



Harbor Sound Enterprises

“Raising the Bars”

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Executive Summary

- A revolutionary new speaker company.
- Excellent sound and performance is our main focus.
- All of our employees at Harbor Sound Enterprises are music enthusiasts.
- We pride ourselves in modern efficiency of our products.
- Witness Harbor Sound Enterprises raise the bar.



About the Business

- Founded in September 2016 as a B-Corporation.
- Located in Cold Spring Harbor, NY.
- Revolutionized Bluetooth speakers.
- Quality products at modest prices.



Mission Statement

- To provide and develop innovative high quality products.
- To be the best-in-class global provider and marketer of speakers.
- Innovate and improve product development and brand.
- To conduct our company based on honesty and integrity.
- To exceed the needs and expectations of our customers.
- To be the leading VE company in audio.

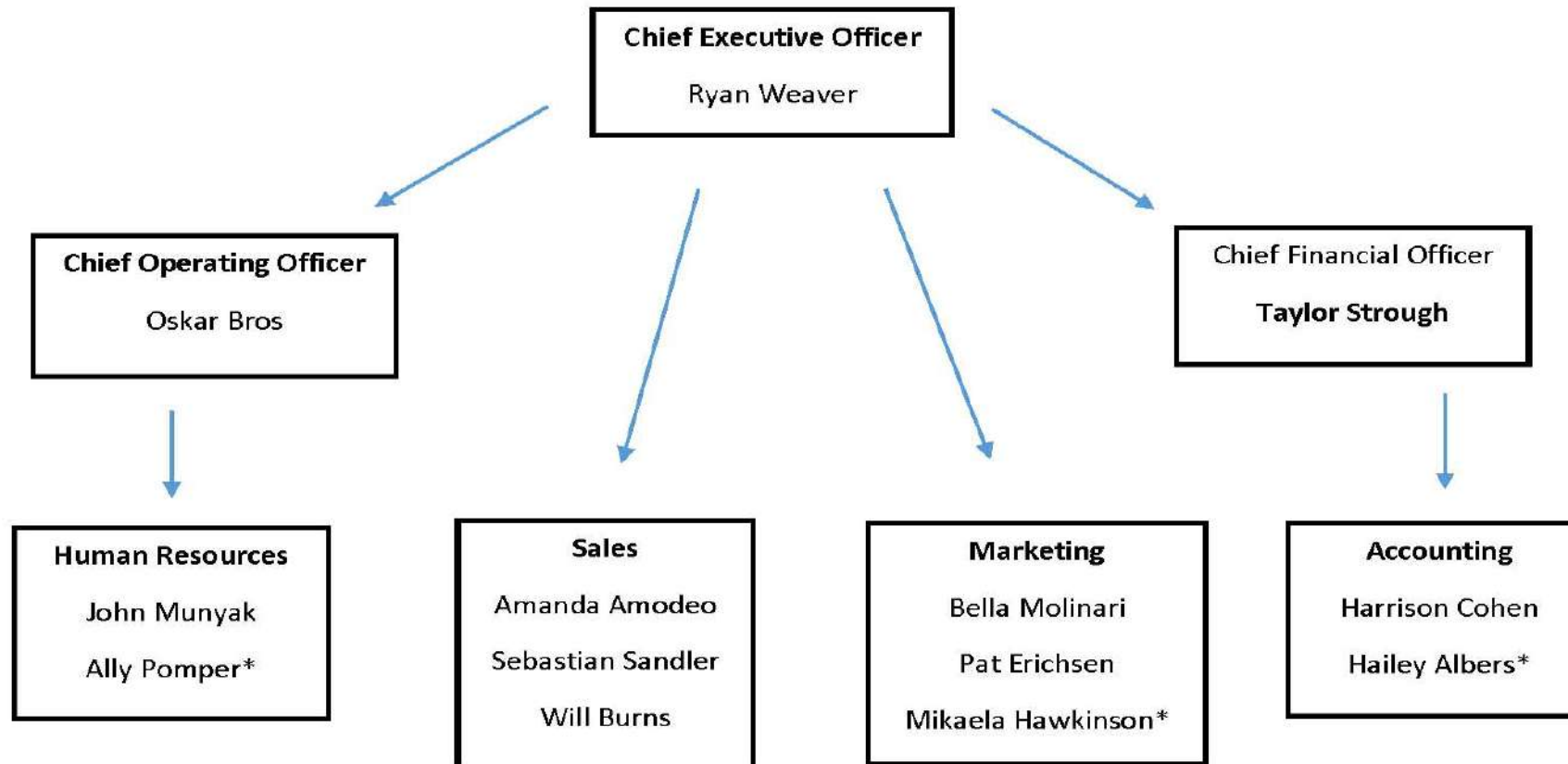


Goals of the Business	Strategies to Achieve Goals
• Product Development	<ul style="list-style-type: none">• Design and conduct surveys to better understand our customers wants so we can improve our speakers.
• Marketing and Promotion	<ul style="list-style-type: none">• Design creative marketing material to attract customers. Develop clever marketing and promotional opportunities.
• Advertise our products	<ul style="list-style-type: none">• Create mini commercials to be broadcast on morning announcements• Advertise on the main VE website• Reach out to other VE companies to help market our products while providing business for other companies
• Attain sale targets	<ul style="list-style-type: none">• Offer incentives to employees to grow sales throughout the country.
• Fiscal Responsibility	<ul style="list-style-type: none">• Conduct feasibility studies to determine where to spend marketing money wisely; monitor and control costs.

