

PromenAid's Growth Strategy

Hiba | Karmah | Reef | Jessica

Olayan School of Business

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Introduction

Issue

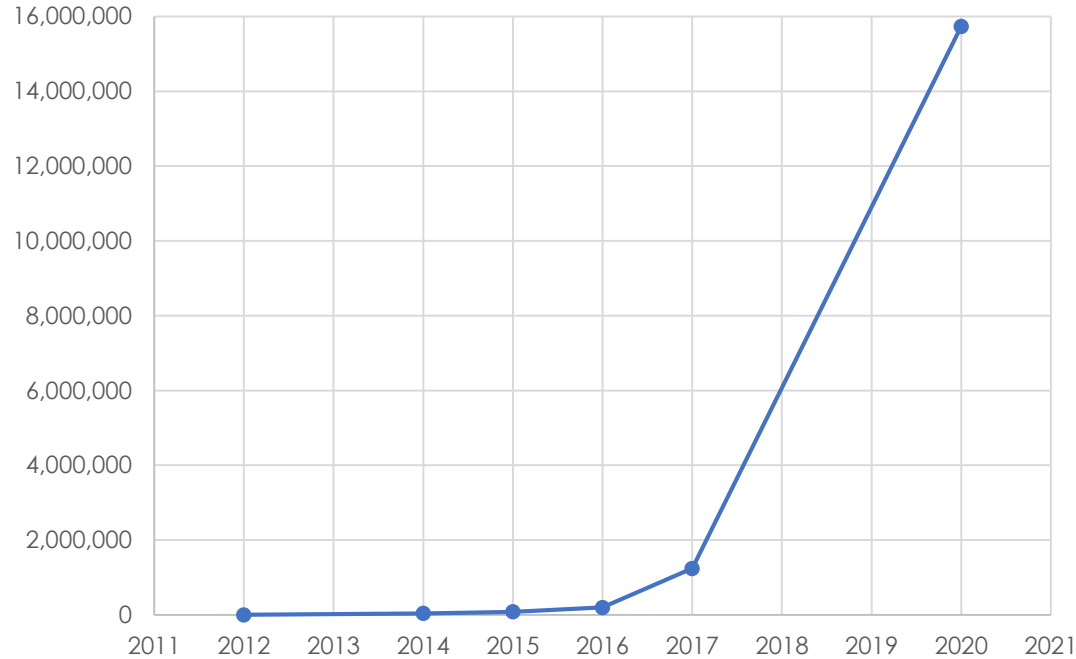
What **strategy to adopt** to reach the M15.7\$ sales by 2020?

