



The T & T Foresight Project

NIHERST

Sector Foresight
Project:

MANUFACTURING

Chapter 4:

T&T 'Best Bet' Investment Cases

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1 Introduction

The challenge for Trinidad and Tobago is to develop and grow export niche businesses which can provide economic growth and social benefit in the medium to long-term. The aim of the Sector Foresight project has been to develop 'best bet' investments that offer a significant growth opportunity.

In Chapter 1 of the Sector Foresight Projects, a big picture view of the sector on a global scale was developed. This overarching framework provided a context within which potential opportunities small countries such as Trinidad and Tobago could exploit were able to be identified.

In Chapter 2 we identified the capabilities and enablers that Trinidad and Tobago already had available and which were relevant to the global sector foresight framework of opportunities. The capabilities and enablers assessed included existing commercial expertise, research and development expertise, skills availability, resource availability, government policies and support programmes, and infrastructure.

During the July 2006 sector workshops, various key T&T stakeholders identified 35 possible 'Best Bet' investment opportunities for the country that matched both the global foresight sector opportunities and the capabilities and enablers T&T had to offer.

In Chapter 3 the initial 35 potential investment opportunities were short-listed into 'Best Bet' investment opportunities (four in the case of the creative sector).

The structural format for building each 'Best Bet' revolved around the following focus areas:

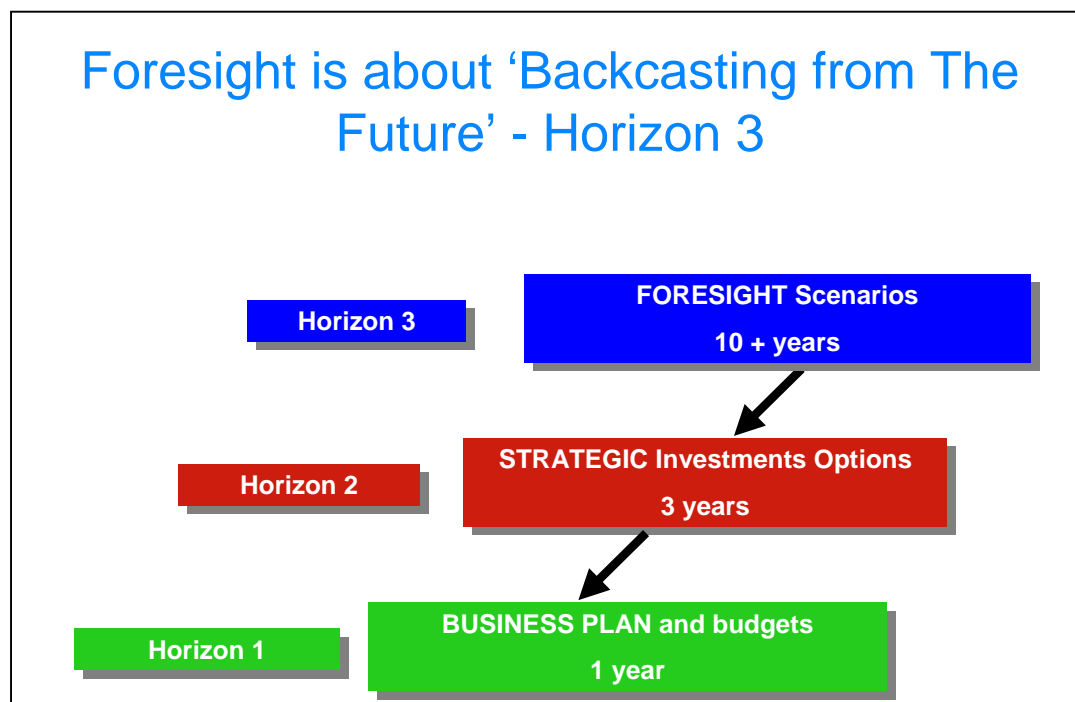
- **The Best Bet Title.**
- **The Best Bet Description** – an overall summary of the 'Best Bet' opportunity.
- **A Rationale** - for selecting the 'Best Bet' opportunity.
- **The Target Markets** – who would the 'Best Bet' be aimed at.
- **The Market Offer** – to target market customers.
- **What We Have** – the capabilities and enablers available within T&T.
- **What We Need** – the gaps that need to be filled and measures that need to be taken for the 'Best Bet' to become a commercial proposition.
- **Key 'Best Bet' Roadmap Considerations** – an example of what a five-year roadmap for commercial realisation of the 'Best Bet' might look like.

In Chapter 4, each 'Best Bet' investment opportunity has been taken through an in-depth review and research process in order to build a business case for an investor audience. This needed to include supporting evidence, comparative justification, a roadmap, and a set of indicative financial projections.

2 The Foresight Context

At this point it is worth re-visiting the context within which these sector 'Best Bet' investment cases have been developed during these projects. Figure 1 provides an overview of that context in terms of the '3 Horizons'.

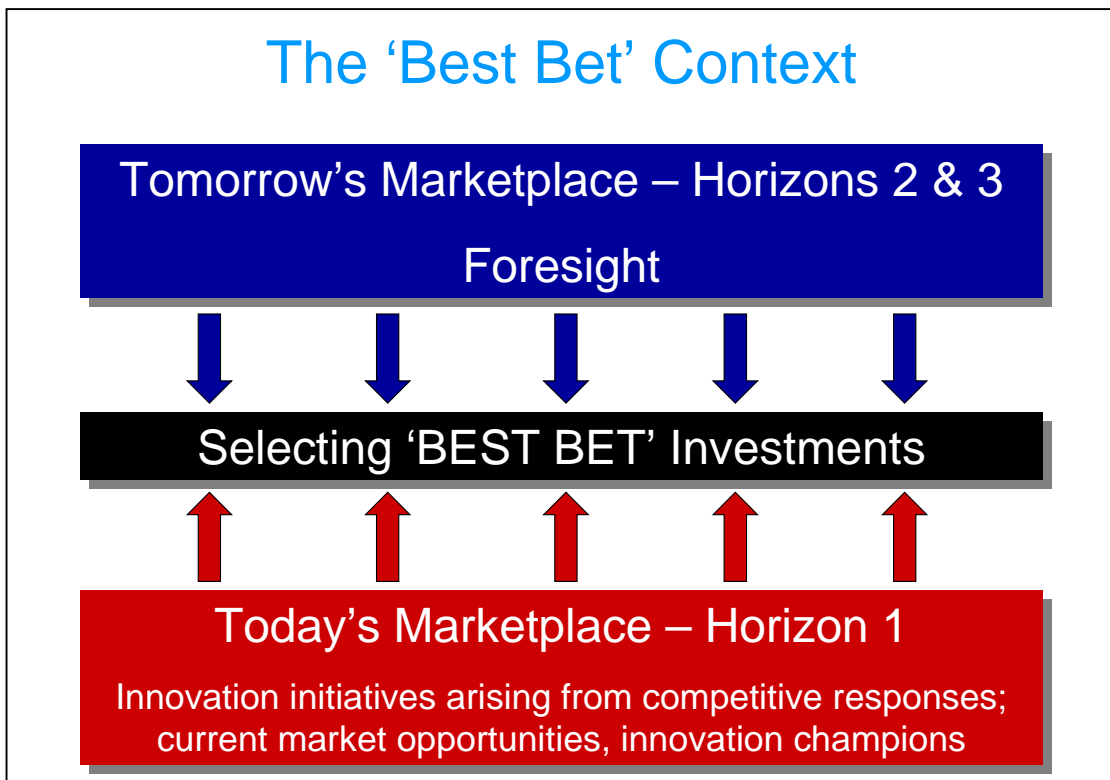
Figure 1: The 3 Horizons for business and organisational strategic planning and development



This foresight project uses the Three Horizons model, which shows that there are three different perspectives to consider when identifying best bet investments in a sector. The long-term view (Horizon 3) identifies broad scenarios for the future of the sector, the medium-term view (Horizon 2) identifies the investment options, and the short-term view (Horizon 1), describes the immediate business plan.

The sector Best Bets are developed by combining Foresight insights from the future (Horizon 2 and 3) with opportunities in today's marketplace (Horizon 1). In the project we worked with many of the 'innovation champions' working in the sector today. These include entrepreneurs who are already working with a wide variety of innovation projects today that have the potential for growth in the future. The context for these sector projects is shown in Figure 2.

Figure 2: The T&T Best Bets Context



An example of a 'Best Bet' that has been phenomenally successful internationally is the launch of I-Pod and I-Tunes by the Apple Corporation. Apple did not invent MP3 players or the downloading of music on the Internet. But it did look into the future and saw that there was an opportunity to dominate in a growth market by making the technology easy to use and by adding great branding and design. Before the I-Pod came on the scene, the technology was too complicated for the average person to use.

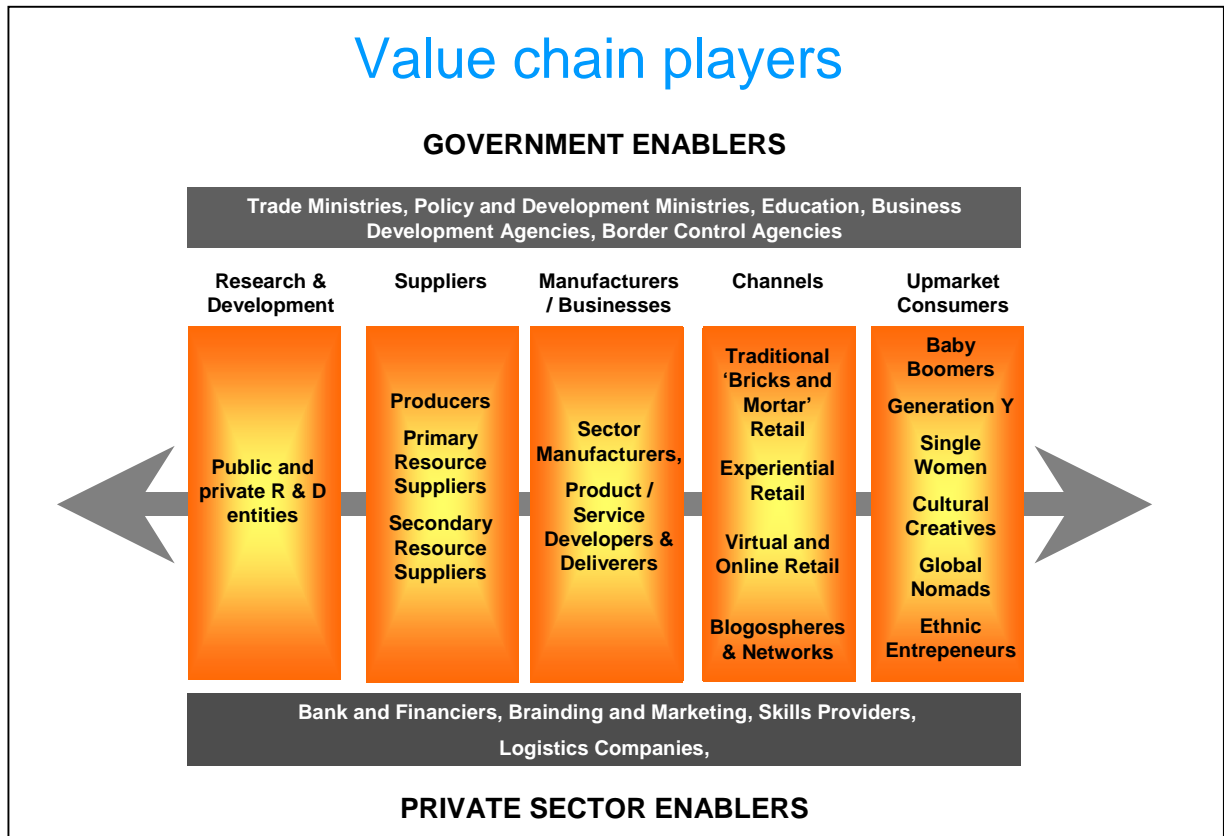
The Foresight Project has unearthed a considerable number of entrepreneurs and innovators in T& T who are not well known today but who have the potential to grow innovative businesses because they have the potential to satisfy growth niches built around key global market trends.

Our research suggests that the sector is at a 'tipping point' where a cluster of interconnected innovative businesses, such as these three 'Best Bets' could grow rapidly and transform this T&T business sector to a level that would make a significant contribution to achieving the economic growth and social objectives associated with the Vision 2020 project.

3 The Value Chain

Global value chains are changing rapidly. Digitalisation and advances in global logistics are opening up a whole new range of opportunities, especially for small country players. Figure 3 illustrates the types of stakeholders typically involved in commercial value chains.

Figure 3: Examples of stakeholders in value chains



Policy setting and enabling agencies fundamentally support the effectiveness and efficiency of the value chain between the production sectors in one place and the end-customers in other places.

The intermediaries between the producer and the customer ends of the value chain are changing rapidly. Door to door 'packages for one' delivery services now span much of the globe. Online marketing is growing rapidly. Virtual networks and communities are determining what is 'in' and what is 'out' at an increasingly rapid pace. We have moved from an age where markets were production driven to markets that are now customer driven. Customers are now 'kings' and 'queens' and failing to satisfy their increasingly specialised demands – 'customised solutions for one' – will lead to business failures. Many traditional players have been forced to urgently review their business models in the face of the rapid changes occurring in global value chains.

The emerging customer-centric value chain model offers far more opportunities for small countries and commercial entities within those countries. This is because individual businesses, even small and medium sized enterprises, can more readily link directly with end customers on a global scale and so they are no longer limited to supplying small niches within a local market.

A tiny global niche can thus build a substantial business in a small country. But it does require a radical shift in thinking and a highly customer oriented approach. It also requires accessing and developing strong networking and network management skills. It also requires being able to work more closely with customers to better understand what it is they need.

4 The Chapter 4 Approach

Each of the sixteen 'Best Bet' opportunities selected in Chapter 3 has been researched in greater depth by specialist T&T based researchers. Their brief was to interview selected key stakeholders whose experience was relevant to each 'Best Bet' opportunity using a template supplied by NEXT.

This template posed a series of questions that would similar be those asked by a potential commercial investor if they were looking to invest in a 'Best Bet' opportunity area. It also included a 10-year financial projection template which would provide an estimate of what could be achieved if the right mix of people and resources were put together to back a particular 'Best Bet'.

In addition, both the T&T researchers and the NEXT team looked for additional information and examples, within T&T and offshore, which would provide supporting evidence that would strengthen the justification of each 'Best Bet' Investment Case. These examples included, for example, new emerging businesses that had focuses relevant to the business case, advances in science and technology that opened up new opportunities, new and innovative high growth channels which connected producers and customers, and other reference sources that were of special relevance.

As in any process such as this, it is not possible to find answers to every question. The following 'Best Bet' Investment Cases are built upon the best possible information and knowledge that was available at the time of their development.

In the following sections we have built business cases that can be put forward to attract both public and private sector support. The two need to work in tandem for the development of the sector. The private sector provides its vision, organisational, financial and managerial experience in areas in which it possesses the required expertise, and the public sector provides the supporting administrative and regulatory environment.

5 The Niche Manufacturing Sector ‘Best Bets’

The following three ‘Best Bet’ investment opportunities were identified in Chapter 3 as offering the greatest opportunities for the future of T&T’s niche manufacturing sector. This is a more challenging sector compared to the other four because of the way manufacturing is evolving internationally. Large scale, commodity manufacturing is moving increasingly to China and India where scale of operations and modern technology, coupled with competitive wage rates, make it difficult for traditional manufacturing to survive in small countries.

However, in the process of researching and testing these ‘Best Bet’ opportunities with industry stakeholders, it became clear there is a considerable resource base in T&T that would enable each of these ‘Best Bets’ to be developed into quite unique businesses which could be targeted to satisfy specific growth niches internationally. In fact two of these Best Bets are already in the process of commercialisation – one as a result of the workshops and project work associated with the Sector Foresight Projects, and the other by an entrepreneur in the marine sector who was discovered during the Chapter 4 research work.

Each of these ‘Best Bets’ provides a more specialised opportunity within an overarching more focussed approach to developing T&T’s niche manufacturing sector in a way that in future it has the greatest economic, social and environmental benefits for the country.

5.1 Best Bet 1: Trinidad Marine Services – ‘One Stop Marine Shop’

A key part of the Chapter 4 process was for the T&T based researchers, in this case Mr Andre Vincent Henry and his support team at Ideas 2 Business, to interview key stakeholders in the marine sector.

Representatives of two of the companies interviewed, Power Boats and Caribbean Yachtworks, told the research team that they were already well advanced with plans to offer an extended ‘One-Stop Marine Shop’ service to international clients. For this reason they were not prepared to divulge confidential information that could compromise their emerging position in this competitive market sector.

