



CHOPPED NZ

ANNUAL REVIEW 2016



Executive Summary.

We are **CHOPPED NZ**.

After just 7 months as a Young Enterprise start-up, we have built an extraordinary brand, CHOPPED NZ, a family friendly, intuitive and reliable company. Owned and operated by five Waiuku College YES students, CHOPPED NZ endeavours to recycle unused timber offcuts into premium chopping boards to promote healthier living to the younger generation. Crafting premium, durable and naturally treated wooden chopping and cheese boards, hence making the cooking experience a little special for everyone.

With a clear purpose, we began to manufacture a series of 20 free prototypes with the passionate team at South Pacific Timber Ltd. (SPT) an Auckland based company eager to support our idea. Our production team quickly established a reliable, efficient and cost-effective production process with customer satisfaction in mind every step along the way. Utilising unique Total Quality Management (TQM), we were able to market only the best in recycled timber chopping boards.

What started as an idea, has taken us on a rare journey through the vast world of business and connected us with some of the nation's leading professionals. Uncountable hours of hard work and dedication, combined with continuous refinement, allowed us to evolve into a highly profitable company with great demand and practically unlimited potential for growth on an international level - **CHOPPED NZ**.

Company Objectives

- To establish new relations into the timber industry where our product will be produced before manufacturing our initial prototypes
- To uphold a positive quadruple bottom line through sourcing only the best timber and providing the customer with a unique and durable premium product.
- To win the Lion Foundation Young Enterprise Scheme Company of the Year Award.
- To win the HSBC Award for Sales and Marketing.
- To win the Innovation Award
- To make the finals of Dragons Den, and take out first place.

Operations Statement

CHOPPED NZ's idea is to harvest the support of timber industry professionals at South Pacific Timber Ltd. to work around this problem by producing premium quality chopping boards with a multi-functional, newly designed cutting surface - all from offcut sized timber.

Finance Statement

As a financially sustainable business, CHOPPED NZ started out with no money but is now able to produce the product at a fixed production cost of \$20 per board (depending on size) through our supplier and manufacturing location at South Pacific Timber Ltd. The quality of the raw material (Rosewood and American Oak and Walnut) enables us to sell the finished product at between \$55 - \$80 (depending on timber and size).

Marketing Statement

Our marketing strategy provides CHOPPED NZ with a cutting edge advantage over our competitors, as we are entering the market being among the only companies in New Zealand to produce a "handcrafted by us", unique, recycled timber chopping board with a feel-good factor when people know that some of their money is going towards a good cause: CANTEEN.

Human Resources Statement

CHOPPED NZ's innovative team is established around a skilled and open-minded team of staff, all of which have previous experience in their respective fields, hence making for an effective and efficient team. CHOPPED NZ's positive organisational culture is key to ensuring our staff's momentum is kept alive, while regular company meetings allow the team to express their views on company matters and stakeholder involvement to grow the business's quadruple bottom line.

Innovation.

We faced a problem. How to make a chopping board innovative. Ask anyone, they'd probably say that they've seen every possible design of chopping board around, small, long, dark, plastic. How could we make ours stand out was the question facing us. However we weren't just producing and selling a chopping board, we were selling the feel good factor of supporting charity and the environment through the everyday product of a chopping board, a product which, is fundamental in every household.

Achievements:

All though our products didn't seem to have anything different to make them stand out from our competitors at first glance, when our story has been told it becomes quite clear.

Our Product and Brand USP:

- Handcrafted by us. This means that each board is unique and of high quality.
- Made from premium hardwoods, longer lasting and more durable than the boards of our competitors.
- Made from recycled offcuts. The lengths which would otherwise be thrown out to landfills due to being too small for the jobs which South Pacific Timbers Ltd (our supplier) is contracted to do.
- 15% of our profits are being donated to Canteen - in support of youth battling cancer. A cause which is very dear to all five of the CHOPPED NZ team as two of our peers have been diagnosed this year.

Marketing Strategy:

As part of designing a targeted marketing solution towards each customer, we focused the majority of our marketing via social media. This was the most cost effective option available for us. We were able to rely on facebook as our primary form of marketing due to the fact that the majority of our target market spends most of their time online.

When marketing through our online store we had the data concerning the production of each board. This was placed in the description of each board, who made it., what batch it was from and roughly how long was spent in the production of each board. This gave a personal aspect to each board and told the customer a story, including them in our journey.

Reflections:

Originally our plan was to create a multi-surface chopping board. We were going to do this by engraving a checker like pattern down one side of the board. This would act as a grip and hold produce in place while you cut them. It was focused towards slippery foods such as tomatoes.

At the launch of our product we had such style on display. It was found to have mixed feelings around such an idea. With more people unwilling to purchase such a board due to the belief that it was unhygienic.



Due to the hesitation of the market and the time taken to engrave each board it was decided that the grip wasn't the ideal solution so we removed that from our boards.

This did make it difficult at some stages to attract customers, had we had a creative aspect which solved a household problem we may have increased our sales.

We are working towards releasing a children's range which was an initial concept.

