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## 1 Executive summary

The Singapore population is ageing and elderly have more emergencies at home than any other demographic segment. The E-Chain could help elderly with emergencies at home, because the E-Chain is a necklace that individuals can use to quickly connect to the emergency phone line. The E-Chain can be used by only using one hand, which is needed, because individuals who are in a lot of pain or panicking may not be able to use two hands. The market is very attractive, because there are no direct competitors. The only competitors are indirect competitors like smartphones or security equipment, but these products are more expensive than the E-Chain and are not as functional as the E-Chain. The industry is also very attractive, because both the supplier and customers have low bargaining power. The patent for the E-Chain is of key importance, because that prevent other organisations from copying the product and entering the market. The start-up will focus on the sales department, because general practitioners and pharmacies will be our main customers and the sales personnel need to convince general practitioners and pharmacists to sell the E-Chain using marketing tools. The E-Chain will be sold for \$99, which is the premium price strategy, which is normal, because the E-Chain is the only available product. The start-up will find an external lender who will lend the start-up \$500,000 with 3-5% interest. The start-up will not generate any profit in the first two years, because of initial investments like advertising, but the revenue will grow as a result of this. The E-Chain would profit a lot from an increased scalability, because most expenses are overhead expenses, which are not production related. The start-up should focus on two key success factors, which are the patent (which is still available) and the distribution channels, because they fit perfect with the target group.

## 2 Business details

### 2.1 Product description

8000 elderlies have fallen and injured themselves severely at home in 2016 (Channel NewsAsia, 2016) and there are not always people around to help them. Elderly have to count a lot on other people, because of their lack of mobility. Their lack of mobility can affect their ability to call for help when something happens to them and especially when someone is in a lot of pain or panicking. The E-Chain (Emergency-Chain) can help elders who are in distress and need to call the emergency phone line.

The E-Chain is designed (figure 1) to be light and solid, because it does not want to impact movement in elderly's normal life. An elderly can call for help by pressing two buttons simultaneously. This can be done using one hand in order to make it simpler for elders who are panicking or in a lot of pain. The two buttons also prevent unnecessary calls to the emergency line, because if it only had one button then it would be easier to call the emergency unnecessary, due to the fact that the necklace could hit something, which could lead to a call. A patent is needed in order to protect the product from being copied and that can be filed at the IPSOS, because there is no patent issued for this product at the moment (Ipos.gov.sg, 2017).

*Figure 1 The E-Chain design*



*Source: The author*

## 2.2 Mission and Vision statement

### 2.2.1 Mission statement

Our mission is to let people feel safe wherever they are, because they know that they can always count on the E-Chain when they are in distress.

### 2.2.2 Vision statement

Our vision is to improve people's security by providing them with functional gadgets, which will lead to a higher overall quality of life.

## 2.3 Goals and objectives

Goal: The start-up aims to become the market leader for safety gadgets in Singapore, by providing them with high quality and functional products.

Objective: The start-up aims to sell 6000 products to consumers within two years.

### 3 Market research and industry analysis

#### 3.1 Industry size and segments

The main target group is the elderly group. This group is known for having a lot of accidents at home, because of their restricted mobility and there is not always someone to take care of elders. The target group does not need to be separated in terms of gender, because elderly of both genders were interested in the product according to the buying intention survey (Appendix 1). It is however, hard to find suitable segments in the elderly target group, because of their similar behavioural and demographic traits (Towle and Martin, 1967). Elderly could be segmented in terms of geographical location, but Singapore is already a smaller market, so it the whole elderly segment will be the target group.

The Singapore population is ageing. The elderly (65 years and older) population in Singapore has increased in proportion from 8.4% of the total Singapore population in 2006 to 12.4% of the total Singapore population in 2016 (487.600 individuals) (Singstat.gov.sg, 2017). The target group is growing and the care is getting less intense, due to the fact that most Singaporean elders are being taken care of by family members and the number of double incomes from households is also growing (Singstat.gov.sg, 2017). The E-Chain will fit perfectly with these trends, because family members are worried about elderly, but can't stay home, because of the increasing cost of living in Singapore.