The positive side of this outcome is that this ‘Best Bet’ area, identified during the earlier sector foresight and workshop processes, is a commercially valuable growth opportunity and that two of T & T’s significant stakeholder players have recognised that and are already moving to secure a lead position.

This outcome also demonstrates the value of the NIHERST funded ‘Best Bets’ sector foresight process. It not only identifies key sector opportunities but also the T&T based entrepreneurs who have the capability to make it happen.

To complete this Chapter 4 report, we include the pre-work that went into this particular ‘Best Bet’ to justify the investment these T&T based companies are already making.

The Investment Opportunity

The primary investment opportunity is into **a combined virtual and ‘real’ business that aggregates complete package solutions for offshore boat and yacht owners** in the 5 – 75 metre length category. The aggregator would assemble quotes from various suppliers of specialised services that are required to deliver the end-customer total refurbishment or upgrade needs and make all the arrangements to ensure the whole package is delivered in a coordinated, efficient and standardised way.

The Customer Offer

- T&T already has a well-developed marine services sector and is well located regionally to provide services to boat and yacht owners from a number of nearby regional markets.
- However, one of the current challenges is that the sector is fragmented and so there is a need to develop a cluster that offers a ‘one stop shop’ consistent quality outcome for boat and yacht owners.
- The customer offer is to supply a complete package of services through a single business interface that aggregates the required services from within the diverse T&T marine sector cluster of businesses. The ‘aggregator’ preserves the independence and specialisation of individual operators but ensures owners don’t have to make arrangements with multiple service providers to get the job done.

- The offer includes the complete outfitting and refitting services to luxury yachts, commercial vessels, and military vessels in the size range 5 – 75 metres in length.
- The customer would have just one point of contact to access the package of services needed and would be assured of the delivery of all the services required within that package by the 'aggregator'.

Figure 4: The 'One-Stop Marine Shop' Offer



The Foresight Context For This ‘Best Bet’

- There are five major global foresight trends that are driving growth in this niche:
 - The trend towards spending and increasingly greater proportion of disposable income on leisure and entertainment activities – spending has doubled in this area over the past decade in wealthy economies compared to spending on basics such as food – which has essentially remained static.
 - The trend towards greater individualism and small group related lifestyles and activities.
 - The growth in the high wealth Baby Boomer segment – they are far more active and adventurous than previous generations of the same age and are becoming the wealthiest cohort in developed countries. They also have the time and resources to go on ‘global adventures’.
 - The growth in the high wealth ‘global nomad’ and ‘cultural creative’ consumer groups – who are also often ‘adventurers’.
 - The growth in border protection services.

Target Markets

- Wealthy boat and yacht owners from North, Central and South America who don’t have the time or patience to deal with the complexities of trying to assemble a complex cluster of services to do one job.
- Marine clubs and associations in these countries that cater to the type of consumer and lifestyle groups mentioned above.
- Commercial boat operators in the region in the size range 5 – 75 m.

What We Have

- T&T has an abundance of skilled people working in the sector – although there are skills shortages beginning to emerge in some specialist areas.
- Businesses that have many years experience in this area.
- A good geographical location in that T&T lies south of the hurricane belt.
- Facilities that can be easily expanded.
- Good educational programmes, such as the new courses in maritime studies being offered at UTT.
- A good flow of yachting traffic through the country and immediate environs.
- A government strategic focus, as part of the Vision 2020 project, on maritime services through the Ministry of Trade & Industry.

What We Need

As mentioned in the preamble to this ‘Best Bet’, commercial groups in T&T have already invested in commercialising this opportunity. To take this ‘Best Bet’ from where it is today to a point where it makes greater economic and social contribution to T&T, there are a number of areas that will need to be addressed in future.

From the Private Sector

- A one point of contact to interface with customers and provide access to all the services they need (*currently being developed by commercial operators*).

- An entrepreneur or entity to organise all the small players into a value cluster without making them feel they have lost their independence and specialist positioning (*an area that needs further development*).
- A consistent and efficient pricing model.
- An aggressive marketing campaign to better connect the ‘aggregator’ with potential high value target market groups in key regional markets.
- Expansion of the existing facilities.
- Improvement of the current environmental operating standards in existing and new facilities.

From the Public Sector

- A new strategic focus in the way both the Caribbean and T&T offer is presented to the world through government agencies built around foresight-based growth opportunities.
- An integrated approach within a national growth and innovation framework that provides a long-term direction for the niche manufacturing sector and which has a clear, harmonised strategy of development with the dedicated resources of manpower, finance, institutional supports, private sector involvement, and community involvement.
- Identifying opportunities for preservation and IP protection in areas related to the processes and branding T&T has in the marine services area.
- Funding new areas of research that have a strong foresight focus and break away from the traditional ‘academic’ focus.
- Accelerating the commercialisation of IP that currently exists in many state and regional research institutions as well as the commercialisation of research project outcomes with potential through public/private partnerships.
- Improved infrastructure such as roads and the quality and cost of telecommunications – in particular Internet access and speeds.
- Bringing e-commerce capabilities in the country to an internationally competitive standard.
- Speeding up and improving the effectiveness of the cross-border authorities to improve access for business people and the export of products and services.
- Better collection and speedier processing of statistical data.
- An increase in the number of skilled people available to carry out this sort of work through training within T&T complemented perhaps by facilitating the bringing in of offshore staff under contract, or increasing the productivity of the existing skilled pool of staff through the use of technology.
- Raising and monitoring the environmental operating standards in existing and new facilities.

From R&D

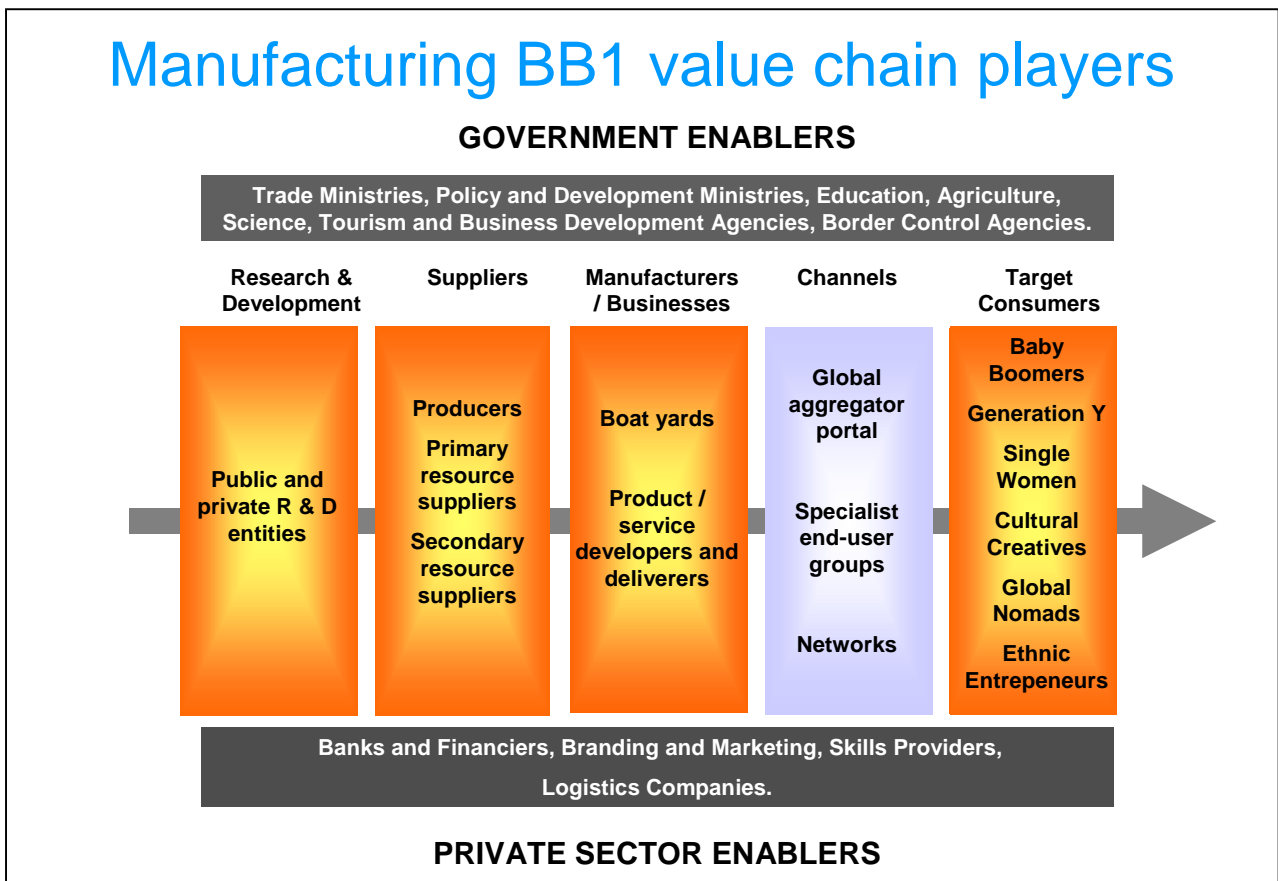
- A more innovative approach to developing new and unique product and service concepts that enable differentiation of the country’s marine services offer in global markets.
- A priority focus on securing IP as it relates to products and processes as they relate to this sector.
- More involvement in consortia and public-private partnerships/alliances to hasten the commercialisation of research.
- Market research to establish the best ways of networking and connecting with increasingly individualistic global customers.

- Improved linkages between research and technology institutions, and the commercial sector.
- The development of environmentally friendly products and processes for the marine services sector –e.g. paints and anti-fouling agents.

Best Bet Value Chain

As shown in Figure 5, this Best Bet centres on the ‘Channels’ component of the value chain with the prime focus being on leveraging the outcomes from many years of commercial experience in this area along with regional research work, advances in telecommunication technologies, and foresight based market research work, to gain commercial benefits for T&T. However, this component is of little value unless all the other value chain components are aligned in the same direction towards a common medium to long-term goal.

Figure 5: The ‘One-Stop Marine Shop’ Value Chain

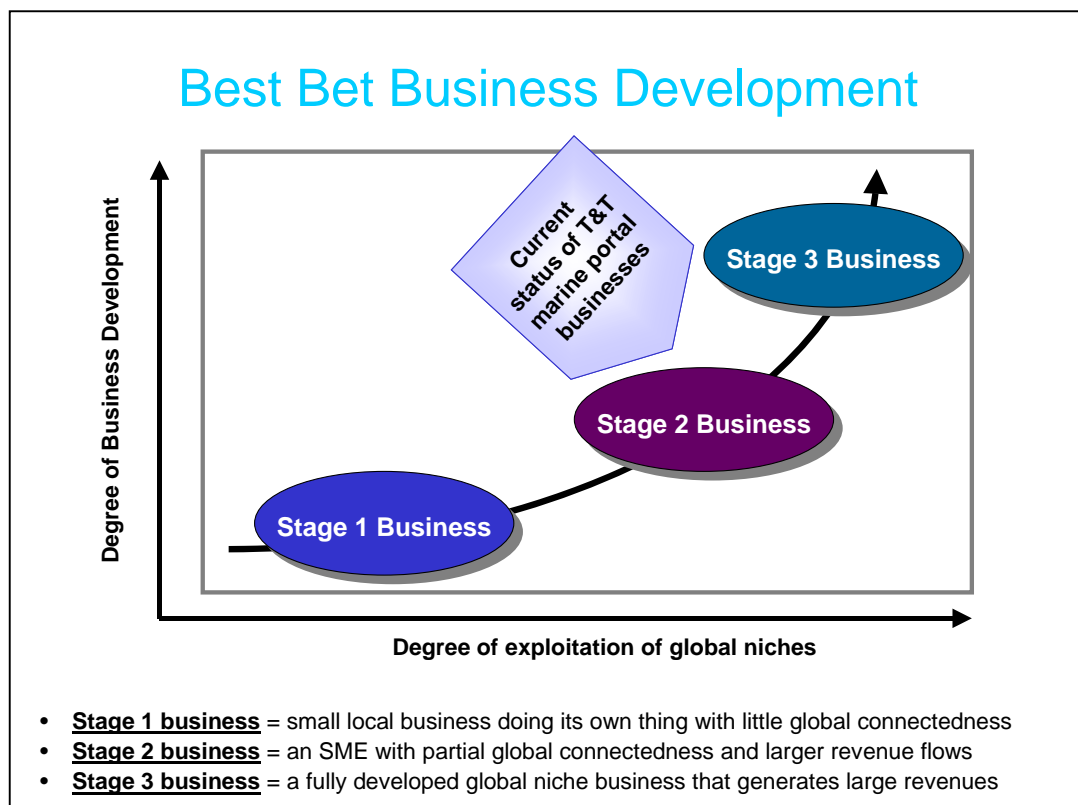


Local Entrepreneurs and Offshore Examples

There are a number of key local players and entrepreneurs who have many years of experience and high levels of expertise relevant to this Best Bet. In addition, there are many businesses already set up and operating successfully in the sector, some on a relatively large scale, that could contribute to leveraging the potential value of a T&T 'Best Bet' investment built around this opportunity.

At present the level of commercial development of high-value opportunities associated with this Best Bet already includes an international focus. We feel the businesses and support structure associated with this 'Best Bet' is at the level shown in Figure 6. This 'Best Bet' has some of the best-developed product offers, technical and business expertise, and commercial development capabilities of all the 'Best Bets' looked at in this research project.

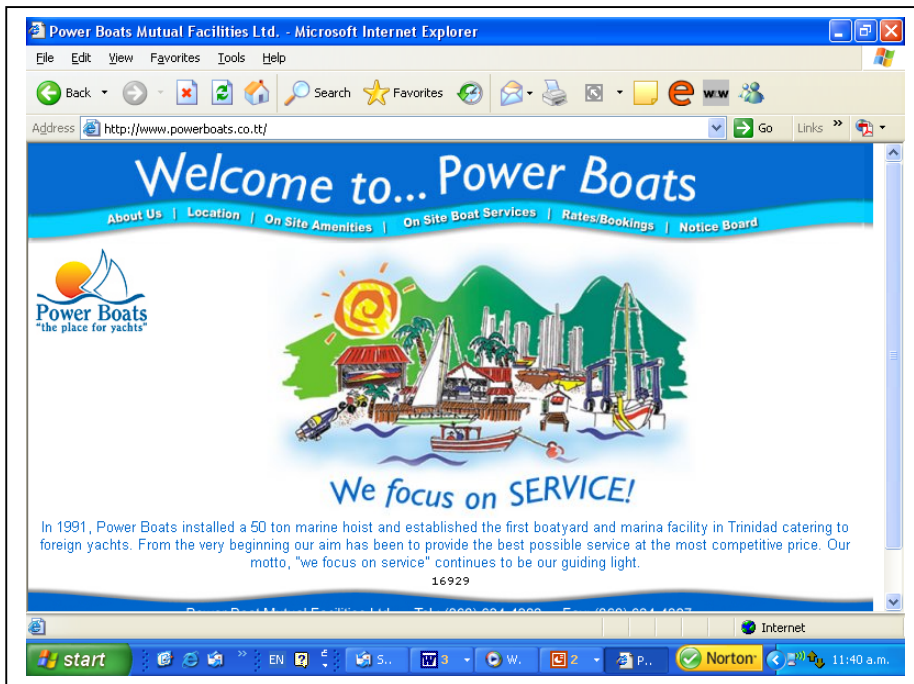
Figure 6: The stage of development of businesses in T&T associated with the 'One-Stop Marine Shop' Investment Opportunity



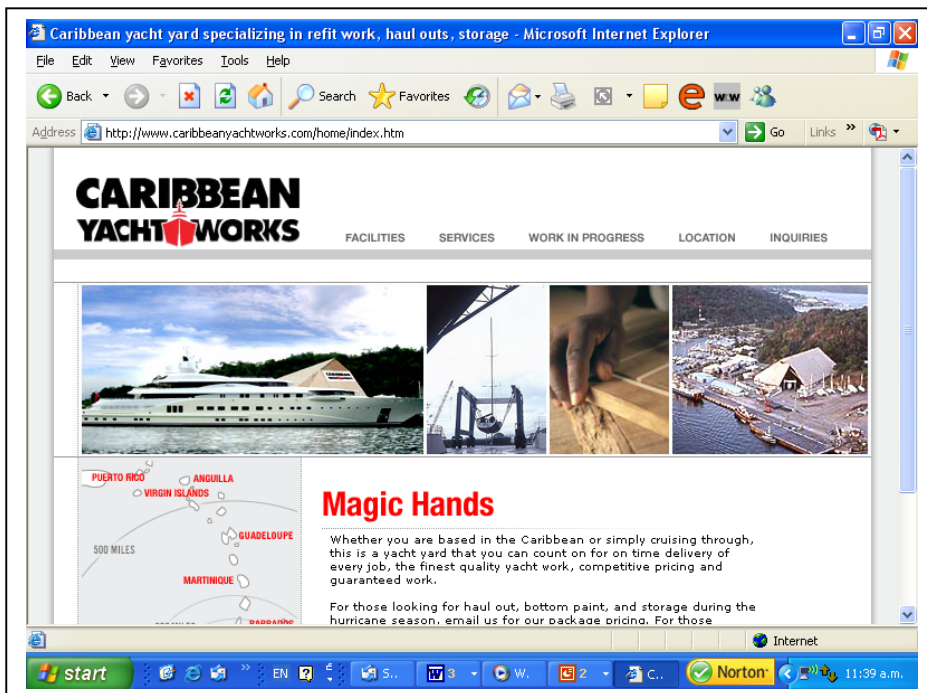
Local marine services stakeholders and entrepreneurs

As mentioned in the introduction to this 'Best Bet' there are T&T based two companies developing commercial capabilities in this 'Best Bet' area. For obvious commercial reasons, both wish to keep their plans confidential. The two companies are:

Power Boats <http://www.powerboats.co.tt/>



Caribbean Yachtworks <http://www.caribbeanyachtworks.com/home/index.htm>



Offshore examples

We have had difficulty finding any individual portal that provides the type of aggregation and management services that this 'Best Bet' envisages. This illustrates the opportunity that potentially exists. It appears to be a space with few players internationally and where T&T could establish a global advantage.

