

Spectr m



2018-2019 Business Plan

Neuqua Valley High School

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About Spectrum

Executive Summary

It's estimated that 1.83 million events and meetings are organized every year in the US, producing around \$66.8 billion in labor income. Over 1.78 million Americans hold direct event management and industry planning jobs. On average 96% of people admitted that planning a party is stressful, with almost half of those people using the words "very" or "extremely" to describe it. Also, it's estimated that people spend 8-10 weeks planning a simple birthday party. The party planning/organizing industry is estimated to produce \$115 billion in GDP contributions whereas the motion picture/recording industry only produces \$113 billion. The stress and dangers of party planning go overlooked. Often times, coming up with creative ideas that are budget friendly can be extremely hard to do. Especially, if time limitations play a role in planning. Researchers uncovered a 41% increase in motor vehicle collisions on super bowl sunday due to crowded roadways filled with people trying to acquire last minute items or food during the game.

Spectrum is a _____(LLC)... designed to help consumers combat all of these obstacles by giving consumers a safer and easier way to plan and execute a party or get together. Spectrum's headquarters is located in Naperville, Illinois. Here products are bought, grouped, and distributed to consumers based on their orders specification. Our exquisite variety of goods and services guarantee that when buying from Spectrum, consumers will find the exact style of party they're looking for, delivered within the exact timeframe they need it.

Spectrum's intent is to give citizens all around the nation a chance to host a party without having to worry or stress over problems that may arise. Even in on short notice, we promise to deliver high quality products and services. Currently, we offer 4 different party packages. Each package has two tiers. Base level packages include basic party decorations and items tailored to the specific theme, while the VIP package offers exclusive content that will most definitely satisfy customers wants. Being that parties and celebrations will never cease to exist, Spectrum's concept is ingenious and timeless

Spectrum was founded on November 1st, 2018. Spectrum was granted the privilege to acquire funds from it's predecessor, who recently ran out of business. In total, Spectrum received \$1,028,737.16 in funding to finance its operations. Therefore, we had no need to pursue any loans or partnerships to get the company off the ground. However, looking forward, Spectrum would not be opposed to partnering with other companies or enterprises in future. We feel that there is money to made in partnerships and we look forward to building these relationships throughout the duration of our fiscal year.

Spectrum is all about community outreach. We're looking into possibly starting our own non for profit organization while also donating party supplies to local homeless shelters, as well as a program called Children's Birthday Miracles("CBM"). CBM is an organization that provides a birthday every May and September to youth and children diagnosed with cancer. We look to make an impact by creating and donating pop up party packages for these children in need.

Spectrum's workforce is made up of people who care. People who care about small issues that often go overlooked, people who care about giving everyone everywhere a chance to celebrate, and people who care about making an impact on the world in any and all facets, with our CBM program. We are determined to provide all consumers with an enjoyable party experience, while also doing the same for those in need. We are eager to not only expand our spectrum of products, but we're also excited to grow our company as a whole while giving people a reason to celebrate every step of the way. My team and I cannot wait to see what the future has in store.

Yours truly,

Zachariah C. Smith
Chief Executive Officer

Company Overview

Spectrum is a company focused on delivering the best party experiences on any occasion, whether that be birthdays, graduation, or casual nights out. The preset packages entail services such as catering as well as entertainment outlets to ensure an enjoyable social gathering, or even potentially in a business setting. This organization is tailored to fit an individual's ideal party, and it is Spectrum's purpose to eliminate the problem of indecisiveness and alleviate the stress of having to meticulously plan for a certain event.

Spectrum's website, nvspectrum.com, gives easy access to the multitude of choices a customer could potentially pick. Located in 2360 95th St, Naperville, IL 60564, Spectrum also manufactures useful technical gadgets including that of a wireless charge. People who find themselves experiencing a party that Spectrum has thrown will have a chance to have fun and relax while their phone recharges simultaneously.

A company that values the betterment of human gatherings, we also strive to make life easier for our customers. Spectrum works to alleviate the stress that comes along with planning for parties so that customers can have a fun time throughout the whole process.

Mission Statement

Our mission is to create a perfect party experience for all events across the spectrum. We aspire to work effectively to ensure your occasion is as genuine and stress-free as possible.

Management Functions

Planning/Goals:

Goal #1: At Spectrum we hope to appeal to middle class to high class families to purchase our entertainment products such as pop up parties. Spectrum also hopes to please more than just families and attract larger corporations, etc.

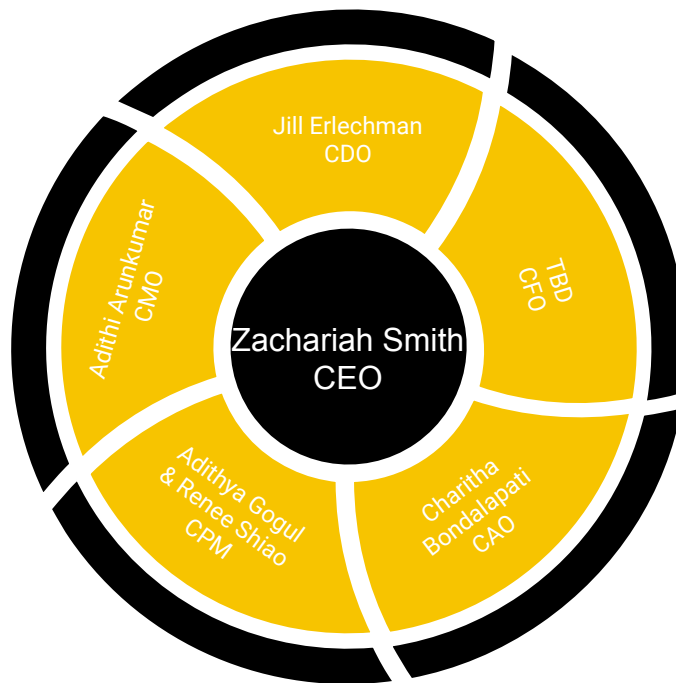
Goal #2: Our company has plans to market our products and services via social media services such as Instagram, Twitter, Snapchat, and etc. Spectrum hopes to not only be a success in Illinois but market, becoming internationally successful.

