



UNIVERSITAT
JAUME • I

BUSINESS PLAN

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Company profile

Company profile
Social denomination. LAMPY Calefacción S.L.
Social object. Biomass stoves
Activity sector. National classification of economic activities (CNAE) 2599
Description of the service or product Sale of biomass stoves
Scope of action National
Registered Office Avenue Enrique Gimeno, 39, Ciutat del Transport-La Salera, Castellón de la Plana.
Legal form Limited company new company
Social capital 3.000
Initial investment 132.875.9eur.
Number of partners 2
Number of workers 8
Constitution date 12/06/2017

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1. EXECUTIVE SUMMARY

Lampy calefaccion S.L. is a company whose commercial activity will be the sale of biomass stoves.

Lampy was born to provide solutions for those consumers who need and wish to heat their homes in the most economical and comfortable way possible, as well as with the utmost respect for the environment.

Lampy's customers will be able to heat their households both in an inexpensive way and respecting the environment, because Lampy stoves only use biomass fuel, such as: pellets, olive bones and almond shells. These fuels, aside from preventing pollution, are cheaper than electricity, diesel and gas.

Lampy has distinguishing features compared to the competition. In the field of biomass stoves, Lampy stands out because it solves the electricity consumption problem which the current biomass stoves still have in the present market. Our company incorporates an optional solar kit composed of a solar panel and a battery. This kit grants our stoves full autonomy so as not to be dependent on the power grid.

Another issue which concerns current biomass stove consumers is the noise produced by the stove. This noise comes from the fans which circulate the heat through convection, as well as radiation. Lampy stoves incorporate the option of turning the fans both off and on, when the consumer deems it appropriate, reducing the noise to zero decibels when the fan is off.

Other features Lampy stoves present are: an APP for operating the stove by remote control, interchangeable and customizable external cases, and the possibility of using any kind of biomass fuel.

The way we will address our target market, called hedging strategy, will be a concentration strategy. Our company will focus on a single segment with a single product. With this strategy, we want to get to know the needs of our target audience in a better way, as well as have a strong presence in the market and find cost reductions due to our specialization in both distribution and communication.

This is the consumer segment which our company is going to be directed to: consumers over 30 years of age, households with more than two individuals, living in areas with cold climate, concerned about the environment and seeking user comfort.

On the other hand, we have defined our corporate goals, both general and specific, as well as our marketing objectives, which include increasing brand awareness in 2018, and reaching a market share of 7% by 2018.

The competitive strategy which our company will follow will be through differentiation. Following the classification made by Kotler (1992), we will use a combination of strategies: differentiation through our product, our services, our image and our distribution channels.

We have defined an action plan to achieve the stated objectives. This action plan encompasses the 4P's.

As for the product, we have defined: the whole product, the features, the brand, the packaging, the labeling and the product portfolio.

As for the price, we will follow the pricing method based on the competition.

For distribution, we use an ultra-short channel so as to not have any intermediaries between us and the consumer.

For communication, we shall follow a Pull strategy. At the beginning of the business activity, the only communication tool we will use will be Digital Marketing.

As for our manufacturing process, the process will be outsourced. We will sign a collaboration agreement with an Asian manufacturer. This supplier will manufacture the stoves with the design, features and quality which Lampy requires.

The Lampy staff is the most important asset of the company. The staff will be made up of eight employees, two in the Logistics and Quality Control department, two in Marketing, two in Sales and one in the Design and Innovation department, besides the company's CEO.

Finally, we have detailed the financial plan, which contains: an initial investment plan, a financing plan, an income forecast, and a cost structure. With this plan, and based on the sales and market shares of our competitors, we have confirmed that Lampy's business project is economically viable. As we can see in the determination of the break-even point, which is 341 units, starting from this figure, each unit sold will make a contribution to the profit.

2. THE COMPANY, PRODUCT OR SERVICE ACTIVITY

2.1 – Defining the problem

The need to heat homes during cold seasons, both in rural and urban households, as economically as possible and with the utmost respect for the environment, in comparison to traditional alternatives such as: electricity, gas, diesel and chimneys or wood stoves.

2.2 – Solving the problem

To solve this problem, we propose biomass stoves. These stoves can work with different fuels: pellets, pomace (olive bones) and almonds shells.

2.3 - Distinguishing features or comparative advantages in regards to the competition

Our biomass stoves do not only work with pellets, but also with pomace (crushed olive bones) and with almond shells.

To solve the electricity consumption problem in biomass stoves, which deeply worries users, our stoves incorporate a small battery integrated into the design, rechargeable through a small solar panel. With this battery, the stove will be able to run without using the power grid. The battery life will be approximately 72h, which gives the stove sufficient autonomy for cloudy days and for possible power outages.

We created an APP to control the stove from anywhere, for example: you can set the time of ignition, the temperature you desire at any time, it warns you of how much fuel is left in the hopper and the approximate time of operation with the remaining fuel, etc.

We reduced the size of the stoves to make them more attractive for small homes, for example, flats in large cities. We will include interchangeable side and front panels with different colors. In addition, the client can customize those side panels with a phrase, name or design.

One aspect that greatly concerns users of biomass stoves is the noise. The noise of biomass stoves is mainly produced by the fan that expels the hot air from the stove to the interior of the house. We will reduce this noise by over 50%, for which we will use the same technology used by air conditioners.

In addition, the fan can be turned off or on at the consumer's will. With the fan turned off, the noise is non-existent. With the fan turned off, the heater only heats by radiation (like

conventional stoves or chimneys). With the fan turned on, besides heating by radiation, it also heats by convection, creating an air circuit that passes through the stove's interior chamber, where the air is heated and then returned to the household.

2.4 - Legal Protection (registration, patents and brands)

We will register the company brand. In addition, we will patent the elimination of the grid's electrical consumption for the consumption through the battery, rechargeable by solar panel.

3. ENVIRONMENTAL SCANNING ANALYSIS

3.1 - Porter's five competitive forces

Buyers' or Customers' bargaining power

In the sector, there is a low customer bargaining power, because the customers are many, not organized, and they do not agree on the price they are willing to pay. Besides, there are few biomass stove brands.

Suppliers' or Sales Agents' bargaining power

There is a low supplier bargaining power, because there are a large number of suppliers for the different components used in biomass stoves. The components do not have any special characteristics.

Threat of new entrants

There are no major entry barriers for new competitors, for example: the economies of scale which some of today's competitors in Spain have, are easily achievable by outsourcing production to Asian countries.

The necessary capital investment to compete in the sector is important but not exorbitant and can be assumed by a new competitor.

Differentiation, there is room for differentiation through the product, services, channels and image.

Threat of substitutes

There is no clear threat of substitute products, since fuel consumption cost is higher than pellets. The only alternative fuel cost which is similar to that of pellets is wood stoves.

The substitute products can be: mainly wood stoves (they are also environment-friendly biomass stoves), and on the other hand, there are electricity, gas or diesel stoves or radiators.

Wood stoves: they have a lower cost, they do not consume electricity and their fuel is biomass.

Boilers or diesel radiators: similar cost, the fuel cost is higher and the fuel is more polluting.

Boilers or gas radiators: similar cost, the fuel cost is higher and the fuel is more polluting.

Heaters and electric radiators: the cost is lower, the fuel cost is higher and the fuel is more polluting (there are renewable sources that produce electricity such as: wind and photovoltaic technology, but of course the grid does not discriminate what kind of energy we consume).

Industry rivalry

There are not many competitors in the sector, which leads to a low rivalry.

Fixed costs are not high, leading to low rivalry.

There is not a high product differentiation, leading to a high rivalry.

There are no exit barriers, leading to a low rivalry.

The market is growing, which leads to a low rivalry.

With this set of indicators, we can conclude there is a moderate rivalry in the sector.

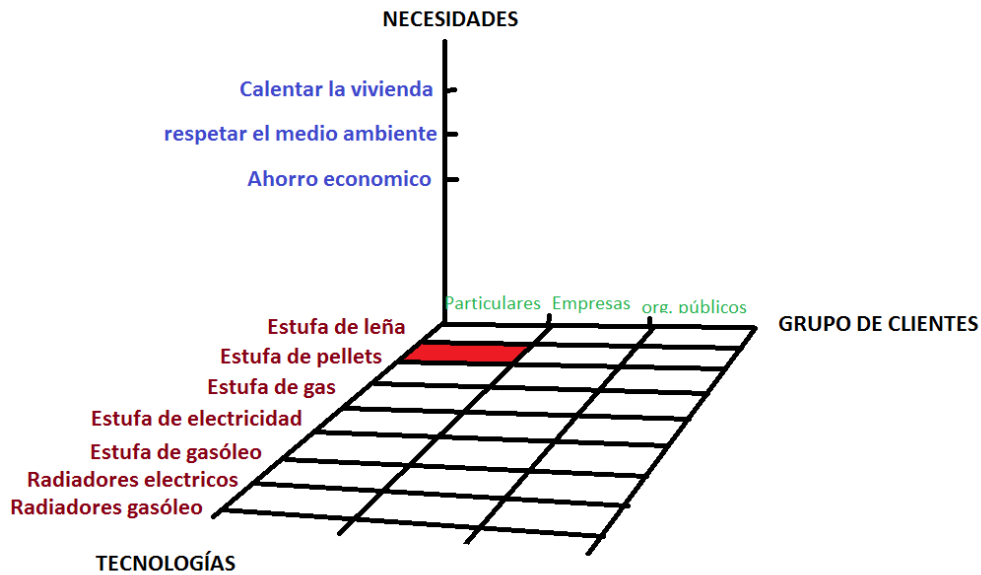
In addition, the fixed costs are not high, there is a high product differentiation and there are no exit barriers.

