

Cozy Care Company

COMPANY REPORT

Company name : *Cozy Care Company*

Year of operation: *2010*

**Name of adviser,
teacher/school,
and local JA office:**

*Keyik Kervenova, Training center of Union of Economists of
Turkmenistan, Junior Achievement Turkmenistan*

**City, state,
and country:**

Ashgabat, Turkmenistan



Ashgabat - 2010

“We share your mom’s care!” – *Cozy Care Company*

Nowadays people get more involved in the care of their health. They start creating different ways how to support their health. And we have created one really useful method, which is small but still essential in daily life. It is our brand new, innovative, comfortable and unique Care Cushions!!!

In the following several pages we will describe in details how, when and by whom this business project was realized.

- ↪ How this idea has appeared in our minds?
- ↪ What we had to consider?
- ↪ Another day, another dollar – action!

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1. President's Letter to Shareholders

Dear Shareholder,

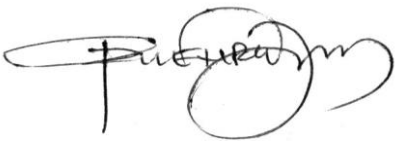
In September 2010, you invested TMM 10 (USD3.60) per share of stock in our company to provide us with the capital necessary for our entrepreneurial venture. The TMM 10 (\$3.60) you originally invested provided a foundation for our success as a business. We, the employees and officers of Cozy Care, would like to express our sincere gratitude for your faith in our ability to succeed and your endowment that truly made the JA Fellows experience possible.

Our primary mission is to provide a profitable return to every shareholder. As we liquidate our company at the end of December 2010, we are proud to report a 470 % return on your initial investment TMM 47 (USD 16) yield for every TMM 10 (USD3.60) share that you originally acquired. However, while shareholder dividends were our primary concern, another important company value was to leave a lasting impact on our community. It was preliminary decided to invest our gained profit from the Care Cushions into arrangement of Business Training for us and other participants of JA Student company competition in Turkmenistan. Preparation of the financial report and determination of our profit were made and TMM 739 (USD 259) will be invested in the education.

No money earned can replace the real gratitude we have. Thanks to the program, our team obtained a lot of life-needed skills like team working, organization, feeling of wholeness, collaboration in work, flexibility in time management and easy adaptation to any business challenges.

Once again I want to express you – shareholders, employees and users of Cozy Care Company's financial report: without you our aim would not have been realized.

Sincerely yours,
M. Chariyeva



President,
Cozy Care Company.

2. Who we are?

Name: Cozy Care
Type of company: Limited Liability Company
Finance: Stocks
Date of creation: 27/09/2010
Liquidation date: 30/12/2010
Product: Care Cushions

Company Overview:

Cozy Care Company is a JA company that provides our product called – Care Cushions, special cushions designed for everyday use as covers for stadium seats, street and airport benches and etc. the company is formed from 4 members:

1. President of the Company – Chariyeva Myahri
2. Finance and administration manager – Nuriyeva Selbi
3. Marketing manager – Sapayazov Zakir
4. Production manager – Bayramova Ogulshirin

The company was formed on 27th of September, 2010 in Ashgabat, Turkmenistan. We created the company first, and then started thinking about what unique and useful product can be done. Committee of directors started brainstorming. There were lively discussions and even debates about what society needs and what product or service would be really useful and helpful for people so they would want to buy it. Cards, papier-mâché, book covers, maps of Turkmenistan using beans and peas, t-shirts with different designs, puzzles for kids made from towels and adhesive tape and cushions were named.



On the next meeting each of our members had to come down with one developed idea. Altogether we narrowed down the list of ideas to few, and later one of our members, Myahri Chariyeva, gave a little presentation on how a cushion to sit on could be a great idea. She presented all the pros and cons of cushions, such as the need of people for the product, possible market areas where profit could be done, draft structure of the cushion

and possible disadvantage sides of the cushions. She made an excellent presentation after which the team narrowed down the list to one idea: pretty cushions. Later ideas about the name of the company were discussed. Names such as Com4Life, Care Tm, and Care Asia were offered. In the end a great idea sparkled in our minds “Cozy Care”... Each of us agreed that this name would fit the best. This was how our company along with the product came to life.

3. Resume: what we produce, target markets, rivals.

DESCRIPTION OF A PRODUCT

Product Name: Care Cushion.

