



Annual Report
7 December 2015

Executive Summary

As a group of 33 business majors we were very excited to brand IBC in a new and more effective way this semester. We were able to present six different offerings to the student body at Cedarville including Glow Golf, a FIFA Tournament, Moonlight Madness t-shirts, Class t-shirts, 2.0 Mugs, and Bluetooth Beanies. Through all of these offerings we branded IBC by including our logo on the t-shirts, IBC announcements in chapel, and many more things. We are proud to announce that we raised a total profit of \$2500 while only taking out \$1500 in a loan. We are excited to present this money to both SGA philanthropy projects - Target Dayton Ministries and Shoes for the Shoeless - where we were able to each spend at least 248 combined hours serving this semester.

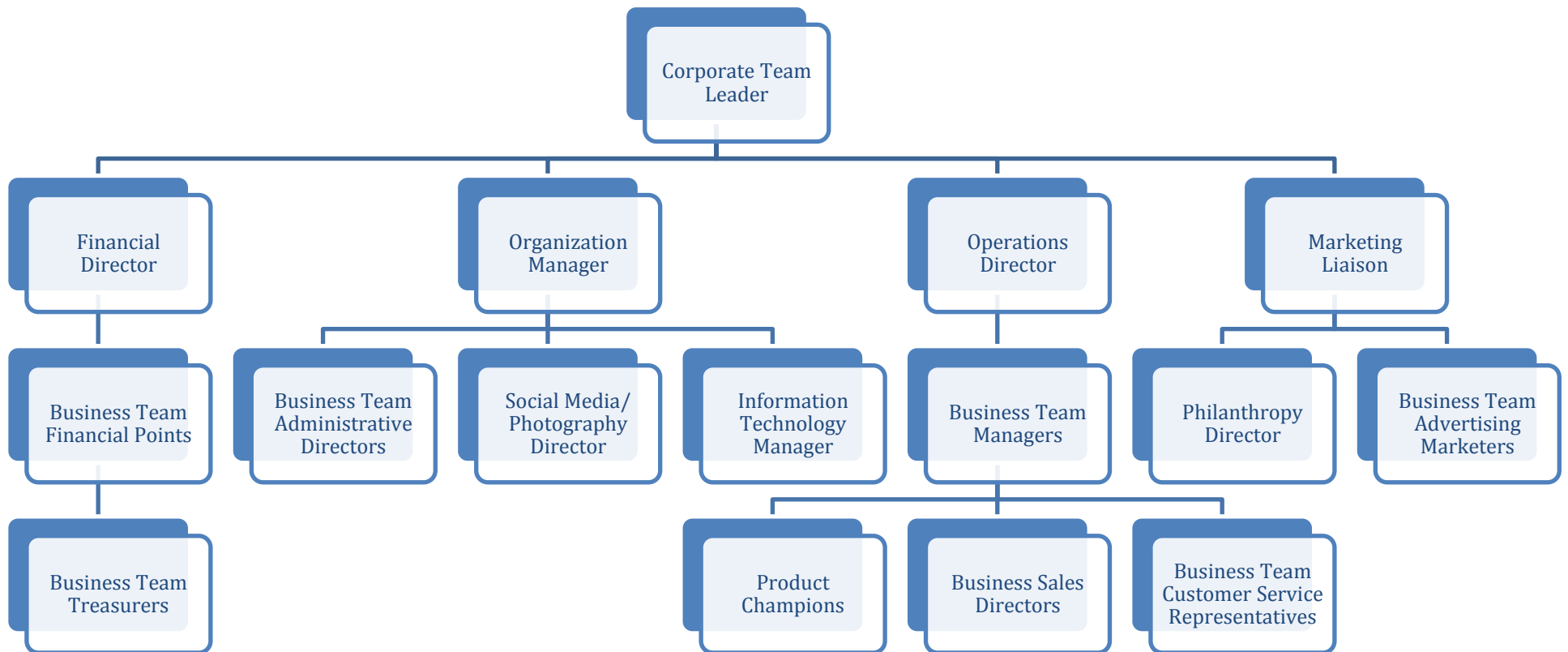
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Our Mission:

It is the mission of our company to develop positive brand recognition for IBC by providing desired products and services with exceptional customer service at high-value price points - all for the glory of God.

Organization Structure:



SGA Partnership/Philanthropy:

SGA Partnership:

We had the opportunity this year to partner with Cedarville University's Student Government Association (SGA). SGA has a positive recognition on campus and a number of various marketing advantages and connections that helped the IBC. SGA helped with reserving tables in the lower Steven's Student Center, setting up meetings with key administration, allowing us to access their media and design resources.

Philanthropy:

We were excited to partner with SGA because we were also able to join them in their mission to serve the local community through several different charities.

Shoes for the Shoeless:

Since January of 2010 Shoes for the Shoeless have been providing students in the Dayton Area with a free pair of socks and shoes. Volunteers go to the school and serve by fitting and handing out a pair of socks and shoes to each student. Their goal for 2015 is to give socks and shoes to 7,000 Dayton area children.



The IBC was able to donate a total of 98 hours of service to Shoes for the Shoeless. We were given the opportunity to go into elementary and middle schools in the Dayton area to give shoes to children in need. The process consisted of unloading the shoe truck, sizing the child's feet, and fitting them with a new pair of socks and shoes. One of the IBC members, Zach Avery, pictured to the left, said that his favorite part of working at Shoes for the Shoeless, "had to be getting to know the kids and trying to find them the shoe they liked most." Zach also said that the kids were, "all ecstatic when they found the one."

