



PromenAid

Managing growth in an E-commerce world

ANANYA GUPTA, ETHAN GUSWILER, SRI KAVIKKAL, JAKE SONDERGARD

Agenda

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- ▶ Background
- ▶ Analysis
- ▶ Alternatives
- ▶ Recommendations
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- ▶ Risks and Mitigations
- ▶ Implementation
- ▶ Conclusion

Executive Summary

Goal

- Stimulate demand and manage growth of PromenAid's innovative and modular handrail product

Recommendation

- Realign business strategy for e-commerce and capital light fulfillment model

Result

- Revenue of **\$19 million** by 2020 (vs target of \$15 million)
- 2020 EBITDA almost two times the current projections



Background

PromenAid's Market is Untapped and Growing

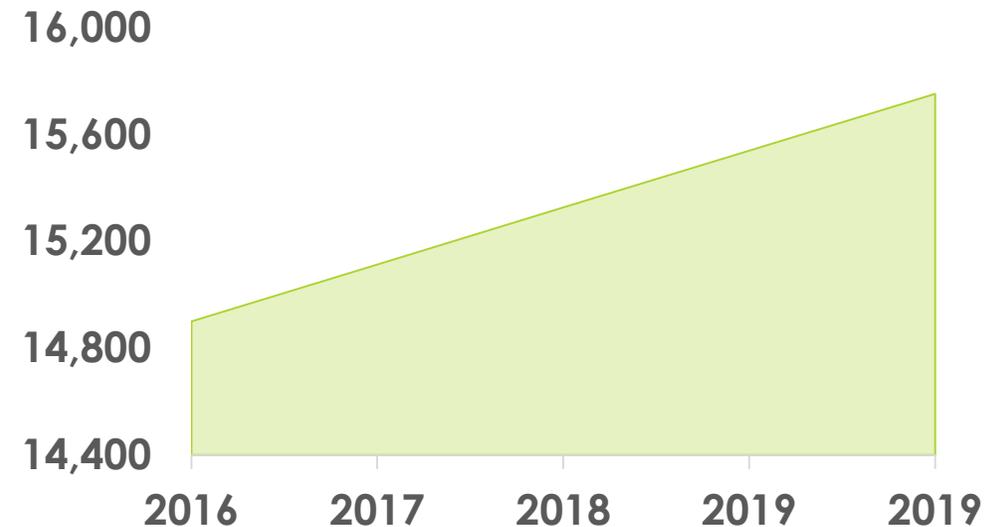
- ▶ Current Households with 65+ individuals with mobility issues:

14,900,000

- ▶ Projected Annual growth in households:

425,714

Projected Households with 65+ mobility Issues (000s)



Analysis

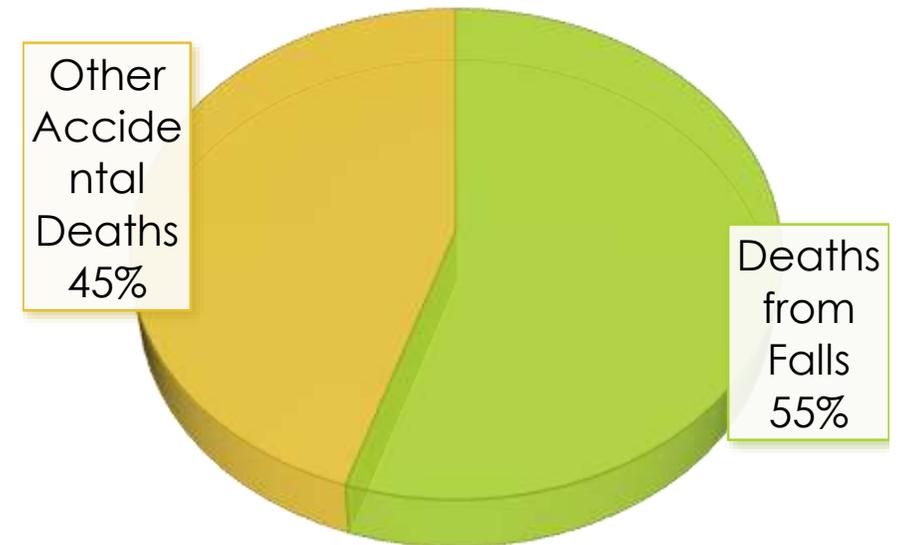
Product Analysis

Why is there a need for this product?