Product Appearance: Two outer layers of fleece and padding polyester between them are sewn in the form of a square with dimensions of 30cm x 30 cm. A button and a fabric fastener are sewn as well, to serve as for folding and unfolding the cushion.

Primary Benefit: Cushions for sitting are pretty comfortable, needed and useful for students attending stadiums on National days of Holidays, especially in winter season. To heat themselves from freezing cold and freezing chairs, students would take notebooks, scarves, coats, or anything else they would find and later sit on it. Special-designed cushions are a perfect solution for this. Our Cozy Cushions would keep one warm, comfortable and soft while watching events in a stadium or waiting on a train station on a cold weather.

Potential Consumers of the Product:

University and school students, people who spend a lot of time outside, travelers, people using train, bus, plane.

Price: \$2.50

Special Features: More practical, warmer, cheaper, lighter, more colorful than other cushions sold in the city.

TARGET MARKET INFORMATION

Target markets: Schools, universities, stadiums, bus stops, train stations.

Research of needs: Made a poll of students and people waiting in the bus stops and train stations.

Sales amount: 341 cushions

RIVALS

Rivals in markets: Only two stores in the city sell cushions imported from foreign countries. Also, Self-made cushions are made by grannies, but it is very rare.

Characteristics of Rivals:

During the poll of students and other people, only 10% of asked people knew where these shops, where cushions are sold could be found. Looking at statistics, it can be inferred that these shops are not known by most people. In addition, cushions in these shops are 3.4 times as expensive as our product. It is pretty expensive, especially for students who usually have financial hardships. Cushions sold in the stores are much bigger in a size, not mobile, not able to be carried in a bag or purse; and not widespread in the city. Hand-made cushions made by grannies are much bigger and usually not sold, they are often done for their own use.

Costs of Rivals

Products: Either not sold or 24 TMM = \$8.42 (exchange rate of 2.85 TMM per \$1)

Strong Sides of

Product over Rivals: Considering all rivals, idea about production of cushions for sitting was just the best. Our “Cozy Cushions” are cheaper, more available and practical to carry with in a bag, pocket or purse, lighter in weight, more colorful, better in quality, warmer, more comfortable and softer. And in addition, after our polls and sales, our product was well-known all over Ashgabat, the capital city of Turkmenistan.

4. Organizational plan

Staff: President of the Company: **Myahri Chariyeva**

- 24.07.1992 – 18 years old
- Union of Economists of Turkmenistan Training center
- Shareholding : 25%

Finance and Administration Manager: **Selbi Nuriyeva**

- 12.08.1992 – 18 years old
- Union of Economists of Turkmenistan Training center
- Shareholding: 25%

Marketing Manager: **Zakir Sapayazov**

- 05.06.1991 – 19 years old
- Union of Economists of Turkmenistan Training center
- Shareholding: 25%

Production Manager: **Ogulshirin Bayramova**

- 28.08.1994 – 16 years old
- Union of Economists of Turkmenistan Training center
- Shareholding: 25%

Staff Category	Number of staff	Salary per month	Total
<i>President</i>	1	TMM 10.0 – USD 3.50	TMM 10 – USD 3.50
<i>Manager</i>	3	TMM 6.0 – USD 2.10	TMM 18 – USD 6.30

5. Risks.

The most known risk of every newly commencing company is the risk of failure to sell enough products. People may decide to economy their money; see the product as unneeded, refuse to buy because of products unsatisfying quality or any other unexpected reasons of failure of selling. But if looking to the facts and statistics of our poll, the risk is not big at all. Because when we showed the product to the people, we asked their opinion. 197 people of 262 told that they would buy “Care Cushion”. Other 65 people either did not know or refused to buy due to the financial circumstances.

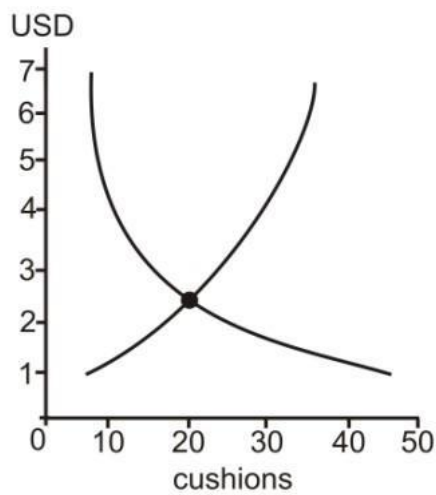
The biggest benefit of the company was its profits. Since “Care Cushions” were sold in a pretty fast pace, the profit made was a higher than expected.