3.2 - Market analysis and demand

Market:

Defining the relevant market

Figure 1. Product-market



Source: Own elaboration

Defining the relevant market and the hedging strategy

The relevant market coincides with the product/market, pellet stoves for individuals, satisfying the need to heat households, respect for the environment and savings.

The hedging strategy our company will follow will be a concentration strategy. We specialize in a unique technological alternative and a unique group of buyers. We specialize in aiming for a high market share in a very small niche.

Demand:

As a result of the interviews with pellet stove consumers, we believe there is a latent demand for pellet stoves without power grid consumption.

Current total potential demand calculation of the market. In Spain.

$$Q = N^{\circ} \text{ of buyers} \times \text{average purchase amount} \times \text{price}$$

We have calculated the demand for inhabitants and for households.

For inhabitants $45.978.856 \times 1 \times 1.000\text{eur} = 45.978.856.000$

For households $25.208.623 \times 1 \times 1000\text{eur} = 25.208.623.000$

Potential demand calculation of the market by area

For this calculation, we will focus on the market segment we have defined: consumers over 30 years of age who live mainly in cold areas and with an upper/middle income level.

In order to calculate the potential demand by area as close as possible to our market segment, we will use the INE data for the 4th quarter of 2016, with data of inhabitants over 35 years of age, which are employed and in autonomous communities of cold areas (Figure 4 shows the coldest areas of Spain, information from the state meteorological agency AEMET, for the period 1983-2005).

$$Q = N^{\circ} \text{ of buyers} \times \text{average purchase amount} \times \text{price}$$

$9.529.000 \text{ personas} \times 1 \times 1000\text{eur} = 9.529.000.000 \text{ euros.}$

Also, we have calculated the number of three-room households in autonomous communities with cold climate. Data extracted from INE census 2011. Figure 5

$$Q = N^{\circ} \text{ of buyers} \times \text{average purchase amount} \times \text{price}$$

$1.312.000 \text{ households} \times 1 \times 1000\text{eur} = 1.312.000.000 \text{ euros.}$

Now, to reduce the size of the market and obtain more realistic data, we will only count houses with over 10 years of existence, with three rooms and in autonomous communities with colder climates (the communities we have defined above).

The reason why we only count houses with over 10 years of existence, is to relate the useful life of the stoves with the age of the house, therefore we can suppose that the houses with over 10 years of existence have old heating systems and their owners could consider changing their heating system.

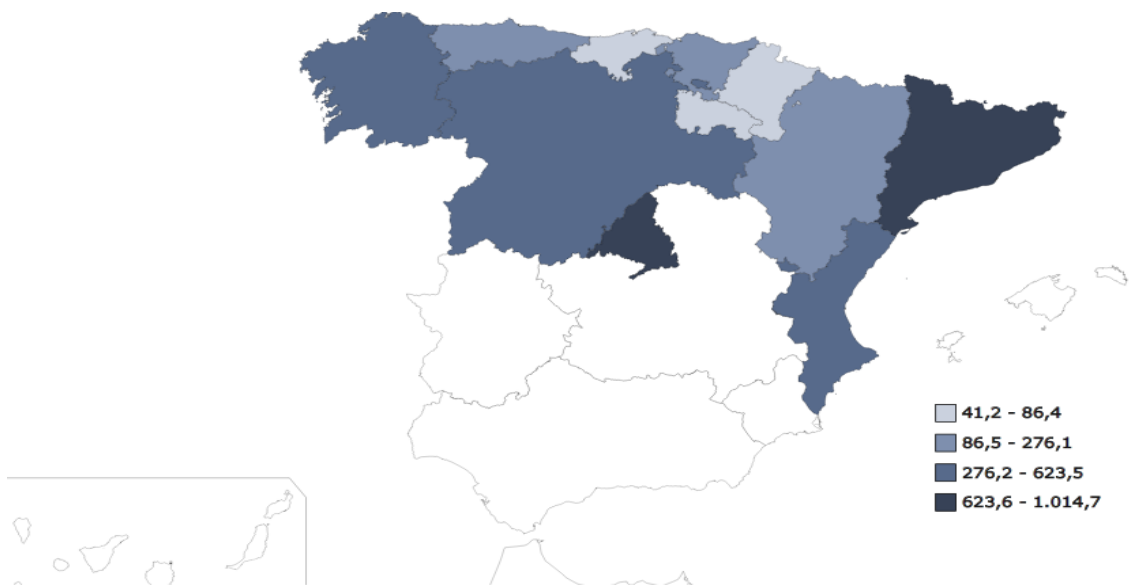
Next in figure two and three we can see the data of the autonomous communities more cold, on the occupied population and the census of houses respectively. These data are taken from the INE.

Figure 2. Occupied population

	Total	De 35 a 44 años	De 45 a 54 años	De 55 y más años
	2016T4	2016T4	2016T4	2016T4
Ambos sexos				
Aragón	560,8	173,0	157,4	102,5
Asturias, Principado de	393,8	127,3	111,1	72,8
Cantabria	240,8	77,4	68,8	41,7
Castilla y León	972,9	277,3	278,7	199,0
Cataluña	3.202,6	1.014,7	866,2	502,9
Comunitat Valenciana	1.973,8	623,5	529,1	327,2
Galicia	1.049,6	332,0	287,9	189,7
Madrid, Comunidad de	2.860,8	932,6	788,2	432,4
Navarra, Comunidad Foral de	277,3	86,4	79,3	46,1
País Vasco	902,1	276,1	270,6	165,7
Rioja, La	135,8	41,2	37,2	26,2

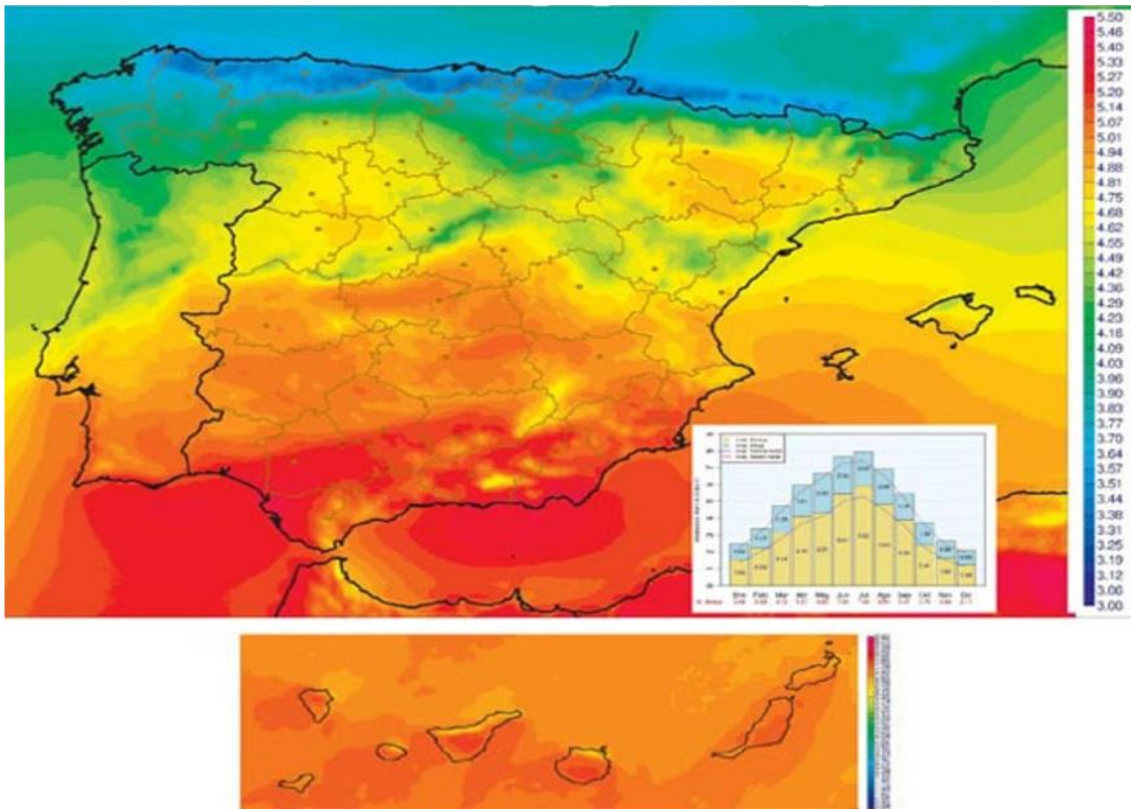
Source: INE working population, in thousands. (2016)

