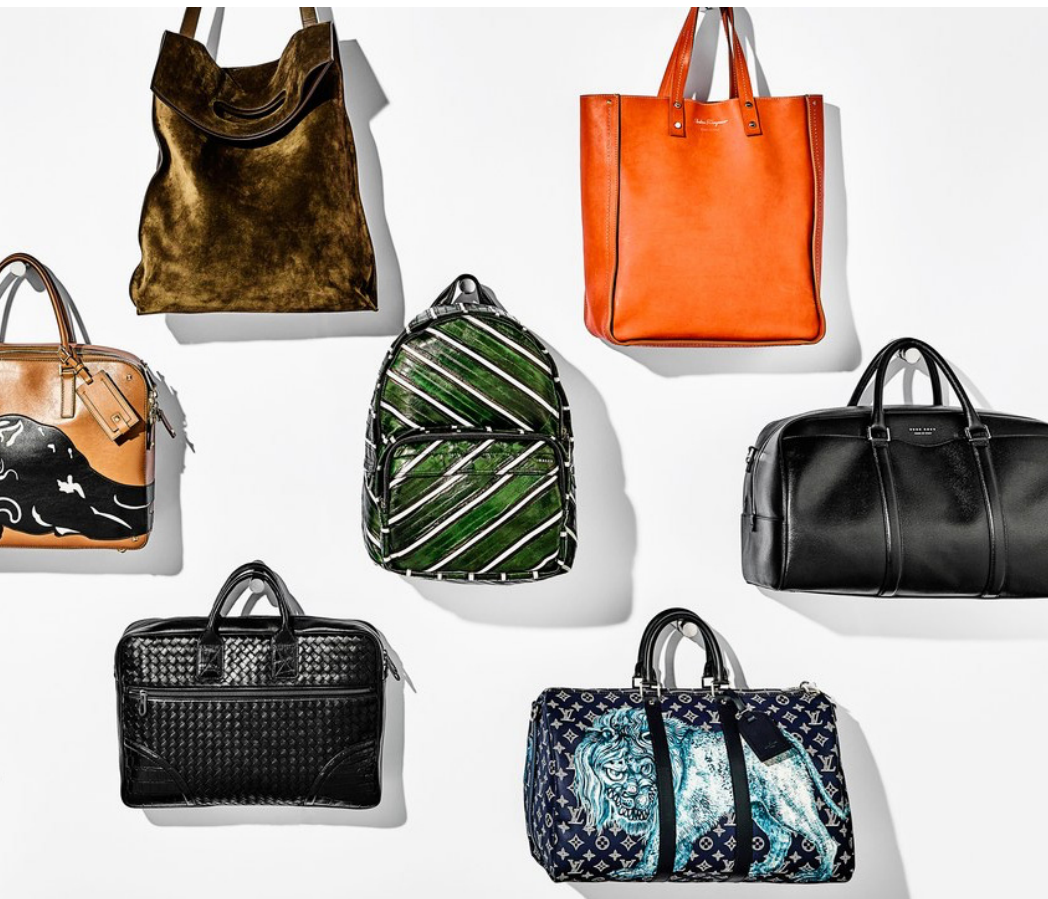


STRATEGY MANUAL





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Is it Desirable, Feasible & Viable?



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Appendix



PART

A

**DESIGN-LED
INNOVATION**



EXECUTIVE SUMMARY

Benjamin Franklin once said, "Without continual growth and progress, such words as improvement, achievement, and success have no meaning" (Business Growth, 2018). The Luxury Closet, an e-commerce company, brought about a whole new idea to the UAE in 2011, selling pre-owned luxury goods. Hanna (2018), when speaking about The Luxury Closet, states, "It has curated a community of "first-time sellers" in the GCC by offering a conduit for luxury buyers to liquidate high-value items. It is currently Mena's largest online marketplace for pre-loved luxury goods and is continuing to grow."

Although the company has been very successful, it has room for development and growth. The intention of this report is to introduce three innovative ideas, one radical and two incremental, that can help the company progress. The first is a collaboration with UAE based company Deals on Wheels, the company sells pre-owned luxury cars and has a large following on social media. This will benefit The Luxury Closet as they will be able to get through to new customers and tap into the market segment that are not their main clients at the moment, upper and middle-class men. The second idea is the introduction of pre-owned luxury abayas, such as those created by Dolce and Gabbana, this not only expands their offerings but also resonates with their main clients' culture and religion. Finally, the third idea is an aftercare kit called "Yahmi," the kit will contain useful items, such as a plastic weather shield and leather cleaner, to help users take care and protect their luxury goods.

This report will consist of detailed research and analysis of the company and the three proposed ideas. The main components of this manual are: the overview, attitudes, and a description of the ideas along with the business model canvas.



OVERVIEW

2

U.A.E Overview

Company Overview

Mission & Vision

Investors

Competitors

Product Portfolio

Audience & Target
Market

Timeline

Innovation Funnel

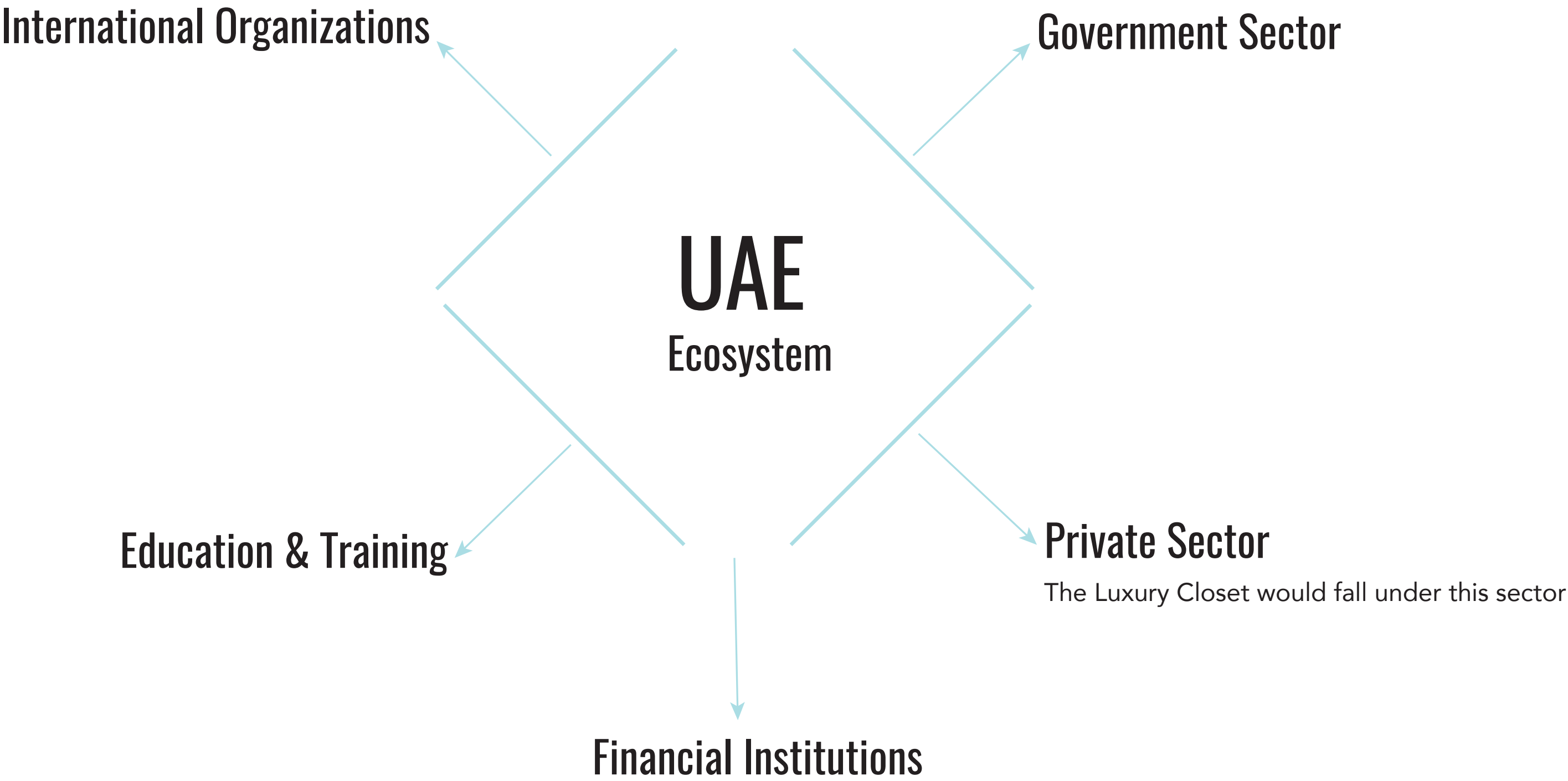
U.A.E OVERVIEW

The UAE, home to some of the biggest and most extensive malls in the world, is a hub for shopping. With the city becoming more and more fashion conscious, one market that is thriving is the luxury market. "According to the consultancy Bain & Company, Dubai is the world's 20th top city for luxury goods sales, with the market worth 3€ billion (Dh11.97bn) in 2015" (Online Retailer, 2016).

The rise of social media has not only pressurized people, specifically those in fashion-conscious UAE, to stay on trend, but also to not repeat the same outfit twice. This added pressure and the lavish lifestyle in this region often make it hard to keep up, as Lodi (2017) mentions, "Living among women born and bred in the UAE, it's easy to feel inferior if you're the only one without a token Chanel bag or Bottega Veneta clutch." Although some resort to buying fake goods to fit in, others needed a better option, thus came about the idea of buying previously-owned luxury goods. According to Walid Hanna (2018), CEO of Middle East Venture Partners, "Consumers in the region, and women in particular, are increasingly tapping into the pre-owned or renting category to diversify their wardrobe without breaking the bank, in the "pre-loved economy", buyers - or renters - can own up to 10 luxury goods for the price of one."

The Middle East has the largest personal luxury goods market, this means that there is a vast opportunity for pre-used luxury goods. This benefits both the sellers and the buyers, sellers have a lot to offer that they do not use, and buyers can buy the goods for a discounted price. As Hanna (2018) states, "The opportunity for the pre-loved luxury market in the Middle East and North Africa (Mena) overall is also huge, with an annual 5 per cent growth rate expected to reach almost 1\$ billion in sales by 2020."

The UAE ecosystem consists of five main divisions: international organizations, government sector, education and training, financial institutions, and the private sector. Each of these have multiple businesses under them. The Luxury Closet would fall under the category of private sector. The private sector is the part of the economy that is run by individuals and companies for profit and is not state controlled.



COMPANY OVERVIEW

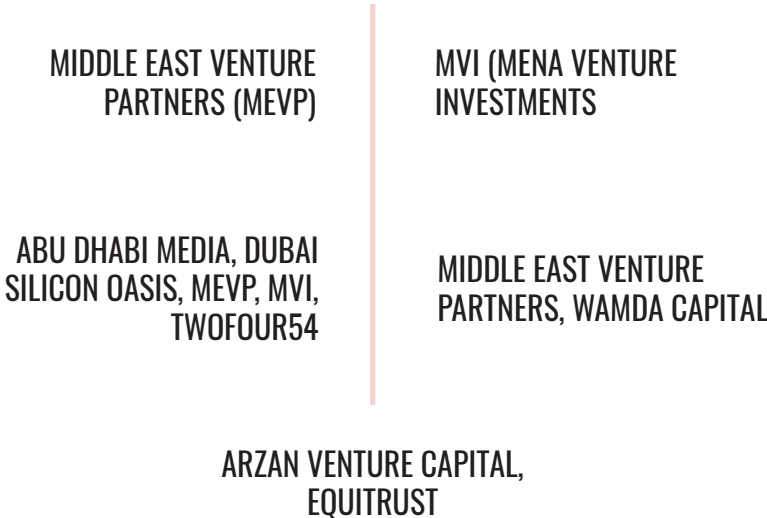
THE LUXURY CLOSET
BUY AND SELL AUTHENTIC NEW & PRE-OWNED LUXURY BRANDS

FOUNDED IN
2011

MISSION & VISION

Our idea is simple and powerful. We want to build a platform making it possible for our customers to turn the assets in their closets into cash. The brand and monetary value of luxury creations only increases, whether you decide to buy a luxury item or sell with us, it will always be a win-win proposition! (The Luxury Closet, n.d.)

INVESTORS



ALL INFORMATION RETRIEVED FROM FUNDERBEAM

COMPETITORS

ALL INFORMATION RETRIEVED FROM OWLER

THE LUXURY CLOSET
REVENUE
\$1.1M

YOOGI'SCLOSET
REVENUE
\$10.5M

FASHION PROJECT
REVENUE
\$<1M

POLYVORE
REVENUE
\$15M

REBAGG
REVENUE
\$1.7M

THEREALREAL
REVENUE
\$70M

BYSYMPHONY
REVENUE
\$15M

FASHIONPHILE
REVENUE
\$15M

POSHMARK
REVENUE
\$8M



PRODUCT PORTFOLIO

RETRIEVED FROM THE LUXURY CLOSET

WOMEN

BAGS
SHOES
CLOTHING
TRAVEL
FINE JEWELRY
WATCHES
ACCESSORIES

MEN

WATCHES
ACCESSORIES
BAGS
CLOTHING
TRAVEL
SHOES

KIDS

CLOTHING
(BOYS & GIRLS)

AUDIENCE & TARGET MARKET

Primarily women – (18-50)

Kapoor says there are different types of consumers in the pre-loved luxury market: First, the fashion-savvy who always look for exclusive, limited edition and one-off pieces, which are in-demand and on-trend.

"Then there are the collectors, who solely search for vintage finds or collectors items, usually in the field of watches, fine jewellery or handbags. We also cater to the bargain hunters, who are interested in fashion, but are always on the lookout for a great sale and discount, and, lastly, the market for selling in the UAE is huge, with plenty of consumers buying straight from the store, only wearing the item once or twice, then selling it on to us," he says. (Usman, 2017)



ONE CLICK WONDER: THE RISE OF THE LUXURY CLOSET



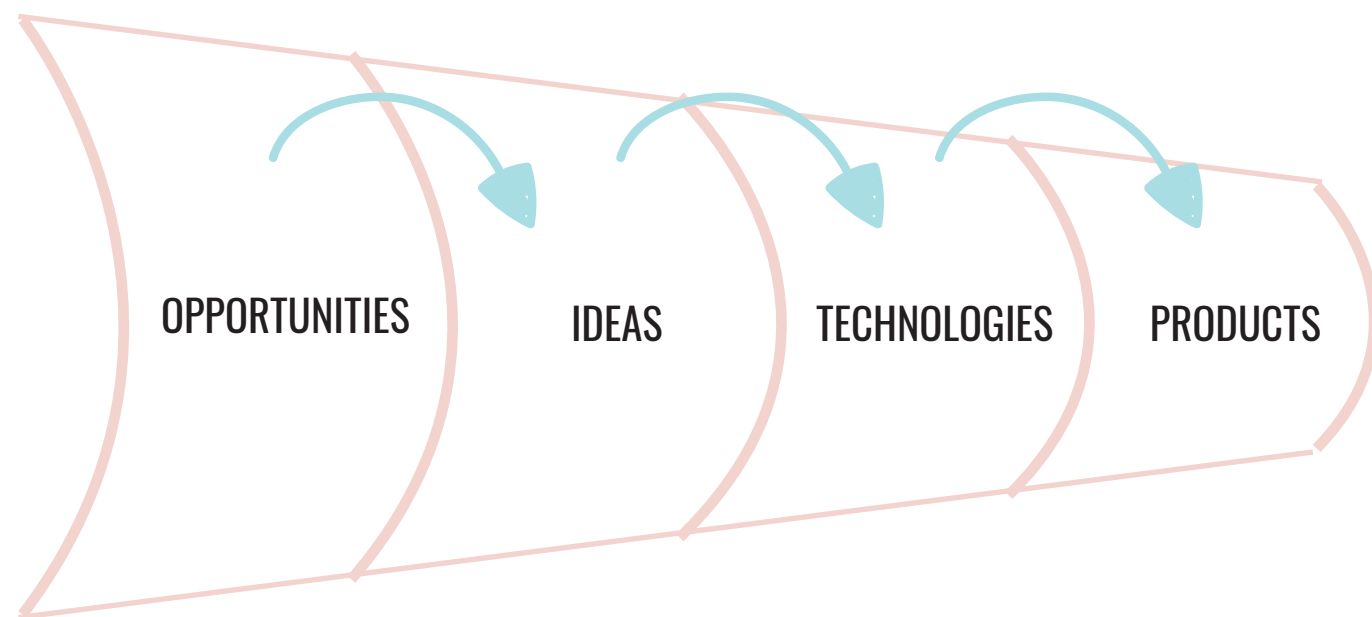
TIMELINE

RETRIEVED FROM THE LUXURY CLOSET

"MOBILITY AND CONVENIENCE
IS A STRONG FACTOR IN
THE LUXURY ONLINE MARKET,
AND THE LUXURY CLOSET, AN E-COMMERCE
MARKETPLACE FOR
**AUTHENTIC HIGH-END
PRE-OWNED ITEMS
AT DISCOUNTED PRICE,**
IS BANKING ON THIS TREND."

- PAMELLA DE LEON, 2016

INNOVATION FUNNEL



The innovation funnel is a tool most often used by businesses to understand the process in developing a product within the company. It is also used to understand their place in the industry and the process of developing innovative products that would take them further with their ideas. (Innovation Funnel, 2016)

In terms of The Luxury Closet, their opportunity began when the owner, Kunal Kapoor saw the need for a platform where people can both sell and buy pre-owned luxury brands. He had previously worked with a luxury brand based in Dubai and noticed the untapped market that existed. Dubai is one of the top cities in the world in terms of purchasing luxury goods, and most often people are tempted to buy luxury products without wanting to pay the incredibly high prices tailored for these products.

