

Enterprise Project

PRISTINE

portable sanitizer

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Table of Contents

1. The Executive Summary	3
2. Promoters	4
3. The Proposal	7
4. Introduction and Background Information	7
5. Product and Production	8
6. Market and Marketing Strategy	10
6.1. Industry	10
6.2. PEST	10
6.3. Market Trends and Market Size	12
6.4. Target Market	13
6.5. Competition	14
6.6. Marketing Strategy	17
6.7. Distribution Strategy	17
6.8. Advertising Strategy	18
6.9. Pricing Strategy	18
7. Management and Employment	18
8. Strategy for Future Development	19
9. Financing	20
10. Appendices	23
11. References	31

1. EXECUTIVE SUMMARY

A Galway-based e-commerce company “The Power of Three” Ltd. established by three entrepreneurs aims to bring to the national market a battery-operated portable sanitizer Pristine, which is legally protected by a patent. The business plan gathers evidence that leads to a conclusion that this innovative product is viable to be introduced on the Irish consumer market.

Resistance of bacteria to drugs imposes threat to worldwide population. The elderly, the sick and small children are among the most vulnerable. Open countries’ borders, shortage of water supply and energy preservation are the factors which contribute to the great potential for the product’s launch not only on a domestic but also on international markets.

The size of the product which disinfects a range of small personal items from manicure scissors and makeup brushes to baby pacifiers in a variety of environments such as at home, on trips, in hospitals and at schools, offers the start-up an advantage over its competitors. A number of the competitors have been concentrating primarily on a market segment of mothers with babies.

The product of the start-up is targeted at the market of females who are traditionally viewed as family caretakers protecting wellbeing of its members. The start-up identified a potential market of 1.859.412 women in Ireland who at different stages of their life are likely to use the product for different reasons, for example, 15-24 year olds want acne free skin, 25-44 year olds want germ free baby care items. Furthermore, men can be viewed as a potential market in the future, for they share more often household responsibilities with women.

The company believes that with adequate marketing efforts applied, 5% of the potential market can be captured in the first year. The company plans to grow its market share by 1% in each of the subsequent years. The pricing of the product is based on competitors’ prices and occupies middle place on the pricing scale. To concentrate on marketing and selling, the production of the device will be outsourced to a manufacturer supporting a local business.

The company employs less than 10 people at its introductory stage. The management function is shared by the CEO, Valeria Zelentsova and two assistant directors, Ying Yao and Danalaxmi Paquiry, who also perform Accounting and Marketing functions respectively. Lack of working

knowledge and skills in other key areas such as IT and HR will be filled through recruitment agencies.

The start-up is seeking a loan of €250 000 from Ulster Bank at 4.76% for the period of 5 years. The loan is required for the outsourced production of a product as well as a working capital for the first year of business. The company projects a loss in year one, making a profit in year two and year three. Other sources of finance are entrepreneurs' own capital of €350 000. Feasibility grant of €20 000 is sought from Local Enterprise Office for the purpose of market research. The company is positive that the business will be profitable and that a loan will be repaid fully on time.

2. PROMOTERS

Three international graduates, who form a top management team of the start-up, have developed a business plan for the portable sanitizer Pristine. They are Valeria Zelentsova, Ying Yao and Danalaxmi Paquiry. Their personal achievements and experiences will make fair contribution to the bringing of the product to market.

Valeria Zelentsova

Upon graduation from a secondary school in Russia, Valeria Zelentsova obtained a sport degree in competitive swimming and a certificate of completion of music school. This helped her broaden her outlook, gave her an opportunity to meet new people and to travel within her home country.

The interest for the Arts subjects and a desire to travel determined her enrolment in 1994 into the State University to study foreign languages (see Appendix 1). During five years at the university she acquired her first work experience by teaching English to children.

The largest impact, during those years was made by her participation in the programme Camp Counsellors USA, in which she participated over three consecutive summers. Apart from mastering English, she got an opportunity to work with children of different social backgrounds, age and nationalities. She tested her communication and management skills. She

acquired new experiences and practical skills by completing First Aid, CPR and Lifeguard Qualifications.

In 2001 due to a difficult economic situation in her home country, a holder of the third level degree in Foreign Languages went to work in Ireland. Her employment was in catering and hospitality industries. Ever-rising competitiveness on labour market urged her to look up to education to enhance her employment skills. In 2006 she successfully completed FETAC Level 5 “Sport and Recreation” course to pursue career in Fitness. In 2014 she changed her career path and acquired Advanced Certificate in Business Management and Information Systems in Galway Technical Institute. Upon its successful completion she was admitted to GMIT to pursue Level 7 Bachelor in Business Studies. Currently, she is in a final year pursuing degree in Marketing.

Danalaxmi Paquiry

Danalaxmi Paquiry decided to move from Reunion Island to France in 2011. Few years later, she graduated in Management and Communications from high school in Toulouse. She was always interested in a career in business, therefore she entered a Technology Institute to pursue her ambition.

As she was always interested in the international aspects of business, she enrolled in the programme “European second year”. This particular course was performed half in English and French, the class regrouped the student who desired to do a DUETE (University degree in technological studies abroad) year, in other words, to continue the license in a foreign country (see Appendix 2).

