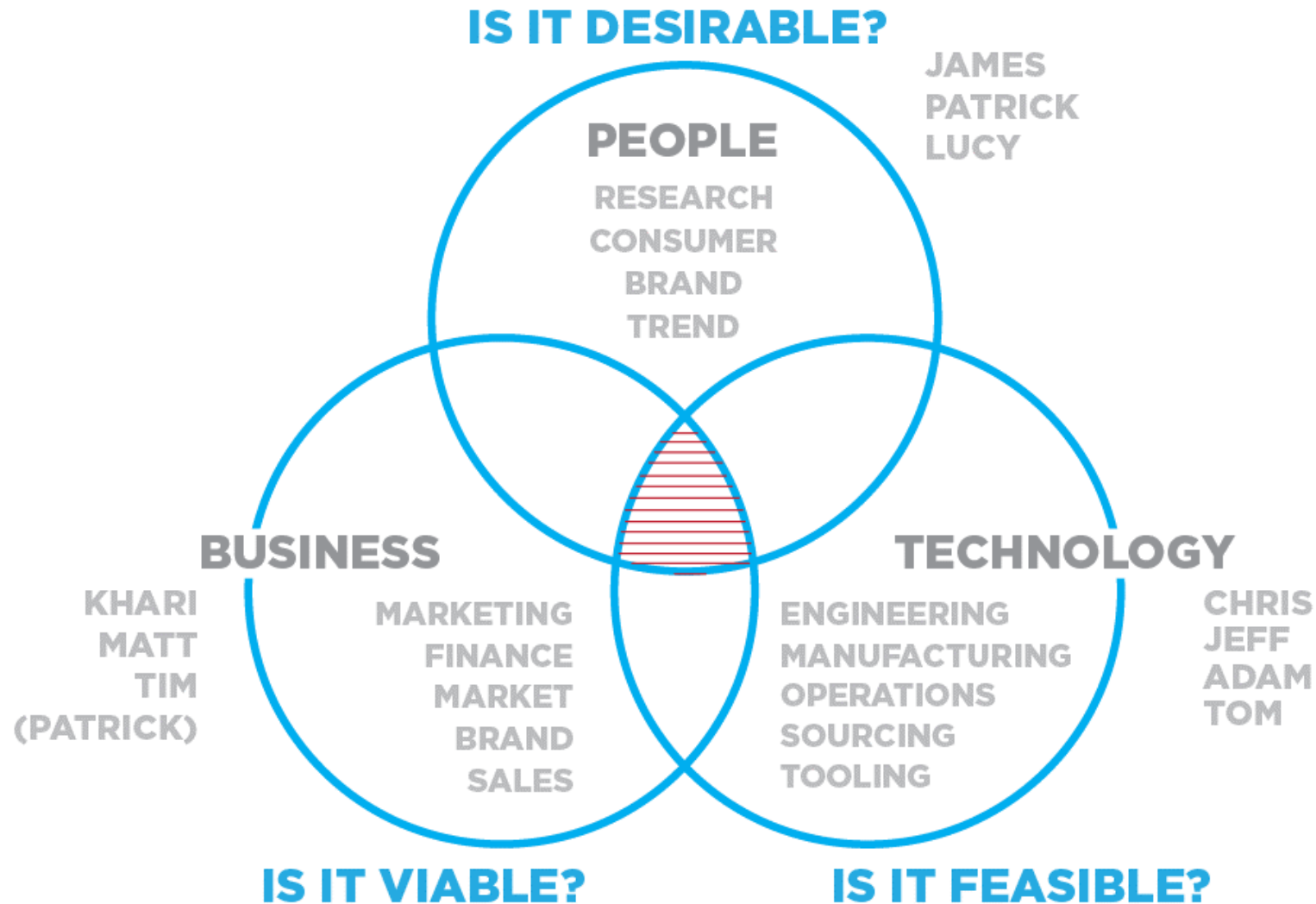


i-stage GOAL



BETTER KNIFE

I1 RECAP

VIABILITY

IS THIS MARKET INDUSTRY
VIALE FOR OUR
CONSUMERS?



BRIEF

HARD
WOOD



THE PROBLEM STATEMENT

Currently Leatherman doesn't have a wide selection of knives, and frankly we are not a player in this category. This is the beginning of building out a legitimate knife portfolio. The success to this project will be to create an authentic, rich and somewhat unique project that will cause the consumer to want this product. Features and benefits are assumed, so we need to create that connection and desire. The challenge will to remain true to Leatherman, the consumer, while stepping out a bit with its design.