- ▶ Societal need
- ▶ Falls are the number one cause of accidental deaths

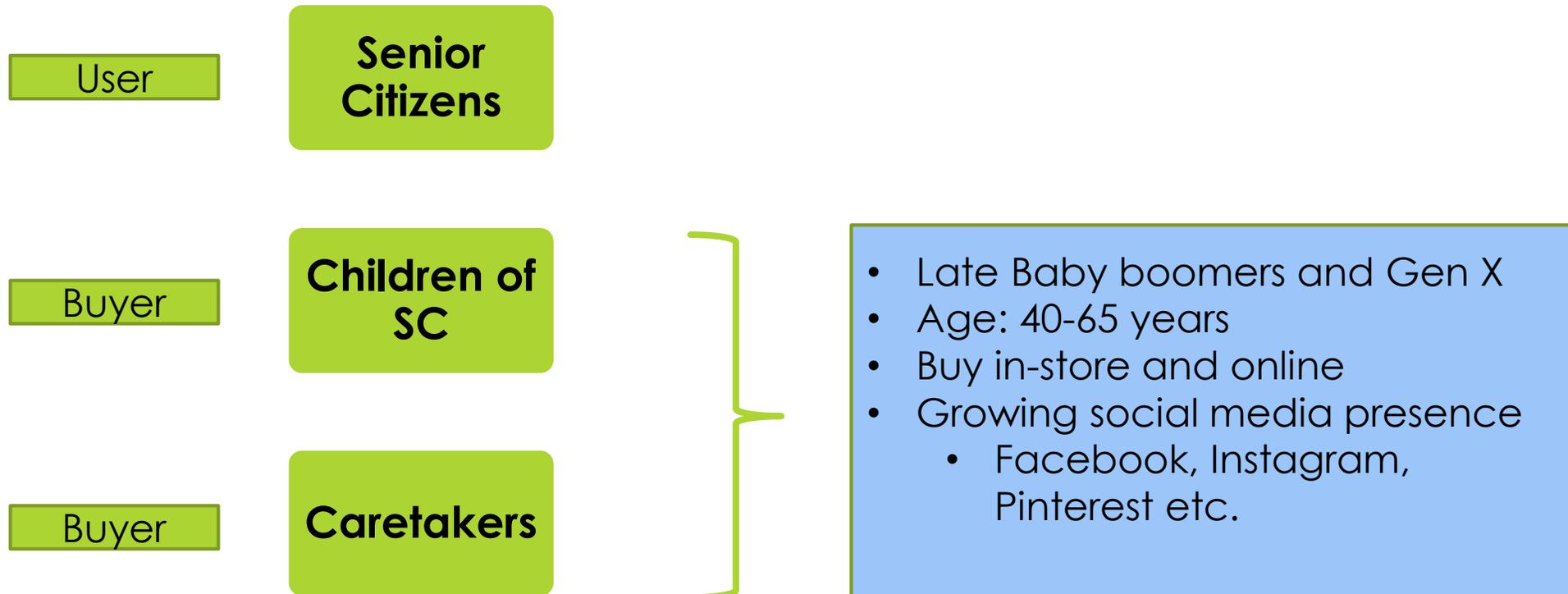
Where are handrails needed?

- ▶ “Rarely found but highly recommended”
- ▶ In homes of mobility impaired folks
- ▶ Typically senior citizens in multi storied spaces



