



11 December 2017
Annual Report

Table of Contents

EXECUTIVE SUMMARY	3
MISSION STATEMENT	4
PHILANTHROPY	5
MUNCHABLES	6
PRODUCT OVERVIEW	6
MARKETING	7
FINANCES	9
TIMELINE AND OBSTACLES	10
TRANSITION	12
PRODUCT OVERVIEW	12
MARKETING	12
FINANCES	14
TIMELINE AND OBSTACLES	15
JACKET RAGS	16
PRODUCT OVERVIEW	16
MARKETING	16
FINANCES	17
TIMELINE AND OBSTACLES	18
THE CHURCH PROJECT	19
PRODUCT OVERVIEW	19
MARKETING	19
FINANCES	21
TIMELINE AND OBSTACLES	22
PROVERBS JOURNALS	24
PRODUCT OVERVIEW	24
MARKETING	25
FINANCES	27
TIMELINE AND OBSTACLES	28
CONSOLIDATED FINANCIAL STATEMENTS	29
APPENDIX	30
INTERNAL CONTROLS	30

Executive Summary

Cedarville's Integrated Business Core has long been committed to providing quality products to students of Cedarville and to the community. We plan to continue this tradition. Due to the short-lived nature of the organization, the IBC has always focused on products that are simple, cost effective, and Cedarville-centered. While we continue this tradition with several products, this year we are also committed to the establishment of long term relationships with local churches and with the Cedarville University President, Dr. Thomas White.

Mission Statement

It is our mission is to build upon the reputation of former IBC groups through the continued development of meaningful relationships with Cedarville organizations and by providing our customers with excellent service in an effort to impact our community for Christ.

Philanthropy

Overview

The Integrated Business Core partnered with two separate charitable organizations this semester. The IBC will donate all profits to both The Gospel Mission: Camp Jabez and OneBistro. We have served behind the scenes at both organizations to assist in maintaining their facilities.

The Gospel Mission: Camp Jabez

The Gospel Mission has served the community since it was started in 1912 by giving a home to the homeless, food to the hungry, and reaching others with the life changing good news of the gospel. The Gospel Mission is the parent company to where the IBC served behind the scenes, Camp Jabez. Named after Jabez from 1 Chronicles 4:9-10, Camp Jabez is a Christian camp that uses gentle horses to build confidence and cooperation with those they minister to so that they may be able to show how to impart the truth of God's word to those who visit. Camp Jabez runs a variety of programs for kids of all ages. The camp offers short Junior Camps and longer camps that give its visitors the opportunity to work with horses and the experience of being immersed in God's creation.

The IBC was given the opportunity to serve behind the scenes as a team by helping Camp Jabez clear the honeysuckle. The process started by going along the tree line at Camp Jabez and cutting a couple yards into the honeysuckle that was there. Once the honeysuckle was cleared, it was taken over to a woodchipper. These wood chips will be recycled in the spring of 2018 and put wherever Camp Jabez needs wood chips then. The IBC was also given the opportunity to help Camp Jabez put up Christmas lights on their main gate and strip metal from ruined tables and chairs to be recycled.

OneBistro

OneBistro is a "Social Entrepreneurship" in Xenia and Miamisburg that strives to serve a healthy, affordable meal to those who have the ability to pay and those who under normal circumstances would not be able to eat out. OneBistro gives its customers the opportunity to pay for their meals by working at least one hour.

The IBC was given the opportunity to serve in both OneBistro locations: Xenia and Miamisburg. The managers at both locations were grateful for seeing an encouraging group of students serving willingly and with an uplifting attitude in the community. At both locations we helped the restaurant with deep cleaning the facility, something that both locations can't do while open. The IBC was able to deep clean the kitchens, seating area, and more at OneBistro, while working as team to help this nonprofit.

Munchables

Product Overview

The Midterm Munchables provided a unique opportunity for students to receive a nice treat during the semester at a low cost. It was a customizable selection full of favorite snack combinations, but we overhauled that idea and made three different packages to choose from.