Target Dayton Ministries:

Target Dayton Ministries served more than 45,000 hot meals to the poor and homeless last year. The volunteers not only serve meals but also are able to eat meals with them and build personal relationships proclaim Christ.



The IBC was able to donate a total of 150 hours to Target Dayton Ministries. In this ministry the IBC attended a church service with the guests and then served them a hot meal. After the meal was served we were able to chat with the guests and get to know them a bit.

Our goal for the IBC was to provide the ministries with \$2,000 that was to be split between Target Dayton Ministries and Shoes for the Shoeless. We served a total of 248 hours between Target Dayton Ministries and Shoes for the Shoeless. The IBC members grew closer together as we served together.

Glow Golf Tournament

Event Overview:

Glow-Golf was a late night co-ed Campus Golf Tournament with glow in the dark tennis balls and glow in the dark hole-markers.

The Glow:



Event Description:

Nighttime golf was played on campus using glow in the dark tennis balls and golf clubs. Strategic objects around campus were covered in glow in the dark tape and were used as “holes” for the event. The tournament was a four-man scramble format. The team with the lowest score at the end of the round received a prize. The “best-dressed” glow team, the ball closest to the pin, and the longest drive on designated holes also received prizes. When the golfers finished their game of golf, there were fun glow in the dark outdoor activities, refreshments, and music for them to enjoy while they waited for the awards ceremony to start. There were two 9-hole courses – the “blue course” and the “yellow course” – that players chose from at registration. The tee times were set in 7-minute intervals, and began at 7:30pm and ended at 10:00pm.

Marketing Strategy:

We marketed Glow Golf in a variety of ways. Our graphic designer created posters for the event that were posted in the Steven’s Student Center and in the lobbies of the dorms. Our team painted “the rock,” located between the Dixon Ministry Center and the Steven’s Student Center, with glow in the dark paint. We hired a videographer to create a video, which was then played at the beginning of chapel on October 6th. We contacted the Resident Directors on campus asking them to encourage this event to the Resident Assistants as a “bro-sis” event. A practice hole was set up outside of the Steven’s Student Center from 5pm-7pm on October 7th, to introduce new players to the game. The goal was to engage females and freshman to encourage them to try campus golf. We had a “human statue” on a stand dressed in all black and covered in glow sticks that created more excitement about the event and encouraged sign ups. This along with some strong personal selling from a few of our members allowed us to reach around 83 golfers.

Supplier Information:

The tennis and golf team supplied us with tennis balls and golf clubs. Amazon.com was our supplier for all of the glow-in-the-dark materials. For all equipment that was lent to us, there were written contracts signed by both lending parties and the IBC. The waiver provided by the Cedarville University legal department ensured that both the IBC and the University had liability coverage.

Information Technology:

Online registration was offered through the Cedarville University website. The participants could fill out the form at the registration table in the lower SSC or from their personal computers, with the option to pay with a credit card.

Timeline:

24 September	• Materials Purchased
4 October	• Poster are Hung
5 October	• Registration Begins
6 October	• Video Plays in Chapel
9 October	• Event Date

Obstacles:

The main obstacle encountered for the Glow Golf Tournament was the struggle of getting students to register for the event. On Wednesday, we had less than ten people signed up, well below our original break-even point of 91 tickets. One reason for this problem was the high price, which many people were not willing to pay. Another reason was people thinking they could not play campus golf, which we addressed with our mock hole. We were also unable to get the tournament marketed at the high school because of previous high school events planned for that night. As our first event, we did not have a plan for getting everyone in the IBC involved in helping to sell for the event. The event SBU ended up having to do a majority of the selling and other preparation for the event.

To overcome these obstacles, we began personal selling and selling at dinnertime in the Steven's Student Center. After these adjustments, we were able to exceed our break-even point. From this event we were able to learn the importance of getting help from the entire IBC for both the selling and preparation for the FIFA tournament.

Controls:

Throughout the process of putting on the Glow Golf event, we implemented various controls to make sure that we were held accountable and also to ensure that the event was a success. We did this by reporting and documenting every sale that we made. We also reported and documented the golf clubs that we borrowed from the golf shed at the Cedarville driving range. Finally, we had everyone available to work the event as well.

Customer Feedback:

Out of over 83 people that participated in this event, around 30% responded to our customer service survey. The scores we received ranged from 3 to 10 with the majority of them being closer to a 10. The results on average are as follows:

The Glow Golf tournament was an enjoyable experience overall. 8.5

The Glow Golf tournament offered everything you needed. 8.3

I would do this event again if it were offered. 7.7

The pricing was fair in participating in this tournament. 7.5

The Integrated Business Core treated you fairly. 9.0

What could we have been added to make this event more enjoyable?

“If there were either better markings for the course to know where to hit toward or a few extra people to make sure there was good guidance. We had a couple times that we were unsure where the hole was and had to take some time to figure it out.”

“\$5 instead of \$8.”

“More flashlights to charge the glow paint.”

“Honestly, the only "complaint" I would have is that I wish there would have been more than 9 holes per course. I believe this event would have still been extremely fun and attention grabbing/maintaining with 18 hole courses!”

“The only downside of the event was how quickly the balls ran out of glow. It made it hard to find them sometimes when they were hit... off course.”

