

Project Deliverable G.1 - Business Model

Group 8: BRAKEthrough Solutions
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Introduction

The purpose of this document is to outline a business model by documenting the type of business model, creating a business model canvas and the core assumptions associated with these tasks.

Problem Statement

The client needs a safe and reliable remote braking system for his son's pediatric gait trainer, the R82 Crocodile. It can be activated from a distance to let him practice walking independently—most existing brakes are manual and require the guardian to be within arms reach. This will be achieved by having a Bluetooth remote activation of a linear actuator and stopper.

Business Model

Identifying Business Model Type

A type of business model suited to commercializing the team's product would be manufacturer and retailer business model. A manufacturer's business model is based on taking raw materials and converting them into a finished product. Our business model would include selling to customers as well as to gait trainer companies. Our team would also be doing the distribution and retailing of our product which involves transportation to and from the manufacturing building and finally selling the product to customers and other companies.

As we are creating an original product, it would be best for the group to manufacture the product themselves. As we would be a small start up company, we would be able to control the quality and reduce labour costs associated with third-party manufacturing. Furthermore, manufacturing our own product means we can be flexible with the amount of goods we manufacture and control the price. Additionally, the startup would undergo lots of product changes once we start sales and a third-party manufacturer would not be able to keep up with that flexibility.

Furthermore, being the retailer of our product would give us the necessary feedback and control of it. The team would be able to gather customer feedback and data and build lasting relationships with customers. As gait trainers are a part of a niche market with little companies, it is important to build relationships with customers and form a reputable formation. Additionally,

in the early stages of our startups we will need to gather as much customer feedback to improve our product.

Finally, selling or partnering with other companies would increase revenue streams and build a brand faster. By selling as a bundle with gait trainers, the group could increase sales. Furthermore, gait trainers are already expensive so selling the remote braking system separately would discourage customers from buying our device. Additionally, we could build a reputation by partnering with a well-liked brand such as the Crocodile (for gait trainers).

Filling In Business Model Canvas

How

Our company needs to produce and sell products. We need to have some distribution method to get to trainer/walker companies and also direct-to-consumer. We could partner with various gait trainer businesses or accessibility organizations. For direct-to-consumer, it could be sold in an online store, for example. In terms of key resources, obviously resources to produce the product, so manufacturing cost. But also the cost of store upkeep is important to consider.

What

We are addressing the issues with balancing the safety with the independence for disabled people requiring gait trainers. It's as straightforward as that; both factors are very important in the development of children especially, so the market for the product already exists.

Who

The client relationship will be mostly indirect: through trainer companies feedback and in the instance of direct-to-consumer client feedback can also be considered. To maximize satisfaction, a client feedback response plan could be developed and put into place.

The product will be delivered through our own store, and through vendor partnerships. It may be something you could get as an attachment or add-on to the gait trainer, not unlike the Hand Brake is for the R82 Crocodile.

How Much

The business will make money by *selling* remote braking systems for a greater price than the cost of the components and labour. This could be through either of the distribution methods. The costs go into marketing and sales, manufacturing cost of production, and adaptability development for different gait trainers (and also developing based on client feedback). The pricing will be based on market competition, as well as labour and material costs.

Table 1 – Filled Business Model Canvas

Key Partners	Key Activities	Value Propositions	Relationships	Customer Segments
Accessibility-related Organizations	Manufacturing and selling of remote brakes for gait trainers	Balancing the safety with the independence for disabled people requiring gait trainers. Reaching the target market	Mostly indirect, through trainer companies or reviews Client feedback response plan	Parents of those with disabled children
Gait Trainer Companies	Key Resources Stores (online or physical) Resource available to gait trainer companies		Channels As accessories on already-existing trainers Available separately direct-to-consumer through private sales	Caretakers for the disabled requiring gait trainers
Cost Structure Manufacturing Costs Marketing and Sales Development for Adaptability		Revenue Streams Through gait trainer accessory profits Through direct-to-consumer purchases Through investors		

Description of Core Assumptions

An important part of being able to make assumptions about our business model is to understand that our product's user is not the same person as the customer. Our product is made for individuals who utilize a pediatric gait trainer on a daily basis, however do not have the means or understanding to keep themselves out of harm's way and safe. This is instead left up to the person who has the controller. With this in mind, it is safe to assume that the targeted demographic for our product is caregivers and parents, who are responsible for the safety of children and loved ones who depend on a gait trainer.

Another aspect that is assumed is that a remotely controlled brake system is trusted and viewed as safe and dependable to our demographic. Many caregivers may find that letting the person they are caring for be any further than an arms length away is risky, and even with a remote control brake, feel that it may not function correctly or react as quickly as they physically could. It could very well be that the need for a remote braking system just doesn't have a viable marketplace, or is seen as a very complicated solution to a simple problem.

Conclusion

In conclusion, this deliverable discussed our manufacturer and retailer business model, filled in our business model canvas, and described the core assumptions associated with these tasks.

The group has learned how to do market research and make decisions to choose a business model appropriate for our startup. Additionally, outlining a business model canvas has helped us learn to plan effectively. Finally, core assumptions have helped us identify our weak points.

Project Plan Update