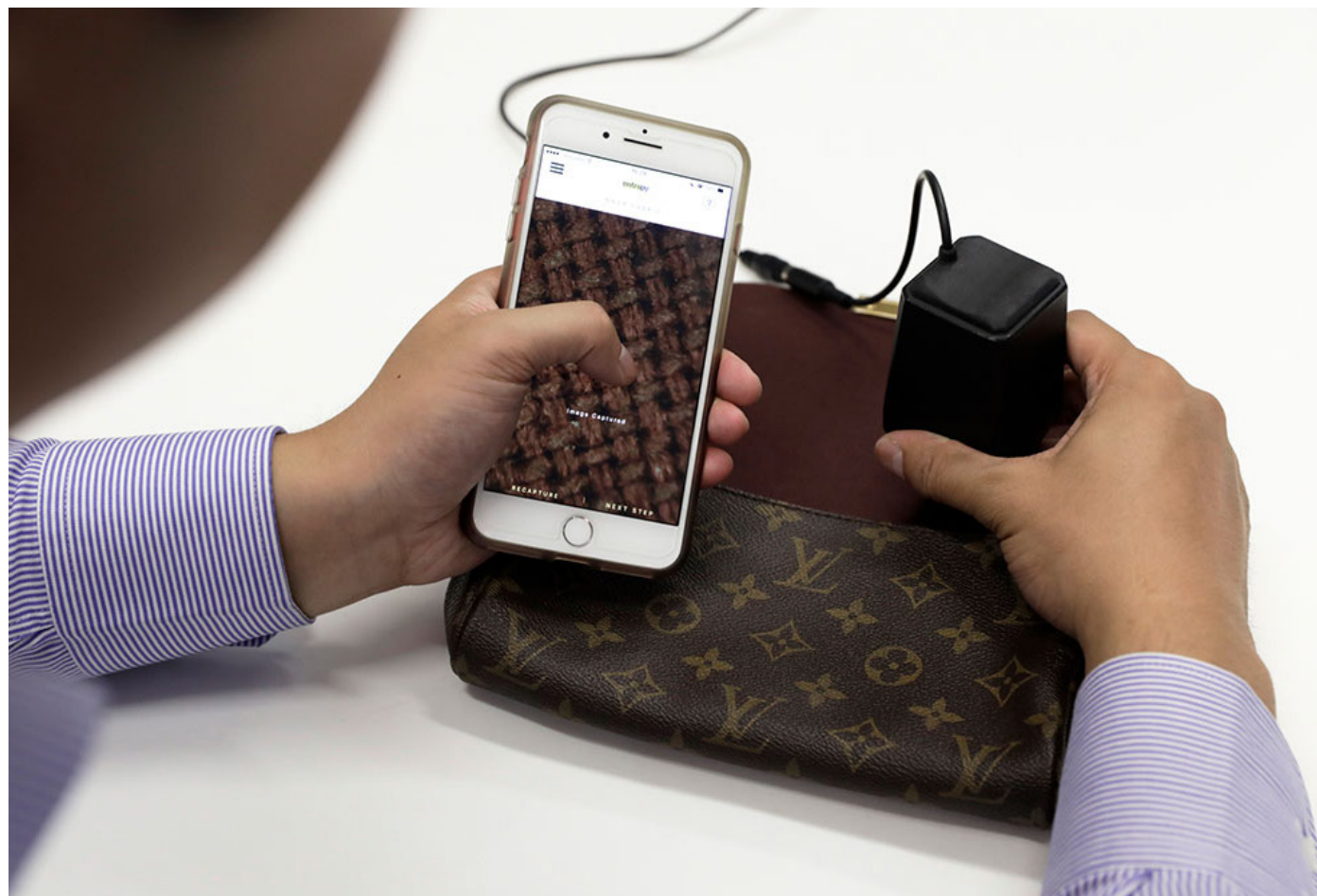
His initial idea was to create a platform that would allow people to not only purchase pre-owned luxury goods but also one that lets people sell their luxury brands. Kunal noticed that many people loved to buy luxury products but later did not know what to do with them once they stopped using them. This created a larger opportunity for him and his idea and so he began to work on this initiative.

The technologies section within the funnel was essentially how he decided to create the platform on a website. The website is a safe, authentic platform that let's people sell their authentic brands as well as buy them from sellers. They follow a set of standards to protect both their sellers and buyers and to provide a safe, secure and trust-worthy place for them to interact with these products.

In many ways, The Luxury Closet only deals in creating a service for its customers, and are not actually providing any products directly from themselves or any luxury brands. This makes them stand apart from other online shopping portals by only dealing with authentic luxury goods.

STANDARDS OF AUTHENTICITY

Luxury Closet has a highly-trained authentication team that looks at every product before it is sold to their customers. The team checks for small details such as stitching, lettering, stampings, linings and so on to make sure all their products are authentic. Inspection of craft and workmanship is done to ensure that the products are not fake. Dates and serial code numbers are checked to testify the origins of the product. They also send the products to third party professional authenticators to double check the product. If there is still a doubt in the minds of the consumers, they explain how each customer can check the product themselves to ensure that it is a hundred percent authentic.



3 STANDARDS

**"STANDARDS RAISE
LEVELS OF QUALITY,
SAFETY AND EFFICIENCY AND CERTIFYING
ORGANIZATIONS AND/OR THEIR PRODUCTS
AND PROCESSES PROVIDES QUALITY
ASSURANCE."**

- KATHRYN BEST, 2018

STANDARDS OF PRIVACY

The company, in detail, explains their standards of privacy right from how they gather and use information about their user to how they communicate with their customers. It is also explained what security procedures they use to protect the personal information of their consumers. The privacy policy also in details clarifies what and how much information is disclosed to third party vendors as well as emphasizes on the role of confidentiality when relaying information to other parties.

STANDARDS OF CARE

When an individual sells their product to Luxury Closet, they have standards for the maintenance and care of the products. All items sold to Luxury Closet are kept for a minimum of 90 days for UAE based sellers and a minimum of 180 days for sellers outside the UAE. Each of these products are stored in secure and temperature controlled facilities and for protection of precious items, cameras are installed. Special attention is also given to cleanliness and hygiene of the products and any additional cleaning services are paid for by the company.

RETRIEVED FROM THE LUXURY CLOSET

INTELLECTUAL PROPERTY

According to the World Intellectual Property Organization, intellectual property (IP) “refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.” There are four types of intellectual property that can be legally protected:

1. Patents: According to UpCounsel, “a patent grants property rights on an invention, allowing the patent holder to exclude others from making, selling, or using the invention” (n.d.). There are three main types of patents: utility, design, and plant. A design patent “covers any new, original, and ornamental design for an article of manufacture” (Intellectual Property Protection, n.d.).
2. Trademarks: Trademarks are used for marks that are distinctive. A trademark, according to UpCounsel, is, “is a word, phrase, symbol, or design that distinguishes the source of products (trademarks) or services (service marks) of one business from its competitors” (n.d.).
3. Trade Secrets: A trade secret is something a formula, process, device, or other business information that businesses hide from their competitors to get a business advantage. Some examples include: survey results, computer algorithms, and soda formulas
4. Copyrights: Copyrights are used to protect original works of authorship, with copyrights, “the holder has the exclusive rights to modify, distribute, perform, create, display, and copy the work” (Intellectual Property Protection, n.d.).

LUXURY CLOSET'S IP PROTECTION

The Luxury Closet abides by the laws in the UAE, including their intellectual property rights laws. According to their website, their terms and conditions are “...governed by, and construed in accordance with, UAE law.” Furthermore, the company protects their website, logo, and the content that they produce, as they mention on their website, “All information and content including any software programs available on or through the Site is protected by copyright.” The company also respects the intellectual property of the brands that they represent, and mentions that, “The Luxury Closet is not associated with the brands that it sells, which are a registered trademark of the respective brand owners and not of The Luxury Closet.” (About Us, n.d.).

INTELLECTUAL PROPERTY IN THE UAE

The United Arab Emirates recognizes the importance of intellectual property rights, and are members of several IP conventions, some of which include: World Trade Organization (WTO), the Madrid Convention, and the TRIPS Agreement.

Procedure for Trademark Registration in the UAE

1. Check whether the trademark is entitled to protection in the UAE
2. Apply for trademark registration in UAE Ministry of Economy through local patent attorneys

Procedure for Attaining Copyright in the UAE

1. Ensure it fulfills the two criteria:
 - The creation is not plagiarized
 - The creation is expressed in an objective form
2. Fill form and submit it along with one sample of the work to any of the following organizations:
 - UAE Ministry of Economy
 - Dubai Copyright Office
 - U.S. Copyright Office

Procedure for Patent Registration in the UAE

1. Ensure it fulfills the three criteria:
 - Novel globally
 - The product/service is inventive
 - Capable of industrial application
2. Register for the patent in the UAE’s Ministry of Economy’s Intellectual Property Protection Department

Information from <http://www.dubaicopyright.ae/>

4 INTELLECTUAL PROPERTY



5

ATTITUDE TO INNOVATION

Innovation isn't a bullet point on a checklist for the success of a business in this century. Being able to effortlessly incorporate innovation into the company's environment isn't easy but it isn't impossible either. Luxury Closet was created on the basis of this innovative attitude. Kunal Kapoor, the CEO, saw the need for innovation in the luxury goods sector within the Middle East region and he thought to himself, this is the right place to innovate. And so, began the success story of The Luxury Closet. Not only are their primary ideas heavily influenced by innovation but they are always ready to work towards building higher on the building blocks of innovation. Their business in 2017 had also been shortlisted as one of the most innovative SME businesses in the Gulf. With the help of the tools below, we were able to generate creative and innovative ideas that not only supports their vision but also allows them to grow on their innovation forefront.

The Ten Innovation Types is a framework and useful tool to understand, segregate and enhance the innovation that a company or an individual is working on. It is also often used to analyze existing competition and to easily spot errors or missing concepts that could potentially add value to the innovation. The framework is broken down into 3 color coded categories which helps the user understand their innovation type quickly. The types on the left side are more internally focused and further away from the consumers and as you move along to the right side you get closer to the end users. In the diagram below the bold sections are those that we wish to apply to the innovation process of this firm. (Ten Types, n.d.)

“ INNOVATION IS WHEN YOU
TAKE AN IDEA AND MAKE A LOT
OF MONEY WITH IT. ”

- VICTOR HENNING, 2006

CONFIGURATION

OFFERING

EXPERIENCE

PROFIT MODEL

The way in which you make money

For example, how Netflix turned the video rental industry on its head by implementing a subscription model

STRUCTURE

Alignment of your talent and assets

For example, how Whole Foods has built a robust feedback system for internal teams

PRODUCT PERFORMANCE

Distinguishing features and functionality

For example, how OXO Good Grips cost a premium but its “universal design” has a loyal following

SERVICE

Support and enhancements that surround your offerings

For example, how “Deliver WOW through service” is Zappos’ #1 internal core value

BRAND

Representation of your offerings and business

For example, how Virgin extends its brand into sectors ranging from soft drinks to space travel

NETWORK

Connections with others to create value

For example, how Target works with renowned external designers to differentiate itself

PROCESS

Signature or superior methods for doing your work

For example, how Zara’s “fast fashion” strategy moves its clothing from sketch to shelf in record time

PRODUCT SYSTEM

Complementary products and services

For example, how Nike+ parlayed shoes, sensors, apps and devices into a sport lifestyle suite

CHANNEL

How your offerings are delivered to customers and users

For example, how Nespresso locks in customers with its useful members only club

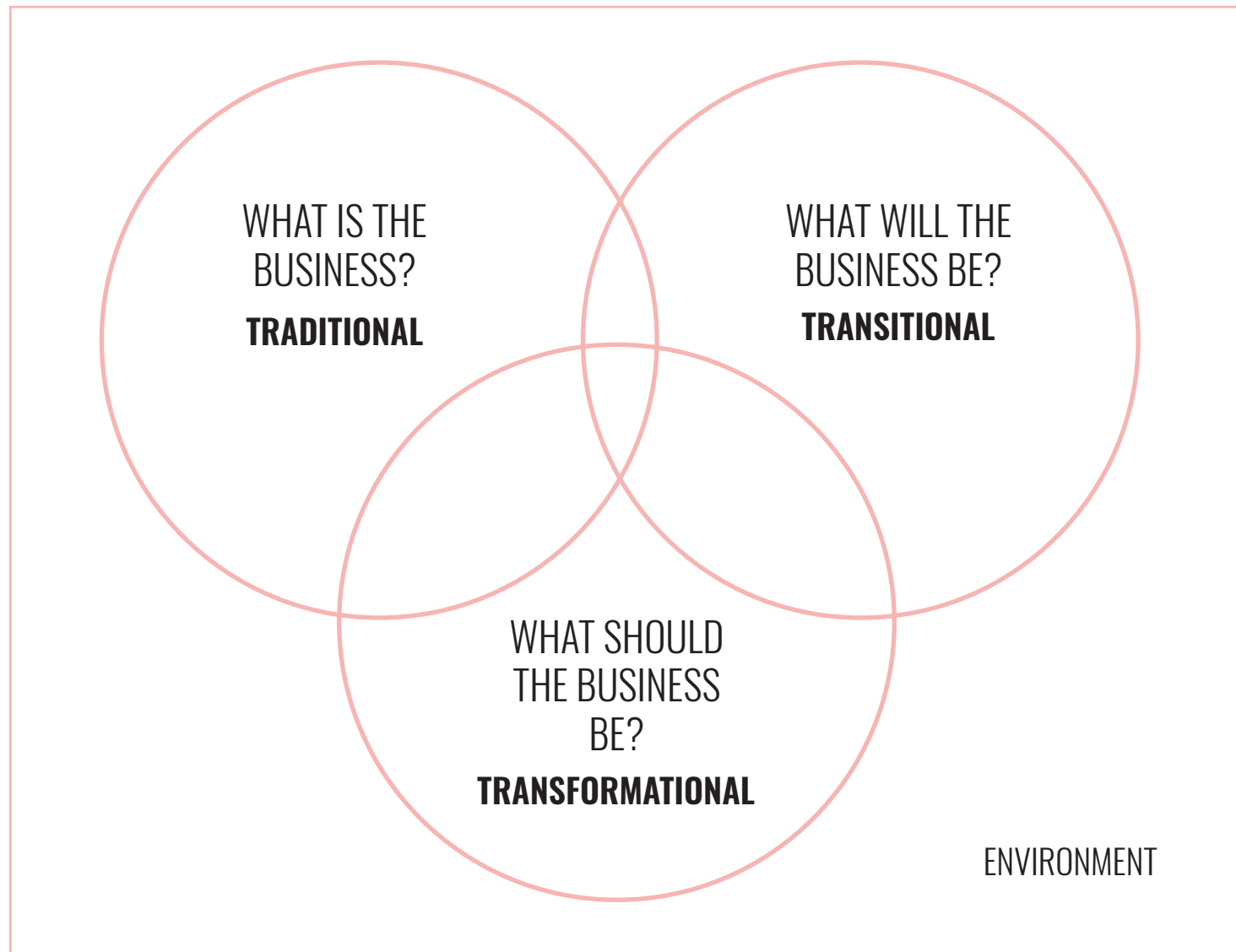
CUSTOMER ENGAGEMENT

Distinctive interactions you foster

For example, how Wii’s experience draws more from the interactions in the room than on-screen

10
INNOVATION
TYPES

PARADIGM



OF CHANGE

Drucker's Paradigm of Change is a model used in organizations that want the best of design. Its main role is to identify design in an organization through analyzing their approaches within three sub-categories.

Design exists in 3 main dimensions within any company:

The Traditional Approach

The Transitional Approach

The Transformational Approach (Savić, n.d.)

In terms of The Luxury Closet, traditionally the business is at a point where they provide a service to their consumers of selling and buying pre-owned luxury goods.

Transitionally, the business will move towards 3 different types of growth. Firstly, the company will be involved in a collaboration with a business called Deals on Wheels who deal with selling pre-owned luxury cars. The second growth strategy will be to enable selling and purchasing luxury abayas so that they can cater to the local audience. And lastly, they will be increasing their array of services by introducing an "After-service Kit" that will enhance the experience of using the services of the company for the consumers.

In terms of the transformational approach, The Luxury Closet has a lot of potential in terms of Design-led innovation. Even though, they use design in some aspects of their organization they can push design to the forefront and use it primarily to source new innovation and product ideas. The business should try to bring forward their approach to design and marketing and help their business grow forward, transforming their business entirely.



6

ATTITUDE TO DESIGN

Luxury closet's most vital selling point is their website. Their website uses the minimalistic approach that is followed by most luxury goods companies. For them, design is not the most important aspect of their business and is only used for styling and appearance. Their blog, however has a very sophisticated and easy to follow design. The company has a lot of untapped potential into a very design led focus to their business approach. Furthermore, their website design layout is very similar to those of their competitors which negates the brand's uniqueness in comparison to others.