The E-chain focusses on the main target group elderly, because they will use the product. The children or people who come in contact with elderly could influence the decision-making process or even buy the product for elderly. The buying behaviour of these two target groups is different, because elderly will buy more products in brick and mortar stores, while adults would buy them at both brick and mortar stores and online. The start-up will focus primarily at the main target group, because it requires additional data to focus also on influencers.

#### 3.2 Market and industry trends

The external environment is analysed using the PESTEL model, because the PESTEL model is “a “mnemonic used in strategic management to group macro-environment factors to help strategists look for sources of general opportunity and risks (Witcher and Chau, 2010). The most important trends for that would influence that E-Chain can be found in table 1.

Table 1 Pestel framework

PESTEL	Trends
Political	Stable government
	Stimulates start-ups
Economical	Low wages in China
	Relatively low corporate taxes
	High buying power in Singapore
Social	Population in Singapore is getting older
	Dual income
Technological	Increasing E-commerce
Legal	Strict import rules
Environmental	Focus on green energy

Source: the author

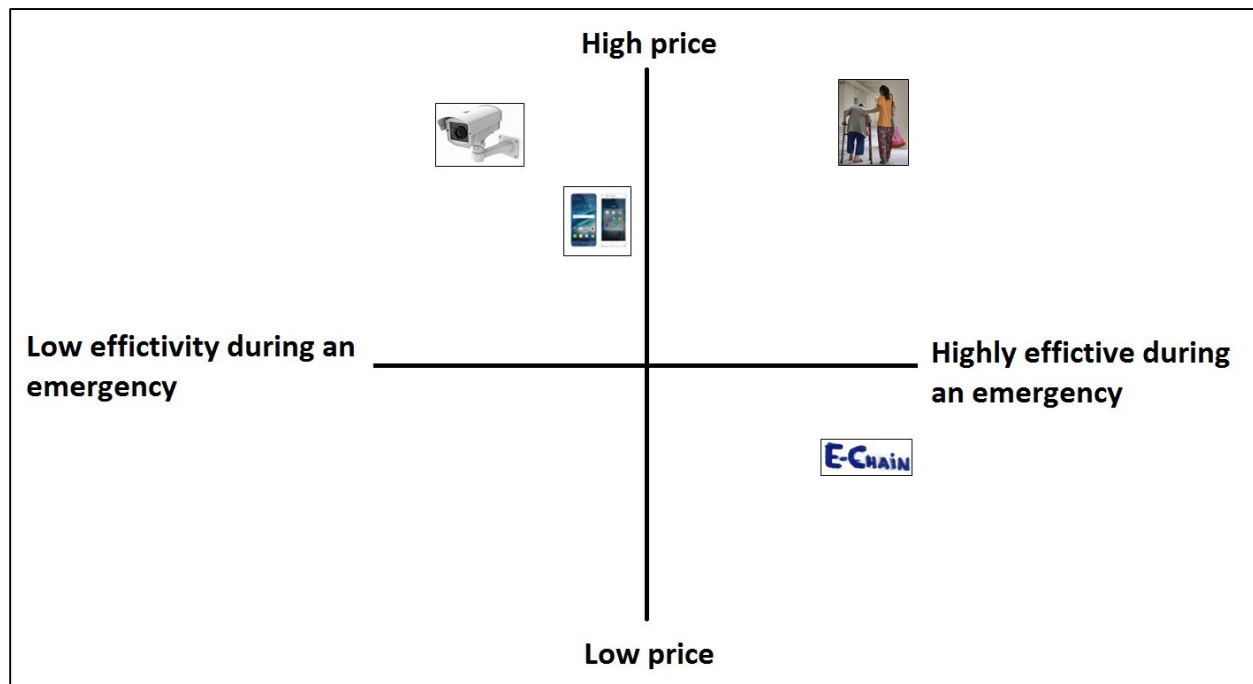
The most important trends are the ageing population of Singapore, because it is the main target group for the E-Chain and the dual income, which results in more elderly staying at home alone, which will create a need for the E-chain. Other important trends are the low wages in China, which will result in low manufacturing costs and the high buying power of consumers in Singapore, because the product will cost \$99, so consumers need to be able to afford the product. The increasing E-commerce could be a potential distribution channel by selling online if it is aimed at the people who will buy the E-Chain for the elderly. The government stimulates start-ups, which will benefit the start-up majorly, an example is the tax exemption up to \$100,000 for the first three years (Iras.gov.sg, 2017).

