



The natural headache support supplement

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Executive Summary

Concept Description

Niro is a 100% natural supplement made from a single ingredient that has been used as an anti-inflammatory, antipyretic, and analgesic for thousands of years.¹ Headaches disrupt millions of lives each year costing time, money, and even memories. Currently there are very few effective natural alternatives to products containing ibuprofen or naproxen sodium like Advil or Aleve. These products can cause a plethora of side effects including nausea, dizziness, upset stomach, and more.² Niro was created to fill the gap between effective and natural in the headache relief products marketplace. Niro retails for a price of \$20 for a 60-capsule bottle & \$50 for a 180-capsule bottle.

Opportunity

It is reported that over 45 million Americans suffer from headaches annually.³ In recent years, consumers desire for natural products has grown steadily. In fact, over a quarter of consumers reported they prefer natural alternative medicines with millennials in particular reporting 65% prefer natural medicines.⁴ Natural products that aim to support headache relief are on the market in a variety of forms; however, many of them are expensive, inconvenient, or ineffective.

Innovative Solution

Niro is a take-as-needed herbal supplement designed to support headache relief by reducing inflammation and minor pains. The only ingredient is Willow Bark extract which contains salicin. Salicin has been shown to have anti-inflammatory, antipyretic, and analgesic properties.⁴ The early use of Willow bark for its anti-inflammatory benefits eventually lead to the discovery of aspirin. In fact, the active ingredients in aspirin and Willow bark both belong to a group of compounds called salicylates.⁵ Niro contains salicin as well as polyphenols and flavonoids which have antioxidant, fever-reducing, antiseptic, and even immune boosting properties.⁶ These compounds work together synergistically, supporting the body to reduce inflammation and help ease aches and pains. Niro is effectively dosed at 800mg of Willow Bark extract per capsule in order to provide an efficacious amount of Salicin, approximately 240mg per serving. In each bottle there are two types of capsules clear and orange. The orange capsules are instant release, and the clear capsules are timed-release which activate later than the orange capsules. This allows for a longer duration of effects and helps reduce any potential gastrointestinal irritation. Both capsules are size 00 (double zero) and are composed of vegan-friendly cellulose. Niro is easy to take with a meal or drink and it is easy to travel with and pack. Niro targets the market of individuals who prefer natural remedies and homeopathic medicine; thus, a large challenge will be getting those consumers to switch from the product they are currently using.

Value Proposition

Currently, customers use a variety of remedies including natural remedies, over the counter medicines, and even meditation, breathing exercises and other methods to treat headaches. Niro provides a natural and cost-effective option for consumers to support their headache treatment. Niro is perfect for the health conscious, those who prefer natural medicines,

or those just curious to give willow bark a try for headaches or even back pain. Consumers can find Niro anywhere they find their current headache and inflammation support options: At grocery stores, convenience stores, and online on our website and Amazon.

Competitive Advantage

The biggest competitors would be the name brand NSAIDs like Aleve, Advil, and Motrin. Competitors would also include the natural products currently on the market like essential oils, herbal remedies, and alternative treatments like meditation, breathing exercises, and rest. Consumers will gravitate towards Niro because it is a 100% natural remedy with only one ingredient that has been used for millennia. Niro is vegan friendly and uses timed-release capsules which is a method of delivery not currently utilized by competitors. The convenience to use coupled with the effectiveness of Niro make it perfect to keep in your backpack, at home, at the office, or even take it on your trip. A significant barrier would be the regulations surrounding the structure & function claims that can be made about a natural product and what the product can do. The wording used in any advertisements, on packaging, and everywhere else will have to be carefully worded and overseen by a lawyer.

Entrepreneurial Team

The team that would be needed to help get this product launched would need to have skills primarily in marketing and business development. The contracted manufacturer SMP Nutra would be responsible for production as well as storage and distribution which significantly reduces the work our team would need to do. This allows us to put all our energy towards creating promotions, expanding our operation, and getting the product on as many shelves in as many stores as possible. Individuals with skills relating to sales, marketing, and business development would be the most critical to effectively capitalize on this opportunity.

Financial Highlights and/or MBV Outcomes

Niro is ready to start production and is currently in the process of choosing the ideal contract manufacturer. Given the estimated time to garner the needed capital and the manufacturers lead times, Niro is estimated to hit shelves in mid-late 2023. In order for this business to be sustainable, Niro would need to clear 12 units a day, 338 per month and 4,046 annually. Given the burn rate of \$46,198 annually and the estimated cost for the MOQ of 2000 bottles equating to \$17,160, Niro would need an initial investment of approximately \$100,000. This \$100,000 would cover 20 months of operation, secure an inventory of 2000 60-serving bottles, and provide extra liquidity. It is important to note that the order price may change in either direction depending on the supplier we determine is best suited considering our goals. Considerations of suppliers will consist of ability to label and package, ability to store product, ability to distribute product, prices charged for fulfillment services, and per unit cost.