During her year studying in the institute, she had the opportunity to build her professional experience through internships. She worked in retail shop “La Grande Recré”. It is one of the largest company that sells toys for children in France. She gained experience and new skills during the internship and she also had the chance to practice the theory learned. She obtained a DUT (University degree in a Technologic institute) “Techniques of Commercialisation” in 2016 and decided to do the DUETE year in Ireland.

In 2016 she started studying in GMIT. As she previously studied Marketing and Sales, she decided to pursue this path and enrolled in Marketing. It is in 2017, that she obtained her degree

in Business and Marketing. After that she decided to join a start-up, where she manage PR and marketing efforts.

Nevertheless, in the future her objective is to integrate a Business School “Institute of Business Administration”. Particularly interested in studying marketing on an international scale, her project is to have a degree in the International Marketing.

Ying Yao

Ying Yao is fond of hip-hop dancing, and she began to learn it in 2013, during which she benefited a lot. She made a lot of friends who have the same interest with her and realized the importance of team spirit as dancing demands coordination between the dancers. In the summer vacation, she took a part-time job as a barista of a coffee shop. In the shop, she worked hard and learned how to make coffee, now, she can make different types of coffee. She is a girl full of exploratory spirit, a girl who loves life.

In 2014, Ying Yao went to Tajen University as an exchange student (see Appendix 3). Her major in there was marketing and distribution management. And it is because of this exchange project that enabled her to first study marketing. Based on her own interest in marketing, she decided to transfer her major from accounting to marketing. When she was in the Tajen University, she also participated in the hip-hop club and took part in the charity performance as a volunteer with her friends in the club. She became more and more outgoing and willing to make more friends. She also organized her friends who love tourism to travel around an island by bicycle.

When she finished her study as an exchange student in Taiwan, she decided to study marketing in Ireland. In 2016 she graduated in Nanchang University School of Software. During the university she was awarded first class scholarships and acquired National Certificate in Computing Level 2. She was admitted to GMIT to pursue Level 7 Bachelor in Business Studies. Currently, she is studying Marketing.

3. THE PROPOSAL

The start-up company is seeking a €250,000 loan over 5 years at 4.76% from Ulster Bank (Ulster Bank 2017). The entrepreneurs' own capital consisting of a house, a car, personal savings of €50 000 and an apartment is worth of €350,000. This financing is required to pay for the outsourced production of a portable battery-operated sanitizer. It is also to finance the product distribution. This money is required as a working capital for the first year of the business. The company projects a loss in the first year of €424 254 with a profit of €121 027 from year two. The e-commerce company plans to start trading on the Irish market with a perspective to expand into European and global markets.

The start-up also seeks a feasibility grant worth up to €20 000 from Local Enterprise Office, Galway.

The company's objective is to capture 5% of the potential national market in the first year and to grow its market share by 1% in each of the following years.

The team is convinced that the business will be a success and the loan will be repaid on time.

4. INTRODUCTION AND BACKGROUND INFORMATION

Modern-day saturated trading markets still present numerous opportunities for businesses to launch new products. The project is set to evaluate the prospects for the launch of a portable sanitizer Pristine. A range of analyses has pointed to the product's viability. Competitors' analysis and PEST have reinforced the company's decision to introduce the product for the chosen target markets by shaping product's marketing mix.

A product idea came into existence as a response to a spiralling out of control spread of bacteria and viruses which are becoming a threat to the human immune system. So far, companies target mothers with babies with portable sanitizers but a wider audience has been overlooked. This offers a great potential for a company which decides to serve a larger market emphasising the need for a product which stops bacteria and viruses from spreading, if personal items are cleaned on a daily basis.

5. PRODUCT AND PRODUCTION

The name of the product -"Pristine" suggests free from dirt and decay and implies bacteria free.

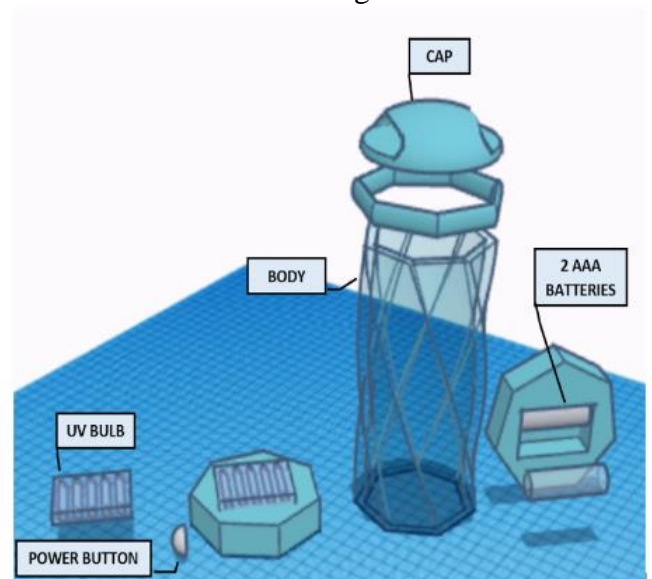
Pristine using UV ultraviolet germicidal irradiation kills 99.9% of bacteria and viruses (Live Science 2015). Pristine can be used to disinfect a wide range of personal items to include baby care products (e.g. pacifier, teething toys), make-up tools (e.g. make-up brushes), cutlery, personal hygiene items (e.g. toothbrush, manicure scissors) and stationery items (e.g. pens).

