

It's not just the VIP
It's the whole systems offering

Methodologies to aid Whole Systems
Thinking for Vacuum Insulation Panels

Tim Hall
Total Flow Limited

Why do people buy?

Why Would I Choose A V.I.P.?

The Buying Balance

Benefits & Sacrifices

- Perform a Function
- Resolve a Problem
- Provide Pleasure

- Purchase Price / Cost
- Whole Life Cost
- Leadtime Delay
- Complexity
- Unwanted Functions
- Lack of Reliability

Where the benefits outweigh the sacrifices the product or service will sell.
The balance is dynamic: Sacrifices the market is willing to make tend to diminish over time.

Insulation: Has Multiple Customers

➤ Specifier

- Innovative? Bespoke? Accredited? Reliable?

➤ Contractor

- Available, Robust, Easy to fit, Low Value?

➤ Consumer

- Don't Care? Performance, Green, Space?

- Insulation is one element of a whole system of components.
- A designed system will allow value to flow without obstruction, deviation, delay or defects.
- Systemic design outperforms *pick 'n mix* component built.
- Designing the requisite flexibility is key.



A Remarkable Customer Proposition - Purple Cow

Seth Godin

Something remarkable is worth talking about, worth paying attention to...

It Seems VIPs could be a Purple Cow.

But beware..

Most people can't buy your product.

Either they don't have the money, they don't have time, or they don't want it.

What Does The Market Value?

What would be a Purple Cow in insulation?

- In the green zone – products will sell
- Most producers are aiming for incremental change



Insulation Survival Triplet

Cost

(£/m², @0.1U/ Damage,
Installation)

£10/m²

£6/m²

➤ Even dramatically improved thermal performance at increased cost is unlikely to survive

Functionality
Excellent Performance, Thinner

Service
As available as glass fibre

Disruptive Proposition

Cost

➤ With improved service and without a punitive cost premium VIPs can create a Purple Cow

Functionality

Excellent Performance,
Thinner, lighter more per load.

