



The Way Ahead.™

The Product's Launched... Now What!

*Introducing and Managing
Technically Complex Products
NorCal PDMA – November 2004*

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Today's Roadmap

- What is a successful customer experience for a complex product? How to get there as a sustainable system?
 - Investigate product complexity and customer success with a consumer product model
 - Introduce a complex “industrial” product and examine the parallel issues of customer success
 - Discuss solutions toward a sustainable, robust, economic model of enabling customer, and company, success



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A Complex Product



What's involved in the Product

- Hundreds (thousands?) of Parts or Assemblies
- Mechanical and Electronic Systems
- Upholstery
- But, eventually, the manufacturer has it designed, assembled and ready for a customer.
- So the product is ready to sell...
 - Shipping
 - Dealer
 - Financing
 - And that is just to complete the sale

A Satisfying Customer Experience

- Gas Stations, Auto Parts Store, Tire Stores
- Repair shops, Body Shops
- After market replacement parts
- Customizers, Stereo Stores
- Garage Door Manufacturers, Key Copiers
- AAA (maps, customized directions, etc.)
- GPS
- CarTalk, Edmunds, KBB
- Car Wash
- Resellers

But wait, there's more

- DOT, DMV
- Roads
- Highway systems
- Stop signs, Signal lights
- CHP
- Traffic school



Customer Training

- How do you know how to use your Car?
 - Watch our parents as small children
 - Parents train the kids
 - Pay for Driving School
 - Pay classes so public schools can offer driving classes
 - Pay for Traffic school when we need a refresher
 - We pay insurance so we own the liability if we have an in use failure due to lack of knowledge

The Complete Customer System

- The Shrink Wrapped Product
 - Product
 - Distribution
 - Mechanism to complete the sale
- Training to use the product at all
 - Additional training to achieve proficiency
 - May be mitigated by extensive experience
- Source of ongoing supplies
- Routine maintenance system
- Repair system for product failure
- Connectivity system
 - Training to use the connectivity system
- Various ‘Complementary Assets’
 - To allow system personalization
 - To fill create more advanced/friendly product usability

Another Complex Product

- 1.3 million 'features per chip'
- 5 Mbyte data file
- Product includes –
 - Array
 - Reagent Kit
 - Instrument System
 - Software (OS, Image Analysis, Data Analysis, Product Files)
 - Instructions



