



Plan 3

NIBS Plan Competition

Executive Summary

SANA is preparing to introduce a new hand sanitizer to the healthcare industry. The product will be innovative, unique and efficient, adhering to national and international standards regarding hand hygiene. The company will be competing against Purell on an international level and MedGuard Healthcare Ltd. and Galleon supplies on a national level. We have a set list of objectives we aim to achieve over the following three years. We plan to base our company in Ireland. In our first year we plan to have our product installed in majority of Irish hospitals and to have created a name for ourselves in this industry. In year two we plan to travel to the North of Ireland and through that enter the United Kingdom. Where, we plan to introduce our product to the international market. In our third year we plan to enter Europe and become recognized internationally. We also aim to be acknowledged as a trustworthy brand identity within national healthcare settings and to introduce our devices to 15-20 Irish hospitals by the end of year 3.

Introduction

SANA is an innovative healthcare hygiene company consisting of five eager product design students. Each with a range of unique skills and specialties united in the goal to bring innovative solutions to common healthcare settings and create a reputable business and brand identity.

Mission Statement

SANA's mission is to create innovative, safe and cost effective healthcare product solutions in line with current national and international standards. We endeavor to use the latest technologies and aspire to deliver long lasting and efficient products to our customers.

Objectives

- Create an innovative hand hygiene solutions system that adheres to current international and national standards;
- Seek out internal and external advocates to assist in a trial run of device in both Ireland and the countries abroad;
- Build a reputable and respected brand name and identity;
- Expose the product to international fairs of medical and health care.
- Introduce the device to public and private hospitals in Ireland by the end of year 1;
- Introduce the device to public and private hospitals in United Kingdom by the end of year 2;
- Introduce the device to public and private hospitals in Europe by the end of year 3;
- Introduce product to primary care centers
- Upgrade the brand legally and adapt the identity to an international standard;
- Restrict and limit first year losses;

Keys to Success

- Forming a respected brand name and identity within the healthcare industry.
- Create a unique selling point to buyers.
- Create an innovative, affordable and effective hand hygiene device.
- Keeping the cost of the device in line with current models.

Core Product

This hand sanitizer uses infrared (PIR) sensor to detect motion in its area of operation (area in front of the spray holes). A pressurized container is placed into a slot in the hand sanitizer, this container will contain Isopropyl alcohol 75% v/v, which is a chemical used for most hand sanitizers but in essence the chemical used can be easily changed because it is placed in the form of pressurized containers, which can be changed. Once a hand is placed into the ring (ring of spray holes in the sanitizer) a motion sensor is activated sending an electric signal to the rest of the mechanism activating the release trigger and a valve to release the pressurized containers contents. It is powered by a 9V battery enclosed within the sanitizer. There are also 2 LED's, one to show that the product is on and the other to warn for a fault or show that the product is off.

Our product differs from other products on the market in a number of ways:

1. There is no physical contact between the user and the product. The sanitizer detects a hand and will release the spray upon detection. Thereby, eliminating physical contamination by, cancelling out all physical interaction.
2. It is faster to clean your hands using this product as the product is designed to apply the cleaning chemical to the hand in such a way that it is all covered and because of the pressurized state of the Isopropyl alcohol 75% v/v, upon release it will form a mist that will evaporate shortly after release. Meaning once the chemical contacts the skin it will evaporate eliminating the need to rub your hands.
3. As it takes less time to clean your hands because the need to rub your hands is eliminated this means that people using this product will spend less time on cleaning their hands. In the case of medical workers this means they will spend more time working and not cleaning their hands.

