



MOBILIZING THE FUTURE

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Rachel LUNSFORD

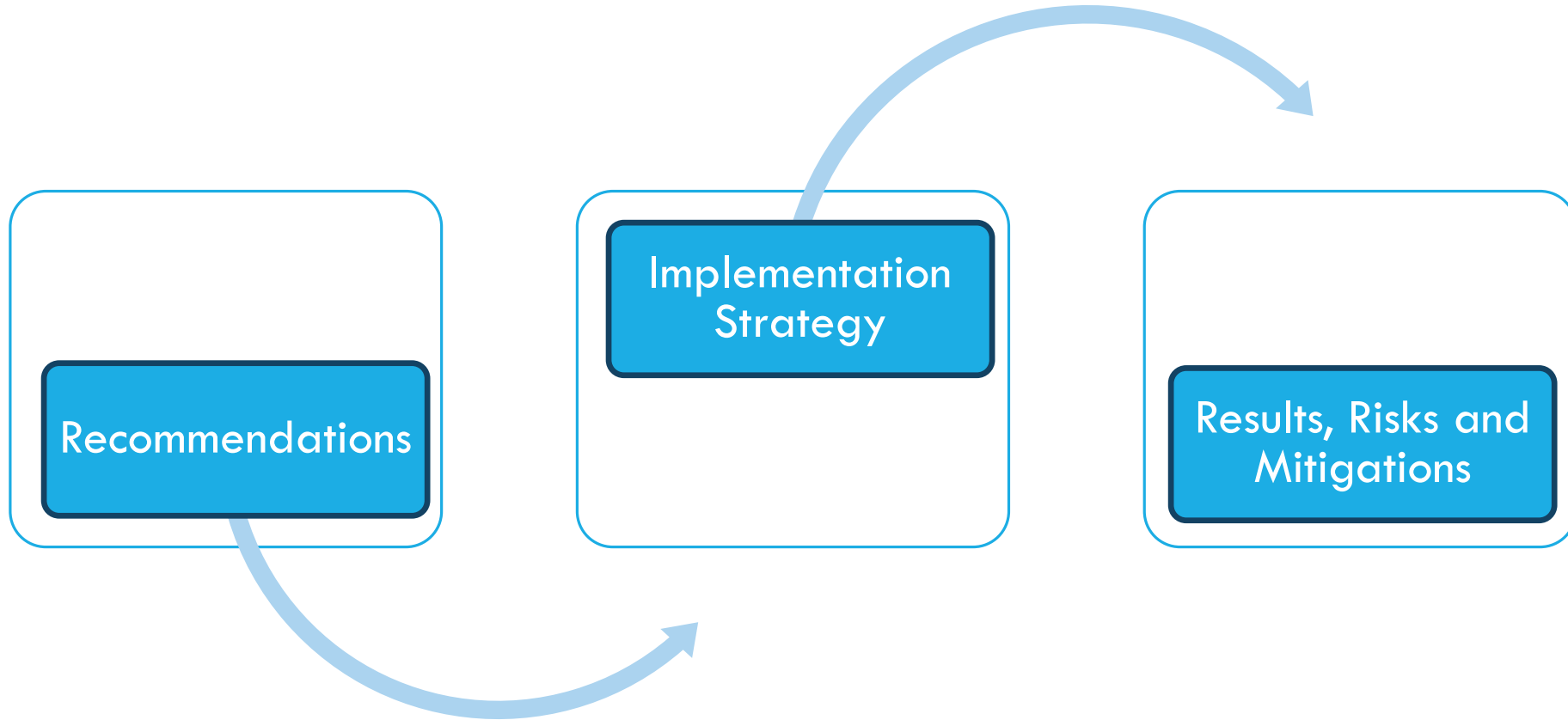
Jessica CHAO

Michalla NOLAN

UNIVERSITY OF SOUTH CAROLINA

January 30th, 2017

KEY TAKEAWAYS



TODAYS AGENDA

- 
- A vertical list of six items, each consisting of a white circle on the left and a blue horizontal bar on the right containing the text. The circles are connected by a thin blue line that curves slightly to the left.
1. Force-Field Analysis
 2. Our Recommendations
 3. Implementation Plan
 4. Final Results
 5. Risks and Mitigations
 6. Additional Thoughts

EXTERNAL ANALYSIS

Threats

Competition

Technology

Age Demographics

Opportunities:

