

COMPANY REPORT



POLAND

Company Name	Ahooy
Year of Operation	2007/2008
Names of Advisors	Aureliusz Górski – company owner makebetterproject
	Zofia Kurczak – financial advisor
	Mariusz Nowak – financial advisor
Supervisor	Jowita Łubińska
Country	POLAND
Website	www.ahooy.com.pl

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Company Name	Ahooy
Mission Statement	Badge Your Own Self (Wyznaczkuj swoje ja) Our mission was a quest to make a possibility for ordinary people to express themselves in a very modern way. Badges create a lot of advantage, for example they enable communication with other people without even saying a single word. Ahooy objective is to satisfy people's needs.
Product	Badge

Financial result recapitulation

Founding capital	490 PLN
Income	3871,84 PLN
Cost	1514,90 PLN
Profit	2356,94 PLN
Minimum profitability output	9 pieces
Profit margin	481%
Net profit	1824,94 PLN

Exchange rate (as for June 17th, 2008): 1 Euro = 3.385 PLN

Summary statement of company Performance

We have founded our Youth Minicompany, because we felt a need both for generating revenue and checking our skills. We bought a special badge pressing machine, extended our sales to new outlets in other schools in neighbourhood, made special advertisement campaigns, as well as organized two galas to celebrate our successes. We successfully made several connections with a city authorities and mass media. During the meetings with variety firm representatives we have learned how to negotiate. We sold our products to people of various ages, following preparations. Furthermore we have learnt how to plan our work, make financial and organizational documents, make independent decisions and take consequences. After all, we achieved a lot of experience.

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We've named our Youth Minicompany „Ahooy”. We wanted this name to associate to positive shout and raise our clients’ good emotions. The logo presents our product and its leading motive: namely humor mixed with our mission, that says "Badge Your Own Self". Our minicompany seat is located at S5 Classroom in High School commemorating Bolesław Chrobry (Polish king), situated at Wałowa street in Gryfice. The company was being shaped within two months. During this time we gathered 14 young, ambitious people, that had one common aim: to become the best Youth Minicompany in whole Europe. We nominated five managers at five divisions, but prior to that several meetings have been conducted in order to attain knowledge necessary to work and compete with other minicompanies.

Finding advisors was the first step in our project. One of them, Aureliusz Górski, who told the company staff about marketing secrets, became marketing expert. He also helped us to choose our objective product - metal badges, and suggested mission and name to our company. As we have learnt, dress code is one of nonverbal ways of communicating. Our badge pattern was supposed to show lifestyle, interests or worldview of customer. Such small gadget can however show in very distinct and not exaggerated way what is important to us and reasons of our lifestyle. Our badges enable an individual person to show his/her unquity and stress opinions of its user. We are confident, that being unique in our times is getting harder and harder. Numerous companies create trends, which say that we must buy their clothes and look like supermodels from their posters, that makes us more and more trashy. Our badge enables one to stress in a delicate way his/her emotions and outlooks independence. Additional product’s advantage is its universalism. The customers bought our product both in bulk and retail. Usually, bulk sales related to occasional designs that promoted given event. Metal used as material, extended product durability. Due to this, storing badges did not affect product quality. The competitive companies in the sector produced mostly badges made from metal and plastic, that not only were not as durable, but also looked not as aesthetically as our products and were of worse quality. Moreover, our product was offered to clients for better price, accompanied with complex customer support.



Chart 1, Our product , source: own material



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Very dynamic production process lets us almost instantly adapt to our customers needs. Whole process is characterized by simplicity, thus all of us could, after short instruction workshop, produce badges. Production process consists of four main stages: designing, printing, cutting and final production. Record time of final production stage was 13 seconds. Average time of final production stage took 25 seconds.

Stages	Description
Designing	Designer must prepare a graphic content that will be printed on the badge. Project is a circle with diameter of 1108 pixels, but the printing surface is a smaller circle, with diameter of 956 pixels. Two sizes vary due to the necessity of making a fold that will be bended in the further production process. Acceptable format of graphic is JPG with resolution of 72 pixels per inch.
Printing	Prepared graphic projects are placed on A4 sheet of paper, previously decreased by 66,6% of its original size. Therefore, six graphic patterns fit prepared A4 format. Quality of printing oscillate between "good print" and "better print", subjected to graphics complexity.
Cutting out	Special machine, that was initially calibrated to our badge size, is used to cut our patterns from A4 sheet. Cutting process is very fast and easy.
Pressing	<p>1.First press</p> <p>- consists of the following stages: putting front of badge in machine's matrix, applying graphic pattern and foil, setting core on option "closed" and putting it on a foil afterwards. First stage of main production is finished by pressing matrix with core.</p> <p>2.Second press</p> <p>- its main objective is to draw out a core with pressed top of badge, therefore matrix is getting empty. Bottom of badge should be placed on empty matrix, and after that core is set on position "opened". The lever is pushed, which ends the second stage of final production process. All that is left is to remove the ready product from the machine.</p>

