

Business Report

2016/2017



Company
Progression+

Country
Isle of Man

Business Mentor
Jeanette Gardner

Teacher
Mrs Delaney



Wakee_{zz}e

Executive Summary

Mission Statement

To start your day in a stress free way.

Our Business Idea

Our product is **Wakeeze** the alarm band that vibrates gently on your wrist to wake you up in the morning.

When you are woken by a noisy alarm pulling you from a deep sleep, it triggers a sequence of unhealthy physical responses. One of these is that adrenaline is sent coursing through your body, triggering the fight-or-flight response. This causes your heart rate to increase and your blood pressure to spike. Research shows that being jolted awake can affect your mental agility and your ability to make decisions.

Wearing a **Wakeeze** alarm band allows you to wake up rested and refreshed as the alarm vibrates gently on your wrist. Not only does this benefit your health, it also supports the needs of others by not disturbing anyone else.

Our goals

- To sell a quality alarm band that can be used with both Android and Apple devices
- To grow the business by adapting **Wakeeze** to be used for other markets
- To work with a reputable manufacturer
- To provide an excellent service to both new and existing customers
- To run a profitable business



Financial Summary

Turnover	€2609.86
Net profit (pre-tax)	€1049.44
Gross Profit Margin	€1747.96
Net Profit Margin before tax	40%

Business Performance and Profitability

When we first started our business we placed an order for 100 alarm bands which sold quickly.

Since winning the Isle of Man Company Programme finals in March we have been working with a new manufacturer who can produce an alarm band than can work with Apple and Android devices and develop new retail packaging.

We took delivery of the new alarm bands just 2 weeks before writing this report. In the meantime we have been focusing on raising funds to place our next order and have put together a sales and marketing plan.

We look forward to providing you with a sales update when we meet in Brussels.

This report describes our company, product and sales in greater detail. You can also find our shop and social media links on our website.

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Our Company

The Start Of Progression+

In September 2016 we were all given the opportunity to take part in the JA Company Programme. We were so eager to get started on this project that before Junior Achievement came into the school we had already decided on the team members and were ready to go.

We wanted to provide a useful product to a wide target market. We hoped to solve an ongoing problem experienced by a large number of people world-wide.

Our Team

Progression+ is made up of five hardworking students from QEII High school in the Isle of Man. Originally we were a team of 6 but one of our team members left.

The Idea

We had been researching and brainstorming ideas when one of our team members arrived to one of our meetings stressed by the fact they had been woken by their parents' alarm clock at 6am in the morning. This was our 'eureka moment' when we realised we had to find a more relaxed way to wake up in the morning without disturbing anyone else. This is how we came up with the idea for **Wakeeze** the vibrating alarm band.



Chloe Irving - Managing Director



Chloe is our Managing Director. She was given this role as she can lead and motivate others as well as being reliable, co-operative and well organised with good self-motivation and time management skills. Chloe's role is pivotal in the company.

Kelly McMullin - Finance Director



Kelly is our Finance Director. She plays a key role managing the company's accounts. Kelly is a very numerate, articulate and an extremely positive member of the company.

Alex Devereau - Sales Director



Alex is our Sales Director. He is responsible for selling Wakeeze to the right markets at the right time and at the right price. Alex is creative, thorough and innovative and his pride in our product makes him a crucial member of the company.

Chloe Mylchreest - Secretary



Chloe is our Company Secretary. She plans and prepares our meetings, takes minutes and ensures all actions are captured and tracked. Chloe is an organised, enthusiastic and a hard working member of the company.

Will Snape - Marketing And Design



Will is our Design Specialist. His role is to make sure every aspect of our Wakeeze product and its packaging is spot on. Will has an eye for detail and a flair for design so is an important member of the company.

Our Product

Innovation

After looking at similar products we realised that they are being marketed as fitness devices, with the emphasis on using the wrist band as a pedometer and tracking your heart rate. The vibrating alarm is usually just an add-on that not many people know about.

What makes our business innovative is that we have decided to focus on promoting the benefits of having a vibrating alarm band that is scientifically proven to be better for your health. Who wouldn't want to wake with ease?

Research

Americans recently voted alarm clocks as one of their most hated inventions (second only to the mobile phone). In a recent study published in the Journal of the American Medical Association, people that were woken during deep sleep suffered from worse short-term memory, cognitive abilities and even counting skills. Although serious effects had faded within the first ten minutes, some impairments were still detected for up to two hours after waking. These results could have implications for firefighters, doctors and emergency workers who need to function at an optimum level immediately after awakening.

This level of stress can contribute to high blood pressure, sleep problems and depression. If you're woken suddenly during the 'deep' sleep stage, your ability to think clearly is badly affected.

