

PromenAid: Managing growth

Presented to: PromenAid Board
Presented by: Nanyang Consulting

Nanyang Business School
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Agenda

1. Introduction and problem setting
2. Recommendations
3. Internal and external analysis
4. Implementation
5. Financial feasibility
6. Risks and mitigation
7. Timeline
8. Conclusion

PromenAid wants to manage growth while staying safe

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- PromenAid wants to sustain safe financial standing
- PromenAid wants to differentiate its proposition from competitors
- PromenAid wants to hire talent in accordance with its strategy
- PromenAid wants to decide which sales channels to use
- PromenAid wants to stimulate demand



How can PromenAid grow while sustaining safe cash position?

PromenAid can employ comprehensive strategy to achieve its goals

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Target therapist endorsements for PromenAid handrails

Target customers through related industries

Tie up with hardware e-commerce platforms

Talent management program

Internal analysis: PromenAid has a unique value proposition

Strengths

- PromenAid has a patented technology that gives additional value to its customers (power grip)
- Affordable price
- Easy installation
- Manufacturing capacities
- Strong financial (and cash) position

Weaknesses

- Low marketing expenses resulted in low awareness of the market in PromenAid products
- Lack of talents to provide the company with new strategies and solutions
- Limited channels used

PromenAid needs to promote its products and expand its presence on the market

External analysis: PromenAid has issues with differentiating from competitors

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Aging population on the main markets for PromenAid

Specificity of product makes it challenging to educate customers about **differences in offers**

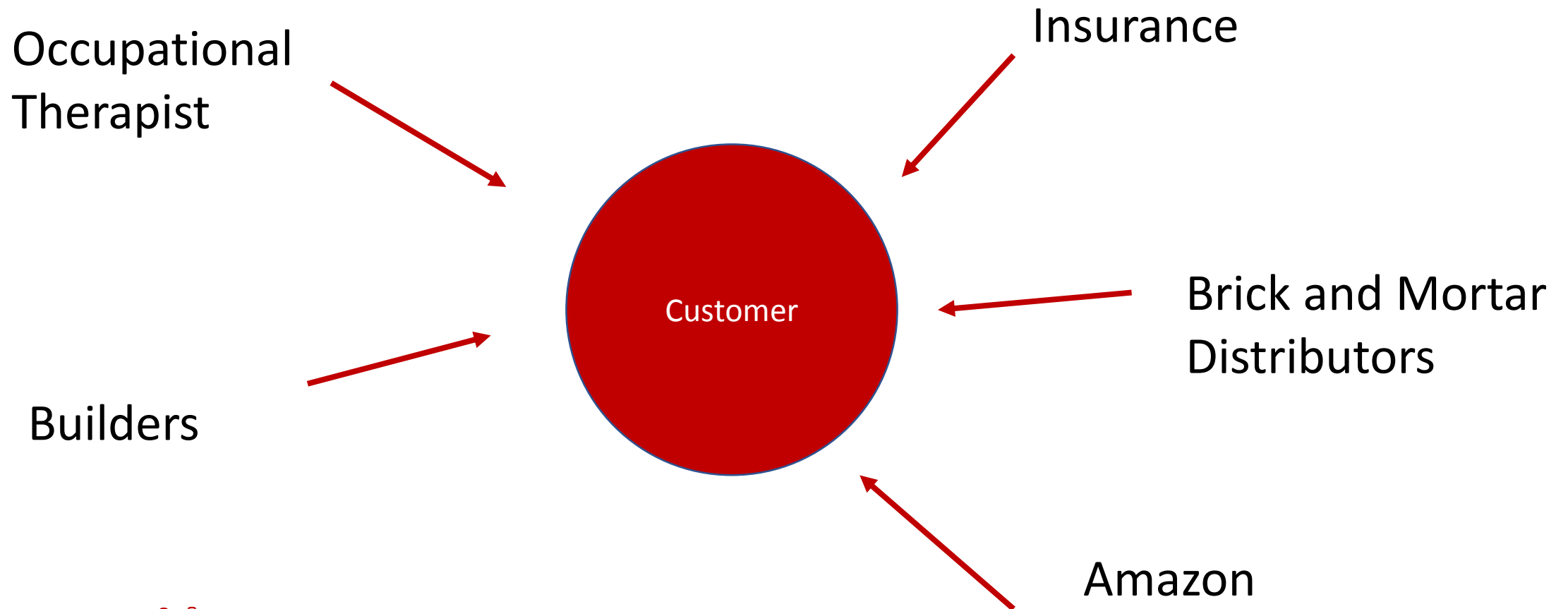
Digitalization and big data create new opportunities for health industries

PromenAid operates on a growing market with high potential, and in order to utilize its expertise it needs to move fast

Option analysis: PromenAid can follow different ways in achieving growth

OPTION	STRATEGIC FIT	FINANCIAL BENEFIT	IMPLEMENTATION	COMPETITIVENESS	TOTAL
How to expand?					
Expand through attracting new distributors (B2B)	●	●	●	●	●
Expand through building own retail chain (B2C)	●	●	●	●	●
Expand through influencer sales model (B2B2C)	●	●	●	●	●

Omni-channel Approach



PromenAid strategy: B2B2C

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Target therapist endorsements for PromenAid handrails

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promenaid

Implementation (1/4)

Targeting therapists

WHAT?

