



Exercards 2021 Company Report



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Junior
Achievement®
of Greater Washington

Executive Summary

Mission Statement

To help people improve their physical health and give them the opportunity to exercise in a safe environment in a COVID-19 world.

Product Description

A pack of twenty-four cards that have detailed instructions for home exercises and motivational quotes.

Brief Financial results

Gross Revenue	\$132.00
Expenses	\$496.82
Donations To Charity	\$35.59

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Product Conception

During the initial stay-at-home period of Covid-19, we noticed that maintaining an exercise schedule was difficult. Because of this, we set out to create a product that gives customers an easy-to-use, fun, and informative way to stay or become physically fit. During brainstorming sessions, we talked about lots of ways we could solve this problem, but one idea stood out from the others—creating a deck of cards that customers only had to shuffle to get a new exercise routine. This idea laid the groundwork for Exercards.

Competitive Advantage

Our competitive advantage lies primarily in pricing, but also in our unique card design. Most of our competitors price their product around 20 dollars per deck, but we sell ours for 12. This gives our customers an opportunity to get a high-quality set of exercise cards from us for a lower cost than our competitors. Additionally, our cards are all designed in-house, giving us a competitive edge because we have exclusive ownership to these designs.

Sourcing

Exercards are designed in-house and printed in China.

Impact of Innovative Thinking

During the initial phase of design and development of Exercards, we ran into an issue—we had intended to include exercise illustrations in our card design, but we were unable to find pre-made illustrations for a low cost. To solve this, we opted to include easy-to-understand instructions for each exercise instead of illustrations.

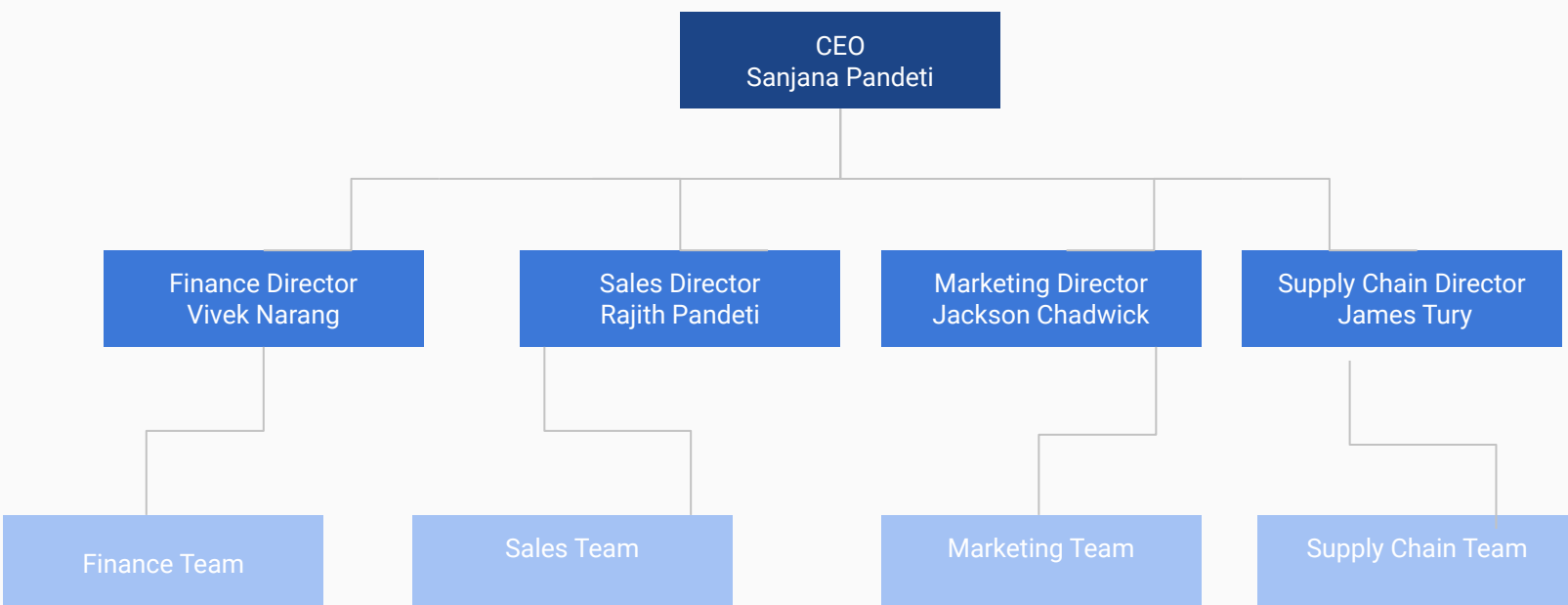
Leadership and Organization

Company Leadership

Creating an engaging and collaborative environment was crucial to our leadership structure. Our first few meetings helped us identify our vision for our company: create an easy-to-use product that will encourage physical and mental wellness. This vision ultimately kept the team actively involved with company outreach and sales, and meeting attendance.

