

# The Future of PromenAid

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Board Meeting, Q1 2017, 2017/01/20

*TU Kaiserslautern*

*Marco Hassdenteufel, Lukas Renner, Kevin Schmitt, Julia Todea*

# Main Challenge

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How to manage the future growth of  
PromenAid?

# Agenda

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# Key Issues

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Expected impact on cash flow

Customer understandings

Unclear distribution

Customer awareness

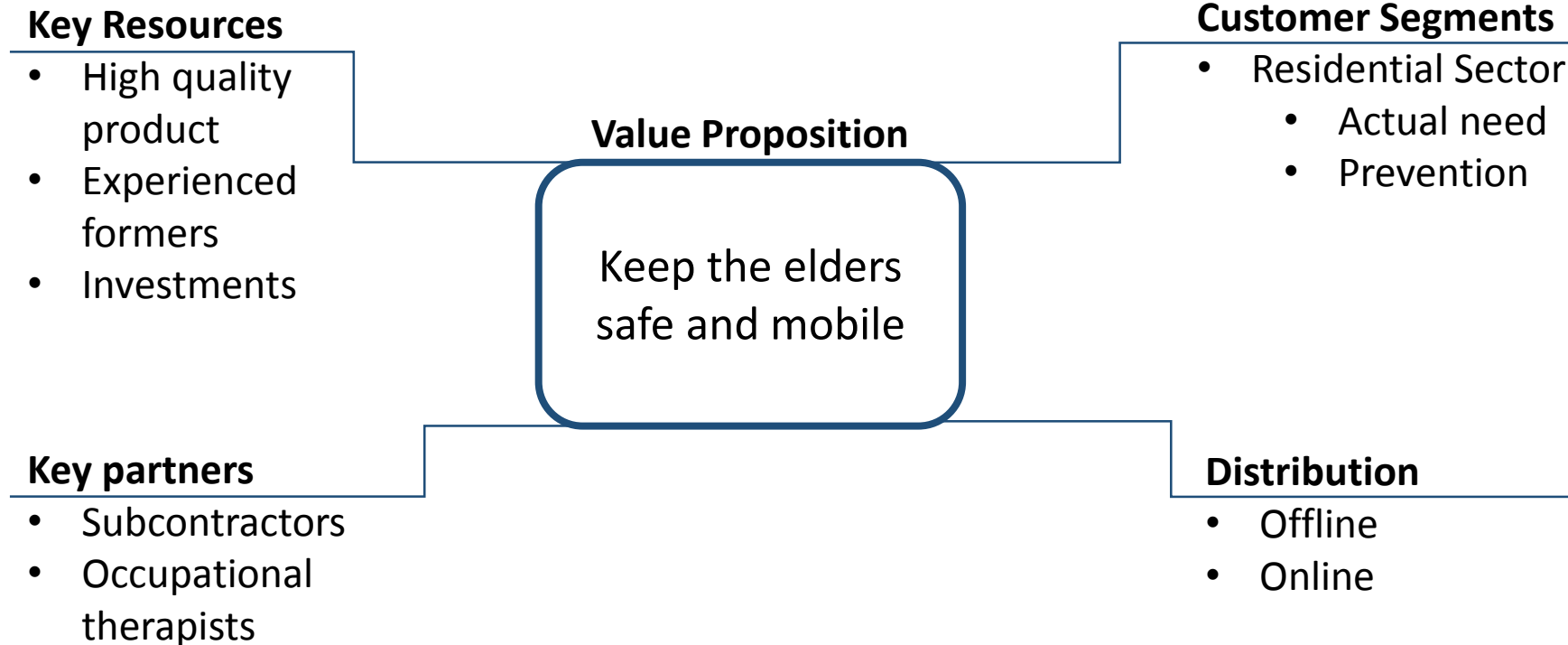
# Objectives

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- Sales of 15.7 Mio. CAD in 2020
- Financial sustainability
- Efficient distribution channel
- Erase stigmatization
- Increase customer awareness

# Business Model

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# Product Portfolio

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## Satin-anodized modular handrail