For us, the most important benefit was the benefit of our people in Turkmenistan. It was nice to know that our company helped people in need to feel warm, healthy and comfortable wherever they are.

6. Marketing planning:

Aims and strategies: Meet the need of consumers, provide maximum comfort, quality, warmness, mobility and the minimum cost possible. Making polls, questioning consumers, making presentations, using the lowest cost, filling the market needs, advertising through posters and flyers were the main strategies of our marketing plan.

Pricing Procedure: First, the real cost was calculated from the expenses made. Real cost is TMM 5.04 (USD 1.76). Later the pricing was done according to the results of polls and questioning where people told they would buy cushions for 7 TMM (\$2.5).



Distribution and Sales Scheme:

Being opened in the Union of Economist Training Center, we were able to sell our product only on the specially organized event like fairs. First sales trial of 10 cushions was done on 10th of October, 2010 during rehearsals for Independence Day in the Union of the Economists – training center. All cushions were sold successfully. Later on 26th – 27th of October, 2010, on Independence Day 65 cushions were sold. A poll was made on this day as well. 197 out of 262 students told student market would be the most profitable. On 16-19th of November, on Kurban Holiday (Muslim Holiday – Eid Al-Adha) 126 cushions were sold. Later on 11-12th of December, on Neutrality Day of Turkmenistan, 100 cushions were sold in a training center. The last sales of 10 cushions were done on 27th of December, in National Competition of Student Company Fair in Turkmenistan.

Advertisements: Posters and flyers were distributed to students and other people in market sales places. Special presentations were done at schools, in universities, in JA training center.

Packaging: Small plastic bags in a size of cushion and a small gift.

Polls and Questionings: According to the results of polls, a lot of Turkmen citizens would like to have the best comfort for watching the events organized. 75% of students told student market would be the most profitable.

Start date of Sales: 10th of October, 2010

End date of Sales: 27th of December, 2010

7. Production plan.

Quantity of product: 341 pieces

Brief explanation of product: Small cushions in a square shape with a national Turkmen lace, called "Alaja". Size is 30×30 cm.

Brief explanation of production technology: Firstly the needed fabrics will be bought, cut out to the needed sizes, sewn, then ironed and the lace with button sewn up on the ready cushion; later the package is done.

Stages of production:

- Needed materials are bought.
- Measurements are done.
- Cut out into pieces.
- Sewing process is done.
- Lace and button are sewn up.
- Packaging.

Place of production: Basement of our employer's house, equipped for the production of our cushions.

Materials: Before the start of the actual production, we did 2 samples of cushions to measure the needed amount of materials, time and labor management.

No	Name	Material consumption	Price, TMM	Price, USD
1	Fleece	30×30 cm	1	0.35
2	Padding polyester	29×29 cm	0.5	0.17
3	Thread	221 cm	0.1	0.03
4	Fabric fastener – "Alaja"	1 pcs	1	0.35
5	Remuneration of labor – sewing		1	0.35
	Total:		3.6	1.25
6	Overhead costs (administrative personnel salary, marketing research expenses etc)	40 %	1.44	0.51
	Total:		5.04	1.76

Price per cushion: TMM 5.04 = USD 1.76

Number of people involved in production:

The whole staff was involved in the production. President of the company and Finance manager were supplying the needed materials and found a suitable place for production, later Production manager and Marketing manager were cutting and sewing them.

Date of start: October the 8th, 2010

Planned

expenditures:

Along with the expenditures for cushion production, there also were salary expenses for administration personnel (president and managers).