Anything Marine <http://www.anythingmarine.co.uk/>

This is a simple but quite comprehensive example of a 'marine services' aggregation site. It even includes accommodation options for clients.



The 'Best Bet' Roadmap

An indicative roadmap of targets set, how they will be reached, and who is involved, in order to achieve the desired outcomes of this investment opportunity is shown in Table 1.

Table 1: Indicative road map for implementing the 'One-Stop Marine Shop' Investment Opportunity

Timing	What?	How?	Who?
Initial	<ul style="list-style-type: none"> Identify who are the likely key stakeholders Determine who will lead the project Determine investment needs and sourcing 	<ul style="list-style-type: none"> Consensus Consensus Consensus 	<ul style="list-style-type: none"> Project group of 5 – 6 key people Commercial / govt Commercial / govt
1st 6 months	<ul style="list-style-type: none"> Choose target markets and client focuses to be developed 	<ul style="list-style-type: none"> Research and assessment 	<ul style="list-style-type: none"> Market researcher / commercial

	<ul style="list-style-type: none"> • Develop a marketing and brand strategy • Develop a cluster concept that all parties agree to • Finalise a virtual portal and e-commerce function as the cluster interface • Finalise a skills delivery / leveraging strategy • Finalise a pricing model for both the portal and cluster members 	<ul style="list-style-type: none"> • Market research • Consensus • Website design • Consensus • Consensus 	<ul style="list-style-type: none"> • Market researcher / commercial • Commercial / legal • Website designer • Education, S&T community / commercial • Commercial
2nd 6 months	<ul style="list-style-type: none"> • Launch the portal and commence marketing • E-networks set up to connect regularly with agents and end consumers • Skills leveraging research commences • First skilled offshore contract employees approved • First contracts through portal won 	<ul style="list-style-type: none"> • Consensus • Database and output management • S & T research • By mutual negotiation • Getting sign off 	<ul style="list-style-type: none"> • Commercial + govt • e-Marketer • Commercial + govt • Commercial + govt – immigration • Portal management
Year 2	<ul style="list-style-type: none"> • E-marketing increases • Skills leveraging research continues – first results add 5% productivity increase • More skilled offshore contract employees approved • 10 new contracts through portal won 	<ul style="list-style-type: none"> • Marketing • S & T research • By mutual negotiation • Getting sign off 	<ul style="list-style-type: none"> • Commercial + govt • Commercial + govt • Commercial + govt – immigration • Portal management
Year 3	<ul style="list-style-type: none"> • E-marketing increases • Skills leveraging research continues – first results add 5% productivity increase • More skilled offshore contract employees approved • 15 new contracts through portal won 	<ul style="list-style-type: none"> • Marketing • S & T research • By mutual negotiation • Getting sign off 	<ul style="list-style-type: none"> • Commercial + govt • Commercial + govt • Commercial + govt – immigration • Portal management
Year 4	<ul style="list-style-type: none"> • E-marketing increases • Skills leveraging research continues – first results add 5% productivity increase • More skilled offshore contract employees approved • 20 new contracts through portal won 	<ul style="list-style-type: none"> • Marketing • S & T research • By mutual negotiation • Getting sign off 	<ul style="list-style-type: none"> • Commercial + govt • Commercial + govt • Commercial + govt – immigration • Portal management
Year 5	<ul style="list-style-type: none"> • E-marketing increases • Skills leveraging research continues – first results add 5% productivity increase 	<ul style="list-style-type: none"> • Marketing • S & T research 	<ul style="list-style-type: none"> • Commercial + govt • Commercial + govt

	<ul style="list-style-type: none"> • More skilled offshore contract employees approved • 30 new contracts through portal won 	<ul style="list-style-type: none"> • By mutual negotiation • Getting sign off 	<ul style="list-style-type: none"> • Commercial + govt – immigration • Portal management
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Financial Summary

The summary in Table 2 provides a ‘best-guess’ estimate of the potential revenues, expenses, and EBIT figures that could be achieved over a ten-year period based upon a business that focuses on aggregating marine contract suppliers into single customised packages that best match customer needs

Table 2: Indicative financial projections for the ‘One-Stop Marine Shop’ Investment Opportunity

	By year 3	By year 6	By year 10
Commission revenue from sales	US \$ 600,000	US\$ 2,000,000	US\$ 3,600,000
Basis of revenue figure	20 package contracts facilitated through the portal – average total package value US\$ 300,000	50 package contracts facilitated through the portal – average total package value US\$ 400,000	90 package contracts facilitated through the portal – average total package value US\$ 400,000
Capital expenditure	US\$ 100,000		
Operating expenditure	US\$ 466,000	US\$ 1,160,000	US\$ 1,996,000
Earnings before interest and tax (EBIT)	US\$ 134,000	US\$ 840,000	US\$ 1,604,000

Note: This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

The NEXT Star Rating for This ‘Best Bet’ Investment Opportunity



- There is an obvious global niche opportunity for an aggregation service of this type.
- The fact that two T&T companies are already developing ‘one-stop-shop’ portals clearly indicates the commercial attractiveness of the proposition.

5.2 Best Bet 2: Caribbean Wellness Spa – 'Caribbean Wellness Inc.'

The Investment Opportunity

- The primary investment opportunity is the development of **a franchise-based business which is built around a Caribbean Spa theme** focussing on the rapidly growing personal health and wellness sector. The physical spa concept would be designed with different rooms that reflect the ambience of different parts of the Caribbean e.g. a 'Trinidad & Tobago' room, 'St Lucia' room, 'Jamaican' room, etc. The themes used would extend to staffing and uniforms, music, products, and other experiential components. The initial spa businesses would be opened in T&T and then, once proven, franchised to other operators in offshore markets, in particular wealthy markets with less favourable climates.
- The secondary investment opportunity involves developing **an exclusive range of personal care and wellness products from unique ingredients found in T&T and other parts of the Caribbean**. This range would be developed using a dual labelling approach with an exclusive available in the Caribbean Spas only premium range and a second range that is also a premium product range but is branded differently and is aimed at high end retail and Internet marketing channels.

The Customer Offer

- A magical and unique Caribbean Spa Experience built around a strong Caribbean image and which offers a choice of up to four different Caribbean themes in different spa rooms.
- The Caribbean Spa experience is authentic down to the last detail – including staff image and dress, music, aromas, food, and the specialised products used as part of the experience, which are all sourced through T&T.
- Visitors to Trinidad and Tobago will be able to enjoy the experience at specially developed spa facilities.
- The Spa experience will also be available to wealthy consumers internationally through high quality franchised facilities in many top global cities around the world.
- A special range of exclusive Caribbean Spa products will be available for purchase through high value niche retail outlets in top global cities.
- This range will also be able to be purchased through an e-commerce portal on the Internet and delivered door to door anywhere in the world.

Figure 7: The 'Caribbean Wellness Spa' Offer



The Foresight Context For This Best Bet

- The main global trend that supports this 'Best Bet' investment opportunity is the rapidly growing health and wellness sector. Consumers are allocating an increasing proportion of their disposable income to this area.
- Ageing populations, in particular the large 'baby boomer' cohort facing entering their 50s and 60s, is a major driver.
- 'Age Defiance' is another key driver. Spending on products and services that defer or overcome the effects of ageing is a rapid growth area.
- Greater individualism is driving a search for more unique, personalised, and exotic experiences.
- More hedonistic attitudes are driving a search for solutions that cater to personal pleasure and heightened levels of 'fascination'.
- There is an increasing interest in products and services linked to more exotic ethnic groups.
- The trend towards more natural products and services is another driver.

Target Markets

- The urban professional – both female and male (the metrosexual).
- People working in well-paid high stress occupations who need personal regeneration.
- People who wish to stay as young as possible for as long as possible – the ‘age defiance’ customer.
- The markets would primarily be middle and high-income earners in the developed economies of North America and Europe. The Europeans in particular have a long history of association with the spa concept, in both the traditional and modern senses.
- Japan and the emerging wealthy elite in Asia and some parts of Arabia (e.g. Dubai) would also be key target markets.
- The offer would be customised through the franchisees to best suit the differing needs of different markets and cultures.
- It would also be customised to offer variations in the experience to suit the varying needs different customer groups e.g. younger consumers may expect a more ‘vibrant and lively’ experience whereas stressed executives may expect a more relaxed ‘escape’ from the bustle of everyday life.

What We Have

- The Caribbean image – an image that is known or perceived positively around the world and which has a strong association with tropical images, colourful people, fun, colourful settings, the sea, gentle breezes, and fascinating cultures, cuisine, and lifestyles.
- Stunning natural settings that can form the backdrop to a spa theme and an abundance of themes enabling differentiated branding approaches.
- A wide range of natural resources including flowers, plants, marine extracts, essences, food derivatives, and cuisine (as part of a total spa concept).
- Highly colourful and creative cultures – fun, smiles, and passion.
- Existing high-end spa complexes in Trinidad and Tobago along with hotel associated and stand alone day spas.
- Experience with branding and brand IP protection.
- A strong traditional herbal health and wellness culture.
- A number of entrepreneur-driven companies from small to medium sized that have developed spas and / or are producing cosmetic products for both the local and export markets.
- Commercial and product development skills for cosmetics and associated wellness and beauty products.
- Well-developed skills in franchise concept development, commercialisation and marketing, largely within T&T, in other sectors e.g. the fast food sector.

What We Need

This investment opportunity is one of the most promising out of all the 16 ‘Best Bets’ developed for the five sectors researched as part of this project. However, to take this ‘Best Bet’ from where it is today to a point where it makes a significant and valuable economic and social contribution to T&T, a number of areas need to be addressed.

From the Private Sector

- An entrepreneur who is prepared to be bold and 'go global'.
- Development and testing of a prototype 'Caribbean Spa' concept initially in T&T.
- A stronger connection with the tourism sector and encouraging growth of that sector in T&T as a prime means of promoting the Caribbean Spa brand and image – i.e. greater cross-sector cooperation and joint initiatives.
- Vastly improved exploitation of the Caribbean image in wealthy offshore markets as a marketing tool.
- Thinking on a wider scale to promote a T&T role within a larger Caribbean context and being the leading business base in the Caribbean to drive commercialisation of that.
- High quality brand development and marketing strategies.
- A greater focus on using the natural resources T&T has as the basis for developing products and services with a greater differentiating factor to leverage more value out of global niche markets.
- Franchise development and marketing skills on an international scale.
- Internally competitive e-commerce processing packages from the major T&T banks. Only RBTT offers such a service and this is at a high cost compared to most countries in the world. Neither of the other two major banks in T&T offer such a service.
- Forming key alliances onshore and offshore to leverage the maximum value out of this 'Best Bet' investment opportunity.

From the Public Sector

- Recognition that the accumulated knowledge and expertise that T&T has in the spa and health and wellness sector, and the associated specialist niche manufacturing area, are valuable assets that can contribute significantly to T&T's future economically and socially.
- A new strategic focus in the way both the Caribbean and T&T offer is presented to the world through government agencies built around foresight-based growth opportunities.
- An integrated approach within a national growth and innovation framework that provides a long-term direction for the niche manufacturing sector and which has a clear, harmonised strategy of development with the dedicated resources of manpower, finance, institutional supports, private sector involvement, and community involvement.
- Identifying opportunities for preservation and IP protection in areas related to natural attributes T&T has and in the niche manufacturing process development area.
- Funding new areas of research that have a strong foresight focus and break away from the traditional 'academic' focus.
- Accelerating the commercialisation of IP that currently exists in many state and regional research institutions as well as the commercialisation of research project outcomes with potential through public/private partnerships.
- Improved infrastructure such as roads and the quality and cost of telecommunications – in particular Internet access and speeds.
- Bringing e-commerce capabilities in the country to an internationally competitive standard.
- Speeding up and improving the effectiveness of the cross-border authorities to improve the tourist experience and the export of products and services.

- Increased capacity and investment in training specialist people for the niche manufacturing sector along in a more diverse range of areas.
- Better collection and speedier processing of statistical data.

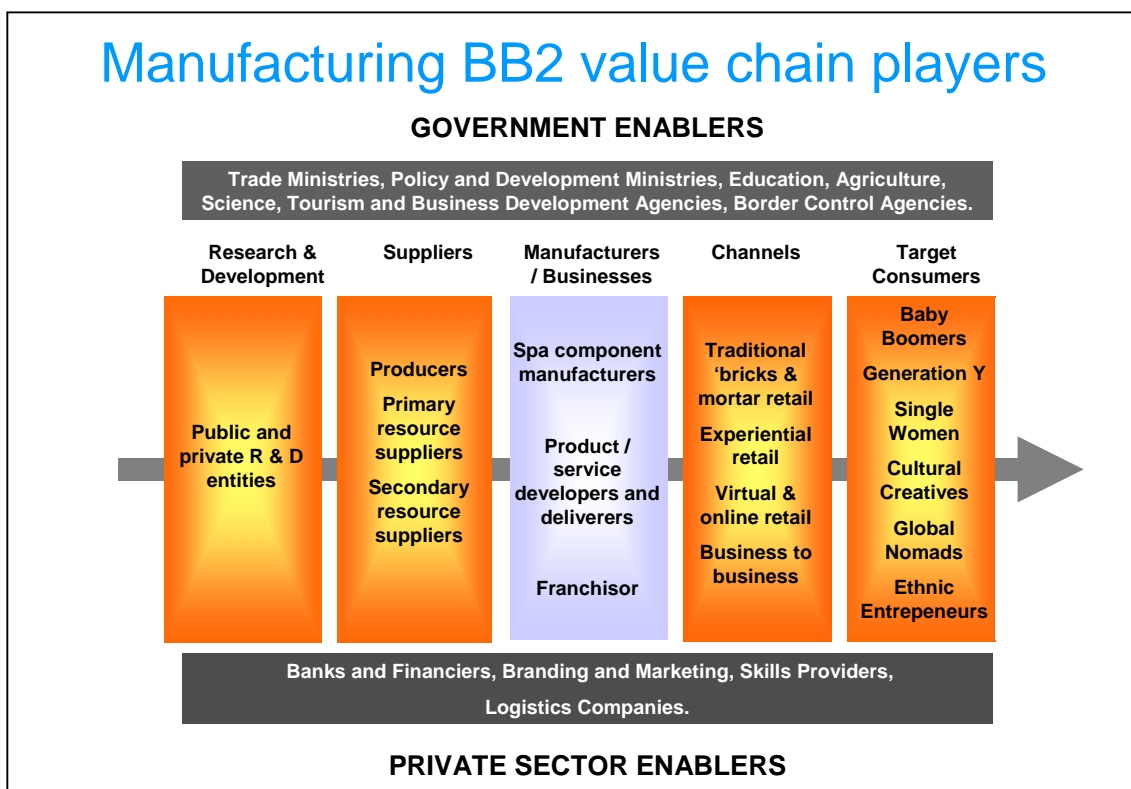
From R&D

- A more innovative approach to developing new and unique product and service concepts derived from T&T's natural heritage that enable differentiation of the country's offer in global markets.
- Research into concepts and functionalities that provide the physical context for the Caribbean Spa franchise offer i.e. design, functionalities, and special features.
- A priority focus on securing IP as it relates to processes used to develop unique product concepts.
- More involvement in consortia and public-private partnerships/alliances to hasten the commercialisation of research.
- Market research to establish the best places to set up franchised operations in offshore markets.
- Improved linkages between research and technology institutions, and the commercial sector.

