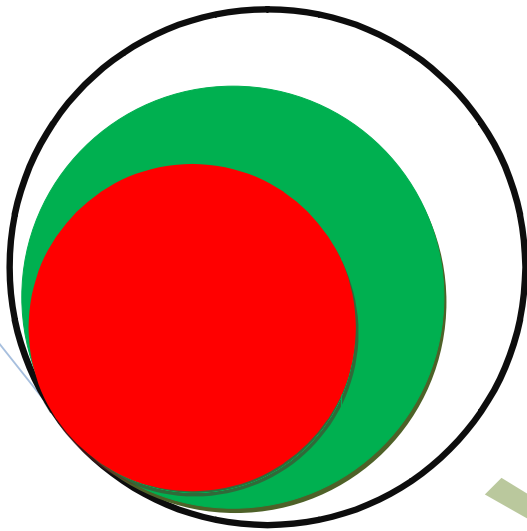
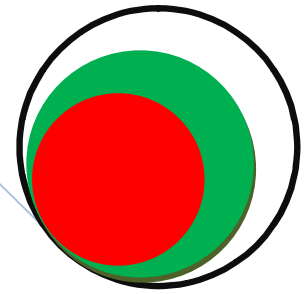
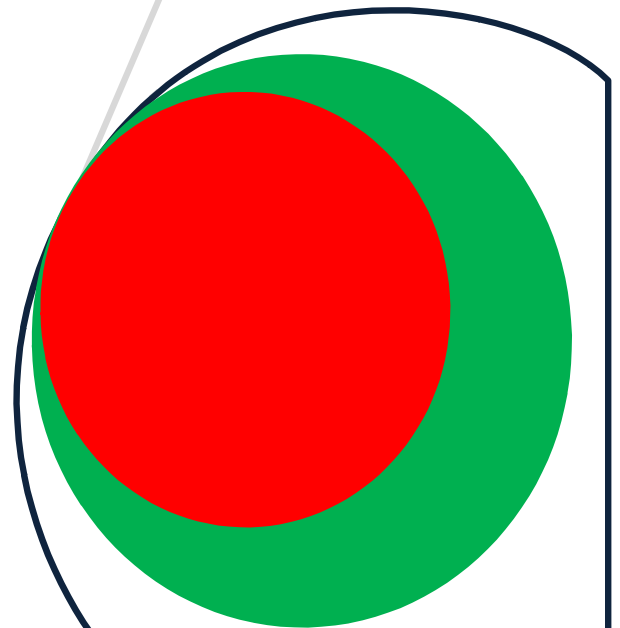


Company Report



BIO WORLD
2007/2008
Bulgaria

Teacher/consultant
Ognyan Dimitrov



“BIO WORLD”

Our mission is the accomplishment of one ambitious business idea – development and production of a new interactive manual for education that will help the students to gain new knowledge and skills during the process of studying. **The product** we offer is a multimedia instructional guide of physics and biology. Our **net profit per unit** is calculated to 1.84 BGN (note that 1.96 BGN = 1 EUR) or the profit we gained for the whole year amounts to 45 BGN, but till the end of the summer we do plan to sell more of our product to the schools in the region, which means doubling the profit up to 100 BGN. **Summary statement of Company performance** For the period of its existing, our company has achieved its main goals. We gained useful experience in the management of a company, learned to do compromises and to work together, to be entrepreneurial and creative.

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I. Idea. Goals.

The company has decided to produce multimedia instructional guide for physics and biology for pupils of 7th and 8th grade. The business idea is innovative and original, because of the absence on the market of analogous products of ours.

The idea for creating of instructional appliances results from our desire to help young people in learning in a new and more attractive way, or in other words – we used the method “learning by doing”.

