



KIDS AS TRAVELERS  
(AIRPORT PLAY)

Team 3

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Images:

<https://www.travelandtransport.com/wp-content/uploads/2016/02/tips-for-traveling-with-kids-packing-tips.jpeg>  
This is the fourth in the series of technical notes that supports your team's work on the I-Mod project challenge. Please work through this I-Mod "technical note" before you launch your 3Rs prototyping work. In addition, also read Chapter 6 of *The Art of Innovation: "Prototyping Is the Shorthand of Innovation"* and Chapter 2 of *The Ten Faces of Innovation: "The Experimenter"* before you start.

## AGENDA

- Recap of Final Solution Concept
- The Road Test Introduction
- Micro Market Assessment
- Macro Market Assessment
- Macro Industry Assessment
- Micro Industry Assessment
- Team Assessment
- Conclusion



The goal of this presentation is to explain our process from concept to initial proposed solution.

# PLAYSPACE FOR KIDS

BEST AND FINAL SOLUTION



## What

Confined terminal area made up of activities to tire out kids!



## Key features

Mentally Challenging  
Physically Challenging  
Sustainable  
Fun, Attractive  
Safe/Secure  
Age appropriate



## Activity Kits

Activity kits at departure of play space.



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Through prototyping, iteration, refinement, and utilizing a screening matrix a playspace to tire out kids both mentally and physically represented the best solution to providing increased comfort to kids during a flight. This playspace would be located in a confined area within the terminal that provides fun and engaging activities while providing safety/security to the kids and parents. The types of activities range from mentally challenging board games up to obstacle courses. The image in the slide provides a depiction of the type of physical activity space that would be desired. It is critical to ensure the key features of the playspace align with our hierarchy of needs and allow for a great experience for the kids utilizing the service. As part of the final concept solution the team also decided to integrate the activity kit concept. When the parent and child are leaving Airport Play they will be given the opportunity to take with them an activity kit for the child to use on the plane. The activity kit is intended to be used on the plane to further stimulate the child. The activity kit will engage the child thereby helping time pass while at the same time further stimulating the child to tire them out further. Overall the team feels that the final solution definition meets the hierarchy of needs state and drives innovation as a service to improve a child's comfort during flight.

Image: [http://www.playspace.co.uk/ws-public/uploads/112\\_Children%20enjoy%20free%20sessions%20at%20the%20PlayS](http://www.playspace.co.uk/ws-public/uploads/112_Children%20enjoy%20free%20sessions%20at%20the%20PlayS)

[pace%20indoor%20play%20centre%20as%20part%20of%20the%20challenge.jpg](#)

# THE ROAD TEST

- The road test showed:
  - Attractive macro/micro market
  - Unattractive macro/micro industry
- Team skill gaps
- Lack of IP and differentiation

 This Opportunity is not viable



The assessment outlined by John Mullins in *The New Business Road Test* was used to evaluate our solution concept from the I-Mod. Using this framework to test out our idea, it became clear that the opportunity would not work. To explain, we'll discuss each assessment at its conclusions.

Picture: John W. Mullins, *The New Business Road Test* (Harlow, England: FT Prentice Hall, 2003, 2006) p. 6

# INITIAL TARGET MARKET

## Entry Point: Atlanta (ATL)

- Wedge into market and test our hypothesis/assumptions.
- Busiest airport in the US by the total number of travelers.



### About Hartsfield-Jackson

- 10th worst airport for layovers
- Heavy crowds
- Slow-Moving traffic

## COMPELLING CUSTOMER VALUE PROPOSITION

“ Entertain your kids while waiting for your flight with a unique experience that will continue through the rest of your family's journey. ”

As the team looks to perform a 'road test' on our business venture the first stage in doing so is identifying an initial target market. To test our value proposition we are selecting the largest airport in the United States by total passengers travelled through as our initial test bed, Hartsfield-Jackson Atlanta International Airport. By having a large and diverse population traveling through the airport we will be able to analyze our perceived customer value proposition and compare it to other alternatives while refining it. Hartsfield-Jackson Atlanta International airport is known for its long layovers, heavy crowds, and slow moving traffic which creates a perfect storm for cranky families. Our services offers the ability to entertain kids while waiting for their flight with a unique experience that will continue through the rest of your family's journey.

