

Snowbro: A Permanent Solution to a Seasonal Problem:

For homeowners over the age of 60 who suffer from mobility issues, *Snowbro* is a snowblower that is completely autonomous, allowing consumers to safely and reliably have their driveways cleared of snow and ice. The main differentiating feature of the product is its autonomous nature, which removes the hassles involved with other methods of achieving the same goal. Seniors and other adults who suffer from mobility issues face two main problems in the wintertime. Firstly, relying on services such as contractors can cause delays, low quality service, and extremely high prices. Furthermore, according to the primary research we have conducted, seniors have even reported a lack of reliability in friends and family clearing the snow for them. The second problem is that many seniors are simply unable to clean their driveways on their own, which reinforces their reliance on unsavory alternatives. *Snowbro* solves both of these problems. Firstly, we are focused on the success factors of building a quality product with a distinctive competitive advantage. This requires a higher price, but thanks to our leasing option, warranty option, and 24/7 customer support, consumers do not have to worry about reliability. Due to its simplicity, consumers will be able to operate the device without any need for external support. The issue of physical handicaps is also solved by *Snowbro*, as it does not require supervision or instruction. By simply pressing a button on a remote, *Snowbro* efficiently removes a driveway of snow and ice, putting the user at no risk whatsoever. We also have lowered financial risk, through the aforementioned payment plans. Firstly, a user can choose to buy the product outright for its full cost. We believe that most customers will instead choose to opt into our leasing program, where they can lease the product for 6 consecutive winter seasons to own it. Finally, because of our focus on reliability, we are also offering a warranty program where users will incur a one-time fee that will protect their unit from any software or hardware complications that may arise.

Achieving Problem-Solution Fit and Product- Market Fit:

In terms of savings and disposable income, seniors and homeowners respectively tend to have the highest amounts (Routley, 2019) (Lee, et al 2019). By targeting the intersection of these demographics, we are able to create a higher quality good that will address many of the pains they face while clearing their driveways (Appendix H). From numerous interviews we have conducted, we discovered that there were three primary pains faced by our demographic, stemming from the aforementioned twofold problem. First, many seniors sensed safety issues in regard to existing snow-removal products. Even those without pre-existing medical concerns often worried that the winter season created a range of risks for them. *Snowbro* helps relieve this pain, as its main differentiating feature is that it is autonomous and completely removes the risk of a senior becoming injured due to snow and ice on their driveway. This solution ties into the second pain that our target market faces: their distress about others. While many of the seniors we interviewed were relatively healthy, they often had members of their household that were at risk of slipping and falling. Once again, our product prevents that from occurring. Finally, seniors are concerned with the reliability of snow removal services. This is particularly due to the markets' inability to compensate for sudden snow squalls. Contractors, friends, and even family are not dependable due to the inherent unpredictability of the weather. With our product, this concern is negligible. In addition to addressing the various pains our consumers have, our product creates gains such as the product's low environmental impact (Appendix K), the ability for users to remain indoors, and the straightforward usage of the unit. These gains will be further discussed in the sections below.

Before we discuss the delivery of value for our consumers, we will first provide a general overview of our business model. Our business model follows the narratives of many existing snowblowers in the market, with its sales concentrated online and at retail locations. However, there are many

subtleties in our business model such as discounts, leasing, and a warranty option that will increase our revenue (Appendix E). We have also considered lowering costs through tactics such as utilizing third-party manufacturing and repairing, so that we can provide our shareholders with the highest returns possible.

Delivering Value to Consumers:

The Key Activities We Must Perform:

Primarily, the returns we generate will depend on the number of consumers who purchase our unit. To ensure this occurs with maximum effectiveness, the first key activity our company would need to perform would be completing the patent and development process for our product. After this, we will gain funding for our company through a combination of debt and equity financing. Next, we will contact retailers such as Lowes and Canadian Tire and use them to reach the early adopters among our demographic. We anticipate the retailers to test our product at a few locations, meaning that we would have to simultaneously launch a marketing campaign that utilizes traditional forms of advertising that an older demographic would be more responsive to, such as catalogues, direct mail, and television ads (Gyant, 2019). As we advertise, we will have to begin the activity of offering our product online, delivering it to the consumer, and installing the unit for them to gain a secondary revenue stream. Once we start generating online sales, we will have to employ support staff to maintain the reliability that differentiates *Snowbro*. After these steps have been completed, we anticipate conducting day to day operations such as customer support, repairs, and additional manufacturing as our business enters the growth phase of its lifecycle.

Considerations Regarding Operations and Sustainability:

Due to our business being based mostly on selling *Snowbro* units, we will maintain relatively low contact with consumers. However, certain aspects of our business such as the support staff are

more service-oriented. When determining our capacity, we utilized bottom-up forecasting in order to ensure that we did not overestimate profitability. The bottom-up approach states that we will be able to produce 1500 units utilizing the third-party manufacturers, thus generating \$1,686,250 in revenue (Appendix F). Thanks to the flexibility of our business model, if we underestimate sales or capacity, we can easily adapt due to the large scale of our third-party manufacturers. We will also commit to sustainability, as our research has shown that our target demographic cares increasingly about the issue (Sustainability Survey 2019). The design of the *Snowbro* unit allows it to run purely on electricity due to its unique charging pad. By partnering with a company like Husqvarna, we will be able to use their environmentally friendly manufacturing with our units, thus creating sustainability through our supply chain. This will help us also achieve the success factor of achieving innovation and creativity, as we can benefit with any improvements the Husqvarna employees can make to the final product or manufacturing process. Our main focus with our human resources will be to help deliver our value proposition of safety and reliability. Building a relationship with our older demographic will require patience, which we will garner by investing in our employees.

