

COMPANY
REPORT



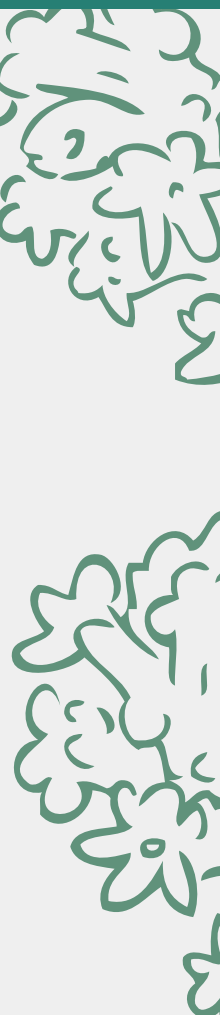
Pouchful

2020

A Junior Achievement Company
Program
Junior Achievement of Greater
Washington

INDEX

Executive Summary.....	Page 3
Innovation.....	Page 4
Leadership & Organization.....	Page 5
Marketing Strategy.....	Page 6
Sales Strategy.....	Page 7
Financial Overview.....	Page 8
Learning Experiences.....	Page 9



EXECUTIVE SUMMARY

We are Pouchful. Our mission is to preserve the wellbeing of Earth through the sale of our reusable, portable lunch bags, hoping to inspire you to keep the environment healthy. Pouchful sells eco-friendly, insulated lunch bags that help to reduce the paper and plastic bag waste in the ocean. But what sets us apart? For one, we are a group of young entrepreneurs invested in improving the future of our planet and empowering our consumer base to do the same. What's more, Pouchful is not simply a brand, but a social enterprise dedicated to giving back. Prior to the pandemic, we volunteered as a team cleaning up a local park. We have decided to donate 10% of our profits to the Environmental Defense Fund which will inform us on how exactly our donations are being used so that we can ensure we are making a tangible impact. In the future, we hope to do even more to uphold our corporate social responsibility. Our overall performance has been great. The Junior Achievement Company Program has enabled us to become productive and responsible business leaders and we will hone these skills for years to come. Until then, we will continue to show our dedication to our company and our mission; changing the world one bag at a time.

Product Conception

Our team originally had two ideas for our product. One was a small camera intended for rideshare service drivers to discourage disorderly conduct by passengers, or capture evidence if anything were to occur. The other was a lunch bag that would challenge the practicality of the everyday brown paper bag. We decided that selling cameras would not be feasible because of their poor quality, pricing, and legal restrictions. The lunch bags on the other hand were much more relevant to us as a group of students and individuals in the workforce who are constantly on the go. We saw ourselves and our peers as a potential niche and decided to go from there.

Competitive Advantage

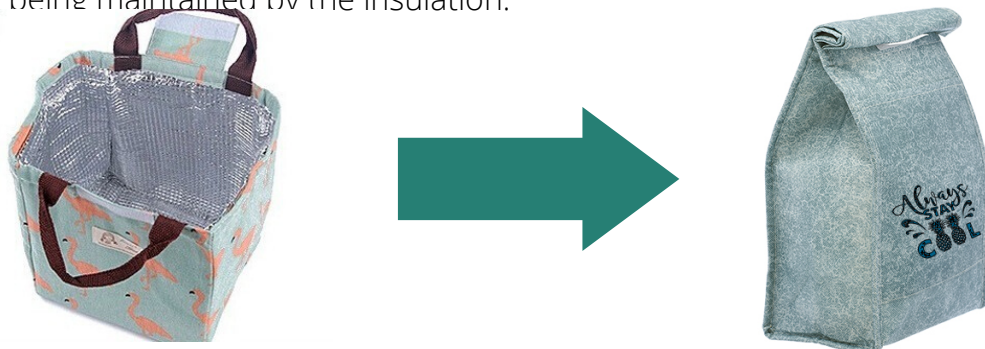
We knew moving forward with the lunch bag that there was plenty of competition from established brands, so to mitigate that effect we constantly focused on what made us different, one of such being our “environmentally friendly” selling points. In our first wave of bags, the polar bear and flamingo patterned bags provided a unique opportunity to advocate for these organisms specifically and how they are affected by climate change. Our latest model includes an assortment of bags with our seahorse logo on them that also promote this cause. We also pivoted our social cause to the Australian wildfires once that issue began to surface in the news.