Sources:

<https://www.flipkey.com/blog/2013/04/25/stuck-in-the-airport-with-kids-top-10-u-s-airports-for-long-layovers/>

[http://travel.usnews.com/features/11\\_Worst\\_US\\_Airports\\_for\\_Layovers/](http://travel.usnews.com/features/11_Worst_US_Airports_for_Layovers/)

# CUSTOMER VALUE PROPOSITION

## Customer Perception

- Major flaws with ATL travel: Delays, slow-traffic, and crowding
- This can make traveling with children especially challenging

## Market Alternatives

- Unsupervised, smaller play areas
  - Typically free to passengers
  - Dinosaurs & art installations
- Purchase activities at retailers
- Items passenger's bring with them

## OUR DIFFERENTIATION

- Supervised play area
- Mental and Physical Stimulation
- Goodie bag: continue experience
- Optimal cost: \$20 per visit



Our service is aimed at taking advantage of an inadequately served market of families traveling with kids through airports. Airports can be a challenging experience for parents traveling with kids as they are currently not designed to accommodate kids. Our service offers parents a supervised play area for their kids to play and as they leave they are provided with a goodie bag to continue the experience on the airplane. Currently, alternatives to our offering include unsupervised, smaller and less interactive/stimulating, play areas. One advantage of these areas is that they typically come at no additional cost to the consumer. However, because they are free they do not compare to the experience we are offering. Our value proposition is that we provide the kids with a more stimulating and alternative packed experience both while at the play area and also on their way out. An additional benefit is, because it is supervised, parents can take some time for themselves to relax prior to continuing their journey. Our value proposition focuses on providing kids with an improved traveling experience that is designed to their needs as opposed to the current airport experience that only leads to frustrated and unhappy kids and families.

Sources:

[http://www.atlanta-airport.com/hjn/2007/08/fam\\_fun.htm](http://www.atlanta-airport.com/hjn/2007/08/fam_fun.htm)

## INITIAL TARGET MARKET SIZE

ATL total travelers	101.5M passengers	Top 20 busiest airports in the world
Leisure Travel (Global %)	68.7%	
Family Travel (Global %)	33%	33-40% is multi generational
Estimated # of passengers with (ATL)	23M	Assumption: average 3 individuals per family
<b>Initial target market</b>	<b>\$15.3M</b>	<i>Assumption: \$20 per visit per family, 50% of families will use our service.</i>

ATL airport provides a \$15M market opportunity to 'wedge in' and determine the viability of the business' long-term success.

Atlanta International Airport is the busiest airport in the United States and is in the top 20 busiest airports in the world. It provides the team with a great test bed for our value proposition. It is estimated that over 101 million travellers passed through the Atlanta airport in 2015. Of these travelers we estimate that 33% are families, totaling over 23 million people. As we look to estimate our initial target market, if we assume 3 individuals per family each spending \$20 per visit we arrive at a market size of \$15.3M. If we then assume a conservative 50% of families will utilize our service we arrive at a projected revenue stream of \$7.7M. There is certainly room for upside growth to this revenue projection if we are able to increase family take rate. Once the team is able to demonstrate market acceptance we can then expand to additional opportunities as defined in our macro market.

### Sources

<http://www.travelagewest.com/Travel/Family-Travel/9-Major-Trends-in-Family-Travel/#.V5095UYrKVM>

<https://www.ustravel.org/answersheet>

# MACRO MARKET FOCUS

## Macro Market: Passengers @ Top 20 Airports

- Top 20 account for 53% of passengers
- Families with children aged 2-7 with median income >\$75k
- Roughly 5 million households satisfy our criteria (4%)

## Total Addressable Market

- 4% of all travelers through the top 20 airports (38.2M people)
- \$20/visit/family (3 individuals)
- \$255M in revenue

Airports act increasingly as hubs as opposed to the final destination-- a means for people to get from place to place in an easy and efficient manner. The top 20 airports in terms of total travelers (arriving and departing) per year include, in order of greatest to least account for 53% of all passenger enplanements in the US. In a comparison of the top 20 airports in terms of traffic and the top 20 cities by population, exactly half are on both lists (though listed in different order). Within this group of airports, we focused on the families traveling with children between the ages of 2-7 who were traveling both domestic and internationally through these hubs.

