

EMOCEAN
A JA Company

2022 | Annual
2023 | Report

Junior Achievement of North Central Ohio

North Canton, Ohio - Hoover High School
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Executive Summary

Envisioning a world where no child struggles with mental illness, Emocean's mission is to help children develop valuable social-emotional skills they can use throughout their lives. Emocean is an innovative, gamified solution to help those who lack the knowledge to effectively identify and communicate their emotions.

Problem

Over the last several years, stress and anxiety have increased among students, where nearly **20.5%** of our youth struggle with mental health-related issues, according to the **American Psychological Association**. While there are social-emotional learning (SEL) curricula, there are few ways to teach these skills while keeping children engaged.

Solution

Emocean is solving this major problem in a unique way, with an interactive board game, Emocean. Emocean aims to advance **self-awareness, relationship, and management skills**, build a sense of **social awareness**, and encourage **responsible decision-making**. Emocean also allows adults to play with the children, giving the adult a **better understanding of the emotions experienced** by the children playing. With our youth in mind, Emocean wanted to create a fun, interactive way for children to learn about their emotions and connect with an adult.



JA Company Performance Review



Emocean Board Game

138 Units Sold, \$3,448.62 Total Revenue, 55 Units = Break-Even Point



Daily Wave

200 Units Sold, \$1,000 Total Revenue, 7 Units = Break-Even Point



Company Performance

338 Total Units Sold, \$3,904.82 Net Profit, 650.80% ROI

Financial Performance

Income Statement (P&L)	
Revenue	
Net Sales	\$4,363.43
Sponsorships & other Income	\$5,538.18
Total Revenue:	\$9,901.61
Cost of Good Sold:	
Emocean	\$4,000.00
Daily Wave	\$485.71
Total Costs of Goods Sold	\$4,485.71
Gross Profit:	\$5,415.90
Expenses:	
Miscellaneous Expense	\$493.74
Salary and Commission Expense	\$477.00
Sales Tax Expense	\$220.08
Square Expense	\$15.10
Website Expense	\$305.16
Total Expenses	\$1,511.08
Net Income	\$3,904.82
Balance Sheet	
Assets	
Cash	\$4,505.82
Inventory	\$2,896.00
Total Assets:	\$7,401.82
Liabilities	\$0.00
Owners Equity	
Stockholder's Equity	\$600.00
Retained Earnings	\$2,896.00
Net Income	\$3,904.82
Total Owner's Equity	\$7,400.82
Total Liabilities and Owner's Equity	\$7,400.82
Book Value of Stock (Upon Liquidation)	
Net Profit	\$3,904.82
Capital Stock	\$600.00
Total Owner's Equity	\$4,504.82
Shares of Stock Sold	6
Book Value of Stock	\$750.80
Percent Return Per Share	650.80%

Overview

The Emocean board game was strategically priced at \$24.99 using the **"value-based" pricing strategy**. The production cost per unit is \$8, which leaves a **gross profit margin of 68%**. The Daily Wave deck sells for \$5 per unit, with a \$2.43 production cost, leaving a **51.4% net profit margin**. A total of **338** units have been sold; 138 board games and all 200 Daily Wave card decks, resulting in **\$4,363.43 in sales revenue**. Emocean's break-even point for board games is 55 units, and 7 units for the Daily Wave decks.

Emocean's cost analysis is as follows: Emocean generated \$4,000 of start-up funds through its own capital, sponsorships, and loans. Emocean's professional board game supplier produced 500 game board kits for \$8.00 to produce each kit.

Variable Costs include **6.5% sales tax, 10% commission, resulting in \$5.37 in additional expenses**. Start-up costs include the creation of Emocean's website, which was \$305.16, and our \$600 loan with a 5% interest APR. Emocean sold board games as pre-sales from November 30 to February 28. Emocean offered multiple sales discounts from pre-sales to special events and holiday specials. Also, gross sales were reduced pending how the customer paid. Emocean incurred processing fees for website and credit card sales. Emocean began selling Daily Wave decks at \$5.00 per unit starting on February 2nd. Emocean became profitable on December 17.

Product Price Breakdown		
(Per Unit)	Board Game	Daily Wave
Retail Price	\$24.99	\$5.00
Production Cost	\$8.00	\$2.43
Commission	\$2.50	\$0.50
Sales Tax	\$1.62	\$0.33
Net Profit	\$12.87	\$1.74

Capital

In order to secure the necessary funds for product development, the team members of Emocean each contributed \$100, resulting in a starting capital of \$600. Emocean is a fully employee-owned company, meaning that all ownership and control of the business is vested in its workers.

Emocean has policies in place for liquidation that includes reimbursing board members for expenses and paying them commissions based on their sales performance. Returns to investors will be distributed based on a high ROI of 650.80%. The company also made a **charitable donation of \$250 worth of board games to the Akron Children's Hospital** to promote mental health and well-being among children and raise awareness of their cause.