Organizational Chart



Harbor Sound Enterprises
"Raising the Bars"



*Company Consultants

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Planning

- The Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer set the company's goals.
- Our three consultants assist in company efficiency.



Directing

- The consultants provide support and guidance.
- The CEO is responsible for holding periodic faculty meetings and overseeing the entire company.
- The COO is responsible for regulating employees.



Controlling

- Consultants will each oversee a department
- CEO will oversee the whole company but report back to the consultants.
- COO is in charge of HR but reports to the CEO.
- CFO is in charge of Accounting but reports to the CEO.



Internal Origin	STRENGTHS <ul style="list-style-type: none">• B-Corp• Growing market• Large market• Enthusiastic employees• New concept	WEAKNESSES <ul style="list-style-type: none">• Small Business• No previous experience• Slow start for sales• Lots of competition• Intricate product development
External Origin	OPPORTUNITIES <ul style="list-style-type: none">• Internet as a marketing tool; website, twitter• Seasonal high demand of the product• Customer loyalty• Increased investment opportunities• Growing Market	THREATS <ul style="list-style-type: none">• Competition• More experienced companies• Rising material prices• Small Business• International Businesses

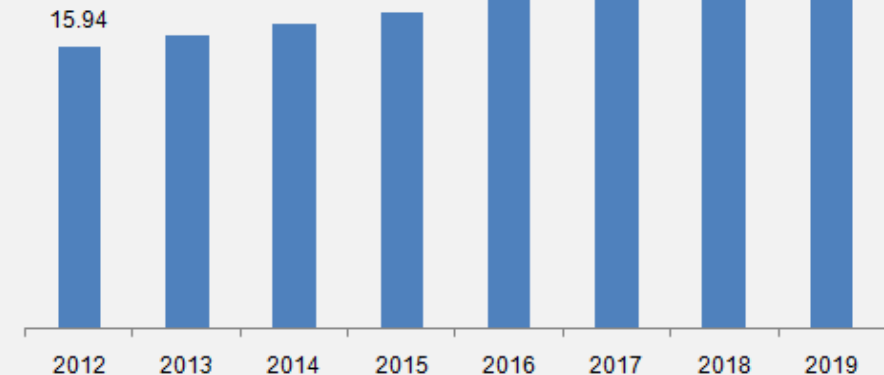
External Environment

Current Economic Conditions

- The global home audio equipment market shown in the graph below, from 2012-2019. Steady increasing trend starting at 15.94 billion USD.



Global home audio equipment market, 2012 – 2019 (USD billion)



Source: Transparency Market Research, Trade Journals, White Papers, Primary Interviews