Households with a median income of > \$75,000 have been shown to spend the most while traveling. This is above the national median average of \$53,657 in 2014. In the US, 30% of all households have children and or are married and earn > \$75,000/year. Regionally about 30-40% of all households (single families) earn >\$75,000/year. Additionally, 15,000,000 households in the US have children between the ages of 2-7. or roughly 12% of all households in America. Therefore we estimate  $4\%(12\%*30\% = 3.6 \sim 4\%)$  of all households satisfy our criteria-- which is approximately 4,983,480 households.

In 2015, \$378M in revenue was generated from the top 30 airports' terminal services and other non-aeronautical sources of revenue. Given that our service is most like those of current airport lounges, it is probably reasonable to think that some of the

market share in non-aeronautical revenue, particularly terminal services, would be applicable to our product. In order to convince an airport to either allow for a space like this or invest in one themselves, there would need to not only be a significant amount of revenue but at least enough money to cover the cost of maintaining the equipment. Airports and airlines care about differentiators that would allow them to stand out in the field, and a playground with childcare supplies for the parents would fall into this category.

The Total Addressable Market (TAM) is an estimate of how much revenue our business could generate. It consists of our offering (value add, the amount customers are willing to pay), and the number of customers there are. Our initial I-Mod interviews revealed that parents would be willing to pay about average babysitting wages, so \$20/hr, which is in line with the other similar services available such as airport lounges and children's lounges that run for 15 British pounds for two hours. Additionally, based on US population, the total number of customers is probably around 4% of all the travelers through the top 20 airports in the US (which was 954M passengers in 2015), therefore the number of customers is  $(954M * 4\% = 38.2M)$  38.2M people. Since the rate is charged per family (assuming a family is an average size of 3), if we divide the number of people by 3 we get  $(38.2M/3 = 12.7M)$  12.7M families. Therefore, the amount of revenue we could expect if a playground with various services to provide is  $(12.7M \text{ families} * \$20 = \$255M)$  \$255M in revenue.

Sources:

(<http://raconteur.net/business/hubs-airports-become-economic-dynamos>)

([http://www.janney.com/File%20Library/Fixed%20Income/Municipal-Airport-Sector\\_may-2014.pdf](http://www.janney.com/File%20Library/Fixed%20Income/Municipal-Airport-Sector_may-2014.pdf))

(<http://www.aci-na.org/content/airport-traffic-reports>)

([http://www.citymayors.com/gratis/uscities\\_100.html](http://www.citymayors.com/gratis/uscities_100.html))

[http://www.cityofchicago.org/content/dam/city/depts/fin/supp\\_info/Bonds/CIC2013\\_Aviation.pdf](http://www.cityofchicago.org/content/dam/city/depts/fin/supp_info/Bonds/CIC2013_Aviation.pdf)

[http://www.census.gov/library/visualizations/2016/comm/cb16-ff14\\_labor\\_day\\_income.html](http://www.census.gov/library/visualizations/2016/comm/cb16-ff14_labor_day_income.html)

(<https://www.census.gov/hhes/families/>)

Population data and income levels: <http://www.census.gov/data/tables/time-series/demo/income-poverty/cps-hinc/hinc-01.html>

Data on families with children:

<http://www.census.gov/hhes/families/data/cps2015F.html>

[http://www.citymayors.com/gratis/uscities\\_100.html](http://www.citymayors.com/gratis/uscities_100.html)

[http://www.faa.gov/documentLibrary/media/Advisory\\_Circular/150\\_5100\\_19d.pdf](http://www.faa.gov/documentLibrary/media/Advisory_Circular/150_5100_19d.pdf)