Goal #3: We plan to make our company as diverse as possible from the other VEI firms with technology and pop up ideas; we strive to always generate new and diverse ideas on the market to keep customers intrigued.

Goal #4: Teamwork. Our goal within the company is to maintain trust and satisfaction amongst employees, and so too, with the customers of *Spectrum*. The vision that we have is to ensure customer satisfaction and loyalty over the long run.

Goal #5: *Spectrum* wishes to break even by the end of the 2018 Southern Regional Conference and increase charitable contributions to 15% by the year 2019.

Organizing:



Spectrum has a system that delegates control beginning from the top of the pyramid, CEO Zach Smith, to the rest of the chiefs. Chief Executive Officer oversees all operations. These entail other chiefs in the following departments: Accounting & Finance, Administration, Human Resources, Sales & Marketing, and Design & IT. In addition, he works in tandem with two Chief Project Managers to ensure proper execution of tasks within Spectrum.

While the Chief Executive Officer leads majority of tasks in the company, *Spectrum's* Chief Project Managers work in collaboration with him and *Spectrum's* facilitator to focus primarily on challenging projects. This job was designed especially in our VE company for the purpose of providing extra help and support to both the chiefs of the company as well as each employee. It is up to CPMs, along with the CEO, to reach out to other VE firms and come to a consensus whenever *Spectrum* is faced with a difficult or ambiguous standing.

Each individual is able to make an impact within *Spectrum* through the distribution within each of the five departments. The Sales & Marketing department, under our CMO, devises creative methods to sell *Spectrum's* specialty products and cooperates with Design & IT, lead by our CDO, which heads the creation of some of the most important aspects of *Spectrum's* identification, including the logo, badges, and website. Administration and Human Resources work under our CAO, and they take care of legal procedures, 401k plans, present at trade shows, and take care of company conflicts. *Spectrum* currently does not have a CFO, but nonetheless, the Accounting & Finance department is crucial in dictating our business plans and is responsible for the company's bills.

Directing:

Employees at Spectrum are expected to perform at high standards in order to create an ideal workplace and properly functioning company. The rules and expectations are set forth in a contract in which each employee showed compliance through a written signature. Excellence can only be obtained with every part of the company operating in an orderly manner through cooperation.

The efficiency within the company must stem from the upper management. Spectrum has a weekly procedure that is maintained through the leadership of the CEO and department chiefs. Each chief is assigned to debrief and begin one day of class during the week. Meetings for the chiefs are held regularly in order to keep consistency and order throughout the whole company. Employees are evaluated biweekly to ensure that each individual is completing their necessary tasks and showing maximal performance. In addition to employee evaluations, an evaluation for the chiefs is completed bimonthly by employees within each department in order to provide feedback for upper management. Chiefs are expected to communicate deadlines and assignments within their teams to ensure the company is running smoothly

Communication must remain clear to maintain a healthy work environment. Spectrum communications on two platforms outside of the classroom: the Groupme app as well as email. Department chiefs are able to post announcements and clarify tasks on multiple networks. Our company bulletin displays the company newsletter and calendar to inform employees of important events and activities. Employees are familiarized daily with important dates and upcoming trade shows.

Controlling:

Holding high expectations, Spectrum has pyramidal design to ensure all employees are performing at their best.

SWOT Analysis

Strengths

Spectrum's party packages are advantageous as they are molded towards consumer demand. The push of the NFL Football package allows Spectrum to generate larger profits as it is in high demand during football season. Furthermore, the birthday bash package will always have high demand as it is not seasonally based. Thus, Spectrum can maintain profits year long.

Due to Spectrum's ability to ship all the items in packages, the company has a globalized reach. Spectrum can not only sell to local customers within Illinois, but also individuals in other states and even other countries. Additionally, Spectrum is able to provide the best quality to every individual. In order to assure this, Spectrum localizes the food that is sent to customers as a part of the packages. The company will contact restaurants within near proximity of the delivery location to assure the best quality food. Additionally, Spectrum is able to sell a product and a service. By offering set-up and clean-up, the company has the potential to generate higher profits.

In terms of the wireless charger, Spectrum embodies innovation and the future. The strength to offering such a unique product is that it is unavailable elsewhere. Therefore, consumers will only be able to purchase from Spectrum and not other competitors. The charger is appealing to customers of all ages and also appeals to individuals and firms. This widens the target market and increases opportunities for profits.

Weaknesses:

Spectrum's primary concern with the party packages is the lack of extravagance in comparison to competitors. Although Spectrum's packages may not contain as extravagant or luxurious items, it does allow for a fun and stress free party. Spectrum aims to improve upon this potential weakness by further developing the products and adding new packages. The company has already begun combating this issue by offering different levels of each package. The option between the standard and VIP package allows consumers to choose how much they would like to spend.

