

COMPANY REPORT



UNIVERSITY OF APPLIED SCIENCES **JUNGMANNSCHULE FOCKERNEFÖRDE**

LINK TEACHER **AXEL BÜRGER**

YEAR OF OPERATION **2014/2015**

ADVISER **MATTHIAS SÖRENSEN**

ADVISER **FRANK MARQUIARDT**

COUNTRY **GERMANY**



Content

- Management Summary 1
- Forewords 2
- Organizational Structure 3
- Department Reports
 - Administration 4
 - Acquisition 4
 - Engineering 5
 - Marketing 6
 - Sales 8
- Finances 8
- Outlook 10

Management Summary

“A lifesaver turns into a bottle opener“- that is what the local newspaper Eckernförder Zeitung called our business concept accurate advertising the *FördeÖffner* (a bottle opener named Fjord Opener) as well as particularly its sustainability for the first time at the beginning of December 2014 beyond urban borders.

Intensive discussions and brain storming processes in September were followed by the agreement to the business idea and its name RAUTECK, the German acronym for recycled auto parts Eckernförde, the latter the name of our hometown. Ecological sustainability is supplemented by social commitment, the name stands is part of the program! In cooperation with local car disposal companies, an internationally operating supplier of vehicle

safety systems and further partners buckle tongues become *FördeÖffner* and seat belts *FördeTaschen* (bags named Fjord Bags) – products of high authenticity and functional as well as emotional value.

After the establishment of the business at the end of October 2014 the public issue succeeded in allocating all shares in a short time period, even to the Airbus corporate communications officer Dr. Rainer Ohler. At the end of November RAUTECK was already able to present the first finished products in the important Christmas sale/trade resulting in a first complete sellout. Therefore, we intensified our production by modifying the organizational structure in order to satisfy the increasing demand. By introducing *FördeTaschen* and diversifying the product range of *FördeÖffner*, our sales figures culminated in June. In order to enhance our professionalism and flexibility we successfully forced outsourcing complex production steps, also focusing on product development and marketing. A variety of marketing techniques ensured constant presence of the media – “A business idea asserts itself!” the press announces (Eckernförder Zeitung). RAUTECK evolved into a reliable and responsible co-operation partner whose competence is based on the integration of the individual potential of each employee.





Foreword by the CEO

Dear readers,
it is a long way from a school course to a successful enterprise. However, with the help of the JUNIOR expert program we managed to get to know the entrepreneurial everyday life related to practice and to gain experiences for life. As a student this is no simple task. Through the foundation of our company RAUTECK we learned how our action affects economic, social and ecological issues.

The function of this report is to illustrate how our company works, what we have achieved yet as well as what is still awaiting us. Moreover it offers the possibility to get to know RAUTECK in greater detail.

At this point I would like to especially thank our business advisers as well as our cooperation partners, who had confidence in our skills and contributed a significant part of the establishment of RAUTECK.

On behalf of all students I hope you will enjoy reading our annual report.

Jon-Vincent Drewes, CEO

Foreword by the Business Advisers

Dear readers,
the entrepreneurial success of the 24 students from the economics seminar fills us as their advisers with pride and gives us great pleasure. Especially, winning both Regional and National Company of the Year Competition JUNIOR Germany proves the outstanding appreciation felt towards the young entrepreneurs.

The successful Christmas business was only the first step towards the achievement of the incredible sales figures. Besides the online shop and the official distribution partners, particularly the great amount of time the students organized several sales stalls, mostly taking place at weekends and during the holidays. Thereby, they increased the sales figures and improved the team spirit.

The connection between school and practical experience worked so efficiently that it can serve as an example for our school. By improving social skills such as responsibility, reliability and confidence the students developed relationships closer than the ties of friendship also leading to a more profound team spirit.

Their sense of innovation seems to be inexhaustible, even at the end of the semester, when new products are created.

Best wishes and great success to the team RAUTECK as well as further positive experiences in the field of business.