PROJECT SUMMARY

BetterKnife



TARGET MSRP \$35/45

RTS: Q2

OPPORTUNITY

- Leverage Crater Platform
- Re-Launch Thinner Compact Knife
- New CMF Opportunity

RATIONAL

- Last Update 2008
- Extend to reach new consumer base
- Updates have the potential to improve margin (14-18%)
- Accretive to the business
- A majority of sales occur in the price band

CRATER C33 SALES

2013	2014	2015
\$1,524,734	\$1,341,595	\$1,342,965

2016 SELL-IN YTD

\$500K

TARGET CONSUMER SEGMENT



OUTDOOR

- Camping
- Hiking



EVERYDAY

- Mobile/Travel
- Everyday Carry

DISTRIBUTION

- Global
- Key Account Roll-Out TBD

FORECASTS

- 65K

COMPETITORS



PROJECT SUMMARY

BetterKnife



CATEGORY: Knife

CONSUMER SEGMENT: Outdoor/Everyday

PRODUCT SEGMENT: Camp/backpack

VERSIONS: 2

SKU: 4

PACKAGING: inline

PRODUCT TYPE: NM

PRODUCT POSITIONING:

- Proven functionality and durability from LTG
- Element of surprise in material and design

STATEMENT:

- Authentic
- Rich
- Create a connection and desire

TARGET CONSUMER AND ATTITUDE:

- Cross between Outdoors and Urban Outdoors
- Associates with the outdoor via dress
 - Logger boots, plaid
- Understands the future, associates with history, richness and classic cues
- Timeless is "cool"

KEY TECH:

- Standard- Crater guts, bottle. Tool- Philips, flathead, bottle

CMF:

- COLORS- Handle design dependent with more sophistication
- MATERIALS- Handle design dependent
- FINISH- Complement the overall design
- LOGOS/BRANDING- Rich execution, follow sample for clip

VIABILITY

- **Opportunity Summary** – a refresh will create a more desirable product and help stop the decline in sales.
- **Competitive Landscape**- NPD data states knives are \$117 mil in reporting Outdoor channels. Approx. 400k units and \$13 mil in this price range. Key players are SOG, Gerber, Buck, and so on.
- **Pricing Logic**- Sub \$65, sweet spot in the market and represents over 70% of the sales.
- **Channel plan**- Outdoor and Everyday

TOP SELLERS



Buck Nobelman Tit 9.7k. \$35

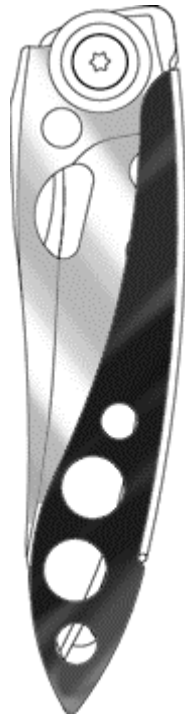


Salute- \$32 (45) 11k

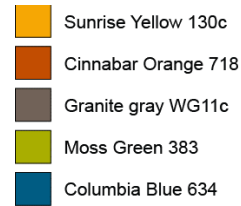
Source- NPD

PRODUCT LINE

- Looking at these three knife products as a line is of key importance and having a story that differentiates between the products since they are all sold in the outdoor channel.