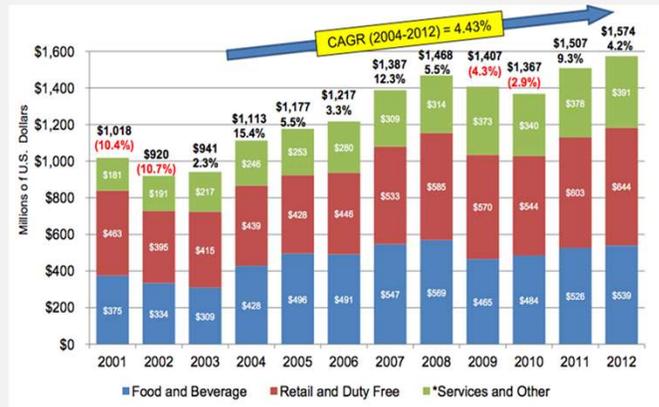
<http://cats.airports.faa.gov/Reports/rpt127Totals.cfm>

<http://www.heathrow-guide.com/children-at-heathrow.html>

<https://www.tnooz.com/article/loungebuddy-carves-comfortable-niche-airline-lounges/>)

## SHORT TERM GROWTH

- US Domestic air passenger market is world's largest from 2014-19
- From 2001-2012, Terminal Services & Other grew by 4.4%
- From 2010-2015, Terminal Services & Other grew by 7.85%



Short term, it seems that the market is growing at a steady pace. Terminal concessions revenue increased from 2004-2012 by an annualized rate of 4.43%. The top 20 airports in the US showed growth in passenger enplanements from 2014-15. (ACI 2015 North American Airport Traffic Summary). Moreover, the category of Terminal Services and Other increased between 2015 and 2010 by 46% (from revenue of \$259M to \$378M) at an annual rate of roughly 7.85%. The blue on the chart stands for food and beverage, the red stands for retail and duty free, and the green stands for services and other. As you can see they follow a general upwards trend.

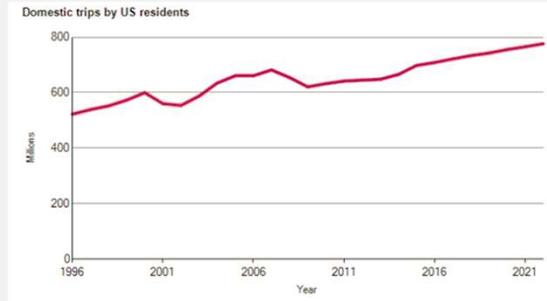
Sources:

[http://www.aci-na.org/sites/default/files/non-aeronautical\\_revenue\\_-\\_mar\\_2014.pdf](http://www.aci-na.org/sites/default/files/non-aeronautical_revenue_-_mar_2014.pdf)

<http://cats.airports.faa.gov/Reports/rpt127Totals.cfm>

## LONG TERM GROWTH

- Fairly Stable Industry
- + 2.7% over next 5 years



IBISWorld Business Environment Profiles: Domestic Trips by US Residents (February 2016)

As airport operations is a fairly mature market and it has a stable growth rate (IBISWorld Airport Operations in the US June 2016). The forecasted population growth in the US, particularly in the urban areas, is expected to be roughly 0.05% annually (when averaged over the next 46 years). This is going from 321,369,000 people in 2015 to 416,795,000. The growth rate is technically not so linear however it averages out to 0.05 compound annual growth. In terms of domestic growth, the number of passengers flying in 2016 is estimated to be 700M and in 2021, 800M. This ends up as an annual growth rate of 2.7%.

Sources:

Projections of the Population and Components of Change for the United States: 2015 to 2060 (NP2014-T1) U.S. Census Bureau, Population Division, Release Date: December 2014

IBISWorld Business Environment Profiles: Domestic Trips by US Residents, Feb 2016

# MACRO MARKET FACTORS

## TOP THREE FACTORS

1

Living standards

2

Population &  
demographics

3

Cost of air travel

## OTHER MISCELLANEOUS FACTORS

- How much space does an airport require to support this service?
- Maintenance of a facility?
- Underlying trend towards spending on experiences



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The macro market is highly sensitive to economic conditions. However, given that the economy has somewhat recovered from the recession it seems quite possible that air travel demand will stay fairly constant in our market segment. Those households who earn \$75,000/year seem to be on the rise and air travel is now decreasing in costs due to the lowered cost in fuel. However a rise in living standard could mean less disposable income and therefore a lowered amount of resulting traffic.

