

bookado books



Annual Review

by Bookado Books



SURF LIFE SAVING
NEW ZEALAND



EXECUTIVE SUMMARY

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Our Mission is to **REDUCE DROWNING RATES!** By educating children and their parents on how to remain safe in the water. We will prevent potential drownings and save lives!

EDUCATION SAVES LIVES!

GOALS

Complete In progress Incomplete

- Have 'Kevin's Beach Adventure' available for pre-order by 22nd August ✓
- To launch sales of Kevin the Kākāpo at Starfish Swim School on 22nd August ✓
- To sell 125 copies of Kevin the Kākāpo by 21st September. ✗
- Donate over 5 copies to Surf Life Saving By 21st September ⌚
- Reach 250 followers on Instagram and Facebook by 1st November ⌚
- Have our product in over 10 pre-schools by 1st November ⌚
- To sell through a major book retailer by 1st November ⌚
- Present our product on 7-Sharp in December ⌚
- WIN a YES Award in December ⌚



ACHIEVEMENTS

- Placed **1st** in Canterbury and 1st In New Zealand for Challenge 1 Validation
- Formed a partnership with Surf Life Saving New Zealand and received a promotion on their Facebook of over **22,000** followers
- The Bookado Book Club has surpassed **70** members
- Over 85 units sold and **\$1,700** in revenue!

VALUES

Fun

Bookado Books is **passionate** about creating a **fun** and engaging product to ensure that children are excited and interested in learning about water safety.

Education

Bookado Books believes that education saves lives. That is why educating on water safety is crucial in **reducing** drowning rates and keeping children safe in and around the water.

Manaakitanga

Bookado Books is passionate about building a community around our product, which is why we have partnered with **Surf Life Saving New Zealand**. By partnering with them we are able to share our story with a wider community and also able to **support** their effort to save lives around the country.

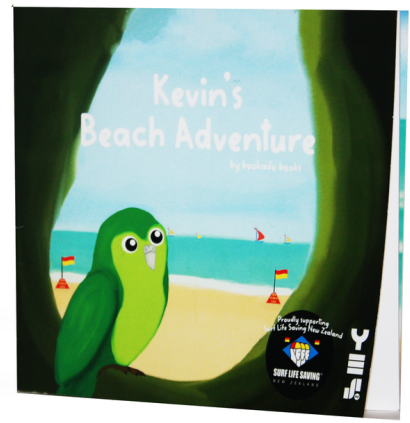




UVP

INNOVATION

Our product is **one of a kind**, there is nothing else like it! Our book, *Kevin's Beach Adventure*, is the **ONLY** children's book discussing water safety that is written in New Zealand and covers New Zealand themes/culture.



ONLY ONE OF ITS KIND!

Production - Our Product is unique, given we created the first ever NZ-produced water safety-themed children's book; and **the first-ever** children's book produced with AI integration. To form our book, a process which when completed conventionally could consume many months, we have done it in only two. This was due to taking advantage of the ever-modernising AI art scene. Open AI allowed us to use a prompt to create a basis to form our drawn pages, and using AI reduced our production time significantly. We took inspiration from the AI generated work and our talented team created the amazing product we have today.



Finance - Bookado Books raised **\$700** through seed funding and prize money. Following this we completed pre-sales in which we brought in over **\$1,060** for our first round of sales. Using this large initial sum of money, we were able to fund a greater initial order of copies, keeping the cost-per-copy significantly lower than what it would have been if we ordered on demand, meaning that we can be efficient financially when starting up as a business, as getting into the book market is a slow process.

Marketing - The Bookado Book Club is a fun and unique way for us to market our business. It is a marketing strategy tailored to fit our book business, and not only can we directly expose the product to our target market but, we can build a personal relationship with each member. We can gain valuable and personal feedback from members on what they want from our business. Having the support and receiving promotions through Surf Life Saving has been an amazing asset to our business, as we have extended our reach to the **22,000 followers** on the Surf Life Saving page.