Skeleknife



Juicy Knife



Better Knife

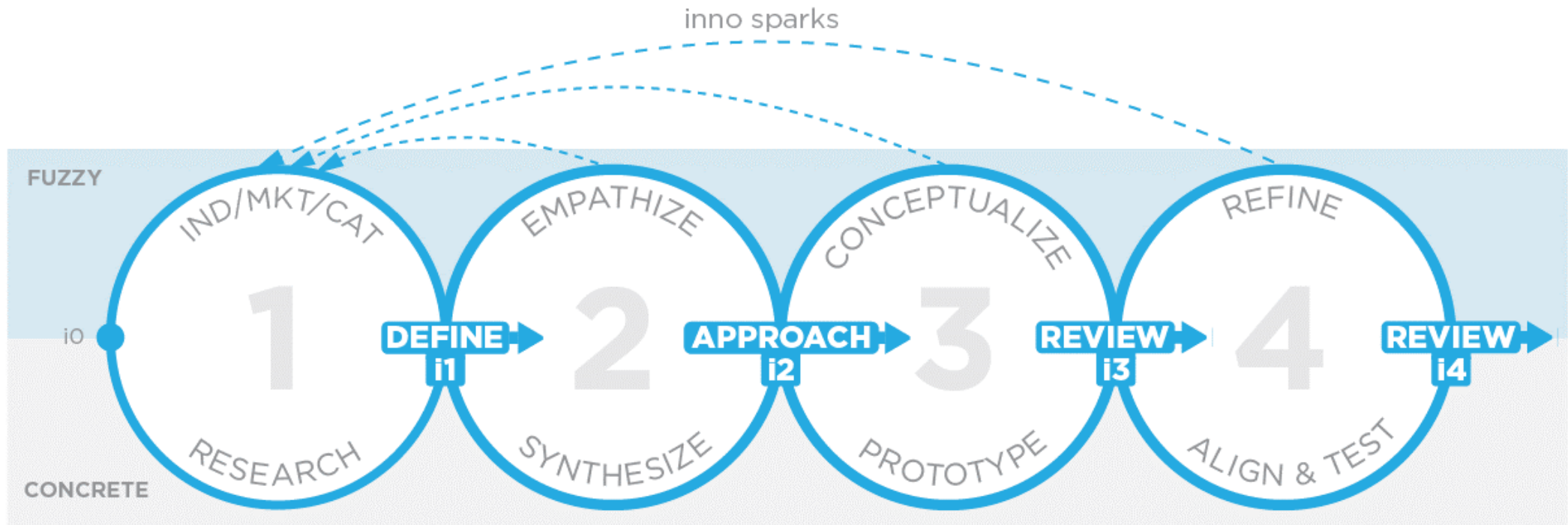
BETTER KNIFE

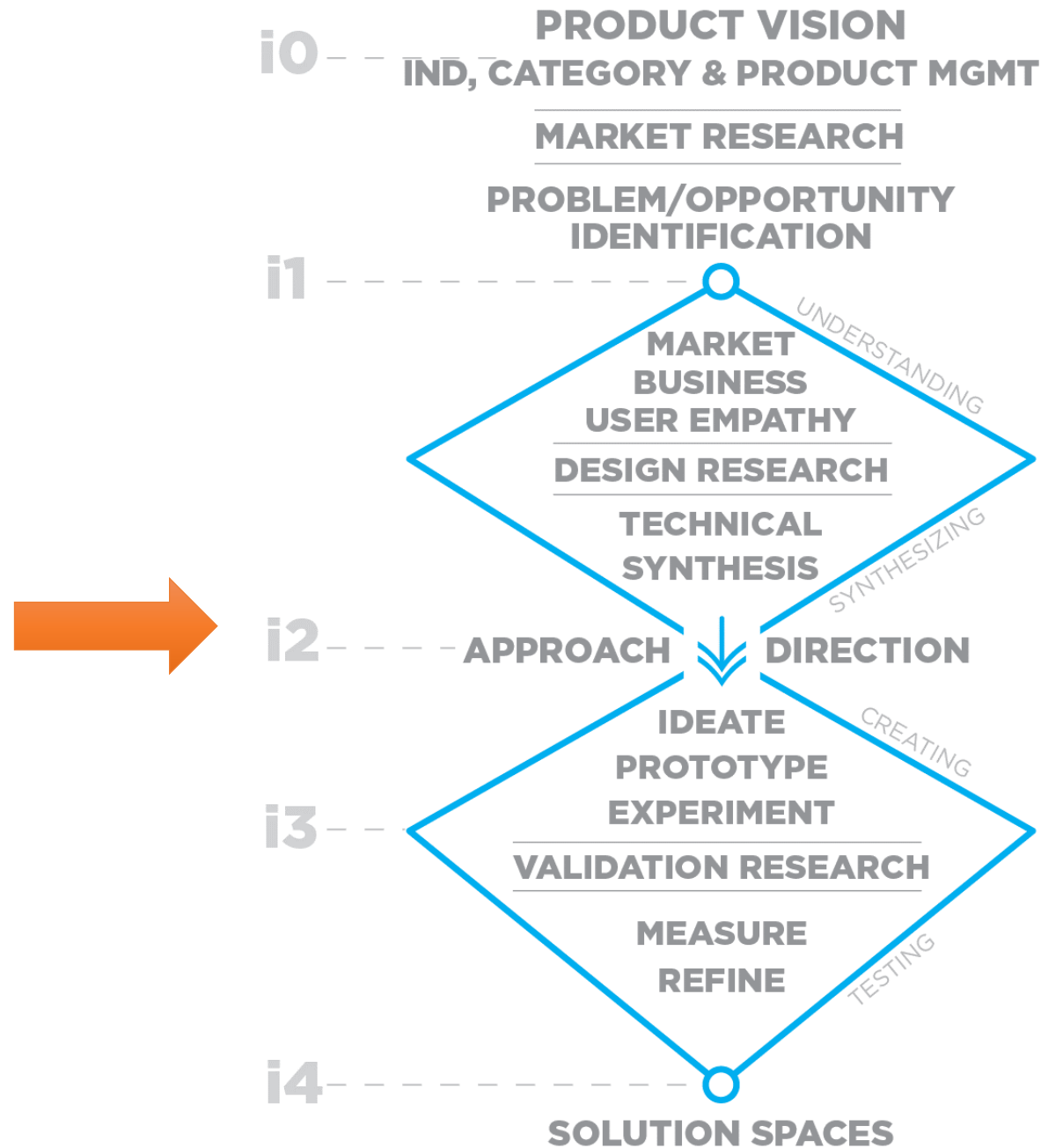
I2 STAGEGATE REVIEW

DATE: TBD

INNOVATION PROCESS

INNOVATION SPHERES





BRIEF



KICKOFF



APPROACH



(that is what we are defining today)

(that is what we are defining today)

**GOAL: TO PRESENT A PROJECT APPROACH THAT
ACTS AS A GUIDE FOR THE BODY OF DESIGN AND
ENGINEERING WORK IN THE NEXT PHASE**

**TO REACH i2 WE EMPATHIZE WITH THE
CONSUMER (BRIEF) AND SYNTHESIZE
INFORMATION IN ORDER TO GET TO AN
APPROACH**

POCKET KNIFE : BETTER KNIFE

DESIRABILITY

DOES THIS STOKE THE DESIRE IN CONSUMERS?

LET'S UNDERSTAND THE CONSUMER: RESEARCH

TREND

“In recent years, office-bound urban men have adopted the accouterments of their free-range rural brethren: the beard, the flannel shirt, the work boot.”

“The staple tool of fishermen and Boy Scout troop leaders is being embraced by guys whose principal workplace implement is a MacBook”

“In recent years, office-bound urban men have adopted the accouterments of their free-range rural brethren: the beard, the flannel shirt, the work boot.” NYT mens style – June 2015

TREND



Nigel Barker – Photographer

“He finds plenty of uses for his knife as a photographer.”

NYT mens style – June 2015

TREND

“I use it instead of my hands to open the boxes,” he said, adding that he also takes it out to trim his fingernails and cut tags off his children’s clothing. – Ben Brooks 32