Product Diversity

Global expansion

INTERNAL ANALYSIS

Strengths

Design

Quality

Code Compliance

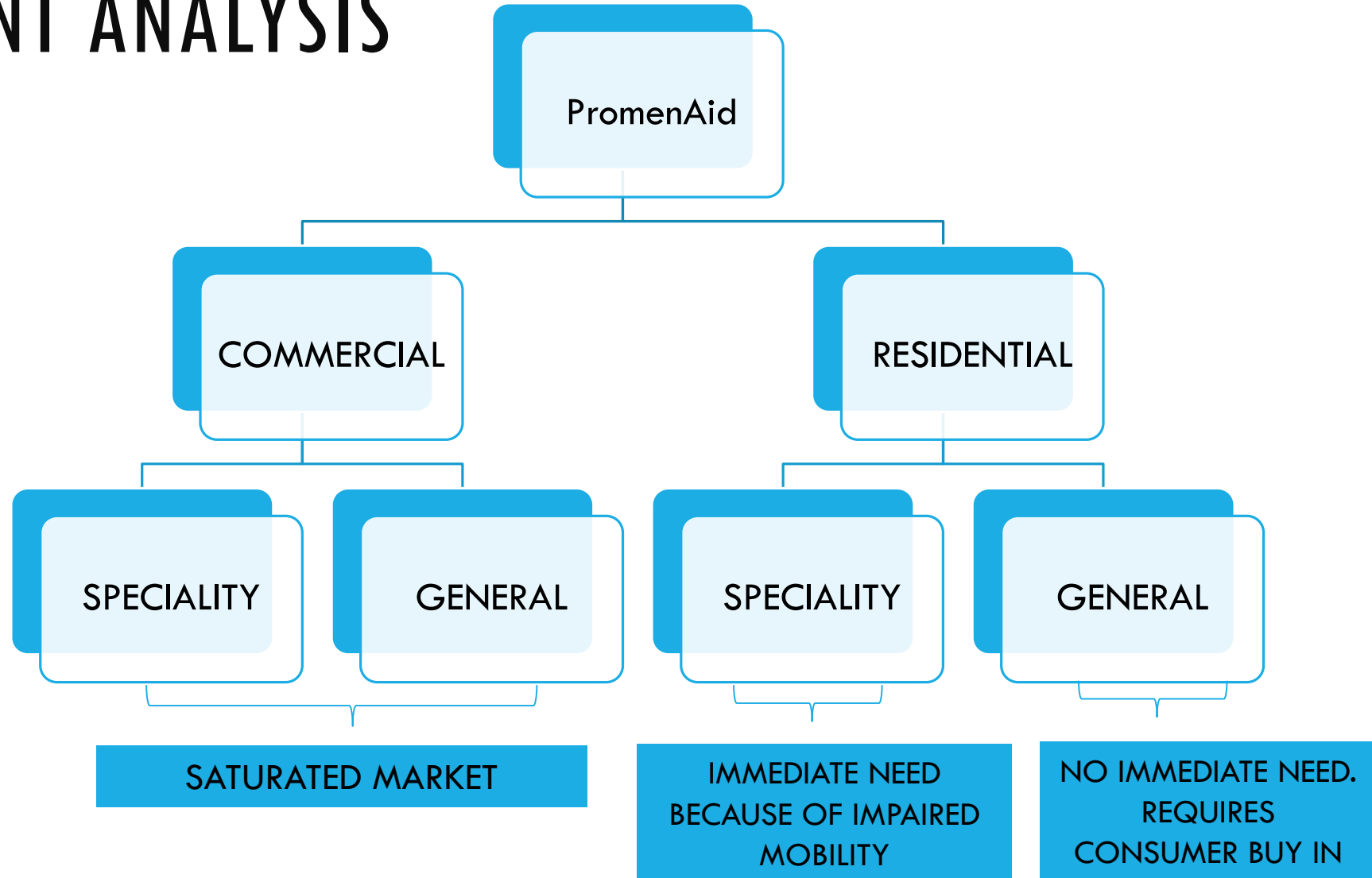
Innovative

Weaknesses

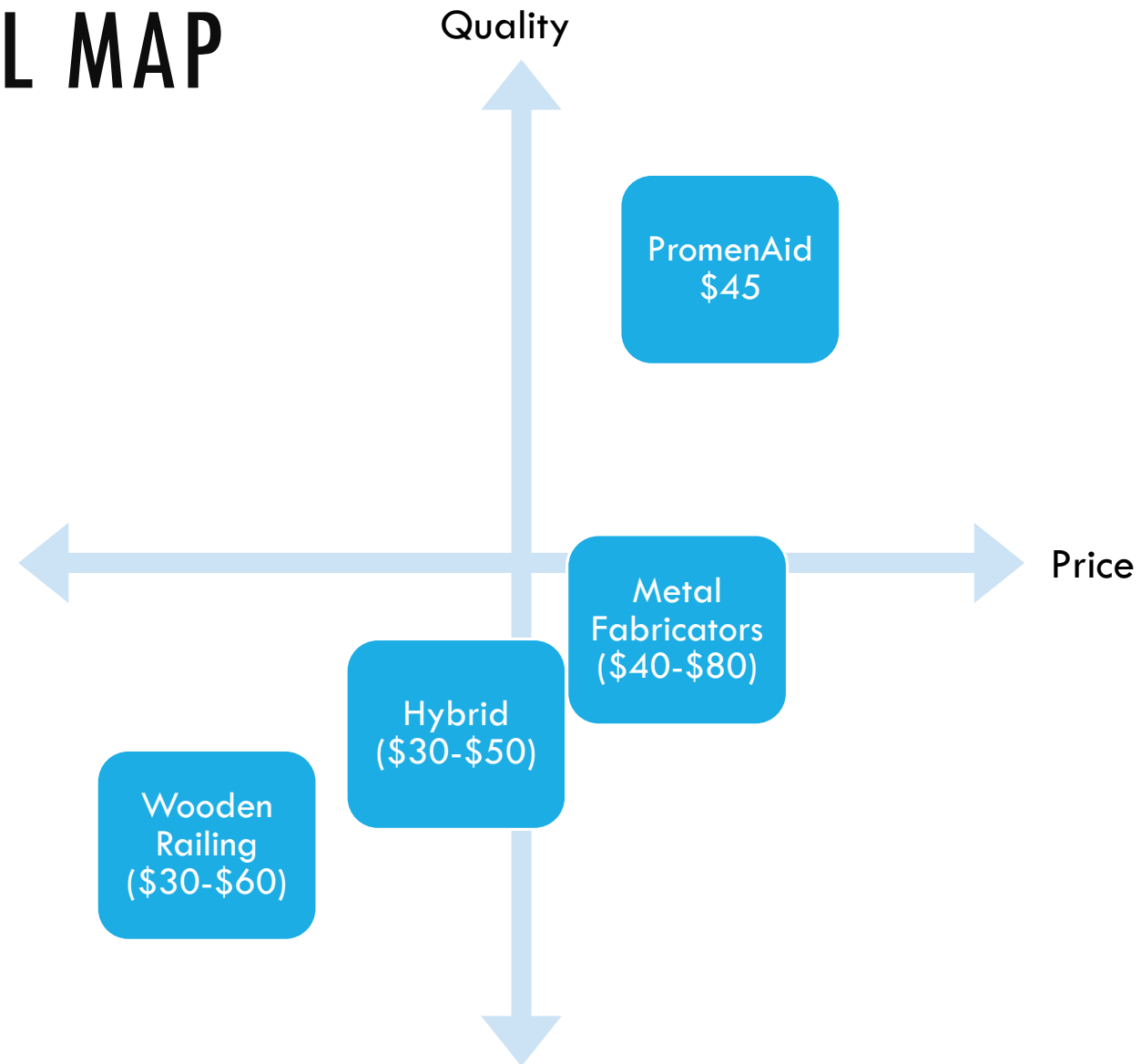
Low Brand
Awareness

Difficult Consumer
Buy In

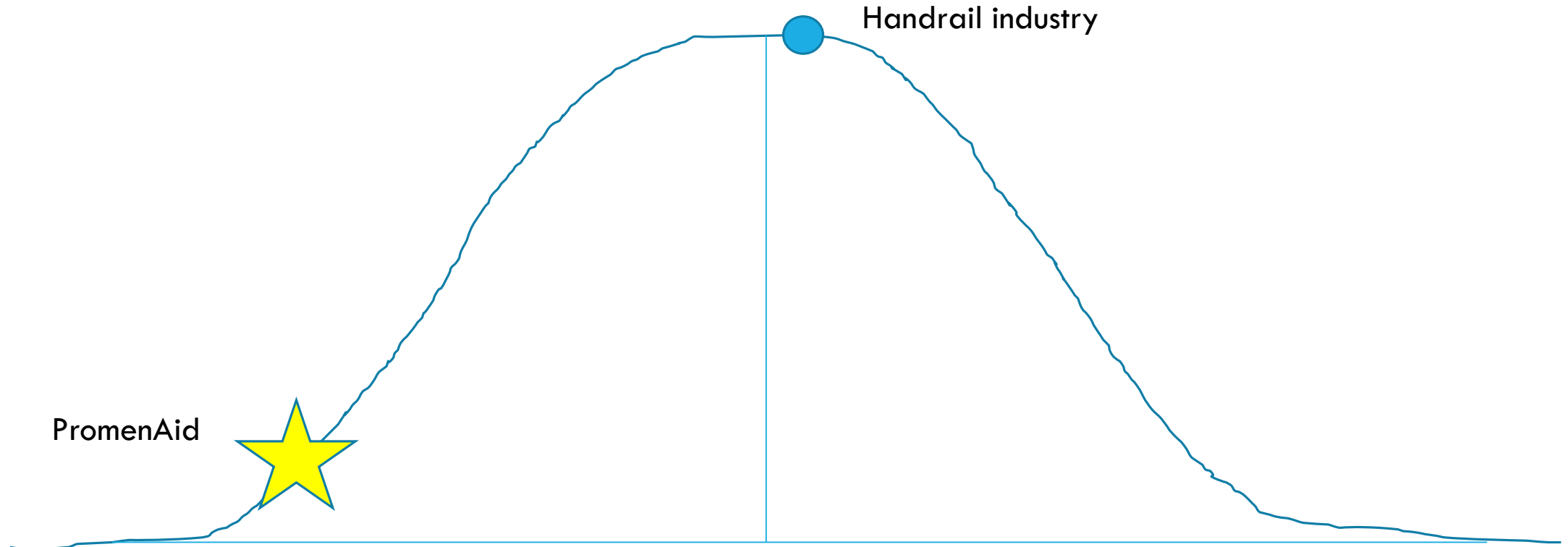