Best Bet Value Chain

This Best Bet centres on the 'Manufacturing and Business' component of the value chain with the prime focus being on leveraging the outcomes of many years of commercial experience in this area with regional research work, and foresight based market research work, to gain commercial benefits for T&T. However, this component is of little value unless all the other value chain components are aligned in the same direction towards a common medium to long-term goal.

Figure 8: The 'Caribbean Wellness Spa' Value Chain

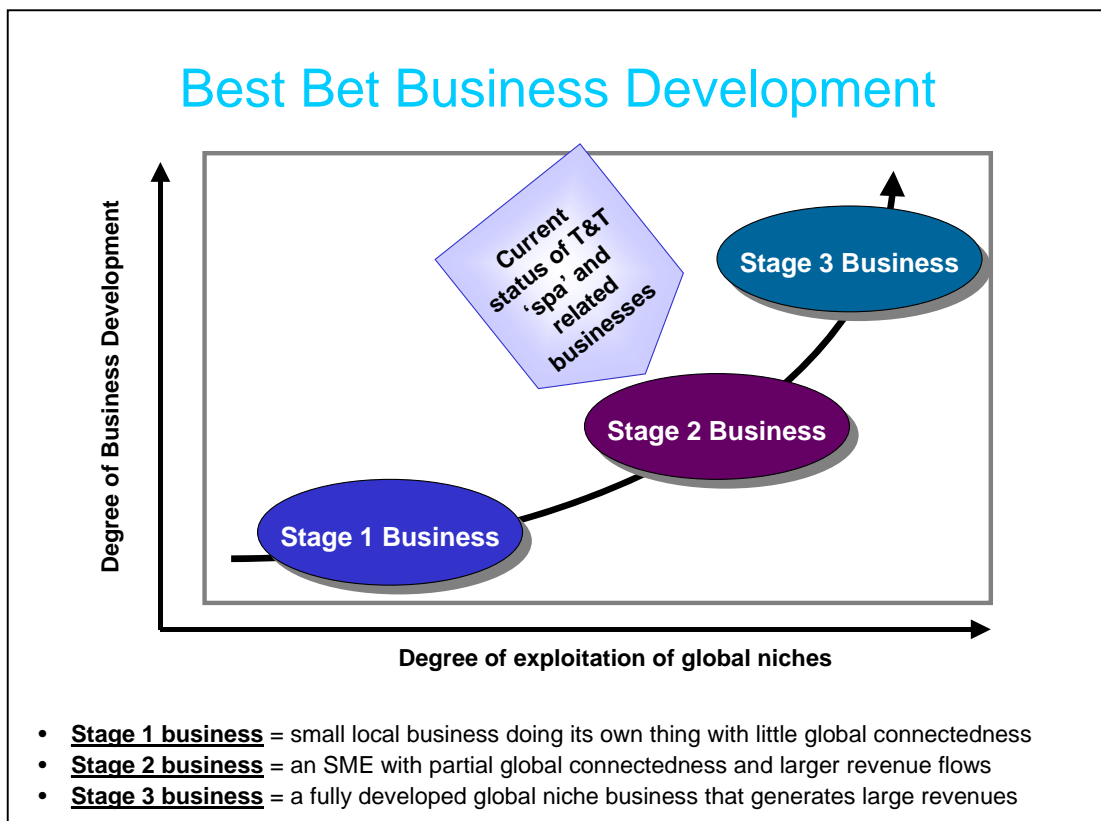


Key Local Players, Entrepreneurs, and Offshore Examples

There are a number of key local players and entrepreneurs who have many years of experience and high levels of expertise relevant to this Best Bet. In addition, there is a significant number of businesses already set up and being operated successfully by local entrepreneurs, several on a relatively large scale, that could contribute to leveraging the potential value of a T&T 'Best Bet' investment built around this opportunity.

At present the level of commercial development of high-value opportunities associated with this Best Bet is still largely on a local level, although there is an international connection with offshore customers through the tourism channel with T&T resort based spa operations. We feel the businesses and support structure associated with this 'Best Bet' is at the level shown in Figure 9. This 'Best Bet' has perhaps some of the best developed product offers, business expertise, and commercial development capabilities of all the 'Best Bets' looked at in this research project.

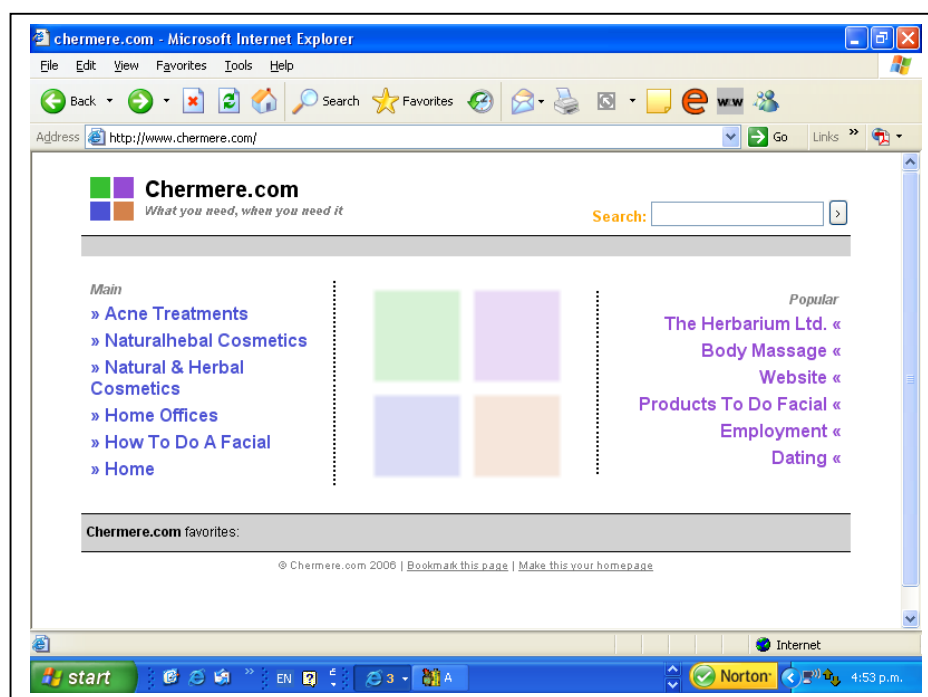
Figure 9: The stage of development of businesses in T&T associated with the 'Caribbean Wellness Spa' Investment Opportunity



Local players and entrepreneurs

Ms Cheryl Bowles, The Herbarium and Cher Mere <http://www.chermere.com/>

- Cheryl Bowles is a trained biochemist and has run a business that manufactures and markets a range of cosmetic and wellness products for over 20 years. These products also include components derived from T&T's natural resources and ingredients and ideas derived from the country's traditional herbal health and wellness sector.
- She also owns a number of day spas catering to customers in the health and wellness sector in several locations in T&T.
- She is the initiator of the Caribbean Spa concept and introduced the idea for further discussion and development at the niche manufacturing sector foresight 'Best Bet's workshop in July 2006.
- She is a very entrepreneurial individual, has well developed 'business-savvy', and has a strong interest in establishing a globally franchise based around the Caribbean Spa concept.



Salybia Nature Resort & Spa - <http://www.salybiaresort.com/>

- A high quality natural resort and spa located on the East coast at Salybia, Trinidad and owned by Ronald and Roger Boynes. This is a high class, high cost offer to discerning tourists in the health and wellness niche at the upper end of the wealth scale.



- This spa complex illustrates how an offer can be developed that caters to high-end international niche focussed customers.

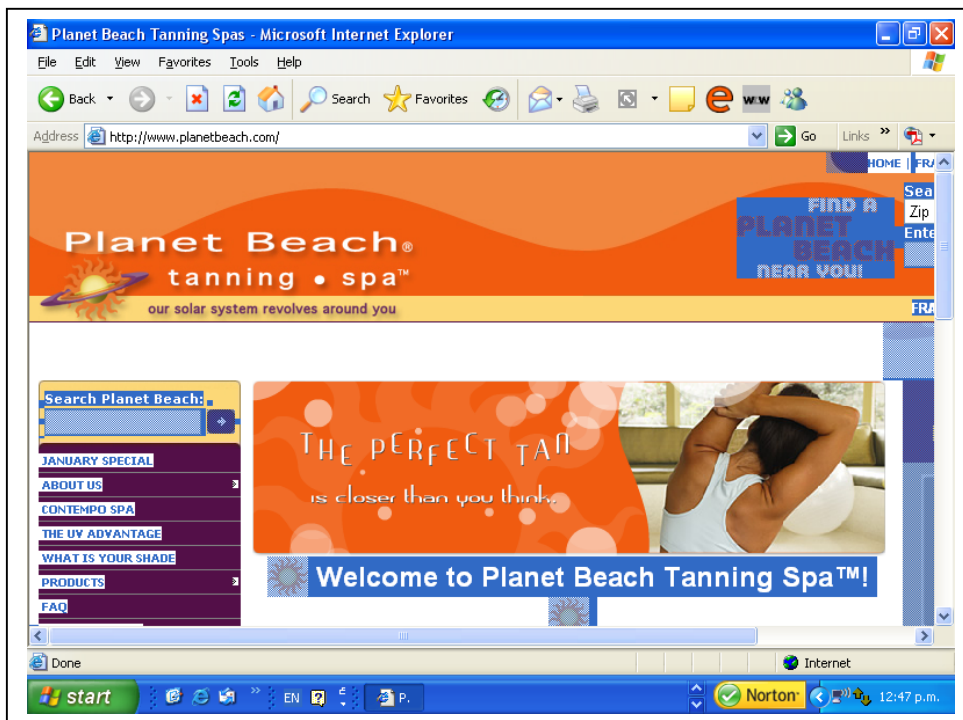
Other local examples

- In the process of researching this project, the following day spa businesses were also identified as operating in T&T:
 - Institute de Beaute.
 - La Therapie.
 - June Blackburn – a full-service day spa offering a high level of personal care. However, it does not focus on using local products and preparations.

Offshore examples

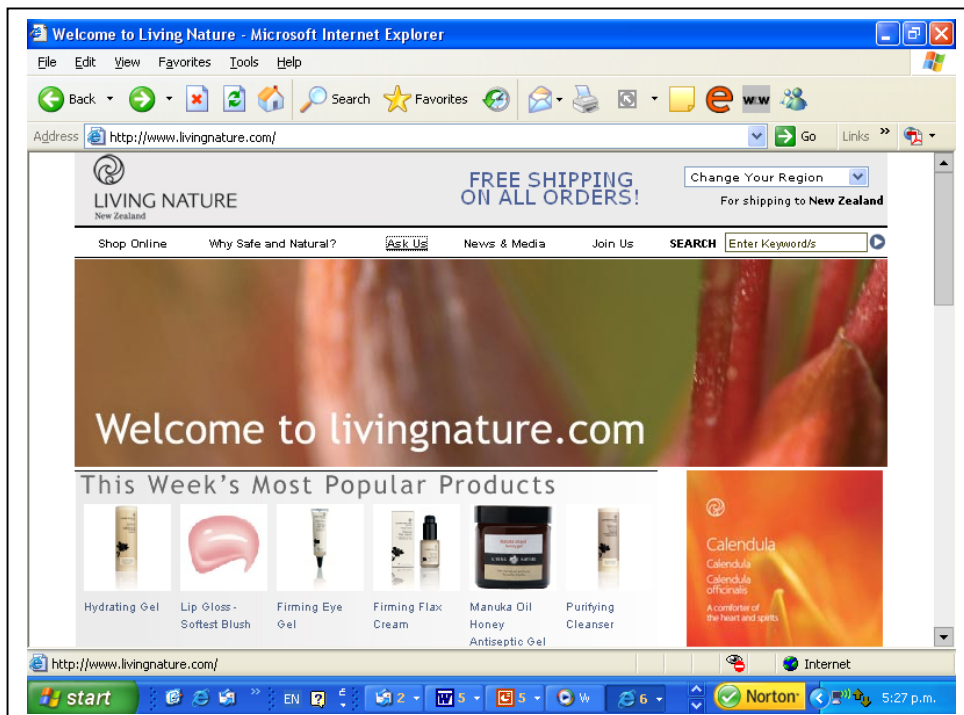
Planet Beach Tanning & Spa Franchise <http://www.planetbeach.com/>

- Tanning franchises have been a major success in the wealthier (and less sun-blessed!) countries of the world. In Germany today, large cities such as Bremen have numerous neighbourhood artificial tanning spas – they have been a strong growth sector over the past 10 – 15 years.
- The Planet Beach franchise started just 10 years ago in the USA and now has hundreds of outlets throughout the USA, Canada and Australia. It is number 1 in the global tanning franchise sector.



Living Nature <http://www.livingnature.com/>

- This business was started in a garage by Suzanne Hall in Kerikeri, a small village in the north of New Zealand, over twenty years ago. Suzanne had a vision of developing a global business built around cosmetics and wellness products that were made from natural ingredients predominantly sourced from within New Zealand's unique flora and marine resources.



- Her strong branding and uniquely New Zealand derived product range has enabled her to grow a hugely successful business that now turns over in excess of US\$ 20 million annually, employs 70 people, and exports to over 15 countries.
- It also the cosmetic line used on all Air New Zealand international flights.
- Living Nature is an excellent example of using indigenous resources to deliver highly unique and differentiated products to highly individualistic wealthy consumers in global market niches. It is an excellent model for aspiring business people in this sector to study.

The 'Best Bet' Roadmap

An indicative roadmap of targets set, how they will be reached, and who is involved, in order to achieve the desired outcomes of this investment opportunity is shown in Table 3.

Table 3: Indicative road map for implementing the 'Caribbean Wellness Spa' Investment Opportunity

Timing	What?	How?	Who?
Initial	<ul style="list-style-type: none"> • Identify who are the likely key stakeholders • Determine who will lead the project • Determine investment needs, R&D needs, and sourcing 	<ul style="list-style-type: none"> • Consensus • Consensus • Consensus 	<ul style="list-style-type: none"> • Project group of 5 – 6 key people • Commercial t • Commercial / S & T
1st 6 months	<ul style="list-style-type: none"> • Branding strategy finalised • Marketing strategy completed • Training programmes developed • Alliance partners in key markets identified • Best value chain identified • Cosmetic product development initiated 	<ul style="list-style-type: none"> • Brand research • Market research • Educational needs • Sector research • Sector research • R & D project 	<ul style="list-style-type: none"> • Brand specialist • Market researcher • Commercial + govt • Market researcher, commercial • Market researcher, commercial • S & T / commercial
2nd 6 months	<ul style="list-style-type: none"> • Finalise best value chain • QA/QC system defined and backed by govt • Draft franchise concept developed • First cosmetic product lines based on natural T&T resources ready for market 	<ul style="list-style-type: none"> • Consensus • Consensus and legal • Market research and legal • Product development 	<ul style="list-style-type: none"> • Commercial • TTBS • Commercial/Market researcher/legal specialist • S & T / commercial
Year 2	<ul style="list-style-type: none"> • Sales target of US\$ 400,000 achieved • First Caribbean Spa opened in Trinidad and Tobago and one offshore • Continuing development of new cosmetic products with T&T 'flavour' 	<ul style="list-style-type: none"> • Production and marketing • Market research + legal • R & D project 	<ul style="list-style-type: none"> • Commercial / trade support agencies • Market researcher, legal, IP specialist, commercial • S & T / commercial
Year 3	<ul style="list-style-type: none"> • Sales target of US\$ 2.6 million achieved 	<ul style="list-style-type: none"> • Production and marketing 	<ul style="list-style-type: none"> • Commercial / trade support agencies

	<ul style="list-style-type: none"> 6 more Caribbean Spa overseas franchise outlets opened Continuing development of new cosmetic products with T&T 'flavour' 	<ul style="list-style-type: none"> Market research + legal R & D project 	<ul style="list-style-type: none"> Market researcher, legal, IP specialist, commercial S & T / commercial
Year 4	<ul style="list-style-type: none"> Sales target of US\$ 6.1 million achieved 10 more Caribbean Spa franchise outlets opened offshore, one more onshore Continuing development of new cosmetic products with T&T 'flavour' 	<ul style="list-style-type: none"> Production and marketing Market research + legal R & D project 	<ul style="list-style-type: none"> Commercial / trade support agencies Market researcher, legal, IP specialist, commercial S & T / commercial
Year 5	<ul style="list-style-type: none"> Sales target of US\$ 12.1 million achieved 21 more Caribbean Spa franchise outlets opened offshore Continuing development of new cosmetic products with T&T 'flavour' 	<ul style="list-style-type: none"> Production and marketing Market research + legal R & D project 	<ul style="list-style-type: none"> Commercial / trade support agencies Market researcher, legal, IP specialist, commercial S & T / commercial

Financial Summary

The summary in Table 4 provides a 'best-guess' estimate of the potential revenues, expenses, and EBIT figures that could be achieved over a ten-year period based upon a business that focuses on selling high end cosmetic and wellness products through specialist channels and sells franchise rights to the Caribbean Wellness Spa concept.