Leadership & Organization



Structure

Emocean has a **flat organizational structure** that encourages open communication and collaboration among departments. Each team member is assigned to a specific department and given autonomy while being accountable to the CEO and HR Manager. The company uses a rigorous process that includes the **Myers-Briggs personality test** and interviews with the CEO to ensure each person is suited for their role, leading to a diverse team that aligns with the company's goals.



Organization

Emocean uses a shared Google Drive account to facilitate collaboration among team members. Daily company meetings ensure that everyone is on the same page, which promotes effective communication and helps to keep each department on task. These regular meetings have been instrumental in supporting the smooth operation of the company and achieving its goals. Additionally, Emocean holds monthly departmental meetings where the CEO shares important updates, discusses upcoming tasks, and sets monthly goals with the team. Each department has an opportunity to share their successes and set new goals. To ensure that each department is performing well, the CEO and HR Manager complete evaluations using an agreed-upon rubric. Finally, the team created a monthly company calendar with deadlines to help each department prepare for upcoming tasks. Overall, Emocean's communication strategies help to promote transparency, accountability, and effective teamwork across the organization.

Motivation & Improvement

Emocean uses an agreed-upon grading chart to evaluate each team member's work readiness skills, such as attendance, quality of completed tasks, and team collaboration. During these meetings, the CEO and HR Manager provide feedback to help strengthen areas of weakness and praise accomplishments. This approach promotes accountability and encourages employees to continuously improve their performance. Additionally, team members are motivated by the 10% commission on product sales, which serves as an incentive to improve their individual sales performance. Overall, Emocean's evaluation and motivation strategies help to promote a positive and productive work culture.



Innovation



Value Proposition

Emocean's unique, collaborative board game featuring **80 interactive cards** that cover multiple social-emotional learning (SEL) categories sets Emocean apart from other social-emotional learning games. Emocean helps children develop skills in real-life scenarios, proving to be Emocean's value proposition.

Product Development

Emocean developed an effective SEL board game through **focus group** meetings and collaborating with **educators, parents, counselors, and psychologists** as to how to enhance the nature of the product. Emocean determined that a **fun, interactive board game** coupled with decks of cards to develop distinct SEL skills would be the most **effective** way to impact children while keeping them engaged.

Product demonstrations in Kindergarten through second-grade classrooms provided a precise target user age range as well as improved ways to play. These tactics were highly influential in inaugurating a gamified tool that's **approved** by SEL experts and ensures **"enduring learning"** while triggering **productive conversations** and a **fun experience**. Emocean includes four interactive decks of 20 cards including "Talk About it," "Identify it," "Act it Out," and "Scenarios" as well as a game board, dice, pawns, and an instruction sheet.



October 15, 2022



November 22, 2022

Innovative Business Strategies

Emocean's manufacturer, Kylin, delayed dates for initial stock shipment. Due to having no product in hand, Emocean's projected sales were set to drastically decrease. In response, **Emocean developed the Daily Wave card deck in one week**. The Daily Wave is a card deck consisting of 24 research-based daily challenges aimed to improve one's mental health. This development helped Emocean overcome manufacturing delays, Emocean was able to expand its product line, all while spreading Emocean's mission.

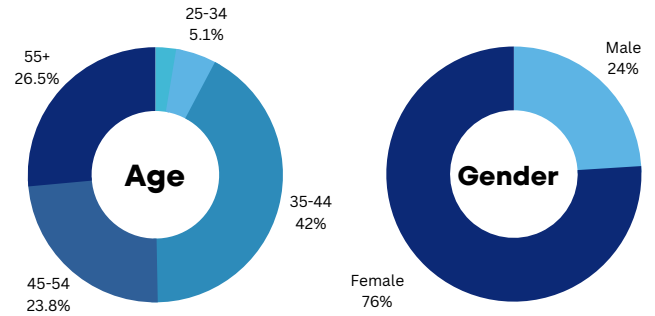
SOLD OUT!



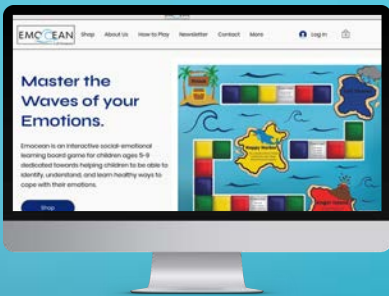
Target Market

Emocean's **market research survey** responses found that **women**, aged 25-40, are typically responsible for purchasing products for their children and families, making them Emocean's **target market**. Emocean's **target users** are children aged 5-9. While capturing this share of the market, Emocean targeted other adults that work with children aged 5-9 such as **educators, counselors, and psychologists**. Through Emocean's market research survey, Emocean found that 72.4% deem it critical that children learn how to manage their emotions at a young age.

