



# ANNUAL REPORT

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2019-2020



**Location:** Georgetown University  
**Mentors:** Zachary Albert and Jeremy Ellsworth

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## EXECUTIVE SUMMARY

The purpose of this document is to outline the structure, success, and challenges the Everseed team has faced throughout the program.

## MISSION STATEMENT

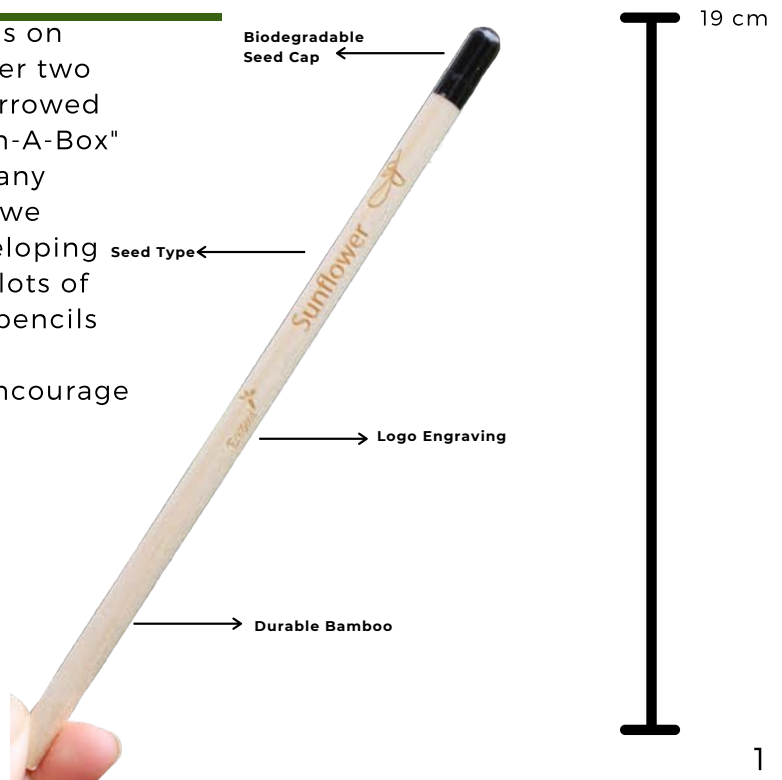
Everseed pencils inspires people to start new through high-quality, eco-friendly, and sustainable plantable seed pencils. Everseed is dedicated to deliver thoughtfulness, creativity, and hope with every pencil sold.

## PRODUCT DESCRIPTION

The Everseed team sells plantable pencils that are perfect for school gardens, home gardens, and even windowsill gardens! They provide a writing tool as well as a plantable garden marker. Pencils are a timeless product, and the novelty of being able to plant a garden with them has helped them sell. These 19-centimeter pencils contain durable bamboo with a biodegradable endcap that contains several of the following seeds, tomato, sunflower, or basil. Each pencil is number 2 graphite. The packaging includes a dark green cardstock material with the Everseed logo on the front, basic instructions on the back, as well as our company email for contact.

## INNOVATION

Originally, our team wanted to focus on convenience for fixing a problem. After two meetings of discussions, our team narrowed down the choices between a "Party-In-A-Box" and "Garden-In-A-Box." Due to the many variables in the Party-In-A-Box" idea, we decided to proceed with further developing the "Garden-In-A-Box." The team did lots of research and found the idea of seed pencils to be a great product to increase sustainability in the classroom and encourage new skills.



# OVERALL COMPANY PERFORMANCE

The Everseed team got off to a strong start at the Junior Achievement Trade Show in February. Additionally, we managed to sell \$250 worth of pencils at two farmers' markets. We managed to quickly refashion our sales platform from in-person to an online presence in response to the COVID-19 epidemic making \$135 in sales to date. The Everseed team believes our product has helped during this time to inspire people's interest in starting their very own vegetable garden during quarantine and lockdown. Our strong points include marketing, adaptability, and initiative. Our team brings together a wide area of talents, including public speaking, creative design, and online technical experience. We put that creativity and ingenuity to work in developing, packaging and marketing an appealing yet straightforward product. Our team also created a strong presence using Instagram, a webpage, and a direct marketing email campaign.

The Everseed Team set itself many goals. These included selling a product that inspired a love for learning and gardening, getting involved in the community, and donating 10% of our proceeds to a DC-based non-profit. We continued to accomplish all our goals and started with fabulous sales at our first trade show, a positive reaction at a local farmers market, and a partnership with City Blossoms, a non-profit organization dedicated to fostering healthy communities by developing creative, kid-driven green spaces.