Table 4: Indicative financial projections for the 'Caribbean Wellness Spa' Investment Opportunity

	By year 3	By year 6	By year 10
Revenue from sales and franchise fees	US \$ 2,600,000	US\$ 18,100,000	US\$ 42,100,000
Basis of revenue figure	200,000 units of product @ US\$ 10.00 / unit 6 franchise fees at US\$ 100,000 each	1,500,000 units of product @ US\$ 10.00 / unit 31 franchise fees at US\$ 100,000 each	3,500,000 units of product @ US\$ 10.00 / unit 71 franchise fees at US\$ 100,000 each
Capital expenditure	US\$ 1,060,000	US\$360,000	US\$ 80,000
Operating expenditure	US\$ 2,184,000	US\$ 13,754,000	US\$ 31,514,000
Earnings before interest and tax (EBIT)	US\$ 416,000	US\$ 4,346,000	US\$ 10,586,000

Note: This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

The NEXT Star Rating for This 'Best Bet' Investment Opportunity



- We rate this 'Best Bet' investment opportunity highly because of the proven entrepreneurial skills that already exist in T&T in this field.
- T&T also has a range of unique natural resources that can be used to develop a distinctive 'flavour' to the spa offer.
- When the Caribbean is mentioned offshore it conjures up positive visions in potential consumer's minds.
- Personal health and wellness is a rapid growth sector with huge potential
- T&T has considerable skills with franchising.
- What is required is for one of T&T's entrepreneurs to be bold and 'go global'.

5.3 Best Bet 3: 'Creative Engineering & Electronic Solutions'

The Investment Opportunity

- The primary investment opportunity is to assemble a 'brains trust' and build and manage an electronic portal that essentially acts as **a broker interface and connects clients who face challenging industrial process problems with a pool of highly skilled technical people (a 'brains trust')**. Selected members of this group, on a contracted team basis, develop solutions to those challenging problems. The idea is that this pool of people with high levels of skills and expertise is drawn from a range of independent operators, institutions, and businesses from both local and global sources. The teams only come together for each specific solution development project and then dissolve once they are completed. In this way clients are guaranteed the best possible combination of intellectual capital for their particular problem.
- The secondary investment opportunity is into **a business which specialises in the manufacture of the specialist customised solutions** designed by the 'brains trust' for the end clients.

The Customer Offer

- Access to a pool of smart people from a range of sources (locally and globally) who can be pulled together to develop customised solutions to solve specific challenges and problems faced by major energy and industrial clients – essentially a networked business.
- Facilitating the contractual deal between the client and solution deliverers
- The availability of high-tech specialised software development and manufacturing facility that can produce the required solution software and hardware.
- A global service.
- An 'Web 2.0' electronic interactive portal on the Internet that facilitates two-way connection of clients with the 'brains trust', the exchange of ideas, information and progress, through a combination of text, audio, and video communications.

Figure 10: The 'Creative Engineering & Electronic Solutions' Offer



The Foresight Context For This Best Bet

- A global move away from hierarchical business models to networked business models.
- A growing global skills shortage, especially in the engineering and electronics field, that requires greater leveraging of the existing skills base available.
- The trend for intellectual capital to become more important than physical and financial capital.
- The trend towards a global 24/7/365 business world.
- The trend towards Web 2.0 capable portals that connect specialist expertise from different locations, within and between countries, through a single interactive working interface to develop the best possible outcomes for clients using virtual one-off project teams.
- The global trend towards more flexible employment models.
- An emerging electronic technology savvy 'Generation Y (14 – 28 year olds) who have short attention spans, shun the rigidities of traditional employment models, and require constant 'fascination'.

Target Markets

- Local and global petrochemical and energy companies.
- Large scale local and global industrial clients in all sectors.
- The growing online Web 2.0 market for customised solution providers.

What We Have

- An entrepreneur along with an 'Internet savvy' business developer who can pull the whole thing together.
- Highly skilled personnel, both locally and offshore from a range of engineering and associated technical and computer related disciplines, who have the capability of developing such solutions.
- The large T&T oil and gas sector which provides a local base and opportunities for developing a solution based approach and a test area for solutions that could have application elsewhere in the world.
- A large international Diaspora of highly skilled individuals in key potential markets who could be leveraged.
- Increasingly complex situations being faced by both major energy and industrial companies that require more unique and customised solutions.
- A growing global shortage of skilled people, particularly in the engineering field.
- A government strategic focus on developing further skills in fields closely associated with this area at a number of technical, secondary and tertiary educational institutions.
- An existing network of sub-contract service providers to the energy sector that is a source of expertise and experience.
- A number of established larger sized engineering and electronics businesses that have experience in developing and delivering customised solutions to clients.
- A considerable pool of researchers with high levels of expertise in T&T based universities, tertiary centres, and research institutions e.g. in areas such as Business and Computing Studies, Accounting and Management, and Energy and Manufacturing at UWI.

What We Need

This investment opportunity offers considerable upside for T&T's pool of highly qualified engineers and electronics specialists and associated solution developers. However, to take this 'Best Bet' from where it is today to a point where it makes a significant and valuable economic and social contribution to T&T, a number of areas need to be addressed.

From the Private Sector

- To form a consortium that includes the major petrochemical and energy companies in T&T; UWI, UTT, CARIRI, and e-Teck; private companies and sub-contractor networks, to develop the nucleus of people and facilities required to make such a project work.
- A business plan and strategy.

- Network development and management.
- Development of strategic global alliances.
- A much increased desire to 'go global'.
- A Web 2.0 capable electronic portal with a full complement of interactive functions and high-speed broadband capability of at least 100 MB/sec.
- Global market development and marketing.
- Greater coordination, cooperation, joint venturing, and clustering between local players to increase the value add and size of 'package deals' that can developed for major clients.

From the Public Sector

- Recognition that the accumulated knowledge and expertise that T&T has in the engineering and electronics sectors, and the associated specialist niche manufacturing area, are valuable assets that can contribute significantly to T&T's future economically and socially by going global.
- A new strategic focus in the way both the Caribbean and T&T offer is presented to the world through government agencies built around foresight-based growth opportunities.
- An integrated approach within a national growth and innovation framework that provides a long-term direction for the niche manufacturing sector and which has a clear, harmonised strategy of development with the dedicated resources of manpower, finance, institutional supports, private sector involvement, and community involvement.
- Identifying opportunities for IP protection in areas related to solutions developed in these fields in the niche manufacturing process and solution development area.
- Funding new areas of research that have a strong foresight focus and break away from the traditional 'academic' focus.
- Accelerating the commercialisation of IP that currently exists in many state and regional research institutions as well as the commercialisation of research project outcomes with potential through public/private partnerships.
- Improved infrastructure such as roads and the quality and cost of telecommunications – in particular Internet access and speeds.
- Bringing e-commerce capabilities in the country up to an internationally competitive standard.
- Increasing the capacity and investment in training specialist people for the solutions provision capability and associated niche manufacturing sector.
- Better collection and speedier processing of statistical data.

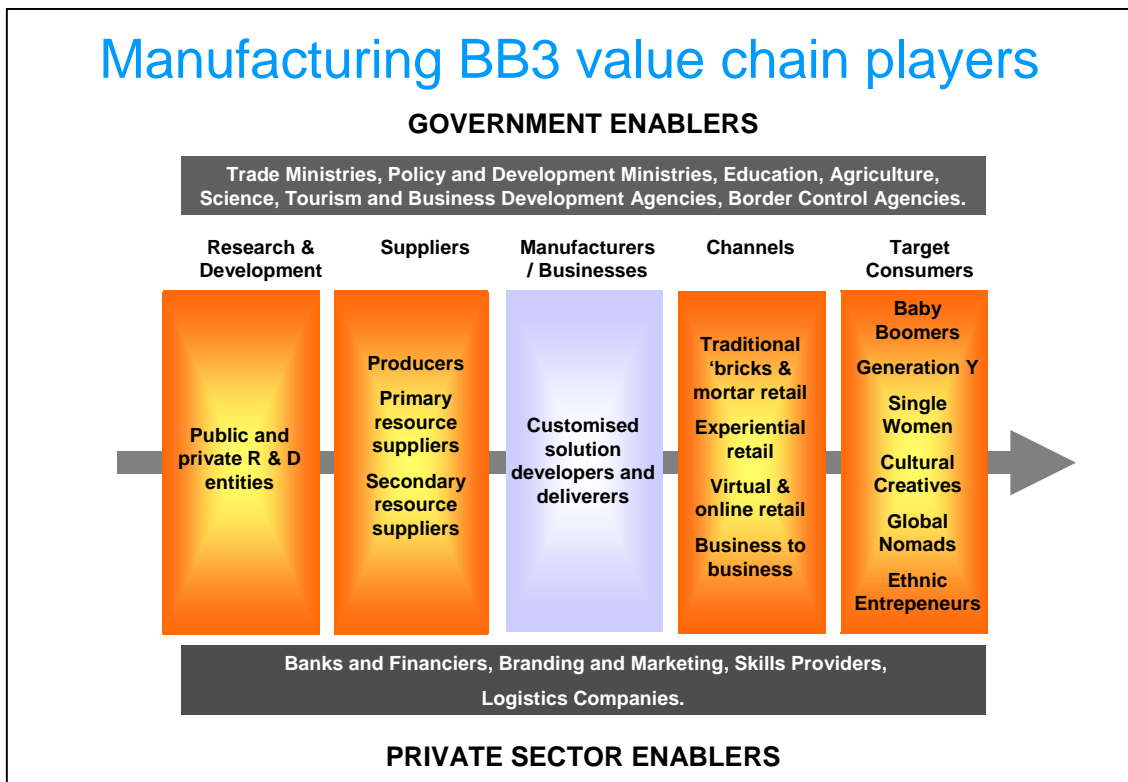
From R&D

- R&D resource people and facilities to help with solutions development
- A provision for staff to work in solutions development teams, sometimes of on short-term solutions development projects, without jeopardising their positions.
- A more urgent focus with regard to commercialising research findings from local educational and research institutions.

Best Bet Value Chain

This Best Bet centres on the 'Manufacturing and Business' component of the value chain with the prime focus being on leveraging the outcomes of many years of commercial experience in this area with regional research work, and foresight based market research work, to gain commercial benefits for T&T. However, this component is of little value unless all the other value chain components are aligned in the same direction towards a common medium to long-term goal.

Figure 10: The 'Creative Engineering and Electronic Solutions' Value Chain



Key Local Players, Entrepreneurs, and Offshore Examples

There are a number of key local players and entrepreneurs who have many years of experience and high levels of expertise in the engineering and electronics sectors relevant to this Best Bet. In addition, there are a significant number of businesses already set up and being operated successfully by local entrepreneurs, several on a relatively large scale, that could contribute to leveraging the potential value of a T&T 'Best Bet' investment built around this opportunity. There are already strong linkages with major global industrial groups, particularly in the energy field.

At present the level of commercial development of high-value opportunities associated with this Best Bet is still predominantly on a local level. However some existing business already deal with international clients and there are many highly qualified T&T people working for major companies offshore. We feel the businesses and support structure associated with this 'Best Bet' is at the level shown in Figure 11.

Realising this 'Best Bet' will require a quite radical change in the approach to business, in particular moving towards extracting greater value for the country's wealth of intellectual capital – 'brainpower'.

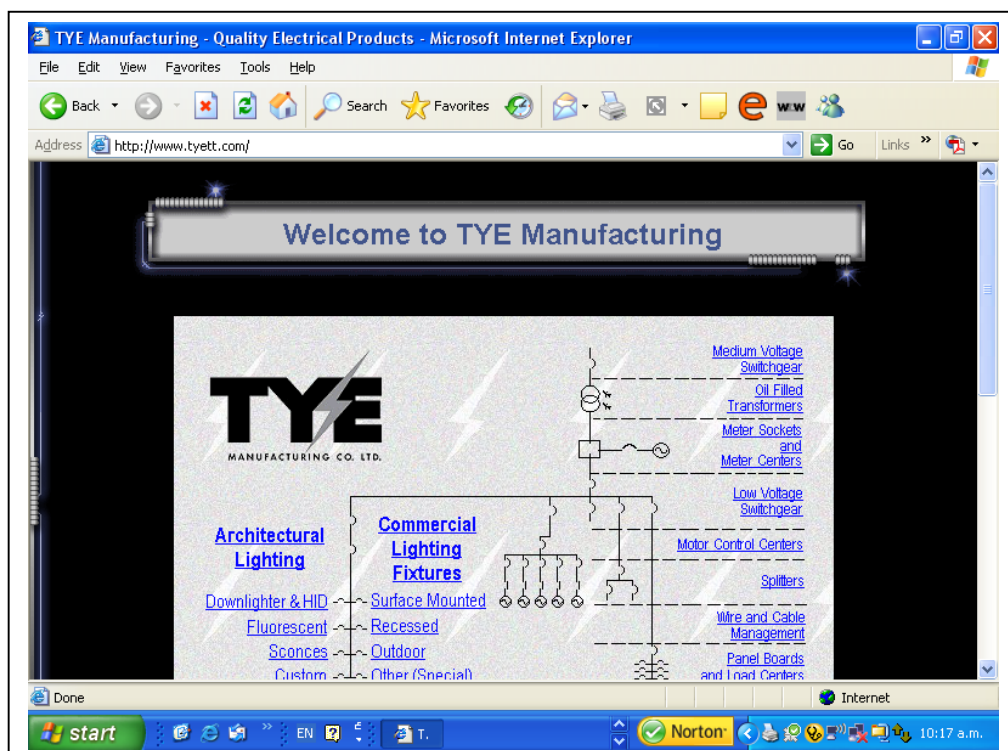
Local engineering and electronic entrepreneurs

Following are two examples of groups and people we have met who are relevant to this 'Best Bet' because of the focuses, ways of thinking and skills they have. There are certain to be others working in this area who could also contribute a great deal.

TYE Manufacturing Co Ltd, Robert Tang Yuk, <http://www.tyett.com>

Robert Tang Yuk is the Managing Director of this successful electronics manufacturing company. The company specialises in manufacturing customised solutions for clients within T&T, in the Caribbean, and in North America (through a related company in Canada).

Robert is an entrepreneurial individual who is constantly looking for foresight-based opportunities that will strengthen the future of TYE and the people who work with the company.



Centre for Energy Enterprise Development, CEED, Anthony Paul.

Anthony (Tony) Paul leads this group which is essentially a public – private partnership between the major energy companies in T&T and institutions such as UWI. It's focus is to work with local SMEs to upgrade their capabilities in servicing the country's large energy sector. CEED has developed some smart software packages and networks in this sector that would help with realising the commercial value this 'Best Bet' potentially offers.



Anthony Paul - CEED

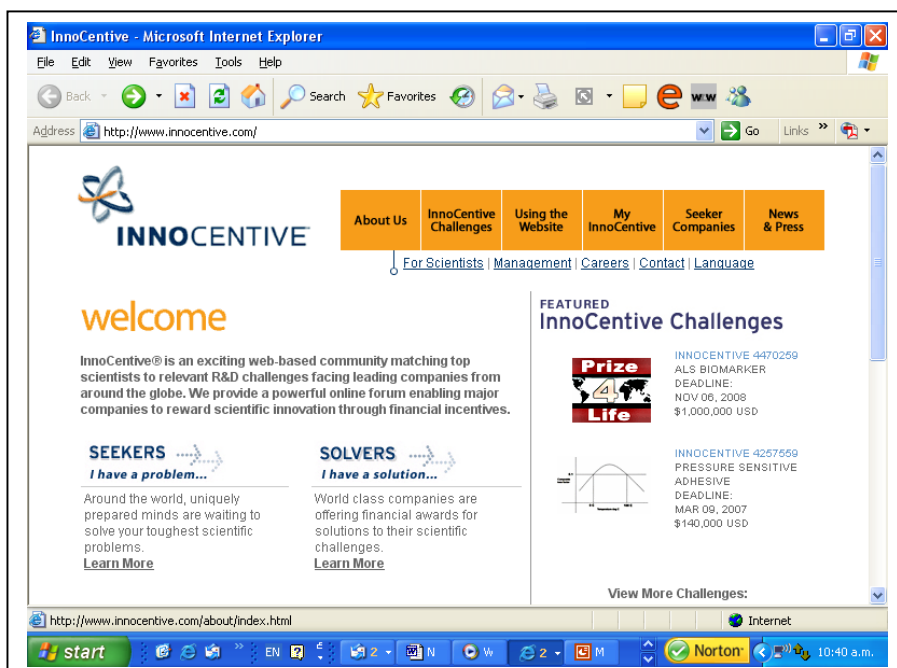
Offshore examples

This is an area that is developing rapidly internationally. Following are several examples of the type of business model which could be used to develop this 'Best Bet'

Innocentive <http://www.innocentive.com/>

This is an excellent example of the way this 'Best Bet' could operate. The portal was initially set up by chemicals and pharmaceuticals giant, Eli Lilly, to invite researchers and individuals/groups with specialist competencies around the world to come up with innovative solutions to problems they needed answers to.