There are other factors that we have not fully considered at this time, such as how much space an airport requires to support our service, and how much maintenance is required (or not required) for the variations of our concept. Presumably if the space required is disproportionate to how many children are using it, it will be a negative factor on the market. If the maintenance costs are too high, again, it will be another negative market factor. However it is of note that about 82% of all millennials (who are and will be having children over the next 10-15 years) are spending more on experiences than on material goods. This means that there is a high possibility a millennial parent would spend on their child's entertainment or happiness while traveling.

Source:

<http://www.forbes.com/sites/blakemorgan/2015/06/01/nownershipnopblem->

owners-millennials-value-experiences-over-ownership/#655ab0761759  
http://eventbrite-  
s3.s3.amazonaws.com/marketing/Millennials\_Research/Gen\_PR\_Final.pdf

# RETAIL SERVICES INDUSTRY

- Highly competitive
- Medium sized barrier to entry
  - Pricing
  - Market Dominance
  - Capital Required
- Success depends on
  - Uniqueness
  - Time "fillers"
  - Traveler profile fit

## Barriers to Entry Checklist

Competition	High
Concentration	Medium
Life Cycle Stage	Decline
Capital Intensity	Low
Technology Change	Medium
Regulation & Policy	Medium
Industry Assistance	None

Source: www.ibisworld.com



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Our industry is specialty retail services. This industry is highly competitive and the barriers to entry are medium in complexity. Specialty retail services, by nature, is competitive and in an airport, post-security, there is a captive audience. Passenger levels vary by terminal and by peak travel times. Dwell time is approximately 1.5-2 hours, providing ample time for our customers to partake in the experience being offered. The most significant barrier to entry is pricing pressure, followed by market dominance, and the amount of capital necessary to establish the playspace. The concepts most likely to succeed in an airport are unique products, items to help pass the time, or items that fit the profile of travelers.

Source:

<http://clients1.ibisworld.com.ezproxy.wpi.edu/reports/us/industry/competitivelandscape.aspx?entid=1080>

# BARGAINING POWER



- Customer has High Bargaining Power
  - Revenue volatility is medium
  - Demand & disposable income
  - Customers benefit from retail competition
- Supplier has Low Bargaining Power
  - Operators have pricing pressure
- Low supplier concentration

Because of the unique product we offer, and as with most retail shopping, demand will be linked to disposable income. Our customers have a great amount of buying power due to the nature of the location of our services. Other retail services can pull from us but with the offering of “playtime”, as well as activity kits, we can expect to retain some loyalty. Suppliers have low bargaining power as they face pricing pressure and high competition. Despite offshoring product manufacturing, the price margins are not ideal because of the high competition. However, there are relatively few players in the industry, as Mattel Inc is the world’s largest manufacturer and marketer of toy products, and Hasbro, Inc is the second-largest US toy manufacturer by revenue.

Source:

<http://clients1.ibisworld.com.ezproxy.wpi.edu/reports/us/industry/operatingconditions.aspx?entid=1080>

<http://clients1.ibisworld.com.ezproxy.wpi.edu/reports/us/industry/productsandmarkets.aspx?entid=894>

# RIVALRY AND SUBSTITUTION



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Many adults traveling with children between the ages of 2-7 plan for the long trips by preparing activities, snacks, etc. However, airports have evolved and are no longer just a waiting area. Many airports now include retail and restaurant services, promising travelers relaxation prior to boarding. Our competition would be other indoor recreational activities and terminal services. Competitive rivalry can be intense with other amusement and indoor play area providers in the market, such as existing play areas.