Munchables were available to order online from our Square Store. Munchables had two separate runs. Orders could be placed for the first run, Midterm Munchables, from 10/2 to 10/18 and could be picked up in the student's dorm lounge from 10/23 to 10/25. The second installment, entitle Last Minute Munchables, ran from 10/30 to 11/10 and could be picked up from 11/13 to 11/15.

Product Description

The Munchables are a care package with a personal note that could be sent to students on the campus of Cedarville University with no shipping or handling costs. People on or off campus could send these packages, including parents. Munchables came with three different bag options. The three options were the Ultimate Bag, Standard Bag, and the Basic Bag. The Ultimate (\$25) came with two of all 20 snack options. The Standard (\$15) had one of everything. The Basic (\$10) only had 15 of our snack options.



Marketing Strategy

Planned Marketing Efforts

Facebook Giveaway. This will be a public giveaway on Facebook. To qualify to have someone's name put in the drawing for the giveaway they must tag their parent(s) in our post. The winner will be given a Midterm Munchable that includes one of each snack. This pack is a \$15 value.

ParentConnect. Jeff Beste of Alumni Relations, is a big believer of the product, and would love to feature it in the ParentConnect emails that parents get. This would include a graphic of our product, with the link to the Square page to purchase.

Posters. We have hired a graphic design major to work with us as we develop our posters. We are planning to have 3 different types of posters. They will all have a QR code and a link to serve as a call to action. The first will be a standard poster that will be designed to communicate and establish our presence on campus. The second will be a smaller pamphlet/card poster that we will hand out at Cedarville University's Homecoming. This will be designed to spread awareness to parents of students and alumni. The third will be a Web-Poster that we will put on our Facebook Giveaway post.

Homecoming. Midterm Munchables will be available to order the week of Homecoming and Parent's Weekend. A table will be at the "CU at the Fieldhouse" event for parents and students to purchase it as they walk-through.

Actual Marketing Efforts

Facebook Giveaway. This marketing effort was completed as planned. To specify, the winner was given a Standard Munchable at a \$15 value.

ParentConnect. This marketing effort was completed as planned. Jeff Beste of Alumni Relations featured the Munchables in the ParentConnect emails. The email included a graphic of our product with the link to the Square page to purchase. This marketing was successful because many orders poured in after it was sent out for both runs. We made sure to say thank you to Mr. Beste by purchasing him a "Cedarville Dad" t-shirt and mug from the bookstore.

Posters. This marketing effort was completed as planned. We have hired a graphic design student to work with us as we develop our posters. Instead of the 3 planned posters, we only had two. The first poster was for the "Midterm Munchables" and the second was for the "Last Minute Munchables". Also, instead of the QR code, we only included a link to our website for purchase. We used the poster that we hung up for our Web-Posters on our Facebook page as well.

Homecoming. This marketing effort was completed as planned. The Midterm Munchables were available to order the week of Homecoming and Parent's Weekend. We set up a table at the "CU at the Fieldhouse" event for parents and students to purchase as they walked-through. We also sold Munchables at the SBA reunion.

Supplier Information

Our supplier was Sam's Club. Sam's Club is an established branch of Wal-Mart that provided us the opportunity to buy our supplies online and then pick them up ourselves. The drive was about 25 minutes from Cedarville University. This put us at an advantage because we did not have to worry about supplier issues to the extent the other SBUs had to. Normally a Business Membership at Sam's Club costs \$45 but we were able to avoid this cost since the SBA already possesses a membership.

Inventory Information

Our Snack Gallery consisted of 20 different products, including Popcorn, Sour Patch Kids, Kit Kats, M&Ms, Skittles, Reeses, Oreos, Chicken Ramen Soup, Kraft Mac & Cheese Cups, Fruit Snacks, Granola Bars, Planters Nuts, Trail Mix, Chocolate Chip Cookies, Mini Muffins, Pretzels, Cheez-Its, Goldfish, Nacho Cheese Doritos, and Lays Potato Chips. The Basic Bag contained the Popcorn, Sour Patch Kids, M&Ms, Skittles, Reeses, Oreos, Fruit Snacks, Granola Bars, Trail Mix, Chocolate Chip Cookies, Pretzels, Cheez-Its, Goldfish, Nacho Cheese Doritos, and Lays Potato Chips. We sold 64 Basic Bags. The Standard Bag contained one of each of the 20 different products. We sold 134 Standard Bags. The Ultimate Bag contained two of each of the 20 different products. We sold 86 Ultimate Bags. The remaining food inventory was sold to the bookstore at a cost of \$119.17. The remaining bags and tissue paper were counted at a loss of \$27.55.

