



Stuffed Out

GEORGETOWN
UNIVERSITY

McDonough
SCHOOL of BUSINESS

STUFFED OUT COMPANY REPORT 2021

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CHIEF SALES OFFICER - IAN RUBIN
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EXECUTIVE SUMMARY

OUR MISSION

At Stuffed Out, our mission is to reduce stress and anxiety among children by providing them with a constant stuffed animal companion through our Teddy Bandz.

PRODUCT DESCRIPTION

We sell four variations of stuffed animal bracelets: unicorns, bunnies, lions, and sharks. Their sizes range from 8 ½ inches to 9 inches and our plush bracelets wrap around one's hand with a bendable and adjustable metal that fits all sizes of wrists. Our bracelets are washable and allow for easy hand movements, perfect for kids that want to take their bracelets out to play. Additionally, 5% of our total profits will be donated to the Anxiety & Depression Association of America.

PRODUCT DESCRIPTION

Gross Revenue	\$	1,781.32
Expenses	\$	579.27
Donations to Charity	\$	60.10
Net Profit	\$	1,141.95

JA COMPANY PERFORMANCE

As of March 2021, Stuffed Out has had an exceptional 6 months. Since our company has started, we have made \$1292.55 in profit after paying back our investors. Through sponsorships, we have been able to present 82 Teddy Bandz to local pediatric wards. The dedication put forth by our team has helped Stuffed Out surpass all expectations in sales as well as make a substantial impact on our community.

INDEX

- 1 Executive Summary
- 2 Innovation
- 3 Leadership and Organization
- 4 Financial Overview
- 5 Marketing and Sales Tactics
- 7 Learning Experiences

INNOVATION

PRODUCT CONCEPTION

We desired to create a business that could make an impact on major issues in local communities. One issue we agreed on as a team was stress and anxiety. We found that each of us struggled with stress and anxiety or knew others who have undergone similar struggles. For example, one of our team members mentioned he battled anxiety while his mother underwent surgery for kidney cancer. He struggled with anxiety to the point where it interfered with everyday life and had trouble alleviating it. Considering the current pandemic, our team figured the issue of anxiety would become more severe and widespread due to health concerns, isolation, and uncertainty of future events.

To help alleviate this issue we brainstormed a variety of ideas from scented bracelets to stress balls. We focused on two factors: (1) comfort to reduce symptoms and (2) immediate availability to respond to unpredictable anxiety attacks. After some heavy brainstorming, we combined stuffed animals, a common comfort item, with bracelets, which are easy to wear and always follow the user.



SOCIAL RESPONSIBILITY

At Stuffed Out, we wished to give back to the community in ways other than selling our product, in order to solve the issue of stress and anxiety. Since we needed profits from our products to keep the company running and give back to the investors, we felt that the sale of the products was not enough to make an impact in our local community. We decided that if we partnered with local businesses and community members to help bring our product to local hospitals, we could increase our impact significantly. So our company created a program that helps local businesses market during the pandemic by sponsoring a certain number of Teddy Bandz for children in pediatric wards. Through this program, we would not only help children at high risk of stress and anxiety, but also help local businesses at very high risk due to COVID-19.

CHARITY

In addition to supporting our community, our company decided that we would donate 5% of our sales to the Anxiety and Depression Association of America. We wanted to ensure that the money we were donating is received by a non-profit, reputable organization that contributes directly to our cause.



Anxiety & Depression
Association of America

Triumphing Through Science, Treatment, and Education

INNOVATION (CONT.)

SOURCING

Originally, our company was set on a certain supplier through Alibaba with a specific selection of stuffed animal bracelets. Unfortunately, the minimum order ended up being too much for our fledgling company to afford, so we had to switch suppliers after having already marketed their selection on our website. We wanted a supplier that could restock easily and was willing to negotiate a lower minimum order. In the end, we selected the Oriental Trading Company as our supplier over Alibaba, given their faster shipping time, improved product quality, and increased style selection.

COMPETITIVE ADVANTAGE

Our supplier, Oriental Trading, sells in bulk so our company is more consumer-targeted since we offer individual sales.

COMPETITIVE ADVANTAGE (CONT.)

Our sponsorship program drives large donations towards local pediatric wards and directly gives back to the community while helping businesses in these hard times. As a result, people and companies are encouraged to purchase from us, which in turn benefits the community, the purchaser, and our company through an influx of orders.

IMPACT OF INNOVATIVE THINKING

By using sponsorships we were able to support local businesses by providing them with a marketing opportunity. We offered to send their business cards along with our product while purchasing Teddy Bandz for children in pediatric wards. This innovative thinking allowed for a three-way benefit.