Chart 2 Production stages, Source: own material



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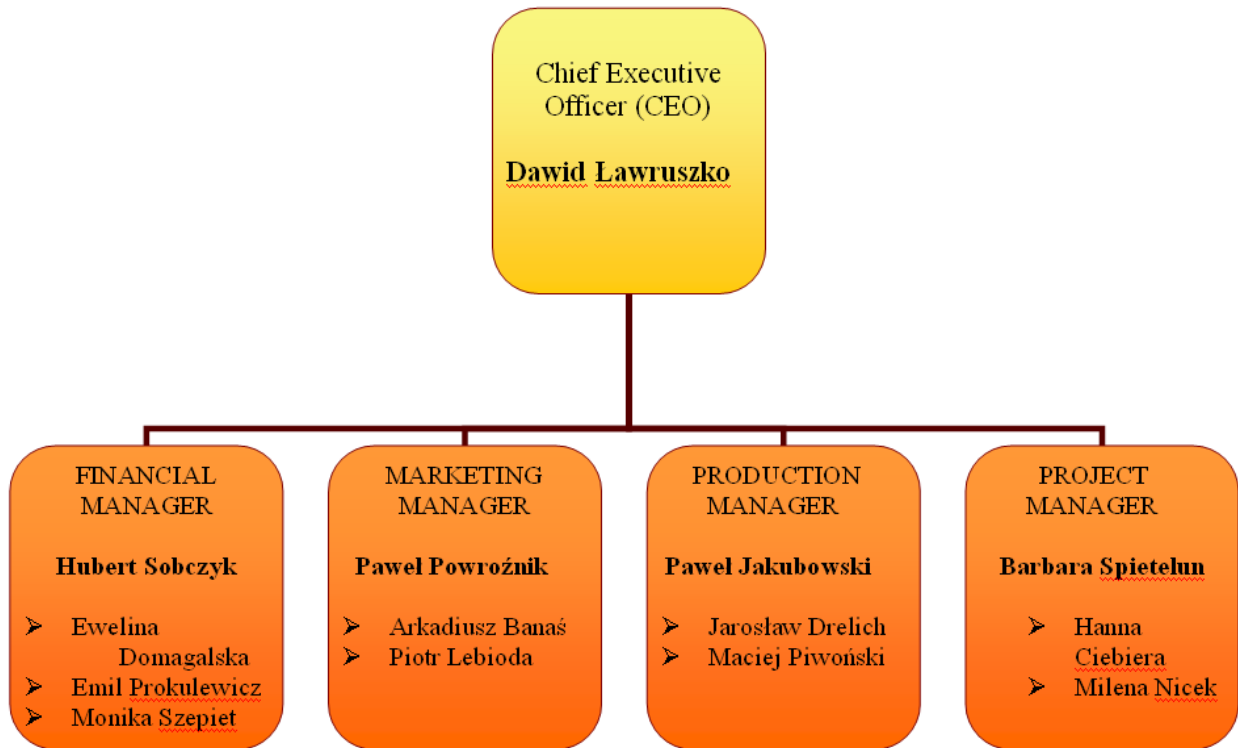
Within the same month as the product was being chosen, we started co-operating with two new advisors. They were financial experts: Mrs. Zofia Kurczak who is head of tax accounting department at revenue office in Gryfice, and Mr. Mariusz Nowak from the same revenue office.

Next step of our job was making an enquiry prepared in accordance to our company needs. The inquiry was conducted among our school's students to see if they want to express themselves by product like our badges and what they want to have on such badges. Analysis of that enquiry was very useful in further work, since it allowed us to communicate our customers thanks to knowledge of their needs and interests, which helped us to reach our target clients.