### Product USPs

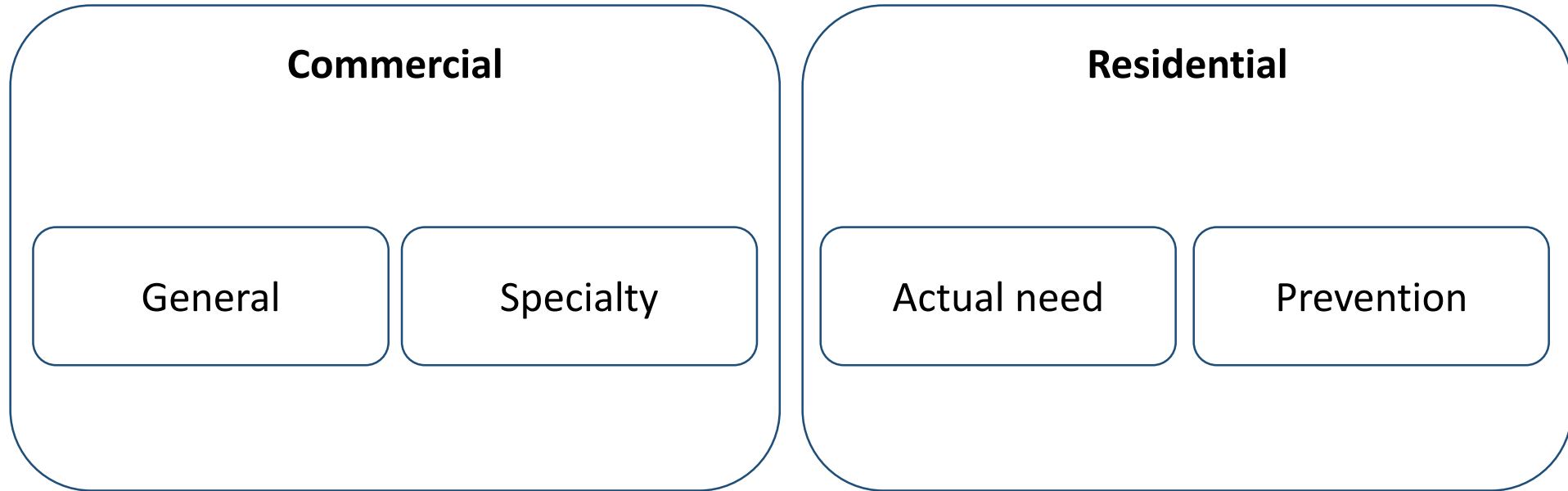
- Power Grip
- Continuity (on and between stairs, ramps and landings)
- Support of 500 lbs per bracket > Standard of the International Building Code
- Fall prevention and mobility assistance
- Easy installation



Competitors do not have these features all together

# Market Segments

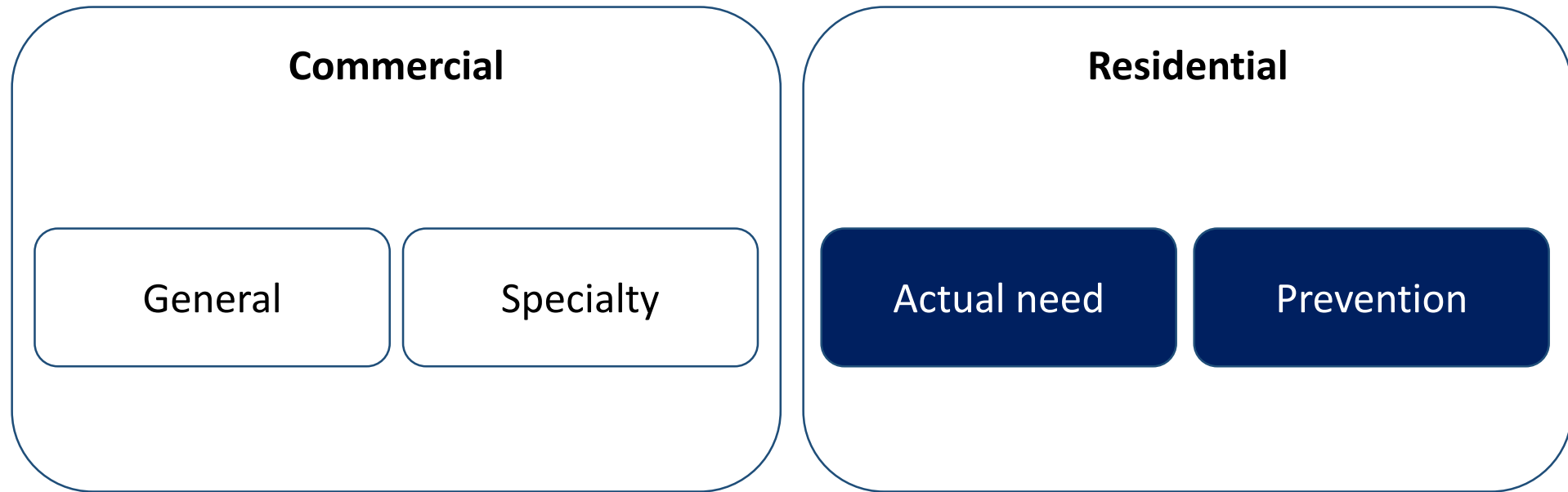
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# Market Segments

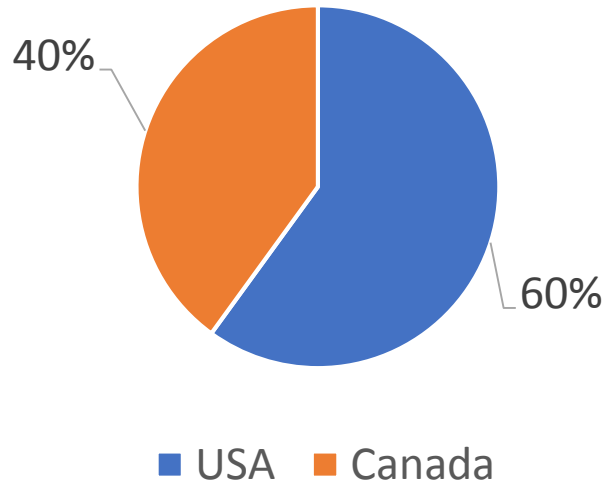
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Focused on the residential segment

# Distribution

## Sales in North America (2016)



## Channels

Online: 50%

Offline: 50%  
(100 Stores)