Picture 1. Autonomous communities with colder weather



Source: INE (2017)

Picture 2. Climate of Spain



Source: AEMET (2017)

Figure 3. Housing census

	3 Total (tamaño de municipio)
ARAGÓN	35.347
ASTURIAS, PRINCIPADO DE	49.537
CANTABRIA	22.746
CASTILLA Y LEÓN	74.793
CATALUÑA	433.296
COMUNITAT VALENCIANA	217.940
GALICIA	78.072
MADRID, COMUNIDAD DE	294.558
NAVARRA, COMUNIDAD FORAL DE	18.562
PAÍS VASCO	84.123
RIOJA, LA	8.699

Source: INE, household census (2011)

3.3 - Target audience selection

In first place, we need to know what the preferences are of those consumers who would want to buy a particular stove.

(This information has been collected through primary sources, i.e. through questionnaires to consumers. The questionnaires are available in the annexes).

Consumer preferences are **grouped preferences**: some customers want a moderately expensive stove that can heat their entire home, and that both the stove and its fuel be environment-friendly; some consumers prefer cheaper stoves that can heat their home and do not respect the environment as much; other consumers prefer a fairly expensive stove that is environment-friendly and, in addition, they consider the purchase as a long term investment to save money month by month in the fuel consumption used by the stove.

Classification of the consumer markets' segmentation criteria

Table 1. Segmentation criteria

	PRIMARY CRITERIA	SECONDARY CRITERIA
OBSERVABLE	<p>PURCHASE BEHAVIOR</p> <ul style="list-style-type: none"> • Situation of use Cold seasons • Consumption level Occasional with a low purchase frequency • Brand loyalty There is no sense of commitment of the consumer to the brand 	<p>PERSONAL CHARACTERISTICS</p> <ul style="list-style-type: none"> • Demographic Age, over 30 years Households, over one individual • Socio-economic Income, low, middle. Lower-middle, middle and upper-middle social class • Geographical Climate, provinces with cold climate

UNDERLYING	TARGET BENEFIT	PSYCOGRÁPHIC CHARACTERISTICS
	<ul style="list-style-type: none"> • Target benefits Savings, cleanliness, environment-friendly, comfort. <ul style="list-style-type: none"> • Attitude Positive to the product.	<ul style="list-style-type: none"> • Life Style Family/home importance Vision about economy <ul style="list-style-type: none"> • Values Respect for the environment Accustomed to using biomass

Source: Own elaboration

The way we will address our target market, called hedging strategy, will be a **concentration strategy**. Our company will focus on a single segment with a single product. With this strategy, we want to get to know the needs of our target audience in a better way, as well as have a strong presence in the market and find cost reductions due to our specialization in both distribution and communication.

This is the consumer segment which our company will target.

Table 2. Segment

TARGET BENEFIT	PURCHASE BEHAVIOR	PSYCOGRÁPHICS	PERSONAL CHARACTERISTICS
Customers who seek savings in the long term. Respect for the environment. Comfort in using the product (controlled noise).	Occasional purchase, it tends to be a purchase each 10 years, approx. Mainly in areas with cold climate. Customers do not tend to know stove brands.	Importance for the family. Concerned about the environment.	Over 30 years of age. Homes with more than two individuals. Middle income. Provinces with cold climate.

Source: Own elaboration

Evaluation of the segment's attractive aspects

Marketing actions or "distinguishable features": segment with sensitivity to several marketing variables (4P's). This will help us reach them.

Appropriate size: enough potential customers who will provide sufficient sales revenue.

Measurable segment:

Table 3. Measurable segment

	SIZE* (households)	AVERAGE ANNUAL EXPENDITURE* (euros) (10 YEARS)	TOTAL
SEGMENT	695.360	1.000	695.360.000

Source: Own elaboration

***SIZE**: we have taken the number of **households** with three rooms as a reference for the calculation of the size of our segment, and not the amount of people, because we consider stoves are sold per household and not per person. We took the data of houses in cold regions of Spain, which we have previously defined at 1.312.000. With this figure, we will consider only 53% of the houses because, according to the survey conducted by the **Eurobarometer** between April and May 2014, 53% of the interviewed Spanish citizens stated they were concerned about the environment.

***AVERAGE ANNUAL EXPENDITURE**: for this calculation, we have taken into account that the average expenditure will be for 10 years, considering the product's **life cycle**, and that users do not usually change stoves before 10 years have passed, on average.

Reachable segment: Controlled hedging (the company will reach the target customers directly using media outlets which are associated to the segment profile).

Associable segment: given our initial resources and capabilities, we will design a strategy for our segment in an effective and profitable way.

3.4 - Competition Analysis

Identification of the competition, competition in the form of products, brands that cover the same need for the same market segments.



www.ecoforest.es

Phone

986 262 184

According to Habitissimo 2016. "Ecoforest is born from the experience of a group of professionals dedicated to the heating sector since 1966. Ecoforest discovers the pellet stove and creates the world's first pellet stove-boiler.

It provides solar panels, boilers, radiators, underfloor heating, accumulators and heating for swimming pools.

Dedicated to the manufacture of pellet stoves, and has the support that comes with having an in-house 'pellet' fuel production, as well as distributing wood pellet sacks throughout Europe"



www.edilkamin.com

Phone

972 423 030

"Edilkamin is an Italian firm with over 40 years of experience in the chimney sector.

It manufactures fireplaces, coatings, water chimneys, closed fires, wood and pellet thermo-stoves, wood and pellet stoves, barbecues and ovens.

It stands out because of its avant-garde designs and innovative products in styling and technology.

In Spain, Edilkamin's commercial organization is executed through a network of representatives covering all areas of the national territory.”



www.bronpi.es

Phone

957 502 750

Bronpi is a company founded in 1985 in Lucena (Cordoba) and is a national and international leader in the manufacture of chimneys, ovens, stoves, inserts, ventilation grilles, fireplace accessories, barbecues and all fire related items.

Bronpi is committed to a clean environment, which is why it uses cast iron and completely recycled steel sheets as its main raw materials.

At the same time, Bronpi products contain clean combustion technology which allows us to achieve a minimum gas emission, to obtain exceptional efficiency and a higher performance.



www.lacunza.net

Phone





948 56 35 05

With over 40 years in the market, **Lacunza** is dedicated to the manufacture and distribution of home chimneys and kitchens in cast iron.

The range of **Lacunza** products is composed of kitchens, stoves, fireplaces, appliances, inserts, as well as stone or marble coatings for their products. All of their products work through firewood combustion.

In table number four, data on sales, market share, strengths and weaknesses of the competition are shown. And in table 5 we can see the different attributes that have the products of the competition.

Table 4. Competitive analysis

				
Weak points	Production costs	Production costs	Price	Little known brand
Strengths	Competitive Price	Innovative capacity	Brand value	Different distribution channels
Sales in millions of euros (2016)	3.970.000	4.009.000	4.250.000	5.780.000
Market share (2016)	4.8%	5%	5%	6.8%

Source: Own elaboration. Data extracted from Alimarket.

Table 5. Attributes competitive products

VALUE					LAMPY
Save money on consumption, thanks to the use of pellets.	YES	YES	YES	YES	YES
Save money on consumption, not using electricity.	NOT	NOT	NOT	NOT	YES
Environmentally friendly fuel.	YES	YES	YES	YES	YES
Comfort of use: programable stoves	YES	YES	YES	YES	YES
Comfort of use: existence of APP for the remote control of the stove.	YES	YES	NOT	NOT	YES
Controllable fans, to reduce noise.	NOT	NOT	NOT	NOT	YES
Side and front interchangeable and customizable.	NOT	NOT	NOT	NOT	YES
Stoves compatible with the three most commonly used biomass fuels.	NOT	NOT	NOT	YES	YES
Online sales through the web itself.	NOT	NOT	NOT	NOT	YES
Online sales and delivery to home and installation.	NOT	NOT	NOT	NOT	YES

Source: Own elaboration

3.5 - Identification of the competitive advantages

We can differentiate our market offer through product lines, services, channels, people or the image.

Product. We will differentiate our brand through the features and functions of our product:

We will promote two differences.

Stoves without power grid cost

Important. This difference is highly valued by the consumer.