Nigel Barker, 43, a New York-based fashion photographer, has noticed that the pocketknife has become de rigueur among the young hipster assistants he works with. “Almost part of their uniform is to have that knife on that belt or in that pocket,” he said.

NYT mens style – June 2015

TREND

As if the scourge of the hipster set on America wasn't scary enough, it turns out this group of too-cool-for-school cultural elitists are also arming themselves. *The New York Times* just penned a trend piece on pocket knives being all the rage for stylish dudes looking to tap into their inner mountain man – without actually having to go to the mountains and do anything.

TREND

In these EDC knives in 2015 SSI Data* reported double-digit decreases in the units sold for these folding knives, however there were only marginal losses in dollars. What that tells us is that people are buying fewer, but more expensive knives. Coincidentally, we see an inverse trend in the Internet channels, where there has been a sharper decrease in dollars and marginal losses/gains in units over the trailing 52 weeks, as of February 27, 2016.

SGB Today March 2016

TREND

“When they do (buy their second knife), they will pay for premium materials in a high-end folder or fixed blade to get them through another 15 to 20 years,” said Joyce Laituri, head of public media relations for Spyderco. This opens up for the ability for knife companies to make very specialized knives with unique feature sets for the customers who understand the value of owning and using a high-quality knife.

SBG Today

PRIMARY FIRST ROUND RESEARCH

RESEARCH

28% OF MEN CARRY A POCKET KNIFE

13% OF WOMEN CARRY A POCKET KNIFE

WHAT THIS MIGHT MEAN TO US?

