



# COMPANY REPORT 2020

## SASA SOCKS

Reston, Virginia

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"Essential for your Sole"

# EXECUTIVE SUMMARY

## MISSION STATEMENT

To spread awareness about the harmful effects of excess fertilizer runoff caused by cotton production on the environment and promote the use of bamboo fibers.

## PRODUCT DESCRIPTION

Sasa Socks are made of 100% bamboo and have no chemicals. The socks feature a custom checkerboard weave for extra durability and have the Sasa logo on each individual sock. The socks are sold in two packages: one pair for \$8 and three pairs for \$20, and both packages come with a premium Sasa sticker. Our socks can be used for any activity ranging from wearing them in the house to wearing them out to sports such as basketball and even skiing. Not only are our socks more absorbent, odor resistant, antibacterial, durable, and comfortable than traditional cotton socks, but they are also astronomically better for the environment. In addition, ten percent of all profits will be donated to the Chesapeake Bay Foundation (CBF), which is an organization that strives to maintain the endangered ecosystems of the Chesapeake Bay.

## FINANCIAL RESULTS

FINANCIAL RESULTS	
Gross Revenue	\$3,052.00
Expenses	\$1,967.36
Donations to CBF	\$229.78
Net Profit	\$854.86



## JA COMPANY PERFORMANCE

As of March 2020, Sasa Socks has excelled in every aspect of its multifaceted business and has grown rapidly. In only 6 months, Sasa has made \$854.86 in profit and sold out. Through a shared team passion and incredible dedication, we have not only surpassed all sales goals, but have also made a genuine impact on both the community and the environment.

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# FINANCIAL PERFORMANCE

## OVERVIEW

Sasa has sold 437 pairs of bamboo socks, resulting in a sales revenue of \$3,052. Sasa has accrued \$4,058 in total cash. Of these 437 pairs, 273 in were boxes of three pairs, and 164 were single pairs.

## COMPANY PERFORMANCE

As of February 2020, Sasa Socks has soared past its sales targets and otherwise excelled in terms of business performance. Since the birth of the company in September, Sasa has made \$1860.86 after all expenses. Not only has Sasa exceeded financial expectations, but we have made a profound impact on our community, as we are poised to donate \$229.78 to the Chesapeake Bay Foundation (CBF) in order to help preserve the bay which is impacted by fertilizer runoff. Sasa also plans to donate 25 pairs of socks to Northern Virginia Family Services (NVFS).

## BREAK-EVEN ANALYSIS

With a unit cost of \$1.78, Sasa's break-even analysis indicated a break-even after selling 36 boxes of three. The profit margins are \$14.66 for boxes of three and \$6.22 for single pairs.

## CAPITALIZATION

To fund Sasa's initial costs, we utilized a start-up fund of \$1,006. This included a \$506 round of internal funding and a \$500 investment from Quick Pitch investor Cliff Yee, in exchange for 25 pairs of socks to be given to NVFS.

## INVENTORY

Of the 763 pairs leftover, 25 pairs will be given to NVFS as part of our investment deal. Additionally, 200 more pairs will be donated to NVFS to help those impacted by the COVID-19 pandemic. Out of the 538 remaining pairs, Sasa will also donate 10% of net profit to CBF to support efforts to restore the bay from damage caused by cotton production. If all remaining pairs are sold, Sasa will generate between \$3,588-\$4,304 in additional revenue. This money will be used to purchase the next inventory order with new colors and sizes.

STATEMENT OF ACTIVITIES	
INCOME	
Account Title	Total
91 Boxes of 3 Pairs (\$20)	\$ 1,820.00
100 Discounted Single Pairs (\$7.20)	\$ 720.00
64 Single Pairs (\$8)	\$ 512.00
<b>Total Revenue</b>	<b>\$ 3,052.00</b>
EXPENSES	
Inventory (1200 pairs of socks)	\$ 1,618.77
Promotion (Trade Show materials)	\$ 167.12
Tax (6%)	\$ 131.04
Shipping	\$ 21.87
Square Fee	\$ 28.56
<b>Total Expenses</b>	<b>\$ 1,967.36</b>
<b>Net Profit before donations</b>	<b>\$ 1,084.64</b>
Charitable Donation	\$ 229.78
<b>Net Profit</b>	<b>\$ 854.86</b>