Distinguishable. Differentiated proposal to that of the competition, no competitor has anything similar and no competitor solves the power grid consumption problem.

Superior. The difference is superior to other ways in which customers could obtain the same benefit.

Conveyable. The difference can be communicated in order to be perceived as such by the consumers.

Exclusive. We have patented the system.

Affordable. The customers can pay for that difference.

Profitable. Increase in the company's profitability.

Silent stoves

Important. This difference is highly valued by the consumer.

Distinguishable. Differentiated proposal to that of the competition, no competitor has anything similar.

Superior. The difference is superior to other ways in which customers could obtain the same benefit.

Conveyable. The difference can be communicated in order to be perceived as such by the consumers.

Exclusive. We have patented the system.

Affordable. Consumers will appreciate that, for the same price, you have a very significant advantage compared to competitors' products.

Profitable. Increase in the company's profitability.

Services.

1. Easy purchase through Smartphone and PC.
2. Payment convenience
3. Home delivery
4. Installation
5. Refund

Distribution channels.

Direct sale through our website, without intermediaries

Image.

Creating a brand image which conveys the product's benefits and distinguishable positioning, its differentiated image in regards to the competition.

3.6 - Growth strategy

We will follow a market entry strategy.

- **Increase the market share:** increasing marketing activities, making special offers, increasing the communication budget and offering a differentiated product from that of the competition.
- **Searching and attracting new users:** increasing the number of consumers or users by attracting non-consumers or consumers of substitute products.

4. GOAL SETTING AND MARKETING STRATEGIES

4.1 - Mission

Helping consumers who need to heat their households to do so in the most environment-friendly and economical way.

4.2 - Corporate objectives

General

- To be a profitable company
- With a constant sales growth
- To constantly improve our market share

Specific

- To be a profitable company within 2 years
- To have an annual sales of over 10% in the first two years.
- To get a 15% market share in the first two years.

4.3 - Marketing objectives

Relations:

- Attract 1000 customers during the first year

Commercial:

- Increase brand awareness in 2018
- Reach a 7% market share in 2018

4.4 - Competitive strategy

We will follow a **differentiation** strategy.

Following the classification made by Kotler (1992), we will use a combination of several strategies.

- **Differentiation through the product**, adding extra features, such as: incorporating our battery and solar panel system to eliminate power grid cost. Reducing noise or eliminating it with the option of turning the fan off. Customizable sides panels.
- **Differentiation through the services**, home delivery and product installation, superior warranty to that of the competition, technical consultancy.
- **Differentiation through the image**, creating a strong brand image, through communication campaigns.

- **Differentiation through the distribution channels**, using a direct sales channel, sales via Internet.

5. MARKETING DESIGN PROGRAM

5.1 - Action plan, to achieve the stated objectives. The action plan includes the 4p´s

5.1.1 - Product

Whole product

We want to exceed customer expectations by adding value to the product, such as: better conditions of delivery and installation, refund if the customer is not satisfied, 5 year warranty, and unique features such as electricity self-consumption through the solar panel, and noise reduction.

Product decisions

Product features:

- Solar panel and battery kit to eliminate the power grid consumption cost
- App to program the stove from anywhere
- A smaller sized stove than that of the competition
- Noise reduction, with the option of being non-existent when turning the fan off
- The stove will be compatible with several biomass fuels (pellets, olive bones and almond shells)

Brand: Lampy calefaccion

Brand strategy: single brand, the entirety of what the company commercializes appears in the market under a single brand.

Packaging:

It will have a simple packaging, which will protect the product well during its transportation. It will consist of: a cardboard box and a polystyrene interior, and covering the cardboard box it will have a plastic bag to protect it from rain and moisture.

Labeling

Only the company logo will appear on the outside of the cardboard box.

Decision about the product portfolio

A single line, which will have one biomass stove model with the option of a solar panel and battery kit. And it will be available in several colors, besides having customizable side panels.

5.1.2 - Price

Price setting method based on the competition

Method based on the current price level, the current price situation and how our competitors react when faced with an increase or reduction of our price.

Price strategy

Psychological prices

- **Prestige price**, the client perceives the quality of our product
- **Odd-even price**, we attempt the product to be perceived as the most economical, reducing the amount so it ends in an odd number.

Geographical prices

Uniform delivery, all buyers pay the same amount whatever their location might be, the transportation cost will be included in the price.

5.1.3 - Distribution

At first, we will use an **ultra-short channel**, without any intermediaries between us and the consumer. We aim to reduce costs.

Sales will be through our website. And we will deliver the product to the consumer's home through **Tourline** transport agency.

5.1.4 - Communication

Pull Strategy

Initially, the only communication tool we are going to use will be digital marketing (direct and interactive marketing). The entire communication budget is allocated to direct

marketing since it involves the use of direct consumer channels to reach customers without resorting to Marketing intermediaries.

Creation of the company's website (design adapted for Smartphone)

- **Usability.** Fast loading, easily understandable home page. Consumers will be able to purchase the product in two steps.
- **Visually appealing.** Clean webpages with little content.

We will use five direct marketing channels:

E-mail, we will use **databases**, to identify potential customers and increase loyalty, reactivate purchases and avoid making mistakes with the customer.

We will buy a database from the company Datacentric according to our potential consumer segment. This will allow us to reach a segmented audience, with a personalized message and on a specific date.

On the other hand, we will capture the users of our website and our audience in social networks so that they voluntarily accept to be in our mailing list.

We will create a CRM, which we will use, among other things, to send personalized offers to potential customers.

Online advertising: in **Search** engines (SEO and SEM) and in **display** advertising.

Search:

SEO, making our website friendly to search engines so they favor the site when users search certain phrases. Most users who are searching the internet are already interested in what we sell.

SEM, paid advertising that Google offers us through its Google Adwords service to appear in their search results, even above organic results (SEO).

Display: Visual advertising element that we will place in websites, blogs, forums, etc. Like the well-known banner, we will use text and image formats. The measures we will

use for the banner types are the messenger tabs of 300 × 250, the skyscraper of 160 × 600 or 120 × 600.

We will use the Google AdSense/Adwords platform.

Social Media.

- **Blogs:** creation of a blog of our own to explain the benefits of biomass.
- **Social networks:** Presence on Facebook, Twitter, YouTube and Instagram. Through these social networks, we will advertise the product, organize sweepstakes and one-off promotions.

Advertising on social networks. We will put paid ads on Facebook, Instagram and Twitter. These social networks will allow us to direct the advertising to the segment we have defined.

- **Viral marketing:** we will create videos and promotions, and encourage consumers to share them.
- **Opinion leaders:** contact with influencers (bloggers and youtubers) so they know about our product and try it out. Through them we will offer promotions and sweepstakes.

Bloggers: todo chimeneas, Nergiza, el blog alternativo, Gasfriocalor.

Youtubers: top channel, Robeson design.

Mobile marketing: creation of a corporate App that allows consumers to purchase. It will be the same App with which you can control the stove remotely.

Sales manual:

As we are shown (Kúster and Román, 2006) on personal sales and customer loyalty, our company will produce a sales manual.

Our company, following the guidelines of relational marketing, will practice **relational selling**, in order to create links with customers based on the attention of the salesmen and commitment to the client's needs over time.

We will prepare a **sales manual**, which will include the lines of action that the company will follow in sales activities. It will include information about the company, the environment, the product portfolio, prices, order rules and deadlines, the complaints system and its treatment, customer typology, sales argument and behavioral guidelines.

5.2 - Action plan budget

Website creation 1.150eur

Database 2.500eur

SEM advertising 2.000eur

Display advertising 2.500eur

Social network advertising 5.100eur

Advertising will go on for one year. We will insert it every week, from Wednesday to Sunday. It will be 255 days in total, investing 20eur per day.

Bloggers, we will give two stoves to two bloggers so they can write a review, and then raffle the stove among their followers. 1.000eur

Youtubers, we will give two stoves to two youtubers so they can make a video review on their channel, and then raffle the stove among their subscribers. 1.000eur

APP Creation 1.000eur

Total, action plan budget **16.250eur**

5.3 - Action plan control process

We are going to carry out a rigorous control process to be able to verify if our objectives are being achieved. If this is not so, and we detect deviations, we will introduce appropriate plans and actions to correct these deviations.

The first control action we are going to carry out will be to control the budget allocated to each action plan so that it does not exceed what was initially established.

For the action plan we will perform a monthly monitoring of: social networks, youtubers, bloggers, our YouTube channel, and our website. We will analyze consumer opinion regarding the company and our products.

With web traffic measurement tools, we will measure the number of visits on our website and social networks. In addition, online and offline surveys of the public opinions about the brand and the knowledge of our products will be done, in order to determine the areas in which we have to reinforce the brand value, and those in which we have already reached the proposed objectives. These tasks will be carried out by the marketing controller.