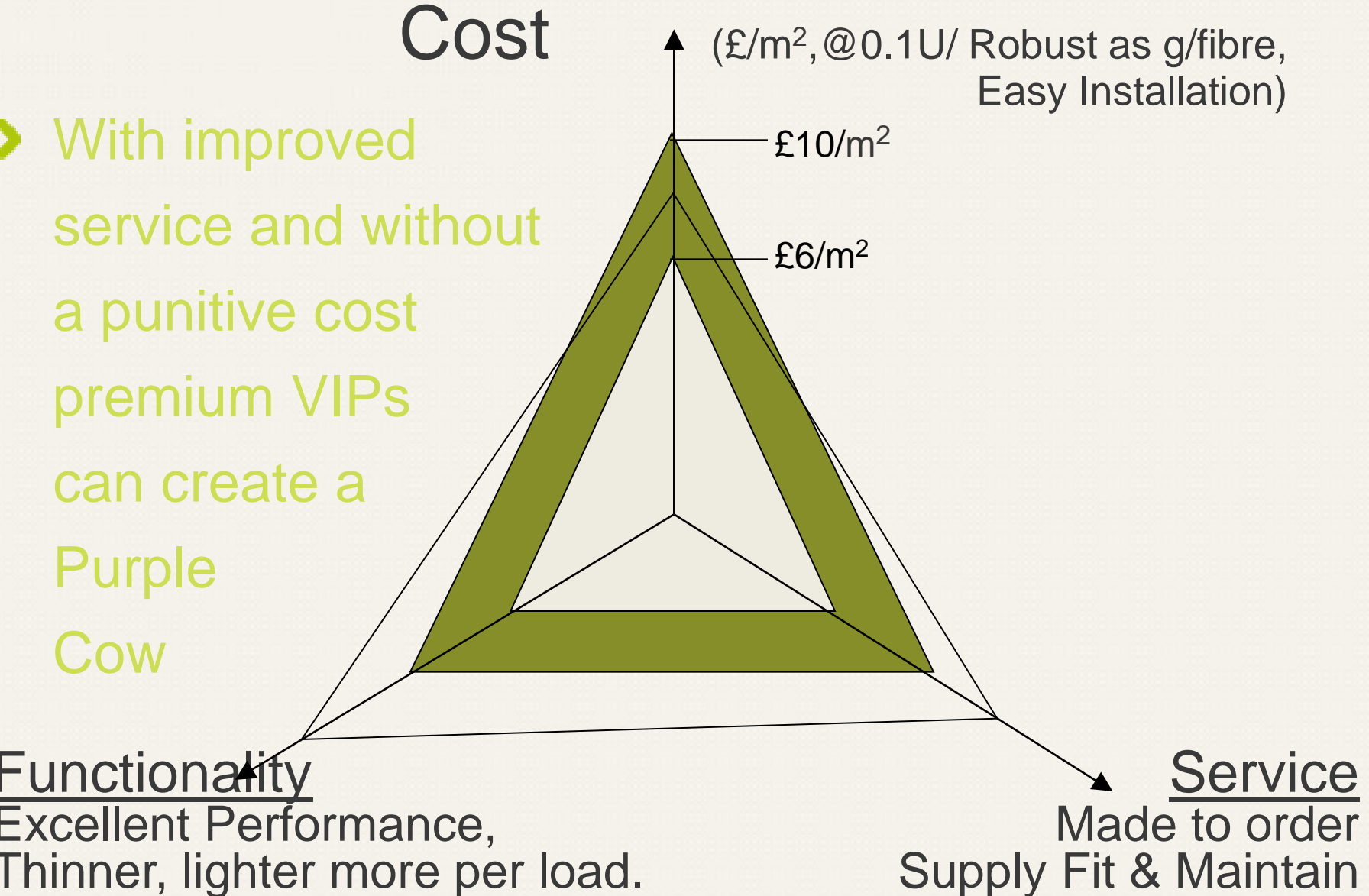
Service

Made to order
Supply Fit & Maintain

(£/m², @0.1U/ Robust as g/fibre,
Easy Installation)

