



Waterflight OÜ business plan 2016-2019
Short version, Fundwise campaign

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www.swimitation.com

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Table of Contents

- 1. ABOUT THE COMPANY 3
- 2. DEFINING THE BUSINESS 5
- 3. MISSION AND VISION 6
 - 3.1 Short-term goals 2016 6
 - 3.2 Vision 2017 6
 - 3.3 Vision 2020 6
- 4. SWOT ANALYSIS 7
- 5. MARKETING COMMUNICATIONS 8
- 7. ACTION PLAN AND CASH FLOW 2016-2019..... 9

1. About the company

Brand:	Swimitation
Company:	Waterflight OÜ
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Waterflight OÜ was founded on 25. October, 2010. The idea for it came even earlier, in the fall of 2008. That's when Heidi Rajamäe-Parik invented a uniquely simple, comfortable and yet relaxing way for toning and training the whole body. Guided by Heidi's idea, a special fitness device was developed that has been patented in Estonia and for which an application for an international patent (covering 38 European countries) has been filed.

Currently, OÜ Waterflight has two board members. These members are the author of the business idea, Heidi Rajamäe-Parik, and her husband Tiit Parik. The sole shareholder at the moment is Heidi Rajamäe-Parik.

Until 2014 the company was busy with product development and preparations for production. In 2015 we produced a brand and exercise video and built a showroom (which is necessary to demonstrate the bath to clients). It is realistic to plan to start selling the first products in the beginning of 2016. Although the bath could be manufactured earlier, potential buyers like to plan ahead – purchases are planned ahead ca 6 months in advance (especially when dealing with business customers). We plan to focus on nearby foreign markets at the beginning as the company has great potential for export.

- Since 2010, OÜ Waterflight has **invested over 100 000 euros** in developing a unique fitness device and securing legal protection for the invention and the Swimitation brand. An overview of our actions thus far is as follows.
- In 2010-2012 we developed the ergonomic Swimitation fitness chair – a device for imitating swimming exercises in a horizontal position. This entailed cooperation with [OÜ Ten Twelve](http://www.tentwelve.ee/)¹ (industrial designers Tarmo Härmaorg and Meelis Unt).
- **In 2010 OÜ Waterflight applied for an [international registration of industrial design](#)² (38 countries) for the Swimitation seat.** The Estonian patent was issued in 2013 but is effective since March 2010. [Patent bureau Koppel](http://www.koppelpb.com/)³ (patent attorney Mart Enn Koppel) helped OÜ Waterflight to attain the patent. A more thorough overview of OÜ Waterflight's Estonian patent has been published in [Patendileht](http://www.epa.ee/ul/doc/valjaanded/patendileht2013_02.pdf)⁴; the application for the international registration is pending.
- **In 2010 we started cooperation with professional experts in Estonia: doctor Ragnar Viir** (PhD) and physical therapist **Monika Ausmees**. Both experts have been involved in the Swimitation product development and they both recommend using the Swimitation product. OÜ Waterflight plans to gather recommendations from other countries as well. **In 2013 we reached a cooperation agreement with Marko and Elena Kantaneva.** Marko Kantaneva is known as the initiator and promoter of modern Nordic walking, taking it to the masses. Marko's wife Elena Kantaneva is a renowned psychologist. Marko and Elena Kantaneva will help with marketing and advertising Swimitation, developing various promoting materials while emphasizing today's important "body and mind" combination, i.e. promoting the opportunity to train the whole body, strengthen muscles and be mindful and imbued with life at the same time.