External Environment

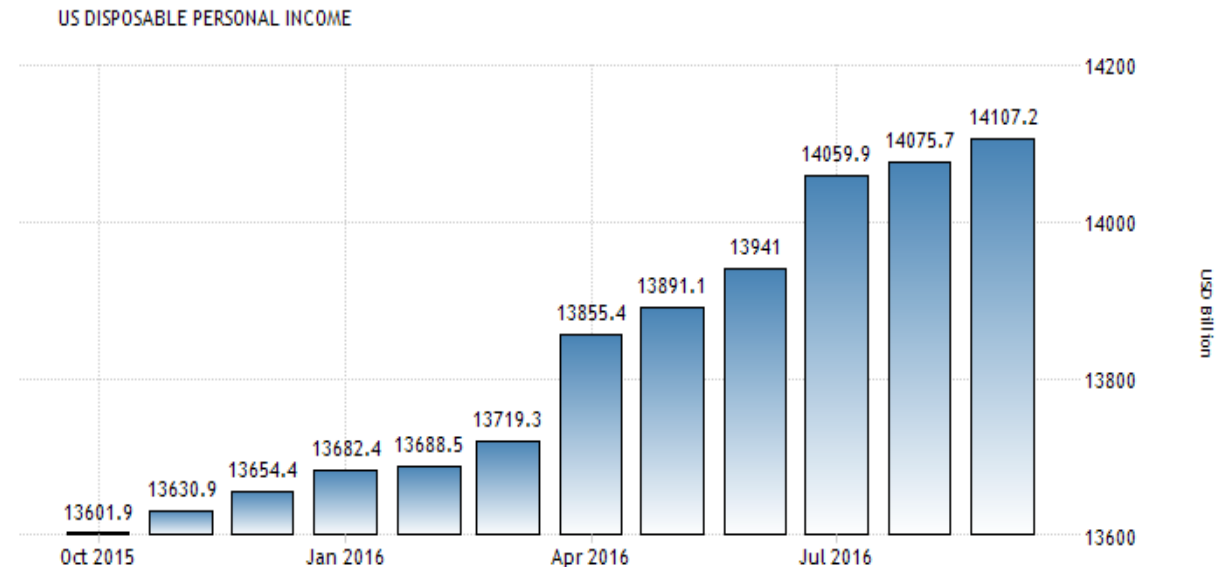


- The trend line for the GDP.
- Decreasing from 2014-2017 from 2.5% to 1.8%.
- Unfavorable for new business.
- Results from election may impact companies favorably.



External Environment

- Today's disposable income sits at over \$11,800 billion.
- \$10,860 billion in 2008.
- Consumers are more able and willing to spend their money.
- Favorable trend.



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF ECONOMIC ANALYSIS



Real Industry Analysis

- Global Bluetooth Speaker market is expected to grow at a CAGR of 38.73% during the forecast period 2014-2019.
- TechNavio Analyst Forecast
- In previous years such as 2015, speaker systems held the largest market size.
- According to ABI research, the speaker market is projected to be worth nearly \$61 million by 2018.



Key Regions

- APAC
- Europe
- US
- ROW

Key Vendors

- Bose
- Harman International Industries
- Philips
- Sennheiser Electronic
- Sony

Other Prominent Vendors

- | | |
|---|--|
| <ul style="list-style-type: none">• Apple• LG• Panasonic• Plantronics• Polk Audio | <ul style="list-style-type: none">• Samsung• Shure• Vizio• Voxx |
|---|--|

Market Driver

- Increased Convenience

Market Challenge

- Limited Range

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Virtual Industry Analysis:

- Very few competitors (TRUBLU tech.) in the Virtual Enterprise market.
- Minimal overlap of product.



Marketing Plan

Target Market and Market Segments (Our Industry):

- Superstores and private shops interested in new technology and the music industry
- Focused on selling our product to 15- 40 year olds.
- Competitively priced products available to any buyer.
- Main consumers are located primarily in densely populated urban areas along the east coast.

Marketing Mix: (Product, Pricing, Placement)



Our 5 products:

- 4 speakers
- 1 headphone



Party Box



Popo Magnet



Wireless Headphone



Boat Box



Jukebox 2.0

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Marketing Mix



Publicity scheme:

- Our Twitter(@HarborSound_NY)
- Our website(harborsoundny.weebly.com)
- Enter into contracts with local vendors to distribute our products locally as part of our non VE sales projection.
- Themed monthly sales will take place within our school environment to further increase non-VE sales.

