

Porto
Business
School



Consulting Team

PROMENADE INTO GROWTH

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How can PromenAid continue to grow and meet their 2020 goals?

1

Points-of-Sales & Distribution Strategy

2

Promotion Strategy

3

Product Differentiation

4

Human Resources and Recruitment Strategy

Problem Statement

Analysis

Recommendation

Financial Impact

Implementation & Risks

Analysis
Ana Ferreira



You provide a unique solution to your customers

Growing Startup

Tested and Patented handrails

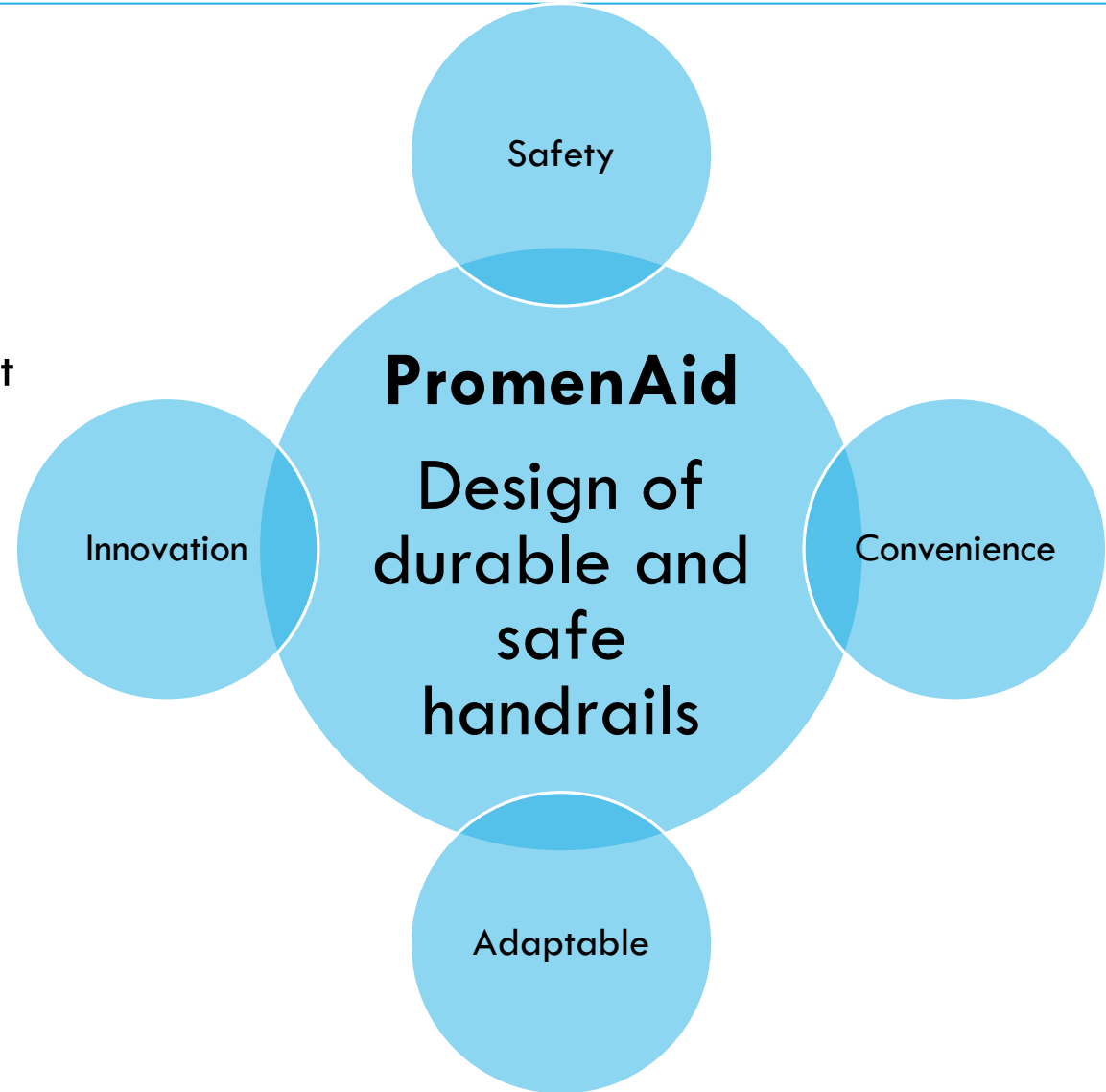
In compliance with the American with Disabilities Act

