



2019 Loan Proposal

18 September 2019

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Executive Summary

Mission Statement

The Neos Company exists to offer meaningful and desirable products in order to enhance the lives of customers, impact the surrounding community, and glorify God.

We believe this mission statement summarizes our goals and pursuits as a company. First and foremost, we exist to glorify God. Scripture tells us on multiple occasions to work and serve to the glory of God, and this endeavor is no exception. Throughout our product development, marketing strategy, community service, and everything in between, we want to proclaim the Lord and His glory above all else.

As a business, we exist to create and sell products that fulfill the needs of our customers. Each product team is passionate about what we are offering, and we are excited to share them with Cedarville students and others in the surrounding area.

Accompanying the mission statement are four goals that will guide how the Neos Company conducts itself this year. First, our goal is to increase awareness of our company's rebrand. The majority of people on Cedarville's campus do not know what we are and what we do; our goal is to inform potential customers about us. This will be achieved primarily through a large social media presence and a professional website. Another goal is to create value by creating quality products. We have spent the past semester working hard to ensure that our products are meaningful and high-quality, and we believe these items will add value to customers. Our third goal is to communicate better with current customers. This will be accomplished through the use of promotions on campus as well as thank-you postcards that will be given out with every purchase. Lastly, we want to expand the reach of the Neos Company, specifically by reaching off-campus markets. We foresee this company having a large off-campus presence in the near future, and it begins with a big first step. So, one of our products will be marketed solely off-campus. We believe that this will be beneficial to the company this semester, but more importantly it will set up future companies for success.

Philanthropy

The Neos Company uses our mission statement to guide our philanthropic behavior. We desire to impact the surrounding communities for the glory of God by partnering with local organizations of our choice. We come alongside these organizations and give 10 hours of volunteer time per member of our company. In addition, after selling our products, we donate the profits to the companies we have been serving with all semester. The two main organizations we will be partnering with this year will be Habitat for Humanity and the Dayton Life Enrichment Center.

Habitat for Humanity's Vision Statement:

Habitat for Humanity is a global nonprofit housing organization working in local communities across all 50 states in the United States and in more than 70 countries around the world. Habitat's vision is of a world where everyone has a decent place to live. Habitat works toward their vision by building strength, stability and self-reliance in partnership with people and families in need of a decent and affordable home.

Dayton Life Enrichment Center's Vision Statement:

The Life Enrichment Center is a Christian-based, nonprofit organization providing life-building and life-sustaining services to the less fortunate in the Dayton and surrounding communities. They provide these services through the serving of basic needs like meals, showers and mailboxes, but their focus is on offering a host of life-enriching programs that can truly transform lives.

Vision Statements from: <https://www.habitat.org/about/mission-and-vision>
<https://www.daytonlec.org/home/about-2/>

Sting ‘Em T-Shirts

Product Overview

We will be selling t-shirts that feature the words “Sting ‘Em!”, a popular phrase among Cedarville students.

Product Description

A navy blue t-shirt with “Sting ‘Em!” in gold used to promote a sense of school spirit and unity. This shirt will be featured during Cedarville’s Moonlight Madness event in early November, which serves as a kickoff for the Cedarville Basketball team. This shirt will be sold for \$12, which includes tax, prior to the event.



Marketing Strategy

Partnership with the Athletic Department

Our marketing strategy is largely based on a partnership with the athletic department. The athletic department has agreed to

Partnering with Campus Experience

In addition to partnering with the athletic department, we plan on Campus Experience promoting the product as well. Campus Experience is an organization that puts on various events and activities to get students involved outside of school. We will sell the product to the Campus Activities Board and Rinnova team at a discounted rate to wear the t-shirts during Alt Nights and other events on campus. This will raise awareness for the t-shirt.

Posters, Social Media, and Chapel/Student Center Slides

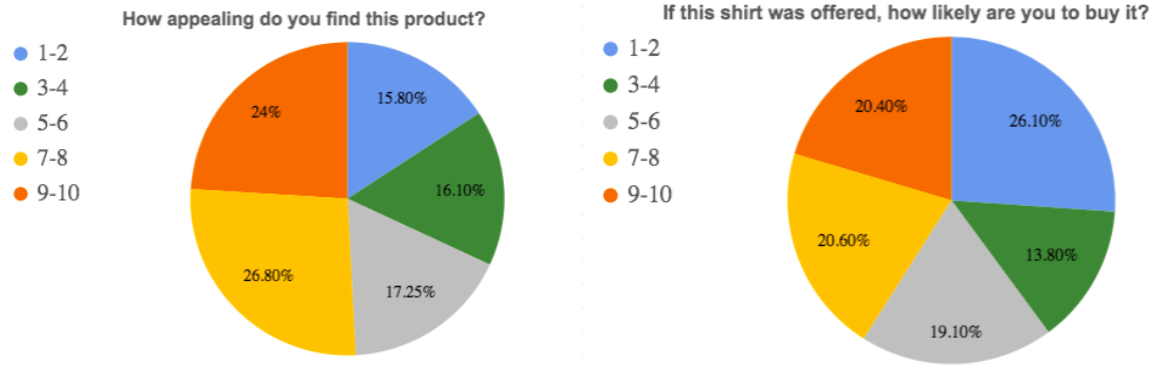
In order to raise awareness for the t-shirt, we will create and develop advertisements to be displayed in the lower Student Center, on monitors in the Student Center, and on slides before chapel. These will display the t-shirt along with pricing information and the website to buy it.

