



2015 - 2016 Company Report

# MN TEEZ

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Volunteers: Liz Thul and Dustin Childs

Mankato East Senior High School

2600 Hoffman Road, Mankato, MN 56001



## Executive Summary

### Production Description

Our product is MN Teez and we sell Minnesota shirts. Our goals with the business is to provide a comfortable shirt that the people of Minnesota love to wear to represent their state. Our shirts are 50/50 blend of cotton and polyester and were provided to us by American Business Solutions. We ensure comfortable shirts at a reasonable price with a great design on it.

### Financial Summary

To launch our business, we got a total of \$950 from investors. We'll be giving our investors back a 5% interest. We bought the shirts for \$7.10 each and \$1.50 extra for 2XL shirts. For sales we need to sell a total of 3 shirts a week per person. Our second order of shirts cost us \$7.30. We sell each shirt for \$15.00. Our total sales revenue is \$1215. Currently we have not broke even we need to generate an additional \$143.65 and need to sell another 20 shirts to break even.

### Mission Statement

Our mission is to provide affordable and comfortable clothing that represents our home state of Minnesota. We only offer clothing that is uniquely designed by one of our very own company members.

### Company Performance

MN Teez has been working diligently to sell our shirts. In the first three weeks of sales we sold 81 shirts. We recently ordered an additional 79 shirts to keep up with demand. Our venture so far has allowed to explore a real life business start up and sales experience beyond what we could ever imagine..

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## Company Overview

### Our Story

We began by deciding what we wanted to sell and what we wanted our company to represent. Originally we thought that we would sell some type of technology, like earbuds or phone chargers, but we decided that it would be very time consuming and wouldn't sell very well. After many meetings we finally settled on the idea that we wanted to sell shirts that would represent the state that we live in, Minnesota. We then set out to find a company to produce and print our shirts.

After searching, we came across American Solutions for Business and bought our first order of 102 shirts of varying sizes and in two colors for \$7.10 each (\$1.50 for 2XL sizes which we bought two of). Our shirts are sold for \$15, giving us a profit of \$7.90 on each shirt, other than the 2XL, which we made a profit of \$6.40. While this was going, the rest of our team came up with a design to go on the shirts and a logo to represent our business. The shirts have sold very well so far and we continue to see interest in them, with only 28 left in inventory after 3 weeks of sales. Because of the high demand of the shirts we ordered 79 new shirts. We hope to sell all of our shirts by the end of the school year.

### Identity

Our business name is MN Teez. We chose the name because our complete design is based on the State of Minnesota. For our design, we thought of more of a natural look with the bottom of the Minnesota state outline being trees. We put out a poll on Twitter on which design looked better, and the majority chose the small design on the upper left vs the large design in the middle. We found that our biggest target audience is the student body and their families, luckily there is a lot of family members available for us to make good sales on. We are also trying to reach other people in the community. We do our best to communicate with each other, and make decisions as a group. To make sure we don't misplace any products, we keep inventory every day. To check out a product you have to go through our supply chain members and get it put into the system so we know where all of our products are all the time.

Though we like to have fun, we are very serious about this business. All of us strive to be the best salesmen and business partners we can be. By doing that we get on each other if we aren't selling enough or aren't putting in as much work as the next



person. Everybody does their jobs fairly well and do what they are supposed to do, by not stepping on each other's toes, but still helping out if needed.

## Product Description

Our shirts are the Sport Tek brand made out of a 50/50 blend of cotton and polyester. They are 3/4 sleeves or better known as baseball tees. The shirts are primarily white, with sleeves that are either navy blue or maroon. On the top left chest area is our design in black screen print. The design was created by a member of our company.



## Supply Chain

Our supply chain team is made up of Mac Slocum, Robert Draper, and Jamison Daby. We purchased our shirts from American Solutions For Business, who handled screen printing and production of the shirts. Our shirts are a 50/50 blend of cotton and polyester to prevent major shrinkage of our shirts. Each member of our group is able to sell shirts and will take the order from our customer and the money when available. They then turn the money over to finance and lastly we will hand the shirts out when the payment is confirmed. They then find and give the shirt to the customer. This allows us to have a more accurate tracking system of how much inventory we have and what we need to reorder. We use a spreadsheet to keep information on where every shirt is and who took it. We compare this regularly with the spreadsheet kept by the finance department to ensure that no shirts go missing. We also performed a quick quality control check on the shirts before giving them out to the customers. A quick tug on the arms to ensure the seams would hold and a check on the screen print to make sure it wasn't peeling or missing any of the design.

