

PromenAid

A Power Grip on Stable Growth

Mr. Rob Geller, VP Commercial Operations

Mr. Kell Warshaw, Founder and PromenAid inventor

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Haskayne
Consulting

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Why are we here?

How does PromenAid navigate their excellent grow opportunity sustainably?

Executive Summary

Strategy	Micro Strategy	Details
Increase online presence	Build PromenAid website	-Set-up shopping cart platform for direct online sales -Showcase customer testimonials
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	Online store	-Use Google AdWords to promote website -Keyword optimization for high placement in search results -Utilize social media: Twitter, Facebook, Instagram and promote online videos
Organization development	Hire additional staff	-Online marketing specialist -2 x Sales and Business Development Coordinator -Operations and Inventory Manager
Brick and mortar expansion	Canada	-Sell through Home Hardware and Lowes
	USA	-Approach Costco and Homedepot
Succession plan	For Mr. Warshaw and Mr. Geller	-Implement new positions -Discuss changes and plan with board members -Establish succession timeline based on personal goals

Recommendation

- ▶ Focus on growing in the residential mobility-impaired market
- ▶ Sell through brick and mortar stores and online presence
- ▶ Long-term, look at expanding into commercial channels

You asked we answered (1/3)

- ▶ What overarching positioning must PromenAid take to be meaningful to all audiences?
 - Short-Term: Focus s on selling product as a mobility aid to residential consumers
 - Long-Term: Build relationships in commercial channels for future growth in this sector

You asked we answered (2/3)

- ▶ How can the brand straddle all expectations of builders, homeowners, occupational therapists and distributors?
 - The brand shouldn't straddle all expectations. We recommend a focused approach for sustainable growth
- ▶ How should the organization be developed to grow?
 - Hire new staff to manage marketing, business development, and operations

You asked we answered (3/3)

- ▶ Is PromenAid a manufacturing firm or an e-commerce business?
 - Focus should be on marketing
- ▶ Does this question impact PromenAid's business model?
 - Yes – PromenAid will have to hire more staff to manage online marketing and website development



Getting a grip on the details

Eva to review the plan

A closer look at your business through value chain



Who are your customers

Commercial customers

- General builders: Hotels, shopping malls, school
- Specialty: hospitals, senior home, doctor office

Residential customers

- General: home owners, decorating purpose
- Specialty purpose: impaired mobility people

Options ahead of you

1

- Focus on residential distribution

2

- Focus on Commercial distribution

3

- Do both

4

- Vertical integrate to manufacture

Criteria to use

1 Growth potential

2 Financial feasibility

3 Timeline for pay off

Options analysis

Options and criteria	Growth potential	Financial feasibility	Timeline for payoff
Focus on residential	✓	✓	✓
Focus on commercial	✓	✗	✗
Do both	✓	✗	✓
Vertical integrate	✗	✗	✗

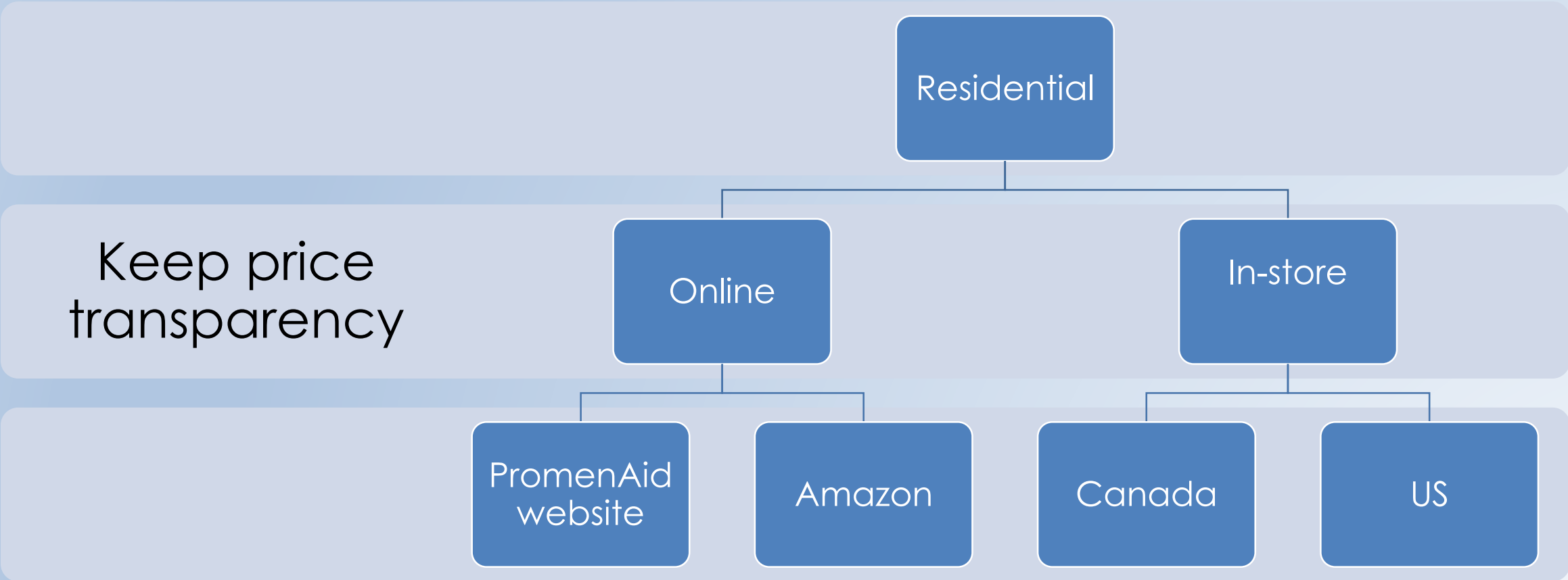
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Focus on residential 	✓	✓	✓
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Do both	✓	✗	✓
Vertical integrate	✗	✗	✗