The product is portable, easy-to-use, lightweight and compact. It is hyper allergenic, odour, residue and flavour free. It is energy saving and environmentally friendly, for it does not require water or electricity supply to operate. The dimensions of the product are 21 cm x 8,5cm long, yet it is compact enough to fit into a handbag or a baby carry-on bag, which offers convenience when travelling.

A battery-operated UV bulb situated inside the device sanitises an item with a push of a button. The device needs 2 AAA batteries to power it.

To operate the sanitizer unscrew the cap, place a required item inside the product's body, screw the lid back, switch the device on by pushing a power button at the base of its body. The red light comes on indicating that the device is in operation. It automatically shuts off in 4 minutes leaving an item bacteria free.

Pristine is made of light blue plastic, which is capable of withstanding high temperatures. The product is made of BPA (bisphenol A) free materials to ensure a toxic-free environment. The device is equipped with a battery charge level indicator.



The company outsources all the materials and parts as well as the production of Pristine to a local manufacturer, Goodman Medical Ireland Limited situated in Galway, Co. Galway. It appears feasible to outsource the production of the only one product the start-up has at the moment and to focus on its marketing and selling.

The product has certain advantages and disadvantages. Please, see below:

Advantages:

- Kills 99.9% bacteria and viruses
- Sanitises in short time
- Prevents the spread of infection
- Offers convenience for it is lightweight and compact
- Environmentally friendly, for it does not require water or electricity supply
- Hyper allergenic, odour, residue and flavour free
- Easy to use, dissemble and clean up

Disadvantages:

- Dependable on battery life
- Dependable on the lifespan of the UV bulb
- Product's usage area is restricted by its dimensions
- Main body made of plastic, which can be damaged
- Existing competitors and substitutes

In the future the product can be improved by adding models that are battery and mains operated to eliminate product's dependability on the battery life. The brand can make the plastic body bigger to accommodate for larger items such as drinking cups and baby bottles but this would make the product less suitable for carrying around. To satisfy personal tastes of customers the product can be made of different colours. Installation of more powerful alkaline batteries can offer less processing time for the items to be sanitised.

6. MARKET AND MARKETING STRATEGY

Industry

Pristine belongs to the category of consumer durables in health care industry. Ireland is on the 8th place in spending per capita on health care among OECD countries, and on the 11th place in health expenditure as a percentage of GDP (Key Trends 2016).

The start-up has to operate in a regulated, saturated market facing strong competition from international companies like Johnson & Johnson and 3M. Investment in innovative technologies as well as omnichannel marketing and e-commerce operations will render competitive advantage which further intensify competition for the start-up.

PEST

The start-up, aiming to trade in the market of healthcare consumable products, examined political, economic, social and technological factors to identify factors which can impact the launch of the product.

Political

Current political changes in the world such as Brexit and a new US administration add to the uncertainty about the future for the Irish economy. “America First” job creation policy rises concerns for 140,000 people working in 700 US companies across Ireland who can be affected by their withdrawal (Mulraney 2017). This can lead to the increased unemployment and the weakening of the Irish consumer purchasing power. With Brexit looming, there is a prospect of increased energy tariffs in Ireland, for Britain is its main energy supplier.

In the light of the challenging economic environment EU offers funding to small and medium enterprises (SMEs) through schemes and programmes which offer financial and advisory support. Irish government also developed initiatives to promote the development of SMEs via Enterprise Ireland. The government invested in telecommunications with €15 million National Broadband Plan assisting companies with their online trading operations on national and international levels (RTE News 2016).

There is a need for international governments to arrange shared agreements for e-commerce companies trading on non-EU markets to develop mutual online data protection and privacy laws (European Parliament 2015).

Economic

Despite modest economic improvements with a household disposable income increase of 8% in 2016, the industry stays volatile to the changing economic environment (The Irish Time 2016).

Euro devaluation makes Irish exports competitive on international markets creating opportunities for companies to export. This positive factor is offset by the fact that Irish goods sold online are a subject to extra shipping charges and tax duties, when shipped to non-EU countries including USA.

Low interest rates, which fell from 1% in 2012 to a present 0%, offer companies an opportunity to invest in business with low repayments rates (Trading Economics, 2017). However, a problem with very low inflation is that there is a risk of deflation, which discourages the business investment and makes companies hold onto cash.

Social

Life expectancy in Ireland went up by approximately 2.5 years since 2005 (Key Trends 2016). This increase is due to lower mortality rates and better survival from diseases. Consumers are also more health-conscious and ready to take greater responsibility for their health.

Fast aging population in Ireland reflects a global trend. In the country the number of people over 65 is set to double over the next 20 years with the annual increase of almost 20,000 persons (Key Trends 2016). The increase in aging population forecasts an increase in demand for healthcare services, expenditure on it as well as healthcare costs increases.

Technological

Technological innovations offer companies the opportunities to target markets with greater precision, to enhance customer experiences and to engage them on a deeper level with brands. Having acknowledged benefits of e-shopping, time-restricted Irish society is becoming the largest online shopping nation offering vast opportunities for businesses with national e-

commerce transactions having increased by 20% between July and September 2016 (Retail Ireland 2016).