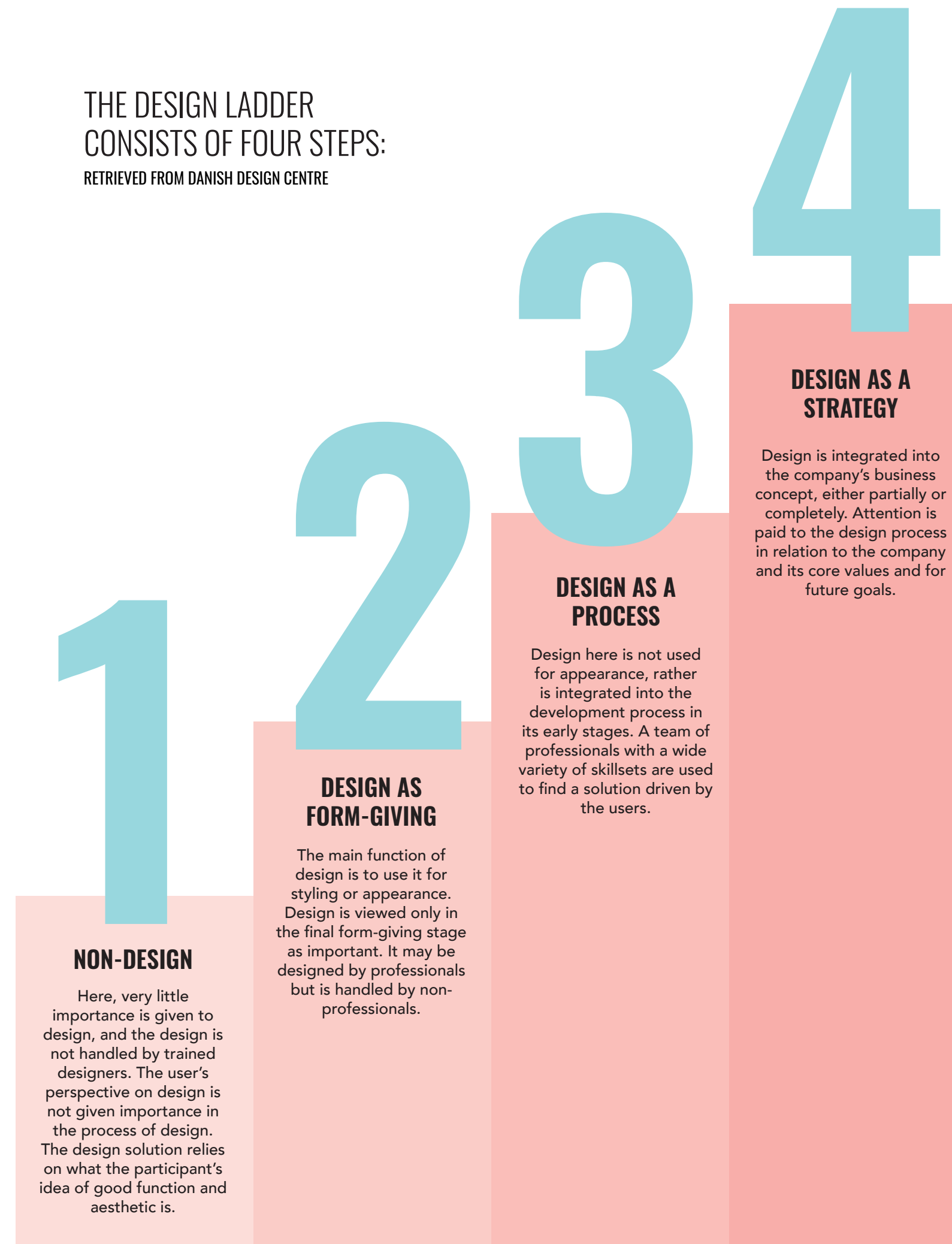
DESIGN MANAGEMENT LADDER

The Design Management Ladder is a tool that functions on the idea that there is a positive link between greater sales and profits by placing a greater emphasis on integrating design during the early stages of the product development. This gives design a strategic position in the company's overall business strategy. To understand how The Luxury Closet implements design into their company, we used the Design Management Ladder to analyze the importance they place on design.

The luxury closet currently is at the second step where design is integrated into their business model, however is only for appearance. For Luxury Closet, since they are a firm that operates only online, it is very important for them to be able to appeal and stand out to their audience. One way of doing so, is by pushing the potential of their website design and appearance, as well as integrating design into their business model. This will give them a competitive edge, potentially improving sales of the company.

THE DESIGN LADDER CONSISTS OF FOUR STEPS:

RETRIEVED FROM DANISH DESIGN CENTRE



IDEA

1

COLLABORATION WITH DEALS ON WHEELS



Deals on Wheels, a company based in Dubai, sells pre-owned luxury cars. The Luxury Closet could collaborate with them, and specifically target men. The merged campaigns could include the cars from Deals on Wheels with the watches and clothing from The Luxury Closet. This campaign will be publicized mainly through the social media influencers that Deals on Wheels already works with, such as Mo Vlogs and Bin Baz. Currently, the companies main target audience is women, even though they sell products for men as well. This campaign will specifically target that gap in promotion and gain new customers in return.

The main aspect of design-led innovation is to create an experience for the user, which is achieved through this campaign. Not only will customers get to feel the experience of owning luxury goods and the prestige that comes with it, but they will also get to experience the process of going into a luxury car shop and sitting in the cars wearing the luxury watches.

The content created for this campaign, specifically the photographs and videos taken for advertisements and social media, will be protected with intellectual property rights, just as everything else on the Luxury Closet website is.

This idea relates to the idea of 'network' from Doblin's Ten Types of Innovation, as it is a "connection with others to create value." (Ten Types, n.d.)

ALL INFORMATION RETRIEVED FROM DEALS ON WHEELS

BUSINESS MODEL CANVAS



KEY PARTNERS:
Deals on Wheels



KEY SUPPLIERS:
Same as current



KEY RESOURCES FROM PARTNER:
Their current clientele



KEY ACTIVITIES:
A media campaign will be created to highlight the watches and cars



KEY RESOURCES:
Models, location, watches, cars, photographer



VALUE PROPOSITIONS:
Customers gain value by buying luxury goods for discounted prices while still enjoying the feeling of prestige associated with them. This will solve the customer's problem of wanting high-end products, but finding them very expensive.



CUSTOMER RELATIONSHIPS:
Self-service on website, live chat, helpline



CHANNELS:
Reach customers through blog, website, social media, and billboards in the Deals on Wheels Showroom



CUSTOMER SEGMENTS:
Current Deals on Wheels customers, upper and middle class men



COST STRUCTURE:
Most important costs – photographer, models, location fee, social media influencers, billboard

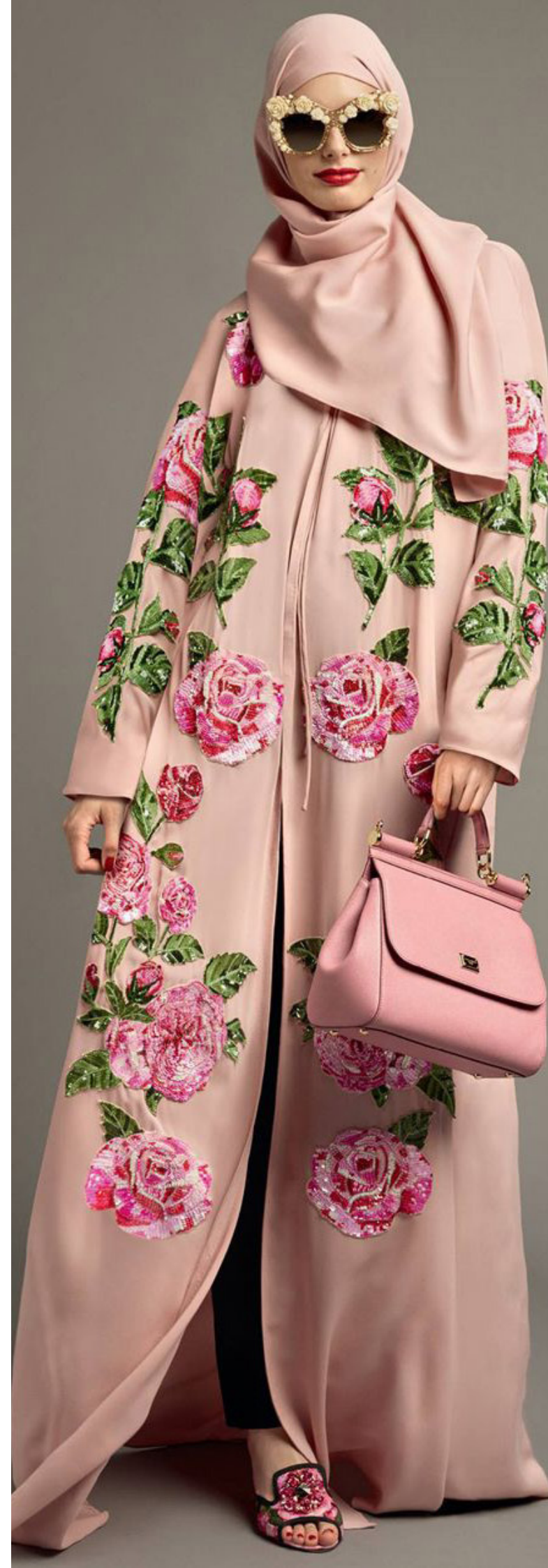


REVENUE STREAMS:
Currently pay through credit card, bank transfers, cash on delivery, and pay on location. This will remain the same.

IDEA

2

LUXURY ABAYAS



The Luxury Closet deals in many different luxury products but it hasn't covered an important cultural garment. We propose that they invest in bringing forward luxury abayas also in their market to cater to the Arab market within UAE and Kuwait. This is especially important considering that International luxury brands, such as Dolce and Gabbana, have already realized the importance of this market and have created abayas.

Design-led innovation considers the users and customers at the core of the innovation. As the main customers of the Luxury Closet are from the Arab region, introducing abayas would relate to them on a religious and cultural level.

Although the Luxury Closet will be selling these abayas from various customers, they will ensure that the intellectual property rights of the designers will be respected and they will be credited for their creations.

This idea would relate to 'brand' from Doblin's Ten Types of Innovation. This is because it is a representation of the company's offerings, as they already offer pre-owned luxury goods. (Ten Types, n.d.)

BUSINESS MODEL CANVAS



KEY PARTNERS:
None



KEY SUPPLIERS:
Luxury abaya owners



KEY RESOURCES FROM PARTNER:
Not applicable



KEY ACTIVITIES:
Provide second hand abayas that are in good condition, receive money in exchange. Connecting seller with client, ensuring authenticity, facilitating transaction, delivery



KEY RESOURCES:
Abayas



VALUE PROPOSITIONS:
The value being received are luxury products at a discounted price. The problem that customers face that can be solved by this idea is the continuous change in abaya trends, keeping up can be very costly.



CUSTOMER RELATIONSHIPS:
Self-service on website, live chat, helpline



CHANNELS:
Website, social media, blog



CUSTOMER SEGMENTS:
Young women who want to wear abayas but also want to keep up with the changing trends. Upper and middle class women aged 30+



COST STRUCTURE:
Main costs: transportation and authentication



REVENUE STREAMS:
Currently pay through credit card, bank transfers, cash on delivery, and pay on location. This will remain the same.

IDEA

3

AFTERCARE SERVICE/KIT

People who own luxury goods, specifically those that are pre-owned, are constantly concerned about keeping it clean and making it look new. We propose a toolkit that will contain all the essentials needed to take care of luxury products, such as leather cleaning materials and a plastic shield against rain. Currently, there are no such products in the market sold together in a kit. The kit would be called 'Yahmi,' which means 'protect' in Arabic, this name mentions the purpose of the kit and resonates with the country of origin.

This would be considered as a design-led innovation because it solves a problem that is often faced by users. Many users are afraid to hold their luxury bags or wear white designer shoes because of leather's susceptibility to getting stained. Also, weather conditions, such as sandstorms and rain, can be a factor that demotivates users to wear their luxury goods.

Due to the fact that this aftercare kit will be created by the Luxury Closet, the product, its marketing campaigns, and its name will all be protected with intellectual property rights.

This product would be considered as a "product system" from Doblin's Ten Types of Innovation. This is because it is a product that complements a lot of the products being sold by the company already, such as bags and shoes. (Ten Types, n.d.)



BUSINESS MODEL CANVAS



KEY PARTNERS:

Lexol: The lexol products are one of the leaders in the leather cleaning industry, the company is based in the US and is owned by Energizer Holdings (Lexol, n.d.)
The Smart Tailor: The Smart Tailor is a tailoring company based in the UAE that provide mobile door to door service at affordable prices (Background, n.d.)



KEY SUPPLIERS:

Not applicable



KEY RESOURCES FROM PARTNER:

Not applicable



KEY ACTIVITIES:

Create products
Package Products
Create and package kits
Market Yahmi Aftercare Kits



KEY RESOURCES:

Leather cleaning products, plastic shields, material for the kits, lint rollers



VALUE PROPOSITIONS:

Save money and time going to the bag laundry. Solves the problem of taking care of luxury goods and being precautious about where to take it



CUSTOMER RELATIONSHIPS:

Self-service on website, live chat, helpline



CHANNELS:

Website, social media, blog



CUSTOMER SEGMENTS:

All luxury closet customers and other luxury bag and shoe owners interested in the product



COST STRUCTURE:

Main costs – manufacturing, designing (packaging, branding), marketing



REVENUE STREAMS:

Currently pay through credit card, bank transfers, cash on delivery, and pay on location. This will remain the same.



To assure that any idea or innovation is successful it should meet three criteria's. When an idea is desirable, meeting the needs of the customers, feasible, easy to create with current resources and viable, which is whether the idea has the potential to succeed. When combining all these three elements, ideas that are able to stand steadily in the middle of this combination are those that have been successfully innovated and the potential to succeed within the business model.

In terms of our proposal of ideas for The Luxury Closet, we believe that each idea stands strongly in the middle of this trifecta of desirability, feasibility & viability. (Orton, 2017)

Our first idea, the collaboration with Deals on Wheels would be an innovative success because Deals on Wheels also deals in pre-owned luxury cars and most people who would be interested in purchasing a car would also be interested in purchasing other luxury brands at a discounted price. It is also practical in terms of feasibility since the company will be collaborating with them as partners and both parties will be putting in an equal amount of resources and gain and equal amount of benefits from this deal. We believe this idea is mostly viable because it broadens their reach to the audience and focuses more on their male audiences rather than just their female target market.

The second idea also ticks all three of the checkboxes; it is desirable because we live in a country where the culture is extremely strong. And to not have a product that directly supports the culture here can push back the company's innovation. By catering to Arab women and providing luxury abayas, the company will be tapping into an untapped market of consumers. The idea is feasible since it follows the same procedure of selling and buying the goods as does all their other products. And lastly, it's viable because it will allow them to grow into a new segment of the market by catering to specifically Arab women and adapting to the cultural environment around them.

The last idea, our aftercare service kit is an incremental innovation that we think also successfully follows all three criteria's. It is desirable as most consumers who buy luxury goods want the ability to maintain them and preserve their looks without spending too much extra money on it. It is feasible as the company can easily collaborate and work with cleaning agencies to design and create a comfortable kit. And most importantly it is viable because it will be sold alongside as an additional service to the goods that the consumers can already purchase. Consumers will have the freedom to purchase the kit without having to worry about finding a special, and authentic cleaning agency that keeps their goods pristine. Because this service will enhance the customers experience with The Luxury Closet it will increase their sales and target audience.

PART

B

**INNOVATION
MANAGEMENT**



INTRODUCTION

The Luxury Closet is a "leading online boutique for buying and selling new and pre-loved luxury items like handbags, clothes, watches and jewelry" (About Us, n.d.). The company opened in 2011 in Dubai, and has continued to grow ever since. The Luxury Closet idea was considered as a revolutionary innovation in the region by both customers and investors. This allowed them to secure large amounts of funding for growth, as Flanagan (2016) explains, "The company last year secured \$2.2m in series A funding, with investors including Abu Dhabi's twofour54, Dubai Silicon Oasis Authority, Middle East Venture Partners and Mena Venture Investments.

An additional \$1m in funding, from Wamda Capital, was announced in December " (The Luxury Closet Secures, 2015). The investors, specifically Wamda Capital, told the National newspaper that they intend on investing further (between \$3 – 4 million) in the company, depending on the level of growth that they observe (The Luxury Closet Secures, 2015).

One way for the company to grow in the market is to launch a new product that could satisfy the needs of its customers. The intention of this report is to propose one such product, Yahmi. Yahmi is an aftercare service kit for luxury goods that will be sold under the Luxury Closet name with its own brand identity. The kit will include products to protect and clean luxury goods, such as leather and ink cleaners. The product will be sold not only to customers purchasing the Luxury Closet's goods, but to all interested clients, thus expanding the company's current clientele. This new product launch will be beneficial to the company, some benefits include: company and product attention, increased revenue, new business relationships, and becoming a well-reputed industry leader.

This report will consist of detailed research and analysis of the product and managing its launch. The main components of this manual are: managing design-led innovation into the systems, managing the product development process, managing the organizational structure, managing innovation into the organization, and managing the value of design.

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MANAGING DESIGN-LED INNOVATION INTO THE SYSTEMS

In part A of this manual, our team came up with three distinctive, innovation, and creative ideas that pushed The Luxury Closet towards innovation and opened their eyes towards bigger possibilities. For this part of the manual we will be focusing on taking one of those three ideas and building on it. Our aim is to prove to the organization why our idea is both beneficial to them right now, in the short term and even later in the long run.

The following information will allow you to understand how we will try to manage our "design-led innovation" into the systems that already exist within The Luxury Closet and even try to make some new more functional and appropriate systems. Our biggest aim is to push innovation further into the company so that they do not stop their progress as one of the most innovative SME's and they continue to keep producing "out of the box" ideas.

Managing this idea within the systems at The Luxury Closet will truly bring about a change in the way the organization thinks about design and innovation and will definitely push forward to work more efficiently within innovation.