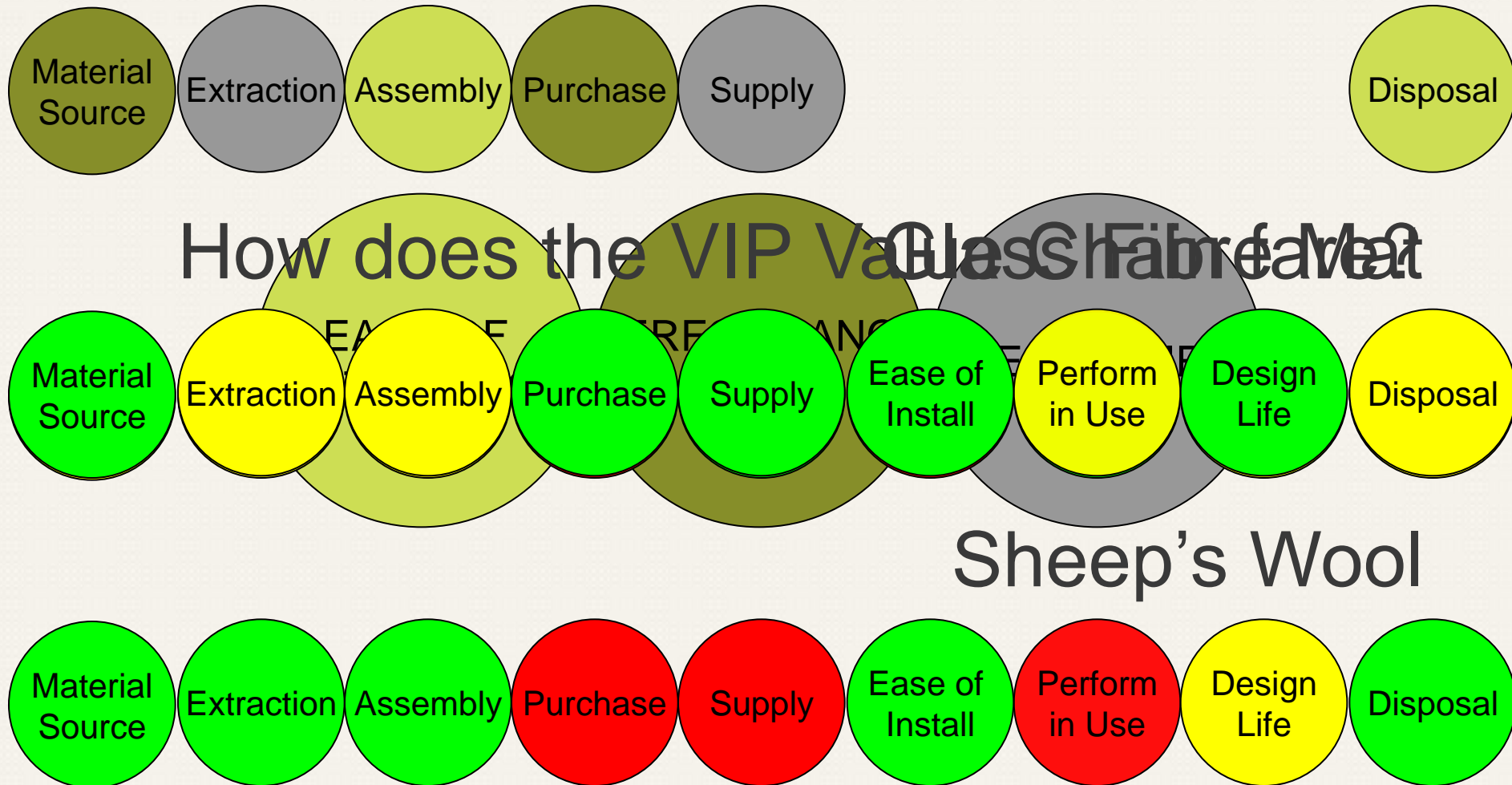
£10/m²

£6/m²



- Traditionally producers focused on product
 - Better mousetrap, more functions and USPs
- More recently cost & service became key
 - Amazon, iTunes, eBay
- Consumers are now becoming concerned about the entire value chain.
 - From material sourcing – use - disposal

VIPs Focus on only part of the value chain at their peril.



➤ Functionality

- How good does it need to be? Over specified is waste.

➤ Speed

- Custom made in two days may be better than from stock

➤ Flexibility

- Exactly what is needed; any thickness, any size,

➤ Dependability

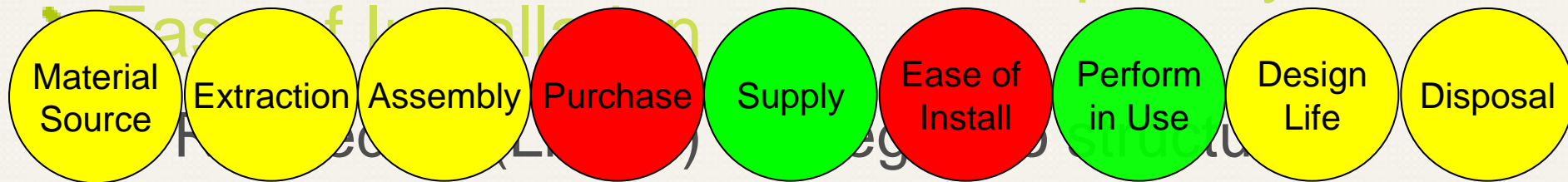
- What is the risk of failure: Delivery, installation, service.

➤ Cost / Sacrifices

- Green Credentials, Maximum Price, Competition

➤ Purchase Cost

- Design for target cost: Proven Methodology
- Where do we need to build capability?