Axel Bürger, Link Teacher

Matthias Sörensen,
Adviser

Frank Marquardt,
Adviser

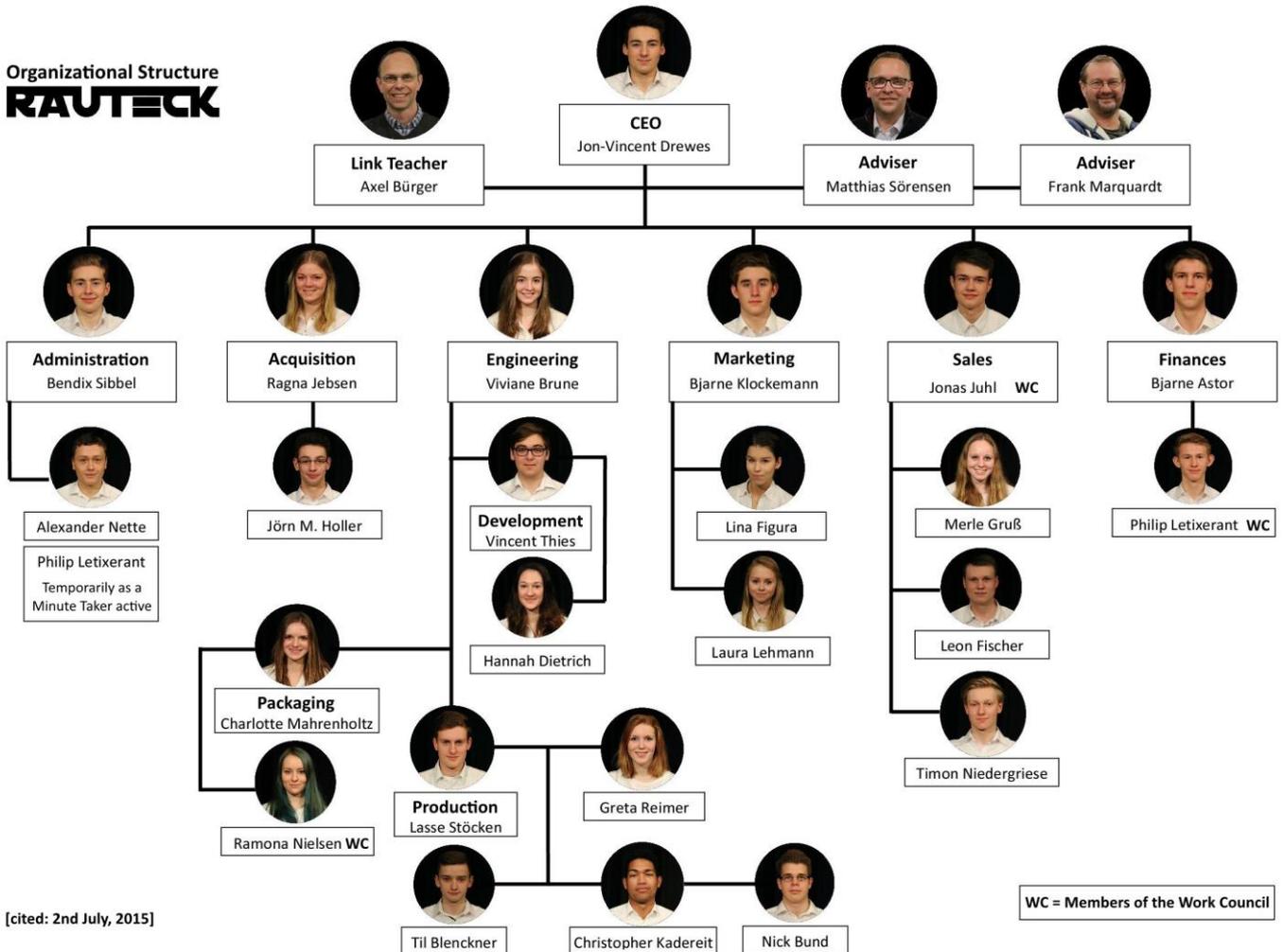


Organizational Structure of RAUTECK

The high number of 24 employees in our team requires an effective organization. The initial division into the four departments of administration, finances, marketing and production not only caused problems, such as the disproportionate workload within the departments, but also showed the individual strengths of all students. In order to improve the efficiency of work, the chief executive officer and link teacher developed adopted a first reorganization in December 2014. The second one was implemented in April and is pictured in this organigram including a work council.

Furthermore, with this implementation we established a development department, creating products combining innovation and ecological sustainability. Since we received our company clothing as part of our corporate design and identity it is – along with profiles and photos of our departments and employees – also shown on our website. According to the line-and-staff organization the communication mainly occurs via the department chiefs, who meet on a weekly basis in the framework of the board and also exchange information within digital networks.