Another potential weakness that Spectrum's party packages face is the dependence on the season. Parties are typically hosted for occasions which are seasonal in nature. Therefore, there is no guarantee that there will be year-round demand for the party packages.. Yet, Spectrum has worked to diminish the severity of this weakness by also developing generalized parties such as the birthday bash. This will be an ongoing task in order to ensure year-round profits.

As for the wireless charger, Spectrum faces possible issues with profit margins as the chargers are expensive to manufacture. Yet, by upcharging initially, Spectrum allows for room to lower prices if the number of purchases is low at the current price offered.

Opportunities:

Due to the trendiness of parties as a social gathering, Spectrum has multiple opportunities to partner with other business. For example, companies such as Hologames would be able to combine their hologram concerts with Spectrum's party packages to offer a hologram concert party. Or, Spectrum could draft sales contracts with other large firms in order to have clients who may purchase chargers or party packages in bulk. These two primary opportunities would allow Spectrum to be known in the business world. Furthermore, it would increase the company's competitive value and profits.

Spectrum's product line is easily expandable as there is room for more party packages and other wireless products. Spectrum hopes to expand its party package line to about 10-15 packages which will allow for optimal customer satisfaction. Furthermore, Spectrum will be able to market the wireless chargers to businesses and firms as a whole. These companies may choose to buy large amounts of the product to use around the office. Thus, Spectrum has developed its products so that there will be plenty of room to expand.

We are also looking forward to building marketing campaigns featuring athletes and celebrities as we feel it'd help attract the eye of our audience.

Threats:

Other competing firms serve as a potential threat to Spectrum as consumers may purchase from them as a substitute. Primarily, Electric Avenue is the other firm that also focuses on selling party packages. Yet, in order to increase its competitive value, Spectrum aims to offer more for less. Therefore, developments will be made to the product line based on consumer demand that will allow customers to choose Spectrum over other firms.

Production costs also serve as a threat to Spectrum's product line. Due to the expensiveness of the goods that are included within the party packages, Spectrum is forced to charge a higher price. Yet, if Spectrum increases its sales, it can lower prices and still maintain its profits. Thus, time will also serve as a threat to Spectrum's product line.

Another main threat that Spectrum faces is the seasonality of the products. Since the party packages are so heavily dependent on the time of year, it is possible that demand will drop during the off-holiday season. Therefore, Spectrum will use this drop in demand to further advertise its wireless charger and increase sales for that product. This will allow Spectrum to maintain revenue.

Current Economic Conditions

Currently, the United States Gross Domestic Product (GDP) is approximately 19.39 trillion USD as of 2017 which aligns with the steady increase in GDP that has been occurring over the past nine years. This benefits Spectrum as consumers now have larger amounts of disposable income, or income that can be spent on consumption. In fact, national disposable personal income increased by \$51.4 billion (0.3%) and national personal consumption expenditures increased by \$46.4 billion (0.3%) as of August 2018. An increase in consumer spending shifts the aggregate demand curve favorably which indicates higher price levels and a higher real GDP. Therefore, Spectrum can charge higher prices due to the expanding economy.

The national unemployment rate has hit 3.7% as of September 2018, which is the lowest unemployment rate in the United States since December of 1969. With more individuals in the labor force, employment has specifically increased in professional and business services, the health sector, and transportation/warehousing (Bureau of Labor Statistics). The increase in employment within professional/business services and health sectors appeal to our target market as employees within these sectors may have higher income ranges. In September of 2018 alone, approximately 134,000 jobs were created, thus showing that there may be a newer set of millennials entering the labor force. This again ties into our target market as individuals within the ages of 22 and 27 are likely to host parties and utilize a smart phone that requires charging. The larger labor force also indicates that there are more potential customers for Spectrum with more purchasing power.

In terms of the local economy, a similar economic strength is displayed. Cook County and Will County demonstrate unemployment rates of 3.7% and 3.4%, respectively. Furthermore, families in Will County had an average median income of \$85,488. On the other hand, individuals in Cook County had an average median income of \$65,039. Although Spectrum's target market involves individuals with a median income of \$110,000, this is mainly the income of upper middle class and lower upper class individuals. As of 2018, it was reported that 52% of American adults were in the middle class and 19% were in the upper class. In 2016, the median income for middle class individuals was \$78,442 whereas for upper class individuals, it was \$187,872. Spectrum highlights individuals in the upper 10% of the middle class and lower 5% of the upper class. Spectrum is able to satisfy the middle range of this scale by charging the perfect prices that balances the two groups.

Currently, the inflation rate of the United States centers at 2.28%. This will encourage individuals to spend/invest outward which may be beneficial for the company. Therefore, this inflation rate will benefit Spectrum. The current maximum interest rate on loans ranges from 5.04 to 5.25%. The average for the interest rate on a loan is between four to six percent. Therefore, current maximum interest rates are not unusually high or low. In fact, they are currently in the middle of the typical range. Therefore, Spectrum theoretically could take out loans, without having a large interest rates as a burden, if need be. Yet, considering the stable economic conditions, this should not be necessary.

Consumption is typically 70% of the Gross Domestic Product. Gross private domestic investment and government spending typically each make up 14% of GDP. This indicates that net exports must be - 4%. The - 4% establishes that imports are greater than exports. Spectrum does not benefit from this as it means that GDP is never as much as it could be if we operated in a state where our exports exceed imports, which is favorable. Therefore, it is important that Spectrum also keep in mind the balance between revenue and expenses by keeping revenue larger than the expenses. Spectrum will benefit from the overall development of the economy and increase profits in parallel with the increase in consumer spending.