“The awards banquet could have been better organized but overall it was a great event and I really enjoyed it!”

(For more responses see Appendix A.)

Financial Information:

Glow Golf Event					
Net Income Statement					
			Projected		Actual
Ticket Sales*	Cash	150	\$1,219	42	\$372
	Credit			48	\$416
Operating Expenses					
Marketing expense			\$200		\$189
Supplies expense					
Glow bracelets/course markers	114			226	
Glow paint	120			120	
Prizes	75			45	
L.E.D Lights	80			64	
Misc				5	
	Total supplies expense		\$ 389		\$ 460
Refreshment expense			60		50
Credit Card Transaction fees			15		10
IBC reserve (5%)			61		39
Interest expense			8		8
<i>Total operating expenses</i>			<u>\$734</u>		<u>\$756</u>
Net income			<u>\$485</u>		<u>\$32</u>

*150 ticket sales. 75% sold at discount price of \$8/ticket. Last 25% at flat \$10/ticket

FIFA Tournament

Event Overview:

The IBC hosted a World Cup style FIFA 16 tournament. This event took place on October 23rd in the Annex, in the lower Stevens Student Center (SSC). Registering for the event was \$7 per person and \$3 for a buy-in if knocked out of the tournament. Three individuals won prizes such as FIFA '16 the game for placing in the top three. The player with the most points advanced to the single elimination tournament.

The Tournament:



Event Description:

The IBC hosted a world cup style FIFA 16 tournament. This event took place on October 23rd in the Annex, which was the former game room next to the Hive in the lower Stevens Student Center (SSC). Registering for the event was \$7 per person and \$3 for a buy-in if knocked out of the tournament. Three individuals won prizes such as FIFA 16 the game for placing in the top three spots.

Marketing Strategy:

Our marketing strategy primarily involved hanging posters in male dorms and academic buildings. We also got the chance to place posters in Cedar Cliff Schools to invite high school students to the event. We set up an Xbox in the Dixon Ministry Center and the upper Steven's Student Center while members of the IBC played the game. We invited people who passed the table to play a game of FIFA and handed them cards with the event information. Also, we were able to put information about the event and event registration inside the bags of CU Friday students (perspective students). However, we did not receive a lot of excitement from CU Friday students.

Supplier Information:

Five Cedarville students lent us their Xbox Ones and TVs to use for the tournament. We rented two games from local Family Video's and borrowed two from students. Because most of these were borrowed from students we required all participants to sign Cedarville University approved liability contracts. This contract held the participants liable for any damage they caused. IBC also entered into an agreement with the lenders stating the IBC is liable for any damage but not normal wear on the systems. We purchased the prizes from Amazon.com.

Information Technology:

Online registration was offered through Cedarville University's website. The participants filled out this form at the registration table in the lower SSC using cash or credit cards.

Timeline:

18 October

- Posters are Hung

19 October

- Chapel Marketing
- Registration Begins

23 October

- Registration Ends
- The Event

Obstacles:

We did not get as much interest for the FIFA tournament as our concept test results seemed to indicate. Even after working hard trying to get people to sign up, we were not able to reach our break-even amount. One reason for this, was the date of the event. We had purposely planned around soccer games, so that the men's soccer team would come to the event. However, we did not realize that the soccer team had practice the night of the tournament and were unable to play. We also did not realize that there were open dorms the night of the tournament, giving students something fun to do for free instead of the tournament. We had hoped to get Dr. White and/or Jon Wood to play FIFA in chapel to increase excitement, but the proposition was denied. The FIFA tournament itself ended up not going as well as we hoped. In order to differentiate the FIFA '16 discs and be able to return each to their rightful owner, we decided to put tape on a disc. Unfortunately, when the disc was put into the Xbox One, the tape came off and got stuck, along with the disc, inside the Xbox. To prevent further damage to the Xbox, we pulled the disc out, breaking the disc. We were able to get the tape out of the Xbox without damaging it and thankfully only had to replace the FIFA '16 disc.

Controls:

Throughout the process of putting on the FIFA event, we implemented controls in order to keep each other accountable and ensure the smoothness of the event. One way we did this was by reporting and documenting everything we rented or borrow from people. We also had a shared Google Spreadsheet that ensured everyone in the IBC worked shifts at the table during the week while we were selling.

Customer Feedback:

Out of the 24 participants in the tournament, we only received a few responses to the customer satisfaction survey we emailed. The scores we received from the low number of respondents were all consistently high. The results on average are as follows:

The FIFA tournament was an enjoyable experience overall. 9.5

The FIFA tournament offered everything you needed. 10

I would do this event again if it were offered. 9

The pricing was fair in participating in this tournament. 10

The Integrated Business Core treated you fairly. 9

What could we have added to make this event more enjoyable?

Of the feedback given we learned the most from the comments made on the emailed forms below:

“The "re-buy" option was poorly thought out. I moved on from group stage to the bracket. One of people in my group who did not move on re-bought in and I was the one who had to immediately play them again in the first round. It shouldn't work that way. I should be playing someone outside of my group. That's not a difficult task if it is planned out prior to the tournament.”

“The tournament was also very long. There were some issues with the XBox's that were unavoidable, but the organization of who's playing who next, and keeping the games going once the TV's opened up could have been much more efficient. There was some miscommunication between the people working, almost as if they planning parts of the tournament as it was happening as if they planned much in advance.”