HUMAN GENOME ON A CHIP

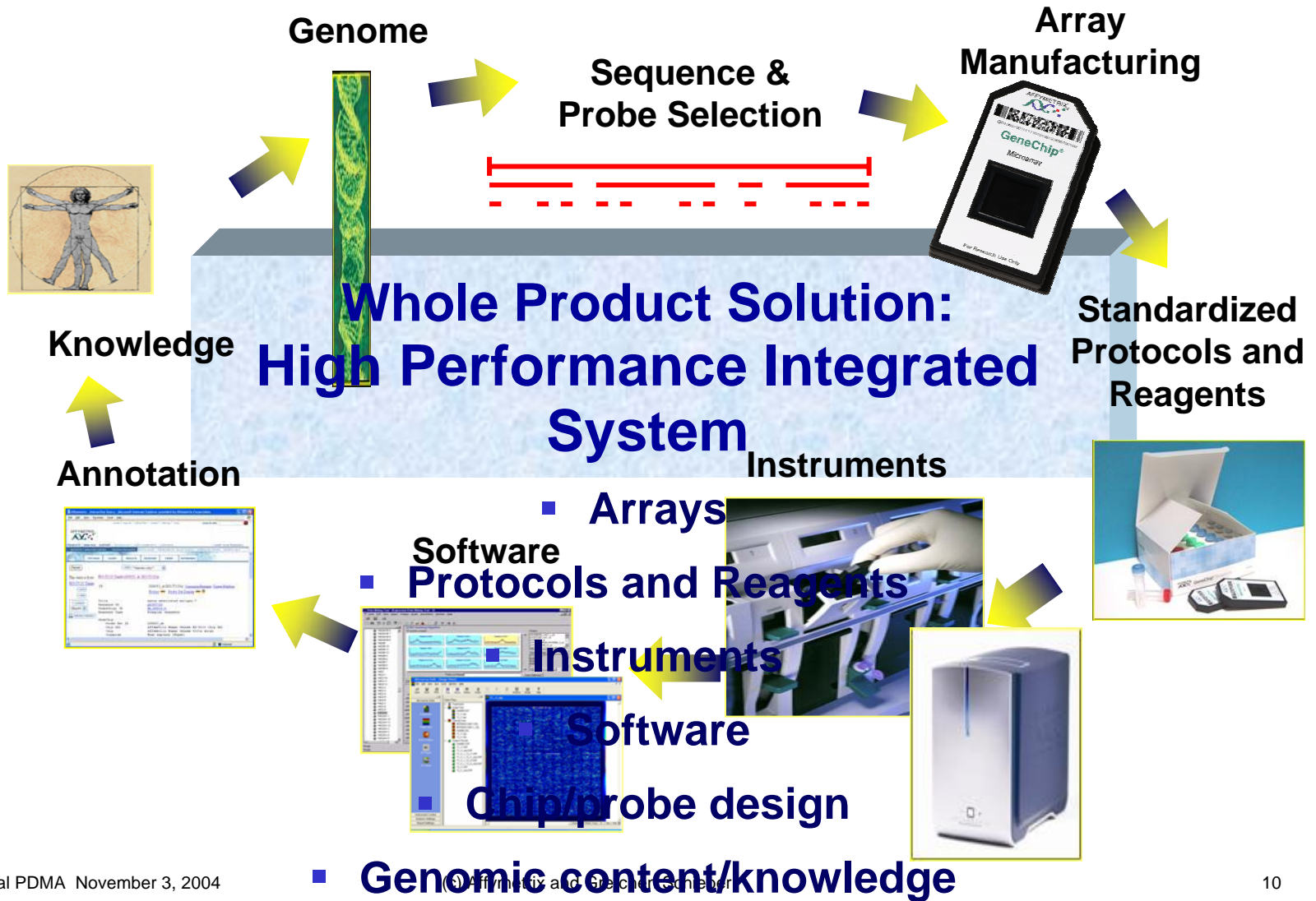
Every cell in your body contains a copy of your entire genetic makeup—some 50,000 known genes and gene variants. But to make that information useful to scientists who are trying to identify genetic markers for cancer and develop drugs that target specific genes, a tool was needed to isolate each gene and make it easily identifiable. The new GeneChip from Affymetrix does just that. While previous chips each contained a portion of the human genome, the GeneChip is the first to fit the whole thing on one.