Amazon

- Keeps 30% of the retail price

Home medical equipment



- Motion Specialists



- Medi Chair



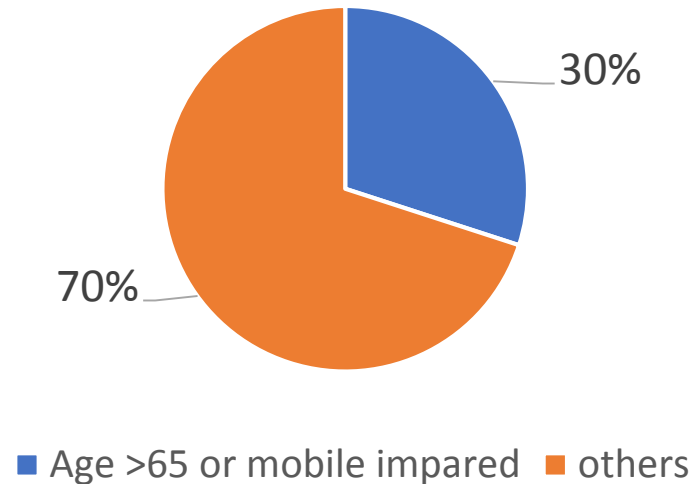
Inefficient distribution channels

# Customers

**Target customer:**

**Seniors living in houses with staircases**

**North American population (2016)**



**Market potential of 44.7 million customers**



**Trend of the aging society in developed countries**

# Wrap Up

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## **Strengths**

- Patents
- Unique product
- Certificats

## **Weaknesses**

- Efficiency of distribution channel
- Stigma of the products

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## **Opportunities**

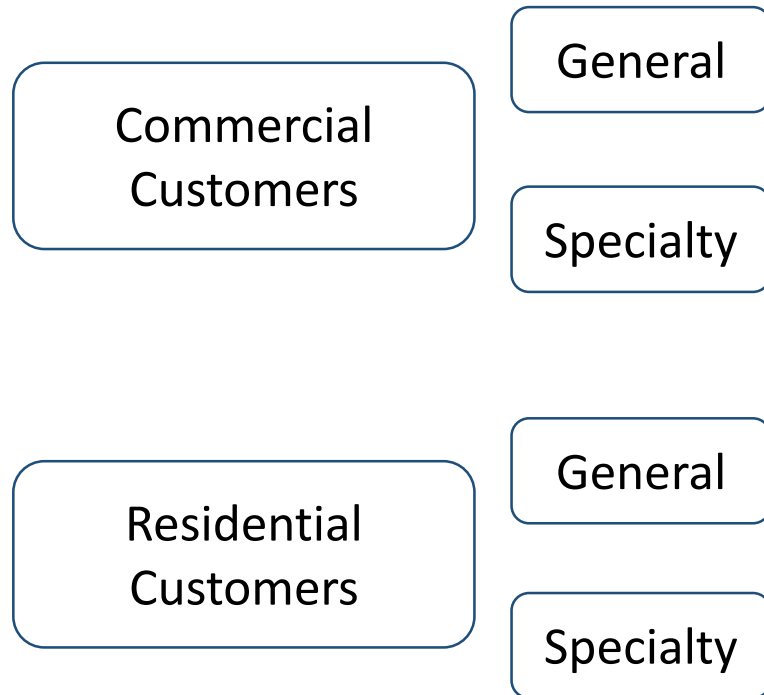
- High market potential
- Aging population

