



PROMENAID HANDRAIL: MANAGING GROWTH

GSB CONSULTING



promenaid

Hold on to what matters



- Market Acceptance Achieved
- **GROWTH?**



MANDATE

Integrated Strategy to engage the growth phase of the company through educating the key customers, committing to the right distribution channels and hiring the necessary skills to sustain that growth ensuring that Promenaid achieves \$15m in revenue by 2020 and is a stable well scaled business.

KEY ISSUES

1

Consumers do not understand the product

2

Need to identify appropriate distribution channels

3

Shortage of talent for growth

RECOMMENDATIONS

1

Educate Occupational Therapists

2

Channel Marketing in Small Retail

3

Employ Business Development Executive



ANALYSIS

SIAN



ASSUMPTIONS

1

Consumer understanding will lead to increase demand

2

Limited competitors will emerge in the next 3 years

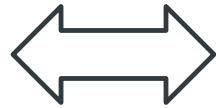
3

Business development will require seasoned expert; there is no room for trial and error or training

VALUE PROPOSITION ANALYSIS

Homeowners' preference

- Aesthetics
- Strength
- Ease of installation
- Minimal disruption
- Affordability



Value proposition

- Aesthetics
- Affordability
- Compliance
- Ease of installation

146%
organic
growth

Consumers not
aware of
product

Value proposition is aligned to consumer preference however need to communicate this to consumer

CUSTOMER ANALYSIS

Buyers

- Contractors
- Homeowners
- Family

Key influencers

- **Occupational therapists**

Users

- Patients (recent injuries)
- Mobility impairment
- 65 years and older

Decision making criteria based on expert

Opportunity to tap into occupational therapists to improve product awareness and open demand

DISTRIBUTION CHANNELS

Distribution channels



Buyers



Users

Current

- Online
- Retail stores (300)

Potential

- Building suppliers
- Home medical equipment (25,000)
- Online contractors
- Stores eg Homehardware (1,100)

Factors to consider

- Easy to find
- Effective distribution
- Training
- Promotion

For growth, need to optimise distribution channels to target buyers

PROMENAID HANDRAIL LIFECYCLE

Development stage



Growth stage



Maturity stage

Key success factors	Market acceptance	Customer demand and growth
Resource requirements	Funding Skills: product development	Steady cash flow Skills: Business development
Current resources	Funding – CAD 600,000 Skills: healthcare marketing, manufacturing, product development	?

Current skills will not ensure sustainable growth

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RECOMMENDATIONS

BONGANI



ALTERNATIVES

Alternatives	Reaching Patients	Reaching Influencers	Internal capacities for growth
TV advertisements			
PromenAid Online store			
Partner with Medical Aid Companies			
Educate Occupational Therapists			
Channel Marketing for Small Retail			
Employ Business Development			

EDUCATE OCCUPATIONAL THERAPISTS

○ Best channel to reach home interior market

○ Targeted states due to company size

○ Direct relationships with Occupational Therapists

○ Product validated by Occupational Therapists

○ KPI: CAD756k in revenue by 2017

CHANNEL MARKETING IN SMALL RETAIL



Best method of reaching influencers

Incentivised selling

High contact shopping

KPI: CAD400k in revenue by 2018

HIRE BUSINESS DEVELOPMENT

- Prepare for second growth phase
- Dependant on single manufacturer
- Negotiations with retailers
- Speciality not in the ranks at the moment
- KPI: New Supplier by 2019



IMPLEMENTATION

CAROLINE



EDUCATE OCCUPATIONAL THERAPISTS

April 2017
Hire four
reps

Early May
Training in
Montreal

June/July
New York

Aug/Sept
Mass., NH

October
Maine

Call cycle
every 2
months

Target: 80 practices

Covert to purchase:

- Flyers
- Wallet Cards



Sample Installation:

- Identify new practices or renovated offices
- Sponsor fit of handrails for patient accessibility
- Target: 20

Cost: CAD 1m | KPI: Add 756k revenue by 2017

CHANNEL MARKETING IN SMALL RETAIL

- Supply to Home Hardware
- Limited roll out:
 - Quebec
 - Ontario
- Implement store incentives programme

**Promenaid
PROS**

Cost: CAD 360k | KPI: Add CAD 400 revenue by 2018

High contact selling

- Educate
- Reward
- Reinforce

Communication:

- Monthly reading materials
- Mobile Quizzes
- Rewards per unit sold: \$5 , \$8, \$12
- 20% overhead for owner

Employ Programme coordinator:

- Communications'
- Invoice verification
- Voucher payments

Sept 2017

Product in 150 stores

Nov 2017

Launch programme

Nov 2018

Review sales volumes

Scale up to 300
stores

EMPLOY BUSINESS DEVELOPMENT EXECUTIVE

Key competencies:

- Supplier negotiations
- Partnerships

Mid-2018
Appoint



Mid 2019
New supplier



End 2019
Lowe's Online

Experience:

- 10 years
- Retail/Online retail/Procurement

The future:

- Grow into VP Marketing/Bus Dev
- Equity incentives

Cost: CAD 439k | KPI: New supplier by 2019



FINANCIALS

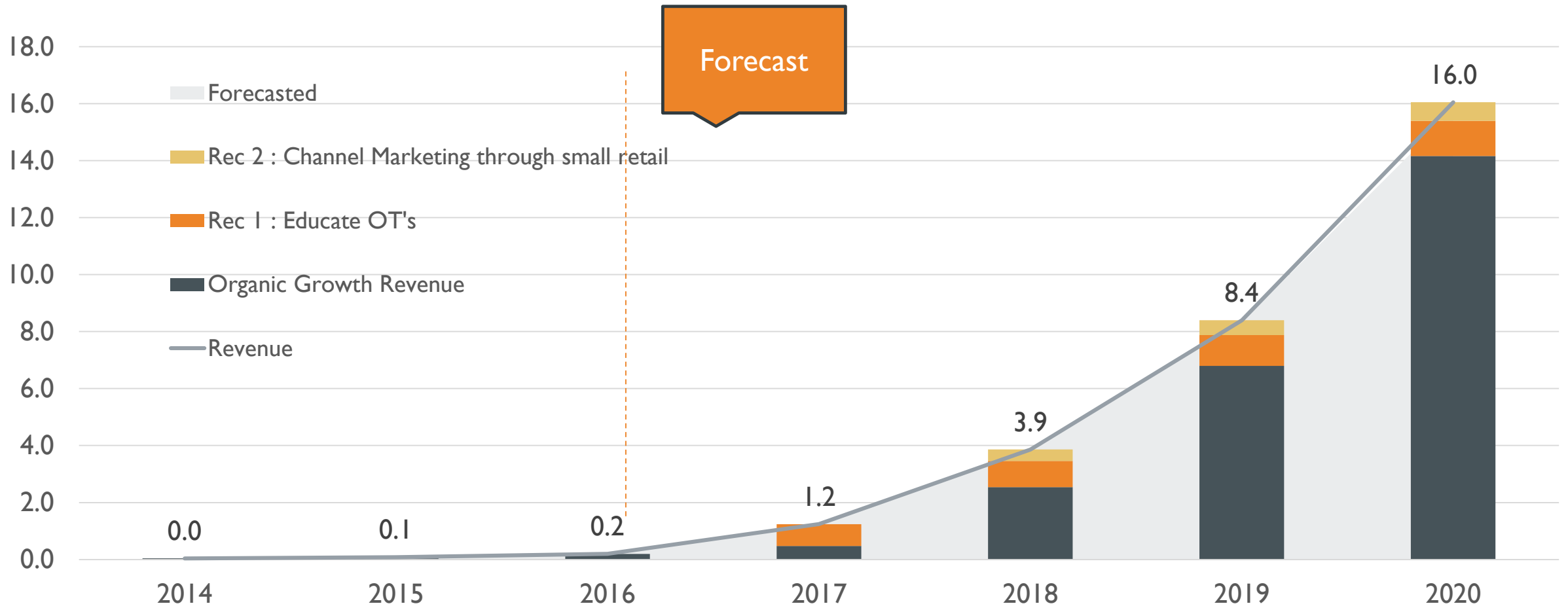
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IMPLEMENTATION BUDGET

Recommendation	Tactic	2017	2018	2019	2020	KPI
Educate Occupational Therapists	Salaries	160	192	230	276	Add 756k Revenue by 2017
	Travel Costs	15	16	17	17	
	Installation	20	21	22	23	
	Sub-Total	195	229	269	317	
Channel marketing in small retail	Setup & Communication	10				Add \$400k Revenue by 2018
	Program Co-ordination	34	36	37	39	
	Incentives & Running Costs	38	46	55	66	
	Sub-Total	82	81	92	105	
Employ business development executive	Recruitment	4				New supplier by 2019
	Salaries		100	160	175	
	Sub-Total	4	100	160	175	
GRAND TOTAL		281	410	521	597	1,809
	Forecast Gross Profit	772	2366	5262	10009	
	Implementation (%)	36%	17%	10%	6%	

REVENUE FORECASTING



CRITICAL SUCCESS FACTORS

		Impact	Contingency Plan
1	OT Support		Invest in OT engagement for input on product development
2	Retail Space is Available		Allocate additional funds for further incentivization programs
3	Availability of key candidate		Extend implementation plan