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ECOSYSTEM

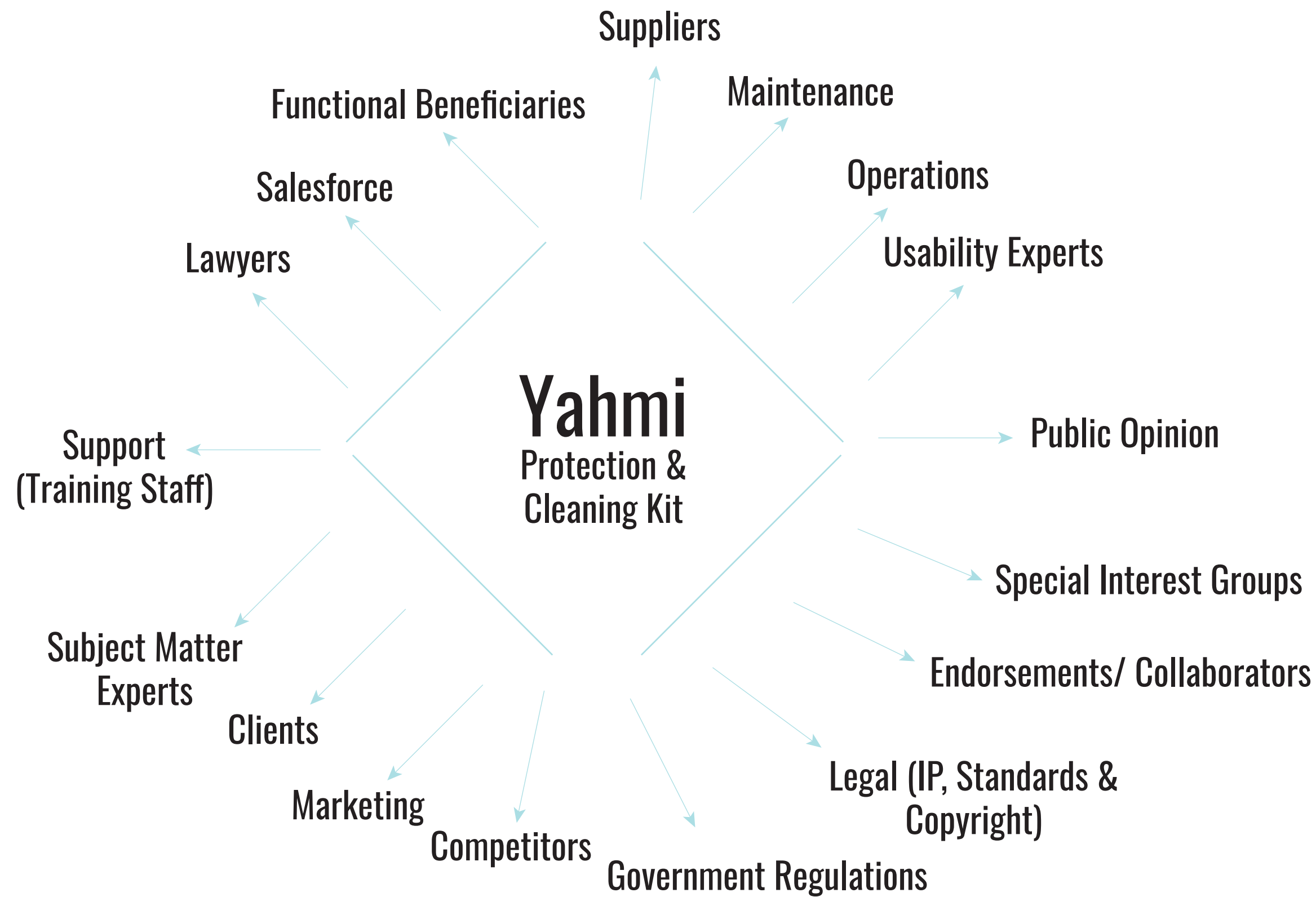
Ecosystems are often created for the launch of a new product to understand the position of the product in the company's environment. Understanding the ecosystem often increases the chances of success for the launch of the product as the company is able to understand who they need to launch their idea to, who else is they might engage with in the future and who they want to be there during the launch of their product.

For The Luxury Closet, their external and internal environments consist of many components that will support their idea and allow it to succeed. Their internal ecosystem will provide an initial support for the idea to stay afloat within the organization so that the aims of the product can align with the aims and goals of the organization. Furthermore, the external environment will push the idea forward into the Luxury Closet consumer market. Without being prepared for what the ecosystem consists of, the organization cannot look ahead and plan for the success of their product.

Internal components such as marketing, support for training staff, and salesforce will help and allow us to further our efforts with selling and pushing Yahmi to greater lengths. External components such as the Legal department and lawyers will allow us to create an IP and a copyright of our product so we can reserve the right to the idea and its identity. Furthermore governmental regulations will be essential to us as we ensure that our products are both safe for the products, the environment and the people.



**INTERNAL & EXTERNAL
ECOSYSTEM OF COMPANY**



STAKEHOLDER MAP

GROUPS THAT WILL DIRECTLY AND INDIRECTLY AFFECT US

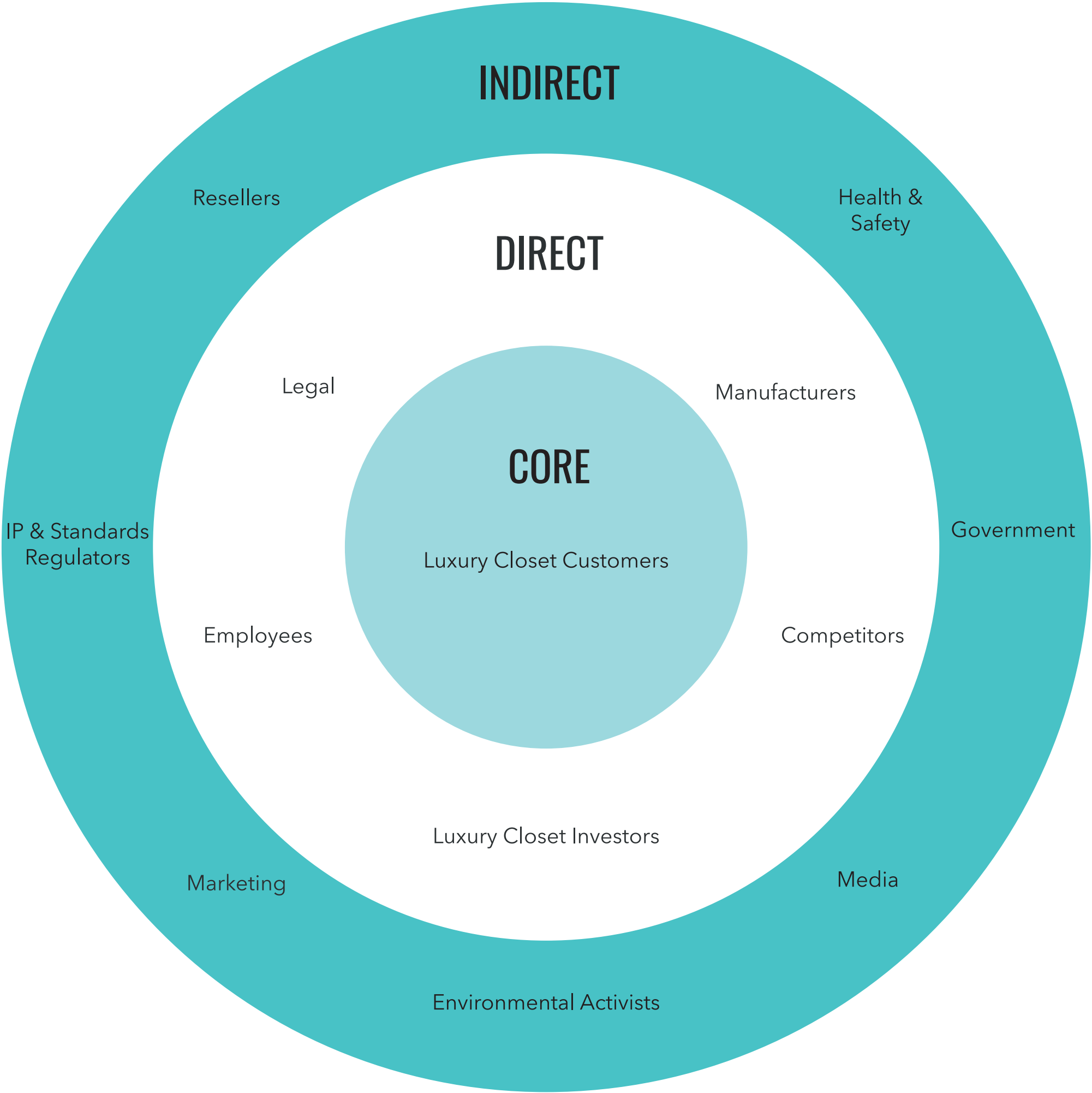
The stakeholder map is an effective tool that allows us to discover and understand the groups that will be directly and indirectly affecting us. These groups play a significant part in our strategy to launch the product as well as assure that the product secures market place for a lengthy amount of time.

With the help of the stakeholder map we are able to see people who will be directly connected to our product and will support the idea through the launch and introduction phases. The indirect stakeholders will allow us to plan ahead and see how we can use these stakeholders to keep the product in the maturity phase as long as we can and avoid decline phase.

Stakeholders such as manufacturers, competitors, and lawyers will be essential to our initial product launch as they will be the one supporting our idea and helping us bring it to life as well as protecting it to make sure that our idea stays our own.

Our indirect stakeholders such as marketing, resellers, and the government will allow us to elongate our products life cycle and ensure that the need for the product never fades away and continues to maintain its need in the market.

Overall, our stakeholders combined create a stable environment in which we know which components we need initially and which components we will require later in the product life cycle to ensure longevity of our product.



CONTEXT

Our product is based within an environment of pre-owned luxury goods and products. Because majority of the products are pre-owned there is a huge probability of these products needing extra care and attention for their cleaning and maintenance. The existence of our product is significant within our context of pre-owned luxury goods because people purchasing the products from The Luxury Closet will be interested in maintaining their products themselves. Our product, Yahmi, The Luxury Closet cleaning kit will allow our customers to maintain pristine condition of their goods and primarily have full control on how their goods are maintained instead of spending money outsourcing the cleaning of their precious luxury goods.

WANTS

Having luxury goods in itself is a want. The Luxury Closet already deals in providing consumers with goods that are “wants”. Building further on the idea of providing wants, our new product launch will allow us to cater to the needs of our customers. Even though owning a luxury good is a want, maintaining it is a need. After spending a good amount of money on a luxury product nobody wants their items to get dirty or ruined due to external conditions. Maintaining the pristine shiny exterior of the bag will allow our customers to not only be happy with our products but also with out service.

NEEDS

Owning a cleaning kit that is able to efficiently work with any material and any kind of product, such as bags, shoes, clothes and accessories, allows consumers to primarily be in control of the way their luxury products look. We are proposing that The Luxury Closet uses this as their advantage and releases a product that builds on a want that people have and convert this want into primarily a need for another product.

OPPORTUNITIES

We believe that customers who are buying goods from The Luxury Closet are people that prefer purchasing luxury brands for a cheaper price but they do not want to sacrifice on quality. Keeping this in mind, our biggest opportunity is the fact that no other companies offer cleaning for luxury products functions online. Furthermore, most cleaning kits focus on only leather goods, such as shoes and belts or furniture. Our opportunity is that customers already trust us with our credibility for providing top class pre-owned luxury goods, and we are giving them a chance to maintain those goods with our product. Our brand allows us to maintain the standards of our new product and creates a sense of trust that’s already connected with the Luxury Closet.

POTENTIAL

Our product may seem close-ended, thinking that once you may release a kit consisting of all necessary items to keep your goods pristine, what more can you do with the product line. But it doesn’t end there, the product can be further extended with items specifically for certain goods and materials. Technological advancement can allow us to work with out suppliers to create even better formulas for even better cleaning and maintenance. And moreover there is potential to create an entire product portfolio in coordination with the luxury closet. Releasing a series of products that support the aims of the luxury closet and further extending the capabilities of the brand.

PLAYERS & INSTITUTIONS

Our biggest supporting factor will be our investors who need to believe in our product and the idea supporting it. Furthermore, the players in association with out brand idea will be the suppliers who we will be working day & night with to create formulas and packaging that coincides with the identity of luxury closet but also maintains its own fresh perspective. Other institutions that will be supporting us, would be the health and safety governmental office, legal departments, and many other external sources that will support us to bring this product idea to life.

ECOSYSTEM MAPPING

INTELLECTUAL PROPERTY & STANDARDS

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According to the World Intellectual Property Organization, intellectual property (IP) “refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.” (What is Intellectual Property, n.d.). Intellectual property is protected by the law, this is done through the use of trademarks, copyright, and patents.

INTELLECTUAL PROPERTY IN THE UAE

The United Arab Emirates recognizes the importance of intellectual property rights, and are members of several IP conventions, some of which include: World Trade Organization (WTO), the Madrid Convention, and the TRIPS Agreement. There are three main departments in the UAE’s Intellectual Property Sector: Trade Mark Department, International Center for Patent Registration, and Copy Right Department (Intellectual Properties Sector, 2017). Trademarks, copyright, and patents can all be attained through the UAE Ministry of Economy.

INTELLECTUAL PROPERTY & STANDARDS FOR YAHMI

The Luxury Closet abides by the laws in the UAE, including their intellectual property rights laws. According to their website, their terms and conditions are “...governed by, and construed in accordance with, UAE law.” Furthermore, the company protects their website, logo, and the content that they produce, as they mention on their website, “All information and content including any software programs available on or through the Site is protected by copyright.” The company also respects the intellectual property of the brands that they represent, and mentions that, “The Luxury Closet is not associated with the brands that it sells, which are a registered trademark of the respective brand owners and not of The Luxury Closet.” (About Us, n.d.).

In accordance with the current intellectual property terms, we propose to protect the Yahmi name, logo, and idea with intellectual property rights. According to the United Arab Emirates Federal Law No. 37 of 1992, “a trade mark (is) anything having a distinctive form such as names, words... logos...packs or any other mark or group of marks if used or intended to be used either to distinguish goods, products or services whatever their source or to indicate that the goods or products belong to the trade mark’s owner due to its manufacturing, selection or trading or to indicate the rendering of a service” (Trademark and Copyright, 2016).

We propose protecting the name Yahmi and the logo with trademarks. A patent, on the other hand, is “an exclusive right granted for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem” (Patents, n.d.). We propose applying for a patent to protect the idea of an aftercare service kit for luxury goods; to receive a patent in the UAE, the idea needs to be inventive and capable of being used and produced, both of which apply to Yahmi.

The intellectual property rights will be beneficial for the launch of the new idea and can have many benefits. Some benefits of protecting intellectual property include: turning your ideas into profitable assets, enhancing the market value of your business, and the ability to differentiate your products in the market (Intellectual Property, n.d.).

Currently, the Luxury Closet has set high standards, specifically in the areas of privacy and care of the products. Even though Yahmi will have its own individual identity, we want to have the same level of standards for the product. Some important standards that need to be considered for this product include: quality standards, testing and control standards, and safety standards.

13 MANAGING RISKS

When venturing into the release of a new product, it is necessary to analyze the risks involved in the implementation of the idea. To prepare for the launch of our product our team analyzed the risks connected with our product directly and indirectly so that we can prepare to overcome the problems and manipulate the risks to work in our favour.

RISKS

- How the product is received
- Dependency on suppliers
- Interest of the consumers
- Defected products from suppliers (can damage user's goods)
- Other stores copying our idea
- Not being able to market product
- Not being able to create authenticity of product (the same way our goods are authentic)
- Matching consumers' expectations of IP and standards
- Patenting the products name (Yahmi) and creating copyright (opportunity)
- Keeping product in growth and maturity phase for as long as possible
- Build on product and maintain its importance in the market
- Selling products online, customers might want to see the products
- Launching to the wrong market
- Young cannot afford, old do not clean their own products
- Not being able to survive on its own (no brand support)
- Pricing the product wrong
- Competition

LEVELS OF RISK

High, medium and low are 3 levels of risks that allow us to segregate what our focus should lie within when confronting the risk factors and addressing them.

HIGH	MEDIUM	LOW
<ul style="list-style-type: none"> • Competition • Suppliers • Authenticity • Copyright/patent • Launching to the wrong market • Brand survival • Pricing the product 	<ul style="list-style-type: none"> • Perception of product • Interest of the customer • Not being able to market the product • Expectation of IP and Standards • Importance in market • Young/ old relevance 	<ul style="list-style-type: none"> • Defected products • Stores copying • Growth & maturity (maintenance) • Product online

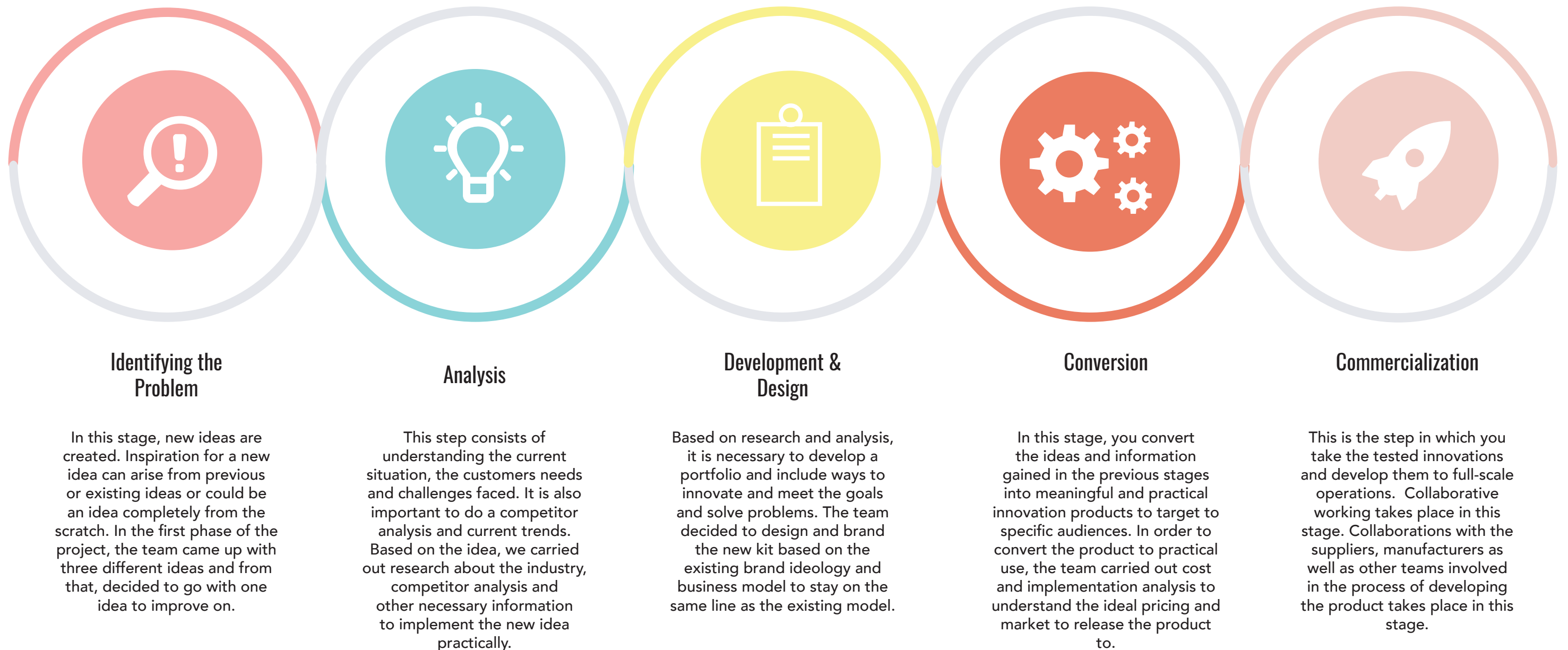
TYPES OF RISKS

Initiative risks are familiar risks which any new product can potentially face. Interdependence risk are the uncertainties of coordinating with complimentary innovators and integration risks are the uncertainties presented by the difficulties faced while integrating within the organization.