Market Trends and Market Size

The market for Pristine is expanding due to changes in the external environment. It has been estimated, that annually, 700,000 people die in the world from infections that became drug-resistant (The Review on Antimicrobial Resistance 2016). A recent case of the death caused by the "nightmare superbug" increases concerns about the appearance of bacterial infection that is resistant to all known antibiotics (NPR 2017). The prevention of the spread of the bacteria can increase demand for the product.

Global population is projected to increase to 8 billion by 2025 with birth rates going up in China, India and Caribbean (Population Reference Bureau 2016). These emerging economic markets are expected to grow rapidly due to the increase in population and increasing consumer wealth (Deloitte 2014). In these countries mothers can find the product helpful to sanitise baby items. This fact offers the start-up a great potential to grow internationally.

According to the United Nations, the number of people aged 60 years and over is set to increase globally by 56% between 2015 and 2030 (World Population Ageing 2015). Since 2005 to 2015 the population aged 65 years and over showed an increase of 2.3% in every EU member state (Europa 2016).

There are good prospects for the start-up to grow on global and European markets including the Irish market. Globalisation and a free movement of people within and between countries can facilitate product's demand due to the following characteristics: lightweight, portable, compact. The start-up sees itself as an e-commerce company selling the product on national and European markets expanding later into international markets. Analysis of population trends displays potential short-term and long-term demand for the product.

Target Markets

The target market estimates presented on the right are based on data obtained from CSO, Women and Men in Ireland 2013 Report. These data seem to be feasible to forecast the size of the potential markets. The company has selected female market because women are traditionally perceived as caretakers of families. They will likely appreciate

to have a simple-to-use single device to prevent the spread of bacteria disinfecting a variety of small personal items at home, on trips, at school and in hospitals.

1.1 Ireland: Population by age group, 2013¹

Age	Men	Women	Total	Men per 100 women
0-14	513,919	493,764	1,007,683	104
15-24	273,178	260,127	533,305	105
25-44	693,238	720,803	1,414,041	96
45-64	532,241	537,752	1,069,993	99
65-69	94,559	94,874	189,433	100
70-74	67,173	70,983	138,156	95
75-79	48,789	57,040	105,829	86
80-84	30,632	41,987	72,619	73
85 and over	20,117	41,949	62,066	48
Total	2,273,846	2,319,279	4,593,125	98

Source: CSO Demography

Potential female customers have been grouped into:

- 15-24 year-old females: They are likely to use the product to disinfect makeup and manicure tools. They are conscious to have their skin acne free. They reached 260.127 persons in 2013 (CSO 2013).
- 25-44 year old females: According to CSO, the average age at which women gave birth to the first child was 29.8 years. This bracket includes women with children who want to safeguard the health of their little ones at home and on trips. This segment reached 720.803 persons in 2013.
- 45 to 64 year old women who have more free time to dedicate to themselves. They are likely to value convenience and speed with which the device cleans the items. They intend to take better care of themselves by protecting their immune system.
- The elderly females aged 65 and up: They favour simplicity, comfort and do not like complicated processes and instructions. They realise that they need to look after their health in order to have a better quality of life. They reached 340.730 people in 2016 (CSO 2016).
- Cleanliness obsessive and germ-phobic people who follow closely Mass Media stories about the danger of super bacteria.
- Socially responsible people who are conscious about water waste and the use of chemical substances that harm the environment and damage people's health.
- People on trips value convenience and assurance of having at their disposal bacteria free personal items.

The estimated market size for Ireland based on CSO data is 1.859.412 people which includes 15-24 year old, 25-44 year old, 45-64 year old and 65 year old and up females. In accordance with market trends identified at the beginning of this section, the market is set to increase on national and global levels in the next decade.

For the purposes of planning, it is assumed that each month has 4 weeks and that there are 52 weeks in a year.

In year one (2017) the start-up targets 5% of the total market of 1.859.412 persons, which equals 92 971 people. In year two (2018) the company targets 6% of the market, which accounts for 111 565 people. In year 3 (2019) the estimated 7% equals to 130 159 persons.

Projected Sales Volumes 2017-2019

Year	No of Items Sold	Price per Item	Sales per Annum
2017	92 971	€65.00	92 971 X €65=€6 043 089
2018	111 565	€65.00	11 565 X €65=€7 251 707
2019	130 159	€65.00	130 159 X €65= €8 460 325

Competition

There is a range of competitors on the market. The information about them was obtained from desk research, online customer reviews and personal experiences. Competitors include a hand held wand sanitizer, portable baby care sanitizers to include vaporizer sterilisers, UV sterilisers, cold water sterilisers as well as bacteria eliminating products such as antibacterial wipes, sprays and gels. Direct competitors such as baby care and handheld sanitizers are not available in physical stores. They are sold primarily on Amazon.com by small independent companies who do not have a strong brand image. They usually sell other products in different categories. Substitutes such as antibacterial wipes, sprays and gels are available for purchasing online and offline. These products are produced under well-known brands such as Dettol, Milton and others.