Promotion



- Encourage sales through multiple promotional efforts.
- Some of our strategies will include:
 - Commercial Advertisements: produce monthly mini commercials to be run during our morning announcements to promote in house non-VE sales.
 - Seasonal Sale Opportunities: Holiday promotions
 - Free Months of Music streaming: Motivate our customers to purchase our products by a specific date by offering short term free music streaming such as Spotify, Pandora or XM radio that is built into our speakers
 - VE Partner promotional Events: Through partnerships with other VE companies such as local tailgate company, we can promote our products

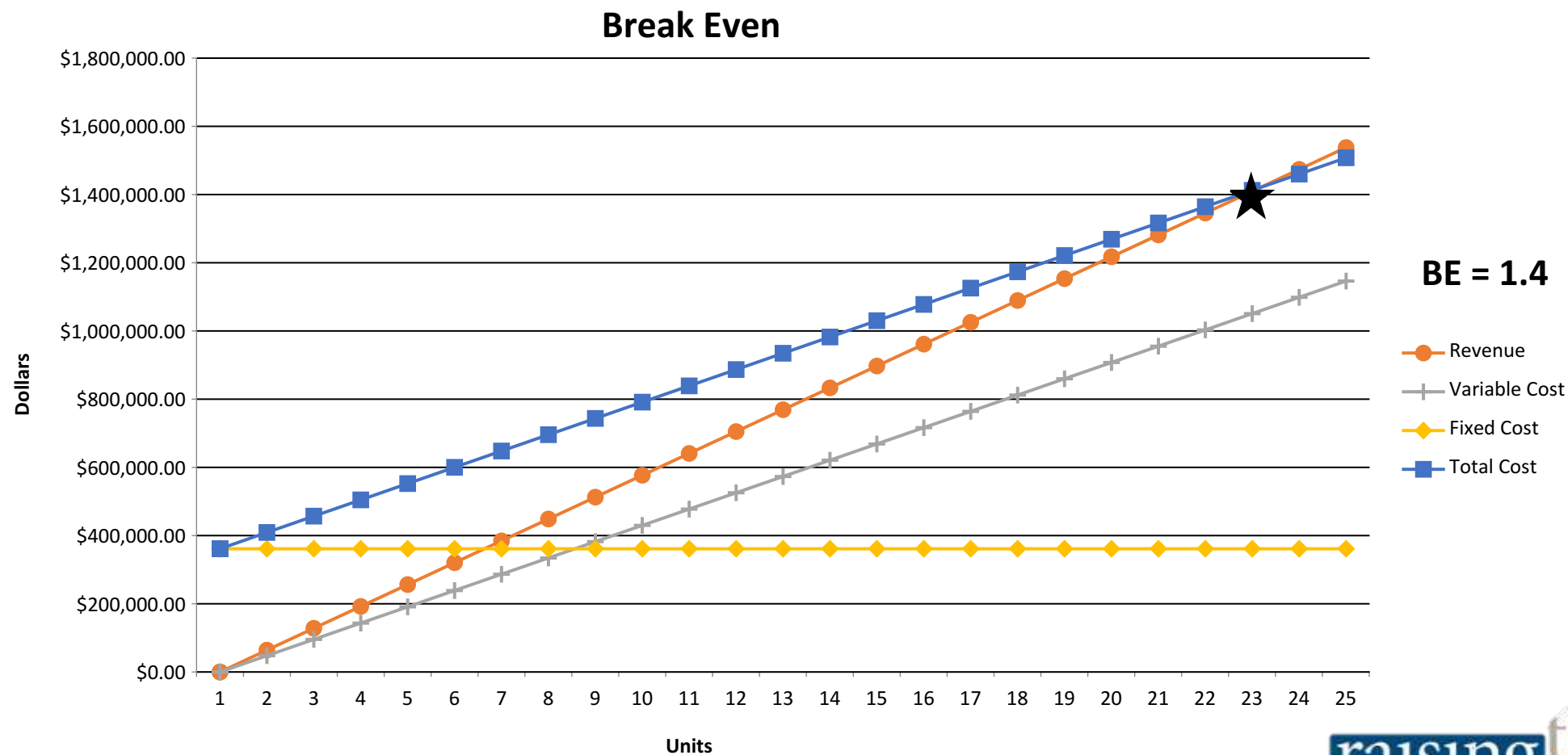


Business Risks

- Concern over raw materials used for production, possible recall.
- A recall could cause major profit losses and/or a loss of business.
- In case of a shift in certain product demands, we must actively monitor the number of sales of each specific product regularly.
- Chance of factory issues.