Consumer Problem

Niro

*The all-natural headache support supplement**

Headaches can arise at any time of the day and knock you off your game. These headaches can take you away from work, family, or friends and ultimately cost you time, money, and memories. People who want to avoid NSAIDs or just want an all-natural alternative to over-the-counter pills have had few simple yet effective products to choose from. Struggling to find an effective & natural treatment for your headache is frustrating and can leave you feeling hopeless. That is why we created Niro (natural inflammation reduction option). Niro is a cost effective, high performance, all-natural inflammation and pain support* supplement made from one simple ingredient that has been used for thousands of years. Niro gives you the power you need so you can take back the day and never miss another moment. Niro brings the joy back to your life by letting you get back to what you love to do most. Never miss a deadline, game, or moment due to your headache again! Unlike current non-natural alternatives, Niro is not hard on your kidneys and does not damage gastrointestinal mucosa.

Using only the highest quality and purest White Willow bark extract, Niro is dosed effectively to provide you with rapid, long-lasting inflammation and pain support* so you can get back to doing what you need and love to do. Using extract containing 15% salicin, Niro provides a dose of 240mg of salicin split between vegan-friendly instant release and timed-release capsules. By utilizing a timed-release capsule, Niro is able to provide longer lasting effects for all day inflammation and pain support*. Salicin, polyphenols, and flavonoids work together synergistically in your body to produce a potent analgesic effect and inhibit pro-inflammatory activated monocytes.

Unlike NSAIDs, Niro can do two jobs in one: aid in reducing inflammation while simultaneously providing polyphenols and flavonoids which have antioxidant, fever-reducing, antiseptic, and even immune boosting properties. Niro provides the support you need, all without the stomach and kidney irritation associated with NSAIDs. Whether you struggle with stress headaches, inflammation or you want a natural alternative without the side effects of current options, Niro has you covered. Available in a variety of options including 60 and 180 serving bottles.

You can find Niro at your local grocery store, on amazon, and online at Nirosupplement.com

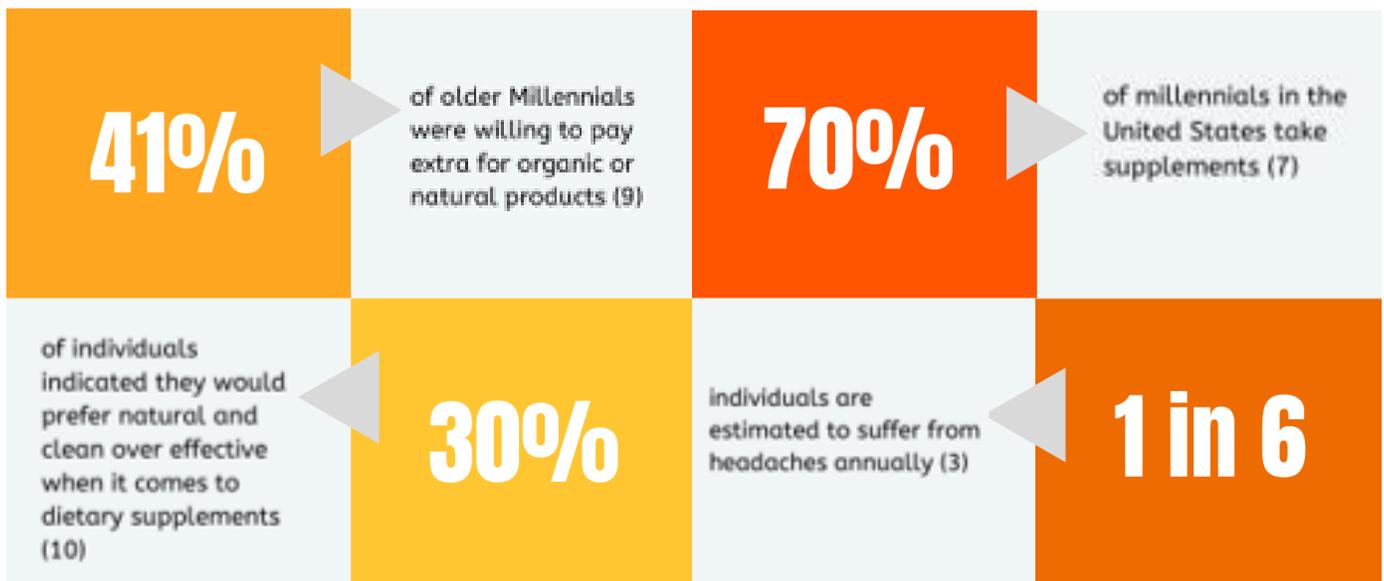
Starting at \$20 for 60 servings.