In practice, due to the social ties in our seminar the structure within the company and the ways of communication are more flexible.





Administration

‘Administration works with data and numbers, but not with humans.’ – Bernhard Steiner

- A quotation we are always endeavoring to disprove. ‘Not always paperwork’ is therefore our device, which is proven in the personal contact with business partners, potential customers or our shareholders all the time.

The extremely successful allocation of all our shares, even to the Airbus corporate communications officer Dr. Rainer Ohler, emphasizes the encouragement bestowed on us which has resulted in a significant high share value. The functions of the administration department include organizing the shareholders’ meeting, the creation of minutes, the administration of investors, bureaucracy and reflection of meetings.

All those duties are very important for the coordination of staff and help improve communication, strengthen social skills and create a positive atmosphere within the company.

Concerning legal issues relating to our products we achieved the operative protection of our *FördeÖffner* by registering a design patent. Moreover, we successfully debilitated the apprehensions of the project management concerning a patent dispute affecting the *Förde-Taschen* by consulting expert advice.



Insight in a board meeting

Acquisition

The acquisition department always pays attention to the best price-performance ratio, which sometimes also needs to be negotiated, referring to material for the production and company clothing. We cooperate with car disposal companies as well as an internationally operating supplier of vehicle safety systems.



Buckle tongues

The spar, needed for our product *FördeÖffner mit Sti(e)l* (a bottle opener with a handle), is supplied by local hardware stores, always being supported by our business adviser Frank Marquardt.

Cooperation with our advertising partner *Ostseedesign* – a local enterprise upgrading textiles – has really been successful. By offering us labels needed for our *FördeÖffner*, *Ostseedesign* receives free advertising space as trade-off.

We were able to negotiate great conditions for our company closing also manufactured by this company.



Engineering

Consisting of ten employees, the engineering department is the biggest one in our company. Their task is not only to produce goods, but also to develop individual and authentic products and packaging.

The market for bottle openers is principally saturated. However, our product, the *FördeÖffner*, is not restricted to its functional value, but shows a high emotional value as well.

The puristic *RawEdition* is supposed to attract customers who seek authenticity and maximum robustness. This is reached through cutting off plastic, cleaning metal and fixing the corporate logo. Nevertheless, we



RawEdition

extended our assortment with the *FördeÖffner mit Sti(e)l*, whose bare buckle tongue is complemented by a wooden handle. Connected with strong industrial glue and edited with sandpaper, the handle is rounded off to make it easier on the eye and softer on the hand.

By developing the *FördeÖffner mit Sti(e)l art*, whose buckle tongue is covered by colorful designs, we have reached a new target group. In order to still have an effective production process, we limited the supply to five different designs.

Being an individual premium version of the *FördeÖffner mit Sti(e)l* which is characterized by certain designs, the *FördeÖffner* itself and engravings can be created by customers in our online shop on www.rauteck.de/shop.

In order to improve the efficiency and force the



FördeÖffner mit Sti(e)l classic

exoneration from work we already outsourced some production steps to local specialists. Thus, both the manufacturing of packagings and the removal of the plastic shell off the buckle tongues as well as the engravings are executed by *Kompass'98*, a workshop for handicapped people, who operate closely to us.

In the course of the liquidation of our enterprise, RAUTECK will donate a significant sum to this social institution to thank them for their energetic commitment and the harmonious co-operation during the business year.

Moreover, the *Joinery Marquardt* shapes the handles of our *FördeÖffner mit Sti(e)l*, whereby we are able to improve the quality of our products. Furthermore, we are able to focus on the development and marketing of certain goods.



Designs FördeÖffner mit Sti(e)l art

As the product insert with important information about the project and company is printed onto the offcut of our packagings, sustainability is an important factor in every issue and therefore our overall principle.

Since the beginning of June we have produced and sold bags made of automobile seat belts.



Box Covers for *FördeÖffner mit Sti(e)l*

After we discovered the possibility to get huge amounts of this material from an internationally operating supplier of vehicle safety systems, we started to weave and sew the belts for the best durability. We have two different editions, the big *FördeTasche* and the smaller *FördeTäschchen*, which can be used as a pencil case or wash bag.



