

PromenAid: Are you living?

EASTERN EDGE CONSULTING

MEMORIAL UNIVERSITY

Agenda

- ▶ Analysis Krista
- ▶ Alternatives Priyank
- ▶ Recommendation
- ▶ Implementation Jeff
- ▶ Financials Chris
- ▶ Risks & Mitigations Krista
- ▶ Conclusion

Problem Statement

How can PromenAid successfully navigate the growth phase of its product lifecycle?

Key Issues

Lack of marketing

Distribution channels

Organization size and structure

Cash flow management

Key Objectives

- Product awareness
- Increased sales
- Right size the organization
- Financial stability

Recommendation

PromenAid can position itself for **explosive growth** by focusing on product development.

External Analysis

Aging population

- Large market
 - Independence
 - Dignity
 - Pride

Public institutions

- Increasing demand for accessibility
- Increased focus on health

Significant market potential

Internal Analysis

Lack of
marketing

Differentiation

Fragmented
Distribution

Small
organization

Succession
plan

Not yet prepared for explosive growth

Internal Analysis

Product

Pretty & Practical

Affordable

Stylish and safe

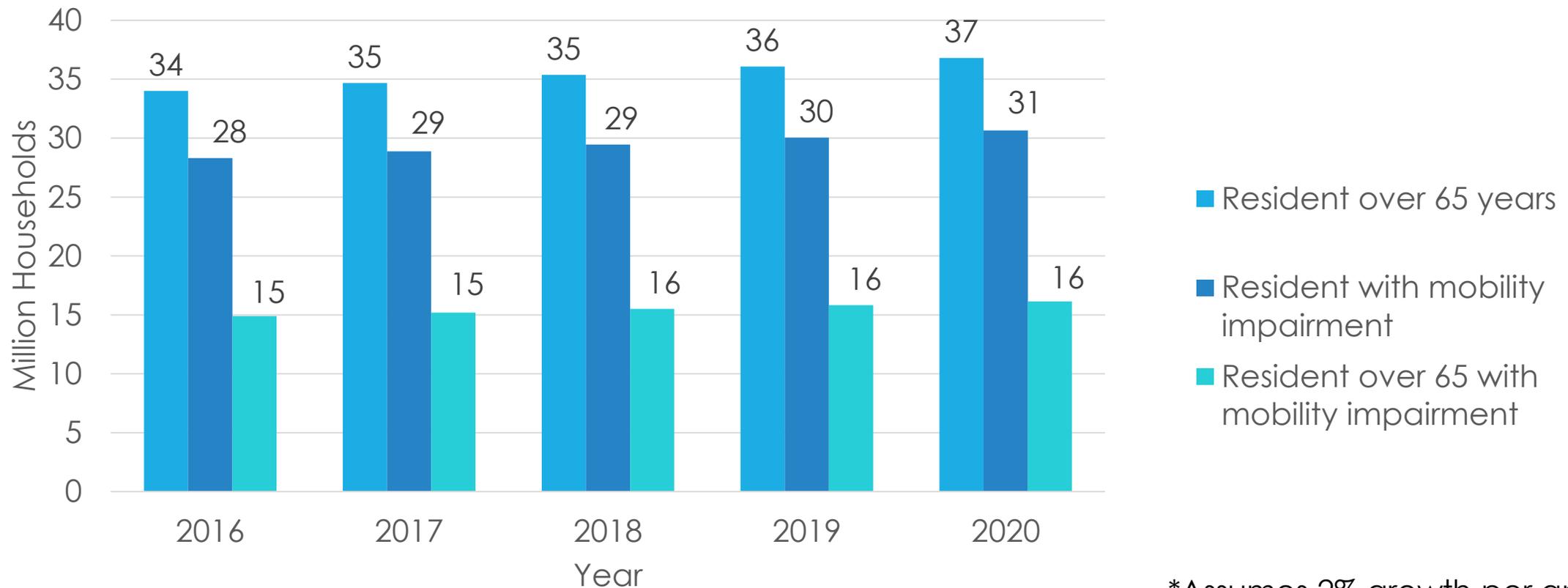
Meets IBC
code

Easy to install

Strong product that fills a gap in market

External Analysis

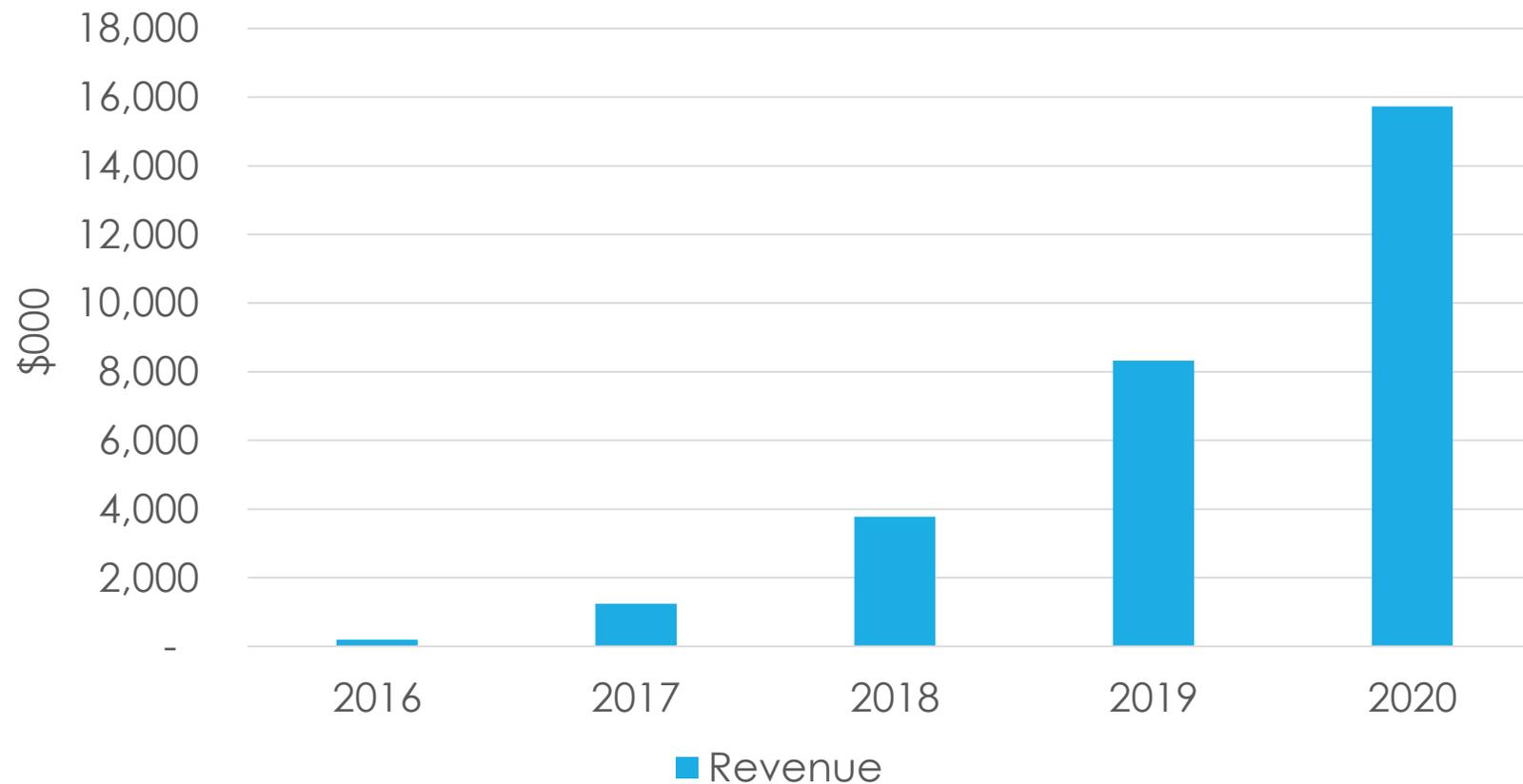
Residential Speciality Segment Growth



*Assumes 2% growth per annum

Internal Analysis

Target Revenue Growth



Annual
growth of
185%

Alternatives

Organic growth

Sell PromenAid

Focus on PromenAid

Organic Growth

- 
- Extensive knowledge
 - Past experience
 - Qualified management team

- 
- Risky with increased investment
 - Requires extensive effort for improving distribution and product awareness
 - Intense competition