### 3.3 Competitor analysis

The E-Chain does not have any direct competitors, because there are no products made to fulfil the exact purpose of the E-Chain. There are however substitute products, which are displayed in figure 2. More and more Singaporeans have hired domestic workers in order to take care of elderly (Yeoh and Huang, 2009). One of the trends that contributes to this is the growing amount of dual incomes. Helpers are far more expensive than the E-Chain and most consumers can't afford a helper, so the E-Chain differentiates in this area in comparison to the helper. Consumers have also bought security cameras and other security equipment in order to keep elderly safe, but this is in most cases expensive. The responsiveness from these types of equipment is also low, because many of the cameras are not watched by security people and most of them lack sound, so there is no way to communicate with someone inside the house. Many consumers do not want camera's in the house for privacy reasons. An increasing number of elderly is in possession of a smartphone (Pang et al., 2015). The smartphone could be used by elderly when they are in distress to call the emergency phone line, but the smartphone is not as easy to use, because an

individual has to press many buttons before he or she can connect to the emergency phone line. An individual who is in a lot of pain or is panicking may not have the ability to press all these buttons, so the smartphone is not as functional as the E-Chain. Most smartphones are also more expensive than the E-Chain.

Figure 2 Product positioning map



Source: the author

### 3.4 Industry intensity

The intensiveness of the industry is an important part of the industry analysis, because it analysis the power of external stakeholders, possibility of new entrants and the danger of substitute products (Hill and Jones, 2013). Both the suppliers and the customers have lack bargaining power, because there are many different suppliers and the E-Chain is the only product on the market. There are however a number of substitute products (figure 3), but they are either more expensive or not as functional as the E-Chain, so the E-Chain will not face real problems from indirect competitors. The intensity on the market itself is low, because of the lack of direct competitors. A patent is the most important aspect of the business, because this would decrease the possible number of new entrants, which would keep the competitive rivalry low.



Figure 3 Five forces model of Porter

Forces	Analysis	Intensity of threats
Threats of new entrants	The market is new, so there would be plenty of opportunities for larger organisation to enter this market. The new entrants would have to invest more resources, because of lack of brand awareness as a result of entering the market second.	Medium
Bargaining power of suppliers	The product can be made by many suppliers, because of its simple design and material use	Low
Bargaining power of customers	This is the first product on the market, so there is no alternative product to buy for customers, which makes their bargaining power low	Low
Treats of substitute products	There are some products who could be used to reach the emergency phone number, but these products are not easy to use, which would make the products hard to use for individuals who are hurt or panicking.	Medium
Competitive rivalry	The product might be copied by another organisation, unless we can file for a patent. The competition can be a big threat, but at this point of time there are no competitors.	Medium

Source: the author

## 4 Marketing strategy

### 4.1 Marketing

Elderly regularly visit general practitioners and pharmacies, because of health problems which occur more frequently when individuals get older. These are also the places where elderly buy most of the required products in order to counter their health problems. These distribution channels are therefore of vital importance to the business and sales personnel need to have the right marketing tools in order to fulfill their task. The marketing mix is used in order to summarise a defined set of tools that creates a desired response in the targeted market (Riaz, 2011). The marketing mix for the E-Chain can be found in figure 4.