It is hugely important to start your day right to help maintain good health and performance and that is why **Wakeeze** is desperately needed.



Solution

The **Wakeeze** alarm band vibrates on your wrist to wake you up with ease. It retails at €17 and is simple to use. It comes in three colours: Black, Blue and Orange.

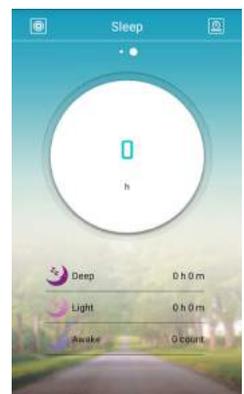
You simply place the band on your wrist and set an alarm via an app on your phone. The app can be used with any Android or Apple devices and is free of charge.

At the allocated time the band will start to vibrate gently on your wrist allowing your body to gently wake up without the sudden shock of an annoying alarm clock.



The app

The **Wakeeze** band is controlled through a free app downloadable for both Apple and Android products. An easy way of finding the app is a QR code which is found in the **Wakeeze** instructions provided with every band to make the process simpler for the customer.



How we chose the band

Initially we had hoped to get **Wakeeze** manufactured locally and met with a local engineering company called Swagelok. This was not cost effective and we were advised to look for an existing product that we could resell and rebrand.

The product that we found was being sold as a fitness tracker and we realised that we could resell this item as a vibrating alarm band. Initially we placed an order for 100 bands which we sold quite quickly proving how popular the idea was. The disadvantage for this product is that it only worked with Apple devices and after studying the market we knew it would be more beneficial for us to find another band that works for both phone types.

Where are we now?

In our quest to improve **Wakeeze** we have been communicating with a number of manufacturers in China. The criteria was as follows:

- To find a reputable company who could
 - provide assurances that they look after their staff
 - provide evidence of quality checks
 - offer a 12 month guarantee with the wrist band
- brand the product, packaging and the app with the **Wakeeze** logo
- provide an app that can work on Apple and Android devices

We have found an excellent company who fits this criteria and have sent us a prototype. Therefore we placed and have just received an order of 100 wristbands.

They have been good at communicating and are very efficient.



Our suppliers quality checks



Our suppliers factory

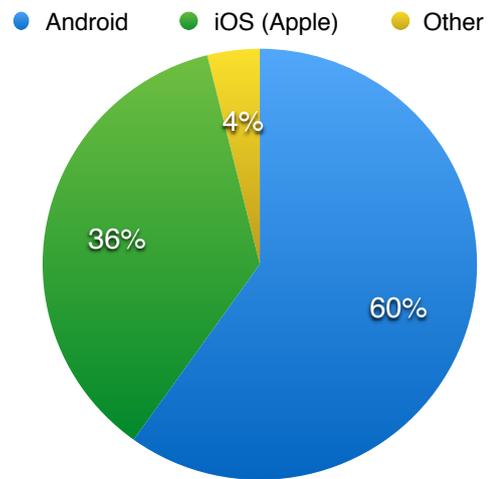
Costings for the new Wakeeze

The cost of 100 wrist bands including production, packaging, shipping, import duty and bank charges € 670.

Gross profit per wrist band 60.5%

€ 17(sale price) – €6.70 (cost) = €10.30

Smart devices OS sales share



Source: Kantar Worldpanel Feb 2016

Operational Difficulties

As our supplier is overseas, we have had to take some different things into account which have been a little bit more difficult than expected.

To get our product delivered to the Isle of Man there has been an additional charge for customs duty, postage and packing. This cost has had to be factored into our final selling price.

Our initial **Wakeeze** did not work with Android devices. This was a major problem as in 2016 - 328 million Android devices were shipped worldwide, with Android devices capturing 59.84% of the global market. This problem has now been resolved with the introduction of a new and improved **Wakeeze** which we will be showcasing on our Trade Stand.

Our Business Structure

At the early stages of our business being formed, we put together a business plan detailing where we would like to be at by the end of the competition and how we are going to get there.

Our Managing Director leads the meetings using an agenda prepared by our Secretary. We make sure we go through this agenda to ensure we are on track.

Our Roles And Responsibilities

It was important from the outset to assign roles. To do this we went through the job descriptions and the roles were selected based on our personal strengths and skills which can be seen on page 3 of the report.

What Have We Learnt?

Being thrown into such a competitive and challenging environment, our team has learnt one of the biggest traits business people have; resilience. Even when we were faced with tough decisions, out of our comfort zone situations and large amounts of pressure, our team always pulled through with the help of co-operation, positivity and drive. These characteristics have really shone throughout the programme.



Fundraisers

Our team decided to raise the funds to launch our product rather than sell shares.