In addition, we will create a series of social media posts leading up to the product drop and boost the ads on Instagram. We will offer giveaways via the Neos Company Instagram account to make the student body more aware of the product.

Partnering with Spokespeople

Lastly, we plan on promoting the t-shirts through various influential people on campus, including Dr. White and Stinger the mascot. Dr. White has already expressed his interest in the “Sting ‘Em” brand, and it would raise a significant amount of awareness for our product if he wore it on stage during a chapel.

Concept Testing (934 responses)



Supplier Information

The Sting ‘Em t-shirts will be purchased through Screenplay, a local screen printing company in Xenia. The t-shirts will cost us \$5.12 to produce and will take 10-12 business days to arrive.

Inventory Information

We will place an order of 600 shirts, 100 of which will be available for purchase for the athletic department, and 500 of which will be available for purchase for the entire student body. Once the inventory has been received, the shirts will be stored in the IBC inventory closet.

Distribution Strategy

We will plan on distributing our product in the Lower SSC (Cedarville's Student Union), and through the Neos website. If a customer orders a shirt through our website, Square will be implemented to capture and process each payment properly. With our marketing campaign happening, the student body will know when to stop by our table in the Lower SSC to purchase our product.

Potential Risks

One potential problem that we could have would be ordering either too many of a particular size and having too many leftovers, or not ordering enough of a particular size and not having enough. We will address this issue by analyzing figures in concept testing, as well as looking at loan proposals from past years of the IBC to best gauge the correct number of shirts. In the past, the IBC has sold Moonlight Madness t-shirts to the same target market. They had an inventory of 800 shirts but sold 380 of them. This information will give us a better understanding in ordering the correct amount of shirts.

Another potential problem would be if our timeline shifts due to a delay in ordering shirts through Screenplay. We've addressed this issue ahead of time and have chosen a backup option if Screenplay falls through.

Financials

Income

Statement

Revenue

Breakdown

The Neos Company - Sting 'Em! Shirts			
Projected Income Statement			
Revenue:			
Sales*	\$	6,200	
Cost of Goods Sold	\$	3,092	
Gross Profit			\$ 3,108
Expenses:			
Marketing Expense	\$	200	
IBC Reserve (5%)	\$	310	
Square Expense (2.5%)	\$	155	
Sales Tax Expense (6.75%)	\$	419	
Less: (Graphic Designer)	\$	600	
Total Expenses			\$ 1,684
Net Income			\$ 1,424

Revenue Breakdown*		
Regular Shirt Price	\$12	
Regular Shirt Estimated Units	500	
Regular Shirt Revenue		\$6,000
Athletic Department Shirt Price	\$8	
Athletic Department Shirt Units	100	
Athletic Department Shirt Revenue		\$800
Less: Commission		(\$600)
Total Sales		\$6,200

The Neos Company - Sting 'Em! Shirts			
Break-Even Analysis			
Fixed Costs:			
Fixed Costs			
COGS	\$	3,092	
Marketing Expense	\$	200	
Total Fixed Costs			\$ 3,292
Variable Cost per Unit:			
IBC Reserve	\$	0.60	
Square Fee	\$	0.24	
Sales Tax	\$	0.81	
Commission per Shirt	\$	1.00	
Total Variable Costs			\$ 2.65
Selling Price per Unit			\$ 9.35
Break-Even Units			275

Break-even Analysis

Cash Flows

The Neos Company - Sting 'Em! Shirts				
Cash Flow Timeline				
	Pre-sale		Post sale	Summary
Cash Inflows:				
Sales	\$	-	\$ 6,200	\$ 6,200
Loan	\$	3,500	\$ -	\$ 3,500
Total Cash Inflows	\$	3,500	\$ 6,200	\$ 9,700
Cash Outflows:				
Cost of Goods Sold	\$	3,092	\$ -	\$ 3,092
Marketing Expense	\$	200	\$ -	\$ 200
IBC Reserve	\$	-	\$ 310	\$ 310
Loan Repayment	\$	-	\$ 3,500	\$ 3,500
Sales Tax Expense	\$	-	\$ 419	\$ 419
Square Expense	\$	-	\$ 155	\$ 155
Commission (Graphi	\$	-	\$ 600	\$ 600
Total Cash Outflow	\$	3,292	\$ 4,984	\$ 8,276
Ending Cash Balance				\$ 1,424

Timeline

Supernova Silent Disco

Mission Statement

Supernova Silent Disco's goal is to advance The Neos Company brand by providing a unique dance experience unlike anything that has been held on Cedarville University's campus before.