## FINANCIAL PERFORMANCE

As of April 13, 2020, we have sold a total of 467 units generating a total revenue of \$2,335.00. After expenses, a charitable donation, and investor return, Everseed's net income is \$1,771.84. We still have 130 pencils in inventory. With costs covered, we expect to make an additional \$650 in revenue before the program ends.

STATEMENT OF ACTIVITIES	
<b>SALES REVENUE</b>	
<b>UNITS OF PENCILS SOLD</b>	467
<b>PRICE PER UNIT</b>	\$5.00
<b>TOTAL GROSS REVENUE*</b>	\$2,335.00
<i>*10 packs of pencils were sold for \$40</i>	
<b>EXPENSES</b>	
<b>COST OF GOODS SOLD</b>	\$453.00
<b>PROMOTIONS (decorations, money box, etc.)</b>	\$85.00
<b>SALES TAX (6%)</b>	\$132.00
<b>SALES COMMISSIONS (10%)</b>	\$234.00
<b>EMPLOYEE SALARIES (ESTIMATE)</b>	\$326.00
<b>TOTAL EXPENSES</b>	\$1,229.00
<b>NET PROFIT BEFORE DONATION</b>	\$2,005.00
<b>CHARITABLE DONATION (10%)</b>	\$234.00
<b>TOTAL NET INCOME</b>	\$1,772.00

STATEMENT OF FINANCIAL POSITION		
<b>INVESTMENTS</b>		
<b>TOTAL NET INCOME</b>	\$1,772.00	
<b>SHARK INVESTMENT (20% STAKE)</b>	\$200	
<b>EMPLOYEE INVESTMENT (80% STAKE)</b>	\$200	
<b>TOTAL AVAILABLE FOR DISTRIBUTION</b>	\$2,172.00	
<b>DISTRIBUTION</b>		
<b>SHARK DISTRIBUTION</b>	\$434.00	
<b>EMPLOYEE DISTRIBUTION</b>	\$1,737.00	
<b>NET RETURN</b>		
<b>SHARK RETURN</b>	\$234.00 (117%)	
<b>EMPLOYEE RETURN</b>	\$1,537.00 (767%)	
<b>PRODUCT ECONOMICS</b>		
<b>PRICE BREAKDOWN</b>		
	<b>TOTAL</b>	<b>% OF SALES PRICE</b>
<b>SALES PRICE</b>	\$5.00	100%
<b>VARIABLE COSTS</b>		
<b>PENCIL COST</b>	\$0.76	15%
<b>CITY BLOSSOMS DONATION</b>	\$0.50	10%
<b>SALES COMMISSION (10%)</b>	\$0.50	10%
<b>SALES TAX (6%)</b>	\$0.30	6%
<b>NET SALES</b>	\$3.00	59%

# LEADERSHIP & ORGANIZATION

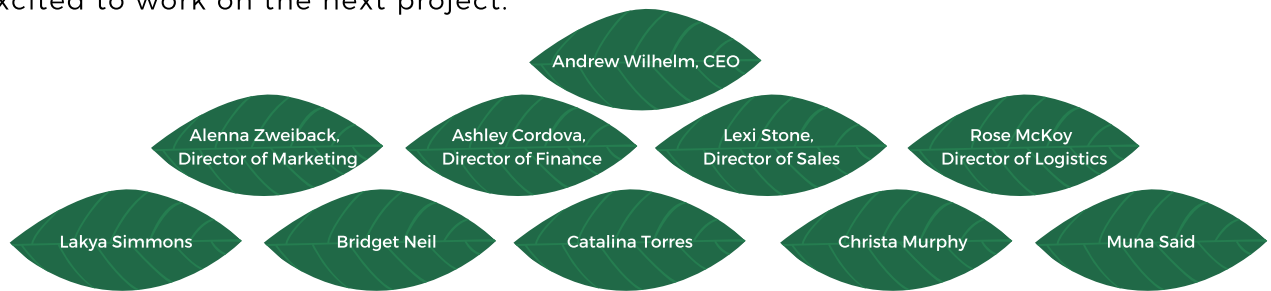
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## COMPANY LEADERSHIP

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At the Everseed company, we value equal opportunity in holding a leadership position in the company. Each member of the company program received a chance to run for leadership roles in one of the five departments: Management, Sales, Marketing, Finance, and Supply Chain. Members gave a short speech in front of the team as to why they thought they could help the Everseed Company succeed and skills they could bring to the job. Afterward, the company held an anonymous vote to choose its leaders.