Your growth will require further adaptation

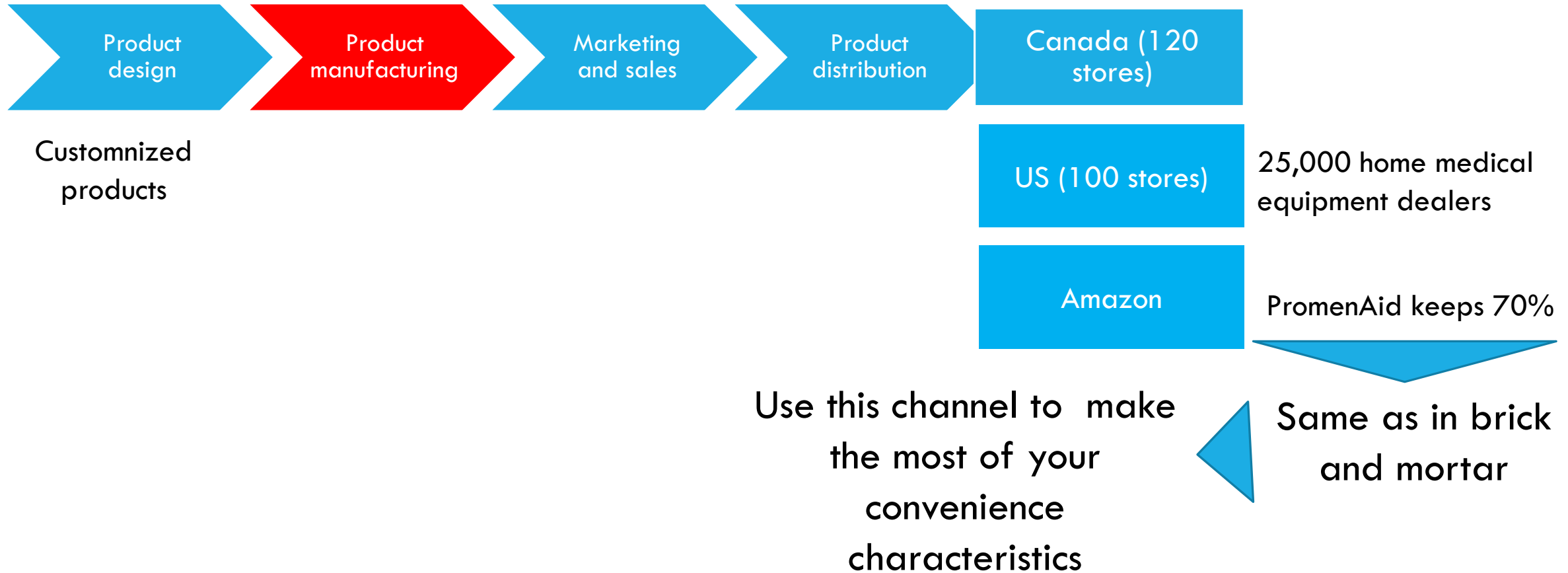
Tackling all the requirements:

Continuity between stairs, ramps and landing

Horizontal extensions at top and bottom of slopes



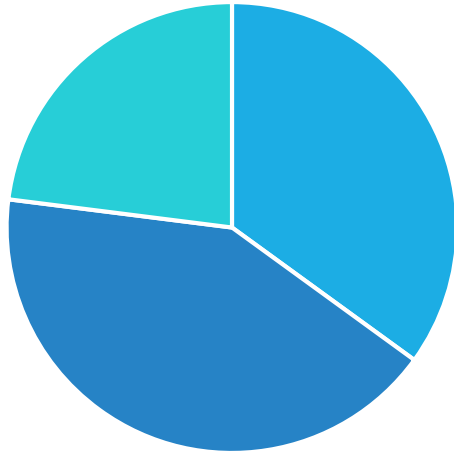
Your distribution channels should also consider brick and mortar



The market where you operate has several opportunities to explore

US has 909640 adults over 65 → Died of unintentional injuries → Home falls

% seniors that fall in Communities



■ more than 64 ■ 70 ■ Others

30%-50% of seniors in nursing homes

40% experience recurrent falls

Market opportunity that is required by law

This technological revolution is already being successful in the prosthetics market

Who are your main collaborators and which ones are key

Feedex

- Effective Distribution

Amazon

- E-Commerce

Occupational therapists

- Main influencers for product awareness

Interior designs

- Influences of your products focused on customized design

Builders and installers

- Decision makers

You are able to distinguish from your competitors

WOOD	METAL	WOOD+METAL	LIFTS
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You are the only one providing strength, ease of installation, minimal disruption during installation, affordability and aesthetics