“The world cup style of tournament was a great way of doing it! It made the money worth it because you are guaranteed to play at least 3 games. It was a fun atmosphere having everyone watching and cheering during the games. It was a fun experience!”

Financial Information:

FIFA					
Net Income Statement					
		Projected		Actual	
Ticket Sales*	Cash	75	\$645	12	\$90
	Credit			8	62
				4	28
Operating Expenses					
	Marketing expense		\$100		\$81
	Supplies expense				
	Xbox rental	30		31	
	Prizes	90		132	
	Total supplies expense		120		162
	Refreshment expense		50		8
	Credit Card Transaction fees		8		2
	IBC reserve (5%)		32		8
	Interest expense		1		1
	Total operating expenses		\$312		\$262
Net Income			\$337		-\$82

**Gave away four tickets for use of Xbox's

*75 ticket sales. 70% sold at discount of \$8/ticket. Last 30% at flat \$10/ticket.

Class T-shirts

Product Overview:

Custom t-shirts that were uniquely designed for each class and selected by each of the classes.

The Tees:



\$12

GET YOUR CLASS T-SHIRT TODAY!

ON SALE NOW

UPPER SSC 10/23 5-7PM

LOWER SSC 10/26-30 12-2PM

ONLINE: CEDARVILLE.EDU/CLASSTEES



INTEGRATED BUSINESS CORE

Product Description:

High-quality, CU class (Freshmen, Sophomores, Juniors, and Seniors) t-shirts that had a unique, creative, and meaningful design created and submitted by members of the respective class. Members of each class voted to determine the winning design based on how well it represented that class. The 4 design winners received a \$25 payment for their design and received a class t-shirt for free. Each t-shirt was sold for \$12.

Marketing Strategy:

We partnered with class council for this product. They helped get each class excited about the competition we were holding for the designs of each shirt. We were able to get a promotional slide shown in chapel. We also hung posters of that slide throughout campus. As a class, we posted pictures of our class t-shirts on our IBC website, as well as our IBC Twitter and Facebook pages. Some IBC members used their own social media accounts to spread the word.

Inventory Details:

Instead of starting with preorders, and then ordering the t-shirts in bulk like we had previously discussed. We decided it would be financially safer, to *only* sell pre-ordered shirts, this would save us the trouble of dealing with leftover inventory.

Timeline:

September 22	• Start of Design Contest
October 10	• End of Design Contest
October 12	• Best Design Voting Begins
October 14	• Best Design Voting Ends • Marketing Begins
October 19-23	• Pre-Sell Dates
November 4	• Initial Order Placement
November 21	• Arrival of T-Shirt Order
November 23	• T-Shirt Distribution

Obstacles:

We ran into several obstacles throughout the course of designing and selling the class t-shirts. We managed to effectively adapt and keep moving forward despite all of the hurdles. This contributed to the overall growing and learning experience that was the 2015 Integrated Business Core.

Soon after we began putting our class t-shirt plan into action, we discovered that it is against Cedarville University accounting policy for a student organization to offer a cash prize. This was an issue because we had already announced to the student body that all four class t-shirt contest design winners would receive a \$25 cash prize in addition to a free class t-shirt. Our solution was to pay the winning designers as temporary employees for their services.

The biggest obstacle we encountered was the low quality of designs we received for the contest. Our first response was to prolong the design contest an extra few days. This affected our operations and timeline; however, we still did not receive exciting designs. Our next action to mitigate the negative effects of the subpar designs was to ask some of the designers to modify them. Even though we had certain designs chosen through campus-wide voting, most members of the IBC members thought that this whole venture was too risky. So, the organization as a whole made the decision to do pre-orders only, instead of purchasing 600 t-shirts and selling them as planned. This turned out to be a great decision because we were able to make profit on all 192 shirts that we sold with no left over inventory.

The most unique obstacle we encountered impacted our marketing decisions. Film Gate, an organization on campus that creates free marketing videos for other organizations on campus, offered to make us a promotional video to be shown in chapel. However, after it was filmed and edited, we were not thrilled. This did not fit the IBC's overall goal of branding the company. As a result, we decided not to play the video in chapel; however, in order to still express gratitude to the members of Film Gate for creating the video, many members of IBC published the video on their personal social media and extended their organization a "thank you" when publishing.

Despite the obstacles that appeared in the operation, sales, and marketing of the class t-shirts, the product made a profit. We learned a lot about adapting quickly and making the most of what we had to work with in a tight time crunch. The obstacles proved to be a valuable learning and growing experience for each member of the SBU.

Controls:

We ended up using an inventory management system somewhat different than the one described in the loan proposal. To make our records easier to maintain, we created separate inventory spreadsheets for our Moonlight Madness and class t-shirts where we could keep track of the contents of individual inventory units. For the most part, this arrangement functioned adequately; our data entry was timely and accurate. At the end of the sales periods, sales numbers and inventory changes matched one another to within a few percentage points.

Despite the overall success of our inventory control method, there were a few changes that we could have made for further improvements. First, there were several instances where a single inventory check-in/check-out represented multiple days of sales. This made it difficult to match specific sales days to inventory movements, resulting in discrepancies that needed to later be resolved. This could have been prevented using daily check-ins, or at least an end-of-day count of checked-out inventory units. An additional concern was that, due to logistical issues, two people could not always be present for the check-in and check-out procedures. Although this did not end up presenting a problem, it did represent a breakdown in internal controls that should have been avoided if possible.