Industry Analysis

REAL:

Spectrum's party packages fall under the consumer goods industry which has been growing at a steady rate over the past few years. Yet, there have been multiple shifts in terms of the way consumers think. According to a report by Clarkston Consulting, as of 2017, 12% of consumers are above the age of 60. This number is expected to continue growing and reach 17% by 2030 and 22% by 2050. This is a potential challenge that companies like Spectrum, who target younger individuals, may face. Yet, millennials still account for approximately 24% of today's U.S. population. It has been clear that millennials have a significant impact on patterns of consumption due to their volatile tastes and preferences. The enjoyment of parties does not seem to be disappearing in this group of individuals. According to a 2016 study by Meredith Research Solutions, 56% of millennials love hosting parties and entertaining at home. Since this group of individuals falls within Spectrum's target market, this is likely to benefit the company as these millennials will allow the consumer goods industry to grow. Clarkston Consulting predicts that by 2020 Generation Z will compose of 40% of the U.S. consumer base. In fact, 35% of these individuals claim to have monthly gatherings. Therefore, with most of the U.S. consumers regularly hosting parties/get-togethers, Spectrum can maximize its profits.

VIRTUAL:

The virtual enterprise international economy consists of approximately 15,000 employees in over 19 states in the US and 34 countries in the world. There are over 600 firms in the US alone and many more globally. There are three companies that clearly rival Spectrum in terms of their party packages. Yet, they do not offer the variation and global reach that Spectrum has been able to offer. The average median income of employees is \$49,000. With this median income, it is likely that employees will be willing to spend money on party packages as these individuals are typically between the ages of seventeen and eighteen and more outgoing in nature. Furthermore, the multiple holidays and seasonal changes will change consumer tastes and preferences in favor of Spectrum's products which will allow demand to increase. Thus, Spectrum will be able to make a larger profit. As other firms make larger profits, it is possible that employees will begin to earn more money.. Therefore, individuals will have larger disposable incomes because wages increase. Spectrum will benefit because they can charge higher prices and therefore, increase revenue.

Competitive Analysis

Competitive Rivalry:

Although, packages seem to be a popular trend amongst many VEI firms, there are few that exclusively focus on party packages. Spectrum's primary competitor is Electric Avenue, who also sell party packages. Yet, Electric Avenue only involves six party package options. Spectrum aims to eventually include ten to fifteen different party experiences to expand its reach in the VEI community. Furthermore, Electric Avenue's party packages are primarily generalized and not customized based on season/weather. Spectrum modifies and markets new party packages based on the time of year and season in order to satisfy all customer needs. Another company, Outside the Box, also sells a variety of packages, one of which is a party package. Since they only offer one of these packages, they would not be able to provide as large of a variety for consumers. Since Spectrum devotes most of its resources towards these party packages, the company is able to mold its products based on demand. The firm, What's in the Box, also sells a small collection of entertainment packages. Yet, these are mostly for individuals and not for a larger group. Therefore, Spectrum is able to have better appeal because of how the products are not only applicable to individuals, but also to groups and families.

Electric Avenue, being Spectrum's primary competitor, will not be able to have as large of a geographical reach as Spectrum. Due to the extravagant features in their packages, such as a petting zoo, hula food servers, and fireworks, their firm may be limited in terms of the locations that they can cater to. Feasibility in transporting animals and flammables is questionable. Yet, Spectrum has ensured that all of its products can be delivered regardless of location. Food will be sourced from local businesses based on the location of the order. Therefore, Spectrum not only caters to the local population, but also to the the national/international population.

Most of Electric Avenue's party packages are geared towards individuals who are between the ages of 17-18. On the other hand, Spectrum's party packages include items that would be applicable to all ages. For example, it is unlikely that a millennial would have a petting zoo at their birthday party or even host an extreme sports party. Yet, Spectrum targets these individuals with the NFL Sunday Football package and the "Saturdays are for the Boys" package. Therefore, Spectrum's party packages are for all ages and not limited to teenagers.

Since Electric Avenue's party packages may serve as a substitute for Spectrum's party packages, Spectrum aims to offer more for less. Therefore, Spectrum does not become exclusively for individuals who are in a high income range. Furthermore, this goal allows individuals to be more willing to have their party needs covered by Spectrum rather than doing it independently. Overall, Spectrum is able to offer better party packages at a lower price.

In terms of Spectrum's wireless charger, competition in this technology sector is fiercer. Companies such as A-1 Enterprises and A.I. Energy also sell distinct technology that are highly appealing due to the increase in technological developments. Yet, Spectrum's concept of a wireless charger is unique in itself. Therefore, these firms do not pose as large of a threat. Spectrum will be able to keep selling this charger as it is not available elsewhere in the market.

Target Market

Spectrum's products primarily appeal to families and individuals looking to host a party with "all the fun and none of the stress". Event planning is considered the fifth most stressful job in the world due to the extensive time-management skills that are required. Considering this, families and individuals alike can easily use Spectrum's party packages to have all their party needs covered. These packages are primarily geared towards individuals who are part of the upper-middle class and lower-upper class with median incomes ranging from \$100,000 to \$120,000. Individuals within this income range are more likely to host parties and therefore pay more if all services are included. Additionally, Spectrum pinpoints individuals with outgoing and extroverted personalities as they will be more willing to host parties. Certain packages are intentionally designed to appeal to a specific segmentation such as sports fans or millennials. The seasonal packages allow large families to celebrate holidays without the hassles of cooking, assembling, and cleaning. Thus, Spectrum satisfies a large range of individuals and families seeking to simply enjoy their party without the burden of planning it.

