

10-YEAR BUSINESS STRATEGY FOR BOBSLA

How to Turn Bobsla into the “Tesla on Snow”

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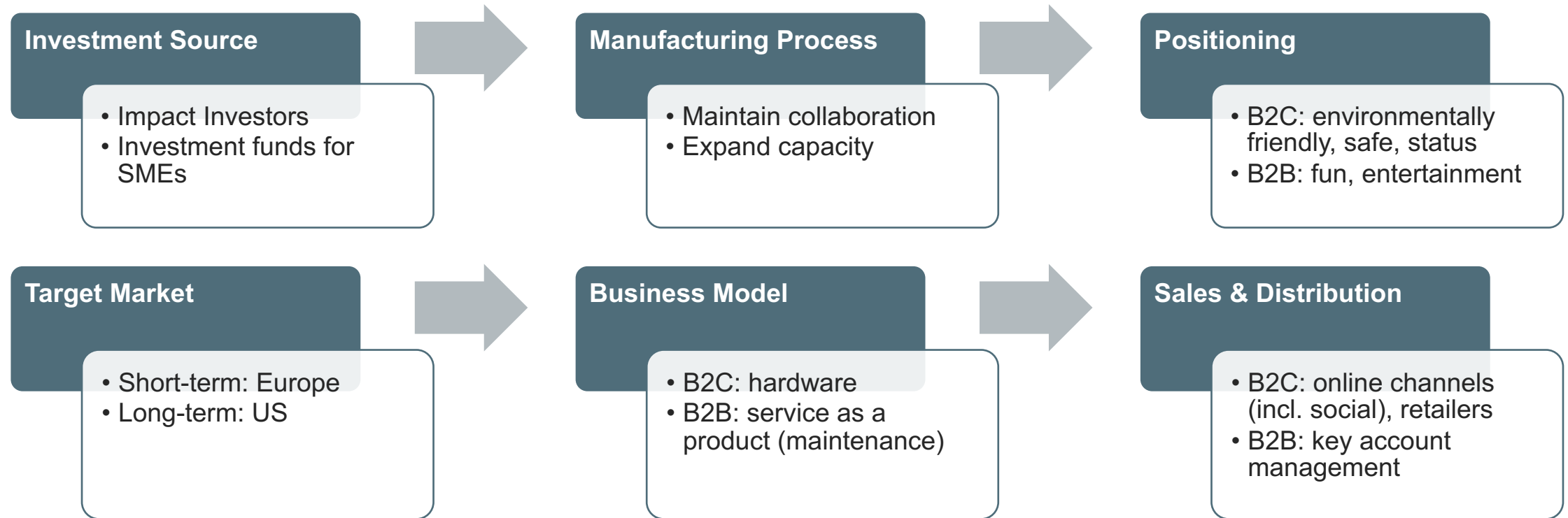
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EXECUTIVE SUMMARY

RECOMMENDATIONS



Pricing: \$10,000 (\$11,000) ~ \$15,000 (\$16,500)

Manufacturing Cost: \$5,000 ~ \$7,000

How To Make Bobsla the “Tesla on Snow”