Before we launched our business, we took pre-sale orders from group members and close family and friends. That pre-sale resulted in 41 sales and also allowed our



shirts to be out on the market to bring in new customers. Our first order was of 102 shirts. There were a total of 61 maroon and 41 navy blue shirts. As of April 1, there were only 18 maroon and 5 navy blue shirts left in inventory. Recently we reordered 79 new shirts.

## **Marketing Strategy**

Our marketing team is made up of Lauren Daly and Aaron Johnson. Our strategy at first was to market through social media. We created a Facebook and Twitter page for our company, which are run by Lauren Daly. We ran a poll on our Facebook page to get people's opinions on the designs and colors they wanted on the shirts. We used this information to decide on what shirts to order. We then made a Wix website and an email for our company. The website is <http://mnteerz.wix.com/mnteerz> and our email is [mn.teez2016@gmail.com](mailto:mn.teez2016@gmail.com).

We gave the marketing department a budget of \$25 to advertise. In addition to our \$25 budget we are going to make business cards, posters, and banners with South Central College who is going to do all this for us free of charge. Since the spring athletic season has started we plan to sell at baseball, track, and lacrosse home games and during lunch on Fridays. Eventually we want to set up a pop up store at SCC and sell there as well.

After doing this we noticed that our target audience is towards, mostly teenagers and adults. So now knowing that, we will end up doing more social media marketing and posters around school.

As of right now we have spent \$5 on a facebook post boost which reached about 966 people. The post that did the best without any type of boosts was the photos of the mock shirts that our shirt provider gave us and we reached 164 people, mostly from everyone in our group sharing the post. Our goal is to reach people all over Minnesota to sell to them, and to do that we'll need to have excellent communication so that people will talk about it and good marketing to help spread the word about our company across the state of Minnesota.



## **Sales and Promotion**

Our company MN Teez has a great sales staff ran by Eric Geisthardt Jr. and Braxton Hanten. We promoted our shirts through social media and word of mouth. We also brought some of our product to a local pizza place in Mankato called "Polito's Pizza" and they took \$2.25 out of each shirt they sold. To encourage our team to sell a lot we have weekly goals of selling at least three shirts each week. To keep track of everyone's individual sales we put together a spreadsheet to keep track of everyone's progress. To give some encouragement to everyone in the company, whoever has the most shirts sold at the end of the school year gets a free car wash from Snell Auto. As of now we decided to take our shirts out of Polito's pizza because they didn't sell as well. The reason being is they charged \$2 per shirt, and only one shirt sold in a two week span.

## **Facing Obstacles**

Our biggest obstacle was deciding what product to sell. It took us four or five meetings before we finally decided to sell shirts. At first we were planning on selling earbuds or chargers. Then after we decided that we were going to sell t-shirts our next obstacle was deciding what type of shirts to make, either normal tees, baseball style tee, or crewnecks and what colors to use. To decide what style we had a group vote and baseball style was the favorite. We also had to determine what colors and sizes. To choose the colors we had a team vote and to choose what sizes to order we thought about our target audience of students. To choose the size of design on the shirt we ran a twitter poll and the small Minnesota design got the most votes.

## **Management**

Our management team is made up of Lucas Pettersen, Noah Surprenant, and Jean Ilhan. We were elected to management because our strengths fit this department. Management's job is to keep everyone in order and to set goals for every department to complete our main task to sell shirts. We can also assist groups with their jobs and help every department do their job, or assigned task. One of our tasks at the beginning of the year was to pick our leadership structure from four options. Our company had a group vote and we settled on the consensus strategy. The consensus strategy is making sure the majority all of our group agrees with each other. If we have a disagreement within the group. We take a group vote to settle the disagreement.



Categories	Management	Finance	Marketing	Sales	Supply Chain
Team Leads	Noah Surprenant	Kaylie Voigt	Lauren Daly	Eric Geisthardt	Robert Draper
Team Members	Lucas Pettersen Jean Ilhan	Makenzie Hendley Hannah Bauman Eddie Cedillo	Aaron Johnson	Braxton Hanten	Jamison Daby Mac Slocum

### Cost Structure

The cost of each shirt made is \$7.10 per shirt when 100 shirts are ordered, and two 2XL for \$8.60. This cost includes the shirt itself and the single color screen-printing of our design in the top left corner. With this price, we are able to retail these shirts for \$15.00 per shirt, giving us a \$7.90 profit per shirt sold and \$6.40 for 2XLs.

