

PromenAid Inc.: getting a good grip on the market

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JMSB consulting

Innovative product

Ageing population

Target market

**How can PromenAid Inc. grow over the
next few years?**

Limited resources

Managing cash flow

Focus on attractive commercial segment

1

Focus specialty
commercial clients

- First target nursing homes
- Focus sales on nursing homes
- Leverage Geller's network/experience

2

Align operations
to commercial

- Hire staff for marketing B2B
- Continue outsourcing manufacturing
- Find outsource shipping partner

3

Maintain current
sales

- Keep only current channels
- Let retailers approach

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You have most attractive product for this segment

Analysis

Current market opportunities

Residential



Installation for the elderly



Stigma



Education

Distribution channel

Commercial - Nursing homes

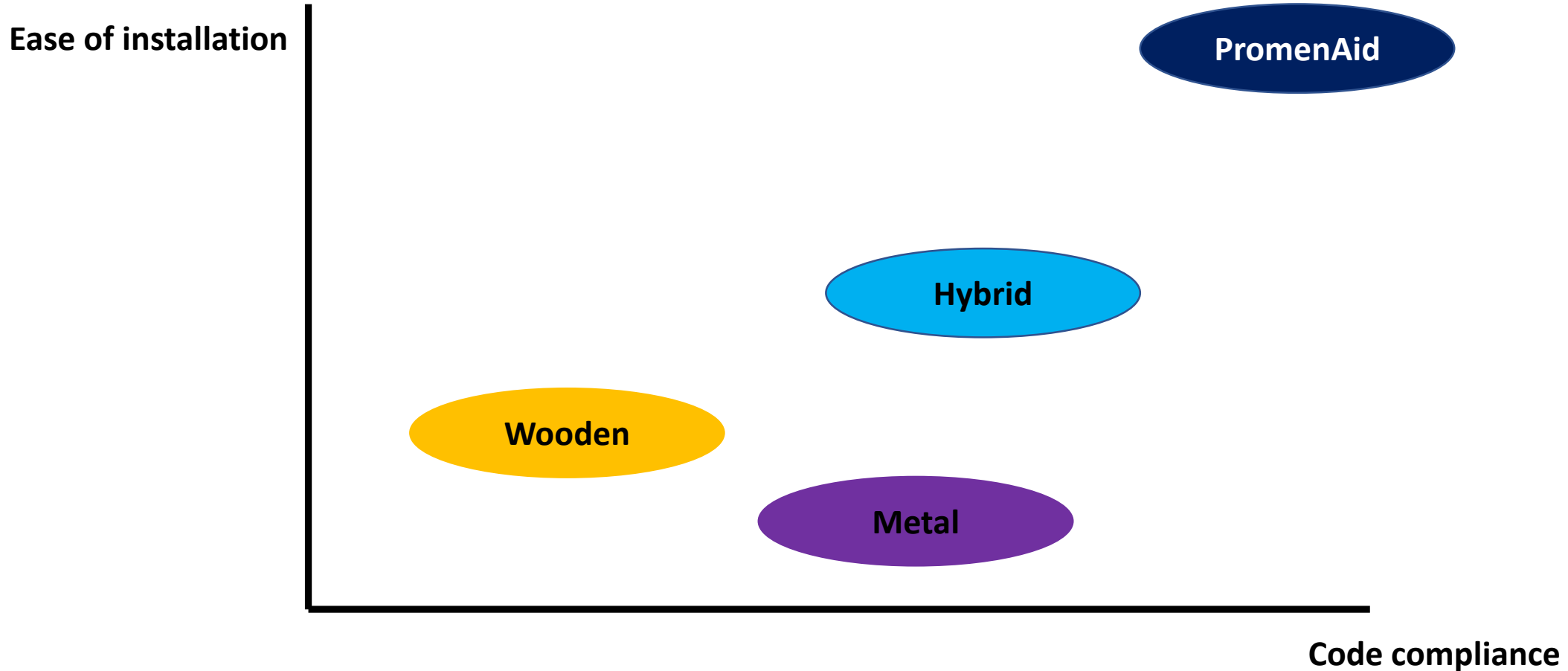
Ease of installation (minimal disruption)

Required by law

Population with most falls

Nursing homes offer best opportunity for future growth

Product with best positioning



You can leverage your strengths for commercial partners

You are an innovation company



Continue outsourcing for activities outside core competency

Financials

PromenAid's financial situation

Margins and
Cash Flow

Unit sales

Margins

60% gross margin

25% EBITDA



Room to play but
cashflow limited

Margins

60% gross margin

25% EBITDA



Room to play but
cashflow limited

Project growth requires increased cashflow

Unit sales

	2016	2017
Sales	\$200,000	\$1,200,000 (forecasted)
Average order	\$200	\$200
Orders required	1,000 units	6,000 units

Projected CAGR to 2020: 198%

Unit sales

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Average order	\$200	\$200
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Projected CAGR to 2020: 198%

Expected growth requires substantial marketing

Nursing homes' potential

	2017
Sales	\$1,200,000 (forecasted)
Average order	\$8,000
Orders required	150 orders

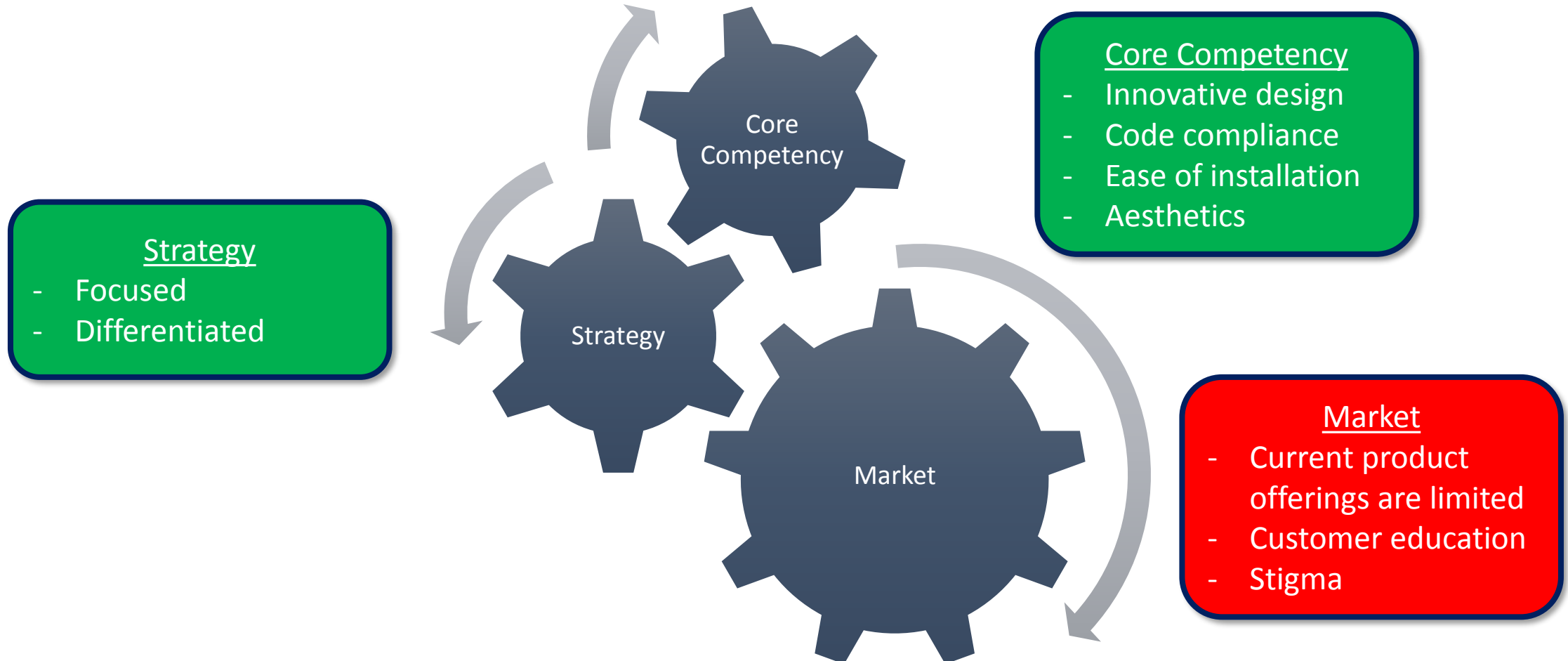
Nursing homes' potential

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Nursing homes can boost sales efficiency

Alternatives

What's the best way to position PromenAid?



Well positioned to take advantage of the Specialty Commercial Market

Your existing channels have served you well

Criteria	Sell through hardware stores	Sell through medical specialty stores	Expand E-commerce platform	Focus on commercial specialty clients
Customer product knowledge	Red	Yellow	Red	Green
Logistics constraints	Yellow	Yellow	Yellow	Yellow
Customer requirements	Yellow	Green	Yellow	Green
Management Expertise	Red	Yellow	Yellow	Green

To reach your growth targets you need more commercial clients

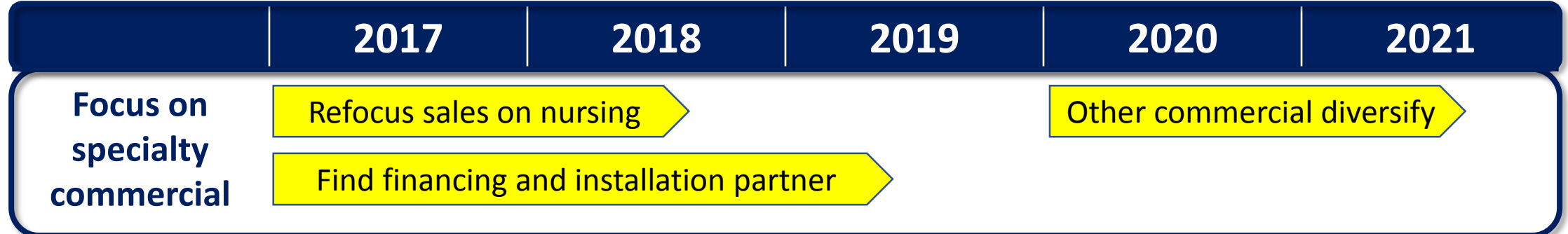
Every small company has its share of risks