SEGMENT ANALYSIS



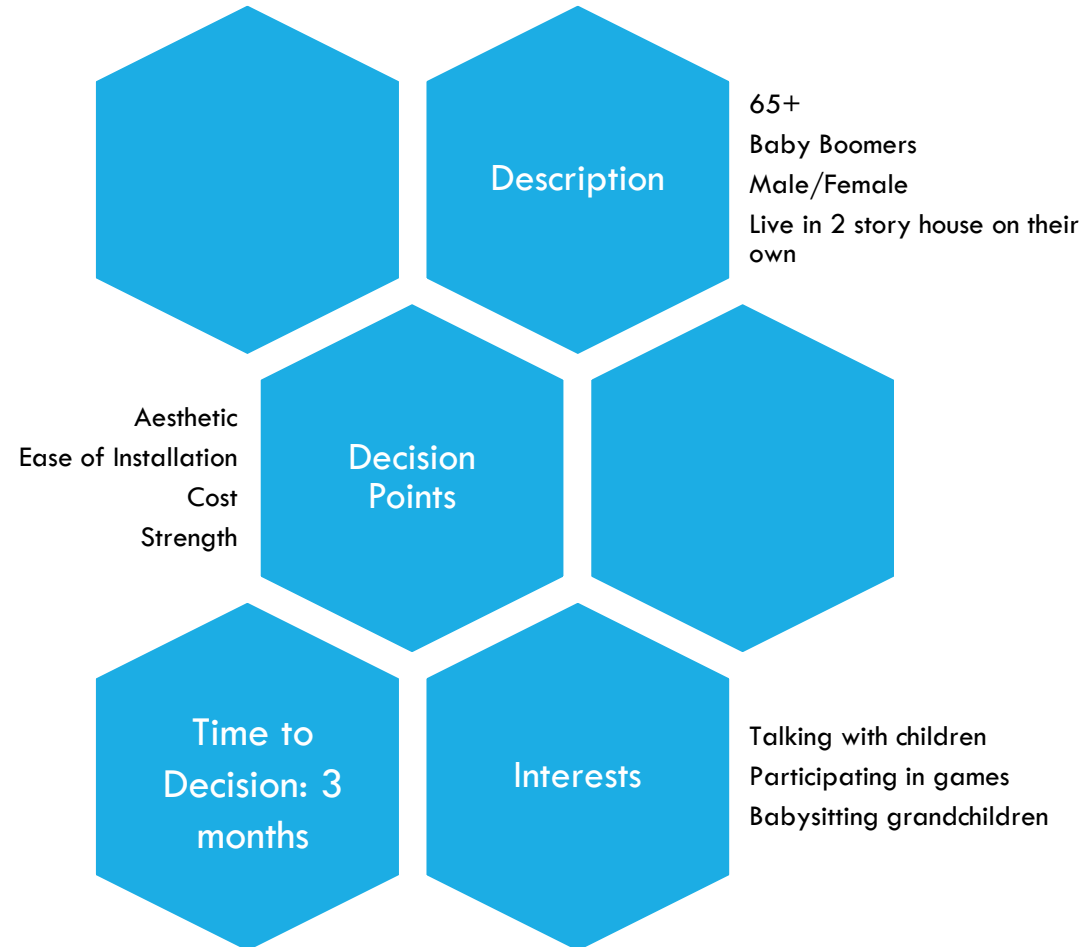
PERCEPTUAL MAP



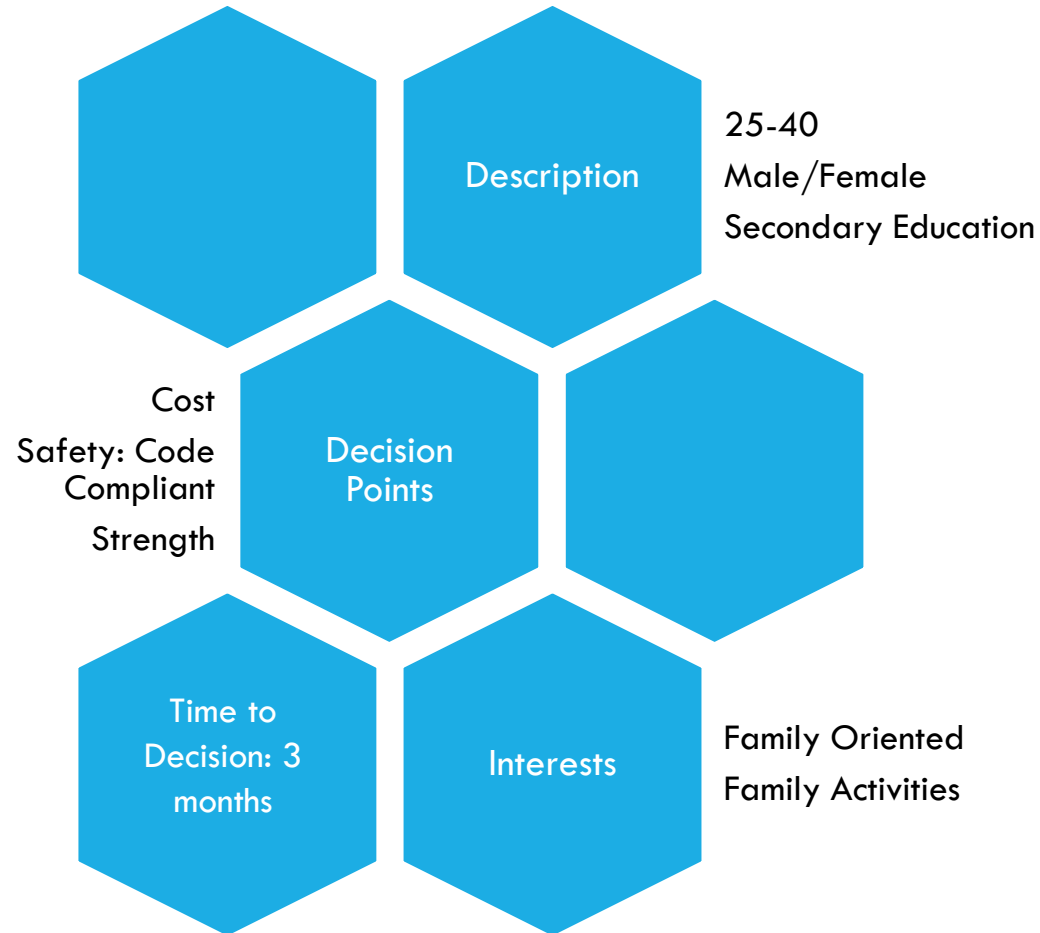
PRODUCT LIFESTYLE



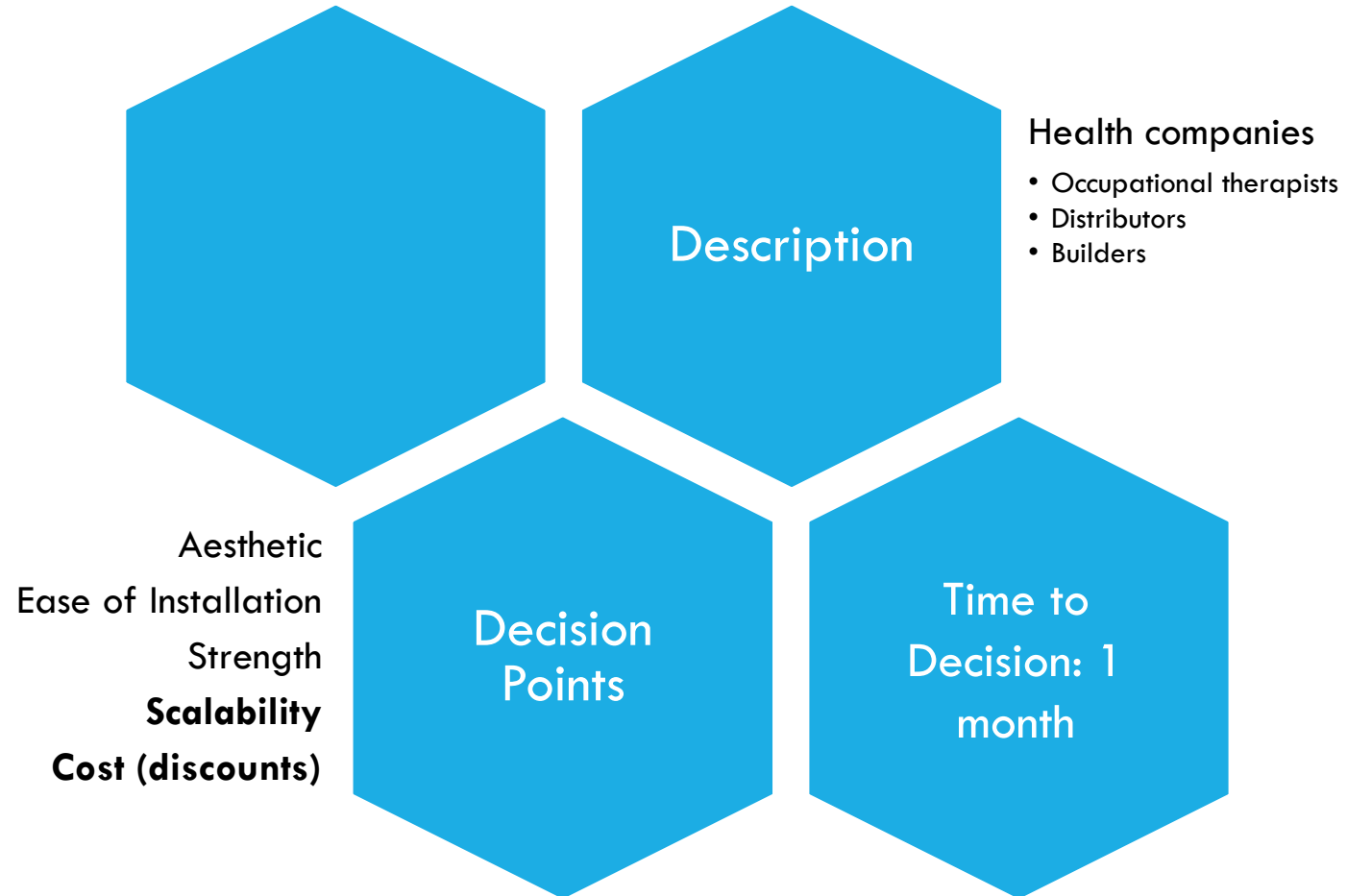
B2C - CUSTOMER ANALYSIS



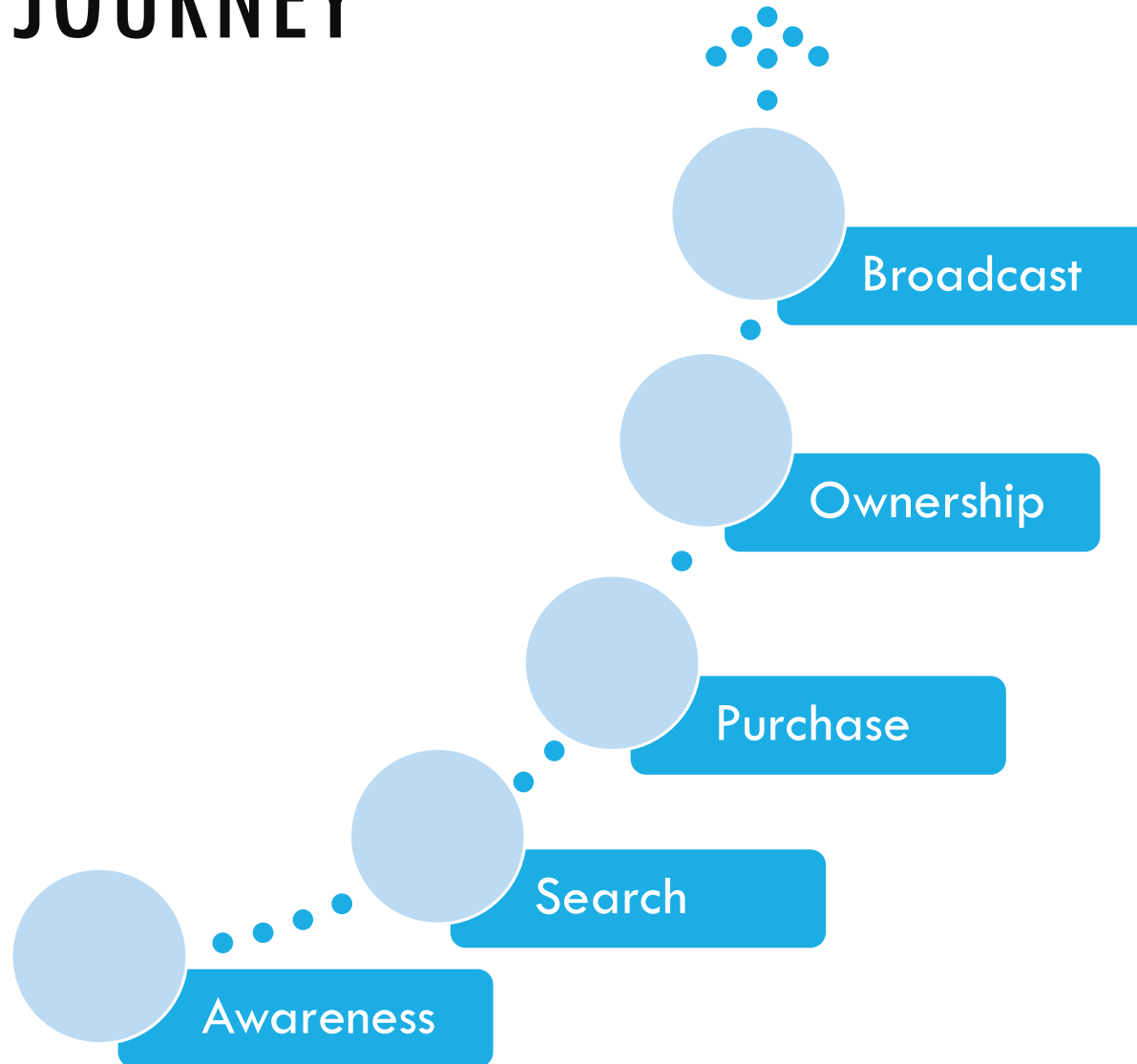
B2C – TRUE CUSTOMER ANALYSIS