Event Overview

An event where participants will get the opportunity to dance as they listen to a variety of playlists through headphones as opposed to hearing them aloud through speakers.

Event Description

The Supernova Silent Disco is an event based around the concept of dancing to music played through wireless headphones. Participants of the event will receive their own personal headset to use for the duration of the dance. Each headset will have access to three different genres of music. Each genre, or playlist, will be represented by a particular color that will change on the headset when the station is changed. All participants will be able to switch between the three stations whenever they please. The genres that will be offered are early 2000's, oldies, and current hits. The event will take place in Alford Auditorium from 8:00pm-11:00pm on the 16th of November.



Market Strategy

Market Characteristics

The market for this event consists exclusively of Cedarville University Students. Since our method for distributing headphones relies on student ID, we are limited to the student body. This will ensure our party is safe and secure, avoiding any issues with outsiders. Also, our venue is a Cedarville facility, therefore our main market are those who attend the University.

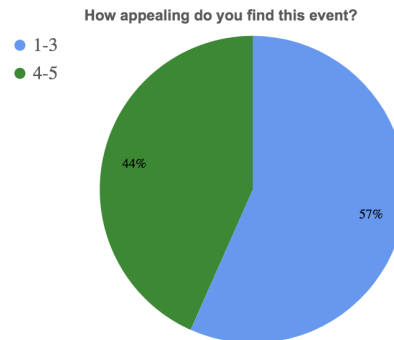
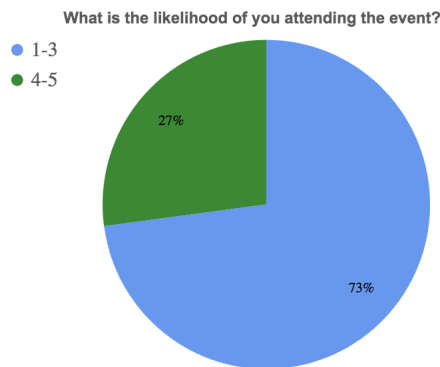
Advertising

When it comes to advertising for the Supernova Silent Disco, much of it will be through slides in the SSC and through word of mouth. We will also be placing posters in the SSC and in the lobbies of all the dorms on campus. A creative video will be made and presented in chapel and among different social media platforms. This will give the viewers a better taste of what a silent disco is all about, by actually showing them! Also, we would like to partner with Rinnova, portraying their drink “Nova” as the drink of the week leading up to our “Supernova” event.

Social Media

We will be utilizing The Neos Company’s official Instagram account to post periodically leading up to the night of the event. These posts will be used to generate hype and interest in regard to the event. We will also ask members of The Neos Company to use their personal accounts to spread the word of the event. Finally, we will use the help of SGA to send student-wide emails giving information on how to get tickets, and where and when the event will be.

Concept Testing

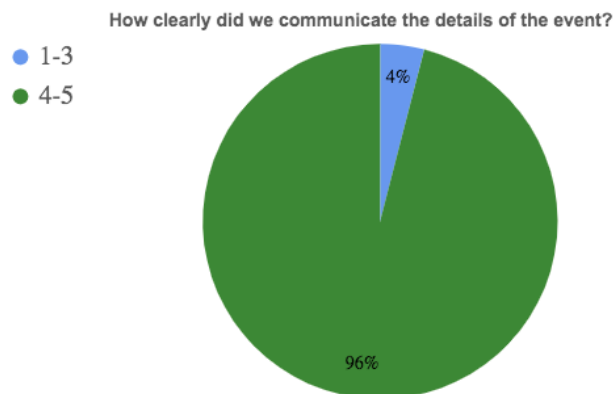


Supplier Info

DJ Johnny Only will be supplying the wireless headsets for the event. DJ Johnny is based out of New York and is experienced in this field with working more than 100 events a year. He specializes in DJ services for weddings, photo booths, lighting and much more.

Pricing

The tickets for the event when purchased through Regfox. door, assuming there are still tickets left, will cost \$12.



event will cost \$8 prior to the event. Tickets sold at the door are still tickets left.

Equipment and

The event will be held at Alford Auditorium. We will provide

changing LED headphones. These headphones also allow the user to switch between three stations and adjust the volume to their liking. We will be renting 12 lights from an org on campus to create the proper atmosphere.

Facilities

The event is taking place at Cedarville, OH. We will provide three-channel color



Distribution

We will be using Regfox for ticket sales. This will simplify our ticket processing by allowing tickets to be in a digital form. Headphones will be distributed to participants once they arrive at the event. In exchange for the headsets, participants will have their names checked off the list and will hand us their Cedarville Student ID. We will keep their ID organized in a secure box, sorted alphabetically by last name. This will ensure that all headsets are returned to us by the end of the event.

Potential Risks

One of the biggest dangers of an event like this is the possibility of a pair of headphones being faulty. Should a pair of headphones malfunction, we can replace it with an extra set. There is also the possibility of running out of the water or cups provided for attendees. If this occurs, we will refill our stock from the athletic training center in Callan or purchase more water and cups from Dollar General.