Organization & Optimization Strategies

In the initial development stages of our company, we made sure to outline the interests of each member so that we could split the team into 4 departments: finance, supply chain, sales, and marketing. Our hierarchical structure allowed for ease of communication between team members, department heads, and head management. To ensure open communication between each department and each team member, we assigned each team to a department based on their interests previously identified in our initial meetings. As a result of this high spirit of collaboration, our company culture and team achievements benefited greatly. Our approach to the company program was very goal-oriented, we noted the dates of each big task and the steps needed to accomplish said tasks in our Trello Board.



Marketing and Sales Strategies

Target Audience

Our target market consists largely of Millennials and Generation Z, as these groups have high fitness spending influenced by social media habits (enabling easy pandemic selling) and come into contact with our company members (who are themselves students aged ~14-18). Exercards targets a middle to upper-level income range that can afford discretionary spending on our fitness supplement.

Social Media

We have focused our social media efforts on Instagram due to this platform's high permeation of our target age range (~57% of Millennials and ~67% of Gen Z). Our content postings follow a regular schedule highlighting exercises, muscle groups, team members, and ways of usage to engage potential customers with free value while establishing a brand identity/demonstrating our product's appeal.

Marketing Strategies

In addition to social media, our marketing strategy involves uploading free resources including fitness tips and an exercise playlist to our site to improve search results and give visitors entry-level funnel content. We have also used Youtube videos to attract attention and highlight product use in a casual way connecting to our audience. Furthermore, our company has stressed search-engine optimization for our site (including updates for mobile friendliness) and refined our Google My Business listing for increased discoverability. On our website, we include multiple means of collecting email leads and encouraging interaction with our social media.

Marketing and Sales Strategies (Cont.)

Presales

Presales for Exercards have largely focused around the friends and family of company members. Our company set a sales goal for each member to sell at least 4 products.

Distribution Channels

Our product has been sold primarily through our website (exercards.com), with differing shipping charges based on local vs. regional/national delivery. If orders are close enough, we deliver them ourselves at no cost to our customer. If the order is farther than our local reach, we purchase a shipping label and ship the product via USPS at no extra charge to the customer. Company members have received larger shipments of products to fulfill orders in close proximity to them/presales they have secured.

Payment Methods

Exercards accepts payments through credit/debit card via Square.

Trade Show

For the trade show, we developed a commercial highlighting our product's ease of use and convenient appeal as a home fitness solution and illustrated the purchasing process. We also set up a booth with a banner highlighting our slogan ("Fitness, one card at a time") and periodically placed promotional messages in the chat. Finding ways to relate to the customer was helpful to build a personal connection.

Financial Overview

Overview

As of March 7, 2021, we have sold a total of 19 units generating a total revenue of \$228.00. After expenses, a charitable donation, and investor return, we were unable to break even. However, with the feedback we have received from customers we are confident that we can improve in the future.

Capitalization

For start up capital and preparation for the purchase of our initial shipment, we relied on a company investment of \$27.00 per member and \$250 from our investor.

Break Even

Our break even point for our company is 38 products, which we hope to achieve by the conclusion of the company program!

Liquidation

We are currently working to generate enough profit to break even at 38 products which we are set to do in the upcoming few weeks. Our investor requested that 15% of all final profits be donated to the National Alliance on Mental Illness (NAMI). When liquidating our company, we plan to evenly distribute all remaining revenue after the 15% donation to NAMI.

Financial Overview Cont'd (Stats)

Revenue:

Exercard deck	16 Units Sold	\$228
Inventory	44 Units	\$528
Total Revenue	16 Units Sold + Inventory	\$720