Break Even Analysis





Income Statement
For the Year Ending 04/30/2017

	Actual	Projected	Projected	Projected	Projected	Projected	Projected	
	October	November	December	January	February	March	April	TOTAL
Sales revenues								
Trade fair revenues	-	-	-	65,000	-	-	100,000	165,000
Other than trade fair revenues	-	-	6,500	13,000	19,500	26,000	26,000	91,000
Contractual sales to non-VE entities	-	-	3,000	5,000	8,000	8,000	8,000	32,000
Other non-VE revenues	-	61,607	92,330	90,759	87,759	87,759	87,759	507,973
Total sales revenues	-	61,607	101,830	173,759	115,259	121,759	221,759	795,973
Cost of goods sold or services provided	-	40,045	66,190	112,943	74,918	79,143	144,143	517,383
Gross profit	-	21,563	35,641	60,816	40,341	42,616	77,616	278,591
Operating expenses								
Salaries	43,125	44,488	44,688	44,688	44,688	44,688	44,688	311,050
Rent	1,500	1,500	1,500	1,500	1,500	1,500	1,500	10,500
Depreciation	184	184	184	184	184	184	184	1,286
Payroll tax	3,299	3,403	3,419	3,419	3,419	3,419	3,419	23,796
Advertising	300	300	300	300	300	300	300	2,100
Promotion	-	-	-	-	-	-	-	0
Insurance	150	150	150	150	150	150	150	1,050
Pension or 401(k)	1,294	1,335	1,341	1,341	1,341	1,341	1,341	9,332
Interest	-	-	-	-	-	-	-	0
Supplies	-	-	-	-	-	-	-	0
Utilities	200	200	200	200	200	200	200	1,400
Other	100	100	100	100	100	100	100	700
Total operating expenses	50,152	51,659	51,881	51,881	51,881	51,881	51,881	361,214
Net Income before Taxes	(50,152)	(30,097)	(16,240)	8,935	(11,540)	(9,265)	25,735	(82,623)
Corporate income tax	-	-	-	-	-	-	-	0
Net income after taxes	(50,152)	(30,097)	(16,240)	8,935	(11,540)	(9,265)	25,735	(82,623)

Cost of Goods Sold
Monthly

	October	November	December	January	February	March	April	TOTAL
Inventory, beginning of the month	-	-	(25,045)	(61,234)	(74,178)	(39,096)	(8,239)	
Add: Purchases	-	15,000	30,000	100,000	110,000	110,000	115,000	
= Cost of goods available	-	15,000	4,955	38,766	35,822	70,904	106,761	
Less: Inventory, end of month	-	(25,045)	(61,234)	(74,178)	(39,096)	(8,239)	(37,383)	
= Cost of goods sold	-	40,045	66,190	112,943	74,918	79,143	144,143	517,383



Balance Sheet

Assets	10/31/2016	4/30/2017
	<u>ACTUAL</u>	<u>FORECAST</u>
Current Assets		
Cash	\$ 4,339	\$ 131,508
Investments in stocks	0	
Accounts receivable	0	
Merchandise inventory	0	\$ (37,383)
Supplies	0	
Total Current Assets	\$ 4,339	\$ 94,125
Fixed Assets		
Computers	\$ 4,570	\$ 4,570
Less: accumulated depreciation	(114)	(800)
Furniture and fixtures	2,599	2,599
Less: accumulated depreciation	(65)	(455)
Office equipment	180	180
Less: accumulated depreciation	(5)	(32)
Total Fixed Assets	\$ 7,165	\$ 6,063
Total Assets	\$ 11,504	\$ 100,188
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 9,499	\$ 2,150
Sales tax payable	\$ -	\$ -
Salaries payable (VH)	\$ 26,171	\$ 9,653
Payroll tax payable	\$ 3,299	\$ 3,419
401(k) payable	\$ 2,588	\$ 2,681
Other payable	\$ 100	\$ 100
Corporate tax payable	\$ -	\$ -
Total Current Liabilities	\$ 41,656	\$ 18,002
Long Term Liabilities		
Loan payable	\$ -	\$ 138,746
Total Liabilities	\$ 41,656	\$ 156,748
Stockholders' Equity		
Paid-in capital		
Common stock, \$10 par value, 2,000 shares issued	\$ 20,000	\$ 20,000
Additional paid-in-capital	0	
In excess of par value		
Retained earnings	(50,152)	(82,623)
Total Stockholders' Equity	\$ (30,152)	\$ (62,623)
Total Liabilities and Stockholders' Equity	\$ 11,504	\$ 94,125



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