UV Sterilizer

Weaknesses:

- Suitable only for baby-care items such as pacifiers, bottle nipples.
- Dependable on the life of the batteries

Strengths:

- Hyper allergic
- Chemically free



Antibacterial Wipes

Weaknesses:

- Usage area are confined to toys and home surfaces
- Drying out formula

Strengths:

- Rinse-free formula suitable for hands
- Fragrance free



Cold Water Steriliser

Weaknesses:

- Possible spillages if not closed airtight
- Weight is 780 grams
- Special steriliser tablets required
- Uses 5 litres of water which is becoming a scarce resource

Strengths:

- Keeps items sterile for 24 hours
- No energy source needed



Hand Held Sanitizer



Weaknesses:

- A human is directly involved in the process by holding the sanitizer in order to operate it
- Takes time to clean large areas
- Must be held at the right angle to work
- Not clear whether germs are eliminated

Strengths:

- Battery and mains operated
- More suitable to use on straight surfaces such as keyboards, toilet seats, door handles

The market of portable sanitizers is mainly divided between a handheld wand sanitizer and a baby care sanitizer. The latter exclusively targets parents with children and has a restricted usage confined to baby care items. It is represented by many brands which are sold on Amazon.com within a price range of €15-€45. On European markets this type is represented by a smaller number of brands.

The handheld sanitizer on European market has even a smaller share than baby care sanitizers. Its usage area focuses on germ accumulating areas such as door handles, toilet seats, etc. It is more expensive being priced within €60-€150 range and, according to online reviews, is more difficult to operate than a baby care sanitizer. Its operation involves a direct participation of a human who must hold the sanitizer at the right angle, otherwise, the device does not work.

Using Porter's Five Forces Model the start-up examines factors that affect the product's market in the long-run perspective. The composite materials required to produce the product are in abundance and are of low cost which make the power of suppliers weak. The power of substitutes is relatively strong, for there are many large corporations which sell antibacterial wipes and gels with considerable advertisement budgets at their disposal. It is relatively easy to enter the market, that is why the start-up aims to be the first in the market for the selected segments and through targeted and extensive advertising it plans to capture the identified segments. The identified competitors has left a niche for the start-up to capture by serving either a narrow target market (mothers with babies) or a mass market. Another common weakness shared by direct competitors is the lack of advertising and promotion.

Marketing Strategy

Based on the analysis of the handheld sanitizers that pursue mass marketing strategy, the start-up aims to gain an advantage by using differentiated marketing which focuses on customer needs of identified segments.

The product is positioned as the most versatile, mid-priced sanitizer that disinfects small personal items belonging to women of different ages from mothers with babies to party-loving young girls and grandmothers who are health conscious and who want to safeguard their own health and the health of the family members.

As already outlined in the market trends section, volatile human immune system, spread of the drug-resistant bacteria and globalisation are the trends that worldwide societies are aware of. The company exploits these trends to encourage customers on a daily basis to protect themselves and prevent spreading of the harmful bacteria.

The start-up plans to differentiate itself from competitors on product's features such as versatility and the ease of the product's use. The company wants to communicate particular benefits of Pristine to selected market segments, for example, its antibacterial benefits will be communicated to girls of 15-20 years old who apply makeup and who want to reduce possibilities of acne by disinfecting makeup tools.

Distribution Strategy

As the product is at the introduction stage apart from building brand awareness among its potential consumers, the company aims to build a selective distribution network. The company plans to sell Pristine online launching it on home market, later expanding it into European market and non-EU countries. The shipment is free for the Irish customers. If the product is successful, the company can distribute it through Boots and drug stores, for company's direct competitors sell exclusively online.

Advertising Strategy

The advertising budget is 55% or €997 110 of Gross Profit. The allocated budget for advertising increases annually. There is no broadcast or print advertising. One-third of the budget goes to affiliate marketing, mainly with Amazon and to pay Search Engine Optimisation fees. The start-up places its banners on health-related websites. In year two one-thirds goes to the creation of dealerships to account for sales agents and a participation in industry exhibitions. One-third goes to mobile marketing to include the launch of the website and its maintenance as well as the upkeep of Facebook and Twitter pages. During the first year, €25 000 is spent on marketing research to monitor market reaction. €25 000 is allocated for technical research to improve product's features.

Pricing Strategy

The company pursues market-penetration pricing strategy. The company's brand is offered at a price of €65 per item which fits in the middle price range of portable sanitizers. The latter are priced from €15 to €130. In year one the start-up initially aims to sell 92 971 items or 5% of the target market, with a loss of €424 254. In year two the company aims to sell 11 565 items or 6% of the market with a planned profit of €121 027. In year three it aims to sell 130 159 items or 7% of the target market, with a planned profit of €145 477.

7. MANAGEMENT AND EMPLOYMENT

The company is controlled in Ireland and headquartered in Galway. It is qualified as a small company employing less than 10 people. The top management is represented by 2 assistant directors and a CEO. The CEO is Valeria Zelentsova, she is responsible for strategic development and ensures that production targets and other business objectives are met. Valeria Zelentsova is a Russian national also speaking German. She has obtained an Advanced Certificate in Business Management and Information Systems with adequate knowledge of Microsoft Office.