6. OPERATIONS PLAN: TECHNICAL, PRODUCTION AND PROVISIONING MEANS

6.1 - Infrastructure and facilities

Facilities:

Location

Warehouse on avenida Enrique Gimeno, 39, Ciutat del Transport-La Salera, Castellon de la Plana.

This warehouse covers our need for interior space for the goods' warehousing and logistics, as well as the necessary external space for loading and unloading the goods.

The location is close to the port of Castellon, this port will be the one we will use to receive the product from our supplier in Asia. In addition, the ship is a few meters from the CV10 highway and AP7 freeway.

Size

2.700m² 700m² of useful warehouse space and 2000m² of exterior space. These dimensions cover the need for developing our activities, as well as the possibilities of future warehouse expansion.

Distribution

The warehouse has a spacious distribution, which facilitates the entry and reception of the goods, and the exit or delivery of the products. It also facilitates other activities such as technical service, laboratories and quality control.

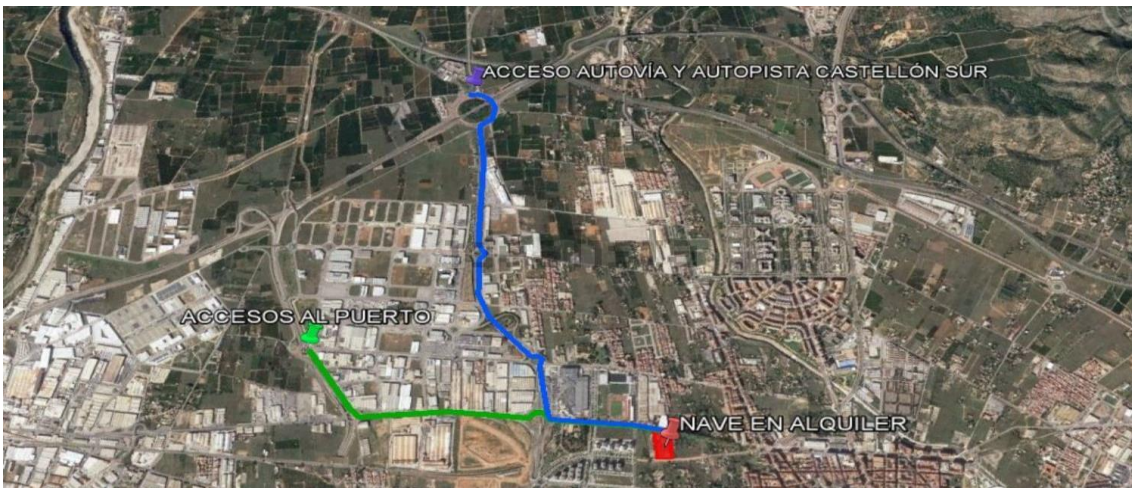
Purchase/rent

We will rent the warehouse, the price is 1.000 €/month, **El idialista.com**

Property characteristics

It has a dock for containers, and premises to accommodate the offices. We will have to

Picture 3. Industrial ship



Source: *el idialista.com* (2017)

Equipment:

Transport elements

A 3.000kg forklift in leasing form with the company **Toyota-forklifts**.

Two hand pallet truck, **Toyota-forklifts**.

Furniture

Two shelves to store pallets, with a capacity for 100 pallets. The shelves will be installed by the company **MECALUX S.A.**

Machinery

A plastic wrapping machine to wrap the stoves in plastic with their cardboard boxes From the firm **Controlpack S.A.**

Two manual strapping machines with strap strips to hold the box and stove, from the firm **Controlpack S.A.** (We will receive the stoves with the cardboard box and our logo, but after passing the quality control, we will re-pack them with the same packaging as well as adding several straps, after which we will wrap the stove in plastic).

Technology:

Hardware

Three desktop computers, plus three laptop computers

Two printers

One scanner

One telephone switchboard, plus five fixed lines

Seven smartphones

The provider will be **Media Markt soluciones para empresas.**

Software

Computer programs, Sage: ERP, CRM, etc.

WIFI wireless network from **MasMovil**

Maintenance requirements

Technical support contract both for the computer programs and the hardware

As well as, machinery and transport elements maintenance contract.

6.2 – Manufacture process / Service provision

Process description

Input or entries: the main entry is the stoves, it is a finished product provided by our supplier in Asia: **Anhui Warmfire Co. Ltd.** The product is sent from the FOB Nanjing port to the port of Castellon, the delivery time after placing the order is 22 days.

In addition, we have another supplier that provides us: plastic, cardboard boxes, polystyrene, strapping, sealing rolls. **Precincas s.a.** Pol.ind. sitjar-cami fondo 12550 Almazora.

And a wooden pallets supplier: **palets Hermanos castelló s.l**

Handling: products and raw material reception and storage. As for the stoves, we will proceed to perform the quality control (we will describe this process later) and after passing the quality control, the stoves will be stored. Raw materials will be stored directly.

Outputs or exits: the stove outputs from our warehouses will be carried out in the following way: our operators will prepare the order before the arrival of the transport agency, they will take the stove from the warehouse and paste a sticker with the customer's shipping information. When the transport agency arrives, they will load it onto the vehicle. The transport agency that will work with us is **tourline Express**, this agency delivers shipments throughout all of Spain.

Required resources (raw materials, auxiliary substances and energy)

Electricity and water supply

Raw materials:

- Plastic, to wrap the stove with its cardboard box and protect it from rain and humidity
- Cardboard boxes, the product arrives with its cardboard box, but it is possible we will need more boxes after performing our quality control.
- Polystyrene, polystyrene sheets, just like the cardboard boxes, we may need more to replace some pieces of polystyrene that protect the stove inside the cardboard box after quality control.
- Sealing tape, to seal the box with the plastic and, also, in case needing to seal a box to a pallet.
- Pallets, to use for transportation, we will mainly use the one that arrives with the stove from our supplier, but we will have a stock of pallets in case we need them for shipments.

Human resources:

Two warehouse operators, one will be in charge of goods reception and storage, as well as order preparation and product loading on the transport agency's vehicles. The other operator will mainly handle quality control and subsequent product packaging and, when not performing these tasks, will perform the same tasks as the operator described above.

An industrial design engineer, his task will be to design and modify the product at the marketing department's request, and later send the design and features that our product must have to our supplier.

Two employees in the Marketing and Market Research department

Two employees in the Sales department

All other functional areas and tasks will be outsourced.

Quality control

The stoves will pass a quality control. When the stoves arrive to our facilities, one out of every five stoves will be inspected. We will proceed to unpack it and first will do a visual inspection of the product. Afterwards we will proceed to test the stove, loading it with fuel and turning it on, in order to test the operation of all its components. In addition, we will check the battery and the solar plate. For the combustion test, we will use burner boxes purposely for the test so as to not to tarnish the box the customer receives. Finally, the stove will be cleaned and the fuel hopper emptied.

Security measures/occupational risk prevention

All our employees will work with the necessary security measures to prevent risks which arise from their job, as established by Law 31/1995 of November 8.

In this sense, an occupational prevention, safety and hygiene plan will be developed to identify, analyze and evaluate the possible risks, establishing preventive measures, training plans for workers, as well as an emergency plan according to the type of incident.

Environmental factors

We will prepare an environmental plan that identifies, analyzes and evaluates the possible risks, establishing preventive measures and training plans for workers.

6.3 - Supply and Logistics

Purchasing policies

Our stove production will be outsourced. We will design the stove and the company that will manufacture the stoves, with the design, features and quality we require, will be the Chinese company **Anhui Warmfire Co. Ltd.**

The company informs us that the first orders with the product design and characteristics will take 100 days to arrive to the port of Castellon, with a minimum of 100 units per order, but once the order demand and periodicity is stabilized, they declare they can deliver the orders in 22 days. Thereafter they will have a continuous stock of our product. The provider estimates that this could occur after the first year.

Payment periods, during the first year, orders will be paid when placing the order before beginning the manufacture. When the supplier has a stock of our product, the payment will be made when the merchandise is sent.

The merchandise will be sent by boat from the FOB Nanjing port in China to the port of Castellon.

The transport cost to the port of Castellon is included in the price of the stove.

Transportation from the port of Castellon to our facilities will be carried out by the transport company **Cisvoltrans coop.v** located in Castellon.