INITIATIVE RISK	INTERDEPENDENCE RISK	INTEGRATION RISK
<ul style="list-style-type: none"> • Competition • Other stores copying idea • Patenting the product's name and creating copyright • IP – consumer expectation • Growth and maturity phase • Pricing product wrong 	<ul style="list-style-type: none"> • Suppliers • Manufacturers • Customers • Interest of the consumers • Defective products from the suppliers • Authenticity of our product • Standards • Launching in the wrong market 	<ul style="list-style-type: none"> • Not being able to market product • Clash between core team and marketing team • How the product is received • Selling product online



INNOVATION 16 PROCESS





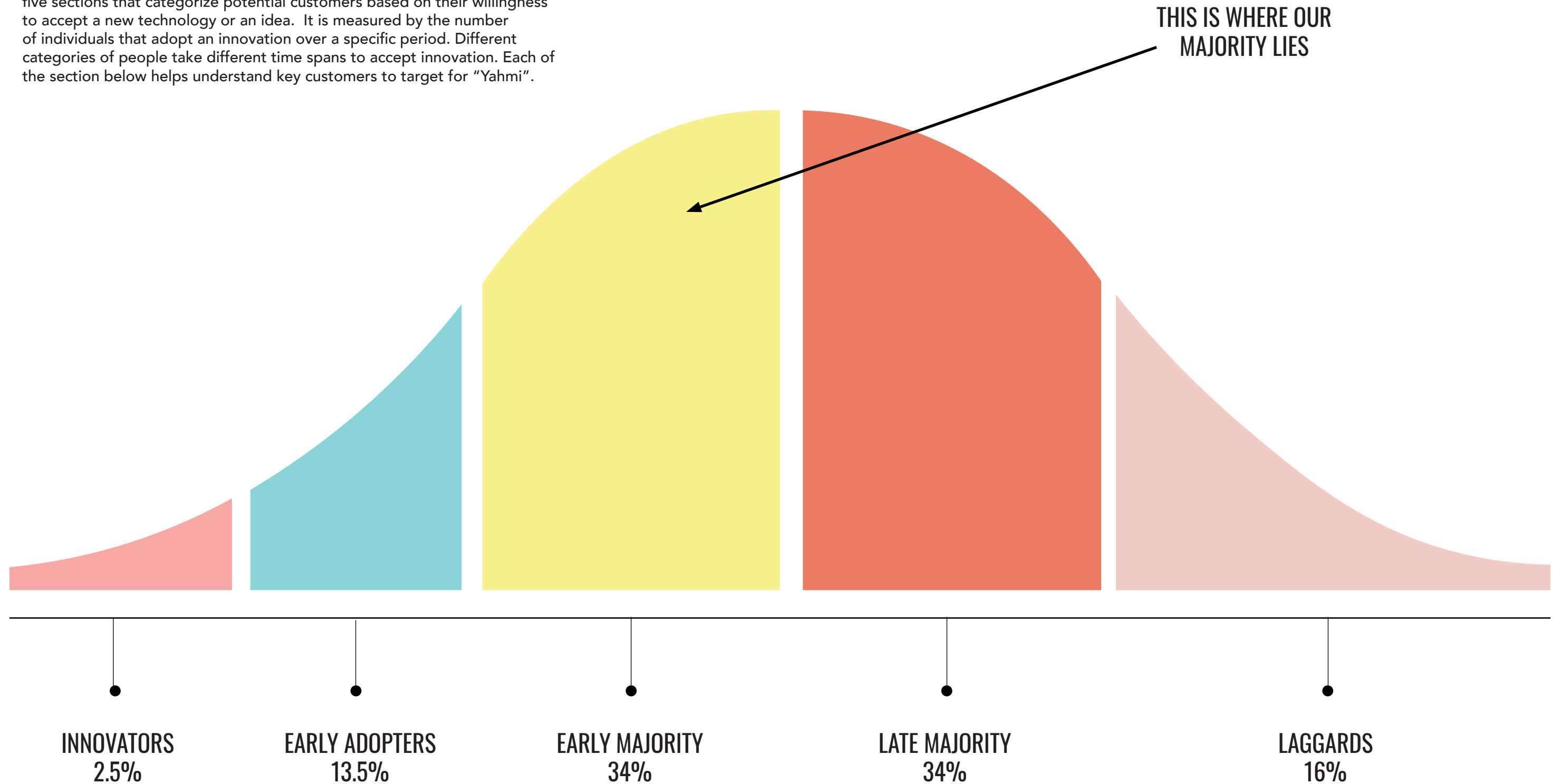
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DIAGRAMS

MANAGING THE PRODUCT DEVELOPMENT PROCESS

Managing the product development process is a significant component of developing and working with an idea and a design. The following three diagrams allow us to analyze the innovation adoption curve to recognize where majority of our customers lie within the market. Then the product development process helps us to understand what timeline we will be following to ensure that the product receives the time and attention it deserves. And in the end we will evaluate the product life cycle that helps us understand in what section of the product life cycle we want to belong in and what we will be facing in the future.

The innovation adoption curve is a bell-shaped curve that is divided into five sections that categorize potential customers based on their willingness to accept a new technology or an idea. It is measured by the number of individuals that adopt an innovation over a specific period. Different categories of people take different time spans to accept innovation. Each of the section below helps understand key customers to target for “Yahmi”.



INNOVATION ADOPTION CURVE

INNOVATORS

Innovators are the first to adopt new technology. They are the most receptive to new technology and are risk takers and initiators of change. In the innovators stage, the focus would be to push the loyal and frequent buyers to purchase the cleaning kit, to enable positive word of mouth and customer satisfaction. This is the most desired category of customers to target for the release of the new product.

EARLY ADOPTERS

The early adopters are the opinion shapers and the leaders in the society. They have the resources to buy new innovations as soon as the innovators have implemented the innovations. The early adopters for The Luxury Closet would be customers who are loyal but do not buy as frequently, but are still willing to take risks with new products due to their loyalty. The risk takers in this group are specifically important to the promotion of Yahmi because they provide an early feedback which sets a benchmark for the early adopters.

EARLY MAJORITY

This is the group of buyers we would like to target heavily because they are more likely to buy new innovations and are a larger majority than other groups. The buyers that belong to this group adopt innovations once there is evidence of a benefit. The early majority would be our focus, where customers who are frequent and loyal buyers, but do not trust new products easily would buy the kit. We would target this group because they make up for majority of the buyers and will be the most beneficial for better sales of the innovation.



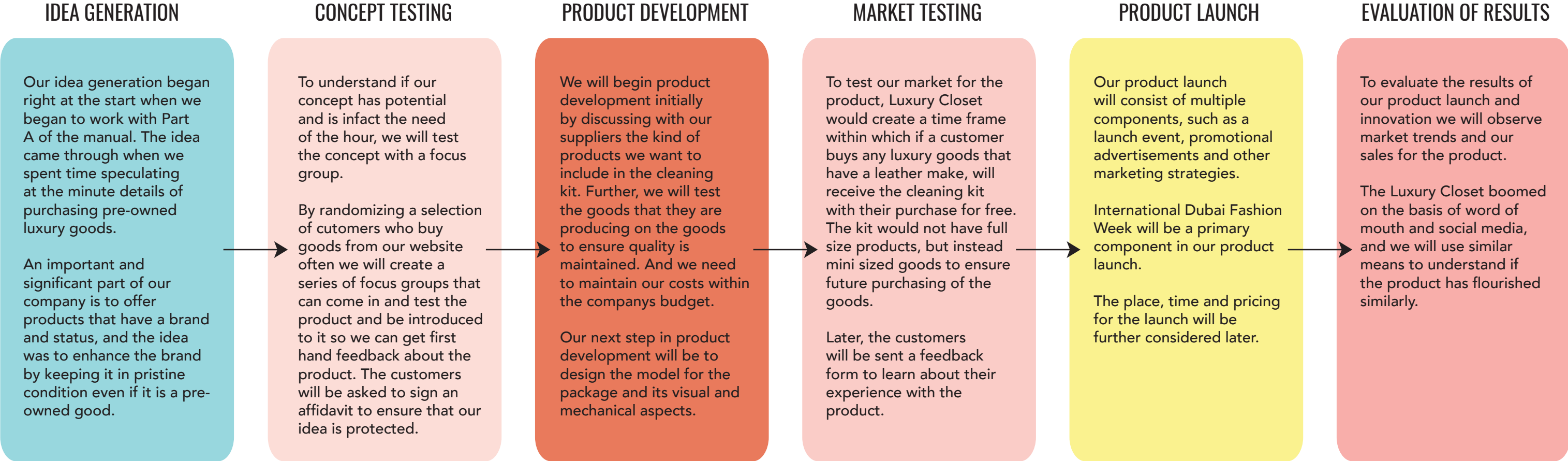
LATE MAJORITY

This group of buyers are more conservative and sensitive when making decisions about buying a product. They are the ones who would use products only once they have been tested and reviewed by other buyers. For Yahmi, the late majority consists of older customers who buy frequently but very rarely take risks with new products and would not trust the cleaning kit as easily.

LAGGARDS

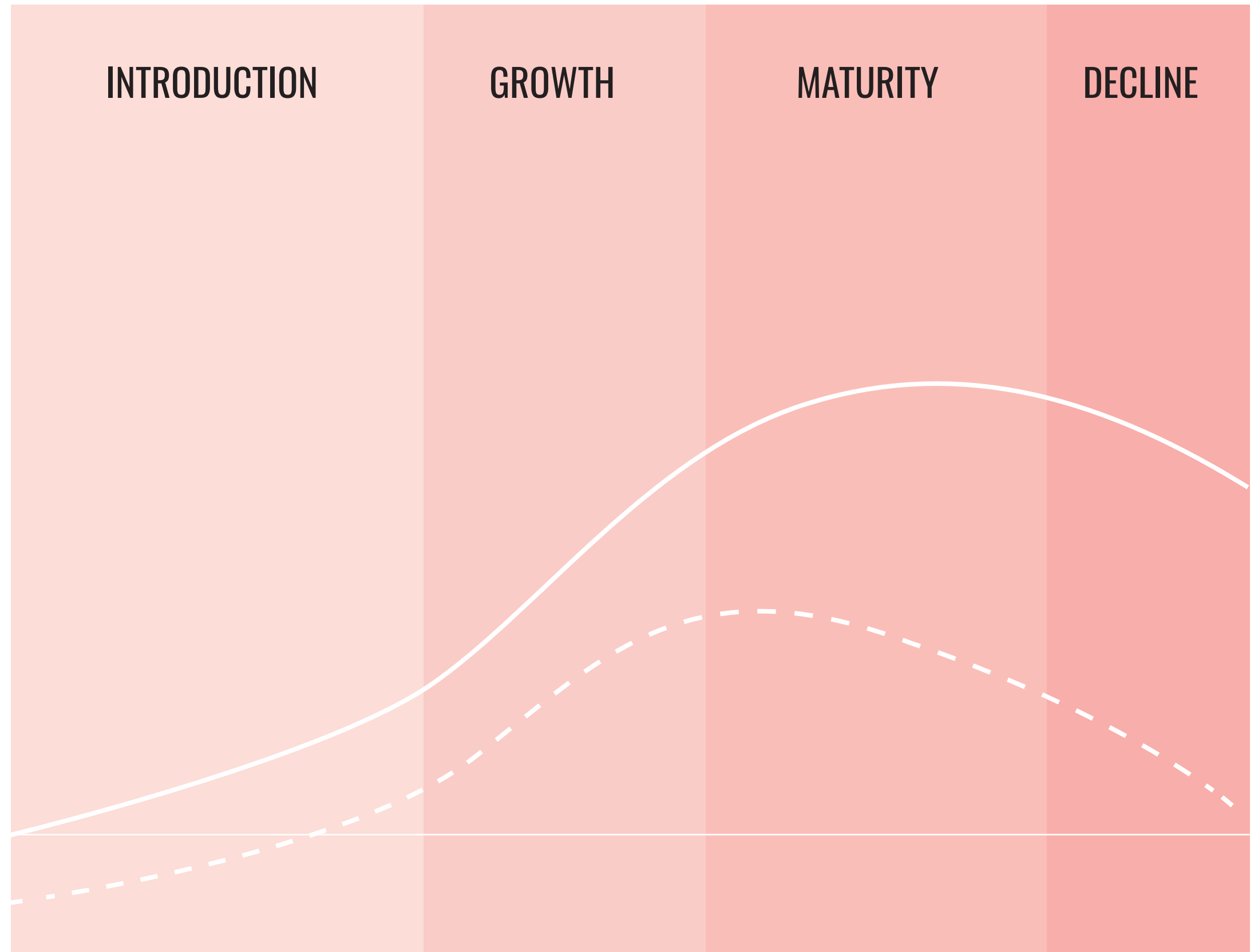
Laggards are very conservative and reluctant to change. They usually adopt an innovation once it becomes mainstream and sometimes even obsolete. Being an innovative product, the goal of the company is to target consumers who would buy the product early on rather than wait for it to go out of production. Thus, our focus to promote our product and selling it would not rely on the contributions from this group of buyers. (Martin, 2016)

The product development process is what covers the complete process of bringing a new product to the market. By understanding the process behind developing and releasing a product we were able to integrate our own plans and ideas within the developmental process. Using this framework allowed us to categorize and plan in advance the way in which we want to initiate this product launch.



PRODUCT DEVELOPMENT

According to Grewal and Levy (2012), the product life cycle “defines the stages that products move through as they enter, get established in, and ultimately leave the marketplace and thereby offers marketers a starting point for their strategy planning” (p.348). The cycle has four main stages: introduction, growth, maturity, and decline.



PRODUCT LIFE CYCLE

INTRODUCTION

When Yahmi is first launched, the product will enter the introduction phase. During this time, we will specifically target The Luxury Closet customers. We will market the product on the Luxury Closet website as well as on all of their social media platforms. In addition, when customers buy products that need the aftercare service kit, the website will ask them if they would like to buy it during checkout.

GROWTH

During the growth phase, “the product gains acceptance, demand, and sales increase, and more competitors emerge in the product category” (Grewal & Levy, 2012, n.d., p.348). In order to expand our customer database, the product will be promoted by social media influencers that promote luxury lifestyles. These influencers will receive a %10 discount promotional code to publicize, this will aid in attracting their following to buy the product. Some examples of influencers that we could work with are: bin_baz (4.7 m followers), mrmoudz (113k followers), karenwazenb (434k followers), and mthayelalali (696k followers). If competitors do emerge during this phase, we do not expect them to affect our clientele drastically, as we have the backing of a well-known company and the honor of being the first to release the product in the market.

MATURITY

By this stage, the product will have gained a name in the market. The loyal customers will continue to buy the product. During this phase, “firms try to rejuvenate their products by adding new features or repositioning them” (Grewal & Levy, 2012, n.d., p.348). As this product contains essential items, we will try to avoid decline for as long as possible by changing the packaging, creating a new marketing campaign, and adding new features and adjustments from customer’s feedback.

DECLINE

The product will eventually reach the decline stage when a new technology is introduced or if the rejuvenating efforts do not succeed. Yahmi will then slowly leave the market.





