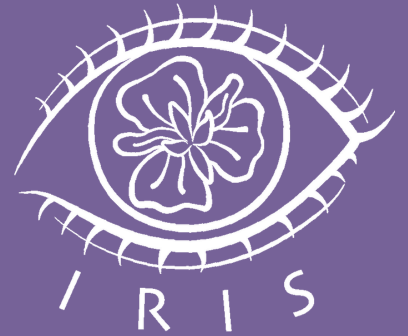


# IRIS

COMPANY  
REPORT 2022



JA OF GREATER WASHINGTON

SOUTH LAKES HIGH SCHOOL,  
RESTON VA

MENTORS: AANAND VASUDEVAN &  
JON MACNAMARA

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MISSION STATEMENT:

Fueling the passions of student artists in order to facilitate real change in our community.

Looking around our community, we observed how there are many young people who are both talented artists and passionate about certain social issues. We therefore believed there was a niche market for people, and specifically artists, to use their skills to promote causes in a way that will create tangible change. Iris holds art competitions where artists submit pieces pertaining to certain social issues. The artwork selected is then displayed on products such as shirts and stickers. This allows for artists to showcase their work to a larger audience, build their own brand, and make a name for themselves. We then donate all the net proceeds from the artists' work to a charity of their choice.

We began with an initial art submission that was advertised throughout our local school community. Throughout the year we have had one running art submission where artists could submit work pertaining to social issues relating mental health, environmentalism, and community. We later on conducted a music themed art competition. We have received around thirty art submissions and have been able to feature seven artists on our products. Our first six artists were students from our city and later on we were able to promote an artist from a neighboring county. Through the proceeds of Iris products, we have been able to donate to charities that our artists are passionate about. These have included Victory Junction, Coral Reef Alliance, Wolf Trap Animal Rescue, World Wildlife Fund, Jill's House, and Women Giving Back.

Our sales began with the pre-sale of two white short sleeved t - shirts. We sold 74 shirts and then branched out to stickers. The popularity of our shirts continued even after we ended our presale, which resulted in us releasing two new long sleeve shirts while we were selling stickers. With the two shirts and three stickers, we then released bundle editions that combined one shirt with three stickers. Our core business model was successful with \$5,249.21 in gross sales and 48.39% in gross profit margin

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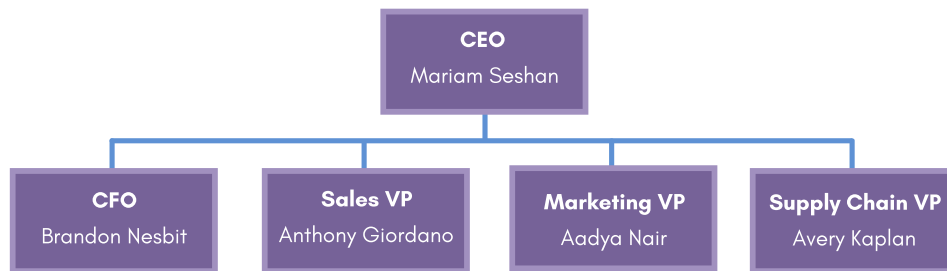
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# LEADERSHIP & ORGANIZATION

## LEADERSHIP

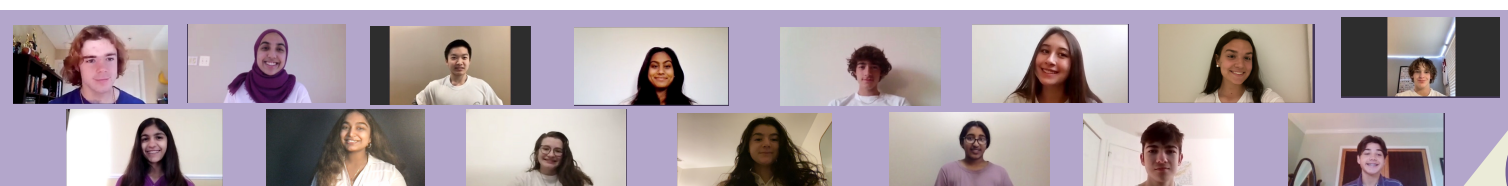


## TEAM IRIS: ORGANIZATION, STRUCTURE, & DEVELOPMENT

Team Iris consists of fifteen members from different grade levels and backgrounds. During phase one, all company members were required to complete a form where they described their past experiences, skills, and interests. Based on their responses, team members were then divided into the branches of sales, marketing, and supply chain. We aimed to put each member in the branch where we best believed they could use their strengths. In the first weeks of the program, our meetings consisted of brainstorming and break out sessions with individual branches. This allowed us to analyze if each team member was put into an appropriate branch or whether changes should be made. Following careful consideration, we concluded that the initial placements were suitable and they remained the same for the rest of the year.