Financial Information

IBC 2017 Income Statement for Munchables For the end of Semester		
	Projected	Actual
Units	231	284
Gross Revenue	\$ 3,465.00	\$ 4,919.00
Net Revenue	3,465.00	4,919.00
COGS	2,007.00	3,012.00
Gross Margin	1,458.00	1,907.00
Operating Expenses:		
Marketing Expense	100.00	97.00
Total Operating Expenses	100.00	97.00
Income From Operations	1,358.00	1,810.00
Other expenses:		
IBC reserve	173.00	240.00
Credit Card Fee	94.00	217.00
Inventory Write-Off	-	28.00
Total Other Expenses	267.00	485.00
Net Income	\$ 1,091.00	\$ 1,325.00

Profit/Loss

The Munchables earned a profit of \$1,325.00.

Timeline

<i>Planned</i>		<i>Actual</i>
5 October	• Midterm Sales Begin	2 October
5-6 October	• Selling at Homecoming	5-6 October
9 October	• Parent Connect Emails	9 October
13 October	• Facebook Giveaway	11 October
18 October	• End Midterm Sales	18 October
19-22 October	• Assembling Midterm	19-22 October
23-25 October	• Midterm Delivery	23-25 October
30 October	• Last Minute Sales Begin	30 October
1 November	• ParentConnect Email	6 November
10 November	• End Last Minute Sales	10 November
12 November	• Assembling Last Minute	12 November
13-16 November	• Last Minute Delivery	13-16 November

Obstacles

Square

The first obstacle we encountered was related to Square, the online store we used to sell Munchables. While Square is a tremendous resource as a payment source, it was not built to take orders of this nature. For each Munchable order, we needed a recipient name, email, dorm, and note. The only space for this was the optional customer note section, and that really confused buyers. Ultimately, through email and using partial information, all of the Munchables were accounted for. During the second round, we created a google survey that customers used. Through that, all orders for the Last Minute Munchables were accounted for.

Customizable Munchables

Originally, we had planned to make Munchables customizable on the Square store as long as customers ordered at least \$10 worth of snacks. This was an obstacle because there was not a way for us to regulate the number of snacks a person must order before their order would be considered valid. We finally decided to abandon the idea of customized Munchables and go with pre-set packages instead after we had received advice from the loan committee. The advice they gave us was that parents would not know how to customize packages for their kids and that it'd be easier to just have pre-set packages to choose from. We overcame this obstacle by creating three different packages to sell. These three packages were the Basic, Standard, and Ultimate Bag.

Delivery

A lot of students who had received a Munchable from someone else did not know that they had a Munchable and this prevented a lot of students from picking their Munchables up. Ultimately, we either delivered the Munchables to the student in their dorm room and put it through campus mail.

Transition

Product Overview

The “He fills my cup” mug is an 11-oz mug with a transition design. When any hot beverage is put in the mug, it transitions to our unique design. With a selling price of \$10 the Integrated Business Core is excited to offer this mug to the Cedarville University students.

Product Description

An 11oz. black heat-revealing mug that features "He fills my cup" design which fully transitions from a black mug to the created design. These mugs are being primarily marketed to the Cedarville student body who likes coffee/tea. The mugs will sell for \$10.



Marketing Strategy

Planned Marketing Efforts

Social Media. Social media has potential to be an effective force, but many other means of advertising will simply take too long to implement. Also, with the current lifestyle of the university student, these advertisements might provide more of a cost than benefit to the company. The initial message will try to capture the first movers. This message will explain the reboot of an existing trend. It will give a fresh feel that the first movers will want to join. As time goes on, the message will portray the community that has been built. The idea behind this is to have people get in on the product because others have built a community. This will capture the followers who join after the first movers because of the change in message.