The Key Resources We Will Require:

Snowbro will employ a combination of intellectual, human, physical, and financial resources to make the achievement of our key activities possible. Intellectually, we will file a patent to the Commissioner of Patents in Canada and aim to partner with retailers and manufacturers across the GTA. The purpose of the patent is to ensure that our technology remains safe from any intellectual theft, and we believe that this benefit will outweigh the cost of hiring a patent agent (Upcounsel 2019). We will also require additional human resources in the form of sales representatives to get our product into retailers. In terms of physical capital, we will require a storage facility, offices for

our representatives and support staff, and the actual *Snowbro* units. The storage space is critical, as it will also be used to house any *Snowbro* units that require repair or are being returned after a lease ends. However, we anticipate to keep storage costs down due to the aforementioned partnerships with third-party manufacturers that will allow us to utilize their storage capabilities. To obtain all of these intellectual, human, and physical resources, we will first need the financial startup capital to purchase them, which we will achieve through debt and equity financing.

Key Partnerships We Will Form

As mentioned, the intellectual resource of partnerships is critical to our success as a company. More specifically, we are targeting retailers such as Canadian Tire and Lowes, who already sell products such as automatic lawn mowers. Another key partnership for *Snowbro* is forming a partnership with a third-party manufacturer, such as Husqvarna, who have both the software and hardware capabilities to help produce our product in bulk. We will offer them equity in our company in exchange for lending us their production and storage capabilities. Other companies that can create the same effect include Worx and Robomow, both of which have the production capabilities that our startup will lack (Jason, 2019).

Creating Value for Our Consumers:

Creating Effective Delivery and Acquisition Channels

Our focus on accessibility requires consideration of both delivery and acquisition channels for our consumers. Our intermediaries will be retailers such as Lowes, Best Buy, and Canadian Tire, all of which have various locations across the GTA. However, the mobility issues our demographic suffers from creates logistical issues with regards to installing the product, which is the purpose of our online delivery channel, which comes with free installation (Delson 2019). The percentage of seniors that are comfortable with online shopping is a growing number, and we believe that by

making the process as smooth as possible, seniors will find our online channel both psychologically and functionally valuable. *Snowbro*'s combination of delivery channels allows us to reach customers broadly through indirect channels, and address their specific needs through our direct channel, thus reaching a large portion of our target demographic.

Customer Segments

When considering the market of snow-removal services in the GTA, the diversity of the customer segments made it difficult to find a universal solution. However, through the use of market segmentation, perceptual mapping, and preference analysis we have decided to target people over the age of 50, who suffer from mobility issues, who have high income, and who own single-detached homes. While alternatives were available for other segments, the older demographic dubbed the "Seniors with mobility issues", did not have any product or service address their benefits sought. These customers seek the benefits of having reliability and convenience when performing outdoor activities, and our company addresses this, thus meeting customer needs. Psychographically, our consumer base will pursue more expensive products in order to maintain convenience and the sedentary nature of their lifestyle. Coupled with our primary research, this indicates that many of these consumers will try new technology if they find that it will relieve some of their physical discomforts. This is backed up by a recent study, which shows that seniors are increasingly becoming willing to try new technology (Vaportzis, 2017). Due to the relatively high risks of clearing snow, we believe that *Snowbro* will become one of these technologies.

Customer Relationships, Marketing, and Human Resources

Although we have designed our product specifically for older individuals who suffer from mobility issues, it is still critical to build a relationship with the customer group to increase profitability and customer satisfaction. The marketing that works for seniors requires appealing to their values, such

as enhancing independence and providing security (Appendix J). This is an ideal scenario for *Snowbro*, as our value proposition is based on our product's self-sufficiency, which is directly linked to our customer segment's values, making it acceptable. (Wilson, T. 2018) In addition, we will utilize forms of marketing such as large-print catalogues, that are accessible and enjoyable for our target demographic. Due to their increased consumption of televised advertisements, we will also advertise there, to create awareness. Our online purchasing options will create accessibility, and the leasing and warranty options will create affordability.

Another issue that seniors face is that they often struggle with newer technology (Figueiredo, B., & Aleti, 2020). Even though our product is designed entirely to alleviate this risk (Appendix K), it is fair to assume that seniors may have doubts and questions that require addressing, which is why we will offer 24/7 customer support services. This will require additional training and induce an expense on our part but will be valuable in creating a network effect and a sense of trust with seniors. Investing in our employees will also help us reach the success factor of gaining employee commitment, allowing us to have workers that are adaptable to the rapidly changing environment of a startup. To those of our customers who buy our product online, we will offer free installation. This is because of the logistical difficulties someone who suffers from mobility issues may face when installing a relatively large device, such as a *Snowbro* unit.

Capturing Value

Cost Structure

While delivering value, it is inevitable that we will need to incur some costs. For example, we will be faced with the fixed cost of a patent, which we estimate to cost up to \$6000 (Wilson, T. 2018). The patent will allow us to develop the product, but due to the autonomous essence of the product, we will also need employees dedicated to supporting our consumers with the technology.