## **Threats**

- Upcoming competitors
- Low entry barriers

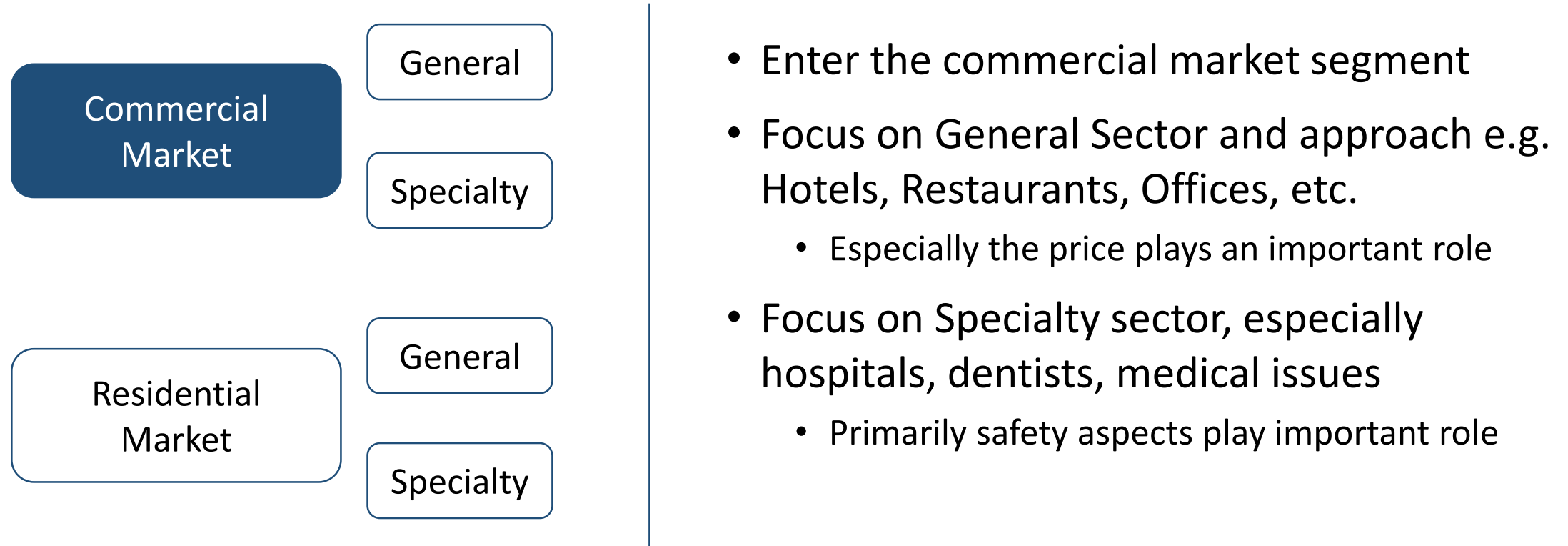
# Feasible options for future growth

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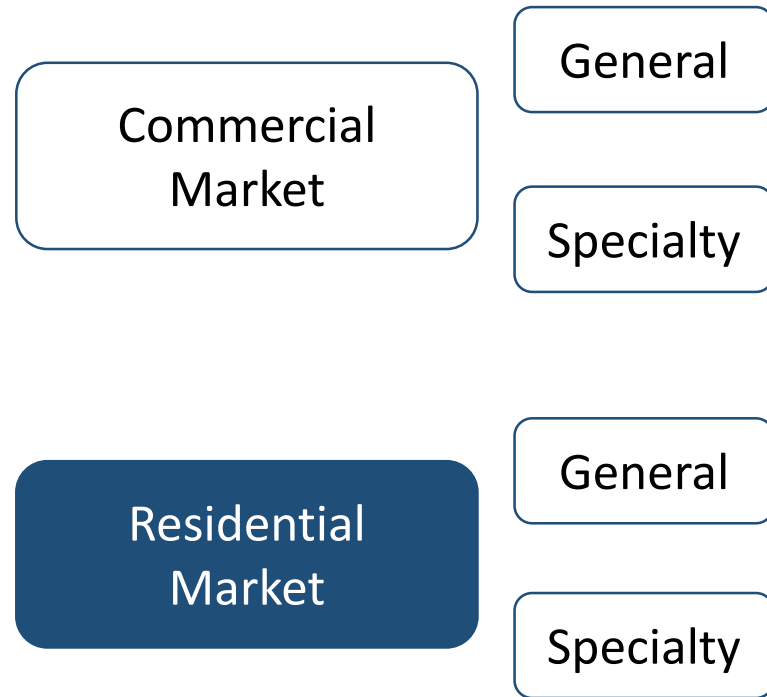
# Option 1

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Focus on new customer segment which offers high volume per sales order to secure future growth!

# Option 2



- Stay in the residential market segment
- Focus on General Sector and approach e.g. homeowners for their general purposes
  - Especially aesthetic aspects play important role
- Focus on Specialty sector, especially people in need for safe handrails
  - Primarily safety aspects play important role



Use experience in residential market to enhance sales with individuals with or without disabilities!

# Evaluation

		Market sales	Customer awareness	Restigmatization	Financial impact	Competition
<b>Commercial</b>	General	+	-	0	-	-
	Specialty	+	-	0	-	-
<b>Residential</b>	General	+	0	+	0	0
	Specialty	+	0	+	+	+



# Evaluation

		Market sales	Customer awareness	Restigmatization	Financial impact	Competition
<b>Commercial</b>	General	+	-	0	-	-
	Specialty	+	-	0	-	-
<b>Residential</b>	General	+	0	+	0	0
	Specialty	+	0	+	+	+



Use your experience and satisfy the need of residential customers with and without disabilities!

# Recommendation

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**Achieve sustainable growth by focusing on the needs of residential customers!**

## General

- Approach middle aged customers that might have parents to take care about and are homeowners by themselves
- Promote aesthetic as well as safety reasons and educate them about the suitability for their elders

## Specialty

- Approach specifically people in need but also therapists
- Offer them secure hand rails in order to keep them mobile

# Overview

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Keep the elders  
safe & mobile

How to manage  
the future growth

# Overview

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**Managing the future growth to keep our elders mobile!**

# Overview

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Distribution

Promotion

Human  
Resources  
&  
Organizational  
Structure

# Overview

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Distribution

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# Distribution

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- 1 Online distribution
- 2 Offline distribution