In the second phase of building Iris, we recognized that many of our members had experiences with aspects of different branches. Moreover, one of our supply chain members had past experience with building a website. Therefore, they worked with a member from marketing to develop the website. During times when supply chain was not as busy, such as selling periods, many of the members participated in selling and outreach efforts. This not only resulted in us being more productive but also allowed members to have experience in different aspects of business.

Within the leadership of Iris, each branch VP was responsible for leading and organizing their team. Weekly meetings were held for the leadership team, in addition to regular team meetings, to discuss updates and company concerns. These meetings allowed the VPs and CEO to assess the positives and negatives of each branch and then work together to plan out the future steps of the company.



# INNOVATION

The name Iris is derived from both the eye and the flower. We want to open customers' eyes to the blooming talent around us. Our primary products are t-shirts and stickers which display artists' work. All t-shirts have the artwork on the back and the Iris logo on the front. The stickers are three inches with a matte finish.

## PRODUCT METHODOLOGY

In order to produce a good product, we had to make sure the artwork on the product was of good quality and was uncontroversial. The entire company was involved in choosing the pieces to feature. We also needed to choose the type of product we were going to put the artwork on. We needed to make sure that the product could sell and that there would be interest, so we chose items that we knew our target market would like, which were t-shirts and stickers. In addition to all of these aspects, we looked for art pieces that were aesthetic, gender-neutral, and embodied the messages that we wanted to promote as a company. Talking to our peers outside of the company benefitted us greatly.

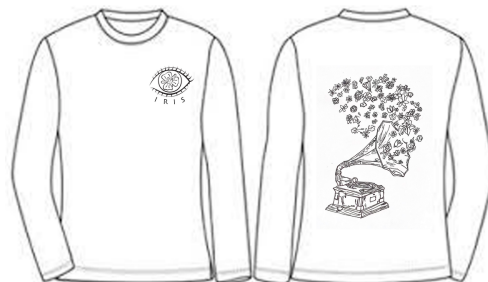
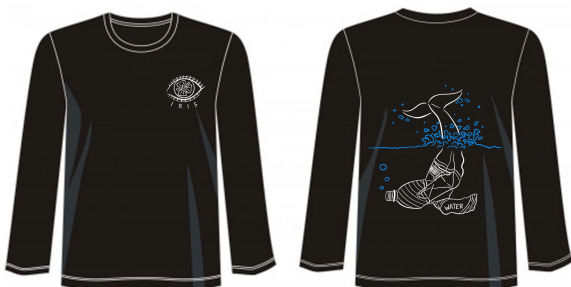
## PRODUCT/VENDOR SELECTION CRITERIA

When looking for vendors, we were aware of a supply chain issue and therefore ensured that all products would be delivered in a timely manner. We chose Reston Shirts for this reason, as they had a t-shirt inventory on-site, which prevented supply chain delays. We also had to make sure that the sticker companies could fulfill our orders with our specifications. In order to do this, we purchased stickers from two companies who had accurate sizes and types of stickers, such as die - cut, to make sure that the final products were satisfactory.



## PRODUCT SPECIFICATIONS

All shirts from Reston Shirt & Graphics are unisex and with the most common sizes being XS, S, M, L XL, and XXL. The stickers are 3x3. We launched in what can be considered three artist phases. The first consisted of two short sleeve white shirts that represented mental health and marine biodiversity. The second launch was three stickers, two rectangles and one die - cut, representing nature, community, and mental health. Our most recent launch consisted of two long sleeve shirts, one black and one white, which highlighted ocean protection and music & creativity.