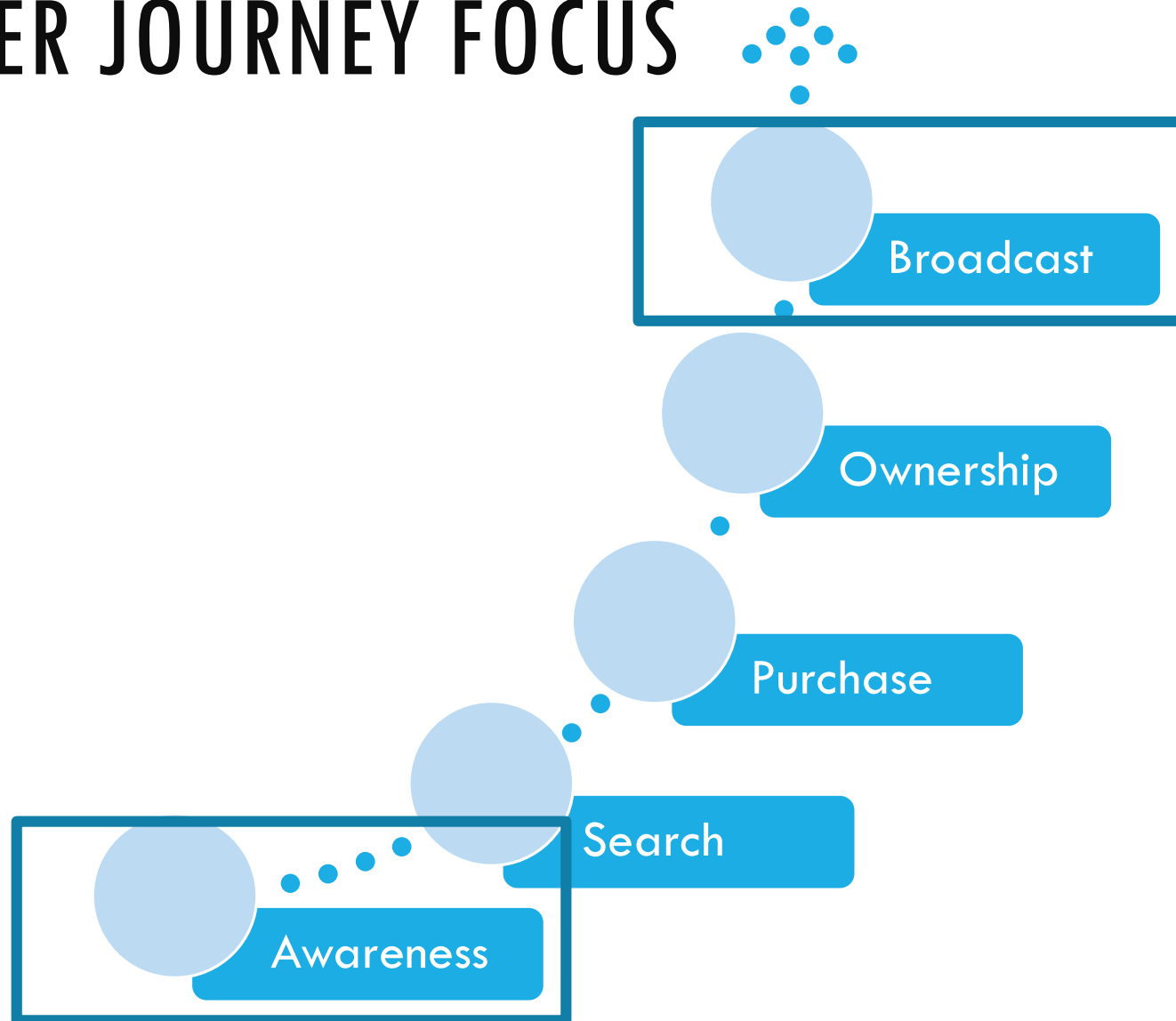
B2B – CUSTOMER ANALYSIS



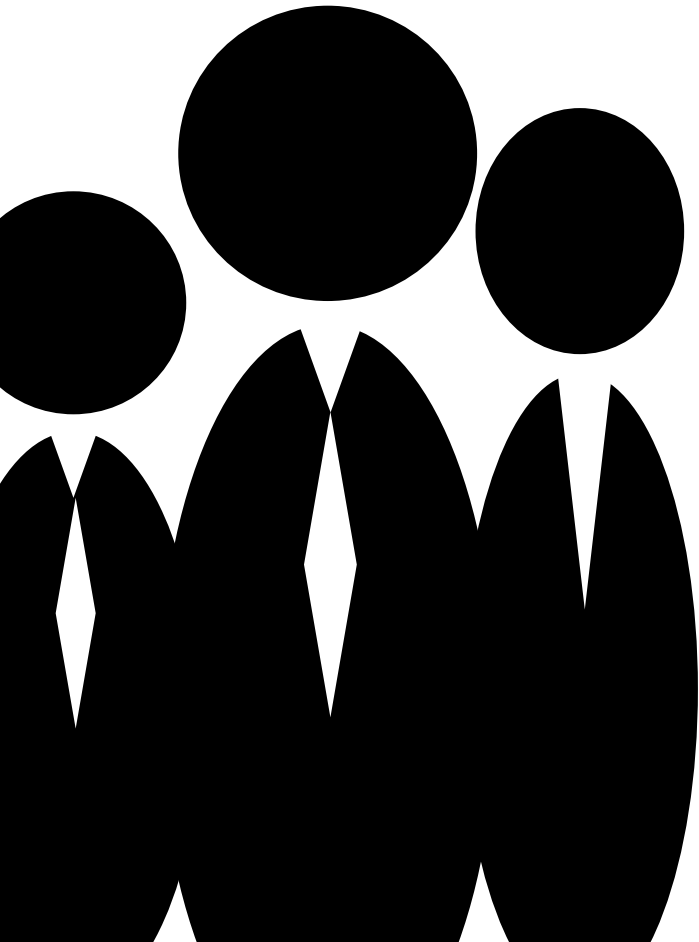
CUSTOMER JOURNEY



CUSTOMER JOURNEY FOCUS



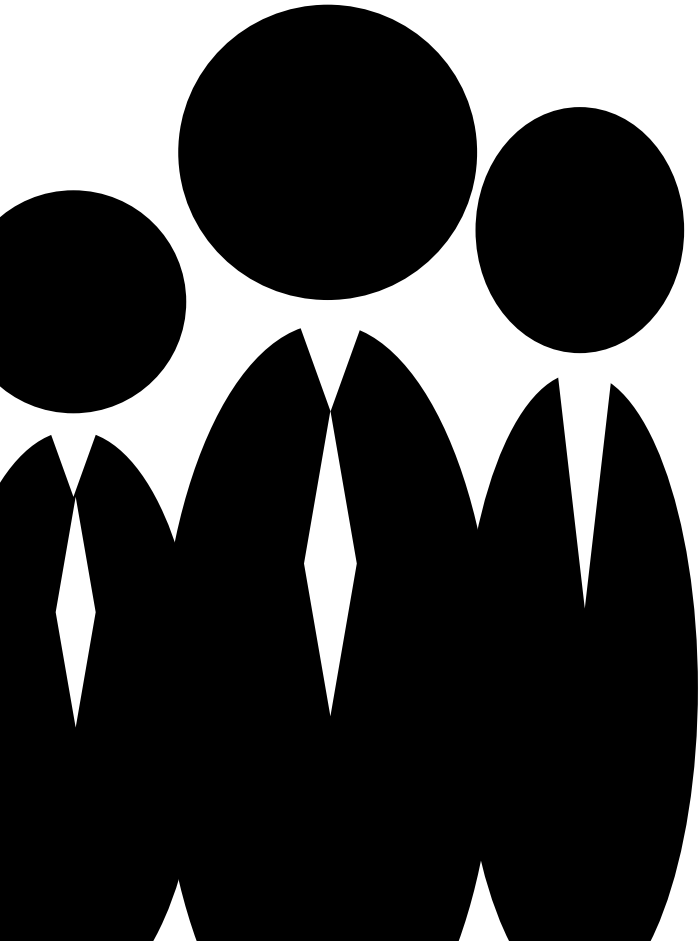
EMPLOYEES



CURRENT STATUS

- 2 EMPLOYEES
- 2 FOUNDERS
- 2 ADDITIONAL BOARD MEMBERS