Sourcing

Choosing a supplier was a difficult task at first because we did not know what we were looking for. As the deadline for our decision neared we set up a communication network to research and show our work outside of meetings. We finally decided on a bag from a Chinese supplier on Alibaba. The next time we ordered bags we used a different supplier. They arrived early which was great, but we discovered some defects to the stitching of the closure system on a few of the bags. We decided to sell these bags on “clearance” but didn’t get the chance.

Impact of Innovative Thinking

Our pathos-based approach to sales and marketing caused our product to be very well received by our patrons. At the trade show, we mentioned that they weren’t simply purchasing a product, but buying into a cause. Our commercial won an honorable mention and we were able to sell the majority of the bags in our inventory at this event and began to look into producing our second edition based on the feedback we received at the trade show and components we wanted to improve upon. An overwhelming concern we were met with throughout the day was the closure of the bag and the ability to lock in the temperature being maintained by the insulation.



Leadership & Organization



Role Descriptions:

CEO (& COO) - As the head(s) of the management and leadership team, which is comprised of the Directors of each department and themselves, the CEO (and COO) serve as the leaders of the team overall. They start off the company meetings, delegate tasks, keep employees motivated, and are often the ones to turn to when any inquiries arise. Unfortunately, they are also the ones who end up picking up the slack. They are authoritative when necessary, but often take votes on most issues and ensure that each individual on the team is heard.

Finance Director - Perhaps one of the most important aspects of the whole program is money management! Therefore, the finance director is a very responsible individual tasked with depositing cash from sales made during the week and providing the team with an update on the company's financial standing every meeting.

Marketing Director - Oversees the marketing department in which representatives are constantly coming up with creative ideas to promote the brand and implementing them. Their main responsibility is to delegate tasks within the group, such as maintenance of the site, management of social media, production of the commercial, and more.

Sales Director - The sales director plays a crucial role in how the team makes sales. They find new opportunities for the team to sell, provide strategies for how to go about selling, and are responsible for recording sales in a Sales Tracking Document.

Supply Chain Director - Supply chain is heavily involved in the advent of customer service. The director helps the team to carry out their tasks which include but are not limited to creating the refund policy, maintaining an accurate account of inventory, taking attendance, and more.

Marketing Strategy

Target Market - Initially, Pouchful intended to market to children and females given the feminine color scheme and childlike designs. Following the release of the second model, the team looked for a more masculine/unisex design to be able to extend our niche.



Pricing Strategy/Break-even Point - Our first bag model was being sold at a price point of \$10, tax included. The final price was \$10, tax included. The logistics are as follows:

- Unit price is \$3.60 per bag
- \$6.40 / bag profit margin
- 5% commission per each bag sold

Distribution and Advertising Plan - we planned to advertise heavily on social media, but have also created flyers and used plain old word of mouth. At the end of the day, we have realized that if we don't invest in the company, who will? Therefore, we promote the brand in our daily lives because once we leave our meeting room, we are all salespeople. Following some of our team members' accomplishments, we were mentioned in the following articles with countywide and even national reaches:

- Refinery29: [Election 2020: Meet The 18-Year-Old First Time Voters](#)
- The MoCo Student
 - [Councilwoman for the day](#)
 - [Adjo Evonlah promotes social awareness through spoken poetry](#)
- My MC Media: [First African-American 'Councilmember for a Day' Winner Recognized](#)

Projected Sales - For our first model of bags, we purchased 100 pieces and successfully sold them all. For the second model, we felt more confident in our ability to meet demands based on our feedback, so we purchased 150 pieces. Although the COVID-19 outbreak has slowed us down, our goal is to sell them all before the end of the program. Once the inventory is in our hands, the product is inherently a liability, which we must work to make an asset once more.