Staffing

The majority of staffing at the event will be the silent disco team as well as other members of The Neos Company. They will be providing assistance with setting up, distributing headphones, and monitoring the doors so headphones do not leave the building. We will have an advisor there as well for safety and compliance in the case of any issues that might come up.

Financials

Income Statement

The Neos Company - Supernova Silent Disco		
Projected Income Statement		
Revenue:		
Sales*	\$ 3,300	
Cost of Services Provided**	\$ 1,644	
Gross Profit		\$ 1,656
Expenses:		
Decorations Expense	\$ 250	
Lighting Expense	\$ 50	
Marketing Expense	\$ 100	
Regfox Expense (.99/ ticket)	\$ 371	
IBC Reserve (5%)	\$ 165	
Total Expenses		\$ 936
Net Income		\$ 720

Revenue/Cost of services Breakdown

Revenue Breakdown*		
Presale Ticket Price	\$8	
Presale Ticket Estimated Units	<u>300</u>	
Presale Ticket Revenue		\$2,400
At door Ticket Price	\$12	
At door Ticket Units	<u>75</u>	
At door Ticket Revenue		\$900
Total Sales		\$3,300

Cost of Services Provided Breakdown**		
Headphones Fee		\$1,644
Building Fee		N/A
Other Expenses		
Total other expenses	N/A	
Total Cost of Services Provided		\$1,644

Break-even Analysis

The Neos Company - Supernova Silent Disco		
Break-Even Analysis		
Fixed Costs:		
Cost of Services Provided	<u>\$ 1,644</u>	
Total Fixed Costs		\$1,644
Variable Cost per Unit:		
Price of Presale ticket	\$ 8.00	
Price of At door ticket	\$ 12.00	
Headphones Expense	\$ 1,644	
Regfox Expense	\$ 0.99	
IBC Reserve	\$ 0.40	
Sales Tax Expense	N/A	
Other Expenses	<u>\$ 400</u>	
Total Variable cost		\$2,065
Selling Price per Unit		<u>\$ 6.66</u>
Break-Even Presale		307

Cash Flows

The Neos Company - Supernova Silent Disco			
Cash Flow Timeline			
	Pre-sale	Post Sale	Summary
Cash Inflows:			
Sales	\$ -	\$ 3,300	\$ 3,300
Security Deposit	\$ -	\$ 650	\$ 650
Loan	\$ 2,700	\$ -	\$ 2,700
Total Cash Inflows	\$ 2,700	\$ 3,950	\$ 6,650
Cash Outflows:			
Cost of Services Provided	\$ 1,644	\$ -	\$ 1,644
Security Deposit	\$ 650	\$ -	\$ 650
Decorations Expense	\$ 250	\$ -	\$ 250
Lighting Expense	\$ 50	\$ -	\$ 50
Marketing Expense	\$ 100	\$ -	\$ 100
Regfox Expense	\$ -	\$ 371	\$ 371
IBC Reserve	\$ -	\$ 165	\$ 165
Loan Repayment	\$ -	\$ 2,700	\$ 2,700
Total Cash Outflow	\$ 2,694	\$ 4,880	\$ 5,930
Ending Cash Balance			\$ 720

Timeline



Time Planner

Product Overview

The *Time* planner is a January-December daily agenda for professionals to organize their responsibilities in a unique and effective way. The planner is designed to help customers accomplish their goals, complete tasks, and find encouragement in Biblical truths.

Product Description

The planner will be a hardcover book with a black and white interior. The first page will be a blank page containing the new Neos Company logo. The next page will be an informational page about The Neos Company, including who we are and our company mission. After this, there will be a more personalized how-to page, explaining the various elements of the planner and how to optimally use them. The planner will start in January 2020 and end in December 2020. There will be a goal page for each month, where you set work, personal, and spiritual goals. Beside this page will be a goal review page, where you review how you did in fulfilling your monthly goals. There will be a month view page, where it introduces the Biblical theme of the month. It provides a section for notes, as well as a dictionary definition of the Biblical theme. Then, the planner will have the weekly sections, where it has the days laid out, as well as a weekly section to assess goal progress. The weekly view also has a section for weekly wins, where an individual can document positive elements of their week. The four weeks of the month also present a different verse that correlates to the monthly Gospel theme. The planner will cost \$25 plus the shipping expenses.