However, we do not require great specialization in most of these employees because we will utilize third-party manufacturers to handle all of the hands-on concerns with *Snowbro* units, and thus our employees require relatively low pay. They differ from our more specialized sales representatives, and their salaries will create another cost for us. Other costs, such as marketing and slotting fees are included in Appendix A and B. We estimate to breakeven after selling 300 units, and we will require an additional \$197,250 in financing to cover our losses from the first two months of operations (Appendix C). We estimate that we will be able to cover all of these costs and be cash flow positive by year two. In respect to year two, the breakeven will be slightly higher, due to increases in revenue and reduction in costs such as marketing. Additionally, we will also hire five more employees in year two, and give our employees a pay raise. This will cause our costs to go up, but it will be covered by our projected increase in demand once our brand has been established.

Revenue Streams

As a seasonal business, the vast majority of our revenue will be generated in the months during and before the wintertime, where demand is highest for snow removal products. Revenue is generated mainly through the sales and leases of our product, which are described in detail in the Appendix F. In short, each *Snowbro* unit costs \$1,460, which is a 56.7% gross profit margin for every unit sold. In addition, for \$200, we will offer a warranty. This is because our third-party technical staff should be easily able to repair *Snowbro* units, thus allowing us to offer a cheap warranty to consumers. Finally, to offer an additional incentive to consumers, they can trade in their existing Snowblower and receive a \$100 discount off their purchase of a *Snowbro* unit. This will decrease our profit margins by about 5.3%, but from our primary research, we believe that the increase in sales will more than compensate for the loss, and thus create additional revenue. We have slimmer margins than most snow blowers, but due to the cost of our units, the contributions

are close to the industry average (Lee, et al 2019). Our contribution per unit is \$240 per unit, which creates a VCRR of 85.88%, and the contribution margin is 14.12%. Both the leasing option and warranty options increase contribution. The contribution for buying outright with the discount is \$140, the VCRR is 91.25%, and the contribution margin is 8.75%.

Financial Sustainability and Forecasting

With these margins, we will have to cover our two greatest costs: inventory and salaries. Salaries alone produce about 89% of our total expenses (Appendix A), however, we believe that our support staff is absolutely necessary in building *Snowbro* as a brand. Other expenses such as rent and telephone expenses are completely fixed, and far lower. For the first two months of business, we will be cash flow negative, but afterwards we become cash flow positive (Appendix A). At the fiscal year end, we will be net cash flow positive, which means that we will be able to invest in our business. Furthermore, we will also be able to invest in more employees to help us with our technical support and with expansion by hiring support staff and sales representatives. We will also raise the pay for our employees, as a way to gain employee commitment. Since over 34 percent of our demographic garners interest in our product based on word of mouth interactions, we will be able to lower our marketing costs after our initial sales (Kennedy, D. S., & Kessler, C. 2013). In terms of cash burn rate, we estimate that in 2020, the cash burn rate will be \$3437.50. As such, the cash burn rate will likely be \$88,000 in 2021 (Appendix A).

When it comes to the future of our business and forecasting its growth, we see that there are 846,405 people living in the GTA with 14.5% of them being seniors. Of these seniors, 50% generate an income of over \$70,000 annually while 43% of seniors suffer from mobility or health issues. This brings our potential sales to about 26,837 in the GTA alone (Appendix I). While we intend to eventually reach all of these consumers, our conservative bottom-up estimate suggests

that we will be able to manufacture 250 *Snowbros* units per month. We will only produce units for 6 months since we are a seasonal business. So, in our startup year, we will be able to manufacture 1500 *Snowbro* units. We expect the 1500 units to all be sold, which is only 5.68% of our target market. Hence, our business is able to reach more of our target market once our brand has been established, and we will express an increase in sales after our first year. In the very long run, *Snowbro* has the potential of expanding outside of the GTA and into other parts of Ontario or other parts of Canada.

The Ask

To realize the projected levels of profitability, we will require some assistance. We are asking investors for \$197,250, for 30% equity of our company. This puts our total valuation at about \$657,500. The money we gain from investors will immediately be put to use by using it to fulfill our key activities. First, we will use the money to file a patent and finish the development of our product. We will then utilize the funds for sales representatives, to allow our product to reach retailers. At this point, we will begin hiring our technical support staff as well. We estimate the investment will cover the entirety of our first-year costs, and majority of our second year costs. With this investment, we expect to have an ending cash balance of \$33,750 on February 28, 2021, which will be reinvested into the business for the next fiscal period.

Risks and Contingencies That Our Business Will Face

Our path to profitability comes with many risks, and many of them require contingencies. First of all, a large risk is the inability to fund our business through debt and equity financing alone (Appendix A). This risk will be mitigated through other forms of financing. For instance, if we are unable to generate as much money as we need through equity financing, we will simply take on more debt, and vice versa. However, assuming this does not work, we will cut our expenses greatly

by reducing our employees to 10, and thus lowering our costs by \$32,000. Once this risk has been mitigated, we will face the risk of being rejected by the retailers that we attempt to contact. In this case, we will instead move to wholesalers and e-commerce for our initial sales, and then once again offer our product to retailers. Another risk is that we overestimate the amount of products that we can sell, thus incurring more costs than we can support. However, by using our bottom-up forecast instead of the top-down forecast, we are greatly lowering our risk of overestimating our capabilities. Once we are past our launch phase, we will enter into our growth phase, with its unique set of risks. Due to the seasonal nature of our product, it will be difficult to maintain steady profits throughout the year, and also be difficult to have consistent profits depending on the severity of each winter. To diminish this risk, our strategy will be to aggressively expand our market to other regions across Canada, in order to increase profits. This will allow us to have the margins to continue being profitable despite being a seasonal business.