# Distribution

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1 Online distribution

2 Offline distribution

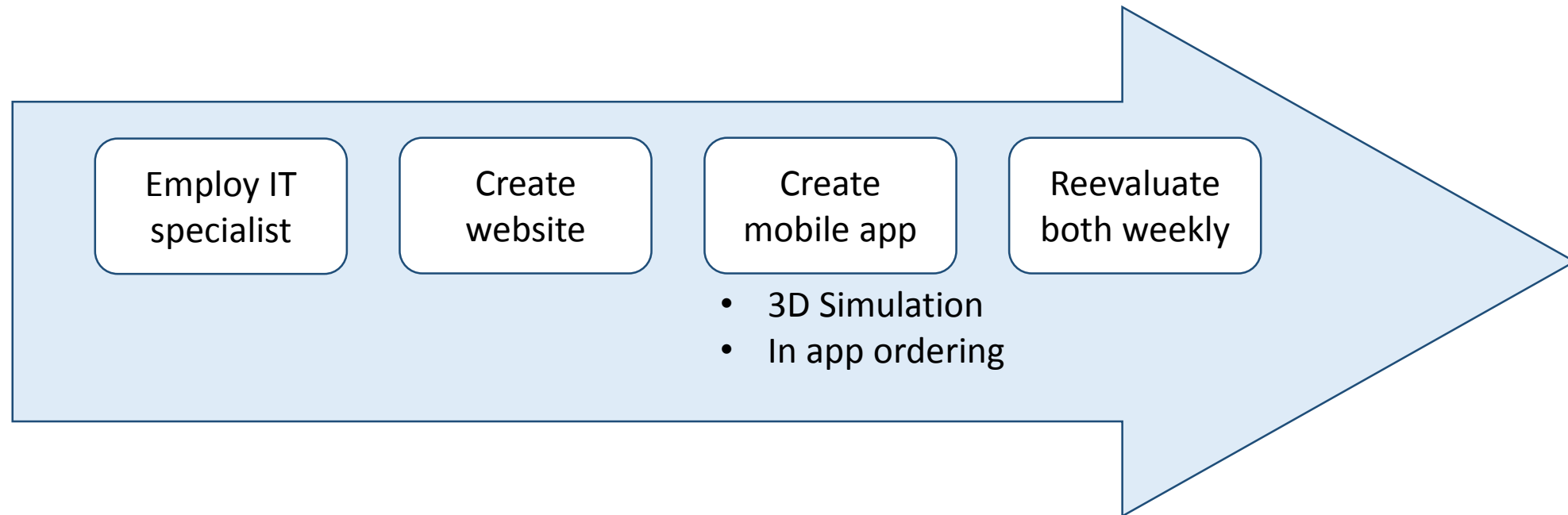


# Distribution

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## 1 Online distribution

### 1) Build your own selling platform (Digitalization)

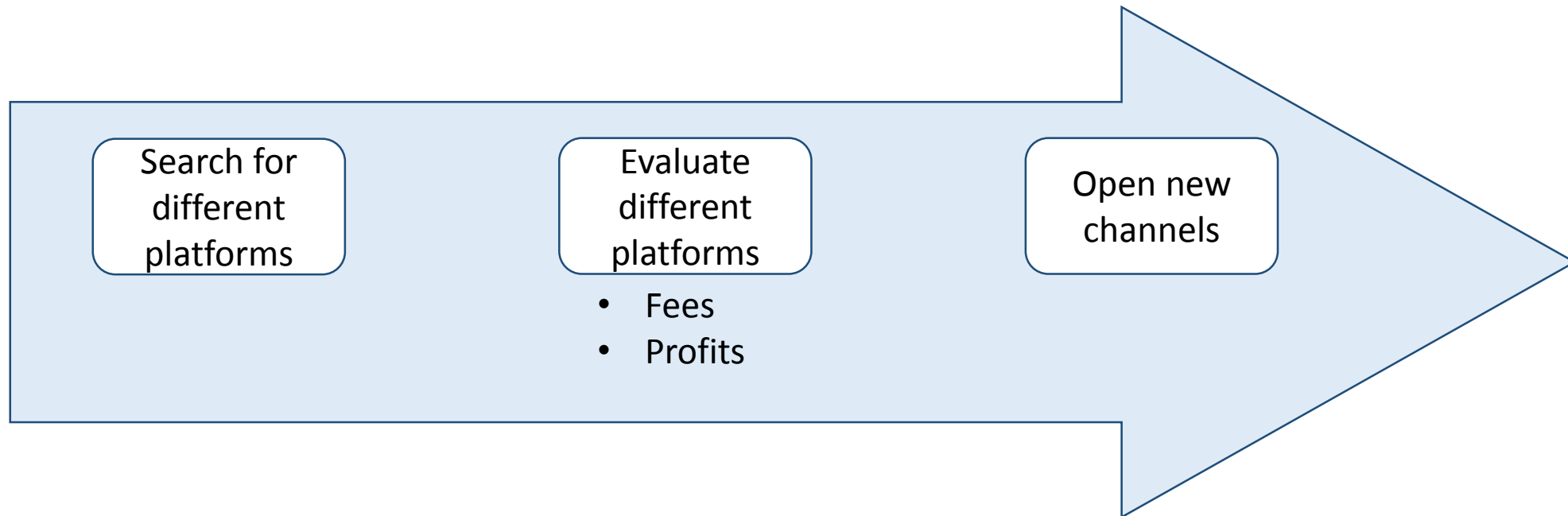


# Distribution

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## 1 Online distribution

2) Involve and care of further and existing indirect online distributors

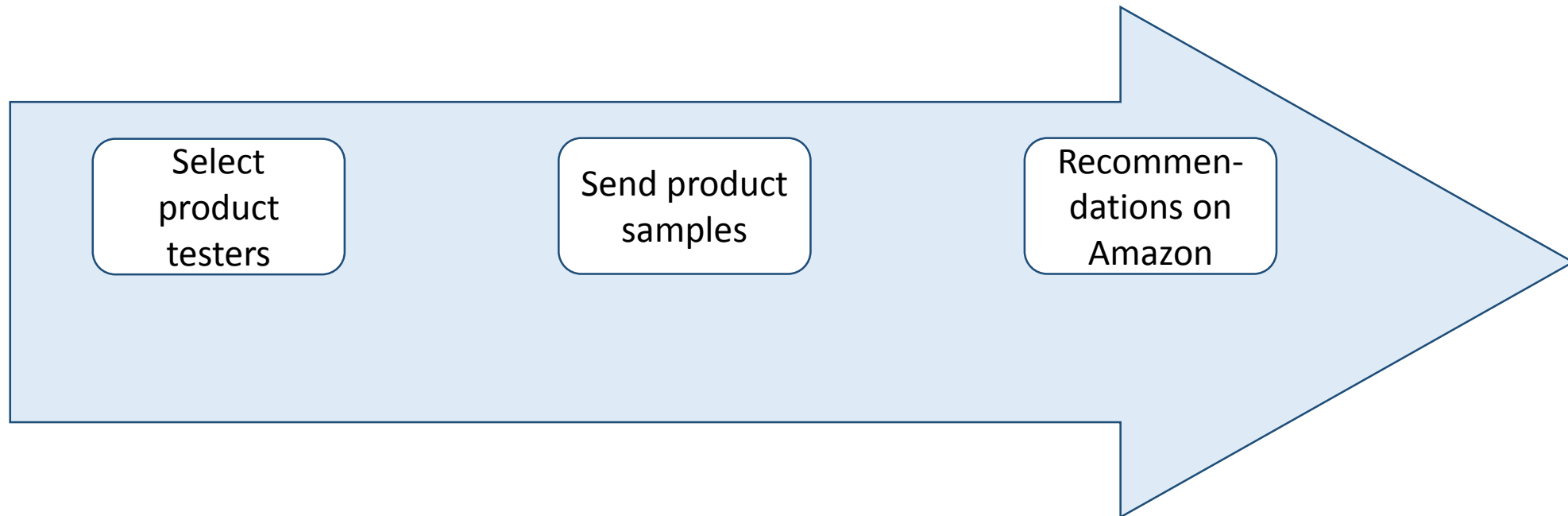


# Distribution

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## 1 Online distribution