Risks	Mitigation	Contingency
Competitors develop similar product	Increase marketing efforts	Consider acquisitions or partnerships
Subcontractors attempt to supply same client base	Include non-compete clauses with supplier agreements	Ramp up marketing efforts
Unfavorable financing terms from banks	Shorter term financing to meet immediate cash demands	Equity issuance

Your product is the best – focus on expansion

Implementation

Focus your limited resources where it will pay



Focus your limited resources where it will pay

	2017	2018	2019	2020	2021
Focus on specialty commercial	Refocus sales on nursing				Other commercial diversify
	Find financing and installation partner				
Align operations to commercial	Hire 3 sales person				
	New shipping terms				

Focus your limited resources where it will pay

	2017	2018	2019	2020	2021
Focus on specialty commercial		Refocus sales on nursing			Other commercial diversify
		Find financing and installation partner			
Align operations to commercial		Hire 3 sales person			
		New shipping terms			
Maintain current sales		Maintain current channels			

Focus your limited resources where it will pay

	2017	2018	2019	2020	2021
Focus on specialty commercial		Refocus sales on nursing			Other commercial diversify
		Find financing and installation partner			
Align operations to commercial		Hire 3 sales person			
		New shipping terms			
Maintain current sales		Maintain current channels			

You have a huge potential in the specialty commercial market

Focus on
commercial



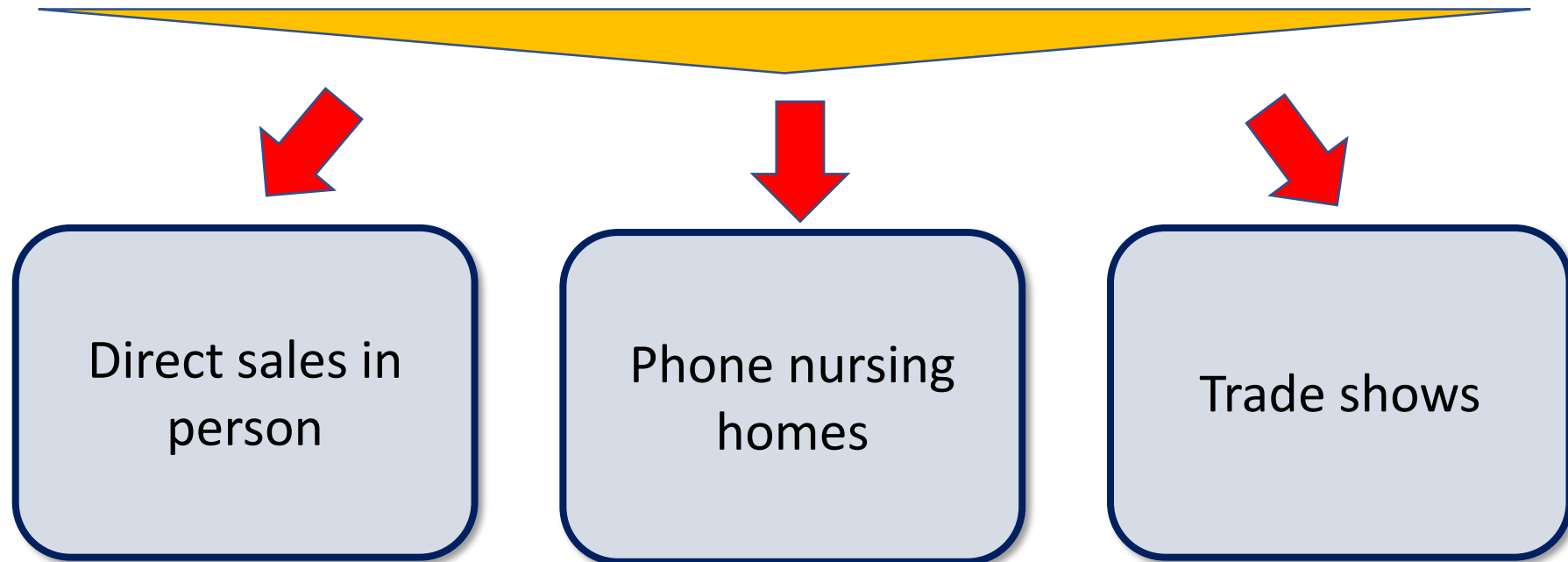
Align
operations



Maintain
current sales

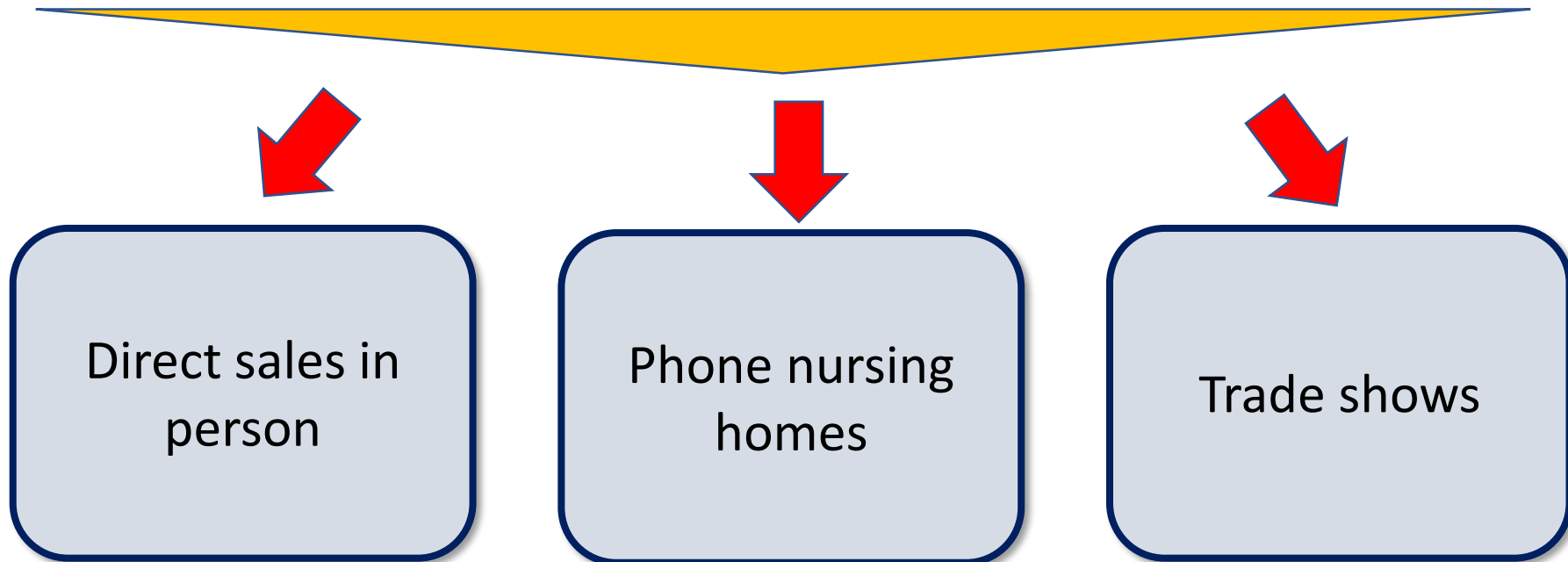
Start focusing on commercial segments

Focus on nursing homes target market



Start focusing on commercial segments

Focus on nursing homes target market



Refocusing your efforts will ensure growth

Sell your excellency to those who understand

Leverage
excellent
quality

1

Compliant

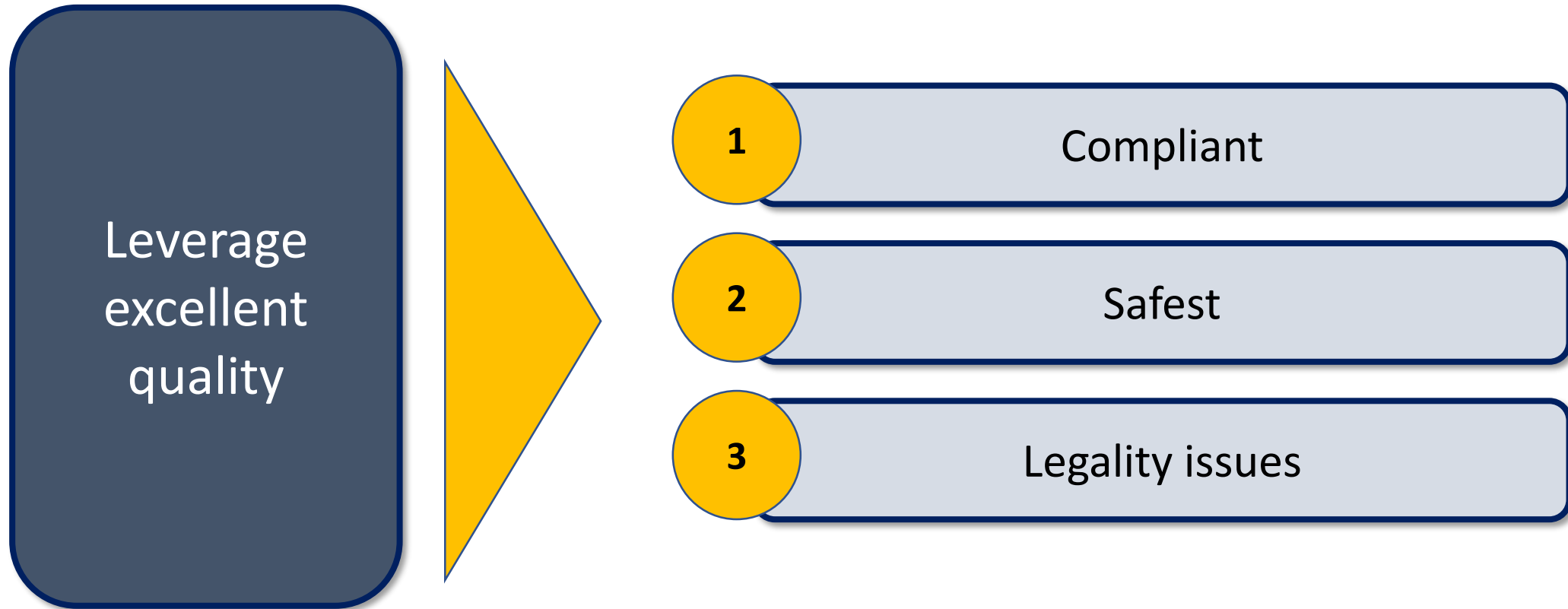
2

Safest

3

Legality issues

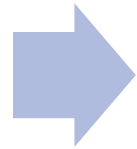
Sell your excellency to those who understand