Conclusion

Snowbro is the ideal product for the underserved market of seniors. Our service is not only useful for many individuals across the GTA, but required, because of the unique issues these individuals face. By contributing to *Snowbro*'s growth, investors and aiding society's most vulnerable, while also joining a profitable venture. Due to our focus on reliability and the hassles that every winter season creates, our product is indeed a one-time solution to a seasonal problem. Overall, *Snowbro*'s technical feasibility, market specificity, and high quality all make it a financially worthwhile pursuit (Lee et al, 2019).

APPENDICES

Appendix A: Snowbro Worksheet/Cash Budget 2020-2021

Worksheet 2020-2021						
	October	November	December	January	February	March
Net Sales/Receipts	\$ 88,750.00	\$ 177,500.00	\$ 443,750.00	\$ 621,250.00	\$ 266,250.00	\$ 88,750.00
Net Purchases						
80% of Next Month's Sales	\$ 142,000.00	\$ 355,000.00	\$ 497,000.00	\$ 213,000.00	\$ 71,000.00	
Payments:						
50% of Month of Purchase	\$ 71,000.00	\$ 177,500.00	\$ 248,500.00	\$ 106,500.00	\$ 35,500.00	
50% of Previous Month		\$ 71,000.00	\$ 177,500.00	\$ 248,500.00	\$ 106,500.00	\$ 35,500.00
Total Disbursements for Purchases		\$ 248,500.00	\$ 426,000.00	\$ 355,000.00	\$ 142,000.00	

Cash Budget 2020-2021				
	November	December	January	February
Beginning Cash Balance	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 17,000.00
Add: Receipts	177,500.00	443,750.00	621,250.00	266,250.00
Total Cash Available	\$ 197,500.00	\$ 463,750.00	\$ 641,250.00	\$ 283,250.00
Less: Disbursements for Purchases	\$ 248,500.00	\$ 426,000.00	\$ 355,000.00	\$ 142,000.00
Salaries	64,000.00	64,000.00	64,000.00	64,000.00
Slotting Fee	1,500.00	1,500.00	1,500.00	1,500.00
Marketing Costs	2,000.00	2,000.00	2,000.00	2,000.00
Rent	4,400.00	4,400.00	4,400.00	4,400.00
Telephone and Internet	100.00	100.00	100.00	100.00
Total Disbursements	\$ 320,500.00	\$ 498,000.00	\$ 427,000.00	\$ 214,000.00
Cash Excess/Deficiency	-\$ 123,000.00	-\$ 34,250.00	\$ 214,250.00	\$ 69,250.00
Minimum Cash Balance Desired	20,000.00	20,000.00	20,000.00	20,000.00
Financing Required	143,000.00	54,250.00		
Surplus Cash			194,250.00	49,250.00
Ending Cash Balance	\$ 20,000.00	\$ 20,000.00	\$ 17,000.00	\$ 69,250.00

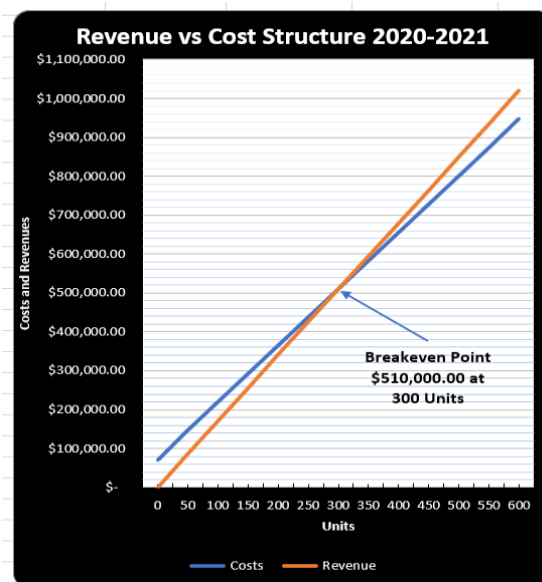
Appendix B: Snowbro Worksheet/Cash Budget 2021-2022

Worksheet 2021-2022						
	October	November	December	January	February	March
Net Sales/Receipts	\$ 177,500.00	\$ 621,250.00	\$ 710,000.00	\$ 710,000.00	\$ 443,750.00	\$ 88,750.00
Net Purchases						
80% of Next Month's Sales	\$ 497,000.00	\$ 568,000.00	\$ 568,000.00	\$ 355,000.00	\$ 71,000.00	
Payments:						
50% of Month of Purchase	\$ 248,500.00	\$ 284,000.00	\$ 284,000.00	\$ 177,500.00	\$ 35,500.00	
50% of Previous Month		\$ 248,500.00	\$ 284,000.00	\$ 284,000.00	\$ 177,500.00	\$ 35,500.00
Total Disbursements for Purchases		\$ 532,500.00	\$ 568,000.00	\$ 461,500.00	\$ 213,000.00	