Engraving shallow designs on the face of the boards. This would allow us to target parents who value cooking and want to involve their children in the kitchen. Such designs would create a board which is their own rather than just using their parents one and would lead to them wanting to go and cook on it. designs we would be using include, motorcycles, planets and space, unicorns.

This is expected to branch off into educational designs which as healthy foods or cooking utensils and their names.

Sustainability.

Achievements:

Economic:

As a result of high standards and commitment to CHOPPED NZ, we have taken up numerous business opportunities and presented our brand to customers looking for the right solution to their everyday cooking problems. Many have decided it was time for a new, stylish, unique and perhaps most importantly durable hardwood timber chopping board. With the notion of "handcrafted by us", they were quick to purchase a product that didn't come off the back of a usual production line but was, crafted through pure passion and hard physical work.

Looking at the long term figures our market reach is growing by the day and allows for huge potential in an international context.

Due to no initial production costs for 20 chopping board prototypes we were able to attend the Product Launch with a series of finished boards that were sold at a combined profit of over \$775.00 - enough to finance our next batches, generating overall positive cash flow. At the conclusion of the YES year (after 8 months) we estimate circa \$6000.00 in gross profits.

Environmental:

The product itself stands out from all existing chopping boards on the market due to careful market research and the feedback from our target market. It is, unlike other products, a chopping board with sustainably sourced timber offcuts that would normally go into New Zealand's landfills where it would take years to naturally decompose. We have a solution! Recycled timber chopping boards from off cuts too small to be used for other projects by the businesses that produce stairs and flooring. That's where we found our niche, the reusing of offcuts presented itself as an opportunity to do our part in a sustainable production that benefits New Zealand as a country (with this concept).

Social:

Our most important rule of business is to make our customers aware of the brand through word-of-mouth. That's one reason why we decided it was better to attend market days than to offer our product online only. We quickly learnt that social interaction with the customers allowed for a more direct approach to providing a targeted marketing solution, as individual's needs could be established and solved with great communication of the benefits and simplicity of our product and the brand. With only a short time to build the CHOPPED NZ brand, we figured that a good social team was vital to the success of our company. Facebook providing a great medium to build our reputation as it could reach thousands of people at once.

During the span of the year two of the students in our year, one of which we were all very close to, have been diagnosed with cancer. Due to this we'd decided that to show support we would be donating a portion of our profits to Canteen, an organisation which has become very dear to one of the patients over the last couple of years.

We supply customers with a product that is usable and fun to work with. Who likes chopping their favourite spuds on a dull wooden board, when CHOPPED NZ has the clear alternative, a stylish and functional chopping board that will get even the little ones spending quality time with the adults and learning the essentials of life - how to prepare a healthy meal.

Goal: To uphold a positive quadruple bottom line through sourcing only the best timber and providing the customer with a unique and durable premium product.

Reflections:

Cultural:

We started with the cultural goal of incorporating Maori and other native designs into the chopping board but found, during the initial stages of production, that this was rather challenging. Additional grooves in the centre of the board would have made the entire product harder to clean and more sensitive to bacteria. Hence we decided on a cleaner, more simplistic and elegant approach of engraving the CHOPPED NZ logo into the bottom right hand corner of the chopping board.

It was important to realise a potentially unfavourable design concept like this during the early stages, pre-sale. Adapting to the target market's needs was always our number one priority.

Dishwashers:

We promote 'natural' chopping boards during sales opportunities, however a natural board means utilising a non-toxic glue. That results in the inability of promoting a 'fully dishwasher-safe' product, something about 10% - 20% of customers inquired about. While we don't recommend placing the board in the dishwasher, rather rinsing and washing under warm soapy water. We need to look into alternative natural component glue to use during the production stages in order to satisfy all customers and market the ultimate chopping board.



Future Sustainability Potential:

CHOPPED NZ is a brand with high-growth potential whereby sustainability and innovation focus is part of our Unique Selling Point. We endeavour to provide only the best in recycled timber chopping boards and so continue to grow a healthy database of happy customers. There is a lot of untreated timber in the country, filling up the precious land. If we can continue making a difference by utilising a few hundred more square metres of unused timber offcuts we achieving our vision of producing premium chopping boards to promote healthier living to the younger generation.

Marketing.

Achievements

Target Market: We focused our marketing and sales towards females aged mid twenties to elderly who value cooking and are in the income bracket of medium to high salaries. By doing this we were able to evaluate whether certain sales opportunities and business decisions were worthwhile depending on whether they would be targeting our market niche.

Methods of Distribution Achievements: We sold our boards through a range of avenues. Holding stalls at events, such as The Food Show and SteelnWheels along with our online store. (www.choppednz.weebly.com)

Selling through such events gave us access to our target market. With the food show having 30,088 visitors over the four days. 82% of these were females and 77% of the females were aged between 25 and 60 years of age. This backs up our decision that selling at the food show was a profitable move.

Price: Our original chopping board range was priced between \$55 to \$85 however when we realised our cheese board varieties we decided to lower their prices to \$25 to \$45 due to the smaller and irregular size. Through our primary market research of our competitors it was seen to be cheaper than our competitors boards of similar quality, such boards were found to range from \$80 to \$120 in retail stores such as Briscoes and Stevens.