The commercial market will embrace your core competency

Use current marketing resources effectively

1 sales
person



Devote to
commercial



Visits,
phone

Geller



Health care
network



Develop brand
from later

Use current marketing resources effectively

1 sales
person

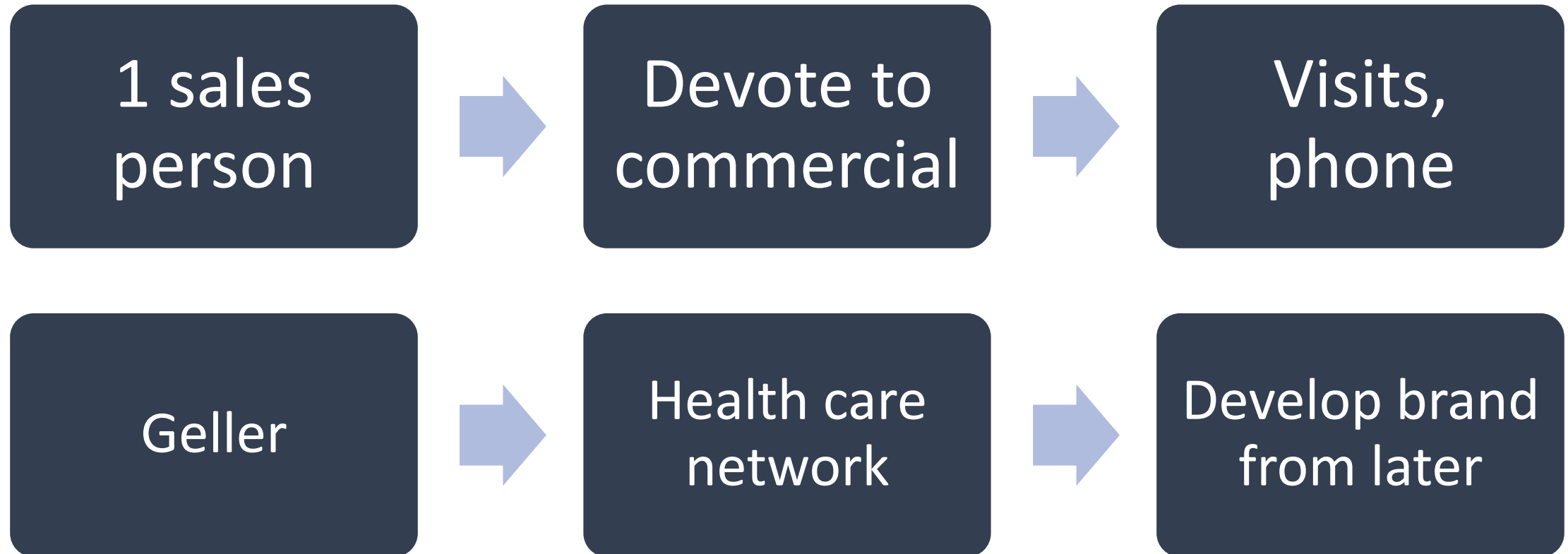


Devote to
commercial



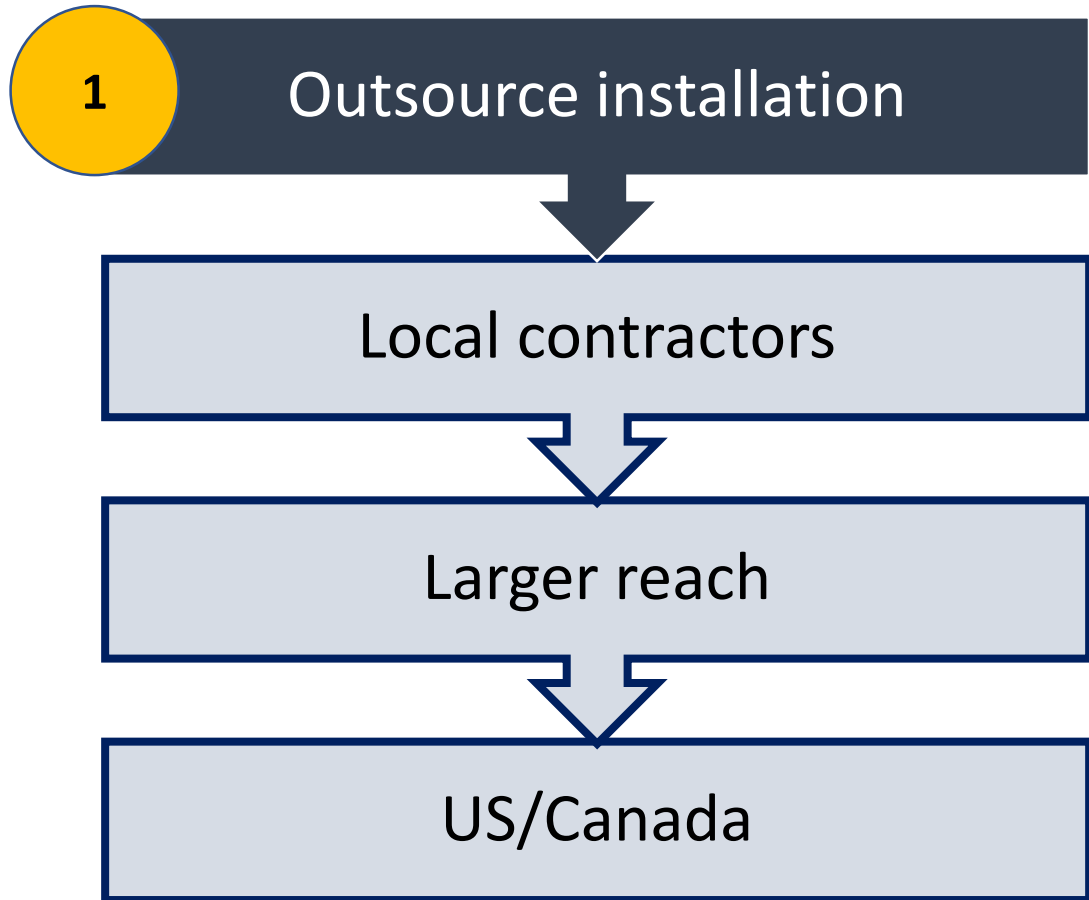
Visits,
phone

Use current marketing resources effectively

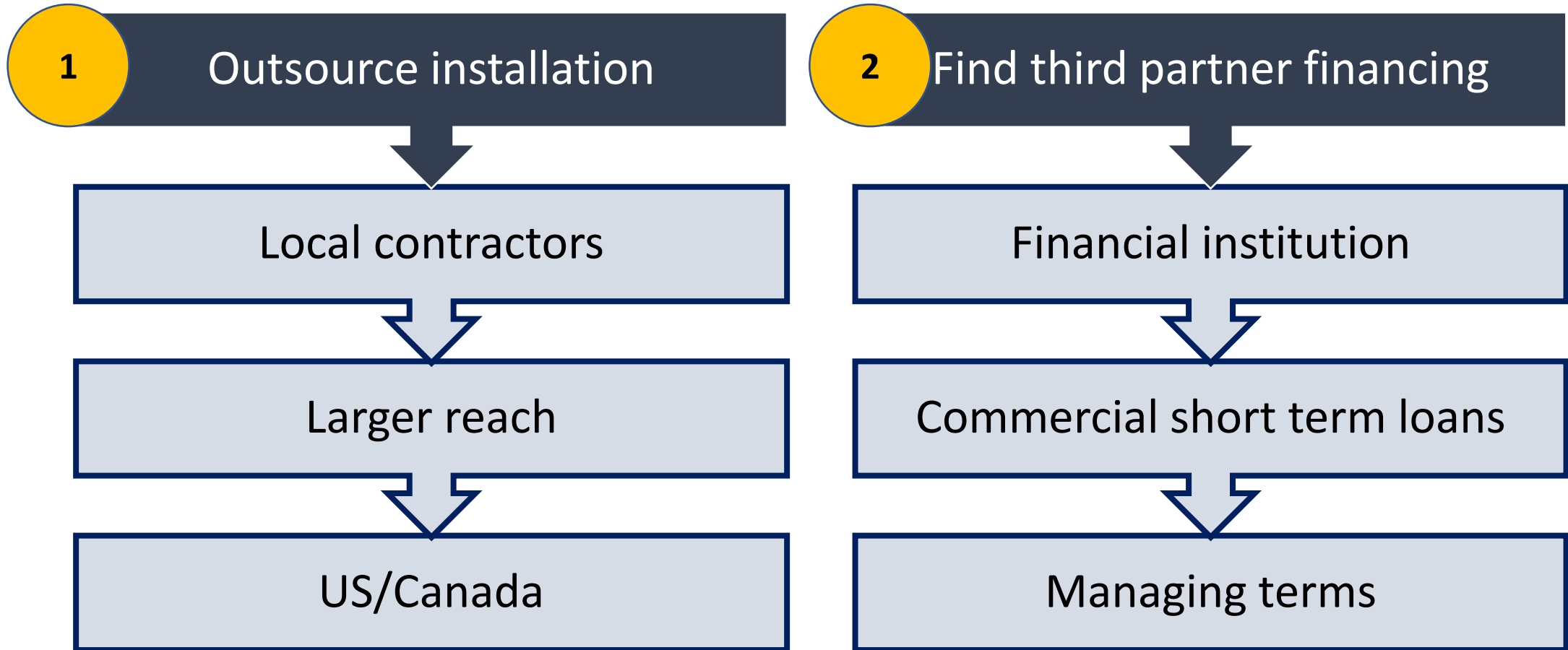


Your resources are better used in the commercial segment

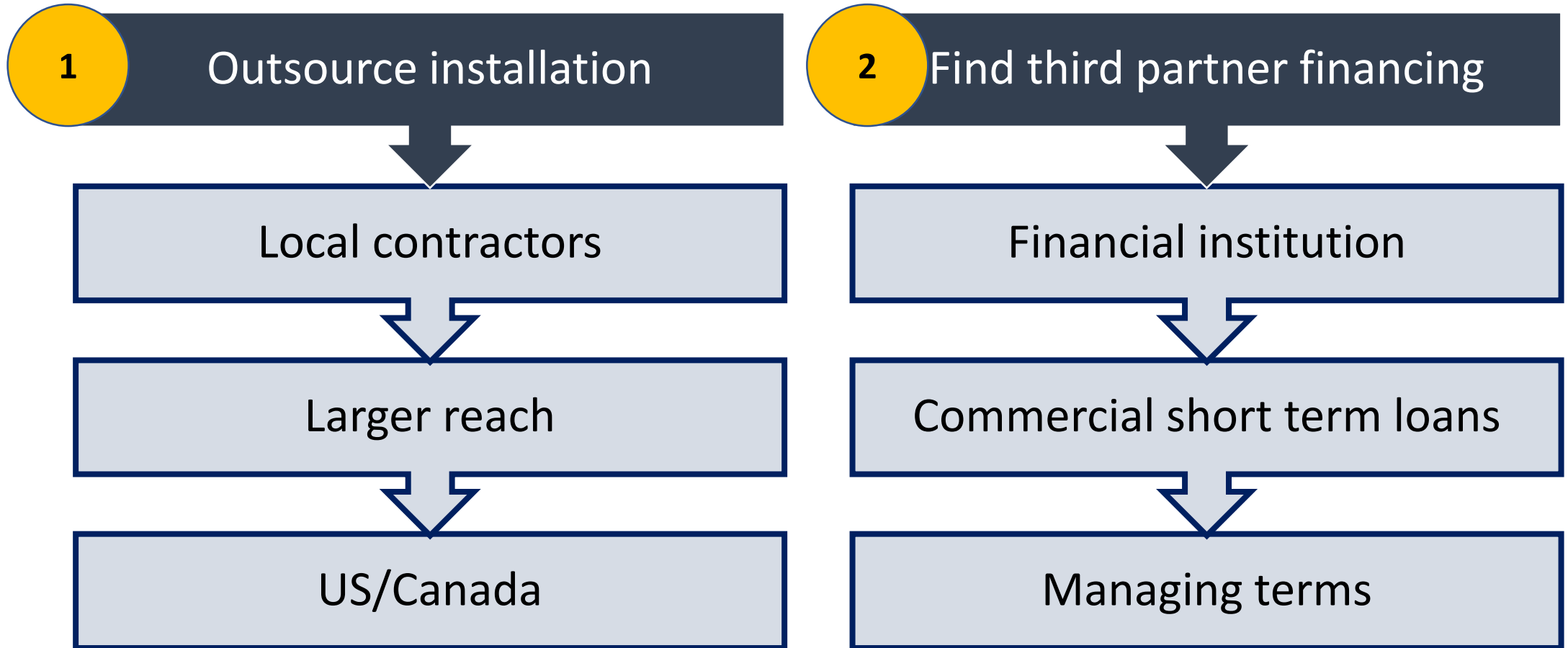
Facilitate sales for commercial clients



Facilitate sales for commercial clients



Facilitate sales for commercial clients