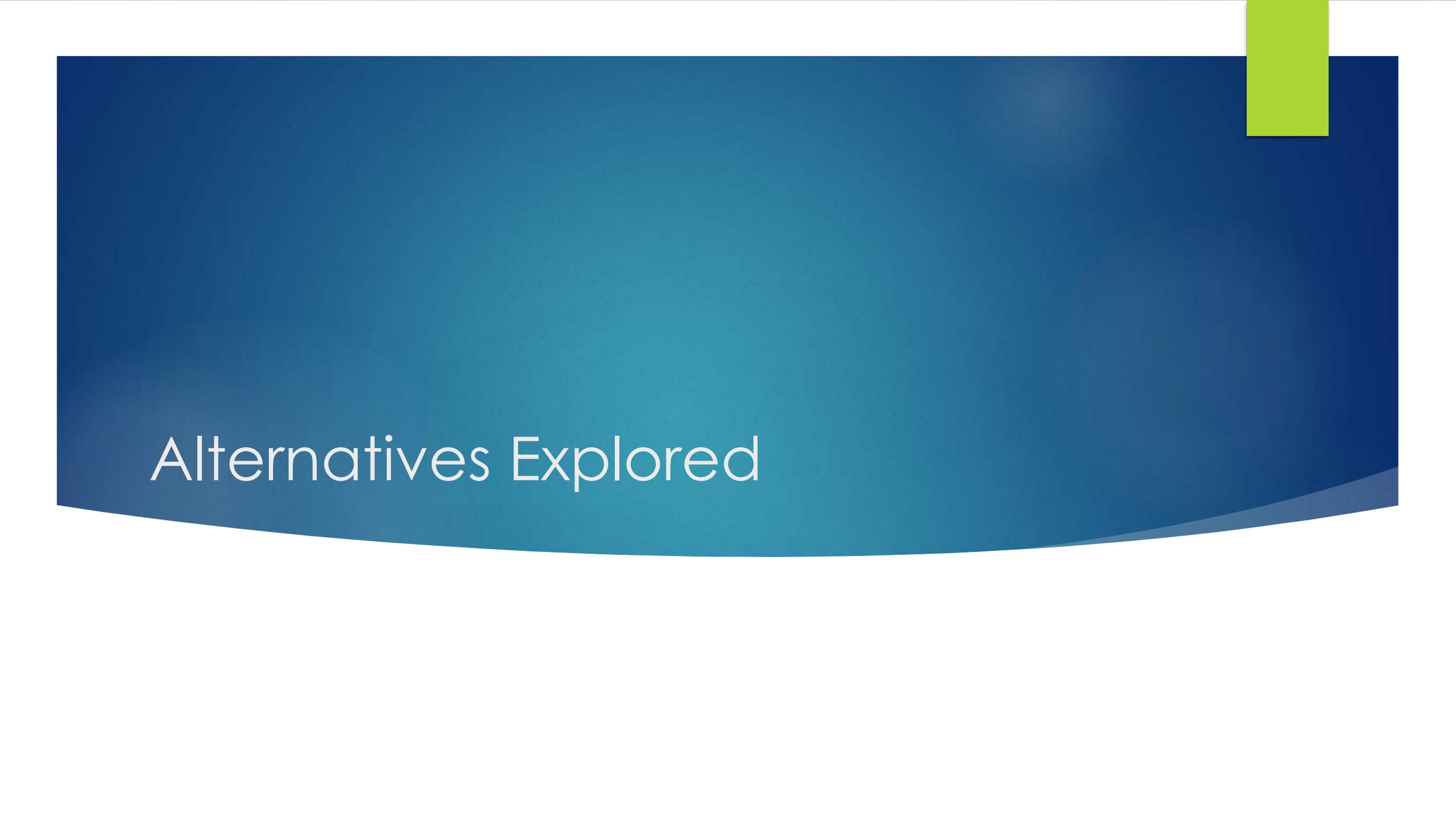
Target Segment: Residential Specialty Segment

Customer identification and targeting



Differentiation opportunity for PromenAid

	Price	Strength	Code compliance	Ease of installation	Aesthetics
Wooden Railings	\$30-60	●	●	●	○
Metal Fabricator	\$40-80	○	●	●	●
Hybrid	\$30-50	○	●	●	○
PromenAid	\$35	○	○	○	○