Secondarily, Spectrum's party packages appeal to businesses and firms as a whole. Companies with grand openings, new product launches, or successful earnings reports may host celebrations that can now be easy for any administration team. These firms will most likely have larger profits to spend on promotional events or company parties. Due to the percentage of potential international customers, Spectrum also uses holiday and generalized parties in order to widen its reach.



In terms of the wireless charger, Spectrum mainly targets ages twelve and above. These individuals are most likely smartphone owners; they seek a charger that will allow them to move around while making calls and having their phone charged. This is also useful for businesses as they may seek to charge company phones or employee phones more efficiently. Businesses and families may find this product beneficial as it takes away the hassle of a cord. Individuals who are constantly on the run may utilize this often.

Market Segmentation

Primary

Ages: 17-60

Estimated Income: \$110,000 median household income, \$49,000 VEI median income.

Psychographic: This target market will primarily include individuals and families who are sociable and outgoing. These customers often host parties and therefore, seek to have an easy way to host and have the logistics taken care of. In order to appeal to this group, Spectrum will utilize television commercials and social media to appeal to the age range of younger teenagers to middle-aged adults. Individuals with this type of median income will be more willing to spend on luxury and convenience.

Marketing Strategies: Social media, website, commercials, email blasts, trade shows.

Buying Patterns: In terms of the teenage and millennial individuals in the target market, they will be more likely to purchase packages for birthdays and sports games. Yet, more people will likely purchase the party packages during holidays or seasonal events. The charger will have year-round appeal.

Secondary

Geographics: International and domestic

Types of Customers: Firms with 16-20 individuals, Adults who are planning parties (facilitators)

Income: Firms who are doing better financially (can afford because our product is a *want* not a *need*)

Psychographics: The party packages will appeal to larger firms who either have proficient company comradery or are working on developing camaraderie within the business. Facilitators who are looking to reward companies for their efforts and work may also be potential customers. International customers may be seeking an American experience with the Sunday Football package or graduation party.

Marketing Strategies: Advertise party packages with cultural themes for other countries, use business packages in coordination with other business benefits, trade shows

Buying Patterns: Firms will be likely to purchase the party packages at the end of their fiscal year as that is when promotions and sales reports will be released.

International customers may buy closer to holidays that are universal such as during the holiday season. Facilitators will also most likely purchase after trade shows or before holidays.



Marketing Mix

Product:

Spectrum decided to make packages that allow the consumer to host parties without the weight of stress. The packages include all the necessities in order to host an enjoyable party. The company initially decided to create five different packages, four of which are party themed. Each party themed bundle gives the client the option to pay for set up and clean up. The last package will include a brand new wireless charger. Spectrum designed these products to appeal to all different types of consumers, but primarily to teenagers ages sixteen to eighteen.

These packages are designed for “last-minute” events that allow a consumer to have all the fun, with none of the stress. The “Birthday Bash” package was built to appeal primarily towards female consumers. It includes balloons, tables, chairs, a disco ball, and decorations. The VIP package will include a DJ and stereo, a dance floor, and a light set. The base package will have two sandwich platters, while the VIP will have three. Both the base and VIP bundles will include two cookie platters, along with lemonade, water, and two 2 liter bottles of soda. The “Saturday Tailgate” package was designed to appeal towards male consumers and the

teenage demographic. The tailgate themed bundle allows anyone to throw a quick party outdoors. It includes a set of bags for entertainment, a portable grill, a pop up tent for shade, foldable chairs, a cooler, a speaker, and the “Saturdays Are For The Boys” flag. The package will also include chips, hot dogs, burgers, buns, solo cups, and soda. Similar to that bundle, the “NFL” package will allow anyone to throw a small party for the big game. It will include two foldable tables, twelve foldable chairs, 100 wings, two party size bags of potato chips, four 2 liter bottles of coke, and plenty of solo cups.

The VIP package will include a projector and a 135 inch outdoor screen. Jerseys may be added to the bundle later. The last party themed package is the “Graduation” bundle which will include foldable chairs, tables, a photo booth, balloons, a tent, and a DJ. In the near future, Spectrum hopes to develop a business package for firms to host celebrations of sales reports or employee promotions. The VIP package will include a projector, a screen, and a dance floor. Both bundles will have a sandwich platter, soda, lemonade, a cookie platter, and a cupcake platter. Our last product is the brand new wireless charger that will be offered as a “Home” package of five units and individually.

Price:

For each of the packages, Spectrum’s marketing and finance team finalized prices based on profit and manufacturing costs. The finance team researched and found the most efficient and high-quality products for customers. Since each package has different items, customers can visit the company website and view the list of items that come within the package. Spectrum also wanted to provide customers with a product that can be purchased separately, but goes well with the main product of party packages. Spectrum’s wireless charger, priced at \$45.00 individually, serves as another source for profit.

