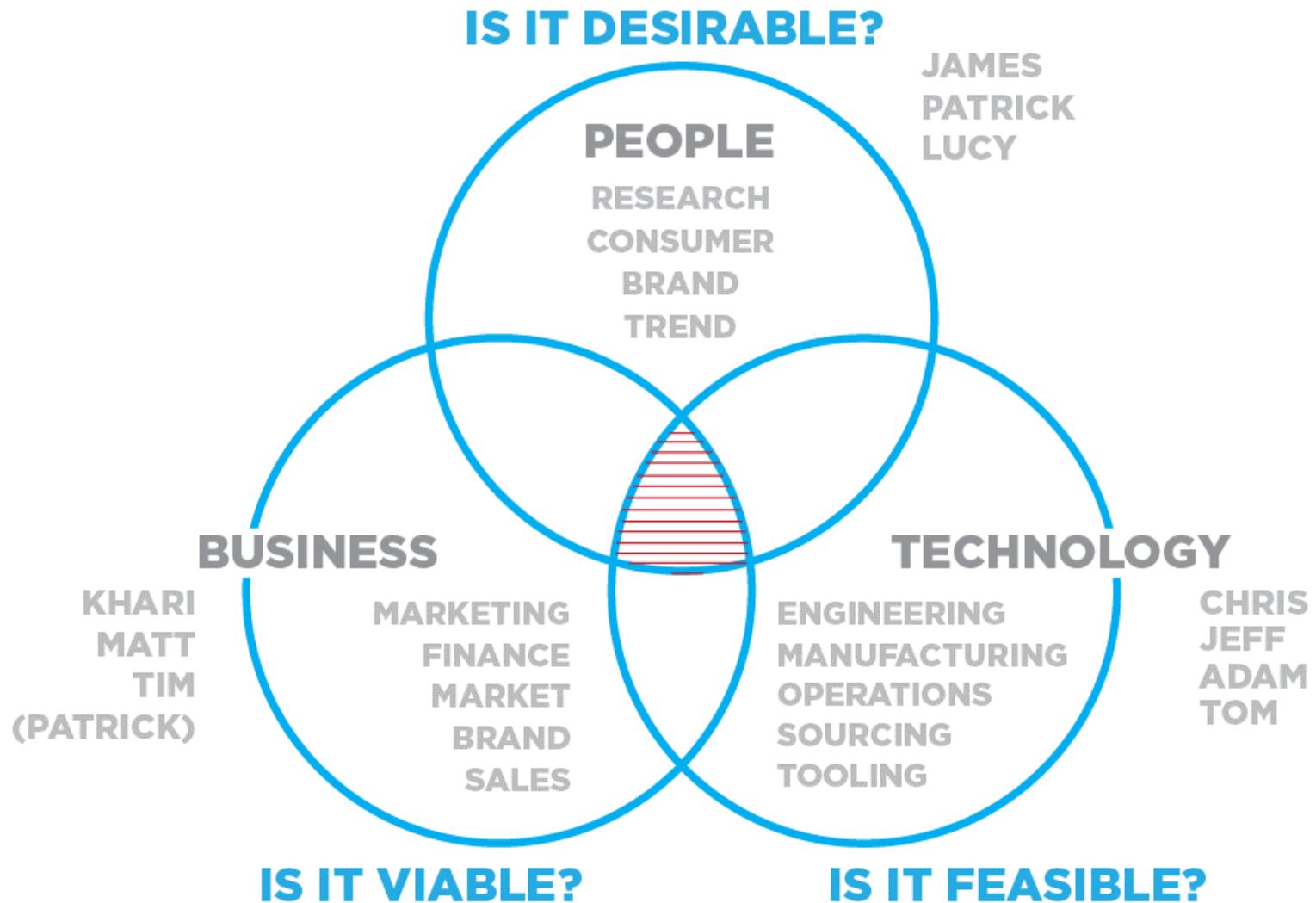


i-stage GOAL





BETTER KNIFE

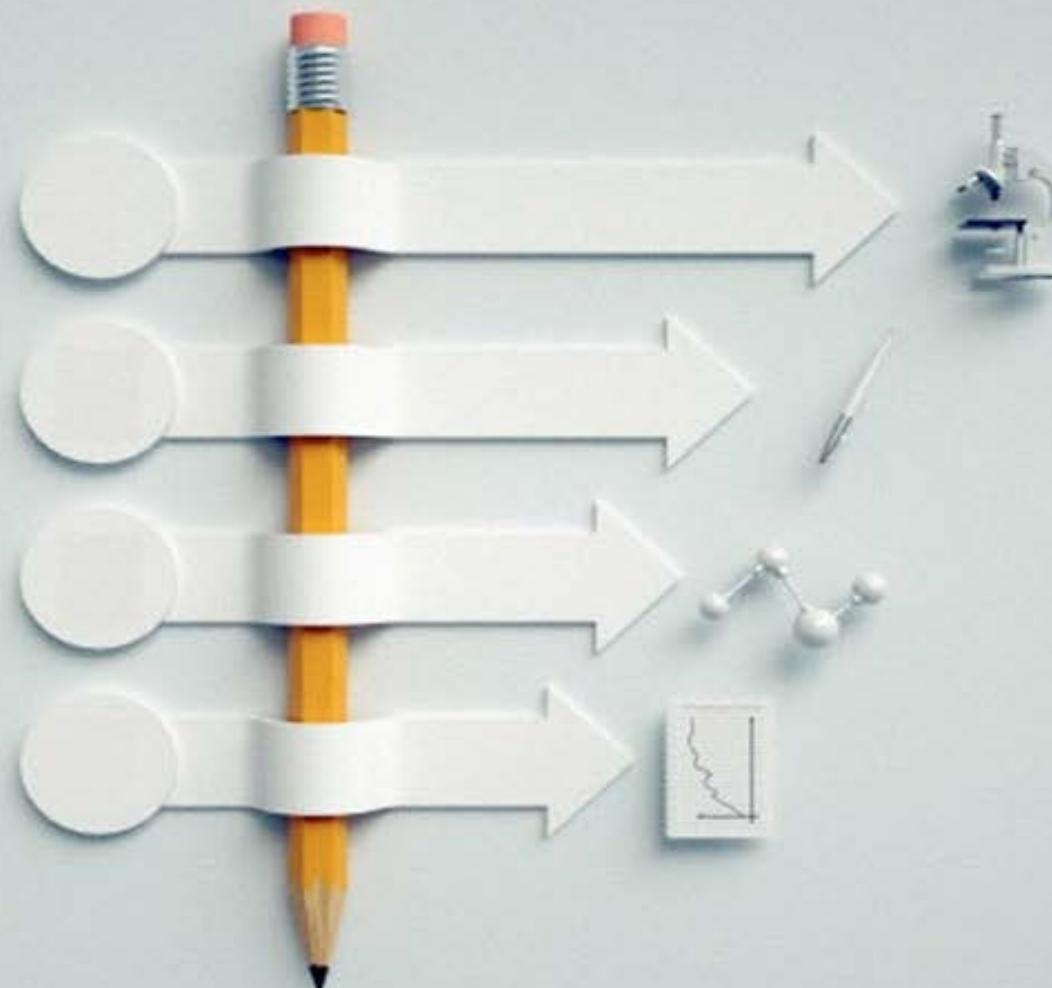
I1 RECAP



LEATHERMAN®

VIABILITY

IS THIS MARKET INDUSTRY
VIABLE FOR OUR
CONSUMERS?



BRIEF

KODAK
HARDI



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 be 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



- Camping
- Hiking

OUTDOOR



- Mobile/Travel
- Everyday Carry

EVERYDAY

DISTRIBUTION

- Global
- Key Account Roll-Out TBD

FORECASTS

- 65K

COMPETITORS



1902

PROJECT SUMMARY

BetterKnife



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"

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

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

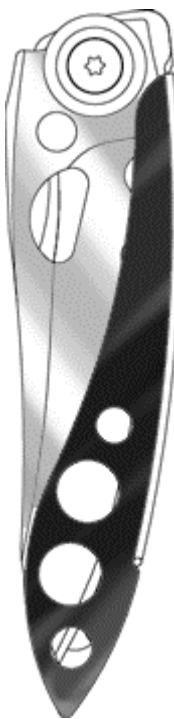


Salute- \$32 (45) 11k

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.



