



# Ferris Stockholder Report

Report as of 10/20/2024

Reporting performance from  
2024-2027

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# Business Structure



Miles Mitchel – Chief Production Officer



Matthew Husti – Chief HR Officer



Joseph Mandara – Chief Marketing Officer



Dylan Kilonzo – Chief Research Officer



Samuel Cohen – Chief Finance Officer

# Overview

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- Descriptions of Team Roles, Organizational and HR policies.
- Year over Year General Strategy.
- Highlights & Achievements for years 1-3.
- Finances of years 1-3.
- Possible Emergency Loans Taken.
- A look into the Industry's Performances.
- Analyzing Competitors.
- Strategies For the Upcoming Years.

# Team Roles. HR/Org Policies

<div>TEAM ROLES</div> <div>(List the different jobs to be done and who will do them; also appoint a team coordinator; members may have more than one role)</div> <div>NOTE: you may organize by function (R&amp;D, Marketing, Production, Finance) or by product segment (Traditional, Low, High, Performance, Size)</div>				HR POLICIES	
	ROLES	JOB DESCRIPTION	TEAM MEMBER ASSIGNED TO ROLE	How will you handle problems within the team? (i.e. if the team is not meeting objectives or finishing work on time)	
	Marketing	Review marketing data and adjust next period decisions accordingly	Joseph Mandara	How will you handle problems or poor performance by single members of the team? At what point might this be brought to the attention of the instructor? How will the single member be informed of the team's decision?	
	R&D	Review R&D data and adjust next period decisions accordingly	Dylan Kilonzo		
	Production	Review production data and adjust next period decisions accordingly	Miles Mitchell		
	Finance	Analyze Spending limits, control assets, and raise capital for the firm	Samuel Cohen		
	Human Resources	Review HR data and adjust next period decisions accordingly	Matthew Husti	TEAM ORGANIZATION	
				How are decisions made? (majority vote, by team coordinator)	Individually, pending unanimous approval
				When does team meet?	Tuesdays from 2:30-3:15 pm
				How does team communicate between meetings?	Teams
				What is your Team's code of conduct? (examples: listen respectfully, let all members speak, come on time and prepared to meetings, do individual work on time and to the best of abilities, communicate professionally, majority rules on major decisions)	We all make sure to listen to each other's ideas with an open mind. We have a weekly meeting in which we are all required to attend. If there are any questions about anything we ask each other and work through it.
				What other policies would you like your Team to follow?	Be respectful when suggesting decisions from other departments and deliberate respectfully.

# Year Over Year General Strategy

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Year 1- Look towards getting Strong Profits, Increase Shareholder Value and Start off with Strong Profitability Ratios.

Year 2- Continue what was set from the Previous Year and add towards Production.

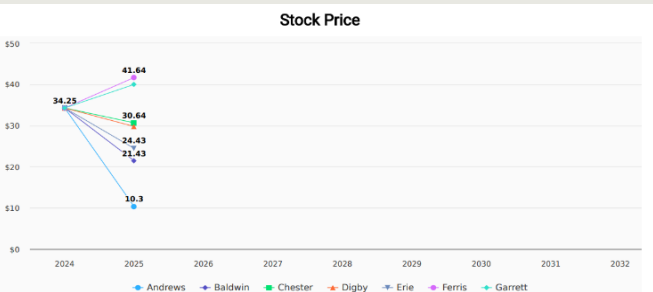
Year 3- Continue improving on what was set from the Previous Year, adding towards production and reaching Margin goals.



# Highlights and Achievements

Year 1:

Selected Financial Statistics							
	Andrews	Baldwin	Chester	Digby	Erie	Ferris	Garrett
ROS	-9.8%	-5.7%	0.2%	-0.8%	-3.2%	4.6%	-1.4%
Asset Turnover	0.75	0.89	1.24	1.19	1.03	1.21	1.04
ROA	-7.4%	-5.1%	0.2%	-1.0%	-3.3%	5.6%	-0.9%
Leverage	2.61	2.21	2.24	1.89	2.26	1.90	1.91
ROE	-19.3%	-11.3%	0.4%	-1.8%	-7.5%	10.7%	-2.8%
Sales	\$95,435	\$108,977	\$134,504	\$130,224	\$126,674	\$123,890	\$105,576
EBIT	(\$5,137)	(\$2,420)	\$6,879	\$4,019	\$1,289	\$14,438	\$13,123
Profit	(\$9,371)	(\$6,249)	\$209	(\$1,058)	(\$4,114)	\$5,744	\$4,906
Cumulative Profit	(\$5,185)	(\$2,063)	\$4,394	\$3,127	\$72	\$9,929	\$2,766
SG&A to Sales Ratio	25.74%	20.15%	13.74%	16.29%	21.49%	11.18%	8.54%
Contribution Margin	32.68%	30.61%	26.29%	28.81%	30.82%	28.96%	28.15%
Emergency Loan	\$11,017	\$0	\$0	\$0	\$0	\$0	\$1,574