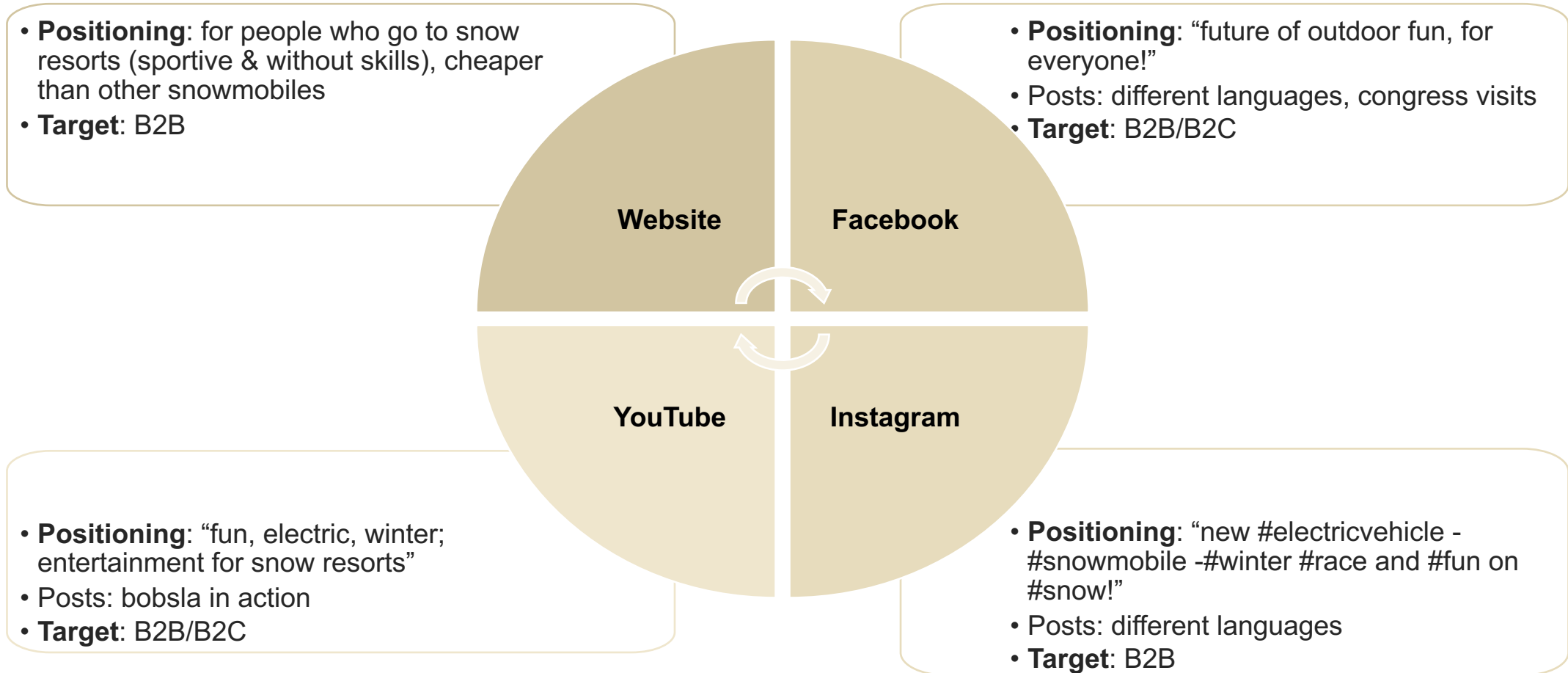
PROBLEM OVERVIEW

STATUS QUO

Investment Source	<ul style="list-style-type: none">• Grant programs• Local angel investors
Manufacturing Process	<ul style="list-style-type: none">• Local sourcing of components and parts, co-development (outsourced)• Internal design and final assembly• Current capacity: 150 units per year
Positioning	<ul style="list-style-type: none">• Entertainment: fun in the snow• Electric: Tesla on the snow
Target Market	<ul style="list-style-type: none">• Switzerland: Kerenzerberg• Austria: Obergurgl-Hochgurgl
Business Model	<ul style="list-style-type: none">• Hardware sale• Customer: hotels and ski resorts
Sales & Distribution	<ul style="list-style-type: none">• Mainly B2B (also approached by individual customers, B2C)• Channels: congresses, online channels (incl. website, social)

Bobsla's product is misaligned with their positioning

BOBSLA'S ONLINE CHANNELS



Online channels show how misalignment is shown to target group

VISION OF “BOBSLA AS TESLA ON THE SNOW”



If Bobsle wants to be Tesla, the entire business model should be reconsidered

GLOBAL SNOWMOBILE MARKET OVERVIEW

Market Size: \$1.4 billion ~ \$1.8 billion (2020-2027)

Market Growth Rate: 3.5% p.a. (2016~2021)

Major Markets: United States, Canada, and Russia

Annual Sale Volume: 124K snowmobiles (2020)

Average Snowmobiler: 45 years old, riding ~2 km per year and spending \$2,000-\$3,000 (North America)