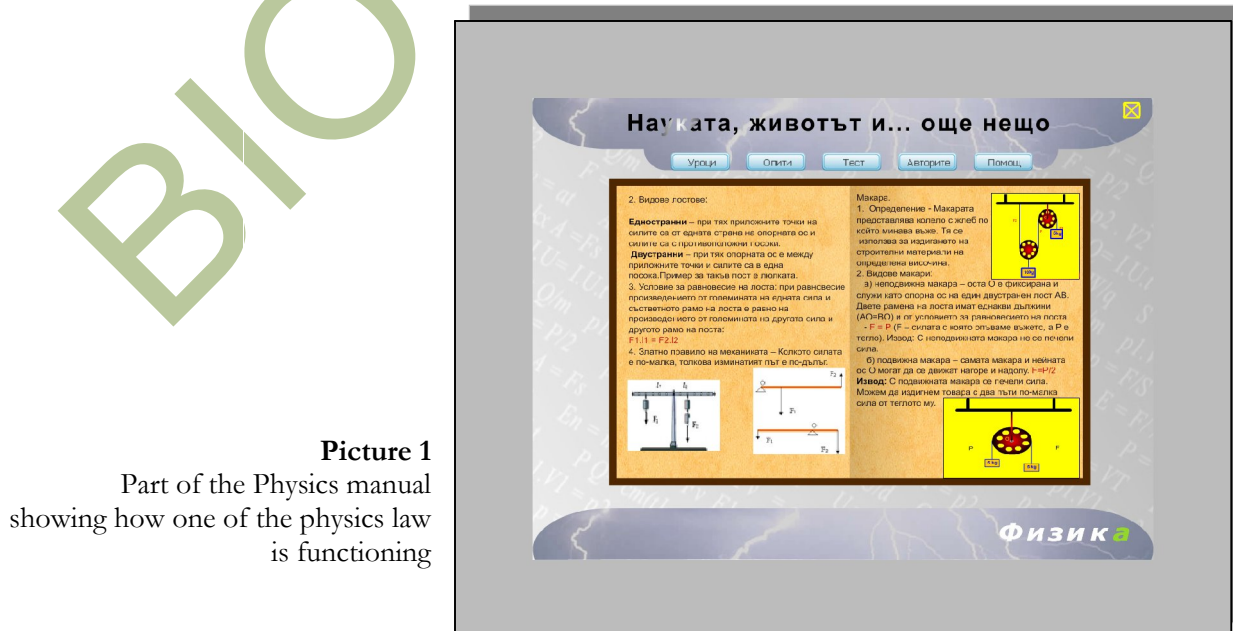
The **goals** of our company are as follows:

- Satisfying the final customer as offering one entirely new product
- Establishing a high competitive product on the market
- Approving our name as one of the best – selling companies
- Minimizing of production and targeting more potential customers
- Maximization of the realized profit

II. Description of the product and the market

A. General information of the product

The activity of company is development, updating and selling CD multimedia guidelines of physics and biology for pupils. These guidelines contain very friendly interface and on accessible language explains how the physical laws or the human nature functions. The interesting and modern way of training offers and plenty of additional information on themes, which are of big interest for those, who want to learn more.



Picture 1

Part of the Physics manual showing how one of the physics law is functioning



Picture 2.
General view from the Biology manual – digesting system

B. Analysis of the branch and tendencies for developing

The Bulgarian market is developing in conditions of free economics. During the last years it is characterized by a high growth, mainly concentrated in the high – tech products. The basic stimulating factors are the foreign investments which are invested in the IT sector. The membership of our country in EU is contributing for the revenue in the sector. The prognoses for the next 5 years envisage growing of the economical growth in IT sector. That's why can be concluded that the realization of our business idea is just on time!!

We made a market research (for Bulgaria) for our main competitors and the conclusion is that the basic competitors of are the big publishing houses – Prosveta, Bulvest, Anubis, Letera. They are offering plenty of studying literature, books and instructional appliances. Also, there is a big number of products in the WEB similar to ours, BUT their basic disadvantage is in the manner by which the information is presented – in most cases it is insufficient and it is not performed systematically.