FEMALE ORIENTED MARKET WORTH EXPLORING

RESEARCH OWNERSHIP

41% OF CARRIES OWN 5+ KNIVES

**WHAT THIS MIGHT MEAN TO US?
A HIGHER EMPHASIS ON GETTING IT RIGHT**

RESEARCH USE

35% OF 18-24yr OLDS HAVE CARRIED FOR
PAST 12-24 MONTHS

WHAT THIS MIGHT MEAN TO US?
A TREND GOING UP

RESEARCH USE

74% OF 45-54yr OLDS HAVE CARRIED FOR
OVER 5 YEARS

WHAT THIS MIGHT MEAN TO US?
A TREND GOING UP

RESEARCH BRAND RESONANCE

18-34yr olds

Gerber
Leatherman **Buck**
Other responses
SOG
Kershaw

Gen Population

Leatherman **Victorinox**
SOG **Buck**
Kershaw **Gerber**

45-54

Leatherman **Spyderco**
Kershaw SOG **Victorinox**
Gerber **Buck**
browning

65+

Leatherman
Victorinox
Kershaw **Gerber** **Buck**
SOG **Other responses**

WHAT THIS MIGHT MEAN TO US?
PRODUCT BENCH MARK ACCORDING TO AGE

RESEARCH USE

58% OF CARRIERS ALSO OWN A MULTITOO

**WHAT THIS MIGHT MEAN TO US?
TOOL SMARTS**

RESEARCH SIZE

55% MID SIZE KNIFE SAME AS CURRENT PLATFORM

**WHAT THIS MIGHT MEAN TO US?
MID SIZE KNIFE! SAME LINER?**

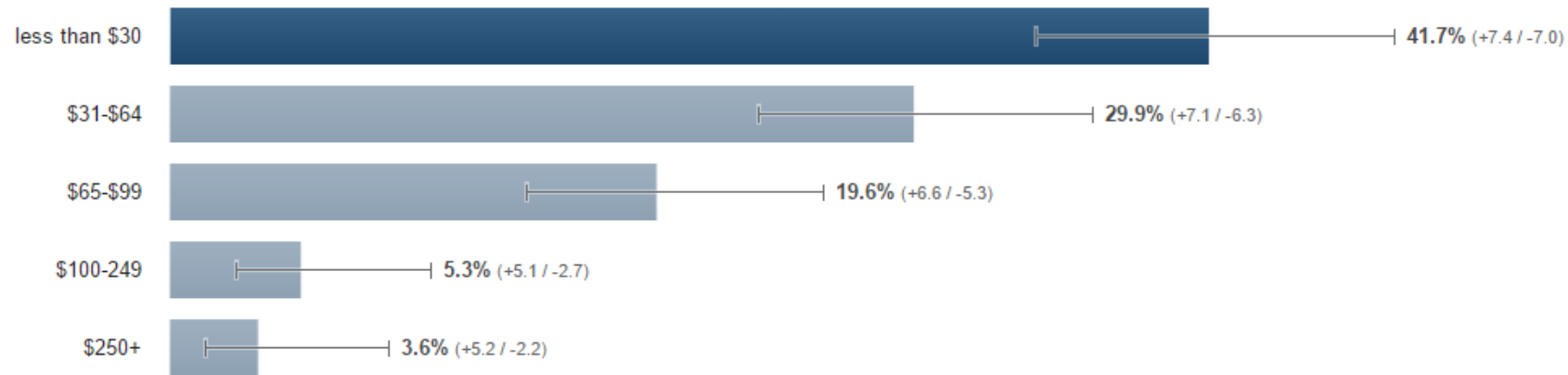
RESEARCH PRICE

SINGLE ANSWER

What do you expect to pay for a Pocket Knife?

Results for respondents with demographics. Weighted by Gender, Region. (177 responses) ?

Winner statistically significant. ?



WHAT THIS MIGHT MEAN TO US?
PRICE SWEETSPOT \$0 -\$64

RESEARCH TAKE_AWAYS

MALE DOMINATED MARKET

Female market worth exploring?

MAJORITY ARE GIFTS

How do we amplify & build on this?

TREND: 18-24 YR OLD URBANS

How do we address a younger user?

BABY BOOMERS
LIKE LEATHERMAN

How do we build brand
with a younger demographic?

PRICE SWEETSPOT
\$0 - \$64

Design and execute within the
sweetspot?



DESIRABILITY - DESIGN

CORE VALUES DESIGN

**DESIGNING FOR EXPECTED AND UNEXPECTED
INGENIOUS DESIGN
SAVING THE DAY
UNWAVERING PERSEVERANCE**

DESIGN FOR CONSUMER

+

CREATING AN EMOTIONAL CONNECTION

TARGET CONSUMER DESIGN

A CROSS BETWEEN A TRUE OUTDOORS TYPE AND AN URBAN CONSUMER THAT ASSOCIATES WITH THE OUTDOORS THROUGH THEIR DRESS, LOGGER BOOTS AND PLAID.