This will enable commercial sales

You will grow through nursing homes first

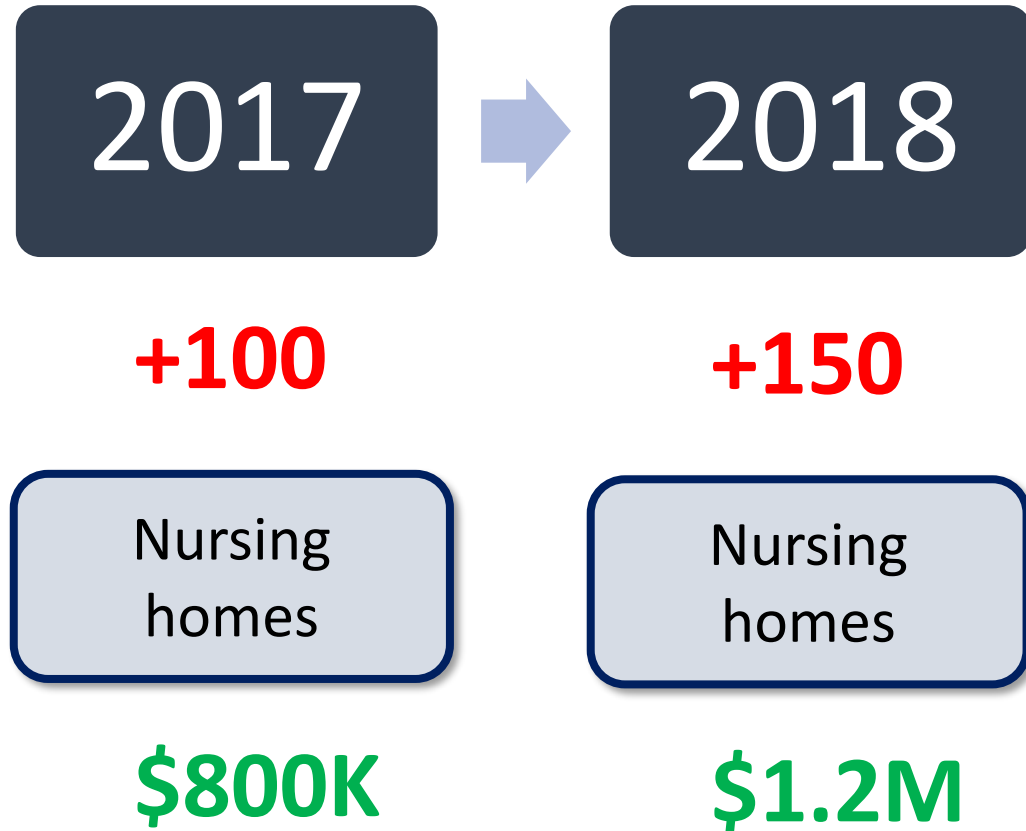
2017

+100

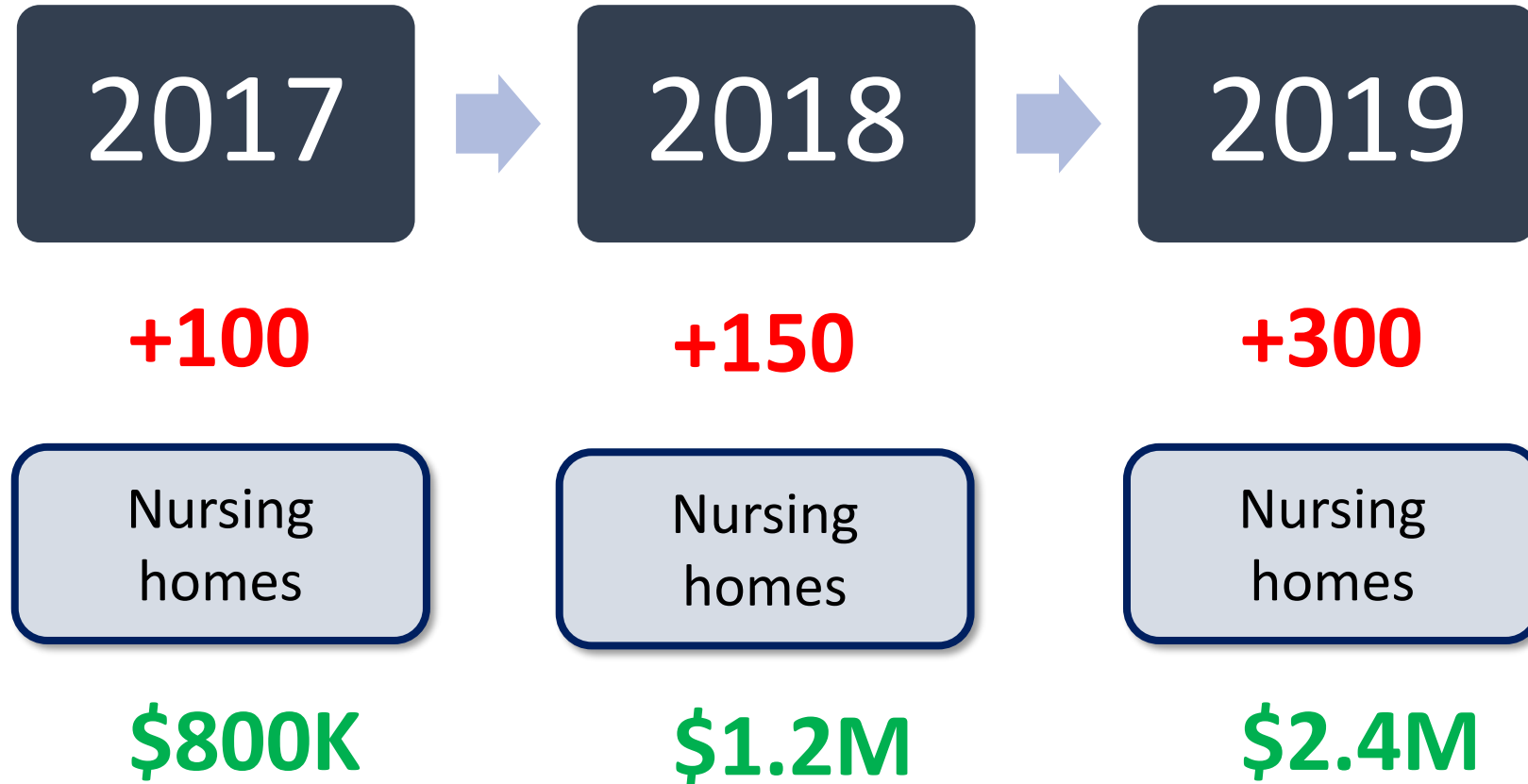
Nursing
homes

\$800K

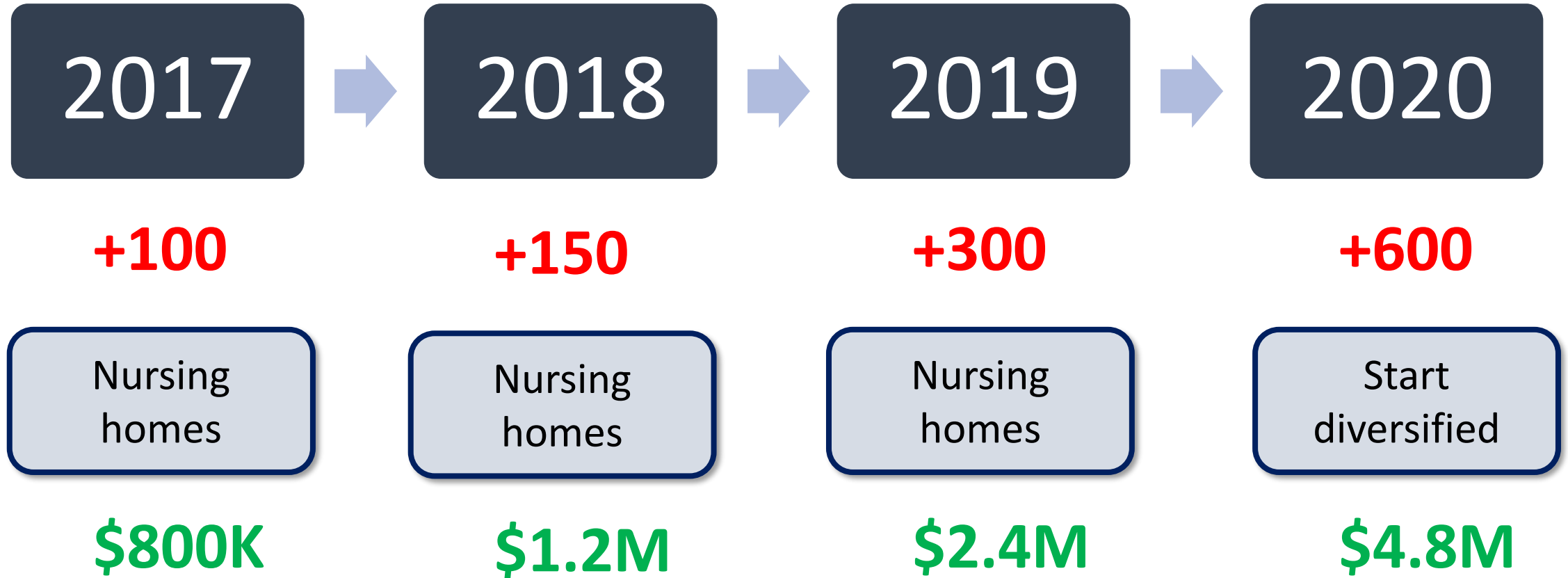
You will grow through nursing homes first



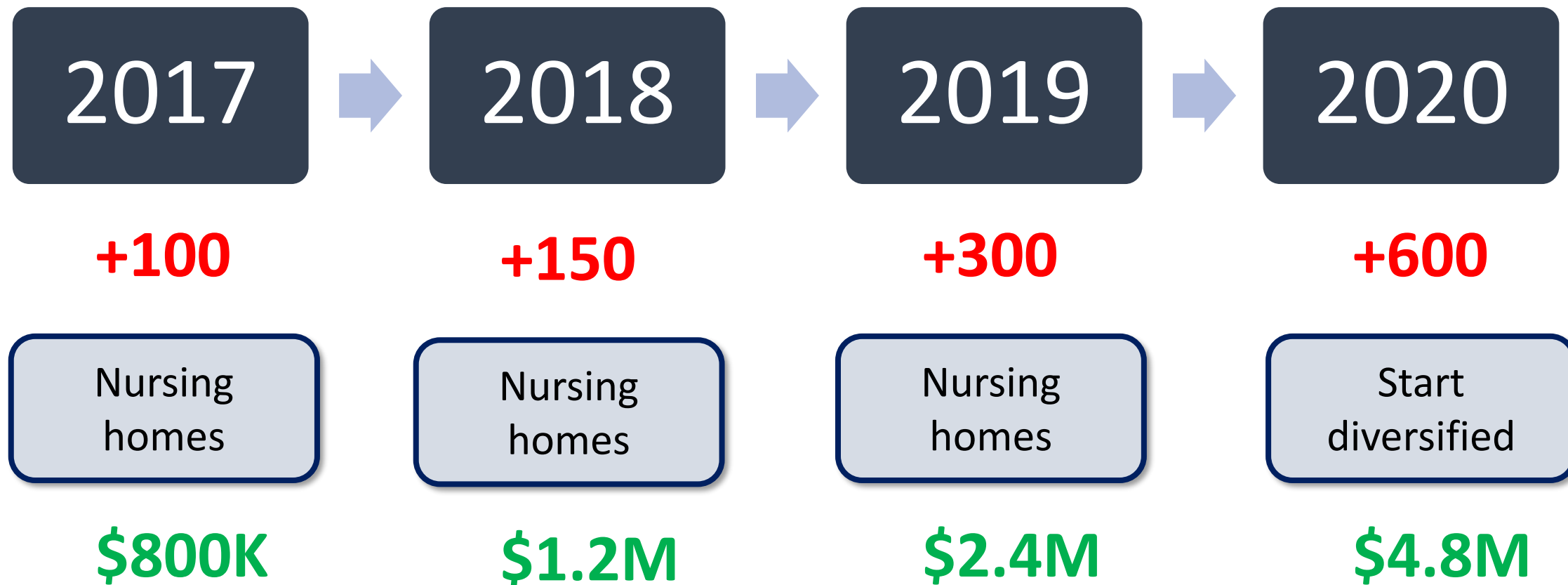
You will grow through nursing homes first



You will grow through nursing homes first



You will grow through nursing homes first



Your projected growth is only achievable in commercial segments

Focus on
commercial



Align
operations



Maintain
current sales

Your marketing department is crucial to growth

VP sales



```
graph LR; VP[VP sales] --- Specialty[Specialty nursing]; VP --- Special[Special medical]; VP --- Residential[Rep residential]; Specialty --- RepCanada1[Rep Canada]; Specialty --- RepUS1[Rep US]; Special --- RepCanada2[Rep Canada]; Special --- RepUS2[Rep US];
```

The diagram is an organizational chart for a VP sales role. It starts with a dark blue box on the left labeled 'VP sales'. Three lines branch out from this box to three light blue boxes: 'Specialty nursing', 'Special medical', and 'Rep residential'. From 'Specialty nursing', two lines branch out to 'Rep Canada' and 'Rep US'. From 'Special medical', two lines branch out to 'Rep Canada' and 'Rep US'. The 'Rep residential' box has no further sub-branches.