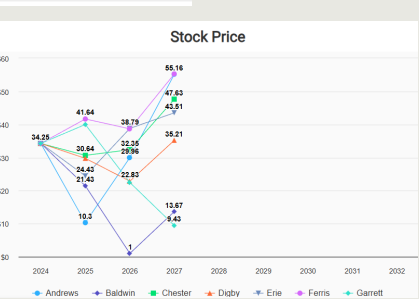


Year 2:

Selected Financial Statistics							
	Andrews	Baldwin	Chester	Digby	Erie	Ferris	Garrett
ROS	7.1%	-5.8%	2.5%	-0.8%	7.4%	2.3%	-3.5%
Asset Turnover	1.04	1.07	1.35	1.15	1.16	1.27	0.75
ROA	7.4%	-6.2%	3.4%	-0.9%	8.6%	2.9%	-2.6%
Leverage	2.36	2.33	2.20	1.84	1.91	1.91	2.10
ROE	17.4%	-14.4%	7.4%	-1.6%	16.5%	5.6%	-5.5%
Sales	\$148,027	\$120,107	\$161,523	\$133,697	\$157,980	\$131,889	\$78,253
EBIT	\$26,205	(\$2,763)	\$13,583	\$4,140	\$25,564	\$10,145	\$2,179
Profit	\$10,518	(\$6,944)	\$4,053	(\$1,016)	\$11,766	\$3,038	(\$2,759)
Cumulative Profit	\$5,332	(\$9,007)	\$8,447	\$2,112	\$11,837	\$6,332	\$5,431
SG&A to Sales Ratio	13.41%	21.87%	15.15%	19.16%	11.01%	11.40%	11.31%
Contribution Margin	39.58%	26.59%	30.10%	31.75%	33.96%	29.88%	23.79%
Emergency Loan	\$0	\$15,247	\$0	\$0	\$0	\$0	\$6,746

Year 3:

Selected Financial Statistics							
	Andrews	Baldwin	Chester	Digby	Erie	Ferris	Garrett
ROS	8.9%	1.0%	5.4%	4.7%	1.8%	8.3%	-1.6%
Asset Turnover	0.99	1.39	1.39	1.13	0.91	1.30	0.89
ROA	8.8%	1.4%	7.5%	5.3%	1.6%	10.8%	-1.4%
Leverage	1.93	2.00	1.91	1.89	2.16	1.60	2.25
ROE	17.0%	2.9%	14.2%	10.1%	3.5%	17.2%	-3.2%
Sales	\$156,366	\$137,876	\$168,822	\$154,165	\$180,294	\$149,971	\$97,888
EBIT	\$30,515	\$8,171	\$20,414	\$18,534	\$16,700	\$24,084	\$5,534
Profit	\$13,885	\$1,434	\$9,062	\$7,278	\$3,166	\$12,376	(\$1,538)
Cumulative Profit	\$19,218	(\$7,573)	\$17,510	\$9,390	\$15,004	\$25,342	\$4,794
SG&A to Sales Ratio	11.04%	14.98%	13.24%	16.49%	14.05%	9.43%	9.21%
Contribution Margin	39.35%	27.03%	32.46%	37.04%	32.86%	31.47%	31.83%
Emergency Loan	\$0	\$7,419	\$0	\$0	\$0	\$0	\$19,546



Bond Market Summary					
Company	Series	Face Value	Yield	Closing Price	S&P Rating
Andrews	12.552028	\$6,034,397	12.51%	\$99.91	B
	14.052030	\$20,850,000	13.55%	\$103.33	B
	11.352035	\$18,900,000	12.06%	\$93.68	B
	12.952036	\$16,300,000	12.7%	\$101.56	B
Baldwin	13.052037	\$6,200,000	12.72%	\$102.21	B
	12.552028	\$13,900,000	12.53%	\$99.73	B
	14.052030	\$20,850,000	13.61%	\$102.84	B
	12.552028	\$11,692,607	12.5%	\$100.00	B
Chester	14.052030	\$20,850,000	13.52%	\$103.57	B
	11.352035	\$10,000,000	12%	\$94.14	B
	12.352036	\$5,500,000	12.43%	\$98.95	B
	12.552028	\$13,900,000	12.49%	\$100.09	B
Digby	14.052030	\$20,850,000	13.49%	\$103.82	B
	11.352035	\$2,000,000	11.94%	\$94.61	B
	11.452036	\$1,100,000	12.03%	\$94.75	B
	12.552028	\$13,900,000	12.58%	\$99.38	CCC
Erie	14.052030	\$20,850,000	13.74%	\$101.88	CCC
	11.352035	\$14,800,000	12.45%	\$90.94	CCC
	12.052037	\$35,900,000	12.83%	\$93.54	CCC
	12.552028	\$13,900,000	12.38%	\$100.99	B
Ferris	14.052030	\$20,850,000	13.17%	\$106.31	CC
	12.552028	\$13,900,000	12.6%	\$99.21	CC
Garrett	12.552028	\$13,900,000	13.81%	\$101.41	CC
	14.052030	\$20,850,000			