*These statements have not been evaluated by the FDA. This product is not intended to diagnose, cure, or treat any disease.

Consumers who prefer complementary alternative medicine (CAM), natural products, or who want to try a botanical supplement have had few innovative and effective options to choose from in today’s market. Headaches are a daily occurrence that can have negative side effects on productivity, relationships, mood, mental health, and more. It is estimated that 1 in 6 individuals suffer from frequent headaches every year.³ With increasing workloads, increased exposure to blue light and prolonged sitting at the computer, headaches will continue to be a problem for individuals. Headaches affect individuals of all ages, from all countries, and all professions. Common treatments today include NSAIDs, natural products, and relaxation & meditation methods. Real implications of headaches include physical pain, irritation, lost family time, lost productivity, and even lost revenue for businesses. By relieving headaches, Niro is able to provide consumers with the ability to get back to the “baseline” they are used to. Niro provides a way for consumers to feel good and get back to normal so they can do what they need and love to do, to the best of their ability. Niro helps eliminate the constraining effects of headaches on productivity, comfort, focus, and even attitude.

Working millennials are Niro’s target customer as they are the segment that has the most potential for widespread adoption. Studies have shown millennials take their supplements seriously and many are using supplements to help boost productivity and reduce stress.⁷ There are an estimated 72.19 million millennials in the United States alone.⁸ Using the assumptions that 1 in 6 adults suffer from headaches annually and that 38% of adults are using CAMs, the market for Niro is estimated to be 13 million potential customers in the US alone. Niro’s target consumer is specifically millennial adults, thus, using the previous assumptions and population estimate, the millennial segment represents about 4.57 million potential customers.

Relevant Consumer Statistics and Demographics





This is Kristin. Kristin is a 32-year-old who works as a fitness instructor making \$50k annually. She lives in Minneapolis with her husband and 2 kids. Kristin cares a lot about her health and wellness and always tries to buy natural products when she can. Kristin keeps busy and occasionally suffers from stress and tension headaches because of her demanding workload. Kristin has used natural headache supplements in the past with little success and she is always looking for new options. Kristin is big on supplements and keeps an eye out for products she may like to try. She is always getting and giving recommendations to family, friends, and clients on the best supplements for their individual needs. Kristin is willing to pay more for products that are all natural.

See the appendix for additional consumer personas.

Product Problem

Compared to current natural options, Niro provides a more effective delivery of the key ingredient salicin. Currently, there are no competitors utilizing a timed-release delivery of the active ingredient. By incorporating two types of vegan-friendly capsules, an instant release and a timed-release capsule, Niro provides a longer duration of effects. The timed-release capsule can withstand the stomach acid for a longer period of time than traditional capsules. This in turn allows for the analgesic effects of the salicin to be spread over a wider window of time. This means users can experience longer lasting and uninterrupted effects. Additionally, the timed-release capsule does not dissolve until it reaches the small intestine, meaning the likelihood of stomach irritation is reduced as well. 1 serving consists of 1 of each type of capsule. Each capsule provides 800 mg of extract, with a 15% average composition of salicin, the capsules provide a total effective dose of 240 mg of salicin. The max number of servings is one every 24 hours. Usage directions can be found in the appendix.

1 serving of Niro



Formulation

The use of a single ingredient in Niro is very intentional and was decided on for several reasons. Research has shown consumers overwhelmingly seek out products with as few ingredients as possible.¹¹ Additionally, research has demonstrated that Willow Bark alone has a plethora of benefits compared to Aspirin. The flavonoids and polyphenols found within Willow Bark extract have a significant effect on the analgesic properties of the extract. The flavonoids and polyphenols have been found to have antioxidant, fever-reducing, antiseptic, and even immune boosting properties.⁶ In effect, the flavonoids and polyphenol have a synergistic effect with the Salicin and thus provide different mechanism of action than Aspirin. According to one study “The multi-component active principle of willow bark provides a broader mechanism of action than aspirin and is devoid of serious adverse events. In contrast to synthetic aspirin, willow bark does not damage the gastrointestinal mucosa. An extract dose with 240 mg salicin had no major impact on blood clotting.”²⁰ As noted in the study, Willow Bark does not damage the gastrointestinal mucosa. This is incredibly important as one of the potential side effects of large doses of aspirin, acetaminophen, and ibuprofen is gastrointestinal damage including small sores, ulcers, perforations and even bleeding.¹⁴

Product Development

Currently, Niro is in the prototype stage. Niro will utilize a contract manufacturer for production. The manufacturer best suited for Niro was determined to be SMP Nutra. Niro has undergone multiple changes and iterations. Initially, the product had a variety of natural compounds including feverfew, curcumin, CoQ10, and more. It was determined that to have an efficacious dose of each ingredient, the capsules would have to be the largest size (#000, triple zero) with a serving size of 4 capsules. This was determined to be problematic as the market standard for this type of product is typically one pill, or two to three in very specific cases.