2) Involve and care of further and existing indirect online distributors



# Distribution

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1 Online distribution

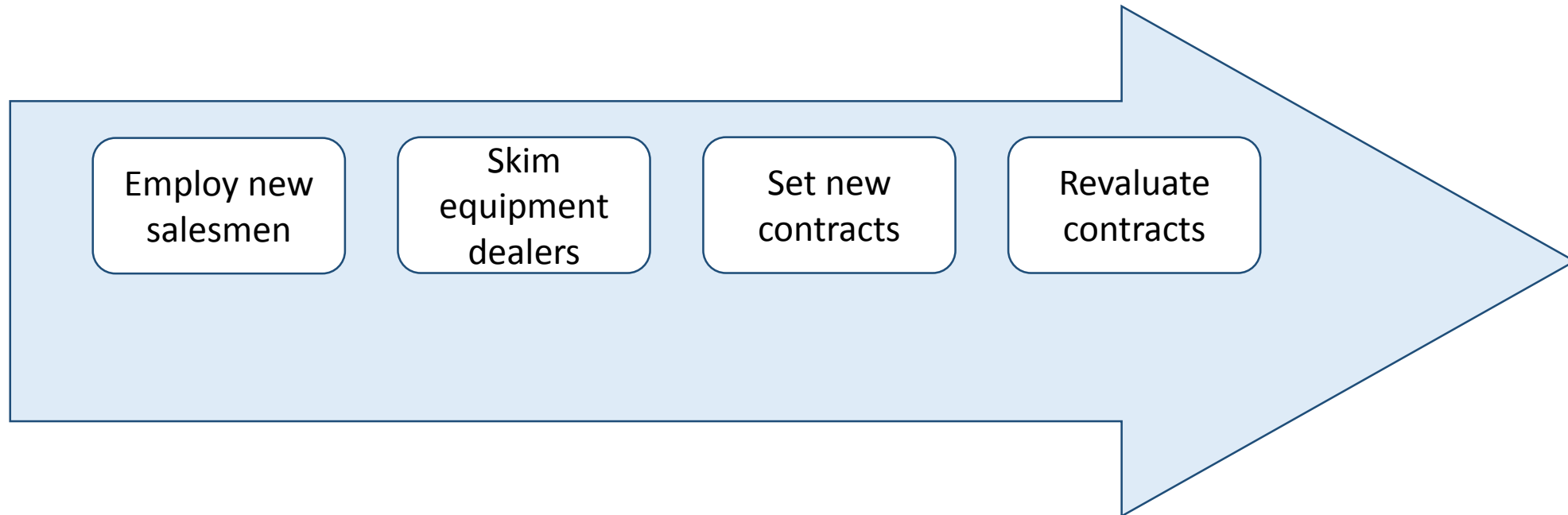
2 Offline distribution

# Distribution

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## 2 Offline distribution

Home medical equipment dealer



# Overview

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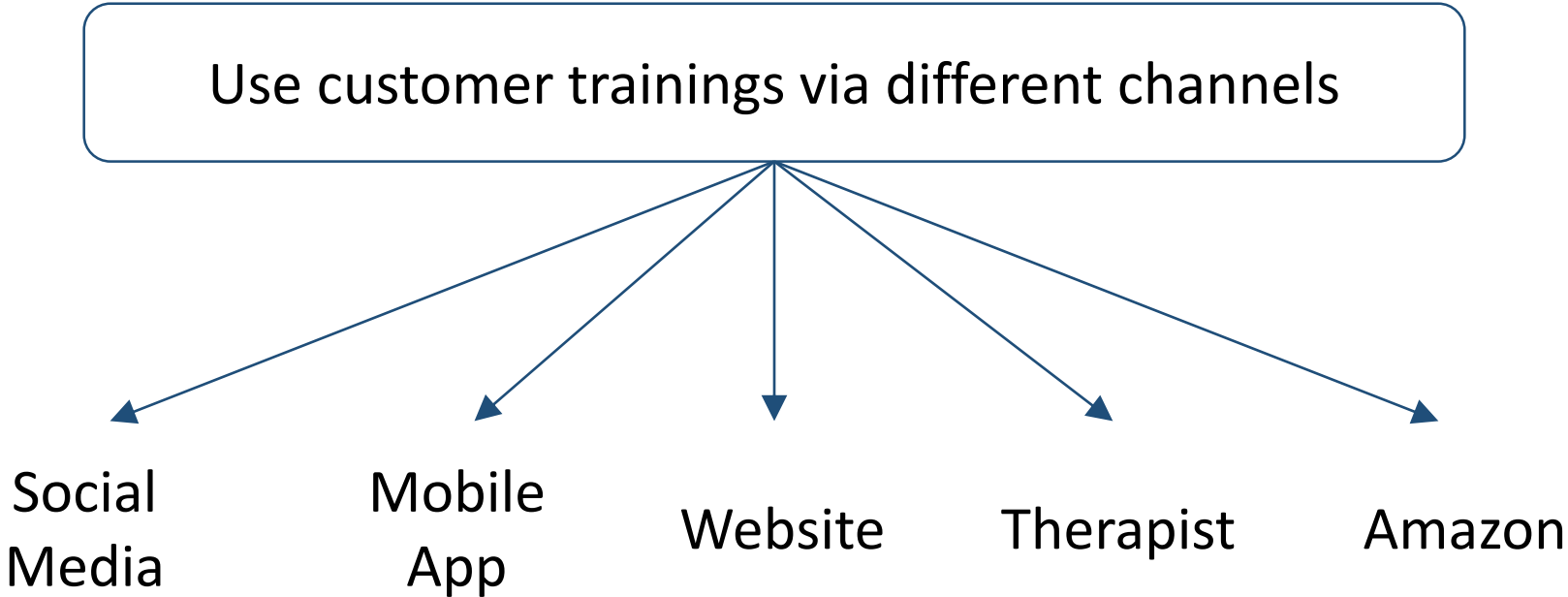
Distribution

Promotion

Human  
Resources  
&  
Organizational  
Structure

# Promotion

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# Overview