Alternatives Explored

Expand Products into Big Box retailers

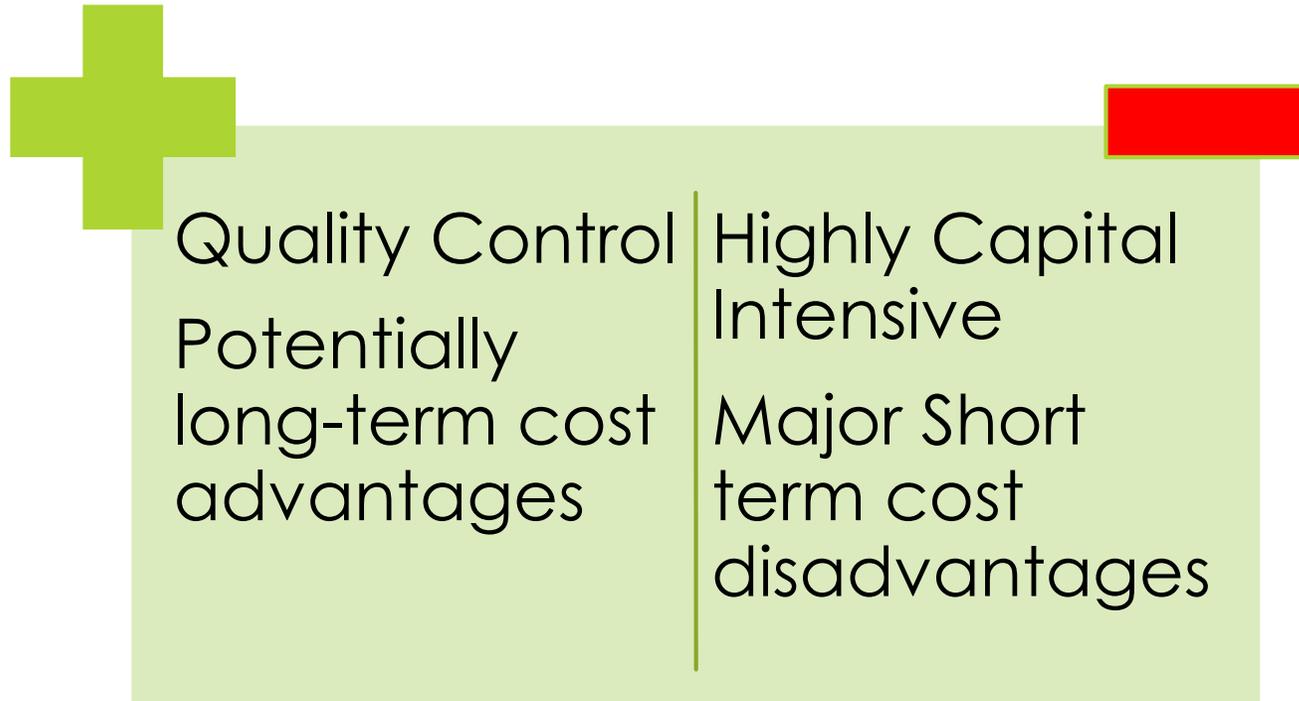


Potentially larger reach



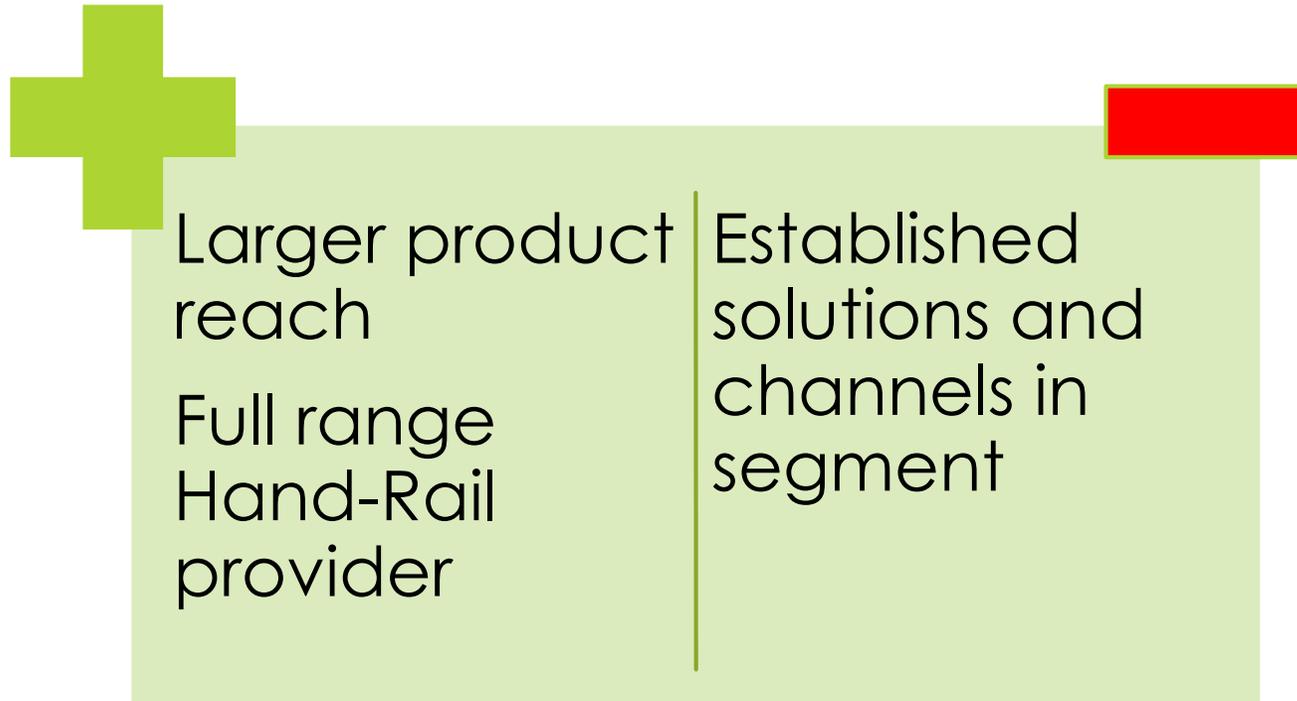
Capital Intensive
-Promotional needs
-Retail Support
Greater Personnel demands