➤ Design Life

- Match to Market: House> Office> Commercial

➤ Green Material:

- Link with design life, but may need more

TotalFlow Where might VIPs compete?

- A sector which values today's strengths:
 - Excellent insulation, thin format, 30year life
- Which can live with the limitations:
 - Cannot trim to fit, cost, puncture
- Demonstrate capability and excellence:
 - Off-site construction, Caravans
- Develop solutions which will compete:
 - 50/100yr life, integral to envelope, sustainable

➤ Manufacturing supply chains which evolve:

- Have >30% excess labour.
- Only add value in 5% of leadtime
- Have >4x as much working capital
- 20% additional material cost (defects, obsolescence)

➤ Supply Chains Which Flow

- Grow 3x faster
- Enjoy 2x profitability

Stalk and Hout

TotalFlow VIPs: Purple Cows in Waiting

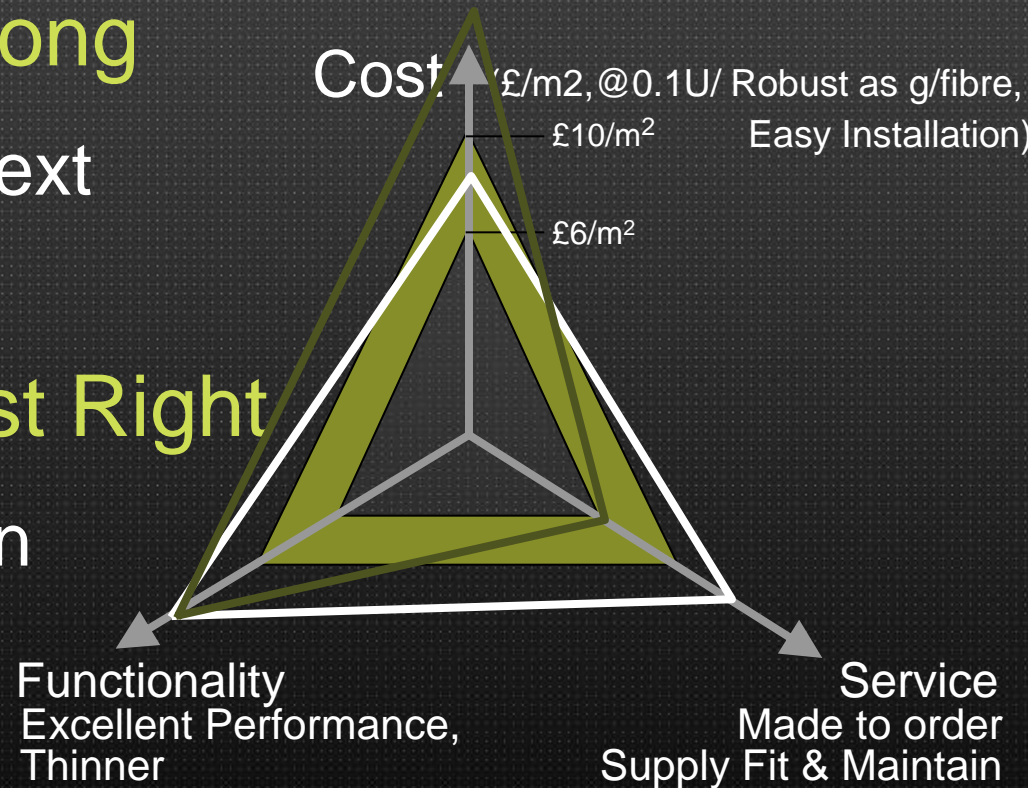
> Get the Offering Wrong

- > VIPs could be the next Sinclair C5

> Get the Offering Just Right

- > Traditional Insulation becomes instantly obsolete

> Whole Systems Thinking can create the Insulation Industry's Purple Cow



Confused
or
Ready To Go Purple?

Questions....

Challenges...

Ideas...

Suggestions...