MANAGING ORGANIZATIONAL STRUCTURE

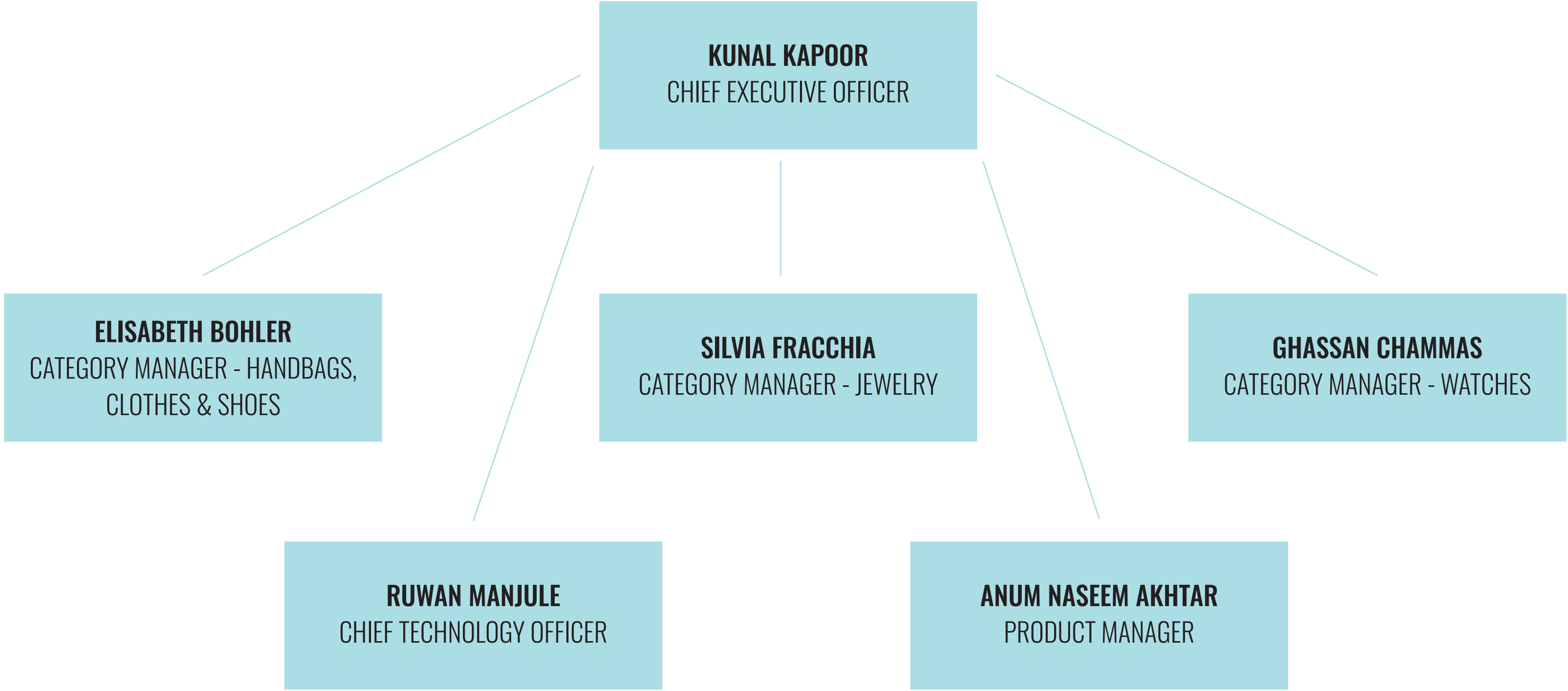
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An organizational structure “shows the pattern or arrangement of jobs and groups of jobs within an organization and yet it is more than an organizational chart” (Organizational structure, n.d.).

ORGANIZATIONAL STRUCTURE AND CULTURE

An organizational structure “shows the pattern or arrangement of jobs and groups of jobs within an organization and yet it is more than an organizational chart” (Organizational structure, n.d.). The Luxury Closet began with a workforce of three people, and now has around 80 employees. In order to streamline the operations at the organization, a hierarichal organizational structure is used. A hierarichal organizational structure is commonly used in many organizations, in this type of organizational structure “employees are ranked at various levels within the organization, each level is one above the other. At each stage in the chain, one person has a number of workers directly under them, within their span of control” (Hierarichal Structure, 2018). Currently, the CEO controls all the main decisions made at the organization, managers work under the CEO and each have employees that report to them.

ORGANIZATIONAL CHART



FUNDING

Although the structure is hierarchal, the company allows employees to openly communicate and share their ideas. The culture at The Luxury Closet is open and employees are encouraged to “challenge themselves, collaborate on great ideas, and produce consistently great work” (About Us, n.d.). In addition, the company has a diverse workforce from over 16 different countries that, “continuously thrive to add, improve and disrupt the online business strategy model” (About Us, n.d.).

After the launch of Yahmi, the organizational structure and culture of the organization will remain the same. The only change that will be made will be the adding of a new team. The team can either fall under the product manager or there can be a new innovation manager who manages the team and reports to the CEO. Although hiring an innovation manager will be an additional cost, it will limit any risks of miscommunication or prejudice from the product manager.

Innovation in an organization has many benefits, some of which are: improved productivity, improved brand recognition and value, and increased turnover. In addition, encouraging innovation in the organization by adding a new department will open doors for many new ventures, and will not be limited to just Yahmi

So far, the company has had a total of 5 funding rounds that totaled to 11.6\$ million. The company’s main investors are: Middle East Venture Partners (MEVP), Dubai Silicon Oasis Authority (DSOA), twofour54, and MENA Venture Investments (MVI). These funders are very supportive of the company and their innovative ventures. In addition, MEVP has been a funder to The Luxury Closet from the start. (The Luxury Closet, n.d.)

Walid Hanna, the managing partner at MEVP, states, “As the first institutional investor in The Luxury Closet, back in 2012, we believed a pre-owned online luxury business had potential, and, today, we remain committed to helping the start-up become the dominant player in this market.” Dr Mohammed Alzarooni, Vice Chairman and Chief Executive Officer of DSOA said, “The Luxury Closet has the potential to serve as a truly global online marketplace for luxury and fashion products in the Middle East. We are glad that our investment will help accelerate the start-up’s pace of development and innovation.”

In a statement by Noura Al Kaabi, chief executive officer at twofour54, she states, “At twofour54 we are committed to creating and developing a thriving entrepreneurship culture. We do this by supporting the most dynamic and innovative of entrepreneurs and start-ups as they build industry-changing companies. It is vital that we support these companies...” Fares Ghandour, Investment Manager of angel-fund MVI remarked that, “It’s clear that Kunal discovered that rare white space – the last luxury frontier – and found the way to start up a pretty terrific business which we’re excited to help expand to its full potential.” (The Luxury Closet Secures, 2015) From these statements it is evident that the current investors are willing to support new innovations and help The Luxury Closet grow, making them the main probable funders for Yahmi.

OPPORTUNITY FOR NEW ORGANIZATIONAL TEAM

With the launch of Yahmi comes an opportunity for a new organizational team, a specific set of employees dedicated to ensuring the success of the product. This team will consist of, but is not limited to:

- **Project Manager:** Responsible for delivering the project on time, creates an attainable project plan with specific stages and deadlines, ensures that everyone is working effectively, efficiently, and according to schedule, manages risks, and coordinates liaisons with all third parties involved.
- **Designers:** Ensure that all the designs needed for the product are produced with the same level of quality as that of The Luxury Closet. Their projects include: branding, packaging, and designing the instruction leaflet.
- **Testers:** Test all of the products that will be included in the kit. The testers should ensure that the products in the kit are easy to use, work well, do not damage the luxury goods, and determine any other flaws in the packaging or product.
- **Business Analyst:** The main role of the business analyst is to help boost the company's sales of the product. He/she must define what the company needs to achieve, and monitor sales and internet traffic to ensure that these are being met.
- **Media Production Team:** Responsible for ensuring that Yahmi is marketed well and represented on all social media platforms. Need to create relevant and attractive social media content to post on the company's social media platforms as well as by influencers. Also in charge of developing and updating the Yahmi page on The Luxury Closet website.



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MANAGING INNOVATION INTO THE ORGANIZATION

To make a decision about what innovation must be implemented into the business model, it's important to look at what benefits the organization may gain from the new product as well as what new standards or changes to the business model need to be implemented in order for the company to benefit from the innovation.

NEW MARKETS

With the release of the cleaning kit "Yahmi", The Luxury Closet will be able to tap into new markets. Currently, The Luxury Closet's main market is individuals who prefer buying luxury goods, but are unwilling or unable to pay for the full price of the product. Therefore, they prefer buying these luxury goods pre-owned. However, even though the products are pre-owned, maintenance and cleaning is an important part of buying leather goods. This product is therefore perfectly suited for the current customer market. Furthermore, the cleaning kit can also be beneficial to a new market, specifically individuals who buy luxury leather goods. This kit can be beneficial to them, if they need an instant clean-up of their product or a quick fix.





ABSORB
Leathercare set
Dhs 49.00 / 0.39 l
The price includes VAT
Article Number : 100.322.94
Use a leather cream, which regreases and retains the softness of the leather, to prolong the life span of the leather.

Quantity:

[Add to shopping cart](#)

[Save to list](#)

Buy at your local store
Store:

Available online
Ready for delivery

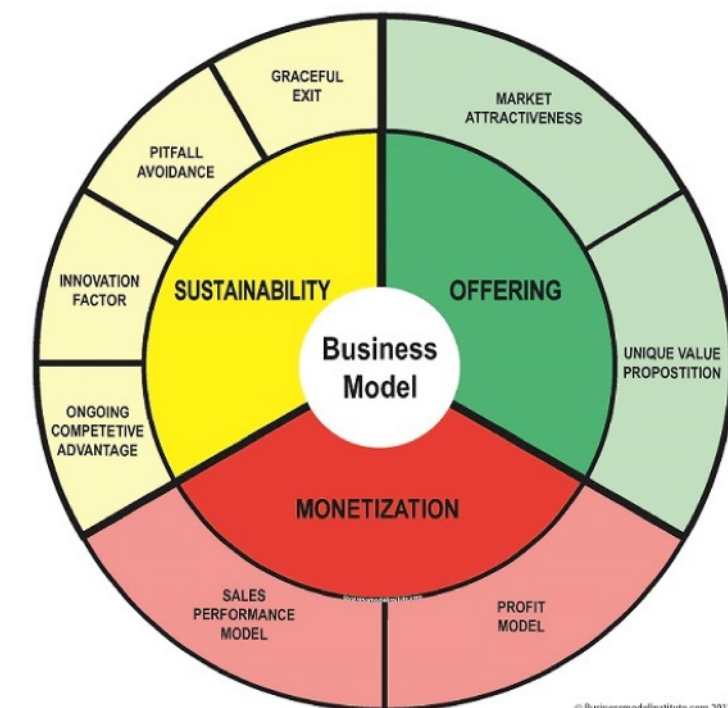
Store selection may vary and prices may differ from those online

NEW STANDARDS

Looking at the UAE market, and based on research, there are multiple companies that are selling leather cleaning kits. However, these kits are meant for cleaning leather upholstery and furniture and not for personal goods. For example, the leading Swedish furnishing company Ikea, produces and sells their own leather cleaning and maintenance kit for leather furniture (ABSORB Leathercare, n.d.). Another U.S. based product, LIV.ON, sells a leather cleaning and care kit on a UAE based website called desertcart (LIV.ON Leather Cleaning, n.d.). However, this product is not readily available and is also not locally based and is imported into the UAE. The new cleaning and maintenance kit "Yahmi", will be the first of its kind, which will be locally produced and distributed. It can set a standard for the UAE in the leather cleaning kits.

NEW BUSINESS MODEL

For any company or new product to be successful, there is a need to follow a business model and to understand what is important for the company or the product to thrive in the long term. A simple business model, followed by the Business Model Institute, explains the important aspects of following any business. Applying this model, Yahmi, creates a unique value proposition for new and existing customers by providing a cleaning kit for leather goods. This creates attractiveness to enter new and existing markets. For the product to sustain long term, it is important to maintain a competitive advantage over other products, which can be done with the help of Intellectual Property. Another important point to look at, is to make sure to avoid pitfall of the product and to ensure that the product does not reach the decline phase of the product life cycle stages. Even if the product reaches a decline stage, it is necessary to ensure a graceful exit, which can be maintained either by selling product rights or licensing the product to other companies to ensure long term profits (Business Model Wheel, n.d.).



MANAGING THE VALUE OF DESIGN

The value of design comes primarily from the design itself. To be able to integrate the importance of design within the working system of an organization is essential. An organization needs to adopt design as an impactful and substantial element as part of their processes. In our efforts to innovate and launch a new and successful product, our team has worked in a manner where we are focusing on both innovation and design so that it integrates into one another.

Our innovation of creating Yahmi and offering the product to our customers has been not only a creative innovation within the company's strategy to grow and expand their product portfolio, but it is also a step forward into design innovation. Our core team can say after much research that the introduction of this product will set in motion the importance and value of design.

Creating Yahmi was much more than just a product innovation, but creating its own individual identity and brand, working on its packaging, understand the design and innovation process behind it, and working diligently with those processes has allowed us to make the process of how we got here much more valuable than the product itself.

Yahmi's brand allows it to stand individually but also stands in the ever-growing shade of The Luxury Closet working in close connections with the Luxury Closet but maintaining its significance. In this way, The Luxury Closet can both branch out, as well as be able to take a new step into a new market and reestablish themselves with a reformed brand and strategy.

Yahmi is a brilliant product that will address many new markets for The Luxury Closet and further their product portfolio. But apart from that the process of working on and creating the idea as well as the prototype for Yahmi has been an innovative and strictly design process. This design process that was put into place to work on this project can be both beneficial to current practices within the organization and for future projects.



The company itself is made on a basis of innovation and continuously tries to build innovation into the organization. But alongside innovation, the value of design gets integrated with the help of our use of design tools and practices used to create and support our idea behind Yahmi. Our core team will be able to influence the organizations to take on innovation and its processes and maybe branch out to make our own innovation design team within the organization where we further spread the importance and value of design.

Our idea behind Yahmi is to not only provide consumers with an accessory or a kit that allows them to be independently in control of their luxury goods, but it focuses on creating a unique experience for the loyal customers of The Luxury Closet and allowing the business to think outside their four walls and create a positive impact within their market by creating and producing new ideas and innovative and useful products.

21

PROTOTYPE



Yahmi Protection & Cleaning Kit is a simple yet intricate concept that we believe is what the customers of The Luxury Closet truly need.

To further test the real usability and the need for our product, our team developed a prototype consisting of all the essential components that will exist in our product.

These products will create a well-rounded experience for customers to use the product to keep their luxury products safe, clean, and spotless.

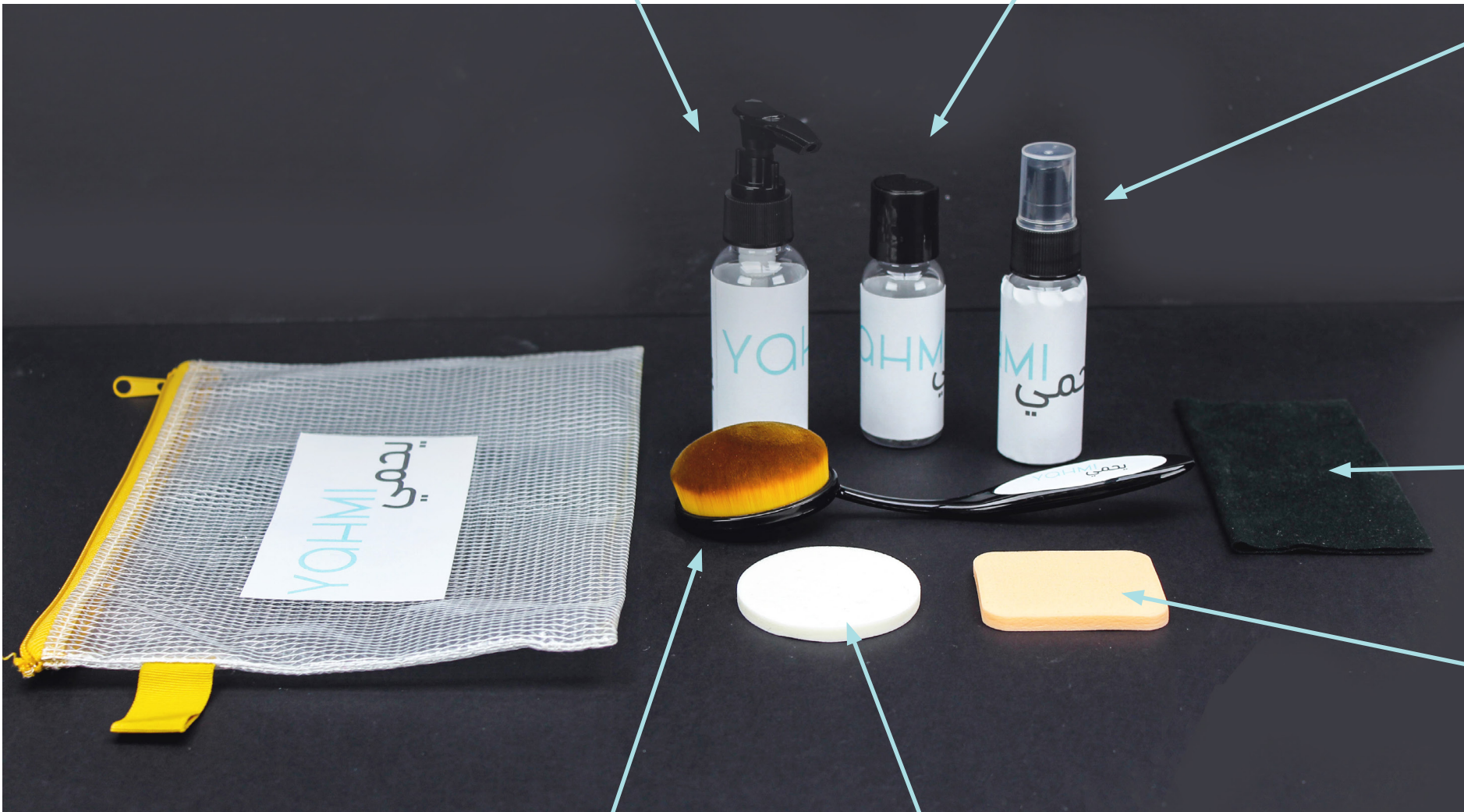
COMPONENTS

AN INSTRUCTION SHEET WILL BE INCLUDED INSIDE THE KIT.

LEATHER PROTECTOR:
A SOLUTION TO PROTECT
AND CONDITION THE LEATHER
GOODS.

LEATHER INK REMOVER: A PRODUCT
USED TO REMOVE INK, LIPSTICK OR ANY OTHER
STAINS FROM THE LEATHER OBJECTS.

LEATHER CLEANER: A SOLVENT USED
TO CLEAN ANY STAINS OR MARKS FROM THE
LEATHER PRODUCTS.



APPLICATION CLOTH: USED TO APPLY
THE LEATHER PROTECTOR.