As we attained necessary knowledge, and found out which individual had specific features and skills, we have officially made a Minicompany and chose heads of five main departments, responsible for the operations in each field. We realized that it is essential to prepare technological specification related to production of our goods. We made analysis of prospects available on the field, and it turned out that machine used to press badges is rather expensive (cost of around 1000 PLN) relative to our own financial resources, so we needed financial assistance. We realized that if we want to buy machine, we'll decide to make the company more professional, which also meant long-term profits. Therefore, poor financial results at the first stage of operations have not surprised us, since our forecast stated dynamic increase of sales, thus also increase of profits in March and April. Still, to achieve this goal, we needed to find the project sponsors. Meetings with over 30 representatives of local companies have been conducted, each scheduled and attended by the staff supplied with proper documents. It was the most time-consuming stage, since the production could not have been started till enough funds to acquire a machine have been gathered. At last, after numerous meetings and negotiations, 8 local companies signed partnership agreements and offered us financial contribution. In return we offered advertisement of the above mentioned companies on our materials, as well as promotion packages. That stage gave us insight into the art of effective negotiation, so important in business practice. In the process of conducting numerous meetings we noticed significant change in the communication style. To prove how effective it really was, it is enough to mention that eight sponsors are supporting the project, among whose four quite recently signed partnership agreement.



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Scheme 1, organizational chart, source: own material

As we gathered enough funds to buy a pressing machine and materials needed for production, some problems arose. There were no pressing machines available in retail sales, so we were forced to find a way to make an order. Not until the end of February we could have produced badges and sold them in our schools. At the same time, rest of the staff conducted several meetings with Mrs. Joanna Oksiejuk, the head of District Marketing Center, Economic Advancement and European Integration in Gryfice. As it later turned out, it was great idea, since as a result local officials gave endorsement to the project, as well as assisted us with media relations guidance.

Still, hardly any company can achieve success without advertisement campaign, so we have started our promotional campaign, with the objective of attracting customers in our school. We made this by putting the posters in the most crowded places in the school. They contained round, empty spaces, symbolizing our products and were ordering the viewer: "Express Yourself". After few hours all of the posters were filled with students' paintings. Several days later the second stage of campaign was initiated: we have replaced previous posters with the new ones, this time they contained photos of graphics that students made in the first stage, combined with our logo. We started our sales on the same day. As sales proved successful, it was decided to extend the activities within other schools in the neighborhood. After meeting with principals we started selling badges in a few primary schools in the district and made new advertisement campaign, well-fitting to customers who were kids aged 7-13. On their schools' walls we put new posters promoting following slogan: " Become hero just like them". That slogan was associated with illustrations placed below, showing famous fable



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and cartoon characters, representing features such as bravery, wisdom, or justice. We have also decided to make some actions to intensify the sales.

Thus, the following activities were conducted:

- we made special limited edition called „Cool Parent”. Next, we transferred smart information to parents, in which parents could demonstrate how proud they were of their kids, by using our badges. Information indirectly suggested to buy our product. Parents gladly support students initiatives, and taking part in Junior Achievement contest is no exception. This message was delivered to all parents by teachers during school meetings. Teachers also informed people where and when they can buy our products. Our organization capabilities allowed us to make successful sale of this limited edition. Afterwards we designed second limited edition. Following negotiations with our principal we made „Incognito badges”. When student had one, teacher couldn’t ask him or test his knowledge during lesson. As we announced this limited edition sale, an auction for the badges has been organized. Auction was full of fun and bids were growing instantly. We sold all „Incognito Badges”. Since Minicompany had started, we have been trying to be flexible, as far as badge themes were concerned. For example, we made badges for Valentine’s Day and for students from last grade to commemorate their final high school exams.
- we made decision to organize party for our sponsors to celebrate our qualification to domestic stage of contest. All people who helped us in contest were invited. Our guests heard reports from each ahooy manager, description of our company as well as activities conducted since September 2007. After that, sponsors made their own badges and were thanked for helping us. We always made an effort to maintain the same outlook of our selling stand. there were always two persons with big smiles on their faces, standing at the table on school corridor. These smiling individuals were selling our badges. Besides, we always put a big logo and our mission on selling stand
- we received and conducted wholesale orders. Badges were promoting district, school, kindergarten and bicycle race;
- we were giving live interviews on the radio. Articles about our enterprise appeared in local papers

Our actions and our campaign was received by people in a positive way, anywhere it reached. The financial results and sales figures prove it in the most convincing manner. We sold a lot of badges in, which is worth to mention, rather underdeveloped region of Poland, characterized by little salaries and high unemployment rate. Within the first months of our operations we were mostly preoccupied with extending market size. To maintain number of sold badges in March at the February level, we were selling our product to students and their parents after school meetings. Thus, the number of sold badges increased. In April sales in primary schools were initiated, which improved selling figures instantly. Customers from primary schools bought around 200 badges made by ahooy. Next, we negotiated wholesale prices. This action enabled the company to sell about 700 badges. „Incognito Badges” were