Customer Feedback:

Everyone who has made the purchase of a class t-shirt was very pleased with the purchase. Something that was often mentioned by upper classmen was that they have never seen something like this sold on campus. The fact that the shirt was a rare opportunity for students to buy them was a huge selling point for us. We did not run into any issues with customers being upset about the time of the shirt coming in or the delivery of their shirts. One customer said, “I am excited about this shirt because it is a unique product that relates to me and my friends specifically for a good price.”

Financial Information:

Class Shirts			
Net Income Statement			
		Projected	Actual
Revenues			
Shirt Sales*	7,200		2,280
Less: COGS	<u>(3,450)</u>		<u>(1,421)</u>
Gross profit		\$3,750	\$859
Operating expense			
Marketing expense		100	86
Design Prize		100	100
Credit Card Transaction fees		90	30
IBC reserve (5%)		360	114
Sales tax (6.75%)		486	153
Interest expense		<u>48</u>	<u>-</u>
<i>Total operating expenses</i>		<u>1,184</u>	<u>484</u>
Net income		<u>\$2,566</u>	<u>\$376</u>

Moonlight Madness T-shirts

Product Overview:

We sold t-shirts that feature this year's Moonlight Madness logo, a week prior to Moonlight Madness and at the Moonlight Madness event.

The Madness:



Product Description:

Glow-in-the-dark Moonlight Madness t-shirts were sold prior to, and at the Moonlight Madness basketball event, as well as at the “*BlackOut*” themed basketball home opener. The front side of the shirt featured the logo of a moon along the side of a basketball with the slogans “Moonlight Madness” and “Cedarville University”. The back of the shirt had the words “#BacktheJackets” as well as our IBC logo. The shirts were sold for \$8 each.



Marketing Strategy:

Dr. White promoted this-shirt in chapel by holding up one of our t-shirts and explained its relationship to the Moonlight Madness event. On the day of the event, Easton Bazzoli, our Administrative Director and Customer Service Representative, wore his shirt on stage during chapel and briefly explained the event and where the students could purchase the shirts. Along with placing our posters around the academic buildings and dorms, we stopped at each dorm and sold door-to-door. We worked closely with Coach Martin and Coach Estepp throughout the week leading up to the event and they both made generous donations to our SBU to help subsidize the cost of our shirts. In an attempt to sell more shirts, we contacted Chris Reese and received about 250 Chick-Fil-A sandwich coupons, which we used as an incentive for students to purchase more than 1 shirt. Stoney Creek Roasters also donated 12 free mugs that were used as incentives for students who posted on our social media pages. During the week leading up to the event, each member of the men and women’s basketball teams wore our Moonlight Madness t-shirts at least once, as well as during their warm-ups for the event. Finally, we were able to get the principal from Cedar Cliff high school to put some of our posters up in their hallways as well as mention the event in their morning announcements.

Inventory Details:

We purchased 800 Moonlight Madness t-shirts in our initial order. Of those 800 t-shirts, 50 were provided for free to the men and women's basketball teams, and a few were used "giveaways" in chapel.

Timeline:

October 12	• Order 800 T-Shirts
October 28	• Receive and Pay for Order
October 29	• Selling Begins
November 6	• SGA Chapel T-shirt Giveaways
November 7	• Moonlight Madness Event
November 13	• Blackout Basketball Home Opener

Obstacles:

We did encounter some obstacles when selling the Moonlight Madness shirts. Operationally, we only had one notable obstacle. We did not receive our donation from the men's basketball coach by the deadline. After many different conversations, we were able to receive his donation in a respectful way. In the sales department we encountered a couple more obstacles. First, our SBU faced miscommunication with the pep-band director, which forced us to sell 75 shirts to the pep band members at a reduced price. Although this was first perceived as an issue, it ended up being a big marketing push for us. With each of the band members wearing our shirts, we reached and marketed to a different sector of campus. Without selling them at the reduced price, we would not have sold shirts to each of the band members. Another obstacle we encountered was with initial size ordering. We ordered too many XL shirts and not enough Mediums. This definitely hurt our sales. In order to try to move the inventory, we creatively cut some shirts to different styles, which helped us sell shirts at the BlackOut men's basketball home opener. Similar to operations, marketing ran into just one notable issue. Our initial marketing objectives included a video in chapel, but this did not happen. The Student Government Association did not want to go through with a video, and we decided to go in a different direction. Instead of the video we opted to contact President White. After talking with his staff, we were able to have him to display our shirts in chapel and talk about them for a few minutes.

Customer Feedback:

This is another product that we have not heard any complaints about. Customers loved the uniqueness of a glow in the dark t-shirt that also supports the school and expresses school pride. People were extremely happy with the price of the shirts and quality of the material of the shirt. Many of the students that we talked with showed extra excitement about the unity of the student body that shirts instilled the night of Moonlight Madness. Further, each basketball team was motivated about the shirts being sold and advertising the event.