Also, substitutes are available for travelers. As mentioned previously, terminal services vary greatly – from toy stores, to restaurants and fast food options. Substitute products for activity kits can be found at a majority of retail shops in airport terminals and can include coloring books, toys, and stuffed animals. Substitute products for snacks can be found at various retail and food stops in airport terminals and can include fruits, vegetables, and candies. Airlines even provide meals and snacks for purchase on-board. For example, JetBlue hands out coloring books to child passengers.

<https://indoorplaygroundequipment.me/>

<https://www.whitehutchinson.com/>

<http://www.atlanta-airport.com/concessions/>

<http://image.frompo.com/57a2e9f66e44fe041f247ccf2bdcf7fa>

<http://www.adweek.com/news/press/forbes-unveils-branded-airport-newsstands-156633>

<https://play.google.com/store/apps/details?id=com.jetblue.JetBlueAndroid>

# MICRO INDUSTRY ASSESSMENT

CHALLENGES EXIST TO SUSTAIN COMPETITIVE ADVANTAGE

PROPRIETARY ELEMENTS	COMPETITIVE ADVANTAGE
 <p style="text-align: center;">Cleaning Methodology (Trade Secret)</p>	 <p style="text-align: center;">Develop reputation and trust with parents</p>
 <p style="text-align: center;">Communication Features (Patentable)</p>	
 <p style="text-align: center;">Layout Organization (Patentable)</p>	



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The micro-industry assessment identifies significant challenges to sustaining a competitive advantage. Our biggest advantage will come from being a first-mover to the airport environment; however, since we intend to rely mostly on suppliers to provide the equipment and retail items, the décor and saleable products can be copied. Some opportunities do exist for protecting our ideas through proprietary elements, but the risk will remain high. To maintain a competitive advantage with Airport Play, we plan to develop strong brand integrity by building trust with parents/guardians.

Although our service and products will not be directly patentable, patents can protect a large range of ideas. For example, previous patents have covered the design of a slide, the layout of a playground, a video conferencing terminal, methods of cleaning children play areas, electronic child monitoring systems, and the design of an interactive game using RFID cards. Even though the equipment itself wouldn't be proprietary, the layout and organization of the playscape, arts and crafts area, and video game area could have patentable concepts similar to the existing US patent number 6855064, "Arrangement for a playground for children" by Frank Sundahl /1. This patent simply describes the placement of a hollow structure, a slide, a swing and a rope and the features that each would possess. Patenting a few enabling claims to how we are able to fit our desired amenities into the small allocated space of an airport concourse store would provide an additional obstacle to any copy cat competition.

Next, hygiene is a major focus of ours. To be successful, we need to find or develop a cost-effective, efficient means of cleaning the play area often. A German patent, number DE 3616815, describes a device that will sanitize the sand in a children play sand pit /2. Although our company would not put effort into developing such a technology, the methodology we use for cleaning is valuable can be kept as a trade secret if not patentable.

Another area that can be protected with proprietary elements is a means to communicate with parents while their child is within the area, such as a smart phone application or buzzer system. Such a means of communication is essential for ensuring children get picked up on time and for building trust with our customers. If the elements of the application that make it user friendly and robust were protected, then this would provide our company protection.

1/Sundahl, Frank. Arrangement for a playground for children. US Patent 6855064. February 15, 2005.

2/Hoelter, Heinz, Heinrich Igelbuescher, Heinrich Gresch, and Heribert Dewert. Cleaning of children's

sandpits. DE Patent 3616815. November 19, 1987.

Images:

Playscape Example: [https://www.alibaba.com/product-detail/Home-Designs-Play-Areas-Design-And\\_60490724467.html](https://www.alibaba.com/product-detail/Home-Designs-Play-Areas-Design-And_60490724467.html)

Cleaning: <http://www.wisegeek.org/what-is-the-best-way-to-clean-marble-tiles.htm>

Phone: <http://www.wisegeek.com/what-is-email-notification.htm>

Trust: <https://www.convertwithcontent.com/category/email-marketing/>

<https://pixabay.com/en/baby-boy-caucasian-child-family-164897/>

# SUPERIORITY

Build trust with our customers through open communication and membership programs