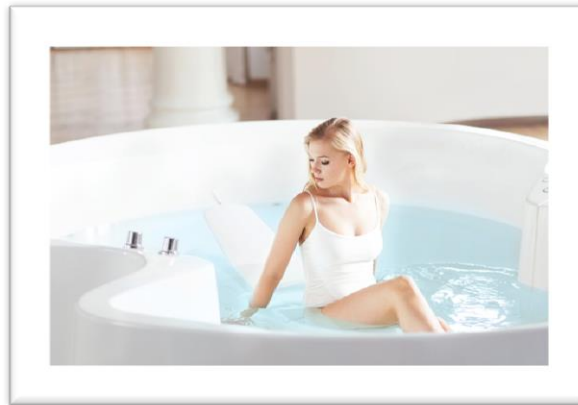
¹ <http://www.tentwelve.ee/>

² <http://www.epo.org/about-us/organisation/member-states.html>

³ <http://www.koppelpb.com/>

⁴ http://www.epa.ee/ul/doc/valjaanded/patendileht2013_02.pdf

- Since 2013 the Swimitation brand is protected in the EU. In 2013 OÜ Waterflight came up with the design for the Swimitation bath in cooperation with OÜ Ten Twelve (VIIDE) (industrial designers Tarmo Härmaorg and Meelis Unt).
- In 2014 we started the production process (factory requirements; **product development and reaching production readiness in September 2014**). We have completed the bath model and master model. The product was developed in cooperation with **OÜ Aquator, OÜ Plastpuit and OÜ Basseinitehnika**; the product will be manufactured at our **production partner OÜ Koriks**. We have started marketing the product online, notifying potential clients of the new fitness possibilities. We have made videos, taken photos etc. After the finalized product design was approved we registered the European Design. In 2014 the company's brand (logo design, web design, business cards etc) was developed by OÜ Refleks (VIIDE). The product took part in the Estonian Design Awards BRUNO competition and was the audience's favourite (VIIDE). We ordered a use phase energy analysis for the product from **PhD Kristjan Piirimäe** and found that Swimitation sessions use 4 times less energy than visiting a public pool (VIIDE).
- In the beginning of 2015 we finished piecing out the bath, produced our **brand and exercise video** (VIIDE) and built out **showroom** (Telliskivi 60 Tallin, ON-building; www.swimitationspa.com; open since 22. October 2015). In autumn we updated the main webpage for our company, adding more detailed overviews of the positive effects of Swimitation exercises and emphasizing the good qualities of the product in main target sectors – home spa, wellness center, fitness center and medical sphere (rehabilitation).



- **Beginning from 2016 we are planning to find resellers and distributors** who would sell the product through their sales network at their local target markets. The distributor/importer will also be responsible for product maintenance and guarantee work in their country. The company will develop an **exercise app**, i.e. a video based training program that the user or physical therapist can use to compile an individual training routine.

2. Defining the business

We have omitted the customer descriptions from this short version of our business plan but they are present in Fundwise's Swimitation project under the section Problem and Solution (see <https://fundwise.me/en/pitch/swimitation>). In short, the company plans to sell the product in four sectors: medical market (rehabilitation sphere); fitness and wellness centers and customers; private customers (for a home spa in larger private homes).

OÜ Waterflight has always had people's real needs in mind when defining their business; needs to which we can offer a unique and effective solution.

Market demands are as follows:

There is a lack of a **relaxing and comfortable private water training option** for the whole body that could be:

- Used in places with limited possibilities concerning space and water consumption compared to public pools (hotels, airports etc).
- Used by people of varying health conditions (muscle tension, heart disease, disabilities, autism)

OÜ Waterflight's answer to market demands:

OÜ Waterflight offers a unique, easy, comfortable and relaxing whole body (mainly shoulders, neck, back, abdomen, hips) water workout option in the Swimitation bath.

Swimitation unites three important possibilities:

- **A unique, relaxing and comfortable fitness option.** Novel, specially designed ergonomic Swimitation fitness seat and bath make it possible to carry out different exercises in water for toning and training all your muscles, mainly the muscles in the shoulders, neck, back and abdomen, hips and buttocks – the most problematic areas for women.
Swimitation is economic since our fitness devices (seat and bath) use less water compared to baths and pools of the same size.
- **Rehabilitation tool.** The Swimitation bath is suitable for people with various health conditions, for example: people who are overweight, have a heart disease, partially suitable for people with disabilities, autism, work-related ailments etc.
- **Offers a relaxing and positive experience** that will:
 - Relieve muscle tensions related to work stress.
 - Make you enjoy and relax your free time.