Our leadership has worked diligently to have the highest level of participation in their respective branch. Department heads are responsible for communicating and interacting with each member in their department. Our goal is to make sure everyone is engaged and contributing to the program. Each department makes sure everyone works and provides for the company. We learned that getting all team members to participate in events increased the team's energy and excitement levels. Having all hands on deck at an event, such as the JA Trade show, helped bring the team together and made everyone excited to work on the next project.



# FINANCES

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## CAPITAL

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For startup capital and preparation for our trade show, we relied on investments of \$20 per Everseed team members and \$200 from our investors that each had 5% equity in our company whom are Guy Brami, Kesi Stribling, Lisa Friedlander and Nima Farshchi.

## BREAK EVEN ANALYSIS

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To Break Even, the company had to sell 234 pencils in order to make profit. We were able to break even at the Junior Achievement Trade Show.

## RETURN ON INVESTMENT

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The investors contain a 20% stake in the company and employees contain 80%. Investors will have a return of investment of 117.18% and employees will have return of 768.74%.

## LIQUIDATION

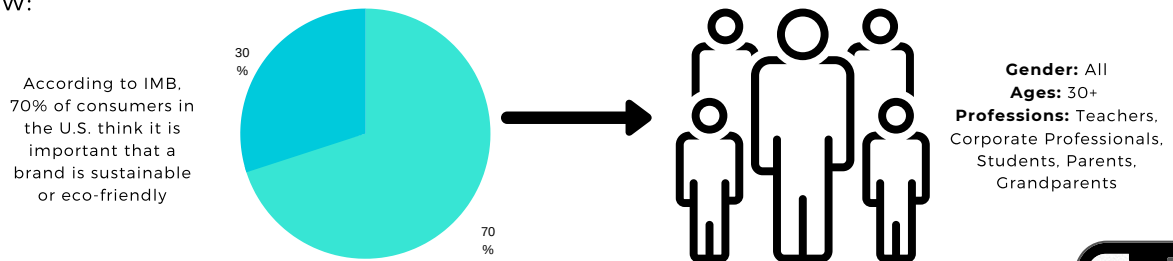
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Return calculations are based on a situation if we were to liquidate by April 13, 2020. We still have 130 pencils left in inventory, and when sold, we would have an increase in return calculations.

# MARKETING & SALES

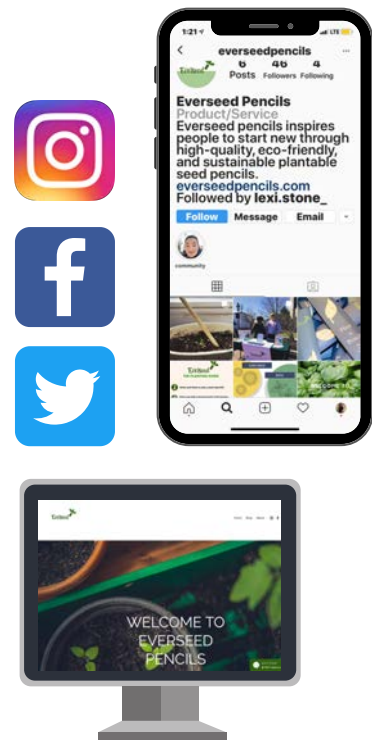
## TARGET AUDIENCE

At the beginning of the year, we assumed that many buyers would be teenagers needing pencils for school. We all went out to our respective schools and asked what people thought about the pencil. Many students responded that the need for a pencil, pen, or paper was rare since everything in school was primarily electronic. The response was not what we expected, but it helped redetermine our target audience. We also used additional resources such as Statista to determine the demographics of those who would be most likely to invest in eco-friendly products. Our new target audience is outlined below:



## MARKETING STRATEGIES

Given our target audience, we immediately began to create accounts on very dominant social media platforms. We posted Company activities, service trips, and events on Instagram and Facebook. We posted biographies of every team member on the website to give a more human connection between the consumer and the product. On our social media accounts, we easily linked our website. The website featured the Company's mission statement, values, the team, and the product. The website is easily navigated, and purchases are promptly guided to a secure screen where card information was protected. We accepted all credit cards and PayPal, making it accessible to almost everyone. Additionally, everyone received a decorate thank you card. The goal of the website was to stick to natural, earthy colors and include as many photos of nature as possible. For each page, we wrote a minimal amount to ensure that customers were able to understand every aspect of the Company and its goals.



