Concours KGP 2019 – 10th Edition

Academic Business Case Study for Concours KGP

Part 1

FOR PARTICIPANTS REGISTERED FOR CONCOURS KGP'S MASTER'S AND PROFESSIONAL CATEGORIES

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English Version

CONCOURS KGP ORGANIZING COMMITTEE 2019

General Context

When Grungard (name used for the case) decided to enter the senior citizen market, it knew that it would need to create an entirely new product and service offering targeted towards this unique customer base. This newly targeted segment consisted of elderly men and women who were gardening enthusiasts. They have either been long-time flower lovers or are newly intrigued by the subtle art of growing fruits and vegetables on their own.

For the company, gardening enthusiasts are defined as individuals who easily spend hours of their day in their private or public gardens. For these seniors, being in the garden is a great opportunity to be outside of their homes. It also provides moments of serenity coupled with ongoing excitement as the seasons go by. For seniors, gardening is also a way to stay physically active, to avoid watching TV indoors all day, and even to feel useful. The latter is especially true when growing edible produce. For some, it's also a way to save money on groceries.

Grungard is a German private corporation based in Ulm, Germany. Over the past decades, the company has become a top brand for both professional and amateur gardeners. The company employs 2,800 individuals and generates annual sales nearing 1 billion CAD. The company offers a large range of gardening tools including products for watering, lawn care, tree and shrub care, soil and ground care, and small urban gardening. Their product line also includes garden gloves, hand saws, pots, smart lawn movers and electronic sprinklers. The price point is in the mid-high tier for these types of products relative to the competition.

Grungard is considered the benchmark for high-quality gardening tools in more than 80 countries. Their products are distributed in both major hypermarkets and small speciality stores. The products offered by the company are synonymous with reliability, longevity, and quality. These products are appreciated by millions of amateur and professional consumers around the world. Most of Grungard's customers remain loyal to the company for decades and trust the brand for all of their gardening needs. Grungard, in turn, maintains its reputation by being consistently available for any customer needs through responsive and high-quality customer support.

Founded in 1961, Grungard has grown from a small garden tool business to a renowned, global manufacturer of intelligent products and systems for garden care. A major part of the company's success came from their innovative nature and integrated marketing which includes a reactive and highly appreciated after-sales service. The company's biggest breakthrough though came in 1968 with the launch of the Grungard System product line of garden accessories. From there, the company went on to create several complete garden systems and solutions. This included notably the Combi system in 1977 (a set of garden tools allowing customers to interchange tool heads on a single ergonomic handle), the Accu-system V12 and the Micro Drip system in 1990 (an automatic, multifunctional garden irrigation system), a memory-based sprinkler in 2007 and finally the robot lawnmower in 2012. In recent years, wireless technologies have been integrated into several for the company's products. For instance, the Grungard Smart system launched in 2016 allowed customers to connect their lawnmowers and sprinklers to an app-controlled smart system. Today, Grungard customers can easily program schedules for their robot lawnmower and can even locate lost tools in their gardens. Since 2007, Grungard has been part of Husqvarna Group. The Swedish manufacturer of industrial power tools has made environmental protection and sustainable development two of its priorities since 2012. In line with this vision, in 2018, Grungard launched a partnership with UNICEF to provide access to clean drinking water for more than 100,000 people over the next 3 years.

Project Context

Executives at Grungard have known for several years that they would eventually need to develop a new specialized product line for seniors. In recent years, numerous scientific studies have pointed to a rapidly-growing ageing population. These studies have further shown that people want to remain physically active and that the population's general improving health status is allowing them to do more later in life. Furthermore, for the past 5 years, horticultural therapy has become recognized by health professionals as having benefit for people in their old age. Additional recent studies have shown that seniors are equally receptive to the notion of sustainable development, see value in protecting the environment, and acknowledge the benefits of consuming organic food. Moreover, it's no secret to companies operating in developed nations that the number of seniors with high disposable income is constantly growing. Even the *doers* and *makers* phenomenon traditionally observed amongst younger generations has been increasingly prevalent amongst the elderly!

Overall, these developments over the past few months have shown Grungard that there was now a window of opportunity to jump into product and service innovation for elderly consumers. They needed to break into the silver economy before this coveted segment became oversaturated with competition.

