



INNOVATIVE

SPORTSEQUIPMENT

YE-report

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The company's idea:

We are all students from Tietgen Business College in Denmark. The foundation of our company is that our product should be tangible. We are all students, and therefore were we willing to put very much of our sparetime in this product as well as the company. However, we do not have a large amount of capital, and therefore was important for us that our product was cheap and simple to produce, at the same time as it had an enormous potential. After we had appointed our principals, we started to brainstorm different issues, and we found a problem in the handball community. Our product is a thimble, which is protecting handballplayers from blisters and similar problems, when playing with resin.

The product:

Many handball players are fighting with the problem that after a short break from training and playing, you will as a player get soft skin on your fingers, and because of the strength of resin, the skin is ripped off your fingers, when you start to play after a short break. The injuries can cause huge pain, and can result in absence from matches. Today the problem is normally solved with tape, but because of the sticky material that goes into tape, it only makes the injury worse, and it is also only a temporary solution. In our company we have handballplayers, so therefore we also had the relevant contacts in the handball environment. Because of the problem and the know-how we decided to work from the problem.

Our product is an improvement of sports tape, which you use today to paste around your fingers, when you have blisters or other similar problems. Today sports tape is the only product on the market, which can help against injuries. After a few shots or passes the tape will fall off, because of the strength of the resin. At the same time the tape also makes the injury worse, because the tape is sticky and therefore the paste will go into the wound and make the pain even worse.

We used a lot of time with testing different materials and prototypes, and we among other things tried cotton. The cotton began quickly to become curly and didn't have the same durability as the other materials. After other tests we found the best material, which was sports satin. Sports Satin is elastic and therefore it sits tightly on the finger. Meanwhile it is elastic, is it also very hard-wearing, which is very important, because of the big amount of resin a player uses in a training or in a match. Today the thimble should be pulled over the finger, for then to be tightened with 2 elastic bands, so the thimble wouldn't fall off during a match. At the same time the finger will still be bendable because of the elastic character of the sports satin.



The thimble should be produced in different lengths, because of the different lengths of the fingers. Because of the different lengths the thimble can be used both by women and men, but children from the age of 13 where they start to use resin can also use the handy thimble.

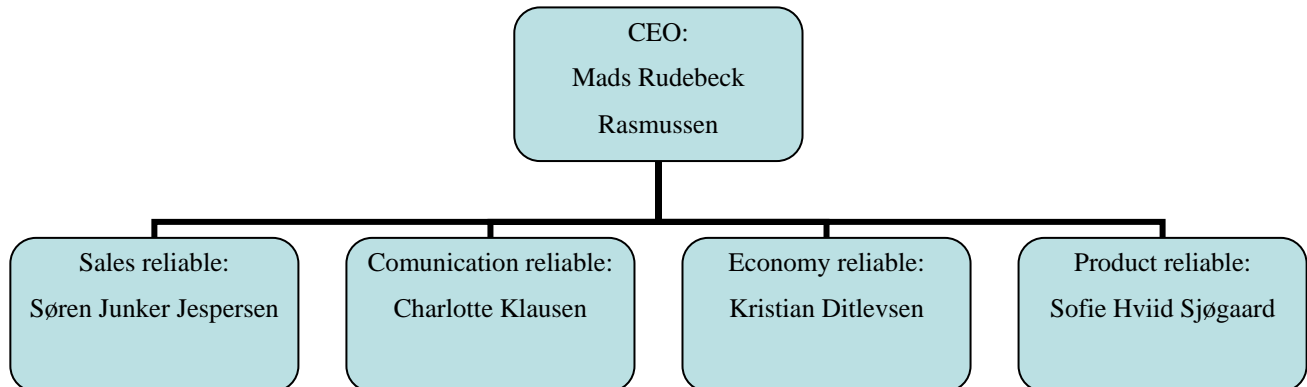
Ourselves:

Our strengths are that we know each other well, and we are all friends. In that way is it easier to give each other critique and tell each other our individual opinions, without being mad at each other. We have not chosen to run the company because of our individual friendship, but because of our different competences. We have been able to build a company which is both creative and ambitious. We have confidence in each other, which means that when an agreement is made, we are sure that is being held. We also think that it is a strength that both sexes are represented in the company, because of the different ways the sexes think and come up with ideas to solve different issues. Our biggest strength is, however, that we individually have our own competence, which results in a very successful company.