Figure 4 The marketing mix



Source: The author

The sales personnel will get brochures which includes the number of elderly that suffer from emergencies at home and the easy way of solving the problems using the E-Chain. This will aid them when they are persuading the general practitioners and pharmacists to sell the E-Chain. The importance of this is not only for the general practitioners and pharmacies to sell the product, but also to truly help them see that the E-Chain could benefit elderly. General practitioners and pharmacies who truly believe that it could help will recommend the E-Chain more to customers than that they would if they didn't believe its use.

The E-Chain will be sold for \$99, which is in line with the skimming price strategy, because the E-Chain will be sold for a premium price (Singh, 2013). The E-Chain can be sold for a premium price, because the customers have low bargaining power, due to the fact that they can't buy any similar products.

## 4.2 Sales

Sales personnel needs to focus their efforts strictly on general practitioners and pharmacies, because it fits perfect with the product. The sales personnel will use the material that the marketing department created for them in order to convince the distribution channels to sell the product, because we are not selling the product directly to customers in brick and mortar stores, so they need to be enthusiastic about the E-Chain too in order to make a success. General practitioners can even recommend it, because an elderly had an emergency at home and came to him or her for treatment. Advice from doctors and medical personnel is taken very seriously by most people who visit them, because of their specialised background. The in-store promotion will be used by the sales department in order to aid the personnel at the distribution channels and to draw attention to the product.

A value proposition is a marketing tool that is used to express the value that an organisation seeks to deliver to their customers, which are based on their strategies and their shareholders' values (Hassan, 2012). The E-Chain can benefit to the quality of life of elderly, so the sales team needs to emphasise on the benefits by using the following value proposition: The E-Chain is a light necklace with the ability to easily warn the emergency phone line when elderly are in distress, which will result in fewer worries for the customer itself and the people around them. The E-Chain improves the quality of life!

## 4.3 Growth potential

The start-up can grow in four ways according to Ansoff's growth matrix (Ginevičius and Auškalnytė, 2001). The growth possibilities with the current product and in the current market (market penetration growth strategy) are big, because of the favourable competitive and external environment, but this growth will stagnate in the future, so the company needs to find other ways to keep growing. The E-Chain can be sold in new markets using the market development strategy. The E-Chain is not cheap, so the company will have to look for markets to enter with similar trends (PESTEL). The population in Hong Kong is also ageing and consumers have more buying power than surrounding consumers of surrounding countries, so Hong Kong might be a good alternative. The product could also be sold to new target groups like the customers with a handicap or the E-Chain could even help young children. The start-up can come up with new products and sell that in existing and new markets using the product development and diversification growth strategy. The start-up invests \$20,000 every year in R&D, so that could lead to new product introductions.

## 5 Operations plan

### 5.1 Key operating activities and resources

The manufacturing will be outsourced to China, because of the many supply options, cheap labour and high-quality manufacturing work (Liu, Cheng and Zhong, 2016). The products have to be monitored carefully when they are produced, so the author will personally visit the plant in China when the first E-Chain will be manufactured to ensure that the quality is the same as agreed upon. The manufacturer will be responsible for any defaults according to the still to be prepared contract, which will give the start-up insurance. The reason that these claims can be put into the contract is because of the low bargaining power of suppliers (figure 3). The products will be flown to Singapore instead of shipped, because of the low weight, which makes it more cost effective by airplane. FedEx could be used for this. The number of times that products will be delivered is low, so there is no need for a partnership. The products will be stored in the office space that will be rented by the start-up. The products will be delivered using the package delivery services like SingPost. New office supplies (equipment) will be bought in order to enable the personnel to work as efficient as possible.

### 5.2 Partnerships

E-Chain needs to partner up with a telecommunication organisation in order to let customers make calls to the emergency phone line. Most telecommunication organisations would be open to partner with the start-up, because they are always looking for new revenue streams and the start-up is not blocking any of their direct customers, because there are no direct competitors. Their initial investment is low and their profit will grow as the start-up grows as well.