CERTIFIED

Your main competitors

S

- Certified, patented and tested
- Convenient

W

- Structure not yet ready for the upcoming growth

O

- Required by law
- Growth in demand

T

- Negative stereotype associated

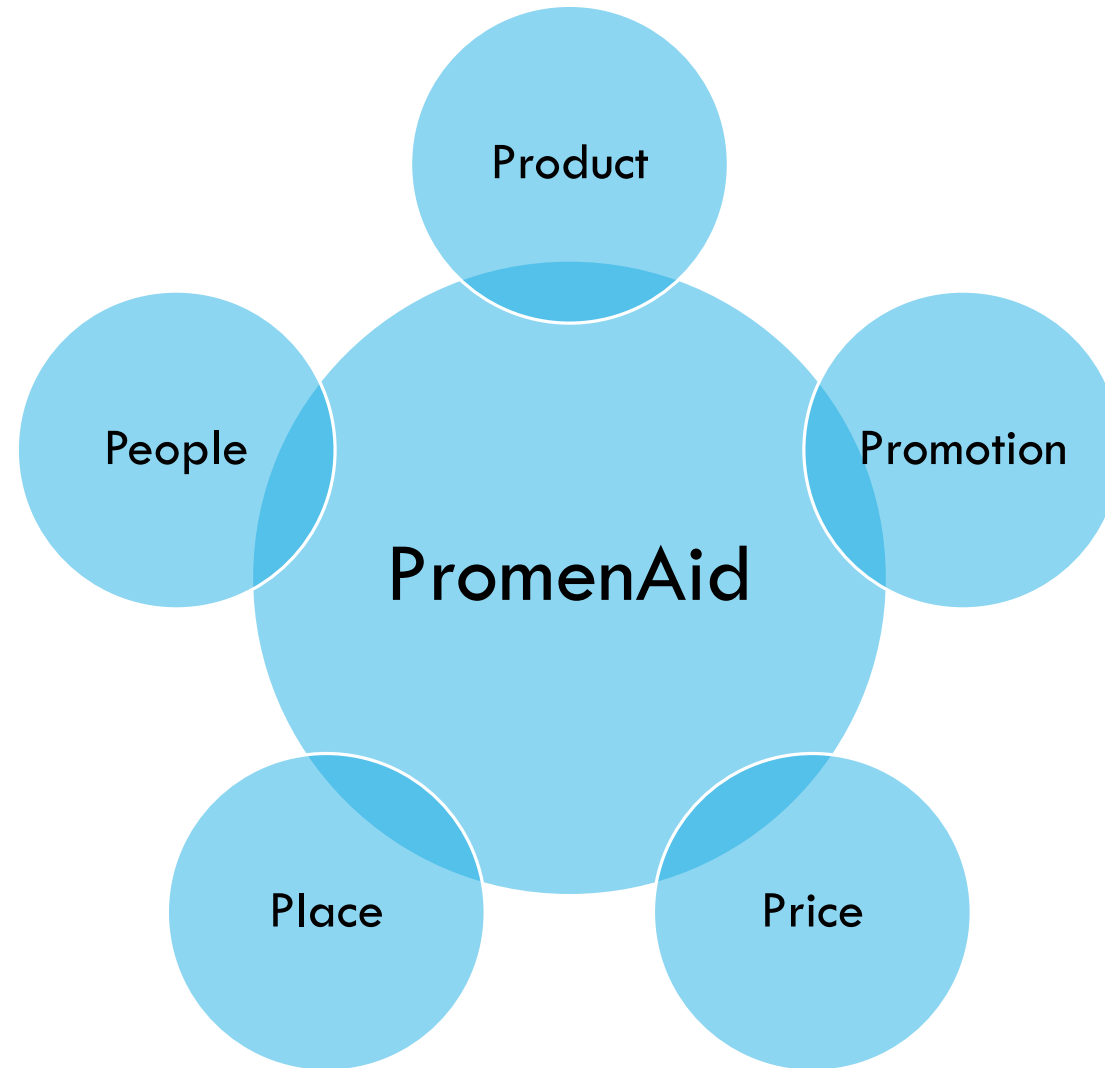
Analysis

Recommendation

Alexandre Santos



What is the strategy for PromenAid to meet its goals for 2020



Problem Statement

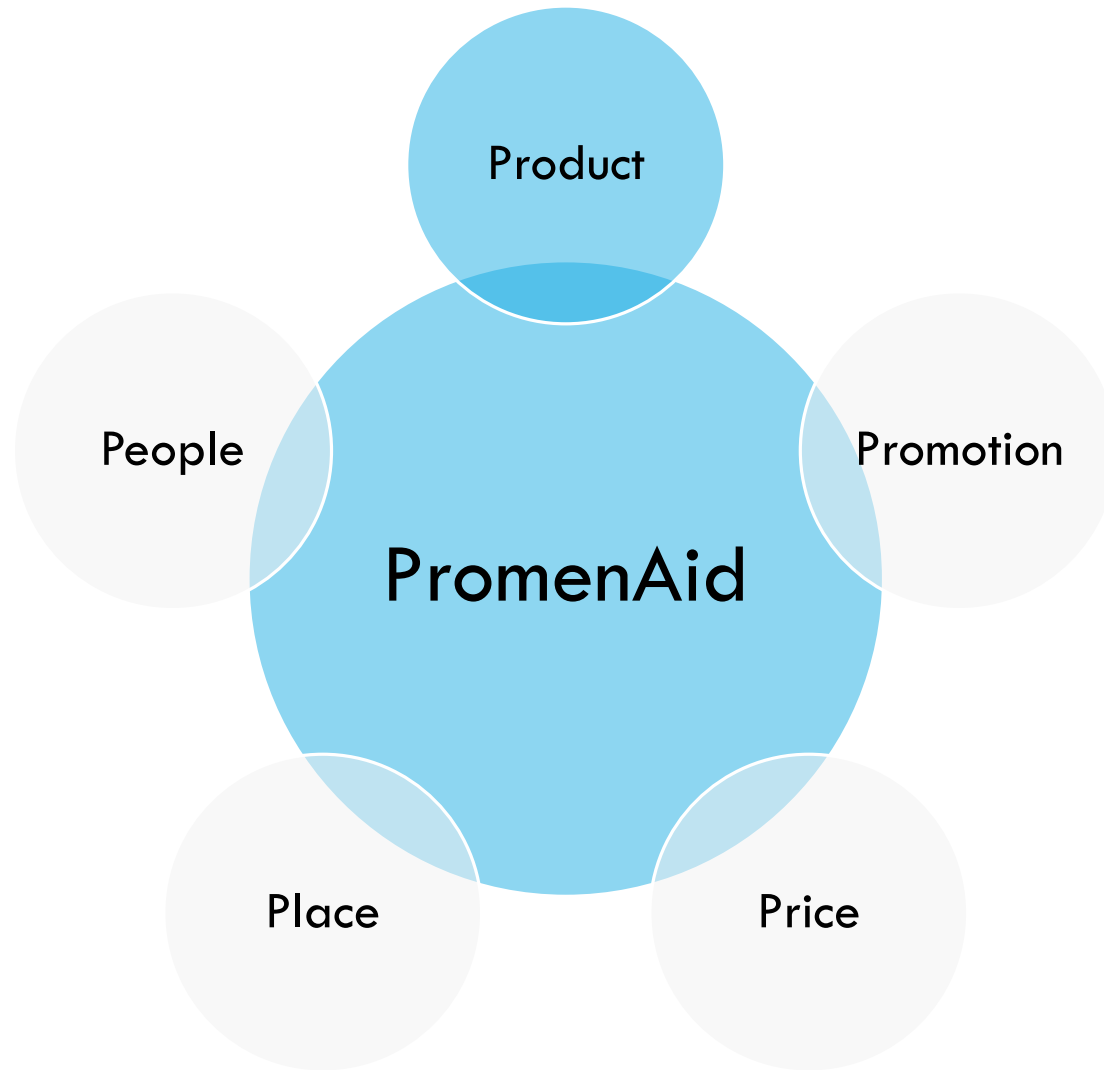
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What is the strategy for product differentiation?