Target Market Survey Respondents



www.emoceanja.com



Social Media Strategies

Emocean actively posts on multiple social media websites, Facebook, Instagram, and Twitter. In order to maximize social media traffic, Emocean created advertisement posts on Instagram and Facebook. These tactics ensure that Emocean maximizes potential impact in direct and engaging ways to the target market.



Marketing Strategies

Emocean utilized direct marketing initiatives through the company's newsletter, designated for all subscribers through the company's website. Emocean distributed company flyers at sales meetings and conferences with educators and counselors. Additionally, Emocean emailed and set up appointments with counseling centers, school districts, childhood centers, etc.

To maintain a positive customer experience, Emocean places a high emphasis on excellent customer service. Automated surveys are sent to customers after they purchase products to obtain feedback on their experience. Customers can easily reach out to the company through email or social media channels, and company members are available to directly address any questions or concerns. This focus on customer service has helped Emocean build and maintain strong relationships with its customers.

Customer Testimonial

"Emocean is a great tool that facilitates exploration of emotional triggers, coping skills, and perspective taking in a way that is fun and interesting. I feel my clients are better prepared to communicate and solve problems outside of session when we play."

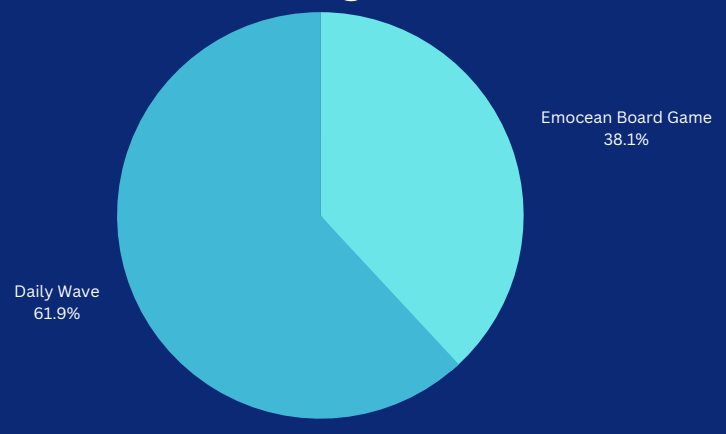
~ Elyse Etapa, Thrive Counseling

Marketing & Sales

Competitive Advantage

Emocean is designed specifically to reverse the negative impact of isolation and lack of interaction resulting from the COVID-19 pandemic. Other social-emotional games lack the ability to help the child develop **multiple** skills and rather focus on one specific SEL area. Emocean covers **broad** SEL categories and puts the children through real-life scenarios. Another advantage is that Emocean encourages interaction between the adult and child, while our competitors do not have this aspect in their game. Emocean is a unique product and the only one of its kind in the SEL industry.

Percentage of Sales



Advertisement Performance

5,000+ People Reached



Instagram Advertisement Posts

Sales Strategies

Business-to-Business Partners

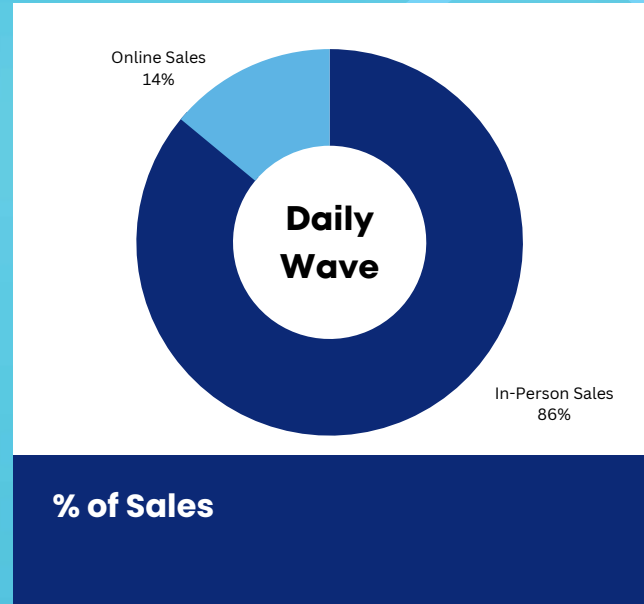


Emocean's most successful sales strategy thus far is its website, www.emoceanja.com. Over **50%** of company sales have stemmed from the website. The rest of the sales have come from **in-person** sales, **door-to-door** sales, and **trade show** booths, as well as **business-to-business** sales with **mental health centers, counseling centers, school districts, and child development centers.**