INVENTOR Affymetrix

AVAILABILITY Now, \$300 to \$500

TO LEARN MORE affymetrix.com

Whole Product Solution



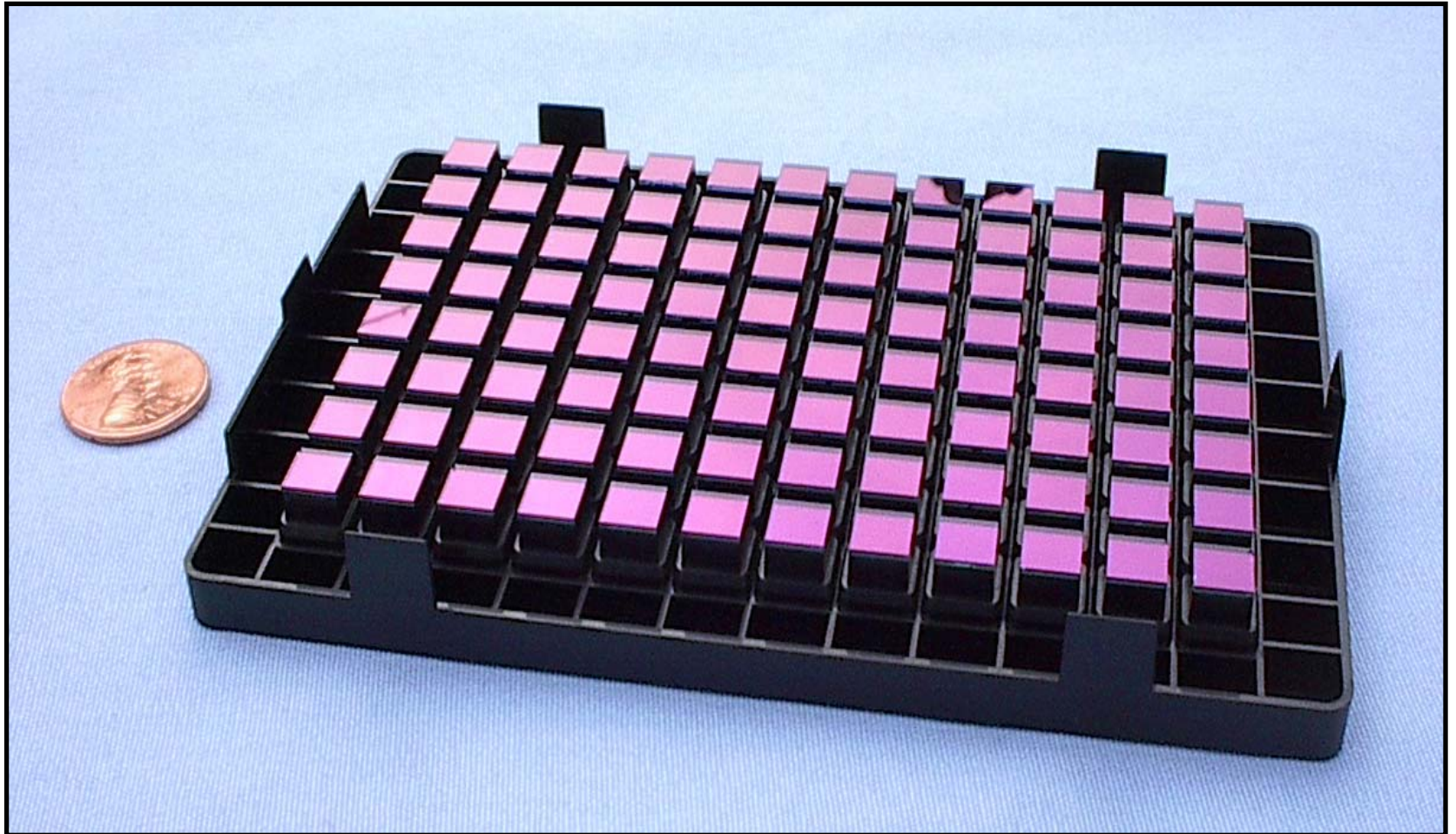
Example – Mapping 100K

- Human DNA encodes 3 billion bits of info
 - We are all 99.9% identical at the DNA level
 - Product enable the examination of the 0.1% of DNA where we are different (100,000 of the places (SNPs) in the DNA that differ between individuals)
- “Whole Genome Scan” finds:
 - Places in the genome that correlate w/ disease
 - Places in the genome that correlate w/ drug response
 - Places in the genome with anomalous copy number that may relate to cancer
- Enabled experiments impossible to accomplish before



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Industrializing Genomics: HTA