Sunrise Yellow 130c
 Cinnabar Orange 718
 Granite gray WG11c
 Moss Green 383
 Columbia Blue 634



Skeleknife



Juicy Knife

Better Knife



BETTER KNIF

I2 STAGEGATE REVIEW

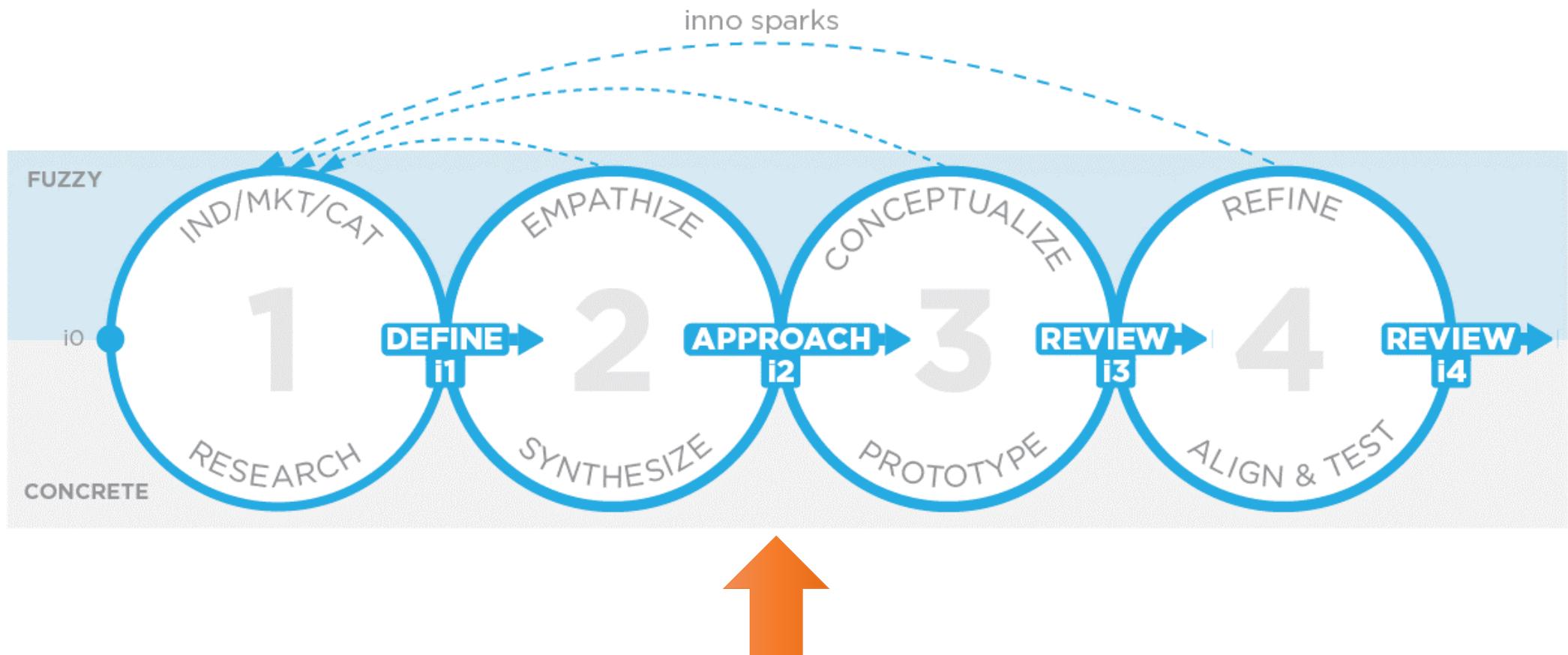
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LEATHERMAN®

INNOVATION PROCESS

INNOVATION SPHERES



PRODUCT VISION
i0 -- IND, CATEGORY & PRODUCT MGMT

MARKET RESEARCH

**PROBLEM/OPPORTUNITY
IDENTIFICATION**

i1

MARKET
BUSINESS
USER EMPATHY
DESIGN RESEARCH

UNDERSTANDING

TECHNICAL
SYNTHESIS

SYNTHESIZING

i2

APPROACH

DIRECTION

i3

IDEATE
PROTOTYPE
EXPERIMENT
VALIDATION RESEARCH

CREATING

i4

SOLUTION SPACES



**BRIEF
KICKOFF
APPROACH
today)**



(that is what we are defining

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 18-24 yr 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
Spyderco
Kershaw Gerber