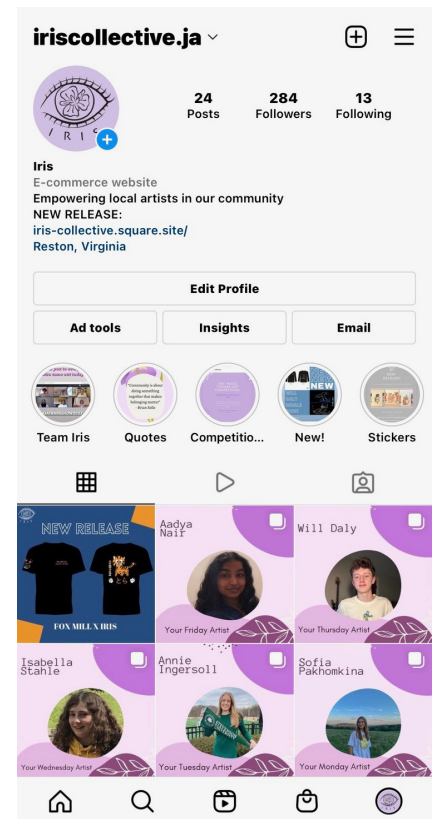
# MARKETING & SALES

## VISION

Our sales and marketing strategy was driven by Iris's focus on promoting artists and giving back to the community. Iris is a student run, community - based company, which sets us apart from competition. We aimed to incorporate all these elements into our sales and marketing efforts. Sales worked on the actual selling of our products through both online and in person efforts. Marketing focused on developing our social platforms and highlighting the story of Iris along with our artists.

## MARKETING: SOCIAL MEDIA ANALYSIS

The main components of Iris's marketing strategy has been social media, our website, and South Lakes High School's announcement show called the 'Seahawk Scoop'. Utilizing these platforms have allowed the marketing team to reach people both in and outside of our community. Our primary social media platform has been Instagram where we have 284 followers, under the handle @iriscollective.ja. Metrics provided by Instagram highlight Iris's progress. Our 'Accounts Reached', or how many unique accounts have viewed our content, is 903. Within that number, there have been over 506 'Content Interactions' with our posts and daily stories. Another important measure from Instagram is our follower breakdown which allowed us to see what audience was engaging with our content the most. About 31.3% of followers are in the 18 - 24 age range with the next highest of 18.6% being 13 - 17. Approximately 68.4% of followers are women and 31.5% are men. Lastly, 39.3% of followers are based in Reston, followed by 15.1% in Herndon and 3.5% in Chantilly. This highlights how most of our customers were based in our local Reston community along with neighboring cities. The next important platform has been our website where customers are able to sign up for our email list. This was a method that Iris began to use later on in the year, but has served to be a useful way to engage with returning customers.



## SALES PROCESS

In the beginning of phase one, the sales strategy focused around grassroots efforts in our immediate community. The sales team led a push to having every company member make five sales to family, teachers, friends, etc. Following this initial effort, the sales team worked on expanding our customer audience. This involved reaching out to local businesses such as Dev Tech and Beloved Yoga to promote our social platforms. In November, the sales team planned to conduct in person selling events, yet the surge of the Omicron variant caused potential plans to be cancelled. The sales team overcame this setback by reaching out to more local businesses, such as Playa Bowls and the Lake Anne Coffee House. Later when in person events became available again, the sales team went to work, organizing in person selling efforts. Through partnering with school events at South Lakes High School, Iris was able to sell in person on numerous occasions including basketball games, club fairs, Broadway Night, orchestra concerts, and Improv Night. This permitted us to not only connect with peers our age, but also adults who were enthusiastic about our supporting our company mission.



# MARKETING & SALES

## HIGHLIGHTING ARTISTS

Promoting and empowering artists is the main goal of Iris. The “Our Artists” section on our website, [iris-collective.square.site](https://iris-collective.square.site), has sub pages that features each individual artist. This is where we displayed the artists work, their picture, and where customers could find them on social media. We additionally conducted artist interviews where we talked with artist about their past work, their piece they submitted to us, and what art means to them. For in person sales efforts, we would often talk to customers about the artists work and their intent behind it. We also would provide a QR code where they could learn more about the artist either before or after their purchase. This allowed the artists and their art to be the primary focus of Iris.

## PARTNERS

Throughout the year we were able to work with numerous partners that allowed us to expand our audience base. The companies N'used, Good Wolf Gear, and Rowan Tree worked with us to promote our products whereas the companies Weird Brothers Coffee and Elden Street Tea Shop worked to promote our artists. We also were able to collaborate with the elementary school Fox Mill.



COMPANY NAME	ACCOMPLISHMENTS
N'used	N'used bought stock of our stickers and allowed us to sell at their annual event called the 'Sidewalk Sale', which also features numerous small businesses from Reston and Herndon. They also included us in all promotional material for this event, allowing us to reach a wider audience.
Good Wolf Gear	Good Wolf Gear bought stock of our stickers based on projected sales.
Fox Mill Elementary School	We collaborated with the Fox Mill PTA on their annual Japanese Matsuri themed art competition, where elementary school students submit artwork based on Lunar New Year that is then featured on shirts. While they worked on the competition, we facilitated the marketing and sales aspects of the project. We also were given the opportunity to sell at their Matsuri Festival.
Rowan Tree	Rowan Tree is a collaborative workspace with local entrepreneurs, therefore, working along side them helped us perfect our goals and ideas. They personally had reached out to us to ask for a collaboration which showed proof of our marketing. We then sold on their opening day and were offered a spot in their market place.
Weird Brothers Coffee	Using their system of 'Coffee for Dollars', where the sales of one full day is donated towards a charity, we worked with WBC to donate their proceeds to charities that our artists had chosen.
Elden Street Tea Shop	We collaborated with this local tea shop to feature our artists work in their tea subscription boxes.

