



Annual Report 2020-2021

Junior Achievement of
North Central Ohio

Hoover High School

Mr. Mike Grady Mrs. Diane Pilati

Executive Summary



As young athletes begin weight training, many concerns flood the minds of parents such as questions of safety, proper guidance, as well as if their child will understand how to train with weights properly. FlexFit's mission is to educate and motivate young athletes through the FlexFit System. The three-part system includes resistance bands, self-produced workout videos, and mentorship. These three parts combine in a way that allows us to impact the youth of our community in a meaningful way in both sports and life.

Yanni Volas-CEO

Financial Performance Overview

Break Even	35 Units
Return on Investment	799%
Net Profit	\$4,047

JA Performance Review

Website Page Views	1,410
Total Revenue	\$7,330



319 Units Sold

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Financials

Balance Sheet

Assets	
Cash	\$5,649.81
Supplies	\$249.65
Total Assets	\$6,752.64
OE+ Liabilities	
Other Investment	\$500
Net Income	\$4,047.17
Total Liabilities+Capital	\$6,752.64

Profit and Loss

Revenue	
Sales Revenue	\$6,830.00
Other Revenue	\$500.00
Total Revenue	\$7,330.00
Expenses	
Total Sales Tax	\$443.95
COGS	\$1,461.88
Wages, Salary, Commission	\$644.00
Charitable Donation	\$733.00
Total Expenses	\$3,282.83
Net Profit	\$4,047.17

Book Value of Stock

Net Profit	\$4,047.17
Capital Stock	\$450.00
Total OE	\$6,573.28
Shares of Stock Sold	9
Book Value/Share	\$730.36
Percent Return/Share	827%

Overview

FlexFit has a price point of \$20 per unit which allows the company to maximize its profit while still providing an affordable price for the customers. This leaves a gross profit margin of \$15.46 per unit sold and a fixed cost of \$4.54 to make each set of resistance bands. For \$25, the product can be shipped to the consumer which nearly absorbs the flat shipping rate of \$8.15. Currently, 319 bands have been sold and a net income of \$4,047.17 has been generated.

Capital

The required starting capital needed for an initial inventory of 500 units was \$2,270. Each company member made a \$50 investment to raise \$450 to launch the company. Additionally, FlexFit received a tax-deductible donation from Paxos Plating Inc. of \$1,000, an investment of \$600 for 5% interest from Junior Achievement, and \$200 for 10% interest from a private investor.

Break Even

FlexFit has a total of \$543.23 in fixed expenses, which includes the creation of a website and marketing materials such as banners and posters. This presents a breakeven point of 35 units. No costs were incurred from making our workout videos.

Return on Investment

Flexfit received \$450 in capital stock from its employees. Currently, Flexfit has a net profit of \$4,047.17 which makes our return on investment 799%.

Leadership & Organization

Continuous Improvement

Motivational Strategies

To drive sales, financial incentives was implemented by rewarding employees 10% commission on each set of resistance bands sold. Additionally, each individual had a sales goal that were reported regularly. This held employees accountable and motivated to reach their target.

Feedback and Evaluation

To drive improvement, all members of Flexfit are evaluated using a performance review system which is conducted by the CEO and HR Officer. These two individuals meet at the end of the month and assess each member on a list of criteria. Accolades, along with areas for improvements were communicated in this process. A department head evaluates the CEO and HR Officer. This performance process encourages an open relationship between management and employees.

Yanni Volas
Chief Executive Officer



Marketing

Mack Lochridge
Chief Marketing Officer



Owen Blackledge
V.P. of Sales



Bryce Evans
Graphic Designer



Leadership

Allen Diaz
Project Manager/PR



Ian Kling
Chief Financial Officer



Operations

Landon Fuciu
Chief Technology Officer



Mason Upperman
Human Resources



Zach Yun
Supply Chain Manager



Company Structure

Organization

FlexFit made adjustments to its organizational structure. We previously were running as a cross-functional team, however it was decided there could be more efficiency if a shift towards a divisional organizational structure took place. Open conversations about projects and areas that needed focus were then decided on to create three departments. These were sales, content, and promotion. Our CEO selects two department heads, along with himself, and assigns the rest of the employees to a department. FlexFit has nine employees, allowing for three in each department. At the beginning of class, the CEO and two heads talk about their plans for the short run and long run. This has given everyone the ability to work more diligently and effectively. It has also increased overall organization by ensuring every group member knows exactly what they need to do at all times. Since this adjustment, we have been able to not only get work done quicker, but at a higher quality.

