

ES0 JA Company

COMPANY REPORT

TEACHER: ADRIANA VANČOVÁ, 2018/2019



EXECUTIVE SUMMARY

Mission:

To make skiing more enjoyable by reducing the effort necessary to carry skis.

Company goals:

1. To bring a product, that makes carrying of ski equipment easier.
2. To stick to the small dimensions of the product.
3. To preserve affordable price for customers.

Product:

The most difficult part of skiing is often carrying skis in hands from a car to the slope. Skiing accessory OdneSki allows you to carry skis hung over a shoulder and it is easy to fit in a pocket when it's not currently used.



Financial summary (as of 5th June 2019):

8 504.51€	8 204.52€	299.99€
Income	Expenses	Profit

Success:

Our company managed to think up an affordable, problem solving product, which was successfully produced and sold. As of 5th June 2019, as many as 51 pieces of product OdneSki have been sold. Apart from that, members of our company have gained a lot of new experience in business, finance and communication throughout the year, making them better prepared for their future jobs.

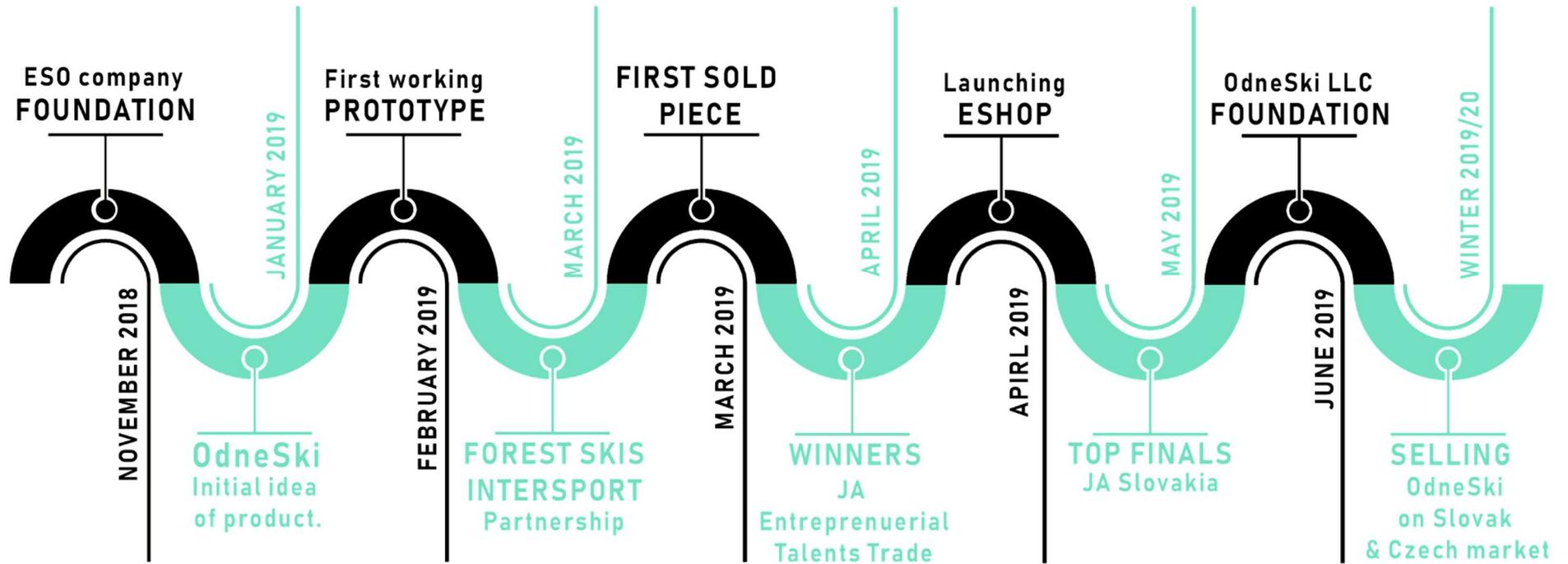
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COMPANY MILESTONES



PRODUCT & MANUFACTURING

The priority of the JA Company ESO was development, production and sale of our product. According to our survey, almost 75% of people find carrying skis in their hands annoying, difficult or even irritating. After months of researching and designing, we've found a solution to this problem, which is our product OdneSki.

Product

The primary product of our company is a handy skiing accessory named OdneSki, which combines comfort, practicality and innovation and makes the life of every skier a bit easier.