January 2020

Sunday	Monday	Tuesday	Wednesday
29	30	31	1
5	6	7	8
12	13	14	15
19	20	21	22
26	27	28	29

Kindness

- the quality of being friendly, generous, and considerate

Thursday	Friday	Saturday	Notes
2	3	4	
9	10	11	
16	17	18	
23	24	25	
30	31	1	

January
Review

..... Work

..... Personal

..... Spiritual

February
Goals

..... Work

..... Personal

..... Spiritual

<h2 style="margin: 0;">January 2020</h2> <div style="margin-top: 10px;"> <div>29 Sunday</div> <div>30 Monday</div> <div>31 Tuesday</div> <div>1 Wednesday</div> </div>	<div style="text-align: center; margin-bottom: 10px;"> <h2 style="margin: 0;">†</h2> <p style="font-size: 0.8em; margin: 0;">He that followeth after righteousness and kindness Findeth life, righteousness, and honor. — Proverbs 21:21</p> </div> <div style="margin-top: 10px;"> <div>2 Thursday</div> <div>3 Friday</div> <div>4 Saturday</div> </div> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <th style="width: 50%; padding: 5px;">Goal Progress</th> <th style="width: 50%; padding: 5px;">Weekly Wins</th> </tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> </table>	Goal Progress	Weekly Wins								
Goal Progress	Weekly Wins										

Marketing

Our primary target market is business professionals who are connected to Cedarville University. We are targeting business professionals because of their need for a planner since they lead full schedules that require them to be productive and goal oriented. Marketing toward people with a connection to Cedarville University is important because of the faith they have and their desire to grow through weekly and monthly goal elements encouraging their progress

Digital Marketing

The foundation of our digital marketing efforts is within our shopping cart platform, which will be Woocommerce. This is compatible with Square and is interfaced within the website. It will allow us to make our product SEO friendly. We will tag our product with specific keywords in the meta-description, as well as uploading images tagged with similar keywords. This will allow for the planner to appear in customer's google search results. We will create ads through a Google Ad account that will have our product name and description. These ads will show up on the side of the google webpage. Then, through our Google merchant account that we will create, we will post shopping ads with pictures and descriptions that appear on the Shopping tab in Google. These ads will link directly to the Neos Company website and allow the customer to purchase the planner easily. To track all of this, we will use Bitly, a free service that shortens your URL and then allows you to track clicks on that specific URL.

Instagram

We will use the Neos Company Instagram account to generate interest by posting visually appealing, high-quality images with fun and catchy captions. The images will highlight the interior of the planner, while including real people using the planner in multiple different settings. Each social media account will be linked to our company website and allow customers to arrive at the planner webpage with just a click. By making our instagram account a business account, we can post story ads, boost our ad posts to specific demographics, and include relevant hashtags to generate more traffic to the Neos Company instagram page, and specifically the planner posts.

Cedarville Parents

We will work closely with Jeff Beste of Alumni Relations to get our product to parents of Cedarville students. We will advertise our product through a parent email, sent through Parent Connect, with an image of the product, a description, and a link to the Neos Company website. We will also utilize the parent facebook page to post information about our product, share images, and offer parents the link to our website.

Alumni

We believe one of our most viable markets is that of business professionals connected to Cedarville - namely alumni. We will reach these professionals by working with Rah Jacobs in the Alumni department to obtain a list of potential customers. We will also utilize the Cedarville University SBA and Alumni LinkedIn pages that many young alumni are a part of.

Faculty/Staff

We will reach out to Cedarville faculty and staff, as they are business professionals right here on campus. Many professors and other faculty members use planners to organize their responsibilities for the year. More specifically, we will reach out to these professionals around the Christmas season and advertise planners as potential Christmas gifts.

Appeal

We have found that business professionals use planners a great amount because of the fullness of their schedule and their need for timeliness. We have catered this planner for those in professional environments by appealing to their need for goals, organization, and managing their many to-do's. In addition, it appeals to business professionals connected to Cedarville University because each month is tailored with a Biblical theme, following with weekly verses. Originally, this planner was catered towards students, so the concept testing conducted was focused on a different target market.

Supplier Information

We will be using LuluXpress to print our planners. It will be \$11.31 per unit, but you get a bulk discount, bringing down the cost to \$1,153.56 for 120 planners. The planners will be 6 inches by 9 inches, with a black and white interior. We are able to upload our planner document and a

graphic of the cover and they will print it and ship it to us. Shipping will take around a week and a half and cost \$70.

Inventory Information

We will be purchasing 120 planners. A team member will be counting these, once the delivery has arrived. We will do a quality check, ensuring all the planners are high quality and free of damages. After a month of sales, a team member will evaluate and count the inventory once again. We will be storing the inventory in Milner 105 during the time our business is running.

Distribution Strategy

We plan to distribute the planner online using the Square component within our website. Once the order has been placed, the customer will receive an email confirming their purchase. Regarding packaging the planners, one of the Neos members will package the planner, then the planner will be shipped out which takes approximately 1-2 business days for in state and surrounding states. We will be assuring each customer that their planner will arrive in 5-8 business days. Once the order has been shipped we will be sending the customer a “Your order has been shipped” email. If a customer wishes to return their planner they will be responsible for paying shipping fees to transport it back to us. Once we have received the planner, we will reimburse them for the full amount.