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Distribution

Promotion

Human  
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# Timeline

	2017	2018	2019	2020
<b>Human Resources</b>	as			
IT Specialist	→			
Salesmen	→			
Managers		→		
<b>Promotion</b>				
Social Media				
Therapist				
<b>Distribution</b>				
Homepage & App				
Home Medical				

# Revenue

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Assumptions:

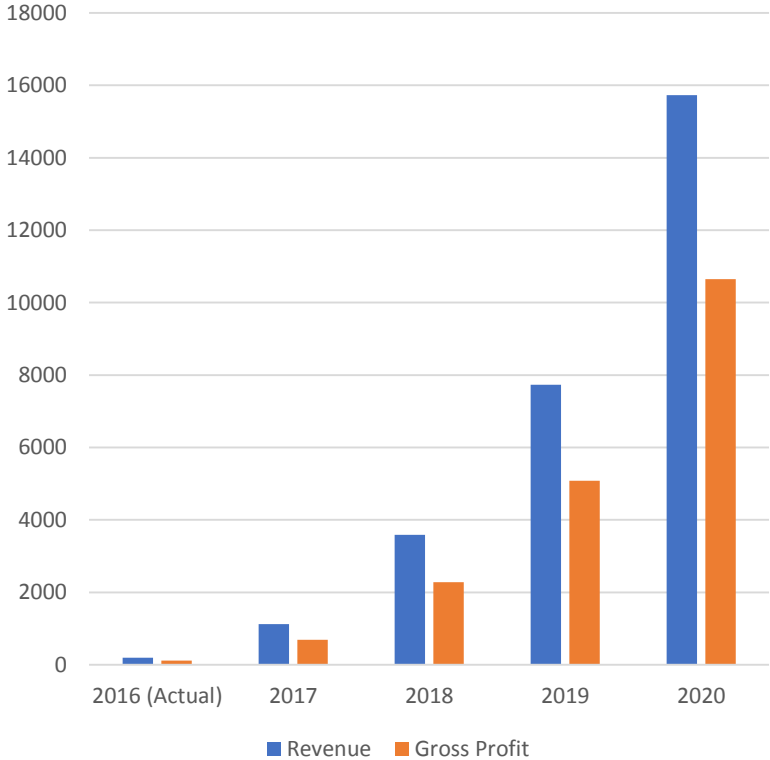
- Sales 50% modern
- Sales 50% Traditional
- Average length 60"
- Average price for modern 132.75 CAD
- Average price for traditional 108.82 CAD