Personal Selling. Personal selling will have a larger role for this product than advertising. The reason for this is because the company is selling a community as much as a product. Personal interaction can express this value to the customer much better than an advertisement because of the nature of the message that is being communicated.

Rinnova. Rinnova has agreed to partner with the IBC to offer a 10% discount on coffee purchased at Rinnova for anyone who is using the heat-changing mug. This opportunity will be advertised across campus on a selection of posters with the brand name of Rinnova emphasized, offering credibility to the product.

Partnering with Professors. To continue advertising endeavors, three of the mugs will be given to select Bible professors, specifically those that bring mugs to their classes. This will ensure that a diverse selection of students will be reached through mere exposure to the product.

Actual Marketing Efforts

Social Media. This marketing effort was completed as planned. Social media was used and had a positive effect.

Personal Selling. This marketing effort was completed as planned. Personal selling had a larger role for this product than advertising.

Rinnova. This marketing effort was completed as planned. Rinnova agreed to partner with the IBC to offer a 10% discount on coffee purchased at Rinnova for anyone who was using the heat-changing mug. This opportunity was advertised across campus by mouth and on the lower SSC table. The brand name of Rinnova offered credibility to the product.

Partnering with Professors. Three of the Transition mugs were given to Bible professors. These Bible professors included DeWitt, Williams, and Miller. This allowed a diverse selection of students to be exposed to the product.

Supplier Information

Our supplier for this product was discountmugs.com. It estimated 14 days to manufacture and an additional 6 for shipping. This supplier offered reduced price for a larger bulk order, which factors in a lower cost of shipping per mug. The company is located in Miami, Florida, offering the ability to order inside the United States.

Inventory Information

The supplier of DiscountMugs.com offered discounts for larger bulk orders. Therefore, we ordered 205 mugs. At the end of the sale period, 199 mugs were sold at regular price. Two mugs cracked and were sold at a discounted price. Three mugs were given out to professors. Finally, one mug was given to the graphic designer as a gift. Therefore, our remaining inventory was 0 mugs.

Financial Information

IBC 2017 Income Statement for Transition Mugs For the end of Semester		
	Projected	Actual
Units	200	200
Gross Revenue	\$ 2,400.00	\$ 1,980.00
Net Revenue	2,248.00	1,855.10
COGS	872.00	943.26
Gross Margin	1,376.00	911.84
Operating Expenses:		
Marketing Expense	50.00	55.36
Design Expense	50.00	50.00
Total Operating Expenses	100.00	105.36
Income From Operations	1,276.00	806.48
Other expenses:		
IBC reserve	112.00	92.78
Credit Card Fee	32.00	34.50
Total Other Expenses	144.00	127.28
Net Income	\$ 1,132.00	\$ 679.20

Profit/Loss

The Transition mugs earned a profit of \$679.20.

Timeline

<i>Planned</i>		<i>Actual</i>
11 October	• Purchase Inventory	9 October
N/A	• Purchase more Inventory	24 October
2 November	• Sales Begin	6 November
10 November	• Sales End	1 December
16 November	• Sell Leftover Inventory	N/A

Obstacles

Design

We had an issue when purchasing the rights to the image our graphic design major created. The website the student used required us to pay \$200 to receive the image. Instead of paying the \$200 for the image, we had our graphic designer find a different website to use.

Shipping on Time

When we purchased our inventory from discountmugs.com, we were led to believe that the mugs would arrive by November 1st. We then got an email confirming the purchase and updated our arrival date to November 15th. The president of the IBC was able to get our arrival date back to November 1st.

Jacket Rags

Product Overview

These Jacket Rags were designed to promote school spirit at various sporting events. With a selling price of \$3, the IBC expected to sell these to Cedarville students and alumni with school spirit.

Product Description

The Jacket Rag was made of thin, yellow material printed with the Cedarville logo and “#backthejackets” printed in blue.



Marketing

Planned Marketing Efforts

Athletics. We plan to market the Jacket Rags to the athletic department. The athletic department could purchase the Jacket Rags in bulk and use them to spread school spirit.