## DISTRIBUTION CHANNELS

The trade show with Junior Achievement at Tysons Corner played a major role as a distribution channel. We were able to sell approximately 220 pencils. We were also able to distribute our pre-orders through our schools. Before the trade show, each team member was given 10 pencils to sell to their community, family, and friends. Additionally, since our product had a target audience of eco-friendly consumers, we often sold at Takoma Park Farmers Market and managed to sell over 100 pencils in this channel. Moreover, we had many bulk sales. Many of our investors made orders of over 100 pencils to serve as thank you gifts during Corporate Retreats. We also had people at the Trade Show order bulk amounts for their work places.



# MARKETING & SALES

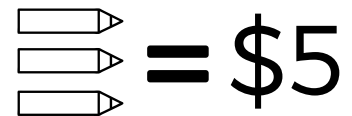
## COMPETITIVE ADVANTAGE

After multiple hours of research, we found that the only other company that sold these types of pencils in a 5 pack for \$12.00. We surveyed family members and friends, and all had the same thing to say: that is too many pencils. We had the advantage of only three pencils for the price of \$5.00. Further research found similar pencils in a single pack for \$8.00. Our competitive pricing was easily advertised and appealing to customers because of the price, amount, and quality. Additionally, our community impact through donating 10% of profits appealed to many customers since they also felt as though they were giving back to their community. No other seed pencil brand had this advantage.



## PRODUCT PRICING

The cost of each pencil was \$0.25 meaning each pack cost us \$0.75. Keeping in mind our investors and donation plan, we researched competitor prices and realized we could sell a three-pack of pencils for \$5. In the days leading up to this decision, we also discussed with community members about willingness to purchase a three pack of pencils for \$5. The response was overwhelmingly positive in our individual communities as well as when our Company employees brainstormed prices.



## LOGO DESIGN

For the logo, we tried to go with a minimalistic design that got the idea of the pencil across. The Company name "Everseed" is written out in simple cursive with a small pencil and sprouts at the end. We chose this design so that every customer has an immediate association with the Company and product. Additionally, the colors were earthy and neutral to remain on theme with the brand.



## TRADE SHOW

The team arrived extra early to set up. To show uniformity and avoid the costs of excess t-shirts, our team decided on business casual attire of white tops and black pants. We decided to use the real visuals of sunflowers, tomatoes, and basil which correspond to the type of pencil we sell. This interested many customers because we were able to demonstrate how to plant a pencil and they could easily imagine what their pencil could grow into. Many people complimented us for having the best table set up. We tried to engage as many customers as possible but did not want to overwhelm anyone. Since we were situated in the front we were able to greet customers in a timely manner. Our calm, gentle, and enthusiastic demeanor allowed us to win 2nd place of most profit.



# SUPPLY CHAIN LOGISTICS

## SHIPMENTS

For every pencil sent via mail, the pencils were wrapped in green ribbons. We included thank you cards and links to social media. We also asked all customers to post on their social media with a hashtag #myeverseedpencil so that customers can become more engaged and more people will have knowledge of the product.



## INVENTORY MANAGEMENT

The Everseed Company purchased the Everseed Pencils from a vendor on Alibaba. The distributor was located in Ningbo, China. We decided to use this company because we had negotiated a reasonable price for the product and shipping. We communicated with the owner weekly to discuss the plan before purchasing the product. The owner of the company was very friendly and was very flexible with our requirements. Every step of the production process they sent photos of the pencil and packaging for our approval. We were confident in choosing them as our suppliers because of their prompt response and accommodations. Our first and only order included 600 pencils. We ordered 200 basil, 200 sunflowers, and 200 tomato seeds.



600 pencils were bought in our first shipment from Alibaba.

1. When pencils arrived, the team counted and created a spread sheet of stock & inventory.
2. Unused Products are stored in a secure location.
3. Every time a product was purchased, inventory & stock was updated to ensure correct numbers.

## COMMUNITY IMPACT

### cityblossoms

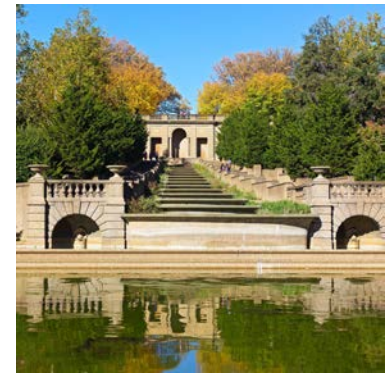
Everseed donated \$233.50 (10%) to City Blossoms, a non-profit organization located in Washington, DC. They create innovative and engaging green spaces in low-income communities of Latino, African American, and immigrant youth. Everseed shared City Blossom values of creativity and collaboration to making the world a better place.