We did lots of fundraisers to make money to start buying in products and equipment and to also market **Wakeeze** to as many people as possible. We used events such as car washes, school fayres, bag packs and a raffle to raise not only money for our company, but also the public awareness of our product. For example, we ran a pyjama day at a local primary school and sent out flyers to help spread the knowledge of **Wakeeze** to children and their parents, targeting potential buyers.



Sponsors

We are lucky enough to have gained sponsorship from two great companies: Café Red and B&B Furniture. Both companies have agreed to give us financial backing along with selling our products in store in return for advertisement from ourselves. We are delighted to have these great companies on board as they have helped us with our business idea and the selling of our product.

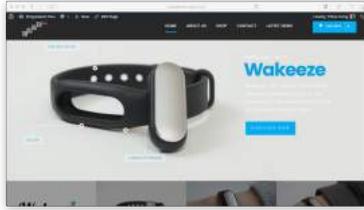
Sales and Marketing

Sales

We decided to market and sell our product in numerous places so that it reaches a wider market. Below shows all of the ways customers can buy **Wakeeze**.

Online on our website

With the help of Callum Staley an ICT student, we created a fully functioning website with an online store where you can buy **Wakeeze**. As online shopping is becoming more popular, we knew we had to invest in making a website to attract this market. You can find our website at www.progression-plus.co.uk.



At pop-up shops

We teamed up with popular stores and made a pop-up shop to sell and promote **Wakeeze**. So far we have been spotted at Shoprite, Tynwald Mills and Café Red.



We have a number of pop-up shops planned throughout June and July.

Retailers

We created a supplier discount table and then approached retailers about them selling **Wakeeze**. Our bands are currently being sold in Manx Telecom and Café Red however we are in negotiation with Sure, Barclays, B&B Furniture, WHSmiths and Gadgetman.



Target market

After completing a review of our sales to date we have established that more than 80% of our customers are women aged 25+.

They are not necessarily the end user as they have purchased the wrist band for family members including their partners and children.

The main benefit of **Wakeeze** is that it wakes you up in a stress free way. Linked to the research above it would suggest that women purchase this product as they value this benefit.

The end user of **Wakeeze** is: children, couples, elderly, hard of hearing, business people, teenagers and students.

In addition to waking up in the morning the **Wakeeze** can be used to:

- Remind you to take medication
- Schedule a meeting
- Wake you up on a long haul flight
- Remind you when something is due out of the oven
- Make sure you do not miss a stop when travelling by bus or train
- Act as a pedometer and sleep tracker

Promotional Video

The **Wakeeze** promotional video can be seen on our website www.progression-plus.co.uk and on our Facebook page progressionplusiom.



Sales and Marketing

Future plans to improve sales

Although we are already selling **Wakeeze** in numerous places, we are not stopping there. In our plans to market **Wakeeze** globally, we are looking to reach new customers.

As **Wakeeze** can be a key item for when travelling, we aim to contact airports and sea terminals about selling our product and promoting the huge benefits of having a **Wakeeze** with you on holiday.

We could also link our bands to the sale of other products such as beds. This means that not only will we get more advertisement through existing companies, but we will also be able to highlight the benefits of **Wakeeze** when buying other products.

Rewarding customer loyalty

We feel it is important to look after existing customers and to encourage them to place repeat orders. This would be in the form of a **'Family Deal'** where if you buy 3 bands you get the 4th free and an **'Invite a Friend Deal'** where once you buy a band you receive a code which gives you the chance to earn a 10% discount if you order again in the next 30 days. By doing this, not only are we encouraging repeat customers but we are also rewarding the loyalty of them.

Feedback

We have been given some great feedback from both customers and other businesses as shown below.

"Your company and product sounds incredible, congratulations!" - Kelly Stone, Warner Music UK

"Fabulous guys! Cracking idea" - Sarah Cain, Customer

"Nice product idea, I desperately need one of those!" - Dario Leonetti, Bloom Creative

Corporate gifts

We recognise that our product makes an ideal corporate gift and have already sold 25 **Wakeeze** bands to a large eGaming company.

Now that we have received delivery of the new bands we have put together a list of companies to target and will be visiting them throughout June.

Local Radio Station

After they heard about our recent success, we were invited to talk on a radio show called Women Today hosted by Manx Radio. We are currently planning on participating in the interview very soon and we look forward to using this popular radio station to promote **Wakeeze** and our team.



Celebrity Endorsement

The Isle of Man hosts motorsports biggest event, the TT Races. We took this opportunity to gain ourselves some celebrity endorsement by offering the famous bikers a free **Wakeeze** band as long as they wore it throughout the TT.

- **Dan Kneen** - *The first rider to win a hat-trick at the Manx Grand Prix*
- **Dominic Herbertson** - *Champion North East Motorcycle Club (2015)*
- **Davo Johnson** - *Fastest ever rider of a British motorcycle (128.5mph)*

And many more...