Leadership

The CEO meets with the department heads and the rest of the company weekly to discuss goals, steps to attain them, upcoming tasks, and sales. In these meetings, each member is able to gain an understanding of what needs to be done and also have the opportunity to offer their input. Then, department heads divide into groups to go more in detail of the tasks. This is an efficient way to transmit information from management to employees.

Marketing & Sales Strategies

The FlexFit System

Resistance Bands

The physical medium of our product is a set of five resistance bands that are safe, versatile, and easy-to-use. Ranging from 10-100 lbs, the set also comes with ankle straps, handles, and a doorstop which allow for over 100 different workouts.



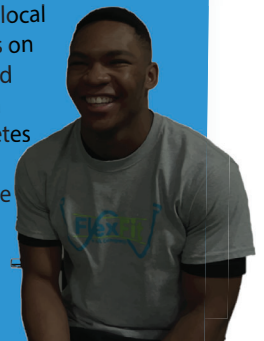
Workout Videos

Exclusive videos focus on the four key fitness foundations which are strength, speed, balance, and flexibility. The videos are scripted, filmed, and edited by the members of FlexFit. Furthermore, our workouts are advised by professional trainers to ensure credibility of our content.



Mentorship

How FlexFit truly differentiates itself is with our support system through our interactive social media, motivational videos through our website, and outreach to local sports teams. These focus on discipline, motivation, and mental toughness, which are crucial for when athletes encounter setbacks as well as when they achieve success.



The 4P's of Marketing

Product

- Competitive Advantage

The FlexFit System is unique because it is the only resistance band product that offers its users workout videos that correlate with the bands. By offering mentorship opportunities along with workout videos, the FlexFit system provides more value at a significantly competitive price. The combination of the three system component differentiates FlexFit in a saturated workout product market.



Price

-Our pricing strategy

When determining a price for our product, we utilized a "value pricing" strategy. This allowed us to give customers a product of high value that is similar to competitors, but at a lower price. After conducting research, we noticed competitors' prices ranged from \$30-\$50. Due to the low production costs we received from purchasing an order of 500 units, we were able to sell our bands at a low price of \$20 while maintaining a high profit margin. In addition to this, all competitors either offer no videos, or do so for an additional fee (usually a subscription). By combining a product of matching quality at a lower price with free videos, we provide the most value out of anyone on the market.



Promotion

-Target User

FlexFit's target user is a middle school, or late elementary athlete. As our members are successful high school athletes, we have endured injuries, setbacks, and challenges that have taught us valuable lessons on and off the field. We want to share valuable advice with younger athletes to assist them in their development through sports. We faced a communication challenge of spreading our message and connecting with prospective customers. We solved this by making visits to our local middle school and local youth sports teams. In these visits, we mentored and interacted with all grade levels and sent home a flyer to their parents to create awareness for FlexFit.

-Target Audience

Although our target user is a young athlete, the decision maker to purchase the FlexFit System is their parent. It was discovered through surveys and focus groups that parents are far more likely to buy something for their child rather than themselves, especially if they are in a sport. With this, FlexFit was able to confidently approach this audience. Emails, Facebook groups, and direct marketing to youth sports parent groups were our main form of promotion.

Place


Sales efforts of the FlexFit System were conducted through the following channels: Direct sales at local events, online sales, targeted marketing through social media channels, and door to door.



Social Media

Creating a social media community was a key factor in the promotion of the FlexFit System.

Our main platforms were Facebook and Instagram. One of our most successful promotions was the "FlexFit Athlete of the Week" where we showcased an outstanding Stark County high school athlete. In addition, Facebook Live was also used to conduct live streams to bring members of the FlexFit community together to learn more about the product and our mission. These gave followers a chance to interact with athletes within and outside our community.