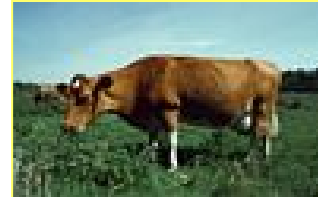


Multiple Markets

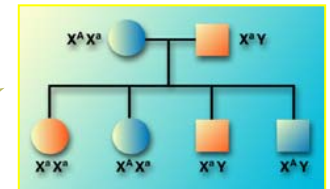
Environmental testing



Livestock diagnostics or grading



Food testing



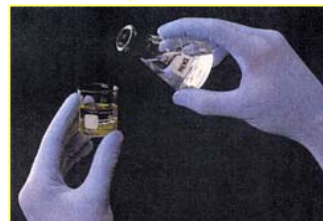
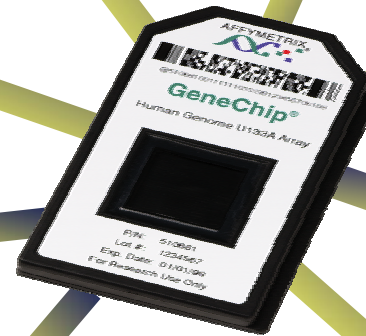
Identity testing



Human diagnostics



Agricultural biotech



Basic Research



Personalized medicine

The Questions

- What Post-Launch systems need to be in place for customer success?
 - Training
 - Support – to enable routine success
 - Service – to recover from product problems
- How to do this so that the Company achieves economic success?
 - How do you get customers successful so they are happy with the product and their needs are met?
 - How do you get customers successful so they buy and continue to buy?
 - How do you keep customer successful without spending all potential profit on Service and Support?

A Confession – Part One

- My company does this well...
- But not well enough
 - Too much support resource needed
 - Too many systems needed
 - Imperfect information to customers
 - Imperfect information about customers
- We seek better solutions



A Confession – Part Two

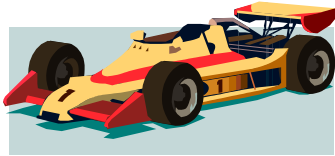
- My company faces a dilemma
- Our complex product has a relatively high need for service and support
- As we have increasingly sought a broader market, we work with more customers that need more support for smaller orders
- The Less Sophisticated Customer
 - Will buy less product, generating less revenue
 - Will need more support, both internal and field
 - Will be more likely to have use errors that result in a product return
- How can we get more bang for our service and support dollar?

Getting to a Satisfied Customer for Affy

- Site Preparation
- Delivery
- Installation and OQ for instruments
- Training the Customer
 - User's Manual
 - Training CD
 - Field Application Specialist (FAS) on site
 - Customer having problems because they didn't get it the first time – FAS goes back
 - Customer wants to use another application – FAS goes back
 - Customer having problems because they really don't do this kind of procedure very often – FAS goes back



More Information



- Technical Notes
- Application Notes
- Example Data Sets
- Analysis Support Files
- Tutorials
- NetAffx
- Training CDs
- Webinars
- 3rd Party Software

Customer Training

- Train at customer site
 - Labor and cost intensive
 - Personnel dependent
- Create a training center
 - On site at company
 - Capital and overhead intensive
 - Equipped and staffed
 - Needs a critical mass of training to be feasible
 - ? Are there other options for hands-on group training??
- Create media based training
 - Difficult to do well
 - Not sufficient for a laboratory product
- ? Is third party training feasible??



Support and Service

- Ongoing Supplies
 - Company provided (direct or OEM)
 - 3rd party vendors
- Company engineers provide routine maintenance
 - ? Contract out?
- Troubleshooting
 - Guide in User's manual
 - Phone support
 - Retraining
- Failure recovery
 - When to repair in the field
 - When to return to company for service
 - When to replace
 - Who makes the call



That Pesky ROI Bit

- How can you keep service cost effective?
 - Extensive support on website
 - Computerized knowledge base
 - More extensive training up front
 - At customer's site
 - At Training Center
- How to cover cost of service
 - Charge for it
 - Comp it into larger order
 - Build it into pricing structure
 - Add on pricing
 - Service contracts
 - Triage System based on customer criteria



Conclusions

- A customer won't buy what they can't use
 - How to use the product
 - How to keep it working smoothly
- Success is shared between the customer and the company
- Solutions need to be complete
- Solutions need to be cost effective

Questions?

Ideas?