The main hypotheses that this product rely on are:

1. If a natural product is as effective as the non-natural comparison, consumers will pay more for that product.
2. If a product has longer duration of effects, this makes it more desirable to consumers.
3. If a product utilizes a single ingredient, consumers will feel safer and better about the product.

Finding answers to these hypotheses will be instrumental in answering the product development questions like:

1. Is duration of effects a concern for most consumers?
2. Are natural alternatives preferred by consumers specifically in the health and wellness space? I.e., is form more important than function if the function of each product is equal?

3. Is a willow bark alone best suited for the function of relieving headaches? Will adding additional ingredients increase the effect, and would the costs be worthwhile?

Prototype design of the Niro 60-serving bottle:



Market Problem Proof

In the current market, there are no white willow bark supplements that come in an extended-release capsule. The timed-release capsule solves two problems with current market options: the potential for gastrointestinal irritation is significantly reduced and the duration of effects is extended for longer lasting benefits. The market segment Niro is aimed at is the consumer who prefers natural products. Moreover, Niro targets consumers who prefer as few ingredients as possible. As mentioned previously, multiple studies have shown consumers prefer products with as few ingredients as possible. Additionally, consumers prefer products with natural ingredients **AND** as few ingredients as possible. Headaches are a very common occurrence for individuals across the U.S. and around the world. Many of these consumers who suffer from headaches prefer natural products and some even already use natural products to help relieve their headache symptoms. The reality is headaches can disrupt peoples' workflow, their relationships, and even take them away from what they love to do. In one study, employees reported a decrease in productive efficiency of 10% - 34% when suffering from a headache.¹² A financial services company employing over 80,000 people reported migraine-related absenteeism led to reduced productivity and cost the company between \$21.5 million and \$24.4 million.¹³

In terms of market entry strategy, Niro is a differentiator because it caters to an existing market of consumers and utilizes existing technologies. Niro fills the gap between natural products and highly effective OTC NSAIDs by providing a delivery method not utilized by existing natural products within this market. The geographical range of Niro’s target market is within the U.S. to begin but the potential for global expansion is high. Accessing these consumers will be a difficult task as competition within the market is fierce. The best way to reach the target market will be through very specific marketing channels like influencer promotions, social media ads, and trade show promotions. Additionally, partnerships with local gyms, supplement shops, and grocery markets will play a key role in reaching consumers.

While data on the global market specifically for natural headache remedies is not able to be found, data for adjacent markets can give insight on the potential for this market. The global market for acute migraine drugs was \$4.17 billion market in 2021 and is projected to grow at a compound annual growth rate of 8.6% for the next 8 years.¹⁵ Additionally, the global market for botanical supplements was a \$27.47 billion market in 2020 and is forecasted to grow at a compound annual growth rate of 9.1% from 2020 to 2028.¹⁶ It is fair to assume the market specifically for natural headache remedies is considerably smaller than the aforementioned markets; nonetheless, the market for this type of product is very sizable and poised for growth in the future.

As previously outlined, there are an estimated 72.19 million millennials in the United States alone.⁸ Using the assumptions that 1 in 6 adults suffer from headaches annually and that 38% of adults are using CAMs, the market for Niro is estimated to be 13 million potential customers in the US alone. Niro’s target consumer is specifically millennial adults, thus, using the previous assumptions and population estimate, the millennial segment represents about 4.57 million potential customers.

Competition Comparison:

Competitive Matrix	Price	Servings	Effectiveness	Duration	Risk of side effects	Natural / Botanical
Niro	\$ 20.00	60	High	Most	Very low	Yes
Aspirin	\$ 5.00	500	High	Average	Moderate	No
Advil 12 hour	\$ 26.00	85	High	Average	Moderate	No
Aleve	\$ 10.00	90	High	Average	Moderate	No
NOW WBE	\$ 5.00	100	High	Average	Low	Yes
Swanson WBE	\$ 13.00	120	High	Average	Low	Yes
Stress relief exercises	\$ -	Unlimited	Medium	Variable	None	No