LEADERSHIP & ORGANIZATION

COMPANY LEADERSHIP

Our team's leadership was elected on November 17, 2020. Each member was offered the opportunity to run for six leadership roles: Chief Executive Officer, Chief Financial Officer, Chief Marketing Officer, Chief Sales Officer, Supply Chain Director, and Chief Operating Officer. Members who ran for leadership delivered short pitches describing their visions for the team, their passion for the sector they wished to lead, and the contributions they would make as team leaders.

During our leadership position pitches, Pranav described his experience in

starting his tech startup, Daniel referenced his previous experiences as a student council treasurer and as a JA Finance Leader, David shared his previous experience with JA and expertise in running marketing campaigns, Ian shared his entrepreneurial background in creating his business and getting into retail locations and holding leadership positions in his youth group, Nitya referenced her prior job where she coordinated and sourced the most cost-effective computers that could be set up at a testing center, and Ben who has taken multiple courses on finance and entrepreneurship, as well as served as a camp counselor, learning the skills of managing large groups of people.

LEADERSHIP & ORGANIZATION (CONT.)

ORGANIZATION & OPTIMIZATION STRATEGIES

The Stuffed Out team consists of fourteen students, who range from freshmen to seniors in high school and represent various cultures and backgrounds. Coming from different backgrounds, each of our members tends to approach challenges from different angles, which has led to very intuitive and original solutions to various problems. To organize our teams, we played into the strengths of our members to ensure a high level of productivity and efficiency in each department. By observing our team member's individual strengths, we allocated tasks amongst the teams to achieve the best results. For example, David, who has prior experience with video editing, developed the company commercial and asked Muhammed, who has filming experience, to record the footage.

FINANCIAL OVERVIEW

OVERVIEW

As of March 5, 2021, we have sold a total of 142 units generating a total revenue of \$1781.32. After expenses, charitable donations, and an investor return, Stuffed Out's net profit is \$1141.95

CAPITILIZATION

Regarding startup capital and preparation for our trade show, we relied on investments of \$17.86 per Stuffed Out team member and \$250 from our investors, Anna Shaffer and Mark Vecchione. Which we would reimburse through a 70 cent royalty.

BREAKEVEN

Prior to the trade show, we used money generated from our investments to pay for a supply of units consisting of a variety of Teddy Bandz. During the Trade Show, we were able to sell 65 units resulting in \$817.20 dollars of revenue in that one day, passing our breakeven point of 21 units and 254 dollars. Based on our market research survey responses we decided that \$12.50 is an acceptable price to sell our Teddy Bands at. In the end, we exceeded our sales goal with 106 total sales.

LIQUIDATION

After paying our expenses, we sectioned the profits into 2 halves. The first half would be evenly distributed amongst each member of the group. For the second half, we developed a bonus system to motivate members, where they would receive additional compensation based on their efforts.

Statement of Activities	
Sales Revenue	
Units Teddy Bandz Sold	60
Sponsorship Units Sold	82
Total Sales Revenue:	1781.32
Expenses	
Shipment of 156 items	(303.03)
Supplies (Packaging and advertising)	(50.51)
Shipping	(18.80)
Transaction fees	(100.05)
Sales Tax (%6,)	(106.88)
Total Expenses	(579.27)
Net Profit Before Donations	1202.05
Charitable Donations (5%)	(60.10)
Net Profit	1141.95
Statement of Financial Position	
Net Profit	1141.95
Collective Stuffed Out Investment	267.90
Investors	250
Investor Royalty (.70)	(99.40)
Stuffed Out Investment Return	(267.90)
Total -	1292.55

MARKETING & SALES TACTICS

TARGET AUDIENCE

Our target audience was parents with children under the age of twelve. We wanted to focus on a demographic that could feel impacted by the isolation created by the COVID-19 pandemic and were young enough to still enjoy and appreciate stuffed animals. We believed that children under the age of twelve fit those categories perfectly. Since we believed most children younger than twelve were not financially independent, we targeted our ads towards whom they financially relied on. In other words, mainly parents and occasionally teachers. To confirm our assumptions, we launched a market research survey early in the year. Of the 128 respondents, over 80% of parents surveyed said children twelve and under were most likely to enjoy stuffed animals.

SOCIAL MEDIA

Our company utilized Facebook and Instagram in order to engage with our audience and build the brand. We focused mainly on these two platforms because of their well-known reach potential and their consumer base. Facebook had the largest audience of parents and its advertisement options allowed us to reach those people specifically. Instagram had many young adults and its content was focused on appeal, quick reach, and cosmetic attractiveness - something our product excelled in.

