



**PODSEEDTIVITY**

**FINAL COMPANY  
REPORT 2020**



**Junior  
Achievement<sup>®</sup>**  
of Greater Washington

**South Lakes High School  
Reston, VA**

*Mentors: Aanand Vasudevan, Jon McNamara*

**Mission Statement - To spread positive awareness of social and environmental issues through our biodegradable & plantable bracelets.**

Currently we are facing some serious impending issues in our world, such as deforestation, air pollution, hunger, and loss of biodiversity. Typically, we hear negative stories in the press, regarding environmental and social issues. Yet, there are thousands of people in our local communities, taking significant positive steps towards solving these problems. We feel that the stories of these local “positivity champions” need to be heard! Our fully biodegradable, plantable bracelet has been crafted with an aesthetic and sustainable design that embodies our mission. Through the sale of our bracelets we want to “spread positive awareness of these social and environmental issues,” while empowering these positivity champions by telling the world their stories and raising money to support their causes. Our plantable bracelets are designed with durable hemp twine and beaded with a variety of tasteful biodegradable beads. The bracelet includes a gel capsule (patent application pending) coated in a plant-based acrylic to make it water-resistant. The capsule can enclose a variety of seeds that can be planted with the bracelets. The bracelets are fully handmade and sold by our Podseedtivity team in the local, Reston community. By wearing and planting a Podseedtivity bracelet, you are joining the movement to better our earth.



Tejas Vasudevan  
CEO

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**JA Company Performance Overview**

Total Units Sold	461
Instagram Views	3,000
Investor ROI %	18.43%
Company ROI %	131.87%

**Financial Performance Overview**

Total Sales Revenue	\$3,017.39
Total Expenses	\$2,096.04
Net Profit	\$921.35
Charitable Contributions	\$301.74



## Company Formation

The company grew organically out of the Entrepreneurial Club at South Lakes High School in Reston, VA. As the founders of the club, we established a partnership with Junior Achievement to provide an experiential learning experience for our members. The response to the Company Program was overwhelming. In order to make the process fair and equitable, we developed a two stage process of screening / selecting members of the company program which included an essay and a “mini pitch.” The club officers and sponsors then voted on the top candidates for the company. The resulting group of 29 employees was a diverse and talented group of students spanning all four grades and different socio-economic backgrounds. The fact that we were all South Lakes Seahawks gave us an immediate connection and advantage compared to other teams.

## Product Ideation

For the ideation of our product, we followed a similar democratic screening process to what we used for the selection of our company members. This was our first real challenge as a company. We went through an intense idea generation process where company members split up into groups to generate ideas and do a complete SWOT analysis before presenting the idea to the rest of the company. The result was a business model on the idea of a biodegradable, plantable bracelet which was consistent with motivation among the company members to create a product that was innovative, sustainable and had a positive impact on society. We then began the process of capitalization by receiving award money from winning a business case competition hosted by the VDOT and by raising money from club merchandise.

*Meet the Executive Team*



*#wearyourimpact*



# PODSEEDTIVITY

## Leadership

In keeping with our corporate philosophy, Podseedtivity's initial leadership team was formed through a democratic voting process. Employees had the opportunity to run for either CEO or one of the four VP positions (Finance, Sales, Marketing, Supply Chain) and had to present a one minute pitch to present their candidacy for the company and mentors. The process continued with anonymous voting, and the winner of each position was finally announced.



## Organization Structure & Development

As a relatively large company (for JA standards), we realized that our biggest strength could potentially be our biggest weakness. Therefore, we wanted a flat structure that allowed for innovation, while making sure there were proper controls in place. Since we were all located in one building, the leadership team held meetings every morning at 7 AM before school started. The group collaborated to come up with a plan for the week and discussed potential obstacles. The respective VPs led their team with the weekly guidelines, assessed the strengths of each of the individuals, and delegated work in the most efficient manner. At first team members "interviewed" to be in particular departments but as time progressed, we realized that we had to readjust our teams according to what the business demanded, always making sure we were nimble and adaptable. We quickly realized that we were unique in that we were the only teams who were designing and producing our own product. This involved sourcing materials, coming up with an efficient design, testing the product as well as testing the market. We worked with our mentors to develop an agile product development strategy and plan our company growth in phases. During the first phase, the whole team attended & participated in the majority of production meetings and selling events. During the second phase we took a more specialized effort to break the team down into departments.



