



pick-nic

THE PLAYFUL TABLECLOTH THAT TURNS INTO A GARBAGE BAG

✓ DOESN'T FLY IN THE WIND

✓ INCLUDING PLAYFUL GAMES



ANNUAL REPORT

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PROMOTOR - ISRAEL

BUSINESS ADVISORS:

ITZIK MALKA

AVINOAM BLUMENKRANTZ





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1. Executive Summary

1.1 PROMOTOR Company Overview

Promotor was established in the beginning of the 2016/17 school year by 18 students from the 9th grade in "Amit Modiin Boys" school, mentored by a teacher and two business volunteers.



1.2 The company's vision

Our Company's vision is to create a positive change in attitude towards the environment by producing easy-to-use, accessible and useful products

1.3 The company's values:

- ✓ **Social and environmental Responsibility** - We have chosen to produce a tablecloth made of recycled materials in order to protect the environment.
- ✓ **Family and Community** - In an era in which our lives revolve around individuality, technology and internet, we have chosen to cherish this important value of partnership, society and community, and to return to the existence of joint games and discussions.
- ✓ **Sustainability** - we have chosen to place the value of sustainability at the top of our priorities by preserving the existing environment without compromising the ability of future generations to fulfill their needs.
- ✓ **Universalism** - We have chosen to produce a universal product suitable for anyone traveling in nature in any country in the world.
- ✓ **Contribution to the Community** - Our Company decided to contribute 5% of the company's profits to the community.

1.4 Product description

"Pick-Nic": the playful tablecloth that turns into a garbage bag. The product has three main advantages:

- ✓ The tablecloth **easily covers** the table and does not fly in the wind, using a string sewn in around the tablecloth.
- ✓ The tablecloth includes **fun board games** about nature, in various languages, and creates a **fun and valuable learning experience**. The tablecloth comes with a game kit including a die and game soldiers. The answers to the games and riddles appear in the company's website, which you can easily find by scanning the QR.
- ✓ After using, the tablecloth **turns into a garbage bag**, by a simple pull of the string.





It is important to note that the tablecloth fits the tables in parks and forests worldwide. Additionally, the tablecloth doesn't stain and it is reusable.

1.5 Summary of the Financial Results

Net Profit from fund raising: €1867.7

Company Gross revenues from product sales: €6938.68

Company Gross Income: €8806

Expenses (before tax): €3980

Net profit and inventory value: €3241

1.6 Summary of Company Performance in the First Year

During the first year, we were exposed to the business world; we designed a complex product of high quality, on a non-compromising professional level. We are selling it at an affordable price, while maintaining profitability and this is only the beginning!

2. Summary of Activities in the First Year

2.1 The Process

At the beginning of our process, we established a company, named it and chose company officials. This procedure was done in a democratic manner and in which we had mutual respect for each other. After that, we set a vision for our company, and already then it was clear to us that we want to create a product that would be environment friendly. We then set our rules and regulations and set out.

In the first stage, we had to raise initial capital for the company. We did this by purchasing a 10 euro share for each student. We also held several sales fairs in which we sold cakes baked by our parents and sold Hanukkah candles throughout Hanukkah. The profit from these sales summed up to about 580 euro. In addition, we managed to find sponsors and donators for a total sum of 500 euro.

Then, we held a "green brainstorm" evening with our parents, in which we thought up 100 potential ideas. Subsequently, we held a "red brainstorm" evening, in which we considered our abilities and constraints and reduced the list to six final ideas. We then conducted a survey, a feasibility study of 500 respondents, created a prototype and finally chose "Pick-Nic".





The problem - Each year in the state of Israel around 1.5 million people travel around various nature sites and leave hundreds of tons of litter and garbage, which pollutes the environment and endangers wildlife living in the outdoors.

As the majority of the population lives in an urban environment, the greater the need to connect and bring people closer to nature.

The solution - Promotor Company whose motto is to create a better future with better values, has created the product "Pick-Nic": a playfull tablecloth made of recycled fabric, with quizzes and games about Israel printed on it. The tablecloth has a string sewn around it which fits the tables in the nature sites so that it will not fly away in the wind and so that it turns the tablecloth into a garbage bag after it has been used.

In conclusion - The tablecloth is intended for individuals and families traveling around the world in different nature sites and provides a practical, social and environmental solution to litter and garbage left behind. We believe that the tablecloth will provide a fulfilling experience whilst maintaining a clean environment, reducing the risk to wildlife, and including board games and knowledge about the country.

Expected profit is currently in the range of 1.72 euro per unit.