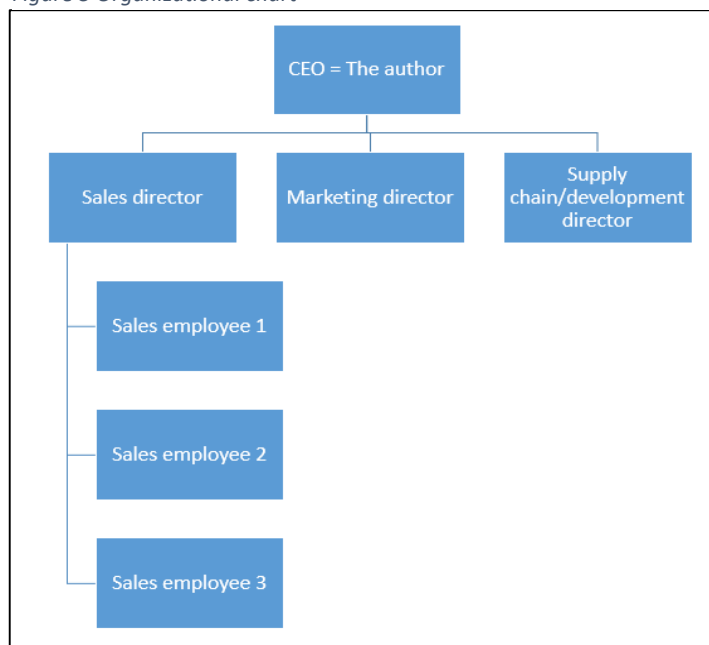
### 5.3 Scalability

A scalable business is defined as a business with the ability to increase revenues faster than the corresponding cost base (Björkdahl and Holmén, 2013). The start-up would need to invest more money in order to handle more products or develop new products as is explained in 4.3 (growth potential). Most of the start-ups costs are overhead costs, so the start-up would profit majorly from increased sales. The production of the products will be increased and that may be a problem for the manufacturer. There is plenty of supply (3.4 industry intensity), which would make it easy to find new suppliers. This comes however with a risk, because the products might be manufactured in a different way, which could result in a different level of quality. The quality of the products from the new manufacturer needs to be monitored closely in order to sustain the growing business. The start-up would also have to hire more personnel in order to look for new business opportunities in the form of new revenue streams or new products using the R&D budget.

## 6 Management team and company structure

An organisational chart (figure 5) is of importance in an organisation, because it gives clarity regarding the chief of command and employees know who they can ask for help when they need it. The general practitioners and pharmacists will be the actual sales people when it comes to selling to customers, so they need to be convinced to sell the E-Chain and that is why there are more sales employees in comparison the other business functions. There is however, a need for marketing material to assist the sales department and to promote the product. The start-up does therefore need an experienced marketing employee who can work together with the sales director to create the best promotion material for the sales department. The marketing director also needs to have experience with creating brand awareness for newly developed products, because all the potential customers do not know that the product exists. The supply chain/development director needs to be an all-round employee who can multitask between projects. There is a need for one supply chain/development director, because the products need to be manufactured and send to customers on time. This employee will spend a lot of time with the product and it will therefore be easier to come up with improvements or even new products. This could be done in co-operation with the marketing director, because he can collect data from customers by conducting marketing research. The financial function of the start-up gets handled by the CEO, so there is no need to hire someone for that function.