# MLK JR. DAY OF SERVICE

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Since City Blossom had no gardens in need of maintenance, we attempted to make plans further in Spring to help give back to the organization. In the meantime, Everseed hosted a cleanup at Meridian Hill Park to encourage community engagement. Everseed believes that positive change comes from the inside, so our company gave back to the nature that is always there for us. We recorded our progress on social media to encourage people to get involved within their communities as well.



## LEARNING EXPERIENCES

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### BRANCH OBSTACLES

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#### LEADERSHIP

The biggest obstacle that leadership faced was coordination. With busy high school schedules, it was easy to get off track and put JA in the back of the mind. However, the team decided to create accountability rules to ensure proper effort from members. An example is a "cancellation window" in which students had to notify members 48 hours in advance if they were missing a meeting or they would receive a penalty. This was an important lesson because it taught accountability for real world situations.

#### FINANCE

The biggest obstacle was creating a finance workbook. After some time, we were able to accommodate and customize it to our company and needs. We also found it difficult to determine the final price for what to sell each pack of pencils. After researching and group discussion, we were able to come to a decision. This was an important lesson because it taught flexibility and conflict resolution when working with big teams.

#### SALES

The biggest obstacle was the change to a heavy reliance on online selling. Previously, we had experience from the trade show using Square for purchases. There was a lot to adjust to in terms of online selling but we were able to find an easier method to catalog sales. This was an important lesson because we were able to experience first hand quick thinking and problem-solving to prevent any issues.

#### SUPPLY CHAIN

The biggest obstacle was the amount of vendors we had to choose from. We had to contact each vendor individually which was difficult due to the time differences. However, we were able to find times that worked for both the vendors and the team to talk about the product they had to offer. In the end, we chose a company that was extremely diligent, prompt, and flexible. This was an important lesson in making sure our company kept their integrity when choosing a product for our customers.

#### MARKETING

The biggest obstacle was changing audiences. Due to the pandemic, we had to change our audience to those mostly like to be in "quarantine." Additionally, we faced issues of being consistent with posting on social media platforms. The marketing team decided to make a schedule to ensure that we were properly engaging customers. This was an important lesson because it taught us to think more big picture instead of focusing on smaller demographics of people.



# A GLOBAL PANDEMIC

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The challenges our company faced were mainly due to the unfortunate global pandemic of Covid-19 which disrupted important supply lines and selling opportunities. This challenge only helped us become more resourceful, as we researched alternative ways to sell our product. We developed an effective online presence, such as a website and a mailchimp ad campaign. The spread of the virus also disrupted our weekly meetings, forcing us to hold online meetings. From this challenge utilized Zoom to our advantage to hold our meetings virtually. However, due to the pandemic, the stock market was not strong which meant people were not interested in purchasing unnecessary items. We tried our best to appeal to those in quarantine to purchase our product for a fun activity while stuck inside. The insability of the market made people less likely to purchase leisure items. However, we were able to use this to our advantage by using quarantine and mandatory lockdowns to promote our product as a great way to curtail boredom. This strategy has been successful.

# OVERALL COMPANY CHALLENGES

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Effective coordination was the biggest obstacle that leadership faced. Since the Everseed team was stretched out between Maryland, DC, and Virginia, we had little opportunity to meet up other than at our weekly meeting. We used an array of online tools such as Band and Whatsapp to help us connect. An effective tool to keep everyone on track was the use of an online weekly agenda that kept everyone updated on what we were working on, who needed to do what and what was coming up next. In addition, the team decided to create accountability rules such as a "cancelation window" in which students had to notify the team 48 hours in advance if they needed to miss a meeting. Meeting in person was essential for teamwork, and this helped make sure our team members made Junior Achievement a priority. The suspension of in-person meetings and events due to Covid-19 has been a major blow to our company's leadership. We are working around this using Zoom and other online resources.

# FOR THE FUTURE

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The Everseed Company consisted of students from a variety of backgrounds and different schools in the DMV, we combined our strengths in salesmanship, marketing, creative design and community service. The diversity in our team enabled us to reach a greater consumer base which has helped us expand our horizons and opportunities. Each member of the team has greatly contributed with their own unique strengths and abilities. We all learned a lot about owning a business and are sad for our time with Junior Achievement to come to an end.