SOCIAL MEDIA (CONT.)

Instagram also had the added bonus of being connected with Facebook, so advertisement strategies launched on Facebook could be easily connected to Instagram. To build our brand on these platforms we focused on making ourselves personable through personal introductions (so potential customers could connect with the people bringing them the product), product introductions (so people were well versed in the applications of our product), and a uniform color palette we made at the beginning of the year to help convey our product message: that we were here to help.

MARKETING STRATEGIES

We have utilized targeted social media ads on Instagram and Facebook, as well as promotion on the Nextdoor app in order to reach our niche. Since our target market was parents with children younger than twelve we also went to multiple mom Facebook groups to promote our product. Most groups had a day in the week that allowed promotions to be posted, so we took that opportunity to share our product each week. We also launched a social media ad campaign via Facebook ads manager. Once we imputed our target group, ad content, and budget, Facebook automatically placed ads towards our target group to drive traffic towards our website. We ended up reaching over 7,000 people and getting over 340 link clicks to our website for only 80 dollars.

> Results from 1 campaign

406
Link Clicks

8,575
People

10,646
Total

\$0.24
Per Link Click

\$98.69
Total Spent

MARKETING & SALES TACTICS

PRE-SALES

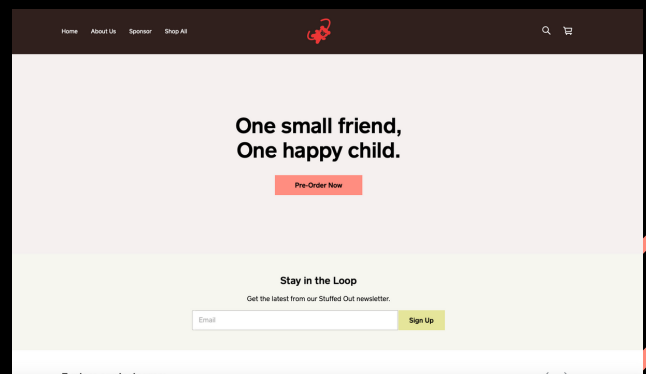
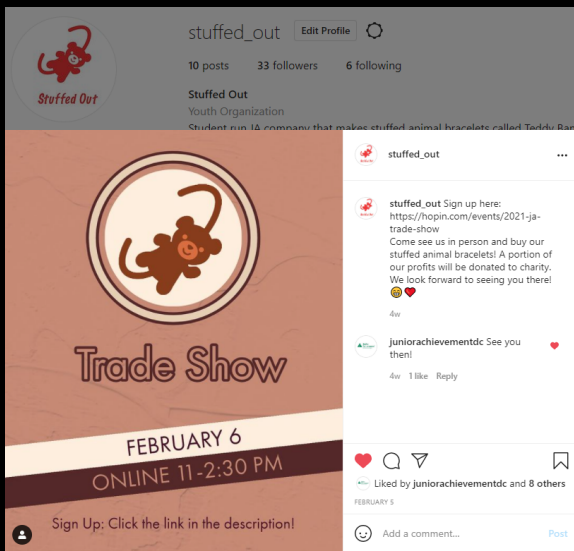
As a result of the short sales period we were granted, we utilized presales in order to gain as much traction as possible. Since marketing is all about starting as early as possible to get as much reach, pre-sales allowed the Marketing and Sales team to get started on their efforts while Supply Chain and Finance could have some breathing room preparing the initial shipment of products.

SPONSORSHIPS

Our unique and innovative sponsorship program allows local corporations and businesses to sponsor a certain number of products that will be given to children at local pediatric wards within hospitals. The Teddy Bamdz will be given with a flier or business card to the kids.

JA TRADE SHOW

The Trade Show provided a great sales opportunity in the middle of the year to showcase our product to a live audience. Prior to the Trade Show, our company spent a lot of effort making sure that our live display was engaging and rehearsing our presentation. In addition to making social media updates to alert our followers of this opportunity Marketing also focused on the commercial. These tasks were especially important since this would be the first time our customers could interact with us in person, and first impressions were extremely important. Before the trade show the team was in a very hectic state, many impromptu meetings were called and the meetings covered everything from rehearsals, deadline submissions, and event day discussions. Each member of the company was under a lot of pressure to meet the mounting deadlines and provide deliverables to other team members. The intense effort paid off, however, when the judges awarded our company the Best Overall Performance Award thanks to our emotional commercial, pleasing banner design, and well-rehearsed pitch.