Development of new technological fall detector handrail (SafePromenAid):

- Partnership with electronics HW company

- PrismaElectronics using their proprietary fall detection algorithm:

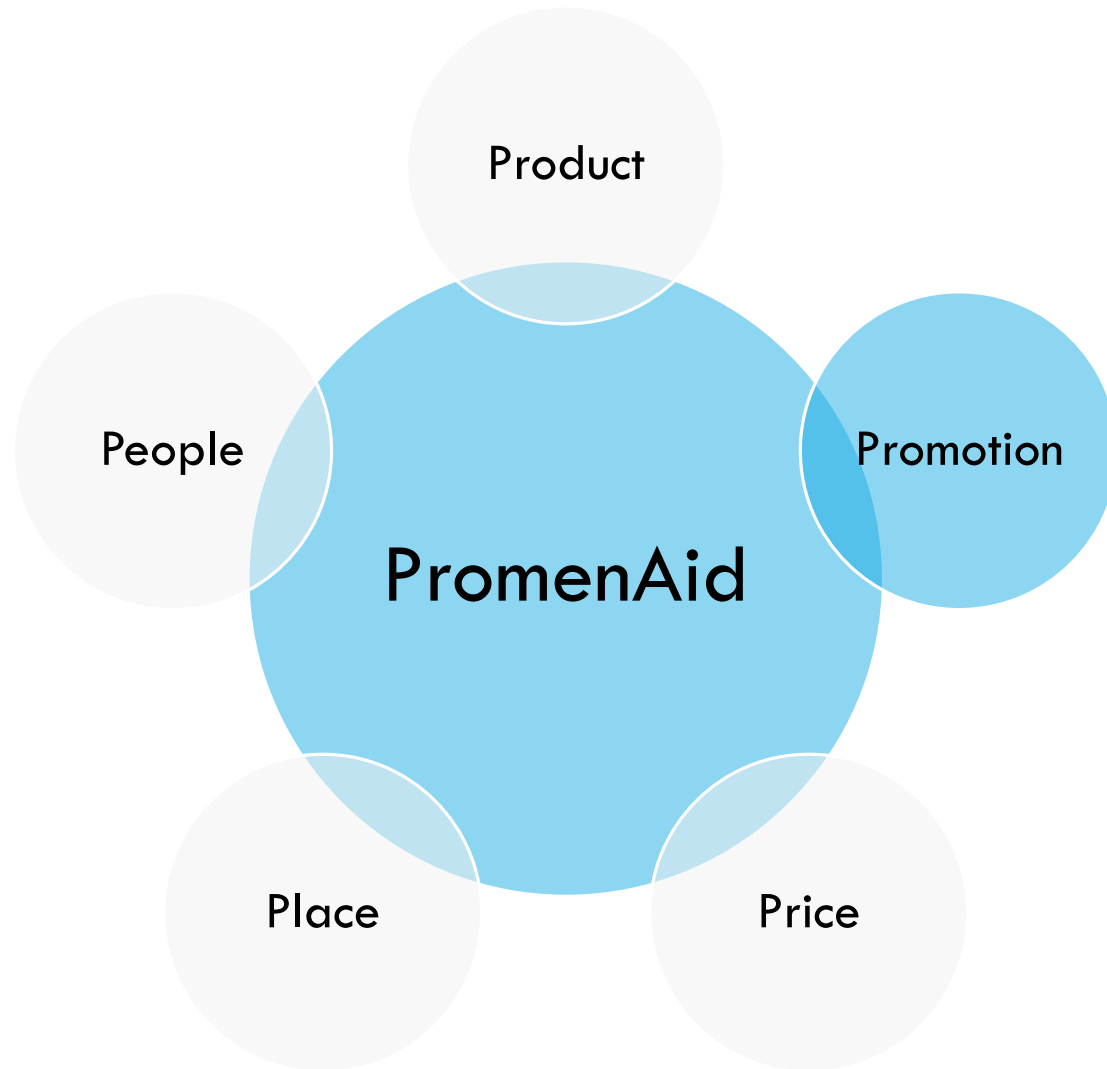
- * People hand detection

- * People-follow stairs

Low differentiation product

- Provide customizable outer layers (wood-look, rock-look)

How to promote PromenAid?



