



Doing Business with HerbleMedTM



Business Plan

Master of Business Administration

Chiangmai University



Summary Business Plan



HerbleMed Co., Ltd is aimed to develop controlling and eradicating dust mites products which is accepted as the most prevalent allergen and moving forward to one of the global problems.

House dust mite (HDM) is microscopic in size approximately 420 microns in length and 320 microns in width that are invisible without the aid of a microscope or magnifying glass. Mite infestation and proliferation depend on many factors in the micro-indoor environment; e.g. humidity, temperature, ventilation and the ready availability of food/nutrients. Bedding is the primary site of mite habitation. HDMs thrive on human skin scales, bacteria and other organic matter. Dust mites consume the same particle numerous times with incomplete digestion occurring each time.



Eventually the fully decomposed particles become fecal droppings, and along with decaying body parts contain powerful allergens which if airborne and inhaled may cause an allergic response in susceptible individuals, i.e. depending on its age, a mattress may contain between 100,000 and 10,000,000 dust mites. HDM populations increase rapidly; each pregnant female can increase the population by 25 or 30 new mites per week.

Currently, HDM has been accepted as the leading source of indoor allergens. Exposure to dust mite allergens has been commonly associated with asthma, chronic rhinitis and atopic dermatitis. Rarely has it been linked to conjunctivitis, urticaris and anaphylaxis. In every country, allergies are on the rise, and more importantly, it has been observed that 45% of young people with asthma have allergic sensitivities to HDMs.



HerbleMed Co.,ltd was established to develop and commercialize acaricidal, anti-mites, products with collaboration with the *“Siriraj Dust Mite Center for Research and Services”* (SDMC). Under the term of the



arrangement, HerbleMed Spray® is protected though a combination of intellectual property protection and secured trade secrets which are now in the requisition process.



HerbleMed Spray® is an herbal spray which is derived from organic material. It has been developed from *“Mite-Icide20”* solution, an active acaricidal agent which was researched by the Siriraj Dust Mite Center for Services and Research, Thailand. HerbleMed Spray® demonstrates high efficacy of controlling and eliminating dust mites from infected fabrics such as bedding, soft cushioned furniture, and even carpets. To eradicate dust mites, we must spray HerbleMed Spray® directly onto live mites in an undiluted form.

According to data from the World Health Organization, approximately 90-135 Million people of the world's population are serious asthma patients both children and adults and 35 million of serious asthma patients are in Southeast Asia. The data revealed that the most prevalent allergen is house dust mites and shows that dust mite allergy is one of global problems in Southeast Asia. The number of asthma patient tends to continuously increase around the globe. However, there are small number of experts and manufacturers in controlling and eliminating dust mites field.



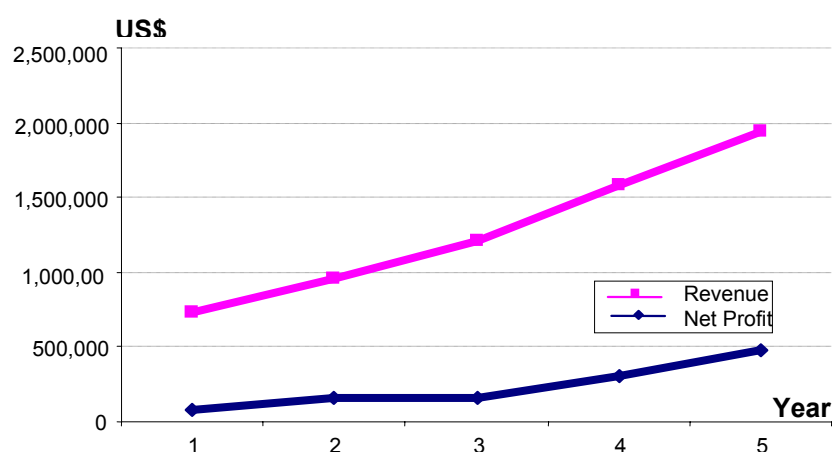
The penetration of global market will use blue ocean market strategy by starting the business in Thailand, and broaden to the Southeast Asia and ultimately through the globe. The marketing strategy also focuses on brand management by applying Brand Building Strategy, due to the strong recognition of Siriraj Hospital. Our products are distributed by Diethelm (Thailand) with 8,000 channels in Thailand e.g. hospital, clinic, and drugstores and 10,000 Thai specialists to serve business partner with a network of 68 locations across the country. In addition, Break Through Approach are a key of product distribution.

Based on the Faculty of Medicine at Siriraj Hospital's data, there were approximately 19 Million asthma patients in Thailand in the year 2006. The research shows that the 3.5 million of serious asthma patients which are required to see a doctor regularly. According to an empirical study, the result was 88% of asthma patients need a product for controlling and eliminating dust mites which will relieve them from allergy symptom.

The management team of HerbleMed consists of four graduate students from Chiangmai University's Master Business and Administration program who are skillful and have business experiences in various fields such as engineering, economic and marketing with an average of seven years working experience. They have graduated from Thailand renowned universities such as Chulalongkorn University, Thammasat University and Chiangmai University. The Chairman of HerbleMed is Assoc. Prof. Vanna Mahakittikun, Director of The Siriraj Dust Mite Center for Services and Research, Faculty of Medicine Siriraj Hospital who has experienced more than 20 years in the dust mites research and Assoc. Prof. Nopphamas Soonthornchareonnon, a pharmaceutical expert with strong background in herbal extract research, Pharmacy Faculty of Mahidol University.



The total initial investment will be US\$ 561,000. This capital will be used to acquire machine, tool, and other expenses, necessary to start up business and to introduce the product to the market. Base upon the market size and marketing strategy, the revenue will started in 2008 and target to break even in 3 years. With the average annual revenue growth of 28%, the cash flow dramatically brings about US\$ 1,604,142 of a Net Present Value and 65.25% of an IRR.



HerbleMed Co.,Ltd is looking for \$US144,075 funding from venture capitalists who will received 40% dividend. The dividend will be paid from the second year to fifth year of the project. The venture capitalists will have an option to liquidate the common stock at the book value in the end of fifth year or keep the stock to earn the more dividends in the future. In term of liquidation, the internal rate return for investor will be 34% which calculate from the cash flow as shown in the following table.

Description	Investment Year 0	Payback from Dividend 40% of Net Profit				
		Year 1	Year 2	Year 3	Year 4	Year 5
<i>Cash Flow each year</i>	<i>-\$144,075.00</i>	\$0.00	\$22,783.63	\$22,445.63	\$43,109.16	\$67,386.59
<i>Book Value Return to Investor</i>						\$404,202.15
<i>Total Cash Flow (Investor point of view)</i>	<i>-\$144,075.00</i>	\$0.00	\$22,783.63	\$22,445.63	\$43,109.16	\$471,588.74

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HerbleMed Spray

Control House Dust Mite by Yourself



HerbleMed MiteGuard

"Raise the value of your business by HerbleMed"