Target therapist endorsement for PromenAid handrails

WHY?

- Differentiate products clearly
- Enhanced reach and conversion
- Build credibility
- Network is hard to replicate and helps to build long-term relationship

Implementation (1/4)

Targeting therapists

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HOW?

- Hire partnership representatives
- Conduct awareness events and therapist info sessions
- Therapist endorsed advertising
- Hire medical industry expert as a head of partnership and alliances

Implementation (2/4)

Targeting outside the industry

WHAT?

Reach customers through collaboration outside the industry
(insurance companies and builders)

WHY?

- Insurance companies: clients with PromenAid handrails installed can benefit from lower premiums
- Builders can expand their offers with safe mobility

Implementation (2/4)

Targeting outside industry

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HOW?

- Tie up with insurance companies:
 - leverage on medical experts network
 - Insurance companies will benefit from lower claims from clients with PromenAid handrails installed
- Partner with builders and architects working on special projects
 - Communicate added value of using PromenAid products
- Create experiential venues - public parts and malls

Implementation (3/4)

Tie up with e-commerce platforms

WHAT?

Tie up with 3d party e-commerce platforms like Lowe's

WHY?

- To enhance reach
- Diversify e-commerce reach
- Avoid "hostage" situation

Implementation (3/4)

Tie up with e-commerce platforms

HOW?

- Tie up with Lowe's to list on their e-commerce platform
- Provide commission to Lowe's as per industry standards
- Look for additional specialized industry platforms to diversify risks and maximize reach

Implementation (4/4)

Internal talent development

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WHAT?

Acquire and build talent pool

WHY?

To manage and handle growth following from promotional activities

Implementation (4/4)

Internal talent development

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HOW?

- Hire required talents:
 - Head of partnership and Alliances
 - Head of e-commerce
- Create a talent development program to build talent pool
 - Sponsor talent for higher education
 - Conduct internal trainings by experts

PromenAid has to keep in mind the risks while implementing new strategy

Risks	Mitigation
<ul style="list-style-type: none">• End user does not follow therapist recommendation	<ul style="list-style-type: none">• Capitalize on multiple user touchpoints
<ul style="list-style-type: none">• Builders and construction firms do not follow architect suggestions	<ul style="list-style-type: none">• Conduct awareness campaigns• Leverage on Canadian association of occupational therapists recognition
<ul style="list-style-type: none">• Internal channel conflict	<ul style="list-style-type: none">• Organizing the company by consumer segments and not by channels

PromenAid can use the following KPIs to check the successful implementation

1. Topline and bottomline
2. Number of therapists on program
3. Number of insurance companies on program
4. Brand surveys
5. Sales through 3rd party platforms
6. Sales through referral codes (therapists)
7. Increase in market share

Financials – Breakdown of use of proceeds

Proposed Cost Breakdown (000)	
Hospital outreach programs	100
Exhibition/ Event Participation	50
Experiential Advertising	50
Travel Expenses	48
Advertising and Promotion	248

Proposed Cost Breakdown (000)	
Hiring Staff	200
Developing in-house Product Training Program	20
Fixed Costs	50
Shipper	16
Direct Costs	55
Selling Costs	341

Itemized breakdown of the budgeted use of proceeds for 2017 to increase brand awareness and develop internal talent pool.

Financials – Achieving 2020 Target

Assumptions:

- 1) 4 elbows per installation/set
- 2) 4 brackets per installation/set
- 3) 10 to 14 feet installations

Feet	10	12	14
Cost (\$)	434	392	442
No. of installation	36,244	32,500	29,500

Required **30,000 to 40,000** installation/sets per year to hit financial projection of \$15.73 million in 2020.

Timeline

	2017		2018		2019		2020	
	H1	H2	H1	H2	H1	H2	H1	H2
Target therapist endorsements								
Hire partnership representatives			█		█		█	
Conduct awareness events		█		█		█		█
Hire industry experts	█							
Related industry collaborations								
Tie up with insurance companies		█						
Tie up with builders				█		█		█
Build mobility friendly public facility			█					
Specialty hardware ecommerce sales								
Tie up with Lowe's	█							
List on Lowe's		█						
Explore other specialty e-commerce platforms			█					
Talent Management								
Hire required talent	█	█	█	█	█	█	█	█
Build talent pipeline		█	█	█	█	█	█	█

With the proposed strategy PromenAid will experience fast growth



PromenAid capitalizes on omni channel approach to communicate the value proposition to all decision makers effectively through affordable and effective measures

THANK YOU!