*WBE stands for Willow Bark extract

Business Model Proof

Consumers will prefer Niro over other products due to the many features and advantages compared to alternatives, as well as the overt benefit Niro offers consumers. Niro provides several overt benefits to consumers. Consumers can experience headache relief which will allow them to increase their productivity, feel better, and enjoy their day. Niro provides consumers with the ability to return to “normal” or “baseline” where they are best able to enjoy, communicate, and think. In effect, Niro removes the “constraints” that headaches place on our productivity, attitudes, and ability to work as usual. Consumers can find Niro online, in grocery stores, and supplement stores. Currently, alternative products are sold primarily online but also in grocery stores and occasionally in supplement stores. Niro’s transactional model is very similar to competitors and therefore a focus on branding and targeted marketing will be critical. These two strategies will allow Niro to easily reach the right consumers and have the potential increase the expected customer lifetime value by creating a brand consumers feel good about supporting. The customer journey overview in section X shows the ideal path for how consumers make the switch and use Niro. Considering this need for branding, understanding what makes consumers pick one brand over another is crucial to developing an effective strategy that captures consumers into the brand. Consumers prefer brands that: instill confidence and peace of mind in consumers, allow consumers to express themselves, provide consistent and safe products.¹⁷ Therefore, Niro will proud itself on sourcing quality ingredients, being transparent on our manufacturing processes, and providing proven products that have measurable benefits. These answers will also provide insight on how future products can better target a larger portion of the market. Answering the VOC questions outlined in section X will be critical to help Niro build a brand that gives a clear reason for consumers to switch to Niro and gain insight into what will drive the volume of sales needed to breakeven.

Niro will provide a variety of product sizes which will vary in the number of capsules contained and the price charged. The flagship product is the 60 serving supply which will retail for \$20. Additionally, there will be a 180 serving supply which will retail for \$50. Based on the MBV analysis performed, to get the operation up and running an investment of \$100,000 is needed. From there, the business will operate on a burn rate of \$3,850 monthly, or \$46,198.00 annually. Based on the price and margins, Niro will operate on a breakeven of 12 units sold per day, 338 per month, and 4,046 annually. To reach a revenue totaling \$1,000,000, Niro will need to sell 50,000 units. According to Chron.com, the average small business spends 1% of revenue on marketing.¹⁹ Therefore, if Niro were to do \$1,000,000 in revenue annually, roughly \$10,000 should go towards marketing annually. Assuming Niro has a marketing budget of \$1,000 monthly, an average cost of \$12.07 per 1,000 impressions, and a 3% conversion rate, Niro could have 2,486 conversions per month. This means with a constant marketing budget of \$1,000 per month, Niro could hit \$1,000,000 in revenue in just over 20 months.

Establishing retail partners will be critical to capture the market segment Niro is aimed at. Additionally, Amazon will be a key component in the revenue model as Amazon provides access to a massive base of consumers. Having access to this base will increase our exposure and allow us to better reach our targeted market segment. Utilizing Amazon FBA (fulfillment by Amazon) will reduce the oversight needed to fulfill products sold on Amazon but will also eat into our margins as the per unit fee is roughly 15% of the sale price. Similarly big box stores like Target, Walgreens, and Walmart will take approximately 15% of the sale price. This would result in a 15% decrease in margins (from 57% to 42%). It will be critical to determine if the benefits of exposure and fulfillment by Amazon outweigh the decrease in margins. The competitive matrix table in the market problem proof section compares similar products based on features, pricing, and benefits.

Operating Expenses Overview:

OPEX			
Description	Cost	Term	Total Annual Cost
LLC Incorporation	\$150	Annual	\$ 150.00
Product Liability Insurance	\$2,500	Annual	\$ 2,500.00
Labor	\$ 2,400.00	Monthly	\$ 28,800.00
Storage	\$ 200.00	Monthly	\$ 2,400.00
Shopify	\$ 29.00	Monthly	\$ 348.00
Marketing	\$ 1,000.00	Monthly	\$ 12,000.00
Annual Cost	\$		46,198.00

Marketing Budget Breakdown:

Marketing Breakdown		
Cost / 1000 impressions	\$	12.07
Avg conversion rate		3%
Estimated Daily Conversions		30
Minimum Daily Conversions		11
Annual Marketing Cost:	\$	4,405.55
Monthly Marketing Cost	\$	367.13

Burn Rates:

Annual	\$ 46,198.00
Monthly	\$ 3,849.83
Daily	\$ 126.57

Assumptions: For the marketing breakdown, the average cost per 1,000 impressions and the average conversion rate are key assumptions that are likely to change. The marketing cost is

overstated in the MBV in order to account for possible future increases in marketing expenses. Additionally, this budget is in line with what is required to reach \$1M in revenue.