Recommendation

Grow the special residential market and enter the general residential segment

PromenAid's success

Sales growth

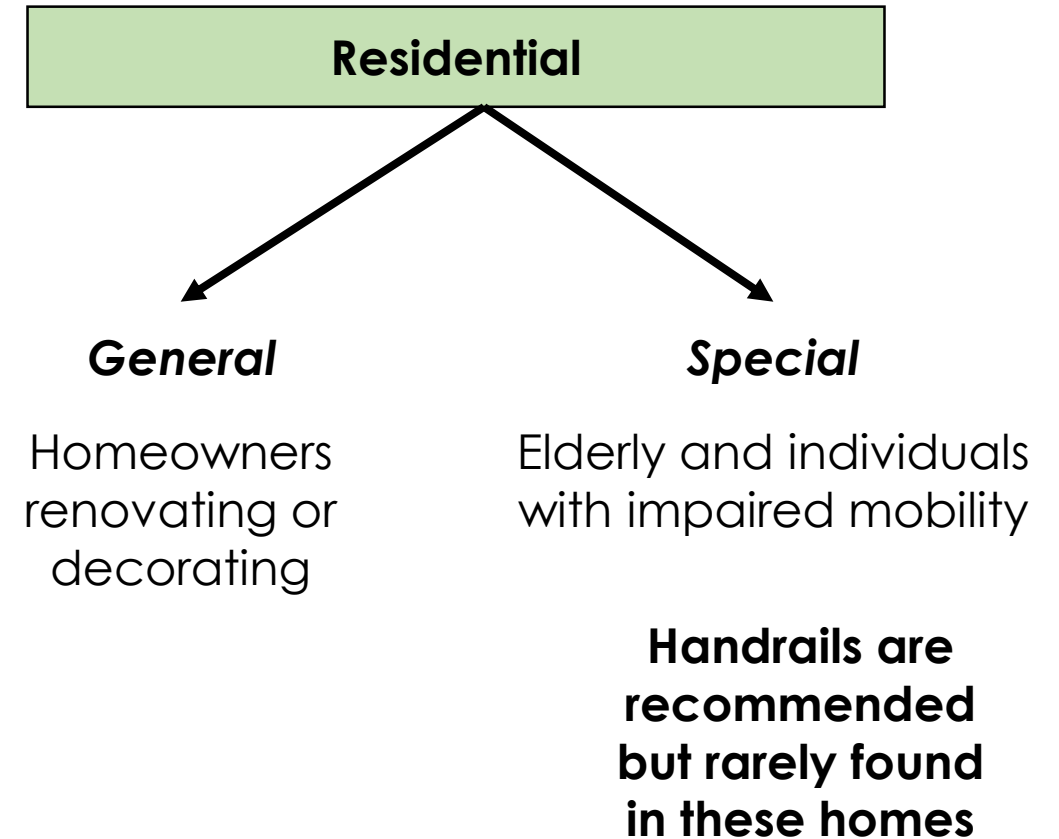
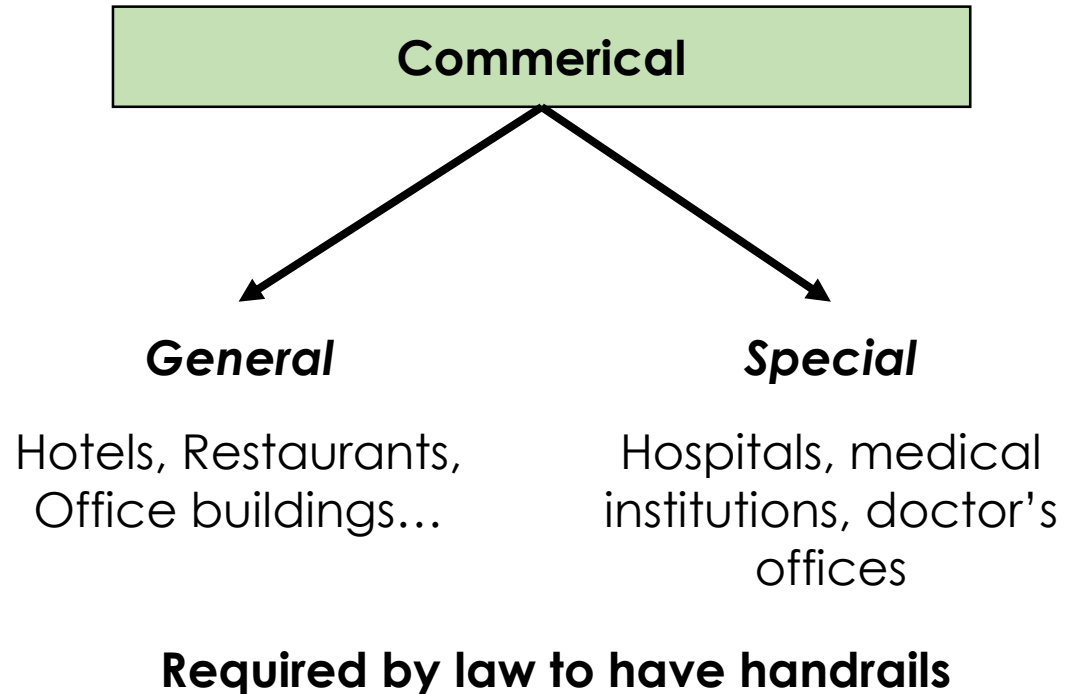