The SWAT analyses below shows our weaknesses and strengths on the market:

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. Innovative and original product 2. Attractive and modern design 3. Low self cost 4. Accessible price 	<ol style="list-style-type: none"> 1. Low productive capacity 2. Lacking of intangible assets (company' history, company'image) 3. Weak developed distribution net
OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. New markets 2. Developing of product 	<ol style="list-style-type: none"> 1. Slow economical growth 2. Big competition 3. Satiation of market

C. Customers

Potential customers we target are the young people, aged 13 – 16

- Pupils from 7th and 8th class, which are studying physic and biology at school.
- Teachers of physic and biology
- Everyone who is interested in physics and biology.

III. Marketing strategy, sales and distribution

.The **market strategy** of Bio World includes market oriented management system with direct contact with final customers and examination of customer' demanding. In result of these investigations the company offers on the market its qualitative products on price that is lower than competitors'. By this way our products are accessible for bigger part of customers, which haven't habits to take considerable part of its budget for studying appliances.

To realize the long term goals of the company and its good positioning on the market, we are aiming to one of the basic indexes – realizing of good **sales**. It will ensure income for enhancing the activity and possibility for growing of the market share, this will consolidate the name of company in the consciousness of customers.

Envisaging the short time existence of the company /one school year/ our basic strategy includes realization of good incomes for short time period, paying of invested money and achieving of defined profit. Our investigations are showing that this branch is characterized by good profits and high paying of the invested money.

The **sales strategy** of company includes using of direct marketing, also specially organized stand for retail sales in our target group /schools/, where the bigger part of our potential customers is concentrated.

The marketing is a basic and important mean for successful realizing of the companies' tasks in the nowadays macro environment. We are young and ambitious company and we understand the ultimate importance of the methods for distribution and advertising of our products, and we aim to use bigger number of methods for realizing of our marketing strategy:

- Distribution of brochures and advertising materials on the territory of the schools, where we are studying.
- We will organize presentations before groups of pupils and will show them the basic features of our appliances and will give answers of their questions.
- We envisage also distribution of the products by WEB through the specially created company' site – www.bioworld.free.bg

IV. Production

A. Production process

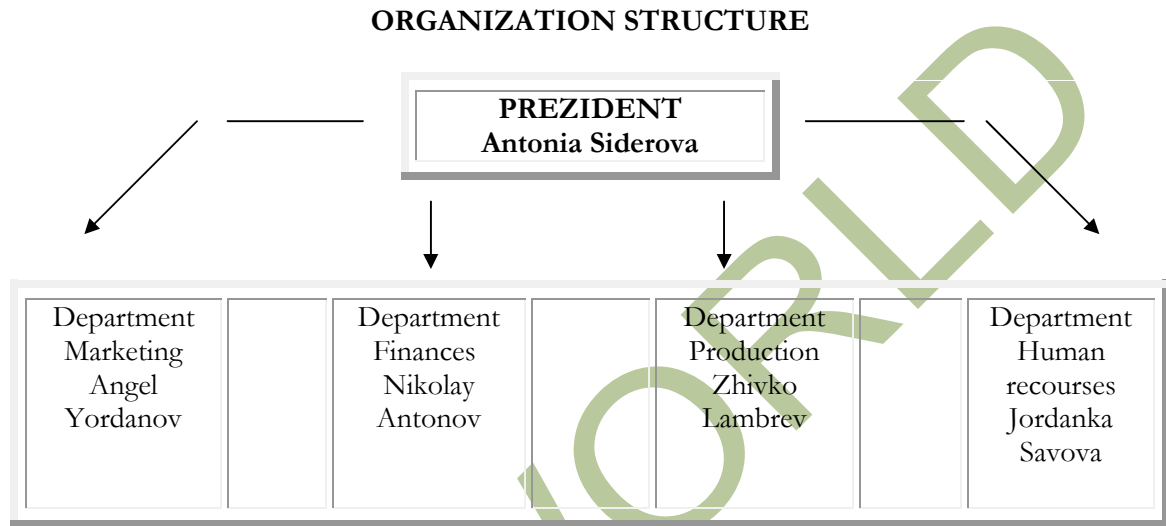
Before the final recording of the CD's with the readable kind of the manual the company team is passed through many activities to ensure the quality and style of the final product:

- Examination of the studying program of physics for 7th class and biology for 8th class.
- Distribution of the themes for development between the member's team.
- Editing of the lessons and compilation of questions and tasks for every theme.
- Processing of the additional information for every lesson and providing of pictures.
- Coordination of the developments with teachers-specialists and with Regional Inspection of Education at Ministry of Education.
- Development of multimedia design of the products.
- Project of covers for CD, company' logo and advertising materials
- Recording of readable material on the electronic holder.