LEARNING EXPERIENCES

CHALLENGES

We faced quite a few challenges throughout the JA Company Program, mainly related to our bracelets. After our team landed on the idea of an anxiety-relieving stuffed animal bracelet, our supply chain team had to find a supplier that suited our \$500 investment and delivered a good quality product. We searched for almost three weeks, trying to find the perfect supplier, but most of them required a minimum order of 500 units, a quantity well over our budget. Our team came into contact with a supplier who sold high-quality products but at a costly price per unit. We started negotiations with the supplier in hopes that they would give us a discount; unfortunately, it went nowhere. Eventually, we found a supplier that sold exactly what we wanted and more. They offered a wide range of bracelets to select from and fast delivery times, allowing us to provide to a wide demographic of kids. We landed on a bundle that offered four types of bracelets, however, when the time came to order our products, we discovered that they had sold out of the bundle. Our supplier sold similar styles of bracelets by the dozen, but it was more expensive than our original bundle. Our supply chain and finance teams coordinated together and did a cost-benefit analysis on ordering the different styles. We decided that instead of ordering 100 bracelets like originally planned, we would order 72 at a slightly higher price. We also changed our bracelet styles from cats, sloths, unicorns, and dinosaurs to unicorns, bunnies, sharks, and lions. In fact, it ended out working for us because the lion and shark became our most popular products.

CHALLENGES (CONT.)

In regards to our sales, our sales team realized that making sales online would be a much harder task than expected. We did not have the same opportunities to sell our products face-to-face, which can make quite the difference. Instead of making only individual sales, we also decided to start sponsorships for products. This was a big decision because it would transform our company structure, but it has been one of the best decisions we made. We received many of our orders through our sponsorship option, which also gives Stuffed Out an opportunity to give back to our community and help relieve some of the stress kids in hospitals may be going through. We took the challenges we faced and used them as stepping stones to push our company forward. Each mistake and challenge is a learning experience, but what matters is that we adapt to the situation and make the best of it. Throughout all of this, our team realized the importance of the supply chain team as they were only a team of two, collaborating online and having to do a lot of the work independently.

IMPROVEMENT & REFLECTION

Participating in this program and starting a company with people that have never met is a once-in-a-lifetime experience that our team is fortunate to have had. We got past our obstacles together and have learned firsthand how to run a business with the independence and guidance our mentors gave us. Our supply chain's challenges helped us learn that things don't come easy and that one has to be flexible and accommodating to get what they want.

LEARNING EXPERIENCES (CONT.)

IMPROVEMENT & REFLECTION (CONT.)

Our finance team got us to pay attention to every single detail because one mistake could collapse our budget. Our marketing team got hard at work, trying to build a brand and website that was attractive yet professional at the same time. We have not learned just entrepreneurial skills, but universal skills that apply to almost every situation that a person can encounter. Skills such as time management, teamwork, communication, problem-solving, and collaboration. Through directly applying ourselves and showcasing these skills, the Company Program has benefited all of our company members in one way or another.

FUTURE PLANS

In the future, we could partner up with schools as they transfer back into in-person learning, providing teachers with a prize they can give out to their young students and we still plan on getting sponsorships to donate our bracelets to the pediatric wards of nearby hospitals. If possible, we would like to explore the opportunity of continuing our company once the program is over because our mission is one that means something to all of us. All of our team was a kid at one point and knows what it is like to feel alone, an experience that is frightening and no kid should have to go through. If we continue our company, we can at least make sure that they have a companion to endure such challenges with.

CAMARADERIE

Stuffed Out is a truly unique experience that has virtually connected fourteen students from across the D.C, Maryland, and Virginia region. We came together as we unanimously chose an idea to go forward with during November of 2020. From the joy we felt as we got our first order to the excitement we experienced when Stuffed Out won the Best Overall Performance at the 2021 JA Trade Show, we have been together. Forging connections online was hard, but we thought outside the box and sought creative solutions to stay connected. We started Saturday Game Nights as a way for us to bond. We played games such as Pictionary and even streamed a few movies together, proving that the online experience did not have to be as bad as it was made out to be. It was awkward at first since no one knew each other, but we made the best of the situation and eventually got closer. A member of our marketing team, Muhammed, 3D printed a model of our logo when our idea came together - which has since become a memory and representation of Stuffed Out getting started. We have all built new friendships that will last for a long time to come, which is what makes this program entirely different from most. Stuffed Out is a part of our lives none of us will forget and has changed us for the better. Our company's mission may have been to help a child make a friend, but in the end, we made lifelong friendships as well.