	2015	2016	2017	2020
Times growth in Sales	2	2.5	6.3	12.7

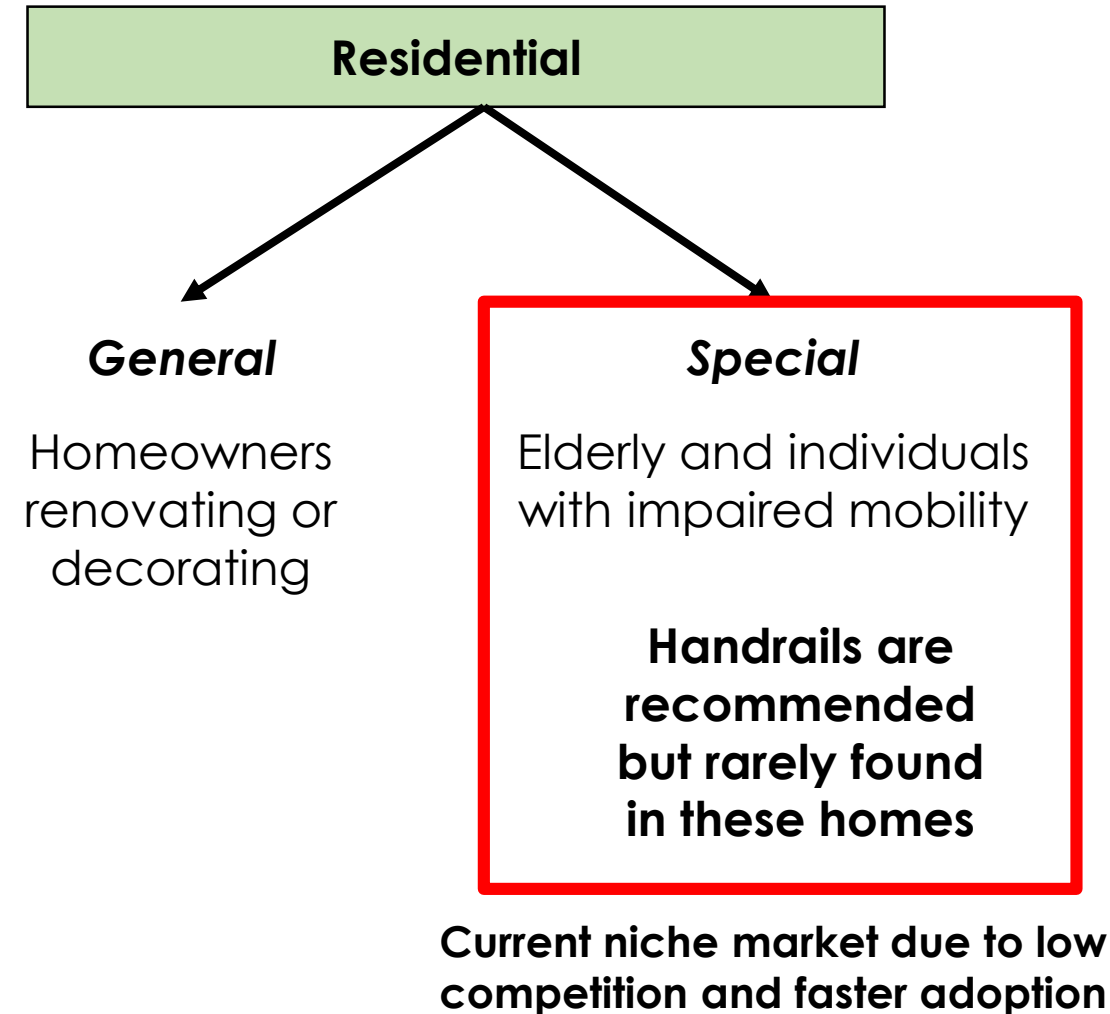
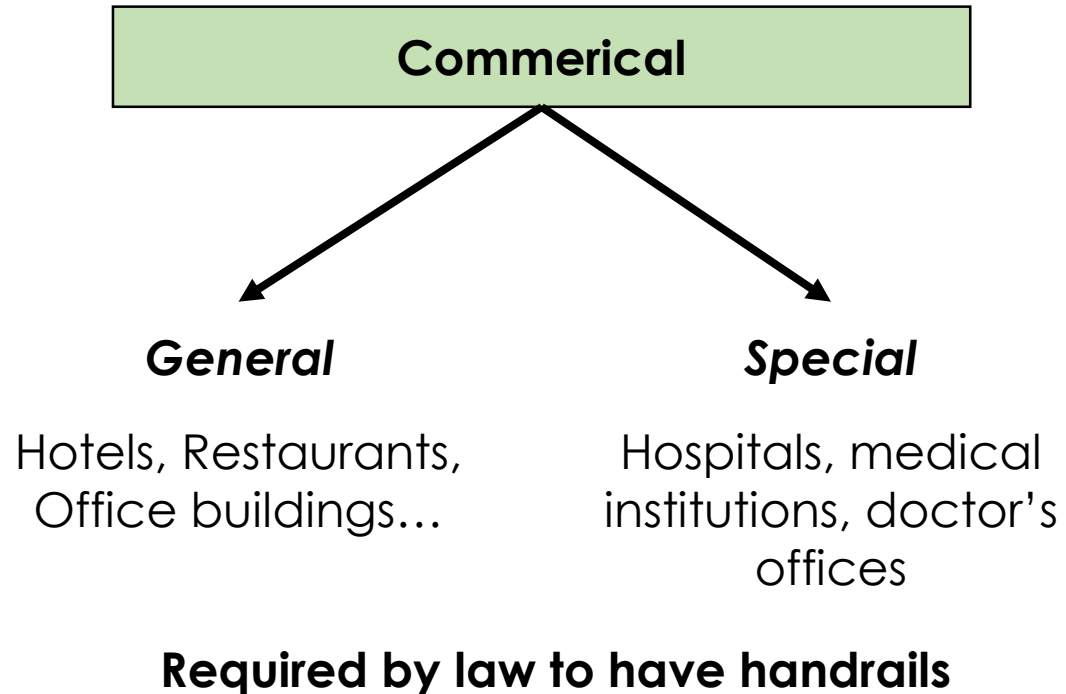
Sales are forecasted to grow by almost 13 times within a year