Potential Risks

Some potential issues that we may run into is having our primary publisher fall through, having extra planners, increased demand for the planner, and potential shipping conflicts. Regarding the possibility of having our primary publisher falling through, we plan to use Book1One as our back up publisher. Although the cost through Book1One is a bit more than we anticipated it is a viable option. If we have extra planners after sales have finished, we plan to sell them to the IBC to be used as practice for marketing in the Principles of Marketing class. In addition, we plan to do a final marketing push at the end of the semester to hopefully sell as many of the remaining planners as possible. If we experience increased demand for the planner, we have the ability to order more in a timely manner. The printing and shipping time is about a week and a half.

Finally, if we run into conflicts with shipping such as lost packages, damaged planners, delayed shipping etc. we plan to send an extensive apology email as well as absorb any costs that are involved with replacing the planner and getting it to the customer on time.

The exit strategy for this product has two options. The first is to first sell them to the bookstore since the semester and year will just have begun. An additional option we have is to sell them back to the Integrated Business Core for the manufacturing cost and make back a small amount of money.

Financials

Income Statement

The Neos Company - Time Planner			
Projected Income Statement			
Revenue:			
Sales*	\$ 3,000		
Cost of Goods Sold	<u>\$ 1,221</u>		
Gross Profit		\$	1,779
Expenses:			
Marketing Expense	\$ 200		
Packaging Expense	\$ 30		
Graphic Designer	\$ 150		
Square Expense (2.5%)	\$ 75		
IBC Reserve (5%)	\$ 150		
Sales Tax Expense (6.75%)	<u>\$ 203</u>		
Total Expenses:		\$	808
Net Income		\$	971

Revenue Breakdown

Revenue Breakdown*	
Planner Price	\$25
Estimated Units	120
Planner Revenue	\$3,000

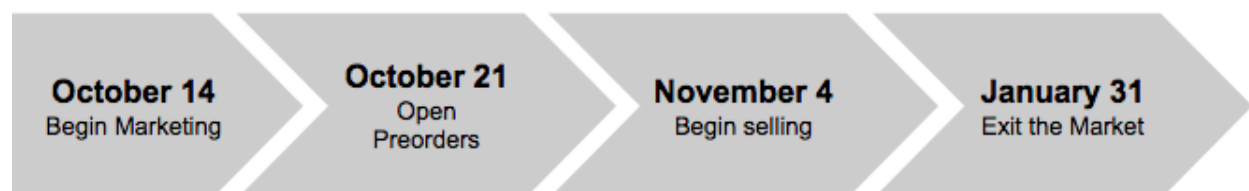
Break-even analysis

The Neos Company - Time Planner		
Breakeven Analysis		
Fixed Costs:		
Cost of Goods Sold	\$	1,221
Marketing Expense	\$	200
Packaging Expense	\$	30
Graphic Designer	\$	150
Total Fixed costs:	\$	1,601
Variable Cost per Unit:		
Price	\$	25
IBC Reserve	\$	1.25
Square Expense	\$	0.63
Total Gain per Unit	\$	23.13
Units to Breakeven		69

Cash Flows

The Neos Company - Time Planner			
Cash Flow Timeline			
	Pre-sale	Post sale	Summary
Cash Inflows:			
Sales	\$ -	\$ 3,000	\$ 3,000
Loan	\$ 1,900	\$ -	\$ 1,900
Total Cash Inflows	\$ 1,900	\$ 3,000	\$ 4,900
Cash Outflows:			
Cost of Goods Sold:	\$ 1,221	\$ -	\$ 1,221
Marketing Expense	\$ 200	\$ -	\$ 200
Packaging Expense	\$ 30	\$ -	\$ 30
Graphic Designer	\$ 150	\$ -	\$ 150
Square Expense	\$ -	\$ 75	\$ 75
Sales Tax	\$ -	\$ 203	\$ 203
IBC Reserve	\$ -	\$ 150	\$ 150
Loan Repayment	\$ -	\$ 1,900	\$ 1,900
Total Cash Outflow	\$ 1,601	\$ 2,328	\$ 3,929
Ending Cash Balance			\$ 971

Timeline



God is Faithful Crewneck Sweatshirt

Product Overview



This high quality, fashionable, and comfortable sweatshirt designed saying “God is Faithful”.

Product Description

This crewneck sweatshirt is Gildan Midweight 50/50, which is a soft and durable material. The material is not too heavy for the consumer, but also not low quality or cheap feeling. It will be sold for \$24.99 before taxes and/or shipping expenses. The sweatshirt will include a spiritual phrase, that is oriented towards all Christian audiences. The phrase will be “God is faithful.” Although this is oriented to all Christian audiences, the phrase will be special to Cedarville students because this is a common Dr. White phrase and it accompanies this year’s sermon series based on faithfulness.

The main appeal of the sweatshirt is the phrase “God is Faithful” which corresponds with Dr. White’s sermon series and a common phrase that he uses during chapel. The majority of the Cedarville student body will be familiar with this phrase, which will help create awareness and interest in the product. One fall fashion trend is comfy sweatshirts and this product fits perfectly in this trend. The colors and material are very ‘fall’ like and be popular during this upcoming season. Since the product is spiritual and corresponds with Dr. White’s message, this product will promote unity across Cedarville community and/or the Christian community.