Sales Strategy

The team got off to a slow start. Prior to the trade show, we had not sold much and the website was not up. When the site finally launched, we faced another dilemma in developing our shipping method. However, we continued to progress while getting shipping straightened out, as we refused to allow it to hinder our sales. We took a consultative approach to selling; splitting up the inventory amongst the team and taking them out and about to sell on foot. This approach was rather effective because customers could see the product and explore the features prior to purchasing. In addition, showing the product around in person created more demand as word spread and others came to know of our mission and purpose. We offered flexible payment options for our customers by accepting both cash and credit in person and on our site and we believe doing so helped us to avoid losing sales. Now that our site is up and running, customers can place orders through it and pay for shipping, which we use to get the product to its location. The consultative selling approach is still the preferred method amongst some members of the team, but we are glad to be able to offer our customers flexibility in our services. When selling, we make use of our unique selling points and appeal to emotion.

Financial Overview

Overview: Pouchful has attended two trade shows and made \$725. Our total revenue is \$1,332.74 and our net profit is \$908.84. We have sold 120 units as of March 26th, 2020.

Break even analysis: Break even at 40 lunch bags sold.

Capitalization: For our capitalization before the February 1st trade show, we relied on investments of \$20 per Pouchful team member and \$200 from our investor Nima.

Total units sold: 120 units as of 3/26/20

Revenue generated: \$1,305 (99x\$10 + 21x\$15)

Expenses incurred: \$916.16

- e-commerce transaction fees (\$6.98)
- WIX (\$66.00)
- Pouchful v1 cost (\$370.61)
- Pouchful v2 cost (\$391.07)
- 6% sales tax (\$74.28)
- ATM fees (\$7.50)
- 10% of total profit donation (\$90.89)

Profit margin: $(1,305 - 916.16) / 1,305 = 29.80\%$

Investor return: \$120 (royalty of \$1/bag sold)

Liquidation: We made a royalty deal with our investor where we pay him one dollar for every bag we sell. Assuming no more sales are made, when we liquidate we will return \$440 to our investor and Pouchful team members not including commissions made by each team member.

Financial statement of activities:

Total sales revenue: \$1,332.74

Total investment: \$520

Total expenses: \$916.16

Learning Experiences

Lesson Learned #1:

We learned something very important during our last meeting: COMMUNICATION IS KEY!

We did not do an effective job of communicating about capitalization. Allegedly, everyone was supposed to bring \$12 to the Week 12 meeting. Failure of the Finance Department to remind the team during the week and failure of the CEO to encourage them to do so resulted in no funds being collected at our last meeting before break, complicating the process of raising money to place an order.

Speaking of placing an order, very few people went home to look for a bag over the week, leaving it up to the COO and CEO to come up with some final choices. Had we communicated and collaborated more as a team, we wouldn't be so rushed in making one of our most important business decisions.

Finally, we continue to have this ongoing communication issue when it comes to Slack. We unanimously decided to use this platform and agreed that we liked it better than Band. However, hardly anyone messages as intended or responds to the important messages that are posted, so when they come into the next meeting they are clueless. With quarantine happening, it's a bit difficult to get everyone to join our meeting calls and to get a hold of people when we need to do meeting calls which is hard because some of the teammates have to do more of the work than others who don't attend the calls. We don't have time to be briefing debriefing, we have to move FORWARD. We adhere to our guiding principles to hold people accountable for lack of participation.

How we overcame:

Everyone remembered what had happened last time so no one wanted a part 2. We first decided whether or not we wanted to keep the model we currently had, or rebrand with a second version. The vote revealed that we wanted new bags. So we assigned everyone to do their research and find bags that they would like to become the new face of Pouchful. Then, they should discuss it amongst their departments so that each department will propose ONE bag. In total, we'd have 5 bags to analyze and vote on by the next meeting. The next meeting came around and the team delivered. We are still working on getting a hold of other members to join calls and are working out our at home work situation.