45-54

Leatherman Spyderco
Kershaw SOG Victorinox
Gerber Buck

browning

65+

Leatherman Victorinox
Gerber Buck
Kershaw SOG Other responses

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

RESEARCH USE

58% OF CARRIERS ALSO OWN A MULTITOOL

**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?**

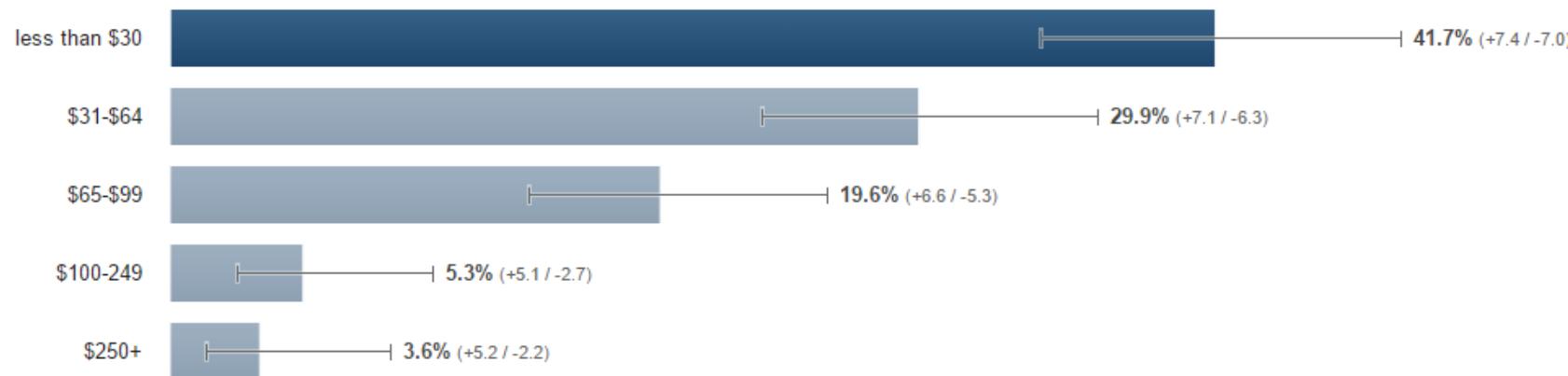
RESEARCH PRICE

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

Wood&Faulk

POLER

MADE & CRAFTED™
LEVI'S®



Brixton

PORLAND ORE.
TANNER
GOODS

OAKSTREET
BOOTMAKERS





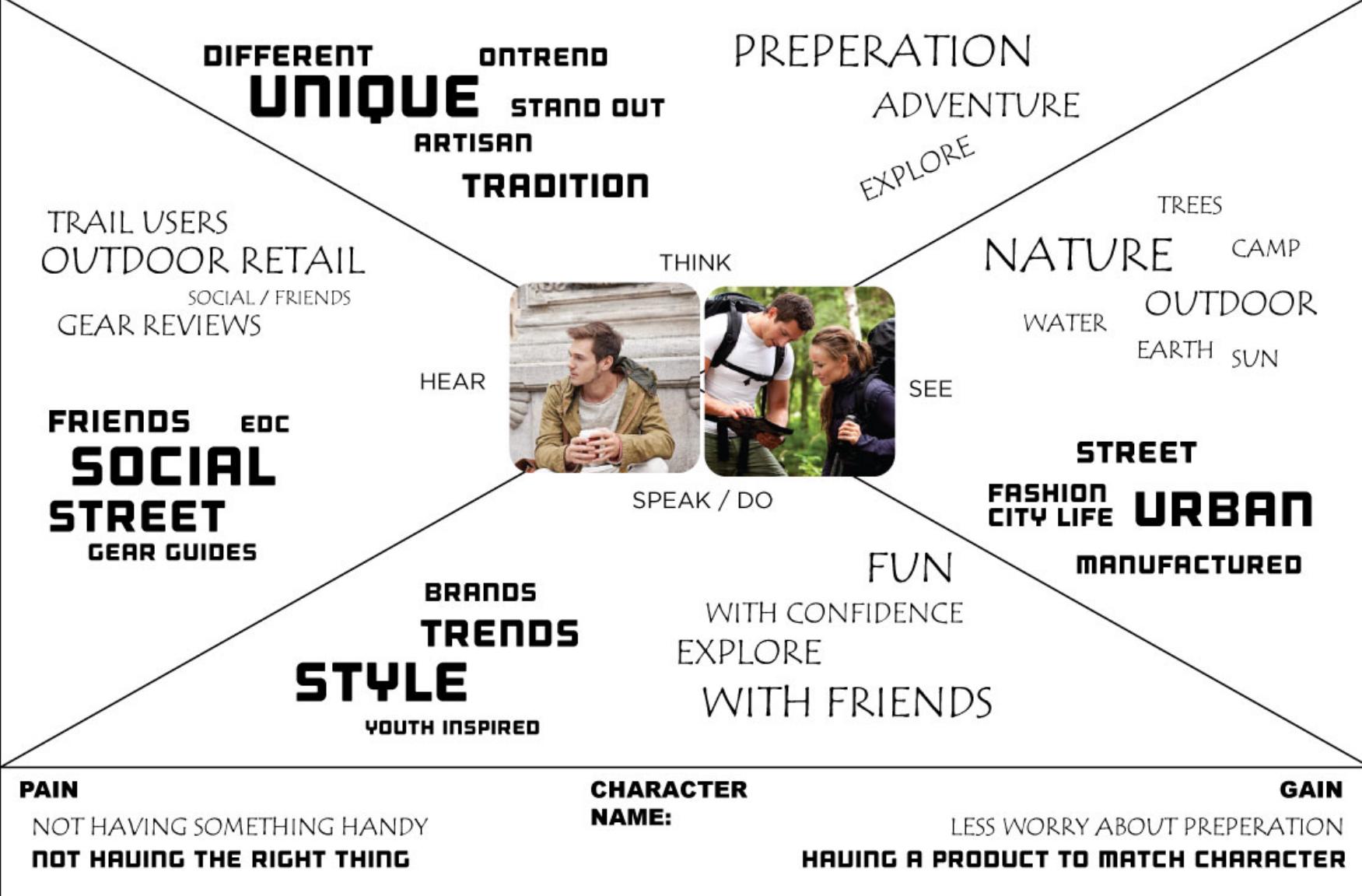
LUMBERSEXUAL | URBANITE | OUTDOOR INSPIRED | TREND

TARGET CONSUMER VALUE



PROJECT: BETTER KNIF

DESIGN TOOLS: EMPATHY MAP



PROJECT: BETTER KNIF**DESIGN TOOLS: EMPATHY MAP2****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

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