Internally, the question turned to who would take on this innovation project that would ultimately lead to the creation of a whole new product line. One person came to mind: Grungard's VP Innovation, Hubert Faucher, who had been working at the company for 8 years. Before taking on his role at Grungard, he worked as a management consultant with one of the *Big Four* accounting firms.

As soon as the decision was made, Project A+ began. A launch meeting was called by the Hubert. This meeting included representatives from the finance, marketing, R&D, and purchasing departments, alongside Dalhia, the manager of Grungard's project office.

Given that the company had a two-decade-old project office, it was easy to appoint an experienced Project Manager. The job was given to Patrick who had been a project manager at Grungard for the past 15 years. He had successfully led and completed two major projects that improved the company's product lines of various tools and garden systems.

Following his appointment, a project team was created. The team consisted of two materials engineers (John and Claudio), a technology specialist (Karim), a marketing specialist (Alice), a purchasing specialist (Erik), and a designer (Leila).

Grungard wanted to move fast, so the project team was assigned solely to Project A+. The small team's first task was to develop a working prototype (a tool and accessory representing the new product line) in less than three (3) months. Given Grungard's decade-long history in the garden tools market, the challenge didn't seem particularly difficult. Neither the Project Manager nor any members of the project team foresaw any specific problems or complexities ahead. For the first two weeks, the team worked to validate the project in terms of financial, marketing, and technical feasibility. No major problems arose while the feasibility study was conducted. All team members moved forward on the project while employing the company' usual project management methods as they were accustomed to (including the usual analysis methods, metrics, and dashboards).

Current Situation

Three weeks after the project team had begun conducting its feasibility analyses and creating a preliminary definition of product ideas, the first project review meeting was scheduled. The entire project team, including Hubert (VP Innovation), convened to discuss the current status of the project. At this point, the team had not yet reached the prototyping phase. During this review, several issues were uncovered.

Patrick, the team's Project Manager, began the project review meeting by showcasing some 3D mockups of gardening tool concepts that the team had come up with. The meeting became a little tense when Hubert promptly asked Patrick to concretely describe the intended users of these products. As Patrick struggled, Hubert further caught the team off guard by asking everyone to draw the intended target consumer, or even to mime them! No one was able to draw or mime an elderly person trying to garden. Leila, the designer, came close as she conjured up a sketch of an elderly man gardening but even that was quite vague. It was nearly impossible to make out the man's hands, his posture, or the gardening tool that he was using. Erik managed to make everyone laugh by limping around the room hunched over as he attempted to imitate an elderly man. Alice drew a human body and wrote comments around the drawing about the person's size, age, and other practical information.

Hubert hid his anger but promptly intervened. He told the project team that it was unthinkable for them to not have a very clear, in-depth and realistic vision of their target customer at this point. He stressed that it would be difficult to develop a product that would truly meet the client's needs if they could not clearly picture their target consumer in action. The team members replied that they, in fact, knew their target customer very well: senior citizens, between the ages of 70-85, willing to buy high-end products, mostly gardening enthusiasts with a passion for flowers more so than fruits and vegetable, and who needed tools appropriate for their age. Alice stepped up to the plate. She insisted that she had gathered all the marketing studies available on the subject and cross-checked all the data needed to define the market segments. She even concluded that the commercial market studies all came back positive. John added that the technical feasibility study had also come back positive.

Tension was evidently beginning to fill the room. To make matters even more uncomfortable, the meeting participants were now starting to get confused by all of these comments. It was as if there was a total communication meltdown. However, everyone knew that the objective of Project A+ was clear as was its greater purpose from a corporate strategy point of view.

In an effort to appease everyone and provide some more constructive feedback, Hubert proposed that it might be interesting to run the project in a more agile way. He suggested that all of the team members meet with senior garden enthusiasts and chat with them directly. The members looked at each other. Patrick was the first to speak up: "I don't think it's our responsibility to go out into the field. But sure, we could assign one of our new marketing hires or an intern to conduct in-depth interviews with seniors who like to garden if you think that it would be useful".

By this point, Hubert was feeling misunderstood. For him, innovation went hand-in-hand with curiosity and creativity. This also meant stepping outside of one's comfort zone, exploring in the field, and working closely alongside end users. The result would be the creation of an unparalleled, unique, reliable, and valuable offering.