PromenAid's success has been impressive, growing fast with great potential lying ahead.

PromenAid's Market



PromenAid's Market



Competitive Analysis

	Affordability	Code Compliance	Ease of Installation	Interior usage	Ease of use
Wooden railings		x	x	x	
Metal fabricators	x	x	-	x	
Hybrid models		x	x	x	

Challenges and Opportunities

Demand

- Stigma leading to “shrinking house syndrome”
- Canadian Association of occupational Therapists recognizing handrails for those in need

Differentiation

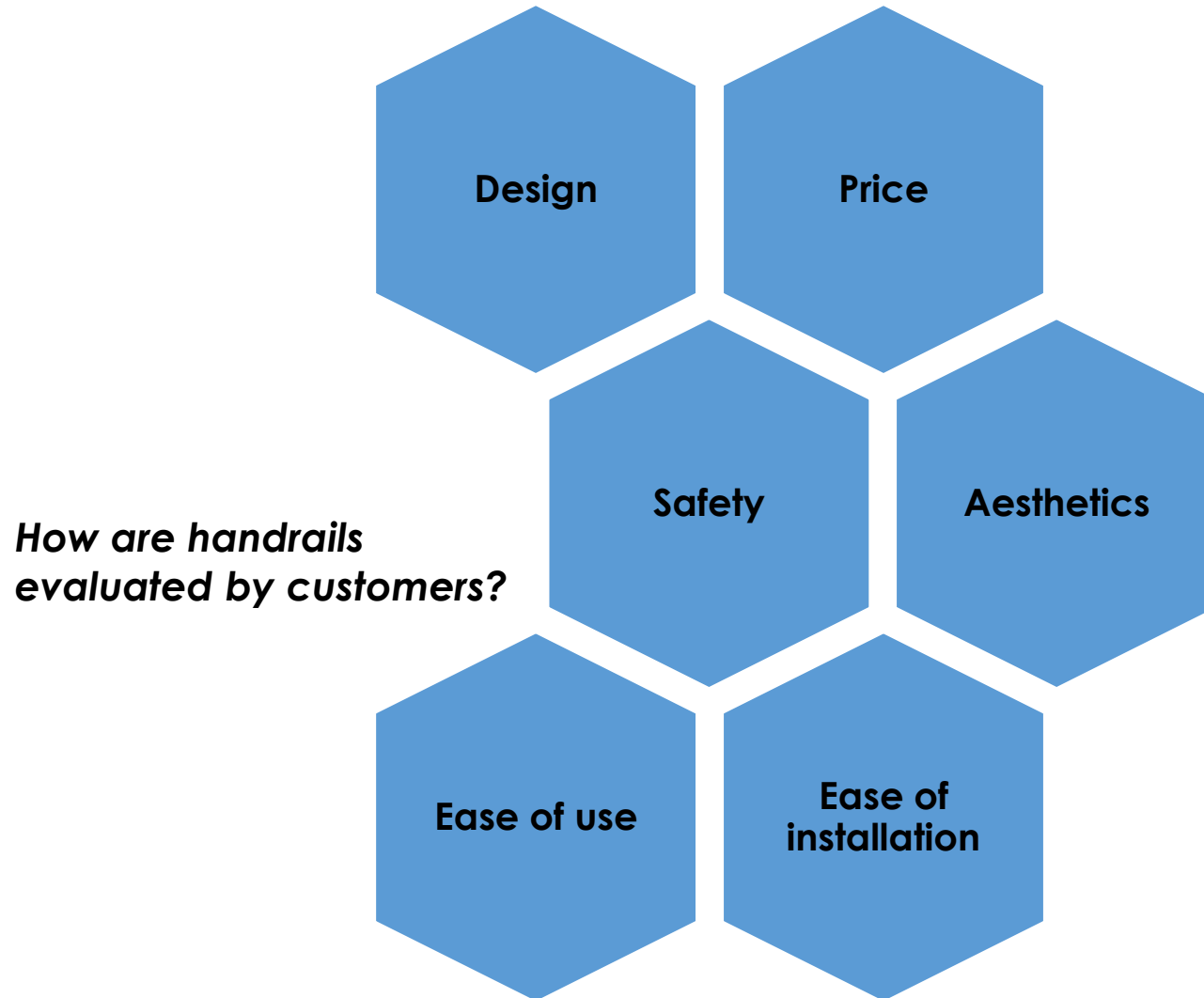
- Difficulty in communicating value proposition to different stakeholders