Involvement of therapists (Decision Influencers) through:

- Practical workshops with therapists;

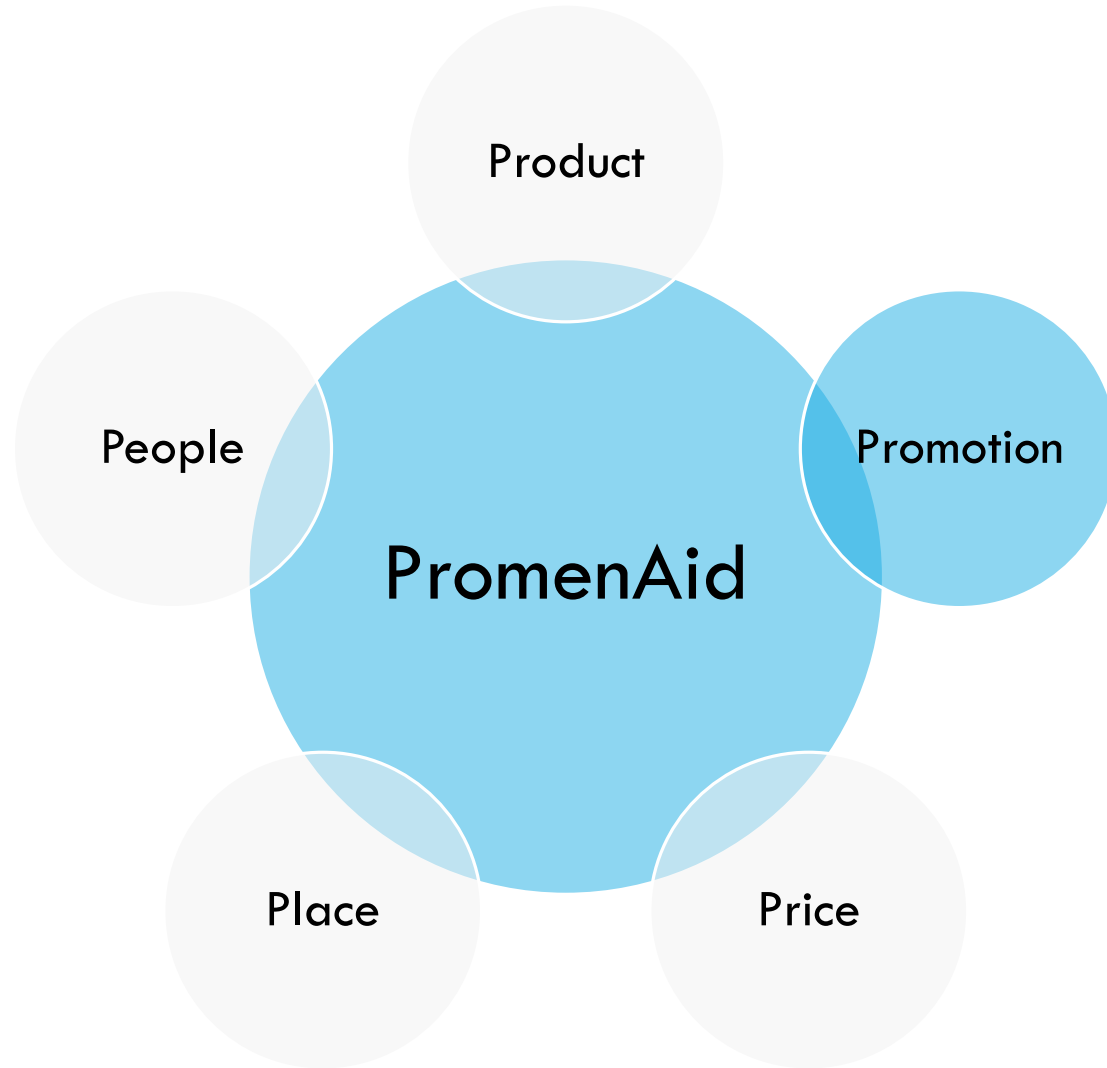
Promote solution with interior designers and architects:

- Renovation designers for nursing homes;
- Showroom about mobility solutions on conferences;

Installers:

- Promoting on convenience and installment easiness with practical training

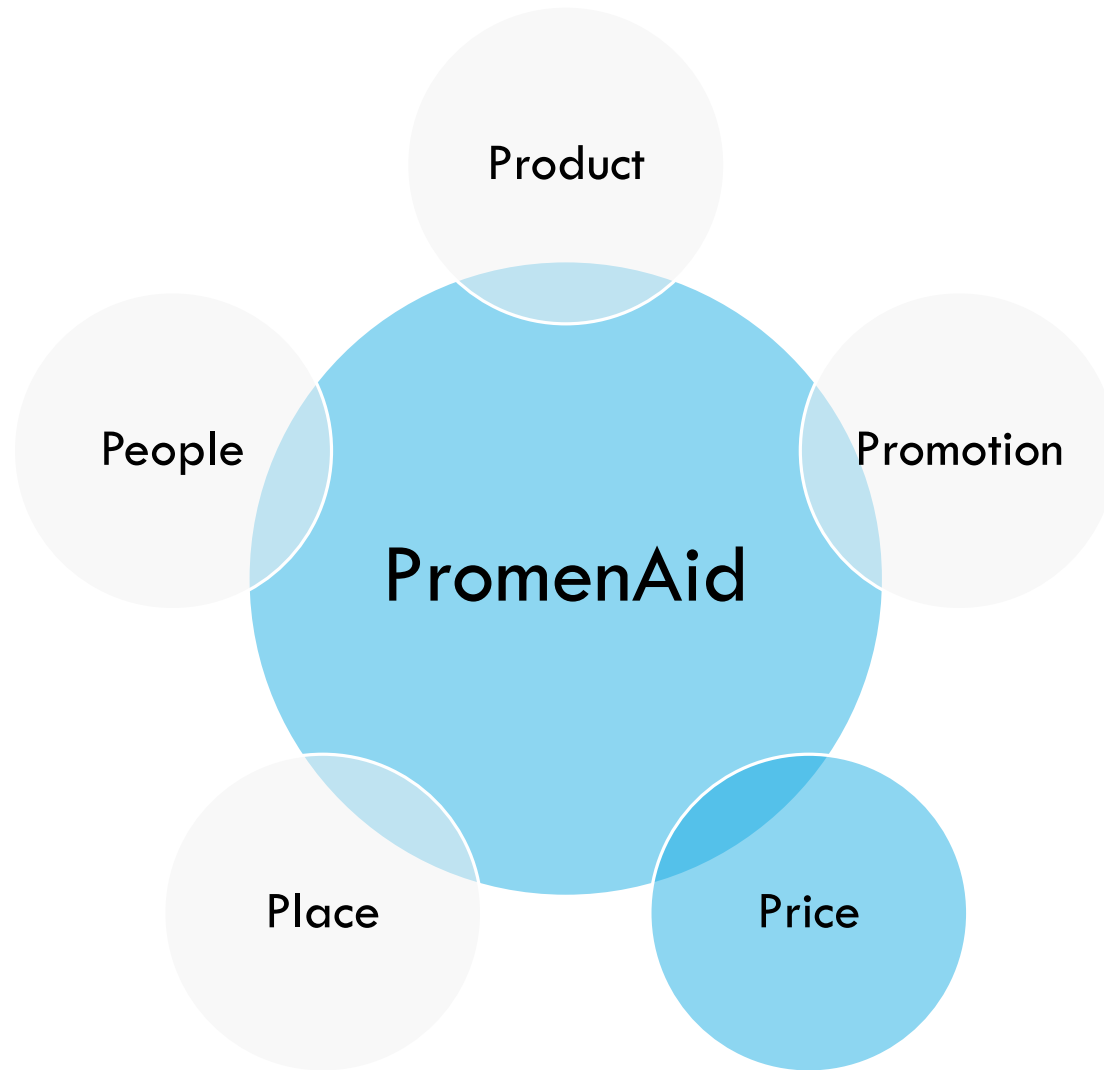
How to promote PromenAid?



Promotion in social media

- Social networks (Facebook, Twitter, LinkedIn)
- Magazines on health care
- Architecture magazines
- Renovation youtube channels

What is the strategy for pricing and overcome Cash Flow problems?