FördeTasche and *FördeTäschchen*

Marketing

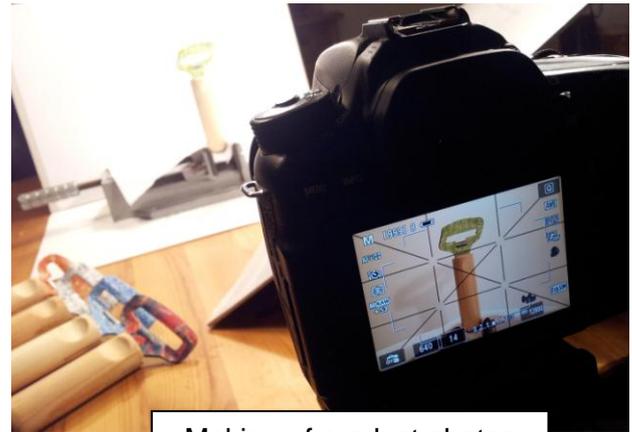
“The Internet is like a wave; you either learn to swim with it or you sink.” – Bill Gates

Currently, those words are more than important, especially for businesspeople. Every effective marketing strategy requires a professional internet presence. Always keeping in mind this relevance from the very first, we spent considerable time on the production and design of our *facebook*-page and of our website. This website was fundamentally revised in May after the success at the regional competition. We also established an online shop with a customer-specific calculation of shipping costs. Especially, as the techniques of viral marketing offer endless creative possibilities, a *You-Tube*-channel was registered, too. Those chances were seized, for example, by publishing our specifically produced commercial that was first presented on our shareholder's meeting. Likewise, we always keep our customers up-to-date about important events through our website and social networks, strengthening their bond with our company. The production of all the media such as the online shop, flyer, posters etc. ranks among our field of responsibility. Quite recently - apart from our advertising spot - we finalized and released a corporate video, introducing outsiders in our enterprise.

In addition, we also emphasize the loyalty of our customers and associated partners to RAUTECK. Currently we have 23 companies under contract, whose corporate symbols are printed on our packagings according to previously negotiated conditions. The promotional presence on our website is temporarily unlimited.



Moreover, we have prepared a samples case offering enough space for the presentation of different bottles with crown caps, a tablet computer and of course our *FördeÖffner* editions in order to persuade potential cooperation partners as well as interested major customers of our products with an overall media performance and a professional appearance. Additionally, many of our articles have been published in several different regional and even national newspapers, for example in the course of active sponsoring. On the occasion of the 25th anniversary of the *European Youth Parliament (EYP)*, a forum for politically committed students, we provided 25 *FördeÖffner* for the National Selection Conference to support this educational project and to promote our company all over Germany. Not only the Lord Mayor of Passau received a *FördeÖffner*, but also other Bavarian politicians who are satisfied owners. Throughout all these procedures we are always ensuring that our North German authenticity is being transmitted effectively, combined with the contents and our basic principle of ecological sustainability. We are aware of the fact that today's action creates the future of tomorrow's world. It is in our own interest to assure a positive development of our company. Therefore, we are operating in a responsible and sustainable way. If there is no future, there is no wave to swim on.



Making of product photos



Samples Case



Several newspaper articles



Sales

Selling our products is the purpose of our sales department, which is supported by our marketing department.

We started off by selling more than 200 *Förde-Öffner* at several Christmas markets. At that point, several newspaper articles had created customer attention, which was helpful. By selling directly in supermarkets and placing our counter cards in cooperating local shops we are able to gradually satisfy local demand.



Counter card in the checkout area

Therefore, we sell our goods on our website as well. Every available product can be ordered online and paid with *Paypal* or on account. Parcel shipment gets the goods to buyers all over Germany. In addition, we presented our *FördeÖffner* at the *Nord Gastro und Hotel Fachmesse* (a trade show for gastronomy) and met a lot of representatives of beverage producers who are potential bulk buyers or sponsors. Thereby, we arranged sales events with *fritz-kola* and *Warsteiner* initiated by our business adviser Matthias Sörensen. In addition, we intensified the development of the *FördeÖffner* with a metal handle mentioned in the outlook due to the huge interest of these potential major

customers. Promoted by further publicity and the introduction of several new products, the sales figures increased significantly this summer. Recently, we also successfully completed the negotiations with the Eckernförder Tourism & Marketing company. Cooperating with this civic institution we have sold many *EckernFördeÖffner* (a *FördeÖffner* engraved with the city arms) to tourists and local citizens yet.