He made another attempt at mobilizing the project team by proposing that they meet with gardening experts, and scientists working in mobility for seniors and climate change. Finally, he suggested that they visit some local community gardens with him.

His proposal generated even more hostility. The two engineers and the technology specialist were flabbergasted by the idea of having outside experts working on the project. Erik, the purchasing specialist, was staring at the ceiling by this point. Alice, the marketing specialist, was feeling undervalued. Patrick took Hubert's suggestions as criticisms and felt that his expertise was being challenged. He remained silent when Karim asked out loud if it was actually relevant for him to be on the project team. Leila was clearly feeling uncomfortable but hesitantly tried to muster up some positivity. She said it might be fun to shadow seniors working in their gardens to improve her sketches of the customer and ultimately the tools that they were looking to create.

Hubert felt tensions continuing to rise and decided that it would be best to end the meeting. He recommended that each member of the project team reflect on how they could better understand the needs of these future buyers and produce a fitting prototype. He mentioned that the next week's meeting would pick up where they left off. However, next week's meeting would also include Dalhia, the Manager of Grungard's project office, Joss, the company's VP Marketing, and Darun, the VP IT.

Hubert thanked the participants and left the room. As he left, he wondered if the marketing team was familiar with *Design Thinking* principles and if they even knew what the word *Persona* meant...

Things were off to a rocky start. Hubert thought about discussing the situation with the company's IT team who uses agile methodology regularly. This would perhaps provide him with ideas to improve the project team's process and outcomes. He still couldn't believe that no one was able to accurately describe an elderly person gardening, depict their posture, or speak to their difficulties, concerns, desires, and limitations.

From his point of view, it was obvious that understanding the buyer and user's reality was essential, especially for this industry. Not doing so was inexcusable whether the person in question is an engineer, marketing analyst, or purchasing coordinator.

He thought that it might be interesting to use agile methodology for Project A+. Whether the result would be in the form of product or service, technologically-advanced or not, Hubert knew that the team needed to keep digging if they wanted to generate a relevant offering. It would be crucial to get close to the end user, analyse their knowledge of gardening, and get familiar with their reality. This would provide the team with powerful data that would help them to build an innovative product, from prototype, to materials used, and more. He felt that a little more experimentation and trial-and-error could do the team some good.

Hubert knew that the project team would not reach the prototyping phase until they had a clearer vision of the reality of their future customers. This meant understanding how elderly people garden, conceptually and physically. He even considered finding a new project team lead internally, someone who was a little more open-minded and familiar with agile processes. He hesitated for a moment but ultimately decided to add Clarisse, an ergonomics specialist with Grungard, to the existing project team.

Hubert thought to himself. How could they intelligently create a new product for this very specific customer segment? Did they need to look beyond the existing marketing and feasibility studies? How could they make a gardening tool for seniors that was truly attractive and valuable in the eyes of their target consumer? Additionally, how could they agree on the scope? Creating a single prototype didn't seem realistic... Hubert didn't worry so much about the project's time cost or time to market. For him, it was all about creating an exceptional user experience.

Over the years, Grungard had acquired incredible expertise in the gardening tools and accessories industry. In the 1990s, the company was one of the first in the industry to begin publishing gardening guides for the general public. To this day, these guides remain constantly updated with new gardening trends and are highly appreciated by current customers. But Hubert knew that times were changing. The company would

need to act fast and iteratively to stay ahead of the competition. They would need to stay close to the challenges and needs of their customers. They would need to get closer to their stakeholders. They would need to do more with less. Most importantly, they would need to get creative in order to innovate.

QUESTIONS – PART 1

- **You are Patrick and his team. What will you do in order to move the project forward while considering Hubert's many requests and feedback?**

- **Using a PowerPoint, clearly explain your understanding of the current situation and, as concretely as possible, describe your team's intentions to Hubert (VP Innovation), Joss (VP Marketing), Darun (VP IT), and Dalhia (Manager, Project Office).**

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Part 2

CONCOURS KGP ORGANIZING COMMITTEE 2019

Internal Context

Project A+ started from scratch, this time using an agile approach. The team remained the same except for one addition, David, an IT specialist who would serve as the team's agile coach. Their next task was to create a list of user stories (a user story is a short sentence describing the needs of end users, written from the user's perspective, and using the format *As a user, I want to...* or *I need to...*).