COGS Overview:

MBV		
Niro Price	.....	\$ 20.00
Direct Costs (COGS)	.....	\$ 8.58
Bottle (400cc)	.....	\$ 0.15
Sustained-release capsule (60/bottle)	.....	\$ 1.62
Instant-release capsule (60/bottle)	.....	\$ 0.84
Hermetic seal (1/bottle)	.....	\$ 0.08
Extract (60/bottle)	.....	\$ 4.20
Label (1/bottle)	.....	\$ 0.19
Indirect Costs	.....	\$ 1.50
Per unit processing fee	.....	\$ 1.50
Margin	.....	\$ 11.42

Assumptions: pricing for the above materials is based on bulk order pricing which is then broken down into per bottle costs. All materials listed were found on Amazon with the exception of the custom labels from Vistaprint. All materials benefit from bulk purchasing which indicates economies of scale for production.

Estimated Breakeven:

Unit Sales Needed to Breakeven		
Year	Month	Day
4046	338	12

Operations/Commercialization problem proof

The prioritized strategy for getting Niro into the marketplace is to utilize a contract supplement manufacturing partner to produce and distribute the Niro products. The contract manufacturer SMP Nutra is able to produce, store, and distribute all of the Niro product. SMP Nutra is NSF certified and follows all production requirements outlined by the FDA. This greatly reduces the operating expenses, oversight, and initial investment requirement. Utilizing SMP Nutra’s storage and distribution services does come at a cost; they charge a constant fee for storage of \$30 per 4’ x 4’ x 5’ pallet and charge a \$10 fee each time a pallet is added or removed from the warehouse. Additionally, a processing fee of \$5 is added because SMP Nutra is accepting, processing, and fulfilling orders. On top of the flat \$5 / pallet monthly fulfillment fee, SMP Nutra charges a \$1.50 processing fee per first item in an order. If more than one unit is packed into the same shipment, the per unit fee drops to \$0.80 after the first unit. The minimum order quantity that SMP Nutra gave in their quote for Niro was 2,000 bottles at a per unit price of roughly \$3.45 per unit. This was a ballpark quote and is subject to change, therefore the MBV

analysis utilizes the cost estimated if production was done in house by Niro, which would be a cost of \$8.58.

There are several critical milestones needed to increase the probability of success. First, Niro will need to establish an exact COGS with SMP Nutra in order to refine the MBV model. Second, Niro will need to establish partnerships with retail store locations such as GNC and other local supplement shops, grocery stores, and create a website where consumers can purchase directly from Niro. Third, Niro will need to reach out to potential influencers in order to build a marketing campaign that will be best suited to reach out target market and segments. From here, product specific milestones will need to be reached. Conducting a study with willing participants to determine the efficacy and potential drawbacks will be vital as this will allow us to adjust the formulation as needed. Ideally, a double-blind study with a high number of participants will be conducted but this will be greatly limited by the budget allotted as well as the number of willing participants. Additionally, shelf-life testing will be important to determine the use by date. These milestones will be crucial in order to get the product to market as soon and as safe as possible.

Resource Problem Proof

Niro is in the pre-production / prototype phase as there are a variety of resources that will need to be gathered before production can begin. First, the initial payment for the first order of inventory will need to be paid which will be roughly an MOQ of 2,000 units. As previously mentioned, this amount is subject to change as the quote is finalized by SMP Nutra. An estimate of the initial order cost using the estimated price in the MBV analysis of \$8.58 per unit would be \$17,160. An exact number will be provided by SMP Nutra when Niro intends to move forward with the process. SMP Nutra is confident they will be able to source high quality white willow bark extract in bulk at wholesale pricing. SMP Nutra has all of the necessary machinery for production, packaging, storage, and distribution. SMP Nutra will handle the majority of the operation in their warehouse. Therefore, the primary responsibilities and operations left will be marketing and order processing. Hiring a marketing specialist will be critical in order to build marketing campaigns, promotional material, and ensure brand development. Included in the MBV analysis is an estimated monthly salary expenditure for hiring a marketing specialist as well as an estimated marketing budget. Order processing will be streamlined utilizing Shopify. By utilizing Shopify for the Niro website, orders can be received by SMP Nutra directly and instantaneously. Amazon order flow is also received by SMP Nutra and \$2.50 per case is charged by SMP Nutra for processing shipments for Amazon inventory. In order to get into retail locations like supplement shops and grocery stores, a Niro team member will have to be responsible for partnership creation. This team member will work diligently with retail locations to get Niro on the shelves and reach an agreement that is favorable and worthwhile for both parties. This individual will also be responsible for passing on order information, ensuring timely processing, and following up with partners regularly to maintain inventory and gather relevant sales data. It is critical to note that the success of partner

acquisition is hard to predict. In 2020, 16.7% of supplement purchases were made online.¹⁸ This means that in store purchases will be incredibly important and therefore getting on shelves at supplement and grocery stores will be critical to reach the volume of sales needed to cover the burn rate.