SURF LIFE SAVING
NEW ZEALAND

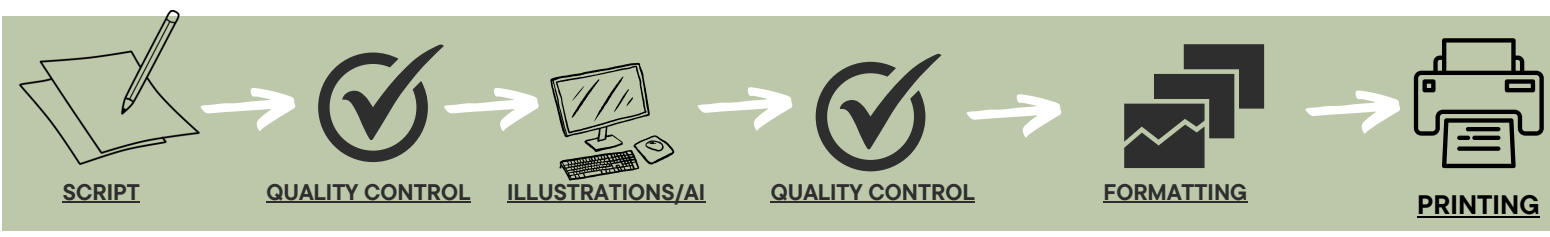


Sales - Targeting swim schools as a sales channel for Bookado Books meant we could hone in on our target market. Selling through Starfish Swim School has allowed us to directly market to the most accurate representation of our target market, therefore increasing our sales significantly.

Environmental Sustainability - We are working with local printers in order to minimise our impact on the environment and build a connection with our community. By printing local we can reduce Environmental impact of packaging and shipping if we wear to use a non-local printing company

We will be donating 1 copy of 'Kevins Beach Adventure' for every 25 sold to Surf Life Saving NZ!

PRODUCTION



Laura Wolf



Script

We knew we wanted to use a native New Zealand animal for maximum appeal to our target audience, and ultimately we decided on 'Kevin the Kākāpō' as the character name and 'Kevin's Beach Adventure' as the title both for their alliteration and kid-friendly nature. To write the script our author Jackson took inspiration from Dr. Suess to create a fun rhyme style that children will enjoy listening to and parents will enjoy reading. We worked with professional author 'Laura Wolf' to get our script to a top standard.

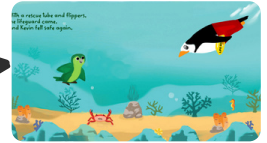
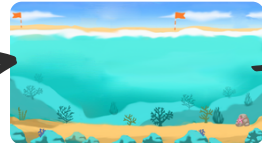


Illustrations/ AI

Illustrating a book through traditional mean can take months or even years to do. Open AI allowed us to cut this time down significantly, enabling us to have a product within the YES year. Using AI instead of conventional methods allowed us to focus entirely on execution, worrying little about the matters of conjuring up entire background compositions and character anatomy. It saved us massive amounts of time on the production of our book so that we could have a complete product to sell. Initially, we made an investment in Open AI, an Artificial Intelligence art generator, to help us visualise different styles and gauge what we liked. Taking inspiration from the AI-generated backgrounds, we composed completely new works in Photoshop. We chose to illustrate the pages digitally through Photoshop, as Jordi and Sophie have experience in the program and we wished to limit outsourcing. Slowly, through trialling varied styles and discussing changes, we arrived at an illustration design that we were happy with, and could be developed at a fast enough rate to reach our target timeline. Our artwork was reviewed by the art department at Cashmere High to ensure it was at a professional standard.



AI GENERATED CONCEPT



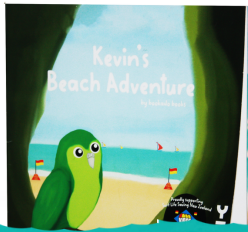
OUR ILLUSTRATIONS

Formatting

Using Google Slides, we took details from printing companies to format our book into the correct size with the correct bleed. We also decided on a gloss finish as it has a greater appeal to children, as well as a thicker page quality (150gsm) in order for it to be more suitable for children. We also included our ISBN number which we received from the National Book Library to make our book legitimate.

