

PromenAid Handrail

WOW CONSULTING

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How can PromenAid
achieve the \$15.7 million
sales target by 2020?

Who is PromenAid?



Product - functional handrail providing the power grip: safe, comfortable, strong, easy installation, turn key solution

Distributed through Amazon and occupational therapists

Sales were \$196,000 in 2016
Aiming to achieve \$15.7 million by 2020

How Can PromenAid Achieve the Goals?



Continued focus on distribution through eCommerce (Amazon)



Break the sigma by working with designers



Keep expanding into the US market, focus on states with high potential

What Does the Business Canvas Look Like?



Distribution Channels: Amazon, retail stores and contractors

Value Proposition: Turnkey solution, easy installation, affordable and meets high safety standards

Marketing Channels: Referrals through medical professionals and CAPS contractors

Target Customers: Residential Specialty Segment (65 and older, mobility impaired and homeowners)

Focused market with limited competition and fast consumer uptake.

What is an Ideal Market?



- Areas with a high concentration of elderly people
- Areas with uneven terrain
- Areas with a high density of multi-level homes
- Potential interesting states :
 - California
 - New England (Vermont , New York, Maine, New Hampshire)
 - Colorado

What Issues Do You Currently Face?



- Strong negative stigma surrounding handrails
- Lack of product awareness
- Decorative options are favoured despite their lack of functionality
- Limited available cash

Current barriers severely limit PromenAid's potential growth

What Are the Decisions Criteria?



- Does it help you to meet your 2020 sales target?
- Is it financially affordable?
- Does the strategy align with the product's features?

What are the Alternatives ?



Alternative Distribution Channels	Contractor	Medical association promotion	eCommerce	Hardware Store
Meet 2020 sales target				
Financially Affordable				
Align with Product Feature				

What should PromenAid Handrail do?



- Focus on eCommerce
- Break the stigma by working with designers
- Continue to expand in the US

What Should Your Segmentation Be?



Seniors:

- 70+
- Watch TV regularly
- Living on a pension
- Mobility impaired
- High risk of falling

Baby Boomers:

- 55-70
- On social media
- Financially established
- Still consider themselves young and mobile
- Likely to embark on a renovation project

How Can You Break the Stigma?



Partnership with Designers – Sarah Richardson (Canada) and Martha Stewart (USA)

Advertisement on Facebook and YouTube

TV infomercials during day time on local stations in targeted states

When Should You Do What?

	2017	2018	2019	2020
Facebook & Social Media Advertising				
Designer Partnerships				
New Product Lines (focused on design)				
TV infomercials in target states				

Potential Market



Households in North America

total number	149 million
with a 65+ or mobility impaired resident (30%)	45 million
and that are two story homes (10%)	15 million

Handrail investment per house

average cost per linear foot	\$25
average number of linear foot handrail per house	7
average handrail investment per house	\$175

Potential market in North America

\$2.63 billion

Gross margin (60%)

\$1.56 billion

Market share captured in 2020 (projected)

0.60%

Financing



Seed (M. Reich)	\$80,000
BDC loan	\$80,000
Desjardins Financial line of credit	\$80,000
Initial tranche from investors	<u>\$600,000</u>
Total financing available	\$840,000

Repayment of Existing Debt planned at \$134 000 in 2017

Sound cash flow cycle model

Suppliers give 30 days credit

Canadian retailers given 30 days credit (22% of total sales)

Others pay by credit cards, money received much quicker

Assuming contractors pay within 30 days, and 30 days inventory on hand, current projections can be self-financed

What Should You Watch Out For?





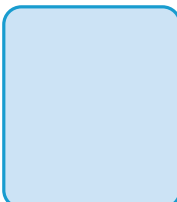
Risk	Prevention	Likelihood	Impact
Entrants of substitutes/competitors	Continuous design and innovation, and maintenance of patents	Medium	High
Fluctuation of exchange rates and aluminum prices	Hedge with futures	High	Medium
Low eCommerce sales	Enter hardware and specialty retail stores	Low	Medium
Running out of cash	Request loans, use line of credit or other financing	High	High

What Are the Takeaways?



- ~~✓ Strong negative stigma surrounding handrails~~
- ~~✓ Lack of product awareness~~
- ~~✓ Decorative options are favoured despite their lack of functionality~~
- ~~✓ Limited available cash~~

✓ Achieve \$15.7 million sales target by 2020

-  • Continued focus on distribution through eCommerce (Amazon)
-  • Break the sigma by working with designers
-  • Keep expanding into the US market, focus on states with high potential



Assumptions

Gross margins

Retailers	70%
Contractors	63%
Amazon	57%