Inventory management policies

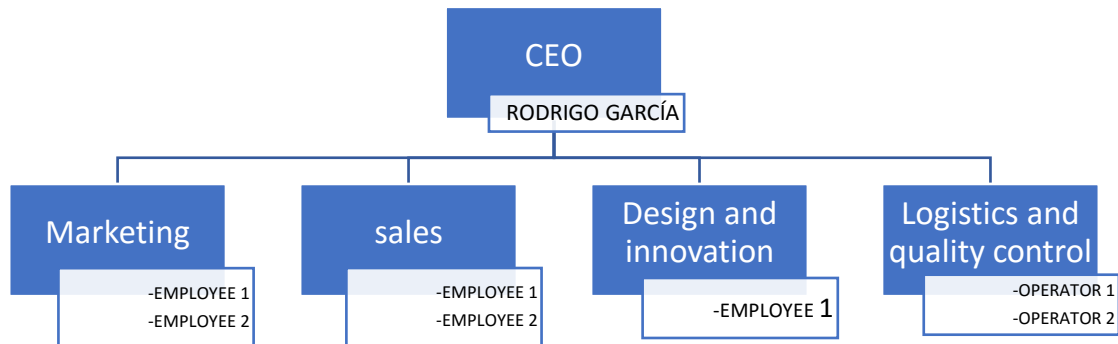
The initial order to begin the activity will be 400 stoves in stock. From there, we will replenish the stock periodically so as not to have a stockout. When we have fewer than 350 units in the warehouse, we will proceed to make a new 100-unit order to our supplier.

As for the packaging materials, we will make a daily stock check and proceed to place a new order to our supplier when the quantity in store is reduced by over 30%.

7. ORGANIZATION AND HUMAN RESOURCES

Organization chart

Figure 4. Organization chart



Source: Own elaboration

7.1 - Staff planning

Definition of the positions to be filled.

Two warehouse operators, one will be in charge of goods reception and storage, as well as order preparation and product loading on the transport agency's vehicles. The other operator will mainly handle quality control and subsequent product packaging and, when not performing these tasks, will perform the same tasks as the operator described above.

An industrial design engineer, his task will be to design and modify the product at the Marketing department's request, and later send the design and features that our product must have to our supplier.

Two employees in the Marketing and Market Research department

Two employees in the Sales department

In their narrative about people management (Bonache and Cabrera, 2006) they define the following recruitment and selection patterns.

7.2 - Recruitment

As we are creating a new company, internal recruitment will not exist, and we shall proceed to make external recruitments.

The two methods we are going to use for external recruitment are: through internet and the Jaume I university.

We will use specialized web pages such as: www.infojobs.net; www.servijobs.com; www.monster.com; www.linkedin.com. The use of internet and specialized websites has a number of advantages such as: cost, which is usually lower than press ads; the ads duration, which can be continuous, and the speed and agility with which one can include, remove or modify the ads.

On the other hand, through Ocuparty, we will make a company presentation day to the students of the last courses, in the Legal and Economic Sciences faculty, as well as in the Engineering faculty.

In addition, the company website, as well as our corporate Facebook and Twitter accounts, will be available for interested parties to leave their CV.

7.3 - Selection

The selection model we will use will be the **strategic selection model**, which we consider to be the most appropriate for a changing economic and working environment such as the current one. This model is based on skills and abilities.

Below, we detail the generic skills we want our employees to have.

- Learning capacity
- Creativity
- Innovation
- Teamwork abilities
- Self-motivation
- Skills in the use of ICTs
- Communication skills and languages
- Emotional intelligence

In addition, for the positions to be covered by the Marketing and Sales departments, we want the employees to have a BA university degree.

For the industrial design engineer position, the employee must have a university degree.

For the two warehouse operator positions, a minimum of one year of experience in a similar position will be required.

Selection tools

We will use the **Structured Behavioral Interview (SBI)**, this type of interview has a high **reliability and validity**. It measures knowledge of the job position, work experience and general skills. This selection tool is based on the competitive differentiation strategy which our company intends to follow.

As it is exposed in the subject, (Direction RRH, 2016): "In the structured behavioral interview, two types of questions are posed:

1) Situational questions:

Hypothetical: attempts to discover how the candidate would respond to certain situations. For example: you are on vacations and you remember that you had a meeting with a customer...

Real: attempts to discover how the candidate responded to certain situations in the past (Critical incidents: success/failure)

2) Job requirement questions:

They value the worker's will when put under pressure, their attitudes. For example: How do you feel when there is extra work?"

7.4 - Integration and socialization

In this sense, we will elaborate a company welcome manual for new employees: it will collect information about the organization, processes, values, standards, etc.

In addition, there will be seminars, explanations, worker sponsorships and training courses.

Based on the book, *Manual de creación de empresas. De la oportunidad a la puesta en marcha* (Rodríguez et al., 2014), We defined our financial plan.

8. FINANCIAL PLAN

The first question which we must address is the investment volume needed to start the activity, which involves developing an initial investment plan. Then it is necessary to obtain the resources that will allow us to finance the investment, which leads to the financial plan.

The next question to be answered is, how much revenue is the business going to generate? In order to answer this, we must make a monthly and annual revenue forecast. Afterwards, we must consider the necessary cost structure in order to reach the expected revenues.

8.1 - Initial investment plan

Here the company must identify the investment needs for the goods which will contribute to the company activity over a long period of time. For example, the property where the business will be located, machinery, furniture, computer equipment, software, etc.

Table 6. Initial investment

Physical facilities	euros
Deposit of two months of rent of the ship	2.000
Local conditioning (offices)	4.500
Transportation elements	
1 electric torito (contract for one year) 400eur / month x 12 =	4.800
2 hand pallet trucks	700
furniture	
2 shelves for storing pallets	9.000
Office Furniture	2.200
Machinery	
1 plasticizer	2.600
2 manual strapping machines	200
Hardware	

3 desktop computers + 3 laptops	3.000
2 printers	200
1 scanner	150
1 telephone switchboard + 5 fixed telephones	300
7 smartphones	2.100
Software	
SAGE 200eur / month x 12	2.400
WIFI + telephone lines and mobile data 240eur / month x 12	2.880
Raw Materials	
Plastic: 8 rolls to be able to pack 800 stoves	400
Boxes of cardboard: 120 boxes x 0.59eur.	70.9
Poliespan: 20 plates	80
Precinct: 100 rolls	60
Strap rolls: 5 rolls	85
Pallets: 25 pallets	200
Merchandise	
Stoves: 100 stoves with solar kit x 435eur.	43.500
20 stoves without kit x 335eur.	6.700
Constitution of the company	
License, registration, notary:	3.500
Marketing action plan	
	16.250
Cash to cover cash outflows in the initial months of the activity	
	25.000
TOTAL INVESTMENT	132.875.9eur.

Source: Own elaboration

8.2 - Financing plan

Here we will determine how we will finance the initial investment, determine how much of our own funding we will provide ourselves, and how much we shall need the banks to fund us.

Table 7. Financing plan

	Euros
Own financing	
Personal savings	45.000
Foreign financing	
Bank loans or credits	87.875.9
Total	132.875.9eur.

Source: Own elaboration

8.3 - Income forecast

With the income forecast, we intend to make a product sales volume estimate for one year.

Table 8. Income forecast

	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Projected sales (unds)	7	24	37	40	40	40	8	11	87	137	240	248	919
With SOLAR KIT													
Purchases required	1	3	2	4	2	1	0	1	8	15	22	22	81
NO SOLAR KIT													
Expected revenue with SOLAR kit 1.165eur / unit	8.155	27.960	43.105	46.600	46.600	46.600	9.320	12.815	101.355	159.605	279.600	288.920	1.070.635
Expected revenue WITHOUT KIT 995eur / unit	995	2.985	1.990	3.980	1.990	995	0	995	7.960	14.925	21.890	21.890	80.595
Total	9.150	30.945	45.095	50.580	48.590	47.595	9320	13.810	109.315	174.530	301.490	310.810	1.151.230

Source: Own elaboration

8.4 - Cost structure

Once the cost forecast is established, the next thing we must do is to consider the cost structure, distinguishing between fixed costs and variable costs. The fixed costs we must consider are: wages, rent, electricity, water, insurance, loan repayment, management, cleaning; and the variable costs are the stove units.

Table 9. Cost structure

	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	total
Sales cost with solar kit 435eur / unit	3.045	10.440	16.095	17.400	17.400	17.400	3.480	4.785	37.845	59.595	104.400	107.880	399.765
Cost of sales without solar kit 335eur / unit	335	1.005	670	1.340	670	335	0	335	2.680	5.025	7.370	7.370	27.135
Wages	14.700	14.700	14.700	14.700	14.700	14.700	29.400	14.700	14.700	14.700	14.700	29.400	205.800
Rental	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	12.000
Supplies													
Electricity	400	400	400	400	400	400	400	400	400	400	400	400	4.800
Water	25	25	25	25	25	25	25	25	25	25	25	25	300
Insurance													2.500
Amortization of bank loans	900	900	900	900	900	900	900	900	900	900	900	900	10.800
Outsourced Functions													
Gestoría	150	150	150	150	150	150	150	150	150	150	150	150	1.800
Cleaning	150	150	150	150	150	150	150	150	150	150	150	150	1.800
Total / monthly	18.900	26.970	32.290	36.065	35.395	35.060	35.505	22.445	57.850	81.945	129.095	147.275	
Total													666.700

Source: Own elaboration

8.5 - Economic viability: break-even point

Finally, we will elaborate a break-even point analysis, which will be very useful to have a clear idea of when the business will generate profits.

$$q = CF / (p - cv)$$

The average unit sale price is **1.080eur**, while the **unit's variable costs** are **385eur**. Therefore, the **contribution margin** (p - cv) is **695eur**. On the other hand, the **fixed cost** forecast for the first year of activity is **236,800eur**. From the above formula, one can calculate the break-even point for the first year of activity.

$$q = 236.800 / (1.080 - 385)$$

$$q = 340.72 = 341 \text{ units}$$

We need to sell 341 units to cover fixed costs. From this figure, any unit sold will make a contribution to the profit.

