

Annual Report

Kostka

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ABOUT OUR COMPANY

Our company called Kostka was created by seven classmates in September 2019. Our intention was to make wooden building kits. We have decided for this kind of products, because we wanted to help the world get rid of plastic, willing to produce our kits without a single plastic piece.

Our cubes are mainly made by hands, only partly using machines for machining. We use sizing saws and thick milling machine. Machining is followed by handwork, where we use hand milling machine for edges and sandpaper for corners. We make sure, that every single part of our building kits is safe, without sharp corners. After everything is rounded and checked, we use certificated safe ecologic varnish.

Finished building kits are packed in handmade wooden boxes and distributed to our customers. Besides building kits, we also make other products, for example wooden keychains or wooden magnets with different motives. We can even make wooden products following customer's request.



OUR BEGINNINGS

The first meeting of our company was held in September 2019. We focused on making plans of our products. All members of, at that time nameless company, agreed on making building kits for children. All of a sudden, someone came up with a simple name Kostka, which would nicely represent our products.

The company's name was set in. The whole September we were working on our kits' design, thinking of types of shapes that would be the best. In the end, we had one prototype of the final product, so we started looking for place where we could work. Our school has provided us with one day off school in two weeks to work on our kits. Unfortunately, we needed even more. We have made some phone calls, sent a few emails and managed to rent a workshop in ZŠ Brigádníků in Praha 10, where we could finish our kits off.

Last three months of the year, we were working on our main products, and also making other things, like key chains or magnets. In November 2019 we presented our company on Schola Pragensis - Secondary Education Fair where we managed to sell our products. In January, February and March 2020 we were preparing for JA Student Company Fair to offer and sell our building kits.



BUSINESS PLAN

Our company's main goal is to create wooden building kits for families with children. That is our target group. While constructing, we want to keep everything eco-friendly without any plastic. Our wooden kits are great, but because we had some material waste we decided to make and sell some minor products, like magnets or jigsaw puzzles.

We have also done some marketing research to find out if there was any consumer's demand for a nice handmade building kits. We decided that we would introduce our work in social media, so we created websites, Facebook and Instagram.



OUR PRODUCTS

Main product's description:

- Wooden building kit for kids made from beech or maple wood (1)
- One set contains 27 parts of various shapes
- Price for 1 kit: 700 CZK

1



OUR PRODUCTS

Other products:

- handmade magnets (2)
- pendants (3)
- key rings (4)
- jigsaw puzzles (5)



OUR TEAM



Michal Mára

Head of the company

My name is Michal and I created this corporation with my classmates in 2019 and I work on proposals, production and administration. Besides work with wood, I do solo singing.



Adam Česák

Deputy

My name is Adam Česák and I'm a member of Kostka company. I am a Deputy Director and I study at Střední a vyšší odborná škola umělecká a řemeslná, where I and my classmates created this company. I mainly focus on minor products.



Eva Veinhauerová

Manager of finance

My name is Eva Veinhauerová and I work as an accountant of Kostka company. I am studying to become an artistic carver. My main job is financial accounting and documentation for our company. I also help with production of building kits.



Josef Lindner

Public Relation

My name is Josef Lindner and I am employed by Kostka for public relations. I am studying artistic carving at Střední a vyšší odborná škola umělecká a řemeslná and in free time I am a musician, an actor, a painter and a writer.

OUR TEAM



Jan Jordan Kraft
Production

My name is Honza and I am studying at Artistic carpenter department at Střední a vyšší odborná škola umělecká a řemeslná. I am a member of Kostka company, where I work as one of the deputy directors. In my free time I work with wood with my father in our family business.



Tomáš Jakubec
Marketing

My name is Tomáš and I work for Kostka company. My job is to make products and help them to be sold. I focus on design of our products.



Martin Fára
Logistic

My name is Martin Fára and I am employed as a logistic expert in Kostka company. I am 18 years old and I live close to the city Mníšek pod Brdy. I study SVŠUAŘ and I like playing drums or going skating. .

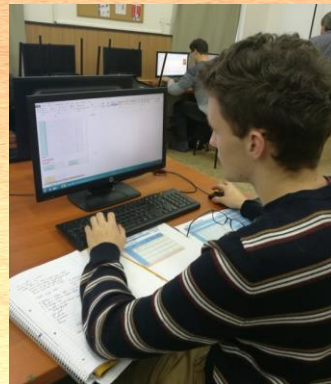
MARKETING DEPARTMENT'S REPORT

Our marketing department focused on three main tasks:

1) Marketing research

2) Establishment of website, Facebook and Instagram

3) Promotion at events



MARKETING DEPARTMENT'S REPORT

1) Marketing research

- **In this task, we wanted to find out, if there was any consumer's demand for our handmade building kits and other products.**
- At the beginning, we did some market research for products of the same quality on internet or stores.
- Our outcomes were as followed: kits of this kind are being sold from 190 CZK to 900 CZK. (See the Appendix 1)
- We presumed that we would be able to sell more than our competition on the supply side thanks to a nice wooden handmade packaging. We thought it would be a suitable gift at Christmas or other holiday events.
- **We have also asked at school whether our classmates or their family members would be willing to buy our kit for the price of 700 CZK. We asked them questions only in the form of an interview, because at that time we did not have a prototype of the kit that we could show them. We tried to describe our idea to them and explain why the price of the kit was relatively high.**
- Our findings from the obtained interviews have assured us that not everyone would be able to afford an expensive kit, including our classmates and their family members who would all prefer a cheaper product.
- Nevertheless, we have decided to make a few of them. We began producing the affordable by-products from surpluses for less prosperous customers. The success of this pricing policy was immediately reflected on Schola Pragensis Fair where we first introduced our products and also sold many of the cheaper ones.