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sold on auction at very high price, since students were desperate not to be asked or tested by teachers during the “hot time” at school. For example, we gathered 130 PLN for sale of 7 pieces of „Incognito Badges”. At the end of March, when all problems have been solved, we could have focused on sale and income. This is the main reason of high growth of sale during last month of operations. Number of sold badges did not indicate profits in a clear manner. It is also worth to mention SWOT analysis conducted by the company prior to the operations, which helped the team in successful implementation of its strengths as well as maximum reduction of weaknesses. Students being part of ahooy enterprise staff have very good grades. Knowledge possessed by our people is very important asset. Everybody can use computer, so we can utilize maximum of the available resources. This ability facilitates close day-to-day co-operation, since our staff lives in different towns. Most of us are not beginners in business and professional field. As inhabitants of cities located at the seaside, we gained experience from summer job. Important part of the team consists of the consultants . Their knowledge and experience helped us a great deal, as we encountered new complex issues. We also had good image, since the ahooy trademark was positively associated outside. Some of us are interested in persuasion. This is very practical in negotiations and all meetings furthering our company wellbeing. Limited financial resources may be considered as disadvantage in reaching our ambitious goals. But this obstacle motivated us to look for sponsors. Experience gained in that way is far better than starting with more cash at hand and less problems to cope with. As it sometimes happens, occasional motivational crisis may threaten our efforts, but fortunately there are several great persons on the team, that are capable of fixing the problem and motivating us to work even harder. Our school principal’s trust and kindness offered the ahooy members plenty of independence. The area of operations was extended by many schools from the region, therefore we had bigger number of potential customers, as well as profits generated. Local media were also interested about ahooy activities, due to this, we could have promoted our company. We learnt a lot about building long-term positive relations with media.

Size of sale in numbers and value			
	February	March	April
Number	45	76	1202
Total	45	121	1323
Value	134,55	361,79	2875,5
Total	134,55	496,34	3371,84

Chart 3. Sales both in quantity and value
Source: own material



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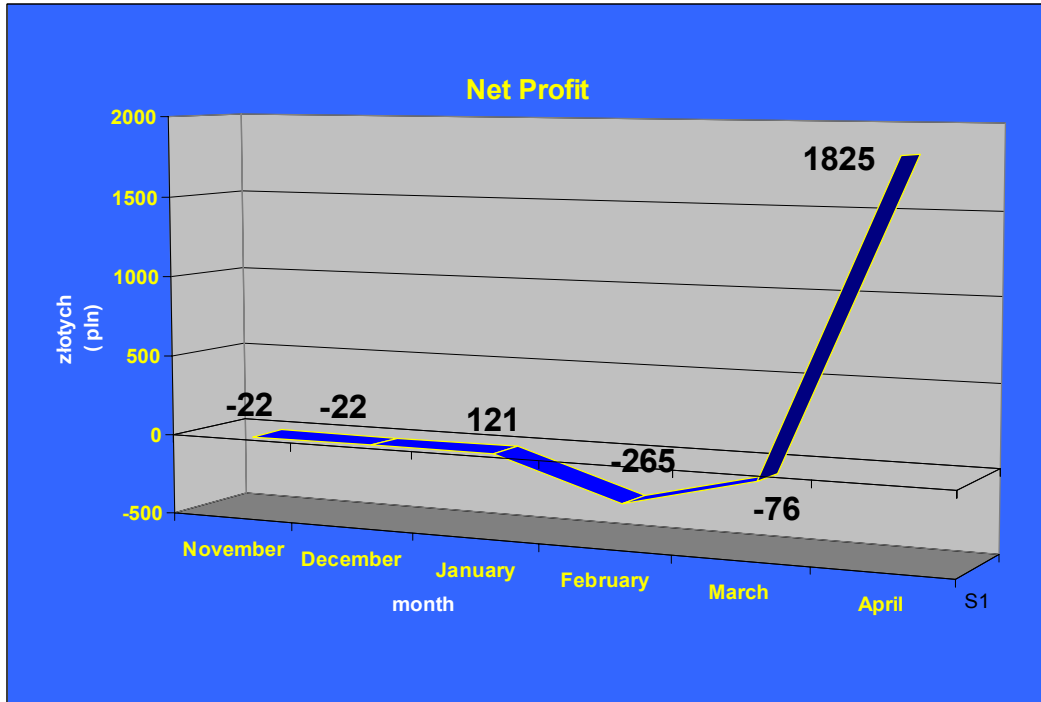