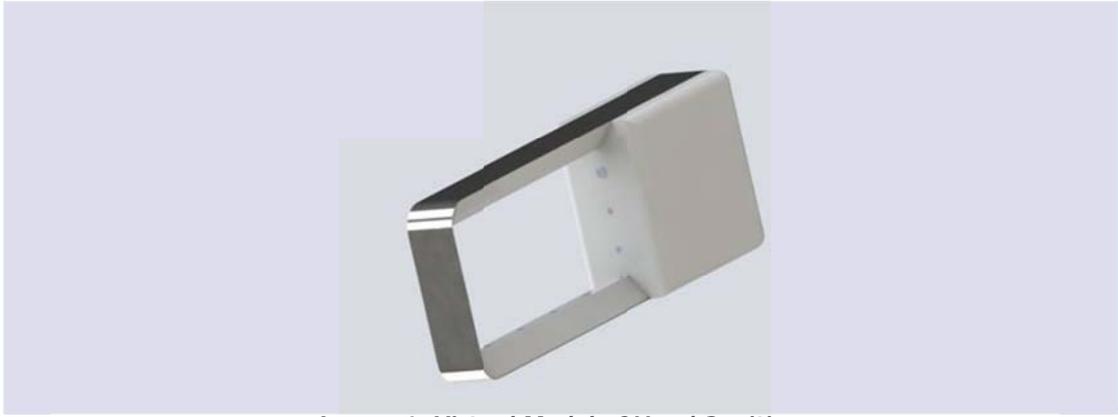


Image 1: Virtual Model of Hand Sanitizer



Hygiene Device in Context

Marketing

Target Markets

The target market that our company wishes to penetrate is the hygiene sector and with the main buyers being hospitals. SANA's market consists of both private and public hospitals as well as general practices. There are 48 public hospitals in the Republic of Ireland run under the Health Service Executive employing over 100,000 people in various roles. These hospitals will be our main target market in the first year. Although this is a niche market we feel that within a year our company will have expanded considerably allowing us to expand to further markets such as the international hospital hygiene market, retirement centers, schools and other businesses requiring high standards of hygiene. We have not chosen a specific hospital group to target instead we feel that any hospital that is willing and looking to have a new approach of hand hygiene will be our main clientele. Each hospital in Ireland has an Infection Prevention and Control Team (IPCT) made up of employees from different departments including:

- Pharmacists
- Microbiologists
- Clinical nurses
- Administrative workers

In this regard we will need to promote and advertise our products in medical journals, publications and at medical conferences nationwide ensuring we reach all members of the IPCT. Alongside this the HSE procurement division works in conjunction with the Irish Small to Medium Enterprises (ISME) to facilitate business between the HSE and small enterprises such as SANA. This means that we can market our product directly to the HSE procurement division at set times during the first year during expos run by ISME. We will also promote our product to the Health Protection Surveillance Center (HPSC) and directly to the Health Information and Quality Authority (HIQA). Microbiologists make up a significant portion of the IPCT within hospitals; therefore it makes sense

to publish advertisements in publications by the non-governmental Irish Society of Microbiologists.

As our company grows and approaches the second year we plan to enter into the international market. Our target market will widen when we emerge into the international market. We need to focus on the international regulators for example, WHO (World Health Organisation) and EUPHA (European Public Health Alliance). We hope to collaborate with Enterprise Ireland and their International Program which is set up to help small business gain contacts with international organisations.

SWOT Analysis

Strengths:

- Our product is an innovative and sleek design.
- The material used keeps the device bacteria free.
- There is very little waste due to the spray instead of a pump dispense.
- Less time consuming.
- Ease of use.
- No need to rub in sanitizer to your hands as it dries instantly.
- Hands free.
- Large target market- nationally and internationally .

Weaknesses:

- People are resistant to change.
- People don't clean their hands with current hand sanitizers.
- It will be very costly to implement in hospitals.
- You have to refill the solution which may be seen as a nuisance.
- Lack of brand name/identity.

Opportunities:

- Due to high profile of bad hygiene in hospitals they are looking for a change.

- It will rectify a huge problem at the moment.
- Government assistance is available.
- Room to expand target market.

Threats:

- The new levy on financial institutions
- Up and coming businesses
- Current hand sanitizer products on the market

Competitor Analysis

Currently our main competitors in the industry are:

- Purell
- Esense Hygiene (EBIOX)
- MedGuard Healthcare Ltd.
- Galleons supplies
- Irish Medical Supplies Ltd.

These companies are currently selling hand sanitizers at a price of €17:15 per unit when bought in bulk. Each unit requires refills which cost €31.85 per pack of three when purchased in bulk. One of our units will cost €40, refills for our unit will cost €5.95. In this sense our product price is in line with current products sold to the HSE.

Price

In order to create an appropriate price for our product we used the cost plus margin formula. The cost of one unit to manufacture and ship to Ireland (including import duties) is €18.23. Therefore to ensure we as a company cover all of our expenses and still have a remaining profit our selling price is €40. This is a 55% mark up.