Specialty
nursing

Rep
Canada

Rep US

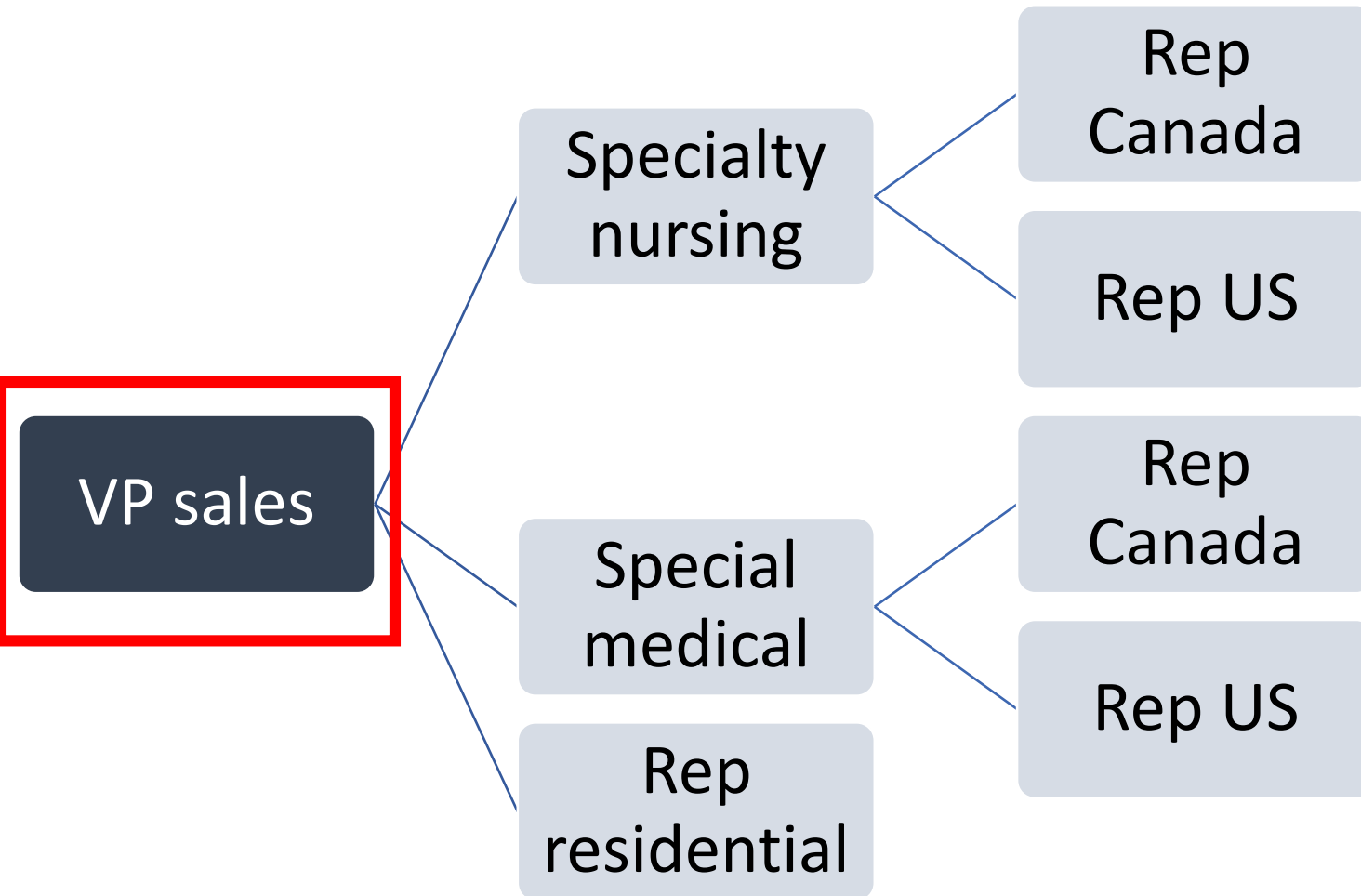
Special
medical

Rep
Canada

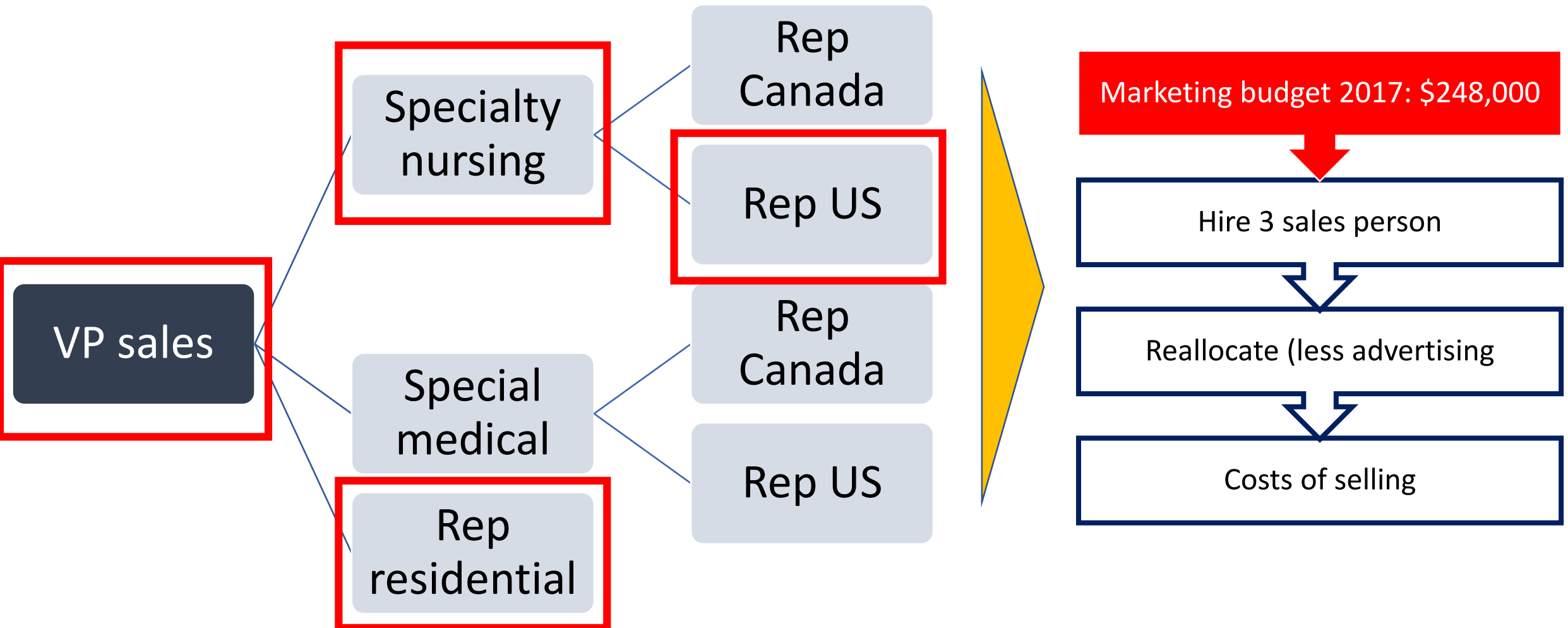
Rep US

Rep
residential

Your marketing department is crucial to growth



Your marketing department is crucial to growth



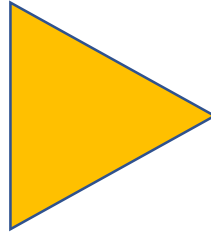
Reallocate resources to grow sales

Continue current operations model

Current method

How to adapt

Outsourcing
manufacturing



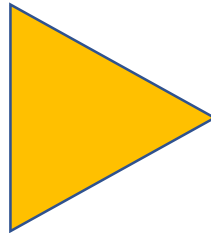
1

Capacity for larger orders

2

More production JIT

Outsourcing
shipping



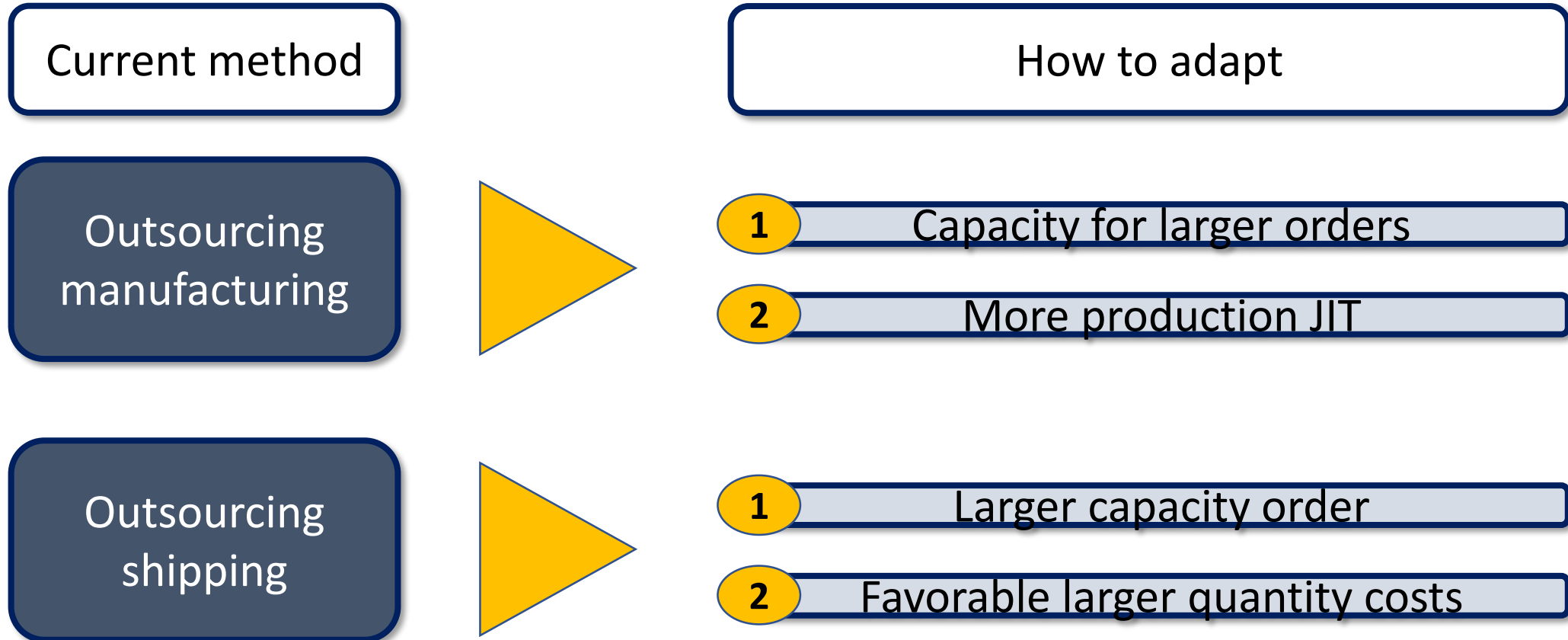
1

Larger capacity order

2

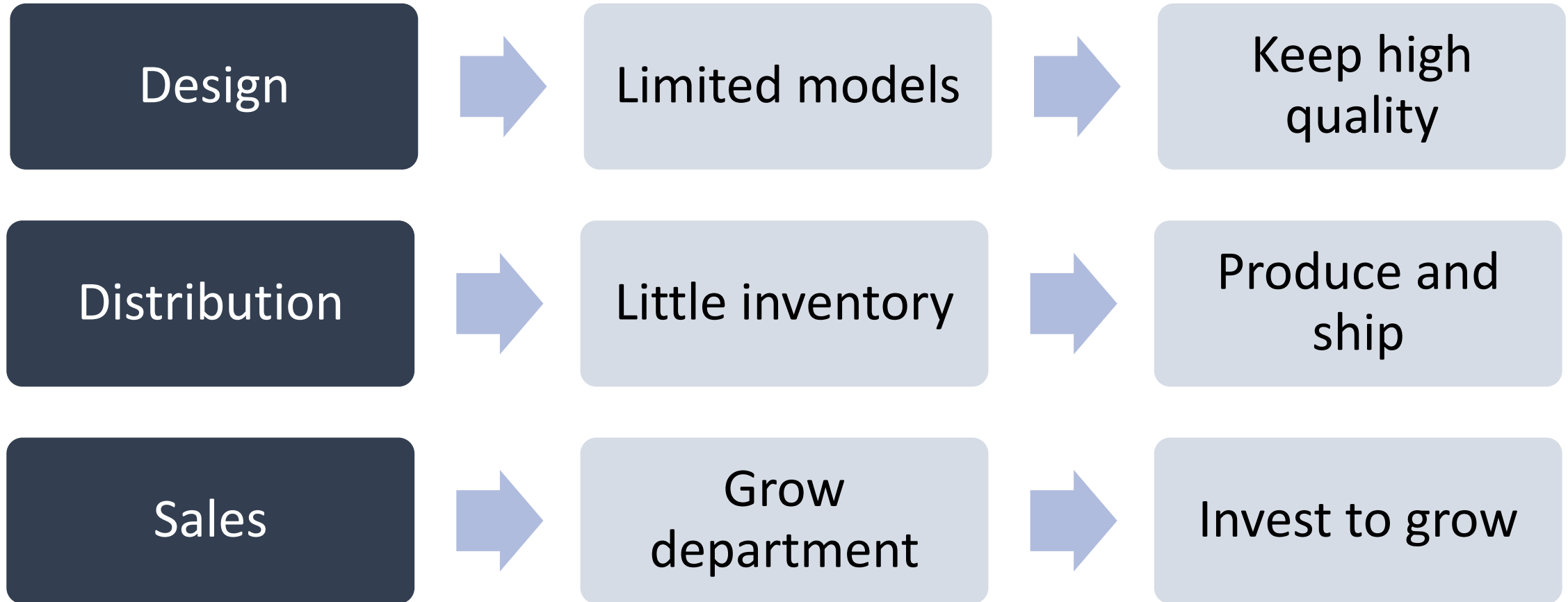
Favorable larger quantity costs

Continue current operations model

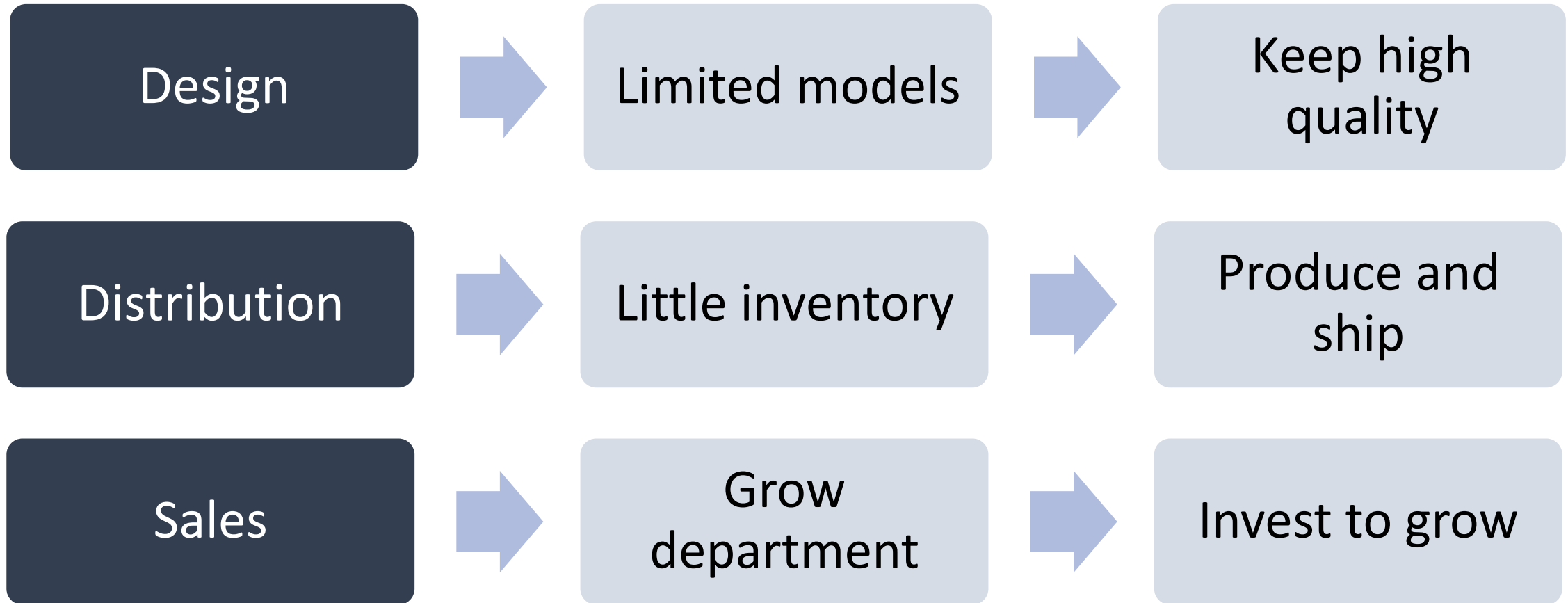


Only slight adjustments are needed