ASPIRATION





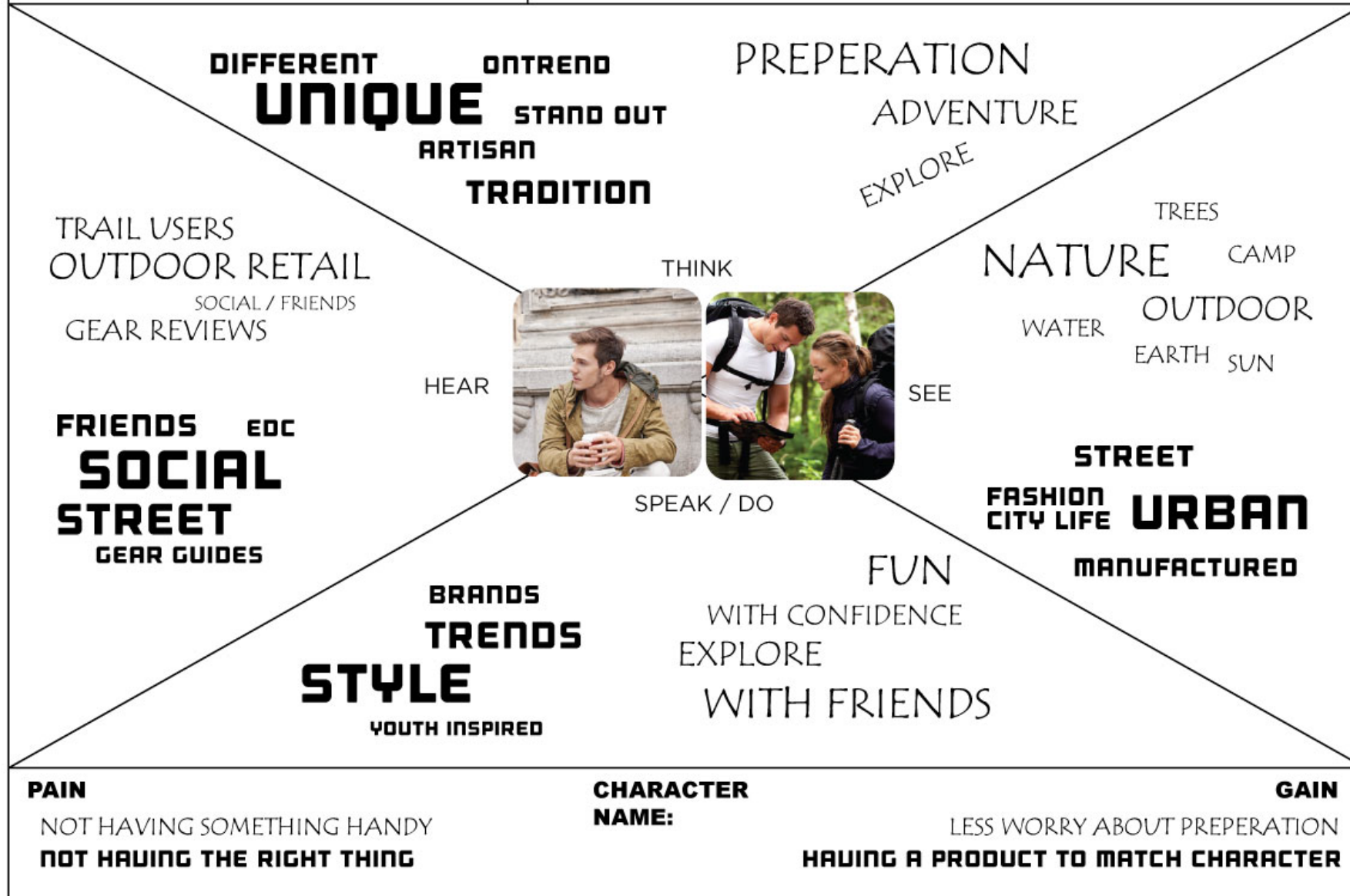
LUMBERSEXUAL | URBANITE | OUTDOOR INSPIRED | TREND

TARGET CONSUMER VALUE



PROJECT: BETTER KNIF

DESIGN TOOLS: EMPATHY MAP



EMPATHY MAP

JBUCKROYD:2015

ATTITUDE

What are their attitudes? "getting things done the right way"
 What do they value? - "lasts for life"
 What are the emotional points?
 Do they have separate work and personal attitudes?
 What do they believe?

