

Business



Summary

About the Business

GoGather offers its customers a creative gathering experience designed to engage young adults more with their friends and family. Curated in a box, GoGather provides a mix of fun activities, games, and crafts that help young adults to spend quality time with one another and build deeper relationships. GoGather opened for operation in October of 2022 and is incorporated as an S-Corporation to capitalize on limited shareholder liability and significant tax advantage. The company is headquartered in Bakersfield, California, and uses a joint warehouse and office space as its facility. GoGather recognizes that its primary target market of Gen Zers want more ease and convenience in their purchases. A GoGather box provides a fun and enjoyable gathering experience that is conveniently shipped right to the customer's door through a subscription model. GoGather is here to help make getting together better!



Product Overview



Box of the Month



A Starry Night Box

\$59.99



The Box Office

\$59.99



Buddy Box

\$59.99

GoGather sells two lines of themed activity boxes for an eventful friend or family gathering of up to six people. The main line is a subscription that provides customers a fun activity box themed to each month. Subscriptions can be purchased in 3-month, 6-month, or 12-month increments. GoGather also offers a stand-alone box line, including themed boxes that are available year-round. The More Moments Collection include A Starry Night (paint night), The Box Office (movie night), and Buddy Box (icebreaker activities).

Company Organization

GoGather is organized in a circular company structure to aid in and promote cooperation and unity between departments and employees. GoGather has 22 employees in three main departments: Finance, Marketing, and Operations. With this inclusive and self-supporting organization, GoGather promotes cross-departmental work, collaboration and accessibility.



Mission Statement

GoGather's mission is to connect people and strengthen relationships by promoting in-person social interaction.



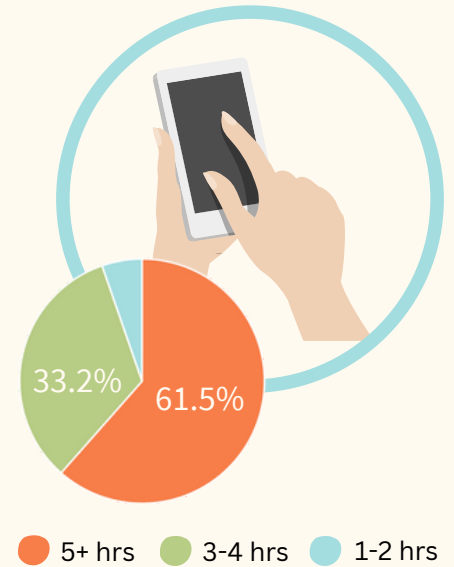
Business Rationale

Problem Statement

Even at a time when messages, ideas, and information can be shared within seconds with thousands of people across the globe, young adults are now lonelier than ever. According to a recent study, 61% of Americans reported feeling a sense of social disconnection, which increased to 73% after the COVID-19 pandemic.* GoGather's market research showed that 61.5% of teenagers spend more than five hours daily on their phones. This overuse of cell phones has become a barrier to effective communication and caused personal relationships to deteriorate in favor of screen time. The COVID-19 pandemic heightened the problem when social distancing efforts led to online education and remote gatherings. A study of 2,000 teenagers found that 65% of them do not feel confident when it comes to social interaction.** The convenience of technology platforms has provided young Americans the safety of interacting behind computer and phone screens, but it has resulted in a generation of Americans that lack necessary interpersonal and social skills.

* Center of Disease Control and Prevention ** OnePoll

Teenage Cell Phone Usage A Day



Company Goals



Short Term

January 2023

Goal: Sales contract with universities within the CSU system

Strategy: Contact universities to secure a sales contract for all dorm roommates to get GoGather boxes to drive a consistent stream of revenue for the company

Long Term

January 2025

Goal: Offer personalized variations of monthly boxes

Strategy: Grow the business and master logistics to support multiple versions of each box to cater to different interests.

Solution Statement

The growing problem of social isolation among youth can be tackled by promoting social activities with groups of young adults. By having meaningful social connections, individuals can nurture healthy relationships and elevate their overall well-being which forges more productive communities. With this refreshing approach to connecting youth, GoGather provides a way for groups of young adults to put away phones, get together, and socialize through fun-themed activity boxes. GoGather offers a subscription service that encourages young adults to plan regular get-togethers with friends. The company strives to organize innovative and original ways for customers to strengthen their relationships and cultivate a sense of connection with one another.

Competitive Analysis

GoGather differentiates itself from its real-world and VE marketplace competitors as the only firm to offer curated activity boxes targeting groups of young adults.