All in all average price 120.78 CAD

	2016 (Actual)	2017	2018	2019	2020
Sold units of average length of 60"	1631	9110	28551	60077	119438
Average price in CAD	120.78	123.7	125.6	128.7	<b>131.7</b>
Revenue in 000 CAD	197	1127	3586	7732	<b>15730</b>

# Revenue

	in 000' CAD				
	2016 (Actual)	2017	2018	2019	2020
Revenue	197	1,127	3586	7,732	<b>15,730</b>
Gross Profit	114	690	2277	5,079	10,649
Gross Profit (in percent)	<b>57.90%</b>	<b>61.30%</b>	<b>63.50%</b>	<b>65.70%</b>	<b>67.70%</b>



# Revenue

in 000"  
CAD

		2017	2018	2019	2020	Total
HR	One time	50	70	80	90	290
	Anually	130	200	310	410	1050
Advertising & promotion	One time	248				248
	Anually					0
Product development	One time	124.5	124.5			249
	Anually					0
Repayment of existing debt	One time	134				134
	Anually					0
Contingencies	One time					0
	Anually	75	75	100	150	400
Selling costs	One time	150	150			300
	Anually	71	71	71	71	284
<b>Total</b>		<b>982.5</b>	<b>690.5</b>	<b>561</b>	<b>721</b>	<b>2955</b>

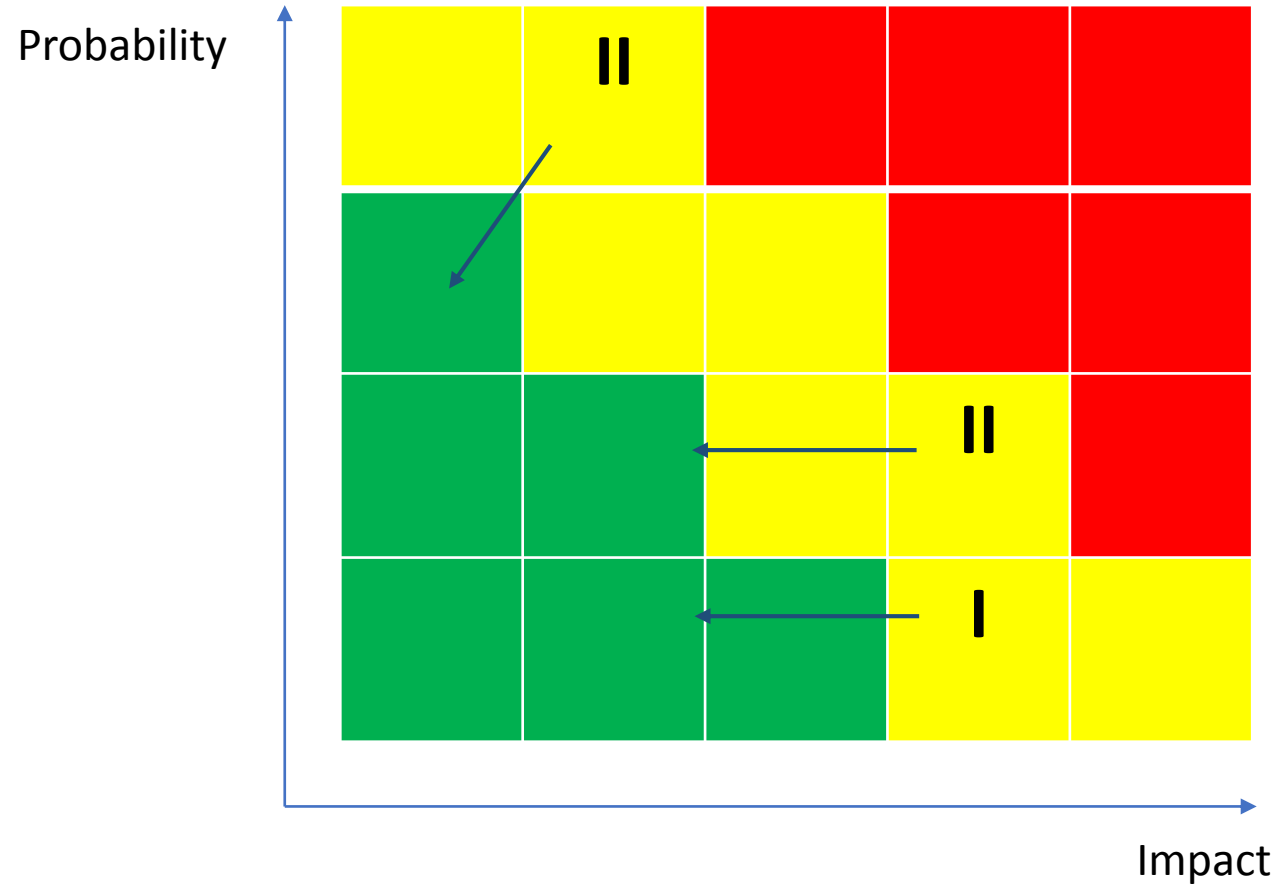
# Risks

- I. Adaption of elderly people
- II. Upcoming competitors
- III. Intense negotiation for enhancing the distribution channel



# Mitigation

- I. Adaption of elderly people
- II. Upcoming competitors
- III. Intense negotiation for enhancing the distribution channel



Thank you for your attention!

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