Sell PromenAid

- 
- High potential patented idea – good value & selling opportunity
 - Relatively quick, easy and straightforward

- 
- Great success and growth in the past
 - Profitable history
 - Lost opportunity
 - Owners support and believe in the idea

Focus on PromenAid

- 
- Increased product awareness
 - Provides scale
 - Reduced out of pocket investment leading to reduced risk
 - Allows focus on core of business
 - Improved distribution channels

- 
- Lost learning opportunity
 - Reduced distribution control

Decision Matrix

	Organic growth	Sell PromenAid	Focus on PromenAid
Increased product awareness	✓	✗	✓
Increased sales	✓	✗	✓
Improved Financial stability	✗	✓	-
Probability of success	✗	✓	✓

Recommendation

PromenAid can position itself for **explosive growth** by focusing on product development.

Implementation - Summary

<6 months

- Identify short list of targets
- Sign partnership agreement

<1 Year

- Develop organizational structure

1-2 Years

- Succession plan
- Launch product extensions

Strategic Partnership Benefits

Allows focus on core business

Scalability

Reduces risk

Strategic partnership increases probability of success

Strategic Partnership

Product
Development

Marketing

Financial
Management

Distribution of
Product

PromenAid can focus on what it does best

Distribution Partner Identification

What to look for in a partner?

- Established in target market
- Experience in industry
- Complementary products
- Willingness to distribute PromenAid products

Distribution Partnership Targets

Life Alert

Accessibility
Product
Manufacturers

Thera-putic
Bed
Manufacturers

Marketing Plan

Social
Media

Facebook

Engaging
personalities

Bob
Barker

Jane
Fonda

Ads

Radio

TV

Messages:

“A PromenAid for every home”

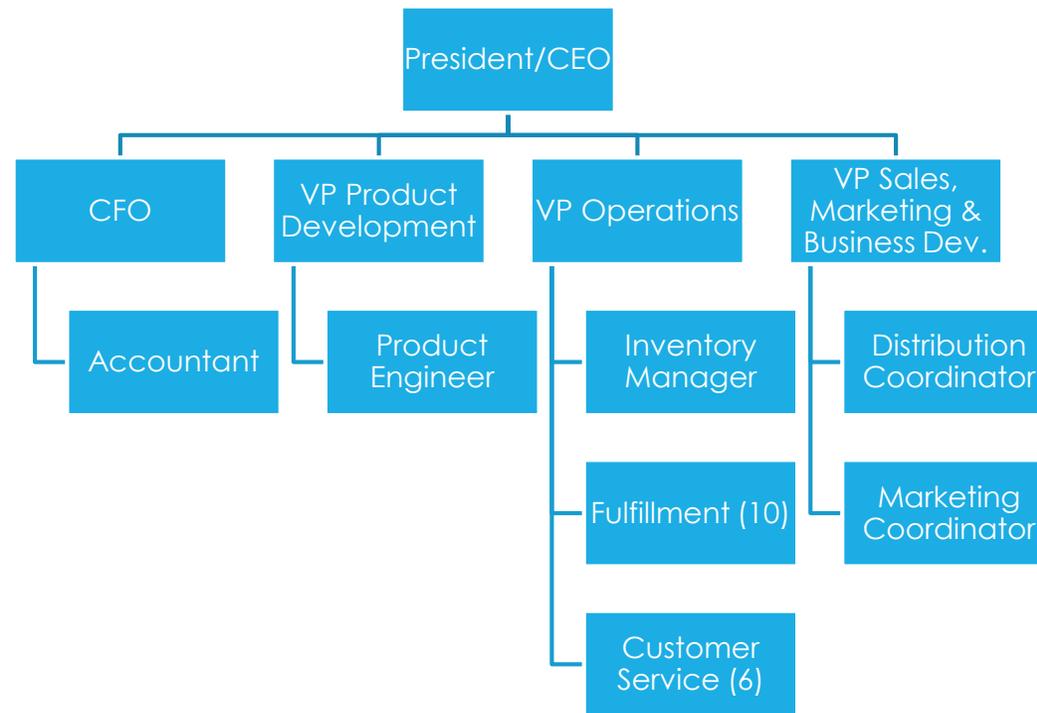
“Saving your bones,
one bracket at a time”

“You don’t want to live with
your kids any more than they
want to live with you!”