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Printing

We wanted to work alongside a local printer based in Christchurch, and so we decided to work with Caxton. Working with a local business meant we can trust them with a quick production and delivery time and also means we get to make a personal connection with the businesses we align ourselves with. Being a Christchurch business, we are able to have in-person consultations to ensure a quality product is being produced that meets our high standards.

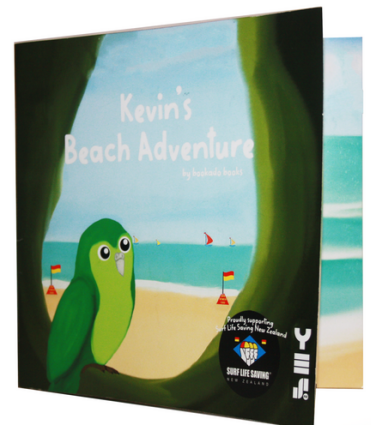
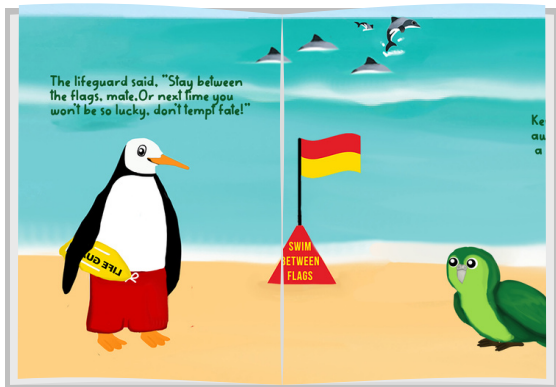


Quality Control

Quality control is a very important aspect for Bookado Books. Ensuring we have a high-quality and culturally appropriate product was a crucial part of our production process. Throughout script writing and illustrations phases we sent consistent updates to Surf Life Saving to ensure our product was sending the correct messages around watersafety. We had many consultations with english teachers to ensure grammatical accuracy was being met before publishing and finally, after much iteration, we received a free 'proof copy' from Caxton. This means we can double-check that the book is formatted correctly to best suit the needs of our customers

Health and Safety

For our internal production process, we have no health and safety policy as all of our work is completed digitally. There are, however, certain guidelines that all printing companies must follow when it comes to health and safety. This includes careful management of substances such as acetone, white spirit, ethyl acetate, toluene and many adhesives, as this is important to protect people and the environment. More information can be found regarding the Aotearoa printing health and safety policy at www.worksafe.govt.nz.



Reflection

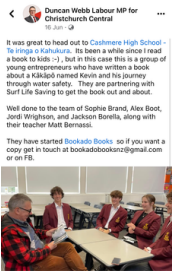
As none of the five members of our business had made a book before, this was a very new experience for us and we had to learn as we went. We found that we were continuously pushing our deadline day for a finished digital copy further and further back, as making a book proved to be a much more difficult and lengthy process than we expected. Through communicating with various printing companies we learnt throughout the year about ISBNs, how to correctly format our book, and what key factors are beneficial when writing a children's book. With the experience we have had this year creating and producing a book, we could not have found ourselves in a better position for the future; we have all the tools and skills required to make books efficiently and effectively as we look into the future to produce more books from various backgrounds.

MARKETING

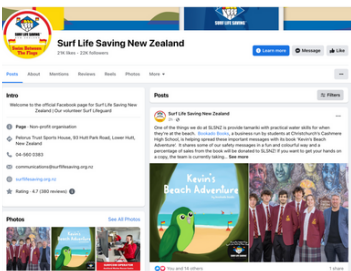
Promotional Strategies



CROSS PROMOTION



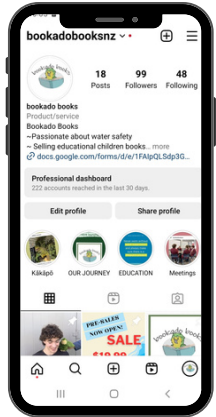
Dr Duncan Webb (NZ minister of commerce) came to Cashmere High School to have a meeting with us and we had the pleasure of receiving his insight regarding our business. He was also the first official reader of Kevin's Beach Adventure and kindly posted us on his social media with over 8,800 followers.