9. RISK ASSESSMENT

Once our company activity has begun, the environment conditions in which we have made strategic decisions may vary.

In order to do so, we will establish information sources that will feed our control system. We must find out:

- If the sales are fulfilling are goal forecast.
- If our clients' operations increase or decrease.
- If the competition's prices have varied in regards to ours.
- If our staff requirement is appropriate.
- Technological advances, substitute products.
- If there have been environment changes, for example, legislation changes.

For this, we will rely on information from both our Sales and Marketing departments, as well as information from our customers.

If deviations in terms of sales, costs and profitability are below the level we have established, we will have to apply corrective measures which will allow us to restore the situation according to what we had planned at the beginning of the activity.

When the sales reports delivered each month by our team indicates that sales in the first quarter are 25% below the goals we had set at the beginning of the year. We have established a **Contingency Plan** that is activated when sales fall by over 20%, for which we will proceed to apply corrective measures:

- Increase advertising investment
- Decrease sales price by 9%
- Reduction in costs.
- Elimination of inefficient distribution channels
- We assign he who will be responsible for applying these corrective measures, Rodrigo Garcia CEO.

10. LEGAL ASPECTS

Legal form of the company: Sociedad Limitada Nueva Empresa (New Business Limited Company)

10.1 - Description

Number of partners: two

Responsibility: limited to the capital provided.

Capital: 3.000eur.

Taxation: corporation tax

10.2 - Founding process

(information extracted from the IPIME website, Ministry of Industry)

- www.circe.es: **Corporate name** - The founding partner(s) must, in first place, carry out the procedures to obtain the corporate name of the New Company.
- Tax agency (AEAT): **Tax identification number**
- Notary: **Public deed**

The company's deed of constitution must be granted by all founding members, who will have to assume the totality of the capital participations.

The deed of constitution must be presented for registration in the Commercial Registry.

- Treasury Department of the Autonomous Communities (CC.AA.): **Asset Transfer and Legal Documentation Tax**
- Provincial Commercial Registry: **Company registration in the Registry**

10.3 - Implementation

(information extracted from the IPIME website, Ministry of Industry)

General procedures

- Tax Agency (AEAT): Entry in the Census of businesses, professionals and withholders
- Tax Agency (AEAT): Business Tax (newly created businesses are exempted during the first two years)
- Social Security Treasury: Entry of partners and directors in the Social Security systems
- Provincial Commercial Registry: Legalization of the Minutes Book, Partners Registry Book, Shareholder Registry Book, Contracts Between a Sole Member and the Company Registry Book
- Provincial Commercial Registry: Legalization of the General Ledger and the Inventory and Annual Accounts Book
- Certification authorities: Acquirement of an electronic certificate

Procedures according to the activity

- Municipalities: Activity license
- Other government agencies and/or registries: Registration in other government agencies and/or registries
- Spanish Data Protection Agency: Registration of personal data files

Procedures in case of hiring employees

- Social Security Treasury: Registration of the company

- Social Security Treasury: Affiliation of employees (assuming they are not affiliated)
- Social Security Treasury: Entry of employees in the Social Security System
- Public State Employment Service: Entry of the employment contracts
- Labor Department of the Autonomous Regions (CC.AA.): Authorization of registered premises
- Provincial Labor Inspectorate: Acquirement of the work calendar

Complementary procedures

- Spanish Patent and Trademark Office: Registration of distinctive signs

11. CONCLUSIONS

Summary of the project's key points

To solve the home heating problem during cold seasons, we propose biomass stoves. These stoves can work with different fuels: pellets, pomace (olive bones) and almond shells.

The relevant market coincides with the product/market, pellet stoves for individuals, covering the need to heat the household, as well as respect for the environment and economic savings.

The hedging strategy our company will follow will be a concentration strategy. We will specialize in a unique technological alternative and a unique group of buyers.

As for our Action Plan to achieve the stated goals, our plan is as follows:

Product: Whole product, we want to exceed customer expectations by adding value to the product.

Price: Pricing method based on the competition, method based on the current price level.

Distribution:

At first, we will use an ultra-short channel, and will not have intermediaries between us and the consumer, selling through the web.

Communication:

Pull Strategy, in the beginning, the only communication tool we are going to use will be digital marketing (direct and interactive marketing)

As for our manufacturing process, we emphasize that we will not manufacture but rather buy the finished product. Input or entries: the main entry is stoves, it is a finished product provided by our supplier in Asia: **Anhui Warmfire Co. Ltd**. The product is shipped from the FOB Nanjing port directly to the port of Castellon.

On the other hand, the company's HR will be formed by eight employees. Two warehouse operators, one industrial design engineer. Two employees in the Marketing and Market Research department and two employees in the Sales department, as well as the CEO.

Lastly, as far as the financial plan is concerned, we need to sell 341 units to cover fixed costs. Any unit sold above this figure will make a contribution to the profit.

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13. ANNEXES

Here I show the work done before starting the business plan, this work previously done has been directed towards the search of the business idea, as well as to detect and define the problem and the solution.

I have made a SCAMPER, as well as an initial CANVAS, subsequently a market research is carried out with the completion of several interviews, lastly and again to perform a CANVAS, this time taking into account the surveys made to the target audience.

1. Define the problem

2. Problem Solution

3. Competitive products

4. SCAMPER

5. My product / my proposal

6. CANVAS (simple, initial)

7. Define market segment

8. hypothesis

9. In-depth analysis, market research

10. Proposal of value (CANVAS, modified and final)

1. Defining the problem

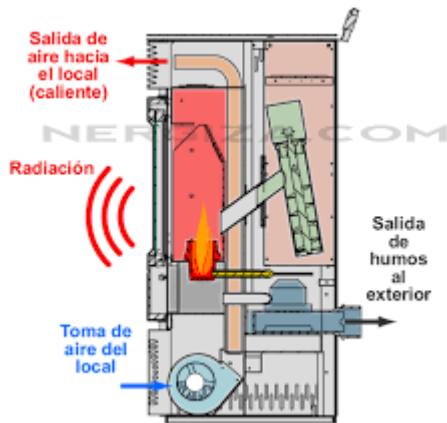
The need to heat homes during cold seasons, both in rural and urban households, as economically as possible in comparison to traditional alternatives such as: electricity, gas, diesel and wood stoves.

2. Solving the problem

To solve this problem, we propose biomass stoves. These stoves can work with different fuels: pellets, pomace (olive bones) and almonds shells.



- A- Almacén interno de pellet
- B- Sinfin
- C- Motor del sinfin
- D- Cenicero
- E- Resistencia para el encendido del pellet
- F- Evacuación de humos
- G- Turbina para impulsión de aire
- H- Ventilador para la extracción de humos
- I- Rejilla salida del aire caliente



3. Competition's products

Currently, there are different companies that manufacture and market biomass stoves, mainly pellet stoves. On the other hand, we must differentiate that there are three types of biomass stoves.

The three types of biomass stove are:

Hot-air stoves, (currently these are best-selling stoves) these stoves incorporate a small fan whose function is to expel the hot air from the stove to the room (this is a big difference from the traditional stoves/chimneys since the traditional ones only heat through transmitting heat by radiation)

Ducted air stoves, in these the operation is the same as the previous ones, the difference lies in the channeling pipes which go through the household's different rooms.

Water heaters or hydro stoves, these are used to heat the house's different radiators.



The most well-known pellet stove manufacturers or traders in Spain are:

Brompi (Spanish company)

Ecoforest (Spanish company)



Lacunza (Spanish company)

Edilkamin (Italian company)



4. SCAMPER

Substitute: The direct electrical consumption from the grid to a battery consumption, which will be charged by a solar panel.

Combine:

Our stove differs from that of the competition which only uses pellets, because it will be able to use the different existing biomass fuels, either by interchangeable burners or with hoppers or parallel burners.

Adapt:

Create an attractive design with several available colors, with interchangeable sides and front panels, so if in the future the customer wants to change stove color or needs to change a side panel because it is, for example, damaged.

Modify:

We will add a small removable lithium battery of approx. 24h so that the stove can run if there is no current.