# FINANCIAL OVERVIEW

## Financial Highlights

Revenues	
Revenues under "Square Online"	\$ 4,603.96
Revenues under In Person	\$ 645.25
<b>Total Revenues</b>	<b>\$ 5,249.21</b>
Expenses	
Cost of Goods Sold	\$ 2,708.92
Square Processing Fees	\$ 265.39
Net Shipping Charges*	\$ (65.87)
<b>Total Expenses</b>	<b>\$ 2,908.44</b>
Profit	
<b>Gross Profit</b>	<b>\$ 2,540.29</b>
<i>Gross Profit Margin</i>	<i>48.39%</i>
<b>Net Profit</b>	<b>\$ 2,340.77</b>
<b><i>Net Profit Margin</i></b>	<b><i>44.59%</i></b>

\*Shipping orders were generally charged a flat rate of \$5, amounting to a total of \$102. To achieve lower shipping cost, Iris utilized *Shippo*, paying an aggregate \$36.13 in shipping fees.

## Capitalization

**Total Capital Raised** **\$500**

Iris has raised an aggregate of \$500 from Investor Willow Marr and South Lakes High School. According to the investor's contracts, Willow Marr's investment will be donated while South Lake's investment will be repaid with no interest.

Investor Return: As neither investors sought a financial return, there is not a calculated "investor return." But, proceeds, including the \$2340.77 in net profits, will be donated.

# FINANCIAL OVERVIEW

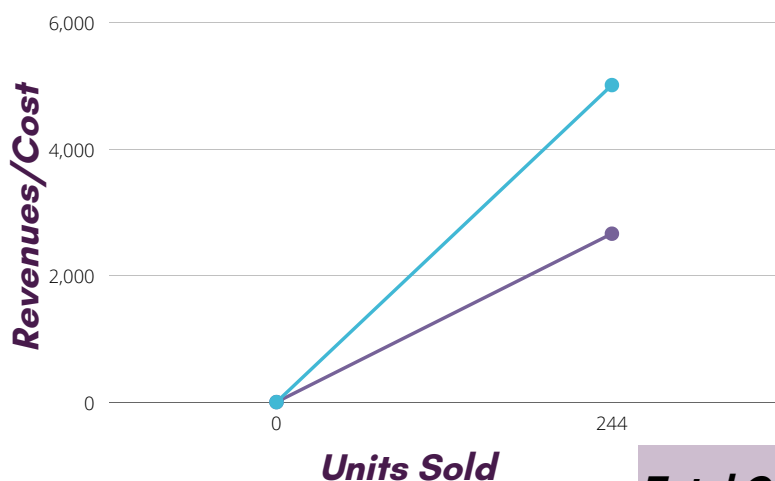
## Financials

Although we sell numerous products, Iris is primarily concentrated in the apparel industry. As a result, our high double-digit Gross Margins(48.41%) and Net Margins(44.60%) have shaped into a unique and significant competitive advantage. With superior financial performance, Iris has distinguished itself from competitors in the apparel business.

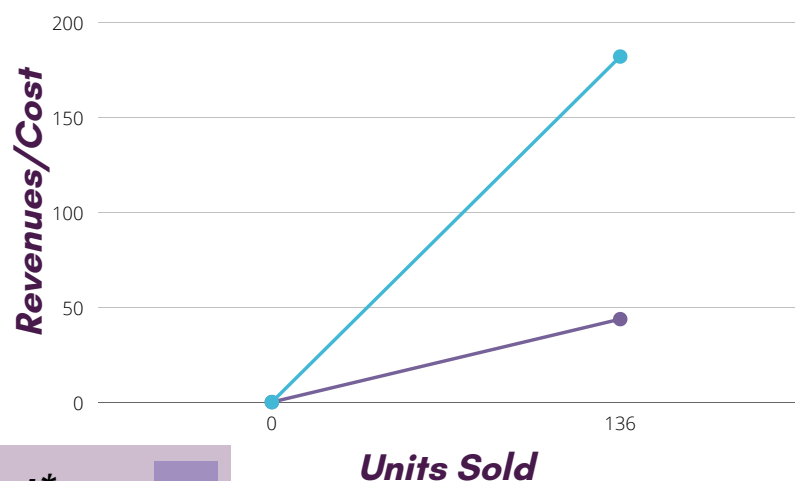
## Liquidation

As emphasized, Iris is dedicating 100% of net proceeds(e.g. net profits) to charities/social causes of the artists' choice. We currently plan to donate all net proceeds after liquidation, allowing us to reinvest in the business and preserve liquidity. Iris has sold a large bulk of its inventory and plans to liquidate around mid-May. Our current plan is to continue fulfilling pre-orders and sell unsold inventory.