How to handle manufacture

- ▶ Protect your most important asset: IP and patent
- ▶ Huge risk to outsource production in China, even though it's cheap and fast
- ▶ Mitigate:
 - select manufactures carefully
 - Segregate parts to produce in different location
- ▶ Innovate:
 - Improve your products design
 - Listen to your customer feedback

Reach your residential customers



Same price, the shipping and service is extra

In-store purchase

Benefit:

- Senior people still prefer instore shopping experience
- Offers installation service and customers can see demonstration in person
- Expand
 - Canada: **Sell through Home Hardware and Lowes**
 - USA: -Approach Costco and Homedepot
- There is no conflict to sell through multiple stores:

On line presence

- Build e-commerce website
- To showcase customer testimonial, video of installation
- Promote the website by using Google Ad Word, buy the data analytics to make your website show up as the 1st search
- Social media: expand accounts to promote products for children to gift parents or grand parents, especially during holiday season


Don't forget medical reference opportunity

- ▶ Patients listen to the medical professional advice seriously
- ▶ Leverage Mr.Geller's network and knowledge in the medical industry, to promote through reference of physio therapist, doctors, giving out pamphlets
- ▶ Attend medical equipment trade show, conference of therapy

Long term – commercial distribution channel

- ▶ Build relationship with builders and engineering contractor to bid on projects together

- ▶ Investment of people and time is the key



“Growth burns up cash and
we must be prudent”