2.2 Product Development

We began our development process initially manufacturing a nylon prototype, but encountered production difficulties. We then manufactured a prototype in self-production, but we realized it is expensive and economically unfeasible. Finally, we turned to a large factory specializing in producing recycled fabric, where we produced the final product.

After reaching the final product, the company competed in the EL AL flight company contest (in collaboration JA-YE Israel) and won first place. That achievement created media buzz for our product via social networks and got us an appearance on one of the biggest and contemporary morning program show in Israel.

In Israel's Independence Day, we went out to the parks and forests and held a social campaign to raise awareness of the environment; we handed out tablecloths to travelers in parks, and asked them to upload pictures to Facebook and Instagram. This led to continuous exposure and increased demand.

We then attended the JA regional sales fair at a mall and sales kept rising. We held business meetings with companies and organizations that bought





hundreds of tablecloths from us and finally participated in the regional competition and the national competition, where we won first place.

So far, we have produced 2,000 tablecloths and sold them all. There are hundreds of additional orders waiting.

Development and production process

Initially, the company self-produced the tablecloths but realized that the production costs of this method were expensive and not feasible, so the company moved to larger scale production at the "Dispobad" factory, which specializes in the production of fabric products. The factory has the capability of stitching, cutting and printing on fabric. Additionally, we ran quality control tests on the product to check the ability of the fabric to cope with litter collected on the tablecloth.



2.3 Market & Marketing Strategy

People like to travel, and with rising awareness of environmental responsibility all over the world, people want to be part of it, though sometimes do not know how. Our main line of marketing would be conveying the message of keeping the environment clean, with a fun, easy to use, outdoors product – the "picnic".

Market Analysis

Market Analysis shows that millions of people go outdoors to picnics and camping all over the world. Within this audience, there are sub-groups of families, travel groups, organizations, event producers, birthdays and more. In Europe alone there are over 10,000 authorized camping parks in addition to dozens of thousands of camping sites with picnic tables.

Survey

We conducted a street survey of 521 participants, attempting to understand people's traveling habits as well as potential approach towards a product such as ours. We have reached two important insights: Firstly, ~82% of people interviewed said they would buy more than one unit. Secondly, ~71% of people interviewed said they would be willing to pay between 2.53 Euro and 3.8 Euros per unit.





Competitors

Company	Product	Cost
Coghans	Picnic Combo Pack with Tablecloth and Clamps	\$7.22
Coghans	Vinyl Tablecloth	\$3.68
Various Brands	Trash Bags	\$10.11- \$13.59
Various Brands	Outdoors games	\$3.22- \$39.99

We did not find any product similar to our own, which combines the 3 main advantages: Easily covers the table, includes fun board games and turns into a garbage bag after usage.

Product Branding

We brand ourselves as a company whose main goal is to encourage a better outdoors experience for families in harmony with the environment. There is nothing associated more with nature as green, therefore we chose this natural color as the main one in the logo, while adding some happy elements to emphasize the fun and positive experience and keeping nature clean.

Marketing Strategy

Our marketing efforts focus on two main directions: B2B and B2C. In each, we focus on the positive impact on the environment, while using creativity to do so. We understand that raising awareness to this issue is a key aspect of our efforts to successfully spread our product worldwide. For example: On Israeli Independence Day, we handed out hundreds of (free) tablecloths in parks all over our city to raise the awareness of a clean environment while presenting our product.

Marketing Channels:

B2B:

Organizations – Sells in bulks to companies to give as presents to their employees.

Nature Authorities – Sell through Nature Authorities (such as KKL) on nature sites.

B2C:

Family and friends – let everyone around us know about the product online and offline.

Online Marketing – targeted marketing of travelers through social media. Possible keywords to target: birthdays, names of nature sites, traveling information etc.

Online Environmental Entities – partner with online Facebook pages or websites that focus on environmental responsibility.

PR - Leverage the positive purpose of the company to get free PR in tv shows, social pages etc.

Seasonal marketing

Seasonal marketing People tend to travel much more in holidays and the summer. Therefore, most of the marketing efforts will be done on these periods of time in places of potential travelers (like nature stores, supermarkets, etc.).





2.4 Sales

Our sales approach is to focus on the environmental aspect. We offer an easy way to help keep nature clean, and it is the best “pitch” to sell the product simply because it is 100% true. To support that, we emphasize the extra features of our products, which enhanced our sales. We have participated in several sales events, some organized by JA Israel, and some on our own initiative, which helped us understand better our audience. In total, we sold so far 2,000 units.