Invest in developing in-house manufacturing



Quality Control Potentially long-term cost advantages	Highly Capital Intensive Major Short term cost disadvantages
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Develop product strategy for Commercial Market



Recommendations

Realign business strategy for e-commerce and capital light fulfillment model

Social Media Strategy

Product Differentiation

Specialised Targeting

Social interaction

- Boosts sales by 2.5 times compared to no social interaction

Influencers

- Growing social media presence
- Followers identify with them
- No long term contracts, pay per campaign

Google AdWords
and video
advertising

- 65% of sales and impressions are created
- Drive more traffic

Executive Summary

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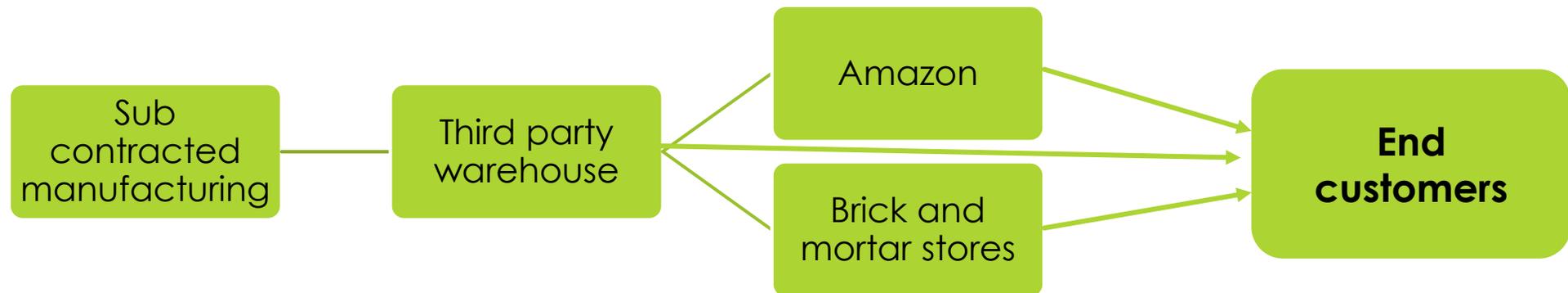
Alternatives