Our product line is 100% handmade by the members of the company and our innovative product development methodology separates us from most other companies in the market. Our plantable biodegradable bracelets are completely our own from ideation to design to development and give us first mover advantage in the market.

### Product Design & Innovation

The process of designing, testing and manufacturing our bracelets was an extremely unique endeavor that required an abundance of trial and error, patience, and perseverance. To begin, our team had to create a bracelet made from solely biodegradable materials. No other bracelet like ours existed on the current market, and to add to the bracelet, we needed to create a capsule system that could hold living seeds inside it. Our team spent weeks brainstorming and designing prototypes of the bracelet and finally settled on using a gelatin capsule to hold the seeds and coating the capsule in a non-toxic acrylic. We sourced biodegradable hemp string and lava beads to create our first fully biodegradable bracelet.

### Product Development Methodology

Since our product was the first of its kind in the market, we wanted to make sure people would actually buy and wear our product. Therefore, with guidance from our mentors we decided to adopt a Minimum Viable Product (MVP) methodology. Our first phase involved building an initial prototype, selling, getting feedback, iterating and starting the process again. The goal here was to observe the customers' actual behavior with the product. We soon realized that there was a strong demand for the product especially around the positive message it embodied. Customers also felt strongly about the causes we supported and the "local champions" they would be empowering by buying our product.



**Marketing Vision**

Our marketing vision was focused on three facets of our company:

- We were a local, community based and student-led company
- Our products were handcrafted and made by our 29 student employees, nothing was resold and each product was completely unique
- Our mission was to empower local community leaders by telling the world their stories and raising money to support their causes

**Target Audience**

We conducted macro as well as micro level research on our market opportunity and target audience. We discovered that generations z and y (millennials) are the most interested in “sustainable fashion”, and collectively, they constitute an ever-increasing force in the global economy’s spending power. Our research demonstrates that an impressive 87% of United States millennials are willing to pay more for sustainable clothing, and many prioritize eco-friendly and ethical brands when making purchase decisions. Our entire company and product line fits the description of what these generations like to invest in, and publicize. We emphasize our sustainability, authenticity, and environmentally friendly aspects, as well as the fact that consumers are meant to “take action” when they invest in our company, in order to attract their strong spending power, and manipulatable desires. At a micro level, we conducted surveys at our school to quantitatively gauge interest in our product and the results were overwhelmingly positive.

**Marketing Strategy**

Our audience during the MVP phase of our growth were people in our local community. Therefore we adopted a grassroots marketing effort to maximize our ROI as well as reach our audience of children and young adults in our community effectively. We partnered with local “positivity champions”, community organizations (South Lakes PTSA, South Lakes Boosters, South Lakes Food Pantry) to spread the word locally. For one of our most successful marketing campaigns, we partnered with a local youth leader who was raising funds to build a safe place for children in our community. This leader embodied all the characteristics of a “positivity champion” but also had an extremely large number of followers on social media.

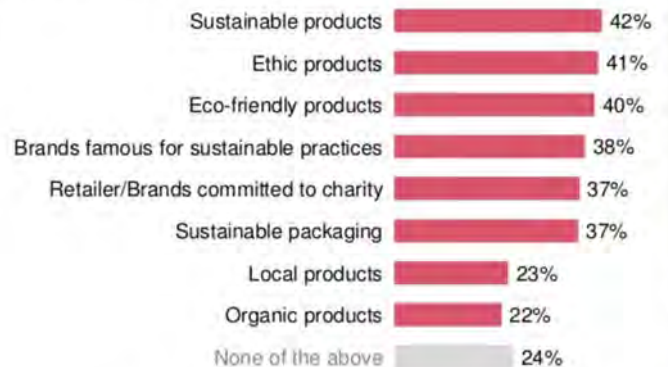
More than 40% of consumers are willing to pay a premium price for sustainable or ethic products/brands