2.5 Organization and Management

There are 18 students in Promotor company and each has a role and specific responsibilities towards the company's success. We operate on several levels:

Product Quality Assurance – The production process was made by "Dispobad" factory, which specializes in the production of fabric products. The factory has the capability of stitching, cutting and printing on fabric. We examined every unit according to acceptance criteria to make sure the product conforms to the required level of quality.

Social and Environmental Responsibility – The company's vision is to create a beneficial product that will provide a solution to the environment and society. Our motto is to be a morally based company. Our production process was managed with regard to these aspects, starting with a solution to environmental needs through the choice of an environmentally friendly product and the decision of the company employees to donate 5% of its profits to the largest non-profit Medical donation organization in Israel- "Yad-Sara".

Human Resources Management – The Company has been working as a 'flat' organization, with full cooperation of all role players. In every phase, each role player worked with a team, and we made sure that all group members were involved in every phase in the process. The organizational structure allowed the group to execute various strategies, based on the learning process of its members, their experiences, accomplishments, and difficulties during the year, and their integration in the project according to their skills.

Personal Needs of the Group Members – Each member of the group has had the opportunity to experiment in every aspect of business and company management.

Role of the Group Advisors – The group was led through the entire process by two Business Mentors, Itzik Malka & Avinoam Blumenkrantz, who taught us a lot and helped us find the right path to success, while introducing values of common sense and business principals.

3. Financial Reports

3.1 Product Pricing – Cost price and Consumer Price

- ❖ Total cost per unit: €2.02
- ❖ Selling price (currently – direct sale): €3.80





- ❖ Profit per unit: €1.72 (87.5% profit margin)
- ❖ Net Profit from fund raising: €1,361
- ❖ Company Gross revenues from product sales: €6,938.68
- ❖ Company Gross Income: €8,806
- ❖ Expenses (before tax): €3,980
- ❖ Net profit and inventory value: €3,241
- ❖ Break-even point: the company's break-even point is 96 units. Once the company reached sales of 96 units, it will cover all expenses for the production of 200 units in the preliminary phase.

3.2

Balance Sheet	EURO
Current Assets	
Stock	145
Debtors	2886
Cash at Bank	1968
Cash in Hand	0
(A) TOTAL CURRENT ASSETS	4,999
Less	
Current Liabilities	
Bank Overdraft	0
Loans	0
Creditors	1217
Corporation Tax Payable	360
VAT Due	0
(B) TOTAL CURRENT LIABILITIES	1577
(C) BALANCE (A-B)	3,442
Represented by:	
(D) Issued Share Capital	
18 shares at 10.11 €	182
(E) Profit & Loss Account (Profit after Tax)	3442
(F) Shareholders Funds (D +E)	3624

3.3

Profit & Loss Account	EURO
Sales	8806
Purchases	3,774
Production Wages	1,052
Closing Stock	145
Cost of Sales(B+C-D)	4,826
(A-E) Gross Profit	3,980
	0
Salaries, commissions and bonuses	345
Stationery	34
Rent & Hire	0
miscellaneous Expenditure	0
Registration Fee	0
Total Expenses (F+ G + H + I + J)	379
Gross Profit Less Total Expenses (<i>operation profit or loss</i>)	3,601
Miscellaneous Income	0
Net Profit or Loss (K+L)	3,601
Corporation Tax Payable	360
Profit after Tax (M-N)	3241
Appropriations of Profit (Q + R + S):	3,241
Dividends	3078.95
Donations	162
Others	0
Balance (should be nil) (O-P)	0





4. Future plans

Israel is well known for its camping and traveling culture. There are dozens of camping sites in national parks and private locations and thousands of travelers each year. Considering that, we foresee a great future to our company and vast growth in our future sales.

We also plan to study more carefully the European Market in order to further increase our sales.

Currently The Company is in negotiations with a number of national organizations such as:

- Cooperative effort with **Israel Ministry of Environmental Protection** who will market the tablecloth in shops at their sites.
- Cooperative effort with the **Groupon Israel** web site that is interested in selling the tablecloth on its internet site.
- Negotiations with **Bank Mizrahi Tefahot** who is interested in purchasing 5,000 tablecloths for its employees.

Our goal is to manufacture a product that answers the need of a large target audience, and keeping the customers highly satisfied, while creating revenues and profitability for the company and its shareholders.

We intend to continue developing the product in various forms:

1. Different shapes, colors and sizes of tablecloths.
2. Tablecloths with different games.
3. Tablecloth for use other than traveling in nature.

המשרד להגנת הסביבה



الوزارة لحماية البيئة
Israel Ministry of Environmental Protection



GROUPON