Recommendation

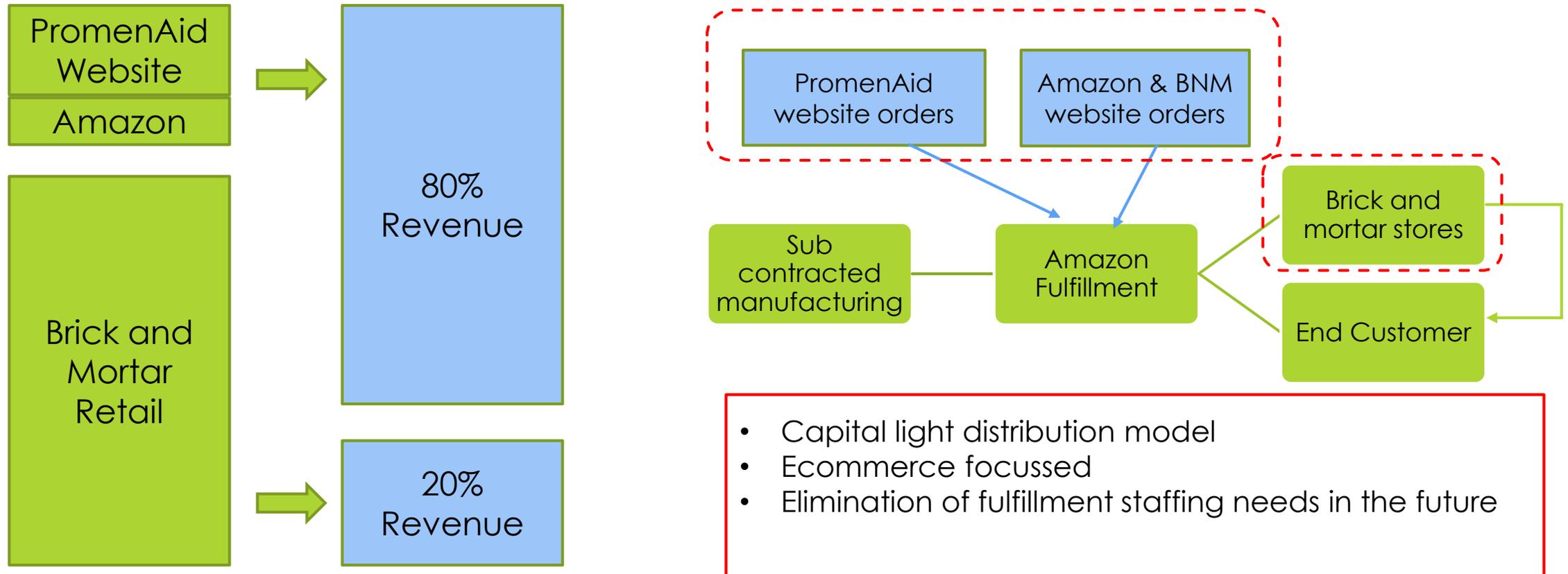
Implementation

Conclusion

Operational Distribution Realignment



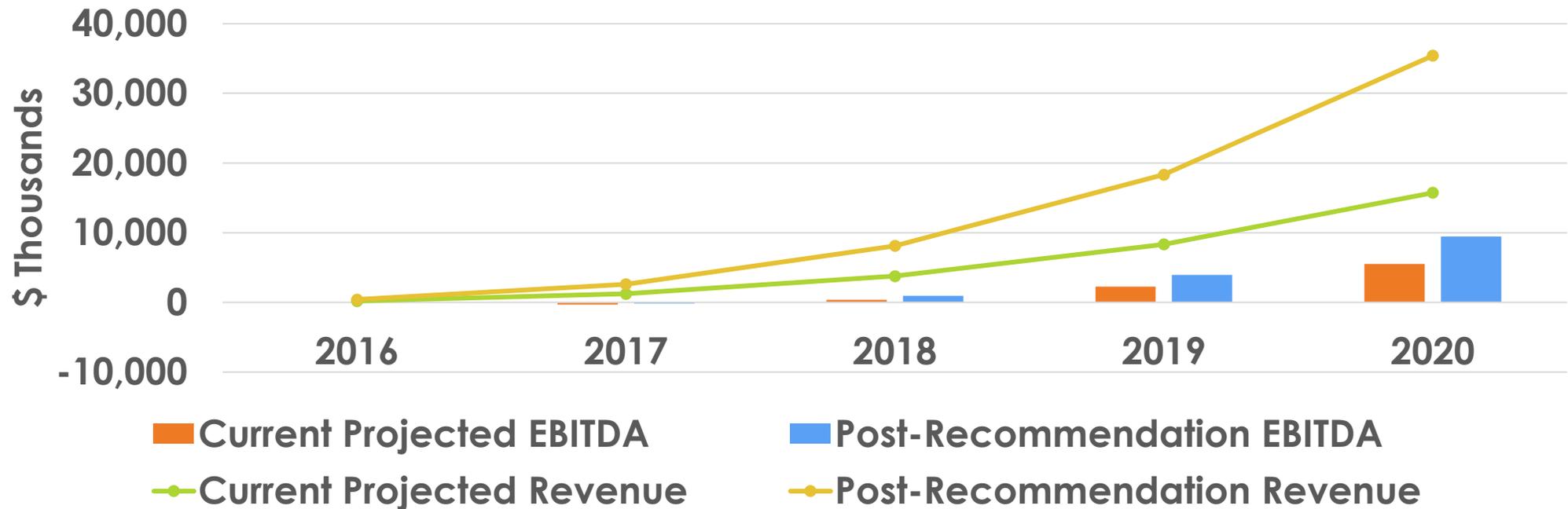
Sales Channel



Financials

Our Recommendation Improves Revenue and EBITDA Projections

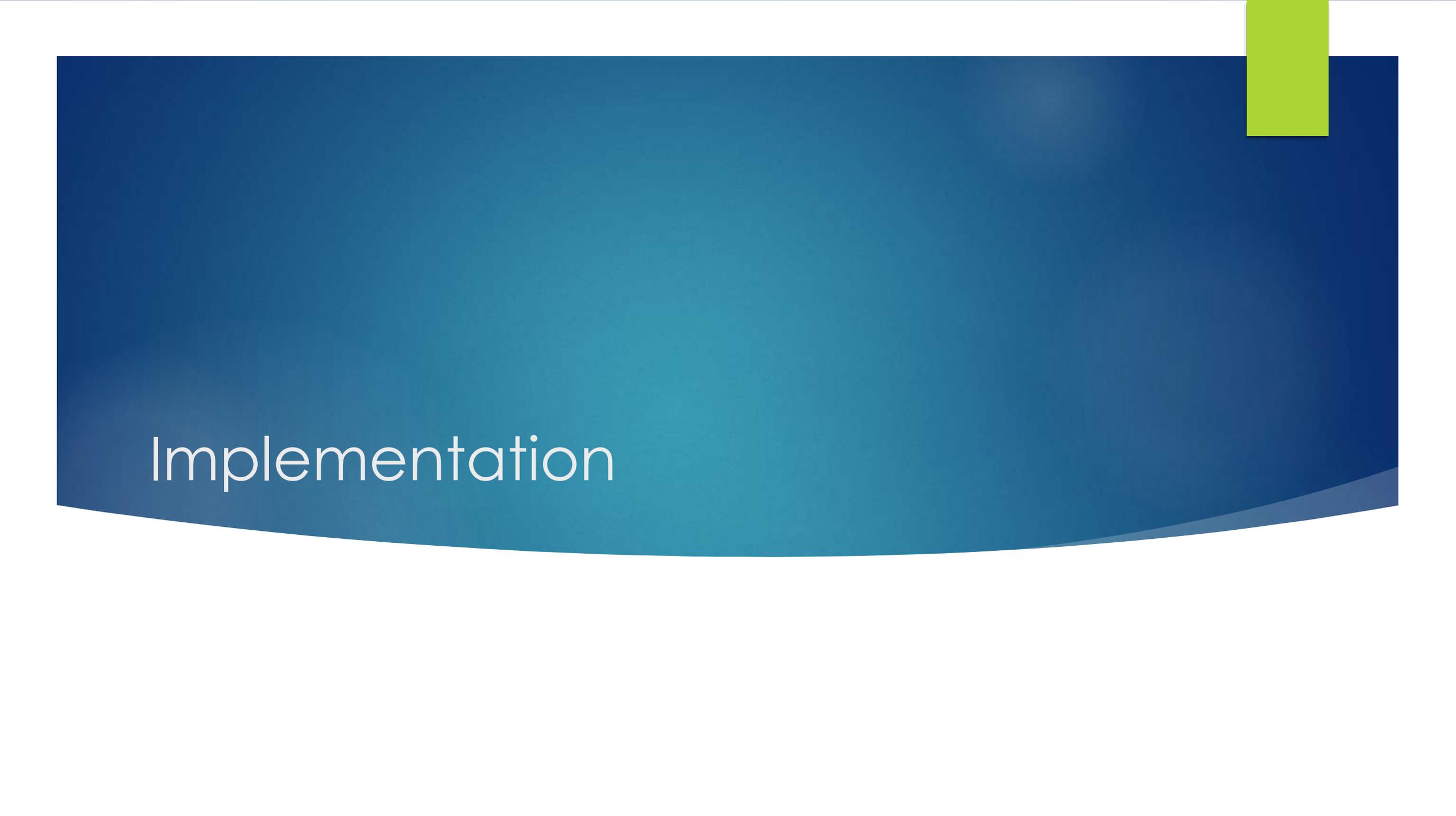
Key Financials



Risks and Mitigation

Risks are Low and Surround Outsourcing

Risk	Threat Level	Mitigation
Fulfillment by Amazon erodes margins	Medium	Shrinking costs associated with fulfillment and social media advertisements offset margin loss.
Threat of third party contract defaults	Medium	Focus on diversifying suppliers.
Changes in aging demographics	Low	Refocus on the general mobility needs, rather than elder-care, specifically.



Implementation

0-24 Months: Ecommerce and Fulfillment

- ▶ Contract with Fulfillment by Amazon.
- ▶ Renegotiate contracts with existing warehouses.
- ▶ Optimize website for added ecommerce traffic.

Target Metric:
2018 EBITDA
over \$500,000

0-12 Months: Social Media Rollout

- ▶ Build out social media presence.
 - ▶ Facebook, YouTube, Spotify
- ▶ Influencers to reach target demographics.
- ▶ Google AdWords.
- ▶ Video Advertisements.