Snowmobiles

- Expensive
- Sophisticated
- Heavy
- Dangerous
- Heavily polluting

e-revolution

E-Snowmobiles

- Patented solution
- Simple
- Sustainable
- Safe
- Green

Total sales of e-snowmobiles represent less than 0.2% of the market

COMPETITOR ANALYSIS FOR SNOWMOBILE MARKET

Category	Key Competitors	Country	Strengths	Weaknesses
Traditional Players	Arctic Cat	US	/	<ul style="list-style-type: none"> • Not Environmental friendly with heavy pollution issues • Heavily dangerous with safety issues
	Polaris Industries	US	1—year deal with Zero Motorcycles	
	Yamaha Motor Corporation	US	/	
	Bombardier Recreational Projects BRP	Canada	/	
	Alpina Snow mobiles S.r.l	Italy	Maker of the ski-doo	
Electric Players	i-Cat Pro	Austria	/	<ul style="list-style-type: none"> • Expensive (\$30,000) • Not functional due to excessive weight
	Mattro	Austria	Zero emissions and noise	<ul style="list-style-type: none"> • Expensive (\$38,000) • Unsustainable business
	Aurora e-sled	Finland	Most developed e-snowmobile with longer test time	<ul style="list-style-type: none"> • Expensive (\$35,000) • Heavy electric consumption • Less functional due to heavy design

Bobsla's competitive advantages are reasonable price and functionality

ALTERNATIVE ANALYSIS

ALTERNATIVES FOR SELECTED PARTS

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By focusing on three parts, the remaining business model is impacted

Organizational

Feasibility

Perception

Alternatives	Reliability	Processing time	Risk of takeover	Long term feasibility	Marketing	Overall
Impact Investors (such as Bethnal Green Ventures, Norrsken VC etc)	●	●	●	●	●	●
Investment Funds for SMEs (such as European Investr	●	●	●	●	●	●
Crowdfunding	●	●	●	●	●	●
Kickstarter	●	●	●	●	●	●
Subsidies	●	●	●	●	●	●
Industrial groups & manufacturers	●	●	●	●	●	●

Bobsla should focus on impact investors and investment funds to obtain financing

MARKET SELECTION: FROM EUROPE TO THE US



	Alternatives	Market Size	Market Growth Potential	Number of Ski Resorts	Political Regulation	Environmental Regulation	Competition Intensity	Manufacturing Feasibility	Post-Covid Recovery	Overall
Major Markets	United States	●	●	●	●	●	●	●	●	●
	Canada	●	●	●	●	●	●	●	●	●
	Russia	●	●	●	●	●	●	●	●	●
High Potential Markets	Austria	●	●	●	●	●	●	●	●	●
	Scandinavia	●	●	●	●	●	●	●	●	●
	Italy	●	●	●	●	●	●	●	●	●
	Switzerland	●	●	●	●	●	●	●	●	●



Bobsled should focus on European market based on its presence in Austria in short-term and expand to the US market given its market potential and feasibility

MARKET POSITIONING

	To B Market	To C Market
Target Customers	<ul style="list-style-type: none">• Hotels and Ski Resorts• Tourists areas• Transportation and logistics companies	<ul style="list-style-type: none">• Outdoor lovers/ adventurers who value the recreation brought by snowmobile• Middle and upper class
Market Patterns	<ul style="list-style-type: none">• Massive institutional customer base• Easier to position as a service• Regular and stable income	<ul style="list-style-type: none">• Target group of customers• Easier to position as a hardware• Need more branding and marketing efforts to increase awareness and reliability
Key Considerations	<ul style="list-style-type: none">• Expand To C market considering its market size, product features and profitability• Maintain To B market with a service-based solution; expand functionality uses in the future• Emphasize its key selling point of safe, environmental-friendly, status, and adventurous snow experience with reasonable price; Strong after-sales service demand for both markets• Need to improve design capability and production capacity to meet customers' demand	