Our partnership with Surf Life Saving NZ led to them sharing a post with us on their Facebook page with over 22,000 followers. We have developed a close relationship with their media and communications manager, Alex O'Hara, who also works for Newshub as a presenter and has highlighted opportunities for us to showcase our journey on live television in November.



SOCIAL MEDIA

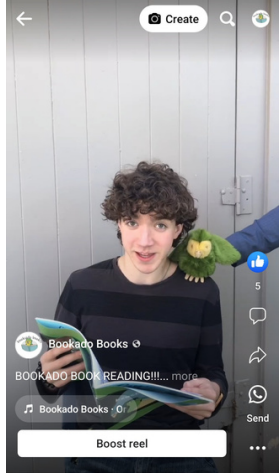
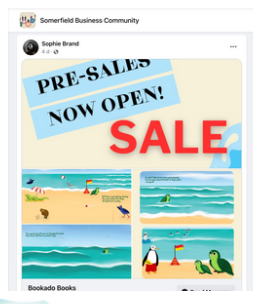
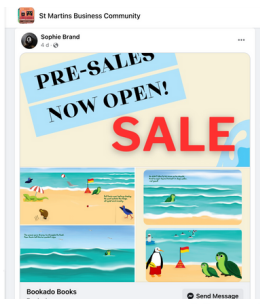
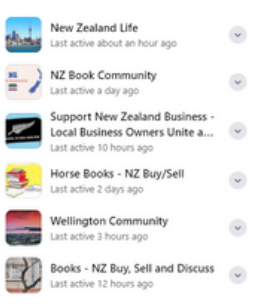


Bookado Book Club
The Bookado Book Club we created is a weekly newsletter run since the 16th of August where book lovers can find out information about our company, our products, our mission, and information about kākāpō's and NZ culture alike. The club currently has over 70 committed members who joined through markets, business cards, posters, and our social media.



To create an online presence for Bookado Books, we have pages on both Instagram and Facebook where we post about our product and our messaging. We upload weekly stories promoting water safety, the growth of the kākāpō population and more. We recently posted a book reading promotional video, which features Jordi, our creative director, reading our book accompanied by a hilarious kākāpō puppet of Kevin. This video has currently seen over 527 views on Facebook and has over 30 likes on Instagram. To attract more followers to our social media, we held a giveaway where people had the opportunity to win a copy of 'Kevin's Beach Adventure' if they like the post, tag 2 friends in the comments, and share the post on their story.

We have also posted on over 60 community Facebook pages from around the country to spread our story both throughout the local community and on a national scale.



MARKETING

Validation



To validate our product we used an online survey where we confirmed our target market, email and phone call interviews with a water safety specialist who taught us how to correctly address water safety, an email interview with an industry-leading bookshop owner who showed us how to create an effective book, a focus group of swim teachers to test the accuracy of our ideas, and book readings at libraries and preschools, where the children enjoyed listening and engaging with our story. Our strong effort resulted in Bookado Books receiving **1st place nationally** for YES Challenge #1 Validation.

Target Market

Our target market consists of parents most commonly aged between 25-35, with children aged 2-8. This is 3% of the New Zealand population which equates to 154,000 people. We found from our survey that our target market leaned towards people who are water-safety conscious. After our first round of sales, we discovered that our target market could be a broader age range, as children's books are commonly purchased as gifts or distributed to various libraries and preschools.



Selling Price

We set our standard selling price at \$24.99, on average \$5 cheaper than the competition. However, to boost our pre-sales for our first round, we held an introductory discount and sold the books at \$19.99. We used 'charm pricing' to make the cost more appealing to customers. From our validation survey, we found that the most common price customers felt was fair was \$20. For our second round of sales, selling price will be \$24.99

Reflection

We found our most effective promotion strategy to be our Book Club. We saw our greatest sales numbers following the sharing of information about pre-sales through it. These included significant bulk orders, which we believe were made due to our book club building a greater connection with the community; this was due to the more personalised and targeted marketing information sent to every member. We also saw significant growth from our cross-promotion, with Surf Life Saving NZ seeing our social media increase in 30 followers shortly following their post about us.