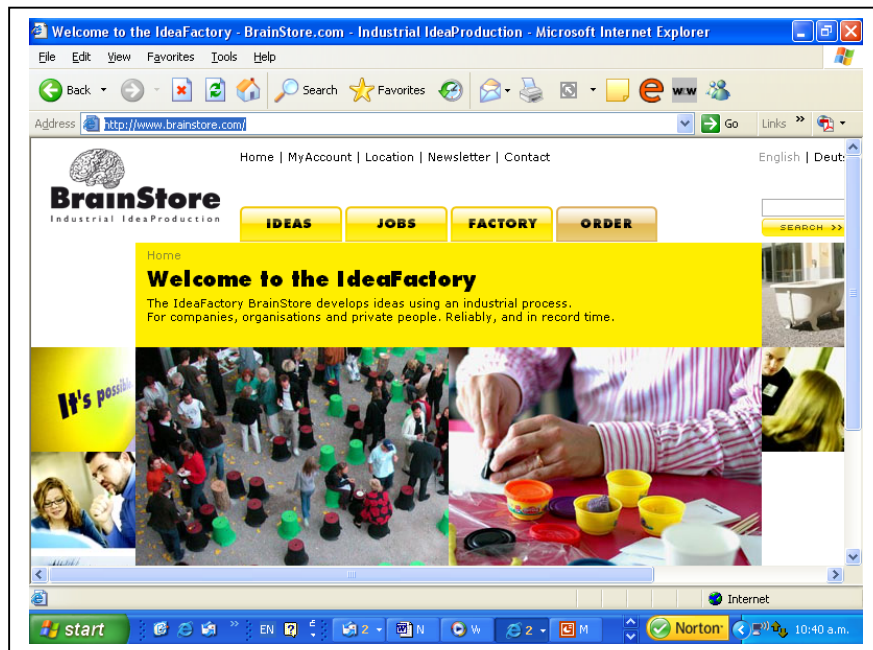
In recent years Innocentive has become a business in its own right and now has a client base that includes a range of other major clients. It now brokers clients seeking solutions with 'brains' who develop the solutions. The portal is the front face of the business.



The Brain Store (Switzerland) <http://www.brainstore.com/>

This Swiss-based business was one of the first to use the idea of linking client challenges with a network of several thousand potential solution providers using virtual networks. Their client list is impressive and includes major global groups such as Microsoft.

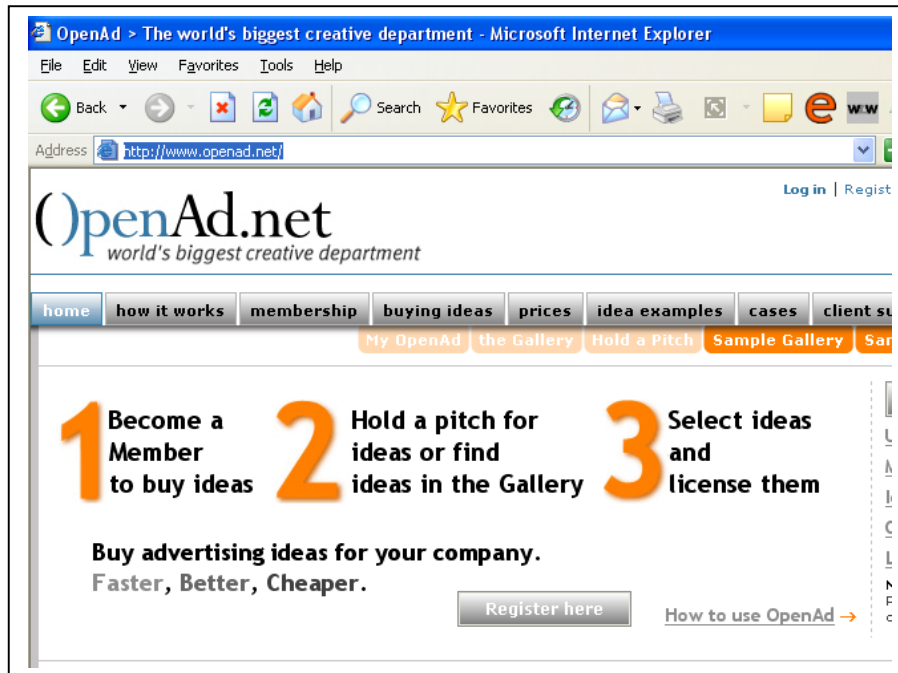
Once again, the portal is the front face of the business.



OpenAd (Slovakia) <http://www.openad.net/>

This exciting business is only in the start up phase but uses a Web 2.0 model to develop creative solutions for the advertising sector. It now has a network of 5000 creative people located around the world enrolled to develop creative solutions to clients who submit a brief of what they require.

As for the previous two examples, the portal is the front face of the business.



The 'Best Bet' Roadmap

An indicative roadmap of targets set, how they will be reached, and who is involved, in order to achieve the desired outcomes of this investment opportunity is shown in Table 5.

Table 5: Indicative road map for implementing the 'Creative Engineering & Electronic Solutions' Investment Opportunity

Timing	What?	How?	Who?
Initial	<ul style="list-style-type: none"> • Agree on the key stakeholders • Determine who will lead the project • Determine investment needs and sourcing 	<ul style="list-style-type: none"> • Consensus • Consensus • Consensus 	<ul style="list-style-type: none"> • Project group of 5 – 6 key people • Commercial / govt • Commercial / govt
1st 6 months	<ul style="list-style-type: none"> • Choose target markets and client focuses to be developed • Develop a skills sourcing concept that all parties agree to • Develop human resource base and determine the scope of solutions to be provided • Develop a marketing and brand strategy • Finalise an interactive high speed broadband virtual portal • Finalise a skills delivery / leveraging strategy 	<ul style="list-style-type: none"> • Research and assessment • Consensus • Network, research and assessment • Market research • Website design • Consensus 	<ul style="list-style-type: none"> • Market researcher / commercial • Commercial / legal • Education/Training Institutes • Market researcher / commercial • Website designer • Education, S&T / commercial

	<ul style="list-style-type: none"> Finalise a pricing model for the solutions developed 	<ul style="list-style-type: none"> Consensus 	<ul style="list-style-type: none"> Commercial
2nd 6 months	<ul style="list-style-type: none"> Launch the portal and commence marketing E-networks set up to connect regularly with clients and providers. Skills sourcing concept agreed S&T approach agreed First contract won - value US\$100,000 	<ul style="list-style-type: none"> Marketing Database and output management Consensus Consensus Getting sign off 	<ul style="list-style-type: none"> Commercial + govt e-Marketer Commercial + govt S&T / commercial Portal management
Year 2	<ul style="list-style-type: none"> Global e-marketing increases 20 new contracts won - value US\$1.5 million 	<ul style="list-style-type: none"> Marketing Getting sign off 	<ul style="list-style-type: none"> Commercial + govt Portal management
Year 3	<ul style="list-style-type: none"> Global e-marketing increases 50 new contracts won - value US\$ 7. 5 million 	<ul style="list-style-type: none"> Marketing Getting sign off 	<ul style="list-style-type: none"> Commercial + govt Portal management
Year 4	<ul style="list-style-type: none"> Global e-marketing increases 100 new contracts won - value US\$ 15 million 	<ul style="list-style-type: none"> Marketing Getting sign off 	<ul style="list-style-type: none"> Commercial + govt Portal management
Year 5	<ul style="list-style-type: none"> Global e-marketing increases 150 new contracts won - value US\$ 35 million 	<ul style="list-style-type: none"> Marketing Getting sign off 	<ul style="list-style-type: none"> Commercial + govt Portal management

Financial Summary

The summary in Table 6 provides a 'best-guess' estimate of the potential revenues, expenses, and EBIT figures that could be achieved over a ten-year period based upon a business that focuses on brokering smart engineering and electronic solutions providers with major clients seeking solutions through a leading edge Web 2.0 designed Internet business portal.

These figures represent the gross revenue generating capability of this 'Best Bet' investment opportunity. The EBIT could be interpreted as being the return to the brokering management entity.

Table 6: Indicative financial projections for the ‘Creative Engineering & Electronic Solutions’ Investment Opportunity

	By year 3	By year 6	By year 10
Gross revenue from solutions contracts and manufactured solutions	US \$ 5,600,000	US\$ 63,100,000	US\$ 207,100,000
Basis of revenue figure	50 contracts @ US\$ 100,000 each 6 manufactured solutions @ US\$ 100,000 each	200 contracts @ US\$ 300,000 each 31 manufactured solutions @ US\$ 100,000 each	400 contracts @ US\$ 500,000 each 71 manufactured solutions @ US\$ 100,000 each
Capital expenditure	US\$ 520,000	US\$ 260,000	US\$ 280,000
Operating expenditure	US\$ 4,714,000	US\$ 52,939,000	US\$ 173,699,000
Earnings before interest and tax (EBIT)	US\$ 886,000	US\$ 10,161,000	US\$ 33,401,000

Note: This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

The NEXT Star Rating for This ‘Best Bet’ Investment Opportunity



- This is a huge new business opportunity area with rapid growth internationally.
- There is a growing demand for intellectual capital internationally.
- T&T has a considerable pool of highly skilled talent in both the engineering and electronics fields.
- This can be leveraged by connecting in a global network of complementary specialists.
- As far as we can determine, no one is operating in this space as yet – but the situation is changing rapidly.
- It is a very attractive proposition for a small country because it needs a minimal capital investment and can be run from within T&T even though it operates globally
- Several current constraints to realising this ‘Best Bet’ are the lack of an entrepreneur who can see the opportunity and is prepared to ‘go global’ along with the existing relatively low standards and high cost of Internet access, quality, speed, and e-commerce back up in T&T.

6 What Comes Next?

There have been many people involved in these Sector Foresight 'Best Bet' Projects since they commenced in early 2006. They came from a wide range of public, private, and institutional organisations. The level of enthusiasm and the quality of input from participants has been outstanding.

There are a number of highly positive outcomes that have already been achieved as a result of these projects including:

- Building a network of people who have a passion for foresight and innovation in both the public and private sectors that, we hope, will continue to grow and help T&T attain its Vision 2020 economic and social objectives.
- At least four of the sixteen 'Best Bet' Investment Cases are now in the process of being developed into commercial businesses. There is strong commercial interest in at least several of the others.
- A number of participants in various project workshops and processes have indicated that they are looking to move into new business ventures that they have been thinking about for some time. Involvement with the sector foresight process has given them the impetus to make bold go-forward decisions
- Discovering that T&T has a lot more entrepreneurial business people than most who live and work in the country recognised. The lesson here is that entrepreneurs tend to be low profile and just get on and do things. They are not publicity seekers.
- Realising that T&T has a large pool of relatively unexploited talent and resources that has a great deal of potential in tomorrow's evolving consumer markets.
- Awakening interest from at least one T&T based financial institution with regard to the potential benefits their business and shareholders would gain if they began to take a small but highly focussed interest in investing in particular 'Best Bet' projects which have high growth and earnings potential.

The challenge now is not only to see how many of these Sector 'Best Bet' Investment Cases become a commercial reality but also for Trinidad and Tobago to develop a National Growth and Innovation Framework and Strategy. This will be essential if the foresighting approach is to take a hold and stimulate the development of new entrepreneurial businesses that have medium to long-term high growth prospects and can deliver the outcomes the country desires.

Such a framework and strategy would align all the country's key agencies, stakeholders, and resources in one go-forward direction. Once this is achieved, then the country will make real progress towards achieving its goal of becoming a fully developed nation by the year 2020.

Initial indications are that such an approach is likely to happen and the Sector Foresight 'Best Bet' Projects will have played a significant part in moves towards establishing a National Growth and Innovation Framework and Strategy.

7 Acknowledgements

Many people have invested a great deal of time and effort to ensure that the Sector Foresight Project makes a meaningful contribution to the future economic and social success of Trinidad and Tobago. We would like to acknowledge some particular contributions:

- NIHERST, in particular Ms Maureen Manchouck, President of NIHERST; Ms Joycelyn Lee Young, Registrar of NIHERST – for funding and leading these projects. They have been staunch supporters of the whole foresighting process.
- The NIHERST staff for the first class support they have provided us at all times.
- Larry Placide, Andre Vincent Henry, Keith Nurse, ColinDale Marcelle, Steve Maximay, Jacqueline Morris, Michele Reis, Chanzo Greenidge, Maurice Moniquette and Laura Superville – the T&T based researchers who contributed greatly to the ‘Best Bet’ project work.
- All the private sector, public sector, and institutional sector people who contributed their valuable time and expertise to help build the final sixteen ‘Best Bet’ Investment Cases – and who have done so with such great enthusiasm!

8 Appendix 1: Detailed Best Bets Research Feedback

This Appendix includes more detailed research input undertaken by the T&T researchers to further develop and test the Chapter 3 'Best Bet' overviews as well as financial models.

8.1 *Best Bet 1: Trinidad Marine Services – 'One Stop Marine Shop'*

Because the T&T research team met two companies already developing business models similar to those envisaged in this 'Best Bet', only a limited amount of time has been spent researching this further. The material used in the main text in this Chapter has predominantly been derived from that published in Chapter 3.

Best Bet Roadmap

See main text

Financial Model & Assumptions

BEST BET SECTOR: Manufacturing		BEST BET 1: One-Stop Marine Shop											
		File date:		21/09/06									
		Last review:		25/01/07									
10 Year Financial Projection Model (US\$)													
Note: This model relates only to the development and operation of a 'one stop shop' portal for the sector													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
GOVT INVESTMENT	Description												
S&T research	Environmental res. (1)	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000		
Education	(2)	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000		
Trade development		200000	100000	100000	50000	50000	50000	50000	50000	50000	50000		
Total Govt investment		500000	400000	400000	350000	350000	350000	350000	350000	350000	350000		
COMMERCIAL INVESTMENT		YEAR											
		1	2	3	4	5	6	7	8	9	10		
REVENUE	Description												
Product/Service Line 1	On line portal												
Volume	Contracts (3)	5	10	20	30	40	50	60	70	80	90		
Value/unit	10% of contract (4)	20000	20000	30000	30000	40000	40000	40000	40000	40000	40000		
Gross line revenue		100000	200000	600000	900000	1600000	2000000	2400000	2800000	3200000	3600000		
Total Revenue		100000	200000	600000	900000	1600000	2000000	2400000	2800000	3200000	3600000		
EXPENSES													
Capex	Description												
Item 1	Portal set up	100000											
Total Capex		100000	0	0	0	0	0	0	0	0	0		
Opex	Description												
Salary and wages	(5)	100000	100000	150000	150000	200000	200000	250000	250000	300000	300000		
Marketing	25% of gross rev	25000	50000	150000	225000	400000	500000	600000	700000	800000	900000		
Communications	5% of gross rev	5000	10000	30000	45000	80000	100000	120000	140000	160000	180000		
E-commerce	10% of gross rev.	10000	20000	60000	90000	160000	200000	240000	280000	320000	360000		
Rental	Office etc	40000	40000	40000	40000	40000	40000	40000	40000	40000	40000		
Consumables	1% of gross rev	1000	2000	6000	9000	16000	20000	24000	28000	32000	36000		
Administration	5% of gross rev	5000	10000	30000	45000	80000	100000	120000	140000	160000	180000		
Total Opex		186000	232000	466000	604000	976000	1160000	1394000	1578000	1812000	1996000		
Total Expenses		286000	232000	466000	604000	976000	1160000	1394000	1578000	1812000	1996000		
EBIT		-86000	-32000	134000	296000	624000	840000	1006000	1222000	1388000	1604000		
EBIT - Capital		-186000	-32000	134000	296000	624000	840000	1006000	1222000	1388000	1604000		
EBIT - Capital - Govt		-686000	-432000	-266000	-54000	274000	490000	656000	872000	1038000	1254000		
NOTES:													
1 Assumes this is an allocation for research related directly to boat building issues													
2 Education as it relates to portal staffing only													
3 The number of package contracts arranged through the portal													
4 Based on 10% of the average value per contract which rises from US\$ 200,000 to US\$ 400,000 by year 5													
5 Assumes a good portal manager would cost US\$100,000 p.a. and good support staff would cost US\$50,000 p.a.													