Financial Information:

Moonlight Madness Shirts				
Net Income Statement				
			Projected	Actual
Revenues				
Shirt sales*	Cash	6,400	2,869	
	Credit		2,182	
Less:				
COGS		<u>(3,800)</u>	<u>(3,890)</u>	
Gross profit			\$2,600	\$1,161
Operating Expenses				
Marketing expense		150	107	
Giveaway expense (50 shirts)		240	304	
Glow Golf Prizes			(38)	*
Credit Card transaction fees		80	62	
IBC reserve (5% of sales)		320	253	
Sales tax (6.75% of sales)		432	344	
Interest expense		<u>54</u>	<u>0</u>	
Total operating expenses			1,222	1,031
Other Income				
Coaches sponsorship		1,000	800	
Total other income		<u></u>	<u>\$1,000</u>	<u>\$800</u>
Net income			<u>\$2,378</u>	<u>\$930</u>

*Shirts given as prizes for Glow Golf Event, expensed in the Glow Golf Income Statement

Bluetooth Beanies

Product Overview:

The Bluetooth Beanies were a result of our desire as the IBC to market high quality and unique products. When one of our product team members brought the Bluetooth Beanies to our attention, we decided to do everything we could to market this high-tech product on our campus.

The Beanies:



Product Description:

Stay warm, stylish, and entertained with Tenenergy's Bluetooth Beanies. The Bluetooth technology allows users to connect to any Bluetooth device. The speakers and microphone, located by each ear, allow users to listen to music or talk on the phone during everyday activities such as running or shoveling snow. This beanie comes in multiple designs and colors appealing to many. The Bluetooth beanie is available upon purchase for a low cost of \$26, compared to Amazon's \$29.99 plus shipping. *This is a perfect gift for you, a friend, or a family member!*

Product Features:

- \$26 vs. Amazon's 29.99+shipping
- 33 foot Bluetooth capability
- High quality sound and built-in microphone
- 6 Hour Battery Life
- Includes rechargeable battery and USB cable
- One size fits all
- Materials: 60% Acrylic 40% Polyester
- Washable (speakers are removable)

Marketing Strategy:

Our marketing strategy began with determining which beanie styles our student body desired most. We concept tested a variety of beanie styles. We used the results from those tests to create a roadmap of what our basic beanie inventory should include (overall we had 22 different styles). From there, the idea was hatched to sell the majority of our Bluetooth beanie inventory off campus. We thought this would be our best option, because the Bluetooth beanies appeal to such a niche market. The plan was to sell at Ohio State, The University of Dayton, Wright State and The University of Cincinnati's campuses. Selling at these larger schools would theoretically have allowed us to reach more people in our niche market because of the much larger volume of students enrolled. Unfortunately, we were in a large time crunch, and after overcoming a couple obstacles (such as providing proof of an Ohio Vendor's license), time didn't allow us to sell on any other University's campuses.

The Cedarville University Bookstore promised to buy back a total of 75 Bluetooth Beanies from IBC at cost, once our selling was complete. We only ordered 75 total beanies to begin with, so this was a zero risk product. While selling the beanies, our main marketing strategy was personal selling and word of mouth. However, an announcement slide was also displayed on the TVs in the Stevens Student Center and on IBC's social media to increase product awareness in our market. As a team, we stressed to consumers the overall great value we were providing for a comparable price. The weather was getting colder, as we started selling, which gave us a talking point to start conversation with customers. The greatest draw we had was that beanies made great Christmas gifts. Several prospective students' parents ended up purchasing our beanies as gifts because we asked Cedarville's tour guides to point us out to their groups.

Inventory Details:

Initially we ordered 75 Beanies divided among 22 different styles of Bluetooth Beanies and stored them in the Cedarville University Post Office. These 22 styles were chosen because of their design and color. We also thought having a large variety of styles would appeal to the target market. These were sold for 13 days, however during that time we saved one of each style so we would have a “display model” which allowed us to sell more as pre-order.

Timeline:

November 1	• Start Marketing
November 11	• Selling Begins
November 19	• Pre-Order Ends
November 20	• Selling Ends
December 4	• Arrival of the Pre-Ordered Beanies
December 7	• Distribution of the Pre-Orders

Obstacles:

The absolute biggest obstacle we encountered with Bluetooth Beanies happened just this past week when we found out that our supplier was sold out. We originally ordered the 75 beanies from them and sold out of those, and for the sake of minimizing risk on the project, we then took pre-orders, requesting payment at the time of order. We sold 67 of the original 75 beanies we ordered, and the remaining 84 sales were pre-orders. At the beginning of our contact, (through our middle-man, the Bookstore) we were assured that Tenergy had plenty of the product in stock for the holiday season. For that reason, we were comfortable with our decision to take pre-orders once we were sold out. But, when we went to place our second order for the 84 beanies, we faced significant tension from Tenergy—who at first insisted they were going to raise the per-unit cost by \$4. Further, we rarely were able to reach them when we tried to contact them. Before the \$4 price increase battle was resolved, however, Tenergy informed us that they were completely sold-out of stock due to the rapid increase in popularity of the product. Several big-name companies like Amazon, Target, Best Buy, and Sam's Club purchased from them, leaving no tolerance for small-scale businesses like the IBC.

We examined the possibility of ordering the product from a different supplier so that we would be able to fulfill our orders and treat our customers well. Since logistics did not play in our favor, though, we had to notify everyone who pre-ordered a beanie that they could receive a full refund. In all of our work in concurring this obstacle, we learned exactly what the business world is like when dealing with suppliers. We learned that anything that could go wrong will, even when dealing with products like Bluetooth Beanies. We also learned that contingency planning is not just for events—and if we were given a chance to do things differently with this product, we would have ensured some sort of contingency plan existed as we dealt with pre-orders.