Our SWOT-analysis:

Strength	Weakness
<ul style="list-style-type: none"> • Product improvement • Innovative • Drive • Involved • Good contacts in the business world • Good cooperation • Good quality • Large target group • Good opportunities for product development 	<ul style="list-style-type: none"> • Weak finances • No experience • Season products
Opportunities	Threats
<ul style="list-style-type: none"> • Customers • Large market • Possible sale of license • Alternative use in other sports (volleyball) 	<ul style="list-style-type: none"> • Competitors • Legislation in reference to protection of our products.

The Organization:



We have made an organization diagram, which is lined up hierarchically, but even though it is hierachic is it still very flowing, which means that we are all able and willing to help each, and nobody has more power than the others. However, our CEO Mads Ramussen has the last word, if an discusion i brought to a vote, and he also has the right to veto the desicions. Moreover he has also made the diagram, so every employee's individual work area also is the one, where their primarily expertise is.

Distribution:

Until now have we made the products on our own because we want to be a part of the product development. It has should been possible to buy our products at our stand at the fairs. Our future goal is to set up a production in the foreign contries, such as China and Poland. The reason for this is that we want to eliminate the additional costs on our products, so that we can get the best possible profit on the products.

Right now we are developing a webshop, and in the near future this will be the place where the customers can buy our products. When we use the webshop as a distribution methode is because it gives us the best profit.

From the beginning we wanted to sell our license on the products to an investor or an other company, but after some consideration we have decided to sell our products through a webshop, because it gives us the possibility to start up a real firm.

The market:

Our product is for every single handball player who uses resin. The typical age for using resin starts at the age of 13, and then you play with resin the rest of the career. The target group is the



handballplayers, but we shall also apply directly to the clubs. Usually it is the clubs that buy these kinds of products to the players.

We have decided to sell our products through our own webshop, because it is the easiest way and gives us the lowest costs. We have decided to go this way, because our products aren't that and therefore it is hard to get a decent contribution margin.

We have made some market surveys to find out if our product would be useful. We have been to several handball clubs in Denmark such as: Bjerringbro-Silkeborg-Voel, GOG-Svendborg TGI and other smaller clubs. The results of the surveys shows that 92 % of the players have experienced problems with blisters and other problems because the use of resin. 83 % of the players would prefer our product instead of the sportstape, which everyone is using today. We also asked if the players liked our thimble for two fingers and 90 % thought it was a great idea and prefer to use it.

After the surveys we looked at the numbers of players in Denmark, it turned out that there are 123.522 potential buyers of our products. The market of handball equipment is growing and the sport is also becoming more and more popular.

Our competitors

Our product is supposed to replace the sportstape. Producers of sportstape are Mullers, Aserve and Select, those companies are therefore our competitors.

Our product is made of sports satin and this combination does that our product can adjust to the finger. The durability of our product is much better than the tape, because the tape can only be used one time. The thimble can be used for weeks. It is important for our product to be known as a product which provides the healing of the blisters.

Until now our product is the only one on the market, so the only competition is from the producers of the sports tape, and therefore it is very important that the quality of our product is better than the sportstape. The problem with the sportstape is the durability. During practise and match the sportstape often gets ripped off and can't be used again. Our product can easily be used for several practises. This fact improves our ability to compete with our competitors, our position is therefore very strong.

The sportstape is also used for two fingers in connection with sprain fingers, because we have developed a thimble for two fingers. The good about our product for two fingers is that it takes some strokes from the ball.



Manufacturers and suppliers:

When we started this company, we had a contact with a seamstress. She helped us develop the first prototype. She got us started, but after a while we decided to stop our cooperation. Afterwards we develop our product on our own. Until now we have bought our materials in the retail stores, which makes the costs much higher, but still the price isn't that high on our product. Of course we are looking for cheaper suppliers so the costs will be at a minimum.

Promotion:

After we found our product, we decided on our firm name. The name explains it should self. Our product is innovative and it its sports equipment. Our logo is available, where we have chosen a handball player who are holding a ball, which shows the I in Innovative. By doing this, you immediately get the same impression that our product has a relation to the handball world. We have already promoted ourselves without any kind of help because through our market research we have been able to acquire knowledge about the product. In that way, the players got a knowledge to the product and at the same time, we found out how the market was. In addition to that, we have contacts to different handball clubs who are getting some free samples, which they can choose to use to see if the product is of interest to them. At the same time, we have chosen to make a lot of attention at the fairs, which make people talk about our products. For instans, we have made a movie which contains different interviwes with some professionel danish handball players from the danish national team. We have also been in the local news and some different national newspapers. We have already startet a new promotion as regards our further development, with results in a knowledge when it will be available on the market.