Assistant directors, Ying Yao and Dana Paquiry, provide strategic support and oversee additional corporate duties in accordance with their qualifications. Accounts are managed by Ying Yao, a qualified accountant who graduated from a university in China. She has not worked in the industry yet. Her lack of experience can be compensated by an industry

consultant hired on a temporary basis. Marketing, PR efforts and Sales are managed by Dana Paquiry, a French national who pursues her career in Digital Marketing. She has worked in Sales and can contribute to the company's operations in this area.

The top management consists of non-Irish nationals who speak English and other foreign languages. This is looked upon as an advantage that can facilitate company's sales on international markets. The company lacks legal knowledge, IT and HR skills, which it plans to fill through recruitment agencies. As the executives have recently graduated from the universities, they lack managerial experience, so mentoring and industry expertise will be sought at Local Enterprise Office in Galway.

Job Title	Full Time	Part Time
CEO/Production Manager	1	
Administrator	1	
Assistant Director/Marketing, PR & Sales	1	
Assistant Director/Accountant	1	
Programmer	1	
Accounts Consultant		1
Sales Agent (in year 2)		2
Total:	5	3

8. STRATEGY FOR FUTURE DEVELOPMENT

There are a number of ways the company can develop. The start-up will be monitoring online and Social Media reviews to identify areas of product improvement and its further development. At its launch, a basic product is offered to the market. Initially battery-operated Pristine is produced in one colour and in one size. If successful, the product line will be

extended to include new colours and sizes. A currently battery-operated model can be supplemented with a mains function.

If the product is a success, the primary target market, i.e. females, can be extended to include males, who, according to the social trend, share household responsibilities with women more often. The company is determined to keep on developing other healthcare devices with the opening of company's own production lines. If Pristine is the only successful product of the start-up, it seems feasible to sell the patented product rights to a larger player on the market, for example, to the Milton brand owned by a French Group, Laboratoire Rivadis (Milton 2017).

9. FINANCING

To secure financing the start-up turns to the following sources of finance:

- Grant Aid. A feasibility grant of €20,000 is sought from Local Enterprise Office, Galway
- Owner's Capital of €350 000 is invested in the start-up to show the commitment to the venture on behalf of the entrepreneurs.
- Bank Loan of € 250 000 is sought from Bank of Ireland at 4,76% for the period of 5 years
- Retained Earnings. The company is determined to re-invest back into the business in lieu of paying dividends, thus retaining control of the company.

Projected Gross Profit

OPERATING BUDGET			
Product Name : PRISTINE			
<u>Sales</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
No. Of Units sold	92 971	111 565	130 159
X Price per unit	65	65	65
Total Sales	6 043 089	7 251 707	8 460 325
<u>Cost Sales</u>			
Opening Stock Value	0	0	0
Material Purchase	4 230 162	5 076 195	5 922 227
Clothing stock Value	0	0	0
Cost of sales	4 230 162	5 076 195	5 922 227
Gross profit	1 812 927 €	2 175 512 €	2 538 097 €

Total Overheads 2017-2019

TOTAL OVERHEADS			
	YEAR 1	YEAR 2	YEAR 3
Staff Cost			
Gross Staff Salaries	400500	412500	422500
Employers PRSI	60000	50000	50000
Staff Bonuses	30000	30000	30000
Total Staff cost	490 500 €	492 500 €	502 500 €
Premises Costs			
Premises Rent	12000	12000	12000
Heat, Ligth & Power	3000	3200	3400
Insurance of premises	2000	2200	2400
Cleaning	1000	1000	1000
Maintenance	1500	1500	1500
Total Premises Costs	19 500 €	19 900 €	20 300 €
Transport Costs			
Repairs & Maintenance	3000	3000	3000
Vehicle Leases	4000	4000	4000
Fuel	6600	6600	6600
Road Tax	450	450	450
Deduct Private Use	-2000	-2000	-2000
Total Transport Costs	12 050 €	12 050 €	12 050 €
Sales & Promotion Costs			
Advertising	997 110	1 131 266	1 395 954
Packaging	314 241	377 089	439 937
Trade Fairs	100 000	0	0
Other Promotion Costs	80 000	0	0
Total Sales & Promotion	1 491 350	1 508 355	1 835 890
General Expenses			
Telephone	3000	3400	3600
Postage	500	500	500
Stationary	600	600	600
Office Expenses	800	800	800
Accountancy Fees	7 000	7 000	7 000
Legal & Other Fees	2000	2000	2000
Total General Expenses	13900	14300	14500
Finance Costs			
Interest on Loans & OD	2380	2380	2380
Bank Charges/ Fees	2500		
Other Finance Costs	0	0	0
Total Finance Costs	4880	2380	2380
Depreciation			
Property (2%)	0	0	0
Fixtures & Fittings (10%)	0	0	0
Motor Vehicles (20%)	5000	5000	5000
Total Depreciation	5000	5000	5000
Distribution			
Shipment	200 000 €	200 000 €	200 000 €
Total Distribution Costs	200 000 €	200 000 €	200 000 €

Balance Sheet for 3 years (2017-2019)