There are a variety of risks that will ultimately determine the success of the operation. The size of the capsules may pose a potential problem in the consumer experience. The size 00 capsules are the second largest capsules available. This means they are large and may pose to a problem to individuals who struggle to swallow larger pills. Research will have to be done to determine a sweet spot between capsule size and number of capsules. Having too many capsules per serving would limit the convenience and usability. Likewise, having too large of capsules will also limit the usability of the product. This type of product is easily reproduced by the existing competitors in the market. In theory, all that would be required is changing the capsule type of their existing product. Moreover, the main market share holders can expand their lineup to include timed-release capsules; by utilizing economies of scale that these manufacturers already take advantage of, Niro could be undercut in terms of price and be outcompeted from the market very quickly. Competitors could force Niro to minimize margins significantly and this could ultimately reach a point where staying in business is no longer feasible. The liabilities if the product does not launch well are relatively low. Outside from the initial order cost, there is a relatively small investment required to get the product into the market. In theory, if the product does not launch well, the selling price could be reduced in order to recoup as much of the initial investment as possible. Considering these risks, establishing contracts with retail locations will be the most critical milestone to reach. Without these retail agreements, a large portion of potential revenue will be lost. Within these contracts, requirements from both Niro and the retail location will have to be outlined and followed. For instance, Niro could request that retail stores do not add any competitors to their shelves for x amount of time or reach an exclusivity agreement. This type of retail agreement would be extremely favorable with big box stores like Target, Walmart, Walgreens, etc. Additionally, the risk of a contract manufacturer being more expensive than in-house production is moderate. If this were the case, in-house production is viable but would require a much higher initial investment to account for the needed machinery, increased burn rate, and warehouse space needed.

Recommendation

This concept is a GO! In order to get started, Niro will have to reach a feasible final cost to produce with a contract manufacturer. The legal formation of the business will also need to take place which will be acquiring a LLC, product liability insurance, an EIN, and a business bank account. Estimated annual legal costs for the LLC and liability insurance are ~\$2,650. Then, an initial investment would be needed to cover the initial cost of production which will likely be around \$20,000 for 2,000 units. Once production begins, a marketing campaign can

begin development. Initial ads will be on social media and will utilize the marketing budget outlined previously to drive revenue. Estimated annual marketing costs will be \$12,000 but are subject to change. A marketing specialist will have to be hired to build a promotional campaign and spearhead brand development. Niro may hire an inhouse marketing manager or contract a marketing firm, either way it costs will follow the outlined labor costs allocated to \$2,400 per month. All in, an investment of \$100,000 will be required to help Niro acquire inventory and cover the burn rate for the 20-month period to get revenue to \$1,000,000. There are many potential risks to consider. If the product fails to gain traction in the target market, there will be 2,000 units of Niro taking up storage space which will cost money each day. It is also possible that Niro will have to consider a price reduction in order to be more competitive with current market options. If Niro is unable to reach a retail agreement with a big box store, it may significantly impact sales as in-store purchases make up the bulk of supplement purchases. Conversely, if Amazon proves to be a more profitable distribution channel, margins will be reduced by \$3 per unit as Amazon takes 15% of the final sale price from profits. This may negatively impact the break even point of sales and require more volume to be as feasible.

If a feasible cost cannot be reached with a contract manufacturer, in house production remains a viable option although an initial investment will be higher to account for the needed machinery. Additionally, a warehouse would need to be leased and furnished with the necessary equipment. With a lease, the burn rate would increase roughly \$550 per month, labor expenses would triple to \$7,200 per month, with an extra \$10,000 to cover machinery and laboratory furnishing. NSF certification would be needed as well, which would increase the annual burn rate by \$750, and require a one-time certification fee of roughly \$1,500. For in house production to be feasible an initial investment of \$250,000 would be required to help cover the increased burn rate and pay for machinery and furnishing. With this model the breakeven points would just over double; unit sales of 9090 per year, 758 per month, and 26 per day would be required to breakeven. Based on the marketing calculations outlined previously, the marketing budget would not need to change as the estimated conversions from ads are higher than the breakeven points. This model would face the same challenges and risks outlined above. The risk is heightened in this model however as the initial investment is much higher. If the product did not gain traction, the costs would be difficult to recoup and likely would result in a significant loss. For this reason, early production could be slowly scaled up after key performance indicators show the operation is feasible in terms of cost and scale.

Appendix

How to use Niro



Onset of headache symptoms begin



1 serving of Niro taken with 8-12 oz of water



Effects begin to kick in between 20 mins and an hour

Do not exceed 1 serving in a 24-hour period.

Concept Logo & Prototype:



VOC Research: These questions are designed to help gain insight on consumers. These questions are directed towards the innocent consumer archetype. These consumers do not buy into marketing campaigns heavily and prefer brands that are simple, transparent, trustworthy, and quality.