Financial Summary & Future Potential

We do not have any wages or commission to pay to sub-contracted workers and we do not owe any money to shareholders.

All of our start-up costs have been raised through fundraising and sponsorship.

Current accounts

We had hoped to have been able to demonstrate more sales when preparing this report. You will see from our accounts that we have items in stock. This is because we have just received a delivery of our new and updated **Wakeeze**.

Our total profit will be split five ways, one part for each member of the company.

We have no production wages as we stick the labels on the products ourselves, which may take more time than if we hired some additional employees, but it allows us to keep the price of our product down.

Gross and Net Profit explained

You will see based on the figures on page 10 of this report that our Gross Profit Margin at 66% and our Net Profit before tax is 40%.

We have recently taken a delivery of 100 alarm bands which we expect to sell by the end of the European final. Our sales revenue would increase to €4,258 and our Net Profit margin to 50% (pre-tax).

Sales Predictions over the next 12 months

Customer feedback has been excellent. We believe that now we have the new **Wakeeze** which is compatible with Apple and Android devices our sales will increase substantially. These increased sales will be generated through pop-up shops, corporate and online sales.

Our prediction over the next 12 months is 500 units, generating a sales revenue of €8,500.

Month	Unit Sales
June - October	100
November - December	200
January - June	200

Investment

Our long-term plan is to reinvest some of the profits to further develop the app that supports the **Wakeeze**. This will cost in the region of £1,000. This development will include rebranding.

Future plans

Once the company has finished, each of the team members will be given a fifth share of the company.

After the company has closed, a new one will be made to continue the business. Members may be asked through an invitation to rejoin the company and if they choose to accept, they need to put their share back into the business.



September 2016 – June 2017 Profit and Loss Sheet for Progression +

Sales and Fundraising		€2,609.86
Purchases	€1,398.91	
Production wages	€0.00	
Less Closing stock	€ 536.91	
Cost of sales		€ 862.00
Gross Profit		€1747.86
Expenses		
Salary, bonus or commission	0.00	
Stationery	0.00	
Rent & hire	€ 11.50	
Marketing	0.00	
Miscellaneous expenses	€ 686.92	
Total Expenses		€ 698.42
Operating Profit		€ 1,049.44
Corporation Tax 10%		€ 104.94
Profit after Tax		€ 944.50
Appropriation of Profit		
No Shareholders		€ 0
Dividends between the team		€ 944.50
Balance Sheet as of 8 June 2017		
Current assets		
Stock	€ 536.91	
Debtors	0.00	
Cash at Bank	€ 512.53	
Cash in Hand	0.00	
TOTAL CURRENT ASSETS		€ 1,049.44
Current Liabilities		
Loans	€ 0	
Creditors	€ 0	
Corporation Tax	€ 104.94	
TOTAL CURRENT LIABILITIES		€ 104.94
BALANCE		€ 944.50
Issued Share Capital		€ 0
Profit and loss account		€ 944.50
Funds to be divided		€ 944.50

Notes

At the time of producing this report the exchange rate was €1.15 to the £1.

We did not sell shares in the business but used fundraising to purchase products.

J. Gardner

Verified by
Jeanette Gardner
Progression +
Business Mentor

8 June 2017

Our Journey

Progression+ is excited about the future. We feel with have a great product with lots of potential.

We look forward to bringing the **Wakeeze** to Brussels.

Throughout this journey we have learnt:

- To support one another and work as a team
- To listen to customer feedback which resulted in finding a product that could work with both Apple and Android devices
- That balancing your studies with the JA Company Programme can be challenging and good organisation is essential
- How to negotiate with suppliers but to still end up with a quality product
- That you do not have to invent something new to be successful in business and that you can take an existing product and re-market it in an innovative way
- To be resilient and not to give up despite facing challenges along the way
- The importance of cashflow and having sufficient funds to continue running the business



Acknowledgements

We would like to thank Jeanette Gardner, Business Operations Manager at Manx Telecom who has been a great help to our company. Her advice and determination has really rubbed off on the whole team and she has taught us how to conduct ourselves in a polite but business minded manner and helped us with our product strategy.



We would also like to thank Mrs Delaney our Link Teacher, Raygie Dolloso our Student Ambassador and Junior Achievement for giving us the opportunity.

Finally we would like to thank the organisations and individuals who have helped us throughout our journey:

- Manx Telecom
- QEII High School
- Shoprite
- Café Red
- B & B Furniture
- Bloom Creative
- B&Q
- All the TT Riders
- Warner Music UK
- Boston
- Kirk Michael Primary School
- Peel Clothworkers Primary School
- Jo Pack - Manx Radio



WARNER MUSIC GROUP