Marketing Strategy

Social Media

For our sweatshirts, we will utilize digital marketing through our social media and social media ads. Social Media Presence: Instagram, Facebook, and Pinterest will be our social media platforms of choice to advertise through.

Instagram

We will have a strong social media presence through the Neos instagram account. By posting frequent good quality pictures including other students wearing our product and following Cedarville students, we will be able to gain a substantial following. This instagram will be creating awareness and interest among our followers due to the frequent posts and content of students wearing the product.

Facebook

We will utilize the Neos facebook account to create a company hub to create awareness, interest, and also give the customer a preview to product purchase page. Why facebook? Some Cedarville students do not have both instagram. By creating both platforms and posting identical posts, we will be creating unity among our platforms and options for our customers to like/follow. In addition, this page will allow customers to leave reviews and give ratings, which will allow new prospective customers to evaluate the product positively.

Merch-drops

A first-come-first-serve basis to draw attention to the limited amount of the product we have in each color that we are selling.

Pop-up shop

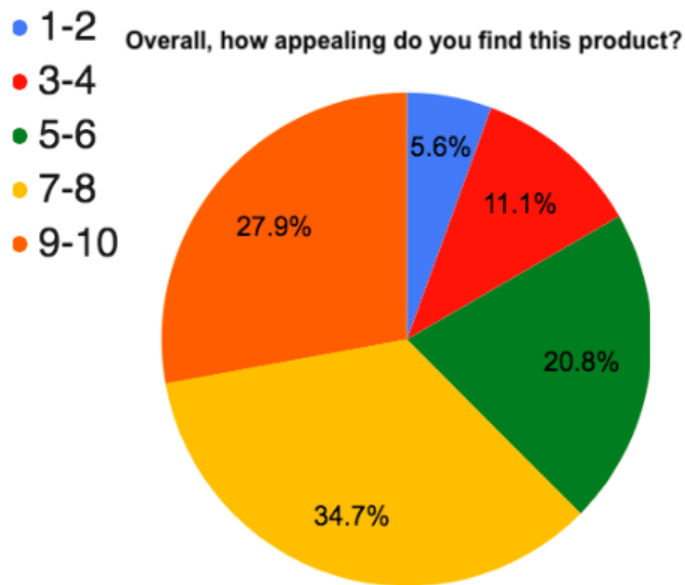
While a majority of our marketing and sales will be electronic, we will set up a table on the BTS patio selling our sweatshirts. There is a lot of foot traffic and studying on that patio which would put the product in front of a lot of customers. The benefit to this is that the students will be able to get their hands on the products and see them for real, instead of just seeing a picture.

Discount to “influencers” on campus

In addition to the free photo shoot mentioned above, we would offer a select group of students, known as “influencers,” a discount on our sweatshirts in exchange for promoting the sweatshirts on their personal social media. This exchange would include a contract, spelling out our discounted price and their obligations to promote.

Concept Testing

This concept test reflects our original design and product written as “Comfortable, trendy, and spiritually based sweatshirt.” Although the design is different, we believe this concept test is still accurate or under values our appeal now. Our product was originally priced at \$35, which the majority of respondents considered too pricey. Since our price has lowered to \$25, we believe the appeal to consumers will also be higher percentage for 9-10s.



Supplier Information

Custom Ink

We choose custom ink as a primary supplier for our sweatshirts. Their customer service so far has been very helpful and their responses have been timely. For orders, shipping is free and takes up to 2 weeks to deliver.

Inventory Information

We are planning on purchasing 125 sweatshirts of each color as our first run. This will total 250 sweatshirts as a whole. To keep track of our inventory, we will be checking in and reviewing

each sweatshirt once we receive them from our supplier. Once we are getting low (running out of specific sizes, etc) on inventory, we will reevaluate our demand and take specific sizes from customers.

Distribution Strategy

Our distribution strategy has several different sections. For on-campus students, when they place an order online we will send the ordered sweatshirts through campus mail. For every student purchase, we will have the student right down there campus box number. This will allow the campus post office to send an email to the student letting them know that they have a package to pick up. We will also have the pop up shop option where students can buy their sweatshirt and take it home right away. For off campus sales, we will send the packages to the address given via the order. Our sweatshirt will be wrapped in brown paper & wrapped with string. There will also be a sticker and a Neos info card inserted in our packaging.

Potential Risks

One key difficulty will be ordering the appropriate amount of shirt sizes. A shortage of a certain size will lose us customers, while a surplus will be wasted capital. We have a limited amount of money and we need to make sure we are as efficient as possible with our ordering. To prepare for this, we plan on placing a smaller sized order to start things off as soon as possible, and then basing future orders off of our initial results. We also will allow customers to pre order any size of shirt if we happen to be out of the size they are looking for. This option will definitely be available during the first order of shirts, because we are fully expecting to place a second bulk order. How many sweatshirts we sell during the second wave of shirts will determine if we allow pre orders again. This will help us avoid losing any potential customers.