Bobsla should consider hybrid model covering To B (10%) and To C (90%) market

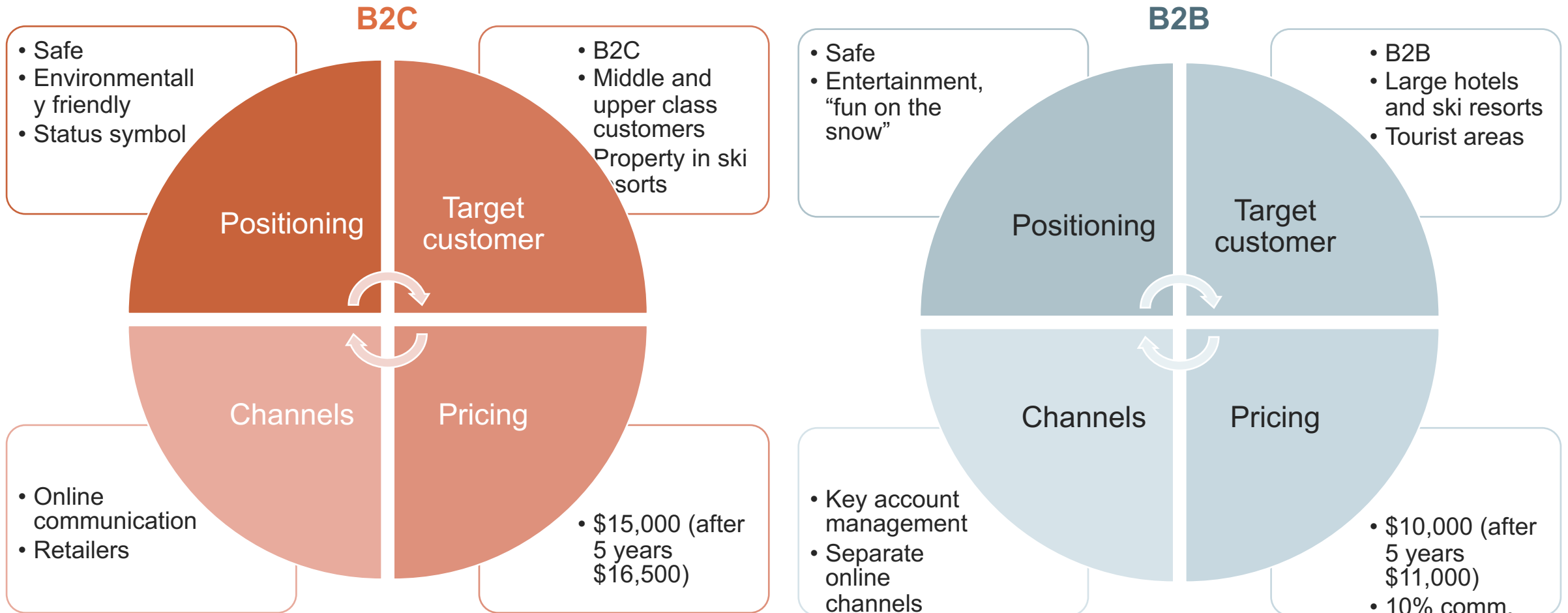
RECOMMENDATION

OVERVIEW OF RECOMMENDATIONS

Investment Source	<ul style="list-style-type: none">• Impact Investors• Investment Fund
Manufacturing Process	<ul style="list-style-type: none">• Maintain internal design and final assembly on value chain• Local sourcing of components and parts, co-development (outsourced)• Expand factory capacity to meet market expansion needs
Positioning	<ul style="list-style-type: none">• Recreational: Tesla on the snow• Functional: Explore transportation and delivery purposes with tech innovations
Target Market	<ul style="list-style-type: none">• Europe: Austria, Switzerland, Scandinavia, Italy• US
Business Model	<ul style="list-style-type: none">• Selling as hardware to customers• Selling as service to corporates clients
Sales & Distribution	<ul style="list-style-type: none">• B2B (10%) + B2C (90%)• Channels: congresses mainly for 2B business, online channels (incl. website, social) and customized product offering mainly for 2C business

Bobsia should go deeper (2C market penetration) and go broader (market expansion)

VISION OF FUTURE BOBSLA: BECOME THE “ESLA ON THE SNOW”



Bobsla must design its approach based on the target group

IMPLEMENTATION PLAN

Short-to-mid term (1-5 years)

Connect with the customer

- Make it into a lifestyle product - offer customizations (color)
- Viral marketing challenge with influencers highlighting safety, thrill and design aspects
- Partnerships with famous designers and
- Cross-over campaigns with outdoor lifestyle brands