- OVERWHELMED BY DAY TO DAY ISSUES
- COMPANY HIERARCHY REASSESSMENT NECESSARY

EMPLOYEES



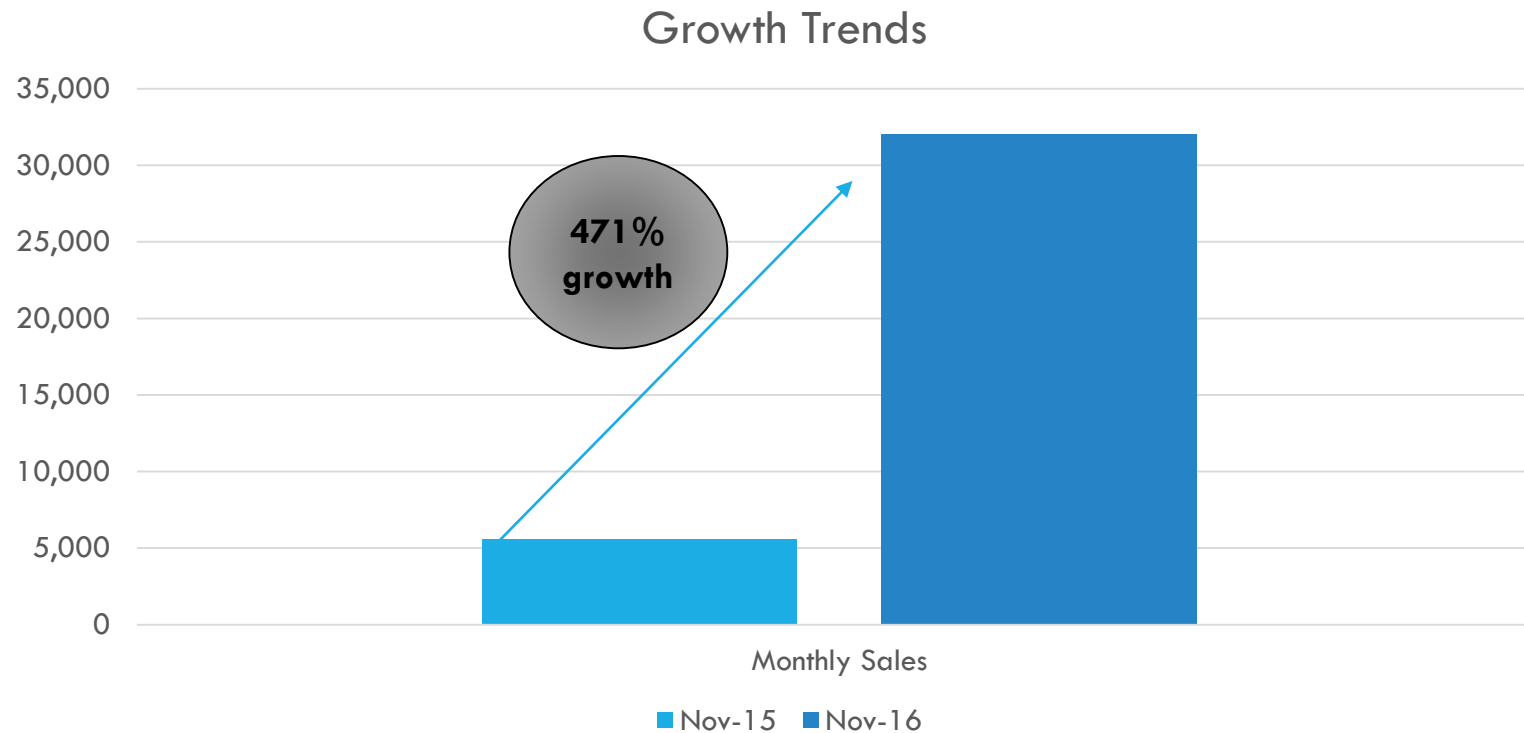
FUTURE NEEDS

- EXPERIENCED & NEW HIRES
- 60 TOTAL EMPLOYEES
- SPECIALIST POSITIONS :
PREDICTIVE ANALYTICS,
TECHNOLOGY, SOCIAL MEDIA
MARKETING & SUPPLY CHAIN