 74 Followers

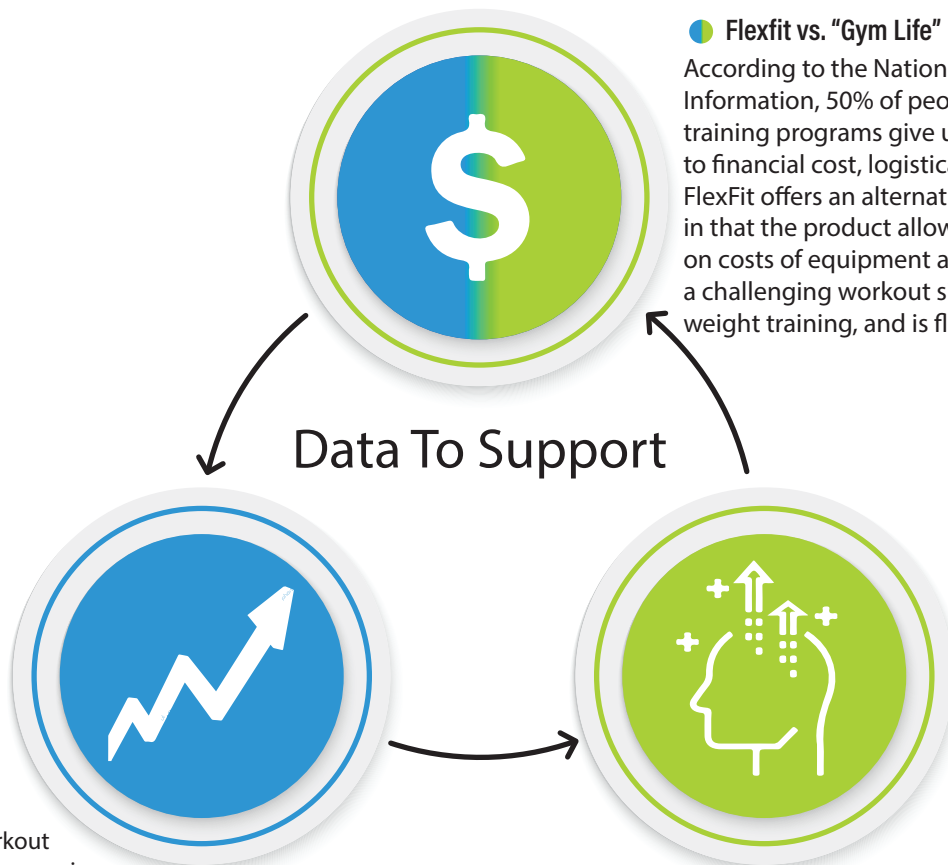
 240 Followers

 59 Followers

5

Innovation

The innovative idea for our company came from a common passion for sports shared among the members of FlexFit. Each one of us plays a sport at the varsity level, so we know the rigor and focus it takes to be successful. Our inspiration is to provide younger athletes a way to get stronger, while simultaneously instilling in them the motivation and lessons we learned from our experiences in sports. Additionally, through market research we realized there was a demand for affordable at-home workout equipment as a result of Covid-19. These ideas go hand in hand and led us to create a niche market. Our product, coupled with an invaluable service, allows our customers to workout from home and experience our mentorship.



● Flexfit vs. "Gym Life"

According to the National Center for Biotechnology Information, 50% of people who adopt weight training programs give up within the first year due to financial cost, logistical difficulty, and lack of time. FlexFit offers an alternative to the typical "gym life" in that the product allows people to save money on costs of equipment and memberships, gives a challenging workout similar to conventional weight training, and is flexible with their schedule.