8.2 Best Bet 2: Caribbean Wellness Spa – 'Caribbean Wellness Inc.'

Description

- A magical and unique Caribbean total wellness experience built around, the rich cultural heritage of the region, and the natural and organic resources and appealing to the senses and emotions.
- The Best Bet has three elements to it. Two of these will have to be pursued simultaneously and one sequentially:
 - The development of a range of personal care and wellness products developed from natural Trinidad and Tobago (of Caribbean) plant and marine extracts.
 - The development of physical facilities for the delivery of personal care.
 - The development of a franchise offer.

Rationale

- The whole health and wellness area is experiencing rapid growth globally.
- The experience not only includes the purchase of health and wellness products and services at home but also travelling overseas on health and wellness packages.
- Consumers in wealthy markets are spending an increasing proportion of their income on these types of products and services.
- The trend towards 'age defiance' – amongst the ageing baby boomers in particular but also some younger people even down to Generation Y level (under 28 years of age) – is a strong growth trend.
- The trend is also influenced by the somewhat narcissistic need to be pampered and to outdo.

Target Markets

- The urban professional – female and male (the metrosexual).
- People working in well-paid high stress occupations who need personal regeneration.
- People who wish to stay as young as possible for as long as possible – the 'age defiance' customer.
- The markets would primarily be middle and high-income earners in the developed economies of North America and Europe.
- It must be noted here that the North American and European markets are different in nature and so may require different marketing strategies. The Europeans have generally had more exposure to and experience in spas. Their history in spas goes back several centuries. As a consequence their expectations of a Caribbean Spa experience may be significantly different from that of the North American.
- In addition to this we may need to define a more age specific market. The experienced that is packaged to meet the needs of the middle to high income earner in their twenties may not satisfy similar income earners in their forties.

- In this regard Tobago can be packaged for the more mature segment that may be seeking out a more serene, laid back and restfully restorative experience. Trinidad, on the other hand could be packaged for the younger metrosexual that is seeking out a more high energy, activity driven experience.

The Market Offer

- A magical and unique Caribbean Spa Experience built around Caribbean themes.
- Visitors to Trinidad and Tobago can access the experience at specially developed spa facilities.
- It can also be accessed through franchised facilities in many top global cities around the world.
- A special range of exclusive Caribbean Spa products will be available for purchase through high value niche retail outlets in top global cities.
- This range will also be able to be purchased through an e-commerce portal on the Internet and delivered door to door anywhere in the world.

What We Have

- Natural resources including plants, marine extracts, essences, food derivatives, and cuisine (as part of a total spa concept).
- A highly creative culture.
- An abundance of themes for highly differentiated branding approaches.
- An integral part of the Caribbean, which has an attraction to many people globally.
- An existing high-end spa complex in Trinidad and Tobago.
- Existing facilities producing natural cosmetics
- Commercial and product development skills for cosmetics and associated wellness and beauty products.

Regulatory issues

- The establishment of standards and quality for natural preparations, especially in regard to the export of preparations associated with the Spa.

IP protection

- Some of the existing preparations have been registered and enjoy IP protection.
- Any new preparations would have to be registered for protection.
- The concept of the Caribbean Spa should also receive protection.

Infrastructure

- The infrastructure to support this best bet shares many characteristics with the infrastructure for the tourism industry as far as marketing and some standards are concerned. However, the emphasis on a specific set of add on services and the use of specially developed preparations to complete the Caribbean experience has additional infrastructure requirements.
- There are a number of Spas in the country. These can be divided into three categories:
 - Destination spas marketed as such – e.g. Salybia Nature Resort and Spa
 - Spas attached to hotels -

- Stand alone day spas – e.g. Cher Mere

Research and development

- The major R&D issues in this best bet relate to the development of development of preparations to be used in the Spa.
- The institutions for this purpose are in the private sector, government and academia.
 - Private Sector:
 - Cheryl Bowles, Managing Director, The Herbarium and Cher Mere. There can be no more perfect driver for this best bet than Ms. Bowles. Indeed she has already conceptualised process. The challenge is that she understandably views the concept in a somewhat proprietary manner and sees it as a direct business opportunity. In addition to conceptualising the process, Ms. Bowles has done extensive research into the use of botanicals and marine extracts in her capacity of a trained biochemist.
 - Government:
 - The Trinidad and Tobago Bureau of Standards
 - Forestry Division
 - Government Chemist
 - Food and Drug Division
 - Academia:
 - The University of the West Indies
 - The University of Trinidad and Tobago

Required Skills

- Biochemistry – for the analysis of natural ingredients and the development of preparations bases on plant and marine extracts
- Marketing - for the development of the concept and brand
- Personal care skills:
 - Masseuses
 - Beauticians
 - Spa technicians

Education and training

- All the skills identified are available; however, there will have to be some training up to allow for high levels of specific skills for the best bet.

Incentives and assistance

- Assistance is available under the Tourism Development Act which provides for a range of incentives and concessions for the development of properties in the tourism industry. The Act provides for tax holidays of up to ten years and duty free concessions for hotel developments.
- In addition to the tax holiday the approved Hotel may be granted accelerated depreciation and capital allowances on the construction cost of the hotel after the holiday period. No depreciation is charged during the holiday period and an allowance at 20% per annum is allowed for any five of the following eight years after the holiday period. Tax exempt profits may be distributed tax free by way of dividend. This tax concession is granted on a discretionary basis by the

Ministry of Tourism based on the size of the hotel (minimum 10 rooms) and the capital expenditures involved.

- Depending on the actual manifestation of the proposed investment other incentives might be available under a variant of legislative and regulatory provisions such as the Investment Promotion Act.
- The availability of overseas assistance will depend on the size of the activity and the involvement of non-nationals of Trinidad and Tobago. For example, if citizens of the United States are involved the project could qualify for investment and loan guarantees.
- The project will benefit from the country promotion of Trinidad and Tobago Tourism Development Corporation of the tourism products of the country.

Resources and Materials

- The human resources for this best bet are readily available,
- The material resources are available and what is required is the ability to creatively convert what is ordinary and taken for granted
- Virtually no materials will have to be imported.

Investment and Entrepreneurship

- Businesses and people already involved in the area
 - Salybia Nature Resort and Spa owned by Ronald and Roger Boynes
 - The Herbarium and the Cher Mere line of products owned by Cheryl Bowles
 - Day Spas
 - Institute de Beaute. Not surprisingly there are any number of companies which go by this name in many countries. There is no indication though that these companies share more in common than the name.
 - La Therapie. La Therapie is a brand name for a line of products developed in Europe. We were not able to determine whether the Trinidad and Tobago day spa by that name is in anyway related to the international brand.
 - June Blackburn – This is a full service day spa that offers a high level of personal care. The facility does not emphasize the use of local preparations.

Employment

- The most important employment issue identified relates to the delivery of service. By its definition this product will require a very high level of personal service and even pampering of clients. Trinidad and Tobago workers are reputed to have an aversion to the delivery of personal service which is often equated with servitude.

Business capabilities and alliances

- The Salybia Nature Resort and Spa has the more carefully established product that responds to the destination spa aspect of the best bet.
- Cher Mere with its own line of natural products and its day spa comes closest to marriage between the concept of a spa and the use of natural products.

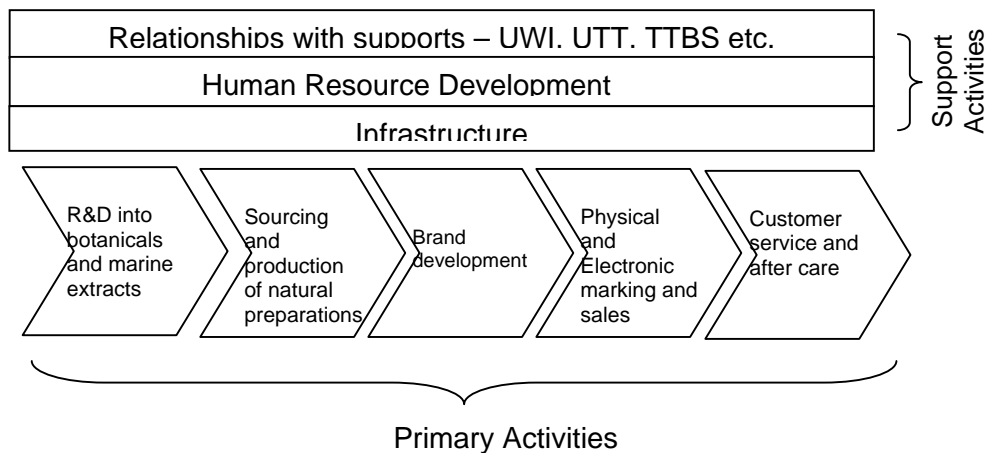
Are there currently businesses in T&T that have capabilities relevant to this Best Bet?

- There are three existing companies which have capabilities relevant to the development of cosmetics and other preparations:
 - Herbarium/Cher Mere – Herbarium is easily the leader in the development of natural preparations and the principal has an international reputation. Cheryl Bowles, the Founder and Chief Executive is recognised throughout the Caribbean and to some extent, extra regionally, as a leader in the area and has the scientific training that is crucial for this best bet.
 - Sacha Cosmetics – Sacha Cosmetics does not specialise or even produce items using local natural materials, however, Sacha has developed an international reputation and has a fairly large plant and processes that can be used to mass produce cosmetic preparations
- Both Sacha and Herbarium would have a range of international contacts which can be leveraged for the purposes of exploring this best bet.
- The Salybia Nature Resort and Spa has the best plant for a destination spa

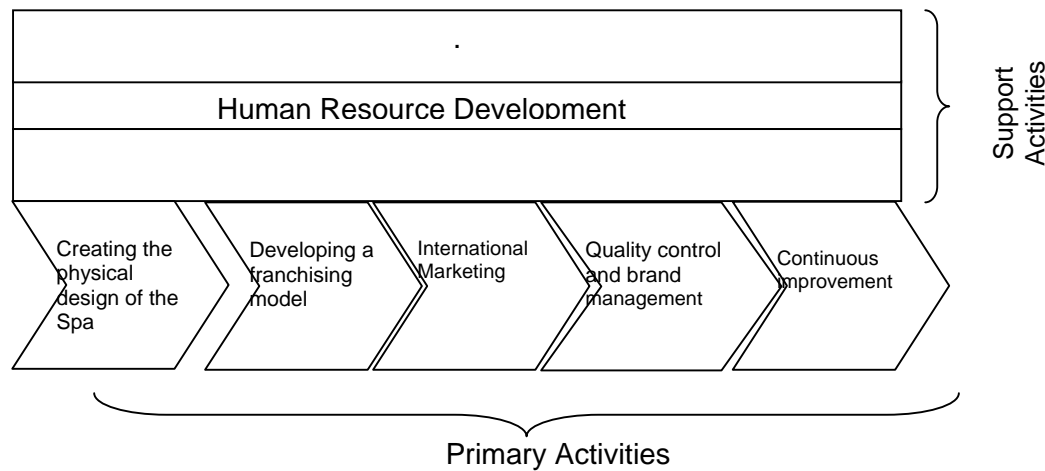
Value chain development and management

- The analysis of the value chain in the best bet is divided into two sections. The first section deals with the development of the range of physical products. This aspect therefore focuses of the production of goods. The second aspect of the value chain analysis is on the franchising of the spa and the establishment of the prototype.

**Value Chain Analysis
Physical Products**



Value Chain Analysis Franchising



Branding and marketing

- As noted above there are two distinct dimensions to this product. These two require different, if complementary branding and marketing techniques. Overall we believe that since this best bet is imbedded in the country's tourism product branding and marketing needs to be pursued from that angle. Every effort needs to be made to tie both the physical products as well as the facilities to the experience of Trinidad and Tobago and the Caribbean.
- Much will depend too on whether the approach taken is to develop a uniquely Trinidad and Tobago product or a product which could have the wider appeal of the Caribbean. Cheryl Bowles of Cher Mere believes that the product could be best developed from a wider Caribbean perspective, even if it starts as a Trinidad and Tobago focus.
- The wider Caribbean perspectives would give the opportunity to explore additional Caribbean themes, peculiar to the various islands. Nothing would prohibit having these themes incorporated in the same facility. So it will be possible say in one spa to have a Dominica room together with a Trinidad room and a Tobago room.
- The brand development could also explore something of an a la carte menu of which theses can be place in various markets.
- An additional benefit of the Caribbean wide brand will be the use of the natural extracts and folklore of the various islands which will further enrich the product.
- Finally, the Caribbean wide brand would actually create greater tourism marketing opportunities as clients could avail themselves of a package that would offer them multiple destinations.

What We Need

- More R&D into products and concepts.
- Market development and a marketing strategy.
- A high level of skills at the customer interface, whether in actual spas or selling products related to the concept.
- IP protection for brands, products and concepts.
- Franchise development and marketing capabilities.
- Product development and design skills.
- Appropriate and attractive packaging that is consumer friendly.
- Branding strategies.
- Quality assurance systems and compliance with international standards.
- E-commerce strategies and skills.

Regulatory issues

- Testing and Metrology for the scientific standardisation and regulation of wellness preparations developed from natural plant and marine extracts.
- International protection of the brand and its products.
- Franchise enabling legislation and protections

Infrastructure

- There are no physical infrastructure challenges that are a precondition for this best bet. There are, however, intellectual property, regulatory, standardisation and marketing issues which, if addressed could increase the viability of this best bet.
- The proposed approach has not been attempted in Trinidad and Tobago. The country has mainly been the recipient of franchises and mainly in the fast food sector. The one example of the development of a local franchiser has also been in the fast food sector and has been limited to a few countries in the Caribbean.
- Given the other aspect of the best bet to market the natural preparations on the Internet, there are already a number of internet portals which are dedicated to Trinidad and Tobago and Caribbean products. Additionally, some Caribbean products (including for example Crix Biscuits from Trinidad and Tobago) can be sourced through mainstream portals.

Research and development

- The primary area of R&D is the identification, analysis and documentation of the natural and marine extracts which will form the basis of developments.
- The University of the West Indies and possibly the University of Trinidad and Tobago will be key partners in the identification and analysis of natural and marine extract which may have value.
- The Trinidad and Tobago Bureau of Standards will have to lead the effort of standardisation and the establishment of technical regulations to ensure that products can be exported and will have to lend its international accreditation as evidence that the products meet international standards for testing and measurements. Moreover, because the products will in many cases be

unique and/or original to Trinidad and Tobago, the TTBS will have the opportunity and responsibility for establishing the international standards.

Education and training

- As noted above, the education and training needs will relate to the delivery of personal care services.

Incentives and assistance

- Development of standards and technical regulations in respect of both premises as well as products to be used.
- It is unlikely that assistance would be available from overseas development agencies
- Government could support the best bet by making it a part of the overseas marketing effort of Trinidad and Tobago

Resources and Materials

- One major limitation related to human resources is the predisposition to deliver high quality personal service. This can be addressed through training
- The best bet is premised on the use of natural extracts. The analysis and cataloguing of materials to be used would require attention.
- All the issues related to resources and materials can be addressed locally.

Investment and Entrepreneurship

- This opportunity should seek to build on the expertise and experience on entrepreneurs already in the field in Trinidad and Tobago, especially those who have developed a capability in the use of local plant and marine extracts

Employment

- Beyond the current challenges that are voiced in the hospitality industry there are no specific issues which can be identified with regard to the best bet. There are complaints in the hospitality industry about the shortage of labour. This may be a short to medium term issue as there is increased competition for labour as a result of the current oil boom in the country.
- This issue may be addressed in the short term through the importation of workers from across the Caribbean.

Business capabilities and alliances

- There are possibilities for overseas alliances with spa operators. The challenge in this area though would be whether these operators would be willing to allow the special identity and characteristics of the Trinidad and Tobago culture imbedded in the concept.
- One alternative in this regard is to seek as investors (and overseas franchisees) persons who visit Trinidad and Tobago and are blown away by the experience.