Maintain customer relations

- Set up service centers for servicing of units
- Hire staff for maintaining relationships with customers such as helpline

Expansion in EU

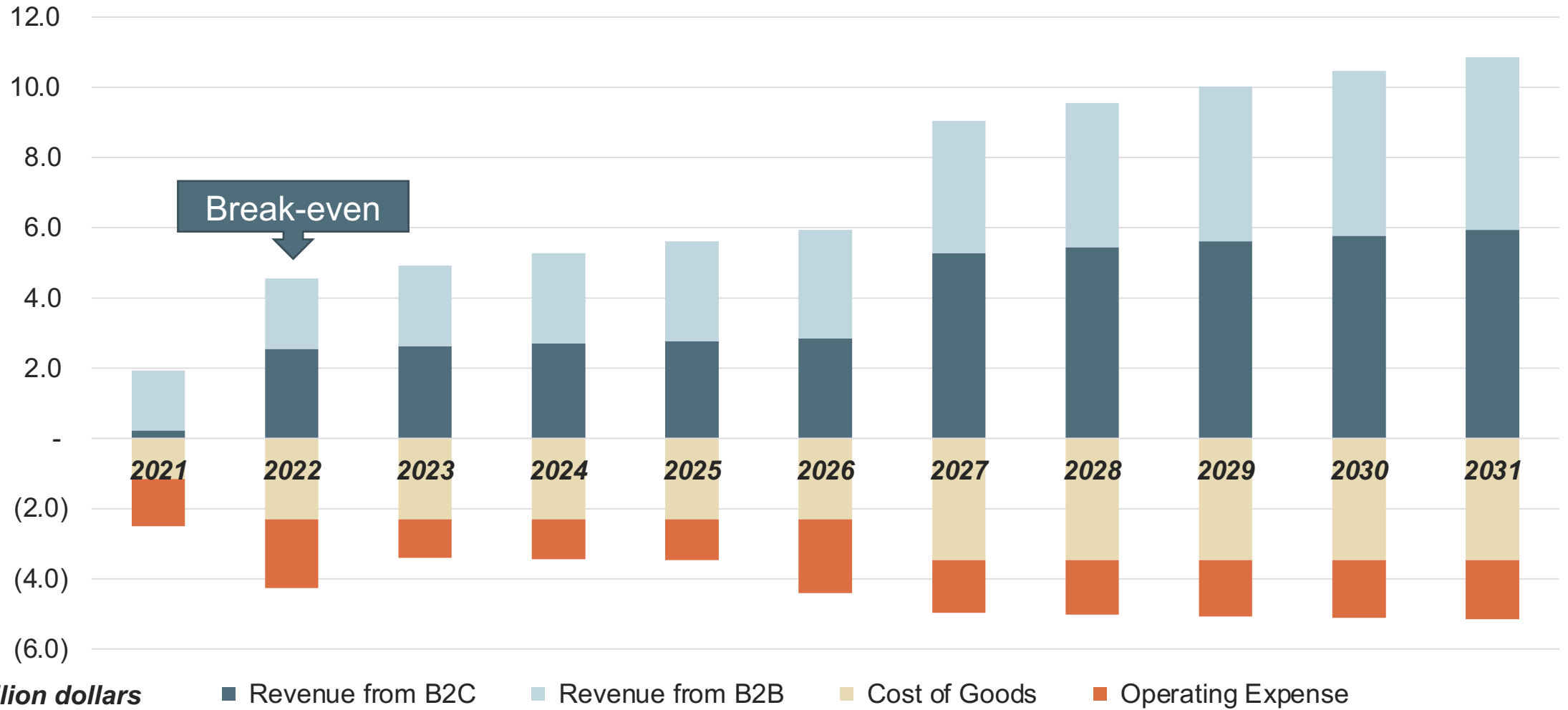
- Expand assembly base in Austria (consider other parts of EU as well)
- Plan localized marketing campaigns

Long term (6-10 years)

Expansion in US

- Start by importing products into US from EU – focus on logistics
- Build partnerships with local suppliers of parts
- Set up assembly base in US
- Expand marketing campaigns