We have had a very successful marketing campaign at Bookado Books over the last couple of months.. Some key milestones were: exceeding 100 followers on Instagram and Facebook, exceeding 70 members of the Bookado Book Club, and partnering with Surf Life Saving. Looking ahead we are excited about growing our social media to over 250 followers, and the opportunity to appear on 7-Sharp in December.: exceeding 100 followers on Instagram and Facebook, exceeding 70 members of the Bookado Book Club, and partnering with Surf Life Saving. Looking ahead we are excited about growing our social media to over 250 followers, and the opportunity to appear on 7-Sharp in December.

SALES

Round 1 Sales



Bookado Books has currently sold 86 units as of the 21st of September. Due to delays in production, we are yet to receive our product. As a result of these delays, we opened presales. Through our various methods listed below, we have promoted and pitched our product to potential customers in order to make sales. We have currently achieved 86 out of 125 sales, however, we are seeing more and more interest in our product day by day, so we are expecting to reach 125 sales by the end of the month. These copies are the first round of sales, of which 125 copies are being sold at a discounted price of \$19.99 down from \$24.99; we have chosen to sell our first round of sales at a discounted price to draw our customers in, then when demand is high we will increase the cost back the original price.

Direct Sales

We have made direct sales to a number of preschools and other educational centres. KinderCare have purchased 5 units which will be dispersed among 5 separate learning center. We are negotiating deals with Surf Life Saving for our product to be used as an educational tool in the primary school learning outreach program and also to have copies at Surf clubs around the country. So far we have sold 4 copies to a surf club in the Auckland region and we are currently in the process of contacting schools throughout the country to sell our books directly to them. We have, however, found our attempts at contacting schools unsuccessful.



Bookado Book Club

Our book club of over 70 members has been running since the 16th of August. We have advertised our pre-sales through this where we have seen over 50 total books sold as a result. This has included an order of 40 books which will be distributed by the buyer to their various contacts in Canada, Australia, and Japan. We love being able to see our product dispersed globally.

Starfish Swim School

Promoting and selling through Starfish Swim School has been an excellent way to directly reach our target market. As many of the parents attending the swim school are water safety conscious, this is a perfect opportunity to sell and promote our product directly to our target market. From selling our product at Starfish Swim School we have sold 10 units within the first week of selling.



STAC Market



Round 2 Sales

Through selling our product nationwide through various book retailers, we have set our sales target at 500 copies by the end of the year. This means selling our second round of books of 375 copies, priced at \$24.99 each. This is an achievable milestone for us as we have a proven product with a clear objective, and we are a company with the attitude and drive to reach it! We have been in talks with Whitcoulls, Telling Tales, and Paper Plus, and are currently creating a plan for distributing our product nationwide. We will also be selling to various Surf Life Saving centres throughout the country, which will distribute the book to various pre-schools and primary schools through their 'Outreach Program'. We are excited to see the impact of our book on children nationwide, benefiting our tamariki's safety for years to come.



Reflection

Using a wide variety of sales channels has meant that we have been effective in generating pre-sales. Our Book Club proved to be a very effective method of selling, as it built a more personal connection with our customers. We also found that after posting the book reading video on our social media there was a strong increase in our sales compared to previously. This is most likely because customers are more inclined to purchase a book once they have had the opportunity to properly read or hear the book being read, which we had not provided previously. We look forward to expanding our sales channels into large retail companies to boost our sales.

FINANCE



Aim

Bookado Books aims to be financially sustainable by making a gross profit of \$2000, whilst maintaining a positive cash flow and closing account balance.

Our Plan

We have planned our sales for 2023 with two stages of selling. Due to our long production time, we expected that we would be making greater sales during the summer months as our book focuses on the beach and took many months to produce the artwork.

