUDGET - \$275,000
- FULL SCALE PLANT - \$4 MM EST.

***STRATEGY IS TO BE LOW COST PRODUCER***

## KEY ISSUES

- PROCESS CAPABILITY AND QUALITY CONSISTENCY
- BUILDER AND CONSUMER ACCEPTANCE
- ACTUAL COST VS. PERCEIVED VALUE
- LOW ENTRY BARRIERS

## **KEY ISSUES CONTINUED**

- INSTALLED SALES CAPABILITY
- CHANNELS OF DISTRIBUTION
- ORGANIZATION
- MAINTAINING A COMPETITIVE ADVANTAGE

***ACCEPTANCE OF FACTORY PRODUCED CLOSETS  
WILL DETERMINE PROGRAM SUCCESS***

## **FUTURE ITEMS**

- CLOSET ORGANIZER PRODUCTS
- MONOGRAM PRODUCTS
  - DISNEY
  - SPORTS TEAMS
  - ROCK STARS

***CLOSETS LEAD TO MULTIPLE NEW  
ORGANIZER PRODUCTS***