● Workout Equipment

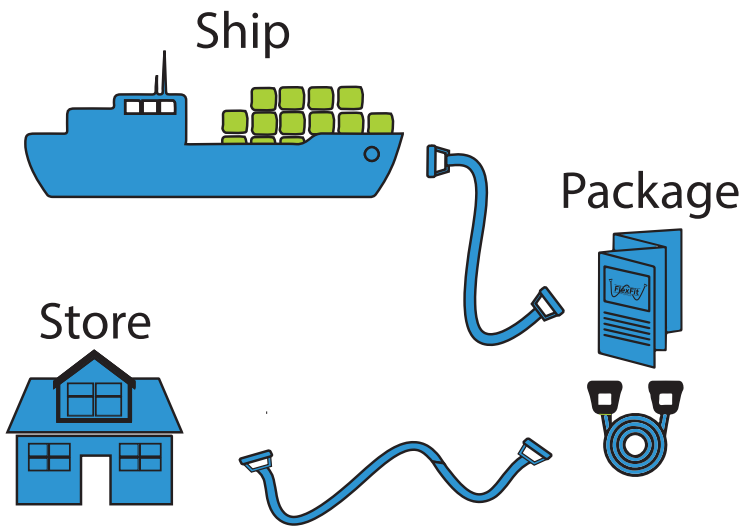
Amid the pandemic, many people purchased workout equipment for their homes in hope to maintain their fitness lifestyles. The demand for workout equipment grew, and many companies saw the opportunity to price gouge. Prices skyrocketed anywhere from 200%-2000% from 2019 to 2020. Resistance bands quickly became identified as an affordable option with a supply chain that was not impacted by the pandemic unlike many other workout products.

● Benefits of Motivation

In fitness, it is known that you need to be motivated in order to achieve your goals and best results possible. However, we understand that some athletes struggle to maintain that motivation. Studies have shown that when one feels they have no control in a situation, they are more likely to give up when challenged. Overall, when motivation is low, our functioning and well-being suffer. That is why our motivational videos were created to assist athletes in the mental part of their workout. To push them to keep working hard and achieve a higher self-efficacy.



Production Process



Motivational & Workout Videos



Strategic Sponsorships



Cleveland's WKYC Channel 3 news featured FlexFit on the "We The People" segment where viewers got to learn about FlexFit and its benefits more in-depth to its viewers.



To give our workout videos more validity, we partnered with local gyms and trainers to ensure that we are using safe and effective workout routines. Facilities such as Elevation Performance Training, 4.40 Sports Performance, and The Warehouse provided videos and tips.



FlexFit partnered with Beyond The Game to donate 10% of revenue made. Beyond The Game is a local non-profit that shares similar goals in mentoring and assisting youth athletes on and off the field.

Learning Experiences

Covid

It goes without saying that many lessons were learned as a result of starting a business during a global pandemic. Communication skills and accountability were two things that were learned quickly. If someone was at home being quarantined, they had to communicate with the group and get their work done remotely. In addition to this, we learned how to create effective contingency plans that would allow our operation regardless of circumstances. Early on there was a time when we were unable to get inventory because the person keeping inventory was in quarantine. This taught us to keep inventory in multiple off-site locations while accurately keeping track of how much inventory each person possessed.

Project Management

One of the biggest lessons we learned was how to manage projects. As a newly formed company, there were constant projects being juggled and sometimes things would get put off. In the case of our first live stream, we spent around two months putting it off in favor of more important projects. Eventually, this pattern was noticed by company members and we realized something had to change. We decided to start by setting a date one week prior as a way to commit to the project, and force ourselves to follow through. It was then a matter of delegating tasks and learning how to create a successful live stream. This was a success and the lessons learned from such a quick turnover task stuck with us for the rest of the year.

Organizational Structure

Initially, our company was set up so that every person was in charge of tasks entirely on their own. While this allowed for each person to be highly specialized, it simultaneously prevented the business from operating as a singular unit. Nobody was ever quite sure what everyone else was doing, and there wasn't cohesive direction. This killed productivity. Half-way through the year, we realized our structure had to change. Rather operating as individuals within a business, we began operating in three distinct teams: Sales, promotion, and content. Teams were made up of three people. Each day at the start of class, the three heads of each team would meet and discuss what was accomplished the day before, what was still being worked on, and what needed to get done to move the company forward. This strategy was highly effective and led to much more productivity than our initial layout.



"FlexFit has improved my workouts because it's an easy product that gives me results I've been looking for!"

Minas Paxos, 14



"These bands helped me with stretching before and after my games."

Ali Evans, 13

"FlexFit bands are perfect for me because they make it so simple and convenient to work out while I'm stuck at home!"

Amelia Colon, 14