### Financials

Our finance team is made up of Hannah Bauman, Makenzie Hendley, Kaylie Voigt, and Eduardo Cedillo. We started with an investment of \$950.00. With that money we purchased two different orders of shirts, with a total cost of \$1,303.40. We have sizes Small, Medium, Large, XLarge, and XXLarge. We are giving each investor 5% interest on the amount they gave to us which would come out to be \$997.25 that we have already paid them back. As of April 1st, 2016 we have sold 79 shirts at \$15.00 a piece, that will make a total of \$1185.00. When subtracting the amount we paid for the shirts from the amount we received back, the profits would be a total of \$460.80. We will give half of our profits to a charity researching ovarian cancer, and divide the rest between our 14 employees. Each employee is estimated to make a total of \$16.45. The sales department made a spreadsheet to keep track of the amount of shirts sold.



**MN Teez**  
**Income Statement**  
**as of 4-11-16**

**Revenue:**

Gross Sales Navy Blue (\$15 a Shirt): 36	\$540.00
Gross Sales Maroon (\$15 a Shirt): 45	\$675.00
<b>Total Products Sold: 81</b>	<b>\$1215.00</b>

**Cost of Goods Sold:**

First Order	
Small- XL: (100shirts)	(\$710.00)
XXL: (2 Shirts)	(\$17.20)
Second Order - Small - XL:(79)	(\$576.70)
<b>Total Shirt Cost:</b>	<b>(\$1,303.90)</b>

**Expenses:**

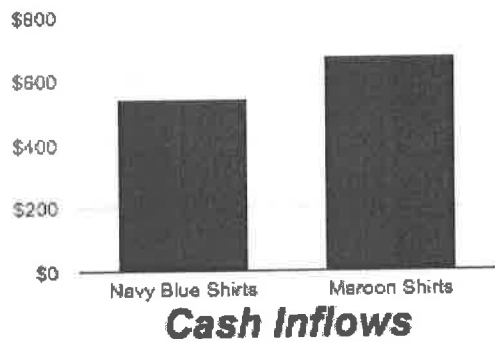
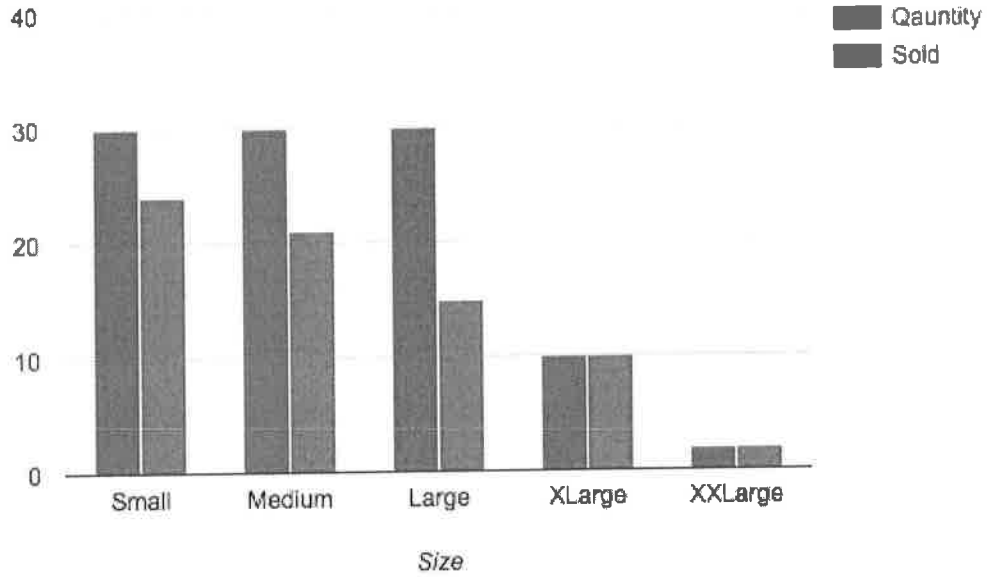
Investors	(\$47.25)
Politos Marketing	(\$2.50)
Facebook Marketing	(\$5.00)
<b>Total Expenses:</b>	<b>(\$54.75)</b>

**Net Profit:** (\$143.65)

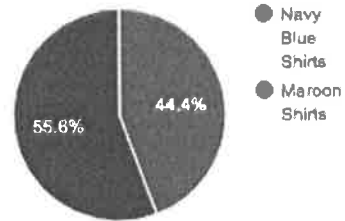




### Quantity and Sold



### Quantity Sold





## **Future and potential of company**

The outlook for the company is bright because there is a large market for the product we offer. There is interest in our product within the state and outside the state. The potential of the company is endless considering the clothing market is great. Our company could become one of the biggest clothing Minnesota branding companies in the state. We are a unique company because of the Minnesota branding. After the school year is complete we will liquidate our company and interested company members have the option to take the business over.

With that, this business could go to another level. We could potentially take our design and put it on other clothing, such as crewnecks, sweatshirts, or sweatpants. We could also go away from clothing and put the design on lanyards, or jewelry. The design is really interchangeable so the business is open to almost anything.