HUMAN RESOURCES CONSIDERATIONS



EXCITING GROWTH TRENDS



- 2016 Revenues \$197,000
- Average Price per product: \$115

We are selling approximately **1,700** products per year

CRITICAL SUCCESS FACTORS

INTANGIBLE

TANGIBLE

GROWTH

\$15.7 m by 2020

BRAND
AWARENESS

Educate Consumers &
Distributors

OPTIMIZE
DISTRIBUTION

Reliable and efficient

LOW COST
IMPLEMENTATION

On Budget & Time

CASH FLOW ANALYSIS

Positive

Cash flow not currently a problem

Canada is a cash business; Amazon pays every 15 days

Negative

Higher unpredicted costs

No marketing budget

Geller and Warshaw had not taken salary until end of 2016



WHAT SUCCESS LOOKS LIKE

Capabilities

Durable and visually **appealing** product; **Simple implementation**; Code **compliant**

Success

Established and recognizable brand presence throughout North America
Goal of 80x growth in revenue by 2020 (\$15.7 million)

Time Horizon

2020: 3 years

EVALUATING STRATEGIC ALTERNATIVES

Key Issues

Lack of awareness

Perception by senior adults

Overextended employees

Goal

Achieving sales of \$15.7 million by year 2020

Alternatives

Build in-house manufacturing

Global E-Commerce

Strategic marketing

Key Performance Indicators

Brand Awareness

Growth in top line revenue

Internal growth and strong culture

ALTERNATIVE 1

In-house Manufacturing

- Cut Contracts with Sub-contractors
- Do Aluminum extrusion and finishing in house
- Buy/Lease factory space and manufacturing machines
- Source aluminum and wood suppliers

PROS

- Increased profits
- Total control of product
- Manufacturing innovation opportunities

CONS

- Extremely capital intensive
- Not our expertise
- 100% Liability for product quality

ALTERNATIVE 2

Global E-Commerce Campaign

- Expand into global markets using internet sales
- Work with established E-commerce distributors who already have presence in target markets
- Develop a global distribution network

PROS

- Increased potential customer base
- Low capital expenditure necessary

CONS

- Difficult to establish distribution network
- Cultural Difference
- Increased competition

ALTERNATIVE 3

Strategic Marketing

- Continue contracts with aluminum extruders and finishers
- Focus on new marketing on specific *True* customers of the product
- Expand operations in the United States

PROS

- More consistent to our strategy
- Take advantage of product lifecycle
- Low cost of implementation

CONS

- Lower margins with subcontractors
- Challenges in the US in the past

EVALUATING STRATEGIC ALTERNATIVES

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Key Performance Indicators

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Internal growth and strong culture