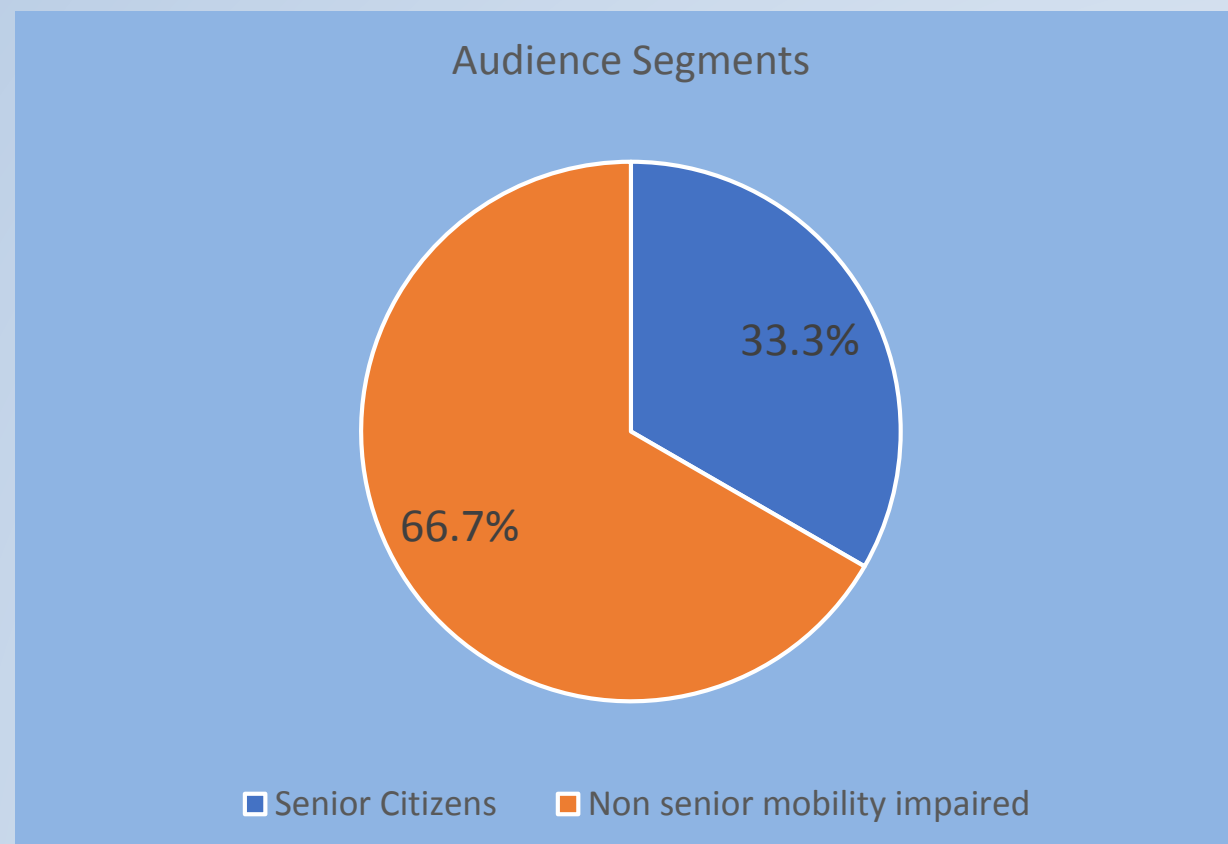
Bharath to review the financial plan

Assumptions

- ▶ All currency is in USD
- ▶ Typical cash in hand is 3 to 4 months
- ▶ Mobility required audience is in all age groups
- ▶ Return shipping costs are typically borne by the seller

Target audience in North America

- ▶ Households – 149M
- ▶ Households with need for handrails – 45M



Financial Goal

- ➔ Goal - \$15,730
 - Very aggressive and unrealistic given the funds available
- ➔ Funds available - \$760K
- ➔ Projected revenue by 2020
 - \$6M to \$7M

Warranty costs

- Current warranty – 5 Years
- Product liability is not over until the end of warranty period
- Recommendation
 - 5% to 7% of revenues as warranty funds

Need to get into hardware stores too

- ▶ E-commerce channel has high returns
- ▶ 1/3rd of all online items sold are returned
 - From personal industry knowledge
- ▶ Additional costs due to returns
 - 5% in return shipping costs

Implementation costs

- ▶ Inventory manager - \$50K
- ▶ Sales & Business Dev coordinator x 2 - \$60K each
- ▶ Online marketing specialist - \$60K
- ▶ Website – \$20K to \$30K

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Alternatives



Focus on commercial channel only

Focus on both commercial and residential

Integrate manufacturing

Focus on commercial channel only

- ▶ Relying only on *Mr. Geller's* expertise
- ▶ Too long to develop relations for a higher growth
- ▶ Key selling point is the ease of installation



Focus on both commercial & residential

- ▶ Limited funds available
- ▶ You are only two people with knowledge currently
- ▶ Cash flow issues with aggressive growth



Integrate Manufacturing

- Requires high capital expenditure
- Lack of expertise in manufacturing
- Takes longer to set-up a plant
- Harder to scale as compared to outsourcing





Easy to install

Nicole will walk you through the implementation strategy

For future consideration...

- ▶ “Out of the box” thinking...
 - Market the handrail to skating rinks, ski hills, dance studios or swimming pools
 - Safety, reliability and balance are important!

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Implementation Timeline

Short Term (1 – 2 years)