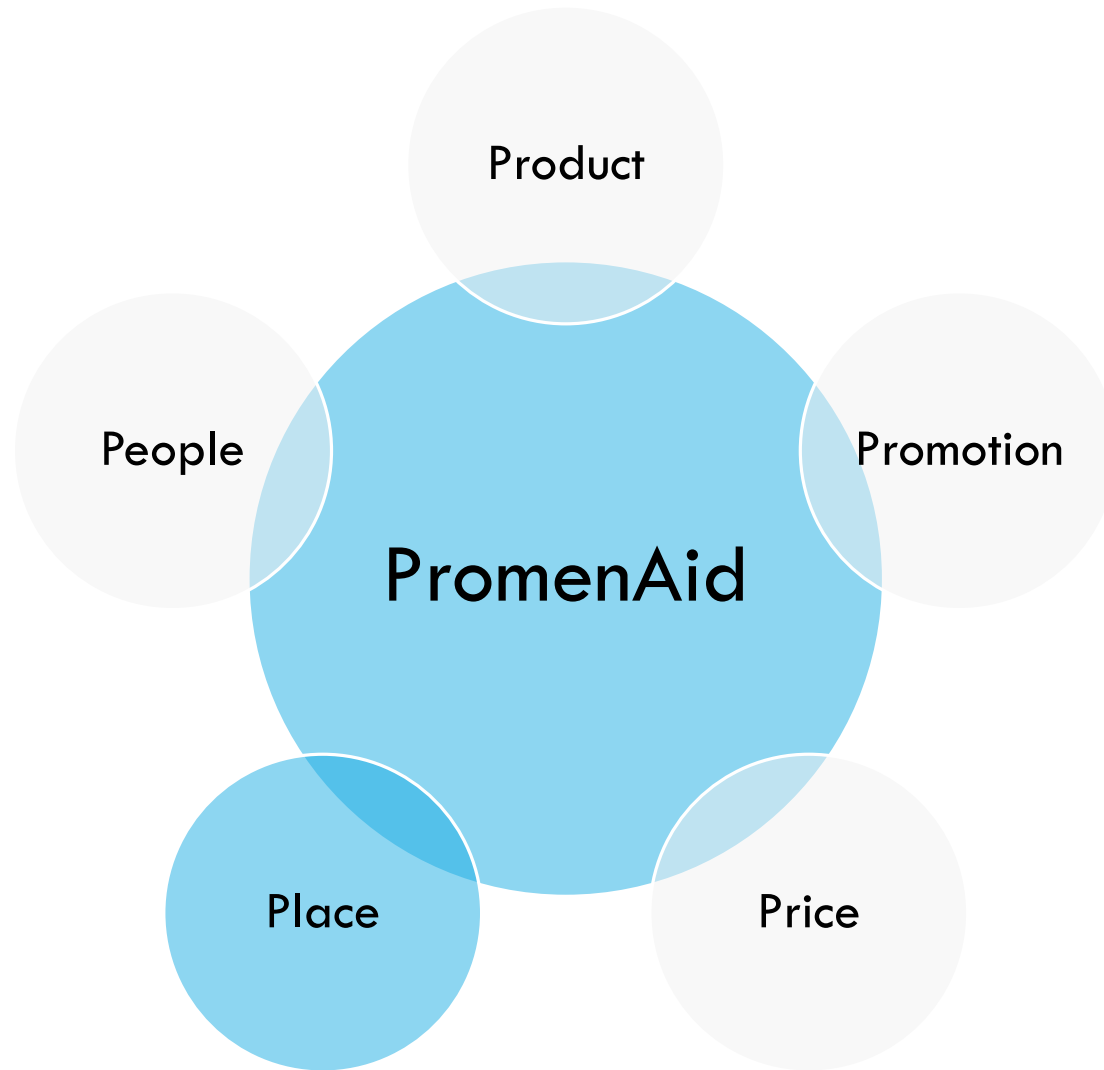


Procurement of new manufacturers for lower manufacturing prices

Negotiate with handrail manufacturers for 40-days payment conditions

Negotiate with shippers for 40-days payment

What could be the alternatives for



Sales through e-commerce channels:

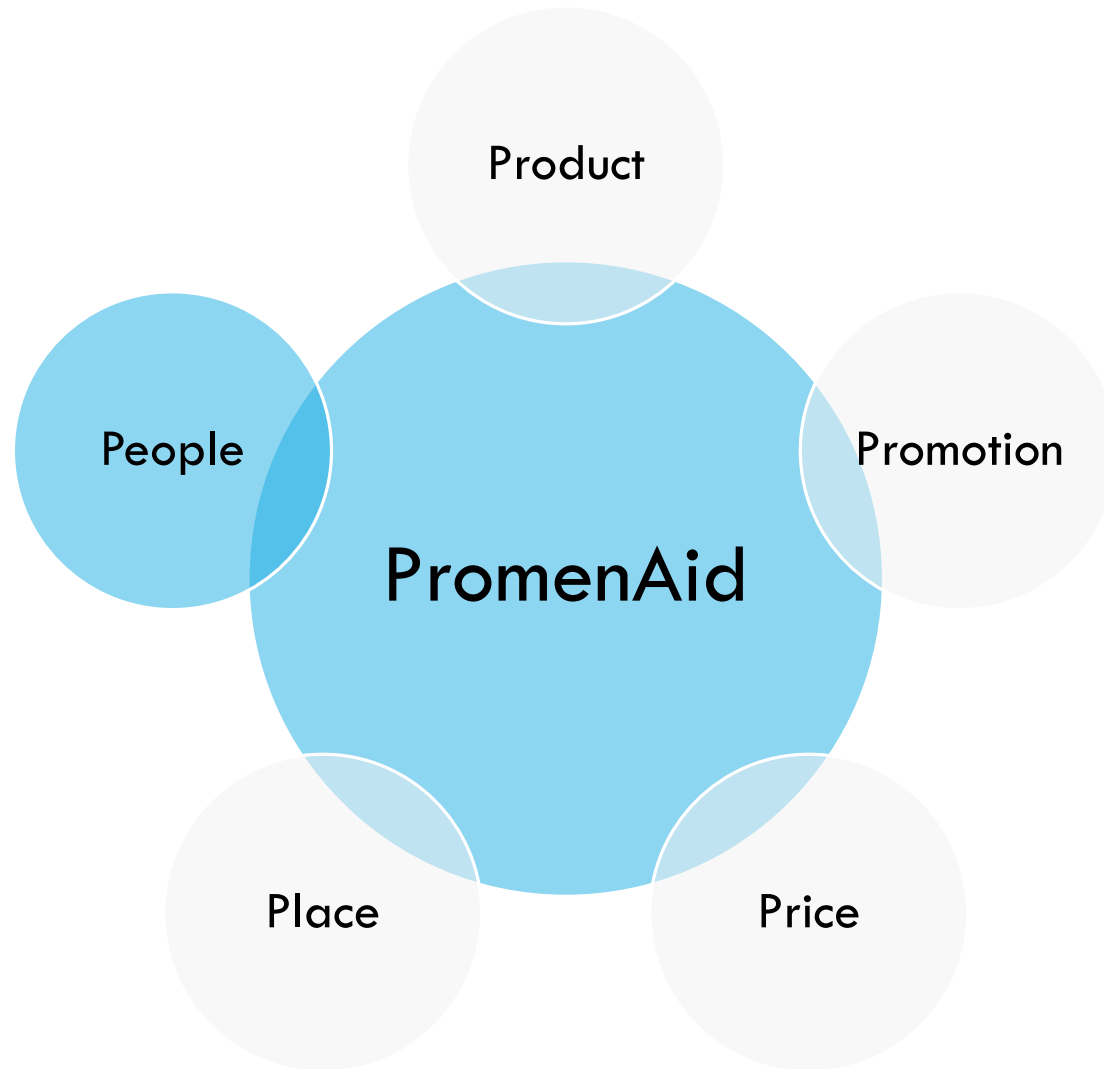
- Usage of Lowe's and Amazon for selling of innovative products