**Break-Even for All T-Shirts**



**Break-Even for All Stickers**



## Fixed Cost

Due to outsourcing of manufacturing, lack of employee(student) wages, and free advertising, Iris has no fixed costs. If there is no sale of merchandise, Iris incurs no expenses.

## Variable Cost

Iris only incurs variable cost per product sold, including cost of goods sold and Square processing fees.

## Per Product Information

Product:	Sales Price/Product:	Average Cost/Product	Units Sold
Nair, Razi, Stahle Stickers	\$1.50 to \$1.75*	\$ (0.32)	138 Stickers
Yama Music and Daly Whale Tee**	\$ 30.00	\$ (12.75)	33 Shirts
Fox Mill Matsuri Tee	\$ 20.00	\$ (10.34)	135 Shirts
Coral Reef & Mental Health Tee	\$ 20.00	\$ (11.16)	76 Shirts

\*Total Cost includes only Cost of Goods Sold. Due to varying fees charged by Square per payment source(rather than a fixed percentage), that expense could not be isolated per product and was thus excluded.

# LESSONS LEARNED

## ORGANIZATION

Our weekly meetings have proved to be a key factor in Iris's progress. Members are able to both meet as a whole team as well as break out into our individual branches. We have learned that communication is fundamental to our company's organization and structure. Through having different group chats and a 'shared drive' on Google Drive, we have been able to organize all branches' work. Additionally, the integration of marketing, sales, supply chain, and finance has been critical to our company's advancements, especially during new product launches.

## PRODUCT DEVELOPMENT

One of the main reasons why we were able to be successful with finding a shirt printing company was that we physically went to Reston Shirts & Graphics and spoke with their employees. Like most business with physical products, supply chain issues were a unique challenge this year. However, through this relationship, we were able to bypass some of those restrictions. Since then, we have had no troubles with the physical printing of our four shirts and have faced no supply chain complications. This showed us that taking initiative and going a step further has long lasting advantage and benefits. We have also seen how important it is to do thorough research on where we outsource our stickers. Through our product team carefully assessing numerous companies, we have been able to have excellent quality stickers without any hurdles with shipping or supply chain shortages. Taking the time to not only know, but care about, each step in the product development is a fruitful ideal for any entrepreneur.

## FINANCIALS

### Economy of Scales

By purchasing inventory in bulk, we successfully spread out numerous costs over a greater product output, significantly reducing unit cost. For example, our short-sleeved tees, long-sleeved tees, and stickers, were ordered in quantities of 75, 60, and 750, respectively, which resulted in large cost savings.

### Power of Presales

By adjusting our product timeline to include presales, we successfully minimized uncertainty regarding appeal and popularity of each design. For example, our presales of the Coral Reef and Mental Health Tees enabled us to gauge order demand on a per-product and per-size basis.

## MARKETING & SALES

As a team, we realized that there are many overlapping aspects with regards to marketing and sales. Instead of working separately, we realized that we could be more effective by collaborating. It served as a solution to the cyclical inactivity of each department during certain times, proving that interchangeability is both a valuable and necessary skill. Furthermore, we became cognizant of the fact that free means of advertising and the utilization of our contacts are much more impactful than paid methods. In the future, we also hope to conduct more in-person events to generate more sales as it has proved to be more successful than online methods of advertising.

## COLLABORATION

Participating in this year's Company Program brought us to an entirely new level of collaborative responsibility, and in the end, capability. Due to the nature of Iris, we collaborated with not just each other, suppliers, and consumers like in previous years, but also with artists, who were an integral part of our product development process. Moreover, our community focus drove us to prioritize collaborative opportunities with local businesses. From the start, we began a relationship with the local t-shirt printer, Reston Shirts, to bypass supply chain issues. However, this mutually beneficial experience inspired partnerships with other small businesses/organizations including Good Wolf Gear, Weird Bros Coffee, N'used, Rowan Tree, The Yuniverse Foundation, and even with the PTA of a local elementary school. We learned the value of strong and trustworthy relationships, of having community connections, and of being proactive in our locality. In involving the community, we have not only been able to multiply the impact of our company, but have also compiled a network of relationships that will help us beyond the valuable experience they provided.