Envisaging one of the basic goals of the company – to preserve its competitiveness, we will aim to keep high quality of instructional appliances every time and will enter novelties towards recorded information and the design of the product.

V. Organizational structure and management

The company' team is consist by 5 pupils from 11 class, which are also its founders. The positions are distributed at share holders' meeting, and the next positions are coordinated:



The functions are clearly distributed according the capabilities and even hobby of the share holders. Every member has necessary capabilities to be on this position and everyone executes strictly his obligations. In spite of clear distinction of different positions with its obligations, we will take team methods of work, which will allow to company to be more flexible when there are problems for resolving. Also this will be of benefit one person to take other position when there is necessity for this.

VI. FINANCIAL REPORTS

A. Financial sources

Students company „BIO WORLD” is founded as shareholder’s company and its financing is coming from share holders, everyone of them is paid 12 levs, totally 60 levs, distributed in 5 shares. There is issued 5 shares of price 12 levs everyone

Designation of money is for realizing of project, basic part of them is for paying of production expenses, R & D expenses and expenses for marketing.

B. Calculation of product /self cost/

№	Materials	Expenses per unit	Expenses for 100 units
1.	CD	0,22	22
2.	Copy paper	0,5	5
3.	Packing and label	0,02	2
4.	Toner	0,10	10
5.	Salary	0,09	9
6.	Others	0,10	10
	Total expenses /self cost/	0,58	58

Net profit from one product

Price	Self cost	Profit
3	0,58	2,42

		DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY
A.	Incomes						
1.	Sales	-	9	30	45	84	78
2.	Join stock capital	60	-	-	-	-	-
	Total incomes	60	9	30	45	84	78
B.	Expenses						
1.	Materials	-	-	15	13	3	4
2.	Salaries	1,60	1,60	1,60	1,60	1,60	1,60
3.	Marketing	-	-	3	2	4	1
	Total expenses	1,60	1,60	19,60	16,60	8,60	6,60
	Balance	58,40	7,40	10,40	28,40	75,40	71,40

C. Break event point

The break event point is that point where the incomes and expenses are equated. In this point there is not profit. To calculate break event point the next conditions are needed – production must be equated to sales, precisely defined classification of incomes as variable and fixed, calculation with the same price, same technical and technological level of production. We perceived the analytical method for determination of break event point and after calculation we find out that it is 8 pieces.

$$\text{Break event point} = \frac{\text{Fixed expenses}}{\text{Price} - \text{Self cost}} = \frac{19,60}{3 - 0,58} = 8 \text{ pieces}$$

VII. Perspectives for future development, risks and ecological evaluation

The long time **perspectives for development** of company include enhancing of activity and development of multimedia studying appliances of other subjects. By this way we will keep attention of our customers and will enhance the range of our activity. Also, we do plan to establish our own company on the age of 18 and continue with our activity.

The risks, which are in front our company „Bio World” JS Co are:

- Violation on the created by us intellectual property by reproducing and dissemination of our products.
- Creating of products similar to our /plagiarism/ by competitive companies.
- Creating of products with better qualities than our.
- Change of studying contents, because of our product will not out of date.

Production of the product and its utilization has not influence **on the environment**. The damaged and depreciated products and its packages are due to recycling if the separated collection of wastes is ensured.

VII. Conclusion

Accomplished investigations for the realization of the idea and financial calculations are approving the economical expediency of the project. The financing is entirely by our capital and is prerequisite for fast starting of the business. The calculations for incomes and expenses and cash flows confirm the expectations for profit on good level and full coverage of all payments.