ITS ABOUT THE EXPERIENCE
AND THE ACTIVITY

BEING PREPARED IS
PART OF THE EXPERIENCE

PERSONALITY

**CRAFT - DETAILS
WOODS, LEATHER CRAFT**

DESTINCT CHARACTER

CRAFTED

LASTING

ORGANIC

HONEST
FUNCTIONAL
AUTHENTIC
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 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

BETTER KNIFE

EVERY DAY

PURPOSEFUL / CRAFT



TREASURED

GIFTED
BONE

CMF

WOOD
INLAY

"COOL FACTOR"
IN POCKET SHOW.



URBAN NEW MALE

"HELPFULNESS"

BOTTLE
OPENER

PRY
BAR

SCREEN
DRIVER

OUTDOOR

"PREPARE!"

ACTIVITY?

CAMP
FISH

ROPE
CUT

TENT
PELS

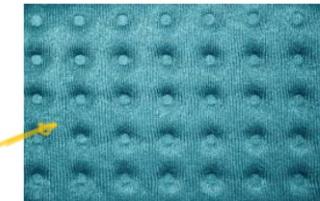
SERRATED
BLADE

FIRE
STARTER

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.

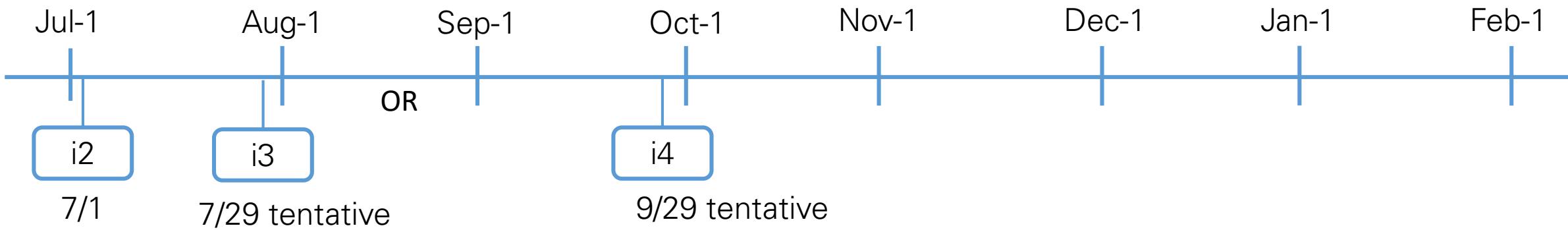
As such we will:

- 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)