SafePromenAid

Sales through Brick-and-Mortar:

- Selling in Home Hardware stores
- Lowe's stores

What could be the alternatives for



Recruitment of occupational therapists and professional for health care:

- Recruit of prosthetics professionals;
- Nurses in daycare centers;

Restructure of the sales department:

- Division for e-commerce channel;
- Brick-and-mortar channel;

Creation of a R&D division for inclusion:

- Designing Unit
- New product developments

Financial
Pranjay Yadav



Financial Assumptions

<i>Investment Assumption</i>		Thousand \$
Product Development		400
Advertising and Promotion		400
Selling costs		300
Research and development		400
HR expenses		250/yr

<i>Assumptions</i>	
Revenue Growth	
COGS	37.60%
Depreciation	20%
Corporate Taxes	30%
WACC	15%
Change in Working Capital	10%

Projected Financial Growth

	2017	2018	2019	2020
Revenue	1240	3777	8328	15730
COGS	468	1411	3066	5721
Gross Margin	772	2366	5262	10009
Net Profit	-254.4	291.2	1663.2	4014.4

Free Cashflow	2017	2018	2019	2020
EBIT+	608	2144	4708	8652
Depreciation +	164	222	554	1357
Taxes -	-183	-643	-1412	-2595
CAPEX -	-818	-322	-230	-230
Change in Working Capital -	-25	29	166	401
Free Cash Flow	-253.96	1429.872	3786.064	7584.948

NPV

\$8.8 M

Implementation & Risks

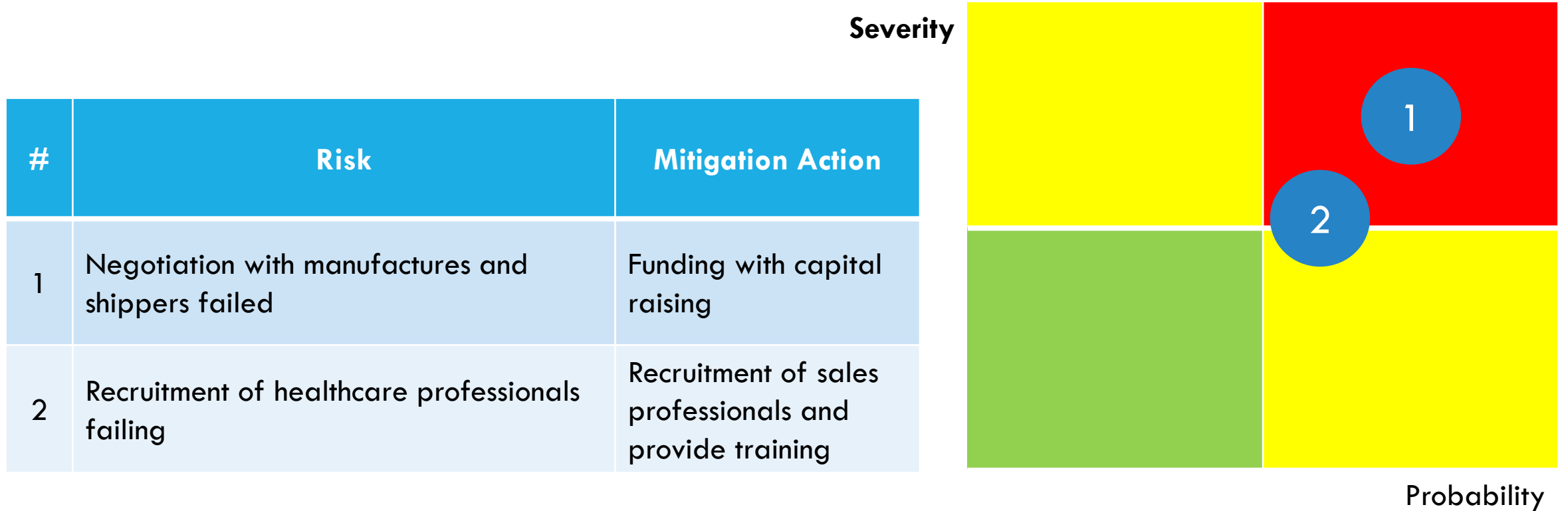
Andreas Salom



Implementation Plan

Activities		2017			2018			2019			2020		
Product Innovation													
	SafePromenAid development	■											
	Partnership with PrismaElectronics		■	■									
Promotion													
	Therapists Workshops		■				■			■			■
	Interior designers and Architects Promotion				■				■			■	
	Installers Training			■		■		■					
	Magazines Advertisement		■			■			■				■
	Promotion in social Network	■	■	■	■	■	■	■	■	■	■	■	■
Price													
	Negotiate with manufactures	■	■										
	Negotiate with shippers			■	■								
Place													
	Product placement on Lowe's online												
	Negotiate product placement on Lowe and Home Hardware stores	■	■			■							
People													
	Restructuring of Sales department	■	■										
	Creation of R&D department			■	■	■							
	Recruitment of personnel					■	■				■		■

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Summing Up

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