Cash Budget 2021-2022				
	November	December	January	February
Beginning Cash Balance	\$ 69,250.00	\$ 68,500.00	\$ 121,000.00	\$ 280,000.00
Add: Receipts	621,250.00	710,000.00	710,000.00	443,750.00
Total Cash Available	\$ 690,500.00	\$ 778,500.00	\$ 831,000.00	\$ 723,750.00
Less: Disbursements for Purchases	\$ 532,500.00	\$ 568,000.00	\$ 461,500.00	\$ 213,000.00
Salaries	82,500.00	82,500.00	82,500.00	82,500.00
Slotting Fee	1,500.00	1,500.00	1,500.00	1,500.00
Marketing Costs	1,000.00	1,000.00	1,000.00	1,000.00
Rent	4,400.00	4,400.00	4,400.00	4,400.00
Telephone and Internet	100.00	100.00	100.00	100.00
Total Disbursements	\$ 622,000.00	\$ 657,500.00	\$ 551,000.00	\$ 302,500.00
Cash Excess/Deficiency	\$ 68,500.00	\$ 121,000.00	\$ 280,000.00	\$ 421,250.00
Minimum Cash Balance Desired	20,000.00	20,000.00	20,000.00	20,000.00
Financing Required				
Surplus Cash	48,500.00	101,000.00	260,000.00	401,250.00
Ending Cash Balance	\$ 68,500.00	\$ 121,000.00	\$ 280,000.00	\$ 421,250.00

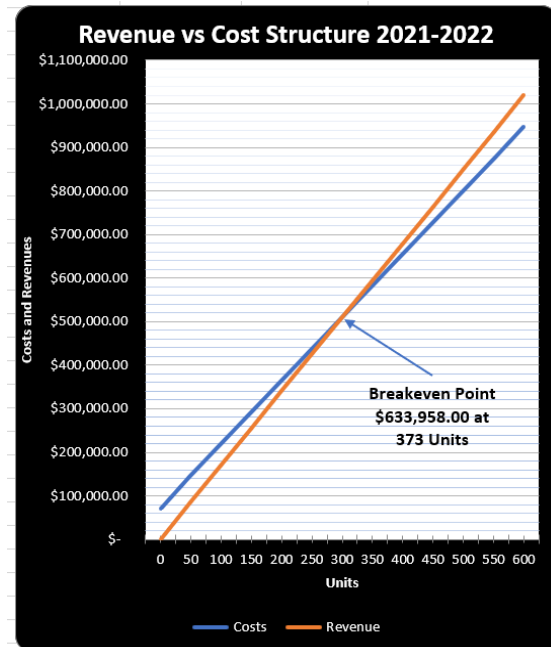
Appendix C: Breakeven Calculations 2020-2021 Along with Graph

Costs		
Patent	\$	4,000.00
Marketing Costs		2,000.00
Salaries (20 Employees)		64,000.00
Slotting Fee		1,500.00
Telephone & Internet		100.00
Rent		4,400.00
Total	\$	72,000.00
Variable Costs		
Cost for 1 Snowbro	\$	1,360.00
Repairs		100.00
Total Costs	\$	1,460.00
Price of 1 Snowbro	\$	1,700.00
Breakeven	\$	300.00

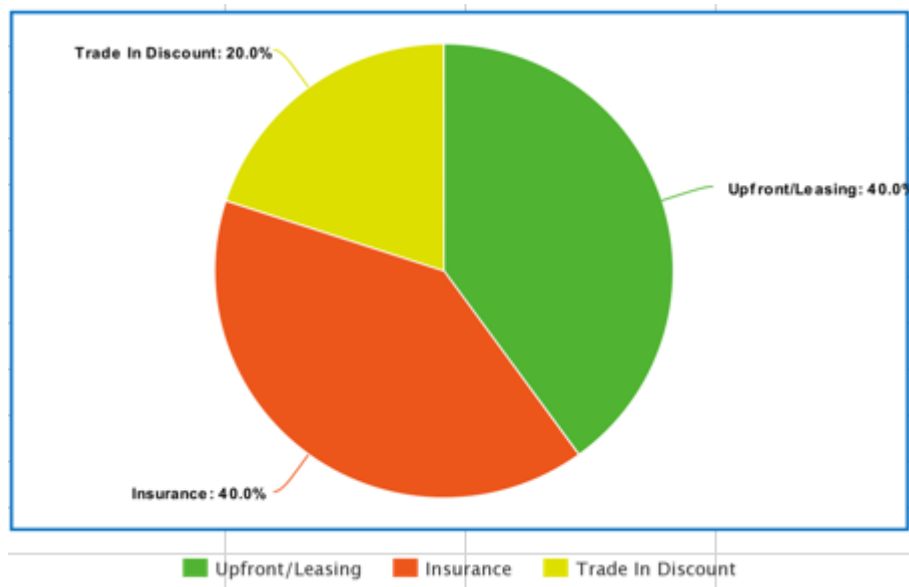


Appendix D: Breakeven Calculations 2021-2022 Along with Graph

Costs		
Patent	\$	4,000.00
Marketing Costs		1,000.00
Salaries (25 Employees)		82,500.00
Slotting Fee		1,500.00
Telephone & Internet		100.00
Rent		4,400.00
Total	\$	89,500.00
Variable Costs		
Cost for 1 Snowbro	\$	1,360.00
Repairs		100.00
Total Costs	\$	1,460.00
Price of 1 Snowbro	\$	1,700.00
Breakeven	\$	372.92