Admissions. We plan to market the Jacket Rags to admissions. The admissions department could purchase the Jacket Rags in bulk and could use them to advertise Cedarville to prospective students.

Actual Marketing Efforts

Athletics. This marketing effort was completed as planned. We contacted the athletic department to see if they were interested in purchasing the Jacket Rags. They included the product information on their social media and promotional slides for the basketball games in Chapel and in the SSC.

Admissions. This marketing effort was completed as planned however they were not interested in purchasing the Jacket Rags.

Bookstore. This marketing effort was established during the semester however they were not interested in purchasing the Jacket Rags.

Supplier Information

Our supplier was www.4allpromos.com who shipped the towels out of Connecticut.

Inventory Information

We purchased a total of 250 Jacket Rags. During our sales time, we sold 55 Jacket Rags. We have 195 Jacket Rags remaining.

Financial Information

IBC 2017 Income Statement for Jacket Rags For the end of Semester	
	Actual
Units	55
Gross Revenue	\$ 125.00
Net Revenue	124.11
COGS	78.10
Gross Margin	46.01
Other expenses:	
IBC Reserve	6.20
Credit Card Fee	0.22
Inventory Write-Off	276.90
Total Other Expenses	6.42
Net Income	\$ (237.31)

Profit/Loss

The Jacket Rags lost \$237.31.

Timeline

<i>Planned</i>		<i>Actual</i>
16 October	• Meet with Athletic Dept.	16 October
26 October	• Purchase Inventory	26 October
8 November	• Sell to Athletic Dept.	10 November
N/A	• Sell at Basketball Game	18-19 November
N/A	• Meet with Admissions	28 November

Obstacles

Quality

Everyone liked the idea of the Jacket Rags. Unfortunately, the product did not come in the quality the IBC had anticipated. The critical mistake was purchasing all of the inventory at once and not purchasing a few to ensure the product purchased would meet the expectation of the IBC.

Athletic Department

The athletic department led us to believe that they would purchase all 250 Jacket Rags. After seeing the quality of the product, they only purchased 50 Jacket Rags.

The Church Project

Product Overview

We provided a custom design service for Gospel founded churches in the greater Dayton Area with a congregation size of about 300-1000 people.

Product Description

Our overall goal was to get the IBC off campus and to build long-term relationships with churches in the area. We worked with Grace Baptist Church to provide a 12 oz. ceramic mug with a ceramic coaster-lid. The design on the mug reflects the church's logo.



Marketing Strategy

Planned Marketing Efforts

Email and Call. Our initial marketing plan was to cold call churches. We would try to email the churches first, before calling. If an email was not listed on their website, then we would call first and follow up with an email.

Actual Marketing Efforts

Email and Call. This marketing effort was completed as planned. We did continually call and email more churches throughout the semester. Our team of four was to call about five

churches every week. Also, we would sometimes ask these churches to spread the news of our services to other churches that could potentially benefit. We got one church that referred to us in this way.

Supplier Information

Our original supplier was discountmugs in Miami, Florida. Each mug would have cost us \$3.40 to purchase. After learning that the mug we wanted was out of stock, we switched suppliers to Pinnacle Promotions in Norcross, Georgia. Each mug cost us \$4.20.

Inventory Information

We required a minimum of 50 mugs. Grace Baptist Church ordered 72 mugs. Due to the fact that we ordered on a per-customer basis, we did not have any inventory left over.

Financial Information

IBC 2017 Income Statement for The Church Project For the end of Semester		
	Projected	Actual
Units	150	72
Gross Revenue	\$ 1,050.00	\$ 625.00
Net Revenue	1,050.00	625.00
COGS	354.00	342.00
Gross Margin	696.00	283.00
Operating Expenses:		
Marketing Expense	50.00	18.00
Design Fee Expense		90.00
Total Operating Expenses	50.00	108.00
Income From Operations	646.00	175.00
Other expenses:		
IBC reserve	53.00	31.00
Total Other Expenses	53.00	31.00
Net Income	\$ 593.00	\$ 143.00

Profit/Loss

The Church Project earned a profit of \$143.00.