Figure 5 Organizational chart



Source: the author

## 7 Financing

The financing is one of the most important aspects of a start-up and financing a start-up with only personal funds can result in more risk (Abdulsaleh and Worthington, 2013). The reason for this is that it a negative result in the first years could hit the business even harder, because it creates more pressure. The gearing ratio is therefore not needed to calculate, because the author did not invest any money in the start-up. The author has therefore decided to look for an external lender in order to start the start-up. The author needs \$500.000 to start the start-up and the external lender will get an additional 3-5% interest back to make up for the risk. The external lender will start to receive their loan back from the fourth year onwards in order to put less financial stress on the start-up for the first three years, which will result in a more stable organisation. The lender is able to get their money back if they want to redraw it earlier from the start-up, but this comes with a reduction of the receiving amount, because of not fulfilling the contract. The lender will in that case only receive half the money that still needs to be paid back.

## 8 Financial projections

The three key financial statements (balance sheet, income statement and cash flow statement) are analysed, because this is of key importance for shareholders and particularly to external investors/lenders. Researches even argued that it is the most important area for investors to look at (Vestine, Kule and Mbabazize, 2016), because the main focus of investors is to receive more money than they invested and financials can show the financial status of the company, which can be used to analyse risks.

### 8.1 Cash flow statement

The projected cash flow statement (table 2) shows the projected first three years of the start-up. The cash flow statement is important for all shareholders, because it shows the outcome of all three types of financial activities (Sharma and Saha, 2015), so it shows if an organisation is able to generate cash.

*Table 2 Cash flow statement*

	Period ending Dec 31, 2018	Period ending Dec 31, 2019	Period ending Dec 31, 2020
<b>Cash Flows From Operating Activities</b>			
Depreciation & amortization	\$1,000	\$1,000	\$1,000
Stock based compensation	-	-	-
Inventory	40,000	20,000	40,000
Other working capital	\$30,000	\$45,000	\$65,000
Other non-cash items	\$50,000	\$70,000	\$85,000
<b>Net cash provided by operating activities</b>	<b>\$121,000</b>	<b>\$136,000</b>	<b>\$191,000</b>
<b>Cash Flows From Investing Activities</b>			
Investments in property, plant, and equipment	\$30,000	\$10,000	\$10,000
Research and Development	\$20,000	\$20,000	\$20,000
Acquisitions, net	-	-	-
Purchases of investments	\$10,000	\$10,000	\$10,000
Other investing activities	-	-	-
<b>Net cash used for investing activities</b>	<b>\$60,000</b>	<b>\$40,000</b>	<b>\$40,000</b>
<b>Cash Flows From Financing Activities</b>			
Debt issued	-	-	-
Debt repayment	-	-	-
Common stock issued	-	-	-
Dividend paid	-	-	-
Other financing activities	-	-	-
<b>Net cash provided by (used for) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
Effect of exchange rate changes	-	-	-
<b>Net change in cash</b>	<b>\$61,000</b>	<b>\$96,000</b>	<b>\$151,000</b>
<b>Cash at beginning of period</b>	<b>500,000</b>	<b>\$561,000</b>	<b>\$657,000</b>
<b>Cash at end of period</b>	<b>\$561,000</b>	<b>\$657,000</b>	<b>\$808,000</b>

*Source: The author*

## 8.2 Balance sheet

The projected balance sheet (table 3) shows the projected first three years of the start-up.