**THE RIGHT STYLE
FOR ME**

ITS ABOUT THE EXPERIENCE
AND THE ACTIVITY

**THERES A LOT OF
OPTIONS TO CHOOSE FROM
I CAN AFFORD TO BE PICKY**



BEING PREPARED IS
PART OF THE EXPERIENCE

PERSONALITY

**CRAFT - DETAILS
WOODS, LEATHER CRAFT**

**DESTINCT
CHARACTER**

CRAFTED

LASTING

ORGANIC HONEST
AUTHENTIC FUNCTIONAL
PURPOSEFUL

HARMONIOUS

ATTRIBUTES

Using the attitudes from above , what features /
characteristic or parts come to mind? ie strong,robust,durable

SEEKING SOUL(s)

They live in urban environments and are highly fashion and culture conscious. Looking at what's new and trending, a resurgence in pocket knives has become a normality for the 18-28yr old. This generation grew up with being able to customize or have a variety of colors and finishes to a product.

"In recent years, office-bound urban men have adopted the accouterments of their free-range rural brethren: the beard, the flannel shirt, the work boot."

"The staple tool of fishermen and Boy Scout troop leaders is being embraced by guys whose principal workplace implement is a MacBook"

"In recent years, office-bound urban men have adopted the accouterments of their free-range rural brethren: the beard, the flannel shirt, the work boot."
NYT mens style – June 2015



DESIGN APPROACH

- **Design premise:**
A classic pocket knife designed for the Urban male inspired by outdoor lifestyle
- **Design Approach for i2 onward**
The current platform has no soul, doesn't stand unique through technology and other than price has nothing to drive desire. With two SKU's the feature differentiation should be based around the target consumer , To address the needs of an Urban Youth male who aspires to the outdoor and craft yet represents in an urban setting. We should instill the user with pride in their pocket knife and make them want to create opportunities to show it. This might be a feature driven excuse to put it in action, so the feature should be carefully considered
- Using perceived higher value materials that maximize the differentiation in the knife portfolio / product line. The other two knives (juicy and skele) are more technical, providing a different design direction. Natural materials of a non engineered nature i.e. reclaimed wood or leather collaborations could create a unique marketing point

PURPOSEFUL/CRAFT



GIFTED

BONE

CMF

WOOD
INLAY

TREASURED

BETTER KNIFE

EVERY DAY



"COOL FACTOR"
IN POCKET SHOW.

URBAN NEW MALE

"HELPLEFULNESS"

BOTTLE
OPENER

PRY
BAR

SCREW
DRIVER

OUTDOOR

"PREPARED"

ACTIVITY?

CAMP
FISH

SERRATED
BLADE

FIRE
STARTER

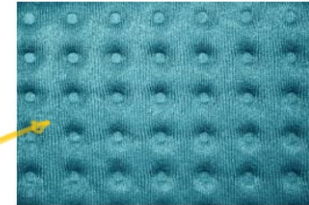
ROPE
CUT

TENT
PEGS

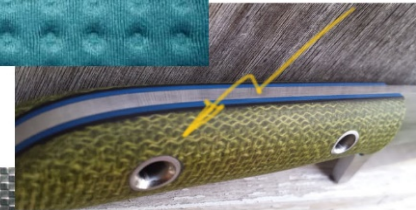
TOOTH
PICK



PATTERNED
"CONTROL"



"MANU"
MIGARTA

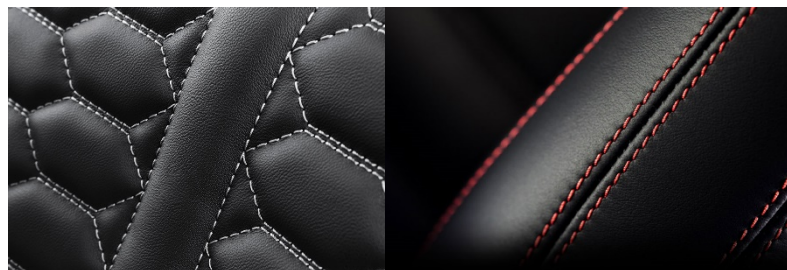
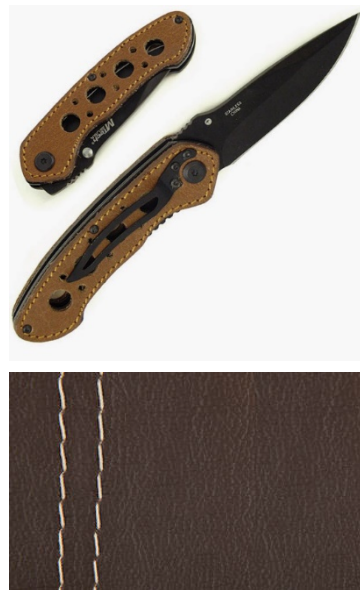