Timeline

<i>Actual</i>	
14 September	• Met with Grace Baptist
26 October	• Grace ordered 50 mugs
6 November	• Switched supplier
8 November	• Grace agreed to 72 mugs
21 November	• Mugs delivered to Grace

Obstacles

Church Timing

The first problem we ran into was working with the schedule of churches. We realized that churches make decisions at a slower pace than most business. We had to wait for staff meetings to happen in order to get a more official decision. We had to estimate about 8 weeks for a church to get to the point of being ready to order. Unfortunately, we could not force the churches to make faster decisions, but we tried our best to be in continual contact with the churches. If we didn't hear back from a church within several days, we called and emailed the church. This obstacle probably hurt us the most. I know that we could have worked with several more churches if we had longer than a semester.

Cold Calling

This was the best strategy to market what we were doing, but this type of marketing is not always taken well. This is why we focused more on churches that were familiar with Cedarville because we had a better chance of being considered. We also tried to explain who we were before explaining what we were offering in order to get a better listening ear.

Supplier

We had ordered a sample mug from discountmugs. When we finally placed an order for that mug, we were informed that the mug was out of stock. They also had no idea when this specific mug style would be back in stock. We cancelled the order and began to look for a new supplier. Unfortunately, most suppliers were out of this exact mug style, but it seemed that Pinnacle Promotions was not. We ordered the same mug style from them. The

next day, they called me to inform me that they were also out of that mug style, but had an alternative mug that looked very similar. The only downside was that this alternative mug required a minimum purchase of 72 mugs. After consulting Grace about it, we ordered the alternative mug. This alternative mug was also cheaper, so Grace paid the exact same as they would before. Lucky for us, we also made more profit due to having more mugs ordered. Also, Pinnacle Promotions gave us a free shipping discount.

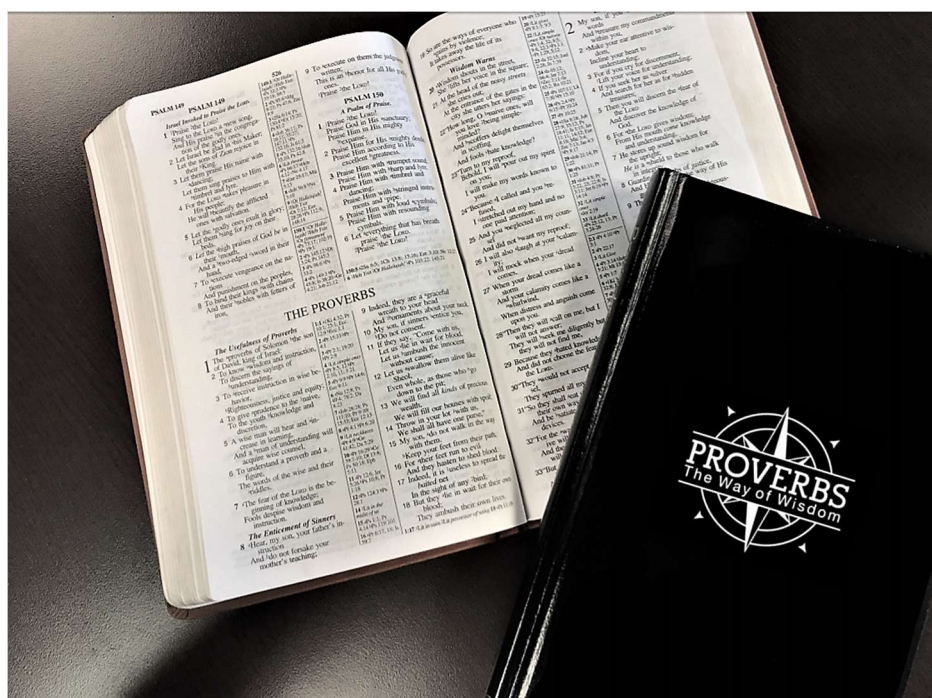
Proverbs Journals

Product Overview

The goal of our product was three-fold. Firstly, we wanted to provide students a way to interact with Dr. White's Way of Wisdom series. These sermons are the only continuous ones in chapel for the year, providing a perfect springboard to launch a product. Secondly, the IBC wanted to create more spiritually meaningful products. We wanted to continue the trend of Journibles, Psalms mugs, etc. Thirdly, the IBC was looking to rebrand and branch out further than we ever have before. Over the course of this product, we partnered with the president's office and the book store. We were also heavily involved with Advancement services and Global Outreach. Finding approval for the product was a tedious and strenuous project. The result was a full journal, partnerships with numerous campus departments, and an idea that can be used by future IBCs for years to come.