Focus future growth on sales and distribution



Focus future growth on sales and distribution



Sales and design is what your company should focus on

Focus on
commercial



Align
operations



Maintain
current sales

Maintain current sales



Develop lower touch model

1 sales person

Educating retailers

Maintaining professional ties

Developing sales manual

Maintain current sales



Develop lower touch model

1 sales person

Educating retailers

Maintaining professional ties

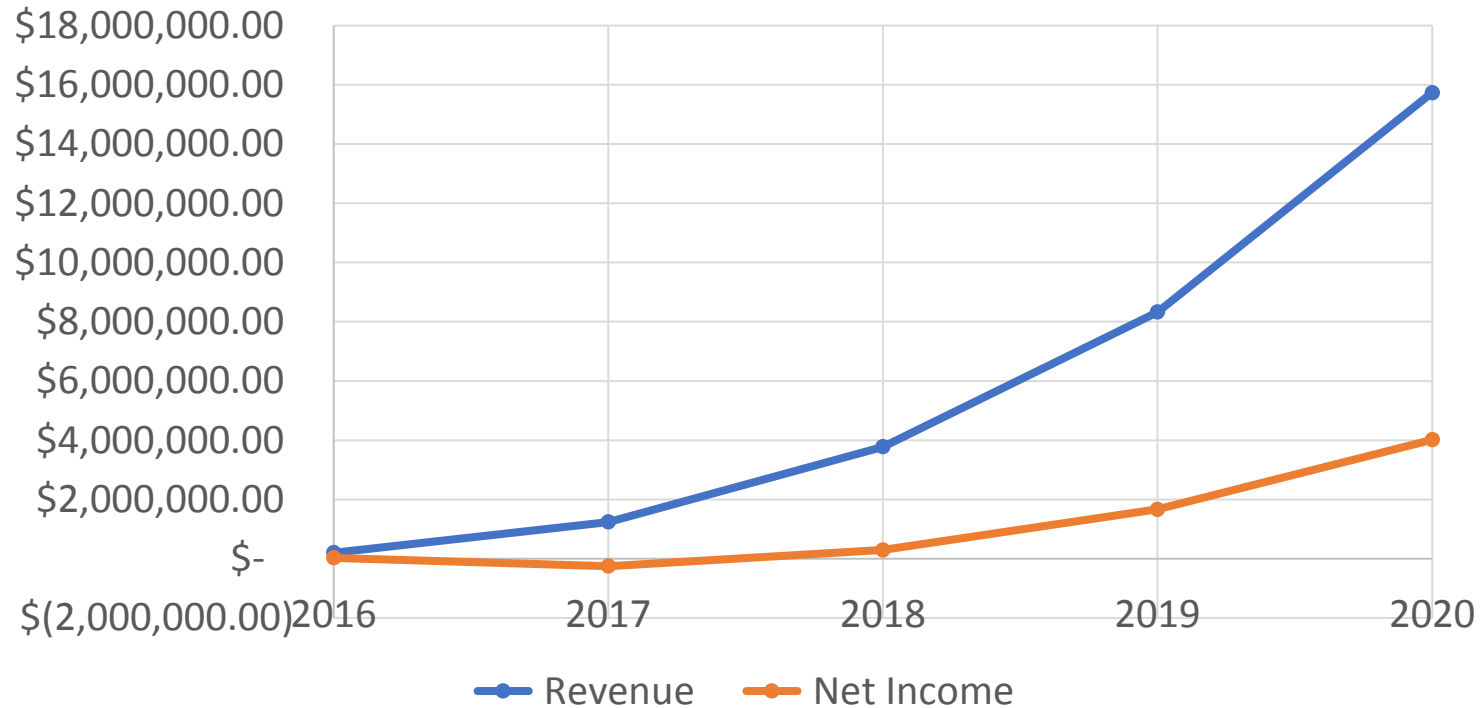
Developing sales manual

Maintaining will be facilitated with commercial sales

Financials

Current projections

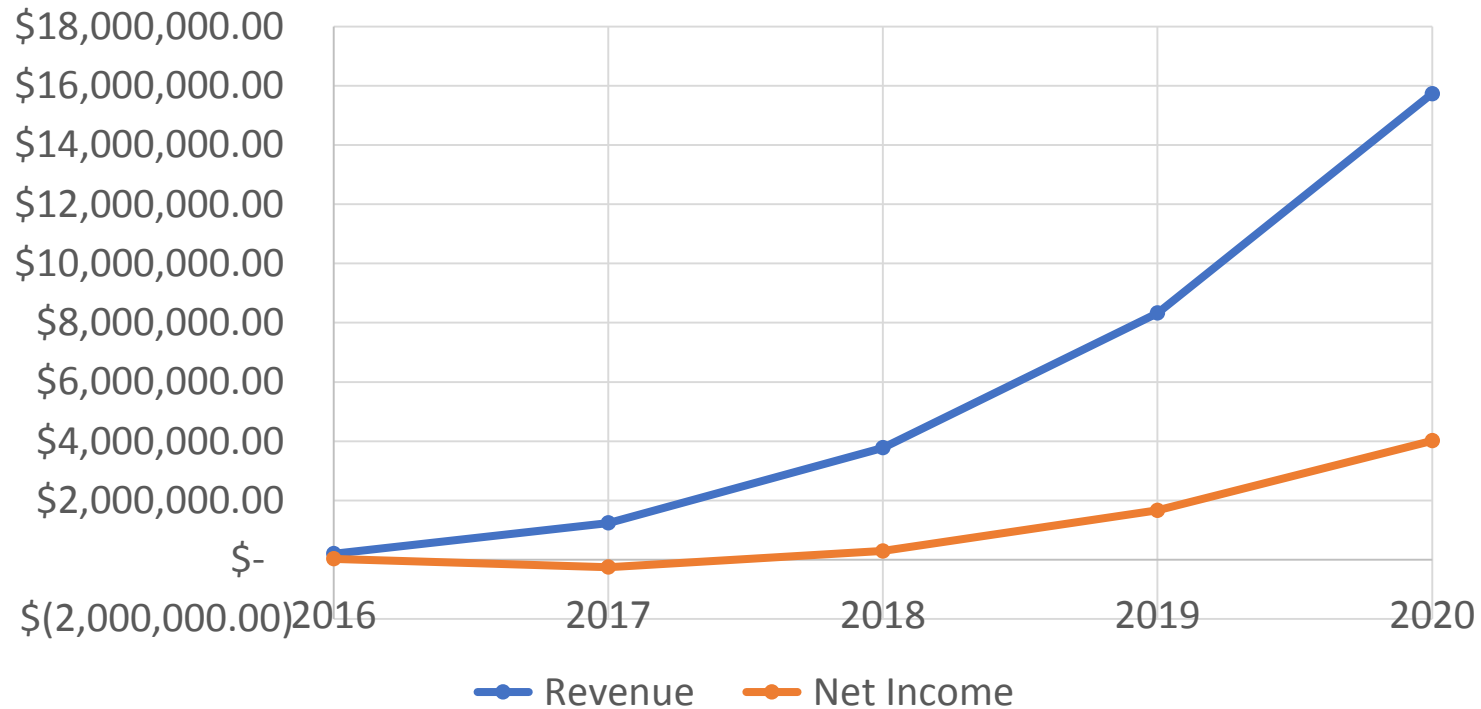
Sales Projections



**198% CAGR
from residential
sales only**

Current projections

Sales Projections



**198% CAGR
from residential
sales only**

Over-optimistic in the residential market