MARKETING DEPARTMENT'S REPORT

2) Establishment of website, (Facebook and Instagram)

We use our web sites, Instagram and Facebook to communicate with our client. There are pictures of our newest products.

This is the information which we present ourselves:

- We are Prague Student Company under Junior Achievement which focuses on wooden handmade building kits
- We make kits from high quality materials
- Our products are eco-friendly and safe for kids
- Our employees are empathic, every one of them works as if the building kit was for him himself
- Our prices are reasonable

Our links:

- **Facebook** - Kostka výroby
- **Instagram** - @kostka_vyroby
- **Website** - <https://kostka3.webnode.cz/>

MARKETING DEPARTMENT'S REPORT

3) Promotion at events

- During class meetings, we handed out business cards and sold by-products
- At Schola Pragensis we distributed business cards, leaflets and sold our products



FINANCIAL DEPARTMENT'S REPORT

1.10. 2019-30.4.2020

BALANCE SHEET			
October 1. 2019			
ASSETS	CZK	LIABILITIES	CZK
LONG-TERM ASSETS		COMPANY'S OWNERS CAPITAL	
Equipment	0	Equity capital	2596
CURRENT ASSETS		BORROWED CAPITAL	
Cash	2596	Loan	0
TOTAL ASSETS	2596	TOTAL LIABILITIES	2596

FINANCIAL DEPARTMENT'S REPORT

- Michal Mára and Adam Česák invested initial capital in the company
- Our intention was to keep some products in stock for the student company fair, but due to the current situation, we decided to sell them.

1.10. 2019-30.4.2020

REVENUES		
MONTH	ITEMS	CZK
September	Puzzle 3 pcs	270
November	Magnets 44 pcs	1760
November	Key ring 19 pcs	665
November	Puzzle 2 pcs	500
November	Building kit 2 pcs	1400
November	Other income	45
January	Building kit 1 pcs	700
March	Building kit 3 pcs	2100
March	Key ring 5 pcs	175
March	Magnets 10 pcs	400
April	Building kit 3 pcs	2100
April	Puzzle 2 pcs	1000
April	Magnets 3 pcs	120
April	Building kit 1 pcs	700
TOTAL REVENUES		11665

EXPENSES		
MONTH	ITEMS	CZK
October	Beech boards 3 pcs	1706
November	Toy varnish	299
November	Matt spray black	117
November	Office supplies	55
January	Office supplies	59
November	Wooden boards - plywood	219
February	Wooden boards - plywood	255
TOTAL EXPENDITURE		2710

PROFIT		8955
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FINANCIAL DEPARTMENT'S REPORT

1.10. 2019-30.4.2020

BALANCE SHEET			
April 30. 2020			
ASSETS	CZK	LIABILITIES	CZK
LONG-TERM ASSETS		COMPANY'S OWNERS CAPITAL	
Equipment	0	Equity capital	2596
		Profit	8955
CURRENT ASSETS		BORROWED CAPITAL	
Material	3000	Loan	0
Finished product	4900		
Cash	3651		
TOTAL ASSETS	11551	TOTAL LIABILITIES	11551

ORGANIZATIONAL STRUCTURE



Michal Mára
Head of the company

- Proposals
- Production
- Administration



Martin Fára

Logistics Expert

- Logistic expert
- Production
- Marketing



Tomáš Jakubec

Marketing Expert

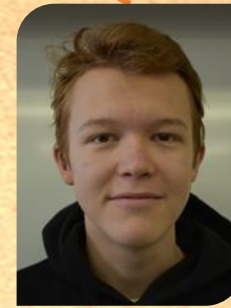
- Production
- Sales



Jan Jordan Kraft

Production Expert

- Marketing
- Sales



Adam Česák

Deputy

- Production of minor products.
- Administration



Eva Veinhauerová

Manager of finance

- Accounting
- Documentation
- Production of building kits



Josef Lindner

Public Relation

- Translation
- Production
- Design

APPENDIX 1

Internet rival companies for marketing research:

Web:

https://www.dvedeti.cz/drevene-kostky-prirodni-100ks?gclid=CjoKCQjw3qzzBRDnARIsAECmryrEWCjYvIdZ6FYsdMLkBePFqMxlLn54dB34xxufQXL4aMoXtcq6bSoaAlnNEALw_wcb

Name: Small Foot Dřevěné kostky přírodní 100ks
Price: 602 CZK

Web:

https://www.marimex.cz/kostky-drevene-25ks/?gclid=CjoKCQjw3qzzBRDnARIsAECmryrEn6pcUV11lvit8Mo8PDKosH_hTaRGE8Y4NRfNGoqvojSZWkM9brkaAhElEALw_wcb

Name: Dětské dřevěné kostky 25 ks
Price: 190 CZK

Web:

<https://www.houpacky.info/drevene-kostky>

Name: Dřevěné kostky 100 kusů
Price: 855 CZK

APPENDIX 2

The first design of our promotional flyer:

Kostka



The Kostka company is focused on handmade wooden construction sets.

All products are made by students of „Střední a Vyšší odborná škola umělecká a řemeslná“ in Prague 5, Nový Zlíchov 1 under the auspices of the Junior Achievement.

One of the advantages is the fact that the construction set are made of quality beech or maple wood.

Every part of construction set is painted by lacquer, which is harmless to the health, therefore construction set are convenient for kids.



Contacts: +420 776 779 702

+420 604 457 896

Facebook: Kostka výrobky

Instagram: @kostka_vyrobky

Email: infokostka@seznam.cz

The price per construction set is 700 CZK.

The sale may be processed after the previous order.