First Round:

Our first round of sales was budgeted at 200 copies, however, due to lower presale numbers than we anticipated, we decreased our initial order to 125 copies. We had been taking pre-sales since the 22nd of August, meaning that we had raised \$1,060 in revenue as our selling price was \$20 (discounted from \$25), plus \$700 in seed funding and prize money, which we could use to order the initial 125 copies on the 14th of September, which came in at \$530. For the period ending 21st September, we have made \$305.25 in revenue. We still have 72 copies left to sell of our first round, and we expect to sell these at \$25 each after our introductory offer of \$20 ends. This will gross us an additional \$1080 of profit as we have a 150% markup

Second Round:

Leading into the summer season, Bookado Books plans to order 375 copies (\$3,375 at \$9 per book) which we will sell both internally, and externally through various retailers, at the standard price of \$25 per copy. We will see a decrease in price-per-copy (\$10 to \$9) due to our bulk order increasing. These copies will be ordered with our new expected profit of \$1,370.25, and the rest will be generated through initial pre-sales. We expect these copies to sell out by the 31st of December, giving us \$9,375 in revenue and \$6,000 in gross profit for our second round of sales, therefore establishing ourselves as an economically sustainable business.

INCOME STATEMENT

Period ending 21st September 2023

	Budgeted	Actual	Variance	Variance (%)
Revenue				
Sales	\$4,000.00	\$1,060.00	\$2,940.00	26.50%
Less: Cost of Goods Sold	\$2,000.00	\$530.00	\$1,470.00	26.50%
Gross Profit	\$2,000.00	\$530.00	-\$1,470.00	26.50%
Seed Funding	\$350.00	\$350.00	\$0.00	
Prize Money	\$350.00	\$350.00	\$0.00	
Gross Profit plus other revenue	\$2,700.00	\$1,230.00	-\$1,470.00	45.56%
Less: Expenses				
Ai Subscription	\$28.00	\$28.00	\$0.00	0.00%
Business Cards	\$35.00	\$35.00	\$0.00	0.00%
Social Media Competition	\$10.00	\$10.00	\$0.00	0.00%
Book Donation to SLSNZ	\$50.00	\$50.00	\$0.00	0.00%
Total Expenses	\$123.00	\$123.00	\$0.00	0.00%
Net Profit before tax	\$1,877.00	\$407.00	-\$1,470.00	-78.32%
less: taxation (25% of net profit)	\$469.25	\$101.75	-\$367.50	-78.32%
Net profit after tax	\$1,407.75	\$305.25	-\$1,102.50	-78.32%

From the data shown it is clear that we haven't met our financial goals at this point in time. Our variance shows that we haven't met our budgeted net profit by -\$78.51%, however, we have a clear plan in place to combat this. We also have no variance on our fixed expenses, showing that we accurately planned these over the year. We can see that we haven't met our revenue target which has been influenced by our introductory sale of \$5 (\$25 down to \$20), but this has meant we have gotten our book out into the market effectively, meaning that our future sales in the year will strongly benefit.

Our net profit percentage is currently unsustainable long-term for a business, as this value needs to be at least over 50%, however, selling a book is a process that is completed over a long period of time, so we will see this value continue to increase. This will be due to factors such as our increased sale price of \$24.99 due to higher demand, as well as less fixed costs due to no AI requirement and any other author/illustration, as the book is complete.

	Budgeted	Actual
Gross Profit %	50.0%	50.0%
Net Profit %	11.8%	9.5%



CASHFLOW STATEMENT

Period 1st March to 21st September 2023

	Budgeted	Actual	Variance
<u>Cash Receipts</u>			
Book Sales	\$4,000.00	\$1,060.00	-\$2,940.00
Seed Funding	\$350.00	\$350.00	\$0.00
Prize Money	\$350.00	\$350.00	\$0.00
Total Receipts	\$4,700.00	\$1,760.00	-\$2,940.00
<u>Cash Payments</u>			
AI Subscription	\$28.00	\$28.00	\$0.00
Printing	\$2,000.00	\$1,250.00	\$750.00
Social Media Competition	\$10.00	\$10.00	\$0.00
Business Cards	\$35.00	\$35.00	\$0.00
Book Donation to SLSNZ	\$50.00	\$50.00	\$0.00
Total Payments	\$2,123.00	\$1,373.00	\$750.00
Surplus of Cash	\$2,123.00	\$387.00	-\$1,736.00
plus: Opening Bank Account	\$0.00	\$0.00	\$0.00
Closing Bank Account	\$2,123.00	\$387.00	-\$1,102.50

Our financial year has been one filled with ups and downs, however, a clear positive to take out of it was that we broke even at the sale of 34 books. We are pleased with our success in this financial year, as we made a profit, and are in a very good position to move into our second round of sales coming into the summer and Christmas season. We are confident that we will sell 100% of our first round of sales of 125 copies within the coming weeks, and we are optimistic about selling our further 375 copies by the end of the year, this will result in establishing ourselves as an economically sustainable business for the future.