PromenAid:

- Pride.
- Dignity.
- Independence.
- Living.

Organizational Structure



Focus on Key Activities

Succession Plan

Internal Development of
Leadership Capabilities

Ownership Exit Strategy

Potential Product Extensions

Technology integration

New materials/finishes

Novel applications

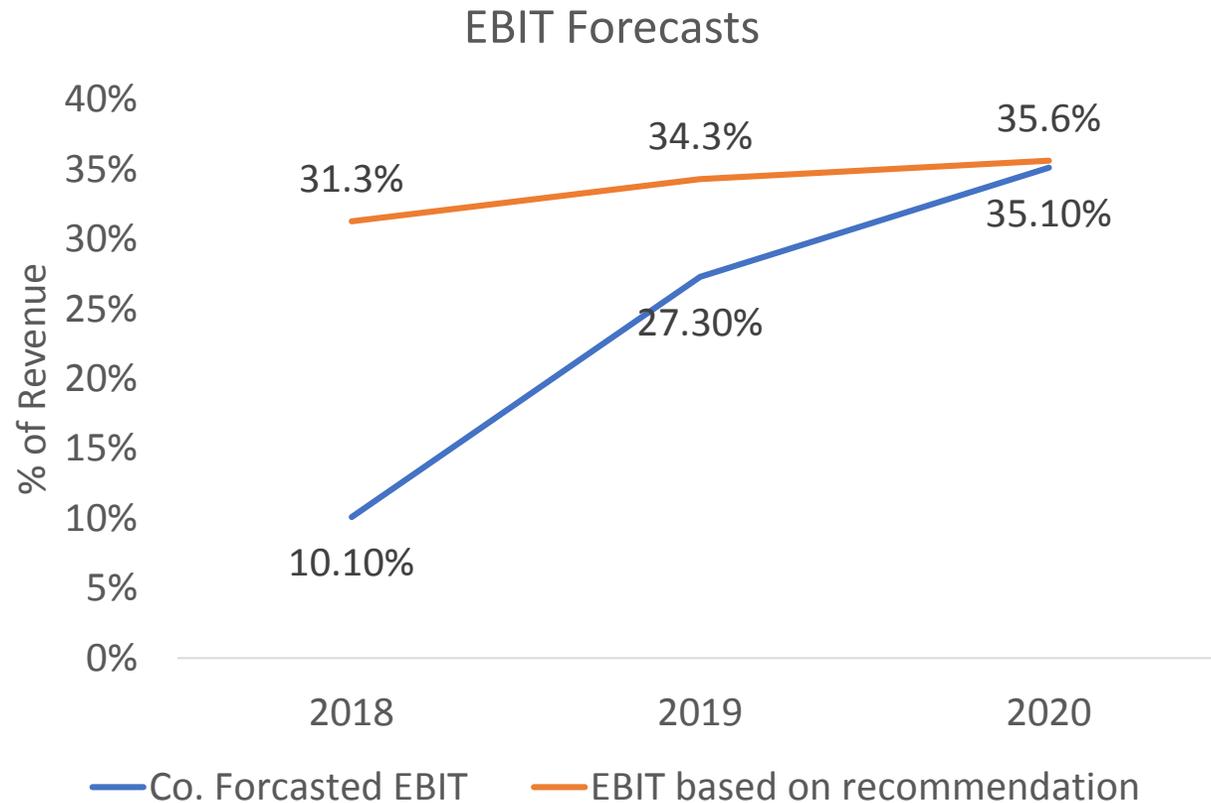
Financials

Capital Expenditure	2018	2019	2020
Product Development	\$ 500,000		\$ 500,000

Source: Earnings and Debt

Expenses Management	2018	2019	2020
Fixed Costs	\$ 50	\$ 50	\$ 50
Marketing	\$ 755	\$ 1,666	\$ 3,146
Other Administrative Expenses	\$ 264	\$ 583	\$ 1,101

What Good Looks Like



- Stable EBIT growth
- Effective expenditure manage
- Positioning the company of revenue growth beyond 2020