Finances

Our field of duty is accounting, paying wages, remitting money and calculating product prices. RAUTECK has been financially successful. From November 2014 to the end of June 2015, we sold 839 *FördeÖffner*. Among those are 330 *Raw Editions*, 29 *Raw Art Edition*, 269 *FördeÖffner mit Sti(e)l classic*, 139 *FördeÖffner mit Sti(e)l art* and 72 *FördeÖffner mit Sti(e)l premium*. Furthermore we collected 1470 € by offering advertising space.

In addition we sold 49 small and 35 big bags made of seatbelts, generating a revenue of 2730 € within only five weeks.

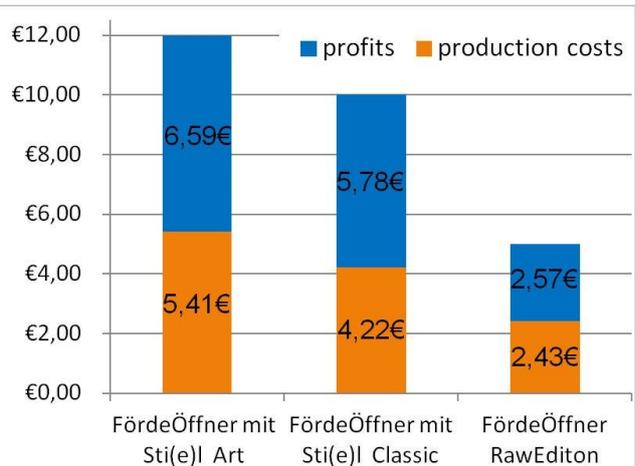
Since the company was started we have worked 4364 hours for RAUTECK. Due to the high number of 24 employees we pay an hourly wage of 0,25€.

After June our net profit accounted for 5171,08€. If this had been the end, the share value would have been 56,60€, not even considering the goods in stock.

The following graphics outline the development of the share certificate performance, reveal the cost-benefit-rate of our main product *FördeÖffner* and show the profit and loss account plus balance sheet.



Finance Graphics



PROFIT AND LOSS Account	
Revenues (net)	9437,72
Expenditures	4504,10
a) Wages (net)	762,09
b) Wage Tax + Social Contributions	435,12
c) Expenses (net)	3306,89
d) Liabilities	0,00
+ Goods in Stock	1150,00
= Prosperity (earning/loss)	6083,62
- Corporation Tax	912,54
= After-Tax Profit	5171,08€

BALANCE SHEET			
Assets		Liabilities	
Goods in Stock	1150	Capital Stock	900,00
Cash at Bank	6393,90	After-Tax Profit	5171,08
Cash at Hand	158,86	Taxes Due	912,54
Deptor/Junior	0,00	Liabilities/Junior	719,14
Customeres	0,00	Liabilities/Suppliers	0,00
total	7702,76€	total	7702,76€

*obtained from the JUNIOR-Portal Profit and Loss Account (30th June, 2015)

Confirmation of Accounting by Auditors

The auditors hereby confirm the correctness of our accounting, the profit and loss statement as well as the balance sheet.

Eckernförde, 2nd July, 2015

Matthias Sörensen

Established Merchant, Business Adviser

Dr. Christian Henning

School Administration, Shareholder



Outlook

Since we realized our announced prototypes of the bags and also published another model of *FördeÖffner*, we are currently producing a new kind of bottle opener with a handle made of metal. Because it is water resistant, it will be primarily aimed to the restaurants and bars. For the production we cooperate with *punker*, one of our partners who does the laser works for us. Due to the comparatively low labor input and existent contacts to interested major costumers, we expect a great demand and see huge potential.



FördeÖffner with metallic handle

As we are now officially the best JUNIOR-company in Germany, we will get some television broadcasts. On July 6 the state television *NDR* and one private channel *Sat.1* will film how our company works. We are currently participating in three more competitions: the *JUNIOR PR-Award*, the *Bundes-Schülerfirmen-Contest* and the *Schüler-Business-Award*.

In the following weeks we will continue our business as usual to increase our share value as well as the amount of money which is meant to support social projects. After the *JA Europe Company of the Year Competition* we will have to liquidate our company and distribute the assets among the shareholders. As the show must go on, we will evaluate the potential of reestablishing RAUTECK afterwards.

WE THANK ALL OUR COOPERATION PARTNERS!