

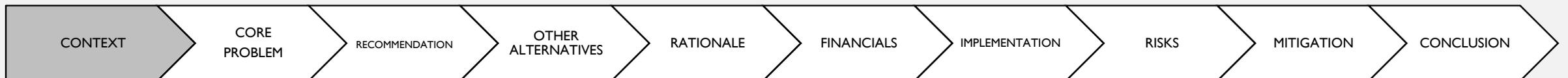
SCHULICH SCHOOL OF BUSINESS

PROMENAID HANDRAIL: MANAGING GROWTH

PREPARED FOR THE EXECUTIVE TEAM OF PROMENAID

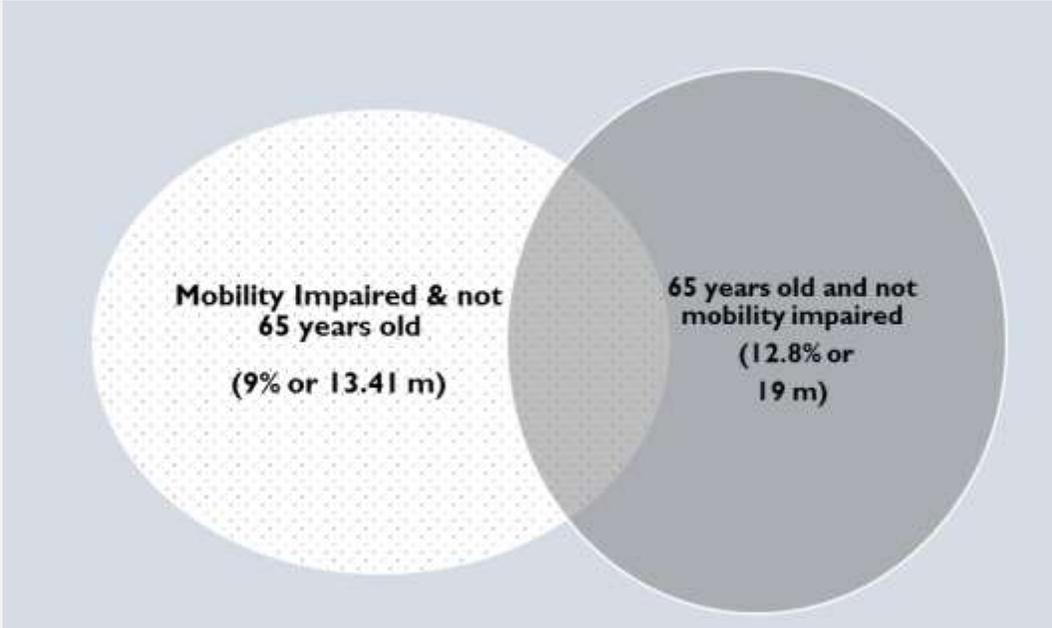
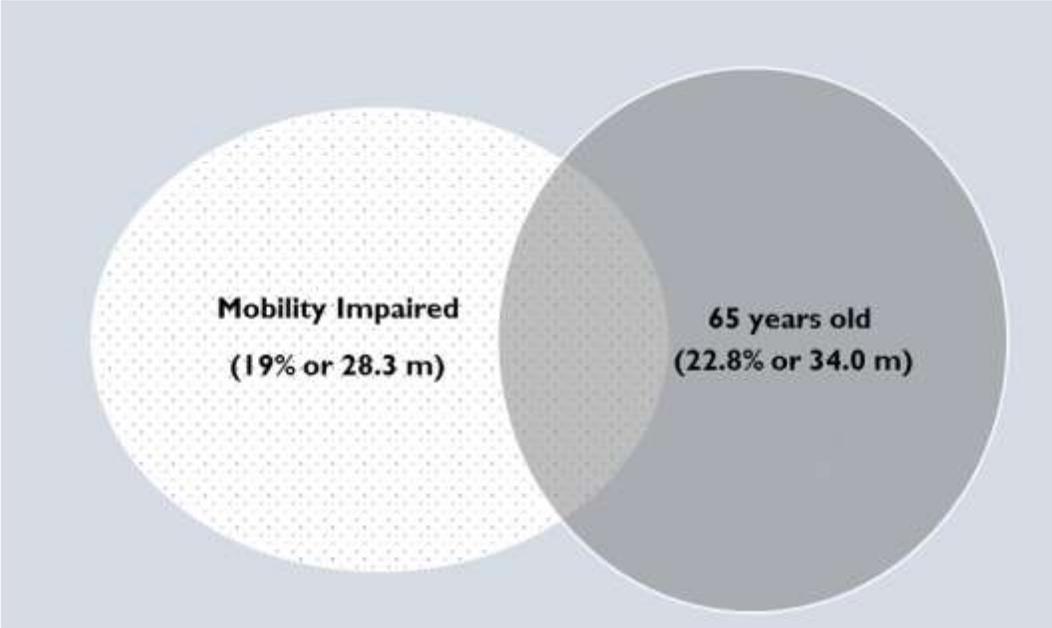
CONTEXT: PROMENAID