FUNCTIONAL
GRIP

TECH INSPIRED
METALS + DURABILITY.



MATERIAL THEME : WOOD



MATERIAL THEME: LEATHER

DESIGN: COMPETITIVE LANDSCAPE



SOG Twitch ii \$70



Deejo Wood - \$45



GERBER OBSIDIEN: \$44



KERSHAW Chill - \$24



BUCK
Bantam
BBW - \$15



BUCK METRO
: \$25



GERBER CURVE

DESIGN: COMPETITIVE LANDSCAPE



OPINEL: \$19



**SMALL
CLASSIC / UNIQUE
WOOD / BONE
NON LOCKING
NATURAL**



BUCK 302
SOLIAIRE : \$45



JAMES : \$150



BUCK 501
SQUIRE: \$69



BUCK FOLDING
HUNTER : \$80

BUCK 55
KNIFE: \$64

FEASIBILITY

Scope of engineering constraints



SCOPE & ASSUMPTIONS

SKU1	SKU2
FEATURES	
Thicker blade than Crater to enhance quality perception	“
Blade same length as handle(a)	“
Left or right pocket clip ability. Tip up	“
FORM	
Designed from materials that are perceived as quality and valued, wood, leather, metal	“
Strive as slender as can be made with contained features	“
Considerate ergonomics but design not driven by ergonomics	“
Hidden screws and fasteners from primary surfaces	
FIT, FEEL, FINISH	“
Audible and tactile click when open and closed (just blade)	Audible click closed for implements
Materials that wont scratch too easily when in pocket with keys and change	“
Good sensory material feel and balance in hand (a)	“
Smooth feel (constant blade opening force)	“

SCOPE OF ENGINEERING CONSTRAINTS

Time is the key factor that limits the scope of engineering work.

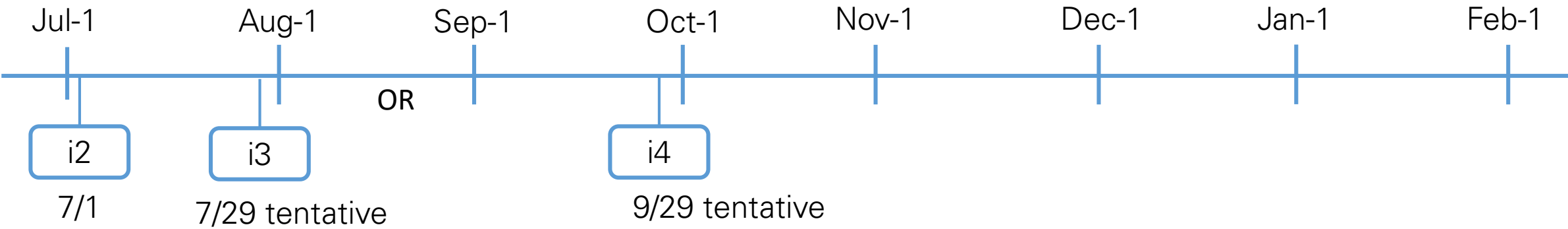
As such we will:

- Not pioneering new lock design
- Use known manufacturing techniques
- Use known structural materials
- Use threaded fasteners at pivots, not rivets

OVERALL APPROACH

- A classic pocket knife designed for the Urban male inspired by outdoor lifestyle
- **MAKE IT HIGHLY DESIRABLE**
 - Contemporary look
 - Natural materials (not engineered) resonate with this user. Wood, leather, metal
 - As a daily item, make it slim as possible
 - The ability to activate the “show and tell”
- **MUST HAVES**
 - Blade as long as the handle
 - Good balance
 - Refined feel

TIMELINE



NEXT STEPS

CREATING AND TESTING

Engineering and Design Concepts
Stylistic and interaction direction
Prototyping (work like, POC)