# Finance

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## Year 1

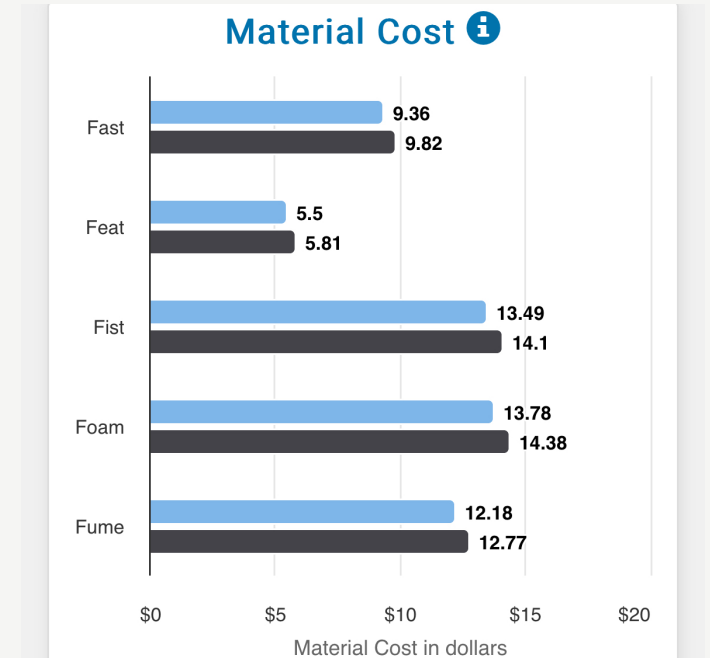
- Revenue: \$123,890
- Profit: \$5,744
- Earnings: \$53,682
- Contribution Margin: 29%
- Top Seller: Feat, \$38,661



# Finance cont.

Year 2

- Revenue: \$131,889
- Profit: \$3,038
- Earnings: \$35,780
- Contribution Margin: 29.9%
- Top Seller: Feat, \$43,666



# Finance cont.

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Year 3:

- Revenue: \$149,971
- Profit: \$12,376
- Earnings: \$48,156
- Contribution Margin: 31.5%
- Top Seller: Fast, \$55,449

## Liabilities and Owner's Equity



Accounts Payable

Long-Term Debt

Retained Earnings

Current Debt

Common Stock

**Cost  
Breakdown**

# Emergency Loans

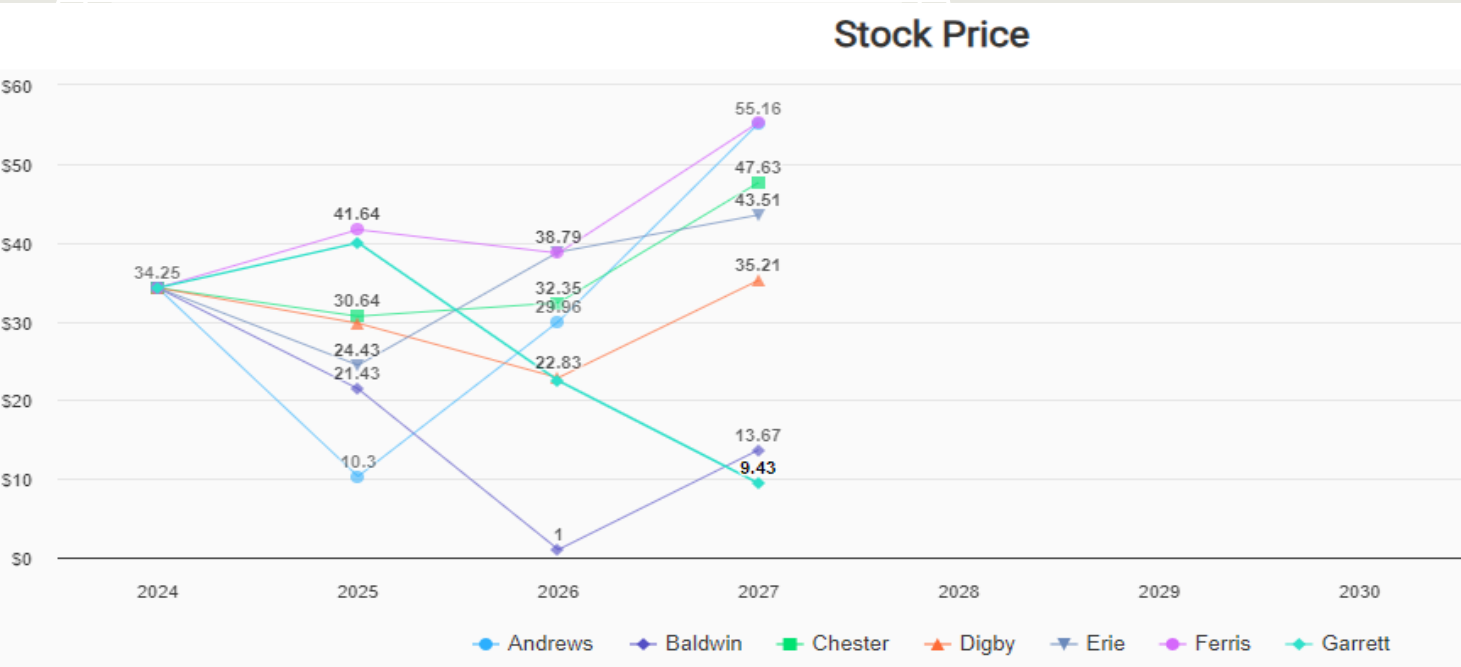
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To date we have not needed to take out an Emergency Loan.