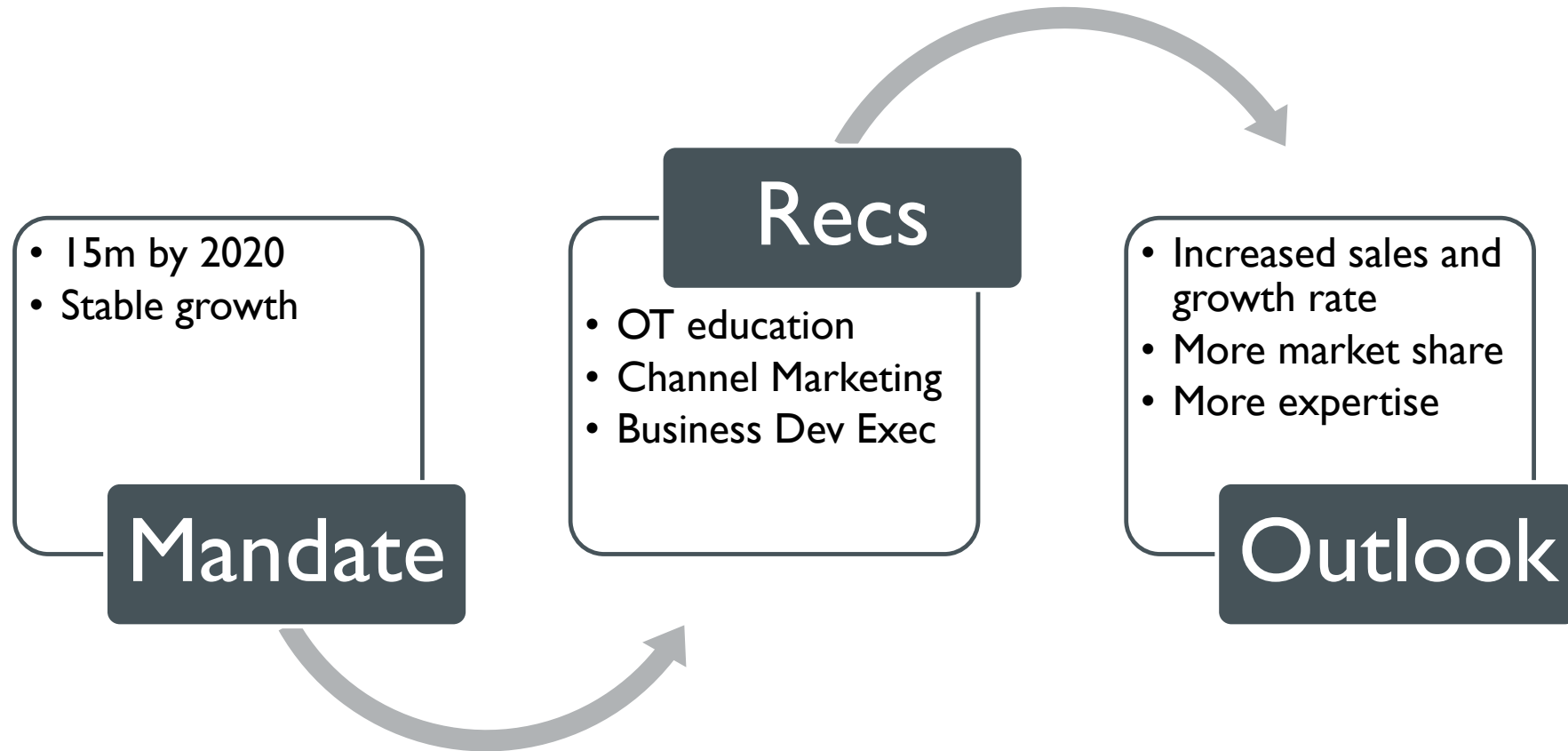


CONCLUSION

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CONCLUSION





THANK YOU

- Questions

APPENDIX

	2014	2015	2016	2017	2018	2019	2020
Revenue Forecast	0.0	0.1	0.2	1.2	3.8	8.3	15.7
<i>Organic Growth</i>		100%	146%	140%	105%	80%	70%
Organic Growth Revenue				0.5	2.5	6.8	14.2
<i>Rec 1 Growth</i>					20%	17%	15%
Rec 1 : Educate OT's				0.8	0.9	1.1	1.2
<i>Rec 2 Growth</i>						30%	25%
Rec 2 : Channel Marketing through small retail					0.4	0.5	0.7
Revenue				1.2	3.9	8.4	16.0
Gross Profit			0.114	0.772	2.366	5.262	10.009