Table 3 Balance sheet

Assets	Period ending Dec 31, 2018	Period ending Dec 31, 2019	Period ending Dec 31, 2020
<b>Current assets</b>			
Cash	\$ 500,000	\$ 561,000	\$ 657,000
Receivables	\$ 124,750	\$ 195,700	\$ 264,600
Inventories	\$ 60,000	\$ 60,000	\$ 60,000
Prepaid expenses	\$ 52,245	\$ 56,448	\$ 58,657
Other current assets	\$ 2,546	\$ 2,798	\$ 3,198
<b>Total current assets</b>	<b>\$ 736,995</b>	<b>\$ 873,148</b>	<b>\$ 1,040,257</b>
<b>Non-current assets</b>			
Equipment	\$ 30,000	\$ 40,000	\$ 50,000
Accumulated depreciation	\$ 1,000	\$ 1,000	\$ 1,000
<b>Total non-current assets</b>	<b>\$ 31,000</b>	<b>\$ 41,000</b>	<b>\$ 51,000</b>
<b>Total current assets</b>	<b>\$ 736,995</b>	<b>\$ 873,148</b>	<b>\$ 1,040,257</b>
<b>Total non-current assets</b>	<b>\$ 31,000</b>	<b>\$ 41,000</b>	<b>\$ 51,000</b>
<b>Total assets</b>	<b>\$ 767,995</b>	<b>\$ 914,148</b>	<b>\$ 1,091,257</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Wages Payable	\$ 195,000	\$ 195,000	\$ 195,000
Accounts payable	\$ 7,000	\$ 10,000	\$ 14,000
Taxes payable	-	-	-
Other current liabilities	\$ 60,000	\$ 70,000	\$ 100,000
<b>Total current liabilities</b>	<b>\$ 262,000</b>	<b>\$ 275,000</b>	<b>\$ 309,000</b>
<b>Non-current liabilities</b>			
Long-term debt	\$ 500,000	\$ 515,000	\$ 530,450
Deferred taxes liabilities	-	-	-
Minority interest	-	-	-
Other long-term liabilities	\$ 4,000	\$ 5,000	\$ 7,000
<b>Total non-current liabilities</b>	<b>\$ 504,000</b>	<b>\$ 520,000</b>	<b>\$ 537,450</b>
<b>Total liabilities</b>	<b>\$ 766,000</b>	<b>\$ 795,000</b>	<b>\$ 846,450</b>
Stockholders' equity	-	-	-
Common stock	-	-	-
Retained earnings	-	-	-
Accumulated other comprehensive income	-	-	-
<b>Total stockholders' equity</b>	<b>\$ 1,995</b>	<b>\$ 119,148</b>	<b>\$ 244,807</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 767,995</b>	<b>\$ 914,148</b>	<b>\$ 1,091,257</b>

Source: The author

The balance sheet shows a tough first year with just a positive stockholder's equity. This has to do with a projected lack of turnover in the first year, because the start-up will have to gain customers in the first year, but this will take time. The market is really big and not saturated at all, because the target group is not all familiar with the product. The stockholder's' equity will therefore grow quickly, because the sales will increase a great amount in the next two years. The start-up can pay back all their current liabilities, because the quick ratio of 2017 is 2,6.



### 8.3 Income statement

The income statement is an overview of the revenue and expenses of the start-up for the next seven years (table 4). The lack of profit in the first two years is reasonable, because the start-up needs to do higher initial expenses in order to grow the organisation. Most of the expenses are overhead expenses, because the product is cheap to produce. The start-up would therefore profit majorly if it can increase the sales, because the cost will not grow as fast as the profit if the revenue increases. There is no need for the start-up to pay tax the first years, because the Singapore government gives start-ups a tax exemption for the first three years (Iras.gov.sg, 2017).

Table 4 Income statement

	Period ending Dec 31, 2018	Period ending Dec 31, 2019	Period ending Dec 31, 2020	Period ending Dec 31, 2021	Period ending Dec 31, 2022	Period ending Dec 31, 2023	Period ending Dec 31, 2024
<b>Revenue</b>							
Sales revenue	\$300,000	\$400,000	\$550,000	\$650,000	\$700,000	\$750,000	\$800,000
Cost of revenue	\$20,000	\$29,000	\$43,000	\$52,000	\$55,000	\$57,500	\$60,000
Gross profit	\$280,000	\$371,000	\$507,000	\$598,000	\$645,000	\$692,500	\$740,000
<b>Expenses</b>							
Advertising	\$70,000	\$100,000	\$60,000	\$60,000	\$40,000	\$40,000	\$40,000
Depreciation	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Insurance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Equipment	\$30,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Rent	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Insurance	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Research & development	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Wages	\$195,000	\$195,000	\$195,000	\$195,000	\$195,000	\$195,000	\$195,000
Payback loan + interest				\$65,000	\$65,000	\$65,000	\$65,000
Total expenses	\$366,000	\$376,000	\$336,000	\$401,000	\$316,000	\$316,000	\$316,000
Net income before taxes	-\$86,000	-\$5,000	\$171,000	\$197,000	\$329,000	\$376,500	\$424,000
Income tax expenses	\$0	\$0	\$0	\$33,490	\$55,930	\$64,005	\$72,080
Net income	-\$86,000	-\$5,000	\$171,000	\$163,510	\$273,070	\$312,495	\$351,920

