



3D ROBOTICS

PRESENTATION

TEAM 1





OUR TEAM.

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TODAY'S DISCUSSION.

- COMPANY OVERVIEW
- SWOT ANALYSIS
- FINANCIAL ANALYSIS
- COMPETITOR ANALYSIS
- RECOMMENDATIONS



ABOUT COMPANY.



- 3D Robotics is a drone company with Unmanned Aerial Vehicle platforms.
- Research and development office situated in Berkeley, California with a manufacturing facility in Tijuana, Mexico
- By 2014, 3DR had 200 employees in North America, with sales over \$20 million in 2013.
- The 3DR's UAV platforms captures aerial imagery for commercial purposes, data analysis, mapping, surveying, 3D modeling, and other purposes.

PHASES OF 3DR – MANUFACTURING MODEL

PHASE 1

DIY Drones - Open-Source Community platform created where makers could provide tips, show their work and collaborate

PHASE 2

Launching 3D Robotics – Anderson and Munoz co-founded 3DR, leveraging the open-source community for talent and development, using Internet of Things (IoT) and other technologies, undergoing management changes and changing their manufacturing strategy to focus manufacturing at Tijuana and avoid China initially

PHASE 3

Software Platforms & Market - Shifting consumer manufacturing strategy to China while keeping the enterprise manufacturing in Tijuana and discussing the potential markets.

SWOT ANALYSIS

STRENGTH:

- Focus on analytics in business decision making, for demand forecasting, information sharing, marketing optimization, etc.
- Expertise in research and development
- Robust supply chain across various countries
- Brand awareness and recognition based on current and potential customers.



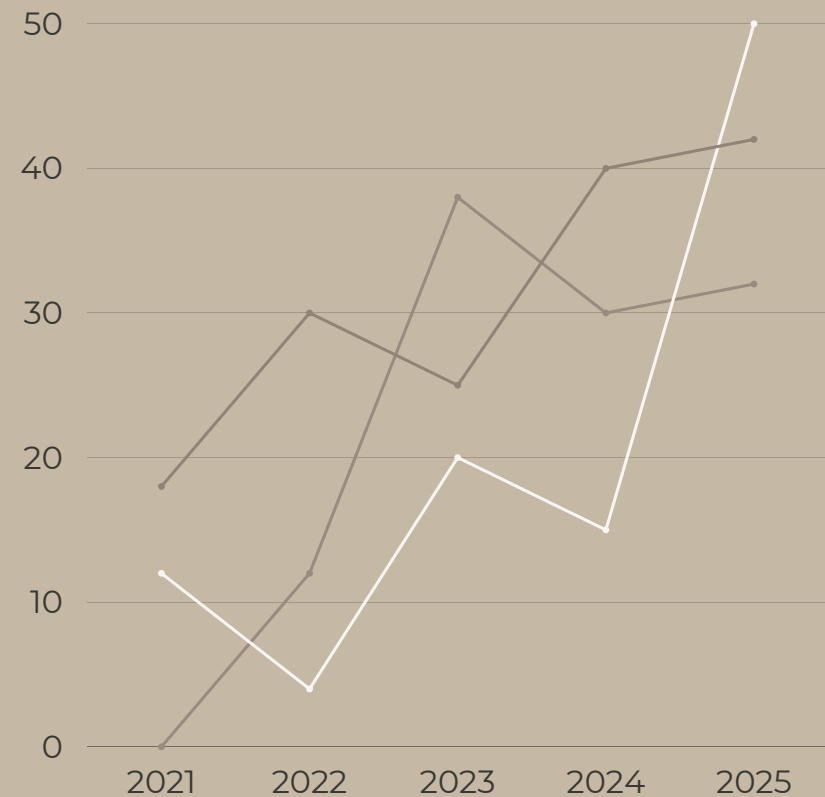


WEAKNESS :

- Needs to have more collaboration between the organization's strategy and the marketing teams.
- Needs to provide a more different variety of products.
- Harder to sustain new emerging competition due to high operating costs
- Slow responsiveness and decision-making process in competitive environments

OPPORTUNITY:

- Reconfiguring business model to increase market reach
- Online learning and training for the development of its employees.
- Lowering down the market operational cost
- Usage of analytics for a competitive edge



THREAT:

- Decline in margins from increasing international competition
- Regulatory challenges from FAA, consumer protection groups and other pressure groups.
- Greater competition with lower technological barriers
- Lower market demands due to slow growth in economy



FINANCIAL ANALYSIS:



- The drone industry was estimated by some to be \$6 billion in 2013 and expected to grow to more than \$11 billion over the next decade
- The company had sales of \$10 million on 30,000 orders in 2012 and over \$20 million in 2013.
- China's DJI, 3DR's competitor, had raced to nearly 20 times the size of 3DR with 1,600 employees, 400 engineers, and over \$500 million in revenue.
- 3DR continued to grow very quickly and by 2011, had \$5 million in revenue, and in 2012, over \$10 million.

EXHIBIT I. 3DR Financials

Rudimentary, fictional income statement (in thousands \$US)

Year	2013	2012	2011
Total Revenue	20,000	10,000	5,000
Cost of Revenue	11,000	6,000	2,900
Gross Profit*	9,000	4,000	2,100
Operating Expenses			
Research/Development	10,000	3,000	1,700

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Selling General and Administrative	4,000	1,000	300
Non Recurring	—	—	—
Total Operating Expenses	—	—	—
Operating Income or Loss	-5,000	0	100

Source: 3DR.

*3DR estimated that industry gross profits were around 35%.



COMPETITOR ANALYSIS:

- Chinese competitor DJI was the biggest threat with particular expertise in focusing their business on a specific use case.
- DJI also had better technological solutions (hardware and software) and was innovative and quick to establish a global presence.
- In the consumer space, the other competitors were Trimble and Parrot.
- Trimble is a GPS company and Parrot is a consumer technology company.

WHAT SHOULD OUR STRATEGY BE GOING FORWARD?





POTENTIAL MARKET ANALYSIS:

Market	Size	Need for UAV
Military	USD 12.1 billion	Procurement by defense forces
Agriculture	USD 1,021.1 million	Precision farming solutions
Security and monitoring	USD 4 billion	Surveillance and protection
Logistics, Delivery and Errands	USD 534 million	Faster, efficient delivery at low costs
Entertainment, Journalism, Film-making and photography	USD 2.72 billion	Artificial intelligence and imaging technologies for an aerial entertainment purposes
Exploration, Aid efforts and Disaster Recovery	USD 8.8 billion	Risk analysis, terrain mapping
Construction and Inspection	USD 4,800 million	Automated operations, aerial view surveillance and mapping, workplace safety



SECURITY AND MONITORING

- Based on the market size, need, usage of hardware and software solutions and the projected compound annual growth rate (CAGR) of 18.9%
- Top Competitors for security and monitoring drone manufacturing-
 - AeroVironment, Inc. - leading manufacturer of Unmanned Aircraft Systems, Unmanned Aerial Vehicles.
 - DJI - Biggest competitor
 - Draganfly - Expertise in innovative solutions

RECOMMENDATION



- Detailed market analysis
- Establishing goals and objectives
- Secure investment/funds
- Research and development of stabilized software solutions
- Partnership with hardware manufacturing companies for better components
- Development of the open source platform



THANK YOU.
FOR YOUR ATTENTION