# INNOVATION

## THE IDEA

We decided to take a very unorthodox approach in deciding which product to develop. Like most teams, Sasa wanted to center the product around a cause. However, we went back to the root of the problem, to try to solve the problem, rather than simply raising awareness. We chose to address the issue of destroying aquatic ecosystems but looked at one of the roots of the problems, which is cotton production. Many harmful fertilizers run off and cause dead zones and algae blooms during this process, which kill ecosystems because there is no oxygen in certain parts of the water. A simple solution is replacing the cotton with a more sustainable material. We found bamboo to be the perfect substitute because it grows in abundance and its fibers can be used to create a fabric softer than cotton. Our team decided on socks as a product because socks are not only one of the biggest offenders in utilizing cotton, but they also appeal to essentially anyone around the globe. Everyone wears socks! Sasa Socks are an innovative bamboo sock that help solve the problem of harming aquatic ecosystems.

## COMPETITIVE ADVANTAGE

Although Sasa has plenty of competition, we have taken measures to ensure that Sasa has an extremely strong differentiation model. Firstly, we have partnered with local brands and businesses, such as athletic facilities and gyms. Sasa has also held events where we have personally visited a variety of locations, such as Fair Oaks, Tysons, and Dulles malls, and visited local businesses such as Footlocker, Target, Walmart, and many more. In these visits, we realized Sasa is the only bamboo sock company that retails in the Northern Virginia area. In addition, Sasa also holds a pricing advantage over its competitors. The sales price of a pair of Sasa socks is \$8 per pair. Meanwhile, the competition tends to charge upwards of \$15 per pair. The main competitors are EcoSox and Bombas, both of which are companies that are not very prominent in the Washington D.C. Metro Area.



## SOURCING

Sasa researched many commerce sites for customizable bamboo socks and investigated many suppliers for the best quality of socks at the best price. We found a supplier on Alibaba, a relatively small company that sold a wide variety of socks, who had high quality standards and regulations and provided us with a good price for the socks. Their company is certified by Alibaba and many Chinese quality assurance companies.

## PRODUCT CHANGES

The original Sasa Socks were in grey, but with customer feedback and marketing surveys, our team agreed to change the next shipment of Sasa Socks to a white version. There were also requests for a variety in sock lengths, so we decided to begin selling ankle socks along with the new variety of white socks.

# MARKETING AND SALES

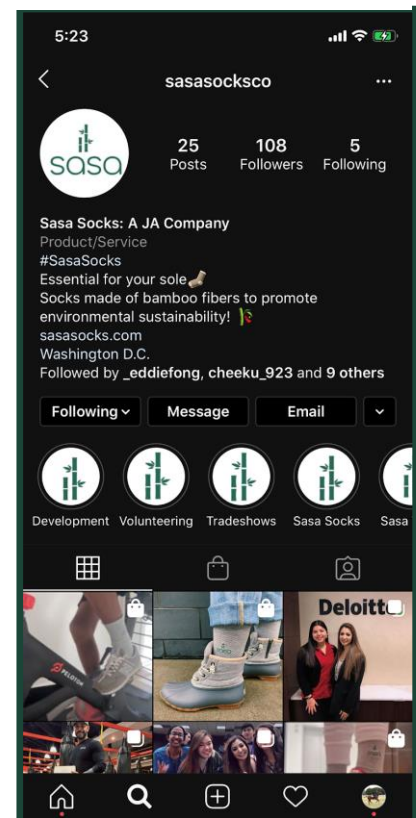
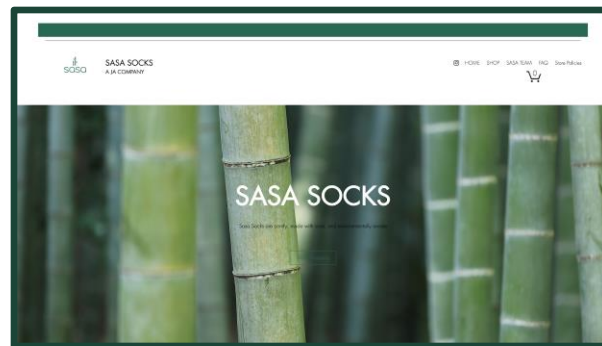
## TARGET AUDIENCE