Distribution Channels

- Current online and brick and mortar channels
- Options for new distribution channels exist, but logistics and pickup are to be considered

The company is facing challenges in where to go next but has opportunities that it can leverage

PromenAid's handrails



Different buyers look for different criteria when choosing handrail, which entails approaching them differently

Alternatives – Target Segments

Commercial General

Target **public commercial spaces**: hotels, restaurants, and shopping malls

Commercial Speciality

Target **hospitals** and **medical institutions**

Residential General

Target **homeowners** and **home builders**

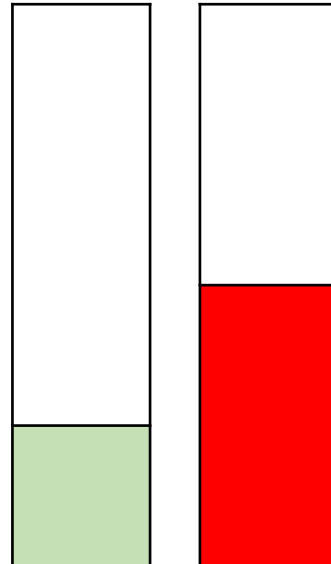
Commercial General

Advantages

- Access to commercial segment (B2B Customer base)

Disadvantages

- Existing competition
- Requires different training and resources



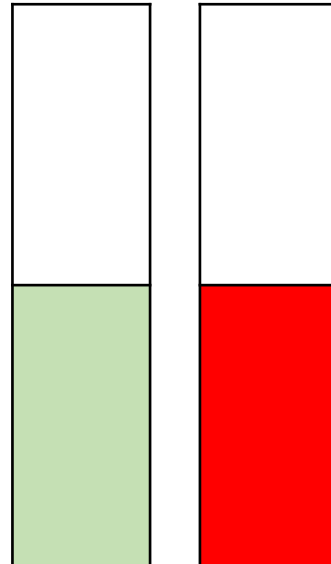
Commercial Specialty

Advantages

- Promotes demand in residential segment
- Access to new segment

Disadvantages

- Existing competition
- Lack of expertise: dealing with businesses



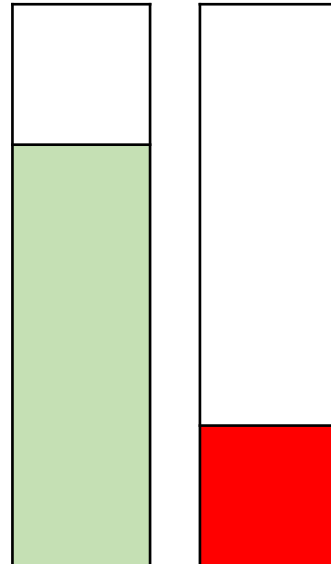
Residential General

Advantages

- Promotes demand in residential segment
- Existing distribution channels/resources
- Expertise on selling to customers

Disadvantages

- Limits customer base to residential segment



Decision Matrix

**Commercial
General**

Expertise

-

Contribution to
Existing
Customer Base

-

Access to new
Segment

+

Competition

-

TOTAL

-

Decision Matrix

	Commercial General	Commercial Specialty
Expertise	-	-
Contribution to Existing Customer Base	-	++
Access to new Segment	+	+
Competition	-	-
TOTAL	-	+