Appendix E: Customer Purchasing Survey (50 people)



*Assumptions

Appendix F: Snowbro Income Statement 2020

SNOWBRO Statement of Income For the Year Ended 03/31/2020	
Revenues	
Products	843,125
Less Returns and Allowances	(84,312.50)
Services	843,125
Other	0
Total Revenue	1,601,937.50
Costs	
Products	693,500
Services	0
Other	0
Total Cost	693,500
GROSS PROFIT	908,437.50
Operating Expenses	
General and Administrative	12,000
Insurance	0
Non Recurring	0
Payroll Taxes	0
Rent	26,400
Research and Development	0
Salaries and Wages	384,000
Sales and Marketing	0
Utilities	600
Other	9,000
Total Operating Expenses	432,000
OPERATING INCOME	476,437.50
Non-Operating or Other	
Interest Revenue	
Interest Expense	
Gain on Sale of Assets	
Loss on Sale of Assets	
Gain from Legal Action	
Loss from Legal Action	
Depreciation and Amortization	
Other Gain	
Other Loss	
Total Non-Operating or Other	0
PRE-TAX INCOME	476,437.50
Taxes	
Income Tax Expense	52,408.13
NET INCOME	\$424,029.37

Appendix G: Balance Sheet 2020

BALANCE SHEET		SNOWBRO
Date	March 31th, 2020	
ASSETS		
CURRENT ASSETS		
Cash	199250	
Accounts receivable	437500	
Inventory	1387000	
Prepaid expenses	0.00	
Short-term Investments	0.00	
TOTAL CURRENT ASSETS		2153750
NON-CURRENT ASSETS		
Property/land	0.00	
Furniture	0.00	
Vehicles	0.00	
Equipment/tools	0.00	
Long-term Investments	4000	
TOTAL NON-CURRENT ASSETS		4000
TOTAL ASSETS		2157750
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	0.00	
Payroll	384000	
Sales tax	0.00	
Income tax payable	0.00	
Short-term loans	0.00	
TOTAL CURRENT LIABILITIES		384000
LONG-TERM LIABILITIES		
Long-term loans	0.00	
Other long-term liabilities	1387000	
TOTAL LONG-TERM LIABILITIES		1387000
TOTAL LIABILITIES		1771000
OWNER'S EQUITY		
Owner's Investment	20000	
Owner's drawings	-0.00	
Retained earnings	366750	
TOTAL OWNER'S EQUITY		386750
TOTAL LIABILITIES AND OWNERS EQUITY		2157750

Appendix H: Perceptual Mapping and Preference Analysis

Exhibit 1 - Perceptual Map

Perceptual Mapping

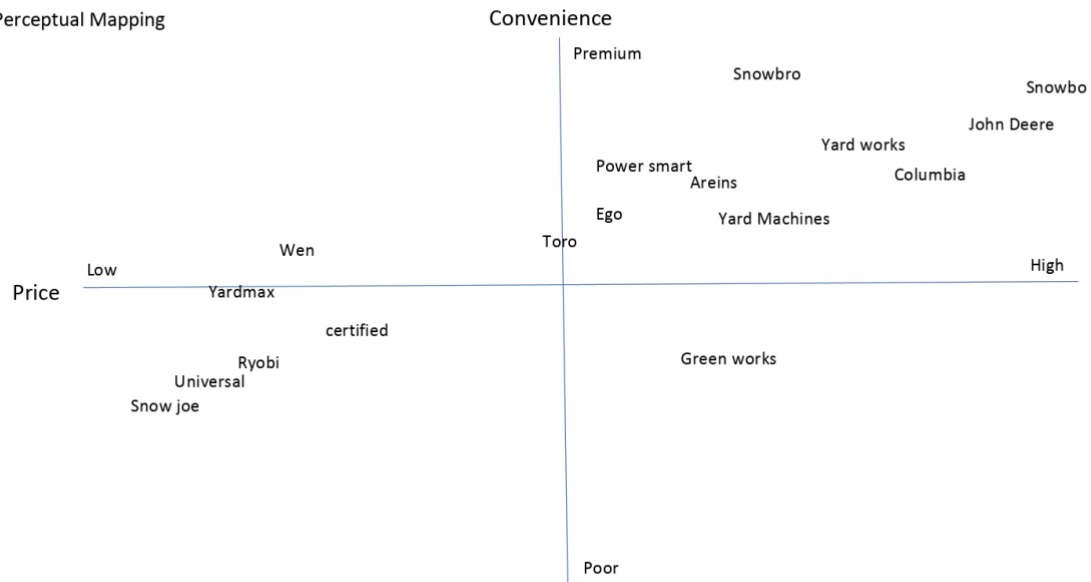
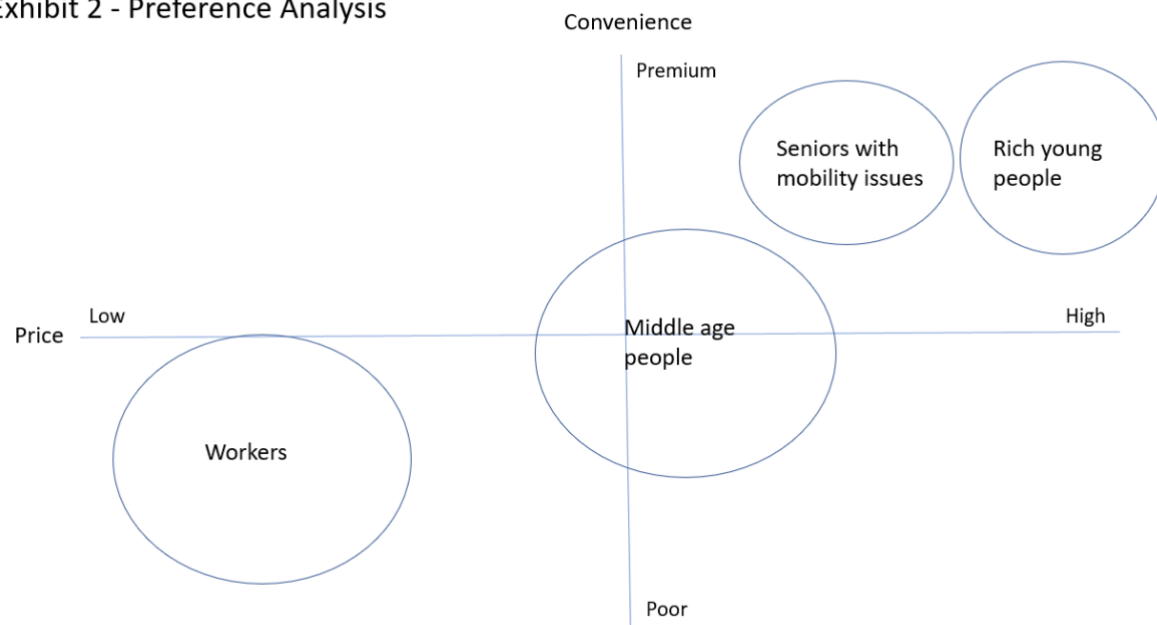