OPERATING BUDGET			
	YEAR 1	YEAR 2	YEAR 3
Sales	6 043 089	7 251 707	8 460 325
Cost of Sales	4 230 162	5 076 195	5 922 227
Gross Profit	1 812 927 €	2 175 512 €	2 538 097 €
Overheads			
Staff	490 500	492 500	502 500
Premises	19 500	19 900	20 300
Transport	12 050	12 050	12 050
Sales & Promotion	1 491 350	1 508 355	1 835 890
General Expenses	13 900	14 300	14 500
Finance	4 880	2 380	2 380
Depreciation	5 000	5 000	5 000
Distribution	200 000	200 000	200 000
Total Overheads	2 237 180 €	2 054 485 €	2 392 620 €
Net Profit/ Loss	-424 254 €	121 027 €	145 477 €
Tax on Profit (12,5%)	-53 032	15 128	18 185
Drawings	0	0	0
Profit Retained in Business	-371 222 €	105 899 €	127 292 €

Projected Cash Flow 3 years

CASH FLOW BUDGET			
	YEAR 1	YEAR 2	YEAR 3
Opening Bank Balance	0	-15 354	90 327
Incoming			
Loans	250 000	0	0
Cash Sales	6 043 089	7 251 707	8 460 325
Debtors	0	0	0
VAT Refunds (23%)	1 389 910	1 667 893	1 945 875
Other Income : Grant Aid	20 000	0	0
Total income	7 702 999	8 919 599	10 406 199
Expenditure			
Cash Purchases	4 230 162	5 076 195	5 922 227
Creditors	0		
Staff expenses	490 500	492 500	502 500
Premises expenses	19 500	19 900	20 300
Transport expenses	12 050	12 050	12 050
Promotion Expenses	1 491 350	1 508 355	1 835 890
Finance Costs	4 880	2 380	2 380
Loan Repayments	50 000	50 000	50 000
Purchase of Fixed Assets	30 000		
VAT Payable (23%)	1 389 910	1 667 893	1 945 875
Private Drawings	0	0	0
Total Expenditure	7 718 353	8 829 272	10 291 222
Net Cash Flow	-15 354	90 327	114 977
Final Bank Balance	-15 354	90 327	114 977

10. APPENDICES

Appendix 1:

Curriculum Vitae Valeria Zelentsova

Personal details:

Address: 16 Pearse Ave, Mervue, Galway

E-mail address: XXXX

Mobile: 0877777777

Date of birth: 08.02.19XX

Educational details:

<u>Dates</u>	<u>School</u>	<u>Course/Qualification</u>
2014-2015	Galway Technical Institute	Advanced Certificate in Business Management and Information Systems Level6
2005- 2006	Galway Community College	Exercise, Fitness and Nutrition Level 5
1994 - 1999	State University Russia	Degree in Philology Teacher of Foreign Languages (English, German)

Other certificates achieved:

Candidate-Master of Sports of Common All-Union Sport Classification in competitive swimming (Russia)

Employment:

<u>Dates</u>	<u>Company</u>	<u>Duties and Responsibilities</u>
2003 - 2009	Galway Dry Cleaners	General Assistant

Duties include

- Serve as the primary contact point for external customers
- Being responsible for processing orders from receipt to invoicing
- Prioritising incoming orders to facilitate on time deliveries

- Collaborating with other departments to achieve the order fulfilment within a designated time frame

Summers	Guest House	Administrator
2002-2010	19 College Road	

Duties include:

- Coordinating reservations between two booking engines in a timely manner
- Updating daily prices and availability
- Analysis of the bookings to identify potential issues or changes that may affect customer requirements
- Providing administrative support to the Proprietor of the business to adhere to customer commitments
- Communicating with customers via Internet, fax and phone
- Retrieving customer information to acquire outstanding payments
- Liaising with accommodation assistants to implement Company's standards of cleanliness
- Ensuring work hours are covered by the staff and adequate relief provided

2 weeks 2007	RTE 1, Galway	Interpreter (English-Russian),
		<ul style="list-style-type: none"> • interpreting for a documentary on the aftermaths of Chernobyl

Other skills:

- MS Office user
- Communications and Customer Service Skills
- Full driving licence

Languages:

- Russian - mother tongue
- English - fluent speaking, reading, writing
- German - intermediate

Referees:

John Leydon	Creg Wynne
Proprietor	Proprietor
19 College Road	Foster Court, Unit 4
Galway	Galway
Phone: 091-564670	Phone: 091-764523

Appendix 2:

Curriculum Vitae Danalaxmi Paquiry

Personal details:

Age: 21

Phone number: 06 51 XX

Address: Rue Aimé Cesaïre
31600 Seysses

E-mail: danapaquiry@gmail.com

Formation:

2016-2017: DUETE - SCHOOL OF BUSINESS MARKETING

GMIT Galway Mayo Institute of Technology - Galway

2014-2016: DUT - TECHNIQUES OF COMMERCIALISATION

University Institute of Technology Paul Sabatier - Toulouse

**2011-2014: HIGHSCHOOL DEGREE IN SCIENCE OF TECHNOLOGY
MANAGEMENT AND COMMUNICATION**

Bellevue High School - Toulouse

Mention Bien

Working experience:

2015-2016 SALESPERSON | INTERNSHIP

La Grande Récré - Toulouse

- Achieve the day to day fixed objectives of sales
- Ensure a quality service to the customers (advising the customers)
- Complete the merchandising objectives (conduct inventory reports, participate in the store layout)
- Ensure that the 4 P's (Price, Place, Promotion, Product) are respected and the security of the customers