Product	Price (w/ service fees-if applicable)	Price (w/o service fees-if applicable)	VIP (w/ service fees-if applicable)	VIP (w/o service fees-if applicable)
NFL Sunday party package	\$599.99	\$449.99	\$1,199.99	1,049.99
SAFTB party package	\$849.99	\$1000.00		
Birthday Party package	\$649.99	\$499.99	\$749.99	\$599.99
Grad Party package	\$1,549.99	\$1,399.99	\$1,849.99	\$1,699.99
Wireless Charger	Single charger: \$45.00	Bundle of charger: \$200.00		

Placement:

Spectrum will be making all of their profits from the website and trade shows throughout the year. The accounting and finance team came up with projections for each period. In the first quarter 35% of the sales will come from the website since it is just being introduced, while 65% is being brought in from trade shows. However, in the third quarter Spectrum will be attending two trade shows which will bring in an estimated 80% of our sales that period.

Promotion:

Spectrum plans to promote products using different social media apps, posting flyers or posters around the school, and a well organized and easily accessible website. Using both Twitter and Instagram, Spectrum can post promotional pictures or tweets of the products and services to show what is being sold. Also, the company will have links to the website on the social media accounts. This will allow customers to view products on social media and then go straight to the website to order them. The website will show what is included in each package and the prices for both the base and VIP bundles. With an easy to navigate website, Spectrum can draw in consumers to buy the party packages or chargers. Posting promotional flyers around schools in the district could be a good way to promote to VEI companies around the area.

**Positioning:**

Spectrum offers a variety of different packages, targeting to all types of customers. The company offers high quality products at reasonable prices, so it's easily affordable. Spectrum wants to appeal to potential customers to make parties trouble-free.

Spectrum's logo and color scheme were carefully picked and created in order to appeal to a large market of consumers. Being that the primary target market is families and individuals looking to throw a party, Spectrum decided on a professional and clean visual appearance that will grab the attention of adults. While creating the logo, Spectrum wanted people to be able to recognize the company and the product clearly. The black in the logo looks sleek and modern and can represent the company's wireless phone charger, while the gold symbolizes the bright and upbeat pop up parties.

Spectrum wants to create an image that allows customers to enjoy a party without having to plan or set it up. This image will appeal to potential customers because throughout the year there are plenty of occasions that people will want to throw parties for. Spectrum offers a variety of different packages, targeting to all types of customers. The company offers high quality products at reasonable prices, so it's easily affordable. Spectrum wants to appeal to potential customers to make parties trouble-free.

Spectrum's logo and color scheme were carefully picked and created in order to appeal to a large market of consumers. Being that the primary target market is comprised of families and individuals looking to throw a party,

Spectrum decided to create a professional and clean visual appearance that will grab the attention of adults. While creating the logo, Spectrum wanted people to be able to recognize the company and the product clearly. The black in the logo looks sleek and modern and can represent the company's wireless phone charger, while the gold symbolizes the bright and upbeat pop up parties.

Discussion of Business Risks:

Spectrum's primary product, the party package, will be heavily dependent on the time of year. Customers will most likely purchase the product closer to holidays which indicates that Spectrum must constantly develop new products to keep pace with the seasonal changes. This could add a sense of unpredictability with financial projections therefore causing significant risks for loss of profit. Yet, Spectrum could battle this by developing multiple stable year-long party packages, such as birthday parties or family dinners. This would ensure that even in off-holiday season, profits would be generated. Another risk that Spectrum faces is the possible lack of appeal that party packages may have to teenage customers. Teenagers generally do not plan their own parties. Therefore, it is difficult to predict whether this product will constantly appeal to them. Yet, Spectrum's charger will always be in demand due to the consistent development of technology. Spectrum can use the demand for the charger to battle any losses that may be faced by party packages if demand for them falls. Incentives to purchase the party packages could also be made. For example, Spectrum could offer a home package with every birthday bash.

Due to the recent popularity of packages of goods, Spectrum faces competition from other firms that may be selling similar products. Yet, this competition could be used as an advantage by creating business partnerships with other companies. Spectrum could pair the party packages with other packages from other companies. Although the competitive nature of the market would remain, Spectrum could use this competitiveness to benefit its circumstances.

Financial Write-Up

Initially, Spectrum has a beginning balance of \$1,025,268.16 due to a gracious donation made by the hard working Spectrum employees from our previous year. This starting balance gives us more than enough room to grow as a company, work to perfect our product line, and create an excellent marketing plan. According to the balance sheet, Spectrum has plenty of cash to pay for all opening expenses and any unforeseen expenses. Spectrum's plant assets include a solitary purchase of office equipment, including computers, projectors, whiteboards, file cabinets, chairs, and a green screen. Finally, the balance sheet indicates that Spectrum has a low value of liabilities in comparison to the value of our assets. This means Spectrum is in a position to avoid debt, and pay off our liabilities when due.

While the accounting/finance department made sales projections and the income statement, many different factors had to be accounted for. For instance, trade show dates, industry trends, and current events all impacted the projected income statement and the projected sales for our different product packages. A very large source of our income will be from the sales contract for \$112,328.10 that we are receiving. We are receiving this large lump sum due to the fact that our salaries take up a large portion of our funds at \$149,770.80 per month. This amount may seem excessive, however, we believe in supporting our employees and paying them exactly how much they deserve for their hard work. Without them, Spectrum wouldn't be able to work as a well oiled machine as it has been. Our projected sales for the first month of business is \$108,699.08. Besides payroll, the bulk of our expenses comes from our rent costs at \$3000/month and our utilities costs at \$400/month. With such a high number of projected sales as well as the sales contract, we are projected to make \$58,254.02 in the first month. We hope to stay on this path of prosperity, increasing our sales as the year progresses.