Once the team generates their list of user stories, they would need to create a product backlog (a product backlog is a repository of user stories, considered as a list of characteristics and functionalities required for the product being developed).

To generate these user stories, the team observed more than 100 seniors in their private or community gardens over two weeks. Through this exercise, the seniors were able to express themselves freely in regards to their expectations about handling of tools, safety, and the peace of mind that comes with gardening. All of the elderly individuals interviewed spoke vividly about their successes in the garden. They mentioned their joy of being outside and picking their own flowers. They spoke enthusiastically about feeling active and useful as well as enjoying the social aspects of gardening. However, these seniors also brought up their many difficulties in gardening. For some, these were caused by arthritis and knee pain. Others complained about the difficulty of lifting heavy objects, their fear of losing tools, and their fear of hurting themselves or falling. Some were also concerned with how climate change was affecting their gardens (drought, excessive rainfall). These seniors emphasized the need for products that are both effective and safe, but well-adapted to their hands which have unfortunately become less mobile or sometimes slightly deformed over the years. They unequivocally spoke about the need for objects that were easily visible and light but solid. Many pointed out the need for tools that worked well using limited force and flexibility. Some mentioned that they wanted products that were easy to store and find. Several other seniors insisted on the importance of having eco-friendly tools, even if they cost a little more. Many also mentioned their desire to have weather-resistant, adjustable, multi-purpose tools.

The seniors expressed many ideas related to design, ergonomics, and materials of gardening tools. The challenge would now be to turn those ideas into clear user stories and to build a product backlog. The next step would be to sort through the backlog and prioritize both the characteristics and functionalities that would bring the most value to the end users, who were incidentally also the buyers in this case.

Current Situation

In an effort to keep the project on track and avoid further delays to the prototyping phase which was due in a few weeks, Hubert, VP Innovation, called a meeting with the agile team. He started by mentioning how pleased he was with the team's fresh start and new approach. However, after reviewing the ideas brought up by the seniors, he was quick to mention that few specific ideas had been offered related to technology. Hubert considered this to be a major gap to address since, to him, innovation and technology go hand-in-hand. Hubert brought up several questions on this topic: which integrated or remote technologies should be considered? Which intelligent systems would be appropriate? Will these devices be Internet-enabled? Which applications should be considered and for what reason? Hubert pressed the team for both answers to these questions and ideas for collecting this data as quickly as possible.

Few ideas came up on the spot. As a result, Hubert asked all team members to think about it for a few days. He expected them to return with a solid and relevant backlog as well as an exciting innovation proposal. He reminded everyone that the prototype that they must finish building in just a few weeks needed to be fully functional. Consequently, it was important to have a general idea of how the offering would look at this point.

For the next meeting, Hubert expects to see a value proposition surrounding the gardening tool that the team wants to prototype, including any technological aspects. Specifically, Hubert wants the list of user stories in the product backlog to be presented. Additionally, he wants a clear sketch to be provided with as many details as possible to truly visualize the tool that will be prototyped. This should include components, shape, dimensions, materials, colours, etc. The drawing must show the perfect alignment between the concept and the user stories. To do so, Hubert expects the drawing to be annotated with the relevant user stories from the backlog to justify each characteristic and functionality of the offering. He further expects the drawing to show which characteristics and functionalities will be prioritized when developing the first prototype.

QUESTIONS – PART 2

- **You are the agile team...**

- **Using *post-its*, create the list of user stories that make up your product backlog, ensuring that each one represents clearly the different characteristics and functionalities required for your product. You have full creative freedom in depicting the gardening product that will be catered to senior citizens.**

- **On *paper*, create a clear drawing of your product. Don't forget to annotate it as requested in the case using the post-its. Be sure to also highlight which functionalities and characteristics will be prioritized in the first prototype.**

- **Indicate both *orally and on the drawing* how you will complete the product backlog with regards to the technologies that must be included. Be sure to mention which specific technologies you are considering.**

- **You will p*resent* the drawing, <u>without a PowerPoint</u> and as concisely as possible to Hubert (VP Innovation), Darun (VP IT), and Louise (VP Sales).**

- **Through <u>one</u> *Power Point slide* only, you will present the current status of the case in which your team finds itself.**