Chart 4 „Profit increase dynamics.”, source: own material

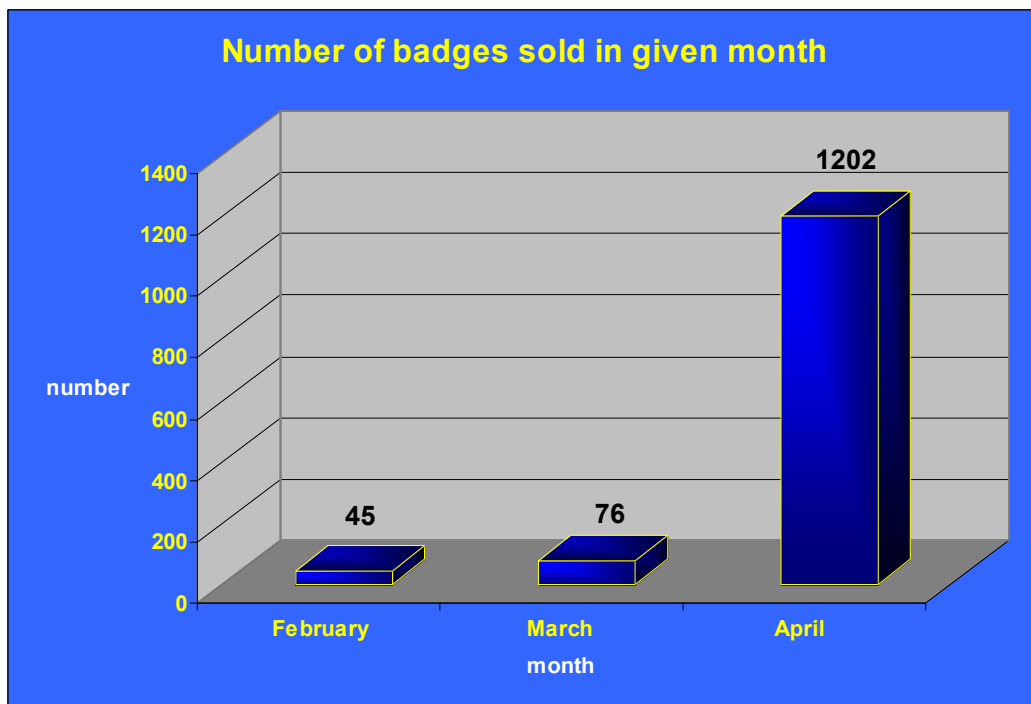


Chart 5 „sales dynamics in each month.”, source: own material



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BALANCE SHEET for 30th April 2008 year	
ASSETS	Status for 30.04.2008
A. Fixed assets	0,00
I. Intangible assets	0,00
II. Tangible fixed assets	0,00
III. Long-term receivables	0,00
IV. Long-term investments	0,00
V. Long-term prepayments	0,00
B. Current assets	1911,67
I. Inventory	86,73
II. Short-term receivables	0,00
III. Short-term investments	1824,94
IV. Short-term prepayments	0,00
TOTAL ASSETS	1911,67
LIABILITIES	Status for 30.04.2008
A. Equity	1911,67
I. Share capital	86,73
II. Supplementary capital	0,00
III. Reserve capital	0,00
IV. Previous years profit (loss)	0,00
V. Net profit (loss)	1824,94
B. Liabilities and provisions for liabilities	0,00
I. Provisions for liabilities	0,00
II. Long-term liabilities	0,00
III. Short-term liabilities	0,00
IV. Accruals	0,00
TOTAL LIABILITIES	1911,67

Schedule 1 Balance Sheet, source: own elaboration *Zofia Kucsak*



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1.	INCOME	3871,84 zł
2.	COSTS	1514,90 zł
3.	REVENUE (gross income from selling)	2356,94 zł
4.	DISCOUNTS FROM REVENUE (social insurance contributions)	110,78 zł
5.	REVENUE AFTER DISCOUNTS (gross profit)	2246,16 zł
6.	INCOME TAX	421,22 zł
7.	DISCOUNTS FROM INCOME TAX (health contribution)	29,22 zł
8.	INCOME TAX AFTER DISCOUNTS	392,00 zł
9.	SUM OF LOANS	392,00 zł
10.	NET PROFIT	1824,94 zł

Schedule 2 Profit and Loss Account, source: own elaboration

Lofia Fluszek

Today, we can say with full responsibility, that this is the most valuable project that we have ever participated in. And knowledge and experience acquired in such programs is most important advantage of taking part in the process, which will surely help us in adult life, so we will not repeat mistakes which we have made in the past. Once again it is a good idea to compare our revenue vs initial costs ratio. We have been forecasting from the start, that our revenue is planned in long-run. However, when we have come to perfection in technology of production from designing pattern, production and providing proper advertising, a dynamic growth of sale has followed. Purchase of professional machine enabled us to have product of high quality, utilized practically in each aspect of life. Many of us already plan to set up own enterprise, because due to participation in such program we have learned that really a lot can be achieved in life.