FINANCIAL ANALYSIS



B2C will contribute 90% by sales volume and 55% by sales value in 10 years

RISK & MITIGATION

No.	Risk	Mitigation
1	Not finding local suppliers for components and parts or suppliers for co-development of product	<ul style="list-style-type: none">• Build relationships with part suppliers in other parts of EU as well where the company decides to expand
2	Huge dependence on suppliers (low bargaining power)	<ul style="list-style-type: none">• Consider backup option of purchasing the current suppliers and manufacturers in future
3	Risk of COVID-19 situation worsening	<ul style="list-style-type: none">• Regularly monitor the covid-19 situation• People's perception are expected to normalise giving boost to leisure travel

Risks can be mitigated by constantly monitoring the business

TIMELINE

Key Initiatives	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Focus on marketing activities to communicate desired brand positioning	▶										
Build relationships with retailers for B2C sales	▶										
Approach investors	▶				▶						
Expand capacity	▶					▶					
Set up service centres and invest in customer relationship management	▶					▶			▶		
Monitor Covid-19 situation	▶										
Review KPIs -financial performance (revenue) and customer acceptance (share of overall market)			▶			▶			▶		
Expand into US							▶				

CONCLUSION

Executive Summary



Increase the manufacturing capacity in order to expand the business model

APPENDIX

Financial Analysis Summary

Key Financials (in million dollar)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue from B2C	0.2	2.6	2.6	2.7	2.8	2.9	5.3	5.4	5.6	5.8	5.9
Revenue from B2B	1.7	2.0	2.3	2.6	2.8	3.1	3.8	4.1	4.4	4.7	4.9
Cost of Goods	(1.2)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)
Operating Expense	(1.3)	(2.0)	(1.1)	(1.1)	(1.2)	(2.1)	(1.5)	(1.6)	(1.6)	(1.6)	(1.7)
Net Income	(0.6)	0.3	1.5	1.8	2.1	1.5	4.1	4.5	5.0	5.4	5.7

Net Revenue (in million dollar)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Europe	1.9	4.6	4.9	5.3	5.6	5.9	6.2	6.5	6.9	7.2	7.6
United States	-	-	-	-	-	-	2.8	3.0	3.2	3.3	3.3
Total	1.9	4.6	4.9	5.3	5.6	5.9	9.0	9.6	10.0	10.5	10.9

Financial Analysis

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
B2C	Average Selling Price	15	15	15	15	15	15	17	17	17	17	17
	Volume	15	15	15	15	15	15	15	15	15	15	15
	B2C Net Revenue	225	2,550	2,625	2,700	2,775	2,850	5,280	5,445	5,610	5,775	5,940
B2B	Average Selling Price	10	10	10	10	10	10	11	12	13	15	16
	Volume	135	135	135	135	135	135	135	135	135	135	135
	Users	122	234	351	459	563	662	779	887	986	1,076	1,157
	Commission	365	702	1,053	1,377	1,688	1,985	2,336	2,660	2,957	3,227	3,470
	B2B Net Revenue	1,715	2,002	2,303	2,577	2,838	3,085	3,766	4,112	4,421	4,691	4,919
	Total Net Revenue	1,940	4,552	4,928	5,277	5,613	5,935	9,046	9,557	10,031	10,466	10,859
Cost of Goods	Manufacturing Cost	1,050	2,100	2,100	2,100	2,100	2,100	3,150	3,150	3,150	3,150	3,150
	Freight & Duty (10%)	105	210	210	210	210	210	315	315	315	315	315
	Gross Profit	785	2,242	2,618	2,967	3,303	3,625	5,581	6,092	6,566	7,001	7,394
Operating Expense	Marketing / Advertising Cost	150	500	500	500	500	500	500	500	500	500	500
	Operating Cost (10%)	194	455	493	528	561	593	905	956	1,003	1,047	1,086
	Investment	1,000	1,000	100	100	100	1,000	100	100	100	100	100
	Net Income	(559)	287	1,525	1,839	2,141	1,531	4,076	4,536	4,963	5,354	5,708

* assumptions

\$30 per 15-minutes session

10% commission from ski resorts

number of users = 90 days * 10 times / day * accumulated number of snowmobiles