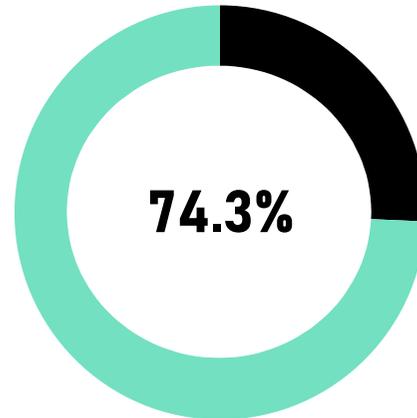
Composition

The basis of the accessory is a strap, microporous rubber and a Velcro. These materials are being ordered from haberdasher's shop. The manufacturing

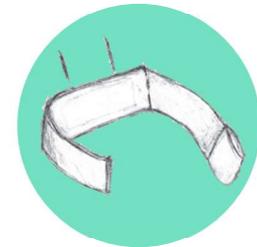
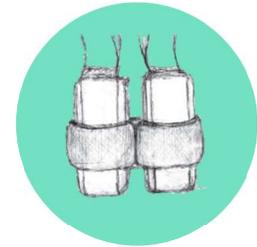
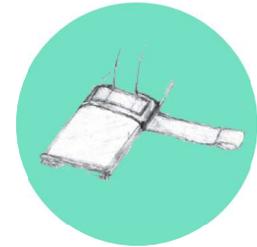
process begins with material preparation, which includes cutting the components into required dimensions. Sewing the prepared parts together completes the product, which combines the best attributes of ski bands and a ski bag. It consists of two tapes, which bind the skis together with Velcro, strap, which allows you to hang skis over shoulder and flexible rubber loops, which connects the ski poles.

Benefits

A large advantage of OdneSki is the comfort it provides when carrying the skis. Skis are bound together with ski poles and the consumer is able to put them on his shoulder, leaving his hands free. The length of the strap is adjustable and it can be easily customized to everyone's preferences. Another important advantage is the size of product, which easily beats any ski bag. If OdneSki isn't currently used, it can



Carrying skis in hands is uncomfortable



be folded into dimensions so small, that it can fit into any jacket or trousers pocket.

Manufacturing

The manufacturing of the product has started after consulting the final prototype with people variously connected with skiing. At first, the manufacturing process was realised by the ESO Company members, using our own machines and skills. Using this method, we managed to produce 30 pieces of OdneSki in one month.

After the success of initial wave of OdneSki, we decided to produce it in higher manufacturing quality and rate. We started a partnership with local vocational school. Students of this school are potentially able to produce 100 pieces of OdneSki per month using professional sewing machines, which means 333% production rate growth and better quality of final product.

We plan to expand sales of product OdneSki into Intersport shops in Slovakia and Czech Republic in the skiing season 2019/2020. To successfully accomplish this goal, we must produce OdneSki at even higher rate. We have contacted two external companies, which provide sewing of custom products. Both of these companies can produce as many as 500 pieces per month, which is a 500% production rate growth compared to the vocational school and 1666% growth compared to members of our company.

Present & Future

Until now we've been manufacturing our product in two colour options: black

variant and white variant with black elements. As of 5th June 2019, **51 pieces** of OdneSki have been sold, thus making skiing more enjoyable for 51 skiers. We are planning to widen the colour palette of our product in the future as well as produce a child variation of OdneSki or a version for snowboard.



MARKETING

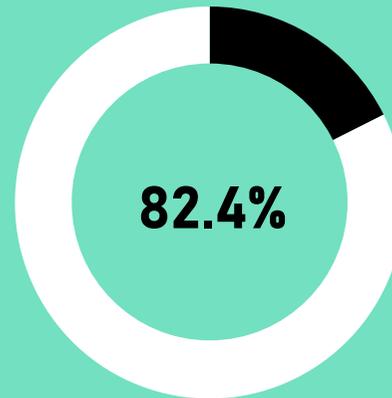
Our marketing strategy was based on the rule “4P of marketing” from the very beginning.

Product

OdneSki meets all the requirements of a product with great potential to succeed on the market. It is very innovative. Out of 183 inquired respondents as many as 82.4% have never seen a similar product.

Functionality of OdneSki falls somewhere between ski bands and ski bag. These products can be considered as a competition, but OdneSki has significant advantages against both of them - added functionality of carrying skis on a shoulder being one against ski bands and an average 10€ lower price tag compared to the ski bag.

We have not found any producer or retailer offering a product, which offers both the functionality of ski bag and ski bands during the analysis of Slovak market. World market was not left out from analysis. We found two sellers of similar ski accessory. The biggest differences between their product and OdneSki is the price,



Have never seen a similar product



their being much higher, no possibility of personalization such as colour or size and no possibility of shipping out of country of their production – New Zealand and USA.

The priority target groups of our products are student skiers and families with young children. These people have the biggest problems with carrying skis – students often travel with train, don't want to take their skis in hands and the ski bag is too large to store for them. Parents of young children often have to carry two or more pairs of skis in their hands. Suitable marketing strategies were and further will be used to target these target groups.