S

- Curated experiences
- Evolving product offerings

W

- Non-essential product
- Non-proprietary product

O

- Rising loneliness in target market
- Many possible B2B partnerships

T

- Overseas shipping delays
- Saturated subscription box market

Marketing Plan

Target Market

Primary: GoGather primarily targets young adults ages 13-25. This age range has been most affected by technology and tends to spend extensive time on their cell phones. These individuals lost socialization skills after the pandemic and enjoy spending time socializing with friends but don't know what activities to plan. GoGather presents a convenient, thought-free solution for young adults to regain their lost sociability and have fun with friends in person.

Secondary: GoGather also targets the parents of Gen-Zers, as they are equally affected by technology and feel the repercussions of their children's decline in social skills. GoGather provides an outlet for families to spend time together away from their phones.

GoGather CSR

GoGather believes in corporate social responsibility and making an active effort in bettering our world. GoGather donates \$1 per subscription box to the National Alliance of Mental Illness (NAMI). The firm recognizes the negative effects technology can have on teenagers' mental health and feels strongly about bringing awareness to it.

Ghostly Gathering Box

What comes in our monthly themed boxes can be demonstrated by the Ghostly Gathering Box of October. Inside came a Halloween-themed playlist, spooky truth-or-dare cards, a pumpkin spice cookie recipe, Halloween-themed cookie cutters, a ghost candle-making craft, and a murder mystery card game.



Business Risks	
Risks	Solution
Failing to balance wide range of target market interests	Conducting market research to adapt product line to match evolving trends
User error/damages	Acquire liability insurance to protect the company



Product: GoGather provides the convenience of a perfect night, all in one box. Customers can expect a themed game, craft, recipe, playlist, and conversation starters with enough supplies to kick off their night. The company encourages its customers to get involved with their community with a "GoGive" card, giving a themed philanthropic activity.



Price: GoGather's More Moments Collection are a one-time purchase priced at \$59.99. Subscriptions are discounted as the duration increases: 3-month at \$169.99, 6-month at \$329.99, and 12-month at \$639.99. Shipping is included, which entices the customers and justifies the price of the boxes. Boxes are designed for up to six people, making the price per person around \$10.



Place: GoGather has a presence on the online marketplace and generates sales from their E-commerce website, open houses, sales contracts, and at Virtual Enterprise trade shows. The joint warehouse and office space assists GoGather with improving packing and processing times, as well as quality assurance.

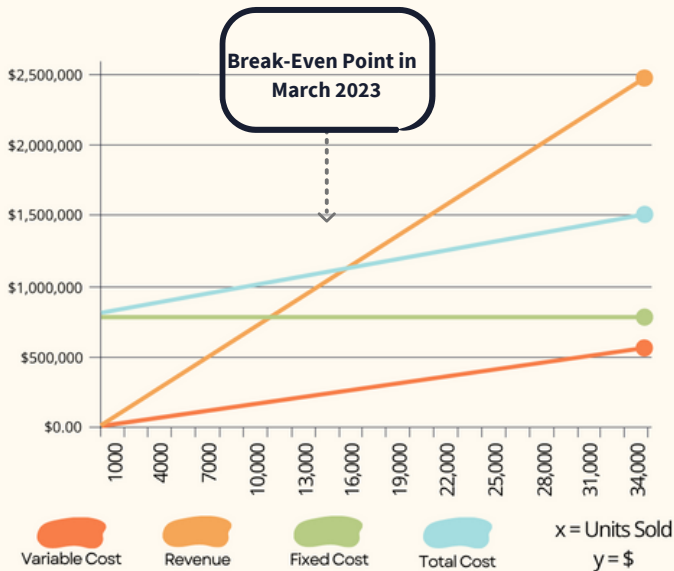


Promotion: For the primary target market of young adults, GoGather advertises on Instagram, TikTok, and Twitter, and uses Facebook for its secondary target market of parents of the primary target market. They are affiliated with influencers and customers to showcase their boxes on these platforms which builds brand awareness. The company researches the most effective keywords and organizes its website so it is easily navigable for Search Engine Optimization (SEO). GoGather also uses interactive competitions correlating to the box themes at in-person trade shows as a promotional strategy.



Positioning: GoGather positions itself as a convenient and affordable subscription box company curated for young adults. The company uses puzzle pieces throughout their graphics to establish a sense of togetherness. GoGather uses bright but slightly muted colors, creating a fun and inviting feeling throughout their branding.