Costs for commercial sales

Hire 3 employees

\$180,000/year



Scale up in year 3

Travel costs

\$30,000/year



Scale up in year 3

New distribution
and financing

\$20,000/year

Costs for commercial sales

Hire 3 employees

\$180,000/year



Scale up in year 3

Travel costs

\$30,000/year



Scale up in year 3

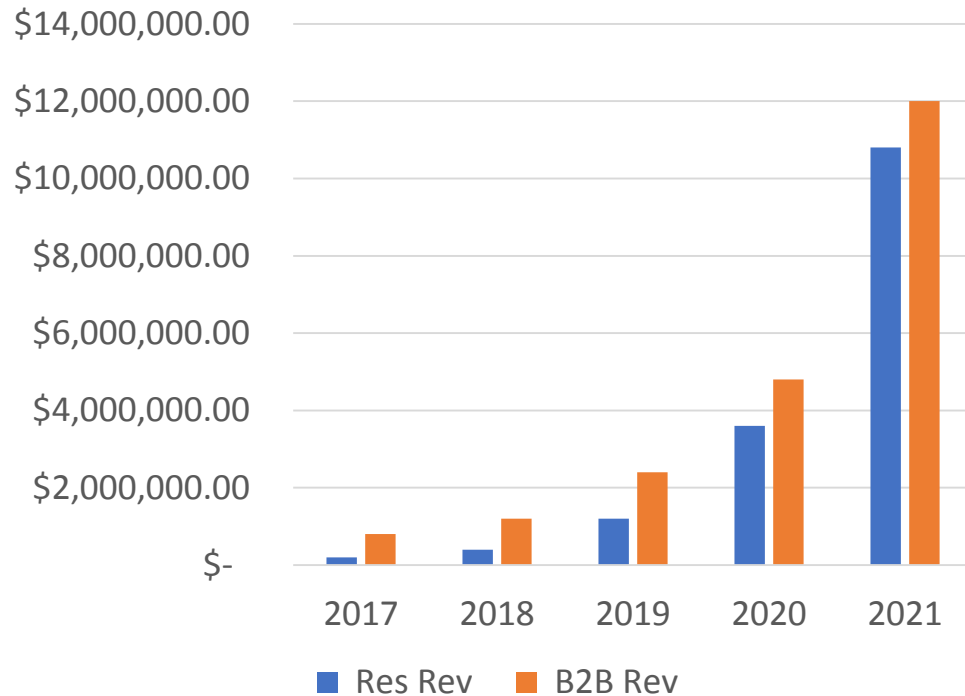
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and financing

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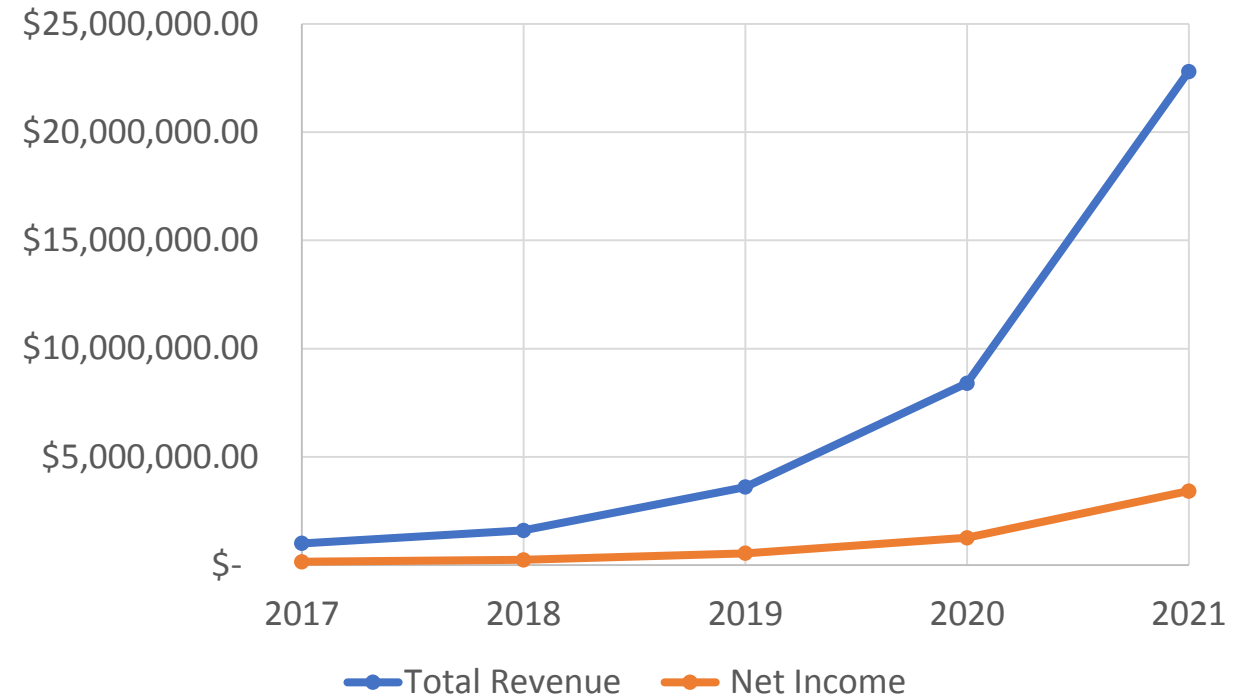
Necessary costs to enter the B2B space

Projected growth

Revenue Breakdown

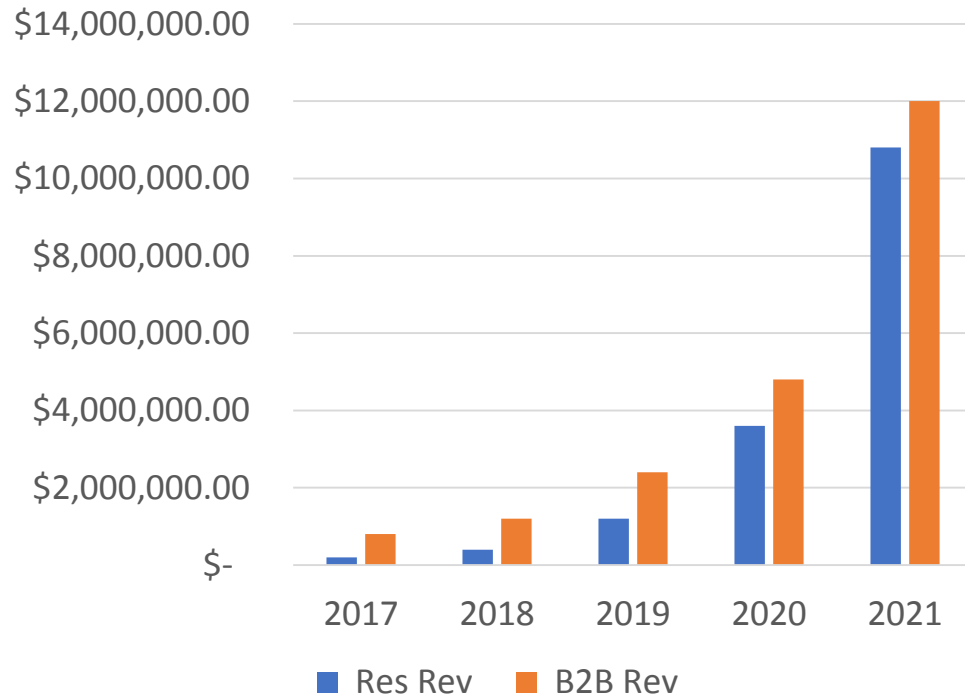


Projected Revenue and NI

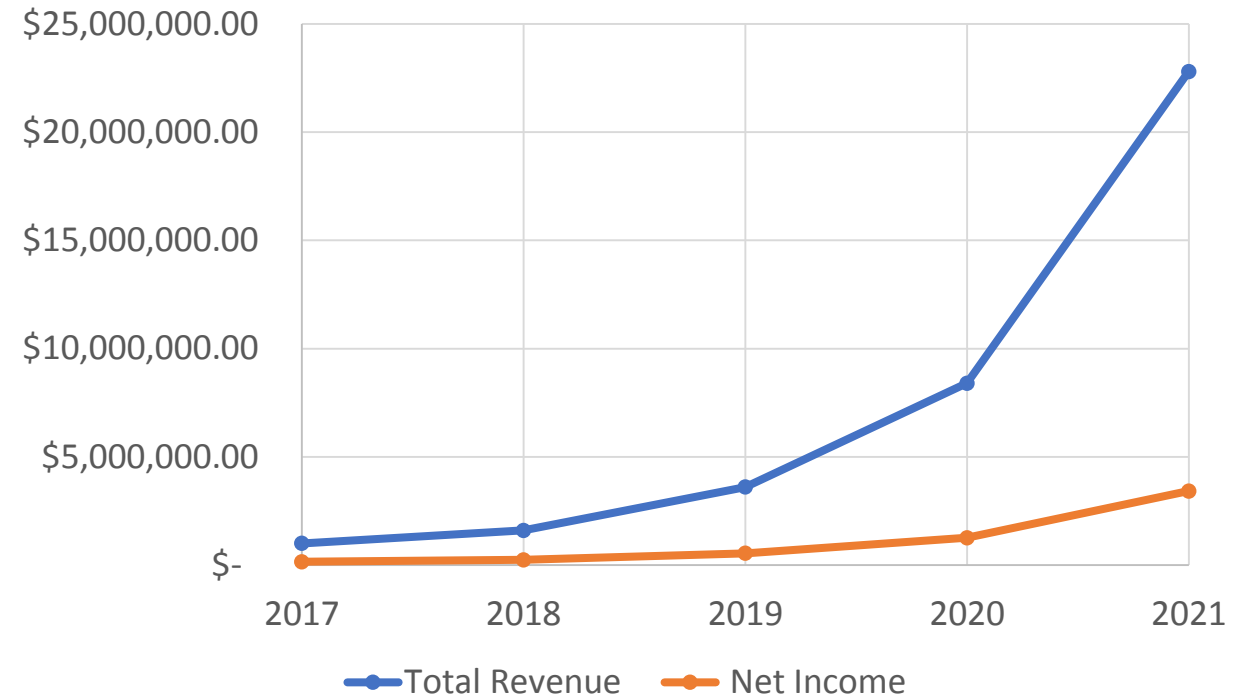


Projected growth

Revenue Breakdown



Projected Revenue and NI



Healthy growth through diversification

Thank you!