- PromenAid produces satin-anodized modular handrails, used by populations that experience deteriorated mobility.
- PromenAid currently focuses on elderly and mobility impaired populations living in residential homes – using occupational therapists as a conduit for promotion.
- PromenAid faces three categories of competitors.
- Consumers are unable to readily identify the unique features of PromenAid relative to its competitors.
- With potential expansion, PromenAid must also consider cash flow management.
- Currently, PromenAid has no clear marketing strategy and one sales representative spearheading marketing initiatives.



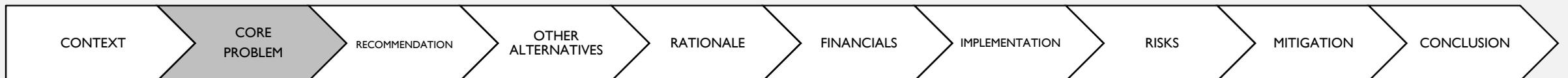
CONTEXT: CUSTOMERS

149 million resident = Private household in North America



CORE PROBLEM

The core problem faced by Promenaid is low market adoption as a result of a ineffective marketing strategy and inadequate operational structure.



RECOMMENDATION

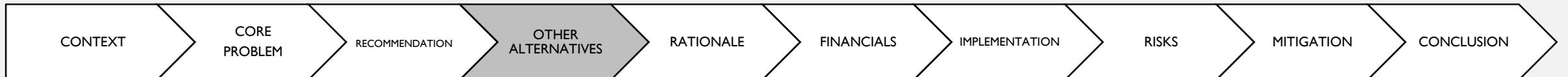
- Firstly, PromenAid should hire more staff catered towards marketing and sales, the team will:
 - 1) Expand presence in all regional medical speciality stores
 - 2) Connect with additional medical professionals such as doctors, physiotherapists, nursing services etc. to raise awareness of the product.
 - 3) Eliminate warehouse and outsource fulfillment and inventory management.
 - 4) In the long-term, PromenAid will partner with large retailers such as Lowe's and Home Hardware to have product assessible to general population



OTHER ALTERNATIVES

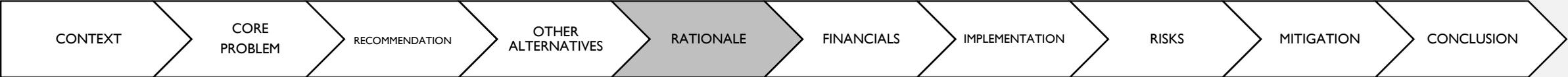
- Liscensing PromenAid products to medical home equipment stores and big boxstores.

- Targeting a wider range of customers by marketing and educating the millennial population.



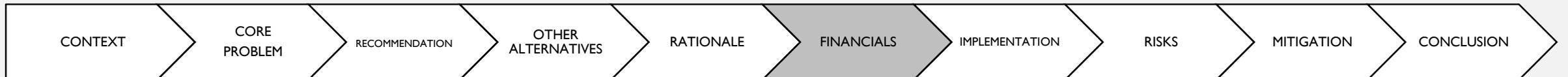
RATIONALE

	Product Differentiation	Distribution	Cash Flow
Our Solution:	↑	↑	↑
Alternative 1:	↑	↓	↓
Alternative 2:	↑	↑	↓