Financial Highlights



Break- Even Analysis

GoGather's forecasted break-even analysis is based on a unit price averaged amongst individual box sales and various levels of subscriptions. The average unit price per box is \$56.58. GoGather's estimated cost of goods sold, including shipping, is \$16.28 per box, yielding an estimated gross profit margin of 71.7%. GoGather's fixed costs over the first fiscal year are forecasted at \$770,000. GoGather's total break-even point in sales dollars is forecasted at \$874,000. The number of units sold required to break even will be 15,451.

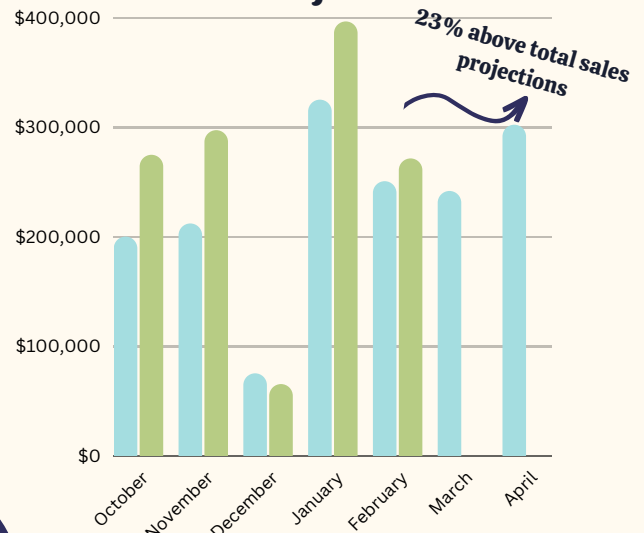
Profit and Loss Summary

GoGather's long-term financial outlook is promising for future operations. Our primary source of revenue comes from subscription services. As with traditional subscriptions, we are paid for the entire term upfront, providing us with a surplus of cash reserves. Per General Accepted Accounting Principles (GAAP), GoGather recognizes the revenue only on a monthly basis. This causes P&L to show significant losses in the early stages of our company, thereby compelling the firm to take a more methodical approach to purchase inventory, making capital improvements, and expanding our product line. We look to attract additional subscriptions and effectively create a consistent perpetual stream of revenue that allows GoGather to build its brand well into the future.

Sales Revenue	\$1,084,279.46
Cost of Goods Sold	\$249,919.54
Gross Profit	\$834,359.92
Operating Expenses	\$779,043.29
Net Income	\$55,316.63

For the fiscal year ending April 30, 2023

Sales Projections



Balance Sheet

GoGather	
Balance Sheet	
As of February 28, 2023	
Assets	
Current Assets	
Cash	\$1,121,232.57
Accounts receivable	\$0.00
Inventory	\$40,422.04
Prepaid Expenses	\$24,676.34
Total Current Assets	\$1,186,330.95
Fixed Assets	
Computers	\$5,499.78
Office Equipment	\$4,049.46
Less: accumulated depreciation	-\$690.35
Total Fixed Assets	\$8,858.89
Total Assets	\$1,195,189.84
Liabilities and Shareholders' Equity	
Current Liabilities	
Accounts Payable	\$118,534.37
Payroll Direct Deposit Liabilities	\$33,497.53
Federal Withholdings Payable	\$3,674.20
CA Withholdings Payable	\$1,845.27
Social Security Payable	\$5,526.26
Medicare Tax Payable	\$1,292.44
Sales tax payable	\$12,388.83
401(k) payable	\$4,280.67
Deferred Contract Revenue	\$225,367.21
Deferred Subscription Revenue	\$584,040.74
Total Current Liabilities	\$990,447.52
Long Term Liabilities	
Loan payable	\$141,803.20
Total Liabilities	\$1,132,250.72
Shareholders' Equity	
Seed Investment	\$20,000.00
Owner Investments	\$40,000.00
Retained Earnings	-\$210,956.18
Net Income	\$213,895.30
Total Shareholders' Equity	\$62,939.12
Total Liabilities and Shareholders' Equity	\$1,195,189.84

GoGather recognizes its subscription revenue on a monthly basis. A large portion of our cash position has come from the upfront payments of our longer-term subscriptions sold at our open house and trade shows. These upfront payments are initially considered a Current Liability and allocated from Deferred Revenue to Monthly Revenue as GoGather fulfills its obligation of delivering the products each month. To springboard GoGather into initial operation, the owners contributed \$10,000 each, along with the \$20,000 seed money from VE. We also obtained debt financing which accounted for the additional \$150,000 fixed-rate loan. That afforded us a predictable payment in an unpredictable inflationary environment. GoGather is an optimal position to be a financially secure firm.