Product Description

The Way of Wisdom Proverbs is a hard-cover, multifaceted journal that goes in conjunction with Dr. White's year-long sermon series. The journal features 20 sermon topics by Dr. White, 61 pages of Proverbs-inspired individual devotions, ample space for taking notes, and an introduction written by Dr. White himself. The journal features Dr. White's compass symbol and "Way of Wisdom" Title. This product cost \$15.



Marketing Strategy

Planned Marketing Efforts

Presidential Endorsement. Dr. White has agreed to partner with the IBC in the creation of this product. He has written an introduction, outline, and is willing to endorse this product. This will be a huge factor for creating interest in the journal, as the vast majority of students respect Dr. White and will be willing to at least pay attention to his interests.

Advertising and Posters in the Lower SSC. We will be putting advertisements in the form of posters in the Lower SSC. Putting information about our product in a high-traffic area of campus will allow for the Journals to be well-known at the time of their launch.

SGA Announcement. We will also be attempting to partner with SGA in our efforts to market this product. Products that have been endorsed by the SGA have done very well in the past, such as the Psalms Mugs. We anticipate that the same effect will be had on the journals. We have not talked to SGA about exploring this option yet.

Actual Marketing Efforts

Presidential Endorsement. This marketing effort was completed as planned. Dr. White agreed to partner with the IBC in the creation and endorsement of this product. In addition, Dr. White agreed to a book signing in the bookstore on December 6. This event was advertised through Facebook, a chapel announcement, and a campus-wide email.

Advertising and Posters in the Lower SSC. This marketing effort was completed as planned. We hung posters in the Lower SSC to allow the Journals to be well-known at the time of their launch.

SGA Announcement. This marketing effort was not completed as planned. We decided not to advertise through SGA because we already had Dr. White endorsing our product. Having one sole supporter allowed the transmission of information to be easier and more direct.

Fac/Staff Luncheon. This marketing effort was established during the semester. We coordinated with Brian Burns to set up a table in the upper SSC to sell our product to faculty and staff. We advertised this through a fac/staff email.

Facebook. This marketing effort was established during the semester. We created a Facebook page for the Journals to develop a trend of the study of the Proverbs series by Dr. White.

Faculty Meeting. This marketing effort was established during the semester. We set up a table in the Dixon Ministry Center to sell journals to faculty during a campus-wide meeting during chapel.

Direct Contact with Departments. This marketing effort was established during the semester. We contacted many different departments and offered our journals to be used as gifts for those working in departments. Some of the departments we contacted include Global Outreach, the president's office, and the bookstore.

Supplier Information

We used Braughler Books, LLC as our supplier. This printing company is based in Springboro, Ohio. The specific worker we were in contact with was David Braughler, the president of Braughler Books. The price per book was \$9.99.

Inventory Information

Based on initial concept testing, the plan was to order 600 units from our supplier. As problems and obstacles occurred, we changed direction and decided to purchase 300 units at a price of \$9.99 per unit. Sales began November 27 and ended December 8. We were able to sell 123 journals. Once sales ended, we were left with 177 units as inventory

Financial Information

IBC 2017 Income Statement for Proverbs Journals For the end of Semester		
	Projected	Actual
Units	600	121
Gross Revenue	\$ 9,000.00	\$ 1,740.00
Net Revenue	8,431.00	1,659.80
COGS	5,184.00	1,208.79
Gross Margin	3,247.00	451.01
Operating Expenses		
Marketing Expense	225.00	54.73
Total Operating Expenses	225.00	54.73
Income From Operations	3,022.00	396.28
Other expenses:		
IBC reserve	422.00	75.48
Credit Card Fee	122.00	25.90
Write off Expense	-	1,788.21
Total Other Expenses	544.00	1,889.59
Net Income	\$ 2,478.00	\$ (1,493.31)

Profit/Loss

The Proverbs Journals lost \$1,493.31.

