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- The estimated size of the total market (based on Terry Lui's information) was only \$10,000,000 per year, one-fifth the size of the small businessperson market. The "design" market was growing at only about 8 percent per year, whereas the SOHO market was growing at 30 percent per year.
- The current market leader, MicroMax Graphics, held about 70 percent of the total "design" market and had a good reputation in the field.

Terry Lui had countered those points by noting:

- The B-4000 is a better product than the one offered by MicroMax Graphics and it is Marketing's job to sell that product. Interviews with prospective customers should be conducted immediately to determine what features were critical to this market.
- The margin on the B-4000 is 25 percent higher than on the A-3880.
- Arkan's strength is in research and development, and the B-4000 is proof that R&D remains critical to the firm.

Linda Muir also thought that the graphic design market might put a higher emphasis on graphical capabilities than the B-4000 line encompassed. She wondered whether Arkan had the capacity to be competitive in such a technology.

Terry Lui agreed that the graphic design market was a new field for Arkan, but he noted that the B-4000 already scored better on tests for distortion elimination than the existing competitors. He felt confident that the firm's scientists could maintain that lead.

## THE DECISION

Later that day, Jason Nelson reflected on the arguments. He believed that Arkan did not have the resources to pursue both alternatives. He was also concerned because he saw the broad mission of the company as a focused, growth-oriented firm dedicated to developing technically superior products. *Well, this decision must be made soon, thought Jason, and I want it to be right.*



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