Decision Matrix

	Commercial General	Commercial Specialty	Residential General
Expertise	-	-	+
Contribution to Existing Customer Base	-	++	+
Access to new Segment	+	+	-
Competition	-	-	+
TOTAL	-	+	++

Decision Matrix

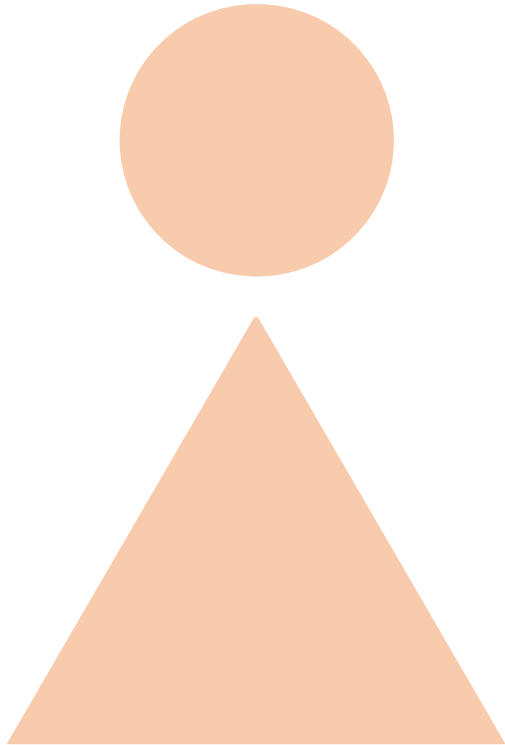
	Commercial General	Commercial Specialty	Residential General
Expertise	-	-	+
Contribution to Existing Customer Base	-	++	+
Access to new Segment	+	+	-
Competition	-	-	+
TOTAL	-	+	++