In our first year we want to create a recognizable brand for SANA. We plan ship in 1500 units of our product. This will allow us to entire several hospitals and become known. We hope to sell 1000-1200 units in the first year. If demand is higher than we have forecasted we have remaining stock that can be used. Otherwise we will just carry this stock into the following year as our opening stock. In our second year we predict that demand will rise especially as we plan to enter the international market. For that reason we plan to order 2500 units. We estimate to sell roughly 2000 units within year two. We plan to over order stock in case demand is higher than predicted.

To increase the sales of our product we have planned to offer a 5% discount on orders over 100 units. We hope that this will entice buyers to buy larger amounts of our product. Economies of scale come into play here as the more units bought in the lower the costs are and therefore the profits are higher.

The payment terms will be 60 days from invoice date.

Our target return pricing will be a slight loss in the first year, as the amount of units we are looking to import will not cover our expenses. In order to create a profit from each unit in the first year each unit must be sold at over €43. We SANA felt this price was unreasonable. Once sales go beyond 2000 units the company will be making a profit. We believe we will fulfill this projection by our second year.

We as a company are confident in our product and are willing to offer a 5-year guarantee.

Distribution and Promotions

The company aims to distribute the product nationwide and worldwide, using the following to promote the product to the healthcare industry:

Nationwide

- Create print advertisements within medical journals and healthcare associated publications
- Liaise with key advisors within the IMO, HIQA, HSE & HAPC
- Promote product at Enterprise Ireland Medical Expo & various medical expos throughout the year
- Demonstrations of product in primary care centers
- Direct selling to customers in showrooms or face to face
- Negotiation with retailers to stock your product
- Efficient supply chain allowing retailers an efficient supply
- Packaging design to encourage purchase
- Point of sale displays

Worldwide

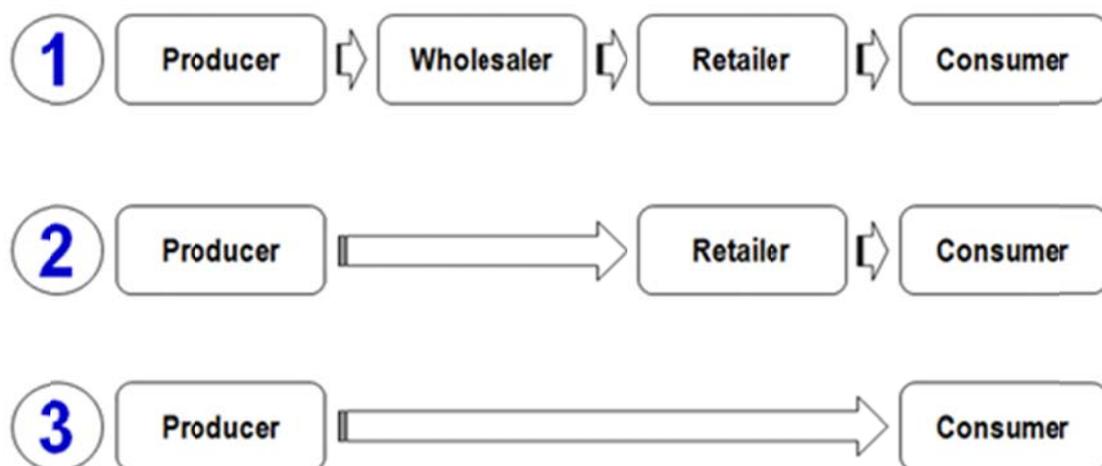
- With help from the Enterprise Ireland International Program to enter the international market by helping us with contacts and funds.
- Create a publication on the internet through an official website informations and advantages of the product, available in English and other languages;
- Establish a partnership with private hospitals, creating plans and promotions to encourage the purchase;
- Promote the product on international fairs and events, providing some units to use and test;
- Provide and spread the product to countries with critical problems related to hygiene in hospitals;
- Translate all the information of the product to the local language; .

- Packaging design to encourage purchase;
- Point of sale displays.

The company's customers would require large vans that would deliver directly to the hospitals. Large van will be required as we figure the hospitals will not be buying one or two models but yet a large number in the 40's and 50's.

International distribution will be based on a planned service that would deliver the certain amount of product. In relation to European countries the products will be delivered by ship or van. For the United Kingdom products will be delivered by van or ship. The products will be delivered by the service of shipping or local vans, but raising the product price to compensate the value of the transportation.