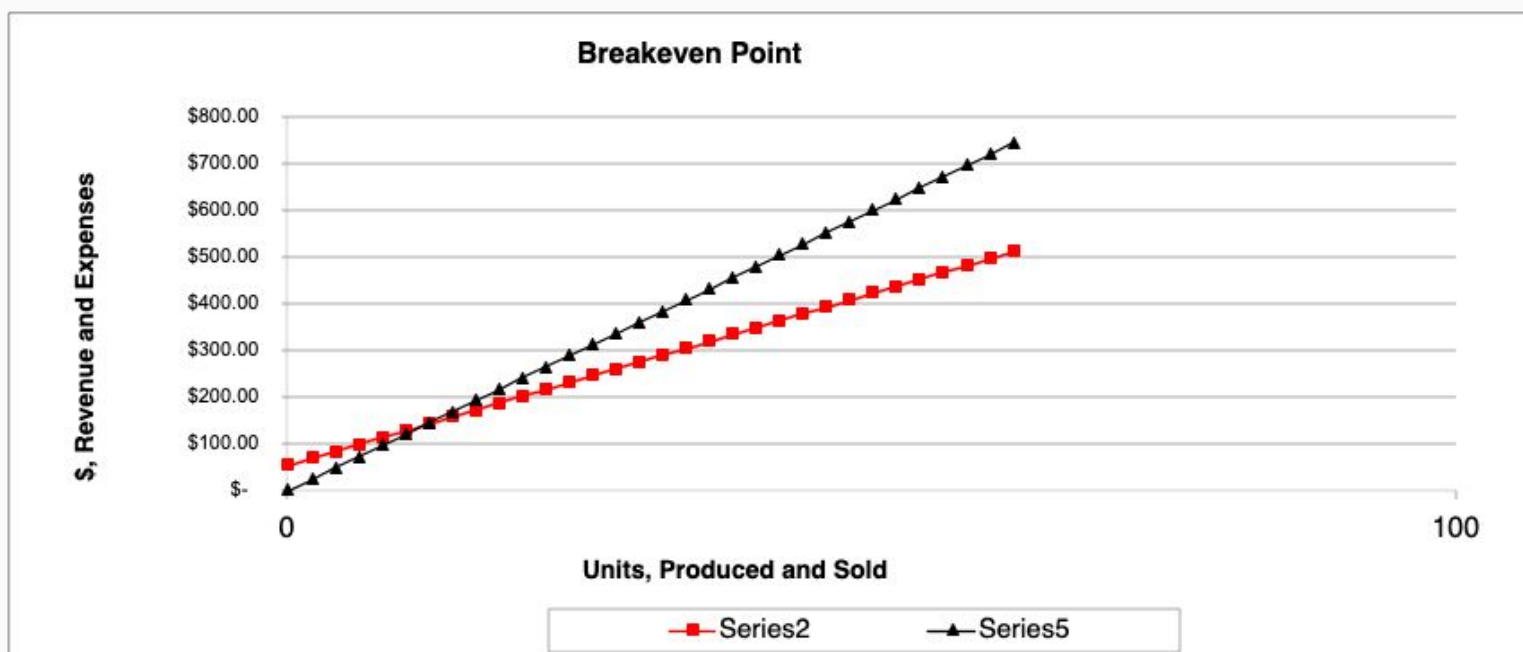
Expenses:

Initial Shipment of 60 units	\$399.09
WIX Website	\$54.53
Square Transaction Fee	\$29.10
TOTAL EXPENSES	\$482.72

Net Profit:

Total Revenue	+\$720
Total Expenses	-\$482.72
Profit	\$237.28
Sales Tax (6%)	-\$14.27
Charitable Cause (15% of Total Profits)	-\$35.59
Total Profit	\$187.42

Break-even point:



Learning Experiences

Challenges

We ran into many challenges during our company's run. One of our main issues was not being able to get illustrations on our cards, which would have improved our product design and made it easier for customers to follow. To solve this, we added easy-to-understand written instructions to each card. Another problem we faced this year was the task of keeping the company motivated. We found that all-online events are extremely difficult to keep everyone engaged. One last problem we had was shipping—some of our orders came from areas outside the DC Metro area, so we were not able to do local delivery for those. We solved this by using a service called Pirateship to get very cheap rates for USPS so we could ship long-distance orders.

Future Plans

For the future of our company, we plan to expand our exercise options. This change will provide a variety of exercises to boost physical engagement. To give back to our community and address physical and mental health during an isolated year, we would like to hold virtual seminars discussing mental health and physical fitness. These collaborative events will help address concerns while increasing engagement with current and potential customers. Our targeted emailing campaigns will hopefully increase collaborations with local gyms and health facilities. We hope to create illustrations for each exercise in the near future and we are also planning to sell our products on eBay and Amazon

Learning Experiences

Delegation is key, identifying key elements that need to get done in order for the company to run efficiently helps to alleviate stress due to how the responsibilities of the company are spread out evenly. Flexibility is also a key for a thriving business because when paired with proper organizing, team members feel more valued and more incentivized to perform better because although they have tasks that are necessary to be fulfilled, they can perform them at a timely manner convenient to themselves while completing other activities in their personal life.