Controls:

To maintain control for beanies, the Product Team kept one excel sheet to keep track of beanie sales and another excel sheet for pre-orders on the IBC Google Drive. These documents were checked up on consistently throughout the sale period. Inventory and table displays were returned to the same spot every day. Also, the cash box and iPad were kept in possession of our financial persons.

Customer Feedback:

Customer feedback in a casual setting was solely positive. Students were excited about the product and our team members' efforts. We will receive more feedback through a form that will be sent out to the students and faculty who preordered a beanie and to the student body in general. There they can let us know their satisfaction levels with the beanies and possibly provide constructive criticism to our techniques. This survey will be sent out once the preorders have all been delivered.

Financial Information:

Beanies			
Net Income Projections			
		Projected	Actual
Revenues			
Beanies Sales	Cash	2,599	1,032
	Credit		2,808
Less: COGS		<u>(1,775)</u>	<u>(2,857)</u>
	Gross profit	\$824	\$983
Operating expense			
	Marketing expense	100	6
	Credit Card Transaction fees	32	79
	IBC reserve (5%)	130	192
	Sales tax (6.75%)	175	259
	Interest expense	-	-
	Total operating expenses	<u>438</u>	<u>536</u>
Net income		<u>\$386</u>	<u>\$447</u>

*sell remainder to Book Store at cost

** Preorder for Beanies price subject to change because of price change (could go down)

2.0 Mugs

Product Overview:

The concept testing for the 2.0 Mug has seen positive results since last semester, but due to some concerns brought forth by Student Life leadership, the IBC had to be strategic about selling this product. Eventually, the product team received permission to go ahead with this idea and market it to students.

The Mugs:



Product Description:

A sturdy, navy blue, 15 ounce coffee mug with a large, yellow “2.0” printed on the side with “Cedarville University” and “C’s Get Degrees” above and below it, respectively in white. These humorous mugs poke fun at the difficulty of getting a 4.0 mug and provide a memento for after graduation. The mugs sold for \$9 each.

Marketing Strategy:

Our marketing strategy for the 2.0 mugs looked a bit different from our other products. A lot of people were already aware of what 2.0 mugs were (this idea had been around even before our concept testing last semester). The main focus of marketing the 2.0 mugs was primarily spreading the word about the product and selling location. Also, a conservative, yet profitable, price was key. In terms of getting the word out, a member of the IBC posted a picture of a 2.0 mug into the “Overheard at Cedarville” Facebook page. This page includes over 4,000 members who go to Cedarville or recently graduated from Cedarville. The post quickly racked up over 500 likes. We also created a slide for the 2.0 mugs detailing where and when the mugs would be sold that was shown in the Stevens Student Center and chapel. Selling 2.0 mugs at the same table as the beanies also helped raise awareness of what we were selling. Some people only knew we were selling mugs but not beanies, and vice versa. People would come for one product and leave with both.

Inventory Details:

Upon receiving our order of 216 2.0 mugs, we stored them in the Cedarville University Post Office. We had access to them during normal post office hours, and sold them from 11 a.m. through 2 p.m. The mugs were sold from November 9th-November 20th. The first week the mugs were sold alone; then, the last two weeks the beanies were added to the table for selling.

Timeline:

October	• Designing and Finding Supplier
November 4	• Marketing Begins
November 6	• Received order of 216 Mugs
November 9	• Selling Begins
November 20	• Sold out of Mugs

Obstacles:

One of the biggest obstacles we faced with the 2.0 mugs was in determining the right quantity to order. Because the concept of 2.0 mugs was one of the very first ideas developed during our Principles of Marketing class last spring, we as IBC members were incredibly familiar with and excited about the product. That over-familiarity and slight personal bias made it difficult to accurately project the quantity of mugs we believed we could sell. When other factors (such as extra printing costs with every re-order, and inconsistent concept testing results from multiple points in time) were added to the equation, we ended up with a significant self-created obstacle of uncertainty. The only way we overcame it was through large group discussions and gut-instinct. We ultimately stayed on the conservative side in our order of 216 mugs, and as a result we were able to sell out. Through the whole process, we learned the importance of knowing the market that you're selling to—because it is arguably the best predictor of sales. If we had more time, we could have re-concept tested with a larger population to provide more accuracy and certainty in our decision-making.

Another significant obstacle we faced with the 2.0 mugs was running into graphic design problems. We exchanged a chain of emails with the supplier before the right format was determined for the graphic on the mugs. We had to act as a middle man between our supplier and our graphic designer in order to communicate what our supplier needed for printing purposes, and as a result what our graphic designer had to alter. If we had more time, we would have been intentional to learn the basics of graphic design images so we could eliminate the inefficient communication we encountered. Through this obstacle we learned firsthand about managing supplier relations. We also learned that orders should be placed as well in advance as possible, so if unforeseen steps in the ordering process arise, a tight deadline is not immediately created.

Controls:

To maintain control for mugs, the Product Team kept an excel sheet to track mug sales on the IBC Google Drive. This was consistently checked up upon, and inventory was counted at the end of each sale day. The cash box and iPad were each kept in the possession of our financial persons.

Customer Feedback:

Feedback for the mugs was also very positive. The witty aspect of the mug translated very well to the student body as we saw through the sales and social media. The survey that we are sending out for the beanies will be paired with a survey for the mugs. We hope that we will be able to get some tangible feedback from this survey in regards to how well customers liked their product and if the product should continue into future IBCs.