# Industries

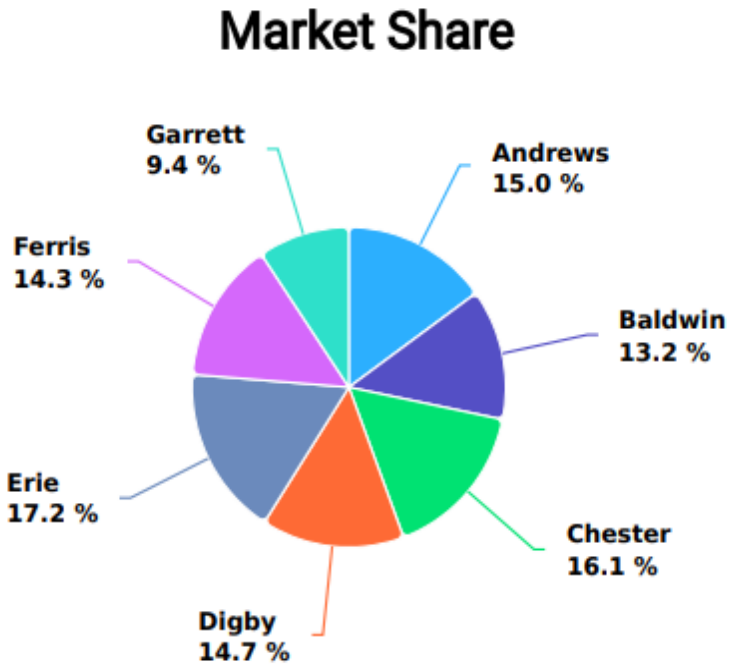
## Total Market Share Recap

- Round 0- 14.3% total MS
- Round 1- 15% total MS
- Round 2- 14.2% total MS
- Round 3- 14.3% total MS



## Our most successful year (Round 3)

- Ferris holds strong positions across multiple sections
- Fast consuming 17.5% Market Share of Traditional
- Feat consumes 14.3% in Low End Segment
- Foam and Foam take up 14.3% and 13.7% in Performance
- Our market share takes up significant amounts in particular areas but overall, we take up 14.3% of the overall market, with our stock value being the highest. (Purple Line)



# Competitor Analysis

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As things stand, the market leader in sales per product category is as follows:

- Traditional – Daze
- Low-end - Cedar
- High-End - Echo
- Performance - Edge
- Size - Dune

# Competitor Analysis cont.

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As things stand, the market leader in profit per product category is as follows:

- Traditional – Daze
- Low-end - Cedar
- High-End - Duck
- Performance - Edge
- Size - Dune



# Lessons Learned

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- Year 1: Focused on really marketing our products and investing in production – learned to invest more in productions since our products sold out.
- Year 2: Investing into human resources is critical, however, it is not everything, production/marketing needs to be kept at a constant.
- Year 3: Learned focusing capital can into a bigger share of the market, however, can also lead to us being shorthanded.

# Future of Ferris

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- As we have had no stock leftover at the end of each year, slight production increases will not get us where we want to be so a more drastic increase in production is necessary.
- We will invest more into the community in the coming years to begin opening relationships with our customer base.
- Creating a better work environment to retain more employees is the next step to a more cost-effective structure, increased training and reduced automation will facilitate that.

# Conclusion

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- The first 3 years of Ferris have been very successful, however, there is always room for improvement.
- We need to make sure to use our cash on hand correctly and avoid overinvesting.
- Finance is a huge part to our company but marketing our products will be key to the future.
- Having employees who want to work for our company will allow us to make the products needed to churn profits.

# References

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