Table of sold products:

Date	Event	Units sold	Selling price	Net cost	Income
Oct 10, 2010	Trial sell	10	TMM 7.0 – USD 2.50	TMM 50.40 – USD 17.60	TMM 70.0 – USD 25.0
Oct 26-27, 2010	Independence day of Turkmenistan	65	TMM 7.0 – USD 2.50	TMM 327.60 – USD 114.40	TMM 455.0 – USD 162.50
Nov 16-19, 2010	Kurban Holiday – Eid Al-Adha	126	TMM 7.0 – USD 2.50	TMM 635.04 – USD 221.76	TMM 882.0 – USD 315.0
Dec 11-12, 2010	Neutrality day of Turkmenistan	90	TMM 7.0 – USD 2.50	TMM 453.60 – USD 158.40	TMM 630 – USD 225.0
Dec 27, 2010	National competition of Student Company fair	10	TMM 7.0 – USD 2.50	TMM 50.40 – USD 17.6	TMM 70.0 – USD 25.0
Dec 28, 2010	Preparation for JA Trade Company of the Year in Hong Kong	40	TMM 7.0 – USD 2.50	TMM 201.60 – USD 70.40	TMM 280.0 – USD 100.0
	TOTAL:	341		TMM 1718.64 – USD 600.16	TMM 2387.00 – USD 852.50

8. Financial plan and statement:

Financial plan:

Date	Event	Sum, TMM
Sep 27, 2010	Replenishment of the capital stock	200 (USD 70)
Sep 27, 2010	Purchase of the fabrics for the first 10 Cushions	36 (USD 13)
Oct 10, 2010	Selling Cushions (income)	70 (USD 25)
Oct 11, 2010	Purchase of the fabrics for the next 65 Cushions	234 (USD 82)
Oct 26-27, 2010	National holiday – Independence Day of Turkmenistan. Selling Cushions (income) 65 pcs	455 (USD 160)
Oct 28, 2010	Purchase of the fabrics	454 (USD 159)
Nov 16-19, 2010	Kurban Holiday – Eid Al-Idha. Selling Cushions (income) - 126	882 (USD 309)
Nov 20, 2010	Purchase of the fabrics	360 (USD 126)
Dec 11-12, 2010	Neutrality day of Turkmenistan. Selling Cushions (income) – 90 pcs	630 (USD 221)
Dec 27, 2010	National competition of Student Company Fair – 10 pcs	70 (USD 25)
Dec 28, 2010	Purchase of the fabrics for 40 Cushions.	144 (USD 51)
Jan 17-19, 2011	JA Company of the Year Competition in Hong Kong	280 (USD 98)
Income from sales		2 387 (USD 838)
Self-cost		1 719 (USD 603)
Target profit		668 (USD 234)

FINANCIAL STATEMENT

Balance Sheet: January 03, 2010

<u>Assets</u>	<u>TMM</u>	<u>USD</u>
Cushions	144	51
Cash	995	349
<i>Total</i>	<i>1 139</i>	<i>400</i>
<u>Ownership interest</u>		
Capital stock	200	70
Retained earnings	939	329
<u>Current liabilities</u>		
Salaries payable	-	-
<i>Total</i>	<i>1 139</i>	<i>400</i>

Statement of Activities (Profit or Loss)

	<u>TMM</u>	<u>USD</u>
Total Income	2 107	739
<i>Expenses</i>	<i>1 168</i>	<i>410</i>
Materials and Supplies	1 084	380
Salaries	84	29
<u>Net profit</u>	939	329

Book Value of Stock (upon company Liquidation)

	<u>TMM</u>	<u>USD</u>
Net Profit	939	329
Capital Stock	200	70
<i>Total</i>	<i>1 139</i>	<i>400</i>
Number of Shares of Stock sold	20	20
Book Value ((TMM 10 (4 USD) initial stock sold + TMM 47 (16 USD) stock dividend):	57	20

9. Liquidation:

Date of decision of liquidation: 24th of December, 2010

Date of liquidation: 30th of December, 2010

The liquidation date was approved on the last meeting before liquidation. The reason of choosing 30th of December, 2010 as the date is that we had our National Student Company Fair, in which we wanted to participate. It was a good chance to show and present our new product to others and get their opinions and recognition of our work.

Our profit and

Further actions: From the very beginning we planned to invest our profit into education. ___ TMM were earned by our company and on the last meeting of shareholders, there was decided that the money will go to the arrangement of the 5 day training for students of The Union of Economists of Turkmenistan Training Center and JA Alumna. The training will be conducted by two successful business trainers of Turkmenistan. We hope to attend this training after returning from Hong Kong Company of the Year Competition.

10. Pictures – chronology of Company activities



PRODUCTION PROCESS



OUR PRODUCT – CARE CUSHION IN PURPLE COLOR



MARKETING RESEARCH



PRODUCT PRESENTATION



SALES AND SATISFIED CUSTOMERS