Place

Offline:

Customers can currently get the product OdneSki in a kiosk regularly opened in Gymnázium Dubnica nad Váhom.

Because OdneSki is a seasonal product, we are putting a lot of effort in sales in the next skiing season. Our customers will be able to purchase the product in InterSport Slovakia stores or via Slovak ski brand Forest Skis as a gift for a purchase of their skis.



Our selling partners

Online:

OdneSki can be ordered via our social networks, company's email or product website – www.odneski.sk.

Promotion

Offline:

For propagation purposes, we have used the most widely read student magazine in Dubnica nad Váhom, magazine INAK, in which we have regularly advertised the product. The campaign was focused on emotions, in a way that referred to positive feelings resulting from using OdneSki.

After our success at the JA Entrepreneurial Talents Trade Fair, the town magazine Dubnické noviny as well as portal podnikajte.sk wrote about our company, thus further raising awareness about JA Slovakia and JA Company ESO. The number of websites writing about our company even increased after we had become the best student company in the Slovak Top Finals.

Another way of raising awareness about Company ESO among people was organizing public events. There were 2 events organized during the school year – the matriculation party and the student ball. Apart from marketing value, it also helped our

company in a financial way – gained more money for manufacturing the product OdneSki. Around 1000 people attended these events in total, thus expanding our group of potential customers.

Online:

We wanted to be as close to our target group as possible in online campaign.



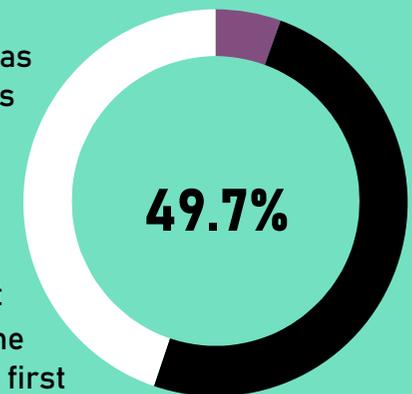
**2000 people
reached with
web advertising**

Therefore, we have used social networks such as Facebook and Instagram. Using

regular photo uploads, stories and paid advertising, we have been informing about the positive aspects of product and its practicality. Using this method, our product has reached about **2000 people**.

Price

Selling price of product was determined by the production costs and marketing analysis, which showed that almost **50%** of respondents are willing to pay between 5€ and 10€ for the product. The price of the product has been set to **8€/piece**. In order to increase the interest in our product, price of first pieces was set to 6€.



Price should be 5€-10€

FINANCE

Financial department was responsible for daily accounting and financial administration of our company and also informed respective executives about the financial situation. At the beginning of the accounting period, the company raised the share capital of 400,00€ by the sale of 100 shares in nominal value of 4€ per share. During the whole functional period we have been trying to increase this amount. We provide you the overview of the actual financial situation in the following tables. All values are up to date as of 14th May 2019.



8504.51€

Total Sales



57.5%

Stock price growth

Profit and Loss Account

A	Sales	8504.51€
B	Purchases	5470.52€
C	Production Wages	1216.00€
D	Closing Stock	0.00€
E	Cost of Sales (B+C-D)	6686.52€
	Gross Profit (A-E)	1817.99€

F	Salaries, commissions and Bonuses	1508.00€
G	Stationery	0.00€
H	Rent & Hire	0.00€
I	Miscellaneous Expenditure	0.00€
J	Registration Fee	10.00€
	Total Expenses (F+G+H+I+J)	1518.00€

K	Gross Profit Less Total Expenses = Operating Profit	299.99€
L	Miscellaneous Income	0.00€
M	Net Profit (or Loss) (K+L)	299.99€
N	Corporation Tax Payable	62.99€
O	Profit after Tax (M-N)	237.00€

P	Appropriations of Profit (Q+R+S):	237.00€
Q	Dividends:	230.00€
R	Donations:	0.00€
S	Other:	7.00€
	Balance (O-P)	0.00€

Balance sheet

	Current Assets:	
	Stock	0.00€
	Debtors	0.00€
	Cash at Bank	0.00€
	Cash in Hand	699.99€
(A)	TOTAL CURRENT ASSETS	699.99€
	Less	
	Current Liabilities:	
	Bank Overdraft	0.00€
	Loans	0.00€
	Creditors	0.00€
	Corporation Tax Payable	62.99€
	VAT Due	0.00€
(B)	TOTAL CURRENT LIABILITIES	62.99€
(C)	BALANCE (A-B)	637.00€
	Represented by:	
(D)	Issued Share Capital: shares at 4€	400.00€
(E)	Profit & Less Account (Profit after Tax)	237.00€
(F)	Shareholders Funds (D+E)	637.00€