**Under 35: Sustainability**

1 out of 3 consciously chooses brands that reflect ethics and sustainable values

**Non-food products**



For which of the following characteristics would you pay a premium price?  
 Base: 21,480  
 Source: PwC Global Consumer Insights Survey, 2019

Source: PwC Global Consumer Insights Survey, 2019

PwC | Sustainable Development



**Social Media**

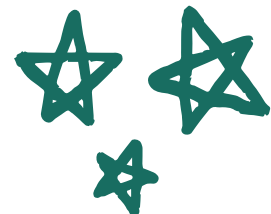
Since our target audience were primarily young adults we appealed to them on Instagram, Youtube and our Website. Due to our younger target audience, we were inclined to use Instagram as our main social media marketing platform and post at least twice a week on it. Partnering with community leaders and organizations also increased our social media footprint significantly.

**Sales Channels**

Our sales efforts which were aligned with our marketing efforts were focused on local and grassroots. Initially, our sales team broke down our sales channel strategy by the following: Community Events, Small Business Partners, High School Pyramid, and High School Sales. During the MVP phase, since we were constantly iterating and looking for feedback, we primarily focused on the Community Events channel and the JA Trade show. Since we were sourcing and producing our own bracelets, we were limited in terms of how much we could sell and therefore focused on Community Events to maximize our ROI.



	Events	Bracelets Sold	Revenue
<b>YUNIVERSE</b>	Youth leader camp	75	\$375.00
	SL vs. Herndon Basketball Game	94	\$470.00
	JA GW Trade Show 2020	199	\$1,192.00
	Reston Youth Basketball All Star Game	38	\$380.00
	Beloved Yoga Studio	45	\$450.00



*Over 14,000 Instagram Views!*

*Over 200 Instagram Followers!*

*Facebook & Twitter Presence!*



### Overview

As of 3/13/20 when we halted operations as a result of COVID-19, we had completed our MVP phase and just started our growth phase. We had sold 461 bracelets at an average price of \$6.33 for a Total Sales Revenue of \$2917.39. \$450 of that revenue are in receivables which we receive once we deliver the products when the COVID-19 situation settles down. It is also important to note that we moved our sale price up to \$10.00 from \$5.00 without seeing any erosion in demand.

### Capitalization and ROI

To capitalize the company, we invested \$500 of Podseedtivity company capital raised from winning a business case competition and selling merchandize. We also received a \$500 loan from an investor with a return of \$0.20 per bracelet. Based on our capital position to date, the investor has an ROI of 18.43% and Podseedtivity has an ROI of 90.69%. Due to the fact that we have significant inventory left over, we expect the ROI to be higher at liquidation.



### Statement of Activities

#### Sales Revenue

Number of Podseedtivity Bracelets :	461
Average Sales Price / Unit	\$6.33
Income from Competition Award	\$100.00
Income from Bracelet Sales	\$2,917.39
<b>Total Revenue</b>	<b>\$3,017.39</b>

#### Expenses

COGS	\$1,668.00
Marketing Expenses (Booth, Signs)	\$160.00
Sales Expenses (Transaction Fees)	\$87.00
Sales Tax (6%)	\$181.04
<b>Total Expenses</b>	<b>\$2,096.04</b>
<b>Net Profit Before Donation</b>	<b>\$921.35</b>
<b>Net Profit %</b>	<b>30.53%</b>
Charitable Contribution	\$301.74
<b>Net Profit (after contribution)</b>	<b>\$619.61</b>

### Statement of Financial Position

Net Profit	\$619.61
Collective Podseedtivity Investment	\$400.00
Investors Investment	\$500.00
Podseedtivity Investment Return	-\$500.00
Investor Return	-\$592.14
<b>Net Total</b>	<b>\$527.47</b>

### Return On Investment

Investor Investment	\$500.00
Return On Investment	92.14
ROI %	18.43%
Podseedtivity Investment	\$400.00
Return On Investment	\$527.47
ROI %	131.87%

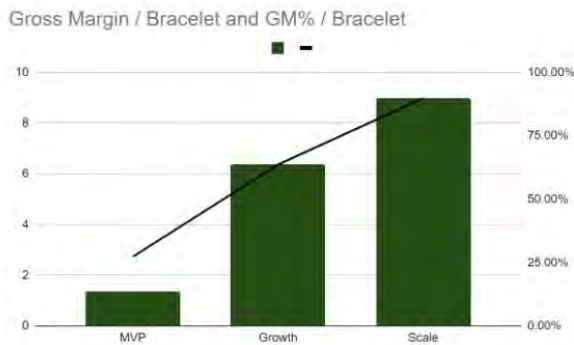




As we went through the MVP phase of our company's growth, we developed a strong understanding of our product market fit. Through our extensive interaction and dialogue with our customers at the various events where we sold our bracelets, we can say with confidence that there is a need for sustainable accessories and our audience (millennials and Gen-Z) value the message our bracelets embody almost as much as the bracelet itself. This was an important lesson we learned. Going forward we will look more aggressively to partner with local champions who represent our causes.

In terms of areas of opportunity, the two main aspects of our business that we plan to focus on in the next two phases of our growth are:

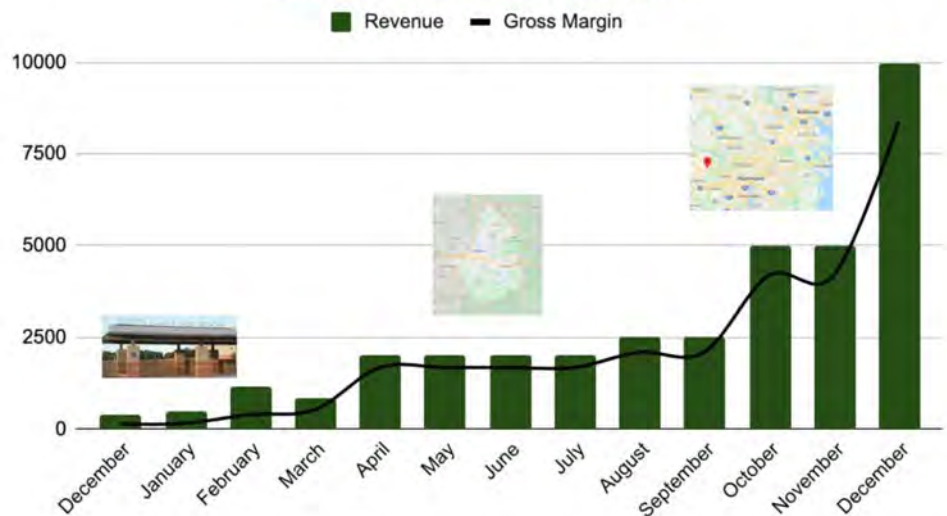
- **Improving Gross Margins** - We plan to achieve this in a phased approach. In the next phase, we plan to increase our sale price to \$10.00 (now that we have tested the price elasticity of our bracelet.) In the following phase, we plan to lower costs of production by either sourcing the components from India/China or actually having the bracelet custom built in India (either of which can be done at a cost of \$1.50-\$2.00 per unit.) These steps will help increase our GM% from 28% currently to 54% and eventually 81%. (see chart below)
- **Scaling the business** - In terms of scaling our business, our biggest bottleneck was our production. To solve this problem, we have identified multiple vendors in India we can work with that can produce up to 1000 bracelets a week. We believe that as our viral marketing continues and we expand from local community events to farmers markets, trade shows and partnerships with other organizations in the broader DMV area, we will be able to work our way up to 1,000 bracelets per month by the end of the year. Our outsourced production will allow us to scale. (see chart below)



## GM Expansion



## Revenue and GM Projections



## Revenue Growth