As a strategy to improve the company, all of the sales business to business this means we have cut out the need for wholesalers and retailers. This will benefit our company because as we are cutting out "the middle man"; this means we will not have to give a percentage of our profits out as dividends thus will mean a higher profit for our company. This is known as direct marketing channel. In the diagram below we will be using the 3rd channel.



We plan to have the assembly point of the product and the packaging in the same factory. The company will have a warehouse where we can hold

our stock and when an order is placed we can then distribute straight from the warehouse to the buyers.

We as a company decided to use a push pull strategy. We chose this strategy because the push method means bringing the product straight to the consumer and that is our plan by selling business to business.

Operations

Operations will run in the following manner:

- Device parts will be purchased from a supplier in China
- The supplies will be shipped to a manufacturer nearby and assembled and packaged
- Assembled devices will be shipped to the company warehouse in Rathmines, Co. Dublin, Ireland.
- From here the company will deliver the product directly to prospective buyers. As the company expands couriers may be used to fulfill this requirement.

Finances

SANA

Balance Sheet

Assets		
Current Assets:	2014	2015
Cash	€30,000	€15,000
Trade Receivables	€15,532	€20,000
Total Current Assets	€45,532	€35,000
Fixed assets:	2014	2015
Inventory	-	€7,292
Van	€4,950	€9,900
Less accumulated depreciation	€990	€1,980
Total fixed assets	€5,940	€19,172
Total Assets	€51,472.00	€54,172.00

Liabilities		
Current Liabilities:	2014	2015
Bank Overdraft	€152	€172
Trade Payables	€1,320	€4,000
Total Current Liabilities	€1,472	€4,172
Long-Term Liabilities:	2014	2015
Long-Term Loan	€50,000	€50,000
Total Long-Term Liabilities	€50,000	€50,000
Total Liabilities	51,472.00	54,172.00

Income Statement

2014 2015

		2014	2015	
Sales/Revenue/Income/Fees	100%	44,000	80,000	
Cost of Sales	40%	27,345	36,460	
Gross Profit	60%	16,655	43,540	
<i>Gross Profit Margin %</i>		<i>38%</i>	<i>54%</i>	
Add Income/Gains		-	-	
Less Expense				
Wages and Salaries		10,000	10,000	Semi-Fixed Cost
Rent and Rates		9,600	9,600	Fixed Cost
Light and Heat		880	1,600	Variable Cost 2% of Sales
Telephone and Internet		440	800	Variable Cost 1% of Sales
Advertising		5,000	5,000	Fixed Budget
Bank Charges		660	1,200	Variable Cost 1.5% of Sales
Depreciation/Amortisation		1,634	3,267	Calculated on Fixed Assets
Repairs and Maintenance/ QC		6,995	2,600	Variable Cost
Insurance		1,000	1,000	Fixed
Travel		-	-	Budget
Utilities/Misc		500	600	
Total Expenses		36,709	35,667	Sum of above
Operating Profit		- 20,054	7,873	Gross Profit less expenses add gains
Less Interest		747	1,000	based on Long term loans/liabilities in B/S
Profit After interest before Tax		- 20,801	6,873	Calculation
Less Corporation Tax 12.5%		-	859	Calculated on Profit after interest
Profit/Earnings After Tax		-	6,014	Calculation
Less Dividends 20%		-	1,203	Management Decision
Retained Earnings for the year		-	4,811	Calculation
Opening Retained Earnings		0	-	Previous Year
Closing Retained Earnings		-	4,811	Shown in B/S in Capital Section

Cash Flows

(all numbers in €)

SANA

			2015
Operating Profit			€1,072.09
Add back Depreciation			€1,980.00
Movement in WC			
Increase in Receivables		-	€4,468.00
Increase in Stock		-	€7,292.00
Increase in Payables			€2,680.00
Net Cash Flow from Operating Activities			-€6,027.91
Interest Paid		-	€747.41
Cash from Investing Activities			
Purchases of Assets		-	€4,950.00
Net Cash Flow from Investing Activities			-€4,950.00
Cash from Financing Activities			
Repayment of Long Term Loans			€15,000.00
Net Cash from Financing Activities			€15,000.00
Increase in Cash and Cash Equivalents			€13,174.68
Opening Cash and Overdraft			€29,848.00
Closing Cash and Overdraft			€14,828.00
Movement			€15,020.00