Source: The author

## 9 Risks and strategic options

### 9.1 Risks and monitoring risks

Vonortas and Kim identified five types of risk: market, operational, financial model, financial and opportunity risk (Malerba and Caloghirou, 2015). The biggest risk types for the start-up are the market, operational and financial risk. The market and operational risks are important risks to monitor, because the E-Chain will be sold by general practitioners and pharmacies, so the sales personnel needs to sell the E-Chain to many general practitioners and pharmacies in order to boost the revenue. The customers will only keep buying when consumers buy the E-Chain of them and when the products are performing as promised, which is a job for the supply chain function. There is also a financial risk, because if it turns out that the revenue is not as high as was projected than it will be harder to pay back the loan, which could lead to a destabilisation of the start-up. These risks will be monitored by the author (CEO), because he is in charge of the financials, which results in a good overview of the start-ups performance, so the author can modify the strategy if needed.

### 9.2 Success factors and strategic options

Success factors are factors that are so important that they could be decisive an organisation fails or succeeds (Aghaei Meibodi and Monavvarian, 2010). The start-up has two major success factors. The patent is very important to the start-up, because it will protect the business and will make it harder for other organisations to enter the market. It is still possible to obtain a patent for the E-Chain (as explained in 2.1), but the start-up could counter it if the patent request fails. The start-up could create an improved product and file a patent for that product or could invest more resources in the branding of the product, which will make the entry barrier higher, because new entrants would have to invest more resources to create brand awareness. The distribution channels are a major success factor, because that is where the products will be actually sold. The marketing departments first priority is to create marketing tools for the sales personnel to use. The marketing department budget will be increased if the sales personnel has problems with convincing general practitioners and pharmacies to sell the E-Chain.

## 10 Key milestones

The author has formulated milestones (figure 6) that need to be achieved in order to grow the business according to the projected financials. The key success factors are included in milestones of 2018, because they are key to the success of the start-up. One of the important tasks that need to be done in 2019 is market research with as goal to find a new target group. The E-Chain could also be useful for kids or handicapped individuals, but market research needs to conclude if there is a need within these target groups. New distribution channels will be a logical consequence of the new target group. The start-up will have to find new sources of business (geographically) and should start with developing new products in order to sustain the growth of the start-up.

*Figure 6 Key milestones*



*Source: The author*

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## 12 Appendices

### Appendix 1: Buying Intention Survey

#### Questionnaire regarding the E-Chain

This questionnaire is about the E-chain. The E-Chain is a necklace that elders can wear around their neck and by pressing one button it will connect an individual with the emergency line, which will enable them to communicate immediately.

What is your gender?

- ☐ Male
- ☐ Female

What is your age?

- ☐ 0 - 18
- ☐ 19 - 35
- ☐ 36 - 55
- ☐ 56 - 100

Have you had an emergency at home before?

- ☐ Yes
- ☐ No

Are you scared that something might happen to you when you are alone at home?

- ☐ Yes
- ☐ No

...

Would you be able to use any equipment you currently have in order to call for help when you are in serious pain or panicking?

- ☐ Yes
- ☐ No

Would you be interested in buying the E-Chain, can you please show your interest on a scale from 1 (lowest) - 5 (highest)?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

How much would you pay for the E-Chain?

☐ 0 - \$50

☐ \$50 - \$75

Would you feel safer if you would wear an E-Chain?

☐ Yes

☐ No