Our objective and plan of action:

Our objective for this company is undoubtedly that the product must be known in Denmark and that all players in actual fact will prefer our product above the tape. In addition to that, our objective is that the product within the next three years will be known in some countries in Europe. We have all a mutual understanding to be keeping the company running outside of school. We all agree that our product is unique and we are therefore sure that our product will become a success around the world. We are definitely ready to fight hard for the company because we really believe in it.

As we mentioned earlier, we want to continue the activities of our company after the final trade fair, as we all end our Higher Commercial Examination and have decided to take a year off to concentrate about our company.

Pictures of the product and a short description:



The product from the front. You can see how the elastic in both ends is tightened around the finger, to make sure it does not fall off. There is sewed velcro on the elastic, this results in an elastic band which can not open during a match.

The product from behind. Here you can see the logo, which is printed on. This is only a prototype. Eventually, the logo will be printed on the front, so you clearly can see is during a match.

The product in full shape. Here you can see how the elastic bands work, when you wrap them around the finger. You can tight the elastic bands however you want.

Annual report the 13th of October 2007 - 20th of June 2008

Income statement	Note	<u>2007/2008</u>
Net sales	1	100,00
Other operating income	2	20.500,00
Cost of sales		<hr/>
Contribution margin		20.600,00
Other external expenses	3	3.325,75
Administration expenses		
Staff expenses		<hr/>
Net income before amortization		
Amortization of intangible assets		<hr/>
Result before items under financial income and expense, net		
Interest income	4	2,78
Interest expenses		<hr/>
Net income for the year		<u><u>17.277,03</u></u>
Balance sheet	Note	<u>2007/2008</u>
ASSETS		
Fixed assets		
Intangible assets under development		
Intangible assets	4	<u>3.095,88</u>
Total fixed assets		<u>3.095,88</u>
Current assets		
Account receivables		
Account receivables from sale		
Other account receivable		
Cash at bank	5	<u>14.181,15</u>
Total current assets		<u>14.181,15</u>
Total assets		<u><u>17.277,03</u></u>
LIABILITIES		
Equity		
Total equity	6	<u>17.277,03</u>
Debts		
Short-term debt		
Bank loan		
trade creditors		
Other debt		
Total debts		<u>0,00</u>
Total liabilities		<u><u>17.277,03</u></u>

Budget
Income statement

	Note	<u>2007/2008</u>
Net sales	1	1.150.596,00
Other operating income	2	7.000,00
Cost of sales	3	<u>151.464,00</u>
Contribution margin		1.006.132,00
Other external expenses	4	1.040,00
Administration expenses		
Staff expenses		
		<u> </u>
Net income before amortization		1.005.092,00
Amortization of intangible assets		
		<u> </u>
Result before items under financial income and expense, net		1.005.092,00
Interest income		
Interest expenses		
		<u> </u>
Net income for the year		<u><u>1.005.092,00</u></u>

Balance sheet

	Note	<u>2007/2008</u>
ASSETS		
Fixed assets		
Intangible assets		
Intangible assets under development	5	<u>0,00</u>
Fixed asset in total		<u>0,00</u>
Current assets		
Account receivables		
Account receivables from sale		
Other account receivables		
Cash at bank	6	<u>1.010.092,00</u>
Current assets in total		<u>1.010.092,00</u>
ASSETS IN TOTAL		<u><u>1.010.092,00</u></u>
LIABILITIES		
Equity	7	<u>1.010.092,00</u>
Total equity		<u>1.010.092,00</u>
Debts		
Short-term debt		
Bank loan		
Trade creditors		
Other debt		
		<u> </u>
Total debts		<u>0,00</u>
LIABILITIES IN TOTAL		<u><u>1.010.092,00</u></u>

Handball players in Denmark (2007)

JHF	593	clubs	76.942	members
FHF	93	clubs	12.251	members
SHF	168	clubs	22.275	members
KHF	56	clubs	7.351	members
LFHF	27	clubs	3.059	members
BHF	15	clubs	844	members
In total	952	clubs	122.722	members

We have decided that we will sell our products at a web shop. The market for our product has a huge potential, because there are 123,722 handball players in Denmark.

We want to sell our products for 35 kroner, and the cost per product is about 4 kroner per product, so we earn 31 kroner per product.

The first year our goal is that 15 % of the handball players will buy our product, and they will at least buy two products for themselves. Our focus is only on the Danish market the first year.

Calculation:

$31 \text{ DKK per product} * 18.558 \text{ players} * 2 \text{ products per player.}$

Net sales = 1,150,596 kroner.