Verified by Mgr. Adriana Vančová
Applied economics teacher

Expectation vs reality comparison of OdneSki sales

	Expectation (50 pcs sold)	Reality (51 pcs sold)
Material costs	75.00€	76.50€
Salaries	25.00€	107.10€
Other Costs	65.00€	65.20€
Total Costs	165.00€	248.80€
Total Sales	300.00€ 50 pcs x 6€	352.00€ 28 pcs x 6€ 23 pcs x 8€
Profit	135.00€	103.20€
Profitability	81.81%	41.48%

Financial results

Financial charts show considerably high total sales, majority of them came from sales of services, in our case from sale of event tickets. Income was spent on development, materials and production of product OdneSki. Until 5th June 2019, 51 pieces of OdneSki were sold, 28 for initial price of 6€ and 23 pieces for 8€, making our total income from sale of products 352€.

Although the sales of OdneSki only made around 4% of total sales, the profit from OdneSki was 34.4% of our total profit and the profitability of the product itself was 41.48%.



HUMAN RESOURCES

The main focus of human resources department during the entire activity of our student company was to **motivate** the team, keep good relationships between employees, maintain high level of working moral and objectively valuate the working performance. HR department was also responsible for the continual contact with shareholders and supervisory board.

Motivation methods

The motivation of our employees has been accomplished by both financial and non-financial methods. The employees have been encouraged to take part in various training courses by JA Slovakia, prioritized to management. The HR department also organised regular team-buildings, where the corporate culture was improved. Another way of motivation was the financial motivation. Short after the company was founded, we needed to think up a product. Therefore, the competition was established, in which the employee, who comes with an idea of best product gets **30€ as a bonus** to his/her normal salary.



15 EMPLOYEES



ESO Company management team

Responsibilities

Our responsibility was also to monitor the working performance of employees and then set up the appropriate financial valuation in cooperation with financial department.

Our company took care about the **professional growth** of our employees and therefore we participated in many training courses and competitions organised by JA Slovakia, either focused on management, presentation skills, entrepreneurship or competition Innovation Camp. All of the opportunities meant a huge contribution for us.

Employees

ESO Company consisted of **15 employees**, 5 out of them working in management, 4 in the marketing department, 2 in financial department and 1 person in human resources and in production department. These 15 students have gained a lot of knowledge and experience throughout the whole year. It will definitely help us in the future, when we will need to prove our worth in the labour market.



FUTURE

Although the activity of our JA company is coming to an end, we, as well as the people from business, believe that our product has potential even in the future. Our success in the JA Trade Fair encouraged us to continue with running the company, therefore, not long after the JA Company ESO is dissolved, a new, better company – **OdneSki LLC** is going to take its place. We gained a lot of experience this year and we will do our best to further improve in following areas.

Product

Although our product has already been put on sale locally, it is important to keep getting better and listen to customer’s feedback. To make sure that our company survives at the market, we need to increase the production of OdneSki. Manufacturing process will be completely transferred from home production to external company focused on custom sewing. First step was the cooperation with local vocational school, which managed to sew just enough products to finish all orders. We’re currently negotiating with company in nearby city Trenčín as well as with company from Czech Republic, which could produce OdneSki at even bigger quantity. We’re looking for **the best price to quality ratio**, so that we can fulfil needs of our selling partners in an upcoming skiing season. The improvements of product itself will be taken in consideration as well. New colour options will be added and according to many feedbacks, prototype of OdneSki for snowboard will be made, which will make even snowboarding more enjoyable.

Sale

It is necessary to expand the sale to reach higher selling number and profitability of product OdneSki. A first step was establishing an e-shop, where our product is now sold. OdneSki will also appear in shops in the next skiing season, specifically in at least 4 Intersport stores in Slovakia, which have promised a total consumption of **150-200** pieces. We won’t stop there. We’ll do everything to raise the number of these shops in future and potentially sell OdneSki in every Intersport shop in Slovakia.



1000 pieces sold

The goal is to sell **1000** OdneSki in Intersport shops in the skiing season 2019/2020. Furthermore, OdneSki will also come as a gift for purchasing skis from the new line of Forest Skis freeride skis.

IN FIVE YEARS

16 000 satisfied customers

5 international markets

2 brand new products

Partnership with professional athlete

THANK YOU

JA Slovakia

Gymnázium Dubnica nad Váhom

Adriana Vančová

Samuel Matlovič

Tomáš Sklárčik

Marián Osúch ml.

Miroslav Čuridlo

Jaroslav Červinka

Alec Borový

JPK Print

M-Press

Forest Skis