We chose a product that everyone uses. We believe our target market to be gender neutral, environmentalist, and ages 10 and above. Our market research confirmed this and that more specifically, athletes and business professionals are particularly interested in our product. We also believe our geographic market is the United States and we ship all over, but we are focusing our selling in the Washington DC area. In marketing campaigns, Sasa shows children, teens, business professionals, and athletes wearing Sasa Socks, advertising to a large audience by revealing how a wide variety of individuals could benefit from the product. Sasa Socks are designed for everybody!



## SOCIAL MEDIA

Sasa Socks has an Instagram page where our team members show charity and donation work, promote the product, and raise awareness for causes that align with our mission. This adds a personable feel to the account, putting faces to the company and revealing how our team directly benefits our local community. Our Instagram has special business verified shopping features that allows us to tag our product in our posts; a customer can simply see a picture of our socks, click, and purchase right through Instagram! In the future, we plan on purchasing Instagram promoted ads to promote our socks, through this we will promote our socks to Instagram accounts within a 50 mile radius of Washington D.C. Sasa's Instagram page also has links to our website and store, where interested customers can purchase socks. On the website (sasasocks.com), we sell our Sasa Socks and have information about Sasa's donations, FAQ, and store policies. Our social media pages have been extremely effective in informing customers about our company and our cause.



## PERSONAL SELLING EXPERIENCE

Sasa Socks makes sure that our in-person selling is a very interactive and enjoyable experience. We have perfected an innovative technique to engage the customer and explain why our product would benefit him/her. We also leverage our emphasis on saving ecosystems suffering from contamination caused by cotton production, and why purchasing a pair of bamboo socks will help he/she do their part in supporting our cause.

## DISTRIBUTION CHANNELS

Sasa Socks utilizes three distribution channels: website, trade shows, and other in-person selling. Sasa prides itself on its personal selling style, where a connection is created between the customer and Sasa Socks. Sasa has made most of its revenue selling in-person, using engaging selling tactics. Recently, Sasa has worked on a deal to sell our socks at the boxing UFC Gym Reston location & have currently sold 10 pairs of socks in less than one week!



## TRADE SHOW

We wanted to attract as many customers as possible at the trade show. Team members went around the venue and sparked not only professional, but also personal conversations with potential customers in order to spread awareness about the Sasa brand and the cause. All team members wore matching Sasa t-shirts to display the unity and strong bond we have. To make the Sasa table most appealing, we also set up a large, eye-catching board that gave some information about our team and our product. Our marketing strategies allowed us to win the awards for best commercial, most profit, and 2nd best overall performance.



# LEADERSHIP AND ORGANIZATION

## LEADERSHIP

Sasa initially chose to have one Chief Executive Officer (CEO) and four department heads for the departments of Marketing, Supply Chain, Finance, and Sales. Each interested member ran, describing their experience and how they could benefit the company. After each candidate spoke and left the room, the remaining members discussed, voted, and decided on the most suitable member. Each leader was responsible for ensuring that their department was on track with the rest of the company and that their members were all doing an equal amount of work. Later in our team’s development, it was cordially decided to create more leadership positions due to the size and complexity of our company. We decided to create the roles of Chief Operating Officer, Chief Growth Officer, and Human Resources manager. With these hierarchal roles in place, Sasa has grown into a better company and runs more smoothly.



## ORGANIZATION

Our team decided on a simple but effective way to organize their members, shown in the company’s organizational chart below. As a large team, it was necessary to create a structure that would keep everyone productive and organized. We elected leaders from each section, and a CEO to manage each department and keep the big picture in sight. We chose individuals with artistic and technical backgrounds when filming and editing our Sasa Socks commercial. Members with writing and editing experience were elected to review our team’s statements, scripts, and company reports. Using this method, we were able to effectively meet all deliverables.