Social Media: The marketing of our products was primarily done via social media, Facebook and Instagram, along with our website. This allowed us to reach thousands of our target market in both the local community and abroad for free.

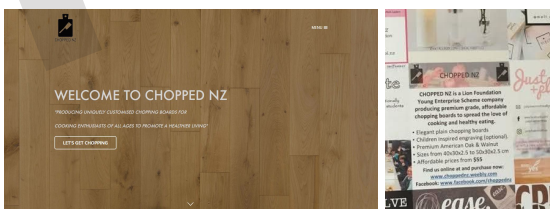
On Facebook we shared our posts to a selection of local groups, all of which have thousands of members.

- We have reached just under seven thousand individuals via our facebook videos and are currently working towards the launch of our cheese board range video which is estimated to reach between nineteen hundred people to twenty five hundred people.
- We have reached an excess of thirty eight thousand people via our facebook platform, averaging seven hundred and forty five per post.

Media Coverage: In the week leading up to our product launch we issued an article in the local newspaper advertising it, where we'd be and who we are. This reached the majority of the expected visitors for Steeln'Wheels. Doing this a week prior resulted in it still being relatively fresh in our target markets minds rather than publishing it a month before which they would soon forget about.

<http://www.thepost.nz/2016/06/28/chopped-to-the-top/>
<http://www.thepost.nz/2016/05/03/gifts-straight-off-the-chopping-block/>

We issued a second article after our Dragons Den win at the end of June. This kept the local community, who don't have facebook, up to date with our progress



Goal: To competitively enter the market and inform our target market WHO we are and WHY they should buy CHOPPED instead of our competitors.

A fellow Young Enterprise team, Four Foodies created a teaspoon magazine, they held a page for YES Advertising. We featured here. We issued a second article after our Dragons Den win at the end of June. This kept the local community, who don't have facebook, up to date with our progress. After our Dragons Den win, we had a mention in the National Newspaper, The New Zealand Herald. http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11668370

Product Launch: We launched our chopping board range at the local Steeln'Wheels festival on the 8th of May. In conjunction with this we held a Mother's Day special which resulted in us also targeting the younger audience. We were able to do this due to the tradition which the majority of people celebrate. At our launch location was key. Due to the event being 'high foot traffic' we placed our stall at the corner of Bowen and Queen Street, next to the town square. This acted as a funnel and anyone who wanted to move between each branch of the festival had to walk past our stall. Along with this, the town square was the main gathering point which meant that while everyone milled around we were able to make conversation and draw them into our stall.

Product Launch Achievements:

- Expanded into the local community
- Received Sales opportunities such as the Heartland House and local Information center.

Celebrity Endorsement (The Food Show): At the Food Show our boards were endorsed publicly by four chefs (Ray McVinne, Simon Gault, Annabelle White and Robert Oliver) onstage at the beginning of each live cooking demonstration. They were also cooked on by Kyle Street, Josh Emmett and Emma Galloway.

- Ray McVinne introduced our board when talking about the equipment and produce he was using in his cook however it was Simon Gault who was our breakthrough. He offered our Marketing Director Ellen Ballantine the chance to come onstage and present with him, introducing the business. This opportunity branched off to Ellen being asked to come back every hour and present at the start of each demonstration.

This resulted in getting exposure to the majority of visitors over the final two days. We were impacted by the influx of people coming to our stall. The fact that they already knew the basics of our story saved us the time spent telling and capturing them. By doing this we weaned out the people who weren't interested and were able to focus on finalising the sales with those who were.

<https://drive.google.com/file/d/0B6dmcpz7S1y3UEVIRUdfZUhpY28/view?usp=sharing>
https://www.dropbox.com/s/zsjezpxyaf5k0Cu/MVI_8000.MOV?dl=

Food Show Achievements:

- Sales opportunity offered for the Franklin Home and lifestyle Expo
- All members of the CHOPPED NZ team were able to learn and expand on our sales skills. Building confidence and solidly setting our pitch.
- Networked with individuals within the food and marketing industry.

Gifts straight off the chopping block

3 May 2016 | Business, Education



The Chopped NZ team: Tyler Schwell (Finance), Ellen Ballantine (Marketing), Olaf Wrieden (Managing Director), Ceinwen Casroll (Operations), Stephen Walker (Communications).

Waiuku College Business Studies students are back at it again, this time with their unique business, Chopped NZ. Under the Lions Young Enterprise Scheme, the year 13 students have decided that the days of the boring old chopping board is over, and that Chopped NZ is the answer to keeping up with the times. Their mission is to chop culture and fun into every meal in every kitchen by crafting unique multi-functional chopping boards which encourage kids and adults to spend quality time in the kitchen. They envision their company to craft uniquely customised chopping boards for cooking enthusiasts of all ages. Within the next week, the team will be pushing out chopping board after chopping board to make in time for Mothers Day and their product launch at Waiuku's Steel 'n'Wheels. The team will be situated down Bowen Street with a stall, promising many unique and limited designs, making the perfect last minute gifts for Mothers Day. For more information, visit www.choppednz.weebly.com