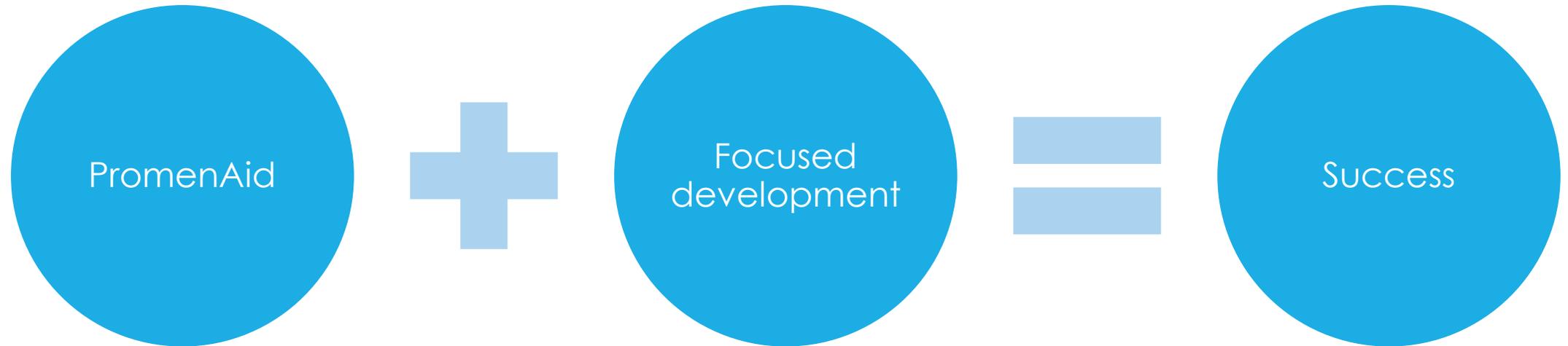
Risks & Mitigations

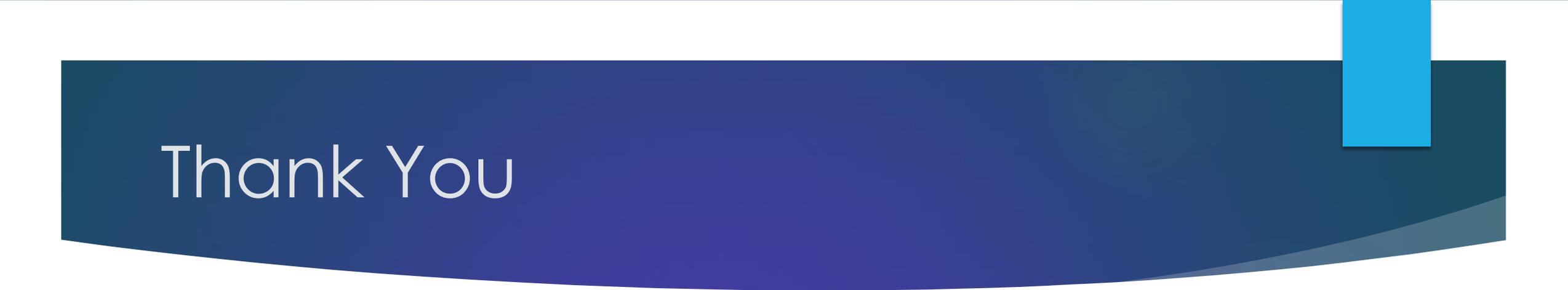
Risk	Rank	Mitigation
Partnership fails	Medium	<ul style="list-style-type: none">• Due diligence• Frequently re-evaluate partnership
Competition replicates product	Medium	<ul style="list-style-type: none">• Differentiation• Continuous innovation
Cash flow issues	Low	<ul style="list-style-type: none">• Re-evaluation payment terms• Financial diligence

What Good Looks Like

- ✓ Product awareness
- ✓ Maintain competitive advantage
- ✓ Right size the organization
- ✓ Financial stability

Conclusion





Thank You

▶ Questions?

Plan B: Organic Growth

- 
- Extensive knowledge
 - Past experience
 - Qualified management team

- 
- Risky with increased investment
 - Requires extensive effort for improving distribution and product awareness
 - Intense competition