Emocean team with Stark MHAR

In-Person Sales

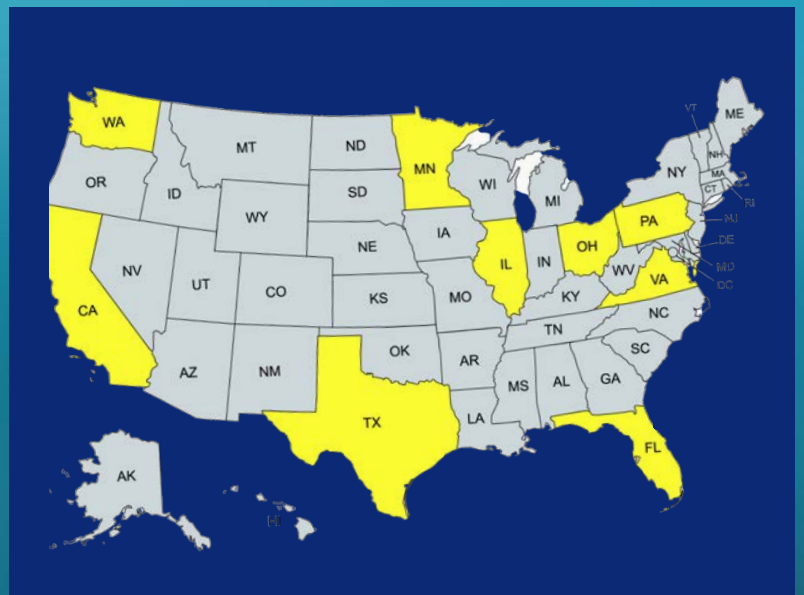


Emocean has an excellent team of speakers skilled in engaging potential customers and conveying the benefits of their products, resulting in strong in-person sales, trade show booths, and sales meetings. The sales team is knowledgeable and friendly, providing exceptional customer service and building strong relationships with customers.

Online Sales

To maximize its reach and connect with customers across the nation, Emocean has established a strong online and social media presence. Through regular updates on its social media accounts, Emocean ensures that its target market is continuously exposed to its message, mission, and products. Additionally, many customers have discovered Emocean through personal promotions on social media. By maintaining a strong online presence, Emocean has been able to expand its customer base and effectively communicate its mission to multiple states around the nation.

States with Online Sales



Learning Experiences

Through running and operating our business, Emocean, we have learned many valuable lessons and skills. When prototyping and marketing our product, we learned **graphic and web design skills**. As the company wanted a professionally made board game, we learned to **communicate** and deal with **professional manufacturers**, and we were able to find ours in **China**. This process allowed our team to be able to **negotiate prices** while maintaining **professionalism**. We gained **public speaking skills** by presenting to investors and judges. By trying to sell our product, we became experienced in writing **cold emails** and making **business-to-business sales**, all while giving **elevator pitches** and making **in-person sales**. Although our company has faced many setbacks and challenges, we learned to **adapt** to the situations at hand and work through obstacles.



Competition Learning Experiences

During the year, Emocean competed in five different competitions, in all of which, Emocean failed to place. This led to frustrating moments, however, no company member hung their head and everyone found ways to improve. By rehearsing scripts countless times and practicing answering potential judges' questions, we drastically improved our presentation. We spent hours perfecting our annual report as well as our company commercial. We let our previous failures motivate our hard work and we took home **first place in the Junior Achievement of North Central Ohio competition**.

Learning From Failure

When going overseas to **China** for manufacturing, Emocean experienced **manufacturing setbacks**. Emocean was originally set to receive the product by the end of January 2023 but after port delays, this expected delivery date turned into March 20, 2023. This delay would have severely **altered projected revenue numbers**, potentially leaving Emocean with enormous **missed sales opportunities**. As something needed to be done, the team **pivoted**. Making up for projected revenue loss, Emocean **expanded** its product line, developing the **Daily Wave deck**. Emocean also used **negotiating tactics** with their manufacturer in an attempt to alter shipping arrangements so the product could be in hand by **February 28**.

- 1/21/23 Shipping delays
- 1/23/23 - 1/26/23 Daily Wave Development
- 2/28/23 Received Board Games
- 3/28/23 Sold Out - Daily Wave



Success

Emocean **sold out** of all 200 Daily Wave decks, leaving a **gross revenue of \$1,000**. Adding the Daily Wave deck to Emocean's product line also expanded Emocean's target user range. This expanded company awareness throughout a broad range of ages. Emocean's negotiating tactics proved to be successful as Emocean was able to receive the games in-hand on February 28 instead of the projected date of March 20. Emocean negotiated for free air-shipping rather than the prepaid standard boat shipping. This helped Emocean to make business to business sales as Emocean has sold **77 board games** since receiving the product. Emocean began to help others with more emphasis and meaning than ever before, directly benefiting children's mental health. This is only the beginning of what is possible.