CLEANING SPONGE: USED WITH
THE CLEANER TO CLEAN ANY LEATHER
PRODUCTS.

CLEANING BRUSH: USED
ALONG WITH THE CLEANER OR INK
REMOVER TO SCRUB OUT TOUGH
STAINS.

INK CLEANER SPONGE: SPONGE
USED SPECIFICALLY TO REMOVE INK OR
LIPSTICK STAINS.

INSTRUCTIONS

LEATHER CLEANER:

Step 1

Pre-test Leather Cleaner in an inconspicuous area to be sure there is no color loss or darkening after drying. Apply the products listed to a white cloth and rub in the hidden area. If color transfers to the white cloth, do not use the product.

Step 2

Shake well.

Step 3

Apply Leather Cleaner to a sponge and then squeeze the sponge to create foam.

Step 4

Use the sponge to gently scrub the leather. Add Leather Cleaner to the sponge as needed and squeeze for a foam after each addition.

Step 5

Wipe the leather dry with a soft, clean cloth.

LEATHER PROTECTOR:

Step 1

Shake the Leather Protector well.

Step 2

Pour Leather Protector liberally into the soft cloth.

Step 3

Use the wetted cloth to wipe on Leather Protector liberally and evenly. Rewet the cloth as needed.

Step 4

Allow the Protector to dry for about an hour before using the furniture. Maximum protection is achieved after 24 hours of drying.

Step 5

If you want the leather to be shinier, buff the leather with a clean soft cloth.

INK REMOVER:

NOTE: Ink Remover is most effective on recent (3 to 5 days) ink stains.

Step 1

Pre-clean the area with Leather Cleaner.

Step 2

Remove the cap from the Ink Remover tube and push the tube from the bottom to reveal about ¼" of the stick.

Step 3

Rub the Ink Remover stick directly onto the stain, making sure to cover the entire mark. Applying the stick from various directions helps get the remover down into the texture of the leather. An application from just one direction could leave voids. Allow the remover to do the work. Don't scrub hard because scrubbing could cause color loss. You will see the ink dissolving as you rub the stick over it. As the stain transfers to the ink stick, wipe off the end of the stick with a tissue or a clean cloth.

Step 4

When it looks like the ink is dissolved, wash away the residue with Leather Cleaner (or a wipe). Dry the area with a tissue or a clean cloth. Do not substitute a colored cloth because color could be transferred to the leather.

Step 5

Most often, ink stains require 2 or 3 applications of Ink Remover to totally remove the ink. Repeat steps 3 and 4 a time or two more.

Step 6

If the stain persists or is hard to get out of the grain of the leather, reapply the Ink Remover. Dip a soft bristled brush (such as a tooth brush) into distilled water, and use the brush to gently scrub the stain.

Step 7

Wash away the residue with Leather Cleaner. Dry the area with a tissue or a clean cloth. Scrubbing with brush may be repeated as needed.

Step 8

Protect the area from spills and soiling by applying Leather Protector with a clean cloth or by using Leather Protector Wipes.



PRODUCT IMAGE

To make the product stand out and have its own identity, "Yahmi" even though is going to be affiliated with The Luxury Closet, will still have its own branding and product image. This is done to differentiate the product from any existing or potential competitors. Another advantage of the branding, is to create an image in the minds of the consumers about the product as an exclusive, one of a kind cleaning kit in the UAE. Above you can view the logo that represents Yahmi in a bilingual form as it stands to represent where Luxury Closet first started to function from. The blue in the logo represents cleanliness and clarity which we aim for our customers to find with the help of our product.

Another point of relevance is that the kit is durable and well tested to make sure that none of the expensive leather goods get affected by our products. Furthermore, it will be a long lasting and reliable product for consumers to use on their precious goods.

For the initial aspect of the product, we have worked with our manufacturers to create a leather cleaning kit but we aim to expand our range of products and work with out manufacturers to create a kit that is compatible with all luxury materials and products.



22

CONCLUSION

This section consists of recommendations, references and appendices which summarize and collaborate the entirety of our project to help understand why we believe this idea is a great initiative for The Luxury Closet to provide for a new market for them and bring in more profits.

RECOMMENDATIONS

Adopt and release the product into the market because there is a need for the product. Based on the research, it was evident that there is a need for this product in the market to enable luxury product users to clean and maintain their own leather goods.

Yahmi should have its own identity but in affiliation with The Luxury Closet. The brand aims to be its own individual identity with patronage from its mother company. We also recommend that you implement our idea to introduce a new core team for the functionality of this product.

Support to release the product in International Dubai Fashion Week in April 2019. Since the event has a reach of 25 million individuals all over the world, it would be a tremendous exposure for the cleaning kit in the luxurious fashion industry (International Dubai Fashion, 2018).

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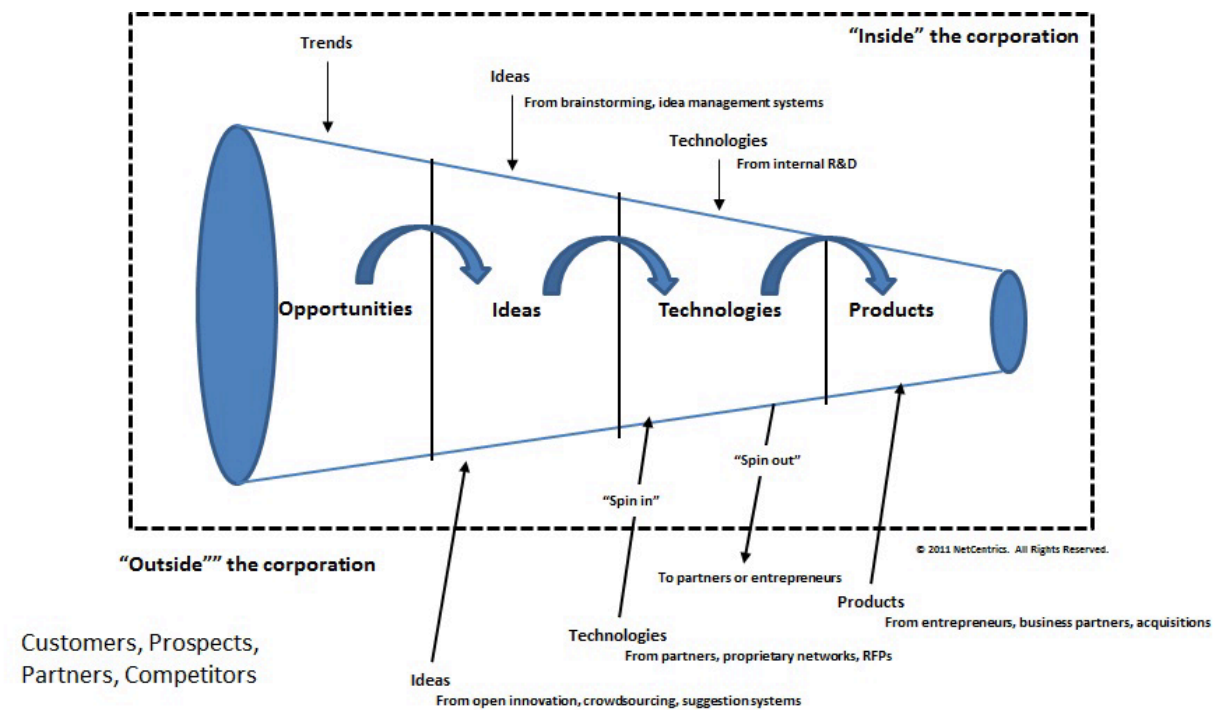
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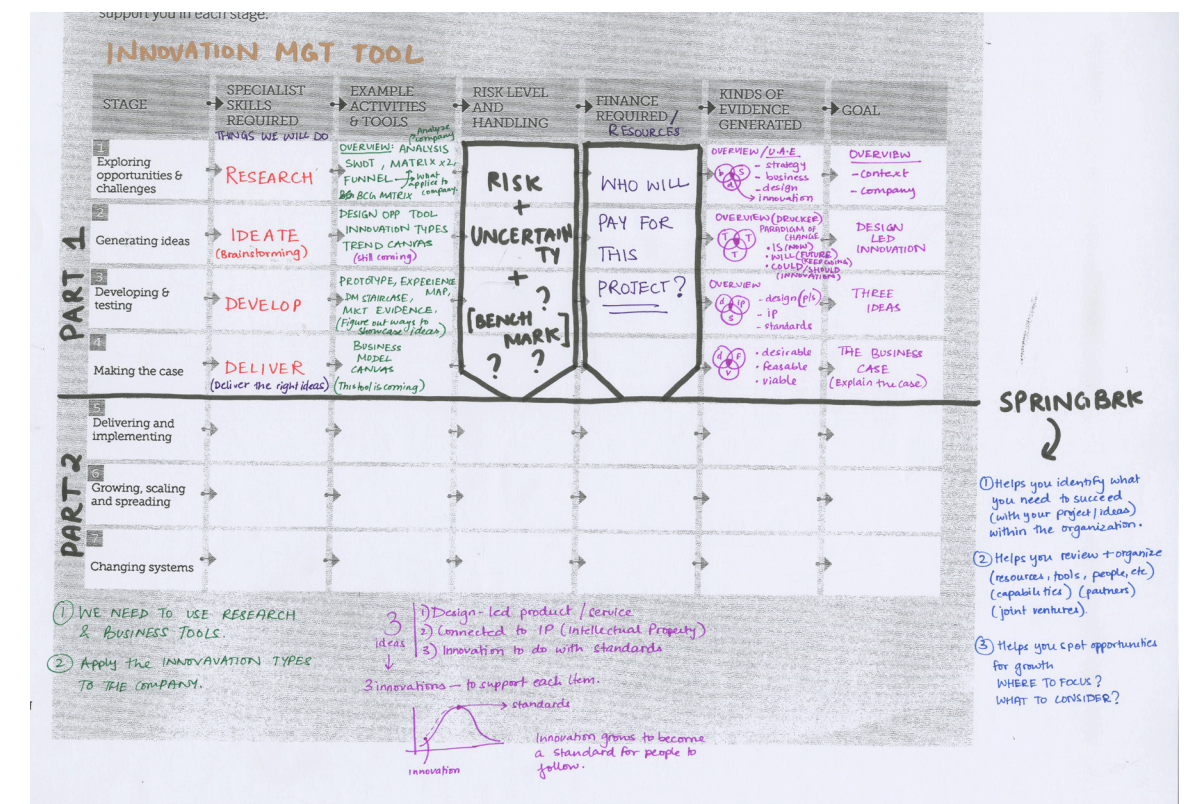
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APPENDIX

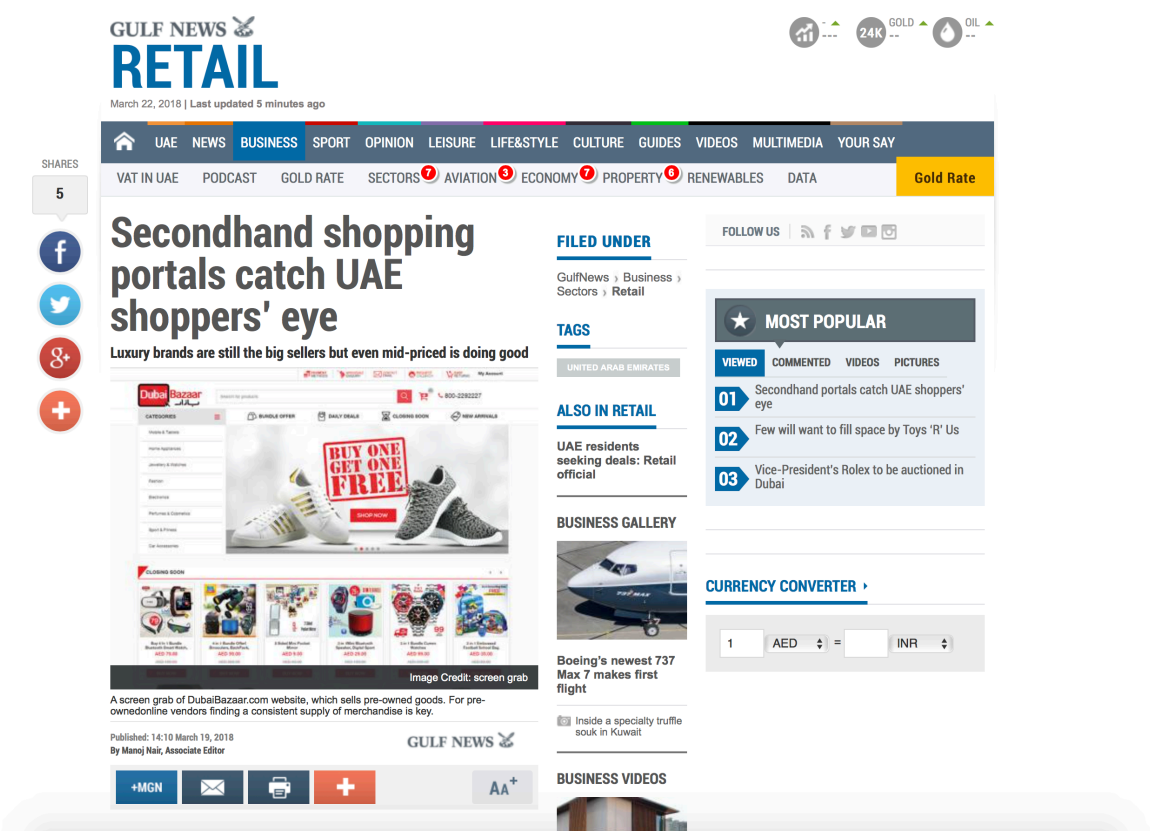
THE INNOVATION FUNNEL



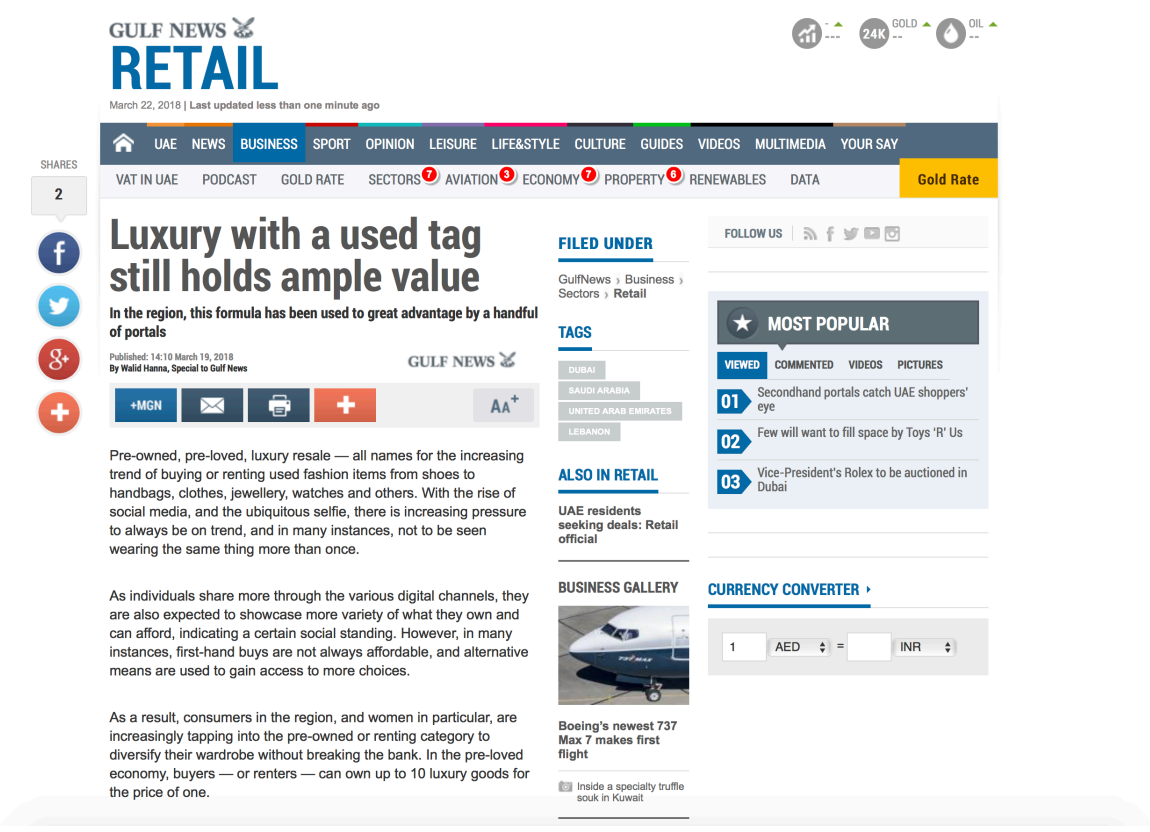
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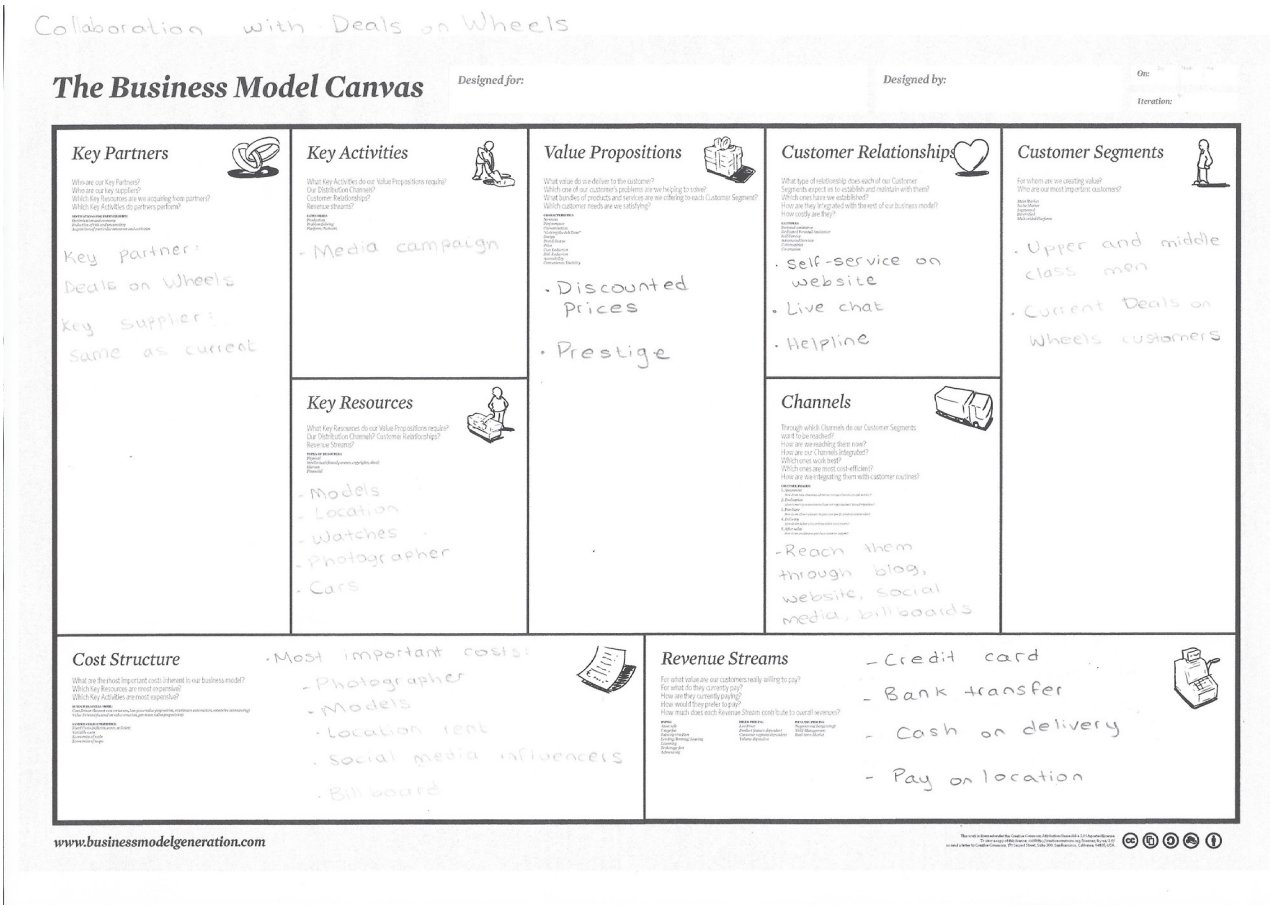
U.A.E OVERVIEW GULF NEWS ARTICLE 1