If there are leftover sweatshirts, our primary exit strategy would be to market them to Admissions, Alumni Relations, and Student Life Programs. We would be willing to sell them at a discounted price if they order in bulk.

Financial Information

Income Statement

The Neos Company- Sweatshirt		
Projected Income Statement		
Revenue:		
Sales*	\$ 6,248	
Cost of Goods Sold	<u>\$ 3,305</u>	
Gross Profit		\$ 2,943
Expenses:		
Square Expense	\$ 158	
Marketing Expense	\$ 150	
Packaging Expense	\$ 100	
IBC Reserve (5%)	\$ 312	
Sales Tax Expense (6.75%)	<u>\$ 423</u>	
Total Expenses		<u>\$ 1,142</u>
Net Income		\$ 1,800

Revenue Breakdown

Revenue Breakdown*		
Blue Sweatshirt Price	\$ 25	
Blue Sweatshirt Units	<u>125</u>	
Blue Sweathshirt Revenue		\$ 3,124
Tan Sweatshirt Price	\$ 25	
Tan Sweatshirt Units	<u>125</u>	
Tan Sweatshirt Revenue		<u>\$ 3,124</u>
Total Sales		<u>\$ 6,248</u>

Break Even Analysis

The Neos Company- Sweatshirt			
Break Even Analysis			
Projected Costs:			
Cost of Goods Sold	\$	3,305	
Marketing Expense	\$	150	
Packaging Expense	\$	100	
Total Fixed Costs			\$ 3,555
Variable Cost per unit:			
Sales tax	\$	1.69	
Square fee	\$	0.63	
IBC Reserve	\$	1.25	
Total Variable Costs			\$ 3.57
Selling price per unit			\$ 24.99
Brea-Even Units			167

Cash Flows

The Neos Company- Sweatshirt				
Cash Flow Timeline				
	Pre-sale		Post sale	Summary
Cash Inflows:				
Sales	\$	-	\$ 6,248	\$ 6,248
Loan	\$	3,700	\$ -	\$ 3,700
Total Cash Inflows	\$	3,700	\$ 6,248	\$ 9,948
Cash Outflows:				
Cost of Goods Sold	\$	3,305	\$ -	\$ 3,305
Marketing Expense	\$	150	\$ -	\$ 150
Packaging Expense	\$	100	\$ -	\$ 100
IBC Reserve	\$	-	\$ 312	\$ 312
Square Expense	\$	-	\$ 158	\$ 158
Loan Repayment	\$	-	\$ 3,700	\$ 3,700
Sales Tax Expense	\$	-	\$ 423	\$ 423
Total Cash Outflow	\$	3,555	\$ 4,592	\$ 8,147
Ending Cash Balance				\$ 1,800

Timeline



Consolidated Financials

Consolidated Income Statement

The Neos Company		
Consolidated Income Statement		
Revenues:		
Sting Em	\$ 6,200	
Silent Disco	\$ 3,300	
Planner	\$ 3,000	
Sweatshirts	\$ 6,248	
Total Sales		\$ 18,748
Cost of Goods/Services		\$ 9,282
Gross Profit		\$ 9,466
Expenses:		
Marketing Expense	\$ 650	
Regfox Expense (.99/ ticket)	\$ 371	
IBC Reserve (5%)	\$ 937	
Sales Tax Expense (6.75%)	\$ 1,044	
Commission	\$ 600	
Square Expense (2.5%)	\$ 463	
Loan Interest Expense	\$ 100	
Other Expenses	\$ 1,230	
Total Expenses		\$ 5,395
Net Income		\$ 4,071

Consolidated Loan Request

The Neos Company	
Consolidated Loan Request	
Loan Request:	
Sting Em	\$ 3,500
Silent Disco	\$ 2,700
Planner	\$ 1,900
Sweatshirts	\$ 3,700
Total Loan Request	\$ 11,800

Consolidated Cash Flow Timeline

The Neos Company			
Consolidated Cash Flow Timeline			
	Pre-sale	Post sale	Summary
Cash Inflows:			
Sales	\$ -	\$ 18,748	\$ 18,748
Loan	\$ 11,800	\$ -	\$ 11,800
Total Cash Inflows	\$ 11,800	\$ 18,748	\$ 30,548
Cash Outflows:			
Cost of Goods Sold	\$ 7,638	\$ 1,644	\$ 9,282
Marketing Expense	\$ 650	\$ -	\$ 650
IBC Reserve	\$ -	\$ 937	\$ 937
RegFox Expense	\$ -	\$ 371	\$ 371
Square Expense	\$ -	\$ 463	\$ 463
Comission	\$ -	\$ 600	\$ 600
Other Expenses	\$ 830	\$ 400	\$ 1,230
Loan Repayment	\$ -	\$ 11,800	\$ 11,800
Loan Interest Expense	\$ 100	\$ -	\$ 100
Sales tax	\$ -	\$ 1,044	\$ 1,044
Total Cash Outflow	\$ 9,218	\$ 17,259	\$ 26,477
Ending Cash Balance			\$ 4,071