1. Does your current job cause you to become stressed, or cause you to develop a stress headache?
2. Do headaches frequently affect your productivity, comfort, lifestyle, or ability to live your normal life?
3. What do you currently do to ease the symptoms of headaches? Why is this method your go to?
4. When it comes to health and wellness supplements which is more important to you: clean, quality, and natural options, or cheap, effective, and synthetic options?
5. Is capsule size or number of capsules per serving a concern of yours when comparing headache treatment options at the store?
6. Is your current option for headache treatment effective for the duration you need it to be?
7. Would you pay more for a natural product that provides the same benefit as a less expensive synthetic option?
8. Do you ever use complementary or alternative medicines?
9. What makes a brand more attractive to you when considering purchasing a product?
10. Are you loyal to any health/wellness product brand? If so, what about this brand lead to your preference?

This set of questions is aimed at the boy/girl next door or everyday people archetype. These people prefer function over form, are more price sensitive, and generally prefer products that just “get the job done”. This type of consumer would be the hardest to get to switch from their current product to Niro.

1. Do you take anything to help relieve headache symptoms?
2. Does this product help you gain back productivity, comfort, lifestyle, or ability to live your normal life?
3. What is the biggest reason you prefer this product, price, effectivity, convenience?
4. Is duration of effects important when choosing a product?
5. Is gastrointestinal irritation a concern of yours when it comes to headache relief drugs like Advil, Aleve, or Motrin?
6. How often do you try new products for headache relief?
7. Would you pay more for a natural product that provides the same benefit as a less expensive synthetic option?
8. Do you ever use complementary or alternative medicines?
9. Are you loyal to any health/wellness product brand? If so, what about this brand lead to your preference?

Additional Consumer Personas:



This is Dianne. Dianne is a 65-year-old soon to be grandmother. Dianne is recently retired from her job working as an accounting consultant in Downtown Minneapolis. Dianne lives in Edina, a suburb of Minneapolis. Dianne enjoys cooking healthy meals, going for walks, and playing Pickle ball in her free time. Dianne prefers organic foods and is very nutrition label conscious; she likes products with as few ingredients as possible. Dianne occasionally suffers from tension headaches and has tried a variety of natural products recommended online and by friends. Dianne is willing to pay more for a natural product that



This is Marcus. Marcus is a 28-year-old who works as a developer for Sports Engine. Marcus makes \$120k per year and loves to take supplements, nootropics, and any product that helps give him a boost in productivity. Marcus works long hours in his home office sitting in the same posture day in and day out. This has led to Marcus getting frequent tension and stress headaches that have impacted his ability to code quick and efficiently. Marcus has tried a variety of OTC NSAIDs, natural supplements, and even stretching, breathing, and relaxation techniques. Marcus doesn't necessarily prefer natural products, but he is willing to give anything a try to help reduce the frequency and severity of his headaches.

Customer Journey Map

Entice

How will a customer become aware of Niro and what will trigger their interest?

Consumer:

- Sees influencer speaking about Niro
- Sees ad on Instagram, Facebook, or TikTok
- Sees Niro at favorite grocery store
- Hears about Niro from a fitness instructor, friend, or review online

What are consumers saying & thinking?

"What is this new headache supplement?"

"Does it work as well or better than what I am currently using?"

Enter

What impressions does Niro create for new customers when they come to visit?

Consumer Sees / Feels / Thinks:

- Niro uses quality and pure ingredients
- Niro has professional-looking branding
- Niro has a single natural ingredient
- Niro is extended-release for longer lasting effects

What are consumers saying & thinking?

"Are the ingredients safe?"

"What are the benefits?"

Engage

What activities do customers engage in (make quick purchases, browse website, create personal relationships)?

Consumer:

- Reads reviews on Amazon and Niro website
- Views all products and makes comparisons between available products
- Chooses product that best fits their needs and preferences

What are consumers saying & thinking?

"What do people like about Niro?"

"What does Niro have to offer that current products do not?"

Exit

What last impression does Niro leave customers with when they know they've reached the end of the experience?

Consumer feels:

- Headache symptoms subside
- Longer lasting effects than other natural CAMs
- Niro is more effective than competitors
- Little to no irritation in stomach

What are consumers saying & thinking?

"Wow, Niro eased my headache pain!"

"The effects lasted longer than what I typically use!"

"Niro was easier on my stomach!"

Extend

What does Niro do to invite the customer back?

Consumers come back because:

- Niro is available in more locations than competitors
- Niro has multiple sizes available
- Niro worked for them

What are consumers saying & thinking?

"I can restock on Niro at my local Target!"

"Next time I am going to buy the 180 serving size!"

"I can get Niro as soon as tomorrow morning with Amazon!"

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