Recommendation

Expand Current Residential Market and Target General Segment

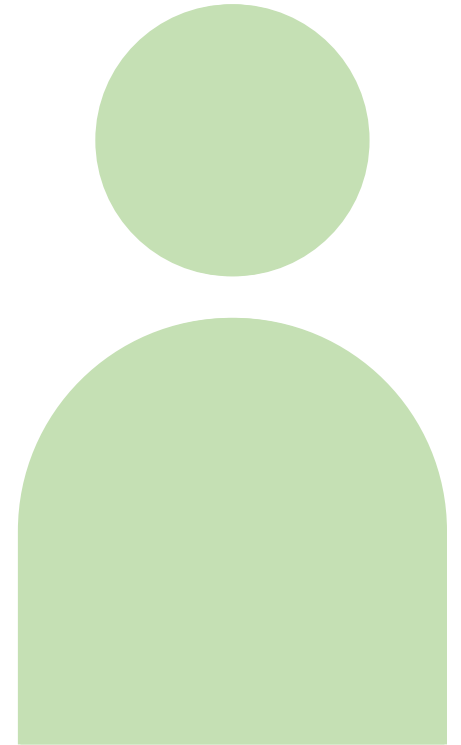
Residential Segment

Susan



- 28 years old
- Designing her newly bought house in Montreal

Ryan



- 71 years old
- Lives in a two story-home in Laval with his wife Brenda

Residential Specialty Segment

Emphasize power grip

Complementary Installation Services



Medical TV Shows

Lowe's E-Commerce

Occupational Therapists

- *Direct Marketing*
- *Canadian Association of Occupational Therapists*

Residential General Segment

Emphasize aesthetics



Trade shows

Emphasize safety

SEO

Financials

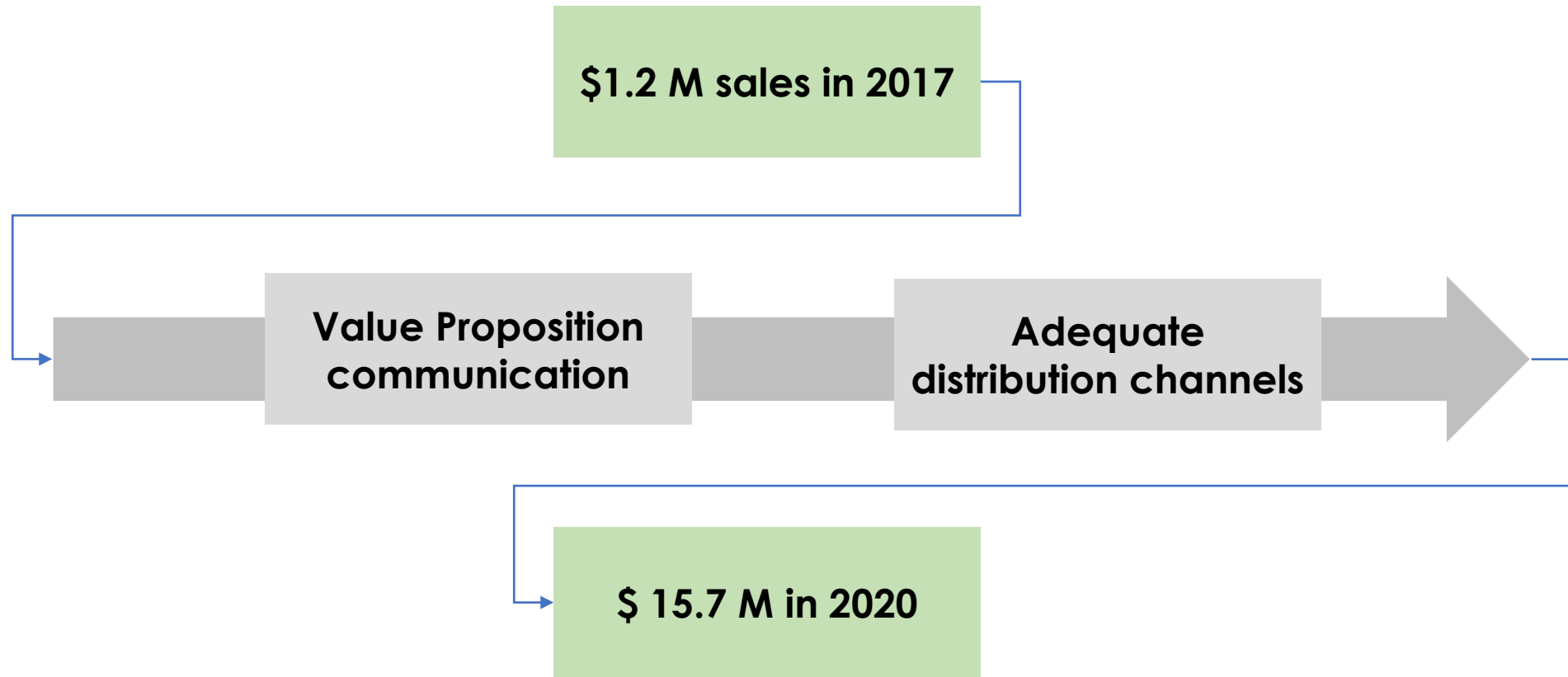
	2017	2018	2019	2020	2021
# of Households in North America (Mill)	149	152	155	158	161
Residential - Specialty					
Households in need of Handrails (Mill)	60	61	62	63	65
Incremental % of households purchasing from PromenAid	0%	0%	0%	0%	0%
Additional Households purchasing from PromenAid (000)	60	61	93	114	129
Total Incremental Revenues from Residential - Specialty (CAD 000)	7,931	8,090	12,378	15,150	17,171
Residential - General					
Households to be targeted	89	91	93	95	97
% of households Purchasing PromenAid	1%	2%	4%	6.50%	10%
Households Purchasing PromenAid (000)	0	10	12	15	20
Total Revenues from Residential - Specialty (CAD Mill)	-	1,331	1,597	1,996	2,662

NPV = 93042
IRR = 17%



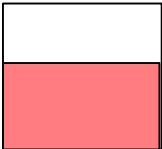



Financials

	2017	2018	2019	2020	2021
Total Incremental Revenues (CAD 000)	7,931	9,421	13,975	17,147	19,832
Operating Profits (CAD 000)	1,824	2,167	3,214	3,944	4,561
Incremental Costs					
Installation Costs (CAD 000)	158.63	161.80	247.56	303.01	343.41
Sales Force - Therapists (CAD 000)	720	1440	2160	2880	3600
Marketing Expenses	1,190	942	699	343	198
Incremental Profits	- 244.11	- 377.09	107.90	417.78	419.65

Conclusion



Risks and mitigation

Risks	<i>Probability</i>	<i>Impact</i>	Mitigation
Increased competition			Communicate clearly value proposition and highlight advantages
Imitation of product			Keep investing in R&D and get customer feedback
Insufficient funds			Participate in accelerator program