We will add an APP for stove control (off, on, temperature, how much fuel is left, etc.)

Propose:

We will make more compact stoves to be able to fit into smaller houses, such as flats in big cities.

We will offer two lines of stoves: 1. stoves with electric consumption (the usual which all manufacturers have), 2. stoves without electricity consumption (simpler).

Eliminate:

In stoves that need electricity, to reduce their consumption to the bare minimum.

In another line of stoves, we will eliminate the electricity consumption completely, losing functionalities or amenities like: automatic on and off, and different app functions, but on the other hand the fact that the stove has no electricity consumption is highly valued by consumers.

Reform:

Make the stoves smaller and lighter

Reduce the noise of the stove

5. My product/my proposal

Biomass stove manufacturing or trading company

We will have two product lines:

1st line, electric biomass stove

Optional:

- Hot-air stoves
- Ducted air stoves

In this line, we propose stoves with added value in regards to the competition's proposals:

- To be able to use different fuels in one stove
- Interchangeable lateral and front panels with different colors
- Removable battery which provides 24 hours of autonomy to the stove (this battery can be charged in place or removed and charged anywhere, in addition, the battery can be used to charge different devices such as tablets or smartphones)
- We will add an app to control the stove from anywhere
- More compact stoves
- Electricity consumption reduction
- Decibel reduction

2nd line, non-electric biomass stoves

These stoves heat by radiation, like a traditional stove or chimney.

These stoves are underdeveloped and practically not commercialized.

Advantages and differences

- Non-existent electricity consumption
- These stoves can be more compact and light
- It also has interchangeable lateral and front panels with different colors
- They will be able to use different biomass fuels
- Possibility of incorporating an oven (optional)

6. CANVAS (simple, initial)

CANVAS Model

<p>KEY ALLIANCES</p> <ul style="list-style-type: none"> -Alliance with the stove manufacturers. -Alliances with different component manufacturers -Alliance with a computer engineer for the APP development. 	<p>KEY ACTIVITIES</p> <ul style="list-style-type: none"> -Marketing -Distribution channels 	<p>VALUE PROPOSITION</p> <p>Biomass stoves that work with pellets, olive bones, almond shells.</p> <p>Two product lines:</p> <p>1.Stoves with electricity consumption, they are the most well-known and best-selling stoves. (we will improve them and add differential features)</p> <p>2.Biomass stoves without electricity consumption.</p>	<p>CLIENT RELATIONSHIP</p> <ul style="list-style-type: none"> -We will use a Pull communication strategy. -Creating brand value. -Pellet sales only to our clients -Excellent customer service. 	<p>CLIENT SEGMENTS</p> <ul style="list-style-type: none"> -Clients who rent or own a household. -Over 30 years of age. -Living mainly in regions with cold climate. -Searching for savings in electricity or diesel. -Concerned about the environment.
<p>COST STRUCTURE</p> <ul style="list-style-type: none"> -Internal stove production -Purchase of components and we assemble them -Or we just design it and a supplier manufactures it -Staff: engineers, electromechanical technicians, marketing, sales, the rest of functional areas will be outsourced. 		<p>SOURCE OF REVENUE</p> <ul style="list-style-type: none"> -Stove sales -Maintenance -Possible fuel sales: pellets, olive bones, almond shells. (internal production or resale) 		

7. Defining the market segment

Homeowners

Over 30 years of age

With an upper/middle income level

Living mainly in regions with cold climate with harsh winters

Concerned about the environment

Concerned about saving in electricity, diesel or gas

Concerned about design/decoration

8. Hypothesis

I believe my client likes...

- Stoves that are environment-friendly
- That have a beautiful design
- That are easy to install in small spaces (flats in big cities)
- With a low electricity consumption
- That has a lower consumption than wood, electric or diesel stoves
- That does not have smell or smoke
- The possibility of using several fuels

9. In-depth analysis, market research

I have conducted four in-depth interviews to find out the opinion of our potential clients.

Interview 1

Gender Male

Age 46

Education level technical training

family income/month between 2.000 and 3000

Location- city Requena (Valencia)

- Is it a cold region? Yes

Name three pellet stove brands Doesn't know any

Name a conventional stove brand Eschimar

If you were to decide to buy a pellet stove, where would you buy it? A local Requena store I trust

What do you like the most about pellet stoves? Lower fuel consumption than wood stoves

What do you like the least about them? Electricity consumption

What advantages do you see pellet stoves have in comparison to conventional stoves?

Cleaner, more ecological, lower consumption, programming (automatic start, etc.)

Disadvantages?

Noise, electricity consumption

Would you install a pellet stove in your home? Yes

Why? Ecology, economy

Do you know other fuels which are similar to pellets? Olive bones

Interview 2

Gender Male

Age 44

Education level technical training

family income/month between 1.000 and 1.500

Location- city Vistabella (Castellón)

- Is it a cold region? Yes

Name three pellet stove brands Doesn't know any

Name a conventional stove brand Chimeneas Roig

If you were to decide to buy a pellet stove, where would you buy it? by Internet

What do you like the most about pellet stoves? Spends less fuel than wood-burning stoves and less electricity or diesel

What do you like the least about them? Power consumption, noise

What advantages do you see pellet stoves have in comparison to conventional stoves?

Cleaner, more ecological, lower consumption, programming (automatic start, etc.)

Disadvantages?

The noise, it spends electricity, if it goes electricity does not work

Would you install a pellet stove in your home? Yes

Why? Cleaning, Ecology, economy

Do you know other fuels which are similar to pellets? not

Interview 3

Gender Male

Age 31

Education level Higher education

family income/month between 2.000 and 3000

Location- city Valencia

- Is it a cold region? not much

Name three pellet stove brands Doesn't know any

Name a conventional stove brand Ufesa

If you were to decide to buy a pellet stove, where would you buy it? Leroy Merlin

What do you like the most about pellet stoves? Spends less fuel than wood-burning stoves and less electricity or diesel, are more beautiful

What do you like the least about them? The size, the electrical consumption, work for the installation of the tube

What advantages do you see pellet stoves have in comparison to conventional stoves?

They are cleaner, fuel load lasts longer, consumption is lower, programming (automatic ignition, etc.)

Disadvantages?

The noise, it spends electricity, if it goes the electricity does not work

Would you install a pellet stove in your home? Yes

Why? Clean, economical, easy to get fuel compared to firewood

Do you know other fuels which are similar to pellets? Olive bones

Interview 4

Gender Male

Age 32

Education level Higher education

family income/month between 2.000 and 3000

Location- city Alcira

- Is it a cold region? not much

Name three pellet stove brands Doesn't know any

Name a conventional stove brand Doesn't know any

If you were to decide to buy a pellet stove, where would you buy it?

Leroy Merlin

What do you like the most about pellet stoves?

Spends less fuel than wood-burning stoves and less electricity or diesel, they are clean

What do you like the least about them? Electricity consumption, noise, size

What advantages do you see pellet stoves have in comparison to conventional stoves?

Cleaner, more ecological, lower consumption, programming (automatic start, etc.)

Disadvantages?

The noise, it spends electricity, if it goes the electricity does not work

Would you install a pellet stove in your home? Yes

Why? Cleaning, economy, design

Do you know other fuels which are similar to pellets? Olive pomace, almond husks

10. New value proposition (CANVAS)

VALUE PROPOSITION	CLIENT RELATIONSHIP	CLIENT SEGMENTS
<p>-Biomass stoves, our stoves do not only work with the well-known pellets, but also can work with other biomass fuels, such as: olive bones or almond shells.</p> <p>-In order to solve the electricity consumption problem that is a great concern for our clients, our stoves will incorporate a small rechargeable battery with a solar plate, its autonomy can be up to 72h, which will give the stove enough autonomy for cloudy days or possible power outages.</p> <p>-We will add an APP to control the stove from anywhere (on/off, temperature, how much fuel is left, etc.)</p> <p>-We will reduce the size of the stoves to adapt them to smaller spaces and so they have a more appealing design. The side panels will be interchangeable with different colors.</p> <p>-We will reduce the noise the stoves make.</p>	<p>-We will use a Pull communication strategy, we will create a well-known Brand, with a high brand value.</p> <p>-An excellent customer service</p> <p>-Exclusive pellet sale only to our clients.</p>	<p>-Over 30 years of age</p> <p>-With an upper/middle income level</p> <p>-Living mainly in cold regions.</p> <p>-Concerned about the environment</p> <p>-Concerned about the use of electricity, diesel and gas.</p> <p>-Concerned about design and decoration.</p> <p>-Concerned about the smell and the noise.</p>
	<p>DISTRIBUTION CHANNELS</p> <p>-We will sell our stoves directly from our website. It will be a very simple webpage in which you will be able to buy in just a couple of clicks.</p> <p>-In addition, we will sell in permanent establishments, distribution will be selective.</p>	