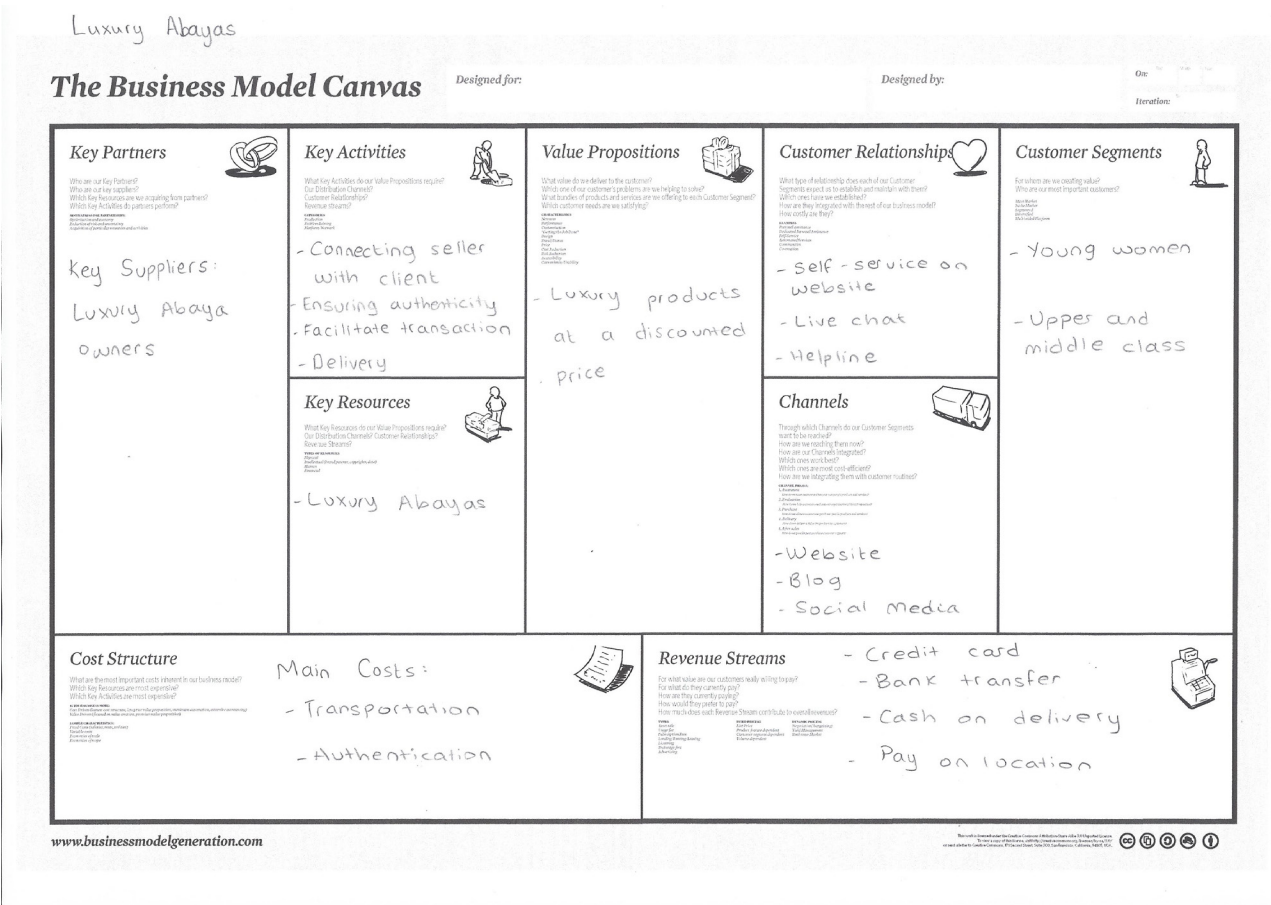
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BUSINESS MODEL CANVAS FOR IDEA 1



BUSINESS MODEL CANVAS FOR IDEA 2



BUSINESS MODEL CANVAS FOR IDEA 3

Aftercare service/kit

The Business Model CanvasDesigned for:Designed by:On:Iteration:

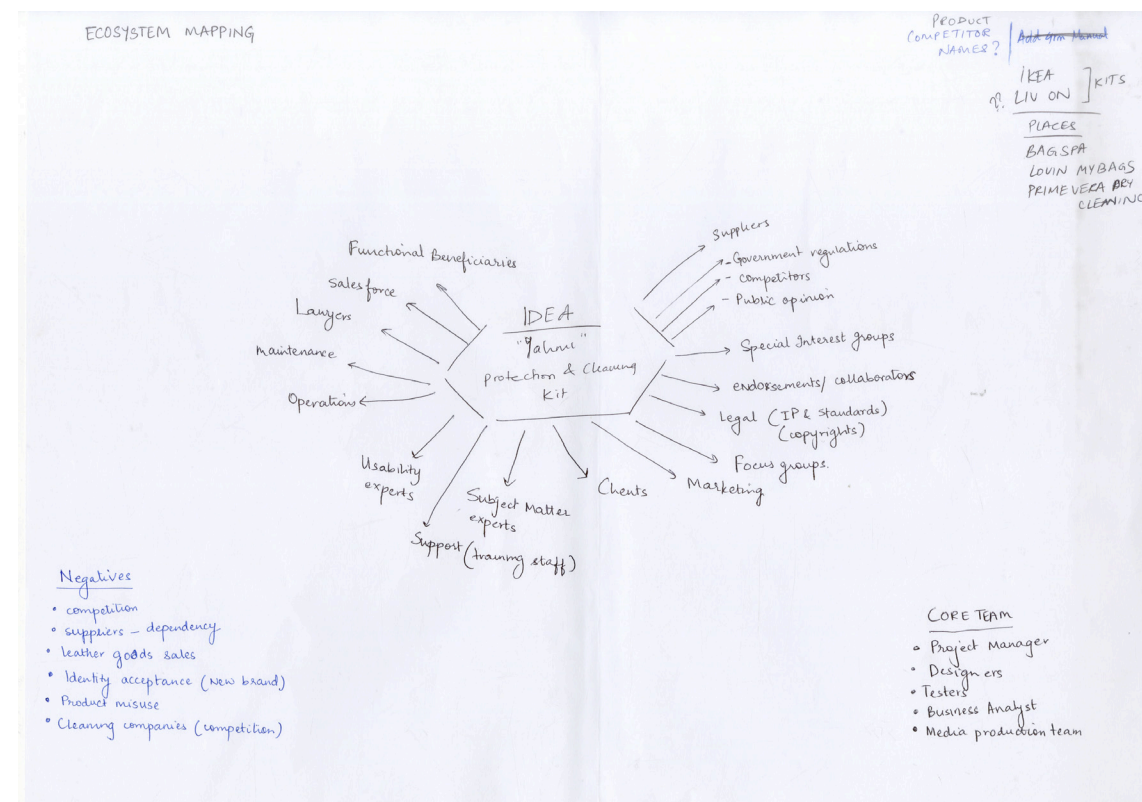
<div>Key Partners</div> <div>Who are our Key Partners? Who are our key suppliers? Which Key Partners are we acquiring from partners? Which Key Partners are helping us perform?</div> <div><ul style="list-style-type: none">• Lexol → leather cleaning products• Tailoring company → Kits, raincoats</div>	<div>Key Activities</div> <div>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</div> <div><ul style="list-style-type: none">• Create products' Packaging• Create + package Kits• Market product</div> <div>Key Resources</div> <div>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</div> <div><ul style="list-style-type: none">• Leather cleaning products• Plastic → raincoats• Material → Kits• Lint rollers</div>	<div>Value Propositions</div> <div>What value do we deliver to the customer? Which one of our customer problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</div> <div><ul style="list-style-type: none">- Save money + time going to bag laundry- Solve problem of taking care of luxury goods</div>	<div>Customer Relationships</div> <div>What type of relationship does each of our Customer Segments expect in the product and service we offer? Which ones have we established? How are they different from the relationships with the rest of our business model? How can we improve them with the customer needs?</div> <div><ul style="list-style-type: none">- Live chat- Helpline- Self-service on website</div> <div>Channels</div> <div>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? Which ones are we planning to integrate? Which ones are new? Which ones are most cost efficient? How are we integrating them with customer needs?</div> <div><ul style="list-style-type: none">- Social Media- Website- Blog</div>	<div>Customer Segments</div> <div>For whom are we creating value? Which Customer Segments are we targeting? Which ones are most important to us?</div> <div><ul style="list-style-type: none">- Upper and middle class women</div>
<div>Cost Structure</div> <div>What are the most important costs inherent to our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</div> <div><ul style="list-style-type: none">- Manufacturing- Designing (packaging, branding)- Marketing</div>		<div>Revenue Streams</div> <div>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</div> <div><ul style="list-style-type: none">- Pay through online website or cash on delivery</div>		

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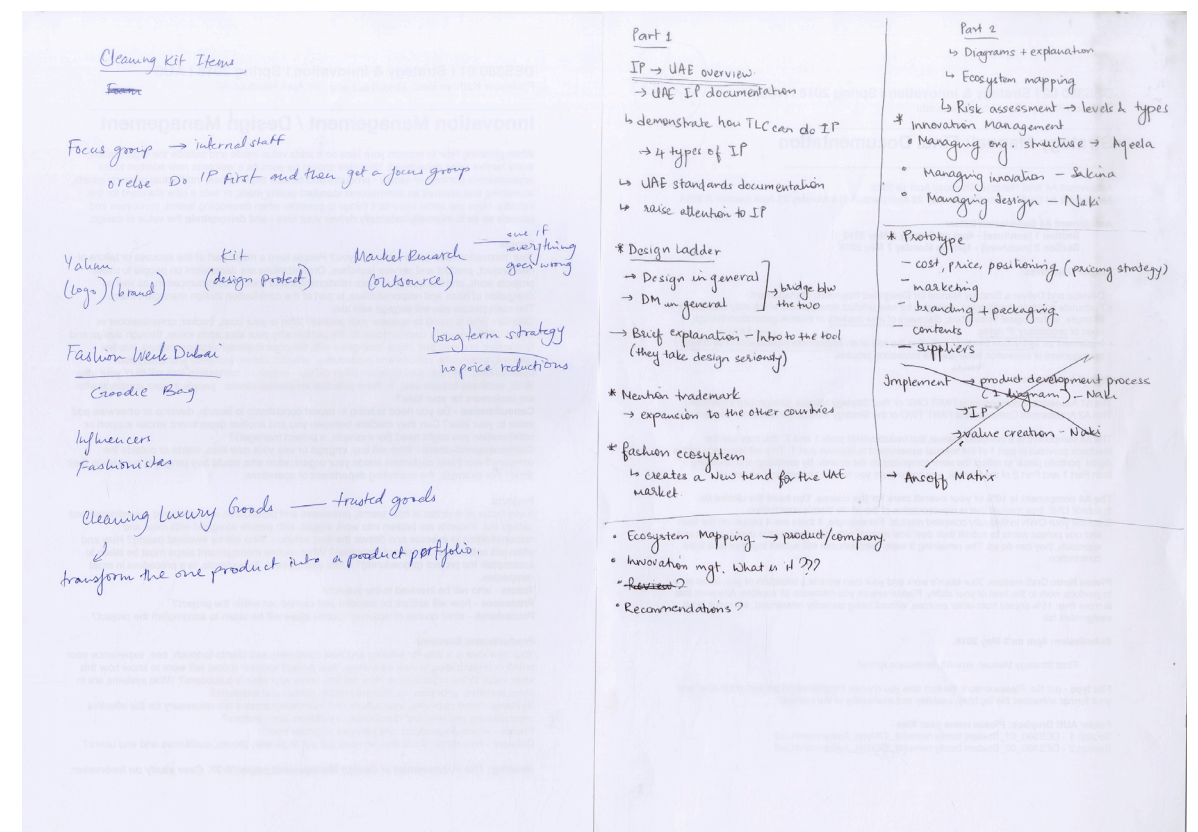
RISK ASSESSMENT



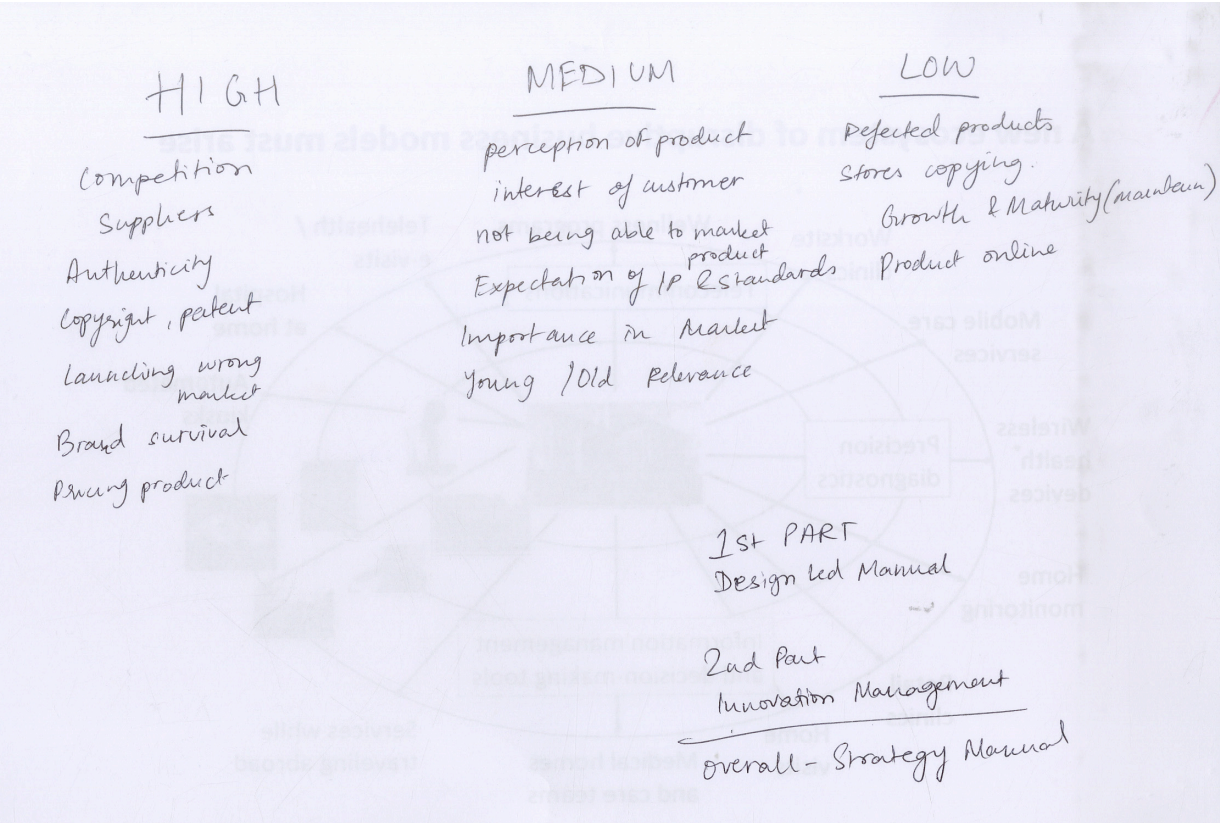
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BREAKING DOWN THE BIGGER PICTURE



LEVELS OF RISK



TYPES OF RISKS