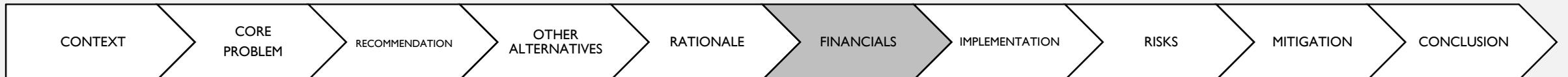
FINANCIAL ANALYSIS

Promen Aid						
Financial Projections						
As of Current Projections						
Appendix 1						
	2016	2017	2018	2019	2020	
	Amount in 000's					
Revenue (\$)	\$197.00	\$1,240.00	\$3,777.00	\$8,328.00	\$15,730.00	
Cost of Goods Sold (\$)	\$83.00	\$468.00	\$1,411.00	\$3,066.00	\$5,721.00	
Gross Profit (\$)	\$114.00	\$772.00	\$2,366.00	\$5,262.00	\$10,009.00	
Gross profit (%)	57.9%	62.3%	62.6%	63.2%	63.6%	
Less: Selling General & Admin Exp. (\$)	\$84.40	\$1,026.40	\$2,074.80	\$3,598.80	\$5,994.60	
Net Profit (\$)	\$29.60	-\$254.40	\$291.20	\$1,663.20	\$4,014.40	
Net Profit (%)	15.0%	-20.5%	7.7%	20.0%	25.5%	
Net Impact of ITDA	\$16.00	-\$47.20	\$91.20	\$612.00	\$1,500.00	
EBITDA (\$)	\$45.60	-\$301.60	\$382.40	\$2,275.20	\$5,514.40	
EBITDA (%)	23.1%	-24.3%	10.1%	27.3%	35.1%	



FINANCIAL ANALYSIS

Appendix 2							
	Total (\$ in 000's)	Current (\$ in 000's)		Recommended (\$ in 000's)			
		2017	2018	2017	2018	2019	2020
Product Development (2yrs)	229	115	115	115	115	-	-
Advertising and Promotion	248	248	-	124	50	50	25
Selling Costs	341	341	-	171	68	68	34
Sales and Marketing (1yr)	589	589	-	295	118	118	59
Repayment of Existing Debt	134	134	-	134	-	-	-
Contingencies	248	248	-	62	62	62	62
Total Proceeds	1,200	1,086	115	605	294	180	121



FINANCIAL ANALYSIS

Promen Aid					
Financial Projections					
As per our Recommendation					
Appendix 3					
	2016	2017	2018	2019	2020
	Amount in 000's				
Revenue (\$)	\$197.00	\$1,240.00	\$3,777.00	\$8,328.00	\$15,730.00
Cost of Goods Sold (\$)	\$83.00	\$468.00	\$1,411.00	\$3,066.00	\$5,721.00
Gross Profit (\$)	\$114.00	\$772.00	\$2,366.00	\$5,262.00	\$10,009.00
Gross profit (%)	57.9%	62.3%	62.6%	63.2%	63.6%
Less: Selling, General & Admin Exp. (\$)	\$84.40	\$545.90	\$2,254.60	\$3,778.60	\$6,115.50
Net Profit (\$)	\$29.60	\$226.10	\$111.40	\$1,483.40	\$3,893.50
Net Profit (%)	15.0%	18.2%	2.9%	17.8%	24.8%
Net Impact of ITDA	\$16.00	\$79.14	\$38.99	\$519.19	\$1,362.73
EBITDA (\$)	\$45.60	\$305.24	\$150.39	\$2,002.59	\$5,256.23
EBITDA (%)	23.1%	24.6%	4.0%	24.0%	33.4%



IMPLEMENTATION

PHASE I: 2017

PHASE II : - 2018

PHASE III :- 2019



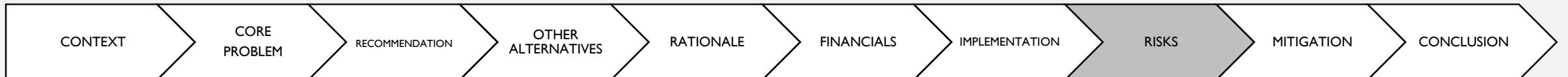
RISKS

1) Marketing not realized

2) Increased costs and inability to maintain capacity

3) Brand damage due to distribution ineffectiveness

4) Supply risk



CONCLUSION

Drive market adoption by improving operational structure and connecting the consumer to the product.