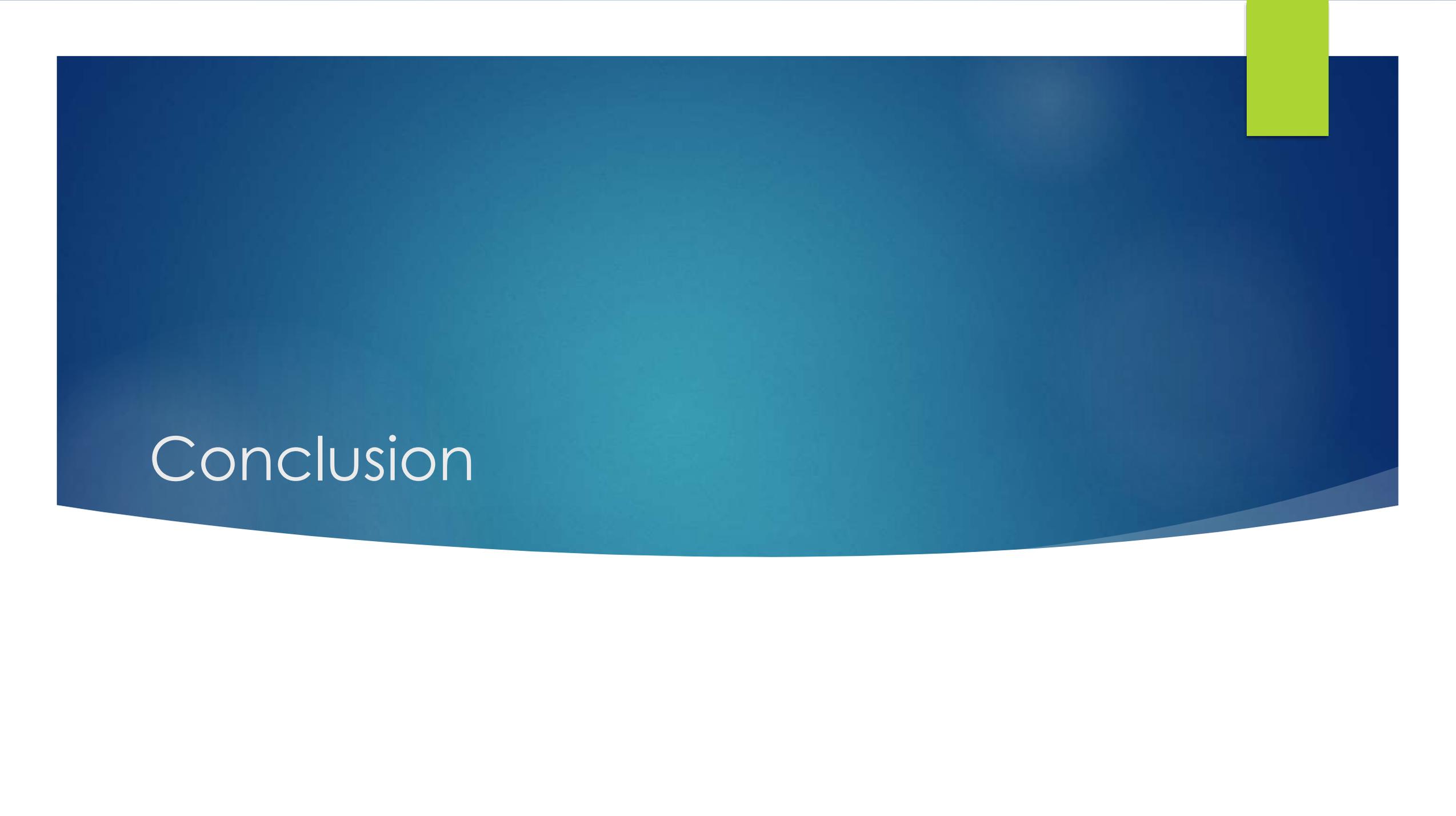
Target Metric:
2017 Revenue
over \$1,250,000

0-60 Months: Continuous Improvement

- ▶ Monitor social media ROI and revenue impacts, assess and reinvest accordingly.
- ▶ Continually improve through R&D and product development.
- ▶ Diversify product portfolio, consistent elder-safety brand message.

Target Metric:

2020 Revenue over
\$16,000,000



Conclusion

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Assumptions

- ▶ Social Media improves revenue by 25%, cumulatively over the next 5 years.
- ▶ Fulfillment outsourcing does not increase fulfillment costs, beyond current projections.
- ▶ Cost per foot is \$35.
- ▶ Average size of bar is 5 feet.