Trends within the VEI world and within the real world greatly impacted our sales projections, which then affected the projected income statement. Certain months will be better for some packages than others, in terms of sales. For instance, the NFL Super Bowl being in early February should boost our sales of the NFL Sunday Package in January and early February. Although once the NFL season is over, sales for NFL Sunday Package should drop significantly. Although some of Spectrum's packages are seasonal, we intend to support our solid marketing plan by introducing new packages throughout the year, keeping our sales on a steady upward trend.

Projected Income Statement

For Period Ending August 31, 2019

	October	November	December	January	February	March	April	May	June	July	August	Totals
Sales												
Online Sales	0	8039.9	8039.9	8039.9	8039.9	8039.9	8039.9	8039.9				56279.3
Tradeshaw Sales	0	8039.9	8039.9	8039.9	8039.9	8039.9	8039.9	8039.9				56279.3
Sales Contract	0	112328.1	112328.1	112328.1	112328.1	112328.1	112328.1	112328.1				786296.7
Total Income	0	128407.9	128407.9	128407.9	128407.9	128407.9	128407.9	128407.9				898855.3
Cost of Goods Sold	0	6402.36	6402.36	6402.36	6402.36	6402.36	6402.36	6402.36	0	0	0	64023.6
Gross Profit	0	122005.54	122005.54	122005.54	122005.54	122005.54	122005.54	122005.54	0	0	0	854038.78
Expenses												
Fixed Expenses												
Insurance Expense	500	500	500	500	500	500	500	500	500	500	500	5500
Interest Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rent Expense	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	33000
Utilities Expense	400	400	400	400	400	400	400	400	400	400	400	4400
Gross Fixed Expenses	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	3900	42900
Variable Expenses												
Salaries Expense	148852	148852	148852	148852	148852	148852	148852	148852				1189216
Social Security Tax Expense	9216.42	9216.42	9216.42	9216.42	9216.42	9216.42	9216.42	9216.42				73731.36
Medicare Tax Expense	2155.45	2155.45	2155.45	2155.45	2155.45	2155.45	2155.45	2155.45				17243.6
State Unemployment Tax Expense	6167.94	6167.94	6167.94	6167.94	6167.94	6167.94	6167.94	6167.94				49343.52
Federal Unemployment Tax Expense	8919.12	8919.12	8919.12	8919.12	8919.12	8919.12	8919.12	8919.12				71352.96
State Sales Tax Expense	10405.64	10405.64	10405.64	10405.64	10405.64	10405.64	10405.64	10405.64				83245.12
Gross Variable Expenses	185516.57	185516.57	185516.57	185516.57	185516.57	185516.57	185516.57	185516.57				2040682.27
Total Expenses	189416.57	189416.57	189416.57	189416.57	189416.57	189416.57	189416.57	189416.57	3900	3900	3900	2083582.27
Net Income	-189416.57	-67411.03	-67411.03	-67411.03	-67411.03	-67411.03	-67411.03	-67411.03	-3900	-3900	-3900	-672993.78

Spectrum is expecting to lose a total of \$672,993.78. The company would like to lower expenses and increase revenues as much as possible. With adjustments to prices, we could shift the demand of the product upward. Overall, although we will initially be losing money, we plan to make profit later in the year.

Cash Budget

B	C	D	E	F	D
Description			October	November	
Cash balance at the beginning of the month:			1,025,268.16		
Cash Receipts:					
Sales Contract:			112,328.10		
Sales			108,699.08		
Loan Proceeds			0		
Shareholders investments			0		
Receipts of Accounts Receivable			0		
Total Cash Receipts:			221,027.18		
Total Cash Receipts and Cash beginning balance:			1,246,295.34		
Cash Payments					
Sales Tax:			0		
Interest			0		
Rent:			3000		
Utilities:			400		
Inventory			6402.36		
Miscellaneous			0		
Advertising			1500		
Insurance			1700		
Cost of Merchandise			0		
Salries			149,770.80		
Accounting and Legal Fees			0		
Total Payments:			162,773.16		
Cash at End of Month			1,083,522.18		
Net Cash			58,254.02		

Starting out the year we are starting with a beginning balance of 1,025,268.16 which is a very generous starting amount and we have a lot of money to work with to perfect our product and create lots of revenue. A very large source of income for us will be the sales contract for 112,328.10 because our salaries are very high at 149,770.80 which is a generous amount because we believe in supporting our employees. Our projected sales for the first month is 108,699.08. The bulk of our expenses are rent at \$3000/month and utilities at \$400/month. With such a high number of sales and the sales contract, we are projected to make 58,254.02 in the first month. We hope stay on this path, and even maybe create more sales as the year goes on, and we perfect our product.

Projected Balance Sheet

Balance Sheet				
October 31, 2018				
ASSETS				%
Current Assets:				
Cash		1,016,765.80		
Petty Cash		400.00		
Accounts Receivable	0.00			
Less Allowance for Uncollectible Accounts	0.00	0.00		
Merchandise Inventory		6,402.36		
Supplies		0.00		
Prepaid Insurance		1,700.00		
Total Current Assets			1,025,268.16	99.7%
Plant Assets:				
Office Equipment	7,969.00			
Less Accumulated Depreciation- Office Equip.	4,500.00	3,469.00		
Store Equipment	0.00			
Less Accumulated Depreciation- Store Equip.	0.00	0.00		
Total Plant Assets			3,469.00	0.3%
Total Assets			1,028,737.16	100.0%
LIABILITIES				
Current Liabilities:				
Accounts Payable		N/A		
Sales Tax Payable		N/A		
Social Security Tax Payable		9,216.42		
Medicare Tax Payable		2,155.45		
Unemployment Tax Payable- Federal		8,919.12		
Unemployment Tax Payable- State		6,167.94		
Rent Expense		3,000.00		
Salary Expense		148,652.00		
Utilities Expense		400.00		
Total Liabilities			178,510.93	17.4%
OWNER'S EQUITY				
Current Owner's Equity:				
Owner's Capital		850,226.23		
Less Owner's Drawing		0.00		
Total Owner's Equity			850,226.23	82.6%
Total Liabilities and Owner's Equity			1,028,737.16	100%