Financial Information:

Mugs				
Net Income Projections				
			Projected	Actual
Revenues				
Mugs Sales	Cash	1,944	833	
	Credit		1,089	
Less: COGS		<u>(768)</u>	<u>(725)</u>	
	Gross profit		\$1,176	\$1,197
Operating expense				
Marketing expense			50	-
Glow Golf Prize			-	7
Credit Card Transaction fees			24	26
IBC reserve (5%)			97	96
Sales tax (6.75%)			131	130
Interest expense			<u>-</u>	<u>-</u>
<i>Total operating expenses</i>			303	259
Net income			<u>\$873</u>	<u>\$938</u>

Finance Management

Throughout the semester, the class t-shirt project went through a number of revisions, and our finances reflect a different sales methodology than we were anticipating during the loan proposal. Instead of purchasing and then selling 600 shirts, we ended up taking pre-orders and purchasing the number of shirts that we needed (about 190). The lower order number drove up our per-unit costs substantially, from a projected \$5.75 per shirt to nearly \$7.50 per shirt, which decreased our profit margins. Our fixed operating costs were fairly close to our projections, while our variable costs (specifically credit card fees, the IBC reserve, and sales tax) decreased by about two-thirds, approximately matching the reduction in sales. On the positive side, however, we did not actually use any cash from the IBC loan; we were able to obtain financing terms from the bookstore, and therefore were able to pay them using cash from our pre-order payments.

Consolidated Financial Information

Integrated Business Core			
Consolidated Income Statement			
For the period ended December 7, 2015			
		Projected	Actual
Revenue			
Products			
	Moonlight Madness T-Shirts	6,400	5,051
	Class T-Shirts	7,200	2,280
	2.0 Mugs		1,922
	Bluetooth Beanies		3,840
	<i>Total product revenue</i>	13,600	13,093
Events			
	Glow Golf	1,219	788
	FIFA	645	180
	<i>Total service revenue</i>	1,864	968
	Total revenue	15,464	14,061
Cost of Goods Sold		(7,250)	(8,892)
Gross Profit		\$8,214	\$5,169
Operating Expenses			
	Marketing expense	790	742
	Supplies expense	719	781
	Sales tax (6.75%)	918	886
	Credit Card Transaction fees	193	209
	Interest expense	112	9
	Misc. expense	-	70
	IBC reserve	773	702
	Loan closing fee	50	50
	<i>Total operating expense</i>	(3,555)	(3,447)
Operating Income		\$4,659	\$1,722
Other Income (Expenses)			
	Coaches sponsorship	1,000	800
	<i>Total other income</i>	1,000	800
Net Income		\$5,659	\$2,522

Integrated Business Core		
Balance Sheet		
At November 30, 2015		
Assets		
Cash in account	\$429	
Cash in cash box	<u>-</u>	
Total cash		429
Accounts Receivable (square)		5435
Inventory		-
Supplies	401	
Less: Supplies Used	346	
Ending Supplies	<u>54</u>	
Total Assets		\$5,918
Liabilities		
Accounts Payable	\$1,997	
Notes Payable	-	
Interest Payable	9	
IBC Reserve Payable	702	
Sales Tax Payable	600	
Unearned Revenue	<u>2,340</u>	
		5,648
Owner's Equity		
Net Income	\$271	
Total Liabilities and Owner's Equity		\$5,918

Integrated Business Core	
Return on Investment	
Revenues	14,061
Sponsorships	800
Less: Costs	<u>(12,339)</u>
Net Income	<u>2,522</u>
Loan Amount	\$1,500
Return on Investment	168.1%

Appendix A: Glow Golf Customer Feedback

“Make it an 18 hole event.”

“I'd like to see the balls glowing more.”

“Make the balls glow better somehow, if you could.”

“Somehow make the balls glow more. They were a pain to keep track of because they would fade so quickly. We almost lost a few balls because of this.”

“The "glow" didn't glow very well.”

“Courses and balls needed to glow more. It was often hard to see the target that we were trying to hit.”

Appendix B: Our Employees

Support Staff:

Kaylee Andreas – Social Media Director
Kevin Brittan – Corporate Team Leader
Nate Duffus – Operations Manager
Brooke Hamende – Organization Manager
Hunter Huggins – Information Technology Manager
Rahul Jacob – Marketing Liaison
Jeremy Royer – Financial Director
Cassandra Shaffer – Philanthropy Director

Events SBU:

Zachary Avery – Financial Point
Brandon Delcamp – Business Team Manager
JC Faubion – Sales Manager
Skyler Gordon – Advertising Marketer
Matt Hayden – Treasurer
Lauren Kemme – Administrative Director
Ryan Miller – FIFA Product Champion
Cory Peterson – Glow Golf Product Champion
Reid Weber – Customer Service Specialist

Apparel SBU:

Nathan Bancroft – Moonlight Madness Product Champion
Easton Bazzoli – Customer Service Specialist
Stephen Combs – Class T-shirt Product Champion
Shelby Erickson – Financial Point
Ryan Klinker – Administrative Director
Daniel Lumley – Business Team Manager
Spencer Summerlin – Advertising Marketer
Cole Swigert – Sales Manager
William Watterson – Treasurer

Product SBU:

Rebecca Adams – Business Team Manager
Erik Barker – Financial Point
Stephen Gayer – Treasurer
Rachel Krikke – Customer Service Specialist
Daniel Kochsmeier – Sales Manager
Matthew Lustig – Advertising Marketer
Malia Rickards – Operations Coordinator