Some achievements:

- \$700 in capital raised from seed funding and prize money.
- \$305.25 in current revenue, with positive cash flow following.
- \$50 worth of products donated to Surf Life Saving NZ
- supporting the organisation that makes this all possible by paying \$305.00 in YES tax.

ECONOMIC



Planned Economic Outcomes:

- Selling 125 copies of our book by 21st September
- Make a total net profit of \$101 by the 21st of September
- Sell 500 copies by 31st December
- Minimise our costs by buying copies in bulk

How We Achieved Them:

- We are very close to this goal as we will continue to sell our first round for the next couple of weeks, where we will expect to sell all of our stock. We are currently at 53 copies sold.
- We have currently made a gross profit of \$530, where we expect to reach \$2,000 by the end of the month, and further exceed that by the end of the year.
- Through our recent success, we are well on track to order our second round of books which will come in at an approximate cost of \$3,375 for 375 copies.
- Through completing pre-sales, we were able to order our first round of sales in bulk, meaning that we reduced our price per copy from our original on-demand quote of \$15 down to \$10.



CULTURAL



Planned Cultural Outcomes:

- Embrace and encourage Maori culture through the language themes and styles of our book.
- Use a native New Zealand bird for the main character.

How We Achieved Them:

- Our book has been reviewed by the Te Reo Māori teacher at school to ensure we have been culturally appropriate.
- We have integrated multiple Aotearoa native bird species into our book to acknowledge our culture.

SOCIAL



Planned Social Outcomes:

- Support and promote safe swimming by staying between the flags alongside Surf Life Saving NZ through the story of our book.
- Donate 1 copy of 'Kevin's Beach Adventure' to Surf Life Saving NZ for every 25 copies sold.
- Promote awareness of Native New Zealand Species (e.g. kākāpō, pūkeko).

How We Achieved Them:

- We successfully partnered with Surf Life Saving, enabling us to use their message in our book of 'staying between the flags', to best educate our tamariki on staying safe in the water.
- We have already donated 3 copies and expect to have donated 5 by the end of the month.
- We have posted on our social media regularly throughout the year, sharing articles and events involving New Zealand native species, particularly kākāpō.

ENVIRONMENTAL



Planned Environmental Outcomes:

- Have no packaging for our product.
- Work with a local printer to reduce carbon footprint.
- Whatever printing company we work with must have a clear value of being environmentally sustainable.

How We Achieved Them:

- Our product has no packaging meaning we are reducing our carbon footprint as a business.
- Caxton is a company run out of Christchurch.
- Caxton values being environmentally sustainable. 'We promote reuse and recycling, as well as the use of supplies that are recycled and recyclable and whose production and use minimise the consumption of natural resources'.

- To improve our economic sustainability we will continue to increase the magnitude of our bulk orders to continue decreasing our price per copy. We will continue to market our product as best we can to drive our sales right till the end of the year. We aim to get our books sold in retail stores to best achieve this!
- To improve our social sustainability, we will continue to donate more and more books as we sell more as giving back to the community is something that makes us excited. We want to partner with more and more non-profit organisations to make more books to further educate our tamariki as best we can.
- To improve our environmental sustainability, we want to work towards creating a book that is made from 100% recycled materials. We want our production process to have a reduced carbon footprint from the tree to the customers' letter box, which will ensure our product is being produced ethically and sustainably.
- To improve our cultural sustainability, we aim to further support Te Reo Māori and Māori culture by immersing ourselves in opportunities such as Māori language week, Matariki, and creating a version of our book that is written in Te Reo Māori.