Spectrum has \$1,025,268.16 worth of current assets, along with \$3469.00 in value of plant assets. That creates a total of \$1,028,737.16 in total assets. To begin the month, Spectrum has acquired \$178,510.93 in total liabilities while the Owner's equity covers the remaining \$850,226.23. The liabilities and Owner's Equity also comes out to \$1,028,737.16.

Ratio Analysis

- Current Ratio: $1,025,268.16 / 178,510.93 = 5.74$
 - The current ratio measures how easily Spectrum can pay off short-term liabilities. A higher ratio indicates that we have the resources available to pay for liabilities when due.
- Quick Ratio: $1,016,765.18 + 0 / 178,510.93 = 5.7$
 - Our quick ratio of 5.7 represents our solid cash flow. Having a good cash flow means we can make payments for unexpected expenses if needed. It's extremely important to stay proactive as a company and put ourselves in a position to resolve unexpected issues.
- Debt to Asset Ratio: $178,510.93 / 1,028,737.16 = .17$
 - Spectrum has a very low debt to asset ratio, signifying our company's low value of liabilities in comparison to the value of our assets. This means we should be able to avoid debt.
- Gross Profit Margin: $52,753.25 - 6402.36 / 52,753.25 = .88$
 - Spectrum's gross profit margin is very high signifying that our company retains much of the revenue that we make from sales.
- Net Profit Margin Ratio: $52,753.25 / 108,699.08 = .49$
 - Our net profit margin ratio shows that (percentage) of Spectrum's sales were retained as net income. This strong ratio confirms that the company has a strong handle on expenses compared to sales.

About our products



NFL Sunday

- **Food:** wings, chips and salsa, assorted desserts, etc.
- **Drinks:** water, soda, lemonade
- **Decor:** Tables, chairs, balloons,
- **Optional upgrades:** Projector and 135 inch outdoor screen (VIP)



Birthday Bash

- **Food:** 2 sandwich platters (40 ct), 2 cookie platters (84 ct)
- **Drinks:** 2 varieties of soda, lemonade, water
- **Decorations:** Balloons, Tables, Chairs, Table Cloths, Wall decorations, dance floor, lights set, stereo and DJ



Wireless Charger

- Android & Apple Compatible
- No wire. Bluetooth Port to Bit connection



Grad Party

- **Decorations:** Balloons, tent, folding tables/chairs, dance floor, photobooth
- **Food/Drink:** Sandwich platters, soda and lemonade, assorted desserts
- **Entertainment:** Live DJ performance & slideshow(comes with projector and screen)



Saturdays are for the boys

- **Food:** (hot dogs, burgers, buns, chips, etc.)
- **Drinks:** (soda and water)
- **Other add ons:**
 - Pop up tent ○ Speaker
 - Portable Grill ○ Bags
 - Folding chairs ○ SAFTB Flag

Business Contract

This is a legal binding agreement between Just Turkey Food Services, LLC and Spectrum, Inc. The terms of this contract will take effect as of November 1, 2017 and will be reviewed prior to its expiration date of November 1, 2018.

I. Terms of Agreement

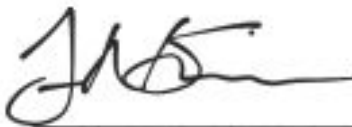
The term of this agreement shall commence on November 1, 2018 and terminate on November 1st of 2019. That being said, this contract can be renewed yearly. However, prior to renewal a meeting will be held in which both sides will review edit and/or negotiate any new terms. Pending a successful renegotiation, the contract will be renewed. However, if no agreement can be made the terms of the contract will be terminated.

II. Payment and Service Terms

Just Turkey Food Services, LLC agrees to provide Spectrum with various menu items monthly for predetermined price of \$xx,xxx.xx. Spectrum will provide all necessary transportation in order to receive products.

III. Miscellaneous

These terms have been reviewed by representatives from both Spectrum and Just Turkey. Each signed for its respective company approving this contract and giving full consent for terms to apply as of November 1st, 2018.



Fletcher N. Smith
Just Turkey Food Services, LLC
(708)957-2222



Zachariah C. Smith
Chief Executive Officer
Spectrum, Inc.
(630)428-6000



Independent Contractor Agreement

Everyone deserves
A Chance to Celebrate



CBM Chicagoland Branch

Spectrum is looking forward to opening a Chicagoland area CBM branch. Both Children's Birthday Miracles and Spectrum are trying to ensure no underprivileged child goes without a birthday. At CBM's monthly birthdays they provide cake, gifts to all the birthday children that month, loot bag items, cotton candy, entertainment (magician or clown), and face painting. Spectrum is partnering with CBM not only start a Chicagoland area chapter, but also, to donate our package service to children in need.

Further Outreach Opportunities

Spectrum is planning on not only providing our parties to children in need, but also to local homeless shelters too. In the future once we expand as a company we hope to expand our outreach programs throughout the company and in other countries as well.

Brought to you by...