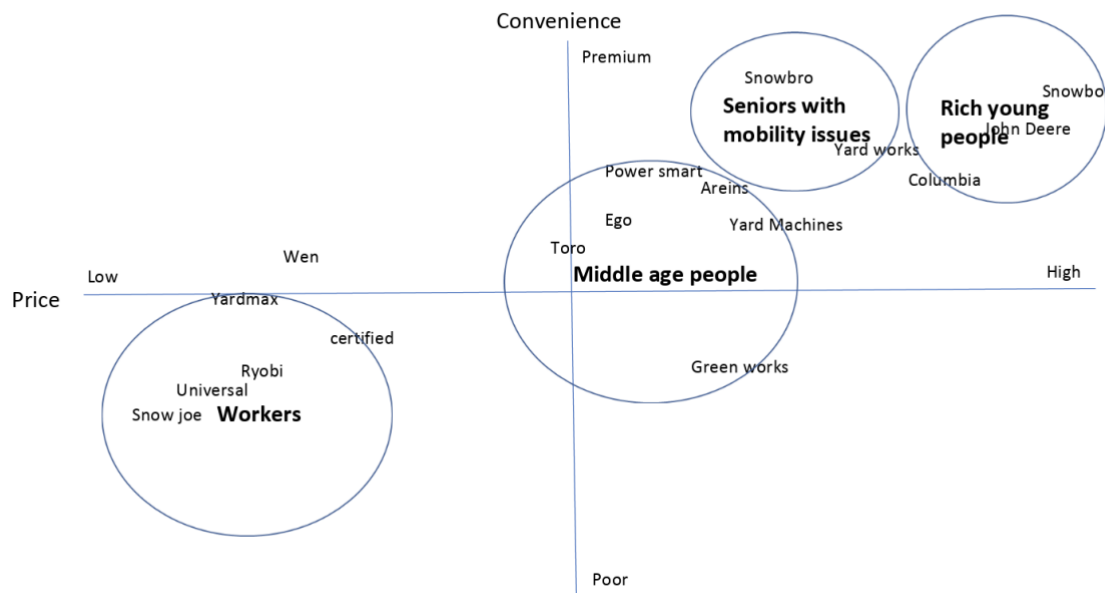
Exhibit 2 - Preference Analysis



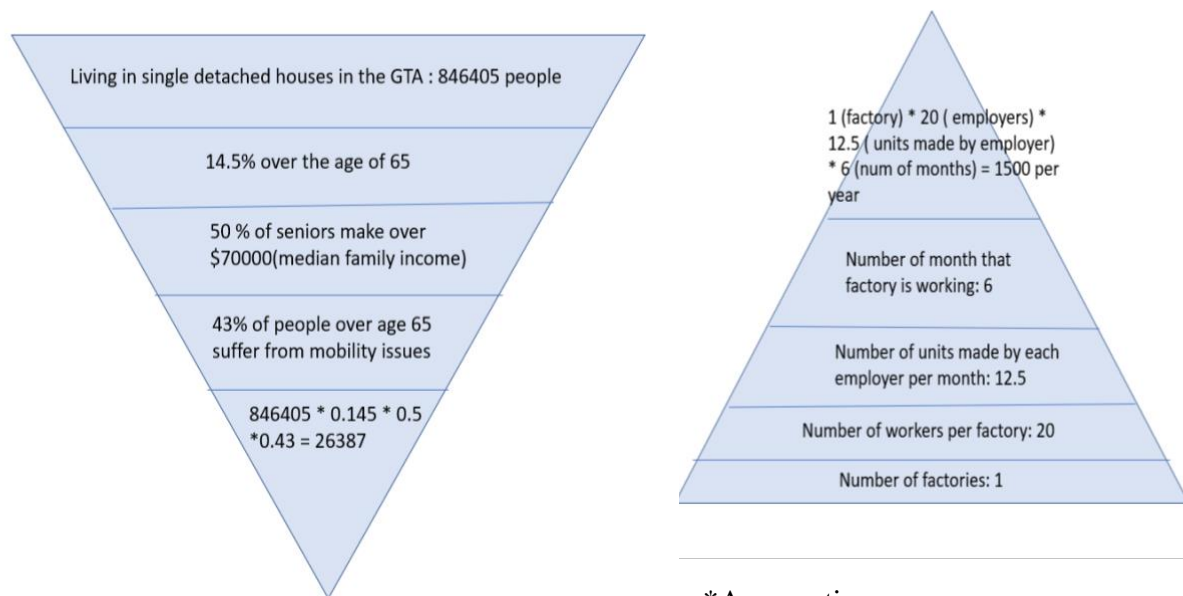
*Assumptions:

This was mostly based on primary research and our own personal experiences with members of the demographic. It is by no means representative of all individuals, and mainly meant to visually display generalized preferences.

Exhibit 1 – Combined Perceptual Map and Preference Analysis



Appendix I: Top-Down and Bottom-Up Methodologies



*Assumptions:

- Note that our estimates for bottom up do not factor in Husqvarna's (or other third-party manufacturers) efficiencies, as their internal operations are unknown to us
- Our assumptions in the top-down analysis were that the high-income demographic of seniors was consistent with the rest of the population. However, this is probably an underestimate.
- For bottom up we assumed a 6-month working time for the factory. However, we are unable to truly estimate the length of an individual winter season, or the length of preparations beforehand