Value chain development and management

- The nature of this best bet requires a combination approaches. The two distinctive elements are:
 - The services at the destination spa
 - On shore facilities
 - Off shore facilities
 - The continued use products from the experience
- The management of the value chain for the on shore facilities is defined by the physical limitations of the spa.
- The onshore and offshore spas will share some same elements management, with the variations for the offshore determined in part by location.
- The sale of spa preparations will be primarily electronic

Branding and marketing

- Expertise in branding and marketing experience, even ephemeral experiences
- To allow for integration and consistency with and leveraging of the country branding the advertising it would be make sense to use the same agencies involved in the country's tourism industry.

Best Bet Roadmap

See main text

Financial Model & Assumptions

BEST BET SECTOR: Manufacturing		BEST BET 2: 'Caribbean Wellness Spa'											
		File date:		22/09/06									
		Last review:		17/01/07									
10 Year Financial Projection Model (US\$)													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
GOVT INVESTMENT	Description												
S&T research	Product development	300000	300000	300000	300000	300000	300000	300000	300000	300000	300000		
Education	Skills training	200000	200000	200000	200000	200000	200000	200000	200000	200000	200000		
Trade development	Market development	200000	200000	200000	200000	200000	200000	200000	200000	200000	200000		
Incentives													
Other													
Total Govt investment		700000	700000	700000	700000	700000	700000	700000	700000	700000	700000		
COMMERCIAL INVESTMENT													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
REVENUE	Description												
Product/Service Line 1	Spa products (1)												
Volume	Units of product	5000	20000	200000	500000	1000000	1500000	2000000	2500000	3000000	3500000		
Value/Unit	Average \$/unit (2)	10	10	10	10	10	10	10	10	10	10		
Gross line revenue		50000	200000	2000000	5000000	10000000	15000000	20000000	25000000	30000000	35000000		
Product/Service Line 2	Spa Franchise (3)												
Volume	No sold	0	2	6	11	21	31	41	51	61	71		
Value/Unit	US\$100000	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000		
Gross line revenue		0	200000	600000	1100000	2100000	3100000	4100000	5100000	6100000	7100000		
Total Revenue		50000	400000	2600000	6100000	12100000	18100000	24100000	30100000	36100000	42100000		
EXPENSES													
Capex	Description												
Item 1	Product line set up	300000					300000						
Item 2	Franchise concept (4)	500000											
Item 3	E-commerce portal	200,000	20000	20000	20000	20000	20000	20000	20000	20000	20000		
Total Capex		1000000	20000	20000	20000	20000	320000	20000	20000	20000	20000		
Opex	Description												
Raw materials and inputs	20% of prod rev	10000	40000	400000	1000000	2000000	3000000	4000000	5000000	6000000	7000000		
Packaging	5% of prod 1 rev	2500	10000	100000	250000	500000	750000	1000000	1250000	1500000	1750000		
Salary and wages		205000	270000	500000	850000	1400000	1950000	2500000	8000000	3600000	4150000		
Marketing	15% of gross rev	50000	60000	390000	915000	1815000	2715000	3615000	4515000	5415000	6315000		
Travel	10% of gross rev	5000	40000	260000	610000	1210000	1810000	2410000	3010000	3610000	4210000		
Communications	2% of gross rev	1000	8000	52000	122000	242000	362000	482000	602000	722000	842000		
E-commerce	5% of gross prod rev	5000	20000	200000	500000	1000000	1500000	2000000	2500000	3000000	3500000		
Rental	Estimate	40000	80000	100000	200000	300000	400000	500000	600000	700000	800000		
Consumables	2% of gross rev	1000	8000	52000	122000	242000	362000	482000	602000	722000	842000		
Administration	5% of gross rev	2500	20000	130000	305000	605000	905000	1205000	1505000	1805000	2105000		
Total Opex		322000	556000	2184000	4874000	9314000	13754000	18194000	27584000	27074000	31514000		
Total Expenses		1322000	576000	2204000	4894000	9334000	14074000	18214000	27604000	27094000	31534000		
EBIT		-272000	-156000	416000	1226000	2786000	4346000	5906000	2516000	9026000	10586000		
EBIT - Capital		-1272000	-176000	396000	1206000	2766000	4026000	5886000	2496000	9066000	10566000		
EBIT - (Capex + Govt)		-1972000	-876000	-304000	506000	2066000	3326000	5186000	1796000	8306000	9866000		
NOTES:													
	1 These are specialised products for sale through retailers offshore and specialist e-commerce portals and at spa premises												
	2 The average value is a guesstimate based on a mix of ex-factory, e-commerce and through spas sales												
	3 Up front franchise fee - does not include the fit out and equipment.												
	4 Building the first concept model in T&T												

8.3 Best Bet 3: 'Creative Electronic Solutions'

Description

- A 'brains trust' of smart ideas people backed up by a high-tech facility which can develop customised solutions using hardware and / or software for one-off or short run production options and which focuses particularly on developing solutions to challenges faced by the global oil and gas and energy sector and large-scale industrial enterprises.
- As the company grows and its resource base increases, so too would the range of areas for which solutions are provided increase. However, a limited range of solution services would have to be defined for the early stages of the company's development.

Rationale

- T&T can never be a major producer of mass product lines because of its lack of infrastructure, small population, and resource constraints.
- However, it does have a pool of highly skilled, talented, experienced, and innovative people in the universities, S&T community and the commercial sector who can form the basis of a 'brains trust' which comes together to design the required solutions and then can provide the finished product.
- The developed world is moving away from exploiting physical and financial assets towards exploiting human intellectual assets. Ideas are becoming big money.
- A good example is the online InnoCentive ([Link](#)) set up by pharmaceutical giant, Eli Lilly, which allows people to develop solutions to problems listed on the portal and rewards them with as much as US\$ 100,000 for the best solution.
- With the energy sector, in particular, having to become more innovative in its approach to recovering more from existing sources, developing more complex new sources, preventing environmental damage, and entering into renewable and alternative energy fields, more customised and innovative solutions are required.
- An example would be an 'intelligent computerised brain' which can automatically monitor gas streams from different sources and automatically adjust downstream processing as variations in the quality and quantity of flow in the two streams occur.

Target Markets

- Local and global energy companies
- Local and global large-scale industrial clients
- In both instances aiming at the problem solving customised solution area of their needs

The Market Offer

- A pool of smart people from a range of sources who can be pulled together to develop customised solutions to solve specific challenges and problems

faced by major energy and industrial clients – essentially a networked business.

- A high-tech specialised software development and manufacturing facility that can produce the required solution software and hardware.
- A global service.
- An electronic interactive portal on the Internet that facilitates two-way exchange of ideas, information and progress through a combination of text, audio, and video communications.
- It is to be noted that a network of sub-contracting service providers to the energy sector already exist. One option available is for Creative Electronic Solutions Inc. to be source the expertise and experience of some of these companies through contractual arrangements.

What we Have

- The T&T oil and gas sector which provides a local base and opportunities for developing a solution based approach and a test area for solutions that could have application elsewhere in the world.
- More complex situations being faced by both major energy and industrial companies that require more unique and customised solutions.
- Highly skilled personnel, both locally and offshore from a range of engineering and associated technical and computer related disciplines, who have the capability of developing such solutions.
- A government strategic focus on developing further skills in fields associated with this area through a number of technical, secondary and tertiary educational institutions.

What We Need

- To form a consortium that includes the major energy companies in T&T, UWI, UTT, and e-Teck to develop the nucleus of people and facilities required to make such a project work.
- A business plan and strategy.
- Network development and management.
- An electronic portal with a full complement of interactive functions and high-speed broadband capability of at least 100 MB/sec.
- Global market development and marketing.
- R&D capability.

Regulatory issues

- Although this company will provide services primarily to the Energy sector it would not be subject to the same regulatory framework as the core energy based companies. It would be treated as any other company that is incorporated in Trinidad and Tobago. This is advantageous to the Best Bet in that Energy based companies are required to pay a higher rate of tax than companies in other sectors.
- Moreover, this country seeks to position itself as the centre of commerce in the region and so remove the bureaucratic hindrances to commerce. In this regard, the regulatory framework for the set up and operation of companies in the non energy sector is generally facilitative, and the regulatory support required for this Best Bet to be successful is already in place.

- Specifically, however, Creative Electronic Solutions Inc. must ensure that its portal is adequately equipped to guarantee the confidentiality of its clients, their products and services.

IP protection

- IP protection would be required for some of the solutions that are generated by the company. This will of course be subject to the contractual terms and conditions that are determined for the client / company.

Infrastructure

- At present Evolving Technologies and Enterprise Development Company Limited (eTeck) is a state owned company charged with the responsibility for encouraging diversification of the country's productive base, exploring niche areas of investment and providing infrastructural support by the development of eTeck Parks. In this regard eTeck is ideally positioned to assist such a company meeting with its infrastructural needs.
- The infrastructural requirements for Internet needs of this 'Best Bet' can also be adequately met. At present this country is accelerating its thrust towards a knowledge based society, with significantly increasing bandwidth and use of cutting edge technologies in commercial activities.
- The other main infrastructural element is the education and training institutions required to generate the human resource for this project.

Research and development

- This 'Best Bet' would be highly dependant on research and development which would be facilitated through its network with institutions that will include the University of the West Indies and the University of Trinidad and Tobago. Policies will therefore have to be formulated to guide the terms and conditions for the ownership and use of the products and services that are developed from research.
- In addition to the Universities, the Trinidad and Tobago Bureau of Standards (TTBS) has a statutory responsibility for the quality of goods and services that are exported from this country. As such TTBS is responsible for testing, metrology, and laboratory accreditation. Contact persons at TTBS are:
 - Errol Rampaul, Head of Standardization; and
 - Rodney Harnarine, Head of Standardization (recently retired)

Education and training

- There are a number of institutions that provide tertiary level education in Engineering, Computing and related fields that are relevant to this Best Bet. These include the University of West Indies, St. Augustine, School of Business and Computing Studies, School of Accounting and Management Studies. In addition to this the University of West Indies has Centres of Study established to meet the specific needs of the Energy and Manufacturing sectors.
- Persons with hands-on experience in the Energy sector can be a definite asset as well. These can possibly be sourced from amongst the many sub-contractors that provide products and services to the Energy sector. As such there is a ready

- This project is quite timely in that the government is now strategically positioning country not just to meet the human resource requirements of the local Energy sector, but the globe. To this end the Education and training infrastructure for the Energy and Manufacturing sectors are being significantly expanded.
- As recently as November 2006, a team of personnel from Trinidad were sent to Nigeria and some other African countries to assist them in the development of their Energy sector.

Incentives and assistance

- There is a range of Incentives that can be negotiated and accessed through eTeCK. These include the Duty Free importation of equipment and machinery, the availability of training subsidies. eTeCK will facilitate the grant of incentives and provide assistance with respect to identifying an appropriate site for the business. If eTeCK takes an equity position then it will assist in the project implementation and project appraisal as well.
- Assistance through development agencies like the World Bank and the IDB can also be pursued. However this will depend on more specific information on the project as well as the projects that are available at the Development Agencies at that time.

Resources and Materials

- Moreover, Trinidad and Tobago is well placed in terms of human resources to realize this 'Best Bet', both in terms of the cadre of personnel that are currently employed in the Energy and related industries, as well as the increasing number of trained and qualified persons that are being churned out by the country's technical and tertiary institutions.
- One of the main challenges would probably be in the harnessing of the human resource for the purposes of the project.

Investment and Entrepreneurship

- The Centre for Energy Enterprise Development (CEED) is a consulting group that services the Energy industry in Trinidad and Tobago, by outsourcing the services from firms in the United States and Trinidad and Tobago. On their website is a comprehensive listing of local firms that service the Energy industry.
- There are approximately 40 oil and gas operating companies in Trinidad and Tobago and the CEED website lists over 250 firms and contractors that provide services to these companies.
- These firms are potential partners for this investment, as well as e-TeCK.

Employment

- The energy sector is a high revenue earner and as a consequence the wages in energy related companies tend to be higher than in other sectors of the economy.

Business capabilities and alliances

- Many of the firms and contractors that provide products and services to the energy sector possess the experience and expertise in their human resource that are will meet the requirements of this 'Best Bet'.
- The approach towards forging alliances with some of these firms will however have to be carefully researched and planned to ensure the success of these relationships.

Branding and marketing

- Trinidad and Tobago is branded internationally as one of the leading players in the oil and gas sector, regarded in international circles as a model for natural gas based development. The country currently ranked as leading exporter of ammonia and methanol from a single site and the fifth largest LNG exporter in the world in the world.
- In addition personnel employed in the local sector are generally highly regarded and sought after by international oil and gas companies.
- This would provide a platform for the company to brand and market itself.

Infrastructure, Research and development

- There are no major infrastructural constraints to the development of this Best Bet. However emphasis must be placed on developing a strong network with the key players in the industry, particularly the universities from which human resource and research services will be sourced.
- In the medium to long term it is anticipated that creative solutions would be provided for any problem on request. This will require both a strengthening of the present research and development capability at the universities as well as the continued fostering of stronger ties between Creative Electronics Solutions Inc. and these universities.

Best Bet Roadmap

See main text

Financial Model & Assumptions

BEST BET SECTOR: Manufacturing		BEST BET 3: 'Creative Engineering & Electronic Solutions									
		File date:		22/09/06							
		Last review:		18/01/07							
10 Year Financial Projection Model (US\$)											
		YEAR									
		1	2	3	4	5	6	7	8	9	10
GOVT INVESTMENT	Description										
S&T research	Technology development	500000	500000	500000	500000	500000	500000	500000	500000	500000	500000
Education	Skills training	200000	200000	200000	200000	200000	200000	200000	200000	200000	200000
Trade development	Market development	200000	200000	200000	200000	200000	200000	200000	200000	200000	200000
Total Govt investment		900000	900000	900000	900000	900000	900000	900000	900000	900000	900000
COMMERCIAL INVESTMENT											
		YEAR									
		1	2	3	4	5	6	7	8	9	10
REVENUE	Description										
Product/Service Line 1	Contact services										
Volume	No of contracts	2	10	50	100	150	200	250	300	350	400
Value/unit	Average value US\$ (1)	50000	75000	100000	150000	200000	300000	350000	400000	450000	500000
Gross line revenue		100000	750000	5000000	15000000	30000000	60000000	87500000	120000000	157500000	200000000
Product/Service Line 2	Product solutions manufactured in T&T										
Volume	No of custom products	0	2	6	11	21	31	41	51	61	71
Value/unit	Value of custom products	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000
Gross line revenue		0	200000	600000	1100000	2100000	3100000	4100000	5100000	6100000	7100000
Total Revenue		100000	950000	5600000	16100000	32100000	63100000	91600000	125100000	163600000	207100000
EXPENSES											
Capex	Description										
Item 1	Set up equipment (2)	200000	20000	200000	20000	200000	20000	20000	200000	20000	20000
Item 2	E-commerce portal (3)	100000				20000			20000		
Total Capex		300000	20000	200000	20000	220000	20000	20000	220000	20000	20000
Opex	Description										
Material inputs	5% of gross rev (4)	5000	47500	280000	805000	1605000	3155000	4580000	6255000	8180000	10355000
Salary and wages	50% Of gross rev (5)	50000	475000	2800000	8050000	16050000	31550000	45800000	62550000	81800000	103550000
Marketing	5% of gross rev. (6)	5000	37500	250000	750000	1500000	3000000	4375000	6000000	7875000	10000000
Travel	5% of gross rev. (7)	5000	47500	280000	805000	1605000	3155000	4580000	6255000	8180000	10355000
Communications	2% of gross rev	2000	19000	112000	322000	642000	1262000	1832000	2502000	3272000	4142000
E-commerce	5% of gross rev	10000	75000	500000	1500000	3000000	6000000	8750000	12000000	15750000	20000000
Rental	Premises, vehicles, etc	40000	80000	100000	200000	300000	400000	500000	600000	700000	800000
Consumables	2% of gross rev (8)	2000	19000	112000	322000	642000	1262000	1832000	2502000	3272000	4142000
Administration	5% of gross rev (9)	5000	47500	280000	805000	1605000	3155000	4580000	6255000	8180000	10355000
Total Opex		124000	848000	4714000	13559000	26949000	52939000	76829000	104919000	137209000	173699000
Total Expenses		424000	868000	4914000	13579000	27169000	52959000	76849000	105139000	137229000	173719000
EBIT		-24000	102000	886000	2541000	5151000	10161000	14771000	20181000	26391000	33401000
EBIT - Capital		-324000	82000	686000	2521000	4931000	10141000	14751000	19961000	26371000	33381000
EBIT - (Capex + Govt)		-1224000	-818000	-214000	1621000	4031000	9241000	13851000	19061000	25471000	32481000
NOTES:											
1 Contracts from major energy and industrial clients locally and globally (especially after year 2)											
2 Computers and specialist laboratory equipment											
3 An interactive portal to connect with customers for both marketing and project management purposes											