Unfortunately, the potential proprietary elements would not be sufficient to sustain a significant competitive advantage. Therefore, we plan to provide a service that parents feel confident in and trust their children will be safe. One way to do this is to develop a reliable means for parents to feel connected to Airport Play while their children are inside, so they can get in touch with the staff or their children whenever needed. Another way to accomplish a strong relationship with our customers is by creating a membership in which they can join. If they become a member, parents will have the convenience of having the necessary information stored so they do not have to fill it out every time they travel. Also, we hope to partner with an airline membership program, such as Delta's Sky Miles. This would have the advantage of being endorsed by a known airline, and it will make choosing our service for current airline members even easier. Finally, we could even offer small incentives through the airline membership program to encourage the use of Airport Play.

## Images

People: <http://teaching.about.com/od/pd/a/Parent-And-Teacher-Communication.htm>

Southwest: <http://aviationblog.dallasnews.com/tag/mileageplus/>

American Airlines: <https://www.useaamiles.com/carhotel/>

Jet Blue: <http://frequent-flyer.wanderbat.com/l/10/TrueBlue>

Delta: <http://www.biscoff.com/earn-1-skymile-with-every-1-spent-at-the-biscoff-store>

# TEAM ASSESSMENT

Criticality	Success Factor	Description	Ranking						Gap Fill
			AW	DG	DB	MG	JW		
High	Airport Business Regulations	Deep understanding and ability to work through applicable regulations to enter into an airport.	1	1	1	1	1	<b>Hire Airport Business Regulations Expert</b> Estimated Cost About \$88k - \$96k 	
High	Service Experience	The design and architecture of the total customer experience through their lifecycle.	2	3	4	2	4		
Medium	Design and Implementation of playgrounds	The design and layout of the playground area based on available space. Taking this design, acquisition of components and installation of the playground.	3	4	4	4	1	<b>Hire Retail Store Manager</b> Estimated Cost About \$30k - \$67k 	
High	Play kit design	Design and creation of playkits.	4	4	2	2	3		
Medium	Retail	Management of the retail kiosk.	2	3	2	1	1		
Medium	Manufacturing	The production of play kits to sell through the playground kiosk.	3	4	4	2	1		
Medium	Supply Chain Management	Management of inventory on hand, and transportation of new inventory.	2	3	4	1	1		


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To begin this process, the team identified 7 Key Success Factors and their level of criticality. Each team member then self assessed their comfort and skill level against each item from 1(low) to 5 (high). If an item did not have at least one team member who ranked their scoring at 4 or above, the team agreed to prioritize that item for skills gap.

After the assessment, the team identified Airport Business Regulations, and Retail as our primary skills gaps. To fill this need, we plan to hire an expert to consult and navigate these regulations. After doing some research, we found that a standard salary for this types of positions would be 88k-96k and 30k-67k, respectively. Based on the level of effort, we can use this frame to scale back if a full time employee is not needed.

Funding these employees can come from initial startup capital as well as by including them as a key employee and granting equity vested by goals and work done, and valued based on our final valuation.

Image / Salary source: [https://www.glassdoor.com/Salary/Copa-Airlines-Airport-Manager-Salaries-E25999\\_D\\_KO14,29.htm](https://www.glassdoor.com/Salary/Copa-Airlines-Airport-Manager-Salaries-E25999_D_KO14,29.htm)

# CONCLUSION

## Why won't this concept work?

- Attractive market & unattractive industry
  - Barriers to entry
  - Large customer bargaining power
  - Large opportunities for substitution
  - No IP/differentiator
- Team skill gap
  - Airport business regulations
  - Retail management



From our assessment, we believe that the Airport Play concept will not work at this time. The market assessment shows an attractive market with multiple families in our target market demographic and the high traffic airport environment. The market also is expected to be steadily growing. However, high indirect competition within the market without any secure means of protecting our idea in the long run poses major challenges. In addition, the team has a skill gap when it comes to airport business regulations, which is an essential aspect of the Airport Play concept.

Images:

Picture: John W. Mullins, *The New Business Road Test* (Harlow, England: FT Prentice Hall, 2003, 2006) p. 6

THANK YOU

