SHELLTEK - FORMING A MARKET ENTRY STRATEGY

ShellTek is a new start-up with a portfolio of potentially disruptive innovations. The scope of the project was to identify a market, their competitors, and a logistics strategy for two of their products.

BALLAST WATER

What is Ballast Water?

- Ballast water maintains the ship’s structural integrity and balance when it is traveling without cargo
- When the transported water is pumped out at the destination port, nonindigenous species can disrupt the native ecology
- The International Maritime Organization (IMO) has passed regulations that require ships to treat the water before discharging

Competitive Analysis

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<tr>
<th>Technology Name</th>
<th>Safety</th>
<th>Environmental</th>
<th>Efficacy</th>
<th>Cost</th>
<th>Practicality</th>
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Legend: *** highest rating, * lowest rating
Source: http://www.pwsrcac.org/

ORGANIC FERTILIZER

Market Analysis

- ShellTek wants to focus on mid-size commercial farmers
- Not large scale (corn, wheat etc)
- Not households (lawn, veggies)
- Tomatoes, veggies, ornamental plants
- But, ornamental flower market declining
- Organic vegetable market growing and particularly strong in California & West Coast

Competitive Analysis

- Competition is widespread and sophisticated
  - Large number of organic fertilizer companies in the US
  - Range from large, diversified producers to specialized entities
  - Some offer custom fertilizers
- Prices vary widely within and across competitors’ product lines

Organic Fertilizers

- Focus on organic vegetables in California
- Evaluate value proposition and define position within competitive landscape
- Locate production near supplier, and ideally minimize distance between supplier and customer

RECOMMENDATIONS/NEXT STEPS

Ballast Water

- Test products in accordance with IMO Ballast Water Convention standards
- Partner with established vessel operators to test products in real life scenarios
- Explore passive delivery mechanism to lower costs (possibly through partnership with established maritime services companies)

Organic Fertilizers

- Refrigerated Shipping of Fertilizer Source Materials
- Source Materials Processed Into Final Fertilizer Product
- Transporting Final Product to Distribution Channels

Legend: 0-500 acres
500-1,000 acres
1,000-5,000 acres
5,000-10,000 acres
10,000-50,000 acres
50,000-100,000 acres

Source: USDA, Economic Research Services (excludes data on organic corn, wheat, soy etc.)

Legend: Total organic vegetable acres
Selected competitors: California Organic Fertlizer, Down to Earth, Drammatic, Eco-Nutrients, HydroOrganics, True Organic Products (also sells custom fertilizer)
Source: Company websites and secondary research

Legend: *** highest rating, * lowest rating
Source: http://www.pwsrcac.org/

NB: Rates highly seasonal and may change; calculations based on ShellTek’s conversion estimates