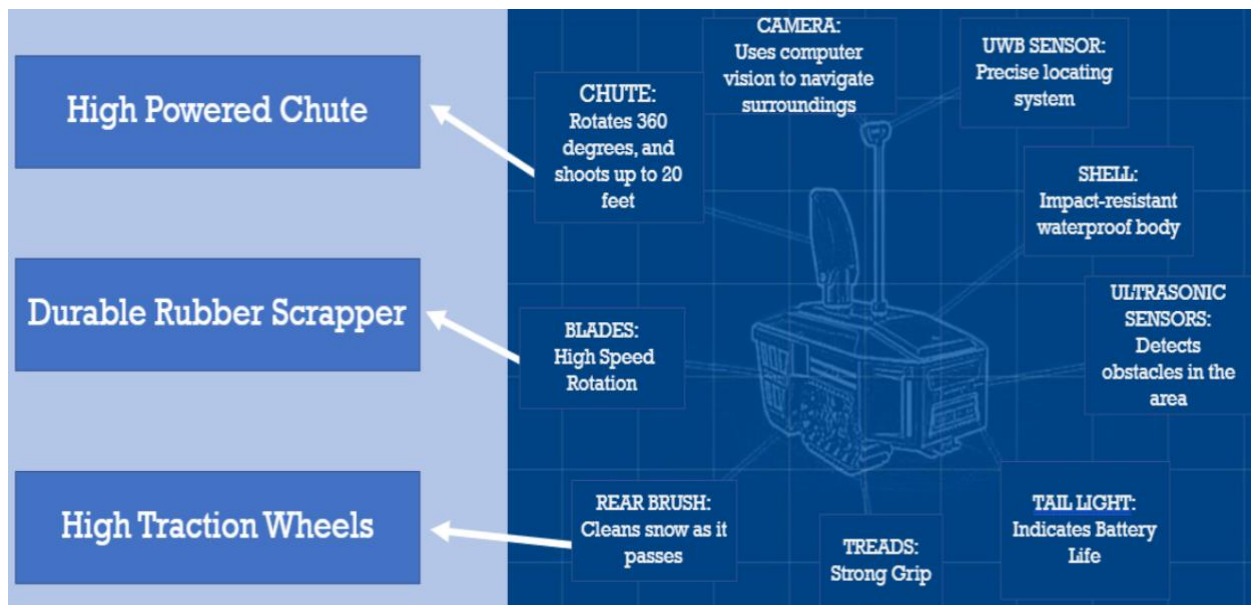
Appendix J: Market Segmentation

Target Market Identification

Table 1 – Market Segmentation

	Seniors with mobility issues	Middle age people	Workers	Rich young people
Benefit Sought	Convenience, high quality, Safety, time saving,	Medium quality products	Cheapest price	Something fancy, Highest quality
Demographics	60+ Mid-High Income (70k – 100k)	45 – 60 Mid income (60k – 75k) Close to retirement	30 - 44 Low- mid income (35k-50k)	18- 29 Very high income (150k+) Live in luxury houses
Personality	Not active Helpless Dependent on other people	Constantly busy Independent Care takers	Hardworking Saving- oriented Active Saving for future	Looking for brand products Decent looks Dependent on their parents

Appendix K: Snowbro Techs*



*Note that the electric charging pad is not included in this diagram

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