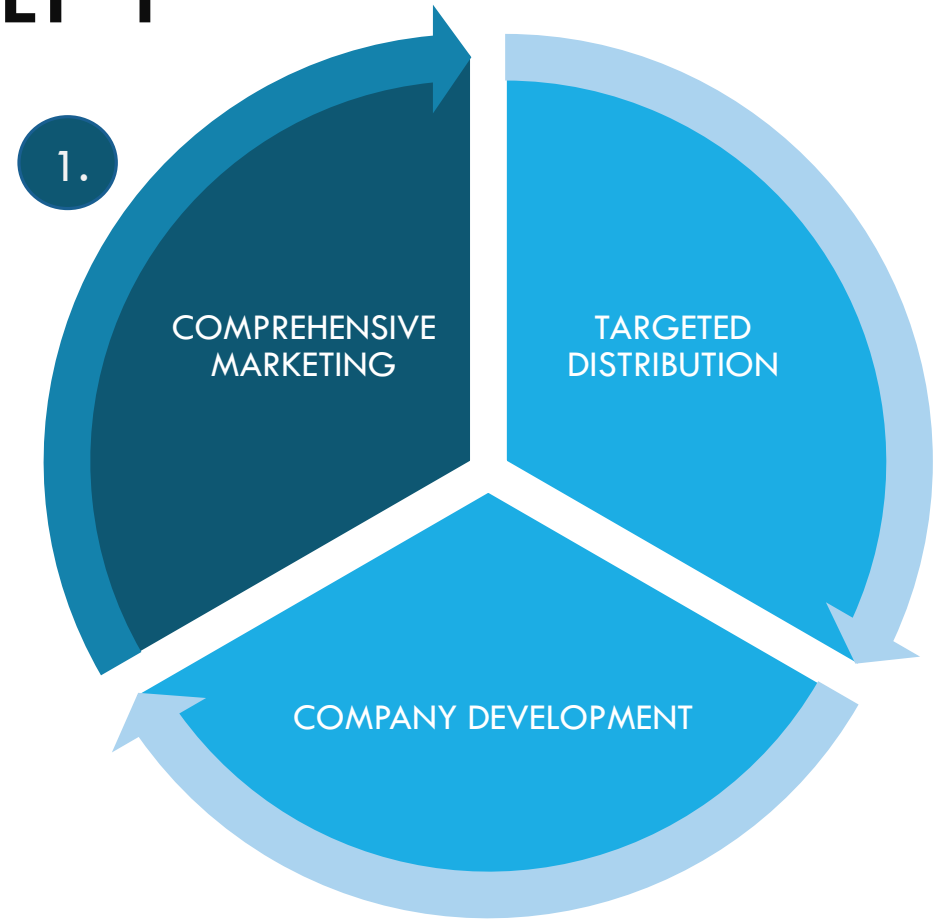
MOBILIZING THE FUTURE



MOBILIZING THE FUTURE: STEP 1

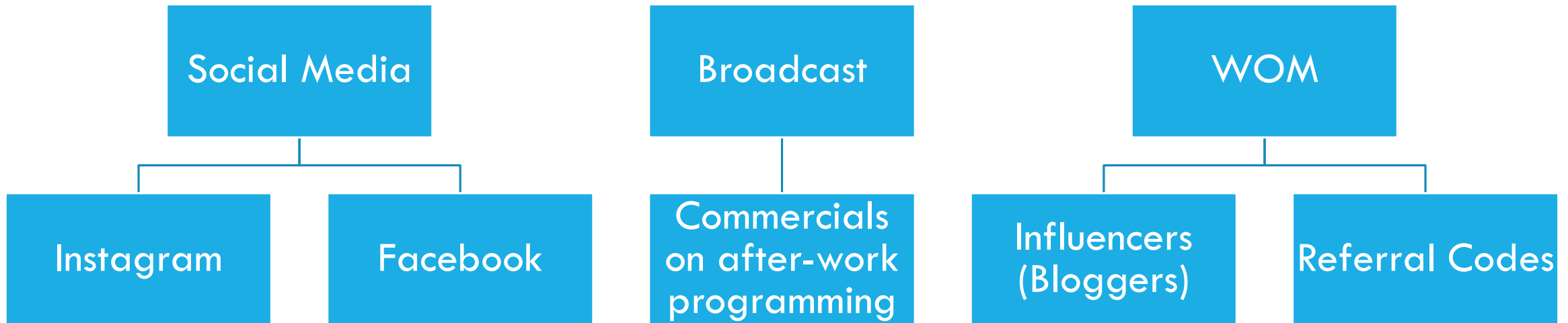
CONSUMER EDUCATION

THIS IS OUR INTENSIVE MARKETING PLAN FOCUSED ON THE TRUE CUSTOMER AND EDUCATING THE CONSUMER



EXTERNAL MARKETING PLAN

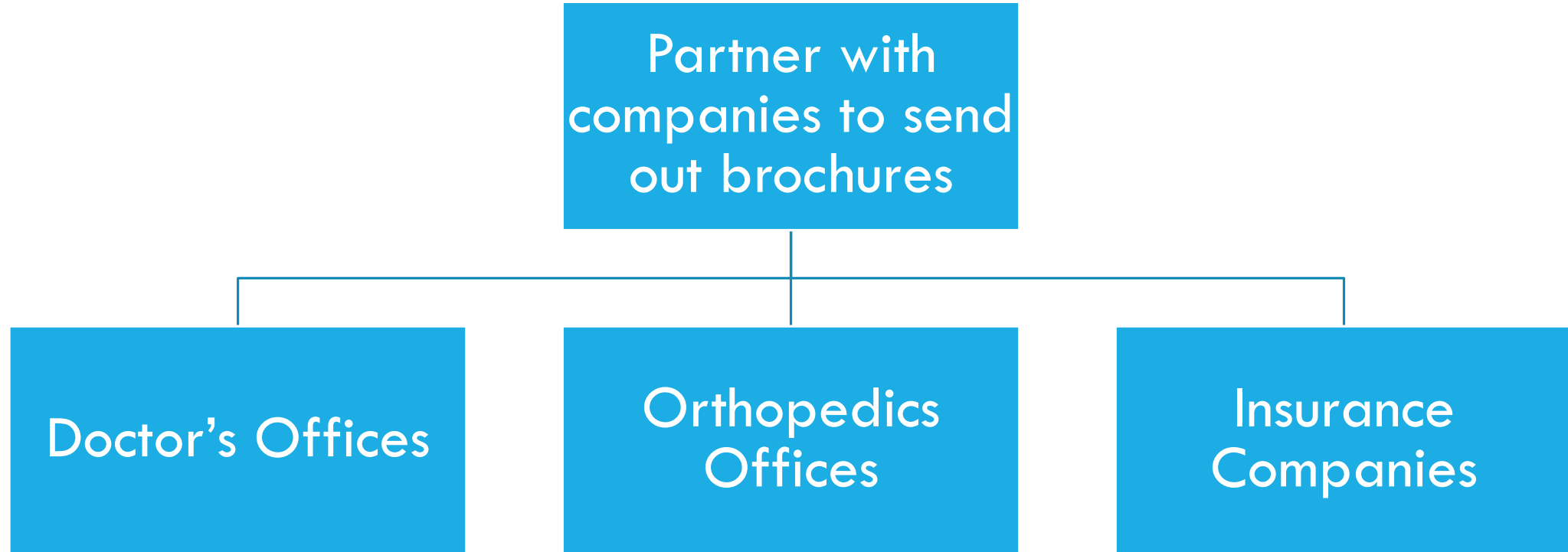
Search and Awareness



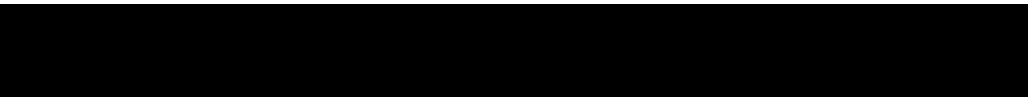
Mobilizing the Future

“Don’t wait until it’s too late!” Prevention and education campaign.

PARTNERSHIPS





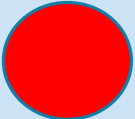
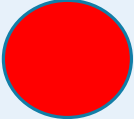

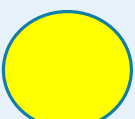
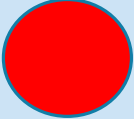
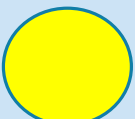


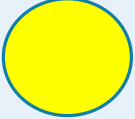

MOBILIZING THE FUTURE: STEP 2



TARGETING THE CAROLINAS AND LOWES WITH A STRATEGIC PARTNERSHIP

GEOGRAPHIC ENTRANCE DECISION








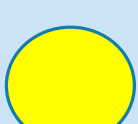


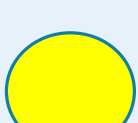

A DECISION MUST
BE MADE AS TO
WHERE TO BEGIN
OUR FOCUS OF
OUR CAMPAIGN

	US West Coast	The Carolinas	New England
Individual 2-story homes			
Number of baby-boomers			
Logistical Difficulties			
General Household Income			

GEOGRAPHIC ENTRANCE DECISION

ANALYSIS HAS
NARROWED OUR
DECISION TO
FOCUS ON
THE CAROLINAS

We decided to use
Lowe's because they
are centered in the
Carolinas

	US West Coast	The Carolinas	New England
Individual 2-story homes			
Number of baby-boomers			
Logistical Difficulties			
General Household Income			

EDUCATION: LOWE'S

Kiosks in Store

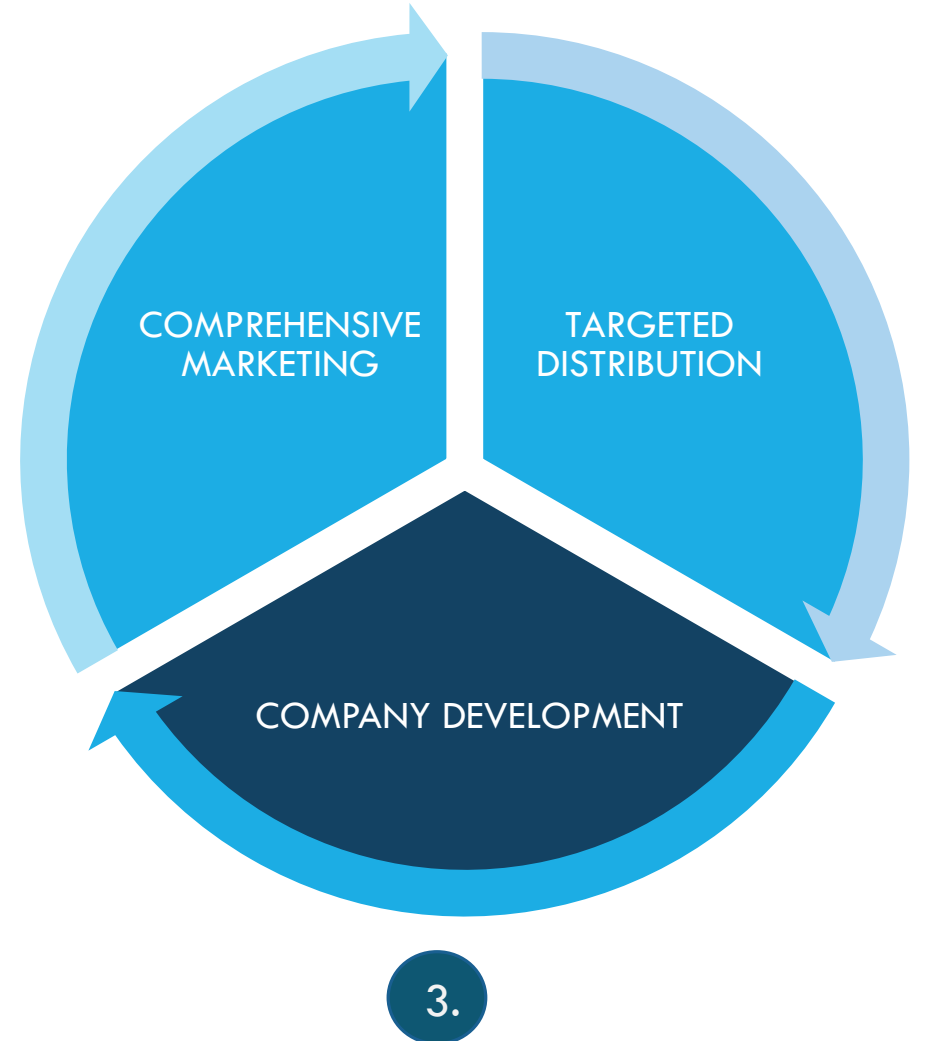
- Interactive
- Explains competitive advantages

Training Lowe's Sales Staff

- Off site training day
- Incentive for training

MOBILIZING THE FUTURE: STEP 3

Focus on developing company culture and attracting high quality talent



INTERNAL MARKETING PLAN

Channels:

- Emails
- Town Halls
 - Collaboration
- Employee Newsletters

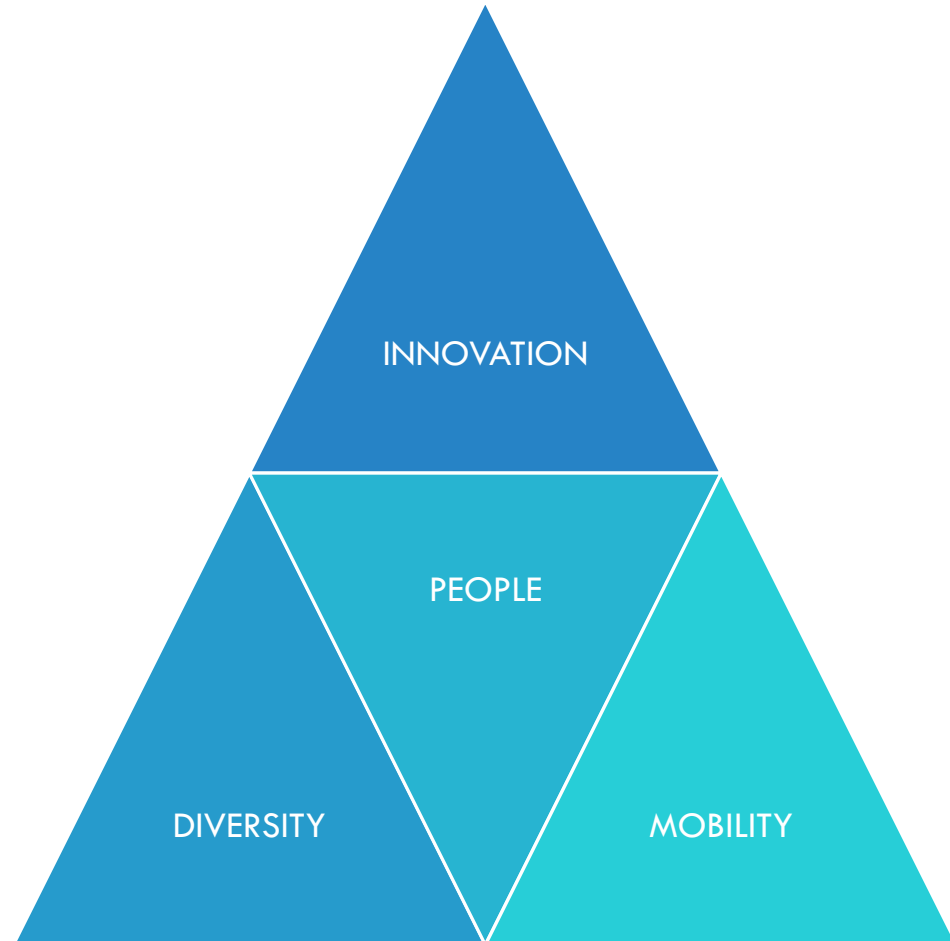
Benefits:

- Company Pride
- Education
- Transparency
- Engagement

HUMAN RESOURCES CONSIDERATIONS: CULTURE

CULTURE INDENTICATION

- IDENTIFICATION
- EMPLOYEE BUY IN
- RECURITING THE RIGHT EMPLOYEES



HUMAN RESOURCES CONSIDERATIONS: RECRUITMENT

JOB
CONSTRUCTION

TRAINING &
DEVELOPMENT

PREDICTIVE
ANALYTICS

EXPERIENCE &
NEW HIRES

FINANCIALS

Key Assumptions:

Revenues would grow an additional 5-10% based on new expansion plan

Marketing budget based on \$50,000 per local commercial, Facebook advertising fees, brochures, etc.

Interest expenses, contingency plan, and product development similar to given projections

Current Projections					
	2016	2017	2018	2019	2020
Revenues	\$ 197	\$ 1,240	\$ 3,777	\$ 8,328	\$ 15,730
Gross Profit	\$ 114	\$ 772	\$ 2,366	\$ 5,262	\$ 10,009
Net Income	\$ 30	-\$ 254	\$ 291	\$ 1,663	\$ 4,014

Revenues Under New Plan					
	2016	2017	2018	2019	2020
Revenues	\$ 197	\$ 1,302	\$ 4,041	\$ 8,994	\$ 17,303
Gross Profit	\$ 114	\$ 811	\$ 2,554	\$ 5,684	\$ 11,005
Net Income	\$ 30	\$ 170	\$ 310	\$ 1,800	\$ 4,400

FINANCIALS

Key Assumptions:

Revenues would grow an additional 5-10% based on new expansion plan

Marketing budget based on \$50,000 per local commercial, Facebook advertising fees, brochures, etc.

Interest expenses, contingency plan, and product development similar to given projections

Use of Proceeds, 2017 (\$000)	
Revenues	\$ 1,302
Expenses	
Direct Costs	\$ 391
Fixed Costs	\$ 50
Marketing	\$ 350
Product Development	\$ 200
Travel	\$ 10
Contingency	\$ 200
Interest Payments	\$ 134
Total	-\$ 258

RISKS AND MITIGATIONS

RISKS	PROBABILITY	IMPORTANCE	MITIGATIONS
Competitor Imitations	90%	100%	As 1 st movers, we can set the pace of the market
Failure to reach <i>true</i> customer	20%	80%	Our specifically tailored marketing plan is expected to reach the real decision-maker
Subcontractor Volatility	40%	20%	As a commodity, we can exchange aluminum manufactures easily

KEY PERFORMANCE INDICATORS AND METRICS

Key Performance Indicators	Increase brand awareness	Growth in top line revenue	Internal growth and strong culture
Metrics	60% awareness in target markets by 2020	135,000 total orders by 2020	60 employees by 2020
Goal	Achieve sales of \$15.7 million by year 2020		

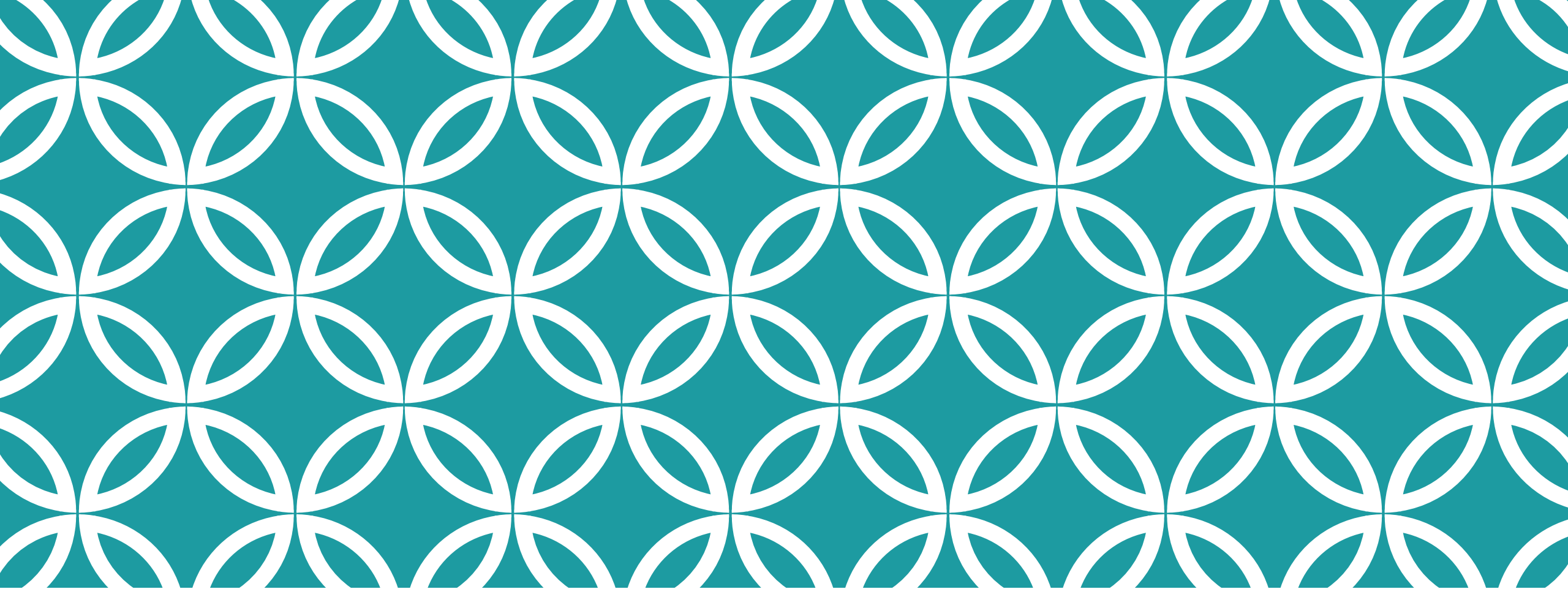
ADDITIONAL CONSIDERATIONS

Develop our own website

Agreement with FedEx

- Currently, 12-13% online price going toward shipping costs

In-house manufacturing once we have established stable and high demand



QUESTIONS?



CONTINGENCY PLAN

Purchase a stair lift company

Identify market where best suited

- Southeast US
- Northeast US
- Canada

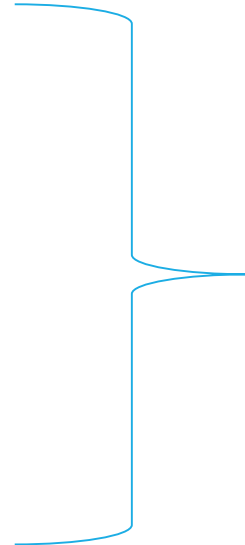
Identify stair lift company

Negotiations

NEGOTIATIONS

Initial Offering

Walk Away Price



Negotiations
Demands/Non-negotiables
Synergies

LOOKING AT THE NUMBERS

60% sales in US; 55% sales brick and mortar between US and Canada

149 private households in US

- 23% over 65
- 19%
- 10%
- 30%

HUMAN RESOURCES CONSIDERATIONS: SUCCESSION PLANNING

KNOWLEDGE CAPTURE & TRANSFER

CONTINUAL LEARNING

TALENT MANAGEMENT