Timeline

<i>Planned</i>		<i>Actual</i>
3 October	• Finish Prototype Design	3 October
13-15 October	• Arrival of Prototype	9 November
16 October	• Place Order	13 November
30 October	• Begin Selling	28 November
N/A	• Dr. White Book Signing	6 December
1 December	• End Selling	8 December

Obstacles

Journibles Supplier

Our first company that we were going to go with, Journibles, sold their copyrights overseas to China. Shipping times went from a couple weeks to a couple months. To combat this problem, we found a new company in the U.S. to supply us with journals, Book1One.

Communication

During our time with Book1One, an error was made in the formatting of the journals. Book1One sent an email alerting the IBC to this issue. The communications department did not make the Journal SBU aware of this issue. As such, we lost two weeks of time trying to figure out what happened. We combatted this problem by redesigning the communication structure between the SBUs and directors. We then contacted Book1One to discuss options for expedited shipping. The problem here was that the expedited shipping cost too much for the SBU. We then had to switch companies to Braughler Books.

Braughler Books Supplier

Braughler Books led to a series of setbacks within the last weeks of the IBC. We were told by Braughler that we would have access to the journals by November 8. However, we did not actually receive them until November 27. We combatted this problem by increasing our marketing efforts.

Consolidated Financial Statements

IBC 2017 Units Summary For the end of Semester	
Products:	Units
Munchables	284
Transition Mugs	200
Proverbs Journals	121
Jacket Rags	55
Church Project	72

IBC 2017 Consolidated Income Statement For the end of Semester		
Gross Revenue	\$ 10,305.00	
Less Sales Tax	222.00	
Net Revenue		10,083.00
COGS	6,144.00	
Gross Margin		3,938.00
Operating Expenses		
Marketing Expense	251.00	
Loan Disbursement Fee	75.00	
Design Expense	140.00	
Total Operating Expenses	466.00	
Income From Operations		3,472.00
Other expenses:		
Credit Card Fee	293.00	
IBC reserve	491.00	
Write off for Inventory	2,093.00	
Interest Expense	31.00	
Total Other Expenses		2,907.00
Net Income		\$ 565.00

Appendix: Internal Controls

Purchasing Controls

All decisions for purchasing came from the Strategic Business Unit (SBU) leaders. The act of purchasing, by any means, were carried out by the financial team member for each SBU. When a decision for a purchase was made, the financial team member began to fill out an order request. Any requests had signature approvals from both the financial director and professor Guernsey. The financial team member then was responsible for recording the purchase, that would be reconciled with the general ledger by the financial director.

The financial team members could request use of the IBC credit card. The credit card remained in possession of professor Guernsey until it was requested by a financial team member. When it was requested, the card first went through the financial director and then to the financial team member. A confirmation sheet was signed and dated each time a person received the credit card. The last signature on this sheet was the person who is responsible for the credit card.

Inventory Controls

Inventory was counted by at least two IBC members every time inventory was counted. Inventory was counted when it was first received, and both at the beginning and end of a selling event. When inventory was counted, a sheet would record the date and signatures of the members who counted the inventory. These members were not to be part of the selling event, and had no information of how much product was sold. The member in charge of the selling event was responsible for the inventory. The member in charge then reconciled the recorded decrease in inventory with the change in beginning and ending inventory. This member was not to count the inventory. This member only reconciled the change in inventory. If any discrepancy was found, then the member in charge made a note and report it the financial director for further evaluation.

Selling Controls

All transactions, cash and card, were recorded in the Square software by a financial team member. Only the financial team had access to Square. A separate member then counted the cash box. The member in charge would then receive counts of cash transactions from the two sources. If any discrepancy was found, then the member in charge would make a note and report it the financial director for further evaluation. Once the cash box was counted, then it would be returned to the cashier's office. At least two members must be in the presence of the cash box at all times. The financial director would then reconcile a report from the member in charge with the general ledger.