2014-2015 ASSISTANT REAL ESTATE AGENCY INTERNSHIP

L'orée verte - Toulouse

- Prospection of new potential customer (Calling)
- Management of the agency website (Publication of new project building, update the website on a daily basis)
- Assist the real estate agent in the visits

Languages:

2017-2019: English - level C1

TOEIC score 895

Appendix 3:

Curriculum Vitae

Ying Yao

Personal details:

Address: 14 Pinewood Grove, Renmore, Galway
Mobile: 0833631327

E-mail address: XXXX
Date of birth: 26.11.19XX

Formation:

2016-2017: SCHOOL OF BUSINESS MARKETING

GMIT Galway Mayo Institute of Technology – Galway

2013-2016: ELECTRONIC ACCOUNT

Nanchang University School of Software – Nanchang

2014-2015 : MARKEING AND DISTRIBUTION MANAGEMENT

Tajen University - Taiwan

2010-2013: MULTI-SCIENCE

Pozhong High school – Poyang

Working experience:

2015-2016: PART-TIME

- Yinke cafe - Nanchang
- Modulate different kinds of coffee
- Responsible for recording running account
- Liquidate daily inventory
-

Other skills:

- National in Computing Level 2
- Driving licence

Languages: **Chinese - mother tongue**
 English - IELES 5.5

Appendix 4:

Risk Assessment

There are a number of potential risks facing the business. Having acknowledged the potential problems, the start-up can draw up contingency plans to counteract the following:

- Production delays and product recall. The start-up needs to sign up a contract with a company of high credentials and reputation. The start-up also needs to establish trustworthy relationships with the manufacturer and to tighten quality control procedures.
- Shortage of working capital. The start-up can arrange for the overdraft, reduce expenses on staff training, for example.
- Changes in online legislation. The company needs to closely monitor external environment and adjust its operations in due course.
- Increased shipment tariffs. The start-up will exercise all opportunities not to burden its customers with increased shipment costs, for example, it will look for a new partner who can offer competitive shipment tariffs.
- Change in exchange rates. The start-up will re-direct its marketing efforts to markets in other countries with more favourable exchange rates.

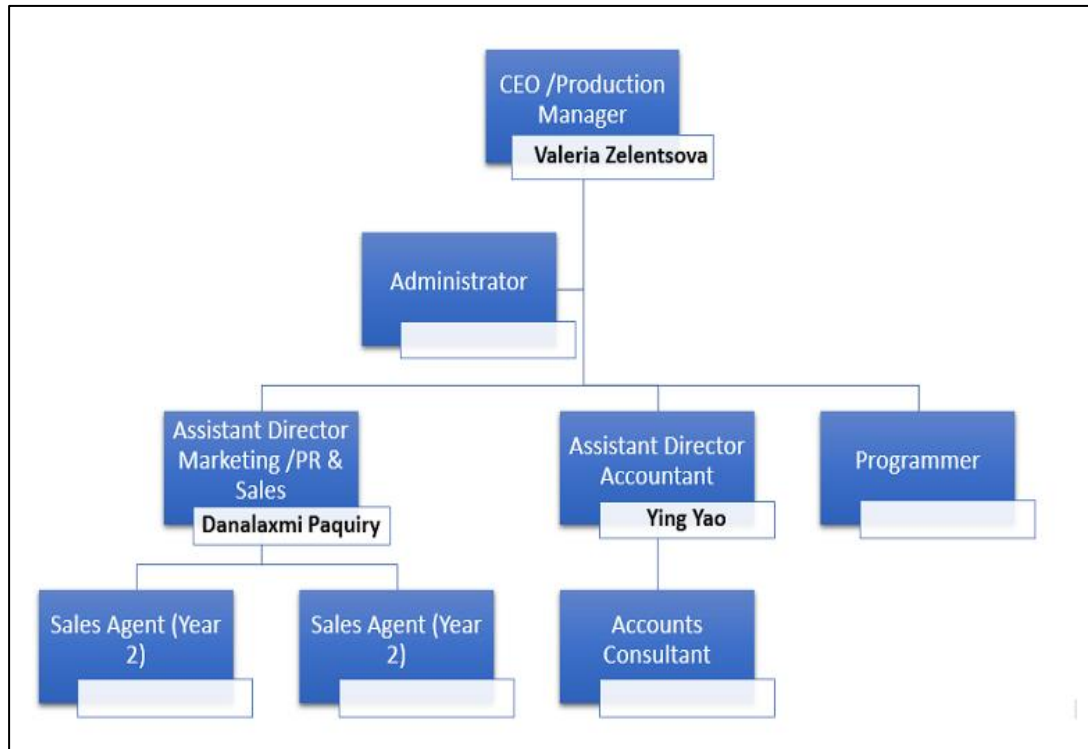
Appendix 5:

Project Timetable

TASK	TIMING
Prepare Business Plan	August 2017
Undertake Market Research	August 2017
Apply for a Bank Loan	September 2017
Find a Manufacturer for the Product & Sign up the Contract	October 2017
Address Recruitment Agency	October 2017
Interview Staff	November 2017
Set up a Website & its Testing	November 2017
Advertising Campaign	December 2017
Launch of the Website & Trading	January 2018

Appendix 6:

Organisation Chart



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