3. Mission and vision

3.1 Short-term goals 2016

- Cooperation partners found abroad for product marketing: Finland, Sweden, Germany, Austria.
- A complete product catalogue has been developed
- A new training app i.e. video program has been developed for compiling workout routines on computers/smartphones.
- Selling 7 baths in 2016: Estonia and Finland.
- A Swimitation advisory body has been formed, its members believe in the Swimitation idea and help attain the vision.

3.2 Vision 2017

Markets:

- Sales to other Nordic and Western European countries

Products, services:

- The Swimitation complete product is sold with selected wellness-devices (e.g. water vacuum massage shower and MicroSilk oxygen therapy device) and TV.

Noteworthy:

- Swimitation is recognized among business customers who value a relaxing, comfortable and healthy lifestyle.
- Swimitation is recognized as an effective medical device. Cooperation with unions for people with disabilities is in effect.
- Continuous product development and developing different models according to the client's needs and target region preferences, while always being a leader in the field.

3.3 Vision 2020

Markets:

- Estonia and the EU; other English-speaking countries.

Products, services:

- Special Swimitation solution to obese people (above 150-200 kg).
- Continuous perfection of the training app, i.e. video program. Gathering and publishing physical therapy know-how.
- Fully automatic and complete Swimitation mini-salons with complete solutions for space and interior, i.e. *Swimitation station* complete product (airports, offices, spas etc).

Noteworthy:

- Swimitation is a recognized quality brand for people who value relaxing and quality ways of spending time.
- Swimitation is recognized as a social entrepreneur who has positioned itself on the elderly and people with various health concerns who do not normally work out, e.g. the obese, people with physical disabilities or autism, overworked people.

4. SWOT analysis

Internal strengths	Internal weaknesses
<ul style="list-style-type: none"> • Innovative and multifunctional products • Registered patent in 38 countries • Product is ready and tested, main marketing materials have been produced • Renowned recommenders (physical therapist, doctor, recreational athletes) • Clearly defined competitive advantage • Saves water and the environment and is hygienic compared to regular pools • Cooperation with professional advisers • Strong board and key personnel with specialized competences in management, entrepreneurship, legal matters, production, sales, design, international projects • A simple company structure and already successful cooperation points • A well-functioning product development arrangements and cooperation with design partners • Existing production partner, marketing partner • Existing initial sales promotion materials, including videos 	<ul style="list-style-type: none"> • Limited financial resources which plays a role in the expensive start-up phase • The Swimitation brand is not yet well-known • A need to develop sales promotion and marketing materials for entering different markets (exercise app) • A need to develop a sales management system • No cooperation agreements with several important partners (logistics, maintenance and guarantee work);
External opportunities	External threats
<ul style="list-style-type: none"> • More and more people value healthy lifestyles • Overworked people value a more individual workout that requires no socializing with others • The rising trends of urbanization, overpopulation, water crisis and obesity will create a greater demand for the Swimitation product that enables a private whole body workout with minimal space and water consumption required compared to pools or public fitness centers • More and more people value comfort and uniqueness, creating a demand for niche products • Getting recognized in chosen target markets, including customer recommendations, references • Developing new technologies • Finding additional opportunities for investments: investors, EU grants • Expanding customer base – entering new segments and niches • Entering into advantageous supply contracts with suppliers 	<ul style="list-style-type: none"> • Product is now well-known • Customers do not embrace the product: too innovative, alien idea or too expensive for the end customer • Danger of idea theft – to avoid this we are registering patents, Waterflight monitors the market and will react quickly if necessary • Persistent threat of another economic recession that will reduce the number of potential customers • Growing competition – direct and/or indirect (alternative products/services) competition. At the same time it is an opportunity for cooperation, for example with bath manufacturers • The growing prices of energy and materials, resulting in a more costly end product • The worsening of suppliers' economic condition, resulting in changes in delivery times and conditions • Business customers demanding longer payment deadlines that are disadvantageous for the company

Conclusions drawn from the SWOT analysis:

OÜ Waterflight is a startup company that has been actively involved in securing a successful starting position and sustainability. The company has invested in product development and made preparations to start manufacturing; selected production partners. The company's starting phase is one of the most costly stages that required additional finances. OÜ Waterflight hopes to get support from investors and is actively working towards securing that support, especially given the company's great potential for growth. OÜ Waterflight requires **99 000 euros worth of investments** to finance the development of new marketing channels and perfecting the product with an exercise video app to reach a fully professional level. The necessity for rolling credit may grow but not substantially.