Focus on Residential market

- Specific
- General

Make organizational changes

Execute marketing plan

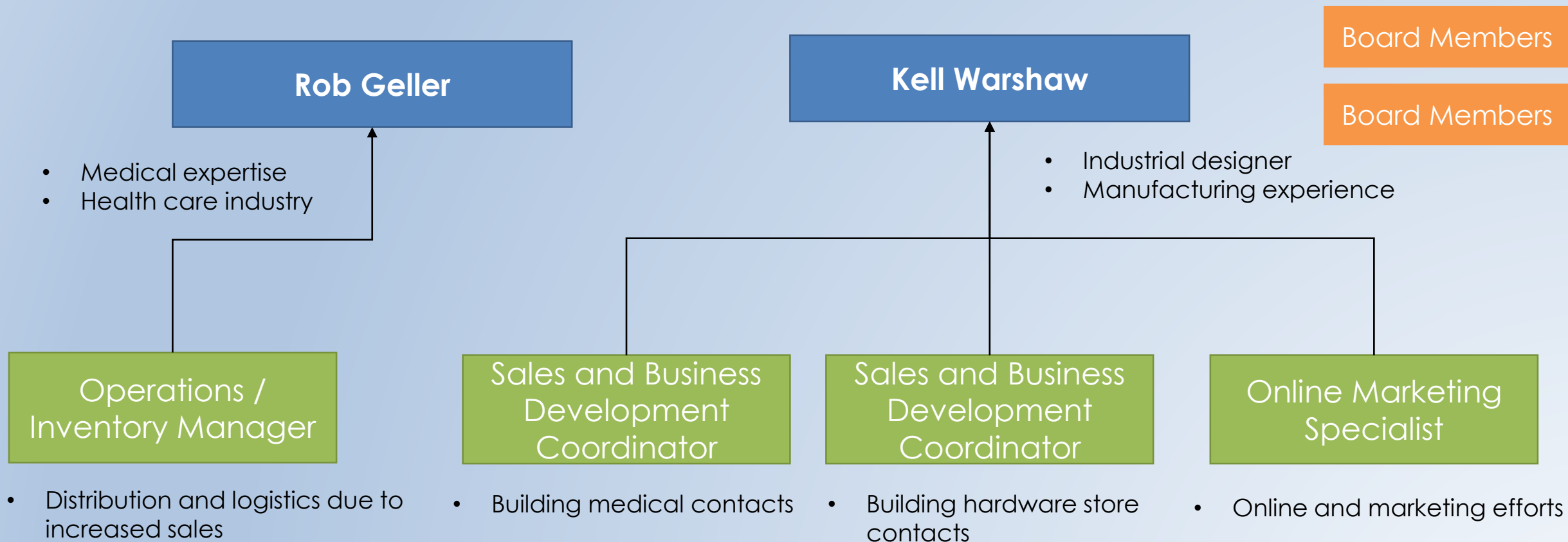
Long Term (3 – 5 years)

Expand to commercial market

- Specific
- General

Assess long term personal goals / future of organization

Short Term Organization Structure



How do we reach our market?

Task	Outcome	Responsible	Timeline
Hire 2 Sales and Development Coordinators (Medical and Hardware specialists)	Industry knowledge will help you build relationships and increase sales	Kell and Rob	1 months
Re establish relationships with Lowe's and Home Hardware	Allows you to enter the hardware store market and reach target customers	Hardware Sales and Development Coordinator	6 months
Reach out to contacts at medical tradeshow	Gains a presence and market awareness	Medical Sales and Development Coordinator	1 year
Visit medical offices in Canada and US	Establish relationships for future sales	Medical Sales and Development Coordinator	1 year

Online Marketing Plan

Task	Outcome	Responsible	Timeline
Hire online marketing specialist	Assist with all marketing efforts	Rob and Kell	1 month
Build PromenAid website and shopping cart platform	Build online presence	Online Marketing Coordinator	3 months
Join social media platforms	Reach new markets through engagement	Online Marketing Coordinator	6 months
Create and develop marketing content (pamphlets, adds) for medical and hardware contacts	More information to support recommendations	Online Marketing Coordinator	6 months

Marketing Plan

Establish social media presence

Use online analytics tools to push ads and promote websites

Use customer testimonials and experiences

Create easy 'how to install' videos

Provide demonstrations in stores, trade shows, etc.

Succession planning for the future

Task	Outcome	Responsible	Timeline
Discuss org structure changes with board members	Alignment on strategy and short term plan	Rob and Kell	1 month
Implement recommended org structure changes through hiring	Expedites immediate priorities	Rob and Kell	6 months
Re-evaluate org changes and goal for future	Determine what everyone wants involvement to be	Rob and Kell	2 years, reoccurring
Evaluate internal candidates to fill future org structures	Promote within to maintain culture	Rob and Kell	3 years
Hire individuals to fill org structure gaps	Look outside for required skills	Rob and Kell	3 years

Risks and Mitigation Strategies

Risks	Mitigation	Likelihood (H/M/L)	Impact (H/M/L)
Lowe's Home Hardware not willing to carry your product	Build relationships with other hardware stores in other markets (Costco, Home Depot)	M	M
Defending patent against infringement	Hire legal council / experts to help assess risk	M	L
Warranty / Returns	Establish a clear return policy and set aside additional funding	M	M
Cybersecurity	Hire IT consultant to identify and mitigate risks	M	L



Making the move easy

Derek will bring everything together

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