## COMPANY CULTURE

Our in-person meetings were very productive, but they were also very fun. At the start of every meeting, we would allot 20 minutes of free-for-all discussion. This was a great bonding experience for our team as we got to know and understand each other better. Although we have a hierarchical structure, all team members are invited to participate or give their input in decision-making for our company. This created a casual yet structured atmosphere where all members felt comfortable sharing their thoughts, but still had individual deliverables.



# LEARNING EXPERIENCES

## COMMUNICATION

Since Sasa is such a large team (18 members), we struggled with streamlining communication, especially since its members were very geographically spread out. We have members from Loudoun, Fairfax, and Prince William counties; with some team members making hour-long commutes to attend weekly meetings. This made it impossible to schedule daily meetings after school like other teams. We often dealt with low attendance at meetings as well. This led to a large disadvantage, considering it was quite difficult to communicate face-to-face on a frequent basis. To combat this issue, we experimented with other ways to reach each other such as email, GroupMe, Zoom, Slack, and Google Hangouts. These sites were utilized in order to collaborate effectively. We ended up selecting Zoom and GroupMe as our main communication channels due to their extremely intuitive user interfaces. In early March, due to the COVID-19 pandemic, Sasa was alerted by the Junior Achievement office to transition all company work and meetings online. However, because of the nature of our team members' pre-existing situation, this online transition did not have a large impact on company operations. Our team also began using Trello and using agile methodologies with daily scrums. This kept everyone in the loop on what was going on.

## PACKAGING

Even before we began selling, there were issues in the supply chain. First, our team dealt with miscommunications with our supplier. The supplier was overseas and did not speak English as a primary language, so there were constant struggles with time zone differences, causing difficulties in simple communications. To combat this issue, our Supply Chain director readjusted his sleep schedule to coordinate with the supplier's business hours. Sasa initially decided to purchase paper packaging for its socks; however, after receiving the first shipment of products and packages, our team realized that a single pair of socks could not fit into these packages. Collaboratively, we came up with a creative and innovative method of folding that would allow the socks to fit in the small packages. Despite this unexpected hardship, we were able to package all our socks (single pairs and boxes of three) successfully. However, we ordered new packaging to streamline the process of packaging the next shipment of Sasa Socks.

## COLORS

Although some customers greatly appreciate Sasa's mission, they did not find the color of Sasa's socks visually appealing. When Sasa first conducted initial market research, the results displayed that over 85% of their respondents wanted light gray socks. However, after we started selling, Sasa lost many potential customers that wanted white socks. A mistake Sasa made was only relying on our very limited market research surveys for deciding which color should be ordered in the initial shipment. The issue with our survey was that our sample size was too small and lacked diversity that would have most likely lead to different results on the survey. Since our survey and actual results differed, we had an issue. To compensate for this problem, when Sasa sold out of its first 400-pair order of Sasa Socks, our team added a white version of the socks to our next order. These were marketed as "limited edition" Sasa Socks, which greatly improved their sales. 400 pairs of our next 800 pair shipment will be white Sasa Socks. If these sell well, we will continue to order more along with our original natural gray color.



## FUTURE PLANS

In the future, Sasa plans to continue to keep on spreading its sustainable and environmentally friendly message through our product. We plan on making a marketing plan that utilizes ads through Instagram that reach within a 50-mile radius of our nation's capital. We also plan on expanding our sales through selling at another UFC boxing gym location and the Potomac running store in Fairfax, Virginia. We hope to become significant advocators for the harmful effects of cotton production on the environment and why bamboo is a better alternative

## TEAM BONDING

Our Sasa team started off as just a group of 18 people that wanted some experience in business. Our team is so diverse by age, ethnicity, location, and experience, but after working together for our cause, we have grown closer to each other. On the journey of starting a company from scratch and growing it to become profitable, there were many moments in between where the team bonded. This included participating at the JA Quick Pitch and getting the best deal, participating in the leadership summit at Ernst and Young, volunteering at NVFS, selling at the JA tradeshow, making a commercial, and donating to NVFS. These experiences have created an unbreakable team bond, which has transformed a group of strangers into friends for life!