5. Marketing communications

The aim of OÜ Waterflight's marketing communications is to spread the message and pique the interests of potential clients about the Swimitation brand and products. We communicate mainly through three channels:

1. **Our own social media channels:** Facebook, webpage (www.swimitation.com), blog, forum, Twitter etc.
2. **Media communications channels:** articles/segments and advertisements in television, radio, magazines etc.
3. **The end users' communication channels:** customers' recommendations, success stories, references.

Ideas for entering the market with Swimitation:

- At first, enter the market with human interest stories and via journalism and social media.
- Enter into design competitions and expos
- Communicate the usefulness of Swimitation sessions from the perspective of solving the problems of a regular person.
- Free demonstrations of the product; organizing "doors open days".
- Making special gifts associated with the Swimitation brand.

The most prevalent sales promotion and marketing communications tools when launching the Swimitation brand and products are as follows.

Advertisement	Sales promotion campaigns	Public relations	Sales	Direct marketing
Homepage Forum Advertisement videos Product catalogue Brochure Logo and brand Customer satisfaction, praise – references Newspaper advertisements Radio advertisements	Demonstrations Gifts Expos	Press releases Demonstrations Publications Lobbying (influence occupational health requirements) Events Contacts, networking Design competitions Patronage Charity work, community relations	Sales presentations Motivational systems Expos	Electronical sales (internet) Direct sales at meetings

7. Action plan and cash flow 2016-2019

OÜ Waterflight's 4-year main action plan is detailed in the strategic stair model below. The main goals of the company are gathered into one whole chart by different development directions to view the consistency and intersections more easily.

				2019
			2018	
	2016	2017		
Main goal of the year	Finding investors, Fundwise campaign to raise 99 000 euros Main markets Estonia/Finland Sales of 7 products	Main market Scandinavia Sales of 20 products	Main markets Scandinavia and Europe; We have found resellers in US and the cooperation is effective. Sales of 35 products	Main market EU and USA Sales of 80 products
Staff	Fixed roles in the team Marketing and sales manager is hired An active manager is hired (part time), board members work without pay	If need be and the budget allows, more employees will be hired	Sales system has been developed and is effective	
Processes	We have found an investor, some customers and resellers We have begun launching the Swimitation in Estonia and Finland; marketing campaigns (press, marketing events, expo etc)	We have reached agreements with resellers/sales consultants in Scandinavia The cooperation with unions for people with disabilities is effective	The cooperation with sales consultants and/or resellers is effective	Continuous product development and different models have been developed according to the customers' demands, always being the leader in the field
Investments in fixed assets	Workout video app Cost 25 000 euros	We have established an office; Computers, furniture and a printer-copier has been purchased		
Overhead costs	Staff costs Costs for expos etc Costs for sales promotion materials: webpage, product catalogue, videos and other marketing materials	Staff costs Production costs Marketing costs Office costs Rent and utilities	Staff costs Production costs Marketing costs Office costs Rent and utilities	Staff costs Production costs Marketing costs Office costs Rent and utilities PS additionally, development costs for new product if so decided

CASH FLOW PROGNOSIS

OÜ Waterflight's Fundwise.me campaign, December 2015

Year	2016	2017	2018	2019	TOTAL
Sales, pcs	7	20	35	80	142
Selling price for the bath	13 500	13 905	14 322	14 752	
Sales	94 500	278 100	501 275	1 180 145	2 054 020
Share capital contributions	99 000				99 000
Cash inflow	193 500	278 100	501 275	1 180 145	2 153 020
Material	42 130	120 188	193 835	402 656	758 811
Marketing	51 260	17 857	28 800	59 826	157 742
Administration	4 149	11 835	19 087	39 651	74 722
Staff	62 086	88 558	142 824	296 689	590 157
Investments in fixed assets	25 000				25 000
Cash outflow	184 625	238 439	384 546	798 822	1 606 432
Outcome	8 875